

**ENDURING LEGACY  
DIGITALLY ENABLED**

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## ABOUT US

Karnataka Bank Limited (KBL), a time tested universal Bank under India's first generation private sector banks with over 9 decades of professional banking experience, and a national presence with a network of 877 branches, 1448 ATMs/Cash Recyclers spread across 22 States and 2 Union Territories.

Ably guided by Professional Board, managed by a dedicated & competent Management Team, backed by over 8520 committed Employees, 2 lakh+ Shareholders and the trusted 'Family Bank' for over 12 million Customers.

## 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"



# KEY HIGHLIGHTS

## Business

Deposits (31.03.2022)

₹ **80,387** crore

+6.25% YoY

Advances (31.03.2022)

₹ **56,783** crore

+10.22% YoY

Turnover (FY22)

₹ **137,170** crore

+7.86% YoY

CASA (FY22)

**32.97** %

+148 bps

## Financial Performance

Net Interest Income (FY22)

₹ **2491** crore

+14.10% YoY

Net Profit (FY22)

₹ **509** crore

+5.40% YoY

CRAR (FY22)

**15.66** %

81 bps

## Asset Quality

Net NPA (FY22)

**2.42** %

-77 bps

PCR (FY22)

**73.47** %

+348 bps





## Network & Customers

Branches (FY22)

**877**

Customers (FY22)

**12** million+

MoneyPlant® ATMs/Cash Recyclers (FY22)

**1448**

## Digital Banking

Digital Transactions (FY22)

**93.22** %

Mobile Banking (FY22)

**23,85,999** Regd. users

From 12,60,921 users in FY21

## Key Strategies

Implementation of KBL-NxT to emerge as 'Digital Bank'

Integrated Management of Asset Quality

Opening of Digital Banking Units

Focussed Credit and CASA Growth

Re-aligning banking with ESG

# CHAIRMAN'S STATEMENT



**Being more prudent, we have been continuously increasing our Provision Coverage Ratio. After the provisions made during FY22, PCR stood at 73.47% as of 31st March 2022 compared to 69.99% at the end of the previous year.**

## Dear Shareholders,

I am happy to send my first communique to you after I took over as the Chairman on November 14, 2021.

As Covid-19 has progressed from a pandemic to an endemic, the risks are gradually reducing. But as the experts advise us, let us continue to be cautious and take preventive measures.

## Economic scenario

The most disturbing phenomenon currently impacting world peace and economic progress is the Russia-Ukraine conflict which has caused one of the most severe humanitarian crises in recent times. The impact of the war is having many global repercussions, from scarcity of fuel and food grains to supply chain difficulties, which is fuelling steep inflation in almost every country.

Central banks worldwide, whether the US Fed, Bank of England, or RBI in our home country, have been increasing the interest rates to contain inflation. IMF has been trimming the world growth expectations for 2022, given the problematic prevailing conditions.

However, even the downwardly revised India's growth forecast is much better than the world average and many other developing and developed countries. The significant factors that make India an optimistic economy are the proactive government policy measures such as Production Linked Incentives (PLI) and a normal monsoon expected during this year.

The Indian banking sector has undergone major reforms in recent years. The banking sector's gross NPAs have dropped below 6% in March 2022, which is the lowest in the last six years. Profit momentum for the banks

continued to be positive in FY2021 and FY2022, despite the pandemic. With inbuilt resilience, the banking sector is now in a solid position to resiliently absorb many of these external impacts. After recovering from the covid-related disruptions, businesses are regaining growth and investing further. Rising interest rates are a concern, but I am confident that growing companies will be able to absorb the new interest rates, and the impact on lending may only be marginal.

## Our financial performance during FY22

During the FY2022, our Bank earned the highest ever net profit of ₹508.62 crores. This achievement has been possible primarily due to the improvement in our Net Interest Margin, among other factors.

As of the end of FY2022, Gross Non-Performing Asset (GNPA) was 3.90%,

which is significantly better than the 4.91% a year ago. Similarly, Net Non-Performing Asset (NNPA) improved from 3.19%, down to 2.42%.

Being more prudent, we have been continuously increasing our Provision Coverage Ratio. After the provisions made during FY2022, our PCR stood at 73.47% as of March 31, 2022, compared to 69.99% at the end of the previous year.

The Capital Risk-weighted Assets Ratio (CRAR) of the Bank as of March 31, 2022, stood at 15.66%, much higher than the rate of 11.50% required by Basel III norms. During the year, the Bank issued Tier 2 bonds aggregating ₹ 300 crore to augment its capital adequacy.

### Digital transformation

KBL-VIKAAS, our journey towards digital transformation, began in 2017 based on the recommendations of the Boston Consulting Group. With this initiative, we have tremendously improved our internal processes with respect to assets and liabilities and built a strong culture of sales and marketing.

Recognising our digitisation efforts, the Bank has been conferred the 'DX 2021 Award' by the Confederation of Indian Industry (CII) for Best Practice in Digital Transformation.

To take our digital initiatives to the next level, we have started KBL-VIKAAS 2.0 to make Karnataka Bank "The Digital Bank of Future". I appreciate the executive team and the staff members' effort and spirit.

### Changes in the Board

Mr. P Jayarama Bhat retired as the Part-time Non-Executive Chairman on November 13, 2021. Before this,

he had been the MD & CEO of the Bank from July 2009 till April 2017, with overall five decades of dedicated service to the Bank. It was an excellent experience for me to have worked with him on the Board. I join all of you in wishing him a healthy and happy life. We are indebted to him for his contributions and guidance.

In April 2022, the Board appointed two additional non-executive independent directors whose appointment has been approved by the shareholders vide a resolution dated June 2, 2022, passed via postal ballot (e-voting).

Mr Jeevandas Narayan has over 40 years of experience in the banking and finance sector, including as the Deputy Managing Director of State Bank of India and Managing Director of State Bank of Travancore.

Mr Kalmanje Gururaj Acharya is a Chartered Accountant specialising in corporate finance, corporate taxes and company law. He was a Director on the Board of the erstwhile State Bank of Mysore and a Member of the Expert Advisory Committee of ICAI, New Delhi.

I welcome them onto the Board, and I believe their appointment would further enhance our expertise in banking and financial specialisations.

Thus, at present, the Board has eleven members, of whom nine are Independent Directors, constituting 82% of the Board as against the minimum requirement of 33%. Furthermore, the Board has two women directors against the minimum requirement of one, and both are Independent Directors. Thus, the Board is well represented and broad-based with requisite skill sets/ expertise from all spheres of Banking.

### Governance

The Board places utmost importance on corporate governance to ensure our decision-making is based on objective reasoning, banking operations are conducted transparently, and administration is carried out with integrity.

All our directors are continuously imparted training to enhance the Board's overall effectiveness. During the year, the directors were provided training at the Centre for Advanced Financial Research and Learning, National Institute of Securities Management, Institute for Development and Research in Banking Technology, Ernst & Young, etc. The focus areas of training have been corporate governance, risk management, cyber security, compliances, HR management during pandemics etc.

The Bank has completed its successful journey of 98 years, and the Centenary Year is just around the corner in 2023-24. We look forward to your continued association to celebrate this once-in-a-lifetime event in a befitting manner.

I would like to conclude with placing my gratitude to you for your continued support and to all our customers, employees, and service providers for their unstinted support. I also thank the Regulator and other government departments for their guidance.

With best wishes,

### P Pradeep Kumar

Part-time Chairman

# MANAGING DIRECTOR & CEO'S REVIEW

During the last few years, the Bank has metamorphosed from a traditional lending entity to a new-age financial institution. We are building technological structures to turn ourselves into the 'Digital Bank of Future.'



## Dear Shareholders,

The age-old adage "*Businesses are built on the foundation of Trust*" cannot be proved more accurate, and trust is not built in large, comprehensive moments, but in tiny, capsular moments day by day, every day.

As I present to you the 98th Annual report for 2021-22 of Karnataka Bank Ltd. (KBL), I can confidently share with you that '*trust*' has played a crucial role in propelling the Bank to this altitude, and in the last close-to-a-century-years, we have together lived, learnt and enjoyed from many such tiny moments and in the process became stronger and stronger.

## Pillars of Technology

"Technology is an enabler, and organisations that adopt and adapt to technology can usher in an era of growth and revolution."

During the last few years, the Bank has metamorphosed from a traditional lending entity to a new-

age financial institution. We are building technological structures to turn ourselves into the '*Digital Bank of Future*.' With an objective of taking the digital initiatives to the next level, complemented with the idea of "One Bank One Team", the Bank has launched project 'KBL NxT' under wave 2.0 of 'KBL-VIKAAS' in April 2021, after the successful completion of KBL-VIKAAS 1.0. The holistic and inclusive approach towards the transformation is now discernible amongst the workforce, offices and processes and its consistency and sustainability are quite visible.

Recently, we have launched the 'Video-based Customer Identification Process (V-CIP) to enable the online opening of Savings Bank Accounts in minutes. The Validation of PAN / Aadhaar numbers and other KYC requirements are fulfilled in a paperless digital environment. V-CIP is another milestone in our digital journey.

Our digital underwriting platform enabled online sanction of home, personal, car, 2-wheeler loans and MSME loans. Digital sales of insurance policies and mutual fund products have been made possible by a single platform, FISDOM. Online opening of Demat and trading accounts has been enabled through KBL-Smart Trade. KBL-Mobile has recorded tremendous growth as the registered users increased from 12.62 lakhs in FY2021 to 23.86 lakhs in FY2022. Further, on a day-to-day basis, digital transactions have reached a new high of 93.13%.

Bank proposes to open two Digital Banking Units (DBUs) shortly, in addition to the already existing Digi branch and a Digi centre, in line with the Government of India's initiatives under 'Azadi Ka Amrit Mahotsav' to commemorate 75 years of India's Independence.

The Bank has always stayed ahead of the curve in building its digital capabilities. It has significantly



invested in technology and digital analytics to underwrite, manage risk and outcomes, and optimise costs. The transformation journey has also enhanced the visibility of your Bank, the brand and digital capabilities at par with any new generation bank, and the emergence of 'New KBL' is quite evident.

### Banking all through FY2022

FY2022, for KBL, is the 'Year of Business Excellence' despite the Covid-19-related challenges and the fallout of the global war scenario.

The year witnessed the Bank's net profit crossing the ₹500 crore mark' for the first time in the history of KBL, and the Bank created another record of crossing the ₹100 crore net profit mark consistently in all the four quarters in FY2022. In FY2022, we earned the highest net profit of ₹508.62 crore, an increase of 5.4% over ₹482.57 crore earned during the previous year. Net Interest Income

**Bank proposes to open two Digital Banking Units (DBUs) shortly, in addition to the already existing Digi branch and a Digi centre, in line with the Government of India's initiatives under 'Azadi Ka Amrit Mahotsav' to commemorate 75 years of India's Independence.**

stood at ₹2,491.03 Cr, up by 14.10%. Net Interest Margin was 3.18%, with a growth of 27 bps. Regarding business growth, gross advances increased by 10.22%, deposits increased by 6.25%, CASA book increased by 11.23%, and CASA reached a new high of 32.97% of the total deposits. With respect to NPA and Provisioning, Gross NPA of 3.90% was down by 101 bps, Net NPA of 2.42% was down by 77 bps and provision coverage ratio at 73.47% was up by 348 bps. The Capital to Risk-weighted Asset Ratio at 15.66% was up by 81 bps and much higher than the minimum regulatory requirement of 11.50%. These accomplishments are the stepping stones towards our dream of emerging as a 'Strong, Vibrant and Digital Bank of the Future' by the turn of the Centenary Year of the Bank.

### Some more snippets from FY2022

During the year, we raised BASEL III Compliant Tier-2 Capital of ₹ 300 crore in a record time by way of issuing bonds to supplement the expected business growth in the coming years.

To its credit Karnataka Bank has pioneered to get ISO 9001:2015 Certification for its QMS activities associated with Risk Management Processes and practices of the Risk Management Department at Head Office.

The Bank has shifted to the new tax regime in FY2022 to get the tax benefit at a lower rate. Further, the practice of making accelerated provision towards NPAs has also been continued.

To date, we have hosted 100 e-learning modules on the ELM platform.

Retirees' Portal on the corporate website acts like a one-stop

## The Bank has always stayed ahead of the curve in building its Digital Capabilities.

information source for the retirees of the Bank.

We have added 20 new branches taking the total brick & mortar branches tally to 877.

The wholly owned non-financial subsidiary of the Bank 'KBL Services Ltd.' (KSL), which commenced its operations on 30.03.2021 at Bengaluru, is continuing to play a supportive role and is optimising the cost of operations in various verticals.

### Change in the governing body

Mr. P Jayarama Bhat retired as the Chairman on November 13, 2021, after an exemplary career in the Bank spanning almost fifty years and with a significant contribution to building the formidable financial institution we are now. His fortitude and leadership will be sorely missed.

On the other hand, I take pleasure in welcoming Mr. P Pradeep Kumar, who took charge as Part-time Chairman on November 14, 2021. Being an independent director for quite some time, he knows the Bank thoroughly, and I look forward to the Bank reaching newer heights under his guidance and stewardship.

### Recognition of Excellence, Token of Merit

Team KBL, with commitment and team spirit, has bagged a record number of 25 prestigious awards during the year under report for its performance in many areas.

**As we are cruising in our landmark journey, the main focus area for FY2023 would include re-aligning banking activities to ESG protocols, continuation of the digital transformation initiatives of KBL-VIKAAS 2.0 and KBL-NxT and to prepare for KBL@100**

**A few notable ones are:**

'National Best Employer Brand' Award at the 16th Edition of Employer Branding Awards of World HRD Congress, Mumbai

'Best MSME Bank of the year – Winner' Award among Private Sector Banks from ASSOCHAM, New Delhi

Prestigious 'GOLD' Award for outstanding achievement in Safety & Security in Banking Sector conferred by sustainable Development Foundation

Digital Transformation DX 2021 Award for Best Practice in Digital Transformation 2021 in recognition of the "Innovative" Best Practice – "KBL VIKAAS" instituted by the Confederation of Indian Industry (CII).

Infosys Innovation Global Awards 2021- 'Customer Journey Reimagination' category among the 'Mid-Size Bank segment'-'RUNNER UP'

**Outlook for FY23 and beyond**

As we are cruising in our landmark journey, the main focus area for FY2023 would include re-aligning banking activities to ESG protocols, the continuation of the digital transformation initiatives of KBL-VIKAAS 2.0 and KBL-NxT, increasing the number of DBUs as per RBI guidelines, further improve the risk management systems, focus on strengthening the balance sheet, integrated management of Asset Quality including SMA, NPA, restructured portfolio, increase in CASA deposits and focus on NRI deposits, Capital Augmentation, effective Succession Planning at all levels, and Growth Management via branch expansion. Our Branch network is poised to cross 900 during the current FY.

Corporate Mobile Banking with an Omni Channel experience, KBL Mobile Plus enhancement with Multi-Language Support, and Centralised Know Your Customer Integrated Solution are some other treats in store for our esteemed customers.

The CSR activities will be based on the 'Centenary CSR Themes' of Education, Health and Environmental sustainability for the next three years so that the underprivileged sections of society would continue to benefit significantly.

**KBL@100**

The Centenary Year celebration is the collective dream of all the stakeholders, and we aspire to take the Bank to a new high when it enters the second century of its services in 2024.

**In conclusion**

The highest standards of corporate governance and professionalism

combined with a rich culture and great human resource pool will steer any organisation towards its highest achievable point. The future journey in the banking industry would be subjected to greater competition from new players in fintechs, startups and payment banks focussing on digital lending, as they are equipped with the best-in-class digital deliverables. However, we at Karnataka Bank are more focussed on collaboration and Cooperation to harness our competitiveness. Further, we assure our stakeholders that while achieving growth and profitability is essential, Consistency and Sustainability will be portrayed in our performance which will be the hallmark of 'New KBL'

Though the compliance culture, by and large, is imbibed in our DNA already, we are focussed on doing things right and doing them right all the time. The concept of 'Compliance First, Business Next' will continue to guide us in the coming years.

I take this opportunity to place my gratitude to our depositors, borrowers, employees, Board members and shareholders for their contributions to the growth of the Bank. I also thank the regulatory bodies like RBI and SEBI and the central and state governments for their continued guidance and support.

With a remarkable, admirable history as our backdrop, we are all set to carve our future. I am committing myself and 'Team KBL' to another 'Year of Business Excellence'.

Looking forward to your continued support and co-operation.

**Yours faithfully**

**Mahabaleshwara M S**  
Managing Director & CEO

# BOARD OF DIRECTORS



**Sri P Pradeep Kumar**  
Part Time Chairman  
(Independent Director)



**Sri Mahabaleshwara M S**  
Managing Director & CEO



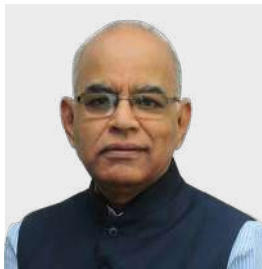
**Sri Keshav K Desai**  
Independent Director



**Smt Mythily Ramesh**  
Independent Director



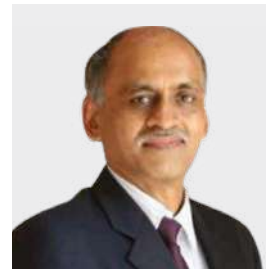
**Sri B R Ashok**  
Non-Executive Director



**Justice AV Chandrashekar**  
Independent Director



**Smt Uma Shankar**  
Independent Director



**Dr D S Ravindran**  
Independent Director



**Sri Balakrishna Alse S**  
Independent Director



**Sri Jeevandas Narayan**  
Independent Director



**Sri. Kalmanje Gururaj Acharya**  
Independent Director

# YEAR OF AWARDS & ACCOLADES

## Best Bank Awards

- ✧ The RUNNER UP under 'Customer Journey Reimagination' category among the 'Mid-Size Bank segment' by INFOSYS Innovation Global Awards 2021.



- ✧ Awards from CIMSME (Chamber of Indian Micro Small and Medium Enterprises), New Delhi  
Best Branding Private Bank- Runner-Up.



Best Private Bank for Promoting Social Scheme- Runner-Up.



Best Private Bank of Implementing Covid-Related Government Schemes- Winner.

- ✧ Kanhangad Branch of the Bank in Kerala has been adjudged as 'Third Best Branch in Kerala State' under Private Sector Bank Category for the year 2020-21 by State Forum of Bankers' Club (Kerala) in SFBC Banking Excellence Awards 2021.
- ✧ Award of Excellence- 'APY- Mega Login Stars' from PFRDA (Pension Fund Regulatory & Development Authority)

## ESG

- ✧ National Best Employer Brand Award at the 16th Edition of Employer Branding Awards of World HRD Congress, Mumbai.
- ✧ Prestigious 'GOLD' Award for outstanding achievement in Safety & Security in Banking Sector conferred by Sustainable Development Foundation at the 11th Exceed Occupational Health Safety & Security Award & Conference 2021.



- ✧ The bank is conferred with the 'Top Organizations with Innovative HR Practices' award at the 19th edition of the Asia Pacific HRM Congress held on 26th October 2021.



## MSME

- ✧ 'Best MSME Bank of the year – Winner' Award among Private Sector Banks at the 8th MSME's Excellence Awards Ceremony and Summit instituted by ASSOCHAM, New Delhi.



- ✧ Awards from CIMSME (Chamber of Indian Micro Small and Medium Enterprises), New Delhi, as detailed here below:

Best MSME Private Bank- Winner

Best MSME Friendly Private Bank- Winner.



## Digital Banking

- ✧ Three Runner- Up Awards in the 'IBA-Banking Technology Awards 2022' under the Small Bank Category:

Best Technology Bank of the Year.

Best Use of AI/ML & Data Analytics.

Best Fintech Adoption.



- ✧ Digital Transformation DX 2021 Award for Best Practice in Digital Transformation 2021 instituted by Confederation of Indian Industry (CII) in recognition of the "Innovative" Best Practice – "KBL VIKAAS".



- ✧ Bank has won two DigiDhan awards instituted by Ministry of Electronics & Information Technology for achieving the target with highest percentage in BHIM – UPI transactions under the Private Sector Bank Category for FY 2019-20 & FY 2020-21.



- ✧ Won prestigious awards from ASSOCHAM, New Delhi under Private Sector Bank Category, for excelling in the areas of digitalization:

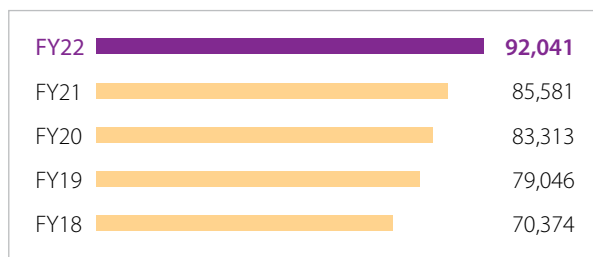
Digital Services: Winner.

Digital Lending: Runner- Up.

# FINANCIAL HIGHLIGHTS

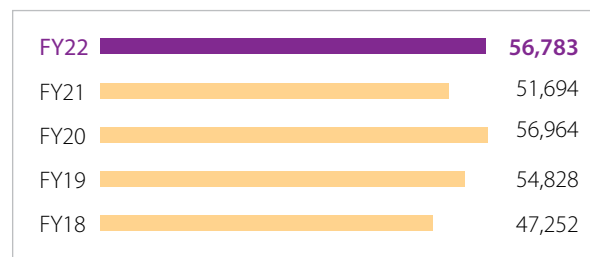
## Total Assets

(₹ in crore)



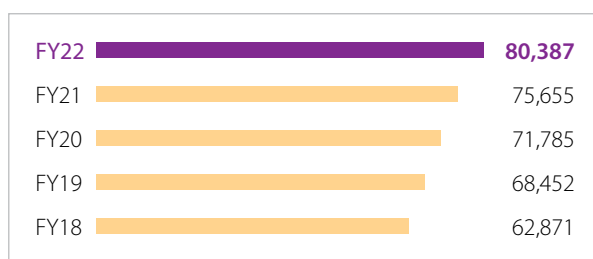
## Total Advances (Net)

(₹ in crore)



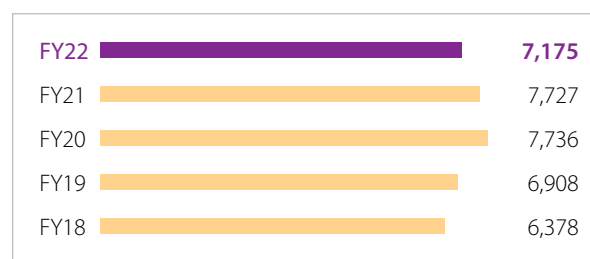
## Total Deposits

(₹ in crore)



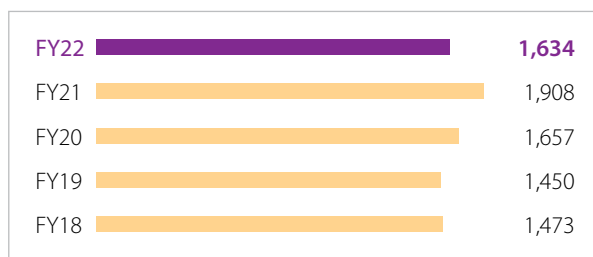
## Total Income

(₹ in crore)



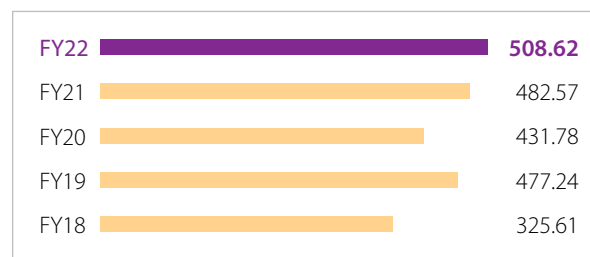
## Operating Profit

(₹ in crore)



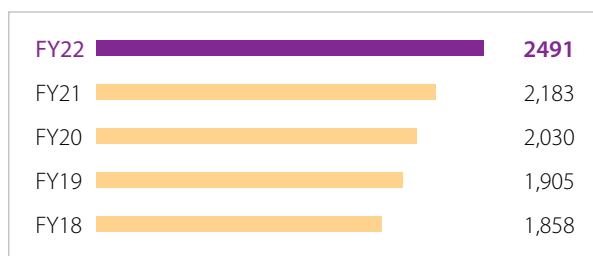
## Net Profit

(₹ in crore)



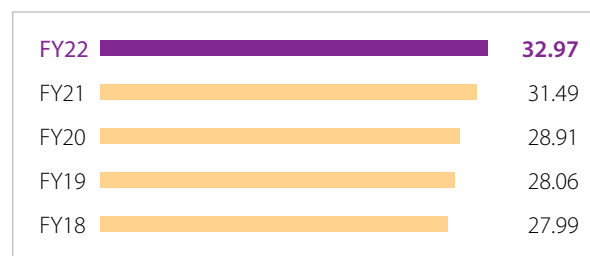
## Net Interest Income

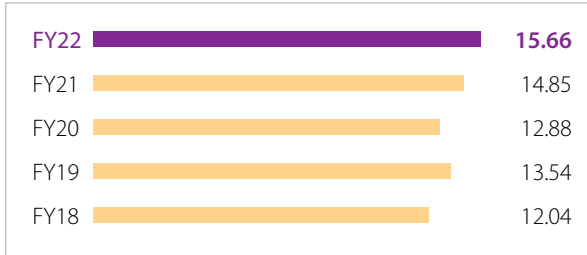
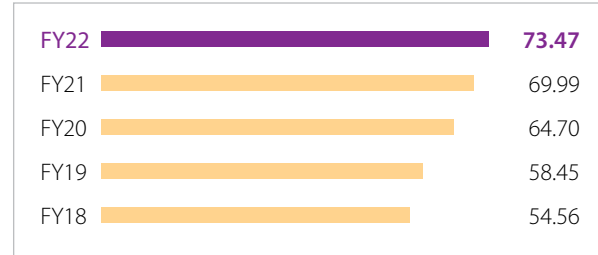
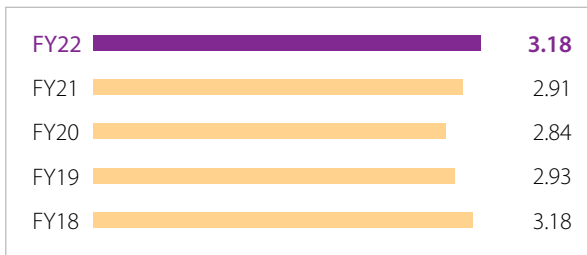
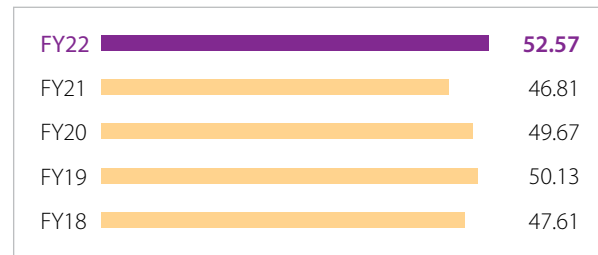
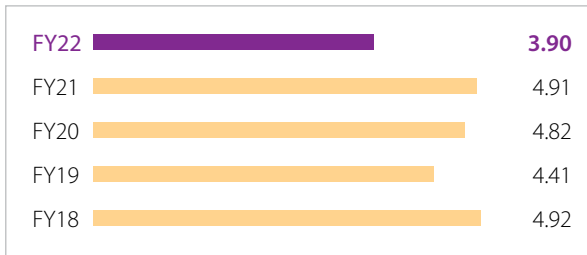
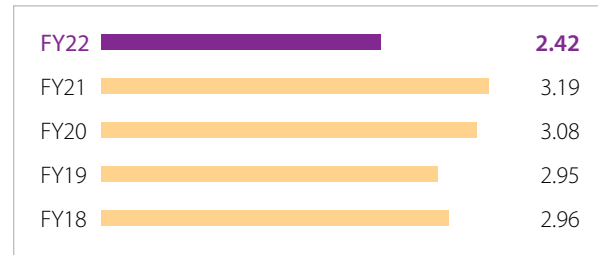
(₹ in crore)



## CASA

(%)



**CRAR** (%)**Provision Coverage Ratio** (%)**NIM** (%)**Cost to Income Ratio** (%)**Gross NPA** (%)**Net NPA** (%)**Progress Over a Decade:**

(₹ in crore)

FY	NET WORTH	DEPOSITS	ADVANCES	BUSINESS TURNOVER	GROSS EARNINGS	NET PROFIT	DIVIDEND (%)	NO OF BRANCHES	NO OF EMPLOYEES
2021-22	7094.73	80386.85	56783.14	137169.99	7175.54	508.62	40.00*	877	8520
2020-21	6642.36	75654.86	51515.85	127170.71	7636.62	482.57	18.00	858	8421
2019-20	5970.44	71785.15	56964.27	128749.42	7870.81	431.78	0.00^	848	8509
2018-19	5785.18	68452.12	54828.20	123280.32	6907.92	477.24	35.00	836	8275
2017-18	5410.15	62871.29	47251.75	110123.04	6378.09	325.61	30.00	800	8185
2016-17	5142.58	56733.11	36915.70	93648.81	5994.74	452.26	40.00	765	7982
2015-16	3690.58	50488.21	33902.45	84390.66	5535.07	415.29	50.00	725	7792
2014-15	3389.06	46008.61	31679.99	77688.60	5205.41	451.45	50.00	675	7382
2013-14	3052.20	40582.83	28345.49	68928.32	4694.41	311.03	40.00	600	7185
2012-13	2857.08	36056.22	25207.68	61263.90	4161.93	348.08	40.00	550	6339

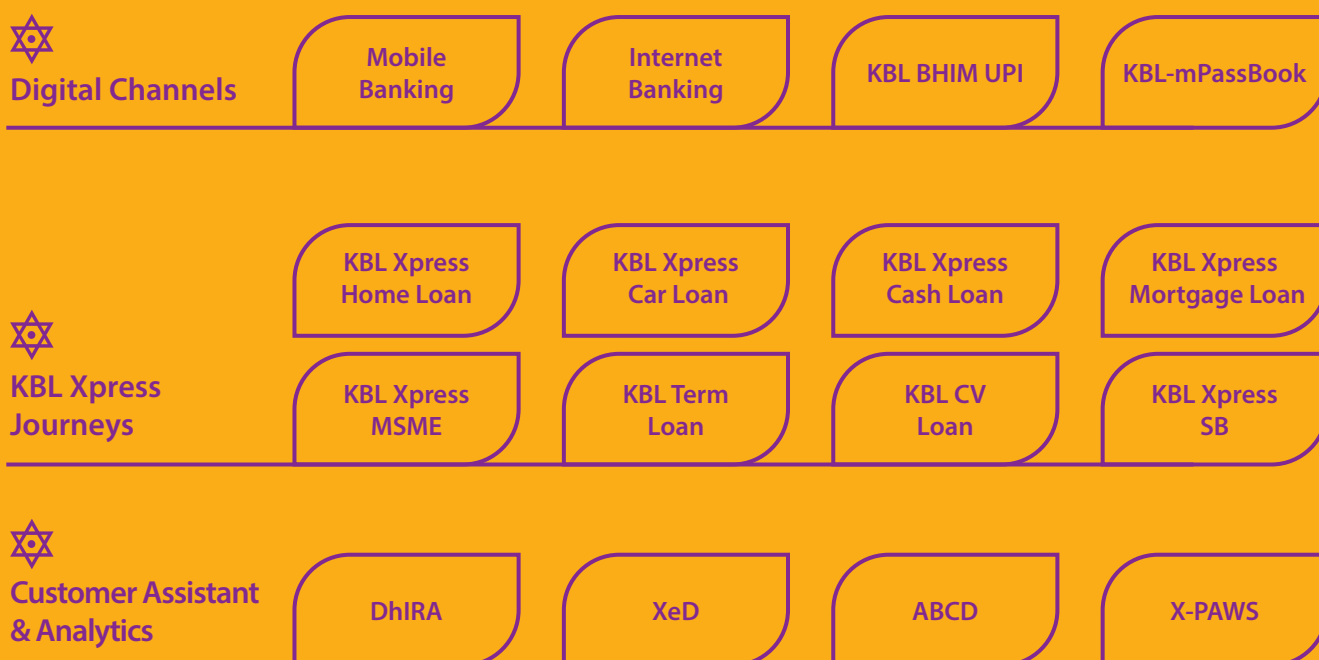
\*Recommended

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

# DIGITAL BANKING

The digital banking initiatives of the Bank are to achieve its vision to be a Strong, Vibrant and the Digital Bank of the Future. Ongoing digital adoption accelerated in FY22. The total digital transactions stood at 93.22% as at 31.03.2022.

## KBL's Digital Capability Matrix



## Digital Underwriting

The Bank has enabled a platform for Digital sanction of Home loans, Personal loans, Car loans, 2-wheeler loans & MSME loans. Digital adoption stood at 75% under Home Loans, 79% under Car Loans, 70% under MSMEs and 100% in the case of KBL Xpress Cash Loan.



Home loans

**75** %



Car loans

**79** %



KBL Xpress Cash Loan

**100** %



KBL MSME loans

**70** %



## SUSTAINABLE BANKING

### e-Lobbies Next Gen Branch Banking

e-Lobbies: Banking e-Lobby may be defined as "Bank branch without Bankers" and also this may be seen as "Next Generation Bank Branches" by delivering automated banking Products & Services without manual intervention. In this pursuit, Bank is installing e-Lobbies consisting of Bunch Note Acceptor, Semi Automatic Passbook Printing Machine and Automated Teller Machine. 89 e-lobbies/mini lobbies opened during the year take the total to 546.

# 546

e-lobbies/mini lobbies



At Karnataka Bank, we consider sustainable banking as the Bank's responsibility towards society and environment as well as an opportunity to fund and develop social and environmentally responsible businesses. The Bank's increased focus on digital banking enables paperless transactions and helps customers avoid visiting the branches for their routine banking and thereby save fuel and time.



₹ **10,474** Crore

Advances to Agriculture Sector

₹ **3,954** Crore

Advances to Weaker Sections of the society

₹ **50** Crore

Advances for Renewable Energy

# CORPORATE SOCIAL RESPONSIBILITY

Karnataka Bank is committed to identifying and supporting the projects and programmes aimed at improving the well beings of the socially and economically disadvantaged sections of society. The Bank supports various social and environmental initiatives under health, education, renewable energy, rural development and protection of heritage and culture.



Vehicle for the Malaria Control Programme of Udupi District Administration.



Ventilators to Srinivas Hospital, Mukka, Surathkal.



Ambulance to Sri Sai Seva Prasthanam, Daigoli, Kasargod.



CAD- 'Cardiologist at Doorstep' Electrocardiography machines donated to Udupi Grama Panchayath Centres & Sub Centres.



Financial Assistance to Mangaluru City Corporation for two plastic bailing machines for solid waste management plant.



School Bus to Karkada New Higher Primary School.



Solar unit to Nutana Vidyalaya Society, Kalaburagi.



Solar water heater to Brahmana Samudaya Bhavana, Arkalgud.



Electric Autorickshaw donated to Snehalaya Charitable Trust®, Bachalike-Kasaragod.



School Bus to Aided Higher Primary School, Sulkeri, Belthangady.



Ophthalmic Operating Microscope to Wenlock District Hospital, Mangaluru.



Financial assistance for Coffee Table Book on 'Kudremukha - The Land of Sholas' brought out by Kudremukha Wild Life Division.



Construction of class rooms at Shriniketana CBSE School, Islur, Sirsi.



New houses for girl child supported with Vidya Poshak scholarship scheme at Nittur & Badanidiyur.

# CORPORATE INFORMATION

## MANAGEMENT TEAM

### CHIEF OPERATING OFFICER

Sri Y V Balachandra

### CHIEF BUSINESS OFFICER

Sri Gokuldas Pai

### CHIEF FINANCIAL OFFICER

Sri Muralidhar Krishna Rao

### GENERAL MANAGERS

Sri Chandrashekar Rao B

Sri Nagaraja Rao B

Sri Mahalingeshwara K, (CLO)

Sri Ramesh S

Sri Vinaya Bhat P J

Sri Vadiraj K A, CCO

Sri Rajakumar P H, (CTRo)

Sri Pankaj Gupta, CD & MO

Sri Seshadri T S, Head Training STC

Sri Raja B S

Sri Nirmal Kumar Kechappa Hegde, HIA & CIV

Sri Ravichandran S

### DEPUTY GENERAL MANAGERS

Sri Ananthapadmanabha B, CTO

Sri Jayanagaraja Rao S

Smt. Sandra Maria Lorena

Sri Ramesh Bhat

Sri Nagendra Rao T

Sri Chandra Shekar

Sri Thrivikrama

Sri Nagaraja Upadhyaya B

Sri Sharath Chandra Holla P

Sri Jagadeesh K S

Sri Nagaraja Aithal

Sri Kannan, CISO

Sri Gopalakrishna Samaga B

Smt. Sumana Ghate

Sri Vijayakumar P H

Sri Jagadeesha K R

Sri Raghuram H.S, CRO

### COMPANY SECRETARY

Sri Prasanna Patil

### LEGAL ADVISOR

Sri M V Shanker Bhat

### STATUTORY AUDITORS

M/s Sundaram & Srinivasan, Chennai

M/s Kalyaniwalla & Mistry LLP, Mumbai

### SECRETARIAL AUDITORS

M/s BMP and Co LLP, Bengaluru

### REGD. & HEAD OFFICE

Mahaveera Circle, Kankanady

Mangaluru-575 002, Karnataka, India

CIN:L85110KA1924PLC001128

### SUBSIDIARY

KBL Services Ltd.

Hafeeza Chambers, No. 111/3 3rd Floor,

A-Wing, K H Road Bengaluru -560027

CIN: U74900KA2020PLC135108

### REGISTRAR & SHARE TRANSFER AGENT

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](mailto:irg@integratedindia.in)

### Abbreviations:

CFO	: Chief Financial Officer
CLO	: Chief Learning Officer
CRO	: Chief Risk Officer
CCO	: Chief Compliance Officer
CTRo	: Chief Transformation Officer
HIA	: Head of Internal Audit
CIV	: Chief of Internal Vigilance
CD & MO	: Chief Digital & Marketing Officer
CTO	: Chief Technology Officer
CISO	: Chief Information Security Officer
STC	: Staff Training College



Regd. & Head Office  
Post Box. No.599, Mahaveera Circle, Kankanady, Mangaluru – 575 002  
Phone : 0824-2228222  
E-Mail: investor.grievance@ktkbank.com  
Website : www.karnatakabank.com  
CIN : L85110KA1924PLC001128

## NOTICE TO THE MEMBERS

Notice is hereby given that the Ninety Eighth Annual General Meeting of **THE KARNATAKA BANK LIMITED** will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) as under:

**Date : August 26, 2022**

**Day : Friday**

**Time : 11.30 AM IST**

to transact the following businesses:

### ORDINARY BUSINESS

- To receive, consider and adopt:
  - the Audited Standalone Financial Statements for the financial year ended March 31, 2022 together with the reports of the Auditors and the Directors thereon.
  - the Audited Consolidated Financial Statements for the financial year ended March 31, 2022 and the Report of the Auditors thereon.
- To declare dividend.
- To appoint a director in place of Mr. B R Ashok (DIN: 00415934), 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 pursuant to the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, the provisions of the Banking Regulation Act, 1949 and Reserve Bank of India (RBI) guidelines and subject to the approval of RBI, M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No. 0042075), New No.4, Old No. 23, C. P. Ramaswamy Road, Alwarpet, Chennai-600018 and M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No./LLP No. 104607W/W100166), Esplanade House, 29, Hazarimal Somani Marg, Fort, Mumbai-400001, be appointed as Joint Statutory Auditors of the Bank, to hold office from the conclusion of this Meeting till the conclusion of the Ninety-Ninth Annual General Meeting of the Bank at an overall remuneration of ₹ 2.80 Crores (Rupees Two Crore Eighty Lakhs Only), to be paid and allocated to / between the Joint Statutory Auditors as may be mutually agreed between the Bank and the Joint Statutory Auditors, depending upon their respective scope of work and Certification fee of ₹ 30,000 (Rupees Thirty Thousand Only) per certificate issued and reimbursement of actual out-of-pocket expenses, goods and services tax and such other tax(es) as may be applicable.

RESOLVED FURTHER that the Board (including any Committee thereof and any other person 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 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. To consider passing of the following resolution, as a SPECIAL RESOLUTION:

RESOLVED THAT in supersession of the Resolution passed by the Members of the Bank at the Ninety Seventh Annual General Meeting held on September 02, 2021 approving to create, offer, issue equity shares of the Bank to Qualified Institutional Buyers, and pursuant to the provisions of Sections 23, 42 and 62(1)(c) and other relevant provisions, if any, of the Companies Act, 2013 and the relevant rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force) (the "Act"), the relevant provisions of the Banking Regulation Act, 1949, and the directions, rules, guidelines and circulars issued by the Reserve Bank of India (the "RBI") in this regard, from time to time, the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended, from time to time (the "FEMA"), the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (the "GOI"), as amended, from time to time, the RBI's "Master Directions – Issue and Pricing of Shares by Private Sector Banks, Directions, 2016", and "Master Directions – Ownership in Private Sector Banks, Directions, 2016", Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), the rules, the regulations, guidelines, notifications and circulars, if any, issued by the GOI, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "SEBI Listing Regulations"), as amended, from time to time and subject to such other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the Securities and Exchange Board of India (the "SEBI") and the stock exchanges where the equity shares of the Bank are listed and the enabling provisions of the Memorandum of Association and Articles of Association of The Karnataka Bank Limited (the "Bank") and subject to receipt of requisite approvals, consents, permissions and/or sanctions, if any, from any other appropriate statutory / regulatory authorities and subject to such other conditions and modifications as may be prescribed, stipulated or imposed by any of the said statutory/regulatory authorities, while granting such approvals, consents, permissions, and/or sanctions, which may be agreed to by the Board of Directors of the Bank (the "Board", which term shall be deemed to include any Committee(s) of Directors which the Board of Directors may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution) (the "Committee"), consent, authority and approval of the Members of the Bank be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or on competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of Equity Shares of face value of ₹ 10 each of the Bank ("Equity Shares") to Qualified Institutional Buyers ("QIBs"), as defined in SEBI ICDR Regulations, through a Qualified Institutions Placement ("QIP"), pursuant to and in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, to all or any of them, jointly or severally through a placement document and/or other letter or circular, at such time or times in one or more tranche or tranches, for cash, at such price or prices as the Board may deem fit for an amount not exceeding in the aggregate ₹ 1000 Crore (Rupees One Thousand Crore Only) inclusive of any premium and green shoe option attached thereto, to be subscribed by QIBs on such terms and conditions at the Board's absolute discretion in consultation with the Book Running Lead Manager(s) ("BRLMs") considering the then prevailing market conditions and other relevant factors as may be necessary, to whom the offer, issue and allotment of Equity Shares shall be made to the exclusion of others, in such manner and where necessary in consultation with the BRLMs and/or other advisors or otherwise on such terms and conditions and deciding of other terms and conditions like number of Equity Shares to be issued and allotted, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws.

RESOLVED FURTHER THAT in case of issue and allotment of Equity Shares by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations:

- i. the allotment of the equity shares shall be completed within 365 days from the date of passing of the special resolution of the Members of the Bank;

- ii. the equity shares issued shall rank *pari-passu* with the existing Equity Shares of the Bank in all respects as may be provided under the terms of issue and in accordance with the placement document(s);
- iii. the equity shares to be created, offered and issued shall be subject to the provisions of Memorandum and Articles of Association of the Bank;
- iv. it shall be at such price which is not less than the price determined in accordance with Regulation 176 provided under Chapter VI of the SEBI ICDR Regulations, as amended. The Board may, however, at its absolute discretion in consultation with the BRLMs, issue equity shares at a higher price or may offer a discount of not more than 5% (five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI ICDR Regulations as amended from time to time;
- v. the allotment of equity shares to each QIB in the proposed QIP issue shall not exceed five per cent (5%) of the post-issue paid-up capital of the Bank or such other limit(s) as may be approved by the Reserve Bank of India under applicable laws/rules/ regulations/directions etc.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or a duly authorised Committee thereof, be and is hereby authorised for and on behalf of the Bank to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the relevant offer documents, determining the form and manner of the issue, the nature and number of securities to be allotted, timing of the issue/offering, determination of person(s) to whom the securities will be offered and allotted, in accordance with applicable laws, the issue price, discounts permitted under applicable laws (now or hereafter), premium amount on issue, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, as it may at its sole and absolute discretion deem fit, necessary, proper or appropriate, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise with regard to the issue, offer or allotment of securities (including in relation to issue of such securities in one or more tranches from time to time) and utilisation of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, or other authorities or agencies involved in or concerned with the issue of securities and as the Board or a duly authorised Committee thereof may at its sole and absolute discretion deem fit and appropriate in the best interest of the Bank, without being required to seek any further consent or approval of the Members or otherwise AND THAT all or any of the powers conferred herein on the Bank and the Board pursuant to this Special Resolution may be exercised by the Board or a duly authorised Committee thereof to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Special Resolution, and all actions taken by the Board or any duly authorised Committee thereof, to exercise its powers, in connection with any matter(s) referred to or contemplated in the foregoing resolution be and is hereby approved, ratified and confirmed, in all respects.

RESOLVED FURTHER THAT the Board or a duly authorised Committee thereof, be and is hereby authorised to engage/ appoint BRLMs, Legal Advisors, Underwriters, Depositories, Custodians, Registrars, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses and also to enter into and execute all such arrangements, agreements, documents etc., with such agencies.

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by these resolutions to any committee of directors, any other director(s), and/or officer(s) of the Bank.

**6. To consider the passing of the following resolution, as a SPECIAL RESOLUTION, with or without modifications.**

RESOLVED THAT pursuant to 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 by issue of BASEL III Compliant debt instruments, including but not limited to Subordinated Bonds under Tier 2 or AT-1 Bonds, in one or more tranches,

in Indian/foreign currencies in domestic and/or overseas markets, not exceeding in aggregate ₹ 1,000 Crore (Rupees One 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 may be determined, from time to time by the Board, to be reckoned within the borrowing powers of ₹ 6000 crore approved by the members at the 97<sup>th</sup> Annual General Meeting held on September 02, 2021.

RESOLVED FURTHER that the Board (including any Committee thereof and any other person 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 23, 2022

**By order of the Board of Directors**

**Prasanna Patil**  
**Company Secretary**

**Notes:**

1. The shareholders 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 shareholders for remote e-voting	<b>August 19, 2022</b>
2.	<b>Remote e-voting begin</b> date & time	<b>August 22, 2022 (9.00 a.m. IST)</b>
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)	<b>August 25, 2022 (5.00 p.m. IST)</b>
4.	<b>Annual General Meeting Date</b>	<b>August 26, 2022 (11.30 a.m. IST)</b>
5.	<b>Record Date</b> for determining the eligibility of the shareholders to receive dividend.	<b>August 19, 2022</b>

2. The Ministry of Corporate Affairs (“MCA”) General Circular No. 02/2022 dated May 05, 2022 and other circular mentioned therein (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting through **Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)**, without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the MCA Circulars, the AGM of the Bank is being held through VC/OAVM (hereinafter referred to as “e-AGM”).
3. Further, in compliance with the aforesaid MCA Circulars and also SEBI Circulars 1) SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (applicable to equity listed entities) and 2) SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 (applicable to non-convertible securities listed entities), the **Notice of e-AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/Depositories and holding the shares as on the cut off date.** Members may note that the Notice and Annual Report 2021-22 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 CDSL <https://www.evotingindia.com>.
4. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses set out above and the relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking reappointment at this e-AGM are annexed.



5. As this e-AGM is being held pursuant to the MCA Circulars referred to above through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
6. 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 sent to the Scrutinizer by email from its registered email address to [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com) with a copy marked to [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in).
7. 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 Ltd., 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.
8. 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.
9. Members attending the AGM through "VC"/"OAVM" shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. 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 19, 2022 through email on [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com).
11. Members may note that the Board, at its meeting held on May 27, 2022, has recommended a final dividend of ₹ 4.00 per share. The record date for the purpose of dividend is fixed as **August 19, 2022**. The final dividend, once approved by the members in the ensuing AGM, will be paid electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants will be sent out to their registered addresses. 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 Company's Registrar and Transfer Agent ("RTA") (where shares are held in physical mode) to receive dividend directly into their bank account on the payout date.
12. **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 1, 2020 shall be taxable in the hands of members. Upon declaration of 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 dividend. The Bank shall, therefore, is required to deduct tax at source at the time of making the payment of the said Dividend, if approved by the shareholders at the e-AGM. In such a case, the Dividend will be paid after deducting the tax at source 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:

Particulars	Applicable Rate	Documents required (if any)
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 Company's Registrar and 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.

<b>Particulars</b>	<b>Applicable Rate</b>	<b>Documents required (if any)</b>
Shareholders not having PAN/ PAN is Invalid	20%	-
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	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 Aadhar 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 higher rate in case of non-filers of Return of Income:**

The Finance Act, 2021, inter-alia, has been amended to include a new Section 206AB with effect from July 1, 2021. The provisions of said section require the Company to deduct tax at higher of the following rates from 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 Return of Income in India for the previous Financial Year, the time limit for which has been expired under the provisions of the Income Tax Act 1961 and the aggregate of Withholding tax deducted exceeds ₹ 50,000/- in the Current Financial Year.

In case Government provides any guidelines to comply with the provisions of section 206AB, 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 is excluded from the scope of a specified person. As such a non-resident is required to submit a no permanent establishment declaration to be excluded from the scope of a specified person.

#### **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 Treaty 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 Income Tax Act, 1961  <b>OR</b> Tax Treaty Rate (whichever is lower)	<ul style="list-style-type: none"> <li>a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.</li> <li>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 2022-23.</li> <li>c) Electronically furnished Form 10F &amp; its acknowledgement from the Income Tax portal.</li> <li>d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty.</li> <li>e) Self-declaration of Beneficial ownership by the non-resident shareholder.</li> </ul>
Other Non-resident shareholders	20% (plus applicable surcharge and cess)  <b>OR</b> Tax Treaty Rate (whichever is lower)	<ul style="list-style-type: none"> <li>a) Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.</li> <li>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 2022-23.</li> <li>c) Electronically furnished Form 10F &amp; its acknowledgement from the Income Tax portal.</li> <li>d) Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty.</li> <li>e) Self-declaration of Beneficial ownership by the non-resident shareholder.</li> </ul>
Shareholders submitting the Order under Section 197 of the Income Tax Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from 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 benefit including meeting of 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 completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

As per CBDT's recent **Notification no 03/2022 dated 16th 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 income tax e-filing portal.**

Soft copies of following documents may be downloaded from the link <https://www.integratedindia.in/ExemptionFormSubmission.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.integratedindia.in/ExemptionFormSubmission.aspx> on or before **August 19, 2022, 11.59 PM (IST)**, to enable the Company 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 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 weblink 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 satisfactory completeness 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 different status/ category:**

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, 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 deductee should file 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.

**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 Company to make timely credit of dividend to their bank accounts.

13. 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).
14. Members are requested to note that, dividend remaining unclaimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, 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 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report of the Directors Report.
15. Since the AGM will be held through "VC"/"OAVM", the Route Map is not annexed in this Notice.
16. 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.
17. **Instructions for remote e-voting, venue voting and joining the AGM are provided in Page No.33.**

## ANNEXURE TO THE NOTICE

### Item No.3

#### Reappointment of Mr. B R Ashok, as a Director of the Bank:

Mr. B R Ashok, a Chartered Accountant by profession, was appointed by the members in the 97<sup>th</sup> AGM held on 02.09.2021 as a Director liable to retire by rotation and being eligible, has offered himself for reappointment.

Further, the Independent Directors at their exclusive meeting held on March 13, 2022 while carrying out the performance evaluation of the Directors (in terms of Companies Act, 2013) and the Board of Directors at its meeting held on May 27, 2022, 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 a Director.

In terms of Section 152 of the Companies Act, 2013 read with Section 149 of the Act, he is classified as a Non-Executive (Non-Independent) Director in view of his earlier association with the Bank in the capacity as a Partner of the Audit Firm (i.e., M/s. R K Kumar & Co. which is now known as MSKC & Associates, Chennai) which carried out the Statutory Central Audit of the Bank in the past.

#### Brief profile and Additional information about Mr B R Ashok as per Secretarial Standard-2 read with Regulation 36(3) of SEBI (LODR) Regulations, 2015:

Name of the Director	Mr. B R Ashok
Age	59 years
Qualification	FCA
Experience	<p>Mr. B R Ashok, is a Fellow Member, of the Institute of Chartered Accountants of India (ICAI) (FCA) and also a professional member of the Indian Institute of Insolvency Professionals of ICAI (IIPI) and is an Insolvency Resolution Professional (IRP) under Insolvency and Bankruptcy Code (IBC). He qualified as a Chartered Accountant in the year 1984 and has more than 35 years of experience in practice and his areas of expertise include statutory central audit of banks, statutory audit of insurance companies, corporates including public sector undertakings, NGOs and other entities besides advisory, consultancy and taxation assignments.</p> <p>He also has an expertise in the fields of statutory related attestation services, consultancy in direct taxes and FEMA, management advisory services and representation before various adjudicating authorities up to Tribunal level in income-tax. He is a partner in M/s. MSKC &amp; Associates (formerly known as R K Kumar &amp; Co.,) Chartered Accountants, Chennai, a partnership firm established in the year 1974.</p> <p>He secured 1<sup>st</sup> Rank in the post-qualification Diploma Course on Information Systems Audit conducted by the ICAI in December 2002 and has successfully completed the online Proficiency Self-Assessment Test for Independent Director's Databank conducted by the Indian Institute of Corporate Affairs in March 2020.</p>
Terms and conditions of appointment	Proposed to be appointed as a Non-independent, non-whole time director liable to retire by rotation.
Remuneration details	Sitting Fees and such other remuneration as per the Compensation Policy of the Bank. During FY 2021-22 sitting fees aggregating to ₹ 28.90 lakhs for attending the meetings of Board/Committees was paid to him.
Date of first appointment on the Board	27.08.2019 as an Additional Director.

Shareholding	Directly Held: 1650 Equity Shares of ₹ 10 each & five subordinated debt instruments (Series V) with a face value of ₹ 1,00,000/- each. As Beneficial Owner: Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Directors, Manager and other Key Managerial Personnel of the Bank.
Number of meetings of the Board attended during the year	All 17 meetings held during the year.
Other Directorships, Membership / Chairmanship of Committees of other Boards.	KBL Services Limited- Director. (A wholly owned non-financial services company of the Karnataka Bank).
Listed entities from which the person has resigned in the past three years.	Nil
Nature of Expertise	Accountancy, Banking and finance and Taxation.
Skills and capabilities required for the role in terms of Section 10A(2) of Banking Regulation Act, 1949.	Accountancy, Banking, Finance, Business Management, Information Technology and Risk Management
The manner in which the proposed person meets such requirements.	He has over three decades of experience in Statutory Audit of Banks, Accounting, Taxation etc., and in terms of Section 10A(2) of the Banking Regulation Act, 1949, banks in India are required to ensure that persons to be appointed as Directors shall have special knowledge or practical experience in respect of one or more of the matters specified in the said Act. Mr. B R Ashok possesses such desired skills and capabilities and the Board of the Bank is of the opinion that his continuation on the Board of the Bank as a Director would provide substantial value addition.

A resolution seeking appointment of Mr. B R Ashok as an Independent Director was set out in the Notice of Postal Ballot dated April 26, 2022 under Item No.3. Since Mr. B R Ashok felt that his past association with the Bank as one of the statutory auditors could be construed as an impediment for his appointment as an independent director on the Board, he withdrew consent to act as an Independent Director and consequently, as per Corrigendum issued by the Bank on May 18, 2022, the said resolution of the Notice of Postal Ballot dated April 26, 2022 was considered as infructuous. Further, the Board of Directors at its meeting dated May 18, 2022 based on the recommendation of NRC had resolved that per the shareholders' resolution dated September 02, 2021, he will continue in his position in the current capacity i.e., Non-Executive Director (Non-Independent) liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

Your Board recommends the resolution appointing Mr. B R Ashok as a Non-Executive, Non-Independent Director of the Bank as set out Item No. 3 of the notice, liable to retire by rotation, as aforesaid.

Except Mr. B R Ashok, no other Director or Key Managerial Personnel of the Bank or their respective relatives are in any way concerned or interested, financially or otherwise, in this resolution.

#### **Item No. 4**

##### **Appointment of Statutory Auditors (SAs).**

At the 97th Annual General Meeting held on September 02, 2021, M/s Sundaram & Srinivasan, Chartered Accountants (Firm Registration No. 004207S), New No.4, Old No. 23, C. P. Ramaswamy Road, Alwarpet, Chennai-600018 and M/s Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No./LLP No. 104607W/W100166), Esplanade House, 29, Hazarimal Somani Marg, Fort, Mumbai-400001, were appointed as the Joint Statutory Auditors of the Bank who, at the conclusion of the ensuing Annual General Meeting, will be completing the period of first year (i.e., the term commencing from FY 2021-22). Both the above audit firms have confirmed their eligibility to be appointed as Statutory Auditors as per Section 141 of the Companies Act, 2013 and applicable rules. The Board of Directors recommends the appointment of M/s Sundaram & Srinivasan, Chartered Accountants and M/s Kalyaniwalla & Mistry LLP, Chartered Accountants jointly as Statutory Auditors of the Bank to hold office upto the conclusion of 99<sup>th</sup> AGM, in respect of whom, an application seeking approval from the Reserve Bank of India has been submitted under Section 30(1A) of the Banking Regulation Act, 1949, and the approval of the RBI is awaited.

### Upward revision in the fees payable to the Statutory Auditors (SAs):

At the time of appointment of the SAs at the 97<sup>th</sup> Annual General meeting, a consolidated statutory audit fees of ₹ 2.60 crore was fixed besides Certification fee and reimbursement of actual out-of-pocket expenses, goods and services tax and such other tax(es).

Having regard to the increase in the scope of their work emanating from various circulars/ notifications issued by the Reserve Bank of India (RBI) and additional efforts required to be put in by the auditors, the auditors have requested for upward revision in their fees. The Board of Directors, based on the recommendation of the Audit Committee, has approved an upward revision in the fees payable to the statutory auditors subject to the approval of the shareholders, as mentioned hereunder:

Particulars	Amount of Fees (₹ crore)	
Consolidated Statutory Audit Fees	2.80	
The Break-up is as under: (₹ crore)		
Nature of Payment	Existing fees structure	Proposed fees structure
Year-end Audit	1.52	1.60
Limited Review (3 quarters)	0.48	0.60
Long form Audit Report	0.40	0.40
Tax Audit Fees	0.20	0.20
<b>Total</b>	<b>2.60</b>	<b>2.80</b>
Reimbursement of out of pocket expenses including GST	0.86	At Actuals
Certification charges	0.21	Note No. 1 given below

#### Notes:

- Further, certification fees of ₹ 30,000 per certificate issued (existing ₹ 20,000 per certificate) and actual out of pocket expenses will be reimbursed.
- With fee of ₹ 0.04 crore paid to the previous SAs for limited review of Q1 FY22 and GST of ₹ 0.24 crore, the Statutory Audit fee in total amounted to ₹ 2.88 crore for the FY21-22.

Terms of Appointment	The following assignments including but not limited to : <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 requirement as may be prescribed by the RBI from time to time.</li> </ol>
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In case of a **new auditor**, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change.

Not Applicable

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

**Brief profile of M/s Sundaram & Srinivasan**

Sundaram & Srinivasan, Chartered Accountants, Chennai, audit firm was established in the year 1943 and registered with the Institute of Chartered Accountants of India (ICAI). The firm has been providing professional services since the last 8 decades. Its Head Office is located at Chennai and has Branch Offices at Madurai, Mumbai and Bangalore. The firm is engaged in the areas of Audit and Assurance, Risk Advisory Services, taxation including International Taxation and Transfer pricing. The firm's clientele ranges from private, public and joint sector corporates and has varied experience in the Banking, Financial Services and Insurance (BFSI) sector, having provided audit / non-audit and consultancy services to private, public and foreign banks.

**Brief profile of M/s Kalyaniwalla & Mistry LLP**

Kalyaniwalla & Mistry LLP ("K&M"), Chartered Accountants, Mumbai, is a multi-service, multi-location, professional service organization established in the year 1928, with offices or associates in all the major cities in India. K&M is equipped to meet the corporate and non-corporate industrial, commercial and financial businesses with its resources which include more than 400 professionals and highly trained personnel with specialized service capabilities in diverse fields covering a wide spectrum of activities.

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

We have sought the approval of RBI for their appointment and pursuant to the requirements of RBI guidelines, their appointment is required to be pre-approved by the RBI on an annual basis. Hence their appointment is presently proposed from the conclusion of this AGM till the conclusion of the Ninety-Ninth AGM and thereafter would be placed for approval of the Members on an annual basis subject to the approval of the RBI.

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

No Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of this resolution.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the “Act”)

In conformity with the above, the explanatory statement sets out the material facts relating to item **Nos. 5 to 6** appearing in this Notice dated July 23, 2022 are given below:

### **Item No.5: Raising of funds by issue of equity shares through Qualified Institutions Placement (QIP):**

The Board at various intervals has felt the need for on-boarding suitable Institutional Investors. In this direction, the Bank has started strategizing initiatives and the Board of Directors thought fit to seek approval of the shareholders for augmenting capital through Qualified Institutions Placement in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, approval of the members of the Bank was obtained at the 97<sup>th</sup> AGM held on September 2, 2021 and the same is valid for a period of 365 days i.e. up to September 1, 2022. Even though Bank initiated the efforts to augment capital, however, considering the geo-political tension leading to volatile market conditions, Bank could not materialise the same. Hence, the said resolution is placed before the shareholders for approval in this Annual General Meeting and the resolution passed at the 98<sup>th</sup> Annual General Meeting will be in supersession of the resolution obtained at the 97<sup>th</sup> Annual General Meeting. The resolution once approved by the shareholders will be valid for a period of 365 days and the Board can take an informed decision at an appropriate time as and when the need arises.

Since the Resolution proposed in the Notice may result in the issue of Equity Shares of the Bank to persons other than existing Members of the Bank, consent of the Members is by way of special resolution is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the SEBI (LODR) Regulations, 2015. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Bank to create, offer, issue and allot the securities QIP to eligible QIBs who may or may not be the shareholders.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018 and in terms of the provisions of the SEBI LODR for authorizing the Board to issue, offer and allot equity shares as stated in the resolution through QIP in such manner and upon such terms and conditions as the Board may in its absolute discretion deems fit.

Hence, the Board of Directors of the Bank recommend passing of this resolution as a Special Resolution as mentioned under **Item No.5** of this Notice. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or the Committee thereof in its sole discretion in consultation with the advisors, Book Running Lead Managers (BRLMs), and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

None of the Directors, Key Management Personnel and their relatives are interested in this item of business except to the extent of subscription by a financial institution / company / body corporate in which the KMPs, Director or his / her relative may be directly or indirectly interested.

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

In the normal course of business, 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 Non-Convertible Securities) Regulations, 2021, 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 consent of the company by 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.

The consent of the members of the Bank has already been obtained at the 97<sup>th</sup> Annual General Meeting held on September 02, 2021 for borrowing/raising funds in Indian/foreign currency up to ₹ 6000 crore (Rupees Six thousand Crore only), in the form of debt instruments/ debentures etc. in one or more tranches in domestic and/or overseas market.

The outstanding borrowings as on March 31, 2022 were as under:

<b>Nature of Borrowing</b>	<b>Outstanding amount as on 31.03.2022 (₹ Cr)</b>
Tier-2 Subordinated Bonds	1270.00
Refinance from National Housing Bank	8.60
Refinance from SIDBI	185.57
TREPS borrowing	849.67
<b>Total</b>	<b>2313.84</b>

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations/subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Board passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year. Therefore, in order to facilitate the raising of funds by way of issue of debt securities it is proposed to obtain the consent of the members for an amount not exceeding ₹ 1000 crore, to be reckoned with in the already approved borrowing limit of ₹ 6000 crore.

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.

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

None of the Directors, Key Management Personnel and their relatives are interested in this item of business except to the extent of subscription by a financial institution / company / body corporate in which the KMPs, Director or his / her relative may be directly or indirectly interested.

**By order of the Board of Directors**

Registered Office:  
Mahaveera Circle  
Kankanady, Mangaluru-575002  
Date: 23.07.2022

**Prasanna Patil**  
**Company Secretary**

### 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 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 Central Depository Services (India) Limited (CDSL) 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 AGM" will be provided by CDSL.
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 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. August 19, 2022)** 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:	<b>August 22, 2022 at 9.00 a.m. (IST).</b>
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Date and time of end of voting through electronic means (beyond which voting will not be allowed):	<b>August 25, 2022 at 5.00 p.m. (IST).</b>
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Details of website:	<a href="http://www.evotingindia.com">www.evotingindia.com</a>
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Details of persons to be contacted for issues relating to remote e-voting:	Mr. Vijayagopal / Mr. Giridhar, Integrated Registry Management Services Pvt. Ltd. Tel No. 080-23460815-18, email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a>
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Cut-off date to determine the eligibility to cast vote	<b>August 19, 2022</b>
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- 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 **August 25, 2022** and remote e-voting shall not be allowed beyond this date and time.
- c. **Further, the facility for voting through electronic voting system will also be made available at the AGM from CDSL 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.
- e. Any person, who acquires shares of the Bank after **July 29, 2022**, may write to [irg@integratedindia.in](mailto:irg@integratedindia.in) in case of any login related issues. However, if the shareholder is already registered with CDSL for remote e-voting, then He/ She can use the existing user ID and password for casting the vote and also for attending the AGM electronically.
- f. The results of voting on the above resolutions shall be declared not later than two working days from the conclusion of the Annual General Meeting of the Bank. The results declared along with the Scrutinizer's Report will be made available on the Bank's website and on the website of Central Depository Services (India) Limited (CDSL) and the same shall simultaneously be communicated to the stock exchanges.

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

### For Individual shareholders holding securities in Demat mode:

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Login Method	Procedure
Holding securities with CDSL	<ol style="list-style-type: none"><li>1) <b>Users who have opted for CDSL Easi/Easiest facility</b>, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi/Easiest user will be able to see the <b>e-Voting option</b> for eligible companies where the e-voting is in progress as per the information provided by company. 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 i.e., CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>
Holding securities with NSDL	<ol style="list-style-type: none"><li>1) <b>If you are already registered for NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2) <b>If the user is not registered for IDeAS e-Services</b>, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDeAS"</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 <b>"Login"</b> which is available under <b>'Shareholder/Member'</b> section. A new screen will open. You will have to enter your <b>User ID</b> (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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ol>
Login through 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. After successful login, you will be able to see e-Voting option. Once you 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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 the abovementioned website.

### Helpdesk for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	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 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### For shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 4) Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 5) Next enter the Image Verification as displayed and Click on Login.
- 6) If you are a first-time user follow the steps given below:
 

PAN	•	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both shareholders holding shares in demat as well as physical form)
	•	Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	•	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	•	If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details.
- 7) After entering these details appropriately, click on “SUBMIT” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen.
- 9) However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 10) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 11) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 12) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- 13) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- 14) After selecting the resolution, you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- 15) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- 16) You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- 17) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**Instructions for Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians:**

- 1) Members are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the **"Corporates"** module.
- 2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- 4) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 6) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**The instructions for E-VOTING ON THE DATE OF AGM are as under:**

1. Only those Members/shareholders, 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 available in the AGM.
2. If any Votes are cast by the members through the e-voting during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered INVALID as the facility of e-voting during the meeting is available only to the members participating in the meeting.
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 procedure to be followed for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

**Instructions for members for attending the AGM through VC/OAVM are as under:**

1. 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.
2. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 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 Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

4. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
5. Member will also be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
6. Members are encouraged to join the Meeting through Laptops and high-speed internet connectivity for better experience.
7. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. 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.
9. **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 **meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com).
10. Shareholders who would like to express their views/have questions may send their questions seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com).
11. The Chairman of the Meeting will reserve the rights to limit the number of questions and time limit for each question during the course of AGM.
12. 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 AGM.
13. At the time of logging-in to the system to attend the AGM or during the course of AGM, if a Member loses the connection, the same shall not be a ground to complaint.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ 98ನೇ ವಾರ್ಷಿಕ ವರದಿ

ಆತ್ಮೀಯ ಷೇರುದಾರರೇ,

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ, ಮಾರ್ಚ್ 31, 2022ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ 98ನೇ ವಾರ್ಷಿಕ ವರದಿಯನ್ನು, ಲೆಕ್ಕಪರಿಶೋಧಕರಿಂದ ಪರಿಶೋಧನೆಗೊಳಗಾದ ಅಸ್ತಿ-ಹೊಣೆಪಟ್ಟಿ ಮತ್ತು ಲಾಭನಷ್ಟ ತಖ್ತೆಯನ್ನು ಪರಿಶೋಧನಾ ವರದಿಯೊಂದಿಗೆ, ಪ್ರಸ್ತುತಪಡಿಸಲು ನಾವು ಹರ್ಷಿಸುತ್ತೇವೆ.

### ಸಾಧನೆಯ ಹೆಗ್ಗುರುತುಗಳು

₹ ಕೋಟಿಗಳಲ್ಲಿ

	ಮಾರ್ಚ್ 31, 2022	ಮಾರ್ಚ್ 31, 2021
ಠೇವಣಿಗಳು	80,386.85	75,654.86
ಮುಂಗಡಗಳು	56,783.14	51,515.85
ಒಟ್ಟು ವಹಿವಾಟು	1,37,169.99	1,27,170.71
ಹೂಡಿಕೆಗಳು	22,041.00	21,635.18
ನಿರ್ವಹಣಾ ಲಾಭ	1,634.00	1,908.28
ನಿವ್ವಳ ಲಾಭ	508.62	482.57
ಒಟ್ಟು ಆದಾಯ	7,175.54	7,636.62
ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯ (NII)	2,491.03	2,183.19
CASA ಠೇವಣಿಗಳು(ಒಟ್ಟು ಠೇವಣಿಯ ಶೇಕಡಾವಾರು)	32.97%	31.49%

ಸೂಚನೆ: ಬ್ಯಾಂಕಿನ ಸಂಪೂರ್ಣ ಸ್ವಾಮ್ಯದ ಹಣಕಾಸೇತರ ಅಂಗಸಂಸ್ಥೆ ಕೆಬಿಎಲ್ ಸರ್ವಿಸಸ್ ಲಿ. ಇದು ಬ್ಯಾಂಕಿನ ಕಾರ್ಯಾಚರಣೆಯ ಪ್ರಮಾಣಕ್ಕೆ ಹೋಲಿಸಿದರೆ ಸಣ್ಣ ಪ್ರಮಾಣದ ಕಾರ್ಯಾಚರಣೆಗಳನ್ನು ಹೊಂದಿರುವುದರಿಂದ, ಈ ವಿಶ್ಲೇಷಣೆಯು ಅಂಗಸಂಸ್ಥೆಯ ವಹಿವಾಟನ್ನು ಒಳಗೊಂಡಿರುವುದಿಲ್ಲ. ಅಂಗಸಂಸ್ಥೆಯ ವಹಿವಾಟನ್ನು ಒಳಗೊಂಡಿರುವ ಏಕೀಕೃತ ಹಣಕಾಸು ಹೇಳಿಕೆಗಳನ್ನು ಪ್ರತ್ಯೇಕವಾಗಿ ಈ ವರದಿಯ ಭಾಗವಾಗಿ ನೀಡಲಾಗಿದೆ.

### ಸಾಧನೆಯ ಪಕ್ಷಿನೋಟ:

2021-22ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ವಹಿವಾಟು ಉತ್ತಮ ಪ್ರಗತಿಯಲ್ಲಿದ್ದು ಮಾರ್ಚ್ 31, 2022 ರಂದು ₹ 1,37,169.99 ಕೋಟಿಗಳಿಗೆ ಏರಿಕೆ ಕಂಡಿದೆ. ಪ್ರಸಕ್ತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ₹ 508.62 ಕೋಟಿ ನಿವ್ವಳ ಲಾಭವನ್ನು ದಾಖಲಿಸಿದೆ. ಅಲ್ಪವೆಚ್ಚದ CASA ಠೇವಣಿಗಳ ಪಾಲು ಕೂಡ ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ಶೇ. 32.97 ದಾಖಲಾಗಿದೆ. ಮಾರ್ಚ್ 31, 2022ರಂದು, ಬ್ಯಾಂಕ್ ಮುಂಗಡ - ಠೇವಣಿ ಅನುಪಾತ (CD Ratio) ಶೇ. 70.64ನ್ನು ಹೊಂದಿತ್ತು. ಒಟ್ಟು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು (GNPA) ಮತ್ತು ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ಪ್ರಮಾಣದಲ್ಲಿ ಕ್ರಮವಾಗಿ 101 bps ಮತ್ತು 77 bps ಕಡಿತದೊಂದಿಗೆ ಆಸ್ತಿಗಳ ಗುಣಮಟ್ಟದಲ್ಲಿ ಸತತವಾಗಿ ಸುಧಾರಣೆ ಕಂಡು ಬಂದಿದೆ. ಬ್ಯಾಂಕ್ ತನ್ನ ಪ್ರಾವಿಷನ್ ಕವರೇಜ್ ಅನುಪಾತ (PCR) ವನ್ನು ಶೇ. 73.47ಕ್ಕೆ ಮತ್ತು ಸಮರ್ಪಕ ಬಂಡವಾಳದ ಅನುಪಾತವನ್ನು (CRAR) ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ಮಟ್ಟವಾದ ಶೇ. 15.66ಕ್ಕೆ ಏರಿಸುವ ಮೂಲಕ ತನ್ನ ಮೂಲಭೂತ ಅಂಶಗಳನ್ನು ಬಲಪಡಿಸುವ ನಿಟ್ಟಿನಲ್ಲಿ ವಿವೇಕಯುತ ಮತ್ತು ದೃಢವಾದ ಹೆಜ್ಜೆಯಿರಿಸಿದೆ. ಒಟ್ಟಾರೆಯಾಗಿ, ಆರ್ಥಿಕತೆಯ ಮೇಲೆ ಕೋವಿಡ್-19 ಸಾಂಕ್ರಮಿಕ ರೋಗದ ವ್ಯತಿರಿಕ್ತ ಪರಿಣಾಮಗಳ ಹೊರತಾಗಿಯೂ, 2021-22ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ತೃಪ್ತಿದಾಯಕ ಪ್ರಗತಿ ದಾಖಲಾಗಿದ್ದು ಬ್ಯಾಂಕಿನ ಮೂಲಭೂತ ಅಂಶಗಳು ಮತ್ತಷ್ಟು ಸದೃಢಗೊಂಡಿವೆ ಎಂದು ತಿಳಿಸಲು ಹರ್ಷಿಸುತ್ತೇವೆ.

### ಒಟ್ಟು ಠೇವಣಿ ಮತ್ತು ಅಲ್ಪವೆಚ್ಚದ ಠೇವಣಿಗಳು (CASA):

ವರದಿ ವರ್ಷದಲ್ಲಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಠೇವಣಿಗಳಲ್ಲಿ ಶೇ. 6.25ರ ಬೆಳವಣಿಗೆ ದರ ದಾಖಲಾಗಿರುತ್ತದೆ. CASA ಠೇವಣಿಗಳಲ್ಲಿ ಶೇ. 11.23ರ ಉತ್ತಮ ಪ್ರಗತಿ ದಾಖಲಾಗಿದ್ದು, ಪರಿಣಾಮವಾಗಿ CASA ಠೇವಣಿಗಳು ಒಟ್ಟು ಠೇವಣಿಗಳ ಶೇ. 32.97ಕ್ಕೆ ಏರಿಕೆಯಾಗಿವೆ. ಒಟ್ಟು ಠೇವಣಿಗಳಲ್ಲಿ ರೂ.2 ಕೋಟಿಗಳಿಗಿಂತ ಕಡಿಮೆ ಮೊತ್ತದ ಠೇವಣಿಗಳು ಸುಮಾರು ಶೇ. 92 ರಷ್ಟಿದ್ದು, ಇದು ರಿಟೇಲ್ ಠೇವಣಿದಾರರ ಅವಿರತ ಬೆಂಬಲವನ್ನು ಪ್ರತಿಬಿಂಬಿಸುತ್ತದೆ.

### ಮುಂಗಡಗಳು

ವರದಿ ವರ್ಷದಲ್ಲಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಮುಂಗಡಗಳಲ್ಲಿ ಶೇ. 10.22ರ ಬೆಳವಣಿಗೆ ದರ ದಾಖಲಾಗಿದೆ. ಒಟ್ಟು ಮುಂಗಡಗಳಲ್ಲಿ, ರಿಟೇಲ್ ಮತ್ತು ಮಧ್ಯಮ ಗಾತ್ರದ ಕಾರ್ಪೊರೇಟ್ ಮುಂಗಡಗಳ ಪಾಲು ಶೇ. 79.63ರಷ್ಟಿದ್ದರೆ ಕಾರ್ಪೊರೇಟ್ ಮುಂಗಡಗಳ ಪಾಲು ಸುಮಾರು ಶೇ. 20 ದಾಖಲಾಗಿದೆ.

ಆದ್ಯತಾ ವಲಯದ ಮುಂಗಡಗಳು ₹28,617 ಕೋಟಿಯಿಂದ ₹ 32,077 ಕೋಟಿಗೆ ಏರಿಕೆಯಾಗಿವೆ (Adjusted Net Bank Credit ನ ಶೇ. 56.41). ಕೃಷಿ ಕ್ಷೇತ್ರಕ್ಕೆ ನೀಡಿರುವ ಮುಂಗಡಗಳು, ಗ್ರಾಮೀಣ ಮೂಲಸೌಕರ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಧಿ (RIDF) ಯಲ್ಲಿ ಅರ್ಹ ಠೇವಣಿಗಳೂ ಒಳಗೊಂಡಂತೆ ₹ 9,071.32 ಕೋಟಿಯಿಂದ ₹ 10,473 ಕೋಟಿಗೆ ಏರಿಕೆಯಾಗಿದ್ದು, ವರದಿವರ್ಷದ ನಾಲ್ಕನೇ ತ್ರೈಮಾಸಿಕದ ವೇಳೆಗೆ ANBC ಯ ಶೇ. 18.42ರಷ್ಟಿವೆ.



ಇದಲ್ಲದೆ, ನಿಮ್ಮಬ್ಯಾಂಕ್, ವಿವಿಧ ಸಾಮಾಜಿಕ-ಆರ್ಥಿಕ ಯೋಜನೆಗಳು, ಸಮಾಜದ ದುರ್ಬಲವರ್ಗ ಕೇಂದ್ರಿತ ಯೋಜನೆಗಳು, ಅತಿ-ಸಣ್ಣ, ಸಣ್ಣ ಹಾಗೂ ಮಧ್ಯಮಗಾತ್ರದ (MSME) ಉದ್ಯಮಗಳಿಗೆ ಸಾಲ ನೀಡುವುದರ ಮೇಲೆ ಕೂಡ ತನ್ನ ಗಮನಹರಿಸಿದ್ದು ಸಾಕಷ್ಟು ಪ್ರಗತಿಯನ್ನು ಸಾಧಿಸಿದೆ.

### ಮುಂಗಡಗಳ ಗುಣಮಟ್ಟ ಮತ್ತು ಪ್ರಾವಿಷನ್ ಕವರೇಜ್ ಅನುಪಾತ (PCR)

ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಸಾಲ ನೀಡುವಿಕೆಯಲ್ಲಿ ಸುಧಾರಿತ ಮೌಲ್ಯಮಾಪನ ಮತ್ತು ಮುಂಗಡಗಳ ಪರಿಣಾಮಕಾರಿ ಮೇಲ್ವಿಚಾರಣೆಯ ಮೂಲಕ ಅವುಗಳ ಗುಣಮಟ್ಟವನ್ನು ಸುಧಾರಿಸುವತ್ತ ತನ್ನ ಗಮನವನ್ನು ಕೇಂದ್ರೀಕರಿಸಿದೆ. ಜೊತೆಗೆ, ಕ್ಷಪ್ತ ಸಮಯಕ್ಕೆ ಮರುಪಾವತಿಯಾಗದ ಸ್ವತ್ತುಗಳ (Stressed Assets) ನಿರ್ವಹಣೆಗೆ ಅಗತ್ಯಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ವರ್ಷದಲ್ಲಿ ಕೋವಿಡ್-19 ಸಂಬಂಧಿತ ಒತ್ತಡದ ಹೊರತಾಗಿಯೂ, ಮುಂಗಡಗಳ ಗುಣಮಟ್ಟವು ಮತ್ತಷ್ಟು ಸುಧಾರಿಸಿದೆ. ಮಾರ್ಚ್ 31, 2021 ಕ್ಕೆ ₹2,588.41 ಕೋಟಿಯಷ್ಟಿದ್ದ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು (GNPAs) ಮಾರ್ಚ್ 31, 2022ರಂದು ₹ 2,250.82 ಕೋಟಿಗೆ ಇಳಿಕೆಯಾಗಿವೆ. ಅಂತೆಯೇ, ಶೇಕಡಾವಾರು ಪ್ರಮಾಣದಲ್ಲಿಯೂ ಸುಧಾರಣೆ ಕಂಡು ಬಂದಿದ್ದು, ಮಾರ್ಚ್ 31, 2021ರಂದು ಶೇ. 4.91 ರಷ್ಟಿದ್ದ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು ಮಾರ್ಚ್ 31, 2022ರ ವೇಳೆಗೆ ಶೇ. 3.90ಕ್ಕೆ ಇಳಿಕೆಯಾಗಿವೆ.

ಇದೇ ರೀತಿಯ ಸುಧಾರಣೆ ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳಲ್ಲೂ (NNPA) ದಾಖಲಾಗಿದ್ದು, ₹ 1,645.05 ಕೋಟಿಗಳಿಂದ (ಶೇ. 3.19) (ಮಾರ್ಚ್ 31, 2021), ₹ 1,376.97 ಕೋಟಿಗೆ (ಶೇ. 2.42) (ಮಾರ್ಚ್ 31, 2022) ಇಳಿಮುಖವಾಗಿವೆ. ಪ್ರಾವಿಷನ್ ಕವರೇಜ್ ಅನುಪಾತ (PCR) ಕಳೆದ ವರ್ಷದ ಶೇ. 69.99ರಿಂದ ಶೇ. 73.47 ಕ್ಕೆ ಸುಧಾರಿಸಿದೆ.

### ಹೂಡಿಕೆಗಳು

ಒಟ್ಟು ಹೂಡಿಕೆಗಳು ಶೇ. 1.88ರಷ್ಟು ಹೆಚ್ಚಳಗೊಂಡಿದ್ದು ಮಾರ್ಚ್ 31, 2022ರಂದು, ಹೂಡಿಕೆ - ಠೇವಣಿ ಅನುಪಾತವು (ID Ratio) ಶೇ.27.42ರಷ್ಟು ದಾಖಲಾಗಿದೆ. (ಹಿಂದಿನ ವರ್ಷ ಶೇ 28.60).

### ನಿರ್ವಹಣಾ ಪ್ರಗತಿ

2021-22ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್‌ನ ಒಟ್ಟು ಆದಾಯವು ಕಳೆದ ವರ್ಷದ ₹7,636.62 ಕೋಟಿಗೆ ಹೋಲಿಸಿದರೆ ₹7,175.54 ಕೋಟಿಗಳಷ್ಟಿದೆ. ಈ ಅವಧಿಯಲ್ಲಿ, ಒಟ್ಟು ಖರ್ಚು-ವೆಚ್ಚಗಳಲ್ಲಿ ಶೇ 3.26 ರ ಇಳಿಕೆ ಕಂಡುಬಂದಿದ್ದು (ಮೀಸಲುಗಳು ಮತ್ತು ಆಕಸ್ಮಿಕಗಳನ್ನು ಹೊರತುಪಡಿಸಿ), ಕಳೆದ ಹಣಕಾಸು ವರ್ಷದ ₹5,728.34 ಕೋಟಿಗೆ ಹೋಲಿಸಿದರೆ ಈ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ₹5,541.54 ಕೋಟಿಗೆ ಇಳಿಕೆಯಾಗಿದೆ. ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯದಲ್ಲಿ (NII) ಶೇ. 14.10 ರ ಬೆಳವಣಿಗೆ ದಾಖಲಾಗಿದೆ. ನಿವ್ವಳ ಬಡ್ಡಿ ಲಾಭಾಂಶವು (NIM) ಸಹ ಕಳೆದ ವರ್ಷದ ಶೇ. 2.91 ರಿಂದ ಶೇ. 3.18 ಕ್ಕೆ ವರ್ಧಿಸಿದೆ.

ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಖಜಾನೆ ಆದಾಯದಲ್ಲಿನ ಕುಂಠಿತ ಪ್ರಗತಿಯಿಂದಾಗಿ ನಿರ್ವಹಣಾ ಲಾಭವು, ಶೇ. 14.37ರ ಇಳಿಕೆಯೊಂದಿಗೆ ₹1,634.00 ಕೋಟಿ ದಾಖಲಾಗಿದೆ (ಹಿಂದಿನವರ್ಷ ₹1,908.28 ಕೋಟಿ). 2021-22ನೇ ಸಾಲಿನಲ್ಲಿ ₹939.44 ಕೋಟಿಗಳನ್ನು (ಹಿಂದಿನವರ್ಷ ₹1,296.35 ಕೋಟಿ) ಮೀಸಲುಗಳಿಗೆ (ತೆರಿಗೆ ಹೊರತುಪಡಿಸಿ) (Provisions and Contingencies) ವಿನಿಯೋಗಿಸಲಾಗಿದೆ.

ನಿವ್ವಳ ಲಾಭವು ಹಿಂದಿನ ವರ್ಷದ ₹482.57 ಕೋಟಿಯಿಂದ ಶೇ. 5.40 ರಷ್ಟು ಬೆಳವಣಿಗೆಯನ್ನು ದಾಖಲಿಸಿ ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ₹508.62 ಕೋಟಿಗೆ ತಲುಪಿದೆ.

### ವಿನಿಯೋಗಗಳು

2021-22ರ ಆರ್ಥಿಕ ವರ್ಷದ ₹508.62 ಕೋಟಿ ನಿವ್ವಳ ಲಾಭ ಮತ್ತು ಹಿಂದಿನ ವರ್ಷದ ಮುಂದುವರೆದ ಶೇಷಾಂಶ ₹85.47 ಕೋಟಿ ಮೊತ್ತದೊಂದಿಗೆ ಒಟ್ಟು ₹594.09 ಕೋಟಿಗಳನ್ನು, ಈ ಕೆಳಗಿನಂತೆ ವಿನಿಯೋಗಿಸಲಾಗಿದೆ:

ವಿನಿಯೋಗ	₹ ಕೋಟಿ
ಶಾಸನಾತ್ಮಕ ಕಾದಿಟ್ಟ ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	150.00
ಬಂಡವಾಳ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ	0.82
ಸಾಮಾನ್ಯ ಮತ್ತು ವಿಶೇಷ ಕಾದಿಟ್ಟ ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	248.23
ಹೂಡಿಕೆ ಪರಿಶೀಲಿತ ಮೀಸಲು ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	3.27
2020-21 ರ ಲಾಭಾಂಶ ವಿತರಣೆ	55.96
ಆಸ್ತಿ-ಹೊಣೆಪಟ್ಟಿ ಗೆಶೆ ಷಾಂಶ ಸೇರಿಕೆ	135.82

### ಲಾಭಾಂಶ (DIVIDEND)

ಬ್ಯಾಂಕಿನ ಒಟ್ಟಾರೆ ಪ್ರಗತಿಯನ್ನು ಗಮನದಲ್ಲಿರಿಸಿಕೊಂಡು, ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು 2021-22ರ ಆರ್ಥಿಕ ವರ್ಷಕ್ಕೆ ಪ್ರತಿ ಷೇರಿಗೆ ₹4 (ಶೇ. 40) ಲಾಭಾಂಶ ವಿತರಣೆಯನ್ನು ಶಿಫಾರಸು ಮಾಡಿದೆ (ಹಿಂದಿನ ವರ್ಷ ಪ್ರತಿ ಷೇರಿಗೆ ₹1.80 (ಶೇ. 18)). ಪ್ರಸಕ್ತ ಆರ್ಥಿಕ ವರ್ಷದ ಲಾಭಾಂಶ ಪಾವತಿ ಅನುಪಾತ ಶೇ. 24.47ರಷ್ಟಿದ್ದು ಇದು ಹಿಂದಿನ ವರ್ಷ ಶೇ. 11.60ರಷ್ಟಿತ್ತು.

ಅಕೌಂಟಿಂಗ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್ (AS-4) 'ಆಯವ್ಯಯಗಳು ಮತ್ತು ಆಸ್ತಿ-ಹೊಣೆಪಟ್ಟಿ ದಿನಾಂಕದ ನಂತರ ಸಂಭವಿಸುವ ಆಕಸ್ಮಿಕಗಳು ಮತ್ತು ಘಟನೆಗಳು' ಇದರ ಅನುಸಾರ, ₹124.47 ಕೋಟಿ ಮೊತ್ತದ ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶವನ್ನು (ಹಿಂದಿನ ವರ್ಷ ₹55.96 ಕೋಟಿ) 2021-22 ಹಣಕಾಸು ವರ್ಷದ ವಿನಿಯೋಗಗಳಲ್ಲಿ ಪರಿಗಣಿಸಲಾಗಿರುವುದಿಲ್ಲ.

### ಷೇರಿನ ತಲಾ ಆದಾಯ (EPS) ಮತ್ತು ಪುಸ್ತಕ ಮೌಲ್ಯ

ಮಾರ್ಚ್ 31, 2022 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ ಷೇರಿನ ತಲಾ ಆದಾಯವು ₹16.36 (basic) ಮತ್ತು ₹16.29 (diluted) ಆಗಿದೆ. [ಹಿಂದಿನವರ್ಷ ₹15.52 (basic) ಮತ್ತು ₹15.48 (diluted)]. ಮಾರ್ಚ್ 31, 2022 ಕ್ಕೆ ಪುಸ್ತಕ ಮೌಲ್ಯವು ಪ್ರತಿ ಷೇರಿಗೆ ₹228.01ಕ್ಕೆ ಏರಿದ್ದು ಹಿಂದಿನ ವರ್ಷ ಇದು ₹213.67 ಆಗಿತ್ತು.

### ಬಂಡವಾಳ ನಿಧಿ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ (CRAR)

2021-22ರ ಆರ್ಥಿಕವರ್ಷದಲ್ಲಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳನಿಧಿಯು ₹7,387.05 ಕೋಟಿಯಿಂದ ₹8,118.55 ಕೋಟಿಗೆ ಹೆಚ್ಚಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿಗದಿಪಡಿಸಿದ ಕನಿಷ್ಠ ಅಗತ್ಯಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ(CRAR) ಮಾರ್ಚ್ 31, 2022ರಂತೆ ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ಶೇ.15.66ನು ತಲುಪಿದೆ. (ಹಿಂದಿನ ವರ್ಷ ಶೇ. 14.85). ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ (RBI) ನಿಗದಿಪಡಿಸಿದ ಕನಿಷ್ಠ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವು ಶೇ. 11.50 ಆಗಿದ್ದು, ಬ್ಯಾಂಕು ತನ್ನ ಆಂತರಿಕ ನೀತಿಯಂತೆ RBI ನಿಗದಿಪಡಿಸಿದ ಅಗತ್ಯಕ್ಕಿಂತ ಕನಿಷ್ಠ ಶೇ. ಒಂದರಷ್ಟು ಹೆಚ್ಚಿನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವನ್ನು ಸದಾಕಾಲವೂ ಹೊಂದುತ್ತಾ ಬಂದಿದೆ ಎಂಬುದು ಸಮಾಧಾನಕರ ಅಂಶ.

### ಷೇರು ಬಂಡವಾಳ

ಮಾರ್ಚ್ 31, 2022 ರಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ₹3,11,16,38,600/- ಷೇರು ಬಂಡವಾಳವನ್ನು ಹೊಂದಿದೆ. (ಪ್ರತಿ₹10/-ಮುಖಬೆಲೆಯ 31,11,63,860 ಈಕ್ವಿಟಿ ಷೇರುಗಳು). ವರದಿ ವರ್ಷದಲ್ಲಿ, ಬ್ಯಾಂಕಿನ ನೌಕರರ ಷೇರುಪತ್ರ ಆಯ್ಕೆ ಯೋಜನೆ-2018 (KBL ESOS -2018)ರ ಅಡಿಯಲ್ಲಿ ತಲಾ₹10/- ಮುಖಬೆಲೆಯ 2,94,171 ಈಕ್ವಿಟಿ ಷೇರುಗಳನ್ನು ಅರ್ಹನೌಕರರಿಗೆ ನೀಡಲಾಗಿದೆ. ಈ ಮೇಲೆ ಹೇಳಿದ KBL ESOS -2018 ಯೋಜನೆಯಡಿಯಲ್ಲಿ 2021-22 ಹಣಕಾಸು ವರ್ಷದ ಮುಕ್ತಾಯದ ನಂತರ 1,29,192 ಈಕ್ವಿಟಿ ಷೇರುಗಳನ್ನು ನೀಡಲಾಗಿದೆ.

### ಅಧೀನ ಋಣಪತ್ರಗಳ ಹಂಚಿಕೆ (Subordinated Debt instruments)

ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳದ ಪರ್ಯಾಪ್ತತೆಯನ್ನು ಉತ್ತಮಮಟ್ಟದಲ್ಲಿ ಅನುಚಾನವಾಗಿ ಕಾಯ್ದುಕೊಳ್ಳುವ ದೃಷ್ಟಿಯಿಂದ, 2021-22ರಲ್ಲಿ, ಭದ್ರತಾರಹಿತ ಪರಿವರ್ತಿಸಲಾಗದ Basel-III ಅನುಸರಿಸಿದ ಅಧೀನ ಋಣಪತ್ರಗಳ (Unsecured Non-Convertible Basel III Compliant Tier-2 bonds) ಹಂಚಿಕೆಯ ಮೂಲಕ ₹300ಕೋಟಿ ಬಂಡವಾಳವನ್ನು ಸಂಗ್ರಹಿಸಿದೆ (Series VII). ಈ ಬಾಂಡ್‌ಗಳು ನ್ಯಾಷನಲ್ ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಆಫ್ ಇಂಡಿಯಾ ಲಿಮಿಟೆಡ್‌ನ (NSE) Debt Segment ನಲ್ಲಿ ಸೇರ್ಪಡೆಗೊಂಡಿವೆ. ಮಾರ್ಚ್ 31, 2022ರಂತೆ ಚಾಲ್ತಿ ಇರುವ ಅಧೀನ ಋಣಪತ್ರಗಳ ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

ಸೀರಿಸ್	ವಿತರಣಾ ದಿನಾಂಕ	ಪ್ರತಿ ಬಾಂಡ್‌ನ ಮುಖಬೆಲೆ (₹)	ಬಿಡುಗಡೆಮಾಡಿ ದಬಾಂಡ್‌ಗಳು	ಒಟ್ಟು ಮೊತ್ತ (₹ ಕೋಟಿ)	ಬಿಡುಗಡೆಯ ದಿನಾಂಕದಿಂದ ಬಾಂಡುಗಳ ಮುಕ್ತಾಯದ ಅವಧಿ	ಕೂಪನ್ ದರ (%) ವಾರ್ಷಿಕ)	ಕ್ರೆಡಿಟ್ ರೇಟಿಂಗ್	ಪರಿವರ್ತಿಸಲಾಗದ ಆಗುವ ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್	ಬಾಂಡ್‌ಗಳ ISIN
IV	17.11.2012	10,00,000	2,500	250.00		11			INE614B08021
V	16.11.2018	1,00,000	40,000	400.00	120 ತಿಂಗಳುಗಳು	12	ICRA 'A' & CARE 'A'	NSE-Debt Segment	INE614B08039
VI	18.02.2019	1,00,000	32,000	320.00		12			INE614B08047
VII	30.03.2022	1,00,00,000	300	300.00		10.70			INE614B08054

ಈ ಮೇಲೆ ಹೇಳಿದ ಋಣಪತ್ರಗಳ ಮೇಲಿನ ಬಡ್ಡಿಯನ್ನು ಬ್ಯಾಂಕು ಸಮಯಕ್ಕೆ ಸರಿಯಾಗಿ (ನಿಯಮಗಳ ಪ್ರಕಾರ) ಪಾವತಿಸುತ್ತದೆ. ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕ್ ಯಾವುದೇ Certificate of Deposit ಗಳನ್ನು ಬಿಡುಗಡೆ ಮಾಡಿರುವುದಿಲ್ಲ.

### ಪರಿವರ್ತನಾ ಯೋಜನೆ- 'ಕೆಬಿಎಲ್ ವಿಕಾಸ್'

2017ರಲ್ಲಿ ಪ್ರಾರಂಭವಾದ, ಬ್ಯಾಂಕಿನ ಮಹತ್ವಾಕಾಂಕ್ಷಿ ಪರಿವರ್ತನಾ ಯೋಜನೆ, 'ಕೆಬಿಎಲ್ ವಿಕಾಸ್' ಯಶಸ್ವೀ ನಾಲ್ಕು ವರ್ಷಗಳನ್ನು ಗಣನೀಯ ಕೊಡುಗೆಗಳೊಂದಿಗೆ ಪೂರೈಸಿ ಬ್ಯಾಂಕಿನ ಎರಡನೆಯ ಶತಮಾನದ ಪಯಣಕ್ಕೆ ಭದ್ರ ಬುನಾದಿಯನ್ನು ಹಾಕಿ ಮುನ್ನಡೆಯುತ್ತಿದೆ. 'ಕೆಬಿಎಲ್ ವಿಕಾಸ್' ನ ಮೊದಲನೇ ಹಂತವು ಮಾರ್ಕೆಟಿಂಗ್ ಸಂಸ್ಕೃತಿಯನ್ನು ಹುಟ್ಟು ಹಾಕುವುದರೊಂದಿಗೆ ಬ್ಯಾಂಕನ್ನು ಈಗಾಗಲೇ ಅಭಿವೃದ್ಧಿಯ ಹೊಸಕಕ್ಷೆಗೆ

ಸೇರ್ಪಡೆಗೊಳಿಸಿದೆ. ಬ್ಯಾಂಕ್ ಸ್ಥಾಪಿಸಿರುವ ಡಿಜಿಟಲ್ ಸೆಂಟರ್ ಆಫ್ ಎಕ್ಸಲೆನ್ಸ್ (DCOE) ಬ್ಯಾಂಕನ ಡಿಜಿಟಲ್ ನಾವೀನ್ಯತೆಯ ಕೇಂದ್ರವಾಗಿದ್ದು, 'ಕೆಬಿಎಲ್ ವಿಕಾಸ್'ನ ಪ್ರಮುಖ ಕೊಡುಗೆಗಳಲ್ಲೊಂದಾಗಿದೆ. ಬ್ಯಾಂಕ್ ಇಂದು ಮುಂಗಡ ಮತ್ತು ಲೇವಣಿ ವಿಭಾಗಗಳಲ್ಲಿ ಹಲವು ಡಿಜಿಟಲ್ ಉತ್ಪನ್ನಗಳನ್ನು ಗ್ರಾಹಕರಿಗೆ ನೀಡಿ ಸಂತುಷ್ಟಿಯನ್ನೊದಗಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕ್ ಈಗಾಗಲೇ ತನ್ನ ಹೆಚ್ಚಿನ ರಿಟೇಲ್/ MSME ಸಾಲದ ಉತ್ಪನ್ನಗಳಿಗೆ ಡಿಜಿಟಲ್ ಸಾಲ ಮಂಜೂರಾತಿ (ತಾತ್ಕಾಲಿಕ ಅನುಮೋದನೆಗಳು), ಟ್ಯಾಬ್ ಮತ್ತು ವೆಬ್ ಬ್ಯಾಂಕಿಂಗ್ ಮೂಲಕ ಆನ್‌ಲೈನ್ ಉಳಿತಾಯ ಖಾತೆಗಳ ತೆರೆಯುವಿಕೆ, ವೀಡಿಯೋ ಮಾಧ್ಯಮದ ಮೂಲಕ ಗ್ರಾಹಕರ ಕೆವೈಸಿ ಪ್ರಕ್ರಿಯೆಯನ್ನು (V-CIP) ಪರಿಚಯಿಸಿದೆ. ಅನನ್ಯ ಡಿಜಿಟಲ್ ಅನುಭವಕ್ಕಾಗಿ, ಬ್ಯಾಂಕ್ ಬೆಂಗಳೂರಿನ ಬಸವನಗುಡಿಯಲ್ಲಿ ಡಿಜಿ ಶಾಖೆಯನ್ನು ಸ್ಥಾಪಿಸಿದೆ. 'ಡಿಜಿಟಲ್ ಹ್ಯೂಮನ್ ಇಂಟರಾಕ್ಟಿವ್ ರಿಲೇಶನ್‌ಶಿಪ್ ಅಸಿಸ್ಟೆಂಟ್ (Dhira-Chatbot)' ಚಾಟ್‌ಬಾಟ್ ಅನ್ನು ಸಹ ಪ್ರಾರಂಭಿಸಲಾಗಿದೆ. ಇವುಗಳ ಜೊತೆಗೆ, ಮಾನವಸಂಪನ್ಮೂಲ, ಐಟಿ, ಸಾಲಪ್ರಕ್ರಿಯೆ, ಗ್ರಾಹಕರ ಬ್ಯಾಂಕಿಂಗ್ ಅನುಭವ ಇತ್ಯಾದಿ ವಿಭಾಗಗಳಲ್ಲಿ ವಿವಿಧ ಪರಿವರ್ತನಾ ಕ್ರಮಗಳನ್ನು ಯಶಸ್ವಿಯಾಗಿ ಜಾರಿಗೊಳಿಸಲಾಗಿದೆ.

'ಡಿಜಿಟಲ್ ಕ್ರಾಂತಿ'ಯು ಭವಿಷ್ಯದಲ್ಲಿ ಬ್ಯಾಂಕಿಂಗ್‌ನ ಅಡಿಪಾಯ ಆಗಲಿದೆ ಎಂಬುದನ್ನು ಮನಗಂಡಿರುವ ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಕೆಬಿಎಲ್-ವಿಕಾಸ್ 2.0 ಅಡಿಯಲ್ಲಿ, ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕಿಂಗ್‌ಗೆ ವಿಶೇಷವಾದ ಒತ್ತು ನೀಡುವ ಸಲುವಾಗಿ ಮತ್ತು ಬ್ಯಾಂಕ್‌ಅನ್ನು 'ದಿ ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಪ್ಯೂಚರ್' ಎಂದು ಮರು ವ್ಯಾಖ್ಯಾನಿಸುವ ಸಲುವಾಗಿ 'KBL NxT' ಪರಿಕಲ್ಪನೆಯನ್ನು ಏಪ್ರಿಲ್ 1, 2021 ರಂದು ಅನಾವರಣಗೊಳಿಸಿದೆ.

"KBL NxT" ನ ಅಡಿಯಲ್ಲಿ, ಅನಲಿಟಿಕಲ್ ಸೆಂಟರ್ ಆಫ್ ಎಕ್ಸಲೆನ್ಸ್ (ACOE)ನ ಸ್ಥಾಪನೆ, ಚಾಟ್‌ಬಾಟ್‌ಗಳು, ಅಕೌಂಟ್ ಅಗ್ರಿಗೇಟರ್‌ಗಳು ಮತ್ತು ನಿಯೋ ಬ್ಯಾಂಕ್‌ಗಳೊಂದಿಗೆ ಪಾಲುದಾರಿಕೆ, ಟ್ರೇಡ್ ಫೈನಾನ್ಸ್ ಆಟೋಮೇಷನ್, ಡಿಜಿಟಲ್ ವಿಮಾ ಸೌಲಭ್ಯ, ಕಾರ್ಪೊರೇಟ್/ ಎನ್‌ಆರ್‌ಐ ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್, ಡೋಲ್‌ಸ್ಟೆಪ್ ಗೋಲ್ಡ್ ಲೋನ್, ಡಿಜಿಟಲ್ ಮಾರ್ಕೆಟಿಂಗ್, ಡಿಜಿ ಕೇಂದ್ರಗಳ ತೆರೆಯುವಿಕೆ, ಗ್ರಾಹಕರಿಗೆ ಓಪ್ನಿ-ಚಾನೆಲ್ ಸೌಲಭ್ಯವನ್ನು ಒದಗಿಸುವುದು, ಆಂತರಿಕ ಪ್ರಕ್ರಿಯೆಗಳ ಡಿಜಿಟಲೀಕರಣ ಮತ್ತು ಗ್ರಾಹಕರ ಸಂತೋಷಕ್ಕೆ ಕಾರಣವಾಗುವ ಹಲವು ಡಿಜಿಟಲ್ ಕ್ರಮಗಳ ಅನುಷ್ಠಾನಕ್ಕಾಗಿ ಬ್ಯಾಂಕ್ ಅಗತ್ಯ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಡಿಮಾಟ್ ಮತ್ತು ಆನ್‌ಲೈನ್ ಟ್ರೇಡಿಂಗ್ ಖಾತೆ ಮತ್ತು ವಿಮಾ ಉತ್ಪನ್ನಗಳನ್ನು ಒಳಗೊಂಡಂತೆ ಮ್ಯೂಚುವಲ್ ಫಂಡ್ ಯೂನಿಟ್‌ಗಳಲ್ಲಿ ಹೂಡಿಕೆ ಮುಂತಾದ ಸೇವೆಗಳನ್ನು ಗ್ರಾಹಕರಿಗೆ ಡಿಜಿಟಲ್ ಪ್ಲಾಟ್‌ಫಾರ್ಮ್‌ಗಳ ಮೂಲಕ ಈಗಾಗಲೇ ಒದಗಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕ್ ಈ ಕೊಡುಗೆಗಳ ವ್ಯಾಪ್ತಿಯನ್ನು ವಿಸ್ತರಿಸಲು ಉದ್ದೇಶಿಸಿದ್ದು, ಡಿಜಿಟಲ್ ವೆಲ್ತ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸೇವೆಗಳು, ವೈಯಕ್ತಿಕ ಬ್ಯಾಂಕಿಂಗ್/ ಇನ್‌ಟ್ರಾಕ್ಟಿವ್ ಬ್ಯಾಂಕಿಂಗ್, ರೋಬೋ ಸಲಹೆ ಮತ್ತು ಗ್ರಾಹಕರ ಹಿತಚಿಂತನೆಯ ಸಲಹೆ (Customer Advocacy) ಮುಂತಾದ ಸೇವೆಗಳನ್ನು ಹಂತಹಂತವಾಗಿ ಒದಗಿಸಲು ಉದ್ದೇಶಿಸಿದೆ. ಆಂತರಿಕ ಪ್ರಕ್ರಿಯೆಗಳ ಡಿಜಿಟಲೀಕರಣದ ಭಾಗವಾಗಿ, ಲೆಕ್ಕಪರಿಶೋಧನೆ, CERSAI/CGTMSE ಸಂಬಂಧಿತ ಕಾರ್ಯಗಳು, ಸಾಲಗಾರರಿಂದ ಆನ್‌ಲೈನ್ ಸ್ಟಾಕ್ ಸ್ಟೇಟ್‌ಮೆಂಟ್‌ಗಳ ಸಲ್ಲಿಕೆ ಇತ್ಯಾದಿಗಳನ್ನು ಕೈಗೆತ್ತಿಕೊಳ್ಳಲಾಗಿದೆ.

### ಬ್ಯಾಂಕಿನ ಸಂಪೂರ್ಣ ಸ್ವಾಮ್ಯದ ಅಂಗಸಂಸ್ಥೆ:

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಸಂಪೂರ್ಣ ಸ್ವಾಮ್ಯದ ಹಣಕಾಸೇತರ ಅಂಗಸಂಸ್ಥೆ-ಕೆಬಿಎಲ್ ಸರ್ವಿಸಸ್ ಲಿಮಿಟೆಡ್‌ನ್ನು ಮಾರ್ಚ್ 30, 2021 ರಿಂದ ಕಾರ್ಯರೂಪಕ್ಕೆ ತರಲಾಗಿದೆ. ಈ ಸಂಸ್ಥೆಯು 'ಫೀಟ್ ಆನ್ ಸ್ಟ್ರೀಟ್' ಅನ್ನು ಬ್ಯಾಂಕಿಗೆ ಒದಗಿಸಲು ಪ್ರಾರಂಭಿಸಿದೆ. ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ, ಕೆಬಿಎಲ್ ಸರ್ವಿಸಸ್ ಲಿಮಿಟೆಡ್ ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಮಹತ್ವದ ಪಾತ್ರವನ್ನು ವಹಿಸುವ ನಿರೀಕ್ಷೆಯಿದೆ. ಈ ಅಂಗಸಂಸ್ಥೆಯು ಮೊದಲಿಗೆ, CASA ಖಾತೆಗಳು ಮತ್ತು ರಿಟೇಲ್ ಸಾಲ ಉತ್ಪನ್ನಗಳ ಮಾರಾಟ, ಬ್ಯಾಕ್ ಎಂಡ್ ಡೇಟಾ ಎಂಟ್ರಿ ಕಾರ್ಯಾಚರಣೆ ಮುಂತಾದ ಆಯ್ದುಕೇಂದ್ರಗಳಲ್ಲಿ ಸೇವೆಗಳನ್ನು ಒದಗಿಸುತ್ತಿದೆ. ಈ ಅಂಗಸಂಸ್ಥೆಯು ಬಿಸಿನೆಸ್ ಸೋಷಿಯಲ್, ಗ್ರಾಹಕಸಂಪರ್ಕಕೇಂದ್ರ ನಿರ್ವಹಣೆ, ಬ್ಯಾಂಕಿಂಗ್ ಚಾನೆಲ್‌ಗಳ ನಿರ್ವಹಣೆ, ಬ್ಯಾಕ್-ಎಂಡ್ ಪೊಸಿಸಿಂಗ್ ಚಟುವಟಿಕೆಗಳು, ಐಟಿ ಯೋಜನೆಗಳು, ಹೊಸ ಡಿಜಿಟಲ್ ಸಾಮರ್ಥ್ಯಗಳನ್ನು ಅನ್ವೇಷಿಸುವುದು ಇತ್ಯಾದಿ ವಿಭಾಗಗಳ ಅಡಿಯಲ್ಲಿ ತನ್ನ ಸೇವೆಗಳನ್ನು ಬ್ಯಾಂಕಿಗೆ ಒದಗಿಸಲು ಅಗತ್ಯ ಅನುಮತಿಯನ್ನು ಹೊಂದಿದೆ.

### ಆಪತ್ತುಗಳು ಮತ್ತು ಅವುಗಳ ನಿರ್ವಹಣೆ

ಬ್ಯಾಂಕುಗಳು ವ್ಯವಹಾರ ಸಂಬಂಧಿತ ಅನೇಕ ಆಪತ್ತುಗಳನ್ನು ಎದುರಿಸಬೇಕಾಗುತ್ತದೆ. ಉದಾಹರಣೆಗೆ, ಸಾಲ ಮರುಪಾವತಿಯಾಗದೆ ಇರುವ ಆಪತ್ತು, ಮಾರುಕಟ್ಟೆ ಸಂಬಂಧಿತ ಆಪತ್ತು ಮತ್ತು ಕಾರ್ಯಾಚರಣೆ ಸಂಬಂಧಿತ ಆಪತ್ತು, ಲಿಕ್ವಿಡಿಟಿ ಸಂಬಂಧಿತ ಆಪತ್ತು, ಬಡ್ಡಿ ದರ ಸಂಬಂಧಿತ ಆಪತ್ತು, ಕೇಂದ್ರೀಕರಣ ಆಪತ್ತು, ವ್ಯೂಹಾತ್ಮಕ ಸಂಬಂಧಿತ 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, ಇದು ವ್ಯವಹಾರದಲ್ಲಿ ಎದುರಾಗಬಹುದಾದ ಆಪತ್ತುಗಳ ಬಗೆಗಿನ ಬ್ಯಾಂಕಿನ ದೃಷ್ಟಿಕೋನದ ಮೇಲೆ ಕೂಡ ಅವಲಂಬಿತವಾಗಿದೆ. ರಿಸ್ಕ್ & ಕ್ಯಾಪಿಟಲ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಕಮಿಟಿ (RCMC) ಎಂಬ ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಮಿತಿಯು ನಿಯತಕಾಲಿಕವಾಗಿ ಆಪತ್ತುಗಳ ವ್ಯಾಪ್ತಿ, ಬ್ಯಾಂಕ್ ಎದುರಿಸುವ ಒಟ್ಟಾರೆ ಅಪಾಯಗಳ ಮೌಲ್ಯಮಾಪನ ಮತ್ತು ಅದರ ಪರಿಣಾಮಕಾರಿ ನಿರ್ವಹಣೆಗಾಗಿ ನೀತಿ ಮತ್ತು ಕಾರ್ಯತಂತ್ರಗಳನ್ನು ಅಭಿವೃದ್ಧಿಪಡಿಸುತ್ತದೆ.

ಸಾಲ ನೀತಿ ಸಮಿತಿ (CPC), ಆಸ್ತಿ-ಹೊಣೆಗಾರಿಕೆ ನಿರ್ವಹಣಾ ಸಮಿತಿ (ALCO), ಕಾರ್ಯಾಚರಣೆ ಆಪತ್ತು ನಿರ್ವಹಣಾ ಸಮಿತಿ (ORMC) ಮುಂತಾದ ವಿವಿಧ ಆಂತರಿಕ ನಿರ್ವಹಣಾ ಸಮಿತಿಗಳು ಬ್ಯಾಂಕಿನೊಳಗೆ ಆಪತ್ತು ನಿಯಂತ್ರಣ ಮತ್ತು ಆಡಳಿತ ಚೌಕಟ್ಟನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಲು ಒಂದು ವಿಶಾಲವಾದ ನೀತಿ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತವೆ. ಬ್ಯಾಂಕಿನ ಪ್ರಧಾನ ಕಚೇರಿಯಲ್ಲಿರುವ ಆಪತ್ತು ನಿರ್ವಹಣಾ ವಿಭಾಗವು (ರಿಸ್ಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಡಿಪಾರ್ಟ್‌ಮೆಂಟ್) ಬ್ಯಾಂಕಿನಾದ್ಯಂತ ವಿವಿಧ ಆಪತ್ತು ನಿರ್ವಹಣಾ ಉಪಕ್ರಮಗಳ ಒಟ್ಟಾರೆ ಅನುಷ್ಠಾನಗಳ ಮೇಲ್ವಿಚಾರಣೆ ಮಾಡುತ್ತದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಹೊರಡಿಸಿದ ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಗುಣವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಮುಖ್ಯ ಮಾಹಿತಿ ಭದ್ರತಾ ಅಧಿಕಾರಿಯನ್ನು (CISO) ನಾಮನಿರ್ದೇಶನ ಮಾಡಿದೆ. ಅವರು ಬ್ಯಾಂಕಿನಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ಅಡಿಯಲ್ಲಿ ಹೊಸ ವ್ಯವಸ್ಥೆಗಳ ಅನುಷ್ಠಾನದಲ್ಲಿ ಭದ್ರತೆ ಸಂಬಂಧಿತ ಸಮಸ್ಯೆಗಳನ್ನು ಸಮನ್ವಯಗೊಳಿಸುವುದರ ಜೊತೆಗೆ ಮಾಹಿತಿ, ಸ್ವತ್ತುಗಳನ್ನು ರಕ್ಷಿಸಲು ಬ್ಯಾಂಕ್ ಬಳಸುವ ನೀತಿಗಳನ್ನು ವ್ಯಕ್ತಪಡಿಸುವ ಮತ್ತು ಜಾರಿಗೊಳಿಸುವ ಜವಾಬ್ದಾರಿಯನ್ನು ಹೊಂದಿದ್ದಾರೆ.

ಬ್ಯಾಂಕ್ ತನ್ನ ಕಾರ್ಯಾಚರಣೆಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಪ್ರಮುಖ ಅಪಾಯಗಳನ್ನು ಹೇಗೆ ನಿರ್ವಹಿಸುತ್ತದೆ ಎಂಬುದರ ಕುರಿತು ವಿವರಗಳನ್ನು 'ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ'ಯಲ್ಲಿ (Management Discussion & Analysis) ನೀಡಲಾಗಿದೆ.

### ಆಪತ್ತು ನಿರ್ವಹಣಾ ವಿಭಾಗ (RMD)- ISO 9001:2015 ಪ್ರಮಾಣೀಕರಣ

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಆಪತ್ತು ನಿರ್ವಹಣಾ ವಿಭಾಗವು (RMD) ಗುಣಮಟ್ಟ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಾಗಿ (QMS) ಪ್ರತಿಷ್ಠಿತ ISO 9001:2015 ಅಂತಾರಾಷ್ಟ್ರೀಯ ಮಾನ್ಯತೆ ಪಡೆದಿದೆ. ISO ಮಾನ್ಯತೆ ಅಡಿಯಲ್ಲಿ, ಗುಣಮಟ್ಟದ ನೀತಿಯನ್ನು ವ್ಯಾಖ್ಯಾನಿಸಲಾಗಿದ್ದು, ಚಾಲ್ತಿಯಲ್ಲಿರುವ ಕಾರ್ಯವಿಧಾನಗಳು ಮತ್ತು ಮಾದರಿ ಕಾರ್ಯವಿಧಾನಗಳನ್ನು (SOP) ಪರಿಶೀಲಿಸಲಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಆಪತ್ತು ನಿರ್ವಹಣೆ ಪ್ರಕ್ರಿಯೆಗಳು ಮತ್ತು ಆಚರಣೆಗಳು ಜಾಗತಿಕ ಮಾನದಂಡಗಳಿಗೆ ಅನುಗುಣವಾಗಿರುವುದನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳಲು ಗುಣಮಟ್ಟ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಯನ್ನು (QMS) ಸ್ಥಾಪಿಸಲಾಗಿದೆ.

### ಬಾಸೆಲ್ III ನಿಯಮಗಳು (Basel III capital regulations)- ಲಿವರೆಜ್ ಅನುಪಾತ

ಆಪತ್ತುಗಳನ್ನು ಹಿಡಿತದಲ್ಲಿಟ್ಟು, ಆರ್ಥಿಕ ಸ್ಥಿರತೆಯನ್ನು ಹೆಚ್ಚಿಸಲು, RBI ಬ್ಯಾಂಕುಗಳಿಗೆ ಬಾಸೆಲ್ III ನಿಯಮಗಳ ಅಡಿಯಲ್ಲಿ ಕನಿಷ್ಠ ಲಿವರೆಜ್ ಅನುಪಾತ (LR)ವನ್ನು ಕಡ್ಡಾಯಗೊಳಿಸಿದೆ. ಬ್ಯಾಂಕುಗಳು ಪ್ರತಿ ತ್ರೈಮಾಸಿಕ ಅವಧಿಯ ಕೊನೆಯಲ್ಲಿ ತಾವು ಹೊಂದಿರುವ ಲಿವರೆಜ್ ಅನುಪಾತವನ್ನು ಬಂಡವಾಳನಿಧಿ (capital measure) ಮತ್ತು ಮಂಜೂರುಮಿತಿ (Exposure measure) ಗಳ ಜೊತೆಗೆ ಬಹಿರಂಗಪಡಿಸುವುದು ಕಡ್ಡಾಯವಾಗಿರುತ್ತದೆ. ಮತ್ತು ಬ್ಯಾಂಕುಗಳು ಸದಾಕಾಲವೂ ಕನಿಷ್ಠ ಲಿವರೆಜ್ ಅನುಪಾತವನ್ನು ಹೊಂದಿರಬೇಕಾಗುತ್ತದೆ. ಮಾರ್ಚ್ 31, 2022 ರಂತೆ, ಕನಿಷ್ಠ ಮಿತಿಯಾದ ಶೇ. 3ರ ತುಲನೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಶೇ. 6.53ರಷ್ಟರ ಲಿವರೆಜ್ ಅನುಪಾತ ಹೊಂದಿರುತ್ತದೆ.

### ಬಂಡವಾಳದ ಸಮರ್ಪಕತೆ

ಬಾಸೆಲ್ II ನಿಯಮಗಳ ಅಂಗ-2ರಲ್ಲಿ (Pillar II), ಬ್ಯಾಂಕುಗಳ ಪ್ರಸ್ತುತ ಬಾಧ್ಯತೆಗಳ ಹಾಗೂ ಅದರ ಸ್ವತ್ತುಗಳ ಮೇಲಿನ ಆಪತ್ತಿಗೆ ಅನುಗುಣವಾಗಿ ಸಮರ್ಪಕವಾದ ಬಂಡವಾಳನಿಧಿಯನ್ನು ಕಾಯ್ದುಕೊಳ್ಳಲು, ಆಂತರಿಕ ಬಂಡವಾಳದ ಸಮರ್ಪಕತೆ ಹಾಗೂ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಪರಿಚಯಿಸಲಾಯಿತು. ಬ್ಯಾಂಕ್ ತನ್ನ ಚಟುವಟಿಕೆಗಳನ್ನು ಆಧರಿಸಲು ಹಾಗೂ ಸ್ವತ್ತುಗಳ ಮೌಲ್ಯದಲ್ಲಾಗುವ ಯಾವುದೇ ಪ್ರತಿಕೂಲ ಪರಿಣಾಮವನ್ನು ಸಮರ್ಥವಾಗಿ ಎದುರಿಸಲು ಸೂಕ್ತಮಟ್ಟದ ಬಂಡವಾಳವನ್ನು ಹೊಂದುವುದು ಅತೀ ಅವಶ್ಯ. ಬ್ಯಾಂಕಿನ ಕಾರ್ಯತಂತ್ರದ ಉದ್ದೇಶ, ವ್ಯವಹಾರದ ಲಾಭದಾಯಕತೆ ಹಾಗೂ ಬೆಳವಣಿಗೆಯ ಅವಕಾಶಗಳನ್ನು ಹಾಗೂ ಭವಿಷ್ಯದ ವ್ಯವಹಾರದ ಸಮಗ್ರ ದೃಷ್ಟಿಕೋನವನ್ನು ಒಳಗೊಂಡಂತೆ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳದ ಅಗತ್ಯತೆಯನ್ನು ಲೆಕ್ಕ ಹಾಕಲಾಗುತ್ತದೆ. ಉದ್ದೇಶಿಸಿದ ವ್ಯವಹಾರದ ಬೆಳವಣಿಗೆ ಹಾಗೂ ವಿವಿಧ ಆಪತ್ತುಗಳೂ ಒಳಗೊಂಡಂತೆ ನಿಯಮಾನುಸಾರ ಕನಿಷ್ಠ ಬಂಡವಾಳದ ಮಟ್ಟವನ್ನು ಕಾಯ್ದುಕೊಳ್ಳುವುದಷ್ಟೇ ಅಲ್ಲದೆ, ಭವಿಷ್ಯದ ಅಭಿವೃದ್ಧಿಗೆ ಅಗತ್ಯವಿರುವ ಬಂಡವಾಳದ ಪೂರೈಕೆಯೂ ಬಂಡವಾಳ ಸಮರ್ಪಕತೆಯ ಒಂದು ಭಾಗವಾಗಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪರಿಣಾಮಕಾರಿಯಾದ ಮತ್ತು ತಂತ್ರಜ್ಞಾನಾಧಾರಿತ ಆಪತ್ತು ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಹೊಂದುವ ಮೂಲಕ ಆಪತ್ತುಗಳ ಬಗೆಗಿನ ಅರಿವನ್ನು ವ್ಯವಹಾರದಲ್ಲಿ ಬೆಸೆದಿದೆ.

ಬಾಸೆಲ್ III ಒಪ್ಪಂದದ ಪಿಲ್ಲರ್ III ಅಡಿಯಲ್ಲಿ ಬಹಿರಂಗಪಡಿಸುವಿಕೆಯನ್ನು ಅನುಬಂಧ-1ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ.

### ಬಂಡವಾಳ ಸಮರ್ಪಕತೆಯ ಆಂತರಿಕ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆ (ICAAP):

ಬಾಸೆಲ್ ಮಾರ್ಗಸೂಚಿಗಳ ಅನುಸರಣೆಯಲ್ಲಿ, ಬ್ಯಾಂಕ್ ತನ್ನ ಬಂಡವಾಳ ಸಮರ್ಪಕತೆಯ ಅವಶ್ಯಕತೆಗಳನ್ನು ಮೌಲ್ಯಮಾಪನ ಮಾಡಲು ಬಂಡವಾಳ ಸಮರ್ಪಕತೆ ಆಂತರಿಕ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆಯ (ICAAP) ನೀತಿಗಳನ್ನು ರೂಪಿಸಿದೆ. ಬಂಡವಾಳ ಮತ್ತು ಗಳಿಕೆಗಳ ಮೇಲೆ ಪ್ರತಿಕೂಲ ಪರಿಣಾಮ ಬೀರುವ ಮಾರುಕಟ್ಟೆ ಚಲನೆಗಳು / ಘಟನೆಗಳ ಸಂಭಾವ್ಯ ಪರಿಣಾಮದ ಉತ್ತಮ ತಿಳಿವಳಿಕೆಗಾಗಿ ವಿವಿಧ ಒತ್ತಡದ ಸನ್ನಿವೇಶಗಳಿಗೆ ಒತ್ತಡ ಪರೀಕ್ಷಾ ಚೌಕಟ್ಟನ್ನು (Stress testing framework) ಸಹ ಜಾರಿಗೆ ತರಲಾಗಿದೆ. ICAAP ನ ಮೂಲಕ ಆಪತ್ತನ್ನು ನಿಭಾಯಿಸುವ ಸಾಮರ್ಥ್ಯ ಮತ್ತು ನಿರೀಕ್ಷಿತ ವ್ಯಾಪಾರ ಬೆಳವಣಿಗೆಗೆ ಬೇಕಾದ ಬಂಡವಾಳ ಅಗತ್ಯತೆಯ ಮೌಲ್ಯಮಾಪನವನ್ನು ಮಾಡಬಹುದಾಗಿದೆ. ಅಲ್ಲದೆ, ಒತ್ತಡ ಪರೀಕ್ಷೆಯ ಫಲಿತಾಂಶಗಳ ಮೂಲಕ ಈ ಮೌಲ್ಯಮಾಪನವನ್ನು ನಿಯತಕಾಲಿಕವಾಗಿ ಪರಿಶೀಲಿಸಲಾಗುತ್ತದೆ.

## ವಿಭಾಗೀಯ ವರದಿ (ಸೆಗ್ಮೆಂಟ್ ರಿಪೋರ್ಟಿಂಗ್)

ಅಕೌಂಟಿಂಗ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್- 17 (ಸೆಗ್ಮೆಂಟ್ ರಿಪೋರ್ಟಿಂಗ್) ಕುರಿತು ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಹೊರಡಿಸಿದ ಮಾರ್ಗಸೂಚಿಗಳ ಅನುಸಾರ, ಬ್ಯಾಂಕ್ ಮಾರ್ಚ್ 31, 2022ಕ್ಕೆ ಖಜಾನೆ, ಕಾರ್ಪೊರೇಟ್/ ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್, ರೀಟೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಕಾರ್ಯಾಚರಣೆಗಳಂತಹ ನಾಲ್ಕು ವ್ಯವಹಾರ ವಿಭಾಗಗಳನ್ನು ಈ ಕೆಳಗಿನಂತೆ ಗುರುತಿಸಿದೆ:

**ಖಜಾನೆ ಕಾರ್ಯಾಚರಣೆಗಳು:** ಬ್ಯಾಂಕ್ ಖಜಾನೆ ಕಾರ್ಯಾಚರಣೆಗಳಿಂದ ಒಟ್ಟು ₹ 1,315.30 ಕೋಟಿ ಆದಾಯವನ್ನು ಗಳಿಸಿದೆ ಮತ್ತು ಲಾಭದಲ್ಲಿ (ತೆರಿಗೆ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚದ ಪೂರ್ವದಲ್ಲಿ) ₹ 256.12 ಕೋಟಿಯಷ್ಟು ಕೊಡುಗೆ ನೀಡಿದೆ.

**ಕಾರ್ಪೊರೇಟ್/ ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್:** ಈ ವಿಭಾಗದಿಂದ ವರದಿ ವರ್ಷದಲ್ಲಿ ಗಳಿಸಿದ ಆದಾಯವು ₹ 2,506.24 ಕೋಟಿಯಾಗಿದ್ದು, ಲಾಭದಲ್ಲಿ (ತೆರಿಗೆ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚದ ಪೂರ್ವದಲ್ಲಿ) ₹ 526.63 ಕೋಟಿಯಷ್ಟು ಕೊಡುಗೆ ನೀಡಿದೆ.

**ರೀಟೈಲ್ ಬ್ಯಾಂಕಿಂಗ್:** ಈ ವಿಭಾಗವು ₹ 2,910.17 ಕೋಟಿ ಆದಾಯವನ್ನು ಗಳಿಸಿದೆ ಮತ್ತು ಲಾಭದಲ್ಲಿ (ತೆರಿಗೆ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚದ ಪೂರ್ವದಲ್ಲಿ) ₹ 920.35 ಕೋಟಿಯಷ್ಟು ಕೊಡುಗೆ ನೀಡಿದೆ.

**ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಕಾರ್ಯಾಚರಣೆಗಳು:** ಈ ವಿಭಾಗದಿಂದ ಗಳಿಸಿದ ಆದಾಯವು ₹ 427.66 ಕೋಟಿಯಾಗಿದ್ದು, ಈ ವಿಭಾಗದ ನಿವ್ವಳ ಆದಾಯ ₹ 11.59 ಕೋಟಿಯಷ್ಟಾಗಿದೆ.

ಈ ಮೇಲೆ ತಿಳಿಸಲಾದ ವ್ಯಾಪಾರ ವಿಭಾಗಗಳ ವಿವರಗಳನ್ನು 'ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ' ಯಲ್ಲಿ (Management Discussion & Analysis) ಚರ್ಚಿಸಲಾಗಿದೆ.

## ಬ್ಯಾಂಕಿಂಗ್ ಔಟ್‌ಲೆಟ್‌ಗಳು ಮತ್ತು ಪರ್ಯಾಯ ವಿತರಣಾ ಚಾನೆಲ್‌ಗಳು (ADCs):

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಉಪಸ್ಥಿತಿಯ ದಕ್ಷಿಣಭಾರತದಲ್ಲಿ ಪ್ರಧಾನವಾಗಿದ್ದರೂ, ಬ್ಯಾಂಕ್ ವ್ಯವಹಾರ ವಿಸ್ತರಣೆಗಾಗಿ ಹಾಗೂ ಗ್ರಾಹಕರ ಅಗತ್ಯತೆಗಳನ್ನು ಪರಿಶೀಲಿಸಿದ ನಂತರ ತನ್ನ ವಿಸ್ತರಣಾ ಜಾಲವನ್ನು ದೇಶದ ವಿವಿಧ ಭಾಗಗಳಲ್ಲಿ ವಿಸ್ತರಿಸುತ್ತಿದೆ.

31 ನೇ ಮಾರ್ಚ್ 2022 ರಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 22 ರಾಜ್ಯಗಳು ಮತ್ತು 2 ಕೇಂದ್ರಾಡಳಿತ ಪ್ರದೇಶಗಳಲ್ಲಿ ಹರಡಿರುವ 567 ಕೇಂದ್ರಗಳಲ್ಲಿ 877 ಶಾಖೆಗಳು, ಒಂದು ವಿಸ್ತರಣಾ ಕೌಂಟರ್, 885 'ಮನಿಪ್ಲಾಂಟ್' ಎಟಿಎಂಗಳು ಮತ್ತು 563 ನಗದು ಮರುಬಳಕೆ ಕೇಂದ್ರಗಳು (Cash Recyclers) ಸೇರಿದಂತೆ 2,326 ಸೇವಾಮಳಿಗೆಗಳನ್ನು ಹೊಂದಿದೆ. ಇದಕ್ಕೆ ಹೊರತಾಗಿ ಒಂದು ಅಂತಾರಾಷ್ಟ್ರೀಯ ಡಿವಿಜನ್, ಒಂದು ಗ್ರಾಹಕ ಸೇವಾ ಕೇಂದ್ರ, ಎರಡು ಸೇವಾ ಶಾಖೆಗಳು, ನಾಲ್ಕು ಕರೆನ್ಸಿ ಚೆಸ್ಪ್ಲೆಗಳು, ಎರಡು ಸೆಂಟ್ರಲ್ ಪ್ರೊಸೆಸಿಂಗ್ ಸೆಂಟರ್‌ಗಳು, ಒಂದು ಡೇಟಾ ಸೆಂಟರ್ (co-located) (ಡಿಸಾಸ್ಟರ್ ರಿಕವರಿ ಕೇಂದ್ರ ಮತ್ತು ನಿಯರ್ ಲೈನ್ಸೈಟ್ (NLS)ಗಳ ಜೊತೆಗೆ), ಒಂದು ಡಿಜಿಟಲ್ ಸೆಂಟರ್ ಆಫ್ ಎಕ್ಸಲೆನ್ಸ್ (DCoE), ಏಳು ಅನುತ್ಪಾದಕ ಆಸ್ತಿ ನಿರ್ವಹಣಾ ಶಾಖೆಗಳು, ರಿಟೇಲ್ ಸಾಲಗಳ ಮಂಜೂರಾತಿಗಾಗಿ ಮೂರು ಮುಂಗಡ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳು ಮತ್ತು ಒಂದು ಕೇಂದ್ರ ಮುಂಗಡ ಮಂಜೂರಾತಿ ಘಟಕವನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿರುತ್ತದೆ.

## ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್:

ಎಟಿಎಂ/ಸಿಆರ್‌ಗಳಲ್ಲದೆ, ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಅಪ್ಲಿಕೇಶನ್ - 'ಕೆಬಿಎಲ್ ಮೊಬೈಲ್ ಪ್ಲಸ್' ಮತ್ತು ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್ - 'ಕೆಬಿಎಲ್ ಮನಿ ಕ್ಲಿಕ್' ಬ್ಯಾಂಕಿನ ಪ್ರಮುಖ ವಿತರಣಾ ಚಾನೆಲ್‌ಗಳಾಗಿವೆ. 2021-22ರಲ್ಲಿ ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್‌ನಲ್ಲಿ ಮೌಲ್ಯವರ್ಧಿತ ಸೌಲಭ್ಯಗಳಾದ 15G/15H ಫಾರ್ಮ್‌ಗಳ ಆನ್‌ಲೈನ್ ಸಲ್ಲಿಕೆ, NRI ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೌಲಭ್ಯ, ಕನ್ನಡ ಭಾಷಾ ಆವೃತ್ತಿ, ಇಮೇಲ್ ಐಡಿ ನೋಂದಣಿ, UPI QR ಕೋಡ್ ಇತ್ಯಾದಿಗಳನ್ನು ಪ್ರಾರಂಭಿಸಲಾಯಿತು. ಮಾರ್ಚ್ 31, 2022 ರಂತೆ, ಶೇ. 93.22ರಷ್ಟು ವಹಿವಾಟನ್ನು ಡಿಜಿಟಲ್ ಚಾನೆಲ್‌ಗಳ ಮೂಲಕ ನಿರ್ವಹಿಸಲಾಗುತ್ತಿದೆ.

## ಸರ್ಕಾರಿ ವ್ಯವಹಾರ ನಿರ್ವಹಣೆಗೆ ಅನುಮತಿ:

ಕೇಂದ್ರ ಸರ್ಕಾರ ಮತ್ತು ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ (RBI)ನ ನೀತಿಯ ಅನುಸಾರ, ಸರ್ಕಾರಿ ವ್ಯವಹಾರವನ್ನು ನಡೆಸಲು ಶೆಡ್ಯೂಲ್ಡ್ ಖಾಸಗಿ ಬ್ಯಾಂಕ್‌ಗಳು ಅರ್ಹತೆ ಹೊಂದಿವೆ. ಅರ್ಹತಾ ಮಾನದಂಡಗಳ ಆಧಾರದ ಮೇಲೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ (RBI) ಏಜೆನ್ಸಿ ಬ್ಯಾಂಕ್ ಆಗಿ ಜುಲೈ 27, 2021 ರಂದು ನೇಮಕಗೊಂಡಿದೆ. ಇದರೊಂದಿಗೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಈಗ ಕೇಂದ್ರ/ ರಾಜ್ಯ ಸರ್ಕಾರಗಳ ಪರವಾಗಿ ಆದಾಯ ಸಂಗ್ರಹ ಮತ್ತು ಪಾವತಿ, ಪಿಂಚಣಿ ಪಾವತಿಗಳು ಮತ್ತು ಸ್ಟ್ಯಾಂಪ್ ಡ್ಯೂಟಿ ಶುಲ್ಕಗಳ ಸಂಗ್ರಹಣೆ ಮತ್ತು RBI ನಿಂದ ಸಮ್ಮತಿಸಿದ ಯಾವುದೇ ಸೇವೆಗಳನ್ನು ಕೇಂದ್ರ/ ರಾಜ್ಯ ಸರ್ಕಾರಗಳು ಹಾಗೂ ಇತರ ಸಂಸ್ಥೆಗಳಿಗೆ ನೀಡಬಹುದಾಗಿದೆ.

ಭಾರತದಾದ್ಯಂತ ಬ್ಯಾಂಕಿನ ಕಾರ್ಯನಿರ್ವಹಣೆ, ತಂತ್ರಜ್ಞಾನಾಧಾರಿತ ನಿರ್ವಹಣೆ ಮೂಲಕ ಕೇಂದ್ರ ಮತ್ತು ರಾಜ್ಯ ಸರ್ಕಾರಗಳಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಆದ್ಯತೆಯ ಆಯ್ಕೆಯಾಗಲಿದೆ. ಸರ್ಕಾರಿ ವ್ಯವಹಾರದ ನಿರ್ವಹಣೆಯು ಬ್ಯಾಂಕಿನ ಗ್ರಾಹಕರಿಗೆ ತೆರಿಗೆ ಪಾವತಿಯ ಸೌಲಭ್ಯವನ್ನು ನೀಡುವುದರ ಮೂಲಕ, ಗ್ರಾಹಕರ ಸಂಬಂಧದ ನಿರಂತರತೆಗೆ ಸಹಕಾರಿಯಾಗಲಿದ್ದು ಏಜೆನ್ಸಿ ಬ್ಯಾಂಕ್ ವ್ಯವಹಾರವು ಬ್ಯಾಂಕಿಗೆ ಆದಾಯದ ಮೂಲವೂ ಆಗಲಿದೆ.

ಬ್ಯಾಂಕ್ ಈಗಾಗಲೇ ಕೆಲವು ಸಂಸ್ಥೆಗಳೊಂದಿಗೆ ಆಡಳಿತಾತ್ಮಕ ಮತ್ತು ತಾಂತ್ರಿಕ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಪೂರ್ಣಗೊಳಿಸುವಲ್ಲಿ ಮಹತ್ತರ ಪ್ರಗತಿ ಸಾಧಿಸಿದೆ.

## ಪಾರಾ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳು:

ವೈವಿಧ್ಯಮಯ ಹಣಕಾಸು ಉತ್ಪನ್ನಗಳು ಮತ್ತು ಸೇವೆಗಳನ್ನು ಒದಗಿಸುವ ಮತ್ತು ಗ್ರಾಹಕರಿಗೆ ಮೌಲ್ಯವರ್ಧಿತ ಸೇವೆಗಳನ್ನು ಹೆಚ್ಚಿಸುವ ಗುರಿಯೊಂದಿಗೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಜೀವವಿಮೆ, ಸಾಮಾನ್ಯವಿಮೆ, ಆರೋಗ್ಯವಿಮೆ, ಮ್ಯೂಚುವಲ್ ಫಂಡ್‌ಗಳು, ಡಿಮ್ಯಾಟ್ ಖಾತೆ, ಆನ್‌ಲೈನ್‌ಟ್ರೇಡಿಂಗ್, ಕೋಬ್ರಾಂಡೆಡ್ ಕ್ರೆಡಿಟ್ ಕಾರ್ಡ್‌ಗಳು, PoS ನೆಟ್‌ವರ್ಕ್, KBL ಫಾಸ್ಟ್‌ಪ್ಯಾಸ್, NPS, APY ಇತ್ಯಾದಿ ಸೇರಿದಂತೆ ತನ್ನ ಭಾಗೀದಾರ ಸಂಸ್ಥೆಗಳ ಉತ್ಪನ್ನಗಳನ್ನು ಒದಗಿಸುತ್ತಿದೆ. ಈ ಉತ್ಪನ್ನಗಳ ಸಾರಾಂಶವನ್ನು 'ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ'ಯಲ್ಲಿ (Management Discussion & Analysis) ನೀಡಲಾಗಿದೆ.

## ಗ್ರಾಹಕ ಸೇವೆ:

ಬ್ಯಾಂಕ್ ಅನ್ನು ಹೆಚ್ಚು ಸ್ಪರ್ಧಾತ್ಮಕವಾಗಿಸಲು ಗ್ರಾಹಕ ಸೇವೆಯಲ್ಲಿ ಹೊಸ ಮಾನದಂಡಗಳನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವತ್ತ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ನಿರಂತರವಾಗಿ ಗಮನಹರಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಕಡಿಮೆ ವೆಚ್ಚದಲ್ಲಿ ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಒದಗಿಸುವ ನೂತನ ಕಾರ್ಯವಿಧಾನಗಳನ್ನು ವಿನ್ಯಾಸಗೊಳಿಸುವ ಅಗತ್ಯವಿದೆ ಮತ್ತು ಸೇವೆಗಳ ಸಮರ್ಪಕ ಪೂರೈಕೆ ಮತ್ತು ಪರಾಮರ್ಶೆ ವ್ಯವಸ್ಥೆಯ ಮೂಲಕ ದೂರುಗಳನ್ನು ಅತಿ ಕನಿಷ್ಠ ಮಟ್ಟಕ್ಕೆ ಇಳಿಸುವುದು ಬ್ಯಾಂಕಿನ ಗುರಿಯಾಗಿದೆ. ಆರಬಿಐ ಮತ್ತು ಐಬಿಐ ಕಾಲಕಾಲಕ್ಕೆ ನೀಡುವ ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಗುಣವಾಗಿ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳನ್ನು ರೂಪಿಸಿಕೊಳ್ಳಲು ಬ್ಯಾಂಕು ಸಕ್ರಿಯವಾಗಿ ಶ್ರಮಿಸುತ್ತಿದ್ದು, ಗ್ರಾಹಕರ ದೂರುಗಳ ಪರಿಹಾರಕ್ಕಾಗಿ ಪರಿಣಾಮಕಾರಿ ಕಾರ್ಯವಿಧಾನದ ಜೊತೆಗೆ ಆಂತರಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಓಂಬುಡ್‌ಮನ್ (IO) ವ್ಯವಸ್ಥೆಯನ್ನೂ ಕಾರ್ಯಗತಗೊಳಿಸಿದೆ. 70 ವರ್ಷಕ್ಕಿಂತ ಮೇಲ್ಪಟ್ಟ ಹಿರಿಯನಾಗರಿಕ ಗ್ರಾಹಕರು ಮತ್ತು ದೃಷ್ಟಿವಿಕಲಚೇತನರು ಸೇರಿದಂತೆ ದಿವ್ಯಾಂಗ ಅಥವಾ ಅಶಕ್ತವ್ಯಕ್ತಿಗಳಿಗೆ ಮನೆಬಾಗಿಲಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಮೆಟ್ರೋನಗರಗಳ ಎಲ್ಲಾ ಶಾಖೆಗಳಲ್ಲಿ ಆರಂಭಿಸಲಾಗಿದೆ. ಇತರ ಎಲ್ಲಾ ಶಾಖೆಗಳಲ್ಲಿ ಈ ಸೌಲಭ್ಯವನ್ನು "ಕಾರ್ಯಸಾಧ್ಯತೆಯ ಆಧಾರದ ಮೇಲೆ" ಒದಗಿಸಲಾಗುತ್ತಿದೆ.

## ಮುಂಗಡ ಮೇಲ್ವಿಚಾರಣೆ:

ಪರಿಣಾಮಕಾರಿ ಮುಂಗಡ ಮೇಲ್ವಿಚಾರಣಾ ಕಾರ್ಯವ್ಯವಸ್ಥೆಯನ್ನು ಹೊಂದುವ ನಿಟ್ಟಿನಲ್ಲಿ, ಪ್ರತ್ಯೇಕ 'ಮುಂಗಡ ಮೇಲ್ವಿಚಾರಣಾ ವಿಭಾಗ'ವನ್ನು (ಕ್ರೆಡಿಟ್ ಮಾನಿಟರಿಂಗ್ ಡಿಪಾರ್ಟ್‌ಮೆಂಟ್ - CrMD) ಕೇಂದ್ರ ಕಚೇರಿಯಲ್ಲಿ ಸ್ಥಾಪಿಸಲಾಗಿದೆ. 'ರೀಜನಲ್ ಕಲೆಕ್ಷನ್ ಹಬ್' (RCH) ಎಂಬ ಪ್ರತ್ಯೇಕ ವ್ಯವಸ್ಥೆಯು ಎಲ್ಲಾ ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳಲ್ಲಿ ಕಾರ್ಯಾಚರಿಸುತ್ತಿದ್ದು, ಇದರಲ್ಲಿ 'ರೀಜನಲ್ ರಿಟ್ರೀಲ್ ಕಲೆಕ್ಷನ್ ಟೀಂ' (RRCT) ಮತ್ತು 'ರೀಜನಲ್ ಕಾರ್ಪೊರೇಟ್ ಕಲೆಕ್ಷನ್ ಟೀಂ' (RCCT) ಗಳು ಒಳಗೊಂಡಿವೆ. ಎಲ್ಲಾ ಸಾಲದ ಖಾತೆಗಳ ಬಾಕಿ ಸಂಗ್ರಹವನ್ನು ಖಾತ್ರಿಗೊಳಿಸಲು CrMDಯ ಮೇಲ್ವಿಚಾರಣೆಯಲ್ಲಿ RRCTಗಳು ಮತ್ತು RCCTಗಳು, ಸಾಲ ಮರುಪಾವತಿಯಲ್ಲಿನ ವಿಳಂಬಕ್ಕೆ ಅನುಸಾರವಾಗಿ ಸೂಕ್ತ ವಸೂಲಾತಿ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಳ್ಳುತ್ತವೆ. ಆಯಾ ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳಲ್ಲಿ ಸಾಲ ಮಂಜೂರಾತಿಯ ನಂತರದ ನಿಗಾ ಕೈಗೊಳ್ಳಲು ಪ್ರತ್ಯೇಕ ಕ್ರೆಡಿಟ್ ಮಾನಿಟರಿಂಗ್ ಟೀಂ (CrMT) ಕೂಡಾ RCHಗಳ ಅಡಿಯಲ್ಲಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿವೆ. ಮೇಲ್ವಿಚಾರಣೆ ಮತ್ತು ಅನುಸರಣಾ ಚಟುವಟಿಕೆಗಳ ದಕ್ಷತೆಯನ್ನು ಸುಧಾರಿಸಲು, ವಿವಿಧ ಡಿಜಿಟಲ್ ಸಾಧನಗಳಾದ- ವೆಬ್ ಆಧಾರಿತ ಕಲೆಕ್ಷನ್ ಟೂಲ್ - "KBL-Kollect", EMI /ಕಂತು/ಬಡ್ಡಿಯ ಪಾವತಿಗಾಗಿ ಆಟೋ ಸ್ಟೀಪ್ ಸಿಸ್ಟಮ್, ಯುಪಿಐಇ-ಕನೆಕ್ಟ್ ಮೂಲಕ ಸಾಲದ ಖಾತೆಗಳಿಗೆ ಪಾವತಿ, ಪೂರ್ವಭಾವಿ ಎಚ್ಚರಿಕೆ ಸಂಕೇತಗಳ ಸ್ವಯಂಗ್ರಹಿಕೆ ಇತ್ಯಾದಿಗಳನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಲಾಗಿದೆ.

ಮುಂಗಡ ಬಾಕಿಯ (SMA-SMA 0,1,2) ಒತ್ತಡವನ್ನು ಕಡಿಮೆ ಮಾಡಲು ಬ್ಯಾಂಕ್ ಹಲವು ಕ್ರಮಗಳನ್ನು ಜಾರಿಗೊಳಿಸಿದೆ. ಪುನರ್ ರಚಿಸಿದ ಮುಂಗಡಗಳ ಮೇಲ್ವಿಚಾರಣೆ ಮತ್ತು ಮರುಪಾವತಿಯಲ್ಲಿನ ದಕ್ಷತೆಯಿಂದಾಗಿ ಮಾರ್ಪಡಿಸಿದ ಸಾಲಗಳಲ್ಲಿ ಒತ್ತಡವು ಇಳಿಮುಖವಾಗುತ್ತಿದೆ. ಅಕ್ಟೋಬರ್ 2021ರಲ್ಲಿ 'ಉತ್ತಮ ಮತ್ತು ಪರಿಣಾಮಕಾರಿ ಮುಂಗಡ ಮೇಲ್ವಿಚಾರಣೆ'ಯಡೆಗೆ ಗಮನಹರಿಸುವ ಆಶಯದೊಂದಿಗೆ, "ಮಂಥನ್" ಕಾರ್ಯಾಗಾರವನ್ನು ನಡೆಸಿ ನಿರ್ದಿಷ್ಟವಾದ ಕಾರ್ಯಕ್ರಮಗಳನ್ನು ಗುರುತಿಸಿ ಅನುಸರಿಸಲಾಗುತ್ತಿದೆ. ಮುಂಗಡಗಳಲ್ಲಿನ ಒತ್ತಡ ನಿರ್ವಹಣೆಯು 'ಸಂಪರ್ಕ-ಸಹಯೋಗ-ಸಾಧಿಸುವಿಕೆ' (Connect-Collaborate-Exhibit) ಪರಿಕಲ್ಪನೆಯ ಮೇಲೆ ಕೇಂದ್ರೀಕೃತವಾಗಿದೆ.

ಪುನರ್ ರಚಿಸಿದ ಮುಂಗಡಗಳ (Restructured Advances) ನಿಕಟ ಮೇಲ್ವಿಚಾರಣೆಗಾಗಿ, ಬ್ಯಾಂಕ್ RAM CELL ಎಂಬ ವಿಶೇಷಕೋಶವನ್ನು ರಚಿಸಿದೆ. ಒಂದಕ್ಕಿಂತ ಹೆಚ್ಚು ಬ್ಯಾಂಕುಗಳು ಭಾಗಿಯಾಗಿರುವ ಸಾಲಗಳಲ್ಲಿ, ಬ್ಯಾಂಕುಗಳ ನಡುವಿನ ಮಾಹಿತಿಯ ಪರಿಣಾಮಕಾರಿ ವಿನಿಮಯಕ್ಕಾಗಿ ವಿಶೇಷ ಸ್ವಯಂಚಾಲಿತ ವ್ಯವಸ್ಥೆಯನ್ನು ಜಾರಿಗೊಳಿಸಲಾಗಿದೆ. ಇದಲ್ಲದೆ, CERSAI ಪೋರ್ಟಲ್‌ನಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಭದ್ರತೆಯನ್ನು ದಾಖಲು ಮಾಡುವ ಮತ್ತು ಸಾಲಗಾರರಿಂದ ಸ್ಟಾಕ್ ಸ್ವೀಚ್‌ಮೆಂಟ್‌ನ ಸಲ್ಲಿಕೆಯ ಸ್ವಯಂಚಾಲಿತ ಪ್ರಕ್ರಿಯೆಯೂ ಪ್ರಾರಂಭವಾಗಿದೆ.

## ಬೆಂಬಲ ಮತ್ತು ನಿಯಂತ್ರಣ ಕಾರ್ಯಗಳು:

### ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ:

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ 2000ರಿಂದ ಮೊದಲೊಂದು ಸದೃಶವಾದ ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಯನ್ನು (CBS) ಹೊಂದಿದ್ದು, ಎಲ್ಲಾ 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, ಪುನಃ ಸ್ಥಾಪನಾ ವ್ಯವಸ್ಥೆಯು [DR] ಅಸ್ತಿತ್ವದಲ್ಲಿದೆ. ಮಾಹಿತಿಯ ನಷ್ಟವನ್ನು ಶೂನ್ಯವಾಗಿಸುವ ಗುರಿಯನ್ನು ಹೊಂದಿರುವ ಮೂರುಹಂತಗಳ ಡೇಟಾ ಪುನರಾವರ್ತನೆ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಕಾರ್ಯಗತಗೊಳಿಸುವ ಮೂಲಕ ಈ ವ್ಯವಸ್ಥೆಯನ್ನು ಬಲಪಡಿಸಲಾಗಿದೆ. CBS, ATM, ಇಂಟರ್‌ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್‌ನಂತಹ ಪ್ರಮುಖ ಅಪ್ಲಿಕೇಶನ್‌ಗಳು ಈ ವ್ಯವಸ್ಥೆಯ ಭಾಗವಾಗಿವೆ. ವರದಿ ವರ್ಷದಲ್ಲಿ, ಬ್ಯಾಂಕಿನ ಡೇಟಾ ಸೆಂಟರ್‌ಅನ್ನು ಯಶಸ್ವಿಯಾಗಿ ಕೊ-ಲೋಕೇಶನ್ ಸೆಂಟರ್‌ಗೆ ವರ್ಗಾಯಿಸಲಾಗಿದೆ.

ಬ್ಯಾಂಕಿನ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಮೂಲಸೌಕರ್ಯವು ಮುಖ್ಯ ತಂತ್ರಜ್ಞಾನ ಅಧಿಕಾರಿಯ (CTO) ಮೇಲ್ವಿಚಾರಣೆಗೆ ಒಳಪಟ್ಟಿರುತ್ತದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಕ್ರಾಂತಿಕಾರಕ ತಾಂತ್ರಿಕ ಬದಲಾವಣೆಗಳನ್ನು ಕಾಲಕಾಲಕ್ಕೆ ಅಳವಡಿಸಿಕೊಳ್ಳುತ್ತಾ, ಗ್ರಾಹಕರಿಗೆ ಅತ್ಯುತ್ತಮ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಒದಗಿಸಲು ಮತ್ತು ತಂತ್ರಜ್ಞಾನ-ಶೀಲ(Tech-Savvy) ಬ್ಯಾಂಕ್ ಆಗಿ ಮುಂದುವರಿಯಲು ಕಾಲಕಾಲಕ್ಕೆ ಸೂಕ್ತನಿರ್ಧಾರಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳುತ್ತಿದೆ.

#### ಮಾನವ ಸಂಪನ್ಮೂಲಗಳು:

ಜಗತ್ತಿನಲ್ಲಿ ಹೆಚ್ಚುತ್ತಿರುವ ಡಿಜಿಟಲೀಕರಣದ ಪ್ರಭಾವಕ್ಕೆ ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮವೂ ಹೊರತಾಗಿಲ್ಲ. ಇದರಿಂದಾಗಿ ಹಲವು ಬದಲಾವಣೆಗಳು / ನೂತನ ಸವಾಲುಗಳು ಎದುರಾಗಿವೆ. ಸವಾಲುಗಳನ್ನು ಎದುರಿಸಿ ಮುನ್ನಡೆಯುವಲ್ಲಿ ಮಾನವ ಸಂಪನ್ಮೂಲದ ಗುಣಮಟ್ಟ ಅತಿ ಮುಖ್ಯವಾದ ಪಾತ್ರವಹಿಸುತ್ತದೆ. ಮಾನವ ಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿ ಒಂದು ನಿರಂತರ ಪ್ರಕ್ರಿಯೆಯಾಗಿದ್ದು, ಉದ್ಯೋಗಿಗಳ ಕಾರ್ಯಕ್ಷಮತೆಯನ್ನು ಅಪೇಕ್ಷಿತ ರೀತಿಯಲ್ಲಿ ಬೆಳೆಸಬೇಕಾಗುತ್ತದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಉದ್ಯೋಗಿಗಳ ತೃಪ್ತಿ ಮತ್ತು ಮಾನವಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿ ಚಟುವಟಿಕೆಗಳಿಗೆ ಗರಿಷ್ಠ ಆದ್ಯತೆ ನೀಡುತ್ತಿದೆ. ಮಾನವ ಸಂಪನ್ಮೂಲ ಇಲಾಖೆಯು ಮೇಲ್ವಿಚಾರಣೆಗೆ ಬ್ಯಾಂಕ್ ಮುಖ್ಯ ಕಲಿಕಾ ಅಧಿಕಾರಿಯನ್ನು (CLO) ಹೊಂದಿದೆ. ಉದ್ಯೋಗಿಗಳ ಕಾರ್ಯಕ್ಷಮತೆ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ (PMS) ಯನ್ನು ಕಾರ್ಯಗತಗೊಳಿಸುವ ಮೂಲಕ ಬ್ಯಾಂಕ್, ಉದ್ಯೋಗ ಮತ್ತು ಅಭಿವೃದ್ಧಿ ವ್ಯವಸ್ಥೆ (ECDS)ಯನ್ನು ಪರಿಚಯಿಸಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಮುಂದಿನ ತಲೆಮಾರಿನ ನಾಯಕತ್ವದ ಅಗತ್ಯತೆಗಳನ್ನು ಮನಗಂಡು ಸೂಕ್ತಪ್ರತಿಭೆಗಳನ್ನು ಗುರುತಿಸಲು ಮತ್ತು ಸಜ್ಜುಗೊಳಿಸಲು ಪ್ರತಿಭಾ ನಿರ್ವಹಣಾ ಸಮಿತಿಯನ್ನು (TMC) ಸಹ ಸ್ಥಾಪಿಸಿದೆ. ಅದಲ್ಲದೆ, ಬ್ಯಾಂಕ್ ತನ್ನ ಉದ್ಯೋಗಿಗಳಿಗೆ ಅಗತ್ಯ ತರಬೇತಿ ಮತ್ತು ಅಭಿವೃದ್ಧಿ ಅವಕಾಶಗಳನ್ನು ಕಾಲಕಾಲಕ್ಕೆ ಒದಗಿಸುತ್ತದೆ. ವಿವರಗಳನ್ನು 'ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿಯ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ' (Management Discussion & Analysis) ವರದಿಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

#### ಲೈಂಗಿಕ ಕಿರುಕುಳ (ತಡೆ, ನಿಷೇಧ ಮತ್ತು ದೂರುಗಳ ಪರಿಹಾರ)

ಮಾರ್ಚ್ 31, 2022 ರಂತೆ, ಬ್ಯಾಂಕ್ 8,520 ಉದ್ಯೋಗಿಗಳನ್ನು ಹೊಂದಿದ್ದು, ಇದರಲ್ಲಿ 2,542 ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳಾಗಿದ್ದು ಶೇ.29.83ರಷ್ಟಿದ್ದಾರೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಕೆಲಸದ ಸ್ಥಳದಲ್ಲಿ ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳ ರಕ್ಷಣೆಗಾಗಿ ಸಾಂಸ್ಥಿಕ ವ್ಯವಸ್ಥೆಯನ್ನು ಹೊಂದಿದೆ. ಕೆಲಸದ ಸ್ಥಳದಲ್ಲಿ ಲೈಂಗಿಕ ಕಿರುಕುಳ (ತಡೆ, ನಿಷೇಧ ಮತ್ತು ದೂರುಗಳ ಪರಿಹಾರ) ಕಾಯ್ದೆ 2013ರ ಸೆಕ್ಷನ್ 22ರ ಅನ್ವಯ ಒಂದು ನೀತಿಯನ್ನು ಅಂಗೀಕರಿಸಿ, ಕೆಲಸದ ಸ್ಥಳದಲ್ಲಿ ಮಹಿಳೆಯರಿಗೆ ಲೈಂಗಿಕ ಕಿರುಕುಳ ತಡೆ, ನಿಷೇಧ ಮತ್ತು ದೂರುಗಳ ಪರಿಹಾರ ವ್ಯವಸ್ಥೆಯನ್ನು ರೂಪಿಸಲಾಗಿದ್ದು ಇದು ಸಮರ್ಪಕವಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿದೆ. ವರದಿ ವರ್ಷದ ಆರಂಭದಲ್ಲಿ ಈ ಸಂಬಂಧ ಯಾವುದೇ ದೂರುಗಳು ಬಾಕಿ ಉಳಿದಿಲ್ಲ ಮತ್ತು ವರದಿವರ್ಷದಲ್ಲಿ ಯಾವುದೇ ದೂರುಗಳು ಬಂದಿರುವುದಿಲ್ಲ.

#### ನೌಕರರ ಷೇರುಪತ್ರ ಆಯ್ಕೆಗಳು (ESOP)

ಜುಲೈ 21, 2018 ರಂದು ಬ್ಯಾಂಕಿನ ಷೇರುದಾರರು ನೌಕರರ ಷೇರುಪತ್ರ ಆಯ್ಕೆ ಯೋಜನೆ 2018 (ESOS 2018)ನ್ನು ಅನುಮೋದಿಸಿದ್ದಾರೆ. ವರದಿ ವರ್ಷದಲ್ಲಿ, KBL-ESOS-2018ರಲ್ಲಿ ಅರ್ಹ ಉದ್ಯೋಗಿಗಳಿಗೆ 40,000 ಸ್ಟಾಕ್ ಆಯ್ಕೆಗಳನ್ನು ನೀಡಲಾಗಿದೆ. SEBI (ಶೇರ್ ಬೇಸ್ಡ್ ಕಾಂಪನೀಸ್ ಮತ್ತು ಸ್ಟೆಟ್ ಇಕ್ವಿಟಿ) ನಿಯಮಗಳು, 2018ರ ಅನುಸಾರ ಅಗತ್ಯವಿರುವ ಪ್ರಕಟಣೆಗಳನ್ನು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದಲ್ಲಿ ನೀಡಲಾಗಿದೆ (ಜಾಲತಾಣ ಕೊಂಡಿ:

<<https://karnatakabank.com/investor-portal/annual-report>>.

#### ಆಪತ್ತು-ಆಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆ (RBS)

ಭಾರತೀಯ ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರದಲ್ಲಿನ ಪ್ರಕ್ರಿಯೆಗಳು, ಸೇವಾವ್ಯಾಪ್ತಿ ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳಲ್ಲಿನ ಸಂಕೀರ್ಣತೆಗಳು ಹೆಚ್ಚುತ್ತಿರುವ ಹಿನ್ನೆಲೆಯಲ್ಲಿ, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ತನ್ನ ಉನ್ನತಮಟ್ಟದ ನಿರ್ವಹಣಾ ಸಮಿತಿಯ ಶಿಫಾರಸುಗಳ ಅನುಸಾರವಾಗಿ, ಮೇಲ್ವಿಚಾರಣಾ ವಿಧಾನವನ್ನು 'ಆಪತ್ತು ಮತ್ತು ಬಂಡವಾಳದ ಮೌಲ್ಯಮಾಪನಕ್ಕಾಗಿ ಮೇಲ್ವಿಚಾರಣಾ ಕಾರ್ಯಕ್ರಮ' ದ ವ್ಯಾಪ್ತಿಗೆ (ಸುಪರ್ವೈಸರಿ ಪ್ರೋಗ್ರಾಂ ಫಾರ್ ಅಸೆಸ್ಮೆಂಟ್ ಆಫ್ ರಿಸ್ಕ್ ಆಂಡ್ ಕ್ಯಾಪಿಟಲ್ - SPARC) ಒಳಪಡಿಸಿದೆ. ಇದು ಪ್ರಸ್ತುತ ಹಾಗೂ ಭವಿಷ್ಯದ ಆಪತ್ತುಗಳೆರಡನ್ನೂ ಮೌಲ್ಯಮಾಪನಗೊಳಿಸುವತ್ತ ಕೇಂದ್ರೀಕೃತವಾಗಿದೆ. ಸಮಸ್ಯೆಗಳನ್ನು ಪ್ರಾರಂಭದ ಹಂತದಲ್ಲೇ ಗುರುತಿಸುವುದು ಮತ್ತು ಕ್ಲಷ್ಟ ಸಮಯದಲ್ಲಿ ಸರಿಪಡಿಸುವ ಕ್ರಮಕೈಗೊಳ್ಳುವುದು ಇತ್ಯಾದಿ ಇದರ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ ಸೇರಿವೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್, 31ನೇ ಮಾರ್ಚ್, 2015ರಿಂದ ಮೊದಲೊಂದು ಆಪತ್ತು ಆಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆಯ ವ್ಯಾಪ್ತಿಗೆ ಒಳಪಟ್ಟಿದೆ. ಆಪತ್ತು ಮೌಲ್ಯಮಾಪನ ವರದಿಯಲ್ಲಿ (RAR) ಕಂಡುಬಂದ ನ್ಯೂನತೆಗಳ ಪಾಲನೆಗಾಗಿ ಕ್ರಿಯಾಯೋಜನೆಯನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ.

#### ಅನುಸರಣಾ ಕಾರ್ಯ (Compliance Function)

ಬ್ಯಾಂಕಿನಲ್ಲಿನ ಅನುಸರಣಾ ಕಾರ್ಯವು ಬ್ಯಾಂಕಿನ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ವ್ಯವಸ್ಥೆಯ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಮತ್ತು ಆಪತ್ತು ನಿರ್ವಹಣಾ ಪ್ರಕ್ರಿಯೆಯ ಜತೆಯಲ್ಲಿನ ಪ್ರಮುಖ ಅಂಶಗಳಲ್ಲೊಂದಾಗಿದೆ. ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ವ್ಯವಸ್ಥೆಯ ಪ್ರಮುಖ ಅಂಶವಾಗಿ, ಆರೋಗ್ಯಕರ ಅನುಸರಣಾ ಸಂಸ್ಕೃತಿಯನ್ನು ಬ್ಯಾಂಕಿನೊಳಗೆ ಉತ್ತೇಜಿಸಲು ಸ್ವತಂತ್ರ ಅನುಸರಣಾ ವಿಭಾಗವನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ. ಎಲ್ಲಾ ಶಾಸನಬದ್ಧ ನಿಬಂಧನೆಗಳು, ಆರ್ಬಿಐ ಮತ್ತು ಇತರೆ ನಿಯಂತ್ರಕಗಳ ಮಾರ್ಗ ಸೂಚಿಗಳು, ಸ್ಟಾಂಡರ್ಡ್‌ಗಳು ಮತ್ತು ಸಂಹಿತೆಗಳು, ಬ್ಯಾಂಕಿನ ಆಂತರಿಕನೀತಿಗಳು ಮತ್ತು ನ್ಯಾಯಯುತ ನಡವಳಿಕೆಗಳ ಸಂಹಿತೆಯ ಕಟ್ಟುನಿಟ್ಟಿನ ಪಾಲನೆಯನ್ನು ಬ್ಯಾಂಕ್ ಖಾತ್ರಿಗೊಳಿಸುತ್ತದೆ. ಅನುಸರಣಾ ಕಾರ್ಯವು ನಿಯಂತ್ರಕ ಮತ್ತು ಶಾಸನಬದ್ಧ ಮಾರ್ಗಸೂಚಿಗಳ ವ್ಯಾಖ್ಯಾನ/ಪ್ರಸಾರವನ್ನು ಒಳಗೊಂಡಿದೆ. ಆಂತರಿಕ ನಿಯಂತ್ರಣಗಳು ಹಾಗೂ ಕಾರ್ಯವಿಧಾನಗಳು ಆಪತ್ತು ನಿರ್ವಹಣೆ ಕಾರ್ಯದಲ್ಲಿ ಹಿರಿಯ ಆಡಳಿತ ಮಂಡಳಿಗೆ ಸೂಕ್ತವಾದ ಮಾಹಿತಿಯನ್ನು ನೀಡುತ್ತವೆ. ಮುಖ್ಯ ಅನುಸರಣಾ ಅಧಿಕಾರಿಯ (CCO) ಮೇಲ್ವಿಚಾರಣೆಯಲ್ಲಿ, ಶಾಖೆಗಳು/ ಉದ್ಯಮ ಘಟಕಗಳಾದ್ಯಂತ

'ಅನುಸರಣಾ ಪರೀಕ್ಷೆ' ನಡೆಸುವ ಮೂಲಕ ಅನುಸರಣಾ ಗುಣಮಟ್ಟವನ್ನು ಪರಿಶೀಲಿಸಲಾಗುತ್ತದೆ. ಬ್ಯಾಂಕು ಎದುರಿಸಬಹುದಾದ ಪ್ರಮುಖ ಅನುಸರಣಾ ಆಪತ್ತುಗಳನ್ನು ಗುರುತಿಸಲು, ವಿಶ್ಲೇಷಿಸಲು ಮತ್ತು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿರ್ವಹಿಸಲು ಬ್ಯಾಂಕ್ ವಾರ್ಷಿಕ ಮೌಲ್ಯಮಾಪನವನ್ನು ನಡೆಸುತ್ತದೆ. ಇದಲ್ಲದೆ, ಬ್ಯಾಂಕಿನಲ್ಲಿನ ಒಟ್ಟಾರೆ ಅನುಸರಣೆ ಸಂಸ್ಕೃತಿಯಲ್ಲಿ ಮತ್ತಷ್ಟು ಸುಧಾರಣೆಗಳನ್ನು ತರಲು ಬ್ಯಾಂಕಿನ ಉನ್ನತ ಅಧಿಕಾರಿ ವರ್ಗವು - 'ಅನುಸರಣೆಯ ನಂತರವೇ ವಹಿವಾಟು' (Compliance First, Business Next) ಎಂಬ ಘೋಷವಾಕ್ಯವನ್ನು ಪಾಲಿಸುತ್ತಿದೆ.

### ಜಾಗರಣಾ ಕಾರ್ಯವಿಧಾನ

ಬ್ಯಾಂಕ್ 2007 ರಿಂದ ಸಂರಕ್ಷಿತ ಜಾಗರಣಾ ನೀತಿಯನ್ನು (ವಿಶಿಲ್ ಬ್ಲೋವರ್ ಪಾಲಿಸಿ) ಜಾರಿಗೆ ತಂದಿದೆ. ಇದು ಭ್ರಷ್ಟಾಚಾರ, ಕಚೇರಿಯ ದುರುಪಯೋಗ, ಕ್ರಿಮಿನಲ್ ಅಪರಾಧಗಳು, ಶಂಕಿತ/ಘಟಿಸಿದ ವಂಚನೆ, ನಿಯಮಗಳ ಅನುಸರಣೆಯಲ್ಲಿ ವಿಫಲತೆ, 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 ಎಲ್ಲಾ ಹಂತದ ಉದ್ಯೋಗಿಗಳನ್ನು ಪ್ರೋತ್ಸಾಹಿಸುತ್ತದೆ. ಅಂತಹ ಉದ್ಯೋಗಿಗಳಿಗೆ (ವಿಶಿಲ್ ಬ್ಲೋವರ್) ಆಂತರಿಕ ಜಾಗೃತಿ ಮುಖ್ಯಸ್ಥರಿಗೆ (CIV) ನೇರಸಂಪರ್ಕವನ್ನು ನೀಡುವುದಲ್ಲದೆ ಈ ನೀತಿಯು ಸಾಕಷ್ಟು ಸುರಕ್ಷತೆಗಳನ್ನು ಒದಗಿಸುತ್ತದೆ. ಜಾಗರಣಾ ನೀತಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಮಿತಿಗೆ ಸಂಪರ್ಕವನ್ನು ನಿರಾಕರಿಸಬೇಕಾಗಿ ಬರುವ ಯಾವುದೇ ಸಂದರ್ಭ ಕಂಡು ಬಂದಿರುವುದಿಲ್ಲ. ಸಂರಕ್ಷಿತ ಜಾಗರಣಾ ನೀತಿಯನ್ನು(ವಿಶಿಲ್ ಬ್ಲೋವರ್ ಪಾಲಿಸಿ) ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದ ಈ ಕೆಳಗಿನ ಕೊಂಡಿಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ:

<<https://karnatakabank.com/sites/default/files/2022-07/Policy%20on%20Whistle%20Blower%202022-23.pdf>>

### ಕಾರ್ಪೊರೇಟ್ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ (CSR)

ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆಯ ಕಾರ್ಯಕ್ರಮಗಳ ಮೂಲಕ ಆರೋಗ್ಯ, ಶಿಕ್ಷಣ, ಜೀವನೋಪಾಯದ ವರ್ಧನೆ, ಮಹಿಳೆಯರು/ ಸಾಮಾಜಿಕವಾಗಿ ಮತ್ತು ಆರ್ಥಿಕವಾಗಿ ಹಿಂದುಳಿದವರು, ಪರಿಸರ ಸುಸ್ಥಿರತೆ, ಪರಂಪರೆಯ ರಕ್ಷಣೆ, ಸಂಸ್ಕೃತಿ, ಕ್ರೀಡೆಗಳ ಉತ್ತೇಜನ, ಗ್ರಾಮೀಣಾಭಿವೃದ್ಧಿ, ಸ್ವಚ್ಛಭಾರತ ಮುಂತಾದ ಕ್ಷೇತ್ರಗಳ ಸರ್ವಾಂಗೀಣ ಅಭಿವೃದ್ಧಿಯನ್ನು ಉತ್ತೇಜಿಸುವ ಗುರಿಯನ್ನು ಬ್ಯಾಂಕ್ ಹೊಂದಿದೆ. ಇದಲ್ಲದೆ, ನಗರ-ಗ್ರಾಮೀಣ ಅಸಮತೋಲನವನ್ನು ಸರಿದೂಗಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳ ಕಡೆಗೆ ಹೆಚ್ಚಿನ ಆದ್ಯತೆ ನೀಡುತ್ತಿದೆ. ಹಣಕಾಸು ಸಾಕ್ಷರತೆ ಮತ್ತು ಬ್ಯಾಂಕುಗಳೇ ಇಲ್ಲದ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲೂ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ವಿಸ್ತರಿಸುತ್ತ, ನ್ಯಾಯಸಮ್ಮತ ಮತ್ತು ಪಾರದರ್ಶಕ ರೀತಿಯಲ್ಲಿ, ಕೈಗೆಟುಕುವ ದರದಲ್ಲಿ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ನೀಡುತ್ತಿದೆ.

2013ರ ಕಂಪನಿಗಳ ಕಾಯ್ದೆ ಮತ್ತು ನಿಯಮಗಳ ಅನುಸಾರ, ಬ್ಯಾಂಕ್ 'ಕಾರ್ಪೊರೇಟ್ ಸೋಶಿಯಲ್ ರೆಸ್ಪಾನ್ಸಿಬಿಲಿಟಿ ಕಮಿಟಿ' ಎಂಬ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಯನ್ನು ರಚಿಸಿದೆ. ಅಲ್ಲದೆ ಕಾರ್ಪೊರೇಟ್ ಸೋಶಿಯಲ್ ರೆಸ್ಪಾನ್ಸಿಬಿಲಿಟಿ (CSR) ನೀತಿಯನ್ನೂ ರೂಪಿಸಿದೆ. 2014ರ ಕಂಪನಿಗಳ (ಕಾರ್ಪೊರೇಟ್ ಸೋಶಿಯಲ್ ರೆಸ್ಪಾನ್ಸಿಬಿಲಿಟಿ ಪಾಲಿಸಿ) ನಿಯಮ 8ರ ಅನುಸಾರ, 2021-22ನೇ ಸಾಲಿನಲ್ಲಿ ಕೈಗೆತ್ತಿಕೊಂಡ ಕಾರ್ಯಗಳ ವಿಸ್ತೃತವರದಿಯನ್ನು ಅನುಬಂಧ-2 ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ಈವರೆಗೆ ಬ್ಯಾಂಕು ಸುಮಾರು 1,603 ಯೋಜನೆಗಳಿಗೆ 62.06 ಕೋಟಿ ರೂಪಾಯಿಯಷ್ಟು ಆರ್ಥಿಕ ನೆರವನ್ನು ನೀಡಿದ್ದು, ಈ ಯೋಜನೆಗಳು ಸಮಾಜದ ಮೇಲೆ ಧನಾತ್ಮಕ ಪರಿಣಾಮವನ್ನು ಬೀರುವಲ್ಲಿ ಯಶಸ್ವಿಯಾಗಿವೆ. ಇದಲ್ಲದೆ, ಸಿಎಸ್‌ಆರ್ ನಿಯಮ 4(5) ರ ಪ್ರಕಾರ, 2021-22ರ ಅವಧಿಯಲ್ಲಿನ ಸಿಎಸ್‌ಆರ್ ಮಂಜೂರಾತಿಗಳಿಗೆ ಬ್ಯಾಂಕಿನ ಮುಖ್ಯ ಹಣಕಾಸು ಅಧಿಕಾರಿಯಿಂದ ದೃಢೀಕರಣವನ್ನು ಪಡೆಯಲಾಗಿದೆ.

### ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಮತ್ತು ಅಟಲ್ ಪಿಂಚಣಿ ಯೋಜನೆ-ಸಂಬಂಧಿತ ಸೇವೆಗಳು:

ಈ ಯೋಜನೆಯ ಮೂಲಕ, ಬ್ಯಾಂಕು ಕೇವಲ ಖಾತೆಗಳನ್ನು ತೆರೆಯುವುದಷ್ಟಕ್ಕೇ ಸೀಮಿತಗೊಳಿಸದೆ, 'ಜನರ ಜತೆ ಸಂಪರ್ಕ ಸಾಧಿಸುವ' ಗುರಿ ಹೊಂದಿದೆ. ಗ್ರಾಮೀಣ ಜನರ ಸಣ್ಣ ಸಾಲದ ಅವಶ್ಯಕತೆಗಳನ್ನು ಪೂರೈಸುವುದು, ಅವರಿಗೆ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯ ಎಲ್ಲ ಸೌಲಭ್ಯಗಳನ್ನು ಒದಗಿಸುವುದು ಮತ್ತು ಜೀವ ವಿಮೆ ಹಾಗೂ ಆರೋಗ್ಯ ವಿಮೆ ಒದಗಿಸುವುದೂ ಇದರಲ್ಲಿ ಸೇರಿವೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು 404 ಶಾಖೆಗಳನ್ನು ಗ್ರಾಮೀಣ ಮತ್ತು ಸೆಮಿ ಅರ್ಬನ್ ಪ್ರದೇಶಗಳಲ್ಲಿ ಹೊಂದಿದ್ದು (35 ಅತಿ ಸಣ್ಣ ಶಾಖೆಗಳ ಸಹಿತ) ಗ್ರಾಮೀಣ ಗ್ರಾಹಕರಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೌಲಭ್ಯಗಳನ್ನು ಒದಗಿಸುತ್ತಿದೆ. ಈ ಶಾಖೆಗಳು ಹಣಕಾಸಿನ ಸಾಕ್ಷರತಾ ಕೇಂದ್ರಗಳಾಗಿಯೂ (ಎಫ್‌ಎಲ್‌ಸಿ) ಕೆಲಸ ಮಾಡುತ್ತಿದ್ದು, ಗ್ರಾಮೀಣ ಜನತೆಗೆ ಹಣಕಾಸಿನ ನಿರ್ವಹಣೆಯಕುರಿತಾಗಿ ಅರಿವು ಮೂಡಿಸುತ್ತಿದೆ. ಪ್ರಧಾನ ಮಂತ್ರಿ ಜನ್‌ಧನ್ ಯೋಜನೆಯ (ಪಿಎಂಜೆಡಿವೈ) ಅನುಸಾರ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಚಟುವಟಿಕೆಗಳಿಗೆ ಬ್ಯಾಂಕು ಪರಿಷ್ಕೃತ ಕಾರ್ಯತಂತ್ರ ಹಾಗೂ ಮಾರ್ಗಸೂಚಿಗಳನ್ನು ಜಾರಿಗೊಳಿಸಿದೆ. ಭಾರತ ಸರ್ಕಾರದ ನೇರ ನಗದು ವರ್ಗಾವಣೆ (ಡಿಬಿಟಿ) ಯೋಜನೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸಕ್ರಿಯವಾಗಿ ಭಾಗಿಯಾಗಿದೆ. ಇದರಡಿಯಲ್ಲಿ ಎಲ್ಲಜಿ ಸಬ್ಸಿಡಿ/ ಹಲವು ಸೌಲಭ್ಯಗಳನ್ನು ಗ್ರಾಹಕರ ಬ್ಯಾಂಕ್ ಖಾತೆಗಳಿಗೆ ನೇರವಾಗಿ ವರ್ಗಾಯಿಸಲಾಗುತ್ತಿದೆ.

### ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯ ಭಾಗವಾಗಿ, ಬ್ಯಾಂಕ್ ಈ ಕೆಳಗಿನ ಸೇವೆಗಳನ್ನು ನೀಡುತ್ತಿದೆ:

1. ಬಿಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆಂಟ್ ಸೇವೆಗಳು (BC): ಈ ಸೇವೆಗಳನ್ನು ಒದಗಿಸುವುದಕ್ಕಾಗಿ ಬ್ಯಾಂಕು 'ಸಬ್-ಕೆ ಇಂಪ್ರಾಕ್ಟ್ ಸೊಲ್ಯೂಷನ್ಸ್ ಲಿಮಿಟೆಡ್' ಜತೆಗೆ ಒಪ್ಪಂದ ಮಾಡಿಕೊಂಡಿದೆ. 2022ರಮಾರ್ಚ್ 31ರಂದು ಬ್ಯಾಂಕ್, ಕರ್ನಾಟಕ, ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ಭತ್ತೀಸ್‌ಗಢ ರಾಜ್ಯಗಳ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ 121 ಬಿಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆಂಟ್‌ಗಳನ್ನು ಹೊಂದಿದೆ.



2. ಆಧಾರ್ ಮುಖೇನ ಪಾವತಿ ವ್ಯವಸ್ಥೆ (ಎಇಪಿಎಸ್): ಭಾರತದ ರಾಷ್ಟ್ರೀಯ ಪಾವತಿಗಳ ನಿಗಮ (ಎನ್‌ಪಿಸಿಐ) ಪರಿಚಯಿಸಿದ ಎಇಪಿಎಸ್ ಸೇವೆಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಎಲ್ಲ ಬಿಸಿನೆಸ್ ಕರೆಸ್ಪಾಂಡೆಂಟ್ ಸ್ಥಳಗಳಲ್ಲಿ ಜಾರಿಗೊಳಿಸಿದೆ. ಆಧಾರ್ ಜೋಡಿಸಿದ ಉಳಿತಾಯ ಖಾತೆ ಹೊಂದಿದ ಗ್ರಾಹಕರು ಃಅ ಪಾಯಿಂಟ್‌ಗಳ ಮೂಲಕ ಪಾವತಿ ಸೌಲಭ್ಯವನ್ನು ಪಡೆದುಕೊಳ್ಳಬಹುದು.
3. ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆ ಮತ್ತು ಕ್ರೆಡಿಟ್ ಕೌನ್ಸಿಲಿಂಗ್ ಕೇಂದ್ರಗಳು (FLCs): ಬ್ಯಾಂಕ್ BC ರೋಡ್ - ಬಂಟ್ವಾಳ, ಹಾನಗಲ್, ಕುಂದಗೋಳ, ತಿಪಟೂರು ಮತ್ತು ಆಲೂರು (ಕರ್ನಾಟಕ)ಗಳಲ್ಲಿ ಐದು FLC ಕೌನ್ಸಿಲಿಂಗ್ ಕೇಂದ್ರಗಳನ್ನು ನಡೆಸುತ್ತಿದೆ. ಮಾರ್ಚ್ 31, 2022 ರವರೆಗೆ, ಈ ಐದು FLC ಗಳು 3,801 ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಅಭಿಯಾನಗಳನ್ನು ನಡೆಸಿದ್ದು, ಇವುಗಳ ಪ್ರಯೋಜನವನ್ನು 1,56,976 ಶಿಬಿರಾರ್ಥಿಗಳು ಪಡೆದುಕೊಂಡಿರುತ್ತಾರೆ. ಆರ್‌ಬಿಐ ಮಾರ್ಗಸೂಚಿಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಗ್ರಾಮೀಣ ಶಾಖೆಗಳು ಸಹ ಆರ್ಥಿಕ ಸಾಕ್ಷರತಾ ಶಿಬಿರಗಳನ್ನು ನಡೆಸುತ್ತಿವೆ.
4. 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) ಅನ್ನು ಜೂನ್ 1, 2015 ರಂದು ಗೌರವಾನ್ವಿತ ಪ್ರಧಾನ ಮಂತ್ರಿಯವರು ಪ್ರಾರಂಭಿಸಿದ್ದಾರೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳು ದೇಶಾದ್ಯಂತ ಗ್ರಾಹಕರಿಗೆ ಈ ಯೋಜನೆಗಳನ್ನು ಒದಗಿಸುವಲ್ಲಿ ಸಕ್ರಿಯವಾಗಿ ತೊಡಗಿಸಿಕೊಂಡಿವೆ.
5. ಪ್ರಧಾನ ಮಂತ್ರಿ ಜನ್ ಧನ್ ಯೋಜನೆ (PMJDY): ದೇಶಾದ್ಯಂತ ಎಲ್ಲಾ ಶಾಖೆಗಳು PMJDY ಅಡಿಯಲ್ಲಿ ಖಾತೆಗಳನ್ನು ತೆರೆದು ರುಪೇ ಡೆಬಿಟ್ ಕಾರ್ಡ್‌ಗಳನ್ನು ನೀಡುತ್ತಿವೆ. ಆಗಸ್ಟ್ 15, 2014 ರಿಂದ ಇದುವರೆಗೆ 2,56,422 ಕಬಎಆಜ ಖಾತೆಗಳನ್ನು ತೆರೆಯಲಾಗಿದ್ದು ಈ ಖಾತೆಗಳಲ್ಲಿ ₹ 80.99 ಕೋಟಿ ಠೇವಣಿ ಜಮೆಯಾಗಿರುತ್ತದೆ.
6. ರೈತರಿಗೆ ತರಬೇತಿ ನೀಡಲು ಮತ್ತು ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರವಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸಲು ಎಸ್‌ಎಲ್‌ಬಿಸಿ ಕರ್ನಾಟಕದ ಅಡಿಯಲ್ಲಿ ಚಾಲನೆಗೊಂಡಿರುವ ಕರ್ನಾಟಕ ರೈತರ ಸಂಪನ್ಮೂಲ ಕೇಂದ್ರ ಬಾಗಲಕೋಟೆ (ಕೆಎಫ್‌ಆರ್‌ಸಿ) ಇದರ ಟ್ರಸ್ಟಿಯಾಗಿ ಬ್ಯಾಂಕ್ ನಿಯುಕ್ತಿಗೊಂಡಿದ್ದು, ಕೆಎಫ್‌ಆರ್‌ಸಿಯ ಬಂಡವಾಳ/ ಕಾರ್ಪಸ್‌ಗೆ ₹ 50 ಲಕ್ಷಗಳನ್ನು ನೀಡಿರುತ್ತದೆ.
7. ಬೀದಿಬದಿ ವ್ಯಾಪಾರಿಗಳ ಆತ್ಮನಿರ್ಭರ್ ಯೋಜನೆಗೆ (PM-SVANidhi) ಅನುಗುಣವಾಗಿ, ಬ್ಯಾಂಕ್ KBL-PM-SVANidhi ಯೋಜನೆಯನ್ನು ಪರಿಚಯಿಸಿದೆ. ಇದರಲ್ಲಿ ಬೀದಿ ವ್ಯಾಪಾರಿಗಳಿಗೆ ತಮ್ಮ ವ್ಯಾಪಾರವನ್ನು ಮುನ್ನಡೆಸಲು ₹ 50,000 ವರೆಗಿನ ಸಾಲಸೌಲಭ್ಯ ನೀಡಲಾಗುತ್ತಿದೆ.

## ಪ್ರಶಸ್ತಿಗಳು ಮತ್ತು ಪುರಸ್ಕಾರಗಳು

ವರದಿವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ತನ್ನ ಸಾಧನೆಯ ಪ್ರತೀಕವಾಗಿ ಈ ಕೆಳಗಿನ ಪ್ರಶಸ್ತಿಗಳನ್ನು ಪಡೆದುಕೊಂಡಿದೆ:

- ಡಿಜಿಟಲೀಕರಣದಲ್ಲಿ ಉತ್ತಮ ಸಾಧನೆ-‘ಖಾಸಗಿ ವಲಯದ ಬ್ಯಾಂಕ್’ ವಿಭಾಗದಲ್ಲಿ ನವದೆಹಲಿಯ ASSOCHAM ನಿಂದ ಎರಡು ಪ್ರತಿಷ್ಠಿತ ಪ್ರಶಸ್ತಿಗಳು.
  - ಡಿಜಿಟಲ್ ಸೇವೆಗಳು: ವಿಜೇತ
  - ಡಿಜಿಟಲ್ ಸಾಲಮಂಜೂರಾತಿ: ರನ್ನರ್‌ಅಪ್
- ಏಷ್ಯಾ ಪೆಸಿಫಿಕ್ HRM ಕಾಂಗ್ರೆಸ್‌ನ 19 ನೇ ಆವೃತ್ತಿಯಲ್ಲಿ ‘ನವೀನ ಮಾನವ ಸಂಪನ್ಮೂಲ ನೀತಿ ಹೊಂದಿರುವ ಉನ್ನತ ಸಂಸ್ಥೆ’ ಎಂಬ ಹೆಗ್ಗಳಿಕೆ.
- ಇನ್ಫೋಸಿಸ್ ಇನ್ಫೋವೇಶನ್ ಗ್ಲೋಬಲ್ ಅವಾರ್ಡ್ಸ್ 2021ರಲ್ಲಿ INFOSYSನಿಂದ ‘ಮಧ್ಯಮ ಗಾತ್ರದ ಬ್ಯಾಂಕ್ ವಿಭಾಗದಲ್ಲಿ’ ‘ಗ್ರಾಹಕರ ಸೇವಾ ವಿಧಾನದ ಮರುಕಲ್ಪನೆ’ ಗಾಗಿ (Customer Journey Reimagination)-ರನ್ನರ್ ಅಪ್.
- ಎಲೆಕ್ಟ್ರಾನಿಕ್ ಮತ್ತು ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಸಚಿವಾಲಯ, ಭಾರತ ಸರ್ಕಾರದಿಂದ ಸ್ಥಾಪಿಸಲಾದ ಎರಡು ‘ಡಿಜಿ-ಧನ್ ಪ್ರಶಸ್ತಿಗಳು’ ಖಾಸಗಿ ವಲಯದ ಬ್ಯಾಂಕ್‌ಗಳ ವಿಭಾಗದಲ್ಲಿ BHIM-UPI ವಹಿವಾಟುಗಳಲ್ಲಿ ಸತತವಾಗಿ 2019-20 ಮತ್ತು 2020-21 ಗಳಲ್ಲಿ ಶೇಕಡಾವಾರು ಗರಿಷ್ಠ ಗುರಿ ಸಾಧನೆಗಾಗಿ.
- ಪಿಎಫ್‌ಆರ್‌ಡಿಎ (ಪಿಂಚಣಿ ನಿಧಿ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರ) ಎಪಿವೈ-ಮೆಗಾ ಲಾಗಿನ್ ಸ್ಟಾರ್-ಶ್ರೇಷ್ಠತಾ ಪ್ರಶಸ್ತಿ.
- “KBL VIKAAAS” ಜಾರಿಯಲ್ಲಿ ನವೀನ ಮತ್ತು ಉತ್ತಮ ಕ್ರಮಗಳನ್ನು ಗುರುತಿಸಿ, 2021ರಲ್ಲಿ ಭಾರತೀಯ ಕೈಗಾರಿಕಾ ಒಕ್ಕೂಟ (CII) ನೀಡಿದ ‘ಡಿಜಿಟಲ್-ಟ್ರಾನ್ಸ್‌ಫಾರ್ಮೇಷನ್ DX-2021’ ಪ್ರಶಸ್ತಿ.
- ‘IBA- ಬ್ಯಾಂಕಿಂಗ್ ಟೆಕ್ನಾಲಜಿ ಅವಾರ್ಡ್ಸ್ 2022’- ಸಣ್ಣ ಬ್ಯಾಂಕ್ ವರ್ಗದ ಅಡಿಯಲ್ಲಿ ಮೂರು ರನ್ನರ್ - ಅಪ್ ಪ್ರಶಸ್ತಿಗಳು:
  - ವರ್ಷದ ಅತ್ಯುತ್ತಮ ತಂತ್ರಜ್ಞಾನಶಾಲಿ ಬ್ಯಾಂಕ್
  - AI/ML ನ ಅತ್ಯುತ್ತಮ ಬಳಕೆ
  - ಅತ್ಯುತ್ತಮ ಫಿನ್ ಟೆಕ್ ಅಡಾಪ್ಷನ್
- CIMSME (ಚೀಂಬರ್ ಆಫ್ ಇಂಡಿಯನ್ ಮೈಕ್ರೋ ಸ್ಮಾಲ್ ಅಂಡ್ ಮೀಡಿಯಂ ಎಂಟರ್‌ಪ್ರೈಸಸ್), ನವದೆಹಲಿ ನೀಡಿರುವ ಐದು ಪ್ರಶಸ್ತಿಗಳು:
  - ಅತ್ಯುತ್ತಮ MSME ಖಾಸಗಿ ಬ್ಯಾಂಕ್ - ವಿಜೇತ

- ಅತ್ಯುತ್ತಮ MSME ಖಾಸಗಿ ಬ್ಯಾಂಕ್ - ವಿಜೇತ
- ಅತ್ಯುತ್ತಮ MSME ಸ್ನೇಹಿ ಖಾಸಗಿ ಬ್ಯಾಂಕ್ - ವಿಜೇತ
- ಅತ್ಯುತ್ತಮ ಬ್ರಾಂಡಿಂಗ್ ಖಾಸಗಿ ಬ್ಯಾಂಕ್ - ರನ್ನರ್‌ಅಪ್
- ಸಾಮಾಜಿಕ ಯೋಜನೆಗಳ ಉತ್ತೇಜನೆ- ಅತ್ಯುತ್ತಮ ಖಾಸಗಿ ಬ್ಯಾಂಕ್ - ರನ್ನರ್‌ಅಪ್
- ಕೋವಿಡ್ ಸಂಬಂಧಿತ ಸರಕಾರದ ಯೋಜನೆಗಳನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸುವ ಅತ್ಯುತ್ತಮ ಖಾಸಗಿ ಬ್ಯಾಂಕ್ - ವಿಜೇತ
- ಸಸ್ಟೇನಬಲ್ ಡೆವಲಪ್‌ಮೆಂಟ್ ಫೌಂಡೇಶನ್‌ನ '11ನೇ ಎಕ್ಸಿಡ್ ಔದ್ಯೋಗಿಕ ಆರೋಗ್ಯ ಸುರಕ್ಷತೆ ಮತ್ತು ಭದ್ರತೆ ಸಮ್ಮೇಳನ-2021' ರಲ್ಲಿ (11th Exceed Occupational Health Safety & Security Conference-2021) -ಬ್ಯಾಂಕಿಂಗ್ ವಲಯದಲ್ಲಿ ಸುರಕ್ಷತೆ ಮತ್ತು ಭದ್ರತೆಯಲ್ಲಿನ ಅತ್ಯುತ್ತಮ ಸಾಧನೆಗಾಗಿ ಪ್ರತಿಷ್ಠಿತ 'ಗೋಲ್ಡ್' ಪ್ರಶಸ್ತಿ.
- ASSOCHAM ನವದೆಹಲಿ ಸ್ಥಾಪಿಸಿದ 8ನೇ ಶ್ರೇಷ್ಠ MSMEs ಪ್ರಶಸ್ತಿ ಸಮಾರಂಭ ಮತ್ತು ಶೃಂಗಸಭೆಯಲ್ಲಿ ಖಾಸಗಿ ವಲಯದ ಬ್ಯಾಂಕ್‌ಗಳಲ್ಲಿ 'ವರ್ಷದ ಅತ್ಯುತ್ತಮ MSME ಬ್ಯಾಂಕರ್ ಪ್ರಶಸ್ತಿ' -ವಿಜೇತ.
- ಮುಂಬೈನ ವರ್ಲ್ಡ್ HRD ಕಾಂಗ್ರೆಸ್‌ನ ಎಂಪ್ಲಾಯರ್ ಬ್ರಾಂಡಿಂಗ್ ಪ್ರಶಸ್ತಿಗಳ 16ನೇ ಆವೃತ್ತಿಯಲ್ಲಿ 'ರಾಷ್ಟ್ರೀಯ ಅತ್ಯುತ್ತಮ ಎಂಪ್ಲಾಯರ್ ಬ್ರಾಂಡ್' ಪ್ರಶಸ್ತಿ.
- ಸ್ಟೇಟ್ ಫೋರಮ್ ಆಫ್ ಬ್ಯಾಂಕರ್ಸ್ ಕ್ಲಬ್ (ಕೇರಳ)ದ SFBC-ಬ್ಯಾಂಕಿಂಗ್ ಎಕ್ಸಲೆನ್ಸ್ ಅವಾರ್ಡ್ಸ್-2021'ರಲ್ಲಿ ಖಾಸಗಿ ವಲಯದ ಬ್ಯಾಂಕ್‌ಗಳಲ್ಲಿ ಕಾಣಾಗಾಡ್ ಶಾಖೆ 'ಕೇರಳ ರಾಜ್ಯದಲ್ಲಿ ಮೂರನೇ ಅತ್ಯುತ್ತಮ ಶಾಖೆ'ಯಾಗಿ ಆಯ್ಕೆ.

## IND-AS ಅನುಷ್ಠಾನ

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ (ಖಃಖ) ದಿನಾಂಕ 11ನೇ ಫೆಬ್ರವರಿ, 2017ರ ಸುತ್ತೋಲೆಯಲ್ಲಿನ ನೀಲನಕ್ಷೆಯ ಪ್ರಕಾರ, "ಇಂಡಿಯನ್ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ಸ್ (IND-AS)"ನ ಅನುಷ್ಠಾನವು ಬ್ಯಾಂಕ್‌ಗಳಲ್ಲಿ ಏಪ್ರಿಲ್ 1, 2018ರಲ್ಲಿ ಆರಂಭಗೊಳ್ಳುವ ಕುರಿತು ಉಲ್ಲೇಖಿಸಲಾಗಿತ್ತು. ಆದಾಗ್ಯೂ, ಆರ್‌ಬಿಐ IND-ASನ ಅನುಷ್ಠಾನವನ್ನು, ದಿನಾಂಕ 22ನೇ ಮಾರ್ಚ್ 2019ರ ಸುತ್ತೋಲೆ ಸಂ. ಡಿಬಿಆರ್.ಬಿಪಿ.ಬಿಸಿ. ಸಂ.29/21.07.001/ 2018-19 ಪ್ರಕಾರ ಮುಂದಿನ ಸೂಚನೆಯ ತನಕ ಮುಂದೂಡಿದೆ.

ಪ್ರಸ್ತುತ ಅಕೌಂಟಿಂಗ್ ಚೌಕಟ್ಟು ಮತ್ತು IND-AS ನಡುವಿನ ವಿವಿಧ ವ್ಯತ್ಯಾಸಗಳು ಮತ್ತು ಮಾಪನ, ಅಕೌಂಟಿಂಗ್, ವಿತ್ತೀಯ ಆಸ್ತಿಗಳು ಮತ್ತು ಹೊಣೆಗಾರಿಕೆಗಳ ಪ್ರಕಟಿಸುವಿಕೆ ಮತ್ತು ನಿಬಂಧನೆಗಳ ಅಗತ್ಯತೆಗಳ ಮೇಲೆ ಪರಿಣಾಮ ಹೊಂದಿರುವ ವಿವಿಧ ಕ್ಷೇತ್ರಗಳ ಕುರಿತು ಡಯಾಗ್ನೋಸ್ಟಿಕ್ ಅಧ್ಯಯನವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ನಡೆಸಿದೆ. ಇದಲ್ಲದೆ, IND-ASನ ಅಳವಡಿಕೆಗಾಗಿ ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೋಲ್ಯೂಶನ್ (ಅಃಖ) ಮತ್ತು ಬ್ಯಾಂಕ್‌ನ ಐಟಿ ವ್ಯವಸ್ಥೆಗಳಲ್ಲಿ ಅಗತ್ಯವಿರುವ ಬದಲಾವಣೆಗಳನ್ನು ಕೂಡಾ ಪರಿಶೀಲಿಸಲಾಗುತ್ತಿದೆ. ಆರ್‌ಬಿಐ ನಿಗದಿಪಡಿಸಿದಂತೆ, ಪ್ರೋಫಾರ್ಮಾ IND-AS ವಿತ್ತೀಯ ಹೇಳಿಕೆಗಳನ್ನು ಕಾಲಕಾಲಕ್ಕೆ ಬ್ಯಾಂಕ್ ಆರ್‌ಬಿಐಗೆ ಸಲ್ಲಿಸುತ್ತಿದೆ.

## ಲಾಭಾಂಶ ವಿತರಣಾ ನೀತಿ

ಸೆಬಿ (LODR) ನಿಬಂಧನೆಗಳು, 2015ರ ನಿಬಂಧನೆ 43ಯ ಅನುಸಾರವಾಗಿ ಷೇರುದಾರರಿಗೆ ಲಾಭಾಂಶ ವಿತರಿಸುವ ನೀತಿಯನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕ್‌ಅಳವಡಿಸಿಕೊಂಡಿದೆ. ನೀತಿಯ ಸಾರಾಂಶ ಈ ಕೆಳಗಿನಂತಿದೆ:

- ಬ್ಯಾಂಕಿಂಗ್ ಸಂಸ್ಥೆಯಾಗಿರುವುದರಿಂದ ಲಾಭಾಂಶ ವಿತರಣೆಯು, ದಿನಾಂಕ ಮೇ 05, 2005ರ ಆರ್‌ಬಿಐಯ ಸುತ್ತೋಲೆ ಡಿಬಿಒಡಿ.ಸಂ.ಬಿಪಿ. ಬಿಸಿ. 8821.02.67/2004-05 ರಲ್ಲಿ 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, ಹಣಕಾಸು ಕಾರ್ಯನಿರ್ವಹಣೆ, ಭವಿಷ್ಯದ ಉದ್ಯಮ ಪ್ರಗತಿಗೆ ಬಂಡವಾಳ ನಿಧಿಯ ಅಗತ್ಯತೆ, ಮೇಲೆ ಹೇಳಿದ ಆರ್‌ಬಿಐ ಮಾರ್ಗಸೂಚಿಗಳ ಅಡಿಯಲ್ಲಿ ಶಿಫಾರಸು ಮಾಡಬಹುದಾದ ಲಾಭಾಂಶ-ಪಾವತಿ ಅನುಪಾತದ ಪರಿಗಣನೆ ಇತ್ಯಾದಿ ಅಂಶಗಳು ಪ್ರಮುಖವಾಗಿವೆ.

ಬ್ಯಾಂಕಿನ ಡಿವಿಡೆಂಡ್ ವಿತರಣಾ ನೀತಿಯು ಬ್ಯಾಂಕಿನ ವೆಬ್‌ಸೈಟ್ <<https://karnatakabank.com/investor-portal/corporate-governance>> ನಲ್ಲಿ ಲಭ್ಯವಿದೆ. ಈ ಮೊದಲೇ ವಿವರಿಸಿದಂತೆ, ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿರ್ದೇಶನಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು 2021-22 ಹಣಕಾಸು ವರ್ಷದ ಲಾಭದಿಂದ, ಲಾಭಾಂಶವನ್ನು ವಿತರಣೆ ಮಾಡಲು ಶಿಫಾರಸು ಮಾಡಿದೆ.

## 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 2021-22ರ ಆರ್ಥಿಕ ವರ್ಷದ ಬ್ಯಾಂಕಿನವಾರ್ಷಿಕ ರಿಟರ್ನ್(ನಮೂನೆ MGT-7ರಲ್ಲಿ) ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣ <https://karnatakabank.com/investor-portal/corporate-governance> ದಲ್ಲಿ ಲಭ್ಯವಿದೆ.

## ಏಕೀಕೃತ ಹಣಕಾಸು ವರದಿಗಳು

ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013 ರ ಸೆಕ್ಷನ್ 129(3) ನಿಬಂಧನೆಗಳಿಗೆ ಅನುಗುಣವಾಗಿ ಮತ್ತು ಅಕೌಂಟಿಂಗ್ ಸ್ಟ್ಯಾಂಡರ್ಡ್‌(‘AS’)-21 ನಿಬಂಧನೆಗಳಿಗೆ ಅನುಸಾರವಾಗಿ, ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013ರ ಸೆಕ್ಷನ್ 133, ಕಂಪನಿಗಳ (ಅಕೌಂಟ್ಸ್) ನಿಯಮಗಳು, 2014 ರ ನಿಯಮ 7ರ ಪ್ರಕಾರ ಮಾರ್ಚ್ 31, 2022ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷದ ಏಕೀಕೃತ ಹಣಕಾಸು ವರದಿಯನ್ನು (ಬ್ಯಾಂಕಿನ ಮತ್ತು ಅದರ ಅಂಗಸಂಸ್ಥೆಯಾದ KBL Services Ltd ಒಳಗೊಂಡಂತೆ) ವಾರ್ಷಿಕ ವರದಿಯ ಭಾಗವಾಗಿ ನೀಡಲಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಅಂಗಸಂಸ್ಥೆಯ ಆರ್ಥಿಕ ಸ್ಥಿತಿ ಮತ್ತು ಕಾರ್ಯಕ್ಷಮತೆಯನ್ನು ಂಜಿಅ-1 ನಮೂನೆಯಲ್ಲಿ ಈ ವರದಿಗೆ ಲಗತ್ತಿಸಲಾದ ಅನುಬಂಧ-3 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> ದಲ್ಲಿ ಪ್ರಕಟಿಸಲಾಗಿದೆ. ಹಾಗೂ ಈ ವಿಭಾಗದ 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 ಬಾಂಧವ್ಯವರ್ಧನಾ ವಿಭಾಗ

ಹೂಡಿಕೆದಾರರೊಂದಿಗೆ ನಿರಂತರ ಸಂಪರ್ಕವನ್ನು ಕಾಯ್ದುಕೊಳ್ಳಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪ್ರಧಾನ ಕಚೇರಿಯಲ್ಲಿ ಪ್ರತ್ಯೇಕ ಹೂಡಿಕೆದಾರರ ಬಾಂಧವ್ಯವರ್ಧನಾ ವಿಭಾಗವನ್ನು ಹೊಂದಿದೆ. ಹೂಡಿಕೆದಾರರ ಕುಂದುಕೊರತೆಗಳನ್ನು ಪರಿಹರಿಸುವುದರ ಜೊತೆಗೆ, ಬ್ಯಾಂಕಿನ ಹಣಕಾಸಿನ ಫಲಿತಾಂಶಗಳು, ಪ್ರಮುಖ ವಿದ್ಯಮಾನಗಳು, ಮಾಧ್ಯಮಗಳಲ್ಲಿ ಬ್ಯಾಂಕ್ ಬಗ್ಗೆ ಪ್ರಕಟವಾದ ಲೇಖನಗಳು ಇತ್ಯಾದಿಗಳನ್ನು ಸ್ವಯಂಪ್ರೇರಿತ ಆಧಾರದ ಮೇಲೆ ಷೇರುದಾರರಿಗೆ ಇಮೇಲ್ ಮೂಲಕ (ಲಭ್ಯವಿರುವೆಲ್ಲೆಡೆ) ಕಳುಹಿಸುವ ಕಾರ್ಯವನ್ನು ನಿರ್ವಹಿಸುತ್ತಿದೆ.

## ನಿರ್ದೇಶಕರು ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯಲ್ಲಿನ ಬದಲಾವಣೆಗಳು

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಮಾರ್ಚ್ 31, 2022ಕ್ಕೆ ಇಬ್ಬರು ಮಹಿಳಾ ಸ್ವತಂತ್ರ-ನಿರ್ದೇಶಕರು ಸೇರಿದಂತೆ ಒಟ್ಟು ಒಂಭತ್ತು ನಿರ್ದೇಶಕರನ್ನು ಹೊಂದಿದೆ. ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ. ಎಸ್., ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಸಿಇಒ ಮತ್ತು ಶ್ರೀ ಬಿ. ಆರ್. ಅಶೋಕ್, ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ನಿರ್ದೇಶಕರು ಇವರ ಹೊರತಾಗಿ ಉಳಿದ ಎಲ್ಲಾ ನಿರ್ದೇಶಕರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿರುತ್ತಾರೆ. ನಿರ್ದೇಶಕರ ನೇಮಕಾತಿ ಮತ್ತು ಅವರಿಗೆ ನೀಡಲಾಗುವ ಸಂಭಾವನೆಯ ಮಾನದಂಡಗಳ ವಿವರಗಳನ್ನು ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ (ಅನುಬಂಧ-4) ನೀಡಲಾಗಿದೆ.

ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯಿದೆ, 1949/ ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ಪ್ರಕಾರ, ಶ್ರೀ ಡಿ. ಸುರೇಂದ್ರ ಕುಮಾರ್ ಮತ್ತು ಶ್ರೀ ರಾಮಮೋಹನ್ ರಾವ್ ಬೆಳ್ಳೆ, ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು, ವರದಿ ವರ್ಷದಲ್ಲಿ ತಮ್ಮ ಅಧಿಕಾರಾವಧಿಯನ್ನು ಪೂರ್ಣಗೊಳಿಸಿ ಕ್ರಮವಾಗಿ ಮೇ 30, 2021 ಮತ್ತು ಅಕ್ಟೋಬರ್ 20, 2021ರಂದು ನಿವೃತ್ತರಾಗಿರುತ್ತಾರೆ. ಇದಲ್ಲದೆ, ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್ ಅವರು ನವೆಂಬರ್ 13, 2021 ರಂದು ತಮ್ಮ ಅಧಿಕಾರಾವಧಿಯನ್ನು ಪೂರ್ಣಗೊಳಿಸಿ ಅರೆಕಾಲಿಕ ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷರ ಹುದ್ದೆಯಿಂದ ನಿವೃತ್ತರಾಗಿರುತ್ತಾರೆ. ತಮ್ಮ ಅಧಿಕಾರಾವಧಿಯಲ್ಲಿ ಈ ಮೇಲೆ ಹೇಳಿದ ನಿರ್ದೇಶಕರು ನೀಡಿದ ಅಮೂಲ್ಯ ಕೊಡುಗೆಗಳು ಮತ್ತು ಮಾರ್ಗದರ್ಶನಕ್ಕಾಗಿ ಮಂಡಳಿಯು ತನ್ನ ಮೆಚ್ಚುಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತದೆ. ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್‌ರವರು ಸುಮಾರು ಐದು ದಶಕಗಳ ಕಾಲ ಬ್ಯಾಂಕಿನ ಸೇವೆಯಲ್ಲಿ ತೊಡಗಿಸಿಕೊಂಡು ಬ್ಯಾಂಕಿನ ಅಭಿವೃದ್ಧಿಗೆ ವಿಶೇಷ ಕೊಡುಗೆ ನೀಡಿದ್ದಾರೆ ಎಂಬುದು ಗಮನಾರ್ಹ.

ಶ್ರೀ ಪಿ. ಪ್ರದೀಪ್ ಕುಮಾರ್ ಅವರು ನೂತನ ಅರೆಕಾಲಿಕ ಅಧ್ಯಕ್ಷರಾಗಿ ನವೆಂಬರ್ 14, 2021ರಂದು ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್‌ನ ಅನುಮೋದನೆಯ ಪ್ರಕಾರ ಅಧಿಕಾರ ವಹಿಸಿಕೊಂಡಿರುತ್ತಾರೆ.

ಇದಲ್ಲದೆ, ಡಾ. ಡಿ. ಎಸ್. ರವೀಂದ್ರನ್ ಮತ್ತು ಶ್ರೀ ಬಾಲಕೃಷ್ಣ ಅಲ್ಲೆ ಎಸ್. ಅವರನ್ನು ಹೆಚ್ಚುವರಿ (ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ, ಸ್ವತಂತ್ರ) ನಿರ್ದೇಶಕರನ್ನಾಗಿ ಕ್ರಮವಾಗಿ ಏಪ್ರಿಲ್ 01, 2021 ಮತ್ತು ಮೇ 26, 2021 ರಂದು ನೇಮಕ ಮಾಡಲಾಗಿದೆ. ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿ ಅವರ ನೇಮಕಾತಿಯನ್ನು ಷೇರುದಾರರು ಸೆಪ್ಟೆಂಬರ್ 02, 2021 ರಂದು ನಡೆದ 97ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಅನುಮೋದಿಸಿರುತ್ತಾರೆ. ಅಂತೆಯೇ ಶ್ರೀ ಜೀವನ್‌ದಾಸ್ ನಾರಾಯಣ್ ಹಾಗೂ ಶ್ರೀ ಕಲ್ಮಂಜಿ ಗುರುರಾಜ ಆಚಾರ್ಯ ಅವರನ್ನು ಹೆಚ್ಚುವರಿ (ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ, ಸ್ವತಂತ್ರ) ನಿರ್ದೇಶಕರಾಗಿ 26.4.2022ರಂದು ನೇಮಕ ಮಾಡಲಾಗಿದ್ದು ಈ ನೇಮಕಾತಿಗೆ ಷೇರುದಾರರ ಅನುಮೋದನೆಯನ್ನು ಜೂನ್ 2, 2022ರಂದು ಅಂಚೆ ಮತಪತ್ರದ (ಇ-ಮತದಾನ) ಮೂಲಕ ಪಡೆಯಲಾಗಿದೆ.

ಕಂಪನಿಗಳ ಕಾಯಿದೆ, 2013 ರ ಸೆಕ್ಷನ್ 152 (6) ರಲ್ಲಿ ಹೇಳಿರುವ 'ಸರದಿಯ ಪ್ರಕಾರ ನಿವೃತ್ತಿ'ಯ ನಿಯಮದ ಅನುಸಾರ ಬ್ಯಾಂಕಿನ ಕಾರ್ಯನಿರ್ವಹಣಾಕೇತರ ನಿರ್ದೇಶಕರಾದ, ಶ್ರೀ ಬಿ. ಆರ್. ಅಶೋಕ್ ಅವರು ಮುಂಬರುವ ಸಾಮಾನ್ಯಸಭೆಯಲ್ಲಿ ನಿವೃತ್ತರಾಗಲಿದ್ದು, ಅವರು ಮರುನೇಮಕಾತಿಗೆ ಅರ್ಹರಾಗಿದ್ದು, ಮರುನೇಮಕಾತಿಗೆ ಅವರ ಲಭ್ಯತೆಯನ್ನು ತಿಳಿಯಪಡಿಸಿರುತ್ತಾರೆ. ಅದರಂತೆ, ಅವರ ಮರುನೇಮಕಾತಿಗೆ ಷೇರುದಾರರ ಅನುಮೋದನೆ ಕೋರುವ ನಿರ್ಣಯವನ್ನು 98ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ನೋಟೀಸ್‌ನಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 149(6)ರ ನಿಬಂಧನೆಗಳ ಅನ್ವಯ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಿಂದ, ಅವರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಿ ಮುಂದುವರೆಯಲು ಸೂಕ್ತ ಅರ್ಹತೆ ಹೊಂದಿರುವ ಬಗ್ಗೆ ಅಗತ್ಯ ದೃಢೀಕರಣವನ್ನು 31ನೇ ಮಾರ್ಚ್, 2022ರ ವೇಳೆಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪಡೆದುಕೊಂಡಿದೆ.

### ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಮುಖ್ಯ ಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿಗಳು (MD & CEO)

ಬ್ಯಾಂಕಿನ ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಸಿಇಒ ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ. ಎಸ್. ಅವರನ್ನು ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯಿದೆ, 1949, ಸೆಕ್ಷನ್ 35 ಪ್ರಕಾರ ಆರ್‌ಬಿಐ ಅನುಮೋದನೆಯೊಂದಿಗೆ, ಏಪ್ರಿಲ್ 15, 2020 ರಿಂದ ಮೂರು ವರ್ಷಗಳ ಅವಧಿಗೆ ಅಂದರೆ ಏಪ್ರಿಲ್ 14, 2023 ರ ವರೆಗೆ ಮರು ನೇಮಕಾತಿ ಮಾಡಲಾಗಿದೆ.

### ಮಂಡಳಿಯ ಕಾರ್ಯಕ್ರಮತೆಯ ಮೌಲ್ಯಮಾಪನ

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು, ಅದರ ಸದಸ್ಯರ, ಕಾರ್ಯನಿರ್ವಹಣಾಕೇತರ ಅಧ್ಯಕ್ಷರ, ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕ ಮತ್ತು ಮುಖ್ಯ ಕಾರ್ಯನಿರ್ವಹಣಾಧಿಕಾರಿಗಳ ಮತ್ತು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಕಾರ್ಯಕ್ರಮತೆ ಹಾಗೂ ಮೌಲ್ಯಮಾಪನ ಪ್ರಕ್ರಿಯೆಗೆ ಬ್ಯಾಂಕ್ ಮಾನದಂಡಗಳನ್ನು ನಿಗದಿಪಡಿಸಿದೆ. ಅದರಂತೆ ನಿರ್ದೇಶಕರ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಮತ್ತು ಅದರ ಸಮಿತಿಗಳ ಮೌಲ್ಯಮಾಪನ ಮಾಡಿ ಈ ಕುರಿತು ನೀಡಿದ ಹೇಳಿಕೆಯನ್ನು ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ (ಅನುಬಂಧ-4) ನೀಡಲಾಗಿದೆ. ಇದರಂತೆ, ಮಾರ್ಚ್ 13, 2022ರಂದು ನಡೆದ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರ ಸಭೆಯಲ್ಲಿ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಕಾರ್ಯಕ್ರಮತೆಯನ್ನು ಪರಿಶೀಲಿಸಿ ಮೌಲ್ಯಮಾಪನಗೈಯಲಾಗಿದೆ. ಅಲ್ಲದೆ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯು ಮಾರ್ಚ್ 13, 2022ರಂದು ನಡೆಸಿದ ತನ್ನ ಸಭೆಯಲ್ಲಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಮತ್ತು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರ ಕಾರ್ಯನಿರ್ವಹಣೆಯ ಬಗ್ಗೆಯೂ ಮೌಲ್ಯಮಾಪನ ನಡೆಸಿದೆ.

### ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳೊಂದಿಗೆ ಗುತ್ತಿಗೆ ಮತ್ತು ವ್ಯವಹಾರಗಳು (Related Party Transactions)

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಎಲ್ಲಾ ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳೊಂದಿಗೆ ನಡೆದ ವಹಿವಾಟುಗಳು, ಸಾಮಾನ್ಯ ವ್ಯಾವಹಾರಿಕ ನೆಲೆಯಲ್ಲಿದ್ದು, ಅವುಗಳು ಸಂಬಂಧಿಸಿದ ವ್ಯಕ್ತಿಗಳಿಂದ ನಿರ್ದಿಷ್ಟ ಅಂತರವನ್ನು ಕಾಪಾಡಿಕೊಂಡು ಬರುವ ನೀತಿಯ ತಳಹದಿಯಲ್ಲಿರುತ್ತವೆ. ಸದ್ರಿ ಅವಧಿಯಲ್ಲಿ ಬ್ಯಾಂಕ್ ತನ್ನ ನಿರ್ದೇಶಕರೊಂದಿಗಾಗಲೀ, ತನ್ನ ಪ್ರಮುಖ ಆಡಳಿತಾತ್ಮಕ ಹೊಣೆ ಹೊತ್ತಿರುವ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಾಗಲೀ ಅಥವಾ ಇನ್ನಿತರೆ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಾಗಲೀ ನಡೆಸಿದ ವಹಿವಾಟುಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಹಿತಾಸಕ್ತಿಗೆ ಸಂಭಾವ್ಯ ವಿರೋಧವಾಗಬಲ್ಲ ಯಾವುದೇ ಅಂಶಗಳು ಇಲ್ಲದೇ ಇರುವುದರಿಂದ ನಮೂನೆ ಎಒಸಿ-2ರ (AOC-2) 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) ನಿಯಮ 2014ರ ನಿಯಮ 8ರ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಿಳಿಸುವುದೇನೆಂದರೆ:

- (ಎ) ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸುವಲ್ಲಿ, ಸೂಕ್ತವಾದ 'ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ಸ್' ಬಳಕೆ ಮಾಡಿಕೊಂಡಿದ್ದು, ಗಮನಾರ್ಹ ವ್ಯತ್ಯಾಸಗಳು ಇದ್ದಪಕ್ಷದಲ್ಲಿ ಸೂಕ್ತ ವಿಶ್ಲೇಷಣೆಗಳನ್ನು, ಆವಶ್ಯಕ ವಿವರಗಳನ್ನು ಸಲ್ಲಿಸಲಾಗಿದೆ.
- (ಬಿ) ನಿರ್ದೇಶಕರು ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ನೀತಿಗಳನ್ನು ಅಂಗೀಕರಿಸಿದ್ದು, ಅವುಗಳನ್ನು ನಿಖರವಾಗಿ ಪ್ರಯೋಗಿಸಿ, ಅಂದಾಜು ಮತ್ತು ತೀರ್ಪುಗಳನ್ನು ಸೂಕ್ತವಾಗಿ ವಿಮರ್ಶಿಸಿ ಸಕಾರಣವಾಗಿದೆ ಎಂದು ತಿಳಿದು, 31ನೇ ಮಾರ್ಚ್ 2022ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿ ಮತ್ತು ಲಾಭ ನಷ್ಟಗಳಲ್ಲಿ ಸತ್ಯ ಮತ್ತು ನೈಜ ಚಿತ್ರಣವನ್ನು ನೀಡುವಲ್ಲಿ ಆದ್ಯಗಮನ ಹರಿಸಿರುತ್ತಾರೆ.
- (ಸಿ) ನಿರ್ದೇಶಕರು, ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯನ್ನು ಸುಸ್ಥಿರವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುವಲ್ಲಿ ವಂಚನೆ ಹಾಗೂ ನಿಯಮಬಾಹಿರತೆಯ ಮುಕ್ತ ಕುರಿತು ಸಾಕಷ್ಟು ಎಚ್ಚರವಹಿಸಿ ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ಅನುಸಾರವಾಗಿ ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ದಾಖಲೆಗಳನ್ನು ನಿರ್ವಹಣೆ ಮಾಡಿರುತ್ತಾರೆ.
- (ಡಿ) ನಿರ್ದೇಶಕರು ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು 'ಗೋಯಿಂಗ್ ಕನ್ಸರ್ನ್' ತಳಹದಿಯಲ್ಲಿ ರಚಿಸಿರುತ್ತಾರೆ.
- (ಇ) ಬ್ಯಾಂಕ್ ಅನುಸರಿಸಿಕೊಂಡು ಬರುತ್ತಿರುವ ಆಂತರಿಕ ಆರ್ಥಿಕತೆ ನಿಯಂತ್ರಣಗಳನ್ನು ನಿರ್ದೇಶಕರು ನಿಗದಿಪಡಿಸಿದ್ದು, ಈ ನಿಯಂತ್ರಣಗಳು ಸಮರ್ಪಕವಾಗಿದ್ದು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿರ್ವಹಿಸಲ್ಪಡುತ್ತಿದೆ.
- (ಎಫ್) ನಿರ್ದೇಶಕರು ಬ್ಯಾಂಕಿಗೆ ಸಂಬಂಧಪಟ್ಟ ಕಾನೂನುಗಳ ಪಾಲನೆಗೆ ಸೂಕ್ತ ವ್ಯವಸ್ಥೆಯನ್ನು ಸಂಯೋಜಿಸಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆಯು ಸೂಕ್ತವಾಗಿ, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.

## ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ಸೆಕ್ಷನ್ 134(3) ಮತ್ತು ಕಂಪನಿಗಳ (ಅಕೌಂಟ್ಸ್) ನಿಯಮಗಳು 2014ರ ಅನ್ವಯ ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

- ಎ) ಶಕ್ತಿಯ ಸಂರಕ್ಷಣೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆಯ ಅಳವಡಿಕೆ: ಬ್ಯಾಂಕ್‌ನ ವ್ಯವಹಾರ ಸ್ವರೂಪದ ದೃಷ್ಟಿಯಿಂದ ಶಕ್ತಿಯ ಬಳಕೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ ಕುರಿತಾದ ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ಸೆಕ್ಷನ್ 134(3) ಬ್ಯಾಂಕ್‌ಗೆ ಅನ್ವಯಿಸುವುದಿಲ್ಲ. ಆದಾಗ್ಯೂ ಬ್ಯಾಂಕ್ ತನ್ನ ಚಟುವಟಿಕೆಯ ಎಲ್ಲಾ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ವಿಷಯ ಬಳಕೆ ಮಾಡುತ್ತಿದೆ. ಇದಲ್ಲದೆ, ನವೀಕರಿಸಬಹುದಾದ ಶಕ್ತಿಯ ಮೂಲಗಳನ್ನು ಉತ್ತೇಜಿಸಲು, ಬ್ಯಾಂಕ್ ಪ್ರಧಾನ ಕಛೇರಿ, ಕೆಲವು ಪ್ರಾದೇಶಿಕ ಕಛೇರಿಗಳು ಮತ್ತು ಬ್ಯಾಂಕ್‌ನ ಇತರ ಕಟ್ಟಡಗಳಲ್ಲಿ ಸೌರವಿದ್ಯುತ್‌ನ್ನು ವ್ಯಾಪಕವಾಗಿ ಬಳಸಿಕೊಳ್ಳುತ್ತಿದೆ.
- ಬಿ) ವಿದೇಶಿ ವಿನಿಮಯ ಗಳಿಕೆ ಮತ್ತು ಹೊರಹರಿವು: ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2022ಕ್ಕೆ ಬ್ಯಾಂಕ್ ವಿದೇಶಿ ಕರೆನ್ಸಿ ರೂಪದಲ್ಲಿ ರೂ.1.36 ಕೋಟಿ ಗಳಿಕೆ ಮತ್ತು ರೂ. 1.74ಕೋಟಿ ವ್ಯಯ ದಾಖಲಾಗಿರುತ್ತದೆ.
- ಸಿ) ಬ್ಯಾಂಕ್‌ನ ಭವಿಷ್ಯದ ವಹಿವಾಟಿಗೆ ತಡೆಯಾಗಬಲ್ಲ ಯಾವುದೇ ಲಿಖಿತ ರೂಪದ ಆಜ್ಞೆಗಳು/ ವಿಧೇಯಕಗಳು ಯಾವುದೇ ನಿಯಂತ್ರಕರ ಕಚೇರಿಗಳಿಂದ, ಕೋರ್ಟ್‌ಗಳಿಂದ ಬಂದಿರುವುದಿಲ್ಲ.
- ಡಿ) 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.
- ಇ) ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ಸಿಬ್ಬಂದಿವರ್ಗ (KMPs): ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ನಿಬಂಧನೆಗಳ ಅನುಸಾರವಾಗಿ ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ. ಎಸ್., ಎಂಡಿ ಮತ್ತು ಸಿಇಒ, ಶ್ರೀ ಮುರಳೀಧರ ಕೃಷ್ಣ ರಾವ್, ಸಿಎಫ್‌ಒ ಮತ್ತು ಶ್ರೀ ಪ್ರಸನ್ನ ಪಾಟೀಲ್, ಬ್ಯಾಂಕ್‌ನ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ ಇವರು 31ನೇ ಮಾರ್ಚ್ 2022ಕ್ಕೆ ಬ್ಯಾಂಕ್‌ನ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳಾಗಿದ್ದಾರೆ. ಈ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳಲ್ಲಿ ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಯಾರೊಬ್ಬರೂ ರಾಜೀನಾಮೆ ನೀಡಿರುವುದಿಲ್ಲ.  
ಶ್ರೀ ಮುರಳೀಧರ ಕೃಷ್ಣ ರಾವ್, ಬ್ಯಾಂಕ್‌ನ ಮುಖ್ಯಹಣಕಾಸು ಅಧಿಕಾರಿಯವರು ಫೆಬ್ರವರಿ 28, 2022 ರಂದು ನಿವೃತ್ತಿ ಹೊಂದಿ, ಬಳಿಕ ಮಾರ್ಚ್ 1, 2022ರಿಂದ ಒಪ್ಪಂದದ ಆಧಾರದ (on contract basis) ಮೇಲೆ ತಮ್ಮ ಸ್ಥಾನದಲ್ಲಿ ಮುಂದುವರಿದಿರುತ್ತಾರೆ. ಜೂನ್ 01, 2022 ರಂದು, ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ- ಶ್ರೀ ಪ್ರಸನ್ನ ಪಾಟೀಲ್ ಅವರು ವೃತ್ತಿ ಜೀವನದ ಬ್ಯಾಂಕೇತರ ಹೊಸ ಅವಕಾಶಗಳ ಅನ್ವೇಷಣೆಯ ದೃಷ್ಟಿಯಿಂದ ತಮ್ಮ ಸ್ಥಾನಕ್ಕೆ ರಾಜೀನಾಮೆಯನ್ನು ಸಲ್ಲಿಸಿದ್ದು ಜೂನ್ 27, 2022ರ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಭೆಯಲ್ಲಿ ಅವರ ರಾಜೀನಾಮೆಯನ್ನು ಅಂಗೀಕರಿಸಲಾಗಿದ್ದು, ಶ್ರೀ ಪ್ರಸನ್ನ ಪಾಟೀಲ್ ಅವರು ಆಗಸ್ಟ್ 31 2022 ರವರೆಗೆ ಬ್ಯಾಂಕಿನ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿಯಾಗಿ ಮುಂದುವರಿಯಲಿದ್ದಾರೆ.
- ಎಫ್) ನಿರ್ದೇಶಕರ ಸಂಭಾವನೆ: ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013, ಸೆಕ್ಷನ್ 197(12) ಮತ್ತು ಕಂಪನಿ (ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ) ನಿಯಮಗಳು 2014ರ ನಿಯಮಗಳ ಪ್ರಕಾರ ಪ್ರಕಟಿಸಬೇಕಾಗಿರುವ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ-7 ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕಿನಲ್ಲಿ ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ. ಎಸ್., ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು ಸಿಇಒ ಇವರು ಏಕೈಕ ಪೂರ್ಣಕಾಲಿಕ ನಿರ್ದೇಶಕರಾಗಿದ್ದು ಅವರಿಗೆ ಪಾವತಿಸಿದ ಸಂಭಾವನೆಯ ವಿವರಗಳನ್ನು ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ವರದಿಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ಕಂಪನಿ ಕಾಯಿದೆಯ ಸೆಕ್ಷನ್ 197(12) ಮತ್ತು ಕಂಪನಿಗಳ ನಿಯಮಗಳು (ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ ವ್ಯವಸ್ಥಾಪಕ ಸಿಬ್ಬಂದಿ ಸಂಭಾವನೆಯ ನಿಯಮಗಳು), 2014ರ ನಿಯಮ 5(2), 5(3) ರ ಪ್ರಕಾರ, ಸಂಭಾವನೆಯ ನೆಲೆಯಲ್ಲಿ ಮೊದಲ ಹತ್ತು ಉದ್ಯೋಗಿಗಳ ಹೆಸರು ಮತ್ತು ಇತರ ವಿವರಗಳ ಹೇಳಿಕೆಯು ಈ ವಾರ್ಷಿಕ ವರದಿಯ ಭಾಗವಾಗಿದೆ. ಕಂಪನಿ ಕಾಯಿದೆಯ ಸೆಕ್ಷನ್ 136(1)ರ ಅನುಸಾರ, ವಾರ್ಷಿಕ ವರದಿಯನ್ನು (ಮೇಲಿನ ಮಾಹಿತಿಯನ್ನು ಹೊರತುಪಡಿಸಿ), ಬ್ಯಾಂಕಿನ ಸದಸ್ಯರಿಗೆ ಕಳುಹಿಸಲಾಗುತ್ತಿದೆ. ಈ ಮಾಹಿತಿಯು ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯ ದಿನಾಂಕದವರೆಗೆ (ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರದ ಸಮಯದಲ್ಲಿ) ಬ್ಯಾಂಕಿನ ನೋಂದಾಯಿತ ಕಛೇರಿಯಲ್ಲಿ ಸದಸ್ಯರ ಪರಿಶೀಲನೆಗೆ ಲಭ್ಯವಿರುತ್ತದೆ. ಆಸಕ್ತ ಸದಸ್ಯರು ಅದರ ಯಥಾಪ್ರತಿಯನ್ನು ಪಡೆಯಲು ಬಯಸಿದಲ್ಲಿ ಇ-ಮೇಲ್ ಮುಖಾಂತರ [investor.grievance@ktkbank.com](mailto:investor.grievance@ktkbank.com) ನ್ನು ಸಂಪರ್ಕಿಸಬಹುದು..
- ಜಿ) ಬ್ಯಾಂಕಿನ ಹಣಕಾಸು ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕ ಮತ್ತು ಈ ವರದಿಯ ದಿನಾಂಕದ ನಡುವಿನ ಅವಧಿಯಲ್ಲಿ, ಬ್ಯಾಂಕಿನ ಆರ್ಥಿಕ ಸ್ಥಿತಿಯ ಮೇಲೆ ವ್ಯತಿರಿಕ್ತ ಪರಿಣಾಮ ಬೀರುವ ಯಾವುದೇ ಮಹತ್ವದ ಬದಲಾವಣೆಗಳಾಗಿರುವುದಿಲ್ಲ.
- ಎಚ್) ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕ್ ಸೆಕ್ಷನ್ 186ರ ವ್ಯಾಪ್ತಿಗೆ ಬರುವ ಯಾವುದೇ ಸಾಲಗಳು, ಖಾತರಿಗಳು ಅಥವಾ ಹೂಡಿಕೆಗಳನ್ನು ಹೊಂದಿರುವುದಿಲ್ಲ.
- ಐ) ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರದ ಸ್ವರೂಪದಲ್ಲಿ ಯಾವುದೇ ಬದಲಾವಣೆಗಳು ಆಗಿರುವುದಿಲ್ಲ.

## ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಭೆಗಳು

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಒಟ್ಟು 17 ಬಾರಿ ಸಭೆ ಜರಗಿಸಿದ್ದು, ವಿವರಗಳನ್ನು ಈ ವರದಿಯೊಂದಿಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

## ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳು

ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು 9 ಸಮಿತಿಗಳನ್ನು ಹೊಂದಿದ್ದು ಇವು ಅತ್ಯುತ್ತಮ ಕಾರ್ಯಕ್ಷಮತೆಗಾಗಿ ಮತ್ತು ಅನ್ವಯಿಸುವ ಕಾನೂನು ಅಗತ್ಯಗಳ ಪರಿಪಾಲನೆಗಾಗಿ ರಚಿಸಲ್ಪಟ್ಟಿವೆ. ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆ ಮತ್ತು ಸಮಿತಿಗಳ ಸಭೆಯ ವಿವರಗಳು, ಅವುಗಳ ಸಂಯೋಜನೆ (31 ಮಾರ್ಚ್ 2022 ರಂತೆ), ಅಧಿಕಾರ, ಪಾತ್ರ ಇತ್ಯಾದಿಗಳನ್ನು ಈ ವರದಿಯೊಂದಿಗೆ ಲಗತ್ತಿಸಲಾಗಿರುವ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತದ ವರದಿ ಅನುಬಂಧ-4ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಅದಲ್ಲದೆ, ದಿನಾಂಕ 26 ಏಪ್ರಿಲ್ 2021ರ ಆರ್‌ಬಿಐ ಸುತ್ತೋಲೆ DOR.GOV.REC.8/29.67.001/2021-22 (ಬ್ಯಾಂಕಿನಲ್ಲಿ ಸಾಂಸ್ಥಿಕ ಆಡಳಿತ- ನಿರ್ದೇಶಕರ ನೇಮಕ ಮತ್ತು ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ರಚನೆ) ಅನುಸಾರ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಈಗಾಗಲೇ ತನ್ನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳನ್ನು ಪುನರ್‌ರಚಿಸಿದೆ.

## ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಅತ್ಯುತ್ತಮ ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತವನ್ನು ಪಾಲಿಸಲು ಬದ್ಧವಾಗಿದ್ದು ತನ್ಮೂಲಕ ಬ್ಯಾಂಕ್‌ನ ಸರ್ವ 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 -4 ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

## ಸಮಗ್ರ ವರದಿ (Integrated Reporting)

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸ್ವಯಂಪ್ರೇರಿತ ಆಧಾರದ ಮೇಲೆ ಸಿದ್ಧಪಡಿಸಿದ ಸಮಗ್ರ ವರದಿಯನ್ನು ಬ್ಯಾಂಕಿನ ವೆಬ್‌ಸೈಟ್‌ನಲ್ಲಿ ಹೂಡಿಕೆದಾರರ ಪೋರ್ಟಲ್‌ನಲ್ಲಿ ನೀಡಲಾಗಿದೆ ([www.karnatakabank.com](http://www.karnatakabank.com)>Investor Portal> Annual General Meeting>FY2021-22).

## ಜವಾಬ್ದಾರಿಯುತ ವ್ಯವಹಾರದ ವರದಿ:

ಪರಿಸರ, ಸಾಮಾಜಿಕ ಮತ್ತು ಆಡಳಿತ (ESG) ತತ್ವಗಳಿಗೆ ಸಂಬಂಧಿಸಿದಂತೆ ಉತ್ತಮ ಅಭ್ಯಾಸಗಳನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವ ವಿವಿಧ ನೀತಿಗಳನ್ನು ಬ್ಯಾಂಕ್ ಅಳವಡಿಸಿಕೊಂಡಿದೆ. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ, ಸೆಬಿ (LODR), 2015 ನಿಯಮ 34 (2) (ಎಫ್) ಮತ್ತು ನವೆಂಬರ್ 4, 2015 ಸೆಬಿ ಹೊರಡಿಸಿದ ಸುತ್ತೋಲೆ CIR/CFD/CMD/10/2015 ಅಡಿಯಲ್ಲಿ ನೀಡಿರುವ ನಮೂನೆಗೆ ಅನುಗುಣವಾಗಿ ಬ್ಯಾಂಕ್‌ನ 2021-22 ಹಣಕಾಸು ವರ್ಷದ ವರದಿಯನ್ನು (BRR) ಅನುಬಂಧ-8 ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

## ಲೆಕ್ಕಪರಿಶೋಧಕರು

### ಎ. ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರು

ಸೆಪ್ಟೆಂಬರ್ 2, 2021 ರಂದು ನಡೆದ 97ನೇ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ, ಮೆ. ಸುಂದರಂ ಅಂಡ್ ಶ್ರೀನಿವಾಸನ್, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ (ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ 0042075), ಹೊಸ ನಂ. 4, ಹಳೆಯ ಸಂಖ್ಯೆ 23, ಸಿಬಿ ರಾಮಸ್ವಾಮಿ ರಸ್ತೆ, ಅಲ್ಪಾರಪೇಟೆ, ಚೆನ್ನೈ-600018 ಮತ್ತು ಮೆ. ಕಲ್ಯಾಣಿವಾಲಾ ಅಂಡ್ ಮಿಸ್ಟ್ರಿ ಎಲ್‌ಎಲ್‌ಪಿ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, (ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ/ ಎಲ್‌ಎಲ್‌ಪಿ ನಂ. 104607 ಡಬ್ಲ್ಯೂ/ಡಬ್ಲ್ಯೂ 100166), ನೋಂದಾಯಿತ ಕಚೇರಿ: ಎಸ್‌ಪ್ಲೇನೇಡ್ ಹೌಸ್, 29, ಹಜಾರಿಮಾಲ್ ಸೊಮಾನಿ, ಫೋರ್ಟ್, ಮುಂಬೈ-400001 ಅವರನ್ನು ಬ್ಯಾಂಕ್‌ನ ಜಂಟಿ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ 98ನೇ ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯ ಮುಕ್ತಾಯದ ತನಕ ನಿಯುಕ್ತಿಗೊಳಿಸಲಾಗಿತ್ತು.

ಮೆ. ಸುಂದರಂ ಅಂಡ್ ಶ್ರೀನಿವಾಸನ್, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಚೆನ್ನೈ ಮತ್ತು ಮೆ. ಕಲ್ಯಾಣಿವಾಲಾ ಅಂಡ್ ಮಿಸ್ಟ್ರಿ ಎಲ್‌ಎಲ್‌ಪಿ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಮುಂಬೈ ಅವರನ್ನು ಜಂಟಿಯಾಗಿ ಬ್ಯಾಂಕ್‌ನ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ಮುಂದಿನ ಒಂದು ವರ್ಷದ ಅವಧಿಗೆ ಅಂದರೆ 99ನೇ ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆಯ ಮುಕ್ತಾಯದ ತನಕ ನೇಮಕಗೊಳಿಸುವ ಪ್ರಸ್ತಾವಕ್ಕೆ ಆಡಳಿತ ಮಂಡಳಿ ಸದಸ್ಯರ ಅನುಮೋದನೆಯನ್ನು ಕೋರಿರುತ್ತಾರೆ. ಈ ನೇಮಕಾತಿಗೆ ಮೇಲೆ ಹೇಳಿದ ಲೆಕ್ಕಪರಿಶೋಧಕರಿಂದ ಅಗತ್ಯ ಸಮ್ಮತಿಯನ್ನು ಬ್ಯಾಂಕ್ ಪಡೆದಿದ್ದು ಕಂಪನಿಗಳ ಕಾಯ್ದೆ 2013ರ ನಿಬಂಧನೆಗಳು ಮತ್ತು ಅದರ ನಿಯಮಗಳ ಪ್ರಕಾರ ಬ್ಯಾಂಕ್‌ನ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ನಿಯೋಜಿಸಲು ಅನರ್ಹರಾಗದ ಕುರಿತು ಅವರಿಂದ ಅಗತ್ಯ ದೃಢೀಕರಣವನ್ನೂ ಪಡೆಯಲಾಗಿದೆ. ಅಂತೆಯೇ, ಈ ನೇಮಕಾತಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯ್ದೆ, 1949ರ ಸೆಕ್ಷನ್ 30 (1ಎ)ಯ ಅನುಸಾರ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್‌ನ ಅನುಮೋದನೆಯನ್ನು ಕೋರಲಾಗಿದೆ.

### ಬಿ. ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಮತ್ತು ವರದಿ

ಕಂಪನಿಗಳ ಕಾಯ್ದೆ, 2013ರ ಸೆಕ್ಷನ್ 204 ಮತ್ತು ಅದರ ನಿಯಮಗಳ ಅನುಸಾರವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ಮೆ. ಬಿಎಂಪಿ ಎಂಡ್ ಕೋ ಎಲ್‌ಎಲ್‌ಪಿ, ವೃತ್ತಿನಿರತ ಕಂಪನಿ ಕಾರ್ಯದರ್ಶಿ, ಬೆಂಗಳೂರು ಅವರನ್ನು 31ನೇ ಮಾರ್ಚ್ 2022ಕ್ಕೆ ಕೊನೆಗೊಂಡ ವರ್ಷಕ್ಕೆ ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧಕರಾಗಿ ನಿಯುಕ್ತಿಗೊಳಿಸಿದ್ದು ಅವರು ನೀಡಿರುವ ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರದಿಯನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ-6ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಸೆಬಿ (LODR) ನಿಯಮಾವಳಿಗಳು, 2015ರ ನಿಯಮಾವಳಿ 24ಂಯ ಅನುಸಾರವಾಗಿ, ಬ್ಯಾಂಕ್ ಮಾರ್ಚ್ 31, 2022 ಕ್ಕೆ ಕೊನೆಗೊಂಡ ಹಣಕಾಸು ವರ್ಷಕ್ಕೆ ಅನ್ವಯವಾಗುವ ಎಲ್ಲಾ SEBI ನಿಯಮಗಳು ಮತ್ತು ಸುತ್ತೋಲೆಗಳು/ ಮಾರ್ಗಸೂಚಿಗಳ ಅನುಸರಣೆಯ ಕುರಿತು 'ಸೆಕ್ರೆಟರಿಯಲ್ ಅನುಸರಣಾ ವರದಿ'ಯನ್ನು (Annual Secretarial Compliance Report) ಮೆ. ಬಿಎಂಪಿ ಎಂಡ್ ಕೋ ಎಲ್‌ಎಲ್‌ಪಿ ಅವರಿಂದ ಪಡೆದಿದ್ದು ಅದನ್ನು ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್‌ಗಳಿಗೆ ಈಗಾಗಲೇ ಸಲ್ಲಿಸಲಾಗಿದೆ.

2021-22ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ, ಕಂಪನಿ ಕಾಯಿದೆಯ ಸೆಕ್ಷನ್‌143(12) ರ ಪ್ರಕಾರ, ಬ್ಯಾಂಕ್‌ನ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಅಥವಾ ಸೆಕ್ರೆಟರಿಯಲ್ ಲೆಕ್ಕಪರಿಶೋಧಕರು ಬ್ಯಾಂಕ್ ಅಥವಾ ಅದರ ಅಧಿಕಾರಿಗಳು / ಉದ್ಯೋಗಿಗಳು ವಂಚನೆಗಳನ್ನು ಎಸಗಿದ್ದಾರೆ ಎಂಬ ಬಗ್ಗೆ ಯಾವುದೇ ನಿದರ್ಶನಗಳು ವರದಿಯಾಗಿಲ್ಲ.

### ಕೃತಜ್ಞತೆಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ಇತರೆ ಸರಕಾರಿ ಮತ್ತು ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರಗಳು, ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳು, ಸಹಭಾಗಿ ಬ್ಯಾಂಕ್‌ಗಳ ನಿರಂತರ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ಬೆಂಬಲಗಳಿಗಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ತಮ್ಮ ಹೃತ್ಪೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ಸಲ್ಲಿಸಲು ಇಚ್ಛಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಷೇರುದಾರರು, ಠೇವಣಿದಾರರು ಮತ್ತು ಇತರೆ ಗ್ರಾಹಕರ ನಿರಂತರ ಬೆಂಬಲ, ಸಹಕಾರ ಮತ್ತು ವಿಶ್ವಾಸಗಳಿಗಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಚಿರಋಣಿಯಾಗಿದ್ದಾರೆ. ಬ್ಯಾಂಕ್‌ನ ಎಲ್ಲಾ ಉದ್ಯೋಗಿಗಳು ನೀಡಿದ ಸಕ್ರಿಯ ಬೆಂಬಲ, ಬ್ಯಾಂಕ್‌ನ ನಿರಂತರ ಪ್ರಗತಿಗಾಗಿ ನೀಡಿದ ಸಹಕಾರಕ್ಕಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಅಭಿಮಾನದ ಮೆಚ್ಚುಗೆಯನ್ನು ಸೂಚಿಸುತ್ತಾ ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಬ್ಯಾಂಕ್‌ನ್ನು ಇನ್ನೂ ಪ್ರಗತಿಯತ್ತ ಕೊಂಡೊಯ್ಯುವಲ್ಲಿ ನಿರಂತರ ಸಹಕಾರವನ್ನು ಬಯಸುತ್ತೇವೆ.

ಆಡಳಿತ ಮಂಡಳಿ ನಿರ್ದೇಶಕರ ಪರವಾಗಿ ಮತ್ತು ಅಪ್ಪಣೆಯೊಂದಿಗೆ

ಸಹಿ/-

ಪಿ. ಪ್ರದೀಪ್ ಕುಮಾರ್

ಅಧ್ಯಕ್ಷರು

ಸ್ಥಳ: ಮಂಗಳೂರು

ದಿನಾಂಕ: 23.07.2022

# DIRECTORS' REPORT

## Dear Stakeholders,

Your Directors have the pleasure of presenting the 98<sup>th</sup> Annual Report of the Bank together with the Audited Statement of Accounts for the year ended March 31, 2022 and the Auditors' Report thereon. The highlights of the operational performance are as under:

### OPERATIONAL PERFORMANCE

₹ in crore

	MARCH 31, 2022	MARCH 31, 2021
Deposits	80386.85	75654.86
Advances	56783.14	51515.85
Business Turnover	137169.99	127170.71
Investments	22041.00	21635.18
Operating Profit	1634.00	1908.28
Net Profit	508.62	482.57
Gross Income	7175.54	7636.62
Net Interest Income (NII)	2491.03	2183.19
CASA deposits (as a share of total deposits)	32.97%	31.49%

Note: Since the Bank's wholly owned non-financial subsidiary has miniscule operations compared to Bank's scale of operations, analysis has been done on a standalone basis. The consolidated financial statements are furnished separately as part of this report.

### BUSINESS OVERVIEW

As on March 31, 2022, the Business Turnover of the Bank has reached a new high of ₹137169.99 crore. During the FY2022, the Bank registered an all-time high net profit of ₹508.62 crore with a CD ratio of 70.64%. The share of CASA also has reached an all-time high of 32.97%. The asset quality improved with a 101 bps and 77 bps reduction respectively under Gross NPAs and Net NPAs. The Bank has taken prudent measures and concrete actions to strengthen its Balance sheet by improving its Provision Coverage Ratio to 73.47% and CRAR to an all-time high of 15.66%. Overall, the FY2022 was a year of satisfactory performance witnessing further strengthening of the fundamentals of the Bank, despite COVID19 pandemic affecting the economy.

### DEPOSITS AND CASA

The total deposits grew by 6.25% during the FY under report. An impressive growth was registered under CASA Deposits which grew by 11.23%. As a result, the CASA Deposits constituted 32.97% of total deposits. The deposits below ₹2 crore accounted for about 92% of the total deposits, reflecting a strong retail franchise.

### LOANS & ADVANCES

The gross advances grew by 10.22% with a positive traction under corporate advances. The share of retail & mid corporate advances stood at 79.63% whereas corporate advances were slightly above 20%.

The priority sector advances increased from ₹28617 crore to ₹32077 crore forming 56.41% of applicable Adjusted Net Bank Credit (ANBC) and agricultural advances increased from ₹9071.32 crore to ₹10473 crore which, together with eligible deposits under the Rural Infrastructure Development Fund (RIDF), constituted 18.42 % of ANBC during Q4FY22. The Bank is also focusing 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 efforts to address the problems posed by the impaired assets. Despite the COVID-19 pandemic-related stress during the year, the asset quality has further improved. In terms of absolute numbers, the GNPA's reduced to ₹2250.82 crore



as on March 31, 2022, from ₹2588.41 crore as on March 31, 2021. The percentage of Gross NPAs has also reduced from 4.91 % as on March 31, 2021 to 3.90 % as on March 31, 2022.

Similarly, the amount of Net NPAs (NNPAs) also reduced to ₹1376.97 crore (2.42%) as against ₹1645.05 crore (3.19%) as on March 31, 2021. The Provision Coverage Ratio (PCR) improved to 73.47 % as on March 31, 2022 from 69.99 % as on March 31, 2021, thus further strengthening the fundamentals.

## INVESTMENTS

The total investments increased by 1.88 % and the ID ratio stood at 27.42 % as on March 31, 2022 as against 28.60 % as on March 31, 2021.

## OPERATIONAL METRICS

Your Bank's gross income for the year ended March 31, 2022 stood at ₹7175.54 crore when compared to ₹7636.62 crore last year. The total expenditure (excluding provisions and contingencies) declined by 3.26 % to ₹5541.54 crore for the year ended March 31, 2022 as against ₹5728.34 crore for the last financial year. During the FY, the Bank's Net Interest Income (NII) grew by 14.10 % over the previous year. The Net Interest Margin (NIM) also improved to 3.18 % from 2.91 % last year.

The operating profit declined by 14.37 % to ₹1634.00 crore for FY2022 from ₹1908.28 crore for the previous year due to muted treasury income. The provisions (other than tax) and contingencies for the year 2021-22 were ₹939.44 crore vis-à-vis ₹1296.35 crore for the previous year.

The net profit reached an all-time high of ₹508.62 crore from ₹482.57 crore during the previous year registering a growth of 5.40 %.

## APPROPRIATIONS

The net profit of ₹508.62 crore which along with a sum of ₹85.47 crore brought forward from the previous year, aggregating to ₹594.09 crore, has been appropriated as under:

Appropriation	₹ in crore
Transfer to Statutory Reserve	150.00
Transfer to Capital Reserve	0.82
Transfer to Revenue and Special Reserves	248.23
Transfer to Investment Fluctuation Reserve	3.27
Dividend of 2020-21 paid during the year	55.96
Balance carried over to Balance Sheet	135.82

## DIVIDEND

Having regard to the overall performance of the Bank, the Board of Directors has recommended a dividend of ₹4/- per share (40%) for the year ended March 31, 2022 (previous year ₹1.80/- Per share (18%). The dividend payout ratio for the year works out to 24.47% against 11.60% for the previous year. In accordance with the Accounting Standard (AS)4-'Contingencies & Event occurring after the balance sheet date', the proposed dividend amounting to ₹124.47 crore (the previous year's ₹55.96 Crore) has not been shown as an appropriation from the Profit for the year ended March 31, 2022.

## EARNINGS PER SHARE (EPS) and BOOK VALUE

The Earnings Per Share stood at ₹16.36 (basic) and ₹16.29 (diluted) for the year ended March 31, 2022. This was ₹15.52 (Basic) and ₹15.48 (diluted) during the previous year. The Book Value per share has further improved to ₹228.01 as on March 31, 2022 as against ₹213.67 during the previous year.

## CAPITAL FUNDS AND CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)

Your Bank's capital funds increased from ₹7387.05 crore to ₹8118.55 crore. The Capital to Risk-Weighted Assets Ratio(CRAR) improved to an all-time high of 15.66 % as on March 31, 2022 as against the previous year's 14.85 %. The Bank has been consistently maintaining 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 Bank's internal policy of maintaining the CRAR one per cent over and above the regulatory requirement.

## EQUITY CAPITAL BASE

As on March 31, 2022, the paid-up capital of your Bank stood at ₹3,11,16,38,600 comprising of 31,11,63,860 equity shares of ₹10/- each. During the year, 294171 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 Financial Year's close, 1,29,192 equity shares of ₹10/- each were allotted till date pursuant to exercise of options vested with grantees under KBL ESOS-2018.

## ISSUE OF SUBORDINATED DEBT INSTRUMENTS

With a view to maintaining a healthy capital position on an ongoing basis, during the FY2022, Bank has raised an amount of ₹300.00 crore by issuing subordinated debt instruments (i.e., Unsecured Non-Convertible Subordinated BASEL III Debt Instruments) as a part of Tier-2 Capital on private placement basis. These bonds are listed on the debt segment of National Stock Exchange of India Ltd(NSE).

The details of the debt instruments outstanding as on March 31, 2022, 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
IV	17.11.2012	10,00,000	2,500	250.00	120 months	11	ICRA 'A' & CARE 'A'	Listed on NSE-Debt Segment	INE614B08021
V	16.11.2018	1,00,000	40,000	400.00		12			INE614B08039
VI	18.02.2019	1,00,000	32,000	320.00		12			INE614B08047
VII	30.03.2022	1,00,00,000	300	300.00		10.70			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. No Certificate of Deposits were issued by the Bank during the year under report.

## TRANSFORMATION JOURNEY- 'KBL VIKAAS'

Bank's aspirational transformation journey, 'KBL-VIKAAS' launched in 2017 has completed four years with visible accomplishments and is surging ahead with various futuristic initiatives. The wave 1.0 of 'KBL VIKAAS' has already put the Bank into a new orbit of overall development with institutionalization of a strong culture of sales & marketing and the establishment of state of the art Digital Centre of Excellence (DcoE), a digital innovation hub of the Bank. The Bank today has a bouquet of digital asset and liability offerings providing superior customer experience leading to their delight. With the help of DcoE, your Bank has launched digitized journeys under the 'KBL Xpress' series for both asset and liability products. Under 'KBL Xpress' journey, Bank has already launched digital loan underwriting (in-principle approvals) for most of its retail/MSME loan products and Online Saving account opening through Tab banking and Web banking besides Video enabled Customer Identification Process (V-CIP). For a unique digital experience, Bank has also established a Digi Branch at Basavanagudi, Bengaluru. A 'Digital Human Interactive Relationship Assistant (Dhira)', a chatbot was also launched at select branches. Besides these, various transformational initiatives under HR, IT, Credit, customer experience etc., were also implemented.

As digital is the way forward for our business, under wave 2.0 of 'KBL VIKAAS', your Bank has placed digital banking on fast forward mode and the 'KBL NxT' concept was launched on April 01, 2021, to reposition the Bank as 'Digital Bank of Future'. In the 'KBL NxT', the Bank has planned several digital transformational changes like establishing an Analytical Center of Excellence (AcoE), Chatbots, Account Aggregators, partnering with Neo Banks, Trade Finance Automation, Digital Insurance, Corporate/NRI Mobile Banking, Doorstep Gold Loan, Digital Marketing, Opening of Digi Centers, providing Omni-Channel experience to the customers, Digitization of internal processes and many other digital initiatives that will lead to customer delight. Steps for implementing many of the above initiatives have already been taken up and will be rolled out soon.

Your Bank has already enabled providing investments in units of mutual funds through the digital platforms, including Demat and online trading account and insurance products. The Bank intends to expand the scope of these offerings and provide digital wealth management services, personal banking/intuitive banking, Robo advisories and customer advocacy in a phased manner. Under digitization of internal processes, Audit, CERSAI/CGTMSE related works, Online submission of stock statements by borrowers etc., are also being taken up for early implementation.

### **Leveraging through Bank's Wholly Owned Subsidiary:**

Your 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 the Bank in augmenting its 'Feet on Street' and KBL Services Limited is expected to play a significant role in enhancing the operational efficiency of our Bank going forward. To begin with, the subsidiary is providing the services of Business Associates for canvassing CASA accounts and Retail loan products of the Bank and for back end data entry operations in select areas. Your Bank's Subsidiary is permitted to provide its services to the Bank under the categories of business sourcing, contact centre management, management of banking channels, back-end processing activities, IT projects, exploring new Digital Capabilities, etc.

### **RISK MANAGEMENT AND GOVERNANCE**

In the normal course of business 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 and Reputation Risk among others. 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 an appropriate trade-off between risks and returns. Your Bank's risk management objectives 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.

Various senior management committees such as Credit Policy Committee (CPC), 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 uses to protect the information assets apart from coordinating security-related issues in the implementation of new systems under Information Technology in the Bank.

A 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.

### **ISO 9001:2015 Certification to Risk Management Department (RMD)**

Your Bank's Risk Management Department (RMD) has been accredited with the prestigious ISO 9001:2015 international certification for Quality Management System (QMS). Under ISO Accreditation, Quality Policy has been defined, existing procedures and Standard Operating Procedures were reviewed and a formal Quality Management system (QMS) was established to ensure that the Risk Management processes and practices of the Bank are in line with the global standards.

### **Basel III Capital Regulations – Implementation of Leverage Ratio**

To mitigate the risk of excessive leverage and enhance 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, 2022, your Bank had a comfortable leverage ratio of 6.53 % as against the minimum regulatory requirement of 3.5 %.

## Capital Adequacy

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 bank's capital resources 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 networth 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 the 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 facilitated by a strong risk culture in the Bank aided by an effective, technology-based risk management system.

The Disclosure under Pillar III of Basel III accord has been annexed to the Directors Report in Annexure-1.

### INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP):

In compliance with Basel guidelines, 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

Pursuant to the Guidelines issued by RBI on Accounting Standard 17 (Segment Reporting), the Bank has identified four business segments viz., Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations for the year ended March 31, 2022 as under:

- **Treasury Operations:** Bank has earned total revenue of ₹ 1315.30 crore from Treasury operations with a contribution of ₹256.12 crore to profit before tax and un-allocable expenditure.
- **Corporate / Wholesale Banking:** The revenue earned by the Bank during the year under report from this segment was ₹2506.24 crore with a contribution of ₹526.63 crore to profit before tax and un-allocable expenditure.
- **Retail Banking:** This segment has earned revenue of ₹2910.17 crore with a contribution of ₹920.35 crore to profit before tax and un-allocable expenditure.
- **Other Banking Operations:** This segment has generated revenues of ₹427.66 crore with a net result of ₹-11.59 crore.

The details of the aforementioned business segments are discussed in Management Discussion and Analysis attached to this report.

### 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 at March 31, 2022, your Bank had 2326 service outlets including 877 branches, one extension counter, 885 ATMs and 563 Cash Recyclers (CRs) with a presence in 567 centres spread across 22 States and 2 Union Territories. Apart from the above, Bank has one co-located Data Centre with a Disaster Recovery Centre and Near Line Site (NLS), two Service branches, four Currency Chests, two Central Processing Centers, one Digital Centre of Excellence and seven Asset Recovery Management Branches. During the year under report, your Bank has opened twenty new branches, moved integrated treasury by merging domestic treasury to Mumbai, three Central Loan Processing Hubs and one Central Loan Sanctioning Centre for sanctioning of retail loans.

**Mobile Banking and Net Banking:**

Besides ATM/CRs, the Mobile banking app-'KBL Mobile Plus' and Net banking-'KBL Money Click' are the prominent delivery channels. During the FY, value-added features like Online submission of 15G/15H forms, NRI Mobile Banking facility, a new version with support for Kannada Language, Email ID Updation, UPI QR code etc., were launched. As on March 31, 2022, 93.22% of transactions were performed through digital channels.

**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 the conduct of government business. Based on the evaluation and fulfilment of eligibility criteria, your Bank has been appointed by RBI as Agency Bank vide letter dated July 20, 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 a pan-India presence, driven by 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 facilitate 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 in completing the administrative and technical procedures with a few agencies. Your Bank is well positioned to make a foray into strategically important government projects/ mandates that help expand the liability business skewed towards low-cost deposits and open new avenues of fee income contributing to the bottom line.

**Third-Party Products and Insurance business:**

With an aim to provide diversified financial products & services and to maximise value-added services to the customers, your Bank delivers a bouquet of Third Party Products which include Life Insurance, General Insurance, Health Insurance, Mutual Funds, Demat Account, Trading Account, Cobranded Credit Cards, PoS Network, KBL FASTag, NPS, APY, etc. A summary on each third-party product has been provided in Management Discussion and Analysis attached to this report.

**Customer Service:**

Your Bank is continuously focusing on creating new benchmarks in customer service to make the Bank distinctly more competitive. This necessitates designing innovative and cost-effective mechanisms for efficiently delivering banking services. Your Bank is actively involved in putting in place systems and procedures for 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 Senior Citizen customers of more than 70 years of age and differently-abled or infirm persons, including the visually impaired, at all branches of metro centers and going forward "on a best effort basis" at all other branches of the Bank.

**Credit Monitoring:**

To have an effective post-sanction monitoring and collection mechanism, an exclusive Credit Monitoring Department (CrMD) has been established at the Head Office. 'Regional Collection Hubs' (RCH) consisting of Regional Retail Collection Team (RRCT) and Regional Corporate Collection Team (RCCT) are formed 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. To improve the efficiency in monitoring & follow-up activities, various digital initiatives viz., implementation of web-based Collection Tool-"KBL-Kollect", the introduction of Auto Sweep system for auto collection of EMI / Installment/Interest of loans from operating accounts of borrowers, 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.

The Bank has been doing its best to reduce the stress i.e., SMA (SMA 0, 1, 2) under performing advances. Stress in Restructured advances is also showing a declining trend on account of improved monitoring and collection efficiency.

During the FY 2021-22, "Manthan" a workshop on "Reorienting towards Better & Effective Credit Monitoring" was held in October 2021. Specific action points were identified and pursued with the active involvement of the field-level functionaries. In respect of Stress Management in advances, we are focusing on the concept of 'Connect-Collaborate-Exhibit'.

For close monitoring of restructured advances, Bank has formed an exclusive cell viz., "Restructured Advances Monitoring Cell" (RAMCELL) within the Credit Monitoring Department. The exchange of information between banks under consortium and multiple banking has been automated for the effective exchange of information. Furthermore, the Bank has also initiated the process of automation of noting Bank's charge in the CERSAI portal and submission of drawing power statement by the borrowers.

## **SUPPORT AND CONTROL FUNCTIONS:**

### **Information Technology:**

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

A disaster recovery [DR] arrangement also exists to ensure business continuity in the event of primary site failure. 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. During the FY, Bank's Data Centre has been successfully shifted to a Colocation Centre.

Bank's IT infrastructure as a whole is supervised by the CTO (Chief Technology Officer). Your Bank will continue to take note of technological revolutions and take appropriate decisions at the right time to provide premier banking services and continue to be a tech-savvy Bank.

### **Human resources:**

The banking industry is exposed to various changes/challenges with digitalisation taking the world by storm. The survival and prosperity of any industry depends upon the quality of its human resources and the banking industry is not an exception. 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 most significance to employee upskilling, employee satisfaction and human resource development activities. Your Bank also has a Chief Learning Officer to oversee skill development and training needs. Bank has also introduced ECDS (Employee Career and Development System) by operationalising the PMS (Performance Management System). Your Bank has also put in place TMC (Talent Management Committee) to identify and groom the talent as part of succession planning. Further, the Bank provides training and development opportunities to the employees which are discussed in detail in the Management Discussion and Analysis.

As on March 31, 2022, Bank had 8520 employees of which, 2542 were women employees constituting around 29.83% 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 protection of women employees against the sexual harassment of women at the workplace and redressal of such complaints. No complaints were pending at the beginning of the financial year and no complaints were received during the year under report.

### **EMPLOYEE STOCK OPTIONS (ESOP)**

The Bank's shareholders approved the Employee Stock Option Scheme 2018 (ESOS 2018) on July 21, 2018. During the reporting year, Bank had granted 40,000 stock options to eligible employees under the KBL-ESOS 2018 Scheme.

A Compliance certificate as required under Regulation 13 of SEBI (Share Based Employee Benefits and sweat equity) Regulations, 2021 has been furnished in Annexure-6. 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/investor-portal/annual-report>.

### **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 manages Compliance Risk through the Compliance function. Compliance function in the Bank is one of the key elements in the Bank's Corporate Governance structure along with internal control and risk management process. As an essential element of the Corporate Governance structure, the Bank has a robust Compliance Department with sufficient independence to promote a healthy compliance culture. Bank ensures strict observance of all statutory provisions, guidelines from RBI and other Regulators, standards and codes, Bank's internal policies and fair practices code. 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 - 'Compliance First, Business Next' is being emphasized to usher in perceptible improvements in the overall compliance culture in the Bank.

### **Vigil Mechanism**

The Bank has implemented the Protected Disclosure Policy (Whistle Blower Policy) since the year 2007 intended to promote the 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 Bank 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. It provides adequate safeguards against Whistle Blower's victimization who avails such mechanism and offers direct access to the Chief of Internal Vigilance (CIV). Further, there was no occasion where a person was denied access to the Audit Committee. The details of the Whistle Blower Policy are posted on the Bank's website and available at the link:

<https://karnatakabank.com/sites/default/files/2022-07/Policy%20on%20Whistle%20Blower%202022-23.pdf>

### **Corporate Social Responsibility**

The Corporate Social Responsibility 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. 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 FY2022 are detailed in Annexure-2 to this report. Under CSR activities, Bank has so far funded 1603 projects with a total financial outlay of ₹62.06 crore and these projects have exhibited a welcome positive impact on society. Further, in terms of Rule4(5) of the CSR rules, certification from the Chief Financial Officer has been obtained for the CSR spend during 2021-22.

### **Financial Inclusion and Atal Pension Yojana-related initiatives:**

Through the Financial Inclusion Plan, your Bank aims to connect people with the Bank and not just open 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 404 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 also act as Financial Literacy Centers (FLCs) and impart banking literacy among the rural populace. In accordance with Prime Minister's Jan Dhan Yojana (PMJDY), 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, Bank has been offering the following services:

1. Business Correspondent (BC) services: Bank has tied up with Sub-K Impact Solutions Limited to provide the BC services and as on March 31, 2022, 121 BC Agents are covering allocated villages in the states of Karnataka, Andhra Pradesh and Chhattisgarh.
2. Aadhar Enabled Payment System (AEPS): 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 Bank's customer having an Aadhar enabled SB account can transact at the BC point.
3. Financial Literacy and Credit Counseling Centers (FLCs): Bank is running 5 FLCs at B.C Road - Bantwal, Hangal, Kundagol, Tiptur and Alur (Karnataka). Till March 31, 2022, 5 FLCs have conducted 3,801 Financial Literacy campaigns in which 1,56,976 participants took part. In adherence to RBI guidelines all the rural branches of your Bank are also conducting financial literacy Camps.
4. Social Security Schemes: Three Social Security Schemes-Prime Minister Jeevan Jyothi Bima Yojana (PMJJBY), Prime Minister Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) have been launched by Hon'ble Prime Minister on June 01, 2015. All your Bank branches are actively involved in providing these schemes to customers across the country.
5. Prime Minister Jan Dhan Yojana (PMJDY): All the branches across the country are opening accounts under PMJDY and are issuing RuPay Debit Cards. Since August 15, 2014, 2,56,422 PMJDY accounts have been opened with an outstanding balance of ₹80.99 crore.
6. The Bank is one of the trustees of Karnataka Farmers Resource Center (KFRC), Bagalkot established to impart training and act as a resources center for farmers under the umbrella of SLBC Karnataka. Bank has contributed ₹50.00 lakh towards capital expenditure/corpus of KFRC.
7. In line with the Pradhan Mantri Street Vendor's Atmanirbhar Scheme, 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 year under report in recognition of its achievement:

- i) Two prestigious awards from ASSOCHAM, New Delhi under the Private Sector Bank category, for excelling in digitalisation.
  - **Digital Services: Winner**
  - **Digital Lending: Runner-Up**
- ii) **'Top Organisations with Innovative HR Practices'** award by the 19<sup>th</sup> edition of Asia Pacific HRM Congress.
- iii) The **Runner Up** under **'Customer Journey Reimagination'** category among the 'Mid-Size Bank segment' by INFOSYS in the Infosys Innovation Global Awards 2021.
- iv) Two **'DigiDhan Awards'** instituted by the Ministry of Electronics & Information Technology, Govt. of India, for achieving the target with the highest percentage in BHIM-UPI transactions under the Private Sector Bank Category consecutively for two Financial Years i.e. FY 2019-20 & FY 2020-21.
- v) Award of Excellence **'APY – Mega Login Stars'** from PFRDA (Pension Fund Regulatory & Development Authority).
- vi) Digital Transformation **DX 2021 Award** for Best Practice in Digital Transformation 2021 in recognition of the **"Innovative" Best Practice – "KBL VIKAAS"** instituted by the Confederation of Indian Industry (CII).
- vii) Three **Runner-Up** Awards in the 'IBA-Banking Technology Awards 2022' under the Small Bank Category:
  - **Best Technology Bank of the Year**
  - **Best Use of AI/ML & Data Analytics**
  - **Best Fintech Adoption**



- viii) Five Awards from CIMSME (Chamber of Indian Micro Small and Medium Enterprises), New Delhi:
- **Best MSME Private Bank – Winner**
  - **Best MSME Friendly Private Bank – Winner**
  - **Best Branding Private Bank – Runner-Up**
  - **Best Private Bank for Promoting Social Schemes – Runner-Up**
  - **Best Private Bank Implementing Covid Related Government Schemes – Winner**
- ix) Prestigious '**GOLD**' Award for outstanding achievement in Safety & Security in Banking Sector conferred by Sustainable Development Foundation at the 11<sup>th</sup> Exceed Occupational Health Safety & Security Award & Conference 2021.
- x) '**Best MSME Bank of the year – Winner**' Award among Private Sector Banks at the 8<sup>th</sup> MSMEs Excellence Awards Ceremony and Summit instituted by ASSOCHAM, New Delhi.
- xi) '**National Best Employer Brand**' Award at the 16<sup>th</sup> Edition of Employer Branding Awards of World HRD Congress, Mumbai.

Our Kanhangad Branch has been adjudged as 'Third Best Branch in Kerala State' under Private Sector Bank Category for the FY2021 by the State Forum of Bankers' Clubs (Kerala) in SFBCK Banking Excellence Awards 2021.

### **Convergence with the International Financial Reporting System (IFRS)- 'Ind AS'**

As per the roadmap given by the Reserve Bank of India (RBI) vide circular dated February 11, 2017, the transition to "Indian Accounting Standards (Ind AS)" in banks were to commence from the accounting period beginning April 1, 2018 onwards. However, the RBI vide its circular No.DBR.BP.BC.No.29/21. 07.001/2018-19 dated March 22, 2019 has deferred implementation of Ind-AS in Banks till further notice.

Your Bank has conducted a diagnostic study on various disparities between the current accounting framework and Ind AS and ascertained various areas impacting measurement, accounting and disclosure of financial assets & liabilities and provisioning requirements. Besides, changes required to be carried out in Core Banking Solution (CBS) and IT systems of the Bank, to accommodate Ind AS are also being evaluated. As stipulated by RBI, Bank has been submitting the Proforma Ind AS Financial statements from time to time to RBI.

### **DIVIDEND DISTRIBUTION POLICY**

Your Bank has adopted a Policy on the Distribution of Dividend to the shareholders pursuant to Regulation 43A of the SEBI (LODR) 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 5, 2005 with regard to eligibility criteria for distribution of dividend.
- Factors considered for the recommendation of dividend include both internal factors such as financial performance, dividend payout trends, tax implications, 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.

The Dividend Distribution Policy of the Bank is available in Bank's website at <https://karnatakabank.com/investor-portal/corporate-governance>

As discussed earlier, Board of Directors has recommended for payment of dividend duly complying with the Reserve Bank of India directions for payment of dividend out of the profit for the financial year ended March 31, 2022.

### **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 Bank for FY21-22 prepared in accordance with Section 92(1) of the Act has been placed on the website and is available at <https://karnatakabank.com/investor-portal/annual-report>

## 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 its Consolidated Financial Statements including its subsidiary-KBL Services Limited. 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 year ended March 31, 2022 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-3.

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 Bank's website: <https://karnatakabank.com>. The documents/details available on the Bank's website: <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, articles about the Bank in the media etc.

## DIRECTORS AND CHANGES IN THE BOARD

As of March 31, 2022, your Bank's Board comprised of nine Directors, including two Independent woman directors. All of them are Independent Directors except Mr. Mahabaleshwara M S, Managing Director & CEO and Mr. B R Ashok, Non-Executive Director. The details of the criteria for appointment and remuneration of Directors are provided in the report on Corporate Governance under Annexure-4.

During the year under report, Mr. D Surendra Kumar and Mr. Rammohan Rao Belle retired from the office of the Independent Director on May 30, 2021 and October 20, 2021 respectively on completion of their respective tenure as per BR Act/Companies Act, 2013. Further, Mr. P Jayarama Bhat, retired as Part-time Non-Executive Chairman on November 13, 2021 upon completion of his tenure. The Board places on record its appreciation for the valuable contributions and the guidance given by them during their tenure in office.

Upon the retirement of Mr. P Jayarama Bhat, the Board, pursuant to the approval received from RBI, has appointed Mr. P Pradeep Kumar as the Part-time Chairman. He has assumed office w.e.f November 14, 2021.

Further, the Bank has inducted Dr. DS Ravindran and Mr. Balakrishna Alse S as Additional Directors (Non-Executive, Independent) w.e.f. April 01, 2021 and May 26, 2021 respectively and their appointment as Independent Directors was approved by the shareholders at the 97th AGM held on September 02, 2021.

To ensure board-level succession planning, your Bank has inducted Mr. Jeevandas Narayan and Mr. Kalmanje Gururaj Acharya as Additional (Non-Executive Independent) Directors on 26.04.2022 and the appointment has been approved by the shareholders by way of a resolution dated June 02, 2022 passed via Postal Ballot (e-voting).

As per Section 152(6) of Companies Act, 2013, Mr. B R Ashok, the Non-Executive Director, is liable to retire by rotation and being eligible he has offered himself for reappointment. The Board formed an opinion that Mr. B R Ashok has the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank and accordingly the Board recommends his re-appointment for the members' approval. Accordingly, a resolution seeking reappointment of Mr. B R Ashok has been included in the Notice of 98<sup>th</sup> AGM for approval of the members.

## MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO)

Mr. Mahabaleshwara M S (DIN: 07645317) was reappointed as the Managing Director & CEO of the Bank upon receipt of approval from RBI to hold office from April 15, 2020 for a period of three years i.e., till April 14, 2023 in accordance with Section 35B of Banking Regulation Act, 1949.

## INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013, 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, 2022.

## PERFORMANCE EVALUATION OF THE BOARD

Your Board of Directors has laid down criteria for performance evaluation of Directors, Chairman, MD & CEO, Committees of the Board and Board as a whole and also the evaluation process for the same. 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-4. In pursuance to the above, the Independent Directors in their separate meetings held on March 13, 2022, have reviewed and evaluated the performance of Board as a whole and Non-Executive Director. Further, the Board has also reviewed the performance of Committees of the Board and that of individual Independent Directors at its meeting held on March 13, 2022.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with the related parties that were entered into during the year under report were in the ordinary course of the business of the Bank and were 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 Investor Portal.

## 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 explanation 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 at the end of financial year March 31, 2022 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.

## STATUTORY DISCLOSURES

The disclosures under sub-section (3) of Section 134 of the Companies (Accounts) Rules, 2014 are furnished below:

- a) **Conservation of energy and technology absorption:** Considering the nature of the Bank's business, 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, Bank has installed solar panels at the Corporate Office, a few Regional Offices and at Bank's few owned premises.
- b) During the year ended March 31, 2022, the Bank has earned ₹1.36 crore and spent ₹1.74 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 Bank's operations in future.

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. Mahabaleshwara M S, MD & CEO, Mr. Muralidhara Krishna Rao, CFO and Mr. Prasanna Patil, Company Secretary, were the Key Managerial Personnel of the Bank as on March 31, 2022 as per the provisions of the Companies Act, 2013. None of the Key Managerial Personnel has resigned during the year under report.

On February 28, 2022, Mr. Muralidhar Krishna Rao, Chief Financial Officer attained superannuation and w.e.f. March 01, 2022 he has been continuing in his position on contractual basis. Further, Mr. Prasanna Patil, Company Secretary has tendered his resignation to pursue better career prospects outside of the Bank which has been accepted by the Board of Directors at the meeting dated June 27, 2022 and he will continue to be the Company Secretary of the Bank upto August 31, 2022.

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-7 to this report. Mr. Mahabaleshwara M S, Managing Director & CEO, is the only Whole Time Director and his remuneration is subject to prior approval of the Reserve Bank of India. The details of remuneration paid to him are provided under Corporate Governance Report.

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 Act, 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.

g) 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.

h) Particulars of loans, guarantees or investments under section 186: Nil

i) Any change in nature of business during the year under report: Nil

## NUMBER OF BOARD MEETINGS

During the year under report the Board met 17 times and the details thereof are provided in the report on Corporate Governance attached to this report.

## COMMITTEES OF THE BOARD

The Bank had 9 Committees of the Board which were constituted to comply with the requirements of relevant provisions of the applicable laws and for operational efficiency. Details of the meetings of the Board and the Committees, their composition (as on March 31, 2022), terms of reference, powers, roles etc., are furnished in the report on Corporate Governance attached to this report in Annexure-4.

Further, RBI vide circular DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 issued instructions on 'Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board' inter alia covering constitution of certain Board level Committees and your Bank has already reconstituted the Committees in line with these instructions.

## CORPORATE GOVERNANCE

Your Bank is committed to follow the best practice of corporate governance to protect the interest of all the stakeholders of the Bank, viz. shareholders, depositors and other customers, employees and the society in general and maintain transparency at all levels. A detailed report on corporate governance practices is given as Annexure 4 to this report.

## INTEGRATED REPORTING

Your Bank has prepared the Integrated Report on voluntary basis and the same is hosted on the Bank's website under Investor Portal at <https://karnatakabank.com> > Investor Portal > Annual Report/ AGM/ Postal Ballot Notice, Minutes & Voting Results > FY 2021-22 tab.

## BUSINESS RESPONSIBILITY REPORT:

Bank has adopted various policies that imbibe the best practices with regard to environmental, social and governance(ESG) principles. In this context, Bank is presenting its Business Responsibility Report (BRR) for the Financial Year 2021-22, 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 CIR/CFD/CMD/10/2015 dated November 4, 2015. The same is provided under Annexure-8.

## AUDITORS

### a. Statutory Auditors

At the 97th Annual General Meeting M/s Sundaram & Srinivasan, Chartered Accountants (Firm Registration No. 004207S) and M/s. Kalyaniwalla & Mistry LLP (Firm Registration No./ LLP No. 104607W/W100166), Chartered Accountants, were appointed as joint Statutory Auditors of the Bank to hold office upto the ensuing 98th Annual General Meeting.

The Board of Directors proposes to the members the appointment of M/s Sundaram & Srinivasan, Chartered Accountants (Firm Registration No. 004207S), New No.4, Old No. 23, C. P. Ramaswamy Road, Alwarpet, Chennai-600018 and M/s. Kalyaniwalla & Mistry LLP (Firm Registration No./ LLP No. 104607W/W100166), Chartered Accountants, Registered Office: Esplanade House, 29, Hazarimal Somani, Fort, Mumbai-400001 jointly as Statutory Auditors of the Bank to hold office upto the conclusion of 99th Annual General Meeting. The Bank has received consent from the above auditors and necessary confirmation from them that they are not disqualified to be appointed as auditors of the Bank pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder. Further, approval from the Reserve Bank of India has been sought for the appointment of the Statutory Auditors.

### b. Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 and the rules thereunder, your Bank had appointed M/s. BMP & Co, LLP, Bengaluru as Secretarial Auditors to conduct the Secretarial Audit for the year ended March 31, 2022. The audit report from the Secretarial Auditor is annexed to this report as Annexure-5.

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 Secretarial Compliance Report, certified by CS Pramod S M (COP: 13784), BMP & Co. LLP, Company Secretaries, Bengaluru, for the financial year ended March 31, 2022, on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the same has been submitted with the Stock Exchanges.

During fiscal 2022, pursuant to Section 143(12) of the Act, neither the Statutory Auditors nor the Secretarial Auditor of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

## ACKNOWLEDGEMENTS

The Board of Directors would like to place on record their sincere gratitude to the Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks for their continued guidance and support. Your Directors also place on record their gratitude to the Bank's shareholders, depositors and other customers for their continued support, patronage and goodwill. Your Directors express their deep sense of appreciation to all the staff members, for their contribution to the Bank's quest for sustained growth and profitability and look forward for their continued contribution to scaling greater heights.

**For and on behalf of the Board of Directors**

Place: Mangaluru  
Date: July 23, 2022

**P Pradeep Kumar**  
**Part-time Chairman**

# MANAGEMENT DISCUSSION AND ANALYSIS

## A. World economy

### Growth

For the entire world, the last Financial Year was uniquely entwined with multiple challenges and uncertainties such as the spread of Omicron, rising food prices and inflation, the US Fed's much-anticipated lift-off, and escalation of geopolitical tensions towards the end of the year.

The tagline 'War Sets Back the Global Recovery' has set the tone for the IMF's April 2022 report on World Economic Outlook. The report summarised that the Russia-Ukraine war has triggered a costly humanitarian crisis causing a significant slowdown in global growth in 2022 and the resultant elevated inflation, upon rapidly increasing fuel and food prices, would hit the vulnerable populations in low-income countries hardest.

According to the International Monetary Fund (IMF) as per its World Economic Outlook-April 2022, the world GDP expanded by 6.1 % in 2021 against a contraction of 3.1 % in the previous year. However, global growth lost pace in the second half of the year, affected by the spread of another variant of COVID-19—Omicron. Despite the pandemic waves superimposing global supply chain and logistics disruptions, global trade recovered in the year's second half and grew by 10.1 % in 2021. Global growth is projected to down from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January 2022.

While fiscal and monetary policies remained largely accommodative, inflation ruling above targets forced several EMEs, followed by advanced economy (AE) central banks to tighten monetary policy. In the financial markets, risk-off sentiment drove equity markets into a correction. The bearish government bond market experienced a hardening of real yields across AEs. Going forward, the global economic growth outlook depends on global headwinds from the geopolitical tensions, resurgence of new variants of COVID-19, volatility in global financial markets and inflation trajectory.

## B. Indian economy

Supported by continuing fiscal measures and congenial financial conditions stimulated by monetary, regulatory and liquidity initiatives undertaken by the Reserve Bank, the real GDP bounced back in Q2 FY22 and grew at 1.3 % over Q2 FY20. The recovery was further visible in Q3 FY22, with GDP exceeding the corresponding pre-pandemic quarter by 6.2 %. The second advance estimates (SAE) that were released by the National Statistical Office (NSO) on February 28, 2022, indicated that aggregate demand, measured by real GDP, registered a growth of 8.9 % in FY2022, up from a contraction of 6.6 % in the previous year. Consequently, the GDP level surpassed the pre-pandemic level of 2019-20 by 1.8 %. In Q4 FY22, however, the third pandemic wave was driven by the Omicron variant. Recently, the geopolitical conflict has caused a loss of pace in the recovery and adversely impacted the economic outlook.

In March 2022, headline CPI inflation surged to 7.0 % from 6.1 % in February, mainly reflecting the impact of geopolitical spill overs. Food inflation increased by 154 bps to 7.5 % and core inflation rose by 54 bps to 6.4 %.

Heightened uncertainty surrounds the inflation trajectory, heavily contingent upon the evolving geopolitical situation. Global commodity price dynamics are driving food inflation in India, including prices of inflation-sensitive items impacted by global shortages due to output losses and export restrictions by key producing countries. International crude oil prices remain high but volatile, posing considerable upside risks to the inflation trajectory through both direct and indirect effects. Core inflation is likely to remain elevated in the coming months, reflecting high domestic pump prices and pressures from the prices of essential medicines. Renewed lockdowns and supply chain disruptions due to the resurgence of COVID-19 infections in major economies could sustain higher logistics costs for longer. As per the resolution of the RBI Monetary Policy Committee in its statement dated May 04, 2022, inflation is expected to rule at elevated levels, warranting resolute and calibrated steps to anchor inflation expectations and contain second-round effects.

## C. Banking sector developments

There were a few positive developments in the banking sector, as mentioned in the RBI's Annual Report FY2022. The banking sector assured liquidity necessary to cushion against disruptions caused by the Covid-19 pandemic. Public and private sector banks strengthened their balance sheets by retention of profits and raising funds from the market. The

gross non-performing assets (GNPA) ratio of all scheduled commercial banks moderated to its lowest level in six years. The RBI Report dated December 28, 2021, 'Trend and Progress of Banking in India 2020-21' (position up to Dec 2021) mentioned that nascent signs of recovery in credit growth were visible during 2021-22. Some of the developments which had taken place in the banking sector include:

- The introduction of the Financial Inclusion Index and Digital Payments Index expediting the improvement in the quality of banking services and the deepening of digital payments.
- Operationalisation of UPI123Pay would add forty crores of feature phones to formal banking from the cash economy.
- With the amendments made to Deposit Insurance and Credit Guarantee Corporation (DICGC) Act 1961, the DICGC is required to make payment of insured amounts to depositors within ninety days from RBI's imposition of restrictions on withdrawal of deposits from problematic banks.
- Newly set up National Asset Reconstruction Company Ltd. (NARCL) is expected to result in faster resolution of large value stressed assets.

In the Union Budget 2022-23, more thrust has been given to hard infrastructure such as Roads, Railways and Housing among others, which would generate more employment, lead to the development and help the banking sector to grow. The budget proposals are likely to be game changers and encourage the economy to recover faster. This would allow the banks to channel their credit flow to all these significant sectors, thereby achieving healthy growth. The salient budget measures include-connecting 1.5 lakh post offices to the Core Banking System, setting up 75 Digital Banking Units (DBUs) in 75 districts of the country by banks, allocation of an additional ₹50,000 crore under ECLGS for the Hospitality Sector, revamping the CGTMSE Scheme by infusing additional funds, continuing support for the digital payment ecosystem, and promotion of user-friendly payment platforms, using Kisan Drones for crop assessment, digitisation of the land records, giving infrastructure status to data centres and energy storage systems, construction of 80 lakh houses in rural and urban areas under PMAY (Pradhan Mantri Awas Yojana), among others.

#### **D. Covid-19 is decelerating, but we should continue to be cautious:**

Lockdowns, maintaining a personal distance, wearing face masks, and vaccination drives have helped contain the spread of COVID-19. Gradually travel restrictions have been relaxed and public life has been returning to normalcy. However, experts have advised us to exercise abundant caution, and at Karnataka Bank, we have continued to observe precautions to prevent the spread of COVID-19.

#### **E. Our Business segments:**

Pursuant to the Guidelines issued by RBI on Accounting Standard 17 (Segment Reporting), your Bank has identified four business segments viz., Treasury, Corporate /Wholesale Banking, Retail Banking and Other Banking Operations for the year ended March 31, 2022. Details about aforesaid business segments are discussed hereafter:

##### **Retail Banking:**

Your Bank offers a broad 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 banking loans and agriculture loans. Retail Banking includes all credits to Industry/Service/Agriculture/Forex and other Business Activities of less than and equal to ₹7.50 Crore. The Division has four specialized wings viz: Agriculture, Forex, SMEs and Others. A separate Agriculture Credit Support Group functions in the Retail Finance Division to exclusively deal in agriculture credit. Further, as part of retail banking, your Bank also supports the MSME sector with 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 Industry. Bank has also registered as a financier on the TreDS platform, set up to provide finance to MSMEs. The United Nations Industrial Development Organization (UNIDO) has identified a total of 388 clusters having MSME concentration, across the country. Your Bank has its presence in more than 200 such clusters with Branches and dedicated teams delivering credit to the MSME sector units.

To bring uniformity and standardization in credit underwriting practices and to ensure an efficient and quality credit portfolio, three Centralised Loan Processing Hubs (at Mangaluru, Bengaluru and Ahmedabad) and a Centralised Loan Sanctioning Centre (CLSC) at Mangaluru were established by rationalizing earlier regional loan processing centres maintained at all the Regional offices of the Bank. The CLPH and CLSC cater to the credit proposals with amounts up

to ₹5 Crore (product/facility-wise) under Retail, MSME, Agri and Forex credit facilities. The setup was implemented in a phased manner and has been entirely operational from May 31, 2021.

*During the year under report, this segment has earned a revenue of ₹2910.17 crores with a contribution of ₹920.35 crores to profit before tax and un-allocable expenditure.*

#### **Corporate Banking:**

Your Bank's Corporate and Wholesale banking business (with an individual entity exposure of over ₹7.50 crore) caters to the banking needs of all entities including corporate entities particularly, large-sized corporations. Corporate banking products and services include various fund-based products such as term loans, working capital facilities, foreign exchange services, structured finance, trade financing, and bill discounting and non-fund-based products such as letters of credit and guarantees.

*The revenue earned by your Bank during the year under report from this segment was ₹2506.24 crore with a contribution of ₹526.63 crores to profit before tax and un-allocable expenditure.*

#### **Treasury Operations:**

Your Bank's treasury operations primarily comprise statutory reserves management such as SLR and CRR, liquidity management, investment and trading activities and foreign exchange activities. The Treasury primarily invests in sovereign debt instruments and other fixed-income securities as part of liquidity management. Bank also deals with commercial papers, mutual funds, certificates of deposits and floating rate instruments to manage short-term surplus liquidity. Your Bank engages in foreign exchange operations from a centralized location in Mumbai as a part of the Integrated Treasury. Your Bank also offers a wide range of products and services for customers such as forward contracts, foreign exchange products and services among others.

*During the year under report, Bank has earned total revenue of ₹1315.30 crores from Treasury operations with a contribution of ₹256.12 crores to profit before tax and un-allocable expenditure.*

#### **Other Banking Operations:**

Your Bank offers a wide range of products and services including savings accounts, current accounts, wholesale term deposits, international debit cards, cobranded credit cards, depository services, online trading, Application Supported by Blocked Amount (ASBA) facility for participation in public issuances, locker facilities, mobile and internet banking services, payment and remittance services etc. Bank offers these services through physical banking channels as well as digital channels including Internet or E-banking, Mobile Banking, E-lobbies etc.

*This segment has generated revenues of ₹427.66 crores with a net result of ₹-11.59 crores.*

### **F. 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 March 31, 2022, your Bank had 2326 service outlets including 877 branches, one extension counter, 885 ATMs and 563 cash recyclers with a presence in 567 centers spread across 22 States and 2 Union Territories. Apart from the above, the Bank also has one co-located Data Centre with a Disaster Recovery Centre and Near Line Site (NLS), two Service branches, four Currency Chests, two Central Processing Centers, one Digital Centre of Excellence, and seven Asset Recovery Management Branches. During the year under report, your Bank has opened 20 new branches and moved Integrated Treasury to Mumbai by merging Domestic Treasury, three Central Loan Processing Hubs and one Central Loan Sanctioning Centre for Sanctioning of retail loans.

### **G. Bancassurance Business and Third Party Products:**

#### **Bancassurance Business**

##### **Life Insurance:**

Your Bank has been associated with PNB Metlife Insurance Company Limited for over 19 years, Life Insurance Corporation of India Limited since 2017 and Bharti AXA Life Insurance Limited since 2019, for the sale of their life insurance products as a corporate agent.



**General Insurance:**

Your Bank has been associated with Universal Sompo General Insurance Co Ltd and Bajaj Allianz General Insurance Company Limited to enable your Bank to offer health and non-life insurance products to its customers.

As a step towards providing financial security, your Bank launched Group Personal Accident (GPA) Insurance scheme “KBL Suraksha” by Universal Sompo General Insurance Company Ltd., 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 up to the age limit of 75 years.

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:**

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”. During the year, Bank achieved the mark of one lakh cards and on March 31, 2022, the number of cobranded credit cards stood at 1,17,046.

**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-up arrangement with Way2Wealth Securities Pvt. Ltd and IIFL Securities Ltd for extending 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 Bank’s clients. Mutual fund products are sold through the Bank’s branch distribution network.

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 your Bank’s mobile application ‘KBL Mobile Plus’.

**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, 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 Bank’s clients.

Your Bank has also launched a ‘Cash@POS’ facility through its network of over 9,312 PoS terminals installed at various merchant establishments throughout India. It is a facility through which any other Bank’s customers 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**

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.

**H. Customer Service:**

Your Bank is continuously focusing on creating new benchmarks in customer service to make your Bank distinctly more competitive. This necessitates the designing innovative and cost-effective mechanisms for efficiently delivering banking services. Your Bank is actively involved in implementing systems and procedures for banking services rendered to customers and an effective grievance redressal mechanism including an Internal Ombudsman [IO] as per the guidelines received from RBI and Indian Banks’ Association (IBA) from time to time. Your Bank is also providing doorstep banking

services to Senior Citizen customers of more than 70 years of age and differently-abled or infirm persons including the visually impaired at all branches of metro centres and “on a best effort basis” at all other branches of your Bank going forward.

## **I. Deployment of Information Technology in the banking business**

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

A disaster recovery [DR] arrangement also exists to ensure business continuity in the event of any failure of the primary site. This arrangement is strengthened by implementing three-way data replication process aimed at maintaining zero data loss. Critical applications such as CBS, ATM, Internet Banking and Mobile Banking are part of this arrangement. During the FY, Bank’s Data Centre has been successfully shifted to a Colocation Centre.

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.

Bank’s IT infrastructure is supervised by the CTO (Chief Technology Officer). Your Bank will continue to take note of technological revolutions and take appropriate decisions at the right time to provide premier banking services and continue to be a ‘tech-savvy’ Bank.

### **Digital Initiatives under KBL-Vikaas:**

The following are some of the major new initiatives launched under the project during the year under report:

#### **1. Digital journeys/ products/services:**

- Digital journey for Mortgage Loans
- Mobile Banking for NRIs
- NCMC Card [National Common Mobility Card]
- KBL FASTag
- Digi- Centre at Mannagudda branch, Mangaluru
- Launch of chatbot ‘Digital Human Interactive Relationship Assistant (Dhira)’, on the website for Personal Loan digital journey
- Launch of lead generation tools under ‘KBL Xpress’ series viz. KBL XABCD [Xpress Annual Branch Customer Dashboard] and KBL XPAWS [ Xpress Profile Analysis for Wallet Share]
- Several enhancements to Mobile Banking and Internet Banking applications including opening and closure of term deposits & submission of form 15G/H
- Launch of e-Connect platform for
  - for online KYC updation
  - online 15G/H form submission [facility is also provided through Mobile Banking]
  - Online Safe Deposit Locker Booking [Facility is also provided through Mobile Banking]
  - Loan instalment payment

The adoption of digital sanctions has gained momentum and helped the Bank provide contactless banking services during the pandemic-affected period. The percentage of sanctions under Home loans, Car loans and MSME loans through digital mode has exceeded 90% of the eligible loans.

#### **2. Digital tools & Enablers:**

The project has introduced a host of internal tools mainly, KBL FORCE (Lead Management System), KBL e-Dashboard (Automated Business Dashboard), KBL Kollect+ (for Real-Time Monitoring of Collections with history of conversations), KBL Vasool So-Ft (NPA Management Tool), KBL Rise (Performance Management System),

e-TMS, (an internal digital Ticketing Management Solution), KBL VAARIS (Claim settlement) and digital tools for Compliance Test Reports, Claiming of Education Loan subsidy among others. These digital tools have redefined the internal processes for further enhancing efficiency and effectiveness.

### 3. Digital Marketing and Digital Customer Survey:

Bank conducted several digital marketing campaigns for marketing its products through social media, website, Mobile and Internet Banking and ATMs. Similarly, branding exercises were also performed through hashtags, blogs, hosting of videos of CSR activities and customer testimonials among others. To understand the customers' needs and our product effectiveness, digital customer surveys are also conducted at frequent intervals. Bank has listed the location of all its branches on Google Maps and local search results using the 'Google My Business' tool.

### 4. Digital adoption:

As of March 31, 2022, 93.22% of transactions were performed through digital channels. Furthermore, digital adoption under loan underwriting was as under:

Initiative	% of Digital underwriting on Overall sanctions	% of Digital underwriting on eligible sanctions
KBL Xpress Cash	100%	100%
KBL Xpress Car Loans	79%	91%
KBL Xpress Home Loans	75%	91%
KBL Xpress MSME Loans	70%	93%

## J. Human resources

The banking industry is exposed to various changes/challenges with digitalization taking the world by storm. The survival and prosperity of any industry depend upon the quality of its human resource and the banking industry is not an exception. Human Resource Development is a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. Accordingly, your Bank attaches the most significant importance to employee satisfaction, upskilling and human resource development activities. Your Bank also has a Chief Learning Officer to oversee skill development and training needs. Bank has also introduced ECDS (Employee Career and Development System) by operationalizing the PMS (Performance Management System) wherein role-based, measurable and behavioural KRAs are defined against which the employee performance is assessed on a month-on-month basis. Bank has also put in place TMC (Talent Management Committee) to identify and groom the talents as part of succession planning.

### Training & Development

Training plays a significant role in Human Resource Development. Effective training is essential for any organization that aims to gain a competitive advantage through enhanced performance and excellent service from its employees. Staff members must be acquainted with the required knowledge and skills to meet current challenges to perform the tasks efficiently and prepare them to shoulder higher responsibilities.

Your Bank has so far hosted 100 e-learning modules on the ELM platform. The hosted modules covered all facets of Banking and important products/processes of your Bank, Parabanking, IT, Information and Cyber Security, Risk management and so on. E-learning provides the staff members an excellent opportunity to acquire knowledge on diversified subjects at their location through easy learning techniques without attending classroom training. These modules are in simple and 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 your Bank. Your 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 your Bank deposes its officers and staff for specialized training are the Indian Institute of Management (IIM) Ahmedabad, 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, IFBI Chennai, 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 FY22, 5976 employees were nominated for various trainings/e-workshops/conferences covering 75.28% of the total staff strength. Further, a total of 3,669 staff members, including executives have undergone the training at our Staff Training College and 2,119 staff members have been trained at the external training Centres such as SIBTSC, IIBF, RBI-CAB among others, 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 such as 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.

Robotic Process Automation (RPA) has been implemented for various HR Processes. As a risk mitigation measure, mandatory leave has been introduced for Executives/Officers posted in Sensitive Positions/Areas of operation. In addition, Sabbatical Leave Scheme is also introduced for women employees. Your Bank values opinions and suggestions from all the employees. It encourages their inputs, thoughts and innovative ideas which help create 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.

As of March 31, 2022, Bank had 8520 employees, of which, 2542 were women constituting around 29.83% 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. No complaints were pending at the beginning of the FY2022 and no complaints were received during the year under report.

#### Other HR initiatives include:

- Robotic Process Automation (RPA): Implemented for various HR Processes such as mandatory leave, user management and managing user access for planned leave.
- Mandatory Leave: A total of 19 officers in sensitive areas have taken mandatory leave of 10 working days during the FY2022.
- Sabbatical Leave: 62 women employees have availed the benefit of sabbatical leave during the year.

## K. Review of financial performance (standalone):

### Summary:

As of March 31, 2022, the Business Turnover of your Bank reached a new high of ₹137169.99 crores. During the FY2022, Bank registered an all-time high net profit of ₹508.62 crores. The share of CASA also has reached an all-time high of 32.97%. The asset quality improved with a 101 bps and 77 bps reduction respectively under Gross NPAs and Net NPAs. Your bank has taken prudent measures and concrete actions to strengthen its Balance sheet by improving its Provision Coverage Ratio to 73.46% and CRAR to an all-time high of 15.66%. Overall, the FY2022 was a year of satisfactory performance witnessing further strengthening of your Bank's fundamentals despite COVID19's affecting the economy. Net Interest Income increased 14.1% to ₹2,491.03 crores from ₹2,183.19 as Interest expense decreased 7.87% to ₹3,730.63 crores from ₹4,049.23 crores. As a result, Net Profit increased 5.40% to ₹508.62 crores from ₹482.57 crores.

The following table sets forth the analysis of Net interest income and Interest spread:

(₹ in crores)	FY22	FY21	Change
Interest earned	6,221.66	6,232.42	-0.17%
Interest expended	3,730.63	4,049.23	-7.87%
<b>Net Interest Income</b>	<b>2,491.03</b>	<b>2,183.19</b>	<b>14.10%</b>
<b>Net Interest Margin</b>	<b>3.18%</b>	<b>2.91%</b>	<b>27 bps</b>
Yield on Advances	8.84%	9.05%	-21 bps
Cost of Deposits	4.66%	5.29%	-63 bps
<b>Interest Spread in Lending</b>	<b>4.18%</b>	<b>3.76%</b>	<b>42 bps</b>

Net interest margin and Interest spread have improved by 27 bps and 42 bps respectively as the advances grew more than the deposits and the cost of funds has come down.

## Interest earned

During FY22, your Bank earned an interest income of ₹6,221.66 crores. It was slightly lower by 0.17% over ₹6,232.41 crores earned in FY21.

(₹ in crores)	FY22	FY21	Change
Interest on advances and Discount on bills	4,737.88	4,937.29	-4.04%
Income on investments	1,310.12	1,142.35	14.69%
Interest on balances with RBI and inter-bank funds	31.89	29.98	6.37%
Other interest income	141.77	122.79	15.46%
<b>Interest earned</b>	<b>6,221.66</b>	<b>6,232.41</b>	<b>-0.17%</b>

The decline in Interest on advances and Discount on bills by 4.04% was due to reduction of MCLR and other External Benchmark Lending rates and the drop in the interest rates on the existing advances portfolio on account of stiff competition. In comparison, Income on investments went up by 14.69% due to an increase in average investments from ₹17217 crore during FY2021 to ₹20267 crore during FY2022.

## Other Income:

(₹ in crores)	FY22	FY21	Change
Other Income	953.88	1404.20	-32.07%

Other income decreased to ₹953.88 crore from ₹1404.20 crore i.e., by 32.07 % primarily due to lower trading income during the FY2022.

## Interest expense

The following table sets forth the details of interest expense.

(₹ in crores)	FY22	FY21	Change
Interest on deposits	3584.65	3850.78	-6.91%
Interest on borrowings from RBI and Banks	39.42	41.42	-4.82%
Other Interest	106.56	157.03	-32.14%
<b>Interest expended</b>	<b>3730.63</b>	<b>4049.23</b>	<b>-7.87%</b>

The decrease in interest expense was on account of higher share of CASA as also softening of interest rates on term deposits during the reporting financial year.

## Operating expenses

The following table sets forth the broad lines of operating expenses.

(₹ in crores)		FY22	FY21	Change
Employee cost		1014.95	913.31	11.13%
Depreciation		73.67	73.52	0.20%
Other administrative expenses		722.30	692.28	<b>4.34%</b>
<b>Total operating expenses</b>	A	<b>1810.92</b>	<b>1679.11</b>	<b>7.85%</b>
Total Income (Less) Interest Expenditure	B	3444.91	3587.39	-7.87%
<b>Cost to Income Ratio</b>	C = A/B	<b>52.57%</b>	<b>46.81%</b>	576 bps

The Cost to Income Ratio has increased mainly on account of a reduction in other income owing to lower trading profit. Otherwise, the operating expenses were almost at par with last year's.

## Provisions and contingencies:

The following table sets forth the details of provisions for NPA among others.

(₹ in crores)	FY22	FY21	Change
NPA	590.61	1227.42	-51.88%
Standard advances (including NPV of Restructured Standard advances)	327.08	67.69	383.20%
Investments	10.00	5.66	76.68%
Others	11.75	(4.41)	366.44%
Provision for Tax	185.94	129.36	43.74%
<b>Total provisions</b>	<b>1125.38</b>	<b>1425.71</b>	<b>-21.07%</b>

With the improvement in asset quality, as reflected by the lower level of Gross NPAs, provision on NPA has decreased. The provision on restructured advances has increased on account of a large amount of restructuring carried on during the period under review under the Resolution framework announced by the Reserve bank of India.

With effect from Assessment year 2021-22, the Bank has opted for new regime of tax under section 115 BAA of Income tax Act 1961. Consequently, during the March 22 quarter, the Bank has re-measured its deferred Tax assets and deferred tax Liabilities and reversed the amount of ₹ 85.00 crores by debiting to the Profit and Loss Account.

## Deposits

The following table sets forth the details of the deposits.

(₹ in crores)	FY22	FY21	Change
CASA deposits	26499.59	23823.32	11.23%
Retail term deposits	53886.79	51821.74	3.98%
Others	0.47	9.80	-
<b>Total</b>	<b>80,386.85</b>	<b>75,654.86</b>	<b>6.25%</b>

Higher share of CASA deposits and softening of interest rates on term deposit contributed towards reduction in overall cost of deposits from 5.29% in FY21 to 4.66% in FY22.

## Advances

The gross advances grew by 10.22%, with a positive traction under corporate advances. The share of retail & mid corporate advances stood at 79.63 %. The details are as under:

In %	FY22	FY21	Change
Retail	47.78	52.98	-520 bps
Mid corporate	31.85	33.79	-194bps
Corporate	20.37	13.23	714 bps
<b>Total</b>			<b>10.22%</b>

Priority sector advances are detailed below.

(₹ in crores)	FY22	FY21	Change
Agriculture	10,473	9,071	15.46%
Weaker sections	3,953	3,758	5.19%
Other priority sectors	17,651	15,788	11.8%
<b>Total priority sector</b>	<b>32,077</b>	<b>28,617</b>	<b>12.09%</b>
Total advances	56,783	51,516	10.22%
<b>Priority Sector (% of ANBC)</b>	<b>56.41%</b>	<b>46.58%</b>	<b>983 bps</b>

Your Bank has been meeting the RBI's target of 40% of Adjusted Net Banking Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBE), whichever is higher in respect of priority sector lending.

### Asset quality / Provisioning:

Asset quality refers to the recoverability of an advance, measured by the borrower's behaviour in timely payment of interest and instalments and other parameters. As per RBI guidelines, we have classified our advances into Standard, Substandard, Doubtful and Loss assets depending on how long a loan has remained a non-performing asset (NPA) and made provisions as per those guidelines.

The classification of NPAs is as follows:

(₹ in crores)	Gross NPA	Provision held & other netting items	Net NPA
Sub-standard	732.12	123.38	608.74
Doubtful	1434.71	693.27	741.44
Loss	83.99	57.20	26.79
<b>Total NPA</b>	<b>2250.82</b>	<b>873.85</b>	<b>1376.97</b>
NPA%	3.90	-	2.42

### 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. During FY2022, Bank raised an amount of ₹300.00 crores by issuing 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. The details of the capital adequacy position are as follows:

Capital-To-Risk Weighted Assets Ratio (CRAR) under Basel III:

	(₹ in crores)		31.3.2022	31.3.2021
A	Tier I Capital			
	Paid-up Equity Capital		311.17	310.88
	Reserves under Tier I Capital		6,247.02	5,829.51
	Total Tier I Capital		6,558.19	6,140.39
B	Tier II Capital			
	General Provisions & Reserves		540.35	501.65
	Subordinated Debts		1020.00	745.00
	Eligible Tier II Capital		1,560.35	1,246.65
C	Total Capital Tier I and II	A+B	8118.55	7387.05
D	Risk-Weighted Assets		51,855.44	49,759.61
E	CRAR Tier I Capital	A/D	12.65%	12.34%
F	CRAR Tier II Capital	B/D	3.01%	2.51%
G	CRAR Tier I and Tier II Capital	C/D	15.66%	14.85%





## Key ratios

Ratio	UoM	FY22	FY21
<b>Productivity ratios</b>			
Operating Profit per employee	₹ in crores	0.19	0.23
Operating Profit per branch	₹ in crores	1.86	2.22
Business per employee	₹ in crores	16.10	15.12
Business per branch	₹ in crores	156.41	148.42
<b>Profitability</b>			
Net interest margin	%	3.18	2.91
Interest spread	%	4.18	3.76
Cost to Income	%	52.57	46.81
<b>Asset quality</b>			
Gross NPA	%	3.90	4.91
Net NPA	%	2.42	3.19
<b>Capital efficiency</b>			
Business turnover	₹ in crores	137169.99	127170.71
Credit deposit ratio	%	70.64	68.09
Return on assets	%	0.57	0.57
Return on equity	%	7.41	7.65
Provision coverage ratio (PCR)	%	73.47	69.99
Capital-To-Risk Weighted Assets Ratio (CRAR)	%	15.66	14.85
<b>Shareholder value</b>			
Earnings per share	₹	16.36	15.52
Book value per share	₹	228.01	213.67



## L. Risk and Mitigation

The gist of how your Bank manages the critical 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 and aggregating the credit risk of all borrower accounts across various exposures. Bank has introduced Specialized lending rating models, Retail Scorecard model (Pool based approach) and Facility Rating Model. Further, score card models under Business Rule Engine (BRE) method have also been introduced for the digital underwriting 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 and 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 and capital resulting from movements in market prices, particularly changes in interest rates, foreign exchange rates and equity and commodity prices, including the volatilities resulting from those changes.</p>	<p>Bank has put in place Board approved Policy on Integrated Treasury, Policy on Asset Liability Management (ALM), Policy on Market Risk Management and Policy on Fund Transfer Pricing for effective management of Market Risk in your Bank. Besides, there are inbuilt thresholds for close monitoring of the market movement.</p>	<p>Optimizing returns from various assets and market-linked instruments, treasury operations among others.</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. 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 and sensitivity analysis are conducted at regular intervals to monitor the liquidity and draw an action plan if required.</p>	<p>Advance assessment of need of funds and coordinating with various sources of funds available to your Bank under normal and stressed conditions.</p>
 <p><b>INTEREST RATE RISK</b></p> <p>The 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 Market Value of Equity (MVE) 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 an organization's reputation from unauthorized / deliberate malafide or erroneous use of information systems.</p>	<p>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) among others to protect its information systems. 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>During the FY 2022, as part of its ongoing cyber resilience initiatives, your Bank had carried out a cyber-security assessment through M/s E &amp; Y and has implemented their recommendations.</p> <p>Bank was also subjected to a cyber-security audit by RBI. 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>Your Bank is certified with ISO/IEC 27001:2013 standards for the 'Information Security Management System(ISMS)' on the systems and procedures maintained at the Information Technology Department including Disaster Recovery Site, Near Line site, co-located Data Centre and Digital Centre of Excellence (DCoE) which assures a higher level of security features in all its applications and process.</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>Your Bank has initiated several measures to manage operational risk by identifying the assessing and monitoring of inherent risks in all its business processes. The Core Banking Solution has in-built systems and controls 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 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 and mitigate key operational risks within your Bank.</p> <p>Bank has implemented the Operational Risk Management application 'Kalypto/ Ops' to manage the operational risk effectively.</p>

## M. Internal Control Systems – Adequacy and Compliance

Your Bank has established 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 are 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 your Bank to ensure effective implementation and compliance of all the directives issued by various Regulators and 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 among others, the Risk-Based Internal Audit would offer suggestions for mitigating current risk and on potential future risk, thereby playing an important role in the risk management process of your Bank. The risk assessment under RBIA covers risks at various levels (corporate and branch; portfolio and individual transactions among others) and 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 conducted by your Bank and evaluating the effectiveness of the control systems for monitoring the Inherent Risks of the business activities. The Internal Audit function of your 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 your 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, your 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, managing and 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 an Internal Financial Controls framework by documenting risk and controls associated with each process in your Bank and testing of Internal Financial Controls over Financial Reporting (ICFR) is done annually.

### **Information Systems Audit:**

With a view to seeking periodic assurances on the adequacy and efficacy of internal control functions, your Bank causes periodic Regular Inspections and Information System (IS) Audit 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 among others. Your Bank has implemented 'Defence in Depth' security architecture with continuous monitoring by Securities Operations Centre (SOC) integrated with SIEM to safeguard the interest of your Bank's assets and its stakeholders. The systems and processes of your Bank's Data Centre, NLS & IT, Risk Management departments 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, preventing and detecting 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.

#### **N. KBL@100:**

Your Bank will be celebrating its 100<sup>th</sup> Year during 2023-24. To commemorate the centenary year, your Bank has planned many activities and a few among them are:

- To emerge as Digital Bank of Future by duly encashing all the initiatives under the KBL-Vikaas 1.0 and 2.0 transformation journey.
- To foray into the overseas banking business by having a representative office in the Middle East, to begin with.
- To start Wealth Management services.
- To bring out a Centenary Souvenir.
- To construct a befitting Centenary Tower at HO, Mangaluru and have our own Regional Offices' buildings at Kolkata, Tumakuru and Udupi among others.

#### **O. Way forward:**

Despite the risks of high crude prices, high inflation and rise in interest rates, India occupies a sweet spot in terms of growth opportunities in today's world. Monsoon is expected to be normal and offers comfort for the country's economic wellbeing in FY23. We have earned ₹ 500+ crore net profit in FY22 for the first time and it is a milestone in your Bank's journey.

At the beginning of the FY2022, the year was envisioned 'as a year of business excellence'. As per the audited financial numbers, the Bank has been able to further strengthen its fundamentals in almost all parameters. During the current year, your Bank would primarily focus on healthy loan book growth with a focus on retail and mid-corporate segments, increasing the share of CASA with a focus on government business and further intensifying the management and recovery of stressed assets.

As digital is the way forward, under the KBL VIKAAAS 2.0, your Bank has placed digital banking on fast forward mode. Your Bank has taken up KBL VIKAAAS 2.0 - *KBL NxT* which will further deepen its digital capabilities. In the KBL NxT, your Bank has planned several digital transformational changes such as digital customer onboarding, end-to-end customer self-journey, end-to-end journey for all the loan products, the establishment of an Analytical Center of Excellence (ACoE), predictive banking, providing Omni-Channel experience to the customers and many other digital initiatives that will lead to the customer delight.

Besides, we have devised strategies for further growth and our focus areas for FY23 would be:

- Integrated Management of Asset Quality to monitor SMA, NPA and technically written-off accounts among others and closely monitor the accounts restructured under RBI's Resolution Framework-1 and Resolution Framework-2 thereby reducing the restructured portfolio progressively.
- Opening of DBUs (Digital Banking Units) as per RBI Guidelines, as separate business units /hubs which shall house certain minimum digital infrastructure to deliver digital banking products & services.
- Growth in CASA and Government business through dedicated officers at the field level and regional and central levels.
- Re-aligning banking activities to ESG Protocols.

# ANNEXURE-1

## DISCLOSURE UNDER PILLAR III OF BASEL III ACCORD

### 1. SCOPE OF APPLICATION

The Karnataka Bank Limited, a premier private sector Bank, was incorporated on February 18th 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, Bank holds equity investments to the extent of 6.00 per cent in Universal Sompo 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*	31,12,92,381	10	311,29,23,810	311.29
3.	Subscribed Capital	31,11,80,410	10	311,18,04,100	311.18
4.	Called up/Paid up Capital	31,11,63,860	10	311,16,38,600	311.16

\*inclusive of forfeited shares.

The Bank's shares are listed on the National Stock exchange of India Ltd and Bombay Stock Exchange Ltd. During the FY 2021-2022, Bank has issued 2,94,171 shares pursuant to exercise of employees stock options by the employees.

**a. Breakup of Capital Funds**

The Tier I Capital of the Bank comprises of (₹ in crore)

1.	Paid up Capital (Including forfeited shares)	311.17
2.	Reserves	6,247.02
	<b>Total</b>	<b>6,558.19</b>

The Tier II Capital of the Bank comprises of (₹ in crore)

1	Undisclosed reserves	116.80
2	General Provisions and Loss Reserves	423.56
3	Subordinated debts eligible for inclusion in Lower Tier 2 Capital	1,020.00
	<b>Total</b>	<b>1,560.36</b>

The Total capital comprises of: (₹ in crore)

1	Tier I Capital	6,558.19
2	Tier II Capital	1,560.36
	<b>Total</b>	<b>8,118.55</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 Co Ltd / India	General Insurance	368	6%	0.09%

**b. TABLE DF-2: CAPITAL ADEQUACY: ASSESSMENT OF CAPITAL ADEQUACY:**

**b1. 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.

## b2. 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>3,890.55</b>
	- Securitization exposures	-
B	Capital requirement for Market Risk	
	<b>Standardized duration approach</b>	<b>257.29</b>
	- Interest rate Risk	164.65
	- Foreign exchange risk	0.76
	- Equity Risk	91.88
C	Capital requirement for Operational Risk	
	<b>- Basic Indicator approach</b>	<b>519.16</b>
D	Total Capital requirement (**)	4,667.00
E	Total eligible Capital Funds of the Bank as per Basel III	8,118.55
F	Total Risk Weighted Assets	51,855.44
G	Common Equity Tier I ratio (CET1) (%)	12.65%
H	Tier I CRAR (%)	12.65%
I	Tier II CRAR (%)	3.01%
<b>J</b>	<b>Total CRAR (%)</b>	<b>15.66%</b>

\*\* Excluding CCB

## 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 'Risk Management Policy' 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 Policy Committee (CPC), 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.

CPC 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

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 used for digital journey. Accordingly, Bank is rating its credit portfolio as per the criteria laid down for rating in the Loan Policy 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 and 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.
6. Industry-wise exposure ceilings based on the industry performance, prospects and the competitiveness of the sector.
7. Separate risk limits for credit portfolios like advances to NBFC and unsecured loans that require special monitoring.

##### Review and Monitoring

1. 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.
2. 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.
3. 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	Total
Fund Based	66,968.55	NIL	66,968.55
Non Fund Based	9,756.02	NIL	9,756.02
<b>TOTAL</b>	<b>76,724.57</b>	<b>NIL</b>	<b>76,724.57</b>

#### (c) Geographic distribution of credit exposure (₹ in crore)

S.No.	State / Union Territory	Funded Exposure	Non Funded Exposure	Total Exposure
1	Andhra Pradesh	2,966.89	580.68	3,547.57
2	Assam	156.47	122.56	279.03
3	Bihar	20.94	0.72	21.66
4	Chandigarh	116.49	78.40	194.89
5	Chhattisgarh	543.09	306.23	849.32
6	Dadra And Nagar Haveli	6.33	0.01	6.34
7	Daman And Diu	0.45	0.00	0.45
8	Delhi	5,030.06	508.47	5,538.53
9	Goa	370.16	27.07	397.23
10	Gujarat	1,398.26	314.70	1,712.96
11	Haryana	1,034.92	260.77	1,295.69
12	Himachal Pradesh	9.48	1.25	10.73
13	Jammu & Kashmir	0.21	0.00	0.21
14	Jharkhand	336.75	7.64	344.39
15	Karnataka	29,848.99	3,526.95	33,375.94
16	Kerala	951.70	19.55	971.25
17	Madhya Pradesh	496.28	10.34	506.62
18	Maharashtra	10,717.49	1,208.30	11,925.79
19	Manipur	0.04	0.00	0.04
20	Orissa	704.61	131.29	835.90
21	Pondicherry	32.11	0.67	32.78

S.No.	State / Union Territory	Funded Exposure	Non Funded Exposure	Total Exposure
22	Punjab	833.82	90.76	924.58
23	Rajasthan	722.02	136.50	858.52
24	Sikkim	35.26	0.00	35.26
25	Tamil Nadu	4,566.53	526.16	5,092.69
26	Telangana	3,764.62	1,324.70	5,089.32
27	Uttar Pradesh	505.12	121.92	627.04
28	Uttarakhand	190.67	4.79	195.46
29	West Bengal	1,608.79	445.60	2,054.39
<b>Grand Total</b>		<b>66,968.55</b>	<b>9,756.02</b>	<b>76,724.57</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	31.03.2022		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
A	B	C	D=B+C
<b>A. Mining and Quarrying</b>	<b>263.89</b>	<b>12.45</b>	<b>276.35</b>
A.1 Coal	6.35	3.39	9.73
A.2 Others	257.55	9.07	266.62
<b>B. Food Processing</b>	<b>309.70</b>	<b>292.39</b>	<b>602.09</b>
B.1 Sugar	16.37	0.00	16.37
B.2 Edible Oils and Vanaspati	20.54	176.06	196.60
B.3 Tea	0.00	0.31	0.31
B.4 Coffee	0.13	0.37	0.49
B.5 Others	272.67	115.65	388.32
<b>C. Beverages (excluding Tea &amp; Coffee) and Tobacco</b>	<b>68.17</b>	<b>0.92</b>	<b>69.09</b>
C.1 Tobacco and tobacco products	1.20	0.00	1.20
C.2 Others	66.97	0.92	67.89

Industry	31.03.2022		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
<b>D. Textiles</b>	<b>1,944.29</b>	<b>120.54</b>	<b>2,064.83</b>
D.1 Cotton	596.24	30.28	626.52
D.2 Jute	0.00	0.00	0.00
D.3 Man-made	520.77	9.39	530.16
D.4 Others	827.28	80.87	908.15
Out of D (i.e., Total Textiles) to Spinning Mills	76.98	27.73	104.71
<b>E. Leather and Leather products</b>	<b>10.07</b>	<b>3.13</b>	<b>13.19</b>
<b>F. Wood and Wood Products</b>	<b>1.51</b>	<b>90.48</b>	<b>91.99</b>
<b>G. Paper and Paper Products</b>	<b>148.17</b>	<b>20.21</b>	<b>168.37</b>
<b>H. Petroleum (non-infra), Coal Products (non-mining) &amp; Nuclear Fuels</b>	<b>229.61</b>	<b>55.88</b>	<b>285.49</b>
<b>I. Chemicals and Chemical Products (Dyes, Paints, etc.)</b>	<b>933.76</b>	<b>111.89</b>	<b>1,045.65</b>
I.1 Fertilizers	446.95	5.04	451.99
I.2 Drugs and Pharmaceuticals	325.19	89.08	414.27
I.3 Petro-chemicals (excluding under Infrastructure)	0.00	0.00	0.00
I.4 Others	161.62	17.77	179.40
<b>J. Rubber, Plastic and their Products</b>	<b>577.41</b>	<b>62.14</b>	<b>639.56</b>
<b>K. Glass &amp; Glassware</b>	<b>6.71</b>	<b>0.00</b>	<b>6.71</b>
<b>L. Cement and Cement Products</b>	<b>218.61</b>	<b>42.94</b>	<b>261.55</b>
<b>M. Basic Metal and Metal Products</b>	<b>454.07</b>	<b>138.41</b>	<b>592.48</b>
M.1 Iron and Steel	237.95	97.34	335.28
M.2 Other Metal and Metal Products	216.13	41.07	257.20
<b>N. All Engineering</b>	<b>810.68</b>	<b>326.47</b>	<b>1,137.15</b>
N.1 Electronics	24.13	0.95	25.08
N.2 Others	786.55	325.53	1,112.07
<b>O. Vehicles, Vehicle Parts and Transport Equipments</b>	<b>273.69</b>	<b>23.16</b>	<b>296.85</b>
<b>P. Gems and Jewellery</b>	<b>218.66</b>	<b>27.57</b>	<b>246.24</b>
<b>Q. Construction</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>R. Infrastructure</b>	<b>1,353.58</b>	<b>894.90</b>	<b>2,248.47</b>
<b>R.a Transport (a.1 to a.6)</b>	<b>776.30</b>	<b>360.88</b>	<b>1,137.18</b>
R.a.1 Roads and Bridges	773.44	342.01	1,115.45
R.a.2 Ports	0.00	0.02	0.02
R.a.3 Inland Waterways	1.58	0.01	1.58
R.a.4 Airport	0.00	0.00	0.00
R.a.5 Railway Track, tunnels, viaducts, bridges	1.28	18.64	19.92

Industry	31.03.2022		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	0.00	0.22	0.22
<b>R.b. Energy (b.1 to b.6)</b>	<b>172.23</b>	<b>144.92</b>	<b>317.14</b>
R.b.1 Electricity Generation	<b>169.26</b>	<b>143.45</b>	<b>312.70</b>
R.b.1.1 Central Govt PSUs	0.00	0.00	0.00
R.b.1.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0.00
R.b.1.3 Private Sector	169.26	143.45	312.70
R.b.2 Electricity Transmission	<b>0.89</b>	<b>0.61</b>	<b>1.51</b>
R.b.2.1 Central Govt PSUs	0.00	0.00	0.00
R.b.2.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0.00
R.b.2.3 Private Sector	0.89	0.61	1.51
R.b.3 Electricity Distribution	<b>2.08</b>	<b>0.54</b>	<b>2.61</b>
R.b.3.1 Central Govt PSUs	0.00	0.00	0.00
R.b.3.2 State Govt PSUs (incl. SEBs)	0.00	0.00	0.00
R.b.3.3 Private Sector	2.08	0.54	2.61
R.b.4 Oil Pipelines	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
R.b.5 Oil/Gas/Liquefied Natural Gas storage facility	<b>0.00</b>	<b>0.32</b>	<b>0.32</b>
R.b.6 Gas Pipelines	0.00	0.00	0.00
<b>R.c. Water and Sanitation (c.1 to c.7)</b>	<b>182.86</b>	<b>368.48</b>	<b>551.34</b>
R.c.1 Solid Waste Management	50.00	0.46	50.46
R.c.2 Water supply pipelines	0.00	0.02	0.02
R.c.3 Water treatment plants	3.15	4.88	8.03
R.c.4 Sewage collection, treatment and disposal system	0.00	0.34	0.34
R.c.5 Irrigation (dams, channels, embankments etc)	129.71	362.78	492.49
R.c.6 Storm Water Drainage System	0.00	0.00	0.00
R.c.7 Slurry Pipelines	0.00	0.00	0.00
<b>R.d. Communication (d.1 to d.3)</b>	<b>6.62</b>	<b>17.65</b>	<b>24.27</b>
R.d.1 Telecommunication (Fixed network)	4.30	11.80	16.10
R.d.2 Telecommunication towers	0.13	0.05	0.18
R.d.3 Telecommunication and Telecom Services	2.19	5.80	7.99
<b>R.e. Social and Commercial Infrastructure (e.1 to e.9)</b>	<b>131.01</b>	<b>2.97</b>	<b>133.98</b>
R.e.1 Education Institutions (capital stock)	106.22	0.37	106.59
R.e.2 Hospitals (capital stock)	21.79	2.60	24.39
R.e.3 3-star or higher category classified hotels located outside cities with population of more than 1 million	1.42	0.00	1.42
R.e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	1.23	0.00	1.23

Industry	31.03.2022		
	Fund Exposure	Non-Funded Exposure	Total Credit Exposure (Funded & Non-Funded)
R.e.5 Fertilizer (Capital investment)	0.00	0.00	0.00
R.e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	0.32	0.00	0.32
R.e.7 Terminal markets	0.00	0.00	0.00
R.e.8 Soil-testing laboratories	0.00	0.00	0.00
R.e.9 Cold Chain	0.04	0.00	0.04
<b>R.f. Others, if any, please specify</b>	<b>84.56</b>	<b>0.00</b>	<b>84.56</b>
Hotels with Project cost of More than ₹ 200 crore	84.56	0.00	84.56
Other Infra	0.00	0.00	0.00
<b>S. Other Industries, pl. specify</b>	<b>1,548.49</b>	<b>515.24</b>	<b>2,063.73</b>
Cutting/Polishing Of Granite Stone	882.68	97.55	980.23
Electric Equipment/Products	254.13	241.33	495.46
Other Industries	411.69	176.36	588.05
<b>All Industries (A to S)</b>	<b>9,371.07</b>	<b>2,738.70</b>	<b>12,109.78</b>
Residuary other advances (to tally with gross exposures)	57,597.48	7,017.32	64,614.79
<b>Total</b>	<b>66,968.55</b>	<b>9,756.02</b>	<b>76,724.57</b>

The details of the Industry wherein the Bank's exposure in the related Industry has exceeded the 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 -31.03.2022

(₹ in crore)

Time Bucket	Cash & Balance with RBI	Balance with Banks & Money at Call & Short Notice	Investments	Advances	Fixed Assets	Other Assets	Total
1day	1,200.19	77.58	7,245.82	813.51	0.00	2.84	9,339.95
2 to 7 days	20.57	227.38	158.61	265.67	0.00	0.93	673.15
8 to 14 days	25.85	37.90	126.36	645.32	0.00	2.25	837.68
15 to 30 days	31.41	22.74	123.79	1,072.66	0.00	3.74	1,254.35
31 days to 2 Months	51.43	113.69	223.42	1,120.64	0.00	3.91	1,513.09
2 to 3 Months	53.10	0.00	379.39	1,400.93	0.00	4.89	1,838.30
Over 3 months to 6 months	177.63	0.00	874.67	3,723.92	0.00	12.99	4,789.22
Over 6 months to 1 year	188.75	0.00	962.01	5,311.20	0.00	1,679.42	8,141.38
Over 1 year to 3 years	1,326.53	0.26	6,794.54	22,341.88	0.00	77.94	30,541.15
Over 3 years to 5 years	62.55	0.00	746.98	6,500.00	0.00	20.64	7,330.16
5 year to 7 Years	179.85	0.00	857.24	3,302.27	0.00	11.52	4,350.88
7 Year to 10 years	82.84	0.00	596.35	3,621.07	0.00	12.63	4,312.89
10 Year to 15 Years	463.40	0.00	2,304.66	3,582.28	0.00	12.50	6,362.84
Over 15 Years	93.12	0.00	647.16	3,081.78	818.16	6,115.30	10,755.53
<b>Total</b>	<b>3,957.22</b>	<b>479.54</b>	<b>22,041.00</b>	<b>56,783.14</b>	<b>818.16</b>	<b>7,961.49</b>	<b>92,040.55</b>

## Classification of Non Performing Advances (₹ in crore)

Particulars	31.03.2022
<b>(f) Amount of NPA's ( Gross)</b>	<b>2,250.82</b>
Substandard	732.12
Doubtful 1	609.32
Doubtful 2	787.12
Doubtful 3	38.26
Loss	84.00
<b>(g) Net NPAs</b>	
Amount of Net NPA	1,376.97
<b>(h) NPA Ratios</b>	
Gross NPAs to Gross Advances ratio (%)	3.90
Net NPAs to Net Advances ratio (%)	2.42

### (i) Movement of NPAs (Gross) (₹ in crore)

Particulars	Amount
1. Opening Balance as on 01.04.2021	2,588.41
2. Additions	1,552.86
3. Reductions	1,890.45
<b>4. Closing Balance as on 31.03.2022</b>	<b>2,250.82</b>

### (j) Movement of Provisions for NPAs (₹ in crore)

Particulars	Amount
1. Opening Balance	901.95
2. Provision made during the period	809.85
3. Write off	894.29
4. Write back of excess provisions during the period	
<b>5. Closing balance</b>	<b>817.50</b>

(₹ in crore)

Particulars	Amount
Write offs booked directly to income statement	0.00
Recoveries booked directly to income statement	245.72

## Non Performing Investments and movement of provision for depreciation on Investments

(₹ in crore)

Particulars	31.03.2022
(k) Amount of Non performing Investments	62.10
(l) Amount of Provision held for Non performing Investments	62.10
(m) Movement of provisions for depreciation on Investments	
- Opening balance	276.84
- Add: Provisions made during period	108.77
- Less: Write off/write back of excess provisions	23.05
<b>- Closing balance</b>	<b>362.55</b>

## (n) Major Industry break up of NPA

(₹ in crore)

Industry	Gross NPA	Specific Provision
Metal and Metal Products	20.93	10.39
Engineering Goods	61.52	24.03
Textiles	82.61	36.58
Gems and Jewellery	26.80	6.16
Cement and Cement Products	7.13	2.39
<b>Total</b>	<b>198.99</b>	<b>79.55</b>

## (o) Geography wise Distribution of NPA and Provision

(₹ in crore)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	2,250.82	373.25	817.50
Overseas	-	-	-
<b>Total</b>	<b>2,250.82</b>	<b>373.25</b>	<b>817.50</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 7 domestic credit rating agencies identified by RBI i.e. CRISIL, CARE, India Ratings and Research Private Limited (earlier FITCH India), ICRA, Brickwork, Acuite Ratings & Research Ltd (Earlier SMERA Ratings Limited) and Infomerics Valuation and Rating Pvt Ltd (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)

SI No	Risk weight	Exposure Outstanding
1.	Below 100%	32,728.04
2.	100%	18,659.67
3.	More than 100%	2,716.53
	<b>Total</b>	<b>54,104.23</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 per cent 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 and European Community as well as permitted MDBs, ECGC, CRGFTLIH and CGTMSE), 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 and that were externally rated A- or better at the time the credit protection was provided. This would include credit protection provided by parent, subsidiary and 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	6159.98
Eligible guarantees	790.82

## **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 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 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)

SI No	Risk Category	Capital Charge
I	Interest Rate	164.65
II	Equity	91.88
III	Foreign Exchange , Gold and Derivatives	0.76
IV	<b>Total Capital Charge for market Risk ( I+II+III)</b>	<b>257.29</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, 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

As per the RBI guidelines, the Bank has adopted Basic Indicator Approach for computing capital charge for Operational Risk.

### 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).

#### Ø 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.

#### Ø 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).

- Ø Prudential limits have been fixed for changes in NIM and MVE for 200bps shock in the interest rates and monitored on a monthly basis.
- Ø Earning at Risk for 200 bps interest rate shock is estimated at ₹ 380.18 crore and change in the Market value of Equity for 200 bps interest rate shocks is 5.58%.

## 9. TABLE DF-10: GENERAL DISCLOSURES FOR EXPOSURE RELATED TO COUNTERPARTY 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 Loan Policy 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 31st March, 2022 is as under:

(₹ in crore)		
Particulars	Notional Amount	Current Exposure
Foreign exchange contracts	4,388.36	108.50
Interest rate contracts	NIL	NIL
<b>Total</b>	<b>4,388.36</b>	<b>108.50</b>

## 10. TABLE DF-11 : COMPOSITION OF CAPITAL:

(₹ in crore)

		Amount
<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	1,567.14
2	Retained earnings	
3	Accumulated other comprehensive income (and other reserves)	5,051.80
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	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>6,618.94</b>
<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)	43.02
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)	

	Amount	
17	Reciprocal cross-holdings in common equity	16.73
18	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 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	<i>of which: significant investments in the common stock of financial entities</i>	
24	<i>of which: mortgage servicing rights</i>	
25	<i>of which: deferred tax assets arising from temporary differences</i>	
<b>26</b>	<b>National specific regulatory adjustments (26a+26b+26c+26d)</b>	<b>1.00</b>
26a	<i>of which: Investments in the equity capital of unconsolidated insurance subsidiaries</i>	
26b	<i>of which: Investments in the equity capital of unconsolidated non-financial subsidiaries</i>	1.00
26c	<i>of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank</i>	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>60.75</b>
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>6,558.19</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	<i>of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)</i>	
32	<i>of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)</i>	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	
<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)	

	Amount	
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	<i>of which:</i> Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	<i>of which:</i> 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	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	
44	<b>Additional Tier 1 capital (AT1)</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1) (29 + 44)</b>	<b>6,558.19</b>
<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	1,270.00
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	1,020.00
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
50	Provisions	842.29
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>1,862.29</b>
<b>Tier 2 capital: regulatory adjustments</b>		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
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 the 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	<i>of which:</i> Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b	<i>of which:</i> Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	
58	<b>Tier 2 capital (T2)</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>1,560.36</b>
59	<b>Total capital (TC = T1 + T2) (45 + 58)</b>	<b>8,118.55</b>
60	<b>Total risk weighted assets (60a + 60b + 60c)</b>	51,855.44
60a	<i>of which: total credit risk weighted assets</i>	43,228.30
60b	<i>of which: total market risk weighted assets</i>	2,858.74
60c	<i>of which: total operational risk weighted assets</i>	5,768.40

	Amount
<b>Capital ratios and buffers</b>	
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	12.65%
62 Tier 1 (as a percentage of risk weighted assets)	12.65%
63 Total capital (as a percentage of risk weighted assets)	<b>15.66%</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 <i>of which: capital conservation buffer requirement</i>	2.50%
66 <i>of which: bank specific countercyclical buffer requirement</i>	-
67 <i>of which: higher of G-SIB and D-SIB buffer requirement</i>	
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	5.65%
<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)	842.29
77 Cap on inclusion of provisions in Tier 2 under standardised approach	540.35
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA
<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	743.44
	Investment Fluctuation Reserve included in Tier 2 capital	98.85
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	842.29

**TABLE DF 12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENTS**

### Step 1

(₹ in crore)

		Balance Sheet as in Financial Statements	Balance Sheet under regulatory scope of consolidation
		As on Reporting Date	As on Reporting Date
<b>A</b>	<b>Capital &amp; Liabilities</b>		
i)	Paid-up Capital	311.17	
	Reserves & Surplus	6,783.56	
	Minority Interest	-	
	Total Capital	7,094.73	
ii)	Deposits	80,386.84	
	of which: Deposits from banks	6.03	
	of which: Customer deposits	80,380.81	
	of which: Other deposits (pl. specify)	-	
iii)	Borrowings	2,313.84	
	of which: From RBI	849.67	
	of which: From banks	-	
	of which: From other institutions & Agencies	194.17	
	of which: Others (outside India)	-	
	of which: Capital instruments (Tier II)	1,270.00	

		Balance Sheet as in Financial Statements	Balance Sheet under regulatory scope of consolidation
		As on Reporting Date	As on Reporting Date
iv)	Other liabilities & provisions	2,245.14	
	<b>TOTAL Capital &amp; Liabilities</b>	<b>92,040.55</b>	
<b>B</b>	<b>Assets</b>		
i)	Cash and balances with Reserve Bank of India	3,957.22	
	Bal. with banks & money at call & short notice	479.54	
ii)	Investments:	22,041.00	
	<i>of which:</i> Government securities	20,133.09	
	<i>of which:</i> Other approved securities	-	
	<i>of which:</i> Shares	86.18	
	<i>of which:</i> Debentures & Bonds	1,658.39	
	<i>of which:</i> Subsidiaries/joint Ventures/ associates	1.00	
	<i>of which:</i> Others (Commercial Papers, MFs etc.)	162.34	
iii)	Loans and Advances	56,783.14	
	<i>of which:</i> Loans and Advances to Banks	-	
	<i>of which:</i> Loans and Advances to Customers	56,783.14	
iv)	Fixed Assets	818.16	
v)	Other Assets:	7,961.49	
	<i>of which:</i> Goodwill and intangible assets	-	
	<i>of which:</i> Deferred tax assets	369.31	
vi)	Goodwill on consolidation	-	
vii)	Debit balance in Profit & Loss account	-	
	<b>TOTAL Assets</b>	<b>92,040.55</b>	

## Step 2

(₹ in crore)

	Balance Sheet as in Financial Statements		Balance Sheet under regulatory scope of consolidation
	As on Reporting Date		As on Reporting Date
<b>A</b>	<b>Capital &amp; Liabilities</b>		
i)	<b>Paid-up Capital</b>	311.17	
	<i>of which:</i> Amount eligible for CET1	311.17	
	<i>of which:</i> Amount eligible for AT1	-	
	<b>Reserves &amp; Surplus</b>	6,783.56	
	<i>Of which</i>		
	Share Premium	1,255.97	
	Statutory Reserve	2,755.00	
	Capital Reserve	626.38	
	Revenue Reserves	1,136.95	
	Revaluation Reserve	458.95	
	Investment Fluctuation Reserve	98.85	
	Special Reserve	315.59	
	Balance in the profit and loss account	135.82	
	Employee Stock Option Outstanding	0.05	
	<b>Total Capital</b>	<b>7,094.73</b>	
ii)	Deposits	80,386.84	
	<i>of which:</i> Deposits from banks	6.03	
	<i>of which:</i> Customer deposits	80,380.81	
	<i>of which:</i> Other deposits (pl. specify)	-	
iii)	Borrowings	2,313.84	
	<i>of which:</i> From RBI	849.67	
	<i>of which:</i> From banks	-	
	<i>of which:</i> From other institutions & Agencies	194.17	
	<i>of which:</i> Others (outside India)	-	
	<i>of which:</i> Capital instruments (Tier II)	1,270.00	
iv)	Other liabilities & provisions	2,245.14	
	<i>of which:</i> DTLs related to goodwill	-	
	<i>of which:</i> DTLs related to intangible assets	-	
	<i>of which:</i> Provision for standard assets	613.15	
	<b>TOTAL Capital &amp; Liabilities</b>	<b>92,040.55</b>	
<b>B</b>	<b>Assets</b>		
i)	Cash and balances with Reserve Bank of India	3,957.22	
	Balance with banks & money at call and short notice	479.54	



	Balance Sheet as in Financial Statements		Balance Sheet under regulatory scope of consolidation	
	As on Reporting Date		As on Reporting Date	
ii)	Investments:	22,041.00		
	<i>of which:</i> Government securities	20,133.09		
	<i>of which:</i> Other approved securities	0.00		
	<i>of which:</i> Shares	86.18		
	<i>of which:</i> Debentures & Bonds	1,658.39		
	<i>of which:</i> Subsidiaries/Joint Ventures Associates	1.00		
	<i>of which:</i> Others (Commercial Papers, Mutual Funds etc.)	162.34		
iii)	Loans and Advances	56,783.14		
	<i>of which:</i> Loans and Advances to Banks	-		
	<i>of which:</i> Loans and Advances to Customers	56,783.14		
iv)	Fixed Assets	818.16		
v)	Other Assets:	7,961.49		
	<i>of which:</i> Goodwill and intangible assets	-		
	<i>Out of which:</i> Goodwill	-		
	Other intangibles (excluding MSR)	-		
	<i>of which:</i> Deferred tax assets	369.31		
vi)	Goodwill on consolidation	-		
vii)	Debit balance in Profit & Loss account	-		
	<b>TOTAL Assets</b>	<b>92,040.55</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 <http://ktkbank.com/ktk/BaselDisclosures.jsp>

## 11. TABLE DF-15: DISCLOSURE REQUIREMENTS FOR REMUNERATION

### (a) Information relating to the composition and mandate of the Nomination & Remuneration Committee (NRC).

The Nomination & Remuneration Committee (NRC) consists of 4 Directors, three of them are Independent Directors. Two members are also the members of Risk and Capital Management Committee of the Board (RCMC).

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 Compensation Policy of the Bank, besides, administration of ESOP scheme.

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**(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.**

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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 also aims at facilitating effective succession planning in the Bank.

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**(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.**

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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 payouts are sensitive to the time horizon of the risk.

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**(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**

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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 WTD/CEO & 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.

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**(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.**

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The Reserve Bank of India vide Cir. DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, revised methodology to be adopted by the banks while determining performance based Variable Pay Payable to the WTD/CEO/MRTs. The revised methodology was made effective for all pay cycles commencing from April 2020 onwards. Accordingly, Bank amended its Compensation Policy and aligned it with the new requirements. 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 WTD/CEO, 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, 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 situation which, if triggered, empower the NRC/Board of Directors to invoke malus/clawback clauses. The payment of variable pay to the WTD/CEO is subject to prior approval of the RBI.

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**(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.**

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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.

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		Current Year (2021-22)	Previous Year (2020-21)
(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Seven Sitting fees of ₹ 50,000/- 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 2021-22 is ₹ 0.14 Crore	Four Sitting fees of ₹ 40,000/- <sup>1</sup> 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 2020-21 is ₹ 0.085 Crore <sup>1</sup>
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	Three <sup>2</sup>	Three <sup>2</sup>
	(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 <b>Table 1</b> below	
	(ii) Total amount of deferred remuneration paid out in the financial year.		
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Refer to <b>Table 2</b> below	
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to <i>ex-post</i> explicit and/or implicit adjustments.	Nil	Nil
	(ii) Total amount of reductions during the financial year due to <i>ex-post</i> explicit adjustments.	Nil	Nil
	(iii) Total amount of reductions during the financial year due to <i>ex-post</i> implicit adjustments.	Nil	Nil
L	Number of MRTs identified.	Two	Two
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	1. The mean pay for the bank as a whole (excluding sub-staff) and	Mean Pay ₹ 0.10 crore	Mean Pay ₹ 0.09 crore
	2. The deviation of the pay of each of its WTDs from the mean pay.	MD & CEO: 11.72X <sup>§</sup>	MD & CEO: 12.46X*

\*recomputed factoring in bank's additional contribution of 4% to DCRBS during 2020-21

<sup>§</sup> computed based on the non-deferred remuneration which has been recognized during the FY 2021-22

Footnotes:

- In line with the Bank's policy of curtailing expenditure in the backdrop of the uncertainties caused by COVID-19 pandemic, the Board of Directors' decided upon reduction in the sitting fees for Board meetings from ₹ 70000/- to ₹ 50000/- and for the Board level Committees from ₹ 50,000/- to ₹ 40,000/- for the period 06.06.2020 to 31.03.2021
- For the purpose of variable pay, the employees who are identified as MRTs are only considered in terms of RBI circular dated 04.11.2019.

TABLE 1

(₹ Crore)

	FY2021-22				FY2020-21
	MD& CEO	COO	CBO	Total	
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (for performance year 2020-21)	0.77 <sup>@</sup>	0.12	0.11	1.23	Nil
Total amount of deferred remuneration paid out in the financial year. (for performance year 2020-21)	Nil	Nil	Nil	Nil	Nil

Notes:

@ ₹ 96 Lakhs was the amount of Variable Pay granted for the Performance year FY 2020-21 and approved by the RBI vide letter DOR.GOV.No.S4602/08.40.001/2021-22 dated 23.03.2022. The details are provided in Table 2 below.

TABLE 2

All amounts in ₹ Crore

Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.

Name of the Director/ MRT	FY 2021-22			FY 2020-21		
	Fixed Pay	Variable Pay <sup>1</sup>		Fixed Pay	Variable Pay <sup>2</sup>	
		Cash Component	Share Linked remuneration (ESOPs) <sup>4</sup>		Cash Component	Share Linked remuneration (ESOPs)
Mr. Mahabaleshwara M S, Managing Director & CEO	0.96	0.48 Non-Deferred (upfront): 0.19 (40%) Deferred: 0.29 (60%)	0.48 (worth) Non-Deferred (upfront): Nil Deferred: 0.48 (100%)	0.96	1. ₹ 0.21 crore for the FY2018-19 (paid during 2020-21 upon receipt of RBI approval) FY 2019-20: NIL. See note below <sup>3</sup> .	2,50,000 (to be vested in the ratio of 40:30:30)
Mr. Y V Balachandra, Chief Operating Officer (MRT)	0.32	0.12 ~	0.12(worth) Deferred: 0.12 (100%)	0.32	0.11 (for the FY 2019-20)	40,000 (to be vested in the ratio of 40:30:30)
Mr. Gokuldas Pai Chief Business Officer (MRT)	0.32	0.11~	0.11 (worth) Deferred: 0.11 (100%)	0.32	0.08 for the FY 2019-20	30,000 (to be vested in the ratio of 40:30:30)

Notes:

- Performance year being FY2020-21 and the assessment of variable pay of ₹ 96 lakhs has been approved by the RBI and non-deferred remuneration has been recognized during the FY 2021-22.
- Performance year being FY2019-20 and the assessment of variable pay is based on audited financial results for FY 2019-20 and recommended and paid (with prior approval of RBI wherever applicable) during FY2020-21.

3. The MD & CEO opted to forego variable pay entitlement for FY 2019-20 as part of Bank's initiatives to curtail expenditure on account of challenges posed by COVID-19 pandemic.
4. The number of stock options will be arrived and eligible stock options shall be grated after obtaining approval of the shareholders for the new employee stock option scheme.

~since the amount of variable pay was less than ₹ 25 lakh, there was no deferral arrangement on cash component.

## 12. TABLE DF-16 : EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

### 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 for ₹ 3.30 crore as at March 31, 2022 under AFS as per prudential guidance. There was no sale, liquidation or shifting to other categories from above mentioned investments during the Quarter ended March 31, 2022 from the HTM category. On account of this investment, the Bank has not recognized any unrealized gain or loss in the financial statement as of March 31, 2022.

## 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 DF-17: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE**

(₹ in crore)

Item	Amount
1. Total consolidated assets as per published financial statements	<b>92,040.55</b>
2. Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	<b>0.00</b>
3. Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	<b>0.00</b>
4. Adjustments for derivative financial instruments	<b>108.50</b>
5. Adjustment for securities financing transactions (i.e. repos and similar secured lending)	<b>533.00</b>
6. Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	<b>7,779.20</b>
7. Other adjustments (Amount deducted from Capital)	<b>(60.75)</b>
8. <b>Leverage ratio exposure</b>	<b>1,00,400.50</b>

**TABLE DF-18 : LEVERAGE RATIO COMMON DISCLOSURE**

SI No	Item	Amount
On-balance sheet exposures		
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	<b>92,040.55</b>
2.	(Asset amounts deducted in determining Basel III Tier 1 capital)	<b>(60.75)</b>
3.	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)	<b>91,979.80</b>
Derivative exposures		
4.	Replacement cost associated with all <i>derivatives</i> transactions (i.e. net of eligible cash variation margin)	<b>20.73</b>
5.	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	<b>87.77</b>
6.	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	<b>0</b>
7.	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	<b>0</b>
8.	(Exempted CCP leg of client-cleared trade exposures)	<b>0</b>
9.	Adjusted effective notional amount of written credit derivatives	<b>0</b>
10.	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	<b>0</b>
11.	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>108.50</b>
Securities financing transaction exposures		
12.	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	<b>533.00</b>
13.	(Netted amounts of cash payables and cash receivables of gross SFT assets)	<b>0.00</b>
14.	CCR exposure for SFT assets	<b>0.00</b>
15.	Agent transaction exposures	<b>0.00</b>
16.	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>533.00</b>

SI No	Item	Amount
Other off-balance sheet exposures		
17.	Off-balance sheet exposure at gross notional amount	19,295.84
18.	(Adjustments for conversion to credit equivalent amounts)	(11,516.64)
19.	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>7,779.20</b>
<b>Capital and total exposures</b>		
20.	<b>Tier 1 capital</b>	<b>6,558.19</b>
21.	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>1,00,400.50</b>
<b>Leverage ratio</b>		
22.	<b>Basel III leverage ratio</b>	<b>6.53%</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 1, 2019.

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 Treasury and Accounts Department (TAD) 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, TAD estimates daily liquidity requirement. With the help of structural liquidity statement prepared by Bank, TAD evaluates current and future liquidity requirement and takes necessary action.

##### Quantitative Disclosure:

(₹ in crore)

	Total Average Unweighted Value*	Total Average Weighted Value*
High Quality Liquid Assets		
<b>1 Total High Quality Liquid Assets (HQLA)</b>		<b>19,004.82</b>
<b>Cash Outflows</b>		
2 Retail Deposits and Deposits from small business customers	62,963.02	5,512.83
(i) Stable Deposits	15,669.31	783.46
(ii) Less Stable Deposits	47,293.71	4,729.37
3 Unsecured Whole Funding, of which:	5,076.13	2,348.56
(i) Operational Deposits (all counterparties)	0.00	0.00
(ii) Non-operational deposits(all counterparties)	5,076.13	2,348.56
(iii) Unsecured debt	0.00	0.00
4 Secured wholesale funding		0.00
5 Additional requirements, of which	7,798.47	1,304.41
(i) Outflows related to derivative exposures and other collateral requirements	0.27	0.27
(ii) Outflows related to loss of funding on debt products	0.00	0.00

		Total Average Unweighted Value*	Total Average Weighted Value*
(iii)	Credit and liquidity facilities	7,798.19	1,304.14
6	Other contractual funding obligations	200.79	200.79
7	Other contingent funding obligations	5,372.56	161.18
<b>8</b>	<b>TOTAL CASH OUTFLOWS</b>		<b>9,527.77</b>
<b>Cash Inflows</b>			
9	Secured lending (e.g. reverse repos)	74.68	0.00
10	Inflows from fully performing exposures	2,025.13	1,012.57
11	Other cash inflows	1,439.12	1,439.12
<b>12</b>	<b>TOTAL CASH INFLOWS</b>	<b>3,538.93</b>	<b>2,451.69</b>
<b>13</b>	<b>TOTAL HQLA</b>		<b>19,004.82</b>
<b>14</b>	<b>TOTAL NET CASH OUTFLOWS</b>		<b>7,076.08</b>
<b>15</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>268.58</b>

\* Average is calculated based on the previous 3 months (90Days) data points.

#### NET STABLE FUNDING RATIO (NSFR)

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%.

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
(₹ in crore)						
<b>ASF Item</b>						
<b>1</b>	<b>Capital: (2+3)</b>	<b>7,159.29</b>	<b>0</b>	<b>0</b>	<b>1,020.00</b>	<b>8,179.29</b>
2	Regulatory capital	7,159.29	0	0	1,020.00	8,179.29
3	Other capital instruments	0	0	0	0	0
<b>4</b>	<b>Retail deposits and deposits from small business customers: (5+6)</b>	<b>25,167.74</b>	<b>15,691.57</b>	<b>13,936.56</b>	<b>17,942.66</b>	<b>51,186.14</b>
5	Stable deposits	16,708.82	5,476.50	3,880.47	4,157.10	24,850.22
6	Less stable deposits	8,458.92	10,215.07	1,005.09	13,785.56	26,335.92
<b>7</b>	<b>Wholesale funding: (8+9)</b>	<b>756.26</b>	<b>3,196.31</b>	<b>1,767.83</b>	<b>1,362.56</b>	<b>2,488.22</b>
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	756.26	3,196.31	1,767.83	1,362.56	2,488.22
<b>10</b>	<b>Other liabilities: (11+12)</b>	<b>3,085.32</b>	<b>908.06</b>	<b>16.94</b>	<b>29.46</b>	<b>8.03</b>
11	NSFR derivative liabilities	0	0	0	0	0
12	All other liabilities and equity not included in the above categories	3,085.32	908.06	16.94	29.46	8.03
<b>13</b>	<b>Total ASF (1+4+7+10)</b>					<b>61,861.68</b>



RSF Item	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
14 Total NSFR high-quality liquid assets (HQLA)					1,029.74
15 Deposits held at other financial institutions for operational purposes	77.84	0	0	0	38.92
<b>16 Performing loans and securities: (17+18+19+21+23)</b>	<b>82.32</b>	<b>7,111.39</b>	<b>3122</b>	<b>33,771.30</b>	<b>31,200.25</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	3,949.44	377.18	4,190.08	4,971.08
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	3,032.41	2680.97	19,874.98	18,938.97
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	442.67	30.79	4,057.25	2,637.21
21 Performing residential mortgages, of which:	0	0.87	3.38	7,727.54	5,298.65
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	0.87	3.23	6,359.40	4,133.61
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	82.32	128.67	60.47	1,978.70	1,991.55
<b>24 Other assets: (sum of rows 25 to 29)</b>	<b>8,657.12</b>	<b>6,986.00</b>	<b>4595.62</b>	<b>4,159.02</b>	<b>24,393.21</b>
25 Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				30.35	25.79
27	NSFR derivative assets				2.14	2.14
28	NSFR derivative liabilities before deduction of variation margin posted		161.05	44.81	0.00	205.86
29	All other assets not included in the above categories	8,657.12	6,792.46	4,550.81	4,159.02	24,159.42
<b>30</b>	<b>Off-balance sheet items</b>	<b>14,379.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>590.05</b>
<b>31</b>	<b>Total RSF (14+15+16+24+30)</b>					<b>57,252.17</b>
<b>32</b>	<b>Net Stable Funding Ratio (%)</b>					<b>108.05</b>

# ANNEXURE-2

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company.

Business organizations are an integral part of the society. Every decision taken while doing the business involves financial implications and social and environmental consequences. Karnataka Bank 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 area of focus for our CSR activities include the education, sanitation and making available drinking water, healthcare and promotion of arts/ sports and culture.

### 2. Composition of CSR Committee as on March 31, 2022:

Sl. No.	Name of the 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. Pradeep Kumar Panja,	Independent Director	4	2 <sup>^</sup>
2	Mr. Mahabaleshwara M S, MD & CEO	Managing Director & CEO	4	4
3	Mr. Justice A V Chandrashekar	Independent Director	4	4
4	Dr. D S Ravindran	Independent Director	4	4

<sup>^</sup>attended all the meetings of the Committee held during his membership tenure.

### 3. Web-links of the disclosures provided on the website of the Bank:

Composition of CSR committee	<a href="https://karnatakabank.com/sites/default/files/2022-04/Committees-Board%20as%20on31.03.2022.pdf">https://karnatakabank.com/sites/default/files/2022-04/Committees-Board%20as%20on31.03.2022.pdf</a>
CSR Policy	<a href="https://karnatakabank.com/sites/default/files/2022-05/Policy%20on%20Corporate%20Social%20Responsibility.pdf">https://karnatakabank.com/sites/default/files/2022-05/Policy%20on%20Corporate%20Social%20Responsibility.pdf</a>
CSR projects approved by the Board	<a href="https://karnatakabank.com/sites/default/files/2022-07/website%202021-22.pdf">https://karnatakabank.com/sites/default/files/2022-07/website%202021-22.pdf</a>

### 4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The average CSR obligation of the Bank in the three immediately preceding FYs does not exceed ₹ 10.00 Crore and hence the Bank is not mandated to undertake impact assessment by external agency. However, the Bank has voluntarily carried out an internal study of select initiatives and the impact was found to be positive and sustainable.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	Nil	Nil	Nil
2	Nil	Nil	Nil
3	2020-21	₹ 19,04,319.59	₹ 19,04,319.59
	TOTAL	₹ 19,04,319.59	₹ 19,04,319.59

6. **Average net profit of the company as per section 135(5) :** ₹ 58,058.64 lakh
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 1161.17 lakh  
 (b) Surplus arising out of the CSR projects or programmes or activities of : NIL  
 the previous financial year.  
 (c) Amount required to be set off for the financial year, if any : ₹ 19.05 lakh  
 (d) Total CSR obligation for the financial year (7a+7b - 7c). : ₹ 1,142.12 lakh
8. (a) 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 section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
11,48,23,464.16	3,48,07,868.00	30-04-2022	NA	Nil	NA

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VI to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency Name Registration number.
1	<b>Education</b>									
a.	Financial assistance for construction of students hostel building managed by Ikkeri Education Society, Sagar Taluk, Shivamogga Dist.	(ii)	No	Karnataka Shivamogga	2	4,00,000.00	0.00	4,00,000.00	Yes	NA NA
b.	Financial assistance for the construction of school building of Jawahar Vidya Samsthe , Vidyannagar, Shirtadi, D.K. Dist.	(ii)	Yes	Karnataka Dakshina Kannada	3	10,00,000.00	0.00	10,00,000.00	Yes	NA NA
c.	Financial assistance for the "Abhivridhhi" project of Reva University, Baglur Cross, Katigenahalli, Bengaluru.	(ii)	No	Karnataka Bengaluru	3	5,00,000.00	0.00	5,00,000.00	No	Reva Aspiring Youth Foundation CSFR00004696
d.	Financial Assistance for construction of class rooms for Aneugudde Sri Vinayaka Govt. Hgr Pry School, Kumbashi, Kundapura Taluk, Udupi Dist.	(ii)	Yes	Karnataka Udupi	3	10,00,000.00	0.00	10,00,000.00	Yes	NA NA
e.	Support for the construction of college building of U E S (Presidency) Pre-University College, Salagame Road, Hassan	(ii)	No	Karnataka Hassan	3	22,00,000.00	0.00	22,00,000.00	Yes	NA NA
f.	Financial assistance for the construction of school building of Shrimiketana CBSE School, Islur, Sirsi managed by Shree Sonda Swarnavalli Mutt, Mathadevala, Sirsi	(ii)	No	Karnataka Uttara Kannada	3	16,60,000.00	0.00	16,60,000.00	Yes	NA NA
g.	Financial assistance for improving the infrastructure of Shree Swayamprakash Saraswathi school, Nanve.	(ii)	No	Karnataka Chikkamagaluru	2	2,00,000.00	0.00	2,00,000.00	Yes	NA NA
h.	Financial assistance for setting up of Computer lab at Govt P U College, Bailur, Karkala, Udupi Dist.	(ii)	Yes	Karnataka Udupi	2	7,36,897.94	6,52,232.94	84,665.00	Yes	NA NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency Name Registration number.
i.	Financial assistance for improving the facilities of outdoor play ground of Govt. Higher Primary School, Buklapura, Thirthahalli Taluk.	(ii)	No	Karnataka Shivamogga	2	75,000.00	0.00	75,000.00	Yes	NA NA
j.	Various other activities as per schedule (ii)	(ii)	Yes	Karnataka, Various districts, Goa, South Goa, Telengana Hyderabad	3	65,85,804.00	16,38,782.25	49,47,021.75	Yes	NA NA
<b>2 Empowering women / Socially &amp; Economically Disadvantaged</b>										
a.	Financial assistance for improving the infrastructure of Orphanage and child care centre run by Shri Chandalingeshwara Graminabhiwridhi Sangha, Ilkal	(iii)	No	Karnataka Bagalkot	2	2,80,454.21	95,748.26	1,84,705.95	Yes	NA NA
b.	Financial assistance for construction of houses for two girl children identified under Vidya Poshak scheme of Yakshagana Kalaranga, Udupi District.	(iii)	Yes	Karnataka Udupi	2	11,91,612.00	8,00,000.00	3,91,612.00	No	Yakshagana Kalaranga CSR00024611
c.	Support to procure 25 sewing machines to poor and needy women for livelihood enhancement at Soraba, Shivamogga District.	(iii)	No	Karnataka Shivamogga	2	1,62,500.00	0.00	1,62,500.00	Yes	NA NA
<b>3 Environmental Sustainability / Green Initiatives</b>										
a.	Providing solar lights in rural households of Bellandur, Addagadde village, Chikkamagaluru Dist.	(iv)	No	Karnataka Chikkamagaluru	2	18,52,000.00	12,53,000.00	5,99,000.00	Yes	NA NA
b.	Financial assistance for rejuvenation of Agasthya Teertha, Varadamoola	(iv)	No	Karnataka Shivamogga	2	6,00,000.00	0.00	6,00,000.00	No	SWAN & CSFR00030671 MAN, Sagara

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency Name CSR Registration number.
c.	Financial assistance for rejuvenation of lake near Vishnumurthy Temple, Saligrama, Udupi	(iv)	Yes	Karnataka Udupi	2	5,00,000.00	0.00	5,00,000.00	Yes	NA NA
d.	Financial assistance for rejuvenation of Heruru Pond at Menase Gram Panchayat, Sringeri Taluk	(iv)	No	Karnataka Chikkamagaluru	2	10,00,000.00	0.00	10,00,000.00	Yes	NA NA
e.	Financial Assistance for Rejuvenation of Ajaladi Lake, Kuriya Village of Aiyapu Gram Panchayath	(iv)	Yes	Karnataka Dakshina Kannada	2	15,00,000.00	0.00	15,00,000.00	Yes	NA NA
f.	Support for the 'Student Solar Light Scholarship Project'	(iv)	Yes	Karnataka Udupi	2	5,00,000.00	2,50,000.00	2,50,000.00	No	Bharathiya Vikas Trust CSFR00006592
g.	Various other activities as per schedule (iv)	(iv)	Yes	Karnataka Various districts	3	47,18,340.00	9,73,500.00	37,44,840.00	Yes	NA NA
<b>4</b>	<b>Healthcare</b>									
a.	Financial support for construction of medical community hall of Indian Medical Association, Koppa Branch, Chikkamagaluru Dist.	(i)	No	Karnataka Chikkamagaluru	2	10,00,000.00	6,00,000.00	4,00,000.00	Yes	NA NA
b.	Support to improve the infrastructure of Sri Rangadorai Memorial Hospital.	(i)	No	Karnataka Bengaluru	3	30,00,000.00	0.00	30,00,000.00	Yes	NA NA
c.	Support to conduct medical camps at Kalaburagi for early detection of breast, oral and cervical cancer through screening in association with Indian Cancer Society.	(i)	No	Karnataka Kalaburagi	2	1,50,000.00	0.00	1,50,000.00	No	Indian Cancer Society CSFR00000792
d.	Support to improve the infrastructure of Wenlock District Hospital, Mangaluru	(i)	Yes	Karnataka Dakshina Kannada	2	9,23,728.81	0.00	9,23,728.81	Yes	NA NA
e.	Support to improve the infrastructure of Govt. District Hospital, Udupi.	(i)	Yes	Karnataka Udupi	3	12,50,800.00	0.00	12,50,800.00	Yes	NA NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency Name Registration number.	
f.	Support to improve the infrastructure of Guild of Service (Seva Samajam), Mangaluru – a corrective institute for the speech and hearing impaired.	(i)	Yes	Karnataka State: Karnataka District: Dakshina Kannada	2	3,50,000.00	0.00	3,50,000.00	Yes	NA NA	
g.	Various other activities as per schedule (i)	(i)	Yes	Karnataka Various districts	3	14,96,499.38	74,258.58	14,22,240.80	Yes	NA NA	
5	<b>Protection of Heritage/ Culture</b>										
a.	Support for 'e-bharatisampat' project to promote the classical language Sanskrit.	(v)	No	Karnataka Bengaluru	2	3,00,000.00	75,000.00	2,25,000.00	Yes	NA NA	
b.	Support for the construction of Arts Museum of Shiribagilu Venkappayya Samskrithika Prathishtana, Kasaragod	(v)	Yes	Kerala Kasaragod	3	5,00,000.00	3,00,000.00	2,00,000.00	Yes	NA NA	
c.	Various other activities as per schedule (v)	(v)	Yes	Karnataka Various districts	3	41,85,678.00	1,50,000.00	40,35,678.00	Yes	NA NA	
6	<b>Swachh Bharat</b>										
a)	Support for the construction of toilet block at Sri Saraswathi Vidyalaya, Siddapura	(i)	No	Karnataka Uttara Kannada	2	4,00,000.00	2,99,999.66	1,00,000.34	Yes	NA NA	
b)	Setting up of effluent treatment plant near Shri Mahalakshmi Temple, Uchila	(i)	Yes	Karnataka Udupi	2	24,79,760.00	17,29,934.90	7,49,825.10	Yes	NA NA	
c)	Various other activities as per schedule (i)	(i)	Yes	Karnataka Various districts	3	7,76,244.29	66,744.29	7,09,500.00	Yes	NA NA	
7	<b>Promotion of sports</b>										
	Financial assistance for promoting paralympic basketball game in association with Wheelchair Basketball Federation of India, Mahalingapuram, Chennai.	(vii)	No	Tamil Nadu Chennai	2	1,00,000.00	0.00	1,00,000.00	No	Wheelchair Basketball Federation of India CSR00023746	
8	<b>Others</b>										



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Through Implementing Agency	Mode of Implementation - Through Implementing Agency	Name of the Agency. CSR Registration number.
	Video film on conservation of water bodies to be presented before the meeting of CSR Committee of Board of Directors.	Administrative Over Head	NA	NA	NA	0	1,91,750.00	NA	NA	NA
TOTAL							4,37,67,068.63	89,59,200.88	3,48,07,867.75	

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project. State. District.	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
1	<b>Education</b>						
a.	Support to lay interlock blocks at Govt. Model Higher Primary School, Siddapura, Udupi	(ii)	Yes	Karnataka Udupi	3,00,000.00	Yes	NA
b.	Support for the development of infrastructure of Govt. High School Yerlapady, Karkala Taluk, Udupi	(ii)	Yes	Karnataka Udupi	3,17,373.00	Yes	NA
c.	Renovation of school building of Govt. Aided Higher Primary School, Kunjoorpanja, Puttur, D.K	(ii)	Yes	Karnataka Dakshina Kannada	5,00,000.00	Yes	NA
d.	Support to procure a four wheeler vehicle to promote the educational activities of Vijayadwaja Theertha Vidyaapeetha	(ii)	Yes	Karnataka Dakshina Kannada	11,96,524.00	Yes	NA
e.	Support to renovate the school building of Govt. Higher Primary School, Kanchugodu, Kundapura Taluk	(ii)	Yes	Karnataka Udupi	99,654.55	Yes	NA
f.	Financial aid for promoting higher education among blind students from poor economic backgrounds in association with Help the Blind Foundation.	(ii)	No	Tamil Nadu Chennai	5,00,000.00	No	Help the Blind Foundation
g.	Financial Assistance for "Kai Hididu Nadesennanu" Project	(ii)	No	Karnataka Bengaluru	2,00,000.00	No	Shakti Kendra Trust

(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)			
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Amount spent for the project implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	CSR registration number.		
			State.	District.	(in ₹)	Name.			
h.	Financial assistance for construction of one classroom of SGS Vidyapeetha, managed by Kirikodi Mutt, Kodlipet, Kodagu Tq.	(ii)	No	Karnataka	Kodagu	5,00,000.00	Yes	NA	NA
i.	Support for the renovation of school building of Dakshina Kannada Jilla Panchayath Higher Primary School, Puttur.	(ii)	Yes	Karnataka	Dakshina Kannada	1,00,000.00	Yes	NA	NA
j.	Support for distributing school uniform to Dakshina Kannada Zilla Panchayath Govt. Higher Primary School, Bajjal Padpu, Mangaluru	(ii)	Yes	Karnataka	Dakshina kannada	97,579.50	Yes	NA	NA
k.	Financial assistance to procure 5 New computers along with UPS for Hindu Higher Primary School, Udyavara, Udupi	(ii)	Yes	Karnataka	Udupi	2,13,999.95	Yes	NA	NA
l.	Financial assistance for purchase of computer for St. Lawrence Pre- University College, Moodubelle, Udupi	(ii)	Yes	Karnataka	Udupi	75,000.00	Yes	NA	NA
m.	Support to procure 25 Computer Systems to Dr. B.B. Hegde First Grade College, Kundapura	(ii)	Yes	Karnataka	Udupi	10,62,288.14	Yes	NA	NA
n.	Support to promote the education of underprivileged children	(ii)	No	Karnataka	Bengaluru	2,00,000.00	No	Ragigudda Sri Prasanna Anjaneya Swamy Charitable Trust	CSR00012521
o.	Support to procure school bus for Govt. Model Higher Primary School, Karkada, Saligrama	(ii)	Yes	Karnataka	Udupi	13,51,683.00	Yes	NA	NA
p.	Support to procure Chairs and Tables to Vidyarthi Nilaya managed by Vadiraj Seva Pratishthana *, Hubballi	(ii)	No	Karnataka	Dharwad	1,84,746.28	Yes	NA	NA
q.	Financial assistance for the construction of the school building run by Saraswathi Education & Welfare Trust *, Meghalaya	(ii)	No	Meghalaya	East Jiantia Hills	8,00,000.00	No	Saraswathi Education & Welfare Trust	CSR00002950
r.	Laptop and Projector for Govt. Primary School Barengaya, Belthangady Taluk, D.K. Dist.	(ii)	Yes	Karnataka	Dakshina Kannada	80,578.27	Yes	NA	NA

(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
			State.	District.			Name.	
							CSR registration number.	
s.	Various other activities as per schedule (ii)	(ii)	Yes	Karnataka, Various districts, Telengana, Hyderabad, Kerala	2,44,37,075.55	Yes	NA	NA
<b>Empowering Women/ Socially &amp; Economically Disadvantaged</b>								
2								
a.	Support to run 20 Learning Centres in Karauli district of Rajasthan for girl children dropped out of schools.	(iii)	No	Rajasthan	23,00,000.00	No	IIMPACT	CSR00002935
b.	Skill development for livelihood enhancement through Macrame & Crochet – an old art form for women in association with The Amaanat, Noida West.	(iii)	No	Uttar Pradesh	1,00,000.00	No	The Amaanat	CSR00021236
c.	Support to procure Electric Autorickshaw for Snehalaya Charitable Trust, Bachalike, Kasaragod Dist. Kerala.	(iii)	Yes	Kerala	2,75,880.00	No	Snehalaya Charitable Trust	CSR00014673
d.	Various other activities as per schedule (iii)	(iii)	Yes	Karnataka, Kerala	10,63,624.00	Yes	NA	NA
<b>3 Environmental Sustainability/ Green Initiatives</b>								
a)	Installing Solar Energy unit at Govt. First Grade College, Kalasa	(iv)	No	Karnataka	4,97,000.00	Yes	NA	NA
b)	Installing Solar energy based solutions at Sri Karinjeshwara Temple, Kavalamuduru Village, Karinja Post, Bantwal Taluk	(iv)	Yes	Karnataka	5,85,933.71	Yes	NA	NA
c)	Solar primary inverter based solutions for the old age home run by Sevaa Bhaava Charitable Trust, Mangaluru.	(iv)	Yes	Karnataka	4,87,712.08	Yes	NA	NA
d)	Support to procure four wheeler vehicle to manage the activities of Gowshala run by Govanithashraya Trust, Dakshina Kannada to protect indigenous varieties of cattle.	(iv)	Yes	Karnataka	4,95,658.00	Yes	NA	NA
e)	Support to install Solar Power Energy Unit at the educational institute managed by Nutan Vidyalaya Society, Kalaburagi.	(iv)	No	Karnataka	6,40,864.00	Yes	NA	NA
f)	Financial assistance for installation of solar light system for Prabodhini Higher Primary School, Kalasa	(iv)	No	Karnataka	7,00,000.00	Yes	NA	NA

(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
			State.	District.			Name. CSR registration number.	
g)	Financial assistance for installation of solar light system at the college building of KSSSP U-Science and Commerce College, Hubballi.	(iv)	No	Karnataka	Dharwad	11,99,999.36	Yes	NA
h)	Various other activities as per schedule (iv)	(iv)	Yes	Karnataka, Kerala	Various districts, Kasaragod	41,38,474.23	Yes	NA
4	<b>Healthcare</b>							
a)	Installation of RO plant at Thimmalapura village	(i)	No	Karnataka	Tumakuru	3,99,999.94	Yes	NA
b)	Support to procure 2 Ventilators to Srinivas Institute of Medical Sciences & Research Centre, Surathkal, Mangaluru.	(i)	Yes	Karnataka	Dakshina Kannada	9,76,027.12	Yes	NA
c)	Financial assistance to procure a Force traveller vehicle to be used in the Malaria Control Programme of Udupi District Administration.	(i)	Yes	Karnataka	Udupi	13,31,451.00	Yes	NA
d)	Support to install drinking water purifier at Govt. First Grade College, Kaup	(i)	Yes	Karnataka	Udupi	94,510.00	Yes	NA
e)	Support for the construction of dialysis centre at Govt. Hospital, Balehonnur	(i)	No	Karnataka	Chikkamagaluru	20,00,000.00	Yes	NA
f)	Installation of drinking water purifier at Maharaja Swamy Shri Varaha Temple, Maravanthe, Udupi District.	(i)	Yes	Karnataka	Udupi	54,999.80	Yes	NA
g)	Financial Assistance for procuring horizontal cylindrical sterilizer for Lopamudra Medical Centre, Arthur Village and Post, Gonikoppal	(i)	No	Karnataka	Kodagu	1,00,000.00	Yes	NA
h)	Installation of RO water purifying plant at Matoshree Taradevi Rampure Institute of Pharmaceutical Sciences, Kalaburagi.	(i)	No	Karnataka	Kalaburagi	1,77,000.00	Yes	NA
i)	Installation of water treatment plant at Thrissur Jilla Madwa Dharma Sangham, Punkunnam, Thrissur, Kerala	(i)	No	Kerala	Thrissur	98,377.12	Yes	NA
j)	Install drinking water purifier at Sri Rajarajeshwari Temple, Ajjikanu, Kundapur Taluk, Udupi District.	(i)	No	Karnataka	Udupi	40,875.00	Yes	NA
k)	Various other activities as per schedule (i).	(i)	Yes	Karnataka	Various districts	15,26,014.50	Yes	NA

(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No. Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
			State. District.			Name. CSR registration number.
<b>5 Protection of Heritage/Culture</b>						
a)	Financial Assistance for construction of Viewing Gallery at Dr. Shivram Karanth Theme Park, Kota.	Yes	Karnataka Udupi	7,00,000.02	Yes	NA NA
b)	Financial assistance for procuring work stations, keyboard & CPU trolley and chairs for office use of Kannada Shahitya Parishath, Bengaluru involved in promoting Kannada language and literature.	No	Karnataka Bengaluru	16,14,813.20	Yes	NA NA
c)	Various other activities as per schedule (v).	Yes	Karnataka Various districts	45,89,240.10	Yes	NA NA
<b>6 Rural Development</b>						
a)	Distribute 50 Electrocardiography Machines to Udupi Grama Panchayath Centres and Sub Centres.	Yes	Karnataka Udupi	10,88,392.64	Yes	NA NA
b)	Others activities as per schedule (x).	Yes	Karnataka Various districts	5,31,200.00	Yes	NA NA
<b>7 Swachh Bharat</b>						
a)	Support to construct toilet block at Govt. Higher Primary School, Aliyooru, Valpady	Yes	Karnataka Dakshina Kannada	1,00,000.00	Yes	NA NA
b)	Support to install plastic bailing machines for processing solid waste of Mangaluru City Corporation	Yes	Karnataka Dakshina Kannada	23,09,322.03	Yes	NA NA
c)	Support for the development of Rudrabhoomi in Karkalli near Somwarpet town.	Yes	Karnataka Kodagu	4,00,000.00	Yes	NA NA
<b>8 Promotion of sports</b>						
a)	Promotion of game of Football in association with Sree Gokulam Kerala Football Foundation.	No	Kerala Various districts	10,00,000.00	No	Sree Gokulam Kerala Football Foundation. CSR00014939
<b>9 Measures for the benefit of armed forces veterans and their dependents.</b>						
		Yes	Karnataka Dakshina Kannada	21,77,488.22	Yes	NA NA
<b>TOTAL</b>				<b>6,60,11,358.31</b>		
(d) Amount spent in Administrative Overheads : ₹ 50,45,037.22						
(e) Amount spent on Impact Assessment, if applicable : Nil						
(f) Total amount spent for the Financial Year : ₹ 11,48,23,464.16 (8b+8c+8d+8e)						
(g) Excess amount for set off, if any : ₹ 6,10,783.75						

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	11,61,17,000.00
(ii)	Total amount spent for the Financial Year	11,67,27,783.75
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,10,783.75
(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)]	6,10,783.75

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	FY 20-21	2,96,32,861.90	1,94,39,354.00	NA	Nil	NA	1,01,93,507.90
2	FY 19-20	96,04,124.00	30,41,396.00	NA	Nil	NA	65,62,728.00
3	FY 18-19	57,99,542.00	57,99,542.00	NA	Nil	NA	0.00
<b>TOTAL</b>		<b>4,50,36,527.90</b>	<b>2,82,80,292.00</b>				<b>1,67,56,235.90</b>

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year (s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	CSR Code No: 2	Education	2020-2021	3 Years	2,08,88,199.90	1,16,86,057.00	1,58,14,692.00	On going
	CSR Code No: 3	Empowering Women / Socially & Economically Disadvantaged	2020-2021	3 Years	16,80,000.00	80,000.00	80,000.00	On going
	CSR Code NO. 4	Environmental Sustainability/ Green Initiatives	2020-2021	3 Years	98,42,977.00	44,78,377.00	66,42,977.00	On going
	CSR Code No.1	Healthcare	2020-2021	3 Years	1,77,820.00	57,820.00	57,820.00	On going

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
	CSR Code No.5	Protection of Heritage / Culture	2020-2021	3 Years	33,32,100.00	28,32,100.00	33,32,100.00	Completed
	CSR Code No.1	Swachh Bharat	2020-2021	3 Years	5,05,000.00	3,05,000.00	3,05,000.00	On going
2.	CSR Code No:2	Education	2019-2020	3 Years	1,44,25,765.00	9,00,000.00	1,10,10,465.00	Ongoing
	CSR Code No:3	Empowering Women / Socially & Economically Disadvantaged	2019-2020	3 Years	12,50,000.00	0.00	10,00,000.00	Ongoing
	CSR Code NO.4	Environmental Sustainability/ Green Initiatives	2019-2020	3 Years	63,85,000.00	6,35,000.00	60,14,000.00	Ongoing
	CSR Code No.1	Healthcare	2019-2020	3 Years	7,54,896.00	1,21,396.00	5,30,843.00	Ongoing
	CSR Code No.7	Promotion of sports	2019-2020	3 Years	75,000.00	0.00	25,000.00	Ongoing
	CSR Code No.5	Protection of Heritage / Culture	2019-2020	3 Years	1,01,90,000.00	6,80,000.00	87,40,000.00	Ongoing
	CSR Code No.1	Swachh Bharat	2019-2020	3 Years	17,35,750.00	7,05,000.00	13,34,800.00	Ongoing
3.	CSR Code No.2	Education	2018-2019	3 Years	36,29,159.00	24,44,159.00	36,80,459.00	Completed
	CSR Code No:3	Empowering Women / Socially & Economically Disadvantaged	2018-2019	3 Years	55,000.00	55,000.00	55,000.00	Completed
	CSR Code NO.4	Environmental Sustainability/ Green Initiatives	2018-2019	3 Years	23,10,000.00	23,10,000.00	23,10,000.00	Completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
	CSR Code No.1	Healthcare	2018-2019	3 Years	4,31,600.00	2,31,600.00	4,31,600.00	Completed
	CSR Code No.7	Promotion of sports	2018-2019	3 Years	28,000.00	28,000.00	28,000.00	Completed
	CSR Code No.5	Protection of Heritage / Culture	2018-2019	3 Years	6,70,000.00	3,50,000.00	6,70,000.00	Completed
	CSR Code No.10	R u r a l Development	2018-2019	3 Years	4,00,000.00	2,00,000.00	4,00,000.00	Completed
	CSR Code No.1	Swachh Bharat	2018-2019	3 Years	1,80,783.00	1,80,783.00	1,80,783.00	Completed
4	CSR Code No.2	Education	2017-2018	4 Years	10,50,000.00	2,00,000.00	10,50,000.00	Completed
	CSR Code No.4	Environmental Sustainability/ Green Initiatives	2017-2018	4 Years	1,01,750.00	20,010.00	1,01,750.00	Completed
	CSR Code No.5	Protection of Heritage / Culture	2017-2018	4 Years	21,00,000.00	10,50,000.00	21,00,000.00	Completed
<b>Total</b>					<b>2,95,50,302.00</b>			

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (Rs)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
10.08.2021	3,00,000.00	Govt. Model Higher Primary School, Siddapura, Udupi - 576 229	Interlock blocks at the premises of Govt. Model Higher Primary School.
23.07.2021	55,785.00	Canara College, M G Road, Kodialbail, Mangaluru - 575 003	Computer, printer and UPS
11.01.2022	1,57,014.50	Shri Vanadurga Trust®, Padubidri, Udupi - 574 111	Drinking water purifier.
21.08.2021	4,97,000.00	Govt. First Grade College, Kalasa - 577 124	Solar energy unit at the college.



Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (Rs)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
23.07.2021	11,96,524.00	Vijayadwaja Theertha Vidyapeetha, Chitrapura Math, Kulai - 575 019	Four wheeler vehicle to promote the educational activities.
30.03.2022	10,88,392.64	Cardiology at DoorSteps Foundation Trust, Mangaluru	50 Electrocardiography machines to Udupi Grama Panchayath Centres and Sub Centres
10.08.2021	13,31,451.00	The District Vector Borne Disease Control Officer, Udupi – 576 101	Force traveler vehicle for the malaria control programme.
06.08.2021	2,85,000.00	Mangala Seva Samithi®, Kuttarpadavu, Post Office Munnur - 575 017, Mangaluru Taluk, D K District	Generator set for the Orphanage managed by the Trust at Kuttarpadavu, Dakshina Kannada Dist.
10.08.2021	4,95,658.00	Govanithashraya Trust, Project Office : Beejaguri, Pajeer Village, Bantwal Taluk – 574 199, Dakshina Kannada Dist., Karnataka State	Four wheeler vehicle to promote the animal welfare initiatives of the Trust.
05.10.2021	94,510.00	Govt. First Grade College, Kaup, Udupi District – 574 106	Drinking water purifier at the college.
03.09.2021	7,78,624.00	Sri Sai Seva Prathistanam ®, Daigoli, P. O. Kodlamogaru, Manjeshwara Taluk, Kasaragod Dist. – 671 323	Ambulance to the sevashrama run by the Trust.
13.12.2021	54,999.80	Maharaja Swamy Shri Varaha Temple, Maravanthe – 576 224 Kundapur Taluk, Udupi District	Drinking water purifier at the Temple.
30.11.2021	1,20,196.42	Merthikan Shri Chowdeshwari Temple, Merthikan village, Basarikatte, Chikkamagaluru Dist.	Solar street lights at the premises of the temple.
30.11.2021	2,13,999.95	Hindu Higher Primary School, Udyavara, Udupi-574118	5 new computers along with UPS
13.12.2021	3,37,346.61	M/s Brahmana Samudaya Bhavana ®, Arkalgud, Kote, Hasaan District, Arkalgud-573103	Solar water heater at samudaya bhavana.
25.02.2022	1,31,200.00	SDMC Govt. Higher Primary School, Aralalurali	Interlock blocks at the premises of the school.
10.01.2022	59,000.00	Office of Police Sub Inspector, Kota Police Station, Udupi District – 576 221	Two Computers for the office of Police Sub Inspector, Kota Police Station, Udupi
06.01.2022	10,62,288.14	Dr. B. B. Hegde First Grade College, Kundapura, Vishalakshi B Hegde Campus, Sangam, Kundapura – 576 201	25 computer systems to the college.
15.02.2022	7,00,000.02	Dr Shivarama Karantha Hutoora Prashasthi Prathishtana ®, Kota	Viewing gallery in Dr. Shivram Karanth Theme Park.

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (Rs)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
18.12.2021	1,77,000.00	Hyderabad Karnataka Education Society's, Matoshree Taradevi Rampure Institute of Pharmaceutical Sciences, Mahadevappa Rampure Marg, Sedam Road, Kalaburgi	Drinking water purifier (R.O. plant) at the college.
25.03.2022	55,580.80	Matadabettu Shri Rajarajeshwari Devasthanam, Post Kodimbadi, Puttur Taluk – 574325	CCTV Camera at the premises of the temple to protect the heritage site.
31.03.2022	16,14,813.20	Kannada Sahitya Parishath, Pampa Mahakavi Road, Chamarajapete, Bengaluru – 560 018	Workstations, keyboard, CPU Trolley and Chairs.
09.02.2022	6,42,155.66	Aila Shree Durga Parameshwari Temple, Post Uppala, Kasargod District – 671322	Solar energy system at Aila Shree Durga Parameshwari Temple.
25.03.2022	6,40,864.00	Nutan Vidyalaya Society, Kalaburagi	Solar power energy unit at the educational institute
21.02.2022	22,22,970.00	Sri Rama Vidyakendra Trust®, Rajendra Soudha, Hanuman Nagara, Kalladka, Bantwala Taluk – 574222	School bus for the educational institute.
15.02.2022	11,99,999.36	KSSS PU Science and Commerce College, Govardhana Campus, near Kundagol Cross, Budarsingi, Taluk Hubli	Solar lighting system for the college building.
24.01.2022	4,14,183.54	Traffic East Police Station, Kadri, Mangaluru	Rain Water harvesting unit.
24.03.2022	82,904.66	Mangalore University, Office of the coordinator, Dept. of P G Studies in Tulu, University Evening College, Hampankatta, Mangaluru - 575001	Furniture, Computer tables and chairs
31.03.2022	80,578.27	Govt. primary School Barengaya, Nidle Village, Belthangady Taluk, D K Dist – 574 216	Laptop and Projector for school
31.03.2022	40,875.00	Sri Rajarajeshwari Temple, Ajjikanu, Kundapur Taluk, Udupi District	Drinking water purifier at the temple.

Note: Capital assets created or acquired which were partly funded by the Bank through its CSR initiatives are not included here.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

Sd/-

**Managing Director & CEO**

**Signature of Person specified under clause (d) of sub-section (1) of section 380 of the Act (Wherever applicable):  
Not Applicable**

# ANNEXURE-3

## 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 as on 31.03.2022

#### PART-A

#### SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Name of the subsidiary	KBL SERVICES LTD
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, 2021 to 31 <sup>st</sup> March, 2022
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)

5. Share capital (Paid Up)	1.00
6. Reserves and surplus	-0.74
7. Total assets	0.46
8. Total Liabilities	0.19
9. Investments	Nil
10. Turnover	0.84
11. Profit before taxation	-0.62
12. Provision for taxation	Nil
13. Profit after taxation	-0.62
14. Proposed Dividend	Nil
15. 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, 2022.

# ANNEXURE-4

## REPORT ON CORPORATE GOVERNANCE

### Philosophy of Corporate Governance

The basic philosophy of Corporate Governance in the 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 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.

### Board of Directors:

**Composition of the Board:** As on March 31, 2022, the Board of Directors of the Bank consisted of 9 Directors including the Part-time Chairman and Managing Director & CEO. 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. Details of directors as on March 31, 2022 are as under:

Sl. No.	Name of the Director ( Messrs / Mrs.)	Category of Directorship
1.	P Pradeep Kumar	Part-time Chairman Independent Director
2.	Mahabaleshwara M S	Managing Director & CEO
3.	Keshav Krishnarao Desai	Independent Director
4.	Mythily Ramesh	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

During the year under report, Mr. D Surendra Kumar and Mr. Rammohan Rao Belle retired from the office of Independent Director on May 30, 2021 and October 20, 2021 respectively upon completion of their respective tenure as per of BR Act/ Companies Act, 2013. Mr. P Jayarama Bhat, retired as Part-time Non-Executive Chairman on November 13, 2021 upon completion of his tenure and Mr. P Pradeep Kumar assumed office as Part-time Chairman w.e.f. November 14, 2021.

The Bank has inducted Dr. D S Ravindran and Mr. Balakrishna Alse S as Additional Directors (Non-Executive, Independent) w.e.f. April 01, 2021 and May 26, 2021 respectively and their appointment as Independent Directors was approved by the shareholders at the 97th AGM held on September 02, 2021 and in the opinion of the Board they possess requisite experience, expertise and integrity.

Further, 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).

### Competency at the Board level:

The chart mapping the skills/expertise/competence of the Board of Directors of the Bank (as on 31.03.2022) is as under:

Sl no	List of core skills/ expertise/ competencies required in terms of statutory requirement as per BR Act	P Pradeep Kumar*	Mahabale shwara M S*	KK Desai\$	Mythily Ramesh\$	B R Ashok*	A V Chandrashekar*	Uma Shankar*	D S Ravindran*	Balakrishna Alse S*
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 has substantial interest in any company/firm carrying on trade, commerce or industry.									

### BOARD MEETINGS:

During the financial year ended March 31, 2022 the Board met **17** times on the following dates:

Sl. No.	Date of the meeting	Sl. No.	Date of the meeting
1	27.04.2021	10	30.11.2021
2	26.05.2021	11	29.12.2021
3	29.06.2021	12	28.01.2022
4	27.07.2021	13	19.02.2022
5	27.08.2021	14	13.03.2022
6	27.09.2021	15	13.03.2022
7	15.10.2021	16	14.03.2022
8	28.10.2021	17	22.03.2022
9	08.11.2021		

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 (Messrs/ Mrs.)	No. of meetings held/ attended	Whether attended the last AGM
1.	P Jayarama Bhat (Part-time Non-executive Chairman upto 13.11.2021)	9/9	YES
2.	P Pradeep Kumar (Part-time Chairman w.e.f. 14.11.2021)	17/17	YES
3.	Mahabaleshwara M S	17/17	YES
4.	Rammohan Rao Belle (Upto 20.10.2021)	7/7	YES
5.	Keshav Krishnarao Desai	17/17	YES
6.	D Surendra Kumar (upto 30.05.2021)	2/2	N.A.
7.	Mythily Ramesh	17/17	YES
8.	B R Ashok	17/17	YES
9.	Justice A V Chandrashekar	17/17	YES
10.	Uma Shankar	16/17	YES
11.	Dr D S Ravindran (w.e.f 01.04.2021)	17/17	YES
12.	Balakrishna Alse S (w.e.f 26.05.2021)	15/15	YES

**a. Directorships/committee positions held in other companies as on March 31, 2022:**

Sl. No.	Name of the Director (Messrs/ 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	4	5	2 1) Brigade Enterprises Ltd 2) Shriram Transport Finance Company Ltd	Independent Director
2.	Mahabaleshwara M S	01	NIL	NIL	NIL
3.	Keshav Krishnarao Desai	NIL	NIL	NIL	NIL
4.	Mythily Ramesh	01	NIL	NIL	NIL
5.	B R Ashok	01	NIL	NIL	NIL
6.	A V Chandrashekar	NIL	NIL	NIL	NIL
7.	Uma Shankar	2	1	NIL	NIL
8.	Dr D S Ravindran	NIL	NIL	NIL	NIL
9.	Balakrishna Alse S	NIL	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 Director/Managing Director & CEO:

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 taking into account 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 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 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 of the Bank is recommended by the 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.

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 <sup>#</sup>	-
3	Sweat Equity	-
4	Commission ( as a % of profit & others)	-
5	Others	0.03 <sup>^</sup>
	Contribution to PF	0.07
	Variable Pay (2020-21)	0.19 <sup>+</sup>
	<b>Total (A)</b>	<b>1.15</b>

<sup>+</sup>For the Performance year FY2020-21 variable pay of ₹ 0.96 crore has been approved by the RBI and non-deferred remuneration of ₹0.19 has been recognized during the FY 2021-22.

<sup>^</sup> 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".

## Variable Pay 2021-22:

For the FY 2021-22, the variable pay in terms of extant RBI guidelines will be decided in the Financial Year 2022-23, which shall not exceed 200% of the fixed pay as provided in the table. The variable pay is also subject to prior approval of the RBI and as such, the quantum cannot be decided at present.

### B. Remuneration of Non Executive Directors:

(₹ in Crore)

Sl No	Particulars of Remuneration	Name of the Directors (Messrs/Mrs.)											
		P Jayarama Bhat (upto 13.11.2021)	P Pradeep Kumar	Rammohan Rao Belle (upto 20.10.2021)	Keshav K Desai	D Surendra Kumar (upto 30.05.2021)	Mythily Ramesh	B R Ashok	A V Chandrashekar	Uma Shankar	Dr. D S Ravindran	Balakrishna Alse S (w.e.f 26.05.2021)	Total Amount
<b>1. Independent Directors</b>													
	Sitting Fees for attending Board/Committees		0.31	0.12	0.22	0.01	0.22		0.19	0.22	0.21	0.22	1.72
	Commission		0	0	0	0	0		0	0	0	0	0
	Others (Salary)		0.06	0	0	0	0		0	0	0	0	0.06
	<b>Total(1)</b>		<b>0.37</b>	<b>0.12</b>	<b>0.22</b>	<b>0.01</b>	<b>0.22</b>		<b>0.19</b>	<b>0.22</b>	<b>0.21</b>	<b>0.22</b>	<b>1.78</b>
<b>2. Non-Executive Directors</b>													
	Sitting Fees for attending meetings of the Board/ Committees	0.15							0.29				0.44
	Commission	0							0				0
	Others (Salary)	0.07							0				0.07
	<b>Total(2)</b>	<b>0.22</b>							<b>0</b>				<b>0.51</b>
	<b>Total (B)=(1+2)</b>	<b>0.22</b>	<b>0.37</b>	<b>0.12</b>	<b>0.22</b>	<b>0.01</b>	<b>0.22</b>	<b>0.29</b>	<b>0.19</b>	<b>0.22</b>	<b>0.21</b>	<b>0.22</b>	<b>2.29</b>
	<b>Total Managerial Remuneration (A+B)</b>												<b>3.44</b>

Overall ceiling as per the Companies Act, 2013<sup>®</sup>

<sup>®</sup>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 Jayarama Bhat, Non-Executive Chairman (upto 13.11.2021) was paid with a consolidated remuneration of ₹1.00 lakh per month, as approved by RBI, which is within limits prescribed under the Companies Act, 2013 and Mr. P Pradeep Kumar, the present Part-time Chairman (w.e.f 14.11.2021) 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.



## 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 of the Bank was carried out as per the Performance Evaluation Policy adopted by the Bank. Further, due to amendment to the Bank's Policy on performance evaluation there is a change in the evaluation cycle for Managing Director & CEO, which shall be carried out after approval of audited financial results. 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 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, functions of the board, strategy determination and monitoring 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 stakeholder's 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.

### 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.

## 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)

The composition, name of members and chairperson of the Committees as on March 31, 2022 were as under:

Director's Name (Messrs)	Name of the Committee								
	ACB	NRC	MCB	SCRC	Special Committee	RCMC	ITSG	CSR	RCNCWD
<b>Part-time Chairman</b>									
P Pradeep Kumar		✓	✓			✓	✓	•	
<b>Whole Time Director</b>									
Mahabaleshwara M S			•	✓	•	✓	✓	✓	•
<b>Independent Directors</b>									
Keshav K Desai		•	✓	•					✓
Mythily Ramesh				✓	✓		•		
A V Chandrashekar				✓	✓			✓	✓
Uma Shankar	✓	✓				•	✓		
Dr D S Ravindran	✓			✓			✓	✓	
Balakrishna Alse S	•				✓	✓			✓
<b>Non-Executive Director</b>									
B R Ashok	✓	✓	✓		✓				
<b>• Chairperson of the Committee</b>					<b>✓ Member of the Committee</b>				

The following committees of the Board were functioning in the Bank as on March 31, 2022:

**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 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.

The meeting dates and the attendance record is as below:

Dates of Meeting	Rammohan Rao Belle#	P Jayarama Bhat <sup>§</sup>	Balakrishna Alse S <sup>@</sup>	Mythily Ramesh#	B R Ashok	P Pradeep Kumar <sup>+</sup>	Uma Shankar	Dr. D S Ravindran <sup>%</sup>
22.04.2021	✓	✓		✓	✓	✓	✓	
25.05.2021	✓			✓	✓	✓	✓	
22.06.2021	✓		✓	✓	✓	✓	-	
26.07.2021	✓		✓	✓	✓	✓	✓	
21.09.2021	✓		✓	✓	✓	✓	✓	
27.10.2021			✓		✓	✓	✓	✓
21.12.2021			✓		✓		✓	✓
27.01.2022			✓		✓		✓	✓
24.02.2022			✓		✓		✓	✓
31.03.2022			✓		✓		✓	✓
<b>Meetings Attended/ Held</b>	<b>5/5</b>	<b>1/1</b>	<b>8/8</b>	<b>5/5</b>	<b>10/10</b>	<b>6/6</b>	<b>9/10</b>	<b>5/5</b>

#upto 20.10.2021

§ upto 26.04.2021

@ Inducted into the ACB w.e.f. 01.06.2021 and Chairman of the Committee w.e.f 21.10.2021

+ upto 13.11.2021

% w.e.f 21.10.2021

## 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 Regulations 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, determination of the qualifications, positive attributes and independence of a director for appointment as Director on the Board of the Bank shall be as per the Bank's Policy on Appointment of Directors 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	Keshav K Desai <sup>@</sup>	P Jayarama Bhat <sup>§</sup>	Rammohan Rao Belle <sup>*</sup>	Mythily Ramesh <sup>#</sup>	B R Ashok <sup>%</sup>	P Pradeep Kumar <sup>%</sup>	Uma Shankar <sup>+</sup>
26.04.2021	✓	✓	✓	✓			
18.05.2021	✓	✓	✓	✓			
25.06.2021	✓	✓	✓	✓			
22.09.2021	✓	✓	✓	✓			
25.10.2021	✓	✓			✓	✓	
27.12.2021	✓				✓	✓	✓
09.02.2022	✓				✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>7/7</b>	<b>5/5</b>	<b>4/4</b>	<b>4/4</b>	<b>3/3</b>	<b>3/3</b>	<b>2/2</b>

<sup>@</sup>Chairman of the Committee w.e.f 27.04.2021

<sup>§</sup>Upto 13.11.21

<sup>\*</sup> Chairman of the Committee upto 26.04.2021 and thereafter continued as a member of the Committee upto 20.10.2021.

<sup>#</sup>Upto 20.10.21

<sup>%</sup> w.e.f 21.10.21

<sup>+</sup> w.e.f 14.11.2021

### 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	Keshav K Desai <sup>#</sup>	B R Ashok	P Pradeep Kumar	Balakrishna Alse S <sup>@</sup>
03.05.2021	✓		✓	✓	
21.06.2021	✓		✓	✓	✓
30.07.2021	✓		✓	✓	✓
31.08.2021	✓		✓	✓	✓
23.09.2021	✓		✓	✓	✓
02.11.2021	✓		✓	✓	
09.12.2021	✓	✓	✓	✓	
28.12.2021	✓	✓	✓	✓	
08.02.2022	✓	✓	✓	✓	
18.03.2022	✓	✓	✓	✓	
<b>Meetings Attended/ Held</b>	<b>10/10</b>	<b>4/4</b>	<b>10/10</b>	<b>10/10</b>	<b>4/4</b>

<sup>@</sup>inducted into committee from 01.06.2021 to 20.10.2021

<sup>#</sup> w.e.f 14.11.2021

#### 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) Regulation 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 the performance of the Ad-hoc committee.
- To specifically look 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	P Jayarama Bhat <sup>@</sup>	Mahabaleshwara M S	Keshav K Desai <sup>§</sup>	Mythily Ramesh <sup>#</sup>	Justice A V Chandrashekar <sup>%</sup>	Dr D S Ravindran <sup>*</sup>
18.06.2021	✓	✓	✓			✓
22.09.2021	✓	✓	✓			✓
01.12.2021		✓	✓	✓	✓	✓
22.02.2022		✓	✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>2/2</b>	<b>4/4</b>	<b>4/4</b>	<b>2/2</b>	<b>2/2</b>	<b>4/4</b>

<sup>@</sup> Chairman of the Committee upto 13.11.2021.

<sup>§</sup> Chairman of the Committee w.e.f. 14.11.2021.

<sup>#</sup> w.e.f 21.10.2021

<sup>%</sup> w.e.f 14.11.2021

<sup>\*</sup> w.e.f 01.06.2021

##### Name & Designation of the Compliance Officer:

Mr. Prasanna Patil, Company Secretary.

During the FY 2021-22, a total of 15 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** has been maintained by the Bank for the purpose of redressal of investors' grievances, if any. Further, the complaints received online 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 : 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	P Jayarama Bhat <sup>#</sup>	Mahabaleshwara M S <sup>§</sup>	Rammohan Rao Belle <sup>@</sup>	B R Ashok <sup>%</sup>	Mythily Ramesh <sup>**</sup>	Justice A V Chandrashekar	Balakrishna Alse S <sup>##</sup>
19.06.2021	✓	✓	✓			✓	✓
13.09.2021	✓	✓	✓			✓	✓
01.12.2021		✓		✓	✓	✓	✓
23.02.2022		✓		✓	✓	✓	✓
08.03.2022		✓		✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>2/2</b>	<b>5/5</b>	<b>2/2</b>	<b>3/3</b>	<b>3/3</b>	<b>5/5</b>	<b>5/5</b>

<sup>#</sup> Chairman of the Committee upto 13.11.21

<sup>§</sup> Chairman of the Committee w.e.f 14.11.21

<sup>@</sup> upto 20.10.21

<sup>%</sup> w.e.f 21.10.2021

<sup>\*\*</sup> w.e.f 14.11.2021

<sup>##</sup> w.e.f 01.06.2021

**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.

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**Brief terms of reference**

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**Risk Function:**

- a. Devise the policy and strategy for integrated risk management containing various risk exposures of the Bank including Credit Risk, Market Risk and Operational Risk.
- b. Review of Risk Profile of the Bank, evaluation of overall risks faced by the Bank.
- c. Review the decision of the 3 sub-committees namely ALCO, ORMC and CPC and ensure smooth transition to new capital adequacy framework.
- d. Ensure robustness of the financial models used for measuring risks and to ensure a smooth transition to the New Capital Adequacy Framework.
- e. 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.

**Capital Function:**

- f. 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.
- g. To approve the Basel III Pillar II CRAR calculations along with the results of Stress Testing and Leverage Ratio & Liquidity Coverage Ratio.
- h. 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.
- i. 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.
- j. 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.
- k. 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.

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**Number of meetings held:** 5 meetings

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The meeting dates and the attendance record is as below:

Dates of Meeting	Uma Shankar *	P Jayarama Bhat **	P Pradeep Kumar#	Mahabaleshwara M S	Rammohan Rao Belle §	B R Ashok%	Balakrishna Alse S®
21.06.2021	✓	✓	✓	✓	✓	✓	
20.07.2021	✓	✓	✓	✓	✓	✓	
20.09.2021	✓	✓	✓	✓	✓	✓	
26.11.2021	✓		✓	✓			✓
25.02.2022	✓		✓	✓			✓
<b>Meetings Attended/ Held</b>	<b>5/5</b>	<b>3/3</b>	<b>5/5</b>	<b>5/5</b>	<b>3/3</b>	<b>3/3</b>	<b>2/2</b>

\*Chairperson of the Committee w.e.f 14.11.21

\*\* Chairman Upto 27.04.21

#Chairman of the Committee from 27.04.2021 to 13.11.21 and thereafter continued as a member of the Committee.

§ from 27.04.2021 to 20.10.2021

%upto 20.10.2021

® w.e.f 14.11.2021

#### g. IT Strategy and Governance 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;

The main objective of IT Governance is to achieve outcome viz., "Value Delivery by IT to business" and "IT Risk Management". The drivers of this outcome are "IT Strategic Alignment", "IT Resource Management" and "IT Performance Measurement".

**Number of meetings held:** 4 meetings



The meeting dates and the attendance record is as below:

Dates of Meeting	Mythily Ramesh	P Jayarama Bhat <sup>§</sup>	Mahabaleshwara M S	P Pradeep Kumar	Uma Shankar <sup>%</sup>	Dr. D S Ravindran <sup>@</sup>
17.06.2021	✓	✓	✓	✓	-	✓
29.09.2021	✓	✓	✓	✓	✓	✓
04.12.2021	✓		✓	✓	✓	✓
07.03.2022	✓		✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>4/4</b>	<b>2/2</b>	<b>4/4</b>	<b>4/4</b>	<b>3/4</b>	<b>4/4</b>

<sup>§</sup> upto 20.10.2021

<sup>%</sup> w.e.f 20.10.2021

<sup>@</sup> w.e.f 01.06.2021

#### 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 <sup>#</sup>	Mahabaleshwara M S <sup>*</sup>	Keshav K Desai <sup>§</sup>	Justice A V Chandrashekar	Dr D S Ravindran <sup>%</sup>
17.06.2021		✓	✓	✓	✓
20.09.2021		✓	✓	✓	✓
01.12.2021	✓	✓		✓	✓
16.02.2022	✓	✓		✓	✓
<b>Meetings Attended/ Held</b>	<b>2/2</b>	<b>4/4</b>	<b>2/2</b>	<b>4/4</b>	<b>4/4</b>

<sup>#</sup>Chairman of the Committee w.e.f 14.11.2021

<sup>\*</sup>Chairman of the Committee upto 13.11.2021 and there after he continued as a member of the committee.

<sup>§</sup> From 01.06.2021 upto 13.11.2021

<sup>%</sup> w.e.f 01.06.2021

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**

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

**Number of meetings held:** 2 meetings

The meeting dates and the attendance record is as below:

Dates of Meeting	Mahabaleshwara M S	Keshav K Desai	Justice A V Chandrashekar	Balakrishna Alse S #
27.10.2021	✓	✓	✓	✓
22.02.2022	✓	✓	✓	✓
<b>Meetings Attended/ Held</b>	<b>2/2</b>	<b>2/2</b>	<b>2/2</b>	<b>2/2</b>

# w.e.f 21.10.2021

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 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 Policy Committee (CPC), 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 Vikas 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	Date	Day	Time (IST)	Whether any Special resolution/ s passed
2021	Held through Video Conferencing	02.09.2021	Thursday	11.00AM	Yes
2020	Held through Video Conferencing	17.07.2020	Friday	11.30 AM	Yes
2019	Registered Office, Mangaluru	07.08.2019	Wednesday	11.30 AM	Yes#

# Resolution seeking reappointment of an Independent Director could not secure requisite Majority.

**MEANS OF COMMUNICATION:**

The quarterly/half yearly/annual results are published in the leading national English dailies such as Times of India, Business Line, Deccan Herald etc., and vernacular newspaper such as Udayavani, Vijayavani etc. 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](http://www.bseindia.com) and [www.nseindia.com](http://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 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 2021-22 (e-AGM) to be held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"):**

Day	:	<b>Friday</b>
Date	:	<b>August 26, 2022</b>
Time	:	<b>11.30 AM</b>
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. 2/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs ("MCA") and SEBI Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 and other connected circulars mentioned therein.
Bank's Address for Correspondence	for	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 30<sup>th</sup> June, 2022 : July, 2022
- b) Quarter ending 30<sup>th</sup> September, 2022 : October, 2022
- c) Quarter ending 31<sup>st</sup> December, 2022 : January, 2023
- d) Quarter ending 31st March 2023 : May/June, 2023

**C. Dividend:**

The Board of Directors has recommended a dividend of ₹4.00 per share for the year ended March 31, 2022 (i.e., 40 % on paid up capital) and subject to the approval by the members at the AGM to be held on August 26, 2022, the same will be paid to the shareholders holding shares as on August 19, 2022 in respect of shares held both in physical form and in electronic form.

Dividend Payment Date: Between September 02, 2022 and September 06, 2022.

**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, 2022:

Year	Unclaimed dividend(₹)	Date of declaration	Last date for claiming dividend
2014-2015	79,21,255.00	16.07.2015	15.08.2022
2015-2016	81,62,725.00	28.07.2016	27.08.2023
2016-2017	80,70,364.00	17.07.2017	16.08.2024
2017-2018	66,33,120.00	21.07.2018	20.08.2025
2018-2019	78,64,517.50	07.08.2019	06.09.2026
2019-2020	No Dividend Declared due to restriction imposed by RBI for all banking companies.		
2020-2021	62,43,207.40	02.09.2021	01.09.2028

- 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 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	499	91049
2. Shareholders who approached us for transfer of shares from suspense account during the year	9	9184
Less: Shareholders to whom shares were transferred from suspense account during the year	9	9184
3. Less: Shares transferred to IEPF	10	1443
4. Number of shareholders and the outstanding shares in the suspense account lying at the end of the year (4=1-2-3)	<b>480</b>	<b>80422</b>

**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 2013-14 of ₹65,04,548/- has been transferred on October 05, 2021 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, 73,580 shares in respect of which the dividend for the FY 2013-14 had remained unclaimed for a period of seven years or more, were transferred to IEPF on October 05, 2021.

**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 Share Transfer Agent 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. April 01, 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 95.37 % of the equity shares of the Bank are in demat form as on March 31, 2022.

**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, 2021 to March 31, 2022 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 2021	65.60	58.10	26246749	15044.35	14151.40
May 2021	73.80	60.40	53669247	15606.35	14416.25
June 2021	65.75	61.30	31218991	15915.65	15450.90
July 2021	64.35	56.65	29877392	15962.25	15513.45
Aug 2021	63.25	51.60	50873200	17153.50	15834.65
Sep 2021	75.75	59.35	107642013	17947.65	17055.05
Oct 2021	75.00	66.30	53659369	18604.45	17452.90
Nov 2021	81.85	62.10	82612328	18210.15	16782.40
Dec 2021	69.65	59.65	23384537	17639.50	16410.20
Jan 2022	68.85	61.10	30497091	18350.95	16836.80
Feb 2022	69.70	56.65	29416342	17794.60	16203.25
Mar 2022	60.35	55.20	20913640	17559.80	17435.20

**Trading statistics on BSE:**

Month	Share price		No. of Shares Traded	S&P BSE SENSEX	
	High	Low		High	Low
Apr 2021	65.70	58.55	2702246	50375.77	47204.5
May 2021	72.70	60.50	4718725	52013.22	48028.07
June 2021	65.65	61.00	3875168	53126.73	51450.58
July 2021	64.20	56.75	3018189	53290.81	51802.73
Aug 2021	63.20	51.55	4827814	57625.26	52804.08
Sep 2021	75.65	59.35	10303776	60412.32	57263.9
Oct 2021	75.00	66.05	4389523	62245.43	58551.14
Nov 2021	81.80	61.30	6429110	61036.56	56382.93
Dec 2021	69.50	59.65	2221467	59203.37	55132.68
Jan 2022	68.85	61.55	2776698	61475.15	56409.63
Feb 2022	69.65	56.70	2688117	59618.51	54383.20
Mar 2022	60.40	55.25	3115402	58890.92	52260.82

**M. Distribution of shareholding as on March 31, 2022:**

Shares holding of nominal value of ₹ P.	Share holders		Share Amount	
	Number	% to Total	In ₹	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	176222	75.92	227601240	7.31
5,001 - 10,000	22903	9.87	170683570	5.49
10,001 - 20,000	15320	6.60	219523180	7.05
20,001 - 30,000	5815	2.51	145039530	4.66
30,001 - 40,000	2883	1.24	100738020	3.24
40,001 - 50,000	2081	0.90	95322960	3.06
50,001 - 1,00,000	3785	1.63	267923710	8.61
1,00,001 and above	3097	1.33	1884806390	60.57
<b>Total</b>	<b>232106</b>	<b>100.00</b>	<b>3111638600</b>	<b>100.00</b>

**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, 2021)				No. of Shares held at the end of the year (i.e. as on March 31, 2022)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>(1) Indian</b>									
a) Individual/HUF									
b) Central Govt. or State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
<b>SUB TOTAL:(A) (1)</b>									
<b>(2) Foreign</b>									
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>									
<b>(1) Institutions</b>									
a) Mutual Funds	645035	0	645035	0.21	0	0	0	0	-100
b) Banks/FI	9174	0	9174	0.00	735	0	735	0.00	-91.99
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	17524428	0	17524428	5.64	16624428	0	16624428	5.34	-5.14
g) FPIs	29219617	0	29219617	9.40	37086547		37086547	11.92	26.92
i) Others (specify) Alternate Investment Fund	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>47398254</b>	<b>0</b>	<b>47398254</b>	<b>15.25</b>	<b>53711710</b>	<b>0</b>	<b>53711710</b>	<b>17.26</b>	<b>13.32</b>
<b>(2) Non Institutions</b>									

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April 1, 2021)				No. of Shares held at the end of the year (i.e. as on March 31, 2022)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Bodies corporate									
i) Indian	13723181	245339	13968520	4.49	11811418	245039	12056457	3.87	-13.69
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	108622529	11698229	120320758	38.70	107124886	11251348	118376234	38.05	-1.62
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	114174153	2448490	116622643	37.51~	113474590	2277513	115752103	37.20	-0.75
c) Others (specify)									
Trust	25598	0	25598	0.01	7598	0	7598	0.00	-70.32
Clearing Members	1462290	0	1462290	0.47	1203833	0	1203833	0.39	-17.67
KBL - Unclaimed Suspense a/c	91049	0	91049	0.03	80422	0	80422	0.03	-11.67
NRIs	10106946	5500	10112446	3.25	9028982	5500	9034482	2.90	-10.66
IEPF	868131	0	868131	0.28	941021	0	941021	0.30	8.40
<b>SUB TOTAL (B)(2):</b>	<b>249073877</b>	<b>14397558</b>	<b>263471435</b>	<b>84.75</b>	<b>243672750</b>	<b>13779400</b>	<b>257452150</b>	<b>82.74</b>	<b>-2.28</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>296472131</b>	<b>14397558</b>	<b>310869689</b>	<b>100.00</b>	<b>297384460</b>	<b>13779400</b>	<b>311163860</b>	<b>100.00</b>	<b>0.09</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+B+C)</b>	<b>296472131</b>	<b>14397558</b>	<b>310869689</b>	<b>100.00</b>	<b>297384460</b>	<b>13779400</b>	<b>311163860</b>	<b>100.00</b>	<b>0.09</b>

ii) **Shareholding of Promoters:** Not applicable as the Bank does not have any promoters in control of the management.

iv) **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	1,54,58,513	4.97	-9,00,000	1,45,58,513	4.68
2.	B Sumanthkumar Reddy & Relatives	1,38,12,908	4.44	-8,72,371	1,29,40,537	4.16
3.	LSV Emerging Markets Equity Fund LP	43,32,240	1.39	0	43,32,240	1.39
4.	Sreenadha Reddy Nayani	40,49,564	1.30	-417230	36,32,334	1.17
5.	Acadian Emerging Markets Small Cap Equity Fund LLC	23,26,206	0.75	+8,10,995	31,37,201	1.01
6.	Chirag Dilipkumar Lakhi	26,28,513	0.85	0	26,28,513	0.84
7.	Vivek Chand Burman	23,92,500	0.77	-2,25,000	21,67,500	0.70
8.	Vanguard Total International Stock Index Fund	21,43,634	0.69	0	21,43,634	0.69
9.	Venkata Seshamma Naidu	23,45,659	0.75	-3,92,411	19,53,248	0.63
10.	Vanguard Emerging Markets Stock Index Fund, A Series	20,87,701	0.67	-2,04,182	18,83,519	0.61

Note: Since the substantial portion of the shares are held and traded in demat form, date wise increase or decrease is not available.

v) **Shareholding of Directors & Key Managerial Personnel as on March 31, 2022:**

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
<b>Directors:</b>							
1.	P Pradeep Kumar	3410	0.00	Nil	NA	3410	0.00
2.	Mahabaleshwara M S	17178	0.00	79000	Shares allotted pursuant to exercise of employee stock options	96178	0.03
				Date of allotment: 28.01.2022			
3.	Keshav K Desai	11000	0.00	Nil		11000	0.00
4.	Mythily Ramesh	165	0.00	Nil		165	0.00
5.	B R Ashok	1650	0.00	Nil		1650	0.00
6.	Justice A V Chandrashekar	500	0.00	Nil	NA	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	NA	0.00	Nil		500	0.00
<b>Key Managerial Personnel</b>							
	Muralidhar Krishna Rao, Chief Financial Officer	1216	0.00	4200	Shares allotted pursuant to exercise of employee stock options	5416	0.00
				Date of allotment: 28.10.2021			
	Prasanna Patil, Company Secretary	110	0.00	Nil	NA	110	0.00

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 IV	Series V	Series VI	Series VII
ISIN at NSDL/CDSL	INE614B08021	INE614B08039	INE614B08047	INE614B08054

**Debenture Trustee:**

In respect of the subordinated debt instruments outstanding as on March 31, 2022, the Bank has appointed IDBI Trusteeship Services Ltd 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 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 (E), 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 Crore)	Credit Rating		Outlook
						CARE	ICRA	
Series IV	₹10 Lakh	11%	17.11.12	10	250.00	CARE "A"	ICRA "A"	Stable
Series V	₹1 Lakh	12%	16.11.18	10	400.00	CARE "A"	ICRA "A"	Stable
Series VI	₹1 Lakh	12%	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. OTHER DISCLOSURES (as per Schedule V 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, 2022. Further 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 [www.karnatakabank.com](http://www.karnatakabank.com) under section [Investor Portal >Corporate Governance>Policies.](#)

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

Name of the Authority	2021-22	2020-21	2019-20
SEBI	NIL	NIL	NIL
BSE/NSE	NIL	NIL	0.02*
RBI	1.00 <sup>^</sup>	NIL	1.20~
Other Statutory Authority	NIL	NIL	NIL

\*penalty of ₹1.24 lakh each as per the Standard Operating Procedure prescribed by SEBI Circular for the non-compliance of Regulation 17 of SEBI (LODR) Regulations 2015 with reference to constitution of Audit Committee of Directors for a short period.

~₹1.00 crore for divergence in NPA and ₹0.20 crore for non-adherence to IRAC norms for the financial position as on March 31, 2017 and March 31, 2018. However, the Bank had fully provided in respect of these NPA Accounts in the earlier years.

<sup>^</sup>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 is 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 Para C(9)(c) 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 accordingly, the requirement of formulating policy in this connection is not applicable.

## 7. Details of fees paid to the Statutory Auditors for FY 2021-22:

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

Nature of Fees	Amount (₹ Crore)
Audit Fee	2.88
Reimbursement of Expenses	0.86
Certification charges	0.21
<b>Total</b>	<b>3.95</b>

## 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 unqualified 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 the 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 2022.

Place: Mangaluru  
Date: 27.05.2022

**Mahabaleshwara M.S.**  
Managing Director & CEO

# ANNEXURE-5

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

**The Karnataka Bank Limited**

CIN: L85110KA1924PLC001128

Regd. and Head Office: P. B. No.599,

Mahaveera Circle, Kankanady,

Mangalore - 575002, Karnataka, India

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"). The 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 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, 2022 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, 2022, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws 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 following 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 Disclosures Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Benefits 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 (Bankers to an Issue) Regulations, 1994;
  - g. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
  - h. The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
  - i. 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;

- j. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:- Not applicable as the Bank has not delisted proposed to delist its equity shares from any stock exchange during the financial year under review and
- k. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:- Not applicable as the Bank has not bought back / proposed to buy-back any of its securities during the financial year under review.
- vi. The following key / significant laws as specifically applicable to the Bank:-

The Bank has complied with the provisions of the Banking Regulation Act, 1949 ("BR Act"), Master Circulars, Notifications and 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/regulations 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 Ltd.;

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, the Reserve Bank of India (RBI), vide its order dated July 07, 2021, imposed a monetary penalty of ₹ 1 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)' while sanctioning credit facilities to M/s. Infrastructure Leasing and Financial Services Ltd. (IL&FS) and its group companies. The Bank had made full loan provision, there are no other financial impact other than the penalty amount.

We further report that:-

- a) 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.
- b) 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 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
- c) The minutes of the Board/Committee meetings have not identified any dissent by members of the Board/Committee; hence we have no reason to believe that the decisions by the Board/Committee were not approved by all the directors/members present.

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 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.

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. The Board of Directors of the Bank at their meeting held on July 27, 2021 and the Shareholders of the Bank at their 97<sup>th</sup> Annual General Meeting held on September 02, 2021, have approved the issue and allotment of equity shares by way of Qualified Institutions Placement (QIP) upto 15,00,00,000 Equity Shares (Fifteen Crore Or 150 Million Equity Shares).
- ii. The Shareholders of the Bank at their 97<sup>th</sup> Annual General Meeting held on September 02, 2021, have approved to borrow/raise funds not exceeding in aggregate ₹6000 crore (Rupees Six Thousand Crore Only) over and above the aggregate of the paid up capital of the Bank and free reserve and the securities premium at any time. Further, the

Committee of Directors of Board of the Bank ("Committee") at its meeting held on March 30, 2022 has approved the allotment of unsecured, subordinated, redeemable non-convertible, fully paid-up Basel III Compliant Tier 2 bonds in the nature of Debentures of face value of ₹ 1,00,00,000 (Rupees One Crore) each, aggregating to ₹300 Crore on private placement basis to the successful bidders on the electronic bidding platform of the NSE-EBP who were identified by the Committee as the 'Identified investors' at its meeting held on March 29, 2022.

- iii. The Bank has allotted 2,94,171 Equity Shares of ₹ 10/- each under Employee Stock Option Schemes ("KBL-ESOS 2018") of the Bank.

**NOTE:** This report to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**For BMP & Co. LLP,**  
Company Secretaries

Sd/-

**Pramod S M**

Partner

FCS No: 7834 CP No: 13784

UDIN: F007834D000671002

PR No.: 736/2020

Place: Bangalore  
Date: July 23, 2022

## Annexure A

To,  
The Members,  
**The Karnataka Bank Limited**  
CIN: L85110KA1924PLC001128  
Regd. and Head Office: P. B. No.599,  
Mahaveera Circle, Kankanady,  
Mangalore - 575002, Karnataka, India

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 process 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 Account 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, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/Managing Director & CEO, 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 audit and other designated professionals.

**For BMP & Co. LLP,**  
Company Secretaries

Sd/-

**Pramod S M**

Partner

FCS No: 7834 CP No: 13784

UDIN: F007834D000671002

PR No.: 736/2020

Place: Bangalore  
Date: July 23, 2022

## 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,

Members of 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 PB.NO.599, Mahaveera Circle, Kankanady, Mangalore, Karnataka – 575002, IN (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) Securities 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 Directors Identification Number status at the portal 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 for the Financial Year ended on March 31, 2022 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.	Panja Pradeep Kumar	03614568	19/08/2020
2.	Mavinakudige Subramanyabhata Mahabaleshwara	07645317	15/04/2017
3.	Keshav Krishnarao Desai	07427621	19/02/2016
4.	Mythily Ramesh	06959991	14/03/2018
5.	Balebail Rajagopal Ashok	00415934	27/08/2019
6.	Arakalgud Venkataramaiah Chandrashekar	08829073	19/08/2020
7.	Uma Shankar	07165728	01/11/2020
8.	Devarayasamudram Srinivasan Ravindran	09057128	01/04/2021
9.	Balakrishna Alse Shettwalli	08438552	26/05/2021
10.	*Jeevandas Narayan	07656546	26/04/2022
11.	*Kalmanje Gururaj Acharya	02952524	26/04/2022

(\*Note: Mr. Jeevandas Narayan and Mr. Kalmanje Gururaj Acharya were appointed after the closure of financial year 2021-22.)

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

Sd/-

**Pramod S M**

Partner

FCS No: 7834 CP No: 13784

UDIN: F007834D000671057

PR No.: 736/2020

Place: Bangalore

Date: July 23, 2022

# ANNEXURE-6

## COMPLIANCE CERTIFICATE

*[Pursuant to Regulation 13 of the Securities Exchange Board of India  
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]*

**To,  
The Members,  
The Karnataka Bank Limited**

We, BMP & Co. LLP, Company Secretaries in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on June 29, 2021 by the Board of Directors of The Karnataka Bank Limited (hereinafter referred to as “**the Bank**”), having CIN L85110KA1924PLC001128 and having its registered 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, 2022.

### 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 General Meeting of the Bank held on July 21, 2018.

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: 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 of the Board;
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 of the Board;
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 KBL Employee Stock Option Scheme 2018 (ESOS 2018) in accordance with the applicable provisions of the Regulations and Resolution(s) of the Bank in the General Meeting(s).

### 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**,  
Bank Secretaries

Sd/-

**CS Pramod S M**  
**Partner**

**Place:** Bangalore

**Date:** July 23, 2022

**FCS No.: 7834 CP. No.: 13784**

UDIN: F007834D000671002

PR No. 736/2020



## ANNEXURE-7

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) Rules, 2014:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	MD & CEO : 14.48x Non-Executive Chairman : 1.57x
(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 2021-22 has decreased by 1.70% (computed based on Fixed pay & the non-deferred portion of variable pay of ₹ 0.19 crore recognized during the FY 2021-22).  Non-Executive Chairman: A consolidated monthly salary of ₹1.00 lakh was paid to the Mr. P Jayarama Bhat, Part-time Non-Executive Chairman as per the approval received from RBI till completion of his tenure i.e., 13.11.2021. Thereafter, Mr. P Pradeep Kumar is being paid a consolidated remuneration of ₹ 1.25 lakhs as per the approval received from RBI w.e.f 14.11.2021.  The remuneration of CFO and CS are as per the industry level settlement and hence, except increase in salary on account of bipartite settlement and increase in the Dearness Allowance portion, there was no increase in the remuneration of the CFO and CS during the year. The CFO attained superannuation on 28.02.2022 and continued in his position as the CFO on contractual basis and there was an increase of 5.15% in his remuneration.
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 4.94 %.
(iv) the number of permanent employees on the rolls of company	8520
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 2021-22, there was an increase of 5.36% 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 200% 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.
(xii) affirmation that the remuneration is as per the Remuneration policy of the company. Explanation.- For the purposes of this rule.- (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; ii) if there is an even number of observations, the median shall be the average of the two middle values.	Yes. It is confirmed.

\*clauses (v), (vi), (vii) and (ix) to (xi) omitted by MCA notification no. 646(E) dated 30th June, 2016

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### The Members of The Karnataka Bank Limited

1. This Certificate has been issued in accordance with the terms of our engagement letter dated October 05, 2021.
2. We have examined the compliance of conditions of Corporate Governance by The Karnataka Bank Limited ('the Bank'), for the financial year ended March 31, 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time ('Listing Regulations').

### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Bank has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 2 above for the year ended March 31, 2022.
5. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
6. We have examined the relevant records maintained by the Bank for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.

7. We have carried out an examination of the relevant records of the Bank in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion, the Bank has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Listing Regulations as applicable during the year ended March 31, 2022.
10. We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

### Restrictions on use:

11. This Certificate is addressed and provided to the members of the Bank solely for the purpose of enabling the Bank to comply with the requirement of the Listing Regulations and should not be used by any other party or for any other purpose, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom this Certificate is shown or into whose hands it may come, without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

### For Kalyaniwalla & Mistry LLP

Chartered Accountants  
(Firm Registration No.: 104607W/W100166)

Sd/-

**Anil A. Kulkarni**

Partner

Membership No.: 047576

UDIN: 22047576ANIEUS4498

Place: Mangaluru

Dated: July 20, 2022

Certificate No: JSA/KBL/2022-23/021

### For Sundaram & Srinivasan

Chartered Accountants  
(Firm Registration No. 004207S)

Sd/-

**P Menakshi Sundaram**

Partner

Membership No. 217914

UDIN: 22217914ANIIE6709

Place: Chennai

Date: July 20, 2022

# ANNEXURE-8

## BUSINESS RESPONSIBILITY REPORT

Bank has adopted various policies that imbibe the best practices with regard to environmental, social and governance principles. In this context, Bank is presenting its Business Responsibility Report (BRR) for the Financial Year 2021-22 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 CIR/CFD/CMD/10/2015 dated November 04, 2015. This report is also made available on our website: [www.karnatakabank.com](http://www.karnatakabank.com).

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L85110KA1924PLC001128
2.	Name of the Company	THE KARNATAKA BANK LIMITED
3.	Registered Address	Regd. & Head Office, Post Box No. 599, Mahaveera Circle, Kankanady, Mangaluru-575002 Karnataka, India.
4.	Website	<a href="http://www.karnatakabank.com">www.karnatakabank.com</a>
5.	E-mail Id	<a href="mailto:info@ktkbank.com">info@ktkbank.com</a>
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification: 2008 Section K: Financial and Insurance Activities Code: 64191
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> <li>• Loans</li> <li>• Deposits</li> <li>• Investments and Treasury</li> </ul>
9.	Total number of locations where business activity is undertaken by the Company	22 States and 2 Union Territories
a.	Number of International Locations (Provide details of major 5)	Nil
b.	Number of National Locations	Located in 567 Centres with 877 Branches pan India as on 31st March 2022.
10.	Markets served by the Company – Local/State/National/International	National

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (Rs. In crore)	₹ 311.16 crore
2.	Total Turnover (Rs. In crore)	₹ 137169.99 crore
3.	Total profit after taxes (Rs. In crore)	₹ 508.62 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Two percentage of the three years' average net profit as calculated in terms of Section 198 (percentage for the year ended 31st March 2022) of Companies Act, 2013
5.	List of activities in which expenditure in 4 above has been incurred:- (a).(b).(c).	Kindly refer to the Annexure-2 of the Directors' Report of the Bank for more details on expenditure towards Corporate Social Responsibilities during the FY 2021-22

## SECTION C : OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. Bank has incorporated its wholly owned Non-Financial Subsidiary viz. KBL Services Ltd. on 21.06.2020.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?  If yes, then indicate the number of such subsidiary company(s)	No  Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Nil

## SECTION D: BR INFORMATION

<b>1. Details of Director/Directors responsible for BR</b>		
a.	Details of the Director/Director responsible for implementation of the BR policy/policies	
i.	DIN Number	DIN 07645317
ii.	Name	Mr. Mahabaleshwara M S
iii.	Designation	Managing Director & CEO
b.	Details of the BR head	
No	<b>Particulars</b>	
1	DIN Number (if applicable)	DIN 07645317
2	Name	Mr. Mahabaleshwara M S
3	Designation	Managing Director & CEO
4	Telephone number	0824-2228222
5	e-mail id	comsec@kktbank.com

### 1. Mapping of Policies of the Bank with the Principles.

Principle	Policies
<b>P1: Ethics, Transparency and Accountability:</b>	<ul style="list-style-type: none"> <li>a. Code of Conduct for Board of Directors and Senior Management</li> <li>b. Policy on Compliance</li> <li>c. Policy on KYC Standards and AML Measures</li> <li>d. Policy for dealing with Related Party Transactions</li> <li>e. Code of conduct to Regulate, Monitor and Report trading by Insiders</li> <li>f. Protected Disclosure Scheme [Whistle-Blower policy]</li> <li>g. Policy on Fraud Risk Management</li> <li>h. Policy on Staff Accountability</li> <li>i. Policy on Grievance Redressal</li> <li>j. Fair Practice Code</li> </ul>
<b>P2: Sustainable products &amp; services:</b>	<ul style="list-style-type: none"> <li>a. Code of Bank's Commitment to Customers</li> <li>b. Code of Bank's Commitment to Micro &amp; Small Enterprises</li> <li>c. Policy on Loan &amp; Advances</li> <li>d. Financial Inclusion plan 2019-24</li> </ul>

Principle	Policies
<b>P3 Workforce Well-being:</b>	<ul style="list-style-type: none"> <li>a. Policy on Human Resource Management</li> <li>b. Policy on HR Security</li> <li>c. Policy on prevention of Sexual Harassment of Women at Workplace</li> </ul>
<b>P4: Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>a. Lending Policy for MSME</li> <li>b. Code of Bank's Commitment to Micro &amp; Small Enterprises</li> <li>c. Financial Inclusion plan 2019-24</li> <li>d. Policy on Corporate Social Responsibility</li> </ul>
<b>P5: Promotion of Human Rights</b>	<ul style="list-style-type: none"> <li>a. Policy on Customer Rights Policy &amp; Product Suitability</li> <li>b. Citizens Charter</li> <li>c. Fair Practice Code</li> </ul>
<b>P6: Restoration of environment</b>	Policy on Corporate Social Responsibility
<b>P7: Policy advocacy</b>	The Bank works closely with the industry associations, however, there is no specific policy outlined for this principle.
<b>P8: Inclusive growth &amp; equitable development</b>	<ul style="list-style-type: none"> <li>a. Financial Inclusion plan 2019-24</li> <li>b. Policy on Corporate Social Responsibility</li> </ul>
<b>P9: Value to customers</b>	<ul style="list-style-type: none"> <li>a. Code of Bank's Commitment to Customers</li> <li>b. Code of Bank's Commitment to Micro &amp; Small Enterprises</li> <li>c. Policy on Loan &amp; Advances</li> <li>d. Policy on Outsourcing</li> <li>e. Policy on Deposits</li> <li>f. Policy on Information Security</li> <li>g. Policy on Customer Rights &amp; Product Suitability</li> <li>h. Citizens Charter</li> <li>i. Fair Practice Code</li> </ul>

## 2. Principle-wise (as per NVGs) BR Policy/policies

### a. Details of Compliance

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N*	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y <sup>2</sup>	Y <sup>2</sup>	Y <sup>2</sup>	Y <sup>2</sup>	Y <sup>2</sup>	Y <sup>2</sup>	-	Y <sup>2</sup>	Y <sup>2</sup>
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y <sup>3</sup>	Y <sup>3</sup>	Y <sup>3</sup>	Y <sup>3</sup>	Y <sup>3</sup>	Y <sup>3</sup>	-	Y <sup>3</sup>	Y <sup>3</sup>
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y

6.	Indicate the link for the policy to be viewed online?	
a.	Code of Bank's Commitment to Customers	<a href="https://karnatakabank.com/BCSBI-code">https://karnatakabank.com/BCSBI-code</a>
b.	Policy on Customer Rights and Product Suitability	<a href="https://karnatakabank.com/sites/default/files/2022-04/3.Policy%20on%20Customer%20Rights%20%26%20Policy%20on%20Product%20Suitability-2022-23.pdf">https://karnatakabank.com/sites/default/files/2022-04/3.Policy%20on%20Customer%20Rights%20%26%20Policy%20on%20Product%20Suitability-2022-23.pdf</a>
c.	Citizens Charter	<a href="https://karnatakabank.com/sites/default/files/2019-07/CITIZENS%20CHARTER.pdf">https://karnatakabank.com/sites/default/files/2019-07/CITIZENS%20CHARTER.pdf</a>
d.	Fair Practice Code	<a href="https://karnatakabank.com/fair-practise-code">https://karnatakabank.com/fair-practise-code</a>
e.	Lending Policy for MSME	<a href="https://karnatakabank.com/sites/default/files/2020-03/MSME%20Lending%20Policy.pdf">https://karnatakabank.com/sites/default/files/2020-03/MSME%20Lending%20Policy.pdf</a>
f.	Policy on Deposits	<a href="https://karnatakabank.com/sites/default/files/2022-04/4.%20Policy%20on%20Deposits%20-%202022-23.pdf">https://karnatakabank.com/sites/default/files/2022-04/4.%20Policy%20on%20Deposits%20-%202022-23.pdf</a>
g.	Code of Conduct for Board of Directors and Senior Management	<a href="https://karnatakabank.com/sites/default/files/2022-08/Code%20of%20Conduct%20and%20Ethics%20for%20Directors%20and%20Senior%20Management.pdf">https://karnatakabank.com/sites/default/files/2022-08/Code%20of%20Conduct%20and%20Ethics%20for%20Directors%20and%20Senior%20Management.pdf</a>
h.	Policy for dealing with Related Party Transactions	<a href="https://karnatakabank.com/sites/default/files/2022-04/Policy%20on%20related%20Party%20Transaction-website.pdf">https://karnatakabank.com/sites/default/files/2022-04/Policy%20on%20related%20Party%20Transaction-website.pdf</a>
i.	Code of conduct to Regulate, Monitor and Report trading by Insiders	<a href="https://karnatakabank.com/sites/default/files/2019-04/G.CODE%20OF%20PRACTICES.pdf">https://karnatakabank.com/sites/default/files/2019-04/G.CODE%20OF%20PRACTICES.pdf</a>
j.	Protected Disclosure Scheme [Whistle-Blower policy]	<a href="https://karnatakabank.com/sites/default/files/2022-07/Policy%20on%20Whistle%20Blower%202022-23.pdf">https://karnatakabank.com/sites/default/files/2022-07/Policy%20on%20Whistle%20Blower%202022-23.pdf</a>
k.	Policy on Grievance Redressal	<a href="https://karnatakabank.com/sites/default/files/2022-04/5.%20Policy%20on%20Grievance%20Redressal%20-%202022-23.pdf">https://karnatakabank.com/sites/default/files/2022-04/5.%20Policy%20on%20Grievance%20Redressal%20-%202022-23.pdf</a>
l.	Policy on Corporate Social Responsibility	<a href="https://karnatakabank.com/sites/default/files/2022-05/Policy%20on%20Corporate%20Social%20Responsibility.pdf">https://karnatakabank.com/sites/default/files/2022-05/Policy%20on%20Corporate%20Social%20Responsibility.pdf</a>
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies have been communicated to all relevant internal and external stakeholders as the case may be.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All policies are reviewed internally on an annual basis.								

**b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	*	-	-

\*Note: Bank works closely with trade association for the collective good of the society, though there is no specific policy for this principle.

Y<sup>2</sup> Bank's policies are developed keeping in mind the requirements of extant RBI Guidelines, SEBI Regulations, Companies Act, 2013 and also Bank's internal requirements and best practices.

Y<sup>3</sup> Policies are approved by the Board/Committee of the Board or Senior Management as the case may be.

**3. Governance related to BR**

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Annually.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published	Bank is reporting BR annually w.e.f. April 1, 2016. The BR for the FY 2021-22 is made available on the Bank's website <a href="http://www.karnatakabank.com">www.karnatakabank.com</a> (Investors Portal)

**SECTION E : PRINCIPLE-WISE PERFORMANCE**

**PRINCIPLE 1:- Ethics, Transparency and Accountability:**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs /Others?**

Bank has devised various policies such as Code of Conduct and Fair Practices Code applicable to all its employees. Bank has also devised a Code of Conduct for Board of Directors and Senior Management, Fair Practice Code and Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Policy on Staff Accountability to ensure highest standards of ethics and corporate governance.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the Financial Year, Bank received 10 complaints and the same have been redressed.

**PRINCIPLE 2:- Sustainable products & services:**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Finance to MSE's and other Priority sectors.
- Corporate Finance for renewable energy sources.
- Rural banking, finance to agriculture and allied activities.
- KBL Suraksha.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not applicable since we are engaged in providing banking & financial services.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

We are in the financial services sector and there is no directly attributable consumable to be covered here. However, as a responsible corporate, we are constantly working towards reducing paper consumption by adopting new technology in its processes. Some of the initiatives in this direction were thrust towards digital banking, introduction of online account opening, creating awareness among the public to shift towards cashless transactions, paperless board & internal meetings. Bank has also introduced 'Self Registration' process to avoid printing of PIN mailers for Internet Banking & Mobile banking and alternatively it is also proposed to GREEN PIN. Thus, Bank is making extensive use of electronic means to promote "green initiative" among the public.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

(a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not applicable for the Bank.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Bank, being in the service industry, recycling of products does not arise. Bank has taken adequate steps to ensure proper disposal of waste, especially paper waste and electronic waste. Paper waste and electronic waste generated are provided to third party local vendors who are in the business of recycling of waste materials.

**PRINCIPLE 3:- Workforce Well-being:**

1. <b>Please indicate the Total number of employees</b>	8520
2. <b>Please indicate the Total number of employees hired on temporary/ contractual/ casual basis</b>	8
3. <b>Please indicate the Number of permanent women employees</b>	2542
4. <b>Please indicate the Number of permanent employees with disabilities</b>	22
5. <b>Do you have an employee association that is recognized by management</b>	Yes. i) AIKBEA (All India Karnataka Bank Employees Association) for Award Staff. ii) KBOO (Karnataka Bank Officers Organization) for Officers (Scale I, II & III)
6. <b>What percentage of your permanent employees is members of this recognized employee association?</b>	AIKBEA- 96.27 % KBOO – 94.25 %



**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No	Category	No of complaints filed during the financial year	No of compliant disposed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NA	NA	NA
2	Sexual harassment	NIL	NA	NIL
3	Discriminatory employment	NIL	NA	NIL

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

	Safety Training*	Skill up-gradation Training*
a. Permanent Employees	73.96	100.00
b. Permanent Women Employees	74.08	100.00
c. Casual/Temporary/Contractual Employees	75.00	100.00
d. Employees with Disabilities	68.18	100.00

\* including e-learning /excluding Attenders & Part Time Sub-Staffs

**PRINCIPLE 4:- Stakeholder engagement**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. Bank has mapped its internal and external stakeholders. All members of the entire value chain including investors, customers, employees, vendors, outsourcing agencies, technical consultants, valuers, legal advisors, society in general are considered as stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Bank had identified the unbanked population living in the rural and semi-urban areas, who do not have access to the basic and advanced banking products. All the branches of the Bank are opening accounts under Prime Minister Jan Dhan Yojana (PMJDY) and contributed toward the financial inclusion in rural, semi urban and urban areas.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

As part of its social obligation, Bank has been opening branches in Gram Panchayat locations and Financial Inclusion Branches to cater to the needs of the unbanked and economically underdeveloped areas. Bank also encourages schemes introduced by the Government of India.

**PRINCIPLE 5:- Promotion of Human Rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Bank respects every human being connected to the Bank in the various forms such as customer, employees, contractors etc., and Bank's policies are aligned to include clauses in respect of each other's obligations and rights and also adherence to local laws relating to such stakeholders. Bank also aims to educate everyone who deals with the Bank about their rights with regard to the various banking products.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Bank did not receive any complaint in the area of human rights violations from internal or external stakeholders.

## PRINCIPLE 6:- Restoration of environment

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

As an on-going process, Bank has been taking initiatives to support the activities that aim to protect the environment. Bank has devised Corporate Social Responsibility Policy wherein the projects related to protection of environment including encouragement to utilization of natural resources are considered under its budget. The Policy covers society in general.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Bank advocates the need for addressing global environmental issues like global warming, scarcity of water, encouragement to renewable energy sources etc. not only through its lending decisions, but also as part of its CSR Strategy. Besides, Bank aims to achieve minimum paper consumption and reduce its carbon footprint through efficient energy management at its Branches/offices. Details with respect to CSR decisions in this aspect have been provided under Annexure-2 of the Directors' Report. Copy of the annual report is made available on our Bank's website [www.karnatakabank.com](http://www.karnatakabank.com)

**3. Does the company identify and assess potential environmental risks? Y/N**

Potential environment risks are assessed as part of Bank's lending decisions.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No.

**5. Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

As part of CSR initiatives, Bank has extensively funded projects promoting solar energy. In this regard, support was extended to install requisite infrastructure at educational institutes, places of public worship, rural villages etc., which has enabled harnessing of solar power to meet the energy requirements. Sri Ramakrishna Aided Higher Primary School, Harekala, D.K Dist., Karnataka, Nutan Vidyalaya Society, Kalaburagi, Karnataka, Govt. First Grade College, Kalasa, Chikkamagaluru Dist., Karnataka, KSSS PU Science and Commerce College, Budarsingi, Hubballi, Karnataka are some of the beneficiaries supported by the Bank for such initiatives during the financial year. Financial support for the solar electrification of rural households of Addagadde Village, Chikkamagaluru Dist, Karnataka by illuminating the households of Bellandur area with solar lights and installing solar lights at the un-electrified households of poor rural school children under the 'Student Solar Light Scholarship project' in association with Bharathiya Vikas Trust, Udupi, Karnataka were also continued during the financial year.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not applicable.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

## PRINCIPLE 7:- Policy advocacy

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Bank has been associated with Federation of Indian Export Organisation (FIEO) and is a member of Indian Banks Association (IBA).

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Bank, through its association with the trade houses, has been encouraging the exports and also lending to MSME sector thereby playing a pivotal role in encouraging the economic growth.

**PRINCIPLE 8:- Inclusive growth & equitable development**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Bank has been involving in various social welfare activities to improve the lives of socially and economically weaker sections of the society as part of its CSR initiatives. Guided by the projects/programmes as indicated in Schedule VII of the Companies Act, 2013, Bank has undertaken various projects/programmes in areas of Education, Environmental Sustainability, Healthcare, Swachh Bharat, Rural Development etc.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The CSR projects/programmes are undertaken through an in-house team of the Bank as well as through qualified implementing agencies eligible to implement CSR initiatives.

**3. Have you done any impact assessment of your initiative?**

Yes. Bank has undertaken impact assessment internally of select CSR initiatives of the Bank. Bank's contribution under its CSR initiatives has touched a broad spectrum of areas covering Education, Healthcare, Environmental Sustainability, Protection of Heritage and Culture, Rural Development, Empowering women etc. and has resulted in improving the quality of lives of less privileged sections of the society. The progress in implementation of various initiatives are monitored and reviewed periodically to ensure the end utilization of funds.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The CSR initiatives of the Bank are also focused in supporting community development projects. Under this, Bank has bestowed special attention in rejuvenating water bodies in different parts in the state of Karnataka. Financial support was extended in the rejuvenation of the following lakes/ponds namely; Agasthya Teertha, Varadamoola, Sagar Taluk, lake situated near Vishnumurthy Temple, Saligrama, Udupi, Heruru Pond at Menase Grama Panchayat, Sringeri Taluk, lake situated Durgaparameshwari Temple, Herga, Udupi Dist. etc. Bank has also distributed 50 Electrocardiography Machines to Udupi Grama Panchayath Centres and Sub Centres in association with Cardiology at Doorsteps Foundation Trust, Mangaluru, enabling better diagnostic facilities for early detection of heart diseases. The total contribution of the Bank for community development projects including the amount to be released is ₹ 58.82 lakhs.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Bank ensures the participation of local community in Community Development Projects, right from its conceptualization till its final implementation. Bank also works in tandem with other important stakeholders in these projects. It is also ensured that Branches and respective Regional Offices near the project sites assume the responsibility of monitoring the end use of funds.

**PRINCIPLE 9:- Value to customers**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

**Summary Information on Complaints Received by the Bank from Customers and from the Office of Banking Ombudsman**

Sl. No.	Particulars	Current Year 2021-22	Previous Year 2020-21
<b>Complaints received by the bank from its customers</b>			
1	Number of complaints pending at the beginning of the year	458	350
2	Number of complaints received during the year	41154	41634
3	Number of complaints disposed during the year	41300	41526
3.1	Of which, number of complaints rejected by the bank	6	9
4	Number of complaints pending at the end of the year	312	458
<b>Maintainable complaints received by the bank from OBOs</b>			
5	Number of maintainable complaints received by the bank from OBOs	374	445
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	337	440
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	21	44
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

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.

**Top Five Grounds of Complaints Received by the Bank from Customers**

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 [2021-22]</b>					
ATM/Debit Cards	435	39113	-1.35	256	1
Internet/Mobile/Electronic Banking	6	1003	25.53	14	1
Loans & Advances	3	328	5.81	24	4
Others	4	206	-53.18	6	1
Levy of charges without prior notice/excessive	3	83	-62.27	1	0
Others [Apart from top 5 complaints]	7	421	93.12	11	4
<b>Total</b>	<b>458</b>	<b>41154</b>		<b>312</b>	<b>11</b>

**Previous Year [2020-21]**

ATM/Debit Cards	211	39647	-24.58	435	0
Internet/Mobile/Electronic Banking	85	799	-22.87	6	0
Others	20	440	71.21	4	0
Loans & Advances	7	310	68.48	3	0
Levy of charges without prior notice/excessive charges/foreclosure charges	9	220	17.65	3	0
Others [Apart from top 5 complaints]	<b>18</b>	218	-18.96	7	4
<b>Total</b>	<b>350</b>	<b>41634</b>		<b>458</b>	<b>4</b>

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Considering the said nature of business, bank has put in place Code of Bank's Commitment to Customers and Customer Rights Policy & Policy on Product Suitability besides Fair Trade Practice. All relevant material information which could affect the customers' decisions are disclosed in the relevant Bank forms and loan agreements. Bank also publishes periodic information about the products & services along with details of the interest rates on its website.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Nil

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Bank has adopted both formal and informal methods of obtaining customer feedback regarding the Bank's services. Bank has been conducting digital survey for obtaining Customer Satisfaction Score for the digital journeys which is as follows.

Sl No	Product	Score [Rating out of Max 5]
1	Xpress Home	4.58
2	Xpress Car	4.55
3	Xpress Cash	4.33
4	Xpress MSME	4.25
5	Xpress SB	4.76

Bank's staff members are specifically trained to ensure prompt customer service and also obtain feedback for ongoing improvement. Bank also has a dedicated grievance redressal portal to ensure time-bound disposal of customer complaints. In addition, Stakeholders and Customer Relations Committee of the Bank meets periodically to assess the customer satisfaction levels and improve on the gaps if any on an ongoing basis.

# 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, 2022, the Profit and Loss Account, the Cash Flow Statement, 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 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 principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, 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 together with ethical requirements that are relevant to our audit of the Standalone Financial Statements 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, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time, 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.

### Emphasis of the Matter

We draw attention to Note No. (A) (4) (h) (i) of Schedule 18 to the Standalone Financial Statements, which describes the extent to which the COVID-19 pandemic may continue to

impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments which are highly uncertain.

Our opinion is not modified in respect of this matter.

### 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, 2022. 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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

#### A. Identification of Non-Performing Assets ('NPA') and Provisions on Advances

##### 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 Reserve Bank of India 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 for diminution in fair value of restructured loans, 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, 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.

- 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 sample 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 (SMA) reports in the RBI's Central Repository of Information on Large Credits (CRILC) and other related documents and reports including evaluation of the past trends 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 steps taken to mitigate such risks.

Since the identification of NPAs and provisioning for advances require significant level of estimation/

judgement and given its significance to the overall audit due to stakeholder and regulatory focus, we have ascertained identification and provisioning for NPAs and advances as a key audit matter.

We have also assessed disclosure requirements for classification and provisioning of NPAs in accordance with the RBI circulars including those specifically issued for Covid 19 related matters.

## 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 a 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 applications (systems) used in processing significant transactions and recording balances in the general ledger. We also tested 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 IT systems being used by the Bank for its Core Banking and other operations.
- Assessing operative effectiveness of key controls within various business processes. It

included testing of integrity of system interfaces, completeness and accuracy of the data, system reconciliation controls and automated calculations.

- Design and operating effectiveness testing of controls across the User Access Management, Change Management as well as effectiveness testing of automated business process controls including segregation of duties.
- Reviewing effectiveness of mappings and flagging of financial transactions, and automated reconciliation controls (both between systems and intra-system); and
- Data integrity of critical system reports used by us in our audit to select samples and analyse data used by management to generate financial reports.

### 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, due to 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 from the management of the bank.
- We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the 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 specialist 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 the disclosures.

### D. Centralised Audit of the Bank

#### Key Audit Matter

Till previous year, the audit of Branches (other than top 20 branches and certain other locations) was carried out by the Branch Statutory Auditors appointed by the Bank. However, in the current year, the Joint Statutory Auditors have performed the audit of the Bank centrally. Considering this fact, it has been considered as a key audit matter.

#### Auditor's Response

- We have assessed the Bank's systems and procedures for carrying out centralized operations under various areas including process of consolidation at the central level.
- Visited certain branches to understand the operations carried out at Branches and potential issues.
- Performed analysis of information provided at central level.
- Reviewed the reports in respect of various audits including concurrent audit, internal inspections carried out at branches on a sample basis.

#### 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 information included in the Annual Report including Pillar 3 disclosures, but does not include the Standalone Financial Statements and our auditor's 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 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.
- 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 of the current period 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

The comparative standalone financial statements of the Bank for the year ended on March 31, 2021, included in these standalone financial statements were audited by Predecessor Statutory Central Auditors of the Bank and they have expressed their unmodified opinion on the Standalone Financial Statements vide their report dated May 26, 2021.

### Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the 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) since, the Bank's key operations are carried out on Core Banking System, which is integrated with key applications, we have carried out the audit centrally as all the necessary records and

data required for the purpose of our audit was available centrally. However, during the course of our audit, we have visited 88 branches for the purpose of understanding the processes, perform necessary walkthroughs and test of controls and examine the records maintained at such branches.

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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 31 March 2022 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 18 of Schedule 18 to the Standalone Financial Statements.
  - ii. There are no material foreseeable losses in respect of 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 31 March 2022.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 22 (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 22 (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.
  - v. (a) The final dividend proposed in 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 20 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.

**For Kalyaniwalla & Mistry LLP**

Chartered Accountants  
Firm Regn No. 104607W/W100166

**Sd/-****(Anil A. Kulkarni)**

Partner  
M. No. 047576  
UDIN: 22047576AJTKQU4690

Place: Mangaluru  
Date: May 27, 2022

**For Sundaram & Srinivasan**

Chartered Accountants  
Firm Regn No. 004207S

**Sd/-****(P Menakshi Sundaram)**

Partner  
M. No. 217914  
UDIN: 22217914AJTJKA2099

Place: Mangaluru  
Date: May 27, 2022

## 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, 2022)**

### **Report on the Internal Financial Controls with reference to Standalone Financial Statements**

We have audited the internal financial controls with reference to Standalone Financial Statements of The Karnataka Bank Limited (“the Bank”) as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

### **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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI 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.

### Opinion

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, 2022, 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 ICAI.

### For Kalyaniwalla & Mistry LLP

Chartered Accountants

Firm Regn No. 104607W/W100166

Sd/-

**(Anil A. Kulkarni)**

Partner

M. No. 047576

UDIN: 22047576AJTKQU4690

Place: Mangaluru

Date: May 27, 2022

### For Sundaram & Srinivasan

Chartered Accountants

Firm Regn No. 004207S

Sd/-

**(P Menakshi Sundaram)**

Partner

M. No. 217914

UDIN: 22217914AJTJKA2099

Place: Mangaluru

Date: May 27, 2022

# STANDALONE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2022

(₹ in' 000s)

	Schedule No.	As on 31.03.2022	As on 31.03.2021
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	311,17,37	310,87,95
Reserves and Surplus	2	6783,55,64	6331,47,55
Deposits	3	80386,84,54	75654,86,16
Borrowings	4	2313,84,33	1764,88,00
Other Liabilities and Provisions	5	2245,13,60	1553,33,23
<b>TOTAL</b>		<b>92040,55,48</b>	<b>85615,42,89</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	3957,22,07	4866,14,91
Balances with Banks and Money at Call and Short Notice	7	479,53,78	449,41,71
Investments	8	22040,99,73	21635,18,54
Advances	9	56783,14,02	51515,84,62
Fixed Assets	10	818,16,04	838,36,03
Other Assets	11	7961,49,84	6310,47,08
<b>TOTAL</b>		<b>92040,55,48</b>	<b>85615,42,89</b>
Contingent Liabilities	12	9656,98,66	8396,33,01
Bills for Collection		2485,72,63	2378,63,20
Significant Accounting Policies	17		
Notes on Accounts	18		

The schedules referred to above form an integral part of Balance Sheet

**Sd/-**  
**Prasanna Patil**  
Company Secretary

**Sd/-**  
**Muralidhar K Rao**  
Chief Financial Officer

**Sd/-**  
**Gokuldas Pai**  
Chief Business Officer

**Sd/-**  
**Y V Balachandra**  
Chief Operating Officer

**Sd/-**  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

**Sd/-**  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

**Sd/-**  
**Balakrishna Aise S**  
Director  
DIN 08438552

**Sd/-**  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

**Sd/-**  
**(Anil A Kulkarni)**  
Partner  
M No 047576

**Sd/-**  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

# STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(₹ in' 000s)

	Schedule No.	Year ended 31.03.2022	Year ended 31.03.2021
<b>I. INCOME</b>			
Interest Earned	13	6221,66,37	6232,41,47
Other Income	14	953,87,70	1404,20,16
<b>Total</b>		<b>7175,54,07</b>	<b>7636,61,63</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	3730,62,79	4049,22,68
Operating Expenses	16	1810,91,72	1679,10,91
Provisions and Contingencies		1125,37,61	1425,71,10
<b>Total</b>		<b>6666,92,12</b>	<b>7154,04,69</b>
<b>III. PROFIT</b>			
Net profit for the year		508,61,95	482,56,94
Profit brought forward		85,47,33	101,68,14
<b>Total</b>		<b>594,09,28</b>	<b>584,25,08</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		150,00,00	125,00,00
Transfer to Capital Reserve		82,01	199,68,68
Transfer to Revenue Reserve		210,00,00	100,00,00
Transfer to Special Reserve u/s 36 (i) (viii) of Income Tax Act		38,22,62	47,20,66
Transfer from Investment Reserve Account		0	0
Transfer to Investment Fluctuation Reserve		3,27,26	26,88,41
Transfer to Other Funds		0	0
Dividend paid		55,95,65	0
Balance carried over to Balance Sheet		135,81,74	85,47,33
<b>Total</b>		<b>594,09,28</b>	<b>584,25,08</b>
Earning per share			
Basic	₹	16.36	15.52
Diluted	₹	16.29	15.48
Significant Accounting Policies	17		
Notes on Account	18		

The schedules referred to above form an integral part of Profit And Loss Account

Sd/-  
**Prasanna Patil**  
Company Secretary

Sd/-  
**Muralidhar K Rao**  
Chief Financial Officer

Sd/-  
**Gokuldas Pai**  
Chief Business Officer

Sd/-  
**Y V Balachandra**  
Chief Operating Officer

Sd/-  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

Sd/-  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

Sd/-  
**Balakrishna Alse S**  
Director  
DIN 08438552

Sd/-  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

Sd/-  
**(Anil A Kulkarni)**  
Partner  
M No 047576

Sd/-  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

# STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(₹ in' 000s)

	Year ended March 31, 2022		Year ended March 31, 2021	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit after Tax and Extra Ordinary Items</b>		50,86,195		48,25,694
<b>Add:</b>				
Adjustments for :				
Provision for Tax	18,59,442		12,93,602	
(Profit)/Loss on sale of Fixed Assets	8,517		18,846	
Depreciation on Fixed Assets including Lease Adjustment charges	7,36,741		7,35,219	
Provisions and Contingencies	93,94,320		1,38,72,142	
Amortisation of premium on Held to Maturity Investments	11,92,380		12,53,200	
Loss on sale to SC/RC amortised during the year	-		-	
Write-off of Fixed Assets	-	1,31,91,400	665	1,71,73,674
<b>Operating Profit Before Working Capital Changes</b>		1,82,77,595		2,19,99,368
<b>Adjustment for :</b>				
i) (Increase)/Decrease in Advances & Other Assets	-6,56,13,333		4,65,35,290	
ii) (Increase)/Decrease in Investments	-61,02,678		-4,31,11,800	
iii) Increase/(Decrease) in Deposits,Borrowings & Other Liabilities	5,11,58,505		97,14,176	
iv) Change in Revenue Reserve	-	-2,05,57,506	18,93,703	1,50,31,369
<b>Cash Generated from Operations</b>		-22,79,911		3,70,30,737
<b>Less:</b> Direct taxes paid		23,90,365		33,43,131
<b>Net Cash Flow from Operating Activities (A)</b>		<b>-46,70,276</b>		<b>3,36,87,606</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		-5,65,242		-8,76,113
Sale of Fixed Assets		6,615		7,105
Investment in wholly owned subsidiary-KBL Services Ltd		-5,000		-5,000
<b>Net Cash used in Investing Activities (B)</b>		<b>-5,63,627</b>		<b>-8,74,008</b>
<b>TOTAL (A+B)</b>		<b>-52,33,903</b>		<b>3,28,13,598</b>



(₹ in' 000s)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (net of expenses)	12,494	-283
Proceeds from long term borrowings	-30,07,099	-88,52,559
Dividend paid (Including Tax on Dividend)	-5,59,565	-
<b>Net Cash Generated from Financing Activities ( C )</b>	<b>-35,54,170</b>	<b>-88,52,842</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-87,88,074</b>	<b>2,39,60,756</b>
Cash & Cash Equivalents as at the beginning of the year	5,31,55,662	2,91,94,906
Cash & Cash Equivalents as at the end of the year	4,43,67,585	5,31,55,662

**Note:**

- The Cash Flow Statement has been prepared under the Indirect Method and figures of the previous year have been re-grouped wherever necessary.
- Cash and Cash Equivalents comprise of Cash in Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

**Sd/-**  
**Prasanna Patil**  
Company Secretary

**Sd/-**  
**Muralidhar K Rao**  
Chief Financial Officer

**Sd/-**  
**Gokuldas Pai**  
Chief Business Officer

**Sd/-**  
**Y V Balachandra**  
Chief Operating Officer

**Sd/-**  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

**Sd/-**  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

**Sd/-**  
**Balakrishna Alse S**  
Director  
DIN 08438552

**Sd/-**  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

**Sd/-**  
**(Anil A Kulkarni)**  
Partner  
M No 047576

**Sd/-**  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

## SCHEDULES FORMING PART OF BALANCE SHEET

### SCHEDULE - 1 CAPITAL

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<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>		
31,12,92,381 Equity shares of ₹ 10/- each	311,29,24	310,99,82
(Previous year 31,09,98,210 Equity shares of ₹ 10/- each)		
<b>Subscribed Capital</b>		
31,11,80,410 Equity shares of ₹ 10/- each	311,18,04	310,88,62
(Previous year 31,08,86,239 Equity shares of ₹ 10/- each)		
<b>Called up Capital /Paid-up Capital</b>		
31,11,63,860 Equity shares of ₹ 10/- each fully paid up	311,16,39	310,86,97
(Previous year 31,08,69,689 Equity shares of ₹ 10/- each)		
Less : Calls unpaid	0	0
Add : Forfeited Shares	98	98
<b>Total</b>	<b>311,17,37</b>	<b>310,87,95</b>

### SCHEDULE - 2 RESERVES AND SURPLUS

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Statutory Reserve</b>		
Opening balance	2605,00,00	2480,00,00
Additions during the year	150,00,00	125,00,00
	2755,00,00	2605,00,00
Deductions during the year	0	0
<b>Total</b>	<b>2755,00,00</b>	<b>2605,00,00</b>
<b>II. Capital Reserve</b>		
Opening balance	625,56,42	425,87,74
Additions during the year <sup>1</sup>	82,01	199,68,68
	626,38,43	625,56,42
Deductions during the year	0	0
<b>Total</b>	<b>626,38,43</b>	<b>625,56,42</b>
<b>III. Share Premium</b>		
Opening balance	1255,01,32	1255,04,15
Additions during the year	95,51	0
	1255,96,83	1255,04,15
Deductions during the year	0	2,83
<b>Total</b>	<b>1255,96,83</b>	<b>1255,01,32</b>

	As on 31.03.2022	As on 31.03.2021
<b>IV. Revenue and other Reserves</b>		
<b>a) Revenue Reserve</b>		
Opening balance	922,15,38	628,05,44
Additions during the year <sup>2</sup>	214,79,32	294,09,94
	1136,94,70	922,15,38
Deductions during the year	0	0
<b>Total</b>	1136,94,70	922,15,38
<b>b) Special Reserve u/s 36(1)(viii) of Income Tax Act</b>		
Opening balance	277,35,99	230,15,33
Additions during the year	38,22,62	47,20,66
	315,58,61	277,35,99
Deductions during the year	0	0
<b>Total</b>	315,58,61	277,35,99
<b>c) Investment Fluctuation Reserve Account</b>		
Opening balance	95,57,45	68,69,04
Additions during the year	3,27,26	26,88,41
	98,84,71	95,57,45
Deductions during the year	0	0
<b>Total</b>	98,84,71	95,57,45
<b>d) Employee stock option outstanding</b>		
Opening balance	0	0
Additions during the year	5,41	0
	5,41	0
Deductions during the year	0	0
<b>Total</b>	5,41	0
<b>e) Revaluation Reserve Account</b>		
Opening balance	465,33,66	470,06,57
Additions during the year	0	0
	465,33,66	470,06,57
Deductions during the year	6,38,45	4,72,91
<b>Total</b>	458,95,21	465,33,66
<b>TOTAL (a to e)</b>	2010,38,64	1760,42,48
<b>V) Balance in Profit and Loss Account</b>	135,81,74	85,47,33
<b>GRAND TOTAL ( I TO V )</b>	<b>6783,55,64</b>	<b>6331,47,55</b>

## Notes

1. Appropriation on account of profit on sale of investments held under HTM category net of taxes and transfer to Statutory Reserve
2. Includes ₹ Nil (Previous year ₹ 189.32 crore on account of restoration of provision debited during earlier year.

**SCHEDULE -3 DEPOSITS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>A. I. Demand Deposits</b>		
1. From Banks	5,56,43	4,42,12
2. From others	4821,18,24	4817,83,70
	<b>4826,74,67</b>	<b>4822,25,82</b>
<b>II. Savings Bank Deposits</b>	<b>21672,83,84</b>	<b>19001,06,27</b>
<b>III. Term Deposits</b>		
1. From Banks	47,23	9,79,81
2. From others	53886,78,80	51821,74,26
	<b>53887,26,03</b>	<b>51831,54,07</b>
<b>Total : (I, II and III)</b>	<b>80386,84,54</b>	<b>75654,86,16</b>
<b>B. 1. Deposits of branches in India</b>	80386,84,54	75654,86,16
<b>2. Deposits of branches outside India</b>	0	0
<b>Total (1+2)</b>	<b>80386,84,54</b>	<b>75654,86,16</b>

**SCHEDULE -4 BORROWINGS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Borrowings in India</b>		
1. Reserve Bank of India	849,67,33	0
2. Other Banks	0	0
3. Other Institutions and Agencies	194,17,00	794,88,00
4. Subordinated Debts for Tier II Capital	1270,00,00	970,00,00
<b>Total</b>	<b>2313,84,33</b>	<b>1764,88,00</b>
<b>II. Borrowings outside India</b>	0	0
<b>Total : (I and II)</b>	<b>2313,84,33</b>	<b>1764,88,00</b>
Secured borrowings included in I & II above	849,67,33	0

**SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
I. Bills Payable	307,95,12	222,85,54
II. Inter Office adjustments (Net)	52,96	1,48
III. Interest accrued	68,33,74	60,53,06
IV. Deferred Tax Liability (Net)	0	0
V. Others (including Provisions)	1868,31,78	1269,93,15
<b>Total</b>	<b>2245,13,60</b>	<b>1553,33,23</b>

**SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Cash in hand</b>	<b>644,39,93</b>	<b>501,96,84</b>
(including foreign currency notes)		
<b>II. Balances with Reserve Bank of India</b>		
1. In Current Account	2779,82,14	2614,18,07
2. In Other Accounts	533,00,00	1750,00,00
<b>Total</b>	<b>3312,82,14</b>	<b>4364,18,07</b>
<b>Total : (I and II)</b>	<b>3957,22,07</b>	<b>4866,14,91</b>

**SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. IN INDIA</b>		
<b>i. Balances with Banks</b>		
a) In Current Accounts	57,02,34	20,71,36
b) In Other Deposit Accounts	0	0
	<b>57,02,34</b>	<b>20,71,36</b>
<b>ii. Money at Call and Short Notice</b>		
a) With Banks	0	0
b) With Other Institutions	0	0
	0	0
<b>Total (i) &amp; (ii)</b>	<b>57,02,34</b>	<b>20,71,36</b>
<b>II. OUTSIDE INDIA</b>		
i. In Current Accounts	20,81,41	19,28,75
ii. In Other Deposit Accounts	401,70,03	409,41,60
iii. Money at Call and Short Notice	0	0
<b>Total</b>	<b>422,51,44</b>	<b>428,70,35</b>
<b>Grand Total (I and II)</b>	<b>479,53,78</b>	<b>449,41,71</b>

**SCHEDULE - 8 INVESTMENTS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Investments in India (Gross )</b>	22403,55,18	21912,02,20
Less: Provision / depreciation	362,55,45	276,83,66
Net value of Investments In India	<b>22040,99,73</b>	<b>21635,18,54</b>
<b>Break-up :</b>		
1. Government Securities*	20133,08,77	19245,19,22
2. Other Approved Securities	0	0
3. Shares	86,17,72	81,51,95
4. Debentures and Bonds	1633,40,99	1377,19,33
5. Subsidiaries and/or Joint Ventures	1,00,00	50,00
6. Units and Gold	187,32,25	930,78,04
<b>Total</b>	<b>22040,99,73</b>	<b>21635,18,54</b>
<b>II. Investments outside India</b>	0	0
1. Government Securities (including local authorities)	0	0
2. Subsidiaries and/or joint ventures abroad	0	0
3. Others investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total (I+II)</b>	<b>22040,99,73</b>	<b>21635,18,54</b>

\* includes securities of ₹ 849.67 crore (Previous year ₹ Nil ) pledged for borrowings

## SCHEDULE - 9 ADVANCES

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
A) 1. Bills Purchased and discounted	379,09,18	464,21,11
2. Cash Credits, Overdrafts and Loans repayable on demand	19924,33,25	17141,54,92
3. Term Loans	36479,71,59	33910,08,59
<b>Total</b>	<b>56783,14,02</b>	<b>51515,84,62</b>
B) 1. Secured by Tangible Assets (including book debts)	51823,35,71	46003,37,78
2. Secured by Bank/Government Guarantees	1611,65,35	3589,90,14
3. Unsecured	3348,12,96	1922,56,70
<b>Total</b>	<b>56783,14,02</b>	<b>51515,84,62</b>
<b>C) I. Advances in India</b>		
1. Priority Sector	25835,47,83	24210,94,15
2. Public Sector	2407,08,98	1193,54,83
3. Banks	0	0
4. Others	28540,57,21	26111,35,64
<b>Total</b>	<b>56783,14,02</b>	<b>51515,84,62</b>
<b>II. Advances outside India</b>		
1. Due from Banks	0	0
2. Due from others	0	0
a) Bills Purchased and Discounted	0	0
b) Syndicated Loans	0	0
c) Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (C. I and C. II)</b>	<b>56783,14,02</b>	<b>51515,84,62</b>

## SCHEDULE - 10 FIXED ASSETS

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Premises</b>		
At cost / Revaluation as on 31st March of the preceding year	677,45,35	676,56,53
Additions during the year	0	92,67
	677,45,35	677,49,20
Deductions during the year	1,71,66	3,85
	675,73,69	677,45,35
Depreciation to date	58,77,29	51,85,31
<b>Total</b>	<b>616,96,40</b>	<b>625,60,04</b>
<b>II. Other Fixed Assets</b>		
(including Furniture and Fixtures)		
At cost as on 31st March of the preceding year	658,14,40	583,74,18
Additions during the year	44,06,34	86,71,82
	702,20,74	670,46,00
Deductions during the year	8,81,20	12,31,60
	693,39,54	658,14,40
Depreciation to date	505,35,92	445,89,77
<b>Total</b>	<b>188,03,62</b>	<b>212,24,63</b>
<b>III. Assets under Construction</b>	<b>13,16,02</b>	<b>51,36</b>
<b>Total (I+II+III)</b>	<b>818,16,04</b>	<b>838,36,03</b>

**SCHEDULE - 11 OTHER ASSETS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
I. Interest accrued	348,46,44	310,14,28
II. Tax paid in advance/tax deducted at source(net of provisions) *	1382,57,12	766,51,49
III. Stationery and Stamps	5,30,83	6,54,77
IV. Non Banking Assets acquired in satisfaction of claims	6,12,95	1,73,161
V. Others **	6219,02,50	5209,94,93
<b>Total</b>	<b>7961,49,84</b>	<b>6310,47,08</b>

\* includes MAT Entitlement Credit ₹ Nil (Previous year ₹ 44,53,90)

\*\* includes deferred tax assets (net )of ₹ 369,30,78 (Previous year ₹ 425,73,56)

**SCHEDULE - 12 CONTINGENT LIABILITIES**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
I. Claims against the Bank not acknowledged as debts	50,06,55	48,78,43
II. Liability for Partly paid investments	0	0
III. Liability on account of outstanding Forward Exchange Contracts	4371,73,51	3873,05,15
IV. Guarantees given on behalf of constituents		
a) In India	3961,42,03	3472,48,04
b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	1020,49,52	862,28,96
VI. Other items for which the bank is contingently liable	253,27,05	139,72,43
<b>Total</b>	<b>9656,98,66</b>	<b>8396,33,01</b>

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT****SCHEDULE - 13 INTEREST EARNED**

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
I. Interest/discount on advances/bills	4737,88,38	4937,29,17
II. Income on Investments	1310,11,91	1142,35,38
III. Interest on balances with Reserve Bank of India/ other Inter-Bank funds	31,88,86	29,97,10
IV. Others	141,77,22	122,79,82
<b>Total</b>	<b>6221,66,37</b>	<b>6232,41,47</b>

**SCHEDULE - 14 OTHER INCOME**

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
I. Commission, Exchange and Brokerage	416,13,63	355,86,06
II. Profit on sale of Investments	52,62,28	626,13,84
Less : Loss on sale of investments	-3,96,60	-1,34,94
III. Profit on Revaluation of Investments	0	0
Less : Loss on revaluation of investments	-98,76,92	-90,86,34
IV. Profit on sale of Land, Buildings and Other Assets	27,71	24,24
Less: Loss of sale of Land , building and other assets	-1,12,88	-2,12,70
V. Profit on Exchange Transactions	23,97,35	19,24,58
Less : Loss on exchange Transactions	-3,59,00	-2,31,00
VI. Income earned by way of dividends etc., from Subsidiaries/ Companies and /or Joint Ventures abroad/ in India	0	0
VII. Miscellaneous income	568,32,13	499,36,42
<b>Total</b>	<b>953,87,70</b>	<b>1404,20,16</b>

**SCHEDULE - 15 INTEREST EXPENDED**

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
1. Interest on deposits	3584,64,72	3850,78,31
2. Interest on Reserve Bank of India/Inter-Bank Borrowings	39,42,46	41,42,12
3. Others	106,55,61	157,02,25
<b>Total</b>	<b>3730,62,79</b>	<b>4049,22,68</b>

**SCHEDULE - 16 OPERATING EXPENSES**

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
I. Payments to and provisions for employees	1014,94,68	913,31,03
II. Rent, Taxes and Lighting	146,21,87	143,04,95
III. Printing and Stationery	15,00,57	5,91,76
IV. Advertisement and Publicity	7,60,36	5,20,23
V. Depreciation on Bank's property	73,67,41	73,52,19
VI. Directors' fees, allowances and expenses	2,75,63	1,72,66
VII. Auditors' fees and expenses (including branch audit fees ₹ Nil, previous year ₹ 3.29 crore)	2,84,82	4,35,01
VIII. Law charges	9,80,95	10,26,90
IX. Postage and telephone expenses	26,79,88	24,73,57
X. Repairs and maintenance	57,88,84	51,30,55
XI. Insurance	94,49,42	95,06,77
XII. Other expenditure	358,87,29	350,65,29
<b>Total</b>	<b>1810,91,72</b>	<b>1679,10,91</b>



## **SCHEDULE-17 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING THE FINANCIAL STATEMENTS**

### **GENERAL**

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 banking and para-banking activities in addition to treasury and foreign exchange business.

### **BASIS OF PREPARATION**

The accompanying Financial Statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949, following the going concern concept, on historical cost basis and accrual basis of accounting unless otherwise stated, conforming to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the Banking industry in India.

### **USE OF ESTIMATES**

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. REVENUE RECOGNITION**

Interest and discount on performing advances and investments is accounted for on accrual basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.

Interest and discount on non performing advances and investments is accounted on realisation as per the RBI prudential norms on Income Recognition and Asset classification.

Commission on para banking business is accounted on accrual basis. Commission on Guarantees/Letter of Credit, Funded Interest on Term Loan, Processing Fees, Rent on safe deposit lockers and other fees and incomes are accounted on receipt basis.

Dividend Income is recognised when right to receive the dividend is established.

Recoveries in the non performing advances are appropriated as under:

- a) In case of Term Loan/DPN, recoveries are appropriated towards principal, interest and charges in order of demand.
- b) In case of 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 case of One Time settlement (OTS) accounts the recoveries are first adjusted to principal balance.
- d) In case of suit filed accounts, related legal and other expenses incurred are charged to Profit and Loss Account and on recovery the same are accounted as income.
- e) 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.

Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to 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.

#### **2. INVESTMENTS**

Investments are classified under the heads "Held to Maturity", "Available for Sale" and "Held for Trading" categories and are valued in accordance with the RBI guidelines. The value, net of depreciation is shown in the Balance Sheet.

The excess of acquisition cost over the face value of securities under "Held to Maturity" category is amortised over the remaining period to maturity.

Transfers of scrip, if any, from one category to another, are done at the lower of the book value/ market value on the date of transfer and the depreciation, if any, on such transfers is fully provided for.

Provisions for non-performing investments are made as per RBI guidelines. In respect of Non performing Non SLR debt instruments the bank makes provisions as per RBI prudential norms on Income Recognition and Classification as applicable to advances.

### 3. 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. ADVANCES

a) Advances are classified into (a) Standard; (b) Sub-Standard; (c) Doubtful; and (d) Loss assets, in accordance with the RBI Guidelines and are stated net of provisions made towards Non- performing advances, unrealised interest and claims received from Guarantee corporations. etc.

Provisions are made in accordance with the prudential norms as prescribed by Reserve Bank of India from time to time.

b) In case of financial assets sold to Securitisation/ Reconstruction Company, if the sale is for the price higher than the net book value, excess provision held is not reversed but retained till redemption of the security receipt, wherever applicable. If the sale is at a price below the net book value (NBV), the shortfall is debited to the Profit and Loss account, as per the RBI Guidelines.

c) For restructured / rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires diminution in the fair value of assets to be provided at the time of restructuring. Restructured accounts are classified in accordance with the RBI guidelines, including special dispensation wherever allowed.

### 5. FIXED ASSETS

Fixed assets are stated at cost (except premises revalued based on values determined by the approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use and Taxes and duties to the extent not eligible for input credits if any. Appreciation on account of revaluation is credited to the Revaluation Reserve. Depletion in value arising out of revaluation is charged to the Revaluation Reserve.

Computer Software is capitalised along with computer hardware and included under other fixed assets.

Carrying amount of fixed assets is reviewed at each balance sheet date for indication of impairment. Impairment loss if any, is recognised in the Profit and Loss Account to the extent the carrying amount of an asset exceeds its estimated recoverable value.

### 6. DEPRECIATION

Depreciation on fixed assets (including revalued portion thereon) is provided following Straight Line Method (SLM) as per the useful life specified under Schedule II of the Companies Act, 2013, except in respect of computers (including software) where depreciation is provided at a flat rate of 33.33 % as per the RBI guidelines.

Where during any financial year, 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.

Premium paid on leasehold properties is charged off over the lease period. Depreciation on leased assets is calculated so as to spread the depreciable amount over the primary lease period.

Pursuant to Accounting Standard -10 (Revised 2016) on Property, Plant & Equipment, depreciation on Revalued portion of the fixed assets is transferred from the Revaluation Reserve to the Revenue Reserve.

### 7. FOREIGN CURRENCY TRANSACTIONS

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 published by the FEDAI and in accordance with Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

Gain or loss on evaluation of outstanding monetary assets/liabilities and Foreign Exchange Contracts are taken to Profit and Loss Account.

## 8. EMPLOYEE BENEFITS

Contribution made by the Bank to the Provident Fund and Contributory Pension Scheme are charged to the Profit and Loss account.

Liability towards Gratuity, Pension, Sick Leave and En-cashable Leave are determined and recognised in the accounts based on actuarial valuation as at the Balance Sheet date and net actuarial gains/losses are recognised as per the Accounting Standard 15.

Short term employee benefits are accounted for on actual basis.

## 9. EMPLOYEE STOCK OPTION

The Bank uses Intrinsic Value method to account for compensation cost of stock options granted to employees of the Bank except for all option granted after the accounting period ended March 31, 2021 based on fair value method.

## 10. 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 guidelines.

Geographical Segment consists only of Domestic Segment since the Bank does not have any foreign branches.

## 11. EARNINGS PER SHARE

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per share are computed by dividing the net profit or loss for the year attributable to the equity shareholders using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

## 12. 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, 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 assets are not recognised unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted.

## 13. PROVISIONS AND CONTINGENT LIABILITIES & ASSETS

A provision is recognised when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank or a present obligation that arises from past events that is not recognized because 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. The Bank

does not recognize a contingent liability but discloses its existence in the financial statements.

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.

Contingent assets are not recognized 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 recognized in the period in which the change occurs.

#### **14. NET PROFIT**

The net profit disclosed in the Profit & Loss Account is after making provisions for (i) Taxes, (ii) Non Performing Assets, (iii) Standard Advances, (iv) Restructured advances, (v) Depreciation on Investments and (vi) other necessary and applicable provisions.

#### **15. 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.

#### **16. CORPORATE SOCIAL RESPONSIBILITY**

Expenditure towards corporate social responsibility, in accordance with the Companies Act, 2013, are recognised in the Profit and Loss account.

## SCHEDULE – 18 NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2022, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022.

### 1) Disclosures as laid down by the RBI Circulars

#### a) Composition of Regulatory Capital

(₹ in crore)

Sr. No.	Particulars	31.03.2022	31.03.2021
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	6558.19	6140.39
ii)	Additional Tier 1 capital / Other Tier 1 capital	0.00	0.00
iii)	Tier 1 capital (i + ii)	6558.19	6140.39
iv)	Tier 2 capital	1560.35	1246.65
v)	Total capital (Tier 1+Tier 2)	8118.55	7387.04
vi)	Total Risk Weighted Assets (RWAs)	51855.44	49759.61
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	12.65%	12.34%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.65%	12.34%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.01%	2.51%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.66%	14.85%
xi)	Leverage Ratio	6.53%	6.53%
xii)	Amount of paid-up equity capital raised during the year	Nil	Nil
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.	300.00	Nil

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 ₹ 124.47 crore from the Profit and loss account for the year ended March 31, 2022. 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, 2022.

#### b) Draw down from Reserves

The Bank has not undertaken any drawdown from reserves during the year ended March 31, 2022.

### 2. Asset Liability Management

#### a) Maturity pattern of certain items of assets and liabilities

(₹ in crores)

	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	394.55	937.01	623.07	808.58	1430.37	1750.59	5231.46	5408.62	39888.18	1948.17	21966.25	80386.85
Advances	813.51	265.67	645.32	1072.66	1120.64	1400.93	3723.92	5311.20	22341.88	6500.00	13587.41	56783.14
Investments	3.30	27.38	24.98	0.00	35.09	55.07	636.30	756.74	1015.34	4255.77	15231.03	22041.00
Borrowings	849.67	0.00	28.93	0.00	28.93	28.93	81.48	275.90	0.00	0.00	1020.00	2313.84
Foreign Currency Assets	82.06	858.29	71.20	354.76	318.85	327.02	614.65	295.23	0.70	0.00	0.00	2922.76
Foreign Currency Liabilities	141.46	895.43	8.78	365.09	185.32	261.83	485.59	418.32	152.45	63.46	0.00	2977.73

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.

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. 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, TAD estimates daily liquidity requirement. With the help of structural liquidity statement prepared by bank, TAD evaluates current and future liquidity requirement and takes necessary action.

**Quantitative Disclosure** (₹ in Crores)

	Quarter ended			Quarter ended			Quarter ended				
	30.06.2021			30.09.2021			31.12.2021			31.03.2022	
	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-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)		21434.55			21706.34			20804.10			19004.82
<b>Cash Outflows</b>											
2 Retail deposits and deposits from small business customers, of which:	60806.02	5328.53	61194.46	5368.92	61758.40	5419.04	62963.02	5512.83			
i) Stable deposits	15041.46	752.07	15010.59	750.53	15136.03	756.80	15669.31	783.46			
ii) Less stable deposits	45764.56	4576.46	46183.87	4618.39	46622.37	4662.24	47293.71	4729.37			
3 Unsecured wholesale funding, of which:	4919.08	2148.80	4910.07	2166.49	5613.45	2520.70	5076.13	2348.56			
i) Operational deposits (all counterparties)	0	0	0	0	0	0	0	0			
ii) Non-operational deposits (all counterparties)	4919.08	2148.80	4910.07	2166.49	5613.45	2520.70	5076.13	2348.56			
iii) Unsecured debt	0	0	0	0	0	0	0	0			
4 Secured wholesale funding		0		0	0	0	0	0			0

	Quarter ended			Quarter ended			Quarter ended					
	30.06.2021			30.09.2021			31.12.2021			31.03.2022		
	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)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
5	7922.99	922.28	7776.28	981.24	1313.57	7939.80	1304.41	7798.47	1304.41	7798.47	1304.41	1304.41
	Additional requirements, of which											
i)	0.56	0.56	0	0	0.06	0.06	0.27	0.27	0.06	0.06	0.27	0.27
	Outflows related to derivative exposures and other collateral requirements											
ii)	0	0	0	0	0	0	0	0	0	0	0	0
	Outflows related to loss of funding on debt products											
iii)	7922.43	921.72	7776.28	981.24	1313.51	7939.74	1304.14	7798.20	1313.51	7939.74	1304.14	1304.14
6	171.52	171.52	181.41	181.41	213.91	213.92	200.79	200.79	213.91	213.92	200.79	200.79
	Other contractual funding obligations											
7	5008.26	150.25	4877.43	146.32	158.98	5299.34	161.18	5372.56	158.98	5299.34	161.18	161.18
	Other contingent funding obligations											
8	8721.38	8844.38	9626.20	9626.20	9527.77	9626.20	9527.77	9626.20	9626.20	9527.77	9626.20	9527.77
	Total Cash Outflows											
	Cash Inflows											
9	1297.09	0	101.57	0	0	73.13	0	74.68	0	0	74.68	0
	Secured lending (e.g. reverse repos)											
10	1471.85	735.92	1689.42	844.71	873.28	1746.57	1012.57	2025.13	873.28	1746.57	1012.57	1012.57
	Inflows from fully performing exposures											
11	1078.11	1078.11	1571.76	1571.76	1528.56	1528.55	1439.12	1439.12	1528.56	1528.55	1439.12	1439.12
	Other cash inflows											
12	3847.05	1814.03	3362.75	2416.47	2401.84	3348.25	2451.69	3538.93	2401.84	3348.25	2451.69	2451.69
	Total Cash Inflows											
13	21434.55	21706.34	20804.10	21706.34	19004.82	20804.10	19004.82	20804.10	20804.10	19004.82	20804.10	19004.82
	Total HQLA											
14	6907.35	6427.91	7224.36	6427.91	7076.08	7224.36	7076.08	7076.08	7224.36	7224.36	7076.08	7076.08
	Total Net Cash Outflows											
15	310.31	337.69	287.97	337.69	268.58	287.97	268.58	268.58	337.69	287.97	268.58	268.58
	Liquidity Coverage Ratio (%)											

### c) 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. NSFR is implemented with effect from October 1, 2021, with minimum requirement of above 100%.

**Quantitative Disclosure**

(₹ in crores)

ASF Item	NSFR Disclosure as on 31.03.2022				NSFR Disclosure as on 31.12.2021				Weighted value
	Un weighted value by residual maturity		Weighted value		Un weighted value by residual maturity		Weighted value		
	No maturity < 6 months to < 1yr	≥ 1yr	< 6 months to < 1yr	≥ 1yr	No maturity < 6 months to < 1yr	≥ 1yr	< 6 months to < 1yr	≥ 1yr	
1 Capital: (2+3)	7159.29	0	1020	8179.29	6788.80	0	720.00	7508.80	
2 Regulatory capital	7159.29	0	1020	8179.29	6788.80	0	720.00	7508.80	
3 Other capital instruments	0	0	0	0	0	0	0	0	
4 Retail deposits and deposits from small business customers: (5+6)	25167.74	15691.57	13936.56	17942.66	13598.91	15177.17	17672.68	48573.61	
5 Stable deposits	16708.82	5476.50	3880.47	4157.10	15636.66	5102.44	4382.11	4144.34	
6 Less stable deposits	8458.92	10215.07	10056.09	13785.56	7565.27	8496.47	10795.06	13528.34	
7 Wholesale funding: (8+9)	756.26	3196.31	1767.83	1362.56	2488.22	887.83	2419.70	1620.52	
8 Operational deposits	0	0	0	0	0	0	0	0	
9 Other wholesale funding	756.26	3196.31	1767.83	1362.56	2488.22	887.83	2419.70	1620.52	
10 Other liabilities: (11+12)	3085.32	908.06	16.94	29.46	8.03	3295.53	37.60	14.30	
11 NSFR derivative liabilities		0	0	0		0	0	0	
12 All other liabilities and equity not included in the above categories	3085.32	908.06	16.94	29.46	8.03	3295.53	37.60	14.30	
<b>13 Total ASF (1+4+7+10)</b>				<b>61861.68</b>				<b>59094.70</b>	
<b>RSF Item</b>									
14 Total NSFR high-quality liquid assets (HQLA)				<b>1029.74</b>				<b>1010.78</b>	
15 Deposits held at other financial institutions for operational purposes	77.84	0	0	38.92	49.31	0	0	24.65	
16 Performing loans and securities: (17+18+19+21+23)	82.32	7111.39	3122.00	33771.30	152.44	6560.73	3545.56	33256.64	
17 Performing loans to financial institutions secured by Level 1 HQLA	0	0	0	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	3949.44	377.18	4190.08	4971.08	509.68	3694.24	4483.16	



	NSFR Disclosure as on 31.03.2022				NSFR Disclosure as on 31.12.2021				Weighted value	
	Un weighted value by residual maturity				Un weighted value by residual maturity					
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
19	0	3032.41	2680.97	19874.98	18938.97	0	2886.4	2970.99	18676.35	18122.93
	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:									
20	0	442.67	30.79	4057.25	2637.21	0	602.80	48.59	3403.32	2212.16
	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk									
21	0	0.87	3.38	7727.54	5298.65	0	1.06	2.94	7718.12	5267.30
	Performing residential mortgages, of which:									
22	0	0.87	3.23	6359.40	4133.61	0	1.06	2.94	6475.50	4209.08
	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk									
23	82.32	128.67	60.47	1978.70	1991.55	152.44	112.74	61.95	3167.93	3245.00
	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities									
24	8657.12	6986.00	4595.62	4159.02	24393.21	8518.59	6568.11	5419.57	4050.19	24551.94
	Other assets: (sum of rows 25 to 29)									
25	0	0	0	0	0	0	0	0	0	25.53
	Physical traded commodities, including gold									
26			30.35		25.79			30.04		25.53
	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs									
27			2.14		2.14			0.99		163.17
	NSFR derivative assets									
28		161.05	44.81	0	205.86		141.13	22.05	0	163.17
	NSFR derivative liabilities before deduction of variation margin posted									
29	8657.12	6792.46	4550.81	4159.02	24159.42	8518.59	6395.95	5397.52	4050.19	24362.25
	All other assets not included in the above categories									
30	14379.04	0	0	0	590.05	13439.16	0	0	0	551.17
	Off-balance sheet items									
31					57252.17					57256.93
	Total RSF									
32					108.05					103.21
	Net Stable Funding Ratio (%)									

## 3. Investments

## a) Composition of Investment Portfolio as at 31.03.2022

(₹ in crores)

	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	17097.58	0	0	0.07	1.00	0	17098.65	0	0	0	0	<b>17098.85</b>
Less: Provision for non- performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Net	17097.58	0	0	0.07	1.00	0	17098.65	0	0	0	0	<b>17098.85</b>
<b>Available for Sale</b>												
Gross	3118.16	0	94.31	1688.16	0	379.29	5279.92	0	0	0	0	<b>5279.92</b>
Less: Provision for depreciation and NPI	82.65	0	8.13	54.82	0	216.95	362.55	0	0	0	0	<b>362.55</b>
Net	3035.51	0	86.18	1633.34	0	162.34	4917.37	0	0	0	0	<b>4917.37</b>
<b>Held for Trading</b>												
Gross	0	0	0	0	0	24.98	24.98	0	0	0	0	<b>24.98</b>
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Net	0	0	0	0	0	24.98	24.98	0	0	0	0	<b>24.98</b>
<b>Total Investments</b>	20215.74	0	94.31	1688.23	1.00	404.27	22403.55	0	0	0	0	<b>22403.55</b>
Less: Provision for non- performing investments	0	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	<b>0</b>
Less: Provision for depreciation and NPI	82.65	0	8.13	54.82	0	216.95	362.55	0	0	0	0	<b>362.55</b>
Net	20133.09	0	86.18	1633.41	1.00	187.32	22041.00	0	0	0	0	<b>22041.00</b>

(₹ in crores)

As at 31.03.2021

	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	16557.32	0	0	298.65	0.50	0	16856.47	0	0	0	0	16856.47
Less: Provision for non-performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	0
Net	16557.32	0	0	298.65	0.50	0	16856.47	0	0	0	0	16856.47
<b>Available for Sale</b>												
Gross	2716.55	0	112.70	1122.67	0	1103.63	5055.55	0	0	0	0	5055.55
Less: Provision for depreciation and NPI	28.68	0	31.18	44.13	0	172.84	276.83	0	0	0	0	276.83
Net	2687.87	0	81.52	1078.54	0	930.79	4778.72	0	0	0	0	4778.72
<b>Held for Trading</b>												
Gross	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Investments</b>	19273.87	0	112.70	1421.32	0.50	1103.63	21912.02	0	0	0	0	21912.02
Less: Provision for non-performing investments	0	0	0.00	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	28.68	0	31.18	44.13	0	172.84	276.84	0	0	0	0	276.84
Net	19245.19	0	81.52	1377.19	0.50	930.79	21635.18	0	0	0	0	21635.18

**b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve** (₹ in crores)

Particulars	31.03.2022	31.03.2021
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	276.84	180.32
b) Add: Provisions made during the year	108.77	96.84
c) Less: Write off / write back of excess provisions during the year	23.06	0.32
d) Closing balance	362.55	276.84
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	95.58	68.69
b) Add: Amount transferred during the year	3.27	26.89
c) Less: Drawdown	-	-
d) Closing balance	98.85	95.58
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

**c) Sale and transfer to / from HTM category**

During the period under review, Bank has not exercised the option of shifting of securities amongst portfolios. Further, Bank has sold non-SLR securities held under HTM portfolio to an extent of ₹ 294.04 crores. However the sale is well within the regulatory Limit of 5%.

**d) Non-SLR investment portfolio**

**i) Non Performing non- SLR investments**

(₹ in crores)

Sl. No.	Particulars	Current Year 2021-22	Previous Year 2020-21
a)	Opening Balance	75.15	75.15
b)	Additions during the year since 1 <sup>st</sup> April	10.00	0.00
c)	Reductions during the above period	23.05	0.00
d)	Closing Balance	62.10	75.15
e)	Total Provisions Held towards NPI	62.10	75.15

## ii) Issuer composition of non-SLR investments (₹ in crores)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a)	PSUs	349.46	599.27	129.25	104.50	Nil	Nil	0.07	294.31	Nil	Nil
b)	FIs	1091.38	436.66	665.00	185.00	10.00	Nil	Nil	Nil	Nil	Nil
c)	Banks	135.70	60.06	125.00	35.00	Nil	Nil	Nil	Nil	Nil	Nil
d)	Private Corporates	234.26	1246.20	148.96	962.64	9.10	9.10	Nil	Nil	2.00	2.00
e)	Subsidiaries / Joint Ventures	1.00	0.50	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others	375.99	295.45	Nil	170.00	Nil	Nil	Nil	Nil	Nil	Nil
g)	Provision held towards depreciation	279.90	248.15								
	Total	1907.89	2389.99								

**Note:** Amounts reported under Columns (4) to (7) above are not mutually exclusive

## e) Repo transactions (in face value terms) (₹ in crores)

Sl. No.	Particulars	Outstanding during the year		Outstanding as on 31.03.2022
		Min.	Max.	
		Daily average		
1	<b>Securities sold under Repo</b>			
a	Government securities	49.00	49.00	0.40
b	Corporate Debt securities	Nil	Nil	Nil
c	Any other securities	Nil	Nil	Nil
2	<b>Securities purchased under reverse Repo</b>			
a	Government securities	2.00	2822.00	766.15
b	Corporate Debt securities	Nil	Nil	Nil
c	Any other securities	Nil	Nil	Nil

#### 4. Asset Quality

##### a) Classification of advances and provisions held as at 31.03.2022

(₹ in crores)

	Standard		Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	50136.69	1033.93	1347.29	207.19	2588.41	52725.10
Add: Additions during the year					1552.86	
Less: Reductions during the year*					1890.45	
Closing balance	55518.52	732.12	1434.71	83.99	2250.82	57769.34
*Reductions in Gross NPAs due to:						
i) Up-gradation					819.29	
ii) Recoveries (excluding recoveries from upgraded accounts)					396.10	
iii) Technical/ Prudential Write-offs					628.26	
iv) Write-offs other than those under (iii) above					46.80	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	388.13	170.42	546.82	184.71	901.95	1290.08
Add: Fresh provisions made during the year					809.84	
Less: Excess provision reversed/ Write-off loans					894.29	
Closing balance of provisions held	725.50	123.38	636.92	57.20	817.50	1543.00
<b>Net NPAs</b>						
Opening Balance		863.50	759.07	22.48	1645.05	
Add: Fresh additions during the year					1209.32	
Less: Reductions during the year					1477.40	
Closing Balance		608.74	741.44	26.79	1376.97	
	Standard		Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<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						2893.76
Add: Technical/ Prudential write-offs during the year						628.26
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						582.22
Closing balance						2939.80

## As on 31.03.2021

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	55023.41	1381.61	1066.09	352.23	2799.93	57823.34
Add: Additions during the year					1346.37	
Less: Reductions during the year					1557.89	
Closing balance	50136.68	1033.93	1347.29	207.19	2588.41	52725.09
*Reductions in Gross NPAs due to:						
i) Up-gradation					53.71	
ii) Recoveries (excluding recoveries from upgraded accounts)					350.78	
iii) Technical/ Prudential16 Write-offs					1076.72	
iv) Write-offs other than those under (iii) above					76.68	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	313.28	264.23	417.64	335.44	1017.31	1330.58
Add: Fresh provisions made during the year					1070.23	
Less: Excess provision reversed/ Write-off loans					1185.59	
Closing balance of provisions held	388.13	170.42	546.82	184.71	901.95	1290.07
<b>Net NPAs</b>						
Opening Balance		1117.38	621.51	16.79	1755.68	
Add: Fresh additions during the year					1042.66	
Less: Reductions during the year					1153.29	
Closing Balance		863.50	759.07	22.48	1645.05	
	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<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						2172.34
Add: Technical/ Prudential write-offs during the year						1076.72
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						355.30
Closing balance						2893.76

Ratios (in per cent)	Current Year 31.03.2022	Previous Year 31.03.2021
Gross NPA to Gross Advances	3.90%	4.91%
Net NPA to Net Advances	2.42%	3.19%
Provision coverage ratio	73.47%	69.99%

**b) Sector-wise Advances and Gross NPAs (₹ in crores)**

Sr. No.	Sector	Current Year 31.03.2022			Previous Year 31.03.2021		
		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	7435.30	552.91	7.44	7101.28	602.39	8.48
b)	Advances to industries sector eligible as priority sector lending	4781.83	370.11	7.74	3985.68	333.35	8.36
c)	Services	11313.08	714.01	6.31	10667.86	645.82	6.05
d)	Personal loans	2939.56	68.70	2.34	3016.78	100.23	3.32
	Subtotal (i)	26469.77	1705.73	6.44	24771.60	1681.79	6.79
<b>ii)</b>	<b>Non-priority Sector</b>						
a)	Agriculture and allied activities	67.10	6.42	9.57	60.47	7.32	12.11
b)	Industry	1883.65	89.04	4.73	2110.57	179.02	8.48
c)	Services	3067.78	33.23	1.08	2909.07	104.41	3.59
d)	Personal loans	10779.54	298.33	2.77	10993.55	414.80	3.77
e)	Other Non-priority Loans	15501.50	118.07	0.76	11879.83	201.06	1.69
	Sub-total (ii)	31299.57	545.09	1.74	27953.49	906.61	3.24
	<b>Total (i + ii)</b>	57769.34 *	2250.82	3.90	52725.09 *	2588.40	4.91

\* excludes provision for NPA and other netting items

**c) Overseas assets, NPAs and Revenue – Nil**

**d) Particulars of resolution plan**

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 year, there was no conversion of debt into equity on restructuring (Previous year Nil.)

**e) Divergence in asset classification and provisioning - Not applicable**

**f) Disclosure of transfer of loan exposures (₹ in Crores)**



- i) Details of loans not in default acquired during the year ended 31<sup>st</sup> March, 2022 under the RBI Master Direction on transfer of loan exposure dated 24<sup>th</sup> September, 2021 are given below:

Particulars	Corporate segment
Mode of acquisition	Assignment and Novation
Aggregate principal outstanding of loan acquired	₹ 117.09 crore
Weighted average residual maturity	8.94 years
Weighted average holding period	N.A
Retention of beneficial economic interest by the originator	N.A
Coverage of tangible security (For secured loans)	100% secured
Rating-wise distribution of loans acquired by the value	
-A- and above	48.87%
-BBB and BBB+	51.13%

- ii) **In the case of stressed loans transferred or acquired:**

**Details of stressed loans transferred during the year:**

Particulars	To Asset Reconstruction Companies(ARCs)	To permitted transferees	To other Transferees
No of accounts	48	0	0
Aggregate principal outstanding of loan transferred	176.98	0.00	0.00
Weighted average residual tenor of the loans transferred	0.87	0.00	0.00
Net book value of loans transferred (at the time of transfer)	0.31	0.00	0.00
Aggregate consideration	25.15	0.00	0.00
Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00	0.00

Details of loans acquired during the year (₹ in crores)

	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs, and NBFs including Housing Finance Companies(HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	Nil	Nil
Aggregate consideration paid	Nil	Nil
Weighted average residual tenor of loans acquired	Nil	Nil

**Distribution of Security Receipts across various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2022:**

Recovery Rating Band	Book Cost (₹ in crore)
RR1	46.43
RR2	45.66
RR3	134.14
RR4	23.77
RR5	71.17
Rating Withdrawn	54.82
<b>Total</b>	<b>375.99</b>

**g) Fraud accounts**

(₹ in crores)

Particulars	Current year 2021-22	Previous year 2020-21
Number of frauds reported	16	170
Amount involved in frauds	171.59	508.15
Amount of Provision made for such fraud	171.59	508.15
Amount of unamortised provision debited from other reserves as at the end of the year	NIL	NIL

**h) Disclosure under Resolution Framework for COVID-19 related Stress**

- i) The continued impact of COVID-19 pandemic has affected the global economy including India. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which COVID-19 pandemic may continue to impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments, which are highly uncertain. 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 eligible borrowers and necessary provision has been made for the same. Further as a matter of prudence the bank has made additional provisions towards stressed accounts.

(₹ in crores)

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)	Of (A), aggregate debt that slipped into NPA during the half-year	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
Personal Loans	374.85	1.86	0.96	82.72	318.32
Corporate persons	434.78	14.49	0.00	191.44	326.19
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	51.38	0.00	0.00	4.38	52.28
<b>Total</b>	<b>861.01</b>	<b>16.35</b>	<b>0.96</b>	<b>278.54</b>	<b>696.79</b>

- ii) In accordance with the 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	36
Aggregate Exposure as on March 31, 2022(₹ in crore)	29.71

## 5. Exposures

## a) Exposures to real estate sector

(₹ in crores)

Category	Current year 31.03.2022	Previous Year 31.03.2021
<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.	9249.56	9395.07
Of which Individual housing loans eligible for inclusion in priority sector advances	2740.29	2740.92
<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 & construction, etc.). Exposure would also include non-fund based (NFB) limits;	6016.48	5179.45
<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.	0.92	0.00
<b>Total Exposure to Real Estate Sector</b>	<b>15266.76</b>	<b>14574.52</b>

## b) Exposure to capital market

(₹ in crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
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;	84.04	83.16
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

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	53.86	31.90
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
Total exposure to capital market	137.90	115.06

**c) Risk category-wise country exposure** (₹ in crores)

Risk Category*	Exposure (net) as at March 2022	Provision held as at March ,2022	Exposure (net) as at March,2021	Provision held as at March,2021
Insignificant	42.41		60.26	
Low	50.68		80.37	
Moderately Low	0.18		2.18	
Moderate	0.73	Nil	3.30	Nil
Moderately High	0.38		0.00	
High	0.00		0.00	
Very High	0.00		0.00	
<b>Total</b>	<b>94.38</b>		<b>146.11</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** (₹ in crores)

Particulars	Current year 31.03.2022	Previous Year 31.03.2021
Total unsecured advances of the bank	3348.13	1911.57
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	23.68	111.60
Estimated value of such intangible securities	0	0

**e) Factoring Exposure - NIL**

**f) Intra – group Exposure -** There are no Intra-group exposure other than investment of ₹ 1 cr.(Previous year-₹0.50 lakhs) in a wholly owned non-financial subsidiary

### 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 which stipulates 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 ₹ 17.87 crore (Previous year ₹ 17.31 crore) and has provided capital for the unhedged foreign currency exposure of borrowal entities of ₹ 4.46 crore (Previous year ₹ 2.36 crore) in line with the extant RBI guidelines.

## 6. Concentration of deposits, advances, exposures and NPAs

### a) Concentration of deposits

(₹ in crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Total Deposits of twenty largest depositors	2604.14	2312.79
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.24	3.06

### b) Concentration of advances

(₹ in crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Total Advances to the twenty largest borrowers	8237.81	5906.87
Percentage of advances to twenty largest borrowers to Total Advances of the Bank	10.73	8.54

### c) Concentration of exposures

(₹ in crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Total Advances to twenty largest borrowers	8479.99	6590.72
Percentage of exposures to the twenty largest borrowers / Customers to the Total exposures of the bank on borrowers / Customers	10.74	9.17

### d) Concentration of NPAs

(₹ in crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Total Exposures to the top twenty NPA accounts	396.52	583.72
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	17.62	22.55

## 7. Derivatives

### a) Forward rate agreement/ interest rate swap

(₹ in crores)

Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
i) The Notional principal of swap agreements	0	0
ii) Losses which would be incurred if counter parties failed to fulfil their obligations under the agreements	0	0
iii) Collateral required by the bank upon entering into swaps	0	0
iv) Concentration of credit risk arising from swaps	Client	Client
v) The fair values of the swap book	0	0

**b) Exchange traded interest rate derivatives (₹ in crores)**

SI No	Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
	a)		
	b)		
(ii)	Notional Principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March 2022 (Instrument –wise)		
	a)		
	b)		
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not “highly effective” (Instrument wise)		Nil
	a)		
	b)		
(iv)	Mark to Market value of exchange traded interest rate derivatives outstanding and not “highly effective” (instruments –wise)		
	a)		
	b)		

**c) Disclosures on risk exposure in derivatives**

**i) Qualitative disclosures**

Operations in the Treasury are segregated into three functional areas, namely Front office, Mid-office and Back-office, equipped with necessary infrastructure and trained officers whose responsibilities are well defined. The Mid Office is handled by Risk Management Department. Daily report is generated by Risk Management department for appraisal of the risk profile to the senior management for Asset and Liability management. The Integrated Treasury policy of the Bank clearly lays down the types of financial derivative instruments, scope of usages, approval process as also the limits like the open position limits, deal size limits and stop loss limits for trading in approved instruments.

The Bank’s policy on Integrated Treasury lays down that the transactions with the corporate clients are to be undertaken only after the inherent credit exposures are quantified and approved in terms of the approval process laid down in the Derivative Policy for customer appropriateness and suitability and necessary documents like ISDA agreements etc. are duly executed. The Bank adopts Current Exposure Method for monitoring the credit exposures. Besides, the Bank may also use financial derivative transactions for hedging it’s on or off Balance Sheet exposures.

The Integrated Treasury Policy of the Bank spells out the approval process for hedging the exposures. The hedge transactions are monitored on a regular basis and the notional profits or losses are calculated on MTM basis. The hedged/ non hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis. In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium and discount are being followed. While sanctioning the limits, the competent authority may stipulate condition of obtaining collaterals/ margin as deemed appropriate. The derivative limits are reviewed periodically along with other credit limits.

## ii) Quantitative disclosure

(₹ in crores)

Sl no	Particulars	Current Year 31.03.2022		Previous Year 31.03.2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(a)	Derivatives (Notional Principal Amount)				
	a) For Hedging				
	b) For Trading				
(b)	Marked to Market Positions (1)				
	a) Asset (+)				
	b) Liability (-)				
(c)	Credit Exposure (@)				
(d)	Likely Impact of one percentage change in interest rate (100*pv01)			Nil	
	a) On Hedging Derivatives				
	b) On Trading Derivatives				
(e)	Maximum and Minimum of 100*PV01 observed during the year				
	a) On hedging				
	b) On trading				

## d) Credit default swaps

The Bank has not entered into any credit default swap.

## 8. Disclosures relating to securitisation:

The Bank has not sponsored any SPEs for securitisation transactions (₹ in crores)

S. No.	Particulars	Current Year	Previous Year
1.	No of SPEs holding assets for securitisation transactions originated by the Originator		
2.	Total amount of securitised assets as per books of the SPEs		
3.	Total amount of exposures retained by the Originator to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		Nil
	First loss		
	Others		
	b) On - balance sheet exposures		
	First loss		
	Others		

<b>S. No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss		
	others		
	ii) Exposure to third party securitisations		
	First loss		
	Others		
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss		
	Others		
	ii) Exposure to third party securitisations		
	First loss		
	Others		
5.	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
6.	Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post- securitisation asset servicing, etc.		
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	a) Amount paid		
	b) Repayment received		
	c) Outstanding amount		
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e RMBS, Vehicle Loans etc		
9.	Amount and number of additional/ top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e RMBS, vehicle loans, etc.		
10.	Investor complaints		
	a) Directly / indirectly received and;		
	b) Complaints outstanding		



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 Crores)

Sr No.	Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
i)	Opening balance of amounts transferred to DEA Fund	130.88	122.99
ii)	Add: Amounts transferred to DEA Fund during the year	48.78	8.67
iii)	Less: Amounts reimbursed by DEA Fund towards claims	2.18	0.78
iv)	Closing balance of amounts transferred to DEA Fund	177.48	130.88

11. Disclosure of Complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman are furnished below

Sr. No	Particulars	Current Year 31.03.2022	Previous Year 31.03.2021
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	458	350
2.	Number of complaints received during the year	41154	41634
3.	Number of complaints disposed during the year	41300	41526
3.1	Of which, number of complaints rejected by the bank	6	9
4.	Number of complaints pending at the end of the year	312	458
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	374	445
5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	337	440
5.2.	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	21	44
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

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
Current Year					
<b>ATM/Debit Cards</b>	435	39113	-1.35	256	1
<b>Internet / Mobile / Electronic Banking</b>	6	1003	25.53	14	1
<b>Loans &amp; Advances</b>	3	328	5.81	24	4
<b>Others</b>	4	206	-53.18	6	1
<b>Levy of charges without prior notice / excessive charges / foreclosure charges</b>	3	83	-62.27	1	0
<b>Others</b>	7	421	93.12	11	4
<b>Total</b>	458	41154		312	11
Previous Year					
<b>ATM / Debit Cards</b>	211	39647	-24.58	435	0
<b>Internet / Mobile / Electronic Banking</b>	85	799	-22.87	6	0
<b>Others</b>	20	440	71.21	4	0
<b>Loans &amp; Advances</b>	7	310	68.48	3	0
<b>Levy of charges without prior notice / excessive charges / foreclosure charges</b>	9	220	17.65	3	0
<b>Others</b>	18	218	-18.96	7	4
<b>Total</b>	350	41634		458	4

## 12. Disclosures of penalties imposed by the Reserve Bank of India

The Reserve Bank of India vide its order under Section 47A of the Banking Regulation Act, 1949 dated 06.07.2021 has imposed a penalty of ₹ 1.00 crore for contravention of regulatory guidelines/ directions on Lending to Non-Banking Financial Companies (NBFCs) (Previous Year – ₹ NIL)

### 13. Disclosures on remuneration

#### a) Qualitative disclosure

(a) Information relating to the composition and mandate of the Nomination & Remuneration Committee (NRC).	The Nomination & Remuneration Committee (NRC) consists of 4 Directors, three of them are Independent Directors. Two members are also the members of Risk and Capital Management Committee of the Board (RCMC).
	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 Compensation Policy of the Bank, besides, administration of ESOP scheme.
(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	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 also aims at facilitating effective succession planning in the Bank.
(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 payouts 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 WTD/CEO & 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.	The Reserve Bank of India vide Cir. DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 4, 2019, revised methodology to be adopted by the banks while determining performance based Variable Pay Payable to the WTD/CEO/MRTs. The revised methodology was made effective for all pay cycles commencing from April 2020 onwards. Accordingly, Bank amended its Compensation Policy and aligned it with the new requirements. 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 WTD/CEO, 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, 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 situation which, if triggered, empower the NRC/ Board of Directors to invoke malus/clawback clauses. The payment of variable pay to the WTD/CEO 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**

		<b>Current Year (2021-22)</b>	<b>Previous Year (2020-21)</b>
(a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Seven Sitting fees of ₹ 50,000/- 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 2021-22 is ₹ 0.14 Crs	Four Sitting fees of ₹ 40,000/- 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 2020-21 is ₹ 0.085 Crs <sup>1</sup>
(b)	(i) Number of employees having received a variable remuneration award during the financial year.	Three <sup>2</sup>	Three <sup>2</sup>
	(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
(c)	(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.		
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Refer to Table 2 below	
(e)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	Nil	Nil
	(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
(f)	Number of MRTs identified.	Two	Two
(g)	(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

(a)	1.	The mean pay for the bank as a whole (excluding sub-staff) and	Mean Pay ₹ 0.10 crore	Mean Pay ₹ 0.09 crore
	2.	The deviation of the pay of each of its WTDs from the mean pay.	MD & CEO: 11.72X <sup>§</sup>	MD & CEO: 12.46X*

\* recomputed factoring in bank's additional contribution of 4% to DCRBS during 2020-21

§ computed based on the non-deferred remuneration which has been recognized during the FY 2021-22

#### Footnotes:

- In line with the Bank's policy of curtailing expenditure in the backdrop of the uncertainties caused by COVID-19 pandemic, the Board of Directors' decided upon reduction in the sitting fees for Board meetings from ₹ 70,000/- to ₹ 50,000/- and for the Board level Committees from ₹ 50,000/- to ₹ 40,000/- for the period 06.06.2020 to 31.03.2021
- For the purpose of variable pay, the employees who are identified as MRTs are only considered in terms of RBI circular dated 04.11.2019.

TABLE 1

(₹ in Crores)

	FY2021-22				FY 2020-21
	MD& CEO	COO	CBO	Total	
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (for performance year 2020-21)	0.77 <sup>@</sup>	0.12	0.11	1.23	Nil
Total amount of deferred remuneration paid out in the financial year. (for performance year 2020-21)	Nil	Nil	Nil	Nil	Nil

#### Notes:

<sup>@</sup> ₹ 96 Lakhs was the amount of Variable Pay granted for the Performance year FY 2020-21 and approved by the RBI vide letter DOR.GOV.No.S4602/08.40.001/2021-22 dated 23.03.2022. The details are provided in Table 2 below.

TABLE 2

(₹ in Crores)

Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.

Name of the Director/ MRT	FY 2021-22			FY 2020-21		
	Fixed Pay	Variable Pay <sup>1</sup>		Fixed Pay	Variable Pay <sup>2</sup>	
		Cash Component	Share Linked remuneration (ESOPs) <sup>4</sup>		Cash Component	Share Linked remuneration (ESOPs)
Mr. Mahabaleshwara M S, Managing Director & CEO	0.96	0.48  Non-Deferred (upfront): 0.19 (40%)  Deferred: 0.29 (60%)	0.48 (worth)  Non-Deferred (upfront): Nil  Deferred: 0.48 (100%)	0.96	1. ₹0.21 crore for the FY2018- 19 (paid during 2020-21 upon receipt of RBI approval)  2. FY 2019-20: NIL.  See note below <sup>3</sup> .	2,50,000  (to be vested in the ratio of 40:30:30)
Mr. Y V Balachandra, Chief Operating Officer (MRT)	0.32	0.12 ~	0.12(worth)  Deferred: 0.12 (100%)	0.32	0.11  (for the FY 2019-20)	40,000  (to be vested in the ratio of 40:30:30)
Mr. Gokuldas Pai Chief Business Officer (MRT)	0.32	0.11~	0.11 (worth)  Deferred: 0.11 (100%)	0.32	0.08  for the FY 2019- 20	30,000  (to be vested in the ratio of 40:30:30)

**Notes:**

1. Performance year being FY2020-21 and the assessment of variable pay of ₹ 96 lakhs has been approved by the RBI and non-deferred remuneration has been recognized during the FY 2021-22.
2. Performance year being FY2019-20 and the assessment of variable pay is based on audited financial results for FY 2019-20 and recommended and paid (with prior approval of RBI wherever applicable) during FY2020-21.
3. The MD & CEO opted to forego variable pay entitlement for FY 2019-20 as part of Bank's initiatives to curtail expenditure on account of challenges posed by COVID-19 pandemic.
4. The number of stock options will be arrived and eligible stock options shall be granted after obtaining approval of the shareholders for the new employee stock option scheme.

~since the amount of variable pay was less than ₹ 25 lakh, there was no deferral arrangement on cash component.

## 14. Other Disclosures

### a) Business ratios

Sl. No.	Particulars	Current Year 2021-22	Previous Year 2020-21
i	Interest Income to working funds	6.96%	7.33%
ii	Non interest income to working funds	1.07%	1.76%
iii	Cost of Deposit	4.66%	5.29%
iv	Net Interest Margin	3.18%	2.91%
v	Operating Profit as a percentage to working funds	1.83%	2.35%
vi	Return on Assets	0.56%	0.57%
vii	Business (Deposits Plus Advances) per employee (₹ in crore)	16.10	15.12
viii	Profit per employee(₹ in crore)	0.06	0.06

### b) Bancassurance business

(₹ in Crores)

Sl. No.	Nature of Income	Current Year 2021-22	Previous Year 2020-21
1	For selling Life Insurance Policies	36.98	33.11
2	For selling Non Life Insurance Policies	10.57	9.96

### 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 2021-22 is ₹ 10.31 Crore (Previous year ₹ 8.19 crore)

### d) Disclosures regarding Priority Sector Lending Certificates(PSLCs)

The amount of PSLCs purchased during the FY 2021-22 is as follow:

(₹ In crore)

Sl. No.	Type/ Category	Date of purchase	No. of units (each unit = ₹ 25.00 lakh)	Total Face value (₹ in crore)	Premium Rate/ crore (in % age)	Premium amt /unit (Amt in ₹)	Total premium amt (excl applicable GST)
1	PSLCSM	21.03.22	160	40.00	0.06	1500	0.02
2	PSLCSM	21.03.22	400	100.00	0.08	2000	0.08
3	PSLCSM	21.03.22	1040	260.00	0.09	2250	0.23
4	PSLCSM	21.03.22	400	100.00	0.08	2000	0.08
5	PSLCSM	30.03.22	600	150.00	0.11	2750	0.17
6	PSLCSM	30.03.22	400	100.00	0.11	2750	0.11
Total			3000	750.00	-	-	0.69

e) **Provisions and contingencies:**

**Details of Provisions and contingencies made during the year**

(₹ in Crore)

Sl. No.	Particulars	Current Year 2021-22	Previous Year 2020-21
1	Provision for NPI	10.00	5.65
2	Provision towards NPA	590.61	1227.42
3	Provision towards Standard Assets (including NPV of Restructured Standard advances)	327.08	67.69
4	Provision made towards Income Tax	185.94	129.36
5	Other Provisions & contingencies-for frauds, claims against the Bank not acknowledged as debt and other intangibles.	11.75	-4.41
	<b>Total</b>	<b>1125.38</b>	<b>1425.71</b>

f) **Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

As per the RBI guidelines, Bank is in the process of implementing Indian Accounting Standards (Ind AS). Bank has set up a Steering Committee head by the Managing Director to facilitate on continuous basis the process of smooth implementation of Ind AS in the Bank. Also, a sub-committee was formed to work towards effectively implementing Ind AS in the bank by having detailed discussions and deliberations on Ind AS Standards and related RBI Circulars.

Bank has been submitting the proforma Ind AS financials to RBI every half year as per the RBI guidelines.

RBI, vide its communication Ref: DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March, 2019 has deferred implementation of Ind AS for all Scheduled Commercial Banks till further notice.

g) **Payment of DICGC Insurance Premium**

(₹ in Crore)

Sr No.	Particulars	Current Year 2021-22	Previous Year 2020-21
i	Payment of DICGC Insurance Premium	108.52	102.87
ii	Arrears in payment of DICGC premium	NIL	NIL

h) Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks to Indian Bank's Association covered under the 11<sup>th</sup> Bipartite settlements to amortize the additional liability on account of revision in family pension over a period not exceeding five years beginning with the Financial year ended March 31, 2022. The Bank has recognized the entire additional liability at ₹ 23.05 crore and charged the same to profit and loss account without opting for amortizing the same over a period of five years.

**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, 2021, except that related to Employee Stock Option Scheme, the details of which are given in Sl. No.19 below.

**b) Accounting Standard 9 – Revenue Recognition**

Revenue is recognized on accrual basis as per Accounting Policy No. 1 of 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

During the years ended March 31, 2017 and March 31, 2020, as permitted by the Board, the Bank had revalued land & buildings owned by it. Net appreciation of ₹ 422.99 crore and ₹ 60.11 crore respectively arising out of such revaluation was accounted with corresponding credit to the Revaluation Reserve, as under:

(₹ in crore)	
Details	Amount
Book value of Land & Building as on March 31, 2022	160.38
Incremental value on account of revaluation made in 2016-17 and credited to the Revaluation Reserve	420.99
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
Depreciation up to March 31, 2022 on revalued amount	25.73
Written Down Value of the revalued assets	615.75

Depreciation on the book value of the land & building up to March 31, 2022 is ₹ 55.27 crore. Profit and Loss Account for the current financial year has been debited with additional depreciation charge of ₹ 4.79 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 ₹ 19.01 crore (Previous year ₹ 26.40 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 2022, 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) 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	Pension (Funded)	Gratuity (Funded)
1	Method of Valuation	Projected unit credit	
2	Discount rate	7.40%	7.30%
3	Salary escalation rate	4.00%	4.00%
4	Attrition rate	2.00%	2.00%
5	Expected rate of return on plan assets	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	Pension (Funded)	Gratuity (Funded)
1	Present Value of defined benefit obligation as at 1st April 2021	854.00	282.30
2	Interest Cost	54.22	18.68
3	Current Service Cost	29.51	24.84
4	Past Service Cost	0	0
5	Benefits Paid	(158.86)	(23.19)
6	Actuarial Loss/(Gain) on Obligations	166.63	(7.33)
7	Present Value of defined benefit obligation as at 31st March 2022	<b>945.50</b>	<b>295.30</b>

**Changes in Fair value of Plan Assets- Reconciliation of Opening and Closing Balances**

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Fair Value of Plan Assets at the beginning of the year	854.00	282.30
2	Expected return on Plan Assets	63.06	20.19
3	Bank's Contribution related to Current year	190.39	15.56
4	Benefits Paid	(158.86)	(23.19)
5	Actuarial Gain/(Loss ) on plan assets	(3.09)	0.44
6	Fair Value of Plan Asset at the end of the year	<b>945.50</b>	<b>295.30</b>

**Actual Return on Plan Assets**

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Expected return on Plan Assets	63.06	20.19
2	Actuarial Gain/(Loss) on plan Assets	(3.09)	0.44
3	Actual Return on Plan Assets	59.97	20.63

**Actuarial Gain / Loss Recognized**

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Actuarial (Gain)/Loss for the period- Obligations	166.63	(7.33)
2	Actuarial (gain)/Loss for the period- Plan Assets	3.09	(0.44)
3	Total (Gain)/Loss for the period- Plan Assets	169.72	(7.77)
4	Actuarial (Gain)/Loss recognized in the year	169.72	(7.77)
5	Unrecognized actuarial (Gain)/Loss at the end of the year	0	0

**Amounts recognized in Balance Sheet and Related Analysis****(₹ in crore)**

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Present value of the obligations	945.50	295.30
2	Fair Value of Plan Assets	945.50	295.30
3	Surplus/(Deficit)	0	0
4	Assets/(Liability) recognised in the Balance Sheet	0	0

**Expenses recognised in the Profit and Loss Account****(₹ in crore)**

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Current Service Cost	29.51	24.84
2	Interest Cost	54.22	18.68
3	Expected Return on Plan Assets	(63.06)	(20.19)
4	Net actuarial (Gain)/Loss recognized in the year	169.72	(7.77)
5	Expenses recognised in the Profit and Loss Account	190.39	15.56

**Major Categories of plan assets (As a percentage of total plan assets)**

Sl. No.	Particulars	Pension Fund	Gratuity Fund
1	Government of India Securities	0	2.12
2	State Government Securities	0	0
3	High Quality Corporate Bonds	0	0
4	Equity Shares of Listed Companies	0	0
5	Property	0	0
6	Funds managed by insurer	100.00	97.74
7	Mutual Funds	0	0
8	Bank Deposits- Current Accounts	0	0
9	Others	0	0.14
10	<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**Estimated expenses / contribution for the next year****(₹ in crore)**

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Enterprises Best estimate of expenditure to be incurred during the next year (inclusive of proportionate amortisation)	971.70	310.40

**e. Accounting Standard 17 – Segment Reporting:**

For the purpose of segment reporting in terms of AS 17 of the ICAI 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 and (d) Other Banking Operations. 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**

(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE/ WHOLESALE BANKING		RETAIL BANKING		OTHER BANKING OPERATIONS		TOTAL	
	Mar'22	Mar'21	Mar'22	Mar'21	Mar'22	Mar'21	Mar'22	Mar'21	Mar'22	Mar'21
Revenue	1315.30	1723.31	2506.24	2739.23	2910.17	2741.26	427.66	427.80	7159.37	7631.60
Unallocated Income									16.17	5.02
Total Income									7175.54	7636.62
Result	256.12	687.38	526.63	450.64	920.35	813.81	-11.59	24.95	1691.51	1976.78
Unallocated expenses (including provisions & contingencies)									-996.95	-1364.85
Profit before tax									694.56	611.93
Income taxes									185.94	129.36
Extraordinary/ Exceptional Profit / Loss									0	0
Net Profit									508.62	482.57
Other Information									-	-
Segment Assets	26827.22	27505.89	29849.68	24344.14	26933.46	27383.65	4897.69	3917.41	88508.05	83151.09
Unallocated Assets									3532.50	2464.34
Total Assets									92040.55	85615.43
Segment Liabilities	24704.14	25213.57	27676.65	22565.40	24780.81	25296.35	4532.92	3604.70	81694.52	76680.02
Unallocated liabilities									3253.70	2293.06
Total Liabilities									84948.22	78973.08
Capital employed									7092.33	6642.35

**f. Accounting Standard 18 – Related Party Disclosures**

(₹ in crores)

Items/Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Borrowings#		0		0	0
Deposits#		0.11 (0.54)		Please See note below	Please See note below
Placement of deposits#		0		0	0
Advances#		0		0	Pls See note below
Investments #		0.50 (1.00)		0	0
Non funded commitments#		0		0	0

Items/Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel ^	Relatives of Key Management Personnel
Leasing/ HP Arrangements availed#		0		0	0
Leasing/ HP Arrangements provided#		0.09		0	0
Purchase of fixed assets		0		0	0
Sale of fixed assets		0.001			
Interest Paid		0.008		Please See note below	Please See note below
Interest Received		0		0	0
Rendering Services		0		0	0
Receiving Services		0.84		1.15#	0
Management Contact		0		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

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. Since Bank has only one entity in each category of Key Managerial Personnel and Subsidiary, 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 entities is as under:

- Mr. Mahabaleshwara MS, Managing Director & CEO of the Bank, who is the sole Whole Time Director 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.
- KBL Services Ltd. is a Wholly Owned Non-Financial Subsidiary of the Bank in respect of which the approval of the Reserve Bank of India has been obtained in terms of "Master Direction- Reserve Bank of India (Financial Services provided by Banks) Directions, 2016".

#### 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 2021-22	Previous Year 2020-21
Earnings per share- Basic(₹)	16.36	15.52
Earnings per share- Diluted(₹)	16.29	15.48
Net Profit for the year attributable to Equity shares (₹ in crore)	508.62	482.57
Weighted Average number of Equity Shares –Basic	31,09,47,545	31,08,69,689
Weighted Average number of Equity Shares - Diluted	31,21,58,169	31,17,86,799
Nominal value per equity share(₹)	10.00	10.00

Allotment of 128521 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.

## h. Accounting Standard 22 – Accounting for Taxes on Income

i) Provision made for taxes during the year (₹ in crore)

Particulars	Current Year 2021-22	Previous Year 2020-21
Current Tax	129.51	114.29
Deferred Tax	56.43	15.07
<b>Total</b>	<b>185.94</b>	<b>129.36</b>

ii) Major components of Deferred Tax Assets and Liabilities recognised are as Under: (₹ in crore)

Sl. No.	Particulars	Current Year 2021-22	Previous Year 2020-21
<b>A</b>	<b>Deferred Tax Liabilities</b>		
1	Depreciation on fixed assets	10.20	16.95
2	Special Reserve u/s 36(1)(viii) of Income Tax Act	79.42	96.92
3	Deferred Revenue Expenditure	0.00	0.00
4	Others	0.00	0.00
	<b>Total</b>	<b>89.62</b>	<b>113.87</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
1	PL/LFC Encashment	56.70	71.49
2	Provision for advances	205.74	315.18
3	Provision for Standard advances	154.31	116.78
4	Provision for arrears of salary	0.00	0.00
5	Provision for Fair Value Loss	20.69	11.91
6	Others	21.49	24.25
	<b>Total</b>	<b>458.93</b>	<b>539.61</b>
	<b>Net Deferred Tax Liability/(Asset)(A) – (B)</b>	<b>(369.31)</b>	<b>(425.74)</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, 2022, there was no indication of impairment of any asset.

## j. Accounting Standard 29 – Provision, Contingent Liabilities and Contingent Assets

### Movement in Provision for Contingencies

(₹ in crore)

Particulars	Opening as on 01.04.2021	Provision made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2022
Provision for contingencies	13.77	11.74	0.39	25.12

16. Operating Expenses stated in Schedule 16 to the Profit and Loss Account includes ₹ 11.61 crore (Previous year ₹ 13.19 crore) spent towards Corporate Social Responsibility (CSR) activities. The Bank has spent 2.04% (Previous Year: 2.02%) of its average net profit for the last three Financial Years as part of its Corporate Social Responsibility for the year ended March 31, 2022. The details of the amount spent during the respective years towards CSR are as under:

(₹ in Crore)

SI No.	Particulars	March 31, 2022			March 31, 2021		
		Amount Spent	Amount unpaid / provided	Total @	Amount Spent	Amount unpaid / provided	Total
i)	Construction / acquisition of any asset	4.61	2.46	7.07	0	0	0
ii)	On purpose other than (i) above	3.52	1.02	4.54	8.69*	4.50**	13.19

@ Excluding a sum of ₹ 0.19 Crore excess sanctioned & provided in FY 20-21 set off to FY 2021-22.

\* includes ₹ 1.85 crore of earlier years sanctions spent during the FY 2020-21.

\*\* includes ₹ 2.96 crore pertaining to the FY 2020-21 and balance ₹ 1.54 crore pertains to the earlier years.

17. With effect from Assessment year 2021-22, the Bank has opted for new regime of tax under section 115 BAA of Income tax Act 1961. Consequently, during the March 22 quarter, the Bank has re-measured its deferred Tax assets and deferred tax Liabilities and reversed the amount of ₹ 85.00 crores by debiting to the Profit and Loss Account.

## 18. Litigations and claims

A sum of ₹ 1222.43 crore (Previous year ₹ 708.38 crore) is outstanding on account of demands raised by the Income Tax Department in the earlier years which have been fully paid under protest by debit to Sundry Assets - Protested Tax Account. 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 ₹ 352.31 crore.

The Bank has also preferred appeal against certain service tax demands to the extent of ₹ 193.15 crore and paid pre deposit of ₹ 1.06 crore by debit to Sundry Assets – Service Tax Paid under Protest.

The Bank has been advised that there are good chances of success in these appeals, considering favorable 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.

The Bank confirms that all pending litigations which may have an impact on its financial position have been estimated and provided for. In respect of other pending litigations, the Bank believes that no provision is required since these pending litigations have no impact on its financial position.

## 19. 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 1st, 2nd & 3rd 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, 2022, no modifications were made to the terms and conditions of ESOs as approved by the NRC.

On August 30, 2021, RBI issued a clarification on Guidelines on Compensation of Whole time Directors / Chief Executive officers/Material risk takers and Control Function staff advising banks that the share linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. The fair value thus arrived should be recognized as an expense for all options granted after the accounting period ended March 31,2021, over the vesting period. Accordingly, bank has estimated the fair value of such stock based compensation on the date of grant using Black- Scholes model (as against intrinsic value method adopted earlier) and recognized the same as an expense over the vesting period, which does not have a material impact on the results for the quarter/year ended march 31, 2022.

Activity in the options outstanding under the Employee Stock Option Scheme:

Particulars	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	49,24,040*	55.76
Granted during the year	40,000	70.40
Vested during the year	18,52,105*	52.82
Exercised during the year	294171	46.30
Lapsed/ forfeited/ cancelled (Nos.)	55822*	
Outstanding as on March 31, 2022	46,14,047*	56.66
Exercisable at the end of the year March 31, 2022	23,55,472*	69.16

\* After giving effect to the Bonus issue-2020

20. The Board of Directors have recommended a dividend of ₹ 4/- per share (40%) for the year ended 31<sup>st</sup> March 2022 (previous year ₹ 1.8/- Per share (18%)), subject to the approval of the shareholders at the ensuing Annual General Meeting. In accordance with Accounting Standard (AS) 4 – Contingencies & Event occurring after the balance sheet date', proposed dividend amounting to ₹ 124.47 crores (Previous year ₹ 55.96 Crores) has not been shown as an appropriation from the Profit as of March 31, 2022 and consequently not reported under Other liabilities and Provisions as of March 31,2022. For computation of capital adequacy ratio as of March 31, 2022 Bank has adjusted the proposed dividend for determining capital funds

## 21. 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 2022 and steps are being taken to give effect to consequential adjustments of pending items.

## 22. 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 or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.



(b) 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23. Previous year's figures have been regrouped/rearranged/given in brackets wherever necessary and feasible to conform to current years classification.

**Sd/-**  
**Prasanna Patil**  
Company Secretary

**Sd/-**  
**Muralidhar K Rao**  
Chief Financial Officer

**Sd/-**  
**Gokuldas Pai**  
Chief Business Officer

**Sd/-**  
**Y V Balachandra**  
Chief Operating Officer

**Sd/-**  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

**Sd/-**  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

**Sd/-**  
**Balakrishna Alse S**  
Director  
DIN 08438552

**Sd/-**  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

**Sd/-**  
**(Anil A Kulkarni)**  
Partner  
M No 047576

**Sd/-**  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

# 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, 2022, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year ended, and notes to the Consolidated 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 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 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 principles generally accepted in India, of the consolidated state of affairs of the Group and its subsidiary as at March 31, 2022, 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 together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements 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, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time 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.

### Emphasis of the Matter

We draw attention to Note No. 4 of Schedule 18 to the Consolidated Financial Statements which describes the extent to which the COVID-19 pandemic may continue to impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments which are highly uncertain.

Our opinion is not modified in respect of this matter.

### 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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

#### A. Identification of Non-Performing Assets ('NPA') and Provisions on Advances

##### 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 Reserve Bank of India 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 for diminution in fair value of restructured loans, 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, 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.

- 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 (SMA) reports in the

RBI's Central Repository of Information on Large Credits (CRILC) and other related documents and reports including evaluation of the past trends 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.

- Since the identification of NPAs and provisioning for advances require significant level of estimation/judgement and given its significance to the overall audit due to stakeholder and regulatory focus, we have ascertained identification and provisioning for NPAs and advances as a key audit matter.
- We have also assessed disclosure requirements for classification and provisioning of NPAs in accordance with the RBI circulars including those issued specifically issued for Covid 19 related matters.

#### 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 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 applications (systems) used in processing significant transactions and recording balances in the

general ledger. We also tested 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 IT systems being used by the Bank for its Core Banking and other operations.
- Assessing operative effectiveness of key controls within various business processes. It included testing of integrity of system interfaces, completeness and accuracy of the data, system reconciliation controls and automated calculations.
- Design and operating effectiveness testing of controls across the User Access Management, Change Management as well as effectiveness testing of automated business process controls including segregation of duties.
- Reviewing effectiveness of mappings and flagging of financial transactions, and automated reconciliation controls (both between systems and intra-system); and
- Data integrity of critical system reports used by us in our audit to select samples and analyse data used by management to generate financial reports.

### 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, due to 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 from the management of the bank.
- We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the 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 specialist 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 the disclosures.

### D. Centralised Audit of the Bank

#### Key Audit Matter

Till previous year, the audit of Branches (other than top 20 branches and certain other locations) was carried out by the Branch Statutory Auditors appointed by the Bank. However, in the current year, the Joint Statutory Auditors have performed the audit of the Bank centrally. Considering this fact, it has been considered as a key audit matter.

#### Auditor's Response

- We have assessed the Bank's systems and procedures for carrying out centralized operations under various areas including process of consolidation at the central level.
- Visited certain branches to understand the operations carried out at Branches and potential issues.
- Performed analysis of information provided at central level.
- Reviewed the reports in respect of various audits including concurrent audit, internal inspections carried out at branches on a sample basis.

### 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 information included in the Annual Report including Pillar 3

disclosures, but does not include the Consolidated Financial Statements and our auditor's 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 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 and of its subsidiary 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.
- 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 current period 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

- a) The comparative Consolidated Financial Statements of the Group for the year ended on March 31, 2021, included in these Consolidated Financial Statements were audited by Predecessor Statutory Central Auditors of the Bank and they have expressed their unmodified opinion on the Consolidated Financial Statements vide their report dated May 26, 2021.
- b) 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 of ₹ 0.46 crore as at March 31, 2022, Group's share of total revenue of ₹ 0.85 crore and Group's share of total net loss after tax of ₹ 0.63 crore for the year ended March 31, 2022, 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.

### Report on Other Legal and Regulatory Requirements

1. The Consolidated Balance Sheet and the Consolidated 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 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 paragraph (b) 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 remuneration to its directors during the year. Hence, reporting under the provisions of and the limits laid down under 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, 2022 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, 2022, 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 6 of Schedule 18 to the Consolidated Financial Statements.
  - ii. There are no material foreseeable losses in respect of 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 by the Holding Company and its Subsidiary during the year ended March 31, 2022.
  - 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 10 (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 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 of the Holding Company and its Subsidiary has represented that, to the best of its knowledge and belief, as disclosed in the note 10 (b) of Schedule 18 to the Consolidated 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 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 performed by the statutory auditors of the Holding Company and of its Subsidiary, as 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.

- v. (a) The final dividend proposed in 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 9 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.

**For Kalyaniwalla & Mistry LLP**

Chartered Accountants  
Firm Regn No. 104607W/W100166

**Sd/-**

**(Anil A. Kulkarni)**

Partner  
M. No. 047576  
UDIN: 22047576AJTLTL7624

**Place:** Mangaluru

**Date:** May 27, 2022

**For Sundaram & Srinivasan**

Chartered Accountants  
Firm Regn No. 004207S

**Sd/-**

**(P Menakshi Sundaram)**

Partner  
M. No. 217914  
UDIN: 22217914AJTJZB8258

**Place:** Mangaluru

**Date:** May 27, 2022



## 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 Consolidated Financial Statements of the Karnataka Bank Limited for the year ended March 31, 2022)**

### Report on the Internal Financial Controls with reference to Consolidated Financial Statements

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, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

### 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI 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.

### **Opinion**

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 Matters 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, 2022, 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 ICAI.

### **Other Matters**

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.

### **For Kalyaniwalla & Mistry LLP**

Chartered Accountants  
Firm Regn No. 104607W/W100166

**Sd/-**

**(Anil A. Kulkarni)**

Partner  
M. No. 047576  
UDIN: 22047576AJTLTL7624

**Place:** Mangaluru

**Date:** May 27, 2022

### **For Sundaram & Srinivasan**

Chartered Accountants  
Firm Regn No. 004207S

**Sd/-**

**(P Menakshi Sundaram)**

Partner  
M. No. 217914  
UDIN: 22217914AJTJZB8258

**Place:** Mangaluru

**Date:** May 27, 2022

# CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2022

(₹ in ' 000s)

	Schedule No.	As on 31.03.2022	As on 31.03.2021
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	311,17,37	310,87,95
Reserves and Surplus	2	6782,81,96	6331,36,50
Deposits	3	80386,73,60	75654,49,48
Borrowings	4	2313,84,33	1764,88,00
Other Liabilities and Provisions	5	2245,32,82	1553,32,80
<b>TOTAL</b>		<b>92039,90,08</b>	<b>85614,94,73</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	3957,22,07	4866,14,91
Balances with Banks and Money at Call and Short Notice	7	479,53,78	449,41,71
Investments	8	22039,99,73	21634,68,54
Advances	9	56783,14,02	51515,84,62
Fixed Assets	10	818,22,33	838,37,09
Other Assets	11	7961,78,15	6310,47,86
<b>TOTAL</b>		<b>92039,90,08</b>	<b>85614,94,73</b>
Contingent Liabilities	12	9656,98,66	8396,33,01
Bills for Collection		2485,72,63	2378,63,20
Significant Accounting Policies	17		
Notes on Account	18		

The schedules referred to above form an integral part of Balance Sheet

Sd/-  
**Prasanna Patil**  
Company Secretary

Sd/-  
**Muralidhar K Rao**  
Chief Financial Officer

Sd/-  
**Gokuldas Pai**  
Chief Business Officer

Sd/-  
**Y V Balachandra**  
Chief Operating Officer

Sd/-  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

Sd/-  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

Sd/-  
**Balakrishna Alse S**  
Director  
DIN 08438552

Sd/-  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

Sd/-  
**(Anil A Kulkarni)**  
Partner  
M No 047576

Sd/-  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

# CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(₹ in' 000s)

	Schedule No.	Year ended 31.03.2022	Year ended 31.03.2021
<b>I. INCOME</b>			
Interest Earned	13	6221,66,37	6232,41,47
Other Income	14	953,87,70	1404,20,16
<b>Total</b>		<b>7175,54,07</b>	<b>7636,61,63</b>
<b>II. EXPENDITURE</b>			
Interest Expended	15	3730,61,97	4049,21,72
Operating Expenses	16	1811,55,17	1679,22,92
Provisions and Contingencies		1125,37,61	1425,71,10
<b>Total</b>		<b>6667,54,75</b>	<b>7154,15,74</b>
<b>III. PROFIT</b>			
Net profit for the year		507,99,32	482,45,89
Profit brought forward		85,36,28	101,68,14
<b>Total</b>		<b>593,35,60</b>	<b>584,14,03</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		150,00,00	125,00,00
Transfer to Capital Reserve		82,01	199,68,68
Transfer to Revenue Reserve		210,00,00	100,00,00
Transfer to Special Reserve u/s 36 (i) (viii) of Income Tax Act		38,22,62	47,20,66
Transfer from Investment Reserve Account		0	0
Transfer to Investment Fluctuation Reserve		3,27,26	26,88,41
Transfer to Other Funds		0	0
Dividend paid		55,95,65	0
Tax on dividend paid		0	0
Balance carried over to Balance Sheet		135,08,06	85,36,28
<b>Total</b>		<b>593,35,60</b>	<b>584,14,03</b>
Earning per share			
Basic	₹	16.36	15.52
Diluted	₹	16.29	15.48
Significant Accounting Policies	17		
Notes on Account	18		

The schedules referred to above form an integral part of Profit And Loss Account

Sd/-  
**Prasanna Patil**  
Company Secretary

Sd/-  
**Muralidhar K Rao**  
Chief Financial Officer

Sd/-  
**Gokuldas Pai**  
Chief Business Officer

Sd/-  
**Y V Balachandra**  
Chief Operating Officer

Sd/-  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

Sd/-  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

Sd/-  
**Balakrishna Alse S**  
Director  
DIN 08438552

Sd/-  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

Sd/-  
**(Anil A Kulkarni)**  
Partner  
M No 047576

Sd/-  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(₹ in' 000s)

	Year ended March 31, 2022		Year Ended March 31, 2021	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after Tax and Extra Ordinary Items		50,79,932		48,24,589
<b>Add:</b>				
Adjustments for :				
Provision for Tax	18,59,442		12,93,602	
(Profit)/Loss on sale of Fixed Assets	8,517		18,846	
Depreciation on Fixed Assets including Lease Adjustment charges	7,36,935		7,35,226	
Provisions and Contingencies	93,94,319		1,38,72,141	
Amortisation of premium on Held to Maturity Investments	11,92,380		12,53,200	
Loss on sale to SC/RC amortised during the year	-		-	
Write-off of Fixed Assets	-	1,31,91,591	665	1,71,73,680
<b>Operating Profit Before Working Capital Changes</b>		1,82,71,524		2,19,98,269
<b>Adjustment for :</b>				
i) (Increase)/Decrease in Advances & Other Assets	-6,56,15,835		4,65,35,131	
ii) (Increase)/Decrease in Investments	-61,02,678		-4,31,11,800	
iii) Increase/(Decrease) in Deposits, Borrowings & Other Liabilities	5,11,62,955		97,10,553	
iv) Change in Revenue Reserve	-	-2,05,55,558	18,93,703	1,50,27,587
<b>Cash Generated from Operations</b>		-22,84,034		3,70,25,856
<b>Less: Direct taxes paid</b>		23,90,528		33,43,138
<b>Net Cash Flow from Operating Activities (A)</b>		<b>-46,74,562</b>		<b>3,36,82,718</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		-5,65,959		-8,76,225
Sale of Fixed Assets		6,615		7,105
Investment in wholly owned subsidiary-KBL Services Ltd		-5,000		-5,000
<b>Net Cash used in Investing Activities (B)</b>		<b>-5,64,344</b>		<b>-8,74,120</b>
<b>TOTAL (A+B)</b>		<b>-52,38,906</b>		<b>3,28,08,598</b>

(₹ in' 000s)

	Year ended March 31, 2022	Year Ended March 31, 2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (net of expenses)	17,494	4,717
Proceeds from long term borrowings	-30,07,099	-88,52,559
Dividend paid (Including Tax on Dividend)	-5,59,565	-
<b>Net Cash Generated from Financing Activities (C)</b>	<b>-35,49,170</b>	<b>-88,47,842</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-87,88,077</b>	<b>2,39,60,756</b>
Cash & Cash Equivalents as at the beginning of the year	5,31,55,662	2,91,94,906
Cash & Cash Equivalents as at the end of the year	4,43,67,585	5,31,55,662

**Note:**

- The Cash Flow Statement has been prepared under the Indirect Method and figures of the previous year have been re-grouped wherever necessary.
- Cash and Cash Equivalents comprise of Cash in Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

**Sd/-**  
**Prasanna Patil**  
Company Secretary

**Sd/-**  
**Muralidhar K Rao**  
Chief Financial Officer

**Sd/-**  
**Gokuldas Pai**  
Chief Business Officer

**Sd/-**  
**Y V Balachandra**  
Chief Operating Officer

**Sd/-**  
**Mahabaleshwara M S**  
Managing Director & CEO  
DIN 07645317

**Sd/-**  
**P Pradeep Kumar**  
Chairman  
DIN 03614568

**Sd/-**  
**Balakrishna Aise S**  
Director  
DIN 08438552

**Sd/-**  
**B R Ashok**  
Director  
DIN 00415934

Refer 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

**Sd/-**  
**(Anil A Kulkarni)**  
Partner  
M No 047576

**Sd/-**  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

### SCHEDULE - 1 CAPITAL

(₹ in ' 000s)

	As on 31.03.2022	As on 31.03.2021
<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>		
31,12,92,381 Equity shares of ₹ 10/- each	311,29,24	310,99,82
(previous year 31,09,98,210 equity shares of ₹ 10/- each)		
<b>Subscribed Capital</b>		
31,11,80,410 Equity shares of ₹ 10/- each	311,18,04	310,88,62
(previous year 31,08,86,239 Equity shares of ₹ 10/- each)		
<b>Called up Capital /Paid-up Capital</b>		
31,11,63,860 Equity shares of ₹ 10/- each fully paid up	311,16,39	310,86,97
(Previous year 31,08,69,689 Equity shares of ₹10/- each)		
Less : Calls unpaid	0	0
Add : Forfeited Shares	98	98
<b>Total</b>	<b>311,17,37</b>	<b>310,87,95</b>

### SCHEDULE -2 RESERVES AND SURPLUS

(₹ in ' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Statutory Reserve</b>		
Opening balance	2605,00,00	2480,00,00
Additions during the year	150,00,00	125,00,00
	2755,00,00	2605,00,00
Deductions during the year	0	0
<b>Total</b>	<b>2755,00,00</b>	<b>2605,00,00</b>
<b>II. Capital Reserve</b>		
Opening balance	625,56,42	425,87,74
Additions during the year <sup>1</sup>	82,01	199,68,68
	626,38,43	625,56,42
Deductions during the year	0	0
<b>Total</b>	<b>626,38,43</b>	<b>625,56,42</b>
<b>III. Share Premium</b>		
Opening balance	1255,01,32	1255,04,15
Additions during the year	95,51	0
	1255,96,83	1255,04,15
Deductions during the year	0	2,83
<b>Total</b>	<b>1255,96,83</b>	<b>1255,01,32</b>

	As on 31.03.2022	As on 31.03.2021
<b>IV. Revenue and other Reserves</b>		
<b>a) Revenue Reserve</b>		
Opening balance	922,15,38	628,05,44
Additions during the year <sup>2</sup>	214,79,32	294,09,94
	1136,94,70	922,15,38
Deductions during the year	0	0
<b>Total</b>	1136,94,70	922,15,38
<b>b) Special Reserve u/s 36(1)(viii) of Income Tax Act</b>		
Opening balance	277,35,99	230,15,33
Additions during the year	38,22,62	47,20,66
	315,58,61	277,35,99
Deletion during the year	0	0
<b>Total</b>	315,58,61	277,35,99
<b>c) Investment Fluctuation Reserve Account</b>		
Opening balance	95,57,45	68,69,04
Additions during the year	3,27,26	26,88,41
	98,84,71	95,57,45
Deductions during the year	0	0
<b>Total</b>	98,84,71	95,57,45
<b>d) Employee stock option outstanding</b>		
Opening balance	0	0
Additions during the year	5,41	0
	5,41	0
Deductions during the year	0	0
<b>Total</b>	5,41	0
<b>e) Revaluation Reserve Account</b>		
Opening balance	465,33,66	470,06,57
Additions during the year	0	0
	465,33,66	470,06,57
Deductions during the year	6,38,45	4,72,91
<b>Total</b>	458,95,21	465,33,66
<b>V. Balance in Profit and Loss Account</b>	135,08,06	85,36,28
<b>GRAND TOTAL ( I TO V )</b>	<b>6782,81,96</b>	<b>6331,36,50</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. Includes ₹ 189.32 crore on account of restoration of provision debited during last year.



**SCHEDULE -3 DEPOSITS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>A. I. Demand Deposits</b>		
1. From Banks	5,56,43	4,42,12
2. From others	4821,18,24	4817,83,70
	<b>4826,74,67</b>	<b>4822,25,82</b>
<b>II. Savings Bank Deposits</b>	<b>21672,83,84</b>	<b>19001,06,27</b>
<b>III. Term Deposits</b>		
1. From Banks	47,23	9,79,81
2. From others	53886,67,86	51821,37,58
	<b>53887,15,09</b>	<b>51831,17,39</b>
<b>Total : (I, II and III)</b>	<b>80386,73,60</b>	<b>75654,49,48</b>
<b>B. 1. Deposits of branches in India</b>	80386,73,60	75654,49,48
<b>2. Deposits of branches outside India</b>	0	0
<b>Total (1+2)</b>	<b>80386,73,60</b>	<b>75654,49,48</b>

**SCHEDULE -4 BORROWINGS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Borrowings in India</b>		
1. Reserve Bank of India	849,67,33	0
2. Other Banks	0	0
3. Other Institutions and Agencies	194,17,00	794,88,00
4. Subordinated Debts for Tier II Capital	1270,00,00	970,00,00
<b>Total</b>	<b>2313,84,33</b>	<b>1764,88,00</b>
<b>II. Borrowings outside India</b>	0	0
<b>Total : (I and II)</b>	<b>2313,84,33</b>	<b>1764,88,00</b>
Secured borrowings included in I & II above	849,67,33	0

**SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
I. Bills Payable	307,95,12	222,85,54
II. Inter Office adjustments(Net)	52,96	1,48
III. Interest accrued	68,33,74	60,53,06
IV. Deferred Tax Liability (Net)	0	0
V. Others (including Provisions)	1868,51,00	1269,92,72
<b>Total</b>	<b>2245,32,82</b>	<b>1553,32,80</b>

**SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Cash in hand</b>	<b>644,39,93</b>	<b>501,96,84</b>
(including foreign currency notes)		
<b>II. Balances with Reserve Bank of India</b>		
1. In Current Account	2779,82,14	2614,18,07
2. In Other Accounts	533,00,00	1750,00,00
<b>Total</b>	<b>3312,82,14</b>	<b>4364,18,07</b>
<b>Total : (I and II)</b>	<b>3957,22,07</b>	<b>4866,14,91</b>

**SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. IN INDIA</b>		
<b>i. Balances with Banks</b>		
a) In Current Accounts	57,02,34	20,71,36
b) In other deposit accounts	0	0
	<b>57,02,34</b>	<b>20,71,36</b>
<b>ii. Money at Call and Short Notice</b>		
a) With Banks	0	0
b) With other institutions	0	0
	0	0
<b>Total (i) &amp; (ii)</b>	<b>57,02,34</b>	<b>20,71,36</b>
<b>II. OUTSIDE INDIA</b>		
i. In Current Accounts	20,81,41	19,28,75
ii. In Other Deposit Accounts	401,70,03	409,41,60
iii. Money at Call and Short Notice	0	0
<b>Total</b>	<b>422,51,44</b>	<b>428,70,35</b>
<b>Grand Total (I and II)</b>	<b>479,53,78</b>	<b>449,41,71</b>

**SCHEDULE - 8 INVESTMENTS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Investments in India (Gross)</b>	22402,55,18	21911,52,20
Less: Provision / depreciation	362,55,45	276,83,66
Net value of Investments In India	<b>22039,99,73</b>	<b>21634,68,54</b>
<b>Break-up :</b>		
1. Government Securities *	20133,08,77	19245,19,22
2. Other Approved Securities	0	0
3. Shares	86,17,72	81,51,95
4. Debentures and Bonds	1633,40,99	1377,19,33
5. Subsidiaries and/or Joint Ventures	0	0
6. Units and Gold	187,32,25	930,78,04
<b>Total</b>	<b>22039,99,73</b>	<b>21634,68,54</b>
<b>II. Investments outside India</b>		
1. Government Securities (including local authorities)	0	0
2. Subsidiaries and/or joint ventures abroad	0	0
3. Others investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total (I+II)</b>	<b>22039,99,73</b>	<b>21634,68,54</b>

\* includes securities of ₹ 8496733 (Previous year ₹ Nil ) pledged for borrowings

## SCHEDULE - 9 ADVANCES

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
A) 1. Bills Purchased and discounted	379,09,18	464,21,11
2. Cash Credits, Overdrafts and Loans repayable on demand	19924,33,25	17141,54,92
3. Term Loans	36479,71,59	33910,08,59
<b>Total</b>	<b>56783,14,02</b>	<b>51515,84,62</b>
B) 1. Secured by Tangible Assets (including book debts)	51823,35,71	46003,37,78
2. Secured by Bank/Government Guarantees	1611,65,35	3589,90,14
3. Unsecured	3348,12,96	1922,56,70
<b>Total</b>	<b>56783,14,02</b>	<b>51515,84,62</b>
<b>C) I. Advances in India</b>		
1. Priority Sector	25835,47,83	24210,94,15
2. Public Sector	2407,08,98	1193,54,83
3. Banks	0	0
4. Others	28540,57,21	26111,35,64
<b>Total</b>	<b>56783,14,02</b>	<b>51515,84,62</b>
<b>C) II. Advances outside India</b>		
1. Due from Banks	0	0
2. Due from others	0	0
a) Bills Purchased and Discounted	0	0
b) Syndicated Loans	0	0
c) Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (C. I and C. II)</b>	<b>56783,14,02</b>	<b>51515,84,62</b>

## SCHEDULE - 10 FIXED ASSETS

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
<b>I. Premises</b>		
At cost / Revaluation as on 31st March of the preceding year	677,45,35	676,56,53
Additions during the year	0	92,67
	677,45,35	677,49,20
Deductions during the year	1,71,66	3,85
	675,73,69	677,45,35
Depreciation to-date	58,77,29	51,85,31
<b>Total</b>	<b>616,96,40</b>	<b>625,60,04</b>
<b>II. Other Fixed Assets</b> (including Furniture and Fixtures)		
At cost as on 31st March of the preceding year	658,15,53	583,74,18
Additions during the year	44,13,51	86,72,95
	702,29,04	670,47,13
Deductions during the year	8,83,21	12,31,60
	693,45,83	658,15,53
Depreciation to date	505,35,92	445,89,84
<b>Total</b>	<b>188,09,91</b>	<b>212,25,69</b>
<b>III. Assets under Construction</b>	<b>13,16,02</b>	<b>51,36</b>
<b>Total (I+II+III)</b>	<b>818,22,33</b>	<b>838,37,09</b>

**SCHEDULE - 11 OTHER ASSETS**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
I. Interest accrued	348,46,44	310,14,28
II. Tax paid in advance/tax deducted at source(net of provisions) *	1382,58,75	766,52,09
III. Stationery and Stamps	5,30,83	6,54,77
iv) Non Banking Assets acquired in satisfaction of claims	6,12,95	17,31,61
V. Others **	6219,29,18	5209,95,11
<b>Total</b>	<b>7961,78,15</b>	<b>6310,47,86</b>

\* includes MAT Entitlement Credit ₹ Nil (Previous year ₹ 44,53,90)

\*\* includes deferred tax assets (net )of ₹ 369,30,78 (Previous year ₹ 425,73,56)

**SCHEDULE - 12 CONTINGENT LIABILITIES**

(₹ in' 000s)

	As on 31.03.2022	As on 31.03.2021
I. Claims against the Bank not acknowledged as debts	50,06,55	48,78,43
II. Liability for Partly paid investments	0	0
III. Liability on account of outstanding Forward Exchange Contracts	4371,73,51	3873,05,15
IV. Guarantees given on behalf of constituents		
a) In India	3961,42,03	3472,48,04
b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	1020,49,52	862,28,96
VI. Other items for which the bank is contingently liable	253,27,05	139,72,43
<b>Total</b>	<b>9656,98,66</b>	<b>8396,33,01</b>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT****SCHEDULE - 13 INTEREST EARNED**

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
I. Interest/discount on advances/bills	4737,88,38	4937,29,17
II. Income on Investments	1310,11,91	1142,35,38
III. Interest on balances with Reserve Bank of India/ other Inter-Bank funds	31,88,86	29,97,10
IV. Others	141,77,22	122,79,82
<b>Total</b>	<b>6221,66,37</b>	<b>6232,41,47</b>

**SCHEDULE - 14 OTHER INCOME**

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
I. Commission, Exchange and Brokerage	416,13,63	355,86,06
II. Profit on sale of Investments	52,62,28	626,13,84
Less : Loss on sale of investmens	-3,96,60	-1,34,94
III. Profit on Revaluation of Investments	0	0
Less : Loss on revaluation of investments	-98,76,92	-90,86,34

	Year ended 31.03.2022	Year ended 31.03.2021
IV. Profit on sale of Land, Buildings and Other Assets	27,71	24,24
Less: :Loss of sale of Land , building and other assets	-1,12,88	-2,12,70
V. Profit on Exchange Transactions	23,97,35	19,24,58
Less : Loss of exchange Transactions	-3,59,00	-2,31,00
VI. Income earned by way of dividends etc., from Subsidiaries/ Companies and /or Joint Ventures abroad/ in India	0	0
VII. Miscellaneous income	568,32,13	499,36,42
<b>Total</b>	<b>953,87,70</b>	<b>1404,20,16</b>

### SCHEDULE - 15 INTEREST EXPENDED

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
1. Interest on deposits	3584,63,90	3850,77,35
2. Interest on Reserve Bank of India/Inter-Bank Borrowings	39,42,46	41,42,12
3. Others	106,55,61	157,02,25
<b>Total</b>	<b>3730,61,97</b>	<b>4049,21,72</b>

### SCHEDULE - 16 OPERATING EXPENSES

(₹ in' 000s)

	Year ended 31.03.2022	Year ended 31.03.2021
I. Payments to and provisions for employees	1016,19,94	913,31,27
II. Rent, Taxes and Lighting	146,34,14	143,05,15
III. Printing and Stationery	15,00,57	5,91,76
IV. Advertisement and Publicity	7,60,36	5,20,23
V. Depreciation on Bank's property	73,67,41	73,52,26
VI. Directors' fees, allowances and expenses	2,76,83	1,74,56
VII. Auditors' fees and expenses (including branch audit fees only for preivious year )	2,85,42	4,35,46
VIII. Law charges	9,80,95	10,26,90
IX. Postage, telegrams, telephone etc.	26,79,88	24,73,57
X. Repairs and maintenance	57,88,84	51,30,55
XI. Insurance	94,49,42	95,06,77
XII. Other expenditure	358,11,41	350,74,44
<b>Total</b>	<b>1811,55,17</b>	<b>1679,22,92</b>

## SCHEDULE-17 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL

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 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.

### BASIS OF PREPARATION

The Financial Statements of the parent bank have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949, following the going concern concept, on historical cost basis and accrual basis of accounting unless otherwise stated, conforming to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the Banking industry in India.

### USE OF ESTIMATES

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

### 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" issued by the Institute of Chartered Accountants of India.

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.

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. REVENUE RECOGNITION

Interest and discount on performing advances and investments is accounted for on accrual basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.

Interest and discount on non performing advances and investments is accounted on realisation as per the RBI prudential norms on Income Recognition and Asset classification.

Commission on para banking business is accounted on accrual basis. Commission on Guarantees/Letter of Credit, Funded Interest on Term Loan, Processing Fees, Rent on safe deposit lockers and other fees and incomes are accounted on receipt basis.

Dividend Income is recognised when right to receive the dividend is established.

Recoveries in the non performing advances are appropriated as under:

- a) In case of Term Loan/DPN, recoveries are appropriated towards principal, interest and charges in order of demand.
- b) In case of 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 case of One Time settlement (OTS) accounts the recoveries are first adjusted to principal balance.
- d) In case of suit filed accounts, related legal and other expenses incurred are charged to Profit and Loss Account and on recovery the same are accounted as income.
- e) 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.

Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the "Held to Maturity" category is appropriated (net of applicable taxes and amount required to be transferred to 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.

## 2. INVESTMENTS

Investments of the parent Bank are classified under the heads "Held to Maturity", "Available for Sale" and "Held for Trading" categories and are valued in accordance with the RBI guidelines. The value, net of depreciation is shown in the Balance Sheet.

The excess of acquisition cost over the face value of securities under "Held to Maturity" category is amortised over the remaining period to maturity.

Investment in subsidiary is valued at acquisition cost less diminution, other than temporary in nature.

Transfers of scrip, if any, from one category to another, are done at the lower of the book value/ market value on the date of transfer and the depreciation, if any, on such transfers is fully provided for.

Provisions for non-performing investments are made as per RBI guidelines. In respect of Non performing Non SLR debt instruments the bank makes provisions as per RBI prudential norms on Income Recognition and Classification as applicable to advances.

## 3. DERIVATIVE CONTRACTS

Derivative contracts undertaken by the parent bank 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. ADVANCES

a) Advances are classified into (a) Standard; (b) Sub-Standard; (c) Doubtful; and (d) Loss assets,

in accordance with the RBI Guidelines and are stated net of provisions made towards Non-performing advances, unrealised interest and claims received from Guarantee corporations, etc.

Provisions are made in accordance with the prudential norms as prescribed by Reserve Bank of India from time to time.

- b) In case of financial assets sold to Securitisation/ Reconstruction Company, if the sale is for the price higher than the net book value, excess provision held is not reversed but retained till redemption of the security receipt, wherever applicable. If the sale is at a price below the net book value (NBV), the shortfall is debited to the Profit and Loss account, as per the RBI Guidelines.
- c) For restructured / rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires diminution in the fair value of assets to be provided at the time of restructuring. Restructured accounts are classified in accordance with the RBI guidelines, including special dispensation wherever allowed.

## 5. FIXED ASSETS

Fixed assets are stated at cost (except premises revalued based on values determined by the approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use and Taxes and duties to the extent not eligible for input credits if any. Appreciation on account of revaluation is credited to the Revaluation Reserve. Depletion in value arising out of revaluation is charged to the Revaluation Reserve.

Computer Software is capitalised along with computer hardware and included under other fixed assets.

Carrying amount of fixed assets is reviewed at each balance sheet date for indication of impairment. Impairment loss if any, is recognised in the Profit and Loss Account to the extent the carrying amount of an asset exceeds its estimated recoverable value.

## 6. DEPRECIATION

Depreciation on fixed assets (including revalued portion thereon) is provided following Straight Line Method (SLM) as per the useful life specified under Schedule II of the Companies Act, 2013, except in respect of computers (including software) where depreciation is provided at a flat rate of 33.33 % as per the RBI guidelines.

Where during any financial year, 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.

Premium paid on leasehold properties is charged off over the lease period. Depreciation on leased assets is calculated so as to spread the depreciable amount over the primary lease period.

Pursuant to Accounting Standard -10 (Revised 2016) on Property, Plant & Equipment, depreciation on Revalued portion of the fixed assets is transferred from the Revaluation Reserve to the Revenue Reserve.

#### **FOREIGN CURRENCY TRANSACTIONS**

Monetary Assets and Liabilities, Forward Exchange Contracts, Guarantees, Letters of Credit, Acceptances, Endorsements and other obligations of parent bank are evaluated at the closing spot rates/forward rates for the residual maturity of the contract, as published by the FEDAI and in accordance with Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

Gain or loss on evaluation of outstanding monetary assets/liabilities and Foreign Exchange Contracts are taken to Profit and Loss Account.

#### **7. EMPLOYEE BENEFITS**

Contribution made by the parent Bank to the Provident Fund and Contributory Pension Scheme are charged to the Profit and Loss account.

Liability towards Gratuity, Pension, Sick Leave and En-cashable Leave are determined and recognised in the accounts based on actuarial valuation as at the Balance Sheet date and net actuarial gains/losses are recognised as per the Accounting Standard 15.

Short term employee benefits are accounted for on actual basis.

#### **8. EMPLOYEE STOCK OPTION**

The Bank uses Intrinsic Value method to account for compensation cost of stock options granted to employees of the Bank except for all option granted after the accounting period ended March 31, 2021 based on fair value method.

#### **9. 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 guidelines.

Geographical Segment consists only of Domestic Segment since the Bank does not have any foreign branches.

#### **10. EARNINGS PER SHARE**

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per share are computed by dividing the net profit or loss for the year attributable to the equity shareholders using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

#### **11. 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, 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 assets are not recognised unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised.



Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted.

## **12. PROVISIONS AND CONTINGENT LIABILITIES & ASSETS**

A provision is recognised by the parent Bank when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank or a present obligation that arises from past events that is not recognized because 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. The Bank does not recognize a contingent liability but discloses its existence in the financial statements.

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.

Contingent assets are not recognized 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 recognized in the period in which the change occurs.

## **13. NET PROFIT**

The net profit disclosed in the Profit & Loss Account is after making provisions for (i) Taxes, (ii) Non Performing Assets, (iii) Standard Advances, (iv) Restructured advances, (v) Depreciation on Investments and (vi) other necessary and applicable provisions.

## **14. 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.

## **15. CORPORATE SOCIAL RESPONSIBILITY**

Expenditure towards corporate social responsibility, in accordance with the Companies Act, 2013, are recognised in the Profit and Loss account.

**SCHEDULE – 18 NOTES ON CONSOLIDATED ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31<sup>st</sup> MARCH 2022, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022.**

1. Consolidated Financial Statements comprises the results of The Karnataka Bank Limited (Parent) and the wholly owned non-financial subsidiary of KBL Services Limited.
2. Audited Financial Statements of the Subsidiary has been drawn upto the same reporting date as that of the Parent i.e. 31<sup>st</sup> March, 2022.

**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 year ended March 31, 2021.

**b. Accounting Standard 9 – Revenue Recognition.**

Revenue is recognized on accrual basis as per Accounting Policy No.1 of Schedule 17 to the financial statements. Certain items of income are recognized on cash basis and the same is not material.

**c. Accounting Standard 10 - Fixed Assets**

During the years ended March 31, 2017 and March 31, 2020, as permitted by the Board, the Parent Bank had revalued land & buildings owned by it. Net appreciation of ₹ 422.58 crore and ₹ 60.11 crore respectively arising out of such revaluation was accounted with corresponding credit to the Revaluation Reserve, as under:

Details	(₹ in crore)
Details	Amount
Book value of Land & Building as on March 31, 2022	160.38
Incremental value on account of revaluation made in 2016-17 and credited to the Revaluation Reserve	420.99
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
Depreciation up to March 31, 2022 on revalued amount	25.73
Written Down Value of the revalued assets	615.75

Depreciation on the book value of the land & building up to March 31, 2022 is ₹ 55.27 crore. Profit and Loss Account for the current financial year has been debited with additional depreciation charge of ₹ 4.79 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 under the Pension & Group Schemes unit of LIC of India, 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, the Parent Bank has provided an amount of ₹ 19.01 crore (Previous year ₹ 26.40 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 31st March 2022, 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)** 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	Pension (Funded)	Gratuity (Funded)
1	Method of Valuation		Projected unit credit
2	Discount rate	7.40%	7.30%
3	Salary escalation rate	4.00%	4.00%
4	Attrition rate	2.00%	2.00%
5	Expected rate of return on plan assets	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	Pension (Funded)	Gratuity (Funded)
1	Present Value of defined benefit obligation as at 1st April 2021	854.00	282.30
2	Interest Cost	54.22	18.68
3	Current Service Cost	29.51	24.84
4	Past Service Cost	0	0
5	Benefits Paid	(158.86)	(23.19)
6	Actuarial Loss/(Gain) on Obligations	166.63	(7.33)
7	Present Value of defined benefit obligation as at 31st March 2022	<b>945.50</b>	<b>295.30</b>

**Changes in Fair value of Plan Assets- Reconciliation of Opening and Closing Balances** (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Fair Value of Plan Assets at the beginning of the year	854.00	282.30
2	Expected return on Plan Assets	63.06	20.19
3	Bank's Contribution related to Current year	190.39	15.56
4	Benefits Paid	(158.86)	(23.19)
5	Actuarial Gain/(Loss ) on plan assets	(3.09)	0.44
6	Fair Value of Plan Asset at the end of the year	<b>945.50</b>	<b>295.30</b>

**Actual Return on Plan Assets** (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Expected return on Plan Assets	63.06	20.19
2	Actuarial Gain/(Loss) on plan Assets	(3.09)	0.44
3	Actual Return on Plan Assets	59.97	20.63

**Actuarial Gain/Loss Recognized** (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Actuarial (Gain)/Loss for the period- Obligations	166.63	(7.33)
2	Actuarial (gain)/Loss for the period- Plan Assets	3.09	(0.44)
3	Total (Gain)/Loss for the period- Plan Assets	169.72	(7.77)
4	Actuarial (Gain)/Loss recognized in the year	169.72	(7.77)
5	Unrecognized actuarial (Gain)/Loss at the end of the year	0	0

**Amounts recognized in Balance Sheet and Related Analysis** (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Present value of the obligations	945.50	295.30
2	Fair Value of Plan Assets	945.50	295.30
3	Surplus/(Deficit)	0	0
4	Assets/(Liability) recognised in the Balance Sheet	0	0

**Expenses recognised in the Profit and Loss Account** (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Current Service Cost	29.51	24.84
2	Interest Cost	54.22	18.68
3	Expected Return on Plan Assets	(63.06)	(20.19)
4	Net actuarial (Gain)/Loss recognized in the year	169.72	(7.77)
5	Expenses recognised in the Profit and Loss Account	190.39	15.56

**Major Categories of plan assets (As a percentage of total plan assets)**

Sl. No.	Particulars	Pension Fund	Gratuity Fund
1	Government of India Securities	0	2.12
2	State Government Securities	0	0
3	High Quality Corporate Bonds	0	0
4	Equity Shares of Listed Companies	0	0
5	Property	0	0
6	Funds managed by insurer	100.00	97.74
7	Mutual Funds	0	0
8	Bank Deposits- Current Accounts	0	0
9	Others	0	0.14
10	<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**Estimated expenses/contribution for the next year**

(₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Enterprises Best estimate of expenditure to be incurred during the next year(inclusive of proportionate amortisation)	971.70	310.40

**e. Accounting Standard 17 – Segment Reporting:**

For the purpose of segment reporting in terms of AS 17 of the ICAI 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 and (d) Other Banking Operations. 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.

**Business Segments**

(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE/ WHOLESALE BANKING		RETAIL BANKING		OTHER BANKING OPERATIONS		TOTAL	
	Mar'22	Mar'21	Mar'22	Mar'21	Mar'22	Mar'21	Mar'22	Mar'21	Mar'22	Mar'21
Revenue	1315.30	1814.18	2506.24	2739.23	2911.22	2741.25	426.61	427.80	7159.37	7722.46
Unallocated Income									16.17	5.02
Total Income									7175.54	7727.48
Result	256.12	778.23	526.18	450.58	920.35	813.77	-12.38	24.94	1690.27	2067.52
Unallocated expenses (including provisions & contingencies)									-996.94	-1455.70
Profit before tax									693.93	611.82
Income taxes									185.94	129.36
Extraordinary/ Exceptional Profit / Loss									0	0
Net Profit									507.99	482.46
Other Information									-	-
Segment Assets	26826.22	27517.43	29849.68	24538.47	28033.74	27427.03	4897.69	3919.13	89607.33	83402.06
Unallocated Assets									2432.57	2213.37
Total Assets									92039.90	85615.43
Segment Liabilities	24703.42	25225.09	27676.60	22775.63	25793.97	25337.06	4532.96	3606.41	82706.95	76944.14
Unallocated liabilities									2238.97	2029.01
Total Liabilities									84945.92	78973.20
Capital employed									7093.98	6642.23

**f. Accounting Standard 18 – Related Party Disclosures**

(₹ in crores)

Items/Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint Ventures	Key Management Personnel <sup>^</sup>	Relatives of Key Management Personnel
Borrowings#		0		0	0
Deposits#		0.11 (0.54)		Please See note below	Please See note below
Placement of deposits#		0		0	0
Advances#		0		0	Please See note below
Investments #		0.50 (1.00)		0	0
Non funded commitments#		0		0	0
Leasing/ HP Arrangements availed#		0		0	0
Leasing/ HP Arrangements provided#		0.09		0	0
Purchase of fixed assets		0		0	0
Sale of fixed assets		0.001			
Interest Paid		0.008		Please See note below	Please See note below
Interest Received		0		0	0
Rendering Services		0		0	0
Receiving Services		0.84		1.15 <sup>#</sup>	0
Management Contact		0		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

1. <sup>^</sup> 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. Since Bank has only one entity in each category of Key Managerial Personnel and Subsidiary, 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 Parent Bank’s relationship with each of the entities is as under:

- a) Mr. Mahabaleshwara MS, Managing Director & CEO of the Parent Bank, who is the sole Whole Time Director 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.
- b) KBL Services Ltd. is a Wholly Owned Non-Financial Subsidiary of the Parent Bank in respect of which the approval of the Reserve Bank of India has been obtained in terms of "Master Direction- Reserve Bank of India (Financial Services provided by Banks) Directions, 2016".

#### 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 2021-22	Previous Year 2020-21
Earnings per share- Basic(₹)	16.36	15.52
Earnings per share- Diluted(₹)	16.29	15.48
Net Profit for the year attributable to Equity shares (₹ in crore)	508.62	482.57
Weighted Average number of Equity Shares –Basic	31,09,47,545	31,08,69,689
Weighted Average number of Equity Shares - Diluted	31,21,58,169	31,17,86,799
Nominal value per equity share(₹)	10.00	10.00

Allotment of 128521 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.

#### h. Accounting Standard 22 – Accounting for Taxes on Income

- i) Provision made for taxes during the year (₹ in crore)

Particulars	Current Year 2021-22	Previous Year 2020-21
Current Tax	129.51	114.29
Deferred Tax	56.43	15.07
<b>Total</b>	<b>185.94</b>	<b>129.36</b>

- ii) Major components of Deferred Tax Assets and Liabilities recognised are as Under: (₹ in crore)

Sl. No.	Particulars	Current Year 2021-22	Previous Year 2020-21
<b>A</b>	<b>Deferred Tax Liabilities</b>		
1	Depreciation on fixed assets	10.20	16.95
2	Special Reserve u/s 36(1)(viii) of Income Tax Act	79.42	96.92
3	Deferred Revenue Expenditure	0.00	0.00
4	Others	0.00	0.00
	<b>Total</b>	<b>89.62</b>	<b>113.87</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
1	PL/LFC Encashment	56.70	71.49
2	Provision for advances	205.74	315.18
3	Provision for Standard advances	154.31	116.78
4	Provision for arrears of salary	0.00	0.00
5	Provision for Fair Value Loss	20.69	11.91
6	Others	21.49	24.25
	<b>Total</b>	<b>458.93</b>	<b>539.61</b>
	<b>Net Deferred Tax Liability/(Asset)(A) – (B)</b>	<b>(369.31)</b>	<b>(425.74)</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, 2022, there was no indication of impairment of any asset.

**j. Accounting Standard 29 – Provision, Contingent Liabilities and Contingent Assets**

**Movement in Provision for Contingencies**

(₹ in crore)

Particulars	Opening as on 01.04.2021	Provision made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2022
Provision for contingencies	13.77	11.74	0.39	25.12

4. The continued impact of COVID-19 pandemic has affected the global economy including India. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which COVID-19 pandemic may continue to impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments, which are highly uncertain. 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 eligible borrowers and necessary provision has been made for the same. Further as a matter of prudence the bank has made additional provisions towards stressed accounts.
5. With effect from Assessment year 2021-22, the Parent Bank has opted for new regime of tax under section 115 BAA of Income tax Act 1961. Consequently, during the current quarter the Parent Bank has re- measured its deferred Tax assets and deferred tax Liabilities and reversed the amount of ₹ 85.00 crores by debiting to the Profit and Loss Account.

**6. Litigations and claims**

A sum of ₹ 1222.43 crore (Previous year ₹ 708.38 crore) is outstanding on account of demands raised by the Income Tax Department in the earlier years which have been fully paid under protest by debit to Sundry Assets - Protested Tax Account. 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 ₹ 352.31 crore.

The Parent Bank has also preferred appeal against certain service tax demands to the extent of ₹ 193.15 crore and paid pre deposit of ₹ 1.06 crore by debit to Sundry Assets – Service Tax Paid under Protest.

The Parent Bank has been advised that there are good chances of success in these appeals, considering favorable 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.

The Parent Bank confirms that all pending litigations which may have an impact on its financial position have been estimated and provided for. In respect of other pending litigations, the Parent Bank believes that no provision is required since these pending litigations have no impact on its financial position.

**7. 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 1st, 2nd & 3rd 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, 2022, no modifications were made to the terms and conditions of ESOs as approved by the NRC.

On August 30, 2021, RBI issued a clarification on Guidelines on Compensation of Whole time Directors / Chief Executive officers/Material risk takers and Control Function staff advising banks that the share linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. The fair value thus arrived should be recognized as an expense for all options granted after the accounting period ended March 31,2021, over the vesting period. Accordingly, bank has estimated the fair value of such stock based compensation on the date of grant using Black- Scholes model( as against intrinsic value method adopted earlier) and recognized the same as an expense over the vesting period, which does not have a material impact on the results for the quarter/year ended march 31, 2022.

Activity in the options outstanding under the Employee Stock Option Scheme

Particulars	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	49,24,040*	55.76
Granted during the year	40,000	70.40
Vested during the year	18,52,105*	52.82
Exercised during the year	294171	46.30
Lapsed/ forfeited/ cancelled (Nos.)	55822*	
Outstanding as on March 31, 2022	46,14,047*	56.66
Exercisable at the end of the year March 31, 2022	23,55,472*	69.16

\* After giving effect to the Bonus issue-2020

8. Operating Expenses stated in Schedule 16 to the Profit and Loss Account includes ₹ 11.48 crore (Previous year ₹ 13.19 crore) spent towards Corporate Social Responsibility (CSR) activities. The Bank has spent 2.04% (Previous Year: 2.02%) of its average net profit for the last three Financial Years as part of its Corporate Social Responsibility for the year ended March 31, 2021. The details of the amount spent during the respective years towards CSR are as under:

(₹ in crore)

Sl No.	Particulars	March 31,2022			March 31,2021		
		Amount Spent	Amount unpaid / provided	Total @	Amount Spent	Amount unpaid / provided	Total
i)	Construction / acquisition of any asset	4.61	2.46	7.07	0	0	0
ii)	On purpose other than (i) above	3.39	1.02	4.41	8.69*	4.50**	13.19

@ Excluding a sum of ₹ 0.19 Crore excess sanctioned & provided in FY 20-21 set off to FY 2021-22.

\* includes ₹ 1.85 crore of earlier years sanctions spent during the FY 2020-21.

\*\* includes ₹ 2.96 crore pertaining to the FY 2020-21 and balance ₹ 1.54 crore pertains to the earlier years.

9. The Board of Directors have recommended a dividend of ₹ 4/- per share (40%) for the year ended 31<sup>st</sup> March 2022 (previous year ₹ 1.8/- Per share (18%)), subject to the approval of the shareholders at the ensuing Annual General Meeting. In accordance with Accounting Standard (AS) 4 – Contingencies & Event occurring after the balance sheet date', the proposed dividend amounting to ₹ 124.47 crores (Previous year ₹ 55.96 Crores) has not been shown as an appropriation from the Profit as of March 31, 2022 and consequently not reported under Other liabilities and Provisions as of March 31,2022. For computation of capital adequacy ratio as of March 31, 2022 Bank has adjusted the proposed dividend for determining capital funds

## 10. 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

- (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 or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- (b) 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 11. Additional Disclosure:

Additional Statutory information disclosed in the standalone financial statement of the 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.

12. Previous year's figures have been regrouped/rearranged/given in brackets wherever necessary and feasible to conform to current year's classification.

<b>Sd/-</b> <b>Prasanna Patil</b> Company Secretary	<b>Sd/-</b> <b>Muralidhar K Rao</b> Chief Financial Officer	<b>Sd/-</b> <b>Gokuldas Pai</b> Chief Business Officer	<b>Sd/-</b> <b>Y V Balachandra</b> Chief Operating Officer
<b>Sd/-</b> <b>Mahabaleshwara M S</b> Managing Director & CEO DIN 07645317	<b>Sd/-</b> <b>P Pradeep Kumar</b> Chairman DIN 03614568	<b>Sd/-</b> <b>Balakrishna Alse S</b> Director DIN 08438552	<b>Sd/-</b> <b>B R Ashok</b> Director DIN 00415934

Refer 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

**Sd/-**  
**(Anil A Kulkarni)**  
Partner  
M No 047576

**Sd/-**  
**( P Menakshi Sundaram)**  
Partner  
M No.217914

Place : Mangaluru  
Date : 27<sup>th</sup> May 2022





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