



Board Secretariat

Ref. no. JKB/BS/F3652/2016/218
Date : 15th December, 2016

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra Kurla Complex
Bandra (E) Mumbai -400051

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

**Sub: Regulation 30(4) of the SEBI (LO&DR) Regulations 2015
Press Release relating to Q2FY16-17 Results**

Dear Sir,

Pursuant to Regulation 30(4) of the SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Press Release to be issued to News papers relating to the Q2 Financial Year 2016-17 approved by the Board of Directors of the Bank in their meeting held today, the 15th December, 2016 at Jammu.

Thanking You

Yours faithfully

A handwritten signature in black ink, appearing to read 'Shafi Mir', is written over a faint, light-colored signature line.

Mohammad Shafi Mir
Company Secretary

PRESS RELEASE

(Delayed pending Restructuring Proposal, JK Bank finally announces Q2 Results)

Preferred Provisioning over profits to Strengthen the Balance Sheet-Parvez Ahmed

Jammu / Srinagar: - The Jammu and Kashmir Bank, the only listed Company of the state today announced its reviewed financial results for the half year ended September 2016, the declaration of which got delayed pending approval of its Rehabilitation package by the Reserve Bank of India that was finally cleared in the previous week.

Commenting on the numbers, Mr. Parvez Ahmed Chairman & CEO J&K Bank informed that the Bank, in order to strengthen its balance sheet, focused on consolidation and made total provisions of about Rs. 1000 crore during the quarter ended September 2016 against a gross profit of Rs. 376 Crore for the period. Total provisions made for the half-year were at Rs. 1300 Crore against Gross profit of Rs. 725 Crores. As the net NPA's of the bank have reached 6.81% from 6.19% due to fresh slippages during the quarter, he said efforts were on to finding innovative and contemporary solutions to effectively reduce the NPAs which shall pave way for completely focusing on quality growth during ensuing financial year. He assured that with the unrelenting commitment and support of the State Government, the Bank will pass this challenging phase as the Brand Franchise of the Bank is intact and the captive business base in J&K state is its core strength. The Bank, he said, has posted total business of Rs. 117438 crore with CASA ratio of 45% and healthy NIM of 3.37%.

Briefing about losses of Rs 602 Crore booked during the Quarter under review, Mr Parvez strongly advocated his policy of Clean up, Consolidation and Transparency backing the same with the fact that the Bank's Board in cognizance and anticipation of emerging economic environment preferred to make adequate provisions resulting in improvement of NPA coverage ratio by 400 bps over previous quarter. The increased provisions are largely on account of fresh slippages, restructuring and under-provisioning of earlier periods.

On the Business strategy he said it was clear that we need to orient our business towards a direction that not only catalyses growth in the state but also delivers best possible returns on the equity. As a consequence, he said, during the cleansing and consolidation phase we will continue to sharpen our business model by focusing on business within the state where we have stronghold positions besides capitalizing on available growth opportunities in rest of India by rebuilding Corporate Loan book and desired impetus to SME / Retail sector growth.