



## KARNATAKA BANK

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MD & CEO

**What challenges are faced by the banking sector during stagflation? As a banker, what are your suggestions to survive the same?**

The lingering war in Europe and associated supply side shocks are exacerbating the pressure on the food, energy and commodity prices. Resultant monetary policy actions in advanced economies and market turbulence are having a spill over effect on a greater scale on emerging market economies affecting their economic recovery. It is important to execute policies to control stagflation in a calibrated manner, without losing sight of the growth requirements, all the while strengthening macroeconomic stability.

**India is currently the fastest growing major economies in the world. How do you see the role of the banking sector to push this growth further?**

Indian banking sector is perceived as sufficiently capitalised and well-regulated. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector. All these factors suggest that India's banking sector is poised for a robust growth as rapidly

growing businesses will turn to banks for their credit needs.

**What are the key initiatives taken by your Karnataka Bank that has majorly contributed to the company's success?**

It is my pleasure to share with you that Karnataka Bank has posted an all time high annual consolidated net profit of ₹ 507.99 crore for the FY 2021-22 as against the last year's ₹ 482.46 crore. The result is testimony for the hard work done under the transformation journey of the Bank. Similarly CASA has also reached a new high of 32.97% resulting in further reduction in cost of lending resources. The consistent and sustainable performance is very much evident and I am confident that going forward Bank is all set for a new high. After successfully implementing the first phase of the transformation journey under KBL-VIKAAS 1.0 by rolling out digital under writing of Retail Loan products with a turnaround time that is amongst the best in the industry, Bank is now focusing on taking the digital initiatives to the next level by focusing on 'KBL NxT' concept under wave 2.0. to evolve as 'Digital Bank of Future'

Under the new concept, initiatives like Online Saving account opening with video KYC, NRI Mobile banking, Online KYC updation, Online booking of Safe Deposit Lockers, enhancements to Mobile and Internet banking,

Digital journey for Mortgage Loans, Digitization of internal processes like claim settlements, Compliance Test Reports & Education Loan subsidy claim etc., are already implemented. Bank has also taken up setting up of Analytics Centre of Excellence, Chatbots, Account Aggregators, Neo Banking, Trade Finance Automation, Digital Insurance, Corporate Mobile Banking, digitization of Audit process, DSA/BSA on-boarding, submission of Drawing power statements by borrowers etc. which are in progress.

**What are some of the key ESG initiatives taken by your bank in recent years? What impact did it have on the society?**

In its 98 years of existence, Karnataka Bank has played a pivotal role in the lives of many by keeping pace with technology, providing quality service to customers, lending to borrowers at competitive rates, creating employment, distributing dividend on a consistent basis to the shareholders, actively discharging its 'Corporate Social Responsibility', etc. The Bank applies best management practices that provide stability, growth, transparency, disclosures and value creation, thus maintaining highest standards of Corporate Governance that its Founders have set since inception way back in 1924, and thus taking care of Environmental, Social and Governance related issues in a holistic manner.