

Jammu and Kashmir Bank Limited

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Board Secretariat

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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 30TH SEPTEMBER, 2024

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 September, 2024

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 Q2 net profit rises 44.6% to Rs 551 Cr, H1 net up 36.6%

We are well-positioned to maintain this growth momentum and capitalize on emerging opportunities: Baldev Prakash

Srinagar, Oct 25: Continuing its growth trajectory, J&K Bank's net profit rose substantially by **44.6 %** Year-on-Year (YoY) to **Rs 550.92 Cr** for the September Quarter (Q2) of current financial year (CFY) when compared to **Rs 381.07 Cr** recorded for the corresponding quarter of previous year. The Bank's net profit for half-year (H1) grew **36.6%** to **Rs 966.41 Cr** from **Rs 707.52 Cr** recorded for H1 last FY.

The Bank announced financial numbers today after its Board-of-Directors reviewed and approved the quarterly and half-yearly figures during a meeting held at the Bank's Corporate Headquarters.

Key Highlights

Backed by both core and non-core income growth, the Bank's operating profit for Q2 rose more than **47% YoY** and **32% QoQ** to **Rs 787 Cr**. The Bank's Net Interest Income (NII) is up by **7.7 % YoY** to **Rs 1435.93 Cr** for the September quarter from **Rs 1333.83 Cr** and has increased by **7.2 %** to **Rs 2805.15 Cr** for the H1 when compared to corresponding periods of previous year. The Bank's other income surged **55.6% YoY** to **Rs 296.08 Cr** for the September quarter.

The Bank's NIM improved to **3.90% QoQ** from **3.86%** recorded for the Q1 of CFY, while as the Cost to Income Ratio has improved significantly to **54.56% YoY** from **64.93%** and in sequential terms from **61.96%** recorded in June quarter, 2024.

Commenting on the Bank's Q2 numbers, MD & CEO Baldev Prakash said, "Our Q2 results are almost in line with our expectations. The bottom-line growth underscores our financial prudence and operational excellence while reflecting our commitment to deliver consistent value for our stakeholders as we stay steady on course to achieve the annual numbers."

"I believe, with a healthy balance sheet, a diversified portfolio and consistent focus on digital transformation, we are well-positioned to maintain this growth momentum and capitalize on emerging opportunities", he added.

Asset-Quality

The Bank's Gross NPA Ratio has decreased by **131** basis-points YoY to **3.95%** as against **5.26%** recorded in September, 2023. The Net NPA ratio has also moderated by **19** basis-points to **0.85%** YoY from **1.04%**. Meanwhile, during the quarter the Return on Assets (RoA) has jumped to **1.41%** YoY as well as QoQ as against **1.08%**. Provision Coverage Ratio (PCR) of the Bank has also improved **55** basis-points YoY to **90.54%**.



Board Secretariat

On the Bank's asset-quality, MD & CEO expressed satisfaction, saying, "Keeping our gross NPA below 4% highlights the success of our robust risk management practices. We have been focusing on proactive asset-quality management and ensuring long-term sustainability in lending. Another highlight of this quarter is RoA, which has surged to 1.41%."

"With continued improvement in key performance indicators, the Bank is reinforcing its position as a leading financial institution focused on profitability and sound asset management", he said.

Business Growth

Deposits and Advances of the Bank have grown YoY 9% and 9.5% respectively to Rs 137918 Cr and Rs 96139 Cr. The Bank's CASA stood at 48.60%, which continues to be one of the highest in the industry.

Regarding business growth, MD & CEO said, "During the September quarter, our growth in advances is near 10% while we have maintained the deposit growth within the range of industry average. Going forward, we will intensify our efforts to strengthen our deposit base and increase loan book to achieve our top-line growth numbers."

Capital Adequacy

The Bank's Capital Adequacy Ratio (CAR) for the quarter stood at 14.99% as against 14.53% recorded last FY. In his remarks on capital position, the MD & CEO said, "With a CRAR of almost 15 %, we remain well-capitalized, ensuring that the Bank is positioned to support future growth opportunities while maintaining financial discipline. Pertinently, the CAR is exclusive of half-yearly profit of Rs 966 Cr, which would otherwise result in taking the ratio to 16%."

Digital Momentum

On the occasion MD & CEO emphasized upon the prioritization of carrying forward the digital momentum, saying, "Since our role as a developmental financial institution here is not just to provide credit, we have to take care that businesses are equipped with the tools they need to manage growth sustainably. Therefore, by carrying forward our digital momentum, we are also revolutionizing the way our customers experience banking, making it more convenient, swift, secure and efficient for them with every passing day."

"Moreover, by embracing cutting-edge technology, we have embarked upon a digital journey that enables our customers to manage their finances online and with ease, from account opening and transactions to applying for a range of our loan products. Going forward, we have devised a comprehensive road-map to help businesses particularly MSMEs get equipped with beneficial, convenient and efficient management solutions, through collaborative banking with our fintech partners, so that these enterprises sustain growth and enjoy prosperity", he added.