

PRESS RELEASE

J&K Bank Q4 Net up by 31.57 %

(in Rupees million)

	Q 4 2008-09	Q 4 2007-08	%age change	FY 2008-09	FY 2007-08	%age change
Net profit	786.8	598.0	31.57%	4098.4	3600.0	13.84%
Net Interest Margins	0.74%	0.79%	-	3.15%	2.95%	-
Operating Income	3503.1	3049.8	14.86%	12453.1	10554.5	17.99%
Net interest income	2505.8	2243.5	11.69%	10002.6	8104.4	23.42%
Fee based income	997.3	806.3	23.69%	2450.5	2450.1	0.02%
Operating Profit	2183.5	2029.1	7.61%	7744.5	6518.4	18.81%
Deposits	330041.0	285932.6	15.43%	330041.0	285932.6	15.43%
Return on Assets (%)	0.21	0.18		1.09	1.10	
Post Tax Return on Equity (%)	2.99	2.59		16.62	16.68	
Earnings per Share	16.23	12.34	31.52%	84.54	74.26	13.84%
CRAR - Basel - I	13.46%	12.80%		13.46%	12.80%	
Tier - I	12.77%	12.14%		12.77%	12.14%	
Tier - II	0.69%	0.66%		0.69%	0.66%	-
CRAR - Basel - II	14.48%			14.48%		
Tier - I	13.80%			13.80%		
Tier - II	0.68%	-		0.68%	-	-

The J&K Bank announced its audited results for FY 2008-09, following the approval of its Board of Directors in a meeting held in Srinagar on 31st May 2009. The Bank recorded a net profit of Rs 786.8 million in Q4 FY2008-09, an increase of 32% over the corresponding period of the previous year. On annual basis, the Bank, which continued to increase its presence in SME, retail and micro-finance lending, posted a net profit of Rs. 4098.4 million as against 3600.0 million in the year ended March, 2008 exceeding its earlier highest profit of Rs. 4063.3 million in the year 2003-04.

The total business turnover increased to Rs 539.35 billion in 2008-09, an increase of 14% over the previous fiscal. The Loan Book as on March 31, 2009 stood at Rs.209.30 billion up 10.84% from last year's Rs.188.83 billion. Due to the volume growth in Advances and improvement in yields from 10.44% for FY 2007-08 to 11.53% for the current fiscal, the interest income on advances went up by 22% over the previous year. As on March 31, 2009 bank's deposit base stood at Rs.330.04 billion from Rs.285.93 billion a year back registering an increase of 15%. Demand deposits have grown 12% yoy and constitute 38% of the total deposits with saving bank deposits having grown by 15% yoy and Current Account Deposits having grown by 8% yoy. Despite increase in Interest expenses by 22%, attributed to rising cost of deposits, bank has been able to improve its margins to 3.15% from 2.95% a year back due to the concurrent increase in the lending rates.

Operating Income (Net Interest Income + Other Income) was Rs. 12453.1 million for the year ended March 31, 2009 as against Rs. 10554.5 million for the year ended March 31, 2008 registering an increase of 18%. Bank has been able to maintain its other income at Rs. 2450 million despite difficult market conditions.

The Gross NPAs and the Net NPAs as proportion of Gross and Net Customer Assets were at 2.64 % and 1.37 % respectively. There has been improved productivity during the year. Business per employee and Business per Branch has increased to Rs. 70.72 million and Rs. 1011.9 million respectively. Net Profit per branch has improved to Rs. 7.69 million from Rs. 7.09 million a year back. The cost to income ratio has decreased to 37.81% from 38.24%.

The Capital Adequacy Ratio stands at 13.46% at the end of March 31, 2009 and Tier I capital amounted to 12.77%. Net Worth of the Bank stood at Rs. 26228.6 million as at end of the financial year as compared to Rs. 23089.2 million a year earlier, a growth of 13.6%.

The Board of Directors has recommended a dividend of Rs. 819.7 million @ 169% (Rs 16.90 per share). On the basis of Dividend recommended, the Dividend pay out ratio works out to 20%.

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