

# **Earnings Update**

Reviewed Second Quarter & Half Year Results

*September 30, 2017*



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on October 27, 2017 took on record the Reviewed Financial Results for the Second Quarter ended September 30, 2017.

**Performance Highlights for the quarter ended September 30, 2017:**

- Net Profit of Rs 71.64 crore for the quarter ended Sep, 2017 as compared to Net Loss of Rs 602.40 crore for the quarter ended Sep, 2016.
- Deposits stood at Rs 70384.60 crore as on Sep, 2017 as compared to Rs 69884.88 crore as on Sep, 2016.
- Net Advances were at Rs 51341.32 crore as on Sep, 2017 as compared to Rs 47552.74 crore as on Sep, 2016.
- EPS for the quarter ended Sep, 2017 at Rs 1.29 compared to Rs -12.43 for the quarter ended Sep, 2016.
- NIMs for the quarter ended Sep, 2017 at 3.78% (annualized) vis-à-vis 3.37% for the quarter ended Sep, 2016.
- Post tax Return on Assets at 0.36% (annualized) for the quarter ended Sep, 2017 compared to -3.07% for the quarter ended Sep, 2016.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Sep, 2017 at 4.59% compared to -40.24% recorded for the quarter ended Sep, 2016.
- The Cost of Deposits (annualized) for the quarter ended Sep, 2017 at 5.22% compared to 5.93% recorded for the corresponding quarter of previous year.
- The Yield on Advances (annualized) for the quarter ended Sep, 2017 stood at 9.29% as compared to 9.78% for the corresponding quarter of previous year.
- Business per Employee and Net profit per Employee (annualized) were at Rs 10.99 crore and Rs 2.59 lakh respectively for the quarter ended Sep, 2017 compared to Rs 11.65 crore and Rs -23.90 lakh pertaining to quarter ended Sep, 2016.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Sep, 2017 at 10.87% and 4.76% respectively compared to 11.33% and 6.81% as on Sep, 2016.
- NPA Coverage Ratio as on Sep, 2017 at 69.23% as compared to 53.94% as on Sep, 2016.
- Cost to Income Ratio stood at 56.00% for the quarter ended Sep, 2017 as compared to 51.36% for the quarter ended Sep, 2016.
- Capital Adequacy Ratio stood at 11.09% as on Sep, 2017 which was recorded at 11.05% as on Sep, 2016.

**The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on October 27, 2017 took on record the Reviewed Financial Results for the Half Year ended September 30, 2017.**

**Performance Highlights for the half year ended September 30, 2017:**

- Net Profit of Rs 101.83 crore for the half-year ended Sep, 2017 as compared to Net Loss of Rs 579.52 crore for the half-year ended Sep, 2016.
- Deposits stood at Rs 70384.60 crore as on Sep, 2017 as compared to Rs 69884.88 crore as on Sep, 2016.
- Net Advances were at Rs 51341.32 crore as on Sep, 2017 as compared to Rs 47552.74 crore as on Sep, 2016.
- EPS for the half year ended Sep, 2017 at Rs 1.83 compared to Rs -11.95 for the corresponding half year of previous financial year.
- NIMs for the half year ended Sep, 2017 at 3.74% (annualized) vis-à-vis 3.38% for the corresponding half year of previous financial year.
- Post tax Return on Assets at 0.26% (annualized) for the half year ended Sep, 2017 compared to -1.49% for the corresponding period of the previous financial year.
- Post Tax Return on Average Net-Worth (annualized) for the half year ended Sep, 2017 at 3.39% compared to -19.39% recorded for the corresponding half year of last financial year.
- The Cost of Deposits (annualized) for the half year ended Sep, 2017 at 5.24% compared to 5.96% recorded for the corresponding half year of last financial year.
- The Yield on Advances (annualized) for the half year ended Sep, 2017 stood at 9.39% as compared to 9.86% for the half year ended Sep, 2016.
- Business per Employee and Net profit per Employee (annualized) were at Rs 10.99 crore and Rs 1.84 lakh respectively for the half year ended Sep, 2017 compared to Rs 11.65 crore and Rs -11.50 lakh pertaining to the half year ended Sep, 2016.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Sep, 2017 at 10.87% and 4.76% respectively compared to 11.33% and 6.81% as on Sep, 2016.
- NPA Coverage Ratio as on Sep, 2017 at 69.23% as compared to 53.94% as on Sep, 2016.
- Cost to Income Ratio stood at 55.60% for the half year ended Sep, 2017 as compared to 52.36% for the half year ended Sep, 2016.
- Capital Adequacy Ratio stood at 11.09% as on Sep, 2017 which was recorded at 11.05% as on Sep, 2016.

## Profit & Loss Account

Amount in Rupees crore

| Particulars                                   | Q 2 FY<br>'17-18 | Q 2 FY<br>'16-17 | %<br>Change | Q 2 FY<br>'17-18 | Q 1 FY<br>'17-18 | %<br>Change | H 1 FY<br>'17-18 | H 1 FY<br>'16-17 | %<br>Change | FY<br>ended<br>Mar, '17 |
|---|------------------|------------------|-------------|------------------|------------------|-------------|------------------|------------------|-------------|-------------------------|
| Interest Earned                               | 1666.43          | 1685.73          | -1%         | 1666.43          | 1680.32          | -1%         | 3346.75          | 3358.08          | 0%          | 6685.80                 |
| Interest Expended                             | 943.81           | 1044.33          | -10%        | 943.81           | 968.11           | -3%         | 1911.92          | 2084.08          | -8%         | 4173.86                 |
| <b>Net Interest Income</b>                    | <b>722.62</b>    | <b>641.40</b>    | 13%         | <b>722.62</b>    | <b>712.21</b>    | 1%          | <b>1434.83</b>   | <b>1274.00</b>   | 13%         | <b>2511.94</b>          |
| Other Income                                  | 105.03           | 130.94           | -20%        | 105.03           | 110.21           | -5%         | 215.24           | 247.64           | -13%        | 492.86                  |
| <b>Operating Income</b>                       | <b>827.65</b>    | <b>772.34</b>    | 7%          | <b>827.65</b>    | <b>822.42</b>    | 1%          | <b>1650.07</b>   | <b>1521.64</b>   | 8%          | <b>3004.80</b>          |
| Operating Expenses                            | 463.47           | 396.71           | 17%         | 463.47           | 453.93           | 2%          | 917.40           | 796.70           | 15%         | 1710.46                 |
| <b>Operating Profit</b>                       | <b>364.18</b>    | <b>375.63</b>    | -3%         | <b>364.18</b>    | <b>368.49</b>    | -1%         | <b>732.67</b>    | <b>724.94</b>    | 1%          | <b>1294.34</b>          |
| Provisions & Contingencies                    | 242.87           | 992.08           | -76%        | 242.87           | 278.65           | -13%        | 521.52           | 1305.78          | -60%        | 2800.31                 |
| <b>PBT</b>                                    | <b>121.31</b>    | <b>-616.45</b>   | -120%       | <b>121.31</b>    | <b>89.84</b>     | 35%         | <b>211.15</b>    | <b>-580.84</b>   | -136%       | <b>-1505.97</b>         |
| Tax Provision                                 | 49.67            | -14.05           | -454%       | 49.67            | 59.65            | -17%        | 109.32           | -1.32            | -8382%      | 126.32                  |
| Deferred Tax Asset                            | 0.00             |                  |             | 0.00             | -238.18          |             | -238.18          | 0.00             |             |                         |
| Net Profit from Ordinary activities after Tax | <b>71.64</b>     | <b>-602.40</b>   | -112%       | <b>71.64</b>     | <b>268.37</b>    | -73%        | <b>340.01</b>    | <b>-579.52</b>   | -159%       | <b>-1632.29</b>         |
| Extraordinary Items                           | 0.00             | 0.00             |             | 0.00             | 238.18           | -100%       | 238.18           |                  |             | 0.00                    |
| <b>Net Profit</b>                             | <b>71.64</b>     | <b>-602.40</b>   | -112%       | <b>71.64</b>     | <b>30.19</b>     | 137%        | <b>101.83</b>    | <b>-579.52</b>   | -118%       | <b>-1632.29</b>         |

**Balance Sheet**

Amount in Rupees crore

| Particulars   | As on Sep 30, 2017 | As on Sep 30, 2016 | % Change  | As on Mar 31, 2017 |
|---|--------------------|--------------------|-----------|--------------------|
| <b>Capital &amp; Liabilities</b>                    |                    |                    |           |                    |
| Capital   | 55.70              | 48.49              | 15%       | 52.15              |
| Reserves & Surplus (includes retained earnings)     | 5997.29            | 5795.96            | 3%        | 5624.35            |
| Deposits  | 70384.60           | 69884.88           | 1%        | 72463.09           |
| Borrowings  | 1130.53            | 922.67             | 23%       | 1276.05            |
| Other Liabilities & Provisions                      | 1792.38            | 1543.72            | 16%       | 2603.03            |
| <b>Total</b>  | <b>79360.50</b>    | <b>78195.72</b>    | <b>1%</b> | <b>82018.67</b>    |
| <b>Assets</b>                                       |                    |                    |           |                    |
| Cash & Bank Balance                                 | 3158.24            | 2840.87            | 11%       | 3590.97            |
| Balance with Banks and Money at Call & Short Notice | 909.95             | 814.63             | 12%       | 1794.96            |
| Investments   | 18905.38           | 22417.78           | -16%      | 21290.89           |
| Advances  | 51341.32           | 47552.74           | 8%        | 49816.11           |
| Fixed Assets  | 1552.76            | 783.02             | 98%       | 1543.32            |
| Other Assets  | 3492.85            | 3786.68            | -8%       | 3982.42            |
| <b>Total</b>  | <b>79360.50</b>    | <b>78195.72</b>    | <b>1%</b> | <b>82018.67</b>    |

## Break-up:

### 1. Interest Earned on

Amount in Rupees crore

| Particulars                               | Q2 FY '17-18   | Q2 FY '16-17   | % Change   | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change  | FY Ended Mar, 2017 |
|---|----------------|----------------|------------|----------------|----------------|-----------|--------------------|
| Loans & Advances                          | 1244.50        | 1226.09        | 2%         | 2451.71        | 2466.95        | -1%       | 4784.35            |
| Investments                               | 363.75         | 428.84         | -15%       | 749.70         | 827.90         | -9%       | 1782.61            |
| Balance with RBI & Other Inter Bank Funds | 58.11          | 30.80          | 89%        | 145.17         | 62.59          | 132%      | 117.21             |
| Others                                    | 0.07           |                |            | 0.17           | 0.64           | -73%      | 1.63               |
| <b>Total</b>                              | <b>1666.43</b> | <b>1685.73</b> | <b>-1%</b> | <b>3346.75</b> | <b>3358.08</b> | <b>0%</b> | <b>6685.80</b>     |

### 2. Interest Expended on

Amount in Rupees crore

| Particulars                | Q2 FY '17-18  | Q2 FY '16-17   | % Change    | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change   | FY Ended Mar, 2017 |
|----------------------------|---------------|----------------|-------------|----------------|----------------|------------|--------------------|
| Deposits                   | 916.43        | 1020.92        | -10%        | 1855.93        | 2035.02        | -9%        | 4079.18            |
| Borrowings                 | 2.01          | 9.91           | -80%        | 5.24           | 22.06          | -76%       | 39.64              |
| Others (Subordinated Debt) | 25.37         | 13.50          | 88%         | 50.75          | 27.00          | 88%        | 55.04              |
| <b>Total</b>               | <b>943.81</b> | <b>1044.33</b> | <b>-10%</b> | <b>1911.92</b> | <b>2084.08</b> | <b>-8%</b> | <b>4173.86</b>     |

### 3. Other Income

Amount in Rupees crore

| Particulars               | Q2 FY '17-18  | Q2 FY '16-17  | % Change    | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change    | FY Ended Mar, 2017 |
|---------------------------|---------------|---------------|-------------|----------------|----------------|-------------|--------------------|
| Commission / Exchange     | 39.20         | 34.75         | 13%         | 79.18          | 78.49          | 1%          | 164.88             |
| Insurance Commission      | 8.27          | 7.44          | 11%         | 15.38          | 16.43          | -6%         | 32.82              |
| Treasury / Trading Income | 2.57          | 46.73         | -95%        | 28.84          | 82.94          | -65%        | 143.26             |
| Miscellaneous Income      | 54.99         | 42.02         | 31%         | 91.84          | 69.78          | 32%         | 151.90             |
| <b>Total</b>              | <b>105.03</b> | <b>130.94</b> | <b>-20%</b> | <b>215.24</b>  | <b>247.64</b>  | <b>-13%</b> | <b>492.86</b>      |

### 4. Operating Expenses

Amount in Rupees crore

| Particulars                            | Q2 FY '17-18  | Q2 FY '16-17  | % Change   | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change   | FY Ended Mar, 2017 |
|--|---------------|---------------|------------|----------------|----------------|------------|--------------------|
| Payment for Employees                  | 308.02        | 278.07        | 11%        | 611.19         | 546.83         | 12%        | 1122.54            |
| Rent, Taxes and Lightning              | 21.56         | 17.58         | 23%        | 42.03          | 36.32          | 16%        | 75.46              |
| Printing & Stationery                  | 2.59          | 1.36          | 90%        | 5.26           | 3.64           | 45%        | 9.35               |
| Advertisement & Publicity              | 3.17          | 2.23          | 42%        | 5.73           | 4.57           | 25%        | 15.09              |
| Depreciation in Bank's Property        | 20.31         | 18.97         | 7%         | 40.07          | 37.33          | 7%         | 85.08              |
| Directors' Fees, Allowances & Expenses | 0.42          | 0.24          | 75%        | 0.59           | 0.51           | 16%        | 0.98               |
| Auditors' Fees & Expenses              | 3.82          | 3.50          | 9%         | 7.62           | 7.01           | 9%         | 15.51              |
| Law Charges                            | 1.62          | 1.35          | 20%        | 3.03           | 2.43           | 25%        | 9.93               |
| Postage, Telegrams, Telephones etc     | 0.99          | 0.99          | 0%         | 3.24           | 3.10           | 5%         | 6.46               |
| Repairs & Maintenance                  | 4.21          | 3.43          | 23%        | 8.28           | 7.04           | 18%        | 15.31              |
| Insurance                              | 17.86         | 19.36         | -8%        | 35.65          | 35.31          | 1%         | 67.48              |
| Other Expenditure                      | 78.90         | 49.63         | 59%        | 154.71         | 112.61         | 37%        | 287.27             |
| <b>Total</b>                           | <b>463.47</b> | <b>396.71</b> | <b>17%</b> | <b>917.40</b>  | <b>796.70</b>  | <b>15%</b> | <b>1710.46</b>     |

## Break-up:

### 5. Provisions & Contingencies

Amount in Rupees crore

| Particulars   | Q2 FY '17-18  | Q2 FY '16-17  | % Change    | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change    | FY Ended Mar, 2017 |
|---|---------------|---------------|-------------|----------------|----------------|-------------|--------------------|
| Provision for Tax   | 49.67         | -14.05        | -454%       | -128.86        | -1.32          | 9662%       | 126.32             |
| Provision for Bad & Doubtful Debts  | 196.00        | 689.46        | -72%        | 667.18         | 955.54         | -30%        | 2115.92            |
| Provision for Standard Advances   | 33.00         | 133.61        | -75%        | -9.71          | 148.52         | -107%       | 263.37             |
| Provision for Depreciation on Investments                                     | 0.00          | 14.40         | -100%       | -33.15         | 14.40          | -330%       | 55.19              |
| Provision for Non Performing Investments                                      | 13.82         | 65.82         | -79%        | 137.01         | 94.36          | 45%         | 244.04             |
| Provision for Frauds/ Embezzlements   | 0.05          | 0.09          | -44%        | 0.35           | 0.29           | 21%         | 1.40               |
| Provision for diminution in fair value of Restructured / Rescheduled advances | 0.00          | 78.71         | -100%       | -2.42          | 78.71          | -103%       | 114.50             |
| Provision for SDR   | 0.00          | 4.17          | -100%       | 0.00           | 8.15           | -100%       | 0.00               |
| Provision for Contingent Liabilities  | 0.00          | 5.81          | -100%       | 0.44           | 5.81           | -92%        | 5.89               |
| <b>Total</b>  | <b>292.54</b> | <b>978.02</b> | <b>-70%</b> | <b>630.84</b>  | <b>1304.46</b> | <b>-52%</b> | <b>2926.63</b>     |

### 6. Deposits

Amount in Rupees crore

| Particulars     | As on Sep 30, 2017 | As on Sep 30, 2016 | % Change  | As on Mar 31, 2017 |
|-----------------|--------------------|--------------------|-----------|--------------------|
| Demand Deposits | 7251.05            | 7063.73            | 3%        | 9562.59            |
| Saving Deposits | 28194.96           | 24471.47           | 15%       | 27897.57           |
| Term Deposits   | 34938.58           | 38349.68           | -9%       | 35002.93           |
| <b>Total</b>    | <b>70384.59</b>    | <b>69884.88</b>    | <b>1%</b> | <b>72463.09</b>    |

### Geographical Break-up (as on September 2017)

| Particulars                  | From J&K State |              | From Rest of India |              | Bank as a Whole |              |
|------------------------------|----------------|--------------|--------------------|--------------|-----------------|--------------|
|                              | Amount         | % age        | Amount             | % age        | Amount          | % age        |
| Deposits (in Rs crore)       | 61679.46       | 87.63        | 8705.14            | 12.37        | 70384.60        | 100          |
| CASA Ratio (in percent)      | -              | <b>53.25</b> | -                  | <b>29.90</b> | -               | <b>50.36</b> |
| Gross Advances (in Rs crore) | 29527.39       | 51.79        | 27491.10           | 48.21        | 57018.49        | 100          |
| Number of Branches           | 777            | 85.86        | 128                | 14.14        | 905             | 100          |
| Number of ATM's              | 1042           | 91.81        | 93                 | 8.19         | 1135            | 100          |

### Movement in Gross NPA's

Amount in Rupees crore

| Particulars                              | Q2 FY '17-18   | Q2 FY '16-17   | % Change | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change | FY Ended Mar, 2017 |
|--|----------------|----------------|----------|----------------|----------------|----------|--------------------|
| Balance at the start of the period       | 5640.62        | 4714.92        | 20%      | 6000.01        | 4368.61        | 37%      | 4368.61            |
| Additions during the period              | 480.44         | 1062.48        | -55%     | 985.93         | 2439.87        | -60%     | 3278.42            |
| Up gradations during the period          | 43.52          | 24.37          | 79%      | 115.06         | 50.87          | 126%     | 154.76             |
| Write off (includes Technical Write off) | 1.14           | 0.82           | 39%      | 670.96         | 782.46         | -14%     | 827.92             |
| Recoveries during the period             | 93.53          | 69.26          | 35%      | 217.05         | 292.21         | -26%     | 664.34             |
| Balance at the close of the period       | <b>5982.87</b> | <b>5682.96</b> | 5%       | <b>5982.87</b> | <b>5682.96</b> | 5%       | <b>6000.01</b>     |

### Movement in Restructured Assets

Amount in Rupees crore

| Particulars                                     | Q2 FY '17-18   | Q2 FY '16-17   | % Change    | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change    | FY Ended Mar, 2017 |
|---|----------------|----------------|-------------|----------------|----------------|-------------|--------------------|
| Balance at the start of the period              | 6415.37        | 3247.70        | 98%         | 6381.39        | 3230.80        | 98%         | 3230.80            |
| Additions during the period                     | 251.52         | 108.99         | 131%        | 434.24         | 228.66         | 90%         | 3526.08            |
| Disbursements during the period                 | 123.17         | 7.48           | 1547%       | 243.93         | 22.61          | 979%        | 22.94              |
| Reductions / Reclassification / Up gradations   | 30.21          | 44.06          | -31%        | 212.97         | 59.08          | 260%        | 116.97             |
| Recoveries during the period                    | 147.56         | 73.84          | 100%        | 234.30         | 176.72         | 33%         | 281.46             |
| <b>Balance at the close of the period</b>       | <b>6612.29</b> | <b>3246.27</b> | <b>104%</b> | <b>6612.29</b> | <b>3246.27</b> | <b>104%</b> | <b>6381.39</b>     |
| NPA's out of outstanding restructured portfolio | 859.85         | 855.82         | 0%          | 859.85         | 855.82         | 0%          | 843.32             |
| Provisions held against these NPA's             | 397.84         | 206.14         | 93%         | 397.84         | 206.14         | 93%         | 442.00             |

### Movement in Flexible Structuring Portfolio

Amount in Rupees crore

|                                      | Q2 FY '17-18  | Q2 FY '16-17  | % Change | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change | FY Ended Mar, 2017 |
|--------------------------------------|---------------|---------------|----------|----------------|----------------|----------|--------------------|
| Balance at the start of the period   | 255.98        | 1117.63       | -77%     | 255.62         | 1122.27        | -77%     | 1122.27            |
| Additions during the period          | 0.00          | 0.00          |          | 0.00           | 0.00           |          | 0.00               |
| Reductions during the period         | 0.00          | 735.58        | -100%    | 0.00           | 740.22         | -100%    | 865.79             |
| Balance at the close of the period * | <b>249.10</b> | <b>382.05</b> | -35%     | <b>249.10</b>  | <b>382.05</b>  | -35%     | <b>255.62</b>      |

\* The closing balance of Rs. 249.10 crore comprises two accounts which are Standard non-Restructured as on Sep'2017

### Movement in Strategic Debt Restructuring Portfolio

Amount in Rupees crore

|                                       | Q2 FY '17-18  | Q2 FY '16-17  | % Change | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change | FY Ended Mar, 2017 |
|---------------------------------------|---------------|---------------|----------|----------------|----------------|----------|--------------------|
| Balance at the start of the period    | 281.48        | 965.68        | -71%     | 312.18         | 1087.82        | -71%     | 1087.82            |
| Additions during the period           | 283.11        | 0.00          |          | 283.11         | 0.00           |          | 252.13             |
| Reductions during the period          | 195.74        | 640.96        | -69%     | 222.40         | 763.10         | -71%     | 895.58             |
| Balance at the close of the period ** | <b>368.52</b> | <b>324.72</b> | 13%      | <b>368.52</b>  | <b>324.72</b>  | 13%      | <b>312.18</b>      |

\*\* The closing balance of Rs. 368.52 crore comprises two accounts – one for Rs. 85.41 crore is Standard non-Restructured and one for Rs. 283.11 crore is Restructured Standard as on Sep'2017

### Movement in S4A Portfolio

Amount in Rupees crore

|  | Q2 FY '17-18  | Q2 FY '16-17 | % Change | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change | FY Ended Mar, 2017 |
|--|---------------|--------------|----------|----------------|----------------|----------|--------------------|
| Balance at the start of the period     | 244.82        | 0.00         |          | 371.20         | 0.00           |          | 0.00               |
| Additions during the period            | 0.00          | 0.00         |          | 0.00           | 0.00           |          | 420.56             |
| Reductions during the period           | 0.00          | 0.00         |          | 130.21         | 0.00           |          | 0.00               |
| Balance at the close of the period *** | <b>246.85</b> | <b>0.00</b>  |          | <b>246.85</b>  | <b>0.00</b>    |          | <b>371.20</b>      |

\*\*\* The closing balance of Rs. 246.85 crore comprises two accounts which are Restructured Standard as on Sep'2017

**Break-up of Deposits :**

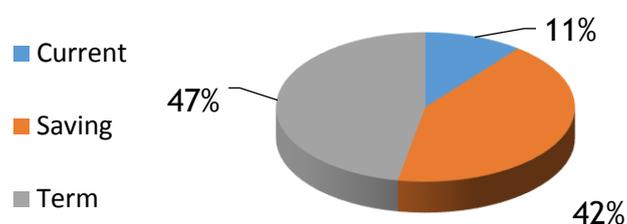
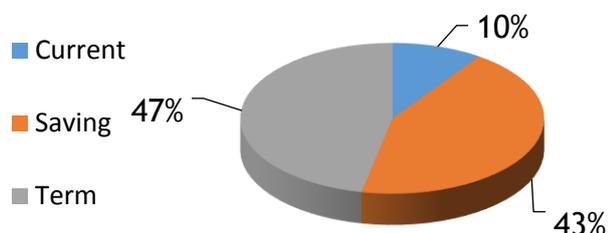
**September, 2017**

**September, 2016**

**In J&K State**

**Total Deposits – Rs 61679.46 crore**

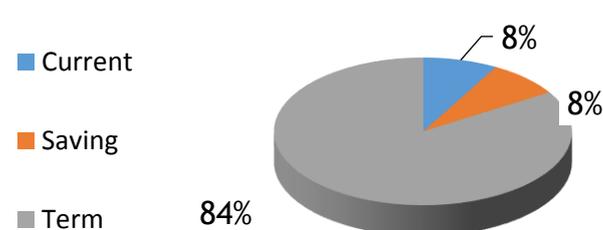
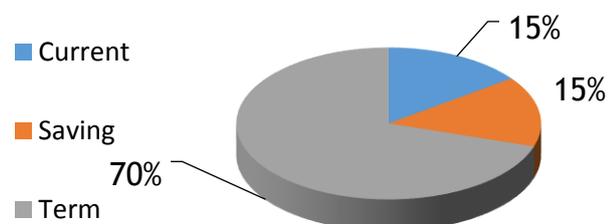
**Total Deposits – Rs 55050.96 crore**



**In Rest of India**

**Total Deposits – Rs 8705.14 crore**

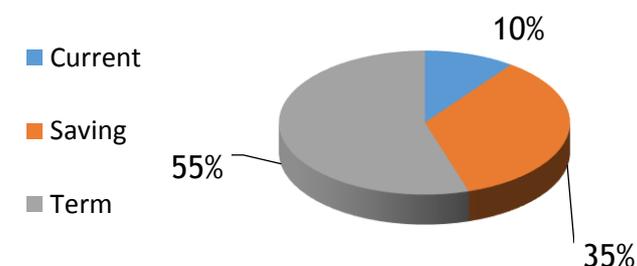
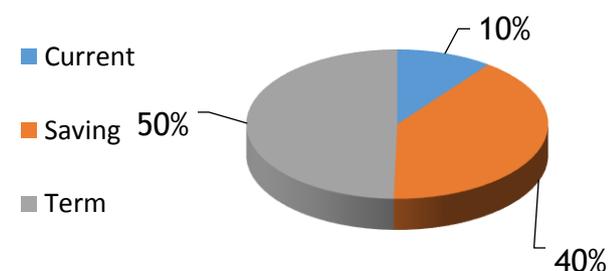
**Total Deposits – Rs 14833.92 crore**



**Bank as Whole**

**Total Deposits – Rs 70384.60 crore**

**Total Deposits – Rs 69884.88 crore**



**Incremental Growth in Deposits**

**Amount in Rupees crore**

| Particulars |                  | As on Sep 30, 2017 | As on Sep 30, 2016 | Increment | % Change |
|-------------|------------------|--------------------|--------------------|-----------|----------|
| Deposits    | In J&K State     | 61679.46           | 55050.96           | 6628.50   | 12%      |
|             | In Rest of India | 8705.14            | 14833.92           | -6128.78  | -41%     |
|             | Whole Bank       | 70384.60           | 69884.88           | 499.72    | 1%       |

**Sectoral Break-up of Advances :**

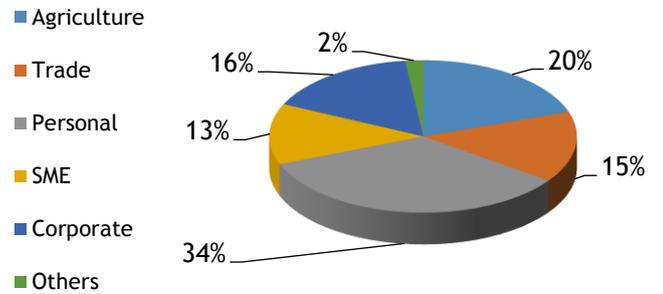
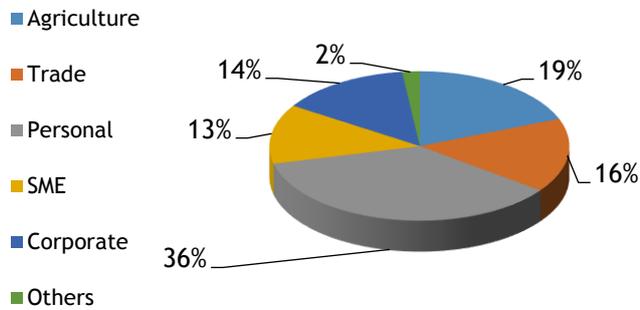
**September, 2017**

**September, 2016**

**In J&K State**

**Gross Advances – Rs 29527.39 crore**

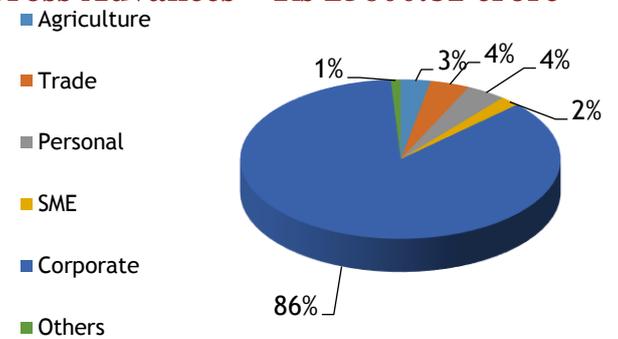
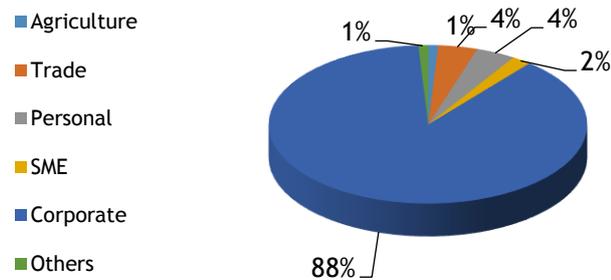
**Gross Advances – Rs 25888.36 crore**



**In Rest of India**

**Gross Advances – Rs 27491.10 crore**

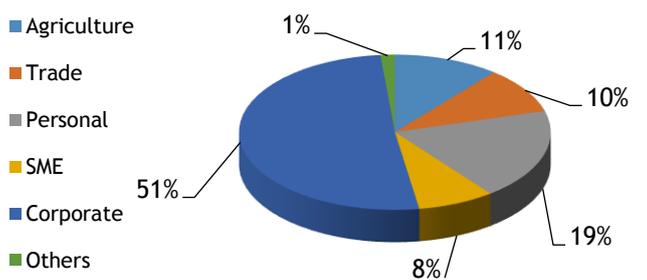
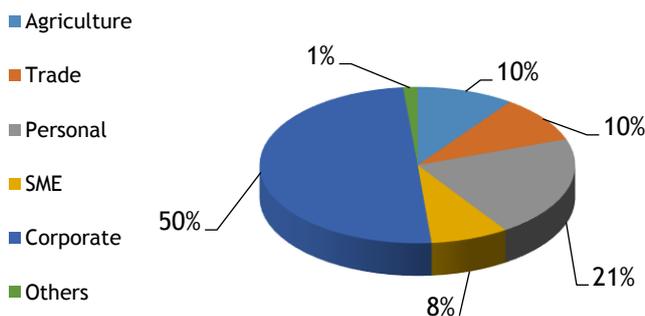
**Gross Advances – Rs 25600.81 crore**



**Bank as Whole**

**Gross Advances – Rs 57018.49 crore**

**Gross Advances – Rs 51489.17 crore**



**Incremental Growth in Advances**

**Amount in Rupees crore**

| Particulars    |                  | As on Sep 30, 2017 | As on Sep 30, 2016 | Increment | % Change |
|----------------|------------------|--------------------|--------------------|-----------|----------|
| Gross Advances | In J&K State     | 29527.39           | 25888.36           | 3639.03   | 14%      |
|                | In Rest of India | 27491.10           | 25600.81           | 1890.29   | 7%       |
|                | Whole Bank       | 57018.49           | 51489.17           | 5529.32   | 11%      |

## Categorization of Investments (I)

Amount in Rupees crore

| Particulars                                   | As on Sep 30, 2017 | As on Sep 30, 2016 | % Change    | As on Mar 31, 2017 |
|---|--------------------|--------------------|-------------|--------------------|
| <b>Held to Maturity (HTM)</b>                 |                    |                    |             |                    |
| □ Government & Other Approved Securities      | 13637.34           | 13798.52           | -1%         | 13884.98           |
| □ Shares                                      | 0.00               | 0.00               |             | 0.00               |
| □ Debentures & Bonds                          | 21.85              | 20.66              | 6%          | 21.23              |
| □ Subsidiaries & Joint Ventures               | 20.00              | 20.00              | 0%          | 20.00              |
| □ Others                                      | 45.67              | 52.12              | -12%        | 52.12              |
| <b>Sub-Total</b>                              | <b>13724.86</b>    | <b>13891.30</b>    | <b>-1%</b>  | <b>13978.33</b>    |
| <i>Percentage of HTM to Total Investments</i> | <i>73%</i>         | <i>62%</i>         |             | <i>66%</i>         |
| <b>Held for Trading (HFT)</b>                 |                    |                    |             |                    |
| □ Government & Other Approved Securities      | 35.36              | 0.00               |             | 10.45              |
| □ Shares                                      | 2.50               | 4.48               | -44%        | 1.25               |
| □ Debentures & Bonds                          | 0.00               | 0.00               |             | 0.00               |
| □ Subsidiaries & Joint Ventures               | 0.00               | 0.00               |             | 0.00               |
| □ Others                                      | 0.00               | 0.00               |             | 0.00               |
| <b>Sub-Total</b>                              | <b>37.86</b>       | <b>4.48</b>        | <b>745%</b> | <b>11.70</b>       |
| <i>Percentage of HFT to Total Investments</i> | <i>0%</i>          | <i>0%</i>          |             | <i>0%</i>          |
| <b>Available for Sale (AFS)</b>               |                    |                    |             |                    |
| □ Government & Other Approved Securities      | 2196.47            | 1251.90            | 75%         | 2429.78            |
| □ Shares                                      | 190.02             | 263.92             | -28%        | 271.72             |
| □ Debentures & Bonds                          | 827.21             | 1644.25            | -50%        | 1481.94            |
| □ Subsidiaries & Joint Ventures               | 0.00               | 0.00               |             | 0.00               |
| □ Others                                      | 1928.96            | 5361.93            | -64%        | 3117.42            |
| □ Debt / Money Market related MF's            | 0.00               | 0.00               |             |                    |
| <b>Sub-Total</b>                              | <b>5142.66</b>     | <b>8522.00</b>     | <b>-40%</b> | <b>7300.86</b>     |
| <i>Percentage of AFS to Total Investments</i> | <i>27%</i>         | <i>38%</i>         |             | <i>34%</i>         |
| <b>Total Investment</b>                       | <b>18905.38</b>    | <b>22417.78</b>    | <b>-16%</b> | <b>21290.89</b>    |

## Categorization of Investments (II)

Amount in Rupees crore

| Particulars                                      | As on Sep 30, 2017 | As on Sep 30, 2016 | % Change    | As on Mar 31, 2017 |
|--|--------------------|--------------------|-------------|--------------------|
| SLR Securities                                   | 15869.17           | 15050.42           | 5%          | 16325.21           |
| Non SLR Securities                               | 3036.21            | 7367.36            | -59%        | 4965.68            |
| <b>Total Investment</b>                          | <b>18905.38</b>    | <b>22417.78</b>    | <b>-16%</b> | <b>21290.89</b>    |
| SLR Securities as % age to total Investments     | 83.94%             | 67.14%             | -           | 76.68%             |
| Non SLR Securities as % age to total Investments | 16.06%             | 32.86%             | -           | 23.32%             |

Previous period figures wherever necessary have been recast

### Movement in Non Performing Investments

Amount in Rupees crore

| Particulars                  | Q2 FY '17-18  | Q2 FY '16-17  | % Change   | HY 1 FY '17-18 | HY 1 FY '16-17 | % Change   | FY Ended Mar, 2017 |
|------------------------------|---------------|---------------|------------|----------------|----------------|------------|--------------------|
| Opening balance              | 695.59        | 469.23        | 48%        | 569.67         | 369.53         | 54%        | 369.53             |
| Additions during the period  | 0.00          | 0.00          |            | 127.63         | 100.00         | 28%        | 227.95             |
| Recovery during the period   | 0.00          | 6.57          | -100%      | 1.71           | 6.87           | -75%       | 27.81              |
| Closing balance              | <b>695.59</b> | <b>462.66</b> | <b>50%</b> | <b>695.59</b>  | <b>462.66</b>  | <b>50%</b> | <b>569.67</b>      |
| Provisions held against NPIs | 581.74        | 274.43        | 112%       | 581.74         | 274.43         | 112%       | 445.46             |

### Duration of Investments

In Years

| Particulars            | As on Sep 30, 2017 | As on Sep 30, 2016 | As on Mar 31, 2017 |
|------------------------|--------------------|--------------------|--------------------|
| HTM Portfolio          | 4.24               | 4.12               | 4.12               |
| HFT Portfolio          | 6.67               | 0.00               | 5.91               |
| AFS Portfolio          | 2.30               | 1.09               | 2.99               |
| <b>Total Portfolio</b> | <b>3.75</b>        | <b>3.01</b>        | <b>3.75</b>        |

### Yield on Investments (on daily average balances)

In percent

| Particulars            | Quarter ended Sep, 2017 | Quarter ended Sep, 2016 | Half Year ended Sep, 2017 | Half Year ended Sep, 2016 | FY Ended Mar, 2017 |
|------------------------|-------------------------|-------------------------|---------------------------|---------------------------|--------------------|
| SLR Securities         | 7.58                    | 8.28                    | 7.60                      | 8.04                      | 7.75               |
| Non SLR Securities     | 5.77                    | 6.90                    | 5.84                      | 7.15                      | 6.10               |
| <b>Total Portfolio</b> | <b>7.12</b>             | <b>7.79</b>             | <b>7.12</b>               | <b>7.72</b>               | <b>7.29</b>        |

### Analytical Ratios:

| Particulars   | Q2 FY<br>'17-18 | Q2 FY<br>'16-17 | HY 1 FY<br>'17-18 | HY 1 FY<br>'16-17 | Year Ended<br>Mar 2017 |
|---|-----------------|-----------------|-------------------|-------------------|------------------------|
| Net Interest Margins (%) *  | 0.94            | 0.84            | 1.87              | 1.69              |                        |
| <b>Annualized</b>   | <b>3.78</b>     | <b>3.37</b>     | <b>3.74</b>       | <b>3.38</b>       | <b>3.38</b>            |
| Yield on Advances (%) *   | 2.32            | 2.44            | 4.70              | 4.93              |                        |
| <b>Annualized</b>   | <b>9.29</b>     | <b>9.78</b>     | <b>9.39</b>       | <b>9.86</b>       | <b>10.02</b>           |
| Yield on Investments (%) *  | 1.75            | 1.88            | 3.49              | 3.69              |                        |
| <b>Annualized</b>   | <b>7.00</b>     | <b>7.52</b>     | <b>6.99</b>       | <b>7.38</b>       | <b>6.68</b>            |
| Cost of Deposits (%) *  | 1.30            | 1.48            | 2.62              | 2.98              |                        |
| <b>Annualized</b>   | <b>5.22</b>     | <b>5.93</b>     | <b>5.24</b>       | <b>5.96</b>       | <b>5.87</b>            |
| Post Tax Return on Assets (%)   | 0.09            | -0.77           | 0.13              | -0.74             |                        |
| <b>Annualized</b>   | <b>0.36</b>     | <b>-3.07</b>    | <b>0.26</b>       | <b>-1.49</b>      | <b>-2.04</b>           |
| Post Tax Return on Average Network (*%)*                                | 1.15            | -10.06          | 1.70              | -9.70             |                        |
| <b>Annualized</b>   | <b>4.59</b>     | <b>-40.24</b>   | <b>3.39</b>       | <b>-19.39</b>     | <b>-26.98</b>          |
| Cost to Income Ratio (%)  | 56.00           | 51.36           | 55.60             | 52.36             | 56.92                  |
| Credit / Deposit (CD) Ratio (%)   | 72.94           | 68.04           | 72.94             | 68.04             | 68.75                  |
| CASA Ratio (%)  | 50.36           | 45.12           | 50.36             | 45.12             | 51.70                  |
| Business per Employee (In Rupees crore)                                 | 10.99           | 11.65           | 10.99             | 11.65             | 12.20                  |
| Net Profit per Employee (In Rupees lakh)                                | 0.65            | -5.98           | 0.92              | -5.75             |                        |
| <b>Annualized</b>   | <b>2.59</b>     | <b>-23.90</b>   | <b>1.84</b>       | <b>-11.50</b>     | <b>-16.29</b>          |
| Number of Employees   | 11079           | 10081           | 11079             | 10081             | 10021                  |
| Business Per Branch (In Rupees crore)                                   | 134.50          | 135.61          | 134.50            | 135.61            | 141.36                 |
| Net Profit per Branch (In Rs cr) <b>Ann.</b>                            | <b>0.32</b>     | <b>-2.78</b>    | <b>0.23</b>       | <b>-1.34</b>      | <b>-1.89</b>           |
| Branches – Excluding Extension Counters,<br>Controlling Offices & RCC's | 905             | 866             | 905               | 866               | 865                    |
| Number of ATMs  | 1135            | 1037            | 1135              | 1037              | 1096                   |
| Gross NPAs (In Rupees crore)  | 5982.87         | 5682.96         | 5982.87           | 5682.96           | 6000.01                |
| Net NPAs (In Rupees crore)  | 2442.59         | 3236.40         | 2442.59           | 3236.40           | 2425.37                |
| Gross NPA Ratio (%)   | 10.87           | 11.33           | 10.87             | 11.33             | 11.20                  |
| Net NPA Ratio (%)   | 4.76            | 6.81            | 4.76              | 6.81              | 4.87                   |
| NPA Coverage Ratio (%)  | 69.23           | 53.94           | 69.23             | 53.94             | 66.88                  |
| Capital Adequacy Ratio (%)  | <b>11.09</b>    | <b>11.05</b>    | <b>11.09</b>      | <b>11.05</b>      | <b>10.80</b>           |
| i. Tier I   | 9.19            | 9.60            | 9.19              | 9.60              | 8.70                   |
| ii. Tier II   | 1.90            | 1.45            | 1.90              | 1.45              | 2.10                   |
| Earnings per Share (In Rupees)  | 1.29            | -12.43          | 1.83              | -11.95            |                        |
| <b>Annualized</b>   | <b>5.15</b>     | <b>-49.71</b>   | <b>3.66</b>       | <b>-23.91</b>     | <b>-33.59</b>          |
| Net Asset Value (In Rupees)   | 108.70          | 114.08          | 108.70            | 114.08            | 116.80                 |
| Adjusted Book Value (In Rupees)   | 64.84           | 47.32           | 64.84             | 47.32             | 66.90                  |
| Dividend Payout Ratio (%)   | -               | -               | -                 | -                 | -                      |
| Dividend Yield (%)  | -               | -               | -                 | -                 | -                      |

\* Ratios calculated on Fortnightly average balances

Previous period figures have been recast wherever necessary

### Shareholding Pattern as on Oct 20, 2017 vis-à-vis Oct 21, 2016:

| S No. | PARTICULARS                     | Number of Shares Held as on Oct 20, 2017 | % to Capital   | Number of Shares Held as on Oct 21, 2016 | % to Capital   |
|-------|---------------------------------|--|----------------|--|----------------|
| 1.    | GOVERNMENT OF J&K               | 329833032                                | 59.23%         | 257752660                                | 53.17%         |
| 2.    | INDIAN MUTUAL FUNDS             | 27765121                                 | 4.99%          | 35739032                                 | 7.37%          |
| 3.    | INSURANCE COMPANIES             | 15374694                                 | 2.76%          | 15374694                                 | 3.17%          |
| 4.    | BANKS                           | 312884                                   | 0.06%          | 229478                                   | 0.05%          |
| 5.    | NON RESIDENT INDIANS            | 3906946                                  | 0.70%          | 4143018                                  | 0.85%          |
| 6.    | FOREIGN INSTITUTIONAL INVESTORS | 281958                                   | 0.05%          | 14745505                                 | 3.04%          |
| 7.    | FOREIGN PORTFOLIO INVESTORS     | 93222554                                 | 16.74%         | 59627612                                 | 12.30%         |
| 8.    | BODIES CORPORATES               | 17315184                                 | 3.11%          | 23579818                                 | 4.86%          |
| 9.    | RESIDENT INDIVIDUALS            | 68661701                                 | 12.33%         | 72240398                                 | 14.90%         |
| 10.   | CLEARING MEMBERS                | 184318                                   | 0.03%          | 1345805                                  | 0.28%          |
|       | <b>TOTAL</b>                    | <b>556858392</b>                         | <b>100.00%</b> | <b>484778020</b>                         | <b>100.00%</b> |

For more information, contact:

**Mohammed Ishaq,**

Executive Manager,  
Investor Relations  
J & K Bank Ltd., Corporate Headquarters,  
M.A. Road, Srinagar, 190 001.  
Email: investorrelations@jkbmail.com