

Jammu and Kashmir Bank Limited

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Ref:- JKB/BS/F3652/2024/586
Date: 20th January, 2024

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Exchange Plaza 5th Floor
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Bandra Kurla Complex
Bandra (E) Mumbai - 400 051
Symbol: J&KBANK

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code:532209

SUB:- PRESS RELEASE ON REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2023

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 31st December, 2023.

This is for your information and appropriate dissemination.

Thanking you

Yours faithfully
For Jammu and Kashmir Bank Limited

(Mohammad Shafi Mir)
Company Secretary



Board Secretariat

J&K Bank Q3 net profit up 35% to Rs 421 Cr, 9-month net jumps 57%

Asset quality continues to be our star metric and the numbers are fast converging towards the best in the industry: Baldev Prakash

Srinagar, Jan 20: J&K Bank Net Profit rose 35% year-on-year (YoY) to Rs 421.08 Cr for the October-December Quarter (Q3FY 2024) when compared to Rs 311.59 Cr registered for the same period last fiscal. The bank announced the results today after its Board of Directors reviewed and approved the numbers for Q3 and 9-months for FY 2023-24 in a meeting held at Bank's Zonal Office in Jammu.

The bank's profit for 9-months has jumped 57% in Q3 to Rs 1128.60 Cr from Rs 721.05 Cr clocked during nine-months of the last financial year.

Performance Highlights

For the quarter, Gross NPA Ratio of the Bank has come down to 4.84% i.e. 241 basis points (bps) YoY and 42 bps QoQ. The Net NPA ratio has also remarkably reduced by 125 bps YoY and is below 1% at 0.83%. Provision coverage ratio (PCR) of the Bank has vastly improved by 678 bps annually to 91.61% for the quarter ended December, 2023 from 84.83% recorded last year.

Commenting upon the Bank's asset quality, MD & CEO said, "Asset quality continues to be our star metric and the numbers are fast converging towards the best in the industry. Backed purely by steady recoveries coupled with lower-to-negligible slippages, our GNPA has further reduced and we remain on track to meet our annual market guidance of GNPA around 4.5% while our net NPA is already below 1%. In terms of provisioning too we are very comfortably placed at PCR of above 90% after a very long time."

Operating Numbers

On the back of recoveries, the Bank's Profit after Tax (PAT) for the Q3 increased by 35% to Rs 421.08 Cr while as the 9-month net figure jumped 57% to Rs 1128.60 Cr.

The Net Interest Income (NII) has grown 11% YoY for 9-months to Rs 3897.57 Cr for the December quarter when compared to Rs 3495.73 Cr recorded last year, while increasing 2% YoY for Q3 to Rs 1280.44 Cr. The Bank's Operating Profit stood at Rs 550.54 Cr.

The Bank's NIM for the quarter stood at 3.83%. The Return on Assets (RoA) increased by 23 bps YoY to 1.15% for the October-December quarter with Yield on Advances improving by 44 bps to 9.78% from 9.34% recorded last year. Meanwhile, the Bank's steadily moderating cost-to-income ratio has come down further to 62.36% for the third quarter.

In his remarks on operating numbers, MD & CEO Baldev Prakash said, "We have continued our growth momentum by delivering another set of quarterly numbers reflecting progress in bottom-line parameters. I am confident that we are well on course to meet our annual growth guidelines."



Board Secretariat

“Our bottom-line got the boost with major recoveries contributing to provision write-backs despite making additional provisions for NPAs at higher than RBI prescribed rates resulting in negative credit costs for the Quarter/9-month period”, he added.

Business Growth

The Bank’s net advances are up 16% YoY at Rs 89752.36 Cr during the quarter reviewed while as the deposits have grown 9% from Rs 117935.47 Cr to Rs 128542.47 Cr. The Bank has witnessed 19% YoY growth in advances in its Rest-of-India (RoI) portfolio. The Bank’s overall business has increased by 11.61% to Rs 218650 Cr from Rs 195574 Cr recorded last year.

Commenting on growth numbers, MD & CEO said, “Driven by the robust retail growth especially in Housing (21%), SME (21% and mostly driven by services) and Credit Card (24%), the Bank’s loan book has gone up 16%. And led by Housing (24%) and Car finance (36%), our Rest-of-India advances portfolio has also grown by 19% quite in line with our ROI focus during the December quarter.”

“Our deposits witnessed a 9% growth YoY against the industry average of 13% while maintaining the industry-best CASA Ratio at above 50%”, he added.

Capital Position

With Tier 1 capital augmentation of over Rs 750 Cr via Qualified Institutional Placement (QIP) - a capital-raising tool, the bank’s Capital Adequacy Ratio (BASEL III) has reached 14.18% as against 13.82% recorded as on December 31, 2022.

Regarding the capital position, MD & CEO Baldev Prakash stated, “The recent successful QIP - with an aggregate value of ₹750 Cr has sufficiently strengthened our capital position while boosting our perception in the market because of the unprecedented and swift response from the market. We will use this CET1 capital of Rs 750 Cr as growth capital to augment our capacity to fund our business plans.”

“With the QIP, our net worth has crossed Rs 10000 Cr for the first time and is currently above Rs 11000 Cr”, MD & CEO added.