

# **Earnings Update**

Reviewed First Quarter Results

*June 30, 2018*



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on July 26, 2018 took on record the Reviewed Financial Results for the First Quarter ended June 30, 2018.

**Performance Highlights for the quarter ended June 30, 2018:**

- Net Profit of Rs 525.9 Million for the quarter ended June, 2018 as compared to Net Profit of Rs 301.9 Million during the quarter ended June, 2017.
- Deposits stood at Rs 774195.7 Million as on June, 2018 as compared to Rs 717444.8 Million as on June, 2017.
- Advances stood at Rs 598410.5 Million as on June, 2018 as compared to Rs 487331.9 Million as on June, 2017.
- EPS for the quarter ended June, 2018 at Rs 0.94 compared to Rs 0.54 for the quarter ended June, 2017.
- NIMs for the quarter ended June, 2018 at 3.66 % (annualized) vis-à-vis 3.70 % for the quarter ended June, 2017.
- Post tax Return on Assets at 0.24 % (annualized) for the quarter ended June, 2018 compared to 0.15 % for the quarter ended June, 2017.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended June, 2018 at 3.37 % compared to 2.02 % recorded for the quarter ended June, 2017.
- Cost of Deposits (annualized) for the quarter ended June, 2018 at 4.83 % compared to 5.27 % recorded for the quarter ended June, 2017.
- Yield on Advances (annualized) for the quarter ended June, 2018 stood at 8.47 % as compared to 9.51 % for the quarter ended June, 2017.
- Business per Employee and Net Profit per Employee (annualized) were at Rs 118.2 Million and Rs 181 Thousand respectively for the quarter ended June, 2018 compared to Rs 107.8 Million and Rs 108 Thousand pertaining to the quarter ended June, 2017.
- Gross and Net NPA's as percentages to Gross and Net Advances as on June, 2018 at 9.83 % and 4.65 % respectively compared to 10.79 % and 4.65 % as on June, 2017.
- NPA Coverage Ratio as on June, 2018 at 66.78 % as compared to 70.26% as on June, 2017.
- Cost to Income Ratio stood at 61.72 % for the quarter ended June, 2018 as compared to 55.20 % for the quarter ended June, 2017.
- Capital Adequacy Ratio (Basel III) stood at 12.42 % as on June, 2018 which was recorded at 11.10 % as on June, 2017.

**Performance Highlights for the quarter ended June 30, 2018 vis-à-vis quarter ended March 2018:**

- Operating Profit of Rs. 3497.3 Million for the quarter ended June 2018 as compared to Operating Profit of Rs. 2664.6 Million for quarter ended March, 2018.
- Provisions of Rs. 2347.5 Million for bad & doubtful debts made during quarter ended June, 2018 as compared to Provision of Rs. 3395.4 Million made during quarter ended March, 2018.
- Net Profit of Rs 525.9 Million for the quarter ended June, 2018 as compared to a Net Profit of Rs 284.1 Million for the quarter ended Mar, 2018.
- EPS for the quarter ended June, 2018 at Rs. 0.94 compared to Rs 0.51 for the quarter ended March, 2018.
- NIMs for the quarter ended June, 2018 at 3.66 % (annualized) vis-à-vis 3.19 % for the quarter ended March, 2018.
- Post tax Return on Assets at 0.24 % (annualized) for the quarter ended June, 2018 compared to 0.13 % for the quarter ended March, 2018.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended June, 2018 at 3.37 % compared to 1.85 % the quarter ended March, 2018.
- The Cost of Deposits (annualized) for the quarter ended June, 2018 at 4.83 % compared to 4.75% recorded for the quarter ended March, 2018.
- The Yield on Advances (annualized) for the quarter ended June, 2018 stood at 8.47 % as compared to 7.84% for the quarter ended March, 2018.
- Business per Employee and Net profit per Employee (annualized) were at Rs 118.2 Million and Rs 181 Thousand respectively for the quarter ended June, 2018 compared to Rs 119.9 Million and Rs 99 Thousand for the quarter ended March, 2018.
- Gross and Net NPA's as percentages to Gross and Net Advances as on June, 2018 at 9.83 % and 4.65 % respectively compared to 9.96 % and 4.90 % as on March, 2018.
- NPA Coverage Ratio as on June, 2018 at 66.78 % as compared to 65.83 % as on March, 2018.
- Cost to Income Ratio stood at 61.72 % for the quarter ended June, 2018 as compared to 67.82 % for the quarter ended March, 2018.
- Capital Adequacy Ratio stood at 12.42 % as on June, 2018 which was recorded at 11.42 % as on March, 2018..

**Profit & Loss Account**

Amount in Rupees Million

| Particulars                                   | Q 1 FY<br>'18-19 | Q 1 FY<br>'17-18 | % Change | FY ended<br>Mar, '18 |
|---|------------------|------------------|----------|----------------------|
| Interest Earned                               | 17628.9          | 16803.2          | 5%       | 66214.0              |
| Interest Expended                             | 9837.0           | 9681.1           | 2%       | 37506.1              |
| <b>Net Interest Income</b>                    | <b>7791.9</b>    | <b>7122.1</b>    | 9%       | <b>28707.9</b>       |
| Other Income                                  | 1343.5           | 1102.1           | 22%      | 4953.1               |
| <b>Operating Income</b>                       | <b>9135.4</b>    | <b>8224.2</b>    | 11%      | <b>33661.0</b>       |
| Operating Expenses                            | 5638.1           | 4539.3           | 24%      | 19842.3              |
| <b>Operating Profit</b>                       | <b>3497.3</b>    | <b>3684.9</b>    | -5%      | <b>13818.7</b>       |
| Provisions & Contingencies                    | 2550.1           | 2786.5           | -8%      | 10227.4              |
| <b>PBT</b>                                    | <b>947.2</b>     | <b>898.4</b>     | 5%       | <b>3591.3</b>        |
| Tax Provision                                 | 421.3            | -1785.3          | -124%    | -817.7               |
| Net Profit from Ordinary activities after Tax | <b>525.9</b>     | 2683.7           | -80%     | <b>4409.0</b>        |
| Extraordinary Items                           | 0.0              | 2381.8           |          | 2381.8               |
| <b>Net Profit</b>                             | <b>525.9</b>     | <b>301.9</b>     | 74%      | <b>2027.2</b>        |

**Balance Sheet**

Amount in Rupees Million

| Particulars   | As on June 30, 2018 | As on June 30, 2017 | % Change   | As on Mar 31, 2018 |
|---|---------------------|---------------------|------------|--------------------|
| <b>Capital &amp; Liabilities</b>                    |                     |                     |            |                    |
| Capital   | 557.0               | 557.0               | 0%         | 557.0              |
| Reserves & Surplus (includes retained earnings)     | 61581.1             | 59293.4             | 4%         | 61055.1            |
| Deposits  | 774195.7            | 717444.8            | 8%         | 800065.0           |
| Borrowings  | 36227.4             | 12760.5             | 184%       | 16283.4            |
| Other Liabilities & Provisions                      | 18369.9             | 18889.6             | -3%        | 18915.7            |
| <b>Total</b>  | <b>890931.1</b>     | <b>808945.3</b>     | <b>10%</b> | <b>896876.2</b>    |
| <b>Assets</b>                                       |                     |                     |            |                    |
| Cash & Bank Balance                                 | 34314.9             | 32542.1             | 5%         | 43283.6            |
| Balance with Banks and Money at Call & Short Notice | 474.2               | 30225.2             | -98%       | 39245.2            |
| Investments   | 201015.5            | 207039.5            | -3%        | 188800.3           |
| Advances  | 598410.5            | 487331.9            | 23%        | 569127.5           |
| Fixed Assets  | 16095.7             | 15505.2             | 4%         | 16145.9            |
| Other Assets  | 40620.3             | 36301.4             | 12%        | 40273.7            |
| <b>Total</b>  | <b>890931.1</b>     | <b>808945.3</b>     | <b>10%</b> | <b>896876.2</b>    |

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

Amount in Rupees Million

| Particulars                               | Q1 FY '18-19   | Q1 FY '17-18   | % Change  | FY Ended Mar, 2018 |
|---|----------------|----------------|-----------|--------------------|
| Loans & Advances                          | 13271.9        | 12072.1        | 10%       | 49777.4            |
| Investments                               | 3935.3         | 3859.5         | 2%        | 14315.8            |
| Balance with RBI & Other Inter Bank Funds | 414.2          | 870.6          | -52%      | 2116.8             |
| Others                                    | 7.5            | 1.0            | 650%      | 4.0                |
| <b>Total</b>                              | <b>17628.9</b> | <b>16803.2</b> | <b>5%</b> | <b>66214.0</b>     |

**2. Interest Expended on**

Amount in Rupees Million

| Particulars                | Q1 FY '18-19  | Q1 FY '17-18  | % Change  | FY Ended Mar, 2018 |
|----------------------------|---------------|---------------|-----------|--------------------|
| Deposits                   | 9322.2        | 9395.0        | -1%       | 36123.5            |
| Borrowings                 | 96.5          | 32.3          | 199%      | 246.9              |
| Others (Subordinated Debt) | 418.3         | 253.8         | 65%       | 1135.7             |
| <b>Total</b>               | <b>9837.0</b> | <b>9681.1</b> | <b>2%</b> | <b>37506.1</b>     |

**3. Other Income**

Amount in Rupees Million

| Particulars               | Q1 FY '18-19  | Q1 FY '17-18  | % Change   | FY Ended Mar, 2018 |
|---------------------------|---------------|---------------|------------|--------------------|
| Commission / Exchange     | 418.4         | 399.8         | 5%         | 1708.8             |
| Insurance Commission      | 83.2          | 71.1          | 17%        | 314.0              |
| Treasury / Trading Income | 91.7          | 262.7         | -65%       | 494.2              |
| Miscellaneous Income      | 750.2         | 368.5         | 104%       | 2436.1             |
| <b>Total</b>              | <b>1343.5</b> | <b>1102.1</b> | <b>22%</b> | <b>4953.1</b>      |

**4. Operating Expenses**

Amount in Rupees Million

| Particulars                            | Q1 FY '18-19  | Q1 FY '17-18  | % Change   | FY Ended Mar, 2018 |
|--|---------------|---------------|------------|--------------------|
| Payment for Employees                  | 3752.4        | 3031.7        | 24%        | 12868.9            |
| Rent, Taxes and Lightning              | 211.4         | 204.7         | 3%         | 844.8              |
| Printing & Stationery                  | 22.7          | 26.7          | -15%       | 106.5              |
| Advertisement & Publicity              | 24.5          | 25.6          | -4%        | 228.6              |
| Depreciation in Bank's Property        | 255.9         | 197.6         | 30%        | 965.5              |
| Directors' Fees, Allowances & Expenses | 4.1           | 1.7           | 141%       | 16.6               |
| Auditors' Fees & Expenses              | 47.6          | 38.0          | 25%        | 175.1              |
| Law Charges                            | 23.4          | 14.1          | 66%        | 73.5               |
| Postage, Telegrams, Telephones etc     | 10.5          | 22.5          | -53%       | 58.6               |
| Repairs & Maintenance                  | 54.4          | 40.7          | 34%        | 174.2              |
| Insurance                              | 224.4         | 177.9         | 26%        | 765.2              |
| Other Expenditure                      | 1006.8        | 758.1         | 33%        | 3564.8             |
| <b>Total</b>                           | <b>5638.1</b> | <b>4539.3</b> | <b>24%</b> | <b>19842.3</b>     |

**Break-up:****5. Provisions & Contingencies**

Amount in Rupees Million

| Particulars   | Q1 FY '18-19  | Q1 FY '17-18  | % Change    | FY Ended Mar, 2018 |
|---|---------------|---------------|-------------|--------------------|
| Provision for Tax   | 421.3         | -1785.4       | -124%       | -817.6             |
| Provision for Bad & Doubtful Debts  | 2347.5        | 4711.8        | -50%        | 12227.2            |
| Provision for Standard Advances   | -245.6        | -427.1        | -42%        | -1383.6            |
| Provision for Depreciation on Investments                                     | -117.1        | -331.5        | -65%        | 153.8              |
| Provision for Non Performing Investments                                      | 554.0         | 1231.9        | -55%        | 1674.6             |
| Provision for Frauds/ Embezzlements   | 2.2           | 3.0           | -27%        | -0.8               |
| Provision for diminution in fair value of Restructured / Rescheduled advances | 0.0           | -24.2         | -100%       | -66.8              |
| Provision for Contingent Liabilities  | 9.1           | 4.4           | 107%        | 4.7                |
| <b>Total</b>  | <b>2971.4</b> | <b>3382.9</b> | <b>-12%</b> | <b>11791.5</b>     |

**6. Deposits**

Amount in Rupees Million

| Particulars     | As on June 30, 2018 | As on June 30, 2017 | % Change  | As on Mar 31, 2018 |
|-----------------|---------------------|---------------------|-----------|--------------------|
| Demand Deposits | 96771               | 78299               | 24%       | 112714             |
| Saving Deposits | 296792              | 286586              | 4%        | 294432             |
| Term Deposits   | 380633              | 352559              | 8%        | 392919             |
| <b>Total</b>    | <b>774196</b>       | <b>717445</b>       | <b>8%</b> | <b>800065</b>      |

**Geographical Break-up (as on June 2018)**

| Particulars                    | From J&K State |              | From Rest of India |              | Bank as a Whole |              |
|--------------------------------|----------------|--------------|--------------------|--------------|-----------------|--------------|
|                                | Amt / No.      | % age        | Amt / No.          | % age        | Amt / No.       | % age        |
| Deposits (in Rs Million)       | 676656         | 87.40        | 97540              | 12.60        | <b>774196</b>   | 100          |
| CASA Ratio (in percent)        |                | <b>54.23</b> |                    | <b>27.26</b> |                 | <b>50.84</b> |
| Gross Advances (in Rs Million) | 333112         | 52.48        | 301598             | 47.52        | <b>634710</b>   | 100          |
| Gross NPA (in Rs Million)      | 11689          | 18.73        | 50728              | 81.27        | <b>62417</b>    | 100          |
| Number of Branches             | 787            | 85.92        | 129                | 14.08        | <b>916</b>      | 100          |
| Number of ATM's                | 1115           | 92.07        | 96                 | 7.93         | <b>1211</b>     | 100          |

**Movement in Gross NPA's**

Amount in Rupees Million

| Particulars                              | Q1 FY '18-19   | Q1 FY '17-18   | % Change | FY Ended Mar, 2018 |
|--|----------------|----------------|----------|--------------------|
| Balance at the start of the period       | 60067.0        | 60000.1        | 0%       | 60000.1            |
| Additions during the period              | 7699.0         | 5054.8         | 52%      | 31046.9            |
| Up gradations during the period          | 4669.1         | 715.4          | 553%     | 1856.4             |
| Write off (includes Technical Write off) | 10.2           | 6698.2         | -100%    | 25722.6            |
| Recoveries during the period             | 670.0          | 1235.1         | -46%     | 3401.0             |
| Balance at the close of the period       | <b>62416.7</b> | <b>56406.2</b> | 11%      | <b>60067.0</b>     |

**Movement in Restructured Assets**

Amount in Rupees Million

| Particulars                                     | Q1 FY '18-19   | Q1 FY '17-18   | % Change   | FY Ended Mar, 2018 |
|---|----------------|----------------|------------|--------------------|
| Balance at the start of the period              | 61330.0        | 63813.9        | -4%        | 63813.9            |
| Additions during the period                     | 2908.2         | 3008.8         | -3%        | 7230.4             |
| Disbursements during the period                 | 2.0            | 1238.3         | -100%      | 3157.0             |
| Reductions / Reclassification / Up gradations   | 595.4          | 1903.0         | -69%       | 7062.2             |
| Recoveries during the period                    | 2769.9         | 2004.3         | 38%        | 5809.1             |
| Balance at the close of the period              | <b>60874.9</b> | <b>64153.7</b> | <b>-5%</b> | <b>61330.0</b>     |
| NPA's out of outstanding restructured portfolio | 19553.2        | 8616.4         | 127%       | 14715.9            |
| Provisions held against these NPA's             | 8511.7         | 3714.2         | 129%       | 6098.5             |

**Restructured Details (as on June 2018)**

Amount in Rupees Million

| Region            | Category | Standard       | NPA            | Total          | Prov. Against NPA |
|-------------------|----------|----------------|----------------|----------------|-------------------|
| JK Portfolio      | Flood    | 7455.6         | 777.3          | 8233.0         | 394.2             |
|                   | Unrest   | 31614.5        | 2357.1         | 33971.6        | 807.6             |
|                   | Others   | 1122.2         | 1833.6         | 2955.8         | 859.7             |
| <b>JK Total</b>   |          | <b>40192.3</b> | <b>4968.0</b>  | <b>45160.4</b> | <b>2061.5</b>     |
| ROI Portfolio     | CDR      | 50.2           | 4863.1         | 4913.2         | 3631.4            |
|                   | MSME     | 0.0            | 123.8          | 123.8          | 49.5              |
|                   | Others   | 1049.1         | 9628.5         | 10677.6        | 2769.3            |
| <b>ROI Total</b>  |          | <b>1099.3</b>  | <b>14615.4</b> | <b>15714.6</b> | <b>6450.2</b>     |
| <b>BANK TOTAL</b> |          | <b>41291.6</b> | <b>19583.2</b> | <b>60874.9</b> | <b>8511.7</b>     |

**Movement in Flexible Structuring Portfolio**

Amount in Rupees Million

| Particulars                        | Q1 FY '18-19  | Q1 FY '17-18  | % Change | FY Ended Mar, 2018 |
|------------------------------------|---------------|---------------|----------|--------------------|
| Balance at the start of the period | 2479.8        | 2556.2        | -3%      | 2556.2             |
| Additions during the period        | 0.0           | 0.0           | -        | 0.0                |
| Reductions during the period       | <b>0.0</b>    | <b>0.0</b>    | -        | <b>0.0</b>         |
| Balance at the close of the period | <b>2449.9</b> | <b>2559.8</b> | -4%      | <b>2479.8</b>      |

\* The balance of Rs. 2449.9 Million comprises 2 accounts which are Standard Non-Restructured as on June'18

**Movement in Strategic Debt Restructuring Portfolio**

Amount in Rupees Million

| Particulars                        | Q1 FY '18-19 | Q1 FY '17-18  | % Change | FY Ended Mar, 2018 |
|------------------------------------|--------------|---------------|----------|--------------------|
| Balance at the start of the period | 956.5        | 3121.8        | -69%     | 5471.7             |
| Additions during the period        | 0.0          | 0.0           | -        | 0.0                |
| Reductions during the period       | <b>0.0</b>   | <b>266.6</b>  | -100%    | 4515.2             |
| Balance at the close of the period | <b>0.0</b>   | <b>2814.8</b> | -66%     | <b>956.5</b>       |

\*\* 1 account outstanding as on 31.03.2018 slipped to NPA during Q1 FY 2019

**Movement in S4A Portfolio**

Amount in Rupees Million

| Particulars                        | Q1 FY '18-19 | Q1 FY '17-18  | % Change | FY Ended Mar, 2018 |
|------------------------------------|--------------|---------------|----------|--------------------|
| Balance at the start of the period | 953.0        | 3712.0        | -74%     | 3712.0             |
| Additions during the period        | 0.0          | 0.0           | -        | 300.0              |
| Reductions during the period       | <b>0.0</b>   | <b>1302.1</b> | -100%    | <b>3059.0</b>      |
| Balance at the close of the period | <b>952.8</b> | <b>2448.2</b> | -61%     | <b>953.0</b>       |

\*\*\* The balance of Rs. 952.8 Million comprises 1 account which is Restructured Standard as on June'18

### Break-up of Deposits:

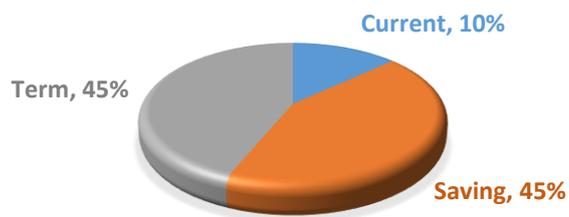
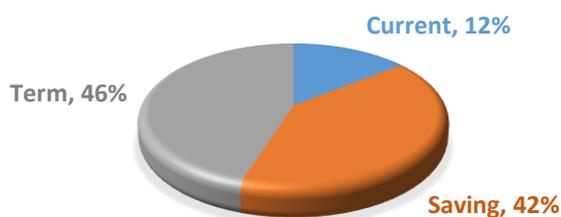
**June, 2018**

**June, 2017**

#### In J&K State

**Total Deposits – Rs 676655 Million**

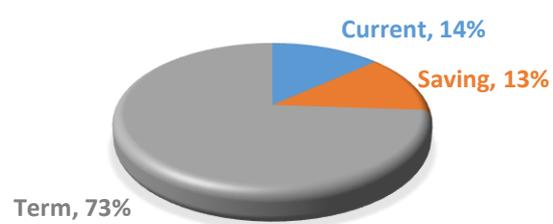
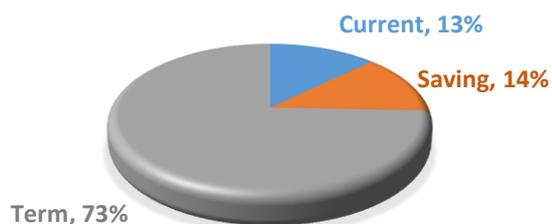
**Total Deposits – Rs 618034 Million**



#### In Rest of India

**Total Deposits – Rs 97540 Million**

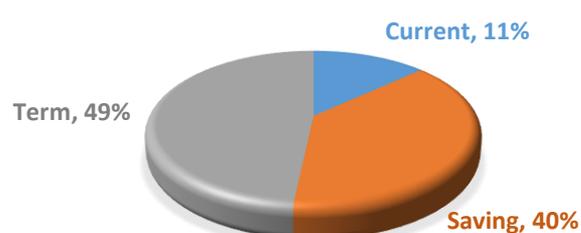
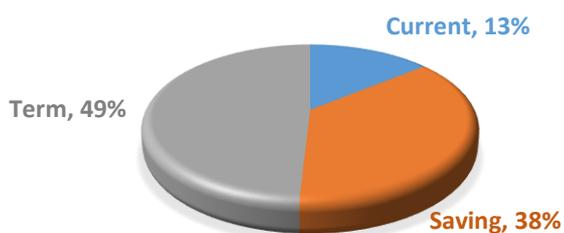
**Total Deposits – Rs 99410 Million**



#### Bank as Whole

**Total Deposits – Rs 774195 Million**

**Total Deposits – Rs 717444 Million**



### **Incremental Growth in Deposits**

**Amount in Rupees Million**

| Particulars |                   | As on June 30, 2018 | As on June 30, 2017 | Increment    | % Change  |
|-------------|-------------------|---------------------|---------------------|--------------|-----------|
| Deposits    | In J&K State      | 676655              | 618034              | 58621        | 9%        |
|             | In Rest of India  | 97540               | 99410               | -1870        | -2%       |
|             | <b>Whole Bank</b> | <b>774195</b>       | <b>717444</b>       | <b>56751</b> | <b>8%</b> |

**Sectoral Break-up of Advances:**

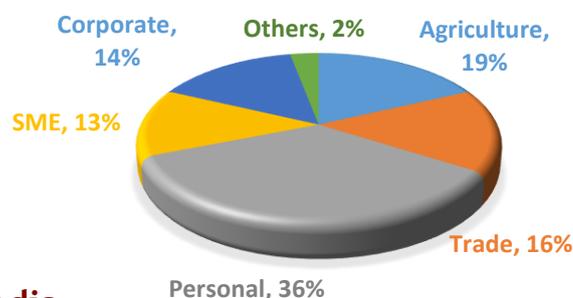
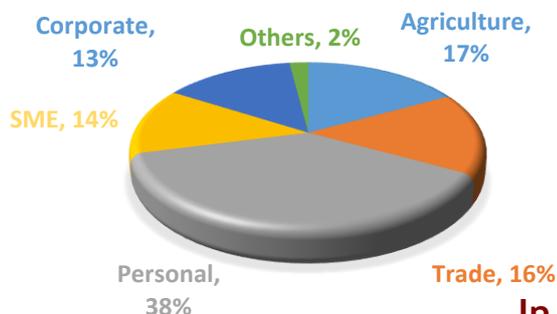
**June, 2018**

**June, 2017**

**In J&K State**

**Gross Advances – Rs 333111 Million**

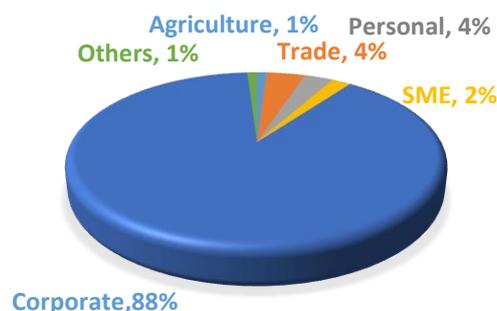
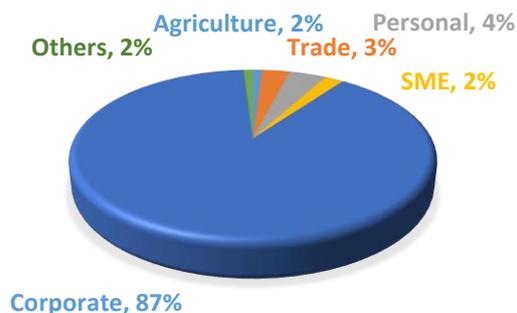
**Gross Advances – Rs 274707 Million**



**In Rest of India**

**Gross Advances – Rs 301597 Million**

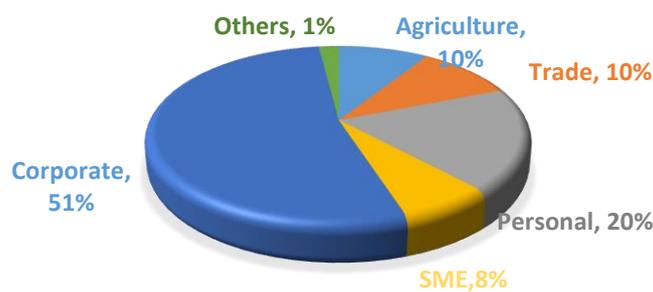
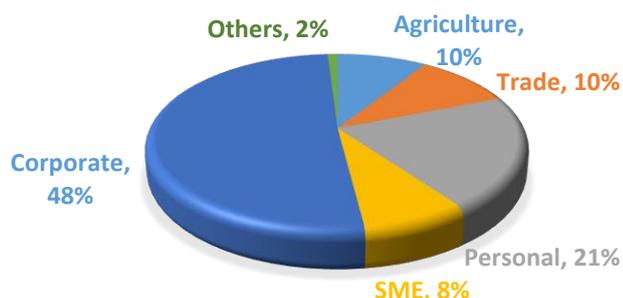
**Gross Advances – Rs 248161 Million**



**Bank as Whole**

**Gross Advances – Rs 634708 Million**

**Gross Advances – Rs 522868 Million**



**Incremental Growth in Advances:**

Amount in Rupees Million

| Particulars    |                   | As on June 30, 2018 | As on June 30, 2017 | Increment     | % Change   |
|----------------|-------------------|---------------------|---------------------|---------------|------------|
| Gross Advances | In J&K State      | 333111              | 274707              | 58404         | 21%        |
|                | In Rest of India  | 301597              | 248161              | 53436         | 22%        |
|                | <b>Whole Bank</b> | <b>634708</b>       | <b>522868</b>       | <b>111840</b> | <b>21%</b> |

## Categorization of Investments (I)

Amount in Rupees Million

| Particulars                                   | As on June 30, 2018 | As on June 30, 2017 | % Change    | As on Mar 31, 2018 |
|---|---------------------|---------------------|-------------|--------------------|
| <b>Held to Maturity (HTM)</b>                 |                     |                     |             |                    |
| · Government & Other Approved Securities      | 147688.8            | 130963.9            | 13%         | 149798.1           |
| · Shares                                      | 0.0                 | 0.0                 |             | 0.0                |
| · Debentures & Bonds                          | 178.3               | 215.4               | -17%        | 175.0              |
| · Subsidiaries & Joint Ventures               | 200.0               | 200.0               | 0%          | 200.0              |
| · Others                                      | 456.7               | 456.7               | 0%          | 456.7              |
| <b>Sub-Total</b>                              | <b>148523.8</b>     | <b>131836.0</b>     | <b>13%</b>  | <b>150629.8</b>    |
| <i>Percentage of HTM to Total Investments</i> | <i>73.89%</i>       | <i>63.68%</i>       |             | <i>79.78%</i>      |
| <b>Held for Trading (HFT)</b>                 |                     |                     |             |                    |
| · Government & Other Approved Securities      | 238.8               | 307.1               | -22%        | 0.0                |
| · Shares                                      | 11.8                | 19.9                | -41%        | 30.0               |
| · Debentures & Bonds                          | 0.0                 | 0.0                 |             | 0.0                |
| · Subsidiaries & Joint Ventures               | 0.0                 | 0.0                 |             | 0.0                |
| · Others                                      | 0.0                 | 0.0                 |             | 0.0                |
| <b>Sub-Total</b>                              | <b>250.6</b>        | <b>327.0</b>        | <b>-23%</b> | <b>30.0</b>        |
| <i>Percentage of HFT to Total Investments</i> | <i>0.12%</i>        | <i>0.16%</i>        |             | <i>0.02%</i>       |
| <b>Available for Sale (AFS)</b>               |                     |                     |             |                    |
| · Government & Other Approved Securities      | 28408.3             | 23718.2             | 20%         | 22172.3            |
| · Shares                                      | 2897.0              | 1851.5              | 56%         | 3245.0             |
| · Debentures & Bonds                          | 6420.2              | 12022.3             | -47%        | 7132.7             |
| · Subsidiaries & Joint Ventures               | 0.0                 | 0.0                 |             | 0.0                |
| · Others                                      | 14515.6             | 37284.5             | -61%        | 5590.5             |
| · Debt / Money Market related MF's            | 0.0                 | 0.0                 |             | 0.0                |
| <b>Sub-Total</b>                              | <b>52241.1</b>      | <b>74876.5</b>      | <b>-30%</b> | <b>38140.5</b>     |
| <i>Percentage of AFS to Total Investments</i> | <i>25.99%</i>       | <i>36.17%</i>       |             | <i>20.20%</i>      |
| <b>Total Investment</b>                       | <b>201015.5</b>     | <b>207039.5</b>     | <b>-3%</b>  | <b>188800.3</b>    |

## Categorization of Investments (II)

Amount in Rupees Million

| Particulars                                      | As on June 30, 2018 | As on June 30, 2017 | % Change   | As on Mar 31, 2018 |
|--|---------------------|---------------------|------------|--------------------|
| SLR Securities                                   | 176335.9            | 154989.2            | 14%        | 171970.4           |
| Non SLR Securities                               | 24679.6             | 52050.3             | -53%       | 16829.9            |
| <b>Total Investment</b>                          | <b>201015.5</b>     | <b>207039.5</b>     | <b>-3%</b> | <b>188800.3</b>    |
| SLR Securities as % age to total Investments     | 88%                 | 75%                 | -          | 91%                |
| Non SLR Securities as % age to total Investments | 12%                 | 25%                 | -          | 9%                 |

**Movement in Non Performing Investments**

Amount in Rupees Million

| Particulars                  | Q1 FY '18-19  | Q1 FY '17-18  | % Change   | FY Ended Mar, 2018 |
|------------------------------|---------------|---------------|------------|--------------------|
| Opening balance              | 6532.2        | 5696.7        | 15%        | 5696.7             |
| Additions during the period  | 1827.4        | 1276.3        | 43%        | 1676.9             |
| Recovery during the period   | 0.0           | 17.1          | -100%      | 841.4              |
| Closing balance              | <b>8359.6</b> | <b>6955.9</b> | <b>20%</b> | <b>6532.2</b>      |
| Provisions held against NPIs | 6295.4        | 5679.2        | 11%        | 5741.4             |

**Duration of Investments**

in Years

| Particulars            | As on June 30, 2018 | As on June 30, 2017 | As on Mar 31, 2018 |
|------------------------|---------------------|---------------------|--------------------|
| HTM Portfolio          | 4.14                | 4.19                | 4.05               |
| HFT Portfolio          | 5.91                | 6.09                | 0.00               |
| AFS Portfolio          | 1.90                | 1.92                | 2.55               |
| <b>Total Portfolio</b> | <b>3.60</b>         | <b>3.40</b>         | <b>3.78</b>        |

**Yield on Investments**

In percent

| Particulars            | Q1 FY '18-19 | Q1 FY '17-18 | FY Ended Mar, 2018 |
|------------------------|--------------|--------------|--------------------|
| SLR Securities         | 7.43         | 7.62         | 7.57               |
| Non SLR Securities     | 5.27         | 5.91         | 5.89               |
| <b>Total Portfolio</b> | <b>6.97</b>  | <b>7.11</b>  | <b>7.21</b>        |

### Analytical Ratios:

| Particulars  | Q1 FY '18-19 | Q1 FY '17-18 | Year Ended Mar 2018 |
|--|--------------|--------------|---------------------|
| Net Interest Margins (%) *   | 0.91         | 0.92         |                     |
| <b>Annualized</b>  | <b>3.66</b>  | <b>3.70</b>  | <b>3.65</b>         |
| Yield on Advances (%) *  | 2.12         | 2.38         |                     |
| <b>Annualized</b>  | <b>8.47</b>  | <b>9.51</b>  | <b>8.77</b>         |
| Yield on Investments (%) *   | 1.78         | 1.74         |                     |
| <b>Annualized</b>  | <b>7.13</b>  | <b>6.98</b>  | <b>7.05</b>         |
| Cost of Deposits (%) *   | 1.21         | 1.32         |                     |
| <b>Annualized</b>  | <b>4.83</b>  | <b>5.27</b>  | <b>5.01</b>         |
| Post Tax Return on Assets (%)  | 0.06         | 0.04         |                     |
| <b>Annualized</b>  | <b>0.24</b>  | <b>0.15</b>  | <b>0.25</b>         |
| Post Tax Return on Average Networth (%)*                             | 0.84         | 0.51         |                     |
| <b>Annualized</b>  | <b>3.37</b>  | <b>2.02</b>  | <b>3.42</b>         |
| Cost to Income Ratio (%)   | 61.72        | 55.20        | 58.95               |
| Credit / Deposit (CD) Ratio (%)                                      | 77.29        | 67.93        | 71.14               |
| CASA Ratio (%)   | 50.84        | 50.86        | 50.89               |
| Business per Employee (In Rupees Million)                            | 118.2        | 107.8        | 119.9               |
| Net Profit per Employee (In Rupees Thousand)                         | 45           | 27           |                     |
| <b>Annualized</b>  | <b>181</b>   | <b>108</b>   | <b>177</b>          |
| Number of Employees  | 11611        | 11178        | 11435               |
| Business Per Branch (In Rupees Million)                              | 1505.1       | 1332.7       | 1514.6              |
| Net Profit per Branch (In Rs Million)                                |              |              |                     |
| <b>Ann.</b>  | <b>2.3</b>   | <b>1.3</b>   | <b>2.2</b>          |
| Branches – Excluding Extension Counters, Controlling Offices & RCC's | 916          | 904          | 909                 |
| Number of ATMs   | 1211         | 1119         | 1199                |
| Gross NPAs (In Rupees Million)                                       | 62416.7      | 56406.2      | 60067.0             |
| Net NPAs (In Rupees Million)   | 27817.2      | 22672.0      | 27911.2             |
| Gross NPA Ratio (%)  | 9.83         | 10.79        | 9.96                |
| Net NPA Ratio (%)  | 4.65         | 4.65         | 4.90                |
| NPA Coverage Ratio (%)   | 66.78        | 70.26        | 65.83               |
| Capital Adequacy Ratio (%)   | <b>12.42</b> | <b>11.10</b> | <b>11.42</b>        |
| i. Tier I  | 10.50        | 9.16         | 9.24                |
| ii Tier II   | 1.92         | 1.94         | 2.18                |
| Earnings per Share (In Rupees)                                       | 0.94         | 0.54         |                     |
| <b>Annualized</b>  | <b>3.78</b>  | <b>2.17</b>  | <b>3.64</b>         |
| Net Asset Value (In Rupees)  | 112.53       | 107.48       | 110.60              |
| Adjusted Book Value (In Rupees)                                      | 62.58        | 66.76        | 60.50               |
| Dividend Payout Ratio (%)  | -            | -            | -                   |
| Dividend Yield (%)   | -            | -            | -                   |

**Shareholding Pattern as on July 20, 2018 vis-à-vis July 21, 2017:**

| S No. | PARTICULARS                     | Number of Shares Held as on July 20, 2018 | % to Capital   | Number of Shares Held as on July 21, 2017 | % to Capital   |
|-------|---------------------------------|---|----------------|---|----------------|
| 1.    | GOVERNMENT OF J&K               | 329833032                                 | 59.23%         | 329833032                                 | 59.23%         |
| 2.    | INDIAN MUTUAL FUNDS             | 31030548                                  | 5.57%          | 27191850                                  | 4.88%          |
| 3.    | INSURANCE COMPANIES             | 15374694                                  | 2.76%          | 15374694                                  | 2.76%          |
| 4.    | BANKS                           | 236432                                    | 0.04%          | 247745                                    | 0.04%          |
| 5.    | NON RESIDENT INDIANS            | 5030771                                   | 0.90%          | 3931258                                   | 0.71%          |
| 6.    | FOREIGN INSTITUTIONAL INVESTORS | 405210                                    | 0.07%          | 1223747                                   | 0.22%          |
| 7.    | FOREIGN PORTFOLIO INVESTORS     | 88292874                                  | 15.86%         | 92572583                                  | 16.62%         |
| 8.    | BODIES CORPORATES               | 15897182                                  | 2.85%          | 19137193                                  | 3.44%          |
| 9.    | RESIDENT INDIVIDUALS            | 70608673                                  | 12.68%         | 67120188                                  | 12.05%         |
| 10.   | CLEARING MEMBERS                | 148976                                    | 0.03%          | 226102                                    | 0.04%          |
|       | <b>TOTAL</b>                    | <b>556858392</b>                          | <b>100.00%</b> | <b>556858392</b>                          | <b>100.00%</b> |

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