

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 250.60 crore for the quarter ended Mar, 2014 as compared to Rs 250.08 crore 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 12.35 crore and Rs 10.70 lakh respectively for the quarter ended Mar, 2014 compared to Rs 11.01 crore and Rs 10.64 lakh 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 1182.47 crore for the financial year ended Mar, 2014 as compared to Rs 1055.10 crore 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 12.35 crore and Rs 12.62 lakh respectively for the financial year ended Mar, 2014 compared to Rs 11.00 crore and Rs 11.22 lakh 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 crore

Particulars	Q 4 FY'13-14	Q 4 FY'12-13	% Change	Year ended Mar, '14	Year ended Mar, '13	% Change
Interest Earned	1777.50	1626.80	9.26%	6767.00	6136.80	10.27%
Interest Expended	1076.32	993.25	8.36%	4082.52	3820.76	6.85%
Net Interest Income	701.18	633.55	10.67%	2684.48	2316.04	15.91%
Other Income	111.10	208.91	-46.82%	390.26	483.73	-19.32%
Operating Income	812.28	842.46	-3.58%	3074.74	2799.77	9.82%
Operating Expenses	330.84	304.32	8.72%	1174.99	989.01	18.80%
Operating Profit	481.44	538.14	-10.54%	1899.75	1810.76	4.91%
Provisions & Contingencies	60.57	178.61	-66.09%	147.88	284.17	-47.96%
PBT	420.87	359.53	17.06%	1751.87	1526.59	14.76%
Tax Provision	170.27	109.45	55.57%	569.40	471.49	20.77%
Net Profit	250.60	250.08	0.21%	1182.47	1055.10	12.07%
Share Capital	48.49	48.49	0.00%	48.49	48.49	0.00%
EPS in Rs.	51.69	51.58	0.21%	243.92	217.64	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 crore

Particulars	As on March 31, 2014	As on March 31, 2013	% Change
Capital & Liabilities			
Capital	48.49	48.49	0.00%
Reserves & Surplus	5675.12	4816.20	17.83%
Deposits	69335.86	64220.62	7.97%
Borrowings	1765.00	1075.00	64.19%
Other Liabilities & Provisions	1795.26	1583.00	13.41%
Total	78619.73	71743.31	9.58%
Assets			
Cash & Bank Balance	3045.59	2695.15	13.00%
Balance with Banks and Money at Call & Short Notice	1168.31	2709.18	-56.88%
Investments	26195.07	25741.06	1.76%
Advances	46384.60	39200.41	18.33%
Fixed Assets	533.81	456.18	17.02%
Other Assets	1292.35	941.33	37.29%
Total	78619.73	71743.31	9.58%

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

Amount in Rupees crore

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
On Loans & Advances	1327.35	1139.08	16.53%	5021.26	4317.58	16.30%
Investments	432.12	462.72	-6.61%	1685.56	1722.58	-2.15%
Inter Bank Funds	18.03	25.00	-27.88%	60.18	96.64	-37.73%
Total	1777.50	1626.80	9.26%	6767.00	6136.80	10.27%

2. Interest Expended

Amount in Rupees crore

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Deposits	1047.37	976.31	7.28%	3978.37	3741.04	6.34%
Borrowings	15.45	3.44	349.13%	50.15	25.72	94.98%
Others (Subordinated Debt)	13.50	13.50	0.00%	54.00	54.00	0.00%
Total	1076.32	993.25	8.36%	4082.52	3820.76	6.85%

3. Other Income

Amount in Rupees crore

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Commission / Exchange	42.83	43.58	-1.72%	166.46	169.55	-1.82%
Insurance Commission	9.03	16.13	-44.02%	31.31	37.41	-16.31%
Treasury / Trading Income	20.97	84.25	-75.11%	63.63	149.31	-57.39%
Miscellaneous Income	38.28	64.95	-41.07%	128.87	127.46	1.10%
Total	111.10	208.91	-46.82%	390.26	483.73	-19.32%

4. Operating Expenses

Amount in Rupees crore

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Payment for Employees	203.70	207.57	-1.86%	743.91	652.26	14.05%
Rent, Taxes and Lightning	16.88	12.92	30.65%	59.54	50.31	18.35%
Printing & Stationery	2.14	1.64	30.49%	8.48	8.62	-1.62%
Advertisement & Publicity	5.29	4.70	12.55%	12.18	10.26	18.71%
Depreciation in Bank's Property	25.69	15.15	69.57%	77.86	49.73	56.57%
Directors' Fees, Allowances & Expenses	0.22	0.22	0.00%	0.73	0.65	12.31%
Auditors' Fees & Expenses	4.30	2.58	66.67%	13.45	9.35	43.85%
Law Charges	0.54	0.35	54.29%	1.63	2.04	-20.10%
Postage, Telegrams, Telephones etc	1.53	1.52	0.66%	5.97	6.68	-10.63%
Repairs & Maintenance	2.97	3.73	-20.38%	12.16	11.66	4.29%
Insurance	10.98	11.22	-2.17%	45.81	40.86	12.13%
Other Expenditure	56.60	42.71	32.51%	193.27	146.60	31.84%
Total	330.84	304.32	8.72%	1174.99	989.01	18.80%

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

Amount in Rupees crore

Particulars	Q 4 FY '13-14	Q 4 FY '12-13	% Change	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Provision for Tax	170.27	109.45	55.57%	569.40	471.49	20.77%
Provision for Bad & Doubtful Debts	35.31	106.30	-66.78%	68.02	158.30	-57.03%
Provision for Standard Advances	21.76	30.00	-27.48%	51.85	30.00	72.83%
Provision for Depreciation on Investments	-1.32	14.24	-109.27%		14.92	
Provision for Non Performing Investments		17.21		17.33	31.04	-44.17%
Provision for Frauds/ Embezzlements	0.23	-0.44	-151.36%	2.08	0.24	766.67%
Contingencies		5.66			35.66	
Provision for diminution in fair value of Restructured / Rescheduled advances	3.54	4.46	-20.79%	7.54	12.84	-41.31%
Provision for Contingent Liabilities	1.07	1.17	-9.20%	1.07	1.17	-8.89%
Total	230.84	288.06	-19.86%	717.28	755.66	-5.08%

6. Deposits

Amount in Rupees crore

Particulars	As on Mar 31, 2014	As on Mar 31, 2013	% Change
Demand Deposits	6839.82	6401.50	6.85%
Saving Deposits	20243.44	18789.50	7.74%
Term Deposits	42252.60	39029.62	8.26%
Total	69335.86	64220.62	7.97%

Movement in Gross NPA's

Amount in Rupees crore

Particulars	Year Ended Mar, 2014	Year Ended Mar, 2013	% Change
Balance at the start of the period	643.77	516.60	24.62%
Additions during the period	410.60	455.00	-9.76%
Reductions			
Up gradations during the period	117.70	104.70	12.42%
Write off	7.09	87.03	-91.85%
Recoveries during the period	146.16	136.10	7.39%
Balance at the close of the period	783.42	643.77	21.69%

Movement in Restructured Assets

Amount in Rupees crore

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	1415.76	1977.70	-28.41%	1490.48	1365.75	9.13%
Additions during the period	239.67	60.16	298.39%	663.71	1061.01	-37.45%
Repayments / Reductions / Reclassification / Up gradations during the period	79.46	547.38	-85.48%	578.22	936.28	-38.24%
Balance at the close of the period	1575.97	1490.48	5.74%	1575.97	1490.48	5.74%

Incremental Growth in Deposits and Advances

Amount in Rupees crore

Particulars		As on Mar 31, 2014	As on Mar 31, 2013	Increment	% Change
Deposits	In J&K State	45193.39	40866.70	4326.69	10.59%
	In Rest of India	24142.48	23353.93	788.55	3.38%
	Whole Bank	69335.87	64220.63	5115.24	7.97%
Gross Advances	In J&K State	19597.45	15839.18	3758.27	23.73%
	In Rest of India	27808.30	24293.00	3515.3	14.47%
	Whole Bank	47405.75	40132.18	7273.57	18.12%

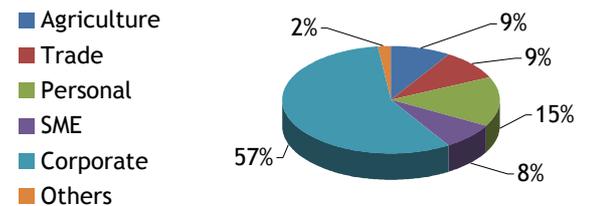
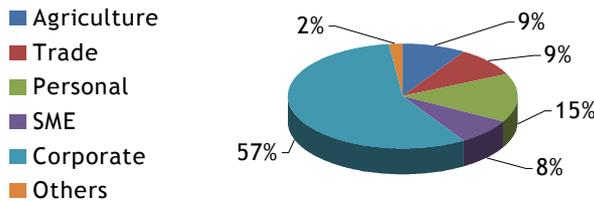
**Gross Advances –
Sector-wise (Mar 14)**

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

Bank as Whole

Gross Advances – Rs 47406 cr

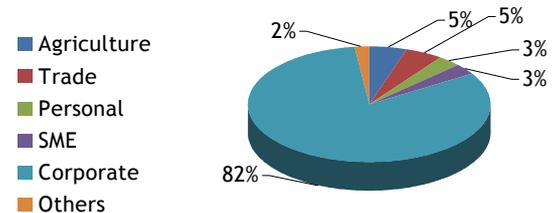
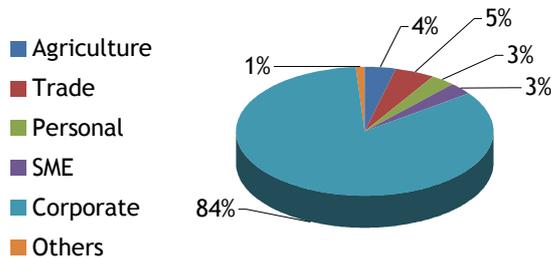
Gross Advances – Rs 40132 cr



In Rest of India

Gross Advances – Rs 27808 cr

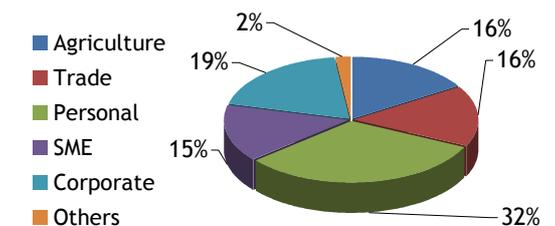
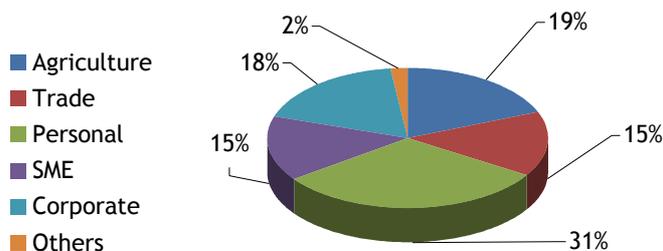
Gross Advances – Rs 24293 cr



Within J&K State

Gross Advances – Rs 19597 cr

Gross Advances – Rs 15839 cr



Categorization of Investments (I)

Amount in Rupees crore

Particulars	As on Mar 31, 2014	As on Mar 31, 2013	% Change
Held to Maturity (HTM)			
<input type="checkbox"/> Government & Other Approved Securities	14251.70	13164.32	8.26%
<input type="checkbox"/> Shares		20.63	
<input type="checkbox"/> Debentures & Bonds	47.82	166.79	-71.33%
<input type="checkbox"/> Subsidiaries & Joint Ventures	44.01	32.11	37.06%
<input type="checkbox"/> Others	2179.36	2341.15	-6.91%
Sub-Total	16522.89	15725.00	5.07%
<i>Percentage of HTM to Total Investments</i>	<i>63.08%</i>	<i>61.09%</i>	
Held for Trading (HFT)			
<input type="checkbox"/> Government & Other Approved Securities		34.15	
<input type="checkbox"/> Shares	1.24	0.48	158.33%
<input type="checkbox"/> Debentures & Bonds		64.64	
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others			
Sub-Total	1.24	99.27	-98.75%
<i>Percentage of HFT to Total Investments</i>	<i>0.00%</i>	<i>0.39%</i>	
Available for Sale (AFS)			
<input type="checkbox"/> Government & Other Approved Securities	703.24	868.59	-19.04%
<input type="checkbox"/> Shares	215.35	185.71	15.96%
<input type="checkbox"/> Debentures & Bonds	1984.48	2132.11	-6.92%
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others	6767.87	6730.38	0.56%
<input type="checkbox"/> Debt / Money Market related MF's			
Sub-Total	9670.94	9916.79	-2.48%
<i>Percentage of AFS to Total Investments</i>	<i>36.92%</i>	<i>38.53%</i>	
Total Investment	26195.07	25741.06	1.76%

Categorization of Investments (II)

Amount in Rupees crore

Particulars	As on Mar 31, 2014	As on Mar 31, 2013	% Change
SLR Securities	14954.95	14067.06	6.31%
Non SLR Securities	11240.12	11674.00	-3.72%
Total Investment	26195.07	25741.06	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 crore)	12.35	11.01	12.35	11.01
Net Profit per Employee (In Rupees lakh)	2.67	2.66		
Annualized	10.70	10.64	12.62	11.22
Number of Employees	9371	9400	9371	9400
Business Per Branch (In Rupees crore)	148.17	150.10	148.17	150.10
Net Profit per Branch (In Rs cr) Annualized	1.28	1.45	1.51	1.53
Branches – Excluding Extension Counters, Controlling Offices & RCC's	781	689	781	689
Gross NPAs (In Rupees crore)	783.42	643.77	783.42	643.77
Net NPAs (In Rupees crore)	101.99	55.27	101.99	55.27
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	217.64
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%

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