

Experts' View



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Karnataka Bank

How would you summarize the journey of Karnataka Bank since its inception? What are some of the key milestones of the Bank in the recent years?

The Bank started its journey 97 years back with the intention of extending financial support mainly to farmers, students, small businessmen etc. and has grown from strength to strength over the decades to cater to the financial needs of people from all walks of life with a pan India presence across 22 states and 2 union territories. Today, Karnataka Bank is known as a time tested, Tech Savvy and professionally managed leading Private Sector Bank with more than 11 million customers and emerged as a 'socially responsible and commercially viable' Bank.

In November 2017, Bank embarked on a holistic Transformation Project 'KBL VIKAAAS' with major focus on Sales & Marketing, Process automation & digitization, HR and IT. Key milestones of the Bank under 'KBL VIKAAAS' are establishment of Digital Centre of Excellence, opening of saving account digitally, digitization of internal processes and Digital Marketing, Establishment of wholly owned non-financial subsidiary 'KBL Services Ltd', Contact Centre, Formation of sales verticals/sales team

and Centralized Sanctions, social media foray etc. We are emerging as a strong and smart Bank and the latest financial numbers as on 31-03-2021 are testimony to this fact with Bank clocking an all time high annual net profit of ₹ 482.57 crore, highest ever CASA of 31.49%, very satisfactory PCR of 70.05%, highest ever CRAR of 14.85% and over 90% digital transactions etc.

What are the key factors / initiatives taken, that have contributed to the bank's success? What are the factors that give Karnataka Bank an edge over its competitors?

Bank's transformation project 'KBL VIKAAAS' has fuelled our growth aspirations through business excellence with our strategy of 'Managing Channels instead of Managing Branches' with a customer centric approach by leveraging the use of latest developments in the digital technology space. Latest in the line up of the Bank's wide range of digital technology based products are web based SB account opening and TAB banking. Some of the other feature packed technology backed products enabling 24x7 seamless banking service are Contactless National Common Mobility Card (NCMC), KBL e-Collect – a next generation fee payment processing platform, KBL Deposit Only Card, 'KBL Mobile Plus' integrated with existing standalone Apps of the Bank namely BHIM KBL UPI, KBL mPassbook and KBL Locator. Further, Bank's Internet Banking Channel "KBL Money Click" is loaded with functionalities like generating interest certificate, TDS certificate view/download facility, GST Challan payment facility, access to Gol's Digi Locker facility and many more. We have started offering Digital Insurance Solutions through our KBL Mobile Plus and KBL Internet Banking facility to have better customer experience. Mutual Fund Investment Solutions are also being offered through KBL Mobile Plus. KBL SMART TRADE, with a two-in-one Demat and Trading facility is also launched recently.

Bank's Digital Centre of Excellence has now become the hub for incubating



digital products, driving process innovation, increasing automation, digital marketing and social presence for increasing customer engagement, customer satisfaction & operational excellence for the Bank. DCoE has developed digital journeys covering Retail and MSME loan products using Business Rule Engine for automated verification, income assessment and credit underwriting.

Bank's excellence in various parameters like social banking, information technology, risk management, MSME Finance and so on have been recognized with awards and accolades instituted by renowned institutions like IDBFT, FIEO, IBA, ASSOCHAM, CIMSME and CFBP among others over the years.

Addressing ESG risks has emerged as one of the key priorities for any organization in recent years. What steps has Karnataka Bank taken to enhance its ESG ratings?

In its 97 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', besides value creation by way of increase in market capitalisation. 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.



Celebrating 21 Years of Excellence

Laying the Foundations for an ESG-Ready Corporate India