

Jammu and Kashmir Bank Limited

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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 30TH JUNE, 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 30th June, 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's Q1 PAT zooms 97% YoY to Rs 326 Cr

The idea is to keep strengthening the core to ensure continuous and sustainable growth: Baldev Prakash

Srinagar, Jul 24: In an impressive Q1 performance, J&K Bank's net profit has jumped **97%** Year-on-Year to almost double its profit-after-tax (PAT) to **Rs 326.45 Cr** for the first quarter of FY **2023-24** when compared to **Rs 165.97 Cr** recorded for the April-June quarter last financial year. 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

The Bank's Net interest income (NII) rose **24%** YoY to **Rs 1283.30 Cr** in the first quarter of CFY, while as, the Net Interest Margin (NIM) improved to **3.98%** as compared to **3.46%** registered in Q1 of FY 2023 and **3.94%** recorded in the last quarter of FY 2023.

Core operating profit of the Bank witnessed a sharp spike of **38% YoY** and reached **Rs 528.05 Cr** from **Rs 381.45 Cr**. Besides witnessing rise of **22% YoY** and **7% QoQ** in its operating income, the Bank's Cost to Income Ratio for the quarter has reduced to **65.07%** as against **69.17%** recorded Q1 last FY. The Bank's Return on Assets (RoA) for the June quarter was at **0.94%**

Commenting upon the Bank's results, MD & CEO Baldev Prakash said, "With an almost doubled Year-on-Year PAT, our Q1 performance gives us a very encouraging start to meet our annual guidance. Reflecting the gradual but marked improvement in our operations, our core operating profit has jumped 38% YoY while witnessing 17% rise on QoQ basis. With NIM at almost 4% along with 24% YoY increase in Net Interest Income, I see promising top-line growth unfolding in coming quarters."

"For the last six quarters we have continued to strengthen and stabilize key operational parameters. The idea is to keep strengthening the core to ensure continuous and sustainable growth going forward", he added.

Asset-Quality

The bank's gross non-performing assets (GNPA) have reduced to **5.77%** YoY as against **9.09 %** recorded last year. In sequential terms GNPA has declined by **27 bps** from **6.04%** recorded in March quarter of last FY. The net NPA for the Q1 also improved to **1.39%** as against **3.02%** registered in Q1 of last financial year and **1.62%** recorded in March quarter of FY 2023.

NPA Coverage Ratio for Q1 improved to **87.55%** when compared to **81.21%** recorded last year and **86.20%** as on March 31, 2023.

Regarding asset quality, the MD & CEO said, "The trend in asset quality continues to be very encouraging. With vigorous recovery pursuits and expected resolution of good number of



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accounts, we are well on course to achieve the asset-quality as per our guidance which is to contain our GNPA figure between 4 and 4.5% by the end of current fiscal.”

On NPA slippages, MD & CEO said that the slippages have been addressed to a great extent with the slippage ratio being below 1.5% (annualized). “We are also aiming at an NPA Coverage Ratio of around 90% in coming quarters”, he added.

Business Growth

Advances of the bank grew over 17% YoY and stood at **Rs 84475.63 Cr** when compared to **Rs 71926.56 Cr** in the corresponding quarter a year ago. The deposits increased by 8% to **Rs 121297.49 Cr** as against **Rs 112145.18 Cr** recorded last year.

However, YoY growth of advances and deposits’ portfolios in the UT of J&K is at 11% and 8% respectively, while as in Rest of India, Deposits have increased by 11% and Advances grown by 26%. During the quarter, the Bank’s CASA Ratio remains well above 53%.

Commenting upon the business numbers, MD & CEO said, “Increase in advances is quite healthy at over 17% YoY and with strategies in place we will maintain the growth momentum.”

“However, on liability side there is slight de-growth on QoQ basis. Although this has been trend with J&K Bank due to the movement of Govt. funds which usually peak during March quarter but we have initiated aggressive deposit campaigns for mobilization of CASA with digital on-boarding of new-to-business customers. And a good number of accounts have already been opened which shall, over-time, accumulate sizable balances”, MD said.

Capital Position

The bank’s Capital Adequacy Ratio stood at **14.83%** as against **13.02%** recorded last year.

Elaborating upon capital position, the MD & CEO said, “After achieving the target of 15% CRAR during the last year, we are looking at a capital adequacy ratio of about 16% by the end of this fiscal. Even though we expect major accretions from internal accruals but plans are in place to raise capital from the market, if required.”

Pertinently, the Bank has an enabling board approval for raising of capital towards the end of current fiscal (Q3/Q4).