

REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of **THE JAMMU & KASHMIR BANK LIMITED** for the period ended **31st December 2011** 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 incorporates the relevant returns of 25 branches reviewed by us, 267 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 274 branches. In the conduct of our Review, in addition to 25 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from the Bank's Concurrent Auditors aggregating to 267 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 292 branches cover 92.07% of advances portfolio of the Bank and 93.22% of Non Performing Assets of the Bank (NPAs) as on 31st December 2011.

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



For K.B.Sharma & Co.
Chartered Accountants
FRN:02318N



For Verma Associates.
Chartered Accountants
FRN:02717N



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



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



Place : Jammu
Dated : 28th January, 2012

FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2011		(₹ In Lacs)						SEGMENT RESULTS						
		Quarter Ended			Nine Months Ended		Year Ended	Description	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011		31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
S.No.	PARTICULARS	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	Audited	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	Audited	
1	Interest Earned (A+B+C+D)	126603	115560	93466	347804	269927	371313	1) Segment Revenue (Income)						
	a) Interest/Dividend on Advances/Bills	88015	80903	64985	243683	191116	252950	i) Treasury Operations	40320	38275	30739	108670	87157	119798
	b) Income on Investments	37470	34256	28023	101863	77809	108615	ii) Corporate/Wholesale Banking	41955	37231	33043	121494	106573	138382
	c) Interest on Balance with R.E.I. & Other Inter Bank Funds	1168	891	458	2458	1202	1738	iii) Retail Banking	57735	56453	45471	162355	131241	192508
	d) Others	-	-	-	-	-	-	iv) Other Banking Business	827	767	874	2596	2448	3459
2	Other Income	7363	7122	7756	21155	24573	35478	Total	140837	130726	111127	395115	327417	454118
3	Total Income (1 + 2)	134016	122682	101222	368959	294500	407791	(Less: Inter-Segment Revenue)	8821	8044	9905	26125	32917	46326
4	Interest Expended	81574	72133	54513	215578	157134	216947	Net Income from Operations	134016	122682	101222	368959	294500	407791
5	Operating Expenses (A+H)	20086	19272	18626	68140	52010	75893	2) Segment Results (Profit before tax)						
	i) Employees Cost	13082	12550	12783	38410	35628	52351	i) Treasury Operations	1300	552	1468	2285	1612	(487)
	ii) Other Operating Expenses	7004	6722	5843	19730	16382	23532	ii) Corporate/Wholesale Banking	21603	20171	13319	54797	47437	58331
6	Total Expenditure (A+H) (Excluding Provisions & Contingencies)	101660	91405	73139	273716	209144	292840	iii) Retail Banking	6959	7773	9494	17640	20339	32771
	Items exceeding 10% of the total expenditure excluding int. Expenditure	-	-	-	-	-	-	iv) Other Banking Business	679	548	739	2074	2018	2824
7	Operating Profit before Provisions and Contingencies (3-4)	32356	31277	26683	95271	85396	114949	Total Profit before tax	30540	29644	25020	86774	71406	93439
8	Provisions (other than tax) and Contingencies	1816	2233	2063	8497	13950	21510	3) Capital Employed						
9	Exceptional Items	-	-	-	-	-	-	(Segment Assets - Segment Liabilities)						
10	Profit (+) / Loss (-) from ordinary activities before tax (7-4-8)	30540	29044	25020	86774	71406	93439	i) Treasury Operations	1757674	1759423	1689956	1757674	1689956	1975523
11	Tax Expenses	9221	9079	8232	37261	37242	31919	ii) Corporate/Wholesale Banking	381739	210257	49860	381739	49860	(108603)
12	Net Profit (+) / Loss (-) from ordinary activities after tax (10-11)	21319	19965	16788	59513	47664	61520	iii) Retail Banking	(1732891)	(1583766)	(1373159)	(1732891)	(1373159)	(1518611)
13	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-	iv) Other Banking Business	860	151	2053	860	2053	598
14	Net Profit (+) / Loss (-) for the period (12-13)	21319	19965	16788	59513	47664	61520	Total >	407382	388363	348710	407382	348710	347898
15	Paid-up Equity Share Capital (Face Value Rs. 10/- per share)	4849	4849	4849	4849	4849	4849	1. The above results have been arrived at after considering provision for Non-Performing Assets as per RBI guidelines. Provision for taxation including (Deferred Tax and Wealth Tax), Depreciation on Fixed Assets have been made on estimated basis.						
16	Reserves excluding revaluation reserves	343019	343019	296197	343019	296157	343019	2. Effective April 1, 2007 the Bank has adopted AS-15 (Revised) issued by ICAI and had recognized the transitional liability for defined Benefits (Gratuity, Pension and Leave Encashment) of ₹ 149.70 Crore as an expense on straight line basis over a period of five years. This being the 5th year, accordingly the amount provided on account of transitional liability for the nine months is ₹ 22.46 crore. The amount unrecognized is ₹ 7.48 crore. Further an additional amount of ₹ 48.58 crore has been charged to Profit and Loss account towards provisions on account of Gratuity, Pension and Leave Encashment as per Actuarial Valuation.						
17	Reserves excluding revaluation reserves (As per Balance Sheet of Previous Accounting year)	343019	343019	296197	343019	296157	343019	3. Provisioning coverage ratio as at 31.12.2011 works out to 94.07%						
	Analytical Ratios							4. The number of investors complaints received during the quarter were four and all have been disposed off.						
	(i) Percentage of Shares held by Govt. of J&K	53.17%	53.17%	53.17%	53.17%	53.17%	53.17%	5. Previous period figures have been recast/regrouped wherever necessary, to make them comparable.						
	(ii) Capital Adequacy Ratio % (Based-I)	13.28%	13.52%	14.14%	13.28%	14.14%	13.30%	6. The above results are stand alone and do not include that of subsidiary company of which the operations have not yet started.						
	(Based-II)	13.62%	13.81%	15.49%	13.62%	15.49%	13.72%	7. The above results for the quarter and nine months ended 31st December, 2011 have been taken on record by the board in its meeting held on 28th January, 2012.						
	(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)	43.98*	41.18*	34.53*	122.76*	98.32*	126.90							
	b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (* not annualized)	43.98*	41.18*	34.53*	122.76*	98.32*	126.90							
	(iv) NPA Ratios													
	a) Amount of Gross NPAs	54502	54190	50383	54502	50383	51883							
	b) Amount of Net NPAs	4893	6303	1061	4893	1061	5324							
	c) % of Gross NPAs	1.80%	1.89%	1.95%	1.80%	1.95%	1.95%							
	d) % of Net NPAs	0.16%	0.22%	0.04%	0.16%	0.04%	0.20%							
	(v) Return on Assets (Annualized)	1.52%	1.50%	1.45%	1.44%	1.37%	1.22%							
18	Aggregate of Public Share Holding													
	(i) No. of Shares (in Crores)	2.27	2.27	2.27	2.27	2.27	2.27							
	(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	25775266	25775266	25775266	25775266	25775266	25775266							
	- 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 company)	53.17%	53.17%	53.17%	53.17%	53.17%	53.17%							

IN TERMS OF THE REPORT OF EVEN DATE ANNEXED



CA, Amit Goyal
Partner
(No. No. 088512)

Place: Jammu
Date: 28th January, 2012

BALANCE SHEET AS AT 31ST DECEMBER, 2011

	As at 31.12.2011	As at 31.12.2010
	(₹ IN LAC)	
CAPITAL AND LIABILITIES		
Capital	4,849	4,849
Reserves and Surplus *	402,532	343,861
Deposits	4,877,894	4,087,737
Borrowings	86,785	111,591
Other Liabilities and Provisions	106,738	96,142
TOTAL :-	5,478,798	4,644,180
ASSETS		
Cash and Balance with Reserve Bank of India	295,851	235,271
Balance with Banks & Money at Call & Short Notice ...	93,830	44,911
Investments	1,983,874	1,721,709
Advances	2,973,414	2,536,274
Fixed Assets	40,834	38,225
Other Assets	90,995	67,790
TOTAL :-	5,478,798	4,644,180

* Includes profit for the half year (Rs. 59513 Lac) Previous year (Rs. 47664 Lac)


In terms of our report of even date annexed

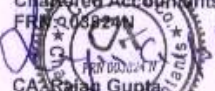
For O.P. Singh & Co.
Chartered Accountants
FRN: 01184N

CA Vikram Garg
Partner
(M. No. 097936)

For K B Sharma & Co.
Chartered Accountants
FRN: 02312N

CA Mushtaq Ahmad
Partner
(M. No. 094750)

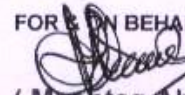
For Verma Associates
Chartered Accountants
FRN: 02217N

CA Manoj Kumar
Partner
(M. No. 093614)

For P.C. Bindra & Co.
Chartered Accountants
FRN: 05924N

CA Rajan Gupta
Partner
(M. No. 090330)

For K K Goel & Associates
Chartered Accountants
FRN: 05289N F. R. No.
005299N

CA Amit Goel
Partner
(M. No. 098913)

FOR & ON BEHALF OF THE BOARD


(Mushtaq Ahmad)
Chairman & CEO

Place : Jammu
Dated : 28th January, 2012