

# Unleashing Power of Shared Prosperity

► FACILITATING ATMA-NIRBHARTA



75  
Azadi Ka  
Amrit Mahotsav

G20  
भारत 2023 INDIA

Celebrating  
25  
years of IPO

YOUR BANK  
SINCE 1938

ANNUAL REPORT  
2022-23



## QUICK INFORMATION

S.No	Particulars	Details
1.	Day, Date and Time of AGM	Thursday, August 24, 2023 at 11:00 A.M. (IST)
2.	Venue	Sher-I-Kashmir International Conference Centre, Srinagar -190 001
3.	Cut-Off Date for E-voting	Thursday, August 17, 2023
4.	Remote E-voting Start Date and Time	Monday, August 21, 2023 at 09:00 A.M (IST)
5.	Remote E-voting End Date and Time	Wednesday, August 23, 2023 at 05:00 P.M (IST)
6.	Remote E-voting Website	<a href="https://evoting.kfintech.com">https://evoting.kfintech.com</a>
7.	Name of E-voting Service Provider	M/s Kfin Technologies Limited
8.	Name of Registrar and Share Transfer Agent	M/s Kfin Technologies Limited
9.	Name of Scrutinizer	CA Majaz Ahmad Bhat
10.	Dividend	50%, i.e 50 Paise per Equity Share of Face Value Re. 1/- (Subject to the approval of Shareholders)
11.	Record Date for Dividend Payment	Thursday, August 17, 2023



# Unleashing POWER of Shared PROSPERITY

► FACILITATING ATMA-NIRBHARTA



## INSTITUTIONAL Mission

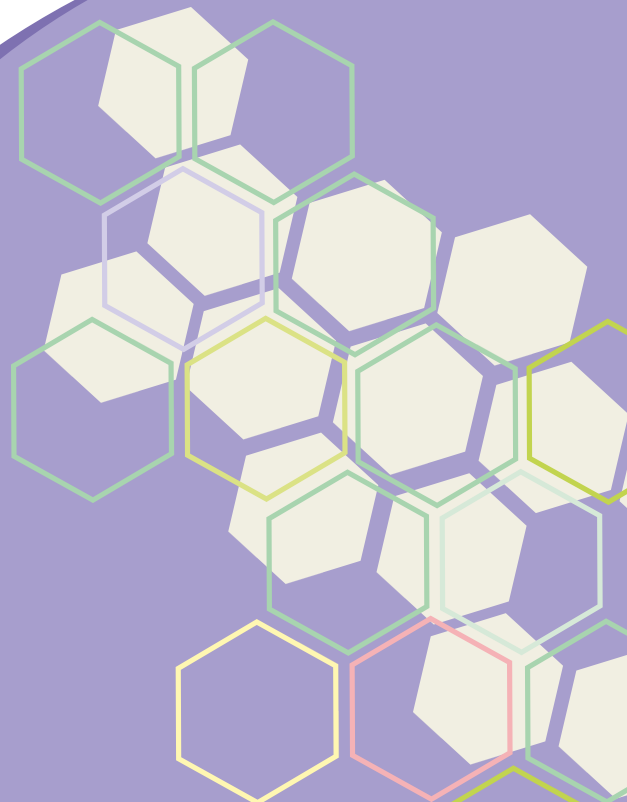
Our objective as the premier financial institution has been to realise the Union Government's vision of inclusive, equitable and sustainable economy while promoting the idea of self reliance.

We are working in a mission mode to saturate self-employment in J&K & Ladakh by encouraging "Atmanirbharta" of people especially youth.



**J&K Bank**  
Serving To Empower

YOUR BANK  
SINCE **1938**





# Youth Empowerment as National Focus



▶ While the nation is taking longer strides towards becoming the third largest economy in the world, the government is taking serious and long-term measures to provide jobs to youth across the country. Youth empowerment continues to be the national focus with emphasis on skill development, knowledge Updation and youth employment. With country's more than 40% population below 25 years, the measures are afoot to meet the challenge of harnessing the great demographic dividend.



### A BIG STEP TOWARDS ATMANIRBHAR BHARAT

In order to deal with the various challenges, the Union Government initiated an ambitious Atmanirbhar Bharat program. The idea is to make the country and its people self-reliant and independent by all means so as to reduce unemployment, insolvency, and poverty. Atmanirbhar Bharat Abhiyan contains bold reforms initiatives across various sectors to promote business, attract investment, improve local supply chain and further strengthen Make in India to drive the country's economy towards self-reliance in coming years.



### J&K GOVERNMENT'S INNOVATIVE OUTREACH PROGRAMS

Unemployment is also a cause of great concern in the J&K. However, to check the menace of unemployment, a couple of J&K UT Government devised an innovative and unprecedented outreach programs 'Back to Village' and 'My Town My Pride' to involve the people and government officials in a joint effort to deliver the mission of equitable development especially across the rural landscape of the UT.

The idea was to ensure that the benefits of growth and development reach out to the man standing at the last mile whether at Panchayat or Block level.



### OUR LEGACY OF SERVING TO EMPOWER

Being the bank of systemic significance in J&K's growing economy, J&K Bank joined efforts with other banks operating in the UT to facilitate common man, farmers, industries, SHGs and young entrepreneurs. Guided by its remarkable missionary legacy of Serving to Empower by making people self-reliant, J&K Bank empowers people financially especially youth so that they realize not only their own economic pursuits but establish employment generating entrepreneurial ventures to make more and more youth Atmanirbhar.





# Leading from the FRONT

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As Convener UTLBC, J&K Bank has always taken the lead in implementing the idea of Atmanirbharta or self-reliance at grass-root level through an array of financial products besides other government sponsored schemes tailored to meet varied economic needs of the people especially youth.

Bank's major role in cementing this idea of Atmanirbharta in the UT of J&K was evident last year when out of all the Banks operating in the UT, J&K Bank alone contributed over **90%** in providing self-employment opportunities to more than **92000** youth of J&K during the UT Government's flagship programs i.e. **'Back to Village (B2V-4)'** meant for Gram Panchayats in rural areas and **'My Town My Pride (MTMP-2)'** at Block level in towns.

Notably, the Bank has recently kick-started 'Employment Generation Campaign' titled **"Swarozgar Utsav"** for providing gainful self-employment opportunities to 1 lac youth of Jammu & Kashmir.

## Centrally sponsored schemes

Additionally, the Bank has been financing the youth irrespective of location, gender and status under different schemes sponsored by the Union and UT Government.



### PM SVANIDHI

AMOUNT DISBURSED FOR FY 2022-23 :  
**RS. 2365.10 LACS**



### PRIME MINISTER MUDRA YOJANA (PPMY)

AMOUNT DISBURSED FOR FY 2022-23 :  
**RS. 306536.55 LACS**



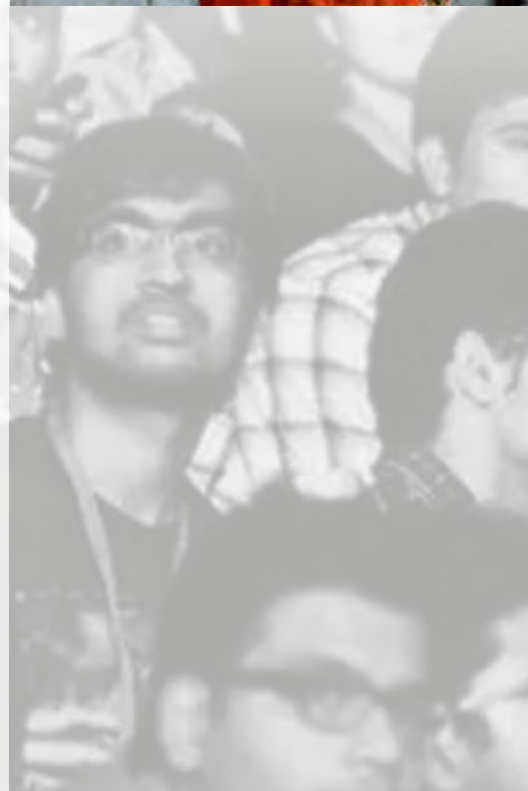
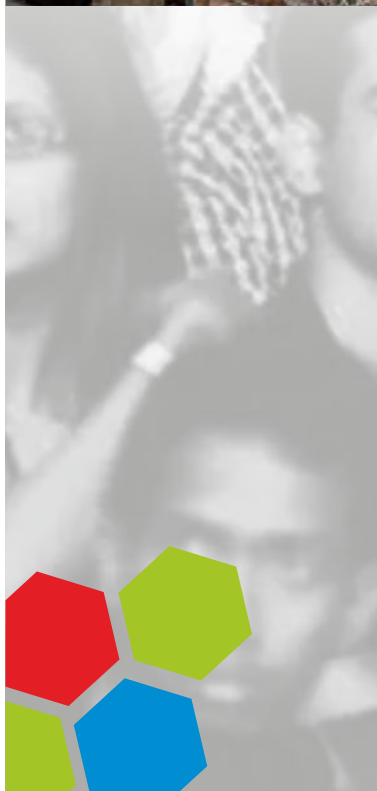
### PRIME MINISTER EMPLOYMENT GENERATION PROGRAM (PMEGP)

AMOUNT DISBURSED FOR FY 2022-23 :  
**RS. 113511.32 LACS**



### NATIONAL RURAL LIVELIHOOD MISSION (NRLM)

AMOUNT DISBURSED FOR FY 2022-23 :  
**RS. 29253.12 LACS**



## Acknowledgement from the Top State Functionaries

I feel delighted to be part of this programme of J&K Bank that is doing a commendable job of providing self-employment to the youth, progressing ahead with a clear digital vision, and enhancing financial awareness of the people while deepening financial inclusion -

Union MoS Finance  
Dr. Bhagwat Kishanrao Karad



On behalf of people of J&K, I wholeheartedly express my gratitude to J&K Bank and its management for playing leading role in facilitating self-employment among youth during the Government's flagship B2V4 and MTMP2 programs, wherein thousands of aspiring and energetic persons have benefited by availing a range of Government sponsored schemes besides tailor-made products of the Banks -

J&K Lieutenant Governor  
Manoj Kumar Sinha

The way J&K Bank is showing confidence in lending should make all other banks in Jammu & Kashmir to follow the suit -

J&K Chief Secretary  
Dr A K Mehta



## Thankyou J&K Bank



### **Bhoomika Self-Help Group**

"In Bhoomika (Self-Help Group), we are ten ladies engaged in different self-employed ventures like parlour, provision-store, dairy etc. As a group, we approached J&K Bank for financial help and the Bank whole-heartedly supported us. Thank You J&K Bank for making us self-reliant.



### **Tashi Wangtak @ Sugar House Bakery**

"Wanting to be my own boss, I started mini bakery from home. For expansion of business, I went to J&K Bank and within 15 days I got the loan without hassles. Thank You J&K Bank for this sweet success.



### **Farooq Fazili @ Dolphin International School**

"I had a dream but providing quality education to children required world-class infra-structure, for which I turned to the most trusted financial institution - J&K Bank. Thank You J&K Bank for making Dolphin International School a reality.



### **Gagan Jain & Gunjan Jain @ VKC Nuts**

"Besides Jammu, our factories are in Delhi, Mumbai and Bangalore employing hundreds especially women. Our growth is because of continued financial support from J&K Bank that remains ever-ready to help its clients. Thank You J&K Bank for being there in hard-times.

This journey of economic transformation of individuals, groups and societies will continue with a renewed institutional zeal as the Bank keeps partnering in all the initiatives aimed at realising the vision of Atmanirbhar Bharat.



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85<sup>TH</sup>  
ANNUAL  
GENERAL  
MEETING  
(AGM)  
OF THE  
SHAREHOLDERS

Unleashing  
**Power** of  
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## Message from MD & CEO



### Dear Shareholders,

Thank you for joining us today at the Annual General Meeting of your beloved Bank which incidentally coincides with the celebration of Azadi Ka Amrut - 75 Years of Independence. It is my privilege and honor to stand before you as the Managing Director and CEO, representing a dedicated team that worked tirelessly to achieve the business and other targets of the institution successfully.

I am delighted to present the 85<sup>th</sup> Annual Report of the Bank, which outlines the key highlights and performance of the Bank for the fiscal 2022-23. The enclosed Annual Report provides comprehensive details of the Bank's initiatives and achievements during this period.

First and foremost, I would like to express my heartfelt gratitude to our shareholders for their unwavering support and trust. Your confidence in our vision and strategy has been instrumental in supporting our journey towards excellence.

We remain committed to deliver value along with sustainable returns on your investments.

### Economy Overview

Characterized by significant shocks and unprecedented levels of uncertainty, the global economy in the past year witnessed simmering turbulence. Despite the receding impact of the pandemic, prolonged Russia-Ukraine war continued to cast shadow on the world economy. The recent banking fiasco in US has triggered an alarm across the global economies to revisit their monetary policies and address financial vulnerabilities with heightened concern.

Although inflation has partially subsided with central Banks increasing interest rates, but underlying price pressures persist particularly due to tight labour markets in several economies. High levels of debt also restrict the capacity of fiscal policymakers to respond effectively to new challenges. Commodity prices have moderated, but geopolitical tensions remain elevated, posing significant risks. However, post-pandemic opening of China has alleviated supply chain disruptions and rekindled hopes for a moderate economic recovery. According to IMF projections, global growth is expected to reach a low of 2.8% this year before gradually improving to 3.0% in 2024.

Meanwhile, backed by a strong agriculture sector and robust services, the Indian economy displayed resilience despite global uncertainties. During FY2022-23, India's GDP grew at a rate of 7.2%, driven by robust investment and private consumption.

Looking ahead, the projected real GDP growth for India in FY2023-24, as per the Reserve Bank of India (RBI), is 6.5%. This growth is expected to be supported by improving rural demand, the government's emphasis on infrastructure spending, a revival in corporate investments, healthy bank credit, and a moderation in commodity price.

### Banks' Performance

Over the past year, your Bank continued to navigate successfully a rapidly evolving financial landscape. Despite the uncertainties and disruptions, we have maintained our core values and remained committed to delivering remarkable service to our customers. Our dedication to innovation and technology has allowed us to enhance our digital offerings, ensuring a seamless banking experience for our clients.

During the FY2022-23, the deposits of the Bank grew by 6.39% YoY to ₹1.22 Lakh Crore with CASA ratio of the Bank recorded at 54.10%. Gross Advances of the Bank grew by 16.89% YoY, at par with banking industry, from ₹70K Crore to ₹82K Crore.

For the FY2022-23, as a result of tremendous efforts put in by your Bank and improved operational efficiency, your Bank delivered an unprecedented profit of ₹1197 Crore, highest in the history of your Bank.

On the asset quality front, your Bank improved significantly and registered its best asset quality figures over last 8 years and this I would rate as the major takeaway of FY 2022-23. Non-performing Assets (NPA) figures of the Bank have also improved significantly from 8.67% last FY to 6.04%. Net

NPA of the Bank witnessed sharp decline to 1.62%.

Net Interest Income (NII) witnessed a robust growth of 21% from ₹3911.23 Crore to ₹4745.28 Crore. The Operating profit of your Bank during the year stood at ₹1858.49 Crore, a significant improvement of 75% over the last year of ₹1062.46 Crore.

Your Bank has remarkably brought down cost-to-income ratio to 66.22% in FY2022-23 from 77.18% in FY2021-22, a visible change of about 1100 bps. Return on Asset (RoA) stood at 1.37% for Q4 of FY2022-23 against 0.42% last year. Return on Equity (RoE) also reflected resounding improvement of 746 basis points, rising to 15.23% for the FY2023 against 7.77% during FY2022.

Owing to this remarkable performance by the Bank, I am delighted to announce that the Board of your Bank has recommended a dividend of ₹0.50 per equity share of Re.1/- each fully paid for the financial year ended March 31, 2023. This decision reflects our commitment to delivering sustainable growth and maximizing shareholder value.

We believe that our strong financial performance and strategic initiatives have contributed to this milestone achievement. Besides, our focus on risk management and compliance has ensured that we maintain a robust framework to safeguard our stakeholders' interests. Your Bank has consistently adhered to stringent regulatory standards, establishing itself as a trusted and responsible financial institution, resultantly the regulatory rating of your Bank has improved from "D" to "C".

### Strategic Initiatives

During FY2023, your Bank continued undertaking initiatives of strategic significance to achieve the business objectives. Some key initiatives taken during the period are:-

- Upgradation of Large Credit Units to branches for handling corporate credit portfolio for better visibility and seamless services to our customers.
- Establishment of Marketing Heads across the divisions for focusing on generating and mobilization of fresh business.
- In line with Digital India Mission, Bank designated some of its IT resources as "Digimitras" as nodal officers for all kinds of digital initiatives and for promoting digital platforms.
- In case of personal loans to government employees, Bank has extended its instant loan under STP facility with real-time sanctioning and disbursement. J&K Bank is the pioneer for this unique initiative.
- Enhancing complementary accidental insurance cover to ₹25 lakh to J&K Government employees under the initiative 'Azadi ka Amrit Mahaotsav'.

These measures, ranging from strategic to operational levels, have been implemented to align with the broader organizational advancements that have become necessary in the highly competitive landscape of modern banking.

### Transforming Technology

On technology front, your Bank has undertaken an ambitious transformational journey which is aimed at providing efficient, secure, and convenient banking services to our valued customers.

Your Bank is actively embracing new technologies, automating processes, and leveraging the wave of digital adoption to enhance customer experiences, streamline operations, and stay competitive in an increasingly digital world while taking measures to keep it insulated from emerging and increasing

cyber/other security threats.

The flagship mobile banking platform J&K Bank mPay is also being upgraded to next level which shall unify m-Banking, e-Banking, UPI, IMPS experience. The feature-rich enhanced integrated platform shall offer the customers a unique "Bank in the Pocket" experience through ease of use and diverse features for seamlessly undertaking banking & wealth management transactions through their mobile devices.

Your Bank has recently launched its artificial intelligence (AI) driven Chatbot technology to enhance customer service. This AI-powered Chatbot is being used to handle customer queries, provide account information, assist with transactional tasks, and offer personalized recommendations. This operates 24/7, improving customer support and reducing response times.

With the advent of Open Banking Initiatives, your Bank is also embracing collaboration with Fintech companies and third-party developers. This will result in fostering innovation and creating new products and services.

### Customer Delight

With a strong emphasis on customer convenience, your Bank is dedicated to transform customer experience into sheer delight by implementing various initiatives such as updating its interfaces towards customer, introduction of AI-driven chatbot to resolve customer queries, dedicated Large Credit Branches, as well as cash lifting services, and doorstep banking services, all aimed at enhancing the banking experience of our valued customers.

### Way Forward

Looking ahead, we are optimistic about the future of our Bank. Your Bank sees a new phase of accelerated growth unleashing in Jammu and Kashmir, especially in infrastructure, agriculture, agro-based industry and tourism sectors. Being a major player with around 60 percent market share here, we see J&K Bank as a major beneficiary of this imminent growth dynamic.

Moreover, we remain committed to our strategic objectives, including expanding our market presence, further enhancing our digital capabilities, and deepening our customer relationships. We will continue to invest in our employees, empowering them with the tools and knowledge necessary to deliver outstanding results.

### Dear Shareholders!

I would like to take this opportunity to record my appreciation for the hard work and dedication of our employees. Their professionalism and unwavering commitment towards our customers have been instrumental in our success. Our talented team continues to drive innovation, explore new avenues for growth and uphold the values that define us.

Lastly, I want to reiterate our gratitude to our shareholders, customers, and employees. Your unflinching trust and continued support remain foundational to our success.

As we move forward, let us embrace the upcoming challenges with firm confidence in our ability to convert them into opportunities and contribute positively to the future of banking in the country.

Thank you once again for your presence today, and I look forward to a successful Annual General Meeting.

**(Baldev Prakash)**  
Managing Director & CEO