

The Jammu & Kashmir Bank Limited

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## Board Secretariat

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

**The BSE Ltd.**  
Phiroze Jeejeebhoy Towers  
Dalal street  
Mumbai - 400 001  
Scrip Code:532209

**SUB: - PRESS RELEASE ON AUDITED FINANCIAL RESULTS**

Dear Sirs,

Please find enclosed press release on Audited Financial Results of the Bank for the fourth quarter and financial year ended 31<sup>st</sup> March, 2019.

Thanking you

Yours faithfully  
For The Jammu & Kashmir Bank Ltd.

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(Mohammad Shafi Mir)  
Company Secretary



## **J&K BANK MORE THAN DOUBLES IT PROFIT TO RS 465 CR**

Srinagar: J&K Bank, the state owned premier financial institution reported a 129 % growth in net profit for the Financial Year 2018-19 at 465 Cr as compared to 202 Cr in the previous fiscal. In the March quarter bank has reported a profit of 214.80 Cr as compared to 28.41 Cr in the corresponding quarter of FY 2018. Buoyed by strong retail credit growth, sale of partial stake in PNB Metlife and resolution of some large NPLs the total income of the bank rose to Rs 8487 crore in the FY 2018-19 as compared to Rs 7116 Cr a year ago.

The results for the FY 2018-19 and Q4 FY 18-19 were announced by the Bank today after Board of Directors of the Bank adopted the audited numbers of the Bank in its meeting held at Bank's Corporate Headquarters Srinagar. The growth in J&K state credit has been reported at 23% over the last year and net interest income the difference between interest earned on loans and that paid on deposits grew by 42 % in the 4<sup>th</sup> quarter of the financial year 2018-19. The NIIM of the bank which is an indicator of profitability was calculated at 4.05 for the 4<sup>th</sup> quarter and on full year basis it improved to 3.84% as compared to 3.65% in the previous fiscal.

The Chairman & CEO JK Bank while acknowledging the support and guidance of the Board of Directors in navigating the bank in challenging times attributed the turnaround & stellar growth in the top and bottom line of the bank to the unflinching trust of the promoters and customers of the Bank especially from the J&K state. He commended the management team, business heads & operative staff for robust credit growth, management of NPAs, NPA recovery, improvement in Compliance culture etc. despite a challenging environment.

“Our numbers are unfolding in line with our strategic business plan to direct the focus of our credit expansion in J&K state especially in retail & SME segments. We are continuously gaining market share in J&K besides improving the penetration of credit to hitherto credit starved geographies/segments especially in consumer and housing sectors. If you see our segmental numbers in retail, housing has grown by 79% from 3117 Cr to 5384 Cr, Consumer finance has grown exponentially from 195 Cr to 1978 Cr, Car loans have grown by 37 % from 2000 Cr to 2741 Cr resulting in aggregate retail credit growth of 33%. The Corporate to retail mix of our overall advances is now 43 Corporate to 57% retail as compared 53 Corporate to 47 Retail a couple of years ago.” announced the Chairman.

“The results also validate our medium term growth strategy which is fanning out as envisioned to achieve a total business of about 2.50 Lac Cr with a targeted profit of Rs 2000 Cr, NIIM ranging between 3.5-4%, ROA of 1.3%, ROE of 16% and credit cost below 1% at the end of FY 2022. We will carry forward the momentum of the robust business growth of previous fiscal to the current Financial Year and set the tone of exponential growth for

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## Board Secretariat



strengthening the new paradigm of sustained profitability. I can say confidently that once our provisioning requirements due to ageing of NPAs are over may be in 3-4 quarters, the best in terms of bottom line is yet to come. “added Parvez Ahmed.

Outlining his vision to take the growth and business of the bank to the next level the Chairman informed about the roll out of new Zonal structure at the District level w.e.f. Q2 of the current financial year to dovetail the state governments budget/development plan with the business plan of the bank with a vision of socio economic development of the state. The Bank he added will be targeting to extend its outreach for facilitating the vast majority of rural population of the state including the bottom of the pyramid population, which is dependent on informal channels for their financial needs. This he said will further strengthen the Bank’s low cost CASA franchise, which at 50.7% is one of the best in the banking industry.

“As I have been saying earlier too, we see a lot of unmet demand and potential for increased lending in sectors of SME, Tourism Infrastructure, Agriculture & Allied, Infrastructure (Government Spending), Home Loan, Personal Finance to Govt. Employees, Horticulture, Gold Loans etc which is validated by exponential growth in the past few quarters. Promoting the startups & new entrepreneurs also remains our priority area as we go deeper in the geographies in congruence with the policy support for startups at the state and central government level and we will act as an enabler for the bright youths of our state,” said Parvez Ahmed in the statement issued to the press.

The bank’s total business as on the close of 31st March 2019 touched 1,61,864 Cr comprising of deposits of Rs 89638 Cr and gross advances of Rs 72226 Cr as compared to 1,42,466 Cr an year ago registering an increase of around 14%. The Bank reported a stable low cost of funds at 4.90% with a CASA contribution of 50.7%. The NPA coverage ratio has seen a minor dip on sequential basis to 64.30 % mainly because of downgrade of the IL&FS and its group companies. As a percentage of total loans, the Gross and Net NPA ratios of the bank improved to 8.97% and 4.89 % as compared to 9.96% and 4.90% a year ago. Notably the Bank recovered NPAs of Rs 2750 Cr during the year besides making provisions of over Rs. 1000 crore for bad & doubtful debts.

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