INVESTOR BRIEF FOR JUNE 2026

Good Afternoon and a warm welcome to all the investors, analysts and other stakeholders joining us today for the J&K Bank June 2026 Earnings Call.

Before starting with the numbers, let me introduce my fellow colleagues from Bank's senior management who are accompanying me on this call:
Executive Director, Mr. Sudhir Gupta

Chief General Managers –Mr. Imtiyaz Ahmad Bhat, Mr. Ashutosh Sareen, Mr. Rajesh Malla Tikoo and Mr. Sunit Kumar

Deposit Liability Management Head, Mr. Peer Masood Ahmad

RAM Banking Head, Mr. Sanjay Gupta

Corporate Banking Head, Mr. Suresh Kumar Chowdhary

Impaired Assets Portfolio Management Head, Mr. Irfan Anjum

Chief Financial Officer, Mr. Ketan Kumar Joshi

Chief Risk Officer, Mr. Altaf Hussain Kira

And our Treasury Head – Mr. Ajay Kohli

The first quarter of this new financial year unfolded against a backdrop of elevated global uncertainty with the global economy navigating through a turbulent phase. While the global economy was continuing to grapple with heightened uncertainties emanating from fragile geopolitics and supply chain pressures, tensions have intensified towards the close of the quarter and in the weeks thereafter due to the breakdown of diplomatic efforts to de-escalate tensions the Middle East. The International Monetary Fund (IMF), in its July 2026 World Economic Outlook Update, has revised down its global growth forecast for 2026 by 10 bps compared to its earlier April projections, while also trimming India's GDP growth forecast for FY 2026-27 by 10 bps to 6.4%, reflecting the adverse impact of the geopolitical tensions.

Notwithstanding the uncertain external economic environment and the fact that traditionally, the first quarter is considered to be a seasonally softer period for the banking industry, the Bank has delivered a healthy growth across both deposits and advances, outpacing the system growth, with a YoY growth of 16.75% and 25.44% in Deposits and Advances respectively. Even on a sequential basis, the Bank has registered a healthy growth of over 4% in deposits as well as advances. This marks the first time in last 6 years that the Bank has been able to post a sequential deposit growth in the first quarter. During this quarter, the Bank also crossed the Rs.3 trillion business figure, marking a defining milestone in its 88-year journey. While it took the Bank a decade to reach a business of Rs. 2 trillion from Rs.1 trillion, the journey from Rs.2 trillion to Rs.3 trillion has been completed in just over 3 years' time reaffirming the Bank's successful transformation over the past few years.

As part of efforts for diversification of the business portfolio, the Bank continues to make progress towards its objective of enhancing the share of business from Rest of India Division, with ROI Division now contributing around 26% of the business as on 30th June 2026 compared to less than 20% a year ago. This is a reflection of a steady execution of our calibrated expansion strategy beyond our core geography and is helping create a more balanced and diversified balance sheet. We would also like to emphasize on the fact that this diversification has been achieved without compromising on our market leadership in our home territories of J&K and Ladakh. The Bank continues to maintain its dominant position in J&K and Ladakh with a commanding market share of 61.13% of banking business as on 31st March 2026 and has recorded an improvement in the deposit market share in 19 out of the 22 districts in J&K and Ladakh during FY 2025-26. Both these combined, position the Bank for a diversified and sustainable long-term growth.

During the first quarter, Corporate Credit growth has outpaced the growth in Retail Credit which has been the broad industry trend, as higher bond yields have pushed companies back to the banking system. Also, in our case, this is partly on account of a tactical response to the prevailing market opportunities and economic conditions, wherein we exhibited a conscious preference for selective lending to well-rated corporates with sound fundamentals. However, that said, the strategic positioning of the Bank as a retail-focused bank remains unchanged with Retail, Agriculture and MSME Loans (RAM) constituting around two-thirds of our Loan Book.

The Bank's Retail Advances have also registered a double-digit YoY growth. Within RAM, Bank has registered a YoY growth of around 18% in Agricultural Advances. Our Personal Loan segment in ROI also continues to grow at a decent rate, recording a YoY growth of over 12%. Amongst Personal Loans, Car Loans has been the best performing segment across all divisions with a YoY growth of over 20% at the Bank level and over 30% in the ROI Division. Housing and Education loans in ROI Division have also recorded a double-digit YoY growth.

On the liability side, our deposit franchise has remained resilient despite an intensely competitive environment with both JKL and ROI Divisions recording a double-digit YoY growth. The growth in Term Deposits has outpaced the growth in CASA Deposits, growing by over 24% YoY with CASA Deposits growing by around 7.5%. This is an industry-wide phenomenon driven by the evolving customer preferences for relatively higher-yielding deposit products and increasing financialization of savings, which is substantiated from the increase in share of Term Deposits in the Total Deposits, across all Scheduled Commercial Banks, from 58% in Fiscal 2019 to 61% in Fiscal 2026 and from increase in share of equities and mutual funds in savings in financial assets from 27% in FY 2019-20 to 46% in FY 2024-25. The Bank has recorded a CASA Ratio of 42.06% on 30th June 2026, as CASA Deposits have declined sequentially. However, this decline in CASA deposits during the first quarter needs to be viewed as a trend witnessed in the Bank over a decade barring in the June 2020 quarter, a period impacted by the Covid 19 pandemic.

Now, turning to our financial performance, the Bank has recorded an operating profit of Rs.703 crores for the quarter, registering a 5% YoY growth. While the Bank has witnessed an increase in Net Interest Income, on both YoY as well as sequential basis, the Other Income for the quarter has been relatively subdued on account of lower recoveries from technically written-off accounts. However, as these recoveries are inherently timing dependent and tend to fluctuate across quarters, this is just transitory in nature and we expect such recoveries to continue contributing substantially to other income in the near to medium-term considering the pool of written-off accounts. The operating expenditure also continues to remain well contained. On account of a higher standard asset provisioning for the current quarter, necessitated by a healthy growth in advances, as compared to a de-growth of around 3% in the corresponding period last year resulting in reversal of standard asset provision, the net profit for the quarter has been recorded at Rs.424 crores, which is below the number for the corresponding period last year.

Pursuant to a year of aggressive rate cuts, nearly two-thirds of all bank credit in India now carries an interest rate below 9 compared to around 44% a year earlier, as per RBI data. This has resulted in shrinking of Yield on Advances across the industry and we have also witnessed the same on a YoY basis, with Yield on Advances for this quarter being 8.56% against 9.35% for the corresponding period last year. Though, on a sequential basis, the yields have improved marginally from 8.51% in the previous quarter.

Simultaneously, amidst the continued intense competition for deposits and the Bank's focus on maintaining a stable funding base amid strong credit demand, the transmission of the rate cuts has been limited on the Deposit side. As a result, the Cost of Deposits has only moderated by 9 bps from 4.83% a year ago to 4.74% for this quarter. Resultantly, the NIM for the quarter has witnessed compression, being recorded at 3.28%.

Despite an operating environment marked by heightened macroeconomic uncertainty, our Gross Slippages (Annualized) were below 0.5% for the quarter and SMA numbers continue to moderate, which reflects the resilience of our portfolio, the quality of lending as well the disciplined underwriting standards. As we pursue growth across both our core markets and ROI, our focus remains on quality over quantity, which is evident from the continuing improvement in asset quality with GNPA and NNPA as on 30-06-2026 being recorded at 2.37% and 0.60% respectively. PCR also continues to remain at a healthy level of above 90.5%.

The Bank continues to build upon its capital buffers, recording a Capital Adequacy Ratio of 16.67% as on 30th June 2026 with CET 1 of 13.91%.

In the period gone by, the Bank also achieved another milestone with the share price of the Bank touching an all-time high, on a split-adjusted basis, of Rs.202.00 and Rs.201.75 on BSE and NSE respectively on 10th July 2026 and the Bank's market capitalization crossing Rs.20,000 crores for the first time ever. The institutional shareholding in the Bank continues to increase with FIIs and Domestic Mutual Funds, together holding 15.74% share as on 30th June 2026 compared to only 11.50% a year ago.

Before we open the session for questions, I would like to conclude by stating that this quarterly performance should be viewed in entirety, as another important milestone in our continuing growth journey rather than just through the prism of short-term profitability. The choices and decisions that we have made during this quarter have been conscious, strategic and forward looking with sustaining business momentum and strengthening our liability franchise being the priorities, even in an environment characterized by elevated funding costs and margin pressures. And the results are visible in a business growth outpacing the system, reversal of a 5-year trend of deposit de-growth in the first quarter, regaining of deposit market share in JKL, diversification of our business portfolio with enhanced share from ROI and controlled slippages. As we look ahead, we believe that the operating environment is going to improve with economic activity having already picked up in J&K as tourism has returned to normal and we are hopeful that the geo-political tensions will also ease. With an improved economic environment and the policy rate easing cycle over, combined with the initiatives that we have taken for expanding our retail franchise and enhancing our operational efficiency, we believe that these decisions will progressively translate into improved profitability and long-term value creation for all our stakeholders.

We would like to keep the guidance for FY 2026-27 unchanged for now and will re-assess the same only after our Q2 results:

- Credit growth - 12%
- Deposit growth - 10%
- CASA - 45%
- NIM – Around 3.50%
- RoA – Maintain around FY 2026 levels
- RoE – Around 16%
- GNPA – Below 2.25%

Thank you for your time today and for giving me a patient hearing. We can start with the questions now.

Concluding remarks after Q&A session
Thank you Avinash and thank you to all the participants for joining in today.

For any further questions or queries, you can contact our Investor Relations desk.