

PRESS RELEASE
For Immediate Release

JM Financial reports 83% increase in net consolidated profit for the quarter ended September 30, 2014

Mumbai, November 04, 2014: The Board of Directors of JM Financial Limited, at its meeting held today, considered and approved the unaudited financial results for the quarter and half year ended September 30, 2014. JM Financial H1FY15 consolidated revenue at Rs.644 crore up by 22% and consolidated profit up by 42% to Rs.151crore.

Consolidated Results – Key Highlights:

FY 15 – Q2 compared to FY 14 – Q2

- **Total income increased by 52%** to Rs. 377.23 crore from Rs. 247.67 crore
- **Profit before tax increased by 101%** to Rs. 137.34 crore from Rs. 68.26 crore
- **Net profit after tax**, minority interest and share of associates **increased by 83%** to Rs. 92.19 crore from Rs. 50.40 crore

FY 15 – H1 compared to FY 14 – H1

- **Total income increased by 22%** to Rs. 643.62 crore from Rs. 529.58 crore
- **Profit before tax increased by 50%** to Rs. 221.13 crore from Rs. 147.35 crore
- **Net profit after tax**, minority interest and share of associates **increased by 42%** to Rs. 150.54 crore from Rs. 105.94 crore

The Earnings per share and Diluted Earnings per share, for the half year ended September 30, 2014 is Rs. 1.98 and Rs. 1.95 respectively (not annualised).

Commenting on the quarterly results, Mr. Nimesh Kampani, Chairman, JM Financial Group, stated, "Our financial performance stands testimony to our commitment to deliver long term value to our stakeholders. While all our businesses have done well during the quarter, our fee based business has been a significant contributor to our growth. Our fund based business has been very selective and we continue to remain focus on the asset quality and net interest margin. In spite of our low leverage, we have been able to garner higher returns.

The economic growth is expected to pick up pace progressively due to greater economic momentum backed by reforms initiative from the government. Our markets are also getting support of global liquidity.

Looking ahead, we continue to remain optimistic about the group's opportunities and potential profit avenues in the financial services sector. We however, would closely watch the impact of domestic policies on economy as well as the global geo political situation for any unexpected shocks."

Business Update

Investment banking and securities business:

During the quarter under consideration our Investment banking division executed the following deals:

- Acted as advisors to Qualified Institutional Placement by IDFC Ltd – Rs. 1,000 crore.
- Acted as advisors to Qualified Institutional Placement by Karur Vysya Bank Ltd – Rs. 625 crore.
- Acted as financial advisor to Financial Technologies (India) Limited for divestment of stake held in Multi Commodity Exchange of India Limited
- Acted as manager to the Rights issue of Indian Hotels Company Limited of Rs.1,000 crore.
- Acted as financial advisor to the preferential issue in equity shares by Future Lifestyle Fashions Limited of Rs.125 crore.
- Managed the public issue of Non Convertible Debentures of Shriram Transport Finance Company Limited for Rs.1,975 crore
- Worked as the financial advisor to Diageo and acted as the manager to their tender offer to the shareholders of United spirit limited (USL) for acquiring 26% stake in USL for a total consideration of Rs 11,449 crores.

The pipeline of our investment banking business continues to remain healthy with several mandated transactions under execution.

The Institutional Equities Business is seeing increased traction on the back of positive sentiment following establishment of new government, policy announcement from the new government, expectation of economic revival in the country, global liquidity easing and consequent positive flow of funds from foreign institutional investors as well as net-inflows in domestic mutual fund industry.

We held our Asia conference in Singapore and Hong Kong in the month of August which was well received by both investors and corporates alike. A total of 16 corporates & a large number of investors attended the conference which was held over 2 days.

In the wealth management business, the assets under management stood at approximately Rs.19,600 Crore as on September 30, 2014.

In the distribution business, we have a large network of approximately 7,800 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. We have presence in 255 locations spread across 113 cities through a network of branches and franchisees. During the quarter, we mobilized more than Rs.700 Crore in fixed deposit schemes and fixed income products of various companies.

Fund based activities:

We continued funding activities in the areas of loan against securities and loan against commercial real estate properties. Loan against securities include products like Loan against shares, Sponsor Funding, Margin Funding, ESOP funding and IPO funding. The overall funding book stood at Rs. 4,067 Crore as on September 30, 2014. The treasury book as on September 30, 2014 for the fixed income securities stood at Rs. 625 Crore. We continued with our activities of debt-raising through various money market instruments, other medium to long term instruments and secured credit facilities from Banks.

During the quarter, the asset reconstruction business has been a low contributor to the segment's profitability. On account of higher interest on borrowing done to acquire receivables of Hotel Leela, corresponding income will be booked on resolution of these acquisitions. Banks continued to announce auctions for NPA portfolios. However, deal closure was a challenge due to mismatch in price expectations of Banks and ARCs. We managed to close a few deals as part of debt aggregation efforts. The recoveries remained steady during the quarter due to settlement with Borrowers and already restructured accounts.

Our focus continues to remain on cash acquisitions. Since large accounts constitute a major chunk of NPAs in the banking system, sale of accounts by Banks as consortium is the need of the hour. This will facilitate debt aggregation in a short time and enable ARCs to formulate and implement the resolution process without any delays.

With persistent high level of NPAs in the Indian banking system and positive regulatory measures, the outlook for the business remains promising.

Alternative Asset Management:

At the end of the quarter, the combined AUM/AUA of the private equity fund and real estate fund stood at around Rs.1,005 crore.

JM Financial India Fund (the Fund), a private equity fund has partly exited one of its investments during this quarter. The Fund is working closely with its portfolio companies in helping them grow their businesses as well as to seek exit opportunities.

JM Financial Property Fund has also exited one of its investments and continues to focus on working closely with the management of the portfolio companies to develop high quality real estate projects and seeking exit opportunities.

Asset Management:

The AUM of the Asset Management Business has seen significant growth during the quarter, which in turn has supported in contributing to the growth of the business. The average AUM in our Mutual Fund as on September 30, 2014 stood at Rs. 11,976 crore. The average AUM under Equity schemes was at Rs. 4,596 crore and under the Debt Schemes was at Rs. 7,380 crore.

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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

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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. This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and neither JM Financial Group nor any of their directors or employees will be liable in any manner for the consequences of such actions.