



Board Secretariat

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National Stock Exchange of India Ltd
Exchange Plaza 5th 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 REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 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 ended 30th June, 2022.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu and Kashmir Bank Ltd.

A handwritten signature in blue ink, appearing to read 'Shafi Mir'.

(Mohammad Shafi Mir)
Company Secretary

Board Secretariat

On Growth Path, J&K Bank Q1 net up 59% YoY

Net Interest Income rises as Cost to Income Ratio moderates

Srinagar, Aug 10: Carrying forward the annual-performance momentum, J&K Bank net profit rose **48%** Quarter-on-Quarter (QoQ) and **59%** Year-on-Year (YoY) to **Rs 165.97 Cr** for the first quarter (Q1) of FY 2022-23, when compared to **Rs 112.20 Cr** and **Rs 104.32 Cr** recorded for the fourth and first quarter of the last financial year respectively.

The Bank announced its Q1 results today after the Bank's Board of Directors approved the quarterly numbers in a meeting held here at the Bank's Corporate Headquarters.

Performance Highlights

Witnessing 6-times jump in sequential terms, the Banks operating profit sharply rose to **Rs 381.45 Cr** from **Rs 62.21 Cr** registered during the fourth quarter of last financial year. The Bank's Cost to Income Ratio for the quarter is at **69.17%**.

During the quarter, the Bank's NII rose **6.7%** YoY and **6.02 %** QoQ to **Rs 1034.23 Cr** when compared to **Rs 969.29 Cr** and **Rs 975.50 Cr** recorded during the first and fourth quarter of the last financial year, while as the Bank's other-income grew **3%** QoQ to **Rs 202.94 Cr**. The Net Interest Margin (NIM) is **3.46%** as against **3.41%** recorded on March 31, 2022.

Up by **5.6%** sequentially, Bank's operating income grew by **4%** YoY to **Rs 1237.17 Cr** when compared to **Rs 1190.30 Cr** recorded on June 30, 2021.

Commenting upon the Bank's results, MD & CEO Baldev Prakash said, "Despite migration hassles due to technology upgradation to Finacle 10, the Q1 numbers are good and have provided the much needed impetus to achieve business goals in coming quarters. The performance on operational parameters has been encouraging and the slightly moderated Cost to Income Ratio is quite a bit of relief after hovering well above the 70% levels for 3 consecutive quarters."

Asset Quality

The Bank's net NPA's as percentage to net Advances ratio is **3.02%** for the quarter against **2.94%** recorded last year while as Gross NPA ratio is down YoY to **9.09 %** from **9.69%** recorded as on June 30, 2021 but is up QoQ by 42 bps.

Regarding asset quality, the MD & CEO said, "The sequential increase of 42 basis points in gross NPA figure from 8.67%, recorded on March 31, 2022, is partly due to the issues arising out of CBS migration besides the fact that last year the Bank had technically written off Rs 758 Cr NPAs in Q2."

"With vigorous recovery pursuits and expected resolution of good number of accounts, the Bank's short to mid-term goal will be to contain its GNPA figure below 6%", he added.

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Return on Assets (RoA) have grown by almost half YoY from **0.35%** to **0.52%**, while as the Return on Net Worth (RoNW) has risen to **9.22%** from **7.06%** recorded last year.

Creating sufficient provisioning buffer to strengthen its balance sheet, the Bank's Provision Coverage Ratio (PCR) for the reviewed quarter continues to remain above **80%** at **81.21%** - one of the highest in the industry.

Business Growth

Overall, deposits have shown growth of **6%** to **Rs 112145.18 Cr** from **Rs 105688.89 Cr** recorded during the corresponding quarter last year, while as advances have increased **7.71% YoY** from **Rs 66779.52 Cr** to **Rs 71926.56 Cr**.

However, YoY growth of advances and deposits' portfolios in the UT of J&K is at **10%** and **6%** respectively, while as in Rest of India excluding Ladakh, Deposits have increased by **1.75%** and Advances grown by **1.45%**. During the quarter, the Bank has continued to maintain its CASA Ratio well above **55%**.

Capital Adequacy

*The bank's Capital Adequacy Ratio is at **13.02 %**, which is well above the regulatory norm and **101 bps** up YoY when compared to **12.01%** recorded last year.*

Elaborating upon capital adequacy, the MD & CEO said, "The reported Capital Adequacy Ratio does not take into account the quarterly profit of Rs 165.97 Cr, which otherwise would have made a positive impact of around 20 basis", adding, "However, we are adequately capitalized and will get further cushion to comfortably fund our future growth plans after the board-approved capital raising plan of Rs 2000 Cr for the current financial year gets realized."