



Board Secretariat

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National Stock Exchange of India Limited
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Bandra (E) Mumbai - 400 051
Symbol: J&KBANK

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

Sub:- Transcript of Conference Call held on October 18, 2025

Dear Sirs,

In continuation to our letter no. JKB/BS/F3652/2025/142 dated October 09, 2025 and pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call held on October 18, 2025 by the Bank in relation to the Reviewed Financial Results of the Bank for the Quarter and Half Year ended September 30, 2025 is enclosed and the same is also available on the website of the Bank under following link:

<https://jkb.bank.in/investor/stockExchangeIntimation/investorrelations>

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully

For Jammu and Kashmir Bank Limited

Mohammad Shafi Mir
Company Secretary



“Jammu & Kashmir Bank Limited
Q2 FY2026 Earnings Conference Call”

October 18, 2025



MANAGEMENT: **MR. AMITAVA CHATTERJEE – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – JAMMU AND KASHMIR BANK LIMITED**
MR. SUDHIR GUPTA – EXECUTIVE DIRECTOR – JAMMU AND KASHMIR BANK LIMITED
MR. SUNIT KUMAR – CHIEF GENERAL MANAGER – JAMMU AND KASHMIR BANK LIMITED
MR. IMTIYAZ AHMAD BHAT – CHIEF GENERAL MANAGER – JAMMU AND KASHMIR BANK LIMITED
MR. RAKESH MAGOTRA – RETAIL BANKING HEAD – JAMMU AND KASHMIR BANK LIMITED
MR. NISHI KANT SHARMA – CORPORATE BANKING HEAD – JAMMU AND KASHMIR BANK LIMITED
MR. RAJESH MALLA TIKOO – IMPAIRED ASSETS PORTFOLIO MANAGEMENT HEAD – JAMMU AND KASHMIR BANK LIMITED
MR. KETAN KUMAR JOSHI – CHIEF FINANCIAL OFFICER – JAMMU AND KASHMIR BANK LIMITED
MR. ALTAF HUSSAIN KIRA – CHIEF RISK OFFICER – JAMMU AND KASHMIR BANK LIMITED
MR. AJAY KOHLI – TREASURY HEAD – JAMMU AND KASHMIR BANK LIMITED

Moderator:

Ladies and gentlemen, good evening and welcome to the Q2 FY2026 Conference Call of Jammu and Kashmir Bank Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. We have with us from the bank, Mr. Amitava Chatterjee, Managing Director and Chief Executive Officer, along with his management team. I now hand the conference over to Mr. Chatterjee. Thank you, and over to you, sir.

Amitava Chatterjee:

Thank you very much, Steev. A very good evening and a warm welcome to all the investors, analysts and other stakeholders joining us today for the J&K Bank September 2025 Earnings Call. First of all, let me introduce my fellow colleagues from the bank's senior management who are accompanying me on this call.

Executive Director, Shri. Sudhir Gupta, our new Chief General Managers Mr. Sunit Kumar and Mr. Imtiyaz Ahmad Bhat; Retail Banking Head; Mr. Rakesh Magotra; Corporate Banking Head, Mr. Nishi Kant Sharma; Impaired Assets Portfolio Management Head, Mr. Rajesh Malla Tikoo; Chief Financial Officer, Mr. Ketan Kumar Joshi, Chief Risk Officer, Mr. Altaf Hussain Kira and our Treasury Head, Mr. Ajay Kohli.

Indian economy has exhibited marked resilience in quarter 1 of FY '25-'26 with a better-than-expected real GDP growth of 7.8%, reaching a 5-quarter high with the dual engines of growth - consumption and investment remaining strong, even though global uncertainty remains elevated in the wake of geopolitical tensions and renewed tariff-related frictions among major trading blocs. Acknowledging India's consistent outperformance amidst this challenging global environment, IMF has increased India's growth projections by 20 bps to 6.6% for 2025, while also revising the global growth forecast upwards to 3.2% for FY '25.

With the domestic economy picking up momentum, the bank has also recorded a substantial improvement in its business numbers with deposits growing by 2.4% sequentially and advances recording a 3.9% sequential growth. On a Y-o-Y basis, the bank has recorded a deposit growth of 10.2% and advances growth of 9.4%, which is broadly in alignment with the overall Y-o-Y deposit growth of 9.5% and advances growth of 10.3% recorded by all Scheduled Banks as on 19th September 2025 as per the latest data published by RBI.

One of the highlights of this quarter has been the growth in CASA deposits at 2.8%, outpacing the growth in term deposits at 2%, resulting in an improvement in the bank's CASA ratio from 45.71% recorded on 30th June '25 to 45.89% as on 30th September 2025. Even though the improvement may seem marginal, however it is remarkable considering that it is after a period of nine consecutive quarters that the bank has witnessed an improvement in its CASA ratio on a sequential basis and it comes at a time when the industry CASA ratio has fallen from a 25-year high of over 42% in March '22 to around 36% in June 2025 as per a CRISIL report.

On the advances side, Rest of India book has recorded a Y-o-Y growth of 16.1% against a growth of 5.9% in Jammu and Kashmir and Ladakh, which is in alignment with the bank's vision of achieving a 50-50 split of the loan book between JKL and ROI over the medium to long-term. Quarterly numbers also present a similar trend with Jammu Kashmir and Ladakh recording a loan growth of 2.8% whereas Rest of India, which at present contributes around 30% of the total loan book of the Bank, has recorded a growth of 6% for the same period.

Sector-wise, Corporate and Agriculture, which together constitute around 40% of the Bank's loan portfolio, have been the best performers both on a Y-o-Y and a sequential basis, witnessing a growth of 11.7% and 27.4% Y-o-Y, respectively. In Personal Finance, which alone constitutes around 38% of the loan book, Y-o-Y growth is 6.9%. Within Personal Finance also, the Rest of India growth at 12.9% Y-o-Y is more than double that of Jammu Kashmir and Ladakh - 6.2%, again in line with our plans of expanding our retail footprints across the rest of the country. Major growth contributors in the Personal loan category are housing and car loans, constituting roughly half of the personal loan portfolio, with both recording a double-digit Y-o-Y growth in Rest of India geographical division.

Profitability for the quarter has moderated on Y-o-Y basis, in line with broader industry trends, though sequential performance has still marginally improved with net profit for this quarter being recorded at INR494 crores with a 1.9% QoQ growth despite a substantially lower TWO recovery in this quarter. The moderation in profitability across the industry has been brought about by the pressure on margins, as expected, after RBI's cumulative rate cuts of 100 bps, with our NIM also contracting to 3.56% for this quarter against 3.90% for the same period in the previous year. The contraction in NIM has been brought about by faster transmission of rate cuts on the lending side compared to the transmission on liabilities side as well as due to migration of CASA balances to Term Deposits. As per the RBI bulletin of September 2025, whereas the Weighted Average Lending Rate on outstanding rupee loans of Scheduled Commercial Banks for the period February to August 2025 declined by 49 bps, Weighted Average Domestic Term Deposit Rate on outstanding Term Deposits has declined by 17 bps only. The impact is evident in our case also with our yield on advances declining to 9.20% for this quarter against 9.57% Y-o-Y and Cost of Deposits being recorded at 4.86% for this quarter. However, we believe that the Cost of Deposits has now peaked and NIM has bottomed out, unless there is a further repo rate cut.

Besides the aforesaid factors which have had an industry-wide impact, our profitability in this quarter has again been impacted due to reduction of Other Income on account of impairment provision of INR92 crores on our investment in Jammu and Kashmir Grameen Bank, in addition to the provision of INR87 crores made in the previous quarter. Despite taking this one-off hit of INR180 crores during the half year, we have still posted a Y-o-Y growth of 1.3% in our half yearly net profit. If we exclude the impact of INR180 crores, our net profit growth for the first half-year would have been around 20% Y-o-Y (without considering tax impact).

On the costs side, our operating costs for the quarter continue to be well under control with just a marginal 2.2% Y-o-Y growth.

GNPA has not only been contained but reduced to 3.32% with GNPA in absolute terms also reducing sequentially and gross slippage ratio for the quarter, on an annualized basis, being below 0.90%, which is pleasing and should allay concerns around asset quality, especially in light of the disturbances affecting our core geography in the first quarter, followed by natural calamities - floods and landslides in the second quarter. Consequentially, NNPA has also been reduced to 0.76%, while PCR continues to be healthy above 90%.

It is pertinent to mention here that post declaration of the unfortunate Pahalgam incident and subsequent conflict as disturbances across the UT of J&K by the Government of J&K, on recommendations of Jammu and Kashmir Union Territory Level Bankers' Committee, Bank has formulated a special rehabilitation package for the affected borrowers wherein the borrowers can avail relief by way of extension in repayment period, interest funding, moratorium and additional working capital.

CRAR has been recorded at 15.27% with CET1 at 12.11%. This is without reckoning the net profits for half-year which has an incremental impact of more than 90 bps.

Due to the hit of INR180 crores on account of the impairment provision, the annualized Return on Assets and Return on Equity for the half-year have been recorded below our guided range at 1.17% and 14.52% respectively.

Consequently, we are revising our guidance for RoA and RoE for the current financial year to reflect this exceptional and unforeseen substantial impairment provision. However, excluding this one-off item, our underlying operating performance and upward core profitability trajectory remain intact.

So the market guidance for FY '25-'26, credit growth 12%, deposit growth 10% CASA 48%, NIM 3.65% to 3.70%, RoA 1.20% to 1.25%, RoE 15% to 16%, GNPA below 3%.

Thank you for your time today, on a Saturday evening. We appreciate your continued interest and support.

We can start the questions now.

Moderator: Thank you very much. We will now begin the question and answer session. We have our first question. It's from the line of Sahil Mahajan, an Individual Investor. Please go ahead.

Sahil Mahajan: Sir, I want to know about the current status of the GST notice of INR16,000 crores?

Amitava Chatterjee: Okay. Sahil. Thanks, Sahil, for this question. That GST notice has not been pursued by the GST Council. We had already obtained a stay on the notice from the court and the court had given a time line to the GST Council to come and present their case, and they have not done it. So we are waiting for the court's judgment. In all probability as they have not contested the stay, so it is definitely going to be in our favor.

- Sahil Mahajan:** Okay. Thank you. And what is the number of branches going to open in this financial year, any idea?
- Sahil Mahajan:** We have approximately -- just a second. We have a plan to open 11 branches this year. And three branches which were not opened last year also, we are going to add, so close to 14 branches.
- Sahil Mahajan:** Okay. Thank you.
- Moderator:** Thank you. The next question comes from the line of Ronak Daga with Kotak AMC. Please go ahead.
- Ronak Daga:** So sir, I can see that you have made a provision for standard assets for negative INR13 crores. So can you tell me the nature of the same?
- Amitava Chatterjee:** Okay. That is a release of provision for non-fund exposures of NPA borrowers.
- Ronak Daga:** And sir, you mentioned something of the prudential provisions, I guess, in the opening remarks. Actually I missed the same. So can you just repeat on the same?
- Amitava Chatterjee:** Okay. So that is something which we could not avoid. If you are aware that Ellaquai Dehati Bank, a Grameen Bank sponsored by State Bank of India has got amalgamated with J&K Grameen Bank and the combined entity now is called Jammu and Kashmir Grameen Bank. So, on account of the impairment of assets related to this amalgamation, the Ellaquai Dehati Bank obviously was not doing well and it had losses.
- So the impairment has resulted us an additional provision of INR92 crores this quarter and INR87 crores last quarter. So we have had to provide for INR180 crores. This is a onetime event, and this was something which -- I mean, if you want to know, we are the only private sector bank in the country, which has a Grameen Bank. And no other private sector bank has Grameen Bank.
- And that too, we had a bank -- another regional rural bank being amalgamated with our Grameen Bank, whereas our Grameen Bank was doing very well before that. So this is something which -- I mean, it was a policy decision by the government, and we have accepted it. And going forward, we would want to ensure that the combined entity does well in future.
- Ronak Daga:** So sir, this INR180 crores you have provided in this quarter only?
- Amitava Chatterjee:** No, INR92 crores this quarter and INR87 crores last quarter.
- Ronak Daga:** Okay. And just last one data keeping question. What is the normalized credit cost and CASA ratio that you are looking for in the near term?
- Amitava Chatterjee:** The credit cost, I have always said it will be below 1%. So we do not foresee even after -- I mean, I just want to explain that to you. Even after what has happened through in this geography

for the last 6 months, we have managed to reduce our NPAs, not only in percentage terms, but also in absolute terms.

So the credit cost, as I've always maintained will be fairly low, although there is some stress because of the natural calamities, which, again, we have the opportunity through the rehab program to ensure that they do not turn into NPAs. So the credit cost will remain low. And the second, CASA see -- CASA, we have improved slightly.

And this has happened after a lot many quarters, 9 quarters. So we are into a very strong campaign for CASA growth, which has resulted in this and which is in future also is going to. We have a very strong focus on CASA growth, and we believe that we'll be able to reach the guidance number of 48%.

Ronak Daga: Okay, sir. Thanks a lot.

Moderator: Thank you. We have a follow-up question. It's from the line of Sahil Mahajan, an Individual Investor. Please go ahead.

Sahil Mahajan: I want to know if there is any guidance on the total profit in this financial year?

Amitava Chatterjee: Please come again, total?

Sahil Mahajan: Profit?

Amitava Chatterjee: Profit?

Sahil Mahajan: Yes.

Amitava Chatterjee: Normally, there is no guidance on profit. But I would say that as an investor, you won't be disappointed. And it will definitely be better than what we have recorded last year. We have been recording record profits every year. So we intend to continue with that.

Sahil Mahajan: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will be concluding the call in one minute in case of no further questions. We have a follow-up. It's from the line of Ronak Daga with Kotak AMC. Please go ahead.

Ronak Daga: So sir, I can see that your margins have gone down by 16 basis points. So can you just throw some light on the same and how are you looking at the margins going ahead?

Amitava Chatterjee: As I mentioned, see, the two components of margin, let's take deposits, I said that the deposit rates have now peaked. So I do not see any further increase in the deposit rates. Going forward, we'll have a better cost of deposit situation. And as far as advances are concerned, we are very actively looking at our retail credit growth.

So both together and we also have certain plans and strategies for our retail credit growth in Rest of India, which, again, I mentioned that it has shown a very good improvement in the last quarter. We intend to continue with that. So it has come down. If you consider the repo rate cut has been 1%, that is 100 basis points, considering that our hit on the NIM has been lower than that.

So we still have a very strong portfolio -- credit portfolio, which can take care of our interest income. And also, you should consider the fact that this bank has one of the industry's best CASA ratio. So coupled with all these things put together, I think we will be meeting the annual guidance that we have given of more than 3.6%.

Ronak Daga:

Okay, got it. That is from my end. Thank you.

Moderator:

The next question comes from the line of Keshav Karwa with White Pine Investment Management. Please go ahead.

Keshav Karwa:

Thank you for the opportunity. I just wanted to know your strategy of how are you seeing the asset quality shaping up in H2?

Amitava Chatterjee:

See, I will stick to the guidance of NPA level less than 3%. I have a very strong pipeline of assets which are under resolution. So -and also that the slippages have been under control largely. And in this geography whatever has happened, we still have the benefit of the rehabilitation package to be implemented. So I'm very sure -- see, even in this quarter, when all things looked very bleak, very gloomy, we have reduced our NPA, not only in percentage terms, but also in absolute terms. So going forward, we'll further reduce it and we intend to bring it below 3% by the end of this year.

Keshav Karwa:

Okay, sir. Thank you.

Moderator:

Thank you. The next question comes from the line of Naveen Chopra, an Individual Investor. Please go ahead.

Naveen Chopra:

Sir, my question was that in the last few calls, I remember hearing that bank was deploying IT operations. And it was mentioned that retirement of old workforce would contribute to lower cost. But I'm seeing cost-to-income ratio going up from 54% to about 60%. My question was what's driving this and what's the outlook for the rest of the year?

Amitava Chatterjee:

See, I mentioned the cost-to-income ratio has gone up on account of the provision that we had to make for the merger of EDB Bank with our Grameen Bank. If we remove it, it comes down substantially. And also, the staff cost if you have a sense of the staff cost, it has gone down over a period of time. So eventually our aim is to bring down this cost-to-income ratio. This has happened because of policy decision of the government and we have accepted it.

And we intend to improve upon the performance of the bank so that in future, we can write back these provisions. So that is our intent. We do not want to cry about it. We want to work on it. We want to improve and we have already started the journey and the combined entity has been in operating profit this quarter and also net profit this quarter.

Naveen Chopra: Got it. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, we'll be concluding the call in one minute in case of no further questions. Thank you.

As there are no further questions, I would now like to hand the conference over to Mr. Amitava Chatterjee for closing remarks.

Amitava Chatterjee: Thank you, Steev and thanks to all the participants for joining in today. Before we conclude, I would like to wish all of you a very happy and prosperous Diwali.

For any further questions or queries, you can contact our Investor Relations Desk. Thank you. Thank you very much.

Moderator: Thank you. On behalf of Jammu and Kashmir Bank, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.