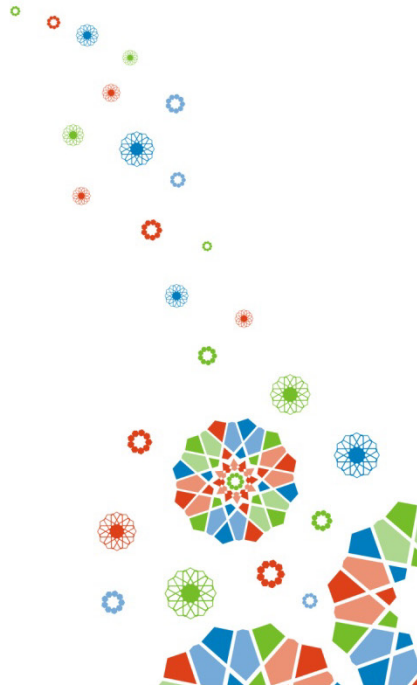
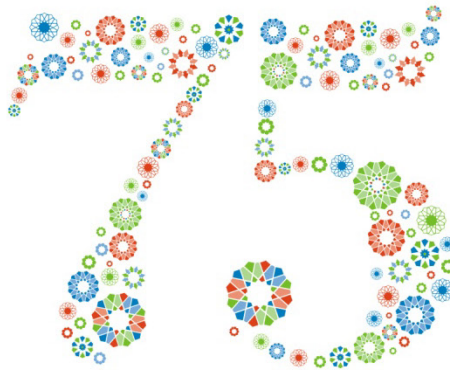




**J&K Bank**  
Celebrating 75 years of Service



**Trinity India – 2013**

Mumbai – June 03, 2013



# 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

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

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

## Facets and Roles

- Commercial Bank

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- Development Financing Institution

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- Financial Services Provider

## Regional **Goliath**

- Dominates a region
  - **579** branches in the state
  - **544** ATMs

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

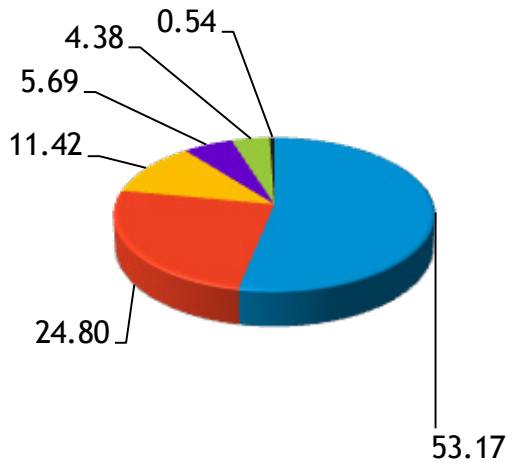
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- Serving a community
  - **86 lakh**  
Adult population
  - **69 lakh**  
Account holders of J&K Bank

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- Business leadership in J&K

# Shareholding Pattern (%)

(24.05.2013)

- 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

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- PSU Bank in terms of cost structure

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- Public ownership
  - Stability
  - Safety

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- Private functioning
  - Efficiency
  - Growth

## Subsidiaries and Investments

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

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- Insurance JV with MetLife International

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

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- 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	64220.62
Advances	20930.4	23057.2	26193.6	33077.4	39200.41
Investments	10736.3	13956.3	19695.8	21624.3	25741.06
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	336.00	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  
FY Mar, 2013



# Financial Results - Mar, 2013

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Year ended Mar, 2013)						
Particulars	Q 4 2012-13	Q 4 2011-12	% Change	Q 1 2012-13	Q 2 2012-13	Q 3 2012-13
Interest Earned	1626.80	1357.54	19.83%	1476.16	1500.59	1533.24
Interest Expended	993.25	841.44	18.04%	940.54	947.92	939.04
<b>Net Interest Income</b>	<b>633.55</b>	<b>516.10</b>	<b>22.76%</b>	<b>535.62</b>	<b>552.67</b>	<b>594.20</b>
Other Income	208.91	122.27	70.86%	93.37	90.92	90.53
<b>Operating Income</b>	<b>842.46</b>	<b>638.37</b>	<b>31.97%</b>	<b>628.99</b>	<b>643.59</b>	<b>684.73</b>
Operating Expenses	304.32	220.75	37.86%	213.82	220.91	249.96
<b>Operating Profit</b>	<b>538.14</b>	<b>417.62</b>	<b>28.86%</b>	<b>415.17</b>	<b>422.68</b>	<b>434.77</b>
Provisions & Contingencies	178.61	84.26	111.97%	50.37	32.81	22.38
<b>PBT</b>	<b>359.53</b>	<b>333.36</b>	<b>7.85%</b>	<b>364.80</b>	<b>389.87</b>	<b>412.39</b>
Tax Provision	109.45	125.24	-12.61%	118.71	120.34	122.99
<b>Net Profit</b>	<b>250.08</b>	<b>208.12</b>	<b>20.16%</b>	<b>246.09</b>	<b>269.53</b>	<b>289.40</b>
Share Capital	48.49	48.49	0.00%	48.49	48.49	48.49
<b>EPS (in Rupees)</b>	<b>51.58</b>	<b>42.93</b>	<b>20.15%</b>	<b>50.76</b>	<b>55.60</b>	<b>59.70</b>
<b>Net Interest Margins (%)</b>	<b>1.02%</b>	<b>1.00%</b>	<b>-</b>	<b>0.96%</b>	<b>0.99%</b>	<b>1.02%</b>
<b>Net Interest Margins (Annualized) (%)</b>	<b>4.07%</b>	<b>3.99%</b>	<b>-</b>	<b>3.84%</b>	<b>3.94%</b>	<b>4.07%</b>



# Financial Results - Mar, 2013

(in Rupees Crore)

Financial Results Analysis (Quarter to Quarter and Year ended Mar, 2013)					
Particulars	Q 4 2012-13	% change Q4 over Q3	Year end Mar, 13	Year end Mar, 12	% Change
Interest Earned	1626.80	6.10%	6136.80	4835.58	26.91%
Interest Expended	993.25	5.77%	3820.76	2997.22	27.48%
<b>Net Interest Income</b>	<b>633.55</b>	<b>6.62%</b>	<b>2316.04</b>	<b>1838.36</b>	<b>25.98%</b>
Other Income	208.91	130.76%	483.73	334.12	44.78%
<b>Operating Income</b>	<b>842.46</b>	<b>23.04%</b>	<b>2799.77</b>	<b>2172.48</b>	<b>28.87%</b>
Operating Expenses	304.32	21.75%	989.01	802.15	23.30%
<b>Operating Profit</b>	<b>538.14</b>	<b>23.78%</b>	<b>1810.76</b>	<b>1370.33</b>	<b>32.14%</b>
Provisions & Contingencies	178.61	698.08%	284.17	169.23	67.92%
<b>PBT</b>	<b>359.53</b>	<b>-12.82%</b>	<b>1526.59</b>	<b>1201.10</b>	<b>27.10%</b>
Tax Provision	109.45	-11.01%	471.49	397.85	18.51%
<b>Net Profit</b>	<b>250.08</b>	<b>-13.59%</b>	<b>1055.10</b>	<b>803.25</b>	<b>31.35%</b>
Share Capital	48.49	0.00%	48.49	48.49	0.00%
<b>EPS (in Rupees)</b>	<b>51.58</b>	<b>-13.60%</b>	<b>217.65</b>	<b>165.69</b>	<b>31.36%</b>
<b>Net Interest Margins (%)</b>	<b>1.02%</b>	-	-	-	-
<b>Net Interest Margins (Annualized) (%)</b>	<b>4.07%</b>	-	<b>3.97%</b>	<b>3.84%</b>	-

## Ratio Analysis - I

(%)

Profitability Ratios	Quarter ended Mar, 13	Quarter ended Mar, 12	Quarter ended Jun, 12	Quarter ended Sep, 12	Quarter ended Dec, 12	Year ended Mar, 13	Year ended Mar, 12
Net Interest Margins	1.02	1.00	0.96	0.99	1.02		
<b>Annualized</b>	<b>4.07</b>	<b>3.99</b>	<b>3.84</b>	<b>3.94</b>	<b>4.07</b>	<b>3.97</b>	<b>3.84</b>
Interest Spread	0.95	0.92	0.91	0.93	0.96		
<b>Annualized</b>	<b>3.79</b>	<b>3.67</b>	<b>3.65</b>	<b>3.71</b>	<b>3.83</b>	<b>3.74</b>	<b>3.57</b>
Yield on Advances (Av)	3.11	3.15	3.13	3.18	3.15		
<b>Annualized</b>	<b>12.43</b>	<b>12.59</b>	<b>12.54</b>	<b>12.71</b>	<b>12.60</b>	<b>12.59</b>	<b>12.12</b>
Yield on Investments (Av)	1.90	1.86	1.92	1.87	1.86		
<b>Annualized</b>	<b>7.60</b>	<b>7.44</b>	<b>7.67</b>	<b>7.49</b>	<b>7.43</b>	<b>7.56</b>	<b>7.29</b>
Cost of Deposits (Av)	1.67	1.69	1.76	1.75	1.69		
<b>Annualized</b>	<b>6.69</b>	<b>6.77</b>	<b>7.04</b>	<b>7.00</b>	<b>6.74</b>	<b>6.87</b>	<b>6.48</b>

## Ratio Analysis - II

(%)

Profitability Ratios	Quarter ended Mar, 13	Quarter ended Mar, 12	Quarter ended Jun, 12	Quarter ended Sep, 12	Quarter ended Dec, 12	Year ended Mar, 13	Year ended Mar, 12
Return on Assets	0.37	0.37	0.42	0.45	0.45		
<b>Annualized</b>	<b>1.49</b>	<b>1.48</b>	<b>1.68</b>	<b>1.79</b>	<b>1.87</b>	<b>1.70</b>	<b>1.56</b>
Return on period end Net Worth	5.14	5.08	5.67	5.85	5.91		
<b>Annualized</b>	<b>20.56</b>	<b>20.34</b>	<b>22.68</b>	<b>23.39</b>	<b>23.63</b>	<b>21.69</b>	<b>19.62</b>
Return on Average Net Worth	5.12	5.10	5.84	6.02	6.18		
<b>Annualized</b>	<b>20.49</b>	<b>20.39</b>	<b>23.35</b>	<b>24.10</b>	<b>24.70</b>	<b>23.56</b>	<b>21.22</b>
Gross Profit to AWF	0.80	0.74	0.71	0.70	0.70		
<b>Annualized</b>	<b>3.22</b>	<b>2.97</b>	<b>2.83</b>	<b>2.80</b>	<b>2.80</b>	<b>2.92</b>	<b>2.66</b>
Net Profit to AWF	0.37	0.37	0.42	0.45	0.47		
<b>Annualized</b>	<b>1.49</b>	<b>1.48</b>	<b>1.68</b>	<b>1.79</b>	<b>1.87</b>	<b>1.70</b>	<b>1.56</b>

## Ratio Analysis - III

Efficiency Ratios	Quarter ended Mar, 13	Quarter ended Mar, 12	Quarter ended Jun, 12	Quarter ended Sep, 12	Quarter ended Dec, 12	Year ended Mar, 13	Year ended Mar, 12
Cost to Income Ratio (%)	36.13	34.58	34.00	34.32	36.50	35.33	36.92
CD Ratio (%)	61.09	62.00	62.55	62.40	62.48	61.09	62.00
CASA Ratio (%)	39.23	40.71	38.71	38.16	39.43	39.23	40.71
Business per Employee (in Rs. Lakh)	1100.54	934	934	954	991	1100.54	934
Net Profit per Employee (Rs. Lakh)	2.66	2.25	2.66	2.88	3.09		
<b>Annualized</b>	<b>10.64</b>	<b>8.99</b>	<b>10.65</b>	<b>11.53</b>	<b>12.37</b>	<b>11.22</b>	<b>8.68</b>
Business Per Branch (in Rs. Crore)	150.15	142.38	140.39	141.36	139.24	150.15	142.38
Net Profit per Branch (in Rupees Lakh) (Ann.)	145.17	137	160	171	174	153.13	132
<b>Asset Quality Ratios</b>							
Gross NPAs (in Rupees Crore)	643.77	516.60	540.95	551.64	581.68	643.77	516.60
Net NPAs (in Rupees Crore)	55.27	49.34	48.16	55.34	49.51	55.27	49.34
Gross NPA Ratio (%)	1.62	1.54	1.60	1.59	1.61	1.62	1.54
Net NPA Ratio (%)	0.14	0.15	0.14	0.16	0.14	0.14	0.15
NPA Coverage Ratio (%)	94.01	93.76	94.09	93.30	94.21	94.01	93.76
Gross NPA to Net Worth Ratio (%)	13.19	12.65	12.83	12.33	12.41	14.37	13.65
Net NPA to Net Worth Ratio (%)	1.13	1.21	1.14	1.24	1.06	1.23	1.30

## Ratio Analysis - IV

(%)

Operating Ratios	Quarter ended Mar, 13	Quarter ended Mar, 12	Quarter ended Jun, 12	Quarter ended Sep, 12	Quarter ended Dec, 12	Year ended Mar, 13	Year ended Mar, 12
Operating Expenses to AWF (Ann.)	1.82	1.57	1.46	1.46	1.61	1.60	1.56
Operating Expenses to Total Income	16.58	14.92	13.62	13.88	15.39	14.94	15.52
Operating Expenses to Other Income	145.69	180.54	229.01	242.95	276.13	204.46	240.08
Staff Cost to Total Income	11.31	9.28	8.79	8.98	10.09	9.85	10.09
Interest Earned to AWF (Annualized)	9.72	9.67	10.07	9.95	9.88	9.90	9.38
Non Interest Income to AWF (Annualized)	1.25	0.87	0.64	0.60	0.58	0.78	0.65
<b>Capital Adequacy Ratio Basel I</b>	<b>12.34</b>	<b>12.53</b>	<b>12.43</b>	<b>12.66</b>	<b>12.97</b>	<b>12.34</b>	<b>12.53</b>
Tier I	10.44	10.43	10.40	10.69	11.08	10.44	10.43
Tier II	1.90	2.10	2.03	1.97	1.89	1.90	2.10
<b>Capital Adequacy Ratio Basel II</b>	<b>12.83</b>	<b>13.36</b>	<b>13.75</b>	<b>13.73</b>	<b>13.82</b>	<b>12.83</b>	<b>13.36</b>
Tier I	10.86	11.12	11.50	11.59	11.80	10.86	11.12
Tier II	1.97	2.24	2.25	2.14	2.02	1.97	2.24

## Ratio Analysis - V

Valuation Ratios	Quarter ended Mar, 13	Quarter ended Mar, 12	Quarter ended Jun, 12	Quarter ended Sep, 12	Quarter ended Dec, 12	Year ended Mar, 13	Year ended Mar, 12
Earnings per Share (in Rs)	51.58	42.93	50.76	55.60	59.70		
<b>Annualized</b>	<b>206.32</b>	<b>171.72</b>	<b>203.05</b>	<b>222.41</b>	<b>238.80</b>	<b>217.64</b>	<b>165.69</b>
Net Asset Value (in Rupees)	1003.49	844.34	895.10	950.71	1010.41	1003.49	844.34
Adjusted Book Value (in Rupees)	992.09	834.16	885.17	939.29	1000.19	992.09	834.16
Price to book value ratio	1.33	1.00	1.03	1.23	1.36	1.33	1.00
Price to adjusted book value ratio	1.34	1.01	1.04	1.25	1.37	1.34	1.01
Price Earning Ratio (On Annualized EPS)	6.47	4.93	4.55	5.26	5.74	6.13	5.11
Market Capital To Deposits (%)	10.07	7.69	8.44	10.33	11.64	10.07	7.69
Dividend Payout Ratio (%)			-	-	-	22.97	20.22
Dividend Yield (%)			-	-	-	3.75	3.96
Economic Value Addition (%)			-	-	-	17.94	15.67
Market price (in Rupees)	1334.10	846.00	924.35	1170.00	1370.00	1334.10	846.00
Number of Shares	48477802	48477802	48477802	48477802	48477802	48477802	48477802

## Geographical Break-up

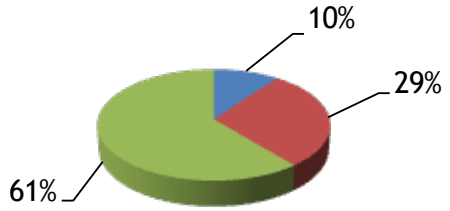
(in Rupees Crore )

		As on Mar 31, 2013			
S. No.	Particulars	From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	40867	64 %	23354	36 %
2	CASA Ratio	-	56 %	-	9 %
3	Gross Advances	15839	39 %	24293	61 %
4	Gross Profit	1283.41	71 %	527.36	29 %
5	Net Interest Margin	-	6.20 %	-	2.58 %
6	Number of Branches	579	84 %	110	16 %
7	Number of ATM's	544	89 %	69	11 %

# Deposits - Compositional Break-up (Mar 13)

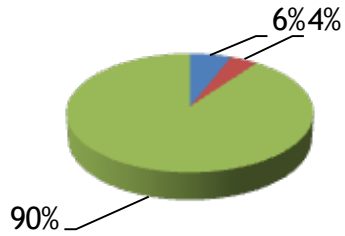
## Bank as Whole (%)

- Current
- Saving
- Term



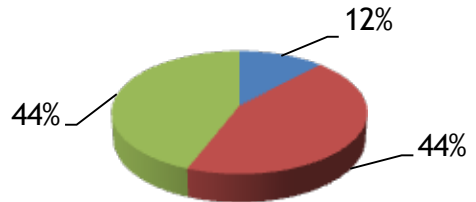
## In Rest of India (%)

- Current
- Saving
- Term



## Within J&K State (%)

- Current
- Saving
- Term

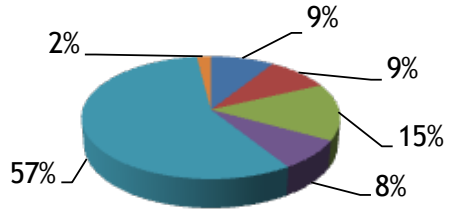




# Advances - Sector-wise (Mar 13)

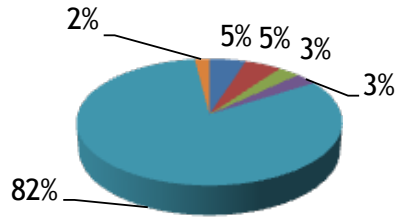
## Bank as Whole (%)

- Agriculture
- Trade
- Personal
- SME
- Corporate



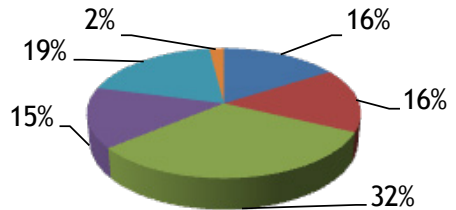
## In Rest of India (%)

- Agriculture
- Trade
- Personal
- SME
- Corporate



## Within J&K State (%)

- Agriculture
- Trade
- Personal
- SME
- Corporate



## Restructuring (Mar 13) - I

(in Rupees Crore)

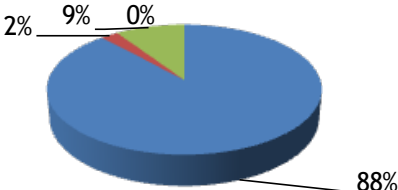
S. No.	Particulars			
		For Quarter ended Mar 31, '13	For Financial Year ended Mar 31, '13	For Financial Year ended Mar 31, '12
1	Balance at the start of the period	1977.70	1365.75	1545.10
	Additions during the period	60.16	1061.01	570.40
	Repayments / Up gradations during the period	547.38	936.28	749.75
	Balance at the close of the period	1490.48	1490.48	1365.75
2	NPA's from Outstanding Restructured Advances	175.28	175.28	110.20
3	Provisions held against NPA's	114.78	114.78	75.68

# Restructuring (Mar 13) - II

- Outstanding Restructured portfolio well distributed among 9 sectors and 967 accounts
- Total Outstanding NPA's from Outstanding Restructured Portfolio Rs 175.28 crore (11.76 %), for which provision of Rs 114.78 crore available

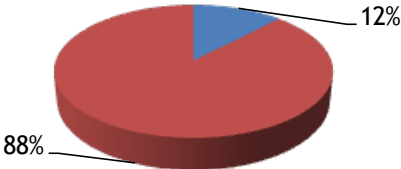
## Classification of Outstanding Restructured Portfolio

- Standard
- Sub- Standard
- Doubtful
- Loss



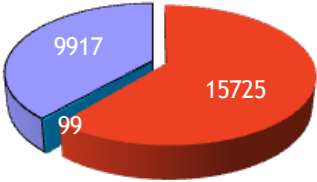
## Distribution of Outstanding Restructured Portfolio

- J&K State
- Outside State



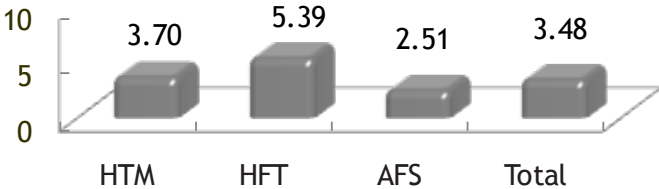
# Investments, (Mar 13) - I

(in Rs crore)

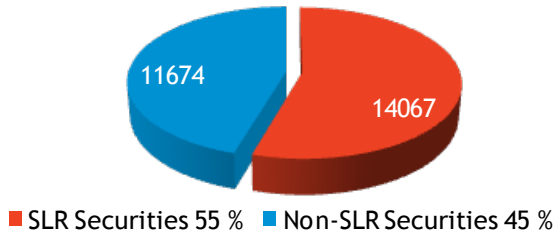


■ Held to Maturity 61 % 
 ■ Held for Trading 0.4 % 
 ■ Available for Sale 39 %

### Duration

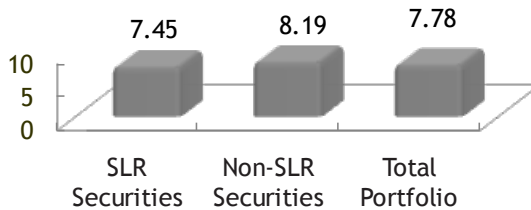


## Investments, (Mar 13) - II (in Rs. crore)



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### Yield (on daily average balances for FY ended Mar 2013)



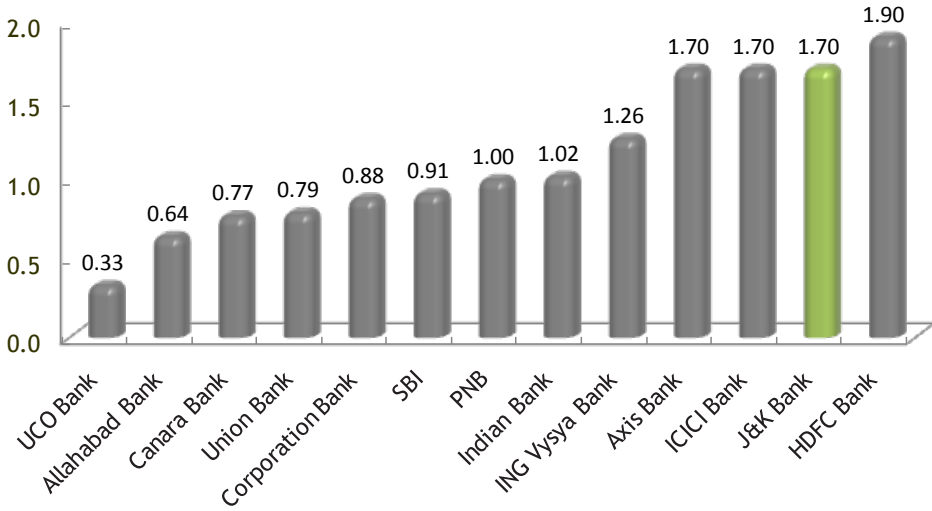


# Industry Review



# Return on Assets (%)

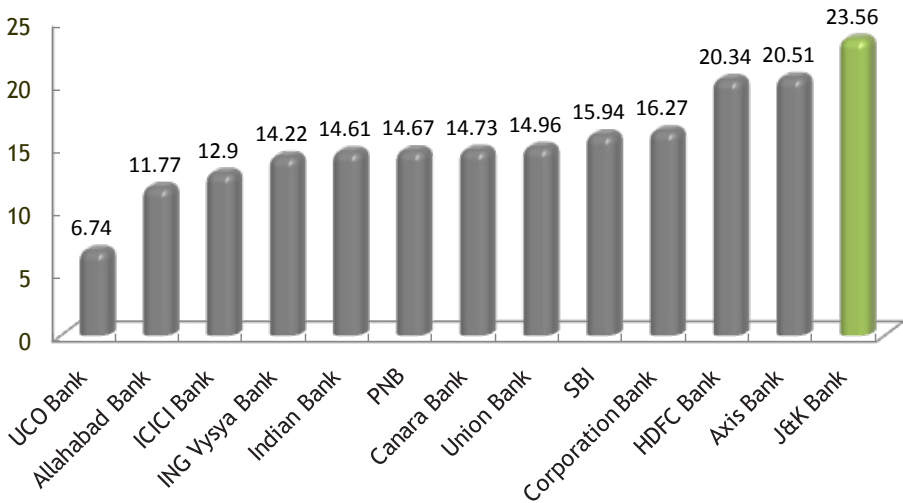
For FY ended Mar, 2013





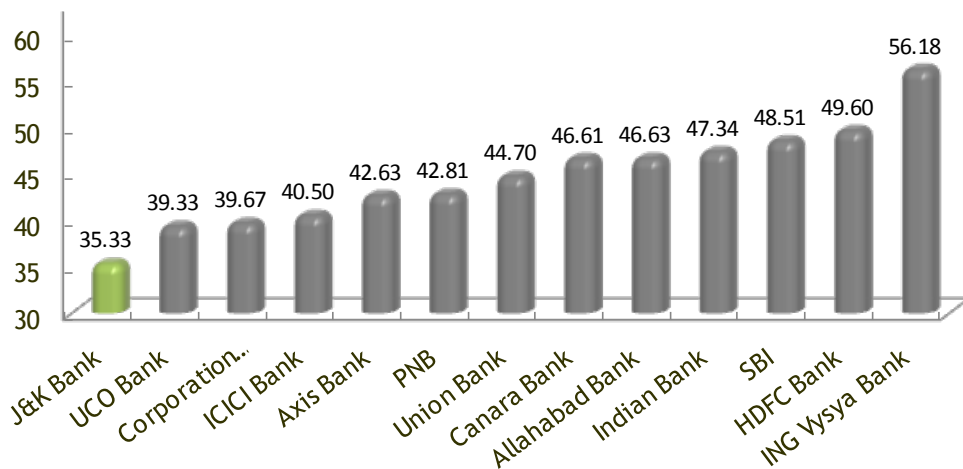
# Return on Equity (%)

For FY ended Mar, 2013



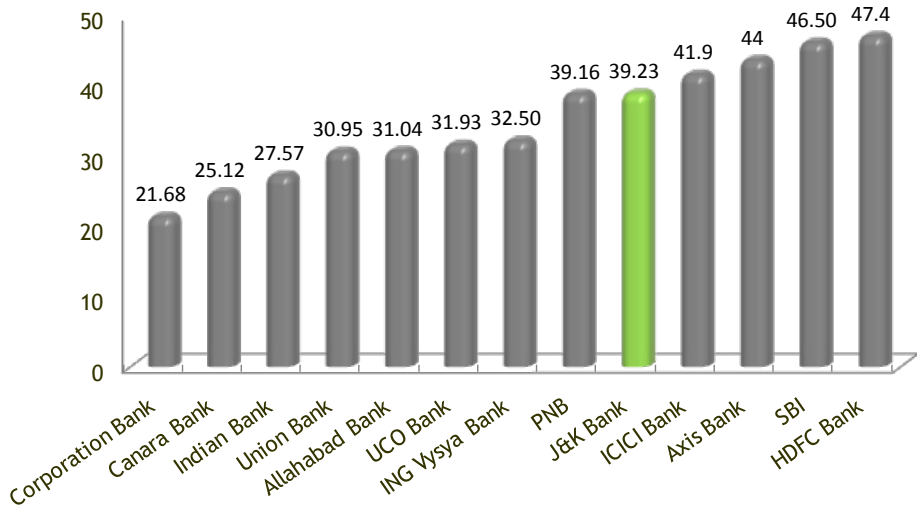
## Cost to Income (%)

For FY ended Mar, 2013



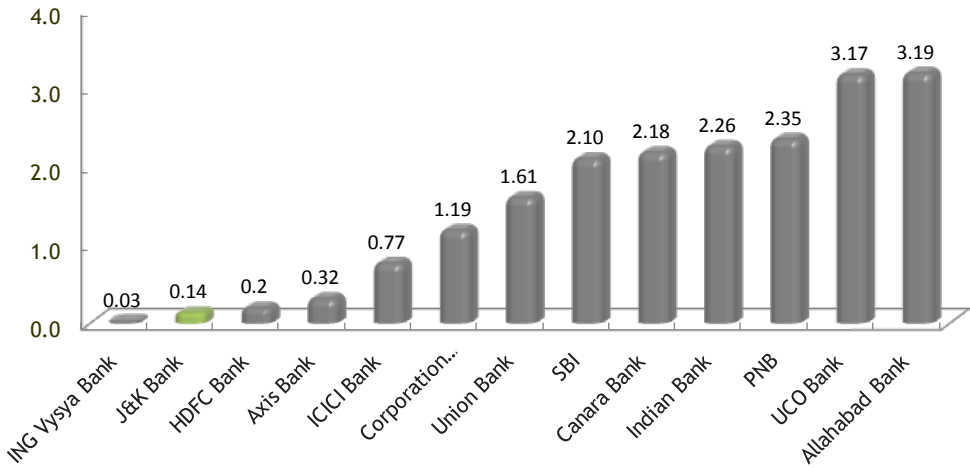
# CASA Ratio (%)

As on Mar, 2013



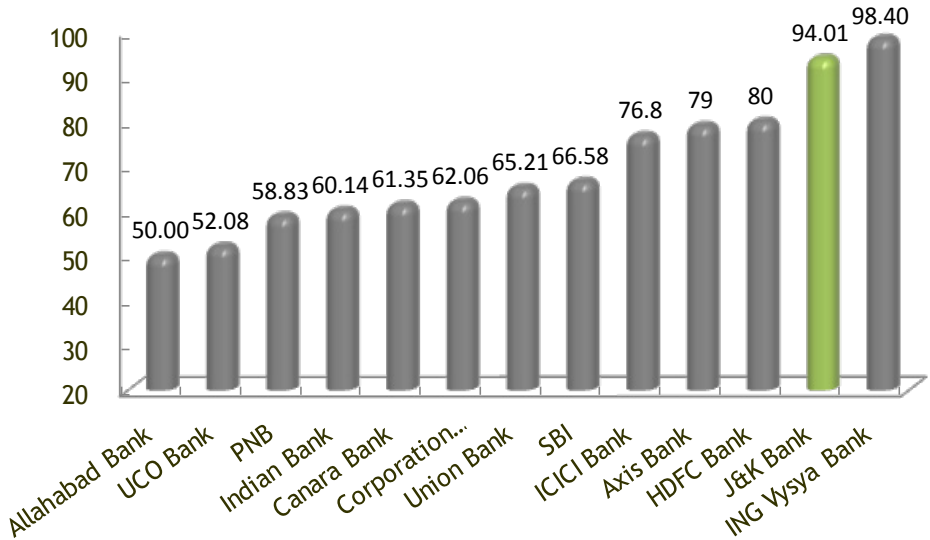
# Net Impaired Loans (%)

As on Mar, 2013



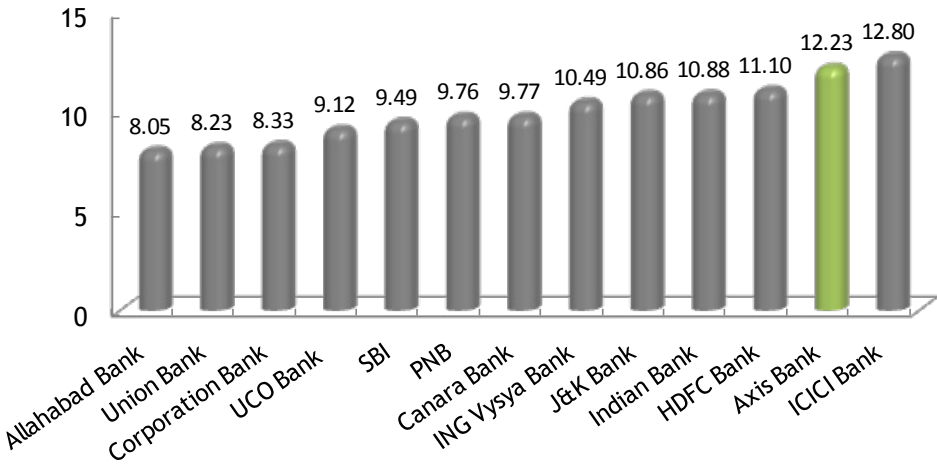
## Coverage Ratio (%): Among Highest in India

As on Mar, 2013



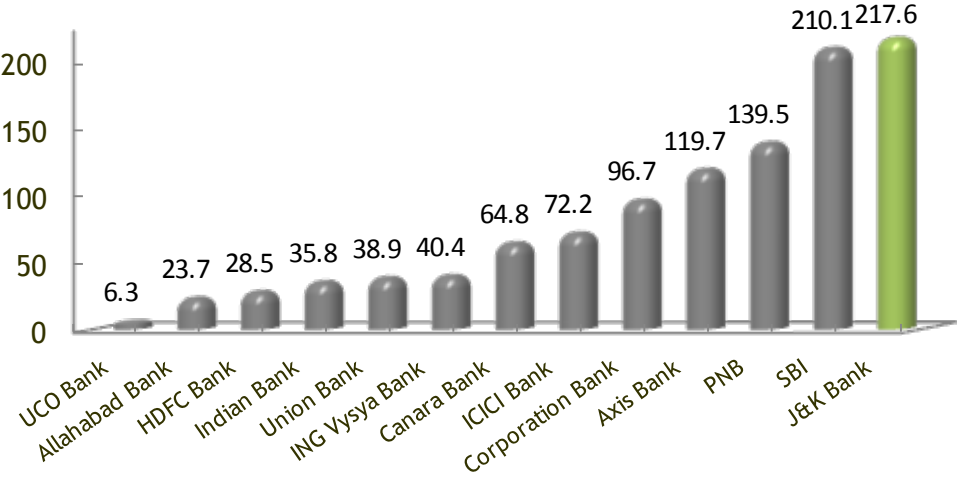
# Tier I Capital (%) (Basel II)

As on Mar, 2013



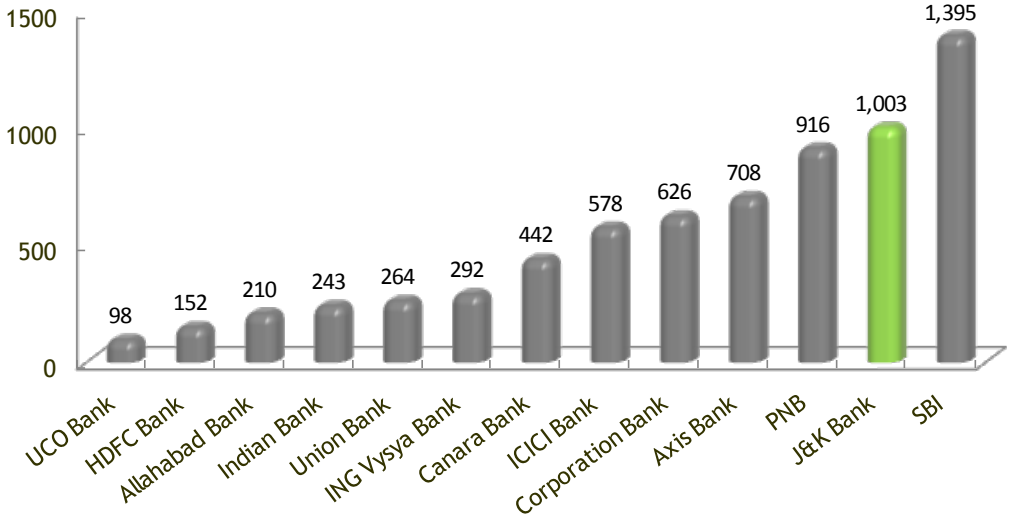
# Earnings per Share (Rs.)

For FY ended Mar, 2013



## Book Value (Rs.)

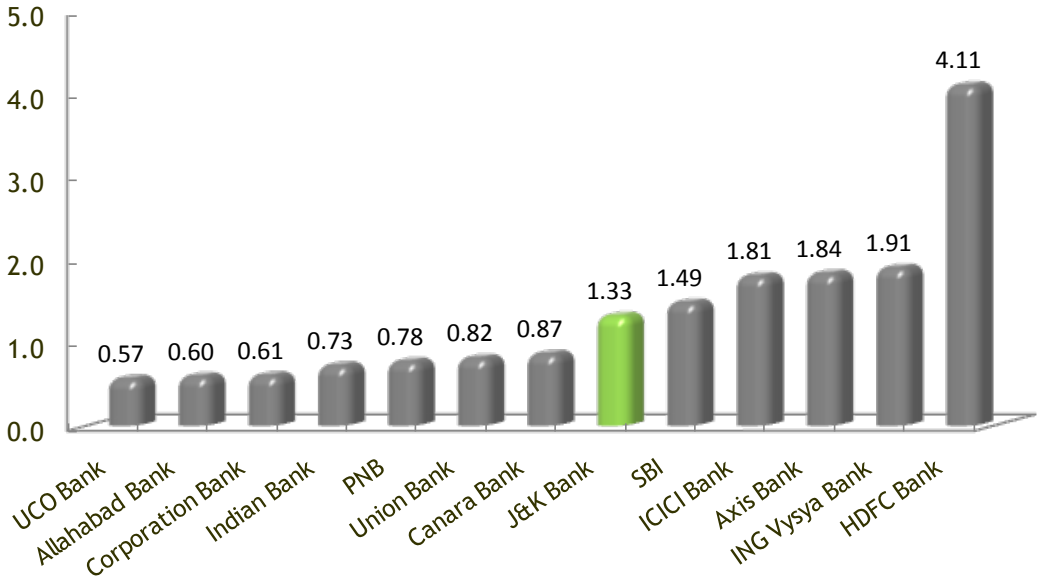
As on Mar, 2013





# Price to Book Value

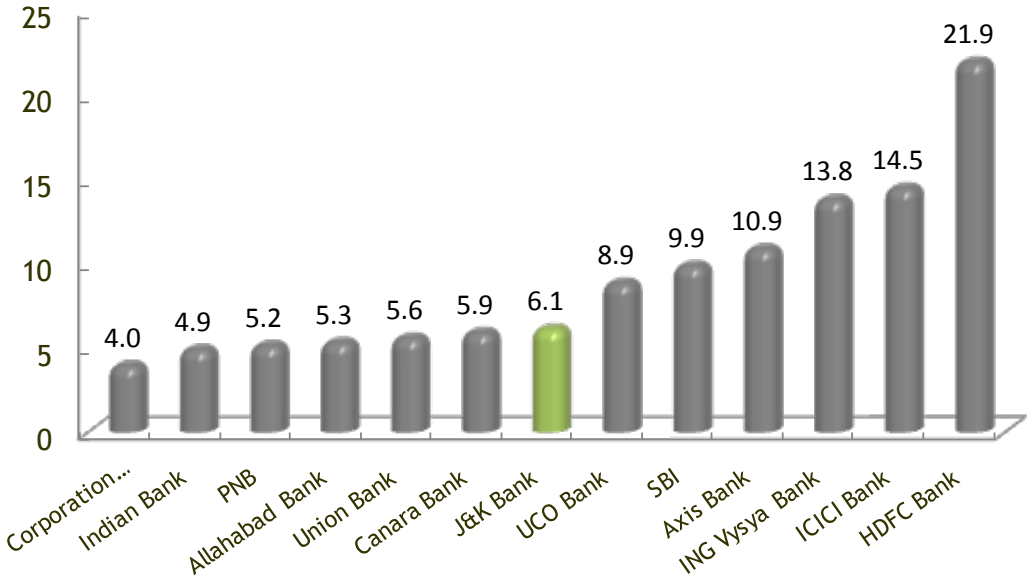
As on Mar, 2013



Notes

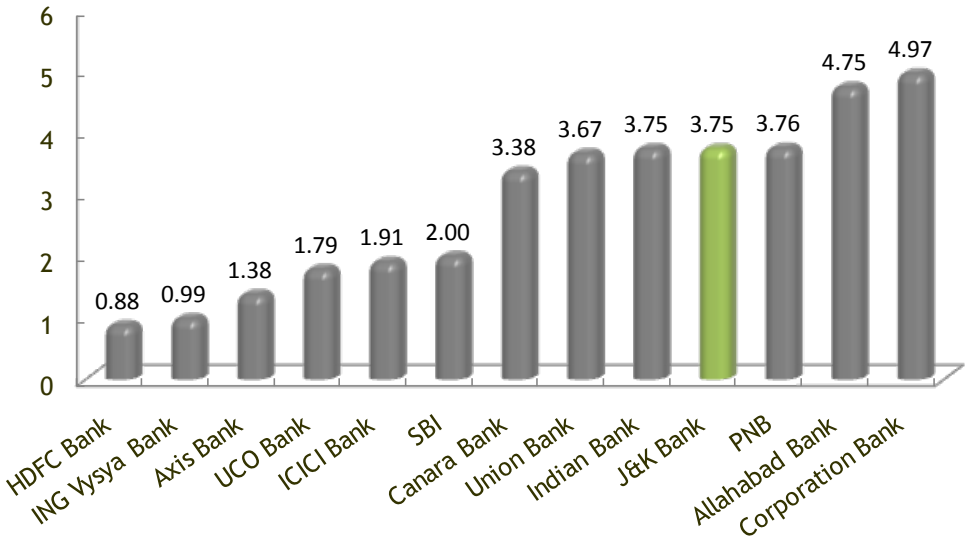
# PE Ratio

As on Mar, 2013



# Dividend Yield (%)

For FY ended Mar, 2013





# J&K State - Potential for Growth



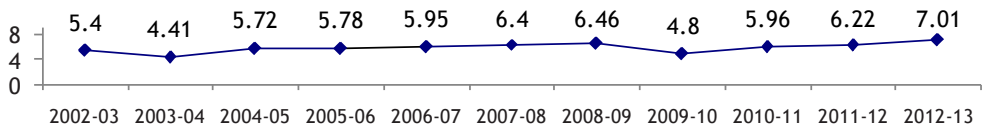
## J&K State's Economy - Basic Indicators

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)	30889	39143
5	Population BPL (%)	21.63 %	27.5 %
6	Literacy	68.74 %	74.04 %
7	Unemployment Rate	4.9 %	9.4 %

# J&K State Economy - GDP Size and Growth

Amount in Rs crore				
Particulars	2009-10	2010-11	2011-12	2012-13
Size of GDP	36329	38384	40771	43628
Contribution by Primary Sector	7796 (22%)	8061 (21%)	8154 (20%)	8970 (21%)
Contribution by Secondary Sector	9871 (27%)	9980 (26%)	10600 (26%)	10711 (24%)
Contribution by Tertiary Sector	18662 (51%)	20344 (53%)	22016 (54%)	23947 (55%)

## GDP Growth Rate



# 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

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

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- 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

## J&K State - Potential for Horticultural Lending - I

- Agriculture involves about 70 % of the population and contributes 23 % to the GDP, yet only 16 % of J&K Bank's lending is to this sector. Horticultural production contributes about 45 % to Agricultural production and involves 30 lac people
- 
- Apples account for 86 % by value of the State's Horticultural output. J&K State produces 77 % of India's total apple output and controls 49 % of land dedicated to apple cultivation

## J&K State - Potential for Horticultural Lending - II

- Out of a total of more than 283000 apple growers in the State, Bank's finance has been extended to about 17300 growers so far. Tapping the remaining growers will generate credit of about Rs.7000 crore more
- 
- 75 % of Apple growers get their financing from traders and are unaware that its effective interest cost works out to 36% - 54%, against the Bank's interest ranging from 4-11%

## J&K State - Impact of Horticultural Lending on Profitability

- Current shortfall in Agriculture Sector Lending is Rs. 2335 crore, which has to be invested in RIDF/MSME Bonds/RHF @ 3 to 5 % for 3-7 years

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- Interest Subvention Scheme extended to J&K Bank recently providing a level playing field vis-à-vis Public Sector Banks in terms of pricing of agricultural loans and improve the flow of credit to agricultural sector particularly in J&K State

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- Assuming yield on incremental Agricultural Advances at Base Rate of 10.25 %, the incremental yield (10.25 - 4 %) would generate an incremental revenue of about Rs. 146 crore per year on lending Rs. 2335 crore to agricultural sector

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- Increasing agricultural advances will improve core advances portfolio helping in financial inclusion, widening customer base and enhancing outreach in remote rural areas

Road Ahead



## J&K Bank - Ground work done for growth

- Capital Adequacy at 12.83 %, Tier I 10.86 % & Tier II 1.97 %
  - No constraints for raising additional Tier I capital.Headroom of about Rs. 4000 crore more available to raise Tier II capital

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- Made liabilities the driver

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

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- 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

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- Leveraging our core competence of domain and geographical expertise.

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- 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

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- Improving WC to TL Ratio

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- Impetus on SME / Retail sector lending in smaller cities



# Business Targets - March 2014

## Targets

- **CASA 43 %**
- **NIMs around 4 %**
- **ROA around 1.75 %**
- **ROE around 24 %**
- **Advances 25 % growth**
- **Deposits 17 % growth**
- **Cost/Income 36-38 %**
- **Loan/Deposit 65 % to 67 %**
- **PCR Above 90%**

# Notes







**J&K Bank**

[www.jkbank.net](http://www.jkbank.net)