

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 1587.6 million for the quarter ended Jun, 2015 as compared to Rs 1300.5 million 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 113.2 million and Rs 0.68 million respectively for the quarter ended Jun, 2015 compared to Rs 115.7 million and Rs 0.56 million 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 million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year ended Mar, '15
Interest Earned	17527.2	17680.1	-0.86%	70611.3
Interest Expended	10578.8	11303.1	-6.41%	44102.2
Net Interest Income	6948.4	6377.0	8.96%	26509.1
Other Income	1356.3	1309.9	3.54%	5939.7
Operating Income	8304.7	7686.9	8.04%	32448.8
Operating Expenses	3721.6	3211.7	15.88%	14090.5
Operating Profit	4583.1	4475.2	2.41%	18358.3
Provisions & Contingencies	2128.7	2467.7	-13.74%	10155.2
PBT	2454.4	2007.5	22.26%	8203.1
Tax Provision	866.8	707.0	22.60%	3117.1
Net Profit	1587.6	1300.5	22.08%	5086.0
Share Capital	484.9	484.9	0.00%	484.9
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 million

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	As on March 31, 2015
Capital & Liabilities				
Capital	484.9	484.9	0.00%	484.9
Reserves & Surplus *	62203.2	58051.7	7.15%	60615.6
Deposits	622649.1	636519.4	-2.18%	657561.9
Borrowings	18166.7	18363.3	-1.07%	23396.7
Other Liabilities & Provisions	21202.6	18136.9	16.90%	18795.4
Total	724706.5	731556.2	-0.94%	760854.5
Assets				
Cash & Bank Balance	26992.7	26891.4	0.38%	23730.5
Balance with Banks and Money at Call & Short Notice	8154.2	15237.2	-46.48%	13607.1
Investments	235985.5	227476.8	3.74%	251243.0
Advances	432672.8	444307.3	-2.62%	445858.2
Fixed Assets	6985.3	5383.4	29.76%	6889.1
Other Assets	13916.0	12260.1	13.51%	19526.6
Total	724706.5	731556.2	-0.94%	760854.5

* Includes Retained Earnings

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

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
On Loans & Advances	12749.0	12797.4	-0.38%	51610.3
Investments	4697.2	4672.7	0.52%	18433.6
Inter Bank Funds	81.0	210.0	-61.43%	567.4
Total	17527.2	17680.1	-0.86%	70611.3

2. Interest Expended

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Deposits	10017.9	10997.9	-8.91%	42051.7
Borrowings	425.9	170.2	150.24%	1510.5
Others (Subordinated Debt)	135.0	135.0	0.00%	540.0
Total	10578.8	11303.1	-6.41%	44102.2

3. Other Income

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Commission / Exchange	421.6	378.8	11.30%	1696.4
Insurance Commission	106.7	80.0	33.38%	334.2
Treasury / Trading Income	457.1	279.9	63.31%	1160.2
Miscellaneous Income	370.9	571.2	-35.07%	2748.9
Total	1356.3	1309.9	3.54%	5939.7

4. Operating Expenses

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Payment for Employees	2525.8	2059.6	22.64%	8940.3
Rent, Taxes and Lightning	186.1	154.4	20.53%	666.2
Printing & Stationery	23.2	21.9	5.94%	96.7
Advertisement & Publicity	14.1	10.2	38.24%	93.1
Depreciation in Bank's Property	154.8	172.6	-10.31%	945.0
Directors' Fees, Allowances & Expenses	1.7	1.4	21.43%	7.1
Auditors' Fees & Expenses	34.0	34.0	0.00%	136.7
Law Charges	15.1	4.4	243.18%	28.2
Postage, Telegrams, Telephones etc	10.7	15.6	-31.41%	57.1
Repairs & Maintenance	24.0	23.3	3.00%	113.7
Insurance	146.7	142.2	3.16%	555.2
Other Expenditure	585.4	572.1	2.32%	2451.2
Total	3721.6	3211.7	15.88%	14090.5

Break-up:

5. Provisions & Contingencies

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Provision for Tax	866.8	707.0	22.60%	3117.1
Provision for Bad & Doubtful Debts	1865.9	2340.0	-20.26%	8131.8
Provision for Standard Advances				446.4
Provision for Depreciation on Investments	4.1			
Provision for Non Performing Investments	251.8	127.5	97.49%	209.7
Provision for Frauds/ Embezzlements	5.5	0.2	2650.00%	4.3
Provision for diminution in fair value of Restructured / Rescheduled advances	1.4			1343.9
Provision for Contingent Liabilities				19.0
Total	2995.5	3174.7	-5.64%	13272.3

6. Deposits

Amount in Rupees million

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	Year Ended Mar, 2015
Demand Deposits	62387.9	60750.8	2.69%	65468.7
Saving Deposits	215905.4	199942.4	7.98%	209295.2
Term Deposits	344355.8	375826.2	-8.37%	382798.0
Total	622649.1	636519.4	-2.18%	657561.9

Movement in Gross NPA's

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Balance at the start of the period	27640.8	7834.2	252.82%	7834.2
Additions during the period	3698.9	11607.2	-68.13%	25258.0
Reductions				
Up gradations during the period	711.4	176.1	323.25%	3437.7
Write off	26.0	56.0	-62.63%	249.4
Recoveries during the period	657.3	329.4	99.54%	1764.3
Balance at the close of the period	29945.0	18879.9	58.61%	27640.8

Movement in Restructured Assets

Amount in Rupees million

Particulars	Q 1 FY '15-16	Q 1 FY '14-15	% Change	Year Ended Mar, 2015
Balance at the start of the period	24673.3	15759.7	56.56%	15759.7
Additions during the period	262.1	62.8	317.36%	13523.4
Repayments / Reductions / Reclassification / Upgradations, etc, Net off Additional Disbursements during the period	118.5	- 1918.3		- 4609.8
Balance at the close of the period	25053.9	13904.2	80.19 %	24673.3

Incremental Growth in Deposits and Advances

Amount in Rupees million

Particulars		As on Jun 30, 2015	As on Jun 30, 2014	Increment	% Change
Deposits	In J&K State	484195.6	439813.2	44382.4	10%
	In Rest of India	138453.5	196706.3	-58252.8	-30%
	Whole Bank	622649.1	636519.5	-13870.4	-2%
Gross Advances	In J&K State	235954.1	204042.5	31911.6	16%
	In Rest of India	218293.4	252814.8	-34521.4	-14%
	Whole Bank	454247.5	456857.3	-2609.8	-1%

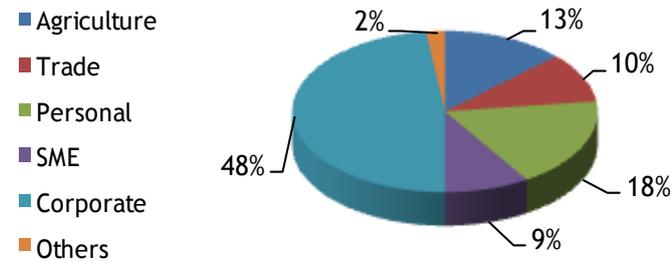
Sectoral Break-up of Advances :

June, 2015

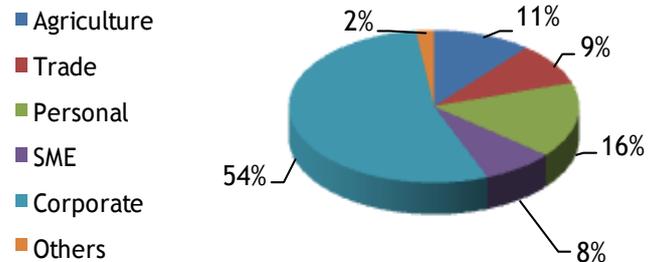
June, 2014

Bank as Whole

Gross Advances – Rs 454248 million

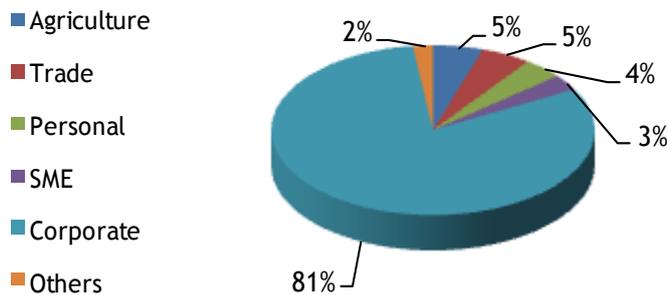


Gross Advances – Rs 456857 million

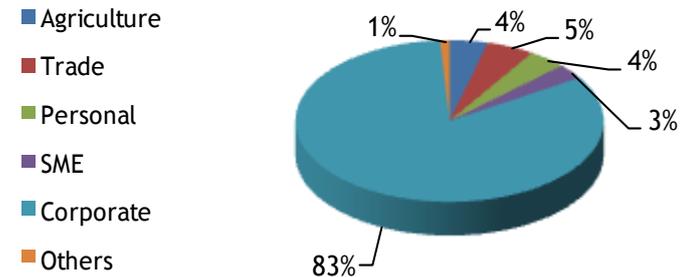


In Rest of India

Gross Advances – Rs 218293 million

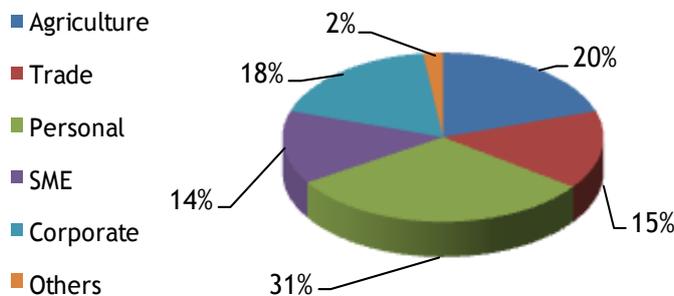


Gross Advances – Rs 252815 million

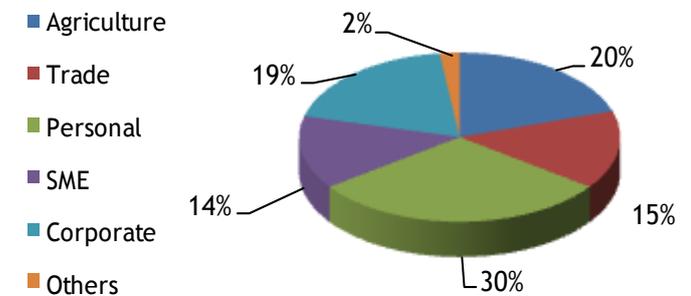


Within J&K State

Gross Advances – Rs 235954 million



Gross Advances – Rs 204043 million



Categorization of Investments (I)

Amount in Rupees million

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	As on Mar 31, 2015
Held to Maturity (HTM)				
<input type="checkbox"/> Government & Other Approved Securities	120385.3	142928.6	-15.77%	129196.7
<input type="checkbox"/> Shares				
<input type="checkbox"/> Debentures & Bonds	241.2	281.1	-14.19%	238.6
<input type="checkbox"/> Subsidiaries & Joint Ventures	200.0	200.0	0.00%	200.0
<input type="checkbox"/> Others	22586.9	21436.3	5.37%	22906.8
Sub-Total	143413.4	164846.0	-13.00%	152542.1
<i>Percentage of HTM to Total Investments</i>	<i>60.77%</i>	<i>72.47%</i>		<i>60.71%</i>
Held for Trading (HFT)				
<input type="checkbox"/> Government & Other Approved Securities				
<input type="checkbox"/> Shares	1.7	8.3	-79.52%	15.1
<input type="checkbox"/> Debentures & Bonds				
<input type="checkbox"/> Subsidiaries & Joint Ventures				
<input type="checkbox"/> Others				
Sub-Total	1.7	8.3	-79.52%	15.1
<i>Percentage of HFT to Total Investments</i>	<i>0.00%</i>	<i>0.004%</i>		<i>0.01%</i>
Available for Sale (AFS)				
<input type="checkbox"/> Government & Other Approved Securities	9560.1	3614.8	164.47%	5419.8
<input type="checkbox"/> Shares	2336.5	2148.9	8.73%	2301.3
<input type="checkbox"/> Debentures & Bonds	16382.2	18644.5	-12.13%	17312.6
<input type="checkbox"/> Subsidiaries & Joint Ventures				
<input type="checkbox"/> Others	64291.6	38214.3	68.24%	73652.1
<input type="checkbox"/> Debt / Money Market related MF's				
Sub-Total	92570.4	62622.5	47.82%	98685.8
<i>Percentage of AFS to Total Investments</i>	<i>39.23%</i>	<i>27.53%</i>		<i>39.28%</i>
Total Investment	235985.5	227476.8	3.74%	251243.0

Categorization of Investments (II)

Amount in Rupees million

Particulars	As on Jun 30, 2015	As on Jun 30, 2014	% Change	As on Mar 31, 2015
SLR Securities	129945.4	146543.4	-11.33%	134616.5
Non SLR Securities	106040.1	80933.4	31.02%	116626.5
Total Investment	235985.5	227476.8	3.74%	251243.0
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 million)	113.2	115.7	118.9	
Net Profit per Employee (In Rupees million)	0.17	0.14		
Annualized	0.68	0.56	0.55	
Number of Employees	9320	9342	9283	
Business Per Branch (In Rupees million)	1279.2	1352.7	1344.0	
Net Profit per Branch (In Rs million)	Annualized	7.70	6.51	6.20
Branches – Excluding Extension Counters, Controlling Offices & RCC's	825	799	821	
Gross NPAs (In Rupees million)	29945.0	18879.9	27640.8	
Net NPAs (In Rupees million)	12767.6	9684.9	12363.2	
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

For more information, contact:

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