

ElaraCapital

4TH ELARA INVESTOR CONFERENCE

April 3, 2014, Mumbai

An Overview





Basic Facts

- Incorporated in 1938
- Listed on NSE & BSE
- Rated “P1+” by S&P: highest degree of safety
- Four decades of uninterrupted profitability and dividends
- Adjudged “Best Bank” in the “Old Private Sector Bank” category by Financial Express for FY ended Mar, 2011
- Adjudged “Best Bank” in the “Old Private Sector Bank” category at the CNBC TV 18 India Best Bank and Financial Institution Awards for FY 12
- Ranked No. 1 in the FE India’s Best Banks Award - 2012 in the category of “Best Old Private Sector Bank” in India
- Awarded “Best Enterprise” by Europe Business Assembly London



One of a Kind

- Private sector bank, despite government's majority holding

- Only private sector bank designated as RBI's agent for banking business

- Conducts banking business of the Central Government:
 - Direct Tax collection
 - Indirect Tax collection
 - Utility payment collection

Facets and Roles

- Commercial Bank

- Development Financing Institution

- Financial Services Provider

Regional Goliath

- Dominates a region
 - **659** branches in the state
 - **719** ATMs

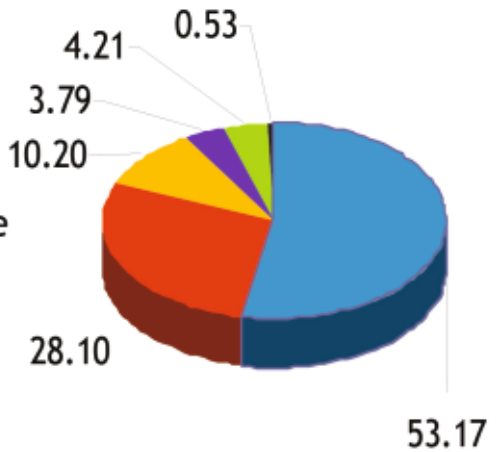
- Controls a geography
 - Branches in **every block** of J&K

- Serving a community
 - **86 lakh**
Adult population
 - **75 lakh**
Account holders of J&K Bank

- Business leadership in J&K

Shareholding Pattern (%) (21.03.2014)

- Government of J&K
- Foreign Inst. Investors
- Resident Individuals
- Bodies Corporates/ Insurance Cos/Clearing Mem./Banks
- Indian Mutual Funds
- Non-Resident Indians



Best of both Worlds

- Private Bank in terms of earnings, and

- PSU Bank in terms of cost structure

- Public ownership
 - Stability
 - Safety

- Private functioning
 - Efficiency
 - Growth

Subsidiaries and Investments

- J&K Bank Financial Services Ltd
 - Providing Depository Services
 - Offering Stock Broking Services

- Insurance JV with MetLife International

- Distributor of
 - Life Insurance products;
partner: MetLife
 - General Insurance;
partner: Bajaj Allianz

- Shareholder in J&K Gramin Bank

Consistent
Growth &
Stability



Decade of Development - I

(in Rupees Crore)

Particulars	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Net Worth	1593.74	1665.40	1799.47	2008.73	2280.82
Deposits	18661.4	21645.0	23484.6	25194.3	28593.3
Advances	9284.9	11517.1	14483.1	17079.9	18882.6
Investments	8451.1	9089.2	8993.8	7392.2	8757.7
Total Income	1822.95	1631.26	1817.10	2059.54	2679.24
Net Profit	406.33	115.07	176.84	274.49	360.00
EPS (in Rupees)	83.8	23.7	36.5	56.6	74.3
Book Value (in Rupees)	328.6	343.5	371.2	414.4	476.3
Dividend (%)	100	80	80	115	155
No. of Branches/Offices	475	500	517	520	556
Personnel	7085	6873	6833	6847	7558

Decade of Development - I

(in Rupees Crore)

Particulars	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Net Worth	2622.86	3010.46	3478.68	4093.18	4864.69
Deposits	33004.1	37237.2	44675.9	53346.9	64220.6
Advances	20930.4	23057.2	26193.6	33077.4	39200.4
Investments	10736.3	13956.3	19695.8	21624.3	25741.1
Total Income	3233.17	3473.11	4077.89	5169.70	6620.53
Net Profit	409.83	512.38	615.20	803.25	1055.10
EPS (in Rupees)	84.5	105.7	126.9	165.7	217.7
Book Value (in Rupees)	541.0	621.0	717.6	844.3	1003.5
Dividend (%)	169	220	260	335	500
No. of Branches/Offices	575	576	595	646	725
Personnel	7627	7789	7938	9252	9400

Decade of Development - II

(%)

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Net Interest Margins	3.58	2.90	2.83	2.98	2.94
Interest Spread	3.26	2.61	2.61	2.79	2.64
Yield on Advances	9.50	8.42	8.48	8.58	10.44
Yield on Investments	8.75	7.38	6.23	6.20	6.70
Cost of Deposits	5.26	4.61	4.55	4.50	5.85
Return on Assets	1.92	0.47	0.67	0.96	1.10
Return on period end Net Worth	25.50	6.91	9.83	13.66	15.59
Return on Average Net Worth	28.66	7.06	10.21	14.42	16.68
Gross Profit to AWF	3.31	1.62	1.78	2.02	2.12
Net Profit to AWF	2.14	0.50	0.70	1.00	1.17

Decade of Development - II

(%)

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Net Interest Margins	3.10	3.04	3.69	3.84	3.97
Interest Spread	2.84	2.79	3.46	3.57	3.74
Yield on Advances	11.53	10.65	10.86	12.12	12.59
Yield on Investments	6.79	5.71	6.34	7.29	7.56
Cost of Deposits	6.22	5.24	5.36	6.48	6.87
Return on Assets	1.09	1.20	1.38	1.56	1.70
Return on period end Net Worth	15.63	17.02	17.68	19.62	21.69
Return on Average Net Worth	16.62	18.19	18.96	21.22	23.56
Gross Profit to AWF	2.20	2.39	2.57	2.66	2.92
Net Profit to AWF	1.16	1.28	1.38	1.56	1.70

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis

Decade of Development - III

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Cost to Income Ratio (%)	31.81	47.59	43.32	40.13	38.24
CD Ratio (%)	49.75	53.21	61.67	67.79	66.04
CASA Ratio (%)	30.26	32.00	34.17	37.02	39.16
Business per Employee (in Rupees lakh)	394.4	482.5	555.3	617.4	628.2
Net Profit per Employee (in Rupees lakh)	5.7	1.7	2.6	4.0	4.8
Business Per Branch (in Rupees crore)	67.83	78.21	87.28	93.73	93.46
Net Profit per Branch (in Rupees lakh)	98.6	27.1	40.7	60.9	70.9
Gross NPA's (Rupees lakh)	28600	31725	37019	50183	48523
Net NPA's (Rupees lakh)	13800	16293	13387	19357	20355
Gross NPA Ratio (%)	3.03	2.72	2.51	2.89	2.53
Net NPA Ratio (%)	1.49	1.41	0.92	1.13	1.08
NPA Coverage Ratio (%)	58.51	57.99	70.26	67.10	66.05
Gross NPA to Net Worth Ratio (%)	17.95	19.05	20.57	24.98	21.02
Net NPA to Net Worth Ratio (%)	8.66	9.78	7.44	9.64	8.82

Decade of Development - III

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Cost to Income Ratio (%)	37.81	37.60	39.77	36.92	35.33
CD Ratio (%)	63.42	61.92	58.63	62.00	61.09
CASA Ratio (%)	38.11	40.69	40.48	40.71	39.23
Business per Employee (in Rupees lakh)	707.2	774.1	892.8	934.1	1100.5
Net Profit per Employee (in Rupees lakh)	5.4	6.6	7.8	8.7	11.2
Business Per Branch (in Rupees crore)	101.19	112.49	128.39	142.38	150.15
Net Profit per Branch (in Rupees lakh)	76.9	95.6	111.0	132.0	153.1
Gross NPA's (Rupees lakh)	55927	46231	51883	51660	64377
Net NPA's (Rupees lakh)	28751	6433	5324	4934	5527
Gross NPA Ratio (%)	2.64	1.97	1.95	1.54	1.62
Net NPA Ratio (%)	1.37	0.28	0.20	0.15	0.14
NPA Coverage Ratio (%)	60.79	90.13	92.71	93.76	94.01
Gross NPA to Net Worth Ratio (%)	21.32	15.36	15.99	13.65	14.37
Net NPA to Net Worth Ratio (%)	10.96	2.14	1.64	1.30	1.23

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis

Notes

Decade of Development - IV

(%)

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Operating Expenses to AWF	1.54	1.41	1.36	1.35	1.31
Operating Expenses to Total Income	16.08	19.62	19.00	18.08	15.06
Operating expenses to Other Income	97.17	335.76	259.00	232.47	164.73
Staff Cost to Total Income	9.24	10.87	10.46	10.69	8.43
Interest Earned to AWF	8.01	6.79	6.71	6.89	7.93
Non Interest Income to AWF	1.59	0.42	0.52	0.58	0.80
Capital Adequacy Ratio Basel I	16.88	15.15	13.52	13.24	12.80
Capital Adequacy Ratio Basel II					

Decade of Development - IV

(%)

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Operating Expenses to AWF	1.34	1.44	1.70	1.56	1.60
Operating Expenses to Total Income	14.56	16.62	18.61	15.52	14.94
Operating expenses to Other Income	192.15	138.71	208.06	240.08	204.46
Staff Cost to Total Income	8.62	10.55	12.84	10.09	9.85
Interest Earned to AWF	8.44	7.62	8.31	9.38	9.90
Non Interest Income to AWF	0.74	1.04	0.82	0.65	0.78
Capital Adequacy Ratio Basel I	13.46	14.81	13.30	12.53	12.34
Capital Adequacy Ratio Basel II	14.48	15.89	13.72	13.36	12.83

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis

Decade of Development - V

Ratios	Year ended Mar, 04	Year ended Mar, 05	Year ended Mar, 06	Year ended Mar, 07	Year ended Mar, 08
Earning per Share (in Rupees)	83.78	23.74	36.48	56.62	74.26
Net Asset Value / Book Value (in Rupees)	328.61	343.54	371.20	414.36	476.28
Adjusted Book Value (in Rupees)	300.16	309.93	343.58	374.43	434.30
Price to Book Value Ratio	1.50	1.06	1.21	1.73	1.35
Price to Adjusted Book Value Ratio	1.64	1.17	1.31	1.91	1.48
Price Earning Ratio	5.89	15.29	12.36	12.64	8.65
Market Capital to Deposits (%)	12.82	8.13	9.31	13.77	10.89
Dividend Payout Ratio (%)	11.94	33.70	21.93	20.31	20.87
Dividend Yield (%)	2.03	2.20	1.77	1.61	2.41
Economic Value Addition (%)	23.47	4.71	8.05	12.06	13.18
Market Price (in Rupees)	493.15	363.05	450.80	715.85	642.10
No. of Shares (in crores)	4.85	4.85	4.85	4.85	4.85

Decade of Development - V

Ratios	Year ended Mar, 09	Year ended Mar, 10	Year ended Mar, 11	Year ended Mar, 12	Year ended Mar, 13
Earning per Share (in Rupees)	84.54	105.69	126.90	165.69	217.64
Net Asset Value / Book Value (in Rupees)	541.04	621.00	717.58	844.34	1003.49
Adjusted Book Value (in Rupees)	481.74	607.73	706.60	834.16	992.09
Price to Book Value Ratio	0.91	1.22	1.13	1.00	1.33
Price to Adjusted Book Value Ratio	1.02	1.25	1.15	1.01	1.34
Price Earning Ratio	5.80	7.18	6.38	5.11	6.13
Market Capital to Deposits (%)	7.21	9.88	8.79	7.69	10.07
Dividend Payout Ratio (%)	20.00	20.81	20.49	20.22	22.97
Dividend Yield (%)	3.45	2.90	3.21	3.96	3.75
Economic Value Addition (%)	12.18	14.12	14.48	15.66	17.94
Market Price (in Rupees)	490.65	759.00	810.00	846.00	1334.10
No. of Shares (in crore)	4.85	4.85	4.85	4.85	4.85

Ratios for FY ended Mar, 11 onwards calculated on Fortnightly average basis



Financial
Results
9 M Dec, 2013



Financial Results - Dec, 2013

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Nine Months ended Dec, 2013)							
Particulars	Q 3 2013-14	Q 3 2012-13	% Change	Q 1 2013-14	Q 2 2013-14	Q 3 2013-14	% Change Q3 over Q2
Interest Earned	1715.52	1533.24	11.89%	1624.24	1649.74	1715.52	3.99%
Interest Expended	1068.93	939.04	13.83%	969.35	967.92	1068.93	10.44%
Net Interest Income	646.59	594.20	8.82%	654.89	681.82	646.59	-5.17%
Other Income	87.45	90.53	-3.40%	92.23	99.48	87.45	-12.09%
Operating Income	734.04	684.73	7.20%	747.12	781.30	734.04	-6.05%
Operating Expenses	293.20	249.96	17.30%	266.13	284.82	293.20	2.94%
Operating Profit	440.84	434.77	1.40%	480.99	496.48	440.84	-11.21%
Provisions & Contingencies	-4.60	22.38	-120.6%	36.23	55.68	-4.60	-108.3%
PBT	445.44	412.39	8.01%	444.76	440.80	445.44	1.05%
Tax Provision	124.15	122.99	0.94%	136.84	138.14	124.15	-10.13%
Net Profit	321.29	289.40	11.02%	307.92	302.66	321.29	6.16%
Share Capital	48.49	48.49	0%	48.49	48.49	48.49	0%
EPS (in Rupees)	66.28	59.70	11.02%	63.52	62.43	66.28	6.17%
Net Interest Margins (%)	0.99%	1.02%	-	1.05%	1.10%	0.99%	-
Net Interest Margins (Annualized) (%)	3.97%	4.07%	-	4.15%	4.33%	3.97%	-

Financial Results - Dec, 2013

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Nine Months ended Dec, 2013)				
Particulars	9 M Dec, 2013	9 M Dec, 2012	% Change	Year end Mar, 13
Interest Earned	4989.50	4510.00	10.63%	6136.80
Interest Expended	3006.20	2827.51	6.32%	3820.76
Net Interest Income	1983.30	1682.49	17.88%	2316.04
Other Income	279.16	274.82	1.58%	483.73
Operating Income	2262.46	1957.31	15.59%	2799.77
Operating Expenses	844.15	684.69	23.29%	989.01
Operating Profit	1418.31	1272.62	11.45%	1810.76
Provisions & Contingencies	87.31	105.56	-17.29%	284.17
PBT	1331.00	1167.06	14.05%	1526.59
Tax Provision	399.13	362.04	10.24%	471.49
Net Profit	931.87	805.02	15.76%	1055.10
Share Capital	48.49	48.49	0%	48.49
EPS (in Rupees)	192.23	166.06	15.76%	217.65
Net Interest Margins (%)	3.13%	2.94%	-	-
Net Interest Margins (Annualized) (%)	4.18%	3.93%	-	3.97%

Ratio Analysis - I

(%)

Profitability Ratios	Quarter ended Dec, 13	Quarter ended Dec, 12	Quarter ended Jun, 13	Quarter ended Sep, 13	9 M Dec, 2013	9 M Dec, 2012	Year ended Mar, 13
Net Interest Margins	0.99	1.02	1.05	1.10	3.13	2.94	
Annualized	3.97	4.07	4.15	4.33	4.18	3.93	3.97
Interest Spread	0.95	0.96	1.00	1.05	2.99	2.79	
Annualized	3.78	3.83	4.02	4.18	3.99	3.72	3.74
Yield on Advances	3.06	3.15	3.04	3.09	9.19	9.46	
Annualized	12.24	12.60	12.16	12.35	12.25	12.61	12.59
Yield on Investments	1.88	1.86	1.84	1.84	5.56	5.65	
Annualized	7.52	7.43	7.36	7.36	7.41	7.53	7.56
Cost of Deposits	1.73	1.69	1.64	1.65	5.02	5.19	
Annualized	6.94	6.74	6.55	6.59	6.70	6.92	6.87

Ratio Analysis - II

(%)

Profitability Ratios	Quarter ended Dec, 13	Quarter ended Dec, 12	Quarter ended Jun, 13	Quarter ended Sep, 13	9 M Dec, 2013	9 M Dec, 2012	Year ended Mar, 13
Return on Assets	0.45	0.45	0.47	0.46	1.31	1.26	
Annualized	1.88	1.87	1.89	1.86	1.88	1.78	1.70
Return on period end Net Worth	5.54	5.91	5.95	5.53	16.08	16.44	
Annualized	22.17	23.63	23.81	22.11	21.43	21.91	21.69
Return on Average Net Worth	5.70	6.09	6.14	5.68	17.48	17.91	
Annualized	22.80	24.35	24.54	22.74	23.31	23.88	23.56
Gross Profit to AWF	0.64	0.70	0.74	0.76	2.14	2.11	
Annualized	2.58	2.80	2.95	3.05	2.85	2.81	2.92
Net Profit to AWF	0.47	0.47	0.47	0.46	1.41	1.33	
Annualized	1.88	1.87	1.89	1.86	1.88	1.78	1.70

Ratio Analysis - III

Efficiency Ratios	Quarter ended Dec, 13	Quarter ended Dec, 12	Quarter ended Jun, 13	Quarter ended Sep, 13	9 M Dec, 2013	9 M Dec, 2012	Year ended Mar, 13
Cost to Income Ratio (%)	39.94	36.50	35.62	36.45	37.31	34.98	35.33
CD Ratio (%)	68.59	62.48	67.03	67.22	68.59	62.48	61.09
CASA Ratio (%)	38.78	39.43	40.24	38.50	38.78	39.43	39.23
Business per Employee (in Rs crore)	11.36	9.91	10.32	10.92	11.36	9.91	11.01
Net Profit per Employee (Rs. Lakh)	3.43	3.09	3.25	3.23	9.94	8.60	
Annualized	13.71	12.37	12.99	12.92	13.25	11.47	11.22
Business Per Branch (in Rs. Crore)	139.73	139.24	140.84	135.67	139.73	139.24	150.15
Net Profit per Branch (in Rs Lakh) (Ann.)	168.66	173.82	177.22	160.56	163.06	161.17	153.13
Asset Quality Ratios							
Gross NPAs (in Rupees Crore)	725.07	581.68	665.43	708.93	725.07	581.68	643.77
Net NPAs (in Rupees Crore)	96.90	49.51	56.12	77.58	96.90	49.51	55.27
Gross NPA Ratio (%)	1.65	1.61	1.67	1.69	1.65	1.61	1.62
Net NPA Ratio (%)	0.22	0.14	0.14	0.19	0.22	0.14	0.14
NPA Coverage Ratio (%)	90.24	94.21	94.01	92.06	90.24	94.21	94.01
Gross NPA to Net Worth Ratio (%)	12.86	12.24	13.26	13.32	13.60	12.94	14.37
Net NPA to Net Worth Ratio (%)	1.72	1.04	1.12	1.46	1.82	1.10	1.23

Ratio Analysis - IV

(%)

Operating Ratios	Quarter ended Dec, 13	Quarter ended Dec, 12	Quarter ended Jun, 13	Quarter ended Sep, 13	9 M Dec, 2013	9 M Dec, 2012	Year ended Mar, 13
Operating Expenses to AWF (Ann.)	1.71	1.61	1.63	1.75	1.70	1.51	1.60
Operating Expenses to Total Income	16.26	15.39	15.50	16.28	16.02	14.31	14.94
Operating Expenses to Other Income	335.28	276.13	288.53	286.33	302.39	249.13	204.46
Staff Cost to Total Income	10.42	10.09	10.23	10.10	10.25	9.29	9.85
Interest Earned to AWF (Annualized)	10.03	9.88	9.97	10.13	10.04	9.96	9.90
Non Interest Income to AWF (Annualized)	0.51	0.58	0.57	0.61	0.56	0.61	0.78
Capital Adequacy Ratio Basel I		12.97				12.97	12.34
Tier I		11.08				11.08	10.44
Tier II		1.89				1.89	1.90
Capital Adequacy Ratio Basel II	13.44	13.82	13.85	13.54	13.44	13.82	12.83
Tier I	11.70	11.80	11.82	11.70	11.70	11.80	10.86
Tier II	1.74	2.02	2.03	1.84	1.74	2.02	1.97
Capital Adequacy Ratio Basel III	13.01		13.60	13.18	13.01		
Tier I	11.35		11.67	11.42	11.35		
Tier II	1.66		1.93	1.76	1.66		

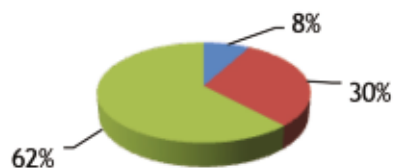
Ratio Analysis - V

Valuation Ratios	Quarter ended Dec, 13	Quarter ended Dec, 12	Quarter ended Jun, 13	Quarter ended Sep, 13	9 M Dec, 2013	9 M Dec, 2012	Year ended Mar, 13
Earnings per Share (in Rs)	66.28	59.70	63.52	62.43	192.23	166.06	
Annualized	265.10	238.80	254.07	249.73	256.30	221.42	217.65
Net Asset Value (in Rupees)	1195.72	1010.41	1067.01	1129.44	1195.72	1010.40	1003.49
Adjusted Book Value (in Rupees)	1175.73	1000.19	1055.43	1113.44	1175.73	1000.19	992.09
Price to book value ratio	1.11	1.36	1.03	1.13	1.11	1.36	1.33
Price to adjusted book value ratio	1.13	1.37	1.04	1.15	1.13	1.37	1.34
Price Earning Ratio (On Annualized EPS)	5.00	5.74	4.33	5.12	5.17	6.19	6.13
Market Capital To Deposits (%)	10.18	11.64	9.11	10.13	10.18	11.64	10.07
Dividend Payout Ratio (%)	-	-	-	-	-	-	22.97
Dividend Yield (%)	-	-	-	-	-	-	3.75
Economic Value Addition (%)	-	-	-	-	-	-	17.94
Market price (in Rupees)	1326.25	1370.00	1101.00	1278.00	1326.25	1370.00	1334.10
Number of Shares	48477802	48477802	48477802	48477802	48477802	48477802	48477802

Bank as Whole (%) - Rs 63157 cr

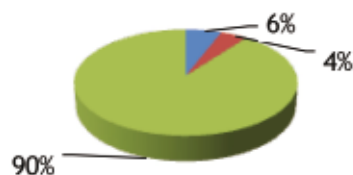
Deposits - Compositional Break-up (Dec 13)

- Current
- Saving
- Term



In Rest of India (%) - Rs 21264 cr

- Current
- Saving
- Term



Within J&K (%) - Rs 41893 cr

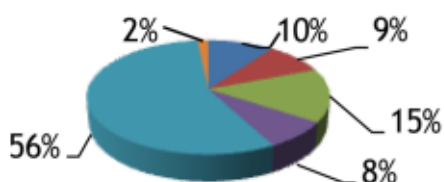
- Current
- Saving
- Term



Gross Advances - Sector-wise (Dec 13)

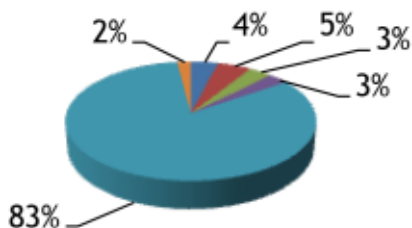
Bank as Whole (%) - Rs 44282 cr

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



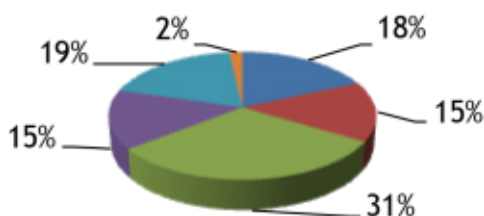
In Rest of India (%) - Rs 25601 cr

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



Within J&K State (%) - Rs 18681 cr

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



Restructuring (Dec 13) - I

(in Rupees Crore)

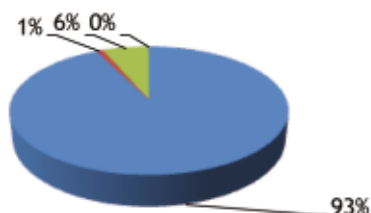
S. No.	Particulars	For Qtr ended Dec 31, '13	For 9 Mth ended Dec 31, '13	For Financial Year ended Mar 31, '13
1	Balance at the start of the period	1495.46	1490.48	1365.75
	Additions during the period	137.39	424.04	1061.01
	Repayments/Reductions/Reclassification during the period	217.09	498.76	936.28
	Balance at the close of the period	1415.76	1415.76	1490.48
2	NPA's from Outstanding Restructured Advances	103.20	103.20	175.28
3	Provisions held against NPA's	89.37	89.37	114.78

Restructuring (Dec 13) - II

- Outstanding Restructured portfolio well distributed among seven sectors
- Total Outstanding NPA's from Outstanding Restructured Portfolio Rs 103.20 crore (7.29 %), for which provision of Rs 89.37 crore available

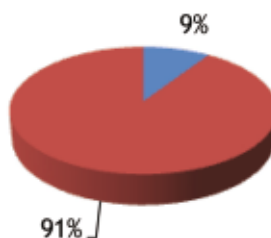
Classification of Outstanding Restructured Portfolio

- Standard
- Sub- Standard
- Doubtful
- Loss



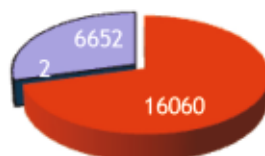
Distribution of Outstanding Restructured Portfolio

- J&K State
- Outside State



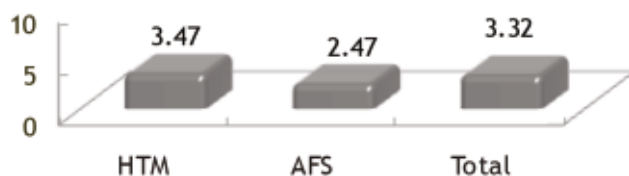
Investments, (Dec 13) - I

(in Rs crore)



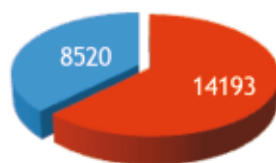
■ Held to Maturity 71 % ■ Held for Trading 0.01 % ■ Available for Sale 29 %

Duration



Investments, (Dec 13) - II

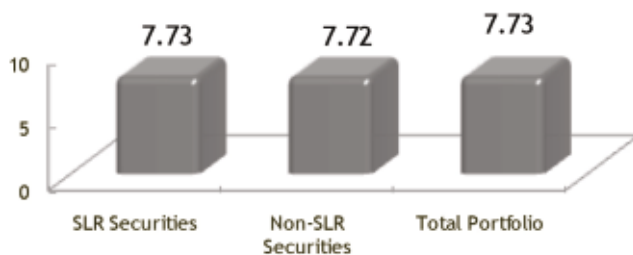
(in Rs. crore)



■ SLR Securities 62 %

■ Non-SLR Securities 38 %

Yield for 9 M (on daily average balances)

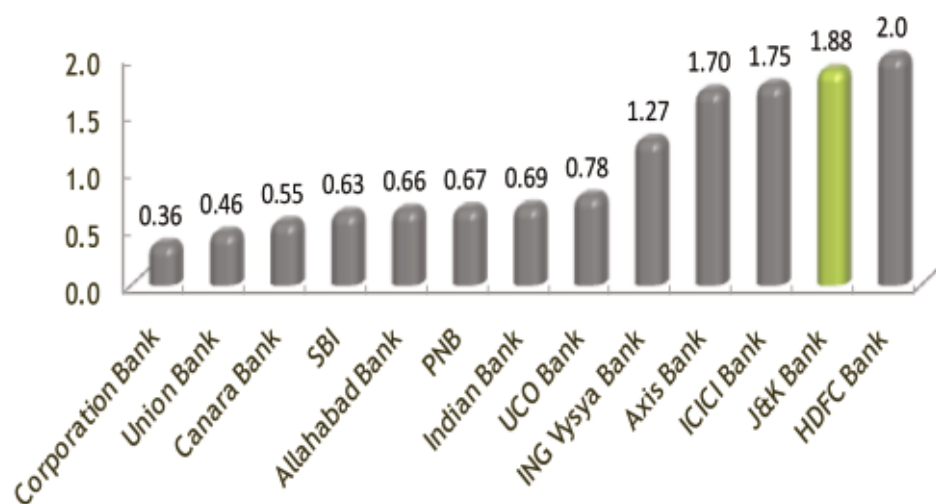


Industry Review



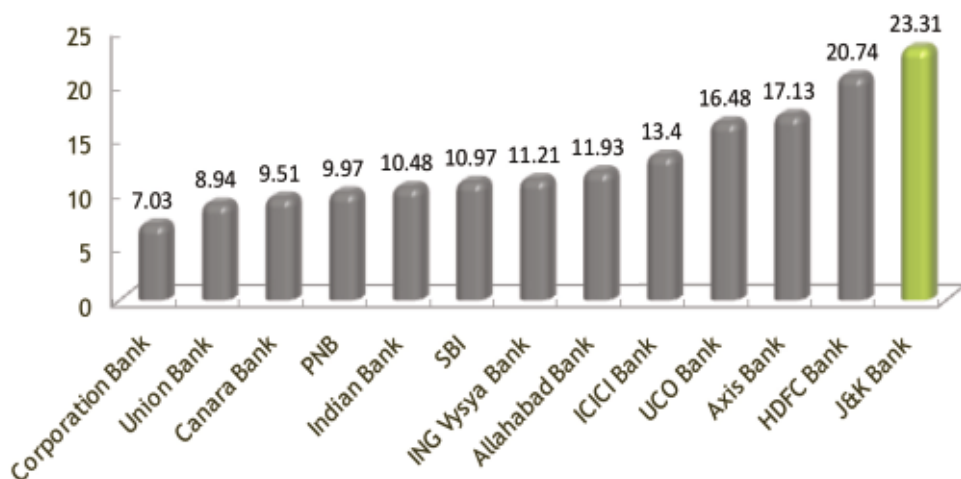
Return on Assets (%)

For 9 M ended Dec, 2013



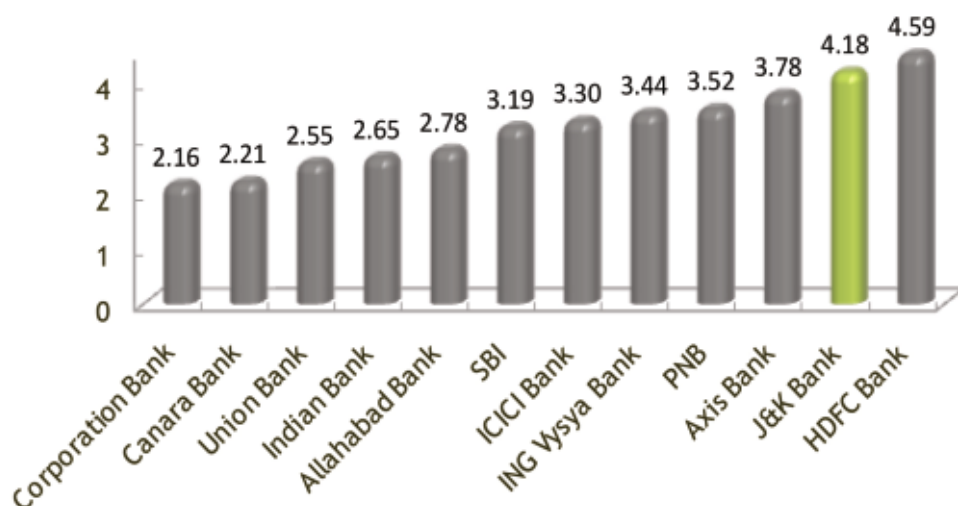
Return on Equity (%)

For 9 M ended Dec, 2013



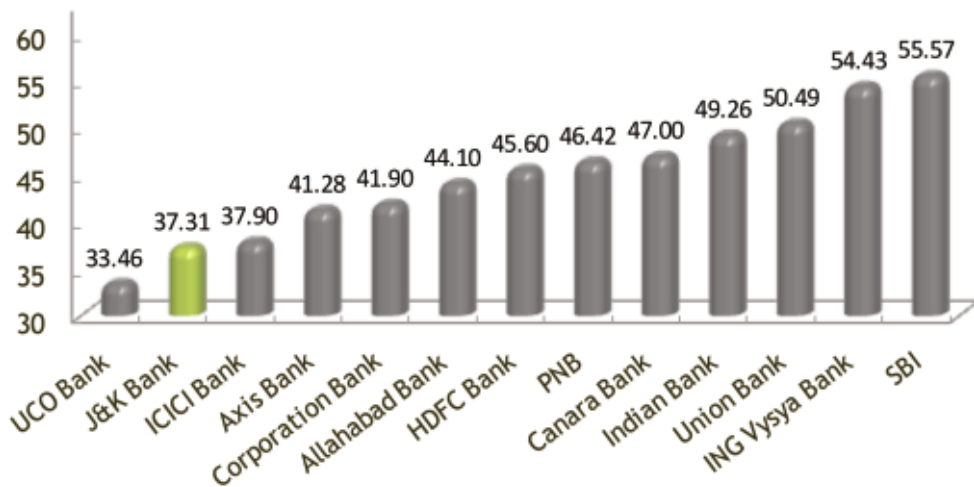
Net Interest Margin (%)

For 9 M ended Dec, 2013



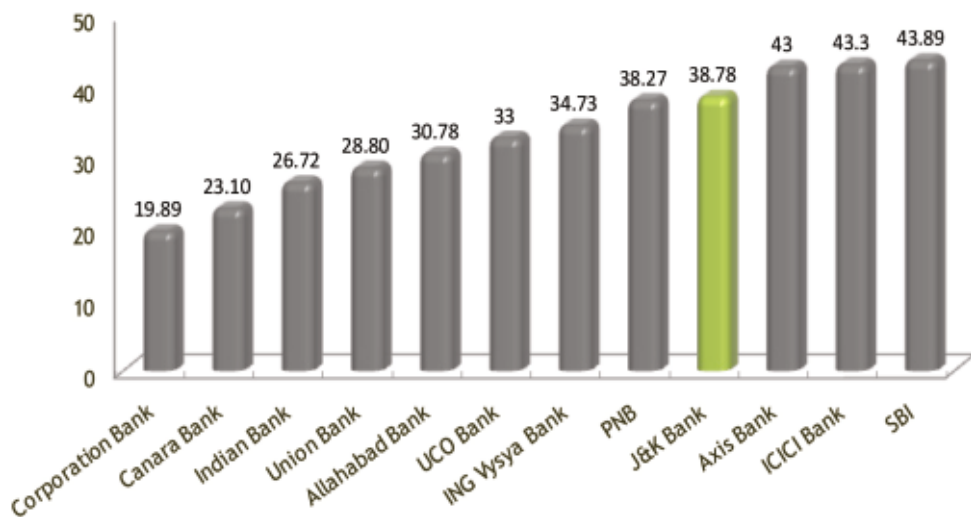
Cost to Income (%)

For 9 M ended Dec, 2013



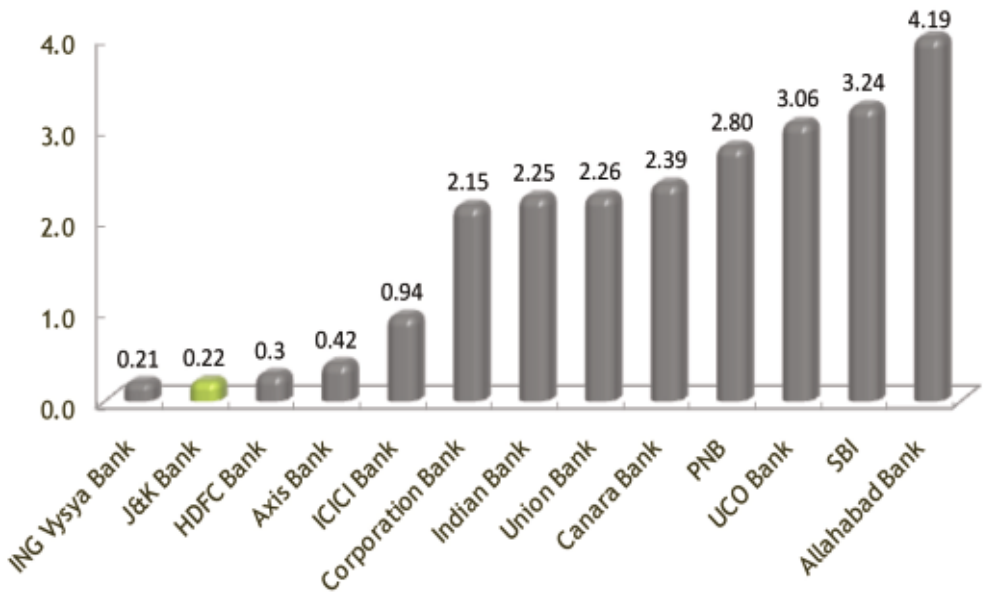
CASA Ratio (%)

As on Dec, 2013



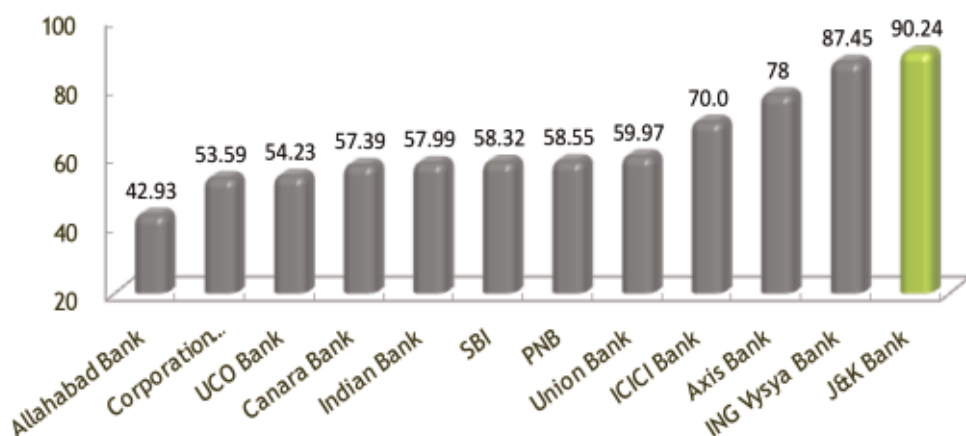
Net Impaired Loans (%)

As on Dec, 2013



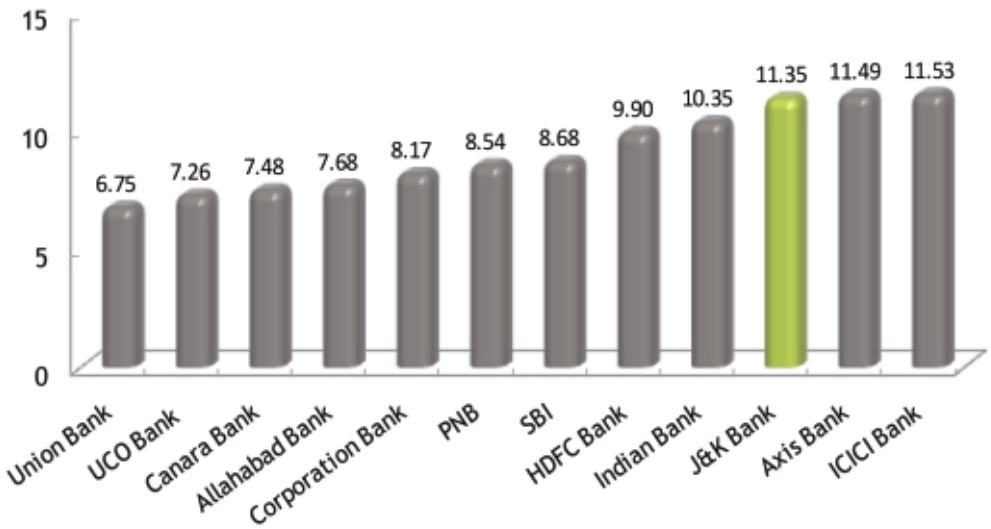
Coverage Ratio (%): Among Highest in India

As on Dec, 2013



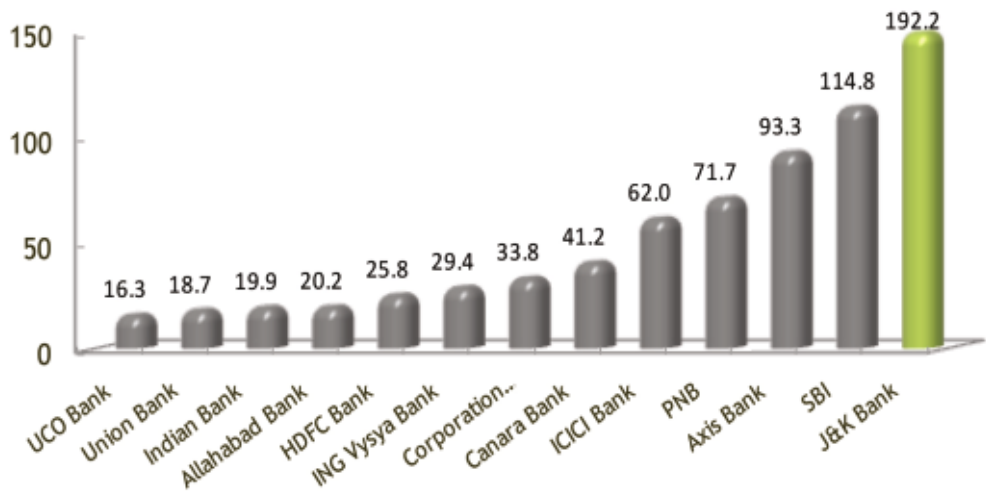
Tier I Capital (%) (Basel III)

As on Dec, 2013



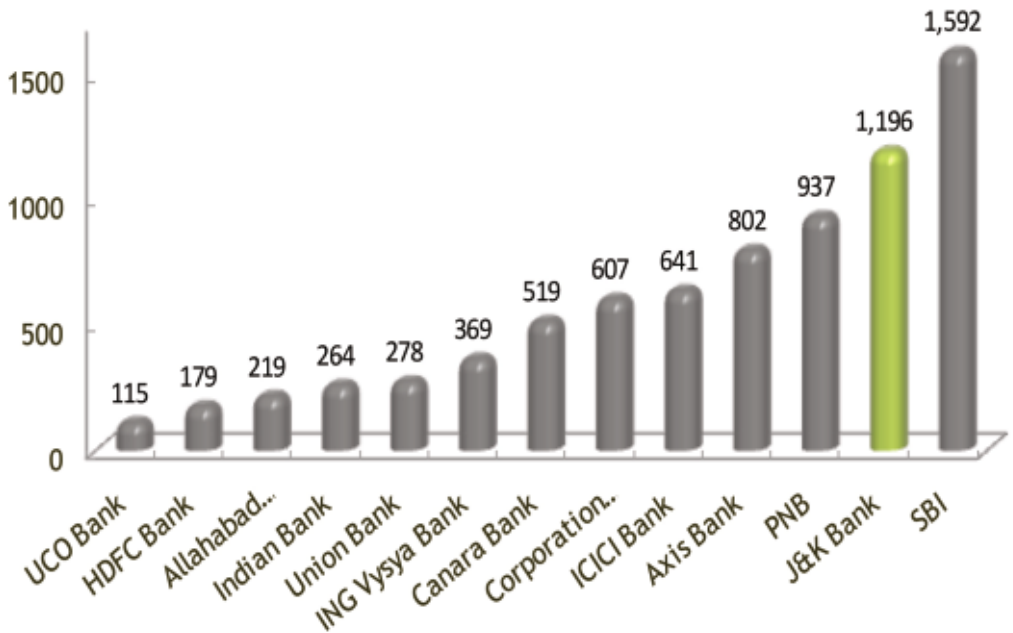
Earnings per Share (Rs.)

For 9 M ended Dec, 2013



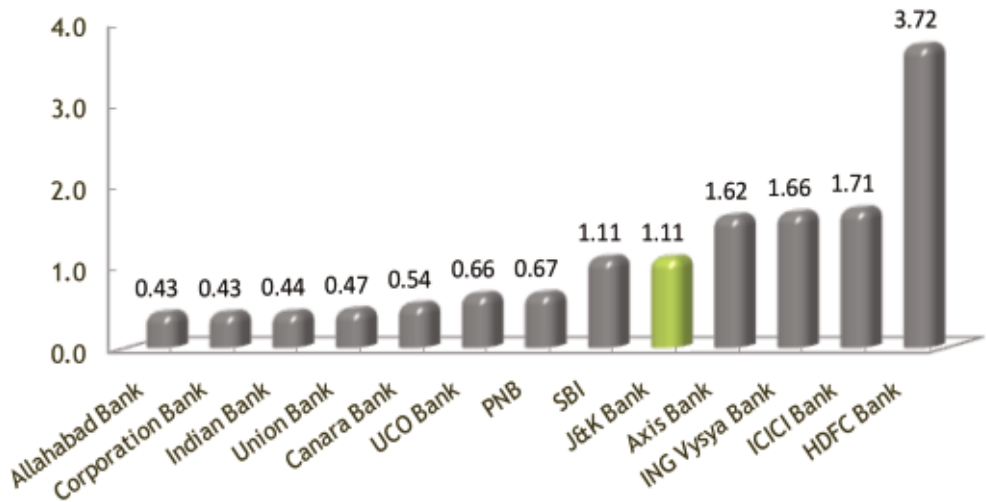
Book Value (Rs.)

As on Dec, 2013



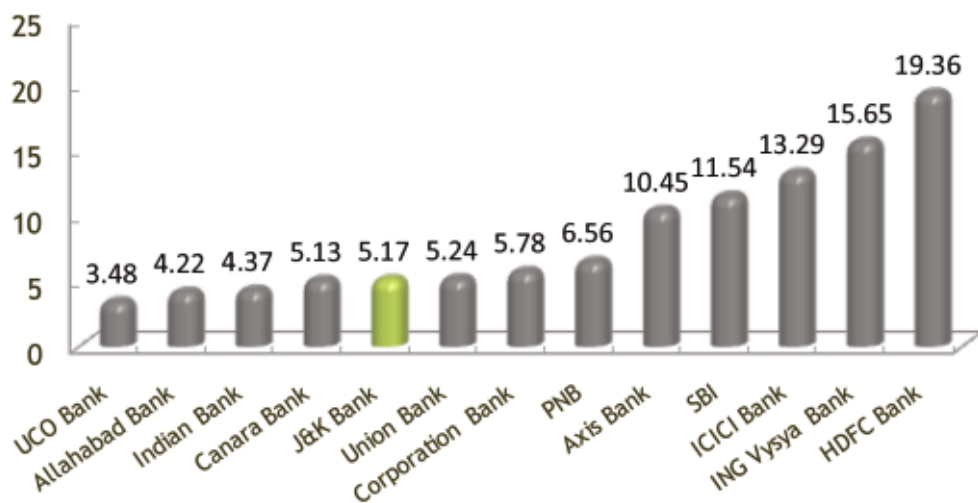
Price to Book Value

As on Dec, 2013



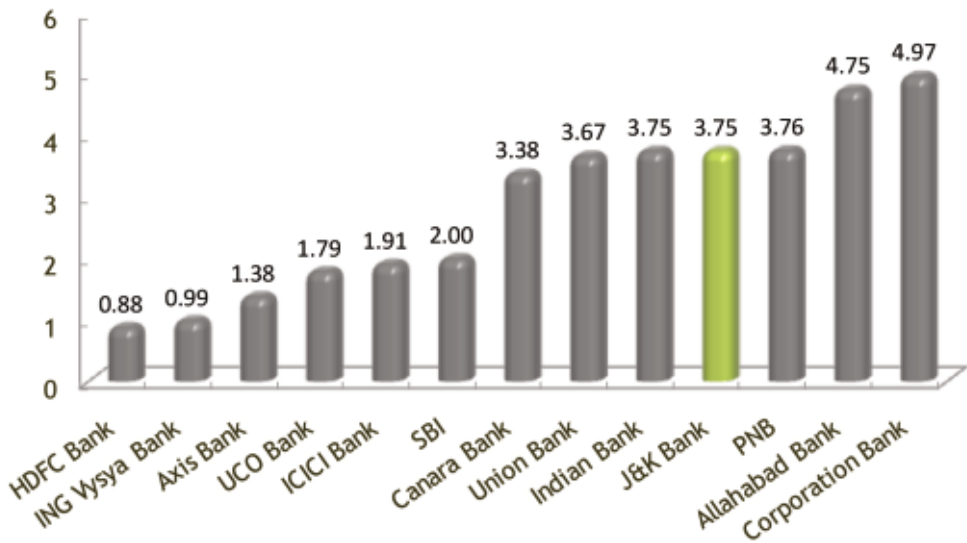
PE Ratio

As on Dec, 2013



Dividend Yield (%)

For FY ended Mar, 2013



J&K State -
Potential for
Growth



J&K State's Economy - Basic Indicators

S. No.	Particulars	J&K State	All India / National Average
1	Total Population (in crores)	1.25	121.02
2	Area (in Sq Kms)	222236	3287240
3	Density (persons / Sq Km)	124	382
4	Per capita Income (in Rupees)	30335	39168
5	Population BPL (%)	21.63 %	27.5 %
6	Literacy	67.16 %	74.04 %
7	Unemployment Rate	4.9 %	9.4 %

J&K State Economy - GDP Size

Particulars (in Rs crore)	2009-10	2010-11	2011-12	2012-13	2013-14
Size of GDP	36225	38270	40641	42878	45399
Contribution by Primary Sector	8151 (23%)	8831 (23%)	9027 (22%)	9381 (22%)	9565 (21%)
Contribution by Secondary Sector	9836 (27%)	9575 (25%)	9606 (24%)	9832 (23%)	10166 (22%)
Contribution by Tertiary Sector	18237 (50%)	19864 (52%)	22008 (54%)	23665 (55%)	25669 (57%)

J&K State Economy - Economic Reconstruction and its Impact

- GDP / economy in J&K State accelerating and is poised for further growth in future. Government spending and Private Investment on the rise

- Record tourist inflow during last two years, more expected this year. Increased investment in tourist infrastructure pushing up credit demand

- Demand for financing private sector projects, SME's and ancillaries on the rise

- Trickle down impact of all this will lead to increase in per capita income and savings, increasing capacity for servicing personal loans

J&K State - Credit Gap

- J&K accounts for 0.6% of India's GDP, and yet absorbs only 0.30% of total national credit

- J&K accounts for 1% of India's population and yet accounts for only 0.2% of India's personal credit

- Credit in J&K needs to increase five-fold and Personal Credit in J&K has to triple to catch up with the national average

Road Ahead



J&K Bank - Ground work done for growth

- Capital Adequacy at 13.01 % (Basel III), Tier I 11.35 % & Tier II 1.66 %. No constraints for raising Additional Tier I capital. Headroom of about Rs 4745 crore more available to raise Tier II capital

- Made liabilities the driver

- Insulated earnings from external volatility by:
 - Linking assets to local needs
 - Linking liabilities to local sources

- Increased reach by adding 83 branches and 102 ATM's in J&K State in FY ended Mar, 13. More than 300 new branches to be opened up to March, 2015 along with a massive ATM network expansion

J&K State - Business Strategy

- Increasing lending in J&K, which is high margin, low volume

- Leveraging our core competence of domain and geographical expertise.

- Bridging Credit Gap in J&K with focus on potential and under-serviced sectors

Outside State - Business Strategy

Nationally focus on

- Rebuilding Corporate Loan Book

- Improving WC to TL Ratio

- Impetus on SME / Retail sector lending in smaller cities

Business Targets - March 2014

Targets

- CASA around **40 %**
- NIMs around **4 %**
- ROA around **1.75 %**
- ROE around **24 %**
- Advances **22 % - 25 % growth**
- Deposits **17 % - 18 % growth**
- Cost/Income **36 % - 38 %**
- Loan/Deposit **65 % to 67 %**
- PCR **Above 90%**

Notes



Notes



Notes





www.jkbank.net