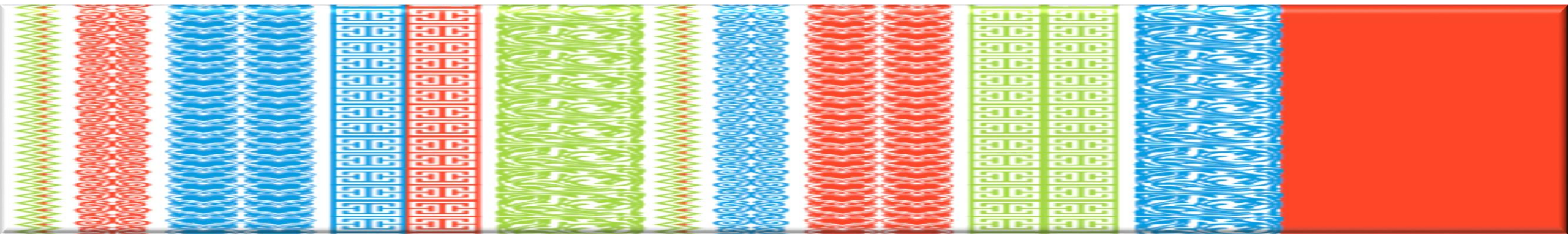

Investor Presentation – Q3 / 9M FY 2021-22



RESURGENCE WITH SUSTAINABLE PROFITABILITY



Disclaimer



This presentation has been prepared for informational purpose only by the Jammu and Kashmir Bank Limited (the “Bank”). The Bank, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. This presentation may not be copied, published, distributed or transmitted in any manner.

This presentation does not constitute a prospectus, offering circular or offering memorandum and is not an offer or invitation to buy or sell any securities, nor shall part, or all, of this presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. Furthermore, this presentation is not an offer of securities for sale in India, the United States or any other jurisdiction.

Neither this presentation nor any information thereof nor the fact of its distribution shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Bank, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Bank or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this presentation are cautioned not to place any reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments. The Bank assumes no responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this presentation, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.

SNAPSHOT OF J&K UT AND J&K BANK

DEMOGRAPHY, PROFILE

BANKING HABITS OF J&K UT

Demography of Jammu & Kashmir (J&K)



Total Area of the UT	42,241 Sq. Kms. - The UT is bounded on the South by Himachal Pradesh and the Punjab, on the South-West and West by Pakistan, on the North by China, Afghanistan and a little of Tajikistan, and on the East by Chinese Tibet. The UT ranks 17 th in population among the States and Union Territories of India.						
Capital	Summer (May to October): Srinagar Winter (November to April): Jammu						
Population	1,22,67,013 (12.3 Million as per census 2011)						
	Urban: 34,33,808 (27.38%)			Male: 66,40,662 (52.96%)			
	Rural: 91,07,494 (72.62%)			Female: 59,00,640 (47.04%)			
Sex Ratio	889						
B.P.L. Population (%)	10.35%						
Languages	Kashmiri, Urdu, Gojri, Pahadi & Dogri						
Literacy Rate (%)	67.16						
Un-employment Rate	24.6% (UPS approach) and 23.8% (UPSS approach)						
Crops in J&K	Rice, Maize and Wheat. J&K is largest producer of Apple, Walnut, Almond and many other temperate dry and fresh fruits.						
Total No. of Districts in J&K UT (20)	Kashmir Division			Jammu Division			
	1.Srinagar, 2. Ganderbal, 3. Budgam, 4. Baramulla, 5. Bandipora, 6. Kupwara, 7. Anantnag, 8. Kulgam, 9. Pulwama, 10. Shopian			1. Jammu, 2. Samba, 3. Udhampur, 4. Reasi, 5. Kathua, 6. Doda, 7. Ramban, 8. Kishtwar, 9. Rajouri, 10. Poonch			
Total No. of Blocks In J&K UT (285)	Kashmir Division: 137			Jammu Division: 148			
Lead Banks in J&K UT	J&K Bank (12 districts): All 10 districts of Kashmir division viz. Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama and Shopian and two districts of Jammu Division viz. Rajouri and Poonch.						
	State Bank of India (8 districts): Eight districts of Jammu division, viz. Jammu, Samba, Udhampur, Reasi, Kathua, Doda, Ramban and Kishtwar						
Banking Sector Performance as on Dec 31, 2021		Public Sector	Private Sector	RRBs	Co-op. Banks	Other	Total
	Banks	12	11	2	10	2	37
	Total Deposits	Total Advances	CD Ratio	Advances to Priority Sector		Share of P.S. Adv. To Total Adv.	
(Amount in INR millions)	1526929.0	842214.9	55.20%	365639.4		43.41%	

Highlights - Dec 2021



- ✓ One of the oldest Private Sector Bank. **Founded 1938.**
- ✓ Government of Jammu & Kashmir share holding of **70.12%** | Listed on BSE & NSE
- ✓ Number of Branches: **974 BUs #, 1394 ATMs & 25 Extension Counters.**
- ✓ Largest presence **JKUT** - Network of **811 BUs, 1247 ATMs**, Market Share of **64%** in Advances **63%** in Deposits and **40%** in Branches
- ✓ **Total Business : INR 1776.6 Billion.;** Deposits: **INR 1092.9 Billion.** | Net Advances: **INR 683.6 Billion.**
- ✓ Net Profit of **INR 1739.5 million** in Q3; **INR 3893.6 million** in 9-M period FY 2021-22.
- ✓ Capital Adequacy Ratio(CAR) is **12.38%**.
- ✓ Gross NPA: **8.93%** ; Net NPA **3.02%**
- ✓ NPA Coverage Ratio: **81.45%**.
- ✓ CASA ratio: **56.32%**. (among best in industry)@ | Credit Deposit Ratio: **62.55%**.
- ✓ Workforce of **13,044** employees ; average business per employee **INR 133.7 Million.**
- ✓ Designated as RBI's agent for carrying out Govt. Banking Business for JKUT & Ladakh UT.
- ✓ Designated as Lead Bank in **12** Districts of JKUT.
- ✓ J&K UTLBC Convenor Bank.
- ✓ Sponsor Bank of one R R B (J&K Grameen Bank) & Holding Company of JKBFSL.
- ✓ Corporate Agency tie-up with PNB Metlife (Life Insurance), Bajaj Allianz & IFFCO Tokyo (General Insurance).

Founded:

01 October, 1938

Headquarters:

Srinagar, Jammu and Kashmir

Owner:

J&K Government (70.12%)

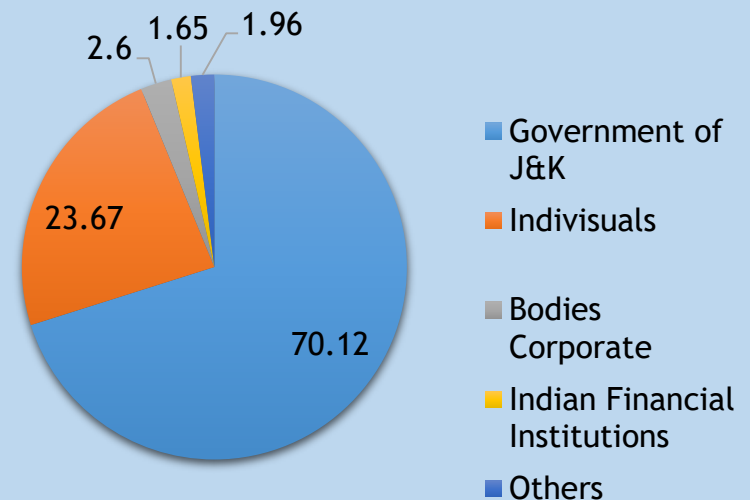
Listed Company, traded as;

NSE: J&KBANK | BSE: 532209

Website:

www.jkbank.com

Shareholding Pattern 31 Dec'2021



Dominance of J&K Bank in JKUT

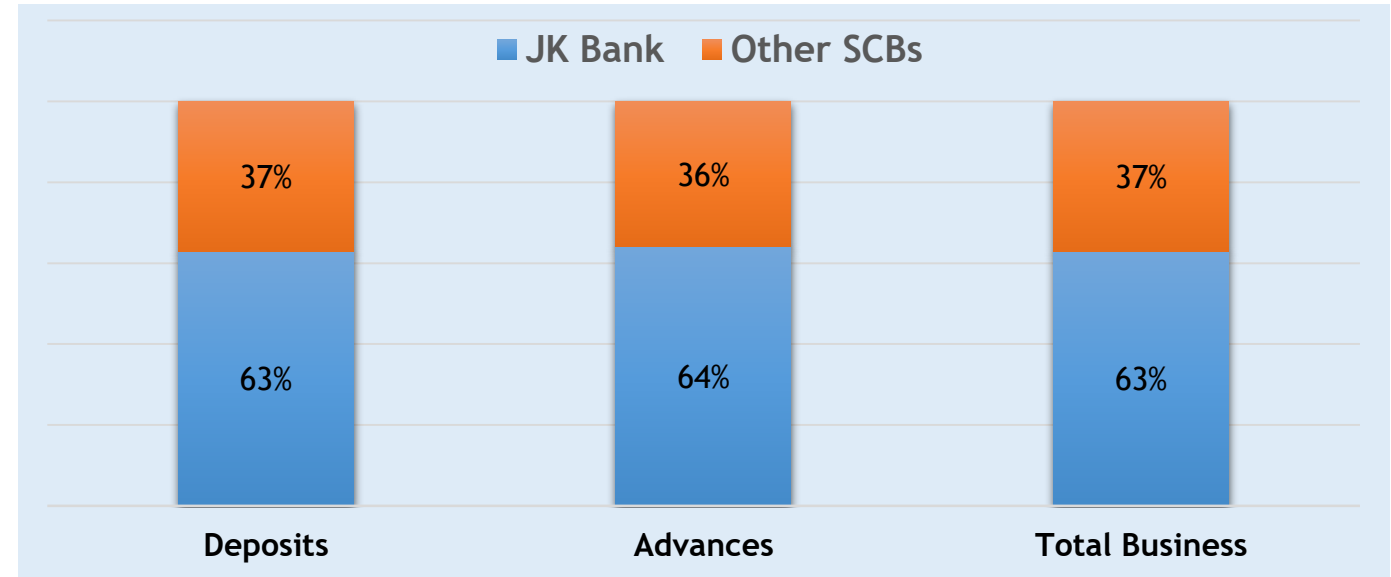
INR Million



Regional Dominance

- 811 Branches / 1247 ATMs in J&K UT
- Branch in every block of J&K UT and Ladakh UT
- Over 10 Million account holders in J&K UT
- Captive Clientele – J&K / Ladakh Government Employees & Pensioners
- Lead Bank responsibility in 12 districts of J&K UT
- Designated as UTLBC Convener for J&K UT
- Business Share of ~ 63% in J&K
- CD Ratio of 56% in J&K UT

JKB Share in J&K (Dec-2021) *



J&K UT	JK Bank	Other SCBs	Total
Deposits	964773.3	562155.7	1526929.0
Advances #	541508.2	300706.7	842214.9
Branches	811	1205	2016
ATMs	1247	1365	2612

* Source: JK UTLBC data for Dec'2021

Including Corporate sector Advances= 4990.7 Million & Technical Write-Off = 3546.4 Million

J&K Bank - Brief Financial Profile

INR Million



Particulars	FY 2020-21	Q1'2022	Q2'2022	Q3'2022	9 Months
Capital	713.6	713.6	933.0	933.0	933.0
Reserves	67542.5	68585.7	76342.1	78081.6	78081.6
Deposits	1080611.5	1056888.9	1062673.5	1092984.0	1092984.0
Advances	668417.3	667795.2	683418.4	683659.4	683659.4
Investments	308142.4	300749.2	273729.4	295245.1	295245.1
Total Assets	1202919.5	1183476.5	1198304.9	1238094.0	1238094.0
Total Income	88300.8	22114.8	22012.6	21759.8	65887.3
Operating Expenses	28785.4	7921.2	8566.0	8343.2	24830.4
Net Profit	4321.2	1043.2	1110.9	1739.5	3893.6
Gross NPA	69547.5	69637.3	65248.7	65088.0	65088.0
Net NPA	19693.3	19651.7	20636.5	20677.6	20677.6
Gross NPA %	9.67	9.69	8.95	8.93	8.93
Net NPA %	2.95	2.94	3.02	3.02	3.02
NPA Coverage Ratio (%)	81.97	82.00	81.57	81.45	81.45
NIM %	3.64	3.62	3.65	3.74	3.67
Return on Assets %	0.38	0.09	0.09	0.57	0.43
Capital Adequacy Ratio %	12.20	12.01	12.80	12.38	12.38
Cost to Income Ratio (%)	64.11	66.55	72.34	72.58	70.46

Geographic Distribution (Dec'2021)

Region	J&K UT	Rest of India	Total
Gross Advances	532968.4	195953.2	728921.6
Advances %	73%	27%	100%
Deposits	964773.3	128210.7	1092984.0
Deposit %	88%	12%	100%
Branches	811	163	974
Branch %	83%	17%	100%
ATMs	1247	147	1394
ATM %	89%	11%	100%

PERFORMANCE ANALYSIS

PAST PERFORMANCE AND COMPETITIVE BENCHMARKING

Key Performance Indicators

INR Million

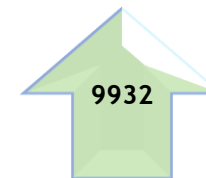


Steady Developments Leading To...

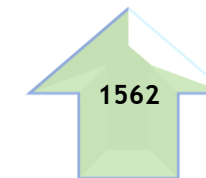
...Gradually Improving Parameters (Q3'FY21-22)

KPIs	Q4 '20-21	Q1 '21-22	Q2 '21-22	Q3 '21-22
RoE (%)#	5.55	1.77	1.75	2.54
RoA (%)#	0.27	0.09	0.09	0.14
CoF (%)	3.89	3.79	3.78	3.77
NIM (%)	3.43	3.62	3.65	3.74
EPS (INR)#	4.43	1.46	1.49	1.86
CAR (%)	12.20	12.01	12.80	12.38
Gross NPA	69547.5	69637.3	65248.7	65088.0
GNPA (%)	9.67	9.69	8.95	8.93
Net NPA	19693.3	19651.7	20636.5	20677.6
NNPA (%)	2.95	2.94	3.02	3.02
PCR (%)	81.97	82.00	81.57	81.45
CASA (%)	56.84	55.83	55.34	56.32

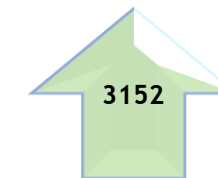
Net Interest Income



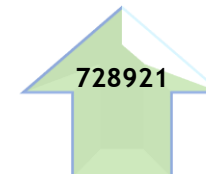
Non Interest Income



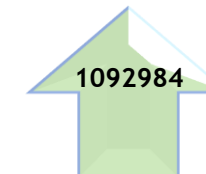
Operating Profit



Gross Advances



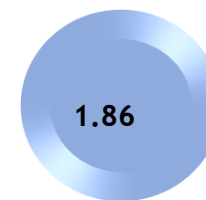
Deposits



Total Business

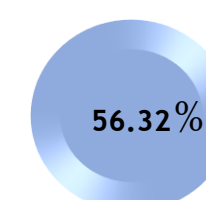


EPS



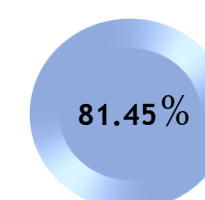
Up 0.94 YoY

CASA Ratio



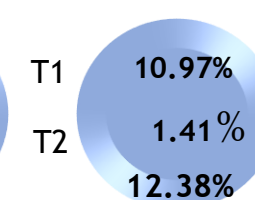
Up 188 bps YoY

PCR



Down 222 bps YoY

CRAR



Up 61 bps YoY

Key Performance Indicators

INR Million



Income Statement Q3 & 9M (FY2021-22)

Particulars	Q3 2020-21	Q3 2021-22	9M 2020-21	9M 2021-22	Change %
Net Interest Income	10051.3	9932.9	28533.6	29357.3	3%
Non-Interest Income	2716.5	1562.2	5409.0	5882.0	9%
Operating Income	12767.8	11495.1	33942.6	35239.3	4%
Operating Expense	7133.1	8343.2	20973.8	24830.4	18%
Operating Profit	5634.7	3151.9	12968.8	10408.9	-20%
Provisions & Contingencies	4576.1	82.0	10489.0	4167.1	-60%
Provision for Tax	399.2	1330.4	1316.1	2348.2	78%
Profit After Tax	659.4	1739.5	1163.7	3893.6	235%

Balance Sheet Dec. 2021

Particulars	Dec'20	Mar'21	Sep'21	Dec'21	YoY %
Assets (Total B.S)	1159977.5	1202919.5	1198304.9	1238094.0	7%
Advances (Net)	665453.2	668417.3	683418.4	683659.4	3%
Investments	283322.0	308142.4	273729.4	295245.1	4%
Fixed Assets	20104.8	20124.1	19764.9	19649.6	-2%
Paid Up Capital	713.6	713.6	933.0	933.0	31%
Reserves and Surplus	64384.9	67542.5	76342.1	78081.6	21%
Borrowings	20162.9	20152.0	20141.0	20130.1	0%
Deposits	1038042.3	1080611.5	1062673.5	1092984.0	5%
JK Advances (Gr)	484221.2	497625.0	526199.5	532968.4	10%
JK Deposits	918423.9	950373.3	937208.1	964773.3	5%

- Credit growth of over 10% in UTs of Jammu & Kashmir and Ladakh despite Covid effect.
- Lower growth in deposits owing to withdrawal of some Government Deposits.

Historical Performance Parameters

INR Million



Profit & Loss

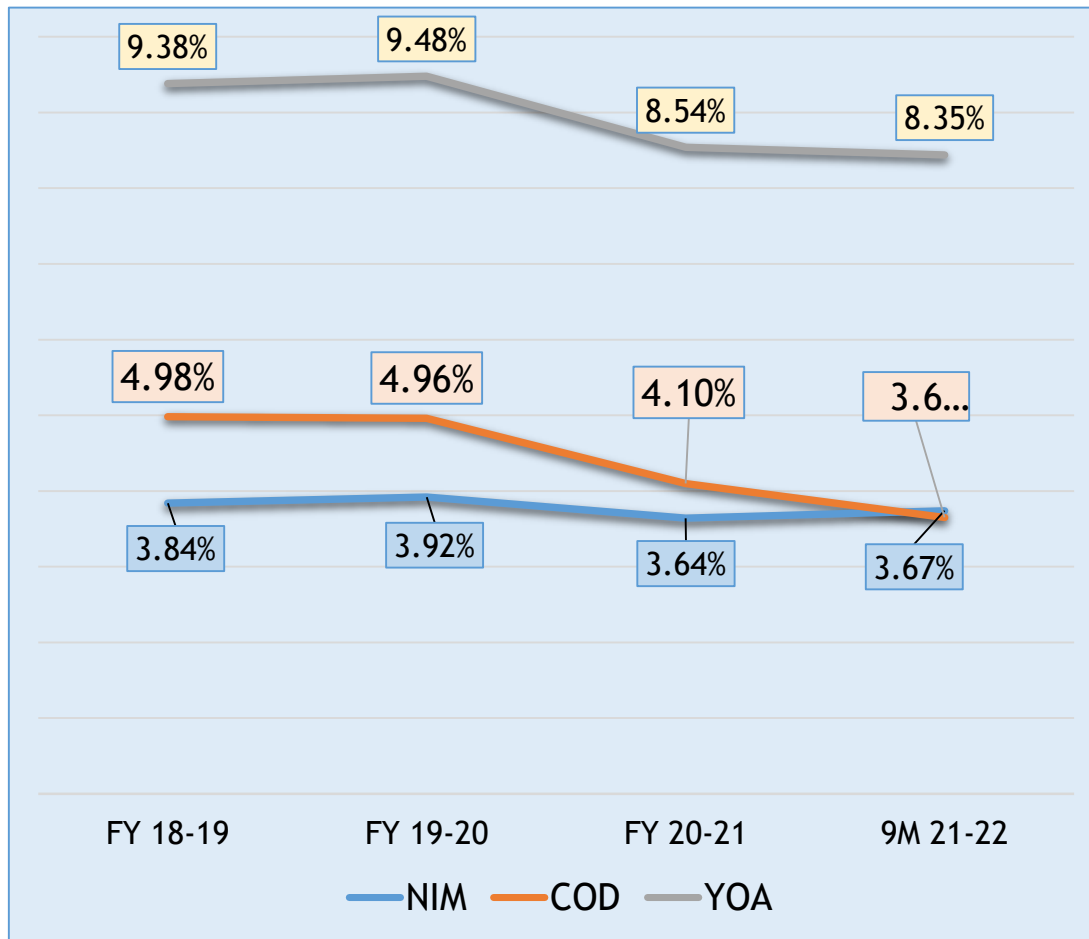
Particulars	Year ended Mar' 19	Year ended Mar' 20	Year ended Mar' 21	9M ended DEC' 21
Interest Income	76755.6	84462.9	81110.9	60005.3
Interest Expense	42916.3	47396.2	43403.1	30648.0
Net Interest Income	33839.3	37066.7	37707.8	29357.3
Non-Interest Income	8126.3	5459.2	7189.9	5882.0
Net Total Income	41965.6	42525.9	44897.7	35239.3
Operating Expenses	24786.6	27275.4	28785.4	24830.4
Operating Profit	17179.0	15250.5	16112.3	10408.9
Provisions & Contingencies	10581.7	26251.0	10771.6	4167.1
Provision for Tax	1948.5	393.6	1019.5	2348.2
Net Profit	4648.8	-11394.1	4321.2	3893.6

Balance Sheet

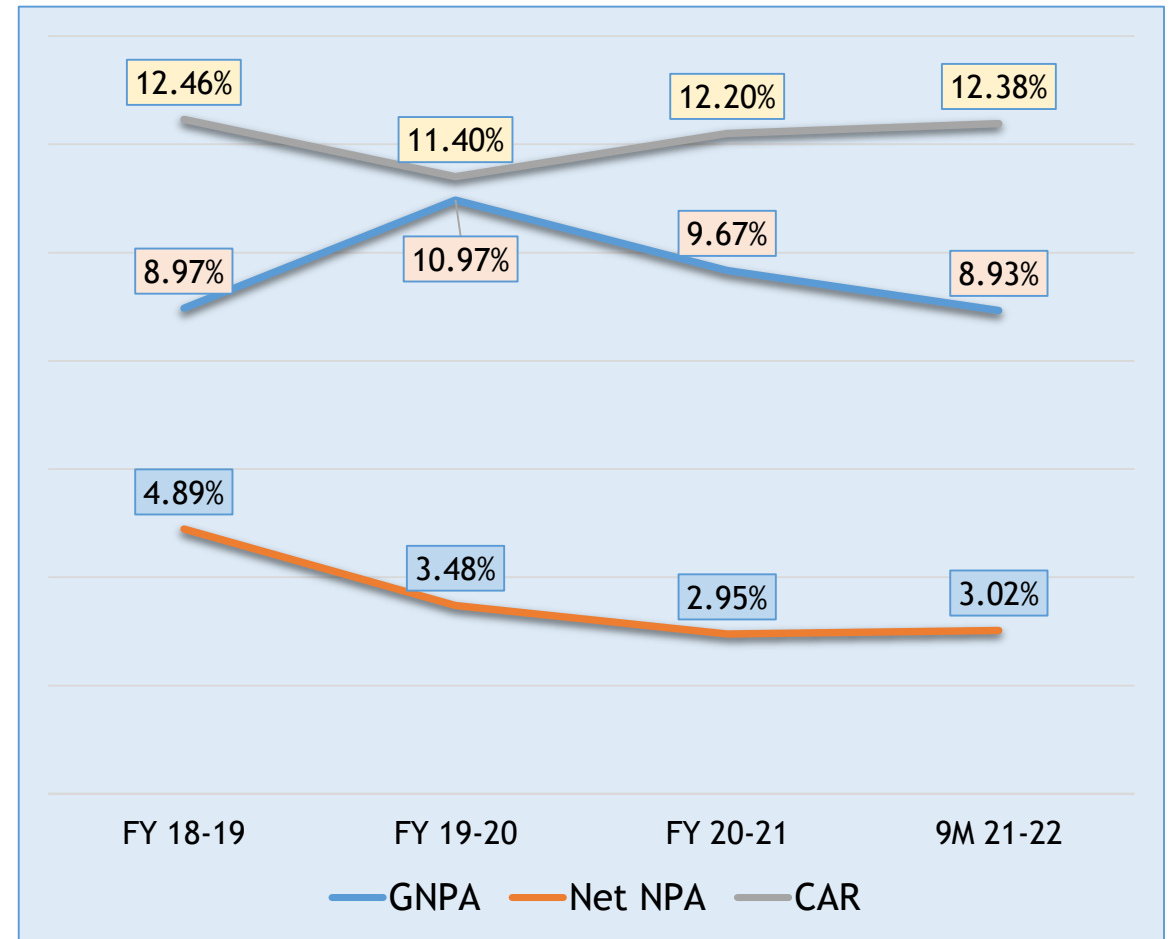
Particulars	Year ended Mar' 19	Year ended Mar' 20	Year ended Mar' 21	DEC' 21
Capital	557.0	713.6	713.6	933.0
Reserves & Surplus	65704.0	63221.2	67542.5	78081.6
Deposits	896389.0	977882.3	1080611.5	1092984.0
Advances	662715.1	643990.7	668417.3	683659.4
Investments	231605.0	230522.4	308142.4	295245.1
Total Assets (BS size)	1014062.9	1088721.0	1202919.5	1238094.0
Total Business	1559104.1	1621873.0	1749028.8	1776643.4
Gross NPA's	62213.5	76716.3	69547.5	65088.0
Net NPA's	32396.1	22438.2	19699.3	20677.6
No. of Branches	940	955	955	974
No. of ATMs	1291	1354	1383	1394
Personnel	12604	12623	12307	13044

Historical Performance Parameters.... Cont...

Interest Spread/Margins

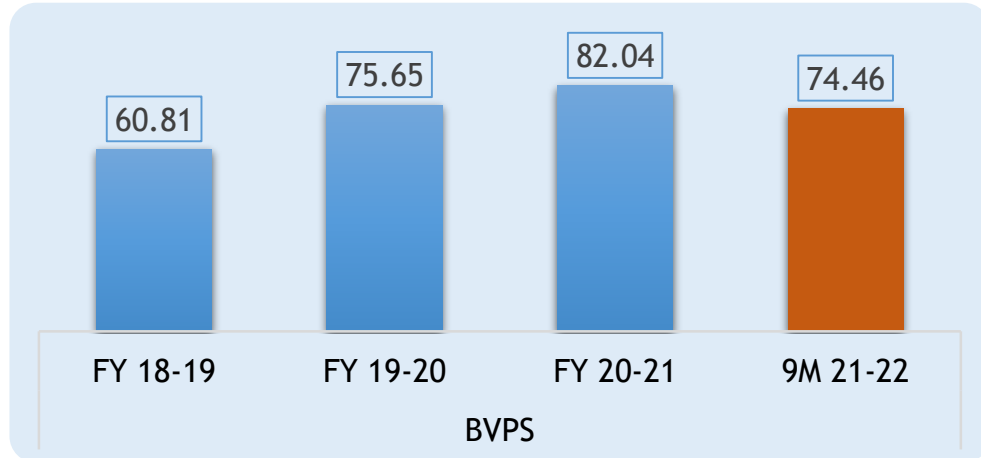


Capital Adequacy/Asset Quality

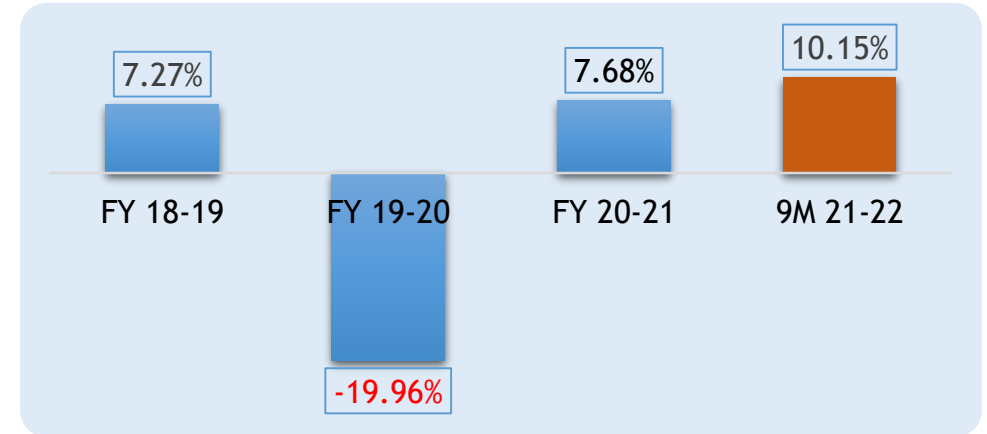


Historical Performance Parameters Cont.

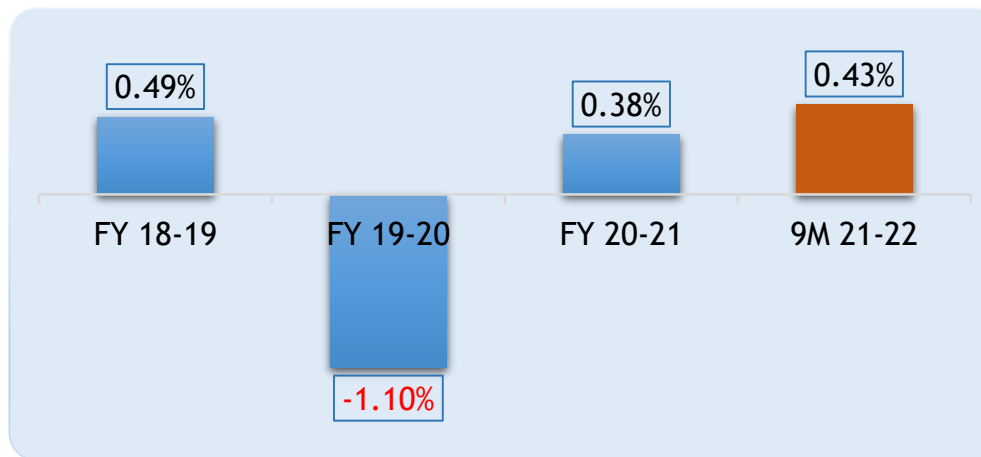
Book Value Per Share (INR)



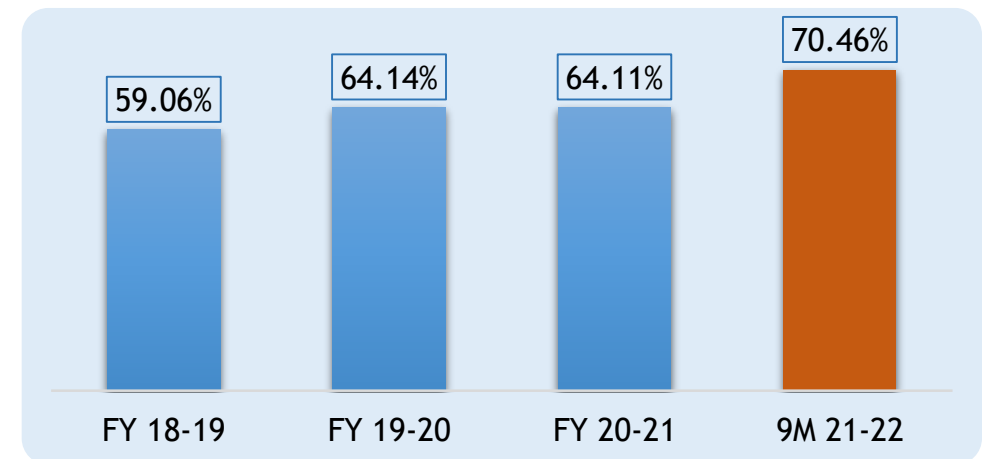
Return on Equity



Return on Assets



Cost to Income Ratio



Income & Expenditure Highlights

INR Million



Income Highlights Q3 /9M Dec 2021

Interest Income	Q3 FY'22	Q3 FY'21	9M FY'22	9M FY'21	Change %
Loans And Advances	15345.0	15764.7	45180.4	46336.9	-2%
Investments	4087.9	4258.0	12429.6	12910.1	-4%
Balance with RBI and Other Banks	761.9	740.7	2389.7	2348.0	2%
Others	2.9	0.3	5.6	0.3	1767%
Total	20197.7	20763.7	60005.3	61595.3	-3%

Non-Interest Income	Q3 FY'22	Q3 FY'21	9M FY'22	9M FY'21	Change %
Commission/Exchange	282.9	468.9	928.9	1070.8	-13%
Insurance Commission	163.2	122.5	414.2	316.4	31%
Treasury/Trading Income	59.0	1495.3	1355.6	2545.3	-47%
Miscellaneous Income	1057.1	629.8	3183.3	1476.5	116%
Total	1562.2	2716.5	5882.0	5409.0	9%

Expense Highlights Q3/9M Dec 2021

Interest Exp	Q3 FY'22	Q3 FY'21	9M FY'22	9M FY'21	Change %
Deposits	9764.5	10212.4	29148.5	31561.1	-8%
Borrowings	3.2	3.2	8.8	10.0	-12%
Others (Subordinated Debt)	497.0	496.8	1490.7	1490.6	0%
Total	10264.7	10712.4	30648.0	33061.7	-7%

Non-Interest Exp.	Q3 FY'22	Q3 FY'21	9M FY'22	9M FY'21	Change %
Payment for Employees	6118.0	5044.8	18216.1	15143.8	20%
Other Expenditure	2225.2	2088.3	6614.3	5830.0	13%
Total	8343.2	7133.1	24830.4	20973.8	18%

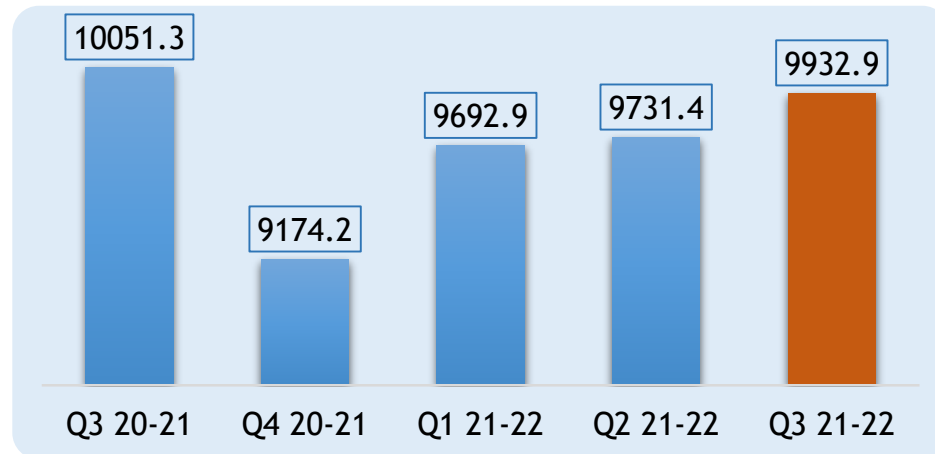
- Cost of deposits further moderated to 3.66% for 9-M period'22 (PY 4.21%) resulting in lower interest expense.
- Distinguishable growth in income from Insurance distribution business.
- Non-Interest income lower due to drop in Treasury income

Income & Margins Highlights

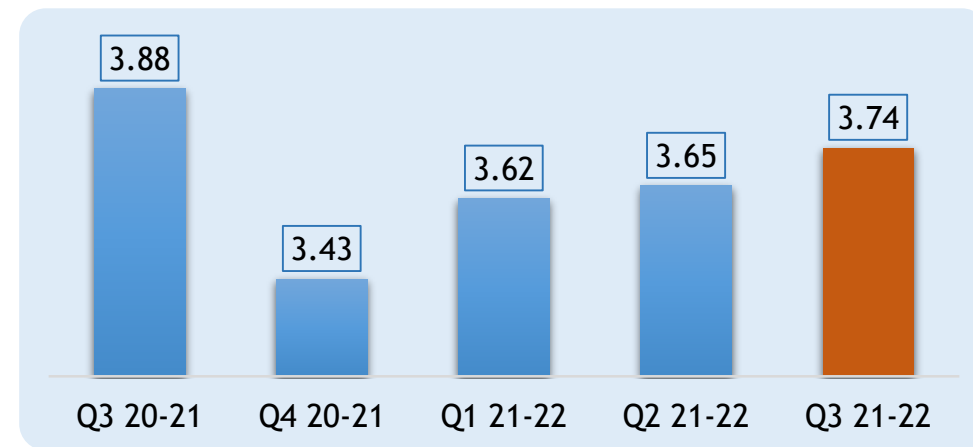
INR Million



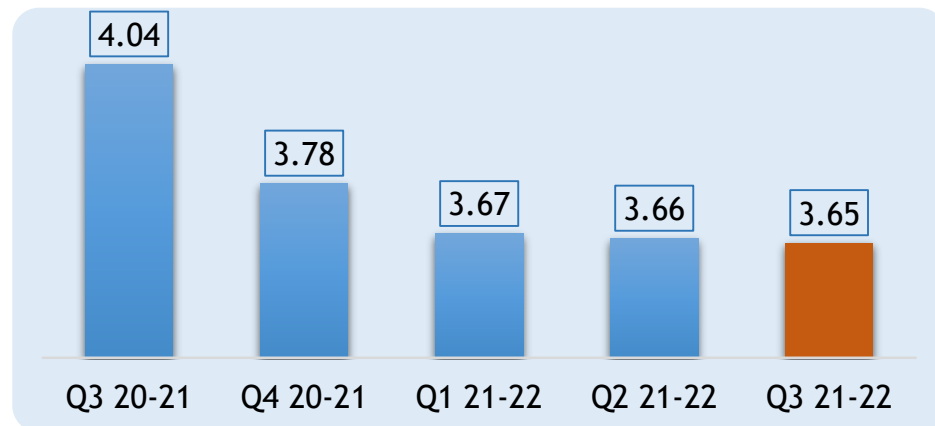
Net Interest Income



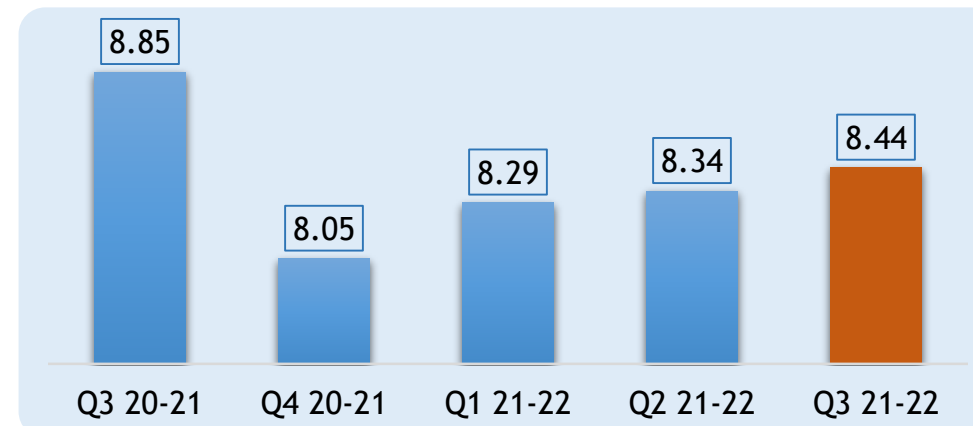
Net interest margins (%)



Cost of deposits (%)



Yield on advances (%)



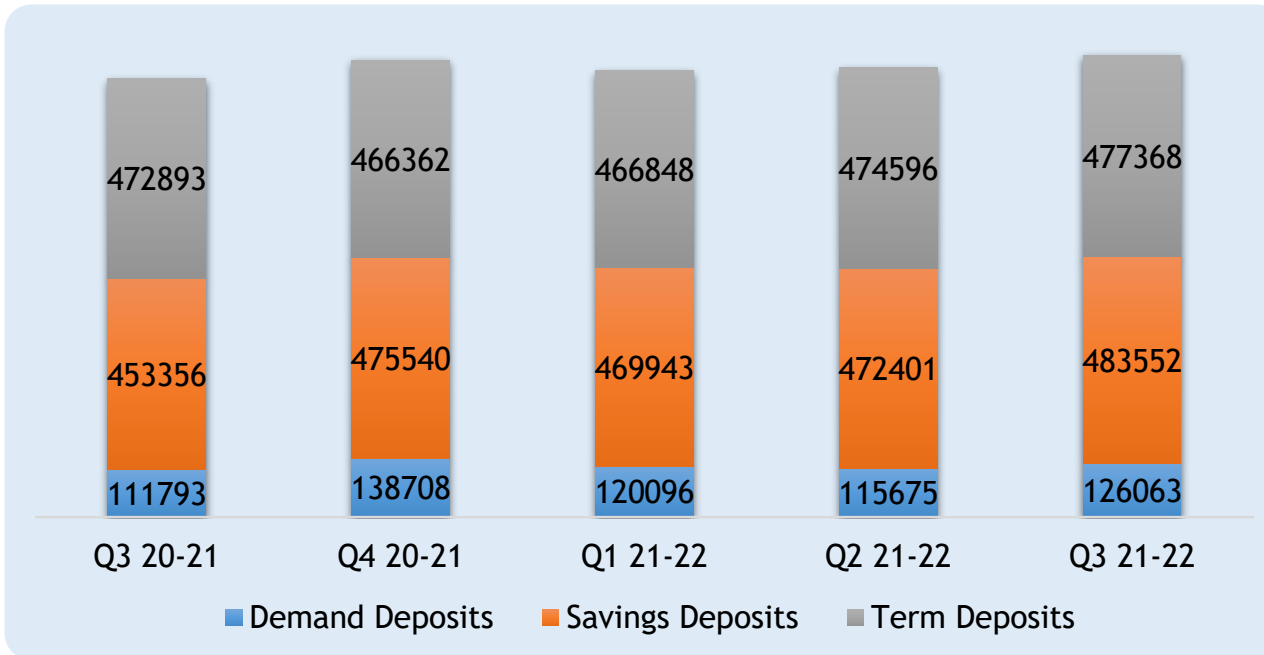
Reducing Cost of Deposit, NIM at satisfactory levels

Liability Trends

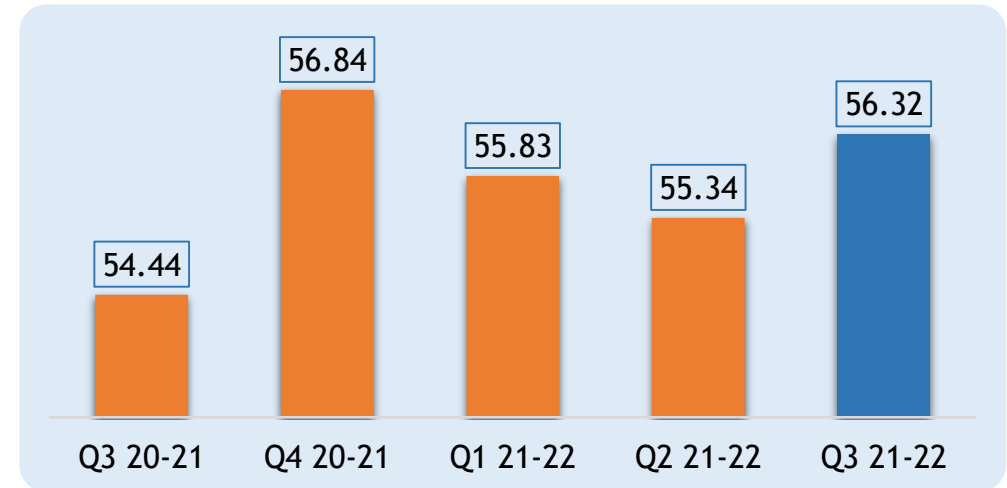
INR Million



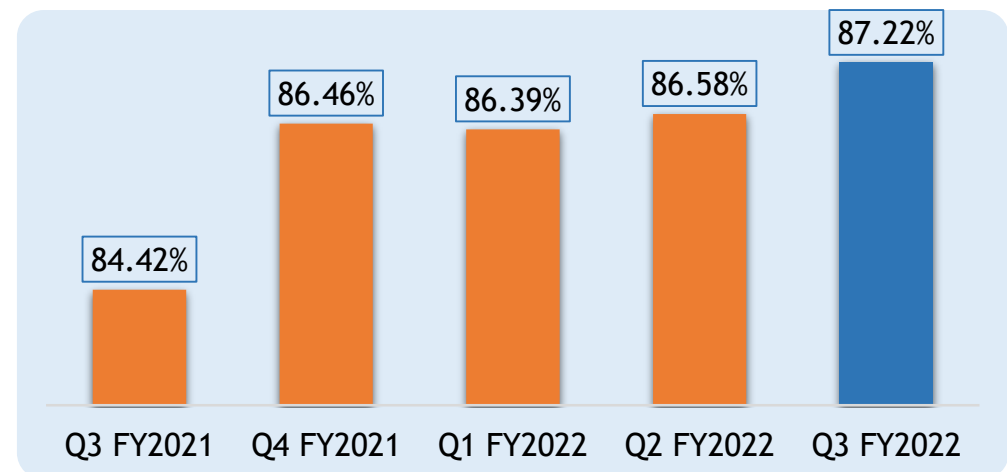
Deposit Mix



CASA Ratio (%)



CASA + Retail term Deposits (%)



- Sustained improvement in CASA, at 56.32% (among the best in industry)@.
- Share of CASA & Retail Term Deposits at all time high of 87.22%
- Demand Deposit component growth YoY 13%.
- Main contributor of deposits in JK UT, 88% share.
- Proportion of CASA deposits improving in rest of India.
- Liquidity Coverage Ratio: over 300% (well above regulatory requirement).

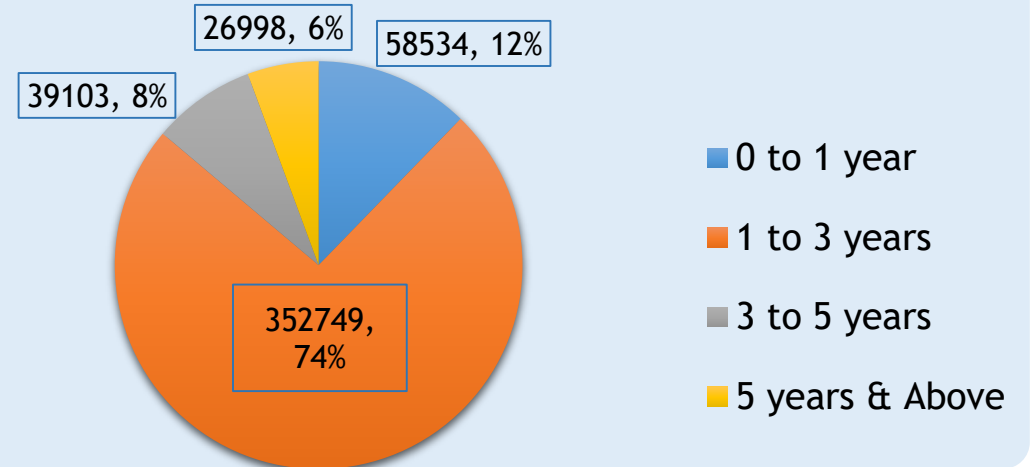
Liability Trends

INR Million

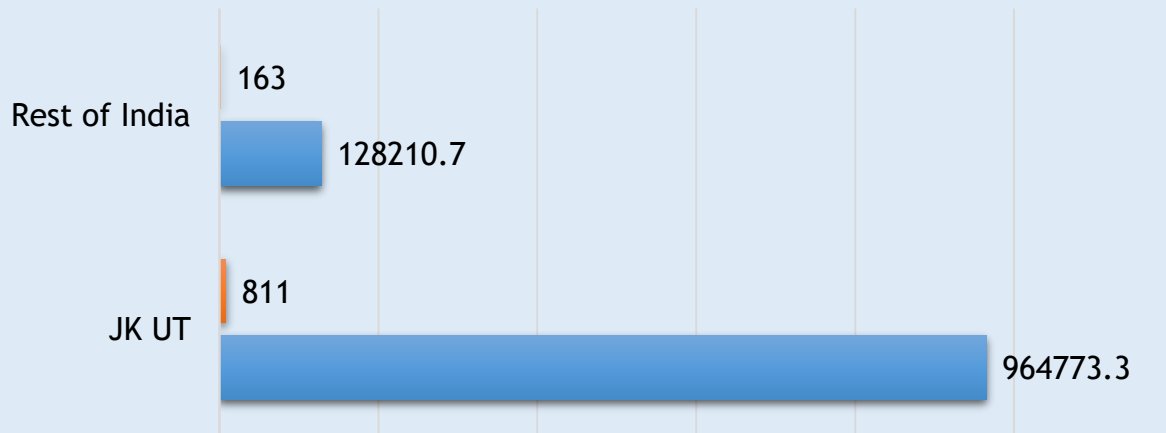


- Highly Diversified and Stable Liability Franchise.
- Top 20 depositors contribute just 8% of total deposits.
- Inter-bank deposits less than 1.50%.
- High roll over of maturing Term Deposits and insignificant premature withdrawals adds to stability of the deposits portfolio.

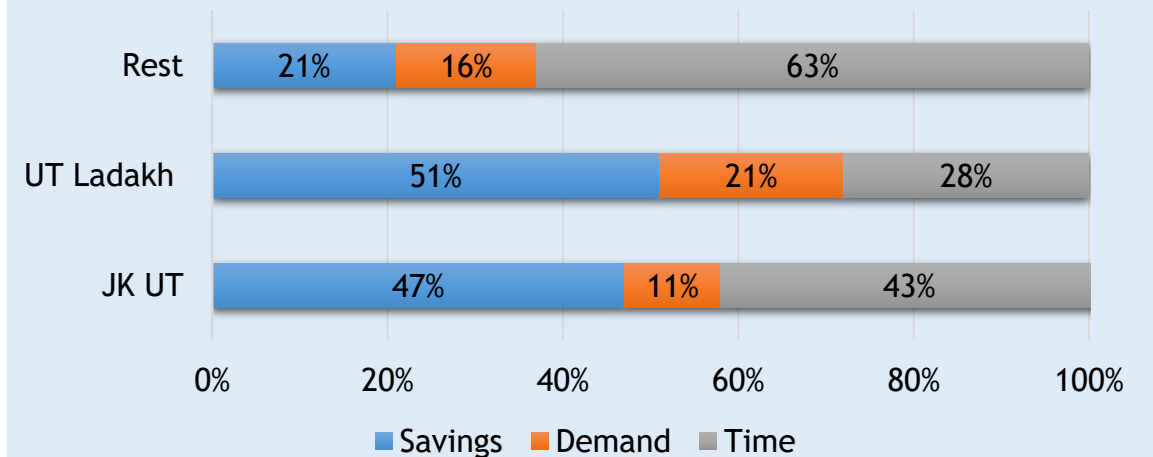
Maturity Profile Of Term Deposits



Distribution-branches and deposits



Region wise Deposit Mix as on 31 Dec, 2021



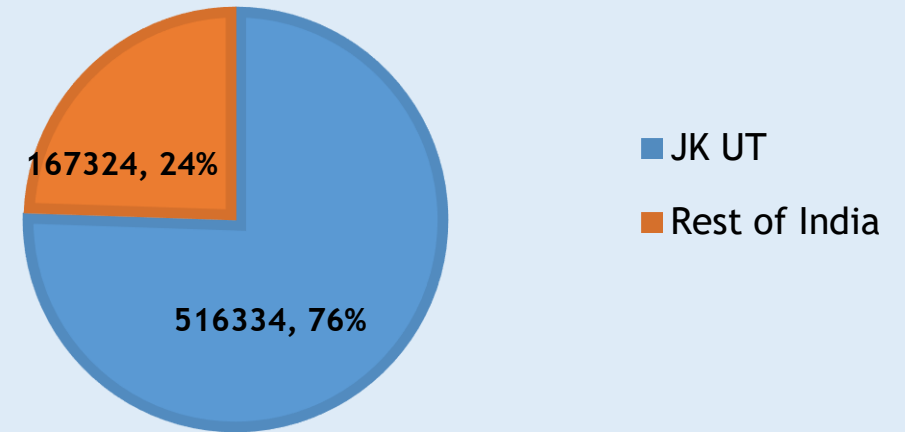
Loans & Advances - Asset Quality & Diversification

INR Million



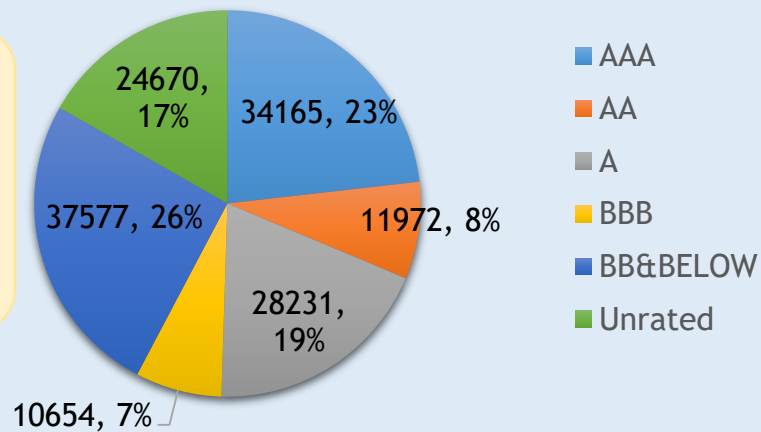
- 61% of Standard rated Corporate Loan portfolio rated 'A' & Above.
- Retail Advances constitute 68% of total Loan Book; Retail growth @ over 10% YOY
- Personal Loans constitute 52% of Retail Book and 35% of Total Loan Book.
- JK UT contributes 76% of the Loan Book (Net Advances).
- J&K portfolio mostly granular / retail in nature.
- Term loans contribute 66% of the credit portfolio while CC/OD & bills together account for 34%.
- Low Concentration: Top 20 borrowers account for < 13% of Total Loans.
- Out of the total Unrated Corporate PF, about INR 18000 Mio guaranteed by Central/UT Government.

ADVANCES REGION WISE

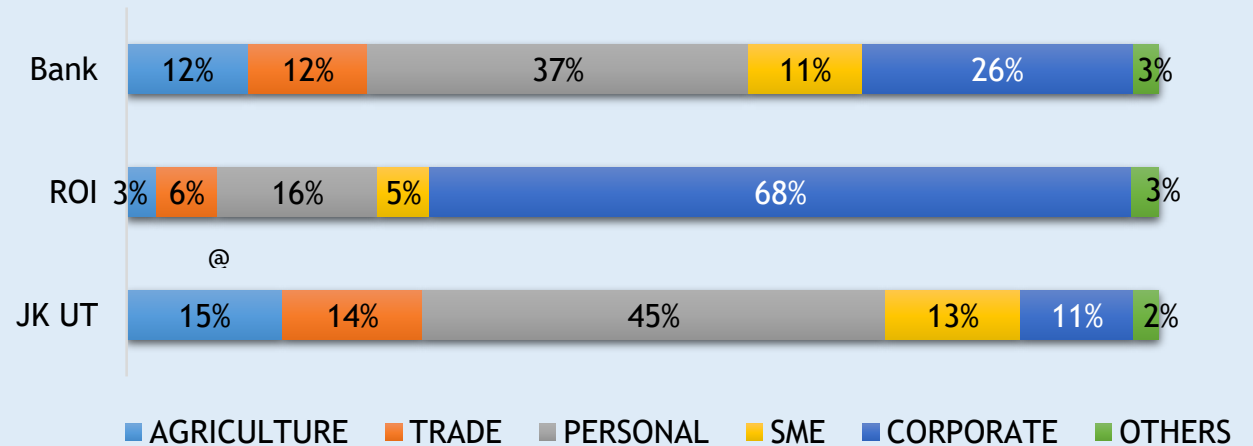


Rating Profile- Standard Corporate Loans

Total Standard Corporate Loans: INR 147269 Mio (Dec'2021)



Advances Mix Region wise



Loans & Advances - NPAs

INR Million



Non-Performing Assets - Movement

Particulars	Q3 FY'22	Q3 FY'21	9M FY'22	9M FY'21	% Change
Balance at the start of the period	65248.6	63170.9	69547.5	76716.3	-9%
Additions during the period	8030.6	251.7	21202.1	1091.0	1843%
Up gradations during the period	7156.2	463.8	15019.7	1510.2	895%
Write off (including Tech Write-off)	19.7	13.4	7606.7	12154.1	-37%
Compromise Settlements	64.3	86.5	173.3	181.4	-4%
Other Recoveries	951.1	898.3	2861.9	2000.8	43%
Balance at the close of the period	65088.0	61960.6	65088.0	61960.6	5%

NPAs & Provisions

PARTICULARS	JUN'21	SEP'21	DEC'21
Gross NPA	69637.3	65248.7	65088.0
Provisions for NPAs	49385.4	43744.2	43497.2
DIFV, ECGC, Int. Capitalization	600.2	868.0	913.2
Net NPA	19651.7	20636.5	20677.6

- Last year (9M'21) slippages were low due to Covid Moratorium / Hon'able Supreme Court Order.
- During the 9M-period INR 7580 Mio NPA technically written off (9M FY'21 INR 12035 Mio).
- Total stock of TWO* as on 31.12.2021 = INR 46381 Mio
- Top 10 TWO accounts aggregate to INR 24952 Mio
- Gross NPA below 9% & net NPA just a shade above 3% with PCR of 81%.
- Top ten NPAs account for INR 29571 Mio (45% of NPA portfolio) with provisions coverage of 80%.
- 28 cases are pending for resolution through NCLT, Total Amount- INR 25892 Mio with provision coverage of 96%.
- 19 Accounts under Liquidation process amounting to INR 14924 Mio (100% Provision)

* TWO = Technically Written Off

NPA Sector Wise

INR Million



Non-Performing Assets - Sector Wise Breakup as on 31.12.2021

Sector	Gross Advances	Exposure %	Gross NPA	GNPA %
Personal Finance	270407.1	37.10%	3574.0	1.32%
Trade	96673.9	13.26%	7049.0	7.29%
Agriculture	86213.1	11.83%	5398.7	6.26%
Services	75073.2	10.30%	10784.5	14.37%
Manufacturing	66414.2	9.11%	9258.1	13.94%
Infrastructure	62522.3	8.58%	13192.7	21.10%
Financial Markets	33181.5	4.55%	11597.6	34.95%
Real Estate	23311.8	3.20%	4094.5	17.56%
Against Cash Collaterals	10273.9	1.41%	34.1	0.33%
Others	4850.6	0.67%	104.7	2.16%
TOTAL	728921.6	100%	65088.0	8.93%

- 9M slippages in J&K INR 14063 Mio; RoI INR 7139 Mio
- Gross NPAs in J&K INR 27171 Mio; RoI INR 37917 Mio
- JK GNPA ratio 5.10%; RoI 19.35%
- NPA Breakup - Sub-Standard INR 13108 Mio (20%); Doubtful INR 37638 Mio (58%); Loss INR 14342 Mio (22%)
- Top NPAS include
 - IL&FS INR 12926 Mio
 - Aircel INR 3296 Mio
 - KSK Mahanadi INR 3035 Mio
 - Bharat Hotels INR 1940 Mio
 - Sgr-Banihal Expressway INR 1931 Mio
 - Paradise Avenue INR1581 Mio

Loans & Advances - Restructured Loans

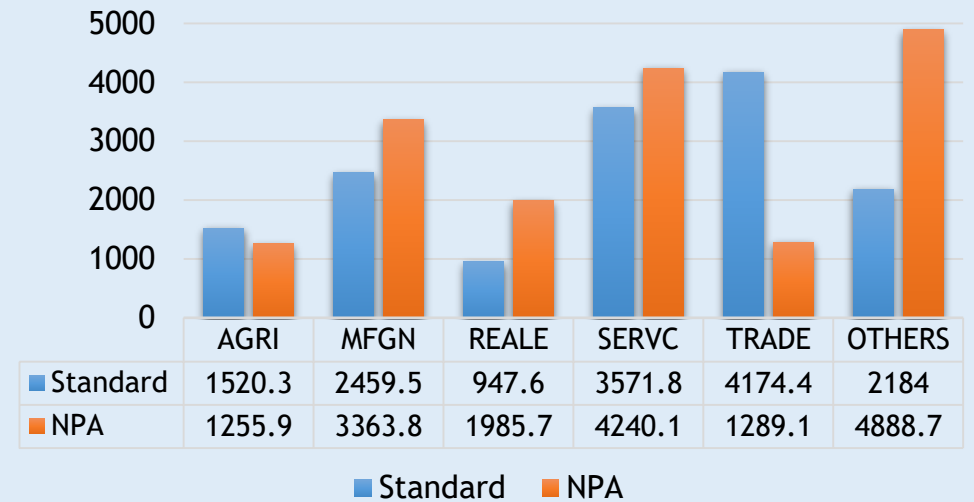
INR Million



Restructured Loans - Dec'21

Particulars	Standard		NPA		Total Restructured	
	Amount	Prov.	Amount	Prov.	Amount	Prov.
J&K						
Flood 2014 / Unrest 2016	368.6	36.9	4980.7	3702.0	5349.3	3738.8
Rehab-2019	1699.0	173.9	65.9	9.5	1764.9	183.4
Resolution Framework 1 & 2	4401.3	647.8	21.2	3.4	4422.5	651.2
Others	1485.6	146.7	4427.0	3059.8	5912.5	3206.5
TOTAL J&K	7954.5	1005.2	9494.8	6774.8	17449.2	7780.0
Rest						
Resolution Framework 1 & 2	5124.0	755.6	1946.9	428.5	7070.9	1184.1
Others	1779.2	176.1	5581.8	3651.0	7361.0	3827.1
TOTAL REST	6903.2	931.7	7528.7	4079.5	14431.9	5011.2
GRAND TOTAL (BANK)	14857.6	1936.9	17023.5	10854.3	31881.2	12791.2

Sector-wise re structured Loans - Dec'21



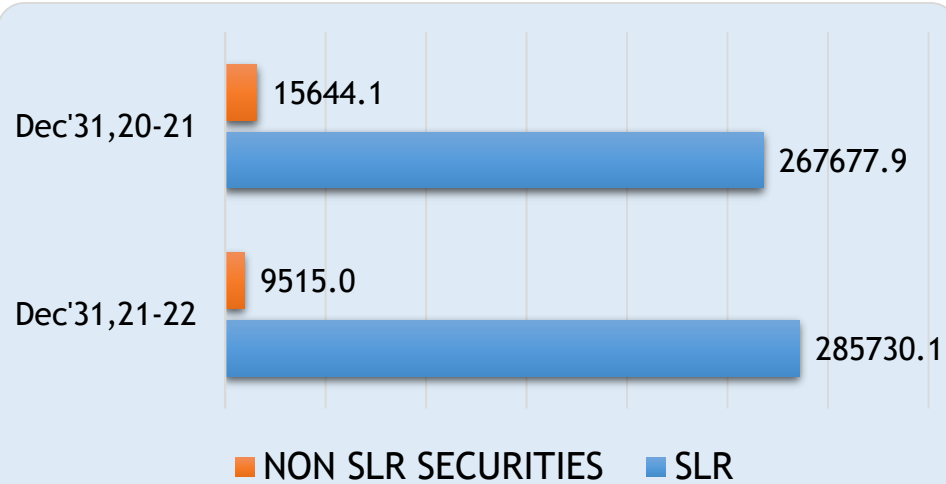
- 93% of JK (Flood 2014 & Unrest 2016) Restructured portfolio already classified as NPA
- Standard restructured portfolio remaining as on 31.12.21 is INR 14858 Mio (mostly on account of recent Covid-19 restructuring) against which 13% provisions are held.
- New restructuring during 9M'FY22 (Covid, RF 1-2) is INR 13674 Mio

Investment Book

INR Million



Investment - Dec'21

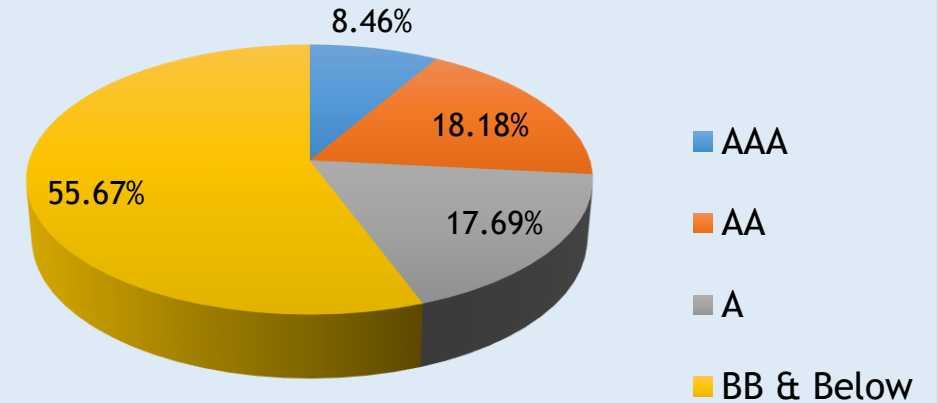


NPIs: INR 7128 Mio
 Prov. Ag NPIs: INR 6364 Mio
 Coverage 89%

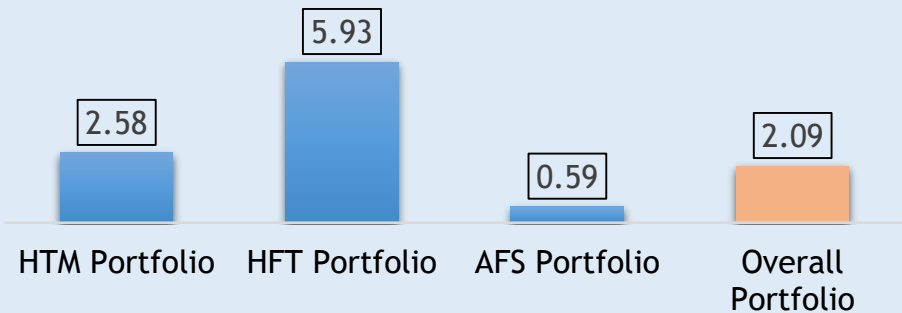
*** Investment predominantly in SLR securities; 97%**

*** HTM 75%;
 AFS 25%**

B&D - Rating Profile in Percent (Dec'21)



Duration (Yrs) - Investment Portfolio Dec'21



Yield (%) - Investment Portfolio (Qr Dec'21)



Capital Position

INR Million



CRAR & Components of Capital

Component	FY 18-19	FY 19-20	FY 20-21	DEC'21
CET-I %	9.13	8.42	8.82	9.58
Tier -I %	10.60	9.88	10.28	10.97
Tier -II %	1.86	1.53	1.92	1.41
CRAR %	12.46	11.40	12.20	12.38
CET - I	62137.2	57734.2	60793.7	68982.0
AT - I	10000.0	10000.0	10000.0	10000.0
Tier - II	12649.5	10472.9	13229.0	10174.8
Total Capital	84786.7	78207.1	84022.7	89156.8
RWA	680485.8	685862.3	688928.6	720304.4

CET-I = Common Equity Tier I; AT-I = Additional Tier I; RWA = Risk Weighted Assets

- CRAR up by 61 bps YoY on account of internal accruals FY'21 (INR 4321 Mio), Infusion by JK Gov (INR 5000 Mio) & ESPS (INR 1500 Mio).
- Revaluation Reserves partly reckoned for T1 and partly for T2.
- Floating Provisions of INR 3487 Mio reckoned for Tier-2.

Recent Capital Infusion by J&K Govt

FY	Shares	Issue Price (INR)	Amount
2016-17	36555051	68.39	2500.0
2017-18	35525321	79.38	2820.0
2019-20	156592546	31.93	5000.0
2021-22	167672702	29.82	5000.0

Further Avenues for Capital Augmentation

- J&K UT Government has made budgetary allocation for further Capital Infusion (INR 8000 Mio) for FY 2022
- Bank is coming out with bond issue for raising Tier-II (INR 5000 Mio) during this FY
- Follow-up Public issue / QIP (INR 5000 Mio) is being pursued in Q4 of FY'22.
- Recovery / Settlements of significant NPAs shall release substantial provisions.
- Retaining major portion of future profits.

DIGITAL JOURNEY

ACCELERATING DIGITAL DELIVERY



Mpay

More than 1.3 Million M-pay Customers with a YOY growth of 22%. New user-friendly M-Pay Delight App launched with multiple features.



Credit/Debit Cards

About 83K and 38L Credit and Debt card users with an average spend of Rs. 41K on credit cards.



Digital Transactions

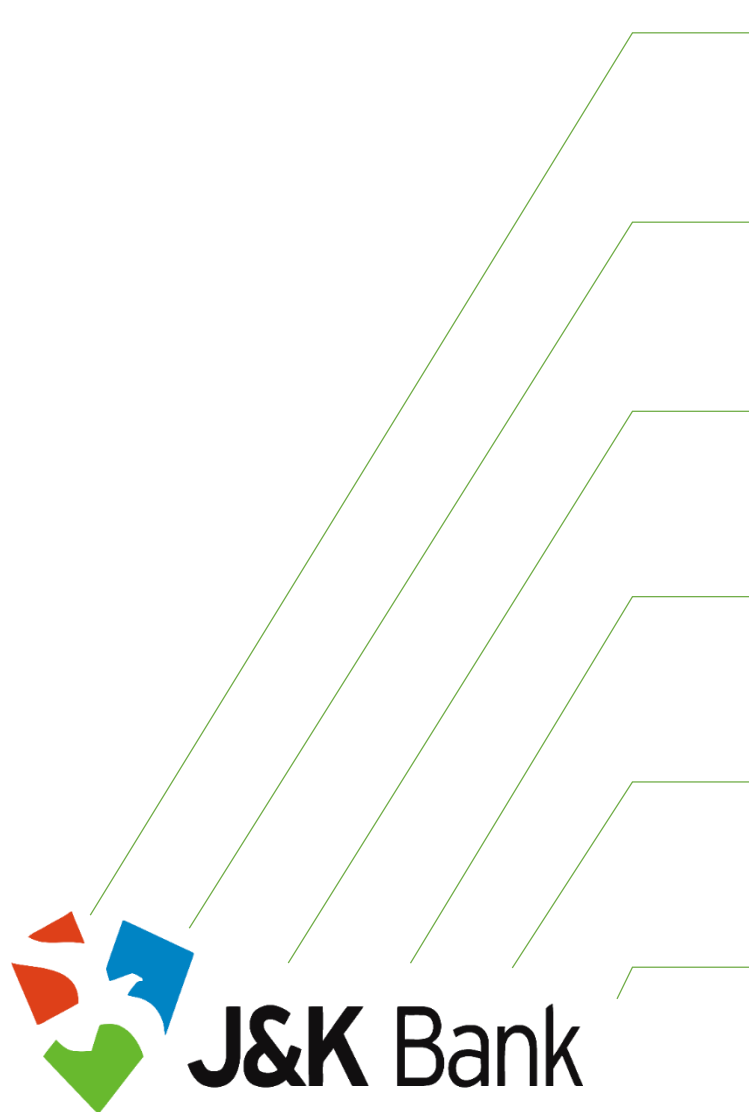
About 60% of the total transactions are carried through digital channels.



Account Opening

About 89% of CASA Accounts are opened through Central Processing Centers.

Digital Channels - THE WAY AHEAD



Loyalty programs for customers to promote digital and alternate channels

Interactive Phone banking services like SMS, Missed Call banking etc.

WhatsApp messaging and chat bots

EMI on debit cards

Contact less debit and credit cards

TAB Banking

FUTURE STRATEGIES

Sustained growth & Profitability

Overall Business Strategy

1 Business Plan

- Adoption & implementation of 3 - 5 year business plan
- Product strategy and roadmap on various business offerings
- Capital planning in line with the five year business plan

2 Business Process Re-Engineering

- Identifying high-impact processes for optimization and re-engineering
- Maximizing IT intervention in business processes
- Define sales and marketing structure and associated processes

3 Digital Transformation

- Strategy for digital penetration and increasing usage
- Revisit of IT landscape and suggest transformation level

4 HR Strategy and Organizational Transformation

- Revisiting the overall organizational structure
- HR Strategy including manpower planning, career development, trainings, performance management and succession planning
- Defining of job roles
- Competence requirements and mapping with job roles

5 Compliance

- Review of gaps in Compliance function and processes, and bring improvements therein; Target Regulatory Rating of 'B'

Potential Business Opportunities

Home Loan

Bank has opened 10602 fresh housing loan accounts during FY 2020-21 with a YoY growth of 19%. Keeping in view the potential of housing loan bank is targeting a growth of 25% during FY 2021-22.

Bank envisages to open more than 13000 fresh accounts under this segment during FY 2021-22.

Agri & Allied

Under agriculture sector, bank has opened 257 thousand fresh loan accounts during FY 2020-21 at a yearly growth of 10%.

Bank has a good opportunity of lending to farmers in J&K under KCC Scheme and lending under Agriculture Infrastructure Fund for setting up of cold stores and chains, warehousing, silos, assaying, grading and packaging units, e-marketing points linked to e-trading platforms and ripening chambers, besides PPP projects for crop aggregation sponsored by central/state/local bodies.

MSMEs

More than 400 thousand fresh accounts opened during FY 2020-21 under MSME advances with yearly growth of 13%. A growth of 17% targeted for FY 2021-22.

Under this sector bank has scope in manufacturing and service activities in food processing, pharmaceuticals, high grade raw material, woolen fabrics, computer/electronics and information technology.

High potential in Education, Tourism, Health etc.

Govt. Employees

Bank has a huge customer base of Govt employees/Govt pensioners.

Bank envisages a good opportunity to up-sell and cross sell under various segments to the Govt employees/pensioners viz personal consumption, housing, car, CC employee, credit cards etc.

Car Loan

Around 30 thousand car loan accounts opened during FY 2020-21 with a yearly growth of 19%.

Bank is targeting a growth of around 25% during FY 2021-22.

Digital

Digital POS.

Contactless Debit and Credit Cards.

Card tokenization.

Cardless ATM usage.

Domestic Prepaid Cards.

Non internet Based phone banking services like SMS, Missed Call etc.

Whatsapp messaging and chatbots.

Opportunity to on-board the hospitals, schools, colleges etc. in the UT of J&K and Ladakh on IPG/POS platforms.



J&K BANK - A VALUE PROPOSITION

One of A Kind Bank

- Unique blend of Commercial Bank, Development Financial Institution & Financial Services provider
- Private sector bank despite J&K Government's majority holding (~70%)
- Designated as RBI's agent for carrying out banking business for the Government of J&K UT and Ladakh UT
- Designated by Central Government for implementation of various flagship programs in J&K
- First private sector bank assigned lead bank responsibility in J&K UT
- Conducts major portion of banking business of Central Government in J&K; Collection Agent for utility services in J&K

A Regional Goliath



- The dominant bank in J&K and Ladakh with 811 & 36 branches, 1247 & 49 ATMs respectively in the two UTs, thus covering the entire 2 UTs with branches in every block
- Serves a large community of approx. 12.5 million population, with 10.0 million account holders in the Bank
- Inherent strength in terms of its dominant position in J&K remains intact, with 64%* business share in the UT

Diversified Business Portfolio



- J&K Bank Financial Services Ltd., the wholly owned subsidiary of the Bank, provides depository services and offers stock broking services
- Distributor of life insurance products of PNB MetLife, and general insurance distribution partner for Bajaj Allianz & Iffco Tokyo.
- Sponsor of J&K Grameen Bank (Regional Rural Bank)

Improved Asset Quality and Return Ratios



- With improvement in business environment, overall asset quality to be stable with slippage control and better recovery
- Most of the problematic or low rated corporate accounts already downgraded with significant provision coverage
- Bank expects credit cost to moderate to ~100 bps in FY 2022, thus improving RoA / RoE

Persistently Improved Valuation



- Management is focused on purging the balance sheet, growing the J&K business and monitoring / resolving problematic assets outside the home turf
- Improvement in income visibility due to margins uptick, cost control, peaking out of balance sheet stress and improved outlook on resolution - all leading to a persistently improved valuation

Thank You.