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CIN : L85110KA1924PLC001128

**SECRETARIAL DEPARTMENT**

19.08.2024

HO:SEC:133:2024-25

To:

The Manager  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G  
Bandra-Kurla Complex  
Bandra (E), Mumbai-400051  
**Scrip Code: KTKBANK**

The Manager  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001  
**Scrip Code: 532652**

Madam/Dear Sir,

**Sub: Notice of 100<sup>th</sup> Annual General Meeting (e-AGM) of members of the Bank and Annual Report for FY 2023-24**

**Ref: Our letter ref. HO:SEC:100:2024-25 dated 24.07.2024 regarding scheduling of Annual General Meeting of the Bank**

We refer to our letter dated July 24, 2024, intimating about the 'Hundredth Annual General Meeting' ("AGM") of the Members of the Karnataka Bank Limited ("Bank") scheduled to be held on Tuesday, September 10, 2024 at 11:30 AM (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulations 30 and 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our letter cited above, please find enclosed the Notice of 100<sup>th</sup> AGM of the Bank and Integrated Annual Report for the Financial Year 2023-24.

Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Bank shall remain closed from September 04, 2024 to September 10, 2024 (both days inclusive).

The Bank is providing electronic voting facility to its members to exercise their right to vote by electronic means on all the items of business as set out in the Notice, through e-voting platform of National Securities Depository Limited (NSDL), which will commence on Friday, September 06, 2024 at 09.00 AM and ends on Monday, September 09, 2024 at 05:00 PM. The e-Voting module will be disabled after 05.00 PM on Monday, September 09, 2024.

The members who have not cast their votes by remote e-voting can exercise their voting rights through the e-voting system during the AGM. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners

maintained by the Depositories as on cut-off date i.e., Tuesday, September 03, 2024 only shall be entitled to avail the facility of remote e-voting or e-voting at the meeting.

This Notice is also hosted on our website: <https://karnatakabank.com/investors/annual-reports> under `Investors > Annual Reports> FY 2023-24' and the email containing weblink to download the aforesaid Notice & Annual Report is being disseminated to the shareholders whose email ids were made available through the Depositories/R&TA as the case may be, based on the data as on August 09, 2024.

This is for your kind information and dissemination.

Yours faithfully,

**Sham K**  
**Company Secretary &**  
**Compliance Officer**



Karnataka Bank  
Your Family Bank. Across India.



*Years of Trust & Excellence*



Banking with a Legacy  
**Embracing the Future**

100<sup>th</sup>

Integrated Annual Report  
**2023-24**

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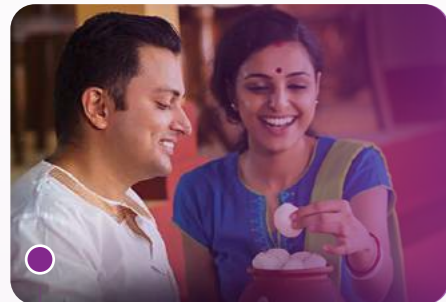
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A Portfolio to Support all Your Banking Needs

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Building on 100 Years of Trust and Excellence

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Our Navarathnas (Nine Gems)

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Scan above QR code to know more about us



Bharat Ka Karnataka Bank

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# 1924 - 2024

– The past 100 years have been a testament to our exciting growth narrative, chronicling an enduring journey of excellence, innovation and futuristic approach.



Taking the momentum forward, we are embracing the future with both hands, banking on our rich legacy to fortify the foundation of a stronger tomorrow.

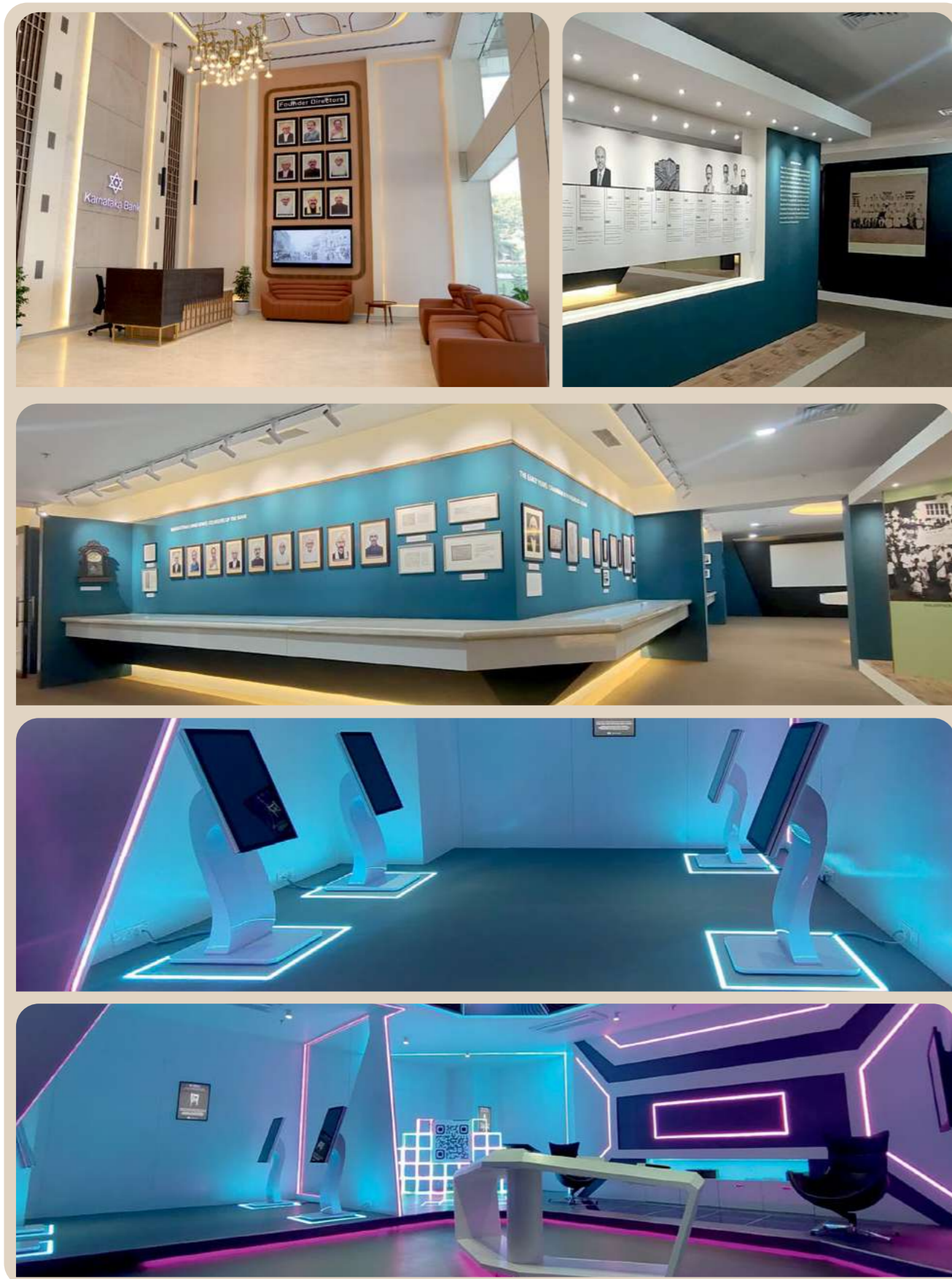
We started with a humble focus on empowering rural customers by leveraging our community network. While we remained focused on staying rooted to our traditional values, we were also keen to explore new opportunities in the banking domain. From offering agricultural loans and tailored financial solutions for small businesses to improving our product suite and diversifying our portfolio, we have welcomed change and embraced transformations to position us as a new-age Bank.

With a steady growth in our pan-India footprint, we have increased the number of branches, taken our services closer to our customers and focused on improving the share of Retail as well as secured loans including Home and Gold loans. Since 2000, we actively embarked on a transformational journey to build 'Bharat ka Karnataka Bank'. We launched the Bank's branded ATM network, 'Moneyplant', introduced netbanking facility 'MoneyClick', focused on the next leg of digital transformation and crossed the milestone of 10 million customers. Gradually, we exceeded net profits of ₹10,000 million in FY 2023 and successfully raised capital during FY 2024 from institutional investors to turn a new leaf in our growth story.

Backed by the scale of our operations, profitability, asset quality, operational excellence and strong market capitalisation, today, we are poised to carry forward a legacy of trust built over a century. **'Bharat ka Karnataka Bank'** is now charting an onward trajectory through a multi-channel approach, under the leadership of an independent board. We have experienced double digit growth in advances, diversified across sectors, established robust data analytics capabilities to capitalise on emerging opportunities and formulated digital strategies to propel book growth through co-lending with NBFCs, fintech partnerships and insurance tie-ups.



## Building on 100 Years of Trust and Excellence



## An Ode to a Century of Excellence



February 2024 was a significant one for the Bank, marking its Centenary Year with a series of commemorative events that honored our founders. The yearlong celebrations began on 18.02.2023 which included activities such as customer meets across the country, KBL Centenary Walkathon at Mangaluru, helping the needy throughout the year with Bank's CSR initiative under the CSR themes such as Women Empowerment through Education, promoting healthcare, ensuring environmental sustainability, protection to national heritage etc... . Our goal was to elevate the Karnataka Bank brand to a national level under the powerful tagline "Bharat Ka Karnataka Bank," supported by a robust marketing campaign.

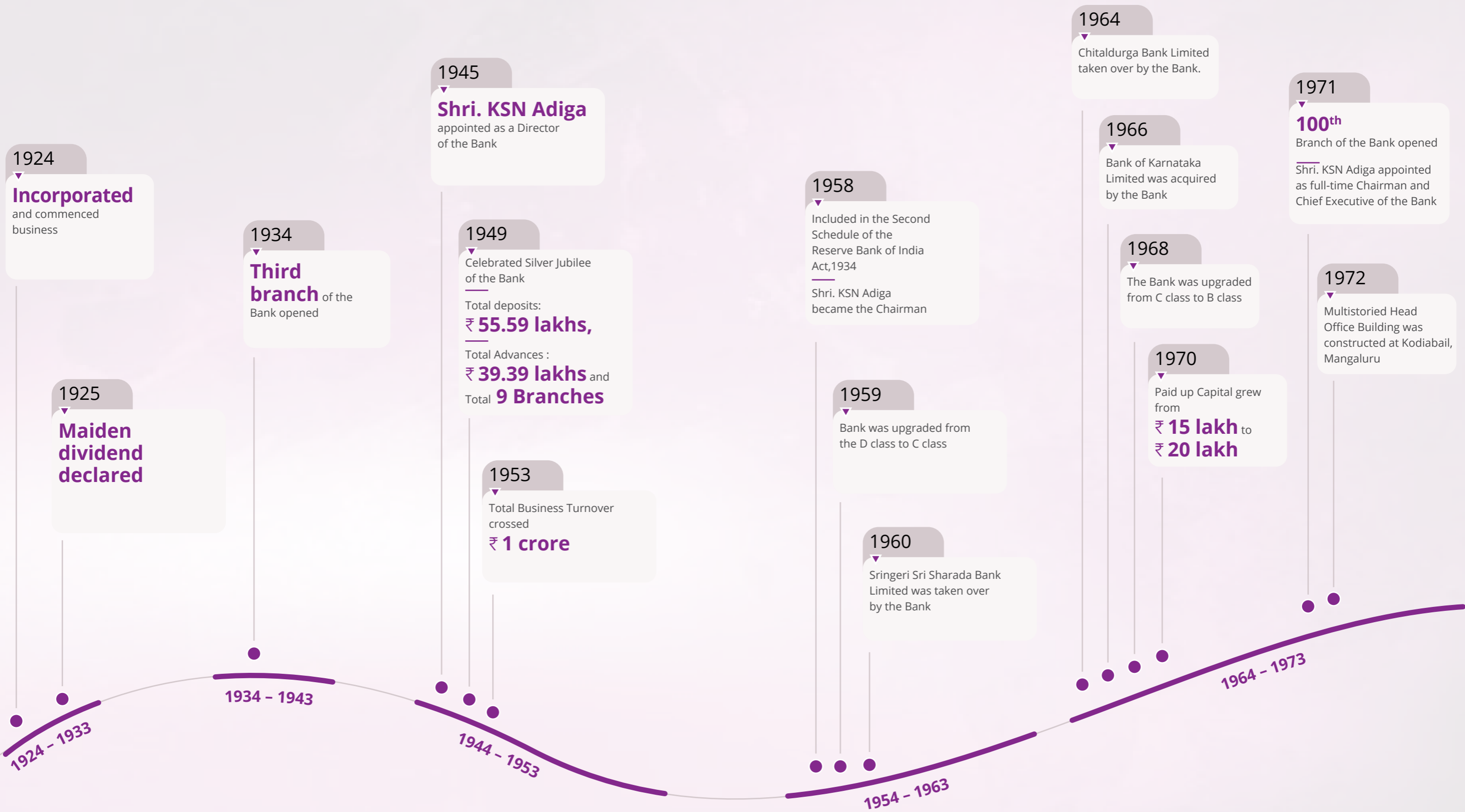
As part of the Centenary celebrations, we inaugurated the Karnataka Bank Centenary Building which houses among the other administrative offices, Karnataka Bank Centenary Museum & Archives and Digital Experience Centre, a vision realised by the Board of Directors to celebrate the Bank's 100-year journey. The foundation stone for this Centenary Building was laid on 15.10.2021.

The Karnataka Bank Centenary Museum & Archives and Digital Experience Centre were created to showcase the Bank's remarkable history, highlight the evolution of banking in coastal Karnataka, and illustrate the Bank's expansion across India.

Additionally, a commemorative coin of ₹100 denomination from India Government Mint, Hyderabad and Corporate My

stamp and Special Postal Cover was released on 18.02.2024 in Mangaluru followed by extravagant musical performance from Grammy Award winner Padma Shree Shri. Shankar Mahadevan & Shri. Vijay Prakash.

The centenary event, KBL-Got Talent, an exclusive event showcased by the employees received widespread acclaim from all.



1974

Celebrated Golden Jubilee Year of the Bank

Total Deposits: ₹ **33.14 crore**

Total Advances :  
₹ **22.09 crore**,

146 branches and 1,314 employees

1977

Adopted the emblem designed by Dr K Shivarama Karantha

**200<sup>th</sup>** Branch of the Bank was Incorporated

Bank entered into the foreign exchange business

Staff training college started at Mangalore

1984

Diamond Jubilee Year of the Bank

Total Deposits:  
₹ **200 crore**

House Magazine "**Abhyudaya**" launched

1990

Bank's Authorised Capital increased to

₹ **5 crore**

and paid-up Capital increased to

₹ **4.5 crore**

– highest among the private sector Banks

New deposit schemes – Suvarna Nidhi and Ready Money launched

Krishi Card introduced

Merchant Banking division started

Deposits of the Bank crossed  
₹ **500 crore**

1996

Public Issue of ₹ **45 lakh** equity shares in Oct 1995

Bank's Paid up Capital was raised from

₹ **4.5 crore** to  
₹ **13.46 crore**

2000

New Technology Platform 'Finacle' was unveiled in collaboration with Infosys Technologies Limited

1975

**150<sup>th</sup>**

Branch of the Bank Incorporated

1978

Bank's Turnover crossed

₹ **100 crore**

1986

Bank's Total Deposits crossed

₹ **300 crore**

1989

Bank's Deposits crossed

₹ **400 crore**

1993

Deposits of the Bank crossed

₹ **840 crore**

1997

**300<sup>th</sup>** Branch of the Bank Incorporated

Bank's Shares listed in Bengaluru Stock Exchange and National Stock Exchange of India Limited

2002

Bank's Turnover crossed  
₹ **10,000 crore** mark

Highest Dividend of **60%** was declared

International inward money transfer services were launched in partnership with Western Union Financial Services Inc., USA

1976

Bank's Authorised Capital increased to

₹ **1 crore**

First regional office of the Bank opened in Bengaluru

1979

Bank's Deposits crossed

₹ **100 crore** mark

1982

**250<sup>th</sup>** Branch of the Bank opened

1994

Deposits of the Bank crossed

₹ **1,000 crore** Mark

1999

Celebrated Platinum Jubilee Year of the Bank

1974 - 1983

1984 - 1993

1994 - 2003



2003

ATM services was introduced by installation of **12 self ATMs**  
 The Bank increased its capital from **₹ 13.5 crore** to **₹ 40.49 crore** by issue of **1.34 crore** shares  
 The Bank became Corporate agent for marketing life insurance policies of MetLife India Insurance Co.

2004

The Bank adopted the Mission Statement **"To be a technology savvy, customer centric progressive Bank with a national presence, driven by the highest standards of corporate governance and guided by sound ethical values"**  
 Head office shifted to Bank's own building near Mahaveera Circle Mangaluru

2005

Introduced multicity cheque payable at par at 200 Branches of 90 centres across India  
 Launched MoneyPlant Visa International Debit Card  
 Offered shares on rights basis in the ratio of 2:1

2006

Shares of the Bank listed on BSE Limited  
 Starts live operations under RTGS system of RBI  
 MoneyClick Internet Banking launched  
 Commenced DP Activity under the CDSL  
 Business Turnover crossed **₹ 21,000 crore**

2007

**100% CBS**  
 Deployment of Finacle Core Banking solution at all branches of the Bank completed,

2008

Introduced SMS alerts, online shopping, online payment facilities in merchant establishments, e-Hundi  
 Business turnover of the Bank crossed **₹ 25,000 crore**

2009

Implemented the three way data replication process aimed at zero data loss  
 Installed CIS Software at all branches for credit proposals  
 Cheque Truncation System started as pilot project

2010

Introduction of MoneyPlant International Debit Card, m-commerce, e-commerce  
 Introduction of deposit products: KBL Kishore, KBL Tarun, KBL Salary Privilege, SB Money Platinum, CA Money Platinum  
**200<sup>th</sup>** ATM opened  
**450<sup>th</sup>** Branch Incorporated

2011

Introduction of deposit products such as KBL Vanitha  
 Introduction of loan products such as KBL Mortgage, KBL Mahila Udyog, KBL Instant Agri Credit, KBL Agri Gold  
 Launched KBL Mpower biometric smart card at Babbur Grama in Hiriyur Taluk of Chitradurga District  
 Offered shares on Rights basis in the ratio of 2:5, at a price of **₹ 85**

2012

Business Turnover crossed **₹ 50,000 crore**  
 Launched **Point of Sale network facility**  
 Launched **KBL Gift Cards and Travel Card**  
 Launched **K family care insurance policy**

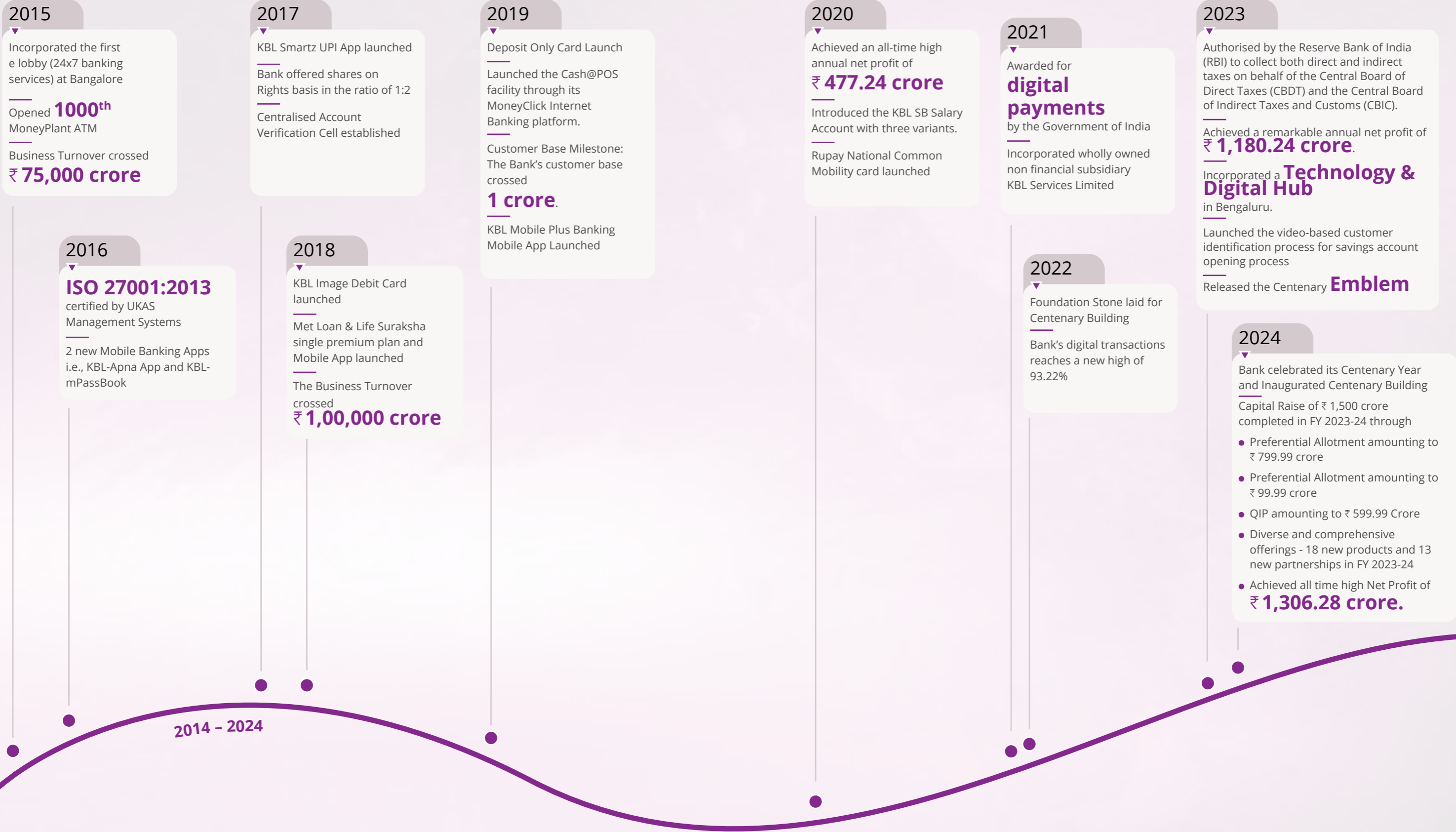
2013

Commenced to act as a Self Certified Syndicate Bank (SCSB) by providing the facility of Application Supported by Blocked Amount (ASBA).  
 Launched KBL Mobile, a mobile banking solution.  
 Launched a corporate caller tune as a part of a new initiative in the branding exercise of the Bank.  
 The Bank raised **₹ 250 crore** by issue of non-convertible subordinated debt instruments in the nature of debenture (lower tier 2 bonds) with a tenor of 10 years on private placement basis.

2014

Introduction of Basic Savings Bank Deposit Account and SB Small Account  
 Introduction of loan products such as MSE Support, Kisan Mitra, Krishik Godham

2004 - 2013



**Our Navarathnas (Nine Gems)**

# Custodians of our Most Cherished Values



**Shri. B R Vyasaraya Achar**  
Founder Chairman

B. R. Vyasaraya Achar, a renowned advocate in Mangaluru known for his integrity and fight against corruption, was elected as the first Chairman of Karnataka Bank on 22.02.1924. His leadership in socio-economic development led the Dravida Brahmana Parishath to choose him to head the newly established Bank.



**Shri. Nellikai Venkat Rao**

Born into a wealthy family, Nellikai Venkat Rao led a simple, disciplined life. A philanthropist and sportsman, he supported all communities and had a passion for Hindustani music. Elected President of Mangalore Town Municipality thrice, his leadership significantly contributed to Karnataka Bank's growth.



**Shri. Pejavara Narayanacharya**

Born in 1891 in Puttur Taluk, Pejavara Narayanacharya hailed from the distinguished 'Perlathattaya' family, known for producing several Pejavara Mutt pontiffs. As a close associate of Dr. U Rama Rao, the inspiration behind Karnataka Bank's formation, Narayanacharya played a crucial role, serving as a director from 1924 to 1926 and guiding the Bank's early development.



**Shri. Kalmadi Lakshminarayana Rao**

Lakshminarayana Rao, an advocate and President of the Mangalore Bar Association, was highly active in the Swarajya Movement. Driven by self-reliance, he co-founded Karnataka Bank and served as a director until 1937. He championed small savings and education to combat poverty. Rao also established the Dravida Brahmana Hostel in Mangaluru, donating 1.25 acres of his land for the cause.



**Shri. Pangala Subba Rao**

Subba Rao, the son of a hereditary village Patel and landlord, was educated in Mangaluru and graduated in Law from Madras. He practiced law in both Mangaluru and Madras, becoming President of the Mangalore Bar Council. As a contemporary of B. R. Vyasaraya Achar and Kakkunje Sadashiva Adiga, he co-founded Karnataka Bank and served as a director from 1924 to 1926. Later, Pangala Raghuram from his family became the Bank's Chairman and CEO.



**Shri. Udipi Venkat Rao**

Udipi Venkat Rao, an engineering graduate—a rarity in his time—served the British Government nationwide, eventually becoming an Executive Engineer in Madras until retirement. Married to Smt. Nagaveni from the renowned Kalmadi family, he was a founding director of Karnataka Bank from 1924 to 1935. He played a key role in opening the Bank's second branch in Chennai.



**Shri. Shesha Bhat Bhide**

Shesha Bhat Bhide, a Chithpavan Brahmin lawyer and freedom fighter from Dakshina Kannada, was a founding director of Karnataka Bank, serving from 1924 to 1925. Known for his dedication to justice, social welfare, and the freedom movement, he also supported families of jailed freedom fighters and promoted the Khadi movement.



**Shri. Narikombu Rama Rao**

Narikombu Rama Rao, a wealthy philanthropist and prominent Dravida Brahmana Parishath leader, co-founded Karnataka Bank and served as a director from 1924 to 1930. Known for his generosity and disciplined life, he opened his granary to villagers during a food shortage.



**Shri. Kakkunje Sadashiva Adiga**

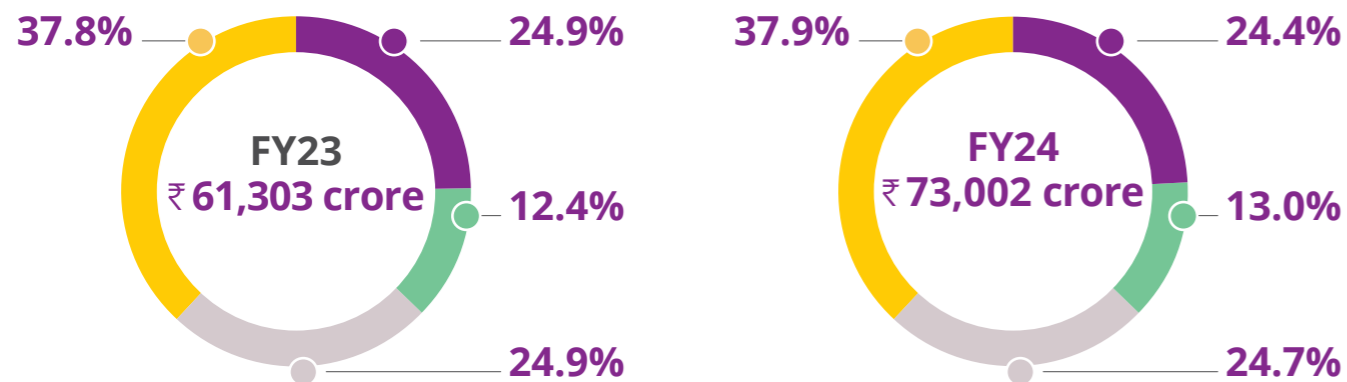
Sadashiva Adiga, a renowned advocate from Mangaluru, co-founded Karnataka Bank and served as a director from 1924 to 1945. Known for his discipline, punctuality, and generosity, Adiga was a prominent leader of the Justice Party and Dravida Brahmana Parishath. He contributed significantly to the Bank's establishment and growth, reflecting his nationalist ideals and commitment to Indian culture.

# Centenary Year at a Glance

Beginning of transformative steps leading to improved financial position...

## Deposits and Advances Growth

### Gross Advances



● Retail ● Agriculture ● MSME ● Others

### Deposits

FY24  
₹ 98,058 crore

Growth: 12.2%

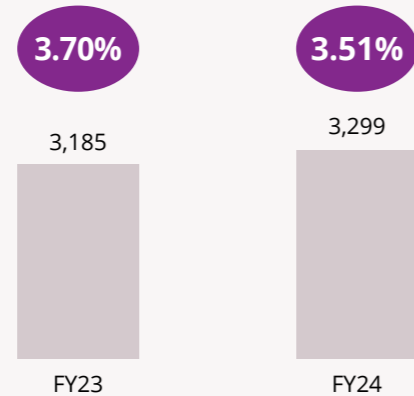
FY23  
₹ 87,368 crore

Robust growth in Advances and Deposits across Retail Agri and MSME

### NII and NIM

₹ crore

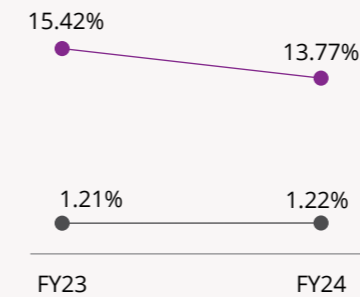
Within guidance



● NIM ● NII

NIM within guidance despite market volatility

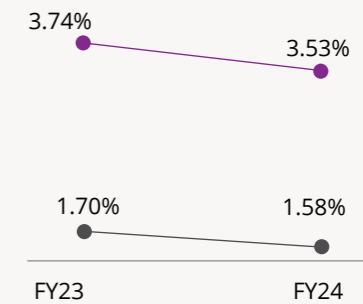
### Stakeholder Value



● ROE ● ROA

Sustained returns within guidance in enhanced capital base

### GNPA and NNPA



● GNPA ● NNPA

Decline in GNPA and NNPA along with the restructured portfolio

...Well-positioned to accelerate



**Capital Raise** of ₹ 1500 crore completed in FY24 to fund growth



Strengthening Key Management and **creation of sales centric organisation**



Diverse and comprehensive offerings - **18 new products and 13 new partnerships** in FY24



**Digital First Bank** for improved customer experience and market share, with focus on 'Banking the Unbanked'

### Bharat Ka Karnataka Bank

**100**

Year Legacy

**3 Lakh +**

Shareholders

**13 Mn +**

Customers

**921**

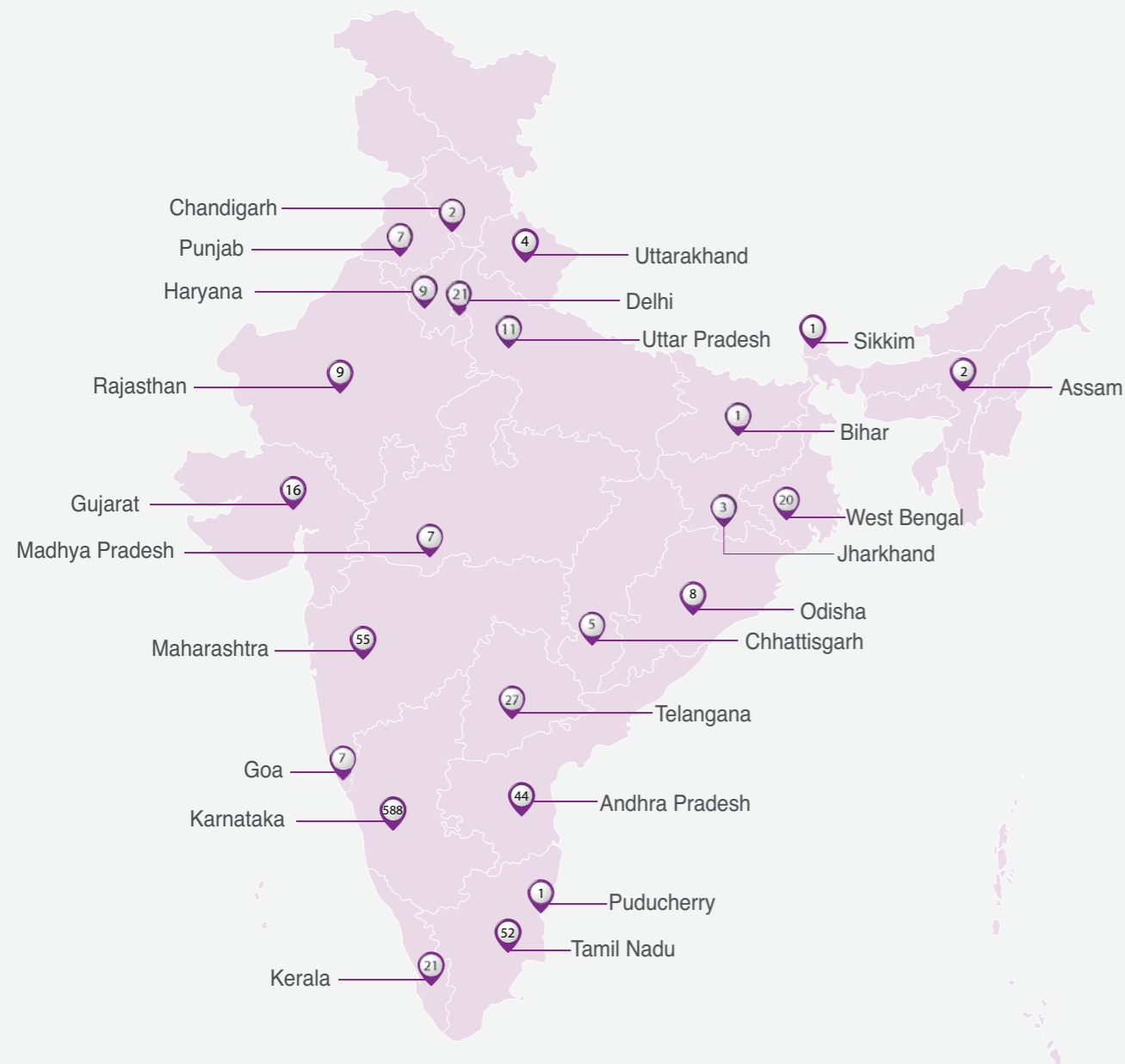
Branches

Presence in

**22**

States

# Broadening our Horizon with Every Passing Year



**921**

Branches

**638**

Recyclers

**857**

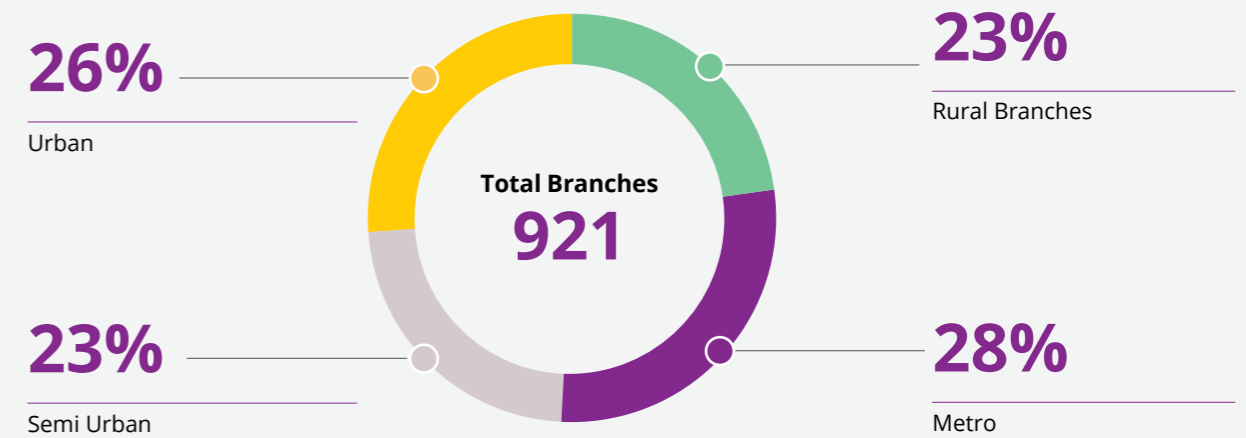
ATM

**593**

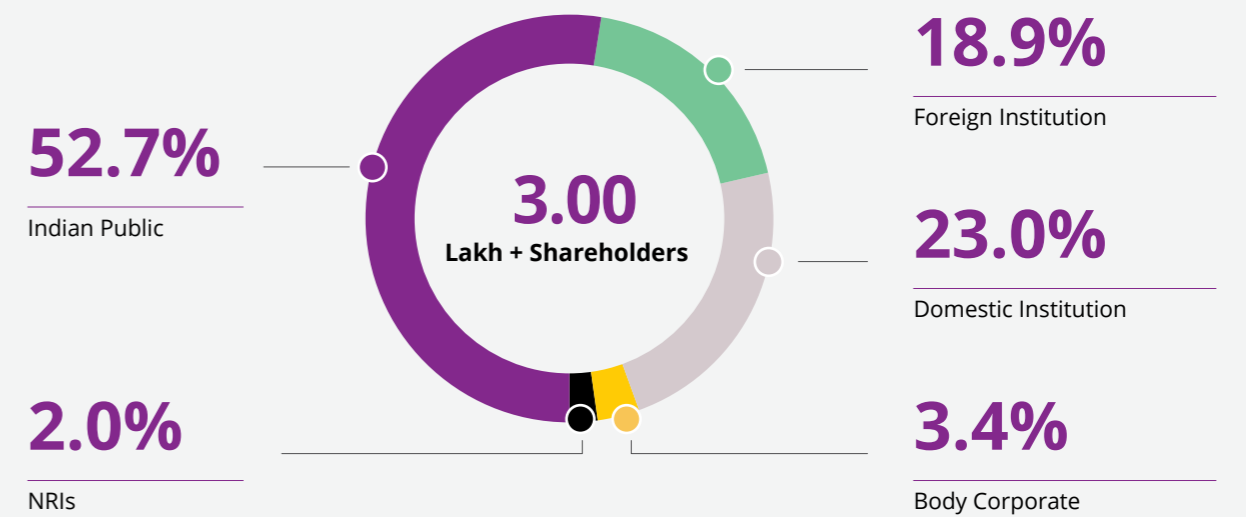
Centres

Map not to scale, for representation purposes only

## Presence Across all Tiers



## Our Shareholding Pattern



# Bharat Ka Karnataka Bank

At Karnataka Bank, we have launched a campaign titled 'Bharat Ka Karnataka Bank' to commemorate our centenary year. It celebrates our legacy of trust, excellence, resilience and commitment to serving the nation. Through this initiative, we highlight our evolution from a regional institution to a Bank with a pan-India presence, to identify Karnataka Bank as a national Bank.



## A Portfolio to Support all Your Banking Needs

Our customer-centric portfolio is designed to meet the unique needs of our clients. We provide a comprehensive product suite, leveraging cross-selling and up-selling opportunities to deliver maximum value.

With a strong pipeline of innovative products, we are committed to fostering continuous growth and enhancing the overall customer experience. We cater to four segments: Retail and Personal Banking, AgriBanking, Business and MSME and NRI Priority Banking. Our new products focus on 'RAM'—Retail, Agriculture and MSME.

### Retail and Personal Banking

Our services include savings and current accounts, fixed deposits, and personal loans for various purposes such as home renovation, education, and travel. We provide Home loans, Auto loans, and Gold loans with competitive interest rates and flexible repayment terms. Additionally, our suite of digital banking services, including mobile and Internet banking, ensures convenient and secure access to accounts and transactions. We focus on simple and smarter digital loans, immediate in-principle sanction and centralised processing facilities to ensure quick disbursements. During FY 2024, we launched multiple new products to enhance customer experience and reach out to a larger number of people.



### Government Banking

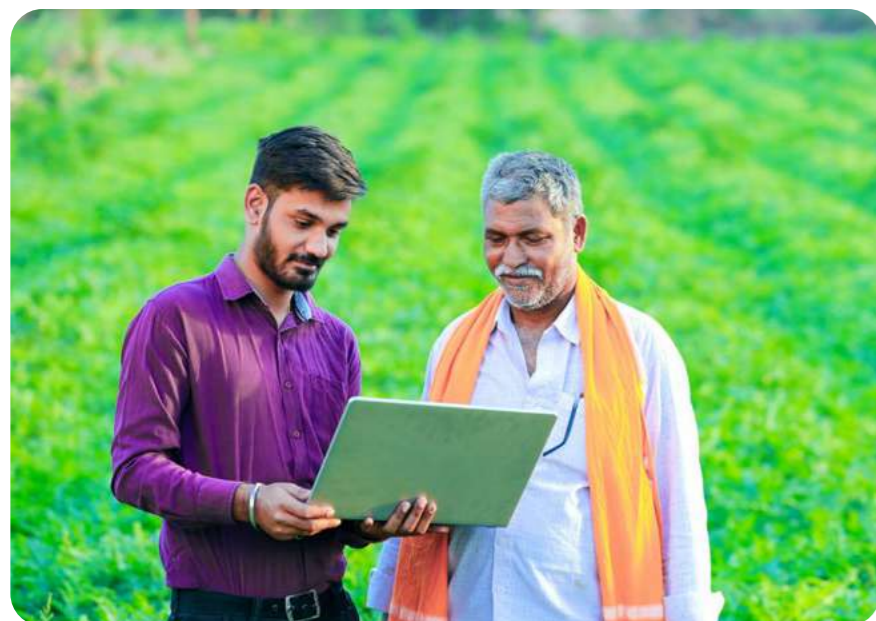
The platform streamlines the collection of Direct Taxes, Customs Duty and GST. Additionally, it offers Flexi Fixed Deposit facilities tailored to the needs of government agencies.

### Liability Products

The corporate salary account along with multiple perks and value-added benefits. Additionally, a senior citizen savings scheme is launched KBL-WISE with comprehensive package of benefits designed to address financial security, health and wellness.

### ADC Channels

The ASBA IPO can be accessed through mobile banking, which also supports the NCMC (Metro) RuPay premium debit card. Additionally, users can utilise BBPS and UPI Lite through mobile banking.



### Agriculture Banking

Our services include financing for crop production, dairy farming, poultry, horticulture and other allied agricultural activities. We provide specialised loans for the purchase of agricultural equipment and machinery as well as for the development of irrigation systems and rural infrastructure. Additionally, we offer Kisan Credit Cards which provide farmers with easy access to credit for fulfilling short-term needs. During the year, we launched the Gold Loan Bullet Repayment Scheme, which provides tailored short-term agricultural loans with repayment facilities at the end of the loan tenure.

### MSME

Our service offerings include working capital finance for traders and manufacturing industries, term loans and infrastructure finance, business development loans, corporate loans, professional and self-employed loans, and CV/CE loans. Additionally, we provide current accounts, forex services and point-of-sale services. Key facilities include GST-based loans, loans for women entrepreneurs, quick digital underwriting and loans for machinery and equipment. In FY24, we introduced several new products, including:

#### KBL Commercial Vehicle / Equipment

We provide loans to finance both new and used commercial vehicles, including hybrid vehicles. Our offerings are designed to empower MSMEs, helping them with easy access to financing solutions for acquiring new or old equipment.



### KBL Current Account Purple Privilege

It simplifies banking for MSMEs. It provides a wide spectrum of privileges for customers, tailored to the unique needs of entrepreneurs. From waiving the processing charges for MSME loans to free integration of their payment portal and waiving of rental charges for POS terminals, it comes with special advantages for supporting businesses.

### NRI Priority Banking

We offer exclusive NRI Priority Banking services customised to the needs of Non-Resident Indians. Our services include a range of personalised banking solutions such as NRE/NRO accounts, foreign currency deposits and convenient remittance facilities. We also provide dedicated relationship managers to ensure seamless banking experiences, investment advisory services and access to premium banking products. With a focus on security and efficiency, our NRI Priority Banking services are designed to offer comprehensive support for managing finances across borders.

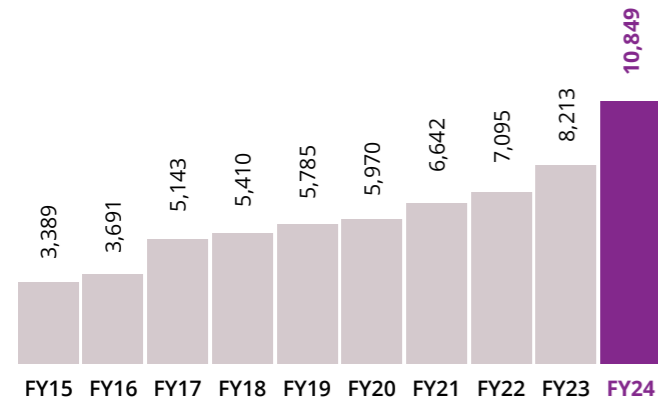




# 10 Years' Highlights

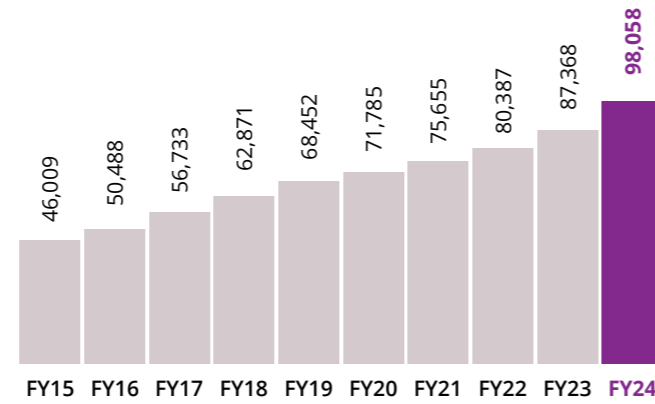
## Capital and Reserves

₹ crore



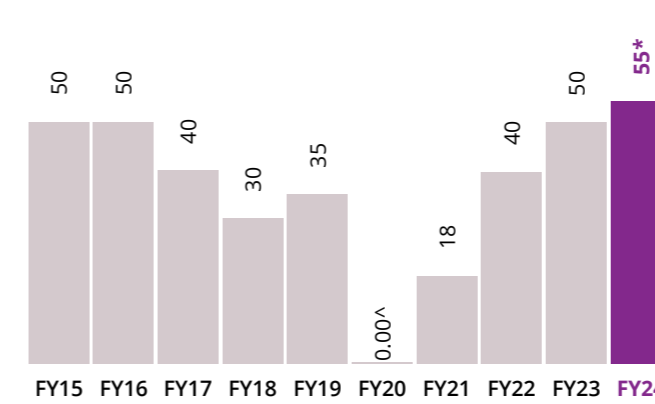
## Deposits

₹ crore

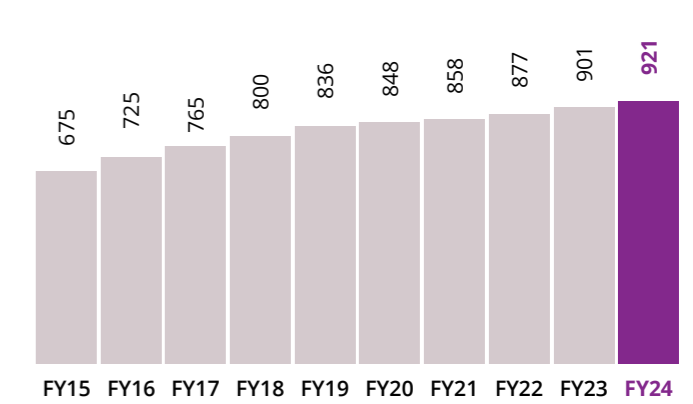


## Dividend

(in %)

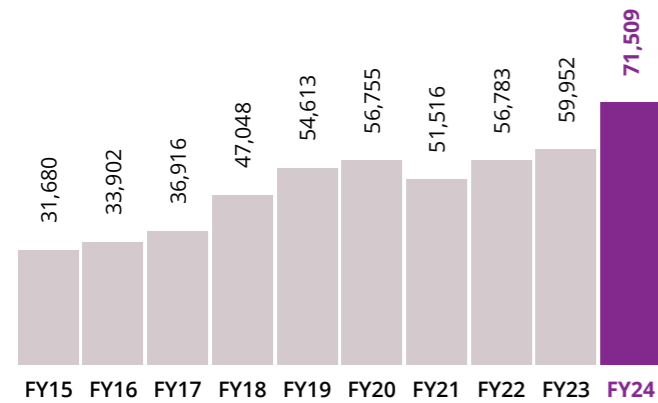


## Number of Branches



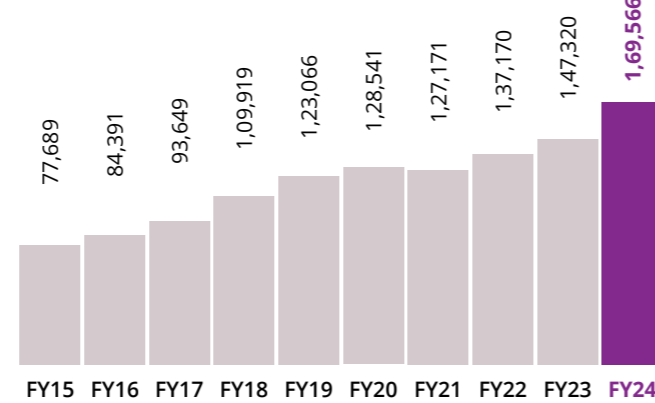
## Net Advance

₹ crore

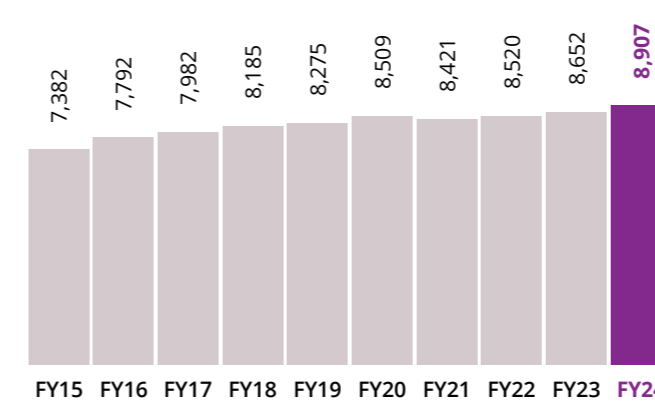


## Business Turnover (Net)

₹ crore

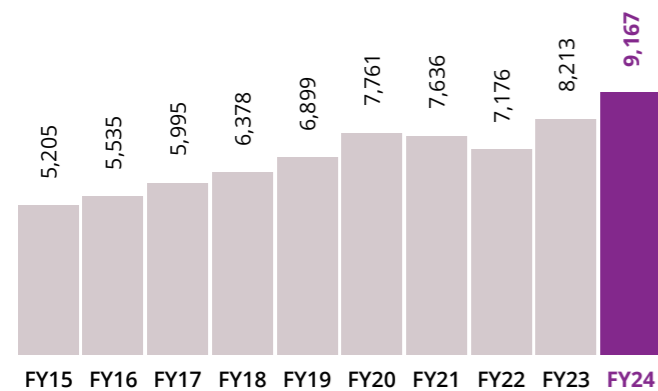


## Number of Employees



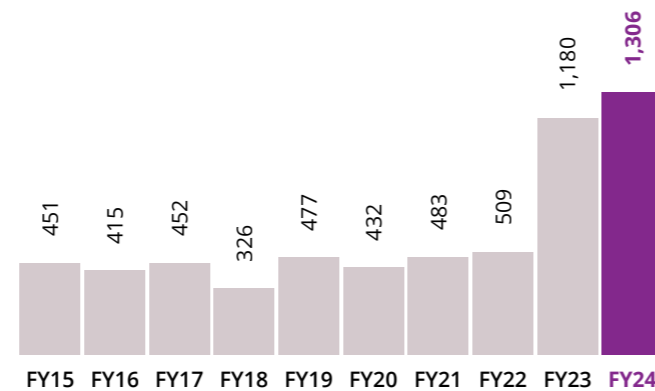
## Gross Earnings

₹ crore



## Net Profit

₹ crore



\*Recommended

<sup>^</sup>As per RBI circular dated 17.04.2020, the banking companies were advised not to make any dividend payment for the FY2019-20

## Chairman's Message

# Futuristic Banking with a Legacy- A Resilient Approach



As we celebrate our glorious past, we are also advancing towards future growth through strategic initiatives focused on digital transformation, customer-centric models, and innovative Banking solutions.

**P Pradeep Kumar**  
Non-Executive Chairman

### Dear Esteemed Stakeholders,

The year gone by your Bank completed the momentous milestone of a centenary of its existence and operations. I reflect with profound gratitude to the vision of the founders, who established Karnataka Bank on February 18, 1924. In the midst of India's independence movement, their foresight and commitment laid a foundation of trust and resilience. From our humble beginnings in Mangaluru, we have grown into a pillar of financial stability and innovation, a testament to their enduring legacy.

### Centenary Year: Foundations of Trust

Our centenary celebration was not merely a retrospective; it was a forward-looking endeavour that married our rich heritage with our aspirations for the future. This landmark year was marked by several significant initiatives that honour our history and demonstrate our commitment to innovation and growth. We have inaugurated a centenary building, complete with a museum that chronicles our storied past. Additionally, we issued commemorative coins and stamps, symbolising our enduring legacy and commitment to preserving our cultural roots.

As we celebrate our glorious past, we are also advancing towards future growth through strategic initiatives focused on digital transformation, customer-centric models, and innovative banking solutions. These efforts are designed to enhance operational efficiencies, expand our service offerings, and enrich customer experiences in an increasingly dynamic financial landscape. As we traverse this route between honouring our past with our ambitions for the future, The Karnataka Bank remains steadfast in its mission to lead with integrity, resilience, and foresight.

During the year gone by there has been a successful transition to a new MD& CEO. We have also recruited laterally from the market to fill skill gaps and to take advantage of the emerging scenarios in the Banking Industry. The organisational structure has been redesigned to enable the Bank to be nimble and take advantage of the emerging opportunities.

### Navigating the Global Economic Landscape

The global economic landscape in the coming year presents a mix of challenges and opportunities. While

there are signs of improvement in near-term prospects, growth remains subdued by historical standards. Factors such as geopolitical tensions, trade fragmentation, sustained high interest rates, and climate-related disasters continue to pose significant challenges. These conditions test the ability of Banks to generate income and manage costs in unprecedented ways.

In India, however, the outlook is more optimistic. Supported by robust macroeconomic indicators, the Reserve Bank of India's (RBI) recent report as of March 2024 highlights strong capital ratios and minimal non-performing assets among scheduled commercial Banks. The positions of the Indian Banks favourably to support economic growth and infrastructure development. The Karnataka Bank is well- poised to capitalise on these strengths, emphasising digital transformation and customer-centric innovation to ensure sustained growth and financial stability.

### Commitment to Governance and Risk Management

#### Risk Management: Enhancing Strategies and Systems

We have significantly advanced our risk management framework, integrating several new strategies to bolster our financial stability and mitigate potential threats. To ensure more prudent lending practices, the Bank enhanced its credit risk assessment tools and leveraged advanced technologies. Our centralised risk management functions have markedly improved oversight and efficiency across our operations.

Our proactive use of data analytics allows us to identify and mitigate risks more effectively while maintaining strong capital adequacy ratios to absorb potential losses and ensure continued financial soundness.

### Asset Quality and Financial Risk Mitigation

Maintaining asset quality and mitigating financial risks remain paramount for our institution. Stringent credit assessment procedures ensure prudent lending, with focus on diversifying our loan portfolio through the Retail and MSME sectors. Regular portfolio reviews and robust provisioning practices are in place to address potential issues proactively and ensure financial stability.

To manage credit risks, we have formulated a comprehensive Policy on Loans & Advances, incorporating various risk parameters and prudential limits. Regular credit audits and stock audits of large credit exposures help limit the magnitude of credit and interest rate risks. Our dedicated Credit Monitoring Department (CrMD) and regional collection hubs ensure efficient post-sanction monitoring and collection activities. Advanced tools such as behavioural and early warning systems (EWS) help us identify and prioritise collection activities, maintaining a strong handle on asset quality.

#### Governance: Strengthening Frameworks and Practices

Over the past year, we have fortified our governance framework to address the unique challenges and opportunities in the banking sector. Enhancements include advanced technological solutions, improved compliance integration, and adherence to RBI, IRDAI, and SEBI guidelines. These measures ensure a resilient and agile response to industry demands.

We have introduced new governance practices to enhance transparency and accountability, compliance monitoring systems, increased frequency of internal audits, and improved reporting mechanisms to stakeholders. Our governance philosophy, rooted in sound ethical

values, drives us to achieve excellence in corporate governance.

We have meticulously enriched our board composition to include distinguished experts in digital banking, regulatory compliance, financial technology, and cybersecurity. This strategic diversification bolsters our board's capability to navigate the intricacies of modern banking, thereby ensuring informed decision-making. To further amplify the board's efficacy, we have instituted specialised committees, undertaken comprehensive performance evaluations, and organised intensive training sessions focused on emerging banking trends and evolving regulatory changes. Our commitment to continuous education, upskilling, active participation in industry forums and consistent updates from our compliance and risk management teams ensures that our board remains exceptionally well-versed in the current dynamics and regulatory requirements of the industry.

### Fostering Inclusive Growth Through CSR

At Karnataka Bank, our Corporate Social Responsibility (CSR) initiatives reflect our commitment to creating a positive social impact and fostering inclusive growth. We have strategically designed our CSR programmes to address a wide spectrum of societal needs, focusing on healthcare, education, livelihood enhancement and the empowerment of women and socially and economically disadvantaged communities. Our efforts in environmental sustainability, the protection of heritage and culture, promotion of sports, rural development, and the Swachh Bharat mission underscore our dedication to holistic societal development.

Bank's Contribution of ₹ 18.41 crore under CSR was allocated to Education: 41.97%, Healthcare: 16.75%, Environmental Sustainability/Green Initiatives: 6.20%



**At Karnataka Bank, we remain committed in our mission to integrate digital solutions, enhance sustainable banking practices and expand our reach to serve the unbanked and underbanked populations. With your continued support, we look forward to achieve new milestones and contribute to the overall development of the society.**

and Other initiatives: 35.08%. These initiatives are instrumental in enhancing financial inclusion and supporting economic empowerment.

### Looking Ahead: Sustainability and Innovation

Our journey forward is guided by a strong commitment to sustainability and ethical governance. Karnataka Bank has made significant strides in advancing its sustainability and ESG initiatives. We have seamlessly integrated these principles into our operations, reflecting our commitment through various strategic projects and partnerships.

Our participation in the National Jan Samarth portal and the RBI's Central Bank Digital Currency (CBDC) platform highlights our dedication to digital innovation and sustainable banking practices. We have also progressed in collecting statutory tax payments such as Customs Duty and Goods & Services Tax (GST) for the Central Board of Indirect Taxes and Customs (CBIC) and Direct Tax (Income Tax/ Advance Tax) for the Central Board of Direct Taxes (CBDT). These efforts streamline financial processes and underscore our role as a top government collection Bank.

Our future goals for ESG include continuing to integrate digital solutions for statutory payments, enhancing our sustainable banking practices and expanding our role through various state-level treasury integrations. We are committed to supporting students through career development and skill development initiatives under CSR programmes and expanding our geographic reach to impart financial literacy and extend banking services to rural unbanked areas.

### Gratitude and Commitment: Our Journey Forward

In closing, I extend my deepest gratitude to you, our esteemed stakeholders. Your trust and confidence in our abilities, and loyal support have been the driving force behind our success. As we stand at the cusp of a new era, our commitment to you, supported by our rich heritage and our dedication to a sustainable future is stronger than ever, renewed with fresh passion and purpose. Together, we can navigate a promising future.

At Karnataka Bank, we remain committed in our mission to integrate digital solutions, enhance sustainable banking practices and expand our reach to serve the unbanked and underbanked populations. With your continued support, we look forward to achieving new milestones and contribute to the overall development of the society.

Thank you for being an integral part of our journey.

Warm regards,

**P Pradeep Kumar**  
Non-Executive Chairman

## MD and CEO's Message

# Bharat Ka Karnataka Bank



This year, we proudly celebrate our centenary a milestone that signifies 100 years of trust, excellence, and resolute service. Our centenary celebrations were not just a reflection of our illustrious history but a strategic pivot to the future.

**Srikrishnan H**  
Managing Director & Chief Executive Officer

### My Dear Valued Stakeholders,

It is with immense pride and gratitude that I address you as part of Karnataka Bank's Annual Report for FY 2023-24. As we reflect upon a year of significant accomplishments and look ahead to a future filled with promise, we stand at the confluence of our storied legacy and a forward-thinking vision. For over a century, The Karnataka Bank has epitomised resilience, adaptability, and commitment to excellence. This dual dedication to honouring our heritage while embracing the future has fortified our position as a pioneer in the Banking industry.

In the past year, our strategic vision has evolved to focus on digital transformation, customer-centric operations, and sustainable growth. We have meticulously integrated advanced technology into our operations, striving to enhance customer experiences and maintain robust financial health. Our objective is clear: **to become a digital-first institution while upholding the values that have defined us for 100 years.** This strategic shift has been reinforced by pointed investments in digital infrastructure, improvement to achieve operational efficiency improvements, and the expansion of our product and service offerings through innovative fintech partnerships.

### Centenary Year Campaigns and Events

This year, we proudly celebrate our centenary a milestone that signifies 100 years of trust, excellence, and resolute service. Our centenary celebrations were not just a reflection of our illustrious history but a strategic pivot to the future. We launched the **"Bharat Ka Karnataka Bank"** campaign, a brand repositioning that underlines our deep-rooted connection with the people of India.

Our centenary events were a fond reminder of our enduring legacy, as we engaged with customers across multiple locations, many of whom have been banking with us for generations. Their stories of loyalty and trust are not just moving, but reaffirmed our commitment to serving the community with dedication and integrity. These interactions were celebratory and strategic that have deepened our understanding of our customers' evolving needs and aspirations.

### Indian Banking Scenario and Strategic Vision

India's economic landscape presents a promising and optimistic outlook, bolstered by macroeconomic factors and financial stability. According to the Reserve Bank of India (RBI), the capital to risk-weighted assets ratio (CRAR) for Scheduled Commercial Banks (SCBs) stood at 16.8%, with a Common Equity Tier 1 (CET1) ratio of 13.9% as of March 2024. Additionally, the gross non-performing assets (GNPA) ratio for SCBs has declined to a multi-year low of 2.8%, while the net non-performing assets (NNPA) ratio has reduced to an impressive 0.6%. These metrics highlight the solid foundation of Banks in India, by positioning them for balanced growth in line with the country's economic advancement and significant investments in domestic infrastructure.

The Indian banking sector is at the forefront of rapid technological advancements and evolving customer expectations. In this dynamic and competitive environment, the Karnataka Bank's strategic foresight and adaptability aims to build a suite of offerings for the ever-changing needs of our customers while upholding highest standards of financial integrity and excellence. Our vision is to evolve into a young and dynamic Bank, adeptly merging the rich heritage of our past with the transformative innovations of the future.

### Strategy and Growth Initiatives

#### Strategic Initiatives

To navigate the complexities of the current economic environment, we have implemented several strategic initiatives:

- ▶ **Digital and Data-Driven Client Acquisition:** By leveraging digital channels and data analytics, we have enhanced our ability to efficiently target and serve customers, ensuring a more personalised and responsive banking experience.
  - ▶ **Startup@100:** Emphasising entrepreneurial practices, accountability, and agility, this initiative has improved innovations, turnaround times and operational responsiveness.
  - ▶ **New Management Practices:** We have redefined Key Result Areas (KRAs) and introduced the '3Ps'—Pay for Person, Position, and Performance—fostering a dynamic and results-oriented culture.
  - ▶ **Sales & Product culture:** The Bank has created a performance-oriented culture with a sense of competitiveness in benchmarking products to be the best in the market.
- #### Growth Initiatives
- ▶ Our commitment to growth comes on the back of strategic capital management and targeted expansions
  - ▶ **Capital Infusion:** This year, we successfully raised ₹ 1500 crore in a record time of 6 months, reflecting strong institutional investor confidence and augmenting our financial stability.
  - ▶ **Partnership Expansion:** Collaborations with Fintech companies, such as Digivridhi, Satin Creditcare, Northern Arc Capital and Clix Capital, have expanded our service offerings in



sectors like financial support to women in rural and semi-urban India, dairy farming and MSME lending. Additionally, partnerships in wealth management with firms like Fisdom have enhanced our customer-centric solutions. Collaborations with Insurance Companies namely HDFC Life, Bajaj Allianz Life, ICICI Lombard General Insurance have been initiated for distribution of insurance products.

These initiatives are critical in driving our growth agenda, ensuring sustained value creation for our stakeholders and reinforcing our position as a leader in the financial services sector.

### Operational Overview

Our performance over the past year has been marked by a series of commendable milestones. We recorded the highest ever annual net profit of ₹ 1306.28 crore, a 11% increase from the previous year. This remarkable growth ably reflects our strategic focus on operational efficiencies, digital transformation, and customer-centric initiatives.

Our Asset Liability Management (ALM) practices have remained robust, with a strong Provision Coverage Ratio (PCR) of 79.22%, echoing our commitment to prudent risk management and maintaining high asset quality. Additionally, our Capital to Risk-weighted Assets Ratio (CRAR) stood at a solid 18%, a reflection of our financial stability and strength.

### Operational Efficiency

Our Net Interest Margin (NIM) for the year was 3.51%, with stable loan yields at 9.89%. We also had the opportunity to exercise call option on Tier 2 bonds, and we did so during the financial year

At Karnataka Bank, we prioritize integrating ESG principles into our operations while maintaining transparent communication. Our stakeholders including customers, employees, shareholders, and the communities we serve are integral to our success. We are committed to regular engagement, actively seeking feedback, and striving to exceed expectations.

between November 2023 and February 2024, totalling ₹ 720 crore which was at a coupon of 12%. This call was very beneficial as we could retire the high cost borrowing. Despite industry-level challenges, our CASA Ratio stood at 31.97%, supporting our ability to leverage low-cost funds effectively.

### Enhancing Data Analytics Capabilities:

Developing data analytics capabilities further to gain deeper customer insights and improve engagement, the Bank has established an Analytical Centre of Excellence (ACoE). Various analytical and business intelligence tools and engines are used with several use cases where the outcome of analyzed data facilitates marketing campaigns to existing customers and to enhance business levels with improved customer experience.

During the year, the Bank has launched phase wise implementation of Omni Channel- KBL ONE was made available to Customers. As on March 31, 2024, 94.62% of transactions were performed through the digital Banking channels.

To foster cultural shift to business and sales orientation we have inducted sales officers with feet on street covering key markets and target segments.

### Asset Quality

Our commitment to strong asset quality is evident with GNPA decreasing from 3.74% to 3.53% and NNPA decreasing from 1.70% to 1.58%. Standard restructured advances stood at ₹ 1,579 crore as of March 31, 2024, down from ₹ 2,571 crore a year earlier. The overall GNPA + Restructured Portfolio improved to 5.70% in FY24, reflecting robust credit risk management and effective lending practices.

### Shareholder Value and Returns

The fiscal year delivered favourable returns for our shareholders, with Earnings Per Share (EPS) rising to ₹ 39.84 in FY24. Our Return on Equity (ROE) stood at a strong 13.71%, slightly lower than the previous year's 15.42% due to a one-time impact from the capital raise in Q4, which is expected to improve. Return on Assets (ROA) remained steady at 1.22%.

### Dividend Announcement

In recognition of our strong financial performance and in alignment with our commitment to delivering shareholder value, we are pleased to announce a dividend of ₹ 5.50 per share subject to approval of Shareholders. This announcement

highlights our confidence in the Bank's future trajectory and our dedication to providing consistent and rewarding returns to our shareholders.

### Milestones Achieved

#### This year, we celebrated several significant milestones:

- ▶ **Record Annual Net Profit:** Achieving a net profit of ₹1306.28 crore, an 11% increase from the previous year.
- ▶ **Capital Raising:** Successfully raising ₹ 1500 crore in equity capital
- ▶ **Technological Advancements:** Launching new digital products and services, including the 'KBL Mobile Plus' app, a revamped corporate website, and a new CRM system.
- ▶ **Operational Efficiencies:** Centralising back-office operations to improve efficiency and reduce costs, allowing frontline staff to focus more on customer engagement and sales.
- ▶ **Innovative Financial Solutions:** Expanding our suite of services through strategic Fintech partnerships, enhancing our value proposition and customer satisfaction.

### Commitment to Stakeholders

At Karnataka Bank, we prioritise integrating ESG principles into our operations while maintaining transparent communication. Our stakeholders including customers, employees, shareholders, and the communities we serve are integral to our success. We are committed to regular engagement, actively seeking feedback, and striving to exceed expectations.

Our strategy is built on the three core pillars: **Run, Grow and Change**. This approach entails maintaining operational excellence, expanding our market presence and customer base, and driving innovation through digital transformation. Our goals include advancing digital capabilities, increasing market share, enhancing customer service and ensuring robust financial health. By expanding our product offerings and embracing technology-driven innovation, we aim to propel growth and meet evolving market demands.

In conclusion, we are proud of what we have achieved together and excited about the opportunities that is in front of us. Karnataka Bank is poised to navigate the future, balancing the rich legacy of its past with the boundless potential of tomorrow. With 13 million customers, more than 8000 employees across 22 States and 2 Union Territories, we have truly become

"Bharat Ka Karnataka Bank". As we celebrate our milestone and honour the remarkable journey we've shared with you, your integral role has been pivotal, and we proudly reflect on the profound impact our Bank has had on people's lives over the years.

Thank you for your support and helping us become Bharat Ka Karnataka Bank.

Warm regards,

**Srikrishnan H**  
Managing Director &  
Chief Executive Officer

## Executive Director's Message

# Start-up @



This year, we proudly celebrate our centenary a milestone that signifies 100 years of trust, excellence, and resolute service. Our centenary celebrations were not just a reflection of our illustrious history but a strategic pivot to the future.

**Sekhar Rao**  
Executive Director

### Dear Valued Stakeholders,

It gives me great pleasure to present the Annual Report of Karnataka Bank for the fiscal year 2023-2024, a momentous year as we celebrate our centenary under the banner of "Bharat ka Karnataka Bank". This theme not only encapsulates our commitment to serving every corner of our nation but also reflects our deep-rooted values of inclusivity, innovation, and trust.

Our centenary celebrations have been a time of reflection and gratitude. This has allowed us to honour our rich legacy while embracing the future with optimism and vigour. As "Bharat ka Karnataka Bank", we have redoubled our efforts to reach pan India, ensuring that our banking solutions are accessible, inclusive, and responsive to the diverse needs of our customers.

As I look back at our journey, it is evident that our core values and commitment to our customers, enhancing our digital infrastructure and focus on sustained growth has positioned us as a frontrunner in the banking industry.

### Improvement in Customer Experience

In the past year, Karnataka Bank has taken significant steps to enhance our customers' experiences, ensuring our services are both efficient and personalised. Our initiatives are deeply rooted in understanding and addressing the evolving needs of our clientele.

We have streamlined our loan processing and digital onboarding processes, incorporating advanced features such as video KYC and self-service options. This has resulted in a seamless and swift customer journey, reducing the time and effort required to access our services. The launch of new corporate Website and the 'KBL Mobile Plus' app, with its enhanced user interface and intuitive navigation, is a crucial milestone in our journey towards providing an exemplary digital banking experience. The app's success is

evident in the increased customer engagement and satisfaction it has garnered since its launch.

Our new CRM system has been instrumental in managing customer interactions more effectively, enabling us to deliver personalised marketing campaigns that resonate with our customers' unique preferences. This system has also facilitated quicker response times and better resolution of customer inquiries and complaints, further enhancing the overall customer experience.

### Key Technological Advancements

We have taken significant strides in embracing technology, which is evident in the establishing of a state-of-the-art Technology & Digital Hub in Bengaluru. This 40,000 sq. ft. hub consolidates all our technology and digital operations under one roof and is staffed by over 300 skilled employees, who integrate our product and business solution capabilities across technology, digital, and analytics.

Our implementation of a scalable and configurable cloud data platform has revolutionised our approach to data analytics and decision-making. This platform supports advanced analytics, enabling us to make data-driven decisions that enhance our operational efficiency and customer service.

Our new corporate website, designed to serve as the digital face of our organisation, showcases our products and services to a global audience,

enhancing our online presence and accessibility.

In pursuit of providing a user-friendly technology interface, we have introduced 'WhatsApp Banking,' which offers features such as online applications for locker facilities, KYC updates, and cheque submission via positive pay. This initiative has further simplified banking for our customers, making it more convenient and accessible.

### Plans for Future Digital Innovation

Karnataka Bank remains committed to digital innovation. We are poised to expand our digital banking services, introducing new products and services that meet the evolving needs of our customers. Our focus will be on enhancing our CRM and data analytics capabilities to gain deeper insights into customer behaviour and preferences, thereby improving customer engagement and service delivery.

We plan to strengthen our partnerships with fintech companies, leveraging cutting-edge technologies to offer innovative financial solutions. Key initiatives include transforming our contact centre to provide a seamless omnichannel experience, enhancing our data governance and warehouse capabilities and establishing a unified digital Retail sales and credit hub.

### Customer Engagement and Experience

Our enhanced customer engagement strategies have been pivotal in



fostering deeper relationships with our clientele. Bank had taken the initiative of setting up a state-of-the-art Analytics Centre of Excellence (ACoE) and we went live with our data led business and risk use cases during the year. This first in class analytics and data infra on cloud enables Bank to have more insightful and meaningful conversations with customer, leading to better engagement and retention.

We have streamlined our digital onboarding processes, making it easier for customers to open accounts and access our services. This includes the use of Tab banking, which has significantly simplified the onboarding process.

We have also improved our customer service channels, including branches, contact centres, our website, WhatsApp banking, KBL Mobile, and internet banking. These enhancements have made our customer support more responsive and efficient, ensuring that we can address customer needs promptly and effectively.

### Customer Satisfaction and Loyalty

Customer satisfaction and loyalty remain at the core of our business strategy. Our efforts to improve customer satisfaction include launching new initiatives such as 'KBL One' – Corporate Internet Banking Platform, 'KBL Mobile Plus' app, our new website and the entire bouquet

At Karnataka Bank, we prioritise integrating ESG principles into our operations while maintaining transparent communication. Our stakeholders including customers, employees, shareholders, and the communities we serve are integral to our success. We are committed to regular engagement, actively seeking feedback, and striving to exceed expectations.

of tax collections (CBDT, Customs and GST), all of which have significantly enhanced customer experience.

Our upgraded mobile banking service offers user-friendly interfaces and intuitive navigation. Features such as deposit and loan opening and closure, email OTP enablement for NRI customers and a new platform for bill payments and recharges through Bill Desk Hexagon Solutions have been introduced to provide added convenience.

Personalised offers and services, driven by customer data and preferences, have played a crucial role in improving customer satisfaction. Additionally, our streamlined loan processing has reduced turnaround times, further enhancing the customer experience. Responsive customer support, backed by better data integration and analytics has ensured that we can address customer needs efficiently and effectively.

### Awards, Accolades and Events

Karnataka Bank's legacy of excellence has been recognised through various awards and accolades over the past year. Our digital transformation initiatives have not only enhanced our operational efficiency but also earned us accolades from industry.

I had the honour of representing Karnataka Bank as a keynote speaker at several prestigious events, including the Bengaluru Fintech Mixer and the Bharath Fintech Summit 2024 in Mumbai. These platforms provided an opportunity to share our journey insights, and innovations with a broader audience, to emerge as a thought leader in the banking industry.

### In Conclusion

As we reflect on the past year, I can say with certainty that Karnataka Bank has been striving hard to continue its focus on customer engagement and technological advancements. Today, our



Our upgraded mobile banking service offers user-friendly interfaces and intuitive navigation. Features such as deposit and loan opening and closure, email OTP enablement for NRI customers and a new platform for bill payments and recharges through Bill Desk Hexagon Solutions have been introduced to provide added convenience.

achievements are a result of the unwavering support and trust of our customers.

I extend my heartfelt gratitude to our customers for their loyalty and trust in Karnataka Bank. Your feedback and support have been invaluable in guiding our efforts to improve and innovate. I also wish to thank our employees for their dedication and hard work, which have been instrumental in achieving our goals. Lastly, I express my appreciation to our shareholders for their continued support and confidence in our vision.



As we move forward, we remain committed to delivering exceptional value to our customers and stakeholders, driving innovation, and setting new benchmarks in the banking industry. Together, we will continue to build a brighter and more prosperous future for Karnataka Bank.

Sincerely,

**Sekhar Rao**  
Executive Director

## Awards and Accolades



The Bank has won 3 prestigious awards at "Infosys Finacle Innovation Awards 2023" under the categories 'Transformation Excellence', 'Process Innovation' & 'Channel Innovation'.

On behalf of the Bank Shri Vinay Kulkarni, DGM & CTro, and Shri Gopalakrishna Samaga B, DGM, RO-Mumbai, received the awards during the event held at Mumbai on 02.06.2023.



The Bank has bagged 'Exemplary Digital Transformation Strategy' and 'Outstanding Data Analytics Initiative' awards conferred by 'Elets-Banking and Finance'

Shri Pankaj Gupta, CDO & HDM, DCoE, Bengaluru, represented the Bank and received the award on 10.06.2023 at Goa. Present on the occasion were Shri Pranay Saxena, Founder & CTO, Vspagy, Shri K K Pathak, Additional Chief Secretary, Finance Department (Revenue), Government of Rajasthan, Dr. Ravi Gupta, Founder & CEO, Elets Technomedia & Editor in Chief- The Banking & Finance Post Magazine, Ms Rashmi Mishra, Co-Founder & Chief Product Officer, Elets Technomedia.



The Bank conferred with ET Edge ICONIC BRANDS OF INDIA-2023 AWARD

The award was received on behalf of Bank by Shri Raghavendra Rao T V, DGM, RO-Mumbai from iconic actress Ms Zeenat Aman at a glittering function in Mumbai on 25.09.2023. Also seen on the occasion are Shri Santosh Kumar, AGM, CFB Mumbai and Shri Chitturi Sathya Ramesh, Cluster Head & DRH, Mumbai.



The Bank bagged 'Business Icon Award -2023' sponsored by 'The Zee Kannada News channel'

Shri Nagaraja Upadhyaya B, DGM, RO-Bengaluru and Shri Iranna Nagaral, Chief Manager, RO-Bengaluru received the award on behalf of the Bank from Shri Basavaraja Horatti, Honorable Chairman of the Members of Legislative Council, Govt. of Karnataka in a glittering ceremony held at Bengaluru on 11.08.2023.



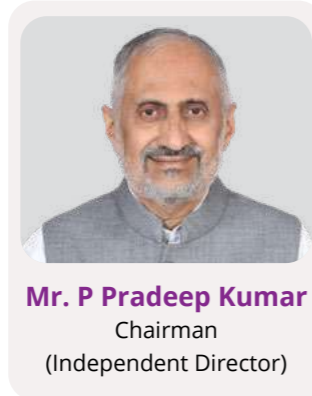
The Bank won 2 prestigious awards at 'MSME BANKING & MSEFC Excellence awards 2023', under the category

**Best Private sector Bank for creating awareness among MSME (Winner)**  
**Best Private sector Bank for supporting startup's (Runner Up)**

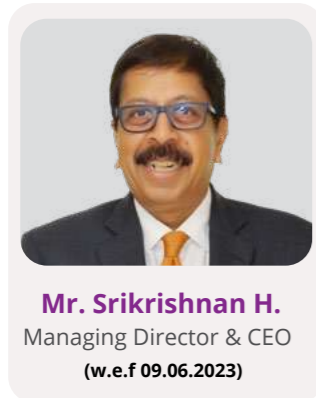
On Behalf of Bank Shri Basavaraja Desalli, DGM, Shri Aravinda M, Shri Prajwal Gunjal, Shri Gurulingappa M Vijapur, Chief Managers, RO-Delhi received award from Shri Deepak Verma - Honble Justice (retd ) Supreme Court of India & Shri Mukesh Gupta, President of CIMMSE during the event held at Delhi on 29.02.2024.



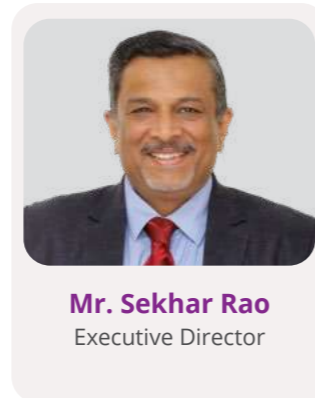
## Board of Directors



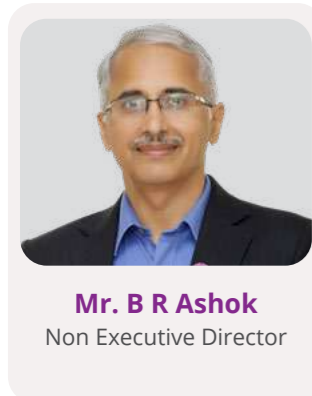
**Mr. P Pradeep Kumar**  
Chairman  
(Independent Director)



**Mr. Srikrishnan H.**  
Managing Director & CEO  
(w.e.f 09.06.2023)



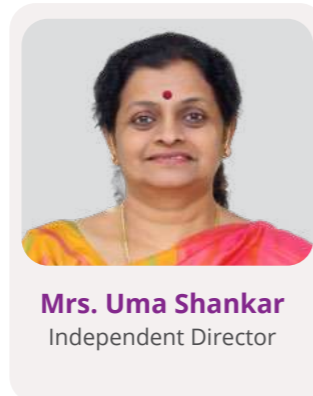
**Mr. Sekhar Rao**  
Executive Director



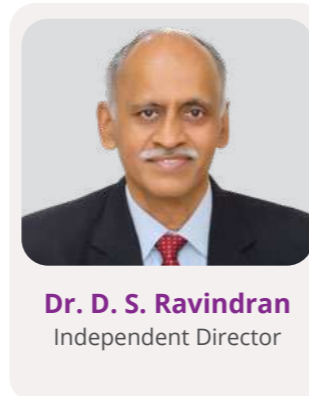
**Mr. B R Ashok**  
Non Executive Director



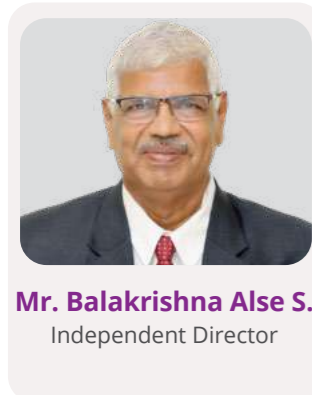
**Mr. Justice A. V. Chandrashekar**  
Independent Director



**Mrs. Uma Shankar**  
Independent Director



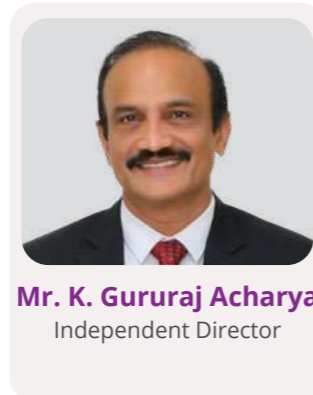
**Dr. D. S. Ravindran**  
Independent Director



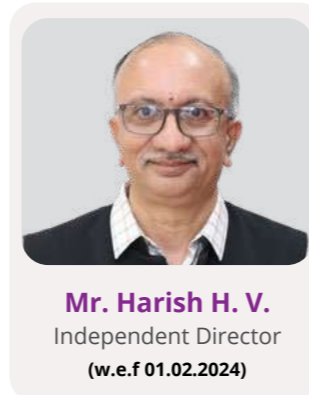
**Mr. Balakrishna Alse S.**  
Independent Director



**Mr. Jeevandas Narayan**  
Independent Director



**Mr. K. Gururaj Acharya**  
Independent Director



**Mr. Harish H. V.**  
Independent Director  
(w.e.f 01.02.2024)

## Corporate Information

### Chief Operating Officer

**Y V Balachandra\***

### Chief Business Officer

**Gokuldas Pai\***

### Chief Financial Officer

**Abhishek Sankar Bagchi**

### General Managers

#### Vinaya Bhat P J

(Credit Marketing)

#### Ravichandran S

(Credit Sanctions)

#### Ramesh Bhat

(Credit Monitoring)

#### Jayanagaraja Rao S

(Head - Branch Banking)

#### Sandra Maria Lorena

(Credit Sanctions)

#### Chandrashekar

(Legal & Recovery)

#### Pankaj Gupta

(Chief Digital Officer & Head Digital Marketing)

#### Raja B S

(Chief Learning Officer, HIA - Head of Internal Audit)

#### Nirmal Kumar Kechappa Hegde

(CCO - Chief Compliance Officer (interim) & CIV - Chief of Internal Vigilance)

#### Ramachandra K Gurumurthy

(Head-Treasury)

#### Kannan K

(Chief Information Security Officer)

#### Ananthapadmanabha B

(Chief Technology Officer)

#### Venkat Krishnan Veeramani

(Chief Information Officer)

#### Ramaswamy Subramanian

(Chief Product Officer)

#### Ratheesh R

(Head-Training)

#### Giridhar R

(Head - Wholesale & Mid-Corporate Banking)

\* Retired on 31/05/2024

### Chief Risk Officer

**Raghuram H S**

### Company Secretary & Compliance Officer

**Sham K**

### Legal Advisor

**M V Shanker Bhat**

### Statutory Auditors

**M/s Sundaram & Srinivasan**, Chennai  
**M/s Kalyaniwalla & Mistry LLP**, Mumbai  
**M/s Ravi Rajan & Co LLP**, Delhi

### Secretarial Auditors

**M/s. BMP & Co., LLP** Bengaluru

### Regd. & Head Office

Post Box No. 599, Mahaveera Circle, Kankanady,  
Mangaluru-575002  
Ph: 0824 2228222  
E mail : info@ktkbank.com  
**CIN:** L85110KA1924PLC001128

### Subsidiary

#### KBL Services Limited

Hafeeza Chambers, No. 111/3 3<sup>rd</sup> Floor,  
A-Wing, K H Road Bengaluru - 560027  
**CIN:** U74900KA2020PLC135108

### Registrar & Share Transfer Agent

#### Integrated Registry Management Services Private Limited

30, Ramana Residency, 4<sup>th</sup> Cross,  
Sampige Road, Malleshwaram, Bengaluru-560003  
**Tel:** (080) 23460815-818  
**Fax:** (080) 23460819  
**Email:** irg@integratedindia.in



## Vision



To be a progressive, prosperous and well-governed Bank.



## Mission



To be a technology-savvy, customer-centric progressive Bank with a national presence, driven by the highest standards of Corporate Governance and guided by sound ethical values.

# Integrated Approach to Value Creation

## About this Report

This Integrated Annual Report covers the Financial Year 2023 - 24, symbolising Karnataka Bank Limited's commitment to accountability and responsible growth. Approved by the Board of Directors on July 24, 2024 and signed by the Chairman, this report illuminates how Karnataka Bank Limited lives its purpose: to enrich the lives of our customers and contribute to the well-being of our communities.

In this Integrated Report, we have meticulously adhered to the IIRC guidelines and endeavoured to align with the Global Reporting Initiative Standards' core option, encompassing both general and topic-specific disclosures pertinent to Karnataka Bank Limited.



### Adherence to the IR Framework

At Karnataka Bank Limited, our commitment to the Integrated Reporting (IR) Framework 2021 underpins our approach to transparency and value creation. Our Integrated Report aims to reflect the following Guiding Principles, shaping its content and presentation:

- 1. Strategic Clarity and Vision:** Our report offers a lucid glimpse into the Bank's strategic vision, its alignment with value creation in the short, medium, and long term, and how it affects diverse forms of capital.
- 2. Interconnected Insights:** With a comprehensive approach, the report unveils the intricate connections among various factors influencing our value creation journey. It artfully illustrates the interplay between our activities, capitals, and overall value proposition.
- 3. Fostering Stakeholder Bonds:** Emphasising the importance of our key stakeholders, the Integrated Report provides insights into our relationships with them. It showcases our understanding, responsiveness, and dedication to addressing their legitimate needs and interests.

- 4. Unveiling Material Matters:** We divulge information on critical matters that significantly impact our value creation capabilities across short, medium, and long terms. Our identification of material matters centres on their potential to profoundly shape our value proposition.
- 5. Elegance in Simplicity:** Embracing conciseness, our report presents a logical and articulate narrative in clear language. We employ effective navigation devices to enhance the user experience.
- 6. Robust and Comprehensive:** Ensuring reliability and completeness, our report encapsulates all relevant and material information. It provides a comprehensive portrayal of our performance and prospects.
- 7. Comparability and Consistency:** To bolster credibility and usability, we maintain consistency over time and align our reporting with peers in the industry or sector.

Karnataka Bank Limited's Integrated Report captures the essence of value creation, underscores our strategic focus, and acknowledges our stakeholder relationships. Through its succinct and comprehensive format, our report aims to foster reliability and comparability, aligning with the tenets of the Integrated Reporting Framework.



### Aspirational Goals

The goals outlined in this report are ambitious and reflect our unwavering determination to achieve them. However, we must acknowledge that while we are resolute in our commitment, we cannot guarantee that all goals will be met. Certain figures and metrics included in this report are estimates based on

assumptions and may be unaudited. It is essential to recognise that the terms "material" and "materiality" used in this report refer specifically to the issues of utmost importance to Karnataka Bank Limited and our stakeholders, distinct from the context of financial statements and reporting as per securities laws.



### Framing the Future

We recognise the significance of providing clear, relevant, and consistent information to our stakeholders and the markets. With a dedicated focus on enhancing disclosures, particularly on climate change and wider ESG factors, we are committed to publishing our Task Force on Climate-related Financial Disclosures (TCFD) Report to illustrate our progress in the climate journey. Our aspiration to benchmark our strategy against the United Nations' Sustainable Development Goals further reinforces our dedication to universal sustainability principles and supporting UN objectives.

At Karnataka Bank Limited, transparency and accuracy are paramount. The data presented covers the period FY2024, unless explicitly stated otherwise.

We recognise that markets and stakeholders need clear, relevant, and consistent information and we will continue to focus on enhancing disclosures, particularly on climate change, and across wider ESG factors. In future, we intend to publish our TCFD Report to continue disclosing our progress in our climate journey. We also intend to benchmark our strategy against the United Nation's Sustainable Development Goals.





## For General Information only

This report serves as general informational material and does not constitute an offer or sale of any securities issued by Karnataka Bank Limited. All information within this report is accurate as of the date of publication. While we pledge to provide updates as necessary, we assume

no obligation to notify readers of any changes to views, opinions, or facts stated herein. This report offers voluntary disclosures on crucial ESG topics, complemented by our FY 2024 BRSR Report included in this report, (specifically the "Forward-Looking Statements" and "Risk Factors" sections), and all general information accessible on our Investor Relations pages at <https://karnatakabank.com/>



## Disclaimer

This report may include forward-looking statements regarding Karnataka Bank Limited. We caution readers that these statements do not guarantee future performance, and actual results may differ materially from those expressed in the forward-looking statements. The forward-looking statements utilise words such as 'may,' 'will,' 'seek,' 'continue,' 'aim,' 'anticipate,' 'target,' 'projected,' 'expect,' 'estimate,' 'intend,' 'plan,' 'goal,' 'believe,' 'achieve,' or similar expressions. Given their nature, forward-looking statements entail risk and uncertainty due to their

relation to future events and circumstances. The forward-looking statements are valid as of the date of publication and may be impacted by changes in legislation, standards, interpretations, and practices in ESG reporting, as well as environmental, social, and geopolitical risks beyond our control. Actual outcomes may differ from the forward-looking statements. Factors affecting Karnataka Bank Limited's future financial condition and performance are identified in the various sections of the FY2024 Integrated Annual Report, which is available at [www.karnatakabank.com](http://www.karnatakabank.com). While we remain committed to fulfilling our obligations under relevant laws and regulations, we assume no obligation to publicly update or revise forward-looking statements, whether due to new information, future events, or other factors.



Scan QR Code to download **Integrated Annual Report 2023-24**

Find out more at: <https://karnatakabank.com/>



## How to Read this Report

Throughout the report, a collection of icons has been judiciously placed, functioning as visual aids to associate significant themes and articulate our value generation procedure. Each icon, along with its respective materiality issue number, facilitates cross-

referencing within the document, thereby bolstering a more profound understanding of the context and justification for the topics under examination. Utilise these guiding components to methodically navigate through the report and fully apprehend the comprehensive narrative of our performance

### UNSDGs →

### Strategic Pillars →







1. Enhancing Return on Assets (ROA)
2. Bolstering our Growth Engine
3. Improving Overall Productivity
4. Tapping into New Growth Opportunities

## Strategic Priorities

# Pledging Allegiance to Enhanced Road, Fuelled by Technological Advancements

Karnataka Bank has established itself as a prominent player in the Indian banking landscape with a strong regional focus. The Bank's deep-rooted presence, coupled with a comprehensive range of banking products and services, has enabled it to cultivate a loyal customer base. With a focus on Retail, corporate, and agri banking, Karnataka Bank has been instrumental in supporting the growth and development of its region.

The Bank's commitment to financial inclusion and support for MSMEs has been commendable. Additionally, its foray into digital banking services demonstrates its adaptability to evolving customer needs and technological advancements.

Strategic Pillar	Objective	Icon
<b>Strategic Pillar I</b> Enhancing Return on Assets (ROA)	To focus on maximising asset profitability and driving overall financial performance. By enhancing asset quality, diversifying revenue streams, and optimising funding costs, we aim to significantly improve our Return on Assets (ROA). This key performance indicator will serve as a benchmark for measuring our success in generating profits from our assets.	
<b>Strategic Pillar II</b> Bolstering our Growth Engine	To stimulate and sustain growth, our strategic focus is on expanding our market reach and deepening customer relationships. By targeting underserved segments, such as SMEs and rural customers, and enhancing cross-selling initiatives, we aim to achieve a growth trajectory aligned with industry benchmarks. This growth will be fuelled by strategic partnerships, technological advancements, and a customer-centric approach.	
<b>Strategic Pillar III</b> Improving Overall Productivity	To optimise and maximise the efficiency and productivity of its operations. By investing in employee development, automating processes, and strategically expanding our branch network, we aim to optimise resource utilisation and drive growth. This strategic focus will enable us to enhance profitability, improve service delivery, and strengthen our market position.	
<b>Strategic Pillar IV</b> Tapping into New Growth Opportunities	To stay at the forefront of the evolving banking landscape. By actively exploring and capitalising on emerging trends such as green financing, fintech partnerships, and financial inclusion, we aim to create new growth opportunities and deliver enhanced value to our customers. This strategic pillar underscores our focus on innovation and adaptability, enabling us to meet the evolving needs of our stakeholders.	



## Strategic Pillar I:

### Enhancing Return on Assets (ROA)

To measure our efficiency in utilising assets to generate profits, we focus on ROA. Several strategies will ensure its enhancement:

- **Strengthening Asset Quality:** Through rigorous credit assessment and robust risk control, we aim to cultivate a loan portfolio of exceptional quality. This approach minimises the likelihood of loan defaults, thereby enhancing profitability.
- **Expanding Interest Income:** We intend to tap into lucrative loan segments and fresh lending opportunities to augment interest income and elevate our Return on Assets (ROA).
- **Optimising Operational Efficiency:** By harnessing technology and automation, we will streamline operations, curtail costs, and amplify profits.
- **Diversifying Revenue Generation:** Expanding our income streams beyond interest income will fortify our financial stability, boost profitability, and positively impact our ROA.

- **Optimising Funding Costs:** By attracting low-cost deposits and carefully managing our deposit structure, we aim to reduce funding expenses, thereby enhancing our Net Interest Margin (NIM) and overall
- **Return on Assets (ROA).** Fostering Customer Relationships and Cross-Selling: By cultivating deeper customer relationships and proactively offering additional services, we plan to increase customer loyalty and generate supplemental revenue, positively impacting our ROA.
- **Maximising Capital Efficiency:** Through the strategic allocation of capital across diverse business lines, we ensure optimal resource utilisation for high-return initiatives, directly contributing to our ROA.
- **Proactive Risk Management:** By mitigating potential losses and maintaining a robust risk framework, we safeguard profitability from unforeseen challenges, thereby protecting our ROA.



## Strategic Pillar II:

### Augmenting the Bank's Growth Engine

We aim to stimulate growth and close the gap between our growth rate and the industry average. Strategies to achieve this include:

- **Enhance Cross-Selling:** By deepening customer relationships and expanding our service offerings, we can increase revenue and accelerate growth.
- **Expand Market Reach:** Targeting SMEs and rural markets allows us to penetrate underserved segments and drive growth.

- **Leverage Strategic Partnerships:** Collaborating with fintech and e-commerce companies will unlock new revenue streams and customer segments, fostering growth.
- **Drive CASA Growth:** By expanding our Current and Savings Account (CASA) deposits, we can lower funding costs, strengthen our Net Interest Margin (NIM), and enhance profitability. We will highlight CASA benefits, leverage digital platforms, and intensify customer acquisition efforts to attract a larger customer base.



### Strategic Pillar III:

## Improving Overall Productivity

Maximising resource output is essential for driving both profitability and growth. We have several strategies to achieve this:

- Invest in Talent Development:** Regular training programmes enhance employee skills and knowledge, leading to superior service delivery and increased productivity.
- Optimise Operations through Automation:** Automating routine tasks improves efficiency, allowing employees to focus on strategic initiatives and boosting overall productivity.
- Expand Network Strategically:** Establishing branches in high-growth or underserved areas maximises our infrastructure's utilisation and reach.
- Expand Business Correspondent Network:** Reaching unbanked and underbanked populations through Business Correspondents enhances service delivery and productivity.
- Accelerate Digitisation:** Digital platforms improve customer acquisition, retention, and overall efficiency, leading to higher productivity with existing resources.
- Strengthen Retail Banking Focus:** Intensifying efforts in Retail banking diversifies income streams, mitigates risk, and boosts productivity.



### Strategic Pillar IV:

## Tapping into New Growth Opportunities

To stay relevant in the evolving banking environment, we need to explore emerging growth areas:

- Forge Strategic Fintech Partnerships:** Collaborating with fintech firms will introduce innovative financial solutions, providing a competitive advantage and access to new customer segments.
- Drive Financial Inclusion:** By serving unbanked and underbanked populations, we can tap into a vast, untapped market and drive growth.
- Embrace Sustainable Finance:** Offering financial services aligned with environmental sustainability positions us at the forefront of global trends and potential growth opportunities.

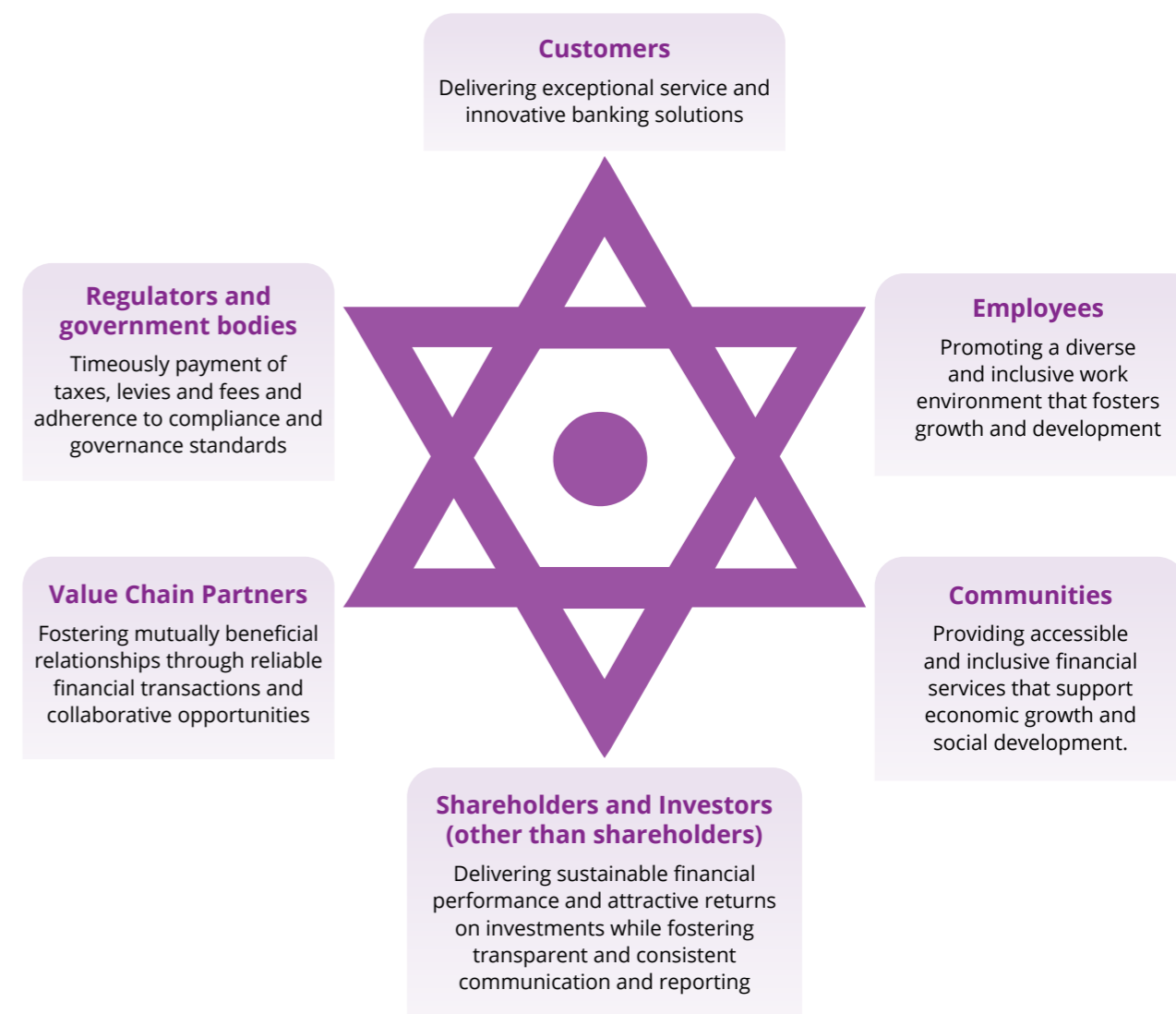
## Stakeholder Engagement and Materiality Assessment

# Creating Shared Value

### Stakeholder Engagement

Built on a legacy of over 100 years, Karnataka Bank remains deeply committed to understanding and addressing the evolving expectations and concerns of our diverse stakeholders. We actively engage with our stakeholders—ranging from customers and employees to shareholders, regulators and the communities we serve—through various channels to gather valuable insights that inform our strategic decisions. Our approach ensures that stakeholder feedback is integrated into our operations and strategy, building trust and alignment with our core values. By prioritising a balance between growth and community well-being, we create sustainable value while reinforcing our commitment to compassion and ethical practices.

### Creating Shared Value



Materiality Assessment

Karnataka Bank Limited undertook a Materiality Review, leveraging advanced survey techniques and methodologies, to determine the cornerstone directives for our integrated annual report. This exploration provided a panoramic view of our Bank's critical concerns across economic, environmental, and societal spectra and underscored the significance of anchoring our strategies on these findings.






























The essence of a materiality survey in this integrated report is two fold: it not only discerns the pulse of our diverse stakeholders, but also ensures that our strategic narrative resonates with the real-world concerns and aspirations of those we serve. By committing to this exercise, we have deepened our understanding, spotlighting those subjects that are paramount both to our stakeholders, and to our Bank's vision of sustained growth.

Highly Material Issues cross-referencing: The Karnataka Bank carried out its inaugural materiality assessment survey in August 2023. We collaborated with stakeholders both within and outside the Bank, encompassing leaders from the Karnataka Bank, and specialists from diverse domains within our institution. Our outreach also extended to many external stakeholders: our esteemed clientele, workforce, ESG-focused investors, and contemporaries in the financial sector.

For the context of this Integrated Annual Report, the Bank recognises the following subjects as paramount, stemming from insights gathered through our materiality survey and internal evaluations:

Increasing importance to stakeholders	3 Environment - Energy & Renewable Usage 14 Social Capital - Product Quality & Safety 21 Human Capital-Importance of Succession Planning 22 Human Capital-Engagement, Diversity & Inclusion 26 Business Model - Supply Chain Management 27 Business Model - Efficiency in Material Sourcing 28 Business Model-Long-Term Asset Management 30 Leadership-Promoting Renewable Generation. 31 Leadership - Competitive Behaviour 35 Leadership - Responsible Investment 37 Economy - Commodity Price Volatility 40 Economy Responsible Supply Chain	11 Social Capital - Customer Privacy 12 Social Capital - Data Security 13 Social Capital - Clients' Sustainability 15 Social Capital - Customer Welfare 19 Human Capital-Training and Skill Development 20 Human Capital - Employee Health & Safety 23 Business Model - Product Design and Innovation 29 Leadership - Business Ethics and Anti-Corruption 33 Leadership - Risk Management 36 Leadership - Reputation & Communication 43 Economy- Systematic Risk Management
	1 Environment - Climate Change Mitigation & Adoption 2 Environment - Air Pollution Control & Emission 4 Environment-Water Management 5 Environment - Effluent/Waste Water Management 6 Environment-Waste Management 7 Environment - Biodiversity Management 9 Environment - Natural Resources Conservation	8 Environment - Environment Compliance 10 Social Capital - Human Rights 16 Social Capital - Charitable Giving 17 Social Capital - Social Development & Community 18 Human Capital - Labour Practice & Employment 24 Business Model - Need for Business Model Resilience 25 Business Model - Access to Capital and Customers 32 Leadership - Regulatory Environment 34 Leadership-Grievance Redressal of Stakeholders 38 Economy Economic/Financial Crises 39 Economy-Impact on Local Communities 41 Economy-Employment Trends/Diversification 42 Economy - Tax Governance
Increasing importance to business success		

Our conclusions from this materiality survey bolster our resolve: to weave our business ambitions seamlessly with stakeholder expectations, crafting a blueprint for responsible, inclusive, and well-informed advancement.

Issue #	Highly material issues for both internal & external stakeholders	Chapters Relevant to Issues	Relevant Strategic Pillars
11	<b>Customer Privacy:</b> Karnataka Bank prioritises customer privacy, upholding trust and ensuring compliance with data protection norms. We fortify our commitment with comprehensive data protection strategies, staff education, and direct communication about customer rights.	Relationship Capital & Intellectual Capital	 
12	<b>Data Security:</b> Data security is paramount in preventing breaches that might tarnish trust and attract regulatory actions. We diligently guard data by integrating innovative technology, fostering employee awareness, and undertaking routine audits.	Intellectual Capital	 
13	<b>Clients' Sustainability:</b> Karnataka Bank fosters sustainable relationships by developing eco-friendly products, offering sustainability counsel, and aiding clients in sustainable transitions.	Relationship Capital	 
15	<b>Customer Welfare:</b> Upholding customer welfare is synonymous with retaining trust. We pledge transparent offerings, stringent data safety, and impeccable service.	Relationship Capital	   
19	<b>Training and Skill Development:</b> Progressive training and skill enrichment propel productivity and employee satisfaction. Our Bank champions continuous learning programmes and promotes skill advancement.	Human Capital	
20	<b>Employee Health &amp; Safety:</b> Karnataka Bank accentuates workplace safety and well-being as pivotal to fostering a content and productive workforce. With holistic health policies and safe working surroundings, we prioritise our people.	Human Capital	
23	<b>Product Design and Innovation:</b> Meeting evolving customer expectations and staying competitive necessitates product innovation. We channel investments in R&D and fintech collaborations by fostering an inventive spirit.	Intellectual Capital	  
29	<b>Business Ethics and Anti-Corruption Measures:</b> Our Bank's reputation hinges on unwavering ethical values and rigorous anti-corruption postures. Our strategies involve staff awareness programmes and leadership exemplifying ethical conduct.	Corporate Governance Report (CGR)	   
33	<b>Risk Management:</b> Efficacious risk management fortifies financial stability and trust. At Karnataka Bank, we deploy proven risk frameworks, tech- assisted analyses, and frequent audits.	Management Discussion Analysis (MD&A)	   
36	<b>Reputation, Communication and Awareness:</b> Effective communication is pivotal for sustained trust and potential investments. Our Bank champions lucid communication paradigms, transparency initiatives, and proactive stakeholder outreach.	Manufactured, Relationship Capital	 
43	<b>Economic Systematic Risk Management:</b> Thorough systematic risk management is quintessential to sidestep substantial setbacks and uphold financial stability. Our Bank employs contemporary risk models and stress evaluations, while ensuring capital adequacy.	CGR & MD&A	   

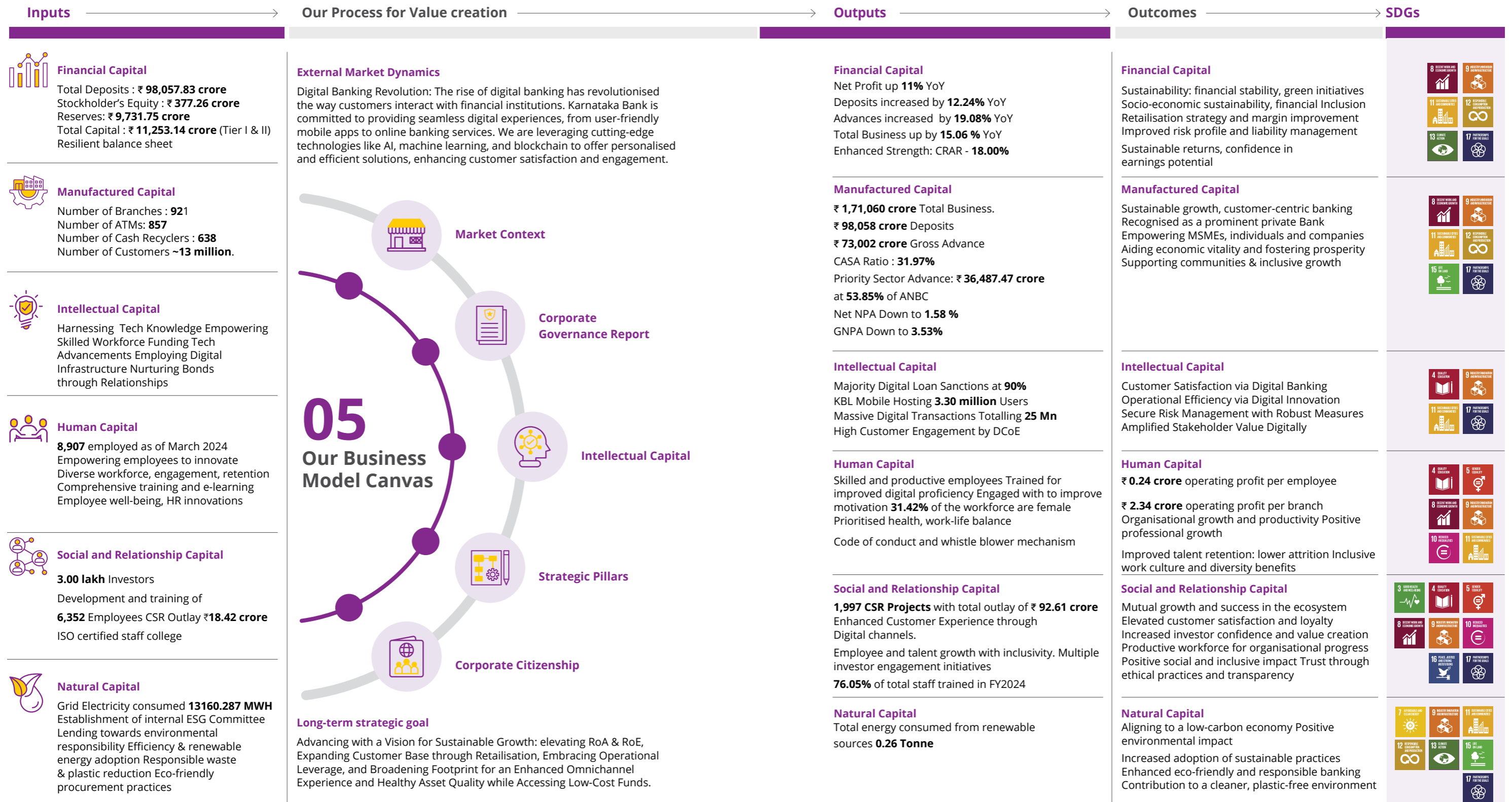


Proviso:

The above table encapsulates a collection of standards that may bear significance to a banking institution. However, this comparative chart is not all-encompassing, and the precise standards and disclosures pertinent to the Bank hinge on our materiality evaluation and the unique nature of our business activities. We encourage you to refer to the Sustainability Accounting Standards Board (SASB) and United Nations (UN) documents for a more detailed understanding of specific SASB references and UNSDGs, respectively. The SASB references and United Nations Sustainable Development Goals (UNSDGs) connected to the GRI Standards shown in this chart illustrate a broad correspondence. They may not wholly coincide with the details of our operations and strategies. This serves as a general direction and may not encapsulate every detail specific to our establishment.

# Our Value Creation Model

## Bonding Digitalisation and Sustainability in Modern Banking Operations







# Financial Capital

Embracing our centennial legacy and future aspirations, the Karnataka Bank remains steadfast in balancing traditional wisdom with innovative strategies, shaping a future where trust, growth and technological advancement converge. We are consolidating our financial strength as a foundation for sustainable growth and digital evolution. We are prudently managing capital and fiscal responsibility, ensuring business continuity, growth and consistent shareholder returns. By Leveraging innovative technologies and sustainable banking practices, we create lasting value for our stakeholders.

In line with our vision of becoming a digital Bank, we are investing in artificial intelligence, blockchain, and cybersecurity to enhance customer experiences and boost operational efficiency through automation and data analytics, creating a virtuous cycle of financial performance enhancement.

## SDGs



**₹24.29 Lakhs**

Operating profit/ employee

**1.22%**

Return on Assets

**₹234.63 Lakhs**

Operating profit/branch

**13.71%**

Return on equity

**₹19.07 crore**

Business/employee

**₹5.50/Equity Share**

Proposed dividend

**₹185.53 crore**

Business/branch

**0.83**

Price to Book Ratio

**5.65 times**

PE Ratio (as on 31.03.2024)

Owing to our strong foundation and a hundred-year-old legacy, we demonstrated remarkable performance in FY 2023-24, achieving record highs in business turnover and net profit with notable YoY growth. Despite rising interest rates, the Bank maintained strong asset quality and a high Provision Coverage Ratio (PCR), further strengthening our financial fundamentals.

In FY 2023-24, The Karnataka Bank achieved a new high in business turnover, reaching ₹171,059.49 crore (gross) with a YoY growth of 15.06%. The Bank also registered a record net profit of ₹1,306.28 crore, marking a 10.68% YoY increase. The deposits and advances grew by 12.24% and 19.08% YoY, respectively, resulting in a CD ratio of 74.45% as of March 31, 2024. Despite rising interest rates, the Bank maintained a CASA share of 31.97%. Asset quality improved, with reductions of 21 bps in Gross NPAs and 12 bps in Net NPAs. As of March 31, 2024, the Provision Coverage Ratio (PCR) stood at 79.22%, and the Capital to Risk-weighted Assets Ratio (CRAR) improved to an all-time high of 18%.

### Earnings per share

₹



FY23 FY24

### Book value per share

₹



FY23 FY24

**FY 2023-24 Highlights**

As of March 31, 2024, the Bank celebrated a significant achievement with a Business Turnover reaching ₹ 171,059.49 crore, highlighting robust growth in its operational activities. This was supported by a notable 19.08% increase in Advances, which reached ₹ 73,001.66 crore (gross), and a 12.24% rise in Deposits, totalling ₹ 98,057.83 crore. These figures underscored the Bank's ability to attract and manage substantial financial flows, reflecting confidence in its services and financial stability.

Throughout the fiscal year 2023-24, the Bank reported its highest-ever net profit of ₹ 1,306.28 crore, demonstrating strong profitability amid a challenging economic environment. The Bank's reliance on Current Account and Savings Account (CASA) deposits remained steady at 31.97%, providing a reliable and low-cost funding base that supported its lending activities.

Efforts to maintain asset quality were evident as the Bank recorded improvements in both Gross NPAs and Net NPAs. Gross NPAs decreased by 21 basis points, signalling effective risk management practices, while Net NPAs saw a reduction of 12 basis points, reflecting prudent provisioning and recovery strategies.

Interest income for the fiscal year amounted to ₹ 8,298.50 crore, driven by a 14.93% increase compared to the previous year. This growth was fuelled by higher interest earnings on advances and discounts on bills, influenced by an upward adjustment in the Marginal Cost of Funds Based Lending Rate (MCLR) and other benchmark lending rates. Income from investments also grew by 5.47%, supported by an increase in average investments during the year.

The Bank's non-interest income surged to ₹1,318.92crore, marking a

substantial 32.88% increase year-on-year. This rise was primarily attributed to expanded non-fund business activities and enhanced para-banking services, diversifying revenue streams beyond traditional banking operations.

In terms of risk management, the Bank accelerated provisions for non-performing advances, resulting in a robust Provision Coverage Ratio (PCR) of up to 80%. This proactive approach not only fortified the Bank's balance sheet resilience but also helped maintain Net NPAs at below 2%, reinforcing its asset quality metrics.

Additionally, the Bank adapted to new tax regulations under section 115 BAA of the Income Tax Act 1961, aligning its tax strategy with updated legislative frameworks to ensure compliance and optimise tax efficiencies.

Despite the growth in CASA deposits, the Bank faced increased costs of deposits due to prevailing interest rate trends, impacting Net Interest Margin (NIM) levels, which rose to 5.32% in FY24 from 4.62% in FY23.

The Capital adequacy remained a pillar of strength, with the Capital to Risk-weighted Assets Ratio (CRAR) standing at a robust 18%, well above the regulatory threshold of 11.50% prescribed by Basel III guidelines. This underscored the Bank's strong capital position and ability to support future growth while adhering to regulatory capital requirements.

In summary, the fiscal year 2023-24 was characterised by impressive financial performance, underpinned by substantial growth in business metrics, diligent risk management practices, and strategic initiatives to enhance profitability and resilience. These achievements positioned the Bank favourably in the competitive financial landscape, setting a solid foundation for continued success and sustainable growth.

**Deposits and CASA**

We witnessed a 12.24% increase in total deposits during the fiscal year, with a healthy 31.97% of those deposits being CASA (Current and Savings Accounts). This CASA growth reflects a strong focus on Retail banking, as 87.9% of total deposits come from accounts under ₹ 2 crore. We have invested heavily in IT infrastructure to support our digital strategy, which emphasises both convenience and personalisation. This includes integration between existing systems and new digital products, robust information technology for anytime/anywhere banking, and an omnichannel experience with open architecture and data-driven customisation.

**Digital transformation**

As a part of our digital transformation initiatives, which was conceptualised and is being implemented under the 'KBL-VIKAAS 2.0', the KBL NxT programme was launched in the year 2021, which seeks to redefine our Bank as 'The Digital Bank of Future'. As part of the KBL NxT programme, we have implemented digital transformational changes like digital customer on-boarding, end to end customer self-journey (both under assets and liabilities), established our ACoE in partnership with Ernst and Young LLP, and implemented procedures for providing omni-channel experience to customers. The ACoE uses AWS cloud data platform for its operations and is focussing on reviewing and analysing trends from our customer behaviour, which in turn allows us to understand the potential requirements of our customers and to offer different products and services from our existing basket of services and products, thereby increasing our share of the customer's overall financial journey / requirements / business. We are in the process of further improving our data analytic solutions through the implementation

of OFSAA modules pertaining to asset liability management, liquidity risk management, IFRS9, fund transfer pricing and profitability management.

Our Bank has launched digital loan underwriting (in-principle approvals) for most of its Retail loan products. We have also introduced tab banking and web banking under the DCoE for opening saving Bank accounts. We have a bouquet of digital asset and liability offerings providing superior customer experience. With the help of DcoE, as part of the digital transformation, our Bank has launched digitised journeys under 'KBL Xpress' series for both asset and liability products. The DcoE has developed digital journeys covering Retail and MSME loan products using business rule engine for automated verification, income assessment and credit underwriting. Account opening products leveraging 'India Stack' and officially valid documents ("OVD") verification process are enabled through tablet and web banking. A few key highlights for these journeys are as follows:

- End-to-end digital self-journey is available for cash loans;
- Constant adoption on the digital-eligible applications of over 90% across the Retail loans and MSME loans Best in-principle sanction time ranging between 10 and 30 minutes across Retail loan products and less than one hour for MSME loans;
- CSAT scores ranging between 4.3 to 4.8 on a scale of 5 across various loan products; and
- Customers are on-boarded digitally, resulting in the opening of an account in less than 5 minutes.

During FY24, we also launched certain other initiatives, such as account aggregator framework adoption in digital-journeys, WhatsApp banking, and other revenue streams like co-lending, dairy neo-banking and doorstep Gold loan schemes.



DCoE's driving framework of 'CARE', emphasis on reducing cost, increasing adoption, reducing risk, improving ease and experience, automation and data analytics is applied extensively to ensure better adoption as well as implement new processes and enhance the existing process performance with regular reviews and measurable customer satisfaction and feedback scores.

The DCoE also manages social media presence including promotion of products and services offered by our Bank and brand awareness. It is also involved in driving focused and segmented, digital marketing campaigns using search engine marketing ("SEM") and search engine optimisation ("SEO") processes. The "SPEARS" framework of segmenting, planning, executing, analysing, re-aligning and standardising, drives day-to-day functioning. Effective utilisation of the existing digital channels i.e. website, internet banking, mobile banking and enhancing the social profile of our Bank is an ongoing priority.

The percentage of sanctions under Home loans, Car loans and MSME loans through digital mode has exceeded 91% of the eligible loans as of March 2024.

% of Digital underwriting on eligible sanctions	Initiative
100%	KBL Xpress Cash
91%	KBL Xpress Car Loans
94%	KBL Xpress Home Loans
90%	KBL Xpress MSME Loans

### Capital raising activity

The Bank successfully raised ₹ 1,500 crore in equity capital within six months through a combination of preferential allotment and Qualified Institutions Placement. These funds are earmarked primarily to support the Bank's expanding business needs, including long-term capital requirements for growth initiatives, enhancing lending capacity, and for general corporate purposes. Additionally, during the financial year between November 2023 to February 2024, the Bank exercised a call option on Tier 2 bonds, totalling ₹ 720 crore which were at a coupon rate of 12%, thereby reducing its cost of funds.

### Growing advances and enhancing performance

#### Focus - Retail, Agriculture and MSME

As part of our growth strategy, maintaining our diverse advance base is a key area of growth. We will continue to invest resources to strengthen our Retail portfolio, agricultural portfolio, and mid-corporate sector with a focus on MSME business segments. Our distribution network and geographic presence have allowed us to attract interest-free current account and low-cost savings account deposits, leading to a stable CASA deposit base. In addition, our branch network allows us to drive growth in advances in our Retail, mid-corporate, and large-corporate sector banking business. Accordingly, our Bank is looking to expand its branch network in a calibrated manner.

We are committed to increasing the volume of our CASA and Retail term deposits. We intend to identify current account corporate customers

for preferred working capital lending and offer them a range of customised products including wealth products targeted at their owners, promoters and directors, salary accounts, and liquidity management solutions. We have also taken up various campaigns such as CASA power play, Centenary CASA, and Centenary Deposit Campaigns, amongst others, to improve our CASA and deposits. Frequent branch visits, along with regular reviews of regional heads, cluster heads, and regional sales executives are also undertaken to review and improve the CASA and deposit build-up of our Bank. CASA as a share ₹ 31,347.91 crore of total deposits % as of March 2024 was 31.97%.

#### Retail

Our Bank offers a wide spectrum of personal banking products in the Retail

segment. The Retail credit products include Home loans, automobile loans, personal loans, education loans, loans against term deposits, loans against securities, Gold loans, small business loans, and agriculture loans. We also offer banking products to priority sectors including agriculture, MSME, housing, and education, with a specific focus on offering products to the MSME sector.

To augment the Retail business, our Bank has introduced the concept of, inter alia, direct sales teams (DST), in addition to the existing channels through the network of branches, direct selling agents (DSA), business sourcing agents (BSA), and dealer tie-ups. Our Retail banking liability portfolio consists of current accounts and savings accounts (CASA) and term deposit services. A banking relationship through current accounts/savings accounts opens the gateway

of service offerings to the customers like international debit cards, internet banking, mobile banking, co-branded credit cards, third-party products from our channel partners, alternative delivery channels, etc. Our Bank leverages its digital capabilities, with over 85% of CASA accounts being opened through the Bank's digital onboarding solutions.

We have identified the Retail loan segment as a key area for increasing our credit portfolio. We believe that the Retail sector offers large and profitable growth opportunities. We intend to improve our Retail lending profile by expanding our Retail banking business through the acquisition of new customers, providing a convenient banking experience to existing customers, offering differentiated products and solutions to meet the specific needs of particular customer

demographics, and deploying sufficient manpower to cater to this particular segment. As part of our strategy to focus on Retail customers, we plan to customise and introduce new products and improve our lending processes and distribution channels.

We intend to focus more on Retail products to reduce the risk associated with loans by obtaining adequate security. Such loans mainly comprise Gold loans, Home loans, and loans against property to salaried employees and small business owners with income adequate to repay their loans. We also intend to launch additional schemes/campaigns to increase our Home loan, vehicle loan, and property loan. Further, we have also deployed direct sales teams (DST) to augment new-to-bank (NTB) customers in the Retail segment.

### Micro, Small and Medium Enterprises

Our Bank offers various types of MSME products to the public to fulfil their financial needs. We provide a range of banking products such as working capital finance, term loans, and business finance products, both fund-based and non-fund-based, suited to all sectors of the industry. Some of our products, namely, 'KBL Contractor Mitra', 'KBL Micro Mitra' and 'KBL Export Mitra' focus on particular segments of the public, while schemes like KBL MSME are open for all kinds of MSME customers. To support the financial needs of women entrepreneurs, we offer the 'KBL Mahila Udyog' product. In November 2023, we launched the 'KBL Commercial Vehicle Loan' scheme to cater to the needs of contractors, and transport operators. In February 2024, we also launched the 'KBL Equipment Loan' scheme for buyers of, inter alia, medical equipment, backhoe loaders, crushing plants, road rollers, dumpers, and cranes.

Our Bank is also registered as a financier on the TReDS platform, set up to provide finance to MSMEs.

#### Agriculture

In the agricultural finance sector, we offer a wide variety of products under various schemes such as 'KBL Agro Processing Scheme', 'KBL Instant Agri Credit Scheme', 'Kisan Credit Card Scheme', 'KBL Agri Gold Scheme', 'Krishik Sarathi Scheme', 'Krishik Pushpankura Scheme', 'Krishik Sinchana Scheme', amongst others, to individual farmers or joint borrowers, small and marginal farmers, and such other persons engaged in agricultural or allied activities. There is a separate agriculture credit support group that functions in the Retail finance division to exclusively deal in agriculture credit.

In order to augment priority sector lending ("PSL") and also ensure the



achievement of sub-targets under PSL, our Bank has increased the number of agriculture field officers ("AFOs") and sales officers at the branch level to reach farmers, self-help groups ("SHG"), and joint liability groups ("JLG") effectively. Our Bank conducts special campaigns regularly to focus mainly on loans to weaker sections of society. Further, the tie-up with business correspondents and business facilitators has started improving business generation. In the past few years, our Bank has taken steps to increase lending to SHGs and micro-finance. Bank achieved Priority sector advances of ₹ 36,487.47 crore, 53.85% of applicable Adjusted Net Bank Credit (ANBC).

### Optimise funding costs

Our Bank has seen growth in its deposit base and maintains a robust funding profile. We are also committed to reducing the concentration risk of our balance sheet by rationalising our Bank's corporate credit book, while focussing on Retail, MSME and agricultural growth. With regard to the Retail credit portfolio, our Bank will continue to adopt a selective stance based on the opportunity and risk involved, on a case-by-case basis.

Our Bank has reduced legacy high-cost borrowings by exercising call options on Tier II bonds. There is continued focus and efforts to increase CASA through government business, and corporate salary accounts initiative. Further, our Bank has taken up initiatives, and run campaigns to shore up the Retail term deposits portfolio by modifying the deposit rates through ALCO. Our Bank has excess SLR against which it borrows in the collateral market, in addition to short-term call money or term money borrowings.

### Improving operating efficiency to optimise cost

We will continue to focus on effective cost management through manpower optimisation, process improvements

such as digitisation of the credit sanction process and centralisation of credit monitoring and analytics-led cost monitoring. We will also review the consolidation, relocation and reformatting of our branch network. We have already undertaken the process of rationalising our back-offices for enhanced operating efficiency and to optimise costs. As a part of our strategy, we are constantly working to explore new technology and improve the digital offerings in our business.

We adopted a core banking solution in Fiscal 2000 and in Fiscal 2017, we commenced our new generation digital foray with 'Project KBL VIKAAS' by having M/s. Boston Consulting Group as our consultant implement various projects for improving operating efficiency. Our distribution and collections infrastructure is a key source of operating leverage and will help reduce our operating expenses. Further, we expect that our strategic investments in technology and digitisation across our business will further reduce our operating expenses and credit costs over time. We will continue to review and identify means to improve our revenue-to-operating expenses ratio and improve our overall net interest margin from current levels.

Further, our Bank's wholly owned non-financial subsidiary, KBL Services Limited, has been operationalised with effect from March 30, 2021, and has started providing its services to our Bank in augmenting its 'Feet on Street' and services of business associates for canvassing CASA accounts and Retail loan products of our Bank. Our Subsidiary is permitted to provide its services to our Bank under the categories of business sourcing, contact centre management, management of banking channels, back-end processing activities, IT projects and digital capabilities, as per the final approval dated March 3, 2020, granted by the RBI. Through KBL Services Limited, we have been able to rationalise costs and improve our operating efficiency.

### Enhancing product offerings and asset quality

Our Bank plans to continue to focus on maintaining high underwriting standards and will continue to strengthen our Bank's asset quality of Retail, rural and SME loans by ensuring that we sell the right products to the various customer segments according to each segment's individual financial needs while being mindful of our Bank's risk tolerance. We will continue to improve our Bank's collection efficiency powered by digital interventions and analytical models on top of traditional methods.

We intend to continue to focus on reducing our impaired assets to reduce our NPA levels while improving the quality of our assets. We believe that effective risk management is essential to our growth, strategic planning and long-term sustainable development. To strengthen our credit monitoring and internal control capabilities, we have developed a comprehensive credit risk rating system for quantifying and aggregating the credit risk of all borrower accounts across various exposures. We have introduced specialised lending rating models and Retail scorecard models. Further, we have also introduced scorecard models under the digital underwriting process for MSMEs etc. Our Bank's gross NPAs as a percentage of gross advances was 3.53%, and our Bank's net NPAs as a percentage of net advances was 1.58%.

We have taken enough measures to control the stress level. Our Bank has a separate vertical, namely the credit monitoring department (CrMD) which closely monitors the end use of funds and movement of stressed assets. We have a separate set up viz. regional collection hubs at all our 14 regional offices for micro-level monitoring. Our Bank has implemented analytic-based collection prioritisation to optimise collection efforts and to control the delinquency levels. Our Bank has also put in place a digital platform for triggering early warning signals which

helps us in identifying the weaknesses at the early stage of its occurrence to take appropriate measures to prevent further damage to the asset quality.

We have undertaken a multifaceted approach to improve its asset quality and provision coverage ratio, focusing on enhanced monitoring, early warning systems, and effective collection mechanisms. Here are the key initiatives:

#### Establishment of a Dedicated Credit Monitoring Department (CrMD)

- A specialised CrMD at the Head Office supervises post-sanction monitoring and ensures a systematic follow-up of stressed accounts.
- Regional Collection Hubs (RCHs) have been set up at all regional offices, which include Regional Retail Collection Teams (RRCTs) and Regional Corporate Collection Teams (RCCTs). These teams initiate time-bound and Days Past Due (DPD)-wise actions to ensure timely collection of dues under the overall supervision of CrMD.

#### Implementation of Behavioral and Early Warning Systems (EWS) Modules

These modules help identify loan accounts that may face recovery challenges in the future. Based on the risk assessment (low, medium, high), collection activities such as sending SMS, emails, calls, and customer visits are prioritised.

#### Web-based Collection Tool - "KBL-Kollect+"

This tool is refined to support prioritised collection activities, enhancing the efficiency of the collection process.

#### Efforts to Reduce Stress in Special Mention Accounts (SMA)

The Bank has implemented proactive measures to reduce stress in SMA (SMA 0, 1, 2) underperforming advances. Improved monitoring and collection efficiencies have contributed to a declining trend in stress within restructured advances.

#### Technological Enhancements:

- Auto Sweep system for automatic collection of EMI/Installment/ Interest from borrowers' operating accounts.
- E-Connect solution, enabling payments to loan accounts through UPI payment options.
- Auto-capturing of Early Warning Signals to identify potential risks early and take preemptive actions.

#### Dedicated Credit Monitoring Teams (CrMT)

These teams operate under the RCHs at all regional offices, focusing on post-sanction monitoring of loan accounts in their respective regions, ensuring close and continuous oversight.

By implementing these strategies, the Bank has significantly improved its ability to manage and recover loans, leading to enhanced asset quality and a better provision coverage ratio. The systematic and technology-driven approach has allowed the Bank to preemptively address potential issues and streamline collection efforts, thereby reducing overall stress in the loan portfolio.



### Effective Management of Financial Risks

We have implemented a set of robust policies to effectively manage market risks and optimise our financial operations:

- Integrated Treasury Policy:**

This policy ensures that the Bank's treasury functions work together seamlessly. It focuses on maximising liquidity, managing funding efficiently, and mitigating risks across all aspects of the Bank's operations. By integrating these functions, the Bank can respond swiftly to market changes and opportunities.

- Asset Liability Management (ALM) Policy:**

With this policy, the Bank carefully balances its assets and liabilities. It aims to minimise risks related to interest rates and liquidity, ensuring that the Bank's financial health remains stable even amidst economic fluctuations. This strategic approach helps in maintaining profitability while safeguarding against potential financial vulnerabilities.

- Market Risk Management Policy:**

This policy is designed to identify, measure, monitor, and control risks stemming from market fluctuations. It covers various market variables such as interest rates, foreign exchange rates, and equity prices. By closely monitoring these factors and implementing proactive risk mitigation strategies, the Bank can navigate market volatility with greater confidence.

- Fund Transfer Pricing Policy:**

This policy establishes a framework for internal cost allocation based on the risks and costs associated with transferring funds movement within the Bank. It ensures that pricing decisions are fair, transparent, and reflective of the underlying risks involved in fund transfers.

These policies are not just frameworks but operational guidelines that enable the Bank to adapt swiftly to market dynamics while maintaining stability and profitability. By incorporating inbuilt thresholds for monitoring market movements, the Bank enhances its ability to respond effectively to changes, thereby reinforcing its resilience in the competitive banking landscape.

Additionally, the Bank manages exposure to financial risks through:

- Interest Rate Risk Management:**

Utilising Traditional Gap Analysis (TGA) and Duration Gap Analysis (DGA) to assess and mitigate impacts on earnings and economic value due to interest rate fluctuations.

- Credit Risk Management:**

Implementing a robust credit risk rating system, automated credit decision processes with a Business Rule Engine (BRE), and conducting regular audits to monitor and mitigate credit risk, including Non-Performing Assets (NPAs).

These measures ensure proactive management of risks, supporting financial stability and resilience.

### Strategic Stakeholder Engagement for Financial Health

To maintain strong relationships with key stakeholders like lenders, investors, and rating agencies, the finance department employs several strategic approaches:

- Price-to-Earnings (PE) Ratio:**

The PE ratio is used by investors to assess the relative value of companies. Our PE ratio started at 4.43 at the beginning of FY2023 and ended the year at 5.65, reflecting investors' confidence in our earnings potential.

- Transparent Communication:**

Regular updates to stakeholders are provided through channels like

stock exchange announcements and the Bank's website. This ensures transparency in financial results and operational developments.

- Investor Relations:**

The Bank's Investor Relations team plays a crucial role in organising regular investor meets in collaboration with Ernst and Young. These meetings facilitate direct engagement with investors, providing insights into the Bank's strategy, performance, and future prospects.

- Quarterly Conference Calls:**

Quarterly conference calls are conducted to update stakeholders on the Bank's financial performance, market conditions, and strategic initiatives. This ongoing

communication helps maintain investor confidence and transparency.

These efforts collectively aim to foster trust, transparency, and open dialogue with stakeholders, ensuring ongoing access to capital and supporting a strong credit rating for the Bank.

### Way ahead

We're moving forward with a range of exciting new initiatives based on our three key principles: "Run the Bank, Grow the Bank, Change the Bank." Our bank is launching major digital transformation to bring in the latest technology and IT systems and technologies to improve customer experience and operational efficiency.





# Manufactured Capital

Manufactured Capital represents the essential infrastructure, systems and technology that a Bank employs to deliver its products and services efficiently. For the Karnataka Bank, this critical component forms the bedrock of our operational excellence, sustainable growth and delivering superior customer experiences. It encompasses our robust infrastructure, cutting-edge technology and meticulously maintained physical assets.

Our extensive network of branches, ATMs, and digital platforms ensures seamless accessibility and convenience for our customers. By strategically investing in and optimising our manufactured capital, we aim to strengthen our competitive position, expand our market reach and contribute meaningfully to the financial landscape of India.

## SDGs



With over a century of legacy, we stand as a leading private sector Bank in India, having developed a strong infrastructure and operational framework to support our wide range of financial services.

### Physical Infrastructure

Our physical infrastructure is the backbone of our operations, enabling seamless banking services to millions of customers across the country. The Bank's infrastructure includes:

#### Branch Network

With over 900 branches spread across India, we ensure accessibility and convenience for our customers. Each branch is equipped with modern banking facilities, ensuring a high-quality customer experience.

#### Automated Teller Machines (ATMs)

The Bank operates a widespread network of ATMs, providing 24/7 cash withdrawal and other banking services. These ATMs are strategically located to serve both urban and rural populations effectively.

#### Regional Offices and Administrative Centres

To manage our extensive branch network, we have established regional offices and administrative centres. These centres coordinate and oversee branch operations, ensuring consistency and compliance with regulatory standards.



We have made significant investments in technology to enhance our operational efficiency and service delivery. The Bank's technological infrastructure includes:

- **Core Banking System (CBS)** - The implementation of a robust CBS has streamlined banking services across all branches, enabling real-time transaction processing and efficient account management.
- **Digital Banking Platforms** - To meet the evolving needs of tech-savvy customers, the Bank offers various digital banking platforms, including mobile banking apps, internet banking, and UPI services, providing customers with convenient, anytime, anywhere access to banking services.
- **Data Centres and IT Infrastructure** - The Karnataka Bank operates state-of-the-art data centres, ensuring the security and integrity of customer data. The Bank's advanced IT infrastructure supports its digital initiatives and facilitates smooth, uninterrupted banking operations, thereby boosting overall operational efficiency.

920+

Branches

2,415+

Service outlets

850+

ATMs

630+

Recyclers

New products focused on

Retail



Agriculture



MSME



Retail

**Government Banking**

The platform facilitates the collection of Direct Taxes, Custom Duty and GST, offering multiple payment methods

Flexi Fixed Deposit facilities for government agencies

**Liability Products**

Savings Account  
 KBL WISE Senior Citizen SB Account  
 SB Instant Saving Account  
 KBL Vanitha Women's Savings Account  
 KBL Tarun Student Savings Account  
 KBL Kishore Young Savings Account  
 KBL Corporate Salary Account  
 SB Sugama Zero Balance Account  
 Personalized options, Straightforward banking with 24X7 support

**ADC Channels**

ASBA IPO through Mobile banking  
 NCMC (Metro) Rupay premium debit card  
 BBPS through mobile banking  
 UPI Lite



Agriculture



MSME

**Gold Loan Bullet Repayment Scheme**

Provides tailored short- term agricultural loan with repayments at the end of the loan tenure

**KBL CV/CE**

Provide loans to finance both new and used commercial vehicles including hybrid vehicles

Designed to empower MSME business by financing new / old equipment across sectors

**KBL Current Account Purple Privilege**

KBL Current Account Purple Privilege provides banking services to medium and large businesses

QR soundbox

**Products and services**

We offer a diverse range of products and services tailored to meet the financial needs of individuals, and businesses, including MSMEs, NRIs and the agricultural sector. Our offerings are accessible through both traditional branches and digital platforms.

**Retail banking**

Retail banking is pivotal in driving the overall growth of The Karnataka Bank, offering a diverse array of services and products through a robust multi-channel distribution network tailored to the needs of individuals across urban and rural India. Our focus in Retail banking is to cater primarily to individuals, including salaried employees, self-employed professionals, and other individuals, addressing their personal financial requirements comprehensively. This encompasses a wide range of services which collectively contribute significantly to our operational income. These services are accessible to our Retail customers through both our extensive branch network and digital channels, ensuring convenience and accessibility in every transaction.

**Home loans**

We offer Home loans through the 'KBL Apna Ghar' and 'KBL Apna Ghar Elite' schemes, as well as digitally via the 'KBL Xpress Home Loan' platform.

**Vehicle loans**

The Bank provides vehicle loans for the purchase of both new and pre-owned four-wheelers through the 'KBL Xpress Car Loan' and new two-wheelers via the 'KBL Express Easy Ride Loan'. These schemes cater to a wide range of individuals, including income tax assesses, agriculturists, companies, firms, trusts, associations, societies and NRIs.

**Personal loans**

We offer personal loans through schemes such as 'KBL Xpress Cash Loan' and 'KBL Insta Cash Loan', designed to address diverse personal and household financial needs.

**Education loans**

The Bank provides education loans through schemes such as 'KBL Vidya Nidhi Quick Education Loan' and 'KBL Skill Loan', supporting students pursuing both undergraduate and postgraduate courses.

**Gold loans**

Offering Gold loans through schemes like the 'KBL Bullet Repayment Scheme' and 'KBL Agri Gold Scheme', providing financial support for various personal, household and agricultural expenses.

**Other Retail loans**

The Retail Credit division is central to our commitment to prioritising customers. We also offer financing for small businesses and agricultural purposes.

Our Retail Banking division is dedicated to fostering growth across various sectors, managing all credits up to ₹ 7.50 Crore for industries, personal needs, services, agriculture, foreign exchange, and other business activities. Our specialised teams in Agriculture, Forex, and SMEs are focused on delivering tailored solutions that meet each customer's unique requirements. With sustainability in view, Bank provides financing for solar energy harvesting through the 'KBL Ravi Kiran Scheme' and financing for e-vehicles too.



### Treasury

Our integrated treasury performs the crucial function of interacting with dynamic market forces, understanding them and transforming such understanding into profits. Our treasury operations comprise primarily of statutory reserves management such as SLR and CRR, liquidity management, investment and trading activities and foreign exchange activities. As part of liquidity management, our treasury department primarily invests in sovereign debt instruments and other fixed-income securities. We also deal with commercial papers, mutual funds, certificates of deposits and floating rate instruments to manage short-term surplus liquidity. We also engage in foreign exchange operations and offer a wide range of products and services for customers such as forward contracts, foreign exchange products and services etc.

Revenue from our treasury operations consists primarily of interest income on the investment portfolio, gains or losses from trading operations, trades and capital market deals. Our treasury operations involve the managing of investments and funding from money markets for our Bank. This ensures that we can meet the RBI's regulatory requirements of complying with the statutory liquidity ratio and cash reserve ratio.

### Deposits

Our deposits portfolio is broadly classified into demand deposits and term deposits, which are briefly discussed as under:

- **Term deposits:** We accept term deposits giving a fixed return, for periods ranging from 7 days to 10 years. The term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates

by paying penalties, if any. The term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer an overdraft facility against the term deposits to our customers. The term deposits provide us with a cost-efficient and stable funding source and remain a key focus area for us.

- **Savings accounts:** We offer savings accounts, which are interest-bearing on-demand deposit accounts designed primarily for individuals. In addition to our conventional deposit products, we offer a variety of special value-added

products and services such as inter alia, 'SB-Sapphire', 'SB Platinum', 'SB Ruby', 'SB-TASC', and 'KBL Vanitha Women's Saving Account Loan'. With the initiation of the project 'KBL VIKAAS', onboarding of savings Bank customers through Tab and Web banking has also been implemented.

- **Current accounts:** We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.



### Corporate banking

We provide a range of tailored banking products to corporate clients through our dedicated corporate banking vertical. This includes customised offerings such as working capital finance, term loans and infrastructure finance. Our comprehensive suite of corporate banking products and services encompasses:

- Current account schemes designed for small merchants, medium enterprises, micro and small enterprises, authorised distributors and corporate enterprises
- Diverse loan products covering working capital, term loans, infrastructure finance
- Point-of-sale services for automated sales collection, enhancing convenience for our customers.

### Agricultural financing

At the Karnataka Bank, we offer a diverse range of products and schemes tailored for individuals, firms, companies, and HUF engaged in agricultural activities. Our agriculture banking portfolio includes the following schemes:

- **KBL Instant Agri Credit** - Provides credit for agricultural expenses such as crop cultivation and allied activities, with a maximum tenor of 24 months.
- **KBL Agri Gold** - Offers credit for short-term agricultural operational expenses, with a maximum tenor of 12 months.
- **Krishik Sarathi** - Extends credit for purchasing farm machinery, vehicles, and innovative equipment essential for agricultural operations and transportation of agricultural produce, with a maximum tenor of nine years.



Additionally, the Bank provides the 'Kisan Credit Card' scheme, facilitating short-term credit needs for farmers. This includes expenses for crop cultivation, post-harvest activities, marketing loans, household consumption, and working capital for farm maintenance and allied agricultural activities.

Our robust agriculture finance portfolio not only supports our priority sector lending requirements but also contributes significantly to our commitment to allocate 40% of our adjusted net Bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, towards priority sectors, and 18% towards agriculture specifically.

### Micro, Small and Medium Enterprises (MSMEs)

The Bank offers a comprehensive array of MSME products designed to meet diverse financial needs. Our range

includes working capital finance, term loans, and both fund-based and non-fund-based business finance products, tailored to cater to every sector of the industry. We provide specialised products such as 'KBL Contractor Mitra Loan', 'KBL Micro Mitra Loan', and 'KBL Export Mitra' targeting specific segments, alongside the inclusive 'KBL MSME' scheme accessible to all MSME customers.

To empower women entrepreneurs, we offer the 'KBL Mahila Udyog Women's Business Loan'. Recently, we introduced the 'KBL Commercial Vehicle Loan' in November 2023 for contractors and transport operators, and in February 2024, the 'KBL Equipment Loan' for purchasers of medical equipment, backhoe loaders, crushing plants, road rollers, dumpers, and cranes. The Karnataka Bank also serves as a registered financier on the TReDS platform, facilitating enhanced financial support for MSMEs.



## Other banking operations

### Third-party products

#### Bancassurance

In order to provide a range of finance and investment products to customers as value addition, and also to augment non-interest income, we have entered into corporate agency agreements with five life insurance companies, namely, Life Insurance Corporation of India, PNB Metlife India Insurance, Bharti Axa Life Insurance Company, HDFC Life and Bajaj Allianz Life Insurance and two general insurance companies, namely Universal Sampo General Insurance and Bajaj Allianz General Insurance for soliciting, procuring and marketing life, general and health insurance products to our customers. We have obtained a registration certificate from the Insurance Regulatory and Development Authority of India under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, as amended and the Insurance Regulatory and Development Authority Act, 1999, as amended to act as a corporate agent.

#### Mutual funds

Bank distributes mutual fund products of various asset management companies in India to its clients as an empanelled distributor. As of March 2024, we are empanelled with eight asset management companies. Mutual fund products are sold through our Bank's branch distribution network based on client requirements. Our Bank has also launched the online sale of mutual funds through a technology-enabled platform- 'FISDOM' with end-to-end digitisation to invest in more than 40 AMCs through our Bank's mobile banking platform, 'KBL Mobile Plus'.



#### Depository services

Bank is offering depository services as a depository participant for Central Depository Services (India) Limited. We also offer an online trading facility to our customers through tie-ups with our channel partners. In association with Way2Wealth Brokers Private Limited, we are offering three-in-one and two-in-one account facilities. Further in association with IIFL Securities Limited, we have launched the product 'KBL Smart Trade' offering the two-in-one facility to our customers.

#### Priority sector lending

Commercial Banks in India, including our Bank, are required by the RBI to lend through advances or investment, 40.00% of their adjusted net Bank credit ("ANBC") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to certain specified "priority sectors",

subject to certain exemptions permitted by the RBI from time to time. Priority sector advances include advances to the agriculture sector, MSME sector and financial inclusion sector, microfinance loans, loans to certain sectors deemed weaker by the RBI, housing and education finance up to certain ceilings and loans to fund the purchase of eligible assets and investments in eligible securitised assets.

We are required to comply with the priority sector lending requirements as guided by the RBI from time to time which is fixed as a percentage of applicable ANBC. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with the Rural Infrastructure Development Fund established by the National Bank for Agriculture and Rural Development or funds with other financial institutions as specified by the RBI.

#### Locker facility

The Karnataka Bank provides locker facilities across multiple branches nationwide. Customers can conveniently apply for lockers online and pay locker rent through our secure online platform.

#### Card services

The Karnataka Bank maintains a debit card base of issued in collaboration with Visa and RuPay networks. Additionally, we have partnered with SBI Cards and Payment Services Private Limited through a memorandum of understanding to launch the 'Karnataka Bank-SBI Card Co-branded Credit Card' programme.

#### Internet banking

The Bank's internet banking system can be used across devices for fund transfer by way of National Electronic Funds Transfer ("NEFT"), Immediate Payment System ("IMPS") or Real-Time Gross Settlement ("RTGS"), online utility bill payments, access to account statements, details of loan accounts and managing debit card settings and for purchase of investment and insurance products.

With a focus on innovation, customer experience and being the 'Digital Bank of the Future', of the Bank aims to provide a seamless, integrated and

user-friendly technology interface for customers. In this regard, we have launched a new web-based corporate internet banking facility, namely 'KBL ONE' in July 2023.

# 94.62%

Transactions performed through digital Banking channels



### Key initiatives during FY 2024

As digital is the way forward for our business under KBL VIKAAAS 3.0, The Bank has placed digital banking on fast forward mode to position the Bank as 'Digital Bank of Future' and various digital projects are taken up during FY 2023-24 are mentioned below.

- Co-lending Model with NBFCs for lending to the Priority Sector was launched to provide greater operational flexibility to lending institutions and to improve the flow of credit to the unserved and underserved sector of the economy.
- Following authorisation by the RBI and the execution of an agency business agreement, The Karnataka Bank is now authorised to collect Direct and Indirect Taxes, as well as Customs duty payments on behalf of CBDT/ CBIC. This service is facilitated through both Internet Banking and Over-the-counter (OT) modes, enhancing convenience and efficiency for taxpayers.
- To maximise our digital marketing impact, we have implemented tailored initiatives to align with customer expectations across our product and service offerings. These include the introduction of a Net Promoter Score Survey Tool and the launch of SMS/ Email drip campaigns aimed at promoting our diverse range of products and capturing valuable customer feedback.
- We launched a pilot initiative called 'KBL Swarna Bandu', a doorstep Gold loan service available at selected branches. This innovative product allows customers to conveniently access Gold loan services directly at their doorstep, facilitated through a partnership with a FinTech Business Correspondent.

- We launched the OMNI Channel to enhance online banking operations, ensuring seamless experiences, convenience, and efficiency. The Phase 1 introduces corporate Internet banking with features like bulk transaction uploads, GST payments, and quick transfer facilities. The Phase II aims to expand these capabilities with the implementation of a mobile banking application tailored for corporate customers.
- The Bank has launched new corporate salary savings account schemes designed for employees of companies, corporates, firms, LLPs, societies, trusts, clubs, and associations. These accounts offer value-added services including discounts on safe deposit locker rent, access to airport lounges, debit cards with higher limits, and various insurance benefits.
- In a bid to enhance customer service and offer a more user-friendly technology interface, the Bank has introduced enhanced features via WhatsApp Banking. These include online applications for locker facility requests, KYC updates, and submission of Positive Pay for issued cheques.

### Merchant Support for POS Transactions

At the Karnataka Bank, we provide comprehensive support to our merchants in terms of settlement, reconciliation and customer support related to POS transactions. We assist our POS merchants by facilitating effective communication with their respective branches and offering detailed information on transactions, POS terminals and merchant addresses. Additionally, we collaborate with our tie-up vendors to ensure speedy resolution of any issues, thereby ensuring smooth and efficient operations for our merchants.

We envision empowering businesses and enhancing operational efficiency through the strategic provision of POS terminals to eligible merchants. By simplifying The settlement processes and encouraging the adoption of more terminals, we aim to offer substantial benefits and convenience to merchants. This initiative not only boosts merchant satisfaction but also drives revenue growth for the Bank. Our goal is to penetrate the merchandise market, expand our presence, and elevate our public image by promoting the widespread use of POS terminals.



### Enhance accessibility

We have implemented the KBL Locator feature on our website to assist customers in finding nearby branches and ATMs. This tool is conveniently accessible through SMS as well, automatically triggered when customers utilise other Bank ATMs for withdrawals. For added convenience, customers can also locate The Karnataka Bank branches and ATMs through Google search, ensuring easy access to information and services.

### Banking Outlets and Alternate Delivery Channels (ADCs)

Although our presence is predominant in South India, we have been strategically expanding our network of branches and controlling offices across various parts of the country. To truly become 'Bharat ka Karnataka Bank', we carefully assess the potential for business, earnings and customer outreach to ensure that each new location maximises our growth and service capabilities. Towards being Bharat ka Karnataka Bank.

### Sustainable Practices

In alignment with global sustainability trends, we have integrated sustainable practices into our strategy. These include:

- Green Branches and Offices - The Bank is committed to reducing its environmental footprint by incorporating energy-efficient designs and technologies in its branches and offices. Initiatives include the use of solar power, LED lighting, and water conservation measures.
- Paperless banking - The Karnataka Bank promotes paperless banking through digital documentation and electronic communication, significantly reducing paper consumption and waste.

### Notable Awards

Awarded the 'ET Edge  
**ICONIC Brands of India  
- 2023**' in September 2023

Awarded with 'Exemplary  
**Digital Transformation  
Strategy**' and  
'Outstanding Data  
**Analytics Initiative**'  
by Elets Banking and  
Finance in June 2023

Awarded under three categories at the INFOSYS Finacle Innovation Awards 2023, namely, 'Transformation  
**Excellence**' (Platinum), 'Process Innovation' (Platinum) and 'Channel Innovation' (Gold) in June 2023



# 100 Years and Counting: The Karnataka Bank's Next Chapter

**The Bank is poised for continued growth and innovation in our manufactured capital.**

- Branch Expansion - We aim to expand our branch network further, particularly in underserved regions, to enhance financial inclusion.
- Technological Upgrades - Ongoing investments in technology will ensure that The Bank remains at the forefront of digital banking trends, offering cutting-edge services to its customers.
- Sustainability Goals - We will continue to pursue our sustainability goals, integrating more eco-friendly practices into our operations and infrastructure.



# Intellectual Capital

In today's knowledge-driven economy, Intellectual Capital is a key differentiator for Banks. At the Karnataka Bank, this stands as a cornerstone of our strategic vision and operational excellence, driving innovation and sustained growth in a competitive financial landscape. Rooted in a century-old legacy of trust and integrity, we leverage our collective knowledge, expertise and human talent to foster a culture of continuous learning and adaptability.

By integrating advanced technologies, promoting employee development and a collaborative ecosystem, we transform intellectual assets into tangible value, ensuring robust performance and exceptional customer experiences. This strengthens our market position and also paves the way for future-ready banking solutions that resonate with the evolving needs of diverse customers.



## SDGs



## Digital Transformation

Our initial transformation strategies have been conceptualised and are being implemented under the "KBL-VIKAAS" programme, developed in consultation with the Boston Consulting Group. This comprehensive transformation journey, initiated in Fiscal 2017 and founded on digital and technology enablers, aims to strengthen our Bank's fundamentals, build long-term capabilities, and maintain a competitive edge. As part of this initiative, we established the Digital Centre of Excellence (DCoE), a dedicated division focused on developing digital innovations and technological enhancements. Our goal is to migrate transactions to digital channels, which are more cost-effective and convenient for our customers compared to physical channels.



As part of our digital transformation initiatives under the 'KBL-VIKAAS 2.0' programme, the 'KBL Nxt' programme was launched in 2021, aiming to redefine our Bank as 'The Digital Bank of the Future'. This programme includes several digital transformational changes such as digital customer onboarding, end-to-end customer self-journeys for both assets and liabilities and the establishment of our Analytical Centre of Excellence (ACoE) in partnership with Ernst and Young LLP.

The ACoE leverages the AWS cloud data platform to review and analyse customer behaviour trends, enabling us to understand customer requirements better and offer a diverse range of products and services from our existing portfolio. This approach enhances our share of the customer's overall financial journey. Additionally, we are enhancing our data analytic capabilities through the implementation of OFSAA modules for asset liability management, liquidity risk management, IFRS9, fund transfer pricing, and profitability management.

Our Bank has launched digital loan underwriting (in-principle approvals) for most of its Retail loan products. We have also introduced tab banking and web banking under the DCoE for opening savings Bank accounts. We have a bouquet of digital asset and liability offerings providing a superior customer experience. With the help of DCoE, as part of the digital transformation, our Bank has launched digitised journeys under the 'KBL Xpress' series for both asset and liability products. The DCoE has developed digital journeys covering Retail and MSME loan products using a business rule engine for automated verification, income assessment and credit underwriting. Account opening products leveraging 'India Stack' and officially valid documents ("OVD") verification process are enabled through tablet and web banking. A few key highlights for these journeys are as follows:

- End-to-end digital self-journey is available for cash loans;

- Constant adoption on the Digi-eligible applications of over 90% across the Retail loans and MSME loans Best in-principle sanction time ranging between 10 and 30 minutes across Retail loan products and less than one hour for MSME loans;
- CSAT scores ranging between 4.3 to 4.8 on a scale of 5 across various loan products; and
- Customers are on-boarded digitally, resulting in the opening of an account in less than 5 minutes.

**Digital Loan Underwriting and Banking Solutions**

Our Bank has launched digital loan underwriting for most of its Retail loan products, allowing for in-principle approvals. Additionally, we have introduced tab banking and web banking through the Digital Centre of Excellence (DCoE) for opening savings Bank accounts. We offer a comprehensive suite of digital asset and liability products designed to provide a superior customer experience.

**New Initiatives and Frameworks**

In the current fiscal year, we have introduced several new initiatives aimed at enhancing our digital offerings and customer experience. These initiatives include the adoption of the account aggregator framework in our digital journeys, the launch of WhatsApp banking, and the introduction of new revenue streams such as co-lending, dairy neo-banking, and doorstep Gold loan schemes.

The Karnataka Bank has launched its updated Corporate website, featuring a design that emphasises simplicity and clarity to cater to the evolving expectations of new generation customers. The new website offers an attractive and user-friendly experience, ensuring smooth and hassle-free navigation.

**KBL ONE Corporate Internet Banking**

Elevate your enterprise's financial management with our business offering. Embrace a world where seamless transactions, comprehensive account oversight, and state-of-the-art security converge, offering your business the ultimate banking convenience and efficiency. Available 24/7.

**Driving Framework: CARE**

The DCoE operates under the 'CARE' framework, which focuses on reducing costs, increasing adoption, minimising risk, and improving ease of use and customer experience. This framework also emphasises automation and data analytics to enhance process performance. The Regular reviews and measurable customer satisfaction and feedback scores are integral to ensuring better adoption and continual improvement of both new and existing processes.

**Social Media and Digital Marketing**

The DCoE is responsible for managing our Bank's social media presence, promoting our products and services, and increasing brand awareness. It drives targeted and segmented digital marketing campaigns using search engine marketing (SEM) and search engine optimisation (SEO). The SPEARS framework-Segmenting, Planning, Executing, Analysing, Re-aligning, and Standardising-guides our day-to-day digital marketing efforts. Our ongoing priorities include effectively utilising existing digital channels such as our website, internet banking, and mobile banking, as well as enhancing our Bank's social media profile.

**SPEARS framework**



The percentage of sanctions under Home loans, Car loans and MSME loans through digital mode has exceeded 91% of the eligible loans as of March 2024

% of Digital underwriting on eligible sanctions	Initiative
100%	KBL Xpress Cash
91%	KBL Xpress Car Loans
94%	KBL Xpress Home Loans
90%	KBL Xpress MSME Loans



As part of our digital transformation journey, we have established a Technology, Digital, and Product Hub (TDH) in Bengaluru, covering 40,000 square feet with over 370 workstations.

We have integrated a Customer Relationship Management (CRM) tool from Simple CRM, which is deployed across service, sales, and marketing. This integration creates an integrated digital platform that spans multiple channels, enabling us to provide comprehensive services to customers and ensure product-centric sales processes. This unified approach enhances customer success, efficient lead management, and overall business efficiency.

**Embracing Digital Innovation**

The Bank has successfully implemented the NCMC Debit Card with an offline wallet and recharge feature through Mobile Banking, allowing customers to top up their wallets for use at Metro transit points. Additionally, customers can now apply for loans against deposits and submit E-ASBA applications (for IPOs/Rights issues) through Mobile Banking. The Bank has also launched the Premium-NCMC RuPay Select Debit Card for our customers.



**Our Apps and range of services offered**

Mobile Banking	BHIM KBL UPI App	KBL mPASSBOOK App
1) Quick transfer within	31) PAN Update	1) Account summary
2) Quick transfer NEFT	32) Nominee Update	2) Passbook
3) Fund transfer own Bank account	33) School Fee Payment	3) Change PBPIN
4) Fund transfer within the Bank	34) Deposit /Interest Certificate	4) Calendar
5) Fund transfer IMPS/ NEFT/RTGS	35) Loan Interest Certificate	5) EMAIL Account statement
6) Credit card Payment	36) Cheque-Enquiry, stop payment, positive pay history	6) Positive Pay History
7) E-Hundi	37) SMS alert subscription	7) Enable fingerprint
8) Scheduled transactions	38) Email statement subscription	
9) Standing instruction	39) MMID View/Delete	
10) Beneficiary Management	40) Certificate of Balance	
11) Transaction History	41) Debit card settings -set limit, set pin block card, unblock card, create wallet, load wallet	
12) Search	42) Fastag - purchase, recharge	
13) Set Limit-MB individual Limits	43) Insurance	
14) Set Limit-Manage Account Limit (ADC Limit)	44) Sovereign Gold Bond	
15) Email Updation	45) ASBA/IPO	
16) Primary Account Change	46) Mutual Funds	
17) Change MPIN	47) KBL Suraksha	
18) Set Primary account	48) Investment	
19) Link Delink account	49) Deposit - Open & Closure, Modify maturity instruction, View Receipt	
20) Reset Security Questions	50) Deposit Loan - Opening and Closure	
21) Cardless Cash Withdrawal	51) Travel Ticket Booking	
22) Bill Pay & Recharge (Single Screen)	52) Scan and Pay	
23) CKYC Number display	53) UPI Payment	
24) Account Statement	54) Calculator	
25) Account View	55) Holiday List	
26) mPASSBOOK	56) IFSC Search	
27) Apply for Locker	57) Locator	
28) Apply for a Loan		
29) Online Dispute Resolution		
30) 15G/H Form submission		

**Enabling seamless digital journeys for customers**

The Bank is leveraging a strong and secure API stack that empowers Banks to deliver a seamless digital journey that is Enhanced User Experience, Faster Transactions, Personalised Services, Easier Integration, Security and Compliance, Omni-channel Capabilities, Innovation and Partnership and responsive to the evolving needs of customers in today's digital age. The Bank has enabled the online Account Opening process, Digital Lending, TAB Banking & WhatsApp Banking which would provide easy access to the products & services such that our stakeholders/ customers are exposed to better engagement with the Bank.

**Leveraging data analytics to generate valuable business insights**

As a pivotal element of our ongoing digital transformation endeavour, the Analytical Centre of Excellence (ACoE) was established in Bengaluru. Its primary aim is to foster data-centric decision-making by harnessing existing data reservoirs and analytical methodologies across diverse business spectrums.

At the core of the ACoE, lies a robust Cloud Data Platform, meticulously crafted in adherence to the rigorous security protocols of IDRBT. This platform serves as the bedrock for pioneering advancements in analytics and AI/ML innovations, strategically

tailored to propel business expansion. Additionally, self-service business intelligence tools have been curated to furnish departments and branches with real-time, actionable insights spanning the Bank's multifaceted domains, encompassing Liabilities, Assets, Credit Risk & Collections, and Channel orchestration.

**The vision of ACoE is multifaceted:**

- To forecast and prioritise endeavours through comprehensive data analysis, coupled with the inception and implementation of over 43 sustainable use cases.
- To automate operations via digital fortification of CRM, eCollect, EWS, and marketing automation endeavours, facilitating tailored product offerings and communications, thus empowering teams to execute tasks seamlessly and achieve desired business outcomes.

**ACoE - Pre-dominant areas**

**Strategic Utilisation of Advanced Analytics & AI/ML:**

The Centre has architected analytics-driven interventions to augment cross-selling endeavours (including term deposits, loans, and third-party products), curate high-value accounts, manage pivotal clientele, optimise credit decisions and collections processes, migrate customers towards digital platforms, and furnish branches with actionable insights, thereby elevating the Bank's overall value proposition.

**Outcome Measurement and Tracking:**

Statistical methodologies have been deployed to gauge the efficacy of its analytics-driven endeavours, ensuring tangible outcomes in line with strategic objectives.



**Infrastructure and Data Management:**

In alignment with its expansive digital ambitions, the Centre has erected a unified, scalable and centralised data repository solution. This consolidation has streamlined data governance and processing, furnishing stakeholders with a holistic vantage point for more incisive analytics.

**Integration of Analytics with Operational Processes:**

The Centre has endeavoured to embed analytics seamlessly into all operational facets. Noteworthy achievements include the implementation of a fully functional CRM, the establishment of a state-of-the-art Early Warning System, and the enhancement of collection mechanisms.

**Human Capital Development:**

Recognising the indispensable role of human capital in the digital metamorphosis, ACoE has embarked on an extensive upskilling programme for its in-house analytics cadre. Personnel are undergoing specialised training and acquiring certifications in Data Science, Machine Learning, Visualisation, Cloud & Security, DevOps, and MLOps, ensuring a well-rounded skill set conducive to uninterrupted business operations.

**Building brand value**

Media initiatives. We promote the products & services through our Facebook, WhatsApp, Instagram, YouTube, and Twitter thereby promoting the Brand Karnataka Bank. Further events were conducted on the occasion of the Centenary year. At Customer Meet and NRI Meet HNI customers were met Bank's product ranges were shared and the evolving needs of customers were understood to be inculcated in existing products.

**Cloud adoption strategy**

The Bank is adopting Cloud infra for non-critical workloads as a strategy in order to achieve scalability, cost/ resources optimisation etc. In this direction, the Bank has already onboarded Amazon Web Services (AWS) by creating a separate Landing Zone (a secure, scalable, and well-architected environment that helps organisations adopt cloud computing. The Bank's analytical workload, which uses AI/ML models for 43 use cases, is currently running on AWS. Additionally, certain workloads, such as corporate websites, and Early Warning Signals (EWS) are also hosted on AWS. A similar setup has been created in Oracle Cloud Infrastructure (OCI) for Oracle Financial Services Analytical Applications (OFSAA) workloads.

The Bank is also in the process of identifying some non-critical applications that are ideal for the cloud by thoroughly evaluating their 3-year Total Cost of Ownership (TCO) across different models, such as on-premises, AWS, and OCI. Bank technical evolution for the cloud adoption depends on the technical feasibility of the workload and commercial viability.

**Moving towards the analytics-led digital-first Bank**

We believe that the ability to understand customer requirements and trends based on analysis of data sets created from our banking and treasury operations will be a key driver in our ability to continue to grow our share of the customer's overall financial journey/ requirements/business.

We have already implemented the ACoE, which focuses on reviewing and analysing trends from our customer behaviour, which in turn allows us to understand the potential requirements of our customers and to offer different products and services from our existing basket of services and products. The ACoE has been set up with a clear objective of driving profit outcomes through enabling early customer engagement, driving up customers' primary Bank index and products per customer, driving CASA balance buildup and controlling predicted attrition, cross-selling asset products, creating new assets product lines, driving collection efficiency and managing delinquencies better, creating business dashboards for decision-making and enabling micro-market based planning for non-linear growth alignment. In the initial days of

going live with about 25% of planned use cases, our Bank has already derived significant benefits in terms of incremental profits.

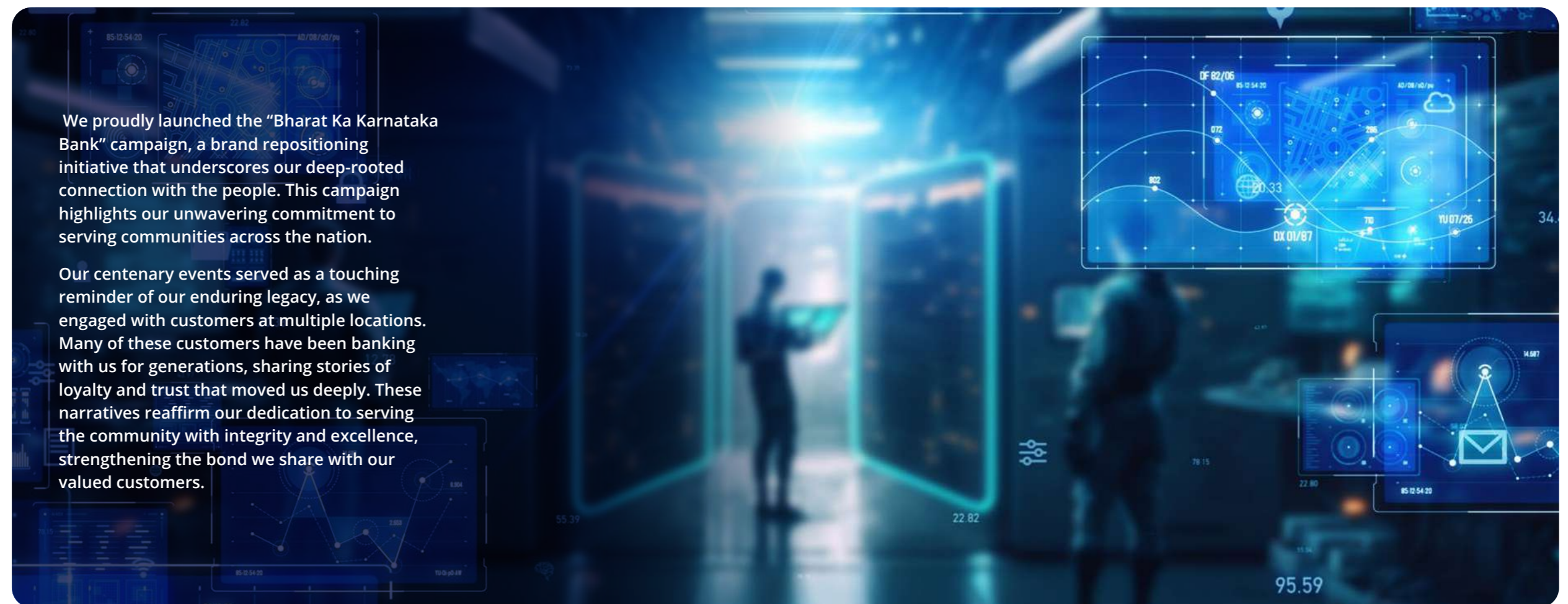
**Support and control functions**

The Bank has maintained a robust Core Banking System (CBS) since 2000, integrating all branches and offices into the CBS network. Alternate delivery channels such as ATM, Internet Banking, Mobile Banking, UPI, and PoS are seamlessly integrated with the CBS.

To ensure business continuity, a Disaster Recovery (DR) arrangement exists to support all critical applications, including CBS, ATM, Internet Banking, Mobile Banking, and UPI, in the event of a primary site

failure. This arrangement is reinforced by a three-way data replication process to maintain zero data loss. The Bank's Primary Data Centre is hosted in a Tier 4 Data Centre, while the DR Data Centre is hosted in a Tier 3 Data Centre.

The IT infrastructure is managed by the Chief Information Officer (CIO), and supported by the Chief Technology Officer (CTO) and other IT executives. The Bank remains committed to embracing technological advancements and making timely decisions to provide premier banking services, aspiring to be the Digital Bank of the Future.





# Human Capital

At the Karnataka Bank, we recognise that our greatest asset is our people. Our people are the driving force behind our innovation, customer service excellence and sustainable growth. We promote a culture of continuous learning, development and engagement, ensuring that our employees are well-equipped to meet the evolving demands of the banking industry.

Through strategic initiatives in talent acquisition, development, and retention, we build a high-performance workforce capable of navigating the evolving banking landscape. Our commitment to continuous learning, coupled with a strong emphasis on diversity and inclusion, has not only made us just a workplace but a community where every member has the opportunity to thrive and contribute to our shared success.

## SDGs



## Strategic Pillars for Human Capital

### Talent Acquisition and Development

- Position the Karnataka Bank as an employer of choice owing to our unique culture, values and career growth opportunities.
- Expand recruitment efforts to include underrepresented groups and leverage social media platforms to reach a wider audience.
- Implement data analytics to identify top performers and optimise the recruitment process.
- Create a structured onboarding programme to ensure new hires feel welcomed and productive.
- Invest in a comprehensive learning and development framework, including mentorship, coaching, and leadership development programmes.
- Identify high-potential employees and create clear career paths to ensure talent continuity.

### Employee Engagement and Well-being

- Prioritise employee experience by creating a positive and supportive work environment.
- Promote flexible work arrangements and wellness programmes to enhance employee well-being.
- Implement a robust recognition programme to appreciate employee contributions.
- Create platforms for employees to share feedback and ideas.
- Offer resources and support for employees' mental health.

### Performance Management and Rewards

- Establish a performance-driven culture linked to organisational goals.
- Provide regular and constructive feedback to employees.
- Offer competitive compensation packages and benefits.
- Implement performance-based incentives to motivate employees.

### Diversity, Equity and Inclusion (DE&I)

- Promote a culture of inclusion where all employees feel valued and respected.
- Conduct regular conscious unbiased training to promote understanding and awareness.
- Support Employee Resource Groups (ERGs) to create a sense of belonging for different employee groups.
- Track DE&I metrics to measure progress and identify areas for improvement.



## Recruitment and Onboarding

We employ a rigorous and inclusive recruitment process to attract top talent aligned with its organisational culture and values. A comprehensive onboarding programme facilitates the smooth integration of new hires.

To enhance HR efficiency, the Bank utilises the PeopleSoft-Oracle HRMS, centralising employee data and streamlining processes. This technology enables data-driven decision-making in recruitment, training, promotions, and manpower planning.

HR strategies are aligned with business objectives through manpower planning based on growth, technology, and market trends. The Bank recruits and trains employees to meet evolving business needs, offering technical, leadership, sales, and compliance training.

A robust talent management strategy is in place, focusing on skill development and succession planning. The Employee Career and Development System (ECDS) and Performance Management System (PMS) are instrumental in identifying high-potential employees. The Staff Training College and certification programmes enhance capabilities, while the Talent Management Committee drives succession planning. A structured promotion policy supports career growth.

### Diversity in Hiring

We ensure a balanced representation of diverse groups. The workforce comprises 8,907 employees, including 2,799 women, which constitutes around 31.42% of the total workforce. This commitment to diversity enhances the Bank's ability to serve a varied clientele effectively.

**8,900+**

Workforce

**38.14 yrs**

Average age of employees

## Training and Development

Training and development are integral to maintaining a competitive edge through enhanced performance and excellent service. We have implemented several initiatives to ensure continuous skill enhancement and career development:

### E-Learning Modules

The Bank offers 126 e-learning modules on the ELM platform, covering various topics such as banking products, processes, IT, information and cyber security, and risk management. These modules enable employees to learn at their convenience, fostering continuous professional development.

### Staff Training College

The Bank's Staff Training College, awarded ISO 9001:2015 certification, offers specialised training programmes. In the financial year 2023-24, 6,352 employees participated in various training programmes, covering 76.05% of the total staff. Additionally, 5,912 nominations (4,604 unique staff members) attended training at the college, and 6,924 nominations (3,520 unique staff members) attended external training centres. Leadership Development Programmes were conducted at the State Bank Institute of Leadership (SBIL) for executives, focusing on enhancing leadership skills.

## Capacity Building

Specialised areas such as Treasury Operations, Risk Management, Credit Management, Accounting, Human Resource Management, and Information Technology have been identified. Employees are encouraged to acquire certification courses from institutions approved by the Indian Banks' Association (IBA), ensuring they are equipped to handle specialised tasks efficiently.

Training, learning, and development initiatives play crucial roles in enhancing the scale of operations and fostering unity within the workforce. The Karnataka Bank's targeted training programmes not only help staff acquire new skills and improve existing ones but also enable them to perform their tasks more efficiently and effectively. This increase in overall productivity contributes significantly to the Bank's growth.

Training Programmes - These often involve group activities, workshops, and collaborative projects, which not only enhance individual skills but also promote teamwork and strengthen interpersonal relationships among employees. A cohesive workforce is better equipped to collaborate across departments and functions, leading to smoother operations and enhanced innovation.

Workforce Cohesion - By fostering a culture of continuous learning and development, the Bank ensures that employees are skilled and adaptable. This helps the Bank to scale its operations more efficiently, whether expanding into new markets, launching new products or services, or handling increased demand. A well-trained workforce can handle growth challenges more effectively, ensuring sustained operational success and unity within the organisation.

## Performance Management

We have operationalised the Employee Career and Development System (ECDS) and the Performance Management System (PMS) to ensure a structured approach to performance evaluation and career development:

### Performance Management System (PMS)

This system defines role-based, measurable, and behavioural Key Result Areas (KRAs) against which employee performance is assessed monthly. This structured approach ensures transparency and accountability, fostering a culture of continuous improvement.

### Recognition and Rewards

High-performing employees are recognised and rewarded, motivating them to maintain their performance and contribute to overall organisational success.

### Performance Management at the Karnataka Bank

- Performance Management System (PMS) - This system defines role-based, measurable, and behavioural Key Result Areas (KRAs) against which employee performance is assessed monthly. This structured approach ensures transparency and accountability, fostering a culture of continuous improvement.
- Recognition and Rewards - High-performing employees are recognised and rewarded, motivating them to maintain their performance and contribute to overall organisational success.

To enhance employee engagement and satisfaction, which directly impacts productivity and retention rates, the Bank has implemented several initiatives, including:

- Employee Stock Option Plans (ESOPs) - Providing employees with ownership stakes in the company.
- Internal/FastTrack Promotions - Offering career advancement opportunities within the organisation.
- Milestone Awards - Recognising and rewarding employees for their long-term service and achievements.
- Industry-Governed Facilities - Ensuring that employee benefits and working conditions meet industry standards.

Employee Career and Development System (ECDS) - In conjunction with the PMS, the ECDS identifies potential talent and grooms employees for succession planning. This approach helps in recognising and developing future leaders, ensuring sustained organisational growth.

## Career Growth and Succession Planning

The Bank has a robust approach to career growth and succession planning, ensuring that talent is identified and nurtured for future leadership roles:

### Talent Management Committee (TMC)

This committee plays a pivotal role in identifying and grooming talent for leadership positions. Employees are encouraged to pursue certification courses in specialised areas, enhancing their skills and preparing them for higher responsibilities.

### Internal Promotion

The Bank's commitment to promoting internal talent is evident in the internal promotion rate, which increased from 5.28% in FY2023 to 8.90% in FY2024. This approach ensures that employees have clear career progression paths within the organisation.





### Employee Engagement and Well-being

The Bank prioritises promoting a positive and supportive work environment. To enhance employee satisfaction and well-being, we implement various initiatives. Regular surveys and feedback mechanisms are used to gauge employee sentiment and address concerns promptly.

- **Health and Wellness Programmes** - We offer comprehensive health and wellness programmes, including mental health support and initiatives promoting a healthy work-life balance. We have instituted an annual health check-up initiative for employees who have completed 10 years of service, ensuring regular health monitoring and early detection of potential health issues. Additionally, the Bank provides group medical insurance for employees and their dependents, protecting them from financial exigencies in case of unforeseen medical emergencies.
- **Safety Training** - Extensive safety training is provided to ensure a safe working environment, promoting overall well-being and security for all employees.

### Employee Engagement Activities

To ensure active workforce engagement, the Bank undertakes various activities:

- **Competitive Benefits** - Offering benefits such as ESOPs, variable pay, PLI, and other allowances.
- **Career Growth Opportunities** - Providing opportunities for career growth aligned with business needs to foster a positive work environment.
- **Voluntary Programmes** - The Bank offers voluntary programmes to address non-work-related

health risks, proactively addressing employees' physical and mental well-being to empower them to realise their potential, innovate, manage stress effectively, and cultivate a positive organisational culture.

### Diversity and Inclusion

We at the Karnataka Bank, are committed to promoting an inclusive work environment where diversity is valued and respected.

- **Diversity Training** - During the financial year 2023-24, we conducted 152,124 hours of diversity and inclusion training, up from 100,271 hours in the previous year. These training programmes aim to promote a culture of inclusion and respect within the organisation.
- **Gender Diversity** - We have made significant strides in improving gender diversity, with the gender diversity ratio increasing from 30.56% in FY2023 to 31.42% in FY2024. The number of women in leadership roles has also increased

from 46 to 51 during the same period. Currently, women make up 31.42% of our workforce, and 6.02% of leadership roles are held by women. Our policies and organisational culture are designed to respect and celebrate this diversity, thereby creating an inclusive environment.

- **Workforce Composition** - The overall workforce composition has evolved concerning skillset, demographics, and gender in FY2024. The Bank recognises the benefits of a diverse workforce in enhancing problem-solving capacity, fostering creativity and innovation, and improving decision-making.
- **New Initiatives** - We introduced several initiatives to enhance diversity and inclusion within our workforce. These efforts include an institutional mechanism for the protection of women employees at the workplace. We have adopted a policy pursuant to Section 22 of the Sexual Harassment of Women at Workplace Act, 2013, providing for the protection of women employees against

sexual harassment. Notably, no complaints were received during the year under review.

- **Family Care Leave** - During the year, 199 female employees took maternity leave, and 368 male employees took paternity leave. All employees returned to work after their respective leaves.

31.42%

Gender Diversity Ratio

51

Women in Leadership Roles

152,124 hours

Diversity and inclusion training hours

### Retention Strategy

The Karnataka Bank strives to maintain high retention rates and manage attrition effectively, recognising that retaining talent is crucial for long-term success.

- **Employee Retention Rate** - The retention rate was 96.67% in FY2024, indicating a stable workforce.
- **Attrition Rate** - The attrition rate was 2.36% in FY2024. The Bank conducts exit interviews to understand the reasons for attrition and make necessary improvements.
- **Time to Fill Open Positions** - The average time to fill open positions ranges from 3 to 6 months, ensuring that vacancies are filled promptly without compromising on the quality of hires.

To enhance employee engagement and satisfaction, which directly impacts productivity and retention rates, the Bank has implemented several initiatives. These include:

- **Employee Stock Option Plans (ESOPs)** - Providing employees with stock option in the company to align their interests with those of the Bank.
- **Internal/FastTrack Promotions** - Offering opportunities for career advancement within the organisation.
- **Milestone Awards** - Recognising and rewarding employees for their long-term service and achievements.
- **Facilities Governed by Industry Settlements** - Ensuring that employee benefits and working conditions meet industry standards.

96.67%

Employee Retention Rate

12.36 years

Average Tenure of Employees

### Human rights

As part of our commitment to uphold ethical leadership, The Karnataka Bank maintains rigorous standards of ethics and integrity in every aspect of our organisation. To embed these principles into our daily operations, we have implemented a comprehensive Code of Conduct. This Code delineates all employees' behavioural expectations and professional standards, providing a guideline for ethical decision-making. It ensures that our business is conducted consistently with our core values and in compliance with all relevant laws and regulations.

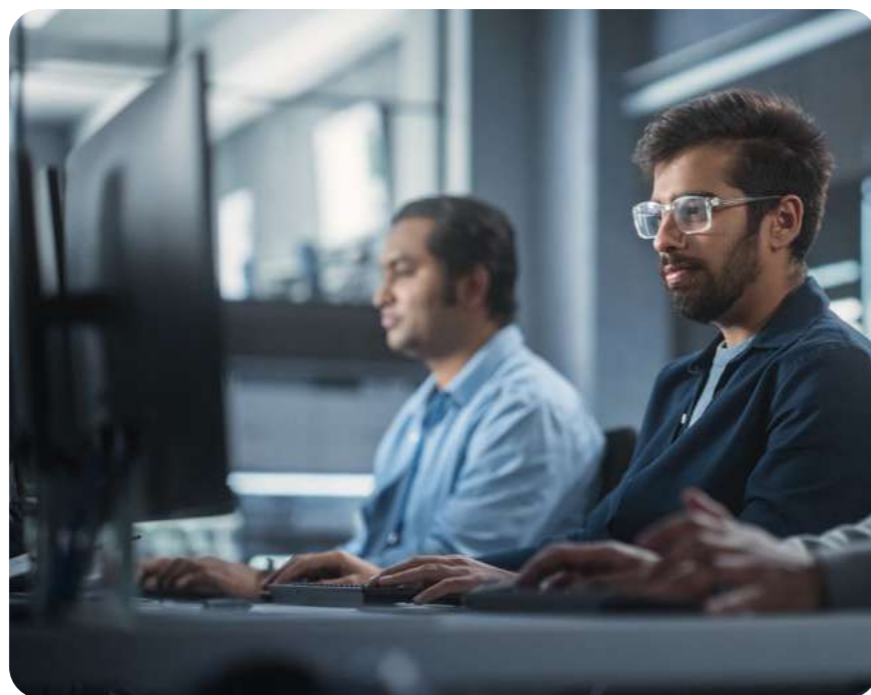
### Employee Grievance Redressal Mechanism

We have established a 'Protected Disclosure Scheme,' also known as a Whistle Blower Mechanism. This policy ensures a safe, confidential, and open channel for our employees to report any suspected ethical misconduct or violations of our Code of Conduct. Concerns can be reported without fear of retaliation, safeguarding our employees' interests and ensuring they feel supported in speaking up.

These measures ensure a fair, transparent, and ethical operational environment, building and maintaining trust among our employees, customers, stakeholders, and the wider community. Additionally, these mechanisms assist in the early detection and mitigation of deviations from our ethical standards, promoting respect, trust, and ethical behaviour across our organisation.

### Handling Human Rights Violations

During the reporting year, there were no cases of human rights violations. In the event of any observed violations of the Code of Conduct by officers or employees, the concerned Branch Head, Department Head, or Regional Head seeks an explanation in writing from the concerned member. If the explanation is not satisfactory, the matter is reported to the Head of the HR & IR Department along with the requisite documents for further action. The HR & IR Department examines the matter, and based on the gravity of the breach, refers it to the appropriate Disciplinary Authority in accordance with the rules under the Bipartite Settlement or the Karnataka Bank Officers' Service Rules.





# Natural Capital

At the Karnataka Bank, we understand that our responsibility extends beyond driving economic growth to protecting and enhancing the natural environment. Our commitment to Natural Capital reflects our belief in the interconnectedness of our operations and the environment. We are focused on incorporating sustainable practices into every aspect of our business, including reducing our carbon footprint, and energy consumption, promoting renewable energy, and managing waste responsibly.

By implementing innovative initiatives, forming strategic partnerships, and adhering to global environmental standards, we aim to minimise our impact on the environment and contribute to preserving and restoring our planet's resources. As we grow, our dedication to Natural Capital remains central to our strategy, ensuring that our progress supports sustainability and shared prosperity for all.

## SDGs



### Natural Capital Strategy

In response to the urgent challenges posed by climate change, we recognise our critical role in fostering sustainability within the banking sector. Our strategy for addressing climate change and promoting a greener future is built on a twofold commitment.

### Integrating Environmental Considerations

In our everyday business decisions, we meticulously factor in potential environmental implications alongside financial considerations. This holistic approach ensures that our pursuit of growth does not compromise the health of our planet, but rather supports it.

### Alignment with Global Standards

Our operations are meticulously aligned with globally recognised standards and guidelines aimed at environmental preservation. Adhering to these standards provides us with a comprehensive framework to ensure that our practices not only minimise environmental harm but also contribute positively to the environment.

### Rooted Climate Strategy

Our climate strategy is firmly rooted in a commitment to sustainable practices, collaboration with industry peers, and adherence to global standards. This multi-faceted approach ensures that our efforts are both effective and far-reaching.

### Industry-wide Collaboration

Our commitment to sustainability transcends organisational boundaries. We actively participate in voluntary climate action initiatives specific to the finance industry, such as the Global Reporting Initiative.

### Acknowledgement and Commitment

We recognise and embrace our role in driving sustainable practices within the banking sector. By proactively managing climate-related risks in our operations, we ensure that our strategies and actions contribute to a greener and more sustainable future.

### Climate Risk Management

In the face of climate change, we understand that it calls for a united front, and we are devoted to being an integral part of this collective solution. Our mission is to assimilate sustainability principles into every aspect of our operations, from our everyday work practices to our wide range of products and services. Our aspiration extends beyond financial prosperity; we aim to create a future that ensures shared growth and prosperity for all our stakeholders.

We understand the significant role that Environmental, Social, and Governance (ESG) factors play in influencing our Bank's performance and overall value. With this understanding, we are actively involved in anticipating, comprehending, and mitigating the risks associated with these factors to ensure long-term sustainability. Our approach involves thorough evaluations of different sectors and activities, classifying them based on their environmental impact. This systematic approach strengthens our capacity to manage risks related to climate change effectively. Our dedication to managing these risks and our commitment to advancing a sustainable future demonstrate our comprehensive approach to addressing climate change. Moving forward, our strategies will continue to be guided by principles of sustainability, risk management, and promoting shared prosperity, fostering a resilient and environmentally conscious future.



## Energy and Emissions

In our endeavour to contribute to the creation of a low-carbon economy, we are taking proactive measures to reduce our energy consumption. We are implementing a comprehensive approach that actively promotes renewable energy use within our premises. This is part of our strategy to make our operations more sustainable and reduce our environmental footprint. A significant part of our energy-efficiency strategy is adopting lighting solutions and IT systems that consume less energy. By transitioning to LED lights, such as, we are reducing our electricity usage. Similarly, by investing in energy-efficient servers and computers, we ensure our technology infrastructure does not excessively consume energy.

By managing our energy and emissions, we are actively shaping a low-carbon future. Our commitment to sustainability extends to water management and green cover. We are advocating for harvesting rainwater within our premises, which helps conserve water, an increasingly scarce resource. We also understand the role green cover plays in carbon sequestration and are promoting the

planting of trees and maintaining green spaces around our major offices. In our CSR Action Plan for FY 2024-25 we have identified 'environmental sustainability' as one of the three CSR themes. This commitment underscores the extent to which we value environmental sustainability.

### Renewable Energy Initiatives

Turning to the Sun, we strive for a future that is both sustainable and bright. Our approach to energy conservation transcends mere compliance. We invest in harnessing renewable energy sources, installing solar panels at our Corporate Office and several Regional Offices, reducing our dependence on non-renewable power. Beyond our premises, our CSR initiatives have catalyzed the adoption of solar energy across educational institutions, places of worship, and rural villages. Through our diverse banking products, we provide financial support to micro and small enterprises, rural agriculture, and corporate projects focused on renewable energy, aligning our financial services with our commitment to a greener future.



## Waste Management

We are acutely aware of the importance of responsible waste management, particularly given the growing concerns about electronic waste, or e-waste, and its environmental impact. We are committed to managing the disposal of our electronic waste responsibly. This means taking the necessary steps to ensure that hazardous electronic waste does not end up in landfills, which can devastate the environment and public health. We employ waste management practices that prioritise recycling and safe disposal methods. We collaborate with certified e-waste disposal companies with a track record of meeting rigorous environmental standards and regulatory compliance. This way, we ensure that our electronic waste is handled and processed in an environmentally friendly manner.

As we progress further into the digital age, we are making concerted efforts to reduce our paper consumption. Recognising that the production and disposal of paper contribute to deforestation and climate change, we are actively promoting digital adoption within our operations. By doing so, we are modernising our services, improving efficiency and reducing our environmental footprint. Through responsible waste management, we are reducing our environmental impact.

In our constant endeavour to reduce waste and promote sustainability, we are committed to minimising the use of plastic across our operations. Recognising the environmental challenges posed by plastic waste, we are taking significant steps to reduce plastic use within our branches and during our outreach events. By using alternatives to plastic and promoting recycling, we aim to contribute to a more sustainable, plastic-free environment.

Understanding the detrimental effects of plastic waste on the environment, we continually strive to decrease plastic consumption as part of our broader waste reduction and sustainability



agenda. The ubiquitous presence of plastic globally poses significant environmental challenges, and we are wholeheartedly committed to playing our part in mitigating this issue. Our commitment translates into actionable steps to significantly reduce the use of plastic across all our operational fronts. Within our branches, we have undertaken measures to replace plastic materials with more sustainable, biodegradable options wherever possible. We are also increasing our efforts to minimise plastic use during our community outreach events and even extending our reach outside our immediate operational spheres.

Additionally, the Bank actively advocates for recycling and responsible waste management. We not only use products made from recycled materials but also encourage their use among our employees and customers. This, combined with our push for plastic alternatives, aids us in our aim to establish a more sustainable and environmentally friendly banking environment. Our resolve against plastic waste reflects our commitment

to promoting sustainability in every aspect of our work. Through these initiatives, we hope to contribute to a cleaner, more sustainable, and ultimately, plastic-free environment.

The IT Department of the Karnataka Bank has empaneled vendors for the centralised collection of e-waste from branches/departments. The process of e-waste disposal is detailed below:

- Branches may raise requests through a module in the internal application.
- Respective Regional Office may forward the request to the IT Department - Hardware Team for approval.
- The IT Department - Hardware Team may scrutinise the request and put it up to the respective sanction authority based on the rate contract and delegation of powers assigned in the IT purchase policy for disposal/write-off assets.
- After approval, the IT Department may issue disposal orders to the respective empaneled vendor for collecting the e-waste from branches. Along with the disposal order, the IT Department will generate a proforma invoice for the sale amount.
- The sold equipment by the IT department will be recorded in quantity.

Where feasible, we emphasise obtaining a green certificate from the e-waste recycling vendor within a stipulated number of days from the date of e-waste collection. The e-waste management practices of The Karnataka Bank involve ensuring the safe disposal of hazardous electronic waste. We consciously opt for vendors that promote sustainable products and recycling as part of the vendor selection process. This includes paper, office stationery, and cups, and engaging vendors for recycling e-waste.

The Karnataka Bank has sustainable sourcing procedures being implemented to the extent applicable to a Bank as published in the Annual Report KBL NXT 2021. Being in the Financial Services sector, material purchase for operations is not significant except for paper. For procurement of equipment, the Bank ensures that energy efficiency standards are considered during the purchase of electronic equipment such as computers, laptops, energy efficient lighting devices, Air conditioning, lower printing, and office paper orders in FY23-24. The Karnataka Bank is also striving to ensure that the vendors and value chain partners adopt sustainable practices and procedures. However, given the nature of the banking business and limited sourcing opportunities for its own home operations, The Karnataka Bank is one of the top Bank in India that are advocating and lending to Sustainable warehousing and sourcing value chain partners during FY23-24 as part of its Sustainable lending strategy for the industry Sustainable sourcing value chain, upliftment.

### Sustainable Practices in Procurement and Lending

We have integrated sustainable sourcing practices into our operations. While material purchases for financial services are minimal, we emphasise sustainability in equipment procurement, ensuring adherence to energy efficiency standards for electronic devices such as computers, laptops, and lighting. In the fiscal year 2023-24, efforts extend to reducing printing and office paper usage. Additionally, the Bank actively encourages sustainable practices among our vendors and value chain partners. Recognising our role in the banking sector, we have emerged as a leader in India by promoting sustainable warehousing and supporting sustainable sourcing initiatives within our lending strategy, contributing to industry-wide sustainability and upliftment efforts.



# Social and Relationship Capital

We at the Karnataka Bank, recognise that our success extends beyond financial metrics, understanding the profound impact that social and relationship capital has on promoting sustainable growth and community development. The Bank's enduring strength lies in nurturing deep-rooted connections with customers, employees, stakeholders, and the communities we serve. By prioritising trust, transparency, and mutual respect, we aim to create value that resonates across all facets of society.

Through proactive engagement and collaborative initiatives, the Bank strives to enhance financial inclusion, support economic progress and contribute meaningfully to the social fabric of our nation. This social and relationship capital forms the bedrock of The Karnataka Bank's operations, enabling us to deliver exceptional value, contribute to societal progress and sustain long-term growth.

## SDGs



## Empowering Communities through CSR Initiatives

At the Karnataka Bank, we recognise that business organisations are integral to the fabric of society. Every decision we make has far-reaching financial, social and environmental consequences. Our commitment to social responsibility goes hand in hand with our commercial viability, reflecting our belief that the true measure of an entity's worth lies not only in our financial performance but also in our societal impact.

We embrace the principle of sharing our earnings through CSR, aiming to promote positive impacts across various domains including the environment, consumer welfare, employee well-being, community development and stakeholder engagement.

## Pillars of CSR Activities

Our CSR efforts are strategically focused on three main pillars. These pillars guide our initiatives and ensure that our efforts are impactful and aligned with our core values.



Education



Healthcare



Environmental Sustainability



## Impact and Investment

Our CSR initiatives are designed to make a meaningful impact on various facets of social life, encompassing healthcare, education, livelihood enhancement, empowerment of women and disadvantaged groups, environmental sustainability, heritage and cultural preservation, sports promotion, rural development, and Swachh Bharat initiatives. We are committed to bridging the urban-rural divide by promoting financial literacy and extending banking services to unbanked rural areas in a fair, transparent, and affordable manner.

In compliance with the provisions of Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, our Board has established

a Corporate Social Responsibility (CSR) Committee and adopted a comprehensive CSR Policy. Till FY 2024, The Karnataka Bank has funded 1997 projects with a total financial outlay of ₹92.61 crore. These projects have demonstrated a significant positive impact on society, touching countless lives and contributing to holistic community development.

Through our dedicated CSR efforts, we are promoting sustainable development and enhancing the quality of life in the communities we serve. Our initiatives not only address immediate needs but also lay the groundwork for long-term societal benefits, embodying our commitment to Corporate Social Responsibility in every aspect of our operations.



**Education**

**Aided Higher Primary School, Kedila, Bantwal Taluk**



Contribution towards the construction of a new school building, providing better infrastructure and learning environment for students.

**Haranahalli Ramaswamy Institute of Higher Education, Hassan**



Financial support for the installation of an off-grid solar power plant, enhancing the institute's energy sustainability and reducing its carbon footprint.

**KSSS P U Science and Commerce College, Hubballi**



Installation of off grid solar system at girls' hostel building of KSSS Science and Commerce College, Hubballi

**Government Higher Primary School, Hangarkatte, Udipi**



Financial assistance for building a new classroom, improving the educational facilities and accommodating more students.

**Sri Maruthi Educational Trust, Doddaballapura**



Donation of a school bus, handed over by Shri Srikrishnan H, MD & CEO, enhancing transportation facilities for students.

**Bharatha Samskriti Prathishtan, Bengaluru**



Installation of Grid Tied Solar Power generating system at the orphanage "Sampatthu" managed by Bharatha Samskriti Prathishtan, Bengaluru.

**SDM Mangalajyothi Integrated School, Vamanjoor, Mangalore**



Donation of a school bus to facilitate student commutes and support integrated education for children with special needs.

**Bus to facilitate eye screening camps to B.W. Lions Super Speciality Eye Hospital, Bengaluru**



Financial support to B.W. Lions Super Speciality Eye Hospital, JC Road, Bengaluru, a unit of Lions Club of Bangalore West Trust to procure bus to carry out eye camps in remote areas to recognise patients who need cataract surgery from underprivileged sections of the society and facilitate their transportation to the hospital.

**Government School at Hosaneeralagi Village, Tq. Savanur**



Installation of a digital classroom, providing students with access to modern educational resources and interactive learning tools.

**Jnanadeepa English Medium High School, Elimale, Devachalla Village, Sullia Taluk**



Donation of a school bus to improve student access to education in rural areas.

**Angela Vidyanikethan English Medium School, Kudige, Kodagu**



Financial assistance for installing safety barricades, ensuring a secure environment for students.

**Delhi Kannada Senior Secondary School**



Installation of drinking water purifiers, contributing to the health and well-being of students.



**Healthcare and Community Support**

**Shri Subrahmanya Charitable Trust, Mangaluru**



Financial assistance for installing a lift at a senior citizen home, enhancing accessibility and comfort for elderly residents.

**Poornaprajna Education Centre, Sangameshwarpet**



Donation of a school bus, facilitating better transportation for students and supporting community education efforts.

### Customer Service Excellence

We are continuously striving to set new benchmarks in customer service to enhance our competitiveness. This requires designing innovative and cost-effective mechanisms for delivering banking services efficiently. We are actively involved in establishing systems and procedures for the banking services rendered to customers, along with an effective grievance redressal mechanism, including an Internal Ombudsman (IO) as per the guidelines received from RBI and IBA from time to time.



#### Doorstep Banking Services

Our Bank is dedicated to providing doorstep banking services to senior citizens over 70 years of age, and to differently-abled or infirm persons, including those who are visually impaired. We are committed to extending these services 'on a best-effort basis' at all other branches of the Bank going forward.

#### Credit Growth and Process Management Transformation

##### Comprehensive Transformation Project

In the dynamic landscape of the banking industry, where numerous players are optimising credit delivery, we have embarked on a comprehensive credit growth and process management transformation project.

#### Streamlining Processes

The challenging business environment demands a proactive approach to ensure that our credit processes, policies, and procedures are best in class, helping us exceed customer expectations and grow the business at the requisite pace and scale without compromising portfolio quality and

profitability. By streamlining processes, re-engineering credit practices, and significantly reducing turnaround times, this project will enhance our Bank's competitive edge.

#### Strategic Partnership

We aim to redefine credit and related process management practices, ensuring robust risk mitigation and an unparalleled customer experience. We have identified a potential partner with a distinguished track record for this project. With extensive experience in the financial services sector, the partner brings the necessary expertise and skills to help us achieve our goals and objectives.

#### Customer Service and Grievance Redressal

##### Role of the Customer Service Team

Our customer Service team plays a pivotal role in establishing better relationships with our customers and resolving their queries promptly. The Bank has published toll-free numbers, a customer grievance portal, and chatbots to ensure that customers can immediately contact the customer success team. We provide comprehensive information

on banking products and quick resolution to their queries.

#### Grievance Redressal Mechanisms

To gauge customer satisfaction and improve our services, The Karnataka Bank has adopted both formal and informal methods of obtaining customer feedback. We regularly conduct the following customer surveys:

- Top 100 customers feedback
- Annual Depositors Survey
- Millennial customer survey/ feedback on digital products and customer satisfaction scores

#### Continuous Improvement

Our staff members are specifically trained to ensure prompt customer service and to obtain feedback for continuous improvement. We also have a dedicated grievance redressal portal to ensure the timely disposal of customer complaints. Additionally, the Stakeholders and Customer Relations Committee of the Bank meets periodically to assess customer satisfaction levels and address any gaps on an ongoing basis.

### Shareholders and Investors

We are committed to embracing strong and transparent relationships with our shareholders and investors. The Bank employs a multi-faceted approach to ensure effective communication, regulatory compliance, and stakeholder engagement.

#### Transparency and Communication

To maintain open and transparent communication with shareholders, The Karnataka Bank utilises the following channels:

- **Electronic Annual General Meetings (e-AGMs)**  
The Bank conducts e-AGMs to facilitate direct interaction with shareholders, providing regular updates on performance, strategies, and future plans.
- **Stock Exchange Announcements**  
Important announcements and updates are disseminated through stock exchanges to ensure timely access to critical information.
- **Conference Calls**  
Quarterly and annual financial results are discussed through conference calls, allowing shareholders and investors to engage directly with management and seek clarifications.
- **Email Communication**  
Shareholders receive regular updates and important information via email, keeping them informed about the Bank's developments.
- **Dedicated Grievance Address**  
A specific email address is provided for shareholders to raise queries or grievances, ensuring prompt and effective resolution.

### Regulatory Compliance

The Bank adheres to stringent regulatory requirements to maintain investor confidence and trust. Comprehensive measures are in place to ensure compliance with all applicable rules and regulations.

#### Commitment to Shareholder Prosperity

We are consistently providing sustainable value to our shareholders through strategically aligned goals. We recognise that enduring shareholder value is achieved through our commitment to strong financial performance and sustainable business practices. Our strategy is built on the pillars of high-quality asset growth, operational efficiency, and digital innovation, all aimed at boosting shareholder returns. Our focus on financial excellence drives us to achieve industry-leading Return on Assets (ROA) and Return on Equity (ROE). We are committed to ensuring that our efforts result in significant and tangible benefits for our shareholders.

#### Stakeholder Feedback

We value the input of our stakeholders and incorporate their feedback into the decision-making process.

- **Multiple Feedback Channels**  
Stakeholder feedback is gathered through various platforms, including AGMs, customer meetings, and Board level and Committee meetings.
- **Action-Oriented Approach**  
Feedback is analysed to identify areas for improvement and actionable steps are developed to address stakeholder concerns in line with regulatory guidelines.

By prioritising transparency, effective communication, regulatory compliance and stakeholder engagement, we aim to build long-term trust and confidence among our shareholders and investors.





# The Karnataka Bank Limited

Regd. & Head Office  
Post Box. No.599, Mahaveera Circle  
Kankanady  
Mangaluru – 575 002

**Phone** : 0824-2228222  
**E-Mail** : [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com)  
**Website** : <https://karnatakabank.com/>  
**CIN** : L85110KA1924PLC001128

## NOTICE TO THE MEMBERS

Notice is hereby given that the 100<sup>th</sup> (Hundredth) Annual General Meeting of the members of **THE KARNATAKA BANK LIMITED ("the Bank")** will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") as under:

**Date : September 10, 2024**

**Day : Tuesday**

**Time : 11:30 AM IST**

to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt:

- i. the Audited Standalone Financial Statements for the Financial Year ended March 31, 2024, together with the reports of the Auditors and the Directors thereon.

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** the Audited Standalone Financial Statements for the Financial Year ended March 31, 2024, together with the reports of the Auditors and the Directors thereon, as circulated to the Members, be and are hereby considered and adopted."

- ii. the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, and the Report of the Auditors thereon.

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, together with the reports of the Auditors and the Directors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. Declare dividend on equity shares for the Financial Year ended March 31, 2024

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** dividend at the rate of ₹ 5.50/- (Rupees Five and fifty paise only) per equity share of ₹ 10/- (Rupees ten only) each fully paid-up on the equity shares of the Bank, as recommended by the Board of Directors, be and is hereby declared for the Financial Year ended March 31, 2024 and the same be paid out of the profits of the Bank".

3. To appoint a director in place of Mr. Sekhar Rao, (DIN: 06830595), Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sekhar Rao, (DIN: 06830595), who retires by rotation at this meeting and being eligible for reappointment, be and is hereby reappointed as the Executive Director of the Bank."

## 4. Appointment of Joint Statutory Auditors and fixation of their remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139 to 143 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules viz., Companies (Audit and Auditors) Rules, 2014, as may be applicable, the provisions of the Banking Regulation Act, 1949, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India (RBI), from time to time and such other regulatory authorities, as may be applicable, as per approval of the RBI, (1) M/s. Ravi Rajan & Co. LLP, Chartered Accountants, (Firm Registration No. / LLP No. 009073N / N500320), New Delhi, (2) M/s. R.G.N. Price & Co., Chartered Accountants, (Firm Registration No. 002785S), Chennai, be appointed as the Joint Statutory Auditors of the Bank, to hold office from the conclusion of this Meeting till the conclusion of the One Hundred and One (101<sup>st</sup>) Annual General Meeting of the Bank at a fixed annual audit fee of ₹ 1.40 crore (Rupees One crore and forty lakhs only) plus a maximum of ₹ 35.00 lakhs (Rupees Thirty-Five Lakhs Only) for out-of-pocket expenses, per Statutory Auditor per year, Certification fee of ₹ 30,000/-per certificate issued plus goods and services tax and such other tax(es) as may be applicable."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof and any other person(s) duly authorized by the Board) be and is hereby severally authorized to do all such acts, matters, deeds and things and give such directions as may be deemed necessary or expedient in connection with or incidental to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and to alter and vary the terms and conditions of the appointment, remuneration etc., including by reason of necessity on account of conditions as may be stipulated by RBI and / or any other authority, in such manner and to such extent as may be mutually agreed to with the auditors".

**SPECIAL BUSINESS**

## 5. Amendments to the Articles of Association of the Bank

To consider and if thought fit, to pass the following resolution, as a **SPECIAL RESOLUTION**.

**"RESOLVED THAT**, pursuant to the provisions of the Section 14 of the Companies Act, 2013 (including any modification, amendments thereto or any re-enactment thereof) and any other applicable provisions of the Companies Act, 2013 read with the relevant rules, consent of the members of the Bank be and is hereby accorded to amend the Articles of Association of the Bank as under:

**a) Delete the Article 1(d) which is reproduced below:**

The 'Seal' means the Common Seal of the Bank;

**b) Existing Article 9(b) shall be substituted by the following amended Article 9(b).**

Every share certificate shall be issued with the signatures of a Whole Time Director and the Company Secretary of the Bank.

**c) Existing Article 51(e) shall be substituted by the following amended Article 51 (e):**

To appoint from time to time by a power of attorney, any person to be the attorney of the Bank for such purposes and with such powers, authorities and discretions (not exceeding those which could be delegated by the directors under these presents) and for such period and subject to such conditions as thought fit from time to time, jointly by a combination of any two of the three head of the department of the Human Resources Department, Legal Department and Branch Banking Department or in their absence, solely by the Managing Director & CEO.

**d) Existing Article 60 (a) shall be substituted by the following amended Article 60 (a):**

The Managing Director and Chief Executive Officer who is entrusted with the management of the whole of the affairs of the Bank shall be subject to retirement by rotation. He / She shall be in whole-time employment of the Bank and may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit and he / she shall be eligible for re - appointment subject to applicable laws from time to time.





**e) Existing Article 60 (d) shall be substituted by the following amended Article 60 (d):**

The appointment of Whole Time Directors (either named as Executive Director/s or by whatever name called) under Article 58(c) above shall be in whole-time employment of the Bank and shall be subject to retirement by rotation. He / She may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit and he / she shall be eligible for reappointment subject to applicable laws from time to time.

**f) Delete the clause IX and Article 65 (a) and Article 65 (b) which are reproduced below:**

**IX. THE SEAL**

- a) The Bank shall have a Common Seal and the Board shall provide for the safe custody of the Seal.
- b) The seal of the Bank shall not be affixed to any instrument except by the Affixing of Seal to be authority of a resolution of the Board or of a Committee of the Board authorized by the Board by it in this behalf, and except in the presence of at least 2 directors and of the Chairman of the Board of Directors, or such other person as the Board may appoint for the purpose; and those 2 directors and the Chairman of the Board of Directors or other person as aforesaid shall sign every instrument to which the Seal of the Bank is so affixed in their presence.

**"RESOLVED FURTHER THAT** the Board / Managing Director & CEO / Company Secretary / any Officer of the Bank duly authorized by the Board be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution."

6. Borrowing Powers:

To consider and if thought fit, to pass the following resolution, as a **SPECIAL RESOLUTION**.

**"RESOLVED THAT** pursuant to the provisions of Section 180(1) and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder, any other applicable provisions of law from time to time, and the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approvals as may be necessary from any authorities or regulators, including Reserve Bank of India ("RBI"), the consent of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board", which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013 or Rules thereunder) to borrow / raise funds (including but not limited to BASEL III Compliant AT 1 / Tier 2 debt instruments), in one or more tranches, in Indian / foreign currencies in domestic and / or overseas markets, not exceeding in aggregate ₹ 10,000 Crore (Rupees Ten Thousand Crore Only), over and above the aggregate of the paid-up capital of the Bank and free reserves and the securities premium at any time, on such terms and conditions as maybe determined, from time to time, by the Board."

**"RESOLVED FURTHER THAT** the Board (including any Committee thereof and any other person(s) duly authorised by the Board) be and is hereby severally authorised to do all such acts, matters, deeds and things and give such directions as may be deemed necessary or expedient in connection with or incidental to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard."

**Registered Office:**

Mahaveera Circle  
Kankanady, Mangaluru-575002  
Date: July 24, 2024

By order of the Board of Directors

**Sham K**  
Company Secretary

**Notes:**

1. The members may take note of the following dates:

Sl. No.	Particulars	Dates
1.	<b>Cut-off date</b> for the purpose of deciding the eligibility of the members for <b>remote e-voting</b>	September 03, 2024
2.	<b>Remote e-voting begin</b> date & time	September 06, 2024 (9.00 a.m.) IST
3.	<b>Remote e-voting end</b> date & time (i.e., e-voting to close at 5.00 p.m. on the date preceding the date of general meeting)	September 09, 2024 (5.00 p.m.) IST
4.	<b>Annual General Meeting Date</b>	September 10, 2024 (11.30 a.m.) IST
5.	<b>Record Date</b> for determining the eligibility of the members to receive dividend.	September 03, 2024
6.	<b>Book Closure</b> (both days inclusive)	From September 04, 2024 to September 10, 2024

2. The Ministry of Corporate Affairs ("MCA") has vide its General Circulars 14 / 2020 dated April 08, 2020, 17 / 2020 dated April 13, 2020, General Circular No 20 / 2020 dated May 05, 2020, 02 / 2022 dated May 05, 2022, General Circular No 10 / 2022 dated December 28, 2022, General circular No. 09 / 2023 dated on September 25, 2023 on clarification on holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio-Visual Means (OAVM) and passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with rules made thereunder - Extension of timeline and all other circulars and guidelines issued by MCA in this regard (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI / HO / DDHS / P / CIR / 2023 / 0164 dated October 06, 2023 and circular no. SEBI / HO / CFD / CFD-PoD-2 / P / CIR / 2023 / 167 dated October 07, 2023 on Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other circulars and guidelines issued by SEBI in this regard (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Bank is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM only. The registered office of the Bank shall be deemed to be the venue for the AGM.
3. Further, in compliance with the aforesaid MCA and SEBI Circulars the **Notice of 100<sup>th</sup> e-AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members holding the shares as on the cutoff date and whose email addresses are registered with the Bank / Depositories.** Members may note that the Notice and Annual Report 2023-24 will also be available on the Bank's website (<https://karnatakabank.com/investor-portal>), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. The explanatory statement pursuant to provisions of Section 102 of the Companies Act, 2013 in respect of the special businesses set out in the Notice is annexed hereto.
5. The relevant details, pursuant to Regulations 36(3) and other provisions of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / reappointment / change in terms of appointment in this AGM are annexed to this notice.
6. As this AGM is being held through VC / OAVM, pursuant to the MCA / SEBI Circulars referred to above,, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the e- AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
7. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the e-AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be addressed to the Scrutinizer by email from its registered email address to [investor\\_grievance@ktkbank.com](mailto:investor_grievance@ktkbank.com).
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank account details such as, name of the bank and branch, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Bank's Registrar & Share Transfer Agent (R&TA): Integrated Registry Management Services Private Limited, No. 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleshwaram, Bengaluru-560003 (Tel No.:080-23460815/6/7 email: [irg@integratedindia.in](mailto:irg@integratedindia.in)) in case the shares are held by them in physical form.



9. The Board has appointed Mr. Pramod S M, Partner, M/ s. BMP & Co. LLP, Company Secretaries in Practice, Bengaluru, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner as per the provisions of the law / Act and Mr. Biswajit Ghosh, Partner, M / s. BMP & Co. LLP, Company Secretaries in Practice, Bengaluru, as the Alternate Scrutinizer.
10. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny and the voting results will be announced by the Chairman or Company Secretary of the Bank on or before **September 12, 2024** and will also be displayed on the website of the Bank, besides being communicated to the Stock Exchanges viz. BSE and NSE, and Depositories. The Scrutinizer's decision on the validity of e-voting will be final.
11. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders and Customer Relations Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote at the e-AGM.
13. Members attending the AGM through "VC" / "OAVM" shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Bank is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL.
15. Members desiring any information with regard to the annual accounts or any matter to be placed at the AGM, are requested to write to the Bank on or before August 30, 2024 through email on [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com).
16. Members may note that the Board, at its meeting held on May 24, 2024, has recommended a final dividend of ₹ 5.50 per share. The record date for the purpose of final dividend is fixed as September 03, 2024. The final dividend, once approved by the members in the ensuing AGM, will be paid **on or after Thursday, September 19, 2024**, electronically through various online transfer modes to those members who have furnished their bank account details. In case, if online remittance fails in the case of shareholders holding shares in demat form, dividend will be paid by way of Dividend Warrant. To avoid delay in receiving dividend, members are requested to update their Bank account details including Re-KYC with their depositories (where shares are held in dematerialized mode) and with the Bank's Registrar and Share Transfer Agent ("RTA") (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.
17. **TAX ON DIVIDEND:** Members may note that the Income-Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company on or after April 01, 2020 shall be taxable in the hands of members. Upon declaration of the dividend by the members at the AGM, the Bank shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of the dividend. In such a case, the Dividend will be paid after deducting the tax at source as applicable, as follows:

**Resident Shareholders:**

It may be noted that tax would not be deducted at source on payment of dividend to a **"resident Individual shareholder"**, if the total dividend amount to be paid in a Financial Year does not exceed ₹ 5,000.

Tax to be deducted at source, wherever applicable, would be as under:

<b>Particulars</b>	<b>Applicable Rate</b>	<b>Documents required (if any)</b>
Shareholders having the PAN	10%	Update the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the depositories (in case of shares held in demat mode) and with the Bank's Registrar and Share Transfer Agent (in case of shares held in physical mode).
	NIL	Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met, and a copy of PAN is furnished.

Particulars	Applicable Rate	Documents required (if any)
Shareholders not having PAN / PAN is Invalid	20%	N.A.
Shareholders submitting the Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower / NIL withholding tax certificate obtained from tax authority along with a copy of PAN.
Shareholders for whom Section 194 of the Act is not applicable	NIL	A declaration that it has full beneficial interest with respect to the shares owned by it along with PAN.
Shareholders, being Alternative Investment Funds (AIFs) (Category I & Category II)	NIL	A declaration that the AIFs are registered under SEBI as per SEBI Regulations.
Shareholders covered under Section 196 of the Act (e.g., Mutual Funds, Govt.)	NIL	Certificate of registration u / s 10(23D) issued by the appropriate authority along with PAN, documentary evidence that the person is covered under said Section 196 of the Act.

The Resident individual shareholders are requested to ensure that their Aadhaar Number is linked with PAN within the prescribed timelines. In case of failure to link, PAN shall be considered as inoperative / invalid and hence, tax at 20% shall be deducted in such cases.

TDS to be deducted at a higher rate in case of non-filers of Income Tax Return:

The Finance Act, 2021, inter-alia, has been amended to include a new Section 206AB with effect from July 01, 2021. The provisions of said section require the Bank to deduct tax at higher of the following rates from the amount paid / credited to a 'specified person'\*:

- i. At twice the rate specified in the relevant provision of the Income Tax Act; or
- ii. At twice the rate(s) in force; or
- iii. At the rate of 5%.

\*Specified Person is a person who has not furnished its / their Return of Income in India for the previous Financial Year, the time limit for which has expired under the provisions of the Income Tax Act, 1961 and the aggregate of Withholding tax Deducted / Collected at source exceeds ₹ 50,000 / - in the previous Financial Year.

In case Government provides any guidelines to comply with the provisions of Section 206AB, the Bank will deduct tax in accordance with said guidelines. Tax deducted in accordance with said guidelines will be final and the Bank shall not refund / adjust said amount subsequently. The Bank might also seek necessary declarations from such shareholders to comply with the provisions of this Section. The non-resident who does not have a permanent establishment in India is excluded from the scope of a specified person. As such, a non-resident is required to submit a no permanent establishment declaration so as to be excluded from the scope of a specified person.

Where the shareholder being resident individual eligible for obtaining Aadhaar Number has not intimated / linked the Aadhaar Number allotted with his / her PAN up to the date of declaration of dividend, in such a case, the allotted PAN would be treated as inoperative; benefit of TDS exemption such as vide Form 15G / H shall not be extended, for the provisions of deduction of TDS on the dividend declared by the Bank, as may be applicable under the Act or relevant law / rules in force and taxes will be withheld accordingly.

#### **Non-Resident Shareholders:**

As per Section 90 of the Income Tax Act, the non-resident shareholder has the option of being governed by the provisions of the Double Tax Avoidance agreement between India and the country of tax residence of the shareholder, if they are more beneficial to them.

**Please refer to the below table for details of documents to avail Tax Treaty benefits.**

Particulars	Applicable Rate	Documents required (if any)
Shareholders, being Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) as per Section 196D of the Income Tax Act, 1961 OR Tax Treaty Rate (whichever is lower)	a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident, valid for FY 2024-25. c) Electronically furnished Form 10F & its acknowledgement from the Income Tax portal, if all the details required in this form are not mentioned in the TRC d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e) Self-declaration of Beneficial ownership by the non-resident shareholder.
Other Non-Resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate (whichever is lower)	a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. b) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident, valid for FY 2024-25. c) Electronically furnished Form 10F & its acknowledgement from the Income Tax portal, if all the details required in this form are not mentioned in the TRC. d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e) Self-declaration of Beneficial ownership by the non-resident shareholder.
Shareholders submitting the Order under Section 197 of the Income Tax Act	Rate provided in the Order	Lower / NIL withholding tax certificate obtained from the tax authority.

In case PAN is not available, the non-resident shareholder (other than a company) shall furnish (a) name, (b) email id, (c) contact number (d) address in residency country (f) Tax Identification Number of the residency country.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefits including meeting all conditions laid down by DTAA.

Kindly note that the Bank is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon the completeness and satisfactory review by the Bank of the documents submitted by the non-resident shareholder.

**As per CBDT's Notification no 03 / 2022 dated 16<sup>th</sup> July, 2022, all non-resident shareholders desiring to claim DTAA tax treaty benefits will need to electronically furnish Form 10F to the revenue authorities at the income tax e-filing portal.**

Soft copies of the following documents may be downloaded from the below link:  
<https://www.integratedregistry.in/TaxExemptionRegistration.aspx>

- (1) Form 15G.
- (2) Form 15H.
- (3) Form 10F.
- (4) Declaration from residents.
- (5) Declaration from non-residents.
- (6) Declaration under Rule 37BC from non-residents (other than companies) not having PAN.

Duly filled and signed aforesaid documents, as applicable, should be uploaded at the website of RTA at [https://www.integratedregistry.in / TaxExemptionRegistration.aspx](https://www.integratedregistry.in/TaxExemptionRegistration.aspx) on or before September 04, 2024, 11:59 PM (IST), to enable the Bank to determine the appropriate TDS / withholding tax rate applicable.

No communication on the tax determination / deduction received post the aforesaid date and time shall be considered for payment of the Dividend.

**No other mode of submission of the documents would be entertained and the same needs to be uploaded only on the website of the RTA at the web link said above. If the documents are submitted to any other email id or through post etc., no claim shall lie against the Bank or the RTA.**

Similarly, if the tax on said Dividend is deducted at a higher rate due to non-receipt of or incomplete set of the above-mentioned details / documents, the shareholder may claim an appropriate refund in the return of income filed with their respective tax authorities and **no claim shall lie against the Bank for such taxes deducted.**

#### **For shareholders having multiple accounts under differ/ category/ category:**

Shareholders holding ordinary shares under multiple accounts under different status / category and a single PAN may note that the higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

#### **Beneficial Interest:**

In terms of Rule 37BA of Income Tax Rules, 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then the deductee should file a declaration with the Bank in the manner prescribed by Rules. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Bank and also, provide the Bank with all information / documents and co-operation in any appellate proceedings.

#### **Mandatory credit of Dividend to Bank Account:**

Pursuant to the SEBI master circular no. SEBI / HO / MIRSD / POD-1 / P / CIR / 2024 / 37 dated May 07, 2024, it is mandatory to furnish PAN, KYC Details (including email, mobile number, and bank account details) and Nomination. Kindly ensure these details are updated with registrar to avail uninterrupted service request and dividend credit in bank account as no dividend will be paid to physical shareholders by way of issuance of physical warrant with effect from April 01, 2024.

#### **Updation of bank account details:**

The shareholders are requested to ensure that their bank account details in their respective demat accounts / folios are updated, to enable the Bank to make timely credit of dividend to their bank accounts.

18. The members may write to [irg@integratedindia.in](mailto:irg@integratedindia.in) for any clarifications on this subject (please write in the subject matter as "KBL Dividend TDS" for easy identification and prompt redressal).
19. Members are requested to note that, the dividend remaining unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Bank, is liable for transfer to the Investor Education and Protection Fund ("IEPF") along with the related shares. In view of this, Members are requested to claim their unpaid dividends, if any, from the Bank, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 is available on [www.iepf.gov.in](http://www.iepf.gov.in) For details, please refer to the Corporate Governance Report of the Directors' Report.
20. Since the AGM will be held through "VC" / "OAVM", the Route Map to the venue of the AGM is not annexed in this Notice.
21. Article 74A of the Articles of Association of the Bank states that any suit by a member or members relating to any Annual General Meeting or Extraordinary General Meeting of the Bank or any meeting of its Board of Directors or a Committee of Directors or to any item of business on the agenda of any such meeting shall be subject to the exclusive jurisdiction of courts in Mangaluru city.



22. Instructions for remote e-voting and e-voting during AGM and joining meeting through VC / OAVM:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with remote e-voting facility on all the resolutions set forth in this Notice. For this purpose, Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting's agency.
2. The facility of casting votes by a member using "remote e-voting" as well as "e-voting on the date of the AGM" will be provided by NSDL.
3. As per SEBI Circular No. SEBI / HO / CFD / CMD / CIR / P / 2020 / 242 dated 09.12.2020, **for the Individual shareholders holding securities in demat mode**, e-voting will be enabled to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Accordingly, Demat account holders would be able to cast their vote without having to register again with the ESPs.
4. Such individual shareholders are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.

The instructions for **REMOTE E-VOTING** are given below:

- a. A person whose name is recorded in the register of members in case of shares held in physical form or in the register of beneficial owners maintained by the depositories in case of shares held in dematerialized (demat) form as on **Cut-off date (i.e. September 03, 2024)** only shall be entitled to vote by electronic means or in the AGM. The remote e-voting schedule is as under:

Date and time of commencement of remote voting through electronic means:	September 06, 2024 at 9.00 a.m. (IST).
Date and time of the end of voting through electronic means (beyond which voting will not be allowed):	September 09, 2024 at 5.00 p.m. (IST).
Details of the website:	<a href="http://www.evotingindia.com">www.evotingindia.com</a>
Details of persons to be contacted for issues relating to remote e-voting:	Mr. Vijayagopal / Mr. Giridhar, Integrated Registry Management Services Private Limited Tel No. 080-23460815-18, email: <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a>
Cut-off date to determine the eligibility to cast vote	September 03, 2024

- b. The remote e-voting is open for all members whether holding shares in physical form or dematerialized form. The remote e-voting shall be disabled at 5.00 PM on September 09, 2024 and remote e-voting shall not be allowed beyond this date and time.
- c. Further, the facility for voting through an electronic voting system will also be made available at the AGM from NSDL and the members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote at the e-AGM.
- d. A member may participate in the e-AGM even after exercising his / her right to vote through remote e-voting but shall not vote again at the e-AGM.

**Procedure to be followed to vote through remote e-voting**



**The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:**

**Step 1: Access to NSDL e-Voting system**

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on Bank's name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Bank's name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders / Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e- voting is in progress as per the information provided by the Bank. On clicking the e - voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>





Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility, upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the Bank's name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> / either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> / with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Bank For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Bank, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details / Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Bank for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Mr. Falguni. C at [evoting@nsdl.com](mailto:evoting@nsdl.com)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder / members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM" placed under **"Join meeting"** menu against the Bank's name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of the Bank will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com). The same will be replied by the Bank suitably.
6. Registration as "Speakers"
  - a. Kindly note that the shareholders who have registered themselves as a **'speaker' will only be allowed to express their views / ask questions during the meeting.**
  - b. The shareholders who would like to express their views / ask questions during the meeting need to register themselves as a speaker and are required to send their request two days prior to **the meeting** mentioning their name, demat account number / folio number, email id, mobile number at [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com).
7. Shareholders who would like to express their views / have questions may send their questions seven days prior to the meeting mentioning their name, demat account number / folio number, email id, and mobile number at [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com)
8. The Chairman of the Meeting will reserve the right to limit the number of questions and time limit for each question during the course of the AGM.
9. The Chairman reserves the right to limit the number of Members asking questions depending on either the availability of time or live streaming-related concerns or any other unforeseen situations if any at the time of the AGM.
10. At the time of logging- into the system to attend the AGM or during the course of the AGM, if a Member loses the connection, the same shall not be a ground to complain.

All grievances connected with the facility for voting by electronic means may be addressed to [evoting@nsdl.com](mailto:evoting@nsdl.com).



## ANNEXURE TO THE NOTICE

### Item No. 3: Reappointment of Mr. Sekhar Rao, as a Executive Director of the Bank:

Mr. Sekhar Rao was appointed as the Executive Director of the Bank for a period of three years w.e.f. 01.02.2023. The resolution seeking approval of the shareholders for the appointment along with remuneration, terms and conditions of appointment was approved on 30.03.2023. The terms of appointment inter-alia indicated that the office of the Executive Director is not subjected to 'retirement by rotation'. Therefore, in the 99<sup>th</sup> AGM held on 29.08.2023, in partial modification to the terms of appointment of Mr. Sekhar Rao, Executive Director, the shareholders approved that the office of the Executive Director shall be 'liable for retirement by rotation' and that the retiring Director, if eligible, can offer himself / herself for reappointment.

Further, the Independent Directors at their exclusive meeting held on 30.07.2024 while carrying out the performance evaluation of the Directors (in terms of the Companies Act, 2013) and the Board of Directors at its meeting held on 19.06.2024, while carrying out due diligence of the Directors under 'Fit & Proper' norms of RBI opined that his candidature is in compliance with the said norms and is eligible to be reappointed as a Director of the Bank and accordingly, the Board of Directors in terms of Section 160 of the Companies Act, 2013 resolved to recommend his re-appointment as the Executive Director.

### Brief Profile and additional information about Mr. Sekhar Rao as per Secretarial Standard-2 read with Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"):

Sr. No.	Particulars	Information disclosed
1.	Name	Sekhar Rao
2.	DIN	06830595
3.	Age	55 Years
4.	Educational Qualification	BE(Cheical) and MBA (Marketing)
5.	Experience	<p>Mr. Sekhar Rao has 30+ years of Banking &amp; payment &amp; settlement experience across Retail Banking, Products, Strategy &amp; Operations in senior management / CXO roles reporting to MD &amp; CEO and Board Committees. He has experience in:</p> <ul style="list-style-type: none"> <li>Managing large network of Branches &amp; Business Units with P&amp;L responsibility</li> <li>Setting up of new business verticals, distribution channels, network expansion (branches) and dealing with regulators.</li> <li>Managing the Digital / Alternate Channels.</li> <li>Setting up and managing Centralized operation units and Technology teams</li> <li>Consulting for projects in business strategy and banking operation.</li> <li>Setting up and scaling a Fintech start-up.</li> </ul> <p>He has 19+ years of BFSI experience in different capacities in other Banks and about 2+ years as Co-founder and Director of Savvy India, (fintech).</p>
6.	Terms and Conditions of Appointment	Proposed to be reappointed as an Executive Director and shall be liable to retire by rotation.
7.	Remuneration details	During the FY 2023-24 an aggregate remuneration of ₹ 75,18,000 including a variable pay of ₹ 6,00,000.
8.	Date of first appointment on Board	01.02.2023 i.e., from the date of taking charge.
9.	Shareholding in the Bank	Directly Held: <b>Nil</b> On beneficial ownership basis: <b>Nil</b>
10.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Bank	Not related to any other Directors, Manager and other Key Managerial Personnel of the Bank.
11.	Number of Board meetings attended last year.	16 / 16 Board meeting.
12.	Other Directorships, Membership / Chairmanship of Committees of other Boards.	<b>Nil</b>

Sr. No.	Particulars	Information disclosed
13.	Listed entities from which the person has resigned in the past three years.	<b>Nil</b>
14.	Nature of Expertise	Banking and Finance
15.	Skills and capabilities required for the role in terms of Section 10A (2) of the Banking Regulation Act, 1949.  The manner in which the proposed person meets such requirements.	Banking, Finance, IT, Payment & Settlement and Business Management

Your Board recommends the resolution reappointing Mr. Sekhar Rao as the Executive Director of the Bank as set out under **Item No. 3** of the notice, liable to retire by rotation, as aforesaid.

Except for Mr. Sekhar Rao and his relatives, none of the Directors or Key Managerial Personnel of the Bank or their relatives are in any way, concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Item No. 4: Appointment of Joint Statutory Auditors and fixation of their remuneration

In terms of Section 30(1A) of the Banking Regulation Act, 1949, appointment / reappointment / removal of statutory auditors of banking company requires prior approval of Reserve Bank of India.

Further, RBI vide circular No. DoS.CO.ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 has prescribed the maximum tenure of three years for the Statutory Auditors of a Banking company who will be eligible for reappointment for the next term only after a resting period of six years.

M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No. 004207S) and M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. / LLP No. 104607W / W100166), will be completing the period of three years at the conclusion of the ensuing 100<sup>th</sup> Annual General Meeting and hence, they are subject to resting period as per above referred RBI circular dated April 27, 2021.

Therefore, The Board of Directors of the Bank, based on the recommendation of the Audit Committee, has proposed the appointment of M/s. Ravi Rajan & Co LLP, Chartered Accountants (Firm Registration No. / LLP No. 009073N / N500320), New Delhi and M / s. R.G.N. Price & Co., Chartered Accountants, (Firm Registration No. 002785S), Chennai, as the joint Statutory Auditors of the Bank to hold office up to the conclusion of 101<sup>st</sup> AGM. In this connection, approval in terms of Section 30(1A) of the Banking Regulation Act, 1949, has been obtained from the RBI vide letter dated 02.07.2024. Further, the above auditors have confirmed their eligibility to be appointed as Statutory Auditors as per the provisions of the Section 141 of the Companies Act, 2013 and applicable rules.

#### Disclosure as required pursuant to Regulation 36(5) of the Listing Regulations is provided herein below:

##### Fees payable to the Statutory Auditors (SAs):

The Board of Directors, based on the recommendation of the Audit Committee, has approved the fees payable to the statutory auditors as mentioned hereunder:

Proposed fees payable to the statutory auditor(s)	(₹ crore)	
	Particulars	Total Amount of Fees
	Consolidated Statutory Audit Fees to existing auditors (Three Firms)	4.20
	Consolidated Statutory Audit Fees to existing and the new auditor (two firms)	2.80
The Break-up is as under (per auditor):		
		(₹ crore)
	<b>Nature of Payment</b>	<b>Proposed fees structure</b>
	Year-end Audit	0.80
	Limited Review (3 quarters)	0.30
	Long form Audit Report	0.20
	Tax Audit Fees	0.10
	<b>Total</b>	<b>1.40</b>
	Reimbursement of out of pocket expenses	0.35



	<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Further, certification fees of ₹ 30,000 per certificate issued and actual out-of-pocket expenses will be reimbursed.</li> </ol>
Terms of Appointment	<p>The assignment of Joint Statutory Auditors includes but not limited to:</p> <ol style="list-style-type: none"> <li>Year-end audit and certification,</li> <li>Limited Review (three qtrs.),</li> <li>Long Form Audit Report</li> <li>Tax audit,</li> <li>Consolidation of Results (Holding &amp; Subsidiary),</li> <li>Centralized Audit of all branches of the Bank</li> <li>Such other certification / reporting requirements as may be prescribed by the RBI from time to time.</li> </ol>
In case of a <b>new auditor</b> , any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change.	<p>M/s. Sundaram &amp; Srinivasan, Chartered Accountants and M/s. Kalyaniwalla &amp; Mistry LLP, Chartered Accountants would be retiring at the conclusion of 100<sup>th</sup> AGM and M/s. Ravi Rajan &amp; Co. LLP, Chartered Accountants would be continuing as one of the joint Statutory Auditors. Appointment of M/s. R. G. N. Price &amp; Co., Chartered Accountants have been approved by the RBI and is placed before the members for their approval. There is no material change in the fees payable to the Statutory Auditors in comparison to the earlier year.</p>

### **Basis of recommendation for the appointment including the details in relation to and credentials of the statutory auditor(s):**

#### **Brief Profile of M / s. Ravi Rajan & Co LLP**

M / s. Ravi Rajan & Co LLP, Chartered Accountants, New Delhi is a Chartered Accountancy firm incorporated in 1989. The firm has a presence in Noida, Gurugram, Mumbai and Bengaluru. The firm has 16 partners and a team of over 200 members, including professionals from different fields-Lawyers, Company Secretary, Engineers, Intellectual property, Registered Valuers, Ex-Senior Bankers etc., providing a varied range of services.

#### **Brief Profile of M / s. R.G.N. Price & Co.**

M / s. R.G.N. Price & Co., (RGNP) a firm of Chartered Accountants has been carrying on the profession of Audit, Assurance, management consultancy and related services for more than 75 years. The firm has 14 partners and a team of over 250 members experienced professionals including Certified Internal Auditor, Certified Information Systems Auditor (CISA) Certified Fraud Examiner (CFE).

The firm has, over the years, developed expertise in various areas like Taxation, Financial Compliance matters, Sarbanes Oxley Advisory, IT Advisory, Due Diligence Reviews and Business Valuations apart from specialized services in relation to Ind AS Transition, setting up Internal Control Framework, Cost reduction strategies, Mergers and Acquisition assistance, financial performance health check, SOX Testing Support.

Besides, both the firms comply with the eligibility norms prescribed by the Reserve Bank of India vide its Circular dated April 27, 2021.

Your Board recommends the resolution appointing the above two firms as Joint Statutory Auditors as set out under **Item No. 4** of the notice.

None of the Directors or Key Managerial Personnel of the Bank or their relatives are in any way, concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the "Act") AND DISCLOSURE PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

### Item No. 5: Amendment of Articles of Association:

The Board of Directors proposes the following amendments to the Articles of Association of the Bank and the rationale for each of the amendments is mentioned in the following table:

Article No. & Subject	Existing Article	Amended Article	Rationale
1(d): Interpretation	The 'Seal' means the Common Seal of the Bank;	Deletion	With the enactment of the Companies (Amendment) Act, 2015, dated 25 <sup>th</sup> May 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Bank it is proposed to alter the existing Articles of Association ("AOA") of the Bank by removing / amending the relevant clauses in the Articles of Association of the Bank pertaining to the common seal.
9(b): certificates how to be issued	Every share certificate shall be issued under the Seal of the Bank which shall be affixed in the presence of two Directors and the Chairman of the Board of Directors or some other person appointed by the Board for the purpose, and the two Directors and Chairman of the Board of Directors or other person so appointed shall sign such share certificate.	Every share certificate shall be issued with the signatures of a Whole Time Director and the Company Secretary.	With the enactment of the Companies (Amendment) Act, 2015, dated 25 <sup>th</sup> May 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Bank it is proposed to alter the existing Articles of Association ("AOA") of the Bank by removing / amending the relevant clauses in the Articles of Association of the Bank pertaining to the common seal.  Note: As per the Companies Act 2013, Every share certificate shall be issued with the signatures of two Directors or by a Director and the Company Secretary.  In view of the above, it is proposed that the share certificate shall be issued with the signatures of Whole Time Director and the Company Secretary.
51(e): To appoint power of attorney	To appoint at any time and from time to time by a power of attorney under seal, any person to be the attorney of the Bank for such purposes and with such powers, authorities and discretions (not exceeding those which could be delegated by the directors under these presents) and for such period and subject to such conditions as the Board may from time-to-time think fit, with power for such attorneys to sub -delegate all or any of the powers, authorities and discretions vested in the attorney for the time being.	To appoint from time to time by a power of attorney, any person to be the attorney of the Bank for such purposes and with such powers, authorities and discretions (not exceeding those which could be delegated by the directors under these presents) and for such period and subject to such conditions as thought fit from time to time, jointly by a combination of any two of the three head of the department of the Human Resources Department, Legal Department and Branch Banking Department or in their absence, solely by the Managing Director & CEO.	With the enactment of the Companies (Amendment) Act, 2015, dated May 25 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Bank, it is proposed to alter the existing Articles of Association ("AOA") of the Bank by removing / amending the relevant clauses in the Articles of Association of the Bank pertaining to the common seal.





Article No. & Subject	Existing Article	Amended Article	Rationale
60 (a): Term of office	The Chairman or as the case may, the Managing Director or the Chief Executive Officer who is entrusted with the management of the whole of the affairs of the Bank shall not be subject to retirement by rotation. He shall be in whole-time employment of the Bank and may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit and he shall be eligible for reappointment.	The Managing Director and Chief Executive Officer who is entrusted with the management of the whole of the affairs of the Bank shall be subject to retirement by rotation. He / She shall be in whole-time employment of the Bank and may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit and he / she shall be eligible for re-appointment subject to applicable laws from time to time.	In terms of Section 152 (6) of Companies Act, 2013, two-thirds of the total number of directors of a public company shall— (i) be persons whose period of office is liable to determination by retirement of directors by rotation; Having regard to the present composition of Board of Directors, the provisions in the Articles restricting the retirement by rotation of Whole-time Director and Managing Director and Chief Executive Officer is modified. Note: Independent Directors are not subject to Retirement by Rotation as per the Companies Act, 2013. The 2 / 3 <sup>rd</sup> criteria are applicable to Directors other than Independent Directors.
60(d): Term of office	The appointment of Whole Time Directors (either named as Executive Director / s or by whatever name called) under Article 58(c) above shall be in whole-time employment of the Bank and shall not be subject to retirement by rotation. He / She may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit and he / she shall be eligible for reappointment subject to applicable laws from time to time.	The appointment of Whole Time Directors (either named as Executive Director / s or by whatever name called) under Article 58(c) above shall be in whole-time employment of the Bank and shall be subject to retirement by rotation. He / She may be appointed by the Board for such period not exceeding five years at a time as the Board may deem fit and he / she shall be eligible for reappointment subject to applicable laws from time to time.	
65 (a): Safe custody of the Seal & 65 (b): Affixing of Seal to be authorised by the Board	a) The Bank shall have a Common Seal and the Board shall provide for the safe custody of the Seal. b) The seal of the Bank shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by the Board by it in this behalf, and except in the presence of at least 2 directors and of the Chairman of the Board of Directors, or such other person as the Board may appoint for the purpose; and those 2 directors and the Chairman of the Board of Directors or other person as aforesaid shall sign every instrument to which the Seal of the Bank is so affixed in their presence.	Deletion	With the enactment of the Companies (Amendment) Act, 2015, dated May 25 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Bank it is proposed to alter the existing Articles of Association ("AOA") of the Bank by removing / amending the relevant clauses in the Articles of Association of the Bank pertaining to the common seal.

None of the Directors or Key Managerial Personnel of the Bank or their relatives are in any way, concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item No. 6: Borrowing Powers:**

In the normal course of business, the Bank borrows money to meet its business requirements through various avenues and also raises money to meet its capital requirements, by way of issuance of various debt securities (bond / debentures) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

As per Section 180(1)(c) of Companies Act, 2013 read with Article 22 of the Articles of Association of the Bank, the Board of Directors of a company shall exercise the powers to borrow only with the approval of the members by passing a special resolution, where the money to be borrowed, together with the money already borrowed by the company exceeds aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained in the ordinary course of business.

Accordingly, it is proposed to obtain the consent of the Members of the Bank for borrowing / raising funds in Indian / foreign currency up to ₹ 10,000 crore (Rupees Ten thousand Crore only), in the form of debt instruments / debentures etc., in one or more tranches in domestic and / or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, subject to the relevant provisions of Companies Act, 2013 and the applicable circulars or guidelines issued by RBI, on such terms and conditions as the Board of Directors or any Committee(s) thereof or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013 or Rules thereunder, from time to time, determine and consider proper and appropriate for the Bank. This amount would be over and above the aggregate of the paid-up capital of the Bank, its free reserves and the securities premium at any time, apart from (i) acceptance of the deposits of money from public repayable on demand or otherwise and withdrawable by cheque, draft or otherwise and / or (ii) temporary loans obtained in the ordinary course of business of the Bank and would form part of the overall borrowing limits under Section 180(1)(c) of the Companies Act, 2013. As such, this is an enabling resolution for the Bank which will help in timely borrowing to meet its funding requirements.

Accordingly, the consent of Members is being sought by way of special resolution as set out under Item No. 6 of this Notice.

None of the Directors or Key Managerial Personnel of the Bank or their relatives are in any way, concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



# 100<sup>th</sup> BOARD'S REPORT

## Dear Stakeholders,

Your Board of Directors have the pleasure of presenting the 100<sup>th</sup> Annual Report of the Bank together with the Audited Statement of Accounts for the financial year ended March 31, 2024, and the Auditors' Report thereon. The highlights of the operational performance are as under:

## OPERATIONAL PERFORMANCE

	₹ in crore	
	MARCH 31, 2024	MARCH 31, 2023
Net Profit	1,306.28	1,180.24
Operating Profit	2,163.31	2,208.23
Net Interest Income (NII)	3,298.72	3,185.10
Gross Income	9,617.42	8,212.81
Deposits (A)	98,057.83	87,368.01
Advances (Gross)(B)	73,001.66	61,302.78
Business Turnover (A)+ (B) (Gross)	1,71,059.49	1,48,670.79
Investments	24,302.05	23,326.37
CASA deposits (as a share of total deposits) (%)	31.97	32.97
Gross NPA (%)	3.53	3.74
Net NPAs (%)	1.58	1.70
Provision Coverage Ratio (%)	79.22	80.86
Capital Adequacy Ratio (CRAR) (%)	18.00	17.45
Return on Assets (%)	1.22	1.21

Note: The figures mentioned above are on standalone basis. The consolidated financial statements are furnished separately as part of this report.

## BUSINESS OVERVIEW

As on March 31, 2024, the Business Turnover (Gross) of the Bank has reached a new high of ₹ 1,71,059.49 crore with a YoY growth of 15.06%. During FY 24, the Bank has registered an all-time high net profit of ₹ 1,306.28 crore with an impressive 10.68% YoY growth. The deposits and advances grew by 12.24% and 19.08% YoY respectively. As of March 31, 2024, the CD ratio was 74.45%. In spite of the northward movement of interest rates, the Bank has maintained the share of CASA at 31.97%. The asset quality has been improved with a 21 bps and 12 bps reduction, respectively, under Gross NPAs and Net NPAs. As on March 31, 2024, Provision Coverage Ratio (PCR) was 79.22%. The bank completed a record capital raising of ₹ 1,500 crore within 6 month in H2FY24 thereby increasing their holdings to over 40% as March 31 2024. As a result CRAR improved to an all time high of 18.00% and thereby the financial year 2023-24 was yet another year of satisfactory performance, witnessing further strengthening of the fundamentals of the Bank.

## DEPOSITS AND CASA

The total deposits grew by 12.24% during the financial year under review, with CASA at 31.97% of total deposits. The CASA deposits grew by 8.82% YoY. The deposits below ₹ 2 crore accounted for about 87.90% of the total deposits, reflecting a strong retail franchise.

## ADVANCES

The advances grew by 19.08% YoY. The lending profile was well balanced with the share of retail advance at 46.60% & mid corporate advances at 25.68% and Large corporate advances at 27.72% of the loan book.

The priority sector advances increased from ₹ 32,181.73 crore to ₹ 36,487.47 crore forming 53.85% of applicable Adjusted Net Bank Credit (ANBC), and agricultural advances increased from ₹ 11,305 crore to ₹ 14,281 crore, which, together with eligible deposits under the Rural Infrastructure Development Fund (RIDF), constituted 21.08% of ANBC during Q4FY24. The Bank also focuses on lending under various socio-economic schemes, weaker section schemes, MSMEs etc.

## ASSET QUALITY AND PROVISION COVERAGE RATIO (PCR)

Your Bank has been focusing on improving the asset quality through better credit appraisal and effective monitoring, as well as intensified recovery efforts. In terms of absolute numbers, the GNPA's increased to ₹ 2,578.42 crore as on March 31, 2024, from ₹ 2,292.91 crore as on March 31, 2023. However, the percentage of Gross NPAs reduced from 3.74% as on March 31, 2023, to 3.53% as on March 31, 2024.

The amount of Net NPAs (NNPAs) was ₹ 1,129.18 crore as against ₹ 1,021.27 crore on March 31, 2023 and during the period, the percentage of NNPAs substantially improved to 1.58% as against 1.70% last year. The Provision Coverage Ratio (PCR) stood at 79.22% on March 31, 2024.

## INVESTMENTS

The total investments increased by 4.18% and the Investment to Deposit ratio (ID ratio) stood at 24.78% as on March 31, 2024, as against 26.70% on March 31, 2023.

## OPERATIONAL METRICS

The gross income of the Bank for the year ended March 31, 2024, stood at ₹ 9,617.42 crore compared to ₹ 8,212.81 crore last year recording a YoY growth of 17.10%.

The total expenditure (excluding provisions and contingencies) increased by 24.14% to ₹ 7,454.11 crore for the year ended March 31, 2024, as against ₹ 6,004.58 crore for the last financial year. The cost to income ratio stood at 53.15%.

During the FY, Net Interest Income (NII) grew by 3.57% over the previous year. The Net Interest Margin (NIM) reduced to 3.51% from 3.70% during last year.

The operating profit decreased by 2.03% to ₹ 2,163.31 for FY 2023-24 from ₹ 2,208.23 crore for the previous year due to certain one-time expenses during the year on account of increased retirement benefit cost due to revised IBA scales, centenary expenses and increased IT outlay. The provisions (other than tax) and contingencies for FY 2023-24 were ₹ 600.58 crore vis-à-vis ₹ 767.19 crore for the previous year.

The net profit reached an all-time high of ₹ 1,306.28 crore from ₹ 1,180.24 crore during the previous year, registering a growth of 10.68%.

## APPROPRIATIONS

The net profit of ₹ 1,306.28 crore, along with a sum of ₹ 165.92 crore brought forward from the previous year, aggregating to ₹ 1,472.20 crore, has been appropriated as under:

Appropriation	₹ in crore
Transfer to Statutory Reserve	327.00
Transfer to Capital Reserve	8.35
Transfer to Revenue	648.00
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act	69.70
Transfer to Investment Fluctuation Reserve	53.00
Dividend of 2022-23 paid during the year	156.37
Balance carried over to Balance Sheet	209.78

## DIVIDEND

Recognising the overall performance of the Bank and being the Centenary year, the Board of Directors has recommended a dividend of ₹ 5.50/- per share (55%) for the year ended 31<sup>st</sup> March 2024 (previous year ₹ 5/- per share (50%). The dividend payout ratio for the year works out to 15.88% as against 13.30% for the previous year. In accordance with Accounting Standard as (AS) 4 - Contingencies & Events Occurring after the Balance Sheet Date, the proposed dividend amounting to ₹ 207.49 crore (Previous year ₹ 156.37 Crore) has not been shown as an appropriation from the Profit for the year ended March 31, 2024, in line with the Dividend Distribution Policy of the Bank and directions from the Reserve Bank of India for the payment of dividend out of the profit.

## EARNINGS PER SHARE (EPS) AND BOOK VALUE

The Earnings Per Share stood at ₹ 39.84 (basic) and ₹ 39.66 (diluted) for the year ended March 31, 2024. This was ₹ 37.88 (basic) and ₹ 37.66 (diluted) during the previous year. The Book Value per share has further improved to ₹ 287.57 as on March 31, 2024 as against ₹ 262.96 during the previous year.

## CAPITAL FUNDS AND CAPITAL ADEQUACY RATIO (CRAR)

The capital funds of the Bank increased from ₹ 9,312.53 crore to ₹ 11,253.14 crore. With the record capital raising of ₹ 1,500 crore as mentioned above, the Capital to Risk- Weighted Assets (CRAR) Ratio improved to a high of 18.00% as on March 31, 2024, as against the previous year's ratio of 17.45%. The Bank has consistently maintained the CRAR ratio well above the minimum requirement of 11.50%, including the Capital Conservation Buffer of 2.50% stipulated by the Reserve Bank of India and the internal policy of the Bank of maintaining the CRAR one and half per cent over and above the regulatory requirement.

**UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT AND QUALIFIED INSTITUTIONS PLACEMENT DURING THE YEAR**

Sl. No.	Date of raising the funds	Mode of raising the funds	Amount in ₹ crore	Original Object	Funds Utilised	Amount of deviation if any
1	26.10.2023	Preferential allotment of Equity Shares	799.99	The Bank had undertaken an issue and allotment of Equity Shares through Preference Issue, the proceeds of which were primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.	Funds were fully utilised for the stated purpose only.	Nil
2	28.02.2024	Preferential allotment of Equity Shares	99.99	The Bank had undertaken an issue and allotment of Equity Shares through Preference Issue, the proceeds of which were primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.	Funds were fully utilised for the stated purpose only.	Nil
3	28.03.2024	Qualified Institutions Placement	599.99	The Bank had undertaken an issue and allotment of Equity Shares through Qualified Institutions Placement the proceeds of which were primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.	Funds were fully utilised for the stated purpose only.	Nil

**EQUITY CAPITAL BASE**

As on March 31, 2024, the paid-up capital of your Bank stood at ₹ 3,77,24,99,580 comprising 37,72,49,958 equity shares of ₹ 10/- each.

During the year 13,02,757 equity shares of ₹ 10/- each were allotted to option grantees upon exercise of stock options under KBL ESOS-2018.

**CHANGE IN CAPITAL BASE AFTER THE CLOSE OF THE FINANCIAL YEAR**

After the close of the Financial Year 2,73,172 equity shares of ₹ 10/- each were allotted pursuant to the exercise of options vested with grantees under KBL ESOS-2018.

**DEBT INSTRUMENTS & CREDIT RATING**

The Bank has issued subordinated debt instruments (i.e., Unsecured Non-Convertible Subordinated BASEL III Debt Instruments) as a part of Tier-2 Capital on a private placement basis. These bonds are listed on the debt segment of the National Stock Exchange of India Limited (NSE). The Bank exercised the call option Tier-2 capital in 2 tranches totalling ₹ 720 crore during November 2023 and February 2024. The details of the debt instruments outstanding as on March 31, 2024, are as under:

Series	Date of Issue	Face Value per Bond (₹)	Number of Bonds	Amount (₹ crore)	Tenure from date of issue	Coupon Rate (% p.a.)	Credit Rating	Listing	ISIN of the Bonds
VII	30.03.2022	1,00,00,000	300	300.00	120 months	10.70	ICRA 'A' (Positive) & CARE 'A'(Stable)	Listed on NSE-Debt Segment	INE614B08054

Your Bank has paid interest on these debt instruments on time since the issue of respective debt instruments as per the terms of the issue.

### Redemption of Series V Bond:

During the financial year under review, the Bank exercised call option on 16.11.2023 for redemption of the bonds issued under Series V for ₹ 400 crore.

### Redemption of Series VI Bond:

During the financial year under review, the Bank exercised call option on the previous working day i.e., 17.02.2024, since the date of call option i.e., 18.02.2024 was a holiday (Sunday), for redemption of the bonds issued under Series VI for ₹ 320 crore.

## TRANSFORMATION JOURNEY- 'KBL VIKAAS'

The aspirational transformation journey of the Bank, "KBL-VIKAAS" was launched in the year 2017 has successfully completed 6 years and further remodeled as 'KBL VIKAAS 3.0' with visible accomplishments and is surging ahead with various futuristic initiatives based on the 3 principles Run the Bank, Grow the Bank, Change the Bank.

Our Bank has embarked on a comprehensive digital transformation journey aimed at integrating advanced IT systems and digital technologies to enhance customer experience and operational efficiency. This transformation is centred around providing an omnichannel banking experience, leveraging an API-driven open banking architecture, and personalizing customer interactions through data analytics.

Under the "KBL-VIKAAS" program, initiated in Fiscal 2017, we have laid the groundwork for our digital strategy, in consultation with the Boston Consulting Group. This initiative focuses on bolstering our Bank's foundational capabilities and staying at the forefront of technological innovation. As part of this transformation, we established the Digital Centre of Excellence (DCoE), dedicated to developing digital innovations and technological enhancements. Currently, the DCoE professionals, driving various digital initiatives. Program has successfully completed 6 years and further remodeled as 'KBL VIKAAS 3.0' with visible accomplishments and is surging ahead with various futuristic initiatives based on the 3 principles Run the Bank, Grow the Bank, Change the Bank. The Bank also set up an Analytical Centre of Excellence(ACOE) creating a data-lake with capability to drive business acquisitions based on historical data of transactions by customers. More details about ACOE are provided in sections below.

Details about various digital initiatives introduced during the FY 2023-24 are furnished in Management Discussion and Analysis.

### Leveraging through Wholly Owned Subsidiary of the Bank:

"KBL Services Limited" was incorporated as a non-financial services wholly owned subsidiary of The Karnataka Bank Limited on 21.06.2020. Setting up of the Company was envisioned with an objective of achieving higher operational efficiency and creating value over longer run for the group as a whole. The scope of activities permitted to be carried out by the "KBL Services Limited" are business sourcing, data entry work, contact centre management, management of alternate banking channels, back-end processing activities, IT projects & support, digital capabilities and providing sub-staff/house-keeping/maintenance staff/attenders to the parent Bank. To begin with, the Company has taken up Business Sourcing, Data entry work, back-end processing activities and contact centre and expects to widen its service offering to other permitted activities in the upcoming financial years. The subsidiary has started making profit for the first year.

## RISK MANAGEMNET AND GOVERNANCE

In the normal course of business the Banks are exposed to various risks, namely, Credit Risk, Market Risk and Operational Risk, besides other residual risks such as Liquidity Risk, Interest Rate Risk, Concentration Risk, Strategic Risk, Reputation Risk etc. With a view to efficiently manage such risks, your Bank has put in place various risk management systems and practices. In line with the guidelines issued by the Reserve Bank of India from time to time, your Bank continues to strengthen various risk management systems that include policies, tools, techniques, systems and other monitoring mechanisms.



Your Bank aims at achieving appropriate trade-off between risks and returns. Risk management objectives of the Bank broadly cover proper identification, assessment, measurement, monitoring, controlling, mitigation and reporting of the risks across various business segments of the Bank. The risk management strategy adopted by your Bank is based on a clear understanding of the risks and the level of risk appetite, which is dependent on the willingness of your Bank to take risks in the normal course of business. A Board level committee, viz., Risk & Capital Management Committee (RCMC) periodically reviews the risk profile, evaluates the overall risks encountered by the Bank and develops policies and strategies for its effective management.

The various senior management committees such as Credit Risk Committee (CRC), Asset–Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC) etc. operate within the broad policy framework of the Bank to ensure and enhance the risk control and governance framework within the Bank. The Risk Management Department at Head Office oversees the overall implementation of various risk management initiatives across the Bank.

In line with guidelines issued by RBI, your Bank has nominated a Chief Information Security Officer (CISO), who is responsible for articulating and enforcing the policies that the Bank use to protect the information assets apart from coordinating security related issues in implementation of new systems under Information Technology in the Bank.

**OFSAA (Oracle Financial Services Analytical Applications):** Your Bank has all the necessary systems and tools in place for ALM, MRM, LRM, FTP and IRRBB. An advanced application i.e. OFSAA is in the final stage for implementation that covers ALM, LRM, FTP, PFT & IFRS9.

More elaborate discussion on how the Bank manages the key risks associated with its operations are provided under Management Discussion and Analysis attached to this report.

**Basel III Capital Regulations – Implementation of Leverage Ratio:** To mitigate the risk of excessive leverage and enhance the financial stability, RBI mandated the minimum Leverage Ratio (LR) under Basel III Regulations for banks in India. Both the capital measure and the exposure measure along with the leverage ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum leverage ratio requirements at all times. As on March 31, 2024, your Bank had a comfortable leverage ratio of 7.86% as against the regulatory minimum requirement of 3.50%.

#### **Capital Adequacy & Capital Adequacy Assessment Process (ICAAP):**

Under Pillar 2 of the Basel II Accord, Internal Capital Adequacy and Assessment Process (ICAAP) was introduced as a measure of the adequacy of a capital resources of the Bank in relation to its current liabilities and also in relation to the risks associated with its assets. An appropriate level of capital adequacy ensures that the entity has sufficient capital to support its activities and that its net-worth is sufficient to absorb adverse changes in the value of its assets without becoming insolvent. An assessment of the capital requirement of the Bank is carried out through comprehensive projections of future business that takes cognizance of the strategic intent of the Bank, profitability of particular business and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirements but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by effective, technology-based risk management system.

The Disclosure under Pillar III of Basel III accord has been annexed to the this report as in **Annexure-I**.

In compliance with Basel guidelines, the Bank has put in place a policy document for Internal Capital Adequacy Assessment Process (ICAAP) to evaluate its capital adequacy requirements. Stress testing framework for various stress scenarios is also put in place for a better understanding of the likely impact of adverse market movements/events on the capital and earnings. The results of the ICAAP and stress testing are reviewed periodically to assess the capital requirement for the projected business growth, keeping in view the risk appetite and risk profile of the Bank. A Board level Risk & Capital Management Committee (RCMC) reviews the risk appetite, risk profile, business projections as well as capital assessments of your Bank at periodic intervals.

## **SEGMENT REPORTING**

### **Business Segment-**

For the purpose of segment reporting in terms of AS 17 of the Companies (Accounting Standards) Rules 2021 and as prescribed in the RBI guidelines, the business of the Bank has been classified into 4 segments i.e. (a) Treasury operations (b) Corporate/Wholesale Banking (c) Retail Banking (d) Other Banking Operations.

### **Geographical Segment-**

Further as per the RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, on establishment of Digital Banking Unit (DBU, 'Digital Banking' has been identified as a Sub–segment under Retail Banking. Since the Bank does not have any overseas branch, reporting under geographic segment does not arise. The segment assets have been identified and segment liabilities have been allocated on the basis of segment assets.

(₹ in Crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE / WHOLESALE BANKING		RETAIL BANKING			OTHER BANKING OPERATIONS		TOTAL	
	Mar'24	Mar'23	Mar'24	Mar'23	DBU	Other Retail Banking		Mar'24	Mar'23	Mar'24	Mar'23
						Mar'24	Mar'23				
Revenue	1,652.13	1,276.83	3,429.15	2,936.88	0.19	4,222.61	3,653.01	291.63	281.76	9,595.71	8,148.48
Unallocated Income										21.72	64.33
Total Income										9,617.43	8,212.81
Result	164.79	21.02	962.05	1,012.83	-0.47	1,030.18	1,147.80	56.86	48.65	2,213.41	2,230.30
Unallocated expenses (including provisions & contingencies)										-650.68	-789.26
Profit before tax										1,562.73	1,441.04
Income taxes										256.44	260.80
Extraordinary/ Exceptional Profit/ Loss										-	-
Net Profit										1,306.28	1,180.24
Other Information											
Segment Assets	32,648.33	29,846.76	38,324.06	29,886.99	8.25	41,605.74	35,564.32	40.22	10.10	1,12,626.60	95,308.17
Unallocated Assets										3,457.97	3,750.17
Total Assets										1,16,084.57	99,058.34
Segment Liabilities	29,429.29	27,387.34	34,886.66	27,441.73	8.72	37,740.55	32,549.58	36.24	9.28	1,02,101.46	87,387.93
Unallocated Liabilities										3,134.61	3,457.05
Total Liabilities										1,05,236.07	90,844.98
Capital employed										10,848.50	8,213.36

The details about aforesaid business segments are discussed in Management Discussion and Analysis attached to this report.

### Banking Outlets and Alternate Delivery Channels (ADCs):

As on March 31, 2024, your Bank had 2,417 service outlets including 921 branches, one extension counter, 856 ATMs and 639 recyclers with a presence in 593 centres spread across 22 States and 2 Union Territories. Apart from the above, the Bank also has one Data Centre with a Disaster Recovery Centre and Near Line Site (NLS), two Service branches, five Currency Chests, two Central Processing Centres, one Digital Centre of Excellence, Nine Asset Recovery Management Branches and 3 Central Loan Processing Hubs and one Central Loan Sanctioning Centre for Sanctioning of retail loans. During the financial year under review, your Bank has opened twenty new branches.

More details are discussed in Management Discussion and Analysis attached to this report.

### Government Business:

Pursuant to the deregulation of the policy by the Central Government and Reserve Bank of India (RBI), the eligible scheduled private sector banks have been permitted to act as agency banks of RBI for conduct of government business. Based on the evaluation and fulfillment of eligibility criteria, your Bank has been appointed by RBI as Agency Bank vide Lr.DGBA.GBD.No.S363/42.01.033/2021-22 dated 20/07/2021 followed by execution of Agreement between RBI and your Bank on July 27, 2021. With this, your Bank can now undertake Revenue Receipts and Payments on behalf of the Central/State Governments, Pension Payments and collection of Stamp Duty charges and any other item of work specifically approved by the user department concerned and concurred by RBI.

With pan-India presence, driven by strong and robust technology and digital platforms, your Bank is confident of being the preferred choice for the Central and State Governments in providing the best possible financial solutions in the most seamless manner. The handling of government business augurs well for your Bank as it helps in facilitating the customers in tax payments thus enhancing relationship stickiness and as a source of revenue through eligible agency business commission.

Your Bank has made active progress and started collecting statutory tax payments such as Customs Duty, Goods & Service Taxes (GST) on behalf of Central Board of Indirect Taxes and Customs (CBIC) and Direct Tax (Income Tax/Advance Tax) on behalf of Central Board of Direct Taxes (CBDT). The specialized schemes are formulated to on board Government Department/Bodies/ Corporation/ etc. accounts.





Your bank has made active progress in completing the administrative and technical procedures with few of the agencies. Your Bank is well positioned to make foray into strategically important government projects/mandates that helps in expansion of liability business skewed towards low-cost deposits and open new avenues of fee income contributing to the bottom-line.

### **Third Party Products**

With an aim to provide diversified financial products & services and to maximize value-added services to the customers, your Bank provides a bouquet of Third Party Products, which include Life Insurance, General Insurance, Health Insurance, Mutual Funds, Demat Account, Trading Account, Co-branded Credit Cards, PoS Network, KBL FASTag, NPS, SGB, APY, etc. A summary of the major third-party products is provided in Management Discussion and Analysis attached to this report.

### **Customer Service:**

Your Bank is continuously focusing on creating new benchmarks in customer service so as to make the Bank distinctly more competitive. This necessitates designing of innovative and cost-effective mechanisms for delivering banking services efficiently. The Bank is actively involved in putting in place system and procedures on banking services rendered to customers and an effective grievance redressal mechanism including an Internal Ombudsman [IO] as per the guidelines received from RBI and IBA from time to time. The Bank is also providing doorstep banking services to the Senior Citizen customers of more than 70 years of age and differently abled or infirm persons including visually impaired at all branches of metro centres and "on a best effort basis" at all other branches of the Bank, going forward.

### **Credit Monitoring Excellence:**

In order to have an effective post sanction monitoring and collection mechanism, an exclusive Credit Monitoring Department (CrMD) is set up at Head Office. Contact Centre was setup for follow-up of stress accounts during initial days. 'Regional Collection Hubs (RCH) consisting of Regional Retail Collection Team (RRCT) and Regional Corporate Collection Team (RCCT) are set-up at all the Regional offices. The RRCTs and RCCTs follow up /initiate time bound/DPD-wise actions to ensure collection of dues in respect of all loan accounts under the overall supervision of CrMD. A dedicated Credit Monitoring Team (CrMT) is also functioning under RCHs at all the Regional Offices to undertake post-sanction monitoring of loan accounts of respective Regions.

With a view to improve the efficiency in monitoring & follow up activities, The Bank has implemented Behavioral & EWS modules to identify the loan accounts having threat to recover of dues in future dates and classify the account as low, medium & high risk category. Based on the category of the borrowers, collection activities, like sending SMS, emails, calling & customer visits etc. are prioritized. Web based collection tool-"KBL-Kollect+" is also finetuned for undertaking prioritized collection activity.

The Bank has been making its best efforts in bringing down overall stress in SMA (SMA 0, 1, 2) under performing advances. The stress in Restructured advances is also showing declining trend on account of improved monitoring and collection efficiency. Auto Sweep system for auto collection of EMI / Installment/Interest of loans from operating accounts of borrowers, enabled E-Connect solution for making payment to the loan accounts through UPI payment options, Auto-capturing of Early Warning Signals etc., are put in place.

For close monitoring of restructured advances, the Bank has formed an exclusive cell viz., "Restructured Advances Monitoring Cell" within the Credit Monitoring Department. Further, Consortium & Multiple Banking Arrangement Cell was also formed for special monitoring of loans accounts under Consortium & Multiple Banking Arrangement.

### **Digital Initiatives undertaken by the Bank:**

1. To share the exchange of Information between banks under consortium and multiple banking arrangement seamlessly, the Bank has implemented the system of auto submission of exchange of Information.
2. To submit Education Loan Interest Subsidy claims by the Branches, the Bank has implemented a module for auto submission of education loan subsidy claim.
3. The Bank has implemented the online Registration of Security Interest in CERSAI (Registration of Individual Immovable Property) through API integration.
4. The Bank has enabled Branch portal for online submission of stock statements.
5. The Bank has implemented digitalized valuation platform for both branch users & valuers, supported with Geo – coordinates for valuation of the property.

## **SUPPORT AND CONTROL FUNCTIONS**

### **Information Technology:**

The Bank has Robust Core Banking System (CBS) since year 2000 and all its branches and offices are under CBS network. Alternate Delivery channels viz. ATM, Internet Banking, Mobile Banking, UPI, PoS have been integrated with the Core Banking System.

The Disaster Recovery [DR] arrangement also exists to ensure business continuity in the event of primary site failure for all business-critical applications (CBS, ATM, Internet Banking, Mobile banking, UPI). This arrangement is strengthened by implementing three-way data replication process aimed at maintaining zero data loss. The critical applications like CBS, ATM, Internet Banking and Mobile Banking are part of this arrangement. Primary Data Centre of the Bank hosted in Tier 4 Data Centre and DR Data Centre hosted in Tier-3 Data Centre.

The IT infrastructure of the Bank is headed by Chief Information Officer (CIO) and supported by Chief Technology Officer (CTO) and other executives of IT Department. Your Bank will continue to take note of technological revolutions and take appropriate decision at the right time to provide premier banking services and also continue to be a tech-savvy Bank aiming for Digital Bank of Future.

The Bank is also extending facilities like Funds Transfer through electronic means [NG-RTGS, NEFT, IMPS, UPI, ECS, NECS etc.], Speed Clearing, CTS, Financial Inclusion, IVR and other technology enabled services and products.

### **Analytical Centre of Excellence (ACoE):**

As an important element of our ongoing digital transformation endeavour, the Analytical Centre of Excellence (ACoE) was established in Bengaluru. The vision of the ACoE is to (i) predict to prioritise by analysis of data and creation of more than 43 sustainable use cases; and (ii) automate through digital strengthening of CRM, eCollect, EWS, marketing automation for customised products and communication and enable teams for execution and business outcomes.

The ACoE in its pursuit has built a scalable Cloud Data Platform (complied with IDRBT cloud security guidelines) and developed advanced analytics & AI/ML interventions to drive business growth along with self-service business intelligence tools to enable departments & branches with timely, actionable information across Lines-of-Business in the Bank such as Liabilities, Assets, Credit Risk & Collections, and Digital channels.

### **Key Pillars of ACoE are:**

**Leveraging advanced analytics & AI/ML to tap business opportunity, improve processes & drive growth:** Across lines of business, the ACoE has built analytics-led interventions to enhance cross-sell (term deposits, loans, third party products), acquire quality accounts, manage key customers, improve collections, migrate customers to digital channels, and enable branches with actionable information, etc. to drive value for the Bank. Comprehensive statistical measures to track the success of analytics use cases is also implemented.

**Unified, Scalable, Central Data Repository Solution & Processing Infrastructure:** To support the scope of its digital ambitions, the ACoE has built a unified, scalable, and central data repository solution. This centralisation has streamlined data management and processing and provided a holistic view of data to facilitate more effective analytics.

**Integrated Analytics with Business Processes to Enable Data-Driven Decision Making:** The ACoE has also enhanced and established multiple systems to weave analytics into all business processes. Set-up of fully functional CRM, establishment of next-gen Early Warning System and enhancement of Collections tool are some of the important achievements.

**Upskilled In-House Analytics Resources for Seamless Business Continuity:** Recognising the importance of human capital in the digital transformation journey, ACoE has undertaken upskilling its in-house analytics resources. The workforce is being trained in role specific trainings and certifications in Data Science, Machine Learning, Visualization, Cloud & Security, DevOps and MLOps. This will ensure that our workforce is fully equipped with the necessary skills to provide seamless business continuity.

### **Human resources (ISO-9001:2015 certified):**

As on March 31, 2024, The Bank had 8907 employees of which, 2799 are women employees constituting around 31.42% of the total strength. Your Bank has put in place an institutional mechanism for the protection of women employees at the workplace and adopted a policy pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, providing for the protection of women employees against the sexual harassment of women at the workplace and redressal of such complaints. There were no complaints pending at the beginning of the financial year and no complaints were received during the financial year under review. Further, the Bank provides training and development opportunities to the employees which is discussed in detail in the Managing Discussion and Analysis.

### **Risk Based Supervision (RBS)**

In view of the growing complexities in the processes, product offerings and systems and procedures in the Indian banking sector, pursuant to the recommendation of the High-Level Steering Committee, the Reserve Bank of India has shifted its supervisory stance to a risk-based approach called the Supervisory Program for Assessment of Risk and Capital (SPARC) which is focusing on evaluating both present and future risks, identifying incipient problems and facilitating prompt intervention / early corrective action



etc. Your Bank has been included under the same and migrated to Risk Based Supervision since March 31, 2015. A plan of action for complying with various findings in RBS communicated to the Bank in the Risk Assessment Report is also ensured.

### **Compliance Function**

Your Bank is effectively addressing Compliance Risk through the Compliance function. The compliance function is one of the key elements in the Corporate Governance structure of the Bank along with internal control and risk management process. The Bank has set up a robust Compliance Department with sufficient independence to promote a healthy compliance culture. The Bank ensures strict observance of all statutory provisions, guidelines from RBI and other Regulators, standards and codes, the internal policies and fair practices of the Bank.

The compliance function includes interpretation/dissemination of regulatory and statutory guidelines and ensures that controls and procedures capture the appropriate information to the Senior Management in their risk management function. The risk-based compliance programme of the Bank, under the supervision of the Chief Compliance Officer, ensures appropriate coverage across businesses, besides verifying the level of compliance through 'Compliance Testing' of branches/business units. The Bank carries out an annual compliance risk assessment to identify and assess its significant compliance risks and take steps to manage the risks effectively. Further, the tone from the Top management continuously emphasizes the significance of compliance to usher in perceptible improvements in the overall compliance culture of the Bank.

### **Vigil Mechanism**

The Bank has implemented the Protected Disclosure Policy (Whistle Blower Policy) since the year 2007 intended to promote participation of employees at all levels and detection of corruption, misuse of Office, criminal offences, suspected/actual fraud, failure to comply with the rules and regulations prescribed by the Banks and any events/acts detrimental to the interest of the Bank, depositors and the public resulting in financial loss/operational risk, loss of reputation etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avails such mechanism and also provides for direct access to the Chief of Internal Vigilance (CIV). Further, there was no occasion where a person was denied access to the Audit Committee of the Board. The details of Whistle Blower Policy is posted in website of the Bank and available at the link: <https://karnatakabank.com/investors/policies-codes>

### **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) initiatives of the Bank are designed to make a positive impact on a wide range of areas of social life like healthcare, education, livelihood enhancement, empowering women/socially and economically disadvantaged, environmental sustainability/ green initiatives, protection of heritage/ culture, promotion of sports, rural development, Swachh Bharath etc., aimed at promoting the overall development of the society. Further, to minimize the urban-rural divide, your Bank has been strengthening its rural orientation through initiatives aimed at imparting financial literacy and extending banking services to the people in rural unbanked areas, fairly and transparently, at an affordable cost.

Further, pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted 'Corporate Social Responsibility (CSR) Committee' of the Board and has also put in place a Policy on Corporate Social Responsibility (CSR Policy) to undertake projects/programmes in pursuance of the said Policy. Under CSR activities, The Bank has so far funded 1997 projects with a total financial outlay of ₹ 92.61 crore, and these projects have exhibited a welcome positive impact on society.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the contents of the CSR Policy, along with the report on amounts spent on various projects/ programmes during FY2023-24, are detailed in **Annexure- II** to this report. Further, in terms of Rule 4(5) of the CSR rules, certification from the Chief Financial Officer has been obtained for the CSR spending during FY 2023-24.

### **Financial Inclusion:**

Through the Financial Inclusion Plan, your Bank aims at 'connecting people' with the Bank and not just opening accounts. This includes meeting the small credit needs of the rural public, giving them access to the payments system, providing remittance facilities, life insurance and health insurance etc. Your Bank has 430 branches, apart from 35 Ultra Small Branches, located in the rural and semi-urban areas and offers banking facilities to the rural clientele. Our rural branches are also acting as Financial Literacy Centres FLC and imparting banking literacy among the rural populace. In accordance with Prime Minister's Jan Dhan Yojana (PMJDY), the Bank has implemented the revised Strategy and Guidelines for Financial Inclusion activities. Your Bank is actively participating in the Direct Benefit Transfer (DBT) Programme of Govt. of India to transfer the benefits of various Schemes / LPG subsidies directly to the beneficiaries' Aadhaar-enabled bank accounts.

As part of the Financial Inclusion plan, the Bank has been offering the following services:

**Business Correspondent (BC) services:****Sub-K Impact Solutions Limited:-**

The Bank has tied up with Sub-K Impact Solutions Limited to provide the BC services, and as on March 31, 2024, 130 BC Agents are covering allocated villages in the states of Karnataka, Andhra Pradesh and Chhattisgarh.

**M/s Digivridhi (DGV):-**

The Bank has engaged with M/s DGV as corporate BCs since January 2024 to tap milk farmers business across Karnataka states. As on March, 2024, they have been onboarded by Six Dairy Co-operative Societies (VDCS) as sub-BC agents. The Bank is expecting good accretion business in future.

1. Aadhar Enabled Payment System (AEPS): The Bank has introduced AEPS transaction services offered by the National Payments Corporation of India (NPCI) at all Business Correspondent (BC) locations of the Bank, and with this, the customers of the Bank having an Aadhar-enabled SB account can transact at the BC point.
2. Financial Literacy and Credit Counseling Centres FLCC: The Bank is running 5 FLCC at B.C Road – Bantwal, Hangal, Kundagol, Tiptur and Alur (Karnataka). During FY2024, 5 FLCC have conducted 1,031 Financial Literacy campaigns in which 77,575 participants took part. In adherence to RBI guidelines, all the rural branches of your Bank are also conducting financial literacy Camps.
3. Social Security Schemes: All the branches of your Bank are actively involved in providing three Social Security Schemes-Prime Minister Jeevan Jyothi Bima Yojana (PMJJBY), Prime Minister Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) schemes to customers across the country.
4. Prime Minister Jan Dhan Yojana (PMJDY): All the branches across the country are opening accounts under PMJDY and are issuing RuPay Debit Cards.
5. The Bank is one of the trustees of Karnataka Farmers Resource Centre (KFRC), Bagalkot, established to impart training and act as a resource centre for farmers under the umbrella of SLBC Karnataka. The Bank has contributed ₹ 50.00 lakhs towards the capital expenditure/corpus of KFRC.
6. In line with the Pradhan Mantri Street Vendor's Atmanirbhar Scheme, The Bank has rolled out KBL- PM – SVANidhi scheme providing working capital loans up to ₹ 50,000/- to the street vendors to support their businesses.

**AWARDS AND ACCOLADES:**

Your Bank has bagged the following awards during the financial year under review in recognition of its achievement:

1. The Bank has bagged three prestigious awards from Infosys Finacle Innovation Awards 2023, under the following categories:
  - a) 'Platinum' award under 'Transformation Excellence'
  - b) 'Platinum' under 'Process Innovation'
  - c) 'Gold' under 'Channel Innovation'.
 Function was held on 02.06.2023 at Mumbai.
2. The Bank has bagged 'Exemplary Digital Transformation Strategy' and 'Outstanding Data Analytics Initiative' awards conferred by Elets-Banking and Finance held on 10.06.2023 at Goa.
3. The Bank has been conferred with 'ET Edge ICONIC Brands of India 2023' award at a glittering function at Mumbai. The award was presented by the Iconic Actress Zeenat Aman.
4. The Bank has been awarded with Digital Marketing Award for 'Stop kidding Yourself' Campaign on 16.10.2023 at the Pitch BFSI Marketing Awards 2023.
5. The Bank has been conferred with the prestigious Runner-up Award in the "Best Fintech & Digital Public Infrastructure Category" at the 19<sup>th</sup> Annual Banking Technology Conference organised by IBA. Additionally, the Bank also bagged the Special Mention Award in the Best AI & ML category. Function was held on 09.02.2024.
6. Two (2) Awards at 'MSME Banking Excellence Awards-2023' by CIMSME (Chamber of Indian Micro Small & Medium Enterprises) held on 29.02.2024 at New Delhi, as detailed here below:
  - a) Best Bank for Creating Awareness among MSME – Winner
  - b) Best Bank for Supporting Startups– Runner-Up



## Implementation of Ind AS:

In order to implement Indian Accounting Standards (Ind AS), the Bank has set up a Steering Committee headed by the Managing Director and a sub-committee called IFRS Working Group having members across cross-functional business verticals, to work towards effectively implementation of Ind AS in the Bank. The Bank has been submitting the Proforma Ind AS financials to RBI every half year as per the RBI guidelines. Also, as a prudent measure, The Bank is preparing Proforma Ind AS financials on quarterly basis and the estimated impact along with latest update on the Ind AS implementation in the Bank is placed to the Audit Committee of the Board. Towards effective implementation of the Standards, the Bank has also endeavoured on onboarding – Oracle Financial Services Analytical Application (OFSAA) which includes IFRS-9 Module to compute Effective Interest Rate (EIR) and Expected Loan Loss Provisioning (ECL) through the Core Banking System.

The Reserve Bank of India (RBI), vide its communication Ref: DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 has deferred implementation of Ind AS for all Scheduled Commercial Banks till further notice.

## DIVIDEND DISTRIBUTION POLICY

Your Bank has adopted a Policy on the Distribution of Dividend to the shareholders pursuant to the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Gist of the Dividend Distribution Policy is as under:

- Being a Banking entity, Dividend Distribution is guided by the RBI Circular DBOD.No.BP.BC.8821. 02.67/2004-05 dated May 05, 2005, with regard to eligibility criteria for distribution of dividend.
- Factors considered for a recommendation of dividend includes both internal factors such as financial performance, dividend payout trends, tax implications, and corporate actions and external factors such as shareholders' expectations, macro environment etc.
- Factors considered for determining the quantum of dividend include financial performance, capital fund requirements to support future business growth, having regard to the dividend payout ratio prescribed under the aforesaid RBI Guidelines etc.

The Dividend Distribution Policy of the Bank is available on website of the Bank at <https://karnatakabank.com/sites/default/files/2024-02/policy-on-dividend-distribution-2023-24.pdf>

## ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for FY2024 prepared in accordance with Section 92(1) of the Act has been placed on the website and is available at <https://karnatakabank.com/investors/annual-reports>

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the Bank has prepared Consolidated Financial Statement including its subsidiary - KBL Services Limited and pursuant to the provisions of Accounting Standard ('AS') 21, the Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Bank along with its subsidiary for the financial year ended March 31, 2024 forms part of the Annual Report. The financial position and performance of the subsidiary are given in Form AOC-1 attached to this Report as **Annexure-III**.

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its Standalone and Consolidated Financial Statements has been hosted on the website, <https://karnatakabank.com>. Further, as per the fourth proviso to the said Section, the Audited Annual Accounts of the said subsidiary Company of the Bank, considered as part of the Consolidated Financial Statements have also been hosted on the website of the Bank: <https://karnatakabank.com>. The documents/details available on the website of the Bank: <https://karnatakabank.com> will also be available for inspection by any Member at its Registered Office.

## INVESTOR RELATION CELL

To maintain a regular connect with the investors, your Bank has a dedicated Investor Relation Cell at the Registered Office. Besides redressing the grievances, if any, from the investors, the Cell proactively disseminates corporate information on a voluntary basis to the shareholders through email (wherever made available) about financial results, major events and coverage about the Bank in the media etc.

## CORPORATE GOVERNANCE

Your Bank is committed to adopt the best practice of corporate governance to protect the interests of all the stakeholders of the Bank, viz. shareholders, depositors and other customers, employees and society in general and maintain transparency at all levels. A detailed report on corporate governance practices is given in **Annexure-IV** to this report.

Further, pursuant to Regulation 34(3) of SEBI Listing Regulations read with Part E of Schedule V of the Listing Regulations, a certificate from M/s. BMP & Co. LLP, Bengaluru, Practicing Company Secretaries certifying the compliance with various provisions of the Corporate Governance is annexed to this Report as **Annexure-V**.

The Company has received a certificate from M/s. BMP & Co. LLP, Bengaluru, Practicing Company Secretaries, pursuant to clause 10(i) of Part C under Schedule V of SEBI Listing Regulations that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and same is attached as **Annexure-VI** to this report.

## EMPLOYEE STOCK OPTIONS (ESOP)

The shareholders of the Bank, on March 30, 2023, have approved 'KBL Employee Stock Option Scheme-2023' (ESOS-2023) with a total of 15,00,000 stock options available for grant. During the reporting year, 3,13,193 options were granted under ESOS 2023.

Other statutory disclosures as required by the SEBI guidelines/Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 on ESOS are given in website of the Bank in the link: <https://karnatakabank.com/investors/annual-reports>

The Bank has received a certificate from M/s. BMP & Co. LLP, Bengaluru, Practicing Company Secretaries, pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 that the Bank has implemented the ESOP Schemes in accordance with the applicable provisions of the Regulations and Resolution(s) of the Bank in the General Meeting(s) and through postal ballots, as the case may be and same is attached as **Annexure-VII** to this report.

## DIRECTORS AND CHANGES IN THE BOARD

As of March 31, 2024, Board of the Bank comprised of eleven Directors with one Independent Woman Director. Except Mr. Srikrishnan H, Managing Director & CEO, Mr. Sekhar Rao, Executive Director and Mr. B R Ashok, Non-Executive Director, all others are Independent Directors. The details of the criteria for appointment and remuneration of Directors are provided in the report on Corporate Governance under **Annexure-IV**.

During the FY 2023-24, the Bank has inducted Mr. Harish Hassan Visweswara (DIN: 08742808) as an Additional Director (Non-Executive, Independent) w.e.f. February 01, 2024, and his appointment as Independent Director was approved by the shareholders vide resolution dated February 27, 2024 passed via Postal ballot (e-voting).

During the financial year under review, Mr. Mahabaleshwara M S retired from the post of Managing Director & CEO on April 14, 2023, upon completion of his tenure.

During the financial year under review, Mr. Keshav Krishnarao Desai, (DIN: 07427621) Independent Director, retired on February 18, 2024, upon completion of his tenure of eight years from the date of appointment.

The Board places on record its appreciation for the valuable contributions and the guidance given by them during their tenure in office.

Considering the foregoing and as per Section 152(6) of Companies Act, 2013, at the ensuing AGM, Mr. Sekhar Rao, (DIN: 06830595), Executive Director, being the longest in office shall retire by rotation. Further, being eligible, he has offered himself for reappointment. In the opinion of the Board Mr. Sekhar Rao has the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank. Based on the performance evaluation and recommendation of the Nomination and Remuneration Committee (NRC), the Board recommends his re-appointment for approval by the members of the Bank. Accordingly, a resolution seeking the reappointment of Mr. Sekhar Rao has been included in the Notice of 100<sup>th</sup> AGM.



## MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MANAGING DIRECTOR & CEO)

Mr. Srikrishnan H has assumed charge as the Managing Director & CEO of the Bank w.e.f. June 9, 2023, for a period of three years.

## DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Bank has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence for Independent Directors as on March 31, 2024.

## FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS

All directors including Independent Directors are familiar with their roles, rights, and responsibilities in the Bank at the time of appointment and also on a recurrent basis. The Bank facilitates familiarisation programme and other programmes including Certification programme for its Directors. The details of various programmes undertaken/ arranged for familiarizing the Independent Directors and other programmes arranged for the directors are disclosed in the Report on Corporate Governance under **Annexure-IV**, which forms part of this Report.

## PERFORMANCE EVALUATION OF THE BOARD

Your Board of Directors has laid down criteria and process for performance evaluation of Directors, Chairman, Whole time Directors, Committees of the Board and Board as a whole. The NRC annually reviews and approves the criteria and the mechanism for carrying out the evaluation exercise effectively. The statement indicating the manner in which formal annual evaluation of the Directors, the Board and Committees of the Board etc., are given in detail in the report on Corporate Governance under **Annexure-IV**. In pursuance to the above, the Independent Directors, in their separate meeting held on March 30, 2024, have reviewed, and evaluated the performance of the Board as a whole and the Non-Executive Director. Further, the Board has also reviewed the performance of the Committees of the Board and that of individual Independent Directors at its meeting held on April 18, 2024.

As per the Policy of the Bank on Performance Evaluation, the performance evaluation of the Managing Director & CEO and Executive Director are carried out by the Independent Directors, after the publication of the annual audited financial results.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with the related parties that were entered into during the financial year under review are in the ordinary course of the business of the Bank and on an arm's length basis. There were no materially significant related party transactions entered into by the Bank with the Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Bank. As such disclosure in Form AOC-2 is not applicable. The Policy on dealing with Related Party Transactions as approved by the Audit Committee/ Board has been placed on the website of the Bank under the Investor Portal. The said policy can be accessed through the link: <https://karnatakabank.com/investors/policies-codes>.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(3)(c), 134(5) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rule, 2014 and other applicable provisions, your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as of the end of financial year March 31, 2024, and profit and loss for that period.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The Directors have laid down the internal financial controls followed by the Bank and that such internal financial controls are adequate and are operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

## AUDITORS

### a. Statutory Auditors:

At the 99<sup>th</sup> Annual General Meeting held on August 29, 2023, M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No. 004207S), M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, (Firm Registration No./LLP No. 104607W/W100166) and M/s. Ravi Rajan & Co LLP, Chartered Accountants, (Firm Registration No./LLP No. 009073N/N500320) were appointed as Joint Statutory Auditors of the Bank to hold office upto the ensuing 100<sup>th</sup> Annual General Meeting. The Board of Directors proposes to the members for continuation of only M/s. Ravi Rajan & Co LLP, Chartered Accountants to hold office upto the conclusion of 101<sup>st</sup> Annual General Meeting as M/s Sundaram & Srinivasan, Chartered Accountants & M/s Kalyaniwalla & Mistry LLP, Chartered Accountants were completing their maximum tenure of three years as per the extant RBI guidelines and Policy of the Bank on Appointment of Statutory Auditors.

As per RBI guidelines, it is necessary to have minimum two Statutory Auditors for our asset size. Accordingly, the Board of Directors of the Bank at its meeting held on May 24, 2024, on the recommendation of the Audit Committee of the Board proposed the appointment of M/s. R. G. N Price & Co., Chartered Accountants, (FRN 002785S) as Joint Statutory Auditors of the Bank. Pursuant to Section 30 (1A) of the Banking Regulation Act, 1949, approval has been obtained from RBI vide their letter Ref. CO. DOS. RPD. No. 52580/08.30.005/2024-25 dated July 02, 2024. Accordingly, the Board of Directors recommends the appointment of M/s. R. G. N Price & Co., Chartered Accountants, (FRN 002785S), as Joint Statutory Auditor of the Bank for the financial year 2024-25 (i.e., up to the conclusion of the 101<sup>st</sup> AGM). The Bank has received consent from the above auditors and necessary confirmation from them that they are not disqualified from being appointed as auditors of the Bank pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder.

### b. Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, your Bank has appointed M/s. BMP & Co, LLP, Bengaluru, Company Secretaries in practice as the Secretarial Auditor to conduct the Secretarial Audit for the financial year ended March 31, 2024. The secretarial audit report from the Secretarial Auditor is annexed to this report as a part of **Annexure-VIII**.

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Bank has obtained the Annual Secretarial Compliance Report, certified by CS Pramod S M (COP: 13784), Partner, M/s. BMP & Co. LLP Company Secretaries in practice, Bengaluru, for the financial year ended March 31, 2024, on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and a copy was submitted to the Stock Exchanges within the prescribed timeline. The Secretarial Compliance report is annexed to this report as a part of **Annexure-IX**.

### c. Reporting of frauds by Auditors

There is no qualification or adverse remark in Auditors' Report. There is no incident of fraud requiring reporting by the Auditors under Section 143(12) of the Companies Act, 2013.

## STATUTORY DISCLOSURES

The disclosures under sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014 are furnished below:

- a) Conservation of energy and technology absorption: Considering the nature of the business of the Bank, the provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption are not applicable to your Bank. The Bank has, however, used information technology in its operations extensively. Further, to promote renewable sources of energy, the Bank has installed solar panels at the Corporate Office, a few Regional Offices and in a few owned premises of the Bank.
- b) During the year ended March 31, 2024, the Bank earned ₹ 16.97 crore and spent ₹ 5.77 crore in foreign currency.
- c) There were no significant and material orders passed by the regulators or courts of tribunals impacting the going concern status and the operations in future of the Bank.
- d) Internal financial control systems and their adequacy: Your Bank has laid down standards, processes and structure facilitating the implementation of internal financial control across the Bank and ensure that same are adequate and operating effectively.





- e) Key Managerial Personnel:
- Mr. Srikrishnan H (appointed and took charge w.e.f. June 09, 2023) Managing Director & CEO, Mr. Abhishek S Bagchi, CFO and Mr. Sham K, Company Secretary, were the Key Managerial Personnel of the Bank as on March 31, 2024, as per the provisions of the Companies Act, 2013.
  - Mr. Mahabaleshwara M S, demitted his office on April 14, 2023 upon completion of his term as Managing Director & CEO.
- f) Remuneration of Directors: Disclosure pursuant to Section 197 (12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-X** to this report.
- g) During the financial year 2023-24, there was no employee who was in receipt of remuneration requiring disclosure as per the limits prescribed under Section 197 of the Companies Act, 2013, read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the remuneration (including variable pay determined in the subsequent financial year) pertaining to the Whole Time Directors is subject to prior approval of the Reserve Bank of India. The details of remuneration paid to Mr. Mahabaleshwara M S, the then Managing Director & CEO (up to April 14, 2023) and Mr. Sekhar Rao, Executive Director, Remuneration of present Managing Director & CEO – Mr. Srikrishnan H are provided in the Corporate Governance Report.
- h) In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the Top-10 employees in terms of remuneration drawn forms part of this annual report. In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the annual report excluding the aforesaid information, is being sent to the members of the Bank and others entitled thereto. The said information is available for inspection by the members at the Registered Office of the Bank during business hours of the Bank up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to us at [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com).
- i) There are no material changes affecting the financial position of the Bank which have occurred between the end of the financial year of the Bank to which the financial statements relate and the date of this Report.
- j) Particulars of loans, guarantees or investments under section 186: Nil
- k) Any changes in nature of business during the year under review: Nil

## NUMBER OF BOARD MEETINGS

During the financial year under review the Board met 16 times and the details thereof are provided in the report on Corporate Governance attached to this report. The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

## COMMITTEES OF THE BOARD

As on March 31, 2024, the Bank had 11 Committees of the Board which were constituted to comply with the requirements of relevant provisions of the applicable laws and for operational efficiency. The details of the meetings of the Board and the Committees, their composition (as on March 31, 2024), terms of reference, powers, roles etc., are furnished in the report on Corporate Governance attached to this report in **Annexure-IV**.

## PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

No application has been made or any proceeding is pending under the IBC, 2016.

## MAINTENANCE OF COST RECORDS

Being a Banking Company, the Bank is not required to make and maintain such accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details of transfer of unclaimed dividend, shares, share application money to IEPF is given in Report on Corporate Governance given as **Annexure-IV** to this report.

## SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

The Bank has adopted various policies that imbibe the best practices with regard to environmental, social and governance (ESG) principles. In this context, Bank has prepared a Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2023-24, prepared in accordance with the requirements under Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the format devised by the Securities and Exchange Board of India vide Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122. The same is provided under **Annexure-XI**.

## MANAGEMENT DISCUSSION AND ANALYSIS:

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Section on Management Discussion and Analysis, as approved by the Board, which includes details on the state of affairs of the Bank, forms part of this Board's Report.

## ACKNOWLEDGEMENTS

The Board of Directors would like to place on record their sincere gratitude to the customers of the Bank, depositors, shareholders for their unwavering support, patronage and goodwill. Your Directors also place on record their gratitude for the continued guidance and support provided by the Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks. Your Directors express their deep sense of appreciation to all the staff members, for their contribution to the quest for sustained growth and profitability of the Bank and look forward to their continued contribution for scaling greater heights.

**For and on behalf of the Board of Directors**  
**P Pradeep Kumar**

Place: Mangaluru  
Date: 24.07.2024

**Part-time Chairman**  
**DIN: 03614568**



## ಆಡಳಿತ ಮಂಡಳಿಯ 100ನೇ ವಾರ್ಷಿಕ ವರದಿ

### ಆತ್ಮೀಯ ಷೇರುದಾರರೇ,

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ 100ನೇ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ ಆಸ್ತಿ-ಹೊಣೆ ಪಟ್ಟಿ ಹಾಗೂ ಲಾಭ ಮತ್ತು ನಷ್ಟ ತಃಖ್ತೆಯನ್ನು ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ವರದಿಯೊಂದಿಗೆ ಪ್ರಸ್ತುತಪಡಿಸಲು ನಿರ್ದೇಶಕರು ಹರ್ಷಿಸುತ್ತಾರೆ. ವರದಿ ವರ್ಷದ ಕಾರ್ಯಾಚರಣೆ ಸಾಧನೆಯ ಮುಖ್ಯಾಂಶಗಳು ಕೆಳಗಿನಂತಿವೆ:

### ಸಾಧನೆಯ ಹೆಗ್ಗುರುತುಗಳು

₹ ಕೋಟಿಗಳಲ್ಲಿ

	ಮಾರ್ಚ್ 31, 2024	ಮಾರ್ಚ್ 31, 2023
ನಿವ್ವಳ ಲಾಭ	1,306.28	1,180.24
ಕಾರ್ಯಾಚರಣೆಯ ಲಾಭ	2,163.31	2,208.23
ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯ (NII)	3,298.72	3,185.10
ಒಟ್ಟು ಆದಾಯ	9,617.42	8,212.81
ಲೇವಣಿಗಳು (ಎ)	98,057.83	87,368.01
ಮುಂಗಡಗಳು (ಬಿ) ಒಟ್ಟು	73,001.66	61,302.78
ವ್ಯಾಪಾರ ವಹಿವಾಟು (ಎ) + (ಬಿ) ಒಟ್ಟು	1,71,059.49	1,48,670.79
ಹೊಡಿಕೆಗಳು	24,302.05	23,326.37
CASA ಲೇವಣಿಗಳು (ಒಟ್ಟು ಲೇವಣಿಯ ಶೇಕಡಾವಾರು)	31.97	32.97
ಒಟ್ಟು ಅನುತ್ತಾದಕ ಆಸ್ತಿಗಳು (%)	3.53	3.74
ನಿವ್ವಳ ಅನುತ್ತಾದಕ ಆಸ್ತಿಗಳು (%)	1.58	1.70
ಪ್ರಾವಿಷನ್ ಕವರೇಜ್ ಅನುಪಾತ (%)	79.22	80.86
ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆ ಅನುಪಾತ (%)	18.00	17.45
ಸ್ವತ್ತುಗಳ ಮೇಲಿನ ಗಳಿಕೆ (%)	1.22	1.21

ಗಮನಿಸಿ: ಮೇಲಿನ ಅಂಕಿ-ಅಂಶಗಳು ಅಂಗಸಂಸ್ಥೆಯ ವಹಿವಾಟನ್ನು ಒಳಗೊಂಡಿರುವುದಿಲ್ಲ. ಅಂಗಸಂಸ್ಥೆಯ ವಹಿವಾಟನ್ನು ಒಳಗೊಂಡಿರುವ ಏಕೀಕೃತ ಹಣಕಾಸು ತಃಖ್ತೆಗಳನ್ನು ಪ್ರತ್ಯೇಕವಾಗಿ ಈ ವರದಿಯ ಭಾಗವಾಗಿ ನೀಡಲಾಗಿದೆ.

### ಸಾಧನೆಯ ಪಕ್ಷಿನೋಟ

2023-24ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ವಹಿವಾಟು ಉತ್ತಮ ಪ್ರಗತಿ ಸಾಧಿಸಿದ್ದು, 31 ಮಾರ್ಚ್, 2024ರಂದು ಇದ್ದಂತೆ ₹1,71,059.49 ಕೋಟಿಗಳಿಗೆ ಏರಿಕೆ ಕಂಡಿದೆ. ವರ್ಷದಿಂದ ವರ್ಷಕ್ಕೆ ಈ ಏರಿಕೆಯ ಪ್ರಮಾಣವು 15.06% ಆಗಿರುವುದು ಉಲ್ಲೇಖನೀಯ. 2023-24ರ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಲಾಭವು ಗಮನಾರ್ಹ ಏರಿಕೆ ಕಂಡಿದ್ದು, ವರ್ಷದ ಕೊನೆಯಲ್ಲಿ ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ಮಟ್ಟವಾದ ₹1306.28 ಕೋಟಿ ಮೊತ್ತವನ್ನು ತಲುಪುವುದರೊಂದಿಗೆ 10.68% ರ ಅಭಿವೃದ್ಧಿ ದರವನ್ನು ದಾಖಲಿಸಿದೆ. ಅಲ್ಲದೆ ಲೇವಣಿಗಳು ಹಾಗೂ ಮುಂಗಡಗಳಲ್ಲಿಯೂ ಕ್ರಮವಾಗಿ 12.24% ಮತ್ತು 19.08% ರ ಅಭಿವೃದ್ಧಿ ದರವನ್ನು ಬ್ಯಾಂಕ್ ಸಾಧಿಸಿದೆ. 31 ಮಾರ್ಚ್, 2024ರಂದು ಇದ್ದಂತೆ ಮುಂಗಡ-ಲೇವಣಿ ಅನುಪಾತ 74.45% ರಷ್ಟಿತ್ತು. ಬಡ್ಡಿ ದರಗಳಲ್ಲಿ ಏರಿಕೆಯಾಗಿರುವ ಹೊರತಾಗಿಯೂ, CASA ಲೇವಣಿಗಳ ಪಾಲನ್ನು 31.97% ರಷ್ಟು ಕಾಪಾಡಿಕೊಂಡು ಬರುವಲ್ಲಿ ಬ್ಯಾಂಕ್ ಯಶಸ್ವಿಯಾಗಿದೆ. ಆಸ್ತಿಗಳ ಗುಣಮಟ್ಟದಲ್ಲಿ ಸುಧಾರಣೆ ಕಂಡುಬಂದಿದ್ದು, ಒಟ್ಟು ಅನುತ್ತಾದಕ ಆಸ್ತಿಗಳು (GNPA) ಮತ್ತು ನಿವ್ವಳ ಅನುತ್ತಾದಕ ಆಸ್ತಿಗಳ (NNPA) ಪ್ರಮಾಣದಲ್ಲಿ ಕ್ರಮವಾಗಿ 21 bps ಮತ್ತು 12 bps ಇಳಿಕೆ ಕಂಡುಬಂದಿದೆ. 31 ಮಾರ್ಚ್, 2024ರಂದು ಇದ್ದಂತೆ ಪ್ರಾವಿಷನ್ ಅನುಪಾತವು 79.22% ರಷ್ಟಿತ್ತು. ಆದರೆ, ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಅನುಪಾತ (CRAR) 18% ದಷ್ಟು ಸಾರ್ವಕಾಲಿಕ ಉತ್ತಮವಾದ ಪ್ರಮಾಣವನ್ನು ತಲುಪಿತು. ಒಟ್ಟಾರೆಯಾಗಿ 2023-24ರ ಆರ್ಥಿಕ ವರ್ಷವು ತೃಪ್ತಿದಾಯಕ ಪ್ರಗತಿಯನ್ನು ದಾಖಲಿಸಿದ್ದು, ಬ್ಯಾಂಕಿನ ಆಧಾರ ಅಂಶಗಳು ಮತ್ತಷ್ಟು ಸದೃಢಗೊಂಡಿರುವುದಕ್ಕೆ ಸಾಕ್ಷಿ ನುಡಿಯುತ್ತವೆ.

### ಲೇವಣಿಗಳು ಮತ್ತು CASA

ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಲೇವಣಿಗಳಲ್ಲಿ 12.24% ರ ಬೆಳವಣಿಗೆ ದರ ದಾಖಲಾಗಿದ್ದು, ಇದರಲ್ಲಿ CASA ಲೇವಣಿಗಳ ಪಾಲು 31.97% ರಷ್ಟಿತ್ತು. ವರ್ಷದ ಕೊನೆಯ ಹೊತ್ತಿಗೆ CASA ಲೇವಣಿಗಳಲ್ಲಿ 8.82% ರ ಪ್ರಗತಿ ದಾಖಲಾಗಿದೆ. ಒಟ್ಟು ಲೇವಣಿಗಳಲ್ಲಿ ₹2 ಕೋಟಿಗಳಿಗಿಂತ ಕಡಿಮೆ ಮೊತ್ತದ ಲೇವಣಿಗಳೇ ಸುಮಾರು 87.90% ದಷ್ಟಿದ್ದು, ಇದು ರಿಟೇಲ್ ಲೇವಣಿದಾರರ ಅಭೂತಪೂರ್ವ ಮತ್ತು ಸಶಕ್ತ ಬೆಂಬಲವನ್ನು ಪ್ರತಿಬಿಂಬಿಸುತ್ತದೆ.

### ಸಾಲ ವಿತರಣೆ

ಕಳೆದ ವರ್ಷಕ್ಕೆ ಹೋಲಿಸಿದರೆ, ಸಾಲ ವಿತರಣೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 19.08% ರ ಬೆಳವಣಿಗೆ ದರ ದಾಖಲಿಸಿದೆ. ರಿಟೇಲ್ ಸಾಲಗಳ ಪಾಲು 46.60%, ಮಧ್ಯಮ ಗಾತ್ರದ ಕಾರ್ಪೊರೇಟ್ ಸಾಲಗಳ ಪಾಲು 25.68% ಹಾಗೂ ಕಾರ್ಪೊರೇಟ್ ಸಾಲಗಳ ಪಾಲು 27.72% ರಷ್ಟು ಇದ್ದು, ಈ ಮೂಲಕ ಸಾಲ ನೀಡುವಲ್ಲಿ ಬ್ಯಾಂಕ್ ಸಮತೋಲನ ಕಾಯ್ದುಕೊಂಡಿದೆ.

ಹಣಕಾಸು ವರ್ಷ 2024ರ ಕೊನೆಯ ತ್ರೈಮಾಸಿಕ ಅವಧಿಯಲ್ಲಿ ಆದ್ಯತಾ ವಲಯದ ಸಾಲಗಳು ₹32,181.73 ಕೋಟಿಯಿಂದ ₹36,487.47 ಕೋಟಿಗೆ ಏರಿಕೆಯಾಗಿದ್ದು, ಇದು ಅನ್ವಯವಾಗುವ ಹೊಂದಿಸಿದ ನಿವ್ವಳ ಬ್ಯಾಂಕ್ ಸಾಲಗಳ (Adjusted Net Bank Credit) 53.85% ರಷ್ಟಾಗುತ್ತದೆ. ಕೃಷಿ ಸಾಲಗಳ ಪ್ರಮಾಣ ₹11,305 ಕೋಟಿಯಿಂದ ₹14,281 ಕೋಟಿಗೆ ಹೆಚ್ಚಿದ್ದು, ಗ್ರಾಮೀಣ ಮೂಲಸೌಕರ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಧಿ (RIDF) ಅಡಿಯಲ್ಲಿನ ಅರ್ಹ ಲೇವಣಿಗಳ ಜೊತೆಯಲ್ಲಿ ಹಣಕಾಸು ವರ್ಷ 2024ರ ಕೊನೆಯ ತ್ರೈಮಾಸಿಕದಲ್ಲಿ ANBC ಯ 21.08% ರಷ್ಟಿದೆ. ಇದರ ಜೊತೆಗೆ ವಿವಿಧ ಸಾಮಾಜಿಕ-ಆರ್ಥಿಕ ಯೋಜನೆಗಳು, ದುರ್ಬಲ ವರ್ಗಗಳಿಗಾಗಿ ಯೋಜನೆಗಳು, ಅತಿ-ಸಣ್ಣ, ಸಣ್ಣ ಹಾಗೂ ಮಧ್ಯಮ ಗಾತ್ರದ (MSME) ಉದ್ಯಮಗಳಿಗೆ ಬ್ಯಾಂಕ್ ಆದ್ಯತೆಯ ನೆಲೆಯಲ್ಲಿ ಸಾಲ ನೀಡುತ್ತಿದೆ.

### ಆಸ್ತಿಗಳ ಗುಣಮಟ್ಟ ಮತ್ತು ಪ್ರಾವಿಷನ್ ಕವರೇಜ್ ಅನುಪಾತ (PCR)

ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಸಾಲ ನೀಡುವಿಕೆಯಲ್ಲಿ ಸುಧಾರಿತ ಮೌಲ್ಯಮಾಪನ, ಸಾಲಗಳ ಪರಿಣಾಮಕಾರಿ ಮೇಲ್ವಿಚಾರಣೆ ಮತ್ತು ವಸೂಲಾತಿಗೆ ಪರಿಣಾಮಕಾರಿ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳುವ ಮೂಲಕ ಸಾಲಗಳ ಗುಣಮಟ್ಟವನ್ನು ಸುಧಾರಿಸುವತ್ತ ಗಮನ ಹರಿಸಿದೆ. ಅಂಕಿ-ಅಂಶಗಳಲ್ಲಿ ವ್ಯಕ್ತಪಡಿಸುವುದಾದರೆ, ಮಾರ್ಚ್ 31, 2023ರಂದು ಒಟ್ಟು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ (GNPA) ಪ್ರಮಾಣ ₹2,292.91 ಕೋಟಿ ಇದ್ದುದು, ಮಾರ್ಚ್ 31, 2024ರ ಹೊತ್ತಿಗೆ ₹2,578.42 ಕೋಟಿ ಪ್ರಮಾಣವನ್ನು ತಲುಪಿದೆ. ಆದರೆ ಒಟ್ಟು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ (GNPA) ಶೇಕಡಾವಾರು ಪ್ರಮಾಣದಲ್ಲಿ ಇಳಿಕೆಯಾಗಿದೆ. ಮಾರ್ಚ್ 31, 2023ರಂದು 3.74% ರಷ್ಟಿದ್ದ ಅದು ಮಾರ್ಚ್ 31, 2024ರ ಹೊತ್ತಿಗೆ 3.53% ಕ್ಕೆ ಗಣನೀಯವಾಗಿ ಇಳಿಕೆಯಾಗಿದೆ.

ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ಪ್ರಮಾಣವು ಮಾರ್ಚ್ 31, 2023ರಂದು ಇದ್ದ ₹1,021.27 ಕೋಟಿ ಪ್ರಮಾಣದಿಂದ ವರದಿ ವರ್ಷದ ಅಂತ್ಯದಲ್ಲಿ ₹1,129.18 ಕೋಟಿಗೆ ಪ್ರಮಾಣಕ್ಕೆ ಅಲ್ಪ ಏರಿಕೆ ಕಂಡಿದ್ದರೂ ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಅವಧಿಯಲ್ಲಿ ಶೇಕಡಾವಾರು ಪ್ರಮಾಣವು ಕಳೆದ ವರ್ಷ ಇದ್ದ 1.70% ದಿಂದ ಗಣನೀಯವಾದ ಸುಧಾರಣೆಯನ್ನು ಕಂಡು 1.58% ತಲುಪಿರುವುದು ಸಮಾಧಾನಕರ ಸಂಗತಿ. ಪ್ರಾವಿಷನ್ ಕವರೇಜ್ ಅನುಪಾತ (PCR) ಮಾರ್ಚ್ 31, 2024ರಂತೆ 79.22% ದಷ್ಟಿತ್ತು.

### ಹೂಡಿಕೆಗಳು

ಒಟ್ಟು ಹೂಡಿಕೆಗಳು 4.18% ರಷ್ಟು ಹೆಚ್ಚಳಗೊಂಡಿದ್ದು ಮಾರ್ಚ್ 31, 2024 ರಂದು ID ಅನುಪಾತವು 24.78% ದಷ್ಟಿತ್ತು. ಇದಕ್ಕೆ ಹೋಲಿಸಿದರೆ ಮಾರ್ಚ್ 31, 2023 ರಂದು ID ಅನುಪಾತವು 26.70% ದಷ್ಟಿತ್ತು.



### ಕಾರ್ಯಾಚರಣೆಯ ಪ್ರಗತಿ

ಕಳೆದ ವರ್ಷದ ಒಟ್ಟು ಲಾಭ ₹8,212.81 ಕೋಟಿಗೆ ಪ್ರತಿಯಾಗಿ ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆದಾಯವು ₹9,617.42 ಕೋಟಿಯಷ್ಟು ಹಿಗ್ಗಿದ್ದು, ವರ್ಷದ ಕೊನೆಯ ಹೊತ್ತಿಗೆ ಬ್ಯಾಂಕ್ 17.10% ಬೆಳವಣಿಗೆಯನ್ನು ಸಾಧಿಸಿದೆ.

ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಖರ್ಚು-ವೆಚ್ಚಗಳಲ್ಲಿ (ಪ್ರಾವಿಜನ್‌ಗಳು ಮತ್ತು ಸಾದಿಲ್ವಾರುಗಳನ್ನು ಹೊರತುಪಡಿಸಿ) 24.14% ಏರಿಕೆ ಕಂಡುಬಂದಿದೆ. ಕಳೆದ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ₹6,004.58 ಕೋಟಿ ಇದ್ದ ಇದು, ಈ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ₹7,454.11 ಕೋಟಿಗೆ ಹೆಚ್ಚಿದೆ. ವೆಚ್ಚಕ್ಕೆ ಪ್ರತಿಯಾಗಿ ಆದಾಯದ ಅನುಪಾತವು 601 bps ಗಳ ಸುಧಾರಣೆ ಕಂಡು 53.15% ತಲುಪಿತ್ತು.

ಹಿಂದಿನ ವರ್ಷದ ತುಲನೆಯಲ್ಲಿ ಪ್ರಸ್ತುತ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯದಲ್ಲಿ (NII) 3.57% ರಷ್ಟು ಏರಿಕೆ ಕಂಡಿದೆ. ಕಳೆದ ವರ್ಷ ಶೇ 3.70 ಇದ್ದ ನಿವ್ವಳ ಬಡ್ಡಿ ಲಾಭಾಂಶ ಅಂತರವು (NIM) ಈ ಸಾಲಿನಲ್ಲಿ 3.51% ಕ್ಕೆ ಇಳಿಕೆ ಕಂಡಿದೆ.

ಪರಿಷ್ಕೃತ IBA ಶ್ರೇಣಿಗಳ ಕಾರಣದಿಂದಾಗಿ ನಿವೃತ್ತಿ ಸವಲತ್ತುಗಳ ವೆಚ್ಚ ಏರಿಕೆ ಕಂಡಿತು, ಶತಮಾನೋತ್ಸವ ಸಂಭ್ರಮದ ಕಾರ್ಯಕ್ರಮಗಳಿಗೆ ಹಣ ಖರ್ಚು ಮಾಡಲಾಯಿತು, ಜೊತೆಗೆ IT ಖರ್ಚುಗಳಲ್ಲಿಯೂ ಹೆಚ್ಚಳವಾಯಿತು. ಇಂತಹ ಕೆಲವು ಒಂದು-ಬಾರಿಯ ಖರ್ಚುಗಳು ಹೆಚ್ಚಾಗಿರುವ ಕಾರಣದಿಂದ ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಕಾರ್ಯಾಚರಣೆಯ ಲಾಭವು 2.03% ರಷ್ಟು ಇಳಿಕೆ ಕಂಡಿತು. ಕಳೆದ ಬಾರಿ ₹2208.23 ಕೋಟಿ ಇದ್ದ ಅದು ಈ ಸಲ ₹2163.31 ಕೋಟಿಗೆ ಇಳಿದಿದೆ. ಕಳೆದ ಸಾಲಿನ ₹767.19 ಕೋಟಿಗೆ ಪ್ರತಿಯಾಗಿ 2023-24ನೇ ಹಣಕಾಸು ಸಾಲಿನ ಪ್ರಾವಿಜನ್‌ಗಳು (ತೆರಿಗೆ ಹೊರತುಪಡಿಸಿ) ಮತ್ತು ಸಾದಿಲ್ವಾರುಗಳು ₹600.58 ಕೋಟಿಯಷ್ಟಿದ್ದವು. ನಿವ್ವಳ ಲಾಭವು ಹಿಂದಿನ ವರ್ಷದ ₹1,180.24 ಕೋಟಿಯಿಂದ 10.68% ರಷ್ಟು ಬೆಳವಣಿಗೆಯನ್ನು ದಾಖಲಿಸಿ, ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ₹1,306.28 ಕೋಟಿಗೆ ತಲುಪಿದೆ.

### ವಿನಿಯೋಗಗಳು

2023-24ರ ಆರ್ಥಿಕ ವರ್ಷದ ₹1,306.28 ಕೋಟಿ ನಿವ್ವಳ ಲಾಭ ಮತ್ತು ಹಿಂದಿನ ವರ್ಷದ ಮುಂದುವರೆದ ಶೇಷಾಂಶ ₹165.91 ಕೋಟಿ ಒಟ್ಟುಗೂಡಿಸಿ ₹1,472.20 ಕೋಟಿ ಮೊತ್ತವನ್ನು, ಈ ಕೆಳಗಿನಂತೆ ವಿನಿಯೋಗಿಸಲಾಗಿದೆ:

ವಿನಿಯೋಗ	₹ ಕೋಟಿಗಳಲ್ಲಿ
ಶಾಸನಬದ್ಧ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ	327.00
ಬಂಡವಾಳ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ	8.35
ಆದಾಯ ಮತ್ತು ವಿಶೇಷ ಮೀಸಲುಗಳ ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	648.00
ಆದಾಯ ತೆರಿಗೆ ಕಾಯ್ದೆಯ ಸೆಕ್ಷನ್ 36(1)(viii) ಅಡಿಯಲ್ಲಿ ವಿಶೇಷ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ	69.70
ಹೂಡಿಕೆ ಏರಿಳಿತ ಮೀಸಲು ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	53.00
2022-23ರ ವರ್ಷದಲ್ಲಿ ಪಾವತಿಸಲಾದ ಲಾಭಾಂಶ	156.37
ಸಂತುಲನ ಪಟ್ಟಿಗೆ ಶೇಷಾಂಶ ಸೇರಿಕೆ	209.78

**ಲಾಭಾಂಶ (DIVIDEND)**

ಬ್ಯಾಂಕಿನ ಒಟ್ಟಾರೆ ಪ್ರಗತಿಯನ್ನು ಗಮನದಲ್ಲಿರಿಸಿಕೊಂಡು, ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು 31 ಮಾರ್ಚ್ 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ಪ್ರತಿ ಷೇರಿಗೆ ₹5.50/- (55%) ಲಾಭಾಂಶ ವಿತರಿಸಲು ಶಿಫಾರಸು ಮಾಡಿದೆ (ಹಿಂದಿನ ವರ್ಷ ಪ್ರತಿ ಷೇರಿಗೆ ₹5/- (50%)). ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದ ಲಾಭಾಂಶ ಪಾವತಿ ಅನುಪಾತವು ಕಳೆದ ಸಲ ಇದ್ದ 13.30% ರಿಂದ ಪ್ರಸ್ತುತ ವರ್ಷ 15.88% ಕ್ಕೆ ಹೆಚ್ಚಿದೆ. ಅಕೌಂಟಿಂಗ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್ಸ್ (AS) 4 – ಸಂತುಲನ ಪಟ್ಟಿಯ ದಿನಾಂಕದ ನಂತರ ಸಂಭವಿಸುವ 'ಸಾದಿಲ್ವಾರುಗಳು ಮತ್ತು ಘಟನೆಗಳ' ಅನುಸಾರ, ₹207.49 ಕೋಟಿ ಮೊತ್ತದ ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶವನ್ನು (ಹಿಂದಿನ ವರ್ಷದ ₹156.37 ಕೋಟಿ) ಬ್ಯಾಂಕಿನ ಲಾಭಾಂಶ ವಿತರಣಾ ನೀತಿ ಮತ್ತು ಲಾಭಾಂಶವನ್ನು ಪಾವತಿಸುವ ಸಂಬಂಧ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ ಹೊರಡಿಸಿರುವ ನಿರ್ದೇಶನಗಳ ಅನುಸಾರ ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷದ ಲಾಭಾಂಶದಲ್ಲಿನ ವಿನಿಯೋಗವಾಗಿ ಪ್ರಕಟಿಸಲಾಗಿದೆ.

**ಷೇರಿನ ತಲಾ ಆದಾಯ (EPS) ಮತ್ತು ಪುಸ್ತಕ ಮೌಲ್ಯ**

ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ ಷೇರಿನ ತಲಾ ಆದಾಯವು ₹39.84 (ಮೂಲ) ಮತ್ತು ₹39.66 (ದ್ರವೀಕೃತ) ಆಗಿರುತ್ತದೆ. ಹಿಂದಿನ ವರ್ಷ ಇದು ಕ್ರಮವಾಗಿ ₹37.88 (ಮೂಲ) ಮತ್ತು ₹37.66 (ದ್ರವೀಕೃತ) ಆಗಿತ್ತು. ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಪುಸ್ತಕ ಮೌಲ್ಯವು ಮತ್ತಷ್ಟು ಸುಧಾರಿಸಿದ್ದು ಪ್ರತಿ ಷೇರಿನ ಮೌಲ್ಯವು ₹287.57 ತಲುಪಿದೆ. ಕಳೆದ ವರ್ಷ ಇದು ₹262.96 ಆಗಿತ್ತು.

**ಬಂಡವಾಳ ನಿಧಿ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ (CRAR)**

2023-24ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ನಿಧಿಯು ₹9312.53 ಕೋಟಿಯಿಂದ ₹11,253.14 ಕೋಟಿಗೆ ವೃದ್ಧಿಯಾಗಿದೆ. ಹಿಂದಿನ ವರ್ಷದ 17.45% ಕ್ಕೆ ಪ್ರತಿಯಾಗಿ CRAR ಅನುಪಾತವು ಮಾರ್ಚ್ 31, 2024 ರಂದು ಇದ್ದಂತೆ 18.00% ದಷ್ಟು ಉನ್ನತ ಪ್ರಮಾಣವನ್ನು ಸಾಧಿಸಿತ್ತು.

ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ ನಿಗದಿಪಡಿಸಿದ 2.50% ಬಂಡವಾಳ ಸಂರಕ್ಷಣಾ ಬಫರ್ ಮತ್ತು ನಿಯಂತ್ರಕ ಅಗತ್ಯಕ್ಕಿಂತ 1.5% ರಷ್ಟು CRAR ಅನ್ನು ನಿರ್ವಹಿಸುವ ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ಪಾಲಿಸಿ ಸೇರಿದಂತೆ ಬ್ಯಾಂಕ್ CRAR ಅನುಪಾತವನ್ನು ಕನಿಷ್ಠ ಅಗತ್ಯವಾಗಿರುವ 11.50% ಕ್ಕಿಂತ ಹೆಚ್ಚು ಪ್ರಮಾಣದಲ್ಲಿ ನಿರಂತರವಾಗಿ ಕಾಯ್ದುಕೊಂಡಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ (RBI) ನಿಗದಿಪಡಿಸಿದ ಕನಿಷ್ಠ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವು, 2.50% ದಷ್ಟು ಬಂಡವಾಳ ಸಂರಕ್ಷಣಾ ಪರ್ಯಾಯವೂ ಸೇರಿ, 11.50% ಆಗಿದ್ದು, ಬ್ಯಾಂಕು ತನ್ನ ಆಂತರಿಕ ನೀತಿಯಂತೆ RBI ನಿಗದಿಪಡಿಸಿದ ನಿಬಂಧನಾ ಅಗತ್ಯಕ್ಕಿಂತ 1% ರಷ್ಟು ಹೆಚ್ಚಿನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವನ್ನು ನಿಯತವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಾ ಬಂದಿದೆ.



**ವರ್ಷದಲ್ಲಿ ಆದ್ಯತಾ ಹಂಚಿಕೆ ಮತ್ತು ಅರ್ಹ ಸಂಸ್ಥೆಗಳಲ್ಲಿ ನಿಯೋಜನೆಯ ಮೂಲಕ ಸಂಗ್ರಹಿಸಿದ ನಿಧಿಯ ಬಳಕೆ**

ಕ್ರ.ಸಂ.	ನಿಧಿಗಳ ಕ್ರೋಡೀಕರಣ ದಿನಾಂಕ	ನಿಧಿಗಳ ಕ್ರೋಡೀಕರಣದ ವಿಧಾನ	ಮೊತ್ತ ಕೋಟಿ ರೂ. ಗಳಲ್ಲಿ	ಮೂಲ ಉದ್ದೇಶ	ಬಳಸಲಾದ ನಿಧಿಗಳು	ಪಠಾಂತರದ ಮೊತ್ತ, ಯಾವುದಾದರೂ ಇದ್ದಲ್ಲಿ
1	26.10.2023	ಈಕ್ವಿಟಿ ಷೇರುಗಳ ಆದ್ಯತೆಯ ಹಂಚಿಕೆ	799.99	ಆದ್ಯತೆಯ ನೀಡಿಕೆಯ ಮೂಲಕ ಈಕ್ವಿಟಿ ಷೇರುಗಳ ನೀಡಿಕೆ ಮತ್ತು ಹಂಚಿಕೆಯನ್ನು ಬ್ಯಾಂಕ್ ಕೈಗೊಂಡಿತ್ತು ಮತ್ತು ಇದರಿಂದ ಬಂದ ಉತ್ಪತ್ತಿಗಳನ್ನು ಬೆಳವಣಿಗೆ ಯೋಜನೆಗಳನ್ನು ಮುಂದುವರಿಸಲು ದೀರ್ಘಾವಧಿ ಬಂಡವಾಳ ಅಗತ್ಯಗಳೂ ಸೇರಿದಂತೆ ಬ್ಯಾಂಕಿನ ವೃದ್ಧಿಯಾಗುತ್ತಿದ್ದ ವ್ಯಾಪಾರದ ಅಗತ್ಯಗಳನ್ನು ಪೂರೈಸಿಕೊಳ್ಳಲು ಮತ್ತು ಸಾಮಾನ್ಯ ಹಾಗೂ ಕಾರ್ಪೊರೇಟ್ ಉದ್ದೇಶಗಳಿಗೆ ಸಾಲ ನೀಡುವ ಬ್ಯಾಂಕಿನ ಸಾಮರ್ಥ್ಯವನ್ನು ಹೆಚ್ಚಿಸಲು ಪ್ರಧಾನವಾಗಿ ಬಳಸಲಾಯಿತು.	ನಿಧಿಗಳನ್ನು ತಿಳಿಸಲಾದ ಉದ್ದೇಶಗಳಿಗಂದೇ ಸಂಪೂರ್ಣವಾಗಿ ಬಳಸಲಾಗಿದೆ.	ಯಾವುದೂ ಇಲ್ಲ.
2	28.02.2024	ಈಕ್ವಿಟಿ ಷೇರುಗಳ ಆದ್ಯತೆಯ ಹಂಚಿಕೆ	99.99	ಆದ್ಯತೆಯ ನೀಡಿಕೆಯ ಮೂಲಕ ಈಕ್ವಿಟಿ ಷೇರುಗಳ ನೀಡಿಕೆ ಮತ್ತು ಹಂಚಿಕೆಯನ್ನು ಬ್ಯಾಂಕ್ ಕೈಗೊಂಡಿತ್ತು ಮತ್ತು ಇದರಿಂದ ಬಂದ ಉತ್ಪತ್ತಿಗಳನ್ನು ಬೆಳವಣಿಗೆ ಯೋಜನೆಗಳನ್ನು ಮುಂದುವರಿಸಲು ದೀರ್ಘಾವಧಿ ಬಂಡವಾಳ ಅಗತ್ಯಗಳೂ ಸೇರಿದಂತೆ ಬ್ಯಾಂಕಿನ ವೃದ್ಧಿಯಾಗುತ್ತಿದ್ದ ವ್ಯಾಪಾರದ ಅಗತ್ಯಗಳನ್ನು ಪೂರೈಸಿಕೊಳ್ಳಲು ಮತ್ತು ಸಾಮಾನ್ಯ ಹಾಗೂ ಕಾರ್ಪೊರೇಟ್ ಉದ್ದೇಶಗಳಿಗೆ ಸಾಲ ನೀಡುವ ಬ್ಯಾಂಕಿನ ಸಾಮರ್ಥ್ಯವನ್ನು ಹೆಚ್ಚಿಸಲು ಪ್ರಧಾನವಾಗಿ ಬಳಸಲಾಯಿತು.	ನಿಧಿಗಳನ್ನು ತಿಳಿಸಲಾದ ಉದ್ದೇಶಗಳಿಗಂದೇ ಸಂಪೂರ್ಣವಾಗಿ ಬಳಸಲಾಗಿದೆ.	ಯಾವುದೂ ಇಲ್ಲ.
3	28.03.2024	ಅರ್ಹ ಸಂಸ್ಥೆಗಳಲ್ಲಿ ನಿಯೋಜನೆ	599.99	ಆದ್ಯತೆಯ ನೀಡಿಕೆಯ ಮೂಲಕ ಈಕ್ವಿಟಿ ಷೇರುಗಳ ನೀಡಿಕೆ ಮತ್ತು ಹಂಚಿಕೆಯನ್ನು ಬ್ಯಾಂಕ್ ಕೈಗೊಂಡಿತ್ತು ಮತ್ತು ಇದರಿಂದ ಬಂದ ಉತ್ಪತ್ತಿಗಳನ್ನು ಬೆಳವಣಿಗೆ ಯೋಜನೆಗಳನ್ನು ಮುಂದುವರಿಸಲು ದೀರ್ಘಾವಧಿ ಬಂಡವಾಳ ಅಗತ್ಯಗಳೂ ಸೇರಿದಂತೆ ಬ್ಯಾಂಕಿನ ವೃದ್ಧಿಯಾಗುತ್ತಿದ್ದ ವ್ಯಾಪಾರದ ಅಗತ್ಯಗಳನ್ನು ಪೂರೈಸಿಕೊಳ್ಳಲು ಮತ್ತು ಸಾಮಾನ್ಯ ಹಾಗೂ ಕಾರ್ಪೊರೇಟ್ ಉದ್ದೇಶಗಳಿಗೆ ಸಾಲ ನೀಡುವ ಬ್ಯಾಂಕಿನ ಸಾಮರ್ಥ್ಯವನ್ನು ಹೆಚ್ಚಿಸಲು ಪ್ರಧಾನವಾಗಿ ಬಳಸಲಾಯಿತು.	ನಿಧಿಗಳನ್ನು ತಿಳಿಸಲಾದ ಉದ್ದೇಶಗಳಿಗಂದೇ ಸಂಪೂರ್ಣವಾಗಿ ಬಳಸಲಾಗಿದೆ.	ಯಾವುದೂ ಇಲ್ಲ.

**ಈಕ್ವಿಟಿ ಬಂಡವಾಳ ನೆಲೆ**

ಮಾರ್ಚ್ 31, 2024ರಂದು ಇದ್ದಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪ್ರತಿ ಷೇರಿಗೆ ₹10/- ಮುಖಬೆಲೆಯ 37,72,49,958 ಈಕ್ವಿಟಿ ಷೇರುಗಳನ್ನು ಒಳಗೊಂಡಂತೆ ₹3,77,24,99,580/- ರಷ್ಟು ಸಂದಾಯಿತ ಷೇರು ಬಂಡವಾಳವನ್ನು ಹೊಂದಿದೆ. ವರದಿಯ ವರ್ಷದಲ್ಲಿ, ಬ್ಯಾಂಕಿನ ನೌಕರರ ಷೇರುಪತ್ರ ಆಯ್ಕೆ ಯೋಜನೆ-2018 (KBL ESOS-2018) ರ ಅಡಿಯಲ್ಲಿ ತಲಾ ₹10/- ಮುಖಬೆಲೆಯ 13,02,757 ಈಕ್ವಿಟಿ ಷೇರುಗಳನ್ನು ಅರ್ಹ ನೌಕರರಿಗೆ ನೀಡಲಾಗಿದೆ.

**ಹಣಕಾಸು ವರ್ಷದ ಮುಕ್ತಾಯದ ಮೇಲೆ ಬಂಡವಾಳ ನೆಲೆಯಲ್ಲಿ ಬದಲಾವಣೆ**

ಹಣಕಾಸು ವರ್ಷದ ಮುಕ್ತಾಯದ ನಂತರ ಬ್ಯಾಂಕಿನ ನೌಕರರ ಷೇರುಪತ್ರ ಆಯ್ಕೆ ಯೋಜನೆ-2018 (KBL ESOS-2018)ರ ಅಡಿಯಲ್ಲಿ ತಲಾ ₹10/- ಮುಖಬೆಲೆಯ 2,73,172 ಈಕ್ವಿಟಿ ಷೇರುಗಳನ್ನು ಅರ್ಹ ನೌಕರರಿಗೆ ನೀಡಲಾಗಿದೆ.

**ಅಧೀನ ಋಣಪತ್ರಗಳು (Debt instruments) ಮತ್ತು ಕ್ರೆಡಿಟ್ ರೇಟಿಂಗ್**

ಬ್ಯಾಂಕ್ ಅಧೀನ ಋಣಪತ್ರಗಳನ್ನು (ಅರ್ಥಾತ್, ಭದ್ರತಾರಹಿತ ಪರಿವರ್ತಿಸಲಾಗದ ಬಾಸೆಲ್-III ಅನುಸರಿತ ಋಣಪತ್ರಗಳನ್ನು (Unsecured Non-Convertible Basel III Compliant Tier-2 bonds) ಖಾಸಗಿ ನಿಯೋಜನೆ ಆಧಾರದ ಮೇಲೆ ಟಯರ್-2 ಬಂಡವಾಳದ ಭಾಗವಾಗಿ ಹೊರಡಿಸಿದೆ. ಈ ಬಾಂಡ್‌ಗಳು ನ್ಯಾಷನಲ್ ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಆಫ್ ಇಂಡಿಯಾ ಲಿಮಿಟೆಡ್‌ನ (NSE) ಡೆಬ್ಟ್ ವಿಭಾಗದಲ್ಲಿ ಸೇರ್ಪಡೆಗೊಂಡಿವೆ. ಮಾರ್ಚ್ 31, 2024ರಂದು ಇದ್ದಂತೆ ಬಾಕಿ ಇರುವ ಅಧೀನ ಋಣಪತ್ರಗಳ ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

ಸರಣಿ	ವಿತರಣಾ ದಿನಾಂಕ	ಪ್ರತಿ ಬಾಂಡ್‌ನ ಮುಖಬೆಲೆ (₹)	ಬಿಡುಗಡೆ ಮಾಡಿದ ಬಾಂಡ್‌ಗಳು	ಒಟ್ಟು ಮೊತ್ತ (₹ಕೋಟಿ)	ಬಿಡುಗಡೆ ದಿನಾಂಕದಿಂದ ಬಾಂಡ್‌ಗಳ ಮುಕ್ತಾಯ ಅವಧಿ	ಕೂಪನ್ ದರ (% ವಾರ್ಷಿಕ)	ಕ್ರೆಡಿಟ್ ರೇಟಿಂಗ್	ಲಿಸ್ಟಿಂಗ್	ಬಾಂಡ್‌ಗಳ ISIN
VII	30.03.2022	1,00,00,000	300	300.00	120 ತಿಂಗಳು	10.70	ICRA 'A' (Positive) & CARE 'A' (Stable)	NSE ಡೆಬ್ಟ್ ವಿಭಾಗದಲ್ಲಿ ಸೇರಿದೆ.	INE614B0 8054

ಈ ಮೇಲೆ ಹೇಳಿದ ಋಣಪತ್ರಗಳ ಮೇಲಿನ ಬಡ್ಡಿಯನ್ನು ಬ್ಯಾಂಕು ಕ್ಲಪ್ಪ ಸಮಯಕ್ಕೆ ನೀಡಿಕೆಯ ಷರತ್ತುಗಳ ಪ್ರಕಾರ ಪಾವತಿಸಿರುತ್ತದೆ.

**ಸರಣಿ V ಬಾಂಡ್‌ಗಳ ವಿಮೋಚನೆ**

ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸರಣಿ V ರ ಅಡಿ ನೀಡಲಾದ ಬಾಂಡ್‌ಗಳ ವಿಮೋಚನೆಗಾಗಿ ದಿನಾಂಕ 16.11.2023 ರಂದು ₹400 ಕೋಟಿಗೆ ಕಾಲ್ ಆಯ್ಕೆಯನ್ನು ಜಾರಿಗೊಳಿಸಿತು.

**ಸರಣಿ VI ಬಾಂಡ್‌ಗಳ ವಿಮೋಚನೆ**

ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸರಣಿ VI ರ ಅಡಿ ನೀಡಲಾದ ಬಾಂಡ್‌ಗಳ ವಿಮೋಚನೆಗಾಗಿ ಕಾಲ್ ಆಯ್ಕೆ ದಿನಾಂಕವಾದ 18.02.2024 ರಜಾದಿನವಾದ (ಭಾನುವಾರ) ಕಾರಣ ಹಿಂದಿನ ದಿನದಂದು, ಅರ್ಥಾತ್, ದಿನಾಂಕ 17.02.2024 ರಂದು ₹320 ಕೋಟಿಗೆ ಕಾಲ್ ಆಯ್ಕೆಯನ್ನು ಜಾರಿಗೊಳಿಸಿತು.

**ಪರಿವರ್ತನೆಯ ಪಯಣ - 'ಕೆಬಿಎಲ್ ವಿಕಾಸ್' (KBL-VIKAAS)**

ಬ್ಯಾಂಕಿನ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಪರಿವರ್ತನಾ ಉಪಕ್ರಮವಾದ "ಕೆಬಿಎಲ್ ವಿಕಾಸ್"ಗೆ 2017ರಲ್ಲಿ ಚಾಲನೆ ನೀಡಲಾಯಿತು. ಗ್ರಾಹಕರ ಅನುಭವ ಮತ್ತು ಕಾರ್ಯಾಚರಣೆಗಳಲ್ಲಿ ದಕ್ಷತೆಯನ್ನು ವೃದ್ಧಿಸುವ ಉದ್ದೇಶದಿಂದ ಆಧುನಿಕ IT ವ್ಯವಸ್ಥೆಗಳು ಮತ್ತು ತಂತ್ರಜ್ಞಾನವನ್ನು ಸಮಗ್ರಗೊಳಿಸುವ ಗುರಿಯೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸಮಗ್ರ ಡಿಜಿಟಲ್ ಪರಿವರ್ತನಾ ಉಪಕ್ರಮವನ್ನು ಕೈಗೆತ್ತಿಕೊಂಡಿದೆ. ಈ ಪರಿವರ್ತನೆಯ ಕೇಂದ್ರದಲ್ಲಿ ಗ್ರಾಹಕರಿಗೆ ಹಲವು ಆಯಾಮಗಳ ಸಮೃದ್ಧ ಬ್ಯಾಂಕಿಂಗ್ ಅನುಭವವನ್ನು ಒದಗಿಸುವ, API ನಿರ್ದೇಶಿತ ಮುಕ್ತ ಬ್ಯಾಂಕಿಂಗ್ ವಿನ್ಯಾಸವನ್ನು ನಿಭಾಯಿಸುವ ಮತ್ತು ದತ್ತಾಂಶ ವಿಶ್ಲೇಷಣೆ ವ್ಯವಸ್ಥೆಯ ಮೂಲಕ ಗ್ರಾಹಕರ ಸ್ವದನೆ-ಪ್ರತಿಸ್ಪಂದನೆಗಳನ್ನು ವೈಯಕ್ತಿಕಗೊಳಿಸುವ ಉದ್ದೇಶವನ್ನು ಹೊಂದಿದೆ.

'ಕೆಬಿಎಲ್ ವಿಕಾಸ್', ಯೋಜನೆ 2017ರ ಹಣಕಾಸು ವರ್ಷ ಪ್ರಾರಂಭವಾಗಿದ್ದು, ನಮ್ಮ ಡಿಜಿಟಲ್ ಕಾರ್ಯತಂತ್ರಗಳ ಈಡೇರಿಕೆಯ ಉದ್ದೇಶದಿಂದ ಬಾಸ್ಪನ್ ಕನ್‌ಸಲ್ಟಿಂಗ್ ಗ್ರೂಪ್‌ನೊಂದಿಗೆ ಸಮಾಲೋಚಿಸಿ, ಅದಕ್ಕಾಗಿ ಅಗತ್ಯ ಭೂಮಿಕೆಯನ್ನು ರೂಪಿಸಲಾಗಿದೆ. ಈ ಉಪಕ್ರಮವು ಬ್ಯಾಂಕಿನ ಮೂಲಭೂತ ಸಾಮರ್ಥ್ಯಗಳನ್ನು ಪುಷ್ಟೀಕರಿಸುವಲ್ಲಿ ಮತ್ತು ತಾಂತ್ರಿಕ ಆವಿಷ್ಕಾರದ ಮುಂಚೂಣಿಯಲ್ಲಿ ಬ್ಯಾಂಕ್ ನೆಲೆಗೊಳ್ಳುವಲ್ಲಿ ಗಮನ ಹರಿಸಿದೆ. ಈ ಪರಿವರ್ತನಾ ಉಪಕ್ರಮದ ಭಾಗವಾಗಿ, ಡಿಜಿಟಲ್ ಸೆಂಟರ್ ಆಫ್ ಎಕ್ಸಲೆನ್ಸ್ (DCoE) ಅನ್ನು ಸ್ಥಾಪಿಸಲಾಗಿದೆ. ಇದು ಡಿಜಿಟಲ್ ಆವಿಷ್ಕಾರಗಳ ಅಭಿವೃದ್ಧಿ ಮತ್ತು ತಾಂತ್ರಿಕ ವೃದ್ಧಿಗಳ ಸಾಕಾರದಲ್ಲಿ ತೊಡಗಿಸಿಕೊಂಡಿದೆ. DCoE ಪ್ರಸ್ತುತ 42 ವೃತ್ತಿಪರರ ಸೇವೆಯನ್ನು ಬಳಸಿಕೊಳ್ಳುತ್ತಿದೆ. ಅವರು ವಿವಿಧ ಡಿಜಿಟಲ್ ಉಪಕ್ರಮಗಳ ಸಾಕಾರದಲ್ಲಿ ನಿಪುಣರೂ ನಿರತರೂ ಆಗಿದ್ದಾರೆ.

ಅದು ಈಗ ಯಶಸ್ವಿಯಾಗಿ 6 ವರ್ಷಗಳನ್ನು ಪೂರೈಸಿ ಮುನ್ನಡೆಯುತ್ತಿದೆ. ಈ ಯೋಜನೆಗೆ ಹೊಸ ರೂಪವನ್ನು ನೀಡಿ "ಕೆಬಿಎಲ್ ವಿಕಾಸ್ 3.0" ಎಂದು ಮರುನಾಮಕರಣ ಮಾಡಲಾಯಿತು. ಪ್ರಸ್ತುತ ಈ ಯೋಜನೆಯು ಗಣನೀಯ ಸಾಧನೆಗಳನ್ನು ಮಾಡುತ್ತ "ಬ್ಯಾಂಕನ್ನು ನಡೆಸಿ, ಬ್ಯಾಂಕನ್ನು ಬೆಳೆಸಿ ಮತ್ತು ಬ್ಯಾಂಕನ್ನು ಬದಲಿಸಿ" ಎನ್ನುವ 3 ಸಿದ್ಧಾಂತಗಳ ಆಧಾರದ ಮೇಲೆ ವಿವಿಧ ಭವಿಷ್ಯಗಾಮೀ ಉಪಕ್ರಮಗಳೊಂದಿಗೆ ಮುನ್ನುಗ್ಗುತ್ತಿದೆ.

ಹಣಕಾಸು ವರ್ಷ 2023-24 ರಲ್ಲಿ ಪರಿಚಯಿಸಲಾದ ವಿವಿಧ ಡಿಜಿಟಲ್ ಉಪಕ್ರಮಗಳ ಕುರಿತು ವಿವರಗಳನ್ನು ಆಡಳಿತ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ'ಯಲ್ಲಿ (Management Discussion & Analysis) ಒದಗಿಸಲಾಗಿದೆ.





### ಬ್ಯಾಂಕಿನ ಸಂಪೂರ್ಣ ಸ್ವಾಮ್ಯದ ಅಂಗಸಂಸ್ಥೆಯ ಮೂಲಕ ವೃದ್ಧಿ

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಸಂಪೂರ್ಣ ಸ್ವಾಮ್ಯದ ಹಣಕಾಸೇತರ ಅಂಗಸಂಸ್ಥೆಯಾದ “ಕೆಬಿಎಲ್ ಸರ್ವಿಸಸ್ ಲಿಮಿಟೆಡ್” (“KBL Services Limited”) ಅನ್ನು 21.06.2020 ರಂದು ದಿ ಕರ್ನಾಟಕ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್‌ನ ಸಂಪೂರ್ಣ ಸ್ವಾಮ್ಯದ ಹಣಕಾಸೇತರ ಸೇವಾಯುಕ್ತ ಅಂಗಸಂಸ್ಥೆಯಾಗಿ ಸಂಯೋಜಿಸಲಾಯಿತು. ಕಂಪನಿಯ ಸ್ಥಾಪನೆಯ ಹಿಂದೆ ಉನ್ನತವಾದ ಕಾರ್ಯಾಚರಣೆ ಸಾಮರ್ಥ್ಯವನ್ನು ಸಾಧಿಸುವ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ಗುಂಪಿನ ಮೌಲ್ಯವನ್ನು ದೀರ್ಘಕಾಲೀನ ಅವಧಿಗೆ ವಿಸ್ತರಿಸುವ ಗುರಿಯನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿತ್ತು. ವ್ಯಾಪಾರ ಗುತ್ತಿಗೆ, ಡೇಟಾ ಎಂಟ್ರಿ ಕಾರ್ಯ, ಸಂಪರ್ಕ ಕೇಂದ್ರ ನಿರ್ವಹಣೆ, ಪರ್ಯಾಪ್ತ ಬ್ಯಾಂಕಿಂಗ್ ಚಾನಲ್‌ಗಳ ನಿರ್ವಹಣೆ, ಹಿನ್ನೆಲೆಯ ಸಂಸ್ಕರಣಾ ಚಟುವಟಿಕೆಗಳು, IT ಯೋಜನೆಗಳು ಮತ್ತು ಬೆಂಬಲ, ಡಿಜಿಟಲ್ ಸಾಮರ್ಥ್ಯಗಳು ಮತ್ತು ಮೂಲ ಬ್ಯಾಂಕಿಗೆ ಉಪ-ಸಿಬ್ಬಂದಿ/ಸ್ವಚ್ಛತಾ ಸಿಬ್ಬಂದಿ/ನಿರ್ವಹಣಾ ಸಿಬ್ಬಂದಿ/ಪರಿಚಾರಕರ ಒದಗಿಸುವಿಕೆ - ಇವು “ಕೆಬಿಎಲ್ ಸರ್ವಿಸಸ್ ಲಿಮಿಟೆಡ್”ನಿಂದ ನಡೆಸಲು ಅನುಮತಿಯನ್ನು ಹೊಂದಿರುವ ಚಟುವಟಿಕೆಗಳಾಗಿವೆ. ಪ್ರಾರಂಭದಲ್ಲಿ ಕಂಪನಿಯು ವ್ಯಾಪಾರ ಗುತ್ತಿಗೆ, ಡೇಟಾ ಎಂಟ್ರಿ ಕಾರ್ಯ, ಹಿನ್ನೆಲೆಯ ಸಂಸ್ಕರಣಾ ಚಟುವಟಿಕೆಗಳು ಮತ್ತು ಸಂಪರ್ಕ ಕೇಂದ್ರವನ್ನು ಕೈಗೆತ್ತಿಕೊಂಡಿದ್ದು, ಮುಂದಿನ ಹಣಕಾಸು ವರ್ಷಗಳಲ್ಲಿ ಅನುಮತಿಯಿರುವ ಇತರ ಚಟುವಟಿಕೆಗಳನ್ನು ಒದಗಿಸುವ ಮೂಲಕ ತನ್ನ ಸೇವೆಗಳನ್ನು ವಿಸ್ತರಿಸುವ ನಿರೀಕ್ಷೆಯನ್ನು ಹೊಂದಿದೆ. ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷದಲ್ಲಿ ಕಂಪನಿಯ ವ್ಯವಹಾರದಲ್ಲಿ ಯಾವುದೇ ಬದಲಾವಣೆ ಆಗಿಲ್ಲ.

### ಆಪತ್ತುಗಳು ಮತ್ತು ಅವುಗಳ ನಿರ್ವಹಣೆ

ಬ್ಯಾಂಕ್‌ಗಳು ವ್ಯವಹಾರ ಸಂಬಂಧಿತ ಅನೇಕ ಆಪತ್ತುಗಳನ್ನು ಎದುರಿಸಬೇಕಾಗುತ್ತದೆ ಉದಾ. ಸಾಲ ಮರುಪಾವತಿಯಾಗದೆ ಇರುವ ಆಪತ್ತು, ಮಾರುಕಟ್ಟೆ ಸಂಬಂಧಿತ ಆಪತ್ತು ಮತ್ತು ಕಾರ್ಯಾಚರಣೆ ಸಂಬಂಧಿತ ಆಪತ್ತು, ಲಿಕ್ವಿಡಿಟಿ ಸಂಬಂಧಿತ ಆಪತ್ತು, ಬಡ್ಡಿ ದರ ಸಂಬಂಧಿತ ಆಪತ್ತು, ಕೇಂದ್ರೀಕರಣ ಆಪತ್ತು, ಕಾರ್ಯತಂತ್ರಗಳಲ್ಲಿನ ಆಪತ್ತು, ಖ್ಯಾತಿಗೆ ಧಕ್ಕೆ ಒದಗುವ ಆಪತ್ತು ಮುಂತಾದವುಗಳು. ಅಂತಹ ಆಪತ್ತುಗಳನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುವ ಉದ್ದೇಶದಿಂದ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ವಿವಿಧ ಆಪತ್ತು ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳು ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳನ್ನು ಜಾರಿಗೆ ತಂದಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಕಾಲಕಾಲಕ್ಕೆ ಹೊರಡಿಸಿದ ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಗುಣವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ನೀತಿಗಳು, ಸಾಧನಗಳು, ತಂತ್ರಗಳು, ವ್ಯವಸ್ಥೆಗಳು ಮತ್ತು ಇತರ ಮೇಲ್ವಿಚಾರಣಾ ಕಾರ್ಯವಿಧಾನಗಳನ್ನು ಒಳಗೊಂಡ ವಿವಿಧ ಆಪತ್ತು ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಬಲಪಡಿಸುವಲ್ಲಿ ಸದಾ ಗಮನ ಹರಿಸಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಆಪತ್ತುಗಳು ಮತ್ತು ಆದಾಯಗಳ ನಡುವೆ ಸೂಕ್ತ ಸಮತೋಲನ ಸಾಧಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿದ್ದು, ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ಉದ್ದೇಶಗಳು, ಬ್ಯಾಂಕಿನ ವಿವಿಧ ವ್ಯವಹಾರ ವಿಭಾಗಗಳಲ್ಲಿನ ಆಪತ್ತುಗಳ ಸರಿಯಾದ ಗುರುತಿಸುವಿಕೆ, ಮೌಲ್ಯಮಾಪನ, ಅಳತೆ, ಮೇಲ್ವಿಚಾರಣೆ, ನಿಯಂತ್ರಣ, ತಗ್ಗಿಸುವಿಕೆ ಮತ್ತು ವರದಿ ಮಾಡುವಿಕೆಯನ್ನು ಒಳಗೊಳ್ಳುತ್ತವೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಅಳವಡಿಸಿಕೊಂಡ ಆಪತ್ತು ನಿರ್ವಹಣಾ ಕಾರ್ಯತಂತ್ರವು ಆಪತ್ತುಗಳು ಮತ್ತು ಅವುಗಳ ಮಟ್ಟದ ಸ್ಪಷ್ಟ ತಿಳಿವಳಿಕೆಯನ್ನು ಆಧರಿಸಿದ್ದು, ವ್ಯವಹಾರದಲ್ಲಿ ಎದುರಾಗಬಹುದಾದ ಆಪತ್ತುಗಳನ್ನು ಎದುರಿಸಲು ಸಿದ್ಧವಿರುವ ಬ್ಯಾಂಕಿನ ದೃಷ್ಟಿಕೋನವನ್ನೂ ಅವಲಂಬಿಸಿದೆ. ಅಪಾಯ ಮತ್ತು ಬಂಡವಾಳ ನಿರ್ವಹಣಾ (RCMC) ಎಂಬ ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಮಿತಿಯು ನಿಯತಕಾಲಿಕವಾಗಿ ಆಪತ್ತುಗಳ ವ್ಯಾಪ್ತಿ, ಬ್ಯಾಂಕ್ ಎದುರಿಸುವ ಒಟ್ಟಾರೆ ಅಪಾಯಗಳ ಮೌಲ್ಯಮಾಪನ ಮತ್ತು ಅದರ ಪರಿಣಾಮಕಾರಿ ನಿರ್ವಹಣೆಗಾಗಿ ನೀತಿ ಮತ್ತು ಕಾರ್ಯತಂತ್ರಗಳನ್ನು ಅಭಿವೃದ್ಧಿಪಡಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನೊಳಗೆ ಆಪತ್ತು ನಿಯಂತ್ರಣ ಮತ್ತು ಆಡಳಿತ ಚೌಕಟ್ಟನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಲು ಮತ್ತು ವೃದ್ಧಿಸಲು, ಒಂದು ವಿಶಾಲವಾದ ನೀತಿ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಸಾಲ-ಸಂಬಂಧಿ ಆಪತ್ತು ನಿರ್ವಹಣಾ ಸಮಿತಿ (CRC), ಆಸ್ತಿ-ಹೊಣೆಗಾರಿಕೆ ನಿರ್ವಹಣಾ ಸಮಿತಿ (ALCO), ಕಾರ್ಯಾಚರಣೆ ಆಪತ್ತು ನಿರ್ವಹಣಾ ಸಮಿತಿ (ORMC) ಮುಂತಾದ ವಿವಿಧ ಆಂತರಿಕ ನಿರ್ವಹಣಾ ಸಮಿತಿಗಳು ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತವೆ. ಬ್ಯಾಂಕಿನ ಪ್ರಧಾನ ಕಚೇರಿಯಲ್ಲಿರುವ ಆಪತ್ತು ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಬ್ಯಾಂಕ್‌ಗೆ ಸಂಬಂಧಿಸಿದ ಎಲ್ಲ ಕಡೆಗಳಲ್ಲಿ ವಿವಿಧ ಆಪತ್ತು ನಿರ್ವಹಣಾ ಉಪಕ್ರಮಗಳ ಒಟ್ಟಾರೆ ಉಪಕ್ರಮಗಳ ಮೇಲ್ವಿಚಾರಣೆ ಮಾಡುತ್ತದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಹೊರಡಿಸಿದ ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಗುಣವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಮುಖ್ಯ ಮಾಹಿತಿ ಭದ್ರತಾ ಅಧಿಕಾರಿಯನ್ನು (CISO) ನಾಮನಿರ್ದೇಶನ ಮಾಡಿದೆ. ಬ್ಯಾಂಕಿನಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ಅಡಿಯಲ್ಲಿ ಹೊಸ ವ್ಯವಸ್ಥೆಗಳ ಅನುಷ್ಠಾನದಲ್ಲಿ ಭದ್ರತೆ ಸಂಬಂಧಿತ ವಿಚಾರಗಳನ್ನು ಸಮನ್ವಯಗೊಳಿಸುವುದರ ಜೊತೆಗೆ ಮಾಹಿತಿ ಸ್ವತ್ತುಗಳನ್ನು ರಕ್ಷಿಸಲು ಬ್ಯಾಂಕ್ ಬಳಸುವ ನೀತಿಗಳನ್ನು ವ್ಯಕ್ತಪಡಿಸುವ ಮತ್ತು ಜಾರಿಗೊಳಿಸುವ ಜವಾಬ್ದಾರಿಯನ್ನು ಅವರು ಹೊಂದಿದ್ದಾರೆ. ಒರೆಕಲ್ ಹಣಕಾಸು ಸೇವೆಗಳ ವಿಶ್ಲೇಷಣಾತ್ಮಕ ಅನ್ವಯಗಳು (Oracle Financial Services Analytical Applications) - OFSAA: ALM, MRM, LRM, FTP ಮತ್ತು IRRBB ಗಾಗಿ ಅಗತ್ಯವಾದ ಎಲ್ಲ ವ್ಯವಸ್ಥೆಗಳು ಮತ್ತು ಸಾಧನಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ. ಅನುಷ್ಠಾನದ ಉದ್ದೇಶಕ್ಕಾಗಿ OFSAA ಸುಧಾರಿತ ಮತ್ತು ಆಧುನಿಕ ಅನ್ವಯವಾಗಿದ್ದು, ALM, LRM, FTP, PFT & IFRS9 - ಇವುಗಳನ್ನು ಒಳಗೊಳ್ಳುತ್ತದೆ. ಬ್ಯಾಂಕ್ ತನ್ನ ಕಾರ್ಯಾಚರಣೆಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಪ್ರಮುಖ ಅಪಾಯಗಳನ್ನು ಹೇಗೆ ನಿರ್ವಹಿಸುತ್ತದೆ ಎಂಬುದರ ಕುರಿತು ವಿವರಗಳನ್ನು ಈ ವರದಿಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ ‘ಆಡಳಿತ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ’ಯಲ್ಲಿ (Management Discussion & Analysis) ನೀಡಲಾಗಿದೆ.

### ಬಾಸೆಲ್ III ಬಂಡವಾಳ ನಿಬಂಧನೆಗಳು – ಲಿವರೆಜ್ ಅನುಪಾತದ ಅನುಷ್ಠಾನ

ಬಂಡವಾಳಕ್ಕೆ ಸಂವಾದಿಯಾದ ಋಣಾತ್ಮಕತೆಯ (ಲಿವರೆಜ್) ಆಪತ್ತುಗಳನ್ನು ತಗ್ಗಿಸಲು ಮತ್ತು ಆರ್ಥಿಕ ಸ್ಥಿರತೆಯನ್ನು ಹೆಚ್ಚಿಸಲು, RBI ಭಾರತದಲ್ಲಿನ ಬ್ಯಾಂಕ್‌ಗಳಿಗೆ ಬಾಸೆಲ್ III ನಿಯಮಗಳ ಅಡಿಯಲ್ಲಿ ಕನಿಷ್ಠ ಲಿವರೆಜ್ ಅನುಪಾತ (LR) ವನ್ನು ಕಡ್ಡಾಯಗೊಳಿಸಿದೆ. ಬ್ಯಾಂಕುಗಳು ಪ್ರತಿ ತ್ರೈಮಾಸಿಕ ಅವಧಿಯ ಕೊನೆಯಲ್ಲಿ ತಮ್ಮ ಬಂಡವಾಳ ಮಾಪನ (capital measure) ಮತ್ತು ಮಂಜೂರು ಮಾಪನವನ್ನು (Exposure measure) ಲಿವರೆಜ್ ಅನುಪಾತದ ಜೊತೆಗೆ ಪ್ರಕಟಿಸಬೇಕಾಗುತ್ತದೆ. ಆದರೆ, ಕನಿಷ್ಠ ಲಿವರೆಜ್ ಅನುಪಾತದ ಅಗತ್ಯಗಳನ್ನು ಬ್ಯಾಂಕ್‌ಗಳು ಸದಾಕಾಲವೂ ಪೂರೈಸಬೇಕಾಗುತ್ತದೆ. ಮಾರ್ಚ್ 31, 2024ರಂದು ಇದ್ದಂತೆ, ಕನಿಷ್ಠ ಮಿತಿಯಾದ 3.50% ರ ತುಲನೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 7.86% ರ ತೃಪ್ತಿದಾಯಕವಾದ ಲಿವರೆಜ್ ಅನುಪಾತ ಹೊಂದಿದೆ.

### ಬಂಡವಾಳದ ಪರ್ಯಾಪ್ತತೆ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಆಂತರಿಕ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆ (ICAAP)

ಬಾಸೆಲ್ II ಒಪ್ಪಂದದ ಸ್ತಂಭ 2ರ ಅಡಿಯಲ್ಲಿ, ಚಾಲ್ತಿ ಹೊಣೆಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಅಪಾಯಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ಸಂಪನ್ಮೂಲದ ಪರ್ಯಾಪ್ತತೆಯ ಮಾಪನವಾಗಿ ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆ ಮತ್ತು ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆ (ICAAP) ನೀತಿಗಳನ್ನು ರೂಪಿಸಿದೆ. ಸೂಕ್ತ ಮಟ್ಟದ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯು ಬ್ಯಾಂಕು ತನ್ನ ಚಟುವಟಿಕೆಗಳನ್ನು ಬೆಂಬಲಿಸಲು ಸಾಕಷ್ಟು ಬಂಡವಾಳವನ್ನು ಹೊಂದಿರುವುದನ್ನು ಮತ್ತು ದಿವಾಳಿಯಾಗದೆ ತನ್ನ ಆಸ್ತಿಗಳ ಮೌಲ್ಯದಲ್ಲಿನ ವ್ಯತಿರಿಕ್ತವಾದ ಬದಲಾವಣೆಗಳನ್ನು ತಡೆದುಕೊಳ್ಳಲು ಅದರ ನಿವ್ವಳ ಮೌಲ್ಯವು ಪರ್ಯಾಪ್ತವಾಗಿದೆ ಎನ್ನುವುದನ್ನು ಖಚಿತಪಡಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಕಾರ್ಯತಂತ್ರಾತ್ಮಕ ಉದ್ದೇಶ, ನಿರ್ದಿಷ್ಟ ವ್ಯಾಪಾರದ ಲಾಭದಾಯಕತೆ ಮತ್ತು ಬೆಳವಣಿಗೆಯ ಅವಕಾಶಗಳನ್ನು ಗುರುತಿಸುವ ಭವಿಷ್ಯದ ವ್ಯಾಪಾರದ ಸಮಗ್ರ ಮುಂಗಾಣ್ಣೆಯ ಮೂಲಕ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ಅಗತ್ಯದ ಮೌಲ್ಯಮಾಪನವನ್ನು ನಡೆಸಲಾಗುತ್ತದೆ. ಈ ಯೋಜಿತ ವ್ಯಾಪಾರ ಬೆಳವಣಿಗೆಗೆ ಸಂವಾದಿಯಾಗಿ ಮುಂಗಡಗಳು, ಕಾರ್ಯಾಚರಣೆ ಮತ್ತು ಮಾರುಕಟ್ಟೆ ಅಪಾಯಗಳ ಸೂಕ್ತವಾದ ಮ್ಯಾಪಿಂಗ್ ಮೂಲಕ ಕನಿಷ್ಠ ನಿಬಂಧನಾ ಬಂಡವಾಳ ಅಗತ್ಯಗಳನ್ನು ಪರ್ಯಾಪ್ತವಾಗಿ ಒಳಗೊಳ್ಳುವ ಮತ್ತು ಬೆಳವಣಿಗೆಗೆ ಆಸ್ಪದವನ್ನು ನೀಡುವಂತೆ ಬಂಡವಾಳದ ನಿಯೋಜನೆಗೆ ಅವಕಾಶವನ್ನು ಒದಗಿಸುತ್ತದೆ. ಪರಿಣಾಮಕಾರಿಯಾದ, ತಂತ್ರಜ್ಞಾನ-ಆಧಾರಿತ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಯ ಬೆಂಬಲದೊಂದಿಗೆ ಬ್ಯಾಂಕ್ ಹೊಂದಿರುವ ಸಶಕ್ತ ಅಪಾಯ ಸಂಸ್ಕೃತಿಯು ವ್ಯಾಪಾರಕ್ಕೆ ಪ್ರತಿಯಾಗಿ ಅಪಾಯದ ಮಾಪನವನ್ನು ಸಾಧ್ಯವಾಗಿಸುತ್ತದೆ.

ಬಾಸೆಲ್ III ಒಪ್ಪಂದದ ಸ್ತಂಭ III ರ ಕೆಳಗಿನ ಪ್ರಕಟಣೆಯನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ-1ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.

ಬಾಸೆಲ್ ಮಾರ್ಗದರ್ಶಿಗಳ ಅನುಸರಣೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ತನ್ನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಅಗತ್ಯಗಳನ್ನು ಮೌಲ್ಯಮಾಪನ ಮಾಡಲು ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆ ಮತ್ತು ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆ (ICAAP) ನೀತಿಗಳ ದಸ್ತಾವೇಜನ್ನು ರೂಪಿಸಿ ಇರಿಸಿದೆ. ಬಂಡವಾಳ ಮತ್ತು ಗಳಿಕೆಗಳ ಮೇಲೆ ಪ್ರತಿಕೂಲ ಪರಿಣಾಮ ಬೀರುವ ಮಾರುಕಟ್ಟೆ ಚಲನೆಗಳು/ಘಟನೆಗಳ ಸಂಭಾವ್ಯ ಪರಿಣಾಮವನ್ನು ಸರಿಯಾಗಿ ಅರ್ಥ ಮಾಡಿಕೊಳ್ಳಲು ವಿವಿಧ ಒತ್ತಡದ ಸನ್ನಿವೇಶಗಳಿಗೆ ಒತ್ತಡ ಪರೀಕ್ಷಾ ಚೌಕಟ್ಟನ್ನು (Stress testing framework) ಜಾರಿಗೆ ತರಲಾಗಿದೆ. ಅಪಾಯ-ತಡೆಯುವ ಬ್ಯಾಂಕಿನ ಕ್ಷಮತೆ ಮತ್ತು ಅಪಾಯದ ಚಹರೆಯನ್ನು ದೃಷ್ಟಿಯಲ್ಲಿರಿಸಿ ಯೋಜಿತ ವ್ಯಾಪಾರಿ ಬೆಳವಣಿಗೆಯ ಬಂಡವಾಳ ಅಗತ್ಯವನ್ನು ಅಂದಾಜಿಸಲು ICAAP ಮತ್ತು ಒತ್ತಡ ಪರೀಕ್ಷೆಯ ಫಲಿತಾಂಶಗಳನ್ನು ನಿಯತಕಾಲಿಕವಾಗಿ ಪರಿಶೀಲಿಸಲಾಗುತ್ತದೆ. ಮಂಡಳಿ ಮಟ್ಟದ ಅಪಾಯ ಮತ್ತು ಬಂಡವಾಳ ನಿರ್ವಹಣಾ ಸಮಿತಿಯು (RCMC) ಅಪಾಯ-ತಡೆಯುವ ಬ್ಯಾಂಕಿನ ಕ್ಷಮತೆ, ಅಪಾಯದ ಚಹರೆ, ವ್ಯಾಪಾರದ ಯೋಜನೆಗಳು ಮತ್ತು ಬಂಡವಾಳ ಮೌಲ್ಯಮಾಪನಗಳನ್ನು ನಿಯತಕಾಲಿಕವಾಗಿ ಪರಿಶೀಲಿಸುತ್ತದೆ.

### ವಿಭಾಗೀಯ ವರದಿ (ಸೆಗ್ಮೆಂಟ್ ರಿಪೋರ್ಟಿಂಗ್)

#### ವ್ಯಾಪಾರ ವಿಭಾಗ

ವಿಭಾಗೀಯ ವರದಿಯ ಉದ್ದೇಶಕ್ಕಾಗಿ ಕಂಪನಿಗಳ (ಲೇಖಾ ಪ್ರಮಾಣಗಳು) ನಿಯಮಗಳು 2021ರ ಲೇಖಾ ಪ್ರಮಾಣ (AS) 17ರ ಅನುಸಾರ ಮತ್ತು RBI ಹೊರಡಿಸಿದ ಮಾರ್ಗಸೂಚಿಗಳಲ್ಲಿ ನಿಗದಿಪಡಿಸಲಾಗಿರುವಂತೆ ಬ್ಯಾಂಕಿನ ವ್ಯಾಪಾರವನ್ನು (ಎ) ಖಜಾನೆ ಕಾರ್ಯಾಚರಣೆ (ಬಿ) ಕಾರ್ಪೊರೇಟ್/ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್ (ಸಿ) ರೀಟೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ (ಡಿ) ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಕಾರ್ಯಾಚರಣೆಗಳು ಎಂದು ನಾಲ್ಕು ವ್ಯವಹಾರ ವಿಭಾಗಗಳಲ್ಲಿ ವರ್ಗೀಕರಿಸಲಾಗಿದೆ.

#### ಭೌಗೋಳಿಕ ವಿಭಾಗ

ಅಲ್ಲದೆ, ದಿನಾಂಕ 07 ಏಪ್ರಿಲ್ 2022ರ RBI ಸುತ್ತೋಲೆ DOR.AUT.REC.12/22.01.001/2022-23 ಅನ್ವಯ, ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಘಟಕದ (DBU) ಸ್ಥಾಪನೆಯ ನಂತರ, ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಅನ್ನು ರಿಟೇಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಅಡಿಯಲ್ಲಿ ಉಪ-ವಿಭಾಗವಾಗಿ ಗುರುತಿಸಲಾಗಿದೆ. ಬ್ಯಾಂಕು ಯಾವುದೇ ಸಾಗರೋತ್ತರ ಶಾಖೆಯನ್ನು ಹೊಂದಿರದ ಕಾರಣ ಭೌಗೋಳಿಕ ವಿಭಾಗದ



ಅಡಿಯಲ್ಲಿ ವರದಿಮಾಡುವ ಪ್ರಶ್ನೆ ಉದ್ಭವಿಸುವುದಿಲ್ಲ. ವಿಭಾಗ ಆಸ್ತಿಗಳನ್ನು ಗುರುತಿಸಲಾಗಿದ್ದು, ವಿಭಾಗದ ಹೊಣೆಗಳನ್ನು ವಿಭಾಗ ಆಸ್ತಿಗಳ ಆಧಾರದ ಮೇಲೆ ಹಂಚಲಾಗಿದೆ.

₹ ಕೋಟಿಗಳಲ್ಲಿ

ವ್ಯಾಪಾರ ವಿಭಾಗಗಳು	ಖಜಾನೆ		ಕಾರ್ಪೊರೇಟ್ / ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್		ರಿಟೇಲ್ ಬ್ಯಾಂಕಿಂಗ್			ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಕಾರ್ಯಾಚರಣೆಗಳು		ಒಟ್ಟು	
	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	DBU	ಇತರ ರಿಟೇಲ್ ಬ್ಯಾಂಕಿಂಗ್		ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23
ವಿವರಗಳು	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 24	ಮಾರ್ಚ್ 23	ಮಾರ್ಚ್ 23
ಆದಾಯ	1652.13	1276.83	3,429.15	2936.88	0.19	4222.61	3653.01	291.63	281.76	9595.71	8148.48
ಹಂಚಿದಿರುವ ಆದಾಯ										21.72	64.33
ಒಟ್ಟು ಆದಾಯ										9617.43	8212.81
ಫಲಿತಾಂಶ	164.79	21.02	962.05	1012.83	(0.47)	1030.18	1147.80	56.86	48.65	2213.41	2230.30
ಹಂಚಿದಿರುವ ಖರ್ಚುಗಳು (ಪ್ರಾವಿಜನ್‌ಗಳು ಮತ್ತು ಸಾದಿಲ್ವಾರುಗಳು ಸೇರಿ)										(650.68)	(789.26)
ತೆರಿಗೆ ಮುನ್ನ ಲಾಭ										1562.73	1441.04
ಆದಾಯ ತೆರಿಗೆಗಳು										256.44	260.80
ಅಸಾಮಾನ್ಯ/ ಅಸಾಧಾರಣ ಲಾಭ/ನಷ್ಟ										-	-
ನಿವೃತ್ತ ಲಾಭ										1306.28	1180.24
ಇತರ ಮಾಹಿತಿ											
ವಿಭಾಗ ಆಸ್ತಿಗಳು	32648.33	29846.76	38324.06	29886.99	8.25	41605.74	35564.32	40.22	10.10	112626.60	95308.17
ಹಂಚಿದಿರುವ ಆಸ್ತಿಗಳು										3457.97	3457.97
ಒಟ್ಟು ಆಸ್ತಿಗಳು										116084.57	99058.34
ವಿಭಾಗ ಹೊಣೆಗಳು	29429.29	27387.34	34886.66	27,441.73	8.72	37740.55	32549.58	36.24	9.28	102101.46	87387.93
ಹಂಚಿದಿರುವ ಹೊಣೆಗಳು										3134.61	3457.05
ಒಟ್ಟು ಹೊಣೆಗಳು										105236.07	90844.98
ತೊಡಗಿಸಲಾದ ಬಂಡವಾಳ										10848.50	8212.36

ಮೇಲೆ ತಿಳಿಸಲಾದ ವ್ಯಾಪಾರ ವಿಭಾಗಗಳ ವಿವರಗಳನ್ನು 'ಆಡಳಿತ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ'ಯಲ್ಲಿ ಚರ್ಚಿಸಲಾಗಿದೆ.

**ಬ್ಯಾಂಕಿಂಗ್ ಮಳಿಗೆಗಳು ಮತ್ತು ಪರ್ಯಾಯ ವಿತರಣಾ ಚಾನೆಲ್ (ADC) ಗಳು**

31 ಮಾರ್ಚ್ 2024ರಂದು ಇರುವಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 22 ರಾಜ್ಯಗಳು ಮತ್ತು 2 ಕೇಂದ್ರಾಡಳಿತ ಪ್ರದೇಶಗಳಲ್ಲಿ ಹರಡಿರುವ 593 ಕೇಂದ್ರಗಳಲ್ಲಿ 921 ಶಾಖೆಗಳು, 856 ATM ಗಳು, 639 ನಗದು ಮರುಬಳಕೆ ಕೇಂದ್ರಗಳು (Cash Recyclers) ಮತ್ತು ಒಂದು ವಿಸ್ತರಣಾ ಕೌಂಟರ್ ಸೇರಿದಂತೆ 2417 ಸೇವಾ ಮಳಿಗೆಗಳನ್ನು ಹೊಂದಿದೆ. ಇದರ ಜೊತೆಗೆ ಬ್ಯಾಂಕ್ ವಿಪತ್ತು ಚೇತರಿಕೆ ಕೇಂದ್ರ ಮತ್ತು ನಿಯರ್ ಲೈನ್ ಸೈಟ್ ಒಳಗೊಂಡಂತೆ 1 ದತ್ತಾಂಶ ಕೇಂದ್ರ, 2 ಸೇವಾ ಕೇಂದ್ರಗಳು, 5 ಕರೆನ್ಸಿ ಚೆಪ್ಪುಗಳು, 2 ಕೇಂದ್ರ ಸಂಸ್ಕರಣಾ ಘಟಕಗಳು, 1 ಡಿಜಿಟಲ್ ಉತ್ಪನ್ನತಾ ಕೇಂದ್ರ, 9 ಆಸ್ತಿ ವಸೂಲಾತಿ ನಿರ್ವಹಣಾ ಶಾಖೆಗಳು ಮತ್ತು 3 ಕೇಂದ್ರ ಸಾಲ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳು ಹಾಗೂ ರಿಟೇಲ್ ಸಾಲಗಳ ಮಂಜೂರಾತಿಗಾಗಿ ಒಂದು ಕೇಂದ್ರ ಸಾಲ ಮಂಜೂರಾತಿ ಕೇಂದ್ರವನ್ನು ಹೊಂದಿದೆ. ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 20 ಹೊಸ ಶಾಖೆಗಳನ್ನು ಪ್ರಾರಂಭಿಸಿದೆ.

ಈ ವರದಿಯ ಜೊತೆಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ 'ಆಡಳಿತ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ'ಯಲ್ಲಿ ಇನ್ನಷ್ಟು ವಿವರಗಳನ್ನು ಚರ್ಚಿಸಲಾಗಿದೆ.

**ಸರ್ಕಾರಿ ವ್ಯವಹಾರ ನಿರ್ವಹಣೆಗೆ ಅನುಮತಿ**

ಕೇಂದ್ರ ಸರ್ಕಾರ ಮತ್ತು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ (RBI) ತಮ್ಮ ನಿಬಂಧನಾ ನೀತಿಗಳನ್ನು ಸಡಿಲಗೊಳಿಸಿದ ಅನುಸಾರ, ಅರ್ಹ ಅನುಸೂಚಿತ ಖಾಸಗಿ ವಲಯದ ಬ್ಯಾಂಕುಗಳು ಸರ್ಕಾರಿ ವ್ಯವಹಾರವನ್ನು ನಡೆಸಲು RBI ಏಜೆನ್ಸಿ ಬ್ಯಾಂಕ್‌ಗಳಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸಲು ಅನುಮತಿ ನೀಡಲಾಗಿದೆ. ಅರ್ಹತಾ ಮಾನದಂಡಗಳ ಮೌಲ್ಯಮಾಪನ ಮತ್ತು ಪೂರೈಕೆಯ ಆಧಾರದ ಮೇಲೆ,

RBI ನಿಮ್ಮ ಬ್ಯಾಂಕನ್ನು ದಿನಾಂಕ 20/07/2021 ರ ಪತ್ರ ಸಂಖ್ಯೆ. Lr.DGBA.GBD.No. S363/42.01.033/2021-22 ಅನ್ವಯ, ಜುಲೈ 27, 2021 ರಂದು RBI ಮತ್ತು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ನಡುವೆ ಜಾರಿಗೊಂಡ ಒಪ್ಪಂದದ ಅನುಸಾರ ಏಜೆನ್ಸಿ ಬ್ಯಾಂಕ್ ಆಗಿ ನೇಮಿಸಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಈಗ ಕೇಂದ್ರ/ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ಪರವಾಗಿ ಆದಾಯ ಸಂಗ್ರಹ ಮತ್ತು ಪಾವತಿ, ಪಿಂಚಣಿ ಪಾವತಿಗಳು ಮತ್ತು ಮುದ್ರಾಂಕ ಶುಲ್ಕಗಳ ಸಂಗ್ರಹಣೆ ಮತ್ತು RBI ನಿಂದ ಸಮ್ಮತಿಸಿದ ಯಾವುದೇ ಸೇವೆಗಳನ್ನು ಕೇಂದ್ರ/ರಾಜ್ಯ ಸರ್ಕಾರಗಳು ಹಾಗೂ ಇತರ ಸಂಸ್ಥೆಗಳಿಗೆ ನೀಡಬಹುದಾಗಿದೆ.

ಅಖಿಲ ಭಾರತೀಯ ಮಟ್ಟದಲ್ಲಿ ಹೊಂದಿರುವ ಉಪಸ್ಥಿತಿಯೊಂದಿಗೆ ಸಶಕ್ತವೂ ದೃಢವೂ ಆದ ತಂತ್ರಜ್ಞಾನ ಹಾಗೂ ಡಿಜಿಟಲ್ ವೇದಿಕೆಗಳ ಆಧಾರದ ಮೇಲೆ ಅತ್ಯಂತ ಸೀಮಾತೀತವಾದ ವಿಧಾನದಲ್ಲಿ ಸಾಧ್ಯವಿರುವ ಅತ್ಯುತ್ತಮವಾದ ಹಣಕಾಸು ಪರಿಹಾರಗಳನ್ನು ಒದಗಿಸಲು ಕೇಂದ್ರ ಮತ್ತು ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ಆದ್ಯತೆಯ ಆಯ್ಕೆಯಾಗಿ ಸ್ಥಾನಹೊಂದುವ ವಿಶ್ವಾಸವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ. ಗ್ರಾಹಕರಿಗೆ ತಮ್ಮ ತೆರಿಗೆಗಳನ್ನು ಪಾವತಿಸಲು ಅನುಕೂಲ ಮಾಡಿಕೊಡುವ ಕಾರಣ ಸರ್ಕಾರಿ ವ್ಯವಹಾರಗಳ ನಿರ್ವಹಣೆಯು ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬೆಳವಣಿಗೆಗೆ ಸಹಕಾರಿಯಾಗುತ್ತದೆ. ಇದರಿಂದ ಗ್ರಾಹಕರು ಬ್ಯಾಂಕಿನೊಂದಿಗೆ ಹೊಂದಿರುವ ಬಾಂಧವ್ಯ ವೃದ್ಧಿಸುತ್ತದೆ ಹಾಗೂ ಅರ್ಹ ಏಜೆನ್ಸಿ ವ್ಯಾಪಾರ ದಲಾಲಿಯ ಮೂಲಕ ಬ್ಯಾಂಕಿಗೆ ಆದಾಯದ ಮೂಲವೂ ಆಗಿರುತ್ತದೆ.

ಈ ನಿಟ್ಟಿನಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸಕ್ರಿಯವಾದ ಬೆಳವಣಿಗೆಯನ್ನು ಸಾಧಿಸಿ ಪರೋಕ್ಷ ತೆರಿಗೆಗಳು ಮತ್ತು ಕಸ್ಟಮ್ಸ್ ಕೇಂದ್ರೀಯ ಮಂಡಳಿಯ (CBIC) ಪರವಾಗಿ ಸೀಮಾ ಶುಲ್ಕ, ಸರಕುಗಳು ಮತ್ತು ಸೇವಾ ತೆರಿಗೆ (GST) ಮತ್ತು ನೇರ ತೆರಿಗೆಗಳ ಕೇಂದ್ರೀಯ ಮಂಡಳಿಯ (CBDT) ಪರವಾಗಿ ನೇರ ತೆರಿಗೆಯನ್ನು (ಆದಾಯ ತೆರಿಗೆ/ಮುಂಗಡ ತೆರಿಗೆ) ಸಂಗ್ರಹಿಸಲು ಪ್ರಾರಂಭಿಸಿದೆ. ಸರ್ಕಾರಿ ಇಲಾಖೆಗಳು/ನಿಕಾಯಗಳು/ನಿಗಮಗಳು ಮೊದಲಾದ ಸಂಸ್ಥೆಗಳ ಖಾತೆಗಳಿಗೆ ಈ ವಿಶೇಷ ಯೋಜನೆಗಳನ್ನು ಈ ವಿಶೇಷ ಯೋಜನೆಗಳಿಗೆ ಸೂತ್ರೀಕರಿಸಿ ಜೋಡಿಸಲಾಗಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಕೆಲವು ಏಜೆನ್ಸಿಗಳ ಮೂಲಕ ಆಡಳಿತಾತ್ಮಕ ಮತ್ತು ತಾಂತ್ರಿಕ ಪ್ರಕ್ರಿಯೆಗಳನ್ನು ಪೂರ್ಣಗೊಳಿಸುವಲ್ಲಿ ಸಕ್ರಿಯವಾದ ಪ್ರಗತಿಯನ್ನು ಸಾಧಿಸಿದೆ. ಕಾರ್ಯತಂತ್ರದ ನೆಲೆಯಲ್ಲಿ ಮಹತ್ವದ ಸರ್ಕಾರಿ ಯೋಜನೆಗಳು/ಆದೇಶಗಳ ವಲಯಕ್ಕೆ ಫಲಪ್ರದವಾದ ಪ್ರವೇಶವನ್ನು ಮಾಡುವ ನಿಟ್ಟಿನಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸನ್ನದ್ಧವಾಗಿದ್ದು, ಕಡಿಮೆ ವೆಚ್ಚದ ಠೇವಣಿಗಳತ್ತ ವಾಲುತ್ತಿರುವ ಹೊಣೆಗಾರಿಕೆಯ ವ್ಯಾಪಾರದ ವಿಸ್ತರಣೆಗೆ ಸಹಕರಿಸಿ ಶುಲ್ಕ ಆದಾಯದ ವಿನೂತನ ದಾರಿಗಳನ್ನು ತೆರೆಯಲಿದೆ.

### ತೃತೀಯ ಪಕ್ಷ ಉತ್ಪನ್ನಗಳು

ವೈವಿಧ್ಯಮಯವಾದ ಹಣಕಾಸು ಉತ್ಪನ್ನಗಳನ್ನು ಮತ್ತು ಸೇವೆಗಳನ್ನು ಮತ್ತು ಮೌಲ್ಯಯುಕ್ತ ಸೇವೆಗಳನ್ನು ಗರಿಷ್ಠ ಪ್ರಮಾಣದಲ್ಲಿ ಗ್ರಾಹಕರಿಗೆ ಒದಗಿಸುವ ಉದ್ದೇಶದಿಂದ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ವಿಶಾಲ ವ್ಯಾಪ್ತಿಯ ತೃತೀಯ ಪಕ್ಷ ಉತ್ಪನ್ನಗಳನ್ನು ಒದಗಿಸುತ್ತಿದೆ. ಇದರಲ್ಲಿ ಜೀವ ವಿಮೆ, ಸಾಮಾನ್ಯ ವಿಮೆ, ಆರೋಗ್ಯ ವಿಮೆ, ಮ್ಯೂಚುಯಲ್ ಫಂಡ್ಸ್, ಡಿಮ್ಯಾಟ್ ಖಾತೆ, ಟ್ರೇಡಿಂಗ್ ಖಾತೆ, ಕೋ-ಬ್ಯಾಂಡ್ಸ್ ಕ್ರೆಡಿಟ್ ಕಾರ್ಡ್‌ಗಳು, PoS ನೆಟ್‌ವರ್ಕ್, ಕೆಬಿಎಲ್ ಫಾಸ್ಟ್ಯಾಗ್ (KBL FASTag), NPS, SGB, APY ಮೊದಲಾದವು ಸೇರಿವೆ. ಪ್ರಧಾನವಾದ ತೃತೀಯ ಪಕ್ಷ ಉತ್ಪನ್ನಗಳ ಸಾರಾಂಶವನ್ನು ಈ ವರದಿಯ ಜೊತೆಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ 'ಆಡಳಿತ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ'ಯಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.

### ಗ್ರಾಹಕ ಸೇವೆ

ಬ್ಯಾಂಕ್ ಅನ್ನು ಹೆಚ್ಚು ಸ್ಪರ್ಧಾತ್ಮಕವಾಗಿಸಲು ಗ್ರಾಹಕ ಸೇವೆಯಲ್ಲಿ ಹೊಸ ಮಾನದಂಡಗಳನ್ನು ರಚಿಸುವುದಲ್ಲದೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಕೈಗೆಟುಕುವ ದರದಲ್ಲಿ ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಒದಗಿಸುವ ನಿಟ್ಟಿನಲ್ಲಿ ನೂತನ ಕಾರ್ಯವಿಧಾನಗಳನ್ನು ವಿನ್ಯಾಸಗೊಳಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ನಿರಂತರವಾಗಿ ಗಮನಹರಿಸುತ್ತಿದೆ. ಸೇವೆಗಳ ಸಮರ್ಪಕ ಪೂರೈಕೆ ಮತ್ತು ಪರಾಮರ್ಶೆಯ ಮೂಲಕ ದೂರುಗಳನ್ನು ಕನಿಷ್ಠ ಮಟ್ಟಕ್ಕೆ ಇಳಿಸುವುದು ಬ್ಯಾಂಕಿನ ಗುರಿಯಾಗಿದೆ. RBI ಮತ್ತು IBA ಕಾಲಕಾಲಕ್ಕೆ ನೀಡುವ ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಗುಣವಾಗಿ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳನ್ನು ರೂಪಿಸಿಕೊಳ್ಳಲು ಬ್ಯಾಂಕು ಸಕ್ರಿಯವಾಗಿ ಶ್ರಮಿಸುತ್ತಿದ್ದು, ಗ್ರಾಹಕರ ದೂರುಗಳ ಪರಿಹಾರಕ್ಕಾಗಿ ಆಂತರಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಸಾರ್ವಜನಿಕ ತನಿಖಾಧಿಕಾರಿ Internal Ombudsman [IO] ವ್ಯವಸ್ಥೆಯನ್ನೂ ಕಾರ್ಯಗತಗೊಳಿಸಿದೆ. 70 ವರ್ಷ ಮೇಲ್ಪಟ್ಟ ಹಿರಿಯ ನಾಗರಿಕ ಗ್ರಾಹಕರು ಮತ್ತು ದೃಷ್ಟಿ ವಿಕಲಚೇತನರು ಸೇರಿದಂತೆ ದಿವ್ಯಾಂಗರಿಗೆ ಅಥವಾ ಅಶಕ್ತರಿಗೆ ಮನೆ-ಬಾಗಿಲಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಮೆಟ್ರೋ ಕೇಂದ್ರಗಳ ಹಾಗೂ ಬ್ಯಾಂಕಿನ ಇತರ ಎಲ್ಲ ಶಾಖೆಗಳಲ್ಲಿ "ಸಾಧ್ಯವಾದಷ್ಟು ಅತ್ಯುತ್ತಮವಾಗಿ" ಒದಗಿಸಲಾಗುತ್ತಿದೆ.

### ಸಾಲ ಮೇಲ್ವಿಚಾರಣೆ

ಪರಿಣಾಮಕಾರಿ ಸಾಲ ಮೇಲ್ವಿಚಾರಣಾ ಕಾರ್ಯವ್ಯವಸ್ಥೆಯನ್ನು ಹೊಂದುವ ನಿಟ್ಟಿನಲ್ಲಿ, ಪ್ರತ್ಯೇಕ 'ಸಾಲ ಮೇಲ್ವಿಚಾರಣಾ ವಿಭಾಗವನ್ನು (ಕ್ರೆಡಿಟ್ ಮಾನಿಟರಿಂಗ್ ಡಿಪಾರ್ಟ್‌ಮೆಂಟ್-CRMD) ಕೇಂದ್ರ ಕಚೇರಿಯಲ್ಲಿ ಸ್ಥಾಪಿಸಲಾಗಿದೆ. ಪ್ರಾರಂಭದ ದಿನಗಳಲ್ಲಿ ಒತ್ತಡಯುಕ್ತ ಖಾತೆಗಳನ್ನು ನಿಭಾಯಿಸುವ ಉದ್ದೇಶದಿಂದ ಸಂಪರ್ಕ ಕೇಂದ್ರವನ್ನು ಸ್ಥಾಪಿಸಲಾಯಿತು. 'ರೀಜನಲ್ ಕಲೆಕ್ಷನ್ ಹಬ್ (RCH) ಎಂಬ ಪ್ರತ್ಯೇಕ ವ್ಯವಸ್ಥೆಯು ಎಲ್ಲ ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳಲ್ಲಿ ಕಾರ್ಯಾಚರಿಸುತ್ತಿದ್ದು, ಇದರಲ್ಲಿ 'ರೀಜನಲ್ ರಿಟ್ರಿಲ್ ಕಲೆಕ್ಷನ್ ಟೀಂ' (RRCT) ಮತ್ತು 'ರೀಜನಲ್ ಕಾರ್ಪೊರೇಟ್ ಕಲೆಕ್ಷನ್ ಟೀಂ'ಗಳು (RCCT) ಒಳಗೊಂಡಿವೆ. ಸಾಲದ ಎಲ್ಲ ಖಾತೆಗಳ ಬಾಕಿ ಸಂಗ್ರಹವನ್ನು ಖಾತ್ರಿಗೊಳಿಸಲು CrMD ಯ ಮೇಲ್ವಿಚಾರಣೆಯಲ್ಲಿ RRCT ಗಳು ಮತ್ತು RCCT ಗಳು, ಸಾಲ ಮರುಪಾವತಿಯಲ್ಲಿನ ವಿಳಂಬಕ್ಕೆ



ಅನುಸಾರವಾಗಿ ಸೂಕ್ತ ವಸೂಲಾತಿ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳುತ್ತವೆ. ಆಯಾ ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳಲ್ಲಿ ಸಾಲ ಮಂಜೂರಾತಿಯ ನಂತರದ ನಿಗಾ ವಹಿಸಲು ಪ್ರತ್ಯೇಕ ಕ್ರೆಡಿಟ್ ಮಾನಿಟರಿಂಗ್ ತಂಡವೂ (CRMT) RCH ಗಳ ಅಡಿಯಲ್ಲಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿವೆ. ಮೇಲ್ವಿಚಾರಣೆ ಮತ್ತು ಅನುಸರಣಾ ಚಟುವಟಿಕೆಗಳ ದಕ್ಷತೆಯನ್ನು ಸುಧಾರಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಭವಿಷ್ಯದ ದಿನಗಳಲ್ಲಿ ಬಾಕಿಗಳ ವಸೂಲಾತಿಯ ಅಪಾಯವನ್ನು ಹೊಂದಿರುವ ಸಾಲ ಖಾತೆಗಳನ್ನು ಗುರುತಿಸಿ ಅವುಗಳನ್ನು ಕಡಿಮೆ, ಮಧ್ಯಮ ಮತ್ತು ಅತಿ ಹೆಚ್ಚಿನ ಅಪಾಯದ ವರ್ಗಗಳಲ್ಲಿ ವಿಂಗಡಿಸುವ ಉದ್ದೇಶದಿಂದ ನಡವಳಿಕೆ ಮತ್ತು EWS ಮಾಡ್ಯೂಲ್‌ಗಳನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ. ಸಾಲಗಾರರ ವರ್ಗವನ್ನು ಆಧರಿಸಿ SMS ಕಳಿಸುವುದು, ಇಮೇಲ್ ಕಳಿಸುವುದು, ಕರೆಮಾಡುವುದು, ಗ್ರಾಹಕರನ್ನು ಭೇಟಿ ಮಾಡುವುದು ಮೊದಲಾದ ಸಾಲ ವಸೂಲಾತಿಯ ಕ್ರಮಗಳನ್ನು ನಿರ್ಧರಿಸಲಾಗುವುದು. ಸಾಲ ವಸೂಲಾತಿಯ ಕಾರ್ಯಕ್ಕಾಗಿ ವೆಬ್ ಆಧಾರಿತ ಸಾಲಸಂಗ್ರಹ ಸಾಧನವಾದ “ಕೆಬಿಎಲ್ ಕಲೆಕ್ಟ್ ಪ್ಲಸ್” (“KBL-Kollect+”) ಅನ್ನೂ ರೂಪುಗೊಳಿಸಲಾಗುತ್ತಿದೆ.

ನಿರೀಕ್ಷಿತ ಮಟ್ಟದಲ್ಲಿ ಸಾಧನೆ ಮಾಡದಿರುವ SMA (SMA 0, 1, 2) ಮುಂಗಡಗಳಲ್ಲಿನ ಒಟ್ಟಾರೆ ಒತ್ತಡವನ್ನು ಕಡಿಮೆಮಾಡಲು ಬ್ಯಾಂಕ್ ತನ್ನ ಅತ್ಯುತ್ತಮ ಪ್ರಯತ್ನಗಳನ್ನು ಮಾಡುತ್ತಿದೆ. ಸುಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆ ಮತ್ತು ಸಂಗ್ರಹಣಾ ಸಾಮರ್ಥ್ಯದ ಕಾರಣದಿಂದಾಗಿ ಪುನಾರಚಿಸಲಾದ ಮುಂಗಡಗಳಲ್ಲಿನ ಒತ್ತಡವೂ ಇಳಿಕೆಯ ಪ್ರವೃತ್ತಿಯನ್ನು ತೋರುತ್ತಿದೆ. ಸಾಲಗಾರರ ಚಾಲ್ತಿ ಇರುವ ಖಾತೆಗಳಿಂದ ಸಾಲಗಳ EMI/ಕಂತು/ಬಡ್ಡಿಯ ಸ್ವಚಾಲಿತ ಸಂಗ್ರಹಕ್ಕಾಗಿ ಆಟೋ ಸ್ಟೀಪ್ ವ್ಯವಸ್ಥೆ, UPI ಪಾವತಿ ಆಯ್ಕೆಗಳ ಮೂಲಕ ಸಾಲ ಖಾತೆಗಳಿಗೆ ಪಾವತಿ ಮಾಡಲು ಇ-ಕನೆಕ್ಟ್ ಪರಿಹಾರದ ಅವಕಾಶ, ಪ್ರಾರಂಭಿಕ ಅಪಾಯದ ಸಂಕೇತಗಳನ್ನು ಸ್ವಚಾಲಿತವಾಗಿ ಗ್ರಹಿಸುವುದು (Auto-capturing of Early Warning Signals) ಮೊದಲಾದವನ್ನು ಕಾರ್ಯಯುಕ್ತಗೊಳಿಸಲಾಗಿದೆ.

ಪುನಾರಚಿತ ಮುಂಗಡಗಳ ಸೂಕ್ತವಾದ ಮೇಲ್ವಿಚಾರಣೆಗಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ “Restructured Advances Monitoring Cell” ಎಂಬ ಕೋಶವನ್ನು ಸಾಲ ಮೇಲ್ವಿಚಾರಣಾ ವಿಭಾಗದ ಒಳಗೆ ರಚಿಸಿದೆ. ಜೊತೆಗೆ, ಒಕ್ಕೂಟ ಮತ್ತು ಬಹು ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆ (Consortium & Multiple Banking Arrangement) ಅಡಿಯಲ್ಲಿ ಸಾಲ ಖಾತೆಗಳ ವಿಶೇಷ ಮೇಲ್ವಿಚಾರಣೆಗಾಗಿ ಕೋಶವೊಂದನ್ನು (Consortium & Multiple Banking Arrangement Cell) ಬ್ಯಾಂಕ್ ರಚಿಸಿದೆ.

**ಕ್ರೆಡಿಟ್ ಮಾನಿಟರಿಂಗ್ ಅಡಿಯಲ್ಲಿ ಬ್ಯಾಂಕ್ ಕೈಗೊಂಡಿರುವ ಡಿಜಿಟಲ್ ಉಪಕ್ರಮಗಳು**

1. ಒಕ್ಕೂಟ ಮತ್ತು ಬಹು ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆ ಅಡಿಯಲ್ಲಿ ಬ್ಯಾಂಕ್‌ಗಳ ನಡುವೆ ಸೀಮಾತೀತವಾಗಿ ಮಾಹಿತಿಯ ವಿನಿಮಯದ ಉದ್ದೇಶದಿಂದ ಬ್ಯಾಂಕ್ ಮಾಹಿತಿಯ ವಿನಿಮಯದ ಸ್ವಯಂ ಚಾಲಿತ ಸಲ್ಲಿಕೆಯ ವ್ಯವಸ್ಥೆಯನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ.
2. ಶಾಖೆಗಳ ಶೈಕ್ಷಣಿಕ ಸಾಲ ಬಡ್ಡಿಯ ಸಹಾಯಧನ ಕ್ಲೈಮ್ ಸಲ್ಲಿಕೆಗಳನ್ನು ಸಲ್ಲಿಸಲು ಬ್ಯಾಂಕು ಶೈಕ್ಷಣಿಕ ಸಾಲ ಬಡ್ಡಿಯ ಸಹಾಯಧನದ ಕ್ಲೈಮ್ ಸಲ್ಲಿಕೆಗಳ ಸ್ವಚಾಲಿತ ಸಲ್ಲಿಕೆಗಾಗಿ ಒಂದು ಮಾಡ್ಯೂಲ್ ಅನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ.
3. API ಸಮಗ್ರೀಕರಣದ ಮೂಲಕ CERSAI ನಲ್ಲಿ ಭದ್ರತಾ ಬಡ್ಡಿಯ ಆನ್‌ಲೈನ್ ನೋಂದಣಿಯನ್ನು (ವೈಯಕ್ತಿಕ ಸ್ಥಿರ ಆಸ್ತಿಯ ನೋಂದಣಿ) ಬ್ಯಾಂಕ್ ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ.
4. ಸ್ಟಾಕ್ ತಃಖ್ತೆಗಳ ಆನ್‌ಲೈನ್ ಸಲ್ಲಿಕೆಗಳಿಗಾಗಿ ಶಾಖಾ ಪೋರ್ಟಲ್‌ಗಳನ್ನು ಬ್ಯಾಂಕ್ ಕಾರ್ಯಯುಕ್ತಗೊಳಿಸಿದೆ.
5. ಆಸ್ತಿಯ ಮೌಲ್ಯಮಾಪನಕ್ಕಾಗಿ ಶಾಖಾ ಬಳಕೆದಾರರು ಮತ್ತು ಮೌಲ್ಯಮಾಪಕರು- ಇಬ್ಬರಿಗೂ, ಜಿಯೋ-ಕೋಆರ್ದಿನೇಟ್‌ಗಳೊಂದಿಗೆ, ಅಂಕೀಕೃತ ಮೌಲ್ಯಮಾಪನ ವೇದಿಕೆಯನ್ನು, ಬ್ಯಾಂಕ್ ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ.

**ಬೆಂಬಲ ಮತ್ತು ನಿಯಂತ್ರಣ ಕಾರ್ಯಗಳು**

**ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ:** ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 2000ರಿಂದ ಮೊದಲೊಂದು ಸದೃಢವಾದ ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯನ್ನು (CBS) ಹೊಂದಿದ್ದು, ಎಲ್ಲ ಶಾಖೆಗಳು ಮತ್ತು ಕಚೇರಿಗಳು ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಗೆ ಒಳಪಟ್ಟಿವೆ. ಪರ್ಯಾಯ ವಿತರಣಾ ಚಾನೆಲ್‌ಗಳಾದ ATM, ಇಂಟರ್ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್, ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್, UPI ಮತ್ತು PoS ಗಳನ್ನೂ ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯೊಂದಿಗೆ ಸಂಯೋಜಿಸಲಾಗಿದೆ.

ಪ್ರಾಥಮಿಕ ಸೌಲಭ್ಯದ ವೈಫಲ್ಯದ ಸಂದರ್ಭದಲ್ಲಿ ವ್ಯಾಪಾರದ ನಿರಂತರತೆಯನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಲು, ಪುನಃಸ್ಥಾಪನೆ ವ್ಯವಸ್ಥೆಯು [DR] ಅಸ್ತಿತ್ವದಲ್ಲಿದೆ. ಮಾಹಿತಿಯ ನಷ್ಟವನ್ನು ಶೂನ್ಯವಾಗಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿರುವ ಮೂರು ಹಂತಗಳ ಡೇಟಾ ಪುನರಾವರ್ತನೆ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಕಾರ್ಯಗತಗೊಳಿಸುವ ಮೂಲಕ ಈ ವ್ಯವಸ್ಥೆಯನ್ನು ಬಲಪಡಿಸಲಾಗಿದೆ. CBS, ATM, ಇಂಟರ್ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್‌ನಂತಹ ಪ್ರಮುಖ ಅಪ್ಲಿಕೇಶನ್‌ಗಳು ಈ ವ್ಯವಸ್ಥೆಯ ಭಾಗವಾಗಿವೆ. ಬ್ಯಾಂಕಿನ ಪ್ರಧಾನ ಡೇಟಾ ಕೇಂದ್ರವು ಟಯರ್ 4 ಡೇಟಾ ಕೇಂದ್ರದಲ್ಲಿದ್ದು, DR ಡೇಟಾ ಕೇಂದ್ರವು ಟಯರ್-3 ಡೇಟಾ ಕೇಂದ್ರದಲ್ಲಿದೆ.

ಬ್ಯಾಂಕಿನ IT ಮೂಲಸೌಕರ್ಯ ವಿಭಾಗವು ಪ್ರಧಾನ ಮಾಹಿತಿ ಅಧಿಕಾರಿಯ (CIO) ನೇತೃತ್ವದಲ್ಲಿರುತ್ತದೆ ಮತ್ತು ಅವರಿಗೆ IT ವಿಭಾಗದ ಇತರ ಅಧಿಕಾರಿಗಳ ಬೆಂಬಲವಿರುತ್ತದೆ. ಅತ್ಯುತ್ತಮವಾದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಒದಗಿಸಲು ಸೂಕ್ತ ಸಮಯದಲ್ಲಿ ಸರಿಯಾದ ನಿರ್ಧಾರವನ್ನು ತೆಗೆದುಕೊಳ್ಳಲು ತಂತ್ರಜ್ಞಾನದ ಆವಿಷ್ಕಾರಗಳನ್ನು ಬಳಸಿಕೊಳ್ಳುವತ್ತ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಗಮನವಿರುತ್ತದೆ ಮತ್ತು ಭವಿಷ್ಯದ ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕ್ ಆಗಿ ರೂಪುಗೊಳ್ಳುವ ಉದ್ದೇಶದಿಂದ ಗಣಕಜ್ಞಾನ ಕೇಂದ್ರಿತ ನೆಲೆಯಲ್ಲಿ ಮುನ್ನಡೆಯುತ್ತದೆ.

ವಿದ್ಯುನ್ಮಾನ ಸಾಧನಗಳ (NG-RTGS, NEFT, IMPS, UPI, ECS, NECS ಮೊದಲಾದವುಗಳ) ಮೂಲಕ ನಿಧಿಗಳ ವರ್ಗಾವಣೆ, ತ್ವರಿತವಾದ ಕ್ಷಿಯರಿಂಗ್, CTS, ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ, IVR ಮೊದಲಾದ ಸೌಲಭ್ಯಗಳನ್ನು ಮತ್ತು ಇತರ ತಂತ್ರಜ್ಞಾನ ಆಧಾರಿತ ಸೇವೆಗಳು ಮತ್ತು ಉತ್ಪನ್ನಗಳನ್ನೂ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಒದಗಿಸುತ್ತಿದೆ.

### ಉತ್ಕೃಷ್ಟತೆಯ ವಿಶ್ಲೇಷಣಾತ್ಮಕ ಕೇಂದ್ರ (ACoE)

ನಮ್ಮ ಪ್ರಸ್ತುತ ಡಿಜಿಟಲ್ ಪರಿವರ್ತನಾ ಉಪಕ್ರಮದ ಪ್ರಮುಖ ಅಂಗವಾಗಿ ಬೆಂಗಳೂರಿನಲ್ಲಿ ಉತ್ಕೃಷ್ಟತೆಯ ವಿಶ್ಲೇಷಣಾತ್ಮಕ ಕೇಂದ್ರವನ್ನು (ACoE) ಸ್ಥಾಪಿಸಲಾಯಿತು. ACoE ಕೇಂದ್ರದ ಗುರಿಯು (i) ದತ್ತಾಂಶದ ವಿಶ್ಲೇಷಣೆಯ ಮೂಲಕ ಆದ್ಯತೆಯನ್ನು ಊಹಿಸುವುದು ಮತ್ತು 43ಕ್ಕೂ ಅಧಿಕ ಸುಸ್ಥಿರ ಪ್ರಕರಣಗಳನ್ನು ಬಳಸುವುದು; ಮತ್ತು (ii) CRM, eCollect, EWS ಗಳನ್ನು ಡಿಜಿಟಲ್ ಸಾಧನಗಳ ಮೂಲಕ ಸ್ವಯಂಚಾಲಿತಗೊಳಿಸುವುದು, ಗ್ರಾಹಕರ ಅಗತ್ಯಕ್ಕೆ ವಿನ್ಯಾಸಗೊಳಿಸಲಾದ ಉತ್ಪನ್ನಗಳಿಗೆ ಮಾರುಕಟ್ಟೆಯ ಸ್ವಯಂಚಾಲನೆ ಮತ್ತು ವ್ಯಾಪಾರಿ ಉಪಕ್ರಮಗಳನ್ನು ಜಾರಿಗೊಳಿಸಲು ತಂಡಗಳನ್ನು ಸಿದ್ಧಪಡಿಸುವುದು.

ತನ್ನ ಪ್ರಯತ್ನದಲ್ಲಿ ACoE ಯು ಅಳೆಯಬಹುದಾದ ಒಂದು ಕ್ಲೌಡ್ ಡೇಟಾ ವೇದಿಕೆಯನ್ನು (IDRBT ಕ್ಲೌಡ್ ಭದ್ರತಾ ಮಾರ್ಗಸೂಚಿಗಳ ಅನುಸಾರ ರೂಪಿಸಲಾಗಿದೆ) ರಚಿಸಿದ್ದು, ಆಧುನಿಕ ಅನಲಿಟಿಕ್ಸ್ ಮತ್ತು AI/ML ಸಾಧನಗಳನ್ನು ಅಭಿವೃದ್ಧಿಪಡಿಸಿದೆ. ಈ ಮೂಲಕ ಇಲಾಖೆಗಳು ಮತ್ತು ಶಾಖೆಗಳಿಗೆ ಬ್ಯಾಂಕಿನ ವ್ಯಾಪಾರ ಪರಿಭಾಷೆಗಳಾದ ಹೊಣೆಗಳು, ಆಸ್ತಿಗಳು, ಸಾಲದ ಅಪಾಯಗಳು ಮತ್ತು ಸಂಗ್ರಹಗಳು ಮತ್ತು ಡಿಜಿಟಲ್ ಚಾನೆಲ್‌ಗಳ ನೆಲೆಗಳಲ್ಲಿ ಸಕಾಲಿಕವಾದ ಮತ್ತು ಕಾರ್ಯ ನಡೆಸಲು ಅನುಕೂಲಕರವಾದ ಮಾಹಿತಿಯನ್ನು ತಲುಪಿಸಿ, ತಾವೇ ನಡೆಸಬಹುದಾದ ವ್ಯಾಪಾರೀ ಬುದ್ಧಿಮತ್ತೆಯ ಸಾಧನಗಳೊಂದಿಗೆ ವ್ಯಾಪಾರದಲ್ಲಿ ಬೆಳವಣಿಗೆಯನ್ನು ಸಾಧಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿದೆ.

### ACoE ಪ್ರಧಾನ ಸಂಭವಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

**ವ್ಯಾಪಾರಿ ಅವಕಾಶಗಳನ್ನು ಗುರುತಿಸಿ ಬಳಸಿಕೊಳ್ಳಲು, ಪ್ರಕ್ರಿಯೆಗಳನ್ನು ಸುಧಾರಿಸಲು ಮತ್ತು ಬೆಳವಣಿಗೆಗೆ ಚಾಲನೆ ನೀಡಲು ಆಧುನಿಕ ಅನಲಿಟಿಕ್ಸ್ ಮತ್ತು AI/ML ಬಳಕೆ:** ವ್ಯಾಪಾರದ ಪರಿಧಿಯಲ್ಲಿ ACoE ಅನಲಿಟಿಕ್ಸ್ ಆಧಾರಿತ ಸಾಧನಗಳನ್ನು ಪರಿಚಯಿಸಿ ಉಪ-ಮಾರಾಟ (ಅವಧಿ ಠೇವಣಿಗಳು, ಸಾಲಗಳು, ತೃತೀಯ ಪಕ್ಷದ ಉತ್ಪನ್ನಗಳು) ವೃದ್ಧಿ, ಪ್ರಮುಖ ಗ್ರಾಹಕರ ನಿರ್ವಹಣೆ, ಸಂಗ್ರಹಗಳ ಸುಧಾರಣೆ, ಗ್ರಾಹಕರನ್ನು ಡಿಜಿಟಲ್ ಚಾನೆಲ್‌ಗಳಿಗೆ ವರ್ಗಾಯಿಸುವುದು, ಮತ್ತು ಬ್ಯಾಂಕ್‌ಗಳನ್ನು ಕಾರ್ಯವಾಗಿ ಪರಿವರ್ತಿಸಬಲ್ಲ ಮಾಹಿತಿಯಿಂದ ಸಶಕ್ತಗೊಳಿಸುವುದು - ಇವುಗಳ ಮೂಲಕ ಬ್ಯಾಂಕಿನ ಮೌಲ್ಯವನ್ನು ವೃದ್ಧಿಸುವುದು. ಅನಲಿಟಿಕ್ಸ್‌ಗಳ ಬಳಕೆಯ ಪ್ರಕರಣಗಳ ಯಶಸ್ಸನ್ನು ಅಳೆಯಲು ಸಮಗ್ರವಾದ ಸಂಖ್ಯಾತ್ಮಕ ಮಾಪನಗಳನ್ನೂ ಅನುಷ್ಠಾನಗೊಳಿಸಲಾಗಿದೆ.

**ಏಕೀಕೃತ, ಅಳೆಯಬಹುದಾದ, ಕೇಂದ್ರೀಯ ದತ್ತಾಂಶ ಭಂಡಾರ ಪರಿಹಾರ ಮತ್ತು ಸಂಸ್ಕರಣ ಮೂಲಸೌಕರ್ಯ:** ತನ್ನ ಡಿಜಿಟಲ್ ಆಕಾಂಕ್ಷೆಗಳ ವ್ಯಾಪ್ತಿಯನ್ನು ಬೆಂಬಲಿಸಲು ACoE ಏಕೀಕೃತ, ಅಳೆಯಬಹುದಾದ, ಕೇಂದ್ರೀಯ ದತ್ತಾಂಶ ಭಂಡಾರ ಪರಿಹಾರವನ್ನು ನಿರ್ಮಿಸಿದೆ. ಈ ಕೇಂದ್ರೀಕೃತ ವ್ಯವಸ್ಥೆಯು ದತ್ತಾಂಶ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಸಂಸ್ಕರಣೆಯನ್ನು ಯುಕ್ತಗೊಳಿಸಿದ್ದು ಹೆಚ್ಚು ಪರಿಣಾಮಕಾರಿಯಾದ ಅನಲಿಟಿಕ್ಸ್ ಮೂಲಕ ದತ್ತಾಂಶದ ಸಮಗ್ರವಾದ ಚಿತ್ರವನ್ನು ಒದಗಿಸುತ್ತದೆ.

**ದತ್ತಾಂಶ ಆಧಾರಿತ ನಿರ್ಧಾರ ಪ್ರಕ್ರಿಯೆಗಾಗಿ ವ್ಯಾಪಾರ ಪ್ರಕ್ರಿಯೆಗಳಿಂದ ಸಮಗ್ರವಾದ ಅನಲಿಟಿಕ್ಸ್:** ಅನಲಿಟಿಕ್ಸ್ ಅನ್ನು ಎಲ್ಲ ವ್ಯಾಪಾರಿ ಪ್ರಕ್ರಿಯೆಗಳಲ್ಲಿ ಅಂತರ್ಗತಗೊಳಿಸಲು ACoE ಬಹುಮುಖೀಯ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಸ್ಥಾಪಿಸಿ, ಬೆಳೆಸಿದೆ. ಪೂರ್ಣವಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುವ CRM, ಅತ್ಯಾಧುನಿಕವಾದ ಎಚ್ಚರಿಕೆ ವ್ಯವಸ್ಥೆಯ ಸ್ಥಾಪನೆ ಮತ್ತು ಸಂಗ್ರಹಣಾ ಸಾಧನಗಳ ವೃದ್ಧಿ - ಇವು ಕೆಲವು ಪ್ರಮುಖವಾದ ಸಾಧನೆಗಳಾಗಿವೆ.

**ಸೀಮಾತೀತ ವ್ಯಾಪಾರ ಮುಂದುವರಿಕೆಗಾಗಿ ಕೌಶಲ್ಯಪೂರ್ಣವಾದ ಮತ್ತು ಸಂಸ್ಥೆಯೊಳಗಿನ ಅನಲಿಟಿಕ್ಸ್ ಸಂಪನ್ಮೂಲಗಳು:** ಡಿಜಿಟಲ್ ಪರಿವರ್ತನೆಯ ಪಯಣದಲ್ಲಿ ಮಾನವ ಸಂಪನ್ಮೂಲದ ಮಹತ್ವವನ್ನು ಗುರುತಿಸಿ ACoE ಸಂಸ್ಥೆಯೊಳಗಿನ ಅನಲಿಟಿಕ್ಸ್ ಸಂಪನ್ಮೂಲಗಳ ಕೌಶಲ್ಯಗಳನ್ನು ವೃದ್ಧಿಸುವತ್ತ ಗಮನಹರಿಸಿದೆ. ಕಾರ್ಯಪಡೆಗೆ ಡೇಟಾ ಸೈನ್ಸ್, ಮಷಿನ್ ಲರ್ನಿಂಗ್, ದೃಶ್ಯೀಕರಣ, ಕ್ಲೌಡ್ ಮತ್ತು ಸೆಕ್ಯೂರಿಟಿ, DevOps ಮತ್ತು MLOps ಗಳಲ್ಲಿ ಪಾತ್ರ-ನಿರ್ದಿಷ್ಟ ತರಬೇತಿ ಮತ್ತು ಪ್ರಮಾಣಪತ್ರಗಳನ್ನು ಪಡೆದುಕೊಳ್ಳುವತ್ತ ತರಬೇತಿಯನ್ನು ನೀಡಲಾಗುತ್ತಿದೆ. ಇದರಿಂದ ನಮ್ಮ ಕಾರ್ಯಪಡೆಯು ವ್ಯಾಪಾರದ ನಿರಂತರತೆಯನ್ನು ಸೀಮಾತೀತವಾಗಿ ಕಾಯ್ದುಕೊಳ್ಳಲು ಪೂರ್ಣವಾಗಿ ಸನ್ನದ್ಧರಾಗುತ್ತಾರೆ.

### ಮಾನವ ಸಂಪನ್ಮೂಲ (ISO-9001:2015 ಪ್ರಮಾಣಿತ)

ಮಾರ್ಚ್ 31, 2024 ರಂತೆ, ಬ್ಯಾಂಕ್ 8907 ಉದ್ಯೋಗಿಗಳನ್ನು ಹೊಂದಿದ್ದು, ಇದರಲ್ಲಿ 2799 ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳಿದ್ದಾರೆ. ಒಟ್ಟು ಸಾಮರ್ಥ್ಯದ ಸುಮಾರು 31.42% ರಷ್ಟು ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳು ಎನ್ನುವುದು ವಿಶೇಷ. ಕಚೇರಿಸ್ಥಳದಲ್ಲಿ ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳಿಗೆ ಉಂಟಾಗಬಹುದಾದ ಲೈಂಗಿಕ ಕಿರುಕುಳವನ್ನು ತಡೆಯುವ ನಿಟ್ಟಿನಲ್ಲಿ ಕೆಲಸದ ಸ್ಥಳದಲ್ಲಿ ಮಹಿಳೆಯರಿಗೆ ಲೈಂಗಿಕ ಕಿರುಕುಳ (ತಡೆ, ನಿಷೇಧ ಮತ್ತು ದೂರುಗಳ ಪರಿಹಾರ) ಕಾಯ್ದೆ 2013ರ ಸೆಕ್ಷನ್ 22ರ ಅನ್ವಯ ಒಂದು ನೀತಿಯನ್ನು ಅಂಗೀಕರಿಸಿ, ಪರಿಹಾರ ವ್ಯವಸ್ಥೆಯನ್ನು ರೂಪಿಸಲಾಗಿದೆ. ವರದಿ ವರ್ಷದ ಆರಂಭದಲ್ಲಿ ಈ ಸಂಬಂಧ ಯಾವುದೇ ದೂರು ಪರಿಹರಿಸಲು ಬಾಕಿ ಉಳಿದಿಲ್ಲ ಮತ್ತು ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ಯಾವುದೇ ದೂರು ದಾಖಲಾಗಿಲ್ಲ. ಜೊತೆಗೆ, ಬ್ಯಾಂಕ್ ನೌಕರರಿಗೆ



ತರಬೇತಿ ಮತ್ತು ಅಭಿವೃದ್ಧಿ ಅವಕಾಶಗಳನ್ನು ಒದಗಿಸುತ್ತಿದ್ದು, ಇದನ್ನು ಆಡಳಿತ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆಯಲ್ಲಿ ಚರ್ಚಿಸಲಾಗಿದೆ.

### ಆಪತ್ತು-ಆಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆ (RBS)

ಭಾರತೀಯ ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರದಲ್ಲಿನ ಪ್ರಕ್ರಿಯೆಗಳು, ಸೇವಾವ್ಯಾಪ್ತಿ ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳಲ್ಲಿನ ಸಂಕೀರ್ಣತೆಗಳು ಹೆಚ್ಚುತ್ತಿರುವ ಹಿನ್ನೆಲೆಯಲ್ಲಿ, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ಉನ್ನತ ಮಟ್ಟದ ನಿರ್ವಹಣಾ ಸಮಿತಿಯ ಶಿಫಾರಸುಗಳ ಅನುಸಾರವಾಗಿ, ತನ್ನ ಮೇಲ್ವಿಚಾರಣಾ ನಿಲುವನ್ನು 'ಆಪತ್ತು ಮತ್ತು ಬಂಡವಾಳದ ಮೌಲ್ಯಮಾಪನಕ್ಕಾಗಿ ಮೇಲ್ವಿಚಾರಣಾ ಕಾರ್ಯಕ್ರಮ'ದ (Supervisory Program for Assessment of Risk and Capital - SPARC) ವ್ಯಾಪ್ತಿಗೆ ಒಳಪಡಿಸಿದೆ. ಪ್ರಸ್ತುತ ಹಾಗೂ ಭವಿಷ್ಯದ ಆಪತ್ತುಗಳೆರಡನ್ನೂ ಮೌಲ್ಯಮಾಪನಗೊಳಿಸಲು ಈ ಕಾರ್ಯಕ್ರಮವು ಉದ್ದೇಶಿಸಿದ್ದು, ಸಮಸ್ಯೆಗಳನ್ನು ಪ್ರಾರಂಭದ ಹಂತದಲ್ಲೇ ಗುರುತಿಸುವುದು ಮತ್ತು ಕ್ಲಷ್ಟ ಸಮಯದಲ್ಲಿ ಸರಿಪಡಿಸುವ ಕ್ರಮ ಕೈಗೊಳ್ಳುವುದು ಇದರ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ ಸೇರಿವೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್, 31 ಮಾರ್ಚ್, 2015ರಿಂದ ಆಪತ್ತು ಆಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆಯ ವ್ಯಾಪ್ತಿಗೆ ಒಳಪಟ್ಟಿದೆ. ಆಪತ್ತು ಮೌಲ್ಯಮಾಪನ ವರದಿಯ (RAR) ಮೂಲಕ ಬ್ಯಾಂಕಿನ ಗಮನಕ್ಕೆ ತರಲಾಗುವ ನ್ಯೂನತೆಗಳನ್ನು ಸರಿಪಡಿಸುವ ಕ್ರಿಯಾ ಯೋಜನೆಯನ್ನೂ ಬ್ಯಾಂಕ್ ರೂಪಿಸಿದೆ.

### ಅನುಸರಣಾ ಕಾರ್ಯ

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಅನುಸರಣಾ ಅಪಾಯವನ್ನು ಬ್ಯಾಂಕಿನಲ್ಲಿ ಸ್ಥಾಪಿತವಾಗಿರುವ ಅನುಸರಣಾ ಕಾರ್ಯವಿಧಾನದ ಮೂಲಕ ನಿಭಾಯಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕಿನಲ್ಲಿನ ಅನುಸರಣಾ ಕಾರ್ಯವು ಬ್ಯಾಂಕಿನ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ವ್ಯವಸ್ಥೆಯ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಮತ್ತು ಆಪತ್ತು ನಿರ್ವಹಣಾ ಪ್ರಕ್ರಿಯೆಯ ಜತೆಯಲ್ಲಿನ ಪ್ರಮುಖ ಅಂಶಗಳಲ್ಲಿ ಒಂದಾಗಿದೆ. ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ವ್ಯವಸ್ಥೆಯ ಪ್ರಮುಖ ಅಂಶವಾಗಿ, ಆರೋಗ್ಯಕರ ಅನುಸರಣಾ ಸಂಸ್ಕೃತಿಯನ್ನು ಬ್ಯಾಂಕಿನೊಳಗೆ ಉತ್ತೇಜಿಸಲು ಸ್ವತಂತ್ರ ಅನುಸರಣಾ ವಿಭಾಗವನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ. ಎಲ್ಲ ಶಾಸನಬದ್ಧ ನಿಬಂಧನೆಗಳು, RBI ಮತ್ತು ಇತರೆ ನಿಯಂತ್ರಕಗಳ ಮಾರ್ಗಸೂಚಿಗಳು, ಪ್ರಮಾಣಗಳು ಮತ್ತು ಸಂಹಿತೆಗಳು, ಬ್ಯಾಂಕಿನ ನ್ಯಾಯಯುತ ಆಚರಣೆಗಳ ಸಂಹಿತೆಯ ಕಟ್ಟುನಿಟ್ಟಿನ ಪಾಲನೆಯನ್ನು ಬ್ಯಾಂಕ್ ಖಾತ್ರಿಗೊಳಿಸುತ್ತದೆ. ಅನುಸರಣಾ ಕಾರ್ಯವು ನಿಯಂತ್ರಕ ಮತ್ತು ಶಾಸನಬದ್ಧ ಮಾರ್ಗಸೂಚಿಗಳ ವ್ಯಾಖ್ಯಾನ/ಪ್ರಸಾರವನ್ನು ಒಳಗೊಂಡಿದೆ ಮತ್ತು ಆಂತರಿಕ ನಿಯಂತ್ರಣಗಳು ಹಾಗೂ ಕಾರ್ಯವಿಧಾನಗಳು ಆಪತ್ತು ನಿರ್ವಹಣೆ ಕಾರ್ಯದಲ್ಲಿ ಹಿರಿಯ ಆಡಳಿತ ಮಂಡಳಿಗೆ ಸೂಕ್ತವಾದ ಮಾಹಿತಿಯನ್ನು ನೀಡುತ್ತವೆ. ಮುಖ್ಯ ಅನುಸರಣಾ ಅಧಿಕಾರಿಯ (CCO) ಮೇಲ್ವಿಚಾರಣೆಯಲ್ಲಿ, ಶಾಖೆಗಳು/ಉದ್ಯಮ ಘಟಕಗಳಾದ್ಯಂತ 'ಅನುಸರಣಾ ಪರಿಷ್ಕೆ' ನಡೆಸುವ ಮೂಲಕ ಅನುಸರಣಾ ಗುಣಮಟ್ಟವನ್ನು ಪರಿಶೀಲಿಸಲಾಗುತ್ತದೆ. ಬ್ಯಾಂಕ್ ಎದುರಿಸಬಹುದಾದ ಪ್ರಮುಖ ಅನುಸರಣಾ ಆಪತ್ತನ್ನು ಗುರುತಿಸಲು, ವಿಶ್ಲೇಷಿಸಲು ಮತ್ತು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿರ್ವಹಿಸಲು ಬ್ಯಾಂಕ್ ವಾರ್ಷಿಕ ಮೌಲ್ಯಮಾಪನವನ್ನು ನಡೆಸುತ್ತದೆ. ಇದಲ್ಲದೆ, ಬ್ಯಾಂಕಿನಲ್ಲಿನ ಒಟ್ಟಾರೆ ಅನುಸರಣಾ ಸಂಸ್ಕೃತಿಯಲ್ಲಿ ಮತ್ತಷ್ಟು ಸುಧಾರಣೆಗಳನ್ನು ತರಲು ಬ್ಯಾಂಕಿನ ಉನ್ನತ ಅಧಿಕಾರಿ ವರ್ಗವು ನಿರಂತರವಾಗಿ ಶ್ರಮಿಸುತ್ತಿದೆ.

### ಜಾಗರೂಕ ಕಾರ್ಯವಿಧಾನ

2007ರಿಂದ ಸಂರಕ್ಷಿತ ಜಾಗರೂಕ ನೀತಿಯನ್ನು (ಎಶಲ್ ಬ್ಲೋವರ್ ಪಾಲಿಸಿ) ಬ್ಯಾಂಕ್ ಜಾರಿಗೆ ತಂದಿದೆ. ಇದು ಭ್ರಷ್ಟಾಚಾರ, ಕಚೇರಿಯ ದುರುಪಯೋಗ, ಕ್ರಿಮಿನಲ್ ಅಪರಾಧಗಳು, ಶಂಕಿತ/ಘಟಿಸಿದ ವಂಚನೆ, ನಿಯಮಗಳ ಅನುಸರಣೆಯಲ್ಲಿ ವೈಫಲ್ಯ, ಬ್ಯಾಂಕ್ ಸೂಚಿಸಿದ ನಿಬಂಧನೆಗಳು ಮತ್ತು ಬ್ಯಾಂಕ್, ಠೇವಣಿದಾರರು ಮತ್ತು ಸಾರ್ವಜನಿಕರ ಹಿತಾಸಕ್ತಿಗೆ ಹಾನಿಕಾರಕವಾದ ಯಾವುದೇ ಘಟನೆಗಳು/ಕಾರ್ಯಗಳು, ಹಣಕಾಸಿನ ನಷ್ಟ/ನಿರ್ವಹಣಾ ಆಪತ್ತು, ಖ್ಯಾತಿಗೆ ಕುಂದು ತರುವ ಆಪತ್ತು, ಬ್ಯಾಂಕ್ ಅಳವಡಿಸಿಕೊಂಡ ಕಾರ್ಯವಿಧಾನದಲ್ಲಿನ ಕಾಳಜಿ ಅಥವಾ ಕುಂದುಕೊರತೆಗಳನ್ನು ವರದಿ ಮಾಡಲು ಎಲ್ಲ ಹಂತದ ಉದ್ಯೋಗಿಗಳನ್ನು ಪ್ರೋತ್ಸಾಹಿಸುತ್ತದೆ. ಅಂತಹ ಉದ್ಯೋಗಿಗಳಿಗೆ (ಎಶಲ್ ಬ್ಲೋವರ್) ಆಂತರಿಕ ಜಾಗೃತಿ ಮುಖ್ಯಸ್ಥರಿಗೆ (CIV) ನೇರ ಸಂಪರ್ಕವನ್ನು ನೀಡುವುದಲ್ಲದೆ ಪ್ರಾಮಾಣಿಕವಾದ ಕಾಳಜಿಗಳು ಅಥವಾ ದೂರುಗಳನ್ನು ವರದಿ ಮಾಡುವಂತೆ ಅವರನ್ನು ಪ್ರೋತ್ಸಾಹಿಸುತ್ತದೆ ಮತ್ತು ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಈ ನೀತಿಯು ಅಂತಹ ಉದ್ಯೋಗಿಗಳಿಗೆ ಸಾಕಷ್ಟು ಸುರಕ್ಷತೆಗಳನ್ನು ಒದಗಿಸುತ್ತದೆ. ಜಾಗರೂಕ ನೀತಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ವರದಿಯ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಮಿತಿಗೆ ಸಂಪರ್ಕವನ್ನು ನಿರಾಕರಿಸಬೇಕಾಗಿ ಬಂದ ಯಾವುದೇ ಸಂದರ್ಭ ಕಂಡುಬಂದಿರುವುದಿಲ್ಲ. ಸಂರಕ್ಷಿತ ಜಾಗರೂಕ ನೀತಿಯನ್ನು (ಎಶಲ್ ಬ್ಲೋವರ್ ಪಾಲಿಸಿ) ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದ ಈ ಕೆಳಗಿನ ಕೊಂಡಿಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ:

<https://karnatakabank.com/investors/policies-codes>

### ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ (CSR)

ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆಯ (CSR) ಉಪಕ್ರಮಗಳ ಮೂಲಕ ಆರೋಗ್ಯ, ಶಿಕ್ಷಣ, ಜೀವನೋಪಾಯದ ವರ್ಧನೆ, ಮಹಿಳೆಯರು/ಸಾಮಾಜಿಕವಾಗಿ ಮತ್ತು ಆರ್ಥಿಕವಾಗಿ ಹಿಂದುಳಿದವರ ಸಬಲೀಕರಣ, ಪರಿಸರ ಸುಸ್ಥಿರತೆ, ಪರಂಪರೆಯ ರಕ್ಷಣೆ, ಸಂಸ್ಕೃತಿ, ಕ್ರೀಡೆಗಳ ಉತ್ತೇಜನ, ಗ್ರಾಮೀಣಾಭಿವೃದ್ಧಿ, ಸ್ವಚ್ಛ ಭಾರತ್ ಮುಂತಾದ ವ್ಯಾಪಕ ಕ್ಷೇತ್ರಗಳ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಯನ್ನು ಉತ್ತೇಜಿಸುವ ಗುರಿಯನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ. ಇದಲ್ಲದೆ, ನಗರ-ಗ್ರಾಮೀಣ ಅಸಮತೋಲನವನ್ನು ಸರಿದೂಗಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳ ಕಡೆಗೆ ಹೆಚ್ಚಿನ ಆದ್ಯತೆ ನೀಡುತ್ತಿದೆ. ಹಣಕಾಸು ಸಾಕ್ಷರತೆಯನ್ನು ಗ್ರಾಮೀಣ ಜನತೆಗೆ ಒದಗಿಸುತ್ತ, ಬ್ಯಾಂಕ್‌ಗಳೇ

ಇಲ್ಲದ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲೂ ಕೈಗೆಟುಕುವ ದರದಲ್ಲಿ, ನ್ಯಾಯಸಮ್ಮತ ಮತ್ತು ಪಾರದರ್ಶಕ ರೀತಿಯಲ್ಲಿ, ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಒದಗಿಸಿ, ವಿಸ್ತರಿಸುತ್ತ ಸಾಗಿದೆ.

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಪರಿಚ್ಛೇದ 135ರ ಅನುಸಾರ, ಕಂಪನಿಗಳ (ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿ ನೀತಿ) ನಿಯಮಗಳು, 2014ಕ್ಕೆ ಸಂಗತವಾಗಿ, ಬ್ಯಾಂಕ್ 'ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿ ಸಮಿತಿ' ಎಂಬ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಯನ್ನು ರಚಿಸಿದೆ ಹಾಗೂ ಸದರಿ ನೀತಿಯ ಅನುಸರಣೆಯಲ್ಲಿ ಯೋಜನೆಗಳು/ಕಾರ್ಯಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳಲು ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿ (CSR) ನೀತಿಯನ್ನೂ ರೂಪಿಸಿದೆ. CSR ಚಟುವಟಿಕೆಗಳ ಅಡಿಯಲ್ಲಿ ಬ್ಯಾಂಕ್ ಈವರೆಗೆ 1997 ಯೋಜನೆಗಳಿಗೆ ಒಟ್ಟು ₹92.61 ಕೋಟಿ ವೆಚ್ಚದಲ್ಲಿ ನಿಧಿಗಳನ್ನು ಒದಗಿಸಿದ್ದು ಈ ಯೋಜನೆಗಳು ಸಮಾಜದ ಮೇಲೆ ಸ್ವಾಗತಾರ್ಹವಾದ ಮತ್ತು ಸಕಾರಾತ್ಮಕವಾದ ಪರಿಣಾಮವನ್ನು ಮೂಡಿಸಿದೆ.

ಕಂಪನಿಗಳ (ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿ ನೀತಿ) ನಿಯಮಗಳು, 2014ರ ನಿಯಮ 8ರ ಅನುಸಾರ, CSR ನೀತಿಯ ಪರಿವಿಡಿಯೂ ಸೇರಿದಂತೆ ಹಣಕಾಸು ವರ್ಷ 2023-24ನೇ ಸಾಲಿನಲ್ಲಿ ಕೈಗೆತ್ತಿಕೊಂಡ ವಿವಿಧ ಯೋಜನೆಗಳು/ಕಾರ್ಯಕ್ರಮಗಳ ಮೇಲೆ ವ್ಯಯಿಸಲಾದ ಮೊತ್ತಗಳ ವಿಸ್ತೃತ ವಿವರಗಳನ್ನು ವರದಿಯ ಅನುಬಂಧ-2ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ಜೊತೆಗೆ, CSR ನಿಯಮಗಳ ನಿಯಮ 4(5)ರ ಅನುಸಾರ ಹಣಕಾಸು ವರ್ಷ 2023-24ರಲ್ಲಿನ CSR ಖರ್ಚುಗಳ ಮೇಲಿನ ಮುಖ್ಯ ಹಣಕಾಸು ಅಧಿಕಾರಿಗಳ ಪ್ರಮಾಣೀಕರಣವನ್ನೂ ಪಡೆಯಲಾಗಿದೆ.

### ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ

ಬ್ಯಾಂಕ್ ಕೇವಲ ಖಾತೆಗಳನ್ನು ತೆರೆಯುವುದಷ್ಟಕ್ಕೇ ಸೀಮಿತಗೊಳ್ಳದೆ, ಈ ಯೋಜನೆಯ ಮೂಲಕ 'ಜನರ ಜತೆ ಸಂಪರ್ಕ ಸಾಧಿಸುವ' ಗುರಿಯನ್ನೂ ಹೊಂದಿದೆ. ಗ್ರಾಮೀಣ ಜನರ ಕಿರು ಸಾಲದ ಅವಶ್ಯಕತೆಗಳನ್ನು ಪೂರೈಸುವುದು, ಅವರಿಗೆ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯ ಎಲ್ಲ ಸೌಲಭ್ಯಗಳನ್ನು ಒದಗಿಸುವುದು ಮತ್ತು ಜೀವ ವಿಮೆ ಹಾಗೂ ಆರೋಗ್ಯ ವಿಮೆ ಒದಗಿಸುವುದೂ ಇದರಲ್ಲಿ ಸೇರಿವೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 430 ಶಾಖೆಗಳನ್ನು ಗ್ರಾಮೀಣ ಮತ್ತು ಅರೆ-ಪಟ್ಟಣ ಪ್ರದೇಶಗಳಲ್ಲಿ ಹೊಂದಿದ್ದು (35 ಅತಿ ಸಣ್ಣ ಶಾಖೆಗಳೂ ಸೇರಿ) ಗ್ರಾಮೀಣ ಗ್ರಾಹಕರಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೌಲಭ್ಯಗಳನ್ನು ಒದಗಿಸುತ್ತಿದೆ. ಈ ಶಾಖೆಗಳು ಹಣಕಾಸಿನ ಸಾಕ್ಷರತಾ ಕೇಂದ್ರಗಳಾಗಿಯೂ (FLC ಗಳು) ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದು, ಗ್ರಾಮೀಣ ಜನತೆಗೆ ಹಣಕಾಸಿನ ನಿರ್ವಹಣೆಯ ಕುರಿತಾಗಿ ಅರಿವು ಮೂಡಿಸುತ್ತಿದೆ. ಪ್ರಧಾನ ಮಂತ್ರಿ ಜನ್‌ಧನ್ ಯೋಜನೆ (PMJDY) ಅನುಸಾರ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಚಟುವಟಿಕೆಗಳಿಗೆ ಬ್ಯಾಂಕ್ ಪರಿಷ್ಕೃತ ಕಾರ್ಯತಂತ್ರ ಹಾಗೂ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಜಾರಿಗೊಳಿಸಿದೆ. ಭಾರತ ಸರ್ಕಾರದ ನೇರ ನಗದು ವರ್ಗಾವಣೆ (DBT) ಯೋಜನೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸಕ್ರಿಯವಾಗಿ ಭಾಗಿಯಾಗಿದೆ. ಇದರಡಿಯಲ್ಲಿ LPG ಸಬ್ಸಿಡಿ/ಹಲವು ಸೌಲಭ್ಯಗಳನ್ನು ಗ್ರಾಹಕರ ಬ್ಯಾಂಕ್ ಖಾತೆಗಳಿಗೆ ನೇರವಾಗಿ ವರ್ಗಾಯಿಸಲಾಗುತ್ತಿದೆ.

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯ ಭಾಗವಾಗಿ, ಬ್ಯಾಂಕ್ ಈ ಕೆಳಗಿನ ಸೇವೆಗಳನ್ನು ನೀಡುತ್ತಿದೆ:

#### 1. ಬಿಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆಂಟ್ ಸೇವೆಗಳು (BC):

**ಸಬ್-ಕೆ ಇಂಪ್ಯಾಕ್ಟ್ ಸೊಲ್ಯೂಶನ್ಸ್ ಲಿಮಿಟೆಡ್:** ಈ ಸೇವೆಗಳನ್ನು ಒದಗಿಸುವುದಕ್ಕಾಗಿ ಬ್ಯಾಂಕ್ 'ಸಬ್-ಕೆ ಇಂಪ್ಯಾಕ್ಟ್ ಸೊಲ್ಯೂಷನ್ಸ್ ಲಿಮಿಟೆಡ್' ಜತೆಗೆ ಒಪ್ಪಂದ ಮಾಡಿಕೊಂಡಿದೆ. 2024ರ ಮಾರ್ಚ್ 31ರಂತೆ ಕರ್ನಾಟಕ, ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ಭತ್ತೀಸ್‌ಗಢ ರಾಜ್ಯಗಳ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ 130 ವ್ಯಾಪಾರೀ ಪ್ರತಿನಿಧಿಗಳನ್ನು (BC Agents) ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ.

**ಮೆ|| ದಿಜಿವೃದ್ಧಿ (DGV):** ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಜನವರಿ 2024ರಿಂದ ಕರ್ನಾಟಕ ರಾಜ್ಯದಲ್ಲೆಡೆ ಹಾಲು ಉತ್ಪಾದಕ ರೈತರನ್ನು ತನ್ನ ಸೇವೆಯ ವ್ಯಾಪ್ತಿಗೆ ತರುವ ಉದ್ದೇಶದಿಂದ M/s DGV ಯನ್ನು ಕಾರ್ಪೊರೇಟ್ ಬಿಸಿ (BC Agent) ಆಗಿ ಇರಿಸಿ ಸಹಯೋಗವನ್ನು ಸಾಧಿಸಿದೆ. ಮಾರ್ಚ್ 2024ರಂತೆ, ಆರು ಡೈರಿ ಸಹಕಾರ ಸಂಘಗಳು (VDCS) ಈ ಸಂಸ್ಥೆಯನ್ನು ಉಪ BC ಏಜೆಂಟ್‌ಗಳಾಗಿ ಹೊಂದಿದೆ. ಬ್ಯಾಂಕ್ ಭವಿಷ್ಯದಲ್ಲಿ ಉತ್ತಮವಾದ ಸಂಚಯನ ವ್ಯಾಪಾರದ ನಿರೀಕ್ಷೆಯಲ್ಲಿದೆ.

**ಆಧಾರ್-ಸಕ್ರಿಯಗೊಳಿಸಿದ ಪಾವತಿ ವ್ಯವಸ್ಥೆ (AEPS):** ಭಾರತದ ರಾಷ್ಟ್ರೀಯ ಪಾವತಿಗಳ ನಿಗಮ (NPCI) ಪರಿಚಯಿಸಿದ AEPS ಸೇವೆಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಎಲ್ಲ ಬಿಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆಂಟ್ ನೆಲೆಗಳಲ್ಲಿ ಜಾರಿಗೊಳಿಸಿದೆ. ಆಧಾರ್ ಜೋಡಿಸಿದ ಉಳಿತಾಯ ಖಾತೆ ಹೊಂದಿದ ಗ್ರಾಹಕರು BC ಪಾಯಿಂಟ್‌ಗಳ ಮೂಲಕ ಪಾವತಿ ಸೌಲಭ್ಯವನ್ನು ಪಡೆದುಕೊಳ್ಳಬಹುದು.

- ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆ ಮತ್ತು ಕ್ರೆಡಿಟ್ ಕೌನ್ಸಿಲಿಂಗ್ ಕೇಂದ್ರ (FLC) ಗಳು:** ಬ್ಯಾಂಕ್ B.C. ರೋಡ್ - ಬಂಟ್ವಾಳ, ಹಾನಗಲ್, ಕುಂದಗೋಳ, ತಿಪಟೂರು ಮತ್ತು ಆಲೂರು (ಕರ್ನಾಟಕ) ಗಳಲ್ಲಿ ಐದು FLC ಕೌನ್ಸಿಲಿಂಗ್ ಕೇಂದ್ರಗಳನ್ನು ನಡೆಸುತ್ತಿದೆ. 2023-24ರ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ, ಈ ಐದು FLCC ಗಳು 1,031 ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಅಭಿಯಾನಗಳನ್ನು ನಡೆಸಿದ್ದು, ಇವುಗಳ ಪ್ರಯೋಜನವನ್ನು 77,575 ಶಿಬಿರಾರ್ಥಿಗಳು ಪಡೆದುಕೊಂಡಿದ್ದಾರೆ. RBI ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್‌ನ ಎಲ್ಲ ಗ್ರಾಮೀಣ ಶಾಖೆಗಳು ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಶಿಬಿರಗಳನ್ನು ನಡೆಸುತ್ತಿವೆ.





3. **ಸಾಮಾಜಿಕ ಭದ್ರತಾ ಯೋಜನೆಗಳು:** ಮೂರು ಸಾಮಾಜಿಕ ಭದ್ರತಾ ಯೋಜನೆಗಳಾದ -ಪ್ರಧಾನ ಮಂತ್ರಿ ಜೀವನ್ ಜ್ಯೋತಿ ಬಿಮಾ ಯೋಜನೆ (PMJJBY), ಪ್ರಧಾನ ಮಂತ್ರಿ ಸುರಕ್ಷಾ ಬಿಮಾ ಯೋಜನೆ (PMSBY) ಮತ್ತು ಅಟಲ್ ಪಿಂಚಣಿ ಯೋಜನೆ (APY) ಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲ ಶಾಖೆಗಳು ದೇಶಾದ್ಯಂತ ಗ್ರಾಹಕರಿಗೆ ಒದಗಿಸಲು ಶ್ರಮಿಸುತ್ತಿದೆ.
4. **ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್ಮದಿವಸ್ ಯೋಜನೆ (PMJDY):** ದೇಶಾದ್ಯಂತ ಎಲ್ಲ ಶಾಖೆಗಳು PMJDY ಅಡಿಯಲ್ಲಿ ಖಾತೆಗಳನ್ನು ತೆರೆದು ರುಪೇ ಡೆಬಿಟ್ ಕಾರ್ಡ್‌ಗಳನ್ನು ನೀಡುತ್ತಿವೆ.
5. ರೈತರಿಗೆ ತರಬೇತಿ ನೀಡಲು ಮತ್ತು ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರವಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸಲು SLBC ಕರ್ನಾಟಕದ ಅಡಿಯಲ್ಲಿ ಚಾಲನೆಗೊಂಡಿರುವ ಕರ್ನಾಟಕ ರೈತರ ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರ ಬಾಗಲಕೋಟೆ (KFRC) ಇದರ ಟ್ರಸ್ಟಿ ಯಾಗಿ ಬ್ಯಾಂಕ್ ನಿಯುಕ್ತಿಗೊಂಡಿದ್ದು, KFRC ಯ ಬಂಡವಾಳ ವೆಚ್ಚ/ಕಾರ್ಪಸ್‌ಗೆ ₹50.00 ಲಕ್ಷಗಳನ್ನು ನೀಡಿರುತ್ತದೆ.
6. ಬೀದಿಬದಿ ವ್ಯಾಪಾರಿಗಳ ಆತ್ಮನಿರ್ಭರ್ ಯೋಜನೆಗೆ (PM-SVANidhi) ಅನುಗುಣವಾಗಿ, ಬ್ಯಾಂಕ್ KBL-PM-SVANidhi ಯೋಜನೆಯನ್ನು ಪರಿಚಯಿಸಿದೆ. ಇದರಲ್ಲಿ ಬೀದಿ ವ್ಯಾಪಾರಿಗಳಿಗೆ ತಮ್ಮ ವ್ಯಾಪಾರವನ್ನು ಬೆಂಬಲಿಸಲು ₹50,000/- ವರೆಗಿನ ಸಾಲ ಸೌಲಭ್ಯ ನೀಡಲಾಗುತ್ತಿದೆ.

### ಪ್ರಶಸ್ತಿಗಳು ಮತ್ತು ಪುರಸ್ಕಾರಗಳು

ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ತನ್ನ ಸಾಧನೆಯ ಪ್ರತೀಕವಾಗಿ ಈ ಕೆಳಗಿನ ಪ್ರಶಸ್ತಿಗಳನ್ನು ಪಡೆದುಕೊಂಡಿದೆ:

1. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಇನ್‌ಸ್ಟೋಸಿಸ್ ಎನ್‌ಕ್ಲೇವ್ ಇನೋವೇಶನ್ ಅವಾರ್ಡ್ಸ್ 2023ರಲ್ಲಿ ಕೆಳಗಿನ ಮೂರು ವರ್ಗಗಳಲ್ಲಿ ಮೂರು ಪ್ರತಿಷ್ಠಿತ ಪ್ರಶಸ್ತಿಗಳನ್ನು ತನ್ನದಾಗಿಸಿಕೊಂಡಿದೆ:
  - a. 'ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮೇಶನ್ ಎಕ್ಸಲೆನ್ಸ್' ಅಡಿಯಲ್ಲಿ ಪ್ಲಾಟಿನಮ್ ಪ್ರಶಸ್ತಿ.
  - b. 'ಪ್ರೋಸೆಸ್ ಇನ್‌ನೋವೇಶನ್' ಅಡಿಯಲ್ಲಿ ಪ್ಲಾಟಿನಮ್ ಪ್ರಶಸ್ತಿ.
  - c. 'ಜಾನೆಲ್ ಇನ್‌ನೋವೇಶನ್' ಅಡಿಯಲ್ಲಿ ಗೋಲ್ಡ್ ಪ್ರಶಸ್ತಿ.

ಪ್ರಶಸ್ತಿ ಪ್ರದಾನ ಸಮಾರಂಭವು 02.06.2023ರಂದು ಮುಂಬೈ ನಗರದಲ್ಲಿ ಜರುಗಿತು.
2. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಇಲೆಟ್ಸ್ ಬ್ಯಾಂಕಿಂಗ್ ಅಂಡ್ ಫೈನಾನ್ಸ್ ಸಂಸ್ಥೆ ದಿನಾಂಕ 10.06.2023ರಂದು ಗೋವಾದಲ್ಲಿ ಕೊಡಮಾಡಿದ ಎಕ್ಸ್‌ಪರಿ ಡಿಜಿಟಲ್ ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮೇಶನ್ ಸ್ವಾಟಜಿ ಮತ್ತು ಔಟ್‌ಸ್ಟಾಂಡಿಂಗ್ ಡೇಟಾ ಅನಾಲಿಸಿಸ್ ಇನಿಶಿಯೇಟಿವ್ ಪ್ರಶಸ್ತಿಗಳನ್ನು ತನ್ನದಾಗಿಸಿಕೊಂಡಿತು.
3. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಮುಂಬೈನಲ್ಲಿ ನಡೆದ ವರ್ಣರಂಜಿತ ಸಮಾರಂಭದಲ್ಲಿ ET ಎಡ್ಜ್ ಐಕಾನಿಕ್ ಬ್ಯಾಂಡ್ಸ್ ಆಫ್ ಇಂಡಿಯಾ 2023 ಪ್ರಶಸ್ತಿಯನ್ನೂ ಮುಡಿಗೇರಿಸಿಕೊಂಡಿತು. ಪ್ರಶಸ್ತಿಯನ್ನು ಖ್ಯಾತ ಚಲನಚಿತ್ರ ತಾರೆ ರಿಝೀನತ್ ಅಮಾನ್ ಪ್ರದಾನ ಮಾಡಿದರು.
4. ದಿನಾಂಕ 16.10.2023ರಂದು ಪಿಚ್ BFSI ಮಾರ್ಕೆಟಿಂಗ್ ಅವಾರ್ಡ್ಸ್ 2023ರಲ್ಲಿನ 'ಸ್ವಾಪ್ ಕಿಡ್ಡಿಂಗ್ ಯುವರ್‌ಸೆಲ್ಫ್' ಅಭಿಯಾನದಲ್ಲಿ ಡಿಜಿಟಲ್ ಮಾರ್ಕೆಟಿಂಗ್ ಪ್ರಶಸ್ತಿಯನ್ನು ಬ್ಯಾಂಕ್ ಗೆದ್ದುಕೊಂಡಿತು.
5. IBA ಆಯೋಜಿಸಿದ್ದ 19ನೇ ವಾರ್ಷಿಕ ಬ್ಯಾಂಕಿಂಗ್ ತಂತ್ರಜ್ಞಾನ ಸಮ್ಮೇಳನದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಪ್ರತಿಷ್ಠಿತ "ಬೆಸ್ಟ್ ಫಿನ್‌ಟೆಕ್ ಅಂಡ್ ಡಿಜಿಟಲ್ ಪಬ್ಲಿಕ್ ಇನ್‌ಫ್ರಾಸ್ಟ್ರಕ್ಚರ್" ವಿಭಾಗದಲ್ಲಿ ರನ್ನರ್ ಅಪ್ ಪ್ರಶಸ್ತಿಯನ್ನು ತನ್ನದಾಗಿಸಿಕೊಂಡಿದೆ. ಇದರ ಜೊತೆಗೆ, ಬ್ಯಾಂಕ್ ಅತ್ಯುತ್ತಮ AI ಮತ್ತು ML ವಿಭಾಗದಲ್ಲಿ ವಿಶೇಷ ಪ್ರಶಸ್ತಿಯನ್ನೂ ತನ್ನ ಮುಡಿಗೇರಿಸಿಕೊಂಡಿತು. ಪ್ರಶಸ್ತಿ ಪ್ರದಾನ ಸಮಾರಂಭ 09.02.2024ರಂದು ಜರುಗಿತು.
6. CIMSME (ಚೀಂಬರ್ ಆಫ್ ಇಂಡಿಯನ್ ಮೈಕ್ರೋ ಸ್ಮಾಲ್ ಅಂಡ್ ಮೀಡಿಯಂ ಎಂಟರ್‌ಪ್ರೈಸಸ್) 29.02.2024ರಂದು ದೆಹಲಿಯಲ್ಲಿ ನಡೆಸಿದ 'MSME ಬ್ಯಾಂಕಿಂಗ್ ಎಕ್ಸಲೆನ್ಸ್ ಅವಾರ್ಡ್ಸ್ -2023' ಸಮಾರಂಭದಲ್ಲಿ ಎರಡು ಪ್ರಶಸ್ತಿಗಳು:
  - a. MSME ಗಳಲ್ಲಿ ಜಾಗೃತಿಯನ್ನು ಮೂಡಿಸಿದ ಅತ್ಯುತ್ತಮ ಬ್ಯಾಂಕ್ - ವಿಜೇತ
  - b. ಉದಯೋನ್ಮುಖ ಸಂಸ್ಥೆಗಳನ್ನು ಬೆಂಬಲಿಸಿದ ಅತ್ಯುತ್ತಮ ಬ್ಯಾಂಕ್ - ರನ್ನರ್ ಅಪ್

### IND-AS ಅನುಷ್ಠಾನ

ಬ್ಯಾಂಕ್‌ನಲ್ಲಿ IND-AS ಅನ್ನು ಸುಗಮವಾಗಿ ಅನುಷ್ಠಾನಗೊಳಿಸುವ ಪ್ರಕ್ರಿಯೆಯ ಭಾಗವಾಗಿ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರ ನೇತೃತ್ವದಲ್ಲಿ ಒಂದು ಮಾರ್ಗದರ್ಶಕ ಸಮಿತಿಯನ್ನು ಮತ್ತು ಬ್ಯಾಂಕಿನ ವ್ಯಾಪಾರದ ವಿವಿಧ ಅಂಗಗಳಿಂದ ಆಯ್ದು ಪ್ರತಿನಿಧಿಗಳಿರುವ IFRS ವರ್ಕಿಂಗ್ ಗ್ರೂಪ್ ಎಂಬ ಉಪಸಮಿತಿಯನ್ನು ಬ್ಯಾಂಕ್ ಸ್ಥಾಪಿಸಿದೆ. RBI ಮಾರ್ಗಸೂಚಿಯಂತೆ ಬ್ಯಾಂಕ್ ಅರ್ಧ-ವಾರ್ಷಿಕ ಮಧ್ಯಂತರ ಪ್ರಪತ್ರ IND-AS ಹಣಕಾಸು ತಃಖ್ತೆಗಳನ್ನು ಸಲ್ಲಿಸುತ್ತಿದೆ. ಅಲ್ಲದೆ, ತ್ರೈಮಾಸಿಕ ಪ್ರಪತ್ರ IND-AS ಹಣಕಾಸು ತಃಖ್ತೆಗಳನ್ನು ಸಿದ್ಧಪಡಿಸುತ್ತಿದ್ದು ಬ್ಯಾಂಕ್‌ನಲ್ಲಿ Ind AS ಅನುಷ್ಠಾನದ ಬಗೆಗಿನ ಇತ್ತೀಚಿನ ಮಾಹಿತಿಯನ್ನು ಒಳಗೊಂಡಂತೆ ಅಂದಾಜು

ಪರಿಣಾಮವನ್ನು ಮಂಡಳಿಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಮಿತಿಯ ಮುಂದೆ ಮಂಡಿಸಲಾಗಿದೆ. ಪ್ರಮಾಣಗಳ ಪರಿಣಾಮಕಾರಿ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ IFRS-9 ಮಾಡ್ಯೂಲ್ ಅನ್ನು ಒಳಗೊಳ್ಳುವ ಒರಾಕಲ್ ಫೈನಾನ್ಸಿಯಲ್ ಸರ್ವಿಸಸ್ ಅನಾಲಿಟಿಕಲ್ ಅಪ್ಲಿಕೇಶನ್ (OFSAA) ಅನ್ವಯದ ಸೇವೆಯನ್ನು ಪಡೆದಿದ್ದು, ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಪರಿಣಾಮಕಾರಿಯಾದ ಬಡ್ಡಿ ದರದ (ಎಫ್‌ಕೆಐವ್ ಇಂಟರ್‌ಸ್ಟ್ ರೇಟ್ (EIR) ಮತ್ತು ನಿರೀಕ್ಷಿತ ಸಾಲ ನಷ್ಟ ನಿಬಂಧನೆ (ECL) ಲೆಕ್ಕಾಚಾರಕ್ಕೆ ಅನುಕೂಲವಾಗಲಿದೆ ಎಂದು ಬ್ಯಾಂಕ್ ನಿರೀಕ್ಷಿಸಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ (RBI) ಎಲ್ಲ ಅನುಸೂಚಿತ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕ್‌ಗಳಲ್ಲಿ Ind-ASನ ಅನುಷ್ಠಾನವನ್ನು, ತನ್ನ ದಿನಾಂಕ 22 ಮಾರ್ಚ್ 2019ರ ಸುತ್ತೋಲೆ ಸಂ. DBR.BP.BC.No.29/21.07.001/2018-19 ಪ್ರಕಾರ ಮುಂದಿನ ಸೂಚನೆಯ ತನಕ ಮುಂದೂಡಿದೆ.

### ಲಾಭಾಂಶ ವಿತರಣಾ ನೀತಿ

ಸೆಬಿ (LODR - ಲಿಸ್ಟಿಂಗ್ ಬಾಧ್ಯತೆಗಳು ಮತ್ತು ಬಹಿರಂಗಪಡಿಸುವಿಕೆ ಅವಶ್ಯಕತೆಗಳು) ನಿಬಂಧನೆಗಳು, 2015ರ ನಿಬಂಧನೆ 43ರ ಅನುಸಾರವಾಗಿ ಷೇರುದಾರರಿಗೆ ಲಾಭಾಂಶ ವಿತರಿಸುವ ನೀತಿಯನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಅಳವಡಿಸಿಕೊಂಡಿದೆ. ನೀತಿಯ ಸಾರಾಂಶ ಈ ಕೆಳಗಿನಂತಿದೆ:

- ಬ್ಯಾಂಕಿಂಗ್ ಸಂಸ್ಥೆಯಾಗಿರುವುದರಿಂದ ಲಾಭಾಂಶ ವಿತರಣೆಯು, ದಿನಾಂಕ ಮೇ 05, 2005ರ RBI ಸುತ್ತೋಲೆ DBOD.No.BP.BC.8821.02.67/2004-05ರಲ್ಲಿ ಹೇಳಿರುವ ಲಾಭಾಂಶದ ವಿತರಣೆಗಾಗಿ ಅರ್ಹತಾ ಮಾನದಂಡಕ್ಕೆ ಒಳಪಟ್ಟಿರುತ್ತದೆ.
- ಲಾಭಾಂಶದ ಶಿಫಾರಸಿಗೆ ಆಂತರಿಕ ಅಂಶಗಳಾದ ನಿರ್ವಹಣಾ ಪ್ರಗತಿ, ಲಾಭಾಂಶ ಪಾವತಿಯ ದಾಖಲೆ, ತೆರಿಗೆಯ ಪರಿಣಾಮಗಳು, ಕಾರ್ಪೊರೇಟ್ ಕ್ರಮಗಳು ಮತ್ತು ಬಾಹ್ಯ ಅಂಶಗಳಾದ ಷೇರುದಾರರ ನಿರೀಕ್ಷೆಗಳು, ಬಾಹ್ಯ ಸ್ಥಿತಿಗತಿಗಳು ಮುಂತಾದ ಅಂಶಗಳನ್ನು ಪರಿಗಣಿಸಲಾಗುತ್ತದೆ.
- ಲಾಭಾಂಶದ ಮಿತಿಯನ್ನು ನಿರ್ಧರಿಸುವಲ್ಲಿ ಆರ್ಥಿಕ ಸಾಧನೆ, ಭವಿಷ್ಯದ ಉದ್ಯಮ ಪ್ರಗತಿಗೆ ಬಂಡವಾಳ ನಿಧಿಯ ಅಗತ್ಯತೆ, ಮೇಲೆ ಹೇಳಿದ RBI ಮಾರ್ಗಸೂಚಿಗಳ ಅಡಿಯಲ್ಲಿ ಶಿಫಾರಸು ಮಾಡಬಹುದಾದ ಲಾಭಾಂಶ-ಪಾವತಿ ಅನುಪಾತದ ಪರಿಗಣನೆ, ಇತ್ಯಾದಿ ಅಂಶಗಳು ಪ್ರಮುಖವಾಗಿವೆ.

ಬ್ಯಾಂಕಿನ ಡಿವಿಡೆಂಡ್ ವಿತರಣಾ ನೀತಿಯು ಬ್ಯಾಂಕಿನ ವೆಬ್‌ಸೈಟ್‌ನಲ್ಲಿ ಲಭ್ಯವಿದೆ:

<https://karnatakabank.com/sites/default/files/2024-02/policy-on-dividend-distribution-2023-24.pdf>

### ವಾರ್ಷಿಕ ರಿಟರ್ನ್ (Annual Return)

ಕಂಪನಿ ಕಾಯಿದೆ, 2013, ಸೆಕ್ಷನ್ 92(3) ಮತ್ತು ಕಂಪನಿ (ನಿರ್ವಹಣೆ ಮತ್ತು ಆಡಳಿತ) ನಿಯಮಗಳು, 2014ರ ನಿಯಮ 12ರ ಪ್ರಕಾರ, ಸೆಕ್ಷನ್ 92(1) ಅನುಸಾರವಾಗಿ ಸಲ್ಲಿಸಲಾಗುವ 2023-24ರ ಆರ್ಥಿಕ ವರ್ಷದ ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ರಿಟರ್ನ್‌ನ ಪ್ರತಿಯು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದಲ್ಲಿ ಲಭ್ಯವಿದೆ: <https://karnatakabank.com/investor-portal/corporate-governance/>

### ಏಕೀಕೃತ ಹಣಕಾಸು ವರದಿಗಳು

ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013ರ ಸೆಕ್ಷನ್ 129(3) ನಿಬಂಧನೆಗಳಿಗೆ ಅನುಗುಣವಾಗಿ ಮತ್ತು ಅಕೌಂಟಿಂಗ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್ ('AS')-21 ನಿಬಂಧನೆಗಳಿಗೆ ಅನುಸಾರವಾಗಿ, ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013ರ ಸೆಕ್ಷನ್ 133, ಕಂಪನಿಗಳ (ಅಕೌಂಟ್ಸ್) ನಿಯಮಗಳು, 2014ರ ನಿಯಮ 7ರ ಪ್ರಕಾರ ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷದ ಏಕೀಕೃತ ಹಣಕಾಸು ವರದಿಯನ್ನು (ಬ್ಯಾಂಕಿನ ಮತ್ತು ಅದರ ಅಂಗಸಂಸ್ಥೆಯಾದ KBL Services Limited ಒಳಗೊಂಡಂತೆ) ವಾರ್ಷಿಕ ವರದಿಯ ಭಾಗವಾಗಿ ನೀಡಲಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಅಂಗಸಂಸ್ಥೆಯ ಆರ್ಥಿಕ ಸ್ಥಿತಿ ಮತ್ತು ಸಾಧನೆಯನ್ನು AOC-1 ನಮೂನೆಯಲ್ಲಿ ಈ ವರದಿಗೆ ಲಗತ್ತಿಸಲಾದ ಅನುಬಂಧ-III ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013ರ ಸೆಕ್ಷನ್ 136(1) ರ ನಿಯಮ ಮೂರರ ಅನುಸಾರವಾಗಿ, ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ವರದಿ ಮತ್ತು ಅದರ ಸ್ವತಂತ್ರ ಮತ್ತು ಏಕೀಕೃತ ಹಣಕಾಸು ವರದಿಯನ್ನು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣ: <http://karnatakabank.com/> ನಲ್ಲಿ ಪ್ರಕಟಿಸಲಾಗಿದೆ. ಹಾಗೂ ಈ ಪರಿಶೀಲನೆಯ ನಾಲ್ಕನೇ ನಿಯಮದಂತೆ, ಹಣಕಾಸು ವರದಿಯ ಭಾಗವಾಗಿ ಪರಿಗಣಿಸಲಾಗಿರುವ ಬ್ಯಾಂಕಿನ ಅಂಗಸಂಸ್ಥೆಯ ಲೆಕ್ಕಪರಿಶೋಧಿತ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣ: <http://karnatakabank.com> ದಲ್ಲಿ ಪ್ರಕಟಿಸಲಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದಲ್ಲಿ ಲಭ್ಯವಿರುವ ದಾಖಲೆಗಳು/ವಿವರಗಳು ಅದರ ನೋಂದಾಯಿತ ಕಚೇರಿಯಲ್ಲಿ ಸದಸ್ಯರ ಪರಿಶೀಲನೆಗೆ ಲಭ್ಯವಿರುತ್ತವೆ.



### ಹೂಡಿಕೆದಾರರ ಜೊತೆಗೆ ಬಾಂಧವ್ಯ ವರ್ಧನಾ ವಿಭಾಗ

ಹೂಡಿಕೆದಾರರೊಂದಿಗೆ ನಿರಂತರ ಸಂಪರ್ಕವನ್ನು ಕಾಯ್ದುಕೊಳ್ಳಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪ್ರಧಾನ ಕಚೇರಿಯಲ್ಲಿ ಪ್ರತ್ಯೇಕ ಹೂಡಿಕೆದಾರರ ಬಾಂಧವ್ಯ ವರ್ಧನಾ ವಿಭಾಗವನ್ನು ಹೊಂದಿದೆ. ಹೂಡಿಕೆದಾರ ಕುಂದುಕೊರತೆಗಳನ್ನು ಪರಿಹರಿಸುವುದರ ಜೊತೆಗೆ, ಬ್ಯಾಂಕಿನ ಹಣಕಾಸಿನ ಫಲಿತಾಂಶಗಳು, ಪ್ರಮುಖ ವಿದ್ಯಮಾನಗಳು, ಮಾಧ್ಯಮಗಳಲ್ಲಿ ಬ್ಯಾಂಕ್ ಬಗ್ಗೆ ಪ್ರಕಟವಾದ ಲೇಖನಗಳು ಇತ್ಯಾದಿಗಳನ್ನು ಸ್ವಯಂಪ್ರೇರಿತ ಆಧಾರದ ಮೇಲೆ ಷೇರುದಾರರಿಗೆ ಇ-ಮೇಲ್ ಮೂಲಕ (ಲಭ್ಯವಿದ್ದಲ್ಲಿ) ಕಳುಹಿಸುವ ಕಾರ್ಯವನ್ನು ಈ ಕೋಶವು ನಿರ್ವಹಿಸುತ್ತಿದೆ.

### ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಅತ್ಯುತ್ತಮ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತವನ್ನು ಪಾಲಿಸಲು ಬದ್ಧವಾಗಿದ್ದು ತನ್ಮೂಲಕ ಬ್ಯಾಂಕ್‌ನ ಎಲ್ಲ ಪಾಲುದಾರರಾದ ಷೇರುದಾರರು, ಠೇವಣಿದಾರರು, ಇತರೆ ಗ್ರಾಹಕರು ಮತ್ತು ನೌಕರರು ಹಾಗೂ ಸಮಾಜದ ಹಿತಾಸಕ್ತಿಯನ್ನು ಕಾಯ್ದುಕೊಂಡು, ನಿರ್ವಹಣೆಯ ಸರ್ವ ಸ್ತರದಲ್ಲೂ ಪಾರದರ್ಶಕತೆಯನ್ನು ಕಾಪಾಡುವ ಗುರಿ ಮತ್ತು ಬದ್ಧತೆಗಳನ್ನು ಹೊಂದಿರುತ್ತದೆ. ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ವಿವರವಾದ ವರದಿಯನ್ನು ಈ ವಾರ್ಷಿಕ ವರದಿಯ ಅನುಬಂಧ- IV ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಜೊತೆಗೆ, SEBI ಲಿಸ್ಟಿಂಗ್ ನಿಬಂಧನೆಗಳ ನಿಬಂಧನೆ 34(3) ರ ಅನುಸಾರ, ಲಿಸ್ಟಿಂಗ್ ನಿಬಂಧನೆಗಳ ಅನುಸೂಚಿ V ರ ಭಾಗ E ಗೆ ಸಂಗತವಾಗಿ, ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವಿವಿಧ ಉಪಬಂಧಗಳ ಅನುಸರಣೆಯನ್ನು ದೃಢೀಕರಿಸುತ್ತ BMP ಅಂಡ್ ಕೊ., LLP, ಬೆಂಗಳೂರು, ವೃತ್ತಿಪರ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿಗಳು - ಇವರಿಂದ ಪಡೆದ ಪ್ರಮಾಣಪತ್ರವನ್ನು ಈ ವರದಿಗೆ ಅನುಬಂಧ-V ಆಗಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.

SEBI ಅಥವಾ ಕಾರ್ಪೊರೇಟ್ ಸಚಿವಾಲಯ ಅಥವಾ ಅಂತಹುದೇ ಇತರ ಯಾವುದೇ ಶಾಸನಬದ್ಧ ಪ್ರಾಧಿಕಾರವು ಕಂಪನಿಯ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯಲ್ಲಿನ ಯಾವುದೇ ನಿರ್ದೇಶಕರನ್ನು ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಕ ಮಾಡದಂತೆ ಅಥವಾ ಅವರು ನಿರ್ದೇಶಕರಾಗಿ ಮುಂದುವರೆಯದಂತೆ ನಿರ್ಬಂಧಿಸಿರದ ಅಥವಾ ಅನರ್ಹಗೊಳಿಸಿದ ಬಗ್ಗೆ ಸೆಬಿ ಲಿಸ್ಟಿಂಗ್ ನಿಬಂಧನೆಗಳ ಅನುಸೂಚಿ V ರ ಭಾಗ ಅ ಅಡಿಯಲ್ಲಿನ ಕಲಮು 10(i) ಅನುಸಾರ ಬಿಎಂಪಿ & ಕಂ. ಎಲ್‌ಎಲ್‌ಪಿ, ಬೆಂಗಳೂರು, ವೃತ್ತಿಪರ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿಗಳು - ಇವರಿಂದ ಪಡೆದ ಪ್ರಮಾಣಪತ್ರವನ್ನು ಈ ವರದಿಗೆ ಅನುಬಂಧ VI ಆಗಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.

### ನೌಕರರ ಷೇರುಪತ್ರ ಆಯ್ಕೆಗಳು (ESOP)

ಬ್ಯಾಂಕಿನ ಷೇರುದಾರರು ಮಾರ್ಚ್ 30, 2024ರಂದು, ಅನುದಾನಕ್ಕೆ ಲಭ್ಯವಿರುವ ಒಟ್ಟು 15,00,000 ಷೇರುಗಳ ಆಯ್ಕೆಗಳೊಂದಿಗೆ 'ಕೆಬಿಎಲ್ ನೌಕರರ ಷೇರು ಆಯ್ಕೆ ಯೋಜನೆ-2023'ಕ್ಕೆ ಅಂಗೀಕಾರ ನೀಡಿದ್ದಾರೆ. ವರದಿ ವರ್ಷದಲ್ಲಿ ESOS ಯೋಜನೆ 2023ರ ಅಡಿಯಲ್ಲಿ 3,13,193 ಷೇರುಗಳನ್ನು ಮಂಜೂರು ಮಾಡಲಾಗಿದೆ.

ESOS ಮೇಲೆ SEBI ಮಾರ್ಗಸೂಚಿಗಳು/ SEBI (ಷೇರ್ ಬೇಸ್ಡ್ ಕಾಂಪನೀಷನ್ ಮತ್ತು ಸ್ಟೇಟ್ ಇಕ್ವಿಟಿ) ನಿಯಮಗಳು, 2021ರ ಅನುಸಾರ ಅಗತ್ಯವಿರುವ ಇತರ ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳನ್ನು ಬ್ಯಾಂಕ್‌ನ ಜಾಲತಾಣದಲ್ಲಿ ನೀಡಲಾಗಿದೆ (ಜಾಲತಾಣ ಕೊಂಡಿ: <https://karnatakabank.com/investors/annual-reports>) ಬ್ಯಾಂಕು ESOP ಯೋಜನೆಗಳನ್ನು ಬ್ಯಾಂಕಿನ ಸಾಮಾನ್ಯ ಸಭೆಗಳಲ್ಲಿ ನಿಬಂಧನೆಗಳು ಮತ್ತು ಗೊತ್ತುವಳಿಗಳ ಅನ್ವಯವಾಗುವ ಉಪಬಂಧಗಳ ಅನುಸಾರ ಮತ್ತು ಅಂಚೆ ಬ್ಯಾಲಟ್‌ಗಳ ಮೂಲಕ, ಸಂದರ್ಭಾನುಸಾರ, ಅನುಷ್ಠಾನಗೊಳಿಸಿರುವ ಬಗ್ಗೆ ಸೆಬಿ (ಷೇರು ಆಧಾರಿತ ಉದ್ಯೋಗಿ ಪ್ರಯೋಜನಗಳು ಮತ್ತು ಸ್ಟೇಟ್ ಇಕ್ವಿಟಿ) ನಿಬಂಧನೆಗಳು, 2021ರ ನಿಬಂಧನೆ 13ರ ಅನುಸಾರ ಸೆಕ್ಯೂರಿಟೀಸ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಬೋರ್ಡ್ ಆಫ್ ಇಂಡಿಯಾ (ಷೇರು ಆಧಾರಿತ ಉದ್ಯೋಗಿ ಪ್ರಯೋಜನಗಳು ಮತ್ತು ಸ್ಟೇಟ್ ಈಕ್ವಿಟಿ) ನಿಯಮಗಳು, 2021ರ ನಿಯಮ 13ರ ಅನುಸಾರವಾಗಿ, ಸಾಮಾನ್ಯ ಸಭೆ(ಗಳಲ್ಲಿ) ನೇರ ಮತದಾನ ಮತ್ತು ಅಂಚೆ ಮತಪತ್ರಗಳ ಮೂಲಕ ಬ್ಯಾಂಕಿನ ನಿಯಮಗಳು ಮತ್ತು ನಿರ್ಣಯ(ಗಳಿಗೆ) ಸಂಬಂಧಿಸಿ ಅನ್ವಯವಾಗುವ ನಿಬಂಧನೆಗಳಿಗೆ ಅನುಗುಣವಾಗಿ ESOP ಯೋಜನೆಗಳನ್ನು ಬ್ಯಾಂಕ್ ಜಾರಿಗೆ ತಂದಿದೆ ಎಂದು ಕಂಪನಿಯು BMP ಅಂಡ್ ಕೊ. LLP, ಬೆಂಗಳೂರು, ಇಲ್ಲಿನ ವೃತ್ತಿಪರ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿಗಳು - ಇವರಿಂದ ಪ್ರಮಾಣಪತ್ರವನ್ನು ಪಡೆದಿದ್ದು, ಅದನ್ನು ಈ ವರದಿಗೆ ಅನುಬಂಧ VII ರ ರೂಪದಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.

### ನಿರ್ದೇಶಕರು ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯಲ್ಲಿ ಆಗಿರುವ ಬದಲಾವಣೆಗಳು

ಮಾರ್ಚ್ 31, 2024ರಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್‌ನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಓರ್ವ ಸ್ವತಂತ್ರ ಮಹಿಳಾ ನಿರ್ದೇಶಕರು ಸೇರಿದಂತೆ ಒಟ್ಟು ಹನ್ನೊಂದು ನಿರ್ದೇಶಕರನ್ನು ಒಳಗೊಂಡಿದೆ. ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು CEO ಆದ ಶ್ರೀ ಶ್ರೀಕೃಷ್ಣನ್ ಎಚ್.,

ಕಾರ್ಯನಿರ್ವಾಹಕ ನಿರ್ದೇಶಕರಾದ ಶ್ರೀ ಶೇಖರ್ ರಾವ್, ಮತ್ತು ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ನಿರ್ದೇಶಕರಾದ ಶ್ರೀ ಬಿ.ಆರ್. ಅಶೋಕ್ ಅವರನ್ನು ಹೊರತುಪಡಿಸಿ ಉಳಿದೆಲ್ಲ ನಿರ್ದೇಶಕರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿರುತ್ತಾರೆ. ನಿರ್ದೇಶಕರ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆಯ ಮಾನದಂಡಗಳ ವಿವರಗಳನ್ನು ಅನುಬಂಧ- IV ರ ಅಡಿಯಲ್ಲಿ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.

ಹಣಕಾಸು ವರ್ಷ 2023-24ರಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಶ್ರೀ. ಹರೀಶ್ ಹಾಸನ್ ವಿಶ್ವೇಶ್ವರ (DIN: 08742808) ಇವರನ್ನು ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರಾಗಿ (ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ, ಸ್ವತಂತ್ರ) ಫೆಬ್ರವರಿ 1, 2024ರಿಂದ ಜಾರಿಗೆ ಬರುವಂತೆ ನೇಮಿಸಿಕೊಂಡಿದ್ದು, ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿ ಇವರ ನೇಮಕಾತಿಯನ್ನು ಷೇರುದಾರರು ದಿನಾಂಕ 27.02.2024ರಂದು ಅಂಚೆ ಮತಪತ್ರದ (ಇ-ವೋಟಿಂಗ್) ಮೂಲಕ ಸ್ವೀಕರಿಸಲಾದ ಗೊತ್ತುವಳಿಯ ಮೂಲಕ ಅಂಗೀಕರಿಸಿದ್ದಾರೆ.

ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ.ಎಸ್. ಅವರು ತಮ್ಮ ಸೇವಾವಧಿ ಪೂರ್ಣಗೊಂಡ ಕಾರಣ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು CEO ಸ್ಥಾನದಿಂದ 14 ಏಪ್ರಿಲ್ 2023ರಂದು ನಿವೃತ್ತರಾದರು.

ಪರಿಶೀಲನೆಯಲ್ಲಿರುವ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿದ್ದ ಶ್ರೀ ಕೇಶವ್ ಕೃಷ್ಣರಾವ್ ದೇಸಾಯಿ, (DIN: 07427621) ಅವರು ತಮ್ಮ 8 ವರ್ಷಗಳ ಅಧಿಕಾರಾವಧಿಯು ಪೂರ್ಣಗೊಂಡ ಅನಂತರ 18, ಫೆಬ್ರವರಿ 2024ರಂದು ನಿವೃತ್ತರಾದರು.

ಮಂಡಳಿಯು ಇವರು ತಮ್ಮ ಅಧಿಕಾರಾವಧಿಯಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಸಮಗ್ರ ನೀಡಿದ ಅಮೂಲ್ಯ ಕೊಡುಗೆಗಳು ಮತ್ತು ಮಾರ್ಗದರ್ಶನಕ್ಕಾಗಿ ಅವರಿಗೆ ಹೃದಯಪೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ಸಲ್ಲಿಸುತ್ತದೆ.

ಮೇಲಿನ ಅಂಶಗಳನ್ನು ಮತ್ತು ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013 ರ ಸೆಕ್ಷನ್ 152(6) ರ ಪ್ರಕಾರ, ಮುಂಬರುವ ಎಜಿಎಂನಲ್ಲಿ, ಕಾರ್ಯನಿರ್ವಾಹಕ ನಿರ್ದೇಶಕರಾದ ಶ್ರೀ ಶೇಖರ್ ರಾವ್ (DIN: 06830595) ಅವರು ದೀರ್ಘಕಾಲ ಅಧಿಕಾರದಲ್ಲಿರುವುದರಿಂದ ಸರದಿ ಮೇಲೆ ನಿವೃತ್ತರಾಗುತ್ತಾರೆ. ಜೊತೆಗೆ, ಅರ್ಹರಾಗಿರುವ ಕಾರಣ, ಅವರು ತಮ್ಮ ಮರುನೇಮಕಕ್ಕೆ ಪ್ರಸ್ತಾವನೆ ಸಲ್ಲಿಸಿದ್ದಾರೆ. ಮಂಡಳಿಯ ಅಭಿಪ್ರಾಯದಲ್ಲಿ ಶ್ರೀ ಶೇಖರ್ ರಾವ್ ಅವರು ವಿಶ್ವಾಸಾರ್ಹತೆ, ಪರಿಣತಿ ಮತ್ತು ಅಗತ್ಯ ಅನುಭವವನ್ನು ಹೊಂದಿದ್ದು, ಬ್ಯಾಂಕಿನ ವ್ಯಾಪಾರ ಮತ್ತು ಅಭಿವೃದ್ಧಿಯ ಹಿತದೃಷ್ಟಿಯಿಂದ ಇದು ಅನುಕೂಲಕರವಾಗಿದೆ. NRC ಯಿಂದ ವೃತ್ತಿಸಾಧನೆಯ ಮೌಲ್ಯಮಾಪನ ಮತ್ತು ಶಿಫಾರಸ್ಸಿನ ಅಧಾರದ ಮೇಲೆ, ಮಂಡಳಿಯು ಅವರ ಮರುನೇಮಕಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಸದಸ್ಯರ ಅನುಮೋದನೆಗೆ ಶಿಫಾರಸ್ಸು ಮಾಡುತ್ತದೆ. ಇದಕ್ಕನುಗುಣವಾಗಿ 100ನೇ ವಾರ್ಷಿಕ ಸರ್ವಸದಸ್ಯರ ಸಭೆಯ ನೋಟೀಸಿನಲ್ಲಿ ಶ್ರೀ ಶೇಖರ್ ರಾವ್ ಅವರ ಮರುನೇಮಕವನ್ನು ಕೋರುವ ಗೊತ್ತುವಳಿಯನ್ನು ಸೇರಿಸಲಾಗಿದೆ.

### ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಮುಖ್ಯ ಕಾರ್ಯನಿರ್ವಹಣಾ ಅಧಿಕಾರಿಗಳು (MD ಮತ್ತು CEO)

ಶ್ರೀ ಶ್ರೀಕೃಷ್ಣನ್ ಎಚ್ - ಇವರು ಜೂನ್ 9, 2023ರಿಂದ ಜಾರಿಗೆ ಬರುವಂತೆ ಮೂರು ವರ್ಷಗಳ ಅವಧಿಗೆ ಬ್ಯಾಂಕಿನ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಮುಖ್ಯ ಕಾರ್ಯನಿರ್ವಹಣಾ ಅಧಿಕಾರಿಗಳಾಗಿ ಪದಗ್ರಹಣ ಮಾಡಿರುತ್ತಾರೆ.

### ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಿಂದ ಘೋಷಣೆ

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 149(7)ರ ನಿಬಂಧನೆ ಮತ್ತು ಸೆಬಿ (ಲಿಸ್ಟಿಂಗ್ ಬಾಧ್ಯತೆ ಮತ್ತು ಪ್ರಕಟಣೆಯ ಅಗತ್ಯಗಳು) ನಿಬಂಧನೆಗಳು, 2015ರ ನಿಬಂಧನೆ 25(8)ರ ಅನುಸಾರ ಬ್ಯಾಂಕಿನ ಎಲ್ಲ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಿಂದ, ಅವರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿ ಮುಂದುವರೆಯಲು ಸೂಕ್ತ ಅರ್ಹತೆ ಹೊಂದಿರುವ ಬಗ್ಗೆ ಅಗತ್ಯ ದೃಢೀಕರಣವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ದಿನಾಂಕ 31 ಮಾರ್ಚ್, 2024ರಂತೆ ಪಡೆದುಕೊಂಡಿದೆ.

### ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿಗಳ ಪರಿಚಯ ಕಾರ್ಯಕ್ರಮಗಳು

ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರೂ ಸೇರಿದಂತೆ ಎಲ್ಲ ನಿರ್ದೇಶಕರೂ ತಮ್ಮ ಪಾತ್ರ, ಹಕ್ಕುಗಳು ಮತ್ತು ಜವಾಬ್ದಾರಿಗಳ ಬಗ್ಗೆ ನೇಮಕಾತಿಯ ಸಮಯದಲ್ಲಿ ಮತ್ತು ಆಗಿಂದಾಗ್ಗೆ ಮಾಹಿತಿ ಮತ್ತು ತಿಳಿವಳಿಕೆಯನ್ನು ಹೊಂದಿರುತ್ತಾರೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಬ್ಯಾಂಕ್ ತನ್ನ ನಿರ್ದೇಶಕರಿಗೆ, ಅಗತ್ಯವಾದ ವಿಷಯಗಳನ್ನು ಪರಿಚಯಿಸುವ ಪ್ರಮಾಣಪತ್ರ ಕಾರ್ಯಕ್ರಮಗಳು ಮುಂತಾದವುಗಳನ್ನು ಹಮ್ಮಿಕೊಳ್ಳುತ್ತದೆ. ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಿಗೆ ಅವರ ಪಾತ್ರ, ಹಕ್ಕುಗಳು ಮತ್ತು ಜವಾಬ್ದಾರಿಗಳ ಬಗ್ಗೆ ತಿಳಿಸಿಕೊಡುವ ಸಂಬಂಧ ಕೈಗೊಂಡ/ಆಯೋಜಿಸಲಾದ ಕಾರ್ಯಕ್ರಮಗಳು ಮತ್ತು ಇತರ ವಿವಿಧ ಕಾರ್ಯಕ್ರಮಗಳ ವಿವರಗಳನ್ನು ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ಮೇಲಿನ ವರದಿಯಲ್ಲಿ ಅನುಬಂಧ (IV) ದಲ್ಲಿ ಒದಗಿಸಲಾಗಿದ್ದು, ಸದರಿ ವರದಿಯು ಈ ವರದಿಯ ಭಾಗವಾಗಿರುತ್ತದೆ.

### ಮಂಡಳಿಯ ಕಾರ್ಯಕ್ರಮತೆಯ ಮೌಲ್ಯಮಾಪನ

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ, ಅದರ ಸದಸ್ಯರ, ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷರ, ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕ ಮತ್ತು ಮುಖ್ಯ ಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿಗಳ ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಕಾರ್ಯಕ್ರಮತೆ ಹಾಗೂ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆಗೆ ಬ್ಯಾಂಕ್ ಮಾನದಂಡಗಳನ್ನು ನಿಗದಿಪಡಿಸಿದೆ. NRC ಈ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಡೆಸಲು



ಅಗತ್ಯವಾದ ಮಾನದಂಡ ಮತ್ತು ಕಾರ್ಯವಿಧಾನವನ್ನು ವಾರ್ಷಿಕವಾಗಿ ಪರಿಶೀಲಿಸಿ ಅಂಗೀಕರಿಸುತ್ತದೆ. ಅದರಂತೆ ನಿರ್ದೇಶಕರ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಮತ್ತು ಅದರ ಸಮಿತಿಗಳ ಮೌಲ್ಯಮಾಪನ ಮಾಡಿ ನೀಡಿರುವ ಹೇಳಿಕೆಯನ್ನು ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ (ಅನುಬಂಧ- IV) ನೀಡಲಾಗಿದೆ. ಇದರಂತೆ, ಮಾರ್ಚ್ 30, 2024ರಂದು ನಡೆದ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರ ಸಭೆಯಲ್ಲಿ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಕಾರ್ಯಕ್ಷಮತೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ಮೌಲ್ಯಮಾಪನ ಮಾಡಲಾಗಿದೆ. ಅಲ್ಲದೆ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯು ಏಪ್ರಿಲ್ 18, 2024ರಂದು ನಡೆದ ತನ್ನ ಸಭೆಯಲ್ಲಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಮತ್ತು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರ ಕಾರ್ಯನಿರ್ವಹಣೆಯ ಬಗ್ಗೆಯೂ ಮೌಲ್ಯಮಾಪನ ನಡೆಸಿದೆ. ಬ್ಯಾಂಕಿನ ಕಾರ್ಯಕ್ಷಮತೆಯ ಮೌಲ್ಯಮಾಪನದ ನೀತಿಯ ಪ್ರಕಾರ, ಲೆಕ್ಕಪರಿಶೋಧಿತ ಹಣಕಾಸು ಫಲಿತಾಂಶಗಳ ಪ್ರಕಟಣೆಯ ನಂತರ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು CEO ಅವರ ಕಾರ್ಯಕ್ಷಮತೆಯ ಮೌಲ್ಯಮಾಪನವನ್ನು ಕೈಗೊಳ್ಳಲಾಗುತ್ತದೆ.

### ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳೊಂದಿಗೆ ಒಪ್ಪಂದಗಳು ಮತ್ತು ವ್ಯವಹಾರಗಳು

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಸಂಬಂಧಿಸಿದ ಎಲ್ಲ ವ್ಯಕ್ತಿಗಳೊಂದಿಗೆ ನಡೆದ ವಹಿವಾಟುಗಳು, ಸಾಮಾನ್ಯ ವ್ಯಾವಹಾರಿಕ ನೆಲೆಯಲ್ಲಿದ್ದು, ಅವುಗಳು ಸಂಬಂಧಿಸಿದ ವ್ಯಕ್ತಿಗಳಿಂದ ನಿರ್ದಿಷ್ಟ ಅಂತರವನ್ನು ಕಾಪಾಡಿಕೊಂಡು ಬರುವ ನೀತಿಯ ತಳಹದಿಯಲ್ಲಿರುತ್ತದೆ. ಸದರಿ ಅವಧಿಯಲ್ಲಿ ಬ್ಯಾಂಕ್ ತನ್ನ ನಿರ್ದೇಶಕರ ಜೊತೆಗಾಗಲೀ, ತನ್ನ ಪ್ರಮುಖ ಆಡಳಿತಾತ್ಮಕ ಹೊಣೆ ಹೊತ್ತಿರುವ ವ್ಯಕ್ತಿಗಳ ಜೊತೆಗಾಗಲೀ ಅಥವಾ ಇನ್ನಿತರ ವ್ಯಕ್ತಿಗಳ ಜೊತೆಗೇ ಆಗಿರಲಿ, ನಡೆಸಿದ ವಹಿವಾಟುಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಹಿತಾಸಕ್ತಿಗೆ ಸಂಭಾವ್ಯ ವಿರೋಧವಾಗಬಲ್ಲ ಯಾವುದೇ ಅಂಶಗಳನ್ನು ಹೊಂದಿಲ್ಲದ ಕಾರಣ ನಮೂನೆ AOC-2ರ ಪ್ರಕಟಣೆ ಅನ್ವಯವಾಗುವುದಿಲ್ಲ. ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ಸಮಿತಿ/ನಿರ್ದೇಶಕ ಮಂಡಳಿ ಅನುಮೋದಿಸಿರುವ ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳೊಂದಿಗೆ ವಹಿವಾಟು ನಡೆಸುವ ಬಗೆಗಿನ ನೀತಿಯನ್ನು ಬ್ಯಾಂಕಿನ ಹೂಡಿಕೆದಾರರ ಪೋರ್ಟಲ್‌ನಲ್ಲಿ (Investor Portal) ನೀಡಲಾಗಿದೆ.

### ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿಗಳ ಬಗ್ಗೆ ಹೇಳಿಕೆ

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ಸೆಕ್ಷನ್ 134(3)(ಸಿ), 134(5) ಮತ್ತು ಕಂಪನಿಗಳ (ಅಕೌಂಟ್ಸ್) ನಿಯಮಗಳು, 2014ರ ನಿಯಮ 8ರ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಿಳಿಸುವುದೇನೆಂದರೆ:

- ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸುವಲ್ಲಿ, ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ಮಾನದಂಡಗಳನ್ನು ಬಳಕೆ ಮಾಡಿಕೊಂಡಿದ್ದು, ಗಮನಾರ್ಹ ವ್ಯತ್ಯಾಸಗಳಿದ್ದ ಪಕ್ಷದಲ್ಲಿ ಸೂಕ್ತ ವಿಶ್ಲೇಷಣೆಗಳನ್ನು, ಅವಶ್ಯಕ ವಿವರಗಳನ್ನು ಸಲ್ಲಿಸಲಾಗಿದೆ.
- ನಿರ್ದೇಶಕರು ಸೂಕ್ತವಾದ ಲೆಕ್ಕ ನೀತಿಗಳನ್ನು ಅಂಗೀಕರಿಸಿದ್ದು, ಅವುಗಳನ್ನು ನಿಖರವಾಗಿ ಪ್ರಯೋಗಿಸಿ, ಅಂದಾಜು ಮತ್ತು ನಿರ್ಣಯಗಳನ್ನು ಸೂಕ್ತವಾಗಿ ವಿಮರ್ಶಿಸಿ, ಸಕಾರಣವಾಗಿದೆ ಎಂದು ತಿಳಿದು, 31 ಮಾರ್ಚ್ 2024ರಂತೆ ಬ್ಯಾಂಕಿನ ಸ್ಥಿತಿಗತಿಗಳ ಹಾಗೂ ಅದೇ ಅವಧಿಯ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ಬಗ್ಗೆ ನೈಜ ಮತ್ತು ನಿಷ್ಪಕ್ಷಪಾತವಾದ ಚಿತ್ರವನ್ನು ನೀಡುವತ್ತ ಆದ್ಯ ಗಮನ ಹರಿಸಿರುತ್ತಾರೆ.
- ನಿರ್ದೇಶಕರು, ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯನ್ನು ಸುಸ್ಥಿರವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುವಲ್ಲಿ ವಂಚನೆ ಹಾಗೂ ನಿಯಮಬಾಹಿರತೆಯ ಮುಕ್ತಕೆ ಕುರಿತು ಸಾಕಷ್ಟು ಎಚ್ಚರ ವಹಿಸಿ ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಅನುಸಾರವಾಗಿ ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ದಾಖಲೆಗಳನ್ನು ನಿರ್ವಹಣೆ ಮಾಡಿರುತ್ತಾರೆ.
- ನಿರ್ದೇಶಕರು ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಮುಂದುವರೆಯುವ ಸಂಸ್ಥೆ ಆಧಾರದ ಮೇಲೆ ರಚಿಸಿರುತ್ತಾರೆ.
- ಬ್ಯಾಂಕ್ ಅನುಸರಿಸಿಕೊಂಡು ಬರುತ್ತಿರುವ ಆಂತರಿಕ ಆರ್ಥಿಕತೆ ನಿಯಂತ್ರಣಗಳನ್ನು ನಿರ್ದೇಶಕರು ನಿಗದಿಪಡಿಸಿದ್ದು, ಈ ನಿಯಂತ್ರಣಗಳು ಸಮರ್ಪಕವಾಗಿದ್ದು, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿವೆ.
- ನಿರ್ದೇಶಕರು ಬ್ಯಾಂಕಿಗೆ ಸಂಬಂಧಪಟ್ಟ ಕಾನೂನುಗಳ ಪಾಲನೆಗೆ ಸೂಕ್ತ ವ್ಯವಸ್ಥೆಯನ್ನು ಸಂಯೋಜಿಸಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆಯು ಸೂಕ್ತವಾಗಿ, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.

### ಲೆಕ್ಕಪರಿಶೋಧಕರು

#### a. ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರು

ದಿನಾಂಕ 29.08.2023ರಂದು ಜರುಗಿದ 99ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ, ಮೆ|| ಸುಂದರಂ ಅಂಡ್ ಶ್ರೀನಿವಾಸನ್, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ (ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ 004207S), ಹೊಸ ನಂ. 4, ಹಳೆಯ ಸಂಖ್ಯೆ 23, ಸಿಪಿ ರಾಮಸ್ವಾಮಿ ರಸ್ತೆ, ಅಲ್ವಾರಪೇಟೆ, ಚೆನ್ನೈ-600018 ಮತ್ತು ಮೆ|| ಕಲ್ಯಾಣಿವಾಲಾ ಅಂಡ್ ಮಿಸ್ಟ್ರಿ LLP ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್‌ಗಳು, (ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ/LLP No. 104607W/W100166), ನೋಂದಾಯಿತ ಕಚೇರಿ: ಎಸ್‌ಪ್ಲೇನೇಡ್ ಹೌಸ್, 29, ಹಜಾರಿಮಾಲ್ ಸೊಮಾನಿ, ಪೋರ್ಟ್, ಮುಂಬೈ-400001 ಮತ್ತು ಮೆ. ರವಿ ರಾಜನ್ & ಕೊ. LLP, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, (ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ/ LLP No. 009073N/N500320)

ಇವರನ್ನು ಬ್ಯಾಂಕ್‌ನ ಜಂಟಿ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ 100ನೇ ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯ ಮುಕ್ತಾಯದ ತನಕ ನಿಯುಕ್ತಿಗೊಳಿಸಲಾಗಿತ್ತು. ಮೆ. ಸುಂದರಂ ಅಂಡ್ ಶ್ರೀನಿವಾಸನ್, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಚೆನ್ನೈ ಮತ್ತು ಮೆ|| ಕಲ್ಯಾಣಿವಾಲಾ ಅಂಡ್ ಮಿಸ್ಟ್ರಿ LLP ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ಮುಂಬೈ ಅವರನ್ನು ಜಂಟಿಯಾಗಿ ಬ್ಯಾಂಕ್‌ನ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ಗರಿಷ್ಠ ಮೂರು ವರ್ಷಗಳ ಅವಧಿಯನ್ನು ಪೂರ್ಣಗೊಳಿಸಿರುವ ಕಾರಣ, ಚಾಲ್ತಿ ಜಾರಿಯಲ್ಲಿರುವ ಆರ್‌ಬಿಐ ಮಾರ್ಗಸೂಚಿಗಳು ಮತ್ತು ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರ ನೇಮಕಾತಿಯನ್ನು ಕುರಿತ ಬ್ಯಾಂಕಿನ ನೀತಿಗೆ ಅನುಸಾರವಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಕೇವಲ ಮೆ. ರವಿ ರಾಜನ್ & ಕಂ LLP, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್- ಇವರನ್ನು 101ನೆಯ ವಾರ್ಷಿಕ ಸರ್ವಸಾಮಾನ್ಯ ಸಭೆಯವರೆಗೆ ಮುಂದುವರೆಸಲು ಸದಸ್ಯರ ಮುಂದೆ ಪ್ರಸ್ತಾಪಿಸುತ್ತದೆ.

RBI ಮಾರ್ಗಸೂಚಿಗಳ ಪ್ರಕಾರ ನಮ್ಮ ಆಸ್ತಿಯ ಗಾತ್ರಕ್ಕೆ ಕನಿಷ್ಠ ಇಬ್ಬರು ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರನ್ನು ಹೊಂದಿರುವುದು ಅಗತ್ಯವಾಗಿರುತ್ತದೆ. ಇದಕ್ಕೆ ಅನುಗುಣವಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ದಿನಾಂಕ 24 ಮೇ, 2024ರಂದು ನಡೆದ ತನ್ನ ಸಭೆಯಲ್ಲಿ, ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಮಿತಿಯ ಶಿಫಾರಸ್ಸಿನ ಮೇಲೆ ಮೆ|| ಆರ್.ಜಿ.ಎನ್. ಪ್ರೈವ್ & ಕಂ., ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ (FRN 002785S)- ಇವರನ್ನು ಬ್ಯಾಂಕಿನ ಜಂಟಿ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರನ್ನಾಗಿ ನೇಮಕ ಮಾಡುವ ಪ್ರಸ್ತಾವನೆ ಇರಿಸಿತು. ನಮ್ಮ ಅರ್ಜಿಯ ಮೇರೆಗೆ RBI ಪ್ರಸ್ತಾವಿತ ನೇಮಕಾತಿಯನ್ನು ದಿನಾಂಕ 02.07.2024ರ ಪತ್ರದ ಅನ್ವಯ ಅಂಗೀಕರಿಸಿತು. ಇದಕ್ಕನುಗುಣವಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಮೆ|| ಆರ್.ಜಿ.ಎನ್. ಪ್ರೈವ್ & ಕಂ., ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ (FRN 002785S)- ಇವರನ್ನು 2024-25ರ ಹಣಕಾಸು ವರ್ಷದ ಕೊನೆಯವರೆಗೆ, ಅರ್ಥಾತ್ 101ನೆಯ ವಾರ್ಷಿಕ ಸರ್ವಸಾಮಾನ್ಯ ಸಭೆಯವರೆಗೆ ಮುಂದುವರೆಸಲು ಸದಸ್ಯರ ಮುಂದೆ ಪ್ರಸ್ತಾಪಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿಂಗ್ ನಿಬಂಧನಾ ಕಾಯ್ದೆ, 1949ರ ಪರಿಚ್ಛೇದ 30(1A) ಅನುಸಾರ RBI ನಿಂದ ದಿನಾಂಕ 02.07.2024ರ ಅವರ ಪತ್ರ ಸಂಖ್ಯೆ Ref. CO. DOS. RPD. No. 52580/08.30.005/2024-25 ಮೂಲಕ ಅಂಗೀಕಾರವನ್ನು ಪಡೆದುಕೊಳ್ಳಲಾಗಿದೆ. ಬ್ಯಾಂಕ್ ಈ ಮೇಲಿನ ಲೆಕ್ಕಪರಿಶೋಧಕರಿಂದ ಒಪ್ಪಿಗೆಯನ್ನು ಪಡೆದಿದ್ದು, ಕಂಪನಿ ಕಾಯ್ದೆ, 2013ರ ಉಪಬಂಧಗಳ ಅನ್ವಯ ಮತ್ತು ಸಂಬಂಧಿತ ನಿಯಮಗಳಿಗೆ ಸಂಗತವಾಗಿ ಅವರನ್ನು ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ನೇಮಿಸಲು ಅವರು ಅನರ್ಹರಾಗಿರುವುದಿಲ್ಲ ಎನ್ನುವ ಬಗ್ಗೆ ಅಗತ್ಯ ಸ್ಥಿರೀಕರಣವನ್ನು ಪಡೆದುಕೊಂಡಿರುತ್ತದೆ.

#### b. ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಮತ್ತು ವರದಿ

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 204 ಮತ್ತು ಅದರ ನಿಯಮಗಳ ಅನುಸಾರವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಮೆ|| ಬಿಎಂಪಿ ಎಂಡ್ ಕೋ ಎಲ್‌ಎಲ್‌ಪಿ (M/s. BMP & Co, LLP), ವೃತ್ತಿನಿರತ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ, ಬೆಂಗಳೂರು ಅವರನ್ನು 31 ಮಾರ್ಚ್ 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ನಿಯುಕ್ತಿಗೊಳಿಸಿದ್ದು, ಅವರು ನೀಡಿರುವ ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರದಿಯನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ- VIII ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

SEBI (ಲಿಸ್ಟಿಂಗ್ ಬಾಧ್ಯತೆಗಳು ಮತ್ತು ಬಹಿರಂಗಪಡಿಸುವ ಆವಶ್ಯಕತೆಗಳು - LODR) ನಿಬಂಧನೆಗಳು, 2015ರ ನಿಬಂಧನೆ 24Aಯ ಅನುಸಾರವಾಗಿ ಮತ್ತು ದಿನಾಂಕ ಫೆಬ್ರವರಿ 8, 2019ರ SEBI ಸುತ್ತೋಲೆ ಸಂಖ್ಯೆ CIR/CFD/CMD1/27/2019 ಕ್ಕೆ ಸಂಗತವಾಗಿ ಬ್ಯಾಂಕ್ ಮಾರ್ಚ್ 31, 2024ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷಕ್ಕೆ ಅನ್ವಯವಾಗುವ ಎಲ್ಲಾ SEBI ನಿಯಮಗಳು ಮತ್ತು ಸುತ್ತೋಲೆಗಳು/ ಮಾರ್ಗಸೂಚಿಗಳ ಅನುಸರಣೆಯ ಕುರಿತು 'ವಾರ್ಷಿಕ ಸೆಕ್ರೆಟರಿಯಲ್ ಅನುಸರಣಾ ವರದಿ'ಯನ್ನು (Annual Secretarial Compliance Report) ಸಿಎಸ್ ಪ್ರಮೋದ್ ಎಸ್ ಎಂ (COP: 13784). ಬಿಎಂಪಿ ಎಂಡ್ ಕೋ ಎಲ್‌ಎಲ್‌ಪಿ (M/s. BMP & Co, LLP) ಅವರಿಂದ ಪಡೆದಿದ್ದು, ಅದನ್ನು ಷೇರು ವಿನಿಮಯ ಕೇಂದ್ರಗಳಿಗೆ ನಿಗದಿತ ಅವಧಿಯೊಳಗೆ ಸಲ್ಲಿಸಲಾಗಿದೆ. 'ಸೆಕ್ರೆಟರಿಯಲ್ ಅನುಸರಣಾ ವರದಿ'ಯನ್ನು ಈ ವರದಿಗೆ ಅನುಬಂಧ IX ಆಗಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.



**C. ವಂಚನೆಗಳ ಕುರಿತು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿ**

2023-24ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ, ಕಂಪನಿ ಕಾಯಿದೆ, 2013ರ ಸೆಕ್ಷನ್ 143(12)ರ ಪ್ರಕಾರ, ಬ್ಯಾಂಕ್‌ನ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಬ್ಯಾಂಕ್ ಅಥವಾ ಅದರ ಅಧಿಕಾರಿಗಳು/ಉದ್ಯೋಗಿಗಳು ಎಸಗಿದ ವಂಚನೆಗಳ ಯಾವುದೇ ನಿದರ್ಶನಗಳನ್ನು ವರದಿ ಮಾಡಿರುವುದಿಲ್ಲ.

**ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು**

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 134(3) ಮತ್ತು ಕಂಪನಿಗಳ (ಲೆಕ್ಕಪತ್ರಗಳು) ನಿಯಮಗಳು, 2014ರ ಅನ್ವಯ ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

- a. **ಶಕ್ತಿಯ ಸಂರಕ್ಷಣೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆಯ ಅಳವಡಿಕೆ:** ಬ್ಯಾಂಕ್‌ನ ವ್ಯವಹಾರ ಸ್ವರೂಪದ ದೃಷ್ಟಿಯಿಂದ ಶಕ್ತಿಯ ಬಳಕೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ ಕುರಿತಾದ ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ಸೆಕ್ಷನ್ 134(3)(ಎಂ) ನಮ್ಮ ಬ್ಯಾಂಕ್‌ಗೆ ಅನ್ವಯಿಸುವುದಿಲ್ಲ. ಆದಾಗ್ಯೂ ಬ್ಯಾಂಕ್ ತನ್ನ ಚಟುವಟಿಕೆಯ ಎಲ್ಲ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನವನ್ನು ವಿಪುಲವಾಗಿ ಬಳಕೆ ಮಾಡುತ್ತಿದೆ. ಇದಲ್ಲದೆ, ನವೀಕರಿಸಬಹುದಾದ ಶಕ್ತಿಯ ಮೂಲಗಳನ್ನು ಉತ್ತೇಜಿಸಲು, ಬ್ಯಾಂಕ್ ಪ್ರಧಾನ ಕಚೇರಿ, ಕೆಲವು ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳು ಮತ್ತು ಬ್ಯಾಂಕ್‌ನ ಇತರ ಕಟ್ಟಡಗಳಲ್ಲಿ ಸೌರ ವಿದ್ಯುತ್‌ನ್ನು ವ್ಯಾಪಕವಾಗಿ ಬಳಸಿಕೊಳ್ಳುತ್ತಿದೆ.
- b. **ವಿದೇಶಿ ವಿನಿಮಯ ಗಳಿಕೆ ಮತ್ತು ಹೊರಹರಿವು:** ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2024ಕ್ಕೆ ಬ್ಯಾಂಕ್ ವಿದೇಶಿ ವಿನಿಮಯ ರೂಪದಲ್ಲಿ ರೂ. 16.97 ಕೋಟಿ ಗಳಿಕೆ ಮತ್ತು ರೂ. 5.77 ಕೋಟಿ ವ್ಯಯ ದಾಖಲಾಗಿರುತ್ತದೆ.
- c. ಬ್ಯಾಂಕ್‌ನ ಭವಿಷ್ಯದ ವಹಿವಾಟಿಗೆ ತಡೆಯಾಗಬಲ್ಲ ಲಿಖಿತ ರೂಪದ ಯಾವುದೇ ಆಜ್ಞೆಗಳು/ವಿಧೇಯಕಗಳು ಯಾವುದೇ ನಿಯಂತ್ರಕರ ಕಚೇರಿಗಳಿಂದ, ನ್ಯಾಯಾಲಯಗಳಿಂದ ಬಂದಿರುವುದಿಲ್ಲ.
- d. **ಆಂತರಿಕ ಆರ್ಥಿಕತಾ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಅದರ ಸಮರ್ಪಕತೆ:** ಆಂತರಿಕ ಆರ್ಥಿಕತಾ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸೂಕ್ತವಾಗಿ ಹಾಗೂ ಸಮಗ್ರವಾಗಿ ಕೆಲವು ಮಾನದಂಡಗಳು, ಪ್ರಯೋಗಗಳು ಮತ್ತು ಸಂರಚನೆಗಳನ್ನು ಪಾಲಿಸಿಕೊಂಡು ಬಂದಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆ ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣವಾಗಿದ್ದು ಚುರುಕಾಗಿ, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.
- e. **ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ಸಿಬ್ಬಂದಿ ವರ್ಗ (KMP):**
  - ಮಾರ್ಚ್ 31, 2024ರಂತೆ, ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013ರ ಉಪಬಂಧಗಳ ಪ್ರಕಾರ, ಶ್ರೀ ಶ್ರೀಕೃಷ್ಣನ್ ಎಚ್., (ಜೂನ್ 9, 2023ರಂದು ನೇಮಕವಾಗಿ ಅಧಿಕಾರ ಸ್ವೀಕರಿಸಿದ್ದಾರೆ) ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು CEO, ಶ್ರೀ ಅಭಿಷೇಕ್ ಎಸ್ ಬಾಗ್ವಿ, ಮುಖ್ಯ ಹಣಕಾಸು ಅಧಿಕಾರಿ ಮತ್ತು ಶ್ರೀ ಶ್ಯಾಮ್ ಕೆ., ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ, ಅವರು ಬ್ಯಾಂಕ್‌ನ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪಕ ಸಿಬ್ಬಂದಿಯಾಗಿರುತ್ತಾರೆ.
  - ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ.ಎಸ್. ಅವರು ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು CEO ಆಗಿ ತಮ್ಮ ಅಧಿಕಾರಾವಧಿಯನ್ನು ಪೂರೈಸಿ, ಏಪ್ರಿಲ್ 14, 2023ರಂದು ಆ ಸ್ಥಾನದಿಂದ ನಿವೃತ್ತಿಯನ್ನು ಹೊಂದಿದರು.
- f. **ನಿರ್ದೇಶಕರ ಸಂಭಾವನೆ:** ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013, ಸೆಕ್ಷನ್ 197(12) ಮತ್ತು ಕಂಪನಿ (ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ) ನಿಯಮಗಳು 2014ರ ನಿಯಮ 5ರ ಪ್ರಕಾರ ಪ್ರಕಟಿಸಬೇಕಾಗಿರುವ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ- X ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.
- g. 2023-24ರ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ, ಕಂಪನಿ ಕಾಯಿದೆ, 2013ರ ಸೆಕ್ಷನ್ 197ರ ಅಡಿಯಲ್ಲಿ ಸೂಚಿಸಲಾದ ಮಿತಿಗಳ ಪ್ರಕಾರ ಮತ್ತು ಕಂಪನಿ (ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ) ನಿಯಮಗಳು 2014ರ ನಿಯಮ 5ರ ಪ್ರಕಾರ ಬಹಿರಂಗಪಡಿಸುವ ಅಗತ್ಯವಿರುವ ಸಂಭಾವನೆಯನ್ನು ಸ್ವೀಕರಿಸಿದ ಯಾವುದೇ ಉದ್ಯೋಗಿ ಇರುವುದಿಲ್ಲ. ಆದರೂ, ಪೂರ್ಣಕಾಲಿಕ ನಿರ್ದೇಶಕರಿಗೆ ಪಾವತಿಸಿದ ಸಂಭಾವನೆಯು (ನಂತರದ ಹಣಕಾಸು ವರ್ಷದಲ್ಲಿ ನಿರ್ಧರಿಸಲಾದ ವೇರಿಯಬಲ್ ವೇತನವನ್ನು ಒಳಗೊಂಡಂತೆ) RBI ಅಂಗೀಕಾರಕ್ಕೆ ಬದ್ಧವಾಗಿರುತ್ತದೆ. ಆಗಿನ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು CEO ಆಗಿದ್ದ ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ.ಎಸ್. (14, ಏಪ್ರಿಲ್ 2023ರ ವರೆಗೆ) ಮತ್ತು ಶ್ರೀ ಶೇಖರ್ ರಾವ್, ಕಾರ್ಯಕಾರಿ ನಿರ್ದೇಶಕರು, ಮತ್ತು ಈಗಿನ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಹಾಲಿ CEO ಆಗಿರುವ ಶ್ರೀ ಶ್ರೀಕೃಷ್ಣನ್ ಎಚ್. ಅವರ ಸಂಭಾವನೆಯ ವಿವರಗಳನ್ನು ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.
- h. ಕಂಪನಿ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 12 ಮತ್ತು ಕಂಪನಿ ನಿಯಮಗಳು (ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ ವ್ಯವಸ್ಥಾಪಕ ಸಿಬ್ಬಂದಿ ಸಂಭಾವನೆ) ನಿಯಮಗಳು, 2014ರ ನಿಯಮ 5(2), 5(3)ರ ಪ್ರಕಾರ ಸಂಭಾವನೆಯ ನೆಲೆಯಲ್ಲಿ ಮೊದಲ 10 ಉದ್ಯೋಗಿಗಳ ಹೆಸರು ಮತ್ತು ಇತರ ವಿವರಗಳ ಹೇಳಿಕೆಯು ಈ ವಾರ್ಷಿಕ ವರದಿಯ ಭಾಗವಾಗಿದೆ. ಕಂಪನಿ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 136(1)ರ ಅನುಸಾರ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು ಈ ಮಾಹಿತಿಯನ್ನು ಹೊರತುಪಡಿಸಿ ಬ್ಯಾಂಕ್‌ನ ಸದಸ್ಯರಿಗೆ ಕಳುಹಿಸಲಾಗುತ್ತಿದೆ. ಈ ಮಾಹಿತಿಯು ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯ ದಿನಾಂಕದವರೆಗೆ ಬ್ಯಾಂಕಿನ

ನೋಂದಾಯಿತ ಕಚೇರಿಯಲ್ಲಿ (ವ್ಯವಹಾರದ ಸಮಯದಲ್ಲಿ) ಸದಸ್ಯರ ಪರಿಶೀಲನೆಗೆ ಲಭ್ಯವಿರುತ್ತದೆ. ಆಸಕ್ತ ಸದಸ್ಯರು ಅದರ ಯಥಾಪ್ರತಿಯನ್ನು ಪಡೆಯಲು ಬಯಸಿದ್ದಲ್ಲಿ ಇ-ಮೇಲ್ ಮುಖಾಂತರ investor.grievance@ktkbank.com ಅನ್ನು ಸಂಪರ್ಕಿಸಬಹುದು.

- i. ಬ್ಯಾಂಕಿನ ಹಣಕಾಸು ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕ ಮತ್ತು ಈ ವರದಿಯ ದಿನಾಂಕದ ನಡುವಿನ ಅವಧಿಯಲ್ಲಿ, ಬ್ಯಾಂಕಿನ ಆರ್ಥಿಕ ಸ್ಥಿತಿಯ ಮೇಲೆ ವ್ಯತಿರಿಕ್ತ ಪರಿಣಾಮ ಬೀರುವ ಯಾವುದೇ ಮಹತ್ವದ ಬದಲಾವಣೆಗಳಾಗಿರುವುದಿಲ್ಲ.
- j. ವರದಿ ವರ್ಷದಲ್ಲಿ ಸೆಕ್ಷನ್ 186ನ ವ್ಯಾಪ್ತಿಗೆ ಬರುವ ಯಾವುದೇ ಸಾಲಗಳು, ಖಾತರಿಗಳು ಅಥವಾ ಹೂಡಿಕೆಗಳನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿರುವುದಿಲ್ಲ.
- k. ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರದ ಸ್ವರೂಪದಲ್ಲಿ ಯಾವುದೇ ಬದಲಾವಣೆಗಳು ಆಗಿರುವುದಿಲ್ಲ.

### ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಭೆಗಳ ಸಂಖ್ಯೆ

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಒಟ್ಟು 16 ಬಾರಿ ಸಭೆಗಳನ್ನು ನಡೆಸಿದ್ದು, ವಿವರಗಳನ್ನು ಈ ವರದಿಯೊಂದಿಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ಯಾವುದೇ ಎರಡು ಮಂಡಳಿ ಸಭೆಗಳ ನಡುವಿನ ಗರಿಷ್ಠ ಅಂತರವು 120 ದಿನಗಳಿಗಿಂತ ಕಡಿಮೆ ಇತ್ತು.

### ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳು

ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು 11 ಸಮಿತಿಗಳನ್ನು ಹೊಂದಿದ್ದು, ಇವು ಅತ್ಯುತ್ತಮ ಕಾರ್ಯಕ್ಷಮತೆಗಾಗಿ ಮತ್ತು ಅನ್ವಯಿಸುವ ಕಾನೂನು ಅಗತ್ಯಗಳ ಪರಿಪಾಲನೆಗಾಗಿ ರಚಿತವಾಗಿವೆ. ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆ ಮತ್ತು ಸಮಿತಿಗಳ ಸಭೆಯ ವಿವರಗಳು, ಅವುಗಳ ಸಂಯೋಜನೆ (31 ಮಾರ್ಚ್ 2024ರಂತೆ), ಉಲ್ಲೇಖದ ನಿಯಮಗಳು, ಅಧಿಕಾರ, ಪಾತ್ರ ಇತ್ಯಾದಿಗಳನ್ನು ಈ ವರದಿಯೊಂದಿಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿ ಅನುಬಂಧ- IV ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

### ದಿವಾಳಿತನ ಮತ್ತು ಬ್ಯಾಂಕ್ ವಂಚನೆ ಸಂಹಿತೆ, 2016 ರ ಅಡಿಯಲ್ಲಿ ಬಾಕಿ ಇರುವ ಪ್ರಕ್ರಿಯೆಗಳು

IBC, 2016ರ ಅಡಿಯಲ್ಲಿ ಯಾವುದೇ ಅರ್ಜಿಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿಲ್ಲ ಮತ್ತು ಯಾವುದೇ ಪ್ರಕ್ರಿಯೆಯು ಬಾಕಿ ಇರುವುದಿಲ್ಲ.

### ವೆಚ್ಚ ದಾಖಲೆಗಳ ನಿರ್ವಹಣೆ

ಕಂಪನಿಯಾಗಿರುವ ಕಾರಣ, ಕೇಂದ್ರ ಸರ್ಕಾರವು ಕಂಪನಿ ಕಾಯ್ದೆ, 2013ರ ಪರಿಚ್ಛೇದ 148, ಉಪಪರಿಚ್ಛೇದ (1)ರ ಅನುಸಾರ ಮತ್ತು ಕಂಪನಿಗಳ (ಲೆಕ್ಕಪತ್ರಗಳು) ನಿಯಮಗಳು, 2014ಕ್ಕೆ ಸಂಗತವಾಗಿ ಈ ಸಂಬಂಧ ನಿಗದಿಪಡಿಸಿರುವ ಲೆಕ್ಕಪತ್ರಗಳು ಮತ್ತು ವೆಚ್ಚದ ದಾಖಲೆಗಳನ್ನು ಬ್ಯಾಂಕ್ ನಿರ್ವಹಿಸುವ ಅಗತ್ಯ ಇರುವುದಿಲ್ಲ.

### ಹೂಡಿಕೆದಾರರ ಶಿಕ್ಷಣ ಮತ್ತು ಸಂರಕ್ಷಣಾ ನಿಧಿ (IEPF)

IEPF ಗೆ ಹಕ್ಕು ಸಲ್ಲಿಸಿದ ಲಾಭಾಂಶ, ಷೇರುಗಳು, ಷೇರು ಅರ್ಜಿ ಹಣದ ವರ್ಗಾವಣೆ ರೂಪದಲ್ಲಿ ಒದಗಿಸಲಾಗಿರುವ ಹಣದ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ ಅನುಬಂಧ IV ರಲ್ಲಿ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.

### ಕಾರ್ಯದರ್ಶಿಯ ಪ್ರಮಾಣಗಳು

ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಕಂಪನಿ ಸೆಕ್ರೆಟರೀಸ್ ಆಫ್ ಇಂಡಿಯಾ ಹೊರಡಿಸಿರುವ ಅನ್ವಯವಾಗುವ ಎಲ್ಲ ಕಾರ್ಯದರ್ಶಿಯ ಪ್ರಮಾಣಗಳನ್ನು ಕಂಪನಿಯು ಅನುಸರಿಸುತ್ತಿದೆ.

### ಜವಾಬ್ದಾರಿಯುತ ವ್ಯವಹಾರ ಮತ್ತು ಸುಸ್ಥಿರತೆಯ ವರದಿ

ಪರಿಸರ, ಸಾಮಾಜಿಕ ಮತ್ತು ಆಡಳಿತ (ESG) ತತ್ವಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಉತ್ತಮ ಅಭ್ಯಾಸಗಳನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವ ವಿವಿಧ ನೀತಿಗಳನ್ನು ಬ್ಯಾಂಕ್ ಅಳವಡಿಸಿಕೊಂಡಿದೆ. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ, ಸೆಕ್ಯೂರಿಟೀಸ್ ಅಂಡ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಬೋರ್ಡ್ ಆಫ್ ಇಂಡಿಯಾ (ಲಿಸ್ಟಿಂಗ್ ಬಾಧ್ಯತೆಗಳು ಮತ್ತು ಬಹಿರಂಗಪಡಿಸುವಿಕೆ ಅವಶ್ಯಕತೆಗಳು- LODR), 2015 ನಿಯಮ 34(2)(ಎಫ್) ಮತ್ತು ಸೆಕ್ಯೂರಿಟೀಸ್ ಅಂಡ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಬೋರ್ಡ್ ಆಫ್ ಇಂಡಿಯಾ ಸುತ್ತೋಲೆ SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 ಅಡಿಯಲ್ಲಿ ರೂಪಿಸಿರುವ ನಮೂನೆಗೆ ಅನುಗುಣವಾಗಿ ಬ್ಯಾಂಕ್ 2023-24 ರ ಹಣಕಾಸು ವರ್ಷದ ತನ್ನ ವರದಿಯನ್ನು (BRSR) ಸಿದ್ಧಪಡಿಸಿದೆ. ಇದನ್ನು ಅನುಬಂಧ- XI ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.





### ಆಡಳಿತ ಮಂಡಳಿ ಚರ್ಚೆ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ

ಸೆಕ್ಯೂರಿಟೀಸ್ ಅಂಡ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಬೋರ್ಡ್ ಆಫ್ ಇಂಡಿಯಾ (ಲಿಸ್ಟಿಂಗ್ ಬಾಧ್ಯತೆಗಳು ಮತ್ತು ಬಹಿರಂಗಪಡಿಸುವಿಕೆ ಅವಶ್ಯಕತೆಗಳು- LODR), 2015ರ ನಿಬಂಧನೆ 34ರ ಅನುಸರಣೆಯಲ್ಲಿ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರದ ಸ್ಥಿತಿಗತಿಯ ವಿವರಗಳನ್ನು ಒಳಗೊಳ್ಳುವ ಮತ್ತು ಮಂಡಳಿಯು ಅಂಗೀಕರಿಸಿರುವ ಆಡಳಿತ ಮಂಡಳಿ ಚರ್ಚೆ ಮತ್ತು ವಿಶ್ಲೇಷಣೆಯ ಮೇಲಿನ ಪ್ರತ್ಯೇಕ ವರದಿಯು ಈ ಮಂಡಳಿ ವರದಿಯ ಭಾಗವಾಗಿರುತ್ತದೆ.

### ಕೃತಜ್ಞತೆಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ಇತರೆ ಸರಕಾರಿ ಮತ್ತು ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರಗಳು, ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳು, ಸಹಭಾಗಿ ಬ್ಯಾಂಕ್‌ಗಳ ನಿರಂತರ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ಬೆಂಬಲಗಳಿಗಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ತಮ್ಮ ಹೃತ್ಪೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ಸಲ್ಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ. ಬ್ಯಾಂಕಿನ ಷೇರುದಾರರು, ಠೇವಣಿದಾರರು ಮತ್ತು ಇತರೆ ಗ್ರಾಹಕರ ನಿರಂತರ ಬೆಂಬಲ, ಸಹಕಾರ ಮತ್ತು ವಿಶ್ವಾಸಗಳಿಗಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಚಿರಋಣಿಯಾಗಿದ್ದಾರೆ. ಬ್ಯಾಂಕ್‌ನ ಎಲ್ಲ ಉದ್ಯೋಗಿಗಳು ನೀಡಿದ ಸಕ್ರಿಯ ಬೆಂಬಲ, ಬ್ಯಾಂಕ್‌ನ ನಿರಂತರ ಪ್ರಗತಿಗಾಗಿ ನೀಡಿದ ಸಹಕಾರಕ್ಕಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಮೆಚ್ಚುಗೆಯನ್ನು ಸೂಚಿಸುತ್ತಾ ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಬ್ಯಾಂಕ್ ಅನ್ನು ಇನ್ನೂ ಎತ್ತರಕ್ಕೆ ಕೊಂಡೊಯ್ಯುವಲ್ಲಿ ನಿರಂತರ ಸಹಕಾರವನ್ನು ಬಯಸುತ್ತೇವೆ.

ಆಡಳಿತ ಮಂಡಳಿ ನಿರ್ದೇಶಕರ ಪರವಾಗಿ ಮತ್ತು ಅಪ್ಪಣೆಯೊಂದಿಗೆ,

ಸಹಿ/-

ಪಿ. ಪ್ರದೀಪ್ ಕುಮಾರ್

ಅರೆ-ಕಾಲಿಕ ಅಧ್ಯಕ್ಷರು

DIN: 03614568

ಸ್ಥಳ: ಮಂಗಳೂರು

ದಿನಾಂಕ: 24 ಜುಲೈ 2024

# Annexure – I

## DISCLOSURE UNDER PILLAR III OF BASEL III ACCORD

### 1. SCOPE OF APPLICATION

The Karnataka Bank Limited, a premier private sector Bank, was incorporated on 18<sup>th</sup> February, 1924 in Mangaluru.

As per capital adequacy guidelines under Basel III, insurance and non-financial subsidiaries / joint ventures / associates etc. of banks are not to be consolidated. The Bank's Subsidiary, KBL Services Limited, is a non-financial entity, and hence not consolidated for capital adequacy purpose.

The Bank presently is not involved in insurance business. However, the Bank holds equity investments to the extent of 6% in Universal Sampo General Insurance Company Limited. The financials of the said company are not consolidated with the balance sheet of the Bank. The investment in the company is not deducted from the capital funds of the Bank but is assigned risk weights as an investment.

Name of the Head of the Banking group to which the framework applies- THE KARNATAKA BANK LIMITED

Name of the entity / country of incorporation	Whether entity is included in the accounting scope of consolidation	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
KBL Services Limited/ India	Yes	AS-21	No	NA	NA	The Bank's Subsidiary, KBL Services Limited, is a non-financial entity, and hence not consolidated for capital adequacy purpose.

### 2. CAPITAL STRUCTURE

Sl. No.	Particulars	No of equity Shares	Face value per share (in ₹)	Amount (₹)	Amount (₹ in Crore)
1.	Authorized Capital	60,00,00,000	10	600,00,00,000	600.00
2.	Issued Capital*	37,73,78,479	10	377,37,84,790	377.38
3.	Subscribed Capital	37,72,66,508	10	377,26,65,080	377.27
4.	Called up/Paid up Capital	37,72,49,958	10	377,24,99,580	377.25

\*inclusive of forfeited shares

The Bank's shares are listed on the National Stock Exchange of India Limited and BSE Limited. During the FY 2023-2024, Bank has issued 37,172,862 equity shares on a Preferential issue basis, 2,64,31,718 equity shares on a QIP basis and 13,02,757 equity shares upon exercise of vested stock options under employee stock options (ESOPs).

#### a. Breakup of Capital Funds

The Tier I Capital of the Bank comprises of

	(₹ in crore)
1 Paid up Capital (Including forfeited shares)	377.26
2 Reserves	9,731.75
<b>Total</b>	<b>10,109.01</b>



The Tier II Capital of the Bank comprises of

		(₹ in crore)
1	Undisclosed reserves	233.95
2	General Provisions and Loss Reserves	610.18
3	Subordinated debts eligible for inclusion in Lower Tier 2 Capital	300.00
<b>The Total Capital of the Bank comprises of</b>		<b>1,144.13</b>

The Total Capital of the Bank comprises of

		(₹ in crore)
1	Tier I Capital	10,109.01
2	Tier II Capital	1,144.13
<b>Total</b>		<b>11,253.14</b>

Details of the aggregate amounts of the Bank's total interests in insurance entities, which are risk-weighted:

(₹ in Crore)				
Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Universal Sampo General insurance Company Limited / India	General Insurance	368.18*	6%	0.09%

\* As per latest financials disclosed in their website, i.e., up to Dec'2023

## b. TABLE DF-2: CAPITAL ADEQUACY: ASSESSMENT OF CAPITAL ADEQUACY:

### 1. Qualitative Disclosures:

An assessment of the capital requirement of the Bank is carried out through comprehensive projections of future business that takes cognizance of the strategic intent of the Bank, profitability of particular business and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirements but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by effective, technology based risk management systems.

### 2. Quantitative Disclosures:

A summary of the Bank's Capital requirement under Basel III for credit, market and operational risk and the capital adequacy ratio is detailed below.

		(₹ in crore)
A	Capital requirement for Credit Risk	
	-- <b>Portfolios subject to Standardized approach</b>	<b>4,826.92</b>
	-- Securitization exposures	0.00
B	Capital requirement for Market Risk	
	<b>Standardized duration approach</b>	193.38
	-- Interest rate Risk	128.19
	-- Foreign exchange risk	0.76
	-- Equity Risk	64.43
C	Capital requirement for Operational Risk	
	-- <b>Basic Indicator approach</b>	<b>607.63</b>
D	Total Capital requirement (**)	5,627.93
E	<b>Total eligible Capital Funds of the Bank as per Basel III</b>	<b>11,253.14</b>
F	Total Risk Weighted Assets	62,532.53
G	Common Equity Tier I ratio (CET1) (%)	16.17%
H	Tier I CRAR (%)	16.17%
I	Tier II CRAR (%)	1.83%
J	<b>Total CRAR (%)</b>	<b>18.00%</b>

### 3. RISK MANAGEMENT: OBJECTIVES AND ORGANIZATION STRUCTURE

The various risks taken by the Bank during the course of the business development are identified, assessed, measured, controlled, monitored, mitigated and reported effectively. The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism. The Bank's risk governance architecture focuses attention on key areas of risk such as credit, market and operational risk and quantification of these risks wherever possible for effective and continuous monitoring.

#### a. Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Bank has a well-documented Board approved 'Policy on Risk Management' in place. The Board sets the overall risk appetite and philosophy for the Bank. The Board of Directors, the Risk & Capital Management Committee and the Audit Committee of the Board review various aspects of risk arising from the businesses of the Bank.

#### b. Structure and Organization

The Bank has a risk management system that is centralized with a three track committee approach. The committees are - Credit Risk Committee (CRC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC). Risk & Capital Management Committee (RCMC) evaluates the overall risk factors faced by the bank and directly reports to the Board of directors.

CRC deals with credit policies and procedures, ALCO deals with Asset Liability Management (ALM), Investment and Market Risk policies of the Bank and ORMC formulates policies and procedures for managing operational risk.

### 4. TABLE DF-3: CREDIT RISK: GENERAL DISCLOSURES CREDIT RISK MANAGEMENT

#### Qualitative Disclosures

##### (a) General qualitative disclosure with respect to credit risk

The Bank has developed an online comprehensive credit risk rating system for all borrower accounts. Risk rating of borrowers is intended to help banks in quantifying and aggregating the credit risk across various exposures. The Bank has validated its existing rating models and refined/revised the corporate models, besides introduction of specialized lending rating models, retail score card models [Pool based approach], facility rating and Business Rule Engine based KB-96 scorecard are used for digital journey. Accordingly, Bank is rating its credit portfolio as per the criteria laid down for rating in the Policy on Loans & Advances of the Bank. The rating serves as a single point indicator of diverse risk factors of counter-party and for taking credit decisions. The risk rating system is drawn up in a structured manner, incorporating different factors such as borrower and industry specific characteristics. The Bank also undertakes periodic validation exercise of its rating models and also conducts migration and default rate analysis to test robustness of its rating models.

The Bank has formulated a comprehensive Policy on Loans & Advances by incorporating various parameters & prudential limits to manage and control default, transaction and intrinsic/concentration risk. The credit exposures are taken after subjecting the proposals to analysis of various risk factors such as financial risk, industry risk, management risk, business risk, transaction risk etc.

The Bank analyses the migration of borrowers in various risk rating categories to gauge the quality of the loan portfolio. The Bank also conducts periodical review of the loan assets to ascertain conduct of the accounts. The Bank conducts periodical Credit Audit and Stock Audit of large credit exposures to limit the magnitude of credit risk and interest rate risk.

#### Credit sanction and related processes

Know Your Customer is a leading principle for all business activities. The other components of the credit processes are:

1. Sound credit approval process with well laid credit sanctioning criteria.
2. The acceptability of credit exposure primarily based on the sustainability and adequacy of borrower's normal business operations and not based solely on the availability of security.
3. Portfolio level risk analysis and reporting to ensure optimal spread of risk across various rating classes to prevent undue risk concentration across any particular industry segments and monitor credit risk migration.
4. Sector specific studies at periodic intervals to highlight risks and opportunities in those sectors.
5. Adoption of rating linked exposure norms.



- Industry-wise exposure ceilings based on the industry performance, prospects and the competitiveness of the sector.
- Separate risk limits for credit portfolios like advances to NBFC and unsecured loans that require special monitoring.

### Review and Monitoring

- All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
- Credit monitoring involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance with the sanction terms and conditions and effectiveness of loan administration.
- Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

### Concentration Risk

The Bank controls concentration risk by means of appropriate sectoral limits and borrowers limits based on creditworthiness. The Bank also captures the Concentration risk by monitoring the geographical exposure.

### Large exposures to individual clients or group

The Bank has individual borrower-wise exposure ceilings based on the internal rating of the borrower as well as group-wise borrowing limits. The Bank monitors the level of credit risk (Low/Moderate/High/Very High) and direction of change in credit risk (increasing /decreasing/ stable) at the portfolio level.

### Definition of Non-Performing Assets

Bank has adopted the definition of the past due and impaired assets (for accounting purposes) as defined by the regulator for income recognition and asset classification norms.

## Quantitative Disclosures

### Exposures

#### (b) Total gross credit exposure including geographic distribution of exposure

(₹ in crore)			
Category	Domestic	Overseas	Amount (₹)
Fund Based	84,072.02	NIL	84,072.02
Non Fund Based	11,736.16	NIL	11,736.16
<b>TOTAL</b>	<b>95,808.18</b>	<b>NIL</b>	<b>95,808.18</b>

#### (c) Geographic distribution of credit exposure

(₹ in crore)				
S.No.	State / UT	Funded Exposure	Non Funded Exposure	Total Exposure
1	Andhra Pradesh	3,355.95	482.53	3,838.48
2	Arunachal Pradesh	0.00	0.00	0.00
3	Assam	174.42	143.59	318.01
4	Bihar	34.46	0.08	34.54
5	Chandigarh	119.32	79.33	198.65
6	Chhattisgarh	556.65	300.06	856.70
7	Dadra & Nagar Haveli	0.98	0.01	0.99
8	Daman And Diu	27.21	-	27.21
9	Delhi	8,287.28	438.18	8,725.46
10	Goa	372.08	31.47	403.55
11	Gujarat	2,036.89	716.97	2,753.85
12	Haryana	1,130.39	329.34	1,459.73
13	Himachal Pradesh	5.57	-	5.57
14	Jammu & Kashmir	0.76	-	0.76
15	Jharkhand	278.35	12.73	291.08
16	Karnataka	37,475.90	4,048.30	41,524.19
17	Kerala	1,302.23	20.50	1,322.73

(₹ in crore)

S.No.	State / UT	Funded Exposure	Non Funded Exposure	Total Exposure
18	Madhya Pradesh	406.48	44.07	450.55
19	Maharashtra	12,650.90	1,453.98	14,104.88
20	Manipur	0.02	-	0.02
21	Meghalaya	0.02	-	0.02
22	Orissa	845.54	172.44	1,017.99
23	Pondicherry	24.30	1.25	25.55
24	Punjab	748.01	64.76	812.77
25	Rajasthan	745.11	165.98	911.08
26	Sikkim	28.74	-	28.74
27	Tamil Nadu	6,924.65	496.84	7,421.49
28	Telangana	4,049.50	2,169.64	6,219.13
29	Tripura	0.12	-	0.12
30	Uttar Pradesh	534.09	124.34	658.43
31	Uttarakhand	272.22	6.13	278.35
32	West Bengal	1,683.89	433.67	2,117.56
	<b>Grand Total</b>	<b>84,072.02</b>	<b>11,736.16</b>	<b>95,808.18</b>

While determining level and direction of credit risk, parameters like percentage of low- risk credit (investment grade and above) to credit risk exposure and migration from investment to non-investment grade (quantum as percentage of credit risk exposure) are also considered. The Bank monitors the rating-wise distribution of its borrowers also.

**(d) Exposure to Industries:**

Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Particular attention is given to industry sectors where the Bank believes that there is a high degree of risk or potential for volatility in the future. The Bank has fixed internal limits for aggregate commitments to different sectors so that the exposures are evenly spread over various sectors.

The credit policy deals with short term as well as long term approach to credit risk management. The policy of the Bank embodies in itself the areas of risk identification, risk measurement, risk grading techniques, reporting and risk control systems /mitigation techniques, documentation practice and the system for management of problematic loans.

**Distribution of Credit Exposure by Industry sector**

(₹ in crore)

Industry	31.03.2024		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
A	B	C	D=B+C
<b>A. Mining and Quarrying</b>	<b>311.56</b>	<b>10.52</b>	<b>322.08</b>
A.1 Coal	1.81	3.38	5.18
A.2 Others	309.75	7.15	316.90
<b>B. Food Processing</b>	<b>489.60</b>	<b>411.96</b>	<b>901.56</b>
B.1 Sugar	-	-	-
B.2 Edible Oils and Vanaspati	25.53	286.06	311.59
B.3 Tea	30.27	0.29	30.55
B.4 Coffee	67.31	5.02	72.32
B.5 Others	366.50	120.60	487.09
<b>C. Beverages (excluding Tea &amp; Coffee) and Tobacco</b>	<b>284.75</b>	<b>0.53</b>	<b>285.28</b>
C.1 Tobacco and tobacco products	9.36	0.00	9.36
C.2 Others	275.39	0.53	275.92
<b>D. Textiles</b>	<b>1,673.09</b>	<b>47.88</b>	<b>1,720.96</b>
D.1 Cotton	466.87	13.02	479.89
D.2 Jute	-	-	-
D.3 Man-made	552.04	2.32	554.36
D.4 Others	654.18	32.54	686.72
Out of D (i.e., Total Textiles) to Spinning Mills	68.05	4.48	72.53



(₹ in crore)

Industry	31.03.2024		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
<b>E. Leather and Leather products</b>	<b>12.02</b>	<b>2.21</b>	<b>14.23</b>
<b>F. Wood and Wood Products</b>	<b>1.15</b>	<b>-</b>	<b>1.15</b>
<b>G. Paper and Paper Products</b>	<b>130.32</b>	<b>18.03</b>	<b>148.35</b>
<b>H. Petroleum (non-infra), Coal Products (non-mining) &amp; Nuclear Fuels</b>	<b>138.31</b>	<b>1.32</b>	<b>139.63</b>
<b>I. Chemicals and Chemical Products (Dyes, Paints, etc.)</b>	<b>520.93</b>	<b>93.97</b>	<b>614.90</b>
I.1 Fertilizers	11.43	5.12	<b>16.55</b>
I.2 Drugs and Pharmaceuticals	346.42	87.83	<b>434.25</b>
I.3 Petro-chemicals (excluding under Infrastructure)	-	-	<b>-</b>
I.4 Others	163.09	1.02	<b>164.10</b>
<b>J. Rubber, Plastic and their Products</b>	<b>641.46</b>	<b>74.49</b>	<b>715.95</b>
<b>K. Glass &amp; Glassware</b>	<b>13.43</b>	<b>0.10</b>	<b>13.53</b>
<b>L. Cement and Cement Products</b>	<b>210.33</b>	<b>54.03</b>	<b>264.37</b>
<b>M. Basic Metal and Metal Products</b>	<b>1,066.38</b>	<b>84.99</b>	<b>1,151.37</b>
M.1 Iron and Steel	726.52	31.61	<b>758.12</b>
M.2 Other Metal and Metal Products	339.86	53.38	<b>393.24</b>
<b>N. All Engineering</b>	<b>925.79</b>	<b>412.51</b>	<b>1,338.30</b>
N.1 Electronics	24.81	38.95	<b>63.75</b>
N.2 Others	900.98	373.57	<b>1,274.54</b>
<b>O. Vehicles, Vehicle Parts and Transport Equipments</b>	<b>300.13</b>	<b>24.07</b>	<b>324.19</b>
<b>P. Gems and Jewellery</b>	<b>609.68</b>	<b>2.91</b>	<b>612.58</b>
<b>Q. Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>R. Infrastructure</b>	<b>2,309.64</b>	<b>643.01</b>	<b>2,952.65</b>
<b>R.a Transport (a.1 to a.6)</b>	<b>822.15</b>	<b>324.96</b>	<b>1,147.11</b>
R.a.1 Roads and Bridges	819.22	304.93	<b>1,124.14</b>
R.a.2 Ports	-	0.12	<b>0.12</b>
R.a.3 Inland Waterways	-	-	<b>-</b>
R.a.4 Airport	-	-	<b>-</b>
R.a.5 Railway Track, tunnels, viaducts, bridges	2.93	19.84	<b>22.76</b>
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	-	0.08	<b>0.08</b>
<b>R.b. Energy (b.1 to b.6)</b>	<b>1,038.35</b>	<b>188.04</b>	<b>1,226.39</b>
R.b.1 Electricity Generation	528.08	170.70	<b>698.77</b>
R.b.1.1 Central Govt PSUs	-	-	<b>-</b>
R.b.1.2 State Govt PSUs (incl. SEBs)	-	-	<b>-</b>
R.b.1.3 Private Sector	528.08	<b>170.70</b>	<b>698.77</b>
R.b.2 Electricity Transmission	10.27	15.76	<b>26.03</b>
R.b.2.1 Central Govt PSUs	-	-	<b>-</b>
R.b.2.2 State Govt PSUs (incl. SEBs)	-	-	<b>-</b>
R.b.2.3 Private Sector	<b>10.27</b>	<b>15.76</b>	<b>26.03</b>
R.b.3 Electricity Distribution	<b>500.00</b>	<b>0.56</b>	<b>500.56</b>
R.b.3.1 Central Govt PSUs	-	-	<b>-</b>
R.b.3.2 State Govt PSUs (incl. SEBs)	-	-	<b>-</b>
R.b.3.3 Private Sector	500.00	0.56	<b>500.56</b>
R.b.4 Oil Pipelines	-	-	<b>-</b>
R.b.5 Oil/Gas/Liquefied Natural Gas storage facility	-	0.99	<b>0.99</b>
R.b.6 Gas Pipelines	-	0.04	<b>0.04</b>
<b>R.c. Water and Sanitation (c.1 to c.7)</b>	<b>42.23</b>	<b>110.75</b>	<b>152.98</b>
R.c.1 Solid Waste Management	-	0.12	<b>0.12</b>
R.c.2 Water supply pipelines	-	0.04	<b>0.04</b>
R.c.3 Water treatment plants	20.61	3.30	<b>23.91</b>
R.c.4 Sewage collection, treatment and disposal system	0.30	0.31	<b>0.61</b>
R.c.5 Irrigation (dams, channels, embankments etc)	21.32	106.99	<b>128.30</b>
R.c.6 Storm Water Drainage System	-	-	<b>-</b>
R.c.7 Slurry Pipelines	-	-	<b>-</b>

(₹ in crore)

Industry	31.03.2024		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
<b>R.d. Communication (d.1 to d.3)</b>	<b>221.40</b>	<b>14.44</b>	<b>235.84</b>
R.d.1 Telecommunication (Fixed network)	221.36	13.07	<b>234.44</b>
R.d.2 Telecommunication towers	0.04	1.05	<b>1.09</b>
R.d.3 Telecommunication and Telecom Services	-	0.31	<b>0.31</b>
<b>R.e. Social and Commercial Infrastructure (e.1 to e.9)</b>	<b>123.43</b>	<b>4.82</b>	<b>128.25</b>
R.e.1 Education Institutions (capital stock)	97.58	0.38	<b>97.96</b>
R.e.2 Hospitals (capital stock)	17.36	4.44	<b>21.80</b>
R.e.3 3-star or higher category classified hotels located outside cities with population of more than 1 million	7.92	-	<b>7.92</b>
R.e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	0.57	-	<b>0.57</b>
R.e.5 Fertilizer (Capital investment)	-	-	<b>-</b>
R.e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	-	0.01	<b>0.01</b>
R.e.7 Terminal markets	-	-	<b>-</b>
R.e.8 Soil-testing laboratories	-	-	<b>-</b>
R.e.9 Cold Chain	-	-	<b>-</b>
<b>R.f. Others, if any, please specify</b>	<b>62.08</b>	<b>-</b>	<b>62.08</b>
Hotels with Project cost of More than ₹ 200 crore	62.08	-	<b>62.08</b>
Other Infra	-	-	<b>-</b>
<b>S. Other Industries, pl. specify</b>	<b>1,403.86</b>	<b>560.52</b>	<b>1,964.38</b>
Cutting/Polishing Of Granite Stone	758.90	103.02	<b>861.92</b>
Electric Equipment/Products	277.04	276.00	<b>553.04</b>
Other Industries	367.92	181.50	<b>549.43</b>
<b>All Industries (A to S)</b>	<b>11,042.41</b>	<b>2,443.05</b>	<b>13,485.45</b>
Residuary other advances (to tally with gross exposures)	73,029.61	9,293.11	<b>82,322.73</b>
<b>Total</b>	<b>84,072.02</b>	<b>11,736.16</b>	<b>95,808.18</b>

The details of the Industry wherein the Bank's exposure in the related Industry has exceeded 5 per cent of total gross credit exposure is furnished below.

SI No	Industry / sectors classification	Percentage of the total credit exposure
	NIL	

## (e) Maturity pattern of assets - 31.03.2024

(₹ in crore)

Time Bucket	Cash & Balance with RBI	Balance with Banks & Money at Call & Short Notice	Investments	Classification of Non Performing Advances	Fixed Assets	Other Assets	Total
1day	3,509.60	336.50	7,409.38	97.16	0.00	0.40	11,353.03
2 to 7 days	86.45	0.00	344.81	165.38	0.00	0.67	597.31
8 to 14 days	92.38	0.00	300.99	780.04	0.00	3.17	1,176.58
15 to 30 days	77.97	0.00	419.64	1,106.00	0.00	4.49	1,608.11
31 days to 2 months	144.93	0.00	593.88	1,337.34	0.00	5.43	2,081.57
2 months to 3 Months	150.01	0.00	647.95	5,496.44	0.00	22.33	6,316.73
Over 3 months to 6 months	316.12	0.00	1,237.16	5,074.09	0.00	20.61	6,647.99





(₹ in crore)

Time Bucket	Cash & Balance with RBI	Balance with Banks & Money at Call & Short Notice	Investments	Classification of Non Performing Advances	Fixed Assets	Other Assets	Total
Over 6 months to 1 year	240.27	0.00	1,156.03	7,818.34	0.00	754.92	9,969.57
Over 1 year to 3 years	1,773.85	0.18	6,949.79	25,894.54	0.00	1,740.13	36,358.48
Over 3 years to 5 years	98.74	0.00	561.50	6,681.91	0.00	24.49	7,366.63
5 year to 7 Years	76.28	0.00	415.34	4,788.91	0.00	19.45	5,299.99
7 Year to 10 years	231.37	0.00	942.01	4,149.26	0.00	16.85	5,339.49
10 Year to 15 Years	707.25	0.00	2,706.99	4,285.81	0.00	17.41	7,717.45
Over 15 Years	150.86	0.00	616.58	3,833.43	914.64	8,736.15	14,251.66
<b>Total</b>	<b>7,656.07</b>	<b>336.67</b>	<b>24,302.05</b>	<b>71,508.64</b>	<b>914.64</b>	<b>11,366.50</b>	<b>1,16,084.57</b>

**Classification of Non Performing Advances**

(₹ in crore)

Sl. No.	Particulars	31.03.2024
<b>(f)</b>	<b>Amount of NPA's ( Gross)</b>	<b>2,578.42</b>
	Substandard	855.41
	Doubtful 1	428.90
	Doubtful 2	747.85
	Doubtful 3	203.63
	Loss	342.62
<b>(g)</b>	<b>Net NPAs</b>	
	Amount of Net NPA	1,129.18
<b>(h)</b>	<b>NPA Ratios</b>	
	Gross NPAs to Gross Advances ratio (%)	3.53
	Net NPAs to Net Advances ratio (%)	1.58

**(i) Movement of NPAs (Gross)**

(₹ in crore)

Particulars	Amount
1. Opening Balance as on 01.04.2023	2,292.91
2. Additions	1,650.20
3. Reductions	1,364.69
<b>4. Closing Balance as on 31.03.2024</b>	<b>2,578.42</b>

**(j) Movement of Provisions for NPAs**

(₹ in crore)

Particulars	Amount
1. Opening Balance	1,201.19
2. Provision made during the period	597.38
3. Write off	427.22
4. Write back of excess provisions during the period	-
<b>5. Closing balance</b>	<b>1,371.35</b>

(₹ in crore)

Particulars	Amount
Write offs booked directly to income statements	-
Recoveries booked directly to income statement	276.98

**Non Performing Investments and movement of provision for depreciation on Investments**

		(₹ in crore)
Sl. No.	Particulars	<b>31.03.2024</b>
(k)	Amount of Non performing Investments	174.30
(l)	Amount of Provision held for Non performing Investments	174.30
(m)	Movement of provisions for depreciation on Investments	
	- Opening balance	62.10
	- Add: Provisions made during period	122.20
	- Less: Write off/write back of excess provisions	10.00
	<b>- Closing balance</b>	<b>174.30</b>

**(n) Major Industry break up of NPA**

			(₹ in crore)
Industry	Gross NPA	Specific Provision	
Food and Food Products	113.08	112.12	
Textiles	70.31	43.08	
Gems and Jewellery	55.11	54.90	
Engineering Goods (including electronic goods)	32.14	10.99	
Metal and Metal products-(including Iron & Steel)	23.87	6.12	
<b>Total</b>	<b>294.51</b>	<b>227.21</b>	

**Geography wise Distribution of NPA and Provision**

				(₹ in crore)
Geography	Gross NPA	Specific Provision	General Provision	
Domestic	2,578.42	1,371.35	-	
Overseas	-	-	-	
<b>Total</b>	<b>2,578.42</b>	<b>1,371.35</b>	<b>-</b>	

**TABLE DF-4: CREDIT RISK: DISCLOSURE FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH****Qualitative Disclosures**

Large corporate borrowers and Public Sector Enterprises are being encouraged to solicit ratings from approved external rating agencies and wherever such ratings are available, the Bank uses the same in assigning risk weights. Bank has approved 6 domestic credit rating agencies identified by RBI i.e. CRISIL, CARE, India Ratings and Research Private Limited (earlier FITCH India), ICRA, Acuite Ratings & Research Limited (Earlier SMERA Ratings Limited) and Infomerics Valuation and Rating Private Limited (INFOMERICS). The ratings available in public domain are mapped according to risk profile and specific risk characteristics of each rating grade of respective agencies as envisaged in RBI guidelines.

**Quantitative Disclosures**

The credit exposure [fund based & non-fund based] after risk mitigation (subject to the standardized Approach) in different risk buckets are as under:

		(₹ in crore)
Sl. No.	Risk weight	<b>Exposure Outstanding</b>
1	Below 100%	44,262.72
2	100%	17,382.86
3	More than 100%	5,735.45
	<b>Total</b>	<b>67,381.02</b>

**5. TABLE DF-5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACH****Qualitative Disclosures**

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral risk mitigation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral as specified in the Basel guidelines.

**Types of eligible financial collateral / Guarantors:**

The Bank recognizes only specified types of financial collateral and guarantees (counter-guarantors) for providing capital relief in line with Basel II guidelines on credit risk mitigation.

This includes cash, Bank own deposits, gold (including bullion and jewellery, subject to collateralized jewellery being notionally converted/benchmarked to 99.99% purity), securities issued by the Central and State Governments, Kisan Vikas Patra, National Savings certificates, life insurance policies with a declared surrender value which is regulated by IRDA, certain debt securities rated by a recognized credit rating agency, certain debt securities not rated but issued by Banks and listed on a recognized exchange and are classified as senior debt, certain mutual fund units where daily Net Assets Value (NAV) is available in public domain.

**Eligible Guarantors (counter-guarantors):****Credit protection given by the following entities is recognized:**

- i) Sovereigns, sovereign entities (including BIS, IMF, European Central Bank & European Community as well as permitted MDBs, ECGC, CRGFTLIH, CGTMSE & credit guarantee schemes covered by NCGTC), Banks and primary dealers with a lower risk weight than the counterparty;
- ii) Other entities that are externally rated except when credit protection is provided to a securitization exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.
- iii) When credit protection is provided to a securitization exposure, other entities that currently are externally rated BBB- or better & that were externally rated A- or better at the time the credit protection was provided. This would include credit protection provided by parent, subsidiary & affiliate companies when they have a lower risk weight than the obligor.

**Quantitative Disclosures**

The extent of total credit exposure (under the standardized approach) covered by eligible financial collaterals after application of haircuts are furnished below:

	(₹ in crore)
Eligible financial collaterals after haircuts	8,335.87
Eligible guarantees	1,163.54

The capital requirements for market risk are detailed below:

		(₹ in crore)
Sl. No.	Risk weight	Exposure Outstanding
I	Interest Rate	44,262.72
II	Equity	17,382.86
III	Foreign Exchange , Gold and Derivatives	5,735.45
<b>IV</b>	<b>Total Capital Charge for market Risk ( I+II+III)</b>	<b>67,381.02</b>

**6. TABLE DF-7: MARKET RISK IN TRADING BOOK****Qualitative Disclosures**

The Bank has put in place Board approved Integrated Treasury Policy, Asset Liability Management (ALM) policy, Market Risk Management Policy and Fund Transfer Pricing Policy for effective management of market risk in the Bank. The objective of Integrated Treasury Policy is to assess and minimize risks associated with treasury operations by extensive use of various risk management tools. Broadly, it encompasses Policy prescriptions for managing systemic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risk arising out of various products in treasury and its business activities, the Bank has set regulatory/internal limits and ensures the adherence thereof. Migration of ratings is tracked regularly. Limits for exposures to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss Limits, Overnight limit, Daylight limit, Aggregate Gap limit, Individual gap limit, Value at Risk (VaR) limit for Forex, Inter-bank dealing and various investment limits. For the Market Risk Management the Bank has a Mid Office. The functions of Mid Office are handled by Risk Management Department.

The Board, RCMC & ALCO are overseeing the market risk management of the Bank, procedures thereof, implementing risk management guidelines issued by regulator, best risk management practices followed globally and ensures that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the Bank is assessed through daily gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limits fixed thereon. Advance techniques such as Stress testing, simulation, sensitivity analysis etc. are conducted on regular intervals to draw the contingency funding plan under different liquidity scenarios.

Fund Transfer Pricing Policy which lays down methodology/ assumptions on which profitability of the branches/ products/ customers is measured and the FTP results are being used for effective decision making.

### Quantitative Disclosures

Bank has adopted the Standardized Duration Approach as prescribed by RBI for computation of capital charge for market risk and is fully compliant with such RBI guidelines.

The capital requirements for market risk are detailed below:

		(₹ in crore)
Sl. No.	Risk Category	Capital Charge
I	Interest Rate	128.19
II	Equity	64.43
III	Foreign Exchange , Gold and Derivatives	0.76
<b>Total Capital Charge for market Risk ( I+II+III)</b>		<b>193.38</b>

## 7. TABLE DF-8 : OPERATIONAL RISK

**Strategies and Processes:** Bank has initiated several measures to manage operational risk through identification, assessment and monitoring of inherent risks in all its business processes. A framework has been laid to capture loss data which can be mapped to operational risk events to measure the impact quantitatively. Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of internal committee viz., Operational Risk Management Committee (ORMC).

### Scope and Nature of Operational Risk Reporting and Measurement Systems

A systematic process for reporting risk events, key risk indicators, loss events, “near misses” and non-compliance issues relating to operational risks have been developed and implemented. The information gathered will be used to develop triggers to initiate corrective actions to improve controls. All critical risks and potential loss events are reported to the senior Management/ ORMC/RCMC as appropriate for their directions and suggestions.

Policy on Operational Risk Management approved by the Board of Directors details the framework for hedging and/or mitigating operational risk in the Bank. As per the policy, all new Products/Procedure/Process are vetted by the New Product/Process/ Procedure Approval Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks.

### Approach for Operational Risk Capital Assessment

Bank is currently computing capital charge for Operational Risk under Basic Indicator Approach. Further, RBI has issued the final Master Directions on Minimum Capital Requirements for Operational Risk mandating a new approach for calculating operational risk capital - “New Standardized Approach”. However, the date of implementation for new guidelines is yet to be communicated.



## 8. TABLE DF-9: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

The interest rate risk is viewed from two perspectives i.e. 'Earnings Perspective' and 'Economic Value Perspective'. Generally, the former is measured using Earnings-at-Risk (EaR) under Traditional Gap Analysis (TGA) and the latter is measured through changes in the Market value of Equity (MVE) under Duration Gap Analysis (DGA).

- **Earnings-at-Risk (EaR):** All the Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) maturing/re-pricing up to 1 year are bucketed as per Traditional Gap Analysis (TGA) and EaR analysis is conducted by applying various shocks on product-wise weighted average interest rates in each time band. EaR is quantified by changes in the NII and NIM in comparison with the previous financial year end.
- **Impact on Market Value of Equity (MVE):** Impact on Market Value of Equity (MVE) is analyzed through Duration Gap Analysis (DGA) which involves bucketing of market value of all Rate Sensitive Assets and Rate Sensitive Liabilities as per residual maturity/ re-pricing in various time bands and computing Modified Duration Gap. Accurate method is adopted for computing the market value by discounting each cash flow of all Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) with various discount curves as suggested by RBI. Notional interest rate shocks are applied on the resultant Modified Duration Gap to arrive at the changes in the Market Value of Equity (MVE).
- Prudential limits have been fixed for changes in NIM and MVE for 200bps shock in the interest rates and monitored on a monthly basis.
- Earning at Risk for 200 bps interest rate shock is estimated at ₹ 343.38 crore and change in the Market value of Equity for 200 bps interest rate shocks is 4.75%.

## 9. TABLE DF-10: GENERAL DISCLOSURES FOR EXPOSURE RELATED TO COUNTER-PARTY CREDIT RISK

### Qualitative Disclosures

Counterparty Credit Risk exposures for banks are assessed based on Bank's business requirements and considering counterparty Bank's parameters such as CRAR, net worth, NPA level etc. Counterparty exposures for other entities are assessed subject to exposure ceilings as per the Policy on Loan & Advances of the Bank. Capital for Counterparty Credit Risk exposure is assessed based on Standardized Approach.

The Bank does not recognize bilateral netting. The credit equivalent amount of derivative exposure is calculated using Current Exposure Method and the balance outstanding as on 31<sup>st</sup> March, 2024 is as under:

Particulars	(₹ in crore)	
	Notional Amount	Current Exposure
Foreign exchange contracts	6,508.74	142.80
Interest rate contracts	-	-
<b>Total</b>	<b>6,508.74</b>	<b>142.80</b>

**10. TABLE DF-11 : COMPOSITION OF CAPITAL:**

		(₹ in crore)
		<b>Amount</b>
<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	3,057.47
2	Retained earnings	0.00
3	Accumulated other comprehensive income (and other reserves)	7,086.63
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	10,144.10
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles (net of related tax liability)	33.35
10	Deferred tax assets	
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	0.00
18	Investments in the capital of banking, financial & insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
<b>26</b>	<b>National specific regulatory adjustments (26a+26b+26c+26d)</b>	<b>1.75</b>
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	1.75
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
<b>28</b>	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>35.10</b>
29	Common Equity Tier 1 capital (CET1)	<b>10,109.01</b>
<b>Additional Tier 1 capital: instruments</b>		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	of which: instruments issued by subsidiaries subject to phase out	
<b>36</b>	<b>Additional Tier 1 capital before regulatory adjustments</b>	



(₹ in crore)

Amount

	Amount
<b>Additional Tier 1 capital: regulatory adjustments</b>	
37 Investments in own Additional Tier 1 instruments	
38 Reciprocal cross-holdings in Additional Tier 1 instruments	
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41 National specific regulatory adjustments (41a+41b)	
41a of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
<b>43 Total regulatory adjustments to Additional Tier 1 capital</b>	
<b>44 Additional Tier 1 capital (AT1)</b>	
<b>45 Tier 1 capital (T1 = CET1 + AT1) (29 + 44)</b>	<b>10,109.01</b>
<b>Tier 2 capital: instruments and provisions</b>	
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	300.00
47 Directly issued capital instruments subject to phase out from Tier 2	300.00
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49 of which: instruments issued by subsidiaries subject to phase out	
50 Provisions	844.13
<b>51 Tier 2 capital before regulatory adjustments</b>	<b>1,144.13</b>
<b>Tier 2 capital: regulatory adjustments</b>	
52 Investments in own Tier 2 instruments	
53 Reciprocal cross-holdings in Tier 2 instruments	0.00
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
55 Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56 National specific regulatory adjustments (56a+56b)	
56a of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
57 Total regulatory adjustments to Tier 2 capital	0.00
<b>58 Tier 2 capital (T2)</b>	<b>1,144.13</b>
<b>(Tier 2 capital reckoned for capital adequacy in terms of para 4.2.5.1.A.(i).(a) by restricting General provisions and loss reserves upto 1.25% of credit RWA.)</b>	
<b>59 Total capital (TC = T1 + T2) (45 + 58)</b>	<b>11,253.14</b>
<b>60 Total risk weighted assets (60a + 60b + 60c)</b>	<b>62,532.53</b>
60a of which: total credit risk weighted assets	53,632.45
60b of which: total market risk weighted assets	2,148.64
60c of which: total operational risk weighted assets	6,751.44
<b>Capital ratios and buffers</b>	
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	16.17%
62 Tier 1 (as a percentage of risk weighted assets)	16.17%
<b>63 Total capital (as a percentage of risk weighted assets)</b>	<b>18.00%</b>
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus higher of G-SIB buffer requirement and D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.00%
65 of which: capital conservation buffer requirement	2.50%
66 of which: bank specific countercyclical buffer requirement	
67 of which: higher of G-SIB and D-SIB buffer requirement	

		(₹ in crore)
		<b>Amount</b>
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	9.17%
<b>National minima (if different from Basel III)</b>		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	844.13
77	Cap on inclusion of provisions in Tier 2 under standardised approach	844.13
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings- based approach	
<b>Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)</b>		
80	Current cap on CET1 instruments subject to phase out arrangements	NA
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA
82	Current cap on AT1 instruments subject to phase out arrangements	NA
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA
84	Current cap on T2 instruments subject to phase out arrangements	NA
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA

### Notes to the Template

Row No. of the template	Particular	(₹ in Crore)
10	Deferred tax assets associated with accumulated losses Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank of which: Increase in Common Equity Tier 1 capital of which: Increase in Additional Tier 1 capital of which: Increase in Tier 2 capital	
26b	If investments in the equity capital of unconsolidated non- financial subsidiaries are not deducted and hence, risk weighted then: (i) Increase in Common Equity Tier 1 capital (ii) Increase in risk weighted assets	
50	Eligible Provisions included in Tier 2 capital Investment Fluctuation Reserve included in Tier 2 capital Eligible Revaluation Reserves included in Tier 2 capital Total of row 50	628.13 216.00 844.13





**TABLE DF 12 Composition of Capital- Reconciliation requirements (on 31.03.2024)**

**Step 1**

		(₹ in crore)	
		<b>Balance Sheet as in Financial Statements</b>	<b>Balance Sheet under regulatory scope of consolidation</b>
		<b>As on Reporting Date</b>	<b>As on Reporting Date</b>
<b>A</b>	<b>Capital &amp; Liabilities</b>		
	Paid-up Capital	377.26	
	Reserves & Surplus	10,471.24	
i)	Minority Interest	-	
	Profit Up To The Quarter	-	
	<b>Total Capital</b>	<b>10,848.50</b>	
	Deposits	98,057.83	
ii)	of which: Deposits from banks	48.14	
	of which: Customer deposits	98,009.69	
	of which: Other deposits (pl. specify)		
	Borrowings	4,399.53	
	of which: From RBI	1,998.90	
iii)	of which: From banks		
	of which: From other institutions & agencies	1,516.80	
	of which: Others (outside India)	583.84	
	of which: Capital instruments (Tier II)	300.00	
iv)	Other liabilities & provisions	2,778.71	
	<b>TOTAL Capital &amp; Liabilities</b>	<b>116,084.57</b>	
<b>B</b>	<b>ASSETS</b>		
i)	Cash & balances with Reserve Bank of India	7,656.07	
	Bal. with banks & money at call & short notice	336.67	
	<b>Investments:</b>	24,302.05	
	of which: Government securities	22,891.69	
	of which: Other approved securities	-	
ii)	of which: Shares	80.58	
	of which: Debentures & Bonds	1,219.54	
	of which: subsidiaries/joint ventures/ associates	1.75	
	of which: Others (commercial Papers, MFs etc.)	108.50	
	<b>Loans and Advances</b>	71,508.64	
iii)	of which: Loans and Advances to Banks	-	
	of which: Loans and Advances to Customers	71,508.64	
iv)	<b>Fixed Assets</b>	914.64	
	Other Assets:	11,366.50	
v)	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets	461.67	
vi)	Goodwill on consolidation	-	
vii)	Debit balance in Profit & Loss account	-	
	<b>TOTAL Assets</b>	<b>116,084.57</b>	

## Step 2

		(₹ in crore)	
		<b>Balance Sheet as in Financial Statements</b>	<b>Balance Sheet under regulatory scope of consolidation</b>
		<b>As on Reporting Date</b>	<b>As on Reporting Date</b>
<b>A</b>	<b>Capital &amp; Liabilities</b>		
	<b>Paid-up Capital</b>	377.26	
	of which: Amount eligible for CET1	377.26	
	of which: Amount eligible for AT1	-	
	<b>Reserves &amp; Surplus</b>	10,471.24	
	Of which	-	
	Share Premium	2,680.21	
	Statutory Reserve	3,378.00	
	Capital Reserve	634.73	
i)	Revenue Reserves	2,385.97	
	Revaluation Reserve	504.82	
	Investment Fluctuation Reserve	216.00	
	Special Reserve	460.76	
	Employee stock option reserve	0.96	
	Balance in the profit and loss account	209.78	
	Minority Interest	-	
	Profit Upto the Quarter	-	
	<b>Total Capital</b>	10,848.50	
	<b>Deposits</b>	98,057.83	
ii)	of which: Deposits from banks	48.14	
	of which: Customer deposits	98,009.69	
	of which: Other deposits (pl. specify)	-	
	<b>Borrowings</b>	4,399.53	
	of which: From RBI	1,998.90	
iii)	of which: From banks	-	
	of which: From other institutions & Agencies	1,516.80	
	of which: Others (outside India)	583.84	
	of which: Capital instruments (Tier II)	300.00	
	<b>Other liabilities &amp; provisions</b>	2,778.71	
iv)	of which: DTLs related to goodwill	-	
	of which: DTLs related to intangible assets	-	
	of which: Provision for standard assets	566.41	
	<b>TOTAL Capital &amp; Liabilities</b>	116,084.57	
<b>B</b>	<b>ASSETS</b>		
	<b>Cash &amp; balances with Reserve Bank of India</b>	7,656.07	
i)	Bal. with banks & money at call & short notice	336.67	
	Investments:	24,302.05	
	of which: Government securities	22,891.69	
	of which: Other approved securities	-	
ii)	of which: Shares	80.58	
	of which: Debentures & Bonds	1,219.54	
	of which: Subsidiaries/Joint Ventures/Associates	1.75	
	of which: Others (Commercial Papers, MFs etc.)	108.50	
	<b>Loans and Advances</b>	71,508.64	
iii)	of which: Loans and Advances to Banks	-	
	of which: Loans and Advances to Customers	71,508.64	



		(₹ in crore)	
		<b>Balance Sheet as in Financial Statements</b>	<b>Balance Sheet under regulatory scope of consolidation</b>
		<b>As on Reporting Date</b>	<b>As on Reporting Date</b>
iv)	<b>Fixed Assets</b>	914.64	
	Other Assets:	11,366.50	
	of which: Goodwill and intangible assets	-	
v)	Out of which: Goodwill	-	
	Other intangibles (excluding MSR)	-	
	of which: Deferred tax assets	461.67	
vi)	Goodwill on consolidation	-	
vii)	Debit balance in Profit & Loss account	-	
	<b>TOTAL Assets</b>	<b>116,084.57</b>	

Disclosures pertaining to main features of equity and debt capital instruments and the terms and conditions of equity and debt capital instruments have been disclosed separately on the Bank's website under 'Regulatory Disclosures Section'. The link to this section is <https://karnatakabank.com/regulatory-disclosures>

## 11. TABLE DF-15: DISCLOSURE REQUIREMENTS FOR REMUNERATION

### a) Qualitative Disclosure

Sl.No	Information
	<p><b>Information relating to the composition and mandate of the Nomination and Remuneration Committee.</b></p> <p>The Nomination &amp; Remuneration Committee (NRC) consists of four Directors, three of them are Independent Directors. Two members are also the members of Risk and Capital Management Committee (RCMC) of the Board.</p> <p>The mandate of the NRC includes identification of persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment, fixing their compensation and/or removal, undertaking the due diligence of candidates before their appointment/re-appointment as directors, formulating the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the board of directors, etc. NRC also reviews Policy on "Compensation of Whole Time Directors/Chief Executive Officers/Risk Takers and Control Function Staff, etc." of the Bank (known as "Compensation Policy") besides, administration of ESOP scheme.</p>
	<p><b>Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.</b></p> <p>Compensation Policy aims to attract and retain the right candidates in the Bank. The policy is designed to support key business strategies and create a strong, performance-orientated environment besides providing reasonable remuneration commensurate with the growth of the Bank, keeping in mind the circulars issued by the RBI in the matter. It also ensures effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholder engagement. The Policy read with Policy on Human Resource Management of the Bank aims at facilitating effective succession planning in the Bank.</p>
	<p><b>Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.</b></p> <p>A wide variety of measures of credit, market and liquidity risks are used by Bank in implementation of risk adjustment. The risk adjustment methods have both quantitative and qualitative elements. Compensation outcomes are symmetric with risk outcomes and compensation pay-outs are sensitive to the time horizon of the risk.</p>

Sl.No	Information
	<b>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.</b>
(d)	The performance-based remuneration motivates and rewards high performers who strengthen long-term customer relations and generate income and shareholder value. The Bank's Compensation Policy stipulates that while designing the compensation package to WTDs & Material Risk Takers, it is ensured that there is a proper balance between Fixed Pay and Variable Pay. While fixing the Variable Pay, performance parameters under financial and non-financial areas of operations (including risk adjustment) are assessed.
	<b>A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.</b>
(e)	As per the Bank's Compensation Policy, effective pay cycles commencing from April 2020, the maximum permissible variable pay is at 200% of the fixed pay for WTDs, which is split into cash (50%) and share linked components (50%). Further, in each of these components, 60% of the Variable Pay is deferred to be vested over a period of three years in the ratio of 30:30:40. In case of Material Risk Takers (MRTs), the maximum permissible limit of variable pay is at 100% of Fixed Pay with similar deferral arrangement. The policy also provides that the deferred compensation will be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year and the policy has identified certain set of situations which, if triggered, empower the NRC/Board of Directors to invoke malus/clawback clauses. The payment of Variable Pay to the WTDs is subject to prior approval of the RBI.
	<b>Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.</b>
(f)	The variable pay is split into equal components of cash and share linked instruments to have proper mix of remuneration. The share linked instruments act as a retention and motivation tool and provide the incumbent with a sense of belongingness with the Bank.

## b) Quantitative Disclosures

Particulars	Current Year (2023-24)	Previous Year (2022-23)
(g) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Seven (7) Sitting fees of ₹ 60,000/- to each Non-Whole Time Director members per meeting attended. Overall remuneration paid as Sitting fees paid to Members of the NRC during the FY 2023-24 is ₹ 0.17 crore	Eleven (11) Sitting fees of ₹ 60,000/- to each Non-Whole Time Director members per meeting attended. Overall remuneration paid as Sitting fees paid to Members of the NRC during the FY 2022-23 is ₹ 0.30 crore

Sitting fees payable for the Committee meeting is ₹ 60,000/- w.e.f. 01-04-2022

Sl. No	Details	Current Year 2023-24	Previous Year 2022-23
i.	Number of employees having received a variable remuneration award during the financial year	Five	Four
h.	ii. Number and total amount of sign-on/joining bonus made during the financial year.	Nil	Nil
	iii. Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
i.	i. Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	Refer to Table 1 below	
	ii. Total amount of deferred remuneration paid out in the financial year.	Refer to Table 1 below	
j.	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Refer to Table 2 below	
	i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Refer to Table 1 below	
k.	ii. Total amount of reductions during the financial year due to ex post explicit adjustments.	Nil	Nil
	iii. Total amount of reductions during the financial year due to ex post implicit adjustments.	Nil	Nil
l.	Number of MRTs identified.	3	3



Sl. No	Details	Current Year 2023-24	Previous Year 2022-23
m.	i. Number of cases where malus has been exercised.	Nil	Nil
	ii. Number of cases where clawback has been exercised.	Nil	Nil
	iii. Number of cases where both malus and clawback have been exercised.	Nil	Nil

**General Quantitative Disclosure**

Sl. No	Details	2023-24	2022-23
n.	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Mean Pay ₹ 0.11 Crore MD & CEO: 15.28X ED: 6.74X	Mean Pay ₹ 0.10 crore MD & CEO: 13.90X

**TABLE 1**

(₹ in crore)

Particulars	F.Y 2023-24					F.Y 2022-23			
	MD & CEO	ED	COO	CBO	Total	MD & CEO	COO	CBO	Total
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments & other forms.	1.75	0.06	0.33	0.29	2.43	0.77	0.24	0.21	1.22
Total amount of deferred remuneration paid out in the FY.	Nil	Nil	Nil	Nil	Nil	0.08	Nil	Nil	0.08

All pertains to the F.Y 2020-21 to 2022-23

**TABLE 2**

(₹ in crore)

**Breakdown of amount of remuneration for the financial year to show Fixed and Variable, Deferred and Non-Deferred**

Particulars	F.Y. 2023-24 Per annum			F.Y. 2022-23 per annum		
	Fixed Pay (Amt in ₹ Cr)	Variable Pay (As per the order)		Fixed Pay (Amt in ₹ Cr)	Variable Pay (As per approved details)	
		Cash Component	Share Linked Remuneration (ESOPs)		Cash Component	Share Linked Remuneration (ESOPs)
Mr. Mahabaleshwara M S, Managing Director & CEO	(14 Days worked): 0.96	(14 Days worked) Nil	(14 Days worked) Nil	0.96	0.48 Non-Deferred (upfront): 0.19 (40%) Deferred: 0.29 (60%)	0.48 Non-Deferred (upfront): Nil Deferred: 0.48 (100%)
Mr. Srikrishnan Hari Hara Sarma, Managing Director & CEO	(9 M 21 Days) 2.00	1.25 Non-Deferred (upfront): 0.63 Deferred: 0.63	1.25 Monetary value: Up to 1.25 Deferred: 1.25 (30:30:40)		NA	

(₹ in crore)

**Breakdown of amount of remuneration for the financial year to show Fixed and Variable, Deferred and Non Deferred**

Particulars	F.Y. 2023-24 Per annum			F.Y. 2022-23 per annum		
	Fixed Pay (Amt in ₹ Cr)	Variable Pay (As per the order)		Fixed Pay (Amt in ₹ Cr)	Variable Pay (As per approved details)	
		Cash Component	Share Linked Remuneration (ESOPs)		Cash Component	Share Linked Remuneration (ESOPs)
Mr. Sekhar Rao, Executive Director	0.72	0.72 Non-Deferred (upfront): 0.36 Deferred: 0.36	0.72 Monetary value: Up to 0.72 Deferred: 0.72 (30:30:40)	₹ 0.72	0.06 (*2 Months performance only) Non-Deferred (upfront): 0.06 Deferred: Nil	0.06 (*2 Months performance only) Non-Deferred (upfront): Nil Deferred: 0.06 (100%)
Mr. Balachandra Y V, Chief Operating Officer (MRT)	0.52	0.26 Non-Deferred (upfront): 0.26 Deferred: Nil	0.26 Non-Deferred (upfront): Nil Deferred: 0.26	0.32	0.10 Non-Deferred (upfront): 0.10 Deferred: Nil	0.10 Non-Deferred (upfront): Nil Deferred: 0.10 (100%)
Mr. Gokuldas Pai, Chief Business Officer (MRT)	0.52	0.26 Non-Deferred (upfront): 0.26 Deferred: Nil	0.26 Non-Deferred (upfront): Nil Deferred: 0.26	0.32	0.08 Non-Deferred (upfront): 0.08 Deferred: Nil	0.08 Non-Deferred (upfront): Nil Deferred: 0.08 (100%)
Mr. R K Gurusurthy, Head-Treasury (MRT)	0.27	0.14 Non-Deferred (upfront): 0.14 (*0.07 (Paid based on monthly performance for period of 9 months))	0.14 Non-Deferred (upfront): Nil Deferred: 0.14	0.27	(*15 Days Performance only): 0.004 Non-Deferred (upfront): 0.004 Deferred: Nil	NA

**12. TABLE DF-16 : EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS**

The risk oversight relating to the equity portfolio is part of the overall independent risk management structure of the Bank and is subjected to the risk management processes and policies along with Integrated Treasury Policy approved by the Board of Directors of the Bank.

In accordance with the RBI guidelines, entire investment portfolio of the Bank including equity investments is classified on the date of purchase as:

- HFT - Held for Trading
- AFS - Available for Sale and
- HTM - Held to Maturity.

Investments which the Bank intends to hold till maturity are classified as HTM securities. In accordance with the RBI guidelines, equity investments held under the HTM category are classified as banking book for capital adequacy purpose. Equity investments only in the equity of subsidiaries/joint ventures are eligible to be categorized as HTM in accordance with the RBI guidelines.



Further, investments in Private Equity funds are eligible to be accounted under HTM portfolio for the initial period of 3 years; bank will shift all such portions of draw down for the respective financial year to AFS category. All other investments are required to be classified as HFT / AFS securities. Further, Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any diminution, other than temporary, in the value of equity investments is provided for.

Profit on sale of investment in the HTM category will be first taken to the Profit and loss account, and thereafter be appropriated to the 'Capital Reserve Account'. The amount so appropriated would be net of taxes and the amount required to be transferred to statutory reserves. Loss on sale of HTM will be recognized in the profit and loss account.

The Bank has classified investments in PE/VC/AIF for ₹ 3.29 crore under AFS and ₹ 9.11 crore under HTM as at March 31, 2024 as per prudential guidance. There was no sale, liquidation or shifting to other categories from above mentioned investments during the quarter ended March 31, 2024 from the HTM category. There was no shifting of investments from HTM category however the bank sold ₹ 897.39 crore (BV) worth of securities for the FY 2023-24 from HTM category which is well within the 5% of book value in HTM category in the beginning of the year.

### 13. LEVERAGE RATIO

#### Qualitative Disclosure:

Under Basel III, a simple, transparent, non-risk based ratio called leverage ratio has been introduced which is calibrated to act as a credible supplementary measure to the risk based capital requirements. This ratio acts as a "backstop" measure to the risk based capital requirements and constrains the build-up of leverage in the banking sector.

The Leverage Ratio is computed as:

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I capital)}}{\text{Exposure Measure}}$$

The capital measure is the Tier 1 capital of the risk-based capital framework, taking into account various regulatory adjustments/ deductions and the transitional arrangements. The exposure measure is the sum of on-balance sheet exposures, derivative exposures, securities financing transaction (SFT) exposures and off-balance sheet items.

**TABLE DF17: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE:**

		(₹ in crore)
	Item	Amount
1	Total consolidated assets as per published financial statements	116,084.57
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0.00
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0.00
4	Adjustments for derivative financial instruments	142.80
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	3,099.00
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	9,348.78
7	Other adjustments (Amount deducted from Capital)	(35.10)
<b>8</b>	<b>Leverage ratio exposure</b>	<b>128,640.06</b>

**TABLE DF-18 : LEVERAGE RATIO COMMON DISCLOSURE**

		(₹ in crore)
Sl No	Item	Amount
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	116,084.57
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(35.10)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	116,049.48
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	12.63
5	Add-on amounts for PFE associated with all derivatives transactions	130.18

		(₹ in crore)
Sl No	Item	Amount
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	142.80
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	3,099.00
13	(Netted amounts of cash payables & cash receivables of gross SFT assets)	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
16	Total securities financing transaction exposures (sum of lines 12 to 15)	3,099.00
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	22,533.71
18	(Adjustments for conversion to credit equivalent amounts)	(13,184.93)
19	Off-balance sheet items (sum of lines 17 and 18)	9,348.78
<b>Capital and total exposures</b>		
20	Tier 1 capital	10,109.01
21	Total exposures (sum of lines 3, 11, 16 and 19)	128,640.06
<b>Leverage ratio</b>		
22	Basel III leverage ratio	<b>7.86 %</b>

#### 14. LIQUIDITY COVERAGE RATIO (LCR)

##### Qualitative Disclosure:

Bank is computing LCR on a daily basis in line with the RBI circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". These guidelines ensure that banks maintain sufficient amount of High Quality Liquidity Assets (HQLAs) to survive 30 days stress scenario so that banks can take corrective measures within such period. These HQLAs have to be 100% of the net cash outflows w.e.f. January 01, 2019.

Necessary system has been put in place to compute LCR and Bank's strategy would be to maintain LCR well above the regulatory minimum levels ahead of the stipulated timelines. The main driver of LCR is adequate HQLAs and Bank is maintaining LCR well above the minimum stipulated level of 100% in view of SLR investments in excess of statutory requirement and 18% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). The Bank has a diversified liability mix comprising of healthy Retail Deposits with its pan India presence and the dependency on wholesale funding is insignificant.

The Bank during the three months ended March 31, 2024, maintained average HQLA (after haircut) of ₹ 20,918.91 crore (₹ 21,493.14 crore as on March 31, 2023). HQLA primarily includes government securities in excess of minimum statutory liquidity ratio (SLR), 2% of NDTL under "marginal standing facility (MSF)", 16% of NDTL under "facility to avail liquidity for LCR (FALLCR)", investments under Corporate bonds & commercial papers rated "AA- and above".

The weighted cash outflows are primarily driven by deposits from retail & small business customers, unsecured wholesale funding which includes non-operational deposits and unsecured debt. During the three months ended March 31, 2024, funding from "retail & small business customers" and "non-operational deposits" contributed 52.94% & 37.05% to the total weighted cash outflows respectively. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

The average LCR of the Bank for the three months ended March 31, 2024, was 212.34% (March 31, 2023: 311.59%).

As of March 31, 2024, top liability products/instruments and their percentage contribution to the total liabilities of the Bank were term deposits: 57.47%, savings account deposits: 21.68% and current account deposits: 5.32%. The Bank has consistently maintained a robust funding profile with a significant portion of funding through deposits. Top 20 depositors constituted 3.73% of total deposits of the Bank as of March 31, 2024, indicating a healthy and stable deposit profile.





In addition to daily/ monthly LCR reporting, Bank prepares daily Structural Liquidity Statements to assess the liquidity needs of the Bank on an ongoing basis.

Bank's Asset Liability Management Committee (ALCO) is empowered to monitor and form suitable strategies to maintain stipulated levels of LCR by channelizing funds to target good quality asset and liability profile to meet Bank's profitability as well as liquidity requirements. Funding strategies are formulated by the Integrated Treasury in accordance with ALCO guidance. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs. Accordingly, Integrated Treasury estimates daily liquidity requirement. With the help of structural liquidity statement prepared by Bank, Integrated Treasury evaluates current and future liquidity requirement and takes necessary action.

Particulars	(₹ in crore)	
	Total Average Unweighted Value*	Total Average Weighted Value*
<b>High Quality Liquid Assets</b>		
<b>1. Total High Quality Liquid Assets (HQLA)</b>	<b>20,962.64</b>	<b>20,918.91</b>
<b>Cash Outflows</b>		
2. Retail Deposits and Deposits from small business customers	73,920.71	6,496.97
(i) Stable Deposits	17,901.99	895.10
(ii) Less Stable Deposits	56,018.73	5,601.87
3. Unsecured Whole Funding, of which:	7,722.36	4,547.22
(i) Operational Deposits (all counterparties)	0.00	0.00
(ii) Non-operational deposits(all counterparties)	7,722.36	4,547.22
(iii) Unsecured debt	0.00	0.00
4. Secured wholesale funding	2,562.95	0.00
5. Additional requirements, of which	9,118.03	815.32
(i) Outflows related to derivative exposures and other collateral requirements	1.13	1.13
(ii) Outflows related to loss of funding on debt products	0.00	0.00
(iii) Credit and liquidity facilities	9,116.89	814.19
6. Other contractual funding obligations	206.09	206.09
7. Other contingent funding obligations	6,924.57	207.74
<b>8. TOTAL CASH OUTFLOWS</b>	<b>1,00,454.70</b>	<b>12,273.34</b>
<b>Cash Inflows</b>		
9. Secured lending (e.g. reverse repos)	0.00	0.00
10. Inflows from fully performing exposures	2,645.07	1,322.53
11. Other cash inflows	1,099.40	1,099.40
<b>12. TOTAL CASH INFLOWS</b>	<b>3,744.47</b>	<b>2,421.94</b>
<b>13. TOTAL HQLA</b>	<b>20,962.64</b>	<b>20,918.91</b>
<b>14. TOTAL NET CASH OUTFLOWS</b>	<b>96,710.23</b>	<b>9,851.40</b>
<b>15. LIQUIDITY COVERAGE RATIO (%)</b>		<b>212.34%</b>

\* Average is calculated based on the previous 3 months (91 Days) data points.

## NET STABLE FUNDING RATIO (NSFR)

### Qualitative Disclosure:

The NSFR is defined as the "amount of available stable funding relative to the amount of required stable funding" and it promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The primary objective of NSFR is to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities, promoting funding stability. Bank is required to maintain NSFR of above 100%. The implementation is effective from 1<sup>st</sup> October, 2021.

The major components of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The total weighted Available Stable Funding (ASF) are primarily driven by capital at 12.00%, retail deposits (including deposits from small business customers) at 82.53% and wholesale funding was 5.47%. The Stable Funding required for performing loans and securities constituted 77.13% of the total weighted RSF. The stock of High-Quality Liquid Assets which majorly constitutes cash and reserve balances with the RBI, government securities. Accordingly, Stable Funding required for the HQLA constituted only 1.70% of the total weighted RSF. Off- balance sheet constituted 1.02% of the Required Stable Funding.

Bank's NSFR stood at 138.31% as at quarter ended March 31, 2024 (March 31, 2023: 122.04%) and the same is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31<sup>st</sup> March 2024 stood at ₹ 94,044.89 crore (March 31, 2023, was ₹ 71,180.94 crore) and amount of Required Stable Funding (RSF) as on 31<sup>st</sup> March 2024 was ₹ 67,997.32 crore (March 31, 2023: ₹ 58,324.27 crore).

NSFR Disclosure Template					
	Unweighted value by residual maturity				(₹ in crore)
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
<b>ASF Item</b>					
<b>1 Capital: (2+3)</b>	<b>10,988.23</b>	<b>0.00</b>	<b>0.00</b>	<b>300.00</b>	<b>11,288.23</b>
2 Regulatory capital	10,988.23	0.00	0.00	300.00	11,288.23
3 Other capital instruments	0	0	0	0	0.00
<b>4 Retail deposits and deposits from small business customers: (5+6)</b>	<b>29,492.36</b>	<b>34,829.46</b>	<b>12,982.36</b>	<b>9,112.12</b>	<b>77,612.45</b>
5 Stable deposits	19,016.99	9,586.24	3,223.41	2,449.17	31,820.50
6 Less stable deposits	10,475.37	25,243.22	9,758.95	6,662.95	45,791.95
<b>7 Wholesale funding: (8+9)</b>	<b>1,709.86</b>	<b>6,510.94</b>	<b>2,715.67</b>	<b>1,965.91</b>	<b>5,140.71</b>
8 Operational deposits	0	0	0	0	0
9 Other wholesale funding	1,709.86	6,510.94	2,715.67	1,965.91	5,140.71
<b>10 Other liabilities: (11+12)</b>	<b>3,450.63</b>	<b>2,015.45</b>	<b>7.30</b>	<b>4.30</b>	<b>3.50</b>
11 NSFR derivative liabilities			0.00		0.00
12 All other liabilities and equity not included in the above categories	3,450.63	2,015.45	7.30	4.30	3.50
<b>13 Total ASF (1+4+7+10)</b>					<b>94,044.89</b>
<b>RSF Item</b>					
14 Total NSFR high-quality liquid assets (HQLA)					1,157.37
15 Deposits held at other financial institutions for operational purposes	36.84	0.00	0.00	0.00	18.42
<b>16 Performing loans and securities: (17+18+19+21+23)</b>	<b>68.43</b>	<b>13,233.10</b>	<b>5,165.61</b>	<b>53,577.53</b>	<b>52,444.29</b>
17 Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	0	0
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	4,240.75	967.10	8,726.85	9,846.51
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0	8,744.81	4,071.71	34,796.85	35,344.88
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	4,310.84	57.17	3,203.49	2,082.27
21 Performing residential mortgages, of which:	0	0.89	3.69	9,165.25	6,244.29
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0.89	3.69	7,742.31	5,032.5
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	68.43	246.65	123.11	888.58	1,008.61
24 Other assets: (sum of rows 25 to 29)	12,132.65	857.33	87.07	611.12	13,683.36
25 Physical traded commodities, including gold	0	0	0	0	0
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			32.00		27.2
27 NSFR derivative assets			-		
28 NSFR derivative liabilities before deduction of variation margin posted		274.63	41.81	0	316.44
29 All other assets not included in the above categories	12,132.65	550.7	45.26	611.12	13,339.72
<b>30 Off-balance sheet items</b>	<b>17,162.27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>693.88</b>
<b>31 Total RSF (14+15+16+24+30)</b>					<b>67,997.32</b>
<b>32 Net Stable Funding Ratio (%)</b>					<b>138.31%</b>



# Annexure – II

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Bank.

Business organizations are an integral part of the society. Every decision taken while doing the business involves financial implications and social and environmental consequences. The Karnataka Bank Limited is socially responsible and commercially viable time-tested organization. We strongly believe that usefulness of existence of an entity is best judged not from the financial numbers it reports over a period of time but its relevance to the society as judged by the Stakeholders. We believe in the principle of sharing the earnings. CSR is the process aimed at embracing the responsibility for the actions of the Bank and encourage a positive impact through our activities on the environment, consumers, employees, communities, stakeholders and all other members of the public. The focus of our CSR activities include the three main areas, viz. Education, Healthcare and Environmental Sustainability.

### 2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Justice A V Chandrashekar (Chairperson of the Committee w.e.f. 17.06.2023)	Independent Director	4	4
2.	Mr. Srikrishnan H (Inducted into the Committee w.e.f. 17.06.2023)	Managing Director & CEO	3	3
3	Mr. P Pradeep Kumar (Chairman of the Committee upto 17.06.2023)	Independent Director	4	4
4	Dr. D S Ravindran	Independent Director	4	4
5	Mr. K Gururaj Acharya (Inducted into the Committee w.e.f. 17.06.2023)	Independent Director	3	3
6	Mr. Sekhar Rao ( Member of the Committee upto 17.06.2023)	Executive Director	1	1

### 3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects

approved by the board are disclosed on the website of the company.

Composition of CSR Committee: <https://karnatakabank.com/investors/corporate-governance>

CSR Policy: <https://karnatakabank.com/investors/policies-codes>

CSR Projects approved by the board: <https://karnatakabank.com/csr>

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable

- Average net profit of the company as per sub-section (5) of section 135. : ₹ 91,584.58 lakhs.
- Two percent of average net profit of the company as per sub-section (5) of section 135.: ₹ 1,832 lakhs.
- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. : Nil
- Amount required to be set-off for the financial year, if any. : ₹ 0.57 lakh
- Total CSR obligation for the financial year [(b)+(c)-(d)]. : ₹ 1,831.43 lakhs.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1,770.21 lakhs
- (b) Amount spent in Administrative Overheads. ₹ 71.21 lakhs.
- (c) Amount spent on Impact Assessment, if applicable. Not applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. : ₹ 1,841.42 lakhs.
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,841.42 lakhs.	1,084.40 lakhs	25.04.2024	NA	NA	NA

- (f) Excess amount for set-off, if any:

Sl. No.	Particulars	(₹ in lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1,832.00
(ii)	Total amount spent for the Financial Year	1,841.99
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	9.99
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	9.99

#### 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 22-23	3,05,02,948.66	3,05,02,948.66	2,02,33,243.00	NIL	NA	1,02,69,705.66	
2	FY 21-22	3,48,07,868.00	1,17,19,551.44	47,78,612.00	NIL	NA	69,40,939.44	
3	FY 20-21	2,96,32,861.90	54,15,507.90	54,15,507.90	NIL	NA	0.00	

#### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created/ acquired

20



Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
1	Solar system at Shri Raghavendra Swami Math, Toravi Galli, Hubballi.	580 024	27.09.2023	6,12,054.00	NA	Shri Raghavendra Swami Mathada Vishwastha Mandali@,	Toravi Galli, Hubballi -580024
2	Round tables for mid day meal programme of St. Lawrence English Medium High School, Moodubelle, Udupi Dist.	576 120	21.08.2023	69,279.66	NA	St. Lawrence English Medium High School	Moodubelle, Udupi Dist -576120
3	Computers to Hoyasaleshwara P U College, Arasikere	573 103	14.02.2024	9,64,650.00	NA	Hoyasaleshwara P U College	Arasikere, 573103 Hassan District
4	Almirahs to Naknooru Narasinga Rao Memorial Govt. Pre University College, Shirlal	574 101	29.08.2023	15,000.00	NA	Naknooru Narasinga Rao Memorial Govt. Pre University College	Shirlal, 574 101, Udupi Dist.
5	Water purifier to Sri Umamaheshwara Temple, Byndoor Taluk, Udupi Dist.	576 230	25.03.2024	8,990.00	NA	Sri, Umamaheshwara Temple	Byndoor Taluk, Udupi Dist- 573230
6	Water purifier to Govt. High School (Urudu), Bunder, Mangaluru	575 001	18.11.2023	81,950.00	NA	Govt. High School (Urudu)	Bunder, Mangaluru -575001
7	Water purifier to Aided KPSK Memorial High School, Panjinadka, Mulki-DK Dist.	574 154	18.11.2023	81,950.00	NA	Aided KPSK Memorial High School	Panjinadka, Mulki - D K Dist., 574 154
8	Water purifier to the office of Karnataka State Bar Council, Bengaluru	560 001	06.10.2023	46,916.00	NA	Karnataka State Bar Council	Old Election Commission Office, Dr. Ambedkar Road, Bengaluru -560001

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
9	Computers to Shri Taralabalu Education Society, Chitradurga District	577 541	25.03.2024	1,06,200.00	NA	Shri Taralabalu Education Society	Chitradurga District, 577 541
10	Water purifier to Shri Raghavendra Swamy Temple, Devanahalli, Bengaluru	562 110	31.10.2023	35,101.70	NA	Shri Raghavendra Swamy Temple	Kote, Devanahalli Town, Bengaluru Rural District -562110
11	Smart Class equipment to P. K. G. G. H. Sec. School, Ambatur, Chennai	600 053	12.10.2023	13,86,086.00	NA	P. K. G. G. H. Sec. School	Ambattur, Chennai, 600053
12	Water purifiers to Delhi Kannada Education Society®, New Delhi	110 003	30.09.2023	2,52,177.94	NA	Delhi Kannada Education Society®	Road No-3, Lodhi Estate, New Delhi -110003
13	Off grid solar system at KSSS P U Science & Commerce College, Budarsingi, Hubballi	580 024	16.12.2023	12,81,700.00	NA	KSSS P U Science & Commerce College	Govardhan Campus, Near Kundagol Cross, Budarsingi, Hbbali -580024
14	Barricades to Angela Vidyaniketan English Medium High School, Somwarpet,	571 232	17.11.2023	31,200.00	NA	Angela Vidyaniketan English Medium High School	Kudige Post, Somwarpet, Kodagu-571232
15	Inverter to Govt. P U College, Arehalli	573 101	13.11.2023	40,000.00	NA	Govt. P U College, Arehalli	Belur Taluk, Hassan-573101
16	Computers to Mulki Sunder Ram Shetty College, Shirva	574 116	23.11.2023	3,19,990.00	NA	Mulki Sunder Ram Shetty College	Shirva, Udupi-574 116
17	Water purifier to Govt. Lower Primary School, Varahi	576 229	06.10.2023	22,631.35	NA	Govt. Lower Primary School	Varahi, Kundapura, Ulloor-74, 576229



Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR		
					Registration Number, if applicable	Name	Registered address
18	Smart class equipment to Upgraded Govt. Higher Primary School, Hosaniralagi, Taluk Savnur, Haveri District	581 205	01.12.2023	1,29,322.05	NA	Upgraded Govt. Higher Primary School	Hosaniralagi, Taluk Savnur, Haveri District, 581205
19	Smart class equipment to Madras Christian College Higher Secondary School, Chennai	600 031	16.12.2023	14,41,016.95	NA	Madras Christian College Higher Secondary School	78, Harrington Road, Chetpet, Chennai 600031
20	Water purifier to Shree Lakshmivenkatesh Temple, Udupi	576 105	27.03.2024	1,35,700.00	NA	Lakshmivenkatesh Temple	Post Santhekatte Puttur, Udupi 576 105

Note: Capital assets created or acquired which were partly funded by the Bank through its CSR initiatives are not included here.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Not Applicable

#### Srikrishnan H

Managing Director & CEO  
DIN: 00318563

Place: Mangaluru

Date: 24<sup>th</sup> July 2024

#### Justice A V Chandrashekar

Independent Director  
(Chairman CSR Committee).  
DIN: 08829073

# Annexure – III

## Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

### PART-A

#### SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Name of the subsidiary	KBL SERVICES LIMITED
2. The date since when subsidiary was acquired	21 <sup>st</sup> June, 2020*
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March, 2024
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable

\*Date of incorporation

(Amount in ₹ crore)

1. Share capital (Paid Up)	1.75
2. Reserves and surplus	(0.97)
3. Total assets	2.35
4. Total Liabilities	1.57
5. Investments	0.00
6. Turnover	9.73
7. Profit before taxation	0.24
8. Provision for taxation	0.00
9. Profit after taxation	0.33
10. Proposed Dividend	Nil
11. Extent of shareholding (in percentage)	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- Nil
- Names of subsidiaries which have been liquidated or sold during the year.- Nil
- Part B of the Annexure is not applicable as there are no Associate Companies/ Joint ventures of the Bank as on 31<sup>st</sup> March, 2024.

For and on behalf of the Board of Directors

**Srikrishnan H**

Managing Director & CEO

DIN: 00318563

Place: Mangaluru

Date: 24<sup>th</sup> July 2024





## Annexure – IV

# REPORT ON CORPORATE GOVERNANCE

### 1. Philosophy on code of Corporate Governance

The basic philosophy of Corporate Governance of your Bank is the application of the best management practices that provide stability and growth to the enterprise, transparency, accountability, disclosures and value creation. Your Bank believes that good governance practices ultimately secure the goal of turning the Bank into a value driven organization. Your Bank's philosophy of Corporate Governance has been embedded in its mission statement which reads as under:

**“To be a technology savvy, customer centric progressive Bank with a national presence, driven by the highest standards of Corporate Governance and guided by sound ethical values”.**

The Bank has also adopted a vision statement which reads as under:

**“To be a progressive, prosperous and well governed Bank.”**

The Core values and guiding principles to be followed by all the workforce of the Bank include:

- Sincere, Honest and Trustworthy
- Unshakable Integrity.
- Professional and Smart Banker.
- Committed to protect interests of the Bank through legitimate and sustainable business.
- 'Bank first' attitude always

Your Directors present below the Report on compliance of the Bank to Corporate Governance requirements as prescribed under Regulation 17 to 27 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time (hereinafter referred as “SEBI LODR”) and confirm that the Bank has complied with the corporate governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI (LODR) Regulations, 2015.

### 2. Board of Directors:

#### a. Composition and Category of Directors:

As on March 31, 2024, the Board of Directors (the Board) of the Bank consisted of 11 Directors including the Part-time Chairman, Managing Director & CEO, Executive Director, Non-Executive Director and Independent Directors. The constitution of the Board conforms to the provisions of Section 10A of

the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board consists of eminent persons having specialized knowledge or practical experience in the areas such as Accountancy, Agriculture and Rural Economy, Banking, Co-operation, Economics, Finance, Law, Small-Scale Industry (SSI), Information Technology, Risk Management, Payment & Settlement, Business Management, Human Resources and other areas as specified in the Banking Regulation Act, 1949. The composition of the Board of Directors of the Bank as on March 31, 2024 are given as under:

	<b>Name of the Director</b>	<b>Category of Directorship</b>
1.	Mr. P Pradeep Kumar	Part-time Chairman - Independent Director
2.	Mr. Srikrishnan H*	Managing Director & CEO
3.	Mr. Sekhar Rao	Executive Director
4.	Mr. B R Ashok	Non-Executive Director (Non- Independent)
5.	Mr. Justice A V Chandrashekar	Independent Director
6.	Mrs. Uma Shankar	Independent Director
7.	Dr. D S Ravindran	Independent Director
8.	Mr. Balakrishna Alse S	Independent Director
9.	Mr. Jeevandas Narayan	Independent Director
10.	Mr. K Gururaj Acharya	Independent Director
11.	Mr. Harish H V **	Independent Director

\* Appointed as Managing Director and CEO of the Bank w.e.f. June 9, 2023

\*\*Appointed as Independent Director of the Bank w.e.f. February 1, 2024

#### b. Changes in the composition of the Board

##### • Appointment of the Directors, if any

During the FY 2023-24, the Bank has inducted Mr. Srikrishnan H as Managing Director & CEO at the Board meeting held on May 26, 2023 w.e.f. June 09, 2023 and subsequently, his appointment was approved by the shareholders at the 99<sup>th</sup> Annual General Meeting of the Bank held on August 29, 2023 and Mr. Harish H V was appointed as Additional Director (Non-Executive, Independent) w.e.f. February 01, 2024, for a period of five years and subsequently, his appointment was approved by the shareholders vide resolution dated February 27, 2024 passed by way of Postal Ballot Meeting (e-voting).

In reference to the approval received from Reserve Bank of India (RBI) vide letter dated DoR. GOV.No.176/08.40.001/2023-24 dated April 12, 2023, Mr. Sekhar Rao (Executive Director) was appointed as Interim Managing Director & CEO of the Bank effective from April 15, 2023 Up to June 08, 2023.

In the opinion of the Board, the Independent Director appointed during the year possesses

requisite integrity, expertise, experience, and proficiency.

- **Cessation of the Directors, if any**

During the year under review, Mr. Mahabaleshwara M S, Managing Director & CEO, retired on April 14, 2023, upon completion of his term and Mr. Keshav Krishnarao Desai, Independent Director, retired on February 18, 2024, upon completion of his tenure.

### Competency at the Board level:

The chart mapping the skills/expertise/competence of the Board of Directors of the Bank as on March 31, 2024 is given as under:

Sl. no.	List of core skills/expertise/competencies required in terms of statutory requirement as per BR Act.	Board of Directors										
		1. Mr. P Pradeep Kumar	2. Mr. Srikrishnan H	3. Mr. Sekhar Rao	4. Mr. B R Ashok	5. Mr. Justice A V Chandrashekar	6. Mrs. Uma Shankar	7. Dr. D S Ravindran	8. Mr. Balakrishna Aise S	9. Mr. Jeevandas Narayan	10. Mr. K Gururaj Acharya	11. Mr. Harish H V
1	Accountancy	✓	✓		✓		✓		✓	✓	✓	
2	Agriculture and Rural economy							✓	✓	✓		
3	Banking	✓	✓	✓	✓		✓		✓	✓	✓	✓
4	Co-operation & SSI	✓					✓		✓			
5	Economics				✓		✓	✓	✓	✓	✓	✓
6	Finance	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
7	Law					✓					✓	
8	IT	✓	✓	✓	✓			✓	✓			
9	Risk Management	✓	✓		✓		✓		✓	✓	✓	✓
10	Payment & Settlement	✓	✓	✓								
11	HR	✓	✓			✓		✓	✓	✓	✓	
12	Business Management	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓

### BOARD MEETINGS:

During the financial year ended on March 31, 2024, the Board met 16 times on the following dates:

Sl. No.	Date of the meeting	Sl. No.	Date of the meeting
1	12.04.2023	9	28.11.2023
2	26.05.2023	10	19.12.2023
3	17.06.2023	11	23.01.2024
4	24.07.2023	12	27.01.2024
5	03.08.2023	13	04.03.2024
6	30.08.2023	14	11.03.2024
7	22.09.2023	15	15.03.2024
8	02.11.2023	16	28.03.2024



Details of the attendance of directors at the Board meetings during the year under review and at the last Annual General Meeting were as under:

Sl. No.	Name of the Director	No. of meetings attended/held	Whether attended the last AGM
1.	Mr. P Pradeep Kumar (Part-time Chairman)	16/16	YES
2.	Mr. Srikrishnan H	14 /14	YES
3.	Mr. Sekhar Rao	16/16	YES
4.	Mr. B R Ashok	16/16	YES
5.	Mr. Justice A V Chandrashekar	16/16	YES
6.	Mrs. Uma Shankar	14/16	YES
7.	Dr. D S Ravindran	15/16	YES
8.	Mr. Balakrishna Alse S	16/16	YES
9.	Mr. Jeevandas Narayan	16/16	YES
10.	Mr. K Gururaj Acharya	16/16	YES
11.	Mr. Harish H V	4/4	NA
12.	Mr. Mahabaleshwara M S*	1/1	NA
13.	Mr. Keshav Krishnarao Desai**	12/12	YES

\*Ceased to be Managing Director & CEO of the Bank w.e.f. April 14, 2023

\*\*Ceased to be an Independent Director of the Bank w.e.f. February 18, 2024

#### a. Directorships/committee positions held in other companies as on March 31, 2024:

Sl. No.	Name of the Director	Directorship in other public Limited Companies	Committee positions in other Public Limited Companies	Numbers and Names of the Listed entities where he/she is a Director	Nature of Directorship in other listed entity
1.	Mr. P Pradeep Kumar	3	5	2 1. Brigade Enterprises Limited 2. Shriram Finance Limited	Independent Director Independent Director
2.	Mr. Srikrishnan H	1	NIL	NIL	NIL
3.	Mr. Sekhar Rao	2	NIL	NIL	NIL
4.	Mr. B R Ashok	NIL	NIL	NIL	NIL
5.	Mr. Justice A V Chandrashekar	NIL	NIL	NIL	NIL
6.	Mrs. Uma Shankar	4	4	2 1. Unitech Limited 2. NCC Limited	Nominee Director Independent Director
7.	Dr. D S Ravindran	NIL	NIL	NIL	NIL
8.	Mr. Balakrishna Alse S	NIL	NIL	NIL	NIL
9.	Mr. Jeevandas Narayan	NIL	NIL	NIL	NIL
10.	Mr. K Gururaj Acharya	1	NIL	NIL	NIL
11.	Mr. Harish H V	4	4	3 1. Shetron Limited 2. Suprajit Engineering Limited 3. ADC India Communications Limited	Independent Director Independent Director Independent Director

**Note:** In terms of Regulation 26 of the SEBI (LODR) Regulations, 2015, for the purpose of Committee positions held in other public limited companies, only Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors of the Board serves as members of more than ten Committees or acts as Chairpersons of more than five Committees across all listed entities in which they are directors. In the opinion of the Board, all the Independent Directors fulfill the criteria of independence as specified under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and are independent of the management.

**b. Relationship between Directors inter-se:**

None of the Directors of the Board are related inter-se.

**c. Details of Familiarization Programme imparted to Directors:**

The Directors of the Bank were nominated to various training programmes in specialized areas such as IT, Governance, Cyber Security, Risk Management and Corporate Governance etc., conducted by IDRBT, CAFRAL, CAB and RBI etc., and the details of training undergone during the reporting period are posted on the website of the Bank at the URL <https://karnatakabank.com/investors/corporate-governance>. These trainings are in addition to the familiarization programme relating to internal process & systems and procedures of the Bank.

**Remuneration of Directors:**

**Remuneration of Whole Time Directors:**

The Bank has adopted a "Policy on Compensation of Directors/ Chief Executive Officers / Risk Takers and Control Function Staff, etc.". The policy is designed to support key business strategies and provide reasonable remuneration commensurate with the performance of the Bank considering alignment of compensation with prudent risk taking etc., as per guidelines issued by the Reserve Bank of India on 'Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function staff etc.' vide circular No. DOR.Appt.BC. No.23/ 29.67.001/2019-20 dated November 4, 2019. The compensation package of the Managing Director & CEO and Executive Director includes the fixed pay and allowances as approved by Reserve Bank of India. Besides, the compensation policy provides for a variable pay (VP), maximum up to 200% of the fixed

pay, payable after evaluation of the performance and risk score assigned thereon and subject to approval of the RBI, each year. The said variable pay is equally split into cash and non-cash components, with each component having upfront (presently 40% of VP) and deferred portions (presently 60% of VP with a deferral period of three years). The policy has malus/clawback arrangements in line with the RBI guidelines.

The remuneration structure of the Managing Director & CEO and Executive Director of the Bank is recommended by the Nomination and Remuneration Committee (NRC) to the Board for approval in accordance with the aforesaid policy. The Board of Directors on the basis of recommendation of the NRC approves the remuneration, subject to necessary approvals from Reserve Bank of India and the shareholders.

**Remuneration of Non-Executive Directors:**

The Non-Executive Directors including Chairman of the Board were paid sitting fees as approved by the Board for attending each meeting of the Board/ Committee subject to limits prescribed under the Companies Act, 2013, besides reimbursement of traveling expenses wherever applicable and halting allowance at the rates fixed by the Board. Besides, consolidated monthly salary is being paid to the Part-time Chairman of the Bank as approved by the RBI (presently of ₹ 1,25,000/-p.m.). No compensation in the form of profit related commission was paid to the Non-Executive Directors/Independent Directors during the year under review. Effective from April 01, 2022, the sitting fees payable per Director of the Board per meeting has been revised from ₹ 70,000/- to ₹ 80,000/- and for the Board level Committees from ₹ 50,000/- to ₹ 60,000/-.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Bank (except banking transactions in the ordinary course of business and on arm's length basis) during FY 2023-24.

The details of remuneration paid to Directors during the year under review are as under:

**A. Remuneration of Managing Director & CEO – Mr. Srikrishnan H:**

Sl. No.	Particulars of Remuneration	(In ₹)
1	Gross Salary	1,41,02,855
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,27,35,945
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	13,66,910*
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission (as a % of profit & others)	-



Sl. No.	Particulars of Remuneration	(In ₹)
5	Others	-
	Contribution to PF	12,55,016
	Variable Pay	-
	<b>Total (A)</b>	<b>1,53,57,871</b>

\* Perquisite value arising out of free use of Bank's car for official and private purposes amounting to ₹ 33,000/- has been included in the sl. no. 1(b) of the table

#### B. Remuneration of former Managing Director & CEO – Mr. Mahabaleshwara M S (Up to April 14,2023)\*:

Sl. No.	Particulars of Remuneration	(In ₹)
1	Gross Salary (up to April 14,2023)	3,27,600
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	3,27,600
	b) Value of Perquisites u/s 17(2) of the Income Tax Act,1961	-
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission (as a % of profit & others)	-
5	Others	-
	Contribution to PF	29,120
	Variable Pay	-
6	Gratuity#	13,40,000
7	Encashment of Privilege Leave (PL)#	14,27,000
	<b>Total (A)</b>	<b>31,23,720</b>

\* Retired from the position of Managing Director & CEO on April 14, 2023

# Retirement benefits/One-time payment.

#### C. Remuneration of Executive Director – Mr. Sekhar Rao:

Sl. No.	Particulars of Remuneration	(In ₹)
1	Gross Salary	63,63,600
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	62,37,000
	b) Value of Perquisites u/s 17(2) of the Income Tax Act,1961	1,26,600*
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission ( as a % of profit & others)	-
5	Others	-
	Contribution to PF	5,54,400
	Variable Pay	6,00,000
	<b>Total (B)</b>	<b>75,18,000</b>

\* Perquisite value arising out of free use of Bank's car for official and private purposes amounting to ₹ 39,600/- has been included.

**D. Remuneration of Non-Executive Directors:**

(₹ in Crore)

Sl. no.	Particulars of Remuneration	Name of the Directors										
		Mr. P Pradeep Kumar	Mr. Keshav K Desai (up to 18.02.2024)	Mr. B R Ashok	Mr. Justice A V Chandrashekar	Mrs. Uma Shankar	Dr. D S Ravindran	Mr. Balakrishna Aise S	Mr. Jeevandas Narayan	Mr. K Gururaj Acharya	Mr. Harish H V (w.e.f. 01.02.2024)	Total Amount
<b>1</b>	<b>Independent Directors</b>											
	Sitting Fees for attending Board/ Committees	0.31	0.27	0.00	0.28	0.32	0.30	0.41	0.41	0.33	0.06	2.69
	Commission	0	0	0	0	0	0	0	0	0	0	0
	Others (Salary)	0.15	0	0	0	0	0	0	0	0	0	0.15
	<b>Total (1)</b>	<b>0.46</b>	<b>0.27</b>	<b>0.00</b>	<b>0.28</b>	<b>0.32</b>	<b>0.30</b>	<b>0.41</b>	<b>0.41</b>	<b>0.33</b>	<b>0.06</b>	<b>2.84</b>
<b>2</b>	<b>Non-Executive Directors</b>											
	Sitting Fees for attending meetings of the Board/Committees			0.37								0.37
	Commission			0								0
	Others (Salary)			0								0
	<b>Total (2)</b>			<b>0.37</b>								<b>0.37</b>
	<b>Total (D)=(1+2)</b>	<b>0.46</b>	<b>0.27</b>	<b>0.37</b>	<b>0.28</b>	<b>0.32</b>	<b>0.30</b>	<b>0.41</b>	<b>0.41</b>	<b>0.33</b>	<b>0.06</b>	<b>3.21</b>
	<b>Total Managerial Remuneration (A+B+C+D)</b>	5.80										

Overall ceiling as per the Companies Act, 2013@

@Being Banking Company, the provisions of Banking Regulation Act, 1949 would apply to the Bank and the remuneration of Whole-Time-Director is subject to the approval of Reserve Bank of India. Again, any payment to Non-Executive/ Independent Directors other than sitting fees and profit related commission not exceeding in aggregate one per cent of net profits of the Bank is subject to maximum of ₹ 20 lakh (except to Part Time Chairman). Presently, Independent Directors are paid only sitting fees and Mr. P Pradeep Kumar, Part-time Chairman is being paid with a consolidated remuneration of ₹ 1.25 lakh per month, as approved by RBI, which is within limits prescribed under the Companies Act, 2013.

Note: "Sitting fees mentioned above includes the fees amounting to ₹ 0.078 crore paid to the respective members for attending the interview Committee meetings for selection of top level executives."

**E. Service Contracts, Notice and Severance Fees**

As on March 31, 2024, the Board of Directors (the Board) of the Bank consisted of 11 Directors including 1 Managing Director & CEO, 1 Executive Director, 1 Non-Executive & Non-Independent Director and 8 Non-Executive & Independent Directors. Managing Director & CEO and Executive Director are the employees of the Bank and are subject to service conditions as per the terms of contract and the Policy of the Bank. There is no separate provision for payment of severance fees. Other Directors excluding Managing Director & CEO and Executive Director, may resign from their office by giving notice in writing. The notice shall become effective from the date on which the notice is received by the Bank or the date if any specified by the Director in the notice, whichever is later but are not eligible for severance fees.

**2. COMMITTEES OF THE BOARD:**

In compliance with the regulatory requirements and for operational convenience, Bank has constituted the following Board level Committees:

- 1) Audit Committee of the Board (ACB)
- 2) Management Committee of the Board (MCB)
- 3) Risk and Capital Management Committee (RCMC)
- 4) Nomination & Remuneration Committee (NRC)



- 5) Stakeholders and Customer Relations Committee (SCRC)
- 6) IT Strategy and Governance Committee (ITSG)
- 7) Special Committee for Monitoring & Follow up of Large Value Frauds (Special Committee)
- 8) Corporate Social Responsibility Committee (CSR)
- 9) Review Committee for identification of Non-Cooperative Borrower & Willful Defaulters (RCNCB&WD)
- 10) Committee of Directors (COD)
- 11) H R Committee (HRC)
- 12) Centenary Year Celebrations Committee (CYCC)

The composition, names of members and chairperson of the Committees as on March 31, 2024 were as under:

Director's Name	Name of the Committee											
	ACB	NRC	MCB	SCRC	Special Committee	RCMC	ITSG	CSR	RCNCWD	COD	HRC	CYCC**
<b>Part-time Chairman</b>												
Mr. P Pradeep Kumar		✓				✓	✓	✓		✓		
<b>Whole Time Directors</b>												
Mr. Srikrishnan H			●	✓	●	✓	✓	✓	●	✓	✓	✓
Mr. Sekhar Rao			✓	✓	✓	✓	✓			✓		✓
<b>Independent Directors</b>												
Mr. A V Chandrashekar		✓			✓			●	✓		✓	
Mrs. Uma Shankar	✓	●			✓		✓					
Dr. D S Ravindran	✓			✓			●	✓			✓	
Mr. Balakrishna Alse S	✓		✓	●					✓		●	✓
Mr. Jeevandas Narayan			✓		✓	●				✓	✓	✓
Mr. K Gururaj Acharya	●			✓	✓			✓	✓			
Mr. Harish H V	✓					✓						
Mr. Keshav Krishnarao Desai*		✓	✓	✓		✓			✓			●
<b>Non-Executive Director</b>												
Mr. B R Ashok	✓	✓	✓			✓				●		

✓ Member of the Committee

● Chairperson of the Committee

\* Mr. Keshav Krishnarao Desai ceased to be an Independent Director of the Bank and the member of all the Committees w.e.f. February 19, 2024.

\*\* The Centenary Year Celebration Committee (CYCC) of the Board the Committee was dissolved on March 04, 2024, on attaining its purpose.

The brief terms of reference, number of meetings held along with attendance details of each of the Committees are furnished below:

**a. Audit Committee of the Board of Directors (ACB)**

As per the directions of Reserve Bank of India, the Bank has constituted an Audit Committee of the Board (ACB) which also conforms to the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Brief terms of reference**

- a. Oversight of the financial reporting process of the Bank and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank.
- c. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- d. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.; and
- e. Any other terms of reference as prescribed under the Banking Regulation Act, 1949 or extant guidelines of RBI in the form of Calendar of reviews or by separate circulars, Companies Act, 2013, SEBI LODR, including any amendments/ re-enactments thereof, as approved by the Board of Directors of the Bank from time to time

**Number of meetings held: 11 meetings**

All the members of the ACB are financially literate. The Company Secretary acted as the secretary to the Committee. The Managing Director & CEO, Chief Operating Officer (COO), Chief Business Officer (CBO), Chief Financial Officer (CFO), Chief Compliance Officer (CCO), Chief Risk Officer (CRO), Chief Information Security Officer and the Head of the Inspection & Audit (HIA) Department of the Bank were invited to attend the meetings of the Committee as and when desired by the Committee. The Statutory Auditors were also invited to attend the meetings whenever interim / annual financial reports/ Long Form Audit Report etc. were considered. Further, periodical one-to-one interaction was held by the Committee with the HIA & Chief of Internal Vigilance (CIV) and CCO without the presence of the management.

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. K Gururaj Acharya*	Mr. B R Ashok	Mrs. Uma Shankar	Dr D S Ravindran	Mr. Balakrishna Alse S **	Mr. Harish H V***
01.04.2023	✓	✓	✓	✓	✓	
25.05.2023	✓	✓	✓	✓	✓	
16.06.2023	✓	✓	✓	✓	✓	
02.08.2023	✓	✓	✓	✓	✓	
17.08.2023	✓	✓	✓	✓	✓	
01.11.2023	✓	✓	✓	✓	✓	
03.11.2023	✓	✓	✓	✓	✓	
18.12.2023	✓	✓	✓	✓	✓	
22.01.2024	✓	✓	✓	✓	✓	
11.03.2024	✓	✓	✓	✓	✓	✓
13.03.2024	✓	✓	✓	✓	✓	✓
<b>No. Meetings Attended/ Held</b>	<b>11/11</b>	<b>11/11</b>	<b>11/11</b>	<b>11/11</b>	<b>11/11</b>	<b>2/2</b>

\* Chairman of the Committee w.e.f 17.06.2023

\*\* Ceased to be Chairman of the Committee w.e.f. 17.06.2023.

\*\*\*Appointed as member of the Committee w.e.f. 04.03.2024

**b. Nomination and Remuneration Committee (NRC)**

Pursuant to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the extant guidelines of Reserve Bank of India, the Bank has constituted the "Nomination & Remuneration Committee (NRC)".

**Brief terms of reference**

- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and/or removal.
- Undertake the due diligence of candidates before their appointment/ re-appointment as directors.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director, Key Managerial Personnel and other employees.
- Recommend to the Board, appointment of directors and senior management personnel and their removal.
- Recommend to the Board the policy for evaluation of performance of directors.
- To oversee the framing, review and implementation of the Compensation Policy of the Bank on behalf of the Board.
- Recommend to the Board on the remuneration of Whole Time Directors/Chief Executive Officers and senior management, etc.
- Any other terms of reference as prescribed under the Banking Regulation Act, 1949 or extant guidelines of RBI, Companies Act, 2013, SEBI LODR, including any amendments / re-enactments thereof, as approved by the Board of Directors of the Bank from time to time.

In reference to the above, the Committee has laid down policy on determination of the qualifications, positive attributes and independence of a director for appointment as Director on the Board of the Bank and also a policy on remuneration of Directors.

**Number of meetings held: 7 meetings**





The meeting dates and the attendance record is as below:

Dates of Meeting	Mrs. Uma Shankar #	Mr. P Pradeep Kumar	Mr. B R Ashok	Mr. Keshav Krishnarao Desai*	Mr. Justice A V Chandrashekar**
10.04.2023	✓	✓	✓	✓	
16.06.2023	✓	✓	✓	✓	
20.07.2023	✓	✓	✓	✓	
02.11.2023	✓	✓	✓	✓	
14.12.2023	✓	✓	✓	✓	
22.01.2024	✓	✓	✓	✓	
30.03.2024	✓	✓	✓		✓
<b>Meetings Attended/ Held</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>	<b>6/6</b>	<b>1/1</b>

# Appointed as Chairperson of the Committee w.e.f. 04.03.2024

\* Ceased to be the member of the Committee w.e.f 19.02.2024

\*\*Appointed as a Member of the Committee w.e.f. 04.03.2024

### PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

As required under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR), performance review/evaluation of the Board as a whole, Committees of the Board, Chairman of the Board, all Directors including Independent Directors, Managing Director & CEO and Executive Director of the Bank was carried out as per the Performance Evaluation Policy adopted by the Bank. The process of Performance Evaluation is as under:

Independent Directors in a separate meeting shall evaluate the (i) performance of the Board as a whole taking into account the views of the Managing Director, Non-Independent Directors, Chairman of the Board (ii) Chairman of the Board (iii) Managing Director & CEO (iv) Executive Director (iv) Non independent Directors.

The Board shall review the performance of all Independent Directors (excluding the director being evaluated) as well as the Committees of the Board.

### EVALUATION CRITERIA

The Bank aligned its performance evaluation templates in line with SEBI Guidance Note dated 5<sup>th</sup> January, 2017 and the basis of evaluation is as under:

#### Board

The criteria for evaluation of performance of the Board includes composition of the Board, periodicity of the meetings, management and human resources, strategy determination, monitoring and acting, policies and procedures including Risk management policy, understanding the regulatory requirements, reporting to the stakeholders, compliance with all applicable laws etc.

#### Committees of the Board

The performance of the Committees of the Board was evaluated taking into consideration the terms of reference of each Committee, periodicity of meetings, collective judgment and contribution by each committee in attaining their objectives.

#### Chairman of the Board

The evaluation criteria for the performance of the Chairman of the Board inter-alia included leadership qualities demonstrated by him, ability to synthesize discussion and divergent views to lead to consensus after listening to all directors, his working relationship with the Managing Director & CEO and Executive Director etc.

#### Managing Director & CEO

While evaluating the performance of the Managing Director & CEO, besides his leadership qualities, performance in key financial and non-financial areas such as achieving the business targets, meeting stakeholders' expectations and maintaining harmonious relationship with the employee unions and recognition and rewards secured by the Bank under his leadership, relationship with the Board, ability to execute the strategies etc., are considered. The periodicity of performance evaluation of Managing Director & CEO has been fixed as 'after the publication of audited financial results of the performance period'.

### Executive Director

The criteria for assessment of the performance of Executive Director include the ability to develop and implement strategies aiming to promote Bank's mission, strategy and innovative thinking of Bank's agenda, efficiency in overseeing daily operations / compliance, effective team building etc.

### Independent Directors

The review of the performance of Independent Directors is undertaken by the Board having regard to their experience and expertise in the specified area of their specialization, attendance record at the meetings of the Board and the Committees there of, value addition in the decision-making process in the meetings, their ability to update their knowledge about the business and regulatory environment in which the Bank is functioning, leading to bringing in an independent judgment and safeguarding the interest of stakeholders etc.

### c. Management Committee of the Board of Directors (MCB)

#### Brief terms of reference

- Review of Corporate budget-includes review of publicity expenses, capital expenditure vis-a-vis capital budget, donations made during the year etc. for the year ended March. However, deviations, if any, will be reported to the Board.
- Review of credit proposals sanctioned by the Managing Director/Executive Director
- In order to facilitate the Board to concentrate on policy matters and strategic planning, etc., the Board has delegated lending and non-lending powers upto the limits decided by the Board from time to time to the Management Committee of the Board of Directors.

**Number of meetings held:** 10 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Srikrishnan H*	Mr. Sekhar Rao	Mr. Balakrishna Alse S#	Mr. B R Ashok	Mr. Jeevandas Narayan	Mr. Keshav Krishnarao Desai**	Mr. K Gururaj Acharya @
02.05.2023		✓		✓	✓	✓	✓
06.06.2023		✓		✓	✓	✓	✓
20.07.2023	✓	✓	✓	✓	✓	✓	
10.08.2023	✓	✓	✓	✓	✓	✓	
22.09.2023	✓	✓	✓	✓	✓	✓	
08.11.2023	✓	✓	✓	✓	✓	✓	
12.12.2023	✓	✓	✓	✓	✓	✓	
17.01.2024	✓	✓	✓	✓	✓	✓	
13.02.2024	✓	✓	✓	✓	✓	✓	
20.03.2024	✓	✓	✓	✓	✓		
<b>Meetings Attended/ Held</b>	<b>08/08</b>	<b>10/10</b>	<b>08/08</b>	<b>10/10</b>	<b>10/10</b>	<b>9/9</b>	<b>2/2</b>

\* Appointed as a Member and Chairman of the Committee w.e.f. 17.06.2023

# Appointed as a Member of the Committee w.e.f. 17.06.2023

\*\* Ceased to be a Member of the Committee w.e.f 19.02.2024

@ Ceased to be a Member of the Committee w.e.f 17.06.2023



**d. Stakeholders and Customer Relations Committee (SCRC)**

To enhance the customer service standards in the Bank and to ensure a mutually rewarding relationship with the shareholders and also to redress their grievances, a Stakeholders and Customer Relations Committee (SCRC) has been functioning at the Board level as per the requirements of the Companies Act, 2013, and SEBI LODR and the extant RBI guidelines.

**Brief terms of reference**

- a. Specifically look into various aspects of interest of shareholders, debenture holders and other security holders.
- b. Resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- c. Review of measures taken for effective exercise of voting rights by shareholders.
- d. Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- e. Review of the various measures and initiatives taken by Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- f. Formulation of a comprehensive deposit policy;
- g. Product approval process;
- h. Annual survey of depositor satisfaction;
- i. Tri-ennial audit of such services; and
- j. Periodical review of the performance of the Ad-hoc committee.

**Number of meetings held:** 4 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Balakrishna Alse S <sup>@</sup>	Mr. Srikrishnan H <sup>*</sup>	Mr. Sekhar Rao	Mr. Justice A V Chandrashekar <sup>@@</sup>	Dr D S Ravindran	Mr. Keshav Krishnarao Desai <sup>**</sup>	Mr. K Gururaj Acharya <sup>#</sup>
15.06.2023	✓		✓	✓	✓	✓	
04.09.2023	✓	✓	✓	✓	✓	✓	✓
20.12.2023	✓	✓	✓	✓	✓	✓	✓
27.03.2024	✓	✓	✓		✓		✓
<b>Meetings Attended/ Held</b>	<b>4/4</b>	<b>3/3</b>	<b>4/4</b>	<b>3/3</b>	<b>4/4</b>	<b>3/3</b>	<b>3/3</b>

@ Appointed as Chairman of the Committee w.e.f. 17.06.2023

\* Appointed as a Member of the Committee w.e.f. 17.06.2023.

@ @ Ceased to be a Member of the Committee w.e.f. 04.03.2024.

\*\* Ceased to be a Member of the Committee w.e.f 19.02.2024

# Appointed as a Member of the Committee w.e.f. 17.06.2023

**Name & Designation of the Compliance Officer:**

Mr. Sham K, Company Secretary & Compliance Officer

**Details regarding Stakeholders' grievances as on 31<sup>st</sup> March 2024:**

During the FY 2023-24, a total of 03 grievances were received from the securities holders and all of them have been redressed satisfactorily within the timelines. An exclusive Email ID viz., [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com) has been maintained by the Bank for the purpose of redressal of investors' grievances, if any. Further, the complaints received via SEBI's Complaint Redress System (SCORES) were also redressed promptly.

**e. Special Committee for Monitoring and Follow up of Large Value Frauds:**

As per the directions of the Reserve Bank of India, the Board has constituted a Special Committee exclusively to monitor and follow-up cases of fraud involving amounts of Rupees One crore and above

**Brief terms of reference**

- Identify the systems lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.
- Monitor progress of CBI/Police Investigation and recovery position.
- Ensure that staff accountability is examined at all levels in all cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds

**Number of meetings held:** 5 meetings

The Committee meets quarterly to review and monitor all cases. Also, the Committee meets immediately on detection of any fraud involving amount of Rupees One crore and above.

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Srikrishnan H *	Mr. Sekhar Rao	Mrs. Uma Shankar ®	Mr. Justice A V Chandrashekar	Mr. Balakrishna Alse S#	Mr. Jeevandas Narayan	Mr. K Gururaj Acharya
15.06.2023		✓		✓	✓	✓	✓
25.07.2023	✓	✓	✓	✓		✓	✓
22.09.2023	✓	✓	✓	✓		✓	✓
23.11.2023	✓	✓	✓	✓		✓	✓
01.02.2024	✓	✓	✓	✓		✓	✓
<b>Meetings Attended/ Held</b>	<b>4/4</b>	<b>5/5</b>	<b>4/4</b>	<b>5/5</b>	<b>1/1</b>	<b>5/5</b>	<b>5/5</b>

\* Appointed as a Member and Chairperson of the Committee w.e.f. 17.06.2023

® Appointed as a Member of the Committee w.e.f. 17.06.2023

# Ceased to be a Member of the Committee w.e.f. 17.06.2023

**f. Risk and Capital Management Committee (RCMC):**

With a view to devise policy and strategy for integrated risk management containing various risk exposures, the Bank has constituted "Risk and Capital Management Committee" (RCMC). The Committee also reviews and recommends to the Board the capital plan of the Bank and lays down the capital planning process and responsibilities as well as contingency planning to deal with deviations and unexpected events and matters incidental thereto.

The Committee conforms to the guidelines of Reserve Bank of India and SEBI (LODR) Regulations, 2015.

**Brief terms of reference****Risk Function:**

- Devise the policy and strategy for integrated risk management containing various risk exposures of the Bank including Credit Risk, Market Risk and Operational Risk.
- Review of Risk Profile of the Bank, evaluation of overall risks faced by the Bank.
- Review the decision of the 3 sub-committees namely ALCO, ORMC and CRC and ensure smooth transition to new capital adequacy framework.
- Develop policies and strategies for integrated risk management containing the credit, market, operational risk, etc.
- Ensure robustness of the financial models used for measuring risks and to ensure a smooth transition to the New Capital Adequacy Framework.

**Brief terms of reference****Capital Function:**

- f. To Review the assessment of Capital Adequacy and related issues.
- g. To review the business projections, Risk Profile Assessment and Capital Budgeting.
- h. To approve the Basel III Pillar II CRAR calculations along with the results of Stress Testing and Leverage Ratio & Liquidity Coverage Ratio.
- i. To review and recommend to the Board the capital plan of the Bank at annual intervals and lay down capital planning process and responsibilities as well as contingency Planning for dealing with deviations and unexpected events like restrictions on business activities, etc.
- j. To incorporate and review/modify the 'Risk Appetite Statement'.
- k. To set short term and long-term goals for capital levels based on current and projected changes to the risk profile.
- l. To review and approve the methodologies and approaches for risk assessment under Pillar II of Basel Accord on an on-going basis.
- m. To develop an internal strategy for maintaining adequate capital, which reflects desired level of risk coverage, expected balance sheet growth, future sources and application of fund, acquisitions, new products and services, market image, strategic goals.
- n. To develop a sound methodology for allocation of capital across the business lines and allocating capital among the internal business in line with their amount of risk as well as taking into account the potential volatility of exposures, changes in assumed correlation between exposure under adverse circumstances.
- o. To review and appraise the capital management and planning policy of the Bank and review the capital targets and levels in relation to such policy.
- p. To ensure that detailed documentation of methodologies, assumptions, procedures and minutes of meeting etc. is available for all the processes of ICAAP and is communicated to the concerned stakeholders and appropriate authority and responsibilities have been allocated.
- q. To ensure that robust stress testing and scenario analysis have been carried out to arrive at capital adequacy level.
- r. To ensure that new risks arising out of events like new product launch, new business, increased volume, changes in concentration, changes in quality of portfolio or in overall economic scenario have been properly incorporated in the risk assessment.
- s. To apprise the Board on the ICAAP and on capital adequacy level.

**Number of meetings held:** 6 meetings

Further, periodical one-to-one interaction was held by the Committee with the Chief Risk Officer without the presence of the management.

The meeting dates and the attendance record is as below:

Dates of Meeting	Mrs. Uma Shankar*	Mr. P Pradeep Kumar	Mr. Srikrishnan H%	Mr. Sekhar Rao	Mr. Jeevandas Narayan@	Mr. K Gururaj Acharya#	Mr. B R Ashok&	Mr. Harish H V**
20.04.2023	✓	✓		✓	✓	✓		
26.06.2023	✓	✓	✓	✓	✓			
30.08.2023	✓	✓	✓	✓	✓		✓	
22.09.2023	✓	✓	✓	✓	✓		✓	

Dates of Meeting	Mrs. Uma Shankar*	Mr. P Pradeep Kumar	Mr. Srikrishnan H%	Mr. Sekhar Rao	Mr. Jeevandas Narayan@	Mr. K Gururaj Acharya#	Mr. B R Ashok&	Mr. Harish H V**
14.12.2023	✓	✓	✓	✓	✓		✓	
11.03.2024		✓	✓	✓	✓		✓	✓
<b>Meetings Attended/ Held</b>	<b>5/5</b>	<b>6/6</b>	<b>5/5</b>	<b>6/6</b>	<b>6/6</b>	<b>1/1</b>	<b>4/5</b>	<b>1/1</b>

\* Ceased to be a Member and Chairperson of the Committee w.e.f. 04.03.2024

% Appointed as a Member of the Committee w.e.f. 17.06.2023

@ Appointed as Chairperson of the committee w.e.f. 04.03.2024

# Ceased to be a Member of the Committee w.e.f. 17.06.2023

& Appointed as a Member of the Committee w.e.f. 17.06.2023

\*\* Appointed as member of the Committee w.e.f. 04.03.2024

### g. IT Strategy and Governance Committee (ITSG)

A Board Level Committee on IT Strategy and Governance has been constituted to oversee the Information Technology (IT) related areas such as IT Governance, Information Security, Information System Audit, IT Operations, IT Services Outsourcing, Cyber Fraud, Business Continuity Planning etc.

#### Brief terms of reference

- Approving IT strategy and policy documents.
- Ensuring that the management has put an effective strategic planning process in place.
- Ratifying that the business strategy is indeed aligned with IT strategy.
- Ensuring that the IT organizational structure complements the business model and its Direction.
- Ascertaining that management has implemented processes and practices to ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- Ensuring proper balance of IT investments for sustaining growth of the Bank.
- Becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.
- Assessing Senior Management's performance in implementing IT strategies.
- Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks).
- Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.
- Overseeing the aggregate funding of IT at a bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.
- Reviewing IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).

**Number of meetings held:** 4 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Srikrishnan H*	Dr. D S Ravindran	Mr. P Pradeep Kumar	Mr. Sekhar Rao	Mrs. Uma Shankar
07.04.2023		✓	✓	✓	✓
11.09.2023	-	✓	✓	✓	✓
18.12.2023	-	✓	✓	✓	✓
19.03.2024	✓	✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>1/3</b>	<b>4/4</b>	<b>4/4</b>	<b>4/4</b>	<b>4/4</b>

\* Appointed as a Member of the Committee w.e.f. 17.06.2023

**h. Corporate Social Responsibility (CSR) Committee****Brief terms of reference**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, a separate Committee has been constituted by the Board to formulate and recommend a CSR Policy, recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Bank from time to time, monitor & regulate the expenditure incurred by the Bank in corporate social responsibilities.

- 1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in the Schedule VII.
- 2) Recommend the amount of expenditure to be incurred on the CSR Activities.
- 3) Monitor the Corporate Social Responsibility Policy of the Bank from time to time.

**Number of meetings held:** 4 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. P Pradeep Kumar%	Mr. Srikrishnan H*	Mr. Sekhar Rao@	Mr. Justice A V Chandrashekar#	Dr. D S Ravindran	Mr. K Gururaj Acharya**
15.06.2023	✓		✓	✓	✓	
04.09.2023	✓	✓		✓	✓	✓
02.11.2023	✓	✓		✓	✓	✓
27.03.2024	✓	✓		✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>4/4</b>	<b>3/3</b>	<b>1/1</b>	<b>4/4</b>	<b>4/4</b>	<b>3/3</b>

% Ceased to be a Chairman of the Committee w.e.f. 17.06.2023

\* Appointed as a Member of the Committee w.e.f. 17.06.2023

@ Ceased to be a Member of the Committee w.e.f. 17.06.2023

# Appointed as Chairperson of the Committee w.e.f. 17.06.2023

\*\* Appointed as a Member of the Committee w.e.f. 17.06.2023

Necessary disclosure pursuant to the provisions of Section 135(4) of the Companies Act, 2013 read with Companies (CSR) Rules, 2014, has been furnished in **Annexure-II** forming part of Board's Report and also posted on the website of the Bank.

**i. Review Committee for Identification of Non-Cooperative Borrowers and Willful Defaulters:****Brief terms of reference**

- a. To review the order of the Internal Screening Committee classifying a borrower as non-co-operative borrower and the order of the said Screening committee will become final only when it is confirmed by the Committee for Identification of Non-Cooperative Borrowers.
- b. To review the order of the Internal Committee for identification of willful default classifying a borrower as willful defaulter and the order of the said Internal committee will become final only when it is confirmed by the Committee for Identification of willful defaulters.

**Number of meetings held:** 4 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Srikrishnan H*	Mr. Sekhar Rao%	Mr. K Gururaj Acharya#	Mr. Justice A V Chandrashekar	Mr. Keshav Krishnarao Desai**	Mr. Balakrishna Aise S
15.06.2023		✓		✓	✓	✓
04.09.2023	✓		✓	✓	✓	✓
20.12.2023	✓		✓	✓	✓	✓
27.03.2024	✓		✓	✓		✓
<b>Meetings Attended/ Held</b>	<b>3/3</b>	<b>1/1</b>	<b>3/3</b>	<b>4/4</b>	<b>3/3</b>	<b>4/4</b>

\* Appointed as Chairman of the Committee w.e.f. 30.08.2023

% Ceased to be the Chairman and a Member of the Committee w.e.f. 30.08.2023

# Appointed as Member of the Committee w.e.f. 17.06.2023

\*\* Cessation of the member w.e.f. 19.02.2024

#### j. Committee of Directors:

##### Brief terms of reference

The Board has constituted this Committee in view of the business need to strategize capital augmentation plans of the Bank as and when a decision in this regard is taken by the Board of Directors.

**Number of meetings held:** 7 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Srikrishnan H@	Mr. Sekhar Rao	Mr. P Pradeep Kumar*	Mr. B R Ashok#	Mr. Jeevandas Narayan
26.10.2023	✓	✓	✓	✓	✓
28.02.2024	✓	✓	✓	✓	✓
11.03.2024	✓	✓	✓	✓	✓
12.03.2024	✓	✓	✓	✓	✓
21.03.2024	✓	✓	✓	✓	✓
27.03.2024	✓	✓	✓	✓	✓
28.03.2024	✓	✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>	<b>7/7</b>

@ Appointed as a Member of the Committee w.e.f. 17.06.2023

\* Ceased to be a Chairman of the Committee w.e.f. 17.06.2023

# Appointed as Chairman of the Committee w.e.f. 17.06.2023



**k. H R Committee:****Brief terms of reference**

The Board of Directors has constituted the HR Committee to review the HR processes of the Bank. As the Committee is constituted according to the business needs of the Bank, there is no regulatory stipulation as to composition/ members/ chairman etc.

**Number of meetings held:** 6 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Jeevandas Narayan*	Dr. D S Ravindran#	Mr. Justice A V Chandrashekar	Mr. Balakrishna Alse S@	Mr. Sekhar Rao%	Mr. Srikrishnan H**
04.04.2023	✓		✓	✓	✓	
25.04.2023	✓		✓	✓	✓	
22.05.2023	✓		✓	✓	✓	
25.07.2023	✓	✓	✓	✓	✓	
16.02.2024	✓	✓	✓	✓	✓	
28.03.2024	✓	✓	✓	✓		✓
<b>Meetings Attended/ Held</b>	<b>6/6</b>	<b>3/3</b>	<b>6/6</b>	<b>6/6</b>	<b>5/5</b>	<b>1/1</b>

\*Ceased to be a Chairman of the Committee w.e.f. 04.03.2024

# Appointed as a Member of the Committee w.e.f. 17.06.2023

@ Appointed as Chairman of the Committee w.e.f. 04.03.2024

% Ceased to be a Member of the Committee w.e.f. 04.03.2024

\*\* Appointed as Member of the Committee w.e.f. 04.03.2024

**l. Centenary Year Celebrations Committee (CYCC)\*****Brief terms of reference**

The Centenary Year Celebration Committee (CYCC) of the Board was formed vide Board Resolution Number 31 dated 02.02.2023 to examine and recommend the action plan for the initiatives to be taken up as part of Centenary Year celebration

**Number of meetings held:** 5 meetings

\* The Centenary Year Celebration Committee (CYCC) of the Board was dissolved on March 04, 2024, on attaining its purpose as stated above.

The meeting dates and the attendance record is as below:

Dates of Meeting	Mr. Jeevandas Narayan	Mr. Keshav Krishnarao Desai (Chairman of the Committee)	Mr. Balakrishna Alse S	Mr. Sekhar Rao	Mr. Srikrishnan H*
11.04.2023	✓	✓	✓	✓	
15.06.2023	✓	✓	✓	✓	✓
02.08.2023	✓	✓	✓	✓	✓
13.10.2023	✓	✓	✓	✓	✓
01.02.2024	✓	✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>5/5</b>	<b>5/5</b>	<b>5/5</b>	<b>5/5</b>	<b>4/5</b>

\*Appointed as a Member of the Committee w.e.f. 17.06.2023

**COMMITTEES OF EXECUTIVES:**

Apart from the Board and Committees, the Bank has also constituted other committees of executives such as Asset and Liability Management Committee (ALCO), Investment Management Committee (IMC), Credit Management Committee (CMC), Credit Risk Committee (CRC), Operational Risk Management Committee (ORMC), Committee for scrutiny of frauds, staff accountability Committee, New Product & Process Approval Committee, IT Steering Committee, ICAAP Function Committee, Management Security Forum, Risk Based Supervision (RBS) Top Management Committee, Inspection Monitorable Action Plan (IMAP) Committee, etc. These Committees meet regularly to deliberate and take decisions on respective matters.

**ANNUAL GENERAL MEETINGS**

Venue and the date of the last three annual general meetings were as under:

Year	Venue	Date	Day	Time (IST)	Whether any Special resolution/ s passed
2023	Held through Video Conferencing	29.08.2023	Tuesday	11.30 AM	Yes
2022	Held through Video Conferencing	26.08.2022	Friday	11.30 AM	Yes
2021	Held through Video Conferencing	02.09.2021	Thursday	11.00 AM	Yes

**SPECIAL RESOLUTIONS PASSED VIA POSTAL BALLOT AND VOTING PATTERN:**

Date of Resolution	Nature of Business	Voting Pattern		Result
		(out of the votes cast)		
		In favour	Against	
24.10.2023	To issue offer and allot Equity Shares on a Preferential basis.	99.79	0.21	Passed with requisite majority.
27.02.2024	To issue offer and allot Equity Shares on a Preferential basis.	99.43	0.57	
27.02.2024	To approve raising of funds in one or more tranches through permitted means.	99.75	0.25	
27.02.2024	To appoint Mr. Harish H V (DIN: 08742808) as an Independent Director of the Bank for a term of five consecutive years w.e.f. 01.02.2024.	99.32	0.68	

The aforementioned Postal Ballot was conducted solely through the Remote E-Voting process in accordance with the regulations set forth in Sections 108 and 110, as well as other applicable provisions of the Companies Act, 2013 and its corresponding Rules.

Mr. Pramod S M, Partner, M/s. BMP & Co. LLP, Practicing Company Secretaries, Bengaluru, was appointed as the Scrutinizer for conducting the above Postal Ballot through the Remote E-Voting process fairly and transparently and following the provisions of the Companies Act, 2013 and the rules made thereunder.

**WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:**

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

**MEANS OF COMMUNICATION:**

The quarterly/half yearly/annual results are published in the leading national English dailies and vernacular newspaper (Kannada). The results and presentation on analysis of financial results were also posted on our website <https://karnatakabank.com/investors> and also on the websites of stock exchanges i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Also, material updates/developments and press releases thereon are disclosed to the stock exchanges and hosted on website of the Bank. Further, the gist of financial results is also shared on a quarterly basis with all the shareholders on a voluntary basis who have registered their email ids with the Bank/Depositories.

**SHAREHOLDERS' INFORMATION:****A. Annual General Meeting for the FY 2023-24 (e-AGM) to be held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"):**

Day	: Tuesday
Date	: 10.09.2024
Time	: 11.30 AM
Venue	: Not Applicable (to be held through VC/OAVM)
Mode	: The e-AGM will be held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in accordance with the General Circular No. 09/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs ("MCA") and SEBI Circular No. SEBI/HO/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and other connected circulars mentioned therein.
Address of the Bank for Correspondence	: The Karnataka Bank Limited., P.B.No.599, Secretarial Department, Regd. & Head Office, Mahaveera Circle, Kankanady, Mangaluru-575002, Karnataka, India. Tel: +91-824-2228222, Email: <a href="mailto:investor.grievance@ktkbank.com">investor.grievance@ktkbank.com</a> Website: <a href="https://karnatakabank.com/">https://karnatakabank.com/</a>

**B. Financial Calendar:**

The financial year of the Bank is April to March. The financial results for the quarter/half year/year are generally published as under:

a) Quarter ended 30 <sup>th</sup> June, 2024	: July, 2024
b) Quarter ending 30 <sup>th</sup> September, 2024	: October, 2024
c) Quarter ending 31 <sup>st</sup> December, 2024	: January, 2025
d) Quarter ending 31 <sup>st</sup> March 2025	: May, 2025

**C. Dividend:**

The Board of Directors has recommended a dividend of ₹ 5.50 per share for the year ended March 31, 2024 (i.e., 55 % on paid up capital) and subject to the approval by the members at the AGM to be held on September 10, 2024. The same will be paid to the shareholders holding shares as on September 03, 2024 in respect of shares held both in physical form and in electronic form.

Dividend Payment Date: on or after September 19, 2024

**D. Year wise details of Unclaimed Dividend:**

The following Table gives the position of unclaimed dividend for the past seven years as on March 31, 2024:

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2016-2017	78,27,940.00	17.07.2017	16.08.2024
2017-2018	62,37,846.00	21.07.2018	20.08.2025
2018-2019	72,71,197.50	07.08.2019	06.09.2026
2019-2020	No Dividend Declared due to restriction imposed by RBI for all banking companies.		
2020-2021	55,74,308.80	02.09.2021	02.10.2028
2021-2022	1,04,96,341.00	26.08.2022	26.09.2029
2022-2023	1,37,17,991.00	29.08.2023	29.09.2030

**E. Demat Suspense Account:**

Pursuant to Schedule V of SEBI LODR, after sending three reminders to the shareholders at the latest available address, in respect of unclaimed shares, the Bank had transferred these unclaimed shares to the separate Demat Suspense Account. The Voting rights on these shares shall remain frozen till such shares are claimed by the rightful owner. The summary of shares transferred and released in favour of shareholders is furnished below:

Particulars	No. of shareholders	Total Number of shares
1. Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	468	77,704
2. Shareholders who approached us for transfer of shares from suspense account during the year	41	5,461
Less: Shareholders to whom shares were transferred from suspense account during the year	41	5,461
3. Less: Shares transferred to IEPF	10	800
4. Add: Bonus – 2020 share certificate dematerialised	2,402	1,18,255
5. Number of shareholders and the outstanding shares in the suspense account lying at the end of the year (4=1-2-3+4)	<b>2,819</b>	<b>1,89,698</b>

#### SUSPENSE ESCROW ACCOUNT

Particulars	No. of shareholders	Total Number of shares
1. Number of shareholders and the outstanding shares in the suspense escrow account lying at the beginning of the year	3	14,319
2. Add: 120 days lapse cases transferred to escrow account during the year	19	10,935
3. Less: Shareholders who approached us for transfer of shares from suspense account during the year	7	18,916
4. Number of shareholders and the outstanding shares in the suspense account lying at the end of the year (4=1+2-3)	<b>15</b>	<b>6,338</b>

#### F. Transfer to IEPF Accounts:

##### a. Transfer of unclaimed dividend to IEPF:

As per the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (in short "IEPF rules"), the unclaimed dividend for the financial year 2015-16 of ₹ 79,45,460/- has been transferred on September 12, 2023, to the Investor Education and Protection Fund established by the Central Government.

##### b. Transfer of shares to IEPF:

Pursuant to Section 124(6) of the Act read with IEPF rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred in the name of Investor Education and Protection Fund. Accordingly, 1,01,807 shares in respect of which the dividend had remained unclaimed for a period of seven years or more, were transferred to IEPF on September 26, 2023.

##### c. Transfer of Share Application Money to IEPF:

Pursuant to rule 5(1) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the application money received by the Bank for allotment of Rights Issue 2016 and due for refund of ₹ 107,800/- was transferred to IEPF on January 19, 2024.

#### G. Listing of shares:

The shares of the Bank are listed on the following Stock Exchanges:

ISIN	INE614B01018	
Scrip Code	Name of the Stock Exchange	Address
KTKBANK	National Stock Exchange of India Limited (NSE)	Regd. Office: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051
532652	BSE Limited. (BSE)	Regd. Office: Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The Bank has paid the annual listing fees for the financial year 2023-24 to the above Stock Exchanges.

#### H. Suspension of Trading

No securities of the Bank were suspended from trading on stock exchanges during the year under review.

**I. Non-acceptance of any recommendation of any Committee of the Board which is mandatorily required**

The Board of Directors have taken all the recommendations of the various Committees of the Board as statutorily prescribed.

**J. Registrar & Share Transfer Agent (RTA):**

The Bank has appointed Integrated Registry Management Services Private Limited as common Registrar & Share Transfer Agent (RTA) for both physical and electronic shares. Therefore, all communications relating to share transmission, dividend, change of address for shares held in physical form and dematerialization of shares etc., are to be addressed to the Registrar and Share Transfer Agent at the following address:

**Integrated Registry Management Services Private Limited**

30, Ramana Residency, 4<sup>th</sup> Cross,  
Sampige Road, Mallechwaram, Bengaluru-560003  
Tel: (080) 23460815-818 Fax: (080) 23460819  
Email: [irg@integratedindia.in](mailto:irg@integratedindia.in)

**K. Share transfer system:**

The shares of the Bank being traded in dematerialized form are transferable only through the depository system. Pursuant to the proviso to Regulation 40(1) of SEBI (LODR) Regulations, w.e.f. 01.04.2019, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository and accordingly, transfer of securities in physical form is not permissible.

**L. Dematerialization of shares:**

As per the directives of SEBI, the equity shares of the Bank are compulsorily traded in dematerialized form by all categories of investors w.e.f. February 26, 2001. The Bank had entered into tripartite agreement with the depositories viz., National Securities Depositories Limited and Central Depositories Services (India) Limited and share transfer agent, for dematerialization of shares. The ISIN allotted for the shares of the Bank is INE614B01018. In view of the obvious benefits of holding the shares in demat form, over the period of time, shareholders have converted their physical shares into electronic form and about 97.25 % of the equity shares of the Bank are in demat form as on March 31, 2024.

**M. Stock Market Data**

The shares of the Bank are traded on the Stock Exchanges only in dematerialized form as per the directives issued by Securities and Exchange Board of India (SEBI). The shares are regularly traded on NSE and BSE. The monthly high & low prices along with the volumes traded from April 01, 2023, to March 31, 2024 on the above Stock Exchanges are given below together with bench mark indices.

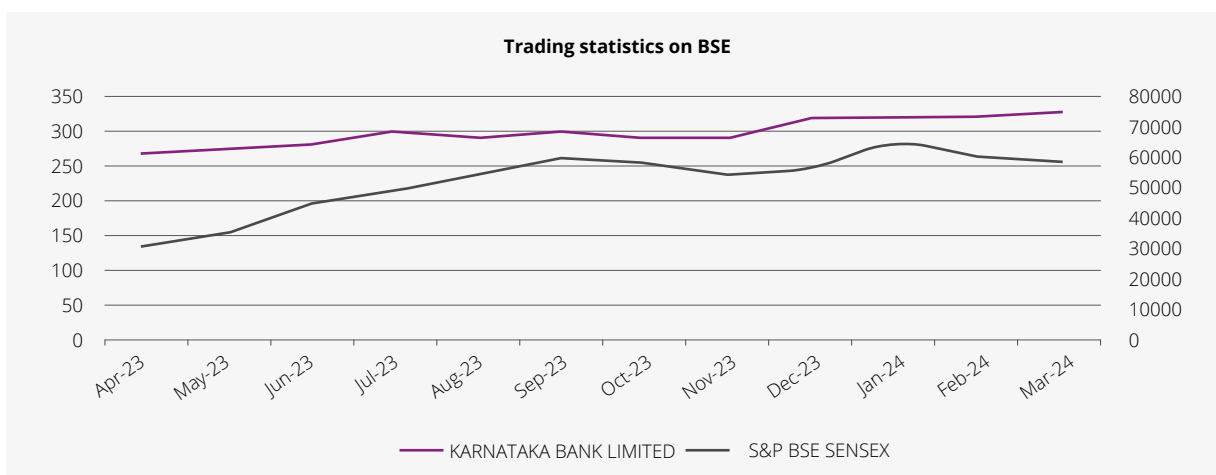
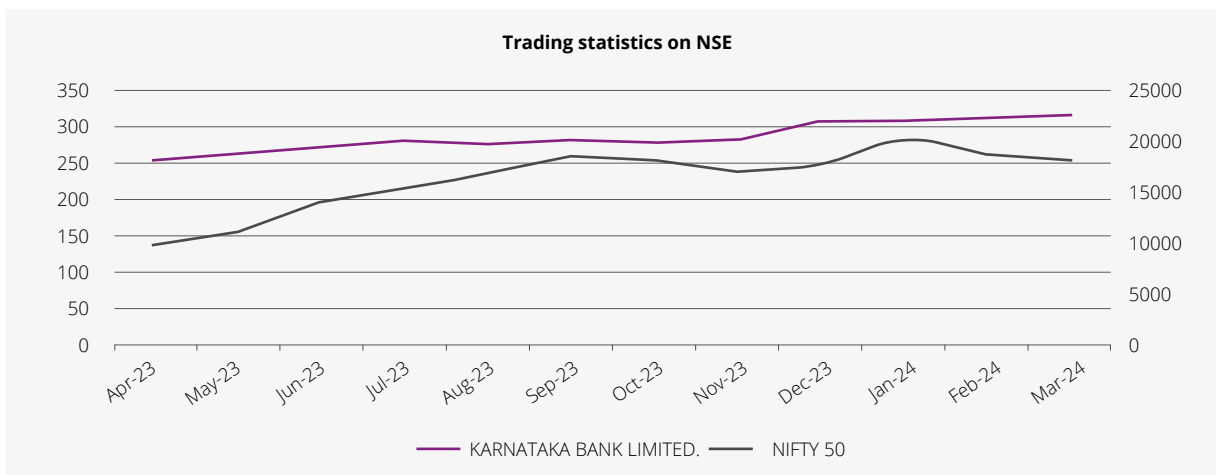
**Trading statistics on NSE:**

Month	Share price		No. of Shares Traded	NIFTY 50	
	High	Low		High	Low
Apr 2023	136.45	127.00	2,30,40,909	18,089.15	17,312.75
May 2023	153.50	128.30	4,64,60,156	18,662.45	18,042.40
June 2023	194.50	145.95	8,55,34,599	19,201.70	18,464.55
July 2023	215.30	185.05	8,95,73,277	19,991.85	19,234.40
Aug 2023	234.60	200.30	6,62,40,969	19,795.60	19,223.65
Sep 2023	257.70	217.05	7,70,63,652	20,222.45	19,255.70
Oct 2023	251.95	216.65	2,88,83,583	19,849.75	18,837.85
Nov 2023	238.65	210.60	3,77,14,809	20,158.70	18,973.70
Dec 2023	247.65	217.35	3,89,92,313	21,801.45	20,183.70
Jan 2024	286.55	232.50	6,87,84,780	22,124.15	21,137.20
Feb 2024	263.90	222.80	3,13,41,605	22,297.50	21,530.20
Mar 2024	253.60	219.60	2,90,13,850	22,526.60	21,710.20

**Trading statistics on BSE:**

Month	Share price		No. of Shares Traded	S&P BSE SENSEX	
	High	Low		High	Low
Apr 2023	136.30	127.10	22,32,520	61,209.46	58793.08
May 2023	153.50	128.35	46,70,861	63,036.12	61002.17
June 2023	194.45	145.95	69,70,620	64,768.58	62359.14

Month	Share price		No. of Shares Traded	S&P BSE SENSEX	
	High	Low		High	Low
July 2023	215.30	185.50	77,69,347	67,619.17	64836.16
Aug 2023	234.50	200.40	40,37,831	66,658.12	64723.63
Sep 2023	257.80	217.10	52,85,105	67,927.23	64818.37
Oct 2023	252.00	217.00	21,04,295	66,592.16	63092.98
Nov 2023	238.50	210.60	28,31,001	67,069.89	63550.46
Dec 2023	247.55	217.55	29,34,122	72,484.34	67149.07
Jan 2024	286.35	232.20	49,25,291	73,427.59	70001.6
Feb 2024	263.05	222.75	27,79,018	73,413.93	70809.84
Mar 2024	253.75	220.00	18,52,220	74,245.17	71674.42



**N. Distribution of shareholding as on March 31, 2024:**

Shares holding of nominal value of Particulars in ₹	Share holders		Share Amount	
	Number	% to Total	In ₹	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	2,56,021	85.09	23,24,49,650	6.16
5,001 - 10,000	18,596	6.18	13,98,74,400	3.71
10,001 - 20,000	11,969	3.98	17,34,47,620	4.60
20,001 - 30,000	4,616	1.53	11,58,57,370	3.07
30,001 - 40,000	2,248	0.75	7,89,38,090	2.09
40,001 - 50,000	1,653	0.55	7,60,31,010	2.02
50,001 - 1,00,000	2,982	0.99	21,28,73,090	5.64
1,00,001 and above	2,787	0.93	2,74,30,28,350	72.71
<b>Total</b>	<b>300872</b>	<b>100.00</b>	<b>3772499580</b>	<b>100.00</b>



**O. SHAREHOLDING PATTERN:**

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April 1, 2023)				No. of Shares held at the end of the year (i.e. as on March 31, 2024)				% change during the year
	Physical	Demat	Total no. shares held	% of Total Shares	Physical	Demat	Total no. shares held	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF									
b) Central Govt. or State Govt.									
c) Bodies Corporates									
d) Bank/FI				NIL					
e) Any other									
<b>SUB TOTAL:(A) (1)</b>									
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>SUB TOTAL (A) (2)</b>									
<b>Total Shareholding of Promoter (A)=(A) (1)+(A)(2)</b>									
<b>B. PUBLIC SHAREHOLDING</b>									
B1) Institutions (Domestic)									
Mutual Fund	0	16,19,671	16,19,671	0.52	0	3,67,28,899	3,67,28,899	9.74	+9.22
Alternate Investment Fund	0	3,66,449	3,66,449	0.12	0	73,185	73,185	0.02	0
Banks	0	736	736	0.00	0	736	736	0.00	0
Insurance Companies	0	1,59,33,730	1,59,33,730	5.10	0	5,01,56,250	5,01,56,250	13.30	+8.20
NBFCs registered with RBI	0	5,591	5,591	0.00	0	3,196	3,196	0.00	0
<b>Sub Total B1</b>	0	1,79,26,177	1,79,26,177	5.74	0	8,69,62,266	8,69,62,266	23.05	17.42
B2) Institutions (Foreign)	0	0	0	0	0	0	0	0.00	0
Foreign Portfolio Investors Category I		6,15,12,662	6,15,12,662	19.69	0	6,85,54,028	6,85,54,028	18.17	-1.52
Foreign Portfolio Investors Category II		19,18,883	19,18,883	0.61	0	25,93,483	25,93,483	0.69	+0.08
<b>Sub Total B2</b>	0	6,34,31,545	6,34,31,545	20.31	0	7,11,47,511	7,11,47,511	18.86	-1.44
B3) Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
B4) Non-Institutions									
Directors and their relatives (excluding independent directors and nominee directors)	0	2,08,490	2,08,490	0.07	0	1,650	1,650	0	-0.07
Key Managerial Personnel	3,630	265	3,895	0.00	3,630	265	3,895	0.00	0
Investor Education and Protection Fund (IEPF)	0	10,08,297	10,08,297	0.32	0	11,07,337	11,07,337	0.29	-0.03
Resident Individuals holding nominal share capital up to ₹ 2 lakhs	1,11,41,794	11,00,18,558	12,11,60,352	38.79	97,50,623	10,68,75,583	11,66,26,206	30.91	-7.88
Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	9,70,142	8,47,35,036	85,70,5178	27.44	5,72,300	8,02,75,078	8,08,47,378	21.43	-6.01
Non Resident Indians (NRIs)	5,500	79,45,760	79,51,260	2.55	5,500	75,72,784	75,78,284	1.88	-0.67
Bodies Corporate	2,38,983	1,42,64,003	1,45,02,986	4.64	41,533	1,27,16,145	1,27,57,678	3.38	-1.26
Any Other (specify)	0	0	0	0	0	0	0	0	0
Clearing Members	0	2,25,485	2,25,485	0.07	0	13,839	13,839	0.00	-0.07
Trusts	0	8,678	8,678	0.00	0	7,878	7,878	0	0
Unclaimed or Suspense or Escrow Account	1,18,255	92,023	2,10,278	0.07	2,147	1,96,036	1,98,183	0.05	-0.02
<b>Sub Total B4</b>	<b>1,24,78,304</b>	<b>21,85,06,595</b>	<b>23,09,84,899</b>	<b>73.95</b>	<b>1,03,73,586</b>	<b>20,87,66,595</b>	<b>21,91,40,181</b>	<b>57.94</b>	<b>-15.94</b>
<b>B=B1+B2+B3+B4</b>	<b>1,24,78,304</b>	<b>29,98,64,317</b>	<b>31,23,42,621</b>	<b>100</b>	<b>1,03,73,586</b>	<b>36,68,76,372</b>	<b>37,72,49,958</b>	<b>100</b>	<b>0</b>

ii) **Shareholding of Promoters:** Not applicable as the Bank does not have any promoters in control of the management.

iii) **Shareholding Pattern of top ten Shareholders other than directors, promoters, holders of ADR/GDR**

Sl. No.	Name	At the beginning of the year 2023-24		Change in Shareholding (No. of Shares) Increase/ (Decrease)	At the end of the year 2023-24	
		No. of shares	% to total shares of the Bank		No. of shares	% to total shares of the Bank
1.	QUANT MUTUAL FUND - QUANT SMALL CAP FUND	0	0.00	1,47,54,512	1,47,54,512	3.91
2.	KUMARASWAMY REDDY BATHINA AND RELATIVES	1,17,03,959	3.75	28,96,034	1,45,99,993	3.87
3.	HDFC LIFE INSURANCE COMPANY LIMITED	0	0.00	1,35,68,804	1,35,68,804	3.60
4.	LIFE INSURANCE CORPORATION OF INDIA	1,45,58,513	4.66	-15,00,000	1,30,58,513	3.46
5.	HSBC MIDCAP FUND	0	0.00	1,00,50,943	1,00,50,943	2.66
6.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED	0	0.00	85,27,607	85,27,607	2.26
7.	ZEAL GLOBAL OPPORTUNITIES FUND	77,78,000	2.49	-1,90,140	75,87,860	2.01
8.	LSV EMERGING MARKETS EQUITY FUND LP	43,32,240	1.39	-3,17,340	40,14,900	1.06
9.	ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED	0	0.00	37,72,730	37,72,730	1.00
10.	ZINNIA GLOBAL FUND PCC - CELL DEWCAP FUND	38,18,585	1.22	-3,00,000	35,18,585	0.90

Note: Since the substantial portion of the shares are held and traded in demat form, date wise increase or decrease is not available.

iv) **Shareholding of Directors & Key Managerial Personnel as on March 31, 2024:**

Sl. No	The Director and KMP	At the beginning of the year		Date-wise increase/ decrease during the year	Reasons for increase/ decrease	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
<b>Directors:</b>							
1.	Mr. P Pradeep Kumar	3,410	0.00	Nil	NA	3,410	0.00
2.	Mr. Srikrishnan H *	Nil	Nil	Nil		Nil	Nil
3.	Mr. Sekhar Rao	Nil	Nil	Nil		Nil	Nil
4.	Mr. B R Ashok	1,650	0.00	Nil		1,650	0.00
5.	Mr. Justice A V Chandrashekar	500	0.00	Nil		500	0.00
6.	Mrs. Uma Shankar	1,000	0.00	Nil		1,000	0.00
7.	Dr. D S Ravindran	400	0.00	Nil		400	0.00
8.	Mr. Balakrishna Alse S	500	0.00	Nil		500	0.00
9.	Mr. Jeevandas Narayan	200	0.00	Nil		200	0.00
10.	Mr. K Gururaj Acharya	2,842	0.00	Nil		2,842	0.00
11.	Mr. Harish H V ***	Nil	Nil	Nil		Nil	Nil
<b>Key Managerial Personnel</b>							
1.	Mr. Abhishek Bagchi, Chief Financial Officer	Nil	Nil	Nil	NA	0	0.00
2.	Mr. Sham K (Company Secretary)	3,895	0.00	Nil		3,895	0.00

\* Appointed as Managing Director and CEO of the Bank w.e.f. 9<sup>th</sup> June, 2023

\*\*\* Appointed as an Independent Director of the Bank w.e.f. 1<sup>st</sup> February 2024



**P. Number of convertible instruments held by Directors: NIL****Q. Outstanding ADRs/GDRs Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:**

The Bank had not issued any ADRs/GDRs, Warrants or any Convertible Instruments during the year under review.

**R. Change in Senior Management:**

During the Financial Year 2023-24, below mentioned changes has taken place in the Senior Management of the Bank:

**i) Appointment**

Sr No	Name	Designation	Date of Appointment
1	Mr. Ratheesh R	Head-Training	01.08.2023
2	Mr. Ramaswamy Subramanian	Chief Product Officer	15.12.2023
3	Mr. Venkat Krishnan Veeramoni	Chief Information Officer	22.01.2024
4	Mr. Giridhar R	Head- Wholesale and Mid Corporate Banking	06.03.2024

**ii) Cessation/Resignation/Superannuation**

Sr No	Name	Designation	Date of Cessation/ Resignation/ Superannuation	Reason
1	Mr. Nagendra Rao T	Deputy General Manager	31.05.2023	Superannuation
2	Mr. Seshadri T S	Head-Training	30.06.2023	Superannuation
3	Mr. Vadiraj K A	General Manager	09.11.2023	Deceased

**S. Subordinated Bonds:**

The Bonds of the Bank are listed on the following Stock Exchange.

Name of the Stock Exchange	Address
National Stock Exchange of India Limited.-Debt Market Segment	Regd. Office: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051

The Bank has paid the annual listing fees for the financial year 2023-24 to the above Stock Exchange

**ISIN**

Particulars	Series V	Series VI	Series VII
ISIN at NSDL/CDSL	INE614B08039	INE614B08047	INE614B08054

During the financial year under review, Bank has redeemed bonds issued under Series V and Series VI under ISIN number INE614B08039 and INE614B08047 respectively upon the exercising of Call Option.

Debenture Trustee: In respect of the subordinated debt instruments outstanding as on March 31, 2024, the Bank has appointed IDBI Trusteeship Services Limited as the Debenture Trustee for Bonds issued by the Bank under Series IV, V and VI and Beacon Trusteeship Limited for the Bonds issued by the Bank under Series VII and their contact details are as follows.

IDBI Trusteeship Services Limited	Beacon Trusteeship Limited
Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Mumbai - 400001 Tel: +91-22-408 7000 Email: <a href="mailto:itsl@idbitrustee.co.in">itsl@idbitrustee.co.in</a> Website: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a>	5W, 5 <sup>th</sup> Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051 Tel: +91 9555449955 Email: <a href="mailto:compliance@beacontrustee.in">compliance@beacontrustee.in</a> Website: <a href="https://beacontrustee.co.in/">https://beacontrustee.co.in/</a>

Credit Ratings: Tier 2 Bonds:

Series	Face Value (₹)	Coupon Rate p.a.*	Date of Issue	Tenor (Years)	Amount (₹ in Crore)	Credit Rating		Outlook
						CARE	ICRA	
Series VII	1 crore	10.70%	30.03.22	10	300.00	CARE "A"	ICRA "A Positive"	Positive

\*The Bank has paid interest on these debt instruments on time since the issue of respective debt instruments as per the terms of the issue.

#### T. OTHER DISCLOSURES (as per Schedule V of SEBI LODR):

1. Compliance with Corporate Governance requirements: The Bank has been complying with the requirements of Corporate Governance as stipulated under Regulations 17-27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on Corporate Governance in the prescribed format has been submitted to the Stock Exchange every quarter.
2. There were no materially significant transactions entered into by the Bank with its directors, management or relatives conflicting with the interest of the Bank at large during the year ended March 31, 2024. Further, the Bank has adopted the Code of Conduct for all its Directors and Senior Management Personnel and the same is affirmed by all the Board Members and Senior Management Personnel as required under Regulation 34 read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A declaration signed by Mr. Srikrishnan H, Managing Director & CEO of the Bank affirming the compliance with the Code of Conduct of the Bank for the financial year 2023-24 has been annexed as part of this Report.

The policy on dealing with related party transactions is available on the website of the Bank at <https://karnatakabank.com/investors/policies-codes>

#### 3. STATUTORY NON-COMPLIANCE, PENALTIES AND STRICTURES DURING THE LAST THREE YEARS:

Name of the Authority	2023-24	2022-23	2021-22
SEBI	NIL	NIL	NIL
BSE/NSE	NIL	NIL	NIL
RBI	NIL	NIL	1.00*
Other Statutory Authority	NIL	NIL	NIL

\*The Reserve Bank of India imposed a monetary penalty of ₹ 1.00 Crore (Rupees one crore only) on the Bank for contravention of the directions contained in RBI Circulars on 'Lending to Non-Banking Financial Companies (NBFCs)' and 'Bank Finance to Non-Banking Financial Companies (NBFCs)' while sanctioning credit facilities to M/s. Infrastructure Leasing and Financial Services Limited. (IL&FS) and its group companies. However, the Bank had already made full loan provision, there is no other financial impact other than the penalty amount.

Reserve Bank of India (RBI) vide its order dated May 14, 2024 imposed a monetary penalty of ₹ 59,10,000 (Rupees Fifty-Nine Lakh Ten Thousand only) on the Bank for non-compliance with certain directions issued by RBI on 'Interest Rate on Deposits' and 'Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) of the Banking Regulation Act, 1949.

The penalty has been levied consequent to non-compliance with RBI directions as per supervisory findings in the Statutory Inspection for Supervisory Evaluation (ISE 2022) of the Bank conducted by the RBI with reference to the financial position of the Bank as on March 31, 2022. There is no impact on financial, operation or other activities of the Bank, other than the above penalty.

#### 4. Commodity Price Risk or Foreign Exchange Risk and hedging activities:

The risks and concerns and mitigation measures are discussed in detail in the Board's Report.

#### 5. Vigil Mechanism:

Details as per Clause 10 (C) of Schedule V of SEBI LODR are furnished in the Board's Report.

#### 6. Policy for determining material subsidiary:

The Bank has no material subsidiary as per definition prescribed under Regulation 16(1)(c) of SEBI LODR Regulations and the Policy for determining material subsidiary is available at <https://karnatakabank.com/investors/policies-codes>

**7. Details of fees paid to the Statutory Auditors for FY 2023-24:**

The total fees paid by the Bank and its subsidiary on a consolidated basis for services rendered by the Statutory Auditors is given below:

Particulars	Amount ( ₹ in Crore)*
Audit Fee	4.10
Reimbursement of Expenses	0.10
Certification charges	0.13
Travelling, lodging and other expenses paid by the Bank directly	1.61
<b>Total</b>	<b>5.94</b>

\*Excluding Goods and Service Tax

**8. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Particulars	No. of cases
Number of complaints pending as at the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of complaints disposed during the financial year	Nil
Number of complaints pending as at end of the financial year	Nil

**9. Non-mandatory (Discretionary) requirements:**

Requirements	Compliance status
A non-executive Chairman may be entitled to maintain a Chairman's office at the expense of the Bank and also allowed reimbursement of expenses incurred in performance of his duties.	The Bank has provided a separate office to the Part Time Chairman at its Registered & Head office, Mangaluru and at its Bull Temple Road Office, Bengaluru. The Chairman is entitled to allowances such as Travelling / Halting allowances etc. as paid to other directors.
Shareholders Rights: A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	In addition to the mandatory stock exchange / newspaper publications on the financial results in terms of Regulation 30 of SEBI LODR, Bank has been disseminating corporate communications to the shareholders whose email ids are registered and such communications are also hosted on website of the Bank for information of the shareholders.
Modified opinion(s) in audit report: The Company may move towards a regime of unmodified financial statements.	There were no audit qualifications.
Reporting of Internal Auditor (The Internal auditor may report directly to the Audit Committee)	Complied with. The Bank follows guidelines issued by Reserve Bank of India in the matter of Risk Based Internal Audit and has put in place policies for ensuring compliance with the requirements.

**10. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

During the financial year under review 2023-24, a total of ₹ 1,500 Crore was raised through Preferential allotment of Equity Shares (₹ 899.99 Crore) and Qualified Institutional Placement ₹ 599.99 Crore. The funds were primarily utilized to support the Bank's expanding business operations, including meeting long-term capital needs for growth initiatives, increasing lending capacity, and for general corporate purposes as outlined in the placement document. There was no deviation or variation in utilization of the said funds.

**11. Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** NIL**12. Plant locations:** NA**13. Details of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:** This requirement is not applicable to the Listed Banks

**14. Compliance with Mandatory Requirements:**

The Bank has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, the Bank confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

**15. Discretionary requirements (Schedule II Part E of the SEBI Listing Regulations)**

During the year under review, there was no audit qualification in the Auditors' Report on the financial statements of the Bank. The Bank continues to adopt best practices to ensure a regime of unqualified financial statements.

The Bank has been filing quarterly, half yearly results with stock exchanges within the stipulated timeline and publishes on website.

**16. Address for correspondence:**

The Karnataka Bank Limited.,  
P.B.No.599, Secretarial Department,  
Regd. & Head Office, Mahaveera Circle,  
Kankanady, Mangaluru-575002,  
Karnataka, India.  
Tel: +91-824-2228222,  
Email: [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com)  
Website: <https://karnatakabank.com/>

For and on behalf of the Board of Directors

**Srikrishnan H**

Managing Director & CEO

DIN: 00318563

Place: Mangaluru

Date: 24<sup>th</sup> July 2024

**COMPLIANCE WITH THE CODE OF CONDUCT**

I confirm that all Directors and members of the Senior Management have affirmed compliance with the Code of Conduct of the Bank for the year ended 31<sup>st</sup> March 2024.

For and on behalf of the Board of Directors

**Srikrishnan H**

Managing Director & CEO

DIN: 00318563

Place: Mangaluru

Date: 24<sup>th</sup> July 2024



# Annexure – V

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

### [Pursuant to Schedule V (E) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members,  
The Karnataka Bank Limited  
CIN: L85110KA1924PLC001128  
Regd. and Head Office, P.B.No.599,  
Mahaveera Circle, Kankanady,  
Mangaluru, Karnataka - 575002

We have examined the compliance of conditions of Corporate Governance by The Karnataka Bank Limited (“the Bank”), for the purpose of certifying the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for the financial year ended March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Bank for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **BMP & Co. LLP**,  
Company Secretaries

**CS Pramod S M**  
Partner

FCS No: 7834 CP No: 13784  
UDIN: F007834F000810955  
PR No.: 736/2020

Place: Bengaluru  
Date: 24<sup>th</sup> July 2024

# Annexure – VI

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members,  
The Karnataka Bank Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Karnataka Bank Limited having CIN: L85110KA1924PLC001128 and having registered office at P.B.No.599, Mahaveera Circle, Kankanady, Mangaluru, Karnataka – 575002, India (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Bank & its Officers, we hereby certify that none of the Directors on the Board of the Bank as stated in table below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Panja Pradeep Kumar	03614568	19/08/2020
2.	Mr. Srikrishnan Hari Hara Sarma	00318563	09/06/2023
3.	Mr. Sekhar Sridhar Rao	06830595	01/02/2023
4.	Mr. Balebail Rajagopal Ashok	00415934	27/08/2019
5.	Mr. Arakalgud Venkataramaiah Chandrashekar	08829073	19/08/2020
6.	Mrs. Uma Shankar	07165728	01/11/2020
7.	Dr. Devarayasamudram Srinivasan Ravindran	09057128	01/04/2021
8.	Mr. Balakrishna Alse Shettwalli	08438552	26/05/2021
9.	Mr. Jeevandas Narayan	07656546	26/04/2022
10.	Mr. Kalmanje Gururaj Acharya	02952524	26/04/2022
11.	Mr. Harish Hassan Visweswara	08742808	01/02/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **BMP & Co. LLP**,  
Company Secretaries

**CS Pramod S M**  
Partner

FCS No: 7834 CP No: 13784

UDIN: F007834F000810922

PR No.: 736/2020

Place: Bengaluru

Date: 24<sup>th</sup> July 2024



# Annexure – VII

## COMPLIANCE CERTIFICATE

### [Pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To  
The Members,  
The Karnataka Bank Limited  
CIN: L85110KA1924PLC001128  
Regd. and Head Office,  
P.B.No.599, Mahaveera Circle Kankanady,  
Mangaluru, Karnataka - 575002

We BMP & Co. LLP, Company Secretaries in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on July 24, 2023 by the Board of Directors of The Karnataka Bank Limited (hereinafter referred to as **"the Bank"**), having CIN: L85110KA1924PLC001128 and having its Registered and Head office at P.B. No. 599, Mahaveera Circle, Kankanady, Mangaluru - 575002, Karnataka, India. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as **"the Regulations"**), for the year ended March 31, 2024.

#### Management Responsibility:

It is the responsibility of the Management of the Bank to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Verification:

The Bank has implemented KBL Employee Stock Option Scheme 2018 (ESOS 2018) in accordance with the Regulations and the Special Resolution passed by the members at the 94<sup>th</sup> Annual General Meeting of the Bank held on July 21, 2018. Further, the Bank has also implemented the Karnataka Bank Employees Stock Option Scheme, 2023 (ESOS 2023) in accordance with the Regulations and the Special Resolution passed by the members through Postal Ballot by electronic means on March 30, 2023 (**"ESOP Schemes"**).

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Scheme(s) received from/furnished by the Bank;
2. Articles of Association of the Bank;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meeting(s);
5. Shareholders resolution passed at General Meetings w.r.t variation in the scheme (if any) – Not Applicable;
6. Shareholders resolution passed at General Meeting w.r.t approval for implementing the scheme(s) through a trust(s) – Not Applicable;
7. Minutes of the meetings of the Nomination and Remuneration Committee;
8. Trust Deed – Not Applicable;
9. Details of trades in the securities of the Bank executed by the trust through which the scheme is implemented – Not Applicable;
10. Relevant Accounting Standards as prescribed by the Central Government;
11. Detailed terms and conditions of the scheme as approved by Nomination and Remuneration Committee;
12. Bank Statements towards Application money received under the scheme(s);
13. Valuation Report;
14. Exercise Price / Pricing formula;
15. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
16. Disclosure by the Board of Directors;
17. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
18. Other relevant document / filing / records / information as sought and made available to us and the explanations provided by the Bank.

**Certification:**

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Bank and its Officers, we certify that the Bank has implemented the **ESOP Schemes** in accordance with the applicable provisions of the Regulations and Resolution(s) of the Bank in the General Meeting(s) and through postal ballots, as the case may be.

**Assumption & Limitation of Scope and Review:**

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Bank.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **BMP & Co. LLP**,  
Company Secretaries

**CS Pramod S M**  
**Partner**

FCS No: 7834 CP No: 13784  
UDIN: F007834F000810988  
PR Certificate No: 736/2020

Place: Bengaluru  
Date: 24<sup>th</sup> July 2024





# Annexure – VIII

## Form MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
The Members,  
The Karnataka Bank Limited  
CIN: L85110KA1924PLC001128  
Regd. and Head Office, P.B.No.599,  
Mahaveera Circle, Kankanady,  
Mangaluru, Karnataka - 575002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "The Karnataka Bank Limited" (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2024 (April 01, 2023 to March 31, 2024), complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Bank for the Financial Year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of The Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Bank is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable as the Bank has not delisted its equity shares from any Stock Exchange during the financial year under review; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable as the Bank has not bought back / proposed to buyback any of its securities during the financial year under review.

vi. The following key / significant laws is specifically applicable to the Bank: -

The Bank has complied with the provisions of the Banking Regulation Act, 1949 ("BR Act"), Master Circulars, Notifications, Guidelines and other directions pertaining to commercial banking issued by the Reserve Bank of India (RBI) from time to time. Further, the Bank has complied with other applicable general business laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Bank with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Bank has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and BR Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and necessary consent of Board Members have been sought when the meetings have been called at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and

As per the minutes of the meetings, the decisions of the Board were taken unanimously except for one agenda item for the Board meeting held on 24.07.2023

We further report that based on review of compliance mechanism established by the Bank and on the basis of the Compliance Certificate(s) issued by the Chief Compliance Officer and the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

As informed, the Bank has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary / applicable.

We further report that during the audit period there were following specific events / actions having major bearing on Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.:

**i) Allotment of equity shares through Preferential Issue on Private Placement basis:**

During the year under review, the Committee of Directors of the Board, at its meeting held on October 26, 2023 has allotted 3,34,00,132 (Three crore thirty-four lakh one hundred and thirty-two) equity shares ("Shares") of face value of ₹ 10/- (Indian Rupees Ten only) at a premium of ₹ 229.52/- each (Indian Rupees Two hundred twenty-nine and fifty-two paise only) through Preferential Issue on Private Placement basis.

**ii) Redemption of Series V Bonds:**

During the year under review, the Bank exercised call option on 16.11.2023 for redemption of the bonds issued under Series V for ₹ 400 crore.

**iii) Redemption of Series VI Bonds:**

During the year under review, the Bank exercised call option on the previous working day i.e, 17.02.2024, since the date of call option i.e., 18.02.2024 was a holiday (Sunday), for redemption of the bonds issued under Series VI for ₹ 320 crore.

**iv) Allotment of equity shares through Preferential Issue on Private Placement basis:**

During the year under review, the Committee of Directors of the Board, at its meeting held on February 28, 2024 has allotted 37,72,730 (Thirty-Seven Lakhs Seventy Two Thousand Seven Hundred and Thirty) equity shares ("Shares") of face value of ₹ 10/- (Indian Rupees Ten only) at a premium of ₹ 255.06/- each (Indian Rupees Two Hundred Fifty-Five and Six Paise only) through Preferential Issue on Private Placement basis.



**v) Allotment of equity shares through Qualified Institutions Placement**

During the year under review, the Committee of Directors of the Board, at its meeting held on March 28, 2024 has allotted 2,64,31,718 (Two crore sixty four lakhs thirty one thousand seven hundred and eighteen only) equity shares ("Shares") of face value of ₹ 10/- (Indian Rupees Ten only) at a premium of ₹ 217 each (Rupees Two hundred and Seventeen only) through Qualified Institutions Placement to Qualified Institutional Buyers.

There were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Bank's affairs.

For **BMP & Co. LLP**,  
Company Secretaries

**CS Pramod S M**  
**Partner**

FCS No: 7834 CP No: 13784

UDIN: F007834F000810900

PR No.: 736/2020

Place: Bengaluru  
Date: 24<sup>th</sup> July 2024

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

## 'Annexure A'

To  
The Members,  
The Karnataka Bank Limited  
CIN: L85110KA1924PLC001128  
Regd. and Head Office,  
P.B.No.599, Mahaveera Circle, Kankanady,  
Mangaluru, Karnataka - 575002

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.
7. We further report that, based on the information provided by the Bank, its Officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Managing Director taken on record by the Board of the Bank, in our opinion, adequate systems and process and control mechanism exist in the Bank to monitor compliance with applicable general laws like Labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Bank of applicable financial laws like Direct & Indirect Tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial auditors and other designated professionals.

For **BMP & Co. LLP,**  
Company Secretaries

**CS Pramod S M**  
Partner

FCS No: 7834 CP No: 13784  
UDIN: F007834F000810900  
PR No.: 736/2020

Place: Bengaluru  
Date: 24<sup>th</sup> July 2024



# Annexure – IX

## Secretarial Compliance Report of The Karnataka Bank Limited for the year ended 31<sup>st</sup> March 2024

To  
The Board of Directors  
The Karnataka Bank Limited  
CIN: L85110KA1924PLC001128  
P.B.No.599, Mahaveera Circle,  
Kankanady Mangaluru - 575002. Karnataka

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by The Karnataka Bank Limited (CIN: L85110KA1924PLC001128) (hereinafter referred as the "Listed Entity"), having its Registered Office at Mahaveera Circle, Kankanady, Mangaluru - 575002, Karnataka. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Listed Entity's books, papers, minutes books, forms and returns filed and other records maintained by the Listed Entity and also the information provided by the Listed Entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the Listed Entity has, during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, **BMP & Co. LLP**, Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by the Listed Entity,
- (b) the filings / submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March 2024 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include: -

- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015);
- (ii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (iii) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
- (iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable during the financial year under review;
- (v) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (vi) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (vii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (viii) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars / guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The Listed Entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below: -

Sr. no.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Actions taken by	Type of Action	Details of violation	Fine amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

- (b) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. no.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> March 2023	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
Not Applicable						

- (c) We hereby report that, during the review period the compliance status of the Listed Entity with the following requirements is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks from PCS
1.	<b>Secretarial Standards:</b> The compliances of the Listed Entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of the Board of Directors of the listed entity.</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; updated on time, as per the regulations / circulars / guidelines issued by SEBI.</li> </ul>	Yes	
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed Entity is maintaining a functional website.</li> <li>Timely dissemination of the documents / information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance report under Regulation 27(2) of the SEBI LODR Regulations, 2015 are accurate and specific which redirects to the relevant document(s) / section of the website.</li> </ul>	Yes	
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Listed Entity is / are disqualified under Section 164 of Companies Act, 2013 as confirmed by the Listed Entity.	Yes	
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> <ul style="list-style-type: none"> <li>(a) Identification of material subsidiary companies</li> <li>(b) Requirements with respect to disclosure of material as well as other subsidiaries</li> </ul>	Yes	
6.	<b>Preservation of Documents:</b> The Listed Entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks from PCS
7	<b>Performance Evaluation:</b> The Listed Entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year / during the financial year as prescribed in SEBI Regulations.	Yes	
8	<b>Related Party Transactions:</b> (a) The Listed Entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval has been obtained, the Listed Entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee.	Yes	
9	<b>Disclosure of events or information:</b> The Listed Entity has provided all the required disclosure(s) under Regulation 30 read with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10	<b>Prohibition of Insider Trading:</b> The Listed Entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the Listed Entity / its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued thereunder.	NA	No actions taken by SEBI or Stock Exchanges
12	<b>Resignation of statutory auditors from the listed entity or its material subsidiaries</b> In case of resignation of statutory auditor from the Listed Entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the SEBI LODR Regulations, 2015 by listed entities.	NA	The auditors have not resigned during the financial year
13	<b>No additional non-compliances observed:</b> No additional non-compliance observed for any of the SEBI regulation / circular / guidance note etc. except as reported above.	NA	There were no other non-compliances observed.

**Assumptions & Limitation of Scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibility of the management of the Listed Entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Listed Entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Listed Entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the Listed Entity.

For **BMP & Co. LLP,**  
Company Secretaries

**Pramod S M**  
Partner

FCS No: 7834 CP No: 13784

UDIN: F007834F000453103

PR No.: 736/2020

Place: Bangalore

Date: 27<sup>th</sup> May, 2024

## Annexure – X

The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Companies Rules, 2014:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Bank for the financial year	MD & CEO *: 17.13x Non-Executive Chairman: 1.50x Executive Director: 7.55x * Has been arrived considering gratuity payment of ₹ 13.40 lakhs to previous MD retiring on 14.04.2023
(ii) the percentage increase in remuneration of each director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) or Manager, if any, in the financial year	MD & CEO: The remuneration paid to MD & CEO during the FY 2023-24 has increased by 30.45%. Non-Executive Chairman: The remuneration of ₹ 0.15 crore is paid for the FY 2023-24 and there is no change. Executive Director: Mr. Sekhar Rao is paid a fixed remuneration of ₹ 0.75 crore with a target variable pay up to 200% of fixed remuneration as per the approval received from RBI. CFO Mr. Abhishek Sankar Bagchi took charge on 02.03.2023 and is paid a remuneration of ₹ 0.51 crore for FY 23-24. Company Secretary: Mr. Sham K took charge on 27/02/2023 and is paid a remuneration of ₹ 0.37 crore for FY 23-24. The remuneration of the CS is as per the industry level settlement.
iii) the percentage increase in the median remuneration of employees in the financial year	Increase in the median remuneration of employees in the financial year was 11.87 %.
iv) the number of permanent employees on the rolls of Bank	8,900
viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	During the FY 2023-24, there was an increase of 9.69% in the average salaries of all employees (other than managerial personnel) as per industry level settlements and normal annual increments and increase in Dearness Allowance which is linked to the consumer price index and paid across the banks as per the industry level wage pact.
x) the key parameters for any variable component of remuneration availed by the directors;	As per the Bank's Compensation Policy, the maximum permissible variable pay of Managing Director & CEO is up to 125% of the fixed pay which is arrived at as per the quantitative and qualitative parameters prescribed in the Policy and after due evaluation of performance by the Nomination & Remuneration Committee and the Board of Directors. Further, payment of variable pay is subject to prior-approval of Reserve Bank of India. Also, the variable pay is subject to malus and claw back as well as deferral arrangements.

For and on behalf of the Board of Directors

**Srikrishnan H**

Managing Director & CEO

DIN: 00318563

Place: Mangaluru

Date: 24<sup>th</sup> July 2024





## Annexure – XI

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L85110KA1924PLC001128
2	Name of the Listed Entity	The Karnataka Bank Limited
3	Year of incorporation	1924
4	Registered office address	Regd. and Head Office, Post Box No. 599, Mahaveera Circle, Kankanady, Mangaluru-575002 Karnataka, India
5	Corporate address	Regd. and Head Office, Post Box No. 599, Mahaveera Circle, Kankanady, Mangaluru-575002 Karnataka, India
6	E-mail	<a href="mailto:info@ktkbank.com">info@ktkbank.com</a>
7	Telephone	0824-2228222
8	Website	<a href="https://karnatakabank.com/">https://karnatakabank.com/</a>
9	Financial year for which reporting is being done	FY 2023-24
10	Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11	Paid-up Capital	₹ 3,77,24,99,580
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Jayanagaraja Rao S 0824-2228275 <a href="mailto:jayanagarajas@ktkbank.com">jayanagarajas@ktkbank.com</a>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated Basis

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Banking (Financial and Insurance Services Activity Code-K1)	Banking activities by Central, Commercial Bank	100%

**15. Products/Services sold by the entity (accounting for 90% of the turnover)**

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Banking Services	64191	100%

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	NA	Branches: 921 Offices : 39 ATM/Recyclers:1495	Branches: 921 Offices : 39 ATM/Recyclers:1495
International	NIL	NA	NA

**17. Markets served by the entity:****a. Number of locations**

Location	Number
National (No. of States)	22 States and 2 Union Territories
International (No. of Countries)	NA

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Not Applicable.

**c. Brief on types of customers**

The Bank has a base of over 13 million customers with its principal business catering to comprehensive range of customized products & services suitable for every kind of market, trade, or perceived need in the areas of Personal, Business, Agriculture, NRI Priority Banking including support of Green Sustainability funds. These include borrowing facilities, deposits, providing optimum returns on surplus funds or helping with overseas transactions.

The customer base of the bank includes.

- Retail individuals,
- Digital UPI payment service customers and partners,
- Large corporates with treasury and wholesale banking needs,
- MSME's including mid corporate clients,
- NRI Individuals living abroad who maintain financial connections with their home country through NRI accounts and services,
- Farmers and agriculturists,
- Government bodies and agencies, non-profit organizations, and other entities that require specialised banking services, including support towards old age charitable homes,
- The Bank has been collaborating with fintech companies to enhance digital services and expand reach as part of Digital India program since early 2000's for focusing on the new generation of Tech-savvy customers who prefer digital channels.

**IV. Employees****18. Details as at the end of Financial Year: March 31, 2024.****a. Employees and workers (including differently abled):**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	8,900	6,102	68.56%	2,798	31.44%
2	Other than Permanent (E)	7	6	85.71%	1	14.29%
3	<b>Total employees (D + E)</b>	<b>8,907</b>	<b>6,108</b>	<b>68.58%</b>	<b>2,799</b>	<b>31.42%</b>
<b>WORKERS</b>						
4	Permanent (F)	NIL	NA	NA	NA	NA
5	Other than Permanent (G)	NIL	NA	NA	NA	NA
6	<b>Total workers (F + G)</b>	<b>NIL</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Note: "Employees" include officers and Award Staff as on March 31, 2024. At present based on company workforce is at 8,907 employees.

\*\*As per International Labour Organization and RBI report 2023, the industry average for women in banking is at 24%. in comparison The Karnataka bank has a higher diversity ratio of 31.42%.

**b. Differently abled Employees and workers:**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	30	26	86.67%	4	13.33%
2	Other than Permanent (E)	0	0	0	0	0
3	<b>Total employees (D+E)</b>	<b>30</b>	<b>26</b>	<b>86.67%</b>	<b>4</b>	<b>13.33%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	NIL	NA	NA	NA	NA
5	Other than Permanent (G)	NIL	NA	NA	NA	NA
6	<b>Total workers (F+G)</b>	<b>NIL</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**19. Participation/Inclusion/Representation of women**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.09%
Key Management Personnel	3	-	-
Other categories of employees	8907	2799	31.44%

Note: \*Key Managerial Personnel Including MD & CEO

**20. Turnover rate for permanent employees and workers***(Disclose trends for the past 3 years)*

Particulars	FY 2023-24 (Turnover rate in current FY24)			FY 2022-23 (Turnover rate in previous FY23)			FY 2021-22 (Turnover rate in the year prior to the previous FY22)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	2.58%	1.90%	2.36%	1.70%	0.45%	2.16%	1.54%	0.37%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Note:**

Being an equal opportunity employer, the Bank has strived to break gender stereotypes and provide opportunities for all workgroups as an integral part of its workforce and foster a culture of inclusion work life balance and "Happiness" while managing life in general as the bank empowers enables and accelerates its digitalization journey. There has been a series of Top down interventions with e-trainings across key strategic bank branches with 1 Assistant General Manager, 2 Chief Managers and 12 Senior Manager and leadership heads on Work life "Happiness" trainings conducted in FY 2023-24, that percolated down to the tactical and operations staff engagement levels and resulted in the low Staff turnover rate and higher Net Promoter Score (NPS), when compared to the industry standard, to the Banking and technology industry, for best place to work.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sr. No.	Name of the holding/subsidiary/ associate companies /joint ventures (A)	Indicate whether Holding/Subsidiary Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	KBL Services Limited	Wholly Owned Non-Financial Services Subsidiary	100%	Yes

**VI. CSR Details****22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) YES****(ii) Turnover (in ₹)** 17,10,58,83,66,176.69**(iii) Net worth (in ₹)** 1,03,43,67,64,032.69

The bank has sanctioned 184 CSR projects as on 31<sup>st</sup> Mar 2024 with CSR Allocated funds of ₹ 1841.42 lakhs and the breakup is shown in the table below:

Category	No of Projects in FY 23-24	Amount Sanctioned (in ₹ lakhs)	% of Amount Sanctioned	Major projects implemented
Education	71	772.78	41.97	34 schools supported in FY 23-24
Healthcare	36	308.43	16.75	Support for mid-day meal programme, provision of safe drinking water at schools and public institutions like temples, upgrade the infrastructure of charitable hospitals and to conduct free medical camps.
Protection of Culture/Heritage	24	159.05	8.64	All the activities pertain to restoration of buildings and sites of historical importance and works of art.
Rural Development	10	157.70	8.56	Support to develop a rural village, Amasebail, Udupi Dist., Karnataka State
Environmental Sustainability	19	114.25	6.20	Installation of solar roof top power solutions at educational institutions and public institutions.



Category	No of Projects in FY 23-24	Amount Sanctioned (in ₹ lakhs)	% of Amount Sanctioned	Major projects implemented
Socially / Economically disadvantaged	10	109.68	5.96	Infrastructure upgrade of old age home and orphanage.
Empowering Women	8	104.67	5.68	Scholarship programme for girl child education and infrastructure upgrade of girls only schools.
Swachh Bharat	5	38.65	2.10	Construction of hand wash facility/area at Vadabandeshwara Sri Balarama temple, Udupi and toilet block at Shri Rama Vidyarthi Nilaya, Hubballi, Karnataka State
Benefit of armed force veterans	1	5.00	0.27	Contribution towards the welfare of 12 <sup>th</sup> Battalion of the Jammu & Kashmir light infantry.
Administrative Expenses		71.21	3.87	
<b>Grand Total</b>	<b>184</b>	<b>1,841.42</b>	<b>100.00</b>	

## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial year		
		Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	YES Refer <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a>	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes Refer: <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a> Note: Investor can reach email <a href="mailto:investor.grievance@ktkbank.com">investor.grievance@ktkbank.com</a> to redress their grievances,	0	0	Nil	0	0	Nil
Shareholders	Yes Refer: <a href="https://karnatakabank.com/investors">https://karnatakabank.com/investors</a> An investor relationship officer is appointed for better communication with shareholders and to oversee functioning of mechanisms for redressal of investor grievances. Note: Shareholders can reach us on the dedicated email id <a href="mailto:investor.grievance@ktkbank.com">investor.grievance@ktkbank.com</a> to redress their grievances	3	0	Nil	12	0	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial year		
		Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Employees and workmen	<p>Yes Refer: Policy on equal opportunity of the Bank <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a></p> <p>The Karnataka Bank has also instituted a Whistle Blower Policy and associated shareholders, employees and the Link is available Whistleblower policy FY2023-24 <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a></p> <p>The bank in its HR &amp; IR policy has appointed General Manager – HR &amp; IR Department to oversee the provisions of required facilities/ amenities including the process of recruitment for persons with disabilities for higher operational inclusion. Note: Employees can reach HR &amp; IR Department by telephone, e-mail, letter and in person also to redress grievances, if any as mentioned in the Code of Conduct and redressal policy</p>	0	0	Nil	0	0	Nil



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial year		
		Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Customers	<p>Yes</p> <p>1. The Bank believes that customer service experience is the key to acquire and nurture enduring relationship with our customers. The Karnataka Bank has a well-defined customer complaint management system -Online Grievance Redressal Portal along with a Policy on Customer Rights and Product Suitability – FY24-25</p> <p>2. The bank has segregated its complaints into three aspects.</p> <p>(a) The attitudinal / Behavioural aspects in dealing with customers.</p> <p>b) Operational Aspects- Inadequacy of the functions/ arrangements made available to the customers, working / operations, or gaps in standards of services expected and actual services rendered.</p>	39,350 [which includes 458 BO Complaints, 1230 General Complaints and 37662 ATM Defective claims]	208 [ATM Defective Claims]	Nil	56,321 [which includes 359 BO Complaints, 1424** General Complaints and 54538 ATM Defective Claims].	379 [which includes 370 ATM defective claims and 9** General Complaints]	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial year		
		Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of Complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
	c) Technology Related. Refer to Standard operating procedure (SOP) for handling customer complaints (service-related <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a> ) 3. For customers having access to phones only, a Helpline has been instituted Toll free 18001025250						
Value Chain Partners	Yes, Grievances if any, can be emailed to <a href="mailto:info@ktkbank.com">info@ktkbank.com</a> Refer Policy on co-lending with NBFCs for lending to priority sector <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a>	0	0	Nil	0	0	Nil
Others, please specify	Nil	0	0	Nil	0	0	Nil

\* ATM complaints numbering 37662 is excluded for the year 2023-24

\* ATM complaints numbering 54538 is excluded for the year 2022-23

\*\* Reclassified the data as per the RBI letter vide CEPD.CO.PRD/S 1332/13-01-015/2023-24 dated 23-01-2024.





**24. Overview of the entity’s material responsible business conduct issues.**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Responsible lending and sustainable finance	Opportunity	<ol style="list-style-type: none"> <li>1. Financing Small and marginal farmers for crop cultivation and animal husbandry under Interest Subvention, AIF and AHIDF scheme by Government of India (GoI). Finance against Storage and warehouse receipts to provide liquidity to farmers and to avoid distress sales of commodities.</li> <li>2. Area specific approach is given special thrust to provide simple and faster credit delivery to the farming sector. Credit Support to Contract Farming Arrangement in Crop and Allied activities. Micro Food and Agro processing units are given credit assistance under Government PMFME scheme.</li> </ol>	Risk – Adapt	Positive: Financing to various farming activities helped to uplift the socio-economic status of farming community.
2	Environment and Social Risk	Opportunity and Risk	<p>Opportunity</p> <ol style="list-style-type: none"> <li>1. To promote the usage of green energy by green financing and funding of Products, frameworks, and systems</li> <li>2. To identify and mitigate adverse potential environmental &amp; social impacts due to Bank's lending activities.</li> </ol>	Risk and Opportunity – Adapt /Mitigate The bank has formulated an ESG policy for effective integration of sustainability into its banking business operations, ESG factors are considered in the risk assessment of any future investment and related risk assessments and the management processes of the bank and where feasible to that of its stakeholders.	Positive impact: Under its ESG committee targets, the Bank embarked upon its Digital Paperless agenda

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>3. To ensure that clients establish E&amp;S requirements in line with national environmental and social regulations.</p> <p>4. Bank's Environmental and Social Management (ESG) Policy provides a systematic procedure to check whether the lending policy may cause any potential adverse environmental and social impacts, to assure that negative impacts are avoided or minimized to the extent possible, and the positive impacts are stimulated.</p> <p>5. Bank will desist from extending finance, irrespective of the amount, for activities coming under exclusion list in the ESG policy.</p>	<p>As per Sustainable lending practices align with the BRSR's principles, the bank would embed processes to assess the borrowers' ESG performance to manage risks, including 'material ESG issues, including disclosed environmental and social matters, including transparency in ESG disclosures as a criteria of evaluation in the Loan decision Making Process.</p> <p>For the effective Implementation of ESG principles as provided under scope 1 and scope 2 in the Bank, Board has constituted an Executive Level ESG Committee with published ESG policy with additional inter departmental ownership with ESG KPI's target responsibility so that KBL's ESG targets are embedded in the bank's daily operations and decision making.</p>	
3	Vendors and supplier	Opportunity for business growth and responsible supply chain	ESG Code of Conduct for Suppliers under GRI 308. Initiated the 'Corporate Whistle-blower Initiative' (CWI) - independent online reporting service for secure, confidential communication of vendor concerns	Conscious Opting for vendors that promote sustainable product, recycling as part of the vendor selection process. This includes paper, office stationery and cups and includes engaging vendors for recycling of e-Waste.	Positive Impact
4	Staff welfare, work life balance and Human Rights, Occupation Health, and Safety	Risk opportunity for future ready work force	Training and awareness of all the employees and clause on Human rights in employee and stakeholder agreements and contracts, and e-learning sessions on	Adapt: The Bank has also introduced ECDS (Employee Career and Development System) by operationalizing the PMS (Performance	Positive Impact: Internal audit, inclusion of HR in the ESG Committee has added further checks and measures into making staff welfare in the ESG commitment of the



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>Work life and Happiness to managerial and senior leadership ranks across branches and states which includes the reiteration of a fair working environment, equal opportunities, remuneration, freedom of association without any ethnic, gender or PWD discrimination and a New Whistleblower policy along with digitalization training across staff.</p>	<p>Management System). The Bank has also put in place TMC (Talent Management Committee) to identify and groom the talents as part of succession planning. Our ISO 9001:2015 certified in-house Staff Training College is central to our strategy for enhancing business capabilities.</p>	<p>Bank. The Bank has conducted Fire safety drills for over 777 staff at its Headquarters, old Headquarters with Chief Security Officer and equipped all its branches with fire safety. along with ergonomic workplace setups. 15 Strategic management leaders conducted training on Work life Balance and Staff Happiness training.</p>
5	Data Security and IT Resiliency	<p>Risk of post covid cybersecurity attacks Opportunity of digital scalability along with and digitalization Resiliency of continued business support- "Leave nothing to Chance initiative"</p>	<p>Risk-</p> <ol style="list-style-type: none"> <li>1. Cyber threats to banking system.</li> <li>2. Launch of Bank's lending product through mobile banking and internet Banking channel.</li> <li>3. Various SMS and Email facilities.</li> <li>4. Data centre – disaster recovery risks in case of any disaster situation in the city of the Bank's data centre with "nonstop banking"</li> </ol>	<p><b>Risk: Mitigation</b> Cyber Crisis Management Plan (CCMP) is in place, to provide the requisite strategy, direction and roadmap towards cyber threat mitigation. IT Departments and CISO Office are ISO 27001 certified for the implementation of Information Security Management System (ISMS). To consider cyber security from the bank wide perspective, a steering committee of executives known as Information Security Committee. The Chief Information Security Officer (CISO) is the member secretary of the committee. The committee serves as an effective communication on channel for management's cyber security aims and directions.</p>	<p>Positive- improved turnaround time with customer satisfaction. Negative-Efficiency of cyber security systems directly impact the business productivity.</p>

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<b>Opportunity:</b> Bank's Disaster Recovery Centre will replicate the Banks Centralised Banking system and all its data. This centre will also be the backup for the ATM operations. In the event of a natural disaster at Bangalore, this centre will immediately come into force and provide full continuous service. Leaving nothing to chance.	
6	Information disclosure and available digitally	Risk: information ambiguity reduction and smooth customer and media information corporate governance clarity	<ul style="list-style-type: none"> <li>Press releases/ Interviews with top management</li> <li>ESG disclosures aligned to benchmark disclosure frameworks</li> </ul>	The Bank has setup a Digital first policy for all press releases, policies in the KBL corporate website. and the Standard Operating practices for Customers, shareholders, non-shareholders, bond holders and non-government, associations	Positive Impact Bank's Chief of Internal Vigilance (CIV) is entrusted with the responsibility of addressing the concerns. through an appropriate redressal mechanism.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes The Karnataka Bank Governance provides for the approval of key policies by the Board, Chief Executive Officer and Managing Director of the Bank, based on the nature of the Policy and associated regulatory requirements, where necessary. Key Policies approved by the Board are listed below and those revised in FY24. <ol style="list-style-type: none"> <li>Policy on Whistle Blower</li> <li>Policy on Data Privacy and Security for AADHAAR Enrolment</li> <li>Policy on Customer Rights and Product Suitability</li> <li>Policy on Grievance Redressal</li> </ol>								



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	6. Policy on Deposits 7. Policy on Co-Lending with NBFCs for lending to Priority Sector 8. Policy on General Management of Bank Branches 9. Policy on Disclosure Scheme 10. Prevention of Sexual Harassment at Workplace Policy 11. Karnataka Bank Code of Conduct 12. Banks code of conduct to regulate, monitor and report trading by insider. 13. Policy for Dealing with Unclaimed Amounts Lying with the Karnataka Bank Limited on its Listed Non-Convertible Securities and Manner of Claiming Such Amounts by Investors								
c. Web Link of the Policies, if available	<a href="https://karnatakabank.com/policies">https://karnatakabank.com/policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	The policies of the Karnataka Bank have been translated into procedures, which are at various stages of implementation. Specific Executive committees have been designated with Ownership and Responsibilities, which have been constituted for operationalizing, these policies, ensuring targets, KPI's as envisaged by the Policy and approved by the Board.  Example for reference : Standard operating procedure (SOP) for handling customer complaints (service-related): {Refer link: <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a> }								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The policies of the customer complaints redressal are applicable to value chain partners like fintech company Digivridhi (DGV). However, Ombudsman policies may not be applicable in all the cases, based on terms of product, customer service engagement with the value chain partner. However specific policies enlisted in the standard operating process manual that result in impacts on customer service customer conduct, etc. have been extended to our value chain partners as well under the Code of Conduct, Directors, and procurement policies.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Bank has framed its ESG Policy based on <ol style="list-style-type: none"> <li>1. TCFD Report framework and mapped against GRI performance principles.</li> <li>2. KBL's IT Departments including Data Centre, DR Site &amp; BCP site.</li> <li>3. CISO Office are ISO 27001 certified for the implementation. of Information Security Management System (ISMS).</li> <li>4. Human Resources Department, Compliance Department, Facility Management Group, Banking Operations Group, and Integrated Risk Management Departments are certified with. ISO 9001:2015 on 18.02.2022 along with Bank's Staff Training College has been reaccredited ISO 9001:2015 Certification by TVE Certification Services Private Limited, Trichy. Note: The bank is in preparation phase of adopting ISO 14001 (compliance to environment management systems) in FY24 along with a Talent Management Committee (TMC)</li> </ol>								

**Disclosure Questions**

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

**P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9**

1. The Bank has setup the ESG committee of the Executives will report to the Board of Directors on the ESG Strategy and road map to achieve the set targets and the progress on “half yearly” basis.

2. The Bank has formulated its ESG policy for environmentally responsible lending to its customers and endeavours to build a sustainable lending portfolio with clear KPI's on sustainable operations excluding retail loans including home loans, MSME and tiny sector loans that generate employment, agri and agri-processing loans to name a few and corporate loans that drive economic progress.

3. Hospital sponsorship for underprivileged school sponsorships, new green farming alternatives, to provide empowerment along with sustainability.

4. Under its ESG policy, KBL lends/invests in key sectors such as MSME, Agriculture, Infrastructure, Power, manufacturing, etc and are committed to demonstrating our resolve to provide responsible and sustainable finance and partner with other stakeholders to achieve compliance with ESG policy.

5. As part of its internal operations, the bank is focusing on climate change, energy emission data centre control with electricity conservation, incorporating energy-efficient lighting and building designs and paperless digital first agenda, adoption of water harvesting,

6. Additionally, the Karnataka Bank has focused on the upskilling of its workforce to promote holistic employee development and alignment with the evolving business landscape. Corporate Social Responsibility Committee, Stakeholder Relationship Committee, Customer Service Committee and Audit Committee of Board reviews the items as per reference of the respective Committee and the policies are reviewed as necessitates.

6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.

Yes Yes Yes Yes Yes Yes Yes Yes Yes

**Governance, leadership, and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

Bank has a well-articulated Board approved ESG policy, that is reviewed and approved by the Board and is adopted across the Bank.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The Board of the Karnataka Bank is the highest authority responsible for the oversight of the implementation of Business Responsibility and Sustainability Policies. The Managing Director and Chief Executive Officer and of the company is the highest authority responsible for implementation of all policies enlisted in the Karnataka Bank. Risk and Capital Management Committee (RCMC) of the Board oversees implementation of Bank's Business Responsibility Policy (presently called ESG report)

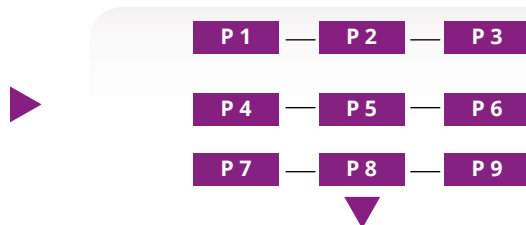


Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Board of the Karnataka Bank has constituted various Board Committees, which are responsible for and have a remit over key sustainability related policies of the bank based on specific goals and focus areas with core ESG committees and accountability /ownership with clear focus goals allocated across the organization so that ESG principles is embedded in every part of the Karnataka' Bank's operations.								

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	The Senior Management of the Karnataka Bank regularly reviews the performance of the Bank against regulatory, bank and other related policies. Key aspects of such reviews are also updated to the Board and various Board Committees by the Management from time to time.									On a continuous basis with reviews on a Half Yearly basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Bank follows the existing ESG -TCFD, GRI and existing banking regulations as stipulated by Reserve Bank of India (RBI), and relevant banking statutory compliance as per banking regulatory and applicable laws. This is provided by the Chief Executive Officer, Managing Director /Chief Financial Officer/Company Secretary and Chief Legal Officer to the Board of Directors.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.



Yes. M/s GENCARBON ESG Private Limited, ESG committee of the Bank have jointly mapped the existing policies and procedures against the requirements of BRSR and accordingly suggested the improvements to bridge it with the BRSR requirements.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

## PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

## Essential Indicators

## 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:




Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
The Board of Directors	5 Trainings held. Ongoing Multiple Trainings throughout the year	<ol style="list-style-type: none"> <li>1. Conference on Central Bank Digital Currency</li> <li>2. Certification Programme in IT and Cyber Security for Board Members</li> <li>3. Virtual Program on Artificial Intelligence and Machine Learning</li> <li>4. Governance and Assurance for Directors on Board of Banks, FIs and NBFCs</li> <li>5. Programme board member of Commercial banks on Interest rate risk in Banking Book and liquidity</li> </ol>	<ol style="list-style-type: none"> <li>1. 12.5%</li> <li>2. 25%</li> <li>3. 25%</li> <li>4. 25%</li> <li>5. 12.5%</li> </ol>
Key Managerial Personnel	Ongoing Multiple Trainings throughout the year	<ol style="list-style-type: none"> <li>1. Training on ESG, BRSR and NGRBC principles (ongoing)</li> <li>2. Work life balance and happiness.</li> <li>3. Digital enablement trainings at DIGI Centres</li> <li>4. Business Continuity planning and Disaster Recovery data centre planning</li> </ol>	100% (Relevant staff and department head)
Employees other than BoD and KMPs	Principle 1 1062 Employees  Principle 3 8349 employees -100%	<p>PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.</p> <p>PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains</p>	Principle 1 12.71% Principle 3 100%
Workers	NIL	NIL	NIL

**Note:** These are essential indicators for March FY 2024. Trainings and principles are being furthered in FY 2024. The Bank is committed to continue to focus on capacity building in the identified areas, including ESG/climate risk/ sustainable finance. For the top management, the performance evaluation shall include KPIs in the areas of climate risk/sustainable finance/ ESG. The Bank is hosting E-Learning modules on various products, career development subjects and banking on the intranet of the Bank for the benefit of the employees and issues E-certificate for the successful completion of each e-learning module in FY 2023 to FY 2024.







2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
	Penalty/ Fine		-Nil-		
	Settlement		-Nil-		
	Compounding fee		-Nil-		

Reserve Bank of India (RBI) vide its order dated May 14, 2024 imposed a monetary penalty of ₹ 59,10,000 (Rupees Fifty-Nine Lakh Ten Thousand only) on the Bank for non-compliance with certain directions issued by RBI on 'Interest Rate on Deposits' and 'Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances'. This penalty has been imposed in exercise of powers vested in RBI conferred under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) of the Banking Regulation Act, 1949. The penalty has been levied consequent to non-compliance with RBI directions as per supervisory findings in the Statutory Inspection for Supervisory Evaluation (ISE 2022) of the Bank conducted by the RBI with reference to the financial position of the Bank as on March 31,2022.

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
	Imprisonment		Nil	
	Punishment		Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-Nil-	-Nil-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

No.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NA	NA
KMPs	NA	NA
Employees	NA	NA
Workers	NA	NA

**6. Details of complaints about conflict of interest:**

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-NIL-	NA	-NIL-	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-NIL-	NA	-NIL-	NA

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Reserve Bank of India (RBI) has imposed a penalty of ₹ 59.10 lakh on the Bank for violating directions on interest rate on deposits and prudential norms on income recognition, asset classification and provisioning pertaining to advances. The notice justification has been given and awaiting confirmation from regulator.

**8. Number of days of accounts payables**

	FY 2023-24	FY 2022-23
i) Accounts payable X 365 days		
ii) Cost of Goods /services procured		
iii) Number of days of accounts payable		

Note: Accounts Payable disclosure is not applicable to the Bank, as it does not indulge in borrowing funds and lending downstream business in nature of Goods or services trading activities.

**9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments**

Parameter	Metrics	FY 2023-24	FY2022-23
Concentration of Purchases	a) i) Purchase from Trading houses	NA	NA
	ii) Total Purchases		
	iii) Purchases from Trading houses as a % of Total Purchases		
	b) Number of trading houses where purchases were made		
	c) Purchases from top 10 trading houses		
	ii) Total purchases from Trading houses		
Concentration of Sales	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	NA – In the banking industry there is a recent tie with last mile finance NBFC service providers like M/s Clix Capital and M/s Sahibandhu , M/s SatinCare . However the credit concentration and engagement is not significant yet in these organizations.	NA
	a) i) Sales to Dealer /Distributor		
	ii) Total Sales		
	iii) Sales to dealers/distributors as a % of sales		
	b) Number of dealers/distributors to whom sales are made		
	c) i) Sales to top 10 dealers/Distributors		
ii) Total sales to dealer/distributor			
iii) Sales to top 10 dealers /distributors as % of total sales to dealers/distributors			



Parameter	Metrics	FY 2023-24	FY2022-23
Share of RPT's	a. i) Purchases (Purchases with related parties)	NA	NA
	ii) Total Purchases		
	iii) Purchases (Purchases with related parties as % of Total Purchases)		
	b. i) Sales (Sales to related parties)		
	ii) Total Sales		
	iii) Sales (Sales to related parties as % of Total Sales)		
	c. i) Loans & advances given to related parties		
	ii) Total loans & advances		
	iii) Loans & advances given to related parties as % of Total loans & advances		
	d. i) Investments in related parties		
	ii) Total Investments made		
	iii) Investments in related parties as % of Total Investments made		

## ● Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.



**Yes.** The Bank is committed towards conducting the business and dealing with all its stake holders, with highest ethical standards and in compliance with all the applicable laws and regulations. The Bank has framed the "Code of Conduct" applicable to the employees, Board of Directors and Senior Management Personnel of the Bank have affirmed their compliance with the Code of Conduct for the Financial year. Refer: <https://karnatakabank.com/investors/policies-codes>

## PRINCIPLE 2

**Businesses should provide goods and services in a manner that is sustainable and safe.**

## ● Essential Indicators

### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	Current Financial Year FY 2023-24	Previous Financial Year FY 2022-23	Details of improvements in environmental and social impacts
 R & D	Given to the nature of operations as Financial Service provider, this question is. -Not Applicable-		
 Capex			





**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

Yes, the Karnataka Bank has sustainable sourcing procedures being implemented to the extent applicable to a Bank as published in Annual Report KBL NXT 2021. Being in the Financial Services sector, material purchase for operations is not significant except for paper. For procurement of equipment, the Bank ensures that energy efficiency standards are considered during the purchase of electronic equipment such as computers, laptops, energy efficient lighting devices, Air conditioning, lower printing, and office paper orders in FY 2023-24. The Karnataka Bank is also striving to ensure that the vendors and value chain partners adopt sustainable practices and procedures. However given the nature of banking business and limited sourcing opportunities for its own home operations, the Karnataka bank is one of the top Bank in India that are advocating and lending to Sustainable warehousing and sourcing value chain partners during FY 2023-24 as part of its Sustainable lending strategy for the industry Sustainable sourcing value chain, upliftment.

**b. If yes, what percentage of inputs were sourced sustainably?**

This is being done progressively. There is no percentage that can determined in a banking business operation as on March 31, 2024, due to nature of business.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

 (a) Plastics (including packaging)	Not applicable As per the ESG policy, the Bank has adopted Plastic avoidance in office usage and marketing peripherals.
 (b) E-waste	The IT Department of the Bank has empanelled vendor for centralized collection of E-waste from branches/departments. The process of e-waste disposal is detailed below: <ul style="list-style-type: none"> <li>• Branches may raise request through a module in the internal application.</li> <li>• Respective Regional office may forward the request to IT Dept.- Hardware team for approval.</li> <li>• IT Dept.- hardware team may scrutiny the request and put up the request to the respective sanction authority based on rate contract and delegation of powers assigned in IT purchase policy for disposal/write off assets.</li> <li>• After approval,</li> <li>• IT Dept may issue disposal orders to the respective empanelled vendor for collecting the e-waste from branches. Along with disposal order, IT Dept will generate a proforma invoice for the sale amount.</li> <li>• The sold equipment by IT department will be recorded in quantity.</li> <li>• Where feasible, emphasis to be placed on obtaining a green certificate from the e-waste recycling vendor within stipulated number of days from the date of E-waste collection.</li> </ul> Note: The e-waste management practices of the Karnataka Bank involve ensuring the safe disposal of hazardous electronic waste.
 (c) Hazardous waste	Not Applicable
 (d) other waste.	Not Applicable

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable



**● Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable as the Bank is into financial services					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable as the Bank is into financial services		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Not Applicable as the Bank is in financial services		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: Not applicable

Particulars	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.









Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable as the Bank is into financial services	

**PRINCIPLE 3**









Businesses should respect and promote the well-being of all employees, including those in their value chains.

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
 <b>Permanent employees</b>											
 Male	6102	6102	100%	0	-	NA	NA	368	6.03%	NIL	-
 Female	2798	2798	100%	0	-	199	7.11%	NA			
 <b>Total</b>	<b>8900</b>	<b>8900</b>	<b>100%</b>	<b>0</b>	<b>-</b>	<b>199</b>	<b>2.24%</b>	<b>368</b>	<b>4.13%</b>	<b>NIL</b>	<b>-</b>
 <b>Other than Permanent employees</b>											
 Male	6	6	100%	2	33.33%	NIL	-	NIL	-	NIL	-
 Female	1	1	100%	0	0	NIL	-	NIL	-	NIL	-
 <b>Total</b>	<b>7</b>	<b>7</b>	<b>100%</b>	<b>2</b>	<b>28.57%</b>	<b>NIL</b>	<b>-</b>	<b>NIL</b>	<b>-</b>	<b>NIL</b>	<b>-</b>

**b. Details of measures for the well-being of workers:**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
		 <b>Permanent employees</b>									
 Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
 Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
 <b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
 <b>Other than Permanent employees</b>											
 Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
 Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
 <b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY2024			FY2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	34.46%	NA	Y	37%	NA	Y
Gratuity	100%	NA	NA	100%	NA	NA
ESI	-	NA	NA	-	NA	NA
Others- please specify*	65.54%	NA	Y	63%	NA	Y

**Note:** \*Others category includes National Pension Scheme offered to officers, Super Annuation Fund and Earned Leave Encashment on Retirement

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes.

The Bank has taken steps to comply with the Rights of Persons with Disability Act, 2016 (RPwD Act) across bank branches, digital centres, premises, and offices where PWD /Differently abled employees are posted and put accessibility measures in compliance and alignment to the accessibility mandate under RPwD Act.

- As required under the RPwD Act, all new building structures, and sites where PWD personnel are deployed or posted, comply with accessibility requirements, modified workstations, washrooms in line with regulations
- As part of this endeavour, the Bank's physical infrastructure (buildings, furniture, facilities, and services in the building) adheres to the accessibility standards given in the Harmonised Guidelines and Space Standards for Barrier Free Built Environment for Persons with Disabilities and Elderly Persons, 2016 and the National Building Code, 2016.
- Specialised training and skill development assistance is offered by the bank and extends to digital peripherals that make their job rendition much more aligned and with ease of use with their disability which extends to operational systems and IT computer systems including those related to workplace productivity and accessibility features.
- Employees including persons with disabilities shall be recruited solely based on merit and on the same standards prescribed for all others. However, any statutory directions/ notifications applicable to the person with benchmark disabilities with regards reservations and other facilities/ concessions shall be strictly adhered to as applicable. Post suitable for PWD shall be identified based on respective category of person with benchmark disabilities and in line with the directions/ notification issued by statutory authorities from time to time, if any. It should be ensured that the PWD employees are posted on profiles which are conducive for them to work efficiently and effectively.
- The Bank also aims to revamp its existing facilities in due course, to ensure strict compliance with the Standards. Any new facility that is built, renovated, leased, or rented.
- Preference shall be given to PWD employees for allotment of Bank's accommodation, as far as possible. Request of PWD employees for allotment of ground floor flats shall be considered by the Bank, subject to availability. Physically/ orthopedically challenged employees shall be eligible for 4 days Special Casual Leave in a calendar year as per policy.
- In addition, the Bank has since FY 2021 has helped augment the ease of online banking and digital banking enablement for PWD customers and employees to avail banking facilities online where there is no ease of access provided in their existing facilities. The Bank offers special services for Persons with Disabilities (PWD) to make banking accessible and hassle-free for them. These services include missed call banking, where customers can give a missed call from their registered mobile number to receive information like balance confirmation and mini statements. Additionally, the Bank emphasizes making banking convenient for PWD customers by encouraging them to step into their nearest the Bank location and raise any concerns to improve their banking experience. Persons with Disabilities (PWD) can avail the special services provided by the Bank by contacting the Nodal Officer at the centre, **Mr. Jayanagaraja Rao S**, who is the **General Manager of the Branch Banking Department**. They can reach out via email at customerservice@ktkbank.com or by phone at +91 824 2228275. Additionally, the Bank is committed to providing all services to customers with disabilities

without discrimination, ensuring that internal circulars are in line with RBI guidelines and offering doorstep banking services to savings account holders who are senior citizens above 70 years of age





**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Refer: <https://karnatakabank.com/investors/policies-codes> . In addition, the Bank has in its Code of conduct and HR Policy to be an equal opportunity principle in accordance with Rights of Persons with Disability Act, 2016 (RPwD Act, while striving to provide fair and equal employment opportunities as also career progression opportunities to all our employees without any discrimination based on their race, caste, colour, religion, age, sex, and socio-economic status, to be treated with dignity and respect. The Bank is committed towards eliminating all forms of unlawful discrimination, bullying, harassment of people with disabilities and is committed to having a future ready digital enabled diverse workforce, which includes fair representation of differently abled workforce.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
 Permanent workers	NA
 Other than permanent workers	NA
 Permanent employees	Yes. There is well defined Grievance Mechanism in the Bank mentioned under PARA 5 Grievance redressal of the Equal opportunity Policy <a href="https://karnatakabank.com/investors/policies-codes">https://karnatakabank.com/investors/policies-codes</a> [Policy on equal opportunity of the Bank] Process
 Other than permanent employees	<ul style="list-style-type: none"> <li>i. Bank has a well-defined grievance redressal mechanism, to enable its employees and others associated with the Bank to not overlook any concern.</li> <li>ii. <b>Step 1 Early Detection:</b> raise it at an early stage in the right manner, without fear of retaliation, victimization, subsequent discrimination, or disadvantage at the workplace. Bank does not tolerate any impropriety, abuse or wrongdoing or discrimination or harassment and encourages its employees to raise their concerns.</li> <li>iii. <b>Step 2: Enquiry:</b> Further, the Bank ensures that such concerns would be thoroughly inquired by the designated persons independently and fairly.</li> <li>iv. <b>Step 3:</b> While the Bank considers the wrongdoing or abuse or harassments in general, it is also conscious of the likelihood of any direct or indirect discrimination or denial of reasonable accommodation or bullying behaviour towards employees with disability and would treat such instances also, as abuse or harassment.</li> </ul>





Particulars	Yes/No (If yes, then give details of the mechanism in brief)
	<p>v. Complaints against the Staff members in relation to any type of discrimination are only handled at IR section and shall be reported to HR &amp; IR Department.</p> <p>vi. The Bank will follow the same procedure for inquiring and investigating the complaints or concerns raised by employees with disability.</p> <p>vii. However, necessary reasonable accommodation will be provided to employees with disabilities to effectively participate in the investigation process. For example, accessible venue for persons with locomotor disability, etc.</p> <p>viii. Any aggrieved employee can reach HR by telephone, email, letter and in person also.</p> <p>ix. This grievance redressal procedure also includes subjects such as Discharge/dismissal, misconduct, fines, etc.</p>

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>8907</b>	<b>8460</b>	<b>95%</b>	<b>8423</b>	<b>8095</b>	<b>96%</b>
- Male	6108	5808	95%	5791	5627	97%
- Female	2799	2652	95%	2632	2468	94%
<b>Total Permanent Workers</b>	NA					
- Male						
- Female						

**8. Details of training given to employees and workers:**

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	6108	808	13.23%	5738	93.94%	6008	813	13.53%	4335	72.15%
Female	2799	219	7.82%	2222	79.39%	2644	496	18.76%	1767	66.83%
<b>Total</b>	<b>8907</b>	<b>1027</b>	<b>11.53%</b>	<b>7960</b>	<b>89.37%</b>	<b>8652</b>	<b>1309</b>	<b>15.13%</b>	<b>6102</b>	<b>70.53%</b>
<b>Workers</b>										
Male										
Female	NA									
<b>Total</b>										

\*Total number of employees: 8611 and total number of employees (including CTC of 8): 8619.

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	6108	6108	100%	6008	6008	100%
Female	2799	2799	100%	2644	2644	100%
<b>Total</b>	<b>8907</b>	<b>8907</b>	<b>100%</b>	<b>8652</b>	<b>8652</b>	<b>100%</b>
<b>Workers</b>						
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

\* Performance and career development reviews will be done on annual basis

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes. The Bank has implemented various measures to ensure a safe working environment for employees. Detailed guidelines and emergency response procedures are being issued to all outlets of the Bank to take care of emergencies like fire, flood, earthquake etc. The Bank has a qualified FSO (Fire & Security Officer) who visits Branches and give training on use of fire extinguishers and emergency evacuation drills. Further, every outlet of the Bank is equipped with smoke sensors. These sensors are integrated with intrusion alarm panels. As and when there is a smoke or fire, these sensors get activated and triggers an alarm locally as well as sends an alert to a centralized command centre where such alerts are monitored on a real time basis. The command centre alerts fire and rescue department instantly in the case of an eventuality.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

**Not Applicable** in lieu of The Bank's main business line being banking and financial services.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

**Not Applicable** in lieu of the Bank's main business line being banking and financial services.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. All the employees are covered under Group Medical and Personal Accident Insurance.

**11. Details of safety related incidents, in the following format:**

Safety Incident /Number	Category	FY 2023-24	FY 2022-23
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL



**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Bank ensures that it is committed for being a responsible business entity by providing fair and safe working environment for all its employees through various initiatives like basic fire training, first aid evacuation safety related training etc. The Bank has a dedicated department to take care of all aspects related to physical security of its assets as well as employees. Under the aegis of the department, a comprehensive remote e-surveillance system has been put in place. Through this system, incidents of work-related hazards are reported, visually verified through integrated CCTV network and mitigation measures taken as per the laid down procedure. The smoke sensors, integrated to the alarm system placed at Offices enables recording and





analysis of risk events through the Command Centre. This includes mock drills and fire evacuation. The Bank has conducted Mock evacuation drill at Head Office, Mangaluru on 16.12.2023 – 477 participants and Mock evacuation drill at old Head Office, Kodialbail premises on 09.01.2024 – 298 participants in line with the Health and Safety Management system.

**13. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2023-24 (Current Financial Year)			FY 2022-23 Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
 Working Conditions	NIL	-	-	NIL	-	-
 Health & Safety	NIL	-	-	NIL	-	-

**14. Assessments for the year:**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
 Health and safety practices	Not applicable as the Bank is in the Banking business.
 Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Safety awareness programmes related to fire drills, evacuation safety, branch security etc are carried out by the way of training.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

**(A) Employees (Y/N) - Yes**

**(B) Workers (Y/N)- Not Applicable**

The Bank provides monetary relief to the dependent/s of the employees on the death of such employees of the Bank while in service, as per the provisions of Death Relief Fund Scheme (DRF). Whenever any death of a staff who is a KBEDRS member occurs, the bank shall immediately release ₹ 20,000/- as ad-hoc amount to the nominee of the deceased. A Circular will be issued from HR & IR to all the Branches and offices of the Bank intimating the death and directing the salary disbursing officers to deduct the subscription amount of Rupee 30/- from the immediate next salary payable to the staff, who are members of KBEDRS. The amount so deducted has to be remitted to SL-Suspense Death Relief Scheme account maintained at Head Office. On reconciliation & after receipt of the Death Certificate, the Bank shall thereafter make arrangement to pay the entire amount so collected to the appointed nominee of the deceased member as "RELIEF". Disbursement shall be made on or before the 20<sup>th</sup> of the succeeding month of collection, provided, there is no dispute.

Further, in case of death of any permanent employee, while in service, a sum of ₹ 100,000/- (Rupees One lakh only) will be granted to the spouse of the deceased employee as Death Relief Measure (DRM).

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Bank ensures that statutory dues wherever applicable are deducted and paid to respective authorities by the Bank

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**



Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
	Employees	NIL	NIL	NIL
Workers	NA	NA	NA	NA

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

**No.** The Bank does not provide any transitional assistance program.

**5. Details on assessment of value chain partners:**

All value chain partners on 31<sup>st</sup> March 2024 are not assessed by the Bank.

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
 Health and safety practices	NA
 Working Conditions	NA

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

As on March 31, 2024, the Bank has not conducted separate assessment for value chain partners, but as part of its ESG policy strives to ensure that the value chain partners also adopt the sustainability principles and COP26 principles. This will monitor in line with the ESG policy in the proposed future framework by providing advice, support, and wherever appropriate training. The Bank recognises the need to work closely with its vendors to reduce waste, improve efficiency, reduce carbon footprint, and understand their commitment towards human rights and labour practices. As far as possible, the Bank will try to procure products which are:

1. Recycled/Recyclable
2. Environment friendly
3. Energy efficient
4. Locally sourced.

The Bank will set a clear expectation with the vendors to abide by labour laws, human rights, and regulations in their line of business.



**PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

As a Banking organization, the Bank has a structured Materiality and Disclosure Assessment process to identify key stakeholder groups and take their input in identifying ‘Material issues’ for the Bank.

The Bank has recognized the following stakeholders: employees, customers, investors/ shareholders, regulator, value chain partners and communities. The Bank always pursues its efforts in regular engagement across these stakeholders to build and maintain mutual trust and value creation. Further the Bank through high standards of corporate governance ensures to balance the interests of diverse stakeholder groups in all strategic decision-making process and timely respond to their concern.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	<ul style="list-style-type: none"> <li>Earnings Results</li> <li>Investor presentations,</li> <li>Annual Report, Annual General Meeting, Investor/Extraordinary General meeting</li> <li>Calls and meet, Media releases, Website.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Half yearly</li> <li>Annually</li> <li>AGM/EGM as and when required.</li> <li>On need basis</li> </ul>	<ol style="list-style-type: none"> <li>To answer investor queries on financial performance</li> <li>To present business performance highlights to investors</li> <li>To discuss publicly available Company information to shareholders and investors.</li> <li>To keep investors/ shareholders updated about the Banks business activities and performance and sound Corporate Governance.</li> </ol>
2	Customers	No	<ul style="list-style-type: none"> <li>Emails</li> <li>Letters</li> <li>Social Media</li> <li>Direct in Person interaction</li> <li>Over Phone</li> <li>Customer Experience Group</li> <li>Mobile Application</li> <li>Digital Messaging</li> <li>Online Broadcast</li> </ul>	Ongoing. Based on customer needs / regulatory requirements/ educating customers	<ol style="list-style-type: none"> <li>During product service customer life cycle journey across the Bank’s products and services Including prospecting in person, or through banking channels branch, /ATM or online</li> <li>For customer redressal</li> <li>For customer product fitment servicing as per the Bank policy adherence.</li> </ol>

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Employees	No	<ul style="list-style-type: none"> <li>Online HR &amp; IR Internal Portal employee engagement</li> <li>Email Broadcast</li> <li>Training and e-learning</li> <li>Circulars</li> <li>Committee and Regional supervisory Town hall meeting</li> <li>Staff meetings</li> <li>Training college updates</li> <li>DIGI centre updates</li> </ul>	On going basis with Annual review and half yearly checkpoint on training reviews.	Most of these engagement cover areas such as Training and development, addressing, any work related to communication, updates on regulatory changes/ introduction of new regulations, compliance communication, employee policy updates and digitalization strides that the Bank is making, sustainable finance, sustainability norms
4	Regulatory bodies	No	<ul style="list-style-type: none"> <li>Letters</li> <li>Email</li> <li>Regulator platforms</li> <li>Stock Exchange filing.</li> <li>RBI Returns</li> </ul>	Periodically as per statutory requirements and on need basis	Transparency in disclosures. Regulatory compliance Sound corporate governance mechanisms.
5	Communities	Yes, category belonging to marginalized groups such as farmers, under privileged women, NGO's and associations for social welfare, cultural & historical significance, elder care	<ul style="list-style-type: none"> <li>In person engagement</li> <li>Sponsorships</li> <li>Emails and letters</li> <li>Informal interactions</li> <li>Meetings with community leaders</li> <li>Meeting with Hospital assistance and NGO members</li> <li>Engagement with rural Village leaders for rural adoption and drives</li> <li>Engagement with school authorities for school sponsorship t for underprivileged girls</li> </ul>	On Need Basis Based on CSR ongoing activity schedule	Through CSR reaching out to socially and economically disadvantaged people. <ul style="list-style-type: none"> <li>Free Health Camps and Toilet building for healthy living environment and Hygiene.</li> <li>School sponsorships</li> <li>Rural village adoption</li> <li>Swachh Bharat Abhiyan</li> <li>Conservation drives</li> <li>Support towards preservation of historical sites and those of archaeological significance.</li> </ul>
6	Value Chain Partners	No	<ul style="list-style-type: none"> <li>Emails</li> <li>Digital updates</li> </ul>	Need Basis or as per Sustainability regulation updates	Maintaining our relationships with vendors, addressing any work-related communication, updates on regulatory changes, compliance communication, including Local procurement & sustainable sourcing



## ● Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Emphasizing the importance of our key stakeholders, the Bank in FY 2024-25 is gearing up to provide insights into stakeholder relationships that the Bank has with them. The stakeholder and the Bank's relationship journey artfully illustrates the interplay between our activities, capitals, and overall value proposition. It showcases our understanding, responsiveness, and dedication to addressing their legitimate needs and interests.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Inputs and suggestions of shareholders are being incorporated into the policies and activities which were considered feasible.

Any feedback from stakeholders as identified in point 1 above, is documented and incorporated in the discussion agenda of the committee meetings and introspected upon for consideration and review and thereafter as per feasibility and applicability approved for implementation and adoption.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Bank is guided by Reserve Bank of India prescribed guidelines on priority sector lending, lending to small and marginal farmers, lending to weaker sections, etc., and government led initiatives to improve access to financial services to disadvantaged, vulnerable and marginalised stakeholders.

By aligning our resources, expertise, and strategic partnerships, the Bank strives to empower individuals, uplift marginalized groups, and promote community wellness. Our initiatives in education, healthcare, rural development, environmental sustainability, and empowerment of women and marginalized communities are reflective of this commitment.

As part of the Bank's CSR, the Bank during FY 2023-24, has extended support for improving the infrastructure of old age homes, orphanages, scholarship programmes for girl children to pursue higher education, initiatives aimed at the welfare of differently abled and migrant population etc. By nurturing these activities in cohesion, the Bank aims to foster a culture of shared prosperity, contributing to a more equitable and sustainable future along with the culture of the land synonymous with its 13 million customer base, also helping to reduce the digital divide and ensure economic empowerment reaches to all sectors of society.

## PRINCIPLE 5

Businesses should respect and promote human rights.

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	8,900	8,900	100%	8,644	8,644	100%*
Other than permanent	7	7	100%	8	8	-
<b>Total Employees</b>	<b>8,907</b>	<b>8,907</b>	<b>100%</b>	<b>8,652</b>	<b>8,652</b>	<b>100%</b>
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
<b>Total Employees</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Note: All the employees of the Bank have been provided with Code of Conduct which covers human rights issue and the prevention of sexual harassment, discrimination prevention, grievance redressal trainings, from time to time. Further, the Bank also has Equal Opportunity Policy for physically disabled staff members which covers discrimination prevention for physically disabled staff members.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	<b>8900</b>	<b>NIL</b>	<b>NIL</b>	<b>8900</b>	<b>100%</b>	<b>8644</b>	<b>NIL</b>	<b>NIL</b>	<b>8644</b>	<b>100%</b>
Male	6,102	NIL	NIL	6,102	100%	6,000	NIL	NIL	6,000	100%
Female	2,798	NIL	NIL	2,798	100%	2,644	NIL	NIL	2,644	100%
<b>Other than Permanent</b>	<b>7</b>			<b>7</b>	<b>100%</b>	<b>8</b>			<b>8</b>	<b>100%</b>
Male	6	NIL	NIL	6	100%	7	NIL	NIL	7	100%
Female	1	NIL	NIL	1	100%	1	NIL	NIL	1	100%
<b>Workers</b>										
<b>Permanent</b>										
Male										
Female										
<b>Other than Permanent</b>	NA-									
Male										
Female										



**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	₹ 122.86 lakhs	Nil	Nil
Key Managerial Personnel	2	₹ 42.55 Lakhs	Nil	Nil
Employees other than BoD	6,480	₹ 10.74 Lakhs	2928	₹ 8.82 Lakhs
Workers	NA	NA	NA	NA

Note: The median employee remuneration for the FY 2023-24 was ₹ 0.10 crore. Considering the maximum level of variable pay, the total remuneration of the Managing Director will be ₹ 4.50 crore which is 45.20 times of the median employee remuneration. If only fixed remuneration is considered, the same stands at 20.08 times of median employee remuneration.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The employees can raise their concerns related to human rights issues directly with the Bank, also through the windows permitted viz., Whistle blower policy etc, which will be addressed by the HR& IR committee in line with the Karnataka Bank's Code of Conduct and human rights guidelines enshrined therein the policy and furthered re-emphasised in the FY 2023 Bank ESG policy.

This includes the customer grievance, employee grievance channels redressal processed, that can be digitally logged or emailed.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Every staff of the Bank has the right to be treated with dignity and respect. For any grievance on human rights issues, the employees have the access to raise their concerns through HR department apart from the mechanism like Whistle blower policy. The Bank well-defined grievance redressal mechanism, to enable its employees and others associated with the Bank to not overlook any concern.

- i. **Step 1 Early Detection is a Priority:** raise it at an early stage in the right manner, without fear of retaliation, victimization, subsequent discrimination, or disadvantage at the workplace. Bank does not tolerate any impropriety, abuse or wrongdoing or discrimination or harassment and encourages its employees to raise their concerns.
- ii. **Step 2: Enquiry:** Further, The Bank ensures that such concerns would be thoroughly inquired by the designated persons independently and fairly.
- iii. **Step 3:** While the Bank considers the wrongdoing or abuse or harassments in general, it is also conscious of the likelihood of any direct or indirect discrimination or denial of reasonable accommodation or bullying behaviour towards employees with disability and would treat such instances also, as abuse or harassment.
- iv. Complaints against the Staff members in relation to any type of discrimination are only handled at IR section and shall be reported to HR & IR Department.
- v. The Bank will follow the same procedure for inquiring and investigating the complaints or concerns raised by employees with disability.
- vi. However, necessary reasonable accommodation will be provided to employees with disabilities to effectively participate in the investigation process. For example, accessible venue for persons with locomotor disability, etc.
- vii. Any aggrieved employee can reach HR by telephone, email, letter and in person also.

This grievances redressal procedure also includes subjects such as Discharge/dismissal, misconduct, fines, etc.

**6. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Bank has internal complaints committee to address the issues related to the discrimination and harassment cases.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. The business agreements and contracts do include the Bank's expectations on respect for human rights to the extent as required, as per the relevant laws.

**9. Assessments for the year:**

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NIL

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant risks or concerns arose, over and above the governance process in place and hence Nil Action. However, awareness sessions are being held to spread insight into the Human rights, discrimination and other related issues that impact the dignity, inclusive workforce at the Bank.

**Leadership Indicators****1. Details of a business process being modified / introduced because of addressing human rights grievances/ complaints.**

NIL

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

NIL

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes. Our premise / offices are easily accessible for differently abled persons.

**4. Details on assessment of value chain partners: NA**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NA
Discrimination at workplace	NA
Child Labour	NA
Forced Labour/Involuntary Labour	NA
Wages	NA
Others – please specify	NA

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.:**

NA

**PRINCIPLE 6****Businesses should respect and make efforts to protect and restore the environment.****Essential Indicators**

- Whether total energy consumption and energy intensity is applicable to the company? Yes

**1. Details of total energy consumption (in Joules or multiples) and energy intensity**

Parameter	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year (GJ))
	<b>Numbers are in Terajoules</b>	
From Renewable sources		
Total electricity consumption (A)	0.26 TJ (Solar Generated)	N/A
Total fuel consumption (B)	N/A	
Energy consumption through other sources (C)		
<b>Total energy consumption (A+B+C)</b>	<b>0.26j</b>	<b>NA</b>
From non-Renewable sources		
Total electricity consumption (D)	(13160.287 MWH) 47.38 T J	(13927.557MWH) 50.14TJ**
Total fuel consumption (E)	(100.480 MWH) 0.36 TJ (Terajoules) #	(116.294MWH) 0.42 TJ (Terajoules) #
Energy consumption through other sources (F)	Nil	Nil
<b>Total energy consumption (D+E+F)</b>	<b>(47.74 TJ)</b>	<b>(50.56 TJ)</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		= ₹ 5.68 /per crore per Watt (50/56 TJ *3600 /32064cr Turnover)

Parameter	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year (GJ))
	Numbers are in Terajoules	
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	NA	NA
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical Output		
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note:

# Only Head office building and Regional Office building at Kodialbail, Mangaluru is considered for calculating fuel conception. In case of Branches since the generator capacity is low, units consumed cannot be ascertained.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No**

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA #	NA #
(ii) Groundwater	NA #	NA #
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>		
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)</b>	Not applicable to banking sector	Not applicable to banking sector

We have got more than 900 branches / offices spread across India. Each Branches / office are using the resources available locally for water source and water is being utilized for personal consumption only. Since this is a bank, water bill is encompassed into branch running cost and is not segregated into itemized format where water element can be determined.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.:**

Not Applicable

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Not Applicable



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Not applicable to Banking industry as there is no manufacturing involved.	
Sox		
Particulate matter (PM)		
Persistent organic pollutants (POP)		
Volatile organic compounds (VOC)		
Hazardous air pollutants (HAP)		
Others – please specify		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: Not Applicable**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent (Fuel for road transportation of staff, marketing and operations -Diesel and petrol average)- Refer working below *	17 Metric Tonnes CO2 (Average)	29.75 Metric Tonnes CO2 (Average)
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent Electricity consumption purchased – Refer working below**	12.52 Metric Tonnes CO2	29.13 Metric Tonnes CO2
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.000249111	0.001836329
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA	NA

**Note**

- i. The sectoral GHG cannot be applied on our loan books sectoral exposure to arrive on bank's GHG emissions.
- ii. The bank has been encouraging use of LEDs when lights are to be replaced and where possible use of solar power and hence reduced electricity bill value was noted in FY23 after LED/Solar adoption.

- iii. To calculate the CO2 GHG emission using Equation A-1 in 40 CFR Part 98, the Bank has used both Petrol and Diesel type of fuel for its staff transport, travelling operations and the share of proportion is not calculated at present in FY 2023-24. Referring to default values for EFi and OFi for various types of fuel in Table C-1 and Table C-2 of Subpart C of Part 981 average of the corresponding emission factor and oxidation factor for that fuel and. Equation A-1 prescribed therein  $CO_2 = \sum EFi \times OFi \times FCi \times 10^{-3}$

where:

CO2 is the carbon dioxide emission in metric tons; EFi is the carbon dioxide emission factor for fuel type i in kg CO2/TJ; OFi is the oxidation factor for fuel type i (dimensionless); FCi is the amount of fuel type i consumed in TJ; and i is the fuel type. Working calculation Scope 1\* :

Fuel consumed is petrol, then EFi=69,300 kg CO2/TJ and OFi=0.99. If the fuel consumed is diesel, then EFi=74,100 kg CO2/TJ and OFi=0.99. If the fuel consumption is 0.24 TJ in FY 2023-24, then the CO2 GHG emission is:

- $CO_2 = 69,300 \times 0.99 \times 0.24 \times 10^{-3}$ ;  $CO_2 = 16.41$  for petrol, and
  - $CO_2 = 74,100 \times 0.99 \times 0.24 \times 10^{-3}$ ;  $CO_2 = 17.59$  metric tons for diesel.
  - Average of both since proportion share is not available assumed as \*17 Metric Tonnes CO2
- iv. To calculate the CO2 GHG emission based on purchased electricity to run its 900+branches, DigiCenters, data centre, a consolidated electricity bill data is gathered by the Bank at present.

Using the Equation A-1 in 40 CFR Part 98 GHG, we are assuming purchased electricity as type and based on electricity consumed in FY 2023-24, referring to Table C-1 and Table C-2 and Equation A-1 is given by:  $CO_2 = \sum EFi \times OFi \times FCi \times 10^{-3}$

where:

CO2 is the carbon dioxide emission in metric tons; EFi is the carbon dioxide emission factor for electricity system i in kg CO2/TJ; OFi is the oxidation factor for electricity system i (dimensionless);

FCi is the amount of electricity from system i consumed in TJ; and i is the electricity system.

Working Calculation Scope 2: \*\*

the electricity consumption is 21.55 TJ, then the CO2 GHG emission is:

$CO_2 = 581.1 \times 1 \times 21.55 \times 10^{-3}$ ;  $CO_2 = 12.52$  CO2 GHG Emissions via electricity is 12.52 metric Tonnes

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:** No

**7. Does the entity have any project related to reducing Green House Gas emission? If yes,**

Yes

The Bank launched a branch wide initiative to install efficient lightening across its branches and more sustainable power saving Air conditioners, electronics, including higher sustainability tech infra-alternatives. It is also adopting steps to provide provisions for solar power generation in new buildings under construction, wherever possible.

- 95% of Banks transactions were done digitally during the Financial Year.
- Bank replaced lights from 2X2 lights in Head Office and Annexure buildings to more power saving LED lights.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	Avoidance and Reduction of usage of plastic in office use or marketing peripherals, in now put in place under the ESG policy of the Bank	
E-waste (B)	4.55*	0.67
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	43.4*	40.6
Radioactive waste (F)	Nil	
Other Hazardous waste. Please specify, if any. (G)	Nil	



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	
<b>Total (A+B + C + D + E + F + G + H)</b>	47.95	41.27

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
<b>Total</b>		

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
<b>Total</b>		

**Note :** \* Due to migration of DC servers to Co-located Centre, Technology hardware /servers which were determined /assessed as 'Cannot 'Put to Use' condition', were decommissioned and subsequently disposed. This has contributed to the larger **one-time e-waste generation in FY 2023-24 as disclosed in parameter E-waste (B) and Battery Waste**. Also in the current FY, Department has conducted E-waste campaign for identifying computer & its accessory items lying across branches and also disposed henceforth identified items under E-waste process.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Not Applicable since our organization comes under Banking / Service Industry. However as per the ESG policy the bank is in the process of adopting E-waste sustainable disposal procedures.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Being a Banking organisation, no hazardous and toxic chemicals used in operations and hence no generation of such waste. E-waste materials generated due to upgradation / replacement of existing components like computers, modems, printers, UPS etc., are disposed as per the e-waste management policy. Further, wherever possible, we also procure under buyback model where the same OEM will take back the same who are reputed in the market.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: Not Applicable**

Sr.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			NA

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not Applicable**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
NIL				

Considering the nature of activity, the provisions of the above laws are not applicable to us. However, as far as possible, the Bank is conducting its activities in an environment friendly manner.

### ● Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

(figures in Terajoules)

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	Not applicable as non-renewable sourcing of electricity is in setup mode and not integrated with banks main grid yet.	
Total fuel consumption (B)		
Energy consumption through other sources (C)	0.26 TJ	0.31 TJ
<b>Total energy consumed from renewable sources (A+B+C)</b>	0.26 TJ	0.31 TJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	(13160.287 MWH) 47.38 TJ	50.14 TJ*
Total fuel consumption (E)	0.36 TJ	0.42 TJ
Energy consumption through other sources (F)	Nil	Nil
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	48 TJ	50.87 TJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged: Not Applicable

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Not applicable	
- No treatment		
- With treatment – please specify level of treatment		
ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment– please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable



**3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):** Not Applicable.**For each facility / plant located in areas of water stress, provide the following information:** Not Applicable**(i) Name of the area:** Not applicable as this is not in the Bank's domain and nature of business.**(ii) Nature of operations****(iii) Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	Not Applicable	
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 Previous Financial Year
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 3 emissions per rupee of turnover</b>		NA	NA
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Not Applicable

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.:** Not applicable.
6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	The bank has formulated a Digitally enabled e-waste management to be implemented in FY-24 as part of its sustainability agenda.		Green Sustainable e-Waste management digitally and recycling opportunities enabled.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link**  
Yes. The Bank has adopted Core Banking System (CBS) since the year 2000, and all its branches and offices are under the CBS networks. Alternate Delivery channels, viz., ATM, Internet Banking, Mobile Banking, UPI, and PoS, have been integrated with the CBS. Disaster Recovery [DR] arrangement also exists to ensure **business continuity** in the event of a primary site failure. This arrangement is strengthened by implementing a three-way data replication process aimed at maintaining zero data loss. Critical applications like CBS, ATM, Internet Banking and Mobile Banking are part of this arrangement. Bank's Primary Data Centre is operating from a Tier-4 Colocation Centre. Bank's IT infrastructure as a whole is supervised by the Chief Technology Officer (CTO). The Bank has setup a Board-approved Business Continuity and Disaster Recovery Plan. The plan included procedures for emergency response, crisis communication, employee safety, data backup and recovery and customer service continuity. Regular drills are conducted to evaluate and improve the effectiveness of the plan to ensure that "Business is Always On" for the customer.
8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard** Not Applicable
9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** Not Applicable

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

● **Essential Indicators**

1. **a. Number of affiliations with trade and industry chambers/ associations.**

Bank has been associated with Federation of Indian Export Organization (FIEO) and is a member of Indian Banks' Association (IBA)

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr.No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
1	Federation of Indian Export Organization (FIEO)	National
2	Indian Banks' Association (IBA)	National
3	CII – Member of National Committee of Banking	National
4	FICCI – Member of National Committee of Banking	National



2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
NIL		

● Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Bank, through its association with the trade houses, has been encouraging the exports and lending to MSME sector thereby playing a pivotal role in encouraging the economic growth. The Bank has a MSME, Agriculture lending policy that is digitally published in its website: <https://karnatakabank.com/business/loans/msme-business-loan>.

Sr.No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others- please specify)	Web Link, if available
1	MSME Lending	Digital Publication	Yes	Quarterly or as per market competition demands	<a href="https://karnatakabank.com/business/loans/msme-business-loan">https://karnatakabank.com/business/loans/msme-business-loan</a>
2	Agriculture and related lending	Digital Publication	Yes	Quarterly or as per market competition demands	<a href="https://karnatakabank.com/agri-rural">https://karnatakabank.com/agri-rural</a>

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

● Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial 2024.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

To ensure effective grievance redressal for the community, Bank has introduced a centralized Customer Compliant & Grievance Redressal (CCGR) portal. This user-friendly platform allows customers to lodge their complaints, which are then automatically assigned to the relevant department for prompt resolution. Additionally, customers can also submit complaints through KBL-Mobile Banking, Internet Banking, and the Bank's Contact Centre. To maintain a regular, connect with the investors, your Bank has a dedicated Investor Relation Cell at the Registered Office. Besides redressing the grievances, if any, from the investors, the Cell proactively disseminates corporate information on a voluntary basis to the shareholders through email (wherever made available) about financial results. Alternatively, investors can email [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com) major events and

coverage about the Bank in the media etc. These mechanisms enable quick and convenient reporting, ensuring that the customer grievances are addressed efficiently and in a timely manner. SEBI introduced SMART ODR (Online dispute Resolution) portal in which stakeholders can register their grievance.

Employees can reach HR & IR Department by telephone, e-mail, letter and in person also to redress grievances, if any. Community members can meet regional officers or designated officers assigned in the branches for grievance redressal.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

### ● Leadership Indicators

#### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	Nil
NIL	Nil

#### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.No.	State	Aspirational District	Amount spent (In ₹)
1	Karnataka	Raichur	22,13,900/-

#### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Not Applicable considering the nature of Business.

#### (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

#### (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

#### 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				NA

#### 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		NA



## 6. Details of beneficiaries of CSR Projects:

Sr.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Training of Trainers in English Language and 21 <sup>st</sup> Century Skills Programme in association with Karnataka Skill Development Corporation	501	0%
2	School bus to Shri Maruthi High School & Komarla Gangashetty Bhagyalakshamma Public School, Rajaghatta, Doddaballapura Taluk, Bengaluru Rural District	120	60%
3	School bus to Jnanaganga Pre-University College, Nellikatte, Moodubelle	56	100%
4	Support to procure almirahs for Naknooru Narasinga Rao Memorial Govt. Pre-University College, Shiral	53	100%
5	Drinking water purifiers donated to Delhi Kannada Education Society, New Delhi	1140	8%
6	Support to procure school bus to C M S L P School, Kizhakkekkara, Keezhvaipur P O, Mallapally	52	100%
7	Financial assistance towards procuring inverter for Govt. P U College, Arehalli	115	83%
8	Provision of safe drinking water facility to Govt. High School(Urdu) Bunder, Dakshina Kannada Dist.	75	75%
9	Support to promote education to Shri Ramakunjeshwara Sanskrit Higher Primary School, Ramakunj Post, Kadaba Taluk	250	88%
10	Financial assistance for infrastructure development of the school Shree Ananthnagar Vidyaniketan managed by G S B Charitable Trust, Shree Ananth Nagar, Electronic City Post, Bengaluru	185	0%
11	Financial assistance towards procuring vehicle for Govt. Lower Primary School Nancharu, Brahmavar, Udupi	50	40%
12	Financial assistance towards procuring A3 scanner, special kibco desk&software license for giving education to children with disability with special focus on visually impaired children under the aegis of Mitra Jyothi, Bengaluru	9812	100%
13	Financial assistance towards procuring sound system for Govt. Pre-University College (High School Division), Goliangadi, Brahmavar Taluk, Udupi District	198	25%
14	Support to procure 10 computers to Mulki Sundar Ram Shetty College, Shirva	75	69%
15	10 units of Smart Class equipment to MCC Higher Secondary School, Harrington Road, Chetpet, Chennai	800	60%
16	Financial assistance for procuring computers and other accessories -educate and rehabilitate people with special needs and provide livelihood opportunities at Chiranthana Centre for Holistic Development & Vocational Skills for Special needs, Gokula, Bengaluru	100	100%
17	Support to procure van to 'Sri Madhava Seva' a Day School and Pre-Vocational Training Centre for specially abled adults at ISRO Layout, Bengaluru run by Alamara Foundation, Bengaluru	8	100%
18	Support to procure school bus to Parimala Gurukula English Medium School, Lingasugur Road, Mudgal, Raichur District.	50	0%
19	Provision of safe drinking water facility at Haji Mardansaheb N Nadaf High School, Tevaramellihalli, Taluk, Savanur	132	100%
20	Support to Govt. Higher Primary School, Hosaniralagi, Savanur Taluk for setting up digital classroom in school	253	100%
21	Support to Govt. Higher Primary School, Mellagatti, Savanur Taluk for setting up digital classroom in school	125	100%
22	Support to Govt. Higher Primary School, School No.2, Savanur Taluk for setting up digital classroom in school	290	100%
23	Support to Govt. High School, Shirabadi, Savanur Taluk for setting up digital classroom in school	253	100%

Sr.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
24	Support to procure school bus to Shree Bharathi Vidyapeetha, Badiadka, Kasaragodu, Kerala	45	100%
25	Setting up digital classroom at Govt. Model Primary School (RMSA), Kudlu, Bommanahalli Post, Bengaluru	250	72%
26	Support to procure school bus to Mangala Jyothi Integrated School, Vamanjoor for children with physical disabilities and special children, Vamanjoor, Mangaluru	48	79%
27	Support to improve the medical infrastructure of Jayadev memorial Rashtrottana Hospital & research Centre managed by Rashtrottana Trust, Bengaluru	460	0%
28	Operating microscope for conducting eye surgeries at Sri Vivekananda Sevashrama, Eye Clinic, Bengaluru	37	18.92%
29	Support to procure school bus to Poornaprajna Education Centre, Sangameshwarpet	47	90%
30	Support to procure drinking water purifier to Govt. Lower Primary School, Varahi	28	75%
31	Financial assistance for installing lift at old age home - Shiva Sadana, Puttur managed by Shri Subrahmanya Sabha Charitable Trust@, Kudpi, Mangaluru	111	50%
32	Financial assistance towards development of GOS - SSBH Industrial School run by Guild of Service (Central), Seva Samajam, Egmore, Chennai	33	100%
33	Computers to Sri Neelambika Girls High School, Sirigere, Chitradurga managed by Taralabalu Education Society	198	100%
34	Provision of safe drinking water purifier at the office of Karnataka State Bar Council, Bengaluru	3000	30%
35	Financial assistance towards procuring six barricades for Angela Vidyanketana Kudige, Kodagu	984	20%
36	Smartclass equipment to PKGGHSS School, Ambattur, Chennai	500	82%
37	Support to procure school buses to Smt Vimala Kulkarni Memorial School, Bhavani Nagar, Hubballi managed by Bhavadeepa Shikshana Samsthe.	31	0%
38	Installation of Off grid solar system at girls hostel building of KSSS P U College, Budarsingi, Hubballi	125	65%
39	Support to augment the collection of books of school library of Jnana Deepa School, Kurnad -Mudipu	1280	90%
40	Support to procure school bus to Jnanadeepa High School, Yelimale	45	65%
41	Advanced medical equipment 910CC NXT Three Gas System Anesthesia Workstation and Lullaby Warmer to Sri Rangadorai Memorial Hospital, Bengaluru	5795	45%
42	Upgrade the infrastructure of Computer Lab of Hoysaleshwara P U College, Arasikere	2000	85%



## PRINCIPLE 9

**Businesses should engage with and provide value to their consumers in a responsible manner.**

### ● Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has a Grievance Redressal Policy; the consumer complaints are addressed as per the policy. The policy is hosted in the Bank's website.

<https://karnatakabank.com/investors/policies-codes>

The bank follows a three-tier complaint management system. The customer care is the designated point of receipt of all complaints. Complaints received through all channels (namely calls/emails/letters, regulators, Bank's Web-based Grievance Redress Management System [WebGRM], walk-in customers etc.) are incorporated in Bank's Centralised Complaint Management System. From here, these are assigned to and dealt by SPOC at various stakeholder departments. Any complainant who is not satisfied with the response provided at Tier 1 has the option to escalate the complaint to Bank's Nodal and Principal Nodal Officers [Tiers 2 and 3 respectively]. Bank rejects complaints only with the concurrence of Internal Ombudsman as stipulated in Internal Ombudsman Scheme, 2018

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: Not Applicable

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

#### 3. Number of consumer complaints in respect of the following:

Particulars	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	30 1079	0 0	Debit card. CPLL (AEPS)	1309 13	370 4	Debit card CPLL (Banking Ombudsman)
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

#### 4. Details of instances of product recalls on account of safety issues: Not Applicable

Particulars	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes Enhancing cyber security is a top priority for the Bank. It has a comprehensive policy on data privacy. the Bank's Privacy Policy (refer link <https://karnatakabank.com/privacy>) explains how the bank during its customer lifecycle may collect, use, store, disclose, or otherwise process personal data including personal data collected with consent. The Bank has embarked on its commitment to provide the highest level of protection regarding the processing of its customer, employees, vendors, and client personal data based on applicable laws and regulations that apply to data protection, applicable to the banking product, customer location channel journey.

To provide guidelines for cyber security and data privacy for the employees of the Bank, a Board approved Policy on Cyber Security, Information Security and Data privacy is in place. The Bank has a fully operational Security Operation Centre (SOC) and network & end point security devices to monitor any security incident and to take appropriate actions. SOC is operational on a 24 X 7 basis. The Bank is using several monitoring tools for identifying, monitoring, recording, and analysing security events or incidents within the real time IT environment. Employees are updated on the best security practices.

Also, Bank is certified under ISO/IEC 27001:2013 standards for the 'Information Security Management System' (ISMS) for the systems and procedures related to Information Technology services of the Bank and certified with PCIDSS certification for its card data environment.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No such action/penalty levied/imposed by Regulatory authority.

● **Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The Karnataka Bank has focused on creation of digital platforms and mobile enabled online banking, doorstep banking to strengthen the direct anywhere, anytime, any type banking with its customers and channel partners including with NBFC for doorstep gold loans. These solutions are aimed to provide innovative services and solutions to all segments, provide sustainable finance, empowering livelihoods and reducing the digital divide increase socio economic equality.

1. Information on products & services of the Bank can be accessed through our official website: <https://karnatakabank.com/>
2. For Digital Products: <https://karnatakabank.com/personal/loans>
3. Personal banking products: <https://karnatakabank.com/>
4. Business Banking products: <https://karnatakabank.com/business>
5. Rural and Agricultural Banking products: <https://karnatakabank.com/agri-rural>
6. NRI Priority Banking: <https://karnatakabank.com/nri-priority-banking>
7. Gold Loans <https://karnatakabank.com/personal/loans/easy-gold-loan>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Bank through its website and emails, promotional materials like brochures and by SMS, educate customers on its various products and services. Further in general, public are made aware of various safety measures to be adopted by customers for preventing ATM frauds, phishing attacks etc., by sending bulk SMSs, emails to reiterate not to share ATM PIN, Internet / Mobile banking passwords, One Time Passwords (OTP), etc.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Bank informs the customers in the event of any disruptions / discontinuation of essential services via e-mails, SMSs and online on its website across channels or push alerts via the Karnataka Bank Mobile application. The Bank has setup its disaster recovery for its core banking data centre and has downtime, business resilience and continuity framework implemented which will ensure that Business is Always On, despite any untoward site level downtime, the DR/Disaster recovery will ensure that the system are running resiliently and sustainably without any risk of interruption to customer business transactions or discontinuation of essential banking services.





**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Details of product parameters like interest rate etc. are displayed on the website. Further, details of interest rate on credit and savings products are displayed in the branches. The Bank follows all disclosure norms as required by RBI. The Bank through its brochures and posters displayed within the branches communicates the various features of products to its customers at large. Further, bank through its website, messages, and emails, educate customers on its various products and services, and mark caution to avoid sharing of ATM PIN, Internet Banking passwords, OTP etc. Customer feedback and Net promoter scores are captured as a whole and at zonal offices across products in business cycle along with feedback for bettering the Bank's services, new product launches, improving customer engagement and satisfaction in a profitable and sustainable resilient manner.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

**b. Percentage of data breaches involving personally identifiable information of customers.**

No Instances of reported data breach has occurred until 31<sup>st</sup> March 2024. The Bank has not faced any data breaches and has requisite Personal information integrity (PII) checks that prevent the data privacy violation, along with a robust governance modelling.

# Management Discussion and Analysis

## Global Economic Outlook:

### Steady but Slow: Resilience amid Divergence

The baseline forecast is for the world economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3% in 2023 to 4.2% in both 2024 and 2025. The forecast for global growth five years from now at 3.1% is at its lowest in decades. The Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

depreciating by just 1.4% during 2023-24, making it one of the best-performing major emerging market currencies. The Equity prices saw solid gains, with domestic equity market capitalization surpassing the US\$ 4 trillion mark. The transmission of repo rate increases to banks' lending and deposit rates was effective, with a significant rise in external benchmark-linked loans.

## Indian Economy

India ranks fifth in the world's GDP rankings for 2024, highlighting its status as a dynamic and fast-growing economy. The Key sectors such as information technology, services, agriculture, and manufacturing drive this growth. The country benefits from a vast domestic market, a youthful and tech-savvy workforce, and an expanding middle class.

## Fiscal and External Sector

The central government met its fiscal consolidation commitments, reducing the Gross Fiscal Deficit (GFD) to 5.9% of GDP in 2023-24 from 6.4% the previous year. The revenue spending growth was contained at 2.5%, while capital expenditure grew in double digits for the fourth consecutive year. Despite a decline in global trade volume and commodity prices, India's merchandise exports fell by only 3.1%, while imports fell by 5.7%. The current account deficit (CAD) decreased to 1.2% of GDP during April-December 2023 from 2.6% a year ago. The Foreign exchange reserves reached an all-time high of US\$ 648.7 billion, covering 11.4 months of imports.

## Domestic Economic Environment

The Indian economy displayed notable strength and stability, emerging as the fastest-growing major economy with solid macroeconomic fundamentals. The real GDP growth increased to 7.6% in 2023-24, up from 7.0% the previous year. This growth was significantly driven by a 10.2% rise in gross fixed capital formation (GFCF) due to substantial government infrastructure spending, while private consumption demand grew at a slower rate of 3.0%. Inflationary pressures eased, with headline inflation dropping to 5.4%, influenced by lower core inflation and deflation in fuel prices. The Monetary Policy Committee (MPC) maintained the policy repo rate at 6.50%, sustaining a stance of withdrawal of accommodation to keep inflation on target while supporting growth.

## Regulatory and Supervisory Developments

Several regulatory and supervisory guidelines were issued to strengthen governance, risk management practices, and capital buffers. These included guidelines on default loss guarantee in digital lending, frameworks for compromise settlements and technical write-offs, and prudential norms for investment portfolios of commercial banks. The Reserve Bank actively engaged with supervised entities to ensure compliance with governance and assurance functions, conducting comprehensive onsite cyber risk assessments.

## Financial Sector

The Domestic financial markets remained stable, with orderly movements in the bond and foreign exchange markets and strong equity markets. The Indian Rupee (INR) showed stability,

## Financial Inclusion and Digitalization

The Financial Inclusion Index (FI-Index) improved from 60.1 in March 2023 to 64.2 in March 2024, reflecting greater financial inclusion. The rise of online retail and e-commerce boosted card transactions, with significant growth in the Bharat Bill Payment System (BBPS). The UPI platform achieved notable 135.40 crore transactions for Financial Year 2024. The Enhancements in various payment systems continued to improve user access and convenience, including the introduction of near field communication (NFC) technology in UPI-Lite and 'Conversational Payments' on UPI.



## Prospects for 2024-25

The outlook for the Indian economy remains positive, supported by strengthening macroeconomic fundamentals, robust financial and corporate sectors, and a resilient external sector. The government's continued emphasis on capital expenditure and fiscal consolidation, along with consumer and business optimism, is expected to boost investment and consumption demand. The prospects for agriculture and rural activity appear favourable, with the expected above-normal southwest monsoon and government initiatives supporting the agriculture sector. The emerging sectors like renewable energy and semiconductors are poised for rapid growth, bolstered by government initiatives and budget allocations.

## Indian Banking Industry Overview

### Profitability and Net Interest Margins

Indian banks are expected to maintain robust profitability despite pressures on net interest margins (NIM). While NIMs may narrow by 10 to 20 basis points over the next two years from the current peak of 3.6%, banks' earnings should remain resilient. This resilience is crucial as net interest income constitutes 75% of the sector's total operating income. The compression of NIMs is attributed to rising funding costs due to heightened competition for deposits and normalizing liquidity conditions amid elevated loan growth.

### Operational and Credit Costs

The Banks are anticipated to mitigate the impact of narrowing NIMs by lowering operating and credit costs. This can be achieved through enhanced cost control measures and increased efficiency driven by digitalization. Additionally, there is potential for further reductions in impaired-loan ratios, which would bolster profitability. However, the improvement in operating profit to risk-weighted assets (OP/RWAs) might be constrained if banks aggressively pursue higher risk-weighted loans, such as consumer credit and loans to non-bank financial institutions.

### Investment Reallocation and Risk Appetite

A significant trend among Indian banks is the reallocation of investments from government securities towards loan growth. This shift aims to offset margin pressures but simultaneously increases the risk density due to a higher risk appetite. The proportion of loans in the banking sector's assets has risen from 56% in FY22 to about 63%. The average liquidity-coverage ratio of banks has normalized to 127%, well above the minimum requirement of 100%, indicating additional headroom for managing liquidity.

### Loan-to-Deposit Ratios and Low-Cost Deposits

Indian banks face the challenge of balancing growth and margins, evident from the loan-to-deposit ratio (LDR) trends. The average LDR increased to 79% in FY 2023-24 from 75% in FY 2022-23, with a moderate rise to roughly 81% recently. Banks with a higher share of low-cost deposits are likely to have a competitive advantage as they navigate the gap between loan and deposit growth. However, the share of low-cost deposits has decreased by approximately 490 basis points to around

39% due to increased competition and rising term deposit costs. Despite this, most of the banks generally exceed the system average in low-cost deposit share, although those with high LDRs may partly rely on wholesale deposits.

## Funding and Liquidity Management

Funding is not expected to pose significant challenges for Indian banks due to their reliance on local-currency deposits and the central bank's flexible liquidity management approach. Customer deposits account for about 90% of non-equity funding for banks, with a low reliance on certificates of deposits at the system level. This stable funding base underpins the sector's financial stability.

## Outlook and Profitability

The outlook on the earnings and profitability (EP) of most of the Indian banks remains positive. The expected improvement in profitability is likely to drive higher four-year average OP/RWAs, enhancing EP scores. If sustained, this improvement could positively influence the Viability Ratings of some banks, provided it is accompanied by better scores on other key rating drivers, particularly the risk profile. This optimistic outlook reflects the potential for Indian banks to enhance their profitability and resilience amidst evolving economic conditions.

## Overview

With over a century of experience, we are a well-established private sector bank in India, serving approximately 1.3 Crore customers as of March 2024. Our customer base includes corporate, retail, agricultural, and MSME clients. Operating under the motto "Banking with a legacy, embracing the future," we have been on a transformational journey since 2000.

The Bank was incorporated on February 18, 1924, in Mangaluru, Karnataka, we are a professionally managed scheduled commercial bank. Our principal business activities encompass retail banking, wholesale banking, and treasury operations. We offer a wide array of banking products and services through various channels, including branches, ATMs, call centres, internet banking, and mobile banking. As of March 31<sup>st</sup>, 2024, pan-Indian presence of the Bank spans 22 states and 2 union territories, with a network of 921 branches and 1,495 ATMs and cash recyclers (CRs).

### Our banking segments include:

- Corporate / Wholesale Banking
- Retail Banking (including MSMEs and agriculture)
- Treasury
- Other Banking Operations

The Bank's branch network is complemented by alternative service delivery channels such as internet banking, mobile banking, digital banking solutions, Aadhar-enabled payment systems, point of sale (POS) systems, QR payments, UPI, a 24/7 contact centre, mPassbook, micro-ATMs, prepaid gift cards, payment gateway services, and business correspondent services. These services are part of Bank's commitment to financial inclusion and are supported through various partnerships and tie-ups.

## Corporate / Wholesale Banking



The Bank's Corporate and Wholesale Banking business encompasses a diverse portfolio tailored to meet the needs of large companies, public enterprises, and private firms. This segment offers a variety of fund and non-fund-based products, including term loans, working capital facilities, foreign exchange services, structured finance, and trade financing products such as letters of credit, guarantees, and bill discounting.

Segmental revenue of the Bank from the Corporate Banking advances business was ₹ 2,936.88 Crore and ₹ 3,429.15 Crore, as of March 31, 2023, March 31, 2024 respectively. Furthermore, it significantly contributed to the Bank's profit, yielding ₹ 962.05 Crore (Previous year: ₹ 1,012.83 Crore) before tax and un-allocable expenditure. This strong performance underscores the value of our tailored financial solutions for the corporate and wholesale banking clientele.

## Retail Banking



Your Bank extends a comprehensive range of personal banking products catering to the diverse needs of retail customers. Within the Retail segment, offerings of the Bank includes an array of credit products such as home loans, automobile loans, personal loans, education loans, loans against term deposits, loans against securities, gold loans, small business loans, and agriculture loans. We prioritize sectors like agriculture, MSMEs, housing, and education, focusing on providing tailored products to the MSME sector. Retail Banking includes credit of up to ₹ 7.50 Crore to industry, service, agriculture, forex, and other business activities. To manage this portfolio, the Division comprises four specialized wings: Agriculture, Forex, SMEs, and Others.

To enhance retail business of the Bank, we have introduced innovative concepts like DSAs (Direct Selling Agents) alongside existing channels such as branches, DSAs (Direct Selling Agents), BSAs (Business Correspondent Agents), and dealer tie-ups.

Within the retail banking lending division, we've established specialized wings for agriculture, forex, MSMEs, and other sectors. A dedicated agriculture credit support group operates within the retail finance division, exclusively catering to agricultural financing. Under various schemes like the 'KBL Agro Processing Scheme', 'KBL Instant Agri Credit Scheme', 'Kisan Credit Card Scheme', 'KBL Agri Gold Scheme', 'Krishik Sarathi Scheme', 'Krishik Pushpankura Scheme', and 'Krishik Sinchana Scheme', we offer a wide range of products to individual farmers, joint borrowers, small and marginal farmers, and others engaged in agricultural or allied activities.

The retail loans witnessed growth, reaching ₹ 41,605.74 Crore by March 31, 2024. As of March 31, 2023, Bank's retail loans stood at ₹ 35,564.32 Crore. It generated revenue of ₹ 4,222.61 Crore (Previous year: ₹ 3,653.01 Crore), contributing ₹ 1,030.18

Crore (Previous year: ₹ 1,147.80 Crore) to the profit before tax and un-allocable expenditure, further attesting to the Bank's robust retail banking strategy.

In the MSME sector, we offer a diverse range of products tailored to meet the financial requirements of entrepreneurs. These include working capital finance, term loans, and various business finance products, both fund-based and non-fund based. Specific schemes such as 'KBL Contractor Mitra', 'KBL Micro Mitra', and 'KBL Export Mitra' cater to specific segments of the public, while initiatives like the KBL MSME scheme are open to all MSME customers. To support women entrepreneurs, we provide the 'KBL Mahila Udyog' product. Recently, we introduced the 'KBL Commercial Vehicle without Collaterals' scheme in November 2023, aimed at contractors and transport operators. Additionally, in February 2024, we launched the 'KBL Equipment Loan' scheme, catering to buyers of medical equipment, backhoe loaders, crushing plants, road rollers, dumpers, and cranes.

We are also registered as a financier on the TReDS platform, designed to provide finance to MSMEs.

In the agriculture sector, the Bank's efforts are directed towards augmenting Priority Sector Lending (PSL) and ensuring the fulfilment of sub-targets under PSL. We have increased the number of Agriculture Field Officers (AFOs) and sales officers at the branch level to effectively reach farmers, Self-Help Groups (SHGs), and Joint Liability Groups (JLGs). The regular special campaigns focus on extending loans to weaker sections of society, and the Bank's partnerships with business correspondents and facilitators have bolstered business generation.

Over the years, we have intensified lending to SHGs and microfinance, contributing to financial inclusion. Additionally, we actively explore opportunities for collaboration with agri-tech companies to leverage emerging digital disruptions in the agriculture sector. Through strategic partnerships and tie-ups, we aim to expand the Bank's business footprint and increase portfolio under PSL. The regular reviews are conducted to discuss strategies, action plans, and monitor performance, ensuring continuous growth and impact in the agriculture sector.

## Treasury



The Treasury operations of the Bank encompass a range of activities aimed at managing statutory reserves, liquidity, investments, and foreign exchange. This includes managing Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR), liquidity, investments, trading, and foreign exchange activities.

For liquidity management, Treasury department of the Bank primarily invests in sovereign debt instruments and other fixed-income securities. Additionally, we engage in mutual funds, certificates of deposits, and floating-rate instruments to manage short-term surplus liquidity effectively. Our Integrated Treasury in Mumbai offers a broad spectrum of products and services to customers, including forward contracts and foreign exchange services.



We maintain SLR through a portfolio of central government, state government, and government-guaranteed securities, along with other approved securities. These portfolios are actively managed to optimize yield and capitalize on price movements. Furthermore, activities extend to trading debt securities, equity securities, and foreign exchange within permissible limits.

The revenue from treasury segment was ₹ 1,276.83 Crore and ₹ 1,652.13 Crore as of March 31, 2023 and March 31, 2024, respectively. It is contributing ₹ 164.79 Crore (Previous year: ₹ 21.02 Crore) to profit before tax and un-allocable expenditure. Our non-interest income from our treasury segment, consisting of profit from the sale of investments and profit on exchange/derivative transactions was, ₹ 30.83 Crore and ₹ 19.64 Crore as of March 31, 2023 and March 31, 2024 respectively.



## Other banking operations

The Bank has embarked on a comprehensive digital transformation journey aimed at integrating advanced IT systems and technologies to enhance customer experience and operational efficiency. This transformation is centred around providing an omnichannel banking experience, leveraging an API-driven open banking architecture, and personalizing customer interactions through data analytics.

Under the "KBL-VIKAAS" program, initiated in Fiscal 2017, we have laid the groundwork for our digital strategy, in consultation with the Boston Consulting Group. This initiative focuses on bolstering the Bank's foundational capabilities and staying at the forefront of technological innovation. As part of this transformation, we established the Digital Centre of Excellence (DCoE), dedicated to developing digital innovations and technological enhancements. The Program has successfully completed 6 years and further remodeled as 'KBL VIKAAS 3.0' with visible accomplishments and is surging ahead with various futuristic initiatives based on the 3 principles

## Run the Bank, Grow the Bank, Change the Bank.

As digital is the way forward for our business under KBL VIKAAS 3.0, the Bank has placed digital banking on fast forward mode to position the Bank as 'Digital Bank of Future' and various digital projects are taken up during the FY 2023-24 are mentioned below.

Co-lending Model with NBFCs for lending to Priority Sector was launched to provide greater operational flexibility to lending institutions and to improve the flow of credit to the unserved and underserved sector of the economy. Accordingly, the bank has partnered with M/s. Paisalo Digital Limited, M/s. Satin Creditcare, M/s. Clix Capital, M/s. Yubi and M/s. Northern Arc as a stepping stone in this direction.

**Collection of Direct and Indirect Taxes on behalf of CBDT/CBIC through Internet Banking and Over the Counter (OTC) modes:** Consequent upon authorization of the Bank by RBI, and execution of agency business agreement thereof,

the Bank has engaged with CBDT/CBIC for collection of Direct, Indirect Taxes & Customs duty payments through Internet Banking and OTC mode.

**Digital Marketing Initiatives:** In order to leverage the Bank's presence in Digital Marketing arena, different marketing initiatives have been formulated to match the customers' expectations for various products and services offered by the Bank. In this background, the Bank has introduced Net Promoter Score Survey Tool and also introduced SMS/Email drip campaign for pitching various products and recording their response.

The Bank has established, Analytical Centre of Excellence (ACoE), where in, the various analytical and business intelligence tools and engines are used. A number of use cases are being implemented and the outcome of analyzed data is used for marketing and running the targeted campaigns to the existing customers.

**Trade Finance Automation:** As part of automation of submission of documents by Forex clients, trade zone module has been enabled to Forex branches to streamline and expedite the Forex Transactions. Also, outward remittance module (LRS) has been enabled through Internet Banking Channel as an extension of service through ADC channel.

**Dairy Digitization- DGV Business Model:** The Bank has on-boarded Digivridhi Technologies (DGV), a dairy Fintech as Corporate Business Correspondent to offer our services like to the dairy farmer segment at Milk Producer Co-op society level. An array of our services like Savings Account, Transactions through AePS/Debit card, Bovine loans are digitalized and offered to customers through DGV's Agent in their Micro ATM portal.

**Doorstep Gold Loan:** The New Gold loan product named 'KBL Swarna Bandu' has been launched on pilot basis at selected branches through which the Bank can provide Gold loan services to customers' doorstep through tieup with M/s Sahibandu FinTech Services Private Limited as a Business Correspondent.

**OMNI Channel:** To provide seamless experience for smooth online banking operations, convenience and efficiency, the Bank has introduced KBL OMNI Channel for corporate internet banking in Phase 1 with value added features such as Bulk transactions upload, GST Payments, Quick transfer facility etc. However, Bank is exploring to implement Mobile Banking application for corporate customers in Phase II.

**Corporate Salary Account:** The Bank has developed new corporate salary savings account schemes for employees of Companies/Corporates/Firms /LLPs /Societies/Trusts/Clubs and Association etc., with value-added services such as Concession in Safe Deposit Locker rent, Airport Lounge access, Debit card facility with higher limits, Various insurance benefits etc.

**Enhanced features in Whatsapp Banking:** In pursuit of providing better customer service and user-friendly technology interface, the Bank has introduced new features through 'WhatsApp Banking' such as Online application to avail locker facility, updation of KYC, Submission of Positive pay for issued cheque etc.



## Deposits

The deposits portfolio of the Bank is broadly classified into demand deposits and term deposits, which are briefly discussed as under:

**Term deposits:** We accept term deposits giving a fixed return, for periods ranging from 7 days to 10 years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties, if any. The term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer overdraft facility against the term deposits to our customers. The term deposits provide us with a cost efficient and stable funding source and remain a key focus area for us. Our retail franchise of term deposits ₹ 66,664.81, comprising deposits below ₹2 Crore, accounted for approximately 87.90% of the total deposits.

Our retail banking liability portfolio comprises CASA (Current Account Savings Account) and term deposit services. By fostering banking relationships through current and savings accounts, we provide a gateway of services to customers, including international debit cards, internet banking, mobile banking, co-branded credit cards, third-party products, and alternative delivery channels. For leveraging our digital capabilities, we have streamlined the account opening process, with over 88% of CASA accounts initiated through our digital onboarding solutions.

**Savings accounts:** We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals and trusts. In addition to our conventional deposit products, we also offer a variety of special value-added products and services such as, inter alia, 'SB-Sapphire', 'SB Platinum', 'SB Ruby', 'SB-TASC', and 'KBL Vanitha Women's Saving Account. With the initiation of the project 'KBL VIKAAS', on-boarding of savings bank customers through Tab and Web banking has also been implemented.

**Current accounts:** We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. The customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

Notably, our CASA deposits accounted for 31.97% of the total deposits, reflecting the strength of our retail franchise.

The average cost of term deposits was 5.66% and 6.68% in Fiscal 2023 Fiscal 2024, respectively. The average cost of total deposits was 4.62% and 5.32% in Fiscal 2023, 2024 respectively.



## Card services

As on March 2024, we have a debit card base of 52.49 Lakhs. The debit cards are issued in association with Visa and RuPay.

The Bank is offering Digi loan Journeys for eligible customers. The % of adoption under Digi loans are as under:

Initiative	% of Digital underwriting on eligible sanctions
KBL Xpress Cash	100%
KBL Xpress Car Loans	91%
KBL Xpress Home Loans	94%
KBL Xpress MSME Loans	90%

Moreover, our digital transformation extends beyond customer-facing solutions to internal processes, enhancing productivity and efficiency. We have introduced internal tools such as KBL FORCE (Lead Management System), KBL e-Dashboard, and KBL Collect+ for real-time monitoring of collections, among others. These tools have streamlined our internal operations, driving greater efficiency and effectiveness.

In summary, the Bank remains committed to leveraging technology to drive innovation, enhance customer satisfaction, and deliver seamless banking experiences in a rapidly evolving digital landscape.

## Banking Outlets and Alternate Delivery Channels (ADCs):

Though the presence of your Bank is predominant in south India, your Bank has been judiciously expanding its network of branches and controlling offices in various parts of the country after examining the potential for business, earnings and customer outreach.

As of 31<sup>st</sup> March 2024, your Bank had 2,417 service outlets including 921 branches, one extension counter, 857 ATMs and 638 recyclers with a presence in 593 centres spread across 22 States and 2 Union Territories. Apart from the above, the Bank also has one Data Centre with a Disaster Recovery Centre and Near Line Site (NLS), two Service branches, five Currency Chests, two Central Processing Centres, one Digital Centre of Excellence, Nine Asset Recovery Management Branches and 3 Central Loan Processing Hubs and one Central Loan Sanctioning Centre for Sanctioning of retail loans. During the year under review, your Bank has opened twenty new branches.



## Mobile Banking and Net Banking:

The Mobile banking app-KBL Mobile Plus, Internet banking-KBL MoneyClick and Omni channel KBL ONE are the prominent Digital Banking channels. Apart from ATM/CR value added features like, Deposit Loan Opening and Closure, Email OTP enablement to NRI customers, new platform of bill payment/ recharge through Bill Desk Hexagon Solutions, Re-Kyc in Mobile Banking, Single tap WhatsApp Banking were launched. During the FY, Bank has launched phase wise implementation of Omni Channel- KBL ONE where Corporate Internet Banking was made available to Customers. As on March 31, 2024, 94.62 % of transactions were performed through the digital Banking channels.



As of March 31, 2024, our Bank had approximately 0.081 Crore internet banking users and 0.33 Crore mobile banking users generating over 0.50 Crore internet banking transactions and 2.50 Crore mobile banking transactions. As on March 31, 2024, 94.62% of transactions were performed through the digital Banking channels. In Fiscal March 31, 2024 our Bank had 0.072 Crore UPI BHIM mobile payment customers, respectively, generating 7.40 Crore UPI BHIM transactions.

### **Bancassurance Business**

#### **Life Insurance:**

Your Bank has been committed to providing comprehensive life insurance solutions through well-established partnerships. We have maintained our association with PNB Metlife Insurance Company Limited for over two decades, partnered with Life Insurance Corporation of India since 2017, and joined forces with Bharti AXA Life Insurance Limited since 2019. During this reporting period, your Bank also partnered with HDFC Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited. These additional collaborations enable us to offer our customers a diverse range of life insurance products that cater to their unique needs. As on March 2024 Commission income from Life insurance business was ₹ 54.64 Crore.

#### **General Insurance:**

Your Bank has been associated with Universal Sompo General Insurance Co Limited and Bajaj Allianz General Insurance Company Limited to enable your Bank to offer health and non-life insurance products to its customers. In the realm of general insurance, the bank has tied up with M/s. Universal Sompo General Insurance Co Limited, M/s Bajaj Allianz General Insurance Company Limited. During the reporting period to expand the product portfolio your bank has partnered with M/s. ICICI Lombard General Insurance Company Limited. Through these alliances, we offer a broad spectrum of health and non-life insurance products to our customers.

As a step towards providing financial security, your Bank launched Group Personal Accident (GPA) Insurance scheme "KBL Suraksha" by M/s Universal Sompo General Insurance Company Limited, which provides Personal Accident Insurance cover for accidental death. The scheme is launched to give social security to our eligible SB account holders with a very nominal premium. Your Bank's SB account holders between the age group of 18 to 70 years can subscribe to this scheme by paying a nominal annual premium of ₹300 for ₹10 lakh & ₹150 for ₹5 lakh coverage, and the policy can be renewed. As on March 2024 Commission income from General Insurance business was ₹ 19.29 Crore.

The Social Security Schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana [PMJJBY], Pradhan Mantri Suraksha Bima Yojana [PMSBY], NPS facility (National Pension Scheme) and Atal Pension Yojana (APY) are also extended at all the branches of your Bank.

### **THIRD PARTY PRODUCTS**

#### **Co-branded Credit Cards: Enhancing Consumer Convenience:**

Your Bank launched a Co-Branded Credit card on March 31, 2017, in collaboration with SBI Cards and presently issuing two variants of Credit cards namely "Simply Save card" & "Prime card". Throughout the past year, we have successfully achieved a significant milestone by issuing over 2.42 lakhs cards. During the year, the Bank issued 1.19 Lakhs co-branded credit cards with total outstanding cards at 3.61 Lakhs.

#### **DEMAT AND ONLINE TRADING FACILITY:**

Your Bank has been registered with SEBI as the 'Depository Participant (DP)' in the year 2006 and has been providing Demat service ever since. Currently, your Bank is having a 2-in-1 tie-ups arrangement with Way2Wealth Securities Private Limited, IIFL Securities Limited and FISDOM for extending Wealth management, online Demat & trading service to our valued customers.

#### **DISTRIBUTION OF MUTUAL FUND UNITS:**

Your Bank is an AMFI registered mutual fund distributor and is currently empanelled with eight asset management companies in India to distribute mutual fund products to the clients of the Bank. The Mutual fund products are sold through the branch distribution network of the Bank.

Your Bank has been associated with Finwizard Technology Private Limited for the online sale of mutual funds through their technology-enabled platform 'FISDOM' since 2019 under a referral arrangement which has been integrated with mobile application 'KBL Mobile Plus' of your Bank.

#### **POINT OF SALE ("PoS") NETWORK**

Your Bank provides PoS (swiping machine) services on a referral basis to merchant partners to collect their payments in an automated manner. To provide more effective payment solutions to clients, the Bank has associated with 'Mswipe Technologies Private Limited' and 'Bijlipay' which enables us to act as independent referral service providers of both companies for marketing, procurement and assistance in providing PoS services to clients of the Bank.

Your Bank has also launched a 'Cash@POS' facility through its network of over 10,083 PoS terminals installed at various merchant establishments throughout India. It is a facility through which any customers of other Bank can also withdraw cash using their debit cards/open system prepaid cards (issued by Banks in India) at PoS terminals of your Bank.

FASTag Facility: The Bank launched KBL-FASTag on August 25, 2021 and expects it to be a good revenue stream going forward.

The "KBL FASTag" recharge function has been enabled through Mobile Banking, UPI & NETC FASTag portal.

Other Banking operations: this segment has generated revenues of ₹ 291.63 Crore with a net result of ₹ 56.86 Crore.

### Customer Service:

Your Bank is continuously focusing on creating new benchmarks in customer service so as to make the Bank distinctly more competitive. This necessitates designing of innovative and cost-effective mechanisms for delivering banking services efficiently. The Bank is actively involved in putting in place system and procedures on banking services rendered to customers and an effective grievance redressal mechanism including an Internal Ombudsman [IO] as per the guidelines received from RBI and IBA from time to time. The Bank is also providing doorstep banking services to the Senior Citizen customers of more than 70 years of age and differently abled or infirm persons including visually impaired at all branches of metro centres and "on a best effort basis" at all other branches of the Bank, going forward.



### Human Resources (ISO-9001:2015 certified)

The Banking industry is exposed to various changes/challenges with the digitalization taking the world by storm. The survival and prosperity of any industry depends upon the quality of its human resources and banking industry is not an exception. The Human Resource Development is a continuous process to ensure development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. Accordingly, your Bank attaches the greatest importance to employee upskilling, employee satisfaction and human resource development activities. Bank also has a Chief Learning Officer to oversee skill development and training needs. The Bank has also introduced ECDS (Employee Career and Development System) by operationalizing the PMS (Performance Management System). The Bank has also put in place TMC (Talent Management Committee) to identify and groom the talents as part of succession planning and training & development.

As on March 31, 2024, the Bank had 8,907 employees of which, 2,799 are women employees constituting around 31.42% of the total strength. Your Bank has put in place an institutional mechanism for the protection of women employees at the workplace and adopted a policy pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, providing for the protection of women employees against the sexual harassment of women at the workplace and redressal of such complaints. There were no complaints pending at the beginning of the FY and no complaints were received during the year under review.

Training plays a major role in Human Resource Development. Effective training is important for any organization that aims to gain a competitive advantage through enhanced performance

and excellent service from its employees. It is essential that staff members are acquainted with the required knowledge and skills to meet current challenges so as to perform the tasks efficiently and prepare them to shoulder higher responsibilities.

The Bank has so far hosted 126 e-learning modules on the ELM platform. The modules hosted have covered all facets of Banking and also important products/processes of the Bank, Parabanking, IT, Information and Cyber Security, Risk and so on. The E-learning provides the members of staff a very good opportunity to acquire knowledge on diversified subjects at their location through easy learning techniques without the necessity of attending classroom training. These modules are in simple & lucid language and understandable to everyone and on successful completion, an e-Certificate is also awarded.

Your Bank deposes its employees to various training and development programmes to upgrade their skills, competencies and contribution towards the growth of the Bank. The Bank has a well-established Staff Training College which is awarded the prestigious ISO 9001:2015 certification for the Compliance Quality Management Standards. Few of the elite institutes where the Bank deposes its officers and staff for specialized training State Bank Institute of Leadership (SBIL) Kolkata, Centre for Advanced Financial Research & Learning (CAFRAL) Mumbai, National Institute of Bank Management (NIBM) Pune, Southern India Banks' Staff Training College (SIBSTC) Bengaluru, Indian Institute of Banking and Finance (IIBF) Mumbai, College of Agricultural Banking (CAB) Pune, Institute for Development and Research in Banking Technology (IDRBT) Hyderabad, Foreign Exchange Dealers Association of India (FEDAI) at Mumbai and Bankers Institute of Rural Development (BIRD) Mangaluru & Lucknow.

During the financial year 2023-24, 6,352 employees were nominated for various trainings/e-workshops/conferences covering 76.05% of the total staff strength. Further, a total of 5,912 nominations (4604 unique staff members) of staff including executives have undergone the training at our Staff Training College and 6924 nominations (3520 Unique Staff Members) members of staff have been trained at the external training Centres (1772 Staff members have attended training at both STC and external training centres.) such as SIBTSC, IIBF, RBI-CAB etc., either offline or online mode. Further, Leadership Development Programme was conducted at SBIL (State Bank Institute of Leadership) for executives.

As a part of the Capacity Building initiative, specialized areas like Treasury Operations, Risk Management, Credit Management, Accounting, Human Resource Management, and Information Technology have been identified and the staff members are encouraged to acquire certification courses from institutions approved by IBA.

Your Bank values opinions and suggestions from all the employees and encourages their inputs, thoughts and innovative ideas which help in creating a highly productive, competitive, and reliable workforce thereby emerging as a preferred destination for the competent workforce. Further, your Bank has maintained cordial industrial relations and effective employee discipline.



**Review Of Financial Performance (Standalone):****a. Summary:**

As on March 31, 2024, the Business Turnover of the Bank reached a new high of ₹171059.49 Crore. During the FY 2023-24, the Bank registered an all-time high net profit of ₹1306.28 Crore. The share of CASA was at 31.97%. The asset quality improved Y-O-Y with a 21 bps and 12 bps reduction respectively under Gross NPAs and Net NPAs. The Bank has a Provision Coverage Ratio (PCR) of 79.22% and further consolidated its position in CRAR which improved to an all-time high of 18%. Overall, the financial year 2023-24 was a year of business excellence witnessing further strengthening of the fundamentals of the Bank.

Net Interest Income increased by 3.57% to ₹ 3,298.72 Crore from ₹ 3,185.10 Crore as Interest income increased by 14.93% to ₹ 8,298.5 Crore from ₹ 7,220.23 Crore. As a result, Net profit increased by 10.68% to ₹ 1306.28 Crore from ₹ 1180.24 Crore.

The following table sets forth the analysis of Net interest income and Interest spread:

(₹in Crore)	FY24	FY23	Change (%)
Interest earned	8,298.50	7,220.23	14.93
Interest expended	4,999.78	4,035.13	23.91
Net Interest Income	3,298.72	3,185.10	3.57
Net Interest Margin (%)	3.51	3.70	-19 bps
Yield on Advances (%)	9.89	9.41	48 bps
Cost of Deposits (%)	5.32	4.62	70 bps
Interest Spread in Lending (%)	4.57	4.79	-22 bps

Net interest margin and Interest spread has changed by -19 bps and -22 bps respectively although there was a 48 bps increase in yield on advances due to increase in cost of funds.

**b. Interest Earned**

During FY24, your Bank earned an interest income of ₹ 8,298.50 Crore up by 14.93% over ₹ 7,220.23 Crore earned in FY23.

(₹in Crore)	FY24	FY23	Change (%)
Interest on advances and Discount on bills	6,524.78	5,584.91	16.83
Income on investments	1,500.18	1,422.35	5.47
Interest on balances with RBI and inter-bank Funds	18.06	1.58	1,043.04
Other interest income	255.48	211.39	20.86
Interest earned	8,298.50	7,220.23	14.93

The increase in Interest on advances and Discount on bills by 16.83% was on account of an increase in MCLR and other External Benchmark Lending rates, while Income on investments went up by 5.47% due to an increase in average investments from ₹ 23,855.88 Crore during financial year 2022-23 to ₹ 24,280.43 Crore during financial year 2023-24.

**c. Other Income**

(₹in Crore)	FY24	FY23	Change (%)
Other Income	1,318.92	992.58	32.88

Other income increased from ₹ 992.58 Crore to ₹ 1318.92 Crore i.e., by 32.88 % primarily due to an increase in non- fund business and other para-banking activities during the FY 2023-24.

**d. Interest Expense**

The following table sets forth the details of interest expense.

(₹in Crore)	FY24	FY23	Change (%)
Interest on deposits	4,779.66	3,786.86	26.22
Interest on borrowings from RBI and Banks	25.37	53.35	-52.45
Other interest	194.75	194.92	-0.09
<b>Interest expended</b>	<b>4,999.78</b>	<b>4,035.13</b>	<b>23.91</b>

**e. Operating Expenses**

The following table sets forth the broad lines of operating expenses.

(₹in Crore)	FY24	FY23	Change (%)
Employee cost	1,372.84	1,069.19	28.4
Depreciation	71.82	86.41	-16.89
Other administrative expenses	1,009.67	813.85	24.06
Total operating expenses A	2,454.33	1,969.45	24.62
Total income (Less) Interest Expenditure B	4,617.64	4,177.68	10.53
<b>Cost to income Ratio (%) C = A/B</b>	<b>53.15</b>	<b>47.14</b>	<b>601 bps</b>

The Cost to Income Ratio has increased mainly on account of an increase in operational expense.

**f. Provisions and contingencies**

The following table sets forth the details of provisions for NPA etc.

(₹in Crore)	FY24	FY23	Change (%)
NPA	597.38	889.95	-32.87
Standard advances (including NPV of Restructured Standard advances)	-7.45	-121.49	106.13
Investments	-8.27	0	100.00
Others	18.92	-1.28	1578.00
Provision for Tax	256.45	260.8	1.67
<b>Total provisions</b>	<b>857.03</b>	<b>1027.98</b>	<b>16.63</b>

During the FY24, Bank has resorted to accelerated provisioning for non-performing advances banking on the strength of its Balance Sheet thereby having PCR upto 80% levels and moderating Net NPAs to below 2% levels. The provision on Restructured advances has decreased as there was a reduction in Restructured portfolio by 26.81% thereby reducing the provisioning requirement for such advances. Also, with effect from the Assessment year 2023-24, the Bank has opted for the new regime of tax under section 115 BAA of the Income tax Act 1961.

**g. Deposits**

The following table sets forth the details of the deposits.

(₹in Crore)	FY24	FY23	Change (%)
CASA deposits	31,347.36	28,807.07	8.82
Retail term deposits	66,709.81	58,560.94	13.92
Others		---	--
<b>Total</b>	<b>98,057.83</b>	<b>87,368.01</b>	<b>12.24</b>

Even though there was higher growth in CASA deposits, there was increase in cost of deposits due to rise in interest scenario from 4.62% in FY23 to 5.32% in FY24, thus pressurizing NIM levels.

**h. Advances**

During FY 2023-24, gross advances grew by 19.08%. The details are as under:

(₹in Crore)	FY24	FY23	Change (%)
Advances (Gross)	73,001.66	61,302.78	19.08

**i. Asset quality / Provisioning**

Asset quality refers to the recoverability of an advance, measured by the behaviour of the borrower in timely payment of interest and instalments and other parameters. As per RBI guidelines, we have classified advances into Standard, Substandard, Doubtful and Loss assets depending upon how long a loan has remained a non-performing asset (NPA) and made provisions as per those guidelines.

Classification of NPAs is as follows:

(₹ in Crore)	Gross NPA	Provision held & other netting Items	Net NPA
Sub-standard	855.41	156.61	698.80
Doubtful	1,380.39	1,000.17	380.22
Loss	342.62	292.46	50.16
<b>Total NPA</b>	<b>2,578.42</b>	<b>1,449.24</b>	<b>1,129.18</b>
NPA%	3.53%	-	1.58%

**Capital Adequacy**

Your Bank maintained a strong capital position and capital adequacy ratios were well above the minimum regulatory requirements of 11.50% as per Basel III capital adequacy guidelines stipulated by RBI.

Capital-To-Risk Weighted Assets Ratio (CRAR) under Basel III:

(₹ in Crore)		As on 31.03.2024	As on 31.03.2023
A Tier I Capital			
Paid-up Equity Capital		377.26	312.35
Reserves under Tier I Cap.		9731.75	7258.31
Total Tier I Capital		10,109.01	7,570.66
B Tier II Capital			
General Provisions & Reserves		844.13	721.87
Subordinated Debts		300.00	1020.00
Eligible Tier II Capital		1,144.13	1,741.87
C Total Capital Tier I and II	A+B	11,253.14	9,312.53
D Risk-Weighted Assets		62,532.53	53,378.41
E CRAR Tier I Capital	A/D	16.17%	14.18%
F CRAR Tier II Capital	B/D	1.83%	3.27%
<b>G CRAR Tier I and Tier II Capital</b>	<b>C/D</b>	<b>18.00%</b>	<b>17.45%</b>

**j. Key Ratios**

Ratio	UoM	As on/FYE 31.03.2024	As on/FYE 31.03.2023
<b>Productivity ratio</b>			
Operating Profit per employee	₹ in Crore	0.24	0.26
Operating Profit per branch	₹ in Crore	2.34	2.45
Business per employee	₹ in Crore	19.21	17.03
Business per branch	₹ in Crore	185.53	163.51
<b>Profitability</b>			
Net interest margin	%	3.51	3.70
Interest spread	%	4.57	4.79
Cost to income	%	53.15	47.14
<b>Asset quality</b>			
Gross NPA	%	3.53	3.74
Net NPA	%	1.58	1.70
<b>Capital efficiency</b>			
Business Turnover (Gross)	₹ in Crore	1,71,059.49	1,48,670.79
Credit Deposit Ratio (Gross)	%	74.45	70.17
Return on assets	%	1.22	1.21
Return on equity	%	13.71	15.42
Provision coverage ratio (PCR)	%	79.22	80.86
Capital-To-Risk Weighted Assets Ratio (CRAR)	%	18.00	17.45
<b>Shareholder value</b>			
Earnings per share	₹	39.84	37.88
Book value per share	₹	287.57	262.96

## Risk and Mitigation

A Gist of how the Bank manages the key risks associated with its operations is provided hereunder:

Type of Risk	Mitigation Process	Strategy
<p><b>CREDIT RISK:</b></p> <p>Credit risk is the possibility of a bank's borrower or counterparty failing to meet their obligations in accordance with agreed terms.</p>	<p>Your Bank has developed an online comprehensive credit risk rating system for quantifying &amp; aggregating the credit risk of all borrower accounts across various exposures. The Bank has introduced corporate rating models, specialized lending rating models, Retail Score Card model and Facility Rating Model. Using Business Rule Engine (BRE), the Bank has automated the retail underwriting and credit decision process. Credit Audits, Legal Audits and Stock Audits of large credit exposures are conducted to limit the magnitude of credit risk.</p>	<p>Ensuring healthy asset quality by continuous monitoring &amp; collection follow-ups through a separate department viz. Credit Monitoring Department (CrMD).</p>
<p><b>MARKET RISK:</b></p> <p>Market risk is the risk to earnings &amp; capital resulting from movements in market prices, particularly changes in interest rates, foreign exchange rates &amp; equity &amp; commodity prices, including the volatilities resulting from those changes.</p>	<p>The Bank has put in place Board approved Policy on Integrated Treasury, Policy on Asset Liability Management (ALM), the Policy on Market Risk Management and Policy on Fund Transfer Pricing for effective management of Market Risk in the Bank. Besides, there are inbuilt thresholds for close monitoring of the market movement.</p>	<p>Optimizing returns from various assets &amp; market-linked instruments, treasury operations etc.</p>
<p><b>LIQUIDITY RISK:</b></p> <p>Liquidity risk arises when a bank fails to meet its contractual obligation in its daily operations due to inadequate funds flow</p>	<p>Proactive analysis of different circumstances viz. Funding risks, Time risks, and call risks which would cause liquidity risk to the banks. The liquidity risk is assessed using gap analysis for maturity mismatch based on residual maturity in different time buckets. Advanced techniques such as Stress testing, simulation, sensitivity analysis etc. are conducted at regular intervals to monitor the liquidity and to draw the action plan if required.</p>	<p>Advanced assessment of need of funds and coordinating with various sources of funds available to the Bank under normal and stressed conditions.</p>
<p><b>INTEREST RATE RISK:</b></p> <p>This is a Risk that arises when the financial value of assets or liabilities (or inflows / outflows) is altered because of fluctuations in interest rates.</p>	<p>An analysis is conducted by applying various shocks on product-wise weighted average interest rates in each time band. The interest rate risk is viewed from different perspectives viz. 'Earnings Perspective' and 'Economic Value Perspective'. The former is measured using Earnings-at-Risk (EaR) under Traditional Gap Analysis (TGA) while the latter is measured through changes in the Economic Value of Equity (EVE) under Duration Gap Analysis (DGA).</p>	<p>Ensuring appropriate trade-off between the cost of deposits and interest rate on advances.</p>



Type of Risk	Mitigation Process	Strategy
<p><b>CYBER RISK:</b></p> <p>This is a Risk associated with financial/data loss, disruption or damage to the reputation of an organization from unauthorized / deliberate malafide or erroneous use of information systems.</p>	<p>The Bank has taken adequate steps to address cyber risks by implementing the 'Cyber Security Framework' as per RBI guidelines and has deployed various Information Security systems such as Application Firewall, Web Security Gateway, End Point Security systems, Honey Pot systems and Privilege Identity Management (PIM) etc. to protect its information systems. The Bank has also put in place an in-house captive 'Security Operations Centre (SOC)', wherein, the logs are monitored through 'Security Information Event Management (SIEM)' tools.</p> <p>The Bank has implemented Digital Payment Security Controls for Alternate Delivery Channel (ADC) products. Bank was also subjected to cyber security audit by RBI. In order to protect customer data, and to ensure its secure access, Bank has adopted the cyber security controls prescribed by RBI's cyber security framework.</p> <p>The Bank is certified with ISO/IEC 27001:2013 standards for the 'Information Security Management System' (ISMS) on the systems and procedures maintained at Technology &amp; Digital Hub, Co-located data centre (DC/DR). Near Line site, and Digital Centre of Excellence (DCoE) which assures higher level of security features in all its applications and process.</p> <p>Bank is certified with PCI-DSS ver 3.2.1 standards with regard to the security of its card data environment, thereby assuring confidence to the customer on data security controls. As part of its cyber resilience measures, the Bank has ensured sufficient redundancy of its cyber security infrastructure; subscribed to proactive cyber risk monitoring services such as dark web monitoring, attack surface monitoring; Threat intel feeds from national agencies and reputed service providers; Breach assessment and forensic retainer services and Cyber insurance. The Bank also has implemented a cloud strategy as part of its resiliency initiatives.</p>	<p>Strengthening Bank's internal cyber resilience system while keeping a watch on the cyber risk associated incidents in the outside world.</p>
<p><b>OPERATIONAL RISK:</b></p> <p>Operational risk is the risk of direct or indirect loss resulting from breakdowns in internal processes, people, systems and external events.</p>	<p>The Bank has initiated several measures to manage operational risk through the identification, assessment and monitoring of inherent risks in all its business processes. Systems and controls have been built in and around the Core Banking Solution to avert probable fraud incidents.</p> <p>Bank has also implemented the Enterprise Level Fraud Risk Management System (ELFRMS) to identify the potential fraudulent transactions under various Alternate Delivery Channels (ADC) and Core Banking Solution (CBS). The system is intended to identify the potentially fraudulent transactions on real-time basis, based on predefined probable fraud scenarios. ELFRMS operates 24*7 with a DR set up to ensure business continuity.</p>	<p>Introduction/modifications of products/ processes would be taken up post-assessments primarily using the 'Risk and Control Self-Assessment (RCSA)' to identify, evaluate, monitor &amp; mitigate key operational risks within the Bank.</p> <p>The Bank has implemented an Operational Risk Management application to effectively manage the operational risk.</p>

## Internal Control Systems - Adequacy and Compliance

Your Bank has put in place an effective and robust internal control apparatus, commensurate with its size, geographical spread, and complexity of operations. At the apex level, guidance and direction on the control aspects is vested with the Audit Committee of the Board of Directors which takes an overall view of the internal control aspects and formulates all the related policy guidelines.

Your Bank has put in place an independent Compliance Department headed by a Chief Compliance Officer who is In-charge of the entire compliance functions of the Bank to ensure effective implementation and compliance with all the directives issued by various Regulators, its Board of Directors and its own Internal Control Policy.

### Risk-Based Internal Audit (RBIA):

Your Bank has adopted a Risk-Based Internal Audit (RBIA) mechanism which ensures greater emphasis on the internal auditor's role in mitigating various risks. While continuing with the traditional risk management and control methods involving transaction testing etc., the Risk-Based Internal Audit would, not only offer suggestions for mitigating current risk but also on potential risk, thereby playing an important role in the risk management process of the Bank. The risk assessment under RBIA covers risks at various levels (corporate and branch; portfolio and individual transactions etc.) as also the processes in place to identify, measure, monitor and control the risks.

The internal audit department has put in place the RBIA risk assessment methodology, with the approval of the Audit Committee of the Board of Directors, keeping in view the size and complexity of the business undertaken by the Bank. The risk assessment process includes the identification of 'Inherent Business Risk' in various activities undertaken by the Bank and evaluating the effectiveness of the control systems for monitoring the Inherent Risks of the business activities. The Internal Audit function of the Bank, operates independently under the supervision of the Audit Committee of the Board, thereby ensuring its independence.

To appraise the effectiveness of management at different levels in accomplishing the assigned tasks towards achieving the overall corporate objectives, Management Audit is being undertaken by your Bank for Departments at Head Office and Regional Offices.

### Concurrent Audit, Credit & Stock Audit

Besides, your Bank also covers select branches under concurrent audit as per the Concurrent Audit Policy of the Bank and Short Inspection of all the branches as well. Concurrent Audit of Treasury functions (both domestic and forex), Integrated Treasury, Forex designated branches, Centralised Loan Processing Hub, Centralised Loan Sanctioning Centre,

Centralized Account Verification Cell, SWIFT reconciliation, and external Integrated Audit of Centralised Reconciliation Cell is also undertaken.

Besides, the Bank has also been causing Stock/Credit Audits and Legal Audits of large borrowal accounts by external professionals in furtherance of effective credit administration. Bank's Credit Monitoring Department and Risk Management Department are acting as Risk resilient systems for effectively monitoring and managing for mitigation of various risks.

### Testing of Internal Financial Controls over Financial Reporting (ICFR)

As per the requirement of the Companies Act, 2013, Bank has formulated Internal Financial Controls framework by documenting risks and controls associated with each process in the Bank and testing of Internal Financial Controls over Financial Reporting (ICFR) is done annually.

### Information Systems Audit

With a view to seek periodic assurances on the adequacy and efficacy of internal control functions, the Bank causes periodic Regular Inspections and Information System (IS) audits of all the branches and Offices. IS Audit of Data Centre and DR Site is done by CERT-In empanelled external security auditing firm besides conducting other regular IS Audits by internal CISA qualified and ISO 27001 Lead Auditors etc. Your Bank has implemented a 'Defence in Depth' security architecture with continuous monitoring by the Securities Operations Centre (SOC) integrated with SIEM to safeguard the interest of the bank's assets and its stakeholder. The systems and processes of the Data Centre, NLS & IT, and RMD departments of the Bank are ISO 27001:2013 certified.

Your Bank has put in place the policies and procedures for ensuring orderly and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable and transparent financial information. The Audit Committee of the Board periodically assesses the effectiveness of the internal financial controls and their adequacy and issues directions for its strengthening wherever found necessary.

## The Path Ahead

### Strategic Roadmap for FY 2024-25

The Bank is poised to further its strategic goals for FY 2024-25, focusing on excellence in core business areas reinforced by a robust technology platform. The strategy of the Bank involves tech-driven processes, products, and people, targeting the rural, MSME, and retail sectors. Aiming to cultivate a performance-driven culture, the Bank is set to rebuild outward-facing, business-centric teams, leveraging digitalization and partnerships to accelerate growth and establish itself as a digital-first private sector bank.



## Future Initiatives

For FY 2024-25, the Bank has planned several transformative initiatives:

- 1) Liability Platform Implementation:** A comprehensive bank-wide liability platform will be introduced for seamless customer onboarding throughout their journey.
- 2) Pre-Approved and Flow-Based Loans:** The bank will launch innovative loan products that are pre-approved and flow-based, enhancing customer convenience and access to credit.
- 3) Hyperlocal SEO and MarTech Platform:** Developing a localised search engine optimisation (SEO) and marketing technology platform to better reach and serve customers.
- 4) National Back-Office Transformation:** Revamping the national back-office operations to enhance efficiency and service delivery.
- 5) Core System Overhaul:** The Major systems including Collections, Loan Origination Systems (LOS), and Loan Management Systems (LMS) will be overhauled to streamline processes and improve performance.
- 6) Supply Chain and Trade Finance Platform:** Introducing a new platform to support supply chain and trade finance activities.

**7) Contact Centre Transformation:** Modernising the bank's contact centre to enhance customer support and engagement.

**8) Digital Omnichannel Transformation:** Executing a transformation strategy to create a seamless digital experience across all channels.

**9) Data Governance and Warehouse Enhancement:** Improving data governance and expanding data warehousing capabilities for better data management and utilization.

**10) Unified Digital Retail Sales and Credit Hub:** Establishing a centralized digital hub for retail sales and credit operations.

## Expected Outcomes

These strategic initiatives are designed to fortify the Bank's financial standing and generate long-term value. By staying at the forefront of technological advancements, the bank aims to drive robust and sustainable growth, ensuring its leadership positioning in the industry. Through these efforts, the Karnataka Bank will continue to deliver exceptional value to its stakeholders and maintain its competitive edge in the evolving banking landscape.



Financial

# Statements







# Independent Auditors' Report

To The Members of  
The Karnataka Bank Limited

## Report on Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **The Karnataka Bank Limited** ("the Bank"), which comprise the Balance sheet as at March 31, 2024, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") from time to time, as applicable (the "RBI Guidelines") and the Companies Act, 2013, as amended ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2024, its profit, its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with ethical requirements that are relevant to our audit of the Standalone Financial Statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by the RBI from time to time, under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

### A. Identification of Non-Performing Assets ('NPA') and Provisions thereon

#### Key Audit Matter

#### Significant estimates and judgment involved

Identification of Non-Performing Assets ("NPA") and provisions in respect of NPAs are made based on management's assessment in accordance with the prudential norms issued by the RBI on Income Recognition, Asset Classification and Provisioning ("IRACP") pertaining to Advances from time to time.

The provision on NPAs is based on the valuation of the security available and also involves management estimates and judgements. In case of restructured accounts, provision is made in accordance with the RBI guidelines.

Accordingly, our audit focused on identification of NPAs and provision on advances as a key audit matter because of the level of management estimates and judgment involved. Further, in the event of any improper application of the prudential norms or consideration of the incorrect value of the security, the carrying value of the assets could be materially misstated either individually or collectively, and in view of the significance of amount of advances and investments in the financial statements and given its significance to the overall audit due to stakeholder and regulatory focus, the classification of the advances and investments and provisioning thereon has been considered as Key Audit Matter.

#### Auditors' Response

Our key audit approach included assessing the adequacy of design, implementation and operating effectiveness of key internal controls and substantive audit procedures over approval, recording and monitoring of loans, assessing the

# Independent Auditors' Report (Contd..)

reliability of documentation, measurement of provisions, identification of NPA accounts and valuation of security for NPA accounts along with basis and rationale for various other management information.

- As a process, we have read the Bank's policies for NPA identification and provisioning and assessing compliance with the IRACP norms.
- We have evaluated details on a test check basis of exposures for identification of NPA and calculation of provisions including valuation of primary and collateral securities which involves certain degree of management estimation.
- We have evaluated and understood the Bank's internal control systems to ensure completeness, accuracy, and relevance of data and to ensure that the same is in compliance with the RBI guidelines, circulars and directions on the Prudential Norms on Income Recognition, Asset Classification and Provisioning issued from time to time.
- We tested on a samples basis to ensure completeness of documentation, adherence of the approval process to the Bank's Policy and board minutes, credit review of customers, review of Special Mention Accounts, reports from the RBI's Centralised Information Management System and other related documents and reports including evaluation of the management judgement, governance, and review of internal control. Held discussion with the management of the Bank on various accounts wherein there has been stress and steps taken to mitigate such risks.

## B. Information Technology (IT) Systems and Controls Key Audit Matter

The IT environment of the Bank is complex. The Bank's operations utilise many independent and inter-dependent information technology systems for processing and recording large volume of transactions in numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on such IT systems for financial reporting process of the Bank. Controls over access and changes to IT systems are critical to the recording of financial information and the preparation of Standalone Financial Statements. Appropriate automated general and application controls are required to ensure that such IT systems and applications are able to process the data, as required, completely, accurately and consistently, which directly impact the completeness and accuracy of financial reporting.

The IT systems and controls is identified as a key audit matter because of high level of automation, significant number of systems being used and complexity of the IT infrastructure and its impact on the financial reporting system since our audit approach could significantly differ depending on the effective operation of the Bank's IT controls.

### Auditor's Response

We tested the technology control environment for key IT systems used in processing significant transactions and recording balances in the general ledger. We also tested key automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included:

- Assessing the governance and higher-level controls across the IT Environment and performing review of IT general controls.
- Evaluation and understanding the key IT systems being used by the Bank.
- Design and operating effectiveness testing of controls across the User Access Management, Change Management, backup, other IT operational controls as well as effectiveness testing of automated business process controls.
- Wherever required, we tested compensating IT Controls.

## C. Direct and Indirect Taxes

### Key Audit Matter

This matter has been identified as a Key Audit Matter due to the significant level of management judgment required in the estimation of provision for taxes including any write back of provisions, factors like uncertain tax positions and provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures.

### Auditor's Response

- Our audit procedures to test uncertain tax positions included understanding processes, evaluation of adequacy of design and implementation of controls and testing of operating effectiveness of controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies.
- We have obtained details of completed tax assessments and demands made by authorities from the management of the Bank.



# Independent Auditors' Report<sub>(Contd..)</sub>

- We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of disputed cases and evaluated the management's underlying key assumptions in estimating the tax provisions.
- We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions.
- We have also relied upon the opinion given by tax consultant in evaluating management's assessment for the uncertain tax positions. For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of disclosures.

## Information Other than the Standalone Financial Statements and Auditors' Report thereon

The Bank's Board of Directors are responsible for the other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis, Basel III – Pillar 3 disclosures and Corporate Governance report included in the Annual Report, but does not include the Standalone and Consolidated Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards

prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Independent Auditors' Report<sub>(Contd..)</sub>

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the Standalone Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

The Standalone Financial Statements of the Bank for the year ended on March 31, 2023, were audited by Kalyaniwalla & Mistry LLP, Chartered Accountants and Sundaram & Srinivasan, Chartered Accountants, the joint statutory auditors of the Bank whose report dated May 26, 2023 expressed an unmodified opinion on those statements. Accordingly, Ravi Rajan & Co. LLP, Chartered Accountants, do not express any opinion on the figures reported in the Statement for the year ended March 31, 2023.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. The Standalone Balance Sheet and the Standalone Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and Accounting Standards as per section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by its branches. However, during the course of our audit, we have visited 110 branches and offices for the purpose of understanding the processes, perform necessary walkthroughs and test of controls and examine the records maintained at such branches and offices.



# Independent Auditors' Report<sub>(Contd..)</sub>

3. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section, is not applicable.
4. Further, as required by Section 143(3) of the Act, based on our audit, we further report to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent they are not inconsistent with the policies prescribed by the RBI.
  - (e) On the basis of the written representations received from directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to the Standalone Financial Statements of the Bank and the operating effectiveness of such controls, our separate report in Annexure A is attached.
  - (g) The entity being a banking company as defined under Banking Regulation Act, 1949, the remuneration to its directors during the year ended March 31, 2024 has been paid / provided by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949.
  - (h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
    - i. The Bank has disclosed the impact of pending litigations on its financial position in Note 17 of Schedule 18 to the Standalone Financial Statements.
    - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund during the year ended March 31, 2024.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 21 (a) of Schedule 18 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 21 (b) of Schedule 18 to the Standalone Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.

# Independent Auditors' Report<sub>(Contd..)</sub>

- v. (a) The final dividend proposed for the previous year, declared, and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in the Note 19 of Schedule 18 to the Standalone Financial Statements, the Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend, as applicable until the date of this report.
- vi. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
- a. The feature of recording audit trail (edit log) facility was enabled at the database level of the accounting software used relating to Core Banking System, Loan Application Processing System, Investment and payroll for a shorter period of time. The Bank has deployed a Database Access Management Tool (DAM) which records the audit trail captured in the Software's database on a real time basis which also gets archived. Based on the above, the audit trail (edit log) requirement is operative from 1 April 2023 to 31 March 2024.
- b. Audit trail (edit log) facility with respect to Expenses (saral) was not enabled at database level / captured in DAM tool.
- c. Audit trail (edit log) facility with respect to Fixed Assets was not enabled at application layer level.
- Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**

Firm Regn. No. 104607W/W100166

**Sundaram & Srinivasan**  
**Chartered Accountants**

Firm Regn. No. 004207S

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**

Firm Regn. No. 009073N/N500320

**Anil A. Kulkarni**  
**Partner**

Membership No.047576

Date: 24 May 2024

Place: Mangalore

UDIN: 24047576BKBJK4288

**P Menakshi Sundaram**  
**Partner**

Membership No. 217914

Date: 24 May 2024

Place: Mangalore

UDIN: 24217914BKBOUL4558

**Sumit Kumar**  
**Partner**

Membership No. 512555

Date: 24 May 2024

Place: Mangalore

UDIN: 24512555BKFTQC4301



# Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 4 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone Financial Statements of the Karnataka Bank Limited for the year ended March 31, 2024)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

### Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of The Karnataka Bank Limited (“the Bank”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Bank has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2024, based on the criteria for internal control with reference to Standalone Financial Statements established by the Bank considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting” issued by the Institute of Chartered Accountants of India (the “ICAI”) (the “Guidance Note”).

### Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act and the Banking Regulation Act, 1949 and the circulars and guidelines issued by the RBI.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (SAs) issued by the ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to

an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls with reference to Standalone Financial Statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Bank’s internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial controls with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank’s assets that could have a material effect on the Standalone Financial Statements.

## Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Kalyaniwalla & Mistry LLP** **Chartered Accountants**

Firm Regn. No. 104607W/W100166

### **Sundaram & Srinivasan** **Chartered Accountants**

Firm Regn. No. 004207S

### **Ravi Rajan & Co. LLP** **Chartered Accountants**

Firm Regn. No. 009073N/N500320

### **Anil A. Kulkarni** **Partner**

Membership No.047576

Date: 24 May 2024

Place: Mangalore

UDIN: 24047576BKBJIK4288

### **P Menakshi Sundaram** **Partner**

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Place: Mangalore

UDIN: 24217914BKBOUL4558

### **Sumit Kumar** **Partner**

Membership No. 512555

Date: 24 May 2024

Place: Mangalore

UDIN: 24512555BKFTQC4301





# Standalone Balance Sheet

As on 31 March, 2024

(₹ in '000s)

	Schedule No.	As on 31-March-24	As on 31-March-23
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	377,25,98	312,35,24
Reserves and Surplus	2	10471,23,96	7901,00,89
Deposits	3	98057,82,71	87368,01,22
Borrowings	4	4399,53,33	1562,72,00
Other Liabilities and Provisions	5	2778,71,31	1914,24,50
<b>Total</b>		<b>116084,57,29</b>	<b>99058,33,85</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	7656,06,76	5204,23,46
Balances with Banks and Money at Call and Short Notice	7	336,67,10	955,23,28
Investments	8	24302,05,33	23326,36,66
Advances	9	71508,64,08	59951,62,21
Fixed Assets	10	914,63,66	875,21,96
Other Assets	11	11366,50,36	8745,66,28
<b>Total</b>		<b>116084,57,29</b>	<b>99058,33,85</b>
Contingent Liabilities	12	13136,36,32	10102,40,01
Bill for collection		2581,43,41	2773,08,22
Significant Accounting Policies	17		
Notes on Account	18		

The schedules referred to above form an integral part of Balance Sheet

**Sham K**

Company Secretary

**Abhishek S Bagchi**

Chief Financial Officer

**Gokuldas Pai**

Chief Business Officer

**Y V Balachandra**

Chief Operating Officer

**For and on behalf of Board****Sekhar Rao**Executive Director  
DIN 06830595**Srikrishnan H**Managing Director & CEO  
DIN 00318563**P Pradeep Kumar**Chairman  
DIN 03614568**B R Ashok**Director  
DIN 00415934**A V Chandrashekar**Director  
DIN 08829073**Uma Shankar**Director  
DIN 07165728**D S Ravindran**Director  
DIN 09057128**Balakrishna Alse S**Director  
DIN 08438552**Jeevandas Narayan**Director  
DIN 07656546**K Gururaj Acharya**Director  
DIN 02952524**Harish Hassan Visweswara**Director  
DIN 08742808**Attached to our report of even date****For Kalyaniwalla & Mistry LLP**Chartered Accountants  
Firm Regn. No. 104607W/W100166**For Sundaram & Srinivasan**Chartered Accountants  
Firm Regn. No. 0042075**For Ravi Rajan & Co. LLP**Chartered Accountants  
Firm Reg. No.009073N/N500320**Anil A Kulkarni**Partner  
M No 047576**P. Menakshi Sundaram**Partner  
M No. 217914**Sumit Kumar**Partner  
M. No. 512555

Place : Mangaluru

Date : 24-05-2024

# Standalone Profit And Loss Account

For the Year Ended 31 March, 2024

(₹ in '000s)

	Schedule No.	Year ended 31-March-24	Year ended 31-March-23
<b>I. INCOME</b>			
Interest Earned	13	8298,50,95	7220,23,12
Other Income	14	1318,91,68	992,57,53
<b>Total</b>		<b>9617,42,63</b>	<b>8212,80,65</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	4999,77,70	4035,12,74
Operating Expenses	16	2454,33,68	1969,45,39
Provisions and Contingencies		857,02,82	1027,98,24
<b>Total</b>		<b>8311,14,20</b>	<b>7032,56,37</b>
<b>III. PROFIT</b>			
Net profit for the year		13,06,28,43	1180,24,28
Profit brought forward		165,91,59	135,81,74
<b>Total</b>		<b>1472,20,02</b>	<b>1316,06,02</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		327,00,00	296,00,00
Transfer to Capital Reserve		8,34,73	-
Transfer to Revenue Reserve		648,00,00	590,00,00
Transfer to Special Reserve u/s 36 (i) (viii) of Income Tax Act		69,70,13	75,47,41
Transfer from Investment Reserve Account		-	-
Transfer to Investment Fluctuation Reserve		53,00,00	64,15,30
Transfer to Other Funds		-	-
Dividend paid (Previous year paid during the year)		156,37,10	124,51,72
Balance carried over to Balance Sheet		209,78,06	165,91,59
<b>Total</b>		<b>1472,20,02</b>	<b>1316,06,02</b>
Earning per share			
Basic		₹ 39.84	₹ 37.88
Diluted		₹ 39.66	₹ 37.66
Significant Accounting Policies	17		
Notes on Account	18		

The schedules referred to above form an integral part of Profit And Loss Account

**Sham K**  
Company Secretary

**Abhishek S Bagchi**  
Chief Financial Officer

**Gokuldas Pai**  
Chief Business Officer

**Y V Balachandra**  
Chief Operating Officer

**For and on behalf of Board**

**Sekhar Rao**  
Executive Director  
DIN 06830595

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Managing Director & CEO  
DIN 00318563

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Chairman  
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Director  
DIN 02952524

**Harish Hassan Visweswara**  
Director  
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**Attached to our report of even date**

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Partner  
M No 047576

**P. Menakshi Sundaram**  
Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024



# Standalone Cash Flow Statement

For the Year Ended 31 March, 2024

(₹ in '000s)

	Year ended 31-March-24		Year ended 31-March-23	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after Tax and Extra Ordinary Items		1306,28,43		1180,24,28
<b>Add:</b>				
Adjustments for :				
Provision for Tax	256,45,00		260,80,12	
(Profit)/Loss on sale Fixed Assets	(41,67)		30,14	
Depreciation on Fixed Assets including Lease Adjustment charges	71,82,36		86,41,02	
Provisions and Contingencies	600,57,82		767,18,12	
Amortisation of premium on Held to Maturity Investments	90,11,99		103,54,91	
(Profit)/ Loss on Revaluation of Investments	(104,80,21)		182,17,38	
Employee Stock Option Compensation Expense	90,91		-	
Write-off of Fixed Assets	2,27	914,68,47	3,90	1400,45,59
<b>Operating Profit Before Working Capital Changes</b>		<b>2220,96,90</b>		<b>2580,69,87</b>
<b>Adjustment for :</b>				
i) (Increase)/Decrease in Advances	(11698,87,33)		(3533,44,27)	
ii) (Increase)/Decrease in Other Operating Assets	959,02,76		(4474,63,20)	
iii) (Increase)/Decrease in Investments	(952,48,41)		(157,05,921)	
iv) Increase/(Decrease) in Deposits	10689,81,49		6981,16,69	
v) Increase/(Decrease) in Borrowings	2582,73,33		(849,67,33)	
vi) Increase/(Decrease) in Other Liabilities	(3039,20,16)	(1458,98,32)	3003,93,89	(443,23,43)
<b>Cash Generated from Operations</b>		<b>761,98,58</b>		<b>2137,46,44</b>
<b>Less:</b> Direct taxes paid		399,64,30		307,38,40
<b>Net Cash Flow from Operating Activities (A)</b>		<b>362,34,28</b>		<b>1830,08,04</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(111,74,74)		(88,70,41)
Sale of Fixed Assets		90,09		1,78,59
Investment in wholly owned subsidiary-KBL Services Limited		(25,00)		(50,00)
<b>Net Cash used in Investing Activities (B)</b>		<b>(111,09,65)</b>		<b>(87,41,82)</b>

# Standalone Cash Flow Statement (Contd..)

For the Year Ended 31 March, 2024

(₹ in '000s)

	Year ended 31-March-24		Year ended 31-March-23	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital (net of expenses)		1484,31,59		6,01,39
Proceeds from long term borrowings		254,08,00		98,55,00
Dividend paid (Including Tax on Dividend)		(156,37,10)		(124,51,72)
<b>Net Cash Generated from Financing Activities ( C )</b>		<b>1582,02,49</b>		<b>(19,95,33)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>1833,27,12</b>		<b>1722,70,89</b>
Cash & Cash Equivalents as at the beginning of the year		6159,46,74		4436,75,85
Cash & Cash Equivalents as at the end of the period		7992,73,86		6159,46,74

## Note:

- The Cash Flow Statement has been prepared under the Indirect Method and the previous year's figures have been re-grouped wherever necessary.
- Cash and Cash Equivalents comprise of Cash on Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

**Sham K**  
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Chief Financial Officer

**Gokuldas Pai**  
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Chief Operating Officer

## For and on behalf of Board

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Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024



# Schedules

Forming Part of Standalone Balance Sheet

	(₹ in '000s)	
	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 1 CAPITAL</b>		
<b>Authorised Capital</b>		
60,00,00,000 Equity shares of ₹10/- each	600,00,00	600,00,00
(Previous Year 60,00,00,000 equity shares of ₹10/- each)		
<b>Issued Capital</b>		
37,73,78,479 Equity shares of ₹10/- each	377,37,85	312,47,11
(Previous Year 31,24,71,142 Equity shares of ₹10/- each)		
<b>Subscribed Capital</b>		
37,72,66,508 Equity shares of ₹10/- each	377,26,65	312,35,92
(Previous Year 31,23,59,171 Equity shares of ₹10/- each)		
<b>Called up Capital /Paid-up Capital</b>		
37,72,49,958 Equity shares of ₹10/- each fully paid up	377,25,00	312,34,26
(Previous Year 31,23,42,621 Equity shares of ₹10/- each fully paid up)		
Less : Calls unpaid	-	-
Add : Forfeited Shares	98	98
<b>Total</b>	<b>377,25,98</b>	<b>312,35,24</b>

	(₹ in '000s)	
	As on 31-March-24	As on 31-March-23
<b>SCHEDULE -2 RESERVES AND SURPLUS</b>		
<b>I. Statutory Reserve</b>		
Opening balance	3051,00,00	2755,00,00
Additions during the year	327,00,00	296,00,00
	<b>3378,00,00</b>	<b>3051,00,00</b>
Deductions during the year	-	-
<b>Total</b>	<b>3378,00,00</b>	<b>3051,00,00</b>
<b>II. Capital Reserve</b>		
Opening balance	626,38,45	626,38,45
Additions during the year <sup>1</sup>	8,34,73	-
	<b>634,73,18</b>	<b>626,38,45</b>
Deductions during the year	-	-
<b>Total</b>	<b>634,73,18</b>	<b>626,38,45</b>
<b>III. Share Premium</b>		
Opening balance	1260,80,36	1255,96,84
Additions during the year	1442,37,11	4,83,52
	<b>2703,17,47</b>	<b>1260,80,36</b>
Deductions during the year (Share issue expenses)	22,96,27	-
<b>Total</b>	<b>2680,21,20</b>	<b>1260,80,36</b>
<b>IV. Revenue and other Reserves</b>		
<b>a) Revenue Reserve</b>		
Opening balance	1732,34,85	1136,94,70
Additions during the year	653,61,89	595,40,15
	<b>2385,96,74</b>	<b>1732,34,85</b>
Deductions during the year	-	-
<b>Total</b>	<b>2385,96,74</b>	<b>1732,34,85</b>
<b>b) Special Reserve u/s 36(1)(viii) of Income Tax Act</b>		
Opening balance	391,06,04	315,58,63
Additions during the year	69,70,13	75,47,41
	<b>460,76,17</b>	<b>391,06,04</b>
Deductions during the year	-	-
<b>Total</b>	<b>460,76,17</b>	<b>391,06,04</b>

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>c) Investment Fluctuation Reserve Account</b>		
Opening balance	163,00,00	98,84,70
Additions during the year	53,00,00	64,15,30
	<b>216,00,00</b>	<b>163,00,00</b>
Deductions during the year	-	-
<b>Total</b>	<b>216,00,00</b>	<b>163,00,00</b>
<b>d) Employee stock option outstanding</b>		
Opening balance	5,41	5,41
Additions during the year	90,91	-
	<b>96,32</b>	<b>5,41</b>
Deductions during the year	-	-
<b>Total</b>	<b>96,32</b>	<b>5,41</b>
<b>e) Revaluation Reserve Account</b>		
Opening balance	510,44,19	458,95,17
Additions during the year	-	56,89,17
	<b>510,44,19</b>	<b>515,84,34</b>
Deductions during the year <sup>2</sup>	5,61,89	5,40,15
<b>Total</b>	<b>504,82,30</b>	<b>510,44,19</b>
<b>Total (a to e)</b>	<b>3568,51,53</b>	<b>2796,90,49</b>
<b>V. Balance in Profit and Loss Account</b>	<b>209,78,06</b>	<b>165,91,59</b>
<b>Grand Total (I TO V)</b>	<b>10471,23,96</b>	<b>7901,00,89</b>

**Note**

- Appropriation on account of profit on sale of investments held under HTM category, net of taxes and transfer to Statutory Reserve
- Depreciation on the revalued amount during the year is transferred to Revenue Reserve.

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>SCHEDULE -3 DEPOSITS</b>		
<b>A. I. Demand Deposits</b>		
1. From Banks	3,02,88	5,42,43
2. From others	6177,61,66	5310,15,31
	<b>6180,64,54</b>	<b>5315,57,74</b>
<b>II. Savings Bank Deposits</b>	<b>25167,26,57</b>	<b>23491,48,95</b>
<b>III. Term Deposits</b>		
1. From Banks	45,11,00	-
2. From others	66664,80,60	58560,94,53
	<b>66709,91,60</b>	<b>58560,94,53</b>
<b>Total : (I, II and III)</b>	<b>98057,82,71</b>	<b>87368,01,22</b>
<b>B. 1. Deposits of branches in India</b>	98057,82,71	87368,01,22
<b>2. Deposits of branches outside India</b>	-	-
<b>Total (1+2)</b>	<b>98057,82,71</b>	<b>87368,01,22</b>



	As on 31-March-24	As on 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 4 BORROWINGS</b>		
<b>I Borrowings in India</b>		
1. Reserve Bank of India	1998,89,83	-
2. Other Banks	-	-
3. Other Institutions and Agencies	1516,80,00	542,72,00
4. Subordinated Debts for Tier II Capital	300,00,00	1020,00,00
<b>Total</b>	<b>3815,69,83</b>	<b>1562,72,00</b>
<b>II Borrowings outside India</b>	<b>583,83,50</b>	<b>-</b>
<b>Total : (I and II)</b>	<b>4399,53,33</b>	<b>1562,72,00</b>
Secured borrowings included in I & II above	1998,89,83	-
(₹ in '000s)		
<b>SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills Payable	231,91,75	231,83,91
II. Inter Office adjustments(Net)	-	51,29
III. Interest accrued	90,74,16	89,71,67
IV. Deferred Tax Liability (Net)	-	-
V. Others (including Provisions)	2456,05,40	1592,17,63
<b>Total</b>	<b>2778,71,31</b>	<b>1914,24,50</b>
(₹ in '000s)		
<b>SCHEDULE - 6 CASH AND BALANCES WITH RBI</b>		
<b>I. Cash in hand</b>	<b>619,49,37</b>	<b>676,07,88</b>
(including foreign currency notes)		
<b>II. Balances with Reserve Bank of India</b>		
1. In Current Account	4237,57,39	3362,15,58
2. In Other Accounts	2799,00,00	1166,00,00
<b>Total</b>	<b>7036,57,39</b>	<b>4528,15,58</b>
<b>Total : (I and II)</b>	<b>7656,06,76</b>	<b>5204,23,46</b>
(₹ in '000s)		
<b>SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. IN INDIA</b>		
<b>i. Balances with Banks</b>		
a) In Current Accounts	30,31,34	27,18,96
b) In Other Deposit Accounts	-	499,70,92
	<b>30,31,34</b>	<b>526,89,88</b>
<b>ii. Money at Call and Short Notice</b>		
a) With Banks	299,83,37	-
b) With Other institutions	-	-
	<b>299,83,37</b>	<b>-</b>
<b>Total (i) &amp; (ii)</b>	<b>330,14,71</b>	<b>526,89,88</b>
<b>II. OUTSIDE INDIA</b>		
i. In Current Accounts / (Debit balance)	6,52,39	-
ii. In Other Deposit Accounts	-	428,33,40
iii. Money at Call and Short Notice	-	-
<b>Total</b>	<b>6,52,39</b>	<b>428,33,40</b>
<b>Grand Total (I and II)</b>	<b>336,67,10</b>	<b>955,23,28</b>

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 8 INVESTMENTS</b>		
<b>I. Investments in India (Gross )</b>	24718,85,39	23871,09,48
Less: Provision / depreciation	416,80,06	544,72,82
<b>Net value of Investments In India</b>	<b>24302,05,33</b>	<b>23326,36,66</b>
<b>Break-up :</b>		
1. Government Securities	22891,68,57	21727,46,37
2. Other Approved Securities	-	-
3. Shares	80,57,81	98,72,38
4. Debentures and Bonds	1219,53,83	1491,21,27
5. Subsidiaries and/or Joint Ventures	1,75,00	1,50,00
6. Others	108,50,12	7,46,64
<b>Total</b>	<b>24302,05,33</b>	<b>23326,36,66</b>
<b>II. Investments outside India</b>	-	-
<b>Total (I+II)</b>	<b>24302,05,33</b>	<b>23326,36,66</b>

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 9 ADVANCES</b>		
<b>A)</b> 1. Bills Purchased and discounted	388,92,99	323,90,24
2. Cash Credits, Overdrafts and Loans repayable on demand	31890,93,15	24362,22,27
3. Term Loans	39228,77,94	35265,49,70
<b>Total</b>	<b>71508,64,08</b>	<b>59951,62,21</b>
<b>B)</b> 1. Secured by Tangible Assets (including book debts)	62312,84,15	53357,75,47
2. Secured by Bank/Government Guarantees	1735,20,01	1285,06,32
3. Unsecured	7460,59,92	5308,80,42
<b>Total</b>	<b>71508,64,08</b>	<b>59951,62,21</b>
<b>C) I. Advances in India</b>		
1. Priority Sector	26697,33,97	24861,18,30
2. Public Sector	4784,45,57	3409,18,40
3. Banks	-	-
4. Others	40026,84,54	31681,25,51
<b>Total</b>	<b>71508,64,08</b>	<b>59951,62,21</b>
<b>II. Advances outside India</b>		
1. Due from Banks	-	-
2. Due from others	-	-
a) Bills Purchased and Discounted	-	-
b) Syndicated Loans	-	-
c) Others	-	-
<b>Total</b>	-	-
<b>Grand Total (C. I and C. II)</b>	<b>71508,64,08</b>	<b>59951,62,21</b>





	As on 31-March-24	As on 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 10 FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost / Revaluation as on 31 <sup>st</sup> March of the preceding year	748,00,14	675,73,69
Additions during the year	59,75,20	72,30,32
	807,75,34	748,04,01
Deductions during the year	3,90	3,85
	807,71,44	748,00,16
Depreciation to-date	74,85,86	66,73,57
<b>Total</b>	<b>732,85,58</b>	<b>681,26,59</b>
<b>II. Other Fixed Assets (including Furniture and Fixtures)</b>		
At cost as on 31 <sup>st</sup> March of the preceding year	708,06,33	693,39,54
Additions during the year	81,13,57	58,84,42
	789,19,90	752,23,96
Deductions during the year	18,56,93	44,17,63
	770,62,97	708,06,33
Depreciation to date	588,84,89	543,24,93
<b>Total</b>	<b>181,78,08</b>	<b>164,81,40</b>
<b>III. Assets under Construction</b>	-	<b>29,13,97</b>
<b>Total Fixed Assets (I+II+III)</b>	<b>914,63,66</b>	<b>875,21,96</b>

	As on 31-March-24	As on 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 11 OTHER ASSETS</b>		
I. Interest accrued	639,42,11	601,93,25
II. Tax paid in advance/tax deducted at source(net of provisions)	896,85,44	1107,07,38
III. Stationery and Stamps	4,75,59	5,41,26
IV. Non-Banking Assets acquired in satisfaction of claims	-	3,79,37
V. Others *	9825,47,22	7027,45,02
<b>Total</b>	<b>11366,50,36</b>	<b>8745,66,28</b>
* includes deferred tax assets (net )of ₹ 461,67,13 (Previous year ₹ 437,43,31) and deposit with RIDF of ₹ 8343,11,76 (Previous year ₹ 5456,43,76)		

	As on 31-March-24	As on 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 12 CONTINGENT LIABILITIES</b>		
I Claims against the Bank not acknowledged as debts	45,88,77	39,89,85
II Liability for Partly paid investments	-	-
III Liability on account of outstanding Forward Exchange Contracts	6503,03,45	3860,65,41
IV Guarantees given on behalf of constituents		
a) In India	5448,77,57	4990,67,53
b) Outside India	-	-
V Acceptances, endorsements and other Obligations	847,68,29	902,11,31
VI Other items for which the bank is contingently liable	290,98,25	309,05,91
<b>Total</b>	<b>13136,36,32</b>	<b>10102,40,01</b>

# Schedules

Forming Part Of Standalone Profit and Loss Account

	Year Ended 31-March-24	Year Ended 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 13 INTEREST EARNED</b>		
I. Interest/Discount on Advances/Bills	6524,77,66	5584,90,74
II. Income on Investments	1500,17,80	1422,34,93
III. Interest on balances with R.B.I / other Inter-Bank funds	18,06,78	1,58,02
IV. Other/ Interest	255,48,71	211,39,43
<b>Total</b>	<b>8298,50,95</b>	<b>7220,23,12</b>

	Year Ended 31-March-24	Year Ended 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 14 OTHER INCOME</b>		
I. Commission, Exchange and Brokerage	612,56,59	561,46,86
II. Profit/(Loss) on sale of Investments (Net)	8,72,35	19,24,64
III. Profit/(Loss) on Revaluation of Investments(Net)	104,80,21	(182,17,38)
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (Net)	41,67	(30,14)
V. Profit/(Loss) on Exchange Transactions (Net)	10,92,07	11,58,30
VI. Income earned by way of dividends etc., from Subsidiaries/Companies and /or Joint Ventures abroad/ in India	-	-
VII. Miscellaneous income	581,48,79	582,75,25
<b>Total</b>	<b>1318,91,68</b>	<b>992,57,53</b>

	Year Ended 31-March-24	Year Ended 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 15 INTEREST EXPENDED</b>		
1. Interest on deposits	4779,65,68	3786,86,07
2. Interest on Reserve Bank of India/Inter-Bank Borrowings	25,37,55	53,34,64
3. Other Interest	194,74,47	194,92,03
<b>Total</b>	<b>4999,77,70</b>	<b>4035,12,74</b>

	Year Ended 31-March-24	Year Ended 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 16 OPERATING EXPENSES</b>		
I. Payments to and provisions for employees	1372,84,42	1069,18,79
II. Rent, Taxes and Lighting	177,40,63	157,27,79
III. Printing and Stationery	20,71,78	10,56,31
IV. Advertisement and Publicity	8,04,60	10,51,23
V. Depreciation on Bank's property	71,82,36	86,41,02
VI. Directors' fees, allowances and expenses	4,39,22	4,77,15
VII. Auditors' fees and expenses	5,56,24	3,11,89
VIII. Law charges	14,28,95	12,47,95
IX. Postage, telegrams, telephones etc.	26,99,03	28,12,28
X. Repairs and maintenance	100,62,26	71,06,63
XI. Insurance	112,55,62	103,02,85
XII. Other expenditure	539,08,57	412,91,50
<b>Total</b>	<b>2454,33,68</b>	<b>1969,45,39</b>



## SCHEDULE-17

### SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN THE PREPARATION OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 1. BACKGROUND

The Karnataka Bank Limited (‘the Bank’) incorporated in 1924 at Mangaluru, India, is a publicly held Banking Company primarily governed by the Banking Regulation Act, 1949. It is engaged in providing, a wide range of banking and financial services involving retail, corporate / wholesale banking, para-banking activities, treasury operation and foreign exchange business.

#### 2. BASIS OF PREPARATION

The standalone financial statements (‘financial statements’) have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated, to comply with the statutory requirements prescribed in the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time, the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

#### 3. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1. ADVANCES

###### 4.1.1 Classification and measurement of advances

Advances are classified into performing and non-performing advances (‘NPAs’) as per the RBI guidelines and are stated net of bills rediscounted, specific provisions made towards NPAs, unrealized interest, claims received from Credit Guarantors and provisions for funded interest on term loan classified as NPAs.

The aggregate amount of the participation transferred to the Bank under Inter-Bank Participation on a risk-sharing basis is classified under advances, following the RBI guidelines

###### 4.1.2 Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard, doubtful and loss assets at rates as prescribed by the RBI. Higher accelerated provisioning is made basis recoverability and sound commercial judgement.

In case of NPAs referred to the National Company Law Tribunal (‘NCLT’) under the Insolvency and Bankruptcy Code, 2016 (‘IBC’) and where the NCLT has approved the resolution plan or liquidation order, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

###### 4.1.3 Provision on Restructured Assets

In case of restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI as applicable.

###### 4.1.4 Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank’s policy. Recoveries from advances written-off are recognised in the Profit and Loss account under ‘Other income’ and recovery of Unrealised Interest under ‘Income Interest on Loans & Advances’.

#### 4.1.5 Other provisions on advances

In respect of borrowers classified as non-cooperative or wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet. Further, incremental capital is maintained in respect of such borrower counterparties in the highest risk category, in line with stipulations by the RBI.

As per extant RBI guidelines, the Bank assesses incremental exposure of specified borrowers of the banking system beyond the Normally Permitted Lending Limit ('NPLL'), and makes additional provisions, if required.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. Additionally, on a prudent basis, for Special Mention Accounts (SMA), and identified stress sectors, higher provisioning is maintained.

#### 4.1.6 Securitisation and transfer of assets

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising because of the transfer of loans, which is realised, is accounted for and reflected in the Profit and Loss Account for the accounting period during which the transfer is completed.

### 4.2. INVESTMENTS

#### 4.2.1 Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within 90 days are classified as HFT securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries is categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Units and Gold.

#### 4.2.2 Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

#### 4.2.3 Acquisition cost

Costs incurred at the time of acquisition, of investments, such as brokerage, commission etc., are charged to the Profit and Loss Account. Broken period interest is charged to the Profit and Loss Account. The cost of investment is computed based on the weighted average cost method.

#### 4.2.4 Valuation

##### Investments classified under the HTM category:

Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the remaining maturity period of the security on a straight-line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under "Schedule 13" in the Profit and Loss Account. As per the RBI guidelines, discount on securities held under the HTM category is not accrued and such securities are held at the acquisition cost till maturity.



### **Investments classified under the AFS and HFT categories:**

Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investment falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines.

Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discounts accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

The market value of investments where current quotations are not available is determined in accordance with the following norms prescribed by the RBI:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA / FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/ FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk markup for each category and credit ratings along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose.
- In the case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with the prudential norms for provisioning as prescribed by the RBI.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Investments in Security Receipts (SRs.) are valued as per the NAV declared by the issuing Asset Reconstruction Company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case-to-case basis, whichever is lower. In case of investments in SRs. which are backed by more than 10% of the stressed assets sold by the Bank, the valuation of such SRs. is additionally subject to a floor of face value of the SRs. reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.
- Where the sale of a stressed asset results in a consideration lower than the value of the stressed assets net of provisions carried there against, the shortfall is debited to the Profit & Loss account. Where such a sale results in consideration higher than the value of the stressed assets net of provisions carried there against, the excess is netted off against the cost of corresponding SRs. to arrive at their Book Value.
- SRs. issued by Asset Reconstruction Companies ('ARC') are valued at Net Asset Value ('NAV') declared by the ARC except in respect of stressed assets which are sold on or after April 1, 2018 and the Bank holds more than 90% of SRs. backed by its sold assets. The provision held against the Book Value of these SRs. is higher of provision required in terms of NAV declared by the ARC and provisioning applicable to the underlying loans, assuming that the assets sold notionally continued in the books of the Bank.
- Units of Alternate Investment Fund ('AIF') held under the AFS category are marked to market using the NAV provided by AIF which is determined from the latest audited financial statements. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per AIF.

#### 4.2.5 Disposal of Investments

##### Investments classified under the HTM category:

Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to the Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account. The discount if any, on the acquisition of investments in the Held to Maturity (HTM) category is accounted for as follows:

- a) on interest-bearing securities, it is accounted for at the time of sale/ redemption.
- b) on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

##### Investments classified under the AFS and HFT categories:

Realised gains/losses are recognised in the Profit and Loss Account.

#### 4.2.6 Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under the HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under the HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

#### 4.2.7 Repurchase and reverse repurchase transactions.

##### Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

##### Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days from the date of issuance, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with an original maturity of more than 14 days from the date of issuance are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos are accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

#### 4.2.8 Non-Performing Investments

Non-performing investments are identified, and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

The Bank also classifies an investment as a non-performing investment in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

The investments in debentures/ bonds, which are deemed to be an advance, are also subjected to NPI norms as applicable to investments.



### 4.3. REVENUE RECOGNITION

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon-bearing discounted instruments or low coupon-bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on Guarantees/Letters of Credit, Processing Fees and rent on safe deposit lockers are accounted for on a receipt basis. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Dividend income is accounted for on an accrual basis when the right to receive the dividend is established. Gain/loss on selling down of loans and advances through direct assignment is recognised at the time of sale.

Recoveries in the non performing advances are appropriated as under:

- a) In the case of Term Loan/DPN, recoveries are appropriated towards principal, interest and charges in order of demand.
- b) In the case of non performing Overdraft accounts the recoveries are first appropriated towards excess allowed in overdraft account if any, followed by expired sanctioned TOD and then towards interest.
- c) In the case of One-Time settlement (OTS) accounts the recoveries are first adjusted to the principal balance and then towards interest and charges
- d) In the case of suit-filed accounts, related legal and other expenses incurred are charged to the Profit and Loss Account net of recovery.

Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on the sale of investments in the "Held to Maturity" category is appropriated to Capital Reserve (net of applicable taxes and the amount required to be transferred to the Statutory Reserve account) in accordance with the RBI guidelines.

Interest on income-tax refund is recognised based on the refund intimation/order received under the provisions of the Income Tax Act, 1961 from time to time.

In accordance with RBI guidelines on the sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

### 4.4. FOREIGN CURRENCY TRANSACTIONS

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

#### Conversion

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements, and other obligations are evaluated at the closing spot rates/forward rates for the residual maturity of the contract, as notified by the Foreign Exchange Dealers Association of India ('FEDAI') / Financial Benchmarks India Private Limited (FBIL) and the resulting profit and loss is recognised in the Profit and Loss account, as per the guidelines issued by RBI.

#### Exchange Differences

Exchange difference arising on settlement of monetary items is recognised as income or as expense in the year in which it arises. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value, or other similar valuations denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Foreign exchange forward contracts not intended for trading that are entered into to establish the amount of reporting currency required or available at the settlement date of transactions, which are outstanding at the Balance Sheet date are effectively valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

Outstanding forward exchange contracts are revalued at the Balance Sheet date at the rates notified by FEDAI/FBIL and at interpolated rates for contracts of interim maturities. The resultant gain/loss on revaluation is recognised in the Profit and Loss Account in accordance with the RBI/FEDAI guidelines.

Forward exchange contracts and other derivative contracts which have overdue receivables remaining unpaid over 90 days or more are classified as non-performing assets and provided for as per the extant master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI.

#### 4.5. DERIVATIVE CONTRACTS

Derivative contracts are designated as hedging or trading and accounted in accordance with Reserve Bank of India's guidelines.

Derivative deals for trading are marked to market and net depreciation is recognised while net appreciation is ignored.

Derivatives used for hedging are marked to market in cases where the underlying assets/ liabilities are marked to market and income /expenditure is accounted on accrual basis.

#### 4.6. FIXED ASSETS, DEPRECIATION, REVALUATION AND IMPAIRMENT

Fixed assets (except premises revalued) are carried at the cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes, and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

The portfolio of immovable properties is revalued periodically by an independent valuer to reflect the current market valuation. All land and buildings owned by the Bank and used as branches, offices and employee's residential quarters are grouped under "Land and Building" in the fixed assets category. Appreciation, if any, on revaluation is credited to the Revaluation Reserve. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Revenue Reserves.

Computer Software is capitalised along with computer hardware and included under other fixed assets.

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on a straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Bank, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Where during any financial year, an addition has been made to any asset or where any asset has been sold, discarded, demolished or destroyed, the depreciation on such asset is calculated on pro rata basis from the date of such addition or as the case maybe, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Gain or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.





## 4.7. EMPLOYEE BENEFITS

### Short-term employee benefits

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

### Provident Fund

Contributions made by the Bank to the Provident Fund and Contributory Pension Scheme in the form of retirement benefits are charged to the Profit and Loss account. There is no other obligation other than the contribution payable to the fund. Short-term employee benefits are accounted for on an actual basis.

### Gratuity

The Bank contributes towards the Gratuity Fund "Karnataka Bank Employees' Gratuity Fund" (Defined Retirement Benefit Scheme) administered by a Trust formed for the benefits to eligible employees on the Bank's instruction. Under this Scheme, the settlement obligations remain with the Bank. The Gratuity payable to vested employees on termination of employment is determined based on the respective employee's salary & number of years of employment with the Bank. The liability with regard to the Gratuity is recognised on the basis of actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31<sup>st</sup> March every year based on certain assumptions regarding Discount rate, Salary Escalation, mortality and employee attrition. Actuarial gain/loss is immediately recognized in the Profit and Loss Account of the Bank and is not deferred.

### Pension

The Bank makes contribution towards the Pension obligation (Defined Retirement Benefit Scheme) to a separate Trust formed for the purpose of management of the Fund, which determines the pension payable to the eligible employee based on the Industry-wide Pension Scheme. The Trust has purchased a Group Superannuation Policy from LIC of India for payment of pension. However, the ultimate obligation of payment of pension remains with the Bank. The liability with regard to the Pension is recognised on the basis of actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31<sup>st</sup> March every year based on certain assumptions regarding Discount rate, Salary Escalation, mortality and employee attrition. Actuarial gain/loss is immediately recognized in the Profit and Loss Account of the Bank and is not deferred.

### National Pension Scheme ('NPS')

In respect of employees who have joined the Bank on or after 1<sup>st</sup> April 2010, the Bank contributes prescribed percentage of the Basic pay and dearness allowance of such employees (defined contribution plan), which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

## 4.8. TAXATION

Tax expenses comprise current and deferred taxes. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, considering the material principles set out in the Income Computation and Disclosure Standards (ICDS) to the extent applicable, rules framed thereunder and after due consideration of the judicial pronouncement and legal opinions. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of change.

Deferred tax assets and liabilities are recognised for future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards.

Deferred tax is recognized subject to consideration of prudence on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. In the event of unabsorbed depreciation and carry forward losses and items relating to capital losses, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted.

#### 4.9. SHARE ISSUE EXPENSES

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

#### 4.10. EARNINGS PER SHARE

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

#### 4.11. EMPLOYEE STOCK/UNIT OPTION SCHEME

In accordance with the SEBI (Share Based Employee Benefits) Regulations, 2021 / Guidance Note on Accounting for the Employee Share-based Payments issued by The Institute of Chartered Accountants of India ('ICAI'), the cost of equity-settled transactions is measured using intrinsic value method for all options granted on or before 31 March 2021.

RBI vide its clarification dated 30<sup>th</sup> August 2021, circular reference no. RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Banks that fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments. For Employee Stock options granted after March 31, 2021, to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff and employees of the Bank, as per the extant guidelines of RBI, follows the fair value method and recognises the fair value of such option as on the date of grant computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period.

#### 4.12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities on account of foreign exchange contracts, letters of credit, bank guarantees and acceptances and endorsements denominated in foreign currencies and outstanding as at the Balance Sheet date are translated at year end rates notified by the FEDAI/FBIL.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### 4.13. SEGMENT REPORTING

The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with Accounting Standard 17.

Business Segment is classified into (a) Treasury, (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations and revenues /expenses allocated in accordance with the RBI guideline. Further, 'Digital Banking' has been identified as a Sub-segment under Retail Banking as required in extant guidelines of the Reserve Bank of India (RBI)

Geographical Segment consists only of Domestic Segment since the Bank does not have any foreign branches.



#### **4.14. LEASE TRANSACTIONS**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating Lease payments are recognised on SLM basis as an expense in the Profit & Loss Account, over the lease term in accordance with AS-19.

#### **4.15. ACCOUNTING FOR DIVIDEND**

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Bank does not account for the proposed dividend as a liability through an appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers the proposed dividend in determining capital funds in computing the capital adequacy ratio.

#### **4.16. CASH AND CASH EQUIVALENT**

Cash and cash equivalents include cash in hand, balances with the RBI, balances with other banks and money at call and short notice.

#### **4.17. CORPORATE SOCIAL RESPONSIBILITY**

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

**SCHEDULE - 18****NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31<sup>st</sup> MARCH 2024, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024.****A) Disclosures as laid down by the RBI Circulars****1. a) Composition of Regulatory Capital**

		(₹ in crore)	
Sr. No.	Particulars	31.03.2024	31.03.2023
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	10,109.00	7,570.66
ii)	Additional Tier 1 capital/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	10,109.00	7,570.66
iv)	Tier 2 capital	1,144.13	1,741.87
v)	Total capital (Tier 1+Tier 2)	11,253.13	9,312.53
vi)	Total Risk Weighted Assets (RWAs)	62,532.53	53,378.41
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	16.17%	14.18%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.17%	14.18%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.83%	3.26%
x)	Capital to Risk Weighted Assets Ratio (CRAR)* (Total Capital as a percentage of RWAs)	18.00%	17.45%
xi)	Leverage Ratio	7.86%	6.91%
	Percentage of the Shareholding of:	Nil	Nil
	a. Government of India		
	b. State Government		
	c. Sponsor Bank		
xii)	Amount of paid-up equity capital raised during the year <sup>#</sup>	64.91	1.18
xiii)	Amount of non-equity Tier 1 capital raised during the year	Nil	Nil
xiv)	Amount of Tier 2 capital raised during the year by issuing subordinated debt instruments (i.e., unsecured Non-Convertible Subordinated (Lower Tier-2 BASEL III Debt Instruments) as part of Tier 2 capital under series VII by private placement and listed on NSE	Nil	Nil

# On October 26, 2023, the Bank has allotted 334,00,132 equity shares of ₹10/- each for cash pursuant to Preferential Issue as per the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 at a price of ₹239.52 per share aggregating to ₹800 crore (including share premium).

On February 28, 2024, the Bank has allotted 37,72,730 equity shares of ₹10/- each for cash pursuant to a Preferential Issue as per the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 at a price of ₹265.06 per share aggregating to ₹100 crore (including share premium).

On March 28, 2024, the Bank has allotted 264,31,718 equity shares of ₹10/- each for cash pursuant to a Qualified Institution Placement (QIP) as per the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 at a price of ₹227 per share aggregating to ₹600 crore (including share premium).

Also includes issuance of shares under Employee Stock Option Scheme 2018 of ₹1.30 crore.

On November 16, 2023, the Bank has exercised call option for redemption of Basel III compliant Tier II Bonds (Series No. V and ISIN: INE614B08039) of ₹ 400 Crore and on February 18, 2024 of ₹ 320 Crore (Series No.VI and ISIN: INE614B08047).

\*In terms of Accounting Standard (AS) 4 "Contingencies and events occurring after the Balance Sheet date" the Bank has not appropriated proposed dividend aggregating to ₹ 207.49 crore from the Profit and loss account for the year ended March 31, 2024 (Previous year ₹ 157 crore). However, the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31, 2024.

**b) Draw down from Reserves**

The Bank has not made any drawdown from reserves during the year ended March 31, 2024. (Previous year Nil). The share issue expenses of ₹22.96 Cr have been debited to Share Premium account.

**2. Asset Liability Management**
**a) Maturity pattern of certain items of assets and liabilities as on 31.03.2024**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and upto 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	365.55	1,930.60	1,998.06	2,654.17	3,643.78	3,216.60	7,611.40	5,860.64	42,628.45	2,466.79	25,681.79	98,057.83
Advances	97.16	165.38	780.04	1,106.00	1,337.34	5,496.44	5,074.09	7,818.34	25,894.54	6,681.91	17,057.40	71,508.64
Investments	7,409.38	344.81	300.99	419.64	593.88	647.95	1,237.16	1,156.03	6,949.79	561.50	4,680.92	24,302.05
Borrowings	1,998.90	291.92	16.91	-	16.91	308.83	50.73	476.46	938.88	-	300	4,399.53
Foreign Currency Assets	44.10	1,900.74	16.13	196.02	579.29	475.02	393.79	380.25	-	-	-	3,985.34
Foreign Currency Liabilities	141.57	1,678.70	3.33	241.80	534.97	376.47	305.01	583.11	156.92	24.79	-	4,046.67

**Maturity pattern of certain items of assets and liabilities as on 31.03.2023**

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and upto 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	451.61	1,045.18	955.90	1,179.75	1,745.16	1,926.24	4,938.29	4,446.52	44,561.77	2,172.70	23,944.88	87,368.01
Advances	715.07	805.52	724.08	397.06	655.65	2,110.69	3,489.31	6,609.95	23,612.94	5,605.86	15,225.48	59,951.62
Investments	7,514.10	185.77	152.49	183.34	273.84	343.17	859.58	888.21	7,627.32	532.98	4,765.56	23,326.37
Borrowings	-	-	16.91	-	16.91	16.91	50.73	101.46	339.80	-	1,020.00	1,562.72
Foreign Currency Assets	99.49	612.42	36.77	377.61	197.60	212.01	354.51	535.68	174.17	34.81	-	2,635.07
Foreign Currency Liabilities	87.82	860.38	53.71	362.38	187.61	299.71	348.73	384.60	-	-	-	2,584.94

**b) Liquidity Coverage Ratio (LCR)****Qualitative Disclosure:**

Bank is computing LCR on a daily basis in line with the RBI circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". These guidelines ensure that banks maintain sufficient amount of High Quality Liquidity Assets (HQLAs) to survive 30 days stress scenario so that banks can take corrective measures within such period. These HQLAs have to be 100% of the net cash outflows w.e.f. January 1, 2019.

Necessary system has been put in place to compute LCR.

The Bank during the three months ended March 31, 2024, maintained average HQLA (after haircut) of ₹20,918.91 Crore (₹21,493.14 Crore as on March 31, 2023). HQLA primarily includes government securities in excess of minimum statutory liquidity ratio (SLR), 2% of NDTL under "marginal standing facility (MSF)", 16% of NDTL under "facility to avail liquidity for LCR (FALLCR)", investments under Corporate bonds & commercial papers rated "AA- and above".

The weighted cash outflows are primarily driven by deposits from retail & small business customers, unsecured wholesale funding which includes non-operational deposits and unsecured debt. During the three months ended March 31, 2024, funding from "retail & small business customers" and "non-operational deposits" contributed 52.94% & 37.05% to the total weighted cash outflows respectively. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

The average LCR of the Bank for the three months ended March 31, 2024, was 212.34% (March 31, 2023: 311.59%).

As of March 31, 2024, top liability products/instruments and their percentage contribution to the total liabilities of the Bank were term deposits: 57.47%, savings account deposits: 21.68% and current account deposits: 5.32%. The Bank has consistently maintained a robust funding profile with a significant portion of funding through deposits. Top 20 depositors constituted 3.73% of total deposits of the Bank as of March 31, 2024, indicating a healthy and stable deposit profile.

In addition to daily/ monthly LCR reporting, Bank prepares daily Structural Liquidity Statements to assess the liquidity needs of the Bank on an ongoing basis.

Bank's Asset Liability Management Committee (ALCO) is empowered to monitor and form suitable strategies to maintain stipulated levels of LCR by channelizing funds to target good quality asset and liability profile to meet Bank's profitability as well as liquidity requirements. Funding strategies are formulated in accordance with ALCO guidance and executed. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs. Accordingly, Integrated Treasury estimates daily liquidity requirement. With the help of structural liquidity statement prepared by Bank, Integrated Treasury evaluates current and future liquidity requirement and takes necessary action.



(₹ in crore)

	Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	30.06.2023		30.09.2023		31.12.2023		31.03.2024	
	Total Un-weighted Value (average)	Total weighted Value (average)	Total Un-weighted Value (average)	Total weighted Value (average)	Total Un-weighted Value (average)	Total weighted Value (average)	Total Un-weighted Value (average)	Total weighted Value (average)
<b>High Quality Liquid Assets</b>								
1. Total High-Quality Liquid Assets(HQLA)		22,284.56		22,781.46		21,559.35		20,918.91
<b>Cash Outflows</b>								
2. Retail deposits and deposits from small business customers, of which:								
i) Stable deposits	69,501.31	6,097.95	70,566.84	6,204.56	72,005.01	6,336.14	73,920.71	6,496.97
ii) Less stable deposits	17,043.67	852.18	17,042.46	852.12	17,287.30	864.37	17,901.99	895.10
3. Unsecured wholesale funding, of which:	52,457.64	5,245.76	53,524.39	5,352.44	54,717.71	5,471.77	56,018.73	5,601.87
i) Operational deposits (all counterparties)	4,620.91	2,036.70	4,617.79	2,053.19	5,595.79	2,647.57	7,722.36	4,547.22
ii) Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
iii) Unsecured debt	4,620.91	2,036.70	4,617.79	2,053.19	5,595.79	2,647.57	7,722.36	4,547.22
4. Secured wholesale funding	-	-	-	-	-	-	-	-
5. Additional requirements, of which	8,568.66	790.50	9,356.60	804.32	9,466.50	834.41	9,118.03	815.32
i) Outflows related to derivative exposures and other collateral requirement	0.02	0.02	-	-	0.19	0.19	1.13	1.13
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	8,568.64	790.48	9,356.60	804.32	9,466.32	834.22	9,116.89	814.19
6. Other contractual funding obligations	206.03	206.03	204.31	204.31	218.96	218.96	206.09	206.09
7. Other contingent funding obligations	6,641.38	199.24	6,770.86	203.13	6,836.63	205.10	6,924.57	207.74
8. Total Cash Outflows	9,330.42	9,330.42	9,469.52	9,469.52	10,242.17	10,242.17	12,273.34	12,273.34
<b>Cash Inflows</b>								
9. Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	1,976.27	988.14	1,477.85	738.93	1,496.96	748.48	2,645.07	1,322.53
11. Other cash inflows	1,553.09	1,553.09	1,482.23	1,482.23	1,387.82	1,387.82	1,099.40	1,099.40
12. Total Cash Inflows	3,529.36	2,541.23	2,960.08	2,221.16	2,884.78	2,136.30	3,744.47	2,421.94
13. Total HQLA		22,284.56		22,781.46		21,559.35		20,918.91
14. Total Net Cash Outflows		6,789.19		7,248.36		8,105.87		9,851.40
15. Liquidity Coverage Ratio (%)		328.24		314.30		265.97		212.34

**Note:** LCR Data has been calculated based on simple average of all daily observations over the previous period. The above data has been furnished by the management and have been relied upon by the auditors. In accordance with RBI guidelines, Banks are required to make consolidated Pillar 3 disclosures including Leverage Ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. The disclosures have been made available on our website at following link: <https://karnatakabank.com/regulatory-disclosures>. These disclosures have not been subjected to audit by the Joint Statutory Auditors.

## 3. Investments

## a) Composition of Investment Portfolio as on 31.03.2024

	(₹ in crore)											
	Investments in India					Investments outside India						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
<b>Held to Maturity</b>												
Gross	18,508.77	-	-	0.05	1.75	9.11	18,519.68	-	-	-	-	18,519.68
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	18,508.77	-	-	0.05	1.75	9.11	18,519.68	-	-	-	-	18,519.68
<b>Available for Sale</b>												
Gross	4,483.31	-	88.71	1,259.71	-	367.44	6,199.17	-	-	-	-	6,199.17
Less: Provision for depreciation and NPI	100.39	-	8.13	40.23	-	268.05	416.80	-	-	-	-	416.80
Net	4,382.92	-	80.58	1,219.48	-	99.39	5,782.37	-	-	-	-	5,782.37
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	22,992.08	-	88.71	1,259.76	1.75	376.55	24,718.85	-	-	-	-	24,718.85
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	100.39	-	8.13	40.23	-	268.05	416.80	-	-	-	-	416.80
Net	22,891.69	-	80.58	1,219.53	1.75	108.50	24,302.05	-	-	-	-	24,302.05





**Composition of Investment Portfolio as on 31.03.2023**

(₹ in crore)

	Investments in India					Investments outside India					Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
<b>Held to Maturity</b>												
Gross	18,253.99	-	-	0.06	1.50	5.78	18,261.34	-	-	-	-	18,261.34
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	18,253.99	-	-	0.06	1.50	5.78	18,261.34	-	-	-	-	18,261.34
<b>Available for Sale</b>												
Gross	3,628.26	-	106.85	1,564.46	-	310.19	5,609.76	-	-	-	-	5,609.76
Less: Provision for depreciation and NPI	154.79	-	8.13	73.31	-	308.51	544.73	-	-	-	-	544.73
Net	3,473.47	-	98.72	1,491.15	-	1.68	5,065.03	-	-	-	-	5,065.03
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	21,882.25	-	106.85	1,564.52	1.50	315.97	23,871.09	-	-	-	-	23,871.09
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	154.79	-	8.13	73.31	-	308.51	544.73	-	-	-	-	544.73
Net	21,727.46	-	98.72	1,491.21	1.50	7.47	23,326.37	-	-	-	-	23,326.37

**Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(₹ in crore)

Sr. No.	Particulars	31-03-2024	31-03-2023
i)	<u>Movement of provisions held towards depreciation on investments</u>		
a)	Opening balance	544.73	362.55
b)	Add: Provisions made during the year	3.46	182.18
c)	Less: Write off / write back of excess provisions during the year	131.39	0.00
d)	Closing balance	416.80	544.73
ii)	<u>Movement of Investment Fluctuation Reserve</u>	-	-
a)	Opening balance	163.00	98.85
b)	Add: Amount transferred during the year	53.00	64.15
c)	Less: Drawdown	-	-
d)	Closing balance	216.00	163.00
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	3.48%	2.91%

**c) Sale and transfer to/from Held to Maturity category**

During the year, the bank has not sold and transferred any securities to/from HTM category exceeding 5% of the book value of the investments held in HTM category in the beginning of the year.

**d) Non-SLR investment portfolio****i) Non Performing non - SLR investments**

(₹ in crore)

Sr. No.	Particulars	Current Year 2023-24	Previous Year 2022-23
a.	Opening Balance	62.10	62.10
b.	Additions during the year since 1 <sup>st</sup> April	130.47	9.99
c.	Reductions during the above period	18.27	9.99
d.	Closing Balance	174.30	62.10
e.	Total Provisions Held	174.30	62.10



ii) Issuer composition of non-SLR investments

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		(3)		(4)		(5)		(6)		(7)	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a)	PSUs	274.99	323.07	152.00	152.00	Nil	Nil	0.05	0.06	Nil	Nil
b)	FIs	699.58	1,009.70	550.00	630.00	Nil	20.00	Nil	Nil	Nil	Nil
c)	Banks	273.09	129.01	272.44	125.00	Nil	Nil	Nil	Nil	Nil	Nil
d)	Private Corporates	210.90	218.62	59.81	58.12	32.41	34.10	Nil	Nil	2.00	2.00
e)	Subsidiaries/ Joint Ventures	1.75	1.50	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others	266.45	306.96	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g)	Provision held towards depreciation	316.41	389.94								
	Total *	1,410.35	1,598.92								

Note: Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

e) Repo transactions (in face value terms)

Sr. No.	Particulars	Outstanding during the year 2023-24			Outstanding as on	
		Min.	Max.	Daily average	31.03.2024	31.03.2023
		(₹ in crore)				
<b>1</b>	<b>Securities sold under Repo</b>					
a	Government securities	26.00	4742.26	777.99	1998.90	0.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil	Nil
c	Any other securities	Nil	Nil	Nil	Nil	Nil
<b>2</b>	<b>Securities purchased under reverse Repo</b>					
a	Government securities	49.98	1499.30	67.11	299.83	0.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil	Nil
c	Any other securities	Nil	Nil	Nil	Nil	Nil

f) Government Security Lending (GSL) transactions (in market value terms)-Nil

## 4. Asset Quality

## a) Classification of advances and provisions held as on 31.03.2024

Particulars	(₹ in crore)					Total
	Standard Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	59,009.87	681.15	1,381.03	230.73	2,292.91	61,302.78
Add: Additions during the year					1,650.20	
Less: Reductions during the year*					1,364.69	
Closing balance	70,423.24	855.41	1,380.39	342.62	2,578.42	73,001.66
*Reductions in Gross NPAs due to:					-	
i) Upgradation					355.02	
ii) Recoveries (excluding recoveries from upgraded accounts)					582.45	
iii) Technical/ Prudential Write-offs					395.44	
iv) Write-offs other than those under (iii) above					31.78	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	653.37	144.78	873.51	182.90	1,201.19	1,854.56
Add: Fresh provisions made during the year					971.86	
Less: Excess provision reversed/ Write-off loans					801.70	
Closing balance of provisions held	610.18	156.62	922.54	292.19	1,371.35	1,981.53
<b>Net NPAs</b>						
Opening Balance		536.37	439.83	45.07	1,021.27	
Add: Fresh additions during the year					1,134.61	
Less: Reductions during the year					1,026.70	
Closing Balance		698.80	380.22	50.16	1,129.18	
<b>Floating Provisions</b>						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						3,043.37
Add: Technical/ Prudential write-offs during the year						395.44
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						582.46
Closing balance						2,856.35



**b) Classification of advances and provisions held as on 31.03.2023**

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	55,518.52	732.12	1,434.71	83.99	2,250.82	57,769.34
Add: Additions during the year					1,836.64	
Less: Reductions during the year*					1,794.55	
Closing balance	59,009.87	681.15	1,381.03	230.73	2,292.91	61,302.78
*Reductions in Gross NPAs due to:						
i) Upgradation					401.81	
ii) Recoveries (excluding recoveries from upgraded accounts)					886.48	
iii) Technical/ Prudential Write-offs					491.15	
iv) Write-offs other than those under (iii) above					15.11	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	725.50	123.38	636.92	57.20	817.50	1,543.00
Add: Fresh provisions made during the year					1,476.55	
Less: Excess provision reversed/ Write-off loans					1,092.86	
Closing balance of provisions held	653.37	144.78	873.51	182.90	1,201.19	1,854.56
<b>Net NPAs</b>						
Opening Balance		608.74	741.44	26.79	1,376.97	
Add: Fresh additions during the year					1,159.53	
Less: Reductions during the year					1,515.23	
Closing Balance		536.37	439.83	45.07	1,021.27	
<b>Floating Provisions</b>						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						2,939.80
Add: Technical/ Prudential write-offs during the year						491.15
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						387.58
Closing balance						3,043.37

**Asset Quality Ratio**

Ratios (in percent)	Current Year 31.03.2024	Previous Year 31.03.2023
Gross NPA to Gross Advances	3.53%	3.74%
Net NPA to Net Advances	1.58%	1.70%
Provision Coverage ratio	79.22%	80.86%

**b) Sector-wise Advances and Gross NPAs**

(₹ in crore)

Sr. No.	Sector	Current Year 31.03.2024			Previous Year 31.03.2023		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>i)</b>	<b>Priority Sector</b>						
a)	Agriculture and allied activities	10,017.42	606.00	6.05%	7,591.42	552.40	7.28%
b)	Advances to industries sector eligible as priority sector lending	4,293.97	312.61	7.28%	4,404.10	317.63	7.21%
c)	Services	10,478.15	850.66	8.12%	10,842.98	818.00	7.54%
d)	Personal loans	2,854.82	64.13	2.25%	2,886.45	55.75	1.93%
	Subtotal (i)	27,644.36	1,833.40	6.63%	25,724.95	1,743.78	6.78%
<b>ii)</b>	<b>Non-priority Sector</b>						
a)	Agriculture and allied activities	79.53	4.13	5.19%	74.31	2.32	3.12%
b)	Industry	3,016.04	165.07	5.47%	2,664.43	133.28	5.00%
c)	Services	4,067.52	92.45	2.27%	2,285.85	38.87	1.70%
d)	Personal loans	12,918.71	369.62	2.86%	11,915.93	284.52	2.39%
e)	Other Non-Priority Loans	25,275.50	113.74	0.45%	18,637.31	90.14	0.48%
	Sub-total (ii)	45,357.30	745.01	1.64%	35,577.83	549.13	1.54%
	<b>Total (i + ii)</b>	<b>73,001.66*</b>	<b>2,578.41</b>	<b>3.53%</b>	<b>61,302.78*</b>	<b>2,292.91</b>	<b>3.74%</b>

\*excludes provision for NPA and other netting items

**c) Overseas assets, NPAs and Revenue –Nil (Previous Year – Nil)****d) Particulars of resolution plan and restructuring**

There are no Borrowers requiring additional provision in terms of Reserve Bank of India Circular DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019.

During the FY 2023-24, Bank was allotted equity shares of 187(98+89) with a face value of ₹10/- each as part of conversion of Credit and Investment portion of SREI Infrastructure Finance Limited. The book value stands at ₹891/- as on 31.03.2024. (Previous year Nil.)

**e) Divergence in asset classification and provisioning:**

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to the Risk based Supervision conducted by the Reserve Bank of India for the year ended 31<sup>st</sup> March 2023, based on conditions mentioned in the RBI Master Direction No. RBI/DOR/2021-22 /83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30<sup>th</sup> August 2021 (updated as on 11<sup>th</sup> October 2022). (Previous year Nil.)

**f) Disclosure of transfer of loan exposures**

i) Bank has not transferred / acquired any loan not in default during the year ended 31<sup>st</sup> March, 2024 under the RBI Master Direction on transfer of loan exposure dated 24<sup>th</sup> September, 2021.



- ii) In the case of stressed loans transferred: (₹ in crore except no. of accounts & Tenor)

**Current Year 31.03.2024**

Particulars	To Asset Reconstruction Companies(ARCs)	To permitted transferees	To other Transferees
No of accounts	45	-	-
Aggregate principal outstanding of loan transferred	310.19	-	-
Weighted average residual tenor of the loans transferred	1.62	-	-
Net book value of loans transferred (at the time of transfer)*	0.48	-	-
Aggregate consideration	78.85	-	-
Additional consideration realized in respect of accounts transferred in earlier years	0	-	-

\* Net of provisions.

**Previous Year 31.03.2023**

Particulars	To Asset Reconstruction Companies(ARCs)	To permitted transferees	To other Transferees
No of accounts	3	-	-
Aggregate principal outstanding of loan transferred	3.96	-	-
Weighted average residual tenor of the loans transferred	1.02	-	-
Net book value of loans transferred (at the time of transfer)*	2.36	-	-
Aggregate consideration	2.8	-	-
Additional consideration realized in respect of accounts transferred in earlier years	0	-	-

\*Net of provisions.

- iii) The Bank has not acquired any stressed loan through assignment during the FY 2023-24.
- iv) The Bank has not acquired any Security Receipts (SR) issued by the Asset Reconstruction companies in respect of stressed loans transferred to ARCs,during the financial year.

**Distribution of Security Receipts across various categories of recovery ratings assigned to such SR's by the credit rating agencies as on March 31, 2024:**

Recovery Rating Band	Book Cost (₹ in crore)	
	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
RR1	6.79	7.29
RR1+	0.14	-
RR2	1.66	39.00
RR3	89.16	80.45
RR4	23.77	65.49
RR5	37.55	0.00
Rating Withdrawn	107.36	114.69
<b>Total</b>	<b>266.43*</b>	<b>306.92</b>

\*Provision held there against ₹266.43 crore

**g) Fraud accounts**

Particulars	(₹ in crore)	
	Current Year 2023-24	Previous Year 2022-23
Number of frauds reported	349	60
Amount involved in frauds*	159.99	166.46
Amount of Provision for such Fraud#	136.29	58.37
Amount of Unamortised provision debited from other reserves as at the end of the year	Nil	Nil

\* Includes Technical Written Off Accounts

# The Bank holds 100% Provision net of recoveries.

**h) Disclosure under Resolution Framework for COVID-19 related Stress**

In accordance with the COVID 19 regulatory package announced by RBI from time to time providing relief to the borrowers, the Bank as per approved board policy offered relief to all eligible borrowers and necessary provision has been made for the same.

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A) (Sept 30, 2023)	Of (A), aggregate debt that slipped into NPA during the half- year (March 31, 2024)	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year (March 31,2024)
Personal Loans	233.40	13.56	6.12	52.94	205.69
Corporate persons*	4.67	-	-	4.97	4.61
Of which MSMEs	-	-	-	-	-
Others	51.16	0.01	-	6.45	49.31
Total	289.23	13.57	6.12	64.36	259.61

\* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

- (ii) In Accordance with RBI Cir No. DOR.str.rec.11/21.04.048/2021-22 dated May 5, 2021 on "Resolution Framework 2.0: Resolution of Covid-19 related stress of individuals and small business, the number of borrowers Accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under:

No. of Accounts	27
Aggregate Exposure as on 31 <sup>st</sup> March 2024 (₹ In crore)	19.08

**5. Exposures****a) Exposures to real estate sector**

(₹ in crore)

Category	Current Year 31.03.2024	Previous Year 31.03.2023
<b>i) Direct exposure</b>		
<b>a) Residential Mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	10,174.10	9,850.96
Of which Individual housing loans eligible for inclusion in priority sector advances	2,677.81	2,706.45
<b>b) Commercial Real Estate -</b>		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,952.98	5,323.34
<b>c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -</b>		
i. Residential	Nil	Nil
ii. Commercial Real Estate	Nil	Nil
<b>ii) Indirect Exposure</b>		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	0.21	0.22
<b>Total Exposure to Real Estate Sector</b>	<b>15,127.29</b>	<b>15,174.52</b>





**b) Exposure to capital market**

Particulars	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	92.62	107.14
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	Nil	Nil
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	140.37	146.95
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
vii) Bridge loans to companies against expected equity flows / issues;	Nil	Nil
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
ix) Financing to stockbrokers for margin trading;	Nil	Nil
x) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total exposure to capital market</b>	<b>232.99</b>	<b>254.09</b>

**c) Risk category-wise country exposure**

Risk Category*	(₹ in crore)			
	Exposure (net) as at March, 2024	Provision held as at March, 2024	Exposure (net) as at March, 2023	Provision held as at March, 2023
Insignificant	38.47	Nil	46.69	Nil
Low	37.98		26.09	
Moderately Low	13.77		9.02	
Moderate	0.00		0.02	
Moderately High	1.25		0.00	
High	0.00		0.04	
Very High	0.30		0.00	
<b>Total</b>	<b>91.76</b>		<b>81.86</b>	

The net funded exposure of the Bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no country risk provision is required as per the extant RBI guidelines. The Bank has used 7 categories of classifications followed by the ECGC for purpose of classification and making provision for country risk exposures.

**d) Unsecured advances**

Particulars	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
Total unsecured advances of the bank (Net)	7,460.60	5,308.80
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	29.71	30.82
Estimated value of such intangible securities	38.67*	35.25

\*Based on AFS-2023

**e) Factoring Exposure- Nil (Previous Year- Nil)****f) Intra -group Exposure**

There are no Intra Group exposures other than investment of ₹1.75 crore in wholly owned non-financial Subsidiary KBL Services Limited (Previous Year ₹1.5 crore)

**g) Unhedged foreign currency exposure**

The Bank has put in place a policy on Hedging of Foreign Currency Exposure which is a part of the Loan Policy, stipulating the guidelines on managing the risk arising out of the unhedged foreign currency exposure in line with the extant RBI guidelines. Further, the Bank has made a provision of ₹23.72 crore (Previous year ₹20.39 crore) and has provided capital for the unhedged foreign currency exposure of borrowal entities of ₹3.97 crore (Previous year ₹2.73 crore) in line with the extant RBI guidelines.

**6. Concentration of deposits, advances, exposures and NPAs****a) Concentration of deposits**

Particulars	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
Total Deposits of twenty largest depositors	3,669.43	3,105.47
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.74	3.55

**b) Concentration of advances**

Particulars	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
Total Advances of the twenty largest borrowers	11,971.10	8,964.75
Percentage of advances of the twenty largest borrowers to Total Advances of the Bank	12.49	10.99

**c) Concentration of exposures**

Particulars	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
Total Exposures of twenty largest borrowers	12,262.61	9,381.93
Percentage of exposure of twenty largest borrowers to Total exposure of the bank	12.57	11.23

**d) Concentration of NPAs**

Particulars	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
Total Exposures of the top twenty NPA accounts	655.24	512.83
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	25.41	22.37

**7. Derivatives****a) Forward rate agreement/ interest rate swap -Nil**

(Previous Year-Nil)

**b) Exchange traded interest rate derivatives - Nil**

(Previous Year-Nil)

**Disclosure on Risk exposure in derivatives****i) Qualitative Disclosure**

The Bank has put in place Board approved Integrated Treasury Policy, Asset Liability Management (ALM) policy, Market Risk Management Policy and Fund Transfer Pricing Policy for effective management of market risk in the Bank. The objective of Integrated Treasury Policy is to assess and minimize risks associated with treasury operations by extensive use of various risk management tools. Broadly, it encompasses Policy prescriptions for managing systemic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.



For market risk arising out of various products in treasury and its business activities, the Bank has set regulatory/ internal limits and ensures the adherence thereof. Migration of ratings is tracked regularly. Limits for exposures to counterparties, industries and countries are monitored and the risks are controlled through Stop Loss Limits, Overnight limit, Daylight limit, Aggregate Gap limit, Individual gap limit, Value at Risk (VaR) limit for Forex, Inter-Bank dealing and various investment limits. For the Market Risk Management the Bank has a Mid Office. The functions of Mid Office are handled by Risk Management Department.

The Board, RCMC & ALCO are overseeing the market risk management of the Bank, procedures thereof, implementing risk management guidelines issued by regulator, best risk management practices followed globally and ensures that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the Bank is assessed through daily gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limits fixed thereon. Advance techniques such as stress testing, simulation, sensitivity analysis etc. are conducted on regular intervals to draw the contingency funding plan under different liquidity scenarios.

Fund Transfer Pricing Policy lays down methodology/assumptions on which profitability of the branches/products/ customers is measured.

**ii) Quantitative disclosure**

(₹ in crore)

Sl. No.	Particulars	Current year 31.03.2024		Previous year 31.03.2023	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For Hedging				
	b) For Trading				
(ii)	Marked to Market Positions (1)				
	a) Asset (+)				
	b) Liability (-)				
(iii)	Credit Exposure (@)				
(iv)	Likely Impact of one percentage change in interest rate (100*pv01)			Nil	
	a) On Hedging Derivatives				
	b) On Trading Derivatives				
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) On hedging				
	b) On trading				

@ Credit exposure is calculated as per RBI Circular DBS.FID.No.C-12/01.02.00/2002-03 dated 20-01-2003 on measurement of credit exposure of derivatives products and we have adopted current exposure method for calculating the same.

**c) Credit default swaps**

The Bank has not entered into any credit default swap. (Previous Year- Nil)

**8. Disclosures relating to securitisation:**

The Bank has not sponsored any SPVs for securitisation transactions

**9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms) – Nil**

**10. Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(₹ in crore)

S. No.	Particulars	Current Year 31.03.2024	Previous Year 31.03.2023
i)	Opening balance of amounts transferred to DEA Fund	249.25	177.48
ii)	Add: Amounts transferred to DEA Fund during the year	55.94	76.94
iii)	Less: Amounts reimbursed by DEA Fund towards claims	14.20	5.17
iv)	Closing balance of amounts transferred to DEA Fund	290.99	249.25

Balances of the amount transferred to DEA Fund are included under 'Schedule 12 - Contingent Liabilities - Other items'.

**11. Disclosure of Complaints**

- a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman are furnished below.

S. No.	Particulars	Current Year 31.03.2024	Previous Year 31.03.2023
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	379*	312
2	Number of complaints received during the year	39,350	56,325
3	Number of complaints disposed during the year	39,521	56,236
3.1	Of which, number of complaints rejected by the bank	91	53
4	Number of complaints pending at the end of the year	208	401
	Maintainable complaints received by the bank from Office of Ombudsman		
5	Number of maintainable complaints received by the bank from Office of Ombudsman	458	363
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	204	326
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	254	37
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

\*Note: As per RBI Letter CEPD.CO.PRD/S-1332/13-01-015/2023-24 dated 23-01-2024 and as per their instructions, BO Pending Complaints during FY 2022-23 has been removed and shown as received in the FY 2023-24. Hence there is a difference of 22 complaints.

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 [Previously Banking Ombudsman Scheme, 2006] and covered within the ambit of the Scheme.

- b) Top five grounds of complaints received by the bank from customers are as under.

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year 2023-24</b>					
ATM/Debit Cards	370	37,906	-30.78	208	1
Internet / Mobile / Electronic Banking	0	512	-37.71	0	0
Loans & Advances	1	140	-30.00	0	0
Levy of charges without prior notice / excessive charges / foreclosure charges	0	78	-14.29	0	0
Facilities for customers visiting the branch/adherence to prescribed working hours by the branch, etc.	1	79	1.28	0	0
Others	7	635	70.24	0	0
<b>Total</b>	<b>379</b>	<b>39,350</b>		<b>208</b>	<b>1</b>



Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Previous Year 2022-23</b>					
ATM/Debit Cards	256	54,761	40.01	376	0
Internet / Mobile / Electronic Banking	14	822	-18.05	8	4
Loans & Advances	24	200	-39.03	7	0
Others	1	91	9.64	0	0
Levy of charges without prior notice / excessive charges / foreclosure charges	1	78	-2.5	1	1
Others (Apart from top 5 Complaints)	16	373	-12.87	9	0
<b>Total</b>	<b>312</b>	<b>56,325</b>		<b>401</b>	<b>5</b>

## 12. Disclosures of penalties imposed by the Reserve Bank of India.

The Reserve Bank of India (RBI) on May 17<sup>th</sup>, 2024 imposed a monetary penalty of ₹0.59 crore on the Bank for non-compliance with certain directions issued by RBI on 'Interest Rate on Deposits' and 'Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances'. The same has been provided for in the accounts for 31<sup>st</sup> March 2024. (Previous Year –No Penalty)

## 13. Disclosures on remuneration

### a) Qualitative disclosure

(a) Information relating to the composition and mandate of the Nomination & Remuneration Committee (NRC).	<p>The Nomination &amp; Remuneration Committee (NRC) consists of four Directors, three of them are Independent Directors.</p> <p>The mandate of the NRC includes identification of persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment, fixing their compensation and/or removal, undertaking the due diligence of candidates before their appointment/re-appointment as directors, formulating the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the board of directors, etc. NRC also reviews Policy on "Compensation of Whole Time Directors/Chief Executive Officers/Risk Takers and Control Function Staff, etc." of the Bank (known as "Compensation Policy") besides, administration of ESOP scheme.</p>
(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<p>Compensation Policy aims to attract and retain the right candidates in the Bank. The policy is designed to support key business strategies and create a strong, performance-orientated environment besides providing reasonable remuneration commensurate with the growth of the Bank, keeping in mind the circulars issued by the RBI in the matter. It also ensures effective governance of compensation, alignment of compensation with prudent risk taking, effective supervisory oversight and stakeholder engagement. The Policy read with Policy on Human Resource Management of the Bank aims at facilitating effective succession planning in the Bank.</p>

(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	A wide variety of measures of credit, market and liquidity risks are used by Bank in implementation of risk adjustment. The risk adjustment methods have both quantitative and qualitative elements. Compensation outcomes are symmetric with risk outcomes and compensation pay-outs are sensitive to the time horizon of the risk.
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	The performance-based remuneration motivates and rewards high performers who strengthen long-term customer relations and generate income and shareholder value. The Bank's Compensation Policy stipulates that while designing the compensation package to WTDs & Material Risk Takers, it is ensured that there is a proper balance between Fixed Pay and Variable Pay. While fixing the Variable Pay, performance parameters under financial and non-financial areas of operations (including risk adjustment) are assessed.
(e)	A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	As per the Bank's Compensation Policy, effective pay cycles commencing from April 2020, the maximum permissible variable pay is at 200% of the fixed pay for WTDs, which is split into cash (50%) and share linked components (50%). Further, in each of these components, 60% of the Variable Pay is deferred to be vested over a period of three years in the ratio of 30:30:40. In case of Material Risk Takers (MRTs), the maximum permissible limit of variable pay is at 100% of Fixed Pay with similar deferral arrangement. The policy also provides that the deferred compensation will be subject to malus/claw back arrangements in the event of subdued or negative financial performance of the bank and/or the relevant line of business in any year and the policy has identified certain set of situations which, if triggered, empower the NRC/Board of Directors to invoke malus/claw back clauses. The payment of Variable Pay to the WTDs is subject to prior approval of the RBI.
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	The variable pay is split into equal components of cash and share linked instruments to have proper mix of remuneration. The share linked instruments act as a retention and motivation tool and provide the incumbent with a sense of belongingness with the Bank.

**b) Quantitative disclosures**

	Current Year (2023-24)	Previous Year (2022-23)
(g) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Seven (07) Sitting fees of ₹60,000/- to each Non-Whole Time Director members per meeting attended. Overall remuneration paid as Sitting fees to Members of the NRC during the FY 2023-24 is ₹0.17 Crore	Eleven (11) Sitting fees of ₹60,000/- to each Non-Whole Time Director members per meeting attended. Overall remuneration paid as Sitting fees to Members of the NRC during the FY 2022-23 is ₹0.30 Crore.
(h) (i) Number of employees having received a variable remuneration award during the financial year.	Five	Four
(ii) Number and total amount of sign-on/joining bonus made during the financial year.	Nil	Nil
(iii) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
(i) (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Refer Table 1 below	
(ii) Total amount of deferred remuneration paid out in the financial year.		



	Current Year (2023-24)	Previous Year (2022-23)
(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Refer Table 2 below	
(k) (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	Refer Table 1 below	
(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.	Nil	Nil
(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	Nil	Nil
(l) Number of MRTs identified.	Three	Three
(m) (i) Number of cases where malus has been exercised	Nil	Nil
(ii) Number of cases where clawback has been exercised.	Nil	Nil
(iii) Number of cases where both malus and clawback have been exercised.	Nil	Nil

### c) General Quantitative Disclosure

	Current Year (2023-24)	Previous Year (2022-23)
(n) 1. The mean pay for the bank as a whole (excluding sub-staff) and The deviation of the pay of each of its WTDs from the mean pay.	Mean Pay ₹ 0.11 crore MD & CEO:15.28X* Executive Director: 6.74X	Mean Pay ₹ 0.10 crore MD & CEO: 13.90X Executive Director: 1.14X

\* (Shri. Mahabaleshwara M S (upto 14.04.2023) and Shri. Srikrishnan Hari Hara Sarma w.e.f. 09.06.2023  
- For this purpose the combined remuneration for both the MD & CEO's are considered.)

**Note** -Computed based on non-deferred remuneration which has been recognized during the FY 2023-24 & FY 2022-23

TABLE 1

(₹ in crore)

	FY 2023-24					FY 2022-23			
	MD& CEO	ED	COO	CBO	Total	MD& CEO	COO	CBO	Total
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	1.75	0.06	0.34	0.29	2.44	0.77	0.12	0.10	0.99
Total amount of deferred remuneration paid out in the financial year.	Nil	Nil	Nil	Nil	Nil	0.08	Nil	Nil	0.08

TABLE 2

Breakdown of amount of remuneration awards for the financial year to show Fixed and Variable, Deferred and Non-Deferred

(₹ in crore)

Name of the Director/MRT	FY 2023-24			FY 2022-23		
	Fixed Pay	Variable Pay1		Fixed Pay	Variable Pay2	
		Cash Component	Share Linked remuneration (ESOPs)		Cash Component	Share Linked remuneration (ESOPs)
Mr. Mahabaleshwara M S (FY 2022-23) Managing Director & CEO	0.96 (14 days worked)	Nil	Nil	0.96	0.48 Non-Deferred (upfront): 0.19 (40%) Deferred: 0.29 (60%)	0.48 9 (Worth) Non-Deferred (upfront):Nil Deferred: 0.48 (100%)
Mr. Srikrishnan Hari Hara Sarma (FY 2023-24) Managing Director & CEO	2.00	1.25 Non-Deferred (upfront): 0.625 (50%) Deferred: 0.625 (50%)	1.25 (Worth) Deferred: 1.25 (100%)	Not Applicable		
Mr. Sekhar Rao (FY 2023-24) Executive Director	0.72	0.72 Non-Deferred (upfront): 0.36 (50%) Deferred: 0.36 (50%)	0.72 (Worth) Deferred: 0.72 (100%)	0.72	0.72	0.72
Mr. Y V Balachandra, Chief Operating Officer (MRT)	0.52	0.26 Non-Deferred (upfront): 0.26	0.26 (Worth) Deferred: 0.26 (100%)	0.32	0.12~	0.12 (Worth) Deferred: 0.12 (100%)
Mr. Gokuldas Pai Chief Business Officer (MRT)	0.52	0.26 Non-Deferred (upfront): 0.26	0.26 (Worth) Deferred: 0.26 (100%)	0.32	0.10~	0.10 (Worth) Deferred: 0.10 (100%)
Mr. R K Gurumurthy Head -Treasury (MRT)	0.27	0.135 Non-Deferred (upfront): 0.135	0.135 (Worth) Deferred: 0.135(100%)	0.27	0.135~	0.135 (worth) Deferred: 0.135 (100%)

~Since the amount of Variable Pay was less than ₹25 Lakhs, there was no deferral arrangement on cash component.

Variable Pay will be bifurcated equally into cash and share linked instruments. It is payable on evaluation of performance determined by the board, subject to approval of the Reserve Bank of India.



**14. Other Disclosures****a) Business ratios**

Sl. No.	Particulars	Current Year (2023-24)	Previous Year (2022-23)
i	Interest Income to working funds	7.76%	8.07%
ii	Non interest income to working funds	1.23%	1.11%
iii	Cost of Deposit	5.32%	4.62%
iv	Net Interest Margin	3.51%	3.70%
<hr/>			
Sl. No.	Particulars	Current Year (2023-24)	Previous Year (2022-23)
v	Operating Profit as a percentage to working funds	2.02%	2.47%
vi	Return on Assets	1.22%	1.21%
vii	Business (Deposits Plus Advances) per employee (₹ in crore)	19.07	17.03
viii	Profit per employee(₹ in crore)	0.15	0.14

**Note** -Total Advances and deposits have been taken. Total employees as 31/03/2024 have been taken.

**b) Bancassurance business**

Sl. No.	Particulars	Current Year (2023-24)	Previous Year (2022-23)
(₹ in Crore)			
1	For selling Life Insurance Policies	54.64	40.82
2	For selling Non Life Insurance Policies	19.30	11.94

**c) Marketing and Distribution**

Other fees/ remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken by us during Financial Year 2023-24 is ₹14.96 Crore. (Previous year ₹16.12 crore)

**d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)**

During the year, Bank has purchased PSLC to the tune of ₹5,000 Cr (previous year ₹1,000 Cr).

**e) Provisions and contingencies:**

Details of Provisions and contingencies made during the year

Sl. No.	Particulars	Current Year (2023-24)	Previous Year (2022-23)
(₹ in Crore)			
1	Provision for NPI	-8.27	0.00
2	Provision towards NPA	597.38	889.95
3	Provision towards Standard Assets (including NPV of Restructured Standard advances)	-7.45	-121.49
4	Provision made towards Income Tax	256.45	260.80
5	Other Provisions & contingencies-for frauds, claims against the Bank not acknowledged as debt and other intangibles.	18.91	-1.28
<b>Total</b>		<b>857.02</b>	<b>1,027.98</b>

**f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

In order to implement Indian Accounting Standards (Ind AS), the Bank has set up a Steering Committee headed by the Managing Director and a sub-committee called IFRS Working Group having members across cross-functional business verticals, to work towards effectively implementation of Ind AS in the Bank. Bank has been submitting the Proforma Ind AS financials to RBI every half year as per the RBI guidelines. Also, as a prudent measure, Bank is preparing Proforma Ind AS financials on quarterly basis and the estimated impact along with latest update on the Ind AS implementation in the Bank is placed to the Audit Committee of the Board. Towards effective implementation of the Standards, Bank has also endeavoured on onboarding – Oracle Financial Services Analytical Application (OFSAA) which includes IFRS-9 Module to compute Effective Interest Rate (EIR) and Expected Loan Loss Provisioning (ECL) through the Core Banking System.

*The Reserve Bank of India (RBI), vide its communication Ref: DBR.BP.BC.No.29/21.07.001/2018-19 dated 22<sup>nd</sup> March, 2019 has deferred implementation of Ind AS for all Scheduled Commercial Banks till further notice.*

**g) Payment of DICGC Insurance Premium**

Sl. No.	Particulars	(₹ in Crore)	
		Current Year (2023-24)	Previous Year (2022-23)
i	Payment of DICGC Insurance Premium	126.45	115.94
ii	Arrears in payment of DICGC premium	NIL	NIL

**h) Disclosure on amortisation of Expenditure on account of Enhancement in family pension of Employees of Banks:**

Nil for the year. The Bank had fully recognised the expenditure for enhancement of Family pension in the FY 2021-22.

**i) Disclosure of Letters of Comfort (LoCs) issued by banks- Nil****j) Portfolio-level information on the use of funds raised from green deposits.**

Bank is in process of launching the Green Deposit product. As such we have nothing to report under total Green Deposits raised.

**k) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended March 31, 2024;****15. Accounting Standards**

In compliance with the guidelines issued by the Reserve Bank of India regarding disclosure requirements of the various Accounting Standards, following information is disclosed:

**a) Accounting Standard 5 – Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies**

There are no material prior period items.

In the preparation of these Financial Statements, the Bank has followed the same accounting policies and generally accepted accounting practices adopted for the preparation of the Audited Financial Statements for the year ended March 31, 2023.

**b) Accounting Standard 9 – Revenue Recognition**

Revenue is recognized on accrual basis as per Schedule 17 to the financial statements. Certain items of income are recognized on cash basis and same is not material.

**c) Accounting Standard 10 - Fixed Assets**

Details of Revaluation are given below:

Details	(₹ in crore)	
	Current Year 31.03.2024	Previous Year 31.03.2023
Book value of Land & Building as on	230.17	169.66
Incremental value on account of revaluation made in 2016-17 and credited to the Revaluation Reserve	422.43	422.43
Incremental value on account of revaluation made in 2019-20 and credited to the Revaluation Reserve (net of reduction in value due to revaluation)	60.11	60.11
Incremental value on account of revaluation made in 2022-23 and credited to the Revaluation Reserve (net of reduction in value due to revaluation)	56.89	56.89
Depreciation on revalued amount up to year ended	36.75	27.82
Written Down Value of the revalued assets	732.85	681.27

Depreciation on the book value of the building up to March 31, 2024 is ₹ 71.00 crore. Profit and Loss Account for the current financial year has been debited with additional depreciation charge of ₹5.62 crore representing the incremental depreciation on the revalued amount.

**d) Accounting Standard 15 – Employee Benefits****Various Benefits made available to the Employees**

- i) Pension:** The Bank has a defined benefit plan under Pension Trust to cover employees who have joined employment up to 31<sup>st</sup> March 2010 and who have opted for Pension Scheme, provided they have completed 20 years of service. The benefits under this plan are based on last drawn salary and the tenure of employment. The liability for the pension is determined and provided on the basis of actuarial valuation and is covered by purchase of annuity



from LIC. The employees who have joined employment after 31<sup>st</sup> March 2010 are covered under contributory pension scheme.

- ii) Gratuity:** In accordance with the applicable Indian Laws, the Bank provides for defined gratuity benefit retirement plan ('the Gratuity Plan') covering eligible employees. This plan provides for a lump sum payment to the eligible employees on retirement, death, incapacitation or termination of employment of amounts that are based on the last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation and contributed to the gratuity fund trust. Trustees administer the contribution made to the trust and invest in specific designated securities as mandated by law, which generally comprise of Central and State Government Bonds and debt instruments of Government owned corporations.
- iii) Leave Encashment (PL):** The Bank permits encashment of leave accumulated by the employees. The liability for encashment of such leave is determined and provided on the basis of actuarial valuation. For the current financial year, Bank has provided an amount of ₹73.90 crore (Previous year ₹13.40 crore).
- iv) Provident Fund:** The Bank pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the Fund is recognised as expense and is charged to the Profit and Loss Account. The obligation of the Bank is limited to such contributions. As on 31<sup>st</sup> March 2024, there was no liability due and outstanding to the Fund by the Bank.
- v) Other Employee Benefits:** Other than the benefits listed above, the Bank also gives certain other benefits to the employees, which include Medical Aid, Sick Leave, Casual Leave etc.,
- vi)** During the year ended March 31, 2024, the Bank has provided ₹ 271 crore towards 12<sup>th</sup> Bipartite Settlement of wage revision including retirement benefits and total provision held as at 31<sup>st</sup> March 2024 towards the same amounts to ₹ 334 crore . (Previous year ₹63.43 crore)
- vii)** The summarised position of post-employment benefits and employees' long term benefits are recognized in the financial statements in accordance with Accounting Standard – 15 and are as under:

**Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average %)**

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Method of Valuation		Projected unit credit		
2	Discount rate	7.30%	7.20%	7.50%	7.50%
3	Salary escalation rate	4.00%	4.00%	4.00%	4.00%
4	Attrition rate	2.00%	2.00%	2.00%	2.00%
5	Expected rate of return on plan assets	7.25%	7.25%	7.25%	7.25%
6	Mortality		IALM (2012-14) ult		

**Changes in the present value of obligations (PVO) - Reconciliation of Opening and closing Balance**

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Present Value of defined benefit obligation as at 1 <sup>st</sup> April 2023	994.20	302.90	945.50	295.30
2	Interest Cost	69.12	21.77	64.57	20.61
3	Current Service Cost	27.07	25.64	26.01	25.54
4	Past Service Cost	-	-	-	-
5	Benefits Paid	(145.24)	(25.14)	(145.82)	(26.04)
6	Actuarial Loss/(Gain) on Obligations	109.55	81.13	103.94	(12.51)
7	Present Value of defined benefit obligation as at 31 <sup>st</sup> March 2024	<b>1,054.70</b>	<b>406.30</b>	<b>994.20</b>	<b>302.90</b>

## Changes in Fair value of Plan Assets- Reconciliation of Opening and Closing Balances

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Fair Value of Plan Assets at the beginning of the year	994.20	302.90
2	Expected return on Plan Assets	71.70	24.89	67.86	20.90
3	Bank's Contribution related to Current year	134.64	105.89	126.81	11.89
4	Benefits Paid	(145.24)	(25.14)	(145.82)	(26.04)
5	Actuarial Gain/(Loss ) on plan assets	(0.60)	(2.24)	(0.15)	0.85
6	Fair Value of Plan Asset at the end of the year	<b>1,054.70</b>	<b>406.30</b>	<b>994.20</b>	<b>302.90</b>

## Actual Return on Plan Assets

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Expected return on Plan Assets	71.70	24.89
2	Actuarial Gain/(Loss) on plan Assets	(0.60)	(2.24)	(0.15)	0.85
3	Actual Return on Plan Assets	71.10	22.65	67.71	21.75

## Actuarial Gain / Loss Recognized

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Actuarial (Gain)/Loss for the period- Obligations	109.55	81.13
2	Actuarial (gain)/Loss for the period- Plan Assets	0.60	2.24	0.15	(0.85)
3	Total (Gain)/Loss for the period- Plan Assets	110.15	83.37	104.09	(13.36)
4	Actuarial (Gain)/Loss recognized in the year	110.15	83.37	104.09	(13.36)
5	Unrecognized actuarial (Gain)/Loss at the end of the year	-	-	-	-

## Amounts recognized in Balance Sheet and Related Analysis

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Present value of the obligations	1,054.70	406.30
2	Fair Value of Plan Assets	1,054.70	406.30	994.20	302.90
3	Surplus/(Deficit)	0.00	0.00	0.00	0.00
4	Assets/(Liability) recognised in the Balance Sheet	-	-	-	-

## Expenses recognised in the Profit and Loss Account

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Current Service Cost	27.07	25.64
2	Interest Cost	69.12	21.77	64.57	20.61
3	Expected Return on Plan Assets	(71.70)	(24.89)	(67.86)	(20.90)
4	Net actuarial (Gain)/Loss recognized in the year	110.15	83.37	104.09	(13.36)
5	Expenses recognised in the Profit and Loss Account	134.64	105.89	126.81	11.89

**Major Categories of plan assets (As a percentage of total plan assets)**

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Fund)	Gratuity (Fund)	Pension (Fund)	Gratuity (Fund)
1	Government of India Securities	-	1.44	-	1.77
2	State Government Securities	-	-	-	-
3	High Quality Corporate Bonds	-	-	-	-
4	Equity Shares of Listed Companies	-	-	-	-
5	Property	-	-	-	-
6	Funds managed by insurer	100.00	98.53	100.00	98.05
7	Mutual Funds	-	-	-	-
8	Bank Deposits- Current Accounts	-	-	-	-
9	Others	-	0.03	-	0.18
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Experience adjustment history for 5 years- Gratuity**

Experience History	(₹ in crore)				
	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Present value of obligation	406.30	302.90	295.30	282.30	237.90
Plan assets	406.30	302.90	295.30	282.30	237.90
Surplus / (Deficit)	0	0	0	0	0
Experience (Gain) or Loss on plan liabilities	68.43	(6.40)	4.67	50.83	0.18
Experience (Gain) or Loss on plan assets	2.24	(0.85)	(1.14)	3.12	0.93

**Experience adjustment history for 5 years- Pension**

Experience History	(₹ in crore)				
	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Present value of obligation	1,054.70	994.20	945.50	854.00	874.90
Plan assets	1,054.70	994.20	945.50	854.00	874.90
Surplus / (Deficit)	0	0	0	0	0
Experience (Gain) or Loss on plan liabilities	134.95	121.44	30.13	108.66	78.54
Experience (Gain) or Loss on plan assets	(0.60)	(0.15)	(3.10)	(6.73)	(5.10)

**Estimated expenses / contribution for the next year**

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Enterprises Best estimate of expenditure to be incurred during the next year(inclusive of proportionate amortisation)	142.80	23.69	139.10	26.60

**e. Accounting Standard 17 – Segment Reporting:****Business Segment-**

For the purpose of segment reporting in terms of AS 17 of the Companies (Accounting Standards) Rules 2021 and as prescribed in the RBI guidelines, the business of the Bank has been classified into 4 segments i.e.

- Treasury operations
- Corporate/Wholesale Banking
- Retail Banking
- Other Banking Operations.

**Geographical Segment-**

Further as per the RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, on establishment of Digital Banking Unit (DBU), 'Digital Banking' has been identified as a Sub-segment under Retail Banking. Since the Bank does not have any overseas branch, reporting under geographic segment does not arise. Segment assets have been identified and segment liabilities have been allocated on the basis of segment assets.

BUSINESS SEGMENTS	TREASURY				CORPORATE/ WHOLESALE BANKING			RETAIL BANKING			OTHER BANKING OPERATIONS			TOTAL		
	Mar'24		Mar'23		Mar'24		Mar'23		Mar'24		Mar'23		Mar'24		Mar'23	
	Mar'24	Mar'23	Mar'24	Mar'23	DBU	Other Retail Banking	Mar'24	Mar'23	Mar'24	Mar'23	Mar'24	Mar'23	Mar'24	Mar'23	Mar'24	Mar'23
Particulars	1,652.13	1,276.83	3,429.15	2,936.88	0.19	4,222.61	3,653.01	291.63	281.76	9,595.71	8,148.48	21.72	64.33	9,617.43	8,212.81	
Revenue																
Unallocated Income																
Total Income	164.79	21.02	962.05	1,012.83	(0.47)	1,030.18	1,147.80	56.86	48.65	2,213.41	2,230.30	(650.68)	(789.26)	1,562.73	1,441.04	
Result																
Unallocated expenses (including provisions & contingencies)																
Profit before tax																
Income taxes																
Extraordinary / Exceptional Profit / Loss																
Net Profit																
Other Information																
Segment Assets	32,648.33	29,846.76	38,324.06	29,886.99	8.25	41,605.74	35,564.32	40.22	10.10	112,626.60	95,308.17	3,457.97	3,750.17	116,084.57	99,058.34	
Unallocated Assets																
Total Assets	29,429.29	27,387.34	34,886.66	27,441.73	8.72	37,740.55	32,549.58	36.24	9.28	102,101.46	87,387.93	3,134.61	3,457.05	105,236.07	90,844.98	
Segment Liabilities																
Unallocated liabilities																
Total Liabilities																
Capital employed																

#### f. Accounting Standard 18 - Related Party Disclosures

##### Key Managerial Personnel:

1. Mr. Mahabaleshwar M S, Managing Director & CEO of the Bank, was the Whole Time Director upto 14<sup>th</sup> April 2023 on the Board of the Bank and his appointment is in accordance with the approval received from the RBI in terms of Banking Regulation Act, 1949.
2. Mr. Srikrishnan H, Managing Director & CEO of the Bank, was appointed with effect from 09<sup>th</sup> June 2023 in accordance with the approval received from the RBI in terms of Banking Regulation Act, 1949.
3. Mr. Sekhar Rao, Executive Director of the Bank, was appointed with effect from 01<sup>st</sup> February 2023 in accordance with the approval received from the RBI in terms of Banking Regulation Act, 1949

##### Subsidiary:

KBL Services Limited, is a Wholly Owned Non-Financial Subsidiary of the Bank in respect of which the approval of the Reserve Bank of India was obtained in terms of "Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. During the year, the Bank has contributed additional capital of ₹0.25 Crore for the effective functioning of the subsidiary thereby the total capital contributed till date is ₹ 1.75 Crore as on March 31, 2024 (₹ 1.50 Crore as on 31.03.2023).



(₹ in crore)

Items/Related Party of FY 2023-24	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Borrowings		0		0	0
Deposits		0.65 (1.22)		0.08 (0.24)	* (0.00)
Placement of deposits		0		0	0
Advances		0		0	0
Investments		1.75 (1.75)		0	0
Non funded commitments		0		0	0
Leasing/ HP Arrangements availed		0		0	0
Leasing/ HP Arrangements provided		0		0	0
Purchase of fixed assets		0		0	0
Sale of fixed assets		0		0	0
Interest Paid		*		*	*
Interest Received		0.00		0.00	0
Rendering Services		0.00		0.00	0
Receiving Services		9.74		1.90	0
Management Contact		0		0	0

(₹ in crore)

Items/Related Party of FY 2022-23	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Borrowings		0		0	0
Deposits		0.1 (0.66)		1.35 (0.72)	0.76 (1.28)
Placement of deposits		0		0	0
Advances					0.12 (0.31)
Investments		0.50 (1.50)			
Non funded commitments		0		0	0
Leasing/ HP Arrangements availed		0		0	0
Leasing/ HP Arrangements provided		0		0	0
Purchase of fixed assets		0		0	0
Sale of fixed assets		0		0	0
Interest Paid		0.007		*	*
Interest Received		0		0	*
Rendering Services		0		0	0
Receiving Services		4.11		1.35#	0

Figures in bracket indicate maximum balance during the year.

# computed based on fixed pay plus the non-deferred remuneration which has been recognized during the FY 2021-22

\* Amount is less than ₹1 lakh.

1. ^ In terms of Regulation 23(9) of the SEBI (LODR) Regulations, 2015 read with "Para 5 Accounting Standard 18 - Related Party Disclosures" of the RBI Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021, "where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party."
2. Bank has only one entity under Subsidiary and two Key Managerial Personnel, the definition of which, are drawn from the "Accounting Standard 18 – Related Party Disclosures" as required for disclosure under Regulation 23(9) of the SEBI LODR. In terms of the aforesaid RBI Master Direction, the Bank's relationship with each of the parties is as under:

#### g. Accounting Standard 19- Leases

##### I) Premises

Particulars	(₹ in crore)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Not later than 1 year	1.60	0.78
Later than 1 year and not later than 5 years	5.08	4.79
Payable Later than 5 years	100.82	94.40
<b>Total</b>	<b>107.50</b>	<b>99.97</b>

##### II) ATM Premises.

Particulars	(₹ in crore)	
	As at 31 <sup>st</sup> March, 2024	
Not later than 1 year	0.29	
Later than 1 year and not later than 5 years	0.89	
Payable Later than 5 years	5.32	
<b>Total</b>	<b>6.50</b>	

The lease rents are paid by the bank for premises leased for its business operations. The above contingent lease rent has been determined based on terms of individual lease agreements over lease period. The terms of renewals/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreement.

#### h. Accounting Standard 20 - Earnings per Share

Basic and diluted earnings per equity share computed in accordance with AS 20 – Earnings per Share are as under:

Particulars	Current Year 2023-24	Previous Year 2022-23
Earnings per share- Basic(₹)	39.84	37.88
Earnings per share- Diluted(₹)	39.66	37.66
Net Profit for the year attributable to Equity shares (₹ in crore)	1306.28	1180.24
Weighted Average number of Equity Shares –Basic	327,846,831	311,541,947
Weighted Average number of Equity Shares - Diluted	329,410,499	313,410,655
Nominal value per equity share(₹)	10	10

Allotment of 128,521 equity shares (Previous year 128521) is kept in abeyance including 1,800 equity shares (Previous Year 1,800), where the entitlement matter is sub judice. These shares have not been considered for EPS calculation, as the shares are not allotted.

#### i. Accounting Standard 22 – Accounting for Taxes on Income

##### i) Provision made for taxes during the year

Particulars	(₹ in crore)	
	Current Year 2023-24	Previous Year 2022-23
Current Tax	280.69	328.93
Deferred Tax	-24.24	-68.13
<b>Total</b>	<b>256.45</b>	<b>260.80</b>





## ii) Major components of Deferred Tax Assets and Liabilities recognised are as under:

		(₹ in crore)	
Sl. No.	Particulars	Current Year 2023-24	Previous Year 2022-23
<b>A</b>	<b>Deferred Tax Liabilities</b>		
1	Depreciation on fixed assets	4.71	4.22
2	Special Reserve u/s 36(1)(viii) of Income Tax Act	115.96	98.42
3	Deferred Revenue Expenditure	-	-
4	Others	-	-
	<b>Total</b>	<b>120.67</b>	<b>102.64</b>

		(₹ in crore)	
Sl. No.	Particulars	Current Year 2023-24	Previous Year 2022-23
<b>B</b>	<b>Deferred Tax Assets</b>		
1	PL/LFC Encashment	81.34	60.70
2	Provision for advances	345.14	302.32
3	Provision for Standard advances	142.55	144.43
4	Provision for arrears of salary	-	15.97
5	Provision for Fair Value Loss	-	-
6	Others	13.31	16.66
	<b>Total</b>	<b>582.34</b>	<b>540.08</b>
	<b>Net Deferred Tax Liability/(Asset)(A) - (B)</b>	<b>-461.67</b>	<b>-437.44</b>

## j. Accounting Standard 28 – Impairment of Assets

An assessment is made at each Balance sheet date as to whether there is any indication that an asset is impaired. If any such indication exists, an estimate of the recoverable amount is made and impairment loss, if any, is provided for. As on March 31, 2024, there was no indication of impairment of any asset.

## k. Accounting Standard 29 – Provision, Contingent Liabilities and Contingent Asset

## Movement in Provision for Contingencies

(₹ in crore)				
Particulars	Opening as on 01.04.2023	Provision made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2024
Provision for contingencies	16.20	20.94	0	37.14

16. Operating Expenses stated in Schedule 16 to the Profit and Loss Account includes ₹18.41 crore (Previous year ₹12.13 crore) spent towards Corporate Social Responsibility (CSR) activities. The Bank has spent 2.01% (Previous Year: 2.00%) of its average net profit for the last three Financial Years as part of its Corporate Social Responsibility for the year ended March 31, 2024.

The details of the amount spent during the respective years towards CSR are as under:

		(₹ in crore)					
Sl. No.	Particulars	March 31, 2024			March 31, 2023		
		Amount Spent	Amount unpaid / provided	Total#	Amount Spent	Amount unpaid / provided	Total*
i)	Construction / acquisition of any asset	6.32	9.05	15.37	6.79	2.42	9.21
ii)	On purpose other than (i) above	1.25	1.79	3.04	2.29	0.63	2.92

\* Excluding a sum of ₹0.06 Crore excess sanctioned & provided in FY 2021-22 set off to FY 2022-23.

#A sum of ₹0.01 Crore excess sanctioned and provided in FY 22-23 has been set off to FY 23- 24. Thus, effectively the total CSR sanction for FY 23-24 is ₹18.42 crore.

## 17. Litigations and claims

A sum of ₹1634.94 crore (Previous year ₹1630.03 crore) is outstanding on account of demands raised by the Income Tax Department in the earlier years, out of which an amount of ₹846.86 Crore (Previous year ₹956.13 Crore) has been paid under protest by debit to Sundry Assets - Protested Tax Account and for the balance of ₹788.08 crore (Previous year ₹673.90 Crore) stay from collection of demand has been granted.

In addition to the above, the Income Tax Department has gone on appeal on various issues wherein Appellate Authority has given decisions in favour of the Bank to the extent of ₹475.74 crore (Previous year ₹486.55 crore).

The Bank has preferred appeal against certain service tax demands to the extent of ₹193.15 crore (Previous year ₹193.15 crore) and paid pre deposit of ₹1.06 crore (Previous year ₹1.06 crore) by debit to Sundry Assets – Service Tax Paid under Protest.

In addition to above, the department has gone on appeal in respect of certain matters wherein appellate authority has given decision in favour of the bank to extend of ₹17.49 crore.

The Bank has also preferred appeal against certain GST demands to the extent of ₹1.42 crore (Previous year nil) and paid pre deposit of ₹0.15 crore by debit to Sundry Assets – Service Tax Paid under Protest.

The Bank has been advised by its Tax Consultants and Experts that there are good chances of success in these appeals, considering legal provision favourable judicial pronouncements and / or appellate orders on identical issues for earlier years. Hence, the Bank does not consider it necessary to make any provision or include the same under Schedule 12 - Contingent Liability, to the Balance sheet.

All pending litigations which may have an impact on its financial position have been estimated and provided for. In respect of other pending litigations, no provision is required since these pending litigations have no impact on its financial position.

## 18. Employee Stock Option

The shareholders of the Bank, on July 21, 2018, have approved 'KBL Employee Stock Option Scheme-2018' (ESOS-2018) with a total of 50,00,000 stock options available for grant each of which is convertible into one equity share. The scheme has been framed in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. Further, to give effect to the corporate action by way of Bonus issue in the ratio of 1:10, additional 1,07,147 options have been accounted and hence, the total available options under the scheme stand increased to 51,07,147 stock options.

The options granted under ESOS 2018 would vest after one year from the date of grant of such options in a graded manner over a period of three years (i.e. 40%, 30% & 30% respectively on completion of 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> year), as determined by the Nomination & Remuneration Committee (NRC), a committee of the Board of Directors, subject to continued employment with the Bank on the date of vesting.

During the year ended March 31, 2024, no modifications were made to the terms and conditions of ESOS - 2018 as approved by the NRC.

The Shareholders of the Bank on March 30, 2023 have approved 'KBL Employee Stock Option Scheme-2023' (ESOS-2023) with a total of 15,00,000 Stock options available for grant each of which is convertible into one equity share catering partially towards the disbursement of share linked portion of variable pay as per RBI guidelines relating to compensation payable to MD & CEOs/ Whole Time Directors/Material Risk Takers (MRTs) in banks vide DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019. The Scheme, which is in lieu of ESOS-2018, has been framed in accordance with Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. The old Scheme ESOS 2018 will continue to be operative for the limited purpose of permitting exercise of already granted options.

The Options granted under ESOS 2023 would vest after one year from the date of grant of such options in a graded manner over a period of three years (i.e. 30%, 30% & 40% respectively on completion of 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> year), as determined by the Nomination & Remuneration Committee (NRC), a committee of the Board of Directors.

During the year ended March 31, 2024, no modifications were made to the terms and conditions of ESOS - 2023 as approved by the NRC.

To ascertain the ESOP compensation cost at fair value for the purpose of accounting/ disclosures in the financial statements, Bank has adopted Black Scholes Valuation Methodology to determine the fair value of stock options. Black Scholes model is a mathematical formula used to estimate the value of stock options based on several factors. Some of the key factors that are considered when computing the fair market value of an ESOP under the Black Scholes model are stock price, exercise price, time to expiry, volatility risk-free interest rate, dividend yield, etc.



During the year bank has recognized ₹0.91 Crore towards Employee stock option compensation expense on ESOS -2018 and ESOS -2023 scheme .

Activity in the options outstanding under the Employee Stock Option Scheme

Particulars	ESOS-2018		ESOS-2023	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,304,934	58.76	0	0.00
Granted during the year	0.00	0.00	313,193	139.53
Vested during the year	1,001,694	42.47	0.00	0.00
Exercised during the year	1,292,194	55.82	0.00	0.00
Lapsed/ forfeited/ cancelled (Nos.)	85,112	56.01	0.00	0.00
Outstanding as on March 31, 2024	1,927,628	60.86	313,193	139.53
Exercisable at the end of the year March 31, 2024	1,915,628	60.80	0	0.00

19. The Board of Directors of the Bank have proposed a dividend of ₹ 5.50 per Equity share of ₹10/- each (55% of Equity Share Capital) for the year ended March 31<sup>st</sup> 2024 (Previous year ₹ 5.00 per Equity share of ₹ 10 each), subject to the approval of the members at the ensuing Annual General Meeting. In terms of Accounting Standard (AS) 4 Contingencies and Events occurring after the Balance sheet date, the Bank has not appropriated proposed dividend aggregating to ₹ 207.49 crore from the Profit and loss account for the year ended March 31<sup>st</sup>, 2024. However, the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31<sup>st</sup>, 2024.

#### 20. Reconciliation of Branch Adjustments and Balancing of Subsidiary Ledgers

- Balancing of Subsidiary Ledgers is completed at all the Branches/ offices
- Reconciliation of Branch Adjustments/Interbank accounts has been completed up to 31<sup>st</sup> March 2024 and steps are being taken to give effect to consequential adjustments of pending items.

#### 21. Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014

The Bank, as part of its normal business, grants loans and advances (including loans against third party deposits or Non-Banking Finance Company or Real estate promoters / developers loan, other margins / security), makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) to and accepts deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's authorised normal business, which is conducted ensuring adherence to regulatory requirements.

In the course of the transactions carried out as described above

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified by in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- The Bank has not received any funds from any person(s) or entity(ies) including foreign entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**22. Disclosure of material items as required under RBI Circular DOR.ACC.REC.No.91/21.04.018/ 2022-23 dated December 13<sup>th</sup> 2022.**

Particulars of Head/Sub-Head	Item under Head/Sub-Head	₹ in Crore
Schedule 14- Other Income	Recovery of Written Off Accounts	276.98
Schedule 11(V)	RIDF Deposit	8,343.12

**23. Previous year's figures have been regrouped/rearranged wherever necessary.**

**Sham K**  
Company Secretary

**Abhishek S Bagchi**  
Chief Financial Officer

**Gokuldas Pai**  
Chief Business Officer

**Y V Balachandra**  
Chief Operating Officer

**For and on behalf of Board**

**Sekhar Rao**  
Executive Director  
DIN 06830595

**Srikrishnan H**  
Managing Director & CEO  
DIN 00318563

**P Pradeep Kumar**  
Chairman  
DIN 03614568

**B R Ashok**  
Director  
DIN 00415934

**A V Chandrashekar**  
Director  
DIN 08829073

**Uma Shankar**  
Director  
DIN 07165728

**D S Ravindran**  
Director  
DIN 09057128

**Balakrishna Alse S**  
Director  
DIN 08438552

**Jeevandas Narayan**  
Director  
DIN 07656546

**K Gururaj Acharya**  
Director  
DIN 02952524

**Harish Hassan Visweswara**  
Director  
DIN 08742808

**Attached to our report of even date**

**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn. No. 104607W/W100166

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No. 004207S

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Reg. No.009073N/N500320

**Anil A Kulkarni**  
Partner  
M No 047576

**P. Menakshi Sundaram**  
Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024



# Independent Auditors' Report

To The Members of  
The Karnataka Bank Limited

## Report on Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of The Karnataka Bank Limited (the "Bank" or "Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance sheet as at March 31, 2024, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid Consolidated Financial Statements give the information required by the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") from time to time, as applicable (the "RBI Guidelines") as well as the Companies Act, 2013, as amended ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, its consolidated profit, and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by the RBI from time to time, under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

### A. Identification of Non-Performing Assets ('NPA') and Provisions thereon

#### Key Audit Matter

#### Significant estimates and judgment involved

Identification of Non-Performing Assets ("NPA") and provisions in respect of NPAs are made based on management's assessment in accordance with the prudential norms issued by the RBI on Income Recognition, Asset Classification and Provisioning ("IRACP") pertaining to Advances from time to time.

The provision on NPAs is based on the valuation of the security available and also involves management estimates and judgements. In case of restructured accounts, provision is made in accordance with the RBI guidelines.

Accordingly, our audit focused on identification of NPAs and provision on advances as a key audit matter because of the level of management estimates and judgment involved. Further, in the event of any improper application of the prudential norms or consideration of the incorrect value of the security, the carrying value of the assets could be materially misstated either individually or collectively, and in view of the significance of amount of advances and investments in the financial statements and given its significance to the overall audit due to stakeholder and regulatory focus, the classification of the advances and investments and provisioning thereon has been considered as Key Audit Matter.

#### Auditor's Response

Our key audit approach included assessing the adequacy of design, implementation and operating effectiveness of key internal controls and substantive audit procedures over approval, recording and monitoring of loans, assessing the reliability of documentation, measurement of provisions, identification of NPA accounts and valuation of security for NPA accounts along with basis and rationale for various other management information.

# Independent Auditors' Report (Contd..)

- As a process, we have read the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms.
- We have evaluated details on a test check basis of exposures for identification of NPA and calculation of provisions including valuation of primary and collateral securities which involves certain degree of management estimation.
- We have evaluated and understood the Bank's internal control systems to ensure completeness, accuracy, and relevance of data and to ensure that the same is in compliance with the RBI guidelines, circulars and directions on the Prudential Norms on Income Recognition, Asset Classification and Provisioning issued from time to time.
- We tested on a samples basis to ensure completeness of documentation, adherence of the approval process to the Bank's Policy and board minutes, credit review of customers, review of Special Mention Accounts, reports from the RBI's Centralised Information Management System and other related documents and reports including evaluation of management judgement, governance, and review of internal control. Held discussion with the management of the Bank on various accounts wherein there has been stress and the steps taken to mitigate such risks.

## B. Information Technology - IT Systems and Controls

### Key Audit Matter

The IT environment of the Bank is complex. The Bank's operations utilise many independent and inter-dependent information technology systems for processing and recording large volume of transactions in numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on such IT systems for financial reporting process of the Bank. Controls over access and changes to IT systems are critical to the recording of financial information and the preparation of the Consolidated Financial Statements. Appropriate automated general and application controls are required to ensure that such IT systems and applications are able to process the data, as required, completely, accurately and consistently, which directly impact the completeness and accuracy of financial reporting.

The IT systems and controls is identified as a key audit matter because of high level of automation, significant number of systems being used and complexity of the IT infrastructure and its impact on the financial reporting system since our audit approach could significantly differ depending on the effective operation of the Bank's IT controls.

### Auditor's Response

We tested the technology control environment for key IT systems used in processing significant transactions and recording balances in the general ledger. We also tested key automated controls embedded within these systems which link the technology-enabled business processes. Our further audit procedures included:

- Assessing the governance and higher-level controls across the IT Environment and performing review of IT general controls.
- Evaluation and understanding the key IT systems being used by the Bank.
- Design and operating effectiveness testing of controls across the User Access Management, Change Management, backup, other IT operational controls as well as effectiveness testing of automated business process controls.
- Wherever required, we tested compensating IT Controls.

## C. Direct and Indirect Taxes

### Key Audit Matter

This matter has been identified as a Key Audit Matter due to the significant level of management judgment required in the estimation of provision for taxes including any write back of provisions, factors like uncertain tax positions and provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures.

### Auditor's Response

- Our audit procedures to test uncertain tax positions included understanding processes, evaluation of adequacy of design and implementation of controls and testing of operating effectiveness of controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies.
- We have obtained details of completed tax assessments and demands made by authorities from the management of the Bank.
- We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of disputed cases; and evaluated the management's underlying key assumptions in estimating the tax provisions.
- We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions.



# Independent Auditors' Report (Contd..)

- We have also relied upon the opinion given by tax consultant in evaluating management's assessment for the uncertain tax positions. For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of disclosures.

## Information Other than the Consolidated Financial Statements and Auditors' Report thereon

The Bank's Board of Directors are responsible for the other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis, Basel III – Pillar 3 disclosures and Corporate Governance report included in the Annual Report, but does not include the Standalone and Consolidated Financial Statements and our auditors' reports thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. Further, in terms of the Act, the respective Board of Directors of the companies in the Group covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the Banking Regulations Act, 1949 for

safeguarding of the assets of the Group and of its subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each Company.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Independent Auditors' Report<sup>(Contd..)</sup>

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls system with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated Financial Statements made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the Bank. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 'Other Matters' in this Audit report.

Materiality in the magnitude of the misstatements in the Consolidated Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

1. We did not audit the financial statements of the subsidiary, KBL Services Limited, included in the Consolidated Financial Statements, whose financial statements reflect Group's share of total assets (before consolidation adjustments) of ₹ 23,540 thousand as at March 31, 2024, Group's share of total revenue (before consolidation adjustments) of ₹ 98,014 thousand and Group's share of total net profit after tax (before consolidation adjustments) of ₹ 3,308 thousand for the year ended March 31, 2024, respectively. These financial statements have been audited by another auditor whose Independent Auditor's Report has been furnished to us by the Management, and our opinion on these financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on report of such auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the Consolidated Financial Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor on the said financial statements of the subsidiary.

2. The Consolidated Financial Statements of the Group for the year ended on March 31, 2023, were audited by Kalyaniwalla & Mistry LLP, Chartered Accountants and Sundaram & Srinivasan, Chartered Accountants, the joint statutory auditors of the Bank whose report dated May 26, 2023 expressed an unmodified opinion on those statements. Accordingly, Ravi Rajan & Co. LLP, Chartered Accountants, do not express any opinion on the figures reported in the Statement for the year ended March 31, 2023.

Our opinion is not modified in respect of this matter.





# Independent Auditors' Report<sup>(Contd..)</sup>

## Report on Other Legal and Regulatory Requirements

1. The Consolidated Financial Statements have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and Accounting Standards as per section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021.
  2. As required by section 197(16) of the Act in relation to managerial remuneration, based on the information and explanations given to us, and on the consideration of the reports of the other auditors, referred to in the Other Matters section above, on separate financial statements of the subsidiary, we report that, the subsidiary covered under the Act has not paid any remuneration to its directors during the year. Hence, reporting under the provisions of section 197 read with Schedule V to the Act is not applicable for the current year. Further, since the Holding Company is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
  3. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
    - (b) In our opinion, proper books of account as required by law, relating to the presentation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
    - (c) The Consolidated Balance Sheet, Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 to the extent they are not inconsistent with the policies prescribed by the RBI.
    - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its subsidiary company, none of the directors of the Holding Company and subsidiary company are disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and of its Subsidiary, and the operating effectiveness of such controls, our separate report in Annexure A is attached.
  - (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiary in Note 4 of Schedule 18 to the Consolidated Financial Statements.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; in respect of such items as it relates to the Group.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary during the year ended March 31, 2024.
    - iv. (a) The management of the Holding Company and its Subsidiary has represented that, to the best of its knowledge and belief, as disclosed in the note 8 (a) of Schedule 18 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management of the Holding Company and its Subsidiary has represented that, to the best of its knowledge and belief, as disclosed in the note 8 (b) of Schedule 18 to the Consolidated Financial Statements,

# Independent Auditors' Report<sub>(Contd..)</sub>

no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank and its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (iv) (a) and (iv) (b) contain any material misstatement. Our reporting under sub-clause (iv) (a) and (iv) (b) in so far as it relates to subsidiary company, is based solely on the reports of the auditors of subsidiary company.

- v. (a) The final dividend proposed for the previous year, declared, and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in the note 6 of Schedule 18 to the Consolidated Financial Statements, the Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in

accordance with section 123 of the Act, to the extent it applies to declaration of dividend, as applicable until the date of this report.

- vi. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
  - a. The feature of recording audit trail (edit log) facility was enabled at the database level of the accounting software used relating to Core Banking System, Loan Application Processing System, Investment and payroll for a shorter period of time. The Bank has deployed a Database Access Management Tool (DAM) which records the audit trail captured in the Software's database on a real time basis which also gets archived. Based on the above, the audit trail (edit log) requirement is operative from 1 April 2023 to 31 March 2024.
  - b. Audit trail (edit log) facility with respect to Expenses (saral) was not enabled at database level / captured in DAM tool.
  - c. Audit trail (edit log) facility with respect to Fixed Assets was not enabled at application layer level.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**

Firm Regn. No. 104607W/W100166

**Sundaram & Srinivasan**  
**Chartered Accountants**

Firm Regn. No. 004207S

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**

Firm Regn. No. 009073N/N500320

**Anil A. Kulkarni**  
**Partner**

Membership No.047576

Date: 24 May 2024

Place: Mangalore

UDIN: 24047576BKBJIL8108

**P. Menakshi Sundaram**  
**Partner**

Membership No. 217914

Date: 24 May 2024

Place: Mangalore

UDIN: 24217914BKBOUM1096

**Sumit Kumar**  
**Partner**

Membership No. 512555

Date: 24 May 2024

Place: Mangalore

UDIN: 24512555BKFTQD6201



# Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 3 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) on the Consolidated Financial Statements of the Karnataka Bank Limited for the year ended March 31, 2024)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

### Opinion

We have audited the internal financial controls with reference to Consolidated Financial Statements of The Karnataka Bank Limited (“the Bank”) and its subsidiary company, as of March 31, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Bank and its subsidiary company have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting” issued by the Institute of Chartered Accountants of India (the “ICAI”) (the “Guidance Note”).

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Bank and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (SAs) issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls with reference to Consolidated Financial Statements.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Bank’s internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with

generally accepted accounting principles. A Bank's internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Consolidated Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matter**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to a subsidiary company is based solely on the report of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

#### **Kalyaniwalla & Mistry LLP Chartered Accountants**

Firm Regn. No. 104607W/W100166

#### **Sundaram & Srinivasan Chartered Accountants**

Firm Regn. No. 004207S

#### **Ravi Rajan & Co. LLP Chartered Accountants**

Firm Regn. No. 009073N/N500320

#### **Anil A. Kulkarni Partner**

Membership No.047576

Date: 24 May 2024

Place: Mangalore

UDIN: 24047576BKBJL8108

#### **P. Menakshi Sundaram Partner**

Membership No. 217914

Date: 24 May 2024

Place: Mangalore

UDIN: 24217914BKBOUM1096

#### **Sumit Kumar Partner**

Membership No. 512555

Date: 24 May 2024

Place: Mangalore

UDIN: 24512555BKFTQD6201



# Consolidated Balance Sheet

As on 31 March, 2024

(₹ in '000s)

	Schedule No.	As on 31-March-24	As on 31-March-23
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	377,25,98	312,35,24
Reserves and Surplus	2	10470,27,28	7899,71,13
Deposits	3	98057,17,99	87367,91,05
Borrowings	4	4399,53,33	1562,72,00
Other Liabilities and Provisions	5	2779,01,37	1914,42,70
<b>TOTAL</b>		<b>116083,25,95</b>	<b>99057,12,12</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	7656,06,76	5204,23,46
Balances with Banks and Money at Call and Short Notice	7	336,67,10	955,23,28
Investments	8	24300,30,33	23324,86,66
Advances	9	71508,64,08	59951,62,21
Fixed Assets	10	914,78,92	875,36,03
Other Assets	11	11366,78,76	8745,80,48
<b>TOTAL</b>		<b>116083,25,95</b>	<b>99057,12,12</b>
Contingent Liabilities	12	13136,36,34	10102,40,01
Bill for collection		2581,43,41	2773,08,22
Significant Accounting Policies	17		
Notes on Account	18		
The schedules referred to above form an integral part of Balance Sheet			

**Sham K**  
Company Secretary

**Abhishek S Bagchi**  
Chief Financial Officer

**Gokuldas Pai**  
Chief Business Officer

**Y V Balachandra**  
Chief Operating Officer

**For and on behalf of Board**

**Sekhar Rao**  
Executive Director  
DIN 06830595

**Srikrishnan H**  
Managing Director & CEO  
DIN 00318563

**P Pradeep Kumar**  
Chairman  
DIN 03614568

**B R Ashok**  
Director  
DIN 00415934

**A V Chandrashekar**  
Director  
DIN 08829073

**Uma Shankar**  
Director  
DIN 07165728

**D S Ravindran**  
Director  
DIN 09057128

**Balakrishna Alse S**  
Director  
DIN 08438552

**Jeevandas Narayan**  
Director  
DIN 07656546

**K Gururaj Acharya**  
Director  
DIN 02952524

**Harish Hassan Visweswara**  
Director  
DIN 08742808

**Attached to our report of even date**

**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn. No. 104607W/W100166

**For Sundaram & Srinivasan**  
Chartered Accountants  
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**Anil A Kulkarni**  
Partner  
M No 047576

**P. Menakshi Sundaram**  
Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024

# Consolidated Profit and Loss Account

For the Year Ended 31 March, 2024

(₹ in '000s)

	Schedule No.	Year ended 31-March-24	Year ended 31-March-23
<b>I. INCOME</b>			
Interest Earned	13	8298,50,95	7220,23,18
Other Income	14	1318,97,32	992,57,53
<b>Total</b>		<b>9617,48,27</b>	<b>8212,80,71</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	4999,76,97	4035,12,04
Operating Expenses	16	2454,15,66	1970,02,22
Provisions and Contingencies		856,94,13	1027,98,24
<b>Total</b>		<b>8310,86,76</b>	<b>7033,12,50</b>
<b>III. PROFIT</b>			
Net profit for the year		1306,61,51	1179,68,21
Profit brought forward		164,61,84	135,08,06
<b>Total</b>		<b>1471,23,35</b>	<b>1314,76,27</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		327,00,00	296,00,00
Transfer to Capital Reserve		8,34,73	-
Transfer to Revenue Reserve		648,00,00	590,00,00
Transfer to Special Reserve u/s 36 (i) (viii) of Income Tax Act		69,70,13	75,47,41
Transfer from Investment Reserve Account		-	-
Transfer to Investment Fluctuation Reserve		53,00,00	64,15,30
Transfer to Other Funds		-	-
Dividend paid		156,37,10	124,51,72
Balance carried over to Balance Sheet		208,81,39	164,61,84
<b>Total</b>		<b>1471,23,35</b>	<b>1314,76,27</b>
Earning per share - Not Annualised			
Basic	₹	39.85	37.87
Diluted	₹	39.67	37.64
Significant Accounting Policies	17		
Notes on Account	18		

The schedules referred to above form an integral part of Profit And Loss Account

**Sham K**  
Company Secretary

**Abhishek S Bagchi**  
Chief Financial Officer

**Gokuldas Pai**  
Chief Business Officer

**Y V Balachandra**  
Chief Operating Officer

**For and on behalf of Board**

**Sekhar Rao**  
Executive Director  
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**Harish Hassan Visweswara**  
Director  
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**Attached to our report of even date**

**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
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**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No. 0042075

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Reg. No.009073N/N500320

**Anil A Kulkarni**  
Partner  
M No 047576

**P. Menakshi Sundaram**  
Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024



# Consolidated Cash Flow Statement

For the Year Ended 31 March, 2024

(₹ in '000s)

	Year ended 31-March-24		Year ended 31-March-23	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after Tax and Extra Ordinary Items		1306,61,51		1179,68,21
<b>Add:</b>				
<b>Adjustments for :</b>				
Provision for Tax	256,36,31		260,80,12	
(Profit)/Loss on sale Fixed Assets	(41,67)		30,14	
Depreciation on Fixed Assets including Lease Adjustment charges	71,87,85		86,44,25	
Provisions and Contingencies	600,57,82		767,18,12	
Amortisation of premium on Held to Maturity Investments	90,11,99		103,54,91	
(Profit)/ Loss on Revaluation of Investments	(104,80,21)		182,17,38	
Employee Stock Option Compensation Expense	90,91		-	
Write-off of Fixed Assets	2,27	914,65,27	3,90	1400,48,82
<b>Operating Profit Before Working Capital Changes</b>		<b>2221,26,78</b>		<b>2580,17,03</b>
<b>Adjustment for :</b>				
i) (Increase)/Decrease in Advances	(11698,87,33)		(3533,44,27)	
ii) (Increase)/Decrease in Other Operating Assets	958,82,62		(4475,04,71)	
iii) (Increase)/Decrease in Investments	(953,49,53)		(1570,59,21)	
iv) Increase/(Decrease) in Deposits	10689,81,49		6981,17,47	
v) Increase/(Decrease) in Borrowings	2582,73,33		(849,67,36)	
vi) Increase/(Decrease) in Other Liabilities	(3038,35,44)	(1459,34,86)	3004,55,74	(443,02,34)
<b>Cash Generated from Operations</b>		<b>761,91,92</b>		<b>2137,14,69</b>
<b>Less:</b> Direct taxes paid		399,71,97		307,45,63
<b>Net Cash Flow from Operating Activities (A)</b>		<b>362,19,95</b>		<b>1829,69,06</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(111,81,41)		(88,81,42)
Sale of Fixed Assets		86,09		1,78,59
Investment in wholly owned subsidiary-KBL Services Limited		(25,00)		(50,00)
<b>Net Cash used in Investing Activities (B)</b>		<b>(111,20,32)</b>		<b>(87,52,83)</b>

# Consolidated Cash Flow Statement (Contd..)

For the Year Ended 31 March, 2024

(₹ in '000s)

	Year ended 31-March-24		Year ended 31-March-23	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital (net of expenses)		1484,56,59		6,51,39
Proceeds from long term borrowings		254,08,00		98,55,00
Dividend paid (Including Tax on Dividend)		(156,37,10)		(124,51,72)
<b>Net Cash Generated from Financing Activities ( C )</b>		<b>1582,27,49</b>		<b>(19,45,33)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>1833,27,12</b>		<b>1722,70,90</b>
Cash & Cash Equivalents as at the beginning of the year		6159,46,74		4436,75,85
Cash & Cash Equivalents as at the end of the period		7992,73,86		6159,46,75

## Note:

- The Cash Flow Statement has been prepared under the Indirect Method and the previous year's figures have been re-grouped wherever necessary.
- Cash and Cash Equivalents comprise of Cash on Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

**Sham K**  
Company Secretary

**Abhishek S Bagchi**  
Chief Financial Officer

**Gokuldas Pai**  
Chief Business Officer

**Y V Balachandra**  
Chief Operating Officer

## For and on behalf of Board

**Sekhar Rao**  
Executive Director  
DIN 06830595

**Srikrishnan H**  
Managing Director & CEO  
DIN 00318563

**P Pradeep Kumar**  
Chairman  
DIN 03614568

**B R Ashok**  
Director  
DIN 00415934

**A V Chandrashekar**  
Director  
DIN 08829073

**Uma Shankar**  
Director  
DIN 07165728

**D S Ravindran**  
Director  
DIN 09057128

**Balakrishna Alse S**  
Director  
DIN 08438552

**Jeevandas Narayan**  
Director  
DIN 07656546

**K Gururaj Acharya**  
Director  
DIN 02952524

**Harish Hassan Visweswara**  
Director  
DIN 08742808

## Attached to our report of even date

**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn. No. 104607W/W100166

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No. 004207S

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Reg. No.009073N/N500320

**Anil A Kulkarni**  
Partner  
M No 047576

**P. Menakshi Sundaram**  
Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024





# Schedules

Forming Part of Consolidated Balance Sheet

	(₹ in '000s)	
	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 1 CAPITAL</b>		
<b>Authorised Capital</b>		
60,00,00,000 Equity shares of ₹ 10/- each	600,00,00	600,00,00
(Previous Year 60,00,00,000 equity shares of ₹ 10/- each)		
<b>Issued Capital</b>		
37,73,78,479 Equity shares of ₹ 10/- each	377,37,85	312,47,11
(Previous Year 31,24,71,142 Equity shares of ₹ 10/- each)		
<b>Subscribed Capital</b>		
37,72,66,508 Equity shares of ₹ 10/- each	377,26,65	312,35,92
(Previous Year 31,23,59,171 Equity shares of ₹ 10/- each)		
<b>Called up Capital /Paid-up Capital</b>		
37,72,49,958 Equity shares of ₹ 10/- each fully paid up	377,25,00	312,34,26
(Previous Year 31,23,42,621 Equity shares of ₹ 10/- each fully paid up)		
Less : Calls unpaid	-	-
Add : Forfeited Shares	98	98
<b>Total</b>	<b>377,25,98</b>	<b>312,35,24</b>
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
<b>I. Statutory Reserve</b>		
Opening balance	3051,00,00	2755,00,00
Additions during the year	327,00,00	296,00,00
	<b>3378,00,00</b>	<b>3051,00,00</b>
Deductions during the year	-	-
<b>Total</b>	<b>3378,00,00</b>	<b>3051,00,00</b>
<b>II. Capital Reserve</b>		
Opening balance	626,38,45	626,38,45
Additions during the year <sup>1</sup>	8,34,73	-
	<b>634,73,18</b>	<b>626,38,45</b>
Deductions during the year	-	-
<b>Total</b>	<b>634,73,18</b>	<b>626,38,45</b>
<b>III. Share Premium</b>		
Opening balance	1260,80,36	1255,96,85
Additions during the year	1442,37,12	483,51
	<b>2703,17,48</b>	<b>1260,80,36</b>
Deductions during the year (share issue expenses)	22,96,27	-
<b>Total</b>	<b>2680,21,21</b>	<b>1260,80,36</b>
<b>IV. Revenue and other Reserves</b>		
<b>a) Revenue Reserve</b>		
Opening balance	1732,34,85	1136,94,70
Additions during the year	653,61,89	595,40,15
	<b>2385,96,74</b>	<b>1732,34,85</b>
Deductions during the year	-	-
<b>Total</b>	<b>2385,96,74</b>	<b>1732,34,85</b>
<b>b) Special Reserve u/s 36(1)(viii) of Income Tax Act</b>		
Opening balance	391,06,04	315,58,63
Additions during the year	69,70,13	75,47,41
	<b>460,76,17</b>	<b>391,06,04</b>
Deductions during the year	-	-
<b>Total</b>	<b>460,76,17</b>	<b>391,06,04</b>

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>c) Investment Fluctuation Reserve Account</b>		
Opening balance	163,00,00	98,84,70
Additions during the year	53,00,00	64,15,30
	216,00,00	163,00,00
Deductions during the year	-	-
<b>Total</b>	<b>216,00,00</b>	<b>163,00,00</b>
<b>d) Employee stock option outstanding</b>		
Opening balance	5,41	5,41
Additions during the year	90,91	-
	96,32	5,41
Deductions during the year	-	-
<b>Total</b>	<b>96,32</b>	<b>5,41</b>
<b>e) Revaluation Reserve Account</b>		
Opening balance	510,44,19	458,95,17
Additions during the year	-	56,89,17
	510,44,19	515,84,34
Deductions during the year <sup>2</sup>	5,61,89	5,40,15
<b>Total</b>	<b>504,82,30</b>	<b>510,44,19</b>
<b>TOTAL (a to e)</b>	<b>3568,51,53</b>	<b>2796,90,49</b>
<b>V. Balance in Profit and Loss Account</b>	<b>208,81,36</b>	<b>164,61,83</b>
<b>GRAND TOTAL ( I TO V )</b>	<b>10470,27,28</b>	<b>7899,71,13</b>

**Note**

- 1 Appropriation on account of profit on sale of investments held under HTM category, net of taxes and transfer to Statutory Reserve.
- 2 Depreciation on the revalued amount during the year is transferred to Revenue Reserve.

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>SCHEDULE -3 DEPOSITS</b>		
<b>A. I. Demand Deposits</b>		
1. From Banks	3,02,89	5,42,43
2. From others	6177,06,94	5310,11,15
	<b>6180,09,83</b>	<b>5315,53,58</b>
<b>II. Savings Bank Deposits</b>	<b>25167,26,57</b>	<b>23491,48,94</b>
<b>III. Term Deposits</b>		
1. From Banks	45,11,00	-
2. From others	66664,70,60	58560,88,53
	<b>66709,81,60</b>	<b>58560,88,53</b>
<b>Total : (I, II and III)</b>	<b>98057,18,00</b>	<b>87367,91,05</b>
<b>B. 1. Deposits of branches in India</b>	98057,17,99	87367,91,05
2. Deposits of branches outside India	-	-
<b>Total (1+2)</b>	<b>98057,17,99</b>	<b>87367,91,05</b>



	As on 31-March-24	As on 31-March-23
(₹ in '000s)		
<b>SCHEDULE - 4 BORROWINGS</b>		
<b>I Borrowings in India</b>		
1. Reserve Bank of India	1998,89,83	-
2. Other Banks	-	-
3. Other Institutions and Agencies	1516,80,00	542,72,00
4. Subordinated Debts for Tier II Capital	300,00,00	1020,00,00
<b>Total</b>	<b>3815,69,83</b>	<b>1562,72,00</b>
<b>II Borrowings outside India</b>	<b>583,83,50</b>	<b>-</b>
<b>Total : (I and II)</b>	<b>4399,53,33</b>	<b>1562,72,00</b>
Secured borrowings included in I & II above	1998,89,83	-
(₹ in '000s)		
<b>SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills Payable	231,91,75	231,83,91
II. Inter Office adjustments(Net)	-	51,29
III. Interest accrued	90,73,99	89,71,67
IV. Deferred Tax Liability (Net)	-	-
V. Others (including Provisions)	2456,35,63	1592,35,83
<b>Total</b>	<b>2779,01,37</b>	<b>1914,42,70</b>
(₹ in '000s)		
<b>SCHEDULE - 6 CASH AND BALANCES WITH RBI</b>		
<b>I. Cash in hand</b> (including foreign currency notes)	<b>619,49,37</b>	<b>676,07,88</b>
<b>II. Balances with Reserve Bank of India</b>		
1. In Current Account	4237,57,39	3362,15,58
2. In Other Accounts	2799,00,00	1166,00,00
<b>Total</b>	<b>7036,57,39</b>	<b>4528,15,58</b>
<b>Total : (I and II)</b>	<b>7656,06,76</b>	<b>5204,23,46</b>
(₹ in '000s)		
<b>SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. IN INDIA</b>		
<b>i. Balances with Banks</b>		
a) In Current Accounts	30,31,34	27,18,96
b) In Other Deposit Accounts	6,52,39	499,70,92
	<b>36,83,73</b>	<b>526,89,88</b>
<b>ii. Money at Call and Short Notice</b>		
a) With Banks	299,83,37	-
b) With Other institutions	-	-
	<b>299,83,37</b>	<b>-</b>
<b>Total (i) &amp; (ii)</b>	<b>336,67,10</b>	<b>526,89,88</b>
<b>II. OUTSIDE INDIA</b>		
i. In Current Accounts / (Debit balance)	-	-
ii. In Other Deposit Accounts	-	428,33,40
iii. Money at Call and Short Notice	-	-
<b>Total</b>	<b>-</b>	<b>428,33,40</b>
<b>Grand Total (I and II)</b>	<b>336,67,10</b>	<b>955,23,28</b>

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 8 INVESTMENTS</b>		
<b>I. Investments in India (Gross )</b>	24717,10,39	23869,59,48
Less: Provision / depreciation	416,80,06	544,72,82
<b>Net value of Investments In India</b>	<b>24300,30,33</b>	<b>23324,86,66</b>
<b>Break-up :</b>		
1. Government Securities	22891,68,57	21727,46,37
2. Other Approved Securities	-	-
3. Shares	80,57,81	98,72,38
4. Debentures and Bonds	1219,53,83	1491,21,27
5. Subsidiaries and/or Joint Ventures	-	-
6. Units and Gold	108,50,12	7,46,64
<b>Total</b>	<b>24300,30,33</b>	<b>23324,86,66</b>
<b>II. Investments outside India</b>	-	-
1. Government Securities (including local authorities)	-	-
2. Subsidiaries and/or Joint Ventures abroad	-	-
3. Other investments	-	-
<b>Total</b>	-	-
<b>Total (I+II)</b>	<b>24300,30,33</b>	<b>23324,86,66</b>

(₹ in '000s)

	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 9 ADVANCES</b>		
<b>A) 1. Bills Purchased and discounted</b>	388,92,99	323,90,24
2. Cash Credits, Overdrafts and Loans repayable on demand	31890,93,15	24362,22,27
3. Term Loans	39228,77,94	35265,49,70
<b>Total</b>	<b>71508,64,08</b>	<b>59951,62,21</b>
<b>B) 1. Secured by Tangible Assets (including book debts)</b>	62312,84,15	53357,75,47
2. Secured by Bank/Government Guarantees	1735,20,01	1285,06,32
3. Unsecured	7460,59,92	5308,80,42
<b>Total</b>	<b>71508,64,08</b>	<b>59951,62,21</b>
<b>C) I. Advances in India</b>		
1. Priority Sector	26697,33,97	24861,18,30
2. Public Sector	4784,45,57	3409,18,40
3. Banks	-	-
4. Others	40026,84,54	31681,25,51
<b>Total</b>	<b>71508,64,08</b>	<b>59951,62,21</b>
<b>C) II. Advances outside India</b>		
1. Due from Banks	-	-
2. Due from others	-	-
a) Bills Purchased and Discounted	-	-
b) Syndicated Loans	-	-
c) Others	-	-
<b>Total</b>	-	-
<b>GRAND TOTAL (C. I and C. II)</b>	<b>71508,64,08</b>	<b>59951,62,21</b>



	(₹ in '000s)	
	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 10 FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost / Revaluation as on 31 <sup>st</sup> March of the preceding year	748,00,14	675,73,69
Additions during the year	59,75,20	72,30,30
	807,75,34	748,03,99
Deductions during the year	3,90	3,85
	807,71,44	748,00,14
Depreciation to-date	74,85,86	66,73,57
<b>Total</b>	<b>732,85,58</b>	<b>681,26,57</b>
<b>II. Other Fixed Assets (including Furniture and Fixtures)</b>		
At cost as on 31 <sup>st</sup> March of the preceding year	708,25,66	693,47,84
Additions during the year	81,20,24	58,95,44
	789,45,90	752,43,28
Deductions during the year	18,56,95	44,17,63
	770,88,95	708,25,65
Depreciation to date	588,95,61	543,30,16
<b>Total</b>	<b>181,93,34</b>	<b>164,95,49</b>
<b>III. Assets under Construction</b>	-	<b>29,13,97</b>
<b>Total Fixed Assets (I+II+III)</b>	<b>914,78,92</b>	<b>875,36,03</b>

	(₹ in '000s)	
	As on 31-March-24	As on 31-March-23
<b>SCHEDULE -11 OTHER ASSETS</b>		
I. Interest accrued	639,42,11	360,18,26
II. Tax paid in advance/tax deducted at source(net of provisions)	896,94,13	1107,14,62
III. Stationery and Stamps	4,75,59	5,41,26
IV. Non-Banking Assets acquired in satisfaction of claims	-	3,79,37
V. Others *	9825,66,93	7269,26,97
<b>Total</b>	<b>11366,78,76</b>	<b>8745,80,48</b>
* includes deferred tax assets (net )of ₹ 461,67,13 (Previous year ₹ 437,43,31) and deposit with RIDF of ₹8343,11,76 (Previous year ₹ 5456,43,76)		

	(₹ in '000s)	
	As on 31-March-24	As on 31-March-23
<b>SCHEDULE - 12 CONTINGENT LIABILITIES</b>		
I Claims against the Bank not acknowledged as debts	45,88,77	39,89,85
II Liability for Partly paid investments	-	-
III Liability on account of outstanding Forward Exchange Contracts	6503,03,46	3860,65,41
IV Guarantees given on behalf of constituents		
a) In India	5448,77,57	4990,67,53
b) Outside India	-	-
V Acceptances, endorsements and other Obligations	847,68,29	902,11,31
VI Other items for which the bank is contingently liable	290,98,25	309,05,91
<b>Total</b>	<b>13136,36,34</b>	<b>10102,40,01</b>

# Schedules

Forming Part of Consolidated Profit and Loss Account

(₹ in '000s)

	Year Ended 31-March-24	Year Ended 31-March-23
<b>SCHEDULE - 13 INTEREST EARNED</b>		
I. Interest/Discount on Advances/Bills	6524,77,66	5584,90,74
II. Income on Investments	1500,17,80	1422,34,93
III. Interest on balances with R.B.I / other Inter-Bank funds	18,06,78	1,58,02
IV. Others	255,48,71	211,39,49
<b>Total</b>	<b>8298,50,95</b>	<b>7220,23,18</b>

(₹ in '000s)

	Year Ended 31-March-24	Year Ended 31-March-23
<b>SCHEDULE - 14 OTHER INCOME</b>		
I. Commission, Exchange and Brokerage	612,56,59	561,46,86
II. Profit on sale of Investments	8,72,35	24,96,86
Less : Loss on sale of Investments	-	(5,72,22)
III. Profit on Revaluation of Investments	104,80,21	-
Less : Loss on Revaluation of Investments	-	(182,17,38)
IV. Profit on sale of Land, Buildings and Other Assets	83,11	64,81
Less : Loss on sale of Land, Buildings and Other Assets	(41,44)	(94,95)
V. Profit on Exchange Transactions	10,92,07	39,79,51
Less : Loss on Exchange Transactions	-	(28,21,21)
VI. Income earned by way of dividends etc., from Subsidiaries/Companies and /or Joint Ventures abroad/ in India	-	-
VII. Miscellaneous income	581,54,43	582,75,25
<b>Total</b>	<b>1318,97,32</b>	<b>992,57,53</b>

(₹ in '000s)

	Year Ended 31-March-24	Year Ended 31-March-23
<b>SCHEDULE - 15 INTEREST EXPENDED</b>		
1. Interest on deposits	4779,64,95	3786,85,39
2. Interest on Reserve Bank of India/Inter-Bank Borrowings	25,37,55	53,34,62
3. Others	194,74,47	194,92,03
<b>Total</b>	<b>4999,76,97</b>	<b>4035,12,04</b>

(₹ in '000s)

	Year Ended 31-March-24	Year Ended 31-March-23
<b>SCHEDULE - 16 OPERATING EXPENSES</b>		
I. Payments to and provisions for employees	1381,76,37	1073,46,28
II. Rent, Taxes and Lighting	177,66,81	157,41,40
III. Printing and Stationery	20,71,78	10,56,31
IV. Advertisement and Publicity	8,04,60	10,51,23
V. Depreciation on Bank's property	71,87,85	86,44,25
VI. Directors' fees, allowances and expenses	4,46,72	4,80,45
VII. Auditors' fees and expenses	5,57,24	3,12,84
VIII. Law charges	14,28,95	12,47,95
IX. Postage, telegrams, telephones etc.	26,99,03	28,12,28
X. Repairs and maintenance	100,62,26	71,06,63
XI. Insurance	112,55,62	103,02,85
XII. Other expenditure	529,58,43	408,99,75
<b>Total</b>	<b>2454,15,66</b>	<b>1970,02,22</b>



## SCHEDULE-17

### **SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

#### **1. BACKGROUND**

The Parent Bank, The Karnataka Bank Limited incorporated at Mangaluru in India is a publicly held Banking Company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of banking & financial services involving retail, corporate/wholesale banking and para banking activities in addition to treasury and foreign exchange business.

KBL Services Limited, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21, 2020 and the certificate of commencement of business was filed on August 26, 2020. The subsidiary Company formerly started its operations on 30.03.2021.

#### **2. BASIS OF PREPARATION**

The Consolidated Financial Statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated, to comply with the statutory requirements prescribed in the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time, the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

#### **3. USE OF ESTIMATES**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

#### **4. CONSOLIDATION PROCEDURE**

Consolidated Financial Statements (CFS) of the parent bank, and its subsidiary has been prepared on the basis of financial statements and in accordance with Accounting Standard 21 "Consolidated Financial Statements" as per the Companies (Accounting Standards) Rules, 2021.

The Financial Statements of the Parent bank and its subsidiary has been aggregated on a line by line basis by adding together like sums of assets, liabilities, income and expenses, after eliminating intra-group transactions and unrealised profit/ loss and making necessary adjustments wherever practicable to conform to the uniform accounting policies. The Financial Statements of the subsidiary are drawn up to the same reporting date as that of the parent.

#### **5. SIGNIFICANT ACCOUNTING POLICIES**

##### **5.1. ADVANCES**

###### **5.1.1 Classification and measurement of advances**

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, specific provisions made towards NPAs, unrealized interest, claims received from Credit Guarantors and provisions for funded interest on term loan classified as NPAs.

The aggregate amount of the participation transferred to the Bank under Inter-Bank Participation on a risk-sharing basis is classified under advances, following the RBI guidelines

### 5.1.2 Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard, doubtful and loss assets at rates as prescribed by the RBI. Higher accelerated provisioning is made basis recoverability and sound commercial judgement.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') and where the NCLT has approved the resolution plan or liquidation order, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

### 5.1.3 Provision on Restructured Assets

In case of restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI as applicable.

### 5.1.4 Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Parent Bank's policy. Recoveries from advances written-off are recognised in the Profit and Loss account under 'Other income' and recovery of Unrealised Interest under 'Income Interest on Loans & Advances'.

### 5.1.5 Other provisions on advances

In respect of borrowers classified as non-cooperative or wilful defaulters, the Parent Bank makes accelerated provisions as per the extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet. Further, incremental capital is maintained in respect of such borrower counterparties in the highest risk category, in line with stipulations by the RBI.

As per extant RBI guidelines, the Parent Bank assesses incremental exposure of specified borrowers of the banking system beyond the Normally Permitted Lending Limit ('NPLL'), and makes additional provisions, if required.

The Parent Bank maintains a general provision on standard advances at the rates prescribed by the RBI. Additionally, on a prudent basis, for Special Mention Accounts (SMA), and identified stress sectors, higher provisioning is maintained.

### 5.1.6 Securitisation and transfer of assets

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising because of the transfer of loans, which is realised, is accounted for and reflected in the Profit and Loss Account for the accounting period during which the transfer is completed.

## 5.2 INVESTMENTS

### 5.2.1 Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').





Investments that are held principally for sale within 90 days are classified as HFT securities.

Investments that the Parent Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries is categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Units and Gold.

### 5.2.2 Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

### 5.2.3 Acquisition cost

Costs incurred at the time of acquisition, of investments, such as brokerage, commission etc., are charged to the Profit and Loss Account. Broken period interest is charged to the Profit and Loss Account. The cost of investment is computed based on the weighted average cost method.

### 5.2.4 Valuation

#### Investments classified under the HTM category:

Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the remaining maturity period of the security on a straight-line basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under "Schedule 13" in the Profit and Loss Account. As per the RBI guidelines, discount on securities held under the HTM category is not accrued and such securities are held at the acquisition cost till maturity.

#### Investments classified under the AFS and HFT categories:

Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA)/Financial Benchmark India Private Limited (FBIL), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investment falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines.

Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments. Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discounts accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

The market value of investments where current quotations are not available is determined in accordance with the following norms prescribed by the RBI:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk markup for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.

- In the case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with the prudential norms for provisioning as prescribed by the RBI.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Parent Bank's internal assessment on case-to-case basis, whichever is lower. In case of investments in SRs which are backed by more than 10% of the stressed assets sold by the Parent Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Parent Bank.
- Where the sale of a stressed asset results in a consideration lower than the value of the stressed assets net of provisions carried there against, the shortfall is debited to the Profit & Loss account. Where such a sale results in consideration higher than the value of the stressed assets net of provisions carried there against, the excess is netted off against the cost of corresponding SRs to arrive at their Book Value.
- SRs issued by Asset Reconstruction Companies ('ARC') are valued at Net Asset Value ('NAV') declared by the ARC except in respect of stressed assets which are sold on or after April 1, 2018 and the Parent Bank holds more than 90% of SRs backed by its sold assets. The provision held against the Book Value of these SRs is higher of provision required in terms of NAV declared by the ARC and provisioning applicable to the underlying loans, assuming that the assets sold notionally continued in the books of the Parent Bank.
- Units of Alternate Investment Fund ('AIF') held under the AFS category are marked to market using the NAV provided by AIF which is determined from the latest audited financial statements. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per AIF.

### 5.2.5 Disposal of Investments

#### Investments classified under the HTM category:

Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to the Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account. The discount if any, on the acquisition of investments in the Held to Maturity (HTM) category is accounted for as follows:

- a) on interest-bearing securities, it is accounted for at the time of sale/ redemption.
- b) on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

#### Investments classified under the AFS and HFT categories:

Realised gains/losses are recognised in the Profit and Loss Account.

### 5.2.6 Short Sales

In accordance with the RBI guidelines, the Parent Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under the HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under the HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

### 5.2.7 Repurchase and reverse repurchase transactions.

#### Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held



under the investment account and the Parent Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

#### **Reverse repurchase transactions ('Reverse repos')**

Reverse repurchase transactions with RBI with original maturity upto 14 days from the date of issuance, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with an original maturity of more than 14 days from the date of issuance are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos are accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

#### **5.2.8 Non-Performing Investments**

Non-performing investments are identified, and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

The Parent Bank also classifies an investment as a non-performing investment in case any credit facility availed by the same borrower/entity has been classified as a non-performing asset and vice versa. The above is applied to Preference Shares where the fixed dividend is not paid.

The investments in debentures/ bonds, which are deemed to be an advance, are also subjected to NPI norms as applicable to investments.

### **5.3 REVENUE RECOGNITION**

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon-bearing discounted instruments or low coupon-bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on Guarantees/Letters of Credit, Processing Fees and rent on safe deposit lockers are accounted for on a receipt basis. Other fees and commission income are recognised when due, where the Parent Bank is reasonably certain of ultimate collection.

Dividend income is accounted for on an accrual basis when the right to receive the dividend is established. Gain/loss on selling down of loans and advances through direct assignment is recognised at the time of sale.

Recoveries in the non performing advances are appropriated as under:

- a) In the case of Term Loan/DPN, recoveries are appropriated towards principal, interest and charges in order of demand.
- b) In the case of non performing Overdraft accounts the recoveries are first appropriated towards excess allowed in overdraft account if any, followed by expired sanctioned TOD and then towards interest.
- c) In the case of One-Time settlement (OTS) accounts the recoveries are first adjusted to the principal balance and then towards interest and charges
- d) In the case of suit-filed accounts, related legal and other expenses incurred are charged to the Profit and Loss Account net of recovery.

Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on the sale of investments in the "Held to Maturity" category is appropriated to Capital Reserve (net of applicable taxes and the amount required to be transferred to the Statutory Reserve account) in accordance with the RBI guidelines.

Interest on income-tax refund is recognised based on the refund intimation/order received under the provisions of the Income Tax Act, 1961 from time to time.

In accordance with RBI guidelines on the sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

## 5.4 FOREIGN CURRENCY TRANSACTIONS

### Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

### Conversion

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements, and other obligations are evaluated at the closing spot rates/forward rates for the residual maturity of the contract, as notified by the Foreign Exchange Dealers Association of India ('FEDAI') / Financial Benchmarks India Private Limited (FBIL) and the resulting profit and loss is recognised in the Profit and Loss account, as per the guidelines issued by RBI.

### Exchange Differences

Exchange difference arising on settlement of monetary items is recognised as income or as expense in the year in which it arises. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value, or other similar valuations denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Foreign exchange forward contracts not intended for trading that are entered into to establish the amount of reporting currency required or available at the settlement date of transactions, which are outstanding at the Balance Sheet date are effectively valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

Outstanding forward exchange contracts are revalued at the Balance Sheet date at the rates notified by FEDAI/FBIL and at interpolated rates for contracts of interim maturities. The resultant gain/loss on revaluation is recognised in the Profit and Loss Account in accordance with the RBI/FEDAI guidelines.

Forward exchange contracts and other derivative contracts which have overdue receivables remaining unpaid over 90 days or more are classified as non-performing assets and provided for as per the extant master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI.

## 5.5 DERIVATIVE CONTRACTS

Derivative contracts are designated as hedging or trading and accounted in accordance with Reserve Bank of India's guidelines.

Derivative deals for trading are marked to market and net depreciation is recognised while net appreciation is ignored.

Derivatives used for hedging are marked to market in cases where the underlying assets/ liabilities are marked to market and income /expenditure is accounted on accrual basis.

## 5.6 FIXED ASSETS, DEPRECIATION, REVALUATION AND IMPAIRMENT

Fixed assets (except premises revalued) are carried at the cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes, and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

The portfolio of immovable properties is revalued periodically by an independent valuer to reflect the current market valuation. All land and buildings owned by the Parent Bank and used as branches, offices and employee's residential quarters are grouped under "Land and Building" in the fixed assets category. Appreciation, if any, on revaluation is credited to the Revaluation



Reserve. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Revenue Reserves.

Computer Software is capitalised along with computer hardware and included under other fixed assets.

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on a straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Parent Bank, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Where during any financial year, an addition has been made to any asset or where any asset has been sold, discarded, demolished or destroyed, the depreciation on such asset is calculated on pro rata basis from the date of such addition or as the case maybe, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Gain or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## **5.7 EMPLOYEE BENEFITS**

### **Short-term employee benefits**

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

### **Provident Fund**

Contributions made by the Parent Bank to the Provident Fund and Contributory Pension Scheme in the form of retirement benefits are charged to the Profit and Loss account. There is no other obligation other than the contribution payable to the fund. Short-term employee benefits are accounted for on an actual basis.

### **Gratuity**

The Parent Bank contributes towards the Gratuity Fund "Karnataka Bank Employees' Gratuity Fund" (Defined Retirement Benefit Scheme) administered by a Trust formed for the benefits to eligible employees on the Parent Bank's instruction. Under this Scheme, the settlement obligations remain with the Parent Bank. The Gratuity payable to vested employees on termination of employment is determined based on the respective employee's salary & number of years of employment with the Parent Bank. The liability with regard to the Gratuity is recognised on the basis of actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31<sup>st</sup> March every year based on certain assumptions regarding Discount rate, Salary Escalation, mortality and employee attrition. Actuarial gain/loss is immediately recognized in the Profit and Loss Account of the Parent Bank and is not deferred.

### **Pension**

The Parent Bank makes contribution towards the Pension obligation (Defined Retirement Benefit Scheme) to a separate Trust formed for the purpose of management of the Fund, which determines the pension payable to the eligible employee based on the Industry-wide Pension Scheme. The Trust has purchased a Group Superannuation Policy from LIC of India for payment of pension. However, the ultimate obligation of payment of pension remains with the Parent Bank. The liability with regard to the Pension is recognised on the basis of actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31<sup>st</sup> March every year based on certain assumptions regarding Discount rate, Salary Escalation, mortality and employee attrition. Actuarial gain/loss is immediately recognized in the Profit and Loss Account of the Parent Bank and is not deferred.

### National Pension Scheme ('NPS')

In respect of employees who have joined the Parent Bank on or after 1<sup>st</sup> April 2010, the Parent Bank contributes prescribed percentage of the Basic pay and dearness allowance of such employees (defined contribution plan), which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

## 5.8 TAXATION

Tax expenses comprise current and deferred taxes. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, considering the material principles set out in the Income Computation and Disclosure Standards (ICDS) to the extent applicable, rules framed thereunder and after due consideration of the judicial pronouncement and legal opinions. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of change.

Deferred tax assets and liabilities are recognised for future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards.

Deferred tax is recognized subject to consideration of prudence on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. In the event of unabsorbed depreciation and carry forward losses and items relating to capital losses, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted.

## 5.9 SHARE ISSUE EXPENSES

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

## 5.10 EARNINGS PER SHARE

The Parent Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

## 5.11 EMPLOYEE STOCK/UNIT OPTION SCHEME

In accordance with the SEBI (Share Based Employee Benefits) Regulations, 2021 / Guidance Note on Accounting for the Employee Share-based Payments issued by The Institute of Chartered Accountants of India ('ICAI'), the cost of equity-settled transactions is measured using intrinsic value method for all options granted on or before 31 March 2021.

RBI vide its clarification dated 30<sup>th</sup> August 2021, circular reference no. RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Parent Banks that fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments. For Employee Stock options granted after March 31, 2021, to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff and employees of the Parent Bank, as per the extant guidelines of RBI, follows the fair value method and recognises the fair value of such option as on the date of grant computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period.



## 5.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Parent Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Parent Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities on account of foreign exchange contracts, letters of credit, Parent bank guarantees and acceptances and endorsements denominated in foreign currencies and outstanding as at the Balance Sheet date are translated at year end rates notified by the FEDAI/FBIL.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 5.13 SEGMENT REPORTING

The Parent Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with Accounting Standard 17.

Business Segment is classified into (a) Treasury, (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations and revenues /expenses allocated in accordance with the RBI guideline. Further, 'Digital Banking' has been identified as a Sub-segment under Retail Banking as required in extant guidelines of the Reserve Bank of India (RBI)

Geographical Segment consists only of Domestic Segment since the Parent Bank does not have any foreign branches.

## 5.14 LEASE TRANSACTIONS

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Operating Lease payments are recognised on SLM basis as an expense in the Profit & Loss Account, over the lease term in accordance with AS-19.

## 5.15 ACCOUNTING FOR DIVIDEND

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Parent Bank does not account for the proposed dividend as a liability through an appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Parent Bank considers the proposed dividend in determining capital funds in computing the capital adequacy ratio.

## 5.16 CASH AND CASH EQUIVALENT

Cash and cash equivalents include cash in hand, balances with the RBI, balances with other banks and money at call and short notice.

## 5.17 CORPORATE SOCIAL RESPONSIBILITY

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

**SCHEDULE - 18****NOTES ON CONSOLIDATED ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2024, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024.**

1. Consolidated Financial Statements comprises the results of The Karnataka Bank Limited (Parent) and one wholly owned non-financial subsidiary of KBL Services Limited.
2. Audited Financial Statements of one Subsidiary has been drawn up to the same reporting date as that of the Parent i.e. 31<sup>st</sup> March, 2024.

**3. Accounting Standards**

In compliance with the guidelines issued by the Reserve Bank of India regarding disclosure requirements of the various Accounting Standards, following information is disclosed.

**a. Accounting Standard 5 – Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies:**

There are no material prior period items.

In the preparation of these Financial Statements, the Parent Bank has followed the same accounting policies and generally accepted accounting practices adopted for the preparation of the Audited Financial Statements for the ended March 31, 2023.

**b. Accounting Standard 9 – Revenue Recognition.**

Revenue is recognized on accrual basis as per Schedule 17 to the financial statements. Certain items of income are recognized on cash basis and same is not material.

**c. Accounting Standard 10 - Fixed Assets**

Details of Revaluation are given below:

Details	(₹ in crore)	
	Current Year 31-03-2024	Previous Year 31-03-2023
Book value of Land & Building as on	230.17	169.66
Incremental value on account of revaluation made in 2016-17 and credited to the Revaluation Reserve	422.43	422.43
Incremental value on account of revaluation made in 2019-20 and credited to the Revaluation Reserve (net of reduction in value due to revaluation)	60.11	60.11
Incremental value on account of revaluation made in 2022-23 and credited to the Revaluation Reserve (net of reduction in value due to revaluation)	56.89	56.89
Depreciation on revalued amount upto year ended	36.75	27.82
Written Down Value of the revalued assets	732.85	681.27

Depreciation on the book value of the building up to March 31, 2024 is ₹71.00 crore. Profit and Loss Account for the current financial year has been debited with additional depreciation charge of ₹5.62 crore representing the incremental depreciation on the revalued amount.

**d. Accounting Standard 15 – Employee Benefits****Various Benefits made available to the Employees**

- i) **Pension:** The Parent Bank has a defined benefit plan under Pension Trust to cover employees who have joined employment up to 31<sup>st</sup> March 2010 and who have opted for Pension Scheme, provided they have completed 20 years of service. The benefits under this plan are based on last drawn salary and the tenure of employment. The liability for the pension is determined and provided on the basis of actuarial valuation and is covered by purchase of annuity from LIC. The employees who have joined employment after 31<sup>st</sup> March 2010 are covered under contributory pension scheme.
- ii) **Gratuity:** In accordance with the applicable Indian Laws, the Parent Bank provides for defined gratuity benefit retirement plan ('the Gratuity Plan') covering eligible employees. This plan provides for a lump sum payment to the





eligible employees on retirement, death, incapacitation or termination of employment of amounts that are based on the last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation and contributed to the gratuity fund trust. Trustees administer the contribution made to the trust and invest in specific designated securities as mandated by law, which generally comprise of Central and State Government Bonds and debt instruments of Government owned corporations.

- iii) Leave Encashment (PL):** The Parent Bank permits encashment of leave accumulated by the employees. The liability for encashment of such leave is determined and provided on the basis of actuarial valuation. For the current financial year, Parent Bank has provided an amount of ₹ 73.90 crore (Previous year ₹13.40 crore).
- iv) Provident Fund:** The Parent Bank pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the Fund is recognised as expense and is charged to the Profit and Loss Account. The obligation of the Parent Bank is limited to such contributions. As on 31<sup>st</sup> March 2024, there was no liability due and outstanding to the Fund by the Parent Bank.
- v) Other Employee Benefits:** Other than the benefits listed above, the Parent Bank also gives certain other benefits to the employees, which include Medical Aid, Sick Leave, Casual Leave etc.
- vi)** During the year ended March 31, 2024, the Parent Bank has provided ₹ 271 crore towards 12<sup>th</sup> Bipartite Settlement of wage revision including retirement benefits and total provision held as at 31<sup>st</sup> March 2024 towards the same amounts to ₹ 334 crore. (Previous Year ₹63.43 crore)
- vii)** The summarised position of post-employment benefits and employees' long term benefits are recognized in the financial statements in accordance with Accounting Standard – 15 and are as under:

#### Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average %)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Method of Valuation		Projected unit credit		
2	Discount rate	7.30%	7.20%	7.50%	7.50%
3	Salary escalation rate	4.00%	4.00%	4.00%	4.00%
4	Attrition rate	2.00%	2.00%	2.00%	2.00%
5	Expected rate of return on plan assets	7.25%	7.25%	7.25%	7.25%
6	Mortality		IALM (2012-14) ult		

#### Changes in the present value of obligations (PVO) - Reconciliation of Opening and closing Balances

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Present Value of defined benefit obligation as at 1 <sup>st</sup> April 2023	994.20	302.90	945.50	295.30
2	Interest Cost	69.12	21.77	64.57	20.61
3	Current Service Cost	27.07	25.64	26.01	25.54
4	Past Service Cost	-	-	-	-
5	Benefits Paid	(145.24)	(25.14)	(145.82)	(26.04)
6	Actuarial Loss/(Gain) on Obligations	109.55	81.13	103.94	(12.51)
7	Present Value of defined benefit obligation as at 31 <sup>st</sup> March 2024	<b>1,054.70</b>	<b>406.30</b>	<b>994.20</b>	<b>302.90</b>

**Changes in Fair value of Plan Assets- Reconciliation of Opening and Closing Balances**

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Fair Value of Plan Assets at the beginning of the year	994.20	302.90
2	Expected return on Plan Assets	71.70	24.89	67.86	20.90
3	Bank's Contribution related to Current year	134.64	105.89	126.81	11.89
4	Benefits Paid	(145.24)	(25.14)	(145.82)	(26.04)
5	Actuarial Gain/(Loss ) on plan assets	(0.60)	(2.24)	(0.15)	0.85
6	Fair Value of Plan Asset at the end of the year	<b>1,054.70</b>	<b>406.30</b>	<b>994.20</b>	<b>302.90</b>

**Actual Return on Plan Assets**

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Expected return on Plan Assets	71.70	24.89
2	Actuarial Gain/(Loss) on plan Assets	(0.60)	(2.24)	(0.15)	0.85
3	Actual Return on Plan Assets	71.10	22.65	67.71	21.75

**Actuarial Gain/Loss Recognized**

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Actuarial (Gain)/Loss for the period- Obligations	109.55	81.13
2	Actuarial (gain)/Loss for the period- Plan Assets	0.60	2.24	0.15	(0.85)
3	Total (Gain)/Loss for the period- Plan Assets	110.15	83.37	104.09	(13.36)
4	Actuarial (Gain)/Loss recognized in the year	110.15	83.37	104.09	(13.36)
5	Unrecognized actuarial (Gain)/Loss at the end of the year	-	-	-	-

**Amounts recognized in Balance Sheet and Related Analysis**

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Present value of the obligations	1,054.70	406.30
2	Fair Value of Plan Assets	1,054.70	406.30	994.20	302.90
3	Surplus/(Deficit)	0.00	0.00	0.00	0.00
4	Assets/(Liability) recognised in the Balance Sheet	-	-	-	-

**Expenses recognised in the Profit and Loss Account**

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Current Service Cost	27.07	25.64	26.01	25.54
2	Interest Cost	69.12	21.77	64.57	20.61
3	Expected Return on Plan Assets	(71.70)	(24.89)	(67.86)	(20.90)
4	Net actuarial (Gain)/Loss recognized in the year	110.15	83.37	104.09	(13.36)
5	Expenses recognised in the Profit and Loss Account	134.64	105.89	126.81	11.89

**Major Categories of plan assets (As a percentage of total plan assets)**

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
1	Government of India Securities	-	1.44	-	1.77
2	State Government Securities	-	-	-	-
3	High Quality Corporate Bonds	-	-	-	-
4	Equity Shares of Listed Companies	-	-	-	-
5	Property	-	-	-	-
6	Funds managed by insurer	100.00	98.53	100.00	98.05
7	Mutual Funds	-	-	-	-
8	Bank Deposits- Current Accounts	-	-	-	-
9	Others	-	0.03	-	0.18
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Experience adjustment history for 5 years- Gratuity**

Experience History	(₹ in crore)				
	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Present value of obligation	406.30	302.90	295.30	282.30	237.90
Plan assets	406.30	302.90	295.30	282.30	237.90
Surplus / (Deficit)	0.00	0.00	0.00	0.00	0.00
Experience (Gain) or Loss on plan liabilities	68.43	(6.40)	4.67	50.83	0.18
*Experience (Gain) or Loss on plan assets	2.24	(0.85)	(1.14)	3.12	0.93

**Experience adjustment history for 5 years- Pension**

Experience History	(₹ in crore)				
	31-03-2024	31-03-2023	31-03-2022	31-03-2021	31-03-2020
Present value of obligation	1054.70	994.20	945.50	854.00	874.90
Plan assets	1054.70	994.20	945.50	854.00	874.90
Surplus / (Deficit)	0	0	0	0	0
Experience (Gain) or Loss on plan liabilities	134.95	121.44	30.13	108.66	78.54
Experience (Gain) or Loss on plan assets	(0.60)	(0.15)	(3.10)	(6.73)	(5.10)

**Estimated expenses/contribution for the next year**

(₹ in crore)

Sl. No.	Particulars	Current Year 31-03-2024		Previous Year 31-03-2023	
		Pension (Funded)	Gratuity (Funded)	Pension (Funded)	Gratuity (Funded)
		1	Enterprises Best estimate of expenditure to be incurred during the next year (inclusive of proportionate amortisation)	142.80	23.69

**e. Accounting Standard 17 – Segment Reporting:****Business Segment-**

For the purpose of segment reporting in terms of AS 17 of the Companies (Accounting Standards) Rules 2021 and as prescribed in the RBI guidelines, the business of the Parent Bank has been classified into 4 segments i.e. (a) Treasury operations (b) Corporate/Wholesale Banking (c) Retail Banking (d) Other Banking Operations.

**Geographical Segment -**

Further as per the RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, on establishment of Digital Banking Unit (DBU, 'Digital Banking' has been identified as a Sub-segment under Retail Banking. Since the Parent Bank does not have any overseas branch, reporting under geographic segment does not arise. Segment assets have been identified and segment liabilities have been allocated on the basis of segment assets.



(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE/ WHOLESALE BANKING		RETAIL BANKING			OTHER BANKING OPERATIONS		TOTAL	
	Mar'24	Mar'23	Mar'24	Mar'23	DBU	Other Retail Banking	Mar'24	Mar'23	Mar'24	Mar'23	
<b>Particulars</b>	<b>Mar'24</b>	<b>Mar'23</b>	<b>Mar'24</b>	<b>Mar'23</b>	<b>Mar'24</b>	<b>Mar'23</b>	<b>Mar'24</b>	<b>Mar'23</b>	<b>Mar'24</b>	<b>Mar'23</b>	
Revenue	1,652.13	1,276.83	3,429.15	2,936.88	0.19	4,222.61	3,653.01	281.76	9,595.77	8,148.48	
Unallocated Income									21.71	64.33	
Total Income	164.82	20.98	962.16	1,012.62	(0.47)	1,030.31	1,147.54	48.63	9,617.48	8,212.81	
Unallocated expenses (including provisions & contingencies)									2,213.72	2,229.77	
Profit before tax									(650.74)	(789.29)	
Income taxes									1,562.97	1,440.48	
Extraordinary/Exceptional Profit / Loss									256.36	260.80	
Net Profit									0.00	0.00	
Other Information									1,306.61	1,179.68	
Segment Assets	32,646.58	29,845.26	38,324.06	29,886.99	8.25	41,605.74	35,564.32	10.10	1,12,624.85	95,306.67	
Unallocated Assets									3,458.41	3,750.45	
Total Assets	29,427.95	27,386.33	34,886.94	27,442.09	8.72	37,740.85	32,550.01	9.28	1,16,083.26	99,057.12	
Segment Liabilities									1,02,100.70	87,387.71	
Unallocated liabilities									3,135.03	3,457.36	
Total Liabilities									1,05,235.73	90,845.07	
Capital employed									10,847.53	8,212.05	

**e. Accounting Standard 18 – Related Party Disclosures****Key Managerial Personnel:**

1. Mr. Mahabaleshwara M S, Managing Director & CEO of the Parent Bank, was the Whole Time Director upto 14<sup>th</sup> April 2023 on the Board of the Parent Bank and his appointment is in accordance with the approval received from the RBI in terms of Banking Regulation Act, 1949.
2. Mr. Srikrishnan H, Managing Director & CEO of the Parent Bank, was appointed with effect from 09<sup>th</sup> June 2023 in accordance with the approval received from the RBI in terms of Banking Regulation Act, 1949.
3. Mr. Sekhar Rao, Executive Director of the Parent Bank, was appointed with effect from 01<sup>st</sup> February 2023 in accordance with the approval received from the RBI in terms of Banking Regulation Act, 1949

**Subsidiary:**

KBL Services Limited, is a Wholly Owned Non-Financial Subsidiary of the Bank in respect of which the approval of the Reserve Bank of India was obtained in terms of "Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. During the year, the Bank has contributed additional capital of ₹0.25 Crore for the effective functioning of the subsidiary thereby the total capital contributed till date is ₹ 1.75 Crore as on March 31, 2024 (₹ 1.50 Crore as on 31.03.2023).

(₹ in crore)					
Items/Related Party of FY 2023-24	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Borrowings				0	0
Deposits				0.08 (0.24)	* 0
Placement of deposits				0	0
Advances				0	0
Investments				0	0
Non funded commitments				0	0
Leasing/ HP Arrangements availed				0	0
Leasing/ HP Arrangements provided				0	0
Purchase of fixed assets				0	0
Sale of fixed assets				0	0
Interest Paid				*	*
Interest Received				0	0
Rendering Services				0	0
Receiving Services				1.90	0
Management Contact				0	0

(₹ in crore)					
Items/Related Party of FY 2022-23	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Borrowings				0	0
Deposits				1.35 (0.72)	0.76 (1.28)
Placement of deposits				0	0
Advances				0	0.12 (0.31)
Investments				0	0



(₹ in crore)

Items/Related Party of FY 2022-23	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Non funded commitments				0	0
Leasing/ HP Arrangements availed				0	0
Leasing/ HP Arrangements provided				0	0
Purchase of fixed assets				0	0
Sale of fixed assets				0	0
Interest Paid				*	*
Interest Received				0	*
Rendering Services				0	0
Receiving Services				1.35#	0
Management Contact				0	0

Figures in bracket indicate maximum balance during the year.

# computed based on fixed pay plus the non-deferred remuneration which has been recognized during the FY 2021-22

\* Amount is less than ₹1 lakh.

- ^ In terms of Regulation 23(9) of the SEBI (LODR) Regulations, 2015 read with "Para 5 Accounting Standard 18 - Related Party Disclosures" of the RBI Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021, "where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party."
- Bank has only one entity under Subsidiary and two Key Managerial Personnel, the definition of which, are drawn from the "Accounting Standard 18 - Related Party Disclosures" as required for disclosure under Regulation 23(9) of the SEBI LODR.

#### g. Accounting Standard 20 - Earnings per Share

Basic and diluted earnings per equity share computed in accordance with AS 20 - Earnings per Share are as under:

Particulars	Current Year 2023-24	Previous Year 2022-23
Earnings per share- Basic(₹)	39.85	37.87
Earnings per share- Diluted(₹)	39.67	37.64
Net Profit for the year attributable to Equity shares (₹ in crore)	1,306.61	1,179.68
Weighted Average number of Equity Shares - Basic	32,78,46,831	31,15,41,947
Weighted Average number of Equity Shares - Diluted	32,94,10,499	31,34,10,655
Nominal value per equity share(₹)	10	10

Allotment of 1,28,521 equity shares (Previous year 1,28,521) is kept in abeyance including 1,800 equity shares (Previous Year 1,800), where the entitlement matter is sub judice. These shares have not been considered for EPS calculation, as the shares are not allotted.

#### h. Accounting Standard 22 - Accounting for Taxes on Income

##### i) Provision made for taxes during the year

(₹ in crore)

Particulars	Current Year 2023-24	Previous Year 2022-23
Current Tax	280.69	328.93
Deferred Tax	(24.33)	(68.13)
<b>Total</b>	<b>256.36</b>	<b>260.80</b>

## ii) Major components of Deferred Tax Assets and Liabilities recognised are as under:

		(₹ in crore)	
Sr. No.	Particulars	Current Year 2023-24	Previous Year 2022-23
<b>A</b>	<b>Deferred Tax Liabilities</b>		
1	Depreciation on fixed assets	4.71	4.22
2	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	115.96	98.42
3	Deferred Revenue Expenditure	-	-
4	Others	-	-
	<b>Total</b>	<b>120.67</b>	<b>102.64</b>

		(₹ in crore)	
Sr. No.	Particulars	Current Year 2023-24	Previous Year 2022-23
<b>B</b>	<b>Deferred Tax Assets</b>		
1	PL/LFC Encashment	81.34	60.70
2	Provision for advances	345.14	302.32
3	Provision for Standard advances	142.55	144.43
4	Provision for arrears of salary	-	15.97
5	Provision for Fair Value Loss	-	-
6	Others	13.31	16.66
	<b>Total</b>	<b>582.34</b>	<b>540.08</b>
	<b>Net Deferred Tax Liability/(Asset)(A) – (B)</b>	<b>(461.67)</b>	<b>(437.44)</b>

## i. Accounting Standard 28 – Impairment of Assets

An assessment is made at each Balance sheet date as to whether there is any indication that an asset is impaired. If any such indication exists, an estimate of the recoverable amount is made and impairment loss, if any, is provided for. As on March 31, 2024, there was no indication of impairment of any asset.

## j. Accounting Standard 29 – Provision, Contingent Liabilities and Contingent Assets

## Movement in Provision for Contingencies

Particulars	Opening as on 01.04.2023	Provision made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2024
Provision for contingencies	16.20	20.94	0	37.14

## 4. Litigations and claims

A sum of ₹1634.94 crore (Previous year ₹ 1630.03 crore) is outstanding on account of demands raised by the Income Tax Department in the earlier years, out of which an amount of ₹846.86 Crore (Previous year ₹ 956.13 Crore) has been paid under protest by debit to Sundry Assets - Protested Tax Account and for the balance of ₹788.08 crore (Previous year ₹ 673.90 Crore) stay from collection of demand has been granted.

In addition to the above, the Income Tax Department has gone on appeal on various issues wherein Appellate Authority has given decisions in favour of the Parent Bank to the extent of ₹ 475.74 crore (Previous year ₹ 486.55 crore).

The Parent Bank has preferred appeal against certain service tax demands to the extent of ₹193.15 crore (Previous year ₹ 193.15 crore) and paid pre deposit of ₹ 1.06 crore (Previous year ₹ 1.06 crore) by debit to Sundry Assets – Service Tax Paid under Protest.

In addition to above, the department has gone on appeal in respect of certain matters wherein appellate authority has given decision in favour of the Parent bank to extent of ₹17.49 crore.

The Parent Bank has also preferred appeal against certain GST demands to the extent of ₹1.42 crore (Previous year nil) and paid pre deposit of ₹ 0.15 crore by debit to Sundry Assets – Service Tax Paid under Protest.





The Parent Bank has been advised by its Tax Consultants and Experts that there are good chances of success in these appeals, considering legal provision favourable judicial pronouncements and / or appellate orders on identical issues for earlier years. Hence, the Parent Bank does not consider it necessary to make any provision or include the same under Schedule 12 - Contingent Liability, to the Balance sheet.

All pending litigations which may have an impact on its financial position have been estimated and provided for. In respect of other pending litigations, no provision is required since these pending litigations have no impact on its financial position.

## 5. Employee Stock Option

The shareholders of the Parent Bank, on July 21, 2018, have approved 'KBL Employee Stock Option Scheme-2018' (ESOS-2018) with a total of 50,00,000 stock options available for grant each of which is convertible into one equity share. The scheme has been framed in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. Further, to give effect to the corporate action by way of Bonus issue in the ratio of 1:10, additional 1,07,147 options have been accounted and hence, the total available options under the scheme stand increased to 51,07,147 stock options.

The options granted under ESOS 2018 would vest after one year from the date of grant of such options in a graded manner over a period of three years (i.e. 40%, 30% & 30% respectively on completion of 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> year), as determined by the Nomination & Remuneration Committee (NRC), a committee of the Board of Directors, subject to continued employment with the Parent Bank on the date of vesting.

During the year ended March 31, 2024, no modifications were made to the terms and conditions of ESOS - 2018 as approved by the NRC.

The Shareholders of the Parent Bank on March 30, 2023 have approved 'KBL Employee Stock Option Scheme-2023' (ESOS-2023) with a total of 15,00,000 Stock options available for grant each of which is convertible into one equity share catering partially towards the disbursement of share linked portion of variable pay as per RBI guidelines relating to compensation payable to MD & CEOs/Whole Time Directors/Material Risk Takers (MRTs) in banks vide DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019. The Scheme, which is in lieu of ESOS-2018, has been framed in accordance with Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. The old Scheme ESOS 2018 will continue to be operative for the limited purpose of permitting exercise of already granted options.

The Options granted under ESOS 2023 would vest after one year from the date of grant of such options in a graded manner over a period of three years (i.e. 30%, 30% & 40% respectively on completion of 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> year), as determined by the Nomination & Remuneration Committee (NRC), a committee of the Board of Directors.

During the year ended March 31, 2024, no modifications were made to the terms and conditions of ESOS - 2023 as approved by the NRC.

To ascertain the ESOP compensation cost at fair value for the purpose of accounting/ disclosures in the financial statements, parent Bank has adopted Black Scholes Valuation Methodology to determine the fair value of stock options. Black Scholes model is a mathematical formula used to estimate the value of stock options based on several factors. Some of the key factors that are considered when computing the fair market value of an ESOP under the Black Scholes model are stock price, exercise price, time to expiry, volatility risk-free interest rate, dividend yield, etc.

During the year, parent bank has recognized ₹0.91 Crore towards Employee stock option compensation expense on ESOS -2018 and ESOS -2023 scheme.

**Activity in the options outstanding under the Employee Stock Option Scheme (ESOS 2018):**

Particulars	ESOS-2018		ESOS-2023	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,304,934	58.76	0.00	0.00
Granted during the year	0.00	0.00	313,193	139.53
Vested during the year	1,001,694	42.47	0.00	0.00
Exercised during the year	1,292,194	55.82	0.00	0.00
Lapsed/ forfeited/ cancelled (Nos.)	85,112	56.01	0.00	0.00
Outstanding as on March 31, 2024	1,927,628	60.86	313,193	139.53
Exercisable at the end of the year March 31,2024	1,915,628	60.80	0.00	0.00

6. The Board of Directors have proposed a dividend of ₹ 5.50 per Equity share of ₹ 10/- each for the year ended March 31<sup>st</sup> 2024 (Previous year ₹ 5.00 per Equity share of ₹ 10 each), subject to the approval of the members at the ensuing Annual General Meeting. In terms of Accounting Standard (AS) 4 Contingencies and Events occurring after the Balance sheet date, the Parent Bank has not appropriated proposed dividend aggregating to ₹ 207.49 crore from the Profit and loss account for the year ended March 31<sup>st</sup>, 2024. However, the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31<sup>st</sup>, 2024.
7. Operating Expenses stated in Schedule 16 to the Profit and Loss Account includes ₹18.41 crore (Previous year ₹ 12.13 crore) spent towards Corporate Social Responsibility (CSR) activities. The Parent Bank has spent 2.01% (Previous Year: 2.00%) of its average net profit for the last three Financial Years as part of its Corporate Social Responsibility for the year ended March31,2024.

The details of the amount spent during the respective years towards CSR are as under:

Sl. No.	Particulars	March 31, 2024			March 31, 2023		
		Amount Spent	Amount unpaid / provided	Total*	Amount Spent	Amount unpaid / provided	Total*
i)	Construction / acquisition of any asset	6.32	9.05	15.37	6.79	2.42	9.21
ii)	On purpose other than (i) above	1.25	1.79	3.04	2.29	0.63	2.92

\* Excluding a sum of ₹ 0.06 Crore excess sanctioned & provided in FY 2021-22 set off to FY 2022-23.

#A sum of ₹0.01crore excess sanctioned and provided in FY 22-23 has been set off to FY 23-24. Thus, effectively the total CSR sanction for FY 23-24 is ₹18.42 crore.

**8. Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014**

The Parent Bank, as part of its normal business, grants loans and advances (including loans against third party deposits or Non-Banking Finance Company or Real estate promoters / developers loan, other margins / security), makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) to and accepts deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's authorised normal business, which is conducted ensuring adherence to regulatory requirements.

In the course of the transactions carried out as described above

- a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified by in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- b) The Parent Bank has not received any funds from any person(s) or entity(ies) including foreign entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Parent Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## 9. Additional Disclosure:

Additional Statutory information disclosed in the standalone financial statement of the parent Bank and the Subsidiary having no material bearing on the true and fair view on the Consolidated financial statement and the information pertaining to the item which are not material have not been disclosed in the Consolidated Financial Statement.

## 10. Leases

### i) Premises

Particulars	(₹ in crore)	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Not later than 1 year	1.60	0.78
Later than 1 year and not later than 5 years	5.08	4.79
Payable Later than 5 years	100.82	94.40
<b>Total</b>	<b>107.50</b>	<b>99.97</b>

### ii) ATM Premises

Particulars	(₹ in crore)	
	As at 31 <sup>st</sup> March, 2024	
Not later than 1 year	0.29	
Later than 1 year and not later than 5 years	0.89	
Payable Later than 5 years	5.32	
<b>Total</b>	<b>6.50</b>	

The lease rents are paid by the Parent bank for Premises leased for its business operations. The above contingent lease rent has been determined based on terms of individual lease agreements over lease period. The terms of renewals/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreement.

## 11. Previous year's figures have been regrouped/rearranged wherever necessary.

**Sham K**  
Company Secretary

**Abhishek S Bagchi**  
Chief Financial Officer

**Gokuldas Pai**  
Chief Business Officer

**Y V Balachandra**  
Chief Operating Officer

### For and on behalf of Board

**Sekhar Rao**  
Executive Director  
DIN 06830595

**Srikrishnan H**  
Managing Director & CEO  
DIN 00318563

**P Pradeep Kumar**  
Chairman  
DIN 03614568

**B R Ashok**  
Director  
DIN 00415934

**A V Chandrashekar**  
Director  
DIN 08829073

**Uma Shankar**  
Director  
DIN 07165728

**D S Ravindran**  
Director  
DIN 09057128

**Balakrishna Aise S**  
Director  
DIN 08438552

**Jeevandas Narayan**  
Director  
DIN 07656546

**K Gururaj Acharya**  
Director  
DIN 02952524

**Harish Hassan Visweswara**  
Director  
DIN 08742808

### Attached to our report of even date

**For Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn. No. 104607W/W100166

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No. 004207S

**For Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Reg. No.009073N/N500320

**Anil A Kulkarni**  
Partner  
M No 047576

**P. Menakshi Sundaram**  
Partner  
M No. 217914

**Sumit Kumar**  
Partner  
M. No. 512555

Place : Mangaluru  
Date : 24-05-2024









**Regd. & Head Office :**

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