



प्रशासनिक सुधार और लोक शिकायत विभाग
DEPARTMENT OF
ADMINISTRATIVE REFORMS &
PUBLIC GRIEVANCES



J&K BANK- A STORY OF TRANSFORMATION

[Document subtitle]



Administrative Staff College of India
Leadership through Learning

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Background

A Regional conference on “Replication of Good Governance Practices” was held at SKICC Srinagar on 01 & 02 July 2021. During the conference implementation of ‘Behtar Nizam e Hakumat Kashmir Aelamia’ was unanimously adopted under the aegis of Department of Administrative Reforms and Public Grievances (DAPRG) GOI, in presence of Dr Jitendra Singh, Hon’ble MoS, & Shri Manoj Sinha, Hon’ble Lt. Governor of J&K. During the conference three path breaking initiatives for UT of J&K including Development of District Good Governance Index, Training for 2000 J&K Government professionals including Mid-Career training of senior KAS officers and Documentation of four cases in collaboration with Administrative Staff College of India (ASCI) Hyderabad were taken up. Government of J&K approved four case studies for documentation & certification. The documentation/certification of the Cases Studies was sponsored by Department of Administrative Reforms and Public Grievances (DAPRG) GOI. The details are as under:

- **J&K Bank: “A story of Transformation”**
- “Back to Village” from Rural Development Department
- “Ayushman Bharat” from Health Department
- A case study related with Finance Department.

In this regard, Bank received a formal communication from Institute of Management, Public Administration & Rural Development (IMPARD) Srinagar, whereby the Bank was informed that a case study on J&K Bank: “A story of Transformation”, has been approved by Government of J&K.

To devise the case study & coordinate with all stakeholders, Incharge Strategy & Partnerships Department, J&K Bank, Mr Nisar Ahmad Sheikh, Chief Manager, was designated as nodal officer by Bank. There have been periodic discussions and meetings with the officials from Administrative Staff College of India (ASCI) Hyderabad and Institute of Management, Public Administration & Rural Development (IMPARD) Srinagar during the documentation of this case study and inputs forwarded by them where suitably incorporated in the case study. Besides the documented case study, video graphed interactions with MD&CEO and borrower success stories are also made part of the case study & have been forwarded to Management, Public Administration & Rural Development (IMPARD) Srinagar and Administrative Staff College of India (ASCI) Hyderabad which is entrusted with certification of the case study.

MD & CEO views on case study on J&K Bank: “A Story of Transformation”

Bank is the premier financial institution of UTs of J&K and Ladakh and enjoys distinction of being designated as RBI's Agent for carrying out banking business for the Government of J&K & Ladakh and is Nodal Bank for PFMS in UT of J&K & Ladakh. Bank acts as Lead Bank in 12 districts in UT of J&K and has account base of 1.92 crore accounts pan India with 1.85 Crore accounts in UTs of J&K and Ladakh, thus reflecting dominance & vast coverage in the region with a total population of 1.25 Crore (Census 2011). The UT Govt. of J&K is having a shareholding of 68.03% in Bank. Bank has bagged 8 Awards in FY 2021-22 and two Awards in CFY.

Major factor that set business achievements and standing of Bank apart is the business continuity in spite of various disruptions in the past viz- Frequent shutdowns (bandhs) in the past, 2008 turmoil Floods in 2014, 2016 turmoil, reorganization of erstwhile J&K state in 2019, COVID19. Over the years the bank has seen so many challenges which caused business disruptions and hit the economy of J&K but the bank has always supported Business community of both the UTs of J&K & Ladakh and provided uninterrupted services to populace of UTs of J&K and Ladakh during various disruptions.

Bank has always been at forefront for introducing various schemes for Social/economic wellbeing, J&K Bank has always strived to provide customized products and services to diversified clientele. With the endeavor of improving lives of the people, Bank has introduced and implemented a number of schemes from time to time. Besides Bank is continuously partnering with UT Governments of J&K and Ladakh for various social and economic wellbeing initiatives. One such instance is Bank's performance in “Back to Village Programme-B2V3” where bank has disbursed around Rs 340 Crore to around 19500 Beneficiaries. Besides Bank sanctioned around 36000 cases with a sanctioned amount of Rs 732 crore as on 31.12.2022 “Back to Village Programme-B2V4” initiative. Various schemes viz, J&K Bank Dastkar Finance, J&K Bank Aasayish Finance Scheme, Mumkin Scheme for transport sector, HAUSLA-J&K Bank Scheme for financing Women Entrepreneurs, Ladli Beti Deposit Scheme for girl child etc. have been launched for boosting economies of J&K & Ladakh.

J&K Bank has always been Socially Conscious Corporate Citizen of the country. At J&K Bank, Corporate Social Responsibility is not merely compliance but a social investment to facilitate social wellbeing of society. It is a commitment to support initiatives that measurably improve the lives of under-privileged by addressing their needs. Under CSR, the J&K Bank has always focused on social, economic uplifting of the underprivileged sections of the society and promote inclusive, harmonious social economic welfare, community empowerment, capacity building and protection of environment. J&K Bank has contributed through CSR Projects/ Programmes in various areas like Community Development Initiative- Development of Parks

at Jammu, Srinagar and Ladakh, Night Shelter homes, etc. under promotion of Education Bank contributed to students welfare fund, renovation of school for specially abled children. Under preventive healthcare Bank provided medical equipments, Ambulances, etc. Bank provided financial support to Real Kashmir Football Club for sports promotion. Bank participated in “Swachita hi seva campaign” by providing garbage carriers to JDA. Plantation drives and development of 13 parks was undertaken by Bank for preserving ecology and heritage. Besides Bank also provided support to Craft Development Institute, Srinagar for infrastructure development for skill development.

As part of the initiative to promote the well-being of specially abled, Bank has collaborated with SAKSHAM, which is actively working for well-being and self-reliance of the divyang persons with 21 types of complete or partial disabilities and Bank has commitment to provide 100 Wheel Chairs and 100 Special Tricycles for distribution among needy under Bank’s Corporate Social Responsibility to support Divyang persons. These wheel chairs and special tricycles will be distributed through the network of SAKSHAM, which is actively working for well-being and self-reliance of the divyang persons

As regards taking the business of the Bank to new heights our Bank has set an ambitious target to reach Rs 2.22 Lac Crore business during the current financial year i.e 2022-2023. Besides Bank is targeting to take the total business of Bank to 4 lac crore with next five years i.e, FY 2027.

Concluding my views, I sanguinely believe that with active involvement and support of all stakeholders viz - human resource, promoters, investors bank shall be creating more success stories in terms of improving various business indicators and boosting economy of UT of J&K & Ladakh and increasing its footprint in Rest of India.

Baldev Prakash
MD & CEO

Overview

Jammu and Kashmir Bank (J&K Bank) is a Scheduled Commercial Bank and one of the oldest private sector Bank in India, having its Corporate Headquarters in Srinagar. It was incorporated in 1938. The Bank is listed on both NSE and BSE.

J&K Bank occupies a unique and dominant position within Jammu and Kashmir due to its strong market presence and status as exclusive agent designated by the Reserve Bank of India for carrying out banking business for the Governments of UTs of Jammu and Kashmir & Ladakh and their government owned institutions and departments. The bank collects tax revenues within the UTs of J&K and Ladakh for Central Government on behalf of the Central Board of Direct Taxes. Besides bank is collecting GST throughout the country through branches & digital channels and works with the UT Government of J&K & Ladakh in the implementation of a number of flagship initiatives involving employment of youth, women empowerment etc.

History

J&K Bank was founded on October 1, 1938, under letters patent issued by then Maharaja of Jammu & Kashmir, Maharaja Hari Singh. The Maharaja had invited eminent investors to become the founding directors and shareholders of the bank.

The bank commenced banking business on July 4, 1939, and was considered the first of its nature and composition as a state-owned bank in the country. The bank was established as a semi-state bank with participation in capital by state

In 1971, the bank was accorded the status of a Scheduled bank and was declared an 'A' class bank by Reserve Bank of India in 1976.

Bank's Vision, Mission And Values

J&K Bank is one of India's leading old generation private sector banks, which offers a range of financial products and services.

I. Vision

"Pioneering the economic and social transformation"

To become a committed partner in fostering economic and social transformation across the country through a deep commitment to value creation for all our stakeholders, while continuing to build on our historic business relationship with Jammu & Kashmir and Ladakh.

II. Mission

- To acquire an enhanced business footprint across geographies and emerge as a prominent national brand in the financial sector.
- To position the Bank as the "Most Preferred Bank" for Customer focus, Operational Excellence and High Integrity towards one and all stakeholders.

- To be the best-in-class financial intermediary, leveraging our digital and physical banking channels.
- To observe customer centricity through service excellence, integrity and transparency, and a comprehensive range of innovative products and services responsive to customer needs.
- To be a lean, learning and efficient banking organization focusing on prudent, sustainable, profitable growth and value creation.
- To adopt the best standards for corporate governance, business ethics and risk management.
- To vigorously promote financial inclusion as a business proposition to harness the potential at the bottom of the pyramid.

III. Values

Values that define how we work:

- Excellence
- People Engagement
- Integrity
- Customer Centricity

Place/Area of Operation

J&K Bank functions as a universal bank in Jammu & Kashmir and as a specialized bank in rest of the country. However bank is augmenting its business base in Rest of India through onboarding of DSAs and entering into tie-ups with builders, car dealers etc. Bank is also planning to open more branches in Rest of India to increase its foot print. The Bank as on 31/03/2022 has 975 branches throughout India, out of which 815 branches are in J&K and 36 branches are in Ladakh while 124 branches of the Bank are operating in rest of India. The list of the States & UTs where Bank is having its presence is as under:

S.No.	State/UT	No. of Branches
1	J&K	815
2	Ladakh	36
3	Delhi	28
4	Punjab	18
5	UP	16
6	Maharashtra	13
7	Haryana	10
8	Karnataka	8
9	Himachal Pradesh	5
10	Gujrat	4
11	Tamil Nadu	4
12	Utrakhand	3
13	Rajasthan	2
14	Telengana	2
15	West Bengal	2
16	Madhya Pradesh	2
17	Kerela	2
18	Bihar	1
19	Chandigarh	1
20	Chatisgarh	1
21	Goa	1
22	Jarkhand	1

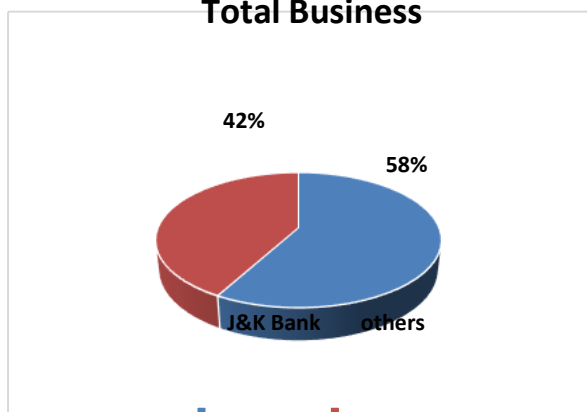
Market Share in J&K

The bank being the major financial player in the UT of Jammu and Kashmir holds a leading market share of 64% as of March 31, 2022 in banking business. Besides bank also holds market share of 58% in banking business in the UT of Ladakh.

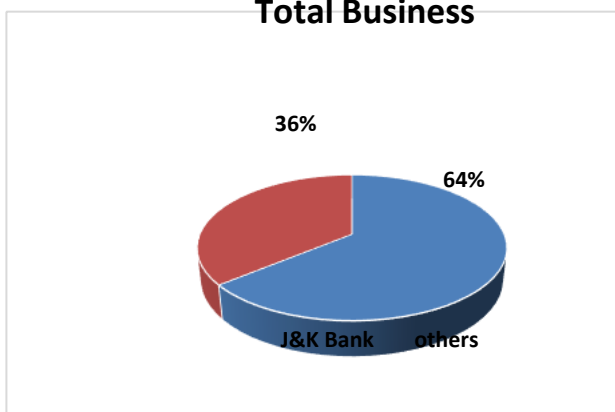
Position of MARKET SHARE as 31/03/2022

Particulars	Market Share of J&K Bank in %age (J&K)	Market Share of J&K Bank in %age (Ladakh)
Deposits	64%	60%
Advances	63%	53%
Total Business	64%	58%
Branches	40%	45%

**Market share Ladakh
Total Business**



**Market share J&K
Total Business**



Major highlights viz-a-viz Market Share in J&K and Ladakh: (31-03-2022)

- Market Share of **63.17%** in Advances, **64.29%** in Deposits and **40.24%** in Branches
- Business Share of **64%** in J&K
- CD Ratio of **56%** in J&K UT
- Network of **815** Branches in J&K
- **36** Branches in Ladakh
- Branch in every block of J&K UT and Ladakh UT
- Around **1.85** crore account holders in UTs of J&K and Ladakh.
- **1258** ATMs in J&K
- **50** ATMS in Ladakh

Growth in Business Indicators

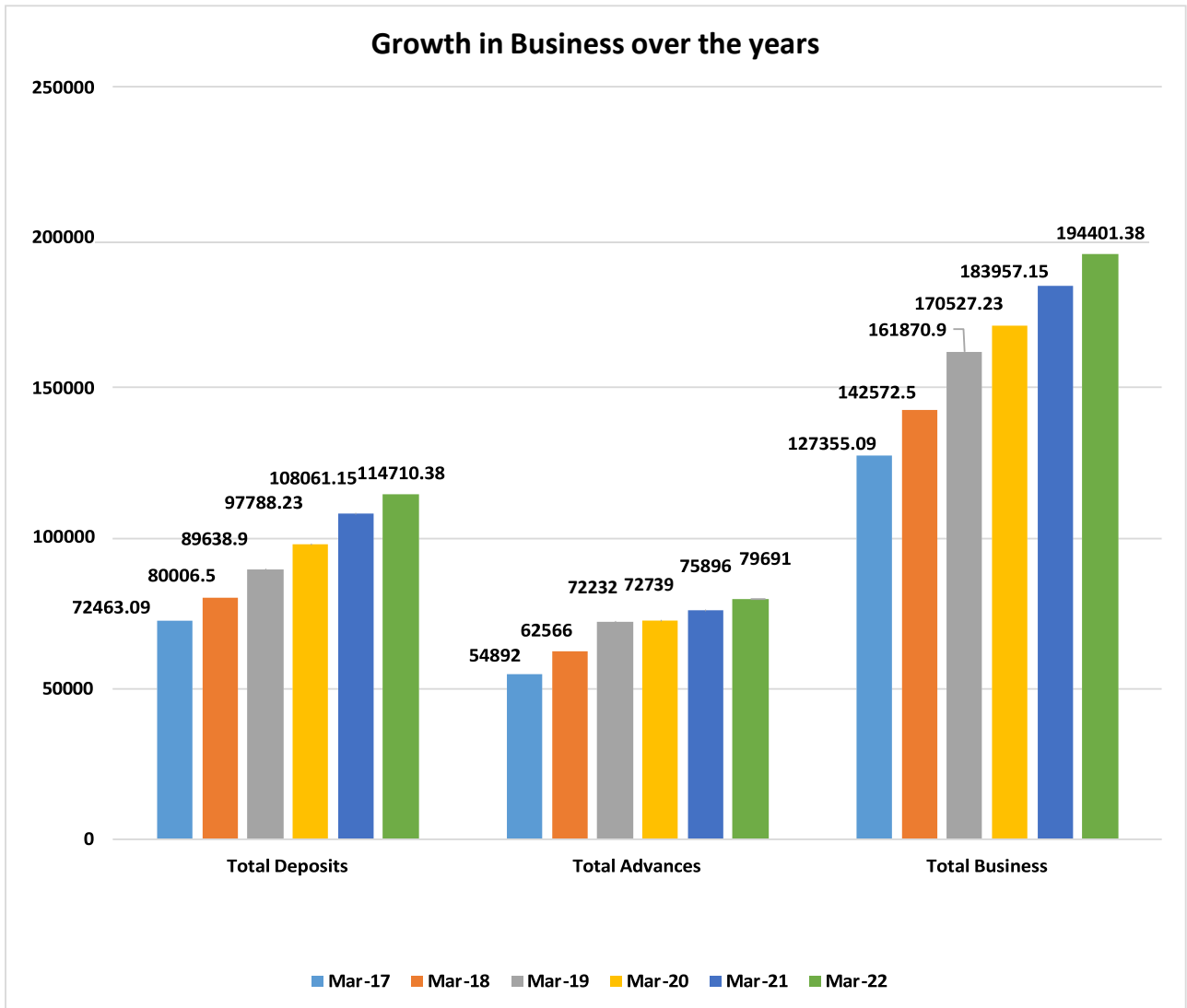
Amount in Crores

Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Total Deposits	72463.09	80006.5	89638.90	97788.23	108061.15	114710.38
Total Advances*	54892.00	62566.00	72232.00	72739.00	75896.00	79691.00
Total Business	127355.09	142572.5	161870.9	170527.23	183957.15	194401.38
Business Per Employee	12.20	12.00	12.37	13.08	14.48	13.87
CASA	51.70%	50.89%	50.70%	53.66%	56.84%	56.56%
CD Ratio	56.92	58.95	73.93	65.86	61.86	61.37
CAR	10.8	11.42	12.46%	11.40%	12.20%	13.23%
NIM	3.38%	3.65%	3.84%	3.92%	3.51%	3.50%

**note: Figure reflects total advances and not net advances as reflected in earning update.*

- The bank has shown a healthy growth in total business, deposits and advances over the years.
- CASA of the Bank has also shown a steady growth over the years and is currently having CASA of 56.56 % which is one the best in the industry.
- All other business indicators are also pointing towards the strong financial health of the bank.

Graphical representation of Growth in Business from March-2017 to March-2022.



Major Business Milestones

Performance Highlights (FY 2021-2022)

- Posting its highest annual profit after FY 2014-15, J&K Bank registered annual net-profit of Rs 501.56 Cr for the Financial Year 2021-22 witnessing 16% YoY growth when compared to Rs 432.12 Cr recorded financial year 2020-21.
- With Cost of Deposits improving from 4.10% to 3.65% on YoY basis, the Bank's NIM was recorded at 3.50% for the year ended March 2022.
- CD and CASA Ratios stood at 61.37% and 56.56% respectively for the financial year 2021-22.
- The total Business of the Bank as on 31st March 2022 stood at Rs. 194401 Crore against Rs. 183985 Crore as on 31st March 2021, registering a growth of 5.66 % during the financial year 2021-22.
- Total Advances of the Bank as on 31st March 2022 stood at Rs. 79691 Crore as against Rs. 75896 Crore as on the corresponding date of the previous year, recording a growth of 5.00 % YoY.
- The total Deposits stood at Rs.114710.38 crore as on March 31, 2022 compared to Rs 108061.15 crore as on March 31, 2021 recording a YoY growth of 6.15%.

Asset-Quality

- The Bank's gross and net NPA as percentages to gross and net advances improved considerably to 8.67% and 2.49% respectively when compared to 9.67% and 2.95 %, recorded last year.
- NPA Coverage Ratio of the Bank witnessed marked improvement to 84.26% when compared to 81.97% a year ago.

Capital-Cushion

- After raising over Rs 1100 Cr as capital during the FY 2021-22, the Bank's Capital Adequacy Ratio witnessed marked improvement from 12.20% to 13.23% thus ensuring availability of growth capital in addition to maintaining the regulatory requirements.

Growing-Business

- Posting growth of around 6% in its business, the Bank's deposits have increased by 6% to Rs 114710.38 Cr while as the total Advances have grown by 5% to Rs 79691 Cr. In J&K and Ladakh, the deposits have witnessed 7% increase while as the total advances have grown by 10%.

Other Milestones

- The bank on October 1, 2018, completed its 80 years of existence and the day was celebrated by the Bank under the theme "80 years of bonding - I pledge to strengthen it".
- In July 2020, the bank figured among the top 4 banks in India in achieving targets in digital payments, contributing towards 'Digital India' mission.

Awards and Recognitions

The bank from time to time is being awarded for the exemplary work it has been doing in multiple spheres of banking. Some of the awards received by the bank in recent past are as:

National Award for SHG Bank Linkage



In recognition of its best performance in Self Help Group Bank Linkage, Ministry of Rural Development (GoI) has awarded J&K Bank with 'National Award for Outstanding Performance for FY 2020-21.

Zonal Head Delhi Kirti Sharma received the national award on behalf of Bank from the Union Minister for Rural Development, Giriraj Singh during the event organized by the Ministry of Rural Development (GoI) to celebrate Women's Day at Vigyan Bhawan Delhi. The event was attended by various women self-help groups who shared their success stories and praised the Bank for providing them timely support in gaining not only self-sufficiency but earning livelihoods for others as well.

Best performance award for implementing PMEGP in North India



J&K

Bank has been ranked No. 1 by the Ministry of Micro, Small & Medium Enterprises (GoI) un-

J&K Bank has been ranked No. 1 by the Ministry of Micro, Small & Medium Enterprises (GoI) under Khadi India Awards for its excellent performance in implementing the Prime Minister's Employment Generation Programme (PMEGP) in North India.

Presiding over the felicitation ceremony Chairman, Khadi & Village Industries Commission (KVIC) Vinai Kumar Saxena presented the top performance award for the financial year 2020-21 to Zonal Head Delhi Kirti Sharma who represented J&K Bank during the Zonal Level PMEGP Review Meeting at Panchkula in Haryana.

Khadi India Award for PMEGP, among top 4 banks in the country



For its distinguished pan-India performance in implementing the Union Government's flagship scheme of Prime Minister's Employment Generation Programme (PMEGP) for the financial year 2020-21, J&K Bank has bagged 4th Position across the country under Khadi India Award.

On behalf of J&K Bank, Zonal Head Mumbai Rajesh Malla Tikoo received the award during the Banker's Review Meeting for the implementation of PMEGP Scheme organized by the Khadi and Village Industries Commission (KVIC) Mumbai, Union Ministry of MSME (GoI) at Hotel J W Marriot in Juhu Mumbai.

Best Digital Financial Inclusion Initiatives Award

Continuing its journey towards excellence, J&K Bank has won the 'Best Digital Financial Inclusion Initiatives' Award in the prestigious 'Indian Banks' Association's (IBA) '17th Annual Banking Technology Conference and Awards: 2020-21' in the function that was held virtually on February 14, 2022

Best IT Risk & Cyber Security Initiatives

J&K Bank has also been awarded second best position in 'Best IT Risk & Cyber Security Initiatives' under the Small Bank Category in the prestigious 'Indian Banks' Association's (IBA) '17th Annual Banking Technology Conference and Awards 2020-21.

Utkarsh Puraskar of DigiDhan Award 2020-21

J&K Bank won Utkarsh Puraskar of DigiDhan Award 2020-21 for achieving 2nd highest percentage of digital payment transactions from Ministry of Electronics & Information Technology (Meity), GOI. The Bank earned the honors for its outstanding performance in promoting digital payments as part of the “Digital Payments Utsav”, celebrated by the Ministry of Electronics & Information Technology.

The Bank was rated among the Top 3 Banks in the country for achieving Digital Transaction targets for the ‘Digital India Campaign’.

Process Innovation Award’ at Infosys Finacle Innovation Awards 2021

J&K Bank won in Midsized bank category as Runner up in Process Innovation category at Infosys Finacle innovation Awards 2021.

Best Employer Brand Award

As a significant acknowledgement of its HR development, J&K Bank bagged ‘Best Employer Brand Award’ in ‘The North India Best Employer Brand Awards 2021’ featuring the top organizations from North India region, which are exemplary in HR and have used marketing communications effectively for Human Resources Development.

Accolades & Appreciations by Government functionaries & dignitaries

The Bank has received appreciation from top government functionaries from time to time for its continued efforts in serving the people throughout unfavourable circumstances, maintaining business continuity and playing its role in implementing various Government schemes aimed at social wellbeing and employment generation. A few appreciation statements from top government functionaries have been reproduced below:

Union Minister of State for Finance Mr Bhagwat Kishanrao Karad:

Hon’ble MoS Mr Bhagwat Kishanrao Karad during his recent visit to J&K on 23.11.2022 praised J&K and stated that the financial institution was doing a commendable job. Statement of Minister of State for finance is reproduced as under:

“During the last couple of days here I have observed that J&K Bank is far ahead of the lot in implementing all the flagship schemes of the Centre meant for poor and marginalised ranging from PM Jan Dhan Yojana and PM Jeevan Jyoti Bhīma Yojana to PMSVANidhi. More so, the bank takes lead in financing the schemes like Mumkin, Tejas- wani sponsored by the J&K government for which I congratulate the Managing Director (MD) and Chief Executive Officer (CEO) of the J&K Bank, Baldev Prakash and his entire staff. 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.”

Hon'ble LG of UT J&K Mr Manoj Sinha:

Hon'ble LG of UT J&K Mr Manoj Sinha while launching J&K Bank's Phone pe Loan and Accidental Insurance Coverage for J&K Government employees, lauded achievements of the Bank and said,

"J&K Bank has emerged as one of the most trusted and reliable banks in the UT" Appreciating the role and performance of the Bank, Lieutenant Governor said, "We are happy to see J&K Bank going in right direction and with the emotional bond between the Bank and people of Jammu and Kashmir getting further strengthened during the last few years, we expect better results from the Bank in future."

Chief Secretary Government of J&K Dr Arun Kumar Mehta:

Chief Secretary, Dr Arun Kumar Mehta after launching multiple initiatives of J&K Bank - aimed at encouraging self-reliance in people under the ongoing nation-wide 75th "Azadi Ka Amrit Mahotsav" program organized at Corporate Headquarters of the Bank said,

"J&K Bank has been doing well and in very difficult times. During the period in 2019, the Bank did come up & did well in terms of ATMs. The ATM transactions were more than double than the previous year & not less. A story which hardly has been captured & I think that was a success story that despite all the problem that happened in terms of internet not being the Bank there, J&K bank never stopped & continued its service." The soft copy of the speech is also attached with the case study.

Dr Jitendra Singh, MoS for Prime Minister's Office:

J&K Bank has walked an extra mile to support the Divyang (specially-abled) persons under its CSR besides providing them completely hassle-free banking and relevant financial services so that this section of our society also reaps the benefits of Hon'ble Prime Minister's vision of inclusive growth and development.

This was stated by Dr Jitendra Singh, Minister of State (Independent Charge) for the Ministry of Science and Technology and Minister of state (Independent Charge) Ministry of earth science and MoS for Prime Minister's Office at a massive function themed "Divyang aur Parivar Maha Sammelan" organised in Kathua Jammu on December 11, 2022 by SAKSHAM - a humanitarian organisation dedicated to support and transform the lives of physically challenged individuals across the country by making them self-reliant. Dr Jitendra Singh was Chief Guest on the occasion and handed over the commitment letter from the Bank SAKSHAM.

Corporate Governance Practice

Corporate Governance encompasses a set of relationships between a company's management, its board, its shareholders and other stakeholders which provides the structure through which the objectives of the company are set, and the means of attaining those objectives are defined and monitoring performance is ensured.

It helps define the way authority and responsibility are allocated and how corporate decisions are made. The timely and accurate disclosure of information regarding the financial situation, performance, board constitution, ownership of the Bank etc. is an important part of Corporate Governance. Corporate Governance arrangements are those through which an organization directs and controls itself and the people associated with it.

The Bank strongly believes in ethical values and self-discipline to achieve higher standard of Corporate Governance and continues to strive for excellence in business operations through transparency, accountability to its stakeholders, Government and others who deal with the Bank.

The Bank has established a tradition of exemplary practices in corporate governance. It encompasses not only regulatory and legal requirements, but also several voluntary practices, aimed at high level business ethics, effective supervision and enhancement of stakeholder volume.

Facets Of Corporate Governance

A. Board of Directors

- Composition of the Board
- Powers of the Board
- Code of Conduct
- Responsibilities of the Directors
- Committee of Directors
- Role of Company Secretary

B. Investor Relations

- Grievance Redressal Mechanism
- Investor Related Information to be provided in the Annual Report
- Policy on Prohibition of Insider-trading
- Efficient Share Transfer Mechanism

C. Financial Disclosures & Controls

- Timely reporting of financial results
- Adoption of Universally Accepted Accounting and Disclosure Policies
- Effectiveness of the system of Internal Financial Control
- Disclosure Standards

D. Corporate Citizen

- Active participation in community development programmes with Corporate Social Responsibility
- Fair and Ethical business practices

Schemes introduced for Social/Economic wellbeing

J&K Bank is always striving to provide customized products and services to diversified clientele. Continuing with the endeavor of improving lives of the people it has introduced and implemented a number of schemes from time to time for the same reason.

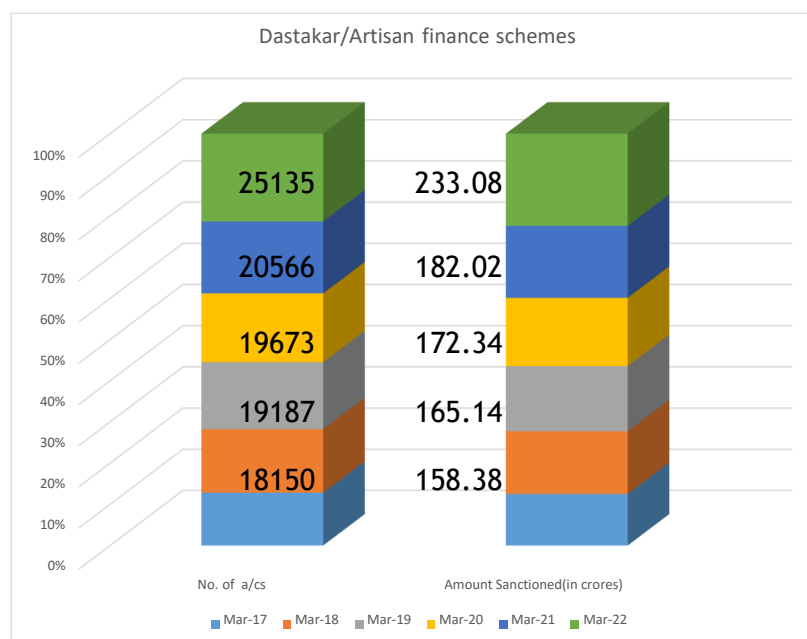
J&K Bank Dastkar Finance:

Handicrafts and handlooms are a major industrial activity in J&K providing employment to nearly five lac persons and contributes over Rs 1,700 crore to the export economy annually. Majority of these craftsmen, artisans and weavers belong to socio-economically backward classes. They are unable to carry on their activities for want of adequate capital and areas such prone to exploitation by the traders and middlemen. It has been witnessed, in the recent past, that the skilled labour (artisans / weavers / craftsmen) are compelled to take up unskilled jobs owing to the meagre compensation they receive in the skilled trade. This phenomenon has brought the traditional industry to the brink of extinction.

The bank, in its endeavor to promote trade and industry of the state by identifying and catering to the financial needs of target groups particularly the artisan community has designed a scheme named J&K Bank Dastkar Finance.

The scheme has proved to be very helpful in providing easy and soft credit to the artisans, weavers and craftsmen engaged in different handicrafts / handloom activities to start their independent ventures. The Bank has disbursed about Rs 233.08 crores upto Mar-2022 under this scheme.

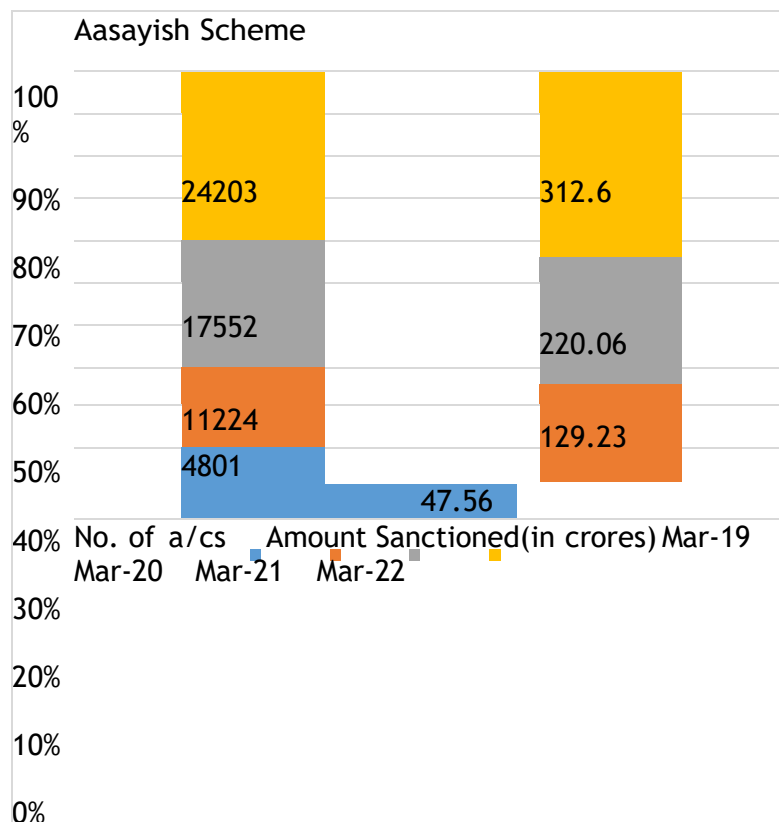
Achievements under Dastakar/Artisan finance schemes						
Year	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
No. of a/cs	15112	18150	19187	19673	20566	25135
Amount Sanctioned(in crores)	130.24	158.38	165.14	172.34	182.02	233.08



J&K Bank Aasayish Finance Scheme:

J&K Bank has always strived for uplifting standards of living of its customers by offering diverse range of financial products catering to different needs of various sections of the society in general and J&K state in particular. In line with its vision, Bank launched “**J&K Bank Aasayish Finance Scheme**” a specialized credit product to cater to the financial needs of for employees working as daily wagers or on contract basis in Government / Semi Government Departments/ Undertakings and employees working in private sector who before this scheme have not been able to avail loans and advances from the banks because of certain practical limitations. This section of the society despite being huge in number and also contributing immensely to the social and economic development of the society, were not properly integrated into financial system for availing various loan facilities. This scheme has empowered a major chunk of society and helped them meeting their different financial needs from time to time in a convenient manner.

Achievements in Aasayish Scheme since inception				
Year	Mar-19	Mar-20	Mar-21	Mar-22
No. of a/cs	4801	11224	17552	24203
Amount Sanctioned(in crores)	47.56	129.23	220.06	312.6



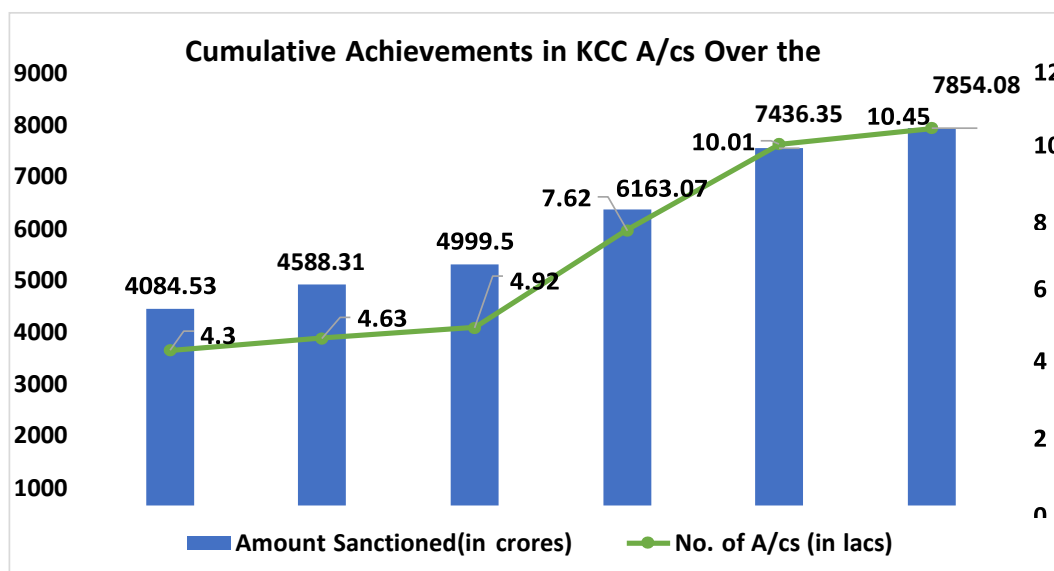
J&K Bank Kissan Credit Card / Apple Finance Scheme:

Since J&K UT is economically dependent on Horticulture sector mostly and Bank drives most

of its business from the UTs of J&K and Ladakh, as such Bank has played a vital role in uplifting the Horticulture sector here by introducing a number of schemes like J&K Bank Apple Advance Scheme/Kissan Credit Card scheme/Kissan Dost scheme etc, aimed at facilitating people involved in horticulture and other agricultural activities from time to time as per their requirements. J&K Bank Apple Advance Scheme/Kissan Credit Card Scheme has helped in changing the micro economics of the UTs of J&K and Ladakh with respect to the rural scenario. The schemes have uplifted the weaker agrarian groups, decreased their dependence on middle men/ intermediaries and made them self-sufficient, bolder and confident. These schemes have ensured people associated with horticulture have enough liquidity throughout the year to meet their financial requirements with ease. This has not only created a positive impact on the economy of the UT but has also changed the mindset of the economically backward agriculturists.

J&K Bank has sanctioned Rs 7854.08 crores under KCC scheme upto March 2022 in more than 10 lac accounts which includes those accounts as well which have been closed by the borrowers over the years after getting benefited by the scheme.

Year	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
No. of A/cs(in lacs)	4.30	4.63	4.92	7.62	10.01	10.45
Amount Sanctioned(in crores)	4084.53	4588.31	4999.5	6163.07	7436.35	7854.08



HAUSLA-J&K Bank Scheme for financing Women Entrepreneurs

Bank has devised a customized scheme named HAUSLA for extending financial assistance to the existing women entrepreneurs for setting up economically & financially viable, new enterprise or upgrading of an existing enterprise in manufacturing, services, trading or Activities allied to agriculture sector. Under this scheme applications from Women Entrepreneurs

for registration under HAUSLA shall be received by JKTPO, Govt of J&K Corporation under the aegis of Department of Industries & Commerce (Sponsoring Department) and the selected women entrepreneurs will go through instructor led training and mentorship from industry experts. Leading partners that are associated with the program include NIMSME (National Institute of Micro, Small & Medium Enterprises), Flipkart & India SME Forum.

Developmental initiatives taken by Bank in collaboration with the Government

The bank has always performed exceptionally in implementing developmental initiatives taken by the Central and UT Government. The government has time and again appreciated the services rendered by the bank to the people during the challenging times and partnering with Government in the process of economic development of J&K.

Back To Village Initiative (B2V):

In a first-of-its-kind, the Jammu and Kashmir government embarked on an ambitious initiative to reach out to the people at the grassroots level through a programme named as 'Back to Village' in 2019. The 'Back to Village' programme was aimed to involve the people of the state, government officials and Bank Officials in a joint effort to deliver the mission of equitable development and growth through community participation besides redressal of public grievances. There have been 04 editions of this programme so far with fourth edition referred as B2V4 concluded in November 2022.



J&K Bank played a pivotal role in making this programme a success by participating in all four editions of this programme.

In the third phase of this programme (B2V3) a target of 10,000 loan cases was assigned to J&K Bank under the programme with focus on employment generating schemes for youth of J&K. The bank surpassed the targets by sanctioning 19538 cases amounting to Rs 340.89 crores. Most of these cases sanctioned involved self-employment schemes like PMEGP, JKREGP, PMMY, NRLM and NULM thereby helping in generating employment opportunities for unemployed youth of J&K. Bank played a vital role in credit dispensation to beneficiaries identified under the programme which was important to make initiative a grand success. Pertinent to mention B2V programme of J&K has also been identified as a success story by UT Govt where Bank played a vital role in credit dispensation aspect of programme. Same is validated by following figures tabulated as under:

Progress under B2V3

Amount in Crores

CASES RECEIVED		CASES SANCTIONED/DISBURSED	
No. of Cases	Amount	No. of Cases	Amount
24516	483.63	19538	340.89

After the success of first three editions of Back to village programme, Government of J&K launched fourth edition of the Back to village-IV (B2V4) programme from 27th October 2022. Like earlier editions of B2V programme, J&K bank ensured its participation in all the camps organized at Panchayats throughout UT of J&K and sanctioned loan cases under various government schemes primarily for employment generation for unemployed youth of J&K. Against allotted target of 46065 cases, J&K Bank surpassed the target by receiving 46871 loan cases. Out of 46871 cases received, Bank has sanctioned more than 36000 cases amounting to Rs: 732.45 crores. The Bank set up 4120 counters at allotted Panchayats to verify, Sanction, disburse cases received, besides accepting fresh applications from people for various loan schemes. An estimated 56764 persons have been benefited/provided employment opportunities through loan cases sanctioned during the B2V4.

Progress under B2V4 upto 31.12.2022:

Amount in Crores

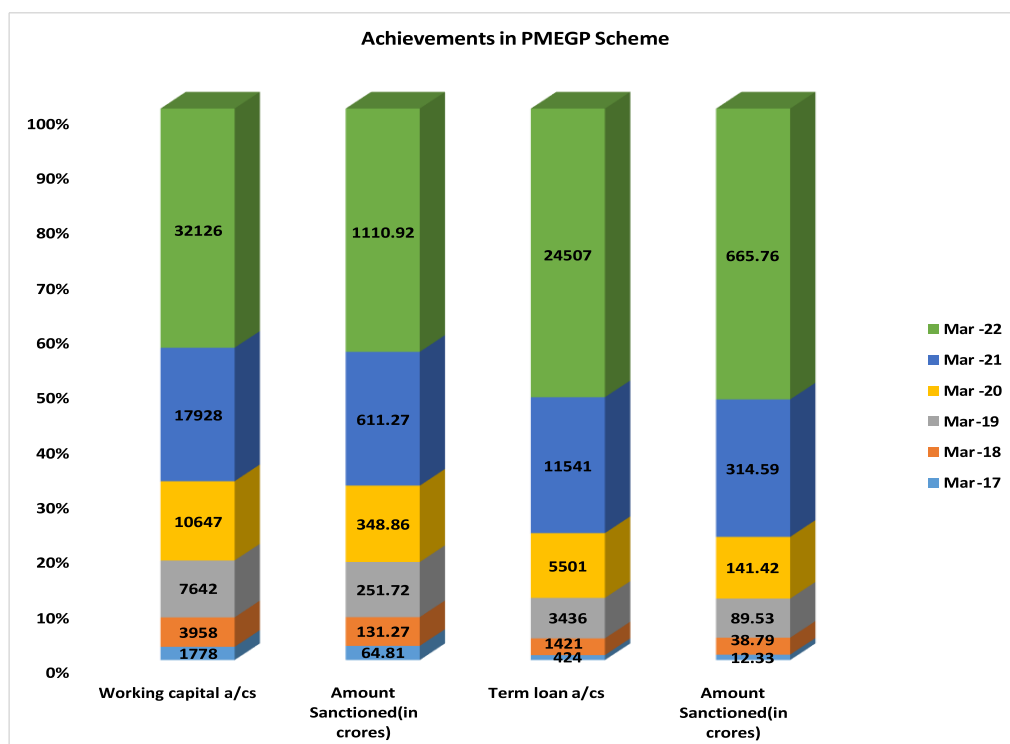
CASES RECEIVED		CASES SANCTIONED/DISBURSED	
No. of Cases	No. of Cases received	No. of Cases	Amount
46065	46871	36095	732.45

PMEGP Scheme implementation:

The Prime Minister Employment Generation Programme (PMEGP) is a Government of India-backed credit-linked subsidy scheme. Under this scheme, beneficiaries can get a subsidy amounting to 15-35% of the project cost from the government. The Bank has been one of the best performing banks in the country regarding the implementation of the scheme. Acknowl-

edging its efforts, J&K Bank has been ranked No. 1 by the Ministry of Micro, Small & Medium Enterprises (GoI) under Khadi India Awards for its excellent performance in implementing the Prime Minister’s Employment Generation Programme (PMEGP) in North India. Notably, the bank contributed around 50 pc to the total achievement under PMEGP Scheme in the entire north India, which ranked first among all the regions in the implementation of the scheme. The yearly performance of Bank can be well understood from the figures below.

Cumulative Achievements in PMEGP Scheme over the years						
Year	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Working capital a/cs	1778	3958	7642	10647	17928	32126
Amount Sanctioned (in crores)	64.81	131.27	251.72	348.86	611.27	1110.92
Term loan a/cs	424	1421	3436	5501	11541	24507
Amount Sanctioned (in crores)	12.33	38.79	89.53	141.42	314.59	665.76

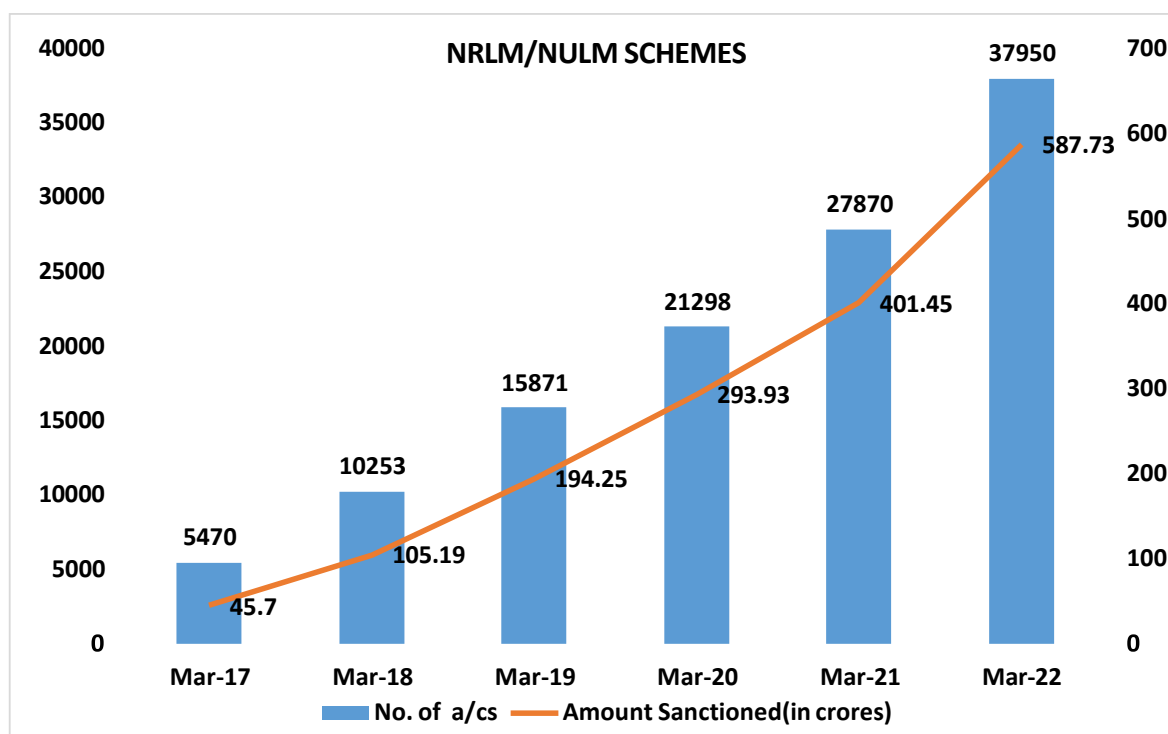


DAY-NRLM/ DAY-NULM Schemes:

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) & Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM) are flagship programs of Govt. of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods services in rural and urban areas respectively. The main aim of these

two programs is to reduce poverty by building strong grassroots institutions of the poor, engage them into gainful livelihood interventions and ensure appreciable improvement in their income on a sustainable basis. The basic idea behind these programs is to place poverty stricken people into Self Help Groups (SHGs) and make them capable for self-employment. J&K Bank has done commendable work in terms of implementation of these schemes by disbursing Rs 587.73 crores upto Mar-2022 to different SHGs throughout the country. In recognition of its outstanding performance in Self Help Group Bank Linkage, Ministry of Rural Development (GoI) has award J&K Bank with 'National Award for Outstanding Performance for FY 2020-21. The details of the bank linkages and credit disbursal done under NRLM & NULM has been tabled below:

Achievements in NRLM/NULM SCHEMES over the years						
Year	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
No. of Accounts	5470	10253	15871	21298	27870	37950
Amount Sanctioned (in crores)	45.7	105.19	194.25	293.93	401.45	587.73

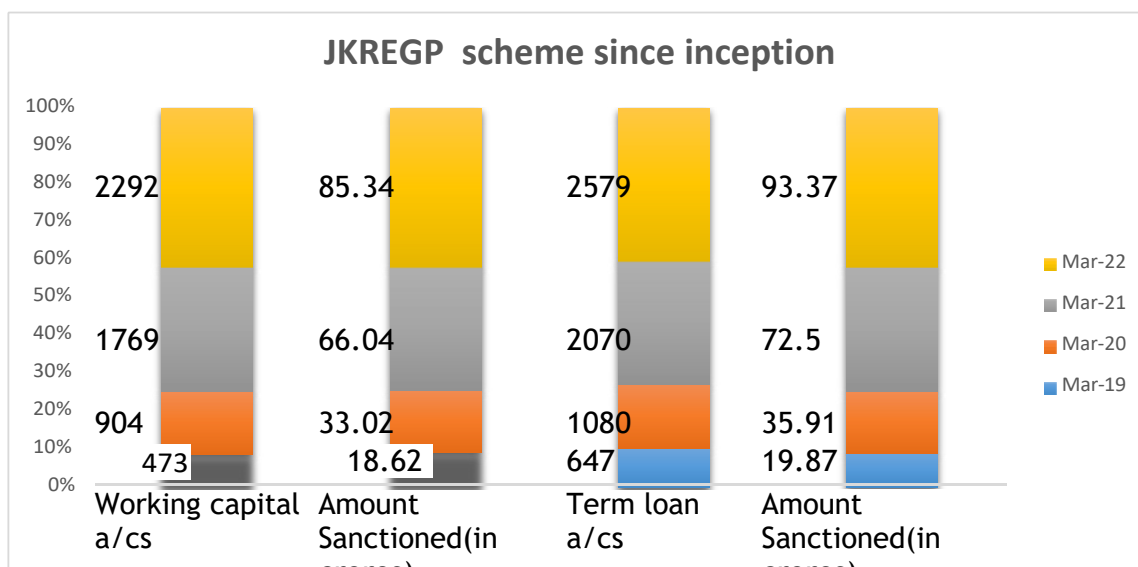


JKREGP Scheme:

To harness and divert the energy and enthusiasm of the youth of J&K for establishment of the productive enterprises which includes agro and food processing industry/forest based industry/handmade paper /fiber products/mineral based products/polymer and chemical based industry/rural engineering and biotechnology/service industry/textiles to create employment opportunities in rural areas of the UT, a new credit linked subsidy programme namely J&K Rural Employment Generation Programme (JKREGP) was launched by the Bank in 2018.

This scheme was implemented by J&K Khadi and Village Industries Board and the subsidy was routed through J&K Bank for eventual distribution to the beneficiaries/entrepreneurs in their bank accounts. J&K Bank upto 31-March-2022 has disbursed Rs 85.34 crores in 2292 working capital a/cs and Rs 93.37 crores in 2579 a/cs. The yearly progress made in the scheme since inception is as:

Achievements in JKREGP scheme since inception				
Year	Mar-19	Mar-20	Mar-21	Mar-22
Working capital a/cs	473	904	1769	2292
Amount Sanctioned(in crores)	18.62	33.02	66.04	85.34
Term loan a/cs	647	1080	2070	2579
Amount Sanctioned(in crores)	19.87	35.91	72.5	93.37



Mumkin Scheme Implementation:

Flagship Mission Youth initiative of Jammu and Kashmir Government has enabled many youth from J&K to earn their livelihood with dignity. To facilitate the youth to secure a sustainable livelihood in the transport sector, the J&K Government has started a customized Livelihood Generation Scheme 'MUMKIN' under which the interested youth are provided financial assistance for purchase of small commercial vehicles. The 'Mumkin' is a livelihood programme designed primarily for unemployed young people in the age bracket of 18 to 35. Under the 'Mumkin' scheme, small commercial vehicles are being provided to the youth with the banking partner extending the loan facility to the extent of 100 percent of the on-road price of the vehicle to be purchased, while "Mission Youth, J&K provides an amount of Rs 80,000 or 10 percent of the on-road price of the vehicle (whichever is lesser) as upfront subsidy and the vehicle manufacturers (scheme partner of government) provide an upfront special discount, not less than the amount of subsidy.



J&K Bank under the "Mission Youth Initiative" is also putting its share in the said partnership by way of providing financial assistance to the beneficiaries identified by the Govt. of J&K. In this regard, Bank has formulated a separate scheme in order to extend finance to the eligible beneficiaries identified by the government. The bank has helped in changing the lives of thousands of youth from the UT by financing their Light Commercial Vehicles (LCV) sponsored by Mission Youth thereby enabling them to earn their livelihood with dignity. As on 31-03-2022 Bank has disbursed Rs 113.93 crore to 1671 beneficiaries since inception of the scheme in 2020.

Pradhan Mantri Mudra Yojana (PMMY):

Micro Units Development & Refinance Agency Ltd. (MUDRA) was launched on April 08, 2015, as a new financial entity engaged for developing and refinancing activities relating to micro units. The purpose of MUDRA is to provide financial assistance to the non-corporate small business sector under non-farm enterprises in manufacturing, trading & services. J&K Bank has performed exceptionally well in the implementation of the scheme and financed a good number of small units in manufacturing, trading & services.

Ladli Beti Deposit Scheme

Government of Jammu & Kashmir introduced a social assistance scheme titled “Ladli Beti” (LB) meant for new born girl child of the State born on or after 01st April 2015. To implement the Scheme in the designated districts of J&K & Ladakh, the Bank designed a specialized de-posit product named “J&K Bank Ladli Beti Deposit Scheme”. The objective of the scheme is to arrest the declining female sex ratio and reduce the financial burden of the girl’s parents. The scheme further intends to ensure that the girl child does not become a burden for the parent or guardian at the time of her marriage. Recurring deposit account under this scheme shall be opened by the natural or legal guardian of the girl child. A contribution of Rs. 1000/- per month will be made by J&K Government from the birth of the girl child / account opening date for the next 14 years and after maturity girl child will get Rs 6.50 lakh. (A total of Rs.168000/- only will be contributed by the UT.) As on 31/03/2022 J&K Bank has opened more than one lac accounts under this scheme to eligible girl children in Union Territories of J&K and Ladakh. The scheme has received praise from all quarters of the society as it is going to reduce the burden of the marginalized families in future and also will go a long way to arrest the declining female sex ratio. As on 31-03-2022 the Bank has opened 1.03 lac Ladli Beti Ac- counts since the inception of scheme.

Achievements in Ladli Beti scheme over the years						
Year	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
No. of a/cs	17426	39506	57500	75040	100198	103365
Amount received (in crores)	103.24	216.96	279.63	327.81	357.92	358.95

Implementation of Social Security Schemes (PMSBY, PMJJBY & APY):

The Social Security Schemes - Pradhan Mantri Suraksha Bima Yojna (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY) and Atal Pension Yojna (APY), were launched by the Prime Minister on 9th May 2015 to move towards creating a universal social security system, targeted especially at the poor and the underprivileged. Available technology is being leveraged by Bank to create more awareness about the benefits of three Social Security Schemes i.e. PMSBY, PMJJBY & APY.

- **PMSBY:** The scheme is a one year cover, renewable from year to year, Accidental Insurance Scheme offering accidental death and disability cover of Rs.2 lakhs for death or permanent disability and cover of Rs.1.00 lakh for partial disability as per criteria defined in the scheme . All savings bank account holders in the age group of 18 to 70 years in participating banks are entitled to join. The premium of Rs.12/- per annum per member is deducted from the account holder’s savings bank account through ‘auto debit’ facility in one instalment, on or before 31st May of each annual coverage period under the scheme.

- **PMJJBY:** The scheme is a one year cover, renewable from year to year, Insurance Scheme offering life insurance cover of Rs.2 lakhs for death due to any reason. All savings bank account holders in the age group of 18 to 50 years in participating banks are entitled to join. The premium of Rs.330/- per annum per member is deducted from the account holder's savings bank account through 'auto debit' facility in one instalment, on or before 31st May of each annual coverage period under the scheme.
- **APY:** Atal Pension Yojna (APY) is a government-backed pension scheme in India targeted at the unorganized sector. APY has been launched with a noble cause of providing Old Age income security for target age group of 18-40 years. Under the APY, guaranteed pension of Rs. 1000.00, Rs. 2000.00, Rs 3000.00, Rs. 4000.00 and Rs 5000.00- per month will be given at the age of 60 years depending on the contributions by the subscribers.

The progress of the Bank under the aforementioned social security schemes is given hereunder:

Cumulative progress of PMSBY, PMJJY AND APY as on 31.03.2022

Name of Pension/Insurance scheme	Name of Pension/ Insurance partner	Applications sourced	No. of Cases where Premium Debited	Premium Debited (in Rs)
PMSBY	NEW INDIA ASSURANCECO	482509	469954	5639448
PMJJBY	LIC OF INDIA	276428	263453	86939490
APY	PFRDA (including those who have with-drawn from scheme)	22721	19815	478652886

Cumulative position of PMSBY & PMJJBY claims as on 31.03.2021

Name of Pension/ Insurance scheme	Claims received	Claimssettled	Claims rejected	Claims pending
PMSBY	356	191	38	127
PMJJBY	1209	954	73	182

Other schemes:

The bank has also performed well in implementing Schemes like Pradhan Mantri Awas Yojana (PMAY), Stand-up India, where loans upto Rs 1.00 Crore are provided to women & SC/ST entrepreneurs, PM SVANidhi Yojana (Street Vendors Scheme) - one of the flagship programs of Gol under Atma Nirbhar Bharat Abhiyan. These schemes are centered at uplifting the people of the country from poverty towards the path of economic wellbeing.

**Major Banking Schemes Initiated for Economic Revival post COVID-19:
Guaranteed Emergency Credit Line (GECL):**

The Scheme provided for additional funding of 20% of the outstanding credit as on 29.02.2020 by banks to MSMEs / business enterprises thus ensuring timely financial support to business enterprises to offset impact of disrupted cash flows on account COVID-19 lockdown

Eligible Borrowers For Gecl	Eligible Amount @20% Of BOS	Guaranteed Emergency Credit Line	
Balance O/S As On 29.02.2020 (In Crores)	(In Crores)	Sanctioned /Disbursed	
		A/Cs	Amount (In Crores)
20486.68	4097.34	64422	2344.43

a. 5% Interest subvention granted to the business community:

The 5% interest subvention provided a great deal support to business enterprises in respect of servicing of interest in their loan accounts applied during the COVID disruption

No-of Accounts (In lacs)	Amount (In Crores)
3.44	500.00



b. PM-SVANidhi:

PM SVANidhi scheme aims to provide collateral-free affordable loans to street vendors. The aim is to provide financial assistance for the holistic socio-economic development of the street vendors and their families. The scheme provides Special Credit facility for Street Vendors with an initial working capital upto Rs. 10,000.

c. **“KISSAN PAKHWADA” -100% Saturation of farmers under KCC Scheme:**

In line with the vision of Gol to achieve 100% KCC saturation of farmers across the nation, J&K UTLBC in collaboration with Agriculture Production Department, J&K UT Government, organized a special drive named “Kisan Pakhwada” across the UT of J&K from 7th July, 2020 to 21st July, 2020 with a view to ensure 100% coverage of farmers in UT of J&K under KCC Scheme. The Kissan Pakhwada was inaugurated by the Hon’ble Lt. Governor, UT of J&K. J&K Bank covered all the eligible farmers under KCC scheme in J&K. As a result of above programme, **the number of KCCs issued by banks in UT of J&K has substantially increased from 7.51 lac as on 31.03.2020 to 9.97 lac as on 31.03.2021.**

Business Process Re-engineering

Banking industry is fast transforming from a system driven by conservative delivery channels to a system hugely supplemented by IT enabled alternate delivery channels.

Bank has created separate Department for Business Process Reengineering (BPR) which has been created to implement changes in the business model, processes and other aspects of business to increase the productivity and efficiency through Digital & Technology Transformation. In line with the objective of offering latest available technology solutions to serve our valuable customers, the following business process reengineering (BPR) initiatives have been taken:

i) Phone Pe loan:

Bank has rolled out a IT enabled digital lending service titled as “**Phone-Pe-Loan**” & has integrated J&K Government’s JKCPIS portal with LAPS Digital Platform for seamless processing of loans using **Phone-Pe-Loan** model. The functionality has been made available through mPAY application of Bank. Bank initially offered the service of providing **Phone Pe loans** to J&K Police Department in 2017, to provide hassle free loans to this customer segment without any need to visit branch for availing loan. Besides no physical documentation is required for these loans. Post roll out this facility Bank witnessed a major increase in loan portfolio of employees of J&K police Department. The facility was later extended to all government employees (around 4.5 lac) , employees of various Universities viz-Kashmir University, Jammu University, SKUAST, autonomous bodies, etc. The following loan schemes have been made available for the employees of Government of J&K through “Phone Pe loan” facility:

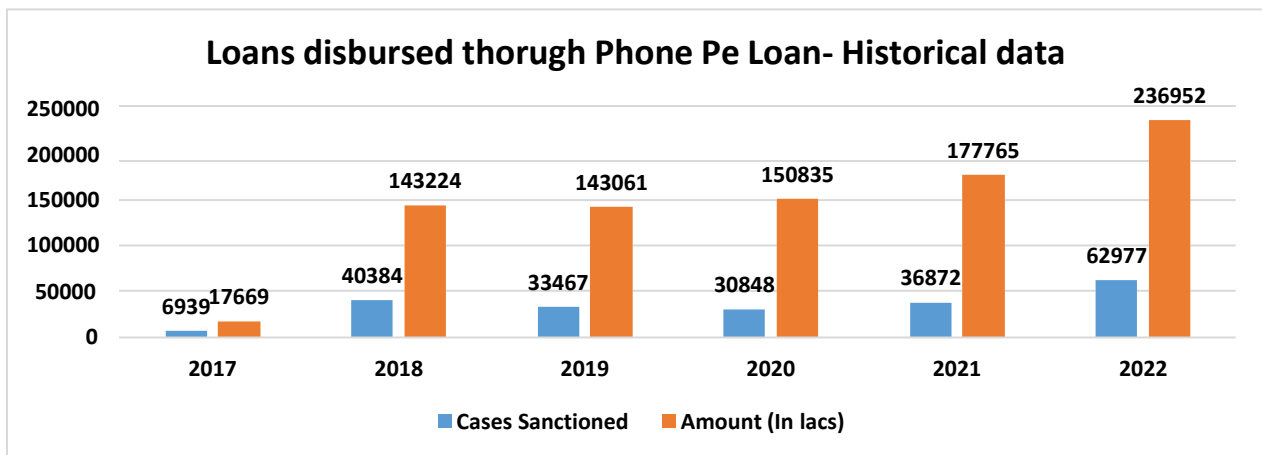
- a. Personal Consumption Loan for salaried employees.
- b. Cash Credit Facility for Salaried Employees

“Phone Pe loan” facility has proved immensely beneficial for both Bank as well as govt. employees as it is time saving & cost effective besides giving a flip to advance portfolio of the Bank. Under this mechanism, the employees can apply for the loan using any of the following channels without having to visit the Branch physically:

- a. J&K Bank *mPAY* mobile application
- b. Agent Based Approach
- c. IVR Based Approach

Since inception of phone pe loan scheme the Bank has sanctioned more than 02 lac loans to Government employees with a total loan amount of more than Rs 8695 crores. The year wise data is appended below:

Year	Cases Sanctioned	Amount (In Crores)
2017	6939	176.69
2018	40384	1432.24
2019	33467	1430.61
2020	30848	1508.35
2021	36872	1777.65
2022	62977	2369.52
Total	211487	8695.06



ii) Introduction of new digital initiatives:

In order to on board majority of the customer base on digital channels to ensure better customer experience and reduce cost of operations various initiatives have been taken by Bank. Bank is aggressively pursuing coverage of customer under mPay, UPI, Debit card, credit card, PoS, etc. In July 2020, the bank figured among the top 4 banks in India in achieving targets in digital payments, contributing towards 'Digital India' mission. Besides Bank also won the 'Best Digital Financial Inclusion Initiatives' Award in the prestigious 'Indian Banks' Association's (IBA) '17th Annual Banking Technology Conference and Awards: 2020-21' and J&K Bank won Utkarsh Puraskar of DigiDhan Award 2020-21 for achieving 2nd highest percentage of digital payment transactions from Ministry of Electronics & Information Technology (Meity), GOI. Bank was also rated among the Top 3 Banks in the country for achieving Digital Transaction targets for the 'Digital India Campaign'. Various IT initiatives have already been detailed at page no 54-56 under heading "IT infrastructure". Besides Bank has opened two Digital Banking Units one each in Jammu and Srinagar as part of central government's vision of transforming India into digitally empowered society and knowledge economy. Besides, Bank is entered into tie-ups with major departments and institutions of UTs of J&K and Ladakh which have been on-boarded on IPG/POS platforms

iii) Other BPR initiatives which are underway are as under:

Initiatives undertaken to achieve Customer Excellence:

- ✓ Customer Relation Management (CRM)
- ✓ Establishment of more digital Banking Units (DBUs).
- ✓ Reducing OTC Cash transaction through deployment of Recycler / ATM / CDMs
- ✓ Empowering Customers through introduction of Asset/ Liability STP processes
- ✓ Customer convenience through a robust multichannel compliant process and management system
- ✓ Revamping of existing digital channels- Adding new exciting features to make the Mobile App a financial supermarket.

Initiatives undertaken to achieve Process Excellence:

- ✓ Document Management System (DMS) & Note Sheet Automation
- ✓ Process Reengineering of OTC transactions
- ✓ Revamping of BC Model
- ✓ Asset & Liability CPC (Centralization)
- Efficiency & Automation in Audit Process (Offsite Surveillance)

Other Digital initiatives:

To keep pace with changing demands, various Online Products/Services which are planned to be introduced over a medium term time horizon, are as under:

- ✓ Virtual Assistance (Chatbots/Whatsapp)
- ✓ Online Account Opening
- ✓ Fintech Partnerships
- ✓ API Platforms
- ✓ Video KYC
- ✓ Cloud platforms for faster deployment
- ✓ Contactless transactions
- ✓ MIS Big data Analytics
- ✓ UPI - International Merchant Payments
- ✓ Unified Customer Care Grievance Redressal
- ✓ Modernization of Digital Channels

Besides, Bank is planning to on-board all the hospitals, schools, colleges etc. in the UTs of J&K and Ladakh on IPG/POS platforms.

iii) J&K Bank Khidmat Centre Initiative (Common Service Centres) :

The CSC is a strategic cornerstone of the National e-Governance Plan (NeGP), approved by the Government in September, 2006, with an aim to cover all 6 lakhs census villages by one lakh CSCs, as per 1:6 ratio equitably spread across rural India, as part of its commitment in the National Common Minimum Programme to introduce e-governance on a massive scale. Common Services Centres (CSCs) were envisioned as the front-end delivery points for Government, private and social sector services to rural citizens of India to develop a platform that can enable them to integrate their social and commercial goals for the benefit of rural populations in the remotest corners of the country through a combination of IT as well as non-IT services.

In February 2009, the CSC project was entrusted to J&K Bank for implementation, on the recommendation of the J&K government, for setting up of 1109 CSCs in J&K covering all the 22 districts of the J&K and Ladakh. The Common Service Centres (CSCs), called 'Khidmat Centres' in J&K were entrusted to take financial inclusion across the state. Afterwards the bank started implementation of the project under the Khidmat Centre initiative to set up an IT-Enabled, fully branded franchisee network all over the state and then to make it a revenue generating venture for the franchise.

What J&K Bank did different vis-à-vis Common Service Centres:

J&K Bank pioneered the initiative of using these Khidmat Centres (Common Service Centres) as Business correspondents (BCs) and facilitated deployment of Infrastructure at these Centres. The Khidmat centers are equipped with latest IT structure enabling them to become multipurpose IT-enabled outlets. The equipment (Laptops, furniture, genset, inverter, switch, vsat etc.) is purchased by the bank itself for the Village Level Entrepreneurs (VLEs) who manage the centres. This was a unique initiative taken by the Bank to ensure procurement of quality hardware with reasonable prices for the village level entrepreneurs (VLEs).

Services offered at Khidmat Centres:

Kiosk Banking for driving Financial Inclusion:

As the implementing agency for the CSC scheme in the state, J&K Bank has adopted a number of innovative practices and used technology to reach beneficiaries. Bank formulated a road map and arranged IT-enabled measures for implementation of initiatives on expanding financial inclusion. J&K Bank Kiosk is one such Banking model which provides a real time, user friendly basic banking services to the consumers in their neighbourhood through Business Correspondents (BC)

Kiosk Banking Features:

- ✓ Open Basic Saving Bank account
- ✓ Deposit Cash, Withdraw Cash, Transfer Funds, Enquire Balance and get Mini-statement of Account.
- ✓ Use Micro ATM (Cash Withdrawal through any Debit Card/ Rupay Card from BC)
- ✓ Avail AEPS (Aadhaar Enabled Payment System) Services
- ✓ E-KYC

During lockdown induced by Covid 19 pandemic, Bank provided Overdraft facility of Rs 1.00 lac to each Business Correspondent (BC) engaged by bank to fulfil cash requirement of customers at Micro ATMs.

The technology changes and improvements for BC channel is an ongoing process with bank so as to improve upon over existing systems and adapt to changes in the IT environment. A new version of technology-based product i.e. Micro-ATMs with added features has been initiated for implementation and usage of BCs which shall have the underlying impact of broad and digital based financial inclusion.

iv) Assistance to Government for IT initiatives:

Bank has provided IT infrastructure support to the Government of J&K and Ladakh for various IT initiatives. Some of them are mentioned as under:-

- ✓ Digitization of J&K Building & Other Construction Workers Welfare Board
- ✓ IT Infrastructure support for Mega Housing Project of the Government
- ✓ Portal for Srinagar Development Authority
- ✓ Portal for JK Housing Board
- ✓ Portal Jammu Development Authority.

Such collaboration with Govt. also helps Bank to garner fresh Business besides giving Bank an edge over its competitors.

v) Back to Village Programme:

In a first-of-its-kind, the Jammu and Kashmir government embarked on an ambitious initiative to reach out to the people at the grassroots level through a programme named as 'Back to Village' in 2019. The 'Back to Village' programme was aimed to involve the people of the state, government officials and Bank Officials in a joint effort to deliver the mission of equitable development and growth through community participation besides redressal of public grievances. It was carried out in four editions with fourth edition concluding in November 2022. The Bank was assigned the target of 10,000 & 46000 loan cases under third (B2V3) & fourth edition (B2V4) of the programme respectively with focus on employment generation schemes for youth of J&K. Bank developed a Portal for tracking of cases sponsored and SPOCs were designated for proper monitoring mechanism of cases sponsored during the programme to ensure timely sanction & disbursement of such loans. As a result, the bank surpassed the targets by sanctioning 19538 cases amounting to Rs 340.89 crores during B2V3 and 36095 cases amounting to Rs 732.45 crores during B2V4(till 31-12-2022). Measures taken for driving the lending under programme are as under:

- ✓ Specific directions to operative levels were issued to ensure participation of Bank resources in B2V camps.
- ✓ Portal created for tracking Government sponsored cases
- ✓ SPOCs in various Zones created
- ✓ Daily reporting of performance to Government
- ✓ Targets given to all Zones
- ✓ Bank set up 4120 counters at allotted Panchayats for B2V4

vi) Work from home to ensure business continuity during COVID 19:

Bank introduced work from home policy for employees to ensure business continuity during COVID19 by providing its employees specialised in specific services by providing them login access from home. This helped to ensure operations are not halted while at same time health of employees is safeguarded also.

vii) Doorstep Banking through BCs during COVID-19:

During COVID-19 BC were utilized to making small payments to customers at their doorsteps to avoid visits to branches.

Business Continuity In spite Of Frequent Disruptions

Business interruptions can occur anywhere, anytime. Lengthy power outages, terrorist attacks, earthquakes, floods, hurricanes, tsunamis, pandemic and more incidents having colossal ramifications on smooth working of the business have made recent headlines. It is impossible to predict what may strike when. J&K Bank has seen more of such events so far than any other bank in India and its survival and growth despite all those unfavorable circumstances makes it a success story worth replicating in other institutions in the country.

In today's 24x7x365 world, it has become mandatory to prepare for such disaster scenarios. With the ever increasing dependence on banks, it has become mandatory for the banking industry to plan for Business Continuity in such adverse situations. A business continuity plan (BCP) is a plan developed to maintain or resume operations, including service to customers, in the event of abnormal/unintended disruption. J&K Bank has adopted a robust business continuity plan to deal with any adverse situation. The objectives of a BCP are to minimize financial loss to the institution, continue to serve customers and financial market participants, and mitigate the negative effects of disruptions which can impact the institution's strategic plans, reputation, operations, liquidity, credit quality, market position, and ability to remain in compliance with applicable laws and regulations.

BCP Components

A successful planning methodology, which will assist not only in recovering, but ensuring continuity of core, strategic, revenue-generating business and service units, operations and processes, as well as their important administrative and support staff at business units, includes:

- I. Prevention
- II. Preparedness
- III. Response
- IV. Resumption
- V. Recovery
- VI. Restoration

I. Prevention: Prevention includes the actions taken to reduce or eliminate the likelihood of occurrence of adverse incidents. The primary goals and objectives of the prevention phase of a business continuity program are to protect the Bank's assets and to manage risk. This element of the BCP is largely covered by Risk Management Planning. Strategies for prevention would include both deterrent and preventive controls. A list of such controls that can be put in place in the Bank is described below:

(a) Premises Security: The business units and offices should be provided with barriers to prevent unauthorized access. Adequate security arrangements be put in place at vital locations of the bank. All cash carrying vans be provided with sufficient security for transportation of cash between business units and currency chests.

(b) Access to Restricted Zones: The access to Critical Areas shall be restricted. Only authorized people shall be allowed to enter.

(c) Infrastructure: The Offices, Business units and vital installations such as Data Centre and Disaster Recovery site shall be provided with appropriate sized UPS, other backup power support, air conditioning, smoke/fire detectors, fire extinguishers, waterproofing, fire resistant cabins for vital records and backups.

(d) Software controls: Adequate Software controls shall be put in place. The most common of these are authentication, access control, anti-virus, encryption and firewalls.

(e) Backup Storage and Recovery: The Data Centre, Business Units and Offices (wherever applicable as per Backup and Media Management policy of the bank) shall perform backup of data on daily basis. The Backups, in addition to on-site storage, shall also be stored at off-site locations. Offsite storage of vital records and backups later contribute to the resumption and recovery process.

(f) Security Policy: Bank has in place approved physical security policy and an IT security policy. The policies besides addressing the physical infrastructure controls, address all IT related objectives and provide guidelines for management and usage of IT assets

(g) Self-assessment Tests & Drills: In spite of these measures, each identified business support departments shall undertake self-assessment tests under various threat scenarios and evaluate their readiness in the light of BCP objectives in the Bank on an ongoing basis.

II. Preparedness: Preparedness addresses the actions taken prior to an incident to ensure an effective response and recovery. This element is largely covered by Business Impact Analysis (BIA) wherein processes are classified based on their criticality. This classification helps in prioritizing the resumption of processes based on their criticality. Necessary infrastructure and resources are identified as part of BCP preparedness.

III. Response: Response is the reaction to an incident or emergency. It addresses actions taken to respond to an incident in terms of containment, control, minimizing impacts. This element is largely covered by Incident Response Planning. In addition to addressing matters of life safety, response also addresses the policies, procedures and actions to be followed in the event of an emergency. The Emergency Response Phase may last from a few minutes to a few hours after the disaster. During the Emergency Response Phase the Crisis Communication Team/ Disaster Management Team assesses the situation and decides if and when to activate the BCPA notification call tree within the BCP team is also set up. Here, the initial notification is sent to a set of people (Disaster Recovery Leaders-Disaster Management Team), who in turn, inform the next set of people, and so on. People belonging to this call tree have different roles based on their expertise.

The following groups shall be involved:

Management: would need to be informed of the status. It has the powers to authorize the emergency response and further actions.

Crisis Communication Team: would be the first to interact with media, customers and other stake holders.

Damage Assessment Team: would assess the damage and rate the severity of the interruption. These will be the designated Disaster Recovery Leaders.

Technical Team: would serve as the key decision-makers/implementers for further activities of the BCP.

Operations Team: would execute the actual operations of the BCP.

It is also important to state an alternative for each contact. In case the primary person is not available or traceable, the backup person is to be notified. Notification can be done using various tools such as SMS, phone, and email. A list of such leaders along with their contact information should be documented.

Resumption: Resumption refers to the process of planning for and/or implementing the resumption of only the most time-sensitive business operations immediately following a disaster. The first step towards resumption would be to decide on whether the critical operations could be resumed at the normal business site or at an alternate site. In situations when access (physical/logical) to the primary site is denied or the site is damaged beyond use, the operations will move to an alternate site. A List of all Alternate sites for bank's vital locations/sites including Data Centre shall be documented.

At the alternate site (or primary site, if still usable), the work environment shall be restored. Communication, networks, and workstations shall be set up. Contact with the external world can now be resumed. Moving to alternate site or conducting repairs on existing utilities would require the list of all the possible utilities including the electrical equipment, telephone, power supply, UPS, computer hardware and software, vendor list and service providers list to be readily available for reference. All such lists shall be documented.

Recovery: Recovery is the process of planning for and/or implementing operations immediately following an interruption or disaster. It addresses actions taken to recover from an incident to minimize disruption and recovery time. During the Recovery Phase, critical operations will be restarted (either at primary or at alternate premises) by one or more Recovery Teams using the BCP. When executing the Recovery process for IT assets, at the site of recovery (either primary or alternative), the necessary applications shall be restored in the order of their criticality. Once the critical applications have been restored, work shall be started to restore lesser critical applications. This may also require data restoration from backup tapes or media obtained from the offsite storage.

Data should also be synchronized i.e., to rebuild data accurately to a predetermined point of time before the interruption. The point to which the restoration is done will depend on the requirements of the critical services. The synchronized data should be reviewed and validated. Once the validation of data has been done, the transactions that have been accumulating since the disaster can be processed and all the functions can then resume. Gradually, other services of the business can also begin functioning

Restoration: Restoration is the process of planning for and/or implementing procedures for the repair or relocation of the primary site and its contents and for the restoration of normal operations at the primary site.

This phase restores conditions to normal. Even while the recovery team is supporting operations from the alternate site, restoration of the primary site for full functionality will be initiated. In case the original building/work area or primary facility is beyond repair, then a new site shall be restored. It will start with a damage assessment, usually within a day or so of the disaster, and may identify any need for refurbishment or even alternate premises. It shall be ensured that the site adheres to industry standards and has the necessary infrastructure, equipment, hardware, software and communication facilities.

Performance highlights viz-a viz Business continuity:

J&K Bank has stood with the people of the J&K & Ladakh through thick and thin which is reflected by the fact that at the risk of its property and employees' lives, the bank continued to serve the people and the economy of the UTs in extreme conflict ridden period when all other banks had closed their shutters and that certainly is setting J&K Bank apart from all other Banks operating here. Even its ATMs also remained filled with cash during 2008 & 2010 disruptions, 2014 floods, 2016 turmoil and in 2019 post reorganization of erstwhile J&K state when ATMs of other banks were closed.

- In September 2014, Jammu & Kashmir suffered the worst flooding in more than a century caused by torrential rains. The floods ravaged the valley to the point of shaking its socio-economic spine. People were rendered homeless, jobless and in some cases bereaved of their near and dear ones. Amid the omnipresent scenes of massive destruction, what still kept the people going was hope. While the government declared it natural calamity in the state, the Bank invoked Business Continuity Plan (BCP) and began working on both business continuity processes and disaster recovery planning from 10th September 2014. Despite the hurdle, the bank staff braved the challenge and managed immediate relief from 11th September 2014 onwards by providing VPN connectivity at 67 Business Units and 37 ATM locations using Aircel data cards, which was the sole provider of limited 3G data service facility at these locations. 20 business units were made functional using stocked VSATs. As per BCP, the impacted business units, where no means of communication was available or which were inundated, were asked to perform their business functions from nearest working business units of the Bank. This ensured almost total business continuity. Other teams working on Disaster Recovery procedure of the impacted business units ensured that services were restored immediately by either restoring the terrestrial or wireless connectivity by service providers on immediate basis or by installing the VSATs at some impacted business units where restoration of terrestrial connectivity was a challenge. Subsequently the connectivity at the bank got restored on 20th September, 2014 and normal operations of all remaining Business Units were ensured from 22nd September, 2014, onwards. According to a report prepared by the Annual Disaster Statistical Review, Kashmir had incurred Rs 104000 crore loss due to the devastating floods that hit most parts of the Valley on 7 September 2014. This directly impacted J&K bank as major share banking business in UTs of J&K and Ladakh is J&K Bank. But J&K Bank remained resilient and ensured that fundamentals of Bank continue to remain strong besides ensuring business continuity.
- In 2016 whole Kashmir valley and Chenab Valley, Poonch district & Rajouri district witnessed business disruptions as curfew was imposed in all 10 districts of the valley from 15 July and mobile services were suspended. The scraping of internet services, mobile and phone services for long spells during the turmoil made communication in the state very difficult and immobilized life in all the 10 districts of the Valley for more than 05 months. J&K Bank again rose to occasion and ensured the continuity of its operations to facilitate its customers in those difficult circumstances. In line with Banks BCP, staff were temporarily transferred to their nearest branches to ensure staff reaches branches without much hurdles and branches remain functional to provide the services to our valuable customers.

Besides Business hours in branches were tweaked and branches were opened quite early in the morning to ensure bank remains functional to serve public somehow and also staff reaches safely back to their homes. Some staff members were released from offices to serve in branches near their residence to cater to customer needs. As per Economic Survey 2016 report tabled by Minister for Finance in the Jammu and Kashmir Assembly, Jammu and Kashmir suffered losses to the tune of over Rs 16,000 crore during the five-month long unrest in the Kashmir Valley due to complete halt of economic activity coupled with loss of property worth crores of rupees.

- In 2019 again J&K witnessed disruption on account of political turmoil and as a result business operations were disrupted. Internet, mobile network and other landline connectivity was affected throughout the valley affecting the normal life and business operations. In those challenging times too, J&K Bank ensured the banking services are not affected and people don't suffer. J&K Bank through its dedicated staff managed to lend its services to its customers when all the means of communication were blocked and still came to the branches and ensured continuity of Business. ATMs of the Bank were kept replenished with cash to help our customers to withdraw cash to fulfill their cash related needs. According to an official report by the Kashmir Chamber of Commerce & Industry (KCCI), **the Kashmir economy lost over Rs 18,000 crore** in the 120 days after August 5, 2019.
- In 2020 whole world came to a standstill due to the onset of unprecedented world-wide health crisis caused by the COVID-19 pandemic leading to complete economic disruption and the consequent devastation unleashed across the globe. COVID-19 brought the entire planet to a grinding halt forcing restrictions on movement thereby crippling businesses completely. A 49 day strict lockdown was imposed in the country. Despite such a huge challenge the Bank acted swiftly and took various measures to offset the impact of Covid-19 pandemic on the functioning, business and operations of the Bank. To further boost the preparedness for proactively tackling any eventuality arising out of this pandemic, additional preparedness measures were taken. A Quick Response Team (QRT) was created at Corporate Headquarters level to monitor, supervise and initiate required remedial action in that scenario. All Zonal Heads were also advised to create quick response teams(QRTs) in their respective Zones to ensure effective tackling of the situation and ensuring business continuity. To ensure unhindered Business Continuity at all Business units and Offices besides to contain the spread of COVID-19, SOPs were circulated to employees from time to time in line with local administration directives and WHO guidelines. Bank branches and offices were working on 50% of Staff Strength so as to ensure bank services are not interrupted and at the same time staff and customers are protected from getting infected by the virus. Due to lockdowns during COVID, the losses to economy of J&K were estimated to be Rs 13,200 crore by Kashmir Chamber of Commerce & Industry (KCCI). This brought the cumulative loss to J&K's economy to a staggering Rs 31,200 crore or around 17% of J&K's GSDP in 02 years of time.

Role of J&K Bank in Financial Inclusion

Financial Inclusion may be defined as the process of ensuring access to financial services and products needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. It refers to universal access to a wide range of financial services at a reasonable cost. It includes reaching out to unbanked and under banking population for extending financial services to them with the objective to unlock its growth potential. Financial inclusion also intends to spread awareness about financial services and financial management among people of the society. Since the launch of the programme by Government of India J&K Bank has been persistently following the plans and directions of Regulators for ensuring timely compliance. A brief description of the steps taken by the Bank are mentioned here-under:

- ❖ During the period 2013-16, on the basis of allocation made by UTLBC J&K, Bank has covered 5464 unbanked villages/wards under the Financial Inclusion Plan. In addition, Bank has also covered unbanked villages in UT of Ladakh allocated by RBI. The said villages stand covered by opening of Business Units and providing of BC coverage which facilitate ICT based financial services to the public.

J&K Bank's Objectives of Financial Inclusion

- J&K Bank through Financial inclusion intends to help people secure financial services and products at economical prices such as deposits, fund transfer services, loans, insurance, payment services, etc. and aims to build and maintain financial sustainability so that the less fortunate people have a certainty of funds which they struggle to have. J&K Bank also intends to increase awareness about the benefits of financial services among the economically underprivileged sections of the society.
- The process of financial inclusion works towards creating financial products that are suitable for the under privileged fortunate people of the society.
- J&K Bank through Financial inclusion intends to improve financial literacy and financial awareness in the nation. It also aims to bring in digital financial solutions for the economically underprivileged people of the nation.
- It also intends to bring in mobile banking or financial services in order to reach the poorest people living in extremely remote areas of the country.
- It aims to provide tailor-made and custom-made financial solutions to poor people as per their individual financial conditions, household needs, preferences, and income levels.

Financial Inclusion for Women Empowerment

Financial inclusion is very particular about including women in financial management activities of a household. Financial inclusion believes that women are more capable of handling finances efficiently when compared to men of a house. Hence, financial inclusion activities target women by helping them get started engaging in financial management. There are many households where women are not permitted to be involved in managing money and are entrusted to take care of only the domestic chores.

Financial inclusion intends to empower women belonging to low-income groups by increasing financial awareness among them. Women are also taught in simple ways to save their money for future purposes. They are provided with exposure to multiple affordable savings instruments. They are also sensitized and educated about the various forms of credit available through banking channels. These forms of credit will help them start up a new small business venture or take up a training course to apply for a new occupation. Such initiatives make women self-reliant and augment their income.

Current Initiatives for financial inclusion:

There are following two financial inclusion initiatives that are going on in UTs of J&K and Ladakh:-

- i. National Strategy for Financial Inclusion (NSFI):-
- ii. Roadmap for opening brick and mortar branches with population more than 5000.

National Strategy for Financial Inclusion (NSFI):

To achieve the objectives under financial inclusion in a coordinated and time-bound manner the National Strategy for Financial Inclusion (NSFI) sets forth the vision and key objectives of the Financial Inclusion policies in India to expand the reach and sustain the efforts through a broad convergence of action involving all the stakeholders in the financial sector. The initiative seeks to provide the banking access to every village within a radius of 5 KMs/hamlet of 500 households in hilly areas. The coverage of the village by the banking touch point is GPS based and Bank has to update the GPS coordinates of the banking touch point.

As a part of the initiative, Department of Financial Services had allocated 66 villages in UTs of J&K and Ladakh to J&K Bank. Post opening of banking touch points and updating of GPS coordinates by our bank, India Post Payments bank and other banks, the allocation to J&K bank was reduced to 19 villages (09 in UT of J&K and 10 in UT of Ladakh) communicated by DFS, GOI dated July 05,2021 .

All 19 villages stand covered by Bank. Besides 3 new unbanked villages have been allocated to Bank and Bank shall be covering those unbanked villages by 31.12.2022.

Roadmap for opening brick and mortar branches with population more than 5000:

RBI vide Circular no. RBI/2015-16/277 dated 31.12.2015 had advised SLBC convener banks to identify villages with population of more than 5000 which are without a branch of a Scheduled Commercial Bank (SCB) and allocate these to SCB for opening of branches in these villages. The directions in this regard were issued under the initiative titled "Roadmap for opening brick and mortar branches in villages with population more than 5000 without a bank branch of a SCB". Subsequently RBI under the rationalization of branch authorization policy has issued fresh guidelines under Circular No. DBR. No. BAPD.BC.69/22.01.001/2016-17 dated 18.05.2017. As per the circular banking outlet was redefined as a fixed point service delivery

unit, manned by either bank's staff or its Business Correspondent where services of acceptance of deposits, encashment of cheques / cash withdrawal or lending of money are provided for a minimum of 4 hours per day for at least five days a week. Accordingly the roadmap for opening of branches in identified villages was aligned with the revised guidelines and CBS enabled BCs shall also cover the identified village.

As part of the initiative 49 villages were allocated to our bank and all stand covered as on date.

RBI selected Villages (Progress/ Achievements):

RBI has selected 15 model villages and allocated them to J&K Bank for 100% financial inclusion in UT of J&K. All the said 15 sites have been made functional for Kiosk (online FI solution). BCs and Business Units catering these 15 RBI adopted villages have been provided with Biometric Devices /PIN PADs. Achievements under FIP With the objective to integrate the under banked and unbanked population with financial system.

Bank has in addition to Business Units network, engaged 1006 Business Correspondents (Khidmat centres) up to 31.03.2022 for providing banking and financial services in remote and other areas which is also facilitating the financial inclusion in UT of J&K & UT of Ladakh. During FY 2021-22, 25 new Business Units were opened and 14 additional BCs were engaged by the Bank for providing Banking and Financial services in remote and unbanked areas of UT of J&K and UT of Ladakh. It is pertinent to mention here that pursuant to RBI directives, Bank has in place a policy ,approved by Board of Directors, for engagement of fresh Business Correspondents (BCs).

Responsibility of setting up of RSETIs in UT of J&K:

In terms of guidelines issued by Ministry of Rural Development, Government of India, setting up the Rural Self Employment Training Institutes (RSETIs) in all the districts of UT of J&K was assigned by J&K UTLBC to two banks, viz. J&K Bank and SBI as per their Lead Bank responsibility. Accordingly, J&K Bank has set up 12 RSETIs in its allocated 12 lead districts (Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri. Performance of RSETIs in conducting training programmes and the number of persons benefited through credit linkage is being reviewed in all Quarterly UTLBC meetings.

Lead Bank Responsibility:

J&K Bank is the only Private Sector Bank in the country assigned with responsibility of convening UT Level Bankers Committee-UTLBC meetings. The Bank continued to satisfactorily discharge its lead Bank responsibility in 12 districts of UT of J&K, i.e. Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri.

Responsibility of setting up of FLCs in UT of J&K:

In terms of RBI guidelines for setting up of Financial Literacy Centres (FLCs) in all the districts of UT of Jammu and Kashmir, J&K Bank has made 12 FLCs operational in its 12 allocated lead districts viz. Srinagar, Ganderbal, Budgam, Baramulla, Bandipora, Kupwara, Anantnag, Kulgam, Pulwama, Shopian, Poonch and Rajouri and The performance of FLCs in conducting the Financial Literacy Camps as per the guidelines from RBI is being reviewed at various forums.

Corporate Social Responsibility (CSR) Initiatives

Corporate Social Responsibility (CSR) is an approach adopted by a company that contributes to sustainable development by delivering economic, social and environmental benefits of stake holders and J&K Bank just believes the institutional growth is akin to empowering every section of society. At J&K Bank, Corporate Social Responsibility is not merely compliance but a social investment to help sustainability of society. It is a commitment to support initiatives that measurably improve the lives of under-privileged by addressing their needs. J&K Bank has the distinction of being called the “Socially Conscious Corporate Citizen” of the country. Under CSR, the J&K Bank has focused on continuous commitment to the social, economic uplifting of the underprivileged sections of the society and promote inclusive, harmonious social economic welfare, community empowerment, capacity building and protection of environment. In alignment with the mission of social empowerment, the bank as a socially responsible corporate citizen, shall endeavor enhancement of value creation in the society and the community it operates, through its CSR activities, which ultimately would promote sustained growth of the society and protection of environment.

Key areas of J&K Bank’s CSR Projects/ Programmes:

- a) Community Development Initiative
- b) Promotion of Education
- c) Preventive Healthcare
- d) Promotion of Sports activities
- e) Sanitation
- f) Preserving Ecology/Heritage
- g) Skill Development

Community Development: A number of initiatives have been undertaken by bank in this direction. The activities under Community Development initiative varied from development of Rajinder Park Canal Road Jammu for joggers and general public, providing basic amenities/equipment to Night Shelter Home at Boria Basti Jammu. The bank contributed towards the Kerala Relief Fund for the people affected 2018 Kerala Floods. Besides an Omni ambulance was provided to the Idara-Auqaf Gousia Trust and water purifiers installed at Mini Secretariat Ganderbal for the usage of large number of people visiting the said office. J&K Bank undertook the electrification of revered shrine of Baba Peer Budhan Shah Ji Jammu which is being visited by thousands of the devotees from across the country. In addition to the aforementioned activities under community development, the bank also installed chairs at District Hospital Rajouri and provided inverter to District Child Protection Unit Budgam.

Promotion of Education: Education being the corner stone in nation building, J&K Bank has given top priority to promotion of education under its CSR programme. A considerable portion of CSR funding is being spent in the field of education. The University of Jammu was provided with the electric vehicle for specially-abled students. J&K Bank also contributed to

the STUDENT'S WELFARE FUND to be utilized for poor children, who find it difficult to get the admission despite being meritorious. The bank also provided for renovation of Rotary Inner Wheel School run by Deepak Goswami, a specially-abled artist. Besides Omni Van was provided to IIT Jammu, and a gate antenna was installed at Central University Jammu. In order to provide round the clock electrification to the NIT Srinagar, 60 UPS were provided to the institute for benefit of the students pursuing technical education there. Besides, 50 steel benches and bicycles were provided to the Kashmir University and library of GCW Parade was fully automated by the bank.

Healthcare: The goal of preventive care is to help people stay healthy. The idea is to nip diseases in the bud before they become catastrophic and keep health care costs low. Over the years, bank undertook some major steps in this direction by providing medical equipments including high-end USG machines to the GK Medical Trust, Sizeable contributions were made to various health related projects, either directly or through implementing agencies. Under "J&K Bank Health for All" bank donated five (05) Dialysis machines to SKIMS to cater to the needs of the poor patients suffering from chronic renal failure. The medicinal cost of the Haemophilia and Hepatitis patients was borne in this year as well. Besides a USG machine was provided to the Helpline Medical System, an NGO. Also an ambulance was provided to the Bone & Joint Hospital Srinagar in the current year. Bank also undertook various Health initiatives through NGOs like Cancer Society of Kashmir, Maya Foundation, and Hemophilia Society of Delhi. Free Health Camps were held at far flung areas across the state where the needy and poor patients were provided free medicines and free clinical tests. In addition, bank donated vehicles, wheel chairs and provided monetary donations to the NGOs primarily dealing with differently-abled children like Voluntary Medicare Society, Hari Prabhu Sanstha, Chotey Taarey Foundation and others.

Besides J&K Bank also launched '**Wear a Mask**' initiative under its Corporate Social Responsibility Program. Under the initiative, over 55000 face-masks have been distributed among the people especially to students of government-run schools besides patients and visitors at hospitals in Srinagar as well as Jammu. The initiative has been launched in the backdrop of COVID scare caused by the news wherein students of a prominent educational institute were reported to have tested COVID-19 positive. J&K Bank as a socially conscious corporate acted pre-emptively to contribute its bit towards ensuring peoples' safety especially in schools and hospitals.

Promotion of Sports activities: With corporate involvement, J&K Bank saw possibility of building a sporting culture in the state and establish J&K as a sporting state in the national and international forum. One of biggest CSR activity in this category was giving financial support to Real Kashmir Football Club (RKFC) which attained much fame and highlighted the potential for sports activities like football in the state.

Sanitation: In line with the Swachhta Hi Seva campaign, the bank has carried forward the initiative by providing Garbage Carriers to the Jammu Development Authority and also conducting Cleanliness Drives at various locations in Jammu. The bank has actively participated in the government's "Swachh Bharat Abhiyan" with enthusiasm and compassion for the noble

initiative of the government.

Preserving Ecology/Heritage: J&K Bank has been proactively playing its part in preserving ecology and heritage of the culturally rich and diverse state of Jammu and Kashmir. The bank has been undertaking number of measures like planting trees on World Arbor Day every year, developing parks and gardens at barren lands and also undertaking cleanliness drives across the state. Under the premise of “Environment Excellence Programme”, the bank has been maintaining thirteen (13) parks/walkways across the state, thereby helping the cause of environmental protection. One of the most prestigious projects undertaken under preserving ecology and environment by the bank has been development and maintenance of Kashmir Golf Course (KGB). David Brinkel, an international ace golf consultant was specifically invited by the Bank to assess the design and landscaping of the golf course who expressed satisfaction on the manner in which the bank has been able to accomplish this high-value project. Rating it as AAA (Triple A), he also lauded the efforts that have gone into the designing and execution of the golf course.

Skill Development: The bank understands the importance of skill development for improving the capabilities and qualifications of the aspiring youth to get employed in the ever growing competitive market. The bank has provided support to Craft Development Institute Srinagar with infrastructure development so that the students are benefited in the long run.

Promoting well-being of specially abled: As part of the initiative to promote the well-being of specially abled, Bank has collaborated with SAKSHAM, which is actively working for well-being and self-reliance of the divyang persons with 21 types of complete or partial disabilities. Bank has provided commitment to SAKSHAM which was handed over to them by Dr Jitendra Singh, Minister of State (Independent Charge) for the Ministry of Science and Technology and Minister of state (Independent Charge) Ministry of earth science and MoS for Prime Minister’s Office during function themed “Divyang aur Parivar Maha Sammelan” organised in Kathua Jammu by SAKSHAM on December 11, 2022. Bank shall provide 100 Wheel Chairs and 100 Special Tricycles for distribution among needy under Bank’s Corporate Social Responsibility to support Divyang persons. These wheel chairs and special tricycles will be distributed through the network of SAKSHAM, which is actively working for well-being and self-reliance of the divyang persons.

Contribution of Bank towards Environmental Concerns

The bank has been undertaking number of measures regarding environmental protection and sustainability, like planting trees on World Arbor Day every year, developing parks and gardens at barren lands and also undertaking cleanliness drives across the state. Under the premise of “Environment Excellence Programme”, the bank maintained thirteen (13) parks/ walkways across the state, thereby helping the cause of environmental protection. Out of 13 parks being maintained by J&K Bank, seven parks are located at different places of Anantnag district including the Amusement Park Pahalgam, Hikers Park Pahalgam, Lidder View Park Pahalgam, Gulistan Wazirbagh Park, Rani Bagh Park, Darashikoh Park Bijbehara and Padshahibagh Park Bijbehara.

Simultaneously, two such prestigious parks including Iqbal Park and Badamwari garden in Srinagar and one park each in Pulwama, Baramulla and Jammu districts. These parks included one Park at Pulwama, Gulnar Park in Baramulla and Rajinder Children’s Park in Jammu.

The world famous Badamwari Park, which existed before the 14th century and spread over more than 300 kanals of land, was revived by the Jammu & Kashmir Bank in 2008 as part its CSR initiative and commitment towards environmental protection. The park was left abandoned prior to this and nomads used to live there during summer. The Bank brought back the Park to its past glory and ensured the Park is kept under proper maintenance to preserve all the flora and fauna associated with the park.

These parks have been handed over to floriculture department of UT J&K & Ladakh.

The bank has also taken steps regarding conservation of energy and using alternate sources of energy wherever possible. Bank has taken various steps to use energy efficient IT equipment & continuously working towards achieving low carbon. Bank operates in a non-energy intensive environment. However, it is always ensured that energy efficient hardware / equipment which consumes less power is procured and put in operation. Besides replacement of CFL Lamps with LED Lamps / fixtures wherever needed stands completed.

Project Champions at Top Hierarchy

As part of transformation journey of the bank, the bank has adopted a robust organizational structure with MD & CEO held by Mr Baldev Prakash at the top and General Managers heading different business verticals. Bank is continuously initiating various measures to attain greater efficiency and productivity in operations. The initiatives are taken with the aim of ensuring optimal utilization of resources and making operations of the bank more viable and productive.

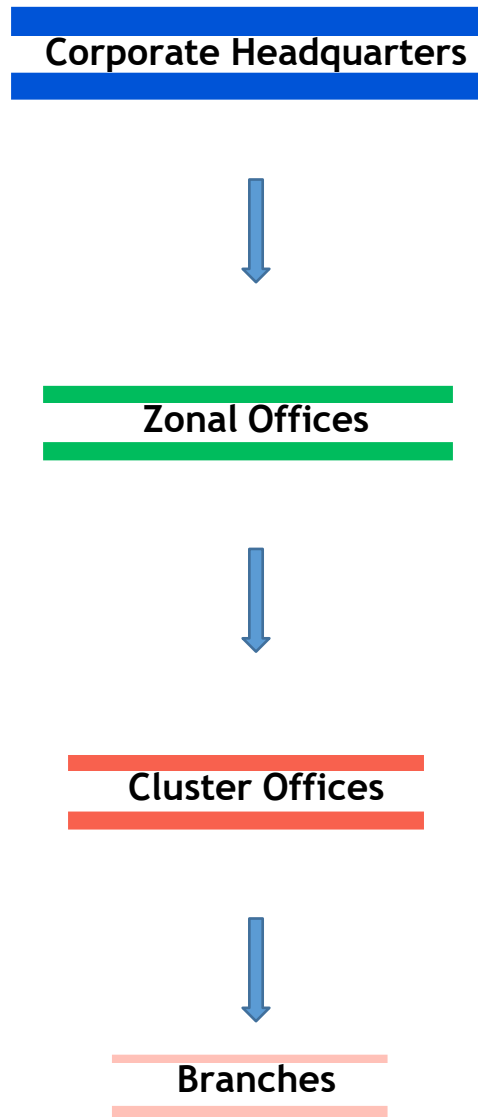
At present the Bank has 13 *General Managers* supervising different verticals. The details have been provided hereunder.

S.No	Name	S.No	Name
1	Sudhir Gupta	8	Shareesh Sharma
	Executive Director		General Manager
2	Ashutosh Sarin	9	Sushil Kumar Gupta
	General Manager		General Manager
3	Narjay Gupta	10	Tabassum Nazir
	General Manager		General Manager
4	Rakesh Koul	11	Syed Shujaat Hussain
	General Manager/Divisional Head		General Manager
5	Peer Masood Ahmad	12	Imtiyaz Ahmad Bhat
	General Manager		General Manager
6	Sunit Kumar	13	Syed Shafat Hussain
	General Manager/Divisional Head		General Manager/Divisional Head
7	Syed Rais Maqbool	14	Pratik D Punjabi
	General Manager		CFO/General Manager

The project champions at top level keep on changing owing to superannuation and career progression.

Organizational Structure

The present organizational structure of Bank consists of Corporate Headquarters at the top located in Srinagar, followed by 13 zonal offices, followed by 20 cluster offices which are followed by branches/Extension counters.



Customer Service & Grievance Redressal

The Bank realizes the importance of customer service and continues to lay utmost priority for rendering prompt and efficient service to customers. Aim of the Bank is to minimize the instances of customer complaints and grievances through proper customer service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances.

The Bank has an On-line Grievance Redressal Management Portal on website and email channel for Customer Service Request Tracking System (CSRTS). Through these channels, the customer gets an immediate acknowledgement and can keep a track of the complaint with the help of a unique ID, which is generated and delivered to the complainant when a complaint is lodged through online mode. Besides Bank has landline telephone numbers and SMS service for registering the grievances. In order to ensure timely resolution of customer complaints and avoid further escalation, special emphasis is laid on adherence to TAT (Turn Around Time) as prescribed in our Board approved policies. All this while, the customer is kept updated with the progress of resolution of his request/grievance.

The status of complaints received by the Bank is reviewed by “Customer Service Committee of the Board”, a Sub-Committee of the Board, on quarterly basis. The Bank also has a “Standing Committee on Customer Service” comprising of official as well as non-official members (representatives of customers), which also reviews customer service of the Bank on quarterly basis.

The Bank has in place an Internal Ombudsman, which is an independent authority to review complaints that are partially or wholly rejected by the Bank. Implementation of Appointment of Internal Ombudsman by the Bank has improved the customer satisfaction level, besides reducing escalation of grievances to other fora.

Bank has various policies on customer service which have been conspicuously displayed on Bank’s website for awareness of general public.

The Bank also conducts Customer Advisory Forum (CAF) meetings at all of its Business Units at regular intervals. These meetings help us obtain first hand feedback about our products and services and in turn facilitate necessary changes/ improvements as per customer expectations.

The Bank has a Contact Center in place to provide tele-banking services to its customers and to redress the customer grievances on 24x7x365 basis through leading Service Provider.

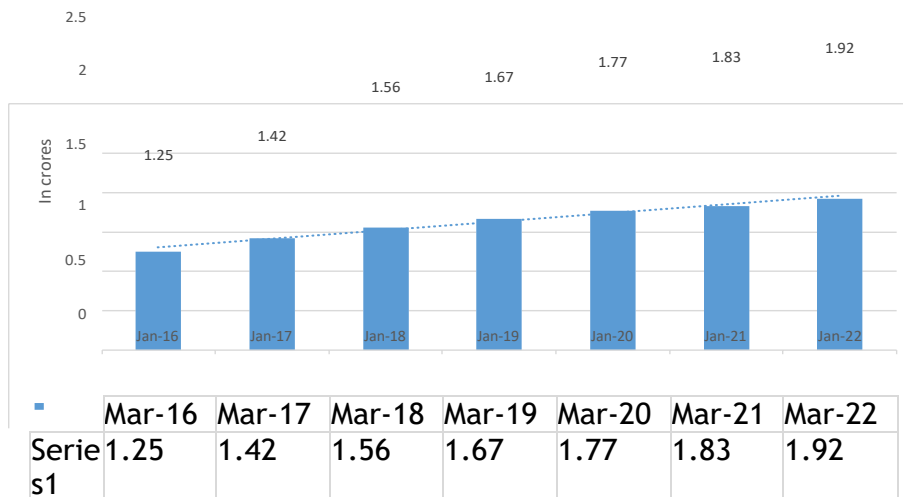
Customer Loyalty & Brand Building

Customer loyalty describes an ongoing emotional relationship between you and your customer, manifesting itself by how willing a customer is to engage with and repeatedly use services from you versus your competitors. Loyalty is the byproduct of a customer’s positive experience with you and works to create trust. J&K Bank is blessed with a huge loyal customer base which is reflected by its ever increasing customer base primarily in J&K. In today’s Competitive market customer service is one of the most important components of the marketing mix for products and services. High quality customer service helps to create customer loyalty. Customers today are not only interested in the product they are being offered but all the additional elements of service that they receive, from the greeting they receive when they enter a retail outlet, to the redressal of the complaint about a faulty product or service that they have paid for.

The relationship we have with each and every customer is incredibly important to us and we at J&K bank are working tirelessly every day to provide quality services to the customers to their delight with wider choice of products and services. The bank is working continuously to improve the quality of our service through customer satisfaction surveys and customer advisory forum meets, regularly conducted at operative levels. Bank believes in strong customer service that will make the difference between standing out from the pack and staying competitive. As a testimony of loyal customer base Growth in customer base over the years has shown a whopping 65% increase from 1.25 crore accounts in March 2016 to 1.92 crore in March 2022.

Growth in Customer Base over the Years							
Year Ending	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Number of Accounts in crores(Deposit + Advance)	1.25	1.42	1.56	1.67	1.77	1.83	1.92

Growth in Account Base of the Bank



The customers of the bank share a very emotional attachment with J&K Bank and the Bank is very much conscious of that fact and has time and again gone out of the way to meet their expectations. The Bank over the years has kept its branches open on holidays before major festivals in order to facilitate the customers in withdrawing their money for shopping and meeting other obligations.

The Bank has also contributed money for welfare of the people when there have been some natural disasters. On 1st May 2013, Chenab Valley was hit by a devastating earthquake thereby rendering many families without a shelter. Rising to the occasion, bank responded promptly to the earthquake victims of Chenab Valley and donated around One Thousand (1000) tents to the victims as their homes had either been completely damaged or rendered unlivable.

In 2018 when Kerala was devastated by the worst flood in nearly a century, J&K Bank donated Rs 11 crore as a contribution to the Kerala Chief Minister's Distress Relief Fund.

In the same year later Kashmir was hit by untimely huge snowfall on November 3-4 which resulted in widespread damage to apple orchards throughout Kashmir. The untimely snow left a trail of destruction and devastation, turning vast expanses of orchards into scenes of mayhem, with trees bruised, bent and broken. J&K Bank very well aware of the expectations of its customers created a corpus of Rs11 Crores as 'Distress Relief Fund' to be distributed among the most affected growers to help them procure new trees in place of completely damaged trees, repair/ rehabilitation of partially damaged trees, procurement of other essential items required to enable the growers to get back on their feet and get empowered to move on with persistence and hope.

During the first wave of Covid, the J&K Bank staff had pooled an amount of Rs 5.0 Cr that was donated to the J&K Relief Fund through Lieutenant Governor J&K UT. Conscious of its social responsibilities, being the chief driver of financial empowerment in the region, Jammu and Kashmir Bank donated 250 Oxygen Concentrators to the government of J&K UT for use during the ongoing Covid-19 crisis. In addition to offering a donation of 250 oxygen concentrators to the J&K UT government Bank also provided food, water and other essential items to give some relief to Covid 19 patients and their attendants.

Bank earned public goodwill through its relentless Banking service amidst the crisis. Bank's role in mitigating the problems during the unprecedented Pandemic was effectively highlighted through appropriate communication channels which added to the brand value and engineering a positive perception and imagination which only furthered and strengthened the trust and bond between Bank and its stake-holders.

All these humane steps taken by the bank over the years have forged a strong emotional bond with its customers which certainly will go a long way in not only maintaining the existing customer base but keep it growing further.

Brand Building

In the world of banking and finance, it is primarily the brand perception that manifests the health of an organization within the public imagination along with the numbers displayed in its balance sheet. While Brand J&K Bank continues to hold the sway among the masses, Bank has ensured it puts an effective and efficient communication strategy in place to bolster the brand recall. Thus, being proactive in our brand building through advertising and promotions, we have sufficiently improved our brand exposure during the financial year 2020- 21 and 2021-22 to increase the brand recall thereby increasing our brand value. To enhance brand visibility and explore the possibility of positioning it at important locales, the Bank has entered into an arrangement with Airport Authority of India for Trolley Branding Rights on 800 trolleys available at Srinagar International Airport. While the thrust for using digital channels to communicate to the masses has been mandated in the face of ever changing technological landscape with Bank enhancing its digital footprints by leveraging its presence on social media platforms, it has put in use traditional advertisement genres like outdoor advertising (OOH) through hoardings to garner mileage in terms of brand visibility and reach. A well-drilled brand visibility enhancing activity was carried out by displaying Bank's products and schemes at ATMs & Branches while making sure Glow Signboards-an important tool of brand identity-are properly maintained. Hoardings were placed in twin cities of Jammu and Srinagar, national highways and other key locations. The strategic focus on enhancing the brand image of the Bank and improving its brand value has strengthened and cemented the bond of trust further with all our stakeholders while providing best products and services to the customers besides leveraging all the means and channels of communications available for uninterrupted messaging throughout the financial year. While doing this, all the elements of our brand identity, which include our logo its colors besides the fonts used, advertising, website design, content and the overall packaging, were uniformly and consistently applied across all the channels of communication.

IT Infrastructure

With increased adoption & demand for digital channels by customers, our Bank has been at forefront to introduce new digital services, leveraging advanced technological platforms for better & enhanced customer experience

Many new digital services have been introduced with customer centric focus which includes new Mobile banking platform (mPay Delight), Contactless transactions, Rupay Debit Card, Digilocker, Enterprise Fraud Risk Monitoring, Contact Centre feature enhancement etc.

Upgraded Core Banking Solution (Finacle 10)

As part of the long term IT Strategy Bank has recently migrated to the newer version of Core Banking Solution (Finacle 10) that has powerful transformational capabilities for increased productivity, rapid innovation and a comprehensive set of offerings to meet diverse customer demands. The new CBS has integration capabilities with a wide range of different software systems which shall enable bank to enter into partnership with various other entities to offer a wide range of digital services to customers. Finacle 10 core banking implementation has now been successfully implemented across all branches to facilitate the delivery of state-of-the-art banking services

New Mobile Banking Application (mPay Delight)

Bank has recently upgraded its mobile banking platform to new application (mPay Delight) which is at par with the industry standard and has a new set of features & greater ease of use. Many new features which include fingerprint login, complaint management, QR Code regeneration, term deposit closure, changes in Loan module, debit card management, payments, credit card integration etc have been introduced

Phone-Pe-Loan

Bank has rolled out a digital lending service (Phone-Pe-Loan) & has integrated J&K Government's JKCPIS portal with LAPS Digital Platform for seamless processing of loans using Phone-Pe-Loan model. The following schemes have been made available for the employees of Government of J&K through this model

Personal Consumption Loan

Cash Credit Facility for Salaried Employees

IT-enabled Financial Inclusion

Bank has formulated a road map and arranged IT-enabled measures for implementation of initiatives on expanding financial inclusion. The following are some of the IT related measures undertaken by the Bank in this direction;

Micro - ATMs based banking services have been made available via 1006 BCs in unbanked and under banked areas where the said financial inclusion initiative is likely to lead to significant increase in transaction volume as well as in the number of users. Further AePS based services are made available to customers at BC points.

Bank has engaged 12 FLCCs as per RBI directives to conduct financial and digital literacy camps in unbanked and remote areas on consistent basis as per regulatory norms. In addition, every rural branch of the bank is conducting one such camp in a month.

Bank has initiated various measures for engagement with PMJDY account holders with a view to keep their accounts active like hassle free overdraft from Rs 2000 to Rs 10000 at low interest rate, free issuance of Ru-pay debit card having inbuilt accidental insurance of Rs 200,000= / and their enrolment under various social security and pension schemes of the government. The PMJDY account holder are mostly residing in rural areas and Bank has engaged 995 Business correspondents to extend services to them via Micro -ATMs and AePS mode which has helped to increase the frequency of their online transactions.

The robust and real-time based Online Financial Inclusion (FI) Solution (PIN PAD & BIOMETRIC DEVICES) has been implemented by the Bank which is used for increased digital financial inclusion

Cashless Banking

As a part of promoting cashless transactions various modes of digital payments have been made available to the customers:-

- Debit Card
- Credit Card
- UPI
- Mobile Banking
- Internet Banking
- USSD
- Micro ATMs
- AEPS
- Bhim Aadhaar
- FASTag
- BBPS
- IPG

Further in order to encourage the customers to opt for digital modes of payment, Bank has been doing multiple cash back campaigns with major Ecom and POS merchants in the country.

Bank has provided the facility for EMI conversion to its customers for the transactions done through online mode on their credit cards.

The technology changes and improvements for BC channel is an ongoing process with bank so as to improve upon over existing systems and adapt to changes in the IT environment. A new version of technology-based product i.e. Micro-ATMs with added features has been initiated for implementation and usage of BCs which shall have the underlying impact of broad and digital based financial inclusion.

ISO 27001:2013 Certification from Intertek

In a major boost to Bank's information and cyber security system, J&K Bank has received the latest certification of prestigious ISO 27001:2013 from Intertek (a reputed London-based Total Quality Assurance provider that tests, inspects and certifies the quality and safety of products, processes and systems within the contemporary international framework of Information Security Management System) for being compliant with the best industry standards in terms of privacy and security protocols. By extending the scope of ISO 27001:2013 Certification for Information Security Management Services (ISMS) across IT domain of Bank and re-certifying with Capability Maturity Model Integration (CMMI) level of 4 out of 5, Bank has ensured customer data privacy while significantly augmenting security of operations across our IT-enabled domains. Besides demonstrating strict adherence to the globally recognized ISMS standards, Bank has also initiated a process comprising of various measures to ensure Bank's compliance with all the regulatory requirements and enhancing the availability, functionality and performance of digital services.

Two Digital Business Units (DBUs) set up:

Digital banking has emerged as the preferred banking option in view of ease of use, reduced TAT and better customer experience. Inducing our customers towards usage of digital channels creates win-win situation for our customers as well as bank, as benefits of time, cost saving and convenience are bound to accrue to both.

Reserve Bank has been taking progressive measures to improve availability of digital infrastructure for banking services. In furtherance of this objective and as part of efforts to accelerate and widen the reach of digital banking services, the concept of "Digital Banking Units" (DBUs) has been introduced by the Reserve Bank. Hon'ble Finance Minister had announced the setting up of 75 DBUs in 75 Districts of the country to commemorate the 75 years of independence of India under aegis of Azadi ka Amrit Mahotsav.

As part of the initiative, districts Srinagar and Jammu were assigned to our Bank for setting up of Digital Business Units (DBUs) and the Bank has successfully established DBUs at Lal Chowk, Srinagar and Channi Rama, Jammu. DBUs shall facilitate financial inclusion and digital financial literacy. DBUs shall provide banking products and services through self-service as well as assisted mode in an efficient, paperless, secured and connected environment. DBUs shall function 24X7 in self-service mode

Tie-Ups and MoUs

Retail financing tie ups are one amongst the tested marketing tools to augment credit offtake, particularly in vehicle loans segment. Continuing with this endeavor and to be among the fore runners to penetrate vehicle finance market, bank has entered into a number of retail financing tie ups by signing MoUs with some of India's leading vehicle manufacturers for retail financing vehicles manufactured and marketed by them. J&K Bank over the years has entered in a number of Tie Ups with various commercial vehicle/car/electric vehicle /tractor manufacturers as well as dealers which has given a major boost to growth in retail advances of the bank. Besides Bank has entered in tie ups with various Housing societies and Builders. A list is provided below to name a few companies/housing societies, the Bank has entered in Tie-Ups with.

S.No.	Name of the Company/Society
1	TATA Motors Ltd
2	Maruti Suzuki India Limited (MSIL)
3	Mahindra and Mahindra Ltd
4	Piaggio Vehicles Private Limited (PVPL)
5	Bajaj Auto Limited
6	Hyundai Construction Equipment India Private Limited (HCEIPL)
7	Palm Springs Housing Society
8	Royal Nest Housing Society
9	Safa Valley Housing Society
10	Royal retreat Housing Society
11	CASE New Holland Construction Equipment (India) Private Limited
12	Kirloskar Oil Engines Ltd
13	Ashok Leyland Limited
14	Escorts Ltd
15	Atul Auto Limited

Further as part of the transformation journey, Bank, in its endeavor to collaborate with various institutions and departments, the Bank has signed Memorandum of Understanding (MOU) with Government of J&K and other leading institutions. The details of some of the major MOUs are as under:

1. J&K Government
2. J&K Police Department
3. University of Kashmir
4. Central University of Jammu
5. NIT Srinagar
6. Central University of Kashmir
7. Mata Vaishno Devi Shrine Board (SMVDSB)
8. SKUAST, Kashmir
9. IIM Jammu

The Bank has extended its “MOST FAVOURED CLIENT STATUS” to these departments/institutions while as the Bank is nominated as preferred Banker for its dealings with respect to all banking related services of these departments /institutions. This has ensured augmentation of the overall growth and such type of relationships continue to augment our business by way of registering business through these institutions.

Challenges faced by Bank

i) Business disruptions:

Over the years J&K Bank has faced many challenges on account of frequent business disruptions during last 03 decades. In recent past events like 2008 turmoil, 2014 floods, 2016 turmoil, reorganization of erstwhile J&K state in 2019, lockdown due to COVID-19 pandemic in 2020-2021, saw worst business disruptions in J&K which affected the normal business operations adversely resulting in huge losses to various segments of economy. Major business disruptions faced by the bank & its financial implications on the economy over the years have been summarized below:

- Hartals (Shutdowns) in last 03 decades: As per a report published by European Foundation for South Asian Studies (EFSAS), over a period of last 28 years, Kashmir has witnessed *Hartals* (shutdowns) for more than **1900 days** affecting normal life & business activity badly. Kashmir Chamber of Commerce and Industry's (KCCI) figures suggest that the State loses around ₹130 Crore worth of business during each day of shutdown.
- 2014 Floods: In 2014 J&K was hit by one of the worst floods in its history which caused mass destruction and left many people homeless. The floods caused widespread damage to Infrastructure and disrupted all forms of communication & transport. According to a report prepared by the Annual Disaster Statistical Review, Kashmir had incurred around \$16 billion (104000 crore INR) loss due to the devastating floods that hit most parts of the Valley on 7 September 2014.
- 2016 Turmoil: Due to political turmoil in 2016, normal life was again disrupted which affected the Banking operations adversely. As per Economic Survey 2016 report tabled by Minister for Finance in the Jammu and Kashmir Assembly, Jammu and Kashmir suffered losses to the tune of over Rs 16,000 crore during the five-month long unrest in the Kashmir Valley due to complete halt of economic activity coupled with loss of property worth crores of rupees.
- 2019 Post Re-organization of J&K: In 2019 again J&K witnessed disruption on account of political turmoil and as a result, business operations were disrupted. Internet, mobile network and other landline connectivity was affected throughout the J&K affecting the normal life and business operations. According to an official report by the Kashmir Chamber of Commerce & Industry (KCCI), the Kashmir economy lost over Rs 18,000 crore in the 120 days after August 5, 2019.
- COVID 19 lockdown: Due to COVID 19 pandemic multiple lockdowns were imposed in the country which halted the business operations for months together. Due to lockdowns during COVID, the losses to economy of J&K were estimated to be Rs 13,200 crore by Kashmir Chamber of Commerce & Industry (KCCI).

The major implication of aforementioned loss events to J&K's economy over the years was on J&K Bank as compared to other Banking players in UTs of J&K and Ladakh, as Bank is the major lender in J&K, holding Business share of 64% in J&K as on 31/03/222. These disruptions have also affected asset quality of Bank leading to increase in NPA portfolio of the Bank, besides affecting business growth. These disruptions have also posed a big challenge to Bank for maintaining business continuity. All these challenges on account of business disruptions have been faced by the Bank head on & Bank has ensured uninterrupted services.

ii) Competition:

Other important challenge being faced by the bank is in the form of constant competition from large public & private sector banks like SBI, PNB, HDFC Bank, ICICI Bank etc. Besides Bank is facing greater competition from other financial intermediaries like NBFCs & new age private sector Banks. Bank is making every effort to offset competition by way of reviewing its products and services, tie-ups, opening of banking outlets at potential locations etc. Besides, pricing of our products is being reviewed to remain competitive. Besides adoption of new technologies in delivery of Banks's banking products and services is being continuously done to bring in a greater element of competitiveness and to offset competition from other Banking players. J&K Bank with its universal presence in J&K & Ladakh coupled with good customer service has been successful to keep its competitors at bay and maintain major market share in UTs of J&K and Ladakh.

iii) Changing Technological/Digital Landscape:

Ever changing digital and technological landscape in Banking is posing continuous challenge to Banking players and compelling Banks to remain abreast with contemporary trends in technology. There has been sudden spurt in technological usage for developing new services and business models which has unfolded the rise of the FinTech sector.. Customers have new service expectations in terms of user-friendliness of the interface and transparency.

Bank had to deal with all these challenges arising from digital disruption stemming from increased participation of Fintechs. To stay relevant in this fast changing, technology driven Banking industry, J&K Bank has continuously upgraded the technology being used for day to day operations. Bank has recently migrated to Finacle-10, which is the best in class CBS solution. Bank also upgraded its mPay application. Various other technological initiatives have already been detailed at page no-54-56 of the document.

Lessons Learnt

During our Business journey, a number of lessons have been learnt which have helped us to augment business growth, improve customer satisfaction, remain competitive and maintain business continuity.

Partnering with Government:

J&K Bank has always worked very closely with Govt. in facilitation & promotion of various flagship programmes of Centre & UT governments. Besides J&K Bank is also playing the role of exclusive agent, designated by the Reserve Bank of India, for carrying out banking business for the Government of Jammu and Kashmir and its government owned institutions and departments. Bank has come up with tailor made products for implementing various Govt. initiatives and schemes aimed at social & economic wellbeing of the populace of J&K and Ladakh, besides helping in employment generation for unemployed youth through schemes like PMEGP, JKREGP, Mumkin, Tejaswani etc. This certainly has worked really well for the bank as it ensures regular business opportunities from Govt., its employees and beneficiaries of other govt. schemes.

The significance and impact of banking relationship with Government is accentuated by the following business figures contributed Government, PSUs, Employees, pensioners vis-à-vis Bank as on FY 2020-21 as under:

Particulars	PSUs / educational Instt. / Employees/ Pensioners	Government	Total	Bank	Contribution
	(A)	(B)	C = (A+B)	(Whole)	
Deposits	38072.85	15889.57	53962.42	108061.15	49.94%
Advances	15552.2	1767.26	17319.46	75916.62	22.81%
Business	53625.05	17656.83	71281.88	183977.77	38.74%

Introducing Customised Products as per customer needs:

Keeping in view diverse needs of customers, bank has always remained one step ahead by introducing customised deposit/liability products to match the customer needs. J&K Bank is always striving to provide customized products and services to diversified clientele. The Bank has always strived for uplifting standards of living of its customers by offering diverse range of financial products catering to different needs of various sections of the society in general and J&K state in particular. Some of the customised schemes introduced for the people of J&K and Ladakh are Artisan loans, Apple finance, Aasayish loans, Mumkin scheme, hosla scheme, etc.

Corporate Social Responsibility (CSR) initiatives:

J&K Bank has the distinction of being called the “Socially Conscious Corporate Citizen” of the country. At J&K Bank, Corporate Social Responsibility is not merely compliance but a social investment to help sustainability of society. It is a commitment to support initiatives that measurably improve the lives of under-privileged by addressing their needs.

Under CSR, the J&K Bank has focused on continuous commitment to the social, economic

uplifting of the underprivileged sections of the society and promote inclusive, harmonious social economic welfare, community empowerment, capacity building and protection of environment. In alignment with the mission of social empowerment, the bank as a socially responsible corporate citizen, shall endeavor enhancement of value creation in the society and the community it operates, through its CSR activities, which ultimately would promote sustained growth of the society and protection of environment. Besides whenever & wherever a natural calamity has hit, J&K Bank has always showed up for help. During 2008 Earth quake in J&K, 2014 floods in J&K, 2018 Kerala Floods, untimely snowfalls which wreaked havoc on Apple orchards in Kashmir in 2019 & 2021 & COVID 19 pandemic, Bank has contributed generously to mitigate the suffering of the people affected.

Bank's role in mitigating the problems during the unprecedented Pandemic & other unfortunate natural calamities was effectively highlighted through appropriate communication channels which added to the brand value and engineering a positive perception and imagination which only furthered and strengthened the trust and bond between Bank and its stakeholders.

All these humane steps taken by the bank over the years have forged a strong emotional bond with its customers which certainly has gone a long way in growth of the Bank over the years and creating a loyal customer base.

Business Continuity:

Over the years the bank has faced so many challenges due to frequent business disruptions viz 2014 floods, 2016 turmoil, reorganization of erstwhile J&K state in 2019, lockdown due to COVID-19 pandemic in 2020. J&K Bank has stood with the people of the J&K & Ladakh through thick and thin which is reflected by the fact that at the risk of its property and employees' lives, the bank continued to serve the people and the economy of the UTs in extreme conflict ridden period when all other banks had closed their shutters and that certainly is setting J&K Bank apart from all other Banks operating here. Even its ATMs also remained replenished with cash during 2008 & 2010 disruptions, 2014 floods, 2016 turmoil and in 2019 post reorganization of erstwhile J&K state when ATMs of other banks were closed.

Bank earned public goodwill through its relentless Banking service amidst the crisis over the years which has shown results in the form of growth attained by the Bank over the years.

Technological Upgradations:

Banking industry is facing radical transformation and restructuring in respect of technological upgradation and moving towards a customer-centric platform-based model. This digital disruption offers the potential to improve efficiency with innovation, enhanced supply diversity, and a more competitive banking system. Adoption of new technologies in delivery of Banks's banking products and services is one of the major lessons learnt and technological upgradation is something which cannot be dispensed with in current technological landscape in banking industry.

With increased adoption & demand for digital channels by customers, our Bank has been at forefront to introduce new digital services, leveraging advanced technological platforms for better & enhanced customer experience. In our endeavour to provide latest & secure digital services to our customers, many new digital services have been introduced with custom-

er centric focus which includes new Mobile banking platform (mPay Delight), Contactless transactions, Rupay Debit Card, Digilocker, GRAS, Enterprise Fraud Risk Monitoring, Contact Centre feature enhancement etc. As a part of promoting cashless transactions various modes of digital payments have been made available to the customers:-

- Debit Card
- Credit Card
- UPI
- Mobile Banking
- Internet Banking
- USSD
- Micro ATMs
- AEPS
- Bhim Aadhaar
- FASTag
- BBPS
- IPG

The timely introduction of all these digital services has ensured that we kept growing from strength to strength, besides being capable enough to cater to the needs of modernday tech savvy customers. This has also ensured that we are at par with our competitors as far as digital services offered is concerned.

Reasons for Replication

Going by the success story of J&K Bank, the best practices adopted by the Bank which have translated into better results can be replicated by other institutions/organizations in UT of J&K, Ladakh, as per their organizational requirements. Business indicators, market share, various Business process reengineering initiatives and introduction of new customized products highlighted above in previous chapters clearly tells us how J&K bank has been able to remain ahead of its competitors here in J&K & Ladakh in terms of ensuring business continuity in extremely difficult circumstances besides ensuring fundamentals of Bank continue to remain strong. The reason of success and maintaining business continuity under various adverse external variables viz- frequent disruptions in the past like 2008 turmoil, 2014 floods, 2016 turmoil, reorganization of erstwhile J&K state in 2019, lockdown due to COVID-19 pandemic in 2020, is mainly attributed to proactive approach by the Bank and dedication of staff to work for the welfare of people and their beloved institution. Over the years the bank has faced so many challenges due to frequent business disruptions which also hit the economy of J&K adversely resulting in huge losses to economy. The major implication of such loss events to J&K's economy over the years was on J&K Bank as the Bank is a major lender in J&K. In spite of such huge losses to economy over the years, Bank faced these challenges with utmost strength. J&K Bank not just survived these economic shocks but continued to show growth under various business segments.

Inspite of frequent business disruptions, bank never closed its doors to its customers no matter how difficult the circumstances were and kept serving the people. This has indeed translated into customer goodwill and loyalty which has created an emotional bond between Bank & its customers. From changing working hours to posting of staff in their vicinity, J&K Bank has not let any stone unturned in ensuring business continuity in its operations with the intention to serve its valuable customers even in extremely difficult circumstances which certainly puts J&K Bank much ahead of its competitors.

Future Endeavors

The Bank has surpassed the psychological mark of Rs. 500 crore annual net profits for FY 2021-22 after seven years. With visible improvement in some key parameters, the results clearly indicate that the Bank is heading towards vertical growth trajectory. The Bank has set an ambitious target to reach Rs 2.22 Lac Crore business during the current financial year i.e 2022-2023. **Besides Bank is targeting to take the total business of Bank to 4 lac crore with next five years i.e, FY 2027.** Bank has formulated one of the most comprehensive, broad-based and practicable business strategy to achieve this business target. We at J&K Bank are confident that our vast experience and comprehensive business strategies will reflect in the improved financial performance of the organization coupled with customer convenience resulting from the quality of our products, services and personal interface as our customer services will be our Unique Selling Proposition (USP) to maintain our dominant position in J&K, Ladakh while acquiring and augmenting business in the rest of India.

Bank has set an ambitious target of doubling the Housing Loan portfolio by March-2025. In this regard, several measures have been initiated which inter-alia include revision of Housing Loan Scheme, review of Policy for engagement of Direct Selling Agents (DSAs), Creation of marketing teams etc. A significant number of the houses/flats are constructed by builders/developers and this segment offers a lucrative opportunity for credit dispensation under Housing Segment.

Further Bank intends to sign MoUs with various Government departments, private companies, Builders/developers and other vehicle manufacturers and dealers to further augment its growth and achieve all targets viz a viz advances, deposits and profit which will help the bank to increase its market share further in coming years.