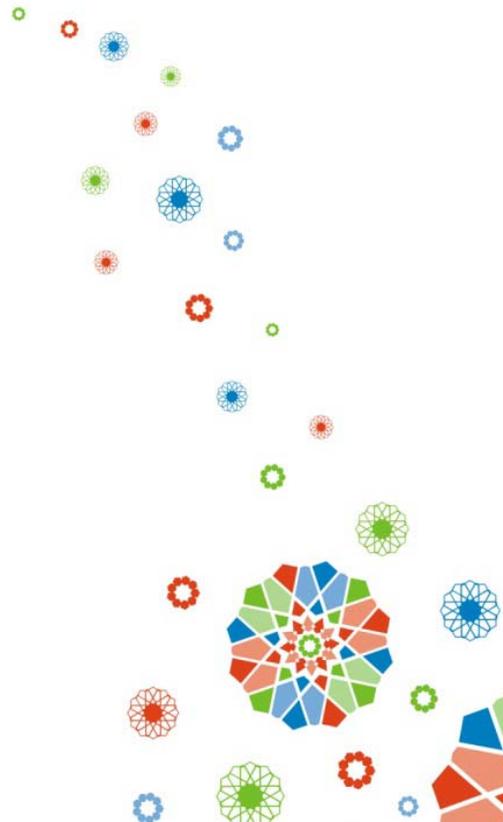
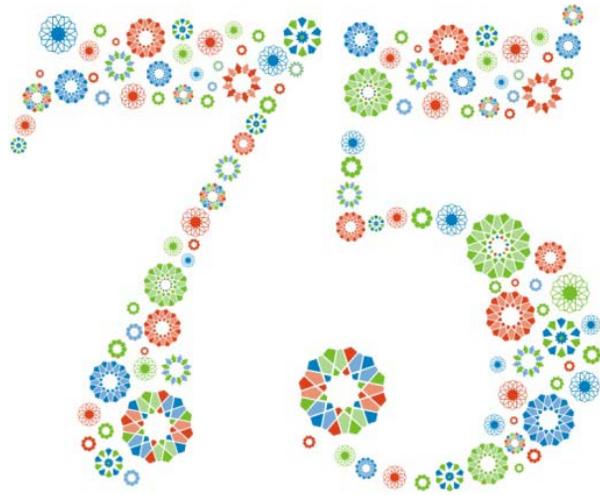




# J&K Bank

Celebrating 75 years of Service





# An Overview





## Basic Facts

- Incorporated in 1938

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- Listed on NSE & BSE

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- Rated “P1+” by S&P: highest degree of safety

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- Four decades of uninterrupted profitability and dividends

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- Adjudged “Best Bank” in the “Old Private Sector Bank” category by Financial Express for FY ended Mar, 2011

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- Adjudged “Best Bank” in the “Old Private Sector Bank” category at the CNBC TV 18 India Best Bank and Financial Institution Awards for FY 12

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- Ranked No. 1 in the FE India’s Best Banks Award - 2012 in the category of “Best Old Private Sector Bank” in India

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- Awarded “Best Enterprise” by Europe Business Assembly London



## One of a **Kind**

- Private sector bank, despite government's majority holding

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- Only private sector bank designated as RBI's agent for banking business

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- Conducts banking business of the Central Government:
  - Direct Tax collection
  - Indirect Tax collection
  - Utility payment collection

# Facets and Roles

- Commercial Bank

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- Development Financing Institution

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- Financial Services Provider

## Regional **Goliath**

- Dominates a region
  - **639** branches in the state
  - **656** ATMs

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- Controls a geography
  - Branches in **every block** of J&K

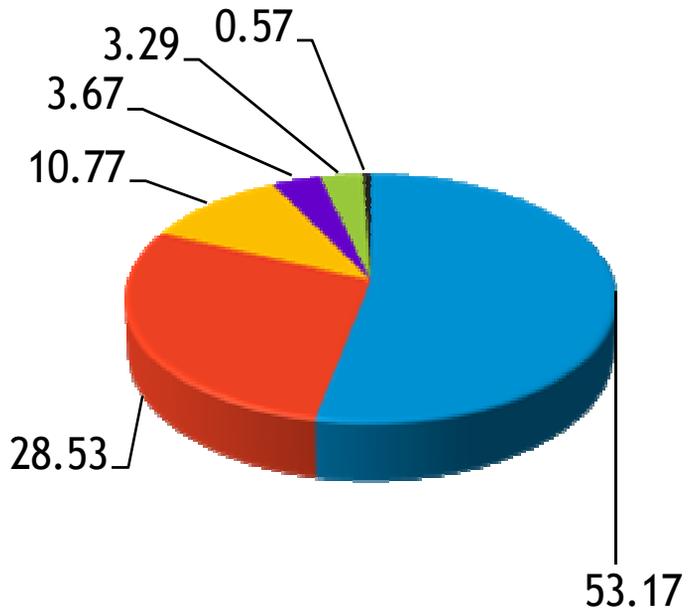
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- Serving a community
  - **86 lakh**  
Adult population
  - **75 lakh**  
Account holders of J&K Bank

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- Business leadership in J&K

# Shareholding Pattern (%)

(08.11.2013)

- Government of J&K
- Foreign Inst. Investors
- Resident Individuals
- Bodies Corporates/ Insurance Cos/Clearing Mem./Banks
- Indian Mutual Funds
- Non-Resident Indians



# Best of both Worlds

- Private Bank in terms of earnings, and

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- PSU Bank in terms of cost structure

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- Public ownership
  - Stability
  - Safety

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- Private functioning
  - Efficiency
  - Growth

# Subsidiaries and Investments

- J&K Bank Financial Services Ltd
  - Providing Depository Services
  - Offering Stock Broking Services

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- Insurance JV with MetLife International

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- Distributor of
  - Life Insurance products;  
partner: MetLife
  - General Insurance;  
partner: Bajaj Allianz

---
- Shareholder in J&K Gramin Bank

Consistent  
Growth &  
Stability



# Decade of Development - I

(in Rupees Crore)

Particulars	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Net Worth	1593.74	1665.40	1799.47	2008.73	2280.82
Deposits	18661.4	21645.0	23484.6	25194.3	28593.3
Advances	9284.9	11517.1	14483.1	17079.9	18882.6
Investments	8451.1	9089.2	8993.8	7392.2	8757.7
Total Income	1822.95	1631.26	1817.10	2059.54	2679.24
Net Profit	406.33	115.07	176.84	274.49	360.00
EPS (in Rupees)	83.8	23.7	36.5	56.6	74.3
Book Value (in Rupees)	328.6	343.5	371.2	414.4	476.3
Dividend (%)	100	80	80	115	155
No. of Branches/Offices	475	500	517	520	556
Personnel	7085	6873	6833	6847	7558

# Decade of Development - I

(in Rupees Crore)

Particulars	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Net Worth	2622.86	3010.46	3478.68	4093.18	4864.69
Deposits	33004.1	37237.2	44675.9	53346.9	64220.62
Advances	20930.4	23057.2	26193.6	33077.4	39200.41
Investments	10736.3	13956.3	19695.8	21624.3	25741.06
Total Income	3233.17	3473.11	4077.89	5169.70	6620.53
Net Profit	409.83	512.38	615.20	803.25	1055.10
EPS (in Rupees)	84.5	105.7	126.9	165.7	217.7
Book Value (in Rupees)	541.0	621.0	717.6	844.3	1003.5
Dividend (%)	169	220	260	335	500
No. of Branches/Offices	575	576	595	646	725
Personnel	7627	7789	7938	9252	9400

## Decade of Development - II

(%)

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Net Interest Margins	3.58	2.90	2.83	2.98	2.94
Interest Spread	3.26	2.61	2.61	2.79	2.64
Yield on Advances	9.50	8.42	8.48	8.58	10.44
Yield on Investments	8.75	7.38	6.23	6.20	6.70
Cost of Deposits	5.26	4.61	4.55	4.50	5.85
Return on Assets	1.92	0.47	0.67	0.96	1.10
Return on period end Net Worth	25.50	6.91	9.83	13.66	15.59
Return on Average Net Worth	28.66	7.06	10.21	14.42	16.68
Gross Profit to AWF	3.31	1.62	1.78	2.02	2.12
Net Profit to AWF	2.14	0.50	0.70	1.00	1.17

# Decade of Development - II

(%)

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Net Interest Margins	3.10	3.04	3.69	3.84	3.97
Interest Spread	2.84	2.79	3.46	3.57	3.74
Yield on Advances	11.53	10.65	10.86	12.12	12.59
Yield on Investments	6.79	5.71	6.34	7.29	7.56
Cost of Deposits	6.22	5.24	5.36	6.48	6.87
Return on Assets	1.09	1.20	1.38	1.56	1.70
Return on period end Net Worth	15.63	17.02	17.68	19.62	21.69
Return on Average Net Worth	16.62	18.19	18.96	21.22	23.56
Gross Profit to AWF	2.20	2.39	2.57	2.66	2.92
Net Profit to AWF	1.16	1.28	1.38	1.56	1.70

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis



Notes

## Decade of Development - III

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Cost to Income Ratio (%)	31.81	47.59	43.32	40.13	38.24
CD Ratio (%)	49.75	53.21	61.67	67.79	66.04
CASA Ratio (%)	30.26	32.00	34.17	37.02	39.16
Business per Employee (in Rupees lakh)	394.4	482.5	555.3	617.4	628.2
Net Profit per Employee (in Rupees lakh)	5.7	1.7	2.6	4.0	4.8
Business Per Branch (in Rupees crore)	67.83	78.21	87.28	93.73	93.46
Net Profit per Branch (in Rupees lakh)	98.6	27.1	40.7	60.9	70.9
Gross NPA's (Rupees lakh)	28600	31725	37019	50183	48523
Net NPA's (Rupees lakh)	13800	16293	13387	19357	20355
Gross NPA Ratio (%)	3.03	2.72	2.51	2.89	2.53
Net NPA Ratio (%)	1.49	1.41	0.92	1.13	1.08
NPA Coverage Ratio (%)	58.51	57.99	70.26	67.10	66.05
Gross NPA to Net Worth Ratio (%)	17.95	19.05	20.57	24.98	21.02
Net NPA to Net Worth Ratio (%)	8.66	9.78	7.44	9.64	8.82

## Decade of Development - III

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Cost to Income Ratio (%)	37.81	37.60	39.77	36.92	35.33
CD Ratio (%)	63.42	61.92	58.63	62.00	61.09
CASA Ratio (%)	38.11	40.69	40.48	40.71	39.23
Business per Employee (in Rupees lakh)	707.2	774.1	892.8	934.1	1100.5
Net Profit per Employee (in Rupees lakh)	5.4	6.6	7.8	8.7	11.2
Business Per Branch (in Rupees crore)	101.19	112.49	128.39	142.38	150.15
Net Profit per Branch (in Rupees lakh)	76.9	95.6	111.0	132.0	153.1
Gross NPA's (Rupees lakh)	55927	46231	51883	51660	64377
Net NPA's (Rupees lakh)	28751	6433	5324	4934	5527
Gross NPA Ratio (%)	2.64	1.97	1.95	1.54	1.62
Net NPA Ratio (%)	1.37	0.28	0.20	0.15	0.14
NPA Coverage Ratio (%)	60.79	90.13	92.71	93.76	94.01
Gross NPA to Net Worth Ratio (%)	21.32	15.36	15.99	13.65	14.37
Net NPA to Net Worth Ratio (%)	10.96	2.14	1.64	1.30	1.23

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis

## Decade of Development - IV

(%)

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Operating Expenses to AWF	1.54	1.41	1.36	1.35	1.31
Operating Expenses to Total Income	16.08	19.62	19.00	18.08	15.06
Operating expenses to Other Income	97.17	336.00	259.00	232.47	164.73
Staff Cost to Total Income	9.24	10.87	10.46	10.69	8.43
Interest Earned to AWF	8.01	6.79	6.71	6.89	7.93
Non Interest Income to AWF	1.59	0.42	0.52	0.58	0.80
Capital Adequacy Ratio Basel I	16.88	15.15	13.52	13.24	12.80
Capital Adequacy Ratio Basel II					

## Decade of Development - IV

(%)

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Operating Expenses to AWF	1.34	1.44	1.70	1.56	1.60
Operating Expenses to Total Income	14.56	16.62	18.61	15.52	14.94
Operating expenses to Other Income	192.15	138.71	208.06	240.08	204.46
Staff Cost to Total Income	8.62	10.55	12.84	10.09	9.85
Interest Earned to AWF	8.44	7.62	8.31	9.38	9.90
Non Interest Income to AWF	0.74	1.04	0.82	0.65	0.78
Capital Adequacy Ratio Basel I	13.46	14.81	13.30	12.53	12.34
Capital Adequacy Ratio Basel II	14.48	15.89	13.72	13.36	12.83

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis

## Decade of Development - V

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Earning per Share (in Rupees)	83.78	23.74	36.48	56.62	74.26
Net Asset Value / Book Value (in Rupees)	328.61	343.54	371.20	414.36	476.28
Adjusted Book Value (in Rupees)	300.16	309.93	343.58	374.43	434.30
Price to Book Value Ratio	1.50	1.06	1.21	1.73	1.35
Price to Adjusted Book Value Ratio	1.64	1.17	1.31	1.91	1.48
Price Earning Ratio	5.89	15.29	12.36	12.64	8.65
Market Capital to Deposits (%)	12.82	8.13	9.31	13.77	10.89
Dividend Payout Ratio (%)	11.94	33.70	21.93	20.31	20.87
Dividend Yield (%)	2.03	2.20	1.77	1.61	2.41
Economic Value Addition (%)	23.47	4.71	8.05	12.06	13.18
Market Price (in Rupees)	493.15	363.05	450.80	715.85	642.10
No. of Shares (in crores)	4.85	4.85	4.85	4.85	4.85

# Decade of Development - V

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Earning per Share (in Rupees)	84.54	105.69	126.90	165.69	217.64
Net Asset Value / Book Value (in Rupees)	541.04	621.00	717.58	844.34	1003.49
Adjusted Book Value (in Rupees)	481.74	607.73	706.60	834.16	992.09
Price to Book Value Ratio	0.91	1.22	1.13	1.00	1.33
Price to Adjusted Book Value Ratio	1.02	1.25	1.15	1.01	1.34
Price Earning Ratio	5.80	7.18	6.38	5.11	6.13
Market Capital to Deposits (%)	7.21	9.88	8.79	7.69	10.07
Dividend Payout Ratio (%)	20.00	20.81	20.49	20.22	22.97
Dividend Yield (%)	3.45	2.90	3.21	3.96	3.75
Economic Value Addition (%)	12.18	14.12	14.48	15.66	17.94
Market Price (in Rupees)	490.65	759.00	810.00	846.00	1334.10
No. of Shares (in crore)	4.85	4.85	4.85	4.85	4.85

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis



Financial  
Results  
H 1 Sep, 2013



# Financial Results - Sep, 2013

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Half Year ended Sep, 2013)						
Particulars	Q 2 2013-14	Q 2 2012-13	% Change	Q 2 2013-14	Q 1 2013-14	% Change
Interest Earned	1649.74	1500.59	9.94%	1649.74	1624.24	1.57%
Interest Expended	967.92	947.92	2.11%	967.92	969.35	-0.15%
<b>Net Interest Income</b>	<b>681.82</b>	<b>552.67</b>	<b>23.37%</b>	<b>681.82</b>	<b>654.89</b>	<b>4.11%</b>
Other Income	99.48	90.92	9.41%	99.48	92.23	7.86%
<b>Operating Income</b>	<b>781.30</b>	<b>643.59</b>	<b>21.40%</b>	<b>781.30</b>	<b>747.12</b>	<b>4.57%</b>
Operating Expenses	284.82	220.91	28.93%	284.82	266.13	7.02%
<b>Operating Profit</b>	<b>496.48</b>	<b>422.68</b>	<b>17.46%</b>	<b>496.48</b>	<b>480.99</b>	<b>3.22%</b>
Provisions & Contingencies	55.68	32.81	69.70%	55.68	36.23	53.68%
<b>PBT</b>	<b>440.80</b>	<b>389.87</b>	<b>13.06%</b>	<b>440.80</b>	<b>444.76</b>	<b>-0.89%</b>
Tax Provision	138.14	120.34	14.79%	138.14	136.84	0.95%
<b>Net Profit</b>	<b>302.66</b>	<b>269.53</b>	<b>12.29%</b>	<b>302.66</b>	<b>307.92</b>	<b>-1.71%</b>
Share Capital	48.49	48.49	0.00%	48.49	48.49	0.00%
<b>EPS (in Rupees)</b>	<b>62.43</b>	<b>55.60</b>	<b>12.28%</b>	<b>62.43</b>	<b>63.52</b>	<b>-1.72%</b>
<b>Net Interest Margins (%)</b>	<b>1.10%</b>	<b>0.99%</b>	<b>-</b>	<b>1.10%</b>	<b>1.05%</b>	<b>-</b>
<b>Net Interest Margins (Annualized) (%)</b>	<b>4.33%</b>	<b>3.94%</b>	<b>-</b>	<b>4.33%</b>	<b>4.15%</b>	<b>-</b>

# Financial Results - Sep, 2013

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Half Year ended Sep, 2013)				
Particulars	H 1 2013-14	H 1 2012-13	% change	Year end Mar, 13
Interest Earned	3273.98	2976.75	9.99%	6136.80
Interest Expended	1937.27	1888.46	2.58%	3820.76
<b>Net Interest Income</b>	<b>1336.71</b>	<b>1088.29</b>	<b>22.83%</b>	<b>2316.04</b>
Other Income	191.71	184.29	4.03%	483.73
<b>Operating Income</b>	<b>1528.42</b>	<b>1272.58</b>	<b>20.10%</b>	<b>2799.77</b>
Operating Expenses	550.95	434.73	26.73%	989.01
<b>Operating Profit</b>	<b>977.47</b>	<b>837.85</b>	<b>16.66%</b>	<b>1810.76</b>
Provisions & Contingencies	91.91	83.18	10.50%	284.17
<b>PBT</b>	<b>885.56</b>	<b>754.67</b>	<b>17.34%</b>	<b>1526.59</b>
Tax Provision	274.98	239.05	15.03%	471.49
<b>Net Profit</b>	<b>610.58</b>	<b>515.62</b>	<b>18.42%</b>	<b>1055.10</b>
Share Capital	48.49	48.49	0.00%	48.49
<b>EPS (in Rupees)</b>	<b>125.95</b>	<b>106.36</b>	<b>18.42%</b>	<b>217.65</b>
<b>Net Interest Margins (%)</b>	<b>2.14%</b>	<b>1.94%</b>	-	-
<b>Net Interest Margins (Annualized) (%)</b>	<b>4.25%</b>	<b>3.88%</b>	-	<b>3.97%</b>

# Ratio Analysis - I

(%)

Profitability Ratios	Quarter ended Sep, 13	Quarter ended Sep, 12	Quarter ended Jun, 13	Half Year ended Sep, 13	Half Year ended Sep, 12	Year ended Mar, 13
Net Interest Margins	1.10	0.99	1.05	2.14	1.94	
<b>Annualized</b>	<b>4.33</b>	<b>3.94</b>	<b>4.15</b>	<b>4.25</b>	<b>3.88</b>	<b>3.97</b>
Interest Spread	1.05	0.93	1.00	2.05	1.84	
<b>Annualized</b>	<b>4.18</b>	<b>3.71</b>	<b>4.02</b>	<b>4.10</b>	<b>3.68</b>	<b>3.74</b>
Yield on Advances	3.09	3.18	3.04	6.13	6.32	
<b>Annualized</b>	<b>12.35</b>	<b>12.71</b>	<b>12.16</b>	<b>12.26</b>	<b>12.63</b>	<b>12.59</b>
Yield on Investments	1.84	1.87	1.84	3.68	3.79	
<b>Annualized</b>	<b>7.36</b>	<b>7.49</b>	<b>7.36</b>	<b>7.36</b>	<b>7.58</b>	<b>7.56</b>
Cost of Deposits	1.65	1.75	1.64	3.28	3.51	
<b>Annualized</b>	<b>6.59</b>	<b>7.00</b>	<b>6.55</b>	<b>6.57</b>	<b>7.02</b>	<b>6.87</b>

# Ratio Analysis - II

(%)

Profitability Ratios	Quarter ended Sep, 13	Quarter ended Sep, 12	Quarter ended Jun, 13	Half Year ended Sep, 13	Half Year ended Sep, 12	Year ended Mar, 13
Return on Assets	0.46	0.45	0.47	0.94	0.87	
<b>Annualized</b>	<b>1.86</b>	<b>1.79</b>	<b>1.89</b>	<b>1.87</b>	<b>1.73</b>	<b>1.70</b>
Return on period end Net Worth	5.53	5.85	5.95	11.15	11.19	
<b>Annualized</b>	<b>22.11</b>	<b>23.39</b>	<b>23.81</b>	<b>22.30</b>	<b>22.38</b>	<b>21.69</b>
Return on Average Net Worth	5.68	6.02	6.14	11.81	11.85	
<b>Annualized</b>	<b>22.74</b>	<b>24.10</b>	<b>24.54</b>	<b>23.62</b>	<b>23.70</b>	<b>23.56</b>
Gross Profit to AWF	0.76	0.70	0.74	1.50	1.41	
<b>Annualized</b>	<b>3.05</b>	<b>2.80</b>	<b>2.95</b>	<b>3.00</b>	<b>2.82</b>	<b>2.92</b>
Net Profit to AWF	0.46	0.45	0.47	0.94	0.87	
<b>Annualized</b>	<b>1.86</b>	<b>1.79</b>	<b>1.89</b>	<b>1.87</b>	<b>1.73</b>	<b>1.70</b>

## Ratio Analysis - III

Efficiency Ratios	Quarter ended Sep, 13	Quarter ended Sep, 12	Quarter ended Jun, 13	Half Year ended Sep, 13	Half Year ended Sep, 12	Year ended Mar, 13
Cost to Income Ratio (%)	36.45	34.32	35.62	36.05	34.16	35.33
CD Ratio (%)	67.22	62.40	67.03	67.22	62.40	61.09
CASA Ratio (%)	38.50	38.16	40.24	38.50	38.16	39.23
Business per Employee (in Rs. Lakh)	1092	954	1032	1092	954	1101
Net Profit per Employee (Rs. Lakh)	3.23	2.88	3.25	6.52	5.52	
<b>Annualized</b>	<b>12.92</b>	<b>11.54</b>	<b>12.99</b>	<b>13.04</b>	<b>11.03</b>	<b>11.22</b>
Business Per Branch (in Rs. Crore)	135.67	141.36	140.84	135.67	141.36	150.15
Net Profit per Branch (in Rupees Lakh) (Ann.)	161	171	177	162	163	153
Asset Quality Ratios						
Gross NPAs (in Rupees Crore)	708.93	551.64	665.43	708.93	551.64	643.77
Net NPAs (in Rupees Crore)	77.58	55.34	56.12	77.58	55.34	55.27
Gross NPA Ratio (%)	1.69	1.59	1.67	1.69	1.59	1.62
Net NPA Ratio (%)	0.19	0.16	0.14	0.19	0.16	0.14
NPA Coverage Ratio (%)	92.06	93.30	94.01	92.06	93.30	94.01
Gross NPA to Net Worth Ratio (%)	13.32	12.33	13.26	13.71	12.68	14.37
Net NPA to Net Worth Ratio (%)	1.46	1.24	1.12	1.50	1.27	1.23

# Ratio Analysis - IV

(%)

Operating Ratios	Quarter ended Sep, 13	Quarter ended Sep, 12	Quarter ended Jun, 13	Half Year ended Sep, 13	Half Year ended Sep, 12	Year ended Mar, 13
Operating Expenses to AWF (Ann.)	1.75	1.46	1.63	1.69	1.46	1.60
Operating Expenses to Total Income	16.28	13.88	15.50	15.90	13.75	14.94
Operating Expenses to Other Income	286.33	242.95	288.53	287.39	235.89	204.46
Staff Cost to Total Income	10.10	8.98	10.23	10.17	8.89	9.85
Interest Earned to AWF (Annualized)	10.13	9.95	9.97	10.05	10.01	9.90
Non Interest Income to AWF (Annualized)	0.61	0.60	0.57	0.59	0.62	0.78
<b>Capital Adequacy Ratio Basel I</b>		<b>12.66</b>			<b>12.66</b>	<b>12.34</b>
Tier I		10.69			10.69	10.44
Tier II		1.97			1.97	1.90
<b>Capital Adequacy Ratio Basel II</b>	<b>13.54</b>	<b>13.73</b>	<b>13.85</b>	<b>13.54</b>	<b>13.73</b>	<b>12.83</b>
Tier I	11.70	11.59	11.82	11.70	11.59	10.86
Tier II	1.84	2.14	2.03	1.84	2.14	1.97
<b>Capital Adequacy Ratio Basel III</b>	<b>13.18</b>		<b>13.59</b>	<b>13.18</b>		
Tier I	11.42		11.67	11.42		
Tier II	1.76		1.92	1.76		

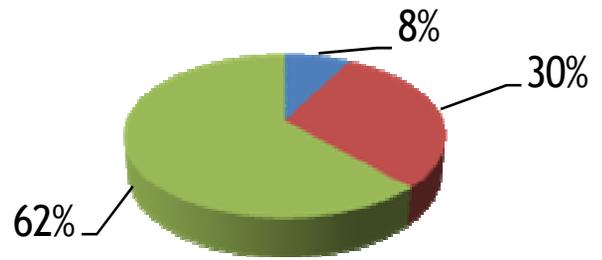
## Ratio Analysis - V

Valuation Ratios	Quarter ended Sep, 13	Quarter ended Sep, 12	Quarter ended Jun, 13	Half Year ended Sep, 13	Half Year ended Sep, 12	Year ended Mar, 13
Earnings per Share (in Rs)	62.43	55.60	63.52	125.95	106.36	
<b>Annualized</b>	<b>249.73</b>	<b>222.41</b>	<b>254.07</b>	<b>251.90</b>	<b>212.72</b>	<b>217.65</b>
Net Asset Value (in Rupees)	1129.44	950.71	1067.01	1129.44	950.70	1003.49
Adjusted Book Value (in Rupees)	1113.44	939.29	1055.43	1113.44	939.29	992.09
Price to book value ratio	1.13	1.23	1.03	1.13	1.23	1.33
Price to adjusted book value ratio	1.15	1.25	1.04	1.15	1.25	1.34
Price Earning Ratio (On Annualized EPS)	5.12	5.26	4.33	5.07	5.50	6.13
Market Capital To Deposits (%)	10.13	10.33	9.11	10.13	10.33	10.07
Dividend Payout Ratio (%)	-	-	-	-	-	22.97
Dividend Yield (%)	-	-	-	-	-	3.75
Economic Value Addition (%)	-	-	-	-	-	17.94
Market price (in Rupees)	1278.00	1170.00	1101.00	1278.00	1170.00	1334.10
Number of Shares	48477802	48477802	48477802	48477802	48477802	48477802

# Deposits - Compositional Break-up (Sep 13)

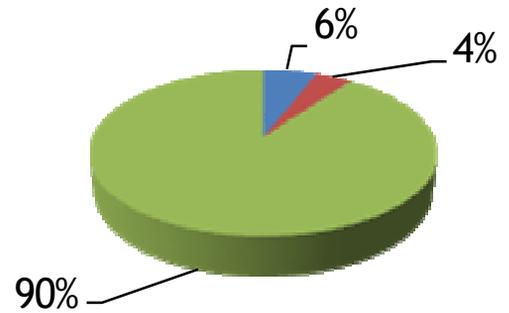
## Bank as Whole (%)

- Current
- Saving
- Term



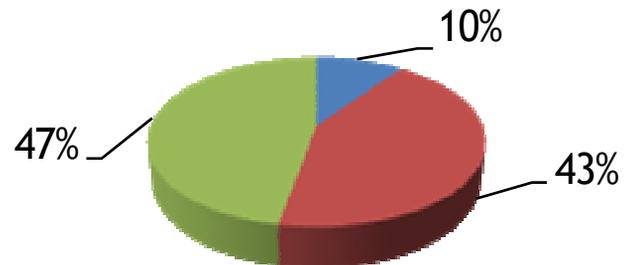
## In Rest of India (%)

- Current
- Saving
- Term



## Within J&K State (%)

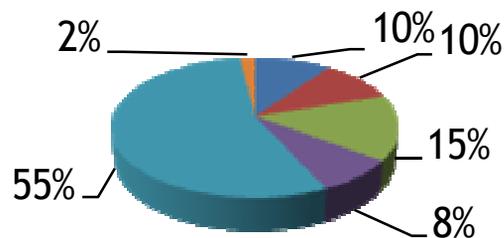
- Current
- Saving
- Term



## Bank as Whole (%)

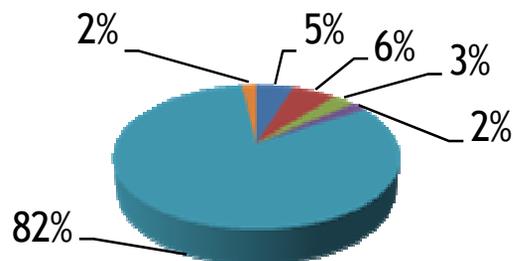
### Advances - Sector-wise (Sep 13)

- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others



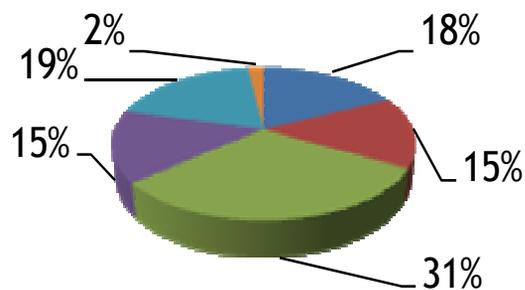
## In Rest of India (%)

- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others



## Within J&K State (%)

- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others



# Restructuring (Sep 13) - I

(in Rupees Crore)

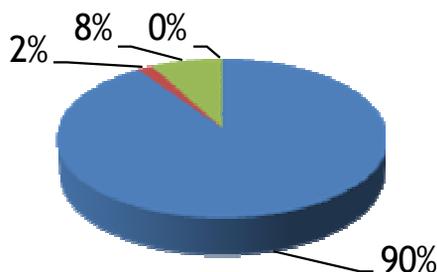
S. No.	Particulars		
		For Half Year ended Sep 30, '13	For Financial Year ended Mar 31, '13
1	Balance at the start of the period	1490.48	1365.75
	Additions during the period	286.65	1061.01
	Repayments/ Reductions/ Reclassification during the period	281.67	936.28
	Balance at the close of the period	1495.46	1490.48
2	NPA's from Outstanding Restructured Advances	143.89	175.28
3	Provisions held against NPA's	118.97	114.78

# Restructuring (Sep 13) - II

- Outstanding Restructured portfolio well distributed among nine sectors
- Total Outstanding NPA's from Outstanding Restructured Portfolio Rs 143.89 crore (10.31 %), for which provision of Rs 118.97 crore available

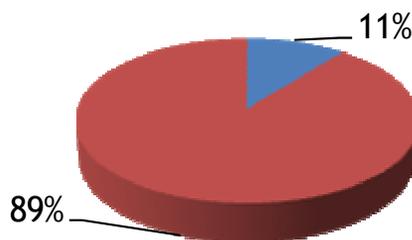
## Classification of Outstanding Restructured Portfolio

- Standard
- Sub- Standard
- Doubtful
- Loss



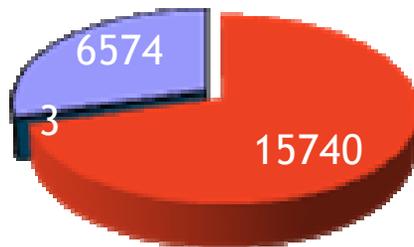
## Distribution of Outstanding Restructured Portfolio

- J&K State
- Outside State



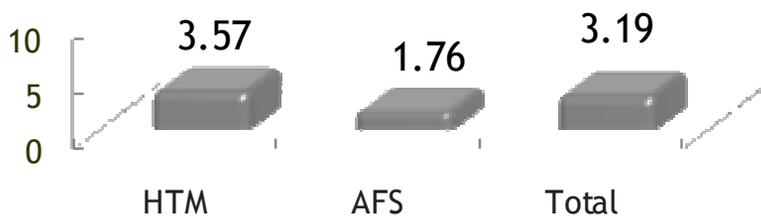
# Investments, (Sep 13) - I

(in Rs crore)



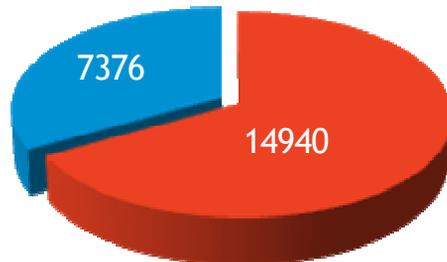
■ Held to Maturity 71 % ■ Held for Trading 0.01 % ■ Available for Sale 29 %

## Duration



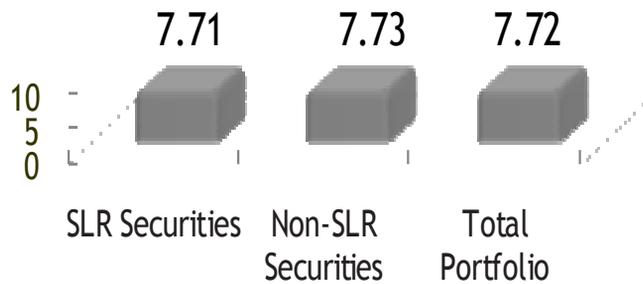
# Investments, (Sep 13) - II

(in Rs. crore)



■ SLR Securities 67 % ■ Non-SLR Securities 33 %

## Yield (on daily average balances)

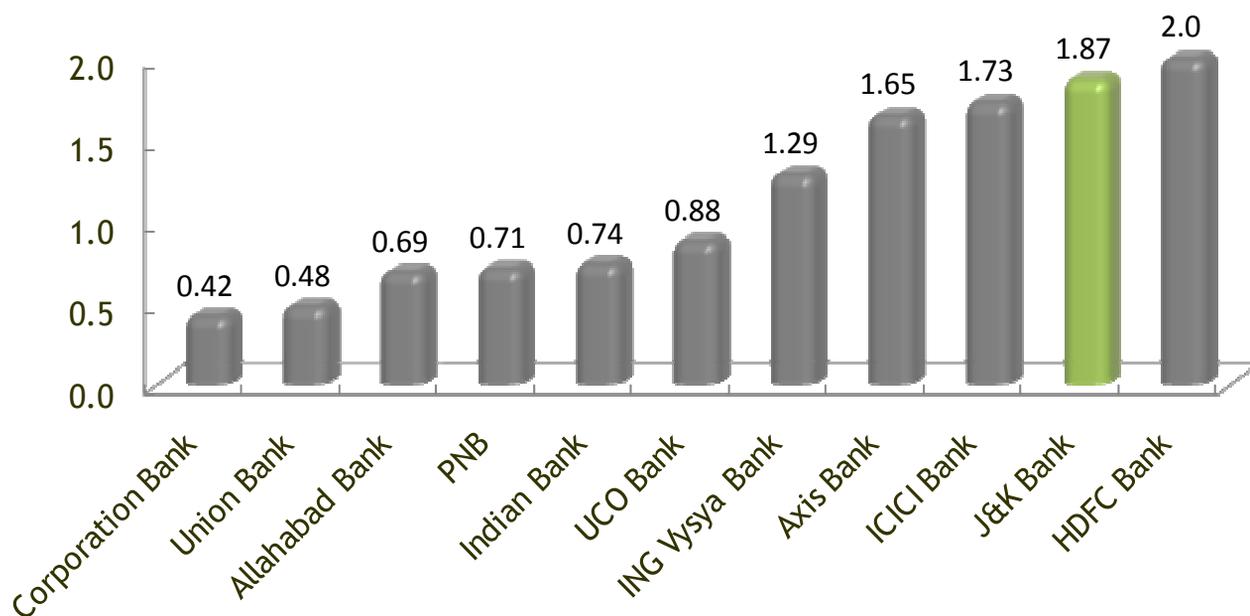


# Industry Review



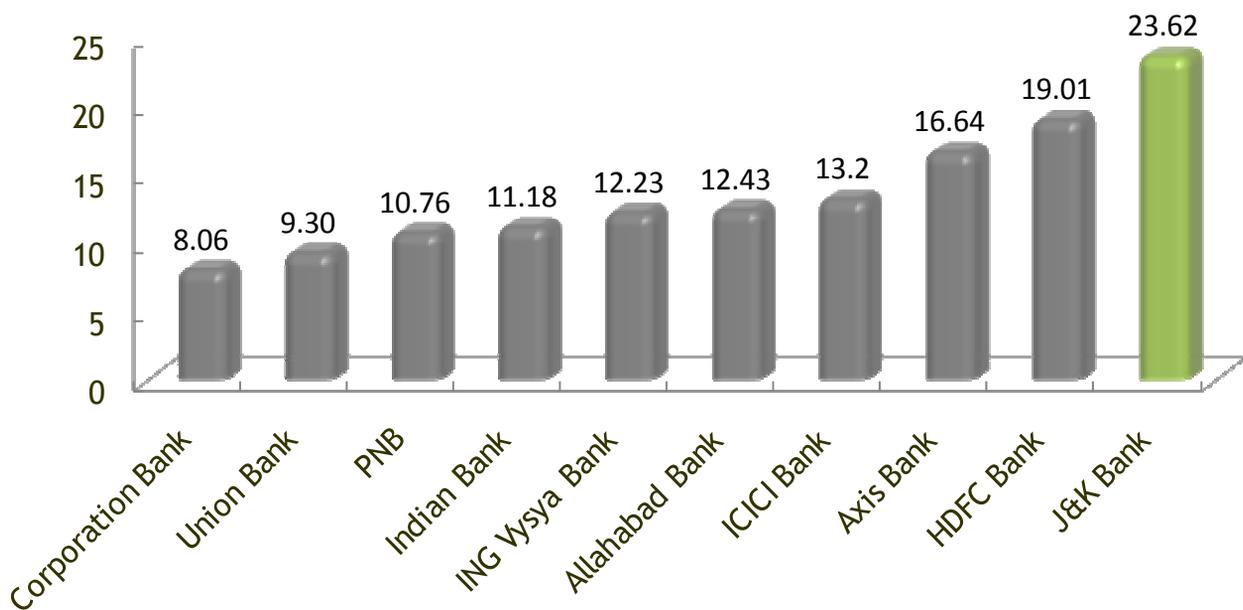
# Return on Assets (%)

For HY ended Sep, 2013



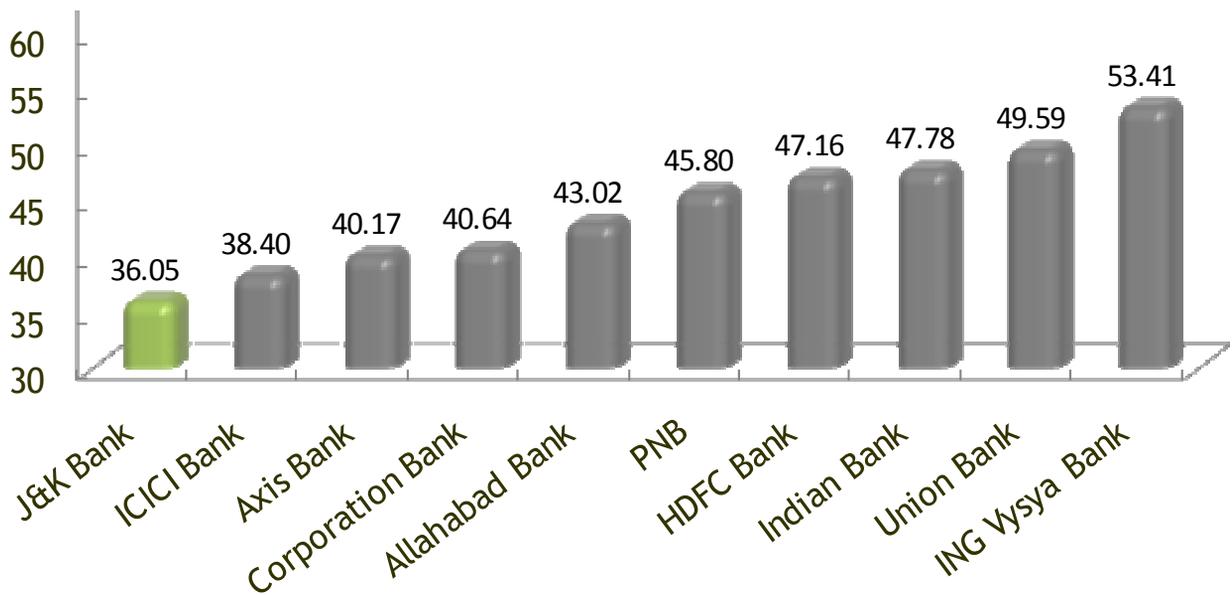
# Return on Equity (%)

For HY ended Sep, 2013



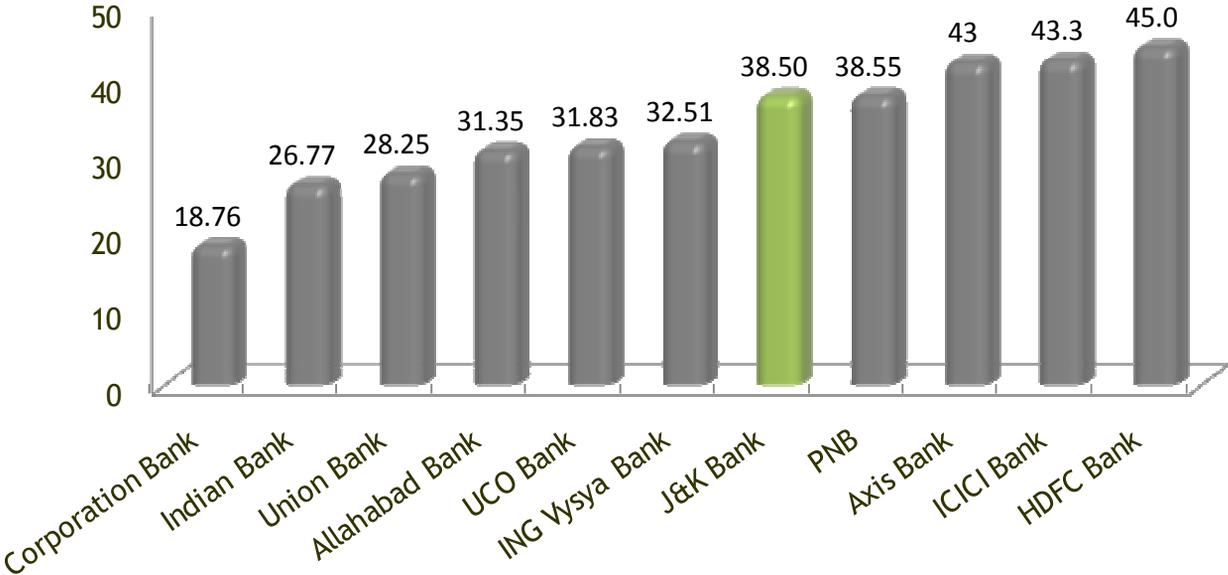
# Cost to Income (%)

For HY ended Sep, 2013



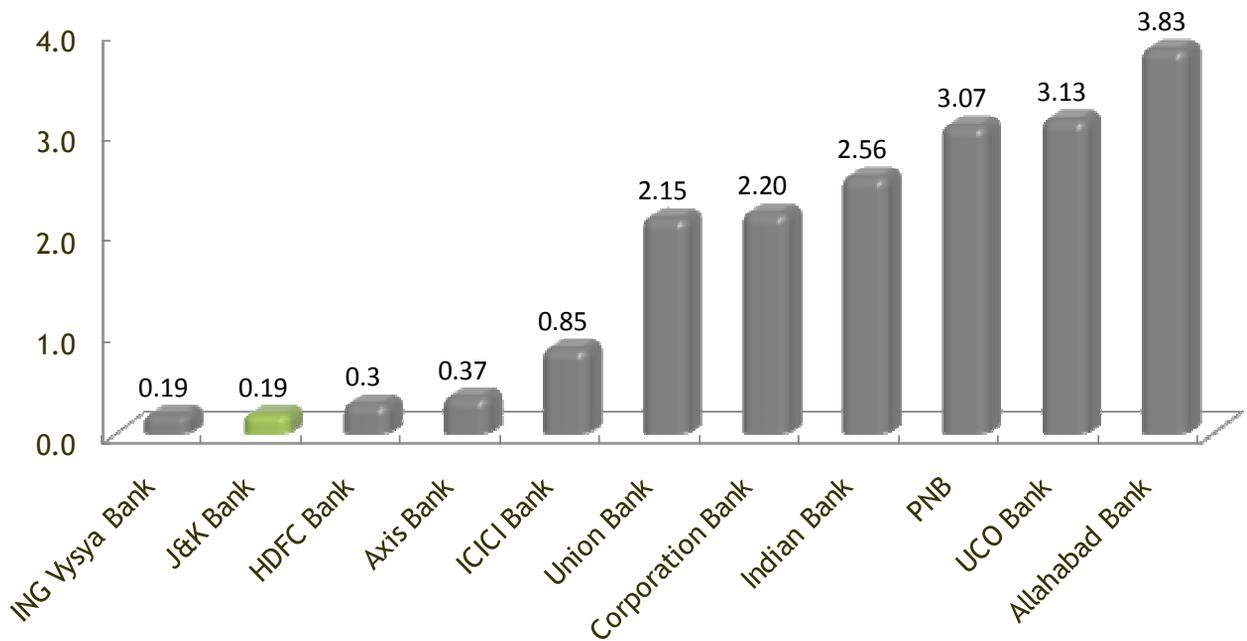
# CASA Ratio (%)

As on Sep, 2013



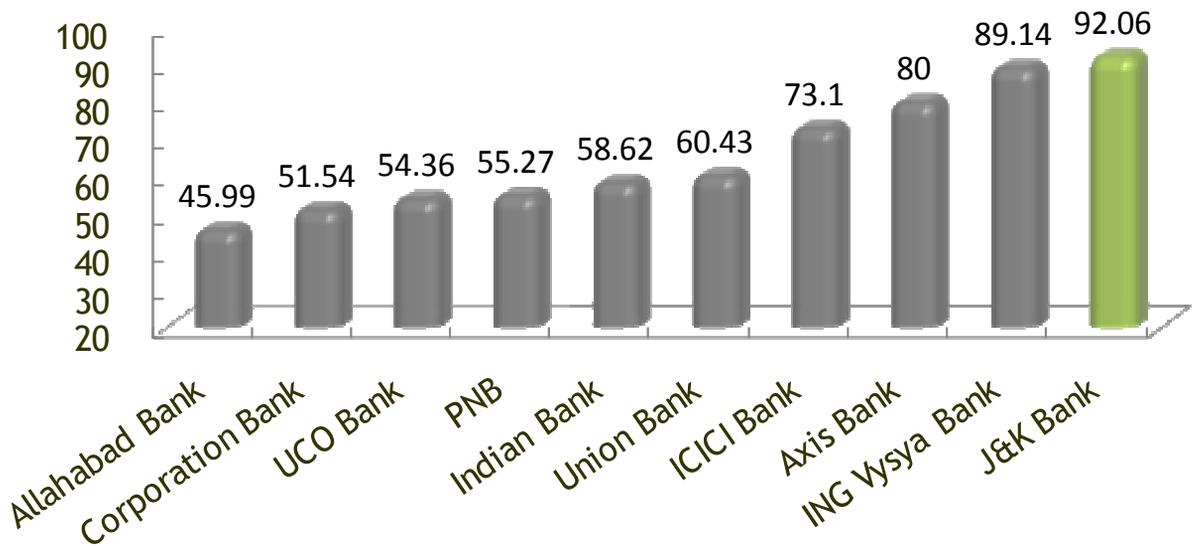
# Net Impaired Loans (%)

As on Sep, 2013



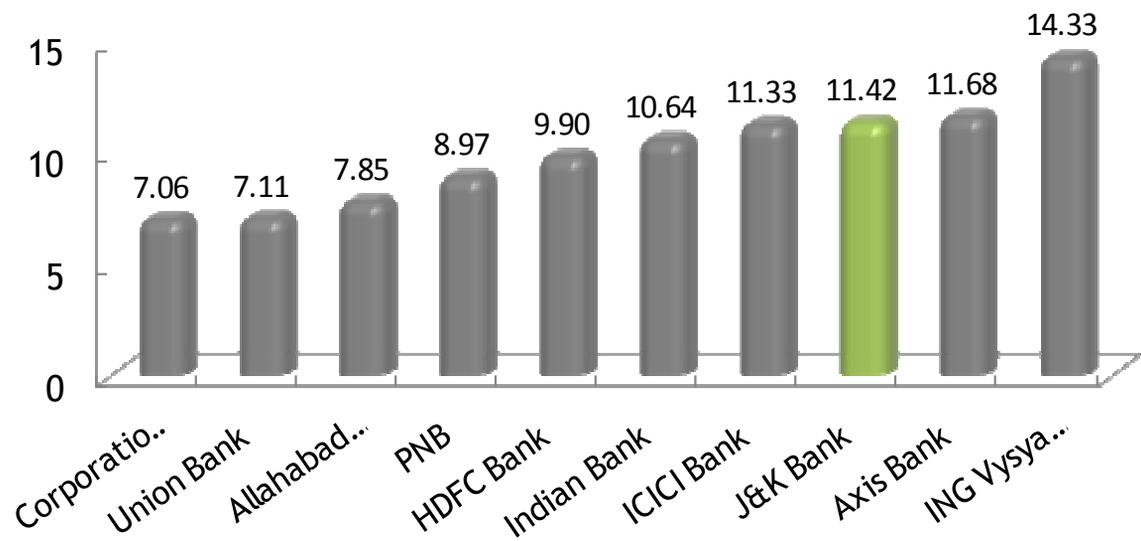
# Coverage Ratio (%): **Among Highest in India**

As on Sep, 2013



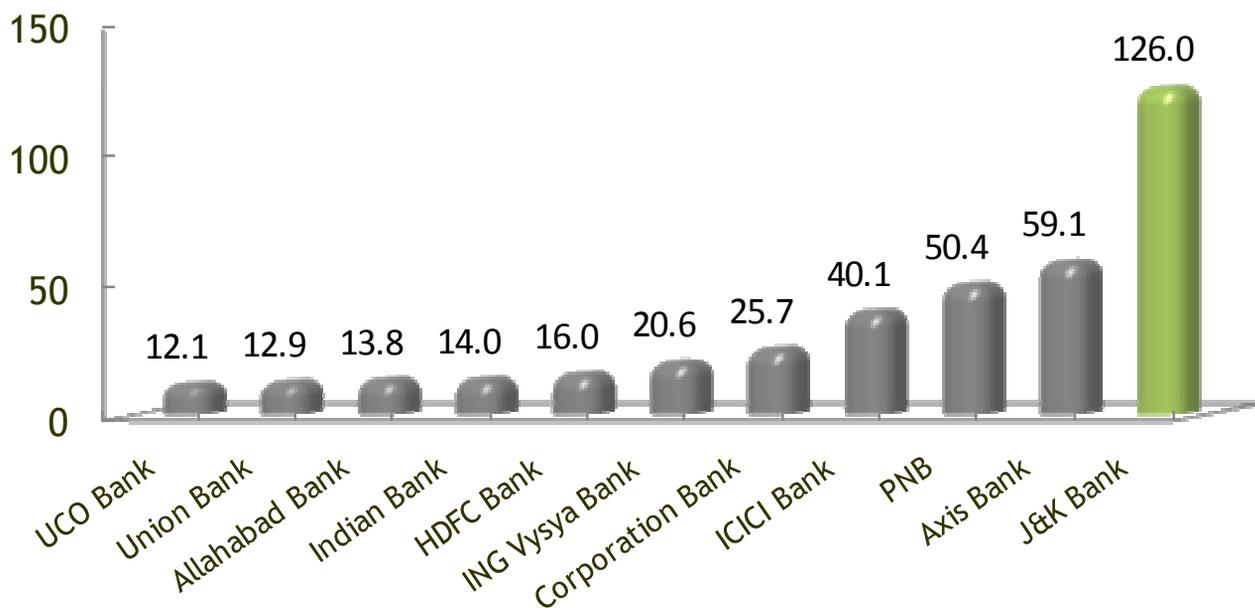
# Tier I Capital (%) (Basel III)

As on Sep, 2013



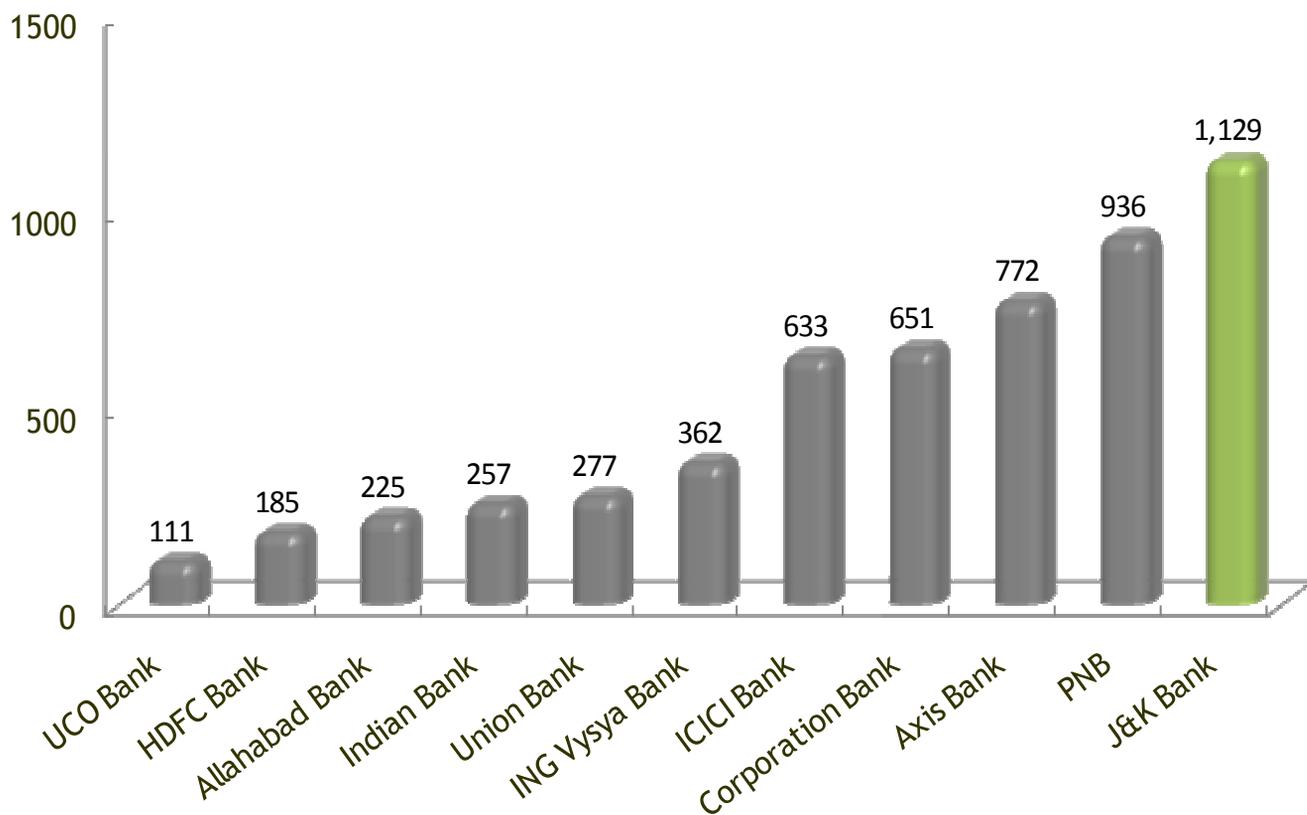
# Earnings per Share (Rs.)

For HY ended Sep, 2013



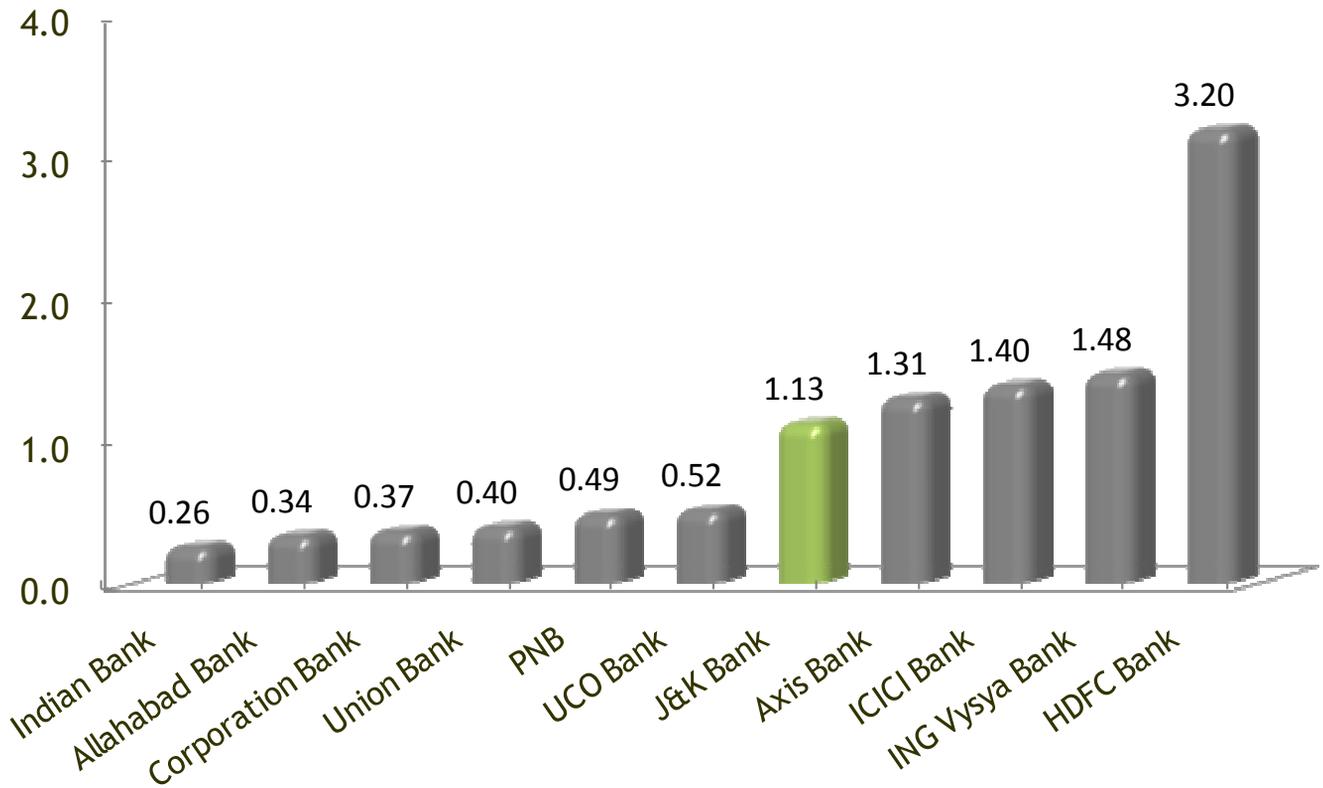
# Book Value (Rs.)

As on Sep, 2013



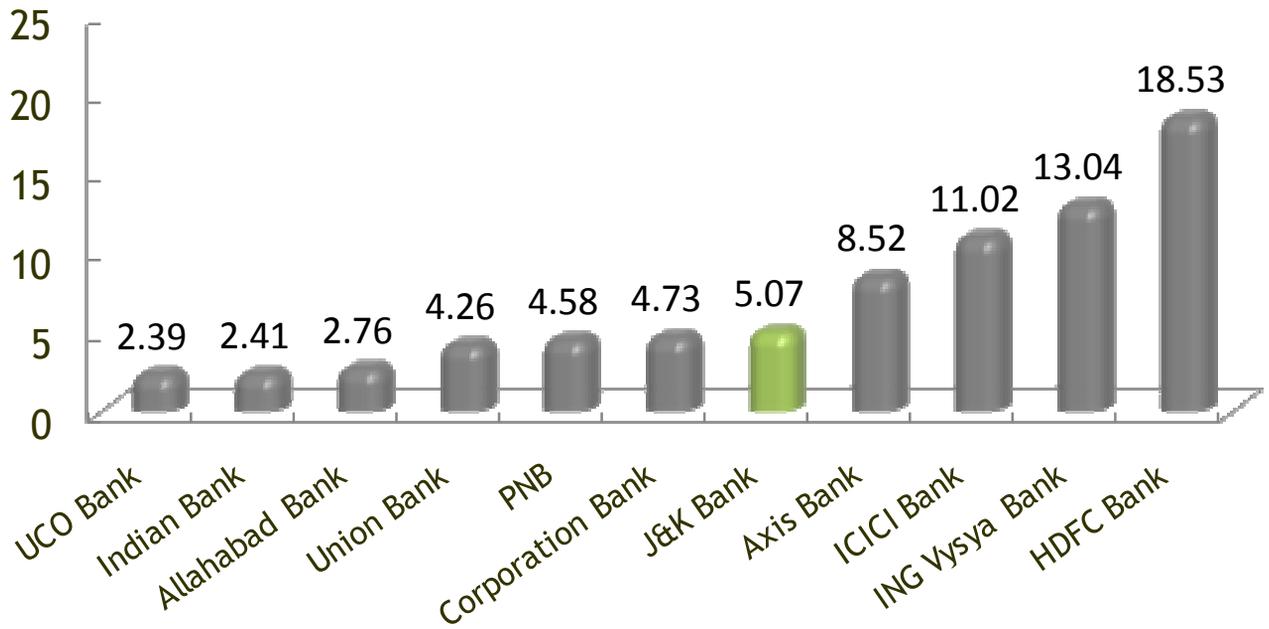
# Price to Book Value

As on Sep, 2013



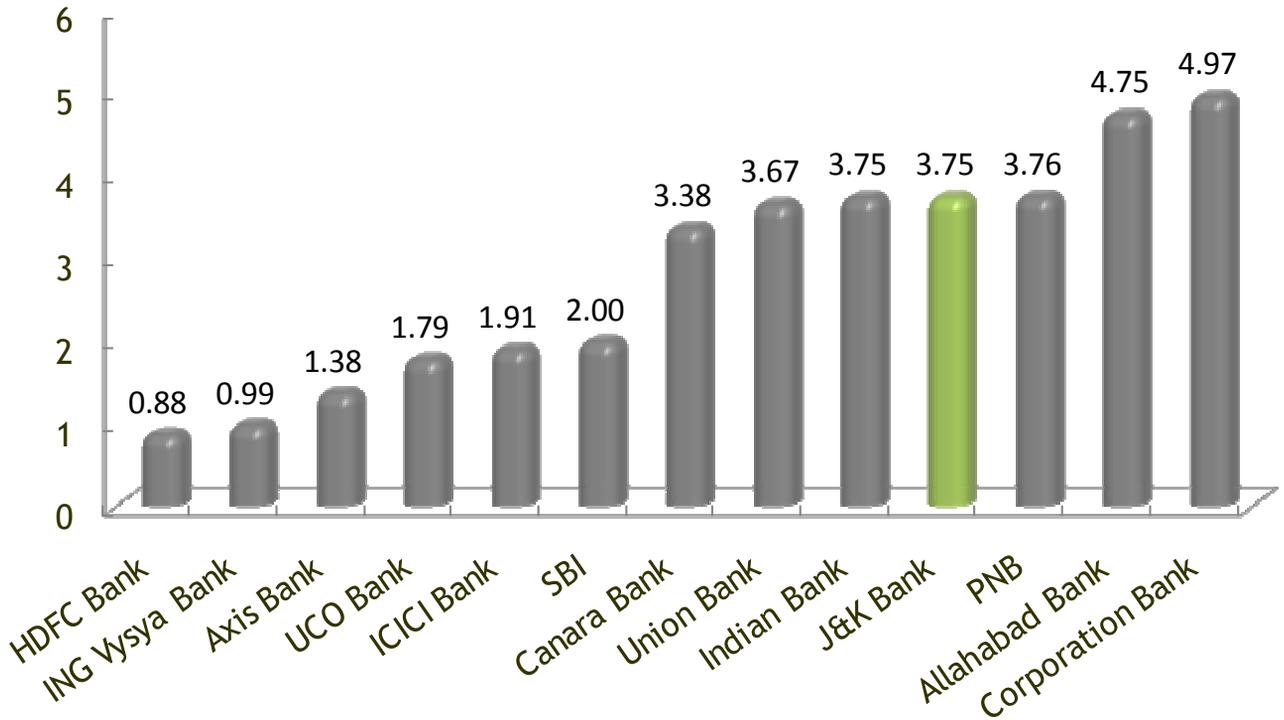
# PE Ratio

As on Sep, 2013



# Dividend Yield (%)

For FY ended Mar, 2013





# J&K State - Potential for Growth



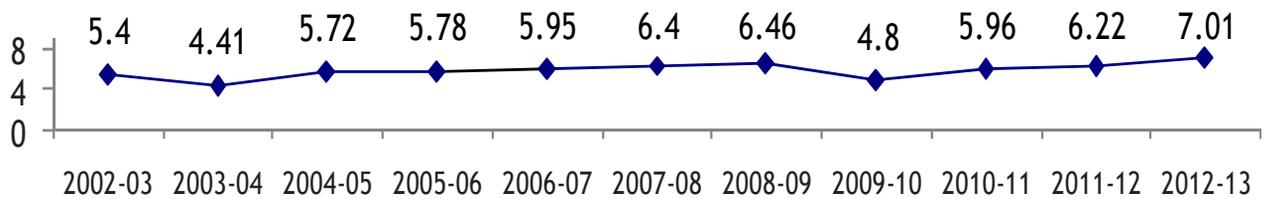
# J&K State's Economy - Basic Indicators

S. No.	Particulars	J&K State	All India / National Average
1	Total Population (in crores)	1.25	121.02
2	Area (in Sq Kms)	222236	3287240
3	Density (persons / Sq Km)	124	382
4	Per capita Income (in Rupees)	30889	39143
5	Population BPL (%)	21.63 %	27.5 %
6	Literacy	68.74 %	74.04 %
7	Unemployment Rate	4.9 %	9.4 %

# J&K State Economy - GDP Size and Growth

Amount in Rs crore				
Particulars	2009-10	2010-11	2011-12	2012-13
Size of GDP	36329	38384	40771	43628
Contribution by Primary Sector	7796 (22%)	8061 (21%)	8154 (20%)	8970 (21%)
Contribution by Secondary Sector	9871 (27%)	9980 (26%)	10600 (26%)	10711 (24%)
Contribution by Tertiary Sector	18662 (51%)	20344 (53%)	22016 (54%)	23947 (55%)

## GDP Growth Rate



# J&K State Economy - Economic Reconstruction and its Impact

- GDP / economy in J&K State accelerating and is poised for further growth in future. Government spending and Private Investment on the rise

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- Record tourist inflow during last two years, more expected this year. Increased investment in tourist infrastructure pushing up credit demand

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- Demand for financing private sector projects, SME's and ancillaries on the rise

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- Trickle down impact of all this will lead to increase in per capita income and savings, increasing capacity for servicing personal loans

# J&K State - Credit Gap

- J&K accounts for 0.6% of India's GDP, and yet absorbs only 0.30% of total national credit

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- J&K accounts for 1% of India's population and yet accounts for only 0.2% of India's personal credit

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- Credit in J&K needs to increase five-fold and Personal Credit in J&K has to triple to catch up with the national average

# J&K State - Potential for Horticultural Lending - I

- Agriculture involves about 70 % of the population and contributes 23 % to the GDP, yet only 18 % of J&K Bank's lending is to this sector. Horticultural production contributes about 45 % to Agricultural production and involves 30 lac people
- 
- Apples account for 86 % by value of the State's Horticultural output. J&K State produces 77 % of India's total apple output and controls 49 % of land dedicated to apple cultivation

## J&K State - Potential for Horticultural Lending - II

- Out of a total of around 300,000 apple growers in the State, Bank's finance has been extended to about 84000 growers so far. Tapping the remaining growers will generate credit of about Rs 5,000 to 6,000 crore more
- 
- Majority of the Apple growers get their financing from traders and are unaware that its effective interest cost works out to 30% - 40%, against the Bank's interest ranging from 4-11%

# J&K State - Impact of Horticultural Lending on Profitability

- Current shortfall in Agriculture Sector Lending is Rs. 2629 crore, which has to be invested in RIDF (Rural Infrastructure Development Fund)/MSME (Micro Small & Medium Enterprises) Bonds/RHF (Rural Housing Fund) @ 3 to 5 % for 3-7 years

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- Interest Subvention Scheme extended to J&K Bank recently providing a level playing field vis-à-vis Public Sector Banks in terms of pricing of agricultural loans and improve the flow of credit to agricultural sector particularly in J&K State

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- Assuming yield on incremental Agricultural Advances at Base Rate of 10.25 %, the incremental yield (10.25 - 4 %) would generate an incremental revenue of about Rs 164 crore per year on lending Rs. 2629 crore to agricultural sector

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- Increasing agricultural advances will improve core advances portfolio helping in financial inclusion, widening customer base and enhancing outreach in remote rural areas

Road Ahead



# J&K Bank - Ground work done for growth

- Capital Adequacy at 13.18 % (Basel III), Tier I 11.42 % & Tier II 1.76 %. No constraints for raising Additional Tier I capital. Headroom of about Rs 4500 crore more available to raise Tier II capital

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- Made liabilities the driver

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- Insulated earnings from external volatility by:
  - Linking assets to local needs
  - Linking liabilities to local sources

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- Increased reach by adding 83 branches and 102 ATM's in J&K State in FY ended Mar, 13. More than 300 new branches to be opened up to March, 2015 along with a massive ATM network expansion

# J&K State - Business Strategy

- Increasing lending in J&K, which is high margin, low volume

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- Leveraging our core competence of domain and geographical expertise.

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- Bridging Credit Gap in J&K with focus on potential and under-serviced sectors

# Outside State - Business Strategy

## Nationally focus on

- Rebuilding Corporate Loan Book

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- Improving WC to TL Ratio

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- Impetus on SME / Retail sector lending in smaller cities

# Business Targets - March 2014

## Targets

- CASA around **40 %**
- NIMs around **4 %**
- ROA around **1.75 %**
- ROE around **24 %**
- Advances **22-25 % growth**
- Deposits **17-18 % growth**
- Cost/Income **36-38 %**
- Loan/Deposit **65 % to 67 %**
- PCR Above **90%**

# Notes





[www.jkbank.net](http://www.jkbank.net)