

Deutsche Bank  
Corporate & Investment Bank



Namaste – DB Access India Conference  
5-7 March 2012 – Mumbai, India

*Passion to Perform*



# An Overview





## Basic Facts

- Incorporated in 1938

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- Listed on the NSE and 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 Banks category by Financial Express for FY ended March 2011



## 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

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- Interest Subvention Scheme applicable to Public Sector Banks also extended to the Bank recently

## Facets and Roles

- Commercial Bank

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- Development Financing Institution

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- Financial Services Provider

## Regional **Goliath**

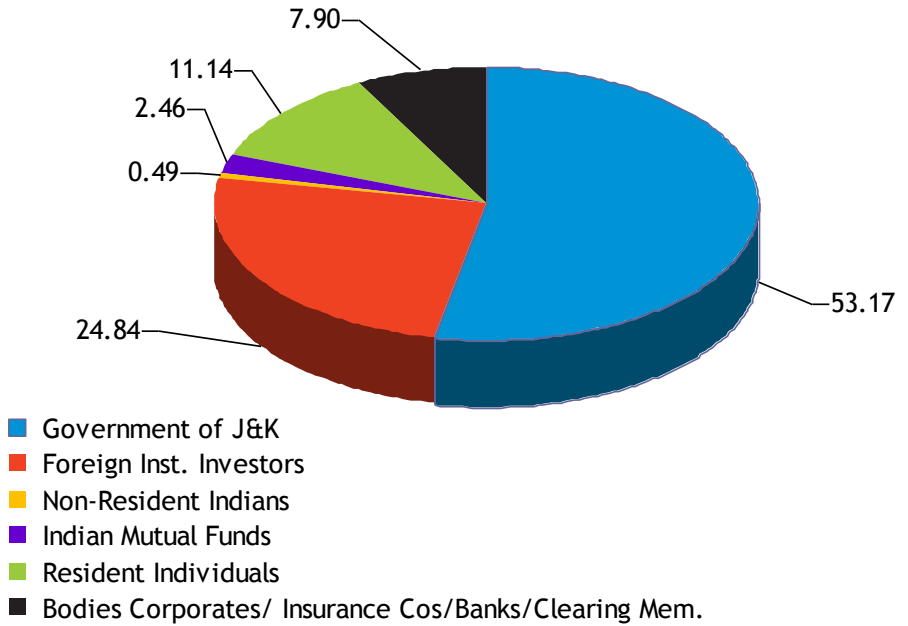
- Dominates a region
  - **455** branches in the state
  - **399** ATMs

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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
  - **47 lakh**  
Account holders of J&K Bank

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- Business leadership in J&K

## Shareholding Pattern (%) (24.02.2012)





## 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

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- Shareholder in J&K Gramin Bank

Consistent  
Growth &  
Stability



## Decade of Development - I

(in Rupees Crore)

Particulars	Year ended Mar, 02	Year ended Mar, 03	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06
Net Worth	937.08	1242.00	1593.74	1665.40	1799.47
Deposits	12911.1	14674.9	18661.4	21645.0	23484.6
Advances	6423.9	8011.0	9284.9	11517.1	14483.1
Investments	5752.5	6737.8	8451.1	9089.2	8993.8
Total Income	1610.86	1714.56	1822.95	1631.26	1817.10
Net Profit	259.80	337.75	406.33	115.07	176.84
EPS (in Rupees)	53.6	69.6	83.8	23.7	36.5
Book Value (in Rupees)	193.2	256.1	328.6	343.5	371.2
Dividend (%)	50	60	100	80	80
No. of Branches/Offices	441	454	475	500	517
Personnel	6495	7112	7085	6873	6833

## Decade of Development - I

(in Rupees Crore)

Particulars	Year ended Mar, 07	Year ended Mar, 08	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11
Net Worth	2008.73	2280.82	2622.86	3010.46	3478.68
Deposits	25194.3	28593.3	33004.1	37237.2	44675.9
Advances	17079.9	18882.6	20930.4	23057.2	26193.6
Investments	7392.2	8757.7	10736.3	13956.3	19695.8
Total Income	2059.54	2679.24	3233.17	3473.11	4077.89
Net Profit	274.49	360.00	409.83	512.38	615.20
EPS (in Rupees)	56.6	74.3	84.5	105.7	126.9
Book Value (in Rupees)	414.4	476.3	541.0	621.0	717.6
Dividend (%)	115	155	169	220	260
No. of Branches/Offices	520	556	575	580	594
Personnel	6847	7558	7627	7789	7938

## Decade of Development - II

(%)

Ratios	Year ended Mar, 02	Year ended Mar, 03	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06
Net Interest Margins	3.61	3.67	3.58	2.90	2.83
Interest Spread	3.20	3.34	3.26	2.61	2.61
Yield on Advances	11.43	10.53	9.50	8.42	8.48
Yield on Investments	11.66	10.01	8.75	7.38	6.23
Cost of Deposits	7.30	6.27	5.26	4.61	4.55
Return on Assets	1.77	2.01	1.92	0.47	0.67
Return on period end Net Worth	27.72	27.19	25.50	6.91	9.83
Return on Average Net Worth	31.75	31.00	28.66	7.06	10.21
Gross Profit to AWF	3.36	3.52	3.31	1.62	1.78
Net Profit to AWF	1.90	2.14	2.14	0.50	0.70

## Decade of Development - II

(%)

Ratios	Year ended Mar, 07	Year ended Mar, 08	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11
Net Interest Margins	2.98	2.94	3.10	3.04	3.62
Interest Spread	2.79	2.64	2.84	2.79	3.32
Yield on Advances	8.58	10.44	11.53	10.65	10.68
Yield on Investments	6.20	6.70	6.79	5.71	6.34
Cost of Deposits	4.50	5.85	6.22	5.24	5.05
Return on Assets	0.96	1.10	1.09	1.20	1.22
Return on period end Net Worth	13.66	15.59	15.63	17.02	17.68
Return on Average Net Worth	14.42	16.68	16.62	18.19	18.96
Gross Profit to AWF	2.02	2.12	2.20	2.39	2.47
Net Profit to AWF	1.00	1.17	1.16	1.28	1.32

## Decade of Development - III

Ratios	Year ended Mar, 02	Year ended Mar, 03	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06
Cost to Income Ratio (%)	33.68	31.94	31.81	47.59	43.32
CD Ratio (%)	49.75	54.59	49.75	53.21	61.67
CASA Ratio (%)	34.05	33.39	30.26	32.00	34.17
Business per Employee (in Rupees lakh)	297.7	319.0	394.4	482.5	555.3
Net Profit per Employee (in Rupees lakh)	4.0	4.8	5.7	1.7	2.6
Business Per Branch (in Rupees crore)	43.84	49.97	67.83	78.21	87.28
Net Profit per Branch (in Rupees lakh)	58.9	74.4	98.6	27.1	40.7
Gross NPA's (Rupees lakh)	23700	25300	28600	31725	37019
Net NPA's (Rupees lakh)	12100	12700	13800	16293	13387
Gross NPA Ratio (%)	3.62	3.11	3.03	2.72	2.51
Net NPA Ratio (%)	1.88	1.58	1.49	1.41	0.92
NPA Coverage Ratio (%)	48.95	49.80	58.51	57.99	70.26
Gross NPA to Net Worth Ratio (%)	25.29	20.37	17.95	19.05	20.57
Net NPA to Net Worth Ratio (%)	12.91	10.23	8.66	9.78	7.44



## Decade of Development - III

Ratios	Year ended Mar, 07	Year ended Mar, 08	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11
Cost to Income Ratio (%)	40.13	38.24	37.81	37.60	39.77
CD Ratio (%)	67.79	66.04	63.42	61.92	58.63
CASA Ratio (%)	37.02	39.16	38.11	40.69	40.48
Business per Employee (in Rupees lakh)	617.4	628.2	707.2	774.1	892.8
Net Profit per Employee (in Rupees lakh)	4.0	4.8	5.4	6.6	7.8
Business Per Branch (in Rupees crore)	93.73	93.46	101.19	112.49	129.32
Net Profit per Branch (in Rupees lakh)	60.9	70.9	76.9	95.6	112.3
Gross NPA's (Rupees lakh)	50183	48523	55927	46231	51883
Net NPA's (Rupees lakh)	19357	20355	28751	6433	5324
Gross NPA Ratio (%)	2.89	2.53	2.64	1.97	1.95
Net NPA Ratio (%)	1.13	1.08	1.37	0.28	0.20
NPA Coverage Ratio (%)	67.10	66.05	60.79	90.13	92.71
Gross NPA to Net Worth Ratio (%)	24.98	21.02	21.32	15.36	14.91
Net NPA to Net Worth Ratio (%)	9.64	8.82	10.96	2.14	1.53

## Decade of Development - IV

(%)

Ratios	Year ended Mar, 02	Year ended Mar, 03	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06
Operating Expenses to AWF	1.71	1.65	1.54	1.41	1.36
Operating Expenses to Total Income	14.54	15.16	16.08	19.62	19.00
Operating expenses to Other Income	91.10	90.49	97.17	336.00	259.00
Staff Cost to Total Income	8.95	9.24	9.24	10.87	10.46
Interest Earned to AWF	9.87	9.06	8.01	6.79	6.71
Non Interest Income to AWF	1.88	1.82	1.59	0.42	0.52
Capital Adequacy Ratio Basel I	15.46	16.48	16.88	15.15	13.52
Capital Adequacy Ratio Basel II					

## Decade of Development - IV

(%)

Ratios	Year ended Mar, 07	Year ended Mar, 08	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11
Operating Expenses to AWF	1.35	1.31	1.34	1.44	1.63
Operating Expenses to Total Income	18.08	15.06	14.56	16.62	18.61
Operating expenses to Other Income	232.47	164.73	192.15	138.71	208.06
Staff Cost to Total Income	10.69	8.43	8.62	10.55	12.84
Interest Earned to AWF	6.89	7.93	8.44	7.62	7.98
Non Interest Income to AWF	0.58	0.80	0.74	1.04	0.78
Capital Adequacy Ratio Basel I	13.24	12.80	13.46	14.81	13.30
Capital Adequacy Ratio Basel II			14.48	15.89	13.72

## Decade of Development - V

Ratios	Year ended Mar, 02	Year ended Mar, 03	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06
Earning per Share (in Rupees)	53.57	69.64	83.78	23.74	36.48
Net Asset Value / Book Value (in Rupees)	193.21	256.08	328.61	343.54	371.20
Adjusted Book Value (in Rupees)	168.27	229.90	300.16	309.93	343.58
Price to Book Value Ratio	0.38	0.44	1.50	1.06	1.21
Price to Adjusted Book Value Ratio	0.44	0.50	1.64	1.17	1.31
Price Earning Ratio	1.37	1.63	5.89	15.29	12.36
Market Capital to Deposits (%)	2.76	3.76	12.82	8.13	9.31
Dividend Payout Ratio (%)	9.33	8.62	11.94	33.70	21.93
Dividend Yield (%)	6.82	5.27	2.03	2.20	1.77
Economic Value Addition (%)	20.91	21.92	23.47	4.71	8.05
Market Price (in Rupees)	73.35	113.85	493	363	451
No. of Shares (in crores)	4.85	4.85	4.85	4.85	4.85

## Decade of Development - V

Ratios	Year ended Mar, 07	Year ended Mar, 08	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11
Earning per Share (in Rupees)	56.62	74.26	84.54	105.69	126.90
Net Asset Value / Book Value (in Rupees)	414.36	476.28	541.04	621.00	717.58
Adjusted Book Value (in Rupees)	374.43	434.30	481.74	607.73	706.60
Price to Book Value Ratio	1.73	1.35	0.91	1.22	1.13
Price to Adjusted Book Value Ratio	1.91	1.48	1.02	1.25	1.15
Price Earning Ratio	12.64	8.65	5.80	7.18	6.38
Market Capital to Deposits (%)	13.77	10.89	7.21	9.88	8.79
Dividend Payout Ratio (%)	20.31	20.87	20.00	20.81	20.49
Dividend Yield (%)	1.61	2.41	3.45	2.90	3.21
Economic Value Addition (%)	12.06	13.18	12.18	14.12	14.47
Market Price (in Rupees)	716	642	491	759	810
No. of Shares (in crores)	4.85	4.85	4.85	4.85	4.85



Financial  
Results  
9M Dec, 2011



# Financial Results - December, 2011

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Nine Months ended Dec, 2011)						
Particulars	Q 3 2011-12	Q 3 2010-11	% Change	Q 1 2011-12	Q 2 2011-12	Q 3 2011-12
Interest Earned	1266.53	934.66	35.51%	1055.91	1155.60	1266.53
Interest Expended	815.74	545.13	49.64%	618.71	721.33	815.74
<b>Net Interest Income</b>	<b>450.79</b>	<b>389.53</b>	15.73%	<b>437.20</b>	<b>434.27</b>	<b>450.79</b>
Other Income	73.63	77.56	-5.07%	67.00	71.22	73.63
<b>Operating Income</b>	<b>524.42</b>	<b>467.09</b>	12.27%	<b>504.20</b>	<b>505.49</b>	<b>524.42</b>
Operating Expenses	200.86	186.26	7.84%	187.82	192.72	200.86
<b>Operating Profit</b>	<b>323.56</b>	<b>280.83</b>	15.22%	<b>316.38</b>	<b>312.77</b>	<b>323.56</b>
Provisions & Contingencies	18.16	30.63	-40.71%	44.48	22.33	18.16
<b>PBT</b>	<b>305.40</b>	<b>250.20</b>	22.06%	<b>271.90</b>	<b>290.44</b>	<b>305.40</b>
Tax Provision	92.21	82.32	12.01%	89.61	90.79	92.21
<b>Net Profit</b>	<b>213.19</b>	<b>167.88</b>	26.99%	<b>182.29</b>	<b>199.65</b>	<b>213.19</b>
Share Capital	48.49	48.49	0.00%	48.49	48.49	48.49
<b>EPS (in Rupees)</b>	<b>43.98</b>	<b>34.63</b>	26.99%	<b>37.60</b>	<b>41.18</b>	<b>43.98</b>
<b>Net Interest Margins (%)</b>	<b>0.91%</b>	<b>0.93%</b>	-	<b>0.95%</b>	<b>0.92%</b>	<b>0.91%</b>
<b>Net Interest Margins (Annualized) (%)</b>	<b>3.63%</b>	<b>3.70%</b>	-	<b>3.82%</b>	<b>3.69%</b>	<b>3.63%</b>



# Financial Results - December, 2011

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Nine Months ended Dec, 2011)					
Particulars	% Change Q3 over Q2	9 M Dec, 11	9 M Dec, 10	% Change	Year end Mar, 11
Interest Earned	9.60%	3478.04	2699.27	28.85%	3713.13
Interest Expended	13.09%	2155.78	1571.34	37.19%	2169.47
<b>Net Interest Income</b>	<b>3.80%</b>	<b>1322.26</b>	<b>1127.93</b>	<b>17.23%</b>	<b>1543.66</b>
Other Income	3.38%	211.85	245.73	-13.79%	364.76
<b>Operating Income</b>	<b>3.74%</b>	<b>1534.11</b>	<b>1373.66</b>	<b>11.68%</b>	<b>1908.42</b>
Operating Expenses	4.22%	581.40	520.10	11.79%	758.93
<b>Operating Profit</b>	<b>3.45%</b>	<b>952.71</b>	<b>853.56</b>	<b>11.62%</b>	<b>1149.49</b>
Provisions & Contingencies	-18.67%	84.97	139.50	-39.09%	215.10
<b>PBT</b>	<b>5.15%</b>	<b>867.74</b>	<b>714.06</b>	<b>21.52%</b>	<b>934.39</b>
Tax Provision	1.56%	272.61	237.42	14.82%	319.19
<b>Net Profit</b>	<b>6.78%</b>	<b>595.13</b>	<b>476.64</b>	<b>24.86%</b>	<b>615.20</b>
Share Capital	0.00%	48.49	48.49	0.00%	48.49
<b>EPS (in Rupees)</b>	<b>6.78%</b>	<b>122.76</b>	<b>98.32</b>	<b>24.86%</b>	<b>126.90</b>
<b>Net Interest Margins (%)</b>	-	<b>2.73%</b>	<b>2.75%</b>	-	-
<b>Net Interest Margins (Annualized) (%)</b>	-	<b>3.64%</b>	<b>3.67%</b>	-	<b>3.62%</b>

## Ratio Analysis - I

(%)

Profitability Ratios	Quarter ended Dec, 11	Quarter ended Dec, 10	Quarter ended Jun, 11	Quarter ended Sep, 11	9 M ended Dec, 11	9 M ended Dec, 10	Year ended Mar, 11
Net Interest Margins	0.91	0.93	0.95	0.92	2.73	2.75	
<b>Annualized</b>	<b>3.63</b>	<b>3.70</b>	<b>3.82</b>	<b>3.69</b>	<b>3.64</b>	<b>3.67</b>	<b>3.62</b>
Interest Spread	0.84	0.85	0.88	0.85	2.51	2.53	
<b>Annualized</b>	<b>3.34</b>	<b>3.40</b>	<b>3.51</b>	<b>3.40</b>	<b>3.35</b>	<b>3.38</b>	<b>3.32</b>
Yield on Advances (Av)	3.04	2.68	2.85	2.95	8.71	7.89	
<b>Annualized</b>	<b>12.15</b>	<b>10.71</b>	<b>11.42</b>	<b>11.80</b>	<b>11.62</b>	<b>10.53</b>	<b>10.68</b>
Yield on Investments (Av)	1.89	1.63	1.58	1.81	5.14	4.98	
<b>Annualized</b>	<b>7.57</b>	<b>6.53</b>	<b>6.32</b>	<b>7.22</b>	<b>6.86</b>	<b>6.64</b>	<b>6.34</b>
Cost of Deposits (Av)	1.66	1.28	1.34	1.54	4.46	3.83	
<b>Annualized</b>	<b>6.62</b>	<b>5.12</b>	<b>5.38</b>	<b>6.17</b>	<b>5.95</b>	<b>5.11</b>	<b>5.05</b>
Return on Assets	0.39	0.36	0.37	0.38	1.09	1.03	
<b>Annualized</b>	<b>1.56</b>	<b>1.45</b>	<b>1.49</b>	<b>1.50</b>	<b>1.45</b>	<b>1.37</b>	<b>1.22</b>
Return on period end Net Worth	5.23	4.81	4.98	5.17	14.61	13.67	
<b>Annualized</b>	<b>20.93</b>	<b>19.26</b>	<b>19.92</b>	<b>20.69</b>	<b>19.48</b>	<b>18.22</b>	<b>17.68</b>
Return on Average Net Worth	5.37	4.93	5.11	5.31	15.76	14.67	
<b>Annualized</b>	<b>21.50</b>	<b>19.73</b>	<b>20.43</b>	<b>21.23</b>	<b>21.01</b>	<b>19.56</b>	<b>18.96</b>
Gross Profit to AWF	0.60	0.61	0.64	0.61	1.81	1.92	
<b>Annualized</b>	<b>2.40</b>	<b>2.45</b>	<b>2.54</b>	<b>2.45</b>	<b>2.41</b>	<b>2.56</b>	<b>2.47</b>
Net Profit to AWF	0.40	0.37	0.37	0.39	1.13	1.07	
<b>Annualized</b>	<b>1.58</b>	<b>1.47</b>	<b>1.47</b>	<b>1.56</b>	<b>1.51</b>	<b>1.43</b>	<b>1.32</b>

## Ratio Analysis - II

Efficiency Ratios	Quarter ended Dec, 11	Quarter ended Dec, 10	Quarter ended Jun, 11	Quarter ended Sep, 11	9 M ended Dec, 11	9 M ended Dec, 10	Year ended Mar, 11
Cost to Income Ratio (%)	38.30	39.88	37.25	38.13	37.90	37.86	39.77
CD Ratio (%)	60.96	62.05	61.29	59.54	60.96	62.05	58.63
CASA Ratio (%)	40.17	39.57	40.40	38.18	40.17	39.57	40.48
Business per Employee (in Rupees Lakh)	847.1	834.2	877.2	953.7	847.1	834.2	892.8
Net Profit per Employee (in Rupees Lakh)	2.3	2.1	2.3	2.5	6.4	6.0	
<b>Annualized</b>	<b>9.2</b>	<b>8.5</b>	<b>9.2</b>	<b>10.1</b>	<b>8.6</b>	<b>8.0</b>	<b>7.8</b>
Business Per Branch (in Rupees Crore)	139.70	123.12	126.56	135.59	139.70	123.12	129.32
Net Profit per Branch (in Rupees Lakh) (Ann.)	151.7	124.8	132.8	143.1	141.2	118.1	112.3
<b>Asset Quality Ratios</b>							
Gross NPAs (in Rupees Lakh)	54502	50383	52833	54190	54502	50383	51883
Net NPAs (in Rupees Lakh)	4693.3	1061.0	5835.0	6303.0	4693.3	1061.0	5324.0
Gross NPA Ratio (%)	1.80	1.95	1.97	1.89	1.80	1.95	1.95
Net NPA Ratio (%)	0.16	0.04	0.22	0.22	0.16	0.04	0.20
NPA Coverage Ratio (%)	94.07	98.42	92.46	92.00	94.07	98.42	92.71
Gross NPA to Net Worth Ratio (%)	13.38	14.45	14.43	14.04	13.38	14.45	14.91
Net NPA to Net Worth Ratio (%)	1.15	0.30	1.59	1.63	1.15	0.30	1.53

## Ratio Analysis - III

(%)

Operating Ratios	Quarter ended Dec, 11	Quarter ended Dec, 10	Quarter ended Jun, 11	Quarter ended Sep, 11	9 M ended Dec, 11	9 M ended Dec, 10	Year ended Mar, 11
Operating Expenses to AWF (Ann.)	1.49	1.63	1.51	1.51	1.47	1.56	1.63
Operating Expenses to Total Income	14.99	18.40	16.73	15.71	15.76	17.66	18.61
Operating Expenses to Other Income	272.80	240.15	280.33	270.60	274.44	211.66	208.06
Staff Cost to Total Income	9.76	12.61	11.38	10.23	10.41	12.10	12.84
Interest Earned to AWF (Annualized)	9.39	8.16	8.49	9.05	8.81	8.09	7.98
Non Interest Income to AWF (Annualized)	0.55	0.68	0.54	0.56	0.54	0.74	0.78

<b>Capital Adequacy Ratio Basel I</b>	<b>13.28</b>	<b>14.14</b>	<b>13.72</b>	<b>13.53</b>	<b>13.28</b>	<b>14.14</b>	<b>13.30</b>
Tier I	11.15	11.69	11.30	11.26	11.15	11.69	10.99
Tier II	2.13	2.45	2.42	2.27	2.13	2.45	2.31
<b>Capital Adequacy Ratio Basel II</b>	<b>13.62</b>	<b>15.49</b>	<b>14.37</b>	<b>13.61</b>	<b>13.62</b>	<b>15.49</b>	<b>13.72</b>
Tier I	11.44	12.80	11.83	11.32	11.44	12.80	11.33
Tier II	2.18	2.69	2.54	2.29	2.18	2.69	2.39

## Ratio Analysis - IV

Valuation Ratios	Quarter ended Dec, 11	Quarter ended Dec, 10	Quarter ended Jun, 11	Quarter ended Sep, 11	9 M ended Dec, 11	9 M ended Dec, 10	Year ended Mar, 11
Earnings per Share (in Rupees)	43.98	34.63	37.60	41.18	122.76	98.32	
<b>Annualized</b>	<b>175.91</b>	<b>138.52</b>	<b>150.41</b>	<b>164.74</b>	<b>163.68</b>	<b>131.10</b>	<b>126.90</b>
Net Asset Value (in Rupees)	840.35	719.32	755.18	796.37	840.35	719.32	717.58
Adjusted Book Value (in Rupees)	830.66	717.13	743.15	783.37	830.66	717.13	706.60
Price to book value ratio	0.95	1.01	1.15	1.06	0.95	1.01	1.13
Price to adjusted book value ratio	0.96	1.01	1.17	1.08	0.96	1.01	1.15
Price Earning Ratio (On Annualized EPS)	4.55	5.22	5.76	5.11	4.89	5.52	6.38
Market Capital To Deposits (%)	7.95	8.58	9.76	8.61	7.95	8.58	8.79
Dividend Payout Ratio (%)							20.49
Dividend Yield (%)							3.21
Economic Value Addition (%)							14.47
Market price (in Rupees) on NSE	799.95	723.15	867.00	842.50	799.95	723.15	809.90
Market price as on	27.01.12	27.01.11	29.07.11	31.10.11	27.01.12	27.01.11	13.05.11
Number of Shares	48477802	48477802	48477802	48477802	48477802	48477802	48477802

## Geographical Break-up

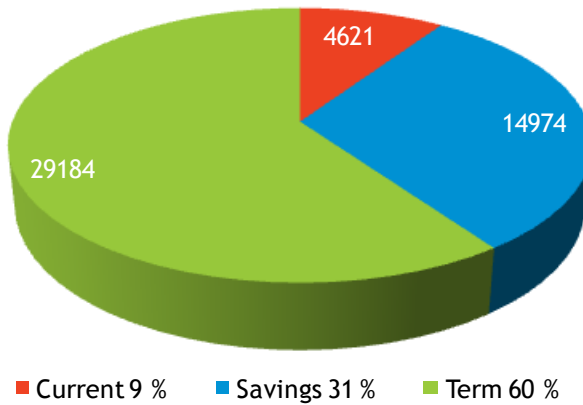
(in Rupees Crore )

		As on Dec 31, 2011			
S. No.	Particulars	From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	32008.2	71	13315.8	29
2	CASA Ratio	-	52	-	13
3	Gross Advances	12006.5	40	18005.3	60
4	Gross Profit (Excluding Controlling Offices)	637.15	71	254.80	29
5	Net Interest Margin	-	6.00	-	2.50
6	Number of Branches	455	81	107	19

“J&K State” includes 7 zones in J&K State and Moving Secretariat Branch

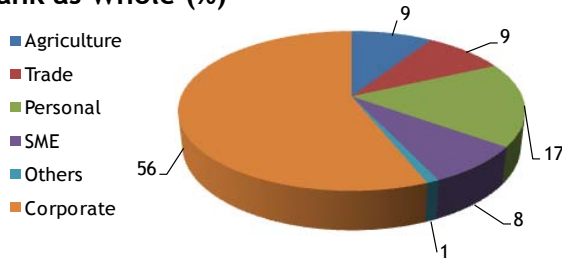
“Rest of India” includes 4 zones from outside J&K State

## Deposits, Compositional Break-up (Dec 11) (in Rs crore)

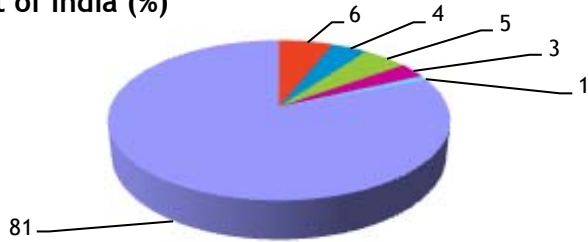


# Advances - Sector-wise (Dec 11)

**Bank as Whole (%)**

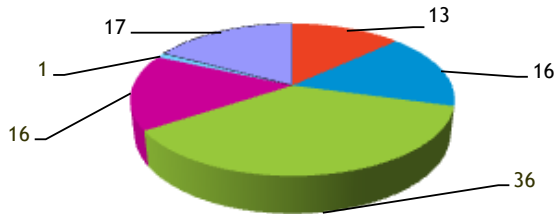


**In Rest of India (%)**



■ Agriculture 
 ■ Trade 
 ■ Personal 
 ■ SME 
 ■ Others 
 ■ Corporate

**Within J&K (%)**

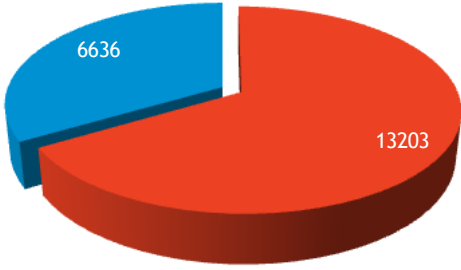


■ Agriculture 
 ■ Trade 
 ■ Personal 
 ■ SME 
 ■ Others 
 ■ Corporate



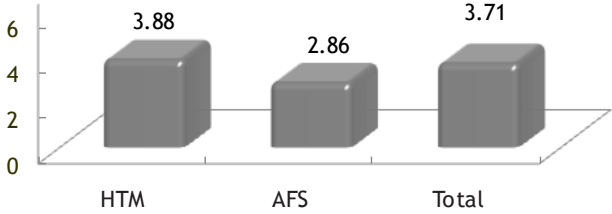
# Investments, (Dec 11) - I

(in Rs crore)



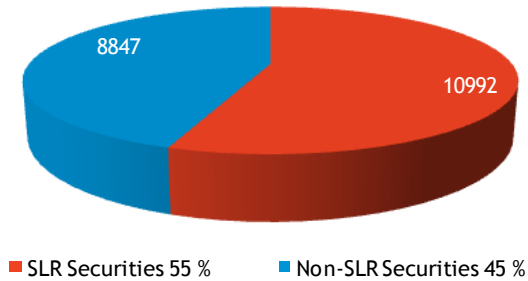
■ Held to Maturity 67 %    ■ Available for Sale 33 %

## Duration

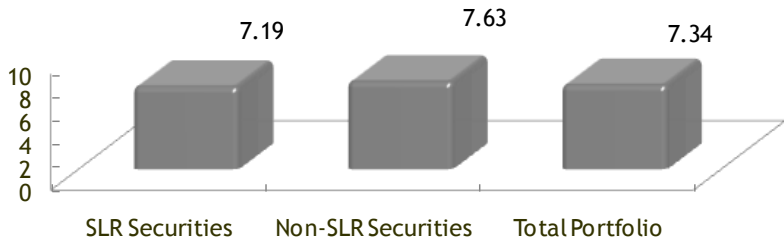


## Investments, (Dec 11) - II

(in Rs. crore)



### Yield (on daily average balances for 9M)

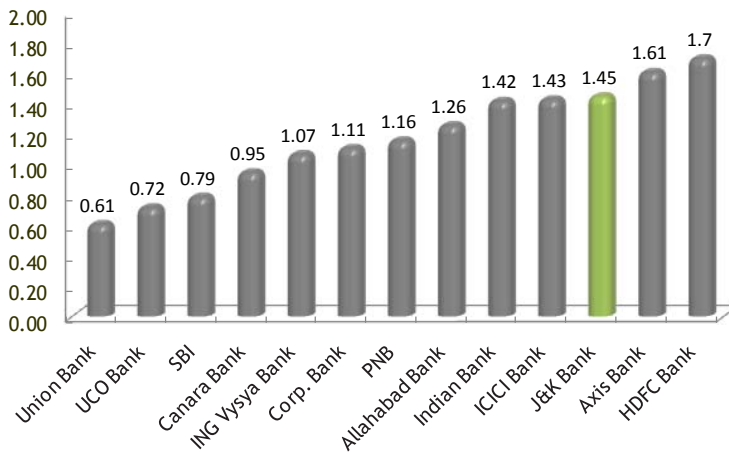


# Industry Review



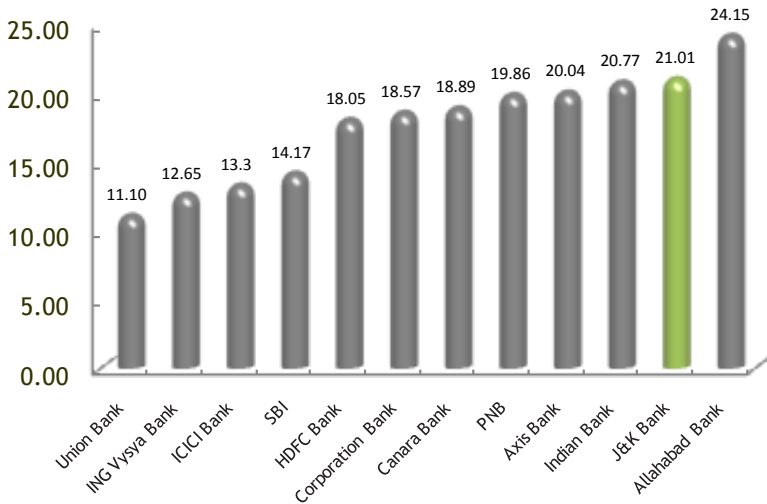
## Return on Assets (%)

For 9M ended Dec, 2011



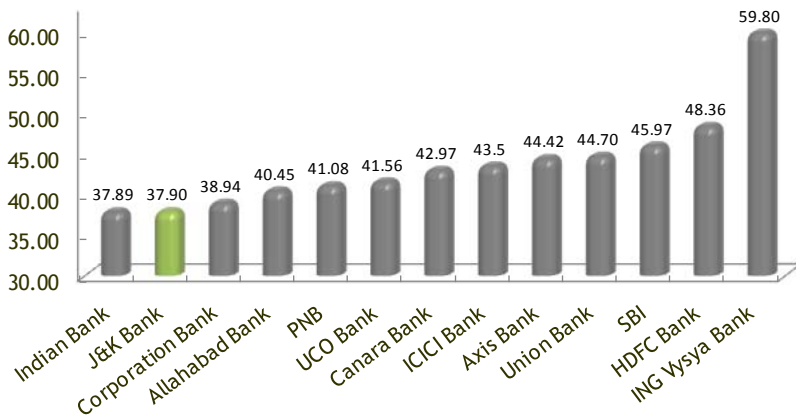
# Return on Equity (%)

For 9M ended Dec, 2011

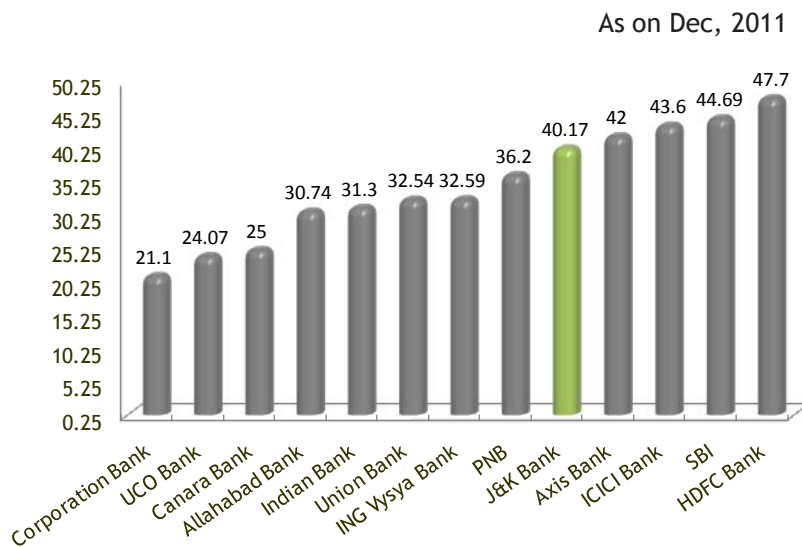


## Cost to Income (%)

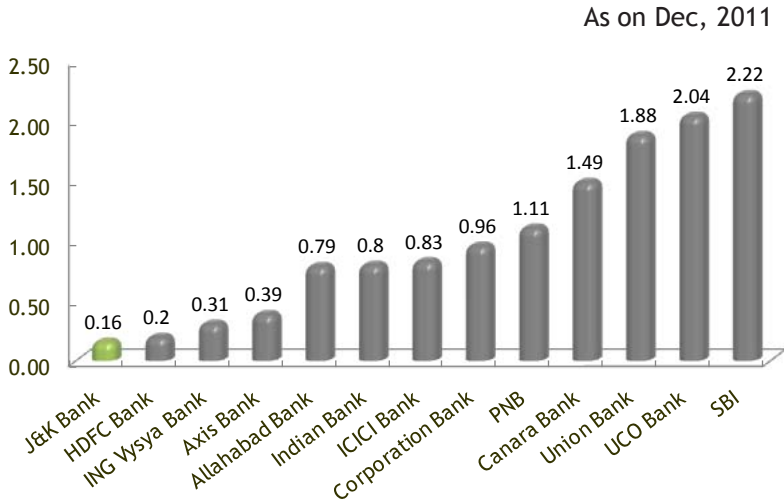
For 9M ended Dec, 2011



## CASA Ratio (%)



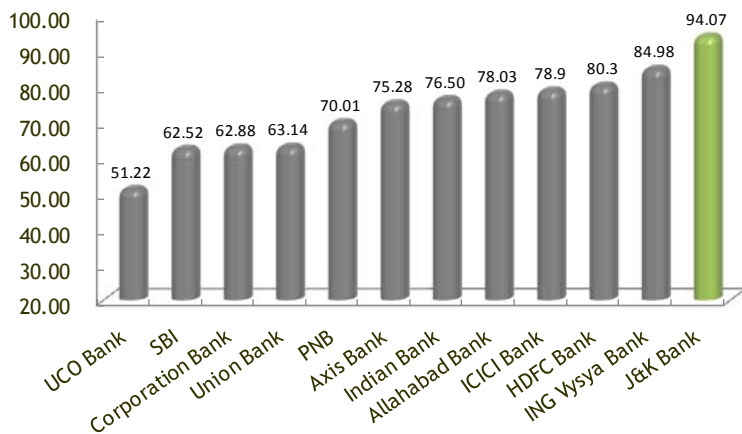
# Net Impaired Loans (%)





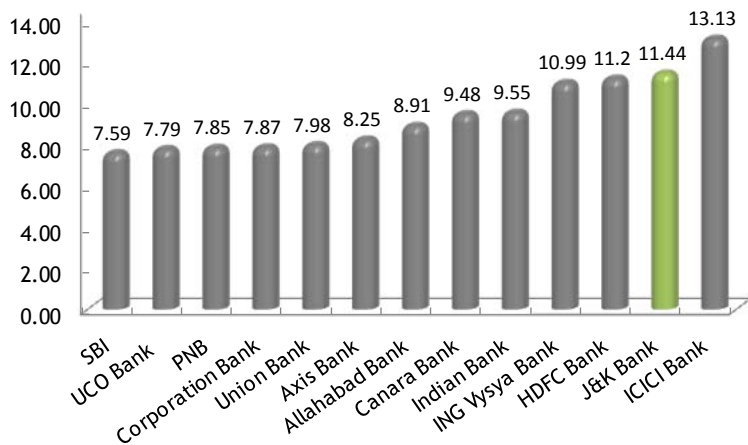
## Coverage Ratio (%): Highest in India

As on Dec, 2011



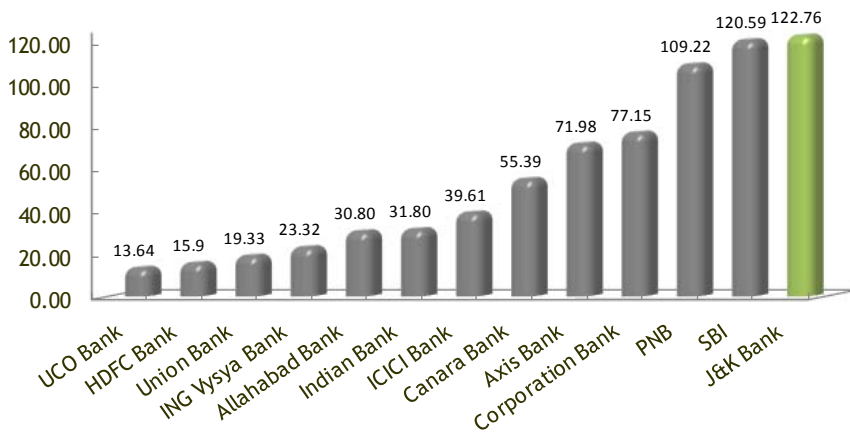
## Tier I Capital (%) (Basel II)

As on Dec, 2011



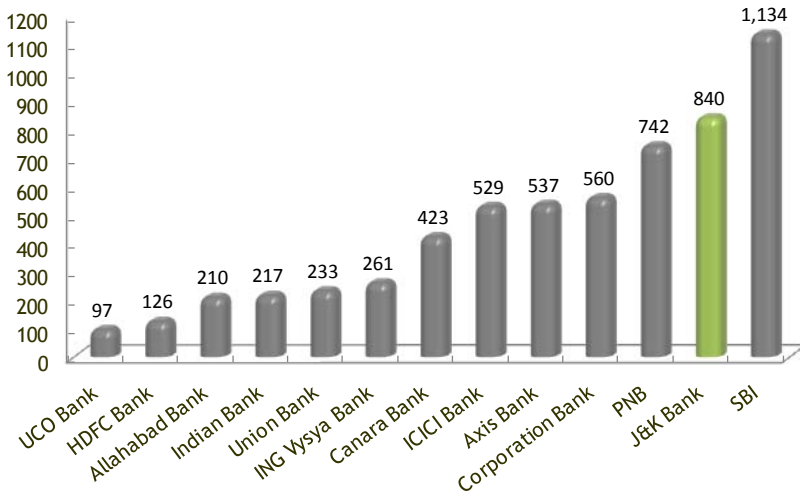
## Earnings per Share (Rs.)

For 9M ended Dec, 2011

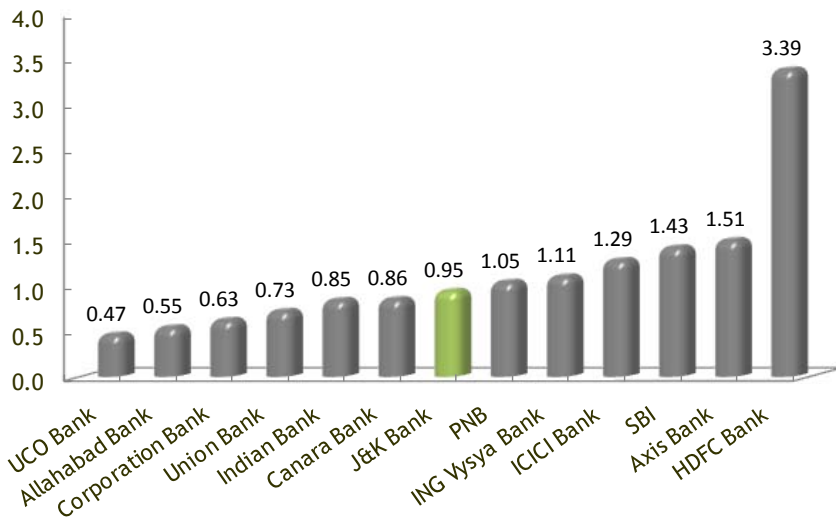


# Book Value (Rs.)

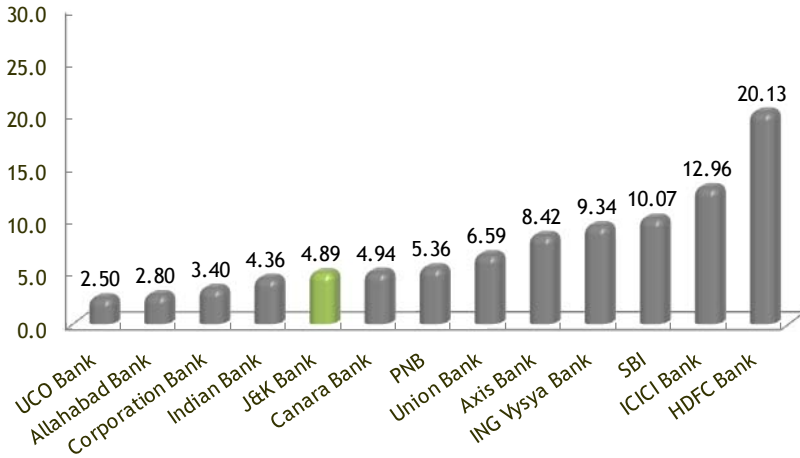
As on Dec, 2011



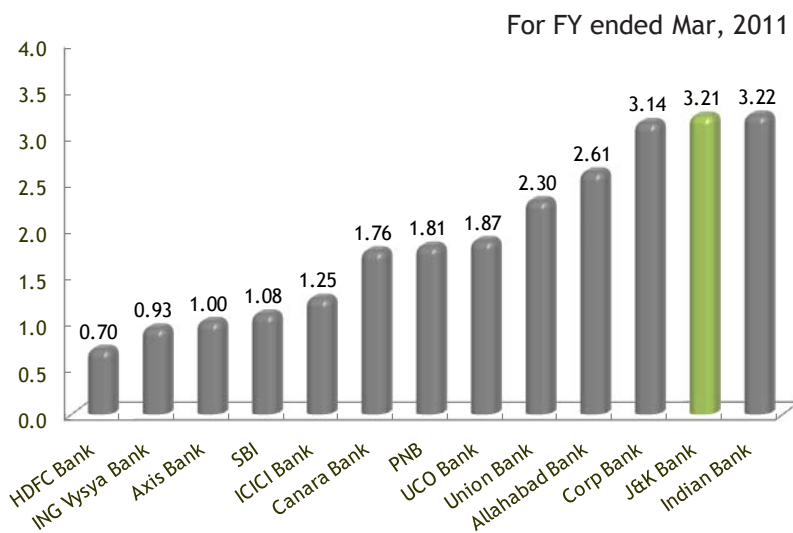
## Price to Book Value



# PE Ratio



## Dividend Yield (%)



**Road  
Ahead**





## J&K Bank - Ground work done for growth

- Capital Adequacy at 13.62%, Tier I 11.43% & Tier II 2.19% – No constraints for raising additional Tier I capital

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- Raised Rs 600 crore as long-term resource in the form of Tier II capital – Headroom of about Rs 1246 crore more available

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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

## J&K State - Potential

- J&K accounts for 0.6% of India's GDP, and yet absorbs only 0.30% of total national credit
- 
- J&K accounts for 1% of India's population and yet accounts for only 0.2% of India's personal credit
- 
- 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 - Business Strategy

- Increase 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

## National focus on

- Rebuilding Corporate Loan Book
- 
- Improving WC to TL Ratio
- 
- Impetus on SME / Retail sector lending in smaller cities

## Road Ahead - up to March 2013

- To achieve **Rs. 1000 crore profit** and **Rs. 100000 crore business** by 2013

### Targets

- **CASA 40% to 45%**
- **NIMs 3.5% to 4%+**
- **ROA 1.3% to 1.5%+**
- **ROE 19% to 22%**
- **Advances 25% CAGR**
- **Deposits 20% CAGR**
- **Cost/Income 35-40%**
- **Loan/Deposit 60% to 65%**
- **PCR Above 90%**



# Notes



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