



Board Secretariat

Ref:-JKB/BS/F3652/2026/178
Date: 27th October, 2026

National Stock Exchange of India Limited
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051
Symbol: J&KBANK

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

Sub:- Transcript of Conference Call held on October 22, 2026

Dear Sirs,

In continuation to our letter no. JKB/BS/F3652/2026/172 dated October 22, 2026 and pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Conference Call held on October 22, 2026 by the Bank in relation to the Reviewed Financial Results of the Bank for the Quarter and Half Year ended September 30, 2026 is enclosed and the same is also available on the website of the Bank under following link:

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

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully

For Jammu and Kashmir Bank Limited

Mohammad Shafi Mir
Digitally signed by
Mohammad Shafi Mir
Date: 2026.10.27
17:48:37 +05'30'

Mohammad Shafi Mir
Company Secretary



“Jammu & Kashmir Bank Limited
Q2 FY27 Earnings Conference Call”

October 22, 2026



MANAGEMENT: **MR. AMITAVA CHATTERJEE – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – JAMMU &
KASHMIR BANK LIMITED**
**MR. SUDHIR GUPTA – EXECUTIVE DIRECTOR – JAMMU
& KASHMIR BANK LIMITED**
**MR. IMTIYAZ AHMAD BHAT – CHIEF GENERAL
MANAGER – JAMMU & KASHMIR BANK LIMITED**
MR. ASHUTOSH SAREEN – CHIEF GENERAL MANAGER
**MR. RAJESH MALLA TIKOO – CHIEF GENERAL
MANAGER – JAMMU & KASHMIR BANK LIMITED**
**MR. PEER MASOOD AHMAD – DEPOSIT AND LIABILITY
MANAGEMENT HEAD – JAMMU & KASHMIR BANK
LIMITED**
**MR. SANJAY GUPTA – RAM BANKING HEAD – JAMMU
& KASHMIR BANK LIMITED**
**MR. SURESH KUMAR CHOWDHARY – CORPORATE
BANKING HEAD – JAMMU & KASHMIR BANK LIMITED**

**MR. TARIQ ALI – IMPAIRED ASSETS PORTFOLIO
MANAGEMENT HEAD – JAMMU & KASHMIR BANK
LIMITED**

**MR. ALTAF HUSSAIN KIRA – CHIEF RISK OFFICER –
JAMMU & KASHMIR BANK LIMITED**

**MR. AJAY KOHLI – TREASURY HEAD – JAMMU &
KASHMIR BANK LIMITED**

**MODERATOR: MR. AVINASH SINGH – EMKAY GLOBAL FINANCIAL
SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Jammu and Kashmir Bank Q2 FY27 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Avinash Singh from Emkay Global Financial Services Limited. Thank you, and over to you, Mr. Singh.

Avinash Singh: Thank you, Sidhant. Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Amitava Chatterjee, Managing Director and CEO and his management team.

I shall now hand over the call to Mr. Amitava Chatterjee for his opening remarks. Over to you, sir.

Amitava Chatterjee: Thank you, Avinash. A very good afternoon, and a warm welcome to all the investors, analysts and other stakeholders joining us today for the J&K Bank September 2026 Earnings Call. Before we discuss the results, let me introduce my fellow colleagues from the bank's senior management who are accompanying me on this call.

Executive Director, Mr. Sudhir Gupta; Chief General Managers, Mr. Imtiyaz Ahmad Bhat; Mr. Ashutosh Sareen; and Mr. Rajesh Malla Tikoo; Deposit and Liability Management Head, Mr. Peer Masood Ahmad; RAM Banking Head, Mr. Sanjay Gupta; Corporate Banking Head, Mr. Suresh Kumar Chowdhary; Impaired Assets Portfolio Management Head, Mr. Tariq Ali; Chief Risk Officer, Mr. Altaf Hussain Kira; and our Treasury Head, Mr. Ajay Kohli.

The geopolitical uncertainties which persisted in the first quarter of the current financial year have continued to mar the global economy in Q2, following the reescalation of conflict in West Asia, which has driven energy prices sharply higher leading to inflationary concerns and increased volatility across financial markets. However, despite these persistent geopolitical challenges, the Indian economy has posted a robust growth of 7.8% during Q1, driven by domestic consumption and investment. This resilient performance has led to a sharp upward revision of India's GDP growth forecast for 2026-27 by IMF to 7% from 6.4% earlier.

This resilience in the domestic economy is also reflected in the Bank's business momentum with the Bank's total business growing by 19.4% Y-o-Y to INR3.10 lakhs crores as on 30th September 2026. The Y-o-Y growth across both deposits and advances has been healthy at 16.3% and 23.7%, respectively. The profitability has also improved after a subdued performance in the first quarter, with the net profit for the quarter being recorded at INR546 crores, a sequential jump of almost 29% and a double-digit Y-o-Y growth as well.

On the credit side, in alignment with the Bank's strategic positioning as a retail-focused bank, as emphasized during the Q1 call, the Bank has recorded a sequential growth of 7.62% in Agricultural Advances and 3.90% in Retail Advances, underscoring the tangible progress made in execution. The entire net incremental growth during the quarter has been contributed by Retail, Agriculture and MSME loans, that is RAM. And this growth has been contributed by both Jammu, Kashmir, Ladakh and Rest of India in almost equal proportions to their share in the Bank's outstanding RAM loans. On a YTD basis, more than 60% of the Bank's net incremental credit has been contributed by RAM portfolio.

Within RAM, Bank has registered a Y-o-Y growth of around 17% in Agricultural Advances, with a double-digit YTD growth for the first half year. Auto loans continue to be the best-performing segment amongst retail loans with a Y-o-Y growth of over 25%, doing well both in Jammu, Kashmir, Ladakh as well as Rest of India. Housing loans in Rest of India division also continued to grow at a healthy pace, recording a double-digit Y-o-Y growth.

On the deposit front also, the bank has already achieved a YTD growth of around 7% against our guidance of 10% for the financial year with the growth in Term Deposits continuing to outpace the growth in CASA in line with the continuing industry trend. However, the gap between the growth in Term Deposits and CASA Deposits has narrowed down in this quarter as the bank has been able to record positive CASA inflows during this quarter, after a sharp outflow in Q1. As a result, Bank has been able to broadly maintain its CASA ratio at the same level of around 42%, being recorded at 41.97% as on 30th September 2026.

Now, coming to profitability, the Bank has recorded an operating profit of INR789 crores for the quarter, registering a 27% Y-o-Y growth and a 12% Q-o-Q growth. Even on a half year basis, the Bank has recorded a Y-o-Y growth of over 15% in Operating Profit, being recorded at INR1,492 crores for the first half year of the current fiscal. While the operating income for this quarter has grown by over 6% sequentially and 14.5% Y-o-Y, the increase in operating expenditure continues to be controlled at just 2% Q-o-Q and 6.5% Y-o-Y, contributing towards improved profitability for the quarter. As a result, Cost-to-Income Ratio of the Bank for this quarter has also moderated substantially on both sequential and Y-o-Y basis, being recorded at 56.57% for the quarter.

Yield on advances has remained broadly flat on a sequential basis, being recorded at 8.55% for the quarter. However, the increasing contribution of RAM segment to our incremental credit portfolio, coupled with the recent repo rate hike, is expected to support an improvement in the yield from the third quarter onwards. The sharp outflow of CASA deposits during Q1 continued to weigh on our liability profile, contributing to an increase in the Cost of Deposits in this quarter to 4.85%. However, with the surplus liquidity in the banking system easing bulk deposit rates combined with the positive CASA inflows in Q2 and the reduction in Term Deposit rates by our Bank in this quarter, we expect moderation in the Cost of Deposits going forward. Resultantly, the NIM has witnessed compression, being recorded at 3.22% for the half year but with the expected improvement across both yield and cost, the NIM should also improve.

Notwithstanding the prevailing macro-economic uncertainties, the Bank has witnessed a notable moderation in slippages during the current fiscal, with Annualized Gross Slippage Ratio of just 0.4% for the half year, as Gross Slippages, in terms of absolute amount, have halved compared to the corresponding period last year. This reflects the resilience of our portfolio and the continued effectiveness of our underwriting and monitoring mechanisms. The asset quality metrics also continue to consistently improve reaching decadal best numbers with GNPA and NNPA as on 30-09-2026 being recorded at 2.23% and 0.51% respectively and PCR improving from 90.53% as on 30th June 2026 to 91.76% as on 30th September 2026.

Capital Adequacy Ratio has been recorded at 16.57% as on 30th September 2026 with CET 1 of 13.88%. The Bank is already in the process of raising both equity and debt capital to the tune of INR1,000 crores and INR500 crores respectively and will raise the capital at an opportune time to support its future growth.

On the back of improved profitability, RoA has jumped by 20 bps Q-o-Q, while RoE has jumped by more than 250 bps Q-o-Q and have been recorded at 1.07% and 13.68% respectively for the quarter.

Based on the mid-term review, we have reassessed our guidance as indicated in the last call. The revised guidance for FY 2026-27 would be credit growth of 14% plus, deposit growth of 12% plus, CASA to be 42% plus. There should be a considerable improvement in NIM, ROA to be around 1.20% and GNPA to be below 2%.

So, thank you all for the time today for giving me a patient hearing. We can start with the questions now.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Yuvraj Choudhary from Anand Rathi.

Yuvraj Choudhary: Congratulations on a good quarter. Sir, I have a couple of questions. So firstly, CASA growth has lagged overall deposit growth. So a trend we have seen across the industry. So what are the steps are we taking to improve our CASA mix? So that is first question.

Amitava Chatterjee: Okay. You want me to answer the first question first, right? So, Yuvraj, while there was a flight of CASA during the first quarter, as I already mentioned, we could recover a fair bit of it in the second quarter -- in the last month of second quarter.

If you ask me about the steps, there are not one or two steps. There are several steps that we have taken to restore CASA. Like, for example, we are entering into MOUs with multiple organizations, companies for salary package within Jammu and Kashmir as well as outside Jammu and Kashmir to open salary accounts, and we have been permitted by several organization. In fact, in the last quarter itself, I guess there would be not less than 20 such organizations.

Apart from that, there is a strong flavor of UPI payments within the state of Jammu and Kashmir, where most of the merchants, they have either our POS machines or QR codes. So at a point of time, maybe we were not very concerned about this. But now there is a very strong monitoring of all these POS machines as well as QR codes that have been allotted to the merchants. And we are following up with their transactions being routed through our bank.

So this is another -- apart from that, we are in the process of signing a fresh MOU with the Government of Jammu and Kashmir for their salary accounts. And this time around -- we expect the MOU to be for 5 years. And most likely, we are going to sign it tomorrow.

So all these things put together, I guess, we are working on CASA. And apart from that, all the zones have shown a remarkable improvement in opening of CASA accounts, especially savings accounts, including Rest of India, which I think is a very positive sign.

Like I said, there has been a positive contribution from Rest of India as well in the CASA segment. So all these things put together, I believe that we can improve our CASA to a fair extent. At least we will not lose the ratio.

But one thing which we need to understand, unlike other banks, if our CASA ratio has gone down, we have not lost those deposits. They have converted. They have got converted into term deposits with our bank only. So if you look at the growth in term deposits vis-a-vis whatever we have -- percentage terms, whatever we have lost in CASA, we have been able to maintain these deposits with us.

So unlike earlier, we have now a very stable base. If you look at the average deposits and average advances compared to the quarter-end deposits and advances, they are almost the same. So that has actually stabilized the business position.

Yuvraj Choudhary:

That was helpful. Sir, second question would be, sir, our credit cost has remained negligible as our net slippages has been negative. So firstly, any outlook on the credit cost for the current year? And secondly, our expectation on credit costs on an ongoing basis post ECL implementation?

Amitava Chatterjee:

See, I will not, at the moment, want to comment on the impact or the credit cost on account of ECL implementation because we are in the final stages of arriving at the model. And probably by the end of next quarter, we'll be in a position to comment on that.

And as far as the credit cost on a general basis, I do not see any reason why we will be increasing the credit cost. Whatever credit cost at the moment we witnessed in our bank's numbers, they are all the ageing provisions only. So I do not see -- and as I mentioned, if you compare the half year of 2025-'26 and compare it to '26-'27, the slippages have come down to half.

Last year, this point, the slippages were INR550 crores. Compared to that, it is INR234 crores only for this first half year. So we have managed to -- I mean, as I mentioned, we have managed to keep the book very, very steady.

Moderator: The next question comes from the line of Deepak Poddar from Sapphire Capital.

Deepak Poddar: Yes. Am I audible, sir?

Amitava Chatterjee: Yes, Deepak, you are audible.

Deepak Poddar: So just first, I wanted to understand on RoA. Now we are talking about 1.2%, right? And earlier, I think we were talking in the range of 1.25% to 1.3%. So what are the reasons, I mean, factors you see because of the -- I mean, you have downgraded your RoA outlook?

Amitava Chatterjee: If you ask me, honestly, it's not down-gradation. I'm trying to be a little bit conservative and deliver more than what I predict. There are quite a bit of other income, which is in pipeline for the bank at the moment.

But as you know that a few things like recovery in written-off accounts and other similar things, they are sometimes not predictable. You may get it within, say, next 15 days or you may not get it in the next 2 months.

So it's not a, downward revision. What we have done is based on what we had in the first quarter, we have now revised it so that we do not fall back on that. I mean we are able to achieve it. And maybe I said 1.20 plus. I did not say 1.20%. So it is not downward revision. It is a little bit of a conservative approach that I think we have taken.

Deepak Poddar: Okay. Okay. So in the first half itself, I mean if you have to see our ROA is close to 1%, right? So...

Amitava Chatterjee: More than 1% now.

Deepak Poddar: Yes. So to do that -- to do 1.2%, you have to do 1.4% kind of RoA in the second half, right?

Amitava Chatterjee: Yes, yes. That is very much visible at the moment.

Deepak Poddar: Okay. Understood. And why we are saying, I mean, 14% kind of a credit growth in the second quarter, I think we are at about what? 24%, 25% kind of advances growth rate?

Amitava Chatterjee: If you look at the credit growth that happened in our bank last year, third quarter and fourth quarter, so that was much better than the first 2 quarters. So comparatively, if you look at the differential, I am keeping it conservatively at 14%. But again, if you had noticed my statement, it is 14% plus. So it will be definitely more than 14%.

Now again, as I also mentioned, the focus more is on the retail. So retail growth is not as fast as the corporate growth. And obviously, the retail growth focus is because of the advantage of yield on retail advances. So at least for the next quarter, we will be continuing our focus on the retail advances growth.

So again, we have kept a conservative number at 14%, but it will definitely be much more than that. But no, I don't expect it to be 25% because last year, third quarter and fourth quarter were very good. So compared to that, the differential will be slightly lower.

Deepak Poddar: Okay. Understood. And now given our PCR is already at 91%, 92%, right? So that -- I mean, last 2 quarters, I think the credit cost or provisioning we have been doing in the range of INR70 crores, INR80 crores, INR85 crores, right, per quarter. So you expect this run rate to maintain going forward?

Amitava Chatterjee: It should be.

Deepak Poddar: Okay. So no incremental credit cost you expect, right?

Amitava Chatterjee: No, no, I do not expect any incremental credit cost. The SMAs have been in control. Sequentially also, we have been coming down. So obviously, the concern is ECL, and we have been working in a very focused way on that.

Moderator: The next question comes from the line of Hatim B from JM MF.

Hatim B: So, if I heard you correctly, you mentioned that loan growth target is 14%. Is that correct, sir?

Amitava Chatterjee: Yes. The target for the year, which we had earlier set at a lower rate, we have revised it a little bit higher now at 14%. But I said 14% plus. So my aim is to reach to around 18% provided that we continue with the retail growth.

Hatim B: And can you break down this guidance into how much can be retail?

Amitava Chatterjee: 60% and 40%, 60% retail and 40% corporate.

Hatim B: Okay. And so we have some compression in NIMs. So what kind of NIMs should we expect in your guidance?

Amitava Chatterjee: See, we had seen the downward cycle last year. And also a factor which is very easily forgotten is the factor that this part of the geography went through a lull for a almost a year because of what happened previously because of Pahalgam.

So there was a pressure on NIM because last year, we had to resort to increase in business through some sort of high-cost deposits and as well as some competitive rate advances. So that cycle has gone. We are back to growing in retail. The incremental growth in advances for this

quarter has essentially come from retail. 60% of the total growth for this year already has been from retail. So -- and the rate cycle has reversed. We also expect some more rate hikes in the coming future.

So obviously, I do not want to give a number to the NIMs because in the past, it has not been taken very pleasantly by others. But yes, I am very sure it is going up significantly in the next - and the next quarter.

Hatim B: So the ROA improvement, which you are expecting, will it largely come from NIMs or is there any other lever?

Amitava Chatterjee: If you look at this quarter's numbers also, we have had a substantial increase in other income. So it is -- see, I had already mentioned this at the beginning of the year that we are targeting substantial improvement in other income.

In fact, I cannot give you a very -- I mean, detailed breakup of all the components of other income, but I can say that almost all the components of other income has shown improvement from quarter 1 to quarter 2. So that itself gives a very positive signal that we are going to have a fair bit of other income coming up this financial year, next 2 quarters.

Apart from that, as I said, the yield is definitely going to go up. And the pressure that we had as a bank, Jammu and Kashmir Bank on taking high cost deposits, that is also over. We do not need to take any high-cost deposits for the remaining part of the year.

So all these things coupled together, I am 100% sure the NIM is going to go up. I'm not predicting a number, but it is going to go up substantially.

Moderator: The next question comes from the line of Amansingh Sahajsinghani from ICICI Securities.

Amansingh Sahajsinghani: Congrats on the good set of numbers. Coming back to the RoA guidance of 1.2%. Our H1 RoA is 1% and we are guiding for full year of 1.2%. So H2 RoA you are expecting at 1.4%. You said there will be some improvement in other income and NIM will also go up, but there seems to be limited levers on the credit cost side to go down further. So I wanted to understand on the -- on that front again that what are the levers that we understand for RoA to go up to 1.4% in the H2?

Amitava Chatterjee: As I mentioned -- now see this bank has had a very good past say, 8 to 10 quarters on account of recovery in written-off accounts. Now recovery in written-off accounts at the moment in pipeline, which is very, very, I would say, hot pipeline is substantial at the moment. As it has not materialized or matured as yet, I'm not giving the numbers, but it is very good.

Apart from that, we have also got an approval for a special OTS scheme for old NPAs as well as written-off accounts. So that also is likely to contribute a considerable amount of profit by way of written-off recovery as well as reversal of provisions of NPA accounts recovery. These two are almost certain to happen.

Apart from that, I said the cross-selling income is likely to improve. We have added two more insurance companies in the industry. Other than that, our treasury has started showing good recovery, and they have also posted good income this quarter. And I expect the treasury also to support forex income.

And apart from that, there has been a very strong focus of the bank at the moment on non-fund-based business, which also has shown considerable improvement, almost 30% to 40% improvement quarter-to-quarter.

So all these things, again, I said, put together, it is going to add to the profit of the bank to a large extent. And that will definitely help me post a 1.40% ROA for the second half. It may be better than that. I'm optimistic of being better than that.

Amansingh Sahajsinghani: Right, sir. So what I could understand is the 1.4% RoA in H2 on the back of strong TWO recoveries that may not be durable in FY28. So how do we think about the RoA in FY28, a durable one which would be steady?

Amitava Chatterjee: See, it is a statement that you made, I didn't make it. I did not say that it is not durable. The pipeline is not so small that it will not last for the next 1 year. That is one. Second, we have built up a very strong other income backup now with what I mentioned of non-fund-based business, of forex business, of third-party insurance products selling business, all these things.

And apart from that, the improvement in yields in the advances with the interest on advances going up. So all these things put together, I do not see that it is sort of, as you mentioned, it's a one-off factor. It is not a one-off factor. It is going to continue. I mentioned what is right for this financial year. If you ask me about the next financial year, I would wait for 2 quarters to respond to you.

Amansingh Sahajsinghani: But you foresee the TWO recoveries for FY28 to be durable?

Amitava Chatterjee: I already mentioned in the beginning of the year that we still have sufficient pipeline for 2 years, this year and the next.

Amansingh Sahajsinghani: Right, sir, last data-keeping question is how much of our book is linked to EBLR and MCLR, if you can give that?

Amitava Chatterjee: 31% is MCLR and 65% is repo-linked.

Moderator: The next question comes from the line of Gaurav Agrawal from Nine One Capital.

Gaurav Agrawal: Congratulations on the good results. Sir, just one question on the employee cost side, which has been very, very good for us. Sequentially as well as Y-o-Y, it's been flat. So how do you see the trend for this number on absolute basis for the next 2 quarters? And also, sir, if you can give some visibility around it for FY28?

- Amitava Chatterjee:** Thank you, Gaurav. First of all, I expect the employee cost to remain flat, perhaps will come down slightly for the next 2 quarters. If you look at very slight, but a slight dip from quarter 1 to quarter 2. And it is going to continue because we have retirements.
- However, for '27-'28, we will be back to this level again because we are also adding employees, which will take place by the end of the, say, third quarter or maybe beginning of the fourth quarter. So the impact won't be visible this year. Slight increase, which will take the employee cost to the level now what we are having. Maybe slightly less, but almost similar. So employee costs will not go up.
- Moderator:** The next question comes from the line of Shruti Agrawal from Narnolia Financial Service Limited.
- Shruti Agrawal:** Just one question. Like what will be the NIM growth trajectory going forward? And what are the key drivers expected?
- Amitava Chatterjee:** I just mentioned that I do not want to mention a particular number for NIM. But see, 25 bps improvement has already happened on repo, and I said 65% of my portfolio is linked to repo, which is already passed on.
- The next is we are in the process in the bank at the moment. We had been resorting to some high-cost deposits, which we have shed now, and we are no longer required to take any high-cost deposits going forward. So putting together, I believe and also the expectation of the repo maybe going slightly higher in the near future. I believe that there will be substantial improvement in NIMs.
- Moderator:** The next question comes from the line of Parth Gutka from 360 ONE Capital.
- Parth Gutka:** Can you let me know what are within the retail and the agri segment average yield on the portfolio?
- Amitava Chatterjee:** You want to know the quantum of agri and retail?
- Parth Gutka:** No, no, not the quantum, sir, the average yield on the portfolio.
- Amitava Chatterjee:** Yield, yield. See, our retail yield is around 10%. Agriculture is 9.5% and retail is 10%.
- Parth Gutka:** Okay. And what are the yield within the corporate portfolio Rest of India and within Jammu and Kashmir?
- Amitava Chatterjee:** There is hardly any large-sized corporate advances in Jammu and Kashmir. So largely MSME and even MSME is around 9% yield. The corporate yield in Rest of India is around 7.2%.

- Parth Gutka:** Okay. Fair enough. And my next question is considering we already had one repo rate hike, when does this rate hike get passed on to the customer on the immediate next day or...
- Amitava Chatterjee:** Same day. It's the same day.
- Moderator:** The next question comes from the line of Vinod Vyas from Share India.
- Vinod Vyas:** Sir, my question is regarding this regulation paper of IRDA. So as you are saying that other income might increase. So how much impact will it be on the insurance commission due to this regulation paper of the IRDA?
- Amitava Chatterjee:** Yes, I agree with your statement. I think some mics are on anyway. The reason -- I mean, the reason why I said that we will be able to jack up our income from third-party product selling is because we have added two more insurance companies for life, that is SBI Life as well as HDFC Life. And I expect the volumes to actually compensate for the commission difference that is going to come.
- So whatever the reduction in commission likely to happen because of the new IRDAI guidelines is going to be compensated by the volumes. And as you know, Jammu & Kashmir is a highly underinsured low penetration as far as life and general insurance is concerned. So the potential is very high. We have not actually realized the potential so far. And that is what is happening now. Going forward, I expect the volumes to go high -- go up substantially.
- Moderator:** The next question comes from the line of Jai Prakash Mundhra from ICICI Securities.
- Jai Prakash Mundhra:** I have a few questions. First is, sir, what is the breakup of this miscellaneous? And specifically, how much is the recovery from TWO accounts in this quarter?
- Amitava Chatterjee:** This quarter recovery from TWO is only INR25 crores.
- Jai Prakash Mundhra:** Okay. So sir, then this other miscellaneous income of around INR150 crores, what is -- what does it all include?
- Amitava Chatterjee:** Just a second, I'll give you. There is a INR41 crores from card business, loan processing charges of around INR18 crores -- INR19 crores, penal charges of INR12.89 crores, cheque return charges of INR4.57 crores, SMS charges INR6.42 crores, CGTMSE fee INR4.79 crores like that.
- Jai Prakash Mundhra:** And this treasury income, sir, does it include any equity stake sale, PNB MetLife or NSE or any one-off nature or is only pure bond related?
- Amitava Chatterjee:** It is not yet -- the transaction is completed, but the transaction happened after 30th of September. So that is also which is going to add to the bank's profit for the next quarter. So that is not included.

Jai Prakash Mundhra: Okay. And what is the rough quantum, sir, from all of that transaction?

Amitava Chatterjee: Plus INR100 crores.

Jai Prakash Mundhra: And this INR92 crores is only for the bond portfolio, is it?

Amitava Chatterjee: It also includes some revaluation of unlisted stocks.

Jai Prakash Mundhra: Where you have gained?

Amitava Chatterjee: Yes. I mean it is a combination of both and the net result was a gain.

Jai Prakash Mundhra: Okay. All right. And sir, do you have the AFS figure, available-for-sale reserves? The change in Q1 versus Q2?

Amitava Chatterjee: Negative INR62 crores.

Jai Prakash Mundhra: Okay. And what was this last quarter, sir?

Amitava Chatterjee: Last quarter was zero.

Jai Prakash Mundhra: Okay. Now secondly, sir, on bulk deposit, what was the need for bulk deposit? And what is the quantum right now in absolute rupees crores in bulk deposit or high-cost deposit?

Amitava Chatterjee: See, it was in the first quarter that we took some certificate of deposits, which was slightly at a high cost, around 8%. So that was the need. At that point of time, we had loan commitments which was already there. So we -- at that point of time, it was the need. Out of that, most of it is already shed. It is no longer in the books now.

Jai Prakash Mundhra: What is the quantum of bulk deposits outstanding, sir, which are high cost?

Amitava Chatterjee: It will be around INR3,000 crores, sir.

Amitava Chatterjee: No, how much is the high cost? It is less than INR3,000 crores. High cost is only less than INR3,000 crores.

Jai Prakash Mundhra: Okay. So not substantial. So the benefit may come in subsequent quarter, right, maybe immediately in Q3?

Amitava Chatterjee: It's definitely going to come in the third quarter and the fourth quarter.

Jai Prakash Mundhra: Right. And sir, there is another in personal loan, which is housing, auto and then there is another. I believe it includes some salary account, personal loan, unsecured personal loan, but if you can quantify?

- Amitava Chatterjee:** I'll -- just give me a moment. I had the details. Just a second. So it is housing loan, then the J&K Bank MoU personal consumption loans, then car finance...
- Jai Prakash Mundhra:** No, no, sir, the MoU loans is how much, sir?
- Amitava Chatterjee:** That is INR13,400 crores.
- Jai Prakash Mundhra:** It has not grown, is it? I mean I remember it was...
- Amitava Chatterjee:** It had gone down.
- Jai Prakash Mundhra:** Yes. Okay. What is the reason, sir, why it has declined when it is almost secured by state government types and high yielding?
- Amitava Chatterjee:** In fact, there are two variants, including two variants, it is almost INR16,000 crores, more than INR16,000 crores. It had -- last year, it had contracted because for two reasons. One, we were revamping our product to make it more attractive.
- And the second was, there was some correction that we needed to make on the employees where NMI/EMI ratio was unfavorable. So we corrected that. You also might remember that we had a problem of high SMA-0s in that segment. All that was corrected last year.
- So last year, there was a slight dip in that. This year, we have again come back. And to be specific, this year by first half year, we have surpassed the total amount that we had lent last year, full year.
- Jai Prakash Mundhra:** Sir, now, sir, what have you done to rectify this the EMI to salary ratio? Have you elongated the duration or what else can a bank do if you want to fix the ratio?
- Amitava Chatterjee:** We had one EMI prepaid. We had got a one EMI prepaid by the employees, which resulted in alignment -- and also alignment with the salary dates.
- Jai Prakash Mundhra:** Right, right. Okay. I got a little bit. Maybe I'll take this offline, sir. This is very interesting. Secondly, sir, are you ready for ECL? It looks like that you are falling behind. You have one of the highest SMA in the industry, and you are saying that you do not have any assessment of the ECL, which is going to be implemented.
- Amitava Chatterjee:** See, base figure assessment is not what I want to mention at the moment. That is why I'm not saying. Otherwise, we have a fair assessment of the ECL requirement. And the model is almost ready. It will be public -- at least it will go to the Board by the December Board meeting. So we will be ready. I mean it's not -- we are not falling back on it. We are ready.
- Jai Prakash Mundhra:** Because you have the highest SMA, 5% is SMA 1 plus 2. If I include SMA-0, then the number is in double digit. It looks like that it can jeopardize -- and right now, you have almost negligible

credit cost. You have not provided anything prudentially when there was a time. So -- and you are not giving any number as to what could be the transitional hit or maybe the recurring hit. So it looks like...

Amitava Chatterjee: I already mentioned based on the assessment that we have done so far, our ECL hit will not be more than the average industry hit. It will be less than that.

Jai Prakash Mundhra: Average industry rate is around 50 to 60 basis point depending on what is the average, PSU Bank will be around less than 100 basis points of capital. But they -- some of the banks are also carrying prudential buffer, which I don't know if you are carrying or no.

Amitava Chatterjee: We have a little bit of buffer. Around INR300 crores buffer we are carrying.

Jai Prakash Mundhra: Okay. But sir, any range if you can also give that this is the transitional hit?

Amitava Chatterjee: I will give that range in the month of December. I'll give you exact number.

Moderator: The next question comes from the line of Kayur Asher from PNB MetLife India Insurance.

Kayur Asher: Congrats on a good set of numbers. Sir, can you guide further on the capital raise plans that you would have during the rest of the year? You mentioned about both equity and debt raise plans potentially. So specifically any guidance on when do you plan to come up with these? And also curious on what would be the target level considering the reported capital numbers are already looking robust?

Amitava Chatterjee: See, there are multiple factors for which we intend to raise capital. I'm not going into that. But if you ask me the quantum, I can mention that it is going to be INR1,000 crores of equity and INR500 crores of debt.

Timings, I think the debt will be this quarter. And as I mentioned that the equity will be slightly dependent on the time when it is most conducive for our bank. We already have a approval in place. We are almost ready with all the initial preparedness. We are already prepared for it. So we will just wait for a conducive time to go for it.

Moderator: Ladies and gentlemen, that was the last question for today. As there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to management for closing comments.

Amitava Chatterjee: Thank you, Avinash, and thank you all to the participants for joining in today. For any other further questions or queries, you can contact our Investor Relations desk. Thank you.

Moderator: Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.