



JM Financial Limited

Investor Presentation

August 2, 2016

Safe harbour

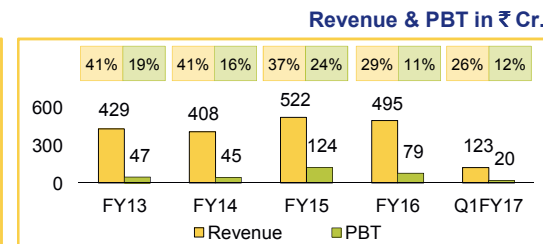
This presentation describing our activities, projections and expectations for the future, may contain certain 'forward looking statements' within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. These risk factors and uncertainties include the effect of domestic as well as global economic and political events, volatility in interest rates and in the securities market, new regulations and government policies that may impact our businesses as well as ability to implement our strategies. We are under no obligation to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

Sustainable growth – Oriented portfolio

- JM Financial is a four decade old institution founded by Mr. Nimesh Kampani
- Servicing clients across the financial services spectrum
- PAN India Presence
- Firm four-decade footprints - proven track record of growth & sustainability
- Pioneered innovative products in the financial services space
- Trusted & preferred partner – client centric business model

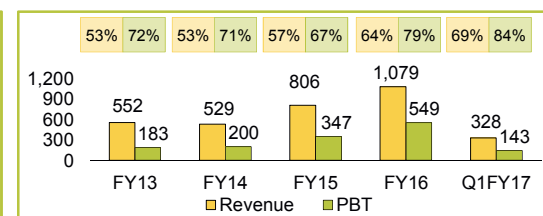
Investment Banking, Securities and Wealth Management

- Corporate Finance Advisory
- M&A Advisory – domestic & cross border
- Private Equity Synd
- Equity Capital Markets - Debt Capital Markets
- Equity Research, Sales & Trading
- Wealth Management
- Financial Products Distribution



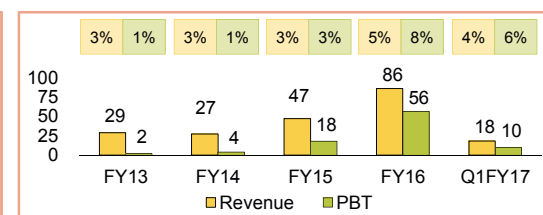
Fund based activities

- Margin Financing
- Loan against property
- Loan against Shares
- Broker Funding
- Commercial Real Estate
- Debt Restructuring
- ESOP Funding



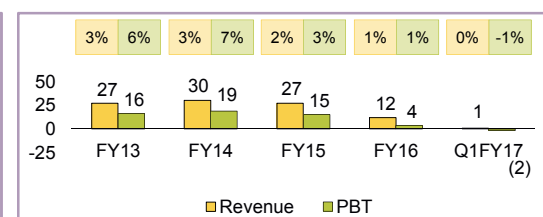
Asset Management

- Mutual Funds



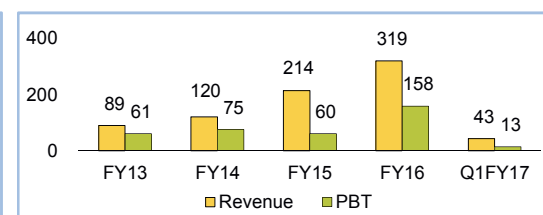
Alternative Asset Management

- Real Estate Fund
- Private Equity Fund



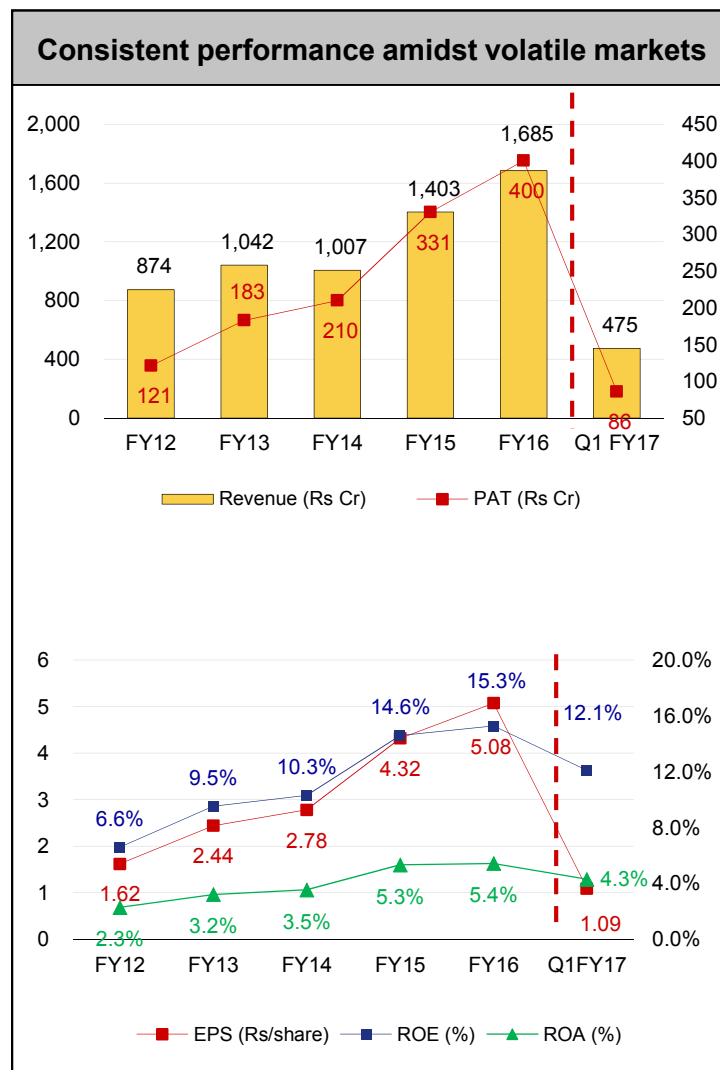
Asset Reconstruction Business

- Acquisition of Bank NPA's and resolution thereof



Accelerated pace of growth

- Four decades of prominent presence depicting –
 - value driven growth and;
 - long-term sustainability
- Q1 FY17 highlights –
 - Revenue ₹ 475 Cr
 - PBT ₹ 171 Cr
 - Net profit before minority interest ₹ 117 Cr
 - EPS ₹ 1.09
 - ROE 12.1%
 - ROA 4.3%



ROA = Net profit before minority interest / Average total assets

Expanding latitude year on year

2008 – 2016

- NBFC (Real Estate Lending, Debt Trading and Corporate Financing)
- Asset Reconstruction
- International Expansion in advisory business
- FINTECH investments/lending

2003 – 2007

- NBFC (Securities Backed Financing)
- Alternative Asset Mgmt (Private Equity & Real Estate)
- Broking (Debt & Commodity)

1991 – 2002

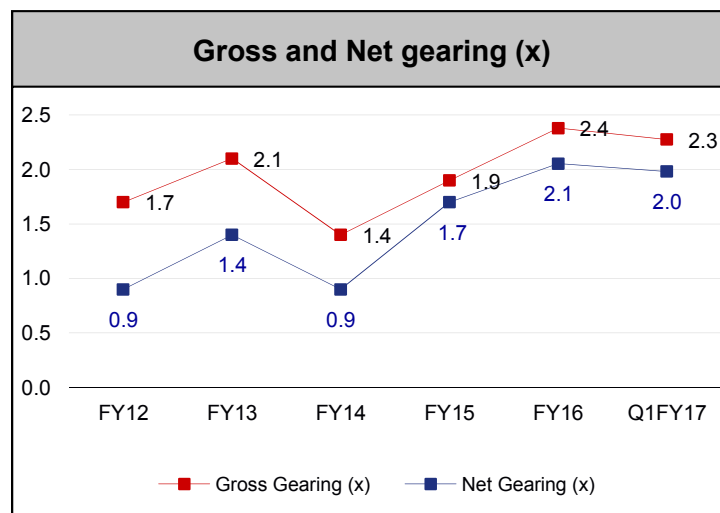
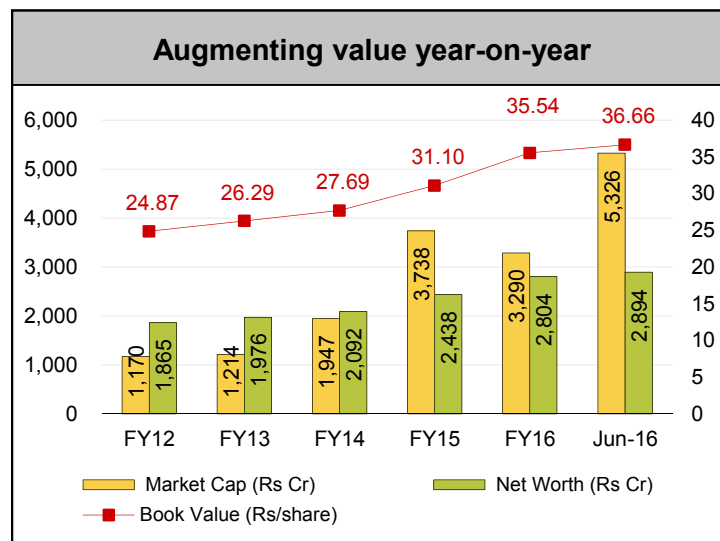
- Institutional Equities (Research & Sales)
- Asset Management (Mutual Fund)
- Cross Border (M&A, ADR & GDR)
- Broking (Equity)

1973-1990

- Wealth Management (Investment Advisory)
- Financial Product Distribution – creation of retail investing culture
- Investment Banking

Delivering value

- Delivering consistent superior returns to shareholders -
- Stock trading at a P/E of around 15.5x and a P/B of 1.8x
- Continued focus on maximizing shareholders' return



Stock performance vs. Indices

Stock / Index	12-M	3-Y
JMFL	31%	231%
CNX 500	3%	67%
CNX Smallcap	6%	129%
CNX Bank	0%	85%
CNX Finance	1%	80%

Conservative D/E depicting business strength, adequate cash cushion and strong business model

Key features of consolidated financial performance

Key Features

Net worth on June 2016 ₹ 2,894 Cr (June 2015 ₹ 2,536 Cr), Book value on June 2016 ₹ 36.66

Loan book on June 2016 at ₹ 7,334 Cr (June 2015 at ₹ 5,492 Cr)

Average Daily Turnover as on June 2016 in the secondary market at ₹ 2,349 Cr (June 2015 ₹ 2,334 Cr)

Wealth Management AUM on June 2016 at ₹ 23,755 Cr (June 2015 ₹ 20,205 Cr)

Asset Reconstruction AUM on June 2016 at ₹ 9,792 Cr (June 2015 ₹ 8,444 Cr)

Alternative Asset Management AUM on June 2016 at ₹ 751 Cr (June 2015 ₹ 900 Cr)

Asset Management Quarterly Average AUM at ₹ 12,756 Cr (Q1 FY16 ₹ 11,676 Cr)

I : Quarterly performance – Q1 FY17

Key features of Q1 FY17 consolidated financial performance

Key Features

Gross revenue ₹ 475 Cr (Q4FY16 ₹ 475 Cr, Q1FY16 ₹ 383 Cr)

Profit before tax ₹ 171 Cr (Q4FY16 ₹ 201 Cr, Q1FY16 ₹ 146 Cr)

Profit after tax and before minority interest ₹ 117 Cr (Q4FY16 ₹ 148 Cr, Q1FY16 ₹ 100 Cr)

Profit after tax ₹ 86 Cr (Q4FY16 ₹ 114 Cr, Q1FY16 ₹ 72 Cr)

PAT margin at 18.1 % (Q4FY16 24.0%, Q1FY16 18.9%)

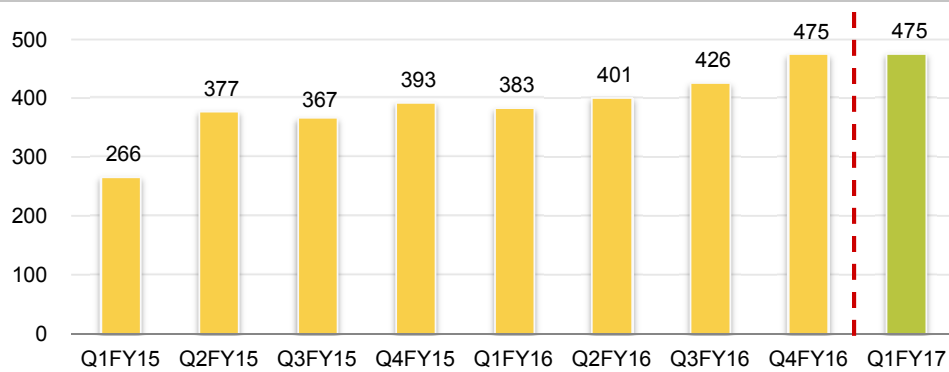
Earning per share stood at ₹ 1.09 (Q4 FY16 1.44, Q1 FY16 0.92) (not annualised)

Consolidated group annualised RoE at 12.1% (Q4FY16 17.4%, Q1FY16 11.6%)

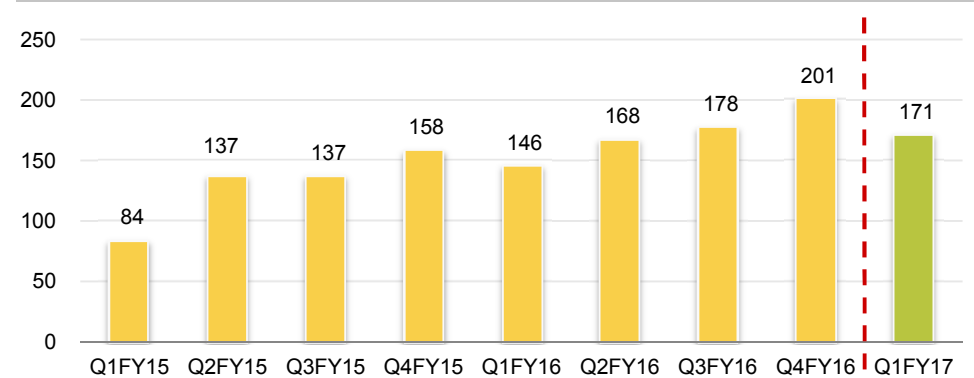
Consolidated financial performance – Quarter by Quarter

Snapshot

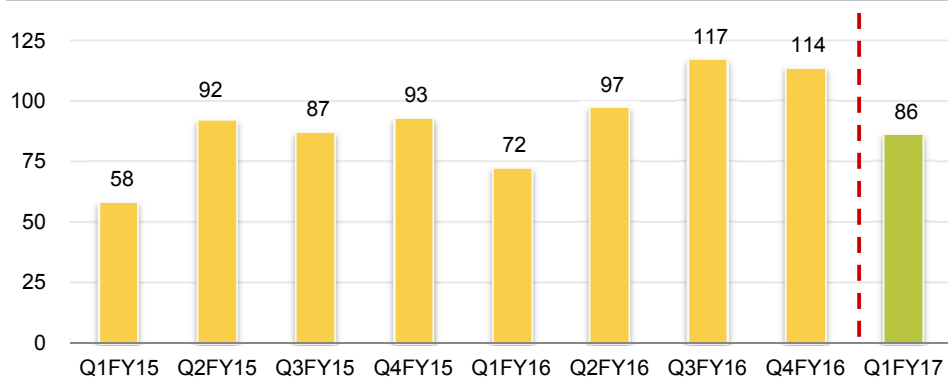
Gross revenue (₹ Cr)



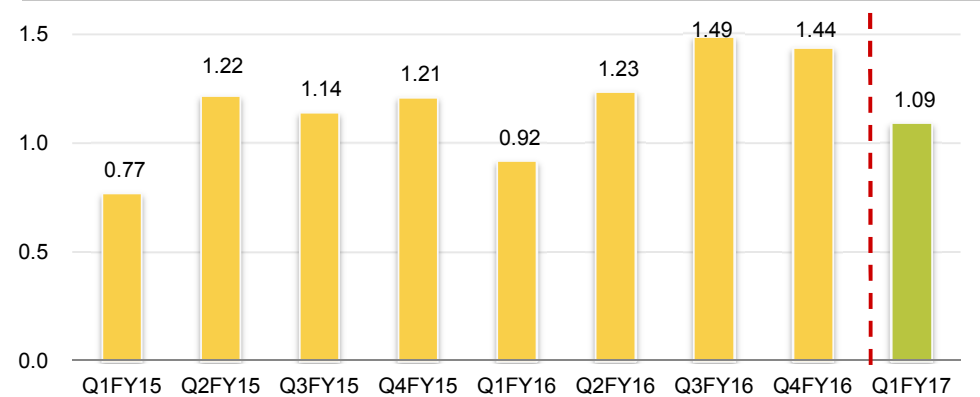
Profit before tax (₹ Cr)



Net consolidated profit (₹ Cr)



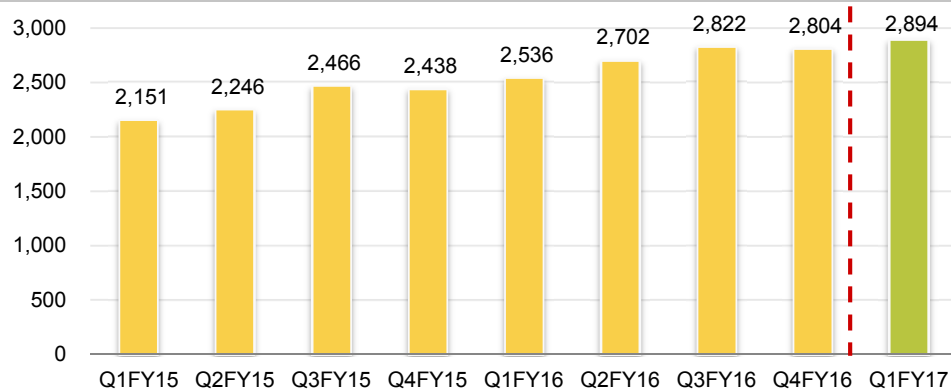
EPS (₹) (not annualised)



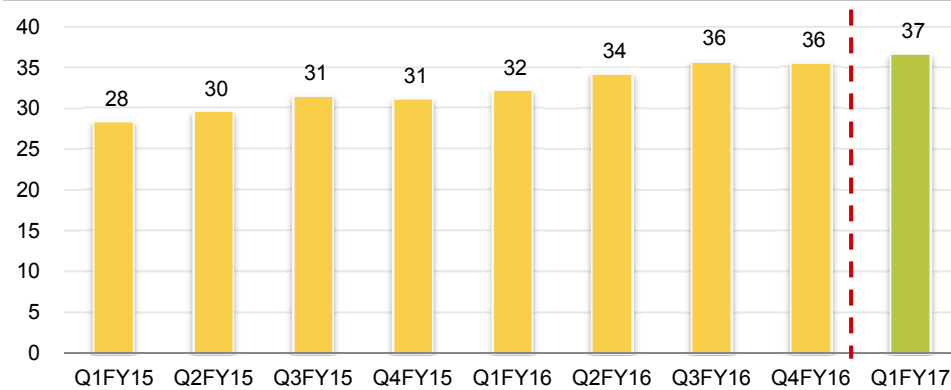
Consolidated financial performance – Quarter by Quarter

Snapshot

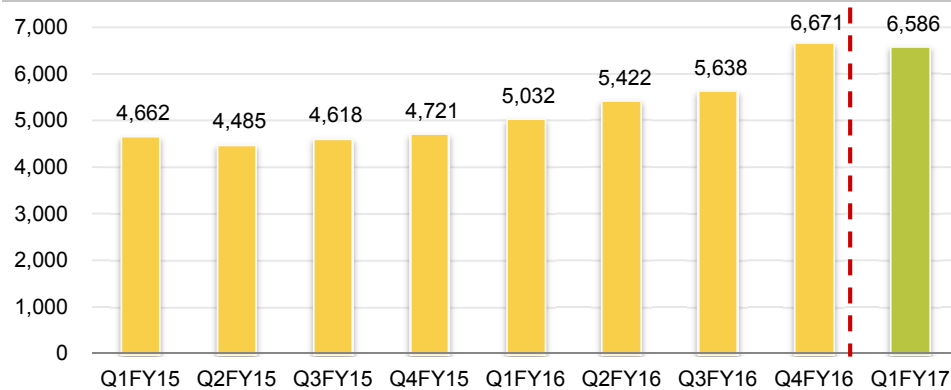
Net worth (₹ Cr)



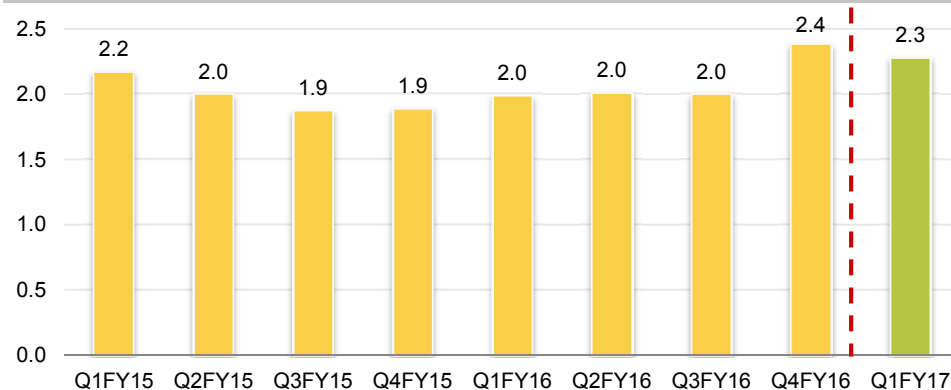
Book value per share (₹)



Borrowings (₹ Cr)



Debt equity



Results for Q1 FY17 (Consolidated)

₹ Cr	Q1 FY17	Q4 FY16	QoQ	Q1 FY16	YoY
Gross Revenue	475	475	-	383	24%
Sub-brokerage	25	18	38%	20	27%
Employee cost	66	71	-7%	65	1%
Operating cost	32	40	-18%	27	17%
Finance cost	176	139	26%	120	46%
Depreciation	5	5	3%	5	10%
Profit before tax	171	201	-15%	146	17%
Profit after tax	112	143	-22%	97	15%
Share in profit of Associates	5	5	-3%	3	72%
Net profit before minority interest	117	148	-21%	100	17%
Minority interest	-31	-34	-10%	-28	11%
Net Consolidated profit	86	114	-24%	72	19%

Segment performance

Segment revenue	Q1 FY17	Q4 FY16	QoQ	Q1 FY16	YoY
Investment Banking and Securities Business	123	143	-14%	124	-1%
Fund Based Activities	328	297	10%	241	36%
Alternative Asset Management	1	4	-81%	3	-75%
Asset Management	18	23	-20%	15	24%
Others	30	51	-41%	101	-71%
Total Segment Revenue	500	518	-4%	484	3%
Less: Inter - segmental revenue	24	43	-44%	101	-76%
Total Revenue	475	475	-	383	24%

Segment PAT	Q1 FY17	Q4 FY16	QoQ	Q1 FY16	YoY
Investment Banking and Securities Business	14	18	-21%	16	-12%
Fund Based Activities	70	85	-18%	54	30%
Alternative Asset Management	-2	1	-222%	1	-376%
Asset Management	4	5	-21%	4	15%
Others	-1	4	-122%	-2	-60%
Total	86	114	-24%	72	19%

II : Balance sheet highlights

Balance sheet highlights

Balance Sheet Highlights

Net worth on June 2016 ₹ 2,894 Cr (March 2016 ₹ 2,804 Cr)

Borrowings on June 2016 ₹ 6,586 Cr (March 2016 ₹ 6,671 Cr)

Free cash and cash equivalent on June 2016 ₹ 850 Cr (March 2016 ₹ 914 Cr)

Debt equity : Gross gearing 2.3x, Net gearing 2.0x

Balance sheet size on June 2016 ₹ 10,847 Cr (March 2016 ₹ 10,956 Cr)

Loan book on June 2016 ₹ 7,334 Cr (March 2016 ₹ 7,214 Cr)

CRISIL, ICRA and India Ratings (FITCH) maintains long term rating of JM Financial group companies to 'AA/Stable'

Summary Balance sheet

₹ Cr	As at June 30, 2016	As at March 31, 2016
Equity and Liabilities		
Shareholders' funds	2,894	2,804
Minority interest	700	669
Borrowings	6,586	6,671
Other liabilities and provisions	667	812
TOTAL	10,847	10,956
Assets		
Loan book	7,334	7,214
Investment in associates	274	269
Treasury fund	1,618	1,969
Arbitrage and trading book	488	316
Fixed assets	380	340
Other assets	753	848
TOTAL	10,847	10,956

III : Business update

Investment Banking business

- Over four decades of leadership in M&A and Capital Markets
- Strong track record of landmark M&A transactions
- Pioneer in innovating capital market products
- Wide & deep sectoral coverage both from a corporate finance & research perspective
- BW Business World Magna Awards 2015 – “M&A Deal Maker of the Year”
- Ranked as number 2 in the indian M & A league table for FY16 by Mergermarket



Key strength lies in innovative structuring and execution of complex, challenging deals and restructuring of corporate groups & businesses.



Strong long-term Indian Corporate relationships



Leadership positions in all product areas and unmatched market share for landmark transactions



Best-in-Class Execution Team with focus on client satisfaction



Won a number of awards and recognitions over the years for our advisory and execution capabilities. Awarded ‘Best Corporate and Institutional Bank –Domestic’ and ‘Best Equity House’ at the The Asset Triple A Country Awards.

Investment banking business

Snapshot for Q1FY17

BRLM for Initial Public Offer of Thyrocare Technologies Limited – Rs 479 crore

BRLM for Initial Public Offer of Parag Milk Foods Limited – Rs 750 crore.

Lead Manager for Unsecured Subordinated Redeemable Non Convertible Debentures of Mahindra & Mahindra Financial Services Limited – Rs 1,000 crore.

Sole financial advisor to Vertex Group on the sale of Vertex Customer Management India Ltd to Altruist Technologies Ltd.

Sole financial advisor to TransUnion LLC for increasing its stake in Credit Information (Bureau) Limited..

Wealth Management and Broking business

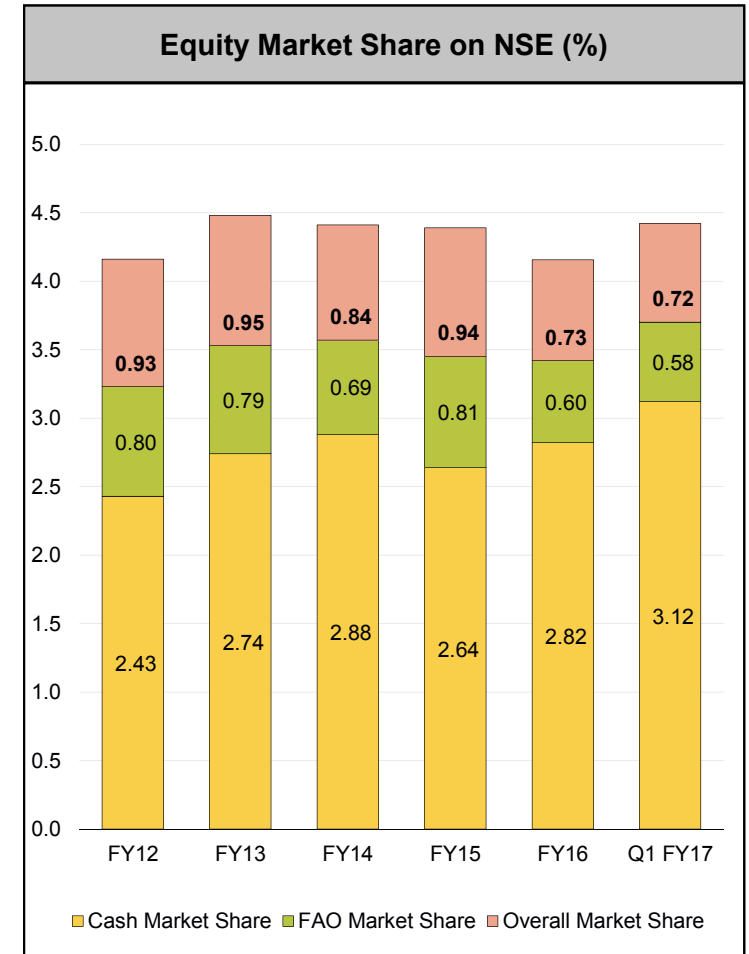
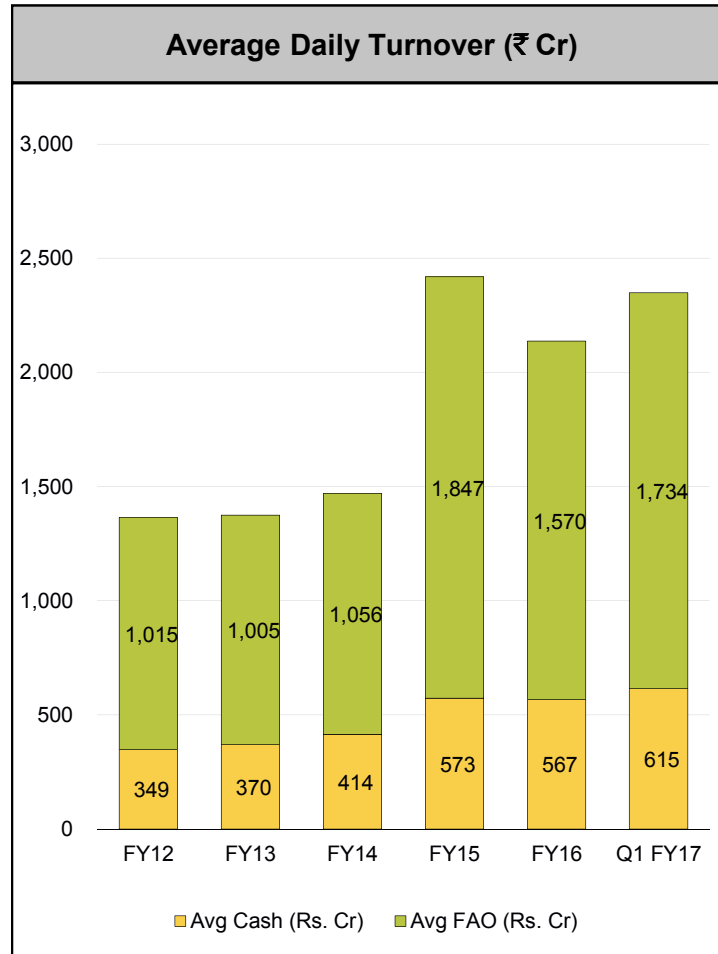
Wealth Management

- ✓ Wealth AUM stands at ₹ 23,755 Cr with a team size of more than 60 wealth advisors as on June 2016
- ✓ Presence in 7 major cities in India i.e. Mumbai, Delhi, Bangalore, Ahmedabad, Pune, Kolkata & Hyderabad
- ✓ Intensely client-oriented approach, create customised long-term Asset Allocation strategy and provide them with unbiased investment solutions
- ✓ Full service providers to clients across all products like Investment Banking, Corporate Finance etc.
- ✓ Focus on growing Discretionary Assets
- ✓ Over 8,300 active IFDs
Coverage of broking segment - 114 cities

Broking business

- ✓ Worldwide institutional reach - dominant global & local institutional franchise
- ✓ Institutional distribution strength - We cover 143 funds across regions
- ✓ Institutional Equities offices at Singapore and New York
- ✓ Extensive research coverage of 180 companies
- ✓ Average daily turnover in Q1FY17 - Rs. 2,349 Cr, which includes cash segment of Rs. 615 Crs
- ✓ Market Share on NSE in Q1FY17 – overall 0.72%, 3.12 % cash segment

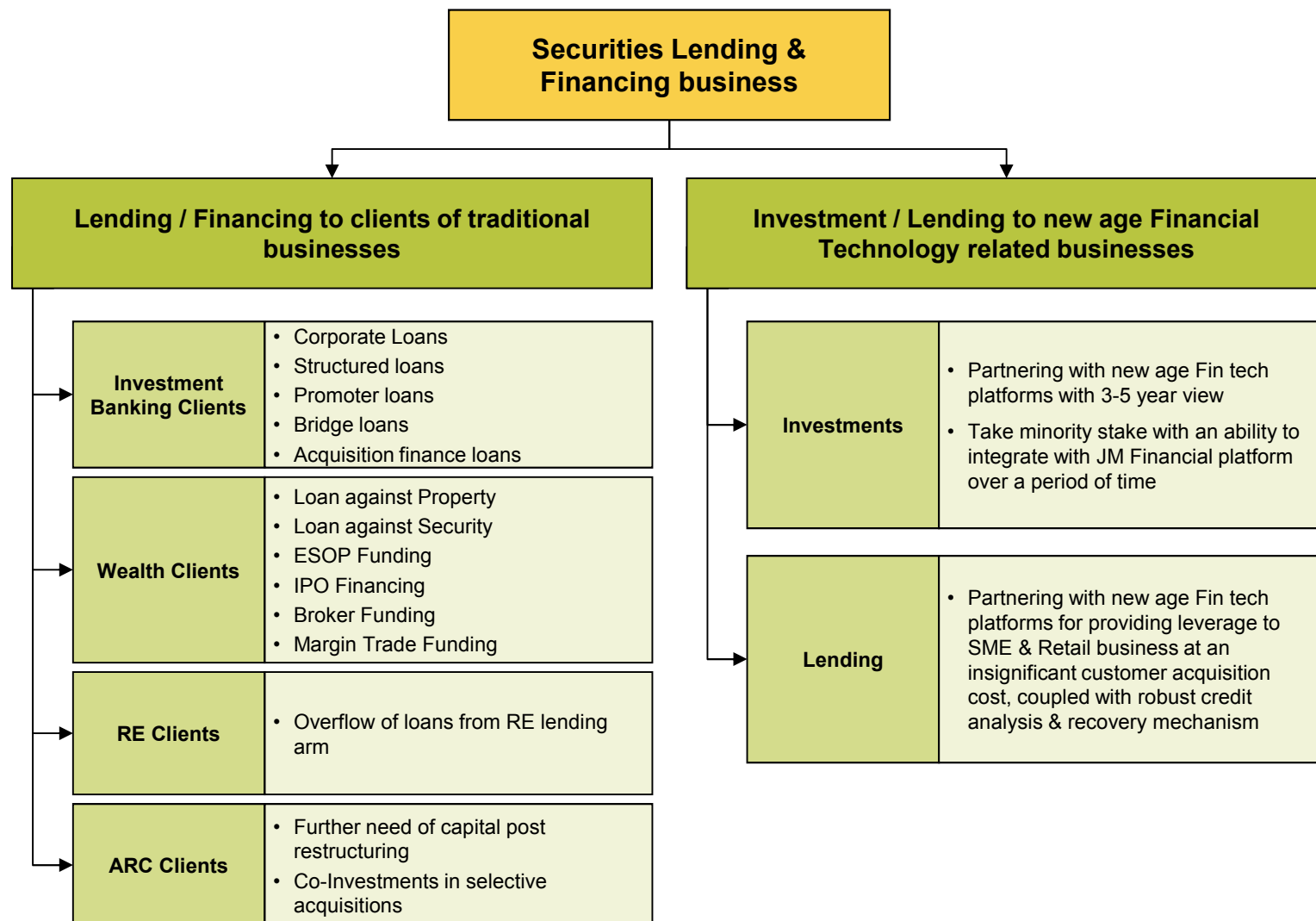
Wealth Management and Broking business



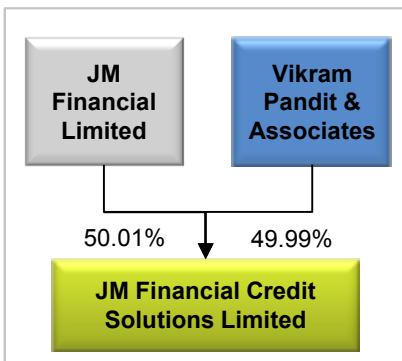
Significant turnover in cash translating in higher returns

Securities Lending and Financing business

- JM Financial Products Ltd. is the Non-Banking Finance Company (NBFC) of the JM Financial Group. The company enjoys the highest short-term credit rating of A1+ from CRISIL
- During the financial year 2015-16 CRISIL re-affirmed the “CRISIL A1+” (highest grading) rating for the Commercial Paper program as well its “CRISIL AA/ Stable” rating for long term NCD issuances and bank loan rating



Commercial Real Estate Lending business



- Strong Balance sheet : Net worth / Owned fund of 1,190 Crore
- JMFL and Vikram Pandit & Associates have created a true strategic partnership not a vanilla PE deal



The real estate financing arm of JM Financial Limited, looks at providing an integrated financial solution to real estate developers – Major focus on real estate project financing



Lending book has grown from INR 1,844 crs in the beginning of FY 2015-16 to ₹ 4,150 Cr till June 2016



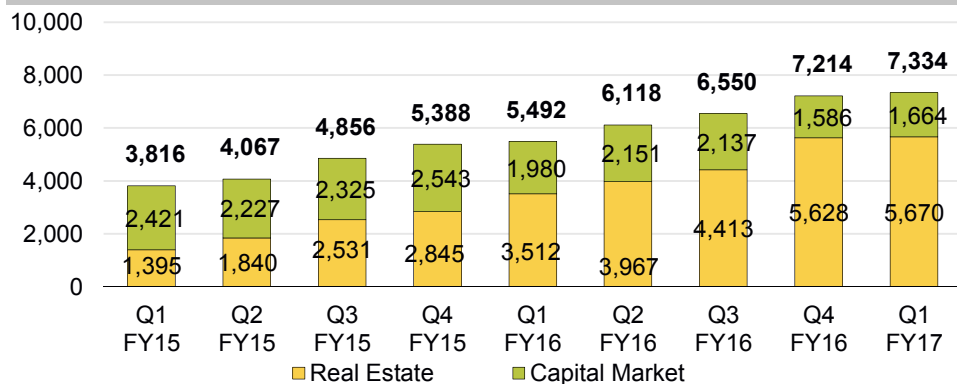
- Book comprises of 40 clients – significant focus on repeat business
- Most of the clients with over 25 years of experience in the industry
- Focus on Tier I markets – Mumbai, Bengaluru, Pune and Chennai
 - With loan disbursements of 50% in Mumbai, 20% Bengaluru, 19% Pune, 11% Chennai and others
- 85% of the book is cashflow backed lending
- 78% of the book is against residential projects



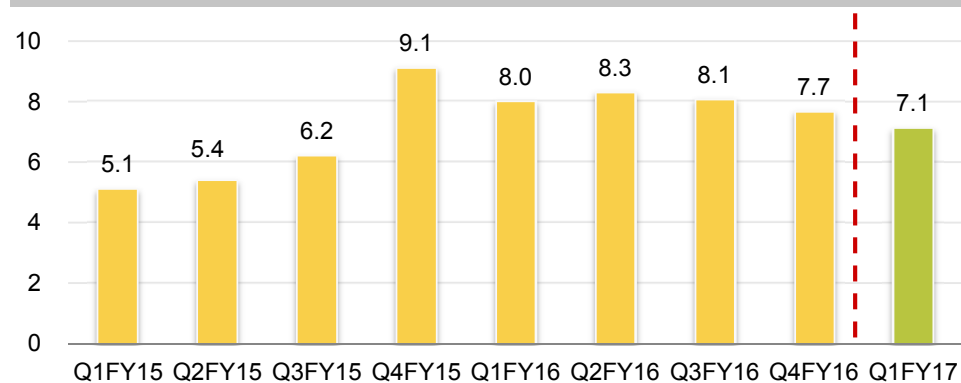
Prominent Relationships – Kalpataru, Wadhwa, RMZ, Embassy, Kanakia, Peninsula, Adarsh, Goel Ganga, Rajesh Lifespaces and Lodha amongst others

Highlights – Fund Based Activities

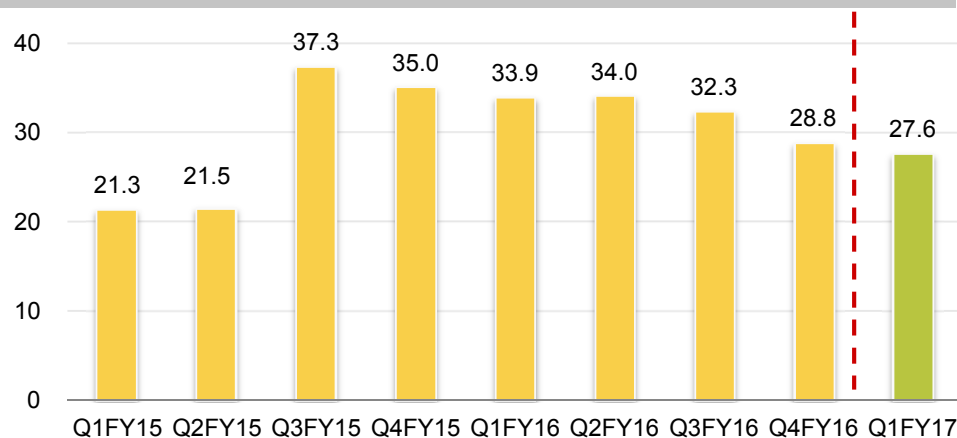
Loan book (₹Cr)



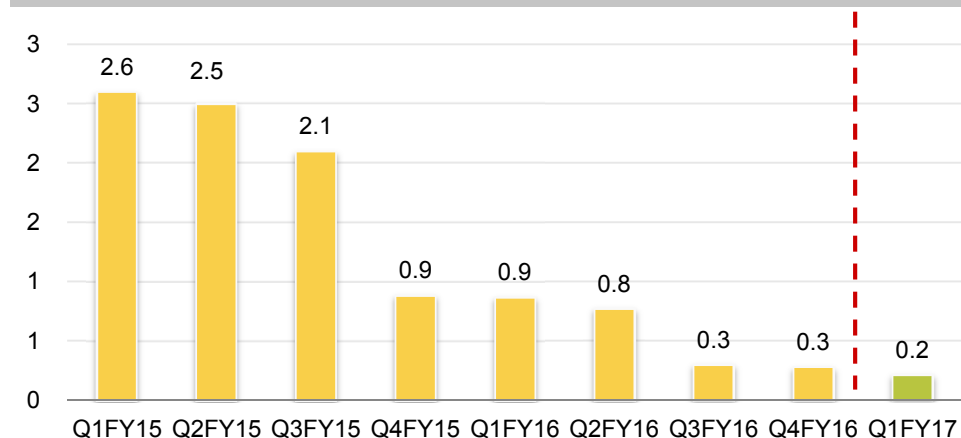
Net Interest Margin (%)



Capital Adequacy Ratio (%)

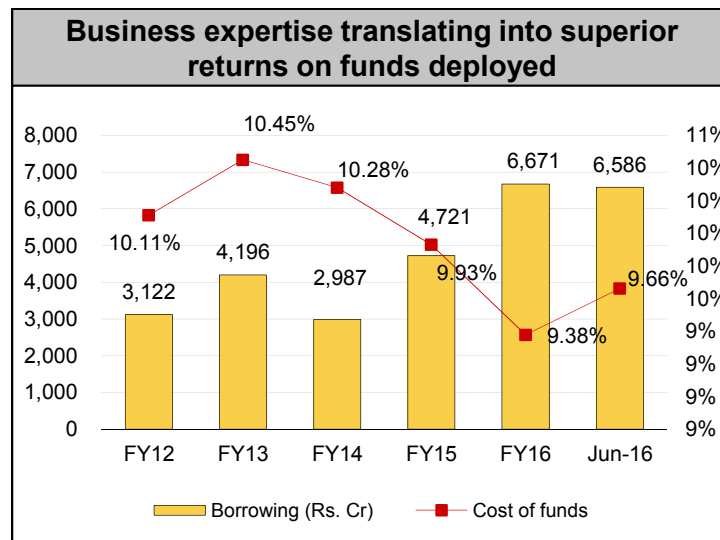


Gross NPA (%)



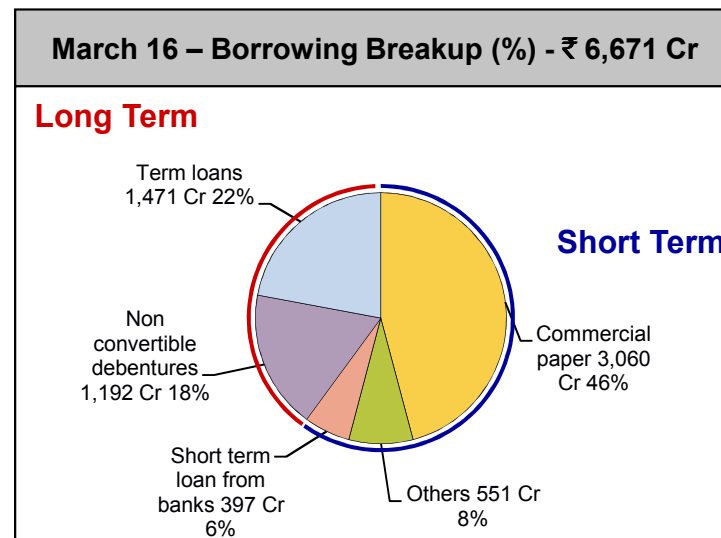
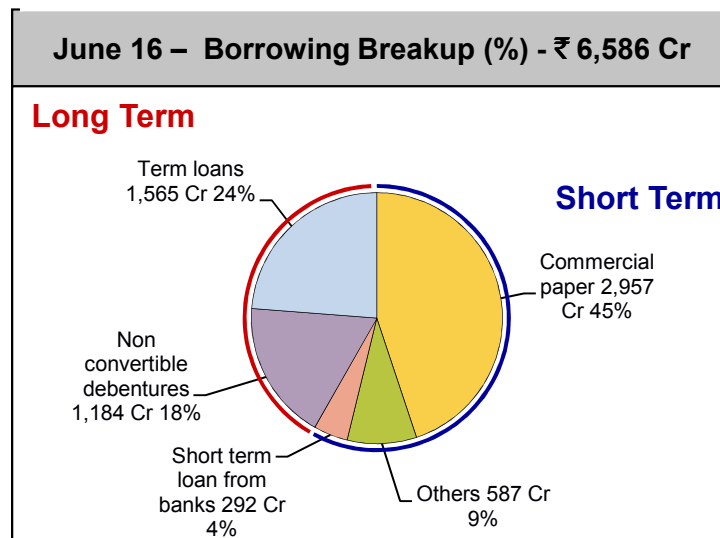
Borrowing profile

- Capital Adequacy Ratio : 27.6%
- Long term debt rating:
CRISIL AA STABLE
ICRA AA STABLE
India Ratings AA STABLE
- Short term debt rating:
CRISIL A1+
ICRA A1+
- Business strength coupled with visible future growth & long-term sustainability facilitate minimal debt servicing risk
- Group Borrowing & ALM committee meets regularly to :
 - review the ALM profile of the group
 - advise on diversifying borrowings based on asset maturity profiles



*excluding IPO borrowings

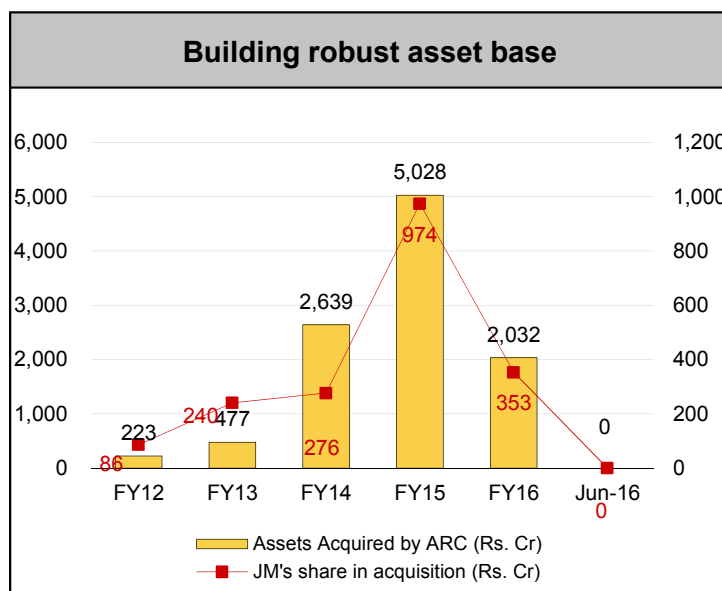
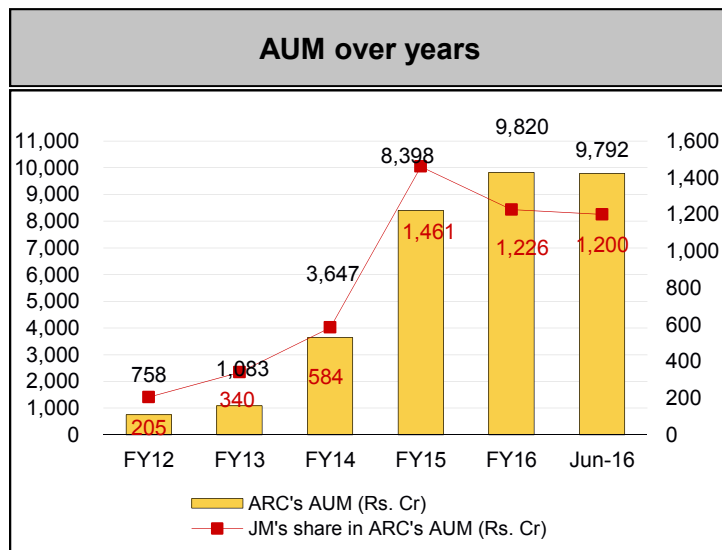
Borrowing vs. Loan book translating into a NIM of 7.1%



Near term focus on diversifying sources of funds and lenders' profiles

Asset Reconstruction

- RBI registered ARC engaged in the business of Distressed Assets management in India
- Highest capitalized private sector ARC in the Indian industry
- Current AUM of ₹ 9,792 Cr comprising Corporate, SME and Retail portfolios
- In-house legal expertise and wide ranging professional expertise
- Offices in Mumbai, Bangalore, Delhi and Kolkata



Significant potential upside in the asset reconstruction business

- RBI's actions over bank NPA's expected to increase the sell-down of distressed assets to ARCs
- Recent amendments expected to pave way for better/ quicker resolution and increase in capital inflow –
 - NCLT and NCLAT set up for faster resolution of corporate disputes
 - Adoption of Insolvency and Bankruptcy Code is likely to streamline debt resolution
 - Extension of timeframe for banks by RBI to spread over the loss from sale to ARCs by Banks
 - Amendment in the SARFAESI Act would increase the capital inflow to the ARC industry

- In June 16 quarter asset reconstruction business actively participated in several NPA auctions
- Overall industry activity low due to –
 - June 16 being the first quarter
 - Banks were awaiting extension of timeframe by RBI for spreading loss from sale to ARCs

Asset Management

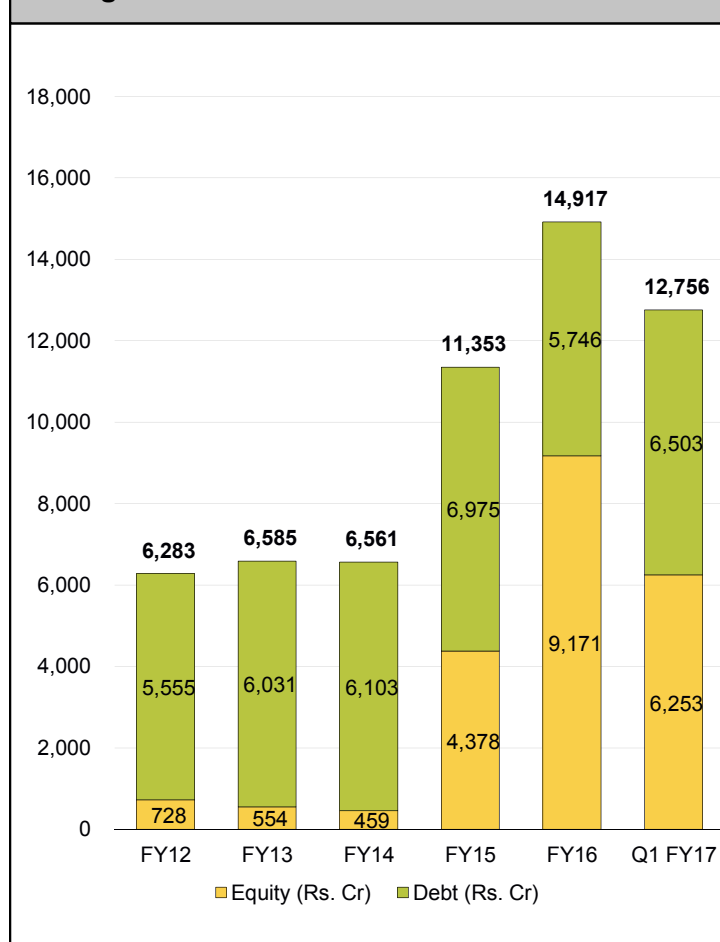
Real Estate

- India focused fund with investments in commercial, residential, retail and hospitality sectors
- Approx. 45% funds raised from international investors
- AUM as on June 30, 2016 – ₹ 233 Cr
- No. of investments: 13
- No. of Exits: 5 full and 2 part
- Fully drawn down & invested
- Amount distributed till date ₹ 202 Cr.

Private Equity

- India focused long term PE fund - providing growth capital to fast growing, primarily unlisted companies
- Approx. 85% of funds raised from International investors
- AUM as on June 30, 2016 - ₹ 518 Cr
- No. of investments: 13
- No. of Exits: 7 full and 1 part
- Fully drawn down & invested
- Amount distributed till date ₹ 689 Cr

Significant increase in AUM – CAGR 20.0%



As on June 30, 2016

- Quarterly Average AUM (QAAUM): ₹12,756 Cr
- Rank (QAAUM): 18 among 43 Mutual Funds
- Market Share: 0.89%

Reach

- Servicing and investor base of around **140,385** through **17** branches and **81** Investor Service Centres
- 17 schemes categorized under – Long Term Debt, Short Term Debt, Balance, Equity Arbitrage and Equity

- One of the well capitalized and profitable AMC in the industry

Note:

1. Equity AUM for FY16 and Q1 FY17 include arbitrage fund of Rs. 4,740 and Rs.2,993 Cr resp

Effective Risk Management Framework

- Risk management given paramount importance
- Risk management embedded in the business processes
- Effective and adequate internal controls

1

Robust risk management architecture encompassing independent identification, measurement and management of risk across various businesses of the Group

2

Effective systems, processes and adequate review mechanism to actively monitor, manage and mitigate risks

3

Monthly risk meetings of all businesses with Group Risk Committee

4

Report of top risks and risk event update periodically placed before the Board of Directors

5

Independent Internal Audit firms appointed to review and report on the business processes and policies in all operating companies of the Group

Community Engagement

- At JM Financial, CSR extends beyond a statutory obligation
- Firm belief in strengthening and uplifting the lesser privileged communities

- JM Financial Foundation drives our community engagement initiatives that focus on –
 - Education – special focus on girl child education
 - Healthcare
 - Entrepreneurship promotion
 - Vocational Training
 - Women empowerment
 - Disaster Relief
- JM Financial Foundation Walkathon –
 - annual event where our clients & employees pledge their support for the under-privileged
 - fund-raiser inviting contributions towards the various causes supported by JM Financial Foundation
- Employee volunteering at JM Financial –
 - Sparsh - Employees aid the lesser privileged aged members of society and mentor children
 - Project Drishti - contributing glossy magazines used for preparing reading and learning material in Braille
 - Joy of Giving week – Joy boxes, Blood donation camps & Paraplegic Foundation

Key Takeaways



Strong presence for over four decades – proven track record of growth & sustainability



Client centric business model – Strong focus on long-term corporate relationships



Value driven growth – visible future growth roadmap, increased focus on Real Estate Lending, Asset Reconstruction and Alternative Asset Management



Experienced & committed Management team - ensures future growth at minimal risk



Efficient & motivated talent pool – source of our competitive edge



Positive capital market outlook – strategically placed to benefit from every upswing

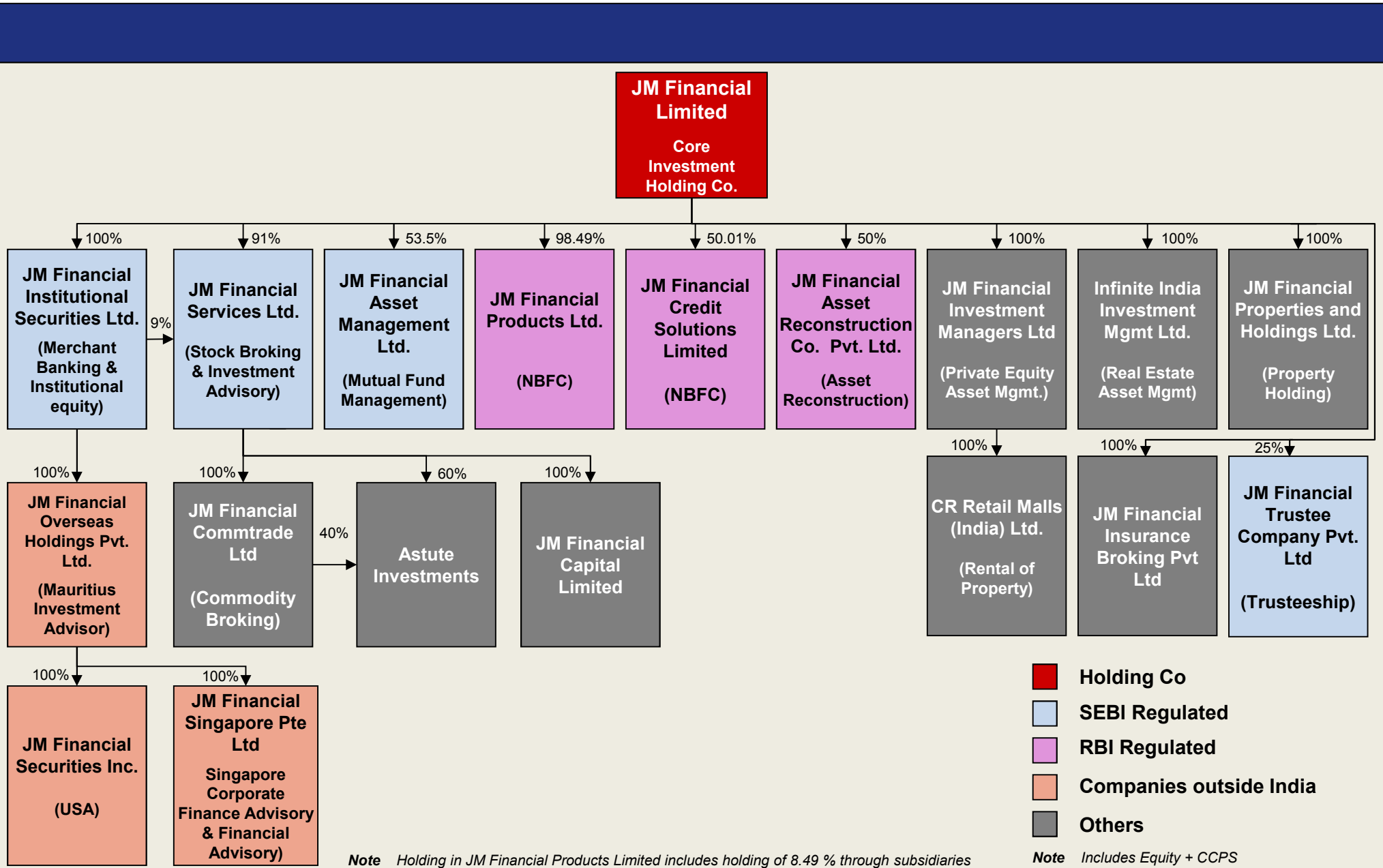


Conservative gearing backed with adequate cash facilitates

Appendix

The content of this document are for information purposes only and does not construe to be any investment advice. Any action taken by you on the basis of the information contained herein is your responsibility alone and JM Financial Limited (hereinafter referred as JM Financial) and its subsidiaries or their employees or directors, associates will not be liable in any manner for the consequences of such action taken by you. We have taken due care regarding authenticity of the information contained herein, but do not represent that it is accurate or complete in all respect. JM Financial or any of its subsidiaries or associates or their employees shall not in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this document. The recipients of this document should rely on their own judgement while taking any action based on the information provided herein.

JM Financial Limited its Subsidiaries & Associates



JM Financial Limited – Shareholding Pattern

Share holding pattern – as on June 30, 2016

Name of the Shareholder	% Shareholding
Promoter & Promoter Group	65.62%
Foreign Institutional Investors	14.16%
Mutual funds / UTI	3.04%
Financial Institutions / Banks	0.03%
Non-Institutions	17.15%
Public Shareholding	34.38%

Public holding of more than 1% of total number of shares – as on June 30, 2016

Name of the Shareholder	% Shareholding
Morgan Stanley Asia (Singapore) Pte	4.74%
Valiant Mauritius Partners Ltd & Associates	3.95%
IDFC Premier Equity Fund	2.99%
Azim Hasham Premji	2.77%
TIMF Holdings	2.33%
Vikram Shankar Pandit	1.48%
Total	18.26%