

Ref:-JKB/BS/F3652/2018/74
Dated: 26th July, 2018

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
Scrip Code: J&KBANK

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal street
Mumbai - 400 001
Scrip Code:532209

Sub: - Reviewed Financial Results of the Bank for the Quarter ended 30th June, 2018

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of the Reviewed Financial Results of the Bank for the Quarter ended 30th June, 2018.

The Results were taken on record by the Board of Directors at their meeting held on 26th July, 2018 at Srinagar.

The meeting ended at 2:15 P.M.

Thanking you

Yours faithfully
For The Jammu and Kashmir Bank Ltd.

A handwritten signature in black ink, appearing to read "Shafi Mir", is written over a faint circular stamp.

(Mohammad Shafi Mir)
Company Secretary

Limited Review Report

To
The Board of Directors of
The Jammu & Kashmir Bank Ltd.

1. We have reviewed the accompanying statement of unaudited Standalone financial results of The Jammu & Kashmir Bank Limited (the "Bank ") for the quarter/period ended 30th June 2018. These Financial Results are the responsibility of the Bank's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim financial results consists 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 the generally accepted 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.
3. The Financial Results incorporate the relevant returns of 39 Branches and Treasury operations reviewed by us , out of which 19 were reviewed through Core banking system of the bank and management inputs, 499 branches reviewed by other Chartered Accountants and Banks own officials(retired) acting as Concurrent auditors of the Bank and un-reviewed in respect of 417 branches. In the conduct of our Review, in addition to 39 Branches and Treasury operations reviewed by us, we have relied on the review reports in respect of non-performing assets, received from Banks Concurrent Auditors aggregating 499 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 39 branches reviewed by us cover 51.09% of advances portfolio of the Bank and 85.65% of NPA of the bank.
4. Based on our review conducted as aforesaid, subject to limitations in scope as mentioned in para 2 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 prevailing 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 O P GARG & CO.
Chartered Accountants
FRN : 01194N




CA. Salil Gupta
Partner
M. No. 097922

FOR VERMA ASSOCIATES
Chartered Accountants
FRN : 02717N




CA. Madan Verma
Partner
M. No. 081631

FOR P C BINDAL & CO.
Chartered Accountants
FRN : 03824N




CA. Manushree Bindal
Partner
M. No. 517316

FOR K K GOEL & ASSOCIATES
Chartered Accountants
FRN : 05299N




CA. Kamlesh Kumar Goel
Partner
M. No. 015002

Srinagar

Dated: 26.7.2018

BALANCE SHEET AS AT 30TH JUNE, 2018

(₹ IN CRORES)

As at 30.06.2018 As at 30.06.2017

CAPITAL AND LIABILITIES

| | | |
|--|----------|----------|
| Capital | 55.70 | 55.70 |
| Reserves and Surplus* | 6158.11 | 5929.34 |
| Deposits | 77419.57 | 71744.48 |
| Borrowings | 3622.74 | 1276.05 |
| Other Liabilities and Provisions | 1836.99 | 1888.96 |

TOTAL :- 89093.11 80894.53

ASSETS

| | | |
|---|----------|----------|
| Cash and Balance with Reserve Bank of India | 3431.49 | 3254.21 |
| Balance with Banks & Money at Call & Short Notice ... | 47.42 | 3022.52 |
| Investments | 20101.55 | 20703.95 |
| Advances | 59841.05 | 48733.19 |
| Fixed Assets | 1609.57 | 1550.52 |
| Other Assets | 4062.03 | 3630.14 |

TOTAL :- 89093.11 80894.53

* Includes Profit for the quarter 1st. Rs.52.59 Crores Previous corresponding quarter Rs.30.19 Crores

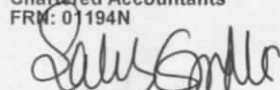
FOR & ON BEHALF OF THE BOARD


Parvez Ahmed
Chairman & CEO
DIN: 03467232

Place : Srinagar
Dated : 26th July, 2018


In terms of our report of even date annexed

For O P Garg & Co
Chartered Accountants
FRN: 01194N


CA. Sall Gupta
Partner
(M. No. 009127)

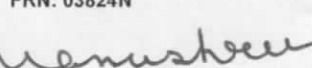


For Verma Associates
Chartered Accountants
FRN: 02717N


CA. Manan Verma
Partner
(M. No. 081631)

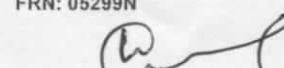


For P C Bindal & Co
Chartered Accountants
FRN: 03824N


CA. Manushree Bindal
Partner
(M. No. 517316)



For K K Goel & Associates
Chartered Accountants
FRN: 05299N


CA. Kamlesh Kumar Goel
Partner
(M. No. 015002)



SEGMENT RESULTS

(₹ in Crores)

| S. No. | PARTICULARS | 3 Months Ended 30.06.2018 | | 3 Months Ended 30.06.2017 | | YEAR ENDED 31.03.2018 | |
|--------|--|---------------------------|-----------|---------------------------|-----------|-----------------------|-----------|
| | | (Un-Audited) | (Audited) | (Un-Audited) | (Audited) | (Un-Audited) | (Audited) |
| 1 | Interest Earned (net of tax) | 1762.89 | 1680.32 | 1681.40 | 1681.40 | 6571.40 | 6571.40 |
| | a) Interest/Discount on Advances/Bills | 1327.19 | 1220.02 | 4977.74 | 4977.74 | 1431.58 | 1431.58 |
| | b) Income on Investments | 393.53 | 338.77 | 395.95 | 338.77 | 211.68 | 211.68 |
| | c) Interest on Balance with R.B.I. & Other Inter Bank Funds | 41.42 | 32.77 | 87.06 | 32.77 | 0.10 | 0.10 |
| | d) Others | 0.75 | 0.12 | 0.40 | 0.12 | 0.00 | 0.00 |
| 2 | Other Income | 134.35 | 110.21 | 485.31 | 485.31 | 1932.92 | 1932.92 |
| 3 | Total Income (1 + 2) | 1897.24 | 1790.53 | 2166.71 | 2166.71 | 8504.32 | 8504.32 |
| 4 | Interest Expended | 983.20 | 935.91 | 3750.51 | 3750.51 | 1790.53 | 1790.53 |
| 5 | Operating Expenses (Net) | 563.81 | 561.48 | 1884.23 | 1884.23 | 44.89 | 44.89 |
| | i. Employee Cost | 375.24 | 347.89 | 1286.89 | 1286.89 | 187.01 | 187.01 |
| | ii. Other Operating Expenses | 188.57 | 213.59 | 597.34 | 597.34 | 7.90 | 7.90 |
| 6 | Total Expenditure (+/-) (Excluding Provisions & Contingencies) | 1547.01 | 1497.39 | 5637.75 | 5637.75 | 168.75 | 168.75 |
| 7 | Operating Profit before Provisions and Contingencies (1-5) | 349.73 | 293.14 | 1381.87 | 1381.87 | 185.57 | 185.57 |
| 8 | Provision (other than tax) and Contingencies | 235.01 | 219.65 | 1022.74 | 1022.74 | 94.72 | 94.72 |
| 9 | Profit (Loss) from ordinary activities before tax (7-8) | 114.72 | 73.49 | 359.13 | 359.13 | 90.85 | 90.85 |
| 10 | Profit (Loss) from ordinary activities after tax (10-11) | 84.72 | 80.84 | 274.38 | 274.38 | 81.13 | 81.13 |
| 11 | Net Profit (Loss) (for the period) (12-13) | 52.59 | 30.19 | 202.72 | 202.72 | 106.57 | 106.57 |
| 12 | Net Profit (Loss) (for the period) (12-13) (Per Share) | 52.59 | 30.19 | 202.72 | 202.72 | 106.57 | 106.57 |
| 13 | Reserves excluding revaluation reserves | 52.59 | 30.19 | 202.72 | 202.72 | 106.57 | 106.57 |
| 14 | Extraordinary Items (net of tax expenses) | 28.41 | 238.18 | 238.18 | 238.18 | 238.18 | 238.18 |
| 15 | Net Profit (Loss) (for the period) (14-15) | 80.99 | 270.90 | 440.90 | 440.90 | 440.90 | 440.90 |
| 16 | Percentage of Share held by Govt. of J&K (BASEL II) | 59.23% | 59.23% | 59.23% | 59.23% | 59.23% | 59.23% |
| 17 | Capital Adequacy Ratio % (CET1 Ratio) | 9.96% | 9.16% | 9.24% | 9.24% | 9.24% | 9.24% |
| 18 | (iii) Earning per share (EPS) ₹ | 10.50% | 9.16% | 9.24% | 9.24% | 9.24% | 9.24% |
| | a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the date and for the previous year (* not annualized) | 0.94* | 0.42* | 0.54* | 0.54* | 0.54* | 0.54* |
| | b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (* not annualized) | 0.94* | 0.54* | 0.54* | 0.54* | 0.54* | 0.54* |
| | (iv) NPAs Ratios | 6941.67 | 6006.70 | 6006.70 | 6006.70 | 6006.70 | 6006.70 |
| | a) Amount of Gross NPAs | 2701.72 | 2791.12 | 2791.12 | 2791.12 | 2791.12 | 2791.12 |
| | b) % of Gross NPAs to Gross Advances | 19.34% | 10.15% | 9.80% | 9.80% | 9.80% | 9.80% |
| | c) % of Net NPAs to Net Advances | 4.65% | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% |
| | d) Return on Assets (Annualized) | 0.24% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% |
| 19 | Aggregate of Public Share Holding | 227025360 | 227025360 | 227025360 | 227025360 | 227025360 | 227025360 |
| | (i) No. of Shares | 49.77% | 49.77% | 49.77% | 49.77% | 49.77% | 49.77% |
| | (ii) Percentage of Share Holding | Nil | Nil | Nil | Nil | Nil | Nil |
| | (iii) Promoters and Promoter Group Shareholding | Nil | Nil | Nil | Nil | Nil | Nil |
| | (iv) Fringe-beneficiaries | Nil | Nil | Nil | Nil | Nil | Nil |
| | (v) Public Shareholding (as a % of the total shareholding of promoter and promoter group) | Nil | Nil | Nil | Nil | Nil | Nil |
| | (vi) Percentage of shares (as a % of the total shareholding of the company) | 329633032 | 329633032 | 329633032 | 329633032 | 329633032 | 329633032 |
| | (vii) Non-encumbered | 100% | 100% | 100% | 100% | 100% | 100% |
| | (viii) Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 59.23% | 59.23% | 59.23% | 59.23% | 59.23% | 59.23% |
| | (ix) Percentage of shares (as a % of the total shareholding of the company) | 59.23% | 59.23% | 59.23% | 59.23% | 59.23% | 59.23% |

FOR & ON BEHALF OF THE BOARD

Parvez Ahmed
Chairman & CEO
DIN: 03467232

Place : Srinagar
Dated : 26th July, 2018

FOR K K Goel & Associates
Chartered Accountants
FRN: 05299N

CA. Kamlesh Kumar Goel & Associates
Partner
(M. No. 0150027)

F. R. No. 005299N
Chartered Accountants

FOR P C Bindal & Co
Chartered Accountants
FRN: 03824N

CA. Manishree Bindal
Partner
(M. No. 317646)

FOR O P Garg & Co
Chartered Accountants
FRN: 02717N

CA. Sallit Gupta
Partner
(M. No. 081831)

FRN No. 001194N
Chartered Accountant

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

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 and approved by the Board of Directors at its meeting held on 26th July, 2018. The same have been reviewed by the Statutory Central Auditors of the Bank, in line with the guidelines issued by RBI and as per the requirement of listing agreement with Stock Exchange.

2. The above results for the quarter ended 30th June 2018 have been prepared following the same accounting policies that were followed in the preparation of annual financial statements for the year ended 31st March 2018.

3. The results have been arrived at after considering provision for Non-Performing Assets on the basis of prudential norms and specific guidelines issued by Reserve Bank of India.

4. During the quarter ended 30th June 2018, the Bank has raised ₹1,000 Crores by issue of 'Unsecured, listed, redeemable Non-Convertible Basel III compliant Tier-1 perpetual bonds in the nature of debentures'.

5. The Bank has given an option to the Banks to spread the additional liability on account of the enhancement in the quarter ended 31.03.2018 as well as 30.06.2018 and provision of ₹24.95 crores deferred to subsequent two quarters of the ensuing financial year. The bank has also set aside ₹20 Crores as estimated on the basis towards capital adequacy revision.

6. The Bank has also issued a circular on 08.07.2018 on 'BASEL-III capital requirements' read together with the RBI Circular No. DBR No. BP. BC. 80/2017-18 dated 31.03.2015 on Prudential Guidelines on Capital Adequacy and Liquidity standard amendments requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under BASEL-III framework. Accordingly, these disclosures are being made available on bank's website i.e. www.jkbank.net. These disclosures have not been subjected to review by the auditors.

7. In view of flood during 2014 and disturbances during 2016 in J&K State, Bank rehabilitated affected borrower accounts under RBI Master Directions issued for Relief Measures by Banks in areas affected by Natural Calamities. The rehabilitation included funding of loss suffered by the borrowers, deferment of instalments of term loans and funding of interest on these accounts. The Bank recognized funded interest income up to 30th June 2018. Accordingly, the Bank has credited interest capitalization by ₹76.84 crores for this quarter by corresponding debit to interest income.

8. In terms of RBI Circular No. RB/2011-12 dated 08.07.2011, the Bank has provided for the quarter ended 31st March 2018, ₹43.08 Crores.

9. In terms of RBI Circular No. RB/2011-12 dated 08.07.2011, the Bank has provided for the quarter ended 31st March 2018, ₹43.08 Crores.

10. Provision made for depreciation of investment portfolio - ₹10.77 Crores.

11. Total MTM provision required for the Qtr. ended June 2018 - ₹43.08 Crores.

12. One of the Advance accounts under SDR in which the bank also had equity shares was classified as NPA and the bank has distributed the depreciation on equity shares acquired under SDR over four calendar quarters from the date of conversion of debt into equity. Accordingly, bank has made provision of ₹49.40 crores up to 30th June 2018 and balance of ₹49.40 crores has been distributed over next two quarters.

13. The bank has identified such accounts and additional provision of ₹32.46 crores has been made.

14. Provision coverage ratio as at 30th June, 2018 is 66.78% after taking into account the floating provision of ₹248.72 crores held by the bank. The coverage ratio as on 31st March, 2018 was 65.83%.

15. The above results are standalone and do not include that of subsidiary companies.

16. Figures of previous period/year have been rearranged/reclassified/regrouped wherever considered necessary to make them comparable with the figures of the period under review.

17. The statement of Assets and Liabilities is appended.