**The Jammu & Kashmir Bank Limited** Corporate Headquarters
M A Road, Srinagar 190001
Kashmir, India
T +91 194 248 3775
F +91 194 248 1928
W www.jkbank.net

Ref:-JKB/BS/F3652/2016/309
Dated: 11th Feb. 2016

**Board Secretariat**

**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: - Regulation 33(3)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 – Reviewed Financial for the Quarter & Nine months ended Dec. 2015**

Dear Sir

Pursuant to Regulation 33(3)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Reviewed Financial Results of the Bank for the quarter & Nine months ended 31st December, 2015. The results were taken on record by the Board of Directors at their meeting held on 11th February, 2016 at Mumbai.

Thanking you

Yours Faithfully
***For The Jammu & Kashmir Bank Ltd.***

**(Abdul Majid Bhat)**
**Company Secretary**

## LIMITED REVIEW REPORT FOR THE QUARTER AND NINE MONTHS ENDED 31st December, 2015

We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **THE JAMMU & KASHMIR BANK LIMITED** for the quarter and nine months ended **31st December, 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. Further, disclosures relating to "Pillar 3 under Basel III Capital Regulations" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statement as set out in Note no.11 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 35 branches reviewed by us out of which 15 branches were reviewed through Core Banking System of the Bank and management inputs, 388 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 408 branches. In the conduct of our Review, in addition to 35 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 388 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 35 branches reviewed by us cover 51.21% of advances portfolio of the Bank and 77.74% of Non Performing Assets of the bank and moreover, the review reports of 423 (35+388) branches including 35 branches reviewed by us cover 88.31% of advances portfolio of the Bank and 99.15% of Non Performing Assets of the Bank (NPAs) as on 31st December, 2015.

**Conclusion:**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized Accounting Practices and Policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

We refer to note no.7 to this statement regarding revision in the assets classification/provision of certain advances over the two quarters ending 31.12.2015 and 31.03.2016 as per the advice of Reserve Bank of India, implementation of which is being undertaken by the Bank.

| For Gupta Sharma & Associates | For Dhar Tiku & Co. | For Arora Vohra & Co | For Darshan Nagpal & Associates | For Dharam Raj & Co |
|---|---|---|---|---|
| Chartered Accountants | Chartered Accountants | Chartered Accountants | Chartered Accountants | Chartered Accountants |
| FRN:001466N | FRN:003423N | FRN:009487N | FRN:011022N | FRN.014461N |
| (CA. Ashok Gupta) | (CA. R. K. Dhar) | (CA. Hardeep Aggarwal) | (CA. Vaneet Gandotra) | ( CA. Dharam Raj ) |
| Partner | Partner | Partner | Partner | Partner |
| M.No.017244 | M.No.080935 | M No.088243 | M No 504529 | M No.094108 |

Place : Mumbai
Dated : February 11, 2016

J&K Bank
Serving To Empower

**THE JAMMU & KASHMIR BANK LTD.**
CORPORATE HEADQUARTERS, M. A. ROAD, SRINAGAR
**CIN:L65110JK1938SGC000048**

# BALANCE SHEET AS AT 31ST DECEMBER, 2015

(₹ IN LACS)

| | As at 31.12.2015 | As at 31.12.2014 |
|---|---|---|
| **CAPITAL AND LIABILITIES** | | |
| Capital | 4849 | 4849 |
| Reserves and Surplus* | 653362 | 608211 |
| Deposits | 6436357 | 6390634 |
| Borrowings | 206329 | 268000 |
| Other Liabilities and Provisions | 151597 | 166088 |
| **TOTAL :-** | 7452494 | 7437782 |
| **ASSETS** | | |
| Cash and Balance with Reserve Bank of India | 253905 | 275634 |
| Balance with Banks & Money at Call & Short Notice | 27471 | 67978 |
| Investments | 2030562 | 2243426 |
| Advances | 4671826 | 4436084 |
| Fixed Assets | 73389 | 55337 |
| Other Assets | 395341 | 359323 |
| **TOTAL :-** | 7452494 | 7437782 |

* Includes profit for the Nine Months (Rs.47206 Lacs) Previous corresponding Nine Months (Rs.40699 Lacs)

FOR & ON BEHALF OF THE BOARD

**Mushtaq Ahmad**
**Chairman & CEO**
**DIN: 01226134**

**Place : Mumbai**
**Dated : 11th February, 2016**

**In terms of our report of even date annexed**

| For Gupta Sharma & Associates | For Dhar Tiku & Co. | For Arora Vohra & Co | For Darshan Nagpal & Associates | For Dharam Raj & Co |
|---|---|---|---|---|
| Chartered Accountants | Chartered Accountants | Chartered Accountants | Chartered Accountants | Chartered Accountants |
| FRN: 001466N | FRN: 003423N | FRN: 009487N | FRN: 011022N | FRN: 014461N |
| CA. Ashok Gupta | CA. R. K. Dhar | CA. Hardeep Aggarwal | CA. Vaneet Gandotra | CA. Dharam Raj |
| Partner | Partner | Partner | Partner | Partner |
| (M. No. 01724[illegible]) | (M. No. 080994) | (M. No. 088243) | (M. No. 504529) | (M. No. 094108) |

J&K Bank

**THE JAMMU & KASHMIR BANK LTD.**
CORPORATE HEADQUARTERS M. A. ROAD, SRINAGAR-190001
CIN:L65110JK1938SGC000048

(₹ in Lacs)

## FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31st DECEMBER, 2015

| S.No. | PARTICULARS | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31.12.2015 | 30.09.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 | 31.03.2015 |
| | | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) |
| 1 | **Interest Earned (a+b+c+d)** | 170336 | 172133 | 174962 | 517741 | 531616 | 706113 |
| | a) Interest/Discount on Advances/Bills | 126863 | 125948 | 126351 | 380301 | 388229 | 516103 |
| | b) Income on Investments | 39825 | 42514 | 43670 | 126449 | 131110 | 174125 |
| | c) Interest on Balance with R.B.I. & Other Inter Bank Funds | 3648 | 3671 | 4941 | 10991 | 12277 | 15885 |
| | d) Others | - | - | - | - | - | - |
| 2 | **Other Income** | 10272 | 12651 | 9982 | 36486 | 31544 | 59397 |
| 3 | **Total Income ( 1 + 2 )** | 180608 | 184784 | 184944 | 554227 | 563160 | 765510 |
| 4 | **Interest Expended** | 102969 | 102686 | 111092 | 311443 | 334782 | 441022 |
| 5 | **Operating Expenses (i+ii)** | 38538 | 38327 | 35799 | 114081 | 102341 | 140905 |
| | I. Employees Cost | 25355 | 25496 | 23147 | 76109 | 66520 | 89403 |
| | II. Other Operating Expenses | 13183 | 12831 | 12652 | 37972 | 35821 | 51502 |
| 6 | **Total Expenditure (4+5) (Excluding Provisions & Contingencies)** Items exceeding 10%of the total expenditure excluding Int. Expenditure | 141507 | 141013 | 146891 | 425524 | 437123 | 581927 |
| 7 | **Operating Profit before Provisions and Contingencies (3-6)** | 39101 | 43771 | 38053 | 128703 | 126037 | 183583 |
| 8 | **Provisions (other than tax) and Contingencies** | 23967 | 12658 | 22039 | 57912 | 63476 | 101552 |
| 9 | **Exceptional Items** | - | - | - | - | - | - |
| 10 | **Profit (+)/loss (-) from ordinary activities before tax (7-8-9)** | 15134 | 31113 | 16014 | 70791 | 62561 | 82031 |
| 11 | **Tax Expenses** | 3366 | 11551 | 5550 | 23585 | 21862 | 31171 |
| 12 | **Net Profit (+)/Loss (-) from ordinary activities after tax (10-11)** | 11768 | 19562 | 10464 | 47206 | 40699 | 50860 |
| 13 | **Extraordinary items (net of tax expenses)** | - | - | - | - | - | - |
| 14 | **Net Profit (+)/Loss (-) for the period (12-13)** | 11768 | 19562 | 10464 | 47206 | 40699 | 50860 |
| 15 | **Paid-up Equity Share Capital (Face Value Rs. 1 /- per share)** | 4849 | 4849 | 4849 | 4849 | 4849 | 4849 |
| 16 | **Reserves excluding revaluation reserves** (As per Balance Sheet of Previous Accounting year) | 606156 | 606156 | 567512 | 606156 | 567512 | 606156 |
| 17 | **Analytical Ratios** | | | | | | |
| | (i) Percentage of Shares held by Govt. of J&K | 53.17% | 53.17% | 53.17% | 53.17% | 53.17% | 53.17% |
| | (ii) Capital Adequacy Ratio % (Basel-II) | 12.62% | 13.07% | 13.14% | 12.62% | 13.14% | 12.67% |
| | (Basel-III) | 12.49% | 12.76% | 12.76% | 12.49% | 12.76% | 12.57% |
| | (iii) Earning per share (EPS) ₹ | | | | | | |
| | a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the date and for the previous year ( * not annualized) | 2.43* | 4.04* | 2.16* | 9.74* | 8.40* | 10.49 |
| | b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year ( * not annualized) | 2.43* | 4.04* | 2.16* | 9.74* | 8.40* | 10.49 |
| | (iv) NPA Ratio's | | | | | | |
| | a) Amount of Gross NPAs | 333946 | 308168 | 266788 | 333946 | 266788 | 276408 |
| | b) Amount of Net NPAs | 121499 | 126969 | 142819 | 121499 | 142819 | 123632 |
| | c) % of Gross NPAs | 6.81% | 6.46% | 5.81% | 6.81% | 5.81% | 5.97% |
| | d) % of Net NPAs | 2.60% | 2.78% | 3.22% | 2.60% | 3.22% | 2.77% |
| | (v) Return on Assets (Annualized) | 0.65% | 1.10% | 0.57% | 0.88% | 0.75% | 0.70% |
| 18 | **Aggregate of Public Share Holding** | | | | | | |
| | (i) No. of Shares | 227025360 | 227025360 | 227025360 | 227025360 | 227025360 | 227025360 |
| | (ii) Percentage of Share Holding | 46.83% | 46.83% | 46.83% | 46.83% | 46.83% | 46.83% |
| 19 | **Promoters and promoter group Shareholding** | | | | | | |
| | a) Pledged/Encumbered | | | | | | |
| | - Number of Shares | Nil | Nil | Nil | Nil | Nil | Nil |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Nil | Nil | Nil | Nil | Nil | Nil |
| | - Percentage of shares (as a % of the total share capital of the company) | Nil | Nil | Nil | Nil | Nil | Nil |
| | b) Non-encumbered | | | | | | |
| | - Number of Shares | 257752660 | 257752660 | 257752660 | 257752660 | 257752660 | 257752660 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100% | 100% | 100% | 100% | 100% | 100% |
| | - 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% | 53.17% | 53.17% |

## SEGMENT RESULTS

( ₹ in Lacs )

| Description | Quarter Ended | | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|---|
| | 31.12.2015 | 30.09.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 | 31.03.2015 |
| | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) |
| **1) Segment Revenue (Income)** | | | | | | |
| i) Treasury Operations | 46194 | 51180 | 49882 | 151474 | 151480 | 204264 |
| ii) Corporate/Wholesale Banking | 64390 | 67198 | 71841 | 201946 | 231205 | 301526 |
| iii) Retail Banking | 84060 | 77707 | 74080 | 241723 | 220688 | 314656 |
| iv) Other Banking Business | 1490 | 1416 | 861 | 4278 | 2473 | 3876 |
| **Total** | 196134 | 197501 | 196664 | 599421 | 605846 | 824322 |
| Less: Inter Segment Revenue | 15526 | 12717 | 11720 | 45194 | 42686 | 58812 |
| **Net Income from Operations** | 180608 | 184784 | 184944 | 554227 | 563160 | 765510 |
| **2) Segment Results (Profit before tax)** | | | | | | |
| i) Treasury Operations | 1634 | 5231 | 1753 | 8882 | 4714 | 10041 |
| ii) Corporate/Wholesale Banking | 2732 | 12267 | 9747 | 25830 | 35882 | 36255 |
| iii) Retail Banking | 10230 | 12985 | 4090 | 34214 | 20492 | 33590 |
| iv) Other Banking Business | 538 | 630 | 424 | 1865 | 1473 | 2155 |
| **Total Profit before tax** | 15134 | 31113 | 16014 | 70791 | 62561 | 82031 |
| **3) Capital Employed (Segment assets-Segment Liabilities)** | | | | | | |
| i) Treasury Operations | 2187974 | 2108117 | 2118196 | 2187974 | 2118196 | 2326760 |
| ii) Corporate/Wholesale Banking | 77078 | 81063 | 21592 | 77078 | 21592 | (118030) |
| iii) Retail Banking | (1607507) | (1542313) | (1526508) | (1607507) | (1526508) | (1596490) |
| iv) Other Banking Business | 667 | (443) | (220) | 667 | (220) | (1235) |
| **Total :-** | 658212 | 646444 | 613060 | 658212 | 613060 | 611005 |

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

1. The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting held on 10th February, 2016 and approved by the Board of Directors at its meeting held on 11th February, 2016. The same have been subjected to Limited Review by the Statutory Central Auditors of the 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 and nine months ended 31st December, 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 / Provision for Investment on the basis of prudential norms and specific guidelines issued by RBI. Further provision for exposures to entities with Unhedged Foreign Currency Exposures have been made as per RBI guidelines. 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% on 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 31st December, 2015 is 66.18%.
7. As part of Pan India Asset Quality Review (AQR) conducted by RBI in Banks, RBI vide letter no. DBS.CO.PPD/ AQR/6371/11.01.021/2015-16 dated December 02, 2015 advised our bank to revise asset classification/provisions in respect of certain borrowal accounts over the two quarters ending 31.12.2015 and 31.03.2016. The bank has accordingly undertaken the implementation of RBI directions in this regard.
8. In terms of RBI circular DBR.BP.BC No.31/21.04.018/2015-16 dated 16th July 2015, the bank has, effective from quarter ended 30th June 2015, included its deposits placed with NABARD, SIDBI and NHB on account of shortfall in lending to priority sector under "Other Assets" hitherto these were included under investments. Interest income on these deposits has been included under "Interest earned others". Hitherto such interest income was included under "Interest earned - income on investments". Figures for the previous periods have been regrouped/ reclassified to conform to current period's classification. The above reclassification has no impact on the profit/loss of the bank for the quarter and nine months ended 31st December, 2015 or on the profit/ loss for the previous periods presented.
9. The bank vide letter no PSBD 8357/16.01.063/2015-16 dated December 30, 2015 has received approval from Reserve Bank of India for reduction in the authorized capital of the bank from ₹100.00 crore divided into 100 crore equity shares of ₹1/- each to ₹95.00 crore divided into 95 crore equity shares of ₹1/- each to seek compliance with the provisions of section 12 and 49C of the Banking regulation Act, 1949.
10. 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 during the FY 2015-16 bank is required to spend ₹27.33 Crores for the same. The bank has during the quarter ended December 2015 expended ₹1.99 crores (Previous quarter ₹1.42 crores) totaling to ₹3.52 crores as at 31st December, 2015.
11. In terms of RBI circular No. DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 banks are required to make Pillar 3 disclosures under BASEL-III capital regulations. Further RBI has made certain amendments vide circular No. DBOD.BP.BC.38/21.06.201/2014-15 dated 01.09.2014 in disclosure requirements. Accordingly, Pillar 3 disclosures under BASEL-III capital regulations are being made available on bank's website i.e. www.jkbank.net. These disclosures have not been subjected to audit.
12. During the quarter the Bank has made floating provision of ₹180.99 crores for meeting exigencies. With Opening balance of ₹17.73 crores closing balance in the floating provision account is ₹ 198.72 crores as on 31.12.2015.
13. The number of investors complaints received during the quarter were 102( One hundred two) 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 recasted /regrouped wherever necessary to make them comparable.
16. The statement of Assets and Liabilities is appended:

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N
CA. Ashok Gupta
Partner
(M.No. 017244)

For Dhar Tiku & Co.
Chartered Accountants
FRN: 003423N
CA. K. K. Dhar
Partner
(M. No. 080926)

For Arora Vohra & Co
Chartered Accountants
FRN: 009487N
CA. Hardeep Aggarwal
Partner
(M. No. 088243)

For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N
CA. Vaneet Gandotra
Partner
(M. No. 504529)

For Dharam Raj & Co
Chartered Accountants
FRN: 014461N
CA. Dharam Raj
Partner
(M. No. 094108)

FOR & ON BEHALF OF THE BOARD
Mushtaq Ahmad
Chairman & CEO
DIN: 01226134

Place : Mumbai
Dated : 11th February, 2016