

Earnings Update
Reviewed First Quarter Results
June 30, 2015



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on August 10, 2015 took on record the Reviewed Financial Results for the First Quarter ended June 30, 2015.

Performance Highlights for the quarter ended June 30, 2015:

- Net Profit at Rs 158.76 crore for the quarter ended Jun, 2015 as compared to Rs 130.05 crore earned during the quarter ended Jun, 2014.
- EPS for the quarter ended Jun, 2015 increased to Rs 3.27 from Rs 2.68 (recast due to share split) earned during the corresponding quarter of previous financial year.
- NIMs for the quarter ended Jun, 2015 at 3.93 % (annualized) vis-à-vis 3.63 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at 0.88 % (annualized) for the quarter ended Jun, 2015 compared to 0.72 % for the corresponding period of the previous financial year.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Jun, 2015 at 10.26 % compared to 8.99 % recorded for the corresponding quarter of last financial year.
- The Cost of Deposits (annualized) for the quarter ended Jun, 2015 at 6.41 % compared to 6.89 % recorded for the corresponding quarter of last financial year.
- The Yield on Advances (annualized) for the quarter ended Jun, 2015 stood at 11.33 % as compared to 11.51 % for the quarter ended Jun, 2014.
- Business per Employee and Net profit per Employee (annualized) were at Rs 11.32 crore and Rs 6.81 lakh respectively for the quarter ended Jun, 2015 compared to Rs 11.57 crore and Rs 5.57 lakh pertaining to the quarter ended Jun, 2014.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Jun, 2015 at 6.63 % and 2.95 % respectively compared to 4.16 % and 2.18 % a year ago.
- NPA Coverage Ratio as on Jun, 2015 at 60.68 % as compared to 55.08 % a year ago.
- Cost to Income Ratio stood at 44.81 % for the quarter ended Jun, 2015 as compared to 41.78 % for the quarter ended Jun, 2014.
- Capital Adequacy Ratio (Basel III) stood at 12.93 % as on Jun, 2015 (RBI norm 9 %), which was recorded at the same level of 12.93 % as on Jun, 2014.

Profit & Loss Account

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year ended Mar, '15
Interest Earned	1752.72	1768.01	-0.86%	7061.13
Interest Expended	1057.88	1130.31	-6.41%	4410.22
Net Interest Income	694.84	637.70	8.96%	2650.91
Other Income	135.63	130.99	3.54%	593.97
Operating Income	830.47	768.69	8.04%	3244.88
Operating Expenses	372.16	321.17	15.88%	1409.05
Operating Profit	458.31	447.52	2.41%	1835.83
Provisions & Contingencies	212.87	246.77	-13.74%	1015.52
PBT	245.44	200.75	22.26%	820.31
Tax Provision	86.68	70.70	22.60%	311.71
Net Profit	158.76	130.05	22.08%	508.60
Share Capital	48.49	48.49	0.00%	48.49
EPS in Rs. *	3.27	2.68	22.01%	10.49
Net Interest Margins	0.98	0.91%	-	-
Net Interest Margins (Ann.)	3.93	3.63%	-	3.81%

* EPS for the quarter ended June, 2014 has been recast consequent upon split of Bank's share during quarter ended Sep, 2014

Balance Sheet

Amount in Rupees crore

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	As on March 31, 2015
Capital & Liabilities				
Capital	48.49	48.49	0.00%	48.49
Reserves & Surplus *	6220.32	5805.17	7.15%	6061.56
Deposits	62264.91	63651.94	-2.18%	65756.19
Borrowings	1816.67	1836.33	-1.07%	2339.67
Other Liabilities & Provisions	2120.26	1813.69	16.90%	1879.54
Total	72470.65	73155.62	-0.94%	76085.45
Assets				
Cash & Bank Balance	2699.27	2689.14	0.38%	2373.05
Balance with Banks and Money at Call & Short Notice	815.42	1523.72	-46.48%	1360.71
Investments	23598.55	22747.68	3.74%	25124.30
Advances	43267.28	44430.73	-2.62%	44585.82
Fixed Assets	698.53	538.34	29.76%	688.91
Other Assets	1391.60	1226.01	13.51%	1952.66
Total	72470.65	73155.62	-0.94%	76085.45

* Includes Retained Earnings

Break-up:

1. Interest Earned

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
On Loans & Advances	1274.90	1279.74	-0.38%	5161.03
Investments	469.72	467.27	0.52%	1843.36
Inter Bank Funds	8.10	21.00	-61.43%	56.74
Total	1752.72	1768.01	-0.86%	7061.13

2. Interest Expended

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Deposits	1001.79	1099.79	-8.91%	4205.17
Borrowings	42.59	17.02	150.24%	151.05
Others (Subordinated Debt)	13.50	13.50	0.00%	54.00
Total	1057.88	1130.31	-6.41%	4410.22

3. Other Income

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Commission / Exchange	42.16	37.88	11.30%	169.64
Insurance Commission	10.67	8.00	33.38%	33.42
Treasury / Trading Income	45.71	27.99	63.31%	116.02
Miscellaneous Income	37.09	57.12	-35.07%	274.89
Total	135.63	130.99	3.54%	593.97

4. Operating Expenses

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Payment for Employees	252.58	205.96	22.64%	894.03
Rent, Taxes and Lightning	18.61	15.44	20.53%	66.62
Printing & Stationery	2.32	2.19	5.94%	9.67
Advertisement & Publicity	1.41	1.02	38.24%	9.31
Depreciation in Bank's Property	15.48	17.26	-10.31%	94.50
Directors' Fees, Allowances & Expenses	0.17	0.14	21.43%	0.71
Auditors' Fees & Expenses	3.40	3.40	0.00%	13.67
Law Charges	1.51	0.44	243.18%	2.82
Postage, Telegrams, Telephones etc	1.07	1.56	-31.41%	5.71
Repairs & Maintenance	2.40	2.33	3.00%	11.37
Insurance	14.67	14.22	3.16%	55.52
Other Expenditure	58.54	57.21	2.32%	245.12
Total	372.16	321.17	15.88%	1409.05

Break-up:

5. Provisions & Contingencies

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Provision for Tax	86.68	70.70	22.60%	311.71
Provision for Bad & Doubtful Debts	186.59	234.00	-20.26%	813.18
Provision for Standard Advances				44.64
Provision for Depreciation on Investments	0.41			
Provision for Non Performing Investments	25.18	12.75	97.49%	20.97
Provision for Frauds/ Embezzlements	0.55	0.02	2650.00%	0.43
Provision for diminution in fair value of Restructured / Rescheduled advances	0.14			134.39
Provision for Contingent Liabilities				1.90
Total	299.55	317.47	-5.64%	1327.23

6. Deposits

Amount in Rupees crore

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	Year Ended Mar, 2015
Demand Deposits	6238.79	6075.08	2.69%	6546.87
Saving Deposits	21590.54	19994.24	7.98%	20929.52
Term Deposits	34435.58	37582.62	-8.37%	38279.80
Total	62264.91	63651.94	-2.18%	65756.19

Movement in Gross NPA's

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Balance at the start of the period	2764.08	783.42	252.82%	783.42
Additions during the period	369.89	1160.72	-68.13%	2525.80
Reductions				
Up gradations during the period	71.14	17.61	323.25%	343.77
Write off	2.60	5.60	-62.63%	24.94
Recoveries during the period	65.73	32.94	99.54%	176.43
Balance at the close of the period	2994.50	1887.99	58.61%	2764.08

Movement in Restructured Assets

Amount in Rupees crore

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Balance at the start of the period	2467.33	1575.97	56.56%	1575.97
Additions during the period	26.21	6.28	317.36%	1352.34
Repayments / Reductions / Reclassification / Upgradations, etc, Net off Additional Disbursements during the period	11.85	- 191.83		- 460.98
Balance at the close of the period	2505.39	1390.42	80.19 %	2467.33

Incremental Growth in Deposits and Advances

Amount in Rupees crore

Particulars		As on Jun 30, 2015	As on Jun 30, 2014	Increment	% Change
Deposits	In J&K State	48419.56	43981.32	4438.24	10%
	In Rest of India	13845.35	19670.63	-5825.28	-30%
	Whole Bank	62264.91	63651.95	-1387.04	-2%
Gross Advances	In J&K State	23595.41	20404.25	3191.16	16%
	In Rest of India	21829.34	25281.48	-3452.14	-14%
	Whole Bank	45424.75	45685.73	-260.98	-1%

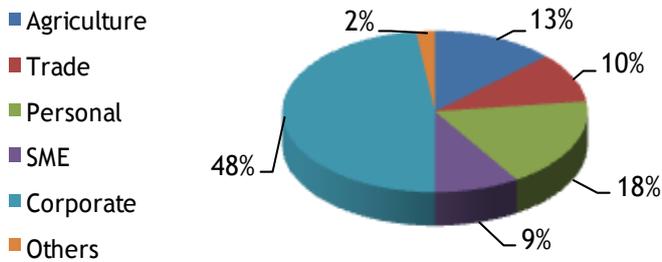
Sectoral Break-up of Advances :

June, 2015

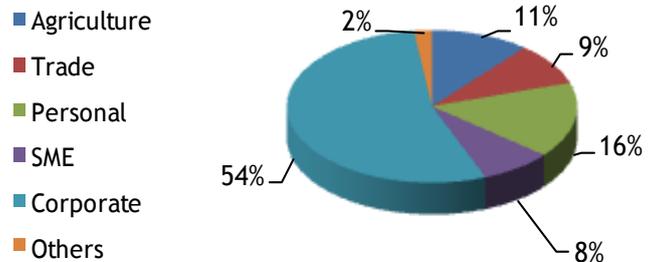
June, 2014

Bank as Whole

Gross Advances – Rs 45425 cr

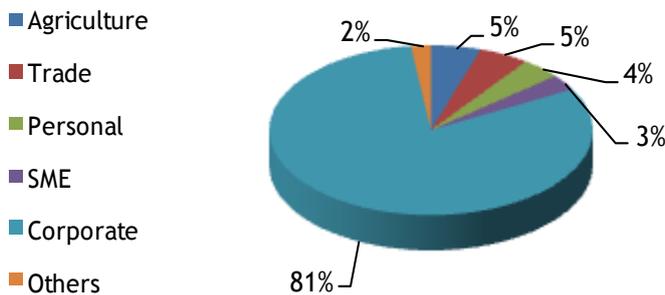


Gross Advances – Rs 45686 cr

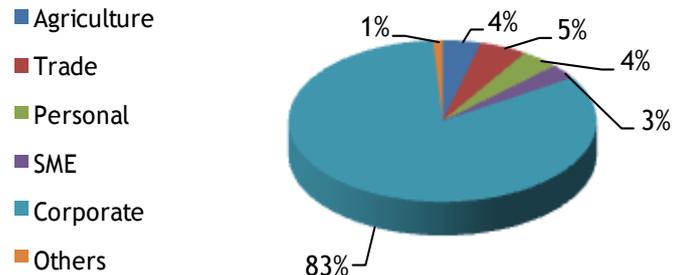


In Rest of India

Gross Advances – Rs 21829 cr

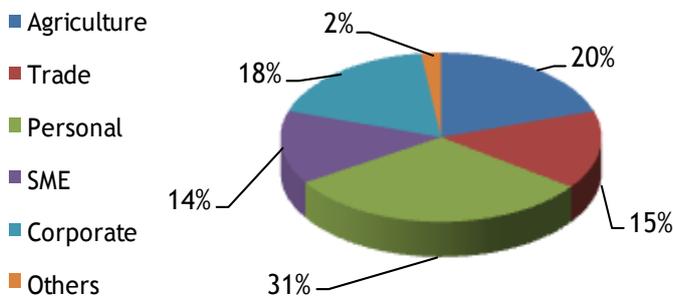


Gross Advances – Rs 25281 cr

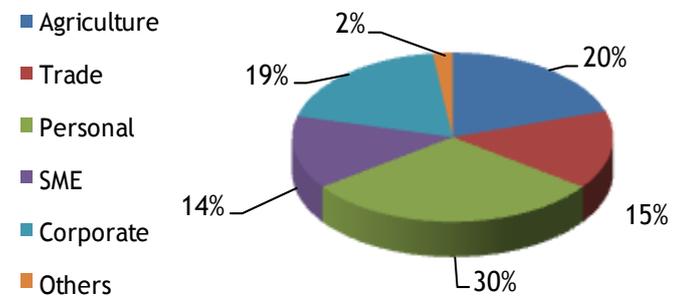


Within J&K State

Gross Advances – Rs 23595 cr



Gross Advances – Rs 20404 cr



Categorization of Investments (I)

Amount in Rupees crore

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	As on Mar 31, 2015
Held to Maturity (HTM)				
□ Government & Other Approved Securities	12038.53	14292.86	-15.77%	12919.67
□ Shares				
□ Debentures & Bonds	24.12	28.11	-14.19%	23.86
□ Subsidiaries & Joint Ventures	20.00	20.00	0.00%	20.00
□ Others	2258.69	2143.63	5.37%	2290.68
Sub-Total	14341.34	16484.60	-13.00%	15254.21
<i>Percentage of HTM to Total Investments</i>	<i>60.77%</i>	<i>72.47%</i>		<i>60.71%</i>
Held for Trading (HFT)				
□ Government & Other Approved Securities				
□ Shares	0.17	0.83	-79.52%	1.51
□ Debentures & Bonds				
□ Subsidiaries & Joint Ventures				
□ Others				
Sub-Total	0.17	0.83	-79.52%	1.51
<i>Percentage of HFT to Total Investments</i>	<i>0.00%</i>	<i>0.004%</i>		<i>0.01%</i>
Available for Sale (AFS)				
□ Government & Other Approved Securities	956.01	361.48	164.47%	541.98
□ Shares	233.65	214.89	8.73%	230.13
□ Debentures & Bonds	1638.22	1864.45	-12.13%	1731.26
□ Subsidiaries & Joint Ventures				
□ Others	6429.16	3821.43	68.24%	7365.21
□ Debt / Money Market related MF's				
Sub-Total	9257.04	6262.25	47.82%	9868.58
<i>Percentage of AFS to Total Investments</i>	<i>39.23%</i>	<i>27.53%</i>		<i>39.28%</i>
Total Investment	23598.55	22747.68	3.74%	25124.30

Categorization of Investments (II)

Amount in Rupees crore

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	As on Mar 31, 2015
SLR Securities	12994.54	14654.34	-11.33%	13461.65
Non SLR Securities	10604.01	8093.34	31.02%	11662.65
Total Investment	23598.55	22747.68	3.74%	25124.30
SLR Securities as % age to total Investments	55.06%	64.42%	-	53.58%
Non SLR Securities as % age to total Investments	44.94%	35.58%	-	46.42%

Previous period figures wherever necessary have been recast

Analytical Ratios:

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	Year Ended Mar 2015
Net Interest Margins (%) *	0.98	0.91	
Annualized	3.93	3.63	3.81
Yield on Advances (%) *	2.83	2.88	
Annualized	11.33	11.51	11.52
Yield on Investments (%) *	1.89	1.92	
Annualized	7.55	7.70	7.64
Cost of Deposits (%) *	1.60	1.72	
Annualized	6.41	6.89	6.72
Post Tax Return on Assets (%)	0.22	0.18	
Annualized	0.88	0.72	0.70
Post Tax Return on Average Networth (%)*	2.57	2.25	
Annualized	10.26	8.99	8.60
Cost to Income Ratio (%)	44.81	41.78	43.42
Credit / Deposit (CD) Ratio (%)	69.49	69.80	67.80
CASA Ratio (%)	44.70	40.96	41.79
Business per Employee (In Rupees crore)	11.32	11.57	11.89
Net Profit per Employee (In Rupees lakh)	1.70	1.39	
Annualized	6.81	5.57	5.48
Number of Employees	9320	9342	9283
Business Per Branch (In Rupees crore)	127.92	135.27	134.40
Net Profit per Branch (In Rs cr)	Annualized	0.77	0.65
Branches – Excluding Extension Counters, Controlling Offices & RCC's	825	799	821
Gross NPAs (In Rupees crore)	2994.50	1887.99	2764.08
Net NPAs (In Rupees crore)	1276.76	968.49	1236.32
Gross NPA Ratio (%)	6.63	4.16	5.97
Net NPA Ratio (%)	2.95	2.18	2.77
NPA Coverage Ratio (%)	60.68	55.08	59.02
Capital Adequacy Ratio (%) Basel II	13.11	13.28	12.67
i. Tier I	11.70	11.65	11.28
ii. Tier II	1.41	1.63	1.39
Capital Adequacy Ratio (%) Basel III	12.93	12.93	12.57
i. Tier I	11.60	11.49	11.26
ii. Tier II	1.33	1.44	1.31
Earning per Share ** (In Rupees)	3.27	2.68	
Annualized	13.10	10.73	10.49
Net Asset Value ** (In Rupees)	129.31	120.75	126.04
Adjusted Book Value ** (In Rupees)	102.98	100.77	100.54
Dividend Payout Ratio (%)	-	-	20.02
Dividend Yield (%)	-	-	2.02

* Ratios calculated on Fortnightly average balances

** Ratio for quarter ended June, 2014 has been recast consequent upon split of Bank's share during quarter ended Sep, 2014

Shareholding Pattern as on July 31, 2015 vis-à-vis August 01, 2014:

S No.	PARTICULARS	Number of Shares Held as on Jul 31, 2015	% to Capital	Number of Shares Held as on Aug 01, 2014	% to Capital
1.	GOVERNMENT OF J&K	257752660	53.17%	25775266	53.17%
2.	INDIAN MUTUAL FUNDS	25647351	5.29%	1131803	2.33%
3.	INSURANCE COMPANIES	15374694	3.17%	215608	0.44%
4.	BANKS	141849	0.03%	14988	0.03%
5.	NON RESIDENT INDIANS	3230407	0.67%	291540	0.60%
6.	FOREIGN INSTITUTIONAL INVESTORS	108869415	22.46%	14489728	29.89%
7.	FOREIGN PORTFOLIO INVESTORS	8288243	1.71%		
8.	BODIES CORPORATES	9496857	1.96%	1377079	2.84%
9.	RESIDENT INDIVIDUALS	55193523	11.39%	5103345	10.53%
10.	CLEARING MEMBERS	783021	0.16%	78445	0.16%
	TOTAL	484778020	100.00%	48477802	100.00%

Face value split – From Rs 10 per share to Re 1 per share during quarter ended Sep, 2014

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