

Earnings Update

Audited Quarterly & Full-Year Results

March 31, 2014



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 15, 2014 took on record the Audited Financial Results for the Fourth Quarter ended March 31, 2014.

Performance Highlights for the quarter ended March 31, 2014:

- Net Profit up 0.21 % at Rs 2506.0 million for the quarter ended Mar, 2014 as compared to Rs 2500.8 million earned during the quarter ended Mar, 2013.
- EPS for the quarter ended Mar, 2014 at Rs 51.69 up 0.21 % from Rs 51.58 earned during the corresponding quarter of previous financial year.
- NIMs (Net Interest Margins) Ratio for the quarter ended Mar, 2014 at 4.13 % (annualized) vis-à-vis 4.07 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at 1.37 % (annualized) for the quarter ended Mar, 2014 compared to 1.49 % for the corresponding period of the previous financial year.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Mar, 2014 at 18.93 % compared to 20.49 % recorded for the corresponding quarter of last financial year.
- The Cost of Deposits (Annualized) for the quarter ended Mar, 2014 at 6.73 % compared to 6.69 % recorded for the corresponding quarter of last financial year.
- The Yield on Advances (annualized) for the quarter ended Mar, 2014 stood at 12.33 % as compared to 12.43 % for the quarter ended Mar, 2013.
- Business per Employee and Net profit per Employee (annualized) were at Rs 123.5 million and Rs 1.07 million respectively for the quarter ended Mar, 2014 compared to Rs 110.1 million and Rs 1.06 million pertaining to the quarter ended Mar, 2013.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2014 at 1.66 % and 0.22 % respectively compared to 1.62 % and 0.14 % a year ago.
- NPA Coverage Ratio as on Mar, 2014 at 90.30 % well above RBI stipulated norm of 70 %.
- Cost to Income Ratio stood at 40.73 % for the quarter ended Mar, 2014 as compared to 36.13 % for the quarter ended Mar, 2013.
- Capital Adequacy Ratio (Basel III) stood at 12.69 % as on Mar, 2014 well above RBI stipulated norm of 9 %.

The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 15, 2014 took on record the Audited Financial Results for the Full Year ended March 31, 2014.

Performance Highlights for the full year ended March 31, 2014:

- Net Profit up 12.07 % at Rs 11824.7 million for the financial year ended Mar, 2014 as compared to Rs 10551.0 million earned during the financial year ended Mar, 2013.
- EPS for the financial year ended Mar, 2014 at Rs 243.92 up 12.07 % from Rs 217.65 earned during the previous financial year.
- NIMs (Net Interest Margins) Ratio for the financial year ended Mar, 2014 at 4.16 % (annualized) vis-à-vis 3.97 % for the previous financial year.
- Post tax Return on Assets at 1.74 % (annualized) for the financial year ended Mar, 2014 compared to 1.70 % for the previous financial year
- Post Tax Return on Average Net-Worth (annualized) for the financial year ended Mar, 2014 at 22.34 % compared to 23.56 % recorded for the previous financial year.
- The Cost of Deposits (Annualized) for the financial year ended Mar, 2014 at 6.70 % compared to 6.87 % recorded for the last financial year.
- The Yield on Advances (annualized) for the financial year ended Mar, 2014 stood at 12.23 % as compared to 12.59 % for the financial year ended Mar, 2013.
- Business per Employee and Net profit per Employee (annualized) were at Rs 123.5 million and Rs 1.26 million respectively for the financial year ended Mar, 2014 compared to Rs 110.1 million and Rs 1.12 million pertaining to the financial year ended Mar, 2013.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2014 at 1.66 % and 0.22 % respectively compared to 1.62 % and 0.14 % a year ago.
- NPA Coverage Ratio as on Mar, 2014 at 90.30 % well above RBI stipulated norm of 70 %.
- Cost to Income Ratio stood at 38.21 % for the financial year ended Mar, 2014 as compared to 35.33 % for the financial year ended Mar, 2013.

Profit & Loss Account

Amount in Rupees million

Particulars	Q 4 FY'13-14	Q 4 FY'12-13	% Change	Year ended Mar, '14	Year ended Mar, '13	% Change
Interest Earned	17775.0	16268.0	9.26%	67670.0	61368.0	10.27%
Interest Expended	10763.2	9932.5	8.36%	40825.2	38207.6	6.85%
Net Interest Income	7011.8	6335.5	10.67%	26844.8	23160.4	15.91%
Other Income	1111.0	2089.1	-46.82%	3902.6	4837.3	-19.32%
Operating Income	8122.8	8424.6	-3.58%	30747.4	27997.7	9.82%
Operating Expenses	3308.4	3043.2	8.72%	11749.9	9890.1	18.80%
Operating Profit	4814.4	5381.4	-10.54%	18997.5	18107.6	4.91%
Provisions & Contingencies	605.7	1786.1	-66.09%	1478.8	2841.7	-47.96%
PBT	4208.7	3595.3	17.06%	17518.7	15265.9	14.76%
Tax Provision	1702.7	1094.5	55.57%	5694.0	4714.9	20.77%
Net Profit	2506.0	2500.8	0.21%	11824.7	10551.0	12.07%
Share Capital	484.9	484.9	0.00%	484.9	484.9	0.00%
EPS in Rs.	51.69	51.58	0.21%	243.92	217.65	12.07%
Net Interest Margins	1.03%	1.02%	-	-	-	-
Net Interest Margins (Ann.)	4.13%	4.07%	-	4.16%	3.97%	-

Balance Sheet

Amount in Rupees million

Particulars	As on March 31, 2014	As on March 31, 2013	% Change
Capital & Liabilities			
Capital	484.9	484.9	0.00%
Reserves & Surplus	56751.2	48162.0	17.83%
Deposits	693358.6	642206.2	7.97%
Borrowings	17650.0	10750.0	64.19%
Other Liabilities & Provisions	17952.6	15830.0	13.41%
Total	786197.3	717433.1	9.58%
Assets			
Cash & Bank Balance	30455.9	26951.5	13.00%
Balance with Banks and Money at Call & Short Notice	11683.1	27091.8	-56.88%
Investments	261950.7	257410.6	1.76%
Advances	463846.0	392004.1	18.33%
Fixed Assets	5338.1	4561.8	17.02%
Other Assets	12923.5	9413.3	37.29%
Total	786197.3	717433.1	9.58%

Break-up:

1. Interest Earned

Amount in Rupees million

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
On Loans & Advances	13273.5	11390.8	16.53%	50212.6	43175.8	16.30%
Investments	4321.2	4627.2	-6.61%	16855.6	17225.8	-2.15%
Inter Bank Funds	180.3	250.0	-27.88%	601.8	966.4	-37.73%
Total	17775.0	16268.0	9.26%	67670.0	61368.0	10.27%

2. Interest Expended

Amount in Rupees million

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Deposits	10473.7	9763.1	7.28%	39783.7	37410.4	6.34%
Borrowings	154.5	34.4	349.13%	501.5	257.2	94.98%
Others (Subordinated Debt)	135.0	135.0	0.00%	540.0	540.0	0.00%
Total	10763.2	9932.5	8.36%	40825.2	38207.6	6.85%

3. Other Income

Amount in Rupees million

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Commission / Exchange	428.3	435.8	-1.72%	1664.6	1695.5	-1.82%
Insurance Commission	90.3	161.3	-44.02%	313.1	374.1	-16.31%
Treasury / Trading Income	209.7	842.5	-75.11%	636.3	1493.1	-57.39%
Miscellaneous Income	382.8	649.5	-41.07%	1288.7	1274.6	1.10%
Total	1111.0	2089.1	-46.82%	3902.6	4837.3	-19.32%

4. Operating Expenses

Amount in Rupees million

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Payment for Employees	2037.0	2075.7	-1.86%	7439.1	6522.6	14.05%
Rent, Taxes and Lightning	168.8	129.2	30.65%	595.4	503.1	18.35%
Printing & Stationery	21.4	16.4	30.49%	84.8	86.2	-1.62%
Advertisement & Publicity	52.9	47.0	12.55%	121.8	102.6	18.71%
Depreciation in Bank's Property	256.9	151.5	69.57%	778.6	497.3	56.57%
Directors' Fees, Allowances & Expenses	2.2	2.2	0.00%	7.3	6.5	12.31%
Auditors' Fees & Expenses	43.0	25.8	66.67%	134.5	93.5	43.85%
Law Charges	5.4	3.5	54.29%	16.3	20.4	-20.10%
Postage, Telegrams, Telephones etc	15.3	15.2	0.66%	59.7	66.8	-10.63%
Repairs & Maintenance	29.7	37.3	-20.38%	121.6	116.6	4.29%
Insurance	109.8	112.2	-2.17%	458.1	408.6	12.13%
Other Expenditure	566.0	427.1	32.51%	1932.7	1466.0	31.84%
Total	3308.4	3043.2	8.72%	11749.9	9890.1	18.80%

Break-up:

5. Provisions & Contingencies

Amount in Rupees million

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Provision for Tax	1702.7	1094.5	55.57%	5694.0	4714.9	20.77%
Provision for Bad & Doubtful Debts	353.1	1063.0	-66.78%	680.2	1583.0	-57.03%
Provision for Standard Advances	217.6	300.0	-27.48%	518.5	300.0	72.83%
Provision for Depreciation on Investments	-13.2	142.4	-109.27%		149.2	
Provision for Non Performing Investments		172.1		173.3	310.4	-44.17%
Provision for Frauds/ Embezzlements	2.3	-4.4	-151.36%	20.8	2.4	766.67%
Contingencies		56.6			356.6	
Provision for diminution in fair value of Restructured / Rescheduled advances	35.4	44.6	-20.79%	75.4	128.4	-41.31%
Provision for Contingent Liabilities	10.7	11.7	-9.20%	10.7	11.7	-8.89%
Total	2308.4	2880.6	-19.86%	7172.8	7556.6	-5.08%

6. Deposits

Amount in Rupees million

Particulars	As on Mar 31, 2014	As on Mar 31, 2013	% Change
Demand Deposits	68398.2	64015.0	6.85%
Saving Deposits	202434.4	187895.0	7.74%
Term Deposits	422526.0	390296.2	8.26%
Total	693358.6	642206.2	7.97%

Movement in Gross NPA's

Amount in Rupees million

Particulars	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Balance at the start of the period	6437.7	5166.0	24.62%
Additions during the period	4106.0	4550.0	-9.76%
Reductions			
Up gradations during the period	1177.0	1047.0	12.42%
Write off	70.9	870.3	-91.85%
Recoveries during the period	1461.6	1361.0	7.39%
Balance at the close of the period	7834.2	6437.7	21.69%

Movement in Restructured Assets

Amount in Rupees million

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Balance at the start of the period	14157.6	19777.0	-28.41%	14904.8	13657.5	9.13%
Additions during the period	2396.7	601.6	298.39%	6637.1	10610.1	-37.45%
Repayments / Reductions / Reclassification / Up gradations during the period	794.6	5473.8	-85.48%	5782.2	9362.8	-38.24%
Balance at the close of the period	15759.7	14904.8	5.74%	15759.7	14904.8	5.74%

Incremental Growth in Deposits and Advances

Amount in Rupees million

Particulars		As on Mar 31, 2014	As on Mar 31, 2013	Increment	% Change
Deposits	In J&K State	451933.9	408667.0	43266.9	10.59%
	In Rest of India	241424.8	233539.3	7885.5	3.38%
	Whole Bank	693358.7	642206.3	51152.4	7.97%
Gross Advances	In J&K State	195974.5	158391.8	37582.7	23.73%
	In Rest of India	278083.0	242930.0	35153.0	14.47%
	Whole Bank	474057.5	401321.8	72735.7	18.12%

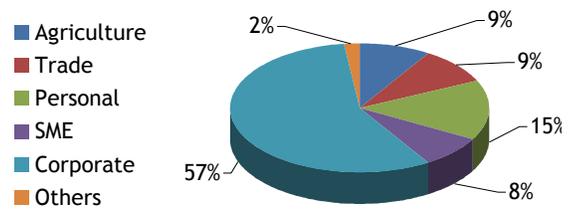
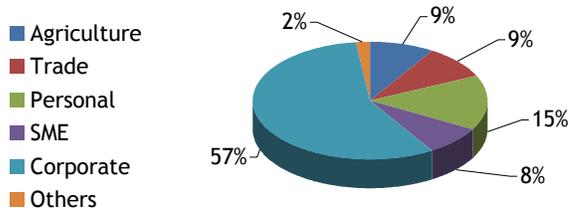
**Gross Advances –
Sector-wise (Mar 14)**

**Gross Advances –
Sector-wise (Mar 13)**

Bank as Whole

Gross Advances – Rs 474058 mn

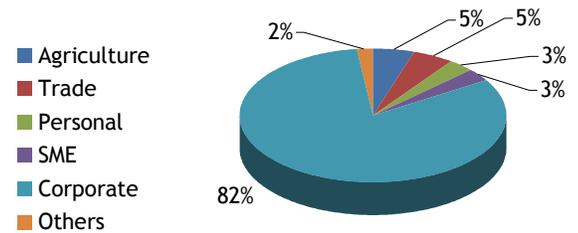
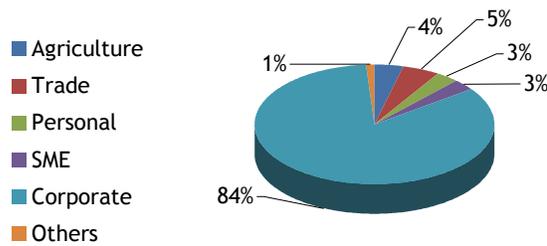
Gross Advances – Rs 401322 mn



In Rest of India

Gross Advances – Rs 278083 mn

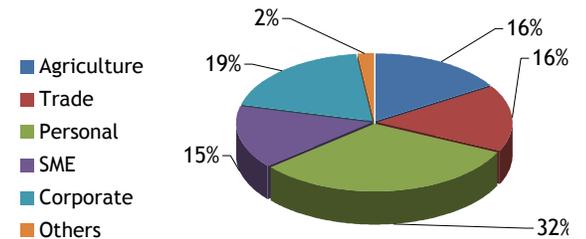
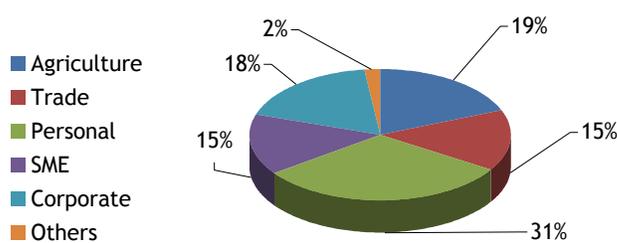
Gross Advances – Rs 242930 mn



Within J&K State

Gross Advances – Rs 195975 mn

Gross Advances – Rs 158392 mn



Categorization of Investments (I)

Amount in Rupees million

Particulars	As on Mar 31, 2014	As on Mar 31, 2013	% Change
Held to Maturity (HTM)			
□ Government & Other Approved Securities	142517.0	131643.2	8.26%
□ Shares		206.3	
□ Debentures & Bonds	478.2	1667.9	-71.33%
□ Subsidiaries & Joint Ventures	440.1	321.1	37.06%
□ Others	21793.6	23411.5	-6.91%
Sub-Total	165228.9	157250.0	5.07%
<i>Percentage of HTM to Total Investments</i>	<i>63.08%</i>	<i>61.09%</i>	
Held for Trading (HFT)			
□ Government & Other Approved Securities		341.5	
□ Shares	12.4	4.8	158.33%
□ Debentures & Bonds		646.4	
□ Subsidiaries & Joint Ventures			
□ Others			
Sub-Total	12.4	992.7	-98.75%
<i>Percentage of HFT to Total Investments</i>	<i>0.00%</i>	<i>0.39%</i>	
Available for Sale (AFS)			
□ Government & Other Approved Securities	7032.4	8685.9	-19.04%
□ Shares	2153.5	1857.1	15.96%
□ Debentures & Bonds	19844.8	21321.1	-6.92%
□ Subsidiaries & Joint Ventures			
□ Others	67678.7	67303.8	0.56%
□ Debt / Money Market related MF's			
Sub-Total	96709.4	99167.9	-2.48%
<i>Percentage of AFS to Total Investments</i>	<i>36.92%</i>	<i>38.53%</i>	
Total Investment	261950.7	257410.6	1.76%

Categorization of Investments (II)

Amount in Rupees million

Particulars	As on Mar 31, 2014	As on Mar 31, 2013	% Change
SLR Securities	149549.5	140670.6	6.31%
Non SLR Securities	112401.2	116740.0	-3.72%
Total Investment	261950.7	257410.6	1.76%
SLR Securities as % age to total Investments	57.09%	54.65%	-
Non SLR Securities as % age to total Investments	42.91%	45.35%	-

Analytical Ratios:

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	Year Ended Mar 2014	Year Ended Mar 2013
Net Interest Margins (%) *	1.03	1.02		
Annualized	4.13	4.07	4.16	3.97
Yield on Advances (%) *	3.08	3.11		
Annualized	12.33	12.43	12.23	12.59
Yield on Investments (%) *	1.84	1.90		
Annualized	7.34	7.60	7.39	7.56
Cost of Deposits (%) *	1.68	1.67		
Annualized	6.73	6.69	6.70	6.87
Post Tax Return on Assets (%)	0.34	0.37		
Annualized	1.37	1.49	1.74	1.70
Post Tax Return on Average Networth (%)*	4.73	5.12		
Annualized	18.93	20.49	22.34	23.56
Cost to Income Ratio (%)	40.73	36.13	38.21	35.33
Credit / Deposit (CD) Ratio (%)	66.90	61.04	66.90	61.04
CASA Ratio (%)	39.06	39.23	39.06	39.23
Business per Employee (In Rupees million)	123.5	110.1	123.5	110.1
Net Profit per Employee (In Rupees million)	0.27	0.27		
Annualized	1.07	1.06	1.26	1.12
Number of Employees	9371	9400	9371	9400
Business Per Branch (In Rupees million)	1481.7	1501.0	1481.7	1501.0
Net Profit per Branch (In Rs million) Annualized	12.80	14.52	15.10	15.31
Branches – Excluding Extension Counters, Controlling Offices & RCC's	781	689	781	689
Gross NPAs (In Rupees million)	7834.2	6437.7	7834.2	6437.7
Net NPAs (In Rupees million)	1019.9	552.7	1019.9	552.7
Gross NPA Ratio (%)	1.66	1.62	1.66	1.62
Net NPA Ratio (%)	0.22	0.14	0.22	0.14
NPA Coverage Ratio (%)	90.30	94.01	90.30	94.01
Capital Adequacy Ratio (%) Basel II	12.91	12.83	12.91	12.83
i. Tier I	11.24	10.86	11.24	10.86
ii. Tier II	1.67	1.97	1.67	1.97
Capital Adequacy Ratio (%) Basel III	12.69		12.69	
i. Tier I	11.22		11.22	
ii. Tier II	1.47		1.47	
Earning per Share (In Rupees)	51.69	51.58		
Annualized	206.77	206.32	243.92	217.65
Net Asset Value (In Rupees)	1180.67	1003.49	1180.67	1003.49
Adjusted Book Value (In Rupees)	1159.63	992.09	1159.63	992.09
Dividend Payout Ratio (%)	-	-	20.50	22.97
Dividend Yield (%)	-	-	2.65	3.75

* Ratios calculated on Fortnightly average balances

Shareholding Pattern as on May 09, 2014 vis-à-vis May 10, 2013:

S No.	PARTICULARS	Number of Shares Held as on May 09, 2014	% to Capital	Number of Shares Held as on May 10, 2013	% to Capital
1.	GOVERNMENT OF J&K	25775266	53.17%	25775266	53.17%
2.	INDIAN MUTUAL FUNDS	2054622	4.24%	2078475	4.29%
3.	INSURANCE COMPANIES	215608	0.44%	215608	0.44%
4.	BANKS	15818	0.03%	13395	0.03%
5.	NON RESIDENT INDIANS	264129	0.54%	251043	0.52%
6.	FOREIGN INST. INVESTORS	13564700	27.98%	12041364	24.84%
7.	BODIES CORPORATES	1679188	3.46%	2568282	5.30%
8.	RESIDENT INDIVIDUALS	4848747	10.00%	5501508	11.35%
9.	CLEARING MEMBERS	42702	0.09%	32861	0.07%
10.	TRUSTS	17022	0.04%	0	0.00%
	TOTAL	48477802	100.00%	48477802	100.00%

For more information, contact:

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