



Board Secretariat

Ref: -JKB/BS/F3652/2019/260
Date: 10th June, 2019

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

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai - 400 001
Scrip code:532209

SUB: - REPLY TO CLARIFICATION

Dear Sirs,

With reference to the clarification sought with regard to the news item appearing in the media, we submit as under:

Decision regarding cessation of directorship of Mr. Parvez Ahmed and subsequent appointment of Mr. R. K. Chhibber as Chairman cum Managing Director of the Bank was taken by the J&K State Government and conveyed to the Bank on June 08, 2019. Reserve Bank of India has approved appointment of Mr. R. K. Chhibber as interim Chairman cum Managing Director of the bank for a period of three months w.e.f. June 10, 2019. Intimation regarding this has already been made to the exchanges by the bank.

With regard to the news of raids conducted by Anti-Corruption Bureau on the bank's headquarter, the promoter director on Board of the bank clarified during the investor / analyst call dated June 10, 2019 that investigation was ordered by the state government on the basis of some complaints / reports of alleged malpractices and governance issues in the bank so that the facts are brought forth. The promoter director also briefed the investors about some of the recent steps taken by the state government with the objective to improve transparency, governance, compliance and profitability of the Bank. The major ones being:

- Splitting the post of Chairman and Managing Director in compliance with RBI and SEBI guidelines.
- Implementation / adoption of regulatory guidelines as applicable to bring in accountability and overall improvement in the functioning of the Bank for improving the transparency levels in the Bank,
- Applicability of key performance indicators at all levels so that everyone knows what is expected of him/ her and evaluation of individual performances vis-à-vis assigned KPIs.
- Adopting / following best practices in the corporate sector with regard to delegation of powers to the Chairman, the Managing Director and the Board for ensuring that the functioning of the Bank is absolutely in sync with what the investors would desire.
- Strengthening the preventive vigilance mechanism in the Bank so that emerging issues are addressed on real time basis.
- Further improvement in the information systems to bring it on par with the best practices in the sector.
- Further strengthening Board oversight of the functioning of the bank for better risk management, reduction of aggregate risks and improved compliance function so that the bank earns a better risk rating from the RBI and other credit rating agencies.



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- Assurance to the investors that the steps being taken are basically intended to make the Bank even better.
- There would be no adverse financial implications of the investigations on the Bank.

Further, we submit that all the material information, that has a bearing on the operation/performance of the Bank which include all price sensitive information under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been disclosed by the Bank within the stipulated time frame. The Bank has always provided timely information sought by the Stock Exchanges and hence, any movement in price of the Shares of the Bank is apparently market driven and that the Bank has no control on the same.

Thanking you

Yours faithfully
For The Jammu & Kashmir Bank Ltd.

A handwritten signature in blue ink, appearing to read "Shafi Mir", is written over a faint, light blue circular stamp.

(Mohammad Shafi Mir)
Company Secretary