

JM Financial's consolidated revenue is up by 16% and consolidated profit up by 35% for the quarter ended December 31, 2015.

The Board of Directors declares an interim dividend of Re.0.60 per share of the face value of Re.1/- each.

Mumbai, February 3, 2016: The Board of Directors of JM Financial Limited, at its meeting held today, has approved the unaudited financial results for the quarter and nine months ended December 31, 2015.

Summary of Consolidated quarterly results

(Rs. in crore)

Particulars	Quarter ended December 31, 2015	Quarter ended December 31, 2014	% increase
Total income	426.00	366.56	16%
Profit before tax	178.13	137.33	30%
Net profit after tax and before minority interest	149.94	102.61	46%
Net profit after tax, minority interest and share of associates	117.11	87.03	35%

Summary of Consolidated nine months results

(Rs. in crore)

Particulars	Nine months ended December 31, 2015	Nine months ended December 31, 2014	% increase
Total income	1,210.12	1,010.18	20%
Profit before tax	491.51	358.46	37%
Net profit after tax and before minority interest	377.49	265.25	42%
Net profit after tax, minority interest and share of associates	286.72	237.57	21%

The Earnings per share and Diluted Earnings per share, for the nine months ended December 31, 2015 is Rs. 3.64 and Rs. 3.61 respectively (not annualised). The consolidated net worth as at December 31, 2015 stands at Rs. 2,822 crore and the debt equity ratio is 2:1

Commenting on the results and financial performance, Mr. Nimesh Kampani, Chairman, JM Financial Group, said,

“Concerns about growth in China emerged as the dominant factor contributing to the volatility in the global markets. It appears that global risk will continue to pressurize the foreign inflows in medium term. The operating performance of Indian Corporates has also been under pressure on account of global commodity meltdown, currency fluctuations and high indebtedness of large corporates. Moreover the slippages of standard advances to NPA by the banks are also a worrying factor.

Despite the above, India continues to remain a bright spot among the emerging markets driven by expected increase in private consumer demand and foreseeable traction in the investment climate as the government is committed to revive the same. We are confident that key economic reform proposals like the GST and the much perceived upcoming ‘growth budget’ will set the tone for further strengthening the economic growth and create a positive investment climate. The Reserve Bank of India's decision to keep the policy rates unchanged in its monetary policy announced yesterday is in line under the prevailing uncertainties.

The group's fund based and asset management businesses have continued to demonstrate steady growth this quarter. We remain focused on the asset quality of our lending portfolio which is reflected in the lower NPAs at 0.21%.

We are committed to our businesses, risk management systems and core values. We are confident that our strategies will help us to offer a broad gamut of solutions to our clients and stay competitive in tough times.”

Business Update

Investment banking and securities business:

The **Investment Banking business** continues to grow with a robust deal pipeline and several mandated transactions under execution. Our approach is relationship driven and to add value to our clients with right advice. Given our in-depth understanding of the industry trends, our clients are better placed to leverage potential opportunities to take their business goals at the next level. We have been ranked number 1 in the Bloomberg's list of M & A in India during the last calendar year and stood second by the size of deals advised in the rankings compiled by Dealogic, a New York based researcher on the deal economy. Prime Database ranked us as the top investment bank handling more than Rs.42,000 crore of equity issuances in the Indian public market.

During the quarter our Investment banking team executed the following deals:

- Global Coordinator and BRLM for Qualified Institutional Placement of NCDs with Warrants by HDFC – Rs. 5,051 crore. Upon conversion, the warrants will further raise Rs. 5,384 crore.
- Global Coordinator and BRLM to the Initial Public Offer by S. H. Kelkar – Rs. 508 crore.
- Lead Managers to the rights issue of IL&FS Transportation Networks – Rs.740 crore.
- Sole financial advisor to Videocon Telecommunication Limited on their sale of spectrum to Idea Cellular Limited.
- Financial advisor and manager to the delisting offer made by Essar Ports Limited

Our **Institutional Equities business** saw increased client interaction and steady growth momentum during the quarter. New institutional clients continue to get added to our universe of clients across geographies, in line with our strategy of increasing the breadth and reach of our product.

During the quarter, the Institutional Equities business hosted its annual flagship investor conference in November 2015 in Mumbai. The conference was extremely well received with over 75 leading corporates and keynote speakers and about 300 institutional investors both foreign & domestic participating in the same.

Our Institutional Equities business also continued to strengthen its international presence with the opening of our office in United States (US). The US office, along with the already established Singapore and Mauritius offices will enable the business to further deepen our relationships with marquee global funds and establish new client relationships.

Our Institutional Equities business also continues to expand on its research product with wide coverage and technology enhancements across functions.

Investment Advisory and Distribution business offers wealth management, equity brokerage and Independent Financial Distribution services.

Wealth management business offers advisory services to High Net-worth Individuals, Ultra High Net-worth Individuals & Corporates. Our Wealth Management plans are tailored on the foundation of deep understanding of asset allocations, financial products and succession planning. Open product architecture through combination of in-house offerings and third party products have enabled JM Financial to emerge as an unbiased “Trusted Advisor” to its clients. We follow a hub and spoke model where the smaller cities are covered by the team sitting out of the major cities.

The **AUM** of our wealth management business stood at over **Rs. 23,386 crore** as on December 31, 2015. We have presence in 7 major cities in India (Mumbai, New Delhi, Bangalore, Hyderabad, Kolkata, Ahmedabad and Pune) with team of more than 50 experienced wealth advisors catering to Ultra High Net worth families, High Net Worth families and corporate treasuries. Our focus is on growing discretionary assets. We have plans to increase the employee strength by recruiting additional 50 wealth advisors in near future.

Our **Equity brokerage business** offers equity sales and trading services to HNIs, Corporates and Retail clients. This group is supported by technical and fundamental research teams who generate Investment and Trading Ideas and derivative strategists.

We have presence in 261 locations spread across 112 cities through a network of branches and franchisees.

In the **distribution business**, we have a large network of 8,140 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. During the quarter, we helped corporates mobilise more than Rs. 800 Crore in fixed deposit schemes and fixed income products.

Fund based business:

The overall lending book stood at **Rs. 6,550 crore** as on December 31, 2015 as against Rs.6,118 crore as on September 30, 2015. Out of the said lending book, the real estate lending book stood at **Rs.4,314 crore** with the non-real estate lending book at **Rs.2,236 crore** as on December 31, 2015. The treasury book as on December 31, 2015 for the fixed income securities stood at **Rs. 249 crore**. We continued our efforts of diversifying our sources and maturities for our borrowing profile. Our long term borrowing as a proportion of total borrowing stood at approximately **30 %** on December 31, 2015. Our commercial real estate funding focus is on Tier - 1 cities, viz., Mumbai, Pune, Bangalore and Chennai. We plan to selectively enter into new geographies to expand our business.

In light of the prevailing stress in the economy, we have been extremely selective and remained focus on the asset quality.

During the quarter, **the asset reconstruction business** actively participated in several auction processes and also pursued single credit accounts with banks. We managed to close four deals - two as part of debt aggregation and two fresh acquisitions. With high level of NPAs and restructured assets in the banking system and a greater thrust by the Reserve Bank of India for controlling the NPAs, the market will continue to present plenty of opportunities and we are well positioned to capitalize on the same.

Our focus continues to be on restructuring and resolution of our acquired portfolios. As part of this strategy, we successfully closed the sale of one large property of Hotel

Leelaventure Ltd. and are in the process of restructuring this account. The sale got concluded at Rs.725 crore. Consequently, investments made by us in the security receipts have been liquidated upon redemption of SR's resulting in a healthy yield and incentive fees. On conclusion of this transaction, adequate liquidity has been created thereby paving the way for fresh acquisition in stressed assets.

We are the second largest capitalized Distressed Asset Management Companies in India having consistent performance and leadership position in the industry, with a **market share** of approximately **18%**. Given the March 2017 deadline by the Reserve Bank of India to the banks to clean up their balance sheets, we are very well positioned to have larger pie in acquiring the stressed assets and can commit capital to meet the requirements.

Alternative Asset Management:

At the end of the quarter, the combined AUM/AUA of our private equity and real estate funds stood at around Rs.875 crore.

JM Financial India Fund (the Fund), our **private equity fund** continues to work closely with its portfolio companies to seek exit opportunities.

As on December 31, 2015, the Fund returned an **aggregate 71.70 %** of the capital contribution received from its Investors in Indian Rupee terms.

Our **Real Estate Fund** too continues to work closely with the portfolio companies to seek suitable exit opportunities.

As on December 31, 2015, the domestic scheme of the Real Estate Fund returned an aggregate 54% of the capital contribution received by it and the offshore scheme returned 49% of its capital contribution both in Indian Rupee terms.

Asset Management:

We offer a bouquet of 17 mutual fund schemes across the risk-return spectrum that caters to the specifics of both institutional and non-institutional investors. Our risk and fund management framework allows us to effectively manage both risk and investments while generating high quartile returns across the product categories that we offer.

Although, we saw a lot of FI selling due to uncertainty in emerging and global markets, the domestic institutions continued to buy Indian equities. Our equity schemes have performed well despite the volatile market conditions.

The average AUM of our Mutual Fund schemes during the quarter ended December 31, 2015 stood at **Rs. 15,868 crore**. Out of this AUM, the AUM in the **equity schemes was at Rs. 5,106 crore, under the Arbitrage scheme at Rs 5,321 crore and the AUM of the debt schemes stood at Rs. 5,441 crore.**

Awards and Recognitions:

JM Financial Institutional Securities Ltd was awarded 'Best Corporate and Institutional Bank –Domestic' and 'Best Equity House by the Asset Triple A Country Awards 2015.

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The unaudited financial results are attached. Both, the press release and unaudited financial results are available on our website www.jmfl.com

About JM Financial

JM Financial is an integrated financial services group offering a wide range of capital market services to its corporate and individual clients. The Group's businesses include investment banking, institutional equity sales, trading, research and broking, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, fixed income broking, non-banking finance products, private equity and asset reconstruction. For more information, log on to www.jmfl.com or **contact:**

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Forward - Looking statements

This press release ('document') containing JM Financial Group's activities, projections and expectations for the future, may contain certain forward-looking statements based upon the information currently available with the Company or any of its subsidiaries and associate companies. The financial results in future may vary from the forward-looking statements contained in this document due to uncertainties and unforeseen events that may impact the businesses of the JM Financial Group. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

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