



Karnataka Bank Ltd.

Estd : 1924

CIN : L85110KA1924PLC001128

Regd. & Head Office
P.B. No. 599, Mahaveera Circle
Kankanady, Mangalore – 575 002

Phone : 0824 - 2228222 Fax : 0824-2225588
Website : www.karnatakabank.com
email : info@ktnbank.com

21.07.2017

SECRETARIAL DEPARTMENT

HO:SEC:21:2017-18

The Manager
Listing Department
National Stock Exchange Of India Limited
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex
Bandra (E)
Mumbai-400051

The General Manager,
BSE Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Kind Attn: Listing Department

Dear Sir,

Sub: Regulation 34 of SEBI (LODR) Regulations, 2015-Annual Report of the Bank for the Financial Year 2016-17.

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Bank for the Financial Year 2016-17 which was adopted in the 93rd Annual General Meeting of the members of the Bank held on 17.07.2017.

Thank You,
Yours faithfully,


COMPANY SECRETARY

ANNUAL
REPORT

2016-17



Karnataka Bank Ltd.
Your Family Bank. Across India.

BOARD OF DIRECTORS

ನಿರ್ದೇಶಕರ ಮಂಡಳಿ



SRI P JAYARAMA BHAT

ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್

NON-EXECUTIVE CHAIRMAN
ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷರು



SRI MAHABALESHWARA M S

ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಮ್.ಎಸ್.

MANAGING DIRECTOR & CEO
ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು ಮತ್ತು
ಮುಖ್ಯ ಕಾರ್ಯನಿರ್ವಾಹಕ ಅಧಿಕಾರಿ



SRI ASHOK HARANAHALLI

ಶ್ರೀ ಅಶೋಕ್ ಹಾರನಹಳ್ಳಿ



SMT. USHA GANESH

ಶ್ರೀಮತಿ ಉಷಾ ಗಣೇಶ್



SRI RAMMOHAN RAO BELLE

ಶ್ರೀ ರಾಮಮೋಹನ್ ರಾವ್ ಬೆಳ್ಳೆ



SRI B A PRABHAKAR

ಶ್ರೀ ಬಿ.ಎ. ಪ್ರಭಾಕರ್



SRI ULLAL RAVINDRA BHAT

ಶ್ರೀ ಉಳ್ಳಾಲ ರವೀಂದ್ರ ಭಟ್



SRI KESHAV KRISHNARAO DESAI

ಶ್ರೀ ಕೇಶವ್ ಕೃಷ್ಣರಾವ್ ದೇಸಾಯಿ



SRI D SURENDRA KUMAR

ಶ್ರೀ ಡಿ. ಸುರೇಂದ್ರ ಕುಮಾರ್

CHIEF GENERAL MANAGER

Sri Raghavendra Bhat M.

ಮುಖ್ಯ ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ರಾಘವೇಂದ್ರ ಭಟ್ ಎಂ.

GENERAL MANAGERS

Sri Raghurama

Sri B. Chandrashekar Rao

Sri Subhaschandra Puranik

Sri Y.V. Balachandra

Sri Muralidhar K. Rao

Sri Nagaraja Rao B.

ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ರಘುರಾಮ

ಶ್ರೀ ಬಿ. ಚಂದ್ರಶೇಖರ ರಾವ್

ಶ್ರೀ ಸುಭಾಸ್‌ಚಂದ್ರ ಪುರಾಣಿಕ್

ಶ್ರೀ ಎಚ್.ವಿ. ಬಾಲಚಂದ್ರ

ಶ್ರೀ ಮುರಳೀಧರ ಕೆ. ರಾವ್

ಶ್ರೀ ನಾಗರಾಜ ರಾವ್ ಬಿ.

DEPUTY GENERAL MANAGERS

Sri I. Santhosh Kumar

Sri Gajanan T. Hegde

Sri S. Ramesh

Sri K.V. Vijayashankar Rai

Sri Nirmal Kumar K. Hegde

Sri Manjunatha Bhat B.K.

Sri Gokuldas Pai

Sri Ananthapadmanabha B.

Sri Suresh K.

Sri Mahalingeshwara K.

Sri Ranganatha

Sri Ravishankar N.R.

Sri Ravi S.

Sri H. P. Ravindranath Hande

Sri Raja B.S.

Sri Venkatakrishna Bhat

Sri Sunil P Garde

Sri Rajakumar P.H.

ಉಪ ಮಹಾ ಪ್ರಬಂಧಕರು

ಶ್ರೀ ಐ. ಸಂತೋಷ್ ಕುಮಾರ್

ಶ್ರೀ ಗಜಾನನ ಟಿ. ಹೆಗಡೆ

ಶ್ರೀ ಎಸ್. ರಮೇಶ್

ಶ್ರೀ ಕೆ.ವಿ. ವಿಜಯಶಂಕರ ರೈ

ಶ್ರೀ ನಿರ್ಮಲ್ ಕುಮಾರ್ ಕೆ. ಹೆಗ್ಡೆ

ಶ್ರೀ ಮಂಜುನಾಥ ಭಟ್ ಬಿ.ಕೆ.

ಶ್ರೀ ಗೋಕುಲದಾಸ್ ಪೈ

ಶ್ರೀ ಅನಂತಪದ್ಮನಾಭ ಬಿ.

ಶ್ರೀ ಸುರೇಶ್ ಕೆ.

ಶ್ರೀ ಮಹಾಲಿಂಗೇಶ್ವರ ಕೆ.

ಶ್ರೀ ರಂಗನಾಥ

ಶ್ರೀ ರವಿಶಂಕರ ಎನ್.ಆರ್.

ಶ್ರೀ ರವಿ ಎಸ್.

ಶ್ರೀ ಎಚ್. ಪಿ. ರವೀಂದ್ರನಾಥ ಹಂದೆ

ಶ್ರೀ ರಾಜ ಬಿ.ಎಸ್.

ಶ್ರೀ ವೆಂಕಟಕೃಷ್ಣ ಭಟ್

ಶ್ರೀ ಸುನೀಲ್ ಪಿ ಗರ್ಡೆ

ಶ್ರೀ ರಾಜಕುಮಾರ್ ಪಿ.ಎಚ್.

COMPANY SECRETARY

Sri Prasanna Patil

ಕಂಪೆನಿ ಕಾರ್ಯದರ್ಶಿ

ಶ್ರೀ ಪ್ರಸನ್ನ ಪಾಟೀಲ್

LEGAL ADVISOR

Sri M.V. Shanker Bhat

ಕಾನೂನು ಸಲಹೆಗಾರರು

ಶ್ರೀ ಎಂ.ವಿ. ಶಂಕರ್ ಭಟ್

AUDITORS

M/s. Kamath and Rau, Mangaluru

M/s. Abarna and Ananthan, Bengaluru

ಲೆಕ್ಕ ಪರಿಶೋಧಕರು

ಮೆ| ಕಾಮತ್ ಎಂಡ್ ರಾವ್, ಮಂಗಳೂರು

ಮೆ| ಅಬರ್ನಾ ಎಂಡ್ ಅನಂತನ್, ಬೆಂಗಳೂರು

REGISTRAR & SHARE TRANSFER AGENT

M/s. Integrated Registry Management Services Pvt. Ltd.,
Bengaluru

ನೋಂದಣಾಧಿಕಾರಿ ಮತ್ತು ಶೇರು ವರ್ಗಾವಣಾ ಪ್ರತಿನಿಧಿ

ಮೆ| ಇಂಟಿಗ್ರೇಟೆಡ್ ರಿಜಿಸ್ಟ್ರಿ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸರ್ವೀಸಸ್ ಪ್ರೈ. ಲಿ.,
ಬೆಂಗಳೂರು

Regd. & Head Office: Mahaveera Circle, Mangaluru

ನೋಂದಾಯಿತ ಮತ್ತು ಪ್ರಧಾನ ಕಛೇರಿ: ಮಹಾವೀರ ವೃತ್ತ, ಮಂಗಳೂರು

93rd ANNUAL REPORT 2016-17

Progress over a Decade

(Rupees in lakh)

Year	Capital & Reserves	Deposits	Advances	Gross Earnings	Net Profit	Dividend Paid %	No. of Branches	No. of Employees
2007-2008	137960.33	1701619.23	1084197.46	179789.76	24174.10	50	431	4677
2008-2009	156702.70	2033328.53	1181004.50	227055.14	26670.50	60	447	4947
2009-2010	183274.93	2373064.88	1443568.33	235468.10	16711.97	40	464	5244
2010-2011	242908.10	2733644.63	1734807.09	266260.26	20461.13	30	478	5795
2011-2012	259821.05	3160832.43	2072069.83	344726.74	24607.02	35	503	6087
2012-2013	285708.14	3605622.13	2520767.88	416192.94	34808.21	40	550	6339
2013-2014	305219.76	4058282.87	2834548.95	469440.99	31103.43	40	600	7185
2014-2015	338906.05	4600860.55	3167998.76	520541.44	45145.02	50	675	7382
2015-2016	369058.42	5048820.95	3390244.84	553507.00	41529.14	50	725	7792
2016-2017	514258.15	5673310.82	3700364.62	599473.91	45226.12	*40	765	7982

*Recommended

CONTENTS

Particulars	Page No.
■ Directors' 93 rd Annual Report	4
■ Disclosure under Employee Stock Options Scheme	37
■ Disclosure Under Pillar III of Basel III Accord	38
■ Corporate Governance	48
■ Auditors' Certificate on Corporate Governance	62
■ Extract of the Annual Return	63
■ Secretarial Audit Report	70
■ Annual Report on Corporate Social Responsibility	72
■ Remuneration details etc.	74
■ Business Responsibility Report	75
■ Balance Sheet	82
■ Profit and Loss Account	83
■ Cash Flow Statement	84
■ Schedules Annexed to the Balance Sheet	85
■ Schedules to Profit & Loss Account	90
■ Basis of preparation and significant Accounting Policies	91
■ Notes on Accounts	93
■ Independent Auditors' Report to the shareholders	113

DIRECTORS' 93rd ANNUAL REPORT

Your Directors have pleasure in presenting the Ninety Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2017 and the Auditors' Report.

PERFORMANCE HIGHLIGHTS

Your Directors are pleased to inform that during the year ended 31st March 2017, your Bank has been able to achieve satisfactory growth in all the areas of operation. Performance highlights for the financial year in the key financial areas are as under:

(₹ in crore)		
Particulars	As on / for the year ended 31.03.2017	As on / for the year ended 31.03.2016
Deposits	56733.11	50488.21
Advances	37003.65	33902.45
Investments	20219.73	16256.65
Gross Income	5994.74	5535.07
Operating Profit	995.80	854.53
Net Profit	452.26	415.29

The total business turnover of the Bank was ₹93736.76 crore as on 31st March 2017, an increase of 11.07 per cent (Previous year ₹84390.66 crore). The total assets of the Bank increased from ₹56500.33 crore to ₹64126.55 crore recording a growth of 13.50 per cent for the year 2016-17.

The total deposits of the Bank grew from ₹50488.21 crore as on 31st March 2016, to ₹56733.11 crore as on 31st March 2017, registering a growth of 12.37 per cent.

During the year, low cost deposits of the Bank, viz. Savings and Current Account Deposits have shown growth of 24.23 per cent and constitute 29.04 per cent of the total deposits of the Bank. The market share of the Bank in deposits was 0.53 per cent.

The total advances grew from ₹33902.45 crore as on 31st March 2016 to ₹37003.65 crore as on 31st March 2017, an increase of 9.15 per cent. The priority sector advances increased from ₹16149.99 crore to ₹17238.77 crore which, together with the Rural Infrastructure Development Fund (RIDF) exposure, formed 48.13 percent of Adjusted Net Bank Credit (ANBC) and agricultural advances increased from ₹5836.74 crore to ₹6582.77 crore which, together with eligible RIDF exposure, constituted 18.38 per cent of ANBC. Lending under various socio-economic schemes has shown satisfactory progress. The market share of the Bank in loans and advances was 0.48 per cent.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ 93ನೇ ವಾರ್ಷಿಕ ವರದಿ

ಬ್ಯಾಂಕಿನ 93ನೇ ವಾರ್ಷಿಕ ವರದಿ, 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಅಂತ್ಯಗೊಂಡ ಆರ್ಥಿಕ ವರ್ಷದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಯನ್ನು ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿಯೊಂದಿಗೆ ನಿಮ್ಮ ಮುಂದಿಡಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಸಂತೋಷಪಡುತ್ತಾರೆ.

ಸಾಧನೆಯ ಹೆಗ್ಗುರುತುಗಳು

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷಾಂತ್ಯ ಮಾರ್ಚ್ 31, 2017ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ತನ್ನ ವಹಿವಾಟಿನ ವಿವಿಧ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ತೃಪ್ತಿಕರವಾದ ಸಾಧನೆ ಮಾಡಿದೆ ಎಂದು ತಿಳಿಸಲು ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹರ್ಷಿಸುತ್ತಾರೆ. ಆರ್ಥಿಕ ವರ್ಷದ ಸಾಧನೆಯ ಪ್ರಮುಖ ಸೂಚಕಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ:

(₹ ಕೋಟಿಗಳಲ್ಲಿ)		
ವಿವರಗಳು	31.03.2017ಕ್ಕೆ/ ವರ್ಷಾಂತ್ಯದಂತೆ	31.03.2016ಕ್ಕೆ/ ವರ್ಷಾಂತ್ಯದಂತೆ
ರೇವಣಿಗಳು	56733.11	50488.21
ಮುಂಗಡಗಳು	37003.65	33902.45
ಹೂಡಿಕೆಗಳು	20219.73	16256.65
ಒಟ್ಟು ಆದಾಯ	5994.74	5535.07
ನಿರ್ವಹಣಾ ಲಾಭ	995.80	854.53
ನಿವ್ವಳ ಲಾಭ	452.26	415.29

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ವ್ಯವಹಾರವು 31 ಮಾರ್ಚ್, 2017ಕ್ಕೆ ₹84390.66 ಕೋಟಿಯಿಂದ ₹93736.76 ಕೋಟಿಗೆ ಏರಿತು, ಇದು ಹಿಂದಣ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 11.07 ಹೆಚ್ಚಳವಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆಸ್ತಿಯು ₹56500.33 ಕೋಟಿಯಿಂದ ₹64126.55 ಕೋಟಿಗೆ ಏರಿತು, 2016-17ಕ್ಕೆ ಶೇ. 13.50 ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ.

ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ರೇವಣಿಯು 31 ಮಾರ್ಚ್ 2016ರಂದು ಇದ್ದ ₹50488.21 ಕೋಟಿಯಿಂದ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ₹56733.11 ಕೋಟಿಗೆ ಏರಿತು, ಶೇ. 12.37 ವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ.

ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ವೆಚ್ಚದ ರೇವಣಿಗಳಾದ ಉಳಿತಾಯ ಮತ್ತು ಚಾಲ್ತಿ ಖಾತೆಗಳು ಶೇ. 24.23ರಷ್ಟು ಏರಿತು, ಇದು ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ರೇವಣಿಯ ಶೇ. 29.04 ಭಾಗವಾಗಿದೆ. ಒಟ್ಟು ರೇವಣಿಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಮಾರುಕಟ್ಟೆಯ ಪಾಲು ಶೇ. 0.53 ಆಗಿರುತ್ತದೆ.

ಒಟ್ಟು ಮುಂಗಡವು 31 ಮಾರ್ಚ್ 2016ರಂದು ಇದ್ದ ₹33902.45 ಕೋಟಿಯಿಂದ, 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ₹37003.65 ಕೋಟಿಗೆ ಏರಿತು ಶೇ. 9.15ರಷ್ಟು ಹೆಚ್ಚಳಗೊಂಡಿದೆ. ಆದ್ಯತಾರಂಗದ ಮುಂಗಡವೂ ₹16149.99 ಕೋಟಿಯಿಂದ ₹17238.77 ಕೋಟಿಗೆ ಏರಿತು, ಆರ್‌ಐಡಿಎಫ್ ಪಾಲನ್ನು ಒಳಗೊಂಡಂತೆ ಸರಿದೂಗಿಸಲ್ಪಟ್ಟ ನಿವ್ವಳ ಮುಂಗಡದಲ್ಲಿ (ಎಎನ್‌ಬಿಸಿ) ಶೇ. 48.13 ಭಾಗವನ್ನು ಹೊಂದಿದೆ ಮತ್ತು ಕೃಷಿರಂಗದ ಮುಂಗಡವು ₹5836.74 ಕೋಟಿಯಿಂದ ₹6582.77 ಕೋಟಿಗೆ ಏರಿತು, ಆರ್‌ಐಡಿಎಫ್ ಪಾಲನ್ನು ಒಳಗೊಂಡಂತೆ ಎಎನ್‌ಬಿಸಿಯಲ್ಲಿ ಶೇ. 18.38 ಪಾಲನ್ನು ಹೊಂದಿದೆ. ವಿವಿಧ ಸಾಮಾಜಿಕ-ಆರ್ಥಿಕ ಯೋಜನೆಗಳನ್ವಯ ವಿತರಿಸಲಾದ ಮುಂಗಡಗಳಲ್ಲಿ ತೃಪ್ತಿಕರವಾದ ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ. ಒಟ್ಟು ಮುಂಗಡಗಳಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಮಾರುಕಟ್ಟೆಯ ಪಾಲು ಶೇ. 0.48 ಆಗಿರುತ್ತದೆ.

As on 31st March 2017 the total investments of the Bank stood at ₹20219.73 crore, as against ₹16256.65 crore as on 31st March 2016, showing an increase of 24.38 per cent.

OPERATIONAL PERFORMANCE

In the backdrop of subdued credit offtake experienced by banks, the performance of your Bank can be considered satisfactory for the year ended 31st March 2017. The gross income of the Bank was ₹5994.74 crore and total expenditure (excluding provisions and contingencies) was ₹4998.94 crore. The net interest income was ₹1490.62 crore, showing a growth of 14.41 per cent over previous year.

PROFIT

Your Bank earned an operating profit of ₹995.80 crore for the year 2016-17 as against ₹854.53 crore for the previous year showing a growth of 16.53 per cent. The net profit of the Bank increased from ₹415.29 crore to an all time high of ₹452.26 crore showing a growth of 8.90 per cent.

APPROPRIATIONS

The net profit of ₹452.26 crore which along with a sum of ₹0.03 crore brought forward from the previous year, aggregating to ₹452.29 crore, is appropriated as under.

Appropriation	₹ in crore
Transfer to Statutory Reserve	125.00
Transfer to Capital Reserve	112.80
Transfer to Revenue, General & Special Reserves	68.60
Transfer to Investment Reserve	8.75
Balance carried over to Balance Sheet (including proposed Dividend and tax)	137.14
Total	452.29

DIVIDEND

Having regard to the overall performance of the Bank, expanded capital base on account of the successful Rights issue in the ratio of 1:2 and also the positive outlook for the future, the Board of Directors recommended a dividend of ₹4 per share i.e. 40 percent on the paid up capital (previous year 50 per cent) for the reporting year. The dividend payout ratio for the year works out to 24.99 percent as against last year's 22.69 percent. In accordance with the revised Accounting Standard (AS)-4 'Contingencies and Events occurring after the Balance Sheet Date notified by the MCA on March 30, 2016, the proposed dividend including dividend tax amounting to ₹136.05 crore has not been shown as appropriation from the Profit as of March 31, 2017.

31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಹೂಡಿಕೆಯು ₹20219.73 ಕೋಟಿಯಷ್ಟಿದ್ದು, ಇದು 31 ಮಾರ್ಚ್ 2016ಕ್ಕೆ ₹16256.65 ಕೋಟಿಯಷ್ಟಿದ್ದು, ಇಲ್ಲಿ ಶೇ. 24.38 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ.

ವ್ಯವಹಾರಿಕ ನಿರ್ವಹಣೆ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಮುಂಗಡದ ನೀರಸ ಬೇಡಿಕೆಯ ಹೊರತಾಗಿಯೂ, 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ನಿರ್ವಹಣೆ ತೃಪ್ತಿದಾಯಕವೆನ್ನಬಹುದಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಆದಾಯವು ₹5994.74 ಕೋಟಿಯಾಗಿದ್ದು, ಒಟ್ಟು ವೆಚ್ಚವು (ಮೀಸಲು ಮತ್ತು ಆಕಸ್ಮಿಕ ಮೀಸಲಿನ ಹೊರತಾಗಿ) ₹4998.94 ಕೋಟಿ ಆಗಿರುತ್ತದೆ. ನಿವ್ವಳ ಬಡ್ಡಿ ಆದಾಯವು ₹1490.62 ಕೋಟಿಯಾಗಿದ್ದು, ಇಲ್ಲಿ ಹಿಂದಣ ವರ್ಷಕ್ಕಿಂತ ಶೇ. 14.41ರಷ್ಟು ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ.

ಲಾಭ

ನಿಮ್ಮ ಬ್ಯಾಂಕು 2016-17ರಲ್ಲಿ ₹995.80 ಕೋಟಿ ನಿರ್ವಹಣಾ ಲಾಭವನ್ನು ದಾಖಲಿಸಿದ್ದು, ಇದು ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ₹854.53 ಕೋಟಿಯಷ್ಟಿದ್ದು, ಶೇ. 16.53 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ. ಬ್ಯಾಂಕಿನ ನಿವ್ವಳ ಆದಾಯವು ₹415.29 ಕೋಟಿಯಿಂದ ಸಾರ್ವಕಾಲಿಕ ಗರಿಷ್ಠ ₹452.26 ಕೋಟಿಗೆ ಏರಿಕೆಯಾಗಿದ್ದು ಇಲ್ಲಿ ಶೇ. 8.9 ವೃದ್ಧಿ ದಾಖಲಾಗಿದೆ.

ವಿನಿಯೋಗಗಳು

ನಿವ್ವಳ ಲಾಭ ₹452.26 ಕೋಟಿಯೊಂದಿಗೆ ಹಿಂದಣ ವರ್ಷದ ಸೇರ್ಪಡೆ ₹0.03 ಕೋಟಿಯೂ ಒಳಗೊಂಡಂತೆ ಒಟ್ಟು ₹452.29 ಕೋಟಿಯನ್ನು ಕೆಳಗೆ ಕಾಣಿಸಿರುವಂತೆ ವಿನಿಯೋಗಿಸಲಾಗಿದೆ.

ವಿನಿಯೋಗಗಳು	₹ ಕೋಟಿಗಳಲ್ಲಿ
ಶಾಸನಾತ್ಮಕ ಕಾಡಿಟ್ಟು ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	125.00
ಬಂಡವಾಳ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ	112.80
ಕಂದಾಯ, ಸಾಮಾನ್ಯ ಮತ್ತು ವಿಶೇಷ ಕಾಡಿಟ್ಟು ನಿಧಿಗೆ ವರ್ಗಾವಣೆ	68.60
ಹೂಡಿಕೆ ಮೀಸಲು ಖಾತೆಗೆ ವರ್ಗಾವಣೆ	8.75
ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿಗೆ ಶೇಷಾಂಶ ಸೇರಿಕೆ (ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶ ವಿತರಣೆ ಮತ್ತು ತೆರಿಗೆ ಸೇರಿದಂತೆ)	137.14
ಒಟ್ಟು	452.29

ಲಾಭಾಂಶ

ಬ್ಯಾಂಕಿನ ಸರ್ವಾಂಗೀಣ ನಿರ್ವಹಣೆ ಮತ್ತು ಭವಿಷ್ಯದ ಧನಾತ್ಮಕ ದೃಷ್ಟಿಯನ್ನು ಗಮನದಲ್ಲಿ ಇರಿಸಿಕೊಂಡು, ಪ್ರಸಕ್ತ ವರ್ಷದಲ್ಲಿ ಶೇರು ಒಂದಕ್ಕೆ ₹4/- ಅಂದರೆ ಸಂದಾಯಿತ ಬಂಡವಾಳದ ಶೇ. 40ರಷ್ಟು (ಹಿಂದಣ ವರ್ಷ ಇದು ಶೇ. 50ರಷ್ಟು). ಲಾಭಾಂಶ ನೀಡಿಕೆಯನ್ನು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಶಿಫಾರಸು ಮಾಡಿರುತ್ತದೆ. ಪ್ರಸ್ತುತ ವರ್ಷದ ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶ ಹೊರಹರಿವಿನ ಪರಿಮಾಣವು ಶೇ. 24.99 ಆಗಿರುತ್ತದೆ. (ಹಿಂದಣ ವರ್ಷ ಇದು ಶೇ.22.69 ರಷ್ಟು). ಮಾರ್ಚ್ 30, 2016 ರಲ್ಲಿ ಹೊರಡಿಸಿದ ಕಾರ್ಪೊರೇಟ್ ಸಚಿವಾಲಯದ (MCA) ಅಧಿಸೂಚನೆಯಂತೆ ಪರಿಷ್ಕೃತ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ಸ್ (AS)-4 'ಅನಿಶ್ಚಿತ ಮತ್ತು ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿಯ ದಿನಾಂಕದ ನಂತರದ ಸಂದರ್ಭಗಳು' ಪ್ರಕಾರ ಪ್ರಸ್ತಾವಿತ ಲಾಭಾಂಶ ₹136.05 ಕೋಟಿ (ಲಾಭಾಂಶ ತೆರಿಗೆ ಸೇರಿದಂತೆ)ಯನ್ನು ಮಾರ್ಚ್ 31, 2017ರ ವಿನಿಯೋಗ ಖಾತೆಯಲ್ಲಿ ತೋರಿಸಲಾಗಿದೆ.

EARNINGS PER SHARE/BOOK VALUE

The earnings per share (basic) and the book value per share as on 31st March 2017 stood at ₹19.38 and ₹177.12 respectively.

ISSUANCE OF EQUITY SHARES

During the year under report, with a view to augment common equity, your Bank issued 9,42,35,441 equity shares of ₹10 each at a price of ₹70 per share including the premium of ₹60 per equity share on Rights basis in the ratio of 1 (One) equity share for every 2 (Two) equity shares held aggregating ₹659.65 crore as per SEBI (ICDR) Regulations, 2009. The issue was subscribed by 1.85 times. After keeping in abeyance 98,575 entitlements pertaining to equity shares kept under Suspense Account, Board of Directors allotted 9,41,36,866 equity shares on 08.12.2016. The Board of Directors wishes to place on record its appreciation for the confidence reposed by the shareholders of the Bank and thank them for their overwhelming response to the Rights Issue.

REVALUATION OF ASSETS

As permitted under the extant RBI Guidelines, your Bank has revalued its Land and building having existing book value of ₹119.39 crore. Appreciation of ₹423.53 crore arising out of such revaluation is accounted with corresponding credit to Revaluation Reserves and the appreciation is reckoned for Tier-1 Capital after applying discount of 55 per cent as permitted under Basel III guidelines.

CAPITAL FUNDS AND CAPITAL ADEQUACY RATIO

The capital funds of your Bank increased from ₹4185.24 crore to ₹5172.16 crore, registering a growth of 23.58 per cent. The Capital Adequacy Ratio stood at 13.30 per cent as on 31st March, 2017, as per BASEL III norms (Previous year 12.03 per cent). The capital funds of the bank increased during the year under report, due to the augmentation of common equity capital through Rights Issue (₹654.95 crore net of expenses) and revaluation of Land & Building resulting in revaluation reserves to the extent of ₹190.59 crores after discounting etc. The Bank has been consistently maintaining the Ratio well above the minimum of 10.25 percent stipulated by the Reserve Bank of India. The market capitalisation as on March 31, 2017 was ₹3976.26 crore.

CREDIT RATING

ICRA Limited ("ICRA") and Credit Analysis and Research Limited, ("CARE") who had rated the Unsecured Redeemable Non-Convertible Subordinated (Lower Tier-II) debt instruments issued during the earlier years aggregating ₹600 crore have retained the rating "ICRA A" and "CARE A"

ಶೇರಿನ ತಲಾ ಆದಾಯ / ಪುಸ್ತಕ ಮೌಲ್ಯ

31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಶೇರಿನ ಆದಾಯ (ಮೂಲಭೂತ) ಮತ್ತು ಪುಸ್ತಕ ಮೌಲ್ಯ ಅನುಕ್ರಮವಾಗಿ ₹19.38 ಮತ್ತು ₹177.12 ಆಗಿರುತ್ತದೆ.

ಇಕ್ವಿಟಿ ಶೇರುಗಳ ವಿತರಣೆ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸೆಬಿ (ಐಸಿಡಿಆರ್) ನಿಯಮಾವಳಿ 2009ರ ಅನ್ವಯ ₹10ರ ಮುಖಬೆಲೆಯ 9,42,35,441 ಶೇರುಗಳನ್ನು ₹60 ಪ್ರೀಮಿಯಂ ಸೇರಿದಂತೆ ₹70ರಂತೆ, ತನ್ನ ಶೇರುದಾರರಿಗೆ ಎರಡು ಇಕ್ವಿಟಿ ಶೇರು ಉಳ್ಳವರಿಗೆ ಒಂದು ಶೇರಿನ ಅನುಪಾತದಂತೆ ವಿತರಿಸಿದ್ದು ಒಟ್ಟು ₹659.65 ಕೋಟಿ ಸಂಗ್ರಹಿಸಿದೆ. ಈ ವಿತರಣೆಯ ಬೇಡಿಕೆ 1.85 ರಷ್ಟು ಹೆಚ್ಚುವರಿಯಷ್ಟಿದ್ದು, ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು 9,41,36,866 ಇಕ್ವಿಟಿ ಶೇರುಗಳನ್ನು ದಿನಾಂಕ 08.12.2016 ರಂದು ಅರ್ಹತಾ ಶೇರುದಾರರಿಗೆ ಬಿಡುಗಡೆಗೊಳಿಸಿದ್ದು, 98,575 ಶೇರುಗಳನ್ನು ಅನಿಸ್ಥಿತ ಖಾತೆಯಲ್ಲಿರಿಸಲಾಗಿದೆ. ಈ ಹಕ್ಕಿನ ನೀಡಿಕೆಯ ಸಂದರ್ಭದಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರು ಬ್ಯಾಂಕಿನ ಮೇಲಿಟ್ಟ ವಿಶ್ವಾಸಕ್ಕಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ತನ್ನ ಮೆಚ್ಚುಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತದೆ ಮತ್ತು ಇವುಗಳ ಹಂಚಿಕೆಗಾಗಿ ತೋರಿದ ಅಗಾಧ ಪ್ರತಿಕ್ರಿಯೆಗಾಗಿ ವಂದನೆಗಳನ್ನು ಸಲ್ಲಿಸುತ್ತದೆ.

ಆಸ್ತಿಗಳ ಪುನರ್ಮೌಲೀಕರಣ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ₹119.39 ಕೋಟಿ ಪುಸ್ತಕ ಮೌಲ್ಯದ ತನ್ನ ಸ್ಥಿರಾಸ್ತಿ ಮತ್ತು ಕಟ್ಟಡಗಳ ಪುನರ್ ಮೌಲೀಕರಣಗೊಳಿಸಿದೆ. ಈ ಪುನರ್ ಮೌಲೀಕರಣದಿಂದ ₹423.53 ಕೋಟಿ ಮೌಲ್ಯವರ್ಧತೆ ಲಭ್ಯವಾಗಿದ್ದು ಇದನ್ನು ಪುನರ್ ಮೌಲೀಕರಣ ಮೀಸಲಿಗೆ ವರ್ಗಾವಣೆ ಮಾಡಲಾಗಿದೆ. ಈ ಪುನರ್ ಮೌಲೀಕರಣ ಮೌಲ್ಯವರ್ಧನೆಯನ್ನು ಶ್ರೇಣಿ -1 ಬಂಡವಾಳದಲ್ಲಿ ಶೇ. 55 ಕಡಿತದೊಂದಿಗೆ ಗಣನೆ ಮಾಡಲಾಗಿದೆ.

ಬಂಡವಾಳ ನಿಧಿ ಮತ್ತು ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ನಿಧಿಯು ₹4185.24 ಕೋಟಿಯಿಂದ ₹5172.16 ಕೋಟಿಗೆ ಏರಿತಿದ್ದು, ಶೇ. 23.58 ಅಭಿವೃದ್ಧಿ ದಾಖಲಾಗಿರುತ್ತದೆ. 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತವು ಬೇಸಲ್ III ರಲ್ಲಿ ಸೂಚಿಸಿದ ಮಾನದಂಡದಂತೆ ಶೇ. 13.30 ಆಗಿದೆ (ಹಿಂದಿನ ವರ್ಷ ಶೇ. 12.03). ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಶೇರು ವಿತರಣೆಯಿಂದಾಗಿ (₹654.95 ಕೋಟಿ) ಹಾಗೂ ಬ್ಯಾಂಕಿನ ಸ್ಥಿರಾಸ್ತಿ ಮತ್ತು ಕಟ್ಟಡಗಳ ಪುನರ್ಮೌಲೀಕರಣದಿಂದಾಗಿ (₹190.59 ಕೋಟಿ) ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ನಿಧಿಯು ವೃದ್ಧಿಯಾಗಿರುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿಗದಿಪಡಿಸಿದ ಕನಿಷ್ಠ ಮಿತಿ ಶೇ. 10.25 ಹೆಚ್ಚಿನ ಮಟ್ಟವನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ನಿರಂತರವಾಗಿ ಕಾಯ್ದುಕೊಂಡು ಬಂದಿರುತ್ತದೆ. ಮಾರ್ಚ್ 31, 2017ರಂದು ಬ್ಯಾಂಕಿನ ಮಾರುಕಟ್ಟೆ ಬಂಡವಾಳೀಕರಣ ₹3976.26 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ವಿಶ್ವಾಸಾರ್ಹತೆ ಮೌಲ್ಯಮಾಪನ

ಹಿಂದಿನ ವರ್ಷಗಳಲ್ಲಿ ಬಿಡುಗಡೆಗೊಳಿಸಿರುವ ಒಟ್ಟುಗೂಡಿದ ₹600 ಕೋಟಿ ಮೊತ್ತದ ಭದ್ರತಾರಹಿತ ವಿಮೋಚನೀಯ ಪರಿವರ್ತನಾರಹಿತ ಆಧೀನ (ಕೆಳಸ್ತರ ಶ್ರೇಣಿ II) ಋಣಪತ್ರಗಳ ಮೇಲೆ ಉದರಿ ಮಾನದಂಡ ನಿರ್ಣಯಿಸುವ ಸಂಸ್ಥೆಯಾದ ಇಕ್ರಾ ಲಿಮಿಟೆಡ್ (ಐಸಿಆರ್ಎ) ಮತ್ತು ಕ್ರೆಡಿಟ್ ಅನಾಲಿಸಿಸ್ ಮತ್ತು ರಿಸರ್ಚ್ ಲಿಮಿಟೆಡ್ (ಸಿಎಆರ್ಇ)ಗಳು, 'ಇಕ್ರೆ-ಎ' ಮತ್ತು 'ಕೇರ್-ಎ' ಮೌಲ್ಯಾಂಕಗಳನ್ನು ಅನುಕ್ರಮವಾಗಿ ನೀಡಿದ್ದು, ಋಣ ಪತ್ರಗಳು ಈ

respectively for the aforesaid instruments. The instruments with these rating are considered to have adequate/high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

SUBORDINATED DEBT INSTRUMENTS

In order to augment capital under Tier II Capital structure, your Bank had issued subordinated debt instruments under four series namely, Series I (₹120.50 crore), Series II (₹29.50 crore), Series III (₹200.00 crore) and Series IV (₹250.00 crore) issued on 30.06.2007, 29.03.2008, 27.09.2008 and 17.11.2012 respectively, with each Series having a maturity tenure of 120 months from the date of issue.

Series I (₹120.50 crore) is due for redemption on 30.06.2017 (upon completion of 120 months from the date of issue) and your Bank has ensured timely interest payment on the said debt instruments since the year 2007 and will redeem the said debt instruments as per the scheduled timeline. The redemption value has already been factored into while considering the capital adequacy ratio (CAR) for the financial year 2016-17 and therefore is no impact on CAR post redemption.

FOREX BUSINESS

During the year under report, your Bank achieved a turnover of ₹14561.52 crore in foreign exchange business as against ₹14277.44 crore in the previous year. The outstanding advances to export sector stood at ₹1631.02 crore as on March 31, 2017.

NON-PERFORMING ASSETS AND PROVISION COVERAGE RATIO

Your Bank has been focusing on containing the non-performing assets through better credit monitoring as well as intensified efforts to recover the impaired assets. However, in view of the continuing slowdown in the economy and delinquencies in select sectors, the Bank's Gross NPAs as on March 31, 2017 has increased from ₹1180.40 crore (3.44 per cent) to ₹1581.59 crore by the year end (4.21 per cent). The Net NPAs stood at ₹974.73 crore (2.64 per cent) as against ₹795.47 crore (2.35 per cent) as on 31st March 2016. However, Provision Coverage Ratio (PCR) improved to 54.00 percent as on March 31, 2017 from 48.39 per cent as on March 31, 2016.

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 31st March 2017 as under:

ಮೌಲ್ಯಾಂಕಗಳನ್ನು ಕಾಯ್ದುಕೊಂಡಿವೆ. ಈ ಮೌಲ್ಯಾಂಕವು ಉನ್ನತ ಮಟ್ಟದ್ದಾಗಿದ್ದು, ಸಾಕಷ್ಟು ಸುರಕ್ಷತೆಗೆ ಉನ್ನತ ಸಂಕೇತವಾಗಿರುತ್ತದೆ. ಆರ್ಥಿಕ ಭದ್ರತೆಗೆ ಸಕಾಲಿಕ ಸೇವೆಯನ್ನು ನೀಡುವ ಸಾಮರ್ಥ್ಯವನ್ನು ಇವು ಬಿಂಬಿಸುತ್ತವೆ. ಇಂತಹ ಋಣ ಪತ್ರಗಳು ಕಡಿಮೆ ಮುಂಗಡ ಅಪಾಯವನ್ನು ಹೊಂದಿರುತ್ತದೆ.

ಅಧೀನ ಋಣ ಪತ್ರಗಳು

ದ್ವಿತೀಯ ಸ್ತರದ (Tier II) ಬಂಡವಾಳ ಶೇಖರಣೆಗಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ನಾಲ್ಕು ಶ್ರೇಣಿಯಲ್ಲಿ ಅಧೀನ ಋಣಪತ್ರಗಳನ್ನು ಶ್ರೇಣಿ 1, (₹120.50 ಕೋಟಿ), ಶ್ರೇಣಿ 2 (₹29.50 ಕೋಟಿ), ಶ್ರೇಣಿ 3 (₹200.00 ಕೋಟಿ) ಹಾಗೂ ಶ್ರೇಣಿ 4 (₹250.00 ಕೋಟಿ), ಕ್ರಮವಾಗಿ ದಿನಾಂಕ 30.06.2007, 29.03.2008, 27.09.2008 ಹಾಗೂ 17.11.2012 ರಂದು ವಿತರಣೆ ಮಾಡಿದೆ. ಈ ಪ್ರತಿಯೊಂದು ಶ್ರೇಣಿಯ ಪರಿಪಕ್ವತಾ ಅವಧಿ ವಿತರಣೆ ಮಾಡಿದ ದಿನಾಂಕದಿಂದ 120 ತಿಂಗಳು ಇರುತ್ತದೆ.

ಅದರಲ್ಲಿ ಶ್ರೇಣಿ 1ರ (₹120.50 ಕೋಟಿ) ಅವಧಿ 30 ಜೂನ್ 2017ಕ್ಕೆ (ವಿತರಣೆ ಆದ ದಿನದಿಂದ 120 ತಿಂಗಳು) ಪೂರ್ಣ ಆಗುವುದರಿಂದ ಋಣವಿಮೋಚನೆಗೆ ಅರ್ಹವಾಗಿರುತ್ತದೆ ಮತ್ತು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸದರಿ ಋಣಪತ್ರಗಳ ಮೇಲಿನ ಬಡ್ಡಿಯನ್ನು 2007ರಿಂದ ಸಕಾಲದಲ್ಲಿ ಪಾವತಿಸುತ್ತಾ ಬಂದಿದೆ ಹಾಗೂ ಸದರಿ ಋಣಪತ್ರಗಳ ಋಣವಿಮೋಚನೆಯನ್ನು ಕೂಡ ನಿರ್ಧಾರಿತ ಸಮಯದಂದು ಮಾಡಲಾಗುತ್ತದೆ. ಈ ಋಣಪತ್ರಗಳ ಮೌಲ್ಯಮಾಪನವನ್ನು ಈಗಾಗಲೇ 2016-17ರ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತದಲ್ಲಿ ಸೇರಿಸಲಾಗಿರುವುದರಿಂದ, ಪರ್ಯಾಪ್ತತಾ ಅನುಪಾತದ ಮೇಲೆ ಯಾವುದೇ ಪರಿಣಾಮ ಆಗುವುದಿಲ್ಲ.

ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರ

ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ₹14561.52 ಕೋಟಿ ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರ ಸಾಧಿಸಿದ್ದು, ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಇದು ₹14277.44 ಕೋಟಿಯಾಗಿತ್ತು. 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ರಫ್ತುರಂಗದ ಮುಂಗಡದ ಮಟ್ಟ ₹1631.02 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು ಮತ್ತು ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತ

ಅನುತ್ಪಾದಕ ಮುಂಗಡಗಳನ್ನು ತಹಬಂದಿಗೆ ತರಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಜಾಗೃತ ಮುಂಗಡ ನಿಗಾ ಪ್ರಕ್ರಿಯೆ ಮತ್ತು ದುರ್ಬಲಗೊಂಡ ಆಸ್ತಿಗಳ ವಸೂಲಾತಿಗಳಲ್ಲಿ ಕ್ಷಿಪ್ರ ಸ್ಪಂದನದ ಸಂಚಾಲನೆ ಕೈಗೊಂಡಿರುತ್ತದೆ. ಆದಾಗ್ಯೂ, ಒಟ್ಟಾರೆ ಆರ್ಥಿಕತೆಯ ದುರ್ಬಲತೆ ಮತ್ತು ಆಯ್ದ ವಲಯಗಳಲ್ಲಿನ ಸೊರಗುವಿಕೆ ಕಾರಣಗಳಿಂದಾಗಿ, ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ₹1180.40 ಕೋಟಿಗಳಿಂದ (ಶೇ. 3.44) ₹1581.59 ಕೋಟಿ (ಶೇ. 4.21)ಗಳಷ್ಟು ವರ್ಷಾಂತ್ಯದಲ್ಲಿ ಏರಿಕೆ ಕಂಡಿದೆ. ನಿವ್ವಳ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಮಟ್ಟ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ₹974.73 ಕೋಟಿ (ಶೇ. 2.64) ಆಗಿದ್ದು, ಇದು 31 ಮಾರ್ಚ್ 2016ಕ್ಕೆ ₹795.47 ಕೋಟಿ (ಶೇ. 2.35) ಆಗಿತ್ತು. ಆದಾಗ್ಯೂ ಹಂಚಿಕಾ ಅಭಿರಕ್ಷೆ ಅನುಪಾತವು (ಪಿಸಿಆರ್) 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಶೇ. 54.00 ಆಗಿದೆ (ಹಿಂದಣ ವರ್ಷದಲ್ಲಿ ಶೇ. 48.39).

ವರದಿ ಮಾಡಲಿಕ್ಕಿರುವ ಭಾಗಗಳು

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ನಿರ್ದೇಶಿಸಿದ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ 17 (ವರದಿ ಮಾಡಲಿಕ್ಕಿರುವ ಭಾಗಗಳು) ಮಾರ್ಗದರ್ಶಿಕೆಗೆ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕು ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಈ ಕೆಳಗಿನಂತೆ ನಾಲ್ಕು ವ್ಯವಹಾರ ಅಂಗಗಳನ್ನು ಗುರುತಿಸಿದ್ದು, ಅವುಗಳು ವಿಜಾನೆ, ಸಾಂಸ್ಥಿಕ / ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್, ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ಚಟುವಟಿಕೆಗಳು ಆಗಿರುತ್ತದೆ.

Treasury Operations

During the year ended 31st March 2017, your Bank has earned total revenue of ₹1642.55 crore from Treasury operations with a contribution of ₹442.87 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 ₹1814.36 crore with a contribution of ₹-56.12 crore to profit before tax and un-allocable expenditure.

Retail Banking

During the year 2016-17, this Segment has earned revenue of ₹2281.72 crore with a contribution of ₹165.19 crore to profit before tax and un-allocable expenditure.

Other Banking Operations

During the year ended 31st March 2017, this segment has generated revenues of ₹256.11 crore with a contribution of ₹-34.23 crore to profit before tax and un-allocable expenditure.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial year 2016-17 evidenced revelation both in the international and national scenarios. The international events included political changes in the Advanced Economies (AE), fluctuations in the crude oil prices, unsettled global political climate in some of the countries etc. Factoring the international developments, India also witnessed exchange rate fluctuations, sluggish growth leading to slower pace of exports, impact on consumer prices due to fluctuations in the oil prices etc.

In order to contain the rising incidence of fake notes and black money, on 08.11.2016 the Government of India withdrew legal tender of specified bank notes (SBNs) (i.e. denominations of ₹500 and ₹1000) issued by the Reserve Bank of India and subject to certain conditions, SBNs held by a person could have been exchanged at the branches of Reserve Bank of India, public sector banks, private sector banks etc., upto December 30, 2016. During the said period, Bank played a crucial role in making the Government action successful and impact of demonetization was transitional in nature and momentum across all sectors has started picking up since February 2017.

The headline inflation declined to lowest levels during November 2016-January 2017. Drop in the prices of vegetables and pulses leading to downward trend in the inflation was visible during immediate months of post-demonetization. This was due to cash intensive transactions in the agri-commodities in the market.

ಖಜಾನೆ ವಹಿವಾಟು

ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಖಜಾನೆ ವಹಿವಾಟಿನಿಂದ ಒಟ್ಟು ₹1642.55 ಕೋಟಿ ಆದಾಯ ಗಳಿಸಿದ್ದು, ಕರಪೂರ್ವ ಆದಾಯ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚಗಳ ಪಾಲು ₹442.87 ಕೋಟಿ ಆಗಿರುತ್ತದೆ.

ಸಾಂಸ್ಥಿಕ / ಸಗಟು ಬ್ಯಾಂಕಿಂಗ್

ಈ ಅಂಗದಲ್ಲಿ ಸದರಿ ವರ್ಷ ₹1814.36 ಕೋಟಿ ಆದಾಯ ಲಭ್ಯವಾಗಿದ್ದು ಇದರಲ್ಲಿ ₹-56.12 ಕೋಟಿ ಕೊಡುಗೆ ಕರಪೂರ್ವ ಆದಾಯ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚಕ್ಕಾಗಿ ಆಗಿರುತ್ತದೆ.

ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್

ಈ ಅಂಗದಲ್ಲಿ ಸದರಿ ವರ್ಷ 2016-17ರಲ್ಲಿ ₹2281.72 ಕೋಟಿ ಆದಾಯ ಉತ್ಪನ್ನಗೊಂಡಿದ್ದು ಇದರಲ್ಲಿ ₹165.19 ಕೋಟಿ ಕೊಡುಗೆ ಕರಪೂರ್ವ ಆದಾಯ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚಕ್ಕಾಗಿ ಆಗಿರುತ್ತದೆ.

ಇತರ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟುಗಳು

31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಈ ಅಂಗದಲ್ಲಿ ₹256.11 ಕೋಟಿ ಆದಾಯ ಲಭಿಸಿದ್ದು ಇದರಲ್ಲಿ ₹-34.23 ಕೋಟಿ ಕೊಡುಗೆ ಕರಪೂರ್ವ ಆದಾಯ ಮತ್ತು ಹಂಚಲಾಗದಿರುವ ವೆಚ್ಚಕ್ಕಾಗಿ ಆಗಿರುತ್ತದೆ.

ಕಾರ್ಯಕಾರಿ ಮಂಡಳಿ ಕಲಾಪ ಮತ್ತು ವಿಶ್ಲೇಷಣೆ

2016-17ರ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಅಂತರಾಷ್ಟ್ರೀಯ ಮತ್ತು ರಾಷ್ಟ್ರೀಯ ಚಿತ್ರದಲ್ಲಿ ಸಾಕಷ್ಟು ಅನಿರೀಕ್ಷಿತ ಲಕ್ಷಣಗಳು ಗೋಚರಿಸುತ್ತಿವೆ. ಅಂತರಾಷ್ಟ್ರೀಯ ಆಗುಹೋಗುಗಳಲ್ಲಿ ಮುಖ್ಯವಾಗಿ ಅಭಿವೃದ್ಧಿ ಹೊಂದಿದ ರಾಷ್ಟ್ರಗಳ ಆರ್ಥಿಕತೆಯಲ್ಲಿನ ರಾಜಕೀಯ ಬದಲಾವಣೆ, ಕಚ್ಚಾ ತೈಲ ಬೆಲೆಗಳ ಏರಿಳಿತಗಳು, ಕೆಲವೊಂದು ದೇಶಗಳ ಅಸ್ಥಿರ ರಾಜಕೀಯ ವಾತಾವರಣ ಇತ್ಯಾದಿಗಳಿಂದ ಕೂಡಿದೆ. ಅಂತರಾಷ್ಟ್ರೀಯ ಸ್ಥಿತಿಗತಿಯ ದಿಸೆಯಿಂದಾಗಿ ಭಾರತದ ಆರ್ಥಿಕ ಚಿತ್ರಣವೂ ಕಠಿಣ ನಡೆಯನ್ನು ಎದುರಿಸಿದ್ದು ವಿನಿಮಯ ದರ ಏರಿಳಿತ, ಮುಂದುವರಿದು ಜಾಗತಿಕ ವೃದ್ಧಿಶೀಲತೆ ತನ್ನೂಲಕ ರಫ್ತು ವಹಿವಾಟಿನ ನಿಧಾನಗತಿ, ತೈಲಬೆಲೆಯ ಏರಿಳಿತ ಮುಂತಾದವುಗಳಿಂದಾಗಿ ಗ್ರಾಹಕ ಮಾರುಕಟ್ಟೆ ದರದಲ್ಲಿ ತೊಂದರೆಗಳು ಬಾಧಿಸಿವೆ.

ಭಾರತ ಸರಕಾರವು, ಕಪ್ಪು ಹಣ ಮತ್ತು ಖೋಟಾ ನೋಟು ತಡೆಗಟ್ಟಲು ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ವಿತರಿಸಿರುವ ₹500 ಮತ್ತು ₹1000 ದ ನಿಗದಿತ ಬ್ಯಾಂಕ್ ನೋಟುಗಳನ್ನು (ಎಸ್‌ಬಿಎನ್) ನೋಟುಗಳನ್ನು 08.11.2016ರಂದು ಅನಾಣ್ಯೀಕರಣ ಮಾಡಿತು ಹಾಗೂ ಕೆಲ ಕರಾರುಗಳ ಪ್ರಕಾರ ಮೇಲೆ ವಿವರಿಸಿದ ನೋಟುಗಳನ್ನು ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನಲ್ಲಿ ಷೆಡ್ಯೂಲ್ಡ್ ವಾಣಿಜ್ಯ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ (ಸಾರ್ವಜನಿಕ ಮತ್ತು ಖಾಸಗಿ ವಲಯದ) ಮತ್ತು ಇತರ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ಡಿಸೆಂಬರ್ 30, 2016ರ ಒಳಗೆ ವಿನಿಮಯ ಮಾಡಿಕೊಳ್ಳಲು ಅವಕಾಶ ನೀಡಲಾಗಿತ್ತು. ಸರಕಾರದ ಅನಾಣ್ಯೀಕರಣ (Demonetisation) ಕ್ರಮವನ್ನು ಸಫಲಗೊಳಿಸುವಲ್ಲಿ ಬ್ಯಾಂಕು ಮುಖ್ಯ ಪಾತ್ರ ವಹಿಸಿವೆ. ಅನಾಣ್ಯೀಕರಣ ನಿರ್ಧಾರವು ಆರಂಭದಲ್ಲಿ ಉದ್ದಿಮೆಗಳ ಮೇಲೆ ಕೊಂಚ ಪರಿಣಾಮ ಬೀರಿದರೂ ಫೆಬ್ರವರಿ 2017ರ ನಂತರ ಅಭಿವೃದ್ಧಿ ಪರಿಣಾಮವನ್ನು ಕಾಣಬಹುದಾಗಿದೆ.

ಹಣದುಬ್ಬರದ ಪ್ರಮಾಣ ನವೆಂಬರ್ 2016 - ಜನವರಿ 2017 ರ ಅವಧಿಯಲ್ಲಿ ಕೆಳಮಟ್ಟಕ್ಕೆ ಇಳಿದಿದ್ದು ಅನಾಣ್ಯೀಕರಣದ ಅನಂತರದ ತಿಂಗಳುಗಳಲ್ಲಿ ತರಕಾರಿ ಮತ್ತು ಬೇಳೆಕಾಳುಗಳ ಬೆಲೆಗಳ ಇಳಿತದಿಂದಾಗಿ ಕೆಳಮುಖವಾಗಿತ್ತು. ಇದಕ್ಕೆ ಕೃಷಿ ಉತ್ಪನ್ನ ಮಾರುಕಟ್ಟೆಗಳಲ್ಲಿ ನಗದು ಕೇಂದ್ರಿತ ವ್ಯವಹಾರದ ಅಸ್ತಿತ್ವ ಕಾರಣವಾಗಿತ್ತು. ಆದಾಗ್ಯೂ ಜನವರಿ 2017ರ ನಂತರದ

However, remonetization started firming up in the month of January 2017 leading to firmer food and fuel prices which drove the overall inflation in the month of February i.e. Consumer Price inflation showed an upward trend and stood at 3.81 per cent in March 2017 as against 3.65 per cent in February 2017 as against 3.17 per cent in January 2017. Pace of remonetization, increase in oil prices are some of the reasons for upward trend in the CPI.

With the Central Statistical Office' provisional estimates for 2016-17, real GVA growth for 2017-18 have been projected at 7.3 per cent. Growth in the services sector and industry and also implementation of uniform GST and other structural reforms, is expected to take the GVA rate to the expected level. Reserve Bank of India has revised the inflation to an average 4 per cent for the medium-term target of the FY 2017-18. Key upside risks to inflation on the domestic front includes uncertain monsoons, 7th Pay Commission impact, gap in government deficit led by states etc. besides, fluctuations in the international crude oil prices, volatility in the global financial markets, rise in international commodity prices etc.

DEVELOPMENTS IN THE BANKING SECTOR

The overall growth in bank deposits and credit during the year remained sluggish especially during the second half of the financial year 2016-17. Banks faced unexpected surge in the flow of cash into their vault due to demonetization move by the Government. The credit off take witnessed downward trend. Post January 2017, the remonetization started picking up, which resulted in credit growth again and improvement in the consumption.

Banking sector as such, credit expanded by 5.1 per cent while deposits grew by 11.8 per cent in the financial year 2016-17. Banking sector was embroiled in NPA issues which dissuaded growth of credit to industry. On the whole, the distressed assets is posing serious problems and the Central Government, Regulator & banks are making coordinated efforts to control the said menace.

In the recent past good number of Fin-tech companies, small finance banks, payment banks, start up companies etc have emerged in the Indian financial sector and your bank treats it as an opportunity for co-operation and collaboration in furthering the agenda of financial inclusion wherever necessary.

ವೇಳೆಗೆ ಪುನರ್‌ನಾಣೀಕರಣದಿಂದಾಗಿ ಆಹಾರ ಮತ್ತು ತೈಲ ಬೆಲೆಯಲ್ಲಿ ಏರಿಕೆ ಕಂಡು ಬಂದಿದ್ದು ಗ್ರಾಹಕ ಹಣದುಬ್ಬರವು ಜನವರಿ 2017ರಲ್ಲಿ ಶೇ. 3.17ರಷ್ಟು ಇದ್ದದ್ದು, ಫೆಬ್ರವರಿ 2017ರ ವೇಳೆಗೆ ಶೇ. 3.65ಕ್ಕೆ ಏರಿದ್ದು ಮಾರ್ಚ್ 2017ರ ವೇಳೆಗೆ ಶೇ. 3.81 ರಷ್ಟಾಗಿದೆ. ಅನಾಣೀಕರಣದ ವೇಗ, ತೈಲ ಬೆಲೆಗಳ ಏರಿಕೆ ಇತ್ಯಾದಿಗಳು ಗ್ರಾಹಕ ಹಣದುಬ್ಬರದ ಏರಿಕೆಗೆ ಕಾರಣಗಳಾಗಿವೆ.

ಕೇಂದ್ರ ಸಂಖ್ಯಾಶಾಸ್ತ್ರ ಕಚೇರಿ 2016-17ರ ಅಭಿವೃದ್ಧಿಯ ಸೂಚಕದಂತೆ ಭಾರತದ ನೈಜ ಜಿವಿ ವೃದ್ಧಿ ದರ 2017-18ರ ವೇಳೆಗೆ ಶೇ.7.3ರಷ್ಟಿರುತ್ತದೆ ಎಂದು ಅಂದಾಜಿಸಲಾಗಿದೆ. ಕೈಗಾರಿಕಾ ಹಾಗೂ ಸೇವಾರಂಗದಲ್ಲಿ ಆಗುತ್ತಿರುವ ವೃದ್ಧಿ ಮತ್ತು ಏಕರೂಪದ ಜಿಎಸ್ಟಿ ಹಾಗೂ ಇತರೇ ಆರ್ಥಿಕ ಸುಧಾರಣಾ ಕ್ರಮಗಳನ್ನು ವೃದ್ಧಿ ಗಮನದಲ್ಲಿಟ್ಟುಕೊಂಡು ಮೇಲೆ ವಿವರಿಸಿದ ಜಿವಿ ವೃದ್ಧಿ ನಿರೀಕ್ಷಿಸಿದ ಮಟ್ಟವನ್ನು ತಲುಪಬಹುದಾಗಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ವಿತ್ತೀಯ ವರ್ಷ 2017-18ರ ಮಧ್ಯಂತರ ಅವಧಿಯ ಹಣದುಬ್ಬರ ವನ್ನು ಸುಮಾರು ಶೇ.4 ರಂತೆ ಅಂದಾಜಿಸಿದೆ. ದೇಶೀಯ ಹಣದುಬ್ಬರವು ಅನಿಶ್ಚಿತ ವರ್ಷಧಾರೆ, ಏಳನೇ ವೇತನಾ ಆಯೋಗ ಪರಿಣಾಮ, ರಾಜ್ಯಗಳ ಆದಾಯ ಕೊರತೆಯ ಅಂತರ ಹೆಚ್ಚಳ, ಅಂತಾರಾಷ್ಟ್ರೀಯ ಕಚ್ಚಾ ತೈಲ ಬೆಲೆ ಏರಿಕೆ, ಜಾಗತಿಕ ಆರ್ಥಿಕ ರಂಗದ ಚಿಂಚಲತೆ, ಅಂತಾರಾಷ್ಟ್ರೀಯ ಸರಕುಬೆಲೆ ಹೆಚ್ಚಳ ಮುಂತಾದವುಗಳಿಂದ ಬಾಧಿಸಲ್ಪಡಬಹುದು.

ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರದಲ್ಲಿನ ಬದಲಾವಣೆಗಳು

ಒಟ್ಟಾರೆ ಬ್ಯಾಂಕುಗಳ ಠೇವಣಿ ಮತ್ತು ಮುಂಗಡ ವೃದ್ಧಿಯಲ್ಲಿ ನಿಧಾನಗತಿಯು ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷ, ಅದರಲ್ಲೂ ದ್ವಿತೀಯ ಅರ್ಧ ವಾರ್ಷಿಕದಲ್ಲಿ ಮುಂದುವರಿದಿದೆ. ಕೇಂದ್ರ ಸರ್ಕಾರದ ಅನಾಣೀಕರಣದ ಕ್ರಮದಿಂದಾಗಿ ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ನಗದಿನ ಒಳಹರಿವು ಅನಿರೀಕ್ಷಿತ ಮಟ್ಟದಲ್ಲಿ ಏರಿಕೆಯಾಯಿತು. ಮುಂಗಡ ಬೇಡಿಕೆಯಲ್ಲಿ ಇಳಿಮುಖ ಪ್ರವೃತ್ತಿ ಕಂಡು ಬಂದಿತ್ತು. ಜನವರಿ 2017ರ ಬಳಿಕ ಪುನರ್ ನಾಣೀಕರಣ ಪ್ರಾರಂಭಗೊಂಡು ಮುಂಗಡದ ಬೆಳವಣಿಗೆಯಲ್ಲಿ ಹಾಗೂ ಗ್ರಾಹಕ ಬೇಡಿಕೆಯಲ್ಲಿ ಚೇತರಿಕೆ ಕಂಡು ಬಂದಿದೆ.

ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರವನ್ನು ಪರಿಗಣಿಸಿದಾಗ 2016-17 ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಮುಂಗಡ ಶೇ. 5.1ಕ್ಕೆ ವೃದ್ಧಿಸಿದ್ದು, ಠೇವಣಿಗಳು ಶೇ. 11.8ಕ್ಕೆ ವೃದ್ಧಿಗೊಂಡಿತ್ತು. ಬ್ಯಾಂಕಿಂಗ್ ಕ್ಷೇತ್ರ, ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ಭಾರದಿಂದ ಗೊಂದಲಕ್ಕೀಡಾಗಿದ್ದು, ಕೈಗಾರಿಕೆಗಳಿಗೆ ಮುಂಗಡ ಒದಗಿಸಲು ಹಿಂಜರಿಕೆ ಕಾಣುತ್ತಿದೆ. ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳು ಸತತ ಏರುಗತಿಯಲ್ಲಿವೆ. ಒಟ್ಟಾರೆ ತೀರಾ ಹದಗೆಟ್ಟ ಮುಂಗಡ ಆಸ್ತಿಗಳು ಗೊಂದಲಕ್ಕೀಡು ಮಾಡಿದ್ದು, ಇವನ್ನು ನಿಯಂತ್ರಿಸಲು ಕೇಂದ್ರ ಸರ್ಕಾರ, ನಿಯಂತ್ರಕ ಅಂಗಗಳು ಮತ್ತು ಬ್ಯಾಂಕುಗಳು ಸಂಘಟಿತ ಪ್ರಯತ್ನಗಳನ್ನು ಮಾಡುತ್ತಿವೆ.

ಇತ್ತೀಚಿನ ದಿನಗಳಲ್ಲಿ ಭಾರತದ ಆರ್ಥಿಕ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಸಣ್ಣ ಬ್ಯಾಂಕ್, ಪೇಮೆಂಟ್ ಬ್ಯಾಂಕ್ ಮತ್ತು ಫಿನ್-ಟೆಕ್ ಕಂಪೆನಿಗಳು ಸರಿಸುಮಾರು ಸಂಖ್ಯೆಯಲ್ಲಿ ಹೊರಹೊಮ್ಮುತ್ತಿವೆ ಮತ್ತು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಈ ವಿಷಯದಲ್ಲಿ ತನ್ನ ಮುಂಬರುವ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಸಹಕಾರ ಮತ್ತು ಸಹಯೋಗದ ಅವಕಾಶವನ್ನಾಗಿ ಅವಶ್ಯಕತೆಗನುಗುಣವಾಗಿ ಪರಿಗಣಿಸ ಬಹುದಾಗಿದೆ.

OPPORTUNITIES

Based on the prediction of normal monsoon, considering the pace of remonetization, the economic growth is projected at 7.3 per cent. The Government's thrust on infrastructure development besides technological advancement in the manufacturing sector may open up avenues to Banks to finance these projects. The improved employment in the country, higher income levels etc. augur well for the long term sustainable growth of retail lending in the Indian market. Government's inclusive growth agenda may also bring additional business to banks.

The biggest opportunity for the Indian banking system today is the Indian consumer. Demographic shifts in terms of income levels and cultural shifts in terms of lifestyle aspirations are changing the profile of the Indian consumer. This is regarded as key driver of economic growth going forward. The focus of Union Budget 2017-18 on reviving the rural economy and doubling rural income could support rural consumption demand more enduringly going forward which may ultimately lead to increased business opportunities for banks.

With an aim to promote digital payments and less-cash society, several initiatives are being taken by the Government of India. With the help of optimum utilization of technology and telecommunication system, ground-breaking methods are being encouraged for financial transactions such as Aadhar Enabled Payment Systems (AEPS), Unstructured Supplementary Service Data for feature phone based financial transactions (USSD), Mobile wallets, Unified Payments Interface (UPI) etc. and your Bank perceives ample opportunities to participate in the digital banking movement.

In order to consolidate the laws relating to insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner, the Government of India notified the "Insolvency and Bankruptcy Code, 2016" (Code) on 28.05.2016. The code defines the institutional framework, operative guidelines, adjudicating procedures for time bound insolvency resolution process and liquidation. With the implementation of the Code, Indian lending system gets advantages in dealing with stressed assets.

ಅವಕಾಶಗಳು

ಅಂದಾಜಿಸಲಾದ ಸಾಮಾನ್ಯ ವರ್ಷಾಧಾರ ಹಾಗೂ ಪುನರ್‌ನಾಣೀಕರಣ ದಿಂದ ಪುನಚೇತನಗೊಂಡ ಸಾಮಾನ್ಯ ಸ್ಥಿತಿಗಳಿಗೆ ಅನುಸಾರವಾಗಿ ಆರ್ಥಿಕ ಅಭಿವೃದ್ಧಿಯನ್ನು ಶೇ.7.3ರಷ್ಟು ನಿರೀಕ್ಷಿಸಲಾಗಿದೆ. ಉತ್ಪಾದನಾರಂಗಕ್ಕೆ ಹೆಚ್ಚು ಪ್ರೋತ್ಸಾಹ ಕೊಡುವ ಸರಕಾರದ ನಿರ್ಧಾರದಿಂದ ಉತ್ಪಾದನಾರಂಗದ ಸಂರಚನೆ ಮತ್ತು ತಾಂತ್ರಿಕ ಔನ್ನತ್ಯಕ್ಕಾಗಿ ಬ್ಯಾಂಕುಗಳಿಗೆ ಮುಂಗಡ ವಿಸ್ತರಿಸುವ ಅವಕಾಶವಿದೆ. ಭಾರತೀಯ ಮಾರುಕಟ್ಟೆಯಲ್ಲಿನ ಹೆಚ್ಚಿದ ಉದ್ಯೋಗಾವಕಾಶಗಳು, ಉನ್ನತ ಆದಾಯವಲಯದಲ್ಲಿನ ವೃದ್ಧಿ ಇತ್ಯಾದಿಗಳು ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್‌ನ ದೀರ್ಘಾವಧಿ ಅಭಿವೃದ್ಧಿಗೆ ಪೂರಕವಾಗಲಿವೆ. ಸರಕಾರದ ಒಟ್ಟು ಅಭಿವೃದ್ಧಿ ಯೋಜನೆಗಳು ಬ್ಯಾಂಕುಗಳಿಗೆ ವಿಪುಲ ವ್ಯವಹಾರವಕಾಶ ಕಲ್ಪಿಸುತ್ತವೆ.

ಭಾರತೀಯ ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆಗೆ ದೊರಕಿರುವ ದೊಡ್ಡ ಅವಕಾಶವೆಂದರೆ ಅದು ಭಾರತೀಯ ಗ್ರಾಹಕರು. ಭಾರತೀಯ ಗ್ರಾಹಕರ ಜನಸಂಖ್ಯಾ ವಿಪುಲತೆ, ಆದಾಯ ಶ್ರೇಣಿಯಲ್ಲಿನ ವೃದ್ಧಿ, ಸಾಂಸ್ಕೃತಿಕ ವೃದ್ಧಿ, ಬದುಕುವ ಶೈಲಿಯಲ್ಲಿನ ಉನ್ನತಿ ಆಶಾದಾಯಕವಾಗಿದೆ. ಈ ಮನೋಸ್ಥಿತಿ ಉನ್ನತ ಆರ್ಥಿಕವೃದ್ಧಿಗೆ ಸಹಾಯಕವಾಗಿದೆ. ಭಾರತೀಯ ಯುವಸಮುದಾಯದ ಆದಾಯ ಮತ್ತು ಸಾಲ, ಹೆಚ್ಚಿನ ಆಸ್ತಿ ಒಗ್ಗೂಡಿಕೆಗೆ ಸಹಾಯಕವಾಗಿದೆ. ಚಿಲ್ಲರೆ ಬ್ಯಾಂಕಿಂಗ್ ವಹಿವಾಟಿಗೆ ಇವರ ಬೇಡಿಕೆ ಸ್ಪರ್ಧಾತ್ಮಕ ಅವಕಾಶ ನೀಡುತ್ತವೆ. 2017-18ರ ಯೂನಿಯನ್ ಬಜೆಟ್ ಪ್ರಮುಖವಾಗಿ ಗ್ರಾಮಾಂತರ ಆರ್ಥಿಕತೆಯ ಮೇಲೆ ಕೇಂದ್ರೀಕರಿಸಿದ್ದು, ಗ್ರಾಮಾಂತರ ಆದಾಯ ದ್ವಿಗುಣಗೊಳಿಸುವ ನಿಟ್ಟಿನಲ್ಲಿ ಸಾಗಿದ್ದು ಗ್ರಾಮಾಂತರ ಉಪಯುಕ್ತ ಬೇಡಿಕೆಗಳಿಗೆ ಸ್ಪಂದಿಸುತ್ತಾ ಬ್ಯಾಂಕುಗಳಿಗೆ ಹೆಚ್ಚಿನ ವಹಿವಾಟುಗಳ ಅವಕಾಶ ದೊರಕಲಿದೆ.

ಭಾರತ ಸರಕಾರವು ನಗದು ವ್ಯವಹಾರ ಕಡಿಮೆ ಮಾಡಲು ಮತ್ತು ಡಿಜಿಟಲ್ ಪಾವತಿ ವಿಧಾನಕ್ಕಾಗಿ ಒತ್ತು ನೀಡುತ್ತಿದೆ. ತಂತ್ರಜ್ಞಾನ ಮತ್ತು ದೂರಸಂಪರ್ಕ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಆಗುತ್ತಿರುವ ಕ್ಷಿಪ್ರ ಅಭಿವೃದ್ಧಿಯನ್ನು ಆಧಾರವಾಗಿಟ್ಟು ಕೊಂಡಿದ್ದು, ಹಣಕಾಸಿನ ಸುಲಭ ವಹಿವಾಟಿಗಾಗಿ ಆಧಾರ್ ಎನೇಬಲ್ಡ್ ಪೇಮೆಂಟ್ ವ್ಯವಸ್ಥೆ (ಎಇಪಿಎಸ್), ಸ್ಮಾರ್ಟ್ ಅಲ್ಲದೇ ಇರುವ ಮೊಬೈಲ್‌ಗಳಲ್ಲಿ ವ್ಯವಹಾರಕ್ಕೆ ವಿಧಾನ (ಯುಎಸ್‌ಎಎಡಿ), ಮೊಬೈಲ್ ವ್ಯಾಲೆಟ್, ಯುನಿಫೈಡ್ ಪೇಮೆಂಟ್ ಇಂಟರ್‌ಫೇಸ್ (ಯುಪಿಐ), ಮುಂತಾದವುಗಳನ್ನು ಭಾರತ ಸರಕಾರ ಹೊರತಂದಿದೆ ಮತ್ತು ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಡಿಜಿಟಲ್ ಆಂದೋಲನದಲ್ಲಿ ಪಾಲ್ಗೊಳ್ಳಲು ವಿಪುಲ ಅವಕಾಶಗಳನ್ನು ಕಾಣುತ್ತಿದೆ.

ಕಂಪೆನಿಗಳ, ಪಾಲುದಾರಿಕೆ ಸಂಸ್ಥೆಗಳು ಹಾಗೂ ವ್ಯಕ್ತಿಗಳ ಆರ್ಥಿಕ ದಿವಾಳಿತನದ ಘೋಷಣೆಯನ್ನು ನಿರ್ದಿಷ್ಟ ಕಾಲ ಮಿತಿಯಲ್ಲಿ ಸಾಧ್ಯಪಡಿಸಲಿಕ್ಕಾಗಿ ಹಾಗೂ ಈ ಸಂಬಂಧಪಟ್ಟ ಕಾನೂನುಗಳನ್ನು ಏಕೀಕರಣಗೊಳಿಸುವ ನಿಟ್ಟಿನಲ್ಲಿ, ಭಾರತ ಸರಕಾರವು ದಿನಾಂಕ 28.05.2016ರಂದು 'ಇನ್‌ಸಾಲ್ವೆನ್ಸಿ ಎಂಡ್ ಬ್ಯಾಂಕ್ರಪ್ಟ್ಸಿ ಕೋಡ್, 2016'ರನ್ನು ಜಾರಿಗೊಳಿಸಿ ಅಧಿಸೂಚನೆ ಹೊರಡಿಸಿದೆ. ಈ ಕಾನೂನಿನಲ್ಲಿ ದಿವಾಳಿತನದ ಘೋಷಣೆಯನ್ನು ನಿರ್ದಿಷ್ಟ ಕಾಲ ಮಿತಿಯಲ್ಲಿ ಸಾಧ್ಯವಾಗಿಸಲು ಸಾಂಸ್ಥಿಕ ತಳಹದಿ, ಕಾರ್ಯಾಚರಣೆಗೆ ಸಂಬಂಧಪಟ್ಟ ಮಾರ್ಗದರ್ಶನ, ತೀರ್ಮಾನಿಸುವ ವಿಧಾನ ಮುಂತಾದವುಗಳನ್ನು ವ್ಯಾಖ್ಯಾನಿಸಲಾಗಿದೆ. ಈ ಕಾನೂನಿನ ಅಳವಡಿಕೆಯೊಂದಿಗೆ ಭಾರತೀಯ ಮುಂಗಡ ವ್ಯವಸ್ಥೆಗೆ ಒತ್ತಡಕ್ಕೆ ಒಳಗಾದ ಆಸ್ತಿಗಳೊಂದಿಗೆ ವ್ಯವಹರಿಸಲು ಅನುಕೂಲಕರ ವಾತಾವರಣ ಕಲ್ಪಿಸಿದೆ.

OUTLOOK

With the technological advancement sweeping the banking industry leading to steady migration to digital banking, the operational landscape of Banks is likely to change for the better enhancing cost effectiveness and productivity. With the expected growth in the GDP and improvement in export momentum, coupled with the growing service industry, good monsoon etc., there are great opportunities for the banks to improve their business. However, the continued deterioration in assets quality is haunting the banks and your bank is hopeful of containing the NPAs through vigorous monitoring efforts. The recovery of NPAs is also expected to be aggressive. Further, ordinance to amend the Banking Regulation Act, 1949 promulgated by the Hon'ble President of India in the month of May 2017 is a positive move for the overall banking industry.

RISKS AND CONCERNS

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, Reputation Risk etc. With a view to efficiently manage such risks, your Bank has put in place various risk management systems and practices. In line with the guidelines issued by the Reserve Bank of India from time to time, your Bank continues to strengthen various risk management systems that include policies, tools, techniques, systems and other monitoring and forewarning mechanisms.

Your Bank aims at enhancing and maximizing the shareholder value by achieving 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., Integrated Risk Management Committee periodically reviews the risk profile, evaluates the overall risks faced 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.

ಹೊರನೋಟ

ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮದಲ್ಲಿ ತಾಂತ್ರಿಕ ಔನ್ನತ್ಯಗಳು ಹಾಸುಹೊಕ್ಕಾಗಿರುವುದರ ಮೂಲಕ ಸ್ಥಿರವಾಗಿ ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕಿಂಗ್‌ನತ್ತ ಹೊರಳಿದೆ. ಈ ಪ್ರವೃತ್ತಿ ಬ್ಯಾಂಕಿಂಗ್ ದೃಶ್ಯವನ್ನು ಬದಲಾಯಿಸುವ ಸಾಧ್ಯತೆ ಹೊಂದಿದ್ದು ಬ್ಯಾಂಕಿಂಗ್‌ನ್ನು ಇನ್ನೂ ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಮಾಡಿ ಉತ್ಪಾದಕತೆಯನ್ನು ವೃದ್ಧಿಸಲಿದೆ. ಜಿಡಿಪಿಯಲ್ಲಿನ ನಿರೀಕ್ಷಿತ ಬೆಳವಣಿಗೆ ರಫ್ತುರಂಗದ ವೇಗವರ್ಧನೆಯಲ್ಲಿ ಹೆಚ್ಚಿನ ಸುಧಾರಣೆ, ಬೆಳೆಯುತ್ತಿರುವ ಸೇವಾ ಉದ್ಯಮ, ಉತ್ತಮ ವರ್ಷಧಾರೆ ಇತ್ಯಾದಿಗಳು ಬ್ಯಾಂಕು ವಹಿವಾಟು ವೃದ್ಧಿಸಲು ಸಹಕಾರಿಯಾಗಲಿವೆ. ಏನಿದ್ದರೂ, ಶಿಥಿಲಗೊಳ್ಳುತ್ತಲೇ ಇರುವ ಆಸ್ತಿಗಳ ಗುಣಮಟ್ಟ ಬ್ಯಾಂಕಿಂಗ್‌ಗೆ ಒಂದು ಪದೇಪದೇ ಕಾಡುವ ಸಮಸ್ಯೆಯಾಗಿದ್ದು, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸಕ್ರಿಯ ಕ್ರಮಗಳ ಮೂಲಕ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯನ್ನು ಹತೋಟಿಗೆ ತರುವಲ್ಲಿ ಭರವಸೆಯನ್ನು ಹೊಂದಿದೆ. ನಿರ್ವಹಣಾ ಪ್ರಯತ್ನದಿಂದಾಗಿ ಅನುತ್ಪಾದಕ ಆಸ್ತಿಗಳ ವಸೂಲಾತಿಯೂ ನಿರೀಕ್ಷಿತ ಮಟ್ಟದಲ್ಲಿದೆ. ಅಲ್ಲದೇ ಗೌರವಾನ್ವಿತ ರಾಷ್ಟ್ರಪತಿರು ಮೇ 2017 ರಂದು ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ 1949, ಇದಕ್ಕೆ ತಿದ್ದುಪಡಿ ಮಾಡುವ ಅಧಿನಿಯಮವನ್ನು ಹೊರಡಿಸಿದ್ದು, ಇದು ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮಗಳಿಗೆ ಧನಾತ್ಮಕ ಚಾಲನೆ ನೀಡಲಿದೆ.

ಸಂಭಾವ್ಯ ಅಪಾಯಗಳು ಮತ್ತು ಕಳಕಳಗಳು

ಬ್ಯಾಂಕಿನ ದೈನಂದಿನ ವ್ಯವಹಾರಗಳಲ್ಲಿ ಸಾಮಾನ್ಯವಾಗಿ ಹಲವಾರು ಅಪಾಯಗಳಿಗೆ ಒಡ್ಡಿಕೊಳ್ಳಬೇಕಾಗಿರುವುದು ಅನಿವಾರ್ಯವಾಗಿದ್ದು, ಅವುಗಳಲ್ಲಿ ಪ್ರಮುಖವಾಗಿ ಮುಂಗಡ ಅಪಾಯ, ಮಾರುಕಟ್ಟೆ ಅಪಾಯ, ನಿರ್ವಹಣಾ ಅಪಾಯ ಮತ್ತು ಇತರ ಉಳಿಕೆ ಅಪಾಯಗಳಾದ ದ್ರವತ್ವದ ಅಪಾಯ, ಬಡ್ಡಿದರ ಅಪಾಯ, ಕೇಂದ್ರೀಕರಣ ಅಪಾಯ, ವ್ಯವಹಾರಾತ್ಮಕ ಅಪಾಯ, ಪ್ರತಿಷ್ಠೆಯ ಅಪಾಯ ಇತ್ಯಾದಿಗಳಾಗಿವೆ. ಇಂತಹ ಅಪಾಯಗಳನ್ನು ದಕ್ಷತೆಯಿಂದ ನಿರ್ವಹಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ರಚಿಸಿ ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದಿರುತ್ತದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಗಿಂದಾಗ್ಗೆ ನೀಡಿದ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ಹಲವಾರು ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಗಳ ಮೂಲಕ ಧೋರಣೆ, ತಾಂತ್ರಿಕತೆ, ಪರಿಕರಗಳಿಂದ ಅತ್ಯುತ್ತಮ ನಿರ್ವಹಣೆಯನ್ನು ಬಲಿಷ್ಠ ಗೊಳಿಸಿದ್ದು, ಅದನ್ನು ಬ್ಯಾಂಕು ಮುಂದುವರಿಸಿಕೊಂಡು ಬರುತ್ತಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಪಾಯ ಮತ್ತು ಆದಾಯಗಳ ನಡುವೆ ಸೂಕ್ತ ಸಮತೋಲನದ ಮೂಲಕ ಶೇರುದಾರರಿಗೆ ಗರಿಷ್ಠ ಮೌಲ್ಯವನ್ನು ಒದಗಿಸುವಲ್ಲಿ ಕಾಳಜಿ ವಹಿಸುತ್ತಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ಧ್ಯೇಯ ಪ್ರಮುಖವಾಗಿ ಅಪಾಯಗಳ ಸಕಾಲಿಕ ಗುರುತಿಸುವಿಕೆ, ಅಪಾಯಗಳ ಮಟ್ಟದ ತುಲನೆ, ಮೇಲ್ವಿಚಾರಣೆ ಹಾಗೂ ದಕ್ಷ ನಿರ್ವಹಣೆಯನ್ನು ಕೈಗೊಂಡು ವ್ಯವಹಾರದ ಪ್ರಕ್ರಿಯೆಯಲ್ಲಿ ಅಪಾಯ ತಗ್ಗಿಸುವಿಕೆಯನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುತ್ತಿದೆ. ಬ್ಯಾಂಕು ಅಳವಡಿಸಿಕೊಂಡ ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ನಿರ್ವಹಣಾ ಧೋರಣೆಯು ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸಂಪೂರ್ಣ ಅರಿವು ಮತ್ತು ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಮಟ್ಟದ ಪೂರ್ಣ ತಿಳುವಳಿಕೆ ಹೊಂದಿದ್ದು, ಅಂತಹ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ಅಭಿವೃದ್ಧಿಯ ದೃಷ್ಟಿಯಿಂದ ಸ್ವೀಕರಿಸಲು ಬ್ಯಾಂಕು ಮುಂದಾಗಿದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಂಕೀರ್ಣ ಸಮಗ್ರ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಮಿತಿ ಆಗಿಂದಾಗ್ಗೆ ಬ್ಯಾಂಕಿಗೆ ಎದುರಾಗುವ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯ ಬಗ್ಗೆ ಅವಲೋಕನ, ಬ್ಯಾಂಕು ಒಟ್ಟಾರೆ ಎದುರಿಸುತ್ತಿರುವ ಅಪಾಯಗಳ ಬಗ್ಗೆ ಸೂಕ್ತ ಪುನರಾವಲೋಕನ, ಸೂಕ್ತ ಮೌಲಿಕರಣ ಮತ್ತು ಅತ್ಯುತ್ತಮ ನಿರ್ವಹಣೆಗಾಗಿ ಧೋರಣೆ ಮತ್ತು ಅನುಷ್ಠಾನಗಳ ಕಡೆ ಆದ್ಯ ಗಮನ ಹರಿಸುತ್ತದೆ.

ವರಿಷ್ಠ ಮಟ್ಟದ ವಿವಿಧ ವ್ಯವಸ್ಥಾಪನಾ ಸಮಿತಿಗಳನ್ನು ರಚಿಸಲಾಗಿದ್ದು ಅವುಗಳಲ್ಲಿ ಮುಂಗಡ ಧೋರಣೆ ಸಮಿತಿ, ಆಸ್ತಿ-ಉಣ ನಿರ್ವಹಣಾ ಸಮಿತಿ, ನಿರ್ವಹಣಾ ಅಪಾಯ ವ್ಯವಸ್ಥಾಪನಾ ಸಮಿತಿ ಮುಂತಾದವುಗಳು ಬ್ಯಾಂಕಿನ ವಿಸ್ತೃತ ಧೋರಣಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಕಾರ್ಯವೆಸಗುತ್ತಿದ್ದು, ಅಪಾಯ ನಿಯಂತ್ರಣಕ್ಕಾಗಿ ಬ್ಯಾಂಕಿನ ಪರಿಮಿತಿಯಲ್ಲಿ ಗರಿಷ್ಠ ಕ್ರಮ ನಿರ್ವಹಿಸುತ್ತಿವೆ.

The Risk Management Department at Head Office oversees the overall implementation of various risk management initiatives across the Bank.

In line with the guidelines issued by RBI, your Bank has implemented the New Capital Adequacy Framework and is Basel II compliant with effect from March 31, 2009, by adopting the basic approaches available under the guidelines. While complying with all the requirements of the basic approaches under Basel II, your Bank has taken the necessary steps to move over to Basel II Advanced Approaches as per the Road Map approved by the Bank's Board in this regard. As a part of the Basel III, Pillar III –Market Disclosure requirement, your Bank has made a detailed Pillar III Disclosure, which is appended to this report as Annexure II. The Bank conforms to the Basel III guidelines from April 1, 2013 and has also assessed the future capital impacts.

In compliance with Basel guidelines, the Bank has put in place a policy document for Internal Capital Adequacy Assessment Process (ICAAP) to evaluate its capital adequacy relative to its risks. Stress testing framework for various stress scenarios is also put in place for 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 committee, viz., Internal Capital Adequacy Assessment Committee (ICAAC), reviews the risk appetite, risk profile, business projections as well as capital assessment of your Bank at periodical intervals

To evaluate and review the performance of various business units/ products/ customers etc, your Bank has introduced a scientific Fund Transfer Pricing (FTP) and Customer Profitability Management System (CPMS) for better management of risk and return. FTP & CPMS enable the Bank to assess the profitability at various levels like branch, product, customers, accounts, regions etc. The system enables the Bank to perform various profitability related analysis and helps the Bank to make more business-focused decisions to increase the long-term profitability.

For continuous monitoring of customer induced transactions under various Alternate Delivery Channels (ADC) and Core Banking Solution (CBS), your Bank has implemented Enterprise Level Fraud Risk Management System (ELFRMS) in September 2016. This is an automated transaction monitoring system for detection of frauds in customer accounts. Based on a range of scenarios, various alerts triggered by the system are monitored by ELFRMS team from various risk and fraud angles. The system acts as a check on potential fraud incidents as a preventive measure and is intended to identify the potential fraudulent transactions covering various channels like internet banking, mobile banking, debit card, POS, CBS etc on real time basis, based on predefined probable fraud scenarios.

ಪ್ರಧಾನ ಕಚೇರಿಯ ಅಪಾಯ ನಿರ್ವಹಣಾ ವಿಭಾಗವು ಅಪಾಯ ನಿರ್ವಹಣೆಯ ಮತ್ತು ನಿಯಂತ್ರಣ ಕ್ರಮದ ಸಕಾಲಿಕ ಅನುಷ್ಠಾನದ ವಿವಿಧ ಚಟುವಟಿಕೆಗಳ ಮೇಲ್ವಿಚಾರಣೆ ನಡೆಸುತ್ತಿದೆ.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ನೂತನ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಚೌಕಟ್ಟಿನಲ್ಲಿ ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು 31 ಮಾರ್ಚ್ 2009ಕ್ಕೆ ಸಂಪೂರ್ಣ ಅನುಷ್ಠಾನಗೊಳಿಸಿರುತ್ತದೆ. ಬೇಸಲ್ II ಅನುಸರಣೆಯನ್ನು ಪೂರ್ಣವಾಗಿ ಕಾರ್ಯಗತಗೊಳಿಸುವಾಗಲೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬೇಸಲ್ II ಮಾರ್ಗದರ್ಶಿಯ, ಮುಂದುವರಿದಂತೆ ಅನುಸರಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಆಡಳಿತ ಮಂಡಳಿಯ ಅನುಮೋದನೆಯೊಂದಿಗೆ ಕಾರ್ಯರೂಪಕ್ಕೆ ತರಲು ಸರ್ವ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿತ್ತು. ಈ ಕುರಿತಂತೆ ಬೇಸಲ್ III ಸ್ತಂಭಸೂಚಿ III - ಮಾರುಕಟ್ಟೆ ಪ್ರಕಟಣೆ ಅಗತ್ಯತೆ ಸಂಬಂಧಿಸಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಂದು ವಿವರಣಾತ್ಮಕ ಸ್ತಂಭಸೂಚಿ III ರ ಪ್ರಕಟಣೆಯನ್ನು ಮಾಡಿದ್ದು, ಅದನ್ನು ಅನುಬಂಧ II ರಲ್ಲಿ ಲಗತ್ತಿಸಲಾಗಿದೆ. ಬೇಸಲ್ III ಗುಣಮಟ್ಟ ಅಳವಡಿಕೆಯ ಬಳಿಕ, ಭವಿಷ್ಯದಲ್ಲಿನ ಬಂಡವಾಳ ಪರಿಣಾಮವನ್ನು ವಿಶ್ಲೇಷಿಸಲೂ ಸಹ ಬ್ಯಾಂಕ್ ಎಪ್ರಿಲ್ 1, 2013ರಿಂದ ಪ್ರಾರಂಭಿಸಿದೆ.

ಬೇಸಲ್ ಮಾರ್ಗದರ್ಶಿಕೆಗಳ ಅನುಷ್ಠಾನದೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ - ನೀತಿಯ ಕೈಪಿಡಿಯನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದ್ದು, ಇದು ಅಪಾಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತೆಯ ಅಂದಾಜು ನಿಖರವಾಗಿಸುವಲ್ಲಿ ಸಹಾಯ ಮಾಡುತ್ತದೆ. ಹಲವಾರು ಒತ್ತಡ ಪರೀಕ್ಷಣಾ ಚೌಕಟ್ಟುಗಳನ್ನು ಬ್ಯಾಂಕ್ ಸ್ಥಾಪಿಸಿದ್ದು, ಇದು ತೀವ್ರ ಒತ್ತಡ ಸಾಧ್ಯತೆಯ ಪರಿಣಾಮ ತಿಳಿಯುವಲ್ಲಿ ಸಹ ಸಹಕಾರಿಯಾಗಿದೆ. ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಆದೇಶಿಕೆ ಮತ್ತು ಒತ್ತಡ ಪರೀಕ್ಷಣೆಯ ಬಗ್ಗೆ ಆಗಿಂದಾಗ್ಗೆ ನಿಯಮಿತವಾಗಿ ಮೇಲ್ಮೊಟ್ಟೆ ಹರಿಸುವುದರಿಂದ, ಯೋಜಿತ ವ್ಯವಹಾರಾಭಿವೃದ್ಧಿಗೆ ಅಗತ್ಯವಾದ ಬಂಡವಾಳ ಅಗತ್ಯತೆಯನ್ನು ಅಂದಾಜಿಸುವಲ್ಲಿಯೂ, ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ಸಾಮರ್ಥ್ಯ ಸುಧಾರಿಸುವಲ್ಲಿಯೂ ಸಹಕಾರಿಯಾಗಿದೆ. 'ಆಂತರಿಕ ಬಂಡವಾಳ ಪರ್ಯಾಪ್ತತಾ ಮೌಲ್ಯಮಾಪನ ಸಮಿತಿ' (ಐಸಿಎಎಸ್)ಯು ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮಟ್ಟದ ಸಮಿತಿಯಾಗಿದ್ದು, ಇದು ಆಗಿಂದಾಗ್ಗೆ ಸೂಕ್ತ ಕಾಲಾವಧಿಯಲ್ಲಿ ಅಪಾಯದ ಅಭಿಲಾಷೆ, ಅಪಾಯದ ಬಾಹ್ಯರೂಪ, ವ್ಯವಹಾರ ಅಂದಾಜುಗಳೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಬಂಡವಾಳ ಮೌಲ್ಯಮಾಪನವನ್ನೂ ಸಮೀಕ್ಷಿಸುತ್ತದೆ.

ವ್ಯವಹಾರಗಳ ಘಟಕಗಳು/ ಉತ್ಪನ್ನಗಳು / ಗ್ರಾಹಕ ನಿರ್ವಹಣೆಯ ಕುರಿತಂತೆ ಮೌಲೀಕರಣ ಮತ್ತು ಪರಾಮರ್ಶಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು 'ಫಂಡ್ ಟ್ರಾನ್ಸ್‌ಫರ್ ಪ್ರೈಸಿಂಗ್' (ಎಫ್‌ಟಿಪಿ) ಮತ್ತು 'ಕಸ್ಟಮರ್ ಪ್ರಾಫಿಟಿಬಿಲಿಟಿ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸಿಸ್ಟಮ್' (ಸಿಪಿಎಂಎಸ್) ಇವುಗಳನ್ನು ಉತ್ತಮ ಅಪಾಯ ಮತ್ತು ಆದಾಯ ನಿರ್ವಹಣೆಗಾಗಿ ವೈಜ್ಞಾನಿಕ ರೀತಿಯಲ್ಲಿ ಜಾರಿಗೆ ತಂದಿದೆ. ಈ ಸಿಪಿಎಂಎಸ್ ವ್ಯವಸ್ಥೆಗಳು ವಿವಿಧ ಅಂಗೋಪಾಂಗಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಲಾಭದಾಯಕತೆ ಕುರಿತಂತೆ ಮೌಲ್ಯಮಾಪನ ಮಾಡುತ್ತವೆ. ಈ ಅಂಗಗಳು ಮುಖ್ಯವಾಗಿ ಶಾಖೆ, ಉತ್ಪಾದನೆ, ಗ್ರಾಹಕರು, ಖಾತೆಗಳು, ಪ್ರಾದೇಶಿಕತೆ ಇತ್ಯಾದಿ. ವ್ಯವಸ್ಥೆಯು ವಿವಿಧ ಲಾಭದಾಯಕತೆ ಸಂಬಂಧಿತ ವಿಶ್ಲೇಷಣೆ ನಡೆಸಿ ಬ್ಯಾಂಕಿಗೆ ವಹಿವಾಟು ಕೇಂದ್ರೀಕೃತ ವಿಚಾರಗಳಲ್ಲಿ ನಿರ್ಧಾರ ತೆಗೆದುಕೊಳ್ಳಲು ಮತ್ತು ತತ್ಸಂಬಂಧವಾಗಿ ದೀರ್ಘಾವಧಿ ಲಾಭದಾಯಕತೆಯ ಹೆಚ್ಚಳಕ್ಕೆ ಸಹಕಾರಿಯಾಗಿದೆ.

ಪರ್ಯಾಯ ವಿತರಣಾ ವಿಧಾನಗಳು (ಎಡಿಸಿ) ಮತ್ತು ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಶನ್ (ಸಿಬಿಎಸ್)ಗಳ ಅಡಿಯಲ್ಲಿ ಜರಗುವ ನಿರಂತರ ಗ್ರಾಹಕ ಪ್ರೇರೇಪಿತ ವಹಿವಾಟಿನ ಮೇಲ್ವಿಚಾರಣೆಗಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸೆಪ್ಟೆಂಬರ್ 2016ರಲ್ಲಿ ಎಂಟರ್‌ಪ್ರೈಸಸ್ ಲೆವೆಲ್ ಫ್ರಾಡ್ ರಿಸ್ಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸಿಸ್ಟಂ (ಇಎಲ್‌ಎಫ್‌ಆರ್‌ಎಂಎಸ್)ನ್ನು ಅಳವಡಿಸಿ ಕೊಂಡಿದೆ. ಗ್ರಾಹಕರ ಖಾತೆಗಳಲ್ಲಿ ಆಗಬಹುದಾದ ವಂಚನೆಯ ಸಾಧ್ಯತೆಯನ್ನು ತಡೆಗಟ್ಟಲು ಗುರುತಿಸುವ ಈ ವ್ಯವಸ್ಥೆ ಸ್ವಯಂಚಾಲಿತ ವಹಿವಾಟು ನಿಗಾ ವ್ಯವಸ್ಥೆಯಾಗಿದೆ. ವಿವಿಧ ಹಂತಗಳಲ್ಲಿ ಈ ವ್ಯವಸ್ಥೆ ವಹಿವಾಟಿನಲ್ಲಿನ ಸಂಚಿನ ಸುಳಿವನ್ನು ತಡೆಗಟ್ಟಲು ಗುರುತಿಸಿ ನಿಗಾ ಇಡುವ ತಂಡಕ್ಕೆ ಸೂಚನೆ ನೀಡುತ್ತದೆ. ಈ ವ್ಯವಸ್ಥೆಯು ಸಾಧ್ಯತೆ ಇರುವ ಸಂಚಿನ ಮೇಲೆ ಕಣ್ಗಾವಲು ನಡೆಸುತ್ತಾ, ಅಂತಹ ಸುಳಿವಿದ್ದರೆ ಸಂಚು ಫಲಿಸದಂತೆ ಕಾಯುತ್ತದೆ. ಇದು ಬ್ಯಾಂಕಿನ ವಿವಿಧ ವಹಿವಾಟು ಅಂದರೆ ಇಂಟರ್‌ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್, ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್, ಡೆಬಿಟ್‌ಕಾರ್ಡ್, ಪಿಒಎಸ್, ಸಿಬಿಎಸ್ ಇತ್ಯಾದಿಗಳ ಸತತ ನಿಗಾ ಇರಿಸುತ್ತಾ ಸಾಧ್ಯತೆ ಇರುವಂತಹ ಸಂಚಿನ ಯತ್ನವನ್ನು ಬಯಲು ಮಾಡುತ್ತದೆ.

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 Bank uses to protect the information assets apart from coordinating security related issues in implementation of new systems under Information Technology in the Bank.

KBL VISION 2020

Your Bank has adopted the KBL Vision 2020, a five year business plan guiding the path of the Bank for achieving set goals. Bank's Vision 2020 document reflects the aspirations of all the stakeholders for achieving various targets by taking advantage of emerging opportunities, upgrading IT infrastructure, strengthening audit, vigilance and risk management practices and compliance culture and taking steps to improve efficiency of people, processes and products by continuously evolving new strategies and policies and create value for its shareholders by optimally utilizing capital resources. As per the KBL Vision 2020 document, Bank's total business turnover is projected to increase to ₹1,80,000 crore with deposits of ₹1,00,000 crore and advances of ₹80,000 crore by March 2020 besides recording significant improvement in key financial parameters. Bank is moving progressively towards reaching above targets.

DISTRIBUTION NETWORK

During the year under report, your Bank opened 40 new branches in 9 States – one each in the States of Punjab and West Bengal, 2 each in the states of Andhra Pradesh, Delhi [U.T], Kerala and Tamil Nadu, 3 in Gujarat, 4 in Maharashtra and 23 in Karnataka. Out of these 40 branches, 10 branches [9 in the state of Karnataka and one in Kerala] have been opened in Unbanked Rural Centres under Financial Inclusion Initiatives of the Bank. Further, your Bank has added 117 ATM outlets at various locations during the year 2016-17. Your Bank has also 24X7 e-lobby/mini e-lobby facility at 110 locations. Bank also has 10,314 POS (Point of Sale) machines across India (Previous year 3123 POS machines).

As at 31st March 2017, your Bank had 2,148 Service Outlets i.e. 765 branches, 1,380 ATMs and 3 extension counters spread across 21 States and 2 Union Territories. Apart from the above, your Bank has 12 Regional Offices, an International Division, a Data Centre, a Customer Care Centre, 4 Service branches, 2 Currency Chests, 2 Central Processing Centres and 3 Asset Recovery Management branches.

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನಲ್ಲಿ ಮುಖ್ಯ ಮಾಹಿತಿ ಭದ್ರತಾ ಅಧಿಕಾರಿ (ಸಿಐಎಸ್ಒ) ಯನ್ನು ನಾಮನಿರ್ದೇಶನಗೊಳಿಸಿದ್ದು, ಅವರು ಬ್ಯಾಂಕು ತನ್ನ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಆಸ್ತಿಗಳ ರಕ್ಷಣೆಗಾಗಿರುವ ಧೋರಣೆಗಳನ್ನು ಜಾರಿಗೊಳಿಸುವಿಕೆಗೆ ಹೊಣೆಗಾರರಾಗಿರುವುದಲ್ಲದೆ, ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನಾಧಾರಿತ ನೂತನ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಜಾರಿಗೊಳಿಸುವಾಗ, ಅವುಗಳ ಮಾಹಿತಿ, ಗೌಪ್ಯತೆಗಳನ್ನು ಕಾಪಾಡಿಕೊಳ್ಳಲು ಬೇಕಾದ ಸಮನ್ವಯವನ್ನು ನಿರ್ಮಿಸುವ ಜವಾಬ್ದಾರಿ ಹೊಂದಿರುತ್ತಾರೆ.

ಕೆಬಿಎಲ್ ವಿಶನ್ 2020

ನಿಮ್ಮ ಬ್ಯಾಂಕು 'ಕೆಬಿಎಲ್ ವಿಶನ್ 2020' ಎಂಬ ಐದು ವರ್ಷಗಳ ವ್ಯವಹಾರ ನೀತಿಯನ್ನು ಆಳವಡಿಸಿಕೊಂಡಿದ್ದು, ಅದರಂತೆ 2020 ವರ್ಷದ ಒಳಗೆ ಸಾಧಿಸಬೇಕಾದ ಗುರಿಯ ಬಗ್ಗೆ ಪಥದರ್ಶನ ಹಾಗೂ ಕಾರ್ಯಮಿತಿಯ ಕಾರ್ಯಚಟುವಟಿಕೆಗಳ ಬಗ್ಗೆ ಬೆಳಕು ಬೀರಿದೆ. ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಭಾಗೀದಾರರ ಹೆಜ್ಜೆಯೊಂದಿಗೆ ಪ್ರತಿಬಿಂಬಿಸುವುದರೊಂದಿಗೆ ವಿವಿಧ ಗುರಿಗಳನ್ನು ಹೆಚ್ಚುತ್ತಿರುವ ಅವಕಾಶಗಳ ಸಮರ್ಥ ಬಳಕೆ, ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ, ಸಂರಚನೆಯ ಉನ್ನತೀಕರಣ, ಲೆಕ್ಕಪರಿಶೋಧನೆ, ಜಾಗೃತ ವ್ಯವಸ್ಥೆ ಹಾಗೂ ಉದ್ಯೋಗಿಗಳ ಬಲವರ್ಧನೆ ಅಂತೆಯೇ ಅಪಾಯ ನಿರ್ವಹಣೆಯ ಬಲವರ್ಧನೆ, ಅನುಸರಣೆ ಸಂಸ್ಕೃತಿ ಮೂಲಕ ಬ್ಯಾಂಕಿನ ನಿಗದಿಪಡಿಸಿದ ಗುರಿಗಳನ್ನು ತಲುಪುವಲ್ಲಿ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಉದ್ಯೋಗಿಗಳ ದಕ್ಷತಾವೃದ್ಧಿ, ಉತ್ಪನ್ನ ಮತ್ತು ಅನುಷ್ಠಾನಗಳಲ್ಲಿ ಹೊಸ ಆವಿಷ್ಕಾರಗಳ ತ್ವರಿತ ಸಂಶೋಧನೆ, ಶೇರುದಾರರ ನಿರೀಕ್ಷೆಯನ್ನು ಪೂರೈಸುವಲ್ಲಿ ಮುಂದುವರಿದ ದಕ್ಷತೆ ಮತ್ತು ಹೆಚ್ಚಿನ ಮೌಲ್ಯವರ್ಧನೆ ಮೂಲಬಂದವಾಳದ ಸಮರ್ಥ ಮತ್ತು ಗರಿಷ್ಠ ಬಳಕೆಗಳನ್ನು ಬ್ಯಾಂಕು ವಿಶೇಷವಾಗಿ ಕ್ರೋಢೀಕರಿಸಿಕೊಂಡಿದೆ. ಕೆಬಿಎಲ್ ವಿಶನ್ 2020 ಮಾರ್ಗಸೂಚಿಯಂತೆ ಪ್ರಮುಖ ಆರ್ಥಿಕ ವಿಷಯಗಳಲ್ಲಿ ಗಮನಾರ್ಹ ಸುಧಾರಣೆಯ ಜೊತೆಗೆ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ವ್ಯವಹಾರವು ಮಾರ್ಚ್ 2020ಕ್ಕೆ ₹1,80,000 ಕೋಟಿಯನ್ನು ತಲುಪುವ ಗುರಿ ಹೊಂದಿದ್ದು, ಇದರಲ್ಲಿ ಠೇವಣಿಗಳು ₹1,00,000 ಕೋಟಿ ಮತ್ತು ಮುಂಗಡವು ₹80,000 ಕೋಟಿ ಆಗಿದೆ. ಅದರಂತೆ ಬ್ಯಾಂಕು ಹಂತಹಂತವಾಗಿ ಬೆಳೆಯುವ ನಿಟ್ಟಿನಲ್ಲಿ ತನ್ನ ಹೆಜ್ಜೆಯನ್ನಿರಿಸುತ್ತಿದೆ.

ವಿತರಣಾ ಕಾರ್ಯಾಲಯ ವ್ಯವಸ್ಥೆ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 9 ರಾಜ್ಯಗಳಲ್ಲಿ ಒಟ್ಟು 40 ನೂತನ ಶಾಖೆಗಳನ್ನು ತೆರೆದಿದ್ದು ಅವುಗಳು ಇಂತಿವೆ – ಪಂಜಾಬ್ ಮತ್ತು ಪಶ್ಚಿಮ ಬಂಗಾಳ ರಾಜ್ಯಗಳಲ್ಲಿ ತಲಾ ಒಂದೊಂದು, ಆಂಧ್ರಪ್ರದೇಶ, ದೆಹಲಿ (ಯು.ಟಿ), ಕೇರಳ ಮತ್ತು ತಮಿಳುನಾಡಿನಲ್ಲಿ ತಲಾ ಎರಡು, ಗುಜರಾತಿನಲ್ಲಿ 3, ಮಹಾರಾಷ್ಟ್ರದಲ್ಲಿ 4 ಮತ್ತು ಕರ್ನಾಟಕದಲ್ಲಿ 23 ಶಾಖೆಗಳು. ಈ 40 ಶಾಖೆಗಳಲ್ಲಿ 10 ಶಾಖೆಗಳು ಬ್ಯಾಂಕು ರಹಿತ ಗ್ರಾಮೀಣೇಂದ್ರಗಳಲ್ಲಿ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯನ್ವಯ ತೆರೆದ ಶಾಖೆಗಳಾಗಿದ್ದು, ಅದರಲ್ಲಿ ಕರ್ನಾಟಕದ 9 ಶಾಖೆಗಳು ಮತ್ತು ಕೇರಳದ 1 ಶಾಖೆ ಒಳಗೊಂಡಿದೆ. ಇಷ್ಟೇ ಅಲ್ಲದೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು 2016-17ನೇ ಸಾಲಿನಲ್ಲಿ 117 ಎಟಿಎಂ ಕೇಂದ್ರಗಳನ್ನು ವಿವಿಧ ಸ್ಥಳಗಳಲ್ಲಿ ಹೆಚ್ಚುವರಿಯಾಗಿ ತೆರೆದಿದ್ದ ಹಾಗೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು 110 ಸ್ಥಳಗಳಲ್ಲಿ 24x7 ಇ-ಲಾಬಿ / ಮಿನಿ ಇ-ಲಾಬಿ ಸೌಲಭ್ಯವನ್ನು ಕಲ್ಪಿಸಿದೆ. ಇದಲ್ಲದೇ ಬ್ಯಾಂಕು 10314 ಪಾಯಿಂಟ್ ಆಫ್ ಸೇಲ್ (ಪಿ.ಎಸ್) ಯಂತ್ರಗಳನ್ನು ಭಾರತದಾದ್ಯಂತ ವಿತರಿಸಿದೆ. (ಹಿಂದಣ ವರ್ಷ – 3123)

31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 2,148 ಸೇವಾಕೇಂದ್ರಗಳನ್ನು ಹೊಂದಿದ್ದು ಅವುಗಳಲ್ಲಿ 765 ಶಾಖೆಗಳು, 1,380 ಎಟಿಎಂ ಕೇಂದ್ರಗಳು ಮತ್ತು 3 ವಿಸ್ತರಣಾ ಕೌಂಟರ್‌ಗಳು ದೇಶದ 21 ರಾಜ್ಯಗಳಲ್ಲಿ ಮತ್ತು 2 ಕೇಂದ್ರಾಡಳಿತ ಪ್ರದೇಶಗಳಲ್ಲಿ ವಿಸ್ತರಿಸಲ್ಪಟ್ಟಿವೆ. ಇವಲ್ಲದೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು 12 ಪ್ರಾದೇಶಿಕ ಕಛೇರಿಗಳನ್ನು, ಒಂದು ಅಂತರಾಷ್ಟ್ರೀಯ ವಿಭಾಗವನ್ನು, ಒಂದು ದತ್ತಾಂಶ ಕೇಂದ್ರವನ್ನು, ಒಂದು ಗ್ರಾಹಕ ಸೇವಾ ನಿಗಾಕೇಂದ್ರವನ್ನು, 4 ಸೇವಾ ಶಾಖೆಗಳನ್ನು, 2 ಕರೆನ್ಸಿ ಕೋರಿಗಳನ್ನು, 2 ಕೇಂದ್ರೀಯ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳನ್ನು ಮತ್ತು 3 ಮುಂಗಡ ವಸೂಲಾತಿ ನಿರ್ವಹಣಾ ಶಾಖೆಗಳನ್ನು ಹೊಂದಿದೆ.

Further, for better ambience and improved customer service, your Bank shifted 17 branches/offices to new premises during the year 2016-17.

CUSTOMER SERVICE

Every customer is important to us. Keeping this in mind, several customer-centric initiatives have been introduced by your Bank during the year under report. To improve customer service and to reduce waiting time of customers at branches, Bank has rolled out the Single Window Service concept on a trial basis at 20 branches during 2016-2017. The Single Window Service for non-cash transactions with Queue Management System (QMS) has helped in reducing the processing time at branches. Your Bank also introduced the New Pension Scheme (NPS) for the unorganized sector and facilitated investment to Sovereign Gold Bond Scheme-2016-17.

Bank is actively involved in putting in place systems and procedures to comply with the recommendations of the Damodaran Committee on Customer Service, constituted by the Reserve Bank of India, to look into the banking services rendered to customers and the grievance redressal mechanism prevalent in banks. Your Bank has complied with all the recommendations made by the said Committee.

Being a member of the Banking Codes and Standards Board of India (BCSBI), your Bank adheres to standards of banking practices while dealing with individual customers and micro and small enterprises. BCSBI conducts survey of select branches of the member bank from time to time and provide its 'Code Compliance Rating' and your Bank is ranked 17th amongst 51 banks considered for the study during the year 2016-17.

DIGITAL BANKING

Bank has adopted the strategy of 'Managing Channels instead of Managing Branches' and is always pioneer in adopting technology driven delivery channels i.e., digital channels and bringing out innovations & value additions in its existing digital channels. The major digital initiatives taken by the Bank during the FY 2016-17 are:

ಇಷ್ಟಲ್ಲದೇ, ಶಾಖೆಗಳ ಆಕರ್ಷಕ ಸುಶೋಭೆಗಾಗಿ ಮತ್ತು ಗ್ರಾಹಕ ಸೇವಾ ಸುಧಾರಣೆಯ ಆದ್ಯ ನೆಲೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 2016-17ರಲ್ಲಿ, 17 ಶಾಖೆ/ಕಚೇರಿಗಳನ್ನು ನೂತನ ಸುಸಜ್ಜಿತ ಆವರಣಗಳಿಗೆ ಸ್ಥಳಾಂತರಿಸಿದೆ.

ಗ್ರಾಹಕರ ಸೇವೆ:

ಪ್ರತಿಯೊಬ್ಬ ಗ್ರಾಹಕನೂ ನಮ್ಮ ದೃಷ್ಟಿಯಲ್ಲಿ ಬಹಳ ಪ್ರಮುಖ ಇದನ್ನು ಮನಗಂಡು ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕ್ ಅನೇಕ ಗ್ರಾಹಕ ಕೇಂದ್ರಿತ ಹೆಜ್ಜೆಗಳನ್ನು ಪರಿಚಯಿಸಿದೆ. ಗ್ರಾಹಕರ ಸೇವೆಯನ್ನು ಹೆಚ್ಚು ವೃದ್ಧಿಪಡಿಸುವಲ್ಲಿ ಹಾಗೂ ನಿರೀಕ್ಷಣಾ ಸಮಯವನ್ನು ಮಿತಗೊಳಿಸುವಲ್ಲಿ, ಬ್ಯಾಂಕು ಪ್ರಾಯೋಗಿಕವಾಗಿ 2016-17ರಲ್ಲಿ 20 ಶಾಖೆಗಳಲ್ಲಿ ಏಕಗವಾಕ್ಷಿ ಸೇವೆ ಪ್ರಾರಂಭಿಸಿದೆ. ನಗದೇತರ ವ್ಯವಹಾರಗಳಿಗೆ ಏಕಗವಾಕ್ಷಿ ಸೇವೆಯೊಂದಿಗೆ ಕ್ಯೂ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸರ್ವಿಸ್ (ಕ್ಯೂಎಂಎಸ್) ಶಾಖೆಗಳಲ್ಲಿ ಕಾರ್ಯವಿಧಾನದ ಸಮಯವನ್ನು ಉಳಿಸುತ್ತದೆ. ಅಸಂಘಟಿತ ವಲಯದವರಿಗಾಗಿ ಹೊಸ ಪಿಂಚಣಿ ಯೋಜನೆ (ಎನ್‌ಪಿಎಸ್) ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪರಿಚಯಿಸಿದ್ದು, ಸಾವರಿನ್ ಗೋಲ್ಡ್ ಬಾಂಡ್ ಯೋಜನೆ 2016-17ರಲ್ಲಿಯೂ ಹೂಡಿಕೆ ಮಾಡಲು ಅವಕಾಶವನ್ನು ಒದಗಿಸಿದೆ.

ಬ್ಯಾಂಕ್‌ಗಳಲ್ಲಿ ಜಾರಿಯಲ್ಲಿರುವ ಗ್ರಾಹಕರಿಗೆ ಒದಗಿಸಿದ ಸೇವೆ ಹಾಗೂ ಅಹವಾಲುಗಳನ್ನು ಪರಿಹರಿಸುವ ವ್ಯವಸ್ಥೆಗಳ ಕುರಿತಾಗಿ ಗಮನ ಹರಿಸುವ ಸಲುವಾಗಿ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾವು ದಾಮೋದರನ್ ಕಮಿಟಿಯನ್ನು ಸ್ಥಾಪಿಸಿದ್ದು, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಈ ಕಮಿಟಿಯ ಶಿಫಾರಸ್ಸುಗಳನ್ನು ಸಕ್ರಿಯವಾಗಿ ಜಾರಿಗೊಳಿಸಿದ್ದು, ಅವುಗಳನ್ನು ಚಾಚೂ ತಪ್ಪದೆ ಪಾಲಿಸುತ್ತಾ ಬಂದಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಬ್ಯಾಂಕಿಂಗ್ ಕೋಡ್ ಅಂಡ್ ಸ್ಟಾಂಡರ್ಡ್ಸ್ ಬೋರ್ಡ್ ಆಫ್ ಇಂಡಿಯಾ (ಬಿಸಿಎಸ್‌ಬಿಐ) ದ ಸದಸ್ಯತ್ವವನ್ನು ಹೊಂದಿದ್ದು ಈ ಸಂಸ್ಥೆಯು ನಿಗದಿಪಡಿಸಿದ ಮಾನದಂಡಗಳನ್ನು ಪರಿಪಾಲಿಸಿ ವೈಯಕ್ತಿಕ ಮತ್ತು ಅತೀ ಸಣ್ಣ ಹಾಗೂ ಸಣ್ಣ ಉದ್ದಿಮೆಗಳಿಗೆ ಉತ್ತಮ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಒದಗಿಸುತ್ತಿದೆ. ಈ ಸಂಸ್ಥೆಯು ಕಾಲಾನುಕಾಲಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಸಮೀಕ್ಷೆ ನಡೆಸಿ ತನ್ನ ಪ್ರಮಾಣಪತ್ರವನ್ನು ನೀಡುತ್ತದೆ. 2016-17ರ ಸಮೀಕ್ಷೆಯಂತೆ ಭಾರತದಲ್ಲಿನ 51 ಬ್ಯಾಂಕುಗಳಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು 17ನೇ ಸ್ಥಾನದಲ್ಲಿದೆ.

ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕಿಂಗ್:

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕೇವಲ ಶಾಖೆಗಳ ನಿರ್ವಹಣೆಯ ಬದಲಾಗಿ, ಸಮಗ್ರ ವಿತರಣಾ ವಿಧಾನಗಳ ನಿರ್ವಹಣೆಗೆ ಒತ್ತು ಕೊಟ್ಟಿದ್ದು, ಹೊಸ ತಂತ್ರಜ್ಞಾನಾಧಾರಿತ ವಿತರಣಾ ವಿಧಾನಗಳನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳುವ ನಿಟ್ಟಿನಲ್ಲಿ ಮುಂಚೂಣಿಯಲ್ಲಿರುತ್ತದೆ. ಅವುಗಳೆಂದರೆ ಡಿಜಿಟಲ್ ವಿತರಣಾ ವಿಧಾನಗಳು ಹಾಗೂ ಅವುಗಳಲ್ಲಿ ಅನ್ವೇಷಣೆ ಮತ್ತು ಮೌಲ್ಯವರ್ಧನೆ. ಅದರಂತೆ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷ 2016-17ರಲ್ಲಿ ಅಳವಡಿಸಿಕೊಂಡಿರುವ ತಂತ್ರಜ್ಞಾನ ಪಟ್ಟಿ ಈ ಕೆಳಗಿನಂತಿರುತ್ತದೆ.

- Introduction of “KBL POS Manager” Android mobile app for POS merchants to keep track of in-store transactions;
- Mobile Banking App “KBL mobile” to ensure instantaneous remittance;
- “KBL SMARTz” Android mobile App on Unified Payments Interface (UPI) platform of NPCI facilitating Interoperability, Push - Pull Payments & fund transfer through virtual address;
- Fincle e-Banking Application (FEBA) with a host of new features such as IMPS, bulk upload, online term deposit account opening, dashboard etc.
- RuPay International Platinum Debit Card for privileged customers of the Bank with enhanced withdrawal / purchase limit coupled with bundled offers
- Co-branded credit Card in collaboration with State Bank of India
- ಕೆ ಬಿ ಎಲ್ ಪಿಒಎಸ್ ಮ್ಯಾನೇಜರ್ - ಪಿಒಎಸ್ ಮರ್ಚೆಂಟ್‌ಗಳನ್ನು ಉಪಯೋಗಿಸುತ್ತಿರುವ ವ್ಯಾಪಾರಿಗಳಿಗಾಗಿ ಮೊಬೈಲ್ ಆಪ್
- ಕೆ ಬಿ ಎಲ್ ಮೊಬೈಲ್ - ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್ ಆಪ್ - ತ್ವರಿತ ನಗದು ರವಾನೆಗಾಗಿ
- ಕೆ ಬಿ ಎಲ್ ಸ್ಮಾರ್ಟ್ : ಸುಲಭ ಪಾವತಿ ಮತ್ತು ಪಡೆಯುವಿಕೆಯ ಆಂಡ್ರಾಯ್ಡ್ ಆಧಾರಿತ ಆಪ್ - ಎನ್‌ಪಿಸಿಐ ಅಡಿಯಲ್ಲಿ ಯುನಿಫೈಡ್ ಪೇಮೆಂಟ್ ಇಂಟರ್‌ಫೇಸ್ ಅನುಕೂಲತೆ - ನಗದು ರವಾನೆಗಾಗಿ ವರ್ಚುವಲ್ ಅಡ್ರೆಸ್ ಮುಖಾಂತರ
- ಫಿನಾಕ್ಲ್ ಇ-ಬ್ಯಾಂಕಿಂಗ್ ಅಪ್ಲಿಕೇಶನ್ (ಎಫ್‌ಇಬಿಎ) ಅಂದರೆ ಐಎಂಪಿಎಸ್, ಆನ್‌ಲೈನ್ ಟರ್ಮ್ ಡಿಪಾಸಿಟ್ ಖಾತೆ ತೆರೆಯುವಿಕೆ, ಡ್ಯಾಶ್ ಬೋರ್ಡ್ ಇತ್ಯಾದಿ - ಸುಲಭ ಮತ್ತು ಹೊಸ ವೈಶಿಷ್ಟ್ಯಗಳನ್ನು ಒಳಗೊಂಡ ಇ-ಬ್ಯಾಂಕಿಂಗ್ ವ್ಯವಸ್ಥೆ.
- ರುಪೇ ಇಂಟರ್‌ನ್ಯಾಶನಲ್ ಪ್ಲಾಟಿನಮ್ ಡೆಬಿಟ್ ಕಾರ್ಡ್- ಬ್ಯಾಂಕಿನ ಪ್ರಮುಖ ಗ್ರಾಹಕರಿಗಾಗಿ ಹೆಚ್ಚಿನ ನಗದು / ಖರೀದಿ ಮಿತಿ ಹಾಗೂ ಕೊಡುಗೆಗಳನ್ನು ಒಳಗೊಂಡಿದೆ.
- ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಸಹಯೋಗದೊಂದಿಗೆ ಕ್ರೆಡಿಟ್ ಕಾರ್ಡ್ ವಿತರಣೆ

Apart from the above, Bank has also introduced “KBL Loan Junction” for submission of online loan application. Besides, in order to promote entrepreneurship amongst SC/ST, women, schemes viz. “Start-up India”, “Stand-up India” were introduced. “KBL Contractor Mitra”; KBL Commodity pledge Loan were the other new Schemes initiated during the year. Your Bank will continue to put efforts in the direction of introducing products/services to cater to the needs of present and prospective customer base and to be a ‘one-stop-shop’ for all financial requirements.

PARA-BANKING ACTIVITIES

With an aim to provide diversified financial products and services and to maximise value addition to the customers, your Bank provides para-banking third party products such as Bancassurance, Mutual Funds, Online Trading etc and during the year under report, Bank has tied up with 5 institutions.

AWARDS AND RECOGNITIONS

Your Bank bagged the following awards during the year under report in recognition of its achievement under technology initiatives, social banking, export performance etc.

ಇದಲ್ಲದೇ, ಆನ್‌ಲೈನ್‌ನಲ್ಲಿ ಸಾಲದ ಅರ್ಜಿಯನ್ನು ಸಲ್ಲಿಸಲು ‘ಕೆಬಿಎಲ್ ಲೋನ್ ಜಂಕ್ಷನ್’ ಎನ್ನುವ ಯೋಜನೆ ಜಾರಿಗೆ ತಂದಿದೆ. ಪರಿಶಿಷ್ಟ ಜಾತಿ/ಪರಿಶಿಷ್ಟ ವರ್ಗ ಮತ್ತು ಮಹಿಳೆಯರಲ್ಲಿ ಉದ್ಯಮಶೀಲತೆ ಪ್ರೋತ್ಸಾಹಿಸಲು ‘ಸ್ಟಾರ್ಟ್ ಅಪ್ ಇಂಡಿಯಾ’ ‘ಸ್ಟಾಂಡ್ ಅಪ್ ಇಂಡಿಯಾ’ ಯೋಜನೆಗಳನ್ನು ಆಯೋಜಿಸಲಾಗಿದೆ. ‘ಕೆಬಿಎಲ್ ಕನ್ಟ್ರಾಕ್ಟರ್ ಮಿತ್ರ’, ‘ಕೆಬಿಎಲ್ ಕಮೋಡಿಟಿ ಪ್ಲೆಡ್ಜ್ ಲೋನ್’ ಸಹ ನೂತನ ಆವಿಷ್ಕಾರಗಳಾಗಿವೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಪ್ರಸ್ತುತ ಮತ್ತು ಮುಂಬರುವ ಗ್ರಾಹಕ ವರ್ಗಕ್ಕೆ ಅನುಕೂಲವಾಗುವಂತೆ ಹಾಗೂ ಹಣಕಾಸಿನ ವ್ಯವಹಾರಗಳ ಎಲ್ಲಾ ಅವಶ್ಯಕತೆಗಳನ್ನು ಒಂದೇ ಸೂರಿನಡಿ ಪೂರೈಸುವ ಪ್ರಯತ್ನದತ್ತ ದಿಟ್ಟ ಹೆಜ್ಜೆ ಇಡುತ್ತಿದೆ.

ಪ್ಯಾರಾ ಬ್ಯಾಂಕಿಂಗ್ ಚಟುವಟಿಕೆಗಳು

ಗ್ರಾಹಕರಿಗೆ ವೈವಿಧ್ಯಮಯ ಹಣಕಾಸಿನ ಉತ್ಪನ್ನ ಹಾಗೂ ಸೇವೆಗಳನ್ನು ಹಾಗೂ ಗರಿಷ್ಠ ಮೌಲ್ಯವರ್ಧನೆಯನ್ನು ಒದಗಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಪ್ಯಾರಾ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ವಿತರಣಾ ಪಾಲುದಾರ ಸಂಸ್ಥೆಗಳ ಸಹಯೋಗದೊಂದಿಗೆ ಒದಗಿಸುತ್ತಿದೆ. ಇದರಲ್ಲಿ ವಿಮೆ, ಮ್ಯೂಚುವಲ್ ಫಂಡ್, ಆನ್‌ಲೈನ್ ಟ್ರೇಡಿಂಗ್ ಮುಂತಾದವು ಒಳಗೊಂಡಿದ್ದು ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಇನ್ನೂ 5 ಸಂಸ್ಥೆಗಳೊಂದಿಗೆ ಒಡಂಬಡಿಕೆ ಮಾಡಿಕೊಂಡಿರುತ್ತದೆ.

ಪ್ರಶಸ್ತಿಗಳು ಮತ್ತು ಸನ್ಮಾನಗಳು

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈ ಕೆಳಗಿನ ಪ್ರಶಸ್ತಿ ಹಾಗೂ ಸನ್ಮಾನಗಳನ್ನು ತನ್ನ ಅತ್ಯುತ್ತಮ ತಾಂತ್ರಿಕ ಔನ್ನತ್ಯ, ಸಾಮಾಜಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಮತ್ತು ರಫ್ತು ನಿರ್ವಹಣೆ ವಿಭಾಗಗಳಲ್ಲಿ ಪಡೆದುಕೊಂಡಿದೆ.

- ASSOCHAM Social Banking Excellence Awards 2016, under Small Banks category, received on 03-03-2017
 1. Winner - Government Schemes.
 2. Winner - Priority Sector Lending
 3. Runner up - Agricultural Banking.
 4. Runner up - Overall Best Social Bank.
- IBA - Banking Technology Awards 2017, under the following categories.
 1. Winner - Best Financial Inclusion Initiatives (Small Bank category).
 2. Runner up - Best use of Digital and Channels Technology (Small Bank Category).
- "Best MSME Bank Award 2016" under Private Sector, instituted by the Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi, received on 06-12-2016.
- FIEO - Southern Region Export Excellence Award : Best Financial Institution (Southern Region) for the support extended to Export Business, for the year 2013-14 under the Gold Category, instituted by Federation of Indian Export Organisations, received on 08-10-2016.
- Greentech Safety Award 2016 - GOLD AWARD, for significant achievements made in the field of safety and security, instituted by Greentech Foundation, received on 29-08-2016.
- "Certificate of Special Mention for use of Technology for Financial Inclusion among small banks" instituted by IDRBT, received on 18-07-2016.
- CFBP Jamnalal Bajaj Awards 2015 for Fair Business Practices - Certificate of Merit under the category "Service Enterprises - Large", received on 14-06-2016.
- Award of Excellence for Outstanding Performance in MSME Funding, instituted by Federation of Industry Trade & Services [FITS], received on 03-05-2016.
- ಅಸ್ಸೋಚಾಮ್ - ಸಾಮಾಜಿಕ ಬ್ಯಾಂಕಿಂಗ್ ಅತ್ಯುತ್ತಮ ಪ್ರಶಸ್ತಿ 2016 - ಸಣ್ಣ ಬ್ಯಾಂಕ್ ವಿಭಾಗದಲ್ಲಿ - ಸ್ವೀಕಾರ 03-03-2017
 - 1) ವಿಜಯಿ- ಸರಕಾರಿ ಯೋಜನೆಗಳು
 - 2) ವಿಜಯಿ-ಆದ್ಯತಾರಂಗ ಮುಂಗಡ
 - 3) ರನ್ನರ್‌ಅಪ್ - ಕೃಷಿ ವಲಯ ಬ್ಯಾಂಕಿಂಗ್
 - 4) ರನ್ನರ್‌ ಅಪ್ - ಒಟ್ಟಾರ್ ಉತ್ತಮ ಸಾಮಾಜಿಕ ಬ್ಯಾಂಕ್
- ಐಬಿಎ-ಬ್ಯಾಂಕಿಂಗ್ ಟೆಕ್ನಾಲಜಿ ಅವಾರ್ಡ್ 2017 ಈ ಕೆಳಗಿನ ವಿಭಾಗಗಳಲ್ಲಿ
 - 1) ವಿಜಯಿ - ಉತ್ತಮ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಉಪಕ್ರಮಕ್ಕಾಗಿ (ಸಣ್ಣ ಬ್ಯಾಂಕ್ ವಿಭಾಗ)
 - 2) ರನ್ನರ್‌ ಆಫ್ - ಡಿಜಿಟಲ್ ಮತ್ತು ಚಾನೆಲ್ಸ್ ತಾಂತ್ರಿಕತೆಯ ಉತ್ತಮ ಬಳಕೆಗಾಗಿ (ಸಣ್ಣ ಬ್ಯಾಂಕ್ ವಿಭಾಗ)
- ಉತ್ತಮ ಎಂಎಸ್‌ಎಂಇ ಬ್ಯಾಂಕ್ ಪ್ರಶಸ್ತಿ 2016, ಖಾಸಗಿ ರಂಗದ ಬ್ಯಾಂಕ್ ವಿಭಾಗ ಚೇಂಬರ್ ಆಫ್ ಕಾಮರ್ಸ್ ಮತ್ತು ಇಂಡಸ್ಟ್ರೀ ಆಫ್ ಇಂಡಿಯಾ (ಎಎಸ್‌ಎಸ್‌ಐಸಿಎಚ್‌ಎಎಂ) ನವದೆಹಲಿ - ಪ್ರಾಯೋಜಿತ - ಸ್ವೀಕಾರ 06-12-2016
- ಎಫ್‌ಐಇಒ - ಸದರ್ನ್ ರೀಜನ್ ರಫ್ತು ಅತ್ಯುತ್ತಮ ಪ್ರಶಸ್ತಿ - ಉತ್ತಮ ಆರ್ಥಿಕ ಸಂಸ್ಥೆ (ದಕ್ಷಿಣ ವಲಯ) 2013-14 ರ ರಫ್ತು ರಂಗಕ್ಕೆ ನೀಡಿದ ಪ್ರೋತ್ಸಾಹಕ್ಕಾಗಿ - ವಿಭಾಗ - ಚಿನ್ನ ಅಸ್ಸೋಚಾಮ್ ಪ್ರಾಯೋಜಿತ - ಸ್ವೀಕಾರ 08-10-2016
- ಗ್ರೀನ್‌ಟೆಕ್ ಸೇಫ್ಟಿ ಪ್ರಶಸ್ತಿ - 2016 - ಚಿನ್ನದ ಪ್ರಶಸ್ತಿ ಸುರಕ್ಷತೆ ಮತ್ತು ರಕ್ಷಣೆಯಲ್ಲಿ ಉಲ್ಲೇಖಾರ್ಥ ಸಾಧನೆಗಾಗಿ ಗ್ರೀನ್‌ಟೆಕ್ ಫೌಂಡೇಶನ್ ಪ್ರಾಯೋಜಿತ - ಸ್ವೀಕಾರ 29-08-2016
- ವಿಶೇಷ ಉಲ್ಲೇಖದ ಸರ್ಟಿಫಿಕೇಟ್ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಗಾಗಿ ತಂತ್ರಜ್ಞಾನ ಉಪಯೋಗಕ್ಕಾಗಿ ಸಣ್ಣಬ್ಯಾಂಕ್ ಬ್ಯಾಂಕ್ ವಿಭಾಗದಲ್ಲಿ - ಐಡಿಆರ್‌ಬಿಟಿ ಪ್ರಾಯೋಜಿತ - ಸ್ವೀಕಾರ 18.07.2016
- ಸಿಎಫ್‌ಬಿಪಿ -ಜಮ್ಮಾಲಾಲ್ ಬಜಾಜ್ ಪ್ರಶಸ್ತಿ - ಉತ್ತಮ ವ್ಯವಹಾರ ಪದ್ಧತಿಗಾಗಿ ಸರ್ಟಿಫಿಕೇಟ್ ಆಫ್ ಮೆರಿಟ್ - ವಿಭಾಗ "ಸರ್ವಿಸ್ ಎಂಟರ್‌ಪ್ರೈಸಸ್ - ಲಾರ್ಜ್" - ಸ್ವೀಕಾರ 14.06.2016
- ಎಂಎಸ್‌ಎಂಇ ಫಂಡಿಂಗ್‌ಗಾಗಿ ಅವಾರ್ಡ್ ಆಫ್ ಎಕ್ಸಲೆನ್ಸ್ ಫಾರ್ ಔಟ್‌ಸ್ಟಾಂಡಿಂಗ್ ಫರ್‌ಪಾರ್ಮೆನ್ಸ್ ಫೆಡರೇಶನ್ ಆಫ್ ಇಂಡಸ್ಟ್ರಿ ಟ್ರೇಡ್ ಮತ್ತು ಸರ್ವಿಸಸ್ (ಎಫ್‌ಐಟಿಎಸ್) ಪ್ರಾಯೋಜಿತ - ಸ್ವೀಕಾರ 03.05.2016

FINANCIAL INCLUSION

Financial Inclusion means making available the full range of banking services at an affordable cost to the people who do not have access to banking services. It mainly focuses on the section of society not having formal financial institutional support. Through the

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ

ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಎಂದರೆ, ಆಧುನಿಕ, ಸುಸಜ್ಜಿತ, ಪೂರ್ಣ ಸ್ವರದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಕೈಗೆಟುಕುವ ವೆಚ್ಚದಲ್ಲಿ, ಕಡಿಮೆ ಆದಾಯದ ಜನಸಾಮಾನ್ಯರಿಗೆ ಮತ್ತು ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಪಡೆಯುವಷ್ಟು ಸ್ಥಿತಿ, ಮಾಹಿತಿ ಇಲ್ಲದವರಿಗೂ ತಲುಪಿಸುವುದೇ ಆಗಿದೆ. ಯಾವುದೊಂದೂ ಸಾಮಾನ್ಯ ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ ಬೆಂಬಲವಿಲ್ಲದ ಸಮಾಜದ ದೀನಾದೀನ ಮಂದಿಯ ಮನೆ ಬಾಗಿಲಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ತಲುಪಿಸುವುದು, ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯ ಮೂಲ ಉದ್ದೇಶ. ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯು ಕೇವಲ ಖಾತೆಗಳನ್ನು

Financial Inclusion Plan, Bank aims at 'connecting people' with the Bank and not just opening accounts. This includes meeting the small credit needs of the rural public, giving them access to the payments system, providing remittance facility and life and health insurance. Efforts are being made to optimize the resources to achieve the goal of extending banking facilities to the unbanked areas/deprived sections.

All the branches of the Bank are under Core Banking Solution (CBS) and all the branches to be opened in future will also be under CBS. Out of 765 branches, Bank has 174 rural branches and all these branches are provided with CBS offering all banking facilities to the rural clientele in the gram panchayats or villages where these branches are located. All the rural branches are also acting as Financial Literacy Centers (FLCs) and imparting Banking literacy among the rural Populace.

In accordance with announcement of Prime Minister Jan Dhan Yojana (PMJDY) on August 15, 2014 revised Strategy & Guidelines of Department of Financial Services (DFS), Ministry of Finance, Govt. of India, has been considered for implementation of Financial Inclusion activity of the Bank. PMJDY takes in to account both rural sub service areas (SSAs) and urban wards for Financial Inclusion. Under the revised financial inclusion plan, in rural areas, Bank is allocated with 214 Gram Panchayats (GPs) for Financial Inclusion, covering 297 Sub service Areas (SSAs) consisting of 1039 villages in the states of Karnataka, Chattisgarh, Maharashtra and Andhra Pradesh and in urban areas, 313 wards are allocated in Karnataka and other States. The Gram Panchayats are being financially included through Brick and Mortar Branches and Business Correspondents (BC). Your Bank has been issuing RuPay PMJDY Debit Cards under the domestic card payment scheme launched by the National Payments Corporation of India (NPCI) and has also introduced Aadhaar Enabled Payments System (AEPS) at all BC locations of the Bank.

BRICK AND MORTAR BRANCHES:

As on March 31, 2017 Bank has covered 547 villages of 105 GPs through Brick & Mortar Branches.

BUSINESS CORRESPONDENT SERVICES (BC SERVICES):

Bank has entered into an agreement with M/s BASIX Sub-ki Transaction Ltd and M/s Integra Micro Systems Pvt. Ltd. to provide online transaction facility and as on March 31, 2017, 113 GPs with 141 SSAs covering 517

ತೆರೆಸುವುದಕ್ಕಷ್ಟೇ ಪರಿಮಿತವಾಗಿರದೇ, ಜನರನ್ನು ಬ್ಯಾಂಕಿಗೆ ಆಕರ್ಷಿಸಿ ಅವರನ್ನು ಬ್ಯಾಂಕ್ ವ್ಯವಹಾರಗಳೊಂದಿಗೆ ನಿಕಟಗೊಳಿಸುವುದು ಇದರ ಪ್ರಮುಖ ಧ್ಯೇಯವಾಗುತ್ತದೆ. ಜನಸಾಮಾನ್ಯರ ಸಣ್ಣ ಸ್ವರೂಪದ ಆರ್ಥಿಕ ಬೇಡಿಕೆಯನ್ನು ತತ್ಕ್ಷಣ ಪೂರೈಸುವುದು, ಬ್ಯಾಂಕಿನ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯನ್ನು ಸದಾ ಅವರಿಗೆ ತಿಳಿಯಪಡಿಸುವುದು, ಹಣ ವರ್ಗಾವಣೆಯ ಸೌಲಭ್ಯವನ್ನು ಅವರಿಗೆ ಮನದಟ್ಟು ಮಾಡಿ ಪರಿಚಯಿಸುವುದು, ಆರೋಗ್ಯ ಮತ್ತು ಜೀವವಿಮಾ ಪಾಲಿಸಿಗಳ ಬಗ್ಗೆ ಅವರಿಗೆ ಮನದಟ್ಟಾಗಿಸುವುದು, ಒಗ್ಗೂಡಿಕೆಯ ಕೆಲವೊಂದು ಇತರ ಮಗ್ಗುಲುಗಳಾಗಿವೆ. ಬ್ಯಾಂಕಿಂಗ್ ಸೇವಾ ವೆಂಚಿಟರಿಗ್/ಬ್ಯಾಂಕ್ ಶಾಖೆಗಳಲ್ಲದ ಹಳ್ಳಿಗಳಲ್ಲೂ ಬ್ಯಾಂಕ್ ಶಾಖೆಗಳನ್ನು ತೆರೆಯುವಲ್ಲಿ ಸಂಪನ್ಮೂಲ ಆಕರಣೆಯ ಸಾಕಷ್ಟು ಪ್ರಯತ್ನಗಳು, ಪ್ರಯೋಗಗಳು ಸಾಗಿವೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಶಾಖೆಗಳು 'ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ಸೊಲ್ಯೂಶನ್' ಅಧೀನ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದ್ದು ಮುಂದೆ ಸ್ಥಾಪಿಸಲ್ಪಡುವ ಎಲ್ಲಾ ಶಾಖೆಗಳು ಇದೇ ತಂತ್ರಜ್ಞಾನದಿಂದ ಆಧರಿಸಲ್ಪಡುತ್ತವೆ. ಪ್ರಸಕ್ತವಿರುವ 765 ಶಾಖೆಗಳಲ್ಲಿ 174 ಶಾಖೆಗಳು ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿದ್ದು, ಇವೆಲ್ಲವೂ 'ಸಿಬಿಎಸ್' ತಂತ್ರಜ್ಞಾನದಲ್ಲಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿವೆ. ಇವುಗಳು ತಂತ್ರಜ್ಞಾನವೃತ್ತ ಅತ್ಯಾಧುನಿಕ ತ್ವರಿತ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಗ್ರಾಮ ಪಂಚಾಯತ್‌ನಲ್ಲಿರುವ ಗ್ರಾಮಾಂತರ ಶ್ರೀಸಾಮಾನ್ಯರಿಗೂ ಒದಗಿಸುತ್ತವೆ. ಈ ಎಲ್ಲಾ ಶಾಖೆಗಳು ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆಯನ್ನು ಬಿತ್ತರಿಸುವ ಪ್ರತಿನಿಧಿಗಳಾಗಿಯೂ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿವೆ.

ಅಗೋಸ್ಟ್ 15, 2014ರಂದು ಉದ್ಘಾಟನೆಗೊಂಡಂತಹ ಕೇಂದ್ರ ಸರ್ಕಾರದ 'ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್‌ಧನ್ ಯೋಜನೆ' (ಪಿಎಂಜೆಡಿವೈ), ಆರ್ಥಿಕ ಮಂತ್ರಾಲಯದ, ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಚಟುವಟಿಕೆಗಳಿಗೆ ಮತ್ತಷ್ಟು ವೇಗೋತ್ಕರ್ಷ ನೀಡಿದೆ. ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್‌ಧನ್ ಯೋಜನೆಯು ಅರೆಸೇವಾ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ ಅಂತೆಯೇ ಅರ್ಬನ್ ವಾರ್ಡ್‌ಗಳಲ್ಲಿ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಗೆ ಜನಾಕರ್ಷಣೀಯ ಯೋಜನೆಯಾಗಿದೆ. ಈ ಪರಿಷ್ಕೃತ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆ ಯೋಜನೆಯಲ್ಲಿ 214 ಗ್ರಾಮಪಂಚಾಯತ್‌ಗಳಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕಿಗೆ 297 ಅರೆಸೇವಾ ಗ್ರಾಮೀಣ ಕ್ಷೇತ್ರಗಳು ಹಂಚಲ್ಪಟ್ಟಿದ್ದು ಒಟ್ಟು 1039 ಹಳ್ಳಿಗಳು ಕರ್ನಾಟಕ, ಛತ್ತೀಸ್‌ಗಢ, ಮಹಾರಾಷ್ಟ್ರ ಮತ್ತು ಆಂಧ್ರ ರಾಜ್ಯಗಳಲ್ಲಿ, ಅಂತೆಯೇ ಅರ್ಬನ್ ವಾರ್ಡ್ ಕ್ಷೇತ್ರದಲ್ಲಿ 313 ವಾರ್ಡ್‌ಗಳು ಹಂಚಲ್ಪಟ್ಟಿದ್ದು ಇವು ಕರ್ನಾಟಕ ಮತ್ತು ಇತರ ರಾಜ್ಯಗಳಲ್ಲಿವೆ. ಗ್ರಾಮ ಪಂಚಾಯತ್‌ಗಳೂ ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯಲ್ಲಿ ಬ್ರಿಕ್ ಮತ್ತು ಮೋರ್ಟರ್ ಶಾಖೆಗಳಿಂದ ಮತ್ತು ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಗಳಿಂದ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಪಡೆಯುತ್ತಿವೆ ಹಾಗೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು RuPay ಪಿಎಂಜೆಡಿವೈ ಡೆಬಿಟ್ ಕಾರ್ಡ್‌ನ್ನು ನ್ಯಾಶನಲ್ ಪೇಮೆಂಟ್ ಕಾರ್ಪೊರೇಶನ್ ಆಫ್ ಇಂಡಿಯಾ (ಎನ್‌ಪಿಸಿಐ) ಪ್ರಾರಂಭಿಸಿದ ದೇಶೀಯ ಕಾರ್ಡ್ ವ್ಯವಸ್ಥೆಯ ಅಡಿಯಲ್ಲಿ ವಿತರಣೆ ಮಾಡಿದೆ ಮತ್ತು ಆಧಾರ್ ಪಾವತಿ ವ್ಯವಸ್ಥೆಯನ್ನು (ಎ.ಇ.ಪಿ.ಎಸ್) ಎಲ್ಲಾ ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿ ಕೇಂದ್ರಗಳಲ್ಲಿ ಪರಿಚಯಿಸಲಾಗಿದೆ.

ಬ್ರಿಕ್ ಎಂಡ್ ಮೋರ್ಟರ್ ಶಾಖೆಗಳು:

ಮಾರ್ಚ್ 31, 2017ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 105 ಗ್ರಾಮಪಂಚಾಯತ್‌ಗಳ 547 ಹಳ್ಳಿಗಳಲ್ಲಿ 105 ಬ್ರಿಕ್ ಮತ್ತು ಮೋರ್ಟರ್ ಶಾಖೆಗಳ ಮೂಲಕ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆ ನೀಡುತ್ತಿದೆ.

ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿ ಸೇವೆಗಳು:

ಮೆ| ಬಾಸಿಕ್ಸ್ ಸಬ್-ಕಿ ಟ್ರಾನ್ಸಾಕ್ಷನ್ ಲಿಮಿಟೆಡ್ ಮತ್ತು ಇಂಟೆಗ್ರಾ ಮೈಕ್ರೋ ಸಿಸ್ಟಮ್ಸ್ ಪ್ರೈ. ಲಿಮಿಟೆಡ್‌ಗಳೊಂದಿಗೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಪ್ಪಂದವನ್ನು ಏರ್ಪಡಿಸಿಕೊಂಡಿದ್ದು, 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಆನ್‌ಲೈನ್ ವ್ಯವಹಾರ ಸೌಲಭ್ಯದ ಮೂಲಕ ಕರ್ನಾಟಕ, ಆಂಧ್ರಪ್ರದೇಶ ಮತ್ತು ಛತ್ತೀಸ್‌ಗಢ

villages of Karnataka, Andhra Pradesh and Chhattisgarh States were covered under the above arrangement.

ULTRA SMALL BRANCHES (USBs):

As permitted by the Reserve Bank of India Bank had opened USBs where business correspondents (BCs) could conduct operations and thereby boost confidence of customers to use their financial services. As on 31st March 2017, your Bank has 37 USBs.

ELECTRONIC BENEFIT TRANSFER (EBT) - PILOT PROJECT OF GOVT. OF KARNATAKA:

Bank is participating in Govt. of Karnataka (GOK) EBT Pilot project for NREGA/SSP beneficiaries under - "One District - Many Bank Model" and is disbursing the payments under the above schemes to the beneficiaries using smart card and hand held machines at 5 Gram Panchayat locations in Chitradurga and Yadgir districts.

DIRECT BENEFIT TRANSFER (DBT):

Bank is actively participating in Direct Benefit Transfer (DBT) Programme of Govt. India, wherein, the Govt. would transfer benefits of various Schemes directly to the beneficiaries Aadhaar enabled bank accounts and also accounts seeded with LPG ID in case of transfer of subsidy for LPG. For this purpose, Bank has on boarded with NPCI for Aadhaar Payment Bridge System (APBS) under National Automated Clearing House (NACH). Revised DBTL was introduced on November 15, 2014 and launched throughout the country on January 1, 2015. Both the Aadhaar based and LPG ID based approaches are made available to customers across all branches of the Bank.

FINANCIAL LITERACY AND CREDIT COUNSELING CENTERS(FLCCS)

Bank has sponsored 5 FLCs at B.C Road, Tiptur, Hangal, Kundagol and Alur in a joint venture with M/s Jnana Jyothi Financial Literacy and Credit Counseling Trust, Manipal. During the financial year 5 FLCs sponsored by the Bank have conducted 1227 Financial Literacy campaigns and 50024 participants had been covered. In adherence to RBI guidelines all the rural branches of our Bank are also conducting financial literacy Camps.

ರಾಜ್ಯಗಳಲ್ಲಿನ 113 ಗ್ರಾಮಪಂಚಾಯತ್‌ಗಳ 141 ಅರೆಸೇವಾ ಕೇಂದ್ರಗಳಲ್ಲಿ ಒಟ್ಟು 517 ಹಳ್ಳಿಗಳನ್ನು ವ್ಯಾಪಿಸುವಂತೆ ಅತ್ಯುತ್ತಮ ಸೇವೆ ನೀಡುತ್ತಿದೆ.

ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳು:

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕು ನೀಡಿದ ಪರವಾನಿಗೆಯಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಗ್ರಾಮಾಂತರ ಪ್ರದೇಶಗಳಲ್ಲಿ ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳನ್ನು ತೆರೆದಿದ್ದು, ಈ ಶಾಖೆಗಳು ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಗಳ ಮೂಲಕ ಗ್ರಾಮಾಂತರ ಮಂದಿಗೆ ತಮ್ಮ ಆರ್ಥಿಕ ಚಟುವಟಿಕೆ, ವ್ಯವಹಾರ ನಡೆಸುವಂತೆ ಪ್ರೋತ್ಸಾಹಿಸಿದೆ. ಗ್ರಾಮಾಂತರ ಜನರಿಗೆ ಇದು ಹೆಚ್ಚಿನ ಆತ್ಮವಿಶ್ವಾಸ ಮೂಡಿಸಬಲ್ಲುದಾಗಿದೆ. 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ನಿಮ್ಮ ಬ್ಯಾಂಕು 37 ಅತೀ ಸಣ್ಣ ಶಾಖೆಗಳನ್ನು ಹೊಂದಿದೆ.

ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆ - ಕರ್ನಾಟಕ ಸರಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ :

ಕರ್ನಾಟಕ ಸರಕಾರದ ಮಾರ್ಗದರ್ಶಿ ಯೋಜನೆ, ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಕೈ ಜೋಡಿಸಿದೆ. ಈ ಯೋಜನೆಯು 'ನ್ಯಾಶನಲ್ ರೂರಲ್ ಎಂಪ್ಲಾಯ್‌ಮೆಂಟ್ ಗ್ಯಾರಂಟಿ ಆಕ್ಟ್' (ಎನ್‌ಆರ್‌ಇಜಿಎ) ಮತ್ತು 'ಸೋಶಿಯಲ್ ಸೆಕ್ಯೂರಿಟಿ ಪೆನ್ಷನ್' (ಎಸ್‌ಎಸ್‌ಪಿ) ಫಲಾನುಭವಿಗಳಿಗೆ 'ಒಂದು ಜಿಲ್ಲೆ - ಬಹು ಬ್ಯಾಂಕ್ ಮಾದರಿ' ಎನ್ನುವ ಶಿರೋನಾಮೆಯಡಿ ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣಾ ಸೇವೆಗಳನ್ನು ನೀಡುತ್ತಿದೆ. ಚಿತ್ರದುರ್ಗ ಮತ್ತು ಯಾದಗಿರಿ ಜಿಲ್ಲೆಗಳ 5 ಗ್ರಾಮ ಪಂಚಾಯತ್ ವ್ಯಾಪ್ತಿಯಲ್ಲಿನ ಯಂತ್ರಗಳಿಂದ ಸರ್ವ ಫಲಾನುಭವಿಗಳಿಗೂ ಸಹ ವಿದ್ಯುನ್ಮಾನ ಫಲ ವರ್ಗಾವಣೆ ಸೇವೆ, 'ಸ್ಮಾರ್ಟ್ ಕಾರ್ಡ್' ಬಳಕೆಯ ಮೂಲಕ ನಡೆಯುತ್ತಿದೆ.

ನೇರ ಫಲ ವರ್ಗಾವಣೆ:

ಕೇಂದ್ರ ಸರಕಾರದ 'ನೇರ ಫಲ ವರ್ಗಾವಣೆ' ಯೋಜನೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಭಾಗವಹಿಸಿದ್ದು, ವಿವಿಧ ಯೋಜನೆಗಳ ಫಲಾನುಭವಿಗಳ ಫಲವು ಬ್ಯಾಂಕಿನ ಖಾತೆಗಳ ಮೂಲಕ ನೇರವಾಗಿ ಆಧಾರ್ ಕಾರ್ಡ್ ಸಂಯೋಜಿತ ಬ್ಯಾಂಕ್ ಖಾತೆಗೆ ಜಮಾಗೊಳ್ಳುತ್ತದೆ. ಅಡುಗೆ ಅನಿಲ ಸಿಲಿಂಡರ್ ಮೇಲಣ ಸಬ್ಸಿಡಿ ಸಹ ಎಲ್‌ಪಿಜಿ-ಐಡಿ ಸಂಯೋಜನೆಯೊಂದಿಗೆ ನೇರವಾಗಿ ಖಾತೆಗೆ ಜಮಾಗೊಳ್ಳುತ್ತದೆ. ಈ ಉದ್ದೇಶಕ್ಕಾಗಿ ಬ್ಯಾಂಕು ಆಧಾರ್ ಕಾರ್ಡ್ ಬ್ರಿಡ್ಜ್ ಸಿಸ್ಟಮ್‌ಗಾಗಿ ಎನ್‌ಪಿಸಿಐ ಸಹಯೋಗದೊಂದಿಗೆ ನ್ಯಾಶನಲ್ ಅಟೋಮೇಟೆಡ್ ಕ್ಲಿಯರಿಂಗ್ ಹೌಸ್‌ನೊಂದಿಗೂ ಒಪ್ಪಂದಕ್ಕೆ ಬಂದಿದೆ. ದಿನಾಂಕ 15 ನವಂಬರ್ 2014ರಂದು ಪರಿಷ್ಕೃತ ಡಿಬಿಬಿಎಲ್ ಜಾರಿಗೆ ಬಂದಿದ್ದು, ಇದು 1 ಜನವರಿ 2015ಕ್ಕೆ ಪ್ರತಿಷ್ಠಾಪನೆಗೊಂಡು ಆಧಾರ್ ಆಧಾರಿತ ಮತ್ತು ಎಲ್‌ಪಿಜಿ ಐಡಿ ಆಧಾರಿತ ಅಭಿಗಮನವು ದೇಶಾದ್ಯಂತ ಫಲಾನುಭವಿಗಳಿಗೆ ಲಭಿಸುವಂತಾಗಿದೆ.

ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮತ್ತು ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಕೇಂದ್ರಗಳು

ನಿಮ್ಮ ಬ್ಯಾಂಕು 5 ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮತ್ತು ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಕೇಂದ್ರಗಳನ್ನು ಮಣಿಪಾಲದ ಮೆ. ಜ್ಞಾನ ಜ್ಯೋತಿ ವಿತ್ತೀಯ ಸಾಕ್ಷರತೆ ಮತ್ತು ಮುಂಗಡ ಸಮಾಲೋಚನಾ ಟ್ರಸ್ಟ್‌ನ ಜಂಟಿ ಸಹಯೋಗದಿಂದ ಬಿ.ಸಿ.ರೋಡ್, ತಿಪಟೂರು, ಹಾನಗಲ್, ಕುಂದಗೋಳ ಮತ್ತು ಅಲೂರಿನಲ್ಲಿ ಸ್ಥಾಪಿಸಿದೆ. ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬ್ಯಾಂಕ್ ಪ್ರಾಯೋಜಿಸಿದ ಈ 5 ಕೇಂದ್ರಗಳಿಂದ ಒಟ್ಟು 1227 ವಿತ್ತೀಯ ಸಾಕ್ಷರತಾ ಶಿಬಿರಗಳು ಜರಗಿದ್ದು ಒಟ್ಟು 50024 ಮಂದಿ ಭಾಗವಹಿಸಿ ಪ್ರಯೋಜನ ಹೊಂದಿದ್ದಾರೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಗ್ರಾಮಾಂತರ ಶಾಖೆಗಳು ವಿತ್ತೀಯ ಸಾಕ್ಷರತಾ ಶಿಬಿರಗಳನ್ನು ಯಶಸ್ವಿಯಾಗಿ ಜರಗಿಸುತ್ತಿವೆ.

SOCIAL SECURITY SCHEMES:

Three Social Security Schemes- Prime Minister Jeevan Bima Yojana (PMJJBY), Prime Minister Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) have been launched by Hon'ble prime Minister on 1st June 2015. All the branches of your Bank are actively involved in providing the above benefits of the schemes to the customers across the country.

- 1) PMJJBY provides life Insurance coverage of ₹2,00,000/- by paying yearly premium of ₹330/-. A person aged between 18 to 50 years holding account in a bank is eligible for the scheme. A total of 1,36,200 lives have been covered till 31.03.2017.
- 2) PMSBY provides Accidental insurance coverage of ₹2,00,000 by paying yearly premium of ₹12/-. A person aged between 18 to 70 years holding account in a Bank is eligible for the scheme. A total of 1,99,390 lives have been covered till 31.03.2017
- 3) APY : This scheme was launched by the Government of India on 9th May, 2015 to address the old age income security needs of the citizen in an affordable manner linked to auto debit facility from the bank's savings account of the subscriber. Your Bank is actively participating in the scheme, with all branches being registered as Point of Presence-Service Provider (POP-SP) for APY. As on 31-3-2017 Bank has opened 23181 APY accounts.

PRIME MINISTER JAN DHAN YOJANA (PMJDY):

In accordance with announcement of Prime Minister Jan Dhan Yojana (PMJDY) on August 15, 2014, revised Strategy & Guidelines of Department of Financial Services (DFS), Ministry of Finance, Govt. of India, has been considered for implementation of Financial Inclusion activity of the Bank. PMJDY takes in to account both rural, semi urban, urban wards and metro for providing basic banking facilities to the unbanked populace. PMJDY also provides scope for RuPay debit card that is inclusive of ₹1 lakh accidental insurance.

All the branches across the country have opened accounts under PMJDY and are issuing RuPay Debit Card under the domestic card payment scheme launched by the National Payments Corporation of India (NPCI).

A total of 25,10,929 accounts have been opened under PMJDY since 15.08.2014 till 31.03.2017, with outstanding balance of ₹2545.80 crore. A total of 2,09,197 RuPay cards have been issued so far by the Bank.

ಸಾಮಾಜಿಕ ಭದ್ರತಾ ಯೋಜನೆಗಳು:

ಮೂರು ಸಾಮಾಜಿಕ ಭದ್ರತಾ ಯೋಜನೆಗಳಾದ - 'ಪ್ರಧಾನಮಂತ್ರಿ ಜೀವನ್‌ಜ್ಯೋತಿ ಬಿಮಾ ಯೋಜನೆ', 'ಪ್ರಧಾನಮಂತ್ರಿ ಸುರಕ್ಷಾ ಬಿಮಾ ಯೋಜನೆ' ಮತ್ತು 'ಅಟಲ್ ಪಿಂಚಣಿ ಯೋಜನೆ' ಇವುಗಳು ಪ್ರಧಾನಮಂತ್ರಿಗಳಿಂದ 1 ಜೂನ್ 2015ರಂದು ಲೋಕಾರ್ಪಣೆಗೊಂಡವು. ನಿಮ್ಮ ಬ್ಯಾಂಕು ದೇಶಾದ್ಯಂತ ತನ್ನೆಲ್ಲಾ ಶಾಖೆಗಳ ಮೂಲಕ ಈ ಯೋಜನೆಗಳಿಗೆ ಚಾಲನೆ ನೀಡಿದೆ.

- 1) ಪ್ರಧಾನಮಂತ್ರಿ ಜೀವನ್‌ಜ್ಯೋತಿ ಬಿಮಾ ಯೋಜನೆಯನ್ವಯ ವಾರ್ಷಿಕ ₹330/- ಪ್ರೀಮಿಯಂ ಕಟ್ಟುವುದರ ಮೂಲಕ ₹2,00,000/- ವಿಮಾ ಭದ್ರತೆ ದೊರೆಯುತ್ತದೆ. ಒಟ್ಟು ವ್ಯಕ್ತಿ 18ರಿಂದ 50 ವರ್ಷ ಪ್ರಾಯದವರಾಗಿದ್ದು ಬ್ಯಾಂಕ್‌ನಲ್ಲಿ ಖಾತೆ ಹೊಂದಿದ್ದರೆ ಈ ಯೋಜನೆಗೆ ಸೇರಲು ಅರ್ಹರಾಗಿರುತ್ತಾರೆ. 31.03.2017ಕ್ಕೆ ಒಟ್ಟು 1,36,200 ವ್ಯಕ್ತಿಗಳಿಗೆ ಈ ಯೋಜನೆಯಡಿ ವಿಮಾ ಭದ್ರತೆ ದೊರಕಿದೆ.
- 2) ಪ್ರಧಾನಮಂತ್ರಿ ಸುರಕ್ಷಾಬಿಮಾ ಯೋಜನೆಯು ₹2,00,000/- ಅಪಘಾತ ವಿಮಾ ಭದ್ರತೆ ಒದಗಿಸುತ್ತದೆ. 18 ರಿಂದ 70 ವರ್ಷಗಳ ವ್ಯಕ್ತಿಗಳು ಬ್ಯಾಂಕ್ ಖಾತೆ ಹೊಂದಿದ್ದರೆ ಈ ಯೋಜನೆಗೆ ಅರ್ಹರಾಗುತ್ತಾರೆ. ವಾರ್ಷಿಕ ಪ್ರೀಮಿಯಂ ₹12/-. 31.03.2017ರ ತನಕ ಒಟ್ಟು 1,99,390 ವ್ಯಕ್ತಿಗಳಿಗೆ ಈ ಯೋಜನೆಯಡಿ ಭದ್ರತೆ ದೊರಕಿದೆ.
- 3) ಅಟಲ್ ಪಿಂಚಣಿ ಯೋಜನೆ: ಈ ಯೋಜನೆಯು ಕೇಂದ್ರ ಸರ್ಕಾರದಿಂದ ದಿನಾಂಕ 9 ಮೇ, 2015 ರಂದು ಆರಂಭಗೊಂಡಿತು. ವೃದ್ಧಾಪ್ಯದ ದಿನಗಳಿಗೆ ಆದಾಯ ಭದ್ರತೆ ನೀಡಲು ಈ ಯೋಜನೆಗೆ ಬ್ಯಾಂಕಿನಲ್ಲಿ ಖಾತೆ ಹೊಂದಿದವರು, ಸಾಧ್ಯವಾದಷ್ಟು ಮಾಸಿಕ ಮೊತ್ತ ಕಡಿತಕ್ಕೆ ಬ್ಯಾಂಕ್ ಖಾತೆಗೆ ಆದೇಶ ನೀಡಬಹುದಾಗಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಈ ಯೋಜನೆಯನ್ನು ನಾಗರಿಕರಿಗೆ ತಲುಪಿಸುವಲ್ಲಿ ಆದ್ಯ ಪ್ರಾಧಾನ್ಯ ನೀಡಿದ್ದು ಎಲ್ಲಾ ಶಾಖೆಗಳನ್ನು ಪಾಯಿಂಟ್ ಆಫ್ ಪ್ರೆಸೆನ್ಸ್-ಸರ್ವೀಸ್ ಪ್ರೊವೈಡರ್ (ಪಿಪಿಎಸ್-ಎಸ್ಪಿ) ಎಂದು ನೋಂದಾಯಿಸಲಾಗಿದೆ. 31, ಮಾರ್ಚ್ 2017ರ ವರೆಗೆ ಬ್ಯಾಂಕು 23181 ಅಟಲ್ ಪಿಂಚಣಿ ಯೋಜನೆ (ಎಪಿವೈ) ಖಾತೆಗಳನ್ನು ತೆರೆದಿದೆ.

ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್‌ಧನ್ ಯೋಜನೆ (ಪಿಎಂಜಿಡಿಯೆ):

15 ಅಗೋಸ್ಟ್ 2014 ರಂದು ಘೋಷಣೆಯಾದ ಪ್ರಧಾನಮಂತ್ರಿ ಜನ್‌ಧನ್ ಯೋಜನೆಗೆ ವಿದ್ಯೆಯ ಸೇವೆಗಳ ವಿಭಾಗ, ವಿತ್ತ ಸಚಿವಾಲಯ, ಭಾರತ ಸರ್ಕಾರದಿಂದ ಘೋಷಿಸಲ್ಪಟ್ಟ ಪರೀಕ್ಷಿತ ವ್ಯೂಹಾತ್ಮಕ ಅನಿಷ್ಟಾರ ಮತ್ತು ಮಾರ್ಗದರ್ಶಿಗಳ ಪ್ರಕಾರ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನಲ್ಲಿ ಜಾರಿಗೆ ತರಲಾಗಿದೆ. ಗ್ರಾಮೀಣ, ಅರೆಪಟ್ಟಣ ಮತ್ತು ಮಹಾನಗರಗಳಲ್ಲಿನ ವಾರ್ಡಿನ ಜನಸಾಮಾನ್ಯರಿಗೆ ಬ್ಯಾಂಕಿಂಗ್ ಸೌಲಭ್ಯ ಒದಗಿಸುವುದು ಹಾಗೂ ಬ್ಯಾಂಕಿಂಗ್ ಸೌಲಭ್ಯ ವಂಚಿತರಿಗಾಗಿ ಗ್ರಾಮೀಣ ಪ್ರದೇಶಗಳಲ್ಲಿ ಬ್ಯಾಂಕ್ ಶಾಖೆಗಳು ತ್ವರಿತಗತಿಯಲ್ಲಿ ತೆರೆಯುವುದನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಈ ಯೋಜನೆಯು ರುಪೇ ಡೆಬಿಟ್ ಕಾರ್ಡ್‌ಗಳನ್ನು ಜನಸಾಮಾನ್ಯರಿಗೆ ನೀಡಿ ಅದು ₹1 ಲಕ್ಷ ಅಪಘಾತ ವಿಮಾ ಭದ್ರತೆಯನ್ನೂ ಒದಗಿಸುತ್ತದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಶಾಖೆಗಳು ಈ ಯೋಜನೆಯಡಿ ಜನಸಾಮಾನ್ಯರ ಖಾತೆಗಳನ್ನು ತೆರೆದಿದ್ದು, ರುಪೇ ಪಿಎಂಜಿಡಿಯೆ ಡೆಬಿಟ್ ಕಾರ್ಡ್‌ನ್ನು ನ್ಯಾಶನಲ್ ಪೇಮೆಂಟ್ ಕಾರ್ಪೊರೇಶನ್ ಆಫ್ ಇಂಡಿಯಾ ಪ್ರಾರಂಭಿಸಿದ ದೇಶೀಯ ಕಾರ್ಡ್ ವ್ಯವಸ್ಥೆಯ ಅಡಿಯಲ್ಲಿ ವಿತರಣೆ ಮಾಡಿದೆ.

15.08.2014ರಿಂದ 31.03.2017ರ ತನಕ ಒಟ್ಟು 25,10,929 ಖಾತೆಗಳು ಪಿಎಂಜಿಡಿಯೆ ಅಡಿಯಲ್ಲಿ ತೆರೆಯಲ್ಪಟ್ಟಿದ್ದು, ಒಟ್ಟು ಜಮೆಯಾಗಿರುವ ಮೊತ್ತ ₹2545.80 ಕೋಟಿ ಆಗಿದೆ. ಇದುವರೆಗೆ ಒಟ್ಟು 2,09,197 ರುಪೇ ಕಾರ್ಡ್‌ಗಳನ್ನು ಬ್ಯಾಂಕು ವಿತರಿಸಿದೆ.

AADHAAR ENABLED PAYMENT SYSTEM (AEPS):

The Bank has introduced AEPS transaction services offered by National Payments Corporation of India (NPCI) at all Business Correspondent (BC) locations of the Bank. Any bank customer having any type of SB account that is Aadhaar enabled can now transact at the BC point.

CORPORATE SOCIAL RESPONSIBILITY

Businesses play an important role in the growth of an economy. The growth of the economy becomes meaningful only when it translates to the welfare of the society. Towards this end, business establishments have to align their objectives in such a way that they also contribute to the development of the society with special concern for uplifting the marginalized sections of the society. The Corporate Social Responsibility initiatives of the Bank are designed to ensure that the Bank adds social, environmental and economic value in all its activities to make a positive, sustainable impact on both society and business. In this direction, your Bank has been responding well over the years through various social initiatives and has identified some core areas of intervention like healthcare, education/ livelihood enhancement, empowering women/ socially and economically disadvantaged, environmental sustainability/ green initiatives, protection of heritage/culture, promotion of sports, rural development etc. aimed at improving 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, in a fair and transparent manner, 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 setup a Committee of Directors namely, 'Corporate Social Responsibility (CSR) Committee' and has also put in place a Policy on Corporate Social Responsibility (CSR Policy) to undertake projects/programmes in pursuance to the above

ಆಧಾರ್ ಆಧಾರಿತ ಪಾವತಿ ವ್ಯವಸ್ಥೆ (ಎಐಪಿಎಸ್)

ನ್ಯಾಶನಲ್ ಪೇಮೆಂಟ್ಸ್ ಕಾರ್ಪೊರೇಶನ್ ಆಫ್ ಇಂಡಿಯಾ (ಎನ್‌ಪಿಸಿಐ) ಮಾಡುವ ಎಲ್ಲಾ ವಹಿವಾಟು ರವಾನೆಗಳನ್ನು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಧಾರ್ ಆಧಾರಿತ ಪಾವತಿಗಳ ಅಡಿಯಲ್ಲಿ ತನ್ನ ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿ (ಬಿಸಿ) ಮೂಲಕ ಯಾವುದೇ ಬ್ಯಾಂಕಿನ ಗ್ರಾಹಕರು ತಮ್ಮ ಆಧಾರ್ ಸಂಯೋಜಿತ ಉಳಿತಾಯ ಖಾತೆಯ ಮೂಲಕ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರ ಪ್ರತಿನಿಧಿಯ ಮೂಲಕ ವ್ಯವಹರಿಸಬಹುದಾಗಿದೆ.

ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ

ಆರ್ಥಿಕತೆಯ ಅಭಿವೃದ್ಧಿಯಲ್ಲಿ ವ್ಯವಹಾರ ಎನ್ನುವುದು ಪ್ರಮುಖ ಪಾತ್ರ ವಹಿಸುತ್ತದೆ. ಸಾಮಾಜಿಕ ಕ್ಷೇಮದತ್ತ ಕೇಂದ್ರೀಕರಿಸಿದಾಗ ಮಾತ್ರ ಆರ್ಥಿಕ ಅಭಿವೃದ್ಧಿ ಸಾರ್ಥಕತೆ ಹೊಂದುತ್ತದೆ. ಈ ನಿಟ್ಟಿನಲ್ಲಿ ವ್ಯವಹಾರ ಸಂಸ್ಥೆಗಳು ತಮ್ಮ ಪ್ರಮುಖ ಗುರಿಯನ್ನು ಕೆಳಹಂತದ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆಯ ಅಭಿವೃದ್ಧಿಯ ಜೊತೆಗೆ ಸಮಾಜದ ಸರ್ವತೋಮುಖ ಅಭಿವೃದ್ಧಿ ಹಾಗೂ ಆಶಯಕ್ಕೆ ಅನುಗುಣವಾಗಿ ಆಯೋಜಿಸಬೇಕಿದೆ. ಬ್ಯಾಂಕಿನ ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ ಪರಿಸರ ಮತ್ತು ಆರ್ಥಿಕ ಮೌಲ್ಯಗಳಿಗೆ ಸಾಮಾಜಿಕ ಮೌಲ್ಯವರ್ಧನೆಯನ್ನು ಒದಗಿಸುವ ರೀತಿಯಲ್ಲಿ ರೂಪಿಸಿದ್ದು, ತನ್ಮೂಲಕ ವ್ಯವಹಾರಾಭಿವೃದ್ಧಿಯನ್ನು ಸಾಧಿಸುವ ಗುರಿ ಹೊಂದಿದೆ. ಈ ದಿಸೆಯಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅನೂಚಾನವಾಗಿ ಅಸಂಖ್ಯಾತ ಸಾಮಾಜಿಕ, ಸಾಂಸ್ಕೃತಿಕ ಕಾರ್ಯಕ್ರಮಗಳನ್ನು ಹಮ್ಮಿಕೊಂಡು ಶ್ರೀಸಾಮಾನ್ಯರ ಅಗತ್ಯಕ್ಕೆ ಅನುಗುಣವಾಗಿ ಸ್ಪಂದಿಸುತ್ತಾ, ಆರೋಗ್ಯ, ಶಿಕ್ಷಣ/ಜೀವನಮಟ್ಟ ಸುಧಾರಣೆ, ಸಾಮಾಜಿಕ ಮತ್ತು ಆರ್ಥಿಕವಾಗಿ ಹಿಂದುಳಿದ ಸ್ತ್ರೀಶಕ್ತಿ ಸದೃಶಕ / ಪರಿಸರ ಸಂರಕ್ಷಣೆ / ಹಸಿರು ಕ್ರಾಂತಿ / ಪರಂಪರೆಯ ರಕ್ಷಣೆ, ಸಂಸ್ಕೃತಿಯ ಪ್ರೋತ್ಸಾಹ, ಆಟೋಟಿ, ಕ್ರೀಡೆಗೆ ಪ್ರೋತ್ಸಾಹ, ಗ್ರಾಮೀಣಾಭಿವೃದ್ಧಿ ಇತ್ಯಾದಿಗಳಲ್ಲಿ ತನ್ನನ್ನು ತೊಡಗಿಸಿಕೊಂಡು, ಒಟ್ಟು ಸಮಾಜದ ಸಮಗ್ರ ಅಭಿವೃದ್ಧಿಗಾಗಿ ಶ್ರಮಿಸುತ್ತಿದೆ. ಅಲ್ಲದೇ, ಪಟ್ಟಣ-ಹಳ್ಳಿಯ ಅಂತರವನ್ನು ಕುಗ್ಗಿಸುವಲ್ಲಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಗ್ರಾಮಾಂತರ ಅಭಿವೃದ್ಧಿಯ ಕ್ರಿಯಾಶೀಲತೆ ಹಮ್ಮಿಕೊಂಡು, ಗ್ರಾಮೀಣ ಆರ್ಥಿಕ ಸಾಕ್ಷರತೆಯನ್ನು ಸಾಧಿಸುತ್ತಾ ಮತ್ತು ಅತ್ಯಂತ ಕುಗ್ರಾಮಗಳಲ್ಲೂ ಶಾಖೆ ತೆರೆದು ಗ್ರಾಮೀಣ ಜನರಿಗೆ ಅತ್ಯಂತ ಕ್ಷಿಪ್ರ ಹಾಗೂ ಸೌಜನ್ಯಪೂರ್ಣ ಸೇವೆಯನ್ನು ಪಾರದರ್ಶಕ ರೀತಿಯಲ್ಲಿ ಕೈಗೆಟುಕುವ ದರದಲ್ಲಿ ಬ್ಯಾಂಕು ನೀಡುತ್ತಿದೆ.

ಅಲ್ಲದೇ, ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 135 ಮತ್ತು ಕಂಪೆನಿ (ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಜವಾಬ್ದಾರಿ ಧೋರಣೆ) ನಿಯಮ 2014ರ ಆಶಯಕ್ಕೆ ಅನುಸಾರವಾಗಿ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ನಿರ್ದೇಶಕರ ಸಮಿತಿಯೊಂದನ್ನು 'ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ ಸಮಿತಿ' ಎನ್ನುವ ನಾಮಧೇಯದಲ್ಲಿ ರಚಿಸಿದ್ದು, ಈಗಾಗಲೇ ಬ್ಯಾಂಕು ಇದಕ್ಕಾಗಿ ಧೋರಣಾತ್ಮಕ ಉಪಕ್ರಮಗಳನ್ನು ಸ್ಥಾಪಿಸಿದ್ದು, ಈ ಧೋರಣೆಯನ್ವಯ ಅತ್ಯಂತ ಸೂಕ್ತ ಪ್ರಾಜೆಕ್ಟ್‌ಗಳನ್ನು, ಕಾರ್ಯಕ್ರಮಗಳನ್ನು ಬ್ಯಾಂಕು ಜರಗಿಸುತ್ತಾ ಇದೆ. ಕಂಪೆನಿ

Policy. The contents of the CSR Policy along with the report on amount spent on various projects/programmes during the financial year 2016-17 is detailed in Annexure VI to this report pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

BUSINESS RESPONSIBILITY REPORTING:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your bank is one of the Top 500 listed entities based on the market capitalization as on March 31, 2016, and is required to report Business Responsibility Reporting describing the initiatives taken by the Bank from an environmental, social and governance perspective as per the format prescribed by SEBI which is enclosed as Annexure VIII.

INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY AND COMPLIANCE

An effective and sound internal audit function provides independent assurance to the board of directors and senior management on the quality and effectiveness of Bank's internal control, risk management and governance systems and processes, thus helping the board and the senior management in protecting the organization and its reputation.

Your Bank has put in place an effective and robust internal control apparatus, commensurate with its size, geographical spread and complexity of operations. At the apex level, guidance and direction on the control aspects is vested with the Audit Committee of the Board of Directors which takes an overall view on the internal control aspects and formulates all the related policy guidelines. The Bank has put in place an independent Compliance Department in charge of the entire compliance functions of the Bank.

Historically, the internal audit system in the Bank has been concentrating on transaction testing, testing of accuracy and reliability of accounting records and financial reports, integrity, reliability and timeliness of control reports and adherence to legal and regulatory requirements. With the

(ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆ ಧೋರಣೆ) ನಿಯಮ 2014ರ ನಿಯಮ 8ರಂತೆ ಸಾಂಸ್ಥಿಕ ಸಾಮಾಜಿಕ ಹೊಣೆಗಾರಿಕೆಯನ್ವಯ ಪ್ರಸ್ತುತ ವರ್ಷ 2016-17ರಲ್ಲಿ ನಡೆಸಿದ ಉಪಕ್ರಮಗಳ ವಿವರ ಹಾಗೂ ವೆಚ್ಚವಾದ ಮೊತ್ತದ ವರದಿಯನ್ನು ವಿವರವಾಗಿ ಅನುಬಂಧ VIರಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.

ವ್ಯವಹಾರ ಜವಾಬ್ದಾರಿಯ ವರದಿ

ಸೆಬಿ (ಎಲ್‌ಓಡಿ ಆರ್) ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ, 2015 ರ ಅನ್ವಯ ನಿಮ್ಮ ಬ್ಯಾಂಕು 500 ಪ್ರಮುಖ ಲಿಸ್ಟೆಡ್ ಕಂಪೆನಿಗಳಲ್ಲಿ ಒಂದಾಗಿದ್ದು, ಇದು 31 ಮಾರ್ಚ್ 2016ಕ್ಕೆ ಮಾರುಕಟ್ಟೆ ಬಂಡವಾಳತ್ವ ಮೇಲೆ ಆಧರಿಸಲ್ಪಟ್ಟಿದ್ದು ಅಂತೆಯೇ ಮೇಲ್ಕಾಣಿಸಿದ ಕಾಯಿದೆಯಂತೆ ವ್ಯವಹಾರ ಜವಾಬ್ದಾರಿಯ ವರದಿಯನ್ನು ಪರಿಸರ, ಸಾಮಾಜಿಕ ಮತ್ತು ಆಡಳಿತಾತ್ಮಕ ಕ್ರಮಗಳನ್ನು ಒಳಗೊಂಡ ವಿವರಗಳೊಂದಿಗೆ 'ಸೆಬಿ'ಯಿಂದ ನಿರ್ದೇಶಿಸಲ್ಪಟ್ಟ ನಮೂನೆಯಲ್ಲಿ ಅನುಬಂಧ VIII ರಲ್ಲಿ ಒದಗಿಸಲಾಗಿದೆ.

ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಗಳು ಅವುಗಳ ಪರ್ಯಾಯ ಮತ್ತು ಅನುಸರಣೆ

ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ನಿಯಂತ್ರಣ, ಅಪಾಯ ನಿರ್ವಹಣೆ, ಆಡಳಿತ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳ ಗುಣಮಟ್ಟ ಮತ್ತು ಪರಿಣಾಮಕಾರಿತ್ವದ ಕುರಿತಾದ ಸಂಪೂರ್ಣ ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯು, ಸ್ವತಂತ್ರವಾದ ಆಶ್ವಾಸನೆಯನ್ನು ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಉನ್ನತ ಆಡಳಿತಗಾರರಿಗೆ ಒದಗಿಸುತ್ತಿದ್ದು, ತನ್ಮೂಲಕ ಆಡಳಿತ ಮಂಡಳಿ ಮತ್ತು ಉನ್ನತ ಆಡಳಿತಗಾರರಿಗೆ, ಸಂಸ್ಥೆಯನ್ನು ಮತ್ತು ಅದರ ಪ್ರತಿಷ್ಠೆಯನ್ನು ಕಾಪಾಡಲು ಸಹಾಯಕವಾಗುತ್ತದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನ ಗಾತ್ರ ಮತ್ತು ವ್ಯವಹಾರಗಳಲ್ಲಿನ ಸೂಕ್ಷ್ಮತೆ ಹಾಗೂ ಭೌಗೋಳಿಕ ವ್ಯಾಪಕತೆಗೆ ಅನುಗುಣವಾಗಿ, ಪರಿಣಾಮಕಾರಿ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಪಾಲಿಸುತ್ತಿದೆ. ಅಗ್ರ ಮಟ್ಟದ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ನಿರ್ದೇಶನ, ನಿಯಂತ್ರಣ ಪರಿಣಾಮಕಾರಿತ್ವದ ಕುರಿತಾಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಲೆಕ್ಕಪತ್ರ ಸಮಿತಿ ಸಲಹೆ ನೀಡುತ್ತಿದ್ದು, ಇದು ಆಂತರಿಕ ನಿಯಂತ್ರಣದ ಸರ್ವಾಂಗೀಣ ಮೇಲ್ನೋಟ ಹಾಗೂ ಧೋರಣಾ ಮಾರ್ಗದರ್ಶಿಯ ಪರಾಮರ್ಶೆ ನಡೆಸುತ್ತದೆ. ಅಲ್ಲದೇ, ಬ್ಯಾಂಕು ಸ್ವತಂತ್ರವಾದ ಪರಿಪಾಲನಾ ವಿಭಾಗವನ್ನು ಸ್ಥಾಪಿಸಿದ್ದು ಇದು ಆಂತರಿಕ ಕಾರ್ಯಭಾರದ ವೀಕ್ಷಣೆಯನ್ನು ಸದಾಕಾಲ ಜಾಗೃತಿಯಿಂದ ಮಾಡುತ್ತಿರುತ್ತದೆ.

ಚಾರಿತ್ರಿಕವಾಗಿ, ಬ್ಯಾಂಕುಗಳ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವ್ಯವಸ್ಥೆಯು, ಕಾರ್ಯ ಚಟುವಟಿಕೆಗಳ ಪರಿವೀಕ್ಷಣೆ, ನಿಖರತೆಯ ಪರೀಕ್ಷೆ, ವಿಶ್ವಾಸಾರ್ಹತೆಯ ಪರೀಕ್ಷೆ, ನಿಯಂತ್ರಕ ವರದಿಗಳ ಸಕಾಲಿಕ ಸಲ್ಲಿಕೆಯ ಪರಿವೀಕ್ಷಣೆ, ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಕ ಅಗತ್ಯಗಳಿಗೆ ಬದ್ಧವಾಗಿದೆಯೇ ಎನ್ನುವುದನ್ನು ಖಚಿತಪಡಿಸಿಕೊಳ್ಳುವುದನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ವಿವಿಧ ಅಪಾಯಗಳನ್ನು ಮಿತಗೊಳಿಸುವುದರಲ್ಲಿ ಅಪಾಯ-ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆ

implementation of Risk-Based Internal Audit (RBIA), greater emphasis is placed on the internal auditor's role in mitigating various risks. While continuing with the traditional risk management and control methods involving transaction testing etc., the risk-based internal audit would, not only offer suggestions for mitigating current risks but also on potential future risks, thereby playing an important role in the risk management process of the Bank.

The risk assessment under RBIA would cover risks at various levels (corporate and branch; portfolio and individual transactions etc.) as also the processes in place to identify, measure, monitor and control the risks. The internal audit department is devising the RBIA risk assessment methodology, with the approval of the Board of Directors, keeping in view the size and complexity of the business undertaken by the Bank. The risk assessment process would include the identification of 'inherent business risks' in the various activities undertaken by the Bank, and evaluate the effectiveness of the control systems for monitoring the inherent risks of the business activities ('Control Risk') and then draw up a risk-matrix by taking into account both the factors viz., inherent business and control risks.

In pursuance of seeking periodic assurances on the adequacy and efficacy of internal control functions, the Bank causes periodic Regular Inspections and Information System (IS) Audit of all the branches and offices. Besides, your Bank also covers select branches under concurrent audit, the aggregate turnover of which account for over 64.03% of the gross bank credit and over 50.37% of aggregate deposits of the Bank. Short Inspection of all the branches which are not subjected to concurrent audit is also caused besides, concurrent audit of treasury functions (both domestic and forex), International Division, Forex designated offices, Central Processing Centre, Currency Chests, Information Systems audit of Data Centre and DR Site etc. Besides, the Bank has also been causing Stock and Credit audits of large borrowal accounts by external,

ಯಿಂದಾಗಿ, ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧಕರ ಪಾತ್ರ ಹೆಚ್ಚಿನ ಮಹತ್ವ ಹೊಂದಿದೆ. ವಹಿವಾಟಿನ ಸಾಚಾತನದ ಪರೀಕ್ಷೆ ಮುಂತಾದವುಗಳನ್ನೊಳಗೊಂಡ ಸಾಂಪ್ರದಾಯಿಕ ಅಪಾಯ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಮುಂದುವರಿಸುವುದಲ್ಲದೆ, ಅಪಾಯ ಸಂಭಾವ್ಯತಾ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಚಾಲ್ತಿಯಲ್ಲಿ ಅಪಾಯಗಳನ್ನು ಮಿತಗೊಳಿಸುವುದರೊಂದಿಗೆ ವಿವಿಧ ಕ್ಷೇತ್ರಗಳಲ್ಲಿ ಬಂದೆರಗಬಹುದಾದ ಅಪಾಯ ಸಂಭಾವ್ಯತೆಯನ್ನು ನಿಖರವಾಗಿ ಅಂದಾಜಿಸುವ ಗುರುತರವಾದ ಹೋಣೆಯನ್ನು ಬ್ಯಾಂಕಿನ ಅಪಾಯ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆಯು ಹೊಂದಿರುತ್ತದೆ.

ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆ (ಆರ್‌ಬಿಐಎ)ಯಲ್ಲಿ ಅಪಾಯದ ಮಾಪನವನ್ನು ವಿವಿಧ ಸ್ತರಗಳಲ್ಲಿ (ಸಾಂಸ್ಥಿಕ ಮತ್ತು ಶಾಖಾ ಹಂತಗಳಲ್ಲಿ, ಪೋರ್ಟ್‌ಫೋಲಿಯೋ ಮತ್ತು ಏಕವ್ಯಕ್ತಿ ಪರ ವಹಿವಾಟು ಇತ್ಯಾದಿ) ಕಾರ್ಯ ಜರಗಿಸುತ್ತಾ ಅಪಾಯದ ಗುರುತಿಸುವಿಕೆ, ಮೌಲ್ಯಮಾಪನ, ನಿಗಾ ಮತ್ತು ನಿಯಂತ್ರಣಕ್ಕೆ ಸಹಾಯವಾಗುತ್ತದೆ. ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಅನುಮತಿಯೊಂದಿಗೆ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವಿಭಾಗವು ಅಪಾಯ ಸಂಭಾವ್ಯತೆ ಆಧಾರಿತ ಆಂತರಿಕ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು, ಅಪಾಯಮಾಪನ ವ್ಯವಸ್ಥೆಯನ್ನು ಕಾರ್ಯರೂಪಕ್ಕೆ ತಂದು, ಬ್ಯಾಂಕು ನಡೆಸುವ ವ್ಯವಹಾರದ ಗಾತ್ರ ಮತ್ತು ಸಂಕೀರ್ಣತೆಗೆ ಅನುಸಾರವಾಗಿ ನಿರ್ವಹಿಸುತ್ತದೆ. ಈ ಅಪಾಯ ಮಾಪನಾ ಪ್ರಕ್ರಿಯೆಯು ಬ್ಯಾಂಕು ಕೈಗೊಳ್ಳುವ ವಿವಿಧ ವ್ಯವಹಾರಗಳಲ್ಲಿ 'ಅಂತರ್ಗತವಾದ ಆಪತ್ತು'ಗಳನ್ನು ಗುರುತಿಸುವ ಜವಾಬ್ದಾರಿಯನ್ನು ಹೊಂದಿರುವುದರೊಂದಿಗೆ, ಈ ಆಪತ್ತುಗಳನ್ನು ಗುರುತಿಸುವ ಹಾಗೂ ನಿಯಂತ್ರಣ ಮಾಡುತ್ತಿರುವ ವ್ಯವಸ್ಥೆಯ (ಅಂದರೆ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿನ ವಿಪತ್ತು) ಮೌಲ್ಯಮಾಪನವನ್ನೂ ಸಹ ಮಾಡುತ್ತದೆ. ಇದರೊಂದಿಗೆ, "ಅಂತರ್ಗತವಾದ ವ್ಯವಹಾರದಲ್ಲಿನ ವಿಪತ್ತು" ಹಾಗೂ "ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿನ ವಿಪತ್ತು"ಗಳನ್ನು ಆಧರಿಸಿ "ಅಪಾಯದ ಮ್ಯಾಟ್ರಿಕ್ಸ್"ಅನ್ನು ರೂಪಗೊಳಿಸುವ ಕಾರ್ಯವನ್ನು ಸಹ ಮಾಡುತ್ತದೆ.

ಇದರೊಂದಿಗೆ ಬ್ಯಾಂಕು ಕಾಲಕಾಲಕ್ಕೆ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಚಟುವಟಿಕೆಯ ದಕ್ಷತೆ ಮತ್ತು ಅನುರೂಪತೆ ಖಾತ್ರಿಗೊಳಿಸುವಾಗಲೂ ನಿಯಮಿತ ಪರಿವೀಕ್ಷಣೆ, ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ (ಐಎಸ್) ಪರಿವೀಕ್ಷಣೆ ಎಲ್ಲಾ ಶಾಖೆ ಮತ್ತು ಕಚೇರಿಗಳಲ್ಲೂ ನಡೆಸುತ್ತಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಯ್ದ ಶಾಖೆಗಳಲ್ಲಿ (ಇವುಗಳ ವ್ಯವಹಾರದ ಮೊತ್ತ ಬ್ಯಾಂಕಿನ ಒಟ್ಟು ಮುಂಗಡದ ಶೇ. 64.03 ಹಾಗೂ ಠೇವಣಿಯ ಶೇ. 50.37ರಷ್ಟನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ) ಸಹಗಾಮಿ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಜರುಗಿಸುತ್ತಿದೆ. ಸಹಗಾಮಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯಿಂದ ಹೊರತಾದ ಶಾಖೆಗಳಲ್ಲಿ ಕಿರುಪರಿವೀಕ್ಷಣೆ ಜರುಗುತ್ತದೆ. ಅಲ್ಲದೇ ಖಜಾನೆ (ಆಂತರಿಕ ಮತ್ತು ವಿದೇಶಿ ವಿನಿಮಯ ಕೂಡಿ) ವಿಭಾಗದ ಸಹಗಾಮಿ ಲೆಕ್ಕಪರಿಶೋಧನೆಯೊಂದಿಗೆ ಅಂತಾರಾಷ್ಟ್ರೀಯ ವಿಭಾಗ, ವಿದೇಶಿ ವಿನಿಮಯ ವ್ಯವಹಾರಕ್ಕಾಗಿರುವ ಶಾಖೆಗಳು, ದತ್ತಾಂಶ ಕೇಂದ್ರ, ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ ವಿಭಾಗ, ಡಿ.ಆರ್. ಕೇಂದ್ರ, ಕೇಂದ್ರೀಯ ಸಂಸ್ಕರಣಾ ಕೇಂದ್ರಗಳು, ಕರೆನ್ಸಿ ಕೋಠಿ ಮುಂತಾದವುಗಳ ಪರಿವೀಕ್ಷಣೆ, ಸಹಗಾಮಿ ಪರಿವೀಕ್ಷಣೆಗಳು ಜರುಗುತ್ತವೆ. ಇದರೊಂದಿಗೆ ಬೃಹತ್ ಮುಂಗಡ ಖಾತೆಗಳ ಪರಿಶೀಲನೆಯನ್ನು ಬಾಹ್ಯ ವೃತ್ತಿಪರ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಂಸ್ಥೆಗಳ ನೆರವಿನಿಂದ ಮುಂದುವರಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಇದು

professional audit firms in furtherance of effective credit administration. The Bank has also taken prompt action on the implementation of the RBI Guidelines on Information Security, Electronic Banking, Technology Risk Management and CyberFrauds.

To appraise the effectiveness of management at different levels in accomplishing the assigned tasks towards achieving the overall corporate objectives, Management Audit is also introduced by your Bank for Departments at Head Office & Regional Offices.

Your Bank has put in place the policies and procedures for ensuring orderly and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable and transparent financial information. The Audit Committee of the Board periodically assesses the effectiveness of the internal financial controls and their adequacy and issues directions for its strengthening wherever found necessary.

Your Bank is in the process of automating the internal audit processes during the year 2017-18.

Considering the need for having a strong collection mechanism and to contain slippages of borrowal accounts into NPAs and improve asset quality, the Credit Monitoring Department at Head Office and Credit Monitoring teams at Regional Offices ensures adherence of post sanction compliance requirements and follow up of advance through effective control and communication mechanisms.

ECONOMIC AND STATISTICAL RESEARCH CELL

Under the ever-changing business environment and to stay ahead of times in terms of product and services offering, and pricing and positioning, your Bank has setup an 'Economic & Statistical Research Cell' at the Head Office to provide strategic inputs to the Management in devising policies and also suggestions to various business units in the matter of pricing, costing, product launching, positions etc.

ಮುಂಗಡಗಳ ಪರಿಣಾಮಕಾರಿ ನಿರ್ವಹಣೆಗೆ ಸಹಕಾರಿಯಾಗಿದೆ. ಬ್ಯಾಂಕು ಮಾಹಿತಿ ಭದ್ರತೆ, ಇಲೆಕ್ಟ್ರಾನಿಕ್ ಬ್ಯಾಂಕಿಂಗ್, ಟೆಕ್ನೋಲಜಿ ರಿಸ್ಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಮತ್ತು ಸೈಬರ್ ಫ್ರಾಡ್‌ಗಳ ಬಗ್ಗೆ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆಯನ್ನು ಪಾಲಿಸುವಲ್ಲಿ ಅಗತ್ಯವಾದ ಕ್ರಮಗಳನ್ನು ಕೈಗೊಂಡಿದೆ.

ಬ್ಯಾಂಕಿನ ಪ್ರಧಾನ ಕಚೇರಿಯ ಎಲ್ಲಾ ವಿಭಾಗಗಳಲ್ಲೂ ಮತ್ತು ಪ್ರಾದೇಶಿಕ ಕಚೇರಿಗಳಲ್ಲೂ ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಆಡಳಿತ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಜರಗಿಸುತ್ತಿದ್ದು, ಇದು ಬ್ಯಾಂಕಿನ ಒಟ್ಟಾರೆ ಸಾಂಸ್ಥಿಕ ಗುರಿಗಳನ್ನು ತಲಪುವಲ್ಲಿ ಹಾಗೂ ಕಾಲಕಾಲಕ್ಕೆ ವಿವಿಧ ಹಂತ, ಶ್ರೇಣಿಗಳ ದಕ್ಷತೆಯ ಮೌಲ್ಯಮಾಪನ ಹಾಗೂ ನೀಡಲ್ಪಟ್ಟ ಕಾರ್ಯಭಾರದ ಸಾಧನೆಯ ಬಗ್ಗೆ ಯಥಾವತ್ ಅರಿವು ಆಡಳಿತಕ್ಕೆ ದೊರಕುತ್ತಿದೆ.

ಬ್ಯಾಂಕಿನ ಧೈಯ ಧೋರಣೆ, ಅನುಷ್ಠಾನಗಳ ದಕ್ಷ ನಿರ್ವಹಣೆ ವ್ಯಾವಹಾರಿಕ ಮಟ್ಟದಲ್ಲಿ ಸತತ ಜರಗುವ ಬಗ್ಗೆ ನಿಗಾ, ಬ್ಯಾಂಕ್ ಆಸ್ತಿಗಳ ಜೋಪಾನತೆ, ವಂಚನೆಯ ಮತ್ತು ತಪ್ಪುಗಳ ಬಗ್ಗೆ ಎಚ್ಚರಿಕೆ ಮತ್ತು ಪತ್ತೆ ಹಚ್ಚುವಿಕೆ, ಖಚಿತತೆ ಮತ್ತು ಲೆಕ್ಕಪತ್ರಗಳ ಕರಾರುವಾಕ್ ನಿರ್ವಹಣೆ ಮತ್ತು ಕಾಲಕಾಲಕ್ಕೆ ಸರಿಯಾಗಿ ನಂಬಲರ್ಹ ಆರ್ಥಿಕ ಮಾಹಿತಿ ಮತ್ತು ಅದರ ಯಥೋಚಿತತೆಯ ಬಗ್ಗೆ ಬ್ಯಾಂಕು ಸಾಕಷ್ಟು ನಿಗಾ ಹೊಂದಿದೆ. ಆಡಳಿತ ಮಂಡಳಿಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಮಿತಿ ಈ ದಿಸೆಯಲ್ಲಿ ಮೌಲ್ಯಮಾಪನ ಜರಗಿಸುತ್ತಿದ್ದು ಆಂತರಿಕ ವಿತ್ತೀಯ ನಿಯಂತ್ರಣ ಮತ್ತು ಅವುಗಳ ಪರ್ಯಾಪ್ತತೆಯ ಬಗ್ಗೆ ಪರಿಶೀಲಿಸಿ ಅವುಗಳನ್ನು ಅವಶ್ಯವಿದ್ದಲ್ಲಿ ಬಲಪಡಿಸಲು ನಿರ್ದೇಶಿಸಿದೆ.

ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಆಂತರಿಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಯಾಂತ್ರಿಕರಣಗೊಳಿಸುವತ್ತ ಮುನ್ನಡೆದಿದೆ.

ಕಟ್ಟುನಿಟ್ಟಿನ ಮುಂಗಡ ವಸೂಲಾತಿ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಮುಂಗಡ ಖಾತೆಗಳು ಅನುತ್ಪಾದಕ ಆಸ್ತಿಯ ಹಂತಕ್ಕೆ ಜಾರದಂತೆ ಕಟ್ಟುನಿಟ್ಟಿನ ಕಣ್ಗಾವಲು ನಡೆಸಬೇಕಾದ ಅಗತ್ಯವನ್ನು ಮನಗಂಡು ಬ್ಯಾಂಕು, ವಿಶೇಷವಾದ ಕ್ರೆಡಿಟ್ ಮಾನಿಟರಿಂಗ್ ವಿಭಾಗವನ್ನು ತೆರೆದಿದ್ದು, ಈ ವಿಭಾಗ ಎಚ್ಚರಿಕೆಯಿಂದ ಎಲ್ಲಾ ಮುಂಗಡಗಳ ಮೇಲೆ ಕಣ್ಗಾವಲನ್ನು ಇರಿಸಿದೆ. ಅಲ್ಲದೇ ಮುಂಗಡ ನೀಡಿದ ಬಳಿಕ ಮಂಜೂರಾತಿಯ ನಂತರ ಪಾಲಿಸಬೇಕಾದ ನಿಯಮಾವಳಿಗಳ ಅನುಷ್ಠಾನದ ಬಗ್ಗೆ ಪರಿಣಾಮಕಾರಿ ನಿಯಂತ್ರಣ ಮತ್ತು ಸಂಹವನ ಪ್ರಕ್ರಿಯೆಗಳ ಮೂಲಕ ಸತತ ನಿಗಾ ಹೊಂದಿದೆ.

ಆರ್ಥಿಕ ಮತ್ತು ಸಂಖ್ಯಾಶಾಸ್ತ್ರೀಯ ಸಂಶೋಧನಾ ಘಟಕ

ಸದಾಕಾಲವೂ ಬದಲಾಗುತ್ತಿರುವ ವ್ಯವಹಾರಿಕ ಪರಿಸರ ಮತ್ತು ಬ್ಯಾಂಕಿಂಗ್ ಉತ್ಪನ್ನ ಹಾಗೂ ಸೇವೆಗಳ ಒದಗಿಸುವಿಕೆಯಲ್ಲಿ, ಅವುಗಳ ಬೆಲೆ ಹಾಗೂ ಸ್ಥಾನ ನಿರ್ಧರಿಸುವಿಕೆಯಲ್ಲಿ ಮುಂಚೂಣಿಯಲ್ಲಿರುವ ಸಲುವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ತನ್ನ ಪ್ರಧಾನ ಕಚೇರಿಯಲ್ಲಿ ಆರ್ಥಿಕ ಮತ್ತು ಸಂಖ್ಯಾಶಾಸ್ತ್ರೀಯ ಸಂಶೋಧನಾ ಘಟಕವನ್ನು ಸ್ಥಾಪಿಸಿದೆ. ಈ ಘಟಕವು ಬ್ಯಾಂಕಿನ ಉನ್ನತ ಅಧಿಕಾರ ವರ್ಗಕ್ಕೆ ನೀತಿಗಳನ್ನು ರೂಪಿಸಲು ಅಗತ್ಯ ಕಾರ್ಯತಂತ್ರಗಳನ್ನು ಒದಗಿಸುವುದಲ್ಲದೆ, ವಿವಿಧ ವಿಭಾಗಗಳಿಗೆ ಬೆಲೆ ನಿರ್ಧಾರ, ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಗಳನ್ನು ಪ್ರಾರಂಭಿಸುವಲ್ಲಿ ಮತ್ತು ಸೂಕ್ತವಾಗಿ ಸ್ಥಾನ ಕಲ್ಪಿಸುವಲ್ಲಿ ಸಲಹೆಗಳನ್ನು ನೀಡಲಿದೆ.

CENTRALISED PAYMENT & RECONCILIATION CELL

To enable timely reconciliation of various transactions carried out through technology enabled payment channels like NEFT, RTGS, IMPS, UPI etc happening within the Bank and between banks and the settlement of these transactions between banks, a separate centralised cell is functioning at the Head Office.

RISK BASED SUPERVISION (RBS)

In view of the growing complexities in the processes, product offerings and systems & procedures in the Indian banking sector, pursuant to the recommendation of the High Level Steering Committee, Reserve Bank of India has shifted supervisory stance to risk-based approach called 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 31st March, 2015 and the system is working satisfactorily. A plan of action for monitoring various risks as advised by RBI has also been put in place.

COMPLIANCE FUNCTION

As an important element in Corporate Governance structure, the Bank has set up a robust Compliance department with sufficient independence to promote healthy compliance culture within the Bank. The compliance function in the Bank ensures strict observance of all statutory provisions, guidelines from RBI & other regulators, standards and codes prescribed by regulatory bodies besides Bank's internal policies and fair practices code. Further, the compliance function includes interpretation/ dissemination of regulatory and statutory guidelines, observing proper standards of market conduct, managing conflicts of interest and treating customers fairly. The Bank's compliance function assists the top management in managing the Compliance Risk effectively. The risk- based compliance programme of the bank, under the supervision of head of compliance department, ensures

ಕೇಂದ್ರೀಕೃತ ಪಾವತಿ ಹಾಗೂ ಸಮನ್ವಯ ಘಟಕ

ಬ್ಯಾಂಕಿನ ಒಳಗೆ ಹಾಗೂ ಇತರ ಬ್ಯಾಂಕ್‌ಗಳ ಜೊತೆ ತಂತ್ರಜ್ಞಾನ ಆಧಾರಿತ ಪಾವತಿ ವ್ಯವಸ್ಥೆಗಳಾದ ಎನ್‌ಇಎಫ್‌ಟಿ, ಆರ್‌ಟಿಜಿಎಸ್, ಐಎಂಪಿಎಸ್, ಯುಪಿಐ ಇತ್ಯಾದಿಗಳಲ್ಲಿ ಜರಗುವ ವ್ಯವಹಾರಗಳನ್ನು ಸಮಯೋಚಿತ ರೀತಿಯಲ್ಲಿ ಸಮನ್ವಯಗೊಳಿಸುವುದಕ್ಕಾಗಿ, ಬ್ಯಾಂಕಿನ ಪ್ರಧಾನ ಕಛೇರಿಯಲ್ಲಿ ಕೇಂದ್ರೀಕೃತ ಪಾವತಿ ಹಾಗೂ ಸಮನ್ವಯ ಘಟಕ ಎಂಬ ಪ್ರತ್ಯೇಕವಾದ ವಿಭಾಗವು ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.

ಅಪಾಯ ಆಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆ (ಆರ್‌ಬಿಎಸ್)

ಭಾರತೀಯ ಬ್ಯಾಂಕಿಂಗ್ ರಂಗದ ಹೆಚ್ಚುತ್ತಿರುವ ಕಾರ್ಯ ವಿಧಾನಗಳ ಸಂಕೀರ್ಣತೆ, ಉತ್ಪನ್ನ ನೀಡಿಕೆ ಮತ್ತು ವ್ಯವಸ್ಥೆ ಹಾಗೂ ಕಾರ್ಯವಿಧಾನಗಳ ಮೇಲ್ವಿಚಾರಣೆ ನಡೆಸುವ ಅಗತ್ಯವನ್ನು ಮನಗೊಂಡ ಆರ್‌ಬಿಐನ ಉನ್ನತ ಮಟ್ಟದ ನಿಯಂತ್ರಕ ಸಮಿತಿ ಅಪಾಯ ಆಧಾರಿತ ಮೇಲ್ವಿಚಾರಣೆ ನಡೆಸುವ ಪ್ರಕ್ರಿಯೆ “ಸೂಪರ್‌ವೈಸರಿ ಎಸೆಸ್‌ಮೆಂಟ್ ಆಫ್ ಕ್ಯಾಪಿಟಲ್ ಆಂಡ್ ರಿಸ್ಕ್” (ಎಸ್‌ಪಿಎಆರ್‌ಸಿ) ಪ್ರಾರಂಭಿಸಿದೆ. ಪ್ರಸ್ತುತ ಹಾಗೂ ಭವಿಷ್ಯದ ಅಪಾಯಗಳ ಬಗ್ಗೆ ಕೇಂದ್ರೀಕೃತ ಮೌಲ್ಯಮಾಪನ, ಸಮಸ್ಯೆಗಳ ಬಗ್ಗೆ ಲಕ್ಷ್ಯ ಹಾಗೂ ಸಕಾಲಿಕ ಮಧ್ಯಸ್ಥಿಕೆ, ಪ್ರಾರಂಭಿಕ ಹಂತದಲ್ಲಿಯೇ ಕ್ರಮಕೈಗೊಳ್ಳುವಿಕೆಯ ಮೂಲಕ ಸಮರ್ಪಕ ಮೇಲ್ವಿಚಾರಣೆ ಒಳಗೊಂಡಿದೆ. ಇದರಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕನ್ನು 31ನೇ ಮಾರ್ಚ್ 2015 ರಿಂದ ಜಾರಿ ಬರುವಂತೆ, ಈ ವ್ಯವಸ್ಥೆಗೆ ಒಳಪಡಿಸಲಾಗಿದ್ದು ಅದರ ಕಾರ್ಯವು ನಿರೀಕ್ಷಿಸಿದಂತೆ ತೃಪ್ತಿಕರಗತಿಯಲ್ಲಿ ಸಾಗುತ್ತಿದೆ.

ಪರಿಪಾಲನಾ ಕಾರ್ಯವಿಧಾನ

ಕಾರ್ಪೊರೇಟ್ ಆಡಳಿತ ಸಂರಚನೆಯ ಪ್ರಮುಖ ಅಂಗವಾಗಿ ಬ್ಯಾಂಕು, ದೃಢವಾದ ಪರಿಪಾಲನಾ ವಿಭಾಗವನ್ನು ಸ್ಥಾಪಿಸಿದ್ದು, ಇದು ಸಾಕಷ್ಟು ಪರಿಮುಖವಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸುತ್ತಿದ್ದು, ಬ್ಯಾಂಕಿನ ಸಕಲ ಚಟುವಟಿಕೆಗಳಲ್ಲಿ ಪರಿಪಾಲನೆಯೂ ಒಂದು ಉದ್ಯಮ ಸಂಸ್ಕೃತಿ ಆಗಿ ರೂಪುಗೊಂಡಿರುತ್ತದೆ. ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯು ಬಿಗು ಉಸ್ತುವಾರಿಯಲ್ಲಿ ಪರ್ಯಾಪ್ತ ಮೀಸಲು, ಆರ್‌ಬಿಐ ಮಾರ್ಗದರ್ಶಿಕೆ ಮತ್ತು ಇತರ ನಿಯಂತ್ರಕಗಳು, ಸ್ಟಾಂಡರ್ಡ್ ಮತ್ತು ಕೋಡ್ (ನಿಯಂತ್ರಕ ಸಂಸ್ಥೆಗಳ ಆದೇಶಿತ) ಮುಂತಾದವುಗಳ ಪರಿಪಾಲನೆಯನ್ನು ಜರಗಿಸುತ್ತದೆ. ಅಲ್ಲದೇ, ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯ ಪರ್ಯಾಪ್ತ ಮತ್ತು ನಿಯಂತ್ರಕಗಳ ಆದೇಶಿಕೆಗಳ ವಿವರಣಾತ್ಮಕತೆಯನ್ನು / ವಿಸ್ತಾರವನ್ನು ಒಳಗೊಂಡಿದ್ದು, ಮಾರುಕಟ್ಟೆ ನಡತೆಯ ಗುಣಮಟ್ಟ, ಗ್ರಾಹಕಸ್ನೇಹಿತ್ವ ಹಾಗೂ ಕುಂದುಕೊರತೆ ನಿವಾರಣೆ ಮುಂತಾದವುಗಳ ಬಗ್ಗೆ ನಿಗಾ ವಹಿಸಿ ಪರಿಪಾಲನೆಯನ್ನು ಪೂರೈಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಪರಿಪಾಲನಾ ಚಟುವಟಿಕೆಯು, ಉನ್ನತ ಆಡಳಿತಕ್ಕೆ ಪರಿಪಾಲನಾ ಅಪಾಯವನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸುವಲ್ಲಿ ಬೆಂಬಲಿಸುತ್ತದೆ. ಬ್ಯಾಂಕಿನ ಅಪಾಯ ಆಧಾರಿತ ಮೇಲಣ ಪರಿಪಾಲನಾ ಕಾರ್ಯಕ್ರಮವು ಬ್ಯಾಂಕಿನ ಪರಿಪಾಲನಾ ವಿಭಾಗದ ಪ್ರಮುಖರ ಕಣ್ಗಾವಲಿನಲ್ಲಿ ನಡೆಯುತ್ತಿದ್ದು, ಶಾಖೆಗಳ ‘ಪರಿಪಾಲನಾ ಪರೀಕ್ಷೆ’ ಯಾದಿಯಾಗಿ, ಅಪಾಯ ನಿರ್ವಹಣೆ ಕಾರ್ಯವಿಧಾನ, ಪರಿಪಾಲನಾ ಮರುಪರೀಕ್ಷೆ - ತುಲನೆ ಮೂಲಕ ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣ ಹಾಗೂ

appropriate coverage across businesses and co-ordination among risk management functions besides verifying the level of compliance through 'Compliance Testing' of branches. The Bank carries out an annual compliance risk assessment to identify and assess major compliance risks faced by it and takes steps to manage the risks effectively.

MANAGEMENT INFORMATION SYSTEM

The growth of Bank's business, introduction of prudential norms and Basel requirements, increasing regulatory and internal reporting and the various business decision making requirements have necessitated the Bank to build a well-coordinated information transmission system. Management Information System makes available information for various requirements of branches/offices, top management, regulators and external agencies, Balance sheet reporting, Capital computation, Risk based supervision, Internal business reviews etc. The Bank has also implemented a Centralised Data Repository for Automatic Data Flow to RBI.

INFORMATION TECHNOLOGY

The Core Banking System (CBS) covers all the branches and offices of the Bank as on 31.03.2017. Alternate delivery Channels like ATM, Internet Banking, Mobile Banking, UPI App etc., have also been integrated with CBS. Disaster Recovery (DR) facilities for all the critical applications are established to ensure business continuity in the event of primary site failure. A three-way data replication aimed at zero data loss is also implemented for applications such as CBS, ATM, and Internet Banking.

The other technology enabled initiatives include the Asset Liability Management System (ALM), Central Data Repository (CDR), Lending Automation Processing Solution (LAPS) and Anti Money Laundering (AML) system, Mobile Banking, Integrated Treasury, Interactive Voice Response (IVR) System, Solutions for managing Market Risk and Operational Risk etc.

During the year under report, your Bank has undertaken several IT projects like setting up of new primary/secondary sites for SWIFT application, New switches for ATM and Card Management, Newer

ವ್ಯವಹಾರಗಳ ನಿಖರ ಮಾಹಿತಿ ಬಗ್ಗೆ ಆತ್ಮವಿಶ್ವಾಸ ತಾಳುವಂತೆ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತದೆ. ಬ್ಯಾಂಕು ವಾರ್ಷಿಕ ಅಪಾಯ ಆಧಾರಿತ ಪರಿಪಾಲನಾ ಅಂದಾಜನ್ನು ಜರಗಿಸುತ್ತಾ ಅಪಾಯದ ಅಂದಾಜಿನ ಗುರುತಿಸುವಿಕೆ ಮತ್ತು ಪ್ರಮುಖ ಪರಿಪಾಲನಾ ಅಂದಾಜಿನ ಮೇಲುಸ್ತುವಾರಿ ನಡೆಸುತ್ತಾ, ಅಪಾಯಗಳ ಮಟ್ಟ ಮತ್ತು ನಿರ್ವಹಣೆ ಗ್ರಹಿಸುವಲ್ಲಿ ಮತ್ತು ಪರಿಹರಿಸುವುದರಲ್ಲಿ ಪ್ರಮುಖ ಮತ್ತು ಸಕಾಲಿಕ ಪಾತ್ರ ವಹಿಸುತ್ತದೆ.

ಆಡಳಿತ ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆ

ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರ ಕಾರ್ಯಜಾಲದ ವಿಸ್ತಾರ, ಬೇಸಲ್ ಅಗತ್ಯತೆಗಳ ಬಗ್ಗೆ ದೂರದೃಷ್ಟಿಯ ಮಾದರಿಗಳ ಅಳವಡಿಕೆ, ಹೆಚ್ಚುತ್ತಿರುವ ನಿಯಂತ್ರಕಗಳ ಮತ್ತು ಆಂತರಿಕ ವರದಿ ಸಲ್ಲಿಕೆ ಹಾಗೂ ವಿವಿಧ ವ್ಯವಹಾರ ಸಂಬಂಧಿತ ನಿರ್ಧಾರ ಕೈಗೊಳ್ಳುವಿಕೆಯ ಅಗತ್ಯತೆ ಇತ್ಯಾದಿಗಳು, ಬ್ಯಾಂಕು ಒಂದು ಅತ್ಯುತ್ತಮ ಸಮನ್ವಯಿತ ಮಾಹಿತಿ ರವಾನೆ ವ್ಯವಸ್ಥೆಯನ್ನು ರೂಪಿಸುವಂತೆ ಮಾಡಿದೆ. ಈ ದಿಸೆಯಲ್ಲಿ ಬ್ಯಾಂಕು ಆಡಳಿತ ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆಯನ್ನು ರೂಪುಗೊಳಿಸಿದ್ದು, ತನ್ಮೂಲಕ ವಿವಿಧ ಶಾಖಾ ಅಗತ್ಯತೆ, ಕಚೇರಿಗಳ ಅವಶ್ಯಕತೆ, ನಿಯಂತ್ರಕರು ಮತ್ತು ಬಾಹ್ಯ ಏಜನ್ಸಿ, ಬ್ಯಾಲನ್ಸ್ ಶೀಟ್ ವರದಿ ಸಲ್ಲಿಕೆ, ಬಂಡವಾಳ ಗಣನೆ, ಅಪಾಯ ಆಧಾರಿತ ಮೇಲುಸ್ತುವಾರಿ, ಆಂತರಿಕ ವ್ಯವಹಾರ ಪುನರಾವಲೋಕನ ಇತ್ಯಾದಿಗಳಿಗೆ ಬೇಕಾಗುವ ಮಾಹಿತಿಗಳನ್ನು ಸಮರ್ಥವಾಗಿ ಪೂರೈಸಲ್ಪಡುತ್ತಿದೆ. ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿಗೆ ಅಗತ್ಯವಾದ ಮಾಹಿತಿ ಸಲ್ಲಿಕೆ ನೇರವಾಗಿ ತಂತ್ರಜ್ಞಾನದ ಮೂಲಕ ಸಲ್ಲಿವಂತಾಗಲು ಬ್ಯಾಂಕು "ಸೆಂಟ್ರಲೈಸ್ಡ್ ಡೇಟಾ ರೆಪೋಸಿಟರಿ" ಎನ್ನುವ ತಂತ್ರಜ್ಞಾನವನ್ನು ಅಳವಡಿಸಿಕೊಂಡಿದ್ದು, ಇದರಿಂದ "ಅಟೋಮೇಟೆಡ್ ಡೇಟಾ ಫ್ಲೋ" ಆರ್‌ಬಿಐಗೆ ತಲಪುತ್ತಿದೆ.

ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ

ಮಾರ್ಚ್ 2017ರಂದು ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ತಂತ್ರಜ್ಞಾನವು, ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಶಾಖೆ ಮತ್ತು ಕಛೇರಿಗಳನ್ನು ಆವರಿಸಿದೆ. ಪರ್ಯಾಯ ವಿತರಣಾ ವ್ಯವಸ್ಥೆಗಳಾದ ಎಟಿಎಂ, ಇಂಟರ್ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್, ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್, ಯುಪಿಎಪಿಎಸ್ ಕೂಡ ಈ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಸಂಯೋಜಿಸಲಾಗಿದೆ. ತಂತ್ರಜ್ಞಾನ ಆಧಾರಿತ ಪ್ರಾಥಮಿಕ ಸೌಲಭ್ಯಗಳ ವೈಫಲ್ಯದಂತಹ ಸಂದರ್ಭದಲ್ಲಿ ವ್ಯವಹಾರವನ್ನು ನಿರಂತರವಾಗಿರಿಸಲು ಬ್ಯಾಂಕಿನ ಬಹುಮಹತ್ವದ ವ್ಯವಸ್ಥೆಗಳಿಗೆ ವಿಪತ್ತು ನಿರ್ವಹಣಾ ಸೌಲಭ್ಯವನ್ನು ಕಲ್ಪಿಸಲಾಗಿದೆ. ಕೋರ್ ಬ್ಯಾಂಕಿಂಗ್ ತಂತ್ರಜ್ಞಾನದಲ್ಲಿ, ಎಟಿಎಂ, ಇಂಟರ್ನೆಟ್ ಬ್ಯಾಂಕಿಂಗ್‌ಗಳಲ್ಲಿ ಮಾಹಿತಿ ನಷ್ಟವನ್ನು ಶೂನ್ಯವಾಗಿಸುವ ಗುರಿಯೊಂದಿಗೆ, ಸಂಗ್ರಹಿತ ಮಾಹಿತಿಯನ್ನು ಮೂರು ರೀತಿಗಳಲ್ಲಿ ಸಂರಕ್ಷಿಸಲಾಗುತ್ತಿದೆ.

ಇತರ ಪ್ರಮುಖ ತಂತ್ರಜ್ಞಾನ ಆಧಾರಿತ ವ್ಯವಸ್ಥೆಗಳಲ್ಲಿ ಆಸ್ತಿ-ಉಣ ನಿರ್ವಹಣಾ ವ್ಯವಸ್ಥೆ, ಕೇಂದ್ರೀಕೃತ ಅಂಕಿ-ಅಂಶ ಸಂಗ್ರಹಾಗಾರ, ಯಾಂತ್ರಿಕೃತ ಮುಂಗಡ ಮಂಜೂರಾತಿ ವ್ಯವಸ್ಥೆ (ಎಲ್‌ಎಪಿಎಸ್) ಮತ್ತು ಆ್ಯಂಟಿ ಮನಿ ವ್ಯವಸ್ಥೆ, ಮೊಬೈಲ್ ಬ್ಯಾಂಕಿಂಗ್, ಸಂಯೋಜಿತ ಖಜಾನೆ, ಸಂವಾದಾತ್ಮಕ ಧ್ವನಿ ಪ್ರತಿಕ್ರಿಯೆ, ಮಾರುಕಟ್ಟೆ ಹಾಗೂ ನಿರ್ವಹಣಾ ಅಪಾಯಗಳಿಗೆ ಪರಿಹಾರ ವ್ಯವಸ್ಥೆ ಮುಂತಾದವುಗಳು ಒಳಗೊಂಡಿವೆ.

ಪ್ರಸಕ್ತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಹಲವಾರು ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಆಧಾರಿತ ಯೋಜನೆಗಳನ್ನು ಕೈಗೊಂಡಿದೆ. ಉದಾಹರಣೆಗೆ ತಂತ್ರಾತ್ಮಕ ನೂತನ ಪ್ರಾಥಮಿಕ/ಪರ್ಯಾಯ ಸ್ಥಳಗಳ ರಚನೆ, ಎಟಿಎಂ ಹಾಗೂ ಕಾರ್ಡ್ ನಿರ್ವಹಣೆಗೆ ಹೊಸ ಸ್ಟಿಪ್ಪ್, ಇ-ಬ್ಯಾಂಕಿಂಗ್‌ನ ಹೊಸ ಆವೃತ್ತಿ, ಪ್ರಧಾನ

version of e-Banking platform, Live video streaming from Head Office to the entire bank workforce, Aadhar Enabled Payment System (AEPS), MicroATM management via FI (Financial Inclusion) Gateway, Alternative Network Lines for important business centres for ensuring business continuity, Introduction of Centralised Account Verification (CAVC) Process. Your Bank will continue to observe technological revolutions and take appropriate decision at the right time to provide premier banking services.

With a view to enhance security measures under digital banking, Enterprise Level Fraud Risk Management Solution has been implemented.

Further, in view of increased dependency on IT products and services and also increase in the volume of fraud/attacks observed in the industry, Bank has put in place a robust 'Cyber Security Policy' and also initiated steps to further strengthen its IT, Cyber, and Information Security systems by putting in place required hardware/software/appliances in line with the industry best practices.

HUMAN RESOURCES

The Banking industry across the country is now being exposed to various changes which have a direct impact on the existing systems and sphere of activities. The survival and prosperity of any industry depends upon the quality of its human resource and banking industry is not an exception to this. Accordingly, your Bank attributes the greatest importance to human resource development activities.

Your Bank deutes its employees to various training and development programmes to upgrade their skills and competencies and contribute towards the growth of the Bank. The Bank has a well-established Staff Training College having state of the art infrastructure facilities and expertise in conducting training programmes. Besides, Officers requiring specialized training are being deputed to various programmes conducted at Southern India Banks' Staff Training College, Bangalore, National Institute of Bank Management, Pune, Reserve Bank's College of Agricultural Banking, Pune, Institute for Development and Research in

ಕಛೇರಿಯಿಂದ ಎಲ್ಲಾ ಸಿಬ್ಬಂದಿಗಳನ್ನು ತಲುಪುವ ರೀತಿಯಲ್ಲಿ ಕಾರ್ಯಕ್ರಮಗಳ ನೇರಪ್ರಸಾರ, ಆಧಾರ್ ಸಂಚಾಲಿತ ಪಾವತಿ ವ್ಯವಸ್ಥೆ, ವಿತ್ತೀಯ ಸೇರ್ಪಡೆಯ ಗೇಟ್‌ವೇ ಮುಖಾಂತರ ಮೈಕ್ರೋ ಎಟಿಎಂಗಳ ನಿರ್ವಹಣೆ, ವ್ಯವಹಾರ ನಿರಂತರತೆಯನ್ನು ಕಾಯ್ದುಕೊಳ್ಳಲು ಪ್ರಮುಖ ವ್ಯವಹಾರ ಕೇಂದ್ರಗಳಿಗೆ ಪರ್ಯಾಯ ಜಾಲ, ಕೇಂದ್ರೀಕೃತ ಖಾತೆ ಪರಿಶೀಲನಾ ವ್ಯವಸ್ಥೆ ಇತ್ಯಾದಿ. ನಿಮ್ಮ ಬ್ಯಾಂಕ್, ತಂತ್ರಜ್ಞಾನದಲ್ಲಿ ಆಗುವ ಕ್ರಾಂತಿಕಾರಿ ಬದಲಾವಣೆಗಳನ್ನು ಗಮನಿಸಿ ಗ್ರಾಹಕರಿಗೆ ಉತ್ಕೃಷ್ಟ ಬ್ಯಾಂಕಿಂಗ್ ಸೇವೆಯನ್ನು ಒದಗಿಸಲು ಸೂಕ್ತ ನಿರ್ಧಾರಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳಲಿದೆ.

ಡಿಜಿಟಲ್ ಬ್ಯಾಂಕಿಂಗ್‌ನಲ್ಲಿ ಸುರಕ್ಷತೆಯನ್ನು ಇನ್ನೂ ಬಲಪಡಿಸುವುದಕ್ಕಾಗಿ ಇಎಲ್‌ಎಫ್‌ಆರ್‌ಎಂಎಸ್‌ನ್ನು ಜಾರಿಗೊಳಿಸಲಾಗಿದೆ.

ಅಂತೆಯೇ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಆಧಾರಿತ ಸೇವೆಗಳ ಮೇಲೆ ಹೆಚ್ಚುತ್ತಿರುವ ಅವಲಂಬನೆಯ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಹಾಗೂ ಬ್ಯಾಂಕಿಂಗ್ ವಲಯದಲ್ಲಿ ಹೆಚ್ಚುತ್ತಿರುವ ವಂಚನೆ/ಸೈಬರ್ ಅತಿಕ್ರಮಣಗಳನ್ನು ಗಮನಿಸಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಸದೃಢ "ಸೈಬರ್ ಸೆಕ್ಯೂರಿಟಿ ನೀತಿ"ಯನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದೆ. ಅಲ್ಲದೇ, ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ, ಸೈಬರ್ ಮತ್ತು ಮಾಹಿತಿ ಭದ್ರತಾ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಬಲಪಡಿಸುವುದಕ್ಕಾಗಿ ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮದಲ್ಲಿನ ಅತ್ಯುತ್ತಮ ಆಚರಣೆಗಳಿಗನುಸಾರವಾಗಿ ಅಗತ್ಯ ತಂತ್ರಾಂಶ/ಸಲಕರಣೆಗಳನ್ನು ವ್ಯವಸ್ಥೆಗೊಳಿಸಿದೆ.

ಮಾನವ ಸಂಪನ್ಮೂಲ

ದೇಶಾದ್ಯಂತ ಪಸರಿಸಿರುವ ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮ ಈಗ ಸಾಕಷ್ಟು ಬದಲಾವಣೆಗೊಳ್ಳುತ್ತಾ ಇದು ಪ್ರಸ್ತುತ ವ್ಯವಸ್ಥೆಯ ಮೇಲೆ ಮತ್ತು ಚಟುವಟಿಕೆಗಳ ಮೇಲೆ ಪ್ರಭಾವ ಬೀರುತ್ತದೆ. ಉಳಿವು ಮತ್ತು ಜನಪ್ರಿಯತೆಗಳಿಸುವುದು ಪ್ರತಿಯೊಂದು ಸಂಸ್ಥೆಯ ಮಾನವ ಸಂಪನ್ಮೂಲತೆಯ ಮೇಲೆ ಅವಲಂಬಿತವಾಗಿದ್ದು, ಅದರಿಂದ ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮಯೂ ಹೊರತಾಗಿಲ್ಲ. ಅಂತೆಯೇ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಮಾನವ ಸಂಪನ್ಮೂಲ ಅಭಿವೃದ್ಧಿಯತ್ತ ಗರಿಷ್ಠ ಗಮನ ಇಟ್ಟಿದೆ.

ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ಸಿಬ್ಬಂದಿಗಳನ್ನು ವಿವಿಧ ತರಬೇತಿ ಅಭಿವೃದ್ಧಿ ಕಾರ್ಯಕ್ರಮಗಳಿಗೆ ನಿಯೋಜಿಸುತ್ತಿದ್ದು, ತನ್ಮೂಲಕ ಅವರ ಕೌಶಲ ಮತ್ತು ಸಕ್ಷಮತೆ, ವೃದ್ಧಿಗೊಂಡು ಪ್ರತಿಯೊಬ್ಬರೂ ಬ್ಯಾಂಕಿನ ಅಭಿವೃದ್ಧಿಗೆ ತಮ್ಮನ್ನು ಮುಡಿಪಾಗಿ ಇರಿಸಿಕೊಳ್ಳಬಹುದಾಗಿದೆ. ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅತ್ಯುತ್ತಮ ದರ್ಜೆಯ ಸಿಬ್ಬಂದಿ ತರಬೇತಿ ಕಾಲೇಜನ್ನು ಹೊಂದಿದ್ದು, ಅತ್ಯುತ್ತಮ ತರಬೇತಿಯನ್ನು ಸಿಬ್ಬಂದಿಗಳಿಗೆ ಒದಗಿಸುತ್ತಿದೆ. ಇದರೊಂದಿಗೆ ಅಧಿಕಾರಿಗಳಿಗೆ ಹೆಚ್ಚಿನ ತರಬೇತಿ ಅಗತ್ಯವಾದಲ್ಲಿ, ಅವರನ್ನು ಬೇರೆ ಬೇರೆ ಕಡೆ ತರಬೇತಿ ಸಂಸ್ಥೆಗಳಿಗೆ ಅಂದರೆ ಬೆಂಗಳೂರಿನ ಸದರ್ನ್ ಇಂಡಿಯಾ ಸ್ಟಾಫ್ ಟ್ರೈನಿಂಗ್ ಕಾಲೇಜು, ಪುಣೆಯ ನ್ಯಾಶನಲ್ ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಬ್ಯಾಂಕ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್, ಪುಣೆಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಕಾಲೇಜ್ ಆಫ್ ಅಗ್ರಿಕಲ್ಚರಲ್ ಬ್ಯಾಂಕಿಂಗ್, ಹೈದರಾಬಾದ್‌ನ ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಫಾರ್ ಡೆವಲಪ್‌ಮೆಂಟ್ ಎಂಡ್ ರಿಸರ್ಚ್ ಇನ್ ಬ್ಯಾಂಕಿಂಗ್ ಟೆಕ್ನಾಲಜಿ ಇತ್ಯಾದಿ ಸಂಸ್ಥೆಗಳಿಗೆ ನಿಯೋಜಿಸಿದೆ. ಪ್ರಸ್ತುತ

Banking Technology, Hyderabad etc. During the year 2016-17, the Bank has deputed the employees to various trainings/workshops/conferences to update/improve their knowledge. There were 1517, 378 and 192 nominations to various programmes in the category of Officers, Clerks and Substaff respectively during the year under report.

As on 31st March 2017, Bank had 7982 employees. The Business per employee (excluding interbank deposits) has improved from ₹10.83 crore as on 31st March 2016 to ₹11.74 crore as on 31st March 2017. Further, your Bank has maintained cordial industrial relations.

Your Bank has put in place an institutional mechanism for 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. The details of the complaints under the above Policy for the year under report are as under:

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 pending as on end of the financial year	NIL

VIGIL MECHANISM

The Bank has implemented the Protected Disclosure Policy (Whistle Blower Policy) since the year 2007 intended to promote participation of employees at all levels and detection of corruption, misuse of Office, criminal offences, suspected /actual fraud, failure to comply with the rules and regulations prescribed by the 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 and provides for adequate safeguards against victimization of Whistle Blower who avails such mechanism and also provides for direct access to the

ವರ್ಷ 2016-17ರಲ್ಲಿ ಬ್ಯಾಂಕು ವಿವಿಧ ತರಬೇತಿಗಳಿಗೆ, ಕಾರ್ಯಾಗಾರಕ್ಕೆ, ಸಮ್ಮೇಳನಗಳಿಗೆ ಜ್ಞಾನಾರ್ಜನೆ ಹೆಚ್ಚಿಸಲು ತನ್ನ ಸಿಬ್ಬಂದಿಗಳನ್ನು ನಿಯೋಜಿಸಿದೆ. ತನ್ನೂಲಕ ಅವರ ತಿಳುವಳಿಕೆ ಹೆಚ್ಚುವಂತಾಗಿದೆ. ಒಟ್ಟು 1517 ಅಧಿಕಾರಿಗಳು, 378 ಗುಮಾಸ್ತರುಗಳು ಮತ್ತು 192 ಸಹಾಯಕ ಸಿಬ್ಬಂದಿಗಳನ್ನು ವಿವಿಧ ಕಾರ್ಯಕ್ರಮಗಳಲ್ಲಿ ನಿಯೋಜಿಸಿ ತರಬೇತುಗೊಳಿಸಿದೆ.

31 ಮಾರ್ಚ್ 2017 ನಿಮ್ಮ ಬ್ಯಾಂಕು ಒಟ್ಟು 7982 ಸಿಬ್ಬಂದಿಗಳನ್ನು ಹೊಂದಿದೆ. ತಲಾ ಉದ್ಯೋಗಿ ವ್ಯವಹಾರ (ಇಂಟರ್‌ಬ್ಯಾಂಕ್ ಠೇವಣಿ ಹೊರತಾಗಿ) ₹11.74 ಕೋಟಿಗೆ ವೃದ್ಧಿಗೊಂಡಿದ್ದು ಇದು 31 ಮಾರ್ಚ್ 2016ಕ್ಕೆ ₹10.83 ಕೋಟಿಗೆ ಆಗಿತ್ತು. ಪ್ರಸ್ತುತ ವರ್ಷದಲ್ಲೂ ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ನೌಕರರ-ಆಡಳಿತ ಸಂಬಂಧ ಸೌಹಾರ್ದಯುತವಾಗಿ ಮುಂದುವರಿದಿದೆ.

‘ಸೆಕ್ಸುವಲ್ ಹ್ಯಾರಾಸ್‌ಮೆಂಟ್ ಆಫ್ ವಿಮೆನ್ ಎಟ್ ವರ್ಕ್ ಪ್ಲೇಸ್’ (ಪ್ರತಿಬಂಧ, ನಿಷೇಧ ಮತ್ತು ನಿವಾರಣೆ) ಕಾಯಿದೆ 2013 ಹಾಗೂ ವಿಭಾಗ 22ಕ್ಕೆ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಗತ್ಯವಿರುವ ಕ್ರಮ ಹಾಗೂ ಸಾಂಸ್ಥಿಕ ರಕ್ಷಣಾತ್ಮಕ ಚೌಕಟ್ಟನ್ನು ನಿರ್ಮಿಸಿದ್ದು, ಮಹಿಳಾ ಉದ್ಯೋಗಿಗಳಿಗೆ ತಮ್ಮ ಕಾರ್ಯಸ್ಥಳಗಳಲ್ಲಿ ಉಂಟಾಗಬಹುದಾದ ಲೈಂಗಿಕ ಕಿರುಕುಳದ ವಿರುದ್ಧ ರಕ್ಷಣೆಗಾಗಿ ಮತ್ತು ಅಂತಹ ದೂರುಗಳ ವಿಲೇವಾರಿಗಾಗಿ ಆಡಳಿತಾತ್ಮಕ ಕ್ರಮಗಳನ್ನು ತೆಗೆದುಕೊಳ್ಳಲಾಗಿದೆ. ಮೇಲ್ಕಂಡ ಧೋರಣೆಯನ್ವಯ ವರದಿ ವರ್ಷದಲ್ಲಿ ಬಂದ ದೂರಿನ ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ.

ಆರ್ಥಿಕ ವರ್ಷದ ಪ್ರಾರಂಭದಲ್ಲಿ ಬಾಕಿ ಉಳಿದಿರುವ ದೂರುಗಳ ಸಂಖ್ಯೆ	ಯಾವುದೂ ಇಲ್ಲ
ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ಬಂದ ದೂರುಗಳ ಸಂಖ್ಯೆ	ಯಾವುದೂ ಇಲ್ಲ
ಆರ್ಥಿಕ ವರ್ಷದ ಅಂತ್ಯದಲ್ಲಿ ಬಾಕಿ ಉಳಿದಿರುವ ದೂರುಗಳ ಸಂಖ್ಯೆ	ಯಾವುದೂ ಇಲ್ಲ

ಜಾಗರಣಾ ವ್ಯವಸ್ಥೆ

2007ರಿಂದ ನಿಮ್ಮ ಬ್ಯಾಂಕು ರಕ್ಷಣಾತ್ಮಕ ಪ್ರಕಟನಾ ಧೋರಣೆ (ಸೀಟಿ ಮೊಳಗು ಯೋಜನೆ) ಎನ್ನುವ ವಿಶಿಷ್ಟ ಸ್ವರೂಪದ ಯೋಜನೆಯನ್ನು ಅನುಸ್ಥಾನಕ್ಕೆ ತಂದಿದೆ. ಬ್ಯಾಂಕಿನ ಯಾವುದೇ ಸ್ತರದ ಸಿಬ್ಬಂದಿಯೂ ತಾನು ಕಂಡ ಭ್ರಷ್ಟಾಚಾರ/ಗಮನಕ್ಕೆ ಬಂದ ಭ್ರಷ್ಟಾಚಾರ, ಅಧಿಕಾರದ ದುರ್ಬಳಕೆ, ಕ್ರಿಮಿನಲ್ ಅಪರಾಧ, ಸಂಶಯಿತ/ನೈಜ ವಂಚನೆಗಳು, ಬ್ಯಾಂಕಿನ ನೀತಿ-ನಿಯಮ ಉಲ್ಲಂಘನೆ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಹಿತಾಸಕ್ತಿಗೆ ಧಕ್ಕೆ ಬರುವ ಯಾವುದೇ ಘಟನೆ / ಸನ್ನಿವೇಶಗಳು - ಇದರಿಂದ ಬ್ಯಾಂಕ್, ಠೇವಣಿದಾರರು ಮತ್ತು ಸಮಾಜಕ್ಕೆ ಉಂಟಾಗುವ ಆರ್ಥಿಕ ನಷ್ಟ, ನಿರ್ವಹಣಾ ಅಪಾಯ, ಪ್ರತಿಷ್ಠಾಭಂಗ ಇತ್ಯಾದಿ ಯಾವುದೇ ಘಟನೆಗಳ ಸುಳಿವನ್ನು ಬ್ಯಾಂಕ್ ಆಡಳಿತಕ್ಕೆ ತಿಳಿಸುವ ಅವಕಾಶವನ್ನು ಈ ಯೋಜನೆಯ ಮೂಲಕ ಒದಗಿಸಿಕೊಡಲಾಗಿದೆ. ಇದಲ್ಲದೇ ಸೀಟಿ ಮೊಳಗುವವರ ನೈಜ ಕಾಳಜಿಗಳನ್ನು ಪರಿಗಣಿಸಿ ದೂರುದಾರರ ಹಿತ ಕಾಯಲು ಅವಶ್ಯವಾದ ರಕ್ಷಣೆಯನ್ನು ನೀಡುವುದರ ಮೂಲಕ ಉತ್ತೇಜಿಸುವ ಉದ್ದೇಶವನ್ನು ಈ ವ್ಯವಸ್ಥೆ ಹೊಂದಿರುತ್ತದೆ. ಇದರಲ್ಲಿ ದೂರುದಾರರಿಗೆ ಕೆಲವು ವಿಶೇಷ ಸಂದರ್ಭಗಳಲ್ಲಿ ಲೆಕ್ಕಪತ್ರ ಸಮಿತಿಯ ಅಧ್ಯಕ್ಷರನ್ನು ನೇರವಾಗಿ

Chairman of the Audit Committee, in exceptional cases. The Vigil mechanism is reviewed periodically. The details of Whistle Blower Policy is posted in our website and available at the link www.karnatakabank.com/ktk/ProtectedDisclosure.jsp

EMPLOYEE STOCK OPTION SCHEME (ESOP)

Your Bank had implemented Employee Stock Option Scheme (ESOS 2006) and during the year under report, a total of 13,060 equity shares were allotted to the employees under the scheme. Out of the total 15,00,000 stock options granted, 12,09,834 options were exercised and the balance 2,90,166 options lapsed due to non-exercise of the options vested in the employees. The employee stock option scheme had exercise period of 5 years from the date of last vesting date and accordingly, the scheme has come to an end on 19.10.2016, upon completion of 5 years period. Disclosure in respect of Employee Stock Options Scheme pursuant to SEBI Regulation/ guidelines is given in Annexure I to this report.

'IND AS' IMPLEMENTATION

As per the roadmap given by Reserve Bank of India (RBI), transition to "Ind AS" in banks will commence from the accounting period beginning April 1, 2018 onwards.

STRATEGY FOR 'IND AS' IMPLEMENTATION IN THE BANK:

In order to facilitate effective Ind AS implementation in your bank, the Audit Committee of the Board has laid out the strategy for convergence and implementation of Ind AS in the Bank, which includes -

- Diagnostic study to find out the differences between the current accounting framework and Ind AS framework.
- Evaluating business impact on profitability, budgeting, taxation, Capital planning and Capital adequacy
- Identifying issues having significant impact on information systems including Information technology (IT) Systems.
- Developing/ strengthening Data capturing systems for Data analytics and Data Mining
- Analyse impairment issues, revaluation of assets, documentation and disclosure requirements.
- Explore the possibilities of availing the services of external resource persons/ firms in connection with implementation of Ind AS

ಸಂಪರ್ಕಿಸುವ ಅವಕಾಶವಿರುತ್ತದೆ. ಈ ಜಾಗರಣಾ ವ್ಯವಸ್ಥೆಯು ಆಗಿಂದಾಗ್ಗೆ ಪರಿಶೀಲನೆಗೆ ಒಳಪಟ್ಟಿರುತ್ತದೆ. ಈ ನೀತಿಯ ಹೆಚ್ಚಿನ ವಿವರಗಳು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದಲ್ಲಿ ಲಭ್ಯವಿದ್ದು, ವಿಳಾಸದ ಕೊಂಡಿ ಈ ಕೆಳಗಿನಂತಿದೆ: www.karnatakabank.com/ktk/ProtectedDisclosure.jsp

ನೌಕರರ ನಿಧಿಪತ್ರ ಆಯ್ಕೆ ಯೋಜನೆ (ಇಎಸ್‌ಓಎಸ್)

ನಿಮ್ಮ ಬ್ಯಾಂಕು ನೌಕರರ ನಿಧಿಪತ್ರ ಆಯ್ಕೆ ಯೋಜನೆ (ಇಎಸ್‌ಓಎಸ್ 2006) ಯೋಜನೆಯನ್ನು ಅನುಷ್ಠಾನಗೈದಿದ್ದು, ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಇಎಸ್‌ಓಎಸ್ 2006 ಅನ್ವಯ 13,060 ಇಕ್ವಿಟಿ ಶೇರುಗಳನ್ನು ಬ್ಯಾಂಕು ಹಂಚಿಕೆಗೊಳಿಸಿದೆ. ಅನುಮತಿ ನೀಡಿದ 15,00,000 ನಿಧಿಪತ್ರ ಆಯ್ಕೆಯಲ್ಲಿ 12,09,834 ಆಯ್ಕೆಯನ್ನು ಪುರಸ್ಕರಿಸಿ ಅವುಗಳನ್ನು ಇಕ್ವಿಟಿಯಾಗಿ ಪರಿವರ್ತಿಸಿದ್ದು ಉಳಿದ 2,90,166 ಆಯ್ಕೆಗಳು ಪುರಸ್ಕರಣಾರಾಹಿತದಿಂದ ರದ್ದಾಗಿವೆ. ಯೋಜನೆಯಂತೆ ಗರಿಷ್ಠ ಪುರಸ್ಕರಣಾ ಅವಧಿ ಅನುಮತಿಸಿದ ದಿನದಿಂದ ಐದು ವರ್ಷಗಳು ಅಂತೆಯೇ ಇಎಸ್‌ಓಎಸ್ 2006 ಯೋಜನೆಯು 19.10.2016 ರಂದು ಐದು ವರ್ಷಗಳ ಅವಧಿ ತಲುಪಿ ಮುಕ್ತಾಯಗೊಂಡಿದೆ. ಸೆಬಿ (ಎಂಪ್ಲಾಯೀಸ್ ಸ್ಟಾಕ್ ಆಪ್ಷನ್ ಸ್ಕೀಮ್ ಎಂಡ್ ಎಂಪ್ಲಾಯೀಸ್ ಸ್ಟಾಕ್ ಪರ್ಫಾರ್ಮೆನ್ಸ್ ಸ್ಕೀಮ್) ನಿಯಮಾವಳಿಯಂತೆ ನಿಧಿಪತ್ರ ಆಯ್ಕೆ ಕುರಿತಂತೆ ಮಾರ್ಗದರ್ಶಿಕೆ 1999ರ ಅನ್ವಯ ಪ್ರಕಟಿಸಲಾಗಿರುವ ಮಾಹಿತಿಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ I ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

'ಇಂಡ್ ಎಎಸ್' ಅನುಷ್ಠಾನ

ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗಸೂಚಿಯಂತೆ ನೂತನ ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್‌ಗೆ ಪರಿವರ್ತನೆಗೊಂಡು ಎಪ್ರಿಲ್ 1, 2018 ಇಂಡ್ ಎಎಸ್‌ನ್ನು ಎಲ್ಲಾ ಬ್ಯಾಂಕುಗಳು ಅನುಷ್ಠಾನಗೊಳಿಸಬೇಕಾಗಿದೆ.

ಬ್ಯಾಂಕಿನಲ್ಲಿ ಇಂಡ್ ಎಎಸ್ ಅನುಷ್ಠಾನಕ್ಕೆ ಕೌಶಲ್ಯಸೂಚಿ

ನಿಮ್ಮ ಬ್ಯಾಂಕಿನಲ್ಲಿ ಇಂಡ್ ಎಎಸ್ ವ್ಯವಸ್ಥೆಯನ್ನು ಸೂಕ್ತವಾಗಿ ಆವಿಷ್ಕಾರ ಗೊಳಿಸಲು ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಅಡೀಟ್ ಕಮಿಟಿಯು, ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಅಳವಡಿಸಿಕೊಳ್ಳಲು ಆದೇಶಿಸಿರುವ ಕೌಶಲ್ಯಗಳಲ್ಲಿ ಈ ಕೆಳಗಿನವುಗಳು ಒಳಗೊಂಡಿರುತ್ತವೆ.

- ಈಗಿರುವ ಅಕೌಂಟಿಂಗ್ ಸಂರಚನೆ ಮತ್ತು ಇಂಡ್ ಎಎಸ್ ಸಂರಚನೆಗೂ ಇರುವ ವ್ಯತ್ಯಾಸದ ಲಕ್ಷಣಾತ್ಮಕ ಅಧ್ಯಯನ.
- ಲಾಭದ ಮೇಲೆ ವಹಿವಾಟಿನ ಪರಿಣಾಮ ಬೀರಿಕೊಳ್ಳುವ ಟ್ಯಾಕ್ಸೇಶನ್, ಬಂಡವಾಳ ಯೋಜನೆ ಮತ್ತು ಬಂಡವಾಳ ಕುರಿತಂತೆ ಮೌಲ್ಯ ನಿರ್ಧಾರಣೆ.
- ಮಾಹಿತಿ ವ್ಯವಸ್ಥೆಯೊಂದಿಗೆ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ವ್ಯವಸ್ಥೆ ಮೇಲೆ ಸಿಗುವ ಪ್ರಮುಖ ಪರಿಣಾಮಗಳ ಗುರುತಿಸುವಿಕೆ
- ಅಭಿವೃದ್ಧಿ / ದತ್ತಾಂಶ ಸೆರೆಹಿಡಿಯಲು ಬಲವರ್ಧನೆಗೊಳ್ಳಬೇಕಾದ ದತ್ತಾಂಶ ವಿಶ್ಲೇಷಣೆ ಆಗರ ರಚನೆಗಾಗಿ ಮತ್ತು ದತ್ತಾಂಶ ಗಣಿಗಾರಿಕೆ
- ದುರ್ಬಲ ಮುಂಗಡಗಳ ಬಗ್ಗೆ, ಆಸ್ತಿಯ ಪುನರಾವೇಶೀಕರಣ, ದಾಖಲೀಕರಣ ಮತ್ತು ವಿವರಣೆಗಳ ಅಗತ್ಯತೆಗಳ ಬಗ್ಗೆ ವಿಶ್ಲೇಷಣೆ.
- ಹೊರಗುತ್ತಿಗೆಯಾಗಿ ಅನ್ವಯಿಸಬಹುದಾದ ವ್ಯಕ್ತಿಗಳ/ಸಂಸ್ಥೆಗಳ ಸೇವೆಯನ್ನು ಇಂಡ್ ಎಎಸ್ ಆವಿಷ್ಕಾರಕ್ಕಾಗಿ ಪಡೆಯುವ ಸಾಧ್ಯತೆ ಕುರಿತಾಗಿ ಶೋಧನೆ.

Your Bank has set up a Steering Committee headed by the Managing Director, to facilitate the Ind AS implementation process in the Bank. M/s Ernst & Young have been appointed to provide assurance services for Ind AS implementation, to carry out diagnostic study and to provide consultancy in the preparation and submission of Proforma Ind AS Financial statements to RBI beginning from half year ended September 30, 2016, onwards. In this regard, your bank has duly submitted the Proforma Ind AS Financial statements for the half year ended September 30, 2016, after obtaining the approval of the Audit Committee of the Board. Further, your Bank would proceed to carry out the strategy laid out by its Audit Committee of the Board, for facilitating effective and successful implementation of Ind AS on the transition date in accordance with the relevant guidelines.

DIVIDEND DISTRIBUTION POLICY

During the year under report, your Bank has adopted a Policy on distribution of Dividend to the shareholders pursuant to the Regulation 43A of the SEBI (LODR) Regulations, 2015. Gist of the Dividend Distribution Policy is as under:

- Being a Banking entity, Dividend Distribution Policy is guided by the RBI Circular DBOD.No.BP.BC.88 21.02.67/2004-05 dated May 5, 2005 with regard to eligibility criteria for distribution of dividend.
- Factors considered for recommendation of dividend include both internal factors such as financial performance, dividend payout trends, tax implications, corporation actions and external factors such as shareholders expectations, macro environment.
- 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 hosted on our Bank's website.

DIRECTORS AND CHANGES IN THE BOARD

As on March 31, 2017, your Bank had a total of eight Directors, including a woman director. All of them, except Mr.D Surendra Kumar, Additional Director and Mr. P Jayarama Bhat, Managing Director and CEO, are Independent Directors. The details of the criteria for appointment and remuneration of Directors are provided in the report on Corporate Governance forming part of this report. During the year under report, five directors retired from their office as under:

ನಿಮ್ಮ ಬ್ಯಾಂಕು, ಬ್ಯಾಂಕಿನಲ್ಲಿ ಇಂಡ್ ಎಎಸ್ ಪರಿಷ್ಕರಣೆಯ ಕಾರ್ಯಗಳ ಪ್ರಗತಿಯನ್ನು ಗಮನಿಸಲು ಬ್ಯಾಂಕಿನ ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್ ನೇತೃತ್ವದಲ್ಲಿ ಸ್ಥಿರವಾಗಿ ಕಮಿಟಿಯನ್ನು ಸ್ಥಾಪಿಸಿದೆ. ಈ ದಿನದಲ್ಲಿ ಮೆಸರ್ಸ್ ಅರ್ನ್ಸ್ಟ್ ಮತ್ತು ಯಂಗ್‌ರವರನ್ನು ನೇಮಕಗೊಳಿಸಲಾಗಿದ್ದು ಅವರು ಇಂಡ್ ಎಎಸ್ ಆವಿಷ್ಕಾರಕ್ಕಾಗಿ ಸಕಲಸೇವೆಯನ್ನು ನೀಡುವರೇ ಭರವಸೆ ನೀಡಿದ್ದು ಅಲ್ಲದೇ ಡಯೋಗ್ನೋಸ್ಟಿಕ್ ಅಧ್ಯಯನ ಮತ್ತು ಇಂಡ್‌ಎಸ್ ಸ್ಟೆಂಟ್‌ಮೆಂಟಿನ ಪ್ರೋಫಾರ್ಮಾ ರಚನೆಗಾಗಿ ನೆರವು ಪಡೆದು ಆ ಸ್ಟೆಂಟ್‌ಮೆಂಟ್‌ಗಳ ಮಾದರಿ ರಚನೆಯನ್ನು ಸೆಪ್ಟೆಂಬರ್ 30, 2016 ರಿಂದ ಮೊದಲೊಂದು ಅರ್ಧ ವಾರ್ಷಿಕವಾಗಿ ಆರಂಭಿಸಿ ಸಲ್ಲಿಸಲಾಗುತ್ತಿದೆ. ಈ ವಿಷಯದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಡಿಟ್ ಮಂಡಳಿಯ ನಿರ್ದೇಶಕರುಗಳ ಅನುಮೋದನೆ ಪಡೆದು 30 ಸೆಪ್ಟೆಂಬರ್ 2016 ರಿಂದ ಅರ್ಧವಾರ್ಷಿಕವಾಗಿ ಇಂಡ್ ಎಎಸ್ ಫೈನಾನ್ಸಿಯಲ್ ಸ್ಟೇಟ್‌ಮೆಂಟಿನ ಪ್ರೋಫಾರ್ಮಾವನ್ನು ನಿಗದಿತವಾಗಿ ಸಲ್ಲಿಸಿದೆ. ಅಲ್ಲದೇ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅಡಿಟ್ ಕಮಿಟಿಯ ನಿರ್ದೇಶಕರುಗಳು ಆದೇಶಿಸಿದ ಕೌಶಲ್ಯ ಸೂಚಿಯನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸಿದ್ದು ದಕ್ಷ ಮತ್ತು ಯಶಸ್ವಿ ಇಂಡ್ ಎಎಸ್ ಸಲ್ಲಿಸುವಲ್ಲಿ ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ನಿಗದಿತ ದಿನಾಂಕ ದಂದೇ ಸಲ್ಲಿಸಲು ಸಕಲ ಏರ್ಪಾಡನ್ನು ಮಾಡಿದೆ.

ಡಿವಿಡೆಂಡ್ ವಿತರಣಾ ನೀತಿ

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ನಿಮ್ಮ ಬ್ಯಾಂಕು ತನ್ನ ಶೇರುದಾರರಿಗೆ ಡಿವಿಡೆಂಡ್ ವಿತರಿಸಲು ರೆಗ್ಯುಲೇಶನ್ 43ಎ, ಸೆಬಿ (ಎಲ್‌ಓಡಿಆರ್) ರೆಗ್ಯುಲೇಶನ್, 2015 ರ ಅನುಸಾರವಾಗಿ ಒಂದು ನೀತಿಯನ್ನು ಆವಿಷ್ಕರಿಸಿದ್ದು, ಆ ನೀತಿಯ ಸಾರಾಂಶ ಈ ಕೆಳಗಿನಂತಿದೆ.

- ಬ್ಯಾಂಕಿಂಗ್ ಉದ್ಯಮ ಆಗಿರುವುದರಿಂದ, ಡಿವಿಡೆಂಡ್ ವಿತರಣಾ ನೀತಿಯು ಆರಂಭ ಸುತ್ತೋಲೆ ಡಿಬಿಓಡಿ ನಂಬ್ರ.ಬಿ.ಪಿ.ಬಿ.88/ 21.02.67/2004-05 ದಿನಾಂಕ ಮೇ 5, 2005 ಅನುಸಾರವಾಗಿ ಡಿವಿಡೆಂಡ್ ವಿತರಿಸಲು ಅರ್ಹತಾ ಅಳತೆಗೋಲು ಅನುಸರಿಸಬೇಕಾಗಿದೆ.
- ಡಿವಿಡೆಂಡ್ ಅನುಮೋದಿಸಲು ಕೆಲವೊಂದು ಆಂತರಿಕ ಅಂಶಗಳನ್ನು ಅಂದರೆ ಆರ್ಥಿಕ ನಿರ್ವಹಣೆ, ಡಿವಿಡೆಂಡ್ ಹೊರಹರಿಸಿದ ಸ್ವರೂಪ, ತೆರಿಗೆ ಪರಿಣಾಮಗಳು, ಸಾಂಸ್ಥಿಕ ನಡೆ ಮತ್ತು ಬಾಹ್ಯ ಅಂಶಗಳಾದ ಶೇರುದಾರರ ನಿರೀಕ್ಷೆ, ಸೂಕ್ಷ್ಮ ಸನ್ನಿವೇಶ ಮುಂತಾದವುಗಳನ್ನು ಗಮನಿಸಬೇಕಾಗುತ್ತದೆ.
- ಡಿವಿಡೆಂಡ್‌ನ ಪ್ರಮಾಣ ನಿರ್ಣಯಿಸುವಾಗ ಬ್ಯಾಂಕಿನ ಆರ್ಥಿಕ ಕಾರ್ಯನಿರ್ವಹಣೆ, ಭವಿಷ್ಯದ ವ್ಯವಹಾರಭಿವೃದ್ಧಿಗೆ ಪೂರೈಸಬೇಕಾದ ಬಂಡವಾಳನಿಧಿಯ ವಿಶ್ಲೇಷಣೆ ಮುಂತಾದವು ಆರಂಭ ಮಾರ್ಗದರ್ಶಿಕೆಗೆ ಅನುಸಾರವಾಗಿ ಡಿವಿಡೆಂಡ್ ಹೊರಹರಿಸಿದ ಅನುಪಾತ ಪರಿಶೀಲಿಸಬೇಕಾಗುತ್ತದೆ.

ಬ್ಯಾಂಕಿನ ಡಿವಿಡೆಂಡ್ ವಿತರಣಾ ನೀತಿ ಬ್ಯಾಂಕಿನ ವೆಬ್‌ಸೈಟಿನಲ್ಲಿ ಲಭ್ಯವಿದೆ.

ನಿರ್ದೇಶಕರು ಮತ್ತು ಮಂಡಳಿಯಲ್ಲಾದ ಬದಲಾವಣೆ

ನಿಮ್ಮ ಬ್ಯಾಂಕ್ ಮಾರ್ಚ್ 31, 2017ಕ್ಕೆ ಓರ್ವ ಮಹಿಳಾ ನಿರ್ದೇಶಕರನ್ನು ಒಡಗೂಡಿ ಒಟ್ಟು ಎಂಟು ಮಂದಿ ನಿರ್ದೇಶಕರನ್ನು ಹೊಂದಿದೆ. ಇವರಲ್ಲಿ ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕ ಶ್ರೀ ಡಿ. ಸುರೇಂದ್ರಕುಮಾರ್ ಮತ್ತು ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್ ಮತ್ತು ಸಿಇಒ ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್ ಹೊರತಾಗಿ ಉಳಿದವರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು. ಇವರ ನೇಮಕಾತಿಯ ಅರ್ಹತೆ ಮತ್ತು ನಿರ್ದೇಶಕರ ಸಂಭಾವನೆ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿರುವ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ ವರದಿಯೊಂದಿಗೆ ನೀಡಲಾಗಿದೆ. ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ, ಐವರು ನಿರ್ದೇಶಕರು ನಿವೃತ್ತರಾಗಿದ್ದು ವಿವರಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ.

Sl. No.	Name of the Director	Designation	Remarks
1	Mr. T R Chandrasekaran	Independent Director	Retired on 09.06.2016 upon attainment of upper age limit of 70 years as per RBI Guidelines.
2	Mr. S V Manjunath	Independent Director	Retired on 24.10.2016 upon completion of 8 years in office in terms of Selection 10A (2A) of Banking Regulation Act, 1949
3	Mr. D. Harshendra Kumar	Independent Director	Retired on 24.10.2016 upon completion of 8 years in office in terms of Selection 10A (2A) of Banking Regulation Act, 1949
4	Dr. H. Ramamohan	Independent Director	Retired on 24.10.2016 upon completion of 8 years in office in terms of Selection 10A(2A) of Banking Regulation Act, 1949
5	Mr. Ananthakrishna	Part Time Non-Executive Chairman (Independent Director)	Retired on 26.10.2016 upon attainment of upper age limit of 70 years as per RBI Guidelines.

The Board places on record its appreciation for the valuable contributions and the guidance given by the above directors during their tenure in Office.

During the year under report, Mr. D Surendra Kumar, was appointed on the Board as an Additional Director w.e.f. 29.12.2016 and as per Section 161 of the Companies Act, 2013 he would hold office upto the date of ensuing Annual General Meeting. Bank has received necessary notices under Section 160 of the Companies Act, 2013 proposing his candidature for appointment as Independent Director of the Bank and having regard to his vast experience, rich knowledge and expertise, your Directors recommend his appointment. A brief resume of Mr. D Surendra Kumar is furnished in the notice of the Annual General Meeting.

Upon attainment of upper age limit of 70 years of age, Mr. Ananthakrishna retired from office of the Part-time Non-Executive Chairman on 26.10.2016 as per extant guidelines of Reserve Bank of India. Thereafter the position of Chairman was vacant and Mr. P Jayarama Bhat resigned from his position as Managing Director & CEO and the Board of Directors at its meeting held on April 12, 2017 has, after inducting him as Additional Director on the Board, appointed him as Part time Non Executive Chairman (who assumed charge on 12.04.2017) pursuant to the approval received from the Reserve Bank of India vide their letter DBR Appt.No.12034/08.40.001/2016-17 dated April 10, 2017 in accordance with Section 10B (1A)(i) of the Banking Regulation Act, 1949.

ಕ್ರಮ ಸಂಖ್ಯೆ	ನಿರ್ದೇಶಕರ ಹೆಸರು	ಹುದ್ದೆ	ಟಿಪ್ಪಣಿ
1	ಶ್ರೀ ಬಿ. ಆರ್. ಚಂದ್ರಶೇಖರನ್	ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು	ಆರ್.ಬಿ.ಐ. ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ಪ್ರಾಯ 70 ವರ್ಷ ತುಂಬಿದ್ದರಿಂದ ದಿನಾಂಕ 09.06.2016 ರಂದು ನಿವೃತ್ತಿ.
2	ಶ್ರೀ ಎಸ್.ವಿ.ಮಂಜುನಾಥ್	ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು	ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ, 1949, ಸೆಕ್ಷನ್ 10ಎ(2ಎ) ಅನ್ವಯ ಹುದ್ದೆಯ 8 ವರ್ಷಗಳ ಅವಧಿ ತುಂಬಿರುವುದರಿಂದ ದಿನಾಂಕ 24.10.2016 ರಂದು ನಿವೃತ್ತಿ.
3	ಶ್ರೀ ಡಿ. ಹರ್ಷೇಂದ್ರ ಕುಮಾರ್	ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು	ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ, 1949 ಸೆಕ್ಷನ್ 10ಎ(2ಎ) ಅನ್ವಯ ಹುದ್ದೆಯ 8 ವರ್ಷಗಳ ಅವಧಿ ತುಂಬಿರುವುದರಿಂದ ದಿನಾಂಕ 24.10.2016ರಂದು ನಿವೃತ್ತಿ.
4	ಡಾ.ಎಚ್.ರಾಮಮೋಹನ್	ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು	ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ, 1949, ಸೆಕ್ಷನ್ 10ಎ(2ಎ) ಅನ್ವಯ ಹುದ್ದೆಯ 8 ವರ್ಷಗಳ ಅವಧಿ ತುಂಬಿರುವುದರಿಂದ ದಿನಾಂಕ 24.10.2016ರಂದು ನಿವೃತ್ತಿ.
5	ಶ್ರೀ ಅನಂತಕೃಷ್ಣ	ಅರೆಕಾಲಿಕ ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷ (ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರು)	ಆರ್.ಬಿ.ಐ. ಮಾರ್ಗದರ್ಶಿಕೆಯಂತೆ ಪ್ರಾಯ 70 ವರ್ಷ ತುಂಬಿರುವುದರಿಂದ ದಿನಾಂಕ 26.10.2016 ರಂದು ನಿವೃತ್ತಿ.

ಮೇಲ್ಕಂಡ ನಿರ್ದೇಶಕರ ಕಾಲಾವಧಿಯಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಸರ್ವತೋಮುಖ ಅಭಿವೃದ್ಧಿಗಾಗಿ ನೀಡಿದ ಅತ್ಯಮೂಲ್ಯ ಮಾರ್ಗದರ್ಶನ ಹಾಗೂ ಕೊಡುಗೆಗೆ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಮೆಚ್ಚುಗೆ ಹಾಗೂ ಕೃತಜ್ಞತೆಗಳನ್ನು ದಾಖಲಿಸಿದೆ.

ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಶ್ರೀ ಡಿ. ಸುರೇಂದ್ರಕುಮಾರ್ ಇವರನ್ನು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರನ್ನಾಗಿ ನೇಮಕಾತಿ ಮಾಡಿದೆ. ಈ ನೇಮಕಾತಿಯು 29.12.2016 ರಿಂದ ಅಸ್ತಿತ್ವಕ್ಕೆ ಬಂದಿದ್ದು ಇದು ಕಂಪನೀಸ್ ಕಾಯಿದೆ 2013 ಸೆಕ್ಷನ್ 161 ಪ್ರಕಾರ, ನಡೆದಿದ್ದು ಅವರ ಈ ಹುದ್ದೆ ಮುಂಬರುವ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ತನಕ ಮುಂದುವರಿಯಲಿದೆ. ಕಂಪನೀಸ್ ಕಾಯಿದೆ 2013, ಸೆಕ್ಷನ್ 160 ರ ಅನ್ವಯ ಬ್ಯಾಂಕಿನ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕತ್ವದ ಅಭ್ಯರ್ಥಿತನವನ್ನು ಸೂಚಿಸಿ ಬ್ಯಾಂಕಿಗೆ ಅಗತ್ಯವುಳ್ಳ ಸೂಚನಾಪತ್ರ ಲಭಿಸಿದೆ. ಅವರ ಸುದೀರ್ಘ ಅನುಭವ, ಅಪಾರಜ್ಞಾನ ಮತ್ತು ಪರಿಣತಿಯನ್ನು ಪರಿಗಣಿಸಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಅವರ ನೇಮಕಾತಿಯನ್ನು ಶಿಫಾರಸು ಮಾಡಿರುತ್ತದೆ. ಶ್ರೀ ಡಿ. ಸುರೇಂದ್ರಕುಮಾರ್ ಅವರ ಕಿರುಪರಿಚಯವನ್ನು ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ನೋಟೀಸಿನಲ್ಲಿ ಕೊಡಲಾಗಿದೆ.

ಆರ್.ಬಿ.ಐ ಚಾಲ್ತಿಯಲ್ಲಿರುವ ನಿಯಮಗಳಿಗನುಸಾರವಾಗಿ ನಿವೃತ್ತಿ ವಯಸ್ಸು 70 ತುಂಬಿರುವುದರಿಂದ ಶ್ರೀ ಅನಂತಕೃಷ್ಣರವರು ಅರೆಕಾಲಿಕ ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷ ಹುದ್ದೆಯಿಂದ 26.10.2016ರಂದು ನಿವೃತ್ತಿ ಹೊಂದಿದ್ದಾರೆ. ತದನಂತರ ಈ ಹುದ್ದೆಯು ಭರ್ತಿಯಾಗದೇ ಉಳಿದಿದ್ದು, ಹಾಗೂ ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್‌ರವರು ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್ ಮತ್ತು ಸಿಇಒ ಹುದ್ದೆಗೆ ರಾಜೀನಾಮೆ ನೀಡಿದ್ದು, ದಿನಾಂಕ 12.04.2017ರಂದು ಜರಗಿದ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಭೆಯಲ್ಲಿ ಅವರನ್ನು ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಿಸಿ, ಆ ಬಳಿಕ ಅವರನ್ನು ಅರೆಕಾಲಿಕ ಕಾರ್ಯನಿರ್ವಾಹಕೇತರ ಅಧ್ಯಕ್ಷ ಹುದ್ದೆಗೆ ನೇಮಿಸಲಾಯಿತು. (ಅವರು 12.04.2017ರಂದು ಅಧಿಕಾರ ವಹಿಸಿಕೊಂಡರು) ಈ ನೇಮಕಾತಿ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾದ ಪತ್ರ ಡಿಬಿಆರ್ ಎಪಿಪಿಐ. ನಂ. 12034/08.40.001/2016-17 ದಿನಾಂಕ ಎಪ್ರಿಲ್ 10, 2017 ಪ್ರಕಾರ, ಬ್ಯಾಂಕಿಂಗ್ ಕಾಯಿದೆ 1949, ವಿಭಾಗ 10ಬಿ (1ಎ) (ಐ) ನಂತೆ ಆಗಿದೆ.

In terms of Section 161 of the Companies Act, 2013, Mr. P Jayarama Bhat has been appointed as an Additional Director and would hold office upto the date of ensuing Annual General Meeting. Considering his experience, knowledge and expertise, and the contribution made during his tenure as MD & CEO of the Bank, your Directors recommend for approval of his appointment as a Director of the Bank. A brief resume and remuneration payable to Mr. P Jayarama Bhat is furnished in the notice of the Annual General Meeting.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO)

Consequent to the appointment of Mr. P Jayarama Bhat as the Non-Executive Chairman, position of Managing Director & CEO of the Bank was vacant and the Board at its meeting held on April 12, 2017 appointed Mr. Mahabaleshwara M S as Managing Director & CEO of the Bank pursuant to the approval received from the Reserve Bank of India vide their letter DBR Appt. No.11838/08.40.001/2016-17 dated April 05, 2017 in accordance with Section 35B of the Banking Regulation Act, 1949, inducting him as an Additional Director on the Board.

Considering his experience, knowledge and expertise, your Directors recommend for approval of his appointment as Managing Director & CEO of the Bank. A brief resume and remuneration payable to Mr. Mahabaleshwara M S is furnished in the notice of the Annual General Meeting.

INDEPENDENT AND NON-EXECUTIVE DIRECTORS

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013, your Bank has received necessary declarations from all the non-executive directors confirming that they meet the criteria of independence for Independent Directors. Mr. D Surendra Kumar, Additional Director has also furnished similar declaration and subject to his appointment at the ensuing Annual General Meeting, he also meets the criteria of independence.

PERFORMANCE EVALUATION OF THE BOARD

Your Board of Directors has laid down criteria for

ಕಂಪನೀಸ್ ಕಾಯಿದೆ, 2013 ಸೆಕ್ಷನ್ 161 ಪ್ರಕಾರ ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್ ಅವರನ್ನು ಬ್ಯಾಂಕಿನ ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರನ್ನಾಗಿ ನೇಮಿಸಲಾಗಿದ್ದು ಅವರ ಈ ಹುದ್ದೆ ಮುಂಬರುವ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ತನಕ ಮುಂದುವರಿಯಲಿದೆ. ಅವರ ವ್ಯಾಪಕ ಅನುಭವ ಜ್ಞಾನ ಮತ್ತು ಪರಿಣತಿಯನ್ನು ಮತ್ತು ಎಂ.ಡಿ ಮತ್ತು ಸಿ.ಇ.ಓ ಹುದ್ದೆಯಲ್ಲಿ ಅವರು ಬ್ಯಾಂಕಿನ ಅಭಿವೃದ್ಧಿಗೆ ನೀಡಿದ ಕೊಡುಗೆಯನ್ನು ಗಮನಿಸಿ, ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಅವರ ನಿರ್ದೇಶಕ ಹುದ್ದೆಯ ನೇಮಕಾತಿಯನ್ನು ಅನುಮೋದಿಸಿ ಶಿಫಾರಸ್ಸು ಮಾಡಿರುತ್ತಾರೆ. ಅವರ ಬಗ್ಗೆ ಕಿರುಪರಿಚಯ ಹಾಗೂ ಶ್ರೀ ಪಿ. ಜಯರಾಮಭಟ್ ಅವರಿಗೆ ನೀಡಲಾಗುವ ಸಂಭಾವನೆಯ ವಿವರವನ್ನು ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ನೋಟೀಸಿನಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಮ್ಯಾನೇಜಿಂಗ್ ಡೈರೆಕ್ಟರ್ ಮತ್ತು ಚೀಫ್ ಎಕ್ಸಿಕ್ಯೂಟಿವ್ ಆಫೀಸರ್ (ಎಂಡಿ ಮತ್ತು ಸಿಇಓ)

ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್ ಅವರನ್ನು ಆರೋಪಕಾರಿ ಕಾರ್ಯನಿರ್ವಾಹಕರಾದ ಅಧ್ಯಕ್ಷ ಹುದ್ದೆಗೆ ನೇಮಕ ಮಾಡಿದ ಪರಿಣಾಮವಾಗಿ ಖಾಲಿಯಾದ ಎಂ.ಡಿ ಮತ್ತು ಸಿ.ಇ.ಓ ಹುದ್ದೆಗೆ ಶ್ರೀ ಮಹಾಬಲೇಶ್ವರ ಎಂ.ಎಸ್. ಇವರನ್ನು ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರಾಗಿ ನೇಮಕಾತಿಯ ನಂತರದಲ್ಲಿ ಎಂ.ಡಿ ಮತ್ತು ಸಿ.ಇ.ಓ ಆಗಿ ನಿರ್ದೇಶಕರ ಮಂಡಳಿ ದಿನಾಂಕ 12.04.2017ರಂದು ನಡೆದ ಸಭೆಯಲ್ಲಿ, ನೇಮಕಾತಿ ಮಾಡಿದೆ. ಇದಕ್ಕೆ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್, ತನ್ನ ಪತ್ರ ಡಿಬಿಆರ್ ಎಪಿಪಿಟಿ ನಂಬ್ರ 11838/08.40.001/2016-17 ದಿನಾಂಕ ಎಪ್ರಿಲ್ 05, 2017 ಅನುಸಾರವಾಗಿ ಅನುಮೋದಿಸಿದ್ದು ಇದು ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಶನ್ ಕಾಯಿದೆ 1949, ಸೆಕ್ಷನ್ 35 ಬಿ ಅನ್ವಯ ನಡೆದಿದೆ.

ಅವರ ಅನುಭವ, ಜ್ಞಾನ ಮತ್ತು ಪರಿಣತಿಯನ್ನು ಗಮನಿಸಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಬ್ಯಾಂಕಿನ ಎಂ.ಡಿ ಮತ್ತು ಸಿ.ಇ.ಓ ಹುದ್ದೆಗೆ ಮಾಡಿರುವ ನೇಮಕಾತಿಯ ಅನುಮೋದನೆಯನ್ನು ಶಿಫಾರಸ್ಸು ಮಾಡಿರುತ್ತಾರೆ. ಅವರ ಕಿರುಪರಿಚಯ ಮತ್ತು ಅವರಿಗೆ ನೀಡಲಾಗುವ ಸಂಭಾವನೆಯ ವಿವರವನ್ನು ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯ ನೋಟೀಸಿನಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಸ್ವತಂತ್ರ ಮತ್ತು ಕಾರ್ಯನಿರ್ವಾಹಕರ ನಿರ್ದೇಶಕರು

ಕಂಪನಿ ಕಾಯ್ದೆ 2013, ವಿಭಾಗ 149(6) ಅನ್ವಯ, ನಿಮ್ಮ ಬ್ಯಾಂಕಿನ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಲು ಸೂಕ್ತ ಅರ್ಹತೆ ಉಳ್ಳವರಾಗಿದ್ದಾರೆ ಎಂಬ ದೃಢೀಕರಣ ಪತ್ರವನ್ನು ಎಲ್ಲಾ ಕಾರ್ಯ ನಿರ್ವಾಹಕರ ನಿರ್ದೇಶಕರಿಂದ ಬ್ಯಾಂಕು ಪಡೆದಿರುತ್ತದೆ. ಶ್ರೀ ಡಿ. ಸುರೇಂದ್ರ ಕುಮಾರ್, ಹೆಚ್ಚುವರಿ ನಿರ್ದೇಶಕರು ಸಹ ಅದೇ ರೀತಿಯ ದೃಢೀಕರಣ ಪತ್ರ ನೀಡಿದ್ದು, ಅವರು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರಾಗಲು ಅರ್ಹತೆ ಹೊಂದಿದ್ದು, ಅವರ ಸೇರ್ಪಡೆಗೆ ಬರಲಿರುವ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಲ್ಲಿ ಸರ್ವ ಸದಸ್ಯರ ಅನುಮೋದನೆ ಪಡೆಯಲಾಗುವುದು.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ನಿರ್ವಹಣಾ ಮೌಲ್ಯಮಾಪನ

ನಿಮ್ಮ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯು ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸದಸ್ಯರ,

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 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, which forms part of this Annual Report. In pursuance to the above, Independent Directors in their separate meeting held on March 27, 2017 have reviewed and evaluated the performance of Board as a whole and the Managing Director and CEO.

Further, the Board also reviewed the performance of committees of the Board and that of individual Independent Directors at its meeting held on March 27, 2017.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were in the ordinary course of the business of the Bank and were on arm's length basis. There were no materially significant related party transactions entered into by the Bank with 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 in the website of the Bank.

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, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments 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, 2017 and profit and loss for that period.

ಅಧ್ಯಕ್ಷರ, ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕ ಮತ್ತು ಪ್ರಧಾನ ಕಾರ್ಯನಿರ್ವಾಹಕ ಅಧಿಕಾರಿಗಳ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ನಿರ್ದೇಶಕರ ಮೌಲ್ಯಮಾಪನ ಮಾಡುವ ಪ್ರಕ್ರಿಯೆಯನ್ನು ನಿಗದಿಪಡಿಸಿದೆ. ಅದರಂತೆ ನಿರ್ದೇಶಕರುಗಳ, ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಮತ್ತು ಸಮಿತಿಗಳ ಮೌಲ್ಯಮಾಪನ ಮಾಡಿ ಈ ಕುರಿತು ನೀಡಿದ ಹೇಳಿಕೆಯನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ ಪರಿಚ್ಛೇದದಲ್ಲಿ ನೀಡಲಾಗಿದೆ. ಇದರೊಂದಿಗೆ ಮಾರ್ಚ್ 27, 2017ರಂದು ನಡೆದ ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರುಗಳ ಸಭೆಯಲ್ಲಿ, ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕ ಮತ್ತು ಪ್ರಧಾನ ಕಾರ್ಯನಿರ್ವಾಹಕರವರ ಮತ್ತು ಒಟ್ಟಾರೆಯಾಗಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮೀಕ್ಷೆ ಮತ್ತು ಮೌಲ್ಯಮಾಪನಗೈಯಲಾಗಿದೆ.

ಅಲ್ಲದೇ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯು ಮಾರ್ಚ್ 27, 2017ರಂದು ಜರುಗಿಸಿದ ತನ್ನ ಸಭೆಯಲ್ಲಿ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಸಮಿತಿಗಳ ಮತ್ತು ಸ್ವತಂತ್ರ ನಿರ್ದೇಶಕರುಗಳ ಕಾರ್ಯ ನಿರ್ವಹಣೆಯ ಬಗ್ಗೆ ವಿಶ್ಲೇಷಣೆ ನಡೆಸಿದೆ.

ಗುತ್ತಿಗೆ ಅಥವಾ ಸಂಬಂಧಿತರೊಂದಿಗೆ ವ್ಯವಸ್ಥೆ

ಪ್ರಸ್ತುತ ಆರ್ಥಿಕ ವರ್ಷದಲ್ಲಿ ನಡೆದ ಎಲ್ಲಾ ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳ ವಹಿವಾಟುಗಳು, ಸಾಮಾನ್ಯ ವ್ಯಾವಹಾರಿಕ ನೆಲೆಯಲ್ಲಿದ್ದು, ಅವುಗಳು ಸಂಬಂಧಿಸಿದ ವ್ಯಕ್ತಿ / ಪಕ್ಷಗಳಿಂದ ನಿರ್ದಿಷ್ಟ ದೂರವನ್ನು ಕಾಪಾಡಿಕೊಂಡು ಬರುವ ನೀತಿಯ ತಳಹದಿಯಲ್ಲಿರುತ್ತದೆ. ಸದ್ದಿ ಅವಧಿಯಲ್ಲಿ ಬ್ಯಾಂಕು ತನ್ನ ನಿರ್ದೇಶಕರುಗಳೊಂದಿಗಾಗಲೀ, ತನ್ನ ಪ್ರಮುಖ ಆಡಳಿತಾತ್ಮಕ ಹೊಣೆ ಹೊತ್ತಿರುವ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಾಗಲೀ ಅಥವಾ ಇನ್ನಿತರ ವ್ಯಕ್ತಿಗಳೊಂದಿಗಾಗಲೀ ನಡೆಸಿದ ವಹಿವಾಟುಗಳಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಹಿತಾಸಕ್ತಿಗಳಿಗೆ ವಿರೋಧವಾಗಬಲ್ಲ ಯಾವುದೇ ಪ್ರಮುಖಾಂಶಗಳು ಇರುವುದಿಲ್ಲ. ಹೀಗಿರುವಾಗ ನಮೂನೆ ಎಫ್-2 ಮೂಲಕ ಪ್ರಕಟಗೊಳಿಸುವಿಕೆ ಅನ್ವಯವಾಗುವುದಿಲ್ಲ. ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪತ್ರ ಸಮಿತಿ/ನಿರ್ದೇಶಕ ಮಂಡಳಿ ಅನುಮೋದಿಸಿರುವ "ಸಂಬಂಧಿತ ವ್ಯಕ್ತಿಗಳೊಂದಿಗೆ ವಹಿವಾಟು ನಡೆಸುವ ಧೋರಣೆ"ಯನ್ನು ಬ್ಯಾಂಕಿನ ಜಾಲತಾಣದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿಗಳ ಬಗ್ಗೆ ಹೇಳಿಕೆ

ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 134(3)(ಸಿ), 134(5) ಮತ್ತು ಕಂಪೆನೀಸ್ (ಅಕೌಂಟಿಂಗ್) ರೂಲ್ 2014ರ ನಿಯಮ 8ರ ಅನುಸಾರವಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ತಿಳಿಸುವುದೇನೆಂದರೆ:

- ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ತಯಾರಿಸುವಾಗ, ಸೂಕ್ತವಾದ 'ಅಕೌಂಟಿಂಗ್ ಸ್ಟಾಂಡರ್ಡ್ಸ್' ಅನ್ನು ಬಳಕೆ ಮಾಡಿಕೊಂಡಿದ್ದು, ಸೂಕ್ತ ವಿಶ್ಲೇಷಣೆಗಳನ್ನು, ಅವಶ್ಯಕ ವಿವರಗಳನ್ನು ಸಲ್ಲಿಸಲಾಗಿದೆ.
- ನಿರ್ದೇಶಕರು ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ಧೋರಣೆಗಳನ್ನು ಅಂಗೀಕರಿಸಿದ್ದು, ಅವುಗಳನ್ನು ನಿಖರವಾಗಿ ಪ್ರಯೋಗಿಸಿ, ಅಂದಾಜು ಮತ್ತು ತೀರ್ಪುಗಳನ್ನು ಸೂಕ್ತವಾಗಿ ವಿಮರ್ಶಿಸಿ ಸಕಾರಣವಾಗಿದೆ ಎಂದು ತಿಳಿದು, 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪತ್ರಗಳಲ್ಲಿ ಮತ್ತು ಲಾಭ ನಷ್ಟಗಳಲ್ಲಿ ಸತ್ಯ ಮತ್ತು ನೈಜ ಚಿತ್ರಣವನ್ನು ನೀಡುವಲ್ಲಿ ಆದ್ಯ ಗಮನ ಹರಿಸಿರುತ್ತಾರೆ.

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| <p>(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.</p> <p>(d) the directors have prepared the annual accounts on a going concern basis.</p> <p>(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.</p> <p>(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.</p> | <p>(ಸಿ) ನಿರ್ದೇಶಕರು, ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯನ್ನು ಸುಸ್ಥಿರವಾಗಿ ಕಾಪಾಡಿಕೊಂಡು ಬರುವಲ್ಲಿ ವಂಚನೆ ಹಾಗೂ ನಿಯಮಬಾಹಿರತೆ ಮುಕ್ತ ಕುರಿತು ಸಾಕಷ್ಟು ಎಚ್ಚರವಹಿಸಿ ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013 ರ ಅನುಸಾರವಾಗಿ ಸೂಕ್ತವಾದ ಅಕೌಂಟಿಂಗ್ ದಾಖಲೆಗಳನ್ನು ನಿರ್ವಹಣೆ ಮಾಡಿರುತ್ತಾರೆ.</p> <p>(ಡಿ) ನಿರ್ದೇಶಕರು ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು 'ಗೋಯಿಂಗ್ ಕನ್‌ಸರ್ನ್' ತಳಹದಿಯಲ್ಲಿ ರಚಿಸಿರುತ್ತಾರೆ.</p> <p>(ಇ) ಆಂತರಿಕ ಆರ್ಥಿಕತೆ ನಿಯಂತ್ರಣವನ್ನು ಧೋರಣಾತ್ಮಕವಾಗಿ ನಿರ್ದೇಶಕರು ಸ್ವೀಕರಿಸಿದ್ದು, ಅದನ್ನೇ ಬ್ಯಾಂಕು ಅನುಸರಿಸಿಕೊಂಡು ಬರುತ್ತಿದ್ದು, ಬ್ಯಾಂಕಿನ ಧೋರಣೆಯ ರೀತ್ಯಾ ಆಂತರಿಕ ನಿಯಂತ್ರಣಗೈದಿದ್ದು, ಅದು ಸಾಕಷ್ಟು ಮತ್ತು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ನಿರ್ವಹಿಸಲ್ಪಡುತ್ತಿದೆ.</p> <p>(ಎಫ್) ನಿರ್ದೇಶಕರು ಸಂಬಂಧಪಟ್ಟ ಕಾನೂನುಗಳಿಗೆ ಸಂಬಂಧಿಸಿ ಪೂರೈಕೆಗೊಳ್ಳಬೇಕಾಗಿರುವ ವಿವರಗಳನ್ನು ನೀಡುವಲ್ಲಿ ಸೂಕ್ತ ಹಾಗೂ ಸಕಾಲಿಕ ವ್ಯವಸ್ಥೆಗಳನ್ನು ಸಂಯೋಜಿಸಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆಯು ಸೂಕ್ತವಾಗಿ, ಸಕಾಲಿಕವಾಗಿ, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.</p> |
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STATUTORY DISCLOSURES

The disclosures under sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are furnished below:

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| <p>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.</p> <p>b) Foreign Exchange Earnings and outgo: During the year ended March 31, 2017, the Bank has earned ₹21.98 crore and spent ₹1.72 crore in foreign currency.</p> <p>c) There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Bank's operations in future.</p> <p>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 Bank and ensure that same are adequate and operating effectively.</p> | <p>ಶಾಸನಬದ್ಧ ಪ್ರಕಟಣೆಗಳು</p> <p>ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013 ವಿಭಾಗ 134, ಉಪವಿಭಾಗ (3) ಮತ್ತು ಕಂಪೆನಿ (ಅಕೌಂಟ್ಸ್) ರೂಲ್ಸ್ 2014, ನಿಯಮ 8(3)ರ ಅನ್ವಯ ಪ್ರಕಟಗೊಳಿಸಲಿಕ್ಕಿರುವ ಪ್ರಕಟಣೆಗಳು ಈ ಕೆಳಗಿನಂತಿವೆ.</p> <p>ಎ) ಶಕ್ತಿಯ ಬಳಕೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ : ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರ ಸ್ವರೂಪದ ದೃಷ್ಟಿಯಿಂದ ಶಕ್ತಿಯ ಬಳಕೆ ಮತ್ತು ತಾಂತ್ರಿಕತೆ ಅಳವಡಿಕೆ ಕುರಿತಾದ ಕಂಪೆನಿ ಕಾಯ್ದೆ 2013 ವಿಭಾಗ 134(3) (ಎಂ) ಅನ್ವಯ, ಬ್ಯಾಂಕಿಗೆ ಇದು ಅನ್ವಯವಾಗುವುದಿಲ್ಲ. ಏನಿದ್ದರೂ ಬ್ಯಾಂಕು ತನ್ನ ಚಟುವಟಿಕೆಯ ಸರ್ವ ಅಂಗೋಪಾಂಗಗಳಲ್ಲಿ ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನದ ವಿಪುಲ ಬಳಕೆ ಮಾಡುತ್ತಿದೆ.</p> <p>ಬಿ) ವಿದೇಶಿ ವಿನಿಮಯ ಗಳಿಕೆ ಮತ್ತು ಹೊರಹರಿವು: ಪ್ರಸ್ತುತ ವರ್ಷಾಂತ್ಯ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಬ್ಯಾಂಕು ವಿದೇಶಿ ಕರೆನ್ಸಿ ರೂಪದಲ್ಲಿ ₹21.98 ಕೋಟಿ ಗಳಿಸಿದೆ ಮತ್ತು ₹1.72 ಕೋಟಿ ವ್ಯಯ ಮಾಡಿರುತ್ತದೆ.</p> <p>ಸಿ) ಬ್ಯಾಂಕಿನ ಭವಿಷ್ಯದ ವಹಿವಾಟಿಗೆ ತಡೆಯಾಗಬಲ್ಲ ಯಾವುದೇ ಆಜ್ಞೆಗಳು, ವಿಧೇಯಕಗಳು ಬ್ಯಾಂಕಿಗೆ ಲಿಖಿತವಾಗಿ ಯಾವುದೇ ನಿಯಂತ್ರಣ ಕಚೇರಿಗಳಿಂದ, ಕೋರ್ಟುಗಳಿಂದ ಬಂದಿಲ್ಲ.</p> <p>ಡಿ) ಆಂತರಿಕ ಆರ್ಥಿಕತಾ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆ ಮತ್ತು ಅದರ ಪರ್ಯಾಪ್ತತೆ: ಆಂತರಿಕ ಆರ್ಥಿಕತಾ ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯನ್ನು ಸಮರ್ಥವಾಗಿ ನಿರ್ವಹಿಸಲು ನಿಮ್ಮ ಬ್ಯಾಂಕು ಸೂಕ್ತವಾಗಿ ಹಾಗೂ ಸಮಗ್ರವಾಗಿ ಕೆಲವು ಮಾನದಂಡಗಳು, ಪ್ರಯೋಗಗಳು ಮತ್ತು ಸಂರಚನೆಗಳನ್ನು ಪಾಲಿಸಿ ಕೊಂಡು ಬಂದಿದ್ದು, ಈ ವ್ಯವಸ್ಥೆ ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣವಾಗಿದ್ದು ಚುರುಕಾಗಿ, ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಕಾರ್ಯ ನಿರ್ವಹಿಸುತ್ತಿದೆ.</p> |
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e) **Key Managerial Personnel:** Mr. P Jayarama Bhat, MD & CEO, Mr. Chandrashekar Rao B, CFO and Mr. Y V Balachandra, Company Secretary of the Bank were the Key Managerial Personnel of the Bank as on March 31, 2017 as per the provisions of the Companies Act, 2013. None of the Key Managerial Personnel has resigned during the year under report.

f) **Remuneration of directors:** Disclosures 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 VII to this report.

g) During the financial year 2016-17, there was no employee who was in receipt of remuneration requiring disclosure as per the limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Bank as on March 31, 2017 is annexed (Annexure IV).

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 forming part of this report.

COMMITTEES OF THE BOARD

The Bank has 12 Committees 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, terms of reference, powers, roles etc are furnished in the report on Corporate Governance forming part of this report.

CORPORATE GOVERNANCE

Your Bank is committed to follow the best practices of corporate governance to protect the interests of all the stakeholders of the Bank, viz. shareholders, depositors

ಇ) ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳು: ಶ್ರೀ ಪಿ. ಜಯರಾಮ ಭಟ್, ಎಂಡಿ ಮತ್ತು ಸಿಇಒ, ಶ್ರೀ ಚಂದ್ರಶೇಖರ ರಾವ್ ಬಿ, ಸಿಎಫ್ಒ ಮತ್ತು ಶ್ರೀ ವೈ.ವಿ. ಬಾಲಚಂದ್ರ, ಬ್ಯಾಂಕಿನ ಕಂಪೆನಿ ಸೆಕ್ರೆಟರಿ ಇವರುಗಳು ಮಾರ್ಚ್ 31, 2017ಕ್ಕೆ ಬ್ಯಾಂಕಿನ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳಾಗಿದ್ದು, ಇದು ಕಂಪೆನಿ ಕಾಯಿದೆ 2013ರ ಅನುಸಾರವಾಗಿ ಆಗಿದೆ. ಈ ಪ್ರಮುಖ ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳಲ್ಲಿ ಪ್ರಸ್ತುತ ವರದಿ ವರ್ಷದಲ್ಲಿ ಯಾರೊಬ್ಬರೂ ರಾಜೀನಾಮೆ ನೀಡಿರುವುದಿಲ್ಲ.

ಎಫ್) ನಿರ್ದೇಶಕರ ಸಂಭಾವನೆ: ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 197(12) ಮತ್ತು ಕಂಪೆನಿ (ವ್ಯವಸ್ಥಾಪನಾ ವ್ಯಕ್ತಿಗಳ ನೇಮಕಾತಿ ಮತ್ತು ಸಂಭಾವನೆ) ನಿಯಮಗಳು 2014ರ ನಿಯಮ 5ರ ಪ್ರಕಾರ ಪ್ರಕಟಿಸಬೇಕಾಗಿರುವ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಅನುಬಂಧ VIIರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಜಿ) ಕಂಪೆನಿ ನಿಯಮ 2014 ರ ನಿಯಮ 5 ರಂತೆ ಹಾಗೂ ಕಂಪೆನಿ ಕಾಯಿದೆ 2013 ವಿಭಾಗ 197 ರ ಅನುಸಾರದಂತೆ ಪ್ರಸಕ್ತ ವರ್ಷ 2016-2017ರಲ್ಲಿ ಬ್ಯಾಂಕಿನ ಯಾವ ಉದ್ಯೋಗಿಯೂ ಒಬ್ಬರಂ ಪಡಿಸಬೇಕಾದ ಮಿತಿಯನ್ನು ಮೀರಿರುವ ವೇತನವನ್ನು ಪಡೆದಿರುವುದಿಲ್ಲ.

ವಾರ್ಷಿಕ ಮಾಹಿತಿ ಸಲ್ಲಿಕೆ ಸಾರ

ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 92(3) ಹಾಗೂ ಕಂಪೆನಿ (ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಮತ್ತು ಎಡ್ವಿನ್ಸ್ಟೇಶನ್) ರೂಲ್ಸ್ 2014ರ ನಿಯಮ 12 (1)ರ ಅನುಸಾರವಾಗಿ, ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ಮಾಹಿತಿ ಸಲ್ಲಿಕೆಯ ಸಾರವನ್ನು / ಪ್ರತಿಯನ್ನು 31, ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ನೀಡಲಾಗಿದೆ (ಅನುಬಂಧ IV).

ಆಡಳಿತ ಮಂಡಳಿಯ ಸಭೆಯ ಸಂಖ್ಯೆ

ವರದಿ ವರ್ಷದಲ್ಲಿ ಆಡಳಿತ ಮಂಡಳಿಯ ಸದಸ್ಯರು ಒಟ್ಟು 17 ಬಾರಿ ಸಭೆ ಜರಗಿಸಿದ್ದು, ವರದಿಯ ವಿವರಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿರುವ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ ಪರಿಚ್ಛೇದದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಸಮಿತಿಗಳು

ಬ್ಯಾಂಕು 12 ಸಮಿತಿಗಳನ್ನು ಹೊಂದಿದ್ದು ಇವುಗಳು ಅತ್ಯುತ್ತಮ ಸಾಂಸ್ಥಿಕ ಸೇವಾ ನೀಡಿಕೆಗಾಗಿ ಮತ್ತು ಅನ್ವಯಿಸುವ ಕಾನೂನು ಅಗತ್ಯಗಳ ಪೂರೈಕೆ ಹಾಗೂ ಪರಿಪಾಲನೆಗಾಗಿ ರಚಿಸಲ್ಪಟ್ಟಿದೆ. ಆಡಳಿತ ಮಂಡಳಿ ಸಭೆ ಮತ್ತು ಸಮಿತಿಗಳ ಸಭೆಯ ವಿವರಗಳು, ಅವುಗಳ ರಚನೆ, ಶರ್ತಗಳು / ಉಲ್ಲೇಖಗಳ ಅಧಿಕಾರ, ಪಾತ್ರ ಇತ್ಯಾದಿಗಳನ್ನು ಈ ವರದಿಯ ಭಾಗವಾಗಿ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನದಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನ

ನಿಮ್ಮ ಬ್ಯಾಂಕು ಅತ್ಯುತ್ತಮ ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನವನ್ನು ಪಾಲಿಸಲು ಬದ್ಧವಾಗಿದ್ದು ತನ್ಮೂಲಕ ಬ್ಯಾಂಕಿನ ಸರ್ವ ಪಾಲುದಾರರಾದ ಶೇರುದಾರರು, ಠೇವಣಿದಾರರು, ಇತರೆ ಗ್ರಾಹಕರು ಮತ್ತು ನೌಕರರು ಹಾಗೂ ಸಮಾಜದ

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 III to this report.

AUDITORS

a. Statutory Auditors

M/s. Kamath & Rau, Chartered Accountants, Mangaluru and M/s. Abarna & Ananthan, Chartered Accountants, Bengaluru would retire as joint Statutory Central Auditors of the Bank at the ensuing Annual General Meeting after completing the term of fourth year and third year respectively. Board of Directors propose to the members the appointment of M/s. R.K. Kumar & Co, Chartered Accountants, Chennai, in place of retiring auditor M/s Kamath & Rau, Chartered Accountants who will be completing 4 years and will be rested for two years, jointly with M/s. Abarna & Ananthan, Chartered Accountants, Bengaluru for the first and the fourth year term respectively. 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.

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.Ullas Kumar Melinamogaru, Practising Company Secretary, Mangaluru as Secretarial Auditors to conduct the Secretarial Audit for the year ended March 31, 2017. The audit report from the Secretarial Auditor is annexed to this report as Annexure V.

ಹಿತಾಸಕ್ತಿಯನ್ನು ಕಾಯ್ದುಕೊಂಡು, ನಿರ್ವಹಣೆಯ ಸರ್ವ ಸ್ತರದಲ್ಲೂ ಪಾರದರ್ಶಕತೆಯನ್ನು ಕಾಪಾಡುವ ಗುರಿ ಮತ್ತು ಬದ್ಧತೆಗಳನ್ನು ಹೊಂದಿರುತ್ತದೆ. ಸಾಂಸ್ಥಿಕ ಪ್ರಶಾಸನಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ವಿವರವಾದ ವರದಿಯನ್ನು ಈ ವಾರ್ಷಿಕ ವರದಿಯ ಅನುಬಂಧ IIIರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ಲೆಕ್ಕಪರಿಶೋಧಕರು

ಎ) ಪರಿನಿಯತ ಲೆಕ್ಕಪರಿಶೋಧಕರು

ಮೆ. ಕಾಮತ್ ಮತ್ತು ರಾವ್ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಮಂಗಳೂರು ಮತ್ತು ಮೆ. ಅಬರ್ನಾ ಮತ್ತು ಅನಂತನ್, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್, ಬೆಂಗಳೂರು ಇವರುಗಳು ಜಂಟಿ ಪರಿನಿಯತ ಕೇಂದ್ರೀಯ ಲೆಕ್ಕಪರಿಶೋಧಕರ ಹುದ್ದೆಯಿಂದ ಮುಂಬರುವ ಬ್ಯಾಂಕಿನ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಯಂದು ಅನುಕ್ರಮವಾಗಿ ನಾಲ್ಕು ವರ್ಷ ಮತ್ತು ಮೂರು ವರ್ಷ ಪೂರೈಸಿ ನಿವೃತ್ತರಾಗಲಿರುವರು. ಭಾರತದ ಖಾಸಗಿ ರಂಗದ ಬ್ಯಾಂಕುಗಳಿಗೆ ರಿಸರ್ವ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾದ ಸುತ್ತೋಲೆಯಂತೆ ಪರಿನಿಯತ ಕೇಂದ್ರೀಯ ಲೆಕ್ಕಪರಿಶೋಧಕರ ಸಂಸ್ಥೆಗಳಿಗೆ ನಾಲ್ಕು ವರ್ಷಗಳ ಬಳಿಕ ಕನಿಷ್ಠ ಎರಡು ವರ್ಷ ವಿರಾಮ ನೀಡಲೇಬೇಕೆಂದಿದೆ. ಆದುದರಿಂದ ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯವರು ಮೆ. ಆರ್.ಕೆ.ಕುಮಾರ್ ಮತ್ತು ಕಂಪೆನಿ, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಚೆನ್ನೈ (ಮೆ. ಕಾಮತ್ ಮತ್ತು ರಾವ್ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಮಂಗಳೂರು ಇವರ ಸ್ಥಾನದಲ್ಲಿ) ಮತ್ತು ಜಂಟಿಯಾಗಿ ಮೆ. ಅಬರ್ನಾ ಮತ್ತು ಅನಂತನ್, ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಬೆಂಗಳೂರು ಇವರುಗಳನ್ನು ಅನುಕ್ರಮವಾಗಿ ಮೊದಲನೇ ಮತ್ತು ನಾಲ್ಕನೇ ವರ್ಷಕ್ಕಾಗಿ ನಿಯಮಿಸಿರುತ್ತಾರೆ. ಮೇಲ್ಕಾಣಿಸಿದ ಸಂಸ್ಥೆಗಳಿಂದ ಬ್ಯಾಂಕಿಗೆ ಅವರ ಸಮ್ಮತಿ ಪತ್ರ ತಲಪಿದ್ದು, ಅಂತೆಯೇ ಕಂಪೆನಿ ಕಾಯಿದೆ 2013ರ ಅನ್ವಯ ಅವರುಗಳು ಯಾವುದೇ ರೀತಿಯಲ್ಲಿ ಅನರ್ಹತೆಯನ್ನು ಹೊಂದಿಲ್ಲ ಅನ್ನುವ ದೃಢೀಕರಣವನ್ನು ಬ್ಯಾಂಕಿಗೆ ನೀಡಿದ್ದು, ಅದು ನಿಯಮಾವಳಿಗೆ ಅನುಸಾರವಾಗಿದ್ದು ಬ್ಯಾಂಕಿಗೆ ತಲುಪಿದೆ.

ಬಿ) ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟರ್ ಮತ್ತು ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟ್ ವರದಿ:

ಕಂಪೆನಿ ಕಾಯಿದೆ, 2013 ವಿಭಾಗ 204 ರ ಮತ್ತು ಅಲ್ಲಿ ಉಕ್ತಗೊಂಡ ನಿಯಮಾವಳಿಗನುಸಾರವಾಗಿ, ನಿಮ್ಮ ಬ್ಯಾಂಕು ಮೆ. ಉಲ್ಲಾಸ ಕುಮಾರ್ ಮೇಲಿನಮೊಗರು, ವೃತ್ತಿನಿರತ ಕಂಪೆನಿ ಕಾರ್ಯದರ್ಶಿ, ಮಂಗಳೂರು ಇವರನ್ನು ಬ್ಯಾಂಕಿನ ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟರ್ ಆಗಿ ನೇಮಿಸಿದ್ದು ಇವರು 31 ಮಾರ್ಚ್ 2017 ರಂದು ಕೊನೆಗೊಂಡ ವರ್ಷದ ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟನ್ನು ಕೈಗೊಂಡಿರುತ್ತಾರೆ. ಸೆಕ್ರೆಟರಿಯಲ್ ಅಡಿಟಿನ ಅಡಿಟ್ ವರದಿಯನ್ನು ಅನುಬಂಧ Vರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

ACKNOWLEDGEMENTS

Your 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 in your Bank's quest for sustained growth and profitability and look forward to their continued contribution in scaling greater heights.

ಕೃತಜ್ಞತೆಗಳು

ನಿಮ್ಮ ನಿರ್ದೇಶಕರು, ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ, ಇತರ ಸರಕಾರಿ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರದ, ಆರ್ಥಿಕ ಸಂಸ್ಥೆಗಳ, ಸಹಭಾಗಿ ಬ್ಯಾಂಕುಗಳ ನಿರಂತರ ಮಾರ್ಗದರ್ಶನ ಮತ್ತು ಬೆಂಬಲಗಳಿಗಾಗಿ ತಮ್ಮ ಹೃತ್ಪೂರ್ವಕ ಕೃತಜ್ಞತೆಗಳನ್ನು ದಾಖಲಿಸಲು ಇಚ್ಛಿಸುತ್ತಾರೆ. ಬ್ಯಾಂಕಿನ ಶೇರುದಾರರ ರೇವಣಿದಾರರ ಮತ್ತು ಸರ್ವ ಗ್ರಾಹಕರ ನಿರಂತರ ಬೆಂಬಲ, ಸಹಕಾರ ಮತ್ತು ವಿಶ್ವಾಸಗಳಿಗಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಚಿರಋಣಿಗಳಾಗಿದ್ದಾರೆ. ಬ್ಯಾಂಕಿನ ಎಲ್ಲಾ ಉದ್ಯೋಗಿ ಸದಸ್ಯರು ನೀಡಿದ ಸಕ್ರಿಯ ಬೆಂಬಲ, ಬ್ಯಾಂಕಿನ ನಿರಂತರ ಪ್ರಗತಿ ಮತ್ತು ಆದಾಯಕ್ಕಾಗಿ ನೀಡಿದ ಸಹಕಾರಕ್ಕಾಗಿ ನಿಮ್ಮ ನಿರ್ದೇಶಕರು ಹೃತ್ಪೂರ್ವಕ ಮೆಚ್ಚುಗೆಯನ್ನು ದಾಖಲಿಸುತ್ತಾ ಮತ್ತು ಮುಂಬರುವ ದಿನಗಳಲ್ಲಿ ಬ್ಯಾಂಕನ್ನು ಇನ್ನೂ ಎತ್ತರಕ್ಕೆ ಕೊಂಡೊಯ್ಯುವಲ್ಲಿ ಇವರೆಲ್ಲರ ನಿರಂತರ ಸಹಕಾರವನ್ನು ನಿರೀಕ್ಷಿಸುತ್ತಾರೆ.

For and on behalf of the Board of Directors

ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯ ಪರವಾಗಿ ಮತ್ತು ಅಪ್ಪಣೆಯೊಂದಿಗೆ

Place: Hubballi
Date : June 17, 2017

Sd/-
P Jayarama Bhat
Chairman

ಸ್ಥಳ : ಹುಬ್ಬಳ್ಳಿ
ದಿನಾಂಕ : ಜೂನ್ 17, 2017

ಸಹಿ/-
ಪಿ. ಜಯರಾಮ ಭಟ್
ಅಧ್ಯಕ್ಷರು

ANNEXURES FORMING PART OF DIRECTORS' REPORT

ANNEXURE I

Disclosure under Employee Stock Options Scheme of the Bank (ESOS 2006)

In the year 2006, shareholders of the Bank had approved a stock options scheme to be implemented in the Bank. Under the Scheme a total of 15,00,000 stock options were available for grant. The Bank is yet to implement the second stock options scheme as approved by the shareholders at the Annual General Meeting held on August 8, 2009. The status of the options outstanding under the Employee Stock Options Scheme (ESOS - 2006) as at March 31, 2017 is as under:

Total grants authorized under the Scheme	15,00,000 shares		
	Series 1	Series 2	Series 3
Number of Options outstanding at the beginning of the year	0	0	35921
Number of Options granted during the year	Nil	Nil	Nil
Pricing formula-After adjustments for the rights issue	NA	NA	₹ 46.20 per option/share
Number of Options vested during the year	Nil	Nil	Nil
Number of Options exercised during the year	0	0	13060
Total Number of shares arising as a result of exercise of options during the year	0	0	13060
Options lapsed / forfeited / cancelled (nos)	0	0	22861
Variation of terms of options	Nil	Nil	Nil
Money realized by exercise of options, including premium (₹)	0	0	603372
Total Number of Options in force as on March 31, 2017	0	0	0
Grant to Senior Managerial Personnel during the year	Nil	Nil	Nil
Employees receiving 5 percent or more of the total number of options granted during the year	Nil	Nil	Nil
Employees granted options equal to or exceeding 1 percent of the issued capital	Nil	Nil	Nil

The Bank had followed the intrinsic value method for valuing the stock options. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. As all the cost on the basis of intrinsic value of options granted has already been accounted in the earlier year itself, there is no charge to the profit and loss account during this year and therefore there is no impact on the Earnings per share on account of Bank following intrinsic value method of accounting vis-a-vis the fair value method of accounting.

Out of 15,00,000 stock options available under the scheme and granted to the eligible employees, 12,09,834 options have been exercised and the balance 2,90,166 options have lapsed and in terms of Board Resolution dated October 19, 2016, the Employee stock option scheme (ESOS-2006) has been closed upon the completion of period prescribed under the scheme and an amount of ₹2,80,76,969.55 was transferred from Outstanding Stock Options Account to General Reserve Account w e f 21.09.2016.

ANNEXURE II**DISCLOSURE UNDER PILLAR III OF BASEL III ACCORD****1. SCOPE OF APPLICATION**

The Karnataka Bank Limited, a premier private sector Bank, was incorporated on 18th February 1924 in Mangaluru. The Bank does not have any subsidiary/associate companies under its Management.

The Bank presently is not involved in insurance business. However, Bank has entered into a Joint venture agreement and holds equity investments to the extent of 15 per cent in M/s Universal Sompo General Insurance Company Limited. The financials of the joint venture company are not consolidated with the balance sheet of the Bank. The investment in the joint venture is not deducted from the capital funds of the Bank but is assigned risk weights as an investment.

2. CAPITAL STRUCTURE

(₹ in crore)

Sl. No.	Particulars	No. of equity Shares	Face value per share	Amount
1	Authorized Capital	500000000	10	500.00
2	Issued Capital	282727150	10	282.73
3	Subscribed Capital	282622497	10	282.62
4	Called up/Paid up Capital	282605947	10	*282.62

*inclusive of forfeited shares

The Bank's shares are listed on the National Stock Exchange of India Ltd and BSE Ltd.

Pursuant to the Rights issue in the ratio of 1:2, the Bank has allotted 94136866 equity shares of ₹10/- each during the year, at a premium of ₹60/- per share aggregating to ₹658.96 crore. In accordance with the provisions of Section 62 of the Companies Act 2013 and as provided under the Letter of Offer dated 28.10.2016, the expenses incurred in this connection, aggregating to ₹4.41 crore have been charged to the Share Premium account.

During the year ended March 31, 2017 the Bank has allotted 13060 equity shares to employees under its Employee Stock Option Plan.

a. Breakup of Capital Funds:**The Tier I Capital of the Bank comprises of**

(₹ in crore)

1	Paid up Capital (Including forfeited shares)	282.62
2	Reserves	4466.80
	Total	4749.42

The Tier II Capital of the Bank comprises of

(₹ in crore)

1	Undisclosed reserves	17.45
2	General Provisions and Loss Reserves	240.29
3	Subordinated debts eligible for inclusion in Lower Tier 2 Capital	165.00
	Total	422.74

The Total Capital comprises of

(₹ in crore)

1	Tier I Capital	4749.42
2	Tier II Capital	422.74
	Total	5172.16

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	Principal 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 Sompo General Insurance Co Ltd/India	General Insurance	350	15	CRAR is reduced by 0.07%

b. Assessment of Capital Adequacy

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.

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	
	- Portfolios subject to Standardized approach	2971.55
	- Securitization exposures	-
B	Capital requirement for Market Risk	
	Standardized duration approach	245.14
	- Interest Rate Risk	155.16
	- Foreign Exchange Risk	1.52
	- Equity Risk	88.46
C	Capital requirement for Operational Risk	
	- Basic Indicator approach	284.52
D	Total Capital requirement(**)	3501.21
E	Total eligible Capital Funds of the Bank as per Basel III	5172.16
F	Total Risk Weighted Assets	38902.25
G	Common Equity Tier I ratio (CET1) (%)	12.21%
H	Tier I CRAR (%)	12.21%
I	Tier II CRAR (%)	1.09%
J	Total CRAR (%)	13.30%

**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 Integrated Risk 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). An Integrated Risk Management Committee (IRMC) 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) and Investment Policy of the Bank and ORMC formulates policies and procedures for managing operational risk.

4. CREDIT RISK MANAGEMENT

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] and Facility rating. 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 Loan Policy 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.

Exposures

Total gross credit exposure including geographic distribution of exposure

(₹ in crore)

	Domestic	Overseas	Total
Fund Based	41870.39	-	41870.39
Non Fund based	5584.55	-	5584.55
Total	47454.94	-	47454.94

Geographic distribution of credit exposure

(₹ in crore)

Sl.No.	State / Union Territory	Funded Exposure	Non Funded Exposure	Total Exposure
1	Andhra Pradesh	1966.68	274.65	2241.33
2	Arunachal Pradesh	0.02	0.00	0.02
3	Assam	68.68	76.09	144.77
4	Bihar	6.86	0.08	6.94
5	Chandigarh	64.73	62.84	127.57
6	Chhattisgarh	522.09	82.74	604.83
7	Dadra & Nagar Haveli	0.80	0.00	0.80
8	Delhi	3331.71	396.57	3728.28
9	Goa	209.47	26.53	236.00
10	Gujarat	703.90	54.02	757.92
11	Haryana	1242.82	280.12	1522.94
12	Himachal Pradesh	8.75	1.00	9.75
13	Jammu and Kashmir	0.10	0.00	0.10
14	Jharkhand	126.08	1.60	127.68
15	Karnataka	17240.52	1952.76	19193.28
16	Kerala	691.34	17.19	708.53
17	Madhya Pradesh	412.79	6.38	419.17
18	Maharashtra	6749.11	743.10	7492.21
19	Mizoram	0.35	0.00	0.35
20	Nagaland	0.01	0.00	0.01
21	Orissa	589.39	64.51	653.90
22	Pondicherry	45.16	4.09	49.25
23	Punjab	838.55	64.33	902.88
24	Rajasthan	349.71	94.24	443.95
25	Tamil Nadu	3380.20	369.57	3749.77
26	Telangana	1235.63	635.89	1871.52
27	Uttar Pradesh	691.20	132.62	823.82
28	Uttarakhand	111.25	7.89	119.14
29	West Bengal	1282.49	235.74	1518.23
	Total	41870.39	5584.55	47454.94

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.

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)

Sl. No.	Industry	Fund based	Non Fund based	Total
1	Infrastructure advances	2476.07	159.15	2635.22
2	Other Textiles	1157.54	77.03	1234.57
3	Other Engineering	744.06	272.54	1016.60
4	Cotton Textile	732.46	70.12	802.58
5	Gems and Jewellery	556.66	59.24	615.90
6	Automobiles	512.99	27.69	540.68
7	Iron and Steel	443.16	63.69	506.85
8	Metal and Metal Products	307.57	154.41	461.98
9	Rice, Flour, Dhal Mills	357.53	14.56	372.09
10	Cement and Cement Products	341.33	16.49	357.82
11	Plastic and Plastic Products	279.64	46.23	325.87
12	Drugs and Pharmaceuticals	137.33	68.19	205.52
13	Food & Food Products	172.54	16.18	188.72
14	Coal and Mining	168.97	2.90	171.87
15	Petroleum Products	165.98	0.92	166.90
16	Paper and Paper Products	144.84	21.19	166.03
17	Chemicals, Dyes	109.29	18.62	127.91
18	Kandasari and Sugar	92.04	1.00	93.04
19	Tea Industry	51.90	0.81	52.71
20	Wood Based Industries	41.58	0.96	42.54
21	Computer Software and Computer Hardware	21.18	17.90	39.08
22	Distilleries, Breweries including soft drinks	34.18	2.15	36.33
23	Leather and Leather Products	21.99	9.75	31.74
24	Rubber and Rubber Products	14.88	5.38	20.26
25	Electronics	8.44	3.67	12.11
26	Jute Textile	0.65	3.50	4.15
27	Cashewnut Processing	2.19	0.00	2.19
28	Vegetable Oil	1.72	0.00	1.72
29	Tobacco and Tobacco Products	0.06	0.00	0.06
30	Marine Products / Processing	0.05	0.00	0.05
31	All other Industries	1056.75	260.88	1317.63
	Total Industrial Advance	10155.57	1395.15	11550.72

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.

Sl. No.	Industry / sectors classification	Percentage of the total credit exposure
1	Infrastructure advances	5.55

Residual Contractual Maturity of Advances and Investments

(₹ in crore)

Sl. No.	Maturity Buckets	Investments	Advances
1	1 Day	404.81	831.12
2	2 to 7 Days	39.22	146.35
3	8 to 14 Days	249.52	344.45
4	15 to 30 Days	939.61	431.40
5	31 Days to 2 Months	1340.31	1243.39
6	2 Months to 3 Months	606.92	1516.05
7	Over 3 Months to 6 Months	1143.77	2421.73
8	Over 6 Months to 1 Year	1236.26	3392.21
9	Over 1 Year to 3 Years	2079.59	15427.99
10	Over 3 Years to 5 Years	1687.20	4493.68
11	5 Year to 7 Years	2306.22	2157.44
12	7 Year to 10 Years	4358.84	2164.41
13	10 Year to 15 Years	2216.96	1587.49
14	Over 15 Years	1610.50	845.93
	Total	20219.73	37003.64

Classification of Non Performing Advances

(₹ in crore)

Sl.No.	Particulars	31.03.2017
A	Amount of NPA's (Gross)	1581.59
	- Substandard	721.27
	- Doubtful 1	454.39
	- Doubtful 2	325.74
	- Doubtful 3	48.93
	- Loss	31.26
B	Net NPAs	
	Amount of Net NPA	974.73
C	NPA Ratios	
	Gross NPAs to Gross Advances ratio (%)	4.21
	Net NPAs to Net Advances ratio (%)	2.64

Movement of NPAs (Gross)

(₹ in crore)

Sl.No.	Particulars	31.03.2017
1.	Opening Balance as on 01.04.2016	1180.40
2.	Additions	1348.37
3.	Reductions	947.18
4.	Closing Balance as on 31.03.2017	1581.59

Movement of Provisions for NPAs

(₹ in crore)

Sl.No.	Particulars	31.03.2017
1.	Opening Balance	370.84
2.	Provision made during the period	551.44
3.	Write off	340.68
4.	Write back of excess provisions	0
5.	Closing balance	581.60

Non Performing Investments and movement of provision for depreciation on Investments

(₹ in crore)

Sl.No.	Particulars	31.03.2017
A	Amount of Non performing Investments	0.00
B	Amount of Provision held for Non performing Investments	0.00
C	Movement of provisions for depreciation on Investments	
	a) Opening balance	52.45
	b) Add: Provisions made during the year	3.95
	c) Less: Write off/write back of excess provisions	33.45
	d) Closing balance	22.95

Disclosure for portfolios subject to the standardized approach

Large corporate borrowers and Public Sector Enterprises are being encouraged to solicit ratings from approved external rating agencies and wherever such ratings are available the Bank uses the same in assigning risk weights. Bank has approved 6 domestic credit rating agencies identified by RBI i.e. CRISIL, CARE, India Ratings and Research Private Limited (earlier FITCH India), ICRA, Brickwork and SMERA Ratings Limited. 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.

The credit exposure [fund based & non fund based] after risk mitigation (subject to the standardized Approach) in different risk buckets are as under:

(₹ in crore)

Sl. No.	Risk weight	Exposure Outstanding
1	Below 100%	17176.99
2	100%	11102.62
3	More than 100%	6503.30
	Total	34782.91

Credit Risk Mitigation: Disclosures for Standardized Approach

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:

- 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 counter party;
- 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.
- 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.

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	4136.13
Eligible guarantees	852.23

5. MARKET RISK & LIQUIDITY RISK

The Bank has put in place Board approved Integrated Treasury Policy and Asset Liability Management (ALM) policy for effective management of market risk in the Bank. The objective of Integrated Treasury Policy is to assess and minimize risks associated with treasury operations by extensive use of various risk management tools. Broadly, it encompasses Policy prescriptions for managing systemic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risk arising out of various products in treasury and its business activities, the Bank has set regulatory / internal limits and ensures the adherence thereof. Migration of ratings is tracked regularly. Limits for exposures to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss Limits, Overnight limit, Daylight limit, Aggregate Gap limit, Individual gap limit, Value at Risk (VaR) limit for Forex, Inter-Bank dealing and various investment limits. For the Market Risk Management the Bank has a Mid Office. The functions of Mid Office are handled by Integrated Risk Management Department.

The Board, IRMC & 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.

The policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigates are discussed in ALCO and based on views taken by / mandates of ALCO, hedge deals are undertaken.

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.

Market Risk in Trading Book

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. Bank is now preparing itself for the Advanced Approach based on a Value at Risk (VaR) model, which is under implementation.

The capital requirements for market risk are detailed below:

(₹ in crore)

Sl. No.	Risk Category	Capital Charge
I	Interest Rate	155.16
II	Equity	88.46
III	Foreign Exchange, Gold and Derivatives	1.52
IV	Total Capital Charge for market Risk (I+II+III)	245.14

6. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

The interest rate risk is viewed from two perspectives i.e. 'Earnings Perspective' and 'Economic Value Perspective'. Generally, the former is measured using Earnings-at-Risk (EaR) under Traditional Gap Analysis (TGA) and the latter is measured through changes in the Market value of Equity (MVE) under Duration Gap Analysis (DGA).

- **Earnings-at-Risk (EaR):** All the Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) maturing/re-pricing up to 1 year are bucketed as per Traditional Gap Analysis (TGA) and EaR analysis is conducted by applying various shocks on product-wise weighted average interest rates in each time band. EaR is quantified by changes in the NII and NIM in comparison with the previous financial year end.
- **Impact on Market Value of Equity (MVE):** Impact on Market Value of Equity (MVE) is analyzed through Duration Gap Analysis (DGA) which involves bucketing of market value of all Rate Sensitive Assets and Rate Sensitive Liabilities as per residual maturity/ re-pricing in various time bands and computing Modified Duration Gap. Accurate method is adopted for computing the market value by discounting each cash flow of all Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) with various discount curves as suggested by RBI. Notional interest rate shocks are applied on the resultant Modified Duration Gap to arrive at the changes in the Market Value of Equity (MVE).
- Prudential limits have been fixed for changes in NIM and MVE for 200 bps shock in the interest rates and monitored on a monthly basis.
- Earning at Risk for 200 bps interest rate shock is estimated at ₹63.95 crore and change in the Market value of Equity for 200 bps interest rate shocks is +22.88%.

7. 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/IRMC as appropriate for their directions and suggestions.

An Operational Risk Management Policy approved by the Risk Management Committee of the Board details the framework for hedging and/or mitigating operational risk in the Bank. As per the policy, all new products are vetted by the New Product 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. Steps have been initiated to migrate to the Advanced Measurement Approach.

8. EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

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 2017 is as under:

(₹ in crore)

Particulars	Notional Amount	Current Exposure
Foreign exchange contracts	2222.43	78.17
Interest rate contracts	Nil	Nil
Total	2222.43	78.17

9. COMPOSITION OF CAPITAL

Disclosures pertaining to composition of capital, including the capital disclosure templates, 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>

10. DISCLOSURES ON REMUNERATION

Necessary disclosures have been furnished in the Notes on Accounts and also available in the above link of our website.

11. OTHER DISCLOSURES

Other disclosures like Leverage Ratio (LR), Liquidity Coverage Ratio (LCR) etc. are available in the above link of Bank's website.

ANNEXURE III

CORPORATE GOVERNANCE

Corporate Governance broadly refers to the set of systems, principles and processes by which a company is governed while fulfilling the goals and objectives of the company and also protecting the interest of all the stakeholders in the long run. It is based on principles such as conducting the business with integrity and fairness, being transparent in all transactions, making all the necessary disclosures and complying with all the applicable laws, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. Your Directors' present below the Bank's Report on compliance of Corporate Governance requirements as prescribed under Regulation 17-27 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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 a national presence, driven by the highest standards of Corporate Governance and guided by sound ethical values".

The bank has also adopted a Vision Statement which reads as under:

To be a progressive, prosperous and well governed Bank

The Core values and guiding principles to be followed by all working in 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

Board of Directors:

Composition of the Board: The Board of Directors of the Bank consists of 8 directors including the Managing Director. The constitution of the Board conforms to the provisions of Section 10 B of the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board consists of eminent persons drawn from specialized fields such as banking, finance, accountancy, law, agriculture & rural economy, cooperation & SSI and other areas as specified in the Banking Regulation Act 1949.

Details of directors as on 31.03.2017 is as under:

Name of the Director (Messrs/Mrs.)	Type of Director
P Jayarama Bhat	Managing Director & CEO
Ashok Haranalli	Independent
Usha Ganesh	Independent
Rammohan Rao Belle	Independent
B A Prabhakar	Independent
U R Bhat	Independent
Keshav K Desai	Independent
D Surendra Kumar	Non-Independent, Non-Executive

Mr. Ananthakrishna retired from the office of Part Time Non-Executive Chairman of the Bank on 26.10.2016 upon attaining upper age limit of 70 years of age. As on 31.03.2017, Mr. P. Jayarama Bhat was the Managing Director & CEO of the Bank. Pursuant to the approval received from the Reserve Bank of India, Mr. P Jayarama Bhat has been appointed as Part Time Non-Executive Chairman of the Bank w.e.f. 12.04.2017 (i.e. from the date of taking charge) and Mr. Mahabaleshwara M S as the Managing Director & CEO of the Bank w.e.f. 15.04.2017 (i.e. from the date of taking charge).

The newly appointed director Mr. D Surendra Kumar has been provided with familiarization programme and other Directors also undergo training in specialized areas such as IT Governance, Risk Management, and Corporate Governance etc., details of which are posted in the website of the Bank at the URL www.karnatakabank.com.

BOARD MEETINGS:

During the financial year ended March 31, 2017 the Board met 17 times on the following dates:

Sl. No.	Date of the meeting	Sl. No.	Date of the meeting
1	23.04.2016	10	28.10.2016
2	20.05.2016	11	09.11.2016
3	21.06.2016	12	08.12.2016
4	30.06.2016	13	29.12.2016
5	29.07.2016	14	23.01.2017
6	05.08.2016	15	17.02.2017
7	26.08.2016	16	18.03.2017
8	20.09.2016	17	27.03.2017
9	19.10.2016		

Details of the attendance of directors at the Board meetings during the year under report and at the last Annual General Meeting and directorships/committee positions held in other companies were as under:

Sl. No.	Name of the Director (Messrs/Mrs.)	No. of meetings attended	Whether attended the last AGM	Directorship in other public Limited Companies	Committee positions in other Public Limited Companies
1.	Ananthakrishna (Upto 26.10.2016)	09	YES	01	01
2.	P Jayarama Bhat	17	YES	NIL	NA
3.	T R Chandrasekaran (Upto 09.06.2016)	02	YES	01	01
4.	S V Manjunath (Upto 24.10.2016)	09	YES	NIL	NA
5.	D Harshendra Kumar (Upto 24.10.2016)	08	YES	NIL	NA
6.	Dr H Ramamohan (Upto 24.10.2016)	09	YES	NIL	NA
7.	Ashok Haranahalli	15	YES	NIL	NA
8.	Usha Ganesh	17	YES	NIL	NA
9.	Rammohan Rao Belle	17	YES	NIL	NA
10.	B A Prabhakar	17	YES	04	04
11.	U R Bhat	17	YES	08	03
12.	Keshav K Desai	17	YES	NIL	NA
13.	D Surendra Kumar (w.e.f. 29.12.2016)	04	NA	NIL	NA

Note: As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the purpose of Committee positions held in other public limited companies, only Audit Committee and Stake holders Relationship Committee have been considered.

None of the Directors of the Board serves as members of more than ten Committees or they act as Chair persons of more than five Committees across all companies. None of the Directors are related inter-se.

Remuneration of Directors:

Pursuant to the Compensation Policy of the Bank, the Directors of the Bank were paid remuneration during the year under report. All the non executive directors were paid sitting fees for attending meetings of Board/Committee besides reimbursing travelling expenses wherever applicable and halting allowance at the rates fixed by the Board.

Mr. P. Jayarama Bhat, Managing Director & CEO, has been paid salary and other allowances as approved by the Reserve Bank of India vide their letter DBR. Appt. No.3631/08.40.001/2015-16 dated September 10, 2015 and approved by the members at the 91st Annual General Meeting held on July 16, 2015. The details of the remuneration paid to the Directors including Managing Director & CEO during the year ended March 31, 2017 are separately furnished as part of the report.

COMMITTEES OF THE BOARD:

In compliance with the regulatory requirements and for the operational convenience, the following committees were functioning in the Bank as on March 31, 2017.

1. Executive Committee of the Board of Directors (EC)

In order to facilitate the Board to concentrate on policy matters and strategic planning, etc., the Board has delegated lending and non-lending powers up to the limits decided by the Board from time to time to the Executive Committee of Board of Directors. The Committee was headed by Mr. P Jayarama Bhat, Managing Director. The other members of the Committee were Messrs, Dr. H Ramamohan (upto 24.10.2016), Rammohan Rao Belle, B A Prabhakar and U R Bhat (w.e.f 19.10.2016). During the year under report, eight meetings of the EC were held during the financial year on 12.05.2016, 27.06.2016, 05.08.2016, 15.09.2016, 08.11.2016, 10.01.2017, 17.02.2017 and 18.03.2017. Details of the attendance at the meetings were as under:

Meetings record of the EC :

Name of the Director (Messrs)	No. of meetings attended
P Jayarama Bhat	8
Dr. H Ramamohan	4
Rammohan Rao Belle	8
B A Prabhakar	8
U R Bhat	4

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

The Bank had constituted an Audit Committee of the Board (ACB) in 1995 as per the directions of the Reserve Bank of India to look into the matters specified by RBI. The terms of reference of the ACB which include the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Bank with related Parties.
9. Valuation of undertakings or assets of the Bank, wherever it is necessary.
10. Evaluation of internal financial controls and risk management systems.
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors of any significant findings and follow up there on.

14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the whistle blower mechanism.
18. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Apart from the above, the ACB also considers such other matters as are prescribed by RBI either in the form of calendar of reviews or by separate circulars.

Pursuant to the retirement of Mr. T R Chandrasekaran on 09.06.2016, the Audit Committee was headed by Mr. B A Prabhakar, an Independent Director (w.e.f.23.06.2016). Other members of the ACB were Mrs. Usha Ganesh, Mr. Rammohan Rao Belle, Mr. B A Prabhakar and Mr. U R Bhat (w.e.f. 20.05.2016) and all the members of the ACB were financially literate. The Company Secretary acted as the secretary to the Committee. The Chief Financial Officer, Chief Compliance Officer and the Head of the Inspection & Audit Department of the Bank were also invited to attend the meetings of the committee. The Statutory Central Auditors were also invited to attend the meetings whenever interim/annual financial reports were considered. During the financial year under review nine meetings of ACB were held on 26.04.2016, 19.05.2016, 23.06.2016, 28.07.2016, 17.09.2016, 08.11.2016, 10.01.2017, 23.01.2017 and 11.03.2017.

Meetings record of the ACB

Name of the Director (Messrs/Mrs.)	No. of meetings attended
T R Chandrasekaran	02
Usha Ganesh	09
Rammohan Rao Belle	09
B A Prabhakar	09
U R Bhat	07

3. Stakeholders Relationship Committee

A sub-committee of the Board constituted during the year 2002 to specifically look into the grievances of share holders/investors continued its functioning during the year ended March 31, 2017 also. The Committee was rechristened to align with the requirements of Companies Act, 2013 and the listing agreement entered into with the Stock Exchanges. The Committee was headed by Mr Ashok Haranahalli. The other members of the Committee were Mr Rammohan Rao Belle (w.e.f. 19.10.2016), Mr Keshav K Desai (w.e.f 20.05.2016) and Mr. D Surendra Kumar (w.e.f 27.03.2017). The Committee met twice during the financial year under report on 29.12.2016 and 27.03.2017 and reviewed all the complaints received from the shareholders and the investors.

Name & designation of the Compliance Officer:

Mr. Y. V. Balachandra, Company Secretary.

A total of 131 complaints were received from the Investors/Shareholders and all of them have been redressed satisfactorily. As required under the Listing Agreement a separate Email ID - investor.grievance@ktkbank.com had been maintained exclusively for the purpose of registering complaints by the investors. Bank was also prompt in uploading the Action Report in SEBI's online complaint redressal portal "SCORES".

4. Special Committee for Monitoring and Investigation of Large Value Frauds

As per the directions of the Reserve Bank of India, the Board had constituted a Special Committee on 17.02.2004 exclusively to monitor, investigate and followup cases of fraud involving amounts of ₹1crore and above. The terms of reference of the Committee were as under:

- a. Identify the systems lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- b. Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.
- c. Monitor progress of CBI/Police investigation, and recovery position.

- d. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- e. Review the efficacy of the remedial action taken to prevent recurrence of frauds such as strengthening of internal controls.
- f. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds etc. quarterly to review and follow up all cases and also immediately on detection of any fraud involving amount of ₹1 crore and above.

The Committee meets quarterly to review and follow up of all cases and also immediately on detection of any fraud involving amount of ₹1 crore and above.

The Committee consisted of Messrs. Ananthakrishna (Chairman of the Committee up to 27.09.2016), P Jayarama Bhat (Chairman of the Committee w.e.f 29.12.2016), SV Manjunath (up to 24.10.2016), T R Chandrasekaran (up to 09.06.2016), B A Prabhakar, Rammohan Rao Belle (w.e.f 29.12.2016), U R Bhat (w.e.f 20.05.2016) and Keshav K Desai (w.e.f 19.10.2016). During the financial year under report, four meetings of the Committee were held on 22.06.2016, 27.09.2016, 29.12.2016 and 11.03.2017.

5. Integrated Risk Management Committee (IRMC)

A Board level sub-committee called the Integrated Risk Management Committee (IRMC) which was constituted on 24.12.2004 to devise a policy and strategy for integrated risk management containing various risk exposures of the Bank including credit risk and market risk continued its functioning during the year under report. The Committee was headed by Mr. Ananthakrishna (up to 17.09.2016) and then headed by Mr P Jayarama Bhat (w.e.f 08.12.2016) and other members of the Committee were Mr. B A Prabhakar (w.e.f 20.05.2016) and Mr. U R Bhat (w.e.f 20.05.2016).

The functions of the Committee include the review of risk profile of the Bank, evaluation of the overall risks faced by the Bank, develop policies and strategies for integrating risk management containing the credit, market and operational risk exposures etc., and ensure a smooth transition to the new Capital Adequacy Framework. IRMC met four times during the financial year on 22.06.2016, 17.09.2016, 08.12.2016 and 11.03.2017.

6. Nomination and Remuneration Committee (N&RC)

Pursuant to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the extant guidelines of Reserve Bank of India, Bank has constituted "Nomination & Remuneration Committee (N&RC)" w.e.f. 30.09.2014. The Committee consisted of Messrs Ananthakrishna (up to 26.10.2016), S V Manjunath (Chairman of the Committee up to 30.06.2016), Dr. H Ramamohan (up to 30.06.2016), T R Chandrasekaran (up to 09.06.2016), Rammohan Rao Belle, B A Prabhakar (w.e.f 19.10.2016), U R Bhat (w.e.f 19.10.2016) and Usha Ganesh (chairperson w.e.f 19.10.2016). During the financial year under report five meetings of the Committee were held on 23.04.2016, 30.06.2016, 29.12.2016, 10.01.2017 and 19.01.2017. The attendance record at the meeting is as under:

Name of the Director (Messrs/Mrs.)	No. of meetings attended
Ananthakrishna	2
T R Chandrasekaran	1
S V Manjunath	2
Dr H Ramamohan	2
Rammohan Rao Belle	5
B A Prabhakar	3
U R Bhat	3
Usha Ganesh	3

The terms of reference of the Committee include:

- i. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- ii. Undertake the due diligence of candidates before their appointment/re-appointment as directors.
- iii. Recommend to the Board appointment of directors and senior management personnel and removal.
- iv. Formulate the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees.
- v. Recommend to the Board the policy for evaluation of performance of directors.

- vi. Recommend to the Board on the remuneration of Whole Time Directors/Chief Executive Officers, etc.
- vii. To administer the Employee Stock Option Scheme of the Bank.

In deference to the above, the Committee has laid down Policy on determination of the qualifications, positive attributes and independence of a director for appointment as Directors and also a policy on remuneration of Directors.

Remuneration Policy

The Bank has adopted a policy on compensation of Whole Time Directors/Chief Executive Officers etc. which aims at attracting and retaining the right candidates in the Bank. 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.

Remuneration of Whole Time Director/ Managing Director & CEO

The remuneration of the Managing Director & CEO of the Bank is recommended by the Nomination and Remuneration Committee (N&RC) to the Board for approval in accordance with the aforesaid policy. The Board of Directors considers the recommendation of the N&RC and approves the remuneration, subject to necessary approvals from Reserve Bank of India and the shareholders. The remuneration comprises of fixed pay and variable pay linked to the achievement in financial and non-financial areas duly aligning it to the risk, cost to income ratio etc. In case the variable pay is substantial i.e. 50 percent or more of the fixed pay, the provision of deferment is also applicable. As a Policy, prudential limit for variable pay is also envisaged as it is limited to 70 percent of the fixed pay.

Remuneration of Non-Executive Directors

The Non-Executive Directors including Chairman of the Board were paid sitting fees for attending each meeting of the Board/ Committee as approved by the Board subject to limits prescribed under the Companies Act, 2013. No compensation in the form of profit related commission was paid to the Non-Executive Directors/Independent Directors during the year under report.

7. Customer Service Committee

With a view to strengthen the corporate governance structure and also mount innovative measures for enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele at all times, the Reserve Bank of India has suggested Banks to constitute a Customer Service Committee of the Board in compliance with the recommendations of Committee on Procedures and Performance Audit on Public Service (CPPAPS). Accordingly Customer Service Committee was constituted on 25.09.2004. The role of the Committee is to address the formulation of a comprehensive deposit policy, product approval process, annual survey of deposit or satisfaction, tri-annual audit of such services and to review the performance of the Ad-hoc committee periodically. The Committee continued its functioning during this year also. The Committee consisted of Mr.P Jayarama Bhat, Chairman and other members of the Committee were Messrs D Harshendra Kumar (upto 24.10.2016), Dr. H Ramamohan (upto 24.10.2016), Keshav K Desai (w.e.f. 20.05.2016) and D Surendra Kumar (w.e.f. 27.03.2017). The Committee met twice on 27.06.2016 and 28.12.2016 during the financial year under report. The Committee also invites customers to the meetings to get their feedback about the customer services in the Bank.

8. Internal Capital Adequacy Assessment Committee (ICAAC)

In order to review and recommend to the Board, the capital plan of the Bank and laydown the capital planning process and responsibilities as well as contingency planning for dealing with deviations and unexpected events and matters incidental thereto, ICAAC had been constituted in the Bank. The Committee consisted of Mr. Ananthakrishna, Chairman (upto 27.10.2016) and Mr P Jayarama Bhat, Chairman (w.e.f 28.12.2016) and the other members of the committee were Messrs Rammohan Rao Belle and U R Bhat (w.e.f 20.05.2016). Mr. Mahabaleshwara M S, Chief General Manager, who is the head of the ICAAP Function Committee, was also a member of the Committee. Five meetings of the Committee were held during the financial year under report on 22.06.2016, 19.08.2016, 13.10.2016, 28.12.2016 and 16.02.2017.

9. Committee for IT Strategy and Governance

A Board level Committee on IT Strategy and Governance constituted on 29.11.2011 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., continued its functioning during the year under report. The Committee consisted of Messrs Ananthakrishna, Chairman, (upto 17.09.2016), P Jayarama Bhat and Rammohan Rao Belle (Chairman of the Committee w.e.f 30.12.2016).

Some of the roles and responsibilities of this Committee include:

- Approving IT strategy and policy documents
- Ensuring that the management has put an effective strategic planning process in place
- Ratifying that the business strategy is indeed aligned with IT strategy
- Ensuring that the IT organizational structure complements the business model and its direction

- Ascertaining that management has implemented processes and practices to ensure that the IT delivers value to the business
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
- Ensuring proper balance of IT investments for sustaining 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

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

Four meetings of the Committee were held during the financial year under report on 23.06.2016, 17.09.2016, 30.12.2016 and 27.03.2017.

10. Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2015, a separate Committee has been constituted by the Board on 24.03.2014 to formulate and recommend to the Board 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 and to formulate policy on CSR activities. The said Committee continued its functioning during the year under report.

Besides Mr.P Jayarama Bhat, who was the head of the Committee, the Committee consisted of Mrs. Usha Ganesh (w.e.f. 29.12.2016), Mr. Keshav K Desai (w.e.f 29.12.2016) and Mr. D Surendra Kumar (w.e.f. 27.03.2017) as its members. During the year the Committee met once on 29.12.2016. Necessary disclosure pursuant to subsection 4 of Section 135 of the Companies Act, 2013 read with Companies (CSR) Rules 2014, has been furnished in Annexure VI and also posted in our website.

11. Review Committee for identification of Wilful Defaulters:

As per the RBI Guidelines, the Bank has constituted a Review Committee for Identification of Wilful defaulters on 19.02.2015 for considering the representation from the borrowers and review the order of the internal committee constituted for identification of wilful defaulters. The Committee consisted of Mr P Jayarama Bhat, MD & CEO, as Chairman and Mr. Ashok Haranahalli, Mr. B A Prabhakar and Mrs Usha Ganesh (w.e.f. 20.05.2016), Independent Directors of the Bank as Members. There was no occasion for the aforesaid committee to meet during the reporting period.

12. Review Committee for Non-Cooperative borrowers:

The Bank had also constituted a Review Committee for Non-Cooperative borrowers and consisted of Mr P Jayarama Bhat as Chairman and Mr. Ashok Haranahalli, and Mrs Usha Ganesh, Independent Directors of the Bank as Members. During the year the Committee met once on 29.12.2016.

BOARD LEVEL PERFORMANCE EVALUATION

As required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance review/evaluation of the Board as a whole, Committees of the Board, Chairman of the Board, all Directors including Independent Directors and Managing Director & CEO of the Bank was carried out as per the Performance Evaluation Policy adopted by the Bank. The process of Performance evaluation is as under:

Independent Directors in a separate meeting shall evaluate the performance of non-independent directors (i.e. Managing Director & CEO of the Bank), Chairman of the Board and Board as a whole taking into account the views of the Managing Director.

Board shall review the performance of all Independent Directors as well as the Committees of the Board.

EVALUATION CRITERIA

Bank aligned its performance evaluation templates in line with SEBI Guidance Note dated January 5, 2017 and the basis of evaluation are as under :

Board:

The criteria for evaluation of performance of the Board include composition of the Board, periodicity of the meetings, management and human resources, strategy determination, monitoring and acting, policies and procedures

including Risk management policy, understanding the regulatory requirements, reporting to the stakeholders, compliance with all applicable laws requirements etc.

Committees of the Board:

The performance of the Committees of the Board was evaluated taking into consideration the terms of reference of each Committee, periodicity of meetings, collective judgement and contribution by each committee in meeting 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 and CEO etc.

Managing Director & CEO:

While evaluating the performance of the Managing Director & CEO, performance in key financial and non-financial areas such as achieving the business targets, meeting stakeholders' expectations and maintaining harmonious relationship with the labour associations and recognition and rewards secured by the Bank under his leadership, relationship with the Board, ability to execute the strategies etc., were considered.

Independent Directors:

The review of the performance of Independent Directors has been undertaken by the Board having regard to their experience and expertise in the specified areas of their specialisation, attendance record at the meetings of the Board and the Committees thereof, value addition in the decision making process in the meeting, their ability to get updated their knowledge about the business and regulatory environment in which the Bank is functioning, leading to bringing independent judgements and safe guarding the interest of stakeholders, etc.

COMMITTEES OF EXECUTIVES:

Apart from the Board Committees, the Bank has also constituted other committees of executives such as Asset and Liability Management Committee (ALCO), Investment Management Committee (IMC), Credit Management Committee (CMC), Credit 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 etc. The Committees meet regularly to take decisions on respective matters.

ANNUAL GENERAL MEETINGS:

Venue and the date of the last three annual general meetings were as under:

Year	Venue	Date	Day	Time	Whether any Special resolution/s passed
2016	Registered Office of the Bank, Mangaluru	28.07.2016	Thursday	11.30 a.m.	No
2015	Registered Office of the Bank, Mangaluru	16.07.2015	Thursday	11.30 a.m.	Yes
2014	Registered Office of the Bank, Mangaluru	09.08.2014	Saturday	11.30 a.m.	No

* No special resolution was passed in the previous year through postal ballot.

DISCLOSURES:

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, 2017. Further it is declared that all the directors and senior management personnel have affirmed the compliance to the code of conduct laid down by the Bank.

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

There were no instances of non-compliances by the Bank, levy of penalties and strictures imposed by Stock Exchanges, RBI and SEBI / other regulatory authorities on any matter during the year under report.

MEANS OF COMMUNICATION:

The quarterly/ half yearly/ annual results are published in the leading national English dailies such as Business Standard, The Hindu, Business Line, Financial Express, Economic Times etc. and vernacular newspapers such as Udayavani etc. The results were also posted on our website www.karnatakabank.com. In view of this, no separate half-yearly declaration of financial performance to the shareholders has been made.

SHAREHOLDERS' INFORMATION:

A. Annual General Meeting:

Day : Monday
Date : July 17, 2017
Time : 11.30 AM
Venue : The Karnataka Bank Ltd.
Regd. & Head Office
Mahaveera Circle, Kankanady
Mangaluru - 575002.

B. Book closure: July 10, 2017 to July 17, 2017 (Both days inclusive)

C. 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:

- Quarter ending June, 30 2017: July, 2017
- Quarter ending Sept. 30, 2017: October, 2017
- Quarter ending Dec. 31, 2017: January, 2018
- Quarter ending March 31, 2018: May, 2018

D. Dividend: The Board of Directors has recommended a dividend of ₹4/- per share for the year ended March 31, 2017 (i.e. 40 per cent on paid up capital) and subject to approval by the AGM to be held on July 17, 2017, the same will be paid to the shareholders holding shares as on July 17, 2017 in respect of shares held in physical form and to the beneficial holders of shares as on July 9, 2017 in electronic form.

Dividend Payment Date: Between July 18, 2017 and July 24, 2017

As per the provisions of Section 205A of the Companies Act, 1956, the unclaimed dividend for the financial year 2008-09 of ₹45,74,376/- has been transferred to the Investor Education and Protection Fund established by the Central Government. The following Table gives the position of unclaimed dividend from the year 2009-10 as on 31.03.2017.

Year	Unclaimed dividend (₹)	Date of declaration	Last date for claiming dividend
2009-2010	39,07,280	31.07.2010	30.08.2017
2010-2011	39,99,333	23.07.2011	22.08.2018
2011-2012	58,56,798	30.08.2012	29.09.2019
2012-2013	68,26,708	06.07.2013	05.08.2020
2013-2014	79,52,396	09.08.2014	08.09.2021
2014-2015	1,01,72,195	16.07.2015	15.08.2022
2015-2016	1,09,70,085	28.07.2016	27.08.2023

Demat Suspense Account: Pursuant to schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, after sending three reminder letters in respect of unclaimed shares to the shareholders at the latest available address, Bank had transferred these unclaimed shares to a separate demat suspense account. The summary of shares transferred and released in favour of shareholders is furnished below:

The Voting rights on these shares shall remain frozen till such shares are claimed by the rightful owner.

Particulars	No. of shareholders	Total Number of shares
Number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	2082	196767
Shareholders who approached us for transfer of shares from suspense account during the year	16	4928
Shareholders to whom shares were transferred from suspense account during the year:	16	4928
Number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	2066	191839

E. Listing of shares:

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

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

The Bank has paid the annual listing fees for the year 2016-17 to the above Stock Exchanges.

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 Exchanges every quarter.

Stock Code :

Trading symbol on the NSE : KTKBANK

Scrip code on BSE : 532652

ISIN at NSDL/CDSL : INE614B01018

Share transfer procedure:

The shares of the Bank being traded in dematerialized form are transferable through the depository system. The share transfers in physical form are processed by the Share Transfer Agent- M/s Integrated Registry Management Services Pvt Ltd (demerged from M/s Integrated Enterprises (India)Ltd., w.e.f. 17.02.2017) and approved by the Managing Director & CEO at least once in a fortnight. There were no share transfer requests pending for transfer as on March 31, 2017.

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 National Stock Exchange of India Ltd. (NSE) and BSE Ltd (BSE). The monthly high & low prices along with the volumes traded from 01.04.2016 to 31.03.2017 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 2016	114.24	99.20	22366912	7979.90	7546.45
May 2016	128.45	107.35	50841471	8178.50	7706.55
June 2016	140.80	124.65	47457662	8287.75	8088.60
July 2016	156.05	143.05	42070368	8666.30	8323.20
Aug 2016	156.90	139.40	70949375	8786.20	8544.85
Sep 2016	159.10	143.50	44823372	8952.50	8591.25
Oct 2016	157.80	120.45	61548174	8769.15	8520.40
Nov 2016	127.05	101.45	63479684	8626.25	7929.10
Dec 2016	113.45	104.50	56476435	8261.75	7908.25
Jan 2017	123.00	113.45	43671719	8641.25	8179.50
Feb 2017	137.80	114.45	89905151	8939.50	8716.40
Mar 2017	141.70	135.45	78015380	9173.75	8897.55

Trading statistics on BSE

Month	Share Price		No. of Shares Traded	S&P BSE Sensex	
	High	Low		High	Low
Apr 2016	114.10	99.40	2668149	26064.12	24673.84
May 2016	128.60	107.05	5861221	26725.60	25101.73
June 2016	141.20	124.50	7204311	27020.66	26395.71
July 2016	156.00	143.05	6556696	28208.62	27126.90
Aug 2016	156.80	139.25	6771115	28452.17	27697.51
Sep 2016	159.05	143.80	4744536	29045.28	27827.53
Oct 2016	157.80	120.30	6627911	28334.55	27529.97
Nov 2016	126.85	101.35	9287288	27876.61	25765.14
Dec 2016	113.45	104.70	5878294	26747.18	25807.10
Jan 2017	123.05	113.35	4713098	27882.46	26595.45
Feb 2017	137.70	114.55	9061078	28892.97	28141.64
Mar 2017	141.70	135.55	9056883	29648.99	28832.45

Distribution of shareholding as on 31st March 2017.

Shares holding of nominal value of			Share holders		Share Amount	
₹			Number	% to Total	₹	% to Total
(1)			(2)	(3)	(4)	(5)
Upto	5,000		108985	74.50	155054520	5.49
5,001	-	10,000	15219	10.40	114863910	4.06
10,001	-	20,000	10120	6.92	147825870	5.23
20,001	-	30,000	4034	2.76	100854120	3.57
30,001	-	40,000	1975	1.35	69462180	2.46
40,001	-	50,000	1345	0.92	61280230	2.17
50,001	-	1,00,000	2478	1.69	174344780	6.17
1,00,001 and above			2126	1.45	2002373860	70.85
Total			146282	100.00	2826059470	100.00

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 26.02.2001. The Bank had entered into tripartite agreement with the depositories viz. National Securities Depository Ltd. and Central Depository 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. 93.38 percent of the equity shares of the Bank are in demat form as on 31.03.2017.

Registrar & Share Transfer Agent:

The Bank has appointed **Integrated Registry Management Services Pvt Ltd** (demerged from M/s. Integrated Enterprises (India) Ltd.) as common Share Transfer Agent for both physical and electronic shares. Therefore, all communications relating to share transfer, dividend, change of address for shares held in physical form and dematerialisation 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: alfint@vsnl.com or irg@integratedindia.in

Debenture Trustee :

In respect of the sub-ordinated debt instruments issued in the previous years and outstanding as on 31st March 2017, the Bank has appointed M/s IDBI Trusteeship Services Ltd as the Debenture Trustee and their contact details are as follows.

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor,
17, R.Kamani Marg, Ballard Estate,
Mumbai - 400001
Tel : 91 022 4080 7001 Fax: 91 022 6631 1776
Email: itsl@idbitrustee.co.in Website: www.idbitrustee.com

Non-mandatory (Discretionary) requirements

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

Requirements	Compliance status
The Board - 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.	Complied with.
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 view of wider publication of results in newspapers and posting the same in the web site of the Bank, no separate communication was sent to each household of shareholders.
Modified opinion(s) in audit report: Company may move towards a regime of unqualified financial statements.	There were no audit qualifications.
Separate posts of Chairperson and chief executive officer: The company may appoint separate persons to the post of Chairman and Managing Director/CEO.	Complied with.
Reporting of Internal Auditor (The Internal auditor may report directly to the Audit Committee)	Bank follows Risk Based Internal Audit as per the extant guidelines of Reserve Bank of India and periodical report thereof is submitted to the Audit Committee of the Board.

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 March 31, 2017.

Mahabaleshwara M.S.
Managing Director & CEO

Place : Hubballi
Date : June 17, 2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of The Karnataka Bank Limited.

We have examined the records of The Karnataka Bank Ltd., concerning the compliance of conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses 46(2) (b) to (i) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the listing of shares on National Stock Exchange of India Limited and BSE Limited for the financial year ended 31st March 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

We have conducted our examination on the basis of the relevant records and documents maintained by the Bank and furnished to us for our review and the information and explanations given to us by the Bank.

Based on such examination, in our opinion, the Bank has complied with the conditions of Corporate Governance, as stipulated in aforesaid Regulations.

We further state that, such compliance is neither an assurance as to the future viability of the Bank, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
(Srinivas S Kamath)
Partner - M. No.201716

Place : Mangaluru
Date : May 13, 2017

Sd/-
(Abarna Bhaskar)
Partner - M. No.025145

ANNEXURE IV

EXTRACT OF THE ANNUAL RETURN

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L85110KA1924PLC001128
- ii) Registration Date : 18.02.1924
- iii) Name of the Company : The Karnataka Bank Limited
- iv) Category/Subcategory of the Company : Public Limited Company
- v) Address of the Registered Office and contact details : Regd & Head Office, Mahaveera Circle, Kankanady, Mangaluru-575002
Tel: (0824)2228222 Fax: (0824) 2225588
Email: investor.grievance@ktkbank.com
- vi) Whether listed company (Yes / No) : YES
- vii) Name, address and contact details of Registrar and Share Transfer Agent, if any : Integrated Registry Management Services Pvt. Ltd.
30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bengaluru- 560 003
Tel: (080)23460815-818 Fax: (080) 23460819
Email: irg@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main product/services	NIC Code of the Product/Service	% to total turnover of the company
1	Banking Services	64191	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
Bank does not have any holding/subsidiary/associate company					

IV. SHAREHOLDING PATTERN

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	nil	nil	nil	nil	nil	nil	nil	nil	nil	
b) Central Govt or State Govt.	nil	nil	nil	nil	nil	nil	nil	nil	nil	
c) Bodies Corp	nil	nil	nil	nil	nil	nil	nil	nil	nil	
d) Banks/FI	nil	nil	nil	nil	nil	nil	nil	nil	nil	
e) Any other	nil	nil	nil	nil	nil	nil	nil	nil	nil	
Sub-Total (A)(1):	nil	nil	nil	nil	nil	nil	nil	nil	nil	
(2) Foreign										
a) NRI-Individuals	nil	nil	nil	nil	nil	nil	nil	nil	nil	
b) Other-Individuals	nil	nil	nil	nil	nil	nil	nil	nil	nil	
c) Bodies Corp	nil	nil	nil	nil	nil	nil	nil	nil	nil	
d) Banks/FI	nil	nil	nil	nil	nil	nil	nil	nil	nil	
e) Any other	nil	nil	nil	nil	nil	nil	nil	nil	nil	
Sub-Total (A)(2):	nil	nil	nil	nil	nil	nil	nil	nil	nil	
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	nil	nil	nil	nil	nil	nil	nil	nil	nil	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	8025224	0	8025224	4.26	12378788	0	12378788	6.57	4353564	1.54
b) Banks/FI	1169720	0	1169720	0.62	3210273	0	3210273	1.70	2040553	0.72
c) Central Govt	0	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	105502	0	105502	0.06	0	0
f) Insurance Companies	10888535	0	10888535	5.78	16955643	0	16955643	9.00	6067108	2.15
g) FIIs	35795368	0	35795368	18.99	54269168	0	54269168	28.80	18473800	6.54
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
i) Others	0	0	0	0	0	0	0	0	0	
Sub Total (B) (1)	55878847	0	55878847	29.65	86919374	0	86919374	30.76	30935025	10.95
2. Non-Institutions										
a) Bodies Corp	17394100	247844	17641984	9.36	22903272	311317	23214589	8.21	5572605	1.97
i) Indian	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹1 lakh	47016045	13047663	60063708	31.87	64102533	14952159	79054692	27.97	18990984	6.72
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	48306142	2217131	50523273	26.81	83274813	3430846	86705659	30.68	36182386	19.20
c) others (specify)										
Sub Total (B) (2)	117054946	15522228	132577174	70.35	176987251	1869932	195686573	69.24	63109399	33.49
Total Public Shareholding (B) = (B)(1) +(B)(2)	172933793	15522228	188456021	100.00	263906625	18699322	282605947	100	94044424	49.90
C. Shares held by custodian for GDRs/ADRs	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	172933793	15522228	188456021	100	263906625	18699322	282605947	100	94044424	49.90

ii) Shareholding of Promoters

Sl. No.	Shareholder's name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares ledged/ encumbered to total shares	
Not applicable as the Bank does not have any promoters in control of the management .								

iii) Change in Promoter's Shareholding

Sl. No.		No. of Shares held at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	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 of the shareholder	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% to total shares of the Bank	Increase	Decrease	No. of Shares	% to total shares of the Bank
1	Life Insurance Corporation of India	10203485	5.41	.....	.....	15305227	5.42
2	B Sumanth Kumar Reddy	6257662	3.32	1882137	.....	8139799	2.88
3	Vijay Kishanlal Kedia	317108	0.17	5343595	.....	5660703	2.00
4	LSV Emerging Markets Equity Fund LP	2625600	1.39	1312800	.....	3938400	1.39
5	Morgan Stanley Mauritius Company Limited	Nil	0.00	3582483	.....	3582483	1.27
6	CD Equifinance Private Limited	1205462	0.64	2128457	.....	3333919	1.18
7	Venkata Sesha Reddy D	1729090	0.92	1472410	.....	3201500	1.13
8	Government Pension Fund Global	3035001	1.61	136998	.....	3171999	1.12
9	ICICI Bank Limited	648303	0.34	2424142	.....	3072445	1.09
10	Chirag Dilip Kumar Lakhi	2459328	1.30	549940	.....	3009268	1.06

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

Sl. No.	The Director and KMP (Messrs./Mrs.)	No. of Shares held at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	P Jayarama Bhat				
	At the Beginning of the Year	3000	0.00	3000	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	2350	0.00	2350	0.00
	At the end of the Year			5350	0.00
2	Ashok Haranahalli	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	6000	0.00	6000	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	4699	0.00	4699	0.00
	At the end of the Year			10699	0.00
3	Usha Ganesh	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	2520	0.00	2520	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	1974	0.00	1974	0.00
	At the end of the Year			4494	0.00
4	Rammohan Rao Belle	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	200	0.00	200	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	157	0.00	157	0.00
	At the end of the Year			357	0.00
5	B A Prabhakar	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	150	0.00	150	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	117	0.00	117	0.00
	At the end of the Year			267	0.00
6	U R Bhat	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	4523	0.00	4523	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	2700	0.00	2700	0.00
	At the end of the Year			7223	0.00

7	Keshav K Desai	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	4280	0.00	4280	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	5270	0.00	5720	0.00
	At the end of the Year			10000	0.00
8	D Surendra Kumar	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	12274	0.00	12274	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	6137	0.00	6137	0.00
	At the end of the Year			18411	0.00
	Key Managerial Personnel				
1	Chandrashekar Rao B, Chief Financial Officer	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	543	0.00	543	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	400	0.00	400	0.00
	At the end of the Year			943	0.00
2	Y V Balachandra, Company Secretary	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the Year	2388	0.00	2388	0.00
	Datewise increase/decrease in shareholding during the year specifying the reasons for increase/decrease	1700	0.00	1700	0.00
	At the end of the Year			4088	0.00

*Increase in share holding of directors and KMP is mainly on account of subscription to shares under bank's rights issue.

INDEBTEDNESS : Indebtedness of the company including interest outstanding/accrued but not due for payment

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amounts	3000.00	102147.95	Nil	105147.95
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued not due	0.64	2884.51	Nil	2885.15
Total (i+ii+iii)	3000.64	105032.46	Nil	108033.10
Change in indebtedness during the financial year				
i) addition	Nil	23262.21	Nil	23262.21
ii) deletion	3000.64	42147.95	Nil	45148.59
Net Change	(3000.64)	(18885.74)	Nil	21886.38
Indebtedness at the end of financial year				
i) Principal Amount	Nil	83262.21	Nil	83262.21
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued not due	Nil	2326.30	Nil	2326.30
Total (i+ii+iii)	Nil	85588.51	Nil	85588.51

*Deposits received by the Bank in the ordinary course of business do not amount to deposits in terms of Companies Act, 2013, hence not included.

V) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration of Managing Director, whole time Director and or Manager**

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of the MD P Jayarama Bhat	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	64.80	64.80
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	--	--
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	--	--
2	Stock Options	--	--
3	Sweat Equity	--	--
4	Commission - as a % of profit - others	--	--
5	Others (Contribution to SPF and Variable Pay)	14.10	14.10
	Total (A)	78.90	78.90
	Ceiling as per the Act @		

* Variable pay for the year 2015-16 was paid to Mr. P Jayarama Bhat in the FY 2016-17 after obtaining approval from the Reserve Bank of India.

B. Remuneration of Directors

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of the Directors												Total Amount
		Anantha krishna	S V Manjunath	D Harshendra Kumar	Dr H Ramamohan	T R Chandra sekaran	Ashok Haranahalli	Usha Ganesh	Rammohan Rao Belle	B A Prabhakar	U R Bhat	Keshav K Desai	D Surendra Kumar	
1	Independent Directors													
	Sitting Fees for attending Board/ Committees	6.00	4.40	3.40	5.40	1.60	8.60	13.40	22.20	19.50	19.00	10.50	0	114.00
	Commission	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total (1)	6.00	4.40	3.40	5.40	1.60	8.60	13.40	22.20	19.50	19.00	10.50	0	114.00
2	Non-Executive Directors													
	Sitting Fees for attending Board/ Committees	0	0	0	0	0	0	0	0	0	0	0	2.80	2.80
	Commission	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0	0	0	0	0	2.80	2.80
	Total (B) = (1+2)	6.00	4.40	3.40	5.40	1.60	8.60	13.40	22.20	19.50	19.00	10.50	2.80	116.80
	Total Managerial Remuneration (A+B)													116.80
	Overall ceiling as per the act @													

@ Being a 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. The remuneration is, however, within the limits prescribed under the Companies Act, 2013. 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 ₹10 lakh (except to part time chairman) can be made with the approval of RBI. Presently Independent /Non-executive Directors are paid only sitting fees, which is within limits prescribed under the Companies Act, 2013.

C. Remuneration of Key Managerial Personnel other than Managing Director & CEO

(₹ in lakh)

Sl. No.	Particulars of Remuneration	CFO	Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19.26	16.85	36.11
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	0.43	2.35	2.78
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as a % of profit	-	-	-
	- others	-	-	-
5	Others - Contribution to SPF	1.16	1.10	2.26
	Total	20.85	20.30	41.15

VI) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment	Authority [RD/ NCLT / Court]	Appeal made if any
A. COMPANY					
Penalty	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil
Compounding	nil	nil	nil	nil	nil
B. DIRECTORS					
Penalty	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil
Compounding	nil	nil	nil	nil	nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	nil	nil	nil	nil	nil
Punishment	nil	nil	nil	nil	nil
Compounding	nil	nil	nil	nil	nil

ANNEXURE V

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

To,

The Members,
The Karnataka Bank Limited,
Post Box No.599,
Regd. & Head Office, Mahaveera Circle,
Mangaluru-575002

I 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") for the audit period covering the Financial Year ended on 31st March 2017. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on 31st March 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Karnataka Bank Limited ("the Bank") for the financial year ended on 31st March 2017, 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 Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- 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 Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
- vi. Banking Regulations Act, 1949;

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Bank with National Stock Exchange of India Ltd and BSE Ltd.

iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that

The Board of Directors of the Bank consists of Executive Director, Woman Director and Independent Directors in conformity with Section 149 of the Companies Act, 2013, Regulation 17 of the SEBI (LODR) Regulations, 2015 and also Section 10A of the Banking Regulation Act, 1949. The changes in the composition of the Board of Directors taken place during the period under review were carried out in compliance with the aforesaid provisions.

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.

Decisions at the meetings of the Board of Directors of the Bank were carried out unanimously.

The Bank vide its Letter of Offer dated October 28, 2016 read with the addendum cum corrigendum dated November 19, 2016 and in pursuance of basis of allotment approved by BSE Limited on December 7, 2016, as per the basis set-out in the allotment statement, has issued 9,41,36,866 (Nine Crore Forty-One Lakh Thirty-Six Thousand Eight Hundred Sixty-Six) Equity shares of face value of ₹10/- each for cash at a price of ₹70/- per equity share (including premium of ₹60/- per share) to the equity shareholders on a right basis in the ratio of 1 (ONE) equity share for every 2 (TWO) equity shares held, to all such members applied for rights, whose names appeared on the Register of Members as holders of the equity shares of the Bank as on record date i.e. October 25, 2016. The Bank has complied with all the provisions of Companies Act, 2013, rules thereunder, guidelines issued by the Securities Exchange Board of India (SEBI) and other applicable laws, rules, regulations and guidelines in respect of said Right Issue of equity shares of the Bank.

I further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For Ullas Kumar Melinamogaru & Associates
Practising Company Secretaries

Date : May 08, 2017
Place : Mangaluru

Sd/-
CS Ullas Kumar Melinamogaru
Proprietor
FCS 6202, CP No. 6640

ANNEXURE VI

Annual report on Corporate Social Responsibility (CSR) activities

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Business organizations are an integral part of the society. Every decision taken while doing the business involves financial implications and social and environmental consequences. 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 social welfare and arts/ sports and culture.

Overview of Activities

Pursuant to the CSR Policy of the Bank and in accordance with Schedule VII of the Companies Act, 2013, your Bank has undertaken certain activities during the year under report with a view to bring positive impact on the society. The key initiatives undertaken were in the field of education, accessibility to safe and clean drinking water, health care, arts/promoting sports, rejuvenation of places of historical prominence, mid day meal to school children etc.

Web link to the CSR Policy

The CSR policy of the Bank is posted in the website of the Bank and the same can be accessed at the following web link:- www.karnatakabank.com/ktk/CSR_policy_2014.pdf

Composition of CSR Committee

Your Board has constituted a CSR Committee consisting of following Directors as members.

1. Mr. P Jayarama Bhat (upto 11.04.2017)
2. Mr. Mahabaleshwara M S (w.e.f.28.04.2017)
3. Mrs. Usha Ganesh
4. Mr. Keshav K Desai
5. Mr. D Surendra Kumar

Average net profit of the Bank for the last three financial yeas: ₹498.04 crore

Prescribed CSR expenditure (two per cent of the amount as above): ₹9.96 crore

Details of CSR spent during the financial year.

- a. Total amount to be spent for the financial year: ₹9.96 crore
The Bank has spent ₹6.56 crore during the financial year 2016-17
(including amount to be released in respect of already sanctioned projects).
- b. Amount unspent, if any: ₹3.40 crore

c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakh)

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) State and district where the projects were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the project Sub-heads (1) direct expenditure (2) overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Education	Promoting education including special education, infrastructure development of schools, road safety awareness programme, promotion of Financial Literacy among people who are outside institutional banking facilities, consumer service and consumer protection activities.	Karnataka, Maharashtra, Delhi, Tamil Nadu, Rajasthan, Kerala, West Bengal	260.42	183.33	421.45	Direct
2	Environmental Sustainability / Green Initiatives	Protection of flora and fauna, animal welfare, conservation of natural resources, ensuring environmental sustainability, ecological balance	Karnataka, Delhi	84.81	109.37	167.58	Direct
3	Protection of Heritage / Culture	Protection of art and culture including restoration of buildings and sites of historical importance, promotion and development of traditional arts and handicrafts	Kerala, Karnataka	53.20	36.35	96.66	Direct
4	Swachh Bharat	Sanitation, encouraging cleanliness under Swachh Bharat, Construction of toilets.	Tamil Nadu, Karnataka	26.85	54.25	116.84	Direct
5	Health Care	Making available safe drinking water, promoting health care including preventive health care, contribution to Mid-Day Meal Programmes, Provisions for aids and appliances to the differently-abled persons etc.	Karnataka, Tamil Nadu, Andhra Pradesh, Kerala, Maharashtra, Punjab	157.47	154.65	293.50	Direct
6	Empowering Women / Socially and Economically Disadvantaged	Empowering women, setting up of homes and hostels for women and orphans, measures for reducing inequalities faced by socially and economically backward groups	Karnataka, Maharashtra, Tamil Nadu	55.59	51.32	68.76	Direct
7	Rural Development	Rural Development	Kerala, Karnataka	14.95	25.51	29.85	Direct
8	Promotion of Sports	Promotion of nationally recognized sports	Karnataka	2.75	2.74	9.24	Direct
			TOTAL	656.04	617.52	1203.88	Direct

The Bank has been involving itself in various socio-economic activities intending to improve the life of the socially and economically weaker sections besides promoting Arts/Sports etc. CSR, being given statutory backing by the Companies Act, 2013, the Bank continues to align its resources to the projects/programmes as indicated in Schedule VII of the Companies Act, 2013. The Bank having spent ₹6.56 crore (including amount to be released in respect of already committed projects), proposes to increase its CSR spend in the coming years by taking up CSR activities on larger scale.

The CSR Committee of the Board hereby confirm that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Bank.

For and on behalf of the CSR Committee

Sd/-

Mahabaleshwara M.S.
Managing Director & CEO
and Chairman of the CSR Committee

ANNEXURE VII

The ratio of the remuneration of each director to the median employee's 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: 17.94x
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	MD & CEO: The remuneration paid to MD& CEO during the FY 2016-17 was increased by 8.16 per cent compared to the previous year. The variable pay in relation to the last financial year was paid during the financial year 2016-17 which constitute 11.82 per cent of his fixed pay. As the Bank follows the salary and other service conditions agreed to at the industrial level settlement, except increase in the Dearness Allowance portion of the salary of CFO and CS during the year, there was no increase in the remuneration of the CFO and CS.
(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 12.95 per cent. Bank has been part of industry level bipartite wage settlement entered into by the IBA with the workmen association and Officers organization.
(iv) the number of permanent employees on the rolls of company	7982
(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;	There was an average increase of 9.56% in salaries of all employees other than managerial personnel in the last financial year as per Bi-partite wage settlement entered into by the IBA with the workmen association and Officers organization 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.
(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.

ANNEXURE VIII

BUSINESS RESPONSIBILITY REPORT

(Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015)

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 maiden Business Responsibility Report (BRR) for the Financial Year 2016-17 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 in our website: 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	www.karnatakabank.com
5. E-mail Id	info@ktnbank.com
6. Financial Year reported	2016-17
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)	· Loans · Deposits · Investments and Treasury
9. Total number of locations where business activity is undertaken by the Company	21 States and 2 Union Territories
a. Number of International Locations (Provide details of major 5)	Nil
b. Number of National Locations	Located in 504 enters with 765 Branches pan India as on March 31, 2017
10. Markets served by the Company – Local / State / National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹ In crore)	₹ 282.61
2. Total Turnover (₹ In crore)	₹ 93736.76
3. Total profit after taxes (₹ In crore)	₹ 452.26
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.45 (percentage as on March 31, 2017)
5. List of activities in which expenditure in 4 above has been incurred:- (a).(b).(c).	Kindly refer to the Annexure VI of the Directors' Report of the Bank for more details on expenditure towards Corporate Social Responsibilities during the FY 2016-17.

SECTION C : OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	No
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)	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

1. Details of Director/Directors responsible for BR		
a. Details of the Director/Director responsible for implementation of the BR policy/policies		
i. DIN Number		DIN 00041500
ii. Name		Mr. P Jayarama Bhat
iii. Designation		Managing Director & CEO
b. Details of the BR head		
No.	Particulars	
1	DIN Number (if applicable)	DIN 00041500
2	Name	Mr. P Jayarama Bhat
3	Designation	Managing Director & CEO
4	Telephone Number	0824-2228222
5	e-mail id	comsec@ktkbank.com

2. Principle-wise (as per NVGs) BR Policy/policies										
a. Details of Compliance (Reply Y/N)										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for... ¹	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 ²	Y ²	Y ²	Y ²	Y ²	Y ²	–	Y ²	Y ²
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y ³	Y ³	Y ³	Y ³	Y ³	Y ³	–	Y ³	Y ³

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 b. Customer Rights Policy & Policy on Product Suitability c. Citizens Charter d. Fair Practice Code e. Lending Policy for MSME f. Financial Inclusion Plan g. Deposit Policy h. Code of Conduct for Board of Directors and Senior Management i. KYC Standards and AML Measures Policy j. Policy for dealing with Related Party Transactions k. Code of conduct to Regulate, Monitor and Report trading by Insiders l. Protected Disclosure Scheme [Whistle-Blower policy] m. Grievance Redressal Policy n. Fair Practice Code o. Corporate Social Responsibility Policy								
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.								
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.

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

Principle	Policies
P1	a. Code of Conduct for Board of Directors and Senior Management b. Compliance Policy c. KYC Standards and AML Measures Policy d. Policy for dealing with Related Party Transactions e. Code of conduct to Regulate, Monitor and Report trading by Insiders f. Protected Disclosure Scheme [Whistle-Blower policy] g. Fraud Risk Management Policy h. Staff Accountability Policy i. Grievance Redressal Policy j. Fair Practice Code
P2	a. Code of Bank's Commitment to Customers b. Code of Bank's Commitment to Micro & Small Enterprises c. Loan Policy d. Financial Inclusion plan 2016-19
P3	a. HRM Policy b. HR Security Policy c. Policy on prevention of Sexual Harassment of Women at Workplace
P4	a. Lending Policy for MSME b. Code of Bank's Commitment to Micro & Small Enterprises c. Financial Inclusion plan 2016-19 d. Corporate Social Responsibility Policy
P5	a. Customer Rights Policy & Policy on Product Suitability b. Citizens Charter c. Fair Practice Code
P6	Corporate Social Responsibility Policy
P7	The Bank works closely with the industry associations, however, there is no specific policy outlined for this principle.
P8	Financial Inclusion plan 2016-19 Corporate Social Responsibility Policy
P9	a. Code of Bank's Commitment to Customers b. Code of Bank's Commitment to Micro & Small Enterprises c. Loan Policy d. Outsourcing Policy e. Deposit Policy f. Information Security Policy g. Customer Rights Policy & Policy on Product Suitability h. Citizens Charter i. Fair Practice Code

Y² Bank's policies are developed keeping in mind the requirements of extant RBI Guidelines, SEBI Regulations, Companies Act, and also Bank's internal requirements and best practices

Y³ 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	The reporting of BR is applicable to the Bank April 1, 2016. Bank will publish the BR report annually henceforth. The BR for the FY 2016-17 is made available in the Bank's website www.karnatakabank.com (Investors section)

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 Code of Conduct and Fair Practices Code which is 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 Staff Accountability Policy 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.

Bank received 3 complaints and all 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.

- (a) Finance to MSE's and other Priority sectors
- (b) Corporate Finance for renewable energy sources
- (c) Rural banking, finance to agriculture and allied activities

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 Bank is 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.

The primary resource consumption of Bank is printable paper. Bank constantly works towards reduction in paper consumption by adopting new technology in the office premises. Bank is also progressively moving towards digital banking with introduction of online account opening and greater focus on mobile and internet banking. Bank has also introduced the KBL SMARTz UPI App with Scan and Pay option during the year.

Further, Bank has adopted "Green Initiative" by sending web link via email for downloading the annual report to its shareholders who have registered their email id for receiving corporate communication by electronic means, thereby reducing substantial dependence on the printing and stationery.

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?

The functioning of Bank is service oriented and does not involve in procuring of goods for processing. However, operational resource requirements for the various Branches of the Bank are sourced locally from the local and small vendors to the extent possible thereby improving their capacity and capability.

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. Please indicate the Total number of employees	7981
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	1
3. Please indicate the Number of permanent women employees	2398
4. Please indicate the Number of permanent employees with disabilities	19
5. Do you have an employee association that is recognized by management	Yes. The Bank has two employee associations recognized by the management.
6. What percentage of your permanent employees is members of this recognized employee association?	About 95

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 complaints pending as on end of the financial year
1	Child labour/forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

	Safety Training	Skill upgradation Training
a. Permanent Employees	1	26
b. Permanent Women Employees	1	15
c. Casual/Temporary/Contractual Employees	-	-
d. Employees with Disabilities	-	-

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, etc. 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.

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 Panchayats 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 to respect 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 web page 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 VI of the Directors' Report 2017. Copy of the annual report is made available on our Bank's website 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.

Bank has undertaken various initiatives for promoting clean technology and energy efficient practices. Bank has installed solar powered lights at the Head Office campus on a pilot basis and proposes to expand the same to its other location in due course. In addition, energy efficient LED bulbs have been installed in Head Office premises on pilot basis to reduce the consumption of power in aggregate.

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).

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 backing 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, Rural Development, Swachh Bharat etc.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Your Bank undertakes various CSR activities directly and also in association with other organizations.

3. Have you done any impact assessment of your initiative?

Bank has an ongoing interaction with the beneficiaries of the CSR activities to ensure the end use and assess the impact of such initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Amasebail, a rural village is an underdeveloped region in Udupi District of Karnataka State. Bank has adopted this village and is contributing towards the social welfare of the people of the area on an on-going basis. As part of adopting and popularizing sustainable sources of energy, Bank has contributed towards installing requisite infrastructure to harness solar energy to meet the various energy requirements of the village. "Student Light Scholarship" project promoted by the Bank, benefitted poor students from un-electrified households in their academics from the solar lights provided by the Bank besides helping in meeting the basic energy requirements of their households. The Bank has contributed a sum of ₹10.50 lakh in FY 2016-17 under its CSR initiatives towards the aforesaid initiatives.

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.

Developmental activities undertaken in Amasebail village of Udupi District, Karnataka State are being carried out through our Amasebail Branch. The Bank ensures that the people of the region participate in the decision making and in the implementation of various welfare programmes since they are the primary stakeholders. Adequate mechanism in the form of technical support has been put in place to ensure the maintenance of the solar lights installed at various districts. The sustainability of the solar lights provided by the Bank to poor households in various districts of the state of Karnataka is envisaged in such a way that the beneficiaries are mandated to bring in their share of margin towards the cost of implementation of the project to have a sense of ownership in the activity.

PRINCIPLE 9:- Value to customers

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

complaints pending at the beginning of the FY 2016-17	complaints received during FY 2016-17	complaints redressed during the FY 2016-17	complaints pending at the end of FY 2016-17
250	28692	28538	404

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)

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. Your 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's staff 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, Customer Service Committee of Board of Directors of the Bank meets periodically to assess the customer satisfaction levels and improve on the gaps if any on an ongoing basis.

93rd ANNUAL REPORT 2016-17

BALANCE SHEET AS ON 31st MARCH 2017

(₹ in '000s)

	Schedule No.	As on 31.03.2017 ₹	As on 31.03.2016 ₹
CAPITAL AND LIABILITIES			
Capital	1	282,61,57	188,46,58
Reserves and Surplus	2	4859,96,58	3502,11,84
Deposits	3	56733,10,82	50488,20,95
Borrowings	4	832,62,21	1051,47,95
Other Liabilities and Provisions	5	1418,23,49	1270,06,17
Total		64126,54,67	56500,33,49
ASSETS			
Cash and balances with Reserve Bank of India	6	2929,26,87	2645,62,37
Balances with Banks and Money at Call and Short Notice	7	344,76,41	399,30,01
Investments	8	20219,73,17	16256,65,31
Advances	9	37003,64,62	33902,44,84
Fixed Assets	10	720,56,99	306,63,85
Other Assets	11	2908,56,61	2989,67,11
Total		64126,54,67	56500,33,49
Contingent Liabilities	12	5336,03,09	5877,69,65
Bills for Collection		1925,76,85	1507,99,29
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-
Ravindranath Hande H P
Deputy General Manager

Sd/-
Prasanna Patil
Company Secretary

Sd/-
Y. V. Balachandra
General Manager & CFO

Sd/-
Mahabaleshwara M. S.
Managing Director & CEO

Sd/-
P. Jayarama Bhat
Chairman

Sd/-
Ashok Haranahalli
Usha Ganesh
Directors

Sd/-
Rammohan Rao Belle
B. A. Prabhakar
Directors

Sd/-
Ullal Ravindra Bhat
Keshav Krishnarao Desai
Directors

Sd/-
D. Surendra Kumar
Director

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Place : Mangaluru
Date : 13th May 2017

Sd/-
Srinivas S. Kamath
Partner
M. No. 201716

Sd/-
Abarna Bhaskar
Partner
M. No. 025145

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

(₹ in '000s)

	Schedule No.	For the year ended 31.03.2017 ₹	For the year ended 31.03.2016 ₹
I. INCOME			
Interest Earned	13	5185,40,07	4992,21,03
Other Income	14	809,33,84	542,85,97
Total		5994,73,91	5535,07,00
II. EXPENDITURE			
Interest Expended	15	3694,77,73	3689,33,77
Operating Expenses	16	1304,16,13	991,20,10
Provisions and Contingencies		543,53,93	439,23,99
Total		5542,47,79	5119,77,86
III. PROFIT			
Net profit for the year		452,26,12	415,29,14
Profit brought forward		3,18	40,10
Total		452,29,30	415,69,24
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		125,00,00	230,00,00
Transfer to Capital Reserve		112,79,75	8,85,37
Transfer to Revenue Reserve		45,00,00	41,00,00
Transfer to Special Reserve u/s 36 (1) (viii) of Income Tax Act		23,29,80	25,83,62
Transfer to Investment Reserve Account		8,75,48	(3,83,99)
Transfer to Other Funds		30,00	40,00
Transfer to Proposed dividend		-	94,22,80
Transfer to Tax on proposed dividend		-	19,18,26
Balance carried over to Balance Sheet		137,14,27	3,18
Total		452,29,30	415,69,24
Earning per share			
Basic	₹	19.38	19.68
Diluted	₹	19.38	19.68
Significant Accounting Policies	17		
Notes on Account	18		

Sd/-
Ravindranath Hande H P
Deputy General Manager

Sd/-
Prasanna Patil
Company Secretary

Sd/-
Y. V. Balachandra
General Manager & CFO

Sd/-
Mahabaleshwara M. S.
Managing Director & CEO

Sd/-
P. Jayarama Bhat
Chairman

Sd/-
Ashok Haranahalli
Usha Ganesh
Directors

Sd/-
Rammohan Rao Belle
B. A. Prabhakar
Directors

Sd/-
Ullal Ravindra Bhat
Keshav Krishnarao Desai
Directors

Sd/-
D. Surendra Kumar
Director

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Place : Mangaluru
Date : 13th May 2017

Sd/-
Srinivas S. Kamath
Partner
M. No. 201716

Sd/-
Abarna Bhaskar
Partner
M. No. 025145

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

(₹ in '000s)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
	₹	₹	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Tax and Extra Ordinary Items		452,26,11		415,29,14
Add:				
Adjustments for :				
Provision for Tax	30,71,78		112,71,29	
Loss on sale of Fixed Assets	(28,67)		89,33	
Depreciation on Fixed Assets including Lease				
Adjustment charges	49,75,10		42,23,71	
Provisions and Contingencies	512,82,15		326,52,70	
Amortisation of premium on Held to Maturity Investments	32,62,61	625,62,97	33,33,83	515,70,86
Operating Profit Before Working Capital Changes		1077,89,08		931,00,00
Adjustment for :				
i) (Increase) / Decrease in Advances & Other Assets	(3143,12,75)		(1855,28,28)	
ii) (Increase) / Decrease in Investments	(3966,20,84)		(2258,63,53)	
iii) Increase / (Decrease) in Deposits, Borrowings & Other Liabilities	6093,13,08	(1016,20,51)	4004,07,81	(109,84,00)
Cash Generated from Operations		61,68,57		821,16,00
Less: Direct taxes paid		245,79,92		185,22,57
Net Cash Flow from Operating Activities (A)		(184,11,35)		635,93,43
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(41,18,19)		(58,55,37)
Sale of Fixed Assets		1,32,00		63,80
Net Cash used in Investing Activities (B)		(39,86,19)		(57,91,57)
TOTAL (A+B)		(223,97,54)		578,01,86
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital (net of expenses)		655,00,90		4,27
Proceeds from long term borrowings		(89,51,50)		(34,41,08)
Dividend paid (Including Tax on Dividend)		(112,40,96)		(112,88,15)
Net Cash Generated from Financing Activities (C)		453,08,44		(147,24,96)
Net Increase in Cash & Cash Equivalents (A+B+C)		229,10,90		430,76,90
Cash & Cash Equivalents as at the beginning of the year		3044,92,38		2614,15,48
Cash & Cash Equivalents as at the end of the year		3274,03,28		3044,92,38

Note: 1. The Cash Flow Statement has been prepared under the Indirect Method and figures of the previous year have been re-grouped wherever necessary.
2. Cash and Cash Equivalents comprise of Cash on Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

Sd/-
Ravindranath Hande H P
Deputy General Manager

Sd/-
Prasanna Patil
Company Secretary

Sd/-
Y. V. Balachandra
General Manager & CFO

Sd/-
Mahabaleshwara M. S.
Managing Director & CEO

Sd/-
P. Jayarama Bhat
Chairman

Sd/-
Ashok Haranahalli
Usha Ganesh
Directors

Sd/-
Rammohan Rao Belle
B. A. Prabhakar
Directors

Sd/-
Ullal Ravindra Bhat
Keshav Krishnarao Desai
Directors

Sd/-
D. Surendra Kumar
Director

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Place : Mangaluru
Date : 13th May 2017

Sd/-
Srinivas S. Kamath
Partner
M. No. 201716

Sd/-
Abarna Bhaskar
Partner
M. No. 025145

SCHEDULES ANNEXED TO THE BALANCE SHEET

(₹ in '000s)

	As on 31.03.2017 ₹	As on 31.03.2016 ₹
SCHEDULE - 1 CAPITAL		
Authorised Capital		
50,00,00,000 Equity shares of ₹10/- each (Previous year 50,00,00,000 Equity shares of ₹10/- each)	500,00,00	500,00,00
Issued Capital		
28,27,27,150 equity shares of ₹10 each (Previous year 18,84,78,649 Equity shares of ₹10/- each)	282,72,72	188,47,86
Subscribed Capital		
28,26,22,497 Equity shares of ₹10/- each (Previous year 18,84,72,571 Equity shares of ₹10/- each)	282,62,25	188,47,26
Paid-up Capital		
28,26,05,947 Equity shares of ₹10/- each (Previous year 18,84,56,021 Equity shares of ₹10/- each)	282,60,59	188,45,60
Add : Forfeited Shares	98	98
Total	282,61,57	188,46,58
SCHEDULE - 2 RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening balance	1983,00,00	1753,00,00
Additions during the year	125,00,00	230,00,00
	2108,00,00	1983,00,00
Deductions during the year	0	0
Total	2108,00,00	1983,00,00
II. Capital Reserve		
Opening balance	78,94,73	70,09,36
Additions during the year	112,79,74	8,85,37
	191,74,47	78,94,73
Deductions during the year	0	0
Total	191,74,47	78,94,73
III. Share Premium		
Opening balance	722,98,43	722,86,22
Additions during the year	564,97,83	12,21
	1287,96,26	722,98,43
Deductions during the year	4,00,93	0
Total	1283,95,33	722,98,43
IV. Revenue and other Reserves		
a) Revenue Reserve		
Opening balance	544,23,73	503,23,73
Additions during the year	47,80,77	41,00,00
	592,04,50	544,23,73
Deductions during the year	78,50,64	0
Total	513,53,86	544,23,73

(₹ in '000s)

	As on 31.03.2017 ₹	As on 31.03.2016 ₹
b) Special Reserve u/s 36(1)(viii) of Income Tax Act		
Opening balance	154,59,30	128,75,68
Additions during the year	23,29,80	25,83,62
	177,89,10	154,59,30
Deletion during the year	0	0
Total	177,89,10	154,59,30
c) Employee Stock Option Outstanding		
Opening balance	2,91,77	3,00,61
Additions during the year	0	0
	2,91,77	3,00,61
Deductions during the year	2,91,77	8,84
Total	0	2,91,77
d) Investment Reserve Account		
Opening balance	15,40,70	19,24,69
Additions during the year	8,75,48	0
	24,16,18	19,24,69
Deductions during the year	0	3,83,99
Total	24,16,18	15,40,70
e) Revaluation Reserve Account		
Opening balance	0	0
Additions during the year	423,53,37	0
	423,53,37	0
Deductions during the year	0	0
Total	423,53,37	0
V. Balance in Profit and Loss Account	137,14,27	3,18
GRAND TOTAL (I TO V)	4859,96,58	3502,11,84
SCHEDULE - 3 DEPOSITS		
A.I.Demand Deposits		
1. From Banks	7,17,42	3,77,52
2. From others	3616,13,99	3239,72,38
	3623,31,41	3243,49,90
II. Savings Bank Deposits	12849,80,65	10017,21,20
III. Term Deposits		
1. From Banks	22,78,42	16,89,62
2. From others	40237,20,34	37210,60,23
	40259,98,76	37227,49,85
Total : (I, II and III)	56733,10,82	50488,20,95
B. 1. Deposits of branches in India	56733,10,82	50488,20,95
2. Deposits of branches outside India	0	0
Total (1+2)	56733,10,82	50488,20,95
SCHEDULE - 4 BORROWINGS		
I. Borrowings in India		
1. Reserve Bank of India	0	30,00,00
2. Other Banks	4,01	0
3. Other Institutions and Agencies	232,58,20	322,09,70
4. Subordinated Debts for Tier II Capital	600,00,00	600,00,00
Total	832,62,21	952,09,70
II. Borrowings outside India	0	99,38,25
Total : (I and II)	832,62,21	1051,47,95
Secured borrowings included in I & II above	0	30,00,00

(₹ in '000s)

	As on 31.03.2017 ₹	As on 31.03.2016 ₹
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	334,74,18	287,96,76
II. Inter Office adjustments (Net)	5,29,74	33,32,58
III. Interest accrued	109,05,72	87,04,15
IV. Deferred Tax Liability (Net)	0	9,04,26
V. Others (including Provisions)*	969,13,85	852,68,42
Total	1418,23,49	1270,06,17
*includes provision for Standard advances ₹219,10,96 (Previous year ₹219,90,17)		
SCHEDULE - 6 CASH AND BALANCES WITH RBI		
I. Cash in hand (including foreign currency notes)	380,92,12	516,41,42
II. Balances with Reserve Bank of India		
1. In Current Account	2198,34,75	2059,20,95
2. In Other Accounts	350,00,00	70,00,00
Total	2548,34,75	2129,20,95
Total : (I and II)	2929,26,87	2645,62,37
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
i. Balances with Banks		
a) In Current Accounts	46,48,41	62,96,25
b) In other deposit accounts	0	25,00,00
	46,48,41	87,96,25
ii. Money at Call and Short Notice		
a) With Banks	0	0
b) With other institutions	175,00,00	199,91,79
	175,00,00	199,91,79
Total (i) & (ii)	221,48,41	287,88,04
II. OUTSIDE INDIA		
i. In Current Accounts	26,00,50	12,03,72
ii. In Other Deposit Accounts	97,27,50	99,38,25
iii. Money at Call and Short Notice	0	0
Total	123,28,00	111,41,97
Grand Total (I and II)	344,76,41	399,30,01

(₹ in '000s)

	As on 31.03.2017 ₹	As on 31.03.2016 ₹
SCHEDULE - 8 INVESTMENTS		
I. Investments in India (Gross)	20242,68,50	16309,10,28
Less: Provision / Depreciation	22,95,33	52,44,97
Net Investments In India	20219,73,17	16256,65,31
Break-up :		
1. Government Securities	13881,38,26	11565,12,36
2. Other Approved Securities	0	0
3. Shares	94,49,94	96,02,68
4. Debentures and Bonds	1782,22,54	2038,71,04
5. Subsidiaries and/or Joint Ventures	0	0
6. Others	4461,62,43	2556,79,23
Total	20219,73,17	16256,65,31
II. Investments outside India	0	0
Total (I+II)	20219,73,17	16256,65,31
SCHEDULE - 9 ADVANCES		
A) 1. Bills Purchased and discounted	828,55,37	813,83,14
2. Cash Credits, Overdrafts and Loans repayable on demand	14852,32,13	12806,61,22
3. Term Loans	21322,77,12	20282,00,48
Total	37003,64,62	33902,44,84
B) 1. Secured by Tangible Assets (including book debts)	33803,66,55	30698,44,12
2. Secured by Bank/Government Guarantees	1878,33,22	2112,00,01
3. Unsecured	1321,64,85	1092,00,71
Total	37003,64,62	33902,44,84
C) I. Advances in India		
1. Priority Sectors	15666,03,61	14482,33,47
2. Public Sectors	928,49,06	815,14,18
3. Banks	0	0
4. Others	20409,11,95	18604,97,19
Total	37003,64,62	33902,44,84
C) II. Advances outside India		
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
Total	0	0
GRAND TOTAL (C. I and C. II)	37003,64,62	33902,44,84
Note: The above advances are net of provisions.		

(₹ in '000s)

	As on 31.03.2017 ₹	As on 31.03.2016 ₹
SCHEDULE - 10 FIXED ASSETS		
I. Premises		
At cost as on 31 st March of the preceding year	142,06,71	137,07,39
Additions during the year	427,01,19	4,99,67
	569,07,90	142,07,06
Deductions during the year	4,45	33
	569,03,45	142,06,73
Depreciation to-date	23,48,28	17,75,79
Total	545,55,17	124,30,94
II. Other Fixed Assets		
(including Furniture and Fixtures)		
At cost as on 31 st March of the preceding year	406,70,70	358,10,71
Additions during the year	37,80,08	53,55,70
	444,50,78	411,66,41
Deductions during the year	6,82,35	4,95,72
	437,68,43	406,70,69
Depreciation to date	262,66,61	224,37,78
Total	175,01,82	182,32,91
Total (I+II)	720,56,99	306,63,85
SCHEDULE - 11 OTHER ASSETS		
I. Interest accrued	262,87,61	264,53,94
II. Tax paid in advance/tax deducted at source (net of provisions)*	791,47,39	889,62,65
III. Stationery and Stamps	4,51,55	3,53,85
IV. Non-Banking Assets acquired in satisfaction of claims	24,73,36	2,19,29
V. Others**	1824,96,70	1829,77,38
Total	2908,56,61	2989,67,11
*includes MAT entitlement Credit of ₹ 89,97,78 (Previous year ₹ 205,21,51)		
**includes deferred tax assets(net) of ₹191,29,53		
SCHEDULE - 12 CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	33,01,81	32,78,33
II. Liability for Partly paid investments	0	0
III. Liability on account of outstanding Forward Exchange Contracts including derivatives	2222,54,03	3024,80,38
IV. Guarantees given on behalf of constituents		
a) In India	2487,54,11	2246,49,39
b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	513,93,99	510,33,60
VI. Other items for which the bank is contingently liable	78,99,15	63,27,95
Total	5336,03,09	5877,69,65

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in '000s)

	For the year ended 31.03.2017 ₹	For the year ended 31.03.2016 ₹
SCHEDULE - 13 INTEREST EARNED		
I. Interest/discount on advances/bills	3793,55,99	3700,48,00
II. Income on Investments	1298,22,87	1189,90,44
III. Interest on balances with R.B.I / other Inter-Bank funds	2,18,75	2,59,63
IV. Others	91,42,46	99,22,96
Total	5185,40,07	4992,21,03
SCHEDULE - 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	271,08,58	237,94,59
II. Profit on sale of Investments (net)	304,44,09	62,43,62
III. Profit on Revaluation of Investments (net)	0	0
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (net)	(28,67)	(89,33)
V. Profit on Exchange Transactions(net)	18,90,91	29,80,58
VI. Income earned by way of dividends etc., from Subsidiaries/ Companies and /or Joint Ventures abroad/ in India	0	0
VII. Miscellaneous income	215,18,93	213,56,51
Total	809,33,84	542,85,97
SCHEDULE - 15 INTEREST EXPENDED		
1. Interest on deposits	3601,37,08	3588,01,57
2. Interest on Reserve Bank of India/Inter-Bank Borrowings	19,92,68	20,04,63
3. Others	73,47,97	81,27,57
Total	3694,77,73	3689,33,77
SCHEDULE - 16 OPERATING EXPENSES		
I. Payments to and provisions for employees	601,03,36	443,02,45
II. Rent, Taxes and Lighting	120,06,11	106,97,98
III. Printing and Stationery	12,00,48	12,61,08
IV. Advertisement and Publicity	6,35,70	8,04,48
V. Depreciation on Bank's property	49,75,10	42,23,38
VI. Directors' fees, allowances and expenses	1,58,41	1,13,09
VII. Auditors' fees and expenses (including branch audit fees)	2,93,84	2,75,34
VIII. Law charges	3,40,73	2,41,76
IX. Postage, telegrams, telephones etc.	18,39,50	16,98,81
X. Repairs and maintenance	28,81,28	24,35,78
XI. Insurance	58,68,71	52,35,63
XII. Other expenditure	401,12,91	278,30,32
Total	1304,16,13	991,20,10

SCHEDULE-17

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING 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 following the going concern concept, on historical cost basis and conform 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, notified Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices prevailing in the banking industry in India.

The preparation of the financial statements require management to make estimates and assumptions that affect 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. The differences, if any between estimates and actual will be dealt appropriately in future periods.

SIGNIFICANT ACCOUNTING POLICIES

1. REVENUE RECOGNITION:

Income is accounted for on accrual basis except in respect of income from Non Performing Assets, commission, exchange, Funded Interest Term Loan (FITL) and rent on safe deposit lockers, which are all accounted on cash basis. Recoveries made in Non-performing advances are appropriated as under:

- In case of Term Loan/DPN the recoveries are appropriated towards the principal, interest and charges in order of demand.
- 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.
- In case of One Time Settlement (OTS) accounts the recoveries are first adjusted to principal balance.

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 lowest of the acquisition cost / 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.

3. DERIVATIVE CONTRACTS

Derivative contracts are designated as hedging or trading and accounted in accordance with Reserve Bank of India's guidelines.

Derivatives 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:

- 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 and unrealised interest. Provisions are made in accordance with the prudential norms prescribed by Reserve Bank of India.

- 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 held 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, except wherein Reserve Bank of India has specifically permitted amortisation of the loss on sale of advances over the subsequent periods.

5. FIXED ASSETS:

Premises and other fixed assets are shown at Cost / Revalued amount as reduced by depreciation written off to date. The land and buildings are capitalized based on conveyance/letters of allotment/physical possession of the property.

Software is capitalised along with computer hardware and included under Other Fixed Assets.

6. DEPRECIATION:

Depreciation on fixed assets 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 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 may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.

Premium paid on lease hold properties is charged off over the lease period.

Depreciation of leased assets is calculated so as to spread the depreciable amount over the primary lease period.

Carrying amount of assets is reviewed at each balance sheet date for indication of impairment, if any, and is recognised wherever the carrying amount of an asset exceeds its recoverable value.

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 FEDAI and in accordance with the Accounting Standard 11.

Income and expenditure items are translated at the exchange rates ruling on the respective dates of the transaction.

The 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.

Contribution to the recognised Gratuity Fund, Pension Fund and encashable 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. Intrinsic Value is the amount by which the quoted market price of the underlying shares exceeds the exercise price of the options.

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 the Accounting Standard 17.

Business Segment is classified into (a) Treasury, (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.

Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

11. SHARE ISSUE EXPENSES:

Share issue expenses are adjusted in share premium account.

12. EARNINGS PER SHARE:

Earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings per equity share are computed by using the weighted average number of equity shares and dilutive potential equity shares outstanding as at the year end.

13. TAXATION:

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and are made 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. 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.

14. PROVISIONS AND CONTINGENT LIABILITIES:

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.

In case where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements under Contingent Liabilities.

15. 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.

SCHEDULE – 18

NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS ON 31st MARCH 2017, THE PROFIT AND LOSS ACCOUNT AND THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017.

1. Disclosures as per RBI requirement:

1.1 Capital:

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
		Basel III	Basel III
a	Common Equity Tier 1 capital ratio (%)	12.21	10.56
b	Tier 1 capital ratio (%)	12.21	10.56
c	Tier 2 capital ratio (%)	1.09	1.47
d	Total Capital ratio (CRAR) (%)	13.30	12.03
e	Amount of equity capital raised (₹ in crore)	94.14	Nil
f	Amount of additional Tier 1 capital raised, of which	Nil	Nil
	- PNCPS	Nil	Nil
	- PDI	Nil	Nil
g	Amount of Tier 2 capital raised, of which	Nil	Nil
	- Debt capital instruments	Nil	Nil
	- Preference share capital instruments	Nil	Nil
	- Perpetual cumulative preference shares (PCPS)	Nil	Nil
	- Redeemable non cumulative preference shares (RNCPS)	Nil	Nil
	- Redeemable cumulative preference shares (RCPS)	Nil	Nil

Capital raised: Pursuant to the Right issue in the ratio of 1:2, the Bank has allotted 94136866 equity shares of ₹10/- each during the current financial year at a premium of ₹ 60/- per share aggregating to ₹ 658.96 crore.

1.2 Investments

(₹ in crore)

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Value of Investments		
A	Gross Value of Investments		
a	In India	20242.68	16309.10
b	Outside India	Nil	Nil
B	Provisions / Depreciation		
a	In India	22.95	52.45
b	Outside India	Nil	Nil
C	Net Value of Investments		
a	In India	20219.73	16256.65
b	Outside India	Nil	Nil
2	Movement of provisions held towards depreciation on investments		
a	Opening balance	52.45	29.68
b	Add: Provisions made during the year	3.95	35.63
c	Less: Write-off / write back of excess provisions during the year	33.45	12.86
d	Closing balance	22.95	52.45

1.2.1 Repo Transactions (in face value terms)

(₹ in crore)

Sl. No.	Particulars	Outstanding during the year			Outstanding As on 31.03.2017
		Min	Max	Daily Average	
1	Securities sold under Repo				
a	Government securities	25.00	1904.00	30.47	0.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil
2	Securities purchased under Reverse Repo				
a	Government securities	10.00	4030.00	441.10	350.00
b	Corporate Debt securities	Nil	Nil	Nil	Nil

1.2.2 Non-SLR Investment Portfolio

1.2.2.i. Issuer composition of Non-SLR investments:

(₹ in crore)

Sl. No.	Issuer	Amount	Extent of Private placements	Extent of 'below investment grade' securities	Extent of 'un-rated' securities	Extent of 'un-listed' securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	1148.98	473.64	Nil	Nil	Nil
2	Financial Institutions	985.90	19.98	Nil	Nil	Nil
3	Banks	2842.17	21.98	Nil	Nil	Nil
4	Private Corporates	862.25	512.83	9.60	Nil	2.00
5	Subsidiaries / joint ventures	Nil	Nil	Nil	Nil	Nil
6	Others	517.56	69.33	Nil	Nil	Nil
7	Less - Provision / depreciation	18.51				
	TOTAL	6338.35				

Amounts reported under columns (4) to (7) above are not mutually exclusive

1.2.2.ii. Non-performing Non-SLR Investments

(₹ in crore)

Particulars	Current Year 2016-17	Previous Year 2015-16
Opening Balance	160.69	12.86
Additions during the year since 1 st April	0.00	*160.68
Reductions during the above period	160.69	12.85
Closing Balance	0.00	160.69
Total Provision Held - NPI	0.00	#33.45

*Includes Non-performing UDAY Bonds aggregating to ₹ 149.69 crore.

#Includes Provision on Non-performing UDAY Bonds aggregating to ₹ 22.45 crore.

1.2.2. iii. Sale and transfers to/from HTM Category

During the year, the Bank has sold Government Securities from Held to Maturity (HTM) category in excess of 5% of the book value of the investments held in HTM category at the beginning of the year. As on April 1, 2016 the book value of securities in HTM category stood at ₹10670.38 crore. The 5 % of the same works out to ₹533.52 crore. During the year, Bank sold securities of ₹ 3778.74 crore from the HTM Category. As on 31st March 2017, the book value of SLR investments held in HTM Category was ₹11520.31 crore, which shows marked to market appreciation of ₹ 165.76 crore.

During the year, Bank has not resorted to any transfer of securities to / from HTM category.

1.3 Derivatives

1.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil

1.3.2 Exchange Traded Interest Rate Derivatives: Nil

1.3.3 Disclosure on risk exposure in Derivatives

(i) Qualitative Disclosure:

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 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 its 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 Disclosures:

(₹ in crore)

Sl.No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)		
a	Hedging	Nil	Nil
b	Trading	Nil	Nil
2.	Marked to Market Positions		
	Assets(+)	Nil	Nil
	Liabilities(-)	Nil	Nil
3.	Credit Exposure	Nil	Nil
4.	Likely impact of 1% change in interest Rates (100*PV01)		
a	On hedging derivatives	Nil	Nil
b	On trading derivatives	Nil	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year		
a	On hedging	Nil	Nil
b	On trading	Nil	Nil

Note: Bank has not entered into any derivative instruments other than Forex Forward Contracts maturing within 13 months, for trading/hedging purposes either in foreign exchange or domestic treasury operations. Bank does not have any open position in the derivative instruments in trading book as on March 31, 2017.

1.4 Asset Quality

1.4.1 Non-Performing Assets

(₹ in crore)

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Gross NPA to Gross Advances (%)	4.21	3.44
2	Net NPA to Net Advances (%)	2.64	2.35
3	Movement of NPAs (Gross)		
	a) Opening Balance	1180.40	944.21
	b) Additions during the year*	1348.37	1125.07
	c) Reductions during the year*	947.18	888.88
	d) Closing balance	1581.59	1180.40
4	Movement of Net NPAs		
	a) Opening Balance	795.47	623.55
	b) Additions during the year	744.99	631.07
	c) Reductions during the year	565.73	459.15
	d) Closing balance	974.73	795.47
5.	Movement of provisions for NPAs		
	a) Opening Balance	370.84	315.35
	b) Provision made during the year	551.44	267.18
	c) Write off/write back of excess provision	340.68	211.69
	d) Closing balance	581.60	370.84

*Includes inter quarter additions/deletions to the extent of ₹276.86 crore (Previous year ₹199.32 crore)

1.4.2 Details of Loan assets subject to Restructuring:

(₹ in crore)

Sl. No.	Type of Restructuring	Asset Classifications ->	Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
			STD	SS	DS	LS	Total	STD	SS	DS	LS	Total	STD	SS	DS	LS	Total	STD	SS	DS	LS	Total
1.	Restructured Accounts as on April 1 of the FY (Opening figures)	No. of borrowers	3	0	0	2	5	5	0	1	0	6	465	13	186	0	664	473	13	187	2	675
		Amount outstanding	117.88	0.00	0.00	17.02	134.90	21.01	0.00	7.00	0.00	28.01	1407.80	15.29	221.89	0.00	1644.98	1546.69	15.29	228.89	17.02	1807.89
		Provision thereon	21.30	0.00	0.00	17.02	38.32	2.33	0.00	3.25	0.00	5.58	148.71	3.00	86.53	0.00	238.24	172.34	3.00	89.78	17.02	282.14
2.	Fresh Restructuring during the year	No. of borrowers	0	0	0	0	0	1	0	0	0	1	4	0	1	0	5	5	0	1	0	6
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	8.89	0.00	0.08	0.00	8.97	64.07	0.00	3.83	0.02	67.92	72.96	0.00	3.91	0.02	76.89
		Provision thereon*	0.00	0.00	0.00	0.00	0.00	1.24	0.00	0.22	0.00	1.46	11.70	0.00	41.92	0.05	53.67	12.94	0.00	42.14	0.05	55.13
3.	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	1	1	-2	0	0	1	1	-2	0	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.13	-0.52	0.00	0.00	0.39	0.13	-0.52	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.13	-0.23	0.00	0.00	0.10	0.13	-0.23	0.00	0.00
4.	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0				0	-1				-1	-15				-15	-16				-16
		Amount outstanding	0.00				0.00	-0.14				-0.14	-1.63				-1.63	-1.77				-1.77
		Provision thereon	0.00				0.00	-0.02				-0.02	-0.16				-0.16	-0.18				-0.18
5.	Down -gradation of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	-1	0	1	0	0	-163	0	158	5	0	-164	0	159	5	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	-8.55	0.00	8.55	0.00	0.00	-298.47	51.18	246.85	0.44	0.00	-307.02	51.18	255.40	0.44	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	-1.60	0.00	1.60	0.00	0.00	-40.10	0.42	39.57	0.11	0.00	-41.70	0.42	41.17	0.11	0.00
6.	Write - offs of restructured accounts during the FY	No. of borrowers	0	0	0	-2	-2	0	0	-1	0	-1	-24	-7	-192	-1	-224	-24	-7	-193	-3	-227
		Amount outstanding	-59.72	0.00	0.00	-17.02	-76.74	-1.49	0.00	-8.17	0.00	-9.66	-212.95	-66.17	-152.17	-0.17	-431.46	-274.16	-66.17	-160.34	-17.19	-517.86
		Provision thereon*	-3.27	0.00	0.00	-17.02	-20.29	-0.12	0.00	-3.04	0.00	-3.16	-27.24	-3.46	20.23	0.03	-10.44	-30.63	-3.46	17.19	-16.99	-33.89
7.	Restructured Accounts as on March 31 of FY (Closing figure)	No. of borrowers	3	0	0	0	3	4	0	1	0	5	268	7	151	4	430	275	7	152	4	438
		Amount outstanding	58.16	0.00	0.00	0.00	58.16	19.72	0.00	7.46	0.00	27.18	959.21	0.43	319.88	0.29	1279.81	1037.09	0.43	327.34	0.29	1365.15
		Provision thereon	18.03	0.00	0.00	0.00	18.03	1.83	0.00	2.03	0.00	3.86	93.01	0.09	188.02	0.19	281.31	112.87	0.09	190.05	0.19	303.20

*Provision including incremental provision

Note:

1. The figures under Sr. No.2 include additional/ fresh funding to existing restructured accounts.

2. Write-offs of restructured accounts during the year include reduction of ₹398.20 crore from existing restructured accounts by way of closure/recovery.

3. Provision includes total provision held on Restructured accounts.

1.4.3 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

(₹ in crore)

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	No. of Accounts	21	52
2	Aggregate Value (net of Provisions) of accounts sold to SC/RC	203.20	202.77
3	Aggregate consideration	109.08	127.69
4	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
5	Aggregate Gain / (Loss) over net book value	(94.12)	(75.08)

In terms of RBI Circular DBR.No.BP.BC.94/21.04.048/2014-15 dated 21st May 2015, and DBR No. BP.BC.102/21.04.048/2015-16 dated June 13, 2016, in respect of assets sold to SC/ RCs, the shortfall arrived at by deducting the sale consideration and the provision held as on the date of the sale from the outstanding amount, is to be amortised over eight / four quarters, respectively. Accordingly for the sales that were concluded in the current financial year 2016-17, the Bank has charged to the Profit and Loss account an amount of ₹36.79 crore during the year ended March 31, 2017 on proportionate basis (previous year ₹16.36 Crore) and the balance carried over is ₹57.32 crore (Previous Year ₹58.72 crore).

The total unamortised amount of ₹78.51 crore as on 31st March 2017, which includes unamortised portion of sales concluded in previous year 2015-16 of ₹21.19 crore is debited to Revenue Reserves, as permitted by RBI vide No.DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016. (Refer Note 3.3)

Details of Security Receipts from Securitisation/ Reconstruction Companies:

(₹ in crore)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	Previous Year 2015-16	Current Year 2016-17	Previous Year 2015-16	Current Year 2016-17	Previous Year 2015-16	Current Year 2016-17
Book value of investments in security receipts	290.60	400.48	1.71	1.40	292.31	401.88

1.4.4 Details of Non-performing Financial assets purchased from other Banks /Sold to Other Banks: NIL

1.4.5 Provisions on Standard Assets:

(₹ in crore)

Item	Current Year 2016-17	Previous Year 2015-16
Provisions towards Standard Assets	219.11	219.90

1.5 Business Ratios

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Interest Income to working funds	8.51%	9.18%
2	Non-interest income to working funds	1.33%	1.00%
3	Operating profits to working funds	1.63%	1.57%
4	Return on Assets	0.74%	0.76%
5	Business (Deposits Plus Advances) per employee (₹ in crore)	11.37	10.83
6	Profit per employee (₹ in crore)	0.06	0.05

1.6 Asset Liability Management:

Maturity Pattern of certain items of assets and liabilities:

(₹ in crore)

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	339.29	831.12	404.81	0.04	77.19	57.25
2 to 7 days	459.11	146.35	39.22	0.00	345.68	366.86
8 to 14 days	425.96	344.45	249.52	0.00	28.25	14.27
15 to 30 days	1141.81	431.40	939.61	0.00	269.97	221.52
31 days to 2 months	1475.41	1243.39	1340.31	0.00	293.54	229.74
2 to 3 months	1767.72	1516.05	606.92	0.00	272.74	95.42
Over 3 months to 6 months	6478.78	2421.73	1143.77	138.40	272.85	212.39
Over 6 months to 12 months	6027.61	3392.21	1236.26	65.31	203.45	300.37
Over 1 year to 3 years	26354.52	15427.99	2079.59	343.22	0.02	192.93
Over 3 years to 5 years	1629.96	4493.68	1687.20	35.65	0.00	70.01
Over 5 years	10632.94	6755.28	10492.52	250.00	0.00	0.00
Total	56733.11	37003.65	20219.73	832.62	1763.69	1760.76

1.7 Exposures

1.7.1 Exposure to Real Estate Sector:

(₹ in crore)

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Direct exposure		
a	Residential Mortgages:- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented Of which, individual housing loans eligible for inclusion in priority sector advances	4863.36	4271.91
b	Commercial Real Estates:- Lending (including Non-Fund Based Limits) secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	2259.66	2059.94
c	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:-		
	Residential	Nil	Nil
	Commercial Real Estate	Nil	Nil
2	Indirect Exposure Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	50.72	28.89
	Total Exposure to Real Estate Sector	9012.52	6360.74

1.7.2 Exposure to Capital Market

(₹ in crore)

Sl.No.	Category	Current Year	Previous Year
1	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debts.	95.82	96.54
2	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPS), convertible bonds and convertible debentures and units of equity oriented mutual funds.	Nil	Nil
3	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
4	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
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	38.04	34.50
6	Loans sanctioned to corporate against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources.	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	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
9	Financing to Stockbrokers for margin trading	Nil	Nil
10	All exposures to Venture capital funds (both registered and unregistered).	Nil	Nil
	Total capital market exposure	133.86	131.04

1.7.3 Risk category-wise Country Exposure:

(₹ in crore)

Risk Category	Exposure (net) as at 31.03.2017	Provision held as at 31.03.2017	Exposure (net) as at 31.03.2016	Provision held as at 31.03.2016
Insignificant	89.05	Nil	97.63	Nil
Low	136.61	Nil	139.61	Nil
Moderate	6.54	Nil	7.69	Nil
High	0.00	Nil	2.37	Nil
Very High	0.00	Nil	0.00	Nil
Restricted	0.00	Nil	0.62	Nil
Off-Credit	0.00	Nil	0.00	Nil
TOTAL	232.20	Nil	247.92	Nil

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 extant RBI guidelines. Bank has used 7 categories of classifications followed by ECGC for the purpose of classification and making provision for country risk exposures.

1.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limits (GBL) exceeded by the Bank:

During the year ended 31st March 2017, the Bank has not exceeded the Individual / Group borrowers' prudential exposure limits fixed by RBI

1.7.5 Unsecured Advances:

The Bank has not granted any finance against intangible securities such as charge over the rights, licences, authorisations, etc.

1.8. Penalties imposed by RBI:

No penalty has been imposed by Reserve Bank of India during the year (Previous year - Nil)

2. 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:

2.1 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.

For the preparation of these Financial Results, the Bank has followed the same accounting policies and generally accepted practices adopted for the preparation of Audited Financial Statements for the year ended March 31, 2016.

2.2 Accounting Standard 9 - Revenue Recognition

Revenue is recognized as per accounting policy No.1 of Schedule 17 to the financial statements. Certain items of income are recognized on cash basis and such income are not material.

2.3 Accounting Standard 10- Fixed Assets :

During the current year, as permitted by the Board, the Bank has revalued land & building owned by it. Appreciation of ₹423.53 crore arising out of such revaluation is accounted with corresponding credit to Revaluation Reserves. The details are as under:-

(₹ in crore)

Original Cost of Land & Building	145.50
Incremental Value on account of revaluation made in 2016- 17 and credited to Revaluation Reserves	423.53
Depreciation on Revalued Cost -	23.48
Written Down Value of the revalued assets	545.55

Depreciation on the original cost of the land & building for the current year is ₹19.39 crore. The current year profit & loss account has been debited with additional depreciation charge of ₹4.09 crore, representing the incremental depreciation on the revalued cost.

2.4. Accounting Standard 15 – Employee Benefits:

2.4.1 Various Benefits made available to the Employees are:-

- Pension:** The Bank has a defined benefit plan under Pension Trust to cover employees who have joined employment up to 31st 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 31st March 2010 are covered under contributory pension scheme.
- 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.
- Leave Encashment (PL):** The Bank permits encashment of leave accumulated by employees. The liability for encashment of such leave is determined and provided on the basis of actuarial valuation.
- 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 31st March 2017, there was no liability due and outstanding to the Fund by the Bank.
- Other employee Benefits:** Other than the employee benefits listed above, the Bank also gives certain other benefits to the employees, which include Medical aid, sick leave and casual leave etc.
- The summarised position of Post-employment benefits and employee's long term benefits are recognized in the financial statements as required 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	7.50	7.50
3	Salary escalation rate	5.00	5.00
4	Attrition rate	2.00	2.00
5	Expected rate of return on plan assets	8.65	8.40
6	Mortality	IALM(2006-08) 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 1 st April 2016	711.92	167.23
2	Interest Cost	54.41	12.75
3	Current Service Cost	44.37	12.21
4	Benefits Paid	(77.07)	(14.02)
5	Actuarial Loss/(Gain) on Obligations	57.22	(5.78)
6	Present Value of defined benefit obligation as at 31 st March 2017	790.85	172.39

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	711.92	167.23
2	Expected Return on Plan Assets	61.68	13.66
3	Bank's Contribution related to Current year	94.51	4.81
4	Benefits Paid	(77.07)	(14.02)
5	Actuarial Gain/(Loss) on Plan Assets	(0.19)	0.71
6	Fair Value of Plan Asset at the end of the year	790.85	172.39

Actual Return on Plan Assets (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Expected Return on Plan Assets	61.68	13.66
2	Actuarial Gain/(Loss) on Plan Assets	(0.19)	0.71
3	Actual Return on Plan Assets	61.49	14.37

Actuarial Gain/Loss Recognised (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Actuarial (Gain) / Loss for the period- Obligations	57.22	(5.78)
2	Actuarial (Gain) / Loss for the period- Plan Assets	0.19	(0.71)
3	Total (Gain) / Loss for the period- Plan Assets (2-1)	57.41	(6.49)
4	Actuarial (Gain) / Loss recognised in the year	57.41	(6.49)
5	Unrecognized Actuarial(Gain)/Loss at the end of the year	0.00	0.00

Amounts recognized in Balance Sheet and Related Analysis (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Present value of the Obligations	790.85	172.39
2	Fair Value of Plan Assets	790.85	172.39
3	Differences (Assets-Obligations)	0.00	0.00

Expenses recognised in the Statement of Profit and Loss Account (₹ in crore)

Sl. No.	Particulars	Pension (Funded)	Gratuity (Funded)
1	Current Service Cost	44.37	12.21
2	Interest Cost	54.41	12.75
3	Expected Return on Plan Assets	(61.68)	(13.66)
4	Net actuarial (Gain)/Loss recognised in the year	57.41	(6.49)
5	Expenses recognised in the Statement of Profit and Loss Account	94.51	4.81

Major Categories of plan assets (As a percentage of total plan assets)

Sl.No.	Particulars	Pension Trust	Gratuity Trust
1	Government of India Securities	0.00	4.45
2	State Government Securities	0.00	0.00
3	High Quality Corporate Bonds	0.00	1.16
4	Equity Shares of Listed Companies	0.00	0.00
5	Property	0.00	0.00
6	Funds managed by insurer	96.40	91.18
7	Mutual Funds	0.00	0.00
8	Bank Deposits - Current Accounts	0.01	0.00
9	Others	3.59	3.21
10	Total	100.00	100.00

Estimated 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)	54.52	11.08

2.4.2. Employee Stock Options (ESOP)

The shareholders of the Bank had approved on 15.07.2006, grant of equity shares under Employee Stock Option Scheme of the Bank framed in compliance with SEBI Regulations.

Under the scheme, the Bank had granted stock options to the eligible employees on various dates in the past, each option entitling for one share at an exercise price of ₹50 per share, adjusted to ₹46.20 per share post rights issue 2011. The options granted to employees vested in a graded manner and exercised by the employees within the specified period. Options vested but not exercised before the specified exercise period would lapse.

The Bank followed the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock over the exercise price as determined under the option plan. The fair market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost has been absorbed.

Closure of the Scheme:

Out of 15,00,000 stock options granted to the eligible employees under the scheme 12,09,834 options have been exercised and the balance 2,90,166 options had lapsed. As approved by the Board, the scheme was closed and the balance available in the Outstanding Stock Options Account amounting to ₹2.81 crore is transferred to General Reserve Account as per the applicable guidelines.

2.5 Accounting Standard 17 – Segment Reporting:

For the purpose of segment reporting in terms of AS 17 of ICAI and as prescribed in 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	
Particulars	Mar '17	Mar '16	Mar '17	Mar '16	Mar '17	Mar '16	Mar '17	Mar '16	Mar '17	Mar '16
Revenue	1642.55	1299.25	1814.36	1745.57	2281.72	2242.83	256.11	247.42	5994.74	5535.07
Result	442.87	67.94	-56.12	134.83	165.19	349.03	-34.23	-26.56	517.71	570.24
Unallocated expenses									49.76	42.24
Profit before tax									467.95	528.00
Income taxes									15.69	112.71
Extraordinary / Exceptional Profit/Loss									0.00	0.00
Net Profit									452.26	415.29
Other Information									-	-
Segment Assets	23925.25	19683.15	17505.81	16051.11	19755.75	17994.36	1427.85	1575.45	62614.67	55304.07
Unallocated Assets									1511.89	1196.26
Total Assets									64126.56	56500.33
Segment Liabilities	21898.02	18298.40	16191.20	15117.95	18166.65	16811.86	1322.58	1462.21	57578.45	51690.42
Unallocated liabilities									1405.52	1119.33
Total Liabilities									58983.97	52809.75

2.6 Accounting Standard 18 - Related Party Disclosures: There is no related party transaction other than remuneration paid to key management personnel, Sri P Jayarama Bhat, Managing Director and Chief Executive Officer, aggregating to ₹ 0.79 crore (Previous Year ₹ 0.73 crore).

2.7 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 2016-17	Previous Year 2015-16
Earnings per share - Basic (₹)	19.38	19.68
Earnings per share - Diluted (₹)	19.38	19.68
Net Profit for the year attributable to Equity shares (₹ in crore)	452.26	415.29
Weighted Average number of Equity Shares - Basic	233366350	210993563
Weighted Average number of Equity Shares - Diluted	233366500	211018965
Nominal value per equity share (₹)	10.00	10.00

The EPS for the current year and previous year have been restated, factoring in the Rights Issue made during the year.

Allotment of 98575 Equity shares (Previous year Nil) is kept in abeyance and held in Demat Suspense Account. In respect of 1800 equity shares (Previous Year 1800 Equity shares), the entitlement matter is sub-judice and is yet to be allotted. These shares have not been considered for EPS calculation, as the shares are not allotted.

2.8 Accounting Standard 22 – Accounting for Taxes on Income:

The Bank has accounted for taxes on income in compliance with Accounting Standard 22. The major components of Deferred Tax Assets and Liabilities recognised are as under:-

(₹ in crore)

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
A	Deferred Tax Liabilities		
1	Depreciation on fixed assets	22.27	24.13
2	Depreciation on investments	0	19.76
3	Accrued Interest on Investments	0	91.49
4	Special Reserve u/s 36(1)(viii) of Income Tax Act	61.56	53.50
5	Deferred Revenue Expenditure	27.17	20.32
	Total	111.00	209.20
B	Deferred Tax Assets		
1	PL/LFC Encashment	39.11	25.18
2	Provision made for NPA in excess of deduction allowed u/s 36(1)(viiia) of Income Tax Act	201.28	128.34
3	Provision for Fair Value Loss	18.22	23.37
4	Others	43.68	23.27
	Total	302.29	200.16
	Net deferred tax liability /(Asset) (A)-(B)	(191.29)	9.04

During the current year 2016-17, pursuant to press release dated July 6, 2016 issued by the Ministry of Finance, the Bank has reversed the deferred tax liability amounting to ₹ 111.25 crore created in the previous year 2015-16 on account of Income Computation and Disclosure Standards (ICDS).

2.9 Accounting Standard 28 - Impairment of Assets:

An assessment is made at each Balance sheet date 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, 2017 there is no indication of impairment in connection with any asset.

3.0 Accounting Standard 29 - Provision, Contingent liabilities and Contingent assets:

Movement in Provision for Contingencies:

(₹ in crore)

Particulars	Opening as on 01-04-2016	Provision made during the year	Provisions reversed / adjusted	Closing as on 31-03-2017
Provision for Contingencies	18.63	10.59	0.42	28.80

3.1 Additional Disclosures:

3.1.1 Details of Provisions and Contingencies made during the year:

(₹ in crore)

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Provisions for Depreciation on Investment	3.95	13.16
2	Provisions towards NPA	551.43	267.18
3	Provisions towards Standard Assets (including NPV of Restructured Standard advances)	-15.67	18.55
4	Provisions made for Non-performing UDAY Bonds	-22.45	22.45
5	Provisions made towards taxes	15.69	112.71
6	Other Provisions & contingencies-for frauds, claims against the bank not acknowledged as debts and other intangibles.	10.59	5.19
	Total	543.54	439.24

3.2 Floating /Countercyclical Provisions:

The Bank does not hold any floating/ countercyclical provision in the current year (Previous year- Nil)

3.3 Drawdown from Reserves:

During the year, a sum of ₹ 78.51 crore (Previous year Nil) being the unamortized amount of loss on sale of advances to Asset Reconstruction companies has been debited to Revenue reserves, as per permitted by RBI vide No.DBR.NO.BP.BC.102/21.04.048/2015-16 dated June 13, 2016. Refer Note No 1.4.3.

3.4 Complaints/unimplemented Awards of Banking Ombudsman:

3.4.1 Customer Complaints:

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
(a)	No. of complaints pending at the beginning of the year	250	68
(b)	No. of complaints received during the year	28692	13959
(c)	No. of complaints redressed during the year	28538	13777
(d)	No. of complaints pending at the end of year	404	250

Out of the above, the ATM complaints attributable to Acquiring Bank are detailed here below:

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
(a)	No. of complaints pending at the beginning of the year	195	41
(b)	No. of complaints received during the year	27849	6239
(c)	No. of complaints redressed during the year	27705	6085
(d)	No. of complaints pending at the end of year	339	195

3.4.2 Awards passed by the Banking Ombudsman:

Sl.No.	Particulars	Current Year 2016-17	Previous Year 2015-16
(a)	No. of unimplemented awards at the beginning of the year	Nil	Nil
(b)	No. of awards passed by the Banking Ombudsman during the year	Nil	Nil
(c)	No. of awards implemented during the year	Nil	Nil
(d)	No. of unimplemented awards at the end of the year	Nil	Nil

3.5 Disclosure of Letters of Comfort (LoC)

The Bank issues Letters of Comfort on behalf of its various constituents against the credit limits sanctioned to them. In the opinion of the Management, no significant financial impact and/or cumulative financial obligations have devolved during the year in respect of the LoCs issued by the Bank and remaining outstanding as of 31st March 2017.

Details of LoCs issued by the Bank is as follows:

(₹ in crore)

1	Letters of comfort issued during the year	970.07
2	Letters of comfort matured/cancelled during the year	970.26
3	Letters of comfort outstanding at the end of the year	376.71

3.6 Provision Coverage Ratio (PCR):

The Bank's provision coverage ratio as of March 31, 2017 is 54.00 % (previous year 48.39 %)

3.7 Bank Assurance Business:

(₹ in crore)

Sl. No.	Nature of Income	Current Year 2016-17	Previous Year 2015-16
1	For selling Life Insurance Policies	21.85	25.76
2	For selling Non-Life Insurance Policies	5.01	5.26
	Total	26.86	31.02

3.8 Concentration of Deposits, Advances, Exposures and NPAs:

3.8.1 Concentration of Deposits:

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Total deposits of 20 largest depositors (₹ in crore)	2218.29	2325.38
2	Percentage of deposits of 20 largest depositors to total deposits	3.91	4.61

3.8.2 Concentration of Advances:

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Total advances of 20 largest borrowers (₹ in crore)	4973.88	3950.66
2	Percentage of advances of 20 largest borrowers to total advances (credit exposures including derivatives)	10.48	9.40

3.8.3 Concentration of Exposures:

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Total exposures of 20 largest borrowers/ Customers (₹ in crore)	6920.08	4744.80
2	Percentage of Exposures to 20 largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	12.76	10.04

3.8.4 Concentration of NPAs:

(₹ in crore)

Sl. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1	Total fund based Exposure of Top Four NPA accounts	364.29	300.94

3.9 Sector-Wise Advances:

(₹ in crore)

Sl. No.	Sector*	Current year			Previous year		
		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
A	Priority Sector						
1	Agriculture and allied activities	5396.60	174.33	3.23	4547.53	103.41	2.27
2	Advances to industries sector eligible as priority sector lending	3201.20	194.08	6.06	3743.68	83.03	2.22
a	Textiles	875.84	57.94	6.62	1107.33	11.98	1.08
b	Others	2325.36	136.14	5.85	2636.35	71.05	2.70
3	Services	5033.11	173.01	3.44	4210.80	118.56	2.82
a	Professional and self employed	1281.51	48.97	3.82	1190.66	29.20	2.45
b	Trade and Business	3062.73	97.66	3.19	2466.00	69.03	2.80
c	Small road and water transport operators	468.06	24.76	5.29	425.68	19.37	4.55
d	Others	220.81	1.62	0.73	128.46	0.96	0.75
4	Personal and Other Loans	2208.70	22.45	1.02	2100.49	26.96	1.28
a	Housing Loan	1853.33	17.94	0.97	1810.62	18.50	1.02
b	Others	355.37	4.51	1.27	289.87	8.46	2.92
	Sub-total (A)	15839.61	563.87	3.56	14602.50	331.96	2.27
B	NON PRIORITY SECTOR						
1	Agriculture and allied activities	32.85	0.00	0.00	26.58	0.00	0.00
2	Industry	3074.08	453.23	14.74	3478.95	219.45	6.31
a	Automobiles	368.60	150.87	40.93	396.04	0.00	0.00
b	Textiles	553.00	44.05	7.97	720.99	80.22	11.13
c	Iron & Steel	350.91	0.00	0.0	541.03	59.53	11.00
d	Others	1801.57	258.31	14.34	1820.89	79.70	4.38
3	Services	3043.66	151.27	4.97	2674.72	131.35	4.91
a	Professional and self employed	775.20	93.95	12.12	884.33	92.88	10.50
b	Other Service activity	2268.46	57.32	2.53	1790.39	38.47	2.15
4	Personal loans	6093.92	83.08	1.36	5357.50	95.09	1.77
a	Housing	4426.12	55.26	1.25	3964.06	34.61	0.87
b	Other Personal Loan	1667.80	27.82	1.67	1393.44	60.48	4.34
5	Other Non-Priority Loan	9501.12	330.14	3.47	8133.03	402.55	4.95
a	Commercial Real estate	442.69	0.29	0.07	432.50	6.71	1.55
b	Infrastructure Loan	1853.65	147.72	7.97	1615.57	185.79	11.50
c	Others	7204.78	182.13	2.53	6084.96	210.05	3.45
	Sub-total (B)	21745.63	1017.72	4.68	19670.78	848.44	4.31
	Total (A+B)	37585.24*	1581.59	4.21	34273.28*	1180.40	3.44

*excludes provisions for NPAs

3.10 Movement of NPA:

(₹ in crore)

Particulars	Current Year 2016-17	Previous Year 2015-16
Gross NPAs as on April 1 (Opening balance)	1180.40	944.21
Additions (Fresh NPAs) during the year*	1348.37	1125.07
Sub-total (A)	2528.77	2069.28
Less:		
(i) Up-gradations	203.08	240.96
(ii) Recoveries (excluding recoveries made from upgraded accounts)	286.09	342.80
(iii) Technical/ Prudential write offs	233.73	110.10
(iv) Write offs other than those under (iii) above	224.28	195.02
Sub-Total (B)*	947.18	888.88
Gross NPAs as on 31st March (Closing balance) [(A) – (B)]	1581.59	1180.40

* Includes inter quarter additions/deletions to the extent of ₹276.86 crore (Previous Year ₹199.32 crore)

Movements in Technical Write Off:

(₹ in crore)

Particulars	Current Year 2016-17	Previous Year 2015-16
Opening balance of Technical/prudential write-off accounts as at April 1	360.85	316.51
Add: Technical/prudential write-offs during the year	233.73	110.10
Sub-total (A)	594.58	426.61
Less: Recoveries / Actual Write offs from previously technical/prudential written - off accounts during the year (B)	57.16	65.76
Closing balance as at March 31 (A-B)	537.42	360.85

3.11 Overseas Assets, NPA and Revenue: Nil
3.12 Off- Balance Sheet SPV sponsored (which are required to be consolidated as per accounting norms): Nil
3.13 Disclosure of Remunerations:-
a) Qualitative disclosure:
Remuneration Committee

The Nomination & Remuneration Committee (N&RC) consists of only Independent Directors, two of them being the members of Integrated Risk Management Committee of the Board (IRMC) also.

Objectives of Compensation 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. 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.

The N&RC works in close coordination with the Integrated Risk Management Committee to ensure effective alignment of remuneration and risks.

Risk adjustments in remuneration

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 judgmental elements. Compensation outcomes are symmetric with risk outcomes and compensation payouts are sensitive to the time horizon of the risk.

Performance linked variable compensation, deferral and forms

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, 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 are assessed.

The variable pay shall not exceed 70% of the fixed pay in a year. The deterioration in the financial performance of the Bank should generally lead to a contraction in the total amount of variable remuneration to be paid.

Further, where the variable pay constitutes a substantial portion of the fixed pay (i.e. 50% or more of the fixed pay), an appropriate portion of the variable pay, say 40% to 60% must be deferred over a period. The Board/ N &RC may grant stock options under the Employees Stock Options Plan/Scheme as per Securities and Exchange Board of India Guidelines/ Regulations, subject to the approval of Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949. Such Stock Options will be excluded from the components of variable pay. In case variable pay payable is 50% or more, deferral arrangements of variable pay shall be applied. The deferral period should not be less than three years. Compensation payable under deferral arrangements should vest on a pro-rata basis at such rates as may be decided by the Board/ N&RC. In the event of negative contributions of the Bank and/or the relevant line of business in any year, the deferred compensation is subject to malus/claw back arrangements. The variable pay could be in cash, or stock linked instruments or mix of both.

b) Quantitative disclosures

	Particulars	Current Year 2016-17	Previous Year 2015-16
(i)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Five Sitting fees of ₹ 20000/- (₹ 50000/- w.e.f. 01.01.2017) to each non- executive director member per meeting attended	Two Sitting fees of ₹20000/- to each non-executive director member per meeting attended.
(ii)	Number of employees having received a variable remuneration award during the financial year.	One	One
	Number and total amount of sign-on awards made during the financial year.	Nil	Nil
	Details of guaranteed bonus, if any, paid as joining / sign on bonus.	Nil	Nil
	Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
(iii)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
	Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
(iv)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed : ₹0.65 crore variable : ₹0.08 crore for the year 2015-16 was paid during the year under report	Fixed : ₹0.60 crore variable : ₹ 0.07 crore for the year 2014-15 was paid during the year under report
(v)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil	Nil
	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil

3.14 Disclosure relating to Securitization:

The Bank has not sponsored any SPV's for securitisation transactions

3.15 Credit Default Swap:

The Bank has not entered into any credit default swap.

3.16 Intra-Group Exposures:

The Bank does not have any Intra-group Companies under its management.

3.17 Transfers to Depositor Education and Awareness Fund (DEAF):

(₹ in crore)

Particulars	Current Year 2016-17	Previous Year 2015-16
Opening balance of amounts transferred to DEAF	63.28	50.61
Add : Amounts transferred to DEAF during the year	15.71	12.67
Less : Amounts reimbursed by DEAF towards claims	Nil	Nil
Closing balance of amounts transferred to DEAF	78.99	63.28

3.18 Un-hedged 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 un-hedged foreign currency exposure in line with the extant RBI Guidelines. Further, the Bank has made a provision of ₹13.25 crore (Previous year ₹13.20 crore) and has provided capital for the un-hedged foreign currency exposure of borrowal entities of ₹3.90 crore (previous year ₹3.49 crore) in line with the extant RBI Guidelines.

3.19 Frauds :

The total number of frauds reported during the year is 29 amounting to ₹28.70 crore and is fully provided for in the current year.

3.20 Liquidity Coverage Ratio

(₹ in crore)

(All Amounts in Rs. crore)		2016-17 (Q4)*		2016-17 (Q3)		2016-17 (Q2)		2016-17 (Q1)		2015-16 (Q4)	
(Rs. in crore)		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)		10459.05		9933.01		7222.67		6672.10		5652.40
Cash Outflows											
2	Retail Deposits and deposits from small business customers	43703.48	3847.87	42779.90	3764.32	39549.59	3514.36	38508.80	3415.38	36868.12	3262.42
	(i) Stable Deposits	10449.63	522.48	10273.48	513.68	8811.85	440.59	8709.98	435.50	8487.82	424.39
	(ii) Less Stable Deposits	33253.85	3325.39	32506.42	3250.64	30737.74	3073.77	29798.82	2979.88	28380.30	2838.03
3	Unsecured Wholesale Funding, of which:	7939.75	3361.94	7916.74	3320.96	7337.93	3101.80	7135.16	3065.31	6315.46	2681.40
	(i) Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Non-operational Deposits (all counterparties)	7939.75	3361.94	7916.74	3320.96	7337.93	3101.80	7135.16	3065.31	6315.46	2681.40
	(iii) Unsecured Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding		0.00		0.00		0.00		0.00		0.00
5	Additional requirements, of which	6278.33	2156.35	5838.20	1883.19	5309.54	1770.50	5120.02	1850.63	4937.00	1461.18
	(i) Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.10	0.10	0.00	0.00	0.01	0.01	0.07	0.07
	(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Credit and liquidity facilities	6278.33	2156.35	5838.10	1883.09	5309.54	1770.50	5120.01	1850.62	4936.93	1461.11
6	Other contractual funding obligations	217.19	217.19	244.70	244.70	225.09	225.09	216.33	216.33	253.92	253.92
7	Other contingent funding obligations	3340.73	100.22	3222.36	96.67	3098.05	92.94	3071.52	92.15	2833.99	131.43
8	Total Cash Outflows		9683.57		9309.84		8704.69		8639.80		7790.35
Cash Inflows											
9	Secured lending (e.g. reverse repos)	1441.39	0.00	101.67	0.00	58.33	0.00	28.33	0.00	5.83	0.00
10	Inflows from fully performing exposures	1180.98	590.49	966.39	483.20	1053.51	1053.51	1120.34	560.17	1080.54	540.27
11	Other cash inflows	1235.27	1235.27	855.58	855.58	1050.25	1050.25	1566.59	1566.59	1118.82	1118.82
12	Total Cash Inflows	3857.64	1825.76	1923.64	1338.78	2162.09	1577.01	2715.26	2126.76	2205.19	1659.09
13	TOTAL HQLA		10459.05		9933.01		7222.67		6672.10		5652.40
14	Total Net Cash Outflows	57696.56	7857.81	59011.55	7971.06	53518.07	7127.68	51336.57	51336.57	49005.80	6131.26
15	Liquidity Coverage Ratio (%)		133.10		124.61		101.33		102.44		92.19

Note: LCR data for March 2016 to December 2016 have been computed as the simple average of monthly observations over the quarter. For the quarter ended March 31, 2017, the same has been computed based on simple average of daily observations.

Qualitative Disclosures on LCR:

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. To provide sufficient transition period, the guidelines require maintaining minimum 60% w.e.f January 1, 2015 and step up of 10% every year to reach 100% by January 1, 2019.

Necessary system has been put in place to compute LCR and Bank's strategy would be to maintain LCR well above the regulatory minimum levels ahead of the stipulated time lines. The main driver of LCR is adequate HQL As and Bank is maintaining LCR well above the minimum stipulated level of 80% in view of SLR investments in excess of statutory requirement and 11% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). The Bank has a diversified liability mix comprising of healthy Retail Deposits with its pan India presence and the dependency on wholesale funding is insignificant.

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.

3.21 Disclosures on Flexible Structuring of Existing Loans

Period	No. of Borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring (₹ in crore)		Exposure weighted average duration of loans taken up for flexible structuring (in months)	
		Classified as standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
2015-16	1	43.58	–	7.63	20.54
2016-17	4	151.47	–	22.83	64.04

3.22 Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date 31.03.2017 (₹ in crore)		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending (₹ in crore)		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
3	464.10	–	464.10	–	–	–

3.23 Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):
(₹ in crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date 31.03.2017		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
NIL								

3.24 Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

(₹ in crore)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as standard	Classified as standard restructured	Classified as NPA
	NIL		

3.25 Disclosures on the scheme for Sustainable Structuring of Stressed assets (S4A), as on 31.3.2017.

(₹ in crore)

	No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
			Part A	Part B	
Classified as standard	1	20.42	13.00	8.63	4.08
Classified as NPA	-	Nil	Nil	Nil	Nil

- 3.26 Operating Expenses stated in Schedule 16 to the Profit and Loss Account includes ₹6.18 crore (Previous year ₹4.90 crore) spent towards Corporate Social responsibility (CSR) Activities.
- 3.27 The additional provisioning requirement due to divergence observed by RBI for the financial year 2015-16 in respect of Bank's asset classification and provisioning under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP), is within the limit of 15%. Hence, no disclosure is required to be made under DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017.
- 3.28 The Board of Directors has recommended a dividend of ₹ 4 per share (40 %) for the year ended 31st March 2017 (previous year ₹ 5 Per share (50 %)), subject to approval of the shareholders at the ensuing Annual General Meeting. In accordance with revised Accounting Standards (AS) 4-'Contingencies & Events occurring after the balance sheet date' notified by the MCA on March 30, 2016, the proposed dividend including corporate dividend tax amounting to ₹136.05 crore has not been shown as an appropriation from the Profit as of March 31, 2017 and consequently not reported under Other liabilities and Provisions as of March 31, 2017. For computation of capital adequacy ratio as of March 31, 2017 Bank has adjusted the proposed dividend for determining capital funds.

4. Reconciliation of Branch Adjustments and Balancing of Subsidiary Ledgers.

- a) Balancing of Subsidiary Ledgers is completed in all branches/offices.
 - b) Reconciliation of branch adjustments/Inter Bank accounts has been completed up to 31st March 2017 and steps are being taken to give effect to consequential adjustments of pending items.
5. The percentage of SLR investments under “Held to Maturity” category as on 31st March 2017 was 19.93% (Previous Year 21.05%) of the Net Demand and Time Liabilities of the Bank, which is within the permissible limit as per RBI guidelines.
6. (i) A sum of ₹ 791.31 crore (Previous year ₹791.82 crore) is outstanding on account of demands raised by the Income Tax Department in earlier years which have been paid under protest. No provision is considered necessary in respect of these demands, as the Bank has been advised that there are good chances of success in appeals/ considering favourable judicial pronouncements and/or appellate orders on identical issues for earlier assessment years.

(ii) 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.

7. In accordance with the RBI Circular DBR. No. BPBC.2/21.06.201/2015-16 dated 1st July 2015 on 'Basel III Capital Regulations' and RBI Circular DBR.NO.BP.BC 80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', Banks are required to make Pillar III disclosures including Leverage Ratio and Liquidity Coverage Ratio under Basel III Framework.

The Bank has made these disclosures which are available on its web site at the following link <http://ktkbank.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been audited by the Statutory Central Auditors

8. Previous year's figures have been regrouped/rearranged/given in brackets wherever necessary and feasible to conform to the current year's classifications.

Sd/-
Ravindranath Hande H P
Deputy General Manager

Sd/-
Prasanna Patil
Company Secretary

Sd/-
Y. V. Balachandra
General Manager & CFO

Sd/-
Mahabaleshwara M. S.
Managing Director & CEO

Sd/-
P. Jayarama Bhat
Chairman

Sd/-
Ashok Haranahalli
Usha Ganesh
Directors

Sd/-
Rammohan Rao Belle
B. A. Prabhakar
Directors

Sd/-
Ullal Ravindra Bhat
Keshav Krishnarao Desai
Directors

Sd/-
D. Surendra Kumar
Director

Refer our report of even date

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Place : Mangaluru
Date : 13th May 2017

Sd/-
Srinivas S. Kamath
Partner
M. No. 201716

Sd/-
Abarna Bhaskar
Partner
M. No. 025145

INDEPENDENT AUDITORS' REPORT

To,

The Members of The Karnataka Bank Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of The Karnataka Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2017, the Profit and Loss Account, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these Financial Statements are the returns of 34 branches audited by us, 757 branches/offices audited by Branch Auditors.

Management's Responsibility for the Financial Statements

2. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

ಸ್ವತಂತ್ರ ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿ

ಗೆ,

ಕರ್ನಾಟಕ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್‌ನ ಸದಸ್ಯರು

ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ವರದಿ

1. ನಾವು ಇದರೊಂದಿಗೆ ಲಗತ್ತಿಸಿದ 31ನೇ ಮಾರ್ಚ್ 2017ರ ಕರ್ನಾಟಕ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್‌ನ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ಮಾಡಿದ್ದು, ಇದರಲ್ಲಿ 31 ಮಾರ್ಚ್ 2017ರ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ, ಲಾಭ ನಷ್ಟ ತಖ್ತೆ ಮತ್ತು ವರ್ಷಾಂತ್ಯದ ನಗದು ಪರಿಚಲನೆಯ ನಿರೂಪಣಾ ಪಟ್ಟಿ, ಮಹತ್ವದ ಧೋರಣೆಗಳ ಸಂಕ್ಷಿಪ್ತ ವರದಿ ಹಾಗೂ ವಿವರಣಾತ್ಮಕ ಸೂಚನೆಗಳು ಸೇರಿಸಲ್ಪಟ್ಟಿವೆ. ಇವುಗಳಲ್ಲಿ ಸಂಘಟಿತವಾದ ಶಾಖಾ ವರದಿಗಳಲ್ಲಿ, 34 ಶಾಖೆಗಳ ವರದಿಗಳು ಸ್ವತಃ ನಮ್ಮಿಂದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟಿದ್ದು, 757 ಶಾಖೆಗಳ / ಕಛೇರಿಗಳ ವರದಿಗಳು ಶಾಖಾ ಲೆಕ್ಕಪರಿಶೋಧಕರಿಂದ ಪರಿಶೋಧಿಸಲ್ಪಟ್ಟಿವೆ.

ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ಆಡಳಿತದ ಹೊಣೆಗಾರಿಕೆ

2. ಕಂಪನೀಸ್ ಕಾಯಿದೆ, 2013 ವಿಭಾಗ 134(5)ರಲ್ಲಿ ನಮೂದಿಸಲ್ಪಟ್ಟ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ, ಆರ್ಥಿಕ ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿಕೆಯ ಹೊಣೆಗಾರಿಕೆ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯವರದಾಗಿರುತ್ತದೆ. ಈ ಲೆಕ್ಕಪತ್ರಗಳು ಬ್ಯಾಂಕಿನ ಆರ್ಥಿಕ ಸ್ಥಿತಿ ನಿರ್ವಹಣೆ ಮತ್ತು ಬ್ಯಾಂಕಿನ ನಗದು ಪರಿಚಲನೆಯ ಕುರಿತು, ಭಾರತದಲ್ಲಿ ಸಾಮಾನ್ಯವಾಗಿ ಅಂಗೀಕರಿಸಲ್ಪಟ್ಟ ಲೆಕ್ಕಪತ್ರ ನಿರೂಪಣಾ ಮಾರ್ಗದರ್ಶಿಕೆಗೆ ಅನುಗುಣವಾಗಿರುವಂತೆ, ಸತ್ಯ ಮತ್ತು ಯಥಾರ್ಥ ಚಿತ್ರಣವನ್ನು ನೀಡುವಲ್ಲಿ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕ ಮಂಡಳಿಯು ಹೊಣೆಯಾಗಿರುತ್ತದೆ. ಹಾಗೆಯೇ ಕಂಪನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 133 ಹಾಗೂ ಅದರೊಂದಿಗೆ ಓದಲ್ಪಡುವ ಕಂಪನಿ (ಅಕೌಂಟ್ಸ್) ನಿಬಂಧನೆ, 2014, ನಿಬಂಧನೆ 7, ಹಾಗೂ ವಿಭಾಗ 29, ಬ್ಯಾಂಕಿಂಗ್ ರೆಗ್ಯುಲೇಷನ್ ಆಕ್ಟ್, 1949 ಇವುಗಳಲ್ಲಿ ಉಲ್ಲೇಖಿತ ಅಕೌಂಟಿಂಗ್ ಮಾನದಂಡಗಳ ಅನುಸಾರದಂತಿರುವುದು ಹಾಗೂ ಭಾರತೀಯ ರಿಸರ್ವ್ ಬ್ಯಾಂಕಿನ ಮಾರ್ಗದರ್ಶಿಕೆ ಮತ್ತು ಆಗಿಂದಾಗ್ಗೆ ನೀಡಲ್ಪಟ್ಟ ಸುತ್ತೋಲೆಗನುಸಾರ ವಾಗಿರುವುದು ನಿರ್ದೇಶಕ ಮಂಡಳಿಯ ಜವಾಬ್ದಾರಿಯಾಗಿರುತ್ತದೆ. ಈ ಜವಾಬ್ದಾರಿಯು ಬ್ಯಾಂಕಿನ ಆಸ್ತಿ ಕಾಪಾಡಿಕೆ, ವಂಚನೆ ಮತ್ತು ಇತರ ಅವ್ಯವಹಾರಗಳ ತಡೆಯುವಿಕೆ ಮತ್ತು ಪತ್ತೆಹಚ್ಚಿಕೆ, ಬ್ಯಾಂಕಿಗೆ ಅನುಗುಣವಾದ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಸಿದ್ಧಪಡಿಸುವ ಧೋರಣೆಯ ಸ್ವೀಕಾರ, ಮಾಡಿದ ನಿರ್ಧಾರ ಹಾಗೂ ಅಂದಾಜು ಮಾಡುವಲ್ಲಿ ವಿವೇಚನೆ, ಮತ್ತು ಹಣಕಾಸು ಲೆಕ್ಕಪತ್ರಗಳ ಸತ್ಯ ಮತ್ತು ಯಥಾರ್ಥ ಚಿತ್ರಣಕ್ಕಾಗಿ ಹಾಗೂ ತಪ್ಪು / ವಂಚನೆಗಳಿಂದ ಉಂಟಾಗುವ ತಪ್ಪು ವ್ಯಾಖ್ಯೆಗಳ ಹೊರತಾದ ತಯಾರಿಕೆ ಮತ್ತು ನಿರೂಪಣೆಗೆ ಸಂಬಂಧಿಸಿದ ಸಮರ್ಪಕ ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಣಗಳ ರೂಪಣೆ, ಅನುಷ್ಠಾನ ಹಾಗೂ ಸಂರಕ್ಷಣೆ ಹಾಗೂ ದಾಖಲೆಪತ್ರಗಳ ವಿಚಿತತೆ ಮತ್ತು ಪೂರ್ಣತ್ವದ ಖಾತ್ರಿಯ ನಿಮಿತ್ತ, ಆರ್ಥಿಕ ನಿಯಂತ್ರಣಗಳ ನಿರ್ವಹಣಾ ದಕ್ಷತೆ - ಇವೆಲ್ಲದರ ಸಲುವಾಗಿ ಲೆಕ್ಕಪತ್ರಗಳ ಹಾಗೂ ದಾಖಲೆಗಳ ನಿರಂತರ ಹಾಗೂ ಔಚಿತ್ಯಪೂರ್ಣ ಜೋಪಾನಿಕೆಯೂ ಒಳಗೊಂಡಿದೆ.

ಲೆಕ್ಕಪರಿಶೋಧಕರ ಹೊಣೆಗಾರಿಕೆ

3. ನಮ್ಮ ಪರಿಶೋಧನೆಯ ಆಧಾರದ ಮೇಲೆ ಇಲ್ಲಿನ ಹಣಕಾಸಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಕುರಿತು ನಮ್ಮ ಅಭಿಪ್ರಾಯ ತಿಳಿಸುವಷ್ಟಕ್ಕೆ ನಮ್ಮ ಹೊಣೆಗಾರಿಕೆ ಸೀಮಿತವಾಗಿದೆ.
4. ನಾವು ಕಂಪನಿ ಕಾಯಿದೆಯ ನಿಬಂಧನೆಗಳಿಗನುಗುಣವಾಗಿ ಅಕೌಂಟಿಂಗ್ ಮತ್ತು ಲೆಕ್ಕಪರಿಶೋಧನಾ ನೀತಿಗಳನ್ನು ಹಾಗೂ ಕಾಯ್ದೆ ಮತ್ತು ನಿಬಂಧನೆಗಳ ಅನುಸಾರ ಪರಿಶೋಧನಾ ವರದಿಯಲ್ಲಿ ಅಳವಡಿಸಲ್ಪಡಬೇಕಾದ ಇತರೆ ವಿಷಯಗಳನ್ನು ಪರಿಗಣಿಸಿರುತ್ತೇವೆ.

5. We conducted our audit of the Bank including its branches in accordance with Standards on Auditing ('the Standards') specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India:

- In case of the Balance Sheet, of the state of affairs of the Bank as at 31st March 2017;
- In case of the Profit and Loss Account, of the profit for the year ended on that date; and
- In case of the Cash Flow Statement, of cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note of the Financial Statements, regarding deferment of loss of ₹78.51 crore on sale of advances to Asset Reconstruction Companies.

Our opinion is not qualified in respect of this matter.

5. ನಾವು ಬ್ಯಾಂಕಿನ ಹಾಗೂ ಅದರೊಂದಿಗೆ ಶಾಖೆಗಳ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಯನ್ನು ಕಂಪನಿ ಕಾಯಿದೆ, 2013, ವಿಭಾಗ 143(10) ಇದರಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿರುವ 'ದಿ ಸ್ಟಾಂಡರ್ಡ್ಸ್ ಆನ್ ಆಡಿಟಿಂಗ್'ನ ಅನುಸಾರವಾಗಿ ಮಾಡಿರುತ್ತೇವೆ. ಈ ಮಾನದಂಡ ಅಪೇಕ್ಷೆಪಟ್ಟಂತೆ ನಾವು ಅಡಿಟಿಂಗ್ ನೀತಿಗನುಸಾರವಾಗಿ, ಆರ್ಥಿಕ ವ್ಯಾಖ್ಯೆಗಳು ಮತ್ತು ಲೆಕ್ಕಪತ್ರಗಳು ತಪ್ಪುಪ್ರಾಪ್ಯಗಳಿಂದ ಹೊರತಾಗಿವೆ ಎನ್ನುವ ಭರವಸೆಯನ್ನು ಪಡೆದಿರುತ್ತೇವೆ.

6. ಲೆಕ್ಕಪರಿಶೋಧನೆಯು, ಆರ್ಥಿಕ ವ್ಯಾಖ್ಯೆಗಳಲ್ಲಿ ನಿರೂಪಣೆಗೊಂಡ ಮೊತ್ತಗಳ ಬಗ್ಗೆ ಮತ್ತು ಪ್ರಕಟಗೊಳಿಸುವ ವಿವರಗಳ ಬಗ್ಗೆ ಸಾಕಷ್ಟು ಲೆಕ್ಕಪರಿಶೋಧನಾ ಸಾಕ್ಷ್ಯಗಳನ್ನು ಹೊಂದಿಸುವ ಕಾರ್ಯವಿಧಾನದ ನೆರವೇರಿಕೆಯನ್ನು ಒಳಗೊಂಡಿದೆ. ಕಾರ್ಯರೂಪದ ಆಯ್ಕೆ ಲೆಕ್ಕಪರಿಶೋಧಕರ ತೀರ್ಮಾನಕ್ಕೆ ಬಿಟ್ಟಿದ್ದು, ತೀರ್ಮಾನ ಕೈಗೊಳ್ಳುವಲ್ಲಿ ಲೆಕ್ಕಪತ್ರಗಳು ವಂಚನೆ ಮತ್ತು ತಪ್ಪುಗಳಿಂದ ಹೊರತಾಗಿದೆ ಎನ್ನುವ ವಿವೇಚನೆ, ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಕಗಳನ್ನು ಸಂಬಂಧಿಸಿದ ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಪೂರೈಕೆ ಯಥಾವತ್ ಮತ್ತು ನೈಜ ಮಾಹಿತಿಗಳನ್ನು ಒದಗಿಸುತ್ತವೆ ಮತ್ತು ಸಂದರ್ಭಕ್ಕೆ ತಕ್ಕಂತೆ ಬಿಂಬಿಸಲಾಗಿದೆ ಎನ್ನುವ ವಿವೇಚನಾಪೂರ್ಣವಾದ ಅರಿಯುವಿಕೆ, ಇವುಗಳ ಪರಿಗಣನೆಯನ್ನು ಒಳಗೊಂಡಿದೆ. ಲೆಕ್ಕಪರಿಶೋಧನೆಯು, ಅಕೌಂಟಿಂಗ್ ಧೋರಣೆಯು ಯಥೋಚಿತ ಪೂರ್ಣವಾಗಿದೆಯೇ ಎನ್ನುವ ಪರಿಶೀಲನೆಯನ್ನು ಒಳಗೊಂಡಿದ್ದು, ಅಲ್ಲದೇ ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರು ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಅಂದಾಜಿಸುವಲ್ಲಿ ಸಕಾರಣ ಪೂರ್ವಕವಾಗಿ ನಡೆದುಕೊಂಡಿದ್ದಾರೆಯೇ ಹಾಗೂ ಒಟ್ಟಾರೆ ಲೆಕ್ಕಪತ್ರ ಮಂಡನೆಯಲ್ಲಿ ಔಚಿತ್ಯಪೂರ್ಣತೆ ಇದೆಯೇ ಎನ್ನುವುದನ್ನು ಲೆಕ್ಕಪರಿಶೋಧಕರು ಮೌಲೀಕರಿಸಬೇಕಾಗಿರುವುದನ್ನು ಒಳಗೊಂಡಿದೆ.

7. ನಾವು ಹೊಂದಿರುವ ಅಡಿಟ್ ಸಾಕ್ಷ್ಯಗಳು ತೃಪ್ತಿಕರವಾಗಿವೆ ಮತ್ತು ಬೇಕಷ್ಟು ಪೂರ್ಣವಾಗಿವೆ ಮತ್ತು ಆರ್ಥಿಕ ಲೆಕ್ಕಪತ್ರಗಳ ಬಗ್ಗೆ ನಮ್ಮ ಅಭಿಪ್ರಾಯವನ್ನು ನೀಡಲು ಸಾಕಷ್ಟು ಆಧಾರವಾಗಿವೆ ಎಂದು ನಾವು ನಂಬುತ್ತೇವೆ.

ಅಭಿಪ್ರಾಯ

8. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ ಮತ್ತು ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆ ಹಾಗೂ ನಮಗೆ ನೀಡಲ್ಪಟ್ಟ ಮಾಹಿತಿಗಳ ಆಧಾರದ ಮೇಲೆ ನಾವು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮಾಡಿದ ಲೆಕ್ಕಪತ್ರಗಳು, ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯಿದೆ 1949 ಮತ್ತು ಕಂಪನಿ ಕಾಯಿದೆ 2013ರ ಅನುಸಾರವಾಗಿ, ನೀಡಬೇಕಾದ ಮಾಹಿತಿಯನ್ನು ಮತ್ತು ಈ ಮಾಹಿತಿಗಳು ಭಾರತದಲ್ಲಿ ಲೆಕ್ಕಪಿಡುವ ನೀತಿಯ ಪ್ರಕಾರ, ನೈಜ ಮತ್ತು ಯಥಾರ್ಥವಾದ ಚಿತ್ರಣವನ್ನು -

- ಎ) ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಸಂದರ್ಭದಲ್ಲಿ 31 ಮಾರ್ಚ್ 2017 ರಂದು ಇದ್ದ ಬ್ಯಾಂಕಿನ ವಹಿವಾಟಿನ ನೈಜ ಚಿತ್ರಣವನ್ನು
- ಬಿ) ಲಾಭ ಮತ್ತು ನಷ್ಟ ತಖ್ತೆಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದವರೆಗೆ ಆದ ಲಾಭ ಮತ್ತು
- ಸಿ) ನಗದು ಪರಿಚಲನೆ ನಿರೂಪಣಾ ಪಟ್ಟಿಯ ಸಂದರ್ಭದಲ್ಲಿ ವರ್ಷಾಂತ್ಯದ ದಿನಾಂಕದವರೆಗೆ ಆದ ನಗದು ಪರಿಚಲನೆಯನ್ನು ತೃಪ್ತಿಕರ ರೀತಿಯಲ್ಲಿ ಪ್ರತಿಬಿಂಬಿಸುತ್ತದೆ.

ವಸ್ತು ಸ್ಥಿತಿ ಸ್ಪಷ್ಟನೆ

9. ಲೆಕ್ಕಪತ್ರಗಳ ಟಿಪ್ಪಣಿಯಲ್ಲಿ ಉಲ್ಲೇಖಿಸಿರುವ ಅಸೆಟ್ ರಿಕನ್‌ಸ್ಟ್ರಕ್ಷನ್ ಕಂಪನಿಗಳಿಗೆ, ಮುಂಗಡಗಳನ್ನು ಮಾರಿದುದರಿಂದ ಉಂಟಾದ ₹ 78.51 ಕೋಟಿಗಳ ನಷ್ಟದ ಮುಂದೂಡುವಿಕೆ ಕುರಿತಾಗಿ ನಿಮ್ಮ ಗಮನವನ್ನು ಸೆಳೆಯಲು ಇಚ್ಛಿಸುತ್ತೇವೆ.

ಈ ವಿಷಯದಲ್ಲಿ ನಮ್ಮ ಅಭಿಪ್ರಾಯವು ನಮ್ಮ ಪರಿಮಿತಿಯೊಳಗಿದೆ.

Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, read with Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
11. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have 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;
 - (c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
12. Further, as required by section 143(3) of the Act, we further report that:
 - i. 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;
 - ii. 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - iii. the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 143(8) of the Companies Act, 2013, have been sent to us and have been properly dealt with by us in preparing this report;
 - iv. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - v. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - vi. on the basis of written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and

ಕಾನೂನು ಮತ್ತು ನಿಯಂತ್ರಣ ಅಗತ್ಯತೆ ಬಗ್ಗೆ ವರದಿ

10. ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆಗಳನ್ನು ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯಿದೆ 1949 ವಿಭಾಗ 29 ಹಾಗೂ ಕಂಪೆನಿ ಕಾಯಿದೆ 2013 ವಿಭಾಗ 133 ಮತ್ತು ಕಂಪೆನಿ (ಅಕೌಂಟ್ಸ್) ಕಾಯಿದೆ 2014 ನಿಬಂಧನೆ ನಿಯಮ 7ರ ಅನುಸಾರವಾಗಿ ರಚಿಸಲಾಗಿದೆ.
11. ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಕಾಯಿದೆ 1949 ಸೆಕ್ಷನ್ 30 ಉಪವಿಭಾಗ (3) ರಂತೆ ನಾವು ವರದಿ ಮಾಡುವುದೇನೆಂದರೆ,
 - (ಎ) ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆ ಹಾಗೂ ನಂಬಿಕೆಯ ಪ್ರಕಾರ, ಲೆಕ್ಕಪತ್ರ ಪರಿಶೋಧನೆಗೆ ಅಗತ್ಯವೆಂದು ಕಂಡುಬಂದ ಎಲ್ಲಾ ಮಾಹಿತಿ ಮತ್ತು ವಿವರಣೆಗಳನ್ನು ನಾವು ಪಡೆದಿದ್ದು, ಅವುಗಳು ತೃಪ್ತಿಕರವಾಗಿದ್ದವು ಎಂದು ಮನಗಂಡಿದ್ದೇವೆ.
 - (ಬಿ) ನಮ್ಮ ಗಮನಕ್ಕೆ ಬಂದ ಬ್ಯಾಂಕಿನ ವ್ಯವಹಾರಗಳು ಬ್ಯಾಂಕಿನ ಅಧಿಕಾರ ವ್ಯಾಪ್ತಿಯ ಒಳಗಿದ್ದವು ಮತ್ತು
 - (ಸಿ) ಬ್ಯಾಂಕಿನ ಶಾಖೆಗಳಿಂದ, ಕಚೇರಿಗಳಿಂದ ಲಭ್ಯವಾಗಿರುವ ವರದಿಗಳು, ನಮ್ಮ ಪರಿಶೋಧನೆಯ ಸಲುವಾಗಿ ಸಮರ್ಪಕವಾಗಿವೆ.
12. ಅಲ್ಲದೇ ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 143(3) ರ ಅನುಸಾರವಾಗಿ ನಾವು ಹೆಚ್ಚುವರಿಯಾಗಿ ವರದಿ ಸಲ್ಲಿಸುವುದೇನೆಂದರೆ:
 - (i) ನಮ್ಮ ಅಡ್ವೀಸ್ ಸಂಬಂಧಿಸಿದ ಸೂಕ್ತವಾದ ಮಾಹಿತಿ ಮತ್ತು ವಿವರಣೆಯನ್ನು ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆ ಮತ್ತು ನಂಬಿಕೆಯ ಪ್ರಕಾರ, ನಾವು ಪಡೆದಿರುತ್ತೇವೆ.
 - (ii) ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ ಹಾಗೂ ಈ ತನಕ ನಮ್ಮ ಗಮನಕ್ಕೆ ಬಂದಂತೆ, ಕಾನೂನು ಅಪೇಕ್ಷಿಸಿದಂತೆ ಬ್ಯಾಂಕು ಅಗತ್ಯಪರತಕ್ಕೆ ಹಣಕಾಸಿನ ಖಾತಾ ಪುಸ್ತಕಗಳನ್ನು ಯಥೋಚಿತವಾಗಿ ಕಾದಿರಿಸಿದ್ದು, ಅವು ಸಾಕಷ್ಟು ಪರಿಪೂರ್ಣವಾಗಿದೆ ಮತ್ತು ನಾವು ಭೇಟಿ ನೀಡದ ಶಾಖೆಗಳಿಂದ, ಯಥೋಚಿತ ವರದಿಗಳು, ನಮ್ಮ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಸಲುವಾಗಿ ಸಲ್ಲಿಕೆಯಾಗಿದೆ.
 - (iii) ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 143 (8)ರಂತೆ ಶಾಖಾ / ಕಚೇರಿಗಳ ವಾರ್ಷಿಕ ಆಡೀಶ್, ಶಾಖಾ ಲೆಕ್ಕಪರಿಶೋಧಕರಿಂದ ನಡೆದಿದ್ದು, ಅವುಗಳನ್ನು ನಮ್ಮ ವರದಿ ನೀಡುವಲ್ಲಿ ಯಥಾಯೋಗ್ಯ ಬಳಸಿಕೊಂಡಿದ್ದೇವೆ.
 - (iv) ಈ ವರದಿಯಲ್ಲಿ ಕಾಣಿಸಿದ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿ ಹೊಣೆ ಪಟ್ಟಿ ಮತ್ತು ಲಾಭ ನಷ್ಟ ತಖ್ತೆ ನಗದು ಪರಿಚಲನಾ ನಿರೂಪಣೆ ಪಟ್ಟಿಯು ಲೆಕ್ಕಪುಸ್ತಕಗಳೊಂದಿಗೆ ಹಾಗೂ ನಾವು ಭೇಟಿ ನೀಡದ ಶಾಖೆಗಳಿಂದ ಬಂದ ವರದಿಗೆ ತಾಳೆಯಾಗಿರುತ್ತದೆ.
 - (v) ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಮೇಲ್ಕಂಡ ಆರ್ಥಿಕ ವ್ಯಾಖ್ಯೆಗಳು, ಆರ್‌ಬಿಐನ ಅಕೌಂಟಿಂಗ್ ಧೋರಣೆಗೆ ಹೊರತಾಗಿರದ ಮಟ್ಟಿಗೆ, ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 133 ಹಾಗೂ ಅದರೊಂದಿಗೆ ಓದಲ್ಪಟ್ಟ ಕಂಪೆನಿ (ಲೆಕ್ಕ) ನಿಬಂಧನೆ, 2014, ನಿಯಮ 7ರ ಅನ್ವಯ ಉಲ್ಲೇಖಿತ ಅಕೌಂಟಿಂಗ್ ಮಾನದಂಡಗಳ ಅನುಸಾರವಾಗಿವೆ.
 - (vi) 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ನಿರ್ದೇಶಕರುಗಳಿಂದ ಬಂದ ಲಿಖಿತ ಪ್ರತಿನಿಧಿತವನ್ನು ನಿರ್ದೇಶಕರ ಮಂಡಳಿಯು ದಾಖಲಿಸಿದ್ದು, ಇವುಗಳನ್ವಯ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ಯಾವೊಬ್ಬ ನಿರ್ದೇಶಕರೂ ತಮ್ಮ ಹುದ್ದೆಯ ನೇಮಕಾತಿ ಸಂಬಂಧ ಕಂಪೆನಿ ಕಾಯಿದೆ 2013, ವಿಭಾಗ 164(2) ಅನುಸಾರ, ಅನರ್ಹತೆಯನ್ನು ಹೊಂದಿರುವುದಿಲ್ಲ ಮತ್ತು

- vii. with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- viii. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. the Bank has provided for pending litigations having an impact on its financial statements - Refer schedule 18 - Note 6;
 - b. the Bank does not have any long-term contracts including derivative contracts - Refer Schedule 18 - Note 1.3.3(ii) to the financial statements; and
 - c. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

(vii) ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಣದ ಯಥಾಯೋಗ್ಯತೆ ಮತ್ತು ಅಂತಹ ನಿಯಂತ್ರಣದ ನಿರ್ವಹಣಾ ದಕ್ಷತೆ ಕುರಿತಂತೆ ನಮ್ಮ ವರದಿ ಅನುಬಂಧ 'ಎ'ಯಲ್ಲಿ ನೀಡಲಾಗಿದೆ.

(viii) ಕಂಪೆನಿ (ಆಡಿಟ್ ಮತ್ತು ಆಡಿಟರ್ಸ್) ನಿಬಂಧನೆ 2014, ನಿಯಮ 11ರ ಅನುಸಾರ, ಲೆಕ್ಕಪರಿಶೋಧಕರ ವರದಿಯಲ್ಲಿನ ಇತರ ವಿಷಯಗಳ ಕುರಿತಾಗಿ, ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಹಾಗೂ ನಮ್ಮ ಅತ್ಯುತ್ತಮ ತಿಳುವಳಿಕೆಯ ಪ್ರಕಾರ ಮತ್ತು ನಮಗೆ ನೀಡಿದ ವಿವರಣೆಗಳ ಆಧಾರ:

- ಎ. ಬಾಕಿ ಉಳಿದಿರುವ ವ್ಯಾಜ್ಯಗಳ ಪ್ರಭಾವಗಳನ್ನು ಬ್ಯಾಂಕು ಆರ್ಥಿಕ ವ್ಯಾಖ್ಯೆ ರೂಪಿಸುವ ಸಂದರ್ಭದಲ್ಲಿ ವಿವರಣೆ ನೀಡಿದೆ - ಉಲ್ಲೇಖ - ವಿವರಪಟ್ಟಿ 18 - ಸೂಚನೆ 6.
- ಬಿ. ವ್ಯತ್ಯಾಸ ಗುತ್ತಿಗೆಗಳು ಸೇರಿದಂತೆ ಬ್ಯಾಂಕು ಯಾವುದೇ ತರಹದ ದೀರ್ಘಕಾಲೀನ ಗುತ್ತಿಗೆಗಳನ್ನು ಒಳಗೊಂಡಿಲ್ಲವೆಂದು ಆರ್ಥಿಕ ವ್ಯಾಖ್ಯೆಯಲ್ಲಿ ವಿವರಣೆ ನೀಡಿದೆ.- ಉಲ್ಲೇಖ- ವಿವರಪಟ್ಟಿ 18 - ಸೂಚನೆ 1.3.3(ii)
- ಸಿ. ಬ್ಯಾಂಕು ಯುಕ್ತ ಸಮಯದಲ್ಲಿ ಹೂಡಿಕೆದಾರರ ಶಿಕ್ಷಣ ಮತ್ತು ಭದ್ರತೆ ನಿಧಿಗೆ ಮೊತ್ತಗಳನ್ನು ವರ್ಗಾಯಿಸಿದ್ದು, ಇದರಲ್ಲಿ ಯಾವುದೇ ವಿಳಂಬವಾಗಿರುವುದಿಲ್ಲ.

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

Sd/-
Srinivas S Kamath
Partner
M.No. 201716

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
Abarna Bhaskar
Partner
M.No. 025145

ಕಾಮತ್ ಮತ್ತು ರಾವ್-ಗಾಗಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 001689ಎಸ್

ಸಹಿ/-
ಶ್ರೀನಿವಾಸ ಎಸ್ ಕಾಮತ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ: 201716

ಅರ್ಬರ್ನ್ ಮತ್ತು ಅನಂತನ್-ಗಾಗಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 000003ಎಸ್

ಸಹಿ/-
ಅರ್ಬರ್ನ್ ಭಾಸ್ಕರ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ: 025145

Place : Mangaluru
Date : 13th May 2017

ಸ್ಥಳ : ಮಂಗಳೂರು
ದಿನಾಂಕ : 13 ಮೇ 2017

Annexure - A to the Independent Auditor's Report of even date on the Financial Statements of The Karnataka Bank Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of The Karnataka Bank Limited ('the Bank') as at 31st March 2017 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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 ('the Guidance Note') 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 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 Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting 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') and the Standards on Auditing ('the Standards'), 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, both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our

ಕರ್ನಾಟಕ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್ ಇದರ ಹಣಕಾಸು ತಖ್ತೆಯ ಕುರಿತಾದ ಸ್ವತಂತ್ರ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಸಹ ದಿನಾಂಕ ವರದಿಯ ಅನುಬಂಧ - ಎ

ಕಂಪೆನಿ ಕಾಯಿದೆ 2013 ವಿಭಾಗ 143 ಉಪವಿಭಾಗ 3 ಉಪವಾಖ್ಯೆ(i) ರ ಅನುಸಾರ ಹಣಕಾಸು ನಿಯಂತ್ರಣ ಮೇಲಣ ವರದಿ

1. ಕರ್ನಾಟಕ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್‌ನ 31 ಮಾರ್ಚ್ 2017ರ ಆರ್ಥಿಕ ವರದಿಯ ಕುರಿತಂತೆ, ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣ ಬಗ್ಗೆ ನಾವು ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮಾಡಿದ್ದು, ನಮ್ಮ ವರದಿಯು ಬ್ಯಾಂಕಿನ ಮೇಲೆ ಹೇಳಿದ ವಾರ್ಷಿಕ ವರ್ಷಾಂತರದ ಹಣಕಾಸು ತಖ್ತೆಯೊಂದಿಗೆ ಸಂಯೋಜಿಸಲ್ಪಟ್ಟಿದೆ.

ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಮೇಲೆ ಆಡಳಿತದ ಜವಾಬ್ದಾರಿ

2. ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣವು ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಜವಾಬ್ದಾರಿಯಾಗಿದ್ದು ಇದರ ವ್ಯವಸ್ಥೆ, ರೂಪಣೆಯ ಬಗ್ಗೆಯೂ ಅವರದೇ ಜವಾಬ್ದಾರಿ ಇದೆ. ಈ ಆರ್ಥಿಕ ವರದಿಯ ಮೇಲಣ ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಣಗಳು, 'ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಚಾರ್ಟೆಡ್ ಅಕೌಂಟೆಂಟ್ಸ್ ಆಫ್ ಇಂಡಿಯಾ' ಬಿಡುಗಡೆ ಮಾಡಿದ ಮಾರ್ಗದರ್ಶಿಕೆಯ ಪ್ರಮುಖ ಅಂಶಗಳನ್ನು ಆಧರಿಸಿ, ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಣಗಳ ಪ್ರಮಾಣಗಳನ್ನು ರಚಿಸಬೇಕಾಗುತ್ತದೆ.

ಈ ಜವಾಬ್ದಾರಿಯು 2013ರ ಕಂಪೆನೀಸ್ ಕಾಯಿದೆಗೆ ಅನುಸಾರವಾಗಿ ಸ್ಥೂಲ ಚಿಂತನೆ, ಯಥೋಚಿತ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಅನುಷ್ಠಾನ ಮತ್ತು ಸಂರಕ್ಷಣೆ ಹಾಗೂ ಅವುಗಳ ದಕ್ಷ ಕಾರ್ಯಚಟುವಟಿಕೆ, ಕ್ರಮಬದ್ಧ ಹಾಗೂ ದಕ್ಷತೆಯ ಗುಣನಡತೆ, ವ್ಯವಹಾರಗಳಲ್ಲಿ ಅವುಗಳ ಒಗ್ಗೂಡಿಕೆ, ಬ್ಯಾಂಕ್ ಧೋರಣೆಗೆ ಒಳಗೊಂಡಿರುವಿಕೆ, ಆಸ್ತಿಗಳ ಜೋಪಾನಿಕೆ, ವಂಚನೆ ಮತ್ತು ತಪ್ಪುಗಳಿಂದ ಹೊರತಾಗಿರುವಿಕೆ, ಲೆಕ್ಕಪತ್ರದ ಖಾತೆಗಳ ಪೂರ್ಣತೆ ಮತ್ತು ನಿಖರತೆ ಮತ್ತು ಸಮಯಕ್ಕೆ ಸರಿಯಾಗಿ ಲೆಕ್ಕಪತ್ರಗಳ ನಂಬಲರ್ಹ ಮಾಹಿತಿಗಳ ತಯಾರಿಕೆ ಒಳಗೊಂಡಿರುತ್ತದೆ.

ಲೆಕ್ಕಪರಿಶೋಧಕರ ಜವಾಬ್ದಾರಿ

3. ನಮ್ಮ ಜವಾಬ್ದಾರಿಯು ಬ್ಯಾಂಕಿನ ಆರ್ಥಿಕ ವರದಿ ಮೇಲಣ ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಣಗಳ ಮೇಲೆ ನಮ್ಮ ಅಭಿಪ್ರಾಯವನ್ನು ವ್ಯಕ್ತಪಡಿಸುವಷ್ಟಕ್ಕೆ ಸೀಮಿತಗೊಂಡಿದೆ. ನಮ್ಮ ಪರಿಶೋಧನೆಯನ್ನು ಐಸಿಎಐ ಬಿಡುಗಡೆ ಮಾಡಿದ ಆರ್ಥಿಕ ವರದಿ ಕುರಿತ ಆಂತರಿಕ ಆರ್ಥಿಕ ನಿಯಂತ್ರಣ ಬಗೆಗಿನ ಮಾರ್ಗದರ್ಶಿಕೆ ಮತ್ತು ಅಕೌಂಟಿಂಗ್ ಮಾನದಂಡಗಳ ಅನ್ವಯ ನಡೆಸಲಾಗಿದೆ. ಈ ಮಾನದಂಡ ಮತ್ತು ಮಾರ್ಗದರ್ಶಿಕೆ ಬಯಸುವುದೇನೆಂದರೆ ನಾವು ಅಡಿಟ್ ನೀತಿಗನುಸಾರವಾದ ಅಗತ್ಯತೆಯನ್ನು ಪೂರೈಸಲು ತಕ್ಕ ಯೋಜನೆ ರೂಪಿಸಿ ಹಾಗೂ ಲೆಕ್ಕಪತ್ರ ಪರಿಶೋಧನೆಯನ್ನು ಜರಗಿಸಬೇಕಾಗಿದ್ದು, ಸಮರ್ಪಕ ಆಂತರಿಕ, ಆರ್ಥಿಕ ನಿಯಂತ್ರಣಗಳ ಅನುಷ್ಠಾನ ಮತ್ತು ಸಂರಕ್ಷಣೆ, ಹಾಗೂ ಅಂತಹ ನಿಯಂತ್ರಣಗಳ ದಕ್ಷತೆಯಿಂದ ಕಾರ್ಯ ನಿರ್ವಹಿಸಲಾಗುತ್ತಿದೆ ಹಾಗೂ ಎಲ್ಲಾ ದೃಷ್ಟಿಯಿಂದ ಅದು ಸಮಂಜಸವಾಗಿದೆ ಎನ್ನುವ ಸಕಾರಣವಾದ ಆಶ್ವಾಸನೆಯನ್ನು ಪಡೆಯುತ್ತೇವೆ.

4. ನಮ್ಮ ಲೆಕ್ಕಪರಿಶೋಧನೆಯು ಹಣಕಾಸು ವರದಿ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಕುರಿತಂತೆ ಲೆಕ್ಕಪತ್ರಗಳ ಸಮರ್ಥನೀಯತೆ ಹಾಗೂ ಸಾಕ್ಷ್ಯ ಮತ್ತು ಅದರ ನಿರ್ವಹಣಾ ದಕ್ಷತೆಯ ಬಗ್ಗೆ ವಿಶ್ಲೇಷಿಸುವ ಕಾರ್ಯವಿಧಾನದ ನೆರವೇರಿಕೆಯನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ. ಹಣಕಾಸು

audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 financial statements, whether due to fraud or error.

5. 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting includes those policies and procedures that:
 - a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank;
 - b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and
 - c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over

ವರದಿಯ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಕುರಿತಾದ ನಮ್ಮ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯು, ಹಣಕಾಸು ವರದಿಯ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಕುರಿತಾಗಿ ಅಗತ್ಯದ ತಿಳುವಳಿಕೆ, ಅರಿವು ಪಡೆಯುವಿಕೆ, ಅಪಾಯಗಳ ಅಂದಾಜು ಮತ್ತು ಏನಾದರೂ ಮಹತ್ವದ ದುರ್ಬಲತೆ ಇದ್ದರೆ ವಿವರಣೆ, ಅಂದಾಜಿಸಿದ ಅಪಾಯದ ಮೇಲೆ ದಕ್ಷತೆಯ ಆಂತರಿಕ ನಿಯಂತ್ರಣ ಮತ್ತು ನಿರ್ವಹಣಾ ಪರಿಣಾಮಕಾರಿತ್ವದ ಮೌಲಿಕರಣ ಒಳಗೊಂಡಿದೆ. ಕಾರ್ಯವಿಧಾನದ ಆಯ್ಕೆ ಲೆಕ್ಕಪರಿಶೋಧಕರಿಗೆ ಬಿಟ್ಟಿದ್ದು, ಅದು ಅಪಾಯದ ಅಂದಾಜು ವಂಚನೆ ಯಾ ತಪ್ಪಿನಿಂದಾಗಲಿ ಲೆಕ್ಕಪತ್ರಗಳ ಕುರಿತಾದ ಮಹತ್ವದ ತಪ್ಪು ವ್ಯಾಖ್ಯೆ ಇತ್ಯಾದಿಗಳನ್ನು ಒಳಗೊಂಡಿರುವುದು ಪರಿಗಣಿಸಬೇಕಾಗುತ್ತದೆ.

5. ನಾವು ಪಡೆದಿರುವ ಲೆಕ್ಕಪತ್ರಗಳ ಸಾಕ್ಷ್ಯ ಯಥೋಚಿತ ಹಾಗೂ ಸಾಕಷ್ಟು ಪೂರ್ಣವಾಗಿವೆ ಎಂದು ನಾವು ನಂಬಿದ್ದು, ಬ್ಯಾಂಕಿನ ಲೆಕ್ಕಪತ್ರಗಳ ವರದಿಯ ಮೇಲಣ ಬ್ಯಾಂಕಿನ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಕುರಿತಾಗಿ ನಮ್ಮ ವರದಿಯನ್ನು ನೀಡುವಲ್ಲಿ ನಾವು ಪಡೆದ ವಿವರಣೆಗಳು ತಳಹದಿಯಾಗಿವೆ.

ಹಣಕಾಸು ವರದಿಯ ಮೇಲೆ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಅರ್ಥ.

6. ಒಂದು ಬ್ಯಾಂಕಿನ ಹಣಕಾಸು ವರದಿಯ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣವು, ಹಣಕಾಸು ವರದಿಯ ಮೇಲೆ ನಂಬಲಾರ್ಹ ಸಮಂಜಸ ಭರವಸೆಯನ್ನು ನೀಡುವುದಕ್ಕಾಗಿ, ಮತ್ತು ಬಾಹ್ಯ ಉದ್ದೇಶಕ್ಕಾಗಿ, ಆರ್ಥಿಕ ವ್ಯಾಖ್ಯೆಗಳು ಸಾಮಾನ್ಯವಾಗಿ ಸ್ವೀಕರಿಸಲ್ಪಟ್ಟ ಹಣಕಾಸು ನೀತಿಯನ್ನಾಧರಿಸಿ ರಚಿಸುವುದಕ್ಕಾಗಿ ರೂಪಿಸಿರುವ ಕಾರ್ಯ ವಿಧಾನವಾಗಿದೆ. ಈ ನಿಯಂತ್ರಣಗಳು ಈ ಕೆಳಗಿನ ಧೋರಣೆ ಮತ್ತು ವಿಧಾನಗಳನ್ನು ಒಳಗೊಂಡಿವೆ:
 - ಎ. ದಾಖಲೆಯ ಸಂರಕ್ಷಣೆಗೆ ಅನ್ವಯಿಸಿದಂತೆ, ಅರ್ಥಪೂರ್ಣ ವಿವರಣೆ, ನಿಖರತೆ ಮತ್ತು ಲೇವಾದೇವಿಗಳು ನೈಜ ಬಿಂಬ ಮತ್ತು ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಯ ಸ್ಥಿತಿ;
 - ಬಿ. ಹಣಕಾಸು ಲೆಕ್ಕಪತ್ರಗಳ ತಯಾರಿಕೆಯಲ್ಲಿ ಸಾಮಾನ್ಯವಾಗಿ ಅಂಗೀಕರಿಸಲ್ಪಟ್ಟ ಹಣಕಾಸು ನೀತಿಯನ್ನಾಧರಿಸಿದ್ದು, ಲೇವಾದೇವಿಗಳು ದಾಖಲಿತಗೊಂಡಿದ್ದು ಈ ಬಗ್ಗೆ ಸಮಂಜಸ ಭರವಸೆ ಹೊಂದಿರಬೇಕಾಗಿದ್ದು, ಬ್ಯಾಂಕಿನ ರಶೀದಿಗಳು, ವೆಚ್ಚಗಳು ಬ್ಯಾಂಕಿನ ಆಡಳಿತ ಮತ್ತು ಬ್ಯಾಂಕಿನ ನಿರ್ದೇಶಕರ ಪರವಾನಿಗೆ ಪಡೆದಿರತಕ್ಕಂತಾಗಿರಬೇಕು ಮತ್ತು
 - ಸಿ. ಹಣಕಾಸು ಲೆಕ್ಕಪತ್ರಗಳ ಮೇಲೆ ಮಹತ್ವದ ಪರಿಣಾಮವನ್ನುಂಟು ಮಾಡತಕ್ಕ ಬ್ಯಾಂಕಿನ ಆಸ್ತಿಗಳ ಹಂಚಿಕೆ, ಪರವಾನಿಗೆ ರಹಿತ ಸ್ವಾಧೀನಪಡಿಸಿಕೊಳ್ಳುವಿಕೆಯ ಸಕಾಲಿಕ ಪತ್ತೆ ಅಥವಾ ಪ್ರತಿಬಂಧ ಮುಂತಾದವುಗಳಿಂದ ಹೊರತಾಗಿವೆ ಎನ್ನುವ ಆಶ್ವಾಸನೆ ನೀಡಬೇಕು.

ಹಣಕಾಸು ವರದಿ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಅಂತರ್ನಿಹಿತ ಪರಿಮಿತಿ

7. ಹಣಕಾಸು ವರದಿ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಅಂತರ್ನಿಹಿತ ಪರಿಮಿತಿಯ ಕಾರಣ, ತಾಕಲಾಟ ಸಾಧ್ಯತೆ ಅಥವಾ ನಿಯಂತ್ರಣದ ಮೇಲೆ ಆಡಳಿತದ ಅನುಚಿತ ತಳ್ಳಿಹಾಕುವಿಕೆ, ವಂಚನೆ, ಅಥವಾ ತಪ್ಪುಗಳಿಂದಾದ ಮಹತ್ವದ ದುರಾಡಳಿತಗಳು ಸಂಭವಿಸುವ ಸಾಧ್ಯತೆಗಳಿದ್ದು, ಅದು ಪತ್ತೆಯಾಗದೇ ಇರಬಹುದು. ಅಲ್ಲದೇ, ಹಣಕಾಸು ವರದಿ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದ ಮೇಲೆ ಕೈಗೊಂಡ ಅಂದಾಜುಗಳ ಮೌಲಿಕರಣ ಭವಿಷ್ಯದಲ್ಲಿನ ಕಾಲಾವಧಿಯಲ್ಲಿ ಅಪಾಯಕ್ಕೆ ಒಡ್ಡಿಕೊಂಡಿದ್ದು, ಬಳಿಕ

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

ಅಸಮರ್ಪಕವಾಗಿ ಮಾಪಪಟ್ಟಿ ಅಥವಾ ಧೋರಣೆ ಮತ್ತು ಕಾರ್ಯವಿಧಾನಗಳ ಅನುಸರಣೆಯ ಮಟ್ಟ ಕ್ಷೀಣಿಸಬಹುದು.

ಅಭಿಪ್ರಾಯ

8. ನಮ್ಮ ಅಭಿಪ್ರಾಯದಂತೆ, ಬ್ಯಾಂಕು ಸರ್ವವಿಧದ ಮಹತ್ವದ ಆಯಾಮಗಳಲ್ಲಿ ಹಣಕಾಸು ವರದಿಯ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯಲ್ಲಿ ಸಾಕಷ್ಟು ಯಥೋಚಿತ ನಿಯಂತ್ರಣ ಹೊಂದಿದ್ದು ಮತ್ತು ಅಂತಹ ಹಣಕಾಸು ವರದಿಯ ಮೇಲಿನ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣದಲ್ಲಿ 31 ಮಾರ್ಚ್ 2017ಕ್ಕೆ ದಕ್ಷತೆಯ ನಿರ್ವಹಣೆಗೈದಿದ್ದು, ಬ್ಯಾಂಕಿನ ಹಣಕಾಸು ವರದಿಯ ಮೇಲಣ ಆಂತರಿಕ ಹಣಕಾಸು ನಿಯಂತ್ರಣ ವ್ಯವಸ್ಥೆಯ ಅಳತೆಗೋಲು ಮತ್ತು ಅಂಗೋಪಾಂಗಗಳು ಐಸಿಎಐ ಮಾರ್ಗದರ್ಶಿಕೆಗೆ ಅನುಸಾರವಾಗಿ ರೂಪಣೆಗೊಂಡಿದೆ.

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

Sd/-
Srinivas S Kamath
Partner
M.No. 201716

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S

Sd/-
Abarna Bhaskar
Partner
M.No. 025145

ಕಾಮತ್ ಮತ್ತು ರಾವ್-ಗಾಗಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 001689ಎಸ್

ಸಹಿ/-
ಶ್ರೀನಿವಾಸ ಎಸ್ ಕಾಮತ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ: 201716

ಅರ್ಬರ್ನ್ ಮತ್ತು ಅನಂತನ್-ಗಾಗಿ
ಲೆಕ್ಕಪರಿಶೋಧಕರು
ಸಂಸ್ಥೆಯ ನೋಂದಣಿ ಸಂಖ್ಯೆ: 000003ಎಸ್

ಸಹಿ/-
ಅರ್ಬರ್ನ್ ಭಾಸ್ಕರ್
ಪಾಲುದಾರರು
ಸದಸ್ಯತನ ಸಂಖ್ಯೆ: 025145

Place : Mangaluru
Date : 13th May 2017

ಸ್ಥಳ : ಮಂಗಳೂರು
ದಿನಾಂಕ : 13 ಮೇ 2017

Facts at a glance

1. No. of Deposit Accounts	10161302
2. No. of Advances Accounts	472486

3. Advances to priority sector (₹ in lakh)		
Types of Advances	Number of Accounts at the end of the year	Balance outstanding at the end of the year
a) Agriculture and Allied Activities	247036	535232.43
b) Advances to MSME	49570	811126.02
c) Educational Loan	7009	18522.98
d) Housing Loan	23544	184896.37
e) Other Priority Sectors	8124	16825.80
Total	335283	1566603.60
Export Credit		163101.84

4. Branches					
	Rural	Semi-Urban	Urban	Metro-politan	Total
No. of Branches at the end of the year	162	180	209	214	765

5. Staff				
	Officers	Clerks	Sub-Staff	Total
As at the end of the year	3063	3223	1696	7982
Recruited during the year	65	76	279	420

6. Staff Training				
Bank's own training college			At Bankers' Training College (RBI) & other Training Colleges	Total
Officers	Clerks	Sub Staff		
896	340	180	671	2087

750th Branch Opening at Vapi, Gujarat



Smt. Remya Mohan Muthadath, IAS, Collector, Valsad, inaugurating the new branch

Founders' Day Lecture



Prof. B M Hegde, Padma Bhushana Awardee delivering the Founders' Day Lecture in Mangaluru

Inauguration of landscaped garden at University Campus, Mangalore University, under Corporate Social Responsibility initiative



Shri P Jayarama Bhat, Non-Executive Chairman of the Bank inaugurating the newly landscaped garden at University Campus, Mangalore University, Mangalagangothri completed with the support of the Bank

CORPORATE VISION

"To be a progressive,
prosperous and well
governed Bank"

CORPORATE 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"



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CIN: L85110KA1924PLC001128