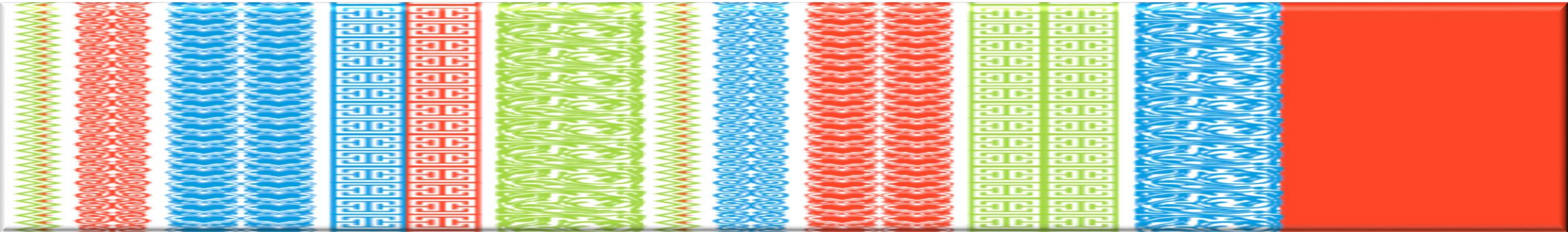


Investor Presentation – Q3 / 9M FY 2022-23



Sustained Improvement on all Financial Parameters



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

Demography of Jammu & Kashmir (J&K)



Total Area of the State	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 State 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, 2022		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 Crore)	162297	97033*	61%		40721	41%	

Note: Information as per Census 2011

* Includes RIDF support

Highlights – Dec 2022



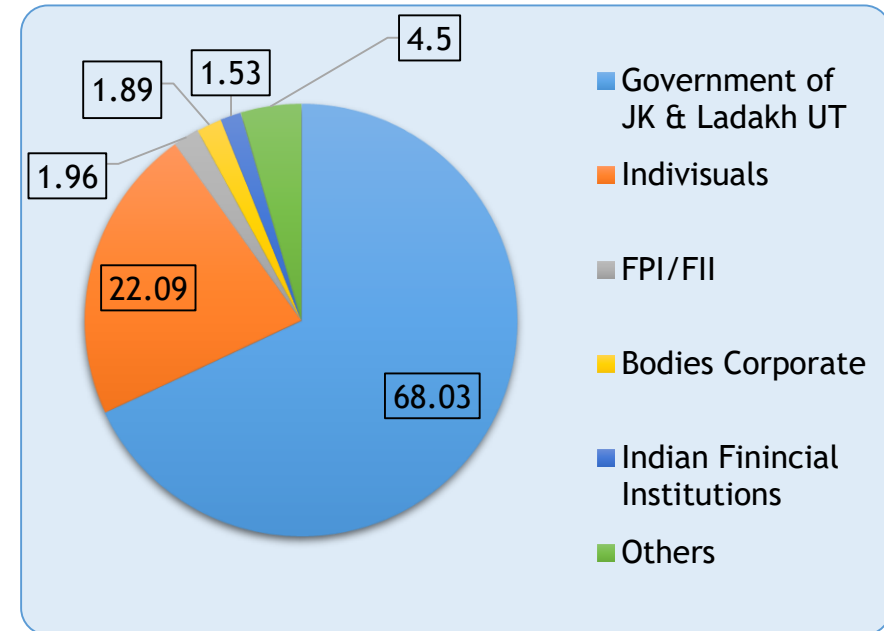
- ✓ One of the oldest Private Sector Bank. **Founded 1938.**
- ✓ Government of JK and Ladakh UTs share holding of **68.03%** | Listed on BSE & NSE
- ✓ Number of Branches: **989 BUs, 1436 ATMs & 25 Extension Counters.**
- ✓ Largest presence **JKUT** - Network of **825 BUs, 1286 ATMs**, Market Share of **61%** in Advances **63%** in Deposits and 39% in Branches
- ✓ **Total Business : ₹ 1.95 Lakh Crores.; Deposits: ₹ 117935.47 Crores. | Net Advances:**
- ✓ **₹ 77638.91 Crores.**
- ✓ Net Profit of ₹ **311.59 Crore** in Q3, FY 22-23
- ✓ Capital Adequacy Ratio(CAR) is **13.82%**.
- ✓ Gross NPA: **7.25%** ; Net NPA **2.08%**
- ✓ NPA Coverage Ratio: **84.83%**.
- ✓ **CASA ratio: 53.71%. (among best in industry) | Credit Deposit Ratio: 65.83%.**
- ✓ Workforce of **12,889** employees ; average business per employee ₹ **14.82 Crore.**
- ✓ 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 and IFFCO Tokio (General Insurance).

Founded: 01 October, 1938
Headquarters: Srinagar, Jammu and Kashmir

Promoters: J&K and Ladakh UT Governments
(68.03%)

Listed Company, traded as
NSE: J&KBANK | BSE: 532209
Website: www.jkbank.com

Shareholding Pattern (31.12.2022)



Dominance of J&K Bank in JKUT

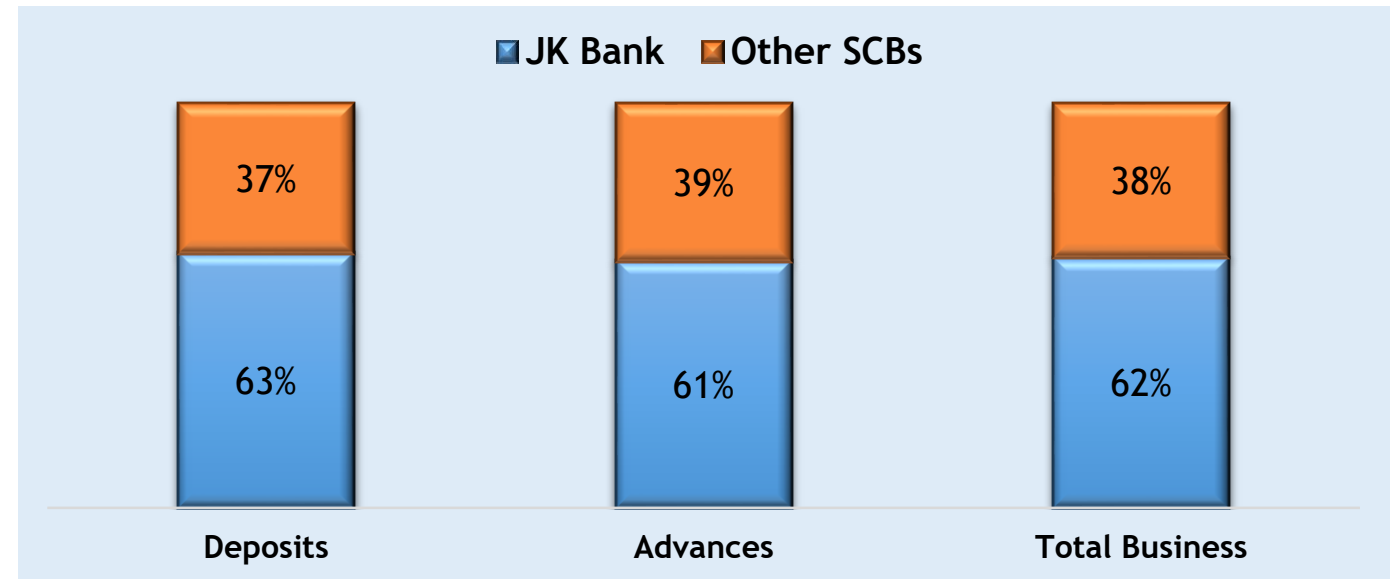
INR Crore



Regional Dominance

- 825 Branches / 1286 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 ~ 62% in J&K
- CD Ratio of 58% in J&K UT

JKB Share in J&K (Dec-2022)



J&K UT	JK Bank	Other SCBs	Total
Deposits (Rs. Crore)	102024	60273	162297
Advances (Rs. Crore) #	58872	38161	97033
Branches	825	1269	2094
ATMs	1286	1466	2752

* Source: UTLBC data for Dec'2022

Includes Corporate sector advances and NABARD RIDF support

J&K Bank - Brief Financial Profile

INR. Crore



Particulars	FY 2021-22	Q3 2021-22	Q3 2022-23	9M 2021-22	9M 2022-23
Capital	93.30	93.30	96.16	93.30	96.16
Reserves	8013.86	7808.16	8732.06	7808.16	8732.06
Deposits	114710.38	109298.40	117935.47	109298.40	117935.47
Advances	70400.68	68365.94	77638.91	68365.94	77638.91
Investments	33834.99	29524.51	33473.35	29524.51	33473.35
Total Assets	130602.41	123809.40	133939.40	123809.40	133939.40
Total Income	8757.49	2189.94	2682.67	6548.08	7433.52
Total Expenses	7695.03	1860.79	2138.56	5547.84	6024.63
Net Profit	501.56	173.95	311.59	389.36	721.05
Gross NPA	6520.54	6508.80	5945.97	6508.80	5945.97
Net NPA	1750.10	2067.76	1613.61	2067.76	1613.61
Gross NPA %	8.67	8.93	7.25	8.93	7.25
Net NPA %	2.49	3.02	2.08	3.02	2.08
NPA Coverage Ratio (%)	84.26	81.45	84.83	81.45	84.83
NIM %	3.50	3.56	4.10	3.52	3.86
Return on Assets %	0.42	0.57	0.92	0.43	0.72
Capital Adequacy Ratio %	13.23	12.38	13.82	12.38	13.82
Cost to Income Ratio (%)	77.18	71.71	63.71	71.28	65.52
ROE	7.77	10.15	16.11	8.11	12.85

Geographic Distribution (Dec'2022)

Region	J&K UT	Rest of India	Total
Gross Advances	58331.24	23704.06	82035.30
Advances %	71%	29%	
Deposits	102023.22	15912.25	117935.47
Deposit %	87%	13%	
Branches	825	164	989
Branch %	83%	17%	
ATMs	1286	150	1436
ATM %	90%	10%	

PERFORMANCE ANALYSIS

PAST PERFORMANCE AND COMPETITIVE BENCHMARKING

Historical Performance Parameters



Profit & Loss

INR Cr

Particulars	Year ended Mar' 18	Year ended Mar' 19	Year ended Mar' 20	Year ended Mar' 21	Year ended Mar' 22
Interest Income	6621	7676	8446	8111	8013
Interest Expense	3751	4292	4740	4340	4102
Net Interest Income	2871	3384	3707	3771	3911
Non-Interest Income	495	813	546	692	744
Net Total Income	3366	4197	4253	4463	4655
Operating Expenses	1984	2479	2728	2879	3593
Operating Profit	1382	1718	1525	1584	1062
Provisions & Contingencies	1023	1058	2625	1050	320
Provision for Tax	-82	195	39.36	102	241
Net Profit	203	465	-1139	432	502

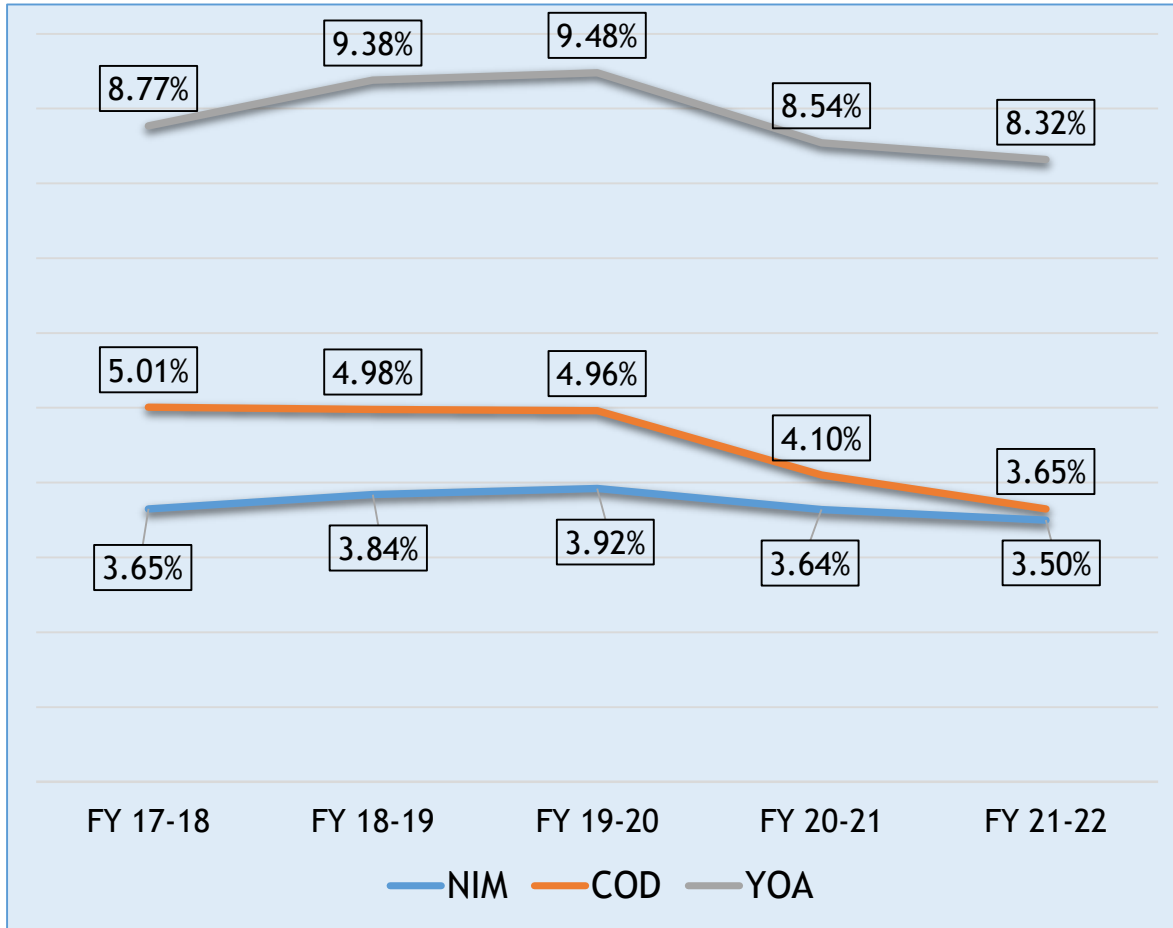
Balance Sheet

INR Cr

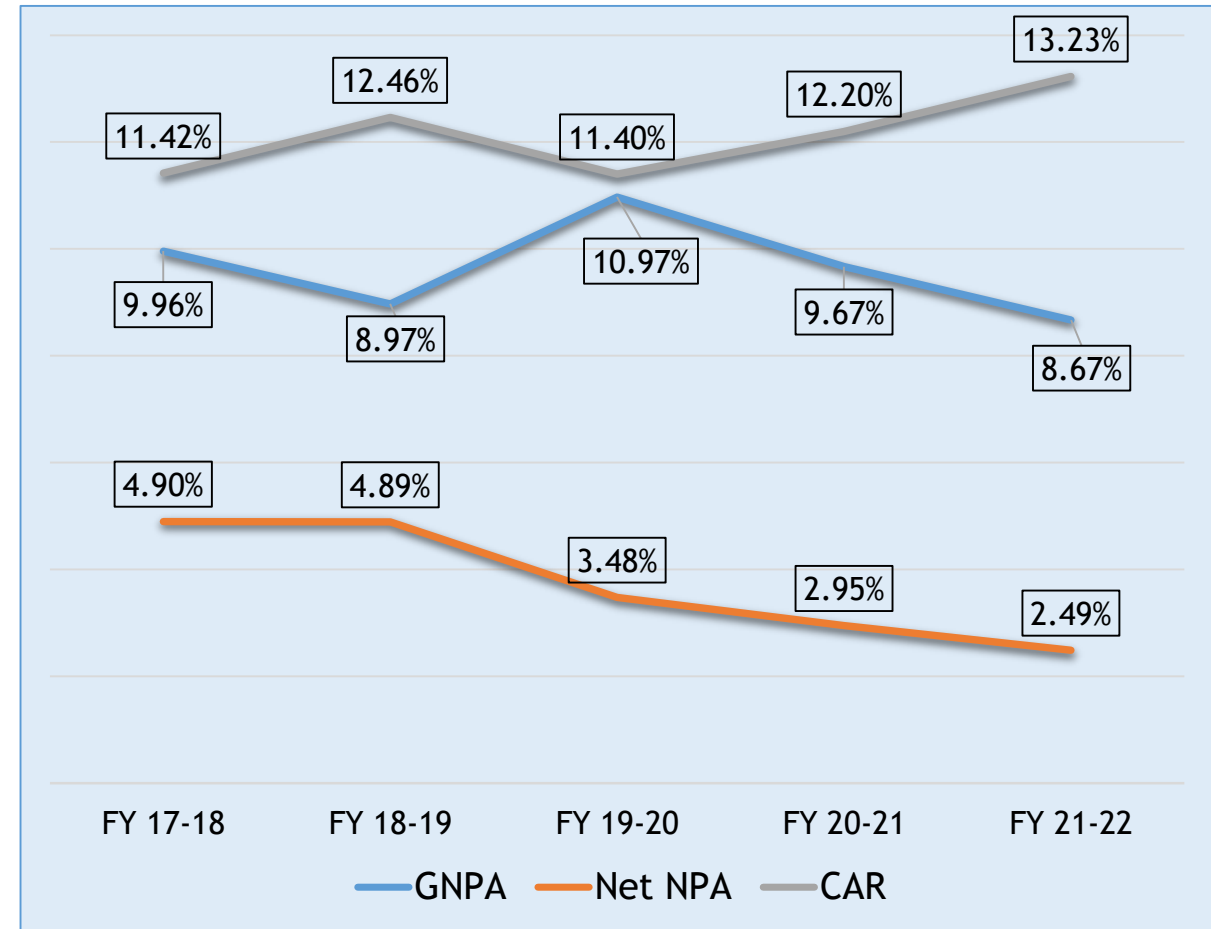
Particulars	Year ended Mar' 18	Year ended Mar' 19	Year ended Mar' 20	Year ended Mar' 21	Year ended Mar' 22
Capital	55.70	55.7	71.36	71.36	93.3
Reserves & Surplus	6105.51	6570.4	6322.12	6754.25	8013.86
Deposits	80006.50	89638.9	97788.23	108061.15	114710.38
Advances	56912.75	66271.51	64399.07	66841.73	70400.68
Investments	18880.03	23160.5	23052.24	30814.24	33834.99
Total Assets (BS size)	89687.62	101406.29	108872.1	120291.95	130602.41
Total Business	136919.25	155910.41	162187.3	174902.88	185111.06
Gross NPA's	6006.70	6221.35	7671.63	6954.75	6520.54
Net NPA's	2791.12	3239.61	2243.82	1969.93	1750.1
No. of Branches	909	940	955	955	980
No. of ATMs	1199	1291	1354	1383	1403
Personnel	11435	12604	12623	12307	13064

Historical Performance Parameters Cont.

Interest Spread/Margins

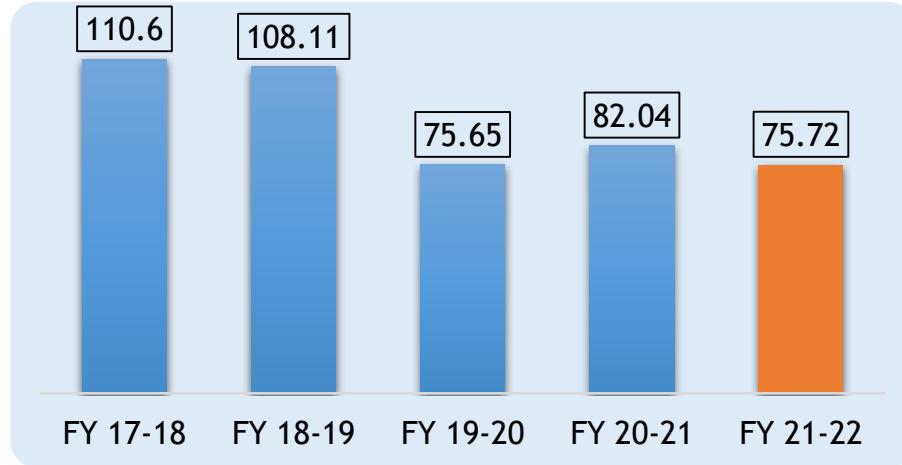


Capital Adequacy/Asset Quality

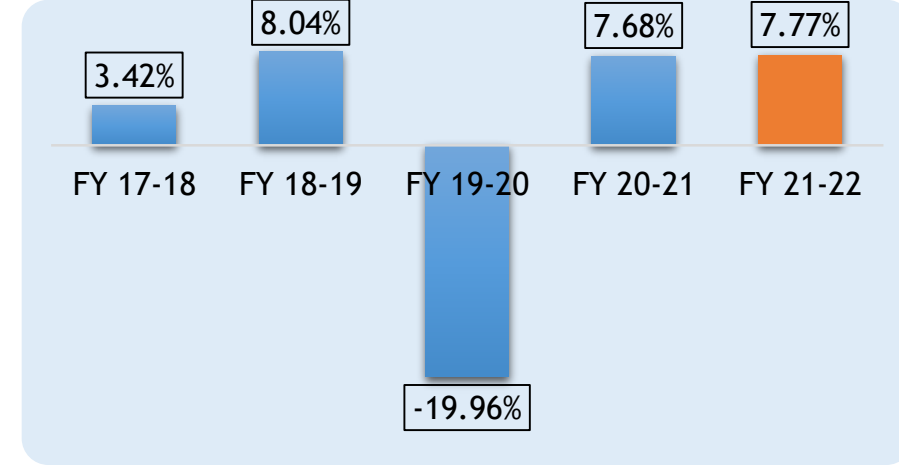


Historical Performance Parameters Cont.

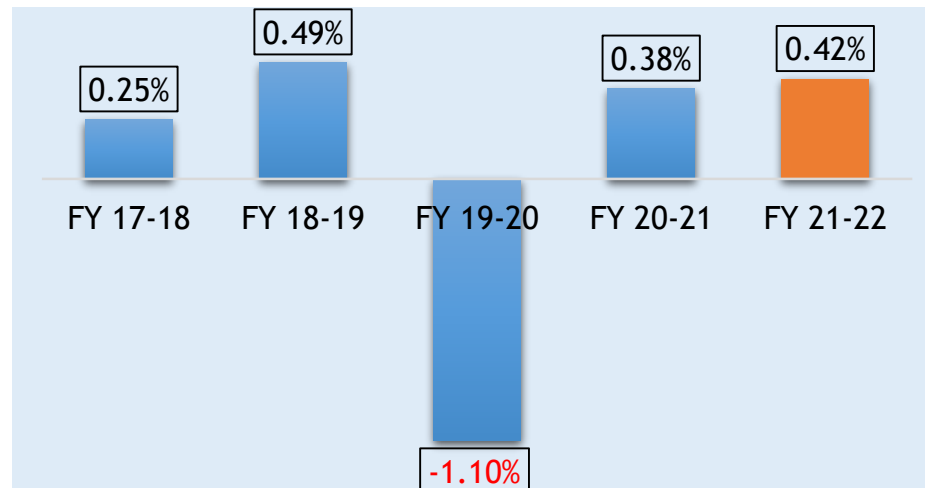
Book Value Per Share (INR)



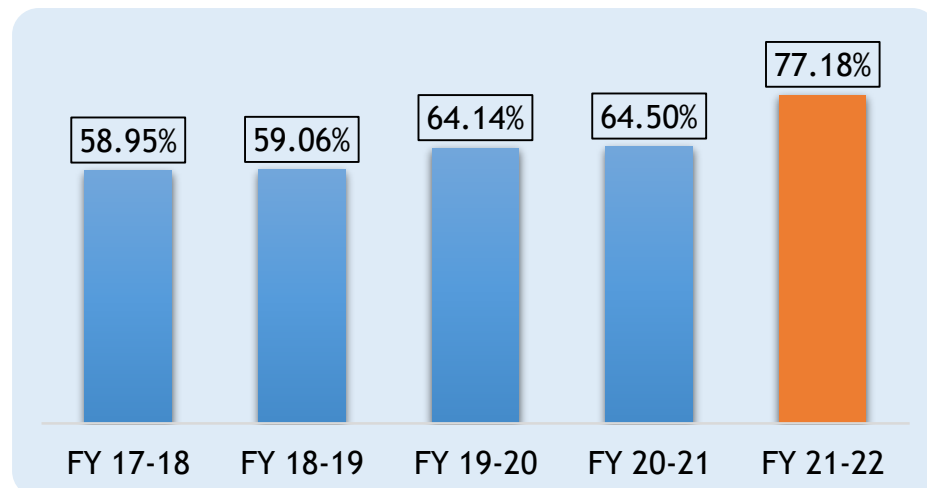
Return on Equity



Return on Assets



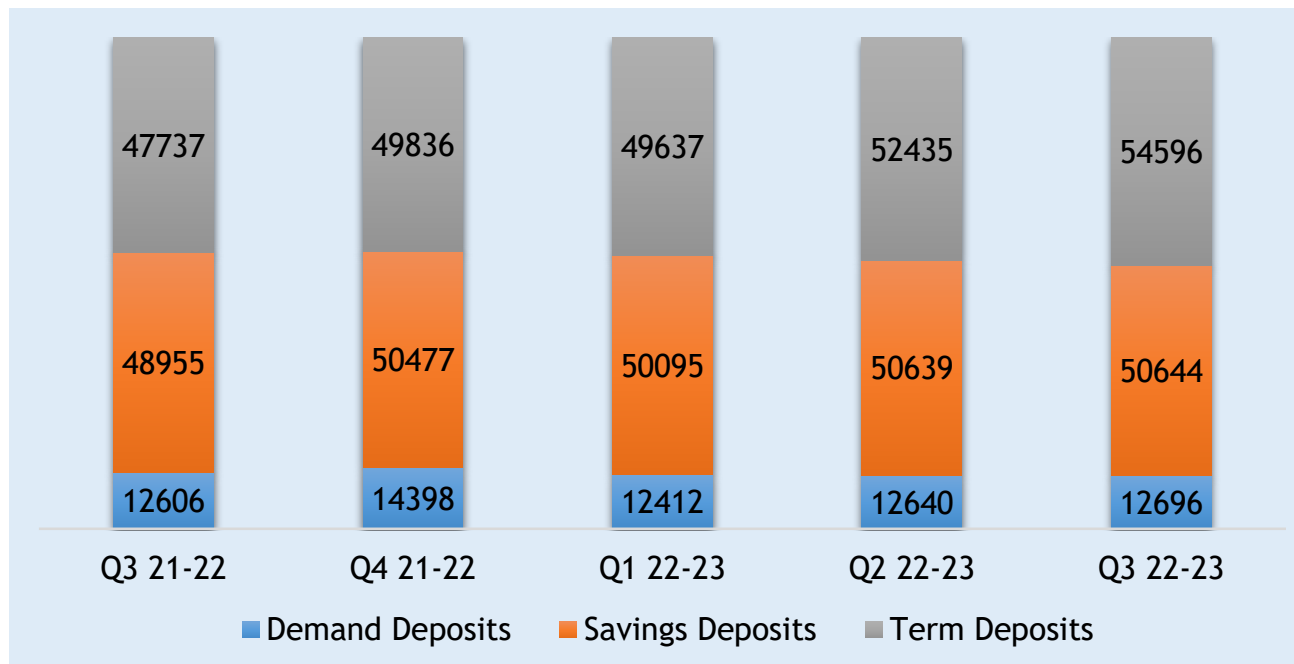
Cost to Income Ratio



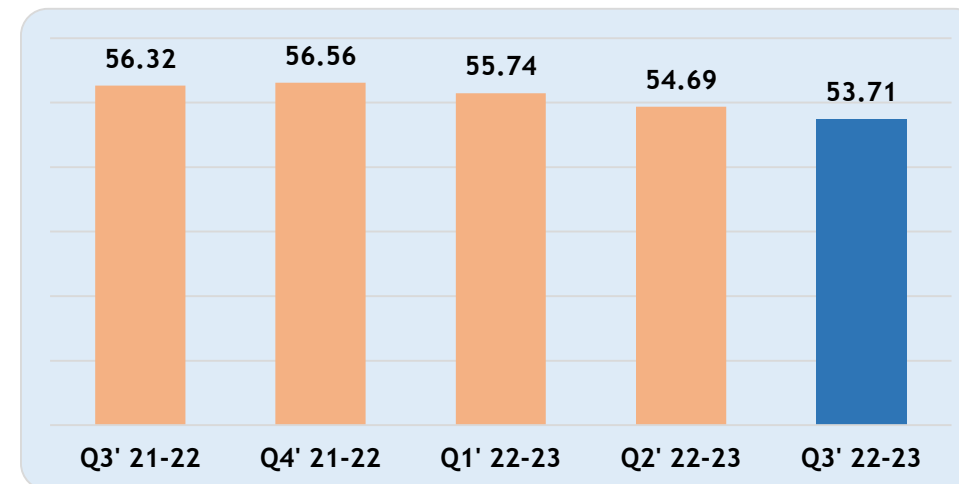
Liability Trends

INR Crore

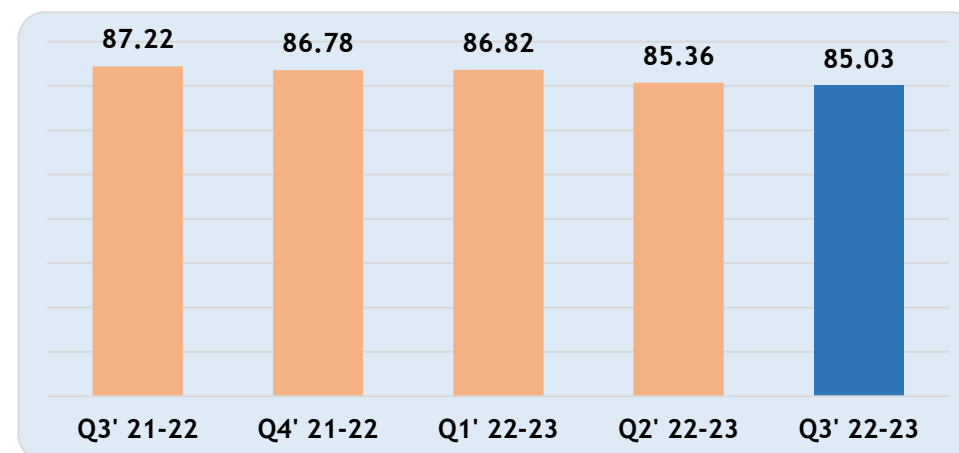
Deposit Mix (INR Crores)



CASA Ratio (%)



CASA + Retail term Deposits (%)



- CASA at 53.71% among the best in industry.
- Share of CASA & Retail Term Deposits at 85.03%
- Savings Deposit component growth YoY 3.5%.
- Main contributor of deposits is JK UT, 87% share.
- Proportion of CASA deposits improving in rest of India.
- Liquidity Coverage Ratio: over 200% (well above regulatory requirement).

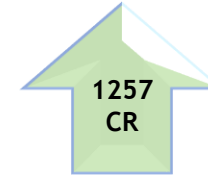
Key Performance Indicators

Steady Developments Leading To...

...Gradually Improving Parameters (Q3'FY22-23)

KPIs	Q3 '21-22	Q4 '21-22	Q1 '22-23	Q2 '22-23	Q23'22-23
RoE (%)#	2.54	1.60	2.31	3.27	4.03
RoA (%)#	0.14	0.09	0.13	0.18	0.23
CoF (%)	3.77	3.89	3.73	3.79	3.97
NIM (%)	3.56	3.41	3.46	4.04	4.10
EPS (INR)#	1.86	1.20	1.73	2.53	3.24
CAR (%)	12.38	13.23	13.02	12.86	13.82
Gross NPA (INR Cr)	6508.80	6520.54	6982.02	6064.68	5945.97
GNPA (%)	8.93	8.67	9.09	7.67	7.25
Net NPA (INR Cr)	2067.76	1750.10	2169.08	1566.78	1613.61
NNPA (%)	3.02	2.49	3.02	2.10	2.08
PCR (%)	81.45	84.26	81.21	85.58	84.83
CASA (%)	56.32	56.56	55.74	54.69	53.71

Net Interest Income



Non Interest Income



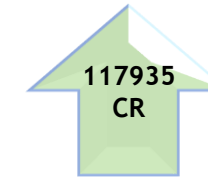
Operating Profit



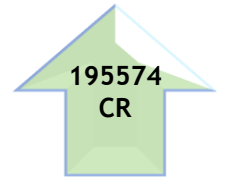
Net Advances



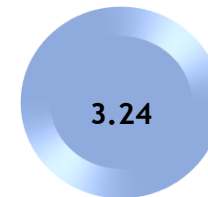
Deposits



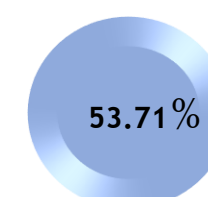
Total Business



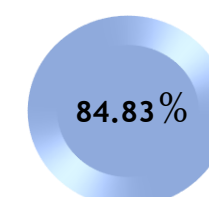
EPS



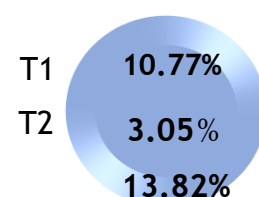
CASA Ratio



PCR



CRAR



Key Performance Indicators

(INR Crore)



Income Statement Q3 FY2022-23

Particulars	Dec'21	Mar'22	Jun'22	Sept'22	Dec'22	Change % YoY
Net Interest Income	993.29	975.50	1034.23	1204.12	1257.38	27%
Non-Interest Income	170.18	196.45	202.94	145.74	241.85	42%
Operating Income	1163.47	1171.95	1237.17	1349.86	1499.23	29%
Operating Expense	834.32	1109.74	855.72	866.53	955.12	14%
Operating Profit	329.15	62.21	381.45	483.33	544.11	65%
Provisions & Contingencies	22.18	-56.31	145.39	76.90	27.05	22%
Provision for Tax	133.04	6.32	70.09	162.94	205.47	54%
Profit After Tax	173.93	112.20	165.97	243.49	311.59	79%

- Credit growth (YoY) of over 9% in JK UT, 16% In Ladakh UT and 18% in Rol.
- Deposit Growth (YoY) of 6% in JK UT, 7% in Ladakh UT and 33% in Rol.

Balance Sheet Dec. 2022

Particulars	Dec'21	Mar'22	Jun'22	Sept'22	Dec'22	YoY
Assets (Total B.S)	123809.40	130602.41	128375.77	131346.31	133939.40	8%
Advances (Net)	68365.94	70400.68	71926.56	74549.73	77638.91	14%
Investments	29524.51	33834.99	34269.07	35381.77	33473.35	13%
Fixed Assets	1964.96	1953.68	1930.74	1922.04	1941.21	-1%
Paid Up Capital	93.30	93.30	96.16	96.16	96.16	3%
Reserves and Surplus	7808.16	8013.86	8176.97	8420.47	8732.06	12%
Borrowings	2013.01	2370.82	1870.54	2929.07	3274.19	63%
Deposits	109298.40	114710.38	112145.18	115714.57	117935.47	8%
JK Advances	51633.48	52841.39	53736.25	55905.33	56459.13	9%
JK Deposits	96477.33	101420.94	99211.02	100044.72	102023.22	6%

- Increase in Borrowings is on account of Tier-2 Bonds raised
- Share of Rest of India in Loan Book of the Bank is 30%

Income & Expenditure Highlights

INR Crore



Income Highlights Q3 FY 22-23

Interest Income	Q3 21-22	Q4 21-22	Q1 22-23	Q2 22-23	Q3 22-23	Change YoY%
Loans And Advances	1534.50	1497.34	1536.47	1747.17	1853.82	21%
Investments	408.79	433.90	474.87	509.41	527.07	29%
Balance with RBI and Other Banks	37.24	40.52	52.31	2.32	1.91	-95%
Others	39.24	41.19	39.67	39.95	58.02	48%
Total	2019.77	2012.95	2103.32	2298.85	2440.82	21%

Non-Interest Income	Q3 21-22	Q4 21-22	Q1 22-23	Q2 22-23	Q3 22-23	Change YoY%
Commission/Exchange	28.29	39.51	28.23	26.84	27.80	-2%
Insurance Commission	16.32	20.71	13.00	17.44	18.46	13%
Treasury/Trading Income	19.86	9.14	53.78	-2.22	5.02	-75%
Miscellaneous Income	105.71	127.09	107.93	103.68	190.57	80%
Total	170.18	196.45	202.94	145.74	241.85	42%

Expense Highlights Q3 FY 22-23

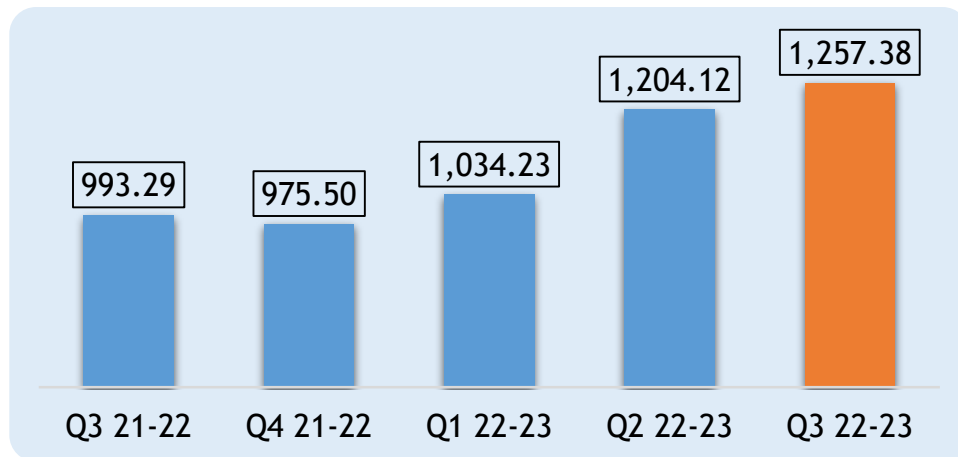
Interest Exp	Q3 21-22	Q4 21-22	Q1 22-23	Q2 22-23	Q3 22-23	Change YoY%
Deposits	976.45	987.02	1010.98	1034.24	1116.83	14%
Borrowings	0.32	0.56	0.92	14.11	19.72	6063%
Others (Subordinated Debt)	49.70	49.87	57.19	46.38	46.89	-6%
Total	1026.47	1037.45	1069.09	1094.73	1183.44	15%

Non-Interest Exp.	Q3 21-22	Q4 21-22	Q1 22-23	Q2 22-23	Q3 22-23	Change YoY%
Payment for Employees	611.80	850.32	626.69	637.46	718.80	17%
Other Expenditure	222.52	259.42	229.03	229.07	236.32	6%
Total	834.32	1109.74	855.72	866.53	995.12	14%

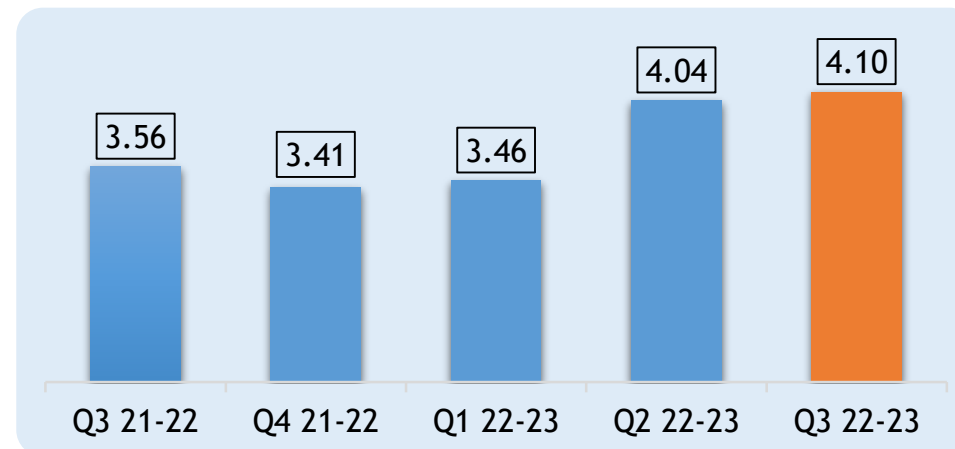
- Distinguishable growth in interest income - both Advances & Investments.
- Lower Treasury / Trading income due to hardening of yields
- Increase in other income majorly contributed by recoveries in TWO.

Income & Margins Highlights

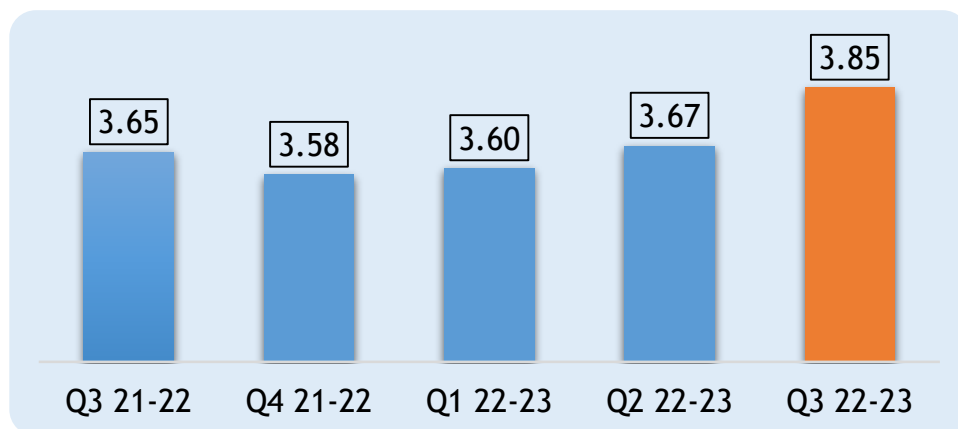
Net Interest Income (INR Crores)



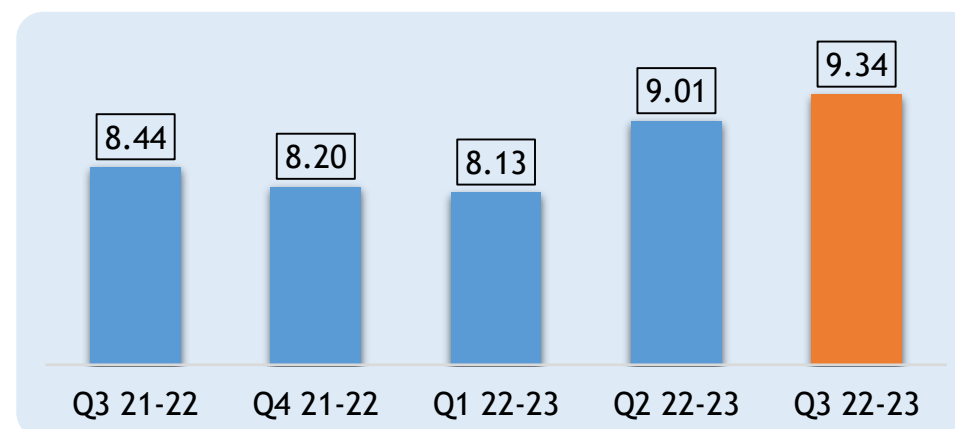
Net interest margins (%)



Cost of deposits (%)



Yield on advances (%)



Increasing Net Interest Income, NIM at satisfactory levels

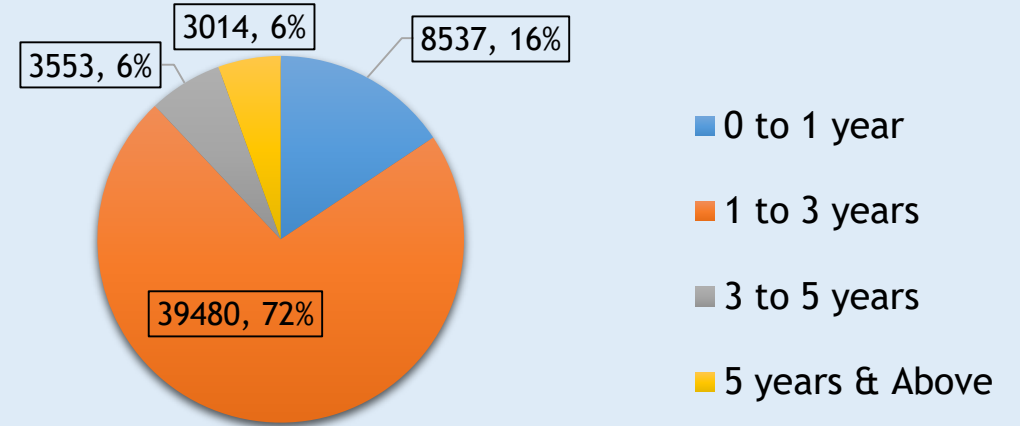
Liability Trends

INR Crore

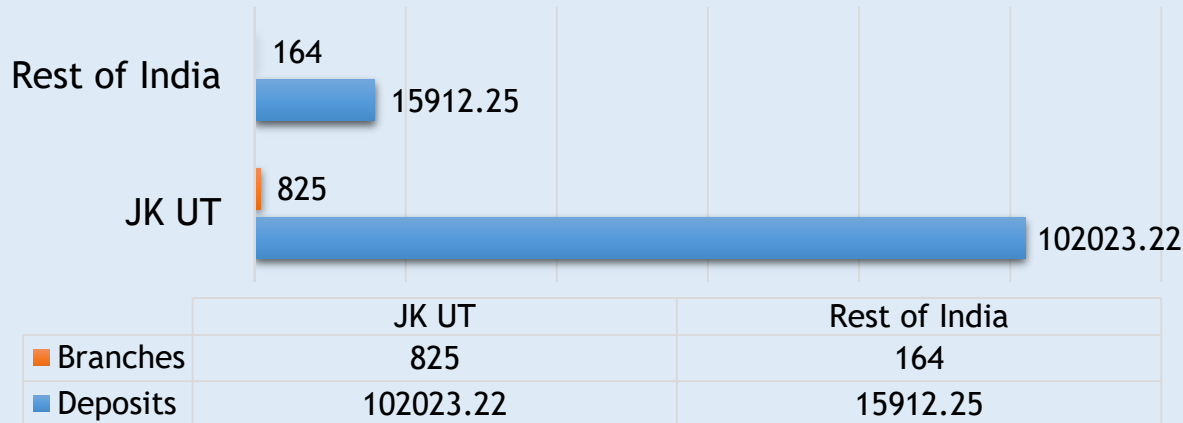


- Highly Diversified and Stable Liability Franchise.
- Top 20 depositors contribute just 8% of total deposits.
- Inter-bank deposits less than 1.50% of total deposit.
- High roll over of maturing Term Deposits and insignificant premature withdrawals adds to stability of the deposits portfolio.

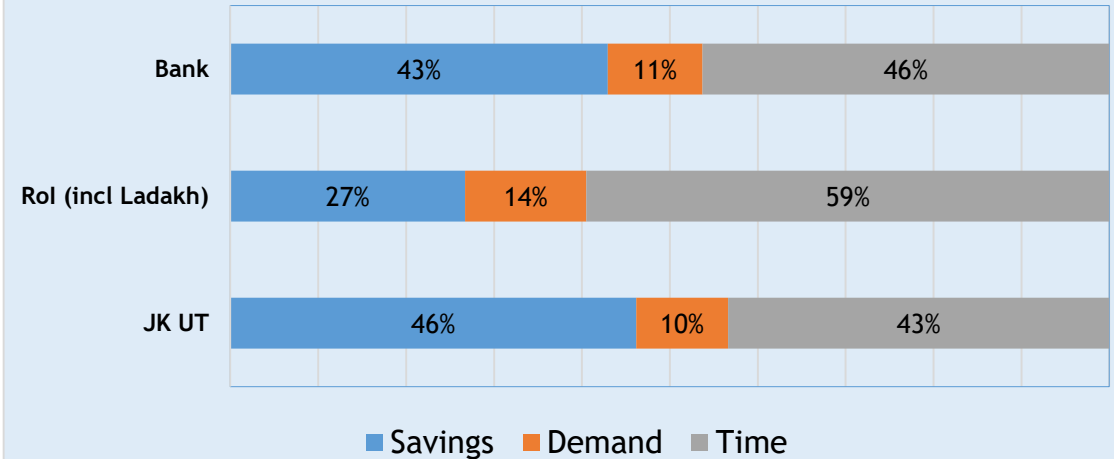
Maturity Profile Of Term Deposits



Distribution-branches and deposits



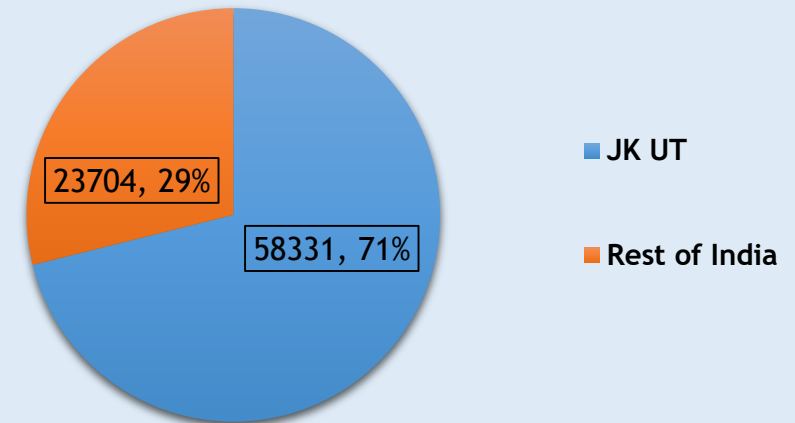
Region wise deposit mix as on 31 Dec, 2022



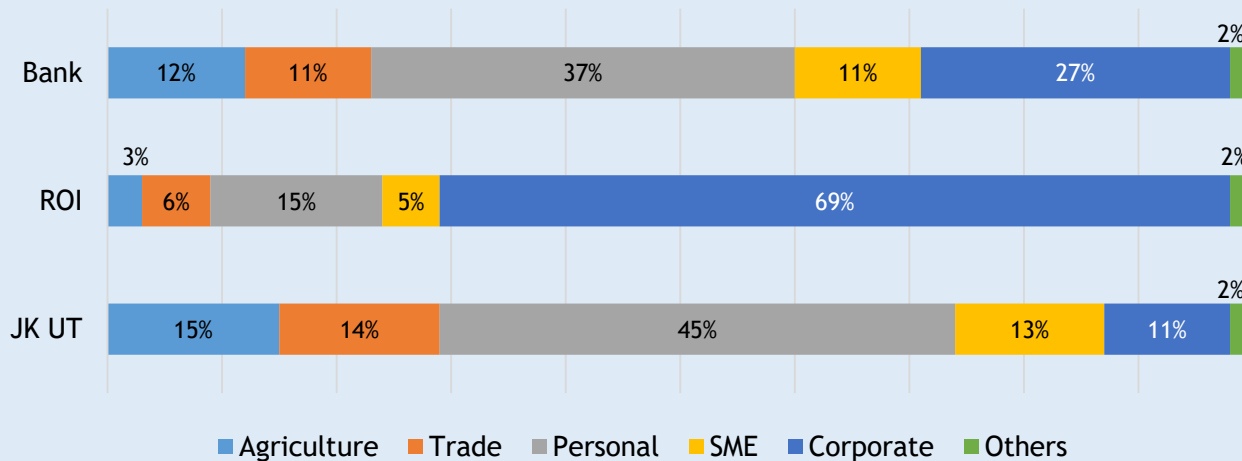
Loans & Advances - Asset Quality & Diversification

- 79% of Standard rated Corporate Loan portfolio rated 'A' & Above.
- Retail Advances constitute 67% of total Loan Book; Retail growth @ 11% YOY
- Personal Loans constitute 54% of Retail Book and 36% of Total Loan Book.
- JK UT contributes 68% of the Loan Book (Gross Advances).
- J&K portfolio highly granular / mostly retail in nature.
- Term loans contribute 67% of the credit portfolio while CC/OD & bills together account for 33%.
- Low Concentration: Top 20 individual borrowers account for 13% of Total Loans.
- Out of the total Unrated Corporate PF, about Rs 1800 Cr guaranteed by Central/UT Government.

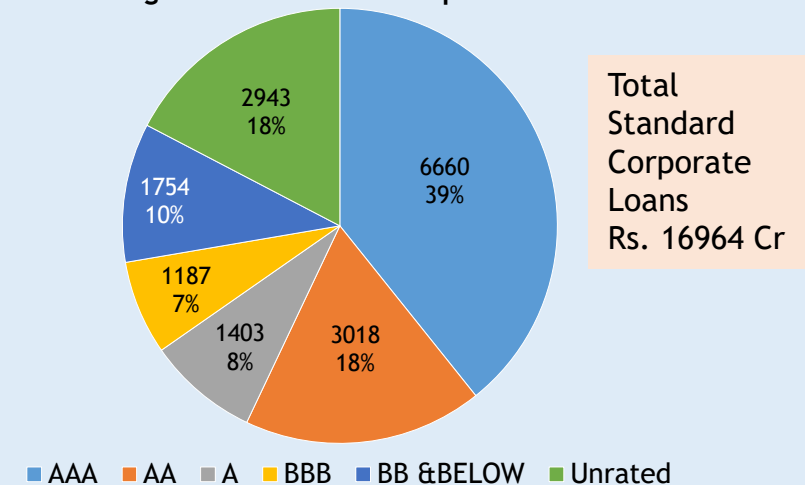
ADVANCES REGION WISE



Advances Mix Region wise



Rating Profile- Standard Corporate Loans



Non-Performing Assets - Movement

Particulars	Q 3 FY '21-22	Q 4 FY '21-22	Q 1 FY '22-23	Q 2 FY '22-23	Q 3 FY '22-23	% Change YoY
Balance at the start of the period	6524.86	6508.80	6520.54	6982.02	6064.67	-7%
Additions during the period	803.06	1010.66	2205.94	1761.25	2484.07	209%
Up gradations during the period	715.62	837.23	1297.41	2108.73	2201.15	208%
Compromise Settlements & Write off (inc. TWO)	8.40	14.71	266.13	346.37	139.65	1562%
Other Recoveries	95.11	146.99	180.92	223.49	261.97	175%
Balance at the close of the period	6508.80	6520.54	6982.02	6064.68	5945.97	-9%

NPAs & Provisions (31.12.2022)

PARTICULARS	Dec'22
Gross NPA	5945.97
Provisions for NPAs	4203.45
DIFV, ECGC, Int. Capitalization	128.92
Net NPA	1613.61

NPA Sector Wise

INR Crore



Non-Performing Assets - Sector Wise Breakup as on 31.12.2022

Sector	Gross Advances	Exposure %	Gross NPA	GNPA%
Personal Finance	30817.03	38%	359.05	1.17%
Trade	10686.99	13%	1009.98	9.45%
Agriculture	9161.07	11%	563.06	6.15%
Services	7609.05	9%	902.17	11.86%
Manufacturing	8391.07	10%	995.53	11.86%
Infrastructure	5924.08	7%	776.52	13.11%
Financial Markets	5656.95	7%	1026.15	18.14%
Real Estate	1941.95	2%	298.53	15.37%
Against Cash Collaterals	1247.56	2%	2.22	0.18%
Others @	599.55	1%	12.77	2.13%
Total	82035.30	100%	5945.97	7.25%

- Personal Finance mainly constituted of Loans to Government Employees / Pensioners of JK and Ladakh Uts - lowest delinquency.
- Financial Markets NPA majorly contributed by IFIN
- Stock of Technical Write-Off Rs. 4687 crore
- 50 Accounts under NCLT Rs. 4250 Crore (100% provision)
 - Rs. 2433 Cr under Resolution
 - Rs. 1818 Cr under Liquidation
- NPAs aggregating to Rs. 850 Cr identified for assignment to NARCL
- Top 50 NPAs amount to Rs. 4000 Crore (67% of GNPA) with PCR 87%

Loans & Advances - Restructured Loans

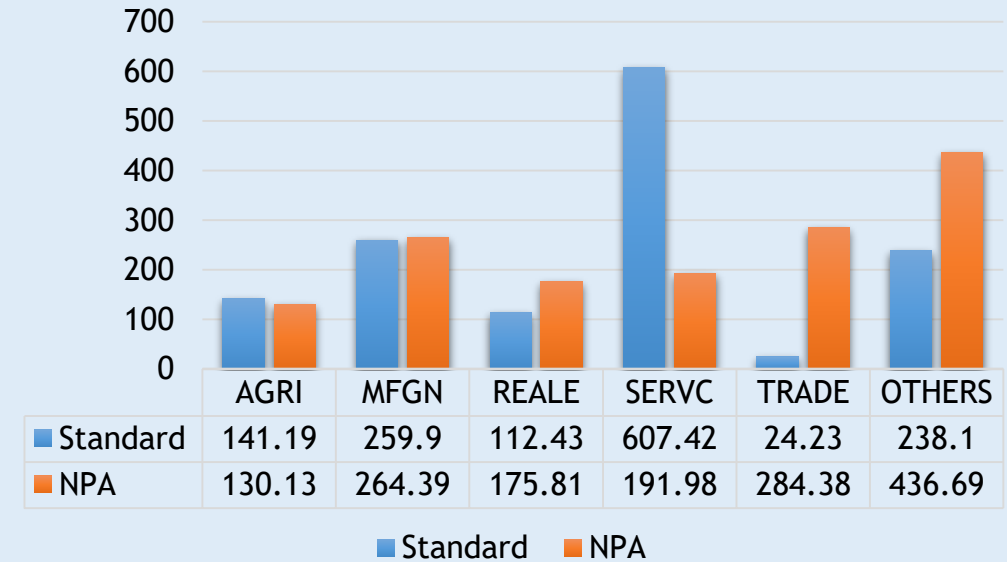
INR Crore



Restructured Loans - Dec'22

Particulars	Standard		NPA		Total Restructured	
	Amount	Prov.	Amount	Prov.	Amount	Prov.
J&K						
Flood 2014 / Unrest 2016	39.24	1.96	350.49	266.43	389.73	268.39
Rehab-2019	161.65	8.08	7.09	1.94	168.74	10.02
Resolution Framework 1 & 2	425.60	39.47	19.90	3.55	445.51	43.02
Others	269.55	11.31	543.29	366.72	812.84	378.04
TOTAL J&K	896.04	60.82	920.77	638.65	1816.81	699.47
Rest						
Resolution Framework 1 & 2	500.16	107.48	159.21	112.13	659.37	219.61
Others	84.25	4.21	412.38	403.17	496.63	407.38
TOTAL REST	584.42	111.69	571.59	515.30	1156.00	627.00
GRAND TOTAL (BANK)	1480.46	172.52	1492.36	1153.95	2972.81	1326.47

Sector-wise re structured Loans - Dec'22



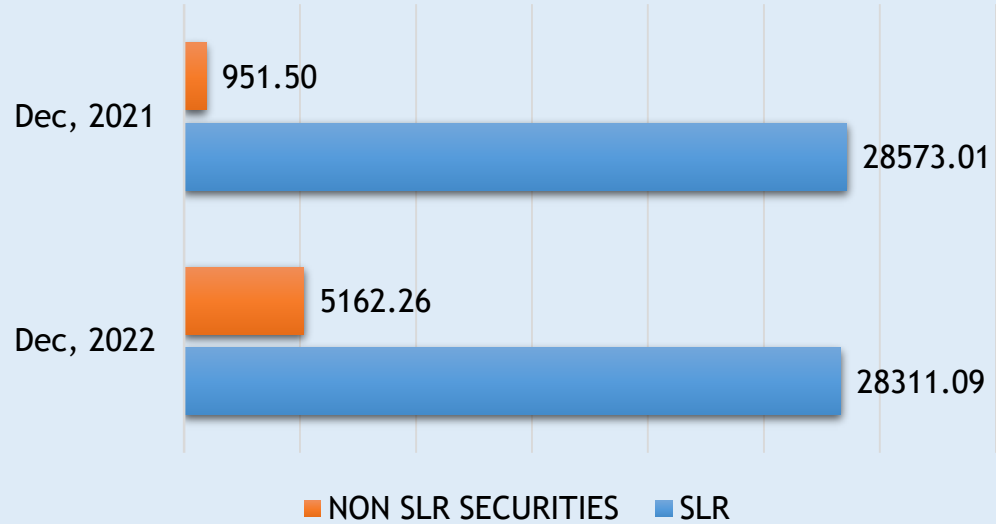
- 90% of the remainder JK (Flood 2014 & Unrest 2016) Restructured portfolio already classified as NPA
 - Recovery of Rs. 50 Crore has been effected in the Flood / Unrest Loan Portfolio during Q3
- Loans restructured post 2019 mostly performing satisfactorily
- Out of ECLGS loans outstanding balance Rs. 1513 Crore, 8% (Rs. 119 Cr) is NPA and 25% (Rs. 379 Cr) is still under moratorium

Investment Book

INR Crore



Investment - Dec'22



NPIs: Rs 876 Cr

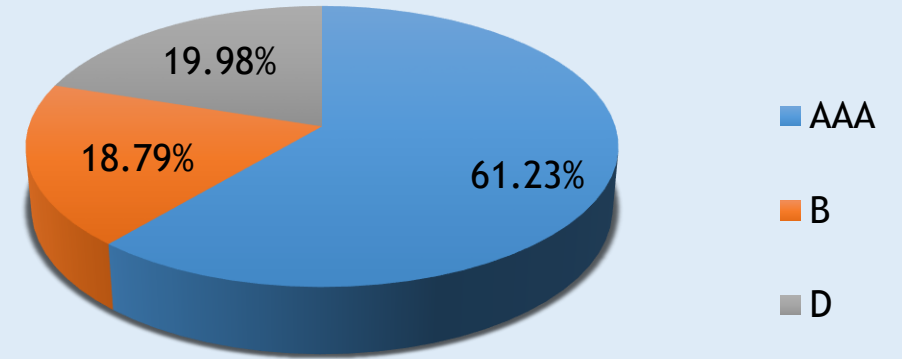
Prov. Ag NPIs: Rs 781.25

Coverage 89%Cr

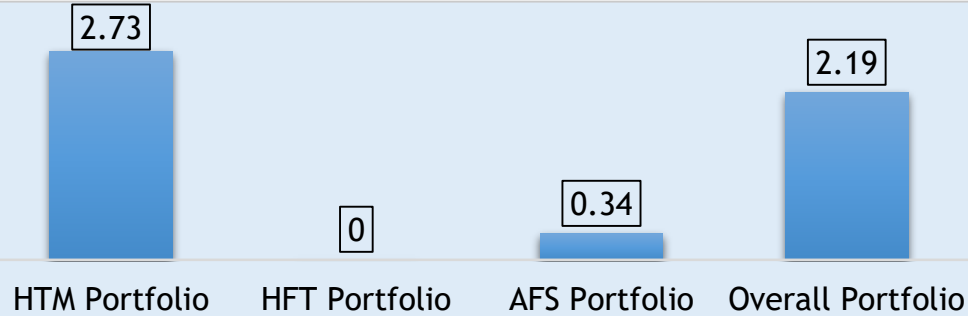
* Investment predominantly in SLR securities; 85%

* HTM 77%;
AFS 23%

B&D - Rating Profile in Percent (Dec'22)



Duration (Yrs) - Investment Portfolio Dec'22



Yield (%) - Investment Portfolio (Dec'22)



Capital Position

INR Crore



CRAR & Components of Capital

Component	FY 19-20	FY 20-21	FY'22	Q3 FY'23
CET-I %	8.42	8.82	10.35	9.45
Tier -I %	9.88	10.28	11.73	10.77
Tier -II %	1.53	1.92	1.50	3.05
CRAR %	11.40	12.20	13.23	13.82
CET - I	5773.42	6079.37	7498.57	7190.43
AT - I	1000.00	1000.00	1000.00	1000.00
Tier - II	1047.29	1322.90	1084.98	2317.08
Total Capital	7820.71	8402.27	9583.56	10507.52
RWA	68586.23	68892.86	72457.72	76051.80

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

- CRAR up by 59 bps over Mar'2022 (excluding the impact of PAT for 9-month ended Dec'2022) on account of raising of T-2 Bonds ~ Rs. 1000 Crore.
- Reduction in CET-1 over March'2022 is on account of creation of Investment Fluctuation Reserve (IFR) - which is reckoned as Tier-2 - and regulatory deductions (investment in Subsidiary; cross holding in capital instruments)

Recent Capital Infusion by J&K Govt

FY	Shares	Issue Price (Rs.)	Amount
2016-17	36555051	68.39	250.00
2017-18	35525321	79.38	282.00
2019-20	156592546	31.93	500.00
2021-22	167672702	29.82	500.00

Further Avenues for Capital Augmentation

- CRAR of 13.82% does not include PAT for the 9-Month ended Dec'2022
- J&K UT Government has made budgetary allocation for further Capital Infusion (Rs. 200 Cr) for FY 2023
- Bank is seeking raising Rs. 300 crore Equity in Q4 via ESPS
- Bank is also in the process of appointing Merchant Banker for sale of residual stake in PNB-Metlife.
- Issuance of remaining tranche of the T-2 Bonds (about Rs. 500 Cr) is an option.
- Recovery / Settlements of significant NPAs which are getting resolved shall release substantial provisions / add to bottom-line.
- Anticipated internal accruals (ROA ~ 0.80%) shall improve the CET-1.

DIGITAL JOURNEY

ACCELERATING DIGITAL DELIVERY



Mpay

More than 1.8 Million M-pay Customers. New user-friendly M-Pay Delight App launched with multiple features.



Credit/Debit Cards

About 86K and 37.5 L Credit and Debt card users with an average spend of Rs. 43K on credit cards.



Digital Transactions

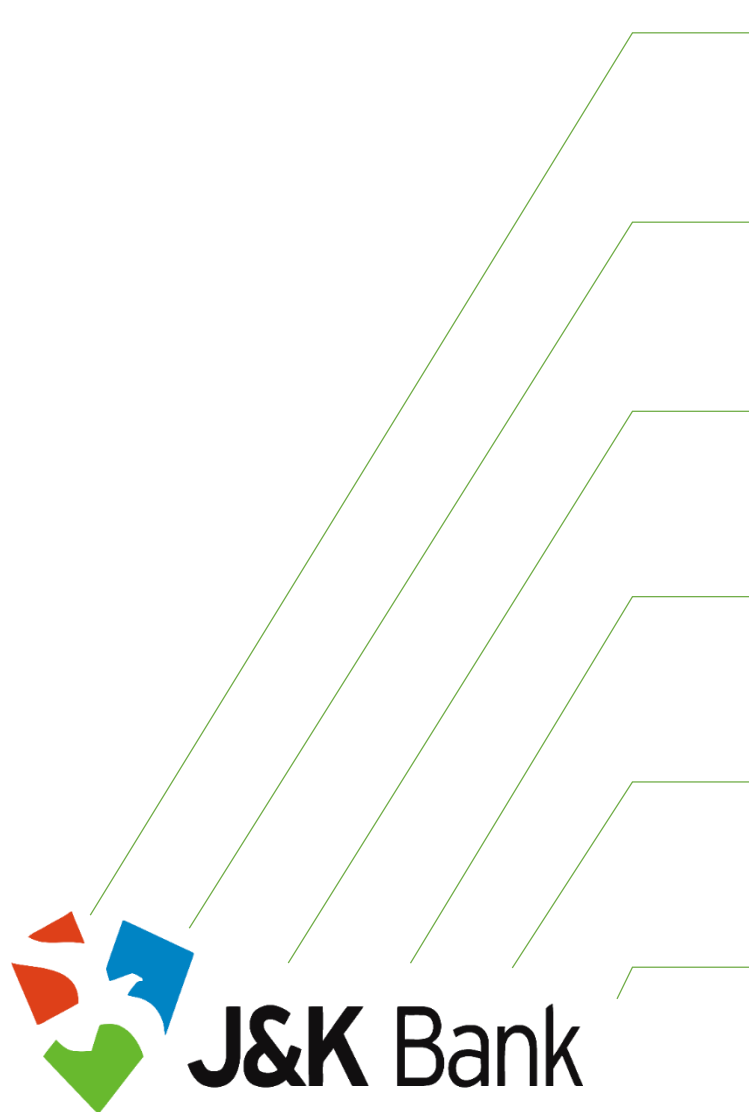
About 84% of the total transactions are carried through digital channels.



Account Opening

About 98% of CASA Accounts are opened through Central Processing Centers.

Digital Channels - THE WAY AHEAD



Loyalty programs on all digital channels of the Bank.

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

WhatsApp Banking and chat bots

EMI on debit cards

Virtual 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.
- Business Focus & Objective - Retail, High quality Corporate / PSU, Better Asset Quality, Low Credit Cost,

2 Business Process Re-Engineering

- Identifying high-impact processes for optimization and re-engineering - objective cost optimization & efficiency.
- Maximizing IT intervention in business processes - objective customer convenience, reducing TAT, remaining agile & relevant.
- Define sales and marketing structure and associated processes.

3 Digital Transformation

- Strategy for digital penetration and increasing usage.
- Revisit of IT landscape and transformation to industry best level.

4 HR Strategy and Organizational Transformation

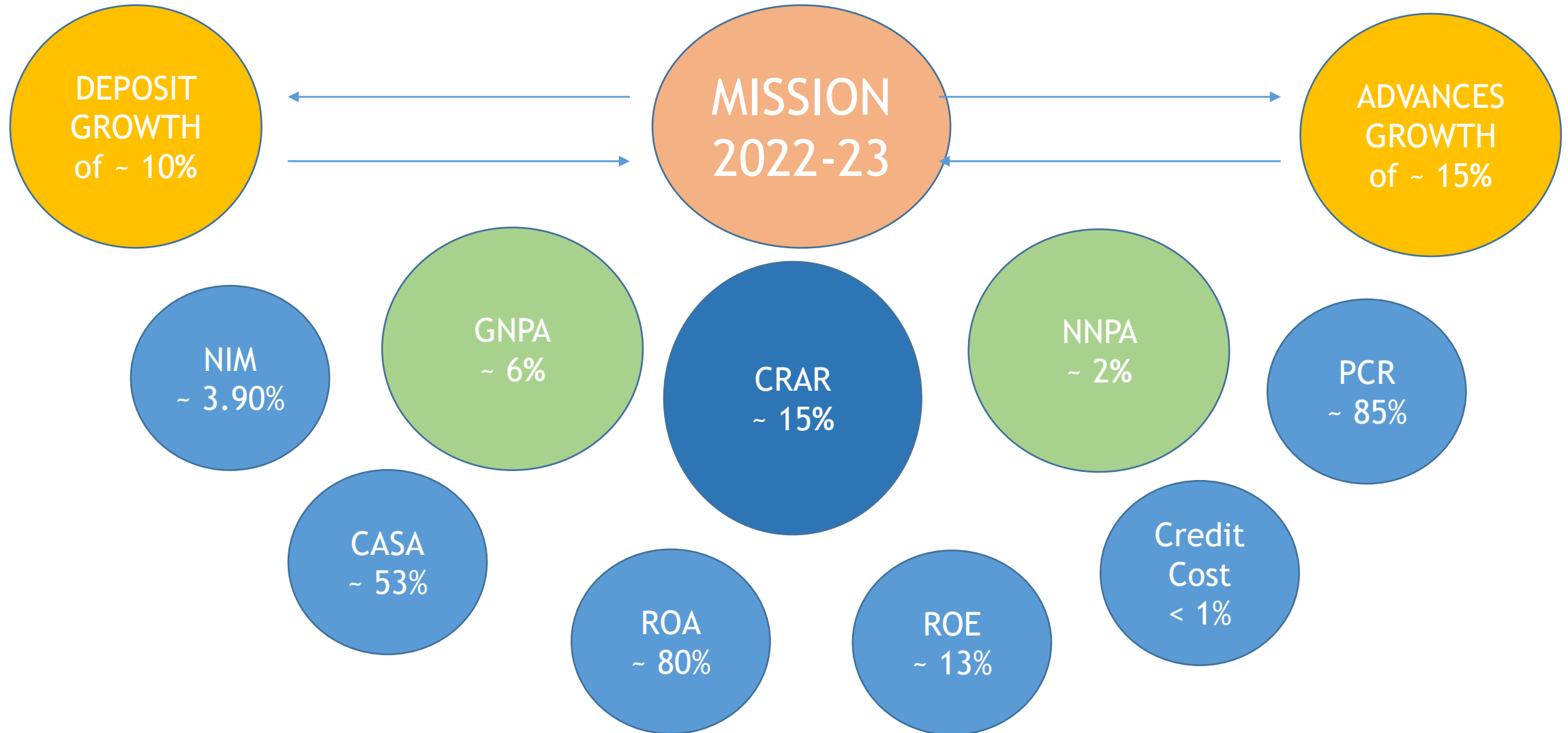
- Revisiting the overall organizational structure.
- HR Strategy including manpower planning, career development, trainings, performance management and succession planning
- Defining of job roles / KRAs / KPIs - aligned to business plan of the Bank; Improving productivity & profitability.
- Competence 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'.

Targets FY 2023

EXPECTED PARAMETERS





J&K BANK - A VALUE PROPOSITION

Investment Rationale

JK Bank - One of A Kind

- Unique blend of Commercial Bank, Development Financial Institution & Financial Services provider
- Private sector bank despite J&K & Ladakh Governments' majority holding (~68%)
- 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 825 & 37 branches, 1286 & 53 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 more than 10.0 million account holders in the Bank
- Inherent strength in terms of its dominant position in J&K remains intact, with 62% 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 Tokio.
- 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; Pace of resolutions through NARCL, NCLT, etc gathering steam
- Most of the problematic or low rated corporate accounts already downgraded with significant provision coverage
- Bank expects credit cost to remain below 1% in FY 2023, thus improving RoA / RoE

Persistently Improved Valuation



- Management is focused on quality growth of the balance sheet, growing the J&K business and monitoring / resolving problematic assets outside the home turf; reduction in concentration risk
- 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.