



Board Secretariat

Ref: JKB/BS/F3652/2017/254A
Dated: 4th February, 2017

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: - PRESS RELEASE ON UN-AUDITED FINANCIAL RESULTS

Dear Sir,

Please find enclosed press release on un-audited Financial Results for the Quarter and Nine months ended 31st December, 2016.

Thanking You

Yours faithfully

For The Jammu & Kashmir Bank Limited

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Company Secretary

Board Secretariat



JK Bank declares Q3 results: Consolidation and Cleansing Up of Balance Sheet continues

Jammu / Srinagar: - Continuing its focus on consolidation and strengthening of the Bank's Balance Sheet, the J&K Bank declared its reviewed numbers for the quarter and nine month period ended Dec' 16 posting flattish business growth and 800 basis points increase in NPA coverage ratio. A high NPA coverage ratio depicts increased strength in the Balance Sheet.

Commenting on the numbers, Mr. Parvez Ahmed Chairman & CEO J&K Bank informed that in line with guidance given to the markets, the Bank has continued with the strategy of instilling transparency & faith in the system along with consolidation of balance sheet by focusing on increased provision coverage of bad debts which continues to stress the bottomline of the Bank in the short-run. He added that the system, once cleansed, will be able to support balance sheet expansion in a sustainable manner with decent return on the equity in future. The pain though subdued, he said, is likely to continue for at least one more quarter and hopefully the numbers will start improving in the FY 2017-18. The proactive approach of the Bank in managing asset quality has contained fresh slippages in Q3 to Rs 191 Cr from 871 Cr in Q2 but the Bank, he said, had to make provisions of Rs. 700 Crores against bad debts mainly due to short provisioning of previous periods which has resulted in a net loss of Rs 498 Cr for the quarter. Clean up of the balance sheet, he added, is an ongoing process.

J&K Bank in collaboration with J&K Government is setting up an ARC which will aid in promoting recovery culture and help Banks in better management of credit portfolios coupled with instilling confidence for adequate credit dispensation in the state. In rest of India the Bank is hiring reputed legal experts to explore various options of recovering the impaired assets especially in the corporate portfolio. This, he asserted, is in addition to creating separate Impaired Assets Portfolio Management vertical to sharpen the focus of the Bank on recovery.

The Chairman acknowledged the unrelenting support of the state government and termed the move of infusion of Rs.532 crore capital into the bank as timely & farsighted which will help the Bank in raising additional funds, clean up the balance sheet and focus on credit growth.

Notably the 09 months reviewed numbers echoed the statement of the Chairman as an analysis of the quarterly and 09 months numbers reveals that the Bank has increased NPA Coverage Ratio substantially to 61.73 % from 53.94% by making provisions of more than 2000 cr during the 09 months of current financial year. The overall business has reached Rs. 119272 Crores registering a YoY growth of 7%, NIIM at 3.25 %, the low cost CASA deposits at 47.42% and net NPAs reported at 5.99%. The Bank has, reportedly, in a major reorgansiation segregated the Business and recovery verticals headed by separate Vice Presidents across all its zones within and outside the state which will bring efficiency in the system by business expansion and improved recoveries in future.

Dated: 04-02-2017

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