

REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the period ended **31st December 2014** 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 audited 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.

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". A review of interim financial information consist of making inquires, 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 29 branches reviewed by us, 364 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 407 branches. In the conduct of our Review, in addition to 29 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating to 364 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. These review reports of 393 branches cover 91.21% of advances portfolio of the Bank and 94.33% of Non Performing Assets of the Bank (NPAs) as on 31st December 2014.

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.

Emphasis of Matter:

We draw attention to note 12 to the financial results, which describes fraudulent transactions on account of discounting of fake LC's detected at two business units of the bank. Further amount of Rs. 60.25 crores outstanding against such fake LC's has been classified under loss category and fully provided for. Our opinion is not qualified on this matter.

For Gupta Sharma & Associates
Chartered Accountants
FRN:001466N

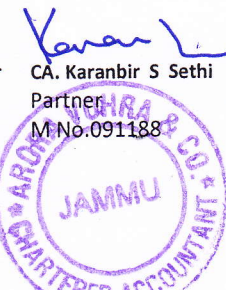


Place : Jammu
Dated : February 07, 2015

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



For Arora Vohra & Co
Chartered Accountants
FRN:009487N



For Darshan Nagpal & Associates
Chartered Accountants
FRN:011022N



For Dharam Raj & Co
Chartered Accountants
FRN.014461N

