

Earnings Update

Audited Quarterly & Full-Year Results

March 31, 2015



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 16, 2015 took on record the Audited Financial Results for the Fourth Quarter ended March 31, 2015.

Performance Highlights for the quarter ended March 31, 2015:

- Net Profit at Rs 101.61 crore for the quarter ended Mar, 2015 as compared to Rs 250.60 crore earned during the quarter ended Mar, 2014.
- EPS for the quarter ended Mar, 2015 at Rs 2.10 from Rs 5.17 (recast due to share split) earned during the corresponding quarter of previous financial year.
- NIMs for the quarter ended Mar, 2015 at 3.92 % (annualized) vis-à-vis 4.13 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at 0.56 % (annualized) for the quarter ended Mar, 2015 compared to 1.37 % for the corresponding period of the previous financial year.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Mar, 2015 at 6.64 % compared to 18.93 % recorded for the corresponding quarter of last financial year.
- The Cost of Deposits (annualized) for the quarter ended Mar, 2015 at 6.50 % compared to 6.73 % recorded for the corresponding quarter of last financial year.
- The Yield on Advances (annualized) for the quarter ended Mar, 2015 stood at 11.41 % as compared to 12.33 % for the quarter ended Mar, 2014.
- Business per Employee and Net profit per Employee (annualized) were at Rs 11.89 crore and Rs 4.38 lakh respectively for the quarter ended Mar, 2015 compared to Rs 12.35 crore and Rs 10.70 lakh pertaining to the quarter ended Mar, 2014.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2015 at 5.97 % and 2.77 % respectively compared to 1.66 % and 0.22 % a year ago.
- NPA Coverage Ratio as on Mar, 2015 at 59.02 % as compared to 90.30 % a year ago.
- Cost to Income Ratio stood at 40.12 % for the quarter ended Mar, 2015 as compared to 40.73 % for the quarter ended Mar, 2014.
- Capital Adequacy Ratio (Basel III) stood at 12.57 % as on Mar, 2015 against RBI stipulated norm of 9 % and as compared to 12.69 % on Mar, 2014.

The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 16, 2015 took on record the Audited Financial Results for the Full Year ended March 31, 2015.

Performance Highlights for the full year ended March 31, 2015:

- Net Profit at Rs 508.60 crore for the financial year ended Mar, 2015 as compared to Rs 1182.47 crore earned during the financial year ended Mar, 2014.
- EPS for the financial year ended Mar, 2015 at Rs 10.49 from Rs 24.39 (recast due to share split) earned during the previous financial year.
- NIMs (Net Interest Margins) Ratio for the financial year ended Mar, 2015 at 3.81 % vis-à-vis 4.16 % for the previous financial year.
- Post tax Return on Assets at 0.70 % for the financial year ended Mar, 2015 compared to 1.74 % for the previous financial year
- Post Tax Return on Average Net-Worth for the financial year ended Mar, 2015 at 8.60 % compared to 22.34 % recorded for the previous financial year.
- The Cost of Deposits for the financial year ended Mar, 2015 at 6.72 % compared to 6.70 % recorded for the last financial year.
- The Yield on Advances for the financial year ended Mar, 2015 stood at 11.52 % as compared to 12.23 % for the year ended Mar, 2014.
- Business per Employee and Net profit per Employee were at Rs 11.89 crore and Rs 5.48 lakh respectively for the financial year ended Mar, 2015 compared to Rs 12.35 crore and Rs 12.62 lakh pertaining to the financial year ended Mar, 2014.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2015 at 5.97 % and 2.77 % respectively compared to 1.66 % and 0.22 % a year ago.
- NPA Coverage Ratio as on Mar, 2015 at 59.02 % as compared to 90.30 % a year ago.
- Cost to Income Ratio stood at 43.42 % for the financial year ended Mar, 2015 as compared to 38.21 % for the financial year ended Mar, 2014.
- Capital Adequacy Ratio (Basel III) stood at 12.57 % as on Mar, 2015 against RBI stipulated norm of 9 % and as compared to 12.69 % on Mar, 2014.

Profit & Loss Account

Amount in Rupees crore

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year ended Mar, '15	Year ended Mar, '14	% Change
Interest Earned	1744.97	1777.50	-1.83%	7061.13	6767.00	4.35%
Interest Expended	1062.40	1076.32	-1.29%	4410.22	4082.52	8.03%
Net Interest Income	682.57	701.18	-2.65%	2650.91	2684.48	-1.25%
Other Income	278.53	111.10	150.70%	593.97	390.26	52.20%
Operating Income	961.10	812.28	18.32%	3244.88	3074.74	5.53%
Operating Expenses	385.64	330.84	16.56%	1409.05	1174.99	19.92%
Operating Profit	575.46	481.44	19.53%	1835.83	1899.75	-3.36%
Provisions & Contingencies	380.76	60.57	528.63%	1015.52	147.88	586.72%
PBT	194.70	420.87	-53.74%	820.31	1751.87	-53.18%
Tax Provision	93.09	170.27	-45.33%	311.71	569.40	-45.26%
Net Profit	101.61	250.60	-59.45%	508.60	1182.47	-56.99%
Share Capital	48.49	48.49	0.00%	48.49	48.49	0.00%
EPS in Rs. *	2.10	5.17	-59.38%	10.49	24.39	-56.99%
Net Interest Margins	0.98%	1.03%	-	-	-	-
Net Interest Margins (Ann.)	3.92%	4.13%	-	3.81%	4.16%	-

* EPS for periods upto 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 March 31, 2015	As on March 31, 2014	% Change
Capital & Liabilities			
Capital	48.49	48.49	0.00%
Reserves & Surplus	6061.56	5675.12	6.81%
Deposits	65756.19	69335.86	-5.16%
Borrowings	2339.67	1765.00	32.56%
Other Liabilities & Provisions	1879.54	1795.26	4.69%
Total	76085.45	78619.73	-3.22%
Assets			
Cash & Bank Balance	2373.05	3045.59	-22.08%
Balance with Banks and Money at Call & Short Notice	1360.71	1168.31	16.47%
Investments	25124.30	26195.07	-4.09%
Advances	44585.82	46384.60	-3.88%
Fixed Assets	688.91	533.81	29.05%
Other Assets	1952.66	1292.35	51.09%
Total	76085.45	78619.73	-3.22%

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

Amount in Rupees crore

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
On Loans & Advances	1278.74	1327.35	-3.66%	5161.03	5021.26	2.78%
Investments	457.82	432.12	5.95%	1843.36	1685.56	9.36%
Inter Bank Funds	8.41	18.03	-53.36%	56.74	60.18	-5.72%
Total	1744.97	1777.50	-1.83%	7061.13	6767.00	4.35%

2. Interest Expended

Amount in Rupees crore

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Deposits	1004.24	1047.37	-4.12%	4205.17	3978.37	5.70%
Borrowings	44.66	15.45	189.06%	151.05	50.15	201.20%
Others (Subordinated Debt)	13.50	13.50	0.00%	54.00	54.00	0.00%
Total	1062.40	1076.32	-1.29%	4410.22	4082.52	8.03%

3. Other Income

Amount in Rupees crore

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Commission / Exchange	48.02	42.83	12.12%	169.64	166.46	1.91%
Insurance Commission	12.07	9.03	33.67%	33.42	31.31	6.74%
Treasury / Trading Income	54.27	20.97	158.85%	116.02	63.63	82.35%
Miscellaneous Income	164.17	38.28	328.91%	274.89	128.86	113.31%
Total	278.53	111.10	150.70%	593.97	390.26	52.20%

4. Operating Expenses

Amount in Rupees crore

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Payment for Employees	228.83	203.70	12.34%	894.03	743.91	20.18%
Rent, Taxes and Lightning	18.42	16.88	9.12%	66.62	59.54	11.89%
Printing & Stationery	2.60	2.14	21.50%	9.67	8.48	14.03%
Advertisement & Publicity	5.47	5.29	3.40%	9.31	12.18	-23.56%
Depreciation in Bank's Property	37.92	25.69	47.61%	94.50	77.86	21.37%
Directors' Fees, Allowances & Expenses	0.14	0.22	-36.36%	0.71	0.73	-2.74%
Auditors' Fees & Expenses	3.47	4.30	-19.30%	13.67	13.45	1.64%
Law Charges	1.37	0.54	153.70%	2.82	1.63	73.01%
Postage, Telegrams, Telephones etc	1.36	1.53	-11.11%	5.71	5.97	-4.36%
Repairs & Maintenance	3.29	2.97	10.77%	11.37	12.16	-6.50%
Insurance	13.89	10.98	26.50%	55.52	45.81	21.20%
Other Expenditure	68.88	56.60	21.70%	245.12	193.27	26.83%
Total	385.64	330.84	16.56%	1409.05	1174.99	19.92%

Break-up:

5. Provisions & Contingencies

Amount in Rupees crore

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Provision for Tax	93.09	170.27	-45.33%	311.71	569.40	-45.26%
Provision for Bad & Doubtful Debts	283.62	35.31	703.23%	813.18	68.02	1096%
Provision for Standard Advances	27.13	21.76	24.70%	44.64	51.85	-13.91%
Provision for Depreciation on Investments		-1.32				
Provision for Non Performing Investments	5.39			20.97	17.33	21.00%
Provision for Frauds/ Embezzlements	0.20	0.23	-11.50%	0.43	2.08	-79.33%
Provision for diminution in fair value of Restructured / Rescheduled advances	62.51	3.54	1668%	134.39	7.54	1683%
Provision for Contingent Liabilities	1.90	1.07	78.61%	1.90	1.07	78.61%
Total	473.85	230.84	105.27%	1327.23	717.28	85.04%

6. Deposits

Amount in Rupees crore

Particulars	As on Mar 31, 2015	As on Mar 31, 2014	% Change
Demand Deposits	6546.87	6839.82	-4.28%
Saving Deposits	20929.52	20243.44	3.39%
Term Deposits	38279.80	42252.60	-9.40%
Total	65756.19	69335.86	-5.16%

Movement in Gross NPA's

Amount in Rupees crore

Particulars	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Balance at the start of the period	783.42	643.77	21.69 %
Additions during the period	2525.80	410.60	515.15 %
Reductions			
Up gradations during the period	343.77	117.70	192.07 %
Write off	24.94	7.09	251.76 %
Recoveries during the period	176.43	146.16	20.71 %
Balance at the close of the period	2764.08	783.42	252.82 %

Movement in Restructured Assets

Amount in Rupees crore

Particulars	Q 4 '14-15	Q 4 '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Balance at the start of the period	1804.32	1415.76	27.45 %	1575.97	1490.48	5.74 %
Additions during the period	712.97	239.67	197.48%	1352.34	663.71	103.75 %
Repayments / Reductions / Reclassification / Upgradations, etc, Net off Additional Disbursements during the period	49.96	79.46	-37.12 %	460.98	578.22	-20.28 %
Balance at the close of the period	2467.33	1575.97	56.56 %	2467.33	1575.97	56.56 %

Incremental Growth in Deposits and Advances

Amount in Rupees crore

Particulars		As on Mar 31, 2015	As on Mar 31, 2014	Increment	% Change
Deposits	In J&K State	48724.60	45193.39	3531.21	8%
	In Rest of India	17031.59	24142.48	-7110.89	-29%
	Whole Bank	65756.19	69335.87	-3579.68	-5%
Gross Advances	In J&K State	22869.35	19597.45	3271.90	17%
	In Rest of India	23683.99	27808.30	-4124.31	-15%
	Whole Bank	46553.34	47405.75	-852.41	-2%

Sectoral Break-up of Advances :

March, 2015

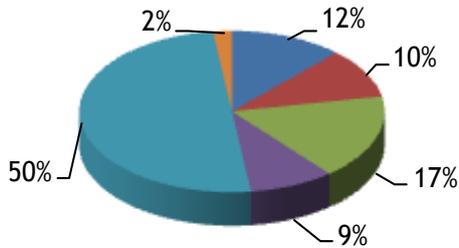
March, 2014

Bank as Whole

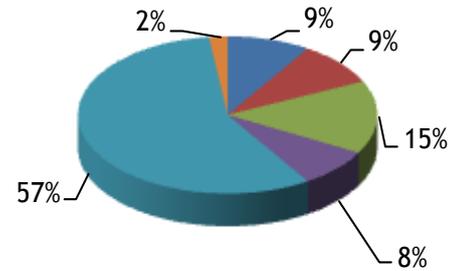
Gross Advances – Rs 46553 cr

Gross Advances – Rs 47406 cr

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



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

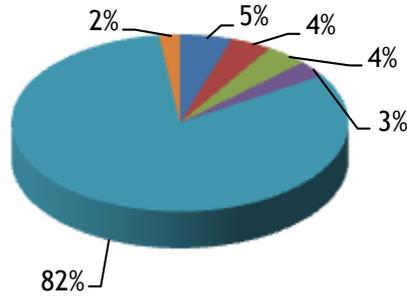


In Rest of India

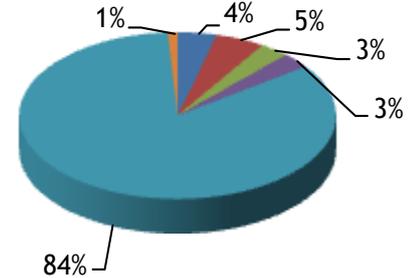
Gross Advances – Rs 23684 cr

Gross Advances – Rs 27808 cr

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



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

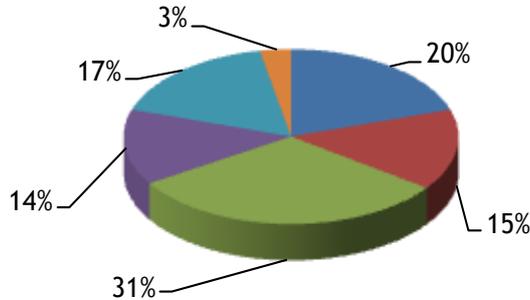


Within J&K State

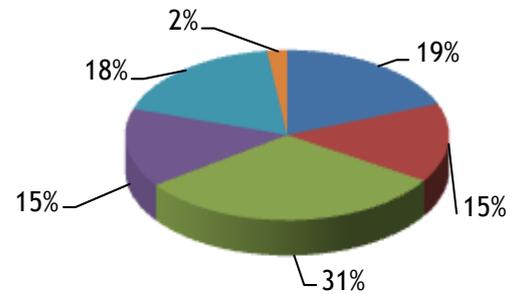
Gross Advances – Rs 22869 cr

Gross Advances – Rs 19597 cr

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



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



Categorization of Investments (I)

Amount in Rupees crore

Particulars	As on Mar 31, 2015	As on Mar 31, 2014	% Change
Held to Maturity (HTM)			
<input type="checkbox"/> Government & Other Approved Securities	12919.67	14251.70	-9.35%
<input type="checkbox"/> Shares			
<input type="checkbox"/> Debentures & Bonds	23.86	47.82	-50.10%
<input type="checkbox"/> Subsidiaries & Joint Ventures	20.00	10.00	100.00%
<input type="checkbox"/> Others	2290.68	2213.37	3.49%
Sub-Total	15254.21	16522.89	-7.68%
<i>Percentage of HTM to Total Investments</i>	<i>60.71%</i>	<i>63.08%</i>	
Held for Trading (HFT)			
<input type="checkbox"/> Government & Other Approved Securities			
<input type="checkbox"/> Shares	1.51	1.24	21.77%
<input type="checkbox"/> Debentures & Bonds			
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others			
Sub-Total	1.51	1.24	21.77%
<i>Percentage of HFT to Total Investments</i>	<i>0.01%</i>	<i>0.005%</i>	
Available for Sale (AFS)			
<input type="checkbox"/> Government & Other Approved Securities	541.98	703.24	-22.93%
<input type="checkbox"/> Shares	230.13	215.35	6.86%
<input type="checkbox"/> Debentures & Bonds	1731.26	1984.48	-12.76%
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others	7365.21	6767.87	8.83%
<input type="checkbox"/> Debt / Money Market related MF's			
Sub-Total	9868.58	9670.94	2.04%
<i>Percentage of AFS to Total Investments</i>	<i>39.28%</i>	<i>36.92%</i>	
Total Investment	25124.30	26195.07	-4.09%

Categorization of Investments (II)

Amount in Rupees crore

Particulars	As on Mar 31, 2015	As on Mar 31, 2014	% Change
SLR Securities	13461.65	14954.95	-9.99%
Non SLR Securities	11662.65	11240.12	3.76%
Total Investment	25124.30	26195.07	-4.09%
SLR Securities as % age to total Investments	53.58%	57.09%	-
Non SLR Securities as % age to total Investments	46.42%	42.91%	-

Previous period figures wherever necessary have been recast

Analytical Ratios:

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	Year Ended Mar 2015	Year Ended Mar 2014
Net Interest Margins (%) *	0.98	1.03		
Annualized	3.92	4.13	3.81	4.16
Yield on Advances (%) *	2.85	3.08		
Annualized	11.41	12.33	11.52	12.23
Yield on Investments (%) *	1.89	1.84		
Annualized	7.55	7.34	7.64	7.39
Cost of Deposits (%) *	1.62	1.68		
Annualized	6.50	6.73	6.72	6.70
Post Tax Return on Assets (%)	0.14	0.34		
Annualized	0.56	1.37	0.70	1.74
Post Tax Return on Average Networkth (%)*	1.66	4.73		
Annualized	6.64	18.93	8.60	22.34
Cost to Income Ratio (%)	40.12	40.73	43.42	38.21
Credit / Deposit (CD) Ratio (%)	67.80	66.90	67.80	66.90
CASA Ratio (%)	41.79	39.06	41.79	39.06
Business per Employee (In Rupees crore)	11.89	12.35	11.89	12.35
Net Profit per Employee (In Rupees lakh)	1.09	2.67		
Annualized	4.38	10.70	5.48	12.62
Number of Employees	9283	9371	9283	9371
Business Per Branch (In Rupees crore)	134.40	148.17	134.40	148.17
Net Profit per Branch (In Rs cr) Annualized	0.50	1.28	0.62	1.51
Branches – Excluding Extension Counters, Controlling Offices & RCC's	821	781	821	781
Gross NPAs (In Rupees crore)	2764.08	783.42	2764.08	783.42
Net NPAs (In Rupees crore)	1236.32	101.99	1236.32	101.99
Gross NPA Ratio (%)	5.97	1.66	5.97	1.66
Net NPA Ratio (%)	2.77	0.22	2.77	0.22
NPA Coverage Ratio (%)	59.02	90.30	59.02	90.30
Capital Adequacy Ratio (%) Basel II	12.67	12.91	12.67	12.91
i. Tier I	11.28	11.24	11.28	11.24
ii. Tier II	1.39	1.67	1.39	1.67
Capital Adequacy Ratio (%) Basel III	12.57	12.69	12.57	12.69
i. Tier I	11.26	11.22	11.26	11.22
ii. Tier II	1.31	1.47	1.31	1.47
Earning per Share ** (In Rupees)	2.10	5.17		
Annualized	8.38	20.68	10.49	24.39
Net Asset Value ** (In Rupees)	126.04	118.07	126.04	118.07
Adjusted Book Value ** (In Rupees)	100.54	115.96	100.54	115.96
Dividend Payout Ratio (%)	-	-	20.02	20.50
Dividend Yield (%)	-	-	2.02	2.65

* Ratios calculated on Fortnightly average balances

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

Shareholding Pattern as on May 08, 2015 vis-à-vis May 09, 2014:

S No.	PARTICULARS	Number of Shares Held as on May 08, 2015	% to Capital	Number of Shares Held as on May 09, 2014	% to Capital
1.	GOVERNMENT OF J&K	257752660	53.17%	25775266	53.17%
2.	INDIAN MUTUAL FUNDS	24415016	5.04%	2054622	4.24%
3.	INSURANCE COMPANIES	14166398	2.92%	215608	0.44%
4.	BANKS	111039	0.02%	15818	0.03%
5.	NON RESIDENT INDIANS	3152381	0.65%	264129	0.54%
6.	FOREIGN INSTITUTIONAL INVESTORS	113295468	23.37%	13564700	27.98%
7.	FOREIGN PORTFOLIO INVESTORS	4153356	0.86%		
8.	BODIES CORPORATES	10746454	2.22%	1679188	3.46%
9.	RESIDENT INDIVIDUALS	56446283	11.64%	4848747	10.00%
10.	CLEARING MEMBERS	538965	0.11%	42702	0.09%
11.	TRUSTS	0	0.00%	17022	0.04%
	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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