

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 2500.8 million for the quarter ended Mar, 2013 as compared to Rs 2081.2 million 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 110 million and Rs 1.06 million respectively for the quarter ended Mar, 2013 compared to Rs 93 million and Rs 0.90 million 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 10551 million for the financial year ended Mar, 2013 as compared to Rs 8033 million 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 110 million and Rs 1.12 million respectively for the financial year ended Mar, 2013 from Rs 93 million and Rs 0.87 million 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 million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year ended Mar, '13	Year ended Mar, '12	% Change
Interest Earned	16268.0	13575.4	19.83%	61368.0	48355.8	26.91%
Interest Expended	9932.5	8414.4	18.04%	38207.6	29972.2	27.48%
Net Interest Income	6335.5	5161.0	22.76%	23160.4	18383.6	25.98%
Other Income	2089.1	1222.7	70.86%	4837.3	3341.2	44.78%
Operating Income	8424.6	6383.7	31.97%	27997.7	21724.8	28.87%
Operating Expenses	3043.2	2207.5	37.86%	9890.1	8021.5	23.30%
Operating Profit	5381.4	4176.2	28.86%	18107.6	13703.3	32.14%
Provisions & Contingencies	1786.1	842.6	111.97%	2841.7	1692.3	67.92%
PBT	3595.3	3333.6	7.85%	15265.9	12011.0	27.10%
Tax Provision	1094.5	1252.4	-12.61%	4714.9	3978.5	18.51%
Net Profit	2500.8	2081.2	20.16%	10551.0	8032.5	31.35%
Share Capital	484.9	484.9	0.00%	484.9	484.9	0.00%
EPS in Rs.	51.58	42.93	20.15%	217.65	165.69	31.36%
Net Interest Margins	1.02%	0.97%	-	-	-	-
Net Interest Margins (Ann.)	4.07%	3.86%	-	3.97%	3.84%	-

Balance Sheet

Amount in Rupees million

Particulars	As on March 31, 2013	As on March 31, 2012	% Change
Capital & Liabilities			
Capital	484.9	484.9	0.00%
Reserves & Surplus	48162.0	40446.9	19.07%
Deposits	642206.2	533469.0	20.38%
Borrowings	10750.0	12409.6	-13.37%
Other Liabilities & Provisions	15830.0	15881.8	-0.33%
Total	717433.1	602692.2	19.04%
Assets			
Cash & Bank Balance	26951.5	27836.5	-3.18%
Balance with Banks and Money at Call & Short Notice	27091.8	16702.2	62.20%
Investments	257410.6	216243.2	19.04%
Advances	392004.1	330774.2	18.51%
Fixed Assets	4561.8	4202.7	8.54%
Other Assets	9413.3	6933.4	35.77%
Total	717433.1	602692.2	19.04%

Segmental Revenues & Profits:

Revenues

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Treasury Operations	5768.8	4139.1	39.37%	19964.6	15006.1	33.04%
Corporate / Wholesale Banking	6901.2	5242.5	31.64%	23953.1	17455.0	37.23%
Retail Banking	7071.3	6280.7	12.59%	26821.3	22453.1	19.45%
Other Banking Business	176.6	122.7	43.93%	449.7	382.3	17.63%
Less Inter Segment Revenue	1560.8	986.9	58.15%	4983.4	3599.5	38.45%
Net Income from Operations	18357.1	14798.1	24.05%	66205.3	51697.0	28.06%

Profits

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Treasury Operations	562.7	76.2	638.45%	1159.2	302.5	283.21%
Corporate / Wholesale Banking	2293.3	2523.1	-9.11%	11504.1	9065.9	26.89%
Retail Banking	589.7	638.1	-7.59%	2238.9	2338.9	-4.28%
Other Banking Business	149.6	96.2	55.51%	363.7	303.7	19.76%
Total Profit before Tax	3595.3	3333.6	7.85%	15265.9	12011.0	27.10%

Break-up:

1. Interest Earned

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
On Loans & Advances	11390.8	9568.3	19.05%	43175.8	33936.6	27.22%
Investments	4627.2	3866.3	19.68%	17225.8	14032.6	22.76%
Inter Bank Funds	250.0	140.8	77.56%	966.4	386.6	149.97%
Total	16268.0	13575.4	19.83%	61368.0	48355.8	26.91%

2. Interest Expended

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Deposits	9763.1	8171.3	19.48%	37410.4	29017.5	28.92%
Borrowings	34.4	108.1	-68.18%	257.2	414.7	-37.98%
Others (Subordinated Debt)	135.0	135.0	0.00%	540.0	540.0	0.00%
Total	9932.5	8414.4	18.04%	38207.6	29972.2	27.48%

3. Other Income

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Commission / Exchange	435.8	444.2	-1.89%	1695.5	1511.6	12.17%
Insurance Commission	161.3	101.8	58.45%	374.1	295.6	26.56%
Treasury / Trading Income	842.5	84.6	895.86%	1493.1	358.7	316.25%
Miscellaneous Income	649.5	592.1	9.69%	1274.6	1175.3	8.45%
Total	2089.1	1222.7	70.86%	4837.3	3341.2	44.78%

4. Operating Expenses

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Payment for Employees	2075.7	1373.1	51.17%	6522.6	5214.1	25.10%
Rent, Taxes and Lightning	129.2	117.4	10.05%	503.1	412.5	21.96%
Printing & Stationery	16.4	23.8	-31.09%	86.2	66.3	30.02%
Advertisement & Publicity	47.0	32.3	45.51%	102.6	69.6	47.41%
Depreciation in Bank's Property	151.5	144.7	4.70%	497.3	439.5	13.15%
Directors' Fees, Allowances & Expenses	2.2	1.3	69.23%	6.5	5.2	25.00%
Auditors' Fees & Expenses	25.8	21.4	20.56%	93.5	85.2	9.74%
Law Charges	3.5	3.0	16.67%	20.4	9.0	126.67%
Postage, Telegrams, Telephones etc	15.2	16.2	-6.17%	66.8	58.9	13.41%
Repairs & Maintenance	37.3	29.0	28.62%	116.6	92.8	25.65%
Insurance	112.2	86.0	30.51%	408.6	349.4	16.93%
Other Expenditure	427.1	359.3	18.88%	1466.0	1219.0	20.26%
Total	3043.2	2207.5	37.86%	9890.1	8021.5	23.30%

Break-up:

5. Provisions & Contingencies

Amount in Rupees million

Particulars	Q 4 FY '12-13	Q 4 FY '11-12	% Change	Year Ended Mar, 2013	Year Ended Mar, 2012	% Change
Provision for Tax	1094.5	1252.4	-12.61%	4714.9	3978.5	18.51%
Provision for Bad & Doubtful Debts	1063.0	370.0	187.30%	1583.0	900.0	75.89%
Provision for Standard Advances	300.0	300.0	0%	300.0	300.0	0%
Provision for Depreciation on Investments	142.4	42.9	231.93%	149.2	122.9	21.40%
Provision for Non Performing Investments	172.1			310.5		
Provision for Funded Interest on Term Loan						
Provision for Frauds/ Embezzlements	-4.4	0.1	-4500%	2.4	14.9	-83.89%
Contingencies	56.6	142.5	-60.28%	356.6	142.5	150.25%
Provision for diminution in fair value of Restructured / Rescheduled advances	44.6	-24.8	280%	128.4	200.1	-35.85%
Provision for Contingent Liabilities	11.7	11.9	-1.34%	11.7	11.9	-2.02%
Total	2880.6	2095.0	37.50%	7556.6	5670.8	33.25%

6. Deposits

Amount in Rupees million

Particulars	As on Mar 31, 2013	As on Mar 31, 2012	% Change
Demand Deposits	64015.0	57344.4	11.63%
Saving Deposits	187895.0	159807.1	17.58%
Term Deposits	390296.2	316317.5	23.39%
Total	642206.2	533469.0	20.38%

Movement in Gross NPA's

Amount in Rupees million

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	5816.8	5450.1	5166.0	5188.3
Additions during the period	1574.7	1292.2	4550.0	3146.8
Recoveries				
(i) Up gradations during the period	210.7	257.2	1327.3	575.7
(ii) Adjustments on account of reversals / recasting	-280.3		-280.3	
Recoveries during the period	1023.4	1319.1	2231.3	2593.4
Balance at the close of the period	6437.7	5166.0	6437.7	5166.0

Movement in Restructured Assets

Amount in Rupees million

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	19777.0	13657.5	15451.0
Additions during the period	601.6	10610.1	5704.0
Repayments / Upgradations during the period	5473.8	9362.8	7497.5
Balance at the close of the period	14904.8	14904.8	13657.5

Break-up of Accounts Restructured during FY 12-13

Amount in Rupees million

		CDR Mechanism	Debt Restructuring other than CDR Mechanism	TOTAL
Standard Advances Restructured	No. of Borrowers	9	84	93
	Amount Restructured	1821.3	8783.1	10604.4
Sub - standard Advances Restructured	No. of Borrowers	-	2	2
	Amount Restructured	-	1.1	1.1
Doubtful Advances Restructured	No. of Borrowers	-	2	2
	Amount Restructured	-	4.6	4.6
TOTAL	No. of Borrowers	9	88	97
	Amount Restructured	1821.3	8788.8	10610.1

Geographical Break-up as on March, 2013

S. No.	Particulars	Amount in Rupees Million			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	408667	64 %	233539	36 %
2	Gross Advances	158392	39 %	242930	61 %
3	Gross Profit	12834.1	71 %	5273.6	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

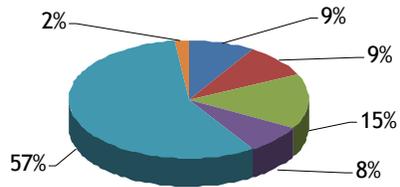
S. No.	Particulars	Amount in Rupees Million			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	353080	72 %	138030	28 %
2	Gross Advances	125740	38 %	205560	62 %
3	Gross Profit	9074.6	71 %	3644.1	29 %
4	Net Interest Margin	-	6.00 %	-	2.50 %
5	Number of Branches	496	82 %	107	18 %
6	Number of ATM's	442	86 %	69	14 %

Advances – Sector-wise (Mar 13)

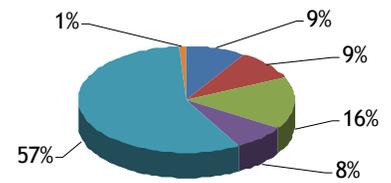
Advances – Sector-wise (Mar 12)

Bank as Whole

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

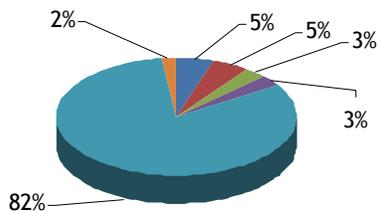


- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others

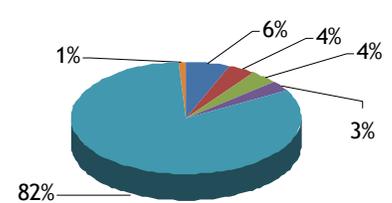


In Rest of India

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

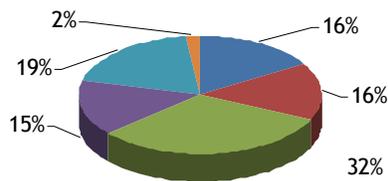


- Agriculture
- Trade
- Personal
- SME
- Corporate
- Others

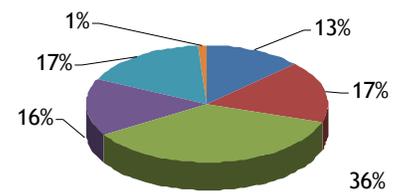


Within J&K State

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



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



Categorization of Investments (I)

Amount in Rupees million

Particulars	As on Mar 31, 2013	As on Mar 31, 2012	% Change
Held to Maturity (HTM)			
□ Government & other approved Securities	131643.2	112051.1	17.48%
□ Shares	206.3		
□ Debentures & Bonds	1667.9	2099.9	-20.57%
□ Subsidiaries & Joint Ventures	321.1	271.1	18.44%
□ Others	23411.5	24745.6	-5.39%
Sub-Total	157250.0	139167.7	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	341.5		
□ Shares	4.8	3.0	60.00%
□ Debentures & Bonds	646.4		
□ Subsidiaries & Joint ventures			
□ Others			
Sub-Total	992.7	3.0	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	8685.9	3498.1	148.30%
□ Shares	1857.1	3077.4	-39.65%
□ Debentures & Bonds	21321.1	17714.9	20.36%
□ Subsidiaries & Joint ventures			
□ Others	67303.8	52782.1	27.51%
□ Debt / Money Market related MFs			
Sub Total	99167.9	77072.5	28.67%
<i>Percentage of AFS to Total Investments</i>	<i>38.53%</i>	<i>35.64%</i>	
Total Investment	257410.6	216243.2	19.04%

Categorization of Investments (II)

Amount in Rupees million

Particulars	As on Mar 31, 2013	As on Mar 31, 2012	% Change
SLR Securities	140670.6	115549.2	21.74%
Non SLR Securities	116740.0	100694.0	15.94%
Total Investment	257410.6	216243.2	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 million)	110.05	93.40	110.05	93.40
Net Profit per Employee (In Rupees million)	0.27	0.23		
Annualized	1.06	0.90	1.12	0.87
Number of Employees	9400	9258	9400	9258
Business Per Branch (In Rupees million)	1501.5	1423.8	1501.5	1423.8
Net Profit per Branch (In Rs mill.) Annualized	14.52	13.70	15.31	13.20
Branches – Excluding Extension Counters, Controlling Offices & RCC's	689	607	689	607
Gross NPAs (In Rupees million)	6437.7	5166.0	6437.7	5166.0
Net NPAs (In Rupees million)	552.7	493.4	552.7	493.4
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:

Parvez Ahmad,
 Executive President,
 J & K Bank Ltd., Corporate Headquarters,
 M.A.Road, Srinagar, 190 001.
 Email: parvez.ahd@gmail.com