

# **Earnings Update**

Audited Quarterly & Full-Year Results

*March 31, 2015*



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

**Performance Highlights for the quarter ended March 31, 2015:**

- Net Profit at Rs 1016.1 million for the quarter ended Mar, 2015 as compared to Rs 2506.0 million earned during the quarter ended Mar, 2014.
- EPS for the quarter ended Mar, 2015 at Rs 2.10 from Rs 5.17 (recast due to share split) earned during the corresponding quarter of previous financial year.
- NIMs for the quarter ended Mar, 2015 at 3.92 % (annualized) vis-à-vis 4.13 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at 0.56 % (annualized) for the quarter ended Mar, 2015 compared to 1.37 % for the corresponding period of the previous financial year.
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Mar, 2015 at 6.64 % compared to 18.93 % recorded for the corresponding quarter of last financial year.
- The Cost of Deposits (annualized) for the quarter ended Mar, 2015 at 6.50 % compared to 6.73 % recorded for the corresponding quarter of last financial year.
- The Yield on Advances (annualized) for the quarter ended Mar, 2015 stood at 11.41 % as compared to 12.33 % for the quarter ended Mar, 2014.
- Business per Employee and Net profit per Employee (annualized) were at Rs 118.9 million and Rs 0.44 million respectively for the quarter ended Mar, 2015 compared to Rs 123.5 million and Rs 1.07 million pertaining to the quarter ended Mar, 2014.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2015 at 5.97 % and 2.77 % respectively compared to 1.66 % and 0.22 % a year ago.
- NPA Coverage Ratio as on Mar, 2015 at 59.02 % as compared to 90.30 % a year ago.
- Cost to Income Ratio stood at 40.12 % for the quarter ended Mar, 2015 as compared to 40.73 % for the quarter ended Mar, 2014.
- Capital Adequacy Ratio (Basel III) stood at 12.57 % as on Mar, 2015 against RBI stipulated norm of 9 % and as compared to 12.69 % on Mar, 2014.

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

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

- Net Profit at Rs 5086.0 million for the financial year ended Mar, 2015 as compared to Rs 11824.7 million earned during the financial year ended Mar, 2014.
- EPS for the financial year ended Mar, 2015 at Rs 10.49 from Rs 24.39 (recast due to share split) earned during the previous financial year.
- NIMs (Net Interest Margins) Ratio for the financial year ended Mar, 2015 at 3.81 % vis-à-vis 4.16 % for the previous financial year.
- Post tax Return on Assets at 0.70 % for the financial year ended Mar, 2015 compared to 1.74 % for the previous financial year
- Post Tax Return on Average Net-Worth for the financial year ended Mar, 2015 at 8.60 % compared to 22.34 % recorded for the previous financial year.
- The Cost of Deposits for the financial year ended Mar, 2015 at 6.72 % compared to 6.70 % recorded for the last financial year.
- The Yield on Advances for the financial year ended Mar, 2015 stood at 11.52 % as compared to 12.23 % for the year ended Mar, 2014.
- Business per Employee and Net profit per Employee were at Rs 118.9 million and Rs 0.55 million respectively for the financial year ended Mar, 2015 compared to Rs 123.5 million and Rs 1.26 million pertaining to the financial year ended Mar, 2014.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Mar, 2015 at 5.97 % and 2.77 % respectively compared to 1.66 % and 0.22 % a year ago.
- NPA Coverage Ratio as on Mar, 2015 at 59.02 % as compared to 90.30 % a year ago.
- Cost to Income Ratio stood at 43.42 % for the financial year ended Mar, 2015 as compared to 38.21 % for the financial year ended Mar, 2014.
- Capital Adequacy Ratio (Basel III) stood at 12.57 % as on Mar, 2015 against RBI stipulated norm of 9 % and as compared to 12.69 % on Mar, 2014.

## Profit & Loss Account

Amount in Rupees million

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year ended Mar, '15	Year ended Mar, '14	% Change
Interest Earned	17449.7	17775.0	-1.83%	70611.3	67670.0	4.35%
Interest Expended	10624.0	10763.2	-1.29%	44102.2	40825.2	8.03%
<b>Net Interest Income</b>	<b>6825.7</b>	<b>7011.8</b>	-2.65%	<b>26509.1</b>	<b>26844.8</b>	-1.25%
Other Income	2785.3	1111.0	150.70%	5939.7	3902.6	52.20%
<b>Operating Income</b>	<b>9611.0</b>	<b>8122.8</b>	18.32%	<b>32448.8</b>	<b>30747.4</b>	5.53%
Operating Expenses	3856.4	3308.4	16.56%	14090.5	11749.9	19.92%
<b>Operating Profit</b>	<b>5754.6</b>	<b>4814.4</b>	19.53%	<b>18358.3</b>	<b>18997.5</b>	-3.36%
Provisions & Contingencies	3807.6	605.7	528.63%	10155.2	1478.8	586.72%
<b>PBT</b>	<b>1947.0</b>	<b>4208.7</b>	-53.74%	<b>8203.1</b>	<b>17518.7</b>	-53.18%
Tax Provision	930.9	1702.7	-45.33%	3117.1	5694.0	-45.26%
<b>Net Profit</b>	<b>1016.1</b>	<b>2506.0</b>	-59.45%	<b>5086.0</b>	<b>11824.7</b>	-56.99%
Share Capital	484.9	484.9	0.00%	484.9	484.9	0.00%
<b>EPS in Rs. *</b>	<b>2.10</b>	<b>5.17</b>	-59.38%	<b>10.49</b>	<b>24.39</b>	-56.99%
<b>Net Interest Margins</b>	<b>0.98%</b>	<b>1.03%</b>	-	-	-	-
<b>Net Interest Margins (Ann.)</b>	<b>3.92%</b>	<b>4.13%</b>	-	<b>3.81%</b>	<b>4.16%</b>	-

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

**Balance Sheet**

Amount in Rupees million

Particulars	As on March 31, 2015	As on March 31, 2014	% Change
<b>Capital &amp; Liabilities</b>			
Capital	484.9	484.9	0.00%
Reserves & Surplus	60615.6	56751.2	6.81%
Deposits	657561.9	693358.6	-5.16%
Borrowings	23396.7	17650.0	32.56%
Other Liabilities & Provisions	18795.4	17952.6	4.69%
<b>Total</b>	<b>760854.5</b>	<b>786197.3</b>	<b>-3.22%</b>
<b>Assets</b>			
Cash & Bank Balance	23730.5	30455.9	-22.08%
Balance with Banks and Money at Call & Short Notice	13607.1	11683.1	16.47%
Investments	251243.0	261950.7	-4.09%
Advances	445858.2	463846.0	-3.88%
Fixed Assets	6889.1	5338.1	29.05%
Other Assets	19526.6	12923.5	51.09%
<b>Total</b>	<b>760854.5</b>	<b>786197.3</b>	<b>-3.22%</b>

## Break-up:

### 1. Interest Earned

Amount in Rupees million

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
On Loans & Advances	12787.4	13273.5	-3.66%	51610.3	50212.6	2.78%
Investments	4578.2	4321.2	5.95%	18433.6	16855.6	9.36%
Inter Bank Funds	84.1	180.3	-53.36%	567.4	601.8	-5.72%
<b>Total</b>	<b>17449.7</b>	<b>17775.0</b>	<b>-1.83%</b>	<b>70611.3</b>	<b>67670.0</b>	<b>4.35%</b>

### 2. Interest Expended

Amount in Rupees million

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Deposits	10042.4	10473.7	-4.12%	42051.7	39783.7	5.70%
Borrowings	446.6	154.5	189.06%	1510.5	501.5	201.20%
Others (Subordinated Debt)	135.0	135.0	0.00%	540.0	540.0	0.00%
<b>Total</b>	<b>10624.0</b>	<b>10763.2</b>	<b>-1.29%</b>	<b>44102.2</b>	<b>40825.2</b>	<b>8.03%</b>

### 3. Other Income

Amount in Rupees million

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Commission / Exchange	480.2	428.3	12.12%	1696.4	1664.6	1.91%
Insurance Commission	120.7	90.3	33.67%	334.2	313.1	6.74%
Treasury / Trading Income	542.7	209.7	158.85%	1160.2	636.3	82.34%
Miscellaneous Income	1641.7	382.8	328.91%	2748.9	1288.6	113.32%
<b>Total</b>	<b>2785.3</b>	<b>1111.0</b>	<b>150.70%</b>	<b>5939.7</b>	<b>3902.6</b>	<b>52.20%</b>

### 4. Operating Expenses

Amount in Rupees million

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Payment for Employees	2288.3	2037.0	12.34%	8940.3	7439.1	20.18%
Rent, Taxes and Lightning	184.2	168.8	9.12%	666.2	595.4	11.89%
Printing & Stationery	26.0	21.4	21.50%	96.7	84.8	14.03%
Advertisement & Publicity	54.7	52.9	3.40%	93.1	121.8	-23.56%
Depreciation in Bank's Property	379.2	256.9	47.61%	945.0	778.6	21.37%
Directors' Fees, Allowances & Expenses	1.4	2.2	-36.36%	7.1	7.3	-2.74%
Auditors' Fees & Expenses	34.7	43.0	-19.30%	136.7	134.5	1.64%
Law Charges	13.7	5.4	153.70%	28.2	16.3	73.01%
Postage, Telegrams, Telephones etc	13.6	15.3	-11.11%	57.1	59.7	-4.36%
Repairs & Maintenance	32.9	29.7	10.77%	113.7	121.6	-6.50%
Insurance	138.9	109.8	26.50%	555.2	458.1	21.20%
Other Expenditure	688.8	566.0	21.70%	2451.2	1932.7	26.83%
<b>Total</b>	<b>3856.4</b>	<b>3308.4</b>	<b>16.56%</b>	<b>14090.5</b>	<b>11749.9</b>	<b>19.92%</b>

## Break-up:

### 5. Provisions & Contingencies

Amount in Rupees million

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Provision for Tax	930.9	1702.7	-45.33%	3117.1	5694.0	-45.26%
Provision for Bad & Doubtful Debts	2836.2	353.1	703.23%	8131.8	680.2	1096%
Provision for Standard Advances	271.3	217.6	24.70%	446.4	518.5	-13.91%
Provision for Depreciation on Investments		-13.2				
Provision for Non Performing Investments	53.9			209.7	173.3	21.00%
Provision for Frauds/ Embezzlements	2.0	2.3	-11.50%	4.3	20.8	-79.33%
Provision for diminution in fair value of Restructured / Rescheduled advances	625.1	35.4	1668%	1343.9	75.4	1683%
Provision for Contingent Liabilities	19.0	10.7	78.61%	19.0	10.7	78.61%
<b>Total</b>	<b>4738.5</b>	<b>2308.4</b>	<b>105.27%</b>	<b>13272.3</b>	<b>7172.8</b>	<b>85.04%</b>

### 6. Deposits

Amount in Rupees million

Particulars	As on Mar 31, 2015	As on Mar 31, 2014	% Change
Demand Deposits	65468.7	68398.2	-4.28%
Saving Deposits	209295.2	202434.4	3.39%
Term Deposits	382798.0	422526.0	-9.40%
<b>Total</b>	<b>657561.9</b>	<b>693358.6</b>	<b>-5.16%</b>

### Movement in Gross NPA's

Amount in Rupees million

Particulars	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Balance at the start of the period	7834.2	6437.7	21.69 %
Additions during the period	25258.0	4106.0	515.15 %
<b>Reductions</b>			
Up gradations during the period	3437.7	1177.0	192.07 %
Write off	249.4	70.9	251.76 %
Recoveries during the period	1764.3	1461.6	20.71 %
Balance at the close of the period	27640.8	7834.2	252.82 %

### Movement in Restructured Assets

Amount in Rupees million

Particulars	Q 4 '14-15	Q 4 '13-14	% Change	Year Ended Mar, 2015	Year Ended Mar, 2014	% Change
Balance at the start of the period	18043.2	14157.6	27.45 %	15759.7	14904.8	5.74 %
Additions during the period	7129.7	2396.7	197.48%	13523.4	6637.1	103.75 %
Repayments / Reductions / Reclassification / Upgradations, etc, Net off Additional Disbursements during the period	499.6	794.6	-37.12 %	4609.8	5782.2	-20.28 %
Balance at the close of the period	24673.3	15759.7	56.56 %	24673.3	15759.7	56.56 %

### Incremental Growth in Deposits and Advances

Amount in Rupees million

Particulars		As on Mar 31, 2015	As on Mar 31, 2014	Increment	% Change
Deposits	In J&K State	487246.0	451933.9	35312.1	8%
	In Rest of India	170315.9	241424.8	-71108.9	-29%
	Whole Bank	657561.9	693358.7	-35796.8	-5%
Gross Advances	In J&K State	228693.5	195974.5	32719.0	17%
	In Rest of India	236839.9	278083.0	-41243.1	-15%
	Whole Bank	465533.4	474057.5	-8524.1	-2%

**Sectoral Break-up of Advances :**

**March, 2015**

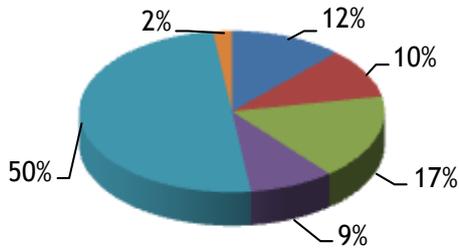
**March, 2014**

**Bank as Whole**

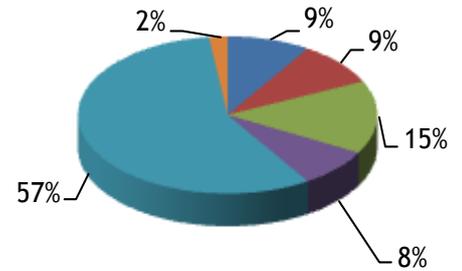
**Gross Advances – Rs 465533 mn**

**Gross Advances – Rs 474058 mn**

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



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

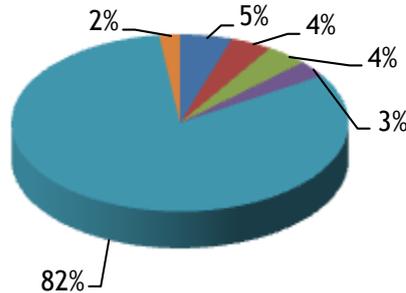


**In Rest of India**

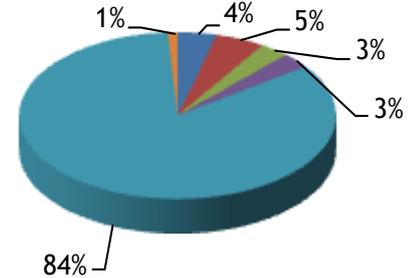
**Gross Advances – Rs 236840 mn**

**Gross Advances – Rs 278083 mn**

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



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

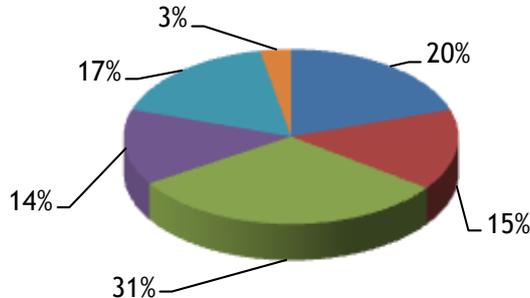


**Within J&K State**

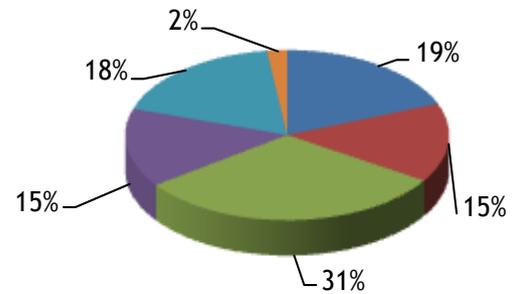
**Gross Advances – Rs 228694 mn**

**Gross Advances – Rs 195975 mn**

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



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



### Categorization of Investments (I)

Amount in Rupees million

Particulars	As on Mar 31, 2015	As on Mar 31, 2014	% Change
<b>Held to Maturity (HTM)</b>			
<input type="checkbox"/> Government & Other Approved Securities	129196.7	142517.0	-9.35%
<input type="checkbox"/> Shares			
<input type="checkbox"/> Debentures & Bonds	238.6	478.2	-50.10%
<input type="checkbox"/> Subsidiaries & Joint Ventures	200.0	100.0	100.00%
<input type="checkbox"/> Others	22906.8	22133.7	3.49%
<b>Sub-Total</b>	<b>152542.1</b>	<b>165228.9</b>	<b>-7.68%</b>
<i>Percentage of HTM to Total Investments</i>	<i>60.71%</i>	<i>63.08%</i>	
<b>Held for Trading (HFT)</b>			
<input type="checkbox"/> Government & Other Approved Securities			
<input type="checkbox"/> Shares	15.1	12.4	21.77%
<input type="checkbox"/> Debentures & Bonds			
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others			
<b>Sub-Total</b>	<b>15.1</b>	<b>12.4</b>	<b>21.77%</b>
<i>Percentage of HFT to Total Investments</i>	<i>0.01%</i>	<i>0.005%</i>	
<b>Available for Sale (AFS)</b>			
<input type="checkbox"/> Government & Other Approved Securities	5419.8	7032.4	-22.93%
<input type="checkbox"/> Shares	2301.3	2153.5	6.86%
<input type="checkbox"/> Debentures & Bonds	17312.6	19844.8	-12.76%
<input type="checkbox"/> Subsidiaries & Joint Ventures			
<input type="checkbox"/> Others	73652.1	67678.7	8.83%
<input type="checkbox"/> Debt / Money Market related MF's			
<b>Sub-Total</b>	<b>98685.8</b>	<b>96709.4</b>	<b>2.04%</b>
<i>Percentage of AFS to Total Investments</i>	<i>39.28%</i>	<i>36.92%</i>	
<b>Total Investment</b>	<b>251243.0</b>	<b>261950.7</b>	<b>-4.09%</b>

### Categorization of Investments (II)

Amount in Rupees million

Particulars	As on Mar 31, 2015	As on Mar 31, 2014	% Change
SLR Securities	134616.5	149549.5	-9.99%
Non SLR Securities	116626.5	112401.2	3.76%
<b>Total Investment</b>	<b>251243.0</b>	<b>261950.7</b>	<b>-4.09%</b>
SLR Securities as % age to total Investments	53.58%	57.09%	-
Non SLR Securities as % age to total Investments	46.42%	42.91%	-

Previous period figures wherever necessary have been recast

### Analytical Ratios:

Particulars	Q 4 FY '14-15	Q 4 FY '13-14	Year Ended Mar 2015	Year Ended Mar 2014
Net Interest Margins (%) *	0.98	1.03		
<b>Annualized</b>	<b>3.92</b>	<b>4.13</b>	<b>3.81</b>	<b>4.16</b>
Yield on Advances (%) *	2.85	3.08		
<b>Annualized</b>	<b>11.41</b>	<b>12.33</b>	<b>11.52</b>	<b>12.23</b>
Yield on Investments (%) *	1.89	1.84		
<b>Annualized</b>	<b>7.55</b>	<b>7.34</b>	<b>7.64</b>	<b>7.39</b>
Cost of Deposits (%) *	1.62	1.68		
<b>Annualized</b>	<b>6.50</b>	<b>6.73</b>	<b>6.72</b>	<b>6.70</b>
Post Tax Return on Assets (%)	0.14	0.34		
<b>Annualized</b>	<b>0.56</b>	<b>1.37</b>	<b>0.70</b>	<b>1.74</b>
Post Tax Return on Average Networkworth (%)*	1.66	4.73		
<b>Annualized</b>	<b>6.64</b>	<b>18.93</b>	<b>8.60</b>	<b>22.34</b>
Cost to Income Ratio (%)	40.12	40.73	43.42	38.21
Credit / Deposit (CD) Ratio (%)	67.80	66.90	67.80	66.90
CASA Ratio (%)	41.79	39.06	41.79	39.06
Business per Employee (In Rupees million)	118.9	123.5	118.9	123.5
Net Profit per Employee (In Rupees million)	0.11	0.27		
<b>Annualized</b>	<b>0.44</b>	<b>1.07</b>	<b>0.55</b>	<b>1.26</b>
Number of Employees	9283	9371	9283	9371
Business Per Branch (In Rupees million)	1344.0	1481.7	1344.0	1481.7
Net Profit per Branch (In Rs million) <b>Annualized</b>	<b>4.95</b>	<b>12.80</b>	<b>6.20</b>	<b>15.14</b>
Branches – Excluding Extension Counters, Controlling Offices & RCC's	821	781	821	781
Gross NPAs (In Rupees million)	27640.8	7834.2	27640.8	7834.2
Net NPAs (In Rupees million)	12363.12	1019.9	12363.2	1019.9
Gross NPA Ratio (%)	5.97	1.66	5.97	1.66
Net NPA Ratio (%)	2.77	0.22	2.77	0.22
NPA Coverage Ratio (%)	59.02	90.30	59.02	90.30
Capital Adequacy Ratio (%) Basel II	<b>12.67</b>	<b>12.91</b>	<b>12.67</b>	<b>12.91</b>
i. Tier I	11.28	11.24	11.28	11.24
ii. Tier II	1.39	1.67	1.39	1.67
Capital Adequacy Ratio (%) Basel III	<b>12.57</b>	<b>12.69</b>	<b>12.57</b>	<b>12.69</b>
i. Tier I	11.26	11.22	11.26	11.22
ii. Tier II	1.31	1.47	1.31	1.47
Earning per Share ** (In Rupees)	2.10	5.17		
<b>Annualized</b>	<b>8.38</b>	<b>20.68</b>	<b>10.49</b>	<b>24.39</b>
Net Asset Value ** (In Rupees)	126.04	118.07	126.04	118.07
Adjusted Book Value ** (In Rupees)	100.54	115.96	100.54	115.96
Dividend Payout Ratio (%)	-	-	20.02	20.50
Dividend Yield (%)	-	-	2.02	2.65

\* Ratios calculated on Fortnightly average balances

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

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

S No.	PARTICULARS	Number of Shares Held as on May 08, 2015	% to Capital	Number of Shares Held as on May 09, 2014	% to Capital
1.	GOVERNMENT OF J&K	257752660	53.17%	25775266	53.17%
2.	INDIAN MUTUAL FUNDS	24415016	5.04%	2054622	4.24%
3.	INSURANCE COMPANIES	14166398	2.92%	215608	0.44%
4.	BANKS	111039	0.02%	15818	0.03%
5.	NON RESIDENT INDIANS	3152381	0.65%	264129	0.54%
6.	FOREIGN INSTITUTIONAL INVESTORS	113295468	23.37%	13564700	27.98%
7.	FOREIGN PORTFOLIO INVESTORS	4153356	0.86%		
8.	BODIES CORPORATES	10746454	2.22%	1679188	3.46%
9.	RESIDENT INDIVIDUALS	56446283	11.64%	4848747	10.00%
10.	CLEARING MEMBERS	538965	0.11%	42702	0.09%
11.	TRUSTS	0	0.00%	17022	0.04%
	<b>TOTAL</b>	<b>484778020</b>	<b>100.00%</b>	<b>48477802</b>	<b>100.00%</b>

Face value split – From Rs 10 per share to Re 1 per share during quarter ended Sep, 2014

For more information, contact:

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