

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 4160.4 million for the financial year ended Mar, 2016 as compared to Rs 5086.0 million 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 117.9 million and Rs 0.41 million respectively for the financial year ended Mar, 2016 compared to Rs 118.9 million and Rs 0.55 million 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 560.2 million for the quarter ended Mar, 2016 as compared to a Net Profit of Rs 1016.1 million 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 117.9 million and Rs -0.22 million respectively for the quarter ended Mar, 2016 compared to Rs 118.9 million and Rs 0.44 million 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 million

Particulars	Q 4 FY '15-16	Q 4 FY '14-15	% Change	Year ended Mar, '16	Year ended Mar, '15	% Change
Interest Earned	16661.6	17449.7	-4.52%	68435.7	70611.3	-3.08%
Interest Expended	10190.5	10624.0	-4.08%	41334.8	44102.2	-6.27%
Net Interest Income	6471.1	6825.7	-5.20%	27100.9	26509.1	2.23%
Other Income	1391.7	2785.3	-50.03%	5040.3	5939.7	-15.14%
Operating Income	7862.8	9611.0	-18.19%	32141.2	32448.8	-0.95%
Operating Expenses	4053.9	3856.4	5.12%	15462.0	14090.5	9.73%
Operating Profit	3808.9	5754.6	-33.81%	16679.2	18358.3	-9.15%
Provisions & Contingencies	3971.1	3807.6	4.29%	9762.3	10155.2	-3.87%
PBT	-162.2	1947.0	-108.33%	6916.9	8203.1	-15.68%
Tax Provision	398.0	930.9	-57.25%	2756.5	3117.1	-11.57%
Net Profit	-560.2	1016.1	-155.13%	4160.4	5086.0	-18.20%
Share Capital	484.9	484.9	0.00%	484.9	484.9	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 million

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
Capital & Liabilities			
Capital	484.9	484.9	0.00%
Reserves & Surplus	63754.8	60615.6	5.18%
Deposits	693902.5	657561.9	5.53%
Borrowings	22400.0	23396.7	-4.26%
Other Liabilities & Provisions	22138.5	17248.4	28.35%
Total	802680.7	759307.5	5.71%
Assets			
Cash & Bank Balance	31267.4	23730.6	31.76%
Balance with Banks and Money at Call & Short Notice	762.7	13607.1	-94.39%
Investments **	203536.2	227595.9	-10.57%
Advances	501932.9	445858.2	12.58%
Fixed Assets	7637.2	6889.1	10.86%
Other Assets **	57544.3	41626.6	38.24%
Total	802680.7	759307.5	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 million

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
On Loans & Advances	12246.5	12787.4	-4.23%	50276.6	51610.3	-2.58%
Investments	3821.6	4301.5	-11.16%	16466.5	17412.5	-5.43%
Inter Bank Funds	593.5	360.8	64.50%	1692.6	1588.5	6.55%
Total	16661.6	17449.7	-4.52%	68435.7	70611.3	-3.08%

2. Interest Expended

Amount in Rupees million

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Deposits	9917.3	10042.4	-1.25%	39867.6	42051.7	-5.19%
Borrowings	138.2	446.6	-69.06%	927.2	1510.5	-38.62%
Others (Subordinated Debt)	135.0	135.0	0.00%	540.0	540.0	0.00%
Total	10190.5	10624.0	-4.08%	41334.8	44102.2	-6.27%

3. Other Income

Amount in Rupees million

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Commission / Exchange	456.4	480.2	-4.96%	1837.4	1696.4	8.31%
Insurance Commission	135.7	120.7	12.43%	431.6	334.2	29.14%
Treasury / Trading Income	413.1	542.7	-23.89%	1470.9	1160.2	26.78%
Miscellaneous Income	386.6	1641.7	-76.45%	1300.4	2748.9	-52.69%
Total	1391.7	2785.3	-50.03%	5040.3	5939.7	-15.14%

4. Operating Expenses

Amount in Rupees million

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Payment for Employees	2585.0	2288.3	12.97%	10195.9	8940.3	14.04%
Rent, Taxes and Lightning	179.3	184.2	-2.66%	720.5	666.2	8.15%
Printing & Stationery	21.0	26.0	-19.23%	88.7	96.7	-8.27%
Advertisement & Publicity	70.1	54.7	28.15%	132.6	93.1	42.43%
Depreciation in Bank's Property	168.2	379.2	-55.64%	639.9	945.0	-32.29%
Directors' Fees, Allowances & Expenses	3.3	1.4	135.71%	9.1	7.1	28.17%
Auditors' Fees & Expenses	46.5	34.7	34.01%	148.5	136.7	8.63%
Law Charges	14.8	13.7	8.03%	64.5	28.2	128.72%
Postage, Telegrams, Telephones etc	15.3	13.6	12.50%	59.5	57.1	4.20%
Repairs & Maintenance	42.5	32.9	29.18%	133.2	113.7	17.15%
Insurance	142.0	138.9	2.26%	574.6	555.2	3.49%
Other Expenditure	765.8	688.8	11.18%	2695.0	2451.2	9.95%
Total	4053.9	3856.4	5.12%	15462.0	14090.5	9.73%

Break-up:

5. Provisions & Contingencies

Amount in Rupees million

Particulars	Q4 FY '15-16	Q4 FY '14-15	% Change	Year Ended Mar, 2016	Year Ended Mar, 2015	% Change
Provision for Tax	398.0	930.9	-57.25%	2756.5	3117.1	-11.57%
Provision for Bad & Doubtful Debts	3109.8	2836.2	9.65%	8696.2	8131.8	6.94%
Provision for Standard Advances	723.2	271.3	166.57%	763.6	446.4	71.06%
Provision for Depreciation on Investments	1.9			1.9		
Provision for Non Performing Investments	115.0	53.9	113.36%	271.1	209.7	29.28%
Provision for Frauds/ Embezzlements	0.3	2.0	-85.00%	7.2	4.3	67.44%
Provision for diminution in fair value of Restructured / Rescheduled advances	-1.4	625.1	-100.22%		1343.9	
Provision for Contingent Liabilities	22.3	19.0	17.12%	22.3	19.0	17.12%
Total	4369.1	4738.5	-7.80%	12518.8	13272.3	-5.68%

6. Deposits

Amount in Rupees million

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
Demand Deposits	72119.4	65468.7	10.16%
Saving Deposits	234084.3	209295.2	11.84%
Term Deposits	387698.8	382798.0	1.28%
Total	693902.5	657561.9	5.53%

Geographical Break-up

Amount in Rupees million

S. No.	Particulars	Amount in Rupees million			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	527624	76%	166279	24%
2	CASA Ratio	-	53%	-	15%
3	Gross Advances	256081	48%	274517	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 million

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	33394.6	26578.8	25.64%	27640.8	7834.2	252.82%
Additions during the period	14798.3	4112.2	259.86%	23832.3	25258.0	-5.64%
Reductions						
Up gradations during the period	464.4	2347.5	-80.22%	1889.2	3437.7	-45.04%
Write off	3214.3	80.0	3918%	3280.3	249.4	1215%
Recoveries during the period	828.0	622.7	32.97%	2617.4	1764.3	48.35%
Balance at the close of the period	43686.2	27640.8	58.05%	43686.2	27640.8	58.05%

Movement in Restructured Assets

Amount in Rupees million

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	25047.5	18043.2	38.82%	24673.3	15759.7	56.56%
Additions during the period	2440.5	7129.7		2702.6	13523.4	
Repayments / Reductions / Reclassification / Upgradations, etc, Net off Additional Disbursements during the period(#)	4865.5	499.6		4977.6	4609.8	
Balance at the close of the period	32353.5	24673.3	31.13%	32353.5	24673.3	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 :

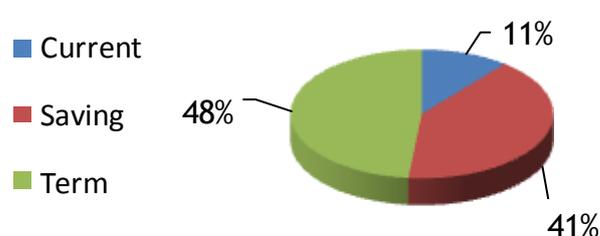
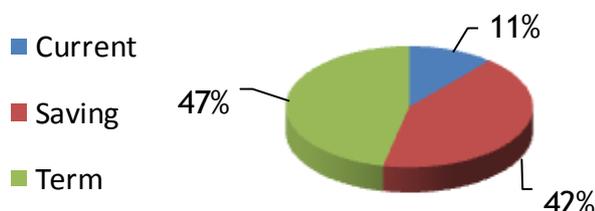
March, 2016

March, 2015

In J&K State

Total Deposits – Rs 527624 million

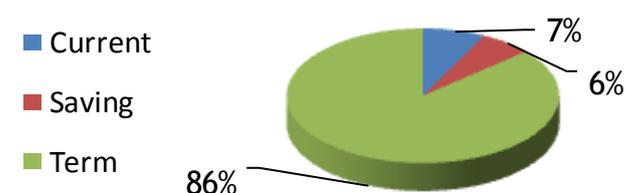
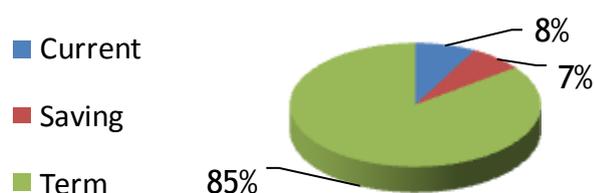
Total Deposits – Rs 487246 million



In Rest of India

Total Deposits – Rs 166279 million

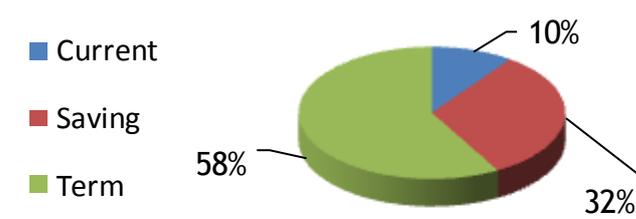
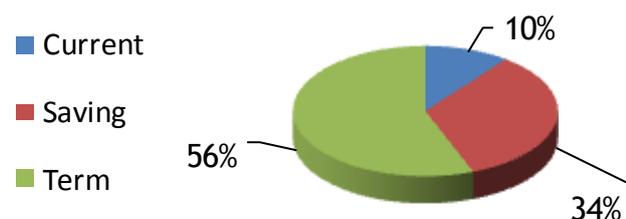
Total Deposits – Rs 170316 million



Bank as Whole

Total Deposits – Rs 693903 million

Total Deposits – Rs 657562 million



Incremental Growth in Deposits

Amount in Rupees million

Particulars		As on Mar 31, 2016	As on Mar 31, 2015	Increment	% Change
Deposits	In J&K State	527624	487246	40378	8%
	In Rest of India	166279	170316	-4037	-2%
	Whole Bank	693903	657562	36341	6%

Sectoral Break-up of Advances :

March, 2016

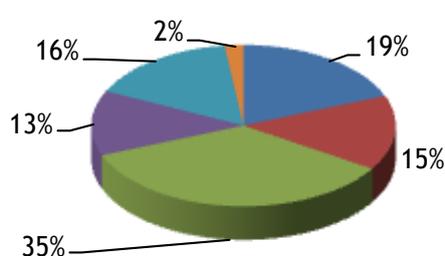
March, 2015

In J&K State

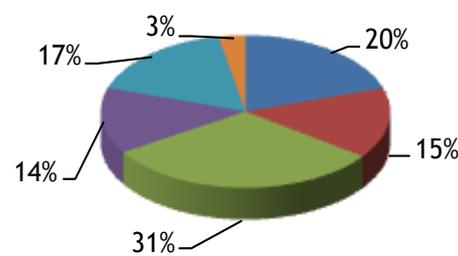
Gross Advances – Rs 256081 million

Gross Advances – Rs 228694 million

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



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

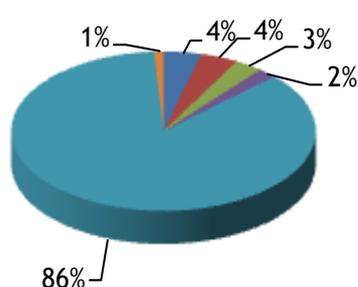


In Rest of India

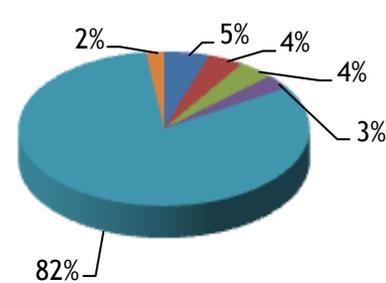
Gross Advances – Rs 274517 million

Gross Advances – Rs 236840 million

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



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

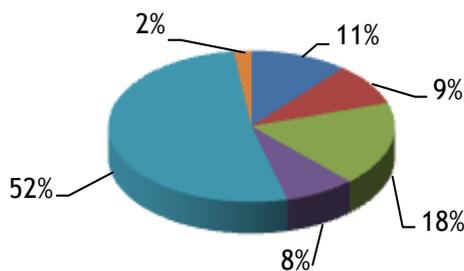


Bank as Whole

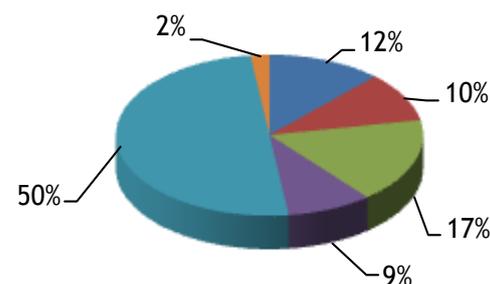
Gross Advances – Rs 530598 million

Gross Advances – Rs 465533 million

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



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



Incremental Growth in Advances

Amount in Rupees million

Particulars		As on Mar 31, 2016	As on Mar 31, 2015	Increment	% Change
Gross Advances	In J&K State	256081	228694	27387	12%
	In Rest of India	274517	236840	37677	16%
	Whole Bank	530598	465533	65065	14%

Categorization of Investments (I)

Amount in Rupees million

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
Held to Maturity (HTM)			
<input type="checkbox"/> Government & Other Approved Securities	127160.7	129127.1	-1.52%
<input type="checkbox"/> Shares			
<input type="checkbox"/> Debentures & Bonds	200.8	238.5	-15.81%
<input type="checkbox"/> Subsidiaries & Joint Ventures	200.0	200.0	0.00%
<input type="checkbox"/> Others	569.2	606.7	-6.18%
Sub-Total	128130.7	130172.3	-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	1.5	15.1	-90.07%
<input type="checkbox"/> Debentures & Bonds			
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others			
Sub-Total	1.5	15.1	-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	12319.7	5419.7	127.31%
<input type="checkbox"/> Shares	1751.8	1706.8	2.64%
<input type="checkbox"/> Debentures & Bonds	17915.0	17113.7	4.68%
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others	43417.5	73168.4	-40.66%
<input type="checkbox"/> Debt / Money Market related MF's			
Sub-Total	75404.0	97408.5	-22.59%
<i>Percentage of AFS to Total Investments</i>	<i>37.05%</i>	<i>42.80%</i>	
Total Investment	203536.2	227595.9	-10.57%

Categorization of Investments (II)

Amount in Rupees million

Particulars	As on Mar 31, 2016	As on Mar 31, 2015	% Change
SLR Securities	139480.4	134546.8	3.67%
Non SLR Securities	64055.8	93049.1	-31.16%
Total Investment	203536.2	227595.9	-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 Networkworth (%)*	-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 million)	117.9	118.9	117.9	118.9
Net Profit per Employee (In Rupees million)	-0.06	0.11		
Annualized	-0.22	0.44	0.41	0.55
Number of Employees	10141	9283	10141	9283
Business Per Branch (In Rupees million)	1388.9	1344.0	1388.9	1344.0
Net Profit per Branch (In Rs million) Annualized	-2.60	4.95	4.83	6.20
Branches – Excluding Extension Counters, Controlling Offices & RCC's	861	821	861	821
Gross NPAs (In Rupees million)	43686.2	27640.8	43686.2	27640.8
Net NPAs (In Rupees million)	21639.5	12363.2	21639.5	12363.2
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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