



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 REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

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, 2020

Yours faithfully
For Jammu & Kashmir Bank Ltd.

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

(Mohammad Shafi Mir)
Company Secretary

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J&K Bank posts Rs 50 Cr as half-yearly profit

*Net NPAs down to 3.03 %, Advances in J&K up by 15 %
Q2 results reflect trend of turn-around: CMD*

Srinagar, Nov 6: J&K Bank posted a net profit of **Rs 43.93 Cr** for the second quarter (Q2), of the current financial year (CFY), ended September, 2020. The bank announced its reviewed financial results for the Q2 and H1 of CFY today after its Board-of-Directors approved the quarterly and half-yearly numbers during a meeting held in Jammu. For the half-year ended September, 2020 (H1), the bank's net profit is at **Rs 50.43 Cr**.

Indicative of bank's markedly improved asset-quality as on 30th September, 2020, the net NPA ratio has sharply come down to **3.03 %** from **4.48 %** recorded as on September 30, 2019 while as the Gross NPA ratio has decreased considerably to **8.87 %** from **10.64 %** recorded last September. The provisioning for bad loans is at **80.40 %**, which is one of the highest in the industry as against **71.46 %** recorded during the corresponding quarter last year. The bank's NIM for the quarter reviewed is **3.68 %** while as the bank's Capital Adequacy Ratio is at **11.86 %** as against **11.17 %** recorded as on September 30, 2019.

Commenting upon the financial results of the bank, Chairman and MD Rajesh Kumar Chhibber said, "Although during the last four quarters, business across the UTs of J&K, Ladakh has been severely affected due to ongoing pandemic and unavoidable disturbances prior to that; but we have managed to brave the crisis and have come out with promising numbers. These Q2 results certainly reflect the trend of turn-around that J&K Bank has scripted on YoY basis."

"With improving financial indicators, posting net profit of **Rs 43.93 Cr** after the quarterly loss of **Rs 916.82 Cr** last September, is quite encouraging for us as we move ahead on the envisaged trajectory of growth towards institutional excellence. For all this I thank the entire J&K Bank family for putting in best of their efforts as always, our Board of Directors for their generous guidance and our promoter and major shareholder i.e. the Government of J&K UT - led by the dynamic Lt Governor Manoj Sinha Ji - for their continuous support and all other stakeholders for reposing their trust in this premiere financial institution of the region", he added.

"Having said that, I strongly believe that the profit for last two quarters, significantly improved asset-quality with an attendant upward trend in other key financial indicators", the CMD asserted, "will definitely send positive signals to the markets and boost the bank's ability and prospects to mobilize the **Rs 4500 Cr** capital already approved by its board of Directors and the shareholders."

"Notably, to strengthen the Bank's Board further, the bank has today inducted Ex Director General (Accounts & Treasuries) J&K, Dr. Mohmad Ishaq Wani as Additional Director on BoD", he added. The bank, he further said, is already working to avoid any further slippages while remaining open to help and support its clients. "However, we have to be very cautious and vigilant", the CMD cautioned while stressing that the bank shall now lay more emphasis on its recovery measures as things have begun to improve on ground.

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Meanwhile, the bank's cost of deposits during the quarter has improved to **4.20 %** from **5.11 %** recorded for the corresponding quarter of previous year. The advances in J&K UT that form **67 %** of the bank's total advances registered a growth of **15 %** while as the total net Advances of the bank grew by **2 %** to **Rs 66813.87 Cr** as on 30th September, 2020 from **Rs 65609.51 Cr** recorded on September 30, 2019. The total deposits rose by around **10 %** to **Rs 100469 Cr** from **Rs 91620 Cr** recorded during the corresponding quarter last year with CASA figure at **53.32 %** as against **50.61 %** recorded on September 30, 2020. Notably **88 %** of the bank's total deposits are from J&K UT alone.

On the occasion, the Chairman and MD once again extended his heartfelt gratitude to the Government of J&K UT for the timely and effective economic relief package, which he termed as the game-changing intervention both for people and the banks operating in the region. "The package is well thought-out; comprehensive in its conception and swift in implementation. We have already received the first tranche of the package in the form of **Rs 250 Cr** as interest subvention, which have been passed on to the eligible beneficiaries' accounts including all of restructured accounts of 2014 and 2016. The rest of the relief amount under the package will also be passed on to the eligible beneficiaries very soon", he observed.

"Following the regulatory directions", he added, "the bank has also made the ex-gratia payment of around **Rs 21.53 Cr** - as the difference between compound interest and simple interest for six months - to **673505** eligible borrowers well before the deadline provided by the regulator."

Giving an overview of the bank's performance vis-a-vis central Government's Guaranteed Emergency Credit Line (GECL) Scheme under Atmanirbhar Bharat Abhiyaan, the CMD said, "GECL scheme has played a very significant role in providing much needed liquidity succor to trigger the revival of businesses in J&K, Ladakh and rest of the country. So far, the bank has sanctioned **Rs 1747 Cr** to **47576** borrowers under the scheme, out of which **Rs 1709 Cr** stand disbursed."

Regarding the bank's achievements in extending financial help to young entrepreneurs of the region irrespective of gender and location, he said, "About meeting of targets, I feel proud to say that J&K Bank over-achieved the targets assigned by the UT Government under its flagship 'Back to Village Program' Phase - III." "Continuing our drive through the recently established Special Desks across the UT, we have received as many as **16375** applications under the program. An amount of over **Rs 200 Cr** stands sanctioned in favour of **12515** beneficiaries", he added.