

LIMITED REVIEW REPORT FOR THE QUARTER ENDED 30th JUNE, 2016

We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **THE JAMMU & KASHMIR BANK LIMITED** for the quarter ended **30th June, 2016** 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. 9 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:

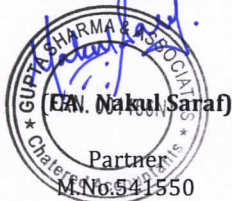
We conducted our Review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim financial information consist of making 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 30 branches and Treasury Operations reviewed by us out of which 10 branches were reviewed through Core Banking System of the Bank and management inputs, 393 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 440 branches. In the conduct of our Review, in addition to 30 branches and Treasury Operations reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Bank's Concurrent Auditors aggregating 393 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 30 branches reviewed by us cover 50.42% of advances portfolio of the Bank and 88.91% of Non-Performing Assets of the bank and moreover, the review reports of 423 (30+393) branches including 30 branches reviewed by us cover 88.32% of advances portfolio of the Bank and 99.30% of Non-Performing Assets of the Bank (NPAs) as on 30th June, 2016.

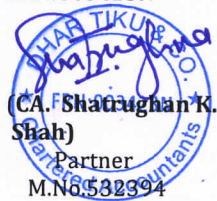
Conclusion:

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.

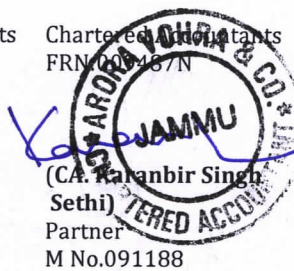
For Gupta Sharma & Associates
Chartered Accountants
FRN:001466N



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



For Arora Vohra & Co
Chartered Accountants
FRN:001467N



For Darshan Nagpal & Associates
Chartered Accountants
FRN:011022N



For Dharam Raj & Co
Chartered Accountants
FRN:014461N



Place : Srinagar

Dated : August 10, 2016

BALANCE SHEET AS AT 30TH JUNE, 2016

(₹ IN LACS)

As at 30.06.2016 As at 30.06.2015

CAPITAL AND LIABILITIES

Capital	4849	4849
Reserves and Surplus*	639837	622032
Deposits	6899980	6226491
Borrowings	106600	181667
Other Liabilities and Provisions	161082	194057

TOTAL :- 7812348 7229096

ASSETS

Cash and Balance with Reserve Bank of India	285422	269927
Balance with Banks & Money at Call & Short Notice ...	22052	81542
Investments	2138431	2123710
Advances	4885442	4326727
Fixed Assets	77399	69853
Other Assets	403602	357337

TOTAL :- 7812348 7229096

* Includes profit for the quarter 1st. (Rs.2288 Lacs) Previous corresponding quarter (Rs.15876 Lacs)

FOR & ON BEHALF OF THE BOARD

Mushtaq Ahmad
Chairman & CEO
DIN: 01226134

Place : Srinagar
Dated : 10th August, 2016

In terms of our report of even date annexed

For Gupta Sharma & Associates
Chartered Accountants
FRN: 001466N

CA. Nakul Saraf
Partner
(M. No. 541550)



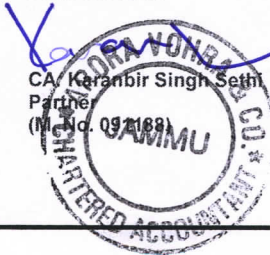
For Dhar Tiku & Co.
Chartered Accountants
FRN: 003423N

CA. Shatrughan K. Shah
Partner
(M. No. 0532394)



For Arora Vohra & Co
Chartered Accountants
FRN: 009487N

CA. Karanbir Singh Sethi
Partner
(M. No. 092168)



For Darshan Nagpal & Associates
Chartered Accountants
FRN: 011022N

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



For Dharam Raj & Co
Chartered Accountants
FRN: 014461N

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



SEGMENT RESULTS

PARTICULARS	Year Ended		Quarter Ended		Year Ended	
	30.06.2016 (Reviewed)	31.03.2016 (Audited)	30.06.2016 (Reviewed)	31.03.2016 (Audited)	30.06.2016 (Reviewed)	31.03.2016 (Audited)
Financial Results for the Quarter Ended 30th June, 2016						
rest Earned (a+b+c+d)	167235	175272	166616	175272	684357	684357
Interest/Discount on Advances/Bills	124086	127490	122465	127490	502766	502766
Income on Investments	39906	44109	38216	44109	164665	164665
Interest on Balance with R.B.I. & Other Inter Bank Funds	3179	3673	3547	3673	14538	14538
Others	64	-	2388	-	2388	-
Other Income	11670	13563	13917	13563	60403	60403
Net Income (1+2)	178905	188835	180533	188835	734760	734760
Less: Inter Segment Revenue	103975	105788	101905	105788	44653	44653
Less: Inter Segment Expenses	39899	40639	37216	40639	154620	154620
Less: Employees Cost	28776	29256	28580	29256	101959	101959
Less: Other Operating Expenses	13223	14689	11956	14689	52651	52651
Less: Depreciation (4+5) (Excluding Provisions & Contingencies)	143974	142444	142444	143004	567968	567968
Less: Provision for Provisions and Contingencies (3+5)	34931	38089	30899	38089	166792	166792
Less: Other Items	31370	31287	31287	31623	97623	97623
Profit (3)/Loss (4) from ordinary activities before tax (7-3-9)	3561	24544	69169	24544	69169	24544
Less: Expenses	1273	3980	27565	3980	35318	115506
Profit (3)/Loss (4) from ordinary activities after tax (10-11)	2288	18576	41604	18576	33851	13000
Less: Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
Profit (3)/Loss (4) for the period (12-13)	2288	18576	41604	18576	33851	13000
Less: Equity Share Capital (Face Value Rs. 1/- per share)	4849	4849	4849	4849	247	247
Less: Reserve	637548	606156	637548	606156	644666	626881
Less: Balance Sheet of Previous Accounting Year	-	-	-	-	-	-
Net Profit before tax	3561	24544	3561	24544	3561	24544
Less: Tax	-	-	-	-	-	-
Profit after tax	3561	24544	3561	24544	3561	24544
Less: Dividend	-	-	-	-	-	-
Profit for the period	3561	24544	3561	24544	3561	24544

Notes:
1. The above standalone financial results have been reviewed by the Audit Committee of the Board in their meeting held on 9th August, 2016 and approved by the Board of Directors at its meeting held on 10th August, 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 ended 30th June, 2016 have been prepared following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2016.
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 Reserve Bank of India. Further, provision for exposures to entities with Unhedged Foreign Currency Exposures have been made as per RBI guidelines. Provision for tax (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. The technical write off in Gross NPA's of ₹781.08 crore (March ending 2016 quarter ₹315.66 crore and corresponding previous quarter June 2015 ₹nil) have been made in this quarter.
7. Provision for loan provisioning coverage ratio as at 30th June, 2016 is 50.12% after considering the floating provision of ₹348.72 crore held by the bank. The provision coverage ratio as on 30th June, 2015 was 60.68% and as on 31st March, 2016 was 56.15%.
8. Pursuant to section 135 of Companies Act, 2013, the bank is required to expend 2% of the average net profits made during three consecutive financial years for CSR activities. Accordingly, an amount of ₹21.76 Crores is required to be spent for the FY 2016-17. The amount during the quarter expended ₹1.18 Crores for the same.
9. In terms of RBI circular No. DBOD/BC/27/1.06/2016-17 dated 01.07.2013 banks are required to make Pillar 3 disclosures under BASEL-III capital regulations. The bank has made certain amendments vide circular No. DBOD/BC/38/21.06/2016-17 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 limited review. The bank is required to disclose the details of Pillar 3 disclosures under the provision of ₹33.05 Crores being 15% of the existing outstanding balance of ₹220.35 Crores as on 30.06.2016 under Flood Credit facility provided by State Government of Punjab. Out of this provision requirement the bank has already provided ₹22.50 Crores till 31st March, 2016 and the balance portion of ₹10.55 Crores has been made during this quarter.
10. In compliance to RBI letter no. DBR/NO.BP.13018/21.04.08/2015-16 dated April 12, 2016, bank is required to make a provision of ₹33.05 Crores being 15% of the existing outstanding balance of ₹220.35 Crores as on 30.06.2016 under Flood Credit facility provided by State Government of Punjab. Out of this provision requirement the bank has already provided ₹22.50 Crores till 31st March, 2016 and the balance portion of ₹10.55 Crores has been made during this quarter.
11. Interest earned (others) represents interest earned on income tax refund of previous assessment years.
12. The number of investors/complaints received during the period of income tax refund of previous assessment years.
13. The above results are standalone and do not include that of subsidiary company.
14. Figures of previous period/year have been rearranged / reclassified / regrouped wherever necessary.
15. The statement of Assets and Liabilities is appended.

Particulars	Year Ended		Quarter Ended		Year Ended	
	30.06.2015 (Reviewed)	31.03.2016 (Audited)	30.06.2016 (Reviewed)	31.03.2016 (Audited)	30.06.2016 (Reviewed)	31.03.2016 (Audited)
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)	53.17%	53.17%	53.17%	53.17%	53.17%	53.17%
Basic and diluted EPS after Extraordinary Items for the year to date and for the previous year (* not annualized)	11.86%	11.78%	11.78%	11.78%	11.78%	11.78%
Capital Adequacy Ratio % (Base-II)	11.89%	11.81%	11.81%	11.81%	11.81%	11.81%
Earning per share (EPS) ₹	0.47	3.27*	3.27*	3.27*	8.58	8.58
Amount of Gross NPA's (See Note 6)	471492	299450	436862	299450	436862	299450
Amount of Net NPA's	302347	127676	216395	127676	216395	127676
% of Gross NPA's	9.31%	6.63%	8.32%	6.63%	8.32%	6.63%
% of Net NPA's	6.19%	2.85%	4.31%	2.85%	4.31%	2.85%
Return on Assets (Annualized)	0.12%	0.95%	0.95%	0.95%	0.57%	0.57%
Return on Public Share Holding	227025360	227025360	227025360	227025360	227025360	227025360
Percentage of Share Holding	46.83%	46.83%	46.83%	46.83%	46.83%	46.83%
Percentage of Share Holding of Promoter and promoter group Shareholding	Nil	Nil	Nil	Nil	Nil	Nil
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
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%

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15. The statement of Assets and Liabilities is appended.

For Darshan Megraji & Associates Chartered Accountants
FRN: 011622N
CA. Vishal Kumar (M. No. 094103)
CA. Dheeraj Rai (M. No. 094103)

For Arora Vohra & Co Chartered Accountants
FRN: 005487N
CA. Karanbir Singh Sethi (M. No. 081881)
CA. Anil Kumar (M. No. 081881)

For Dhar, Tikku & Co Chartered Accountants
FRN: 003423N
CA. Shaikhurrahman K. Shah (M. No. 003432394)
CA. Naveen Kumar (M. No. 003432394)

For Gupta Sharma & Associates Chartered Accountants
FRN: 001426N
CA. Naveen Kumar (M. No. 001426N)
CA. Naveen Kumar (M. No. 001426N)

For Dharam Raj & Co Chartered Accountants
FRN: 014456N
CA. Dharam Raj (M. No. 094103)
CA. Dharam Raj (M. No. 094103)

FOR AND ON BEHALF OF THE BOARD
Mushtaq Ahmad
Chairman & CEO
DIN: 01226344
Place : Srinagar
Dated : 10th August, 2016