Basel-III --- Pillar-3 disclosures as on 30th September- 2018

Table DF-1: Scope of application :

The Basel III capital adequacy norms are applicable to Jammu & Kashmir bank Ltd.

Name of the head of the banking group to which the Framework applies.	**Jammu and Kashmir Bank Ltd**

Jammu and Kashmir Bank (J&K Bank) is a commercial Bank incorporated on October 1, 1938 and the only state-government-owned scheduled commercial bank in India.

(i) Qualitative Disclosures:

a. The List of group entities considered for consolidation

Name of the entity / Country of Incorporation	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reason for difference in the method of consolidation	Reasons, if consolidated under only one of the scopes of consolidation
----Nil---	----Nil---	----Nil---	----Nil---	----Nil---	----Nil---	----Nil---

b. The List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation is given below.

Name of the entity / Country of incorporation	Principle activity of the entity	Total balance sheet equity	Percentage of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets
J&K Bank Financial Services Ltd	Marketing of Financial Products	` 200 million	100%	The entire amount of `200million has	` 188.01million

				been deducted from capital	

(ii) Quantitative Disclosures

c. The List of group entities considered for consolidation as on 30th September 2018:

Name of the entity / country of incorporation	Principal activity of the entity	Total Balance Sheet Equity	Total Balance Sheet Assets
----Nil---	----Nil---	----Nil---	----Nil---

d. The aggregate amount of capital deficiencies in all subsidiaries, which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries / country of incorporation	Principal activity of the entity	Total balance sheet equity	Percentage of Bank's Holding in the Total Equity	Capital Deficiencies
----Nil---	----Nil---	----Nil---	----Nil---	----Nil---

e. The aggregate amounts (e.g current book value) of the bank's total interests in insurance entities, which are risk weighted:

Name of the insurance entities Country of incorporation	Principal activity of the entity	Total balance sheet equity	Percentage of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
PNB Metlife India Insurance Company Ltd / India	Insurance Business	Rs 1021.89 Millions	5.08%	CRAR will reduce by 0.13% under the deduction method

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group

Not Applicable

Table DF - 2 : Capital adequacy;

1. Qualitative disclosure

1.1 A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.

i) The Bank is subject to Capital Adequacy guidelines of RBI, which are based on the framework of Basel Committee on Banking Supervision. As per Basel III guidelines the minimum capital required to be maintained by the Bank is 10.875% percent with minimum Common Equity Tier 1 (CET1) of 7.375% as on September 2018. Stress analysis is conducted on half yearly basis or as required to see the impact on capital adequacy ratio (CAR) in near to medium horizon.

ii) The Bank assesses its capital requirement based on business projections and opportunities for growth that are in line with the strategic intent of the Bank. The business projections are mapped to credit, market and operational risks which allows for assignment of regulatory capital besides providing capital headroom to meet growth projections. As part of the Internal Capital Adequacy Assessment Process (ICAAP), Bank also assesses adequacy of capital under stress conditions for gauging the adequacy of capital to support not only three primary risks of credit, market and operational risk but other residual risks like interest rate risk in banking book, liquidity risk, credit concentration risk, strategic risk and reputational risk.

2. Quantitative Disclosures Amount in ` million

2.1 Capital requirements for credit risk	• **64645.24**
• Portfolio subjected to standardized approach	• 64645.24
• Portfolios subjected to the IRB approaches	• Nil
• Securitization exposures	• Nil
2.2Capital requirement for market risk (under Standardized duration approach**)**	• **1340.85**
• Interest rate risk	• 734.94
• Foreign exchange risk (including gold)	• 30.60
• Equity risk	• 575.31

2.3 Capital requirement for operational risk	• **4735.39**
• Basic indicator approach:	• 4735.39

2.4 Common Equity Tier 1, Tier 1 and Total Capital ratios:

Name of the Entity	Common Equity Tier 1 ratio	Tier 1 ratio	Total capital ratio
J&K Bank Ltd	**8.66%**	**10.15%**	**12.02%**

Risk Exposure and Assessment

Structure and Organisation of Risk Management Function

The Bank's risk governance architecture focuses on key risk areas of credit, market (including liquidity) and operational risk. The quantification of these risks, wherever possible, ensures effective and continuous monitoring and control. The risk management system is overseen by Board of Directors of the bank, with Integrated Risk Management Committee (IRMC), a board level sub-committee entrusted with the overall responsibility of ensuring that adequate structures, policies and procedures are in place for risk management in the Bank. The IRMC of Board is supported by separate Executive level Committees viz, Credit Risk Management Committee (CRMC), Asset-Liability Management Committee (ALCO), Market Risk Management Committee and Operational Risk Management Committee (ORMC) to ensure effective management of credit, market and operational risks respectively. The executive level committees are in turn assisted / supported by respective risk management support groups for credit, operational, market and liquidity risks. These support groups provide support functions to the above committees through analysis of risks and reporting of risk positions and making recommendations as to the level and degree of risks to be undertaken.

Credit Monitoring Division (CMD) has been set up for ongoing monitoring of credit quality of borrowers. Department besides online monitoring of special mention accounts and limit monitoring releases caution list of borrowers at regular intervals based on the Early Warning Signal framework of the RBI.

In terms of enhanced operational risk management framework Bank has formed Zonal Risk Management Committees (ZRMC) which meets necessarily at least once in a quarter to discuss all the issues related to operational/Credit risk management and implementation of enhanced risk management framework at the gross root level. Zonal Head, designated Zonal Risk managers and identified business unit heads participate in the meeting.

Table DF – 3: Credit Risk

General disclosures --- Credit Risk

Credit Risk is the possibility of loss that a bank may be subjected to, on account of changes or deterioration in the credit profile / credit quality of borrowers and counterparties. The Bank is exposed to credit risk through lending and capital market activities. Bank has put in place Board approved comprehensive Credit Risk Management Policy which aims at ensuring sustained growth of healthy loan portfolio while identifying and managing credit risks, both at transaction and portfolio levels. It lays down the roles and responsibilities, risk appetite, key processes and reporting framework.

The Bank manages its credit risk through following strategies:

a) Well defined credit risk management structure to identify measure, monitor and control / mitigate credit risk from loan origination to disbursement and post disbursement monitoring has been laid out.

b) Board approved Investment Policy of the Bank addresses credit risks related to investment activities undertaken by the Bank, prescribing prudential limits, methods of risk measurement and hedges required in mitigation of risks arising in investment portfolio.

c) Corporate credit is managed through rating of borrowers and thorough risk vetting of individual exposures at origination and periodic review after sanctioning. Retail credit to individuals and small business is managed through definition of product criteria, appropriate credit filters and subsequent portfolio monitoring.

d) Industry wise segment ceilings on aggregate lending by the Bank.

e) Individual borrower wise ceilings on lending as well as borrower group wise lending ceilings linked to the Bank's capital funds.

f) Bank has comprehensive risk rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. The credit rating models use a combination of quantitative and qualitative factors that include borrower specific characteristics, industry score etc. to arrive at a 'point in time' view of risk.

g) Allowing credit exposures as per the credit rating of borrowers upto defined thresholds of risk levels. The approach also includes diversification of credit portfolio rating category wise but within the acceptable risk parameters.

h) The Bank's entire current business is within India and hence there is no geographic ceiling on lending in India or outside India. Further, there is also no ceiling on lending within a State in India.

i) A mechanism of clear and well defined delegation of authority operates within the Bank in regard to decision making, which links risk and exposure amount to level of approval.

j) Regular review of all credit sanctioning powers delegated to various sanctioning levels so as to continuously strengthen the credit processes, and monitoring oversight are undertaken.

k) Approval processes with respect to credit proposals are preceded by study of risks and preliminary due diligence particularly while sourcing fresh credit accounts.

l) Credit audit system and loan review mechanism function independently of the credit processing / credit approval system and ensure effective loan monitoring, management / mitigation of credit and operational risks in the loan portfolio.

m) An appropriate mechanism for ongoing identification, development and assessment of expertise of officials in the area of credit appraisal and credit management function.

1. Qualitative Disclosures: The general qualitative disclosure requirement with respect to credit risk including:

1.1.1 Definition of NPA and impaired account

An asset including a leased asset becomes non-performing when it ceases to generate income for the bank. A non-performing asset (NPA) is a loan or an advance where:

a. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan
b. The account remains 'out of order' as indicated in paragraph 1.1.2 below, in respect of an Overdraft / Cash Credit (OD/CC)
c. The bill remains overdue for a period of more than 90 days in case of bills purchased and discounted
d. The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops
e. The installment of principal or interest thereon remains overdue for one crop season for long duration crops.
f. In respect of securities, where interest/principal is in arrears for a period of more than 90 days.

An account is also classified as NPA if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

1.1.2 '**Out of Order' status:** An account is treated as 'Out of Order' if the outstanding balance remains continuously in excess of the sanctioned limit / drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not sufficient to cover the interest debited during the same period, these accounts are treated as “out of order”.

1.1.3 Overdue: Any amount due to the bank under any credit facility is ‘overdue’ if it is not paid on the due date fixed by the bank.

1.2 Discussion of the bank’s credit risk management policy.

The credit risk management policy of the bank aims at ensuring sustained growth of healthy loan portfolio while evolving a well- defined system to identify measure, monitor and control various risks attached to credit portfolio of the Bank. The policy aims at ensuring consistency and standardization of credit practices. There is a defined credit appraisal & credit approval authority, reporting cum monitoring / follow-up system and loan review mechanism/ credit audit system in place at the Bank.

2. Quantitative Disclosures Amount in ` million	
2.1 Total gross credit risk exposures – Fund based and Non-fund based separately, broken down by major types of credit exposures.	**a) On Balance Sheet--- 940906.19** **b) Off Balance sheet---43652.94** **Total ----------- 984559.13**
2.2 Geographic distribution of exposures:	
• Overseas	• **Nil**
• Domestic	• **984559.13**
2.3 Industrial type distribution of exposure, Fund based and Non-fund based separately.	Major industry type exposure is given separately as per Annexure-A.
2.4 Residual contractual maturity breakdown of assets,	Residual maturity is provided separately as per Annexure-B.
2.5 Amount of NPAs (Gross)	• **60676.58**
• Substandard	• 13202.48
• Doubtful	• 46828.33
• Loss	• 645.77
2.6 Net NPAs	• **24888.20**

2.7 NPA Ratios	
• **Gross NPAs to gross advances**	• **9.00**
• **Net NPAs to net advances**	• **3.91**
2.8Movement of NPAs (Gross)	
• Opening balance (01.04.2018)	• **60067.00**
• Additions during the H1	• 10219.00
• Reductions during the year	• **9609.40**
• Closing balance (30.09.2018)	• **60676.60**
2.9Movement of specific provisions (NPAs)	
• Opening balance (01.04.2018)	31122.50
• Provisions made during the year	3647.50
• Write-off	0.00
• Write back of excessive provisions	16.60
• Any other adjustment, including transfers between provisions	0.00
• Closing balance (30.09.2018)	34753.40

2.10 Movement of General Provisions	**Provisions for Standard asset**	**Provisions for Contingencies**	**Provisions for Investment Reserve**
• Opening balance (01.04.2018)	4776.50	0.12	0.0
• Provisions made during the period	0.0	0	0
• Write-off	0.00	0	0
• Write back of excessive provisions	166.60	0	0
• Any other adjustment, including transfers between provisions	0.0	0	0
• Closing balance (30.09.2018)	4609.90	0.12	0.00

3.0 Write offs booked directly to the income statement (1-4-2018 to 30-09-2018)	401.90

3.1 Recoveries booked directly to the income statement	804.20
4.0 Amount of non-performing investment	7340.80
4.1 Amount of provisions held for non-performing investment	6122.01
4.2 Movement of provision for depreciation on investments.	
• Opening balance as on 01.04.2018	746.82
• Provisions made during the period	113.82
• Write-off	0
• Write back of excessive provision	206.65
• Closing balance 30.09.2018	653.99

5.0 Major industry wise break up of NPAs & Specific Provisions

Industry	NPAs	Specific Provisions
• **Basic Metal & Metal Products**	**7273.40**	**3919.70**
• **Infrastructure**	**22196.10**	**9995.80**
• **Food Processing**	**94.50**	**46.30**
• **Textiles**	**6041.00**	**2959.90**
• **Chemicals & Chemical Products**	**8.30**	**3.50**
• **Vehicles, Vehicle parts & Transport equipment**	**8.20**	**1.30**

5.1 Geography wise distribution of NPAs

• Kashmir Region (including Ladakh)	8718.79
• Jammu Region	2740.99
• North zone (includes states of Delhi, UP, Uttarakhand, West Bengal, Rajasthan, Bihar)	14317.50
• Upper North zone (includes states of Punjab & Himachal Pradesh)	481.79

• Mumbai Zone (includes states of Maharashtra, Gujarat, Madhya Pradesh, Goa & Chhattisgarh)	19075.01
• South Zone (includes states of Karnataka, Kerala, Tamil Nadu & Andhra Pradesh)	15342.51

5.2 Geography wise distribution of :	**Specific Provisions**	**General Provisions**
• Kashmir Region (including Ladakh)	3972.28	2638.42
• Jammu Region	1371.49	421.77
• North zone (includes states of Delhi, UP, Uttarakhand, West Bengal, Rajasthan, Bihar)	8977.25	552.49
• Upper North zone (includes states of Punjab & Himachal Pradesh)	214.87	64.83
• Mumbai Zone (includes states of Maharashtra, Gujarat, Madhya Pradesh, Goa & Chhattisgarh)	11542.80	655.43
• South Zone (includes states of Karnataka, Kerala, Tamil Nadu & Andhra Pradesh)	5187.57	255.92
Floating Provisions/Provisions for Teaser loans / UFCE	3487.17	21.08(Provisions for Teaser Loans/ UFCE

Table DF – 4 : Credit Risk Disclosure for portfolio subject to Standardised Approach

1. Qualitative Disclosures:	
1.1 For portfolio under the standardized approach:	
• **Names of credit rating agencies used, plus reasons for any changes.**	• The Bank's exposure being mainly domestic, rating agencies like CARE, CRISIL, ICRA, India Ratings, Brickwork Ratings ,Acuite and Infomerics have been identified for rating of exposure as per RBI guidelines.

	Designated rating agencies are used irrespective of types of corporate exposures.
• **Type of exposure for which each agency is used.**	• For exposures with a contractual maturity of less than or equal to one year (except cash credit, overdraft and other revolving credits), short-term ratings given by approved rating agencies are used. For cash credit, sanctioned overdrafts and other revolving credits (irrespective of the period) and for term loan exposures of over one year, long term ratings are used.
• **A description of the process used to transfer public issues rating onto comparable assets in the banking book**	• Public issue ratings are used for comparable assets of borrower in the banking book as follows: - i) In cases where the borrower has a specific assessment for an issued debt - but the bank's claim is not an investment in this particular debt - the rating applicable to the specific debt (where the rating maps into a risk weight lower than that which applies to an unrated claim) is applied to the bank's unassessed claim if the Bank's exposure ranks *pari passu* or senior to the specific rated debt in all respects and the maturity of the unrated Bank's claim is not later than the maturity of the rated claim. i) If either the issuer or single issue has been assigned a low quality assessment which maps into a risk weight equal to or higher than that which applies to unrated claims, an unassessed claim on the same counterparty that ranks pari-passu or is subordinated to the rated exposure is assigned the same risk weight as is applicable to the low quality assessment.

2. Quantitative Disclosures Amount in ` million	
2.1Exposure amount after risk mitigation subjected to the standardized approach, amount of bank's outstanding (rated and un-rated) in the following three major risk buckets as well as those that are deducted:	
• Below 100% risk weight	588828.97
• 100% risk weight	196280.56
• More than 100% risk weight	177778.22

Table- DF -5: Credit risk mitigation:

1. Qualitative disclosure

1.1 The general qualitative disclosure requirements with respect to credit risk mitigation

A Credit Mitigation and Collateral Management Policy, addressing the Bank's approach towards the credit risk mitigants is used for capital calculation. The Bank reduces its exposure to counterparty with the value of eligible financial collateral to take account of risk mitigating effect of the collateral.

1.2 Policies and processes for, and an indication of the extent to which the bank makes use of on and off balance sheet netting.

Bank has put in place Board approved policy on Credit Risk Mitigation and Collateral Management, covering credit risk mitigation techniques used by the Bank for both risk management and capital computation purposes. The Bank has a separate collaterals valuation policy that forms the basis for valuation of collaterals.

1.3 Policies and processes for collateral valuation and management

The policy adopts the Comprehensive Approach, which allows full offset of collateral (after appropriate haircuts) against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The following issues are addressed in the policy:

a) Classification of credit risk mitigants
b) Acceptable credit risk mitigants
c) Documentation and legal process requirements for credit risk mitigants.
d) Valuation of collateral
e) Custody of collateral
f) Insurance
g) Monitoring of credit risk mitigants

1.4 The description of the main type of collaterals taken by the bank

The main type of collaterals taken by the bank are Cash or cash equivalent, Bank deposits, NSCs, KVIP's, LIC policy, Central / State government Securities etc.

1.5 The main type of guarantor counterparties and their creditworthiness.

Bank considers guarantees, which are direct, explicit, irrevocable and unconditional for credit risk mitigation. Use of such guarantees for capital computation is as per RBI guidelines.

Types of guarantor counter party are:

a. Sovereigns (Central / State Governments)
b. Sovereign entities like ECGC, CGTSI
c. Banks and Primary Dealers with a lower risk weight than the counter party
d. Other entities that are externally rated. This would include guarantee cover provided by parent, subsidiary and affiliate companies when they have lower risk weight than the obligor.

1.6 Information about (market or credit) risk concentration within the mitigation taken
Majority of financial collaterals held by the Bank are by way of bank's own deposits, government securities, life insurance policies and other approved securities like NSCs, KVPs etc. Bank does not envisage market liquidity risk in respect of financial collaterals. Overall, financial collaterals do not have any issue in realization. Concentration on account of collateral is relevant in case of land & building. Except in the case of housing loan to individuals, land and building is considered only as additional security. As land and building is not recognized as eligible collateral under Basel III Standardized Approach, its value is not reduced from the amount of exposure in the process of computation of capital charge, and is used only in the case of housing loan to individuals and non-performing assets to determine the appropriate risk weight. As such, there is no concentration risk on account of nature of collaterals.

2. Quantitative Disclosures Amount in`million	
2.1 For disclosure of credit risk portfolio under the standardized approach, the total exposure that is covered by: 2.2 Eligible financial collaterals; after the application of haircuts.	• Exposure covered by Deposits/Cash/LIC Policies/NSCs/KVPs **58624.48**
	Exposure covered by Other Eligible Collaterals **-- Nil**

Table DF – 6 : Asset Securitisation:

- Bank is not currently undertaking any securitization activity.

Table DF - 7:Market risk in trading book

1. Qualitative Disclosures:

The market risk for the Trading Book of the Bank is managed in accordance to the Board approved Investment Policy, Trading Policy and Market Risk Policy. These policies provide guidelines to the operations, Valuations, and various risk limits and controls pertaining to various securities, foreign exchange. These policies enhance Bank's ability to transact in various instruments in accordance with the extant regulatory guidelines and provide sound foundation

for day to day Risk Control, Risk management, and prompt business decision making. The Bank also has a Stress Testing Framework which enables Bank to capture impact of various stress scenarios on Trading Book Portfolio. All these policies are reviewed periodically to incorporate changes in economic, business and regulatory environment.
1.1 The general qualitative disclosure requirement for market risk including the portfolio covered by securitized approach.
Risk management and reporting is based on globally accepted parameters such as Modified Duration, PVO1, Exposure and Gap Limits, VaR, etc. As per the Market Risk Policy/Trading policy, limits have been set for Forex Open Position limits (Daylight / Overnight), stop-loss limit, Sensitivity limit, VaR limit and exposure limits which are monitored on a daily basis. Bank has a Mid Office in place for functions like onsite monitoring of adherence to set limits, independent reporting of activities to Top Management and valuation etc. Approach for Computation of Capital Charge for Market Risk Bank has adopted the Standardised Approach as prescribed by RBI for computation of capital charge for market risk and is already fully compliant with such RBI guidelines. Standardised Approach is applied for calculation of Market Risk for: • Securities under HFT category • Securities under AFS category • Open foreign exchange position • Equity positions
1.2 General disclosures for market risk including portfolios covered by the IMA. A description of the soundness of the banks methodologies in assessing the capital adequacy, stress testing, and back-testing/validating the accuracy and consistency of the internal models and modeling processes.
Market risk is calculated on trading portfolio under Standardised duration method as per directives of RBI. Stress testing under various scenarios and calculation of Historical VaR forms an integral part of the portfolio risk management.

1. Quantitative Disclosures	Amount in `million
1.1 The capital requirement for market risk as per Standardized Duration Approach:	**1340.85**
• Interest rate risk.	• 734.94

• Equity position risk.	• 575.31
• Foreign exchange risk.	• 30.60
• Commodity risk.	• ----

Table DF – 8--- Operational Risk

1. Qualitative Disclosures:

1.1 General disclosures: Operational risk is at the core of the Bank's operations to integrate best risk management practices into processes, systems and culture of the bank. The operational risk management (ORM) policy documents the Bank's approach towards management of operational risk and defines the roles and responsibilities of the various stakeholders to manage operational risk within the Bank. The Integrated Risk Management Committee (IRMC) of the Board at the apex level is the policy making body. IRMC is supported by Operational Risk Management Committee (ORMC) at the Executive level, which is responsible for bank wide implementation of ORM policy. A systematic process for reporting risks, operational losses has been developed. Bank has been collecting internal operational loss data from business units / offices. For this purpose, a system for reporting identified loss events and loss data have been put in place. The Bank has also implemented a comprehensive Business Continuity Plan (BCP) and established Disaster Recovery setup to ensure continuity of critical operations of the Bank in the event of any business disruption. The bank has been regularly conducting DR drills for various systems and applications in use.

The bank has a robust internal control / audit mechanism and reporting system for managing and mitigating operational risk.

1.2 In addition to general qualitative disclosure requirement, the approach (es) for operational risk capital assessment for which the bank qualifies.
As per the RBI guidelines, bank is following the Basic indicator approach (BIA) for computing capital charge for operational risk.

In terms of enhanced operational risk management framework Bank has formed Zonal Risk Management Committees (ZRMC) which meets necessarily at least once in a quarter to discuss all the issues related to operational/Credit risk management and implementation of enhanced risk management framework at the gross root level. Zonal Head, designated Zonal Risk managers and identified business unit heads participate in the meeting.

2. Quantitative Disclosures

Capital charge for operational risk	Capital charge for operational risk is computed as per the Basic Indicator Approach prescribed by RBI. Under this approach, capital allocation for operational risk works out to: ` **4735.39**(million)

Table DF -9 : Interest rate risk in the banking book (IRRBB)

1. **Qualitative Disclosures:**
1.1 The general qualitative disclosure requirements, including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement. Interest Rate Risk in Banking Book (IRRBB) is the risk which impacts assets and liabilities of Bank's non-trading (core) exposures which are contracted for steady income and statutory obligations and are generally held till maturity. Interest rate risk is measured as the potential volatility in the Bank's core net interest income caused by changes in market interest rates. Difference in pricing parameters of these Assets and Liabilities which may be due to different tenor, asset type, liability type or other parameters exposes the Bank to possible loss. Bank utilizes the following methods to measure, monitor and control the adverse impact of interest rates on the Bank's financial condition within tolerable limits. This impact is calculated from following perspectives. Earnings perspective: Indicates the impact on Bank's Net Interest Income (NII) in the short term. Economic perspective: Indicates the impact on the net-worth of bank due to re-pricing of assets, liabilities and off-balance sheet items. Measurement and computation of interest rate risk in Banking Book under the above two methods is done on a monthly basis.

2. **Quantitative Disclosures**	

2.1 The increase (decline) in earning and economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method of measuring IRRBB, broken down by currency (where the turnover is more than 5 percent turnover).	Changes on account of Interest rate volatility • Change in net interest income (with 200 bps change in interest ratesfor both assets and liabilities) ` 166.30million • Change in market value of equity (with 200 bps change in interest rates for both assets and liabilities). ➢ 3.43% (`1993.0 million)

Table DF -10: General Disclosure for Exposures Related to Counterparty Credit Risk

1. QualitativeDisclosures

The Bank has a Credit Risk Management Policy and Collateral Management Policy in place which lays down guidelines, processes and measures for counterparty risk management. The counterparty limits are monitored and internal triggers are put in place to guard against breach in limits. Bank takes eligible financial collateral (e.g., cash or securities) on an account-by-account basis to reduce the credit exposure to counterparty while calculating the capital requirements.

2. Quantitative Disclosures

The derivative exposure is calculated using Current Exposure Method (CEM) and the balance out standing as on March 31, 2017 is given below.

Amount in ` million

Particulars	Notional Amount	Current Exposure
Forward forex contracts	21884	388.31

DF11: Composition of Capital

CommonEquityTier1capital:instrumentsandreserves	Ref No

1	Directly issued qualifying common share capital plus related stock surplus(share premium)	6672.71	
2	Retained earnings	51568.78	
3	Accumulated other comprehensive income (and other reserves)		
4	*Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies[1])*		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	**CommonEquityTier1capitalbeforeregulatoryadjustments**	**58241.49**	
	CommonEquityTier1capital:regulatoryadjustments		
7	Prudential valuation adjustments		
8	Goodwill(net of related tax liability)		
9	Intangibles(net of related tax liability)		
10	Deferred tax assets[2]		
11	Cash-flow hedge reserve		
12	Short fall of provisions to expected losses		
13	Securitisation gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets		
16	Investments in own shares(if not already netted off paid-up capital on reported balance sheet)		
17	Reciprocal		
18	Investments in the capital of banking, financial and insurance		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amountabove10% threshold)3	**200.0**	
20	Mortgage servicing rights4(amount above 10% threshold)		
21	Deferredtaxassetsarisingfromtemporarydifferences5(amount above 10%threshold,net of related tax liability)		
22	Amount exceeding the15% threshold6		
23	Of which: significant investments in the common stock of financial entities		
24	Of which: mortgage servicing rights		
25	Of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments7(26a+26b+26c+26d)		
26a	Of which: Investments in the equity capital of unconsolidated insurance subsidiaries		
26b	Of which: Investments in the equity capital of unconsolidated non-financial subsidiaries8		
26c	Of which: Short fall in the equity capital of majority owned		
26d	Of which: Unamortised pension funds expenditures		

27	Regulatory adjustments applied to Common Equity Tier1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common equity Tier1	200.00	
29	Common EquityTier1capital (CET1)	**58041.49**	
	AdditionalTier1capital:instruments		
30	DirectlyissuedqualifyingAdditionalTier1instrumentsplusrelated stock surplus (share premium) (31+32)	10000.00	
31	Of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)		
32	Of which: classified as liabilities under applicable accounting standards(Perpetual debt Instruments)	10000.00	
33	DirectlyissuedcapitalinstrumentssubjecttophaseoutfromAdditional Tier1		
34	AdditionalTier1instruments(andCET1instrumentsnotincludedin row5)issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	Of which: instruments issued by subsidiaries subject to phase out		
36	AdditionalTier1capital before regulatory adjustments	**10000.00**	
	AdditionalTier1capital:regulatoryadjustments		
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)[10]		
41	National specific regulatory adjustments(41a+41b)		
41a	*Of which:* Investments in the AdditionalTier1capitalof unconsolidated insurance subsidiaries		
41b	*Of which:*ShortfallintheAdditionalTier1capitalofmajorityowned financial entities which have not been consolidated with the bank		
42	RegulatoryadjustmentsappliedtoAdditionalTier1duetoinsufficient Tier2 to cover deductions		
43	**TotalregulatoryadjustmentstoAdditionalTier1capital**		
44	**AdditionalTier1capital(AT1)**	**10000.00**	
45	**Tier1capital(T1=CET1+AT1)(29+44)**	**68041.49**	
	Tier2capital:instrumentsandprovisions		
46	Directly issued qualifying Tier 2 instruments plus related stock	8000.0	

47	*Directly issued capital instruments subject to phase out fromTier2*	0	
48	Tier2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	*Of which: instruments issued by subsidiaries subject to phase*		
50	Provisions	4609.93	
51	**Tier2capitalbeforeregulatoryadjustments**	12609.93	
	Tier2capital:regulatoryadjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		
55	Significant investments[12] in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	116.67	
56	National specific regulatory adjustments(56a+56b)		
56a	*Of which:* Investments intheTier2capitalofunconsolidated insurance subsidiaries		
56b	*ofwhich:*ShortfallintheTier2capitalofmajorityownedfinancial entities which have not been consolidated with the bank		
57	**Total regulatory adjustments toTier2 capital**	116.67	
58	**Tier2 capital (T2)**	12493.23	
59	**Totalcapital(TC=T1+T2)(45+58)**	80534.72	
60	**Total risk weighted assets (60a+60b+60c)**	670118.72	
60a	*Of which: total credit risk weighted assets*	594165.80	
60b	*Of which: total market risk weighted assets*	16760.61	
60c	*ofwhich:total operational risk weighted assets*	59192.31	
	Capital ratios and buffers		
61	Common Equity Tier 1(as a percentage of risk weighted assets)	8.66%	
62	Tier1 (as a percentage of risk weighted assets)	10.15%	
63	Total capital(as a percentage of risk weighted assets)	12.02%	
64	Institution specific buffer requirement (minimum CET1requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)		
65	*Of which: capital conservation buffer requirement*	1.875%	
66	*Of which: bank specific countercyclical buffer requirement*		
67	*Of which: G-SIB buffer requirement*		
68	Common EquityTier1available to meet buffers (as a percentage of risk weighted assets)		

National minima (if different from Base lIIl)			
69	NationalCommonEquityTier1minimumratio(if different from Basel III minimum)	7.375%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	8.875%	
71	National total capital minimum ratio (if different from Basel III minimum)	10.875%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
Applicable caps on the inclusion of provisions inTier2			
76	Provisions eligible for inclusion inTier2 in respect of exposures subject to standardised approach (prior to application ofcap)	4609.93	
77	Cap on inclusion of provisions inTier2 under standardised approach	7427.07	
78	Provisions eligible for inclusioninTier2 in respect of exposures subject to internal ratings-based approach(prior to application of		
79	Cap for inclusion of provisions in Tier2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between March31.2017 and March31.2022			
80	*CurrentcaponCET1instrumentssubjecttophaseoutarrangement*		
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*		
82	*Current cap on AT1 instruments subject to phase out*		
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*		
84	*Current cap onT2 instruments subject to phase out*		
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	6000.00	

Notes to theTemplate

Row No. of th	Particular	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	2394.89
	Total as indicated in row10	

19	If investments in insurance subsidiaries are not deducted fully fromcapitalandinsteadconsideredunder10%thresholdfor deduction, the resultant increase in the capitalof bank	
	of which: Increase in Common Equity Tier 1capital	
	of which: Increase in Additional Tier 1 capital	
	of which: Increase in Tier 2 capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk	
	(i) Increase in Common Equity Tier 1 capital	
	(ii)Increase in risk weighted assets	
50	Eligible Provisions included in Tier2 capital	4609.93
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	4609.93

DF 12: Composition of Capital -Reconciliation of Regulatory Capital

Step 1

			Amount in ` million
		Balance sheet as in financial statements	**Balance sheet under regulatory scope of consolidation**
		As on reporting date	**As on reporting date**
A	**Capital & Liabilities**		
i	**Paid-up Capital**	**557.00**	
	Reserves & Surplus	**62518.58**	
	Minority Interest	0.00	
	Total Capital	**63075.58**	
ii	**Deposits**	**814292.22**	
	of which: Deposits from banks	22023.60	
	of which: Customer deposits	792268.62	
	of which: Other deposits (pl. specify)	0.0	
iii	**Borrowings**	**41376.53**	
	of which: From RBI	10000.00	
	of which: From banks	0.00	
	of which: From other institutions & agencies	5376.53	

	of which: Others (pl. specify)	0.00	
	of which: Capital instruments	26000.00	
iv	**Other Liabilities & Provisions**	**22161.86**	
	Total	**940906.19**	
B	**Assets**		
i	**Cash and balances with Reserve Bank of India**	**36265.85**	
	Balance with banks and money at call and short notice	**1836.31**	
ii	**Investments:**	**205422.17**	
	of which: Government securities	181709.41	
	of which: Other approved securities	0.00	
	of which: Shares	2611.95	
	of which: Debentures & Bonds	6900.35	
	of which: Subsidiaries	200.0	
	Of which Joint Ventures / Associates/ sponsored banks	456.74	
	of which: Others (Commercial Papers, Mutual Funds CDs etc.)	13543.69	
iii	**Loans and advances**	**636911.89**	
	of which: Loans and advances to banks	1856.38	
	of which: Loans and advances to customers	635055.51	
iv	**Fixed assets**	**16034.07**	
v	**Other assets**	44435.90	
	of which: Goodwill and intangible assets	0.0	

	of which: Deferred tax assets	0.0	
vi	**Goodwill on consolidation**	0.0	
vii	**Debit balance in Profit & Loss account**	0.0	
	Total Assets	**940906.19**	

Step 2

			Amount in ` million	
		Balance sheet as in financial statements	**Balance sheet under regulatory scope of consolidation**	**Reference no:**
		As on reporting date	**As on reporting date**	
A	**Capital & Liabilities**			
i	**Paid-up Capital**	**557.00**		
	of which: Amount eligible for CET 1	557.00		
	of which: Amount eligible for AT 1			
	Reserves & Surplus	**62518.58**		
	Of which:			
	Statutory reserve	20541.01		
	Share premium	6115.72		
	Revenue & Other reserves	27793.34		
	Capital reserves	708.46		
	Investment reserve	0.00		
	Revaluation Reserve	6128.45		
	Out of which amount eligible for inclusion in Tier 1 capital	2757.80		
	SPECIAL RESERVE (U/S 36 (I) (Viii) of I.Tax Act, 1961	1231.60		
	Minority Interest			
	Total Capital	**58041.49**		

ii	**Deposits**	**814292.22**		
	Of which: deposits of banks	22023.60		
	of which: Customer deposits	792268.62		
	of which: Other deposits (pl. specify)	0.0		
iii	**Borrowings**	**41376.53**		
	of which: From RBI	10000.00		
	of which: From banks	0.00		
	of which: From other institutions & agencies	5376.53		
	of which: Others (pl. specify)	0.00		
	of which: Capital instruments	26000.00		
	Out of which eligible for inclusion in Tier II capital	**8000.00**		
iv	**Other Liabilities & Provisions**	**22161.85**		
	of which: DTLs related to goodwill	0.0		
	of which: DTLs related to intangible assets	0.0		
	of which: Standard asset provision included under Tier II	4609.93		
	of which: Provisions for contingencies included under Tier II	0.00		
	Total	**940906.19**		
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	**36265.85**		
ii	**Balance with banks and money at call and short notice**	**1836.31**		
iii	**Investments:**	**205422.17**		
	Of which: Government securities	181709.41		

	of which: Other approved securities	0.00		
	of which: Shares	2611.95		
	of which: Debentures & Bonds	6900.35		
	of which: Subsidiaries	200.0		
	Of which: Joint Ventures / Associates	456.74		
	of which: Others (Commercial Papers, Mutual Funds etc.)	13543.69		
iv	**Loans and advances**	**636911.89**		
	of which: Loans and advances to banks	1856.38		
	of which: Loans and advances to customers	635055.51		
v	**Fixed assets**	**16034.07**		
vi	**Other assets**	44435.90		
	of which: Goodwill and intangible assets Out of which	0.0		
	Goodwill	0.0		
	Other Intangibles (excluding MSRs)	0.0		
	Deferred tax assets	2394.89		
vii	**Goodwill on consolidation**	0.0		
viii	**Debit balance in Profit & Loss account**	0.00		
	Total Assets	**940906.19**		

DF13 : Main features of regulatory capital Instrument

	Common Equity Tier I	
1	**Issuer**	The Jammu and Kashmir Bank Ltd.

2	**Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)**	ISIN : INE168A01041
3	**Governing law(s) of the instrument**	The Companies Act, 2013
	Regulatory treatment	
4	**Transitional Basel III rules**	
5	**Post-transitional Basel III rules**	
6	**Eligible at solo/group/ group & solo**	SOLO
7	**Instrument type**	Equity Shares
8	**Amount recognised in regulatory capital (` in million, as of most recent reporting date)**	48,47,78,020 as on 20th March, 2017 3,65,55,051 issued on 20th March, 2017 3,55,25,321 issued on 7th June, 2017 55,68,58,392, Total Capital as on 30-09-2017
9	**Par value of instrument**	Re. I/- (one only)
10	**Accounting classification**	Equity Capital
11	**Original date of issuance**	48,47,7,8,020 in 1999 3,65,55,051 issued on 20th March, 2017 3,55,25,321 issued on 7th June, 2017
12	**Perpetual or dated**	Perpetual
13	**Original maturity date**	Not applicable
14	**Issuer call subject to prior supervisory approval**	Yes
15	**Optional call date, contingent call dates and redemption amount**	Not applicable
16	**Subsequent call dates, if applicable**	Not Applicable
	Coupons / dividends	
17	**Fixed or floating dividend/coupon**	Floating rate
18	**Coupon rate and any related index**	Not applicable
19	**Existence of a dividend stopper**	Nil
20	**Fully discretionary, partially discretionary or mandatory**	Fully discretionary
21	**Existence of step up or other incentive to redeem**	Not Applicable
22	**Non-cumulative or cumulative**	Not applicable

23	**Convertible or non-convertible**	Non Convertible
24	**If convertible, conversion trigger(s)**	Not applicable
25	**If convertible, fully or partially**	Not applicable
26	**If convertible, conversion rate**	Not applicable
27	**If convertible, mandatory or optional conversion**	Not Applicable
28	**If convertible, specify instrument type convertible into**	Not Convertible
29	**If convertible, specify issuer of instrument it converts into**	Not applicable
30	**Write-down feature**	No
31	**If write-down, write-down trigger(s)**	Not Applicable
32	**If write-down, full or partial**	Not Applicable
33	**If write-down, permanent or temporary**	Not Applicable
34	**If temporary write-down, description of write-up mechanism**	Not Applicable
35	**Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)**	Not Applicable
36	**Non-compliant transitioned features**	Not Applicable
37	**If yes, specify non-compliant features**	Not Applicable

	(Lower Tier II bonds of ` 6000million)	
1	**Issuer**	Jammu & Kashmir Bank
2	**Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)**	INE168A08012
3	**Governing law(s) of the instrument**	SEBI Regulations,2008
	Regulatory treatment	
4	**Transitional Basel III rules**	Tier 2
5	**Post-transitional Basel III rules**	Tier 2
6	**Eligible at solo/group/ group & solo**	Solo & Group
7	**Instrument type**	Tier 2 Debt Instruments

8	**Amount recognised in regulatory capital (` in million, as of most recent reporting date)**	600 million
9	**Par value of instrument**	` 1000000 per NCD
10	**Accounting classification**	Liability
11	**Original date of issuance**	30/12/2009
12	**Perpetual or dated**	Dated
13	**Original maturity date**	30/12/2019
14	**Issuer call subject to prior supervisory approval**	No
15	**Optional call date, contingent call dates and redemption amount**	N/A
16	**Subsequent call dates, if applicable**	N/A
	Coupons / dividends	
17	**Fixed or floating dividend/coupon**	Fixed
18	**Coupon rate and any related index**	9%
19	**Existence of a dividend stopper**	No
20	**Fully discretionary, partially discretionary or mandatory**	Fully discretionary
21	**Existence of step up or other incentive to redeem**	No
22	**Non-cumulative or cumulative**	Non-Cummulative
23	**Convertible or non-convertible**	Non-Convertible
24	**If convertible, conversion trigger(s)**	N/A
25	**If convertible, fully or partially**	N/A
26	**If convertible, conversion rate**	N/A
27	**If convertible, mandatory or optional conversion**	N/A
28	**If convertible, specify instrument type convertible into**	N/A
29	**If convertible, specify issuer of instrument it converts into**	N/A
30	**Write-down feature**	No
31	**If write-down, write-down trigger(s)**	N/A
32	**If write-down, full or partial**	N/A
33	**If write-down, permanent or temporary**	N/A
34	**If temporary write-down, description of write-up mechanism**	N/A

35	**Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)**	N/A
36	**Non-compliant transitioned features**	No
37	**If yes, specify non-compliant features**	N/A

	Basel III complaint Tier II bonds of ` 5000 million	
1	**Issuer**	THE JAMMU & KASHMIR BANK LTD
2	**Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)**	INE168A08046
3	**Governing law(s) of the instrument**	Companies Act, 2013; SEBI (Issue and Listing of Debt Securities) Regulations, 2008; and RBI's Master Circular on Basel III Capital Regulations
	Regulatory treatment	
4	**Transitional Basel III rules**	Tier 2
5	**Post-transitional Basel III rules**	Tier 2
6	**Eligible at solo/group/ group & solo**	SOLO
7	**Instrument type**	Tier 2 Debt Instruments
8	**Amount recognised in regulatory capital (` in million, as of most recent reporting date)**	Rs.5000 Million
9	**Par value of instrument**	Rs.1000000/- per NCD
10	**Accounting classification**	Liability
11	**Original date of issuance**	28.12.2017
12	**Perpetual or dated**	Dated
13	**Original maturity date**	27.12.2024
14	**Issuer call subject to prior supervisory approval**	No
15	**Optional call date, contingent call dates and redemption amount**	NA
16	**Subsequent call dates, if applicable**	NA
	Coupons / dividends	
17	**Fixed or floating dividend/coupon**	Fixed
18	**Coupon rate and any related index**	9.25% p.a.

19	**Existence of a dividend stopper**	Yes
20	**Fully discretionary, partially discretionary or mandatory**	Mandatory
21	**Existence of step up or other incentive to redeem**	No
22	**Non-cumulative or cumulative**	Non-cumulative
23	**Convertible or non-convertible**	Non-Convertible
24	**If convertible, conversion trigger(s)**	NA
25	**If convertible, fully or partially**	NA
26	**If convertible, conversion rate**	NA
27	**If convertible, mandatory or optional conversion**	NA
28	**If convertible, specify instrument type convertible into**	NA
29	**If convertible, specify issuer of instrument it converts into**	NA
30	**Write-down feature**	Yes
31	**If write-down, write-down trigger(s)**	PONV Trigger Event as defined in Transaction Documents
32	**If write-down, full or partial**	Fully or Partially
33	**If write-down, permanent or temporary**	Permanent
34	**If temporary write-down, description of write-up mechanism**	NA
35	**Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)**	Tier 2 instruments shall be superior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital and subordinate to the claims of all depositors and general creditors of the Bank
36	**Non-compliant transitioned features**	Yes
37	**If yes, specify non-compliant features**	The Bonds shall be subject to loss absorbency features applicable for non-equity capital instruments as per the Master Circular issued by the Reserve Bank of India on Basel III capital regulations covering terms and conditions for issue of debt capital instruments for inclusion as Tier II Capital (Annex 5 of the Master Circular) and minimum requirement to ensure loss absorbency of non-

		equity regulatory capital instruments at the Point of Non Viability (PONV) (Annex 16 of the Master Circular) read along with the Master Circular. Accordingly, the Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability Trigger". PONV trigger event shall be as defined in the RBI Regulations and shall be determined by the RBI.

	Basel III complaint Tier II bonds of ` 5000 million	
1	**Issuer**	THE JAMMU & KASHMIR BANK LTD
2	**Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)**	INE168A08038
3	**Governing law(s) of the instrument**	Companies Act, 2013; SEBI (Issue and Listing of Debt Securities) Regulations, 2008; and RBI's Master Circular on Basel III Capital Regulations
	Regulatory treatment	
4	**Transitional Basel III rules**	Tier 2
5	**Post-transitional Basel III rules**	Tier 2
6	**Eligible at solo/group/ group & solo**	SOLO
7	**Instrument type**	Tier 2 Debt Instruments
8	**Amount recognised in regulatory capital (` in million, as of most recent reporting date)**	Rs.5000
9	**Par value of instrument**	Rs.1000000/-
10	**Accounting classification**	Liability
11	**Original date of issuance**	24.03.2017
12	**Perpetual or dated**	Dated
13	**Original maturity date**	24.06.2022

14	**Issuer call subject to prior supervisory approval**	No
15	**Optional call date, contingent call dates and redemption amount**	NA
16	**Subsequent call dates, if applicable**	NA
	Coupons / dividends	
17	**Fixed or floating dividend/coupon**	Fixed
18	**Coupon rate and any related index**	9.50% p.a.
19	**Existence of a dividend stopper**	Yes
20	**Fully discretionary, partially discretionary or mandatory**	Mandatory
21	**Existence of step up or other incentive to redeem**	No
22	**Non-cumulative or cumulative**	Non-cumulative
23	**Convertible or non-convertible**	Non-Convertible
24	**If convertible, conversion trigger(s)**	NA
25	**If convertible, fully or partially**	NA
26	**If convertible, conversion rate**	NA
27	**If convertible, mandatory or optional conversion**	NA
28	**If convertible, specify instrument type convertible into**	NA
29	**If convertible, specify issuer of instrument it converts into**	NA
30	**Write-down feature**	Yes
31	**If write-down, write-down trigger(s)**	PONV Trigger Event as defined in Transaction Documents
32	**If write-down, full or partial**	Fully or Partially
33	**If write-down, permanent or temporary**	Permanent
34	**If temporary write-down, description of write-up mechanism**	NA
35	**Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)**	Tier 2 instruments shall be superior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital and subordinate to the claims of all depositors and general creditors of the Bank
36	**Non-compliant transitioned features**	Yes

37	**If yes, specify non-compliant features**	The Bonds shall be subject to loss absorbency features applicable for non-equity capital instruments as per the Master Circular issued by the Reserve Bank of India on Basel III capital regulations covering terms and conditions for issue of debt capital instruments for inclusion as Tier II Capital (Annex 5 of the Master Circular) and minimum requirement to ensure loss absorbency of non-equity regulatory capital instruments at the Point of Non Viability (PONV) (Annex 16 of the Master Circular) read along with the Master Circular. Accordingly, the Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability Trigger". PONV trigger event shall be as defined in the RBI Regulations and shall be determined by the RBI.

LEVERAGE RATIO

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The Basel III leverage ratio is defined as the ratio of capital measure (the numerator) to exposure measure (the denominator), expressed as a percentage.

The capital measure used for the leverage ratio at any particular point in time is the Tier 1 capital measure applying at that time under the risk-based framework. Total exposure measure is the sum of the on-balance sheet exposures, derivative exposures, securities financing transaction (SFT) exposures and off- balance sheet (OBS) items.

Leverage ratio = Capital Measure (Tier 1 Capital)
Exposure Measure

As on 30.09.2018 Amount in ` million

Tier 1 Capital	68041.50
Exposure Measure	984804.90
Leverage Ratio	6.91%

Annexure A

Amount in Millions

Industry Name	Total Fund	Total Non Fund	Total Investment Exposure	Total Exposure
Mining and Quarrying	723.80	117.50	8.80	850.10
Food Processing	3040.70	3281.71	200.00	6522.41
Beverages (excluding Tea & Coffee) and Tobacco	1043.00	36.80	0.00	1079.80
Textiles	13861.90	3667.89	1065.50	18595.29
Leather and Leather products	1231.10	747.04	0.00	1978.14
Wood and Wood Products	990.60	146.47	0.00	1137.07
Paper and Paper Products	985.70	130.08	0.00	1115.78
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1.30	0.10	0.00	1.40
Chemicals and Chemical Products (Dyes, Paints, etc.)	15427.40	2376.86	415.00	18219.26
Rubber, Plastic and their Products	4662.60	1661.63	0.00	6324.23
Glass & Glassware	113.40	12.04	0.00	125.44
Cement and Cement Products	7731.60	653.16	0.00	8384.76
Basic Metal and Metal Products	26570.20	6128.56	157.30	32856.06
All Engineering	5035.00	1034.92	105.20	6175.12
Vehicles, Vehicle Parts and Transport Equipments	75.50	17.59	0.00	93.09
Gems and Jewellery	1634.30	43.65	0.00	1677.95
Construction	0.20	1.93	963.90	966.03
Infrastructure	87505.90	13018.83	3423.70	103948.43
Other Industries, pl. specify	3050.00	720.33	2087.70	5858.03
All Industries	173684.20	33797.08	8427.10	215908.38

J&K Bank

Annexure B

Amount in Millions

		Inflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days and upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Over 5 years	Total
1		Cash	3966.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3966.75
2		Balances with RBI	0.00	0.00	0.00	2038.28	326.25	432.85	952.92	1938.14	12775.57	9070.50	2968.58	0.00	0.00	1796.01	4764.60	32299.11
3		Balances with other Banks	791.46	0.00	0.00	0.00	724.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1516.31
	(i)	Current Account	791.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	791.46
	(ii)	Money at Call and Short Notice, Term Deposits and other placements	0.00	0.00	0.00	0.00	724.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	724.85
4		Investments (including those under	17224.90	398.93	42.60	434.70	364.20	1292.21	17536.47	13795.45	22301.00	58311.12	33516.52	38239.43	89.10	656.78	72501.83	204203.40
5		Advances Performing	40852.34	12539.12	10459.88	11107.40	25276.68	10525.50	22920.32	48831.70	327541.12	67129.81	17725.93	10595.69	6421.48	96.77	34839.87	612023.72
	(i)	Bills Purchased and Discounted (including bills under DUPN)	45.43	140.90	161.46	190.45	4386.01	116.97	105.44	47.02	0.29	0.14	0.00	0.00	0.00	0.00	0.00	5194.12
	(ii)	Cash Credits, Overdrafts and Loans repayable on demand	3618.90	8676.47	10122.55	0.00	0.00	0.00	0.00	0.00	182205.83	0.00	0.00	0.00	0.00	0.00	0.00	204623.74
	(iii)	Term Loans	37188.01	3721.75	175.87	10916.95	20890.67	10408.52	22814.88	48784.68	145335.00	67129.66	17725.93	10595.69	6421.48	96.77	34839.87	402205.86
6		NPAs (Advances and Investments)*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7807.04	18299.90	0.00	0.00	0.00	18299.90	26106.94
7		Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16034.07	16034.07	16034.07
8		Other Assets	48.51	291.04	1748.25	0.00	256.10	0.00	1372.50	3009.50	6730.50	3662.40	10081.20	0.00	0.00	0.00	10081.20	27200.00
	(i)	Leased Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii)	Others(RIDF/NABARD/SIDBI/RHDF)	0.00	0.00	1408.70	0.00	256.10	0.00	1372.50	3009.50	6730.50	3662.40	10081.20	0.00	0.00	0.00	10081.20	26520.90
	..	Inter-Office Adjustments	48.51	291.04	339.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	679.10
9		Reverse Repos	320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	320.00
10		Swaps (Sell / Buy) /maturing forwards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11		Bills Rediscounted (DUPN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12		Interest receivable	166.02	1.44	0.74	49.49	94.71	47.19	103.43	221.17	622.95	304.33	80.36	48.04	29.11	0.44	157.95	1769.43
13		Committed Lines of Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14		Export Refinance from RBI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15		Others (specify)	3.91	23.47	27.38	62.59	1380.92	117.35	359.87	3308.88	12849.55	0.00	0.00	0.00	0.00	15466.47	15466.47	33600.38
			3.91	23.47	27.38	62.59	1380.92	117.35	359.87	3308.88	12849.55	0.00	0.00	0.00	0.00	15466.47	15466.47	33600.38
16	C.	Total Inflows	63373.89	13254.00	12278.85	13692.45	28423.71	12415.09	43245.51	71104.83	382820.69	146285.19	82672.49	48883.16	6539.69	34050.54	172145.88	959040.11