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Dated: 30th May, 2014

Board Secretariat



National Stock Exchange of India Ltd
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai – 400 051

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai – 400 001

Dear sirs

Please find appended herewith Press Release issued by our Bank regarding the News item which appeared in today's Greater Kashmir:

J&K Bank clarifies misgivings

We appreciate the concern that has been expressed by our stakeholders in response to the baseless news report that has appeared in one of the news dailies today.

We feel it expedient to clarify the misgivings arising out of the said news report.

As far as the balance sheet of your bank is concerned it is being managed with prudence.

Our prudent management of balance sheet can be substantiated by non-volatility of earnings for more than last 5 years; we have been showing a consistent growth in profits in highly stressed economic conditions from 2008 to 2013 when the whole industry was experiencing earning volatility.

For last many quarters, stress in assets has been rampant across the banking industry. In March, 2014, we had gross NPL's around 783 Cr while as the Net NPL's were 102 Cr.

But there is a marked difference between the stressed assets and Non Performing Loans.

Normally, decision to declare an asset as non-performing has to be taken in accordance with the prescribed guidelines of the regulator, borrowers' repayment history and market credibility.

As a responsible corporate, we have been following all the prudential guidelines as stipulated by RBI for declaring sticky loans as NPA's or restructuring advances.

Besides our restructured asset portfolio graph is witnessing a downward trend.

Currently it hovers around Rs 1500 Cr which is quite normal as per industry standards.

Moreover, while declaring any advance as stressed, restructured or NPA we follow laid down processes and procedures which are quite robust and in accord with prescribed regulations and industry best practices.

We have been consistently prudent when it comes to deal with stressed/non performing loans. Like in case of Kingfisher, when big banks struggled to recover their loan from the grounded Airlines, we got back 90% of our loan.

J&K Bank is subjected to a robust audit process including Statutory Audit through auditors appointed by CAG and Annual Financial Inspection by RBI.

The accounting policies pertaining to determination of NPAs have been followed and auditors have done their scrutiny thoroughly, which has been expressed in their reports.

Thanking you

Yours Faithfully

For The Jammu & Kashmir Bank Ltd.


(Abdul Majid Bhat)
Company Secretary