

Board Secretariat

Ref:-JKB/BS/F3652/2015/ 126
Dated: 10th August, 2015



National Stock Exchange of India Ltd
Exchange Plaza 5th Floor
Plot No. C/1 G-Block
Bandra Kurla Complex
Bandra (E) Mumbai – 400 051

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai – 400 001

**Sub: - Clause 41 of the Listing Agreement
Financial Results for the Quarter ended 30th June, 2015**

Dear Sirs

Pursuant to Clause 41 of the Listing Agreement entered into by the Bank with the Stock Exchanges, we are enclosing herewith copy of the Reviewed Financial Results of the Bank for the quarter ended 30th June, 2015. The results were taken on record by the Board of Directors at their meeting held on 10th August, 2015 at Srinagar

Thanking you

Yours Faithfully
For The Jammu & Kashmir Bank Ltd.


(Abdul Majid Bhat)
Company Secretary

LIMITED REVIEW REPORT FOR THE QUARTER ENDED 30TH JUNE 2015

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the period ended **30th JUNE 2015** except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review:

We conducted our Review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The financial results incorporate the relevant returns of 37 branches reviewed by us, 384 branches reviewed by other Chartered Accountants and Bank's own Officials acting as Concurrent Auditors of the Bank and un-reviewed returns in respect of 404 branches. In the conduct of our Review, in addition to 37 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 384 branches. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank. The 37 branches reviewed by us cover 50.56% of advances portfolio of the Bank and 77.95% of Non Performing Assets of the bank and moreover, the review reports of 421 (37+384) branches including 37 branches reviewed by us cover 88.31% of advances portfolio of the Bank and 99.17% of Non Performing Assets of the Bank (NPAs) as on 30th June 2015.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with applicable Financial Reporting framework issued by the Institute of Chartered Accountants of India and other recognized Accounting Practices and Policies and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For Gupta Sharma & Associates

Chartered Accountants
ERN:001466N


(CA Vinay Saraf)
Partner
M.No.087262

For Dhar Tiku & Co.

Chartered Accountants
FRN:003423N


(CA R K Dhar)
Partner
M.No.080935

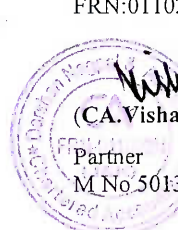
For Arora Vohra & Co

Chartered Accountants
FRN:009487N


(CA Vinod Gupta)
Partner
M.No.090347

For Darshan Nagpal & Associates

Chartered Accountants
FRN:011022N


(CA Vishal Rometra)
Partner
M.No.501333

For Dharam Raj & Co

Chartered Accountants
FRN:014461N


(CA Dharam Raj)
Partner
M.No.094108

Place : Srinagar

Dated : August 10, 2015

BALANCE SHEET AS AT 30TH JUNE, 2015

(₹ IN LACS)

	As at 30.06.2015	As at 30.06.2014
CAPITAL AND LIABILITIES		
Capital	4849	4849
Reserves and Surplus*	622032	580517
Deposits	6226491	6365194
Borrowings	181667	183633
Other Liabilities and Provisions	212026	181369

TOTAL :-

7247065

7315562

ASSETS

Cash and Balance with Reserve Bank of India	269927	268914
Balance with Banks & Money at Call & Short Notice ...	81542	152372
Investments	2359855	2274768
Advances	4326728	4443073
Fixed Assets	69853	53834
Other Assets	139160	122601

TOTAL :-

7247065

7315562

* Includes profit for the quarter 1st. (Rs.15876Lacs) Previous corresponding quarter (Rs.13005 Lacs)

FOR & ON BEHALF OF THE BOARD


Mushtaq Ahmad
Chairman & CEO
DIN: 01226134

Place : Srinagar
Dated : 10th August, 2015

In terms of our report of even date annexed

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N

CA. Vinay Sagar
Partner
(M. No. 087262)



For Dhar Tikun & Co.
Chartered Accountants
FRN: 003423N

CA. R. K. Dhar
Partner
(M. No. 080935)



For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA. Vinod Gupta
Partner
(M. No. 099347)



For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N

CA. Vishal Rometra
Partner
(M. No. 501333)



For Dharam Raj & Co
Chartered Accountants
FRN: 014461N

CA. Dharam Raj
Partner
(M. No. 094108)



THE JAMMU & KASHMIR BANK LTD.

(₹ in Lacs)

FINANCIAL RESULTS FOR THE QUARTER ENDED
30TH JUNE, 2015

S.No.	PARTICULARS	30.06.2015	31.03.2015	30.06.2014	31.03.2014	Year - Ended
1	Interest Earned (a+b+c+d)	175272	174497	178901	170613	
2	Interest on Advances/Bills	127480	127974	127974	516103	
3	Income on Investments	40972	45792	46727	184336	
4	Interest on Balance with R. B. & Other Inter Bank Funds	810	841	2100	5674	
5	Other Income	13563	27853	13089	59397	
6	Total Income (1+2+3+4+5)	188835	202350	189900	765510	
7	Interest Expended	105788	106240	113031	144022	
8	Operating Expenses (H)	37216	38564	33117	440905	
9	Employees Cost	11958	25258	22983	89403	
10	Other Operating Expenses	143004	144004	11521	51502	
11	Total Expenditure (a+b+c)	148311	148798	145148	199527	
12	Profit/(Loss) before provisions and contingencies (3-4)	40524	53552	44752	163583	
13	Provisions (other than tax) and Contingencies	21287	38076	24677	101552	
14	Profit/(Loss) after provisions and contingencies (5-6)	19237	15476	20075	62031	
15	Tax Expenses	8688	9309	7070	31174	
16	Net Profit/(Loss) (for the period) (10-11)	10549	6167	13005	30857	
17	Extraordinary Items (Net of tax expenses)	15876	10161	13005	60660	
18	Net Profit/(Loss) (for the period) (12-13)	26425	16838	26010	91517	
19	Paid-up Equity Share Capital (Face Value Rs. 1/- per share)	4848	4848	4848	4848	
20	Reserves excluding revaluation reserves	606156	606156	567512	606156	
21	(As per Balance Sheet of Previous Accounting Year)					
22	Analysed Ratios					
23	(i) Percentage of Shares held by Govt. of J&K	53.17%	53.17%	53.17%	53.17%	
24	(ii) Capital Adequacy Ratio % (Based-I)	13.11%	12.67%	13.28%	12.67%	
25	(iii) Capital Adequacy Ratio % (Based-II)	12.93%	12.57%	12.83%	12.57%	
26	(iv) Earning per share (EPS) ₹					
27	a) Basic and diluted EPS before Extraordinary Items (net of tax expense) for the period, for the year to date and for the date end for the previous year (* not annualized)	3.27*	2.10*	2.68*	10.49	
28	b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (* not annualized)	3.27*	2.10*	2.68*	10.49	
29	(v) NPA Ratios					
30	a) Amount of Gross NPAs	299450	276408	188739	276408	
31	b) Amount of Net NPAs	127676	123632	68849	123632	
32	c) % of Gross NPAs	6.83%	6.07%	4.16%	5.97%	
33	d) % of Net NPAs	2.95%	2.77%	2.18%	2.77%	
34	(vi) Return on Assets (Annualized)	0.88%	0.56%	0.72%	0.70%	
35	(vii) Return on Assets (Annualized)	0.88%	0.56%	0.72%	0.70%	
36	Aggregate of Public Share Holding	227025360	227025360	227025360	227025360	
37	(i) No. of Shares	46.83%	46.83%	46.83%	46.83%	
38	(ii) Percentage of Share Holding					
39	a) Promoters and Promoter group Shareholding					
40	- Number of Shares	Nil	Nil	Nil	Nil	
41	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	
42	b) Public Shareholding					
43	- Number of Shares	257752660	257752660	257752660	257752660	
44	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	
45	- Percentage of Shares (as a % of the total share capital of the total share capital of the company)	53.17%	53.17%	53.17%	53.17%	

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For Gupta Sharma & Co.
Chartered Accountants
FRN: 001466N

For Dhar Tiwari & Co.
Chartered Accountants
FRN: 003423N

For Arora Vohra & Co.
Chartered Accountants
FRN: 009487N

For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N

For Dhiram Rai & Co.
Chartered Accountants
FRN: 01461N

FOR & CO. BEHALF OF THE B.
Mustaq Ahmad
Chairman & CEO
DIN: 87226134

CA. Vinay Sankar
Partner
(M. No. 087262)

CA. R. K. Datta
Partner
(M. No. 080333)

CA. Vinod Gupta
Partner
(M. No. 090344)

CA. Vinod Gupta
Partner
(M. No. 501333)

CA. Dhiram Rai
Partner
(M. No. 094108)

Place : Srinagar
Dated : 10th August, 2015

SEGMENT RESULTS

(₹ in Lacs)

Description	30.06.2015	31.03.2015	30.06.2014	31.03.2014	Year - Ended
1) Segment Revenue (Income)					
i) Treasury Operations	54089	52785	53243	77889	
ii) Corporate/Wholesale Banking	70358	70321	93666	71650	
iii) Retail Banking	79956	83666	1403	996	
iv) Other Banking Business	1872	1872	203878	13978	
Total	205785	218472	16950	189900	
Less: Inter Segment Revenue	16950	16127	16950	16127	
Net Income from Operations	188835	202350	189900	189900	
2) Segment Results (Profit before tax)					
i) Treasury Operations	2016	5327	1564	9122	
ii) Corporate/Wholesale Banking	10832	373	807	807	
iii) Retail Banking	10989	13088	807	807	
iv) Other Banking Business	897	692	792	792	
Total Profit before tax	24544	19470	20075	20075	
3) Capital Employed					
(Segment assets - Segment Liabilities)					
i) Treasury Operations	2255481	226780	193528	193528	
ii) Corporate/Wholesale Banking	(98010)	(118020)	155182	155182	
iii) Retail Banking	(163338)	(1563480)	(1563480)	(1563480)	
iv) Other Banking Business	(254)	(1225)	581	581	
Total	626631	61005	585566	585566	

Note: The Bank has only one geographical segment i.e. domestic segment.

1. The above financial results have been reviewed by the Audit Committee of the Board in their meeting held on 9th August, 2015 and approved Board of Directors at its meeting held on 10th August, 2015. The same have been subjected to Limited Review by the Statutory Central Auditors o Bank, in line with the guidelines issued by Reserve Bank of India and as per the requirement of listing agreement with Stock Exchange.
2. The above results for the quarter ended 30th June, 2015 have been prepared following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2015.
3. The results have been arrived at after considering provision for Standard Assets, Non-Performing Assets, Restructured Assets, Depreciation / P for investment on the basis of prudential norms and specific guidelines issued by RBI. Provision for taxation (including deferred tax) has been calculated on estimated basis.
4. Depreciation on fixed assets has been calculated on a straight line method based on useful life of assets pursuant to Schedule - II of Companies Act, 2013. However, Depreciation on Computers (including ATMs) along with software forming integral part of computers is charged at the rate of 33.33 straight line method as per RBI guidelines.
5. Provision for terminal benefits (Pension, Gratuity and Leave Salary Encashment) has been made as per actuarial valuation.
6. Non Performing loan provisioning coverage ratio as at 30th June, 2015 is 60.68%.
7. Pursuant to wage revision, 2012, the bank is holding ₹231.00 crores in previous quarter). Amount of ₹230.93 crores has been provided towards wage revision arrears pending final payment.
8. In accordance with RBI circular No. DBOD/ BP/BC/ 85/21.06.200/2013-14 dated 15th January, 2014 and circular No. DBOD/ BP/BC/ 116/21.06.200/ dated 3rd June, 2014, banks are required to make additional provision in respect of borrowers with Unligned Foreign Currency Exposures (UFCE) 2014 onwards. Accordingly based on available information and declaration from borrowers wherever received, the bank has estimated a provision requirement of ₹3.48 crores which has been fully provided.
9. Pursuant to section 135 of Companies Act, 2013, it is required to expend 2% of the average net profits made during three immediate preceding financial years for CSR activities. Accordingly the bank is required to spend ₹27.33 Crores for FY 2015-16. The bank has during the quarter expended crores for the same.
10. RBI on 20.01.2015 identified and intimated the bank that advances made by different banks to a specific borrower fall in the category of fraud this regard as per directions of RBI, bank declared advances amounting to ₹660.00 crores as fraud. Pursuant to RBI circular no. DBR/ NO. BP/BC/ 83/21.04.04/2014-15 dated 01.04.2015, the amount of fraud irrespective of value of security held by the bank has to be provided a period not exceeding four quarters commencing with the quarter in which fraud has been declared. RBI vide letter dated DBR/ BP/NO. 1680/20.04.04/2014-15 dated 07.07.2015 granted permission for making 50% of required provisioning in March 2015 and balance equal instalments in quarters ending June, 2015 and September, 2015. The bank upto March, 2015 made a provision of ₹54.71 crores being 80.1% of this account against outstanding exposure of ₹67.53 crores to the borrower. In the quarter ended June, 2015 bank made further provision of ₹ 62.00 crores in the account totaling to ₹606.73 crores being 89.85% against outstanding balance of ₹675.31 crores as on 30.06.2015.
11. In terms of RBI circular No. DBOD/ BP/BC/ 21/21.06.201/2014-15 dated 01.07.2013 banks are required to make Pillar 3 disclosures under BASEL-III Regulations. Further RBI has made certain amendments vide circular No. DBOD/ BP/BC/ 38/21.06.201/2014-15 dated 01.09.2014. These disclosures have not been subjected to audit.
12. The bank has sub-divided each equity share of the face value of ₹10/- into ten (10) equity shares of face value of ₹1/- each effective from 5th September, 2014 approved by the share holders in the 76th Annual General Meeting of the bank held on 2nd August, 2014.
13. The number of investors/complainants received during the quarter were 12 (Twelve) and all have been disposed off.
14. The above results are standalone and do not include that of subsidiary company.
15. Previous period figures have been rechecked / regrouped wherever necessary to make them comparable.
16. The Statement of Assets and Liabilities is appended: