



JM Financial Limited

Investor Presentation

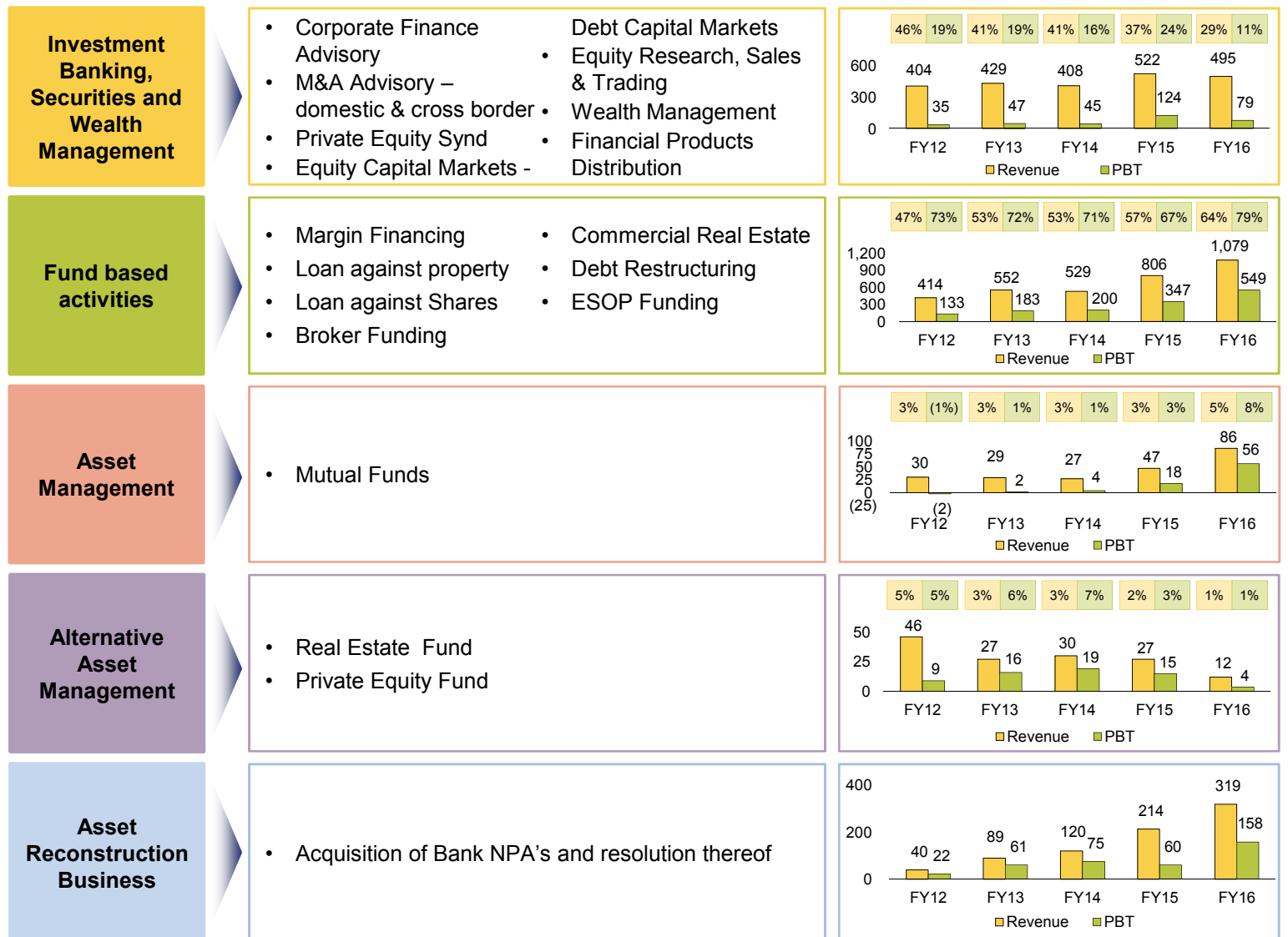
May 13, 2016

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

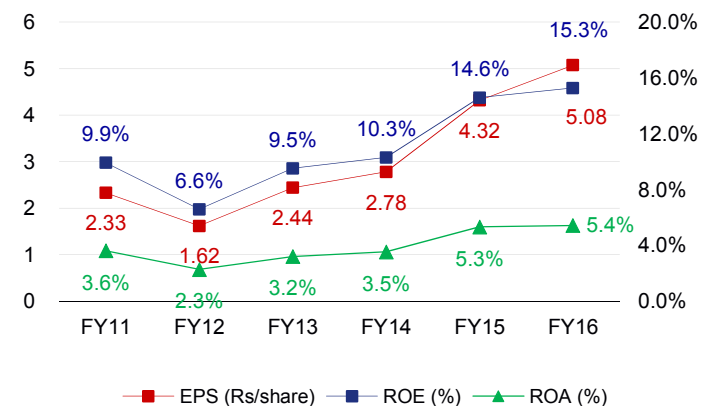
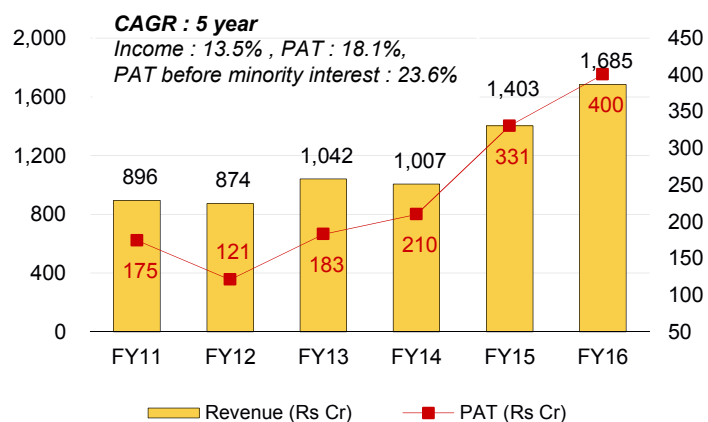
- JM Financial is a four decade old institution founded by Mr. Nimesh Kampani
- Servicing clients across the financial services spectrum
- PAN India Presence
- Firm four-decade footprints - proven track record of growth & sustainability
- Pioneered innovative products in the financial services space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



Accelerated pace of growth

- Four decades of prominent presence depicting –
 - value driven growth and;
 - long-term sustainability
- Q4 FY16 highlights –
 - Revenue ₹ 475 Cr
 - PBT ₹ 201 Cr
 - Net profit before minority interest ₹ 148 Cr
 - EPS ₹ 1.44
 - ROE 17.4%
 - ROA 6.1%

Consistent performance amidst volatile markets



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

2003 – 2007

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

1991 – 2002

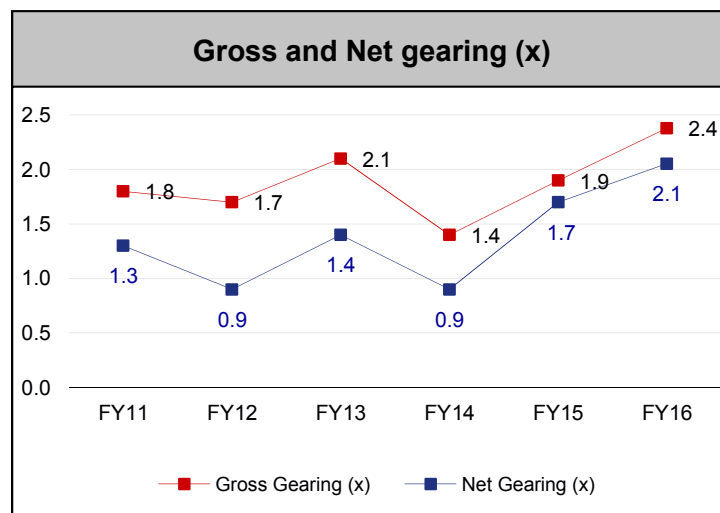
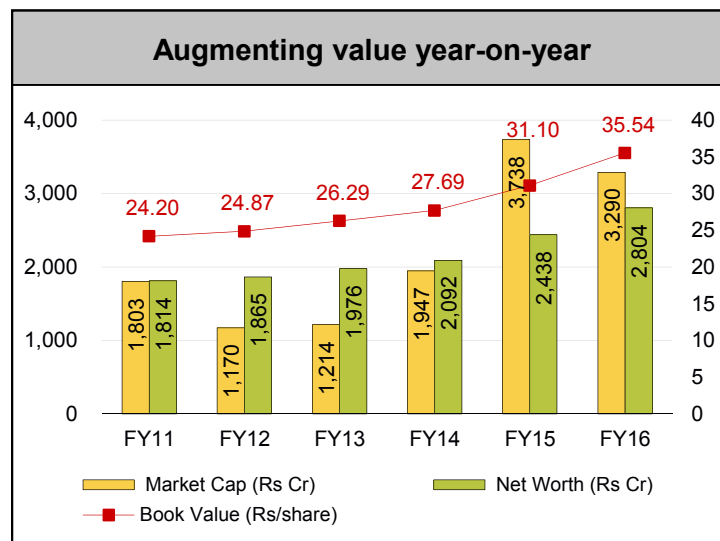
- Institutional Equities (Research & Sales)
- Asset Management (Mutual Fund)
- Cross Border (M&A, ADR & GDR)
- Broking (Equity)

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 8.2x and a P/B of 1.1x
- Continued focus on maximizing shareholders' return



Stock performance vs. Indices

Stock / Index	12-M	3-Y
JMFL	-8%	126%
CNX 500	-3%	38%
CNX Smallcap	-4%	50%
CNX Bank	-7%	22%
CNX Finance	-6%	25%

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

Key features of consolidated financial performance

Key Features

Net worth on March 2016 ₹ 2,804 Cr (March 2015 ₹ 2,438 Cr), Book value on March 2016 ₹ 35.54

Loan book on March 2016 at ₹ 7,214 Cr (March 2015 at ₹ 5,388 Cr)

Average Daily Turnover as on March 2016 in the secondary market at ₹ 2,137 Cr (March 2015 ₹ 2,420 Cr)

Wealth Management AUM on March 2016 at ₹ 26,958 Cr (March 2015 ₹ 17,383 Cr)

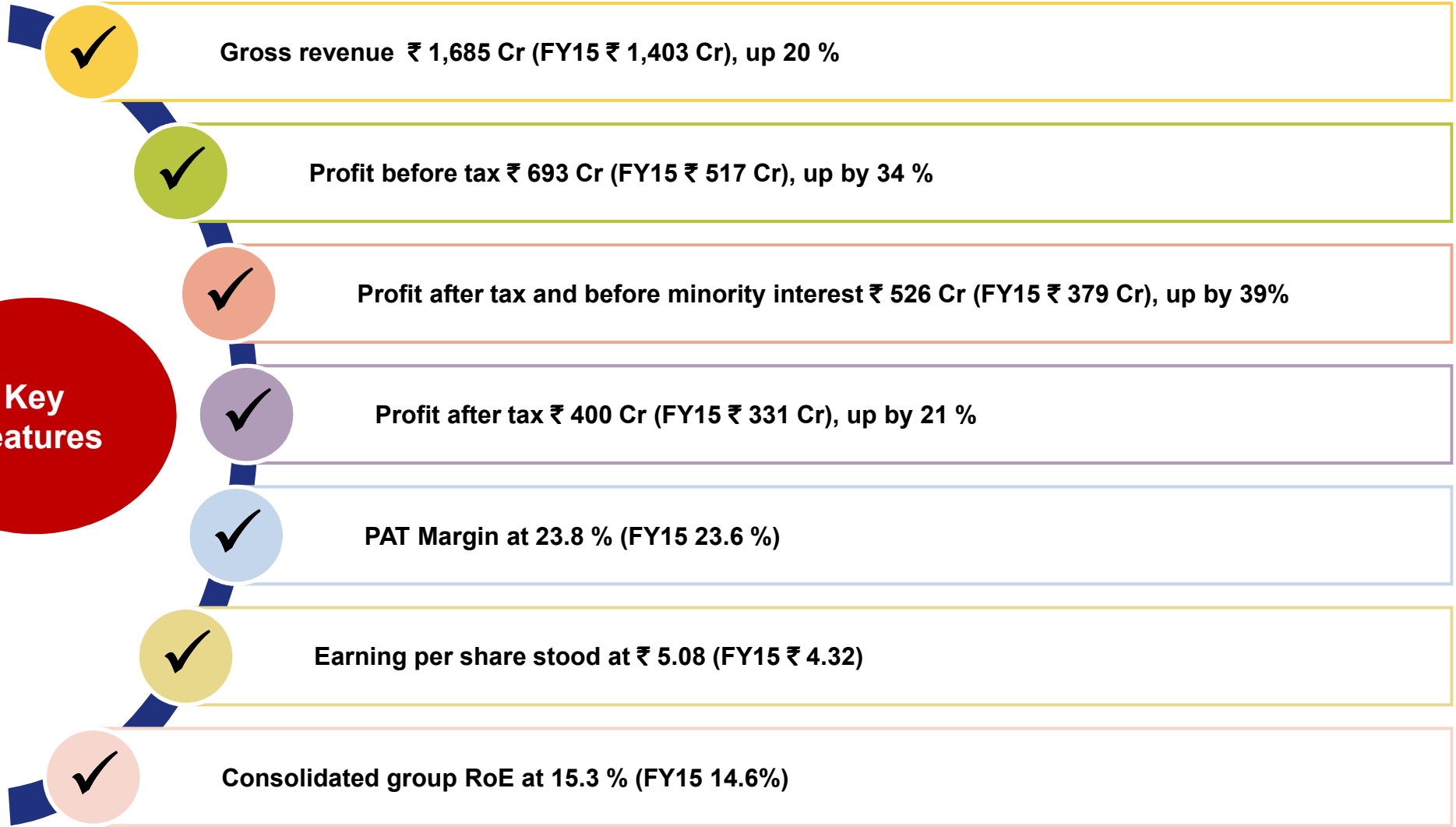
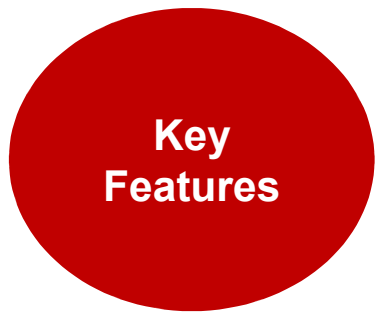
Asset Reconstruction AUM on March 2016 at ₹ 9,820 Cr (March 2015 ₹ 8,398 Cr)

Alternative Asset Management AUM on March 2016 at ₹ 773 Cr (March 2015 ₹ 942 Cr)

Asset Management Quarterly Average AUM at ₹ 16,161 Cr (Q4 FY15 ₹ 12,231 Cr)

I : Yearly performance – FY16

Key features of FY16 Consolidated financial performance



Results for FY16 (Consolidated)

₹ Cr	FY16	FY15	YoY
Gross Revenue	1,685	1,403	20%
Sub-brokerage	77	97	-21%
Employee cost	264	235	12%
Operating cost	118	115	3%
Finance cost	512	420	22%
Depreciation	20	18	12%
Profit before tax	693	517	34%
Profit after tax	470	361	30%
Share in profit of Associates	55	19	195%
Net profit before minority interest	526	379	39%
Minority interest	-125	-49	157%
Net Consolidated profit	400	331	21%

Segment performance

Segment revenue	FY16	FY15	YoY
Investment Banking and Securities Business	495	522	-5%
Fund Based Activities	1,079	806	34%
Alternative Asset Management	13	27	-53%
Asset Management	86	47	83%
Others	194	139	39%
Total Segment Revenue	1,866	1,542	21%
Less: Inter - segmental revenue	181	139	31%
Total Revenue	1,685	1,403	20%
Segment PAT	FY16	FY15	YoY
Investment Banking and Securities Business	54	85	-36%
Fund Based Activities	315	217	45%
Alternative Asset Management	4	11	-66%
Asset Management	25	10	158%
Others	2	8	-67%
Total	400	331	21%

II : Quarterly performance – Q4 FY16

Key features of Q4 FY16 consolidated financial performance

Key Features

Gross revenue ₹ 475 Cr (Q3FY16 ₹ 426 Cr, Q4FY15 ₹ 393 Cr)

Profit before tax ₹ 201 Cr (Q3FY16 ₹ 178 Cr, Q4FY15 ₹ 158 Cr)

Profit after tax and before minority interest ₹ 148 Cr (Q3FY16 ₹ 150 Cr, Q4FY15 ₹ 114 Cr)

Profit after tax ₹ 114 Cr (Q3FY16 ₹ 117 Cr, Q4FY15 ₹ 93 Cr)

PAT margin at 24.0 % (Q3FY16 27.5%, Q4FY15 23.7%)

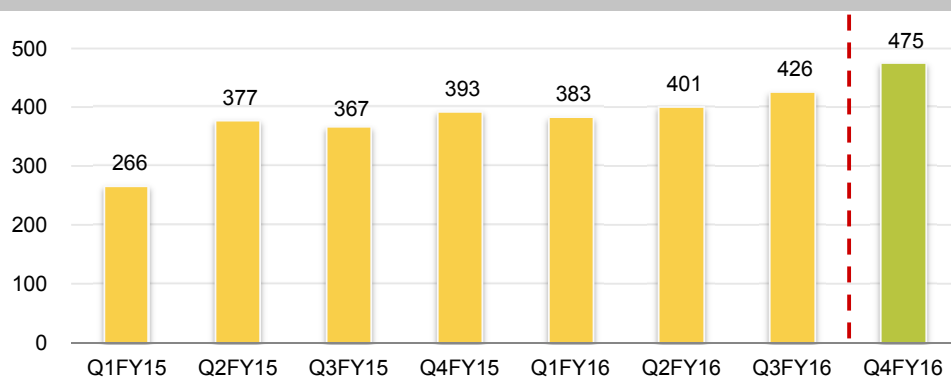
Earning per share stood at ₹ 1.44 (Q3 FY16 1.49, Q4 FY15 1.21) (not annualised)

Consolidated group annualised RoE at 17.4% (Q3FY16 17.8%, Q4FY15 16.2%)

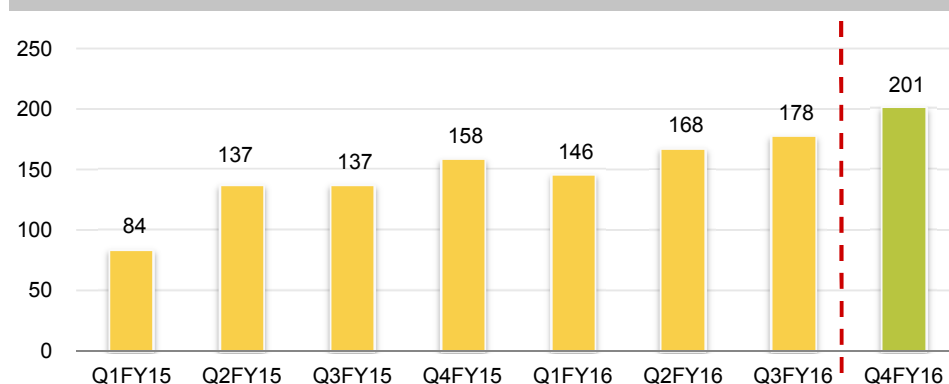
Consolidated financial performance – Quarter by Quarter

Snapshot

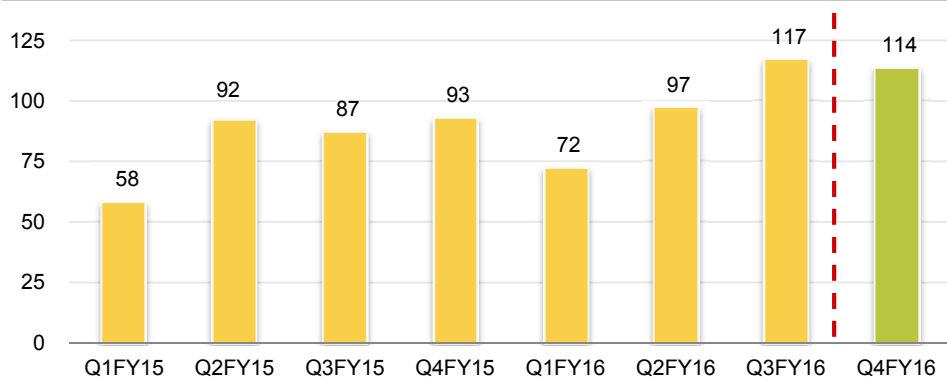
Gross revenue (₹ Cr)



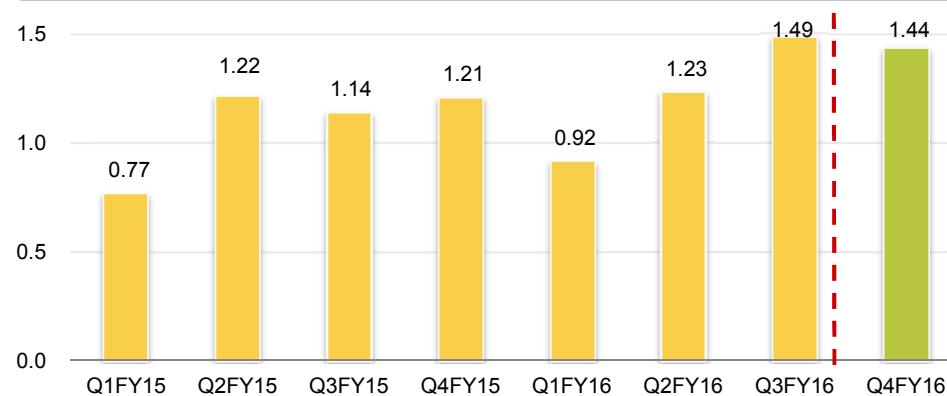
Profit before tax (₹ Cr)



Net consolidated profit (₹ Cr)



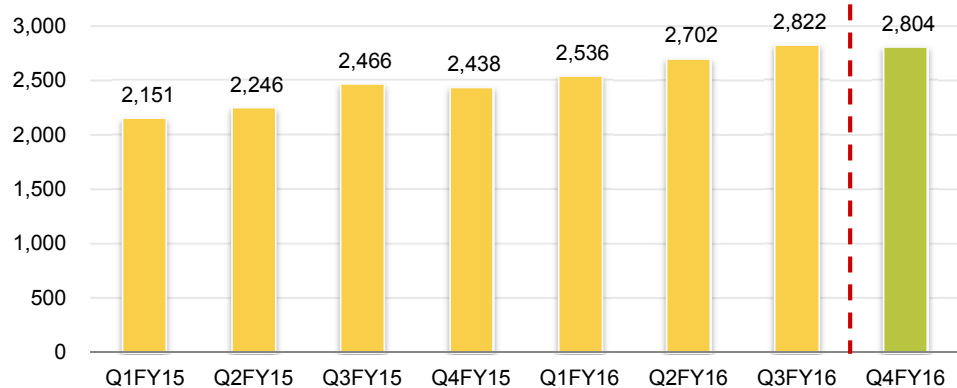
EPS (₹) (not annualised)



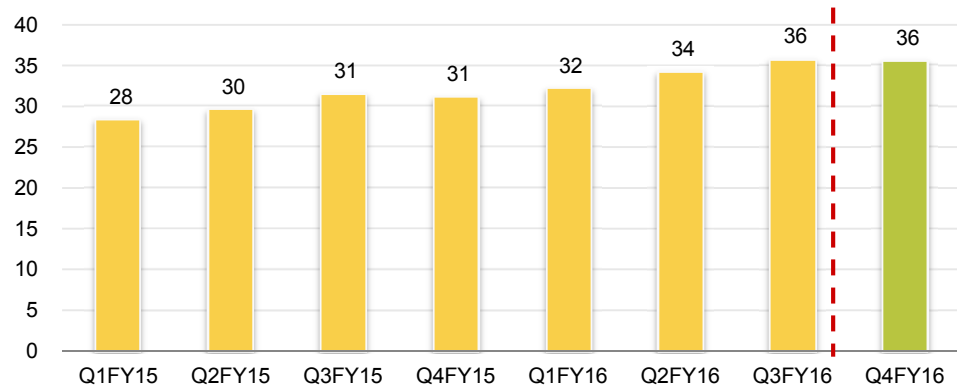
Consolidated financial performance – Quarter by Quarter

Snapshot

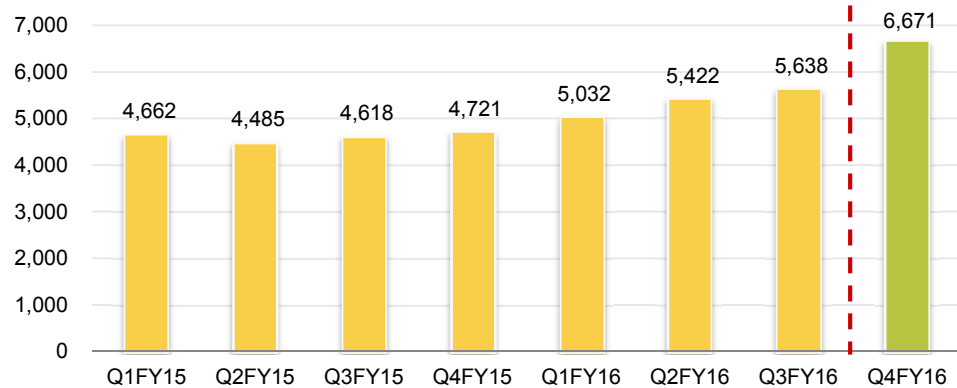
Net worth (₹ Cr)



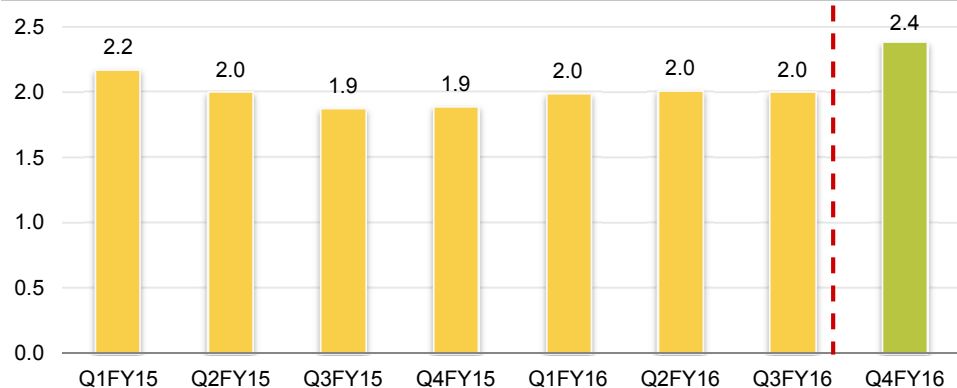
Book value per share (₹)



Borrowings (₹ Cr)



Debt equity



Results for Q4 FY16 (Consolidated)

₹ Cr	Q4 FY16	Q3 FY16	QoQ	Q4 FY15	YoY
Gross Revenue	475	426	11%	393	21%
Sub-brokerage	18	20	-8%	25	-28%
Employee cost	71	64	12%	51	39%
Operating cost	40	25	58%	41	-3%
Finance cost	139	134	4%	113	24%
Depreciation	5	5	-2%	4	19%
Profit before tax	201	178	13%	158	27%
Profit after tax	143	117	22%	107	33%
Share in profit of Associates	5	33	-85%	7	-29%
Net profit before minority interest	148	150	-1%	114	30%
Minority interest	-34	-33	-5%	-21	64%
Net Consolidated profit	114	117	-3%	93	22%

Segment performance

Segment revenue	Q4 FY16	Q3 FY16	QoQ	Q4 FY15	YoY
Investment Banking and Securities Business	143	109	32%	131	10%
Fund Based Activities	297	288	3%	245	21%
Alternative Asset Management	4	4	7%	8	-52%
Asset Management	23	24	-7%	13	71%
Others	51	17	205%	18	176%
Total Segment Revenue	518	441	17%	416	25%
Less: Inter - segmental revenue	43	15	189%	23	88%
Total Revenue	475	426	11%	393	21%

Segment PAT	Q4 FY16	Q3 FY16	QoQ	Q4 FY15	YoY
Investment Banking and Securities Business	18	5	271%	15	19%
Fund Based Activities	85	102	-17%	75	14%
Alternative Asset Management	1	1	-8%	1	2%
Asset Management	5	8	-34%	1	763%
Others	4	0	919%	1	259%
Total	114	117	-3%	93	22%

III : Balance sheet highlights

Balance sheet highlights

Balance Sheet Highlights

Net worth on March 2016 ₹ 2,804 Cr (March 2015 ₹ 2,438 Cr)

Borrowings on March 2016 ₹ 6,671 Cr (March 2015 ₹ 4,721 Cr)

Free cash and cash equivalent on March 2016 ₹ 914 Cr (March 2015 ₹ 578 Cr)

Debt equity : Gross gearing 2.4x, Net gearing 2.1x

Balance sheet size on March 2016 ₹ 10,956 Cr (March 2015 ₹ 8,400 Cr)

Loan book on March 2016 ₹ 7,214 Cr (March 2015 ₹ 5,388 Cr)

CRISIL upgrades long term rating of JM Financial group companies to 'CRISIL AA/Stable'
ICRA and India ratings have maintained long term rating of JM Financial group companies to AA/Stable'

Summary Balance sheet

₹ Cr	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities		
Shareholders' funds	2,804	2,438
Minority interest	669	655
Borrowings	6,671	4,721
Other liabilities and provisions	812	586
TOTAL	10,956	8,400
Assets		
Loan book	7,214	5,388
Investment in associates	269	214
Treasury fund	1,969	1,258
Arbitrage and trading book	316	359
Fixed assets	340	342
Other assets	848	839
TOTAL	10,956	8,400

IV : 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 Q4FY16

As BRLM for Qualified Institutional Placement by Suprajit Engineering Limited – Rs 150 crore

As financial advisor to Bain Capital for its investment in QuEST Global Services Pte Ltd

As Financial advisor and manager to the delisting offer made by Essar Oil Limited

As Sole financial advisor to Hotel Leelaventures Limited on the closure of the Leela, Goa to Medtube Group

As Sole financial advisor and merchant banker to Reliance Infrastructure Limited for their open offer to the shareholders of Pipavav Defence and Offshore Engineering Company Limited

As advisor and arranger for a Private Equity investment round for a leading healthcare distribution company

Wealth Management and Broking business

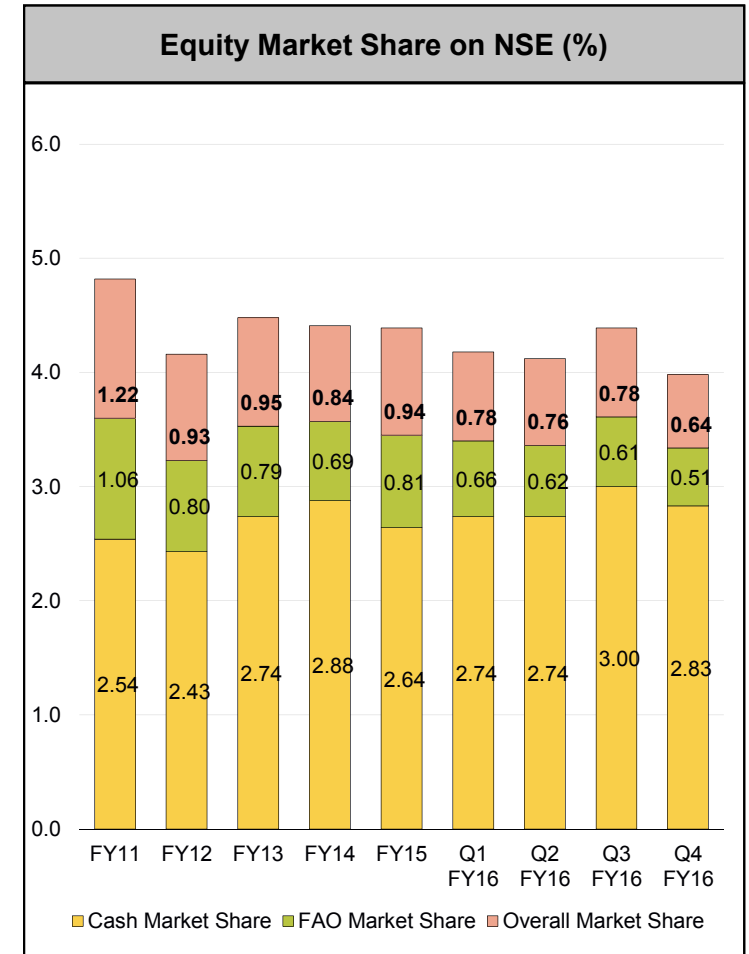
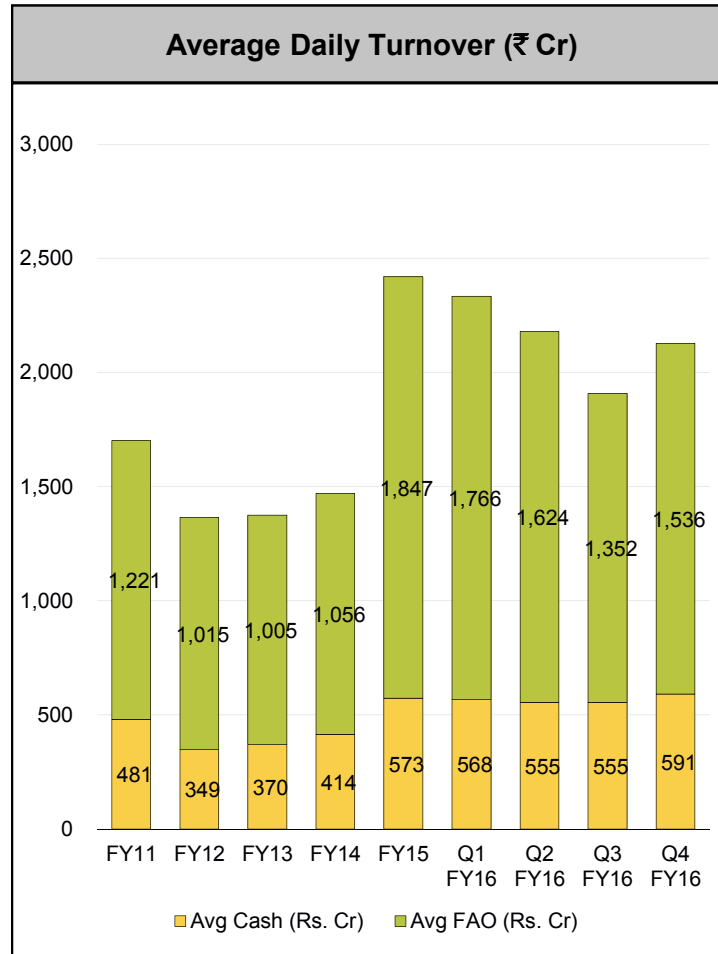
Wealth Management

- ✓ Wealth AUM stands at ₹ 26,959 Cr with a team size of 53 wealth advisors as on March 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
- ✓ Around 8,320 active IFDs
Coverage of broking segment - 111 cities

Broking business

- ✓ Worldwide institutional reach - dominant global & local institutional franchise
- ✓ Institutional distribution strength - We cover 150 funds across regions
- ✓ Institutional Equities offices at Singapore and New York
- ✓ Extensive research coverage of 179 companies
- ✓ Average daily turnover in Q4FY16 - Rs. 2,127 Cr, which includes cash segment of Rs. 591 Crs
- ✓ Market Share on NSE in Q4FY16 – overall 0.64%, 2.83 % cash segment

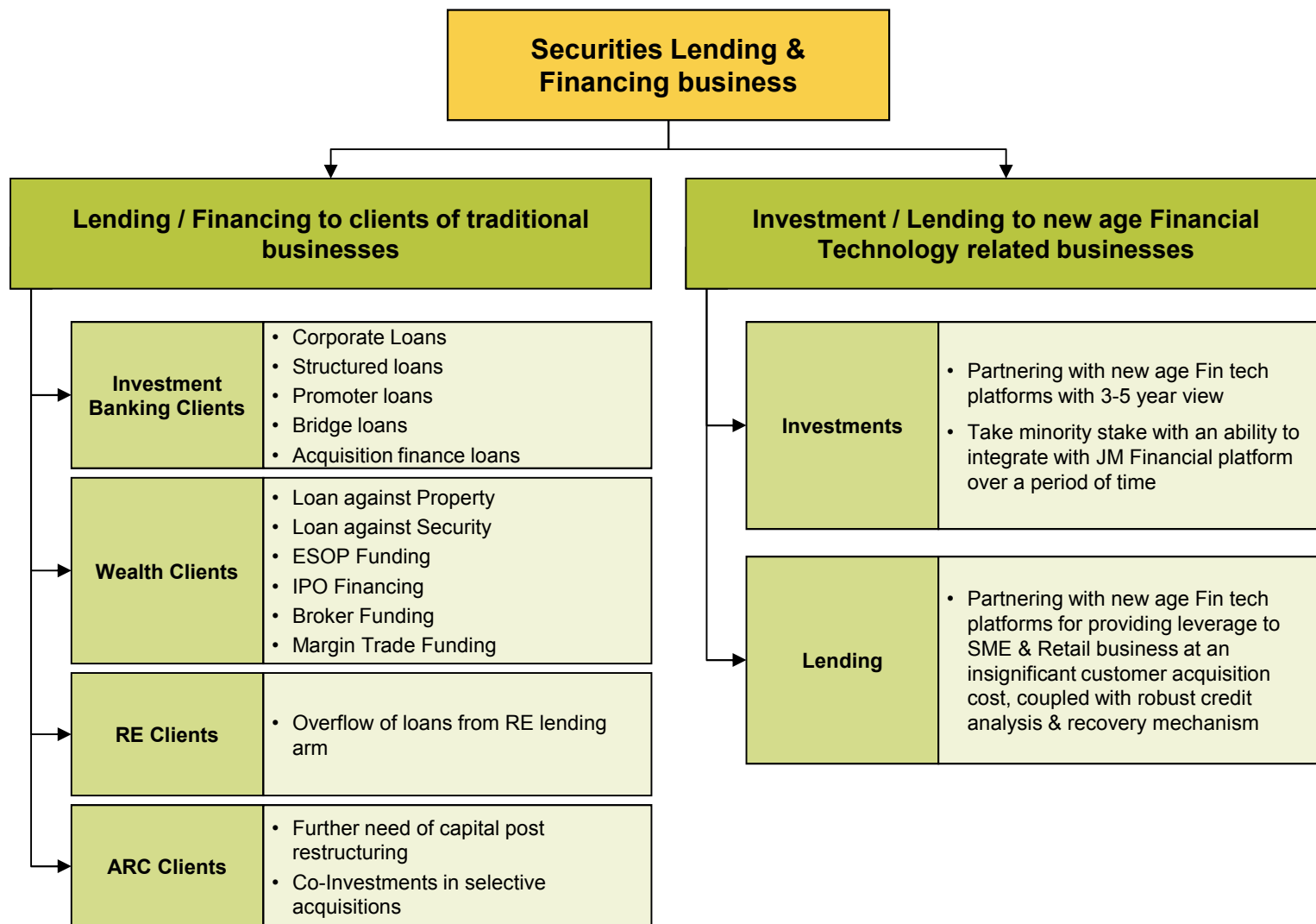
Wealth Management and Broking business



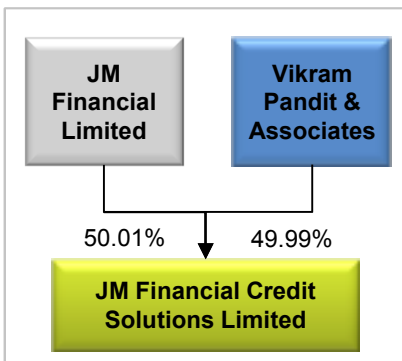
Significant turnover in cash translating in higher returns

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 year 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 1,136 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 ₹ 4,074 Cr till March 2016



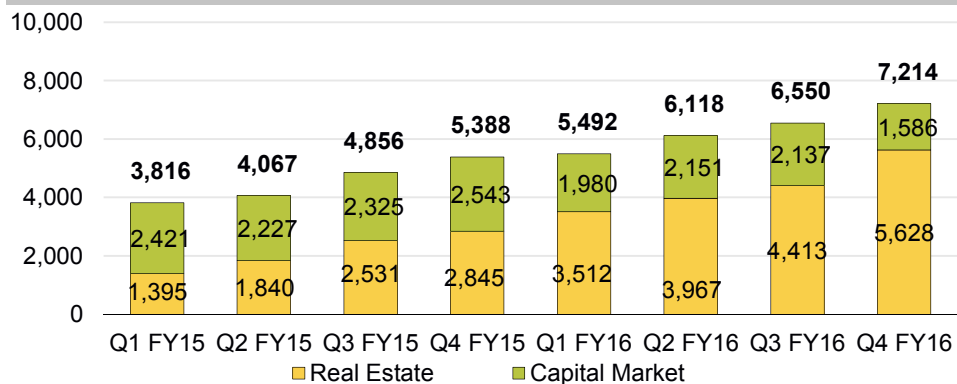
- Book comprises of 40 clients – significant focus on repeat business
- Most of the clients with over 25 years of experience in the industry
- Focus on Tier I markets – Mumbai, Bengaluru, Pune and Chennai
 - With loan disbursements of 50% in Mumbai, 24% Bengaluru, 15% Pune, 11% Chennai and others
- 90% of the book is cashflow backed lending
- 73% of the book is against residential projects



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

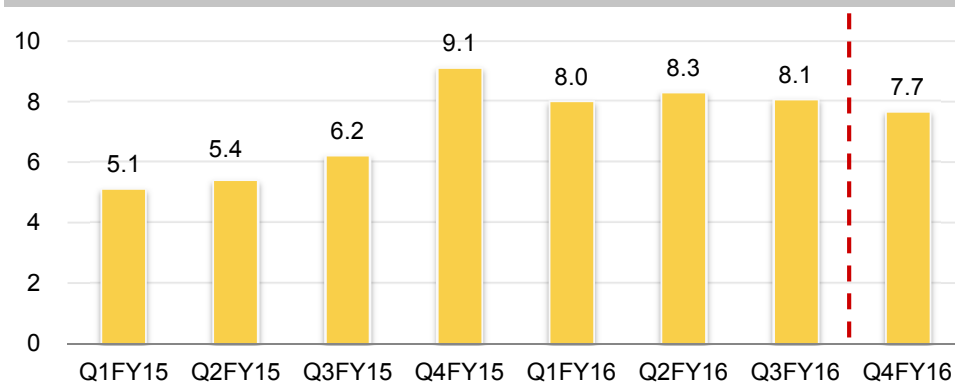
Highlights – Fund Based Activities

Loan book (₹Cr)

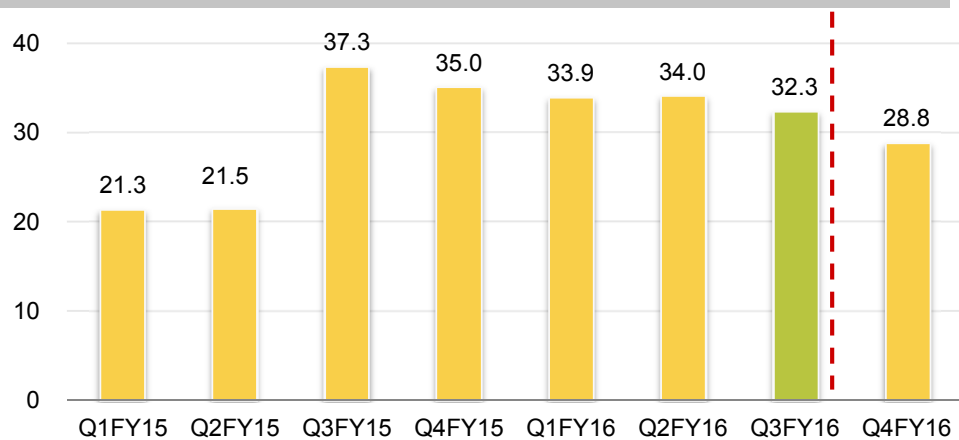


Includes 116 Cr of IPO funding in Q3FY16

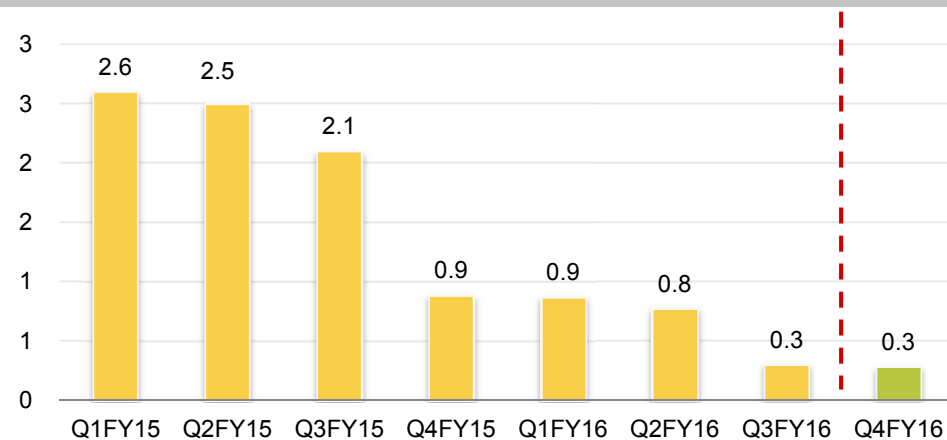
Net Interest Margin (%)



Capital Adequacy Ratio (%)

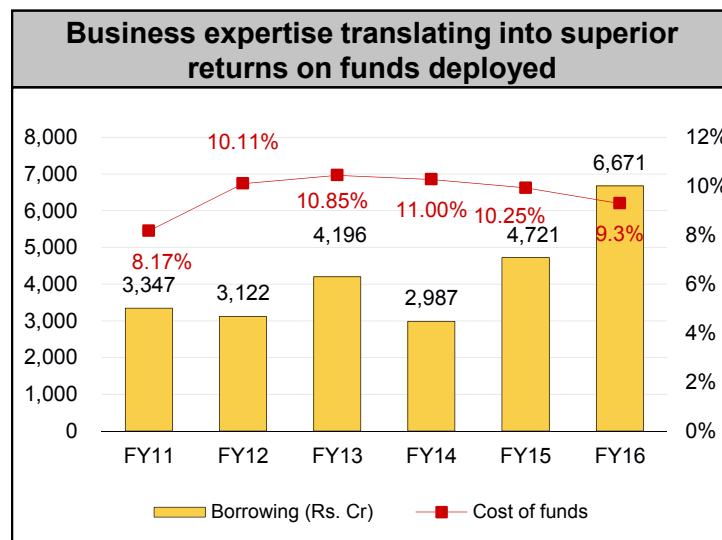


Gross NPA (%)

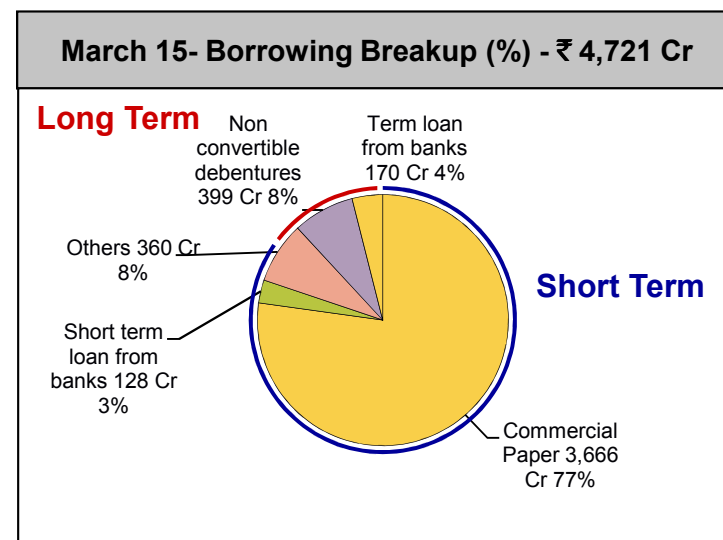
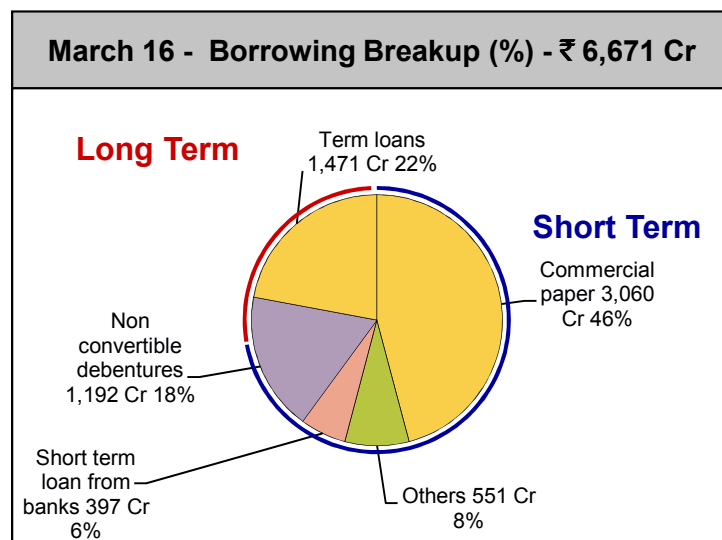


Borrowing profile

- Capital Adequacy Ratio : 28.8%
- 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

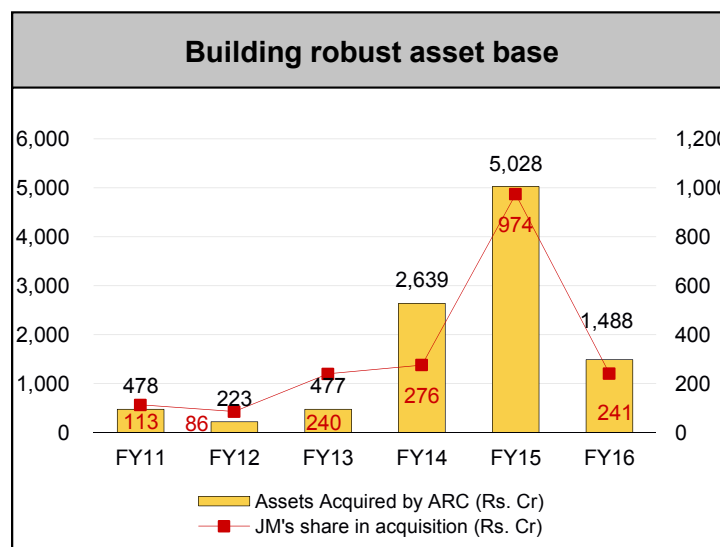
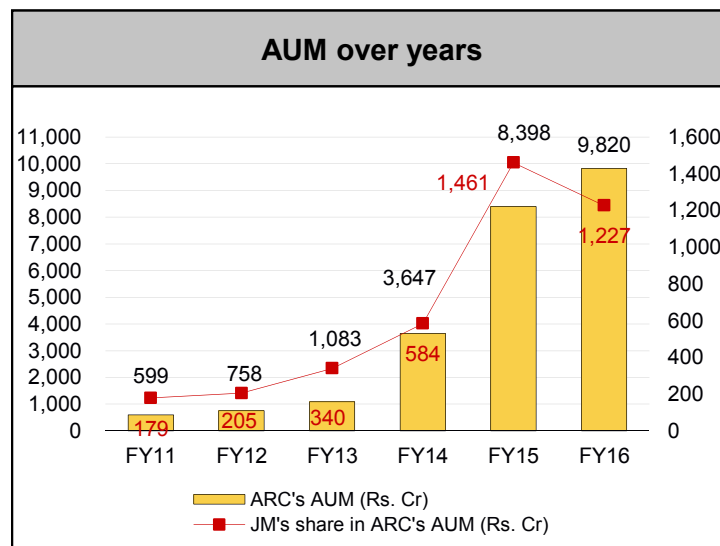


Borrowing vs. Loan book translating into a NIM of 7.7%



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 ₹ 9,820 Cr comprising Corporate, SME and Retail portfolios
- In-house legal expertise and synergies from group wide professional expertise



Significant potential upside in the asset reconstruction business

- RBI's concern over bank NPA's expected to increase the sell-down of distressed assets to ARCs
- Recent amendments expected to pave way for better & quicker returns –
 - improve quality of sell-down by banks at proper valuation
 - better due diligence by ARCs
 - speedy recovery due to early involvement of ARCs

Breakthrough Hotel Leela deal

Hotel Leela Resolution – Phase I

Concluded sale of Hotel Leela Goa for ₹ 725 Cr. 69% of class A SRs along with yield and incentive fees.

Asset Management

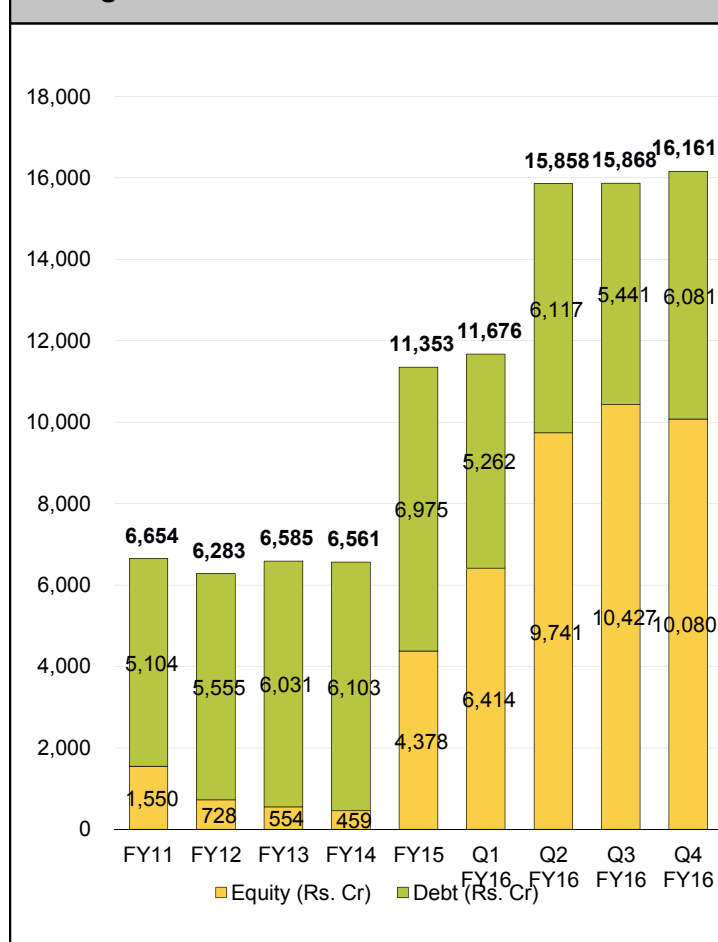
Real Estate

- India focused fund with investments in commercial, residential, retail and hospitality sectors
- Approx. 45% funds raised from international investors
- AUM as on March 31, 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 March 31, 2016 - ₹ 540 Cr
- No. of investments: 13
- No. of Exits: 5 full
- Fully drawn down & invested
- Amount distributed till date ₹ 682 Cr

Significant increase in AUM – CAGR 22.3%



As on March 31, 2016

- Quarterly Average AUM (QAAUM): ₹16,161 Cr
- Rank (QAAUM): 17 among 43 Mutual Funds
- Market Share: 1.19%

Reach

- Servicing and investor base of around **140,656** 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 FY15 and Q4 FY16 include arbitrage fund of Rs. 3,084 and Rs.2,966 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

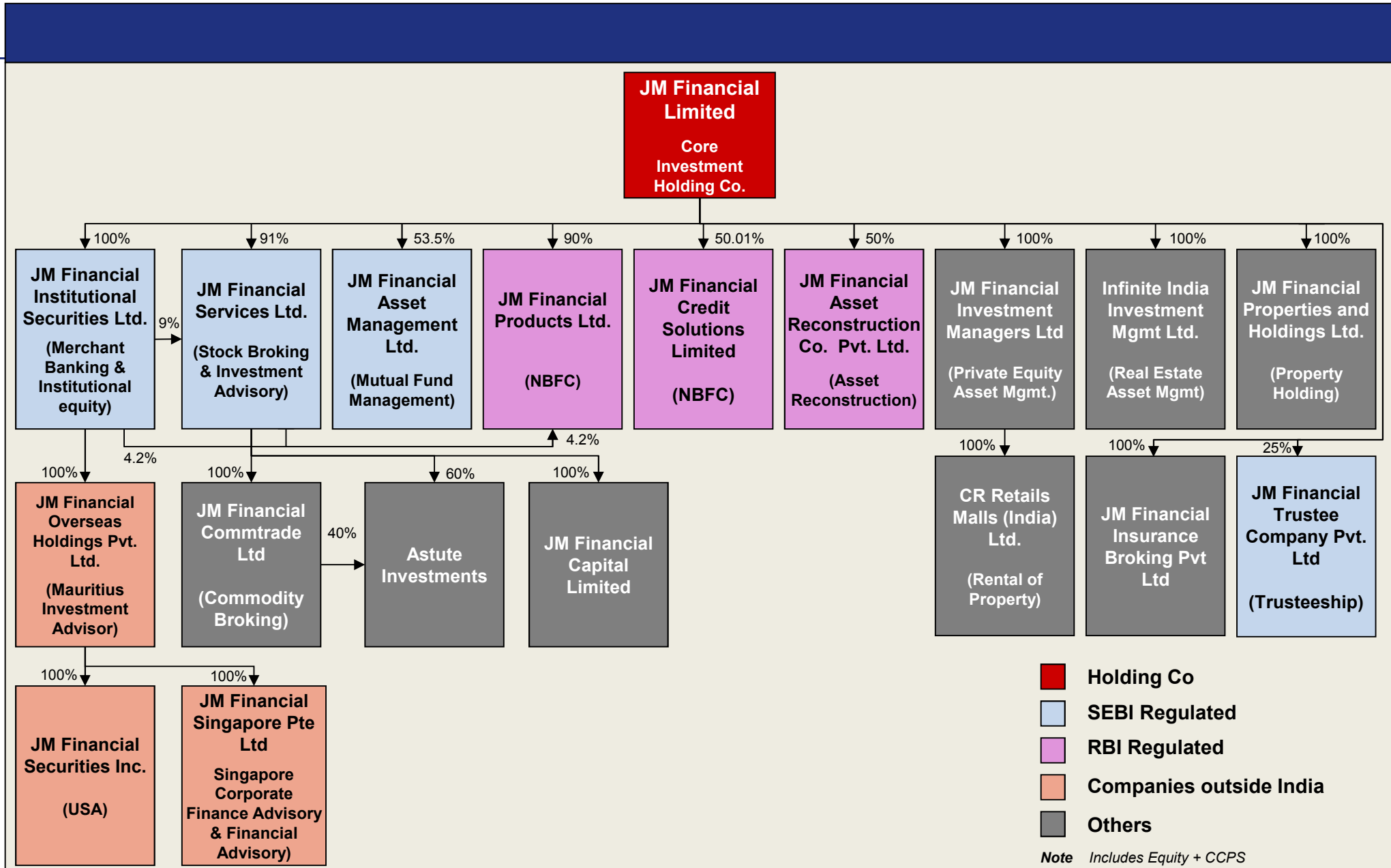


Conservative gearing backed with adequate cash facilitates

Appendix

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JM Financial Limited its Subsidiaries & Associates



JM Financial Limited – Shareholding Pattern

Share holding pattern – as on March 31, 2016

Name of the Shareholder	% Shareholding
Promoter & Promoter Group	65.67%
Foreign Institutional Investors	13.64%
Mutual funds / UTI	3.13%
Financial Institutions / Banks	0.01%
Non-Institutions	17.55%
Public Shareholding	34.33%

Public holding of more than 1% of total number of shares – as on March 31, 2016

Name of the Shareholder	% Shareholding
Morgan Stanley Asia (Singapore) Pte	6.33%
Valiant Mauritius Partners Ltd & Associates	3.96%
IDFC Premier Equity Fund	2.99%
Azim Hasham Premji	2.77%
Vikram Shankar Pandit	1.48%
Total	17.53%