



Board Secretariat

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

The BSE Ltd.
PhirozeJeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code:532209

SUB: - PRESS RELEASE ON AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31ST MARCH, 2020

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed press release on the Audited Financial Results of the Bank for the Quarter and Financial Year ended 31st March, 2020

Yours faithfully
For Jammu & Kashmir Bank Ltd.

(Mohammad Shafi Mir)
Company Secretary

J&K Bank announces Q4/Yearly results

Reports increase in net interest income, improved Provisioning Coverage Ratio

Srinagar, Jun 29: J&K Bank today announced its quarterly (Q4) and yearly results for the financial year 2019-20, after its Board of Directors adopted the audited numbers of the Bank in its meeting.

As per the yearly numbers, the Net interest income (NII) of the bank increased by around **10 %** Year-on-Year (YoY) and stood at **Rs 3706.67 Cr** for FY 19-20 as against **Rs 3383.93 Cr** reported during last financial year. The bank's advances stood at **Rs 64399 Cr** while as the deposits witnessed growth of over **9 %** reaching up to **Rs 97788 Cr** from **Rs 89639 Cr** thereby increasing the total business of the bank by **4%** to **Rs 162187 Cr**.

The operating profit of the bank before provisioning stood at **Rs 1525.05 Cr**. Owing to substantial increase in provisions to the tune of **Rs 2523 Cr** made towards bad and doubtful assets against **Rs 1053 Cr** made during the previous year, the bank registered a net loss of **Rs 1139.41 Cr** for the FY ended March 2020.

As a way to strengthening its bottom-line in near future, the bank increased its Provisioning Coverage Ratio (PCR) to **78.59%** from **64.30 % YoY**. The net NPA for the Q4 has come down considerably to **3.48 %** when compared to the figure of **4.89 %** reported during the corresponding quarter of last FY.

Commenting upon the results, the bank's Chairman R K Chhibber said, "The numbers are quite evident and adequately mirror the times wherein the financial institutions around the globe appear grappling with impact of unprecedented lockdowns amid the ongoing pandemic while highlighting the resilient nature of our Human Capital to deal with such crisis of colossal proportions."

"Being an institution of systemic importance for the region, our entire focus continues to remain on managing the crisis well while taking all the measures to serve people safely and adequately besides spurring the demand during the eased-out lockdowns. Moreover, throughout the challenging period in the region beginning August last year our entire staff successfully managed to keep all the financial services available to the people despite odds", he added.

Regarding the bank's focus areas, he further said, "Amid all the uncertainty around, we kept a sustained focus on strengthening our balance-sheet. Taking cognizance of the continued pressure on asset quality due to COVID-19 and its lasting impact, we increased our NPA Coverage ratio by more than **14 %** from **64.30 %** to **78.59 %** while bringing down our net NPAs considerably from **4.89 %** to **3.48 %**", adding that the NIM at **4.10 %** was among the best in the industry and the cost of deposits were brought to **4.73%** from **4.98%** by improving the CASA base to **53.66 %**.

"Liability franchise of the bank is improving with significant growth in CASA component. Saving bank deposits recorded growth of 18 % on YoY basis", he said.

"Notably, the loan-book of UTs of J&K and Ladakh have witnessed **13 %** growth thereby re-orienting the lending composition of the bank with J&K and Ladakh getting **63 %** of total advances in country", the CMD said while explaining the bank's studied shift from corporate to retail lending.

Acknowledging the government's support throughout the history of bank especially since last year, the Chairman said, "As the promoter and majority stakeholder of J&K Bank, the UT Government of J&K has remained ever committed in its support towards the bank and timely capital infusions in recent times glaringly exemplify the same. The infusions - most recent being the **Rs 500 Cr** capital infused during Q4 of FY 2020 - have played a significant role in maintaining the bank's Capital Adequacy Ratio (CAR) as per Basel-III requirements besides boosting the confidence of all other stakeholders in the bank."

"Notably, the Bank staff has been working tirelessly during the recent crisis", the Chairman asserted, "and living up to the people's expectations by providing banking services across its branch networks, ATMS, digital platforms and remotely operating Business Correspondents.."

Pertinently, under the Central Government's Guaranteed Emergency Credit Line (GECL) scheme, the Bank has so far disbursed an amount of **Rs 1068.74 Cr** to **31069** borrowers. Besides Govt sponsored financial support to economically weaker sections, the Bank has been continuously innovating its financial offerings in order to provide much needed liquidity support and business continuity plans to the stressed business community of the region. "With inclusion of SMA2 and SMA1 borrowers under the recently launched bank's schemes i.e. JK Bank Business Support Loan and JK Bank Business Support Loan – Hotels and Guesthouses; it is expected that substantial credit shall be pumped into the regional economy on a consistent basis in order to lubricate the market with funds and mitigate the harmful shocks of devastated demand.", the chairman added.

Meanwhile, the bank has been on the forefront in terms of providing the much needed Govt funded support to economically vulnerable sections of the society during the Covid19 pandemic. An amount of **Rs 126.66 Cr** has been transferred to **2533288** PMJDY women accounts in three phases while as **Rs 187.85 Cr** were deposited into **939277** farmer accounts under the PM- Kisan.