



## **Board Secretariat**

Ref:- JKB/BS/F3652/2024/204  
Date: 25<sup>th</sup> October, 2024

**National Stock Exchange of India Limited**  
Exchange Plaza 5<sup>th</sup> Floor  
Plot No. C/1 G-Block  
Bandra Kurla Complex  
Bandra (E) Mumbai - 400 051  
Symbol: J&KBANK

**The BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Code:532209

**Sub:- Presentation and Audio of Conference Call held on October 25, 2024**

Dear Sirs,

Further to our letter No. JKB/BS/F3652/2024/196 dated October 18, 2024 and pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that the audio recording of conference call with analysts and investors in connection with the Reviewed Financial Results of the Bank for the Quarter and Half Year ended September 30, 2024 can be accessed at

<https://www.jkbank.com/investor/analystInteraction/investorConferenceCalls.php>

Further, please find also enclosed the investor presentation and opening remarks of conference call by MD & CEO of the Bank with the analysts and investors. The same can also be accessed at

<https://www.jkbank.com/investor/analystInteraction/investorAnalystInteractionSessions.php>

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully

For Jammu and Kashmir Bank Limited

(Mohammad Shafi Mir)  
Company Secretary



**Goals Met**  
Promises Kept



# Investor Presentation for Quarter and Half Year Ended September 30, 2024



10/25/2024

Jammu and Kashmir Bank Limited  
Corporate Headquarters  
M.A. Road, Srinagar 190 001

## Disclaimer

*The Jammu and Kashmir Bank has created this presentation exclusively for general informational reasons, disregarding any individual's informational demands, financial circumstances, or special goals.*

*Except for the historical information contained herein, statements in this presentation that contain terms or phrases like "is," "aims," "will," "would," "indicating," "expected to," "guidance," "way forward," "expected," "estimate," "objective," "goal," "strategy," "philosophy," "project," etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'.*

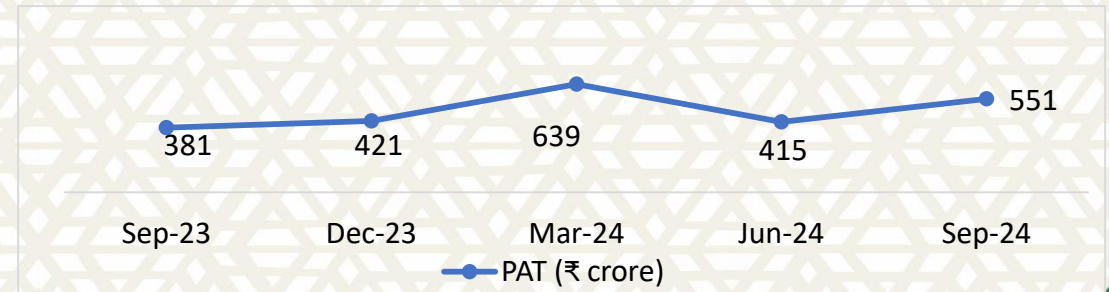
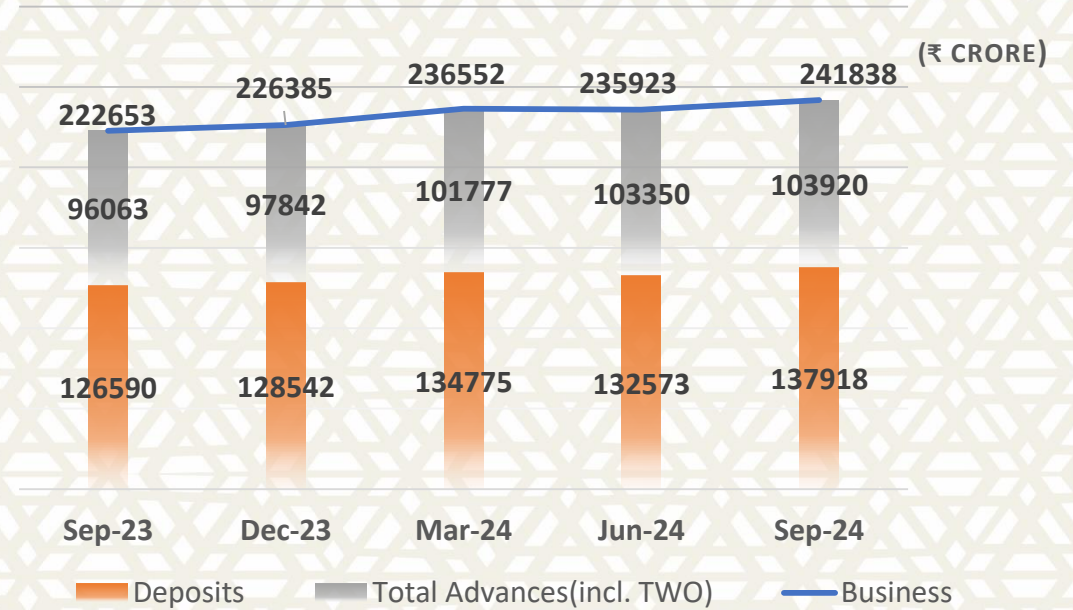
*Several risks, uncertainties, and other factors are included in these forward-looking statements, and they have the potential to cause actual results to differ materially from those predicted by the statements. While the Bank has made reasonable assumptions to support the forward-looking statements, if any, in this presentation, there are still risks and uncertainties that could affect the Bank's ability to successfully implement its strategy, such as the dynamic and complex internal and external environment, which includes but is not limited to market, business, legal risks/changes in law, etc., future levels of non-performing loans, the Bank's growth and expansion in business, the impact of any acquisitions, the adequacy of its allowance for credit losses, its provisioning policies, the actual growth in demand for banking products and services, investment income, and cash flow projections.*

*Note: "All financial figures in the presentation are from Audited Financials/Limited Reviewed financials and/or upon the forward-looking statements based on Management estimates. Anyone who relies on these financial data does so at their own risk and responsibility, and the Bank is not responsible for any gains or losses that result from this use of the data".*

# Jammu and Kashmir Bank Limited – Oldest Private Sector Bank in India



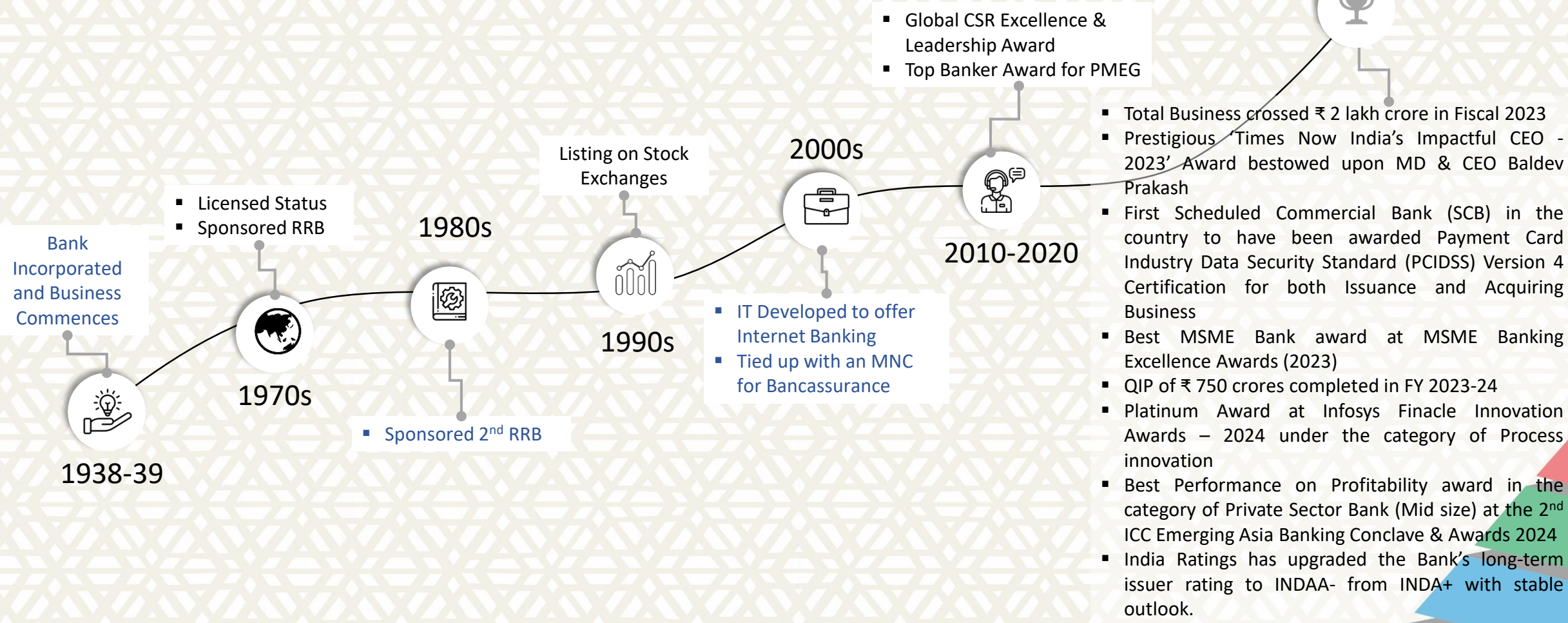
- Jammu and Kashmir Bank Limited, was incorporated on October 1, 1938 and today caters to a wide range of customers including retail, corporate, agricultural, and MSME.
- Widespread Branch Network: 1008 Branches, of which 834 are operating in the UT of J&K, 37 in UT of Ladakh and 137 branches across 20 states & UTs outside the UTs of J&K and Ladakh.
- The GoJK is a majority holder, however the Bank enjoys full operational autonomy. The Bank has a subsidiary called JKB Financial Services Limited and is also the Sponsor bank of J&K Grameen Bank Limited.
- The Bank leverages technology to identify opportunities and deliver products and services.
- Strong market presence and designated as Agency Bank by RBI for conducting government banking in UTs of J&K and Ladakh.



**J&K Bank stands as a pillar of support for the local communities while also extending its exceptional services beyond these regions.**

TWO – Technical Write Off

# Journey of 8 Decades

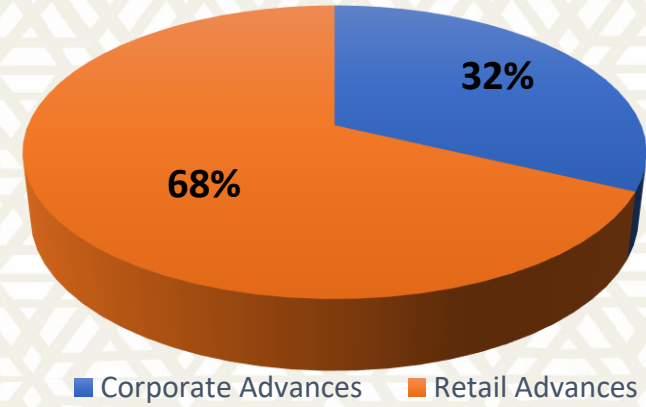


# Interest Earnings and Advances Mix

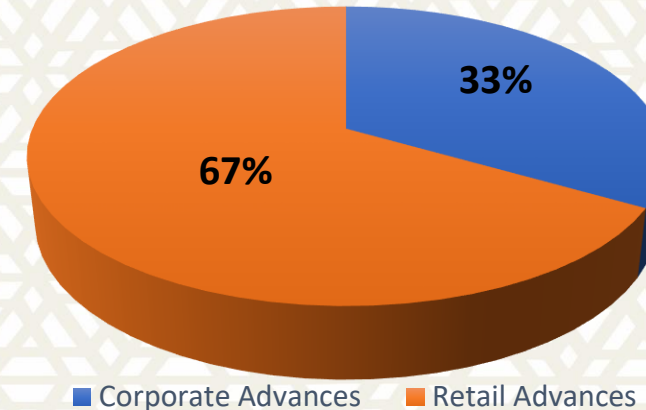


	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Other Interest Income	70	87	101	101	117
Interest on Investments	559	565	572	610	649
Interest on Advances	2135	2229	2237	2283	2358

Gross Advances Mix – September 30, 2024



Gross Advances Mix – June 30, 2024



All figures, other than percentage, in ₹ crore

# Q2/HY1 FY25 Performance




Particulars	Q2 FY 2023-24	Q1 FY 2024-25	Q2 FY 2024-25	HY 1 FY 2023-24	HY 1 FY 2024-25
<b>Net Interest Income</b>	<b>1,333.83</b>	<b>1,369.23</b>	<b>1,435.93</b>	<b>2,617.13</b>	<b>2,805.15</b>
Other Income	190.31	194.10	296.08	418.58	490.18
Operating Expenses	989.67	968.65	945.02	1,973.19	1,913.67
<b>Operating Profit</b>	<b>534.47</b>	<b>594.68</b>	<b>786.99</b>	<b>1,062.52</b>	<b>1,381.66</b>
Provisions & Contingencies	(9.94)	(17.47)	32.53	66.79	15.05
<b>Profit Before Tax</b>	<b>544.41</b>	<b>612.15</b>	<b>754.46</b>	<b>995.73</b>	<b>1,366.61</b>
Provision for Tax	163.34	196.66	203.54	288.21	400.20
<b>Net Profit / (Loss)</b>	<b>381.07</b>	<b>415.49</b>	<b>550.92</b>	<b>707.52</b>	<b>966.41</b>

All figures, other than percentage, in ₹ crore


# Q2 FY25 Performance at a Glance (YoY)

## Profitability


**NIM  
(Annualized)**  
3.90%  
(was 4.07%)



**PAT**  
₹ 551 crores  
Up 44.6%




**RoA  
(Annualized)**  
1.41%  
(was 1.08%)




## Growth


**Deposits**  
₹ 1,37,918 crores  
Up 9.0%



**Net Advances**  
₹ 96,139 crores  
Up 9.5%




**Total Business  
(Including TWO)**  
₹ 2,41,838 crores  
Up 8.6%




## Capital Adequacy


**Tier I**  
12.70%  
(was 11.68%)



**CET 1**  
11.66%  
(was 10.45%)




**CRAR**  
14.99%  
(was 14.53%)




## Asset Quality


**GNPA (%)**  
3.95%  
(was 5.26%)



**NNPA (%)**  
0.85%  
(was 1.04%)



**PCR (%)**  
90.54%  
(was 89.99%)

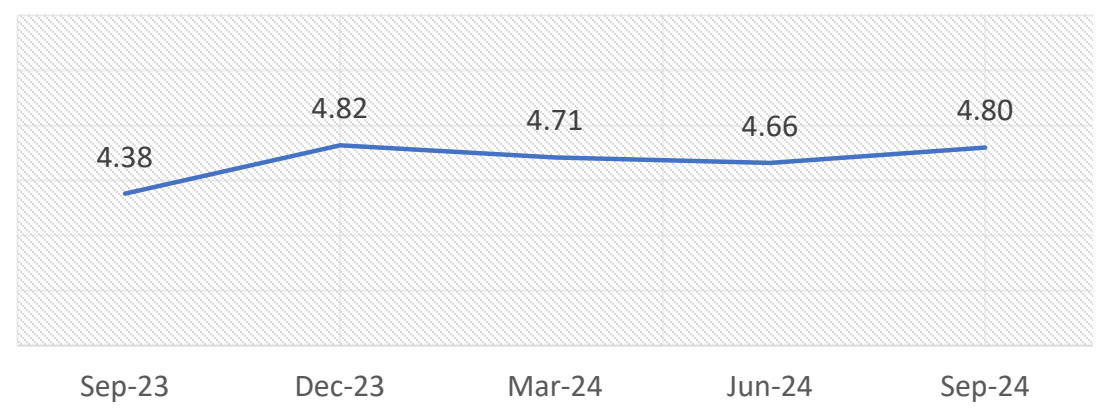




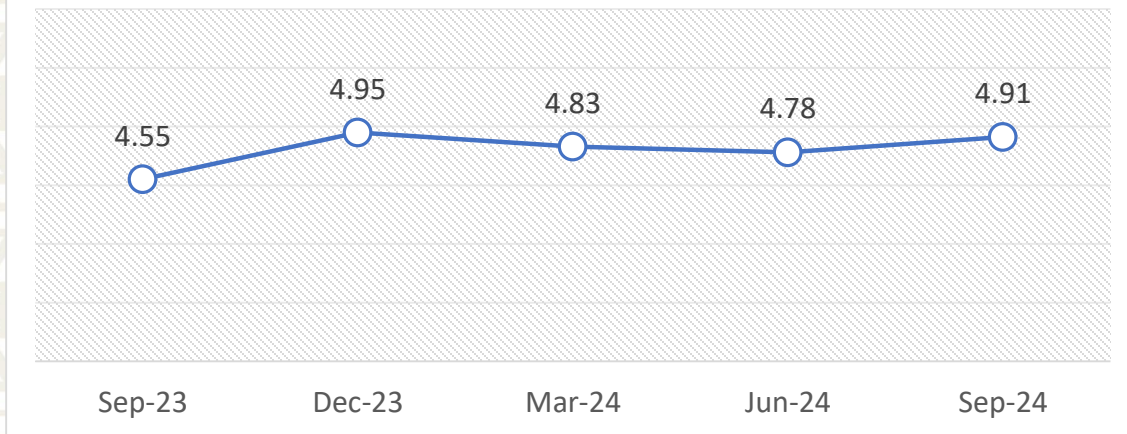
# Jammu and Kashmir Bank Limited | Q2 FY25 – Key Financial Ratios



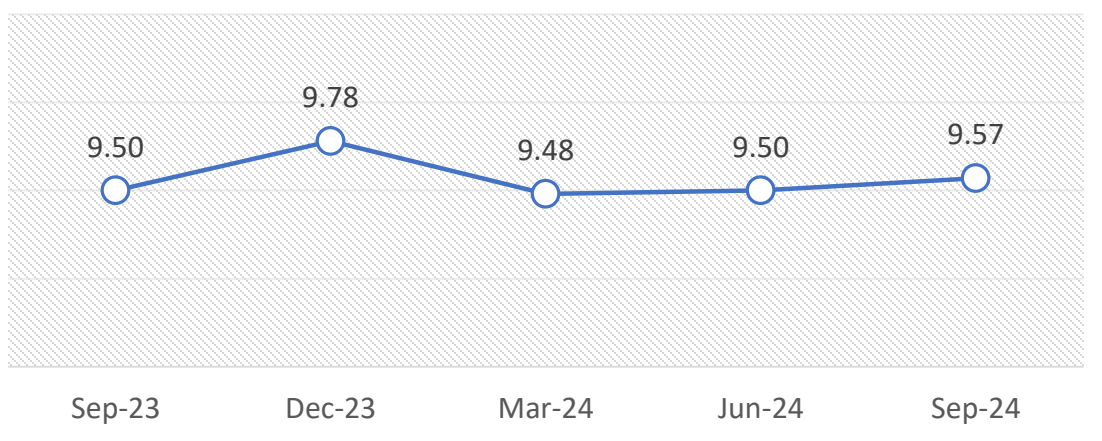
### Cost of Deposits (%)



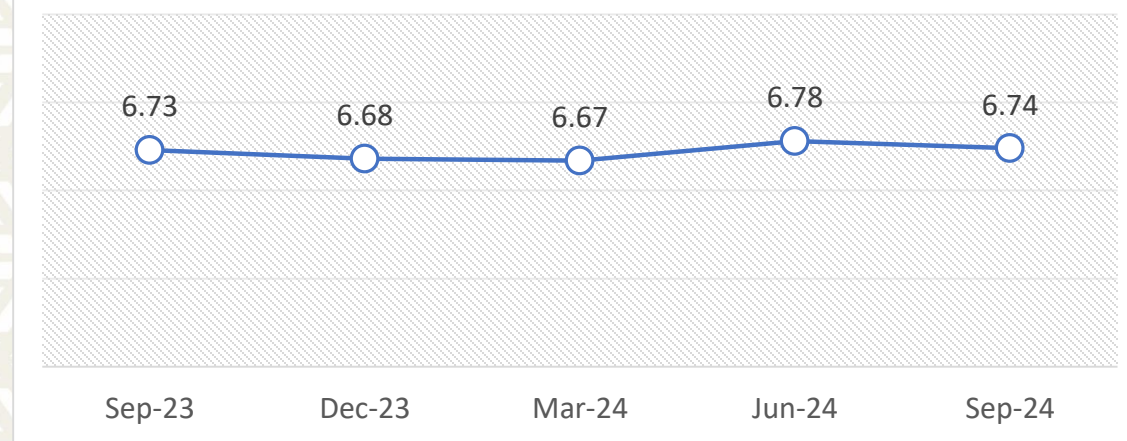
### Cost of Funds (%)



### Yield on Advances (%)



### Yield on Investments (%)



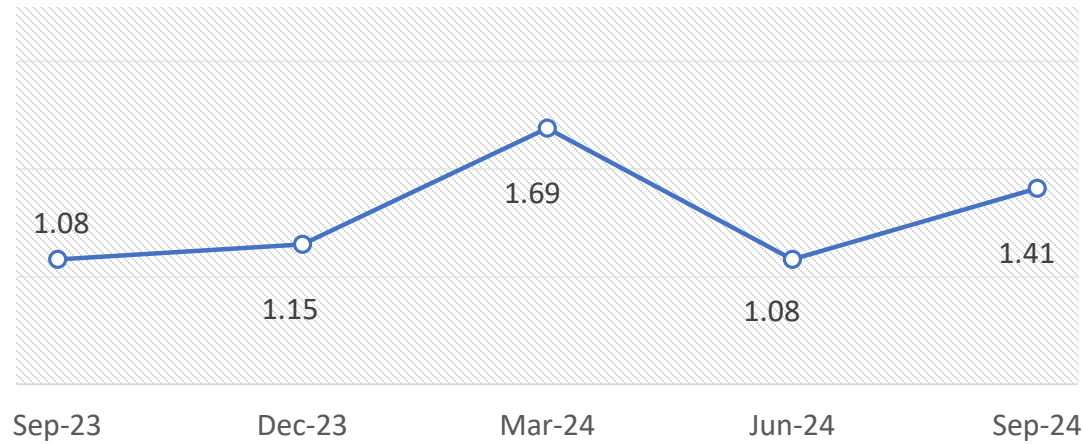
# Jammu and Kashmir Bank Limited | Q2 FY25 – Key Financial Ratios



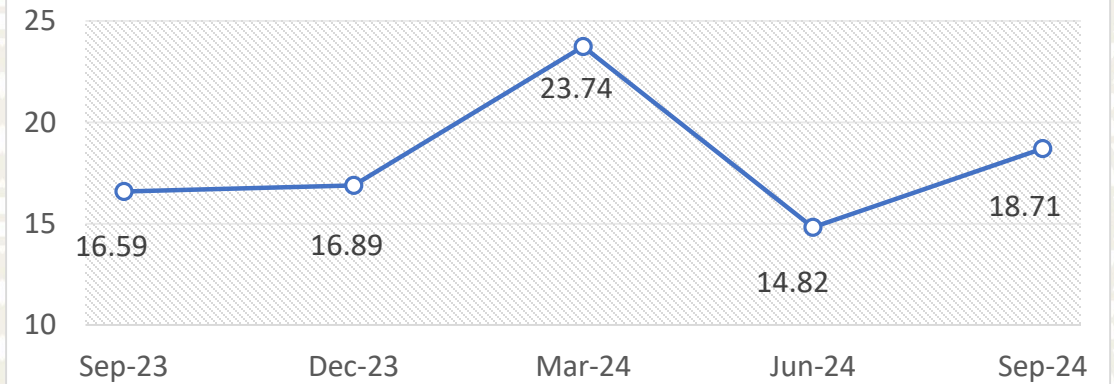
**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE **1938**

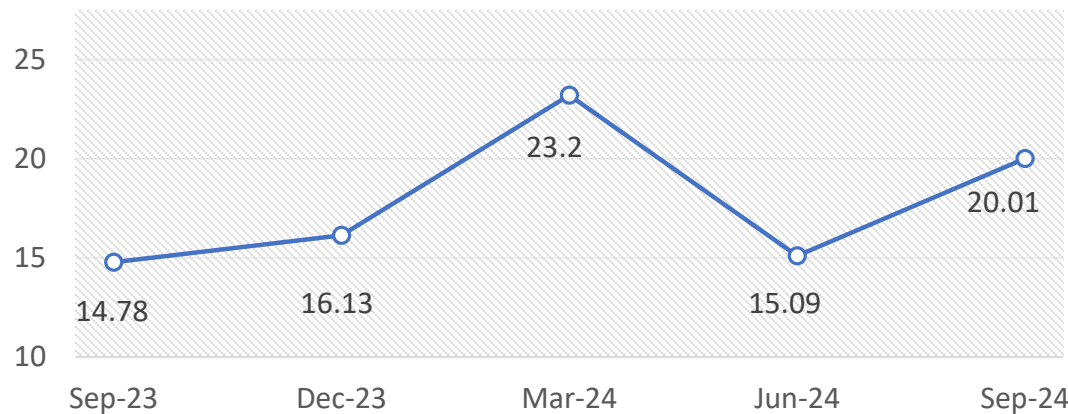
## Return on Assets - Annualized (%)



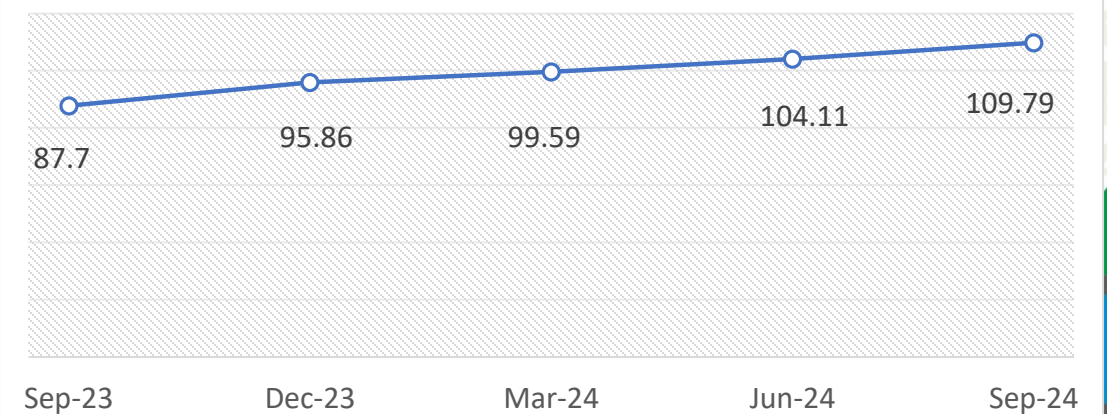
## Return on Average Network - Annualized (%)



## Earnings Per Share - Annualized (Rs.)



## Book Value Per Share (Rs.)

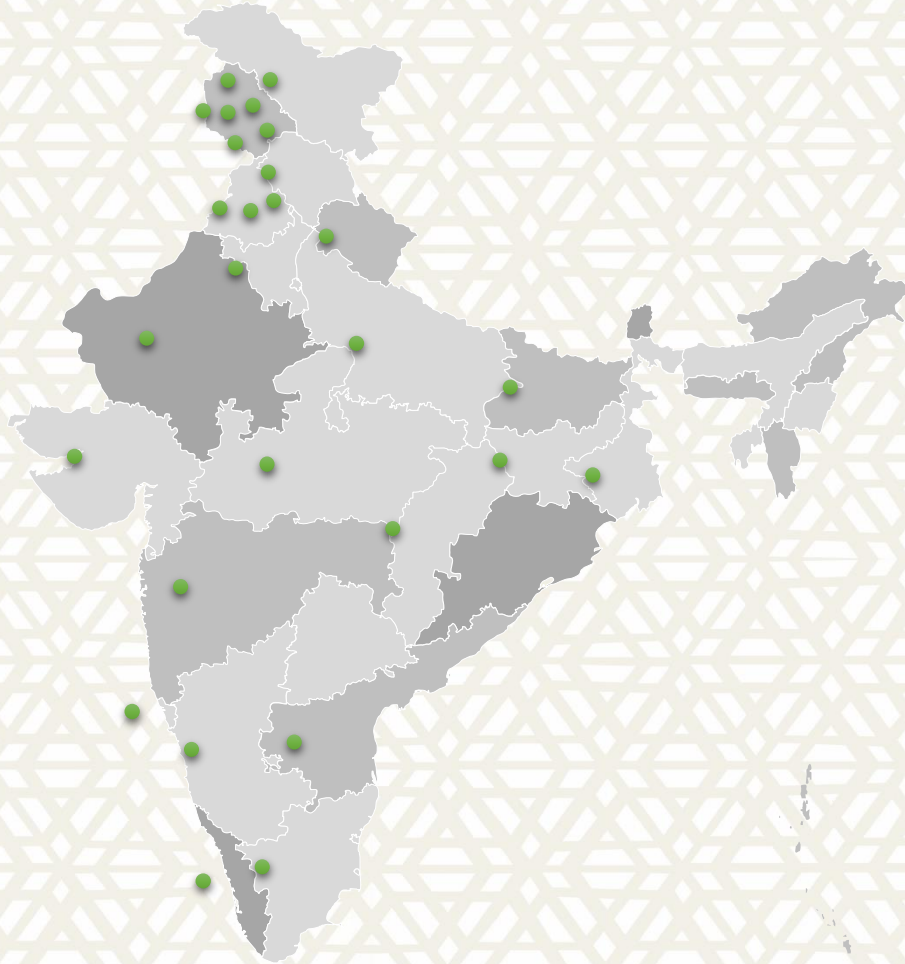


# Key Strengths of the Bank



- 1 Strong legacy, loyal customer base and an established brand with over 85 years of operations
- 2 Strong presence in fast growing region of **J&K** and increasing presence in **other strategic regions**
- 3 Healthy mix of retail in overall advances mix with focus on **MSME and agriculture segment**
- 4 Consistently **growing deposit base** with best in class **low-cost retail CASA**
- 5 **Turnaround Story** with increasing PCR and improvement in asset quality
- 6 Fast improving **digital presence**
- 7 **Professionally managed Bank** with **experienced senior management team** and **board of directors**

# Strong presence in JKL Region and increasing presence across India

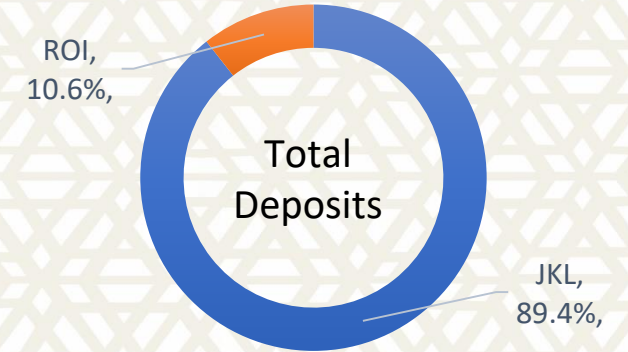
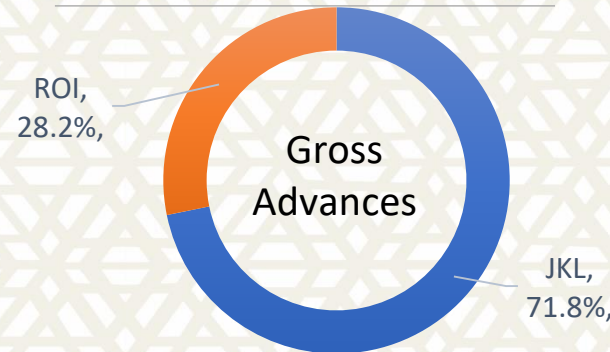
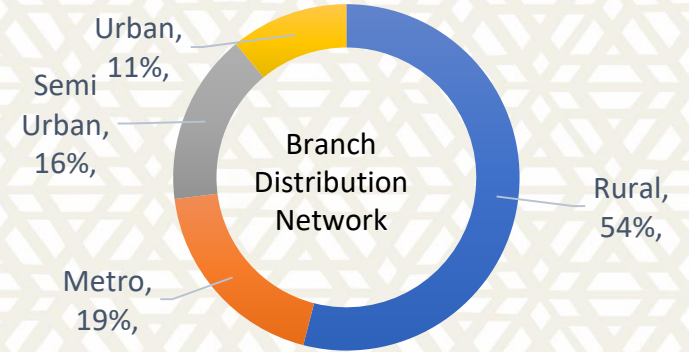


**871** Branches in J&K and Ladakh (JKL)

**137** Branches outside JKL

**1424** ATMs

**22** States / UTs



**The J&K and Ladakh growth story continues with major infrastructure under implementation and some strategic ones nearing completion that will drive growth for J&K Bank in the near future**

*All data provided herein pertains to the period ended / as at June 30, 2024*

# Fast improving digital presence

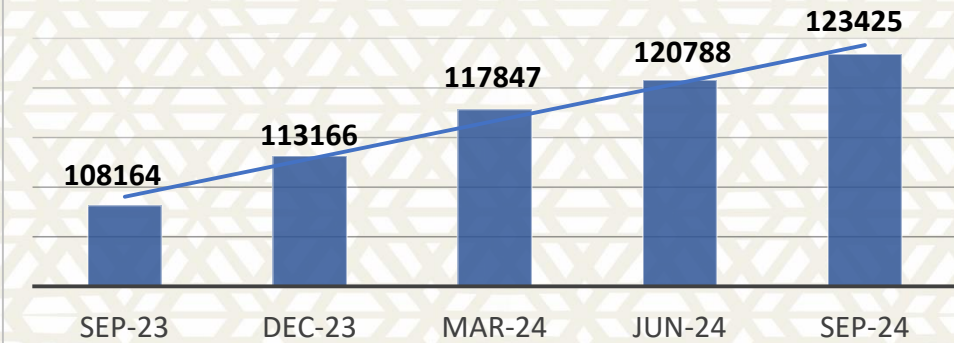


**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE **1938**

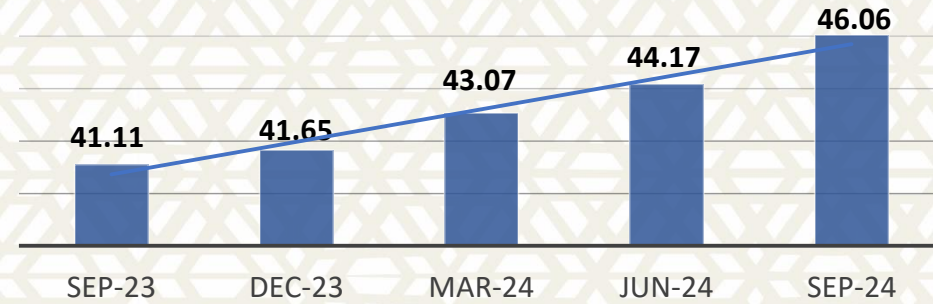
## Credit Card Users

(in number)



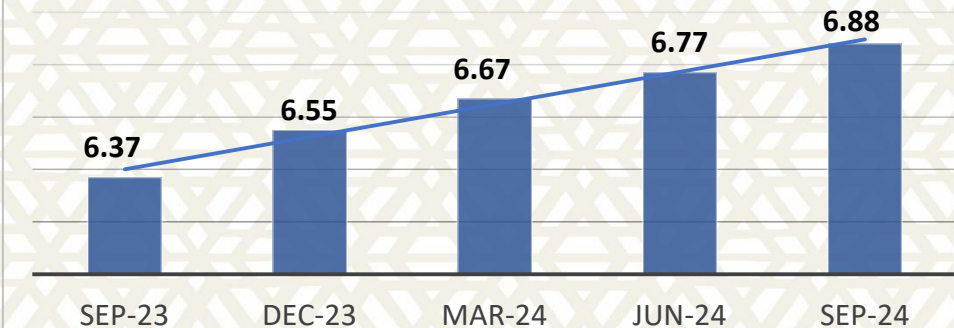
## Debit Card Users

(In Lacs)



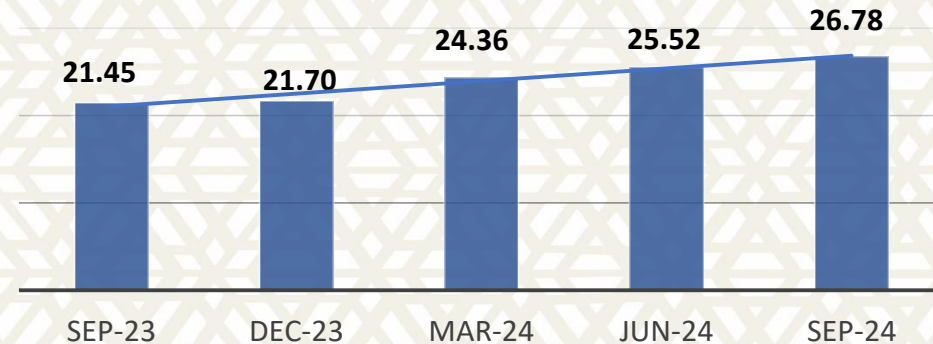
## Internet Banking Users

(In Lacs)



## Mobile Banking Users

(In Lacs)



# Professionally managed Bank with experienced SMPs and Board Of Directors



**MR. BALDEV PRAKASH (MD & CEO )**

- Over three decades with the country's largest bank
- Multiple degrees and diplomas offered by the IIBF : CAIIB, Diploma in Treasury, Investment and Risk Management, Diploma in International Banking and Finance



**MR. NABA KISHORE SAHOO**

- Nearly 4 decades of experience and risen through the ranks
- Very rich and diverse experience in banking industry with expertise in Credit, Risk Management & HR.



**DR. PAWAN KOTWAL, IAS**

- Presently posted as Advisor to Lieutenant Governor, UT of Ladakh (1994 IAS)
- Wealth of Administrative acumen and proficiency having previously served as Principal Secretary various ministries including P&M Dept. in UT of Ladakh.



**MR. UMESH CHANDRA PANDEY**

- Nearly 4 decades of experience as a Chartered Accountant
- Strong Competencies in Corporate Law, Taxation, Project Report, M & A Transactions, Statutory Compliance Audit – Direct Tax/ Indirect Tax & Labor Laws



**MR. SANTOSH DATTATRAYA VAIDYA, IAS**

- Presently posted as Principal Secretary Finance, UT of J&K 1998 AGMUT
- B-tech from IIT-Kharagpur PG(Econ) (IGNOU) and Masters in Public Policy from Johns Hopkins University, United States.



**MR. ANIL KUMAR GOEL**

- Qualified Arbitrator & Mediator, Information Systems Auditor (DISA), Forensic Auditor & Fraud Detector (FAFD)
- 34 years expertise in Corporate & Tax Laws, Consultancy, Statutory Audits



**DR. MANDEEP K BHANDARI, IAS**

- MBBS with Gold Medal, administrative and professional expertise of >20 years
- Principal Secretary to Hon'ble Lieutenant Governor of UT of J&K and is also holding charge of CEO Amarnathji Shrine Board



**MR. ANAND KUMAR**

- (IT) specialist who has experience of more than three decades in IT development and management and is a BE(IT) from IIT and a PGDM from IIM-L.
- Worked at multiple MNCs and large groups: Citigroup, HSBC, Barclays, Fiserv, etc.



**MR. R. K. CHHIBBER**

- Over three decades of banking experience, his areas of expertise include Credit, Finance, IT, Corporate & Retail Banking, Risk management, Trade Finance, Foreign exchange, Business continuity planning, HR, Bancassurance



**MR. SUDHIR GUPTA**

- Over three decades of experience in different capacities across the operational topography of the Bank with expertise in Credit, Finance, Corporate & Retail Banking, Customer Service, Trade Finance, Foreign exchange, BCP etc.



**DR. RAJEEV LOCHAN BISHNOI**

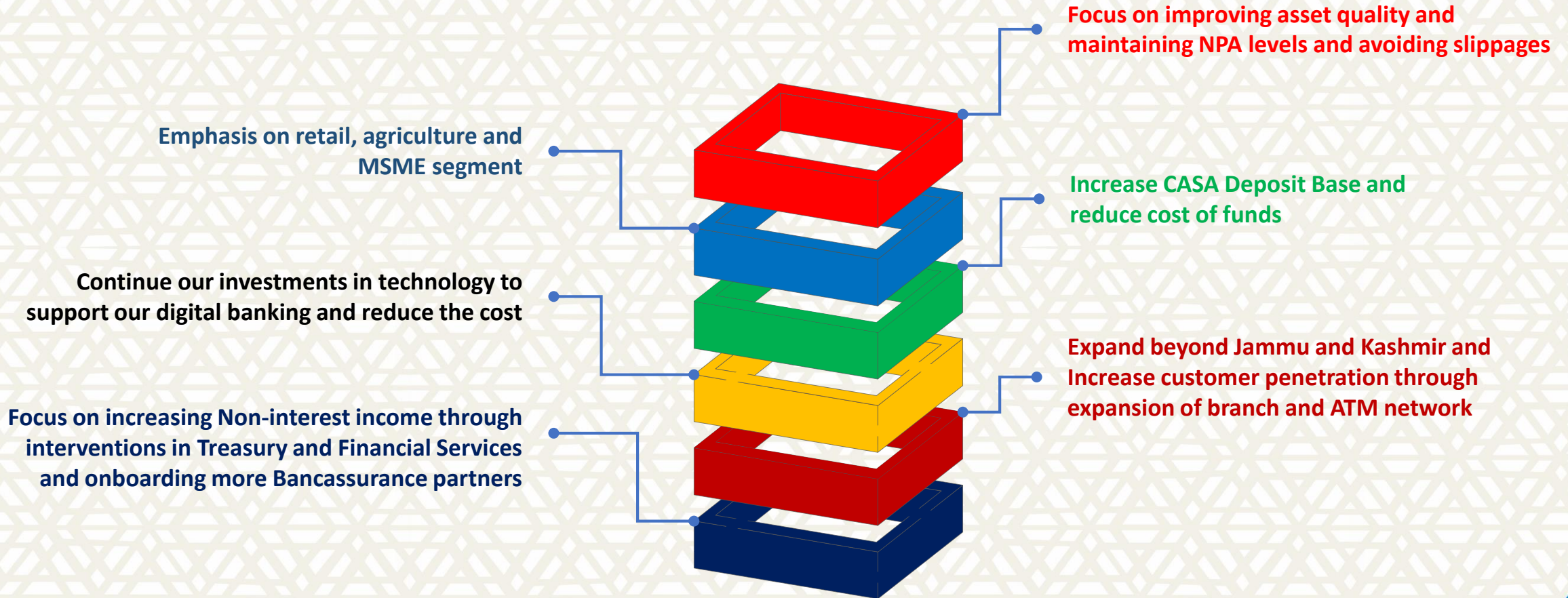
- Credit specialist and advises corporates and banks on balance sheet stress, risk processes and improving the overall financial health of the enterprise.
- Partner in Chartered Accountancy firm M/S Jain & Malhotra, New Delhi.



**MS. SHAHLA AYOUB**

- Works as an Assistance Professor in the DHE, J&K and brings to Board an affluence of Economic expertise and perspicacity and has strong interests in Conflict Economics, Financial Inclusion and Developmental Economics.

# Key Strategies



# Condensed Profit And Loss Account



Particulars	Q2 FY 2023-24	Q1 FY 2024-25	Q2 FY 2024-25	Change YoY (%)	Change QoQ (%)	HY 1 FY 2023-24	HY 1 FY 2024-25	Change YoY (%)	FY 2023-2024
Interest Earned	2,764.15	2,994.39	3,123.55	13.0	4.3	5,421.23	6,117.93	12.9	11,212.37
Interest Expended	1,430.32	1,625.16	1,687.62	18.0	3.8	2,804.10	3,312.78	18.1	6,008.68
<b>Net Interest Income</b>	<b>1,333.83</b>	<b>1,369.23</b>	<b>1,435.93</b>	<b>7.7</b>	<b>4.9</b>	<b>2,617.13</b>	<b>2,805.15</b>	<b>7.2</b>	<b>5,203.69</b>
Other Income	190.31	194.10	296.08	55.6	52.5	418.58	490.18	17.1	825.48
<b>Operating Income</b>	<b>1,524.14</b>	<b>1,563.33</b>	<b>1,732.01</b>	<b>13.6</b>	<b>10.8</b>	<b>3,035.71</b>	<b>3,295.33</b>	<b>8.6</b>	<b>6,029.17</b>
Operating Expenses	989.67	968.65	945.02	(4.5)	(2.4)	1,973.19	1,913.67	(3.0)	3,752.29
<b>Operating Profit</b>	<b>534.47</b>	<b>594.68</b>	<b>786.99</b>	<b>47.2</b>	<b>32.3</b>	<b>1,062.52</b>	<b>1,381.66</b>	<b>30.0</b>	<b>2,276.88</b>
Provisions & Contingencies	(9.94)	(17.47)	32.53	(427.3)	(286.1)	66.79	15.05	(77.5)	(107.69)
<b>Profit Before Tax</b>	<b>544.41</b>	<b>612.15</b>	<b>754.46</b>	<b>38.6</b>	<b>23.2</b>	<b>995.73</b>	<b>1,366.61</b>	<b>37.2</b>	<b>2,384.57</b>
Provision for Tax	163.34	196.66	203.54	24.6	3.5	288.21	400.20	38.9	617.30
<b>Net Profit / (Loss)</b>	<b>381.07</b>	<b>415.49</b>	<b>550.92</b>	<b>44.6</b>	<b>32.6</b>	<b>707.52</b>	<b>966.41</b>	<b>36.6</b>	<b>1,767.27</b>

All figures, other than percentage, in ₹ crore



# Condensed Balance Sheet

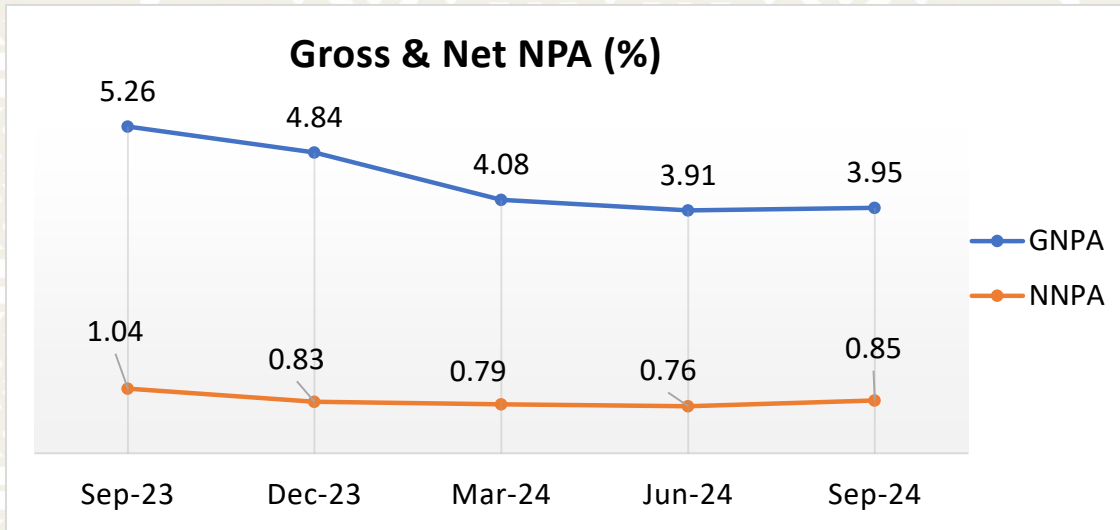


Particulars	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024
<b>Capital &amp; Liabilities</b>			
Capital	103.16	110.13	110.13
Reserves and Surplus	10,547.60	12,615.82	13,233.92
Deposits	1,26,589.73	1,32,573.13	1,37,918.27
Borrowings	3,782.77	4,525.98	2,884.46
Other Liabilities and Provisions	4,596.13	5,102.49	5,340.59
<b>Total</b>	<b>1,45,619.39</b>	<b>1,54,927.55</b>	<b>1,59,487.37</b>
<b>Assets</b>			
Cash and Balance with Reserve Bank of India	7,129.54	6,387.75	7,254.66
Balance with Banks & Money at Call & Short Notice	315.81	101.97	273.52
Investments	32,642.62	33,065.84	38,740.69
Advances	87,817.84	95,449.77	96,139.14
Fixed Assets	2,274.13	2,241.85	2,228.81
Other Assets	15,439.46	17,680.37	14,850.54
<b>Total</b>	<b>1,45,619.39</b>	<b>1,54,927.55</b>	<b>1,59,487.37</b>

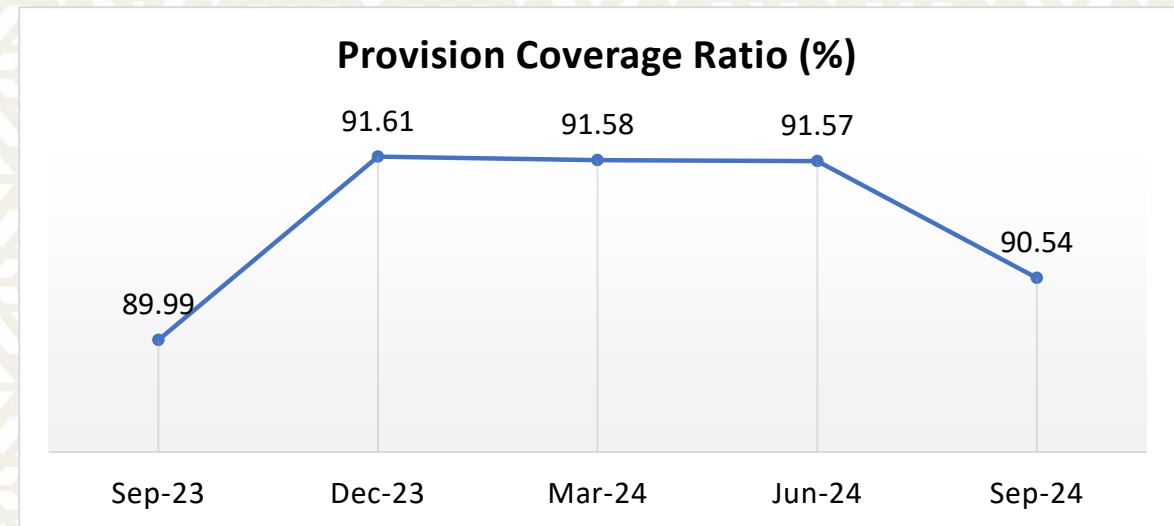
All figures, other than percentage, in ₹ crore

# Turnaround Story with Decadal High PCR and improvement in asset quality

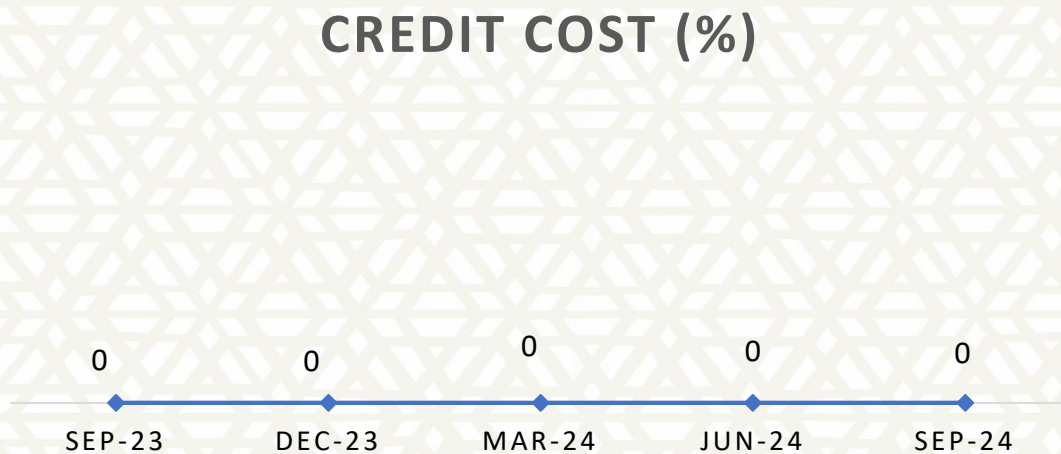
### Gross & Net NPA (%)



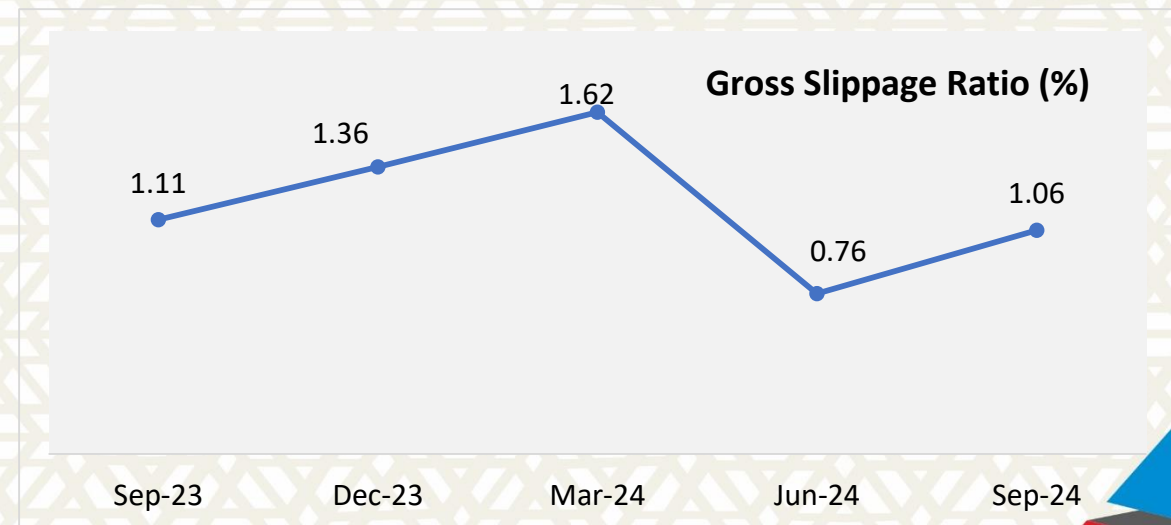
### Provision Coverage Ratio (%)



### CREDIT COST (%)



### Gross Slippage Ratio (%)

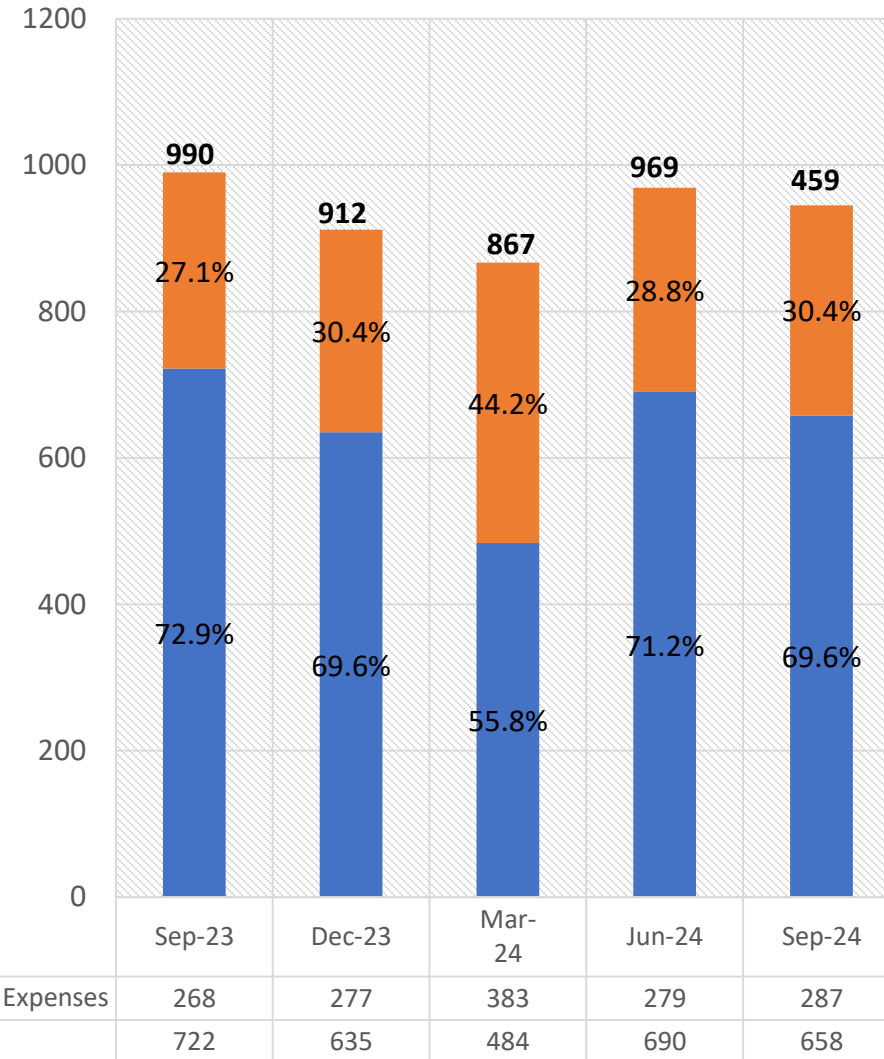
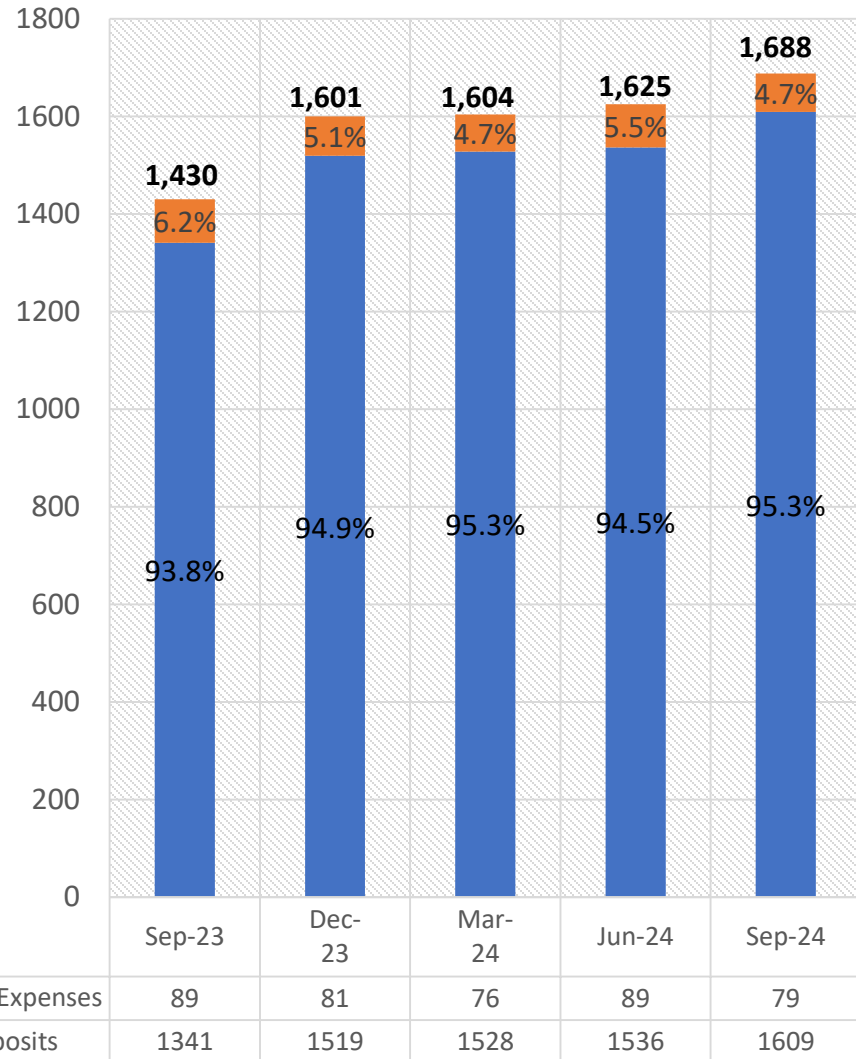


# Interest Expenditure and Operating Expenditure



**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE 1938



# Key Ratios and Performance Indicators



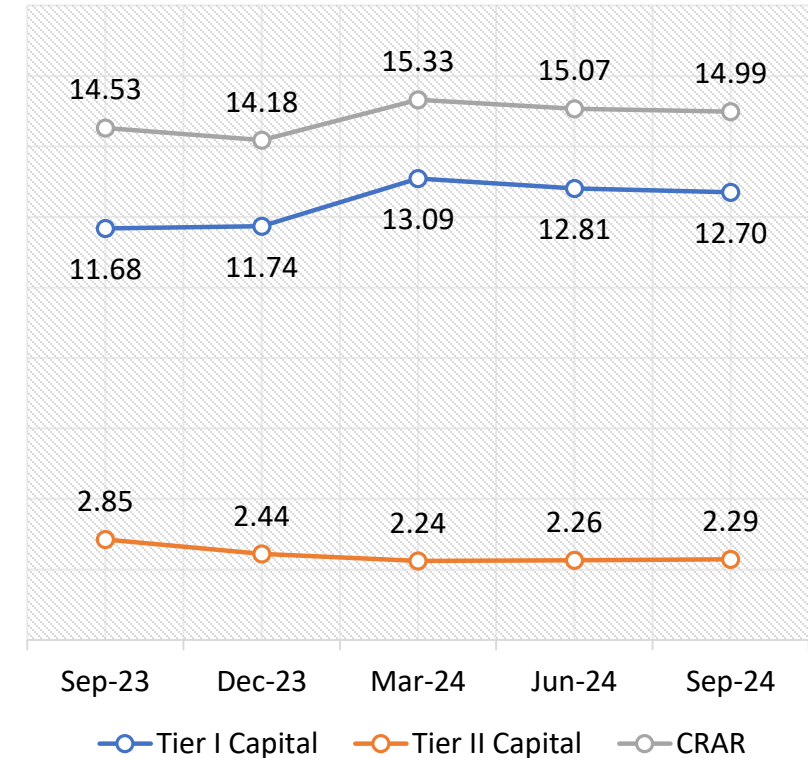
Particulars	Q2 FY 2024	Q1 FY 2025	Q2 FY 2025	HY 1 FY 2024	HY 1 FY 2025
<b>Profitability</b>					
Net Interest Margin (%) - Annualized	4.07	3.86	3.90	4.03	3.88
Operating Profit (₹ crore)	534.47	594.67	786.99	1,062.52	1,381.66
Profit after Tax (₹ crore)	381.07	415.49	550.92	707.52	966.41
Cost to Income Ratio (%)	64.93	61.96	54.56	65.00	58.07
Return on Assets (%) – Annualized	1.08	1.08	1.41	1.01	1.24
<b>Capital Adequacy</b>					
Tier I Capital (%)	11.68	12.81	12.70	11.68	12.70
CET 1(%)	10.45	11.76	11.66	10.45	11.66
CRAR (%)	14.53	15.07	14.99	14.53	14.99
<b>Asset Quality</b>					
Gross NPA (%)	5.26	3.91	3.95	5.26	3.95
Net NPA (%)	1.04	0.76	0.85	1.04	0.85
Provision Coverage Ratio (%)	89.99	91.57	90.54	89.99	90.54
<b>Return Ratios</b>					
Yield on Advances (%) – Annualized	9.50	9.50	9.57	9.42	9.54
Cost of Funds (%)	4.52	4.78	4.91	4.50	4.85
Cost of Deposits (%)	4.38	4.66	4.80	4.35	4.73

All figures, other than percentage, in ₹ crore

# Capital Adequacy Ratios

Particulars	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024
<b>Risk Weighted Assets</b>			
Credit Risk	71,206	83,920	86,458
Market Risk	1,285	1,505	113
Operational Risk	8,896	9,937	9,937
<b>Total Risk Weighted Average</b>	<b>81,387</b>	<b>95,362</b>	<b>96,508</b>
<b>Tier I Capital Funds</b>	<b>9,508</b>	<b>12,217</b>	<b>12,257</b>
<b>Tier II Capital Funds</b>	<b>2,321</b>	<b>2,158</b>	<b>2,208</b>
<b>Total Capital Funds</b>	<b>11,828</b>	<b>14,375</b>	<b>14,465</b>
Tier I Capital	11.68%	12.81%	12.70
CET – I	10.45%	11.76%	11.66
Tier II Capital	2.85%	2.26%	2.29
<b>CRAR</b>	<b>14.53%</b>	<b>15.07%</b>	<b>14.99</b>

## Capital Adequacy Ratio



All figures, other than percentage, in ₹ crore

# Asset Quality | Categories of Advances



YOUR BANK  
SINCE 1938

Category	September 30, 2023		September 30, 2024	
	Amount	% of Gross Advances	Amount	% of Gross Advances
Standard	86,900	94.74	95,326	96.05
Sub-Standard	498	0.54	444	0.45
Doubtful	3,405	3.71	2,629	2.65
Loss	924	1.01	843	0.85
<b>Gross Advances</b>	<b>91,727</b>	<b>100.00</b>	<b>99,242</b>	<b>100.00</b>
<b><i>Special Mention Accounts</i></b>	<b>Amount</b>	<b>% of Standard Advances</b>	<b>Amount</b>	<b>% of Standard Advances</b>
SMA 0	13,704	15.77	13,301	13.95
SMA 1	3,106	3.57	4,085	4.29
SMA 2	2,847	3.28	3,167	3.32
<b>Total SMA</b>	<b>19,657</b>	<b>22.62</b>	<b>20,554</b>	<b>21.56</b>

All figures, other than percentage, in ₹ crore

# Asset Quality | Movement of Gross NPAs



Particulars	Q2 FY 2024	Q1 FY 2025	Q2 FY 2025	HY 1 FY 2024	HY 1 FY 2025
<b><i>At a Gross NPA Level</i></b>					
Opening Balance	5,104	3,956	3,858	5,204	3,956
Additions during the period	225	174	256	509	430
Upgradations during the period	235	94	93	458	188
Write off (including TWO)	3	11	3	6	14
Compromise/Settlements	9	39	12	17	51
Recoveries	255	128	89	406	217
<b>Gross NPA</b>	<b>4,827</b>	<b>3,858</b>	<b>3,916</b>	<b>4,827</b>	<b>3,916</b>
Less Provisioning	3,910	3,130	3,103	3,910	3,103
<b>Net NPA</b>	<b>917</b>	<b>728</b>	<b>813</b>	<b>917</b>	<b>813</b>

All figures in ₹ crore

# Sector-Wise Credit Deployment and NPA (As of September 30, 2024)



Sector	Gross Advances	Exposure (%)	Gross NPA	GNPA (%)
Personal Finance	38,726.18	39.02%	322.43	0.83%
Trade	11,593.82	11.68%	814.82	7.03%
Financial Markets	10,391.86	10.47%	625.23	6.02%
Agriculture	9,685.32	9.76%	424.30	4.38%
Services	9,494.64	9.57%	723.80	7.62%
Manufacturing	7,083.63	7.14%	615.94	8.70%
Infrastructure	8,606.16	8.67%	204.42	2.38%
Against Cash Collaterals	1,516.63	1.53%	0.71	0.05%
Real Estate	1,284.27	1.29%	174.43	13.58%
Others	859.50	0.87%	10.18	1.18%
<b>Total</b>	<b>99,242.01</b>	<b>100%</b>	<b>3,916.26</b>	<b>3.95%</b>

All figures, other than percentage, in ₹ crore



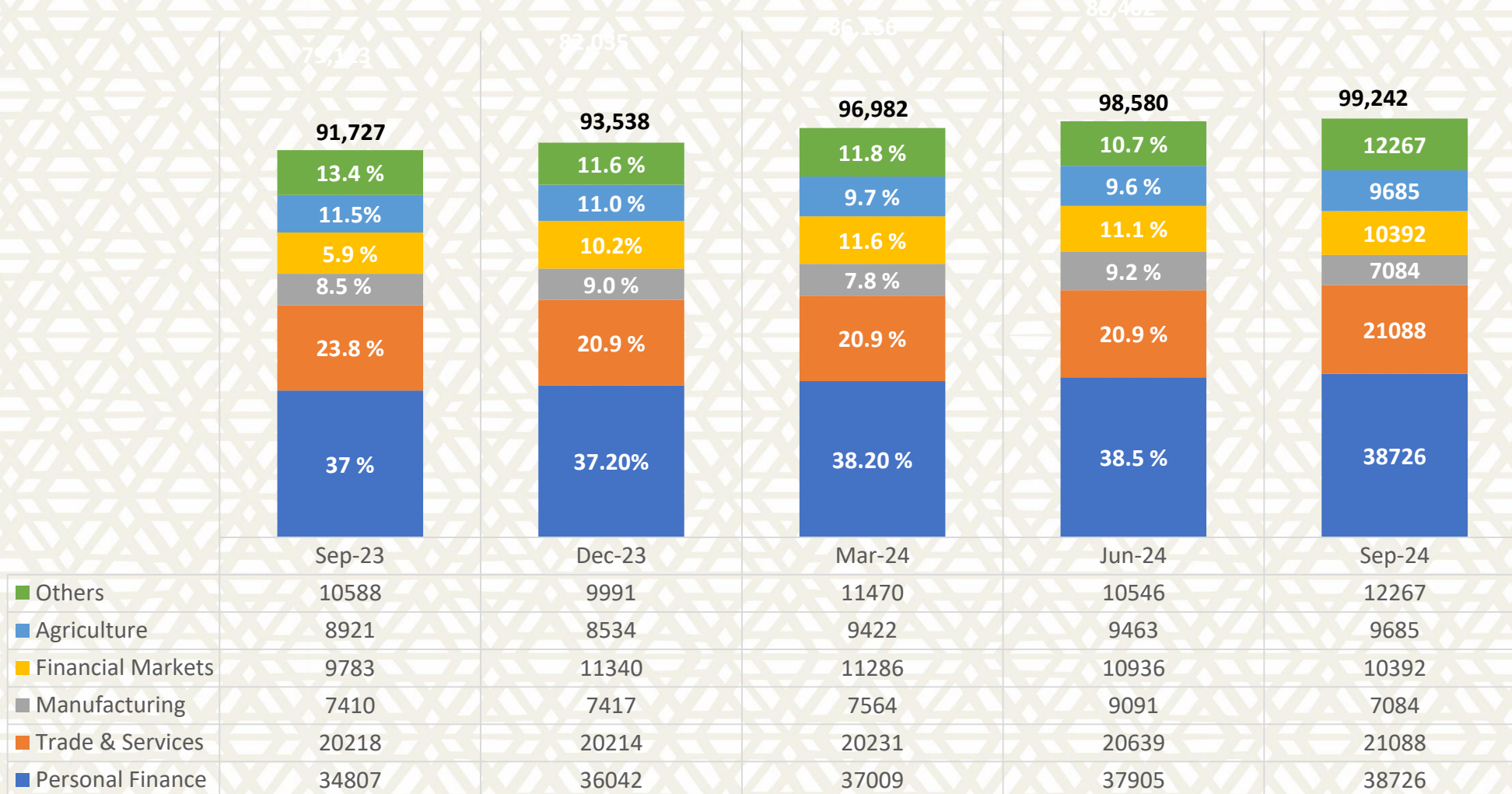
# Gross Advances Mix



**J&K Bank**  
Serving To Empower

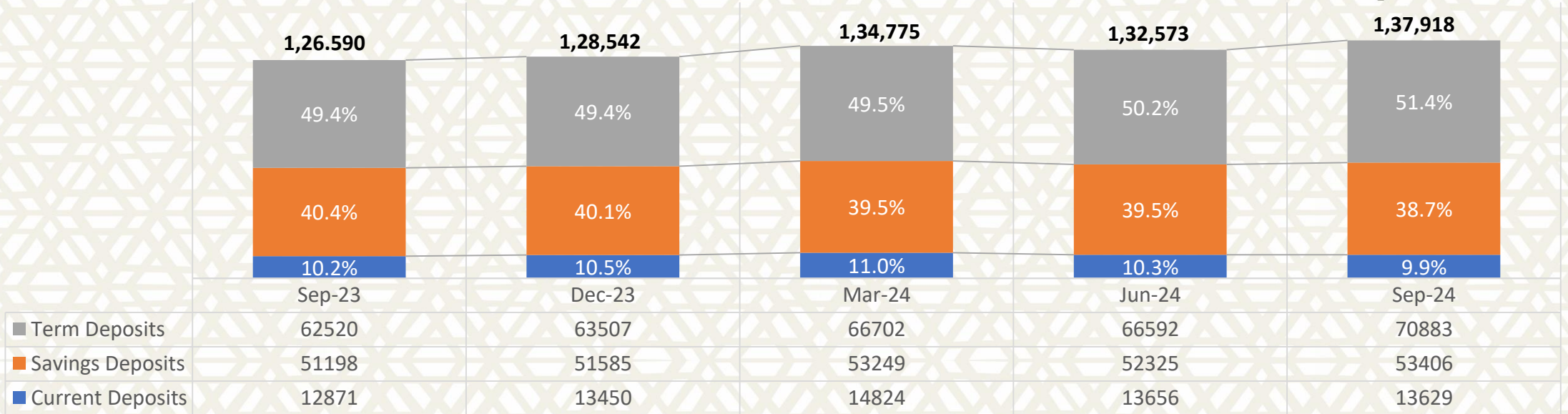
YOUR BANK  
SINCE **1938**

■ Personal Finance ■ Trade & Services ■ Manufacturing ■ Financial Markets ■ Agriculture ■ Others

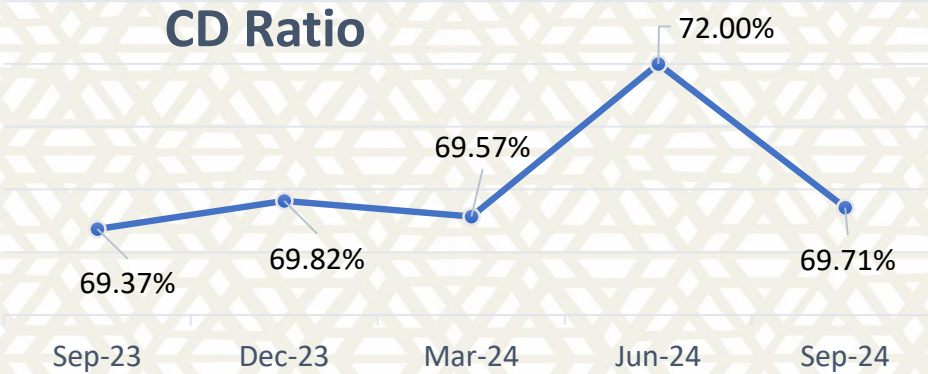


All figures, other than percentage, in ₹ crore

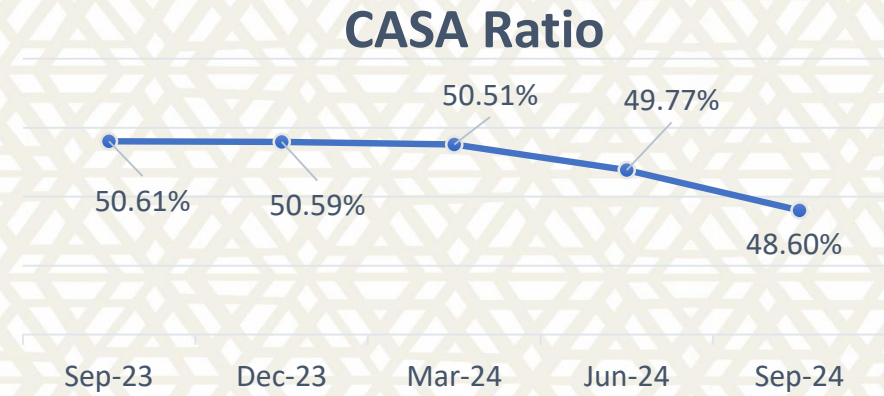
# Consistently growing deposit base with best-in-class low-cost retail CASA



## CD Ratio



## CASA Ratio



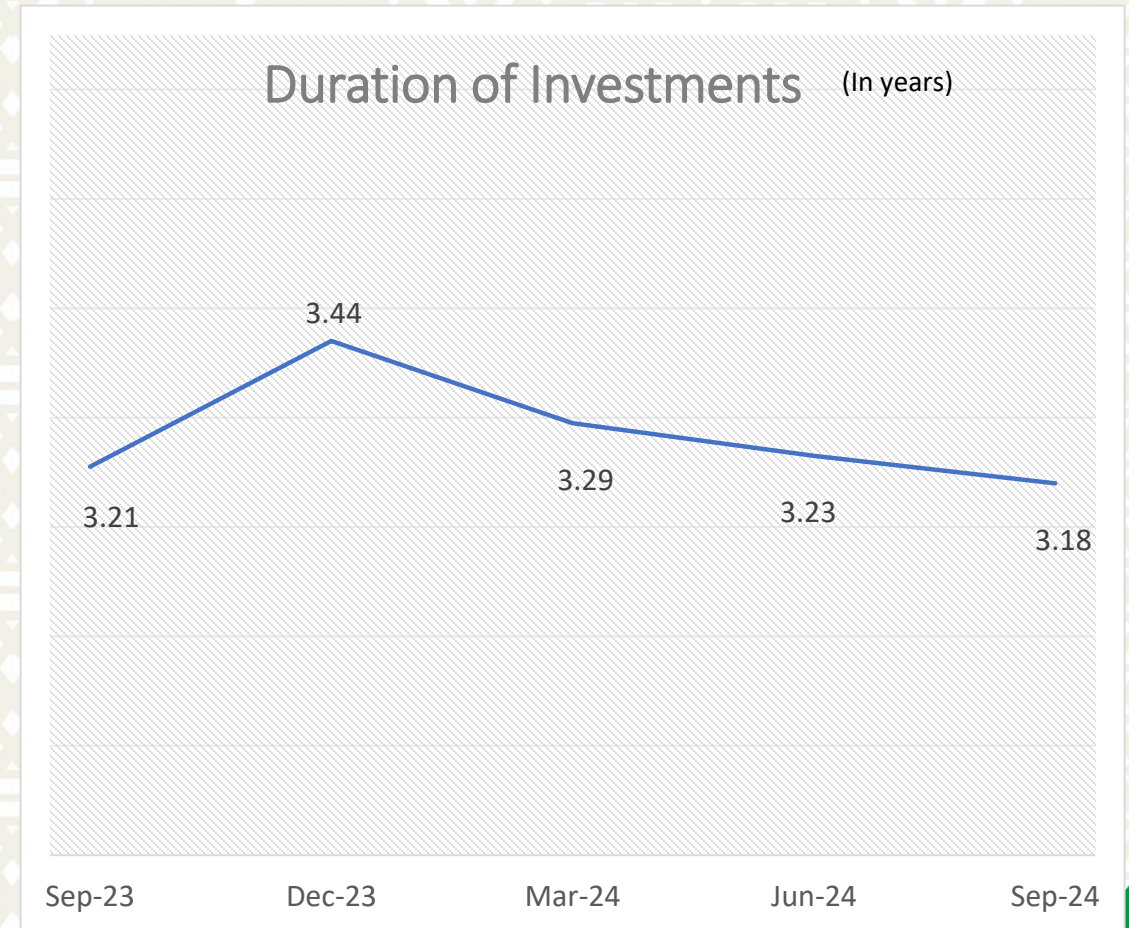
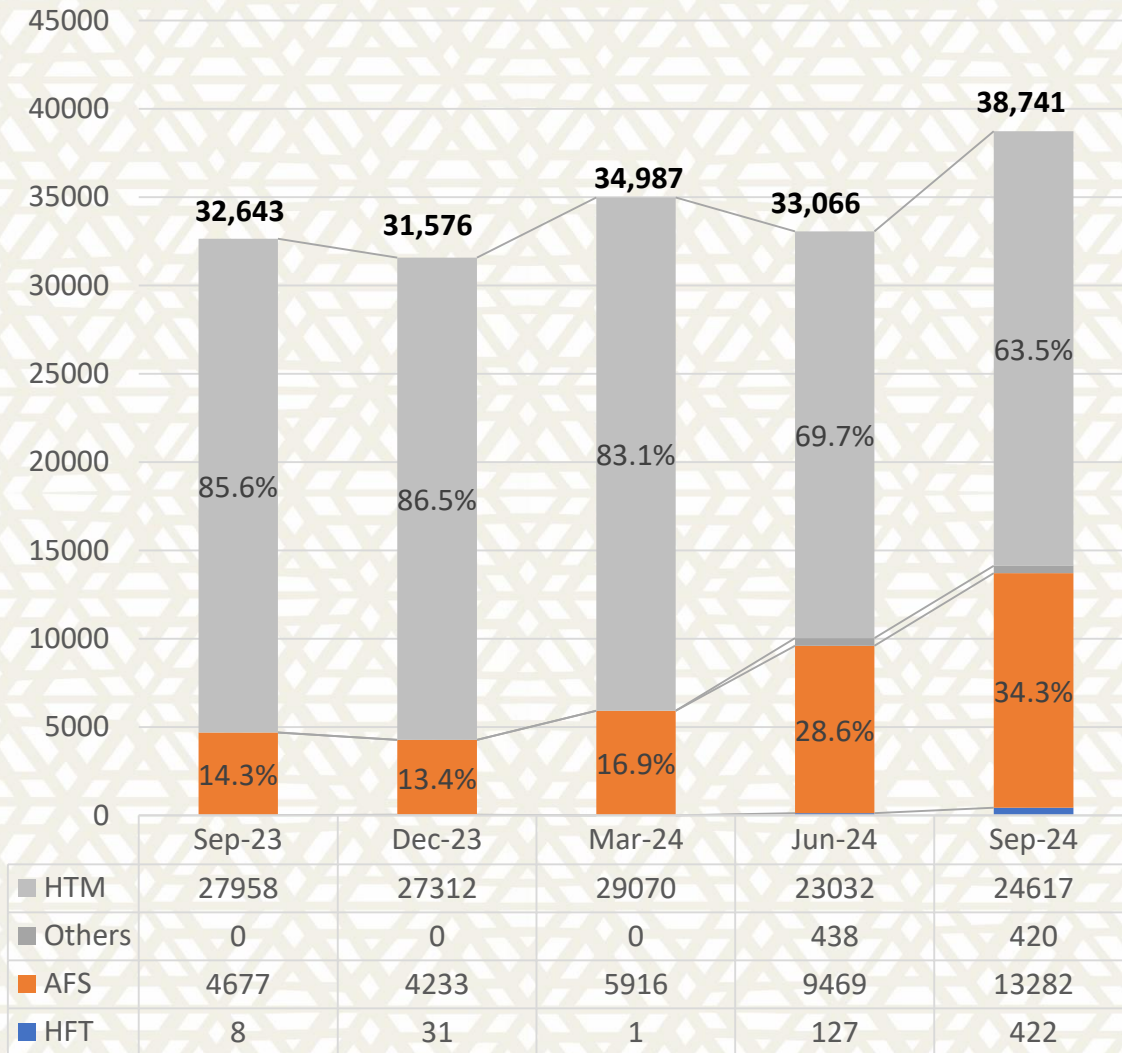
All figures, other than percentage, in ₹ crore

# Investments Profile



**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE **1938**



# Asset Quality | External Rating of Corporate Advances (As on September 30, 2024)



Rating	No. of Borrowers	Outstanding Amount	Percentage (%)
AAA	23	15,165	60.17
AA	17	2,981	11.83
A	14	2,020	8.01
BBB	19	1,267	5.03
BB & Below	168	2,795	11.09
Unrated Borrowers (Due to be rated)	51	976	3.87
<b>Total Eligible for Rating</b>	<b>292</b>	<b>25,203</b>	<b>100.00</b>

All figures, other than percentage, in ₹ crore

# Asset Quality | Restructuring of Advances (as on September 30, 2024)



Sector	Standard		NPA		Total	
	BOS	Provisions	BOS	Provisions	BOS	Provisions
Services	207.01	11.68	180.83	152.41	387.84	164.09
Infrastructure	13.08	1.01	45.30	36.98	58.38	37.99
Manufacturing	215.41	13.55	262.68	187.75	478.09	201.30
Trade	41.55	3.77	244.14	225.19	285.69	228.96
Real Estate	69.13	4.74	156.47	156.47	225.60	161.21
Agriculture	74.43	7.10	115.54	104.24	189.97	111.34
Personal Finance	56.39	5.32	17.96	10.44	74.35	15.76
Others	0.06	0.00	1.95	1.95	2.01	1.95
<b>Total</b>	<b>677.05</b>	<b>47.18</b>	<b>1,024.87</b>	<b>875.43</b>	<b>1701.92</b>	<b>922.60</b>

All figures in ₹ crore

# Awards and Accolades



Best MSME Bank at MSME Banking Excellence Awards (2023)



Second best award for promoting Government Schemes under 'Private Bank' category at MSME Banking Excellence Awards (2023)



J&K Bank MD Baldev Prakash honoured with prestigious Times Now India's Impactful CEO – 2023 Award



Award from HUDCO for outstanding contribution towards housing sector under PM Awas Yojana



Outstanding Performance Award for agriculture financing at the 15<sup>th</sup> Agriculture Leadership Conclave



Platinum Award under the category of Process innovation at Infosys Finacle Innovation Awards - 2024



First Scheduled Commercial Bank in the country to attain the esteemed Payment Card Industry Data Security Standard (PCIDSS) Version 4 certification



Best Performance on Profitability award in the category of Private Sector Bank (Mid Size) at the 2<sup>nd</sup> ICC Emerging Asia Banking Conclave & Awards 2024

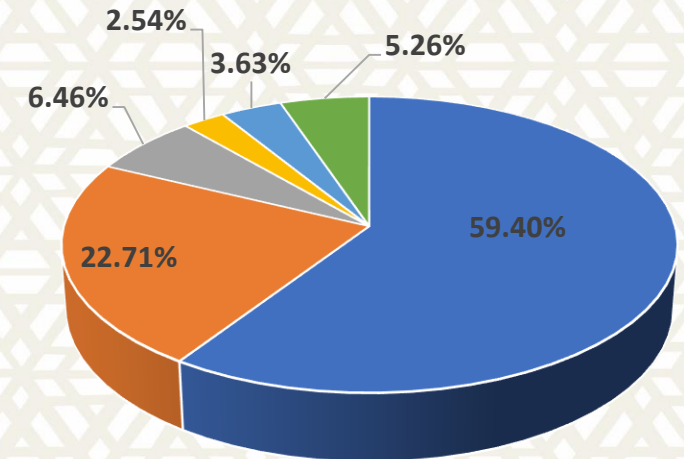


Award of Excellence for enrolling the maximum number of APY beneficiaries under the 'Mission Upgrade' campaign of PFRDA for FY 2024

# Shareholding Information

Particulars	No. of Shares held as on Sep 30, 2024	% to Capital	No. of Shares held as on Sep 30, 2023	% to Capital	Change YoY
PROMOTERS	65,40,98,280	59.40	65,40,98,280	63.41	(401 bps)
RESIDENT INDIVIDUALS	25,00,87,938	22.71	24,99,43,396	24.23	(152 bps)
FII / FPI	7,11,52,714	6.46	2,69,00,178	2.61	385 bps
INDIAN MUTUAL FUNDS	3,99,60,365	3.63	3,24,99,933	3.15	48 bps
INDIAN FINANCIAL INSTITUTIONS	3,23,89,904	2.94	1,47,96,443	1.43	151 bps
BODIES CORPORATES	2,80,10,734	2.54	2,46,74,944	2.40	14 bps
NON RESIDENT INDIANS	2,03,95,480	1.85	2,10,11,252	2.04	(19 bps)
Others (AIF / IEPF / Trusts)	50,84,749	0.46	75,36,252	0.73	(27 bps)
CLEARING MEMBERS	2,299	0.00	19,183	0.00	-
<b>Total</b>	<b>110,11,82,463</b>	<b>100%</b>	<b>103,14,79,861</b>	<b>100%</b>	<b>-</b>

Shareholding Pattern as on Sep 30, 2024



- Promoters
- Resident Individuals
- FII/FPI
- Body Corporates
- Indian Mutual Funds
- Others

# Thank You



## Board Secretariat



### Investor Brief for September 2024

A very **Good Afternoon** and warm welcome to all the participants to the J&K Bank September, 2024 Earnings Call.

First let me introduce my Management Team who are accompanying me on this call;

Executive Director, Mr. Sudhir Gupta

Corporate Credit Head, Mr. Ashutosh Sareen

Retail Credit and Liability Head, Mr. Narjay Gupta

Treasury Head, Mr. Rakesh Koul

Impaired Assets Portfolio Management Head, Mr. Rajesh Malla Tikoo

Finance Head, Mr. Sushil Kumar Gupta

And our Chief Risk Officer, Mr. Altaf Hussain Kira

Before discussing the performance of the Bank, let me briefly talk about the macroeconomic outlook.

As we have ventured into the second half of the year, though global growth appears to be steady, however by historical standards it remains subdued. But taking into consideration the continuing geopolitical conflicts and intermittent volatility in the global financial markets, the global economic activity has shown resilience in the first half of the current financial year. Whilst IMF has retained its global growth forecast at 3.2% in 2024, it has upgraded India's growth forecast for FY 2024-25 by 20 basis points to 7% from the previous estimate of 6.8% in April. This upgrade has come in the backdrop of improved prospects for private consumption, particularly in rural areas on the back of favourable monsoon, higher sowing activity and moderating inflation. With this upward revision, India's growth story remains intact as India continues to maintain its position as the fastest growing economy amongst emerging markets and developing economies. The World Bank has also upgraded India's growth forecast to 7% for FY 2024-25. Private consumption and investment, two major factors of growth with a combined share of more than 90% of GDP, are expanding at a robust pace of more than 7%. Total gross GST revenue for the year to date (upto August 2024) stands at Rs.9,13,855 crores which depicts a YoY increase of 10.1% affirming the continued momentum in the Indian economy. The resilience of Indian economy has navigated the domestic stock market to all time high, with FPI flows seeing a turnaround from net outflows of US\$ 4.2 billion in April-May 2024 to net inflows of US\$



## Board Secretariat

19.2 billion during June-October 2024 (till October 7, 2024), reflecting investor confidence in India's long term growth prospects. Though of late, there has been a correction in the domestic markets owing to FPI selloff sparked by Beijing's stimulus package.

Whereas the United States Federal Reserve has begun the policy pivot, by cutting the benchmark interest rate viz. the Federal Funds Rate by 50 basis points owing to the moderation of inflation and adverse impact of higher rates on unemployment levels creating recession worries, RBI has kept the policy repo rate unchanged demonstrating a balanced approach for managing inflationary risks while considering growth prospects.

Coming to the specifics of economic outlook for our home territory, J&K's GDP is projected to be at Rs.2,63,399 crores in FY25, growing 7.5% over FY24. The GDP is likely to double in the next five years with emphasis on service sector, industries, horticulture and tourism, according to the 'J-K Economic Survey 2022-23'. The budgetary estimate for J&K for FY 2024-25 is about Rs.1,18,390 crores with continued emphasis on developmental activities and provisions for other ongoing initiatives for sustainable agriculture, new industrial estates, employment generation, developing tourism and social inclusion. Further, Union Budget has provided for a special central assistance of Rs.17,000 crores for J&K, which would lead to improvement in the fiscal position and enable the Government of J&K to work on fulfilling the developmental needs and aspiration of the local people.

After the record inflow of tourists in J&K for FY 2023-24, the unprecedented growth in tourism sector continues with 1.08 crore tourists visiting in the first six months of 2024. The tourism sector has recorded an annual average growth rate of 15.13% during the last three years. Border tourism has picked up and hitherto unknown locations like Gurez, Keran and Teetwal have been opened up for tourism. In the early part of 2024, the number of foreign tourists has seen a staggering 61% increase on a YoY basis. With the ongoing investments in the tourism sector, Kashmir valley soon getting connected with rest of India through train, revival of cinematic interest in the region and rapidly emerging popularity of Kashmir as a top destination for weddings, the region expects even stronger numbers in the future. This would help the region's economic transformation as tourism industry stands as the second largest sector in Kashmir after horticulture.



## Board Secretariat

Now, speaking of the financial performance of the Bank for Q2 and HY1 of FY25, the Bank has posted another strong set of profitability numbers for this quarter, with quarterly operating profit crossing the Rs.750 crore mark and net profit for Q2 recorded at Rs.551 crores, witnessing a growth of 44.6% YoY, 32.6% QoQ and stays on course towards delivering results as per the guidance for the short to medium-term.

Overcoming a de-growth in deposits in the previous quarter over the March levels, deposits have grown at 9% YoY. The traction in deposits that we had mentioned in our Q1 earnings call is clearly evident now with 4% QoQ growth in the current quarter. Despite the industry-wide pressure on CASA deposits with overall CASA in the banking industry declining to the pre-pandemic levels of 39%, owing mainly to continuing higher interest rate cycle and today's youth with a higher risk appetite chasing better returns from mutual funds and capital markets, our Bank continues to have one of the best CASA ratios in the industry at 48.60% with CASA in our home territories of JKL, which accounts for around 89% of our deposit base, still above 51.50%. As we speak, the CASA of the Bank is again hovering in the vicinity of 50% with both demand and saving deposits growing over Q2 numbers in absolute terms. With the expected reversal in interest rate cycle in HY2 FY25, CASA is expected to improve.

Advances have grown at 9.5% YoY with higher growth in ROI at 10.8% against the 7.2% growth in JKL, though the QoQ growth has been muted. Part of the muted growth can be attributed to the slowdown in economic activity in J&K on account of the assembly elections which recorded an impressive voter turnout of around 64%. With the successful conclusion of the elections, economic activity in the UT is expected to gather pace. Further, the advances to NBFCs have been restricted by design owing to the caution sounded by RBI. Another factor is the QoQ decrease in the Corporate Loan book of the Bank on account of a conscious decision, for the time being, to focus on higher yielding retail loans compared to corporate loans in order to compensate the pressure on margins on account of higher cost of deposits due to change in mix and the results are evident with an improved NIM QoQ.

Personal Finance has grown at 11.4% YoY, most prominent being housing loans with growth of 15.6% YoY. ROI growth of 20.3% YoY in personal loans, with 21.2% in housing loans and 25.7% in car loans, is in line with the Bank's strategy of making inroads in retail loan



## Board Secretariat

segment in ROI. Sectoral credit to SME has also recorded a YoY growth of 12.7%. The geographical loan book composition continues to be at around the same levels - 72:28 for JKL and ROI with a retail corporate split of around 2:1 with retail loans being dominant in JKL and corporate loans dominating the ROI loan book.

The income statement reflects a good growth with interest income for HY growing at 12.9% YoY and other income at 17.1% YoY while the operating costs have been restrained, owing to the moderation of employee costs, declining 3% YoY for HY. Operating profit for the HY has grown by 30% YoY registering an impressive increase of 32.3% QoQ. The Bank continues to register impressive profits with PAT for HY increasing 36.6% YoY, being recorded at Rs.966.41 crores for this half year.

Despite the industry-wide pressure on margins, which is evident in our case also with the increase in Cost of Deposits for Q2 to 4.80% - on account of higher accruals to term deposits, Bank has not only been able to maintain but has recorded an improvement in NIM to 3.90% for this quarter and NIM for half year is recorded at 3.88%, which is above our conservative guidance. The annualized Return on Assets and Return on Equity for HY have been recorded at 1.24% and 16.52%, and are on the right trajectory as per our guidance for this fiscal. Cost to Income ratio, which has been a persistent concern during the recent years, has come down below the level of 60%, being recorded at 54.56% and 58.07% for quarter and half year respectively and is expected to continue to moderate in the short to medium term.

In terms of asset quality, the gross slippage ratio continues to be under control and is below the 1% mark - 0.91% (annualized) for the half year against 1.25% for HY1 FY24. Though the total NPA (including TWO) has come down owing to TWO recovery of Rs.92 Crores, which also reflects in the boosted other income for Q2, GNPA and NNPA have recorded a marginal increase QoQ and have been recorded at 3.95% and 0.85% respectively as on 30 September 2024. PCR continues to be at a healthy level of above 90%. The marginal increase is partly on account of recovery actions under SARFAESI slowing down owing to the unavailability of revenue officials, who were engaged in facilitation of J&K assembly elections.



## Board Secretariat

The restructured portfolio is also holding well with collection efficiency in standard restructured accounts at almost 100% during the quarter and half-year.

The provision requirement on account of ageing of NPAs for the second half-year is estimated at about Rs.127 Crore but with our expected recoveries and resultant provision write backs, we expect the credit cost to be benign for the current fiscal. Even in the current quarter, there is no credit cost in spite of the marginal increase in Gross NPA.

CRAR has been recorded at 14.99% and CET 1 at 11.66%, without reckoning the half-yearly profit which has an impact of 100 bps. With continuing healthy internal accruals, we are not looking at raising any additional equity during the current fiscal but may consider raising debt capital in the second half-year, if need be.

At last an update on the continuing BPR transformation journey. The Bank has implemented WhatsApp Banking for offering an additional channel for servicing of customers. The Bank has also embarked on an ambitious transformational journey towards a revamped Sales and Service Operating Model for the Bank dubbed as 'J&K Bank 2.0' for which Ernst & Young has been roped in as a consultant. This project is a conscious and strategic move to break free from the constraints of traditional banking, propelling the Bank towards a future where agility, sales excellence and customer-centricity define our operations.

We maintain our earlier guidance for FY 2025.

- Credit Growth of ~ 15%
- Deposit Growth of ~ 12%
- CASA ~ 50%
- NIM ~ 3.75% to 3.85%
- RoA ~ 1.25% to 1.30%
- RoE ~ 17% to 18%
- GNPA ~ 3.50%



## **Board Secretariat**

I thank you all and acknowledge your guidance, support and trust and we expect it to continue in the coming days.

I will be glad to have your questions now.....Thank you very much.

### **Concluding remarks after Q&A session**

Thank you, \_\_\_\_XX Moderator XX\_\_\_\_\_, and thank you to all the participants for joining in today and being part of the healthy interaction. We hope to remain engaged more often and we will be looking forward to your suggestions and guidance for further betterment of our institution.

For any further questions, queries, details, comments or anything else, the team is always available and you can also direct your queries to our Investor Relations desk and we will definitely respond...