

ANNEXURE-4

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY 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:

- i) Sincere, Honest and Trustworthy
- ii) Unshakable Integrity.
- iii) Professional and Smart Banker.
- iv) Committed to protect Bank's interests through legitimate and sustainable business.
- v) 'Bank first' attitude always

Your Directors present below the Bank's Report on compliance 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 (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.

1. Board of Directors:

Composition of the Board: As on March 31, 2023, the Board of Directors of the Bank consisted of 11 Directors including the Part-time Chairman, Managing Director & CEO and Executive Director. 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 Banking, Finance, Accountancy, Law, Agriculture & Rural Economy, Cooperation & SSI, Information Technology, Risk Management, Payment & Settlement and other areas as specified in the Banking Regulation Act 1949. The directors as on March 31, 2023 were as under:

Sl. No.	Name of the Director (Mr. / Mrs.)	Category of Directorship
1.	P Pradeep Kumar	Part-time Chairman Independent Director
2.	Mahabaleshwara M S	Managing Director & CEO
3.	Sekhar Rao	Executive Director
4.	Keshav Krishnarao Desai	Independent Director
5.	B R Ashok	Non-Executive Director (Non- Independent)
6.	Justice A V Chandrashekar	Independent Director
7.	Uma Shankar	Independent Director
8.	Dr D S Ravindran	Independent Director
9.	Balakrishna Alse S	Independent Director
10.	Jeevandas Narayan	Independent Director
11.	Kalmanje Gururaj Acharya	Independent Director

During the FY 2022-23, the Bank has inducted Mr. Jeevandas Narayan and Mr. Kalmanje Gururaj Acharya as Additional Directors (Non-Executive, Independent) w.e.f. April 26, 2022 and their appointment as Independent Directors was approved by the shareholders vide resolution dated June 02, 2022 passed via Postal ballot (e-voting). Further, Bank has also appointed Mr. Sekhar Rao as Executive Director w.e.f. February 01, 2023 and his

appointment as the Executive Director was approved by the shareholders vide resolution dated March 30, 2023 passed via Postal ballot (e-voting).

During the year under report, Mrs. Mythily Ramesh, Independent Director, retired on March 13, 2023 upon completion of her tenure of 5 years.

Competency at the Board level:

The chart mapping the skills/expertise/competence of the Board of Directors of the Bank (as on 31.03.2023) is as under:

Sl no	List of core skills/ expertise/ competencies required in terms of statutory requirement as per BR Act	1 P Pradeep Kumar*	2 Mahabaleshwara M S*	3 Sekhar Rao ^{\$}	4 Keshav K Desai ^{\$}	5 B R Ashok*	6 A V Chandrashekar*	7 Uma Shankar*	8 D S Ravindran*	9 Balakrishna Aise S*	10 Jeevandas Narayan ^{\$}	11 K Gururaj Acharya*
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	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓

In terms of Banking Regulation Act, 1949 * means that director does not have substantial interest in any company/firm carrying on trade, commerce or industry.
 \$ means that director have substantial interest in any company/firm carrying on trade, commerce or industry.

BOARD MEETINGS:

During the financial year ended March 31, 2023 the Board met 17 times on the following dates:

Sl. No.	Date of the meeting	Sl. No.	Date of the meeting
1	26.04.2022	10	13.12.2022
2	18.05.2022	11	23.12.2022
3	27.05.2022	12	13.01.2023
4	27.06.2022	13	17.01.2023
5	23.07.2022	14	02.02.2023
6	21.09.2022	15	20.02.2023
7	13.10.2022	16	08.03.2023
8	01.11.2022	17	28.03.2023
9	23.11.2022		

Details of the attendance of directors at the Board meetings during the year under report and at the last Annual General Meeting were as under:

Sl. No.	Name of the Director (Mr. / Mrs.)	No. of meetings held/ attended	Whether attended the last AGM
1.	P Pradeep Kumar	17/17	YES
2.	Mahabaleshwara M S	17/17	YES
3.	Sekhar Rao (w.e.f 01.02.2023)	4/4	NA
4.	Keshav Krishnarao Desai	17/17	YES
5.	Mythily Ramesh (up to 13.03.2023)	15/16	YES
6.	B R Ashok	15/17	YES
7.	Justice A V Chandrashekar	17/17	YES
8.	Uma Shankar	17/17	YES
9.	Dr D S Ravindran	17/17	YES
10.	Balakrishna Alse S	17/17	YES
11.	Jeevandas Narayan (w.e.f. 26.04.2022)	16/16	YES
12.	K Gururaj Acharya (w.e.f. 26.04.2022)	16/16	YES

a. Directorships/committee positions held in other companies as on March 31, 2023:

Sl. No.	Name of the Director (Mr. / Mrs.)	Directorship in other public Limited Companies	Committee positions in other Public Limited Companies	Directorship in other listed entity	Nature of Directorship in other listed entity
1.	P Pradeep Kumar	3	6	2 1) Brigade Enterprises Ltd 2) Shriram Finance Limited (formerly known as Shriram Transport Finance Company Ltd)	Independent Director
2.	Mahabaleshwara M S	01	NIL	NIL	NIL
3.	Sekhar Rao	NIL	NIL	NIL	NIL
4.	Keshav Krishnarao Desai	NIL	NIL	NIL	NIL
5.	B R Ashok	01	NIL	NIL	NIL
6.	A V Chandrashekar	NIL	NIL	NIL	NIL
7.	Uma Shankar	3	3	1	Nominee Director
8.	Dr D S Ravindran	NIL	NIL	NIL	NIL
9.	Balakrishna Alse S	NIL	NIL	NIL	NIL
10.	Jeevandas Narayan	1	1	NIL	NIL
11.	K Gururaj Acharya	1	NIL	NIL	NIL

Note: In terms of Regulation 26 of the SEBI (LODR) Regulation, 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 is 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, NIBM 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/investor-portal>. These trainings are in addition to the familiarization programme relating to Bank's internal process & systems and procedures.

REMUNERATION OF DIRECTORS:

Remuneration of Whole Time Directors:

The Bank has adopted a "Policy on compensation of Whole Time Directors/Chief Executive Officers, Material Risk Takers 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 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 report. Effective from April 01, 2022, the sitting fees payable per Director 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 2022-23.

The details of remuneration paid to Directors during the year under report are as under:

A. Remuneration of Managing Director & CEO – Mr. Mahabaleshwara M S:

Sl. No.	Particulars of Remuneration	(₹. In Crore)
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	0.86
	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	0.03 [^]
	Contribution to PF	0.07
	Variable Pay (2020-21 & 2021-22)	0.27 ⁺
	Total (A)	1.23

+ Computed inclusive of deferred component of variable pay of ₹ 8 Lakhs towards the performance period of FY 2020-21 and ₹ 19 lakhs of upfront payment of variable pay for the performance period of FY 2021-22.

^ includes the amount of contribution towards gratuity as provided in the RBI approval.

* Perquisite value arising out of free use of Bank's car for official and private purposes amounting to ₹ 50,000 has been included in the sl no. 5 of the table under "Others".

B Remuneration of Executive Director – Mr. Sekhar Rao (w.e.f. 01.02.2023) :

Sl. No.	Particulars of Remuneration	(₹. In Crore)
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.10
	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	0.007
	Contribution to PF	0.008
	Variable Pay	-
	Total (B)	0.12*

* As Mr. Sekhar Rao, Executive Director has joined the Bank w.e.f 01.02.2023, the salary paid for 2 months is disclosed.

Variable Pay 2022-23:

For the FY 2022-23, the variable pay in terms of extant RBI guidelines will be decided in the Financial Year 2023-24, which shall not exceed 200% of the fixed pay. The variable pay is subject to prior approval of the RBI and approval of RBI is awaited.

C. Remuneration of Non-Executive Directors:

(₹. in Crore)

Sl No	Particulars of Remuneration	Name of the Directors (Messrs/Mrs.)										
		P Pradeep Kumar	Keshav K Desai	Mythily Ramesh (upto 13.03.2023)	B R Ashok	A V Chandrashekar	Uma Shankar	Dr. D S Ravindran	Balakrishna Alise S	Jeevandas Narayan (w.e.f 26.04.2022)	K Gururaj Acharya (w.e.f 26.04.2022)	Total Amount
1.	Independent Directors											
	Sitting Fees for attending Board/Committees	0.32	0.33	0.30		0.26	0.43	0.36	0.36	0.44	0.40	3.20
	Commission	NA	0	0		0	0	0	0	0	0	0
	Others (Salary)	0.15	0	0		0	0	0	0	0	0	0.15
	Total(1)	0.47	0.33	0.30		0.26	0.43	0.36	0.36	0.44	0.40	3.35
2.	Non-Executive Directors											
	Sitting Fees for attending meetings of the Board/Committees				0.40							0.40
	Commission				0							0
	Others (Salary)				0							0
	Total(2)				0.40							0.40
	Total (C)=(1+2)	0.47	0.33	0.30	0.40	0.26	0.43	0.36	0.36	0.44	0.40	3.75
	Total Managerial Remuneration (A+B+C)	5.10										

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 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 also 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 ₹ 0.56 crore paid to the respective members for attending the meetings of three Search & Selection Committees formed during the FY for the selection of candidates for the posts of Executive Director, Company Secretary and Managing Director & CEO and also includes the sitting fees of ₹ 0.04 cr paid to the members of ESG Committee, since dissolved.

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 and Managing Director & CEO 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) MD & CEO and (iv) Non independent Directors.

Board shall review the performance of all Independent Directors (excluding the director being evaluated) as well as the Committees of the Board.

EVALUATION CRITERIA

Bank aligned its performance evaluation templates in line with SEBI Guidance Note dated 5th 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 Board Committees 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 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 MD & CEO has been fixed as 'after the publication of audited financial results of the performance period'.

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 thereof, 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.

2. COMMITTEES OF THE BOARD:

In compliance with the regulatory requirements and for the 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 & Investigation 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)

Further during the year under report Bank has constituted the three Search & Selection Committees for the appointment of Executive Director, Company Secretary and Managing Director & CEO which were subsequently dissolved upon appointment of the candidates to the said posts.

Also, a Board level ESG Committee was formed for finalization of Bank's Policy on ESG and the Committee has since been dissolved.

The composition, names of members and chairperson of the Committees as on March 31, 2023 were as under:

Director's Name (Messrs)	Name of the Committee											
	ACB	NRC	MCB	SCRC	Special Committee	RCMC	ITSG	CSR	RCNCWD	COD	HRC	CYCC
Part-time Chairman		✓				✓	✓	•		•		
P Pradeep Kumar		✓				✓	✓	•		•		
Whole Time Directors												
Mahabaleshwara M S			•	✓	•	✓	✓	✓	•	✓		
Sekhar Rao (w.e.f. 01.02.2023)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Directors												
Keshav K Desai		•	✓	•					✓			•
A V Chandrashekar				✓	✓			✓	✓		✓	
Uma Shankar	✓	✓				•	✓					
Dr D S Ravindran	✓			✓			•	✓				
Balakrishna Alse S	•			✓	✓				✓		✓	✓
Jeevandas Narayan			✓		✓	✓				✓	•	✓
K Gururaj Acharya	✓		✓		✓	✓						
Non-Executive Director												
B R Ashok	✓	✓	✓							✓		

• Chairperson of the Committee

✓ Member of the Committee

The brief terms of reference, number of meetings held along with attendance details of each of the Committees are furnished to below.

a. Audit Committee of the Board of Directors (ACB)

As per the directions of Reserve Bank of India, 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. Overseeing the Bank's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
b. Recommending appointment and removal of external auditors and fixing of their fees;
c. Reviewing with management the quarterly/annual financial statements and auditor's report before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards, disclosure of related party transactions and other legal requirements relating to financial statements;
d. Reviewing the adequacy of the Audit and Compliance functions, including their policies, procedures, techniques and other regulatory requirements; and
e. Any other terms of reference as may be included from time to time in 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 Listing Regulations, 2015, including any amendments/re-enactments thereof.
Number of meetings held : 10 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, Chief Business Officer, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Information Security Officer and the Head of the Inspection & Audit 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 & CIV and CCO without the presence of the management.

The meeting dates and the attendance record is as below:

Dates of Meeting	Balakrishna Alse S	B R Ashok	Uma Shankar	Dr D S Ravindran	K Gururaj Acharya[%]
26.05.2022	✓	✓	✓	✓	
10.06.2022	✓	✓	✓	✓	✓
22.07.2022	✓	✓	✓	✓	✓
25.08.2022	✓	✓	✓	✓	✓
27.10.2022	✓	✓	✓	✓	✓
31.10.2022	✓	✓	✓	✓	✓
22.11.2022	✓	✓	✓	✓	✓
22.12.2022	✓	✓	✓	✓	✓
01.02.2023	✓	✓	✓	✓	✓
13.03.2023	✓	✓	✓	✓	✓
Meetings Attended/ Held	10/10	10/10	10/10	10/10	9/9

[%]w.e.f 27.05.2022

b. Nomination and Remuneration Committee (NRC)

Pursuant to the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the extant guidelines of Reserve Bank of India, Bank has constituted "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.
- Undertake the due diligence of candidates before their appointment/ re-appointment as directors.
- Recommend to the Board, appointment of directors and senior management personnel and their removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director, Key Managerial Personnel and other employees.
- Recommend to the Board the policy for evaluation of performance of directors.
- Recommend to the Board on the remuneration of Whole Time Directors/Chief Executive Officers, etc.
- To administer the Employees Stock Option Scheme of the Bank.
- Any other terms of reference as may be included from time to time in the Banking Regulation Act, 1949 or extant guidelines of RBI, Companies Act, 2013, SEBI Listing Regulations, 2015, including any amendments / re-enactments thereof from time to time.

In deference 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: 11 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Keshav K Desai	P Pradeep Kumar	Mythily Ramesh [%]	B R Ashok	Uma Shankar
08.04.2022	✓	✓		✓	✓
26.04.2022	✓	✓		✓	✓
18.05.2022	✓	✓		-	✓
24.06.2022	✓	✓	✓	-	✓
20.07.2022	✓	✓	✓	✓	✓
10.09.2022	✓	✓	✓	✓	✓
11.10.2022	✓	✓	✓	✓	✓
13.01.2023	✓	✓	✓	✓	✓
17.01.2023	✓	✓	✓	✓	✓
06.02.2023	✓	✓	✓	✓	✓
08.03.2023	✓	✓	✓	✓	✓
Meetings Attended/ Held	11/11	11/11	8/8	9/11	11/11

[%]inducted into committee w.e.f 27.05.2022

c. Management Committee of the Board of Directors (MCB)
Brief terms of reference

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	Mahabaleshwara M S	Sekhar Rao%	Keshav K Desai	B R Ashok	P Pradeep Kumar#	Jeevandas Narayan@	K Gururaj Acharya@
09.05.2022	✓		✓	✓	✓		
28.06.2022	✓		✓	-		✓	✓
18.07.2022	✓		✓	✓		✓	✓
16.08.2022	✓		✓	✓		✓	✓
14.09.2022	✓		✓	✓		✓	✓
24.11.2022	✓		✓	✓		✓	✓
21.12.2022	✓		✓	✓		✓	✓
30.12.2022	✓		✓	✓		✓	✓
16.02.2023	✓	✓	✓	✓		✓	✓
20.03.2023	✓	✓	✓	✓		✓	✓
Meetings Attended/ Held	10/10	2/2	10/10	9/10	1/1	9/9	9/9

@inducted into committee w.e.f 27.05.2022

#upto 26.05.2022

%inducted into committee w.e.f 02.02.2023

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) Regulations and the extant RBI guidelines.

Brief terms of reference

- Formulation of a comprehensive deposit policy;
- Product approval process;
- Annual survey of depositor satisfaction;
- Tri-ennial audit of such services; and
- Periodical review of the performance of the Ad-hoc committee.
- Specifically looking into various aspects of interest of shareholders, debenture holders and other security holders.

Number of meetings held: 4 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Keshav K Desai	Mahabaleshwara M S	Sekhar Rao#	Justice A V Chandrashekar	Dr D S Ravindran	Balakrishna Alse S%
02.06.2022	✓	✓		✓	✓	✓
24.09.2022	✓	✓		✓	✓	✓
12.12.2022	✓	✓		✓	✓	✓
24.03.2023	✓	✓	✓	✓	✓	✓
Meetings Attended/ Held	4/4	4/4	1/1	4/4	4/4	4/4

%inducted into committee w.e.f 27.05.2022

#inducted into committee w.e.f 02.02.2023

Name & Designation of the Compliance Officer:

Mr. Prasanna Patil, Company Secretary, up to 31.08.2022

Mr. Sham K, Company Secretary, w.e.f .27.02.2023.

During the FY 2022-23, a total of 12 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@ktnbank.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 Investigation of Large Value Frauds:

As per the directions of the Reserve Bank of India, the Board has constituted a Special Committee exclusively to monitor, investigate 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 of fraud to top management of the Bank and RBI.
- Monitor progress of Police investigation and recovery position.
- Ensuring examination of staff accountability at all levels in all cases of frauds and quick completion of staff side action, if required, without loss of time.
- Review the efficacy of the remedial action taken such as strengthening of internal controls to prevent recurrence of frauds.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds etc.

Number of meetings held: 7 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	Mahabaleshwara M S	Sekhar Rao%	B R Ashok **	Mythily Ramesh**	Justice A V Chandrashekar	Balakrishna Alse S	Jeevandas Narayan®	K Gururaj Acharya ®
10.05.2022	✓		✓	✓	✓	✓		
28.06.2022	✓				✓	✓	✓	✓
26.07.2022	✓				✓	✓	✓	✓
25.08.2022	✓				✓	✓	✓	✓
08.10.2022	✓				✓	✓	✓	✓
30.01.2023	✓				✓	✓	✓	✓
07.03.2023	✓	✓			✓	✓	✓	✓
Meetings Attended/ Held	7/7	1/1	1/1	1/1	7/7	7/7	6/6	6/6

®inducted into committee w.e.f 27.05.2022

%inducted into committee w.e.f 02.02.2023

**upto 26.05.2022

f. Risk and Capital Management Committee (RCMC):

With a view to devise policy and strategy for integrated risk management containing various risk exposures, 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
<p>Risk Function:</p> <ol style="list-style-type: none"> 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 decisions of the 3 sub-committees namely ALCO, ORMC and CRC and ensure smooth transition to new capital adequacy framework. Ensure robustness of the financial models used for measuring risks and to ensure a smooth transition to the New Capital Adequacy Framework. Ensuring 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. <p>Capital Function:</p> <ol style="list-style-type: none"> To review the business projections, Risk Profile Assessment and Capital Budgeting and to set short term and long-term goals for capital levels based on current and projected changes to the risk profile. To approve the Basel III Pillar II CRAR calculations along with the results of Stress Testing and Leverage Ratio & Liquidity Coverage Ratio. 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. 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. 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. 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.
<p>Number of meetings held: 4 meetings</p>

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	Uma Shankar	P Pradeep Kumar	Mahabaleshwara M S	Sekhar Rao [%]	Jeevandas Narayan [@]	K Gururaj Acharya [@]
25.06.2022	✓	✓	✓		✓	✓
17.08.2022	✓	✓	✓		✓	✓
22.12.2022	✓	✓	✓		✓	✓
29.03.2023	✓	✓	✓	✓	✓	✓
Meetings Attended/ Held	4/4	4/4	4/4	1/1	4/4	4/4
[%] inducted into committee w.e.f 02.02.2023						
[@] inducted into committee w.e.f 27.05.2022						

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 to provide high-level direction for sourcing and use of IT resources.;
- Ensuring proper balance of IT investments for sustaining Bank's growth;
- 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;
- Monitoring progress in Digital Banking transactions;

Number of meetings held: 5 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mythily Ramesh [#]	Dr. D S Ravindran [@]	P Pradeep Kumar	Mahabalaeshwara M S	Sekhar Rao [%]	Uma Shankar
25.04.2022	✓	✓	✓	✓		✓
02.05.2022	✓	✓	✓	✓		✓
20.08.2022	✓	✓	✓	✓		✓
20.12.2022	✓	✓	✓	✓		✓
24.03.2023		✓	✓	✓	✓	✓
Meetings Attended/ Held	4/4	5/5	5/5	5/5	1/1	5/5

[#]Chairperson of the Committee upto 01.02.2023
[%]inducted into the Committee w.e.f 02.02.2023
[@]Chairman of the Committee w.e.f 02.02.2023

h. Corporate Social Responsibility (CSR) Committee

Brief terms of reference

Pursuant to 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.

Number of meetings held: 4 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	P Pradeep Kumar	Mahabaleshwara M S	Sekhar Rao [%]	Justice A V Chandrashekar	Dr D S Ravindran
02.05.2022	✓	✓		✓	✓
08.06.2022	✓	✓		✓	✓
18.11.2022	✓	✓		✓	✓
25.03.2023	✓	✓	✓	✓	✓
Meetings Attended/ Held	4/4	4/4	1/1	4/4	4/4

[%]inducted into the Committee w.e.f 02.02.2023

Necessary disclosure pursuant to Section 135(4) of the Companies Act, 2013 read with Companies (CSR) Rules 2014, has been furnished in Annexure-2 forming part of Directors Report and also posted on our website.

i. Review Committee for Identification of Non-Cooperative Borrowers and Wilful Defaulters:

Brief terms of reference

- Reviewing and confirming the order of the Internal Screening Committee for Identification of Non-Cooperative Borrowers.
- Reviewing and confirming the order of the Internal Committee for identification of wilful defaulters.

Number of meetings held: 3 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mahabaleshwara M S	Sekhar Rao [%]	Keshav K Desai	Justice A V Chandrashekar	Balakrishna Alse S
01.07.2022	✓		✓	✓	✓
04.11.2022	✓		✓	✓	✓
25.03.2023	✓	✓	✓	✓	✓
Meetings Attended/ Held	3/3	1/1	3/3	3/3	3/3
[%] Inducted into the committee w.e.f 02.02.2023					

j. Committee of Directors:

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: 2 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	P Pradeep Kumar (Chairman of the Committee)	Mahabaleshwara M S	B R Ashok	Jeevandas Narayan	Sekhar Rao [%]
18.07.2022	✓	✓	✓	✓	
23.11.2022	✓	✓	✓	✓	
Meetings Attended/ Held	2/2	2/2	2/2	2/2	NA[^]
[%] Inducted into the committee w.e.f 02.02.2023					

[^]No meeting was held post his induction.

k. H R Committee:

The Board of Directors has constituted the HR Committee to review the Bank's HR processes.

Number of meetings held: 1 meeting.

The meeting dates and the attendance record is as below:

Dates of Meeting	Jeevandas Narayan (Chairman of the Committee)	Justice A V Chandrashekar	Balakrishna Alse S	Sekhar Rao
06.03.2023	✓	✓	✓	✓
Meetings Attended/ Held	1/1	1/1	1/1	1/1

l. Centenary Year Celebrations Committee (CYCC)

The Committee is constituted to examine and recommend action plan for the initiatives to be taken up as part of Centenary Year celebrations.

Number of meetings held: 2 meetings.

The meeting dates and the attendance record is as below:

Dates of Meeting	Keshav K Desai (Chairman of the Committee)	Balakrishna Alse S	Jeevandas Narayan	Sekhar Rao
06.03.2023	✓	✓	✓	✓
20.03.2023	✓	✓	✓	✓
Meetings Attended/ Held	2/2	2/2	2/2	2/2

Detailed terms of reference of each of above Committees are also provided in the Bank's website under the section 'Investors Portal/Corporate Governance'.

COMMITTEES OF EXECUTIVES:

Apart from the Board and its Committees, 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, KBL Vikaas Steering 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 meeting were as under:

Year	Venue/Mode	Date	Day	Time (IST)	Whether any Special resolutions passed
2022	Video Conferencing	26.08.2022	Friday	11.30 AM	Yes#
2021	Video Conferencing	02.09.2021	Thursday	11.00AM	Yes
2020	Video Conferencing	17.07.2020	Friday	11.30 AM	Yes

#Resolution seeking authorization to the Board of Directors to issue and allot equity shares by way of Qualified Institutions Placement (QIP) could not secure requisite Majority.

SPECIAL RESOLUTIONS PASSED VIA POSTAL BALLOT AND VOTING PATTERN:

Date of Resolution	Nature of Business	Voting Pattern (out of the votes cast)		Result
		In favour	Against	
30.03.2023	Approval of "Karnataka Bank Employees Stock Option Scheme, 2023"	99.88	0.12	
30.12.2022	Amendment to Articles of Association of the Bank	99.96	0.04	
02.06.2022	Appointment of Mr. Jeevandas Narayan (DIN: 07656546) as an Independent Director of the Bank.	99.33	0.67	Passed with requisite majority.
02.06.2022	Appointment of Mr. Kalmanje Gururaj Acharya (DIN: 02952524) as an Independent Director of the Bank.	99.46	0.54	
02.06.2022	Amendments to the Articles of Association of the Bank.	88.71	11.29	

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/investor-portal> and also on the websites of stock exchanges i.e., www.bseindia.com and www.nseindia.com. Also, material updates/developments are disclosed to the stock exchanges and hosted on Bank's website. Further, the gist of financial results is also shared on a quarterly basis on a voluntary basis with the shareholders who have registered their email ids with the Bank/Depositories.

SHAREHOLDERS' INFORMATION:
A. Annual General Meeting for the FY 2022-23 (e-AGM) to be held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"):

Day	: Tuesday
Date	: August 29, 2023
Time	: 11.30 AM
Venue	: Not Applicable (to be held through VC/OAVM)
Mode	: Will be held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") accordance with the General Circular No. 10/2022 and 11/2022 dated December 28, 2022 issued by Ministry of Corporate Affairs ("MCA") and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 Dated January 5, 2023 and other connected circulars, if any, mentioned therein.
Bank's Address for Correspondence	: The Karnataka Bank Ltd., Secretarial Department, Regd. & Head Office, Mahaveer Circle, Kankanady, Mangaluru-575002, Karnataka, India. Tel: +91-824-2228222, Email: investor.grievance@ktkbank.com Website: www.karnatakabank.com

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 30th June, 2023 : July, 2023
- b) Quarter ending 30th September, 2023 : October, 2023
- c) Quarter ending 31st December, 2023 : January, 2024
- d) Quarter ending 31st March 2024 : May, 2024

C. Dividend:

The Board of Directors has recommended a dividend of ₹5.00 per share for the year ended March 31, 2023 (i.e., 50 % on paid up capital) and subject to the approval by the members at the AGM to be held on August 29, 2023 the same will be paid to the shareholders holding shares as on August 22, 2023 in respect of shares held both in physical form and in electronic form.

Dividend Payment Date: Between August 30, 2023 and September 03, 2023.

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, 2023:

Year	Unclaimed dividend(₹)	Date of declaration	Last date for claiming dividend
2015-2016	80,26,625.00	28.07.2016	27.08.2023
2016-2017	79,48,332.00	17.07.2017	16.08.2024
2017-2018	63,67,788.00	21.07.2018	20.08.2025
2018-2019	75,43,070.50	07.08.2019	06.09.2026
2019-2020	No Dividend Declared due to restriction imposed by RBI for all banking companies.		
2020-2021	58,69,278.20	02.09.2021	02.10.2028
2021-2022	1,15,76,206.00	26.08.2022	26.09.2029

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, Bank had transferred these unclaimed shares to a 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	480	80422
2. Shareholders who approached us for transfer of shares from suspense account during the year	9	2536
Less: Shareholders to whom shares were transferred from suspense account during the year	9	2536
3. Less: Shares transferred to IEPF	3	182
4. Number of shareholders and the outstanding shares in the suspense account lying at the end of the year (4=1-2-3)	468	77704

F. 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 2014-15 of ₹77,73,430/- has been transferred on September 14, 2022 to the Investor Education and Protection Fund established by the Central Government.

G. 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, 69,445 shares in respect of which the dividend for the FY 2014-15 had remained unclaimed for a period of seven years or more, were transferred to IEPF on September 15, 2022.

H. Listing of shares:

The shares of the Bank are listed on the following Stock Exchange.

ISIN	INE614B01018	
Scrip Code	Name of the Stock Exchange	Address
KTKBANK	National Stock Exchange of India Ltd. (NSE)	Regd. Office: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051
532652	BSE Ltd. (BSE)	Regd. Office: Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The Bank has paid the annual listing fees for the year 2022-23 to the above Stock Exchanges.

I. Registrar & Share Transfer Agent (RTA):

The Bank has appointed Integrated Registry Management Services Pvt Ltd 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 Pvt Ltd

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

J. Share transfer procedure:

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.

K. 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 with effect from February 26, 2001. The Bank had entered into tripartite agreement with the depositories viz., National Securities Depositories Ltd. and Central Depositories Services (India) Ltd. 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 96.00 % of the equity shares of the Bank are in demat form as on March 31, 2023.

L. 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, 2022 to March 31, 2023 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 2022	65.25	55.65	30434070	18114.65	16824.70
May 2022	67.65	57.70	26628331	17132.85	15735.75
June 2022	68.40	62.90	20876747	16793.85	15183.40
July 2022	72.60	64.55	20912224	17172.80	15511.05
Aug 2022	81.50	70.80	36620847	17992.20	17154.80
Sep 2022	91.35	72.60	59789472	18096.15	16747.70
Oct 2022	97.65	77.30	43332407	18022.80	16855.55
Nov 2022	149.90	92.60	245640806	18816.05	17959.20
Dec 2022	168.50	128.25	100681405	18887.60	17774.25
Jan 2023	162.00	131.25	24070374	18251.95	17405.55
Feb 2023	154.80	133.70	25152984	18134.75	17255.20
Mar 2023	158.00	124.50	27225667	17799.95	16828.35

Trading statistics on BSE:

Month	Share price		No. of Shares Traded	S&P BSE SENSEX	
	High	Low		High	Low
Apr 2022	65.20	55.70	3692481	60845.10	56009.07
May 2022	67.65	57.75	2837561	57184.21	52632.48
June 2022	68.30	62.90	2620439	56432.65	50921.22
July 2022	72.55	64.60	2483931	57619.27	52094.25
Aug 2022	82.00	70.45	3633169	60411.20	57367.47
Sep 2022	91.35	72.85	6262543	60676.12	56147.23
Oct 2022	97.65	76.55	4268686	60786.70	56683.40
Nov 2022	149.90	92.25	17460403	63303.01	60425.47
Dec 2022	168.50	128.30	10380156	63583.07	59754.10
Jan 2023	162.00	129.35	2366477	61343.96	58699.20
Feb 2023	154.75	133.75	2572305	61682.25	58795.97
Mar 2023	158.00	124.10	2528139	60498.48	57084.91

M. Distribution of shareholding as on March 31, 2023:

Shares holding of nominal value of	Share holders		Share Amount		
	₹. P.	Number	% to Total	In ₹.	% to Total
(1)	(2)	(3)	(4)	(5)	
Upto 5,000	187136	79.60	206493740	6.61	
5,001 - 10,000	19919	8.47	148578440	4.76	
10,001 - 20,000	12863	5.47	184456190	5.91	
20,001 - 30,000	4923	2.09	123119310	3.94	
30,001 - 40,000	2412	1.03	84485300	2.70	
40,001 - 50,000	1756	0.75	80647360	2.58	
50,001 - 1,00,000	3237	1.38	229954790	7.36	
1,00,001 and above	2858	1.22	2065691080	66.14	
Total	235104	100.00	3123426210	100.00	

N. 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, 2022)				No. of Shares held at the end of the year (i.e. as on March 31, 2023)				% change during the year
	Physical	Demat	Total no. shares held	% of Total Shares	Physical	Demat	Total no. shares held	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt. or State Govt.									
c) Bodies									
Corporates									
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)									
(2) Foreign									
a) NRI- Individuals									NIL
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
SUB TOTAL (A) (2)									
Total Shareholding of Promoter (A)=(A) (1)+(A)(2)									
B. PUBLIC SHAREHOLDING									
B1) Institutions (Domestic)									
Mutual Fund	0	0	0	0	0	1619671	1619671	0.52	0
Alternate Investment Fund	0	0	0	0	0	366449	366449	0.12	0
Banks	0	735	735	0.00	0	736	736	0.00	0
Insurance Companies	0	16624428	16624428	5.34	0	15933730	15933730	5.10	-4.49
NBFCs registered with RBI	0	2750	2750	0.00	0	5591	5591	0.00	0

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April 1, 2022)				No. of Shares held at the end of the year (i.e. as on March 31, 2023)				% change during the year
	Physical	Demat	Total no. shares held	% of Total Shares	Physical	Demat	Total no. shares held	% of Total Shares	
Sub Total B1	0	16627913	16627913	5.34	0	17926177	17926177	5.74	7.49
B2) Institutions (Foreign)	0	0	0	0	0	0	0	0.00	0
Foreign Portfolio Investors Category I	0	37086547	37086547	11.92	0	61512662	61512662	19.69	65.18
Foreign Portfolio Investors Category II					0	1918883	1918883	0.61	0
Sub Total B2	0	37086547	37086547	11.92	0	63431545	63431545	20.31	70.39
B3) Central Government/ State Government(s)/ President of India									
B4) Non-Institutions									
Directors and their relatives (excluding independent directors and nominee directors)	0	112490	112490	0.04	0	208490	208490	0.07	75.00
Key Managerial Personnel	0	5526	5526	0.00	3630	265	3895	0.00	0
Investor Education and Protection Fund (IEPF)	0	941021	941021	0.30	0	1008297	1008297	0.32	6.67
Resident Individuals holding nominal share capital up to ₹ 2 lakhs	12402140	127796908	140199048	45.06	11141794	110018558	121160352	38.79	-13.91
Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	1126721	92684552	93811273	30.15	970142	84735036	85705178	27.44	-8.99
Non Resident Indians (NRIs)	5500	9028982	9034482	2.90	5500	7945760	7951260	2.55	-12.07
Bodies Corporate	245039	11808668	12053707	3.87	238983	14264003	14502986	4.64	19.90
Any Other	0	1291853	1291853	0.42	118255	326186	444441	0.14	0
Clearing Members	0	1203833	1203833	0.39	0	225485	225485	0.07	-82.05
Trusts	0	7598	7598	0.00	0	8678	8678	0.00	0
Unclaimed or Suspense or Escrow Account	0	80422	80422	0.03	118255	92023	210278	0.07	133.33
Sub Total B4	13779400	243670000	257449400	82.74	12478304	218506595	230984899	73.95	-10.62
B=B1+B2+B3+B4	13779400	297384460	311163860	100.00	12478304	299864317	312342621	100.00	0.00

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		Change in Shareholding (No. of Shares) Increase/ (Decrease)	At the end of the year	
		No. of shares	% to total shares of the Bank		No. of shares	% to total shares of the Bank
1.	Life Insurance Corporation of India	1,45,58,513	4.68	0	1,45,58,513	4.66
2.	B Sumanthkumar Reddy & Relatives	1,29,40,537	4.16	-12,36,578	1,17,03,959	3.75
3.	Zeal Global Opportunities Fund	0	0	+77,78,000	77,78,000	2.49
4.	LSV Emerging Markets Equity Fund LP	43,32,240	1.39	0	43,32,240	1.39
5.	Zinnia Global Fund	0	0	+38,18,585	38,18,585	1.22
6.	Sreenadha Reddy Nayani	36,32,334	1.17	-3,999	36,28,335	1.16
7.	Acadian Emerging Markets Small Cap Equity Fund LIC	31,37,201	1.01	+3,96,562	35,33,763	1.13
8.	Venkata Seshamma Naidu	19,53,248	0.63	+7,49,237	27,02,485	0.87
9.	Societe Generale	3,285	0	+25,92,431	25,95,716	0.83
10.	Vivek Chand Burman	21,67,500	0.69	0	21,67,500	0.69

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, 2023:**

Sl. No	The Director and KMP (Messrs./Mrs.)	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
Directors:							
1.	P Pradeep Kumar	3410	0.00	Nil	NA	3410	0.00
2.	Mahabaleshwara M S	96178	0.00	96000 [§]	ESOP [§]	192178	0.06
3.	Sekhar Rao	NIL	0.00	Nil		NIL	0.00
4.	Keshav K Desai	11000	0.00	Nil	NA	11000	0.00
5.	B R Ashok	1650	0.00	Nil		1650	0.00
6.	Justice A V Chandrashekar	500	0.00	Nil		500	0.00
7.	Uma Shankar	1000	0.00	Nil		1000	0.00
8.	Dr. D S Ravindran	400	0.00	Nil		400	0.00
9.	Balakrishna Alse S	500	0.00	Nil		500	0.00
10.	Jeevandas Narayan	200	0.00	Nil		200	0.00
11.	K Gururaj Acharya	2842	0.00	Nil		2842	0.00
Key Managerial Personnel							
1.	Abhsihek Bagchi, Chief Financial Officer	NA	NA	NA	NA	0	0.00
2.	Sham K Company Secretary	NA	NA	NA	NA	3895	0.00

[§]21000 shares allotted on 20.07.2022 and 75000 shares allotted on 02.02.2023

O. 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 Ltd.- Debt Market Segment	Regd. Office: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051

The Bank has paid the annual listing fees for the year 2022-23 to the above Stock Exchange.

ISIN

Particulars	Series V	Series VI	Series VII
ISIN at NSDL/CDSL	INE614B08039	INE614B08047	INE614B08054

During the year under report, Bank has redeemed bonds issued under Series IV under ISIN number INE614B08021 of ₹ 250.00 crore upon maturity i.e., on 17.11.2022.

Debenture Trustees:

In respect of the subordinated debt instruments outstanding as on March 31, 2023, the Bank has appointed IDBI Trusteeship Services Ltd as the Debenture Trustee for Bonds issued by the Bank under Series 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 Ltd	Beacon Trusteeship Limited
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001 Tel: 91 022 4080 7001 Fax: 91 022 66311776 Email: itsl@idbitrustee.co.in Website: www.idbitrustee.com	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East, Mumbai 400051 Tel: +91 22 26558759 Email: compliance@beacontrustee.in Website: https://beacontrustee.co.in/

Credit Ratings: Tier 2 Bonds:

Series	Face Value	Coupon Rate p.a.*	Date of Issue	Tenor (Years)	Amount (₹. in Cr.)	Credit Rating		Outlook
						CARE	ICRA	
Series V	₹1 Lakh	12.00%	16.11.18	10	400.00	CARE "A"	ICRA "A"	Stable
Series VI	₹1 Lakh	12.00%	18.02.19	10	320.00	CARE "A "	ICRA "A "	Stable
Series VII	₹1 crore	10.70%	30.03.22	10	300.00	CARE "A "	ICRA "A "	Stable

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

P. Change in Senior Management: During the Financial Year 2022-23, below mentioned changes has taken place in the Senior Management of the Bank:

i) Appointment

Sr No	Name Mr.	Designation	Date of Appointment
1	Raghuram H S	Chief Risk Officer	08-06-2022
2	Ananthapadmanabha B	General Manager & CTO	01-09-2022
3	Ramesh Bhat	General Manager	01-09-2022
4	Jayanagaraja Rao S	General Manager & CLO	01-09-2022
5	Sham K	Company Secretary & Compliance Officer	27-02-2023
6	Abhishek Sankar Bagchi	Chief Financial Officer	02-03-2023

ii) Cessation/Resignation/Superannuation

Sr No	Name Mr.	Designation	Date of Cessation/Resignation/Superannuation	Reason
1	Chandrashekar Rao B	General Manager	31-07-2022	Superannuation
2	Rajakumar P H	General Manager	31-08-2022	Superannuation
3	Nagaraja Rao B	General Manager	31-08-2022	Superannuation
4	Ramesh S	General Manager	31-01-2023	Superannuation
5	Mahalingeshwara K	General Manager	31-03-2023	Superannuation
6	Prasanna Patil	Company Secretary & Compliance Officer	31-08-2022	Resignation
7	Muralidhar Krishna Rao	Chief Financial Officer	01-03-2023	Completion of Term

Q. Other Disclosures (as per Schedule V of SEBI LODR)

- 1. Compliance with Corporate Governance requirements:** The Bank has been complying with 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.
- 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, 2023. Further, it is declared that all the directors and senior management personnel have affirmed the compliance to the code of conduct laid down by the Bank.

The policy on dealing with related party transactions is available on the Bank's website at <https://karnatakabank.com/sites/default/files/2022-12/Policy%20on%20related%20Party%20Transaction.pdf>

3. STATUTORY NON-COMPLIANCE, PENALTIES AND STRICTURES DURING THE LAST THREE YEARS:

₹in Crore

Name of the Authority	2022-23	2021-22	2020-21
SEBI	NIL	NIL	NIL
BSE/NSE	NIL	NIL	NIL
RBI	NIL	1.00 [^]	NIL
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 Ltd.(IL&FS) and its group companies. However, the Bank had already made full loan provision, there was no other financial impact other than the penalty amount.

4. Commodity Price Risk or Foreign Exchange Risk and hedging activities:

The risks and concerns and mitigation measures are discussed in detail in the Directors Report.

- 5. Vigil Mechanism:** Details as per Clause 10(c) of Shedule V of SEBI LODR are furnished in the Directors Report.

6. Policy for determining material subsidiary:

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/sites/default/files/202212/Policy%20on%20related%20Party%20Transaction.pdf>

7. Details of fees paid to the Statutory Auditors for FY 2022-23:

The total fees incurred by the Bank and its subsidiary on a consolidated basis for services rendered by the Statutory Auditors is given below:

Particulars	Amount (₹ Crore)*
Audit Fee	2.65
Reimbursement of Expenses	0.05
Certification charges	0.15
Total	2.85

*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:

The compliance statuses of Non-mandatory requirements were as under:

Requirements	Compliance status
A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense 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 exchange / newspaper publications on the financial results in terms of Regulation 30 of SEBI LODR, Bank has been disseminating corporate communications periodically about financial results or major events etc., on a voluntary basis to the shareholders whose email ids are registered and such communications are also hosted on Bank's website for information of the shareholders.
Modified opinion(s) in audit report: 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. 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.

COMPLIANCE WITH THE CODE OF CONDUCT

I confirm that all Directors and members of the Senior Management have affirmed compliance with the Bank's Code of Conduct for the year ended 31st March 2023.

Sd/-
Sekhar Rao
 Managing Director & CEO (interim)

Place: Mangaluru
 Date: 26.05.2023