

Earnings Update

Audited Quarterly & Full-Year Results

March 31, 2013



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 15, 2013 took on record the Audited Financial Results for the Fourth Quarter ended March 31, 2013.

Performance Highlights for the quarter ended March 31, 2013:

- Net Profit up 20.16 % at Rs 250.08 crore for the quarter ended Mar, 2013 as compared to Rs 208.12 crore earned during the quarter ended Mar, 2012.
- EPS for the quarter ended Mar, 2013 at Rs 51.58 up 20.15 % from Rs 42.93 earned during the corresponding quarter of previous financial year.
- NIMs (Net Interest Margins) Ratio for the quarter ended Mar, 2013 at 4.07 % (annualized) vis-à-vis 3.99 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at 1.49 % (annualized) for the quarter ended Mar, 2013 compared to 1.48 % for the corresponding period of the previous financial year
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Mar, 2013 at 20.49 % compared to 20.39 % recorded for the corresponding quarter a year ago.
- The Yield on Advances (annualized) for the quarter ended Mar, 2013 stood at 12.43 % as compared to 12.59 % for the quarter ended Mar, 2012.
- Business per Employee and Net profit per Employee (annualized) were at Rs 11.01 crore and Rs 10.64 lakh respectively for the quarter ended Mar, 2013 compared to Rs 9.34 crore and Rs 8.99 lakh pertaining to the quarter ended Mar, 2012.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2013 at 1.62 % and 0.14 % respectively compared to 1.54 % and 0.15 % a year ago.
- NPA Coverage Ratio as on Mar, 2013 at 94.01 % well above RBI stipulated norm of 70 %.
- Cost to Income Ratio stood at 36.13 % for the quarter ended Mar, 2013 as compared to 34.58 % for the quarter ended Mar, 2012.

The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 15, 2013 took on record the Audited Financial Results for the full year ended March 31, 2013.

Performance Highlights for the full year ended March 31, 2013:

- Net Profit up 31.35 % at Rs 1055.10 crore for the financial year ended Mar, 2013 as compared to Rs 803.25 crore earned during the financial year ended Mar, 2012.
- EPS for the financial year ended Mar, 2013 at Rs 217.65 up 31.36 % from Rs 165.69 earned during the previous financial year.
- NIMs (Net Interest Margins) Ratio for the financial year ended Mar, 2013 at 3.97 % vis-à-vis 3.84 % for the previous financial year.
- Post tax Return on Assets at 1.70 % for the financial year ended Mar, 2013 compared to 1.56 % for the financial year ended Mar, 2012.
- Post Tax Return on Average Net-Worth for the financial year ended Mar, 2013 at 23.56 % as compared to 21.22 % recorded for the financial year ended Mar, 2012.
- The Yield on Advances for the financial year ended Mar, 2013 improved to 12.59 % from 12.12 % for the financial year ended Mar, 2012.
- Business per Employee and Net profit per Employee improved to Rs 11.01 crore and Rs 11.22 lakh respectively for the financial year ended Mar, 2013 from Rs 9.34 crore and Rs 8.68 lakh pertaining to the financial year ended Mar, 2012.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2013 at 1.62 % and 0.14 % respectively compared to 1.54 % and 0.15 % a year ago.
- NPA Coverage Ratio as on Mar, 2013 at 94.01 % well above RBI stipulated norm of 70 %.
- Cost to Income Ratio declined to 35.33 % for the financial year ended Mar, 2013, as compared to 36.92 % pertaining to the financial year ended Mar, 2012.
- Capital Adequacy Ratio (Basel II) at 12.83 % as on Mar, 2013 as compared to 13.36 % as on Mar, 2012.

Profit & Loss Account

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year ended Mar, '13	Year ended Mar, '12	% Change
Interest Earned	1626.80	1357.54	19.83%	6136.80	4835.58	26.91%
Interest Expended	993.25	841.44	18.04%	3820.76	2997.22	27.48%
Net Interest Income	633.55	516.10	22.76%	2316.04	1838.36	25.98%
Other Income	208.91	122.27	70.86%	483.73	334.12	44.78%
Operating Income	842.46	638.37	31.97%	2799.77	2172.48	28.87%
Operating Expenses	304.32	220.75	37.86%	989.01	802.15	23.30%
Operating Profit	538.14	417.62	28.86%	1810.76	1370.33	32.14%
Provisions & Contingencies	178.61	84.26	111.97%	284.17	169.23	67.92%
PBT	359.53	333.36	7.85%	1526.59	1201.10	27.10%
Tax Provision	109.45	125.24	-12.61%	471.49	397.85	18.51%
Net Profit	250.08	208.12	20.16%	1055.10	803.25	31.35%
Share Capital	48.49	48.49	0.00%	48.49	48.49	0.00%
EPS in Rs.	51.58	42.93	20.15%	217.65	165.69	31.36%
Net Interest Margins	1.02%	1.00%	-	-	-	-
Net Interest Margins (Ann.)	4.07%	3.99%	-	3.97%	3.84%	-

Balance Sheet

Amount in Rupees crore

Particulars	As on March 31, 2013	As on March 31, 2012	% Change
Capital & Liabilities			
Capital	48.49	48.49	0.00%
Reserves & Surplus	4816.20	4044.69	19.07%
Deposits	64220.62	53346.90	20.38%
Borrowings	1075.00	1240.96	-13.37%
Other Liabilities & Provisions	1583.00	1588.18	-0.33%
Total	71743.31	60269.22	19.04%
Assets			
Cash & Bank Balance	2695.15	2783.65	-3.18%
Balance with Banks and Money at Call & Short Notice	2709.18	1670.22	62.20%
Investments	25741.06	21624.32	19.04%
Advances	39200.41	33077.42	18.51%
Fixed Assets	456.18	420.27	8.54%
Other Assets	941.33	693.34	35.77%
Total	71743.31	60269.22	19.04%

Segmental Revenues & Profits:

Revenues

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Treasury Operations	576.88	413.91	39.37%	1996.46	1500.61	33.04%
Corporate / Wholesale Banking	690.12	524.25	31.64%	2395.31	1745.50	37.23%
Retail Banking	707.13	628.07	12.59%	2682.13	2245.31	19.45%
Other Banking Business	17.66	12.27	43.93%	44.97	38.23	17.63%
Less Inter Segment Revenue	156.08	98.69	58.15%	498.34	359.95	38.45%
Net Income from Operations	1835.71	1479.81	24.05%	6620.53	5169.70	28.06%

Profits

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Treasury Operations	56.27	7.62	638.45%	115.92	30.25	283.21%
Corporate / Wholesale Banking	229.33	252.31	-9.11%	1150.41	906.59	26.89%
Retail Banking	58.97	63.81	-7.59%	223.89	233.89	-4.28%
Other Banking Business	14.96	9.62	55.51%	36.37	30.37	19.76%
Total Profit before Tax	359.53	333.36	7.85%	1526.59	1201.10	27.10%

Break-up:**1. Interest Earned**

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
On Loans & Advances	1139.08	956.83	19.05%	4317.58	3393.66	27.22%
Investments	462.72	386.63	19.68%	1722.58	1403.26	22.76%
Inter Bank Funds	25.00	14.08	77.56%	96.64	38.66	149.97%
Total	1626.80	1357.54	19.83%	6136.80	4835.58	26.91%

2. Interest Expended

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Deposits	976.31	817.13	19.48%	3741.04	2901.75	28.92%
Borrowings	3.44	10.81	-68.18%	25.72	41.47	-37.98%
Others (Subordinated Debt)	13.50	13.50	0.00%	54.00	54.00	0.00%
Total	993.25	841.44	18.04%	3820.76	2997.22	27.48%

3. Other Income

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Commission / Exchange	43.58	44.42	-1.89%	169.55	151.16	12.17%
Insurance Commission	16.13	10.18	58.45%	37.41	29.56	26.56%
Treasury / Trading Income	84.25	8.46	895.86%	149.31	35.87	316.25%
Miscellaneous Income	64.95	59.21	9.69%	127.46	117.53	8.45%
Total	208.91	122.27	70.86%	483.73	334.12	44.78%

4. Operating Expenses

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Payment for Employees	207.57	137.31	51.17%	652.26	521.41	25.10%
Rent, Taxes and Lightning	12.92	11.74	10.05%	50.31	41.25	21.96%
Printing & Stationery	1.64	2.38	-31.09%	8.62	6.63	30.02%
Advertisement & Publicity	4.70	3.23	45.51%	10.26	6.96	47.41%
Depreciation in Bank's Property	15.15	14.47	4.70%	49.73	43.95	13.15%
Directors' Fees, Allowances & Expenses	0.22	0.13	69.23%	0.65	0.52	25.00%
Auditors' Fees & Expenses	2.58	2.14	20.56%	9.35	8.52	9.74%
Law Charges	0.35	0.30	16.67%	2.04	0.90	126.67%
Postage, Telegrams, Telephones etc	1.52	1.62	-6.17%	6.68	5.89	13.41%
Repairs & Maintenance	3.73	2.90	28.62%	11.66	9.28	25.65%
Insurance	11.22	8.60	30.51%	40.86	34.94	16.93%
Other Expenditure	42.71	35.93	18.88%	146.60	121.90	20.26%
Total	304.32	220.75	37.86%	989.01	802.15	23.30%

Break-up:**5. Provisions & Contingencies**

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Provision for Tax	109.45	125.24	-12.61%	471.49	397.85	18.51%
Provision for Bad & Doubtful Debts	106.30	37.00	187.30%	158.30	90.00	75.89%
Provision for Standard Advances	30.00	30.00	0.00%	30.00	30.00	0.00%
Provision for Depreciation on Investments	14.29	4.29	231.93%	14.92	12.29	21.40%
Provision for Non Performing Investments	17.21			31.05		
Provision for Frauds/ Embezzlements	-0.44	0.01	-4500%	0.24	1.49	-83.89%
Contingencies	5.66	14.25	-60.28%	35.66	14.25	150.25%
Provision for diminution in fair value of Restructured / Rescheduled advances	4.46	-2.48	280%	12.84	20.01	-35.85%
Provision for Contingent Liabilities	1.17	1.19	-1.34%	1.17	1.19	-2.02%
Total	288.06	209.50	37.50%	755.66	567.08	33.25%

6. Deposits

Amount in Rupees crore

Particulars	As on Mar 31, 2013	As on Mar 31, 2012	% Change
Demand Deposits	6401.50	5734.44	11.63%
Saving Deposits	18789.50	15980.71	17.58%
Term Deposits	39029.62	31631.75	23.39%
Total	64220.62	53346.90	20.38%

Movement in Gross NPA's

Amount in Rupees crore

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	For FY ended Mar 31, 2013	For FY ended Mar 31, 2012
Balance at the start of the period	581.68	545.01	516.60	518.83
Additions during the period	157.47	129.22	455.00	314.68
Recoveries				
(i) Up gradations during the period	21.07	25.72	132.73	57.57
(ii) Adjustments on account of reversals / recasting	-28.03		-28.03	
Recoveries during the period	102.34	131.91	223.13	259.34
Balance at the close of the period	643.77	516.60	643.77	516.60

Movement in Restructured Assets

Amount in Rupees crore

Particulars	Q 4 FY '12-13	For FY ended Mar 31, 2013	For FY ended Mar 31, 2012
Balance at the start of the period	1977.70	1365.75	1545.10
Additions during the period	60.16	1061.01	570.40
Repayments during the period	547.38	936.28	749.75
Balance at the close of the period	1490.48	1490.48	1365.75

Break-up of Accounts Restructured during FY 12-13

Amount in Rupees crore

		CDR Mechanism	Debt Restructuring other than CDR Mechanism	TOTAL
Standard Advances Restructured	No. of Borrowers	9	84	93
	Amount Restructured	182.13	878.31	1060.44
Sub - Standard Advances Restructured	No. of Borrowers	-	2	2
	Amount Restructured	-	0.11	0.11
Doubtful Advances Restructured	No. of Borrowers	-	2	2
	Amount Restructured	-	0.46	0.46
TOTAL	No. of Borrowers	9	88	97
	Amount Restructured	182.13	878.88	1061.01

Geographical Break-up as on March, 2013

S. No.	Particulars	In Rs. Crore			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	40867	64 %	23354	36 %
2	Gross Advances	15839	39 %	24293	61 %
3	Gross Profit	1283.41	71 %	527.36	29 %
4	Net Interest Margin	-	6.20 %	-	2.58 %
5	Number of Branches	579	84 %	110	16 %
6	Number of ATM's	544	89 %	69	11 %

Geographical Break-up as on March, 2012

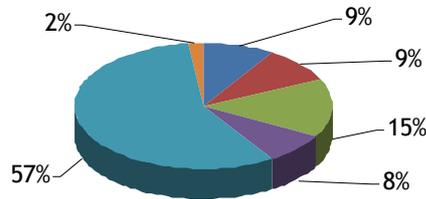
S. No.	Particulars	In Rs. Crore			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	35308	72 %	13803	28 %
2	Gross Advances	12574	31 %	20556	62
3	Gross Profit	907.46	71 %	364.41	29 %
4	Net Interest Margin	-	6.00 %	-	2.50 %
5	Number of Branches	496	82 %	107	18 %
6	Number of ATM's	442	86 %	69	14 %

Advances – Sector-wise (Mar 13)

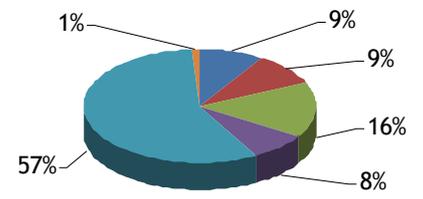
Advances – Sector-wise (Mar 12)

Bank as Whole

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

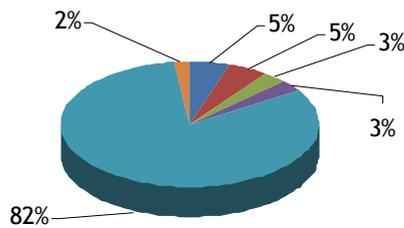


- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others

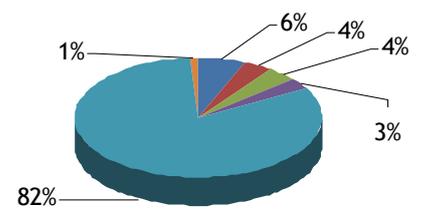


In Rest of India

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

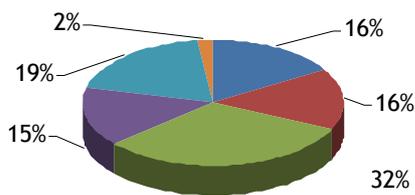


- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others

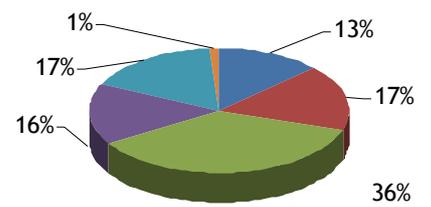


Within J&K State

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



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



Categorization of Investments (I)

Amount in Rupees crore

Particulars	As on Mar 31, 2013	As on Mar 31, 2012	% Change
Held to Maturity (HTM)			
□ Government & other approved Securities	13164.32	11205.11	17.48%
□ Shares	20.63		
□ Debentures & Bonds	166.79	209.99	-20.57%
□ Subsidiaries & Joint Ventures	32.11	27.11	18.44%
□ Others	2341.15	2474.56	-5.39%
Sub-Total	15725.00	13916.77	12.99%
<i>Percentage of HTM to Total Investments</i>	<i>61.09%</i>	<i>64.36%</i>	
Held for Trading (HFT)			
□ Government & other approved Securities	34.15		
□ Shares	0.48	0.30	60.00%
□ Debentures & Bonds	64.64		
□ Subsidiaries & Joint ventures			
□ Others			
Sub-Total	99.27	0.30	32990.00%
<i>Percentage of HFT to Total Investments</i>	<i>0.39%</i>	<i>0.00%</i>	
Available for Sale (AFS)			
□ Government & other approved Securities	868.59	349.81	148.30%
□ Shares	185.71	307.74	-39.65%
□ Debentures & Bonds	2132.11	1771.49	20.36%
□ Subsidiaries & Joint ventures			
□ Others	6730.38	5278.21	27.51%
□ Debt / Money Market related MFs			
Sub Total	9916.79	7707.25	28.67%
<i>Percentage of AFS to Total Investments</i>	<i>38.53%</i>	<i>35.64%</i>	
Total Investment	25741.06	21624.32	19.04%

Categorization of Investments (II)

Amount in Rupees crore

Particulars	As on Mar 31, 2013	As on Mar 31, 2012	% Change
SLR Securities	14067.06	11554.92	21.74%
Non SLR Securities	11674.00	10069.40	15.94%
Total Investment	25741.06	21624.32	19.04%
SLR Securities as % age to total Investments	54.65%	53.43%	-
Non SLR Securities as % age to total Investments	45.35%	46.57%	-

Analytical Ratios:

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	Year Ended Mar 2013	Year Ended Mar 2012
Net Interest Margins (%) *	1.02	1.00		
Annualized	4.07	3.99	3.97	3.84
Yield on Advances (%) *	3.11	3.15		
Annualized	12.43	12.59	12.59	12.12
Yield on Investments (%) *	1.90	1.86		
Annualized	7.60	7.44	7.56	7.29
Cost of Deposits (%) *	1.67	1.69		
Annualized	6.69	6.77	6.87	6.48
Post Tax Return on Assets (%)	0.37	0.37		
Annualized	1.49	1.48	1.70	1.56
Post Tax Return on Average Networth (%)*	5.12	5.10		
Annualized	20.49	20.39	23.56	21.22
Cost to Income Ratio (%)	36.13	34.58	35.33	36.92
Credit / Deposit (CD) Ratio (%)	61.09	62.00	61.09	62.00
CASA Ratio (%)	39.23	40.71	39.23	40.71
Business per Employee (In Rupees crore)	11.01	9.34	11.01	9.34
Net Profit per Employee (In Rupees lakh)	2.66	2.25		
Annualized	10.64	8.99	11.22	8.68
Number of Employees	9400	9258	9400	9258
Business Per Branch (In Rupees crore)	150.15	142.38	150.15	142.38
Net Profit per Branch (In Rs cr) Annualized	1.45	1.37	1.53	1.32
Branches – Excluding Extension Counters, Controlling Offices & RCC's	689	607	689	607
Gross NPAs (In Rupees crore)	643.77	516.60	643.77	516.60
Net NPAs (In Rupees crore)	55.27	49.34	55.27	49.34
Gross NPA Ratio (%)	1.62	1.54	1.62	1.54
Net NPA Ratio (%)	0.14	0.15	0.14	0.15
NPA Coverage Ratio (%)	94.01	93.76	94.01	93.76
Capital Adequacy Ratio (%)	12.83	13.36	12.83	13.36
i. Tier I	10.86	11.12	10.86	11.12
ii. Tier II	1.97	2.24	1.97	2.24
Earning per Share (In Rupees)	51.58	42.93		
Annualized	206.32	171.72	217.64	165.69
Net Asset Value (In Rupees)	1003.49	844.34	1003.49	844.34
Adjusted Book Value (In Rupees)	992.09	834.16	992.09	834.16
Dividend Payout Ratio (%)	-	-	22.97	20.22
Dividend Yield (%)	-	-	3.75	3.95

* Ratios calculated on Fortnightly average balances

Shareholding Pattern (as on May 10, 2013):

S No.	PARTICULARS	NUMBER OF SHARES		TOTAL SHARES	% TO CAPITAL
		PHYSICAL	ELECTRONIC		
1.	GOVERNMENT OF J&K	0	25775266	25775266	53.17
2.	INDIAN MUTUAL FUNDS		2078475	2078475	4.29
3.	INSURANCE COMPANIES		215608	215608	0.44
4.	BANKS		13395	13395	0.03
5.	NON RESIDENT INDIANS	1500	249543	251043	0.52
6.	FOREIGN INST. INVESTORS		12041364	12041364	24.84
7.	BODIES CORPORATES	17294	2550988	2568282	5.30
8.	RESIDENT INDIVIDUALS	1786713	3714795	5501508	11.35
9.	CLEARING MEMBERS		32861	32861	0.07
	TOTAL	1805507	46672295	48477802	100.00

For more information, contact:

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