

Jammu & Kashmir Bank Limited

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Bandra (E) Mumbai - 400 051
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Scrip Code:532209

SUB:- PRESS RELEASE ON REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2022

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed press release on the Reviewed Financial Results of the Bank for the Quarter and Half Year ended 30th September, 2022.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu and Kashmir Bank Ltd.

(Mohammad Shafi Mir)
Company Secretary

Board Secretariat

J&K Bank's Q2 net up 119% at Rs 243.49 Cr

Below 8% GNPA after 7 years is icing on the cake. I see these numbers heralding a new era of productivity and growth for the Bank: MD & CEO

Srinagar, Oct 21: J&K Bank's net profit is 119% up Year-on-Year (YoY) at Rs. 243.49 Cr in September Quarter of current financial year when compared to Rs 111.09 Cr recorded for the corresponding quarter previous year, while as, its half-yearly (H1) profit rose 90% to Rs 409.46 Cr from Rs 215.41 Cr recorded for H1 last year.

The Bank announced its financial numbers after its Board-of-Directors reviewed and approved the quarterly and half-yearly numbers during a meeting held here at Corporate Headquarters.

Performance Highlights

The Bank's Net Interest Income (NII) is up 24% YoY at Rs 1204.12 Cr for the September quarter and 15% up at Rs 2238.35 Cr for the half year compared to corresponding periods of previous year, while the Operating Profit rose YoY by 56% and 29% for respective periods.

The Bank's NIM has also improved to 4.04% against 3.51% recorded for the corresponding quarter last year, while as the Return on Assets has improved to 0.71% for the quarter and 0.62% for the HY. The Bank's steadily moderating cost-to-income ratio has also come down to 64.19% for the Q2 from the above 70% levels recorded last year.

Commenting on the Bank's healthy growth, MD & CEO Baldev Prakash said, "Along with markedly improved bottom-line, our Q2 numbers do reflect Bank's ability to deliver on its commitments and to improve upon all its key financial indicators necessary to redirect its focus on realizing the short-term business goal of Rs 2.2 Lac Cr by the end of current fiscal."

"While setting right tone for the future course of our action, I see these numbers heralding a new era of productivity and growth for the Bank and all its stakeholders", he added.

Improved Asset-Quality

The Gross NPA Ratio has sharply come down 142 basis-points in sequential terms to 7.67% from 9.09% while as by 128 basis-points on Year from 8.95% recorded in September, 2021. The Net NPA ratio has also moderated by over 90 basis-points to 2.10% from 3.02% recorded a year ago. Provision coverage ratio (PCR) of the Bank has improved to 85.58% from 81.57% a year ago.

Expressing satisfaction over the Bank's asset-quality, MD & CEO said, "With single-minded institutional focus on improvement of asset-quality during the September quarter, I feel very proud that we have brought down the GNPA figure to below 8% mark - a feat achieved after seven years is like icing on the cake. And with proactive monitoring and management of SMAs, we are on course to deliver what we have assured to our stakeholders."

Board Secretariat



“With resolution process of NPAs gathering more steam post activation of the Bad Bank (NARCL) - our bank too has a significant share of above Rs 900 Cr in the NPA pie being assigned to NARCL in the first phase,” he added.

Business Growth

Deposits and Advances of the Bank have grown by 9% each on YoY basis to Rs 115714.57 Cr and Rs 74549.73 Cr respectively with an increase of 3% and 4% respectively over the June quarter, 2022. The Bank’s overall business increased to Rs 190264.30 Cr against Rs 174609.19 Cr recorded last year. The Bank’s Yield on Advances has significantly improved to 9.01% for the quarter from 8.34 % while as the CASA is slightly down but still near the 55% mark.

“Despite single-digit increase in overall loan-book, we have maintained about 10% growth in advances in J&K and 15% in Ladakh, which form the bulk of our business”, said MD & CEO while commenting on growth numbers, adding, “With improved operational parameters during the September quarter, I feel encouraged to believe that we will achieve our top-line growth numbers as envisaged in our business plan.”

Suitable Capital Cushion

Capital Adequacy (CAR) of the Bank is slightly higher at 12.86% against 12.80% recorded last year. *“As of now we are adequately cushioned in terms of capital. With an augmented capital (T1 & T2) by fresh infusion of Rs. 1100 Cr and total plow-back of profit (Rs. 500 Crore) during last FY, our CAR for the September quarter is at 12.86% and CET-1 is at 9.99% without inclusion of the Profit after Tax (PAT) for the half-year, which if included would result in further improvement of 55 basis points in these ratios.”, remarked MD & CEO Baldev Prakash.*