

Earnings Update

Audited Full-Year & Quarterly Results

March 31, 2016



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 24, 2016 took on record the Audited Financial Results for the Full Year ended March 31, 2016.

Performance Highlights for the full year ended March 31, 2016:

- Net Profit at Rs 416.04 crore for the financial year ended Mar, 2016 as compared to Rs 508.60 crore earned during the financial year ended Mar, 2015.
- EPS for the financial year ended Mar, 2016 at Rs 8.58 compared to Rs 10.49 earned during the previous financial year.
- NIMs for the financial year ended Mar, 2016 at 3.85 % vis-à-vis 3.81 % for the previous financial year.
- Post tax Return on Assets at 0.57 % for the financial year ended Mar, 2016 compared to 0.70 % for the previous financial year.
- Post Tax Return on Average Net-Worth for the financial year ended Mar, 2016 at 6.65 % compared to 8.60 % recorded for the last financial year.
- The Cost of Deposits for the financial year ended Mar, 2016 at 6.34 % compared to 6.72 % recorded for the last financial year.
- The Yield on Advances for the current financial year stood at 10.90 % as compared to 11.52 % for the financial year ended Mar, 2015.
- Business per Employee and Net profit per Employee were at Rs 11.79 crore and Rs 4.10 lakh respectively for the financial year ended Mar, 2016 compared to Rs 11.89 crore and Rs 5.48 lakh pertaining to the financial year ended Mar, 2015.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2016 at 8.32 % and 4.31 % respectively compared to 5.97 % and 2.77 % a year ago.
- NPA Coverage Ratio as on Mar, 2016 at 56.15 % as compared to 59.02 % a year ago.
- Cost to Income Ratio stood at 48.11 % for the financial year ended Mar, 2016 as compared to 43.42 % for the financial year ended Mar, 2015.
- Capital Adequacy Ratio stood at 11.81 % as on Mar, 2016 which was recorded at 12.57 % as on Mar, 2015.

The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on May 24, 2016 took on record the Audited Financial Results for the Fourth Quarter ended March 31, 2016.

Performance Highlights for the quarter ended March 31, 2016:

- Net Loss of Rs 56.02 crore for the quarter ended Mar, 2016 as compared to a Net Profit of Rs 101.61 crore earned during the quarter ended Mar, 2015.
- EPS for the quarter ended Mar, 2016 at Rs -1.16 compared to Rs 2.10 earned during the corresponding quarter of previous financial year.
- NIMs for the quarter ended Mar, 2016 at 3.60 % (annualized) vis-à-vis 3.92 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at -0.30 % (annualized) for the quarter ended Mar, 2016 compared to 0.56 % for the corresponding period of the previous financial year.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Mar, 2016 at -3.45 % compared to 6.64 % recorded for the corresponding quarter of last financial year.
- The Cost of Deposits (annualized) for the quarter ended Mar, 2016 at 6.15 % compared to 6.50 % recorded for the corresponding quarter of last financial year.
- The Yield on Advances (annualized) for the quarter ended Mar, 2016 stood at 10.09 % as compared to 11.41 % for the quarter ended Mar, 2015.
- Business per Employee and Net profit / loss per Employee (annualized) were at Rs 11.79 crore and Rs -2.21 lakh respectively for the quarter ended Mar, 2016 compared to Rs 11.89 crore and Rs 4.38 lakh pertaining to the quarter ended Mar, 2015.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2016 at 8.32 % and 4.31 % respectively compared to 5.97 % and 2.77 % a year ago.
- NPA Coverage Ratio as on Mar, 2016 at 56.15 % as compared to 59.02 % a year ago.
- Cost to Income Ratio stood at 51.55 % for the quarter ended Mar, 2016 as compared to 40.12 % for the quarter ended Mar, 2015.
- Capital Adequacy Ratio stood at 11.81 % as on Mar, 2016 which was recorded at 12.57 % as on Mar, 2015.

Profit & Loss Account

Amount in Rupees crore

Particulars	Q 4 FY '15-16	Q 4 FY '14-15	% Change	Year ended Mar, '16	Year ended Mar, '15	% Change
Interest Earned	1666.16	1744.97	-4.52%	6843.57	7061.13	-3.08%
Interest Expended	1019.05	1062.40	-4.08%	4133.48	4410.22	-6.27%
Net Interest Income	647.11	682.57	-5.20%	2710.09	2650.91	2.23%
Other Income	139.17	278.53	-50.03%	504.03	593.97	-15.14%
Operating Income	786.28	961.10	-18.19%	3214.12	3244.88	-0.95%
Operating Expenses	405.39	385.64	5.12%	1546.20	1409.05	9.73%
Operating Profit	380.89	575.46	-33.81%	1667.92	1835.83	-9.15%
Provisions & Contingencies	397.11	380.76	4.29%	976.23	1015.52	-3.87%
PBT	-16.22	194.70	-108.33%	691.69	820.31	-15.68%
Tax Provision	39.80	93.09	-57.25%	275.65	311.71	-11.57%
Net Profit	-56.02	101.61	-155.13%	416.04	508.60	-18.20%
Share Capital	48.49	48.49	0.00%	48.49	48.49	0.00%
EPS in Rs.	-1.16	2.10	-155.24%	8.58	10.49	-18.21%
Net Interest Margins	0.90%	0.98%	-	-	-	-
Net Interest Margins (Ann.)	3.60%	3.92%	-	3.85%	3.81%	-

Balance Sheet

Amount in Rupees crore

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
Capital & Liabilities			
Capital	48.49	48.49	0.00%
Reserves & Surplus	6375.48	6061.56	5.18%
Deposits	69390.25	65756.19	5.53%
Borrowings	2240.00	2339.67	-4.26%
Other Liabilities & Provisions	2213.85	1724.84	28.35%
Total	80268.07	75930.75	5.71%
Assets			
Cash & Bank Balance	3126.74	2373.06	31.76%
Balance with Banks and Money at Call & Short Notice	76.27	1360.71	-94.39%
Investments **	20353.62	22759.59	-10.57%
Advances	50193.29	44585.82	12.58%
Fixed Assets	763.72	688.91	10.86%
Other Assets **	5754.43	4162.66	38.24%
Total	80268.07	75930.75	5.71%

** In terms of RBI circular DBR.BP.BC No.31/21.04.018/2015-16 dated 16th July 2015, the bank has, effective from quarter ended 30th June 2015, included its deposits placed with NABARD, SIDBI and NHB on account of shortfall in lending to priority sector under "Other Assets" hitherto these were included under investments. Interest income on these deposits has been included under "Interest earned others". Hitherto such interest income was included under "Interest earned - income on investments". Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above reclassification has no impact on the profit/loss of the bank for the quarter and year ended 31st March, 2016 or on the profit/ loss for the previous periods presented.

Break-up:

1. Interest Earned

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
On Loans & Advances	1224.65	1278.74	-4.23%	5027.66	5161.03	-2.58%
Investments	382.16	430.15	-11.16%	1646.65	1741.25	-5.43%
Inter Bank Funds	59.35	36.08	64.50%	169.26	158.85	6.55%
Total	1666.16	1744.97	-4.52%	6843.57	7061.13	-3.08%

2. Interest Expended

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Deposits	991.73	1004.24	-1.25%	3986.76	4205.17	-5.19%
Borrowings	13.82	44.66	-69.06%	92.72	151.05	-38.62%
Others (Subordinated Debt)	13.50	13.50	0.00%	54.00	54.00	0.00%
Total	1019.05	1062.40	-4.08%	4133.48	4410.22	-6.27%

3. Other Income

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Commission / Exchange	45.64	48.02	-4.96%	183.74	169.64	8.31%
Insurance Commission	13.57	12.07	12.43%	43.16	33.42	29.14%
Treasury / Trading Income	41.31	54.27	-23.89%	147.09	116.02	26.78%
Miscellaneous Income	38.66	164.17	-76.45%	130.04	274.89	-52.69%
Total	139.17	278.53	-50.03%	504.03	593.97	-15.14%

4. Operating Expenses

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Payment for Employees	258.50	228.83	12.97%	1019.59	894.03	14.04%
Rent, Taxes and Lightning	17.93	18.42	-2.66%	72.05	66.62	8.15%
Printing & Stationery	2.10	2.60	-19.23%	8.87	9.67	-8.27%
Advertisement & Publicity	7.01	5.47	28.15%	13.26	9.31	42.43%
Depreciation in Bank's Property	16.82	37.92	-55.64%	63.99	94.50	-32.29%
Directors' Fees, Allowances & Expenses	0.33	0.14	135.71%	0.91	0.71	28.17%
Auditors' Fees & Expenses	4.65	3.47	34.01%	14.85	13.67	8.63%
Law Charges	1.48	1.37	8.03%	6.45	2.82	128.72%
Postage, Telegrams, Telephones etc	1.53	1.36	12.50%	5.95	5.71	4.20%
Repairs & Maintenance	4.25	3.29	29.18%	13.32	11.37	17.15%
Insurance	14.20	13.89	2.26%	57.46	55.52	3.49%
Other Expenditure	76.58	68.88	11.18%	269.50	245.12	9.95%
Total	405.39	385.64	5.12%	1546.20	1409.05	9.73%

Break-up:

5. Provisions & Contingencies

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Provision for Tax	39.80	93.09	-57.25%	275.65	311.71	-11.57%
Provision for Bad & Doubtful Debts	310.98	283.62	9.65%	869.62	813.18	6.94%
Provision for Standard Advances	72.32	27.13	166.57%	76.36	44.64	71.06%
Provision for Depreciation on Investments	0.19			0.19		
Provision for Non Performing Investments	11.50	5.39	113.36%	27.11	20.97	29.28%
Provision for Frauds/ Embezzlements	0.03	0.20	-85.00%	0.72	0.43	67.44%
Provision for diminution in fair value of Restructured / Rescheduled advances	-0.14	62.51	-100.22%	0.00	134.39	-100.00%
Provision for Contingent Liabilities	2.23	1.90	17.12%	2.23	1.90	17.12%
Total	436.91	473.85	-7.80%	1251.88	1327.23	-5.68%

6. Deposits

Amount in Rupees crore

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
Demand Deposits	7211.94	6546.87	10.16%
Saving Deposits	23408.43	20929.52	11.84%
Term Deposits	38769.88	38279.80	1.28%
Total	69390.25	65756.19	5.53%

Geographical Break-up

Amount in Rupees Crore

S. No.	Particulars	Amount in Rupees Crore			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	52762	76%	16628	24%
2	CASA Ratio	-	53%	-	15%
3	Gross Advances	25608	48%	27452	52%
4	Number of Branches	742	86%	119	14%
5	Number of ATM's	922	92%	84	8%

Movement in Gross NPA's

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Balance at the start of the period	3339.46	2657.88	25.64%	2764.08	783.42	252.82%
Additions during the period	1479.83	411.22	259.86%	2383.23	2525.80	-5.64%
Reductions						
Up gradations during the period	46.44	234.75	-80.22%	188.92	343.77	-45.04%
Write off	321.43	8.00	3918%	328.03	24.94	1215%
Recoveries during the period	82.80	62.27	32.97%	261.74	176.43	48.35%
Balance at the close of the period	4368.62	2764.08	58.05%	4368.62	2764.08	58.05%

Movement in Restructured Assets

Amount in Rupees crore

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Balance at the start of the period	2504.75	1804.32	38.82%	2467.33	1575.97	56.56%
Additions during the period	244.05	712.97		270.26	1352.34	
Repayments / Reductions / Reclassification / Upgradations, etc, Net off Additional Disbursements during the period(#)	486.55	49.96		497.76	460.98	
Balance at the close of the period	3235.35	2467.33	31.13%	3235.35	2467.33	31.13%

The figures represent accretion during the reporting period, where Additional Disbursements exceed repayments/upgradations etc and decrction where Additional Disbursements do not exceed them

Break-up of Deposits :

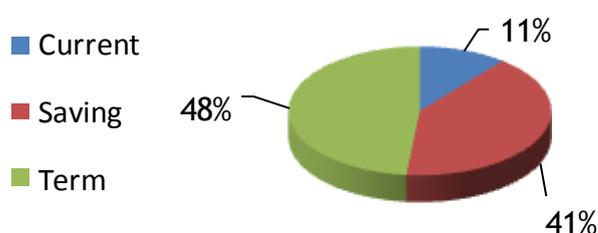
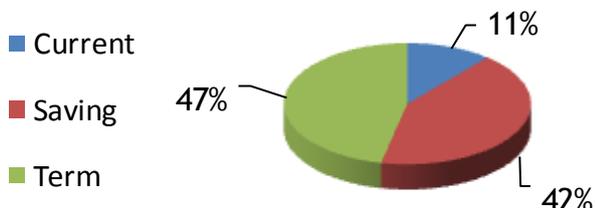
March, 2016

March, 2015

In J&K State

Total Deposits – Rs 52762 crore

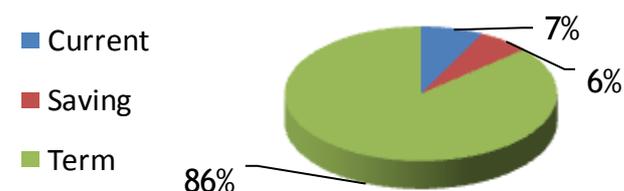
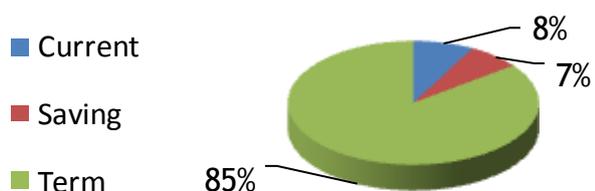
Total Deposits – Rs 48725 crore



In Rest of India

Total Deposits – Rs 16628 crore

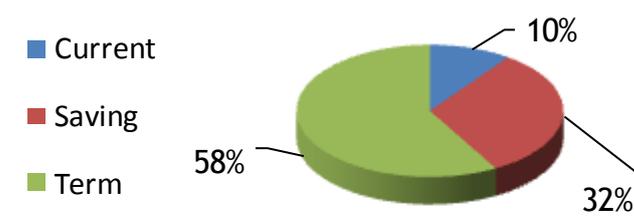
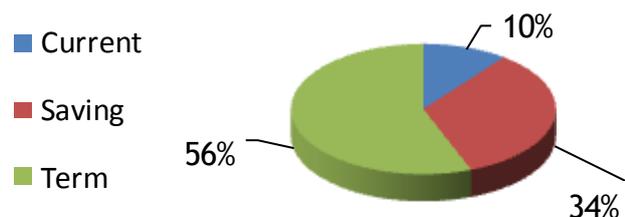
Total Deposits – Rs 17032 crore



Bank as Whole

Total Deposits – Rs 69390 crore

Total Deposits – Rs 65756 crore



Incremental Growth in Deposits

Amount in Rupees crore

Particulars		As on Mar 31, 2016	As on Mar 31, 2015	Increment	% Change
Deposits	In J&K State	52762	48725	4038	8%
	In Rest of India	16628	17032	-404	-2%
	Whole Bank	69390	65756	3634	6%

Sectoral Break-up of Advances :

March, 2016

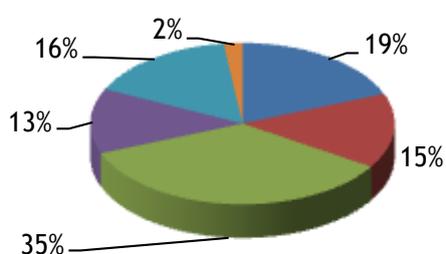
March, 2015

In J&K State

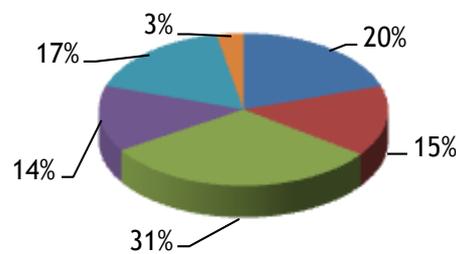
Gross Advances – Rs 25608 crore

Gross Advances – Rs 22869 crore

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



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

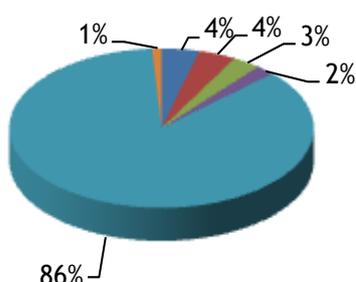


In Rest of India

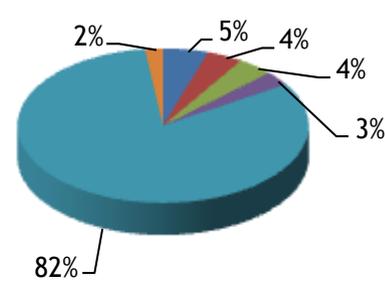
Gross Advances – Rs 27452 crore

Gross Advances – Rs 23684 crore

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



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

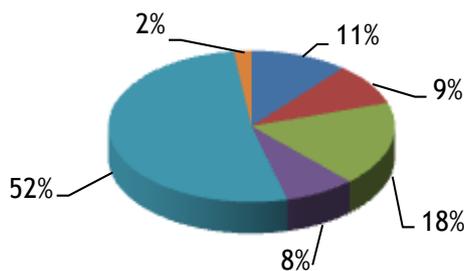


Bank as Whole

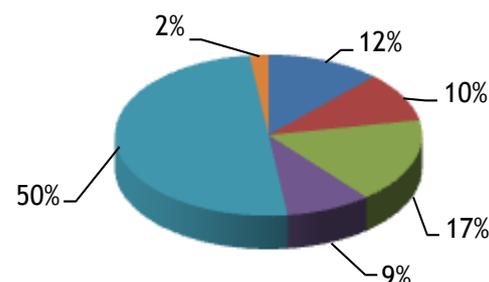
Gross Advances – Rs 53060 crore

Gross Advances – Rs 46553 crore

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



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



Incremental Growth in Advances

Amount in Rupees crore

Particulars		As on Mar 31, 2016	As on Mar 31, 2015	Increment	% Change
Gross Advances	In J&K State	25608	22869	2739	12%
	In Rest of India	27452	23684	3768	16%
	Whole Bank	53060	46553	6506	14%

Categorization of Investments (I)

Amount in Rupees crore

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
Held to Maturity (HTM)			
<input type="checkbox"/> Government & Other Approved Securities	12716.07	12912.71	-1.52%
<input type="checkbox"/> Shares			
<input type="checkbox"/> Debentures & Bonds	20.08	23.85	-15.81%
<input type="checkbox"/> Subsidiaries & Joint Ventures	20.00	20.00	0.00%
<input type="checkbox"/> Others	56.92	60.67	-6.18%
Sub-Total	12813.07	13017.23	-1.57%
<i>Percentage of HTM to Total Investments</i>	<i>62.95%</i>	<i>57.19%</i>	
Held for Trading (HFT)			
<input type="checkbox"/> Government & Other Approved Securities			
<input type="checkbox"/> Shares	0.15	1.51	-90.07%
<input type="checkbox"/> Debentures & Bonds			
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others			
Sub-Total	0.15	1.51	-90.07%
<i>Percentage of HFT to Total Investments</i>	<i>0.00%</i>	<i>0.01%</i>	
Available for Sale (AFS)			
<input type="checkbox"/> Government & Other Approved Securities	1231.97	541.97	127.31%
<input type="checkbox"/> Shares	175.18	170.68	2.64%
<input type="checkbox"/> Debentures & Bonds	1791.50	1711.37	4.68%
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others	4341.75	7316.84	-40.66%
<input type="checkbox"/> Debt / Money Market related MF's			
Sub-Total	7540.40	9740.85	-22.59%
<i>Percentage of AFS to Total Investments</i>	<i>37.05%</i>	<i>42.80%</i>	
Total Investment	20353.62	22759.59	-10.57%

Categorization of Investments (II)

Amount in Rupees crore

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
SLR Securities	13948.04	13454.68	3.67%
Non SLR Securities	6405.58	9304.91	-31.16%
Total Investment	20353.62	22759.59	-10.57%
SLR Securities as % age to total Investments	68.53%	59.12%	-
Non SLR Securities as % age to total Investments	31.47%	40.88%	-

Previous period figures wherever necessary have been recast

Analytical Ratios:

Particulars	Q 4 FY '15-16	Q 4 FY '14-15	Year Ended Mar 2016	Year Ended Mar 2015
Net Interest Margins (%) *	0.90	0.98		
Annualized	3.60	3.92	3.85	3.81
Yield on Advances (%) *	2.52	2.85		
Annualized	10.09	11.41	10.90	11.52
Yield on Investments (%) *	1.85	1.94		
Annualized	7.42	7.76	7.66	7.91
Cost of Deposits (%) *	1.54	1.62		
Annualized	6.15	6.50	6.34	6.72
Post Tax Return on Assets (%)	-0.07	0.14		
Annualized	-0.30	0.56	0.57	0.70
Post Tax Return on Average Networkth (%)*	-0.86	1.66		
Annualized	-3.45	6.64	6.65	8.60
Cost to Income Ratio (%)	51.55	40.12	48.11	43.42
Credit / Deposit (CD) Ratio (%)	72.33	67.80	72.33	67.80
CASA Ratio (%)	44.13	41.79	44.13	41.79
Business per Employee (In Rupees crore)	11.79	11.89	11.79	11.89
Net Profit per Employee (In Rupees lakh)	-0.55	1.09		
Annualized	-2.21	4.38	4.10	5.48
Number of Employees	10141	9283	10141	9283
Business Per Branch (In Rupees crore)	138.89	134.40	138.89	134.40
Net Profit per Branch (In Rs cr) Annualized	-0.26	0.50	0.48	0.62
Branches – Excluding Extension Counters, Controlling Offices & RCC's	861	821	861	821
Gross NPAs (In Rupees crore)	4368.62	2764.08	4368.62	2764.08
Net NPAs (In Rupees crore)	2163.95	1236.32	2163.95	1236.32
Gross NPA Ratio (%)	8.32	5.97	8.32	5.97
Net NPA Ratio (%)	4.31	2.77	4.31	2.77
NPA Coverage Ratio (%)	56.15	59.02	56.15	59.02
Capital Adequacy Ratio (%)	11.81	12.57	11.81	12.57
i. Tier I	10.60	11.26	10.60	11.26
ii. Tier II	1.21	1.31	1.21	1.31
Earnings per Share (In Rupees)	-1.16	2.10		
Annualized	-4.62	8.38	8.58	10.49
Net Asset Value (In Rupees)	132.10	126.04	132.10	126.04
Adjusted Book Value (In Rupees)	87.46	100.54	87.46	100.54
Dividend Payout Ratio (%)	-	-	20.39	20.02
Dividend Yield (%)	-	-	2.92	2.02

* Ratios calculated on Fortnightly average balances

Shareholding Pattern as on May 20, 2016 vis-à-vis May 22, 2015:

S No.	PARTICULARS	Number of Shares Held as on May 20, 2016	% to Capital	Number of Shares Held as on May 22, 2015	% to Capital
1.	GOVERNMENT OF J&K	257752660	53.17%	257752660	53.17%
2.	INDIAN MUTUAL FUNDS	29785357	6.14%	24414833	5.04%
3.	INSURANCE COMPANIES	15374694	3.17%	15355831	3.17%
4.	BANKS	216767	0.04%	76521	0.02%
5.	NON RESIDENT INDIANS	3895029	0.80%	3186084	0.66%
6.	FOREIGN INSTITUTIONAL INVESTORS	49083086	10.12%	111806345	23.06%
7.	FOREIGN PORTFOLIO INVESTORS	33809104	6.97%	4362206	0.90%
8.	BODIES CORPORATES	26296408	5.42%	10348888	2.13%
9.	RESIDENT INDIVIDUALS	67993476	14.03%	56356089	11.63%
10.	FOREIGN NATIONALS	125	0.00%		
11.	CLEARING MEMBERS	571314	0.12%	1118563	0.23%
	TOTAL	484778020	100.00%	484778020	100.00%

For more information, contact:

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