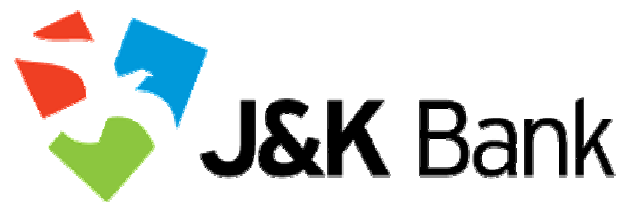


**Earnings Update**  
Reviewed First Quarter Results  
*June 30, 2013*



The Board of Directors of The Jammu & Kashmir Bank Ltd. at their meeting held on August 01, 2013 took on record the Reviewed Financial Results for the First Quarter ended June 30, 2013.

**Performance Highlights for the quarter ended June 30, 2013:**

- Net Profit up 25.13 % at Rs 307.92 crore for the quarter ended Jun, 2013 as compared to Rs 246.09 crore earned during the quarter ended Jun, 2012.
- EPS for the quarter ended Jun, 2013 at Rs 63.52 up 25 % from Rs 50.77 earned during the corresponding quarter of previous financial year.
- NIMs (Net Interest Margins) Ratio for the quarter ended Jun, 2013 at 4.15 % (annualized) vis-à-vis 3.84 % for the corresponding quarter of previous financial year.
- Post tax Return on Assets at 1.89 % (annualized) for the quarter ended Jun, 2013 compared to 1.68 % for the corresponding period of the previous financial year
- Post Tax Return on Average Net-Worth (annualized) for the quarter ended Jun, 2013 at 24.54 % compared to 23.35 % recorded for the corresponding quarter a year ago.
- The Yield on Advances (annualized) for the quarter ended Jun, 2013 stood at 12.16 % as compared to 12.54 % for the quarter ended Jun, 2012.
- Business per Employee and Net profit per Employee (annualized) were at Rs 10.32 crore and Rs 12.99 lakh respectively for the quarter ended Jun, 2013 compared to Rs 9.34 crore and Rs 10.65 lakh pertaining to the quarter ended Jun, 2012.
- Gross and Net NPA's as percentages to Gross and Net Advances as on Jun, 2013 at 1.67 % and 0.14 % respectively compared to 1.60 % and 0.14 % a year ago.
- NPA Coverage Ratio as on Jun, 2013 at 94.01 % well above RBI stipulated norm of 70 %.
- Cost to Income Ratio stood at 35.62 % for the quarter ended Jun, 2013 as compared to 34.00 % for the quarter ended Jun, 2012.

## Profit & Loss Account

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	% Change	Year ended Mar, '13
Interest Earned	1624.24	1476.16	10.03%	6136.80
Interest Expended	969.35	940.54	3.06%	3820.76
<b>Net Interest Income</b>	<b>654.89</b>	<b>535.62</b>	<b>22.27%</b>	<b>2316.04</b>
Other Income	92.23	93.37	-1.22%	483.73
<b>Operating Income</b>	<b>747.12</b>	<b>628.99</b>	<b>18.78%</b>	<b>2799.77</b>
Operating Expenses	266.13	213.82	24.46%	989.01
<b>Operating Profit</b>	<b>480.99</b>	<b>415.17</b>	<b>15.85%</b>	<b>1810.76</b>
Provisions & Contingencies	36.23	50.37	-28.07%	284.17
<b>PBT</b>	<b>444.76</b>	<b>364.80</b>	<b>21.92%</b>	<b>1526.59</b>
Tax Provision	136.84	118.71	15.27%	471.49
<b>Net Profit</b>	<b>307.92</b>	<b>246.09</b>	<b>25.13%</b>	<b>1055.10</b>
Share Capital	48.49	48.49	0.00%	48.49
<b>EPS in Rs.</b>	<b>63.52</b>	<b>50.77</b>	<b>25.11%</b>	<b>217.65</b>
<b>Net Interest Margins</b>	<b>1.05%</b>	<b>0.96%</b>	-	-
<b>Net Interest Margins (Ann.)</b>	<b>4.15%</b>	<b>3.84%</b>	-	<b>3.97%</b>

## Balance Sheet

Amount in Rupees crore

Particulars	As on Jun 30, 2013	As on Jun 30, 2012	% Change	As on March 31, 2013
<b>Capital &amp; Liabilities</b>				
Capital	48.49	48.49	0.00%	48.49
Reserves & Surplus *	5124.12	4290.78	19.42%	4816.20
Deposits	58601.09	53117.10	10.32%	64220.62
Borrowings	757.62	1168.49	-35.16%	1075.00
Other Liabilities & Provisions	1216.05	1366.84	-11.03%	1583.00
<b>Total</b>	<b>65747.37</b>	<b>59991.70</b>	<b>9.59%</b>	<b>71743.31</b>
<b>Assets</b>				
Cash & Bank Balance	2871.17	2356.60	21.84%	2695.15
Balance with Banks and Money at Call & Short Notice	372.42	1036.89	-64.08%	2709.18
Investments	21733.75	22015.61	-1.28%	25741.06
Advances	39282.20	33225.27	18.23%	39200.41
Fixed Assets	474.65	424.11	11.92%	456.18
Other Assets	1013.18	933.22	8.57%	941.33
<b>Total</b>	<b>65747.37</b>	<b>59991.70</b>	<b>9.59%</b>	<b>71743.31</b>

\* Includes Retained Earnings

## Break-up:

### 1. Interest Earned

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	% Change	Year Ended Mar, 2013
On Loans & Advances	1184.39	1028.12	15.20%	4317.58
Investments	422.91	421.79	0.27%	1722.58
Inter Bank Funds	16.94	26.25	-35.47%	96.64
<b>Total</b>	<b>1624.24</b>	<b>1476.16</b>	<b>10.03%</b>	<b>6136.80</b>

### 2. Interest Expended

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	% Change	Year Ended Mar, 2013
Deposits	944.95	921.32	2.56%	3741.04
Borrowings	10.90	5.72	90.56%	25.72
Others (Subordinated Debt)	13.50	13.50	0.00%	54.00
<b>Total</b>	<b>969.35</b>	<b>940.54</b>	<b>3.06%</b>	<b>3820.76</b>

### 3. Other Income

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	% Change	Year Ended Mar, 2013
Commission / Exchange	40.93	43.62	-6.17%	169.55
Insurance Commission	8.22	7.45	10.34%	37.41
Treasury / Trading Income	19.46	20.18	-3.59%	149.31
Miscellaneous Income	23.63	22.12	6.81%	127.46
<b>Total</b>	<b>92.23</b>	<b>93.37</b>	<b>-1.22%</b>	<b>483.73</b>

### 4. Operating Expenses

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	% Change	Year Ended Mar, 2013
Payment for Employees	175.64	137.89	27.38%	652.26
Rent, Taxes and Lightning	13.78	12.19	13.04%	50.31
Printing & Stationery	2.07	2.45	-15.51%	8.62
Advertisement & Publicity	1.79	2.17	-17.51%	10.26
Depreciation in Bank's Property	10.78	9.96	8.23%	49.73
Directors' Fees, Allowances & Expenses	0.16	0.10	60.00%	0.65
Auditors' Fees & Expenses	3.86	2.25	71.56%	9.35
Law Charges	0.45	0.23	95.65%	2.04
Postage, Telegrams, Telephones etc	1.09	2.00	-45.50%	6.68
Repairs & Maintenance	3.19	2.42	31.82%	11.66
Insurance	11.95	9.64	23.96%	40.86
Other Expenditure	41.37	32.52	27.21%	146.60
<b>Total</b>	<b>266.13</b>	<b>213.82</b>	<b>24.46%</b>	<b>989.01</b>

## Break-up:

### 5. Provisions & Contingencies

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	% Change	Year Ended Mar, 2013
Provision for Tax	136.84	118.71	15.27%	471.49
Provision for Bad & Doubtful Debts	12.53	26.00	-51.81%	158.30
Provision for Standard Advances	4.30			30.00
Provision for Depreciation on Investments				14.92
Provision for Non Performing Investments	12.50			31.05
Provision for Frauds/ Embezzlements	0.83	0.12	591.67%	0.24
Contingencies		23.91		35.66
Provision for diminution in fair value of Restructured / Rescheduled advances	6.07	0.35	1654.34%	12.84
Provision for Contingent Liabilities				1.17
<b>Total</b>	<b>173.07</b>	<b>169.08</b>	<b>2.36%</b>	<b>755.66</b>

### 6. Deposits

Amount in Rupees crore

Particulars	As on Jun 30, 2013	As on Jun 30, 2012	% Change	As on Mar 31, 2013
Demand Deposits	5133.76	4479.90	14.60%	6401.50
Saving Deposits	18445.09	16080.53	14.70%	18789.50
Term Deposits	35022.24	32556.67	7.57%	39029.62
<b>Total</b>	<b>58601.09</b>	<b>53117.10</b>	<b>10.32%</b>	<b>64220.62</b>

### Movement in Gross NPA's

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	For FY ended Mar 31, 2013
Balance at the start of the period	643.77	516.60	516.60
Additions during the period	82.70	85.67	455.00
<b>Recoveries</b>			
Up gradations during the period	29.48	24.10	104.70
Write off	1.29	1.08	87.03
Recoveries during the period	30.27	36.14	136.10
Balance at the close of the period	665.43	540.95	643.77

### Movement in Restructured Assets

Amount in Rupees crore

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	For FY ended Mar 31, 2013
Balance at the start of the period	1490.48	1365.75	1365.75
Additions during the period	221.21	30.71	1061.01
Repayments during the period	23.86	29.38	936.28
Balance at the close of the period	1687.83	1367.08	1490.48

### Geographical Break-up as on June, 2013

S. No.	Particulars	Amount in Rupees Crore			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	39681	68 %	18920	32 %
2	Gross Advances	16940	42 %	23294	58 %
3	Gross Profit	361.77	75 %	119.23	25 %
4	Net Interest Margin	-	6.32 %	-	2.62 %
5	Number of Branches	582	84 %	113	16 %
6	Number of ATM's	592	89 %	70	11 %

### Geographical Break-up as on June, 2012

S. No.	Particulars	Amount in Rupees Crore			
		From J&K State		From Rest of India	
		Amount	% age	Amount	% age
1	Deposits	34920	66 %	18197	34 %
2	Gross Advances	13525	40 %	20544	60 %
3	Gross Profit	289.06	70 %	126.10	30 %
4	Net Interest Margin	-	6.00	-	2.50
5	Number of Branches	506	82 %	109	18 %
6	Number of ATM's	473	87 %	69	13 %

### Incremental Growth in Deposits and Advances

Amount in Rupees crore

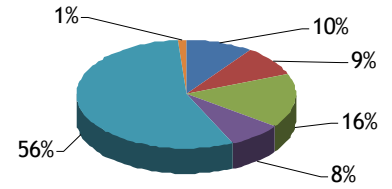
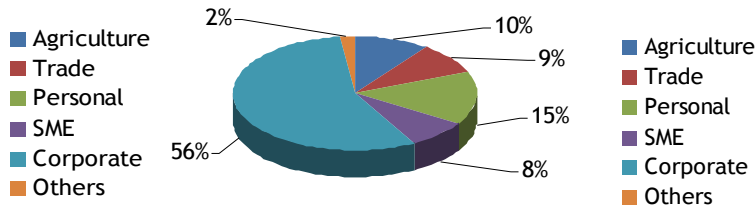
Particulars		As on June 30, 2013	As on June 30, 2012	Increment	% Change
Deposits	In J&K State	39681	34920	4761	14 %
	In Rest of India	18920	18197	723	4 %
	Whole Bank	58601	53117	5484	10 %
Gross Advances	In J&K State	16940	13525	3415	25 %
	In Rest of India	23294	20544	2750	13 %
	Whole Bank	40234	34069	6165	18 %



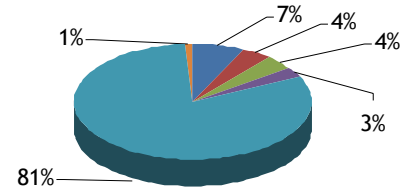
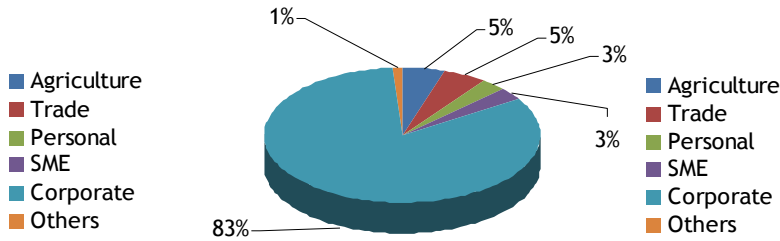
**Advances – Sector-wise (Jun 13)**

**Advances – Sector-wise (Jun 12)**

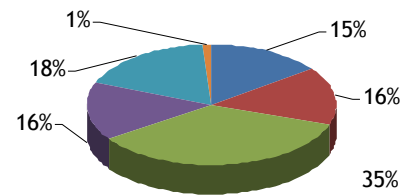
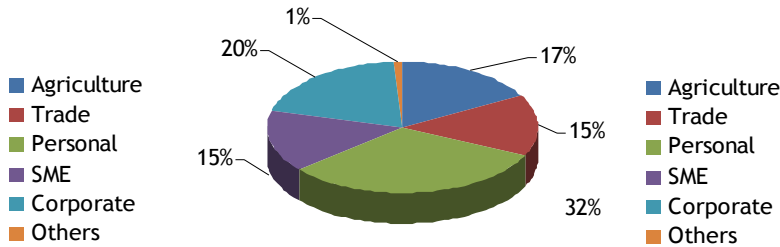
**Bank as Whole**



**In Rest of India**



**Within J&K State**



### Categorization of Investments (I)

Amount in Rupees crore

Particulars	As on Jun 30, 2013	As on Jun 30, 2012	% Change	As on Mar 31, 2013
<b>Held to Maturity (HTM)</b>				
□ Government & other approved Securities	13526.10	11795.93	14.67%	13164.32
□ Shares				20.63
□ Debentures & Bonds	142.11	210.20	-32.39%	166.79
□ Subsidiaries & Joint Ventures	32.11	27.11	18.44%	32.11
□ Others	2000.05	2278.95	-12.24%	2341.15
<b>Sub-Total</b>	<b>15700.37</b>	<b>14312.19</b>	<b>9.70%</b>	<b>15725.00</b>
<i>Percentage of HTM to Total Investments</i>	<i>72.24%</i>	<i>65.01%</i>		<i>61.09%</i>
<b>Held for Trading (HFT)</b>				
□ Government & other approved Securities				34.15
□ Shares	0.81			0.48
□ Debentures & Bonds				64.64
□ Subsidiaries & Joint ventures				
□ Others				
<b>Sub-Total</b>	<b>0.81</b>	<b>0.00</b>		<b>99.27</b>
<i>Percentage of HFT to Total Investments</i>	<i>0.004%</i>	<i>0.00%</i>		<i>0.39%</i>
<b>Available for Sale (AFS)</b>				
□ Government & other approved Securities	282.55	368.01	-23.22%	868.59
□ Shares	206.88	310.04	-33.27%	185.71
□ Debentures & Bonds	2020.54	1877.41	7.62%	2132.11
□ Subsidiaries & Joint ventures				
□ Others	3522.60	5147.96	-31.57%	6730.38
□ Debt / Money Market related MFs				
<b>Sub Total</b>	<b>6032.57</b>	<b>7703.42</b>	<b>-21.69%</b>	<b>9916.79</b>
<i>Percentage of AFS to Total Investments</i>	<i>27.76%</i>	<i>34.99%</i>		<i>38.53%</i>
<b>Total Investment</b>	<b>21733.75</b>	<b>22015.61</b>	<b>-1.28%</b>	<b>25741.06</b>

### Categorization of Investments (II)

Amount in Rupees crore

Particulars	As on Jun 30, 2013	As on Jun 30, 2012	% Change	As on Mar 31, 2013
SLR Securities	13808.65	12163.94	13.52%	14067.06
Non SLR Securities	7925.10	9851.67	-19.56%	11674.00
<b>Total Investment</b>	<b>21733.75</b>	<b>22015.61</b>	<b>-1.28%</b>	<b>25741.06</b>
SLR Securities as % age to total Investments	63.54%	55.25%	-	54.65%
Non SLR Securities as % age to total Investments	36.46%	44.75%	-	45.35%

### Analytical Ratios:

Particulars	Q 1 FY '13-14	Q 1 FY '12-13	Year Ended Mar 2013
Net Interest Margins (%) *	1.05	0.96	
<b>Annualized</b>	<b>4.15</b>	<b>3.84</b>	<b>3.97</b>
Yield on Advances (%) *	3.04	3.13	
<b>Annualized</b>	<b>12.16</b>	<b>12.54</b>	<b>12.59</b>
Yield on Investments (%) *	1.84	1.92	
<b>Annualized</b>	<b>7.36</b>	<b>7.67</b>	<b>7.56</b>
Cost of Deposits (%) *	1.64	1.76	
<b>Annualized</b>	<b>6.55</b>	<b>7.04</b>	<b>6.87</b>
Post Tax Return on Assets (%)	0.47	0.42	
<b>Annualized</b>	<b>1.89</b>	<b>1.68</b>	<b>1.70</b>
Post Tax Return on Average Networth (%)*	6.14	5.84	
<b>Annualized</b>	<b>24.54</b>	<b>23.35</b>	<b>23.56</b>
Cost to Income Ratio (%)	35.62	34.00	35.33
Credit / Deposit (CD) Ratio (%)	67.03	62.55	61.09
CASA Ratio (%)	40.24	38.71	39.23
Business per Employee (In Rupees crore)	10.32	9.34	11.01
Net Profit per Employee (In Rupees lakh)	3.25	2.66	
<b>Annualized</b>	<b>12.99</b>	<b>10.65</b>	<b>11.22</b>
Number of Employees	9384	9240	9400
Business Per Branch (In Rupees crore)	140.84	140.39	150.15
Net Profit per Branch (In Rs cr) <b>Annualized</b>	<b>1.77</b>	<b>1.60</b>	<b>1.53</b>
Branches – Excluding Extension Counters, Controlling Offices & RCC's	695	615	689
Gross NPAs (In Rupees crore)	665.43	540.95	643.77
Net NPAs (In Rupees crore)	56.12	48.16	55.27
Gross NPA Ratio (%)	1.67	1.60	1.62
Net NPA Ratio (%)	0.14	0.14	0.14
NPA Coverage Ratio (%)	94.01	94.09	94.01
Capital Adequacy Ratio (%) Basel II	<b>13.85</b>	<b>13.75</b>	<b>12.83</b>
i. Tier I	11.82	11.50	10.86
ii. Tier II	2.03	2.25	1.97
Capital Adequacy Ratio (%) Basel III	<b>13.59</b>		
i. Tier I	11.67		
ii. Tier II	1.92		
Earning per Share (In Rupees)	63.52	50.77	
<b>Annualized</b>	<b>254.07</b>	<b>203.08</b>	<b>217.65</b>
Net Asset Value (In Rupees)	1067.01	895.10	1003.49
Adjusted Book Value (In Rupees)	1054.25	885.17	992.09
Dividend Payout Ratio (%)	-	-	22.97
Dividend Yield (%)	-	-	3.75

\* Ratios calculated on Fortnightly average balances

**Shareholding Pattern (as on July 26, 2013):**

<b>S No.</b>	<b>PARTICULARS</b>	<b>NUMBER OF SHARES HELD</b>	<b>% TO CAPITAL</b>
1.	GOVERNMENT OF J&K	25775266	53.17
2.	INDIAN MUTUAL FUNDS	2077939	4.29
3.	INSURANCE COMPANIES	215608	0.44
4.	BANKS	10827	0.02
5.	NON RESIDENT INDIANS	273772	0.56
6.	FOREIGN INST. INVESTORS	12784470	26.37
7.	BODIES CORPORATES	1892287	3.90
8.	RESIDENT INDIVIDUALS	5395718	11.13
9.	CLEARING MEMBERS	51915	0.11
	<b>TOTAL</b>	<b>48477802</b>	<b>100.00</b>

For more information, contact:

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