



JM Financial Limited

Q2 FY14 Consolidated Performance

October 2013

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Highlights of Q2 FY14 Financial performance

- ✓ Income at ₹ 248 Cr, marginally up 1 % yoy, PAT at ₹ 50 Cr up 49 % yoy. Overall growth driven by Investment banking and Securities business.
- ✓ Income down 12 % qoq, PAT down 9% qoq.
- ✓ Consolidated group annualised RoE improves to 10.0%
- ✓ Loan book stood at ₹ 2,486 Cr in Q2 FY14, The treasury book for fixed income securities stood at ₹ 303 Cr. Net Interest Margin stood at 6.7%.
- ✓ Wealth AUM continues steady growth and Assets under management stand at over ₹18,700 Cr
- ✓ Retail cash market volumes continue to put brokerage yield under pressure
- ✓ Asset Reconstruction AUM currently at ₹ 1,095 Cr

Highlights of H1 FY14 Financial performance



Income for the half year at ₹ 530 Cr up 7% yoy



Earning before Interest and Tax (EBIT) was ₹ 154 Cr up 31 % yoy



Profit after Tax at ₹ 106 Cr up 53 % yoy



PAT margin 20.0% against 13.9 % yoy



Earning Per Share stood at ₹ 1.40 against ₹ 0.92 yoy

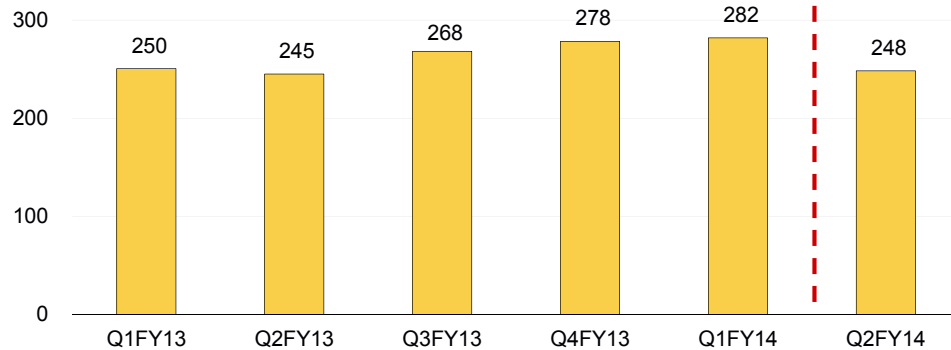


Consolidated group annualised RoE improves to 10.5%

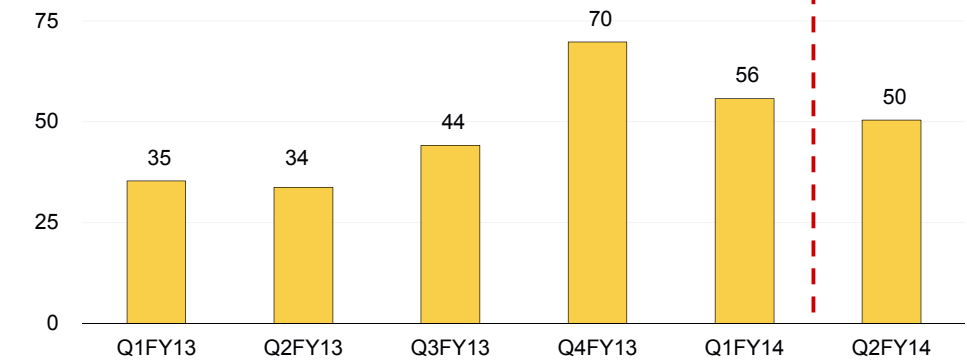
Financial Performance

Snapshot

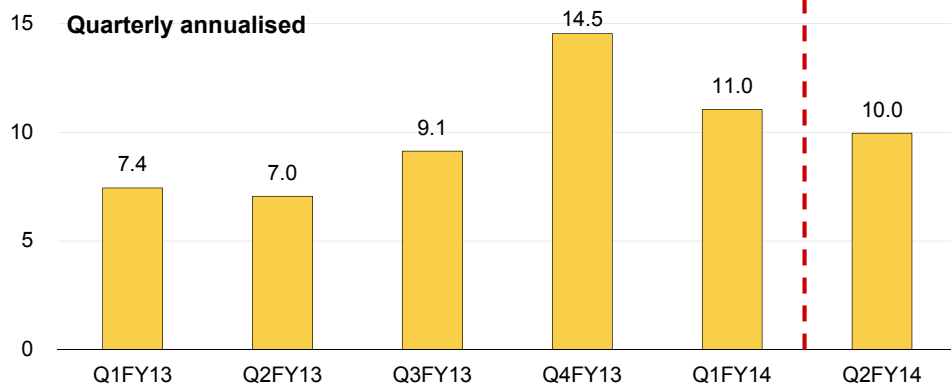
Gross Revenue
(₹ Crore)



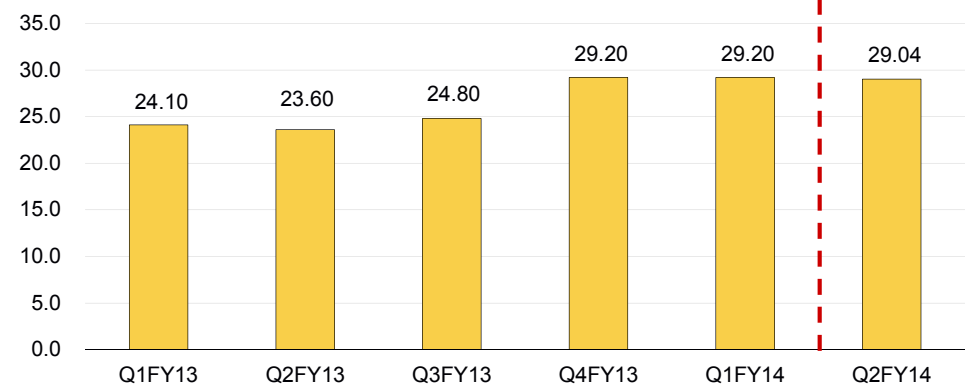
Consolidated Profit / (Loss)
(₹ Crore)



Return on Equity
(%)



EBTDA Margin (%) (Net of Interest cost)

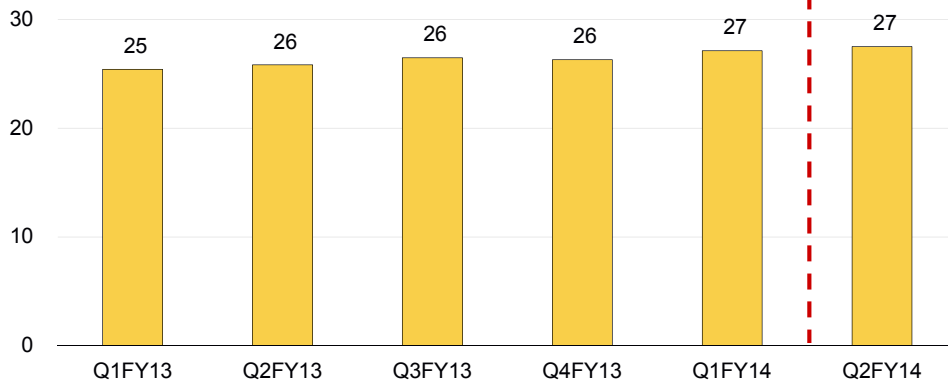


Net Worth as on September 30, 2013 was ₹ 2,074 Crore

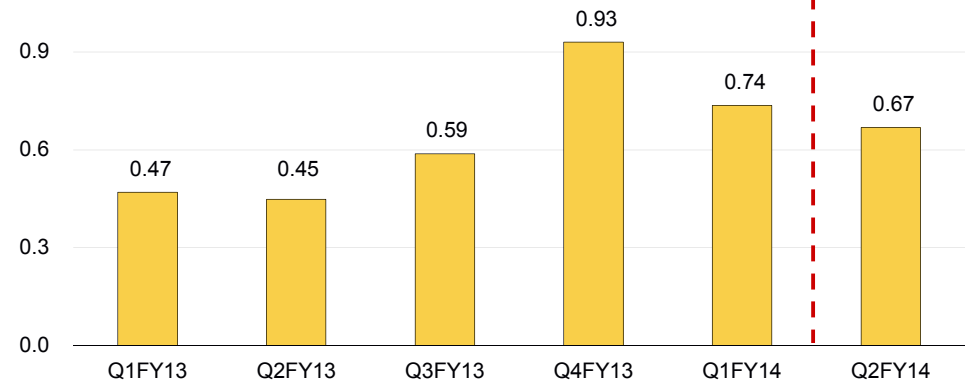
Financial Performance

Snapshot

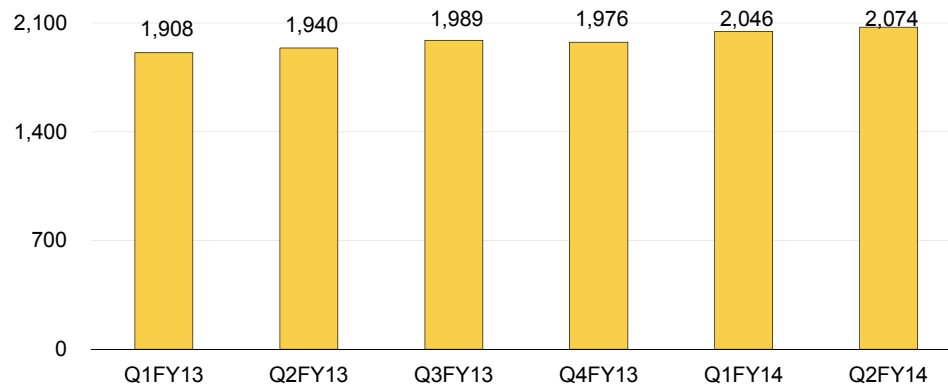
Consolidated Book Value Per Share (₹)



Consolidated EPS (₹)



Consolidated Net worth (₹ Cr)

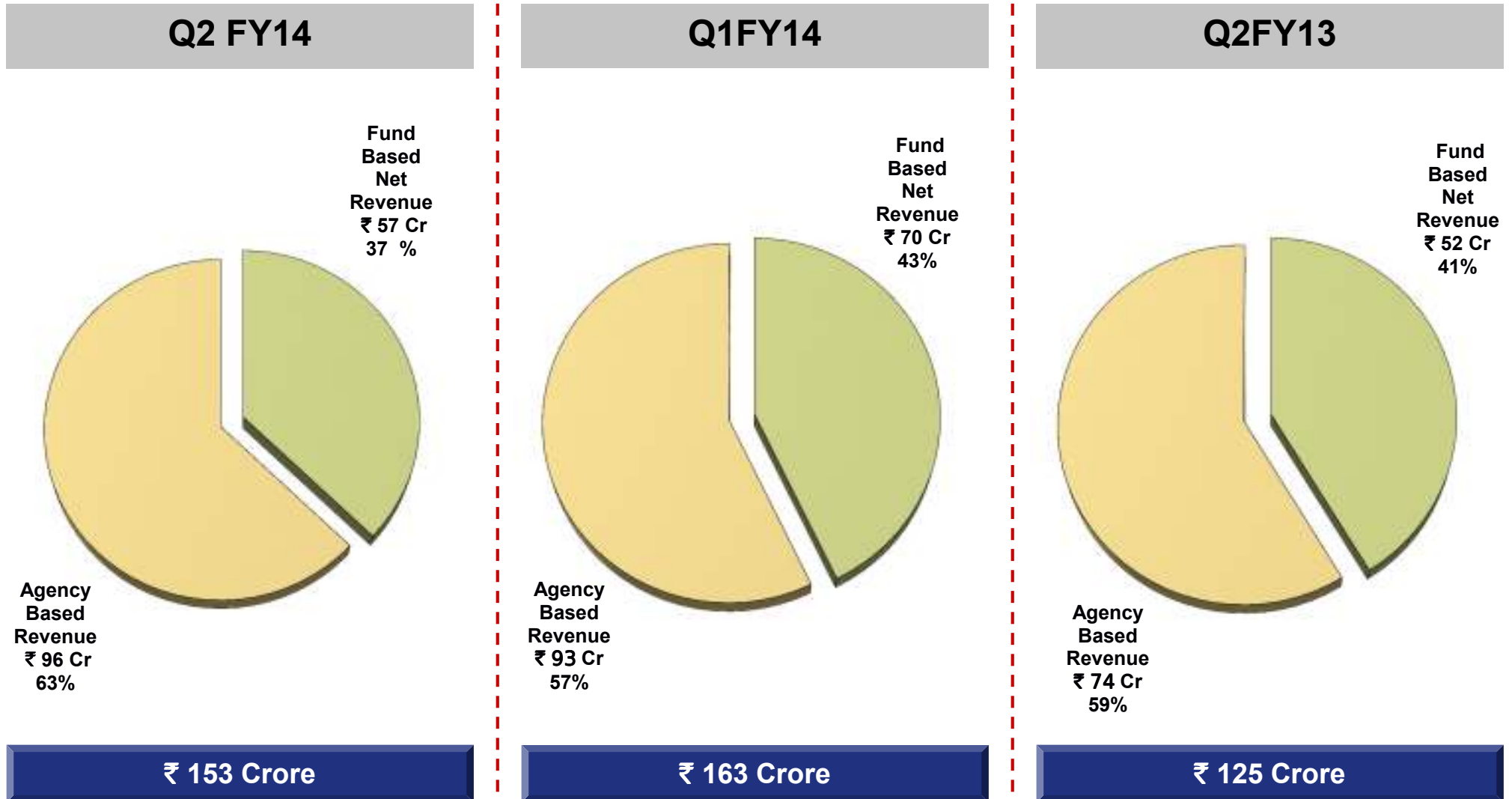


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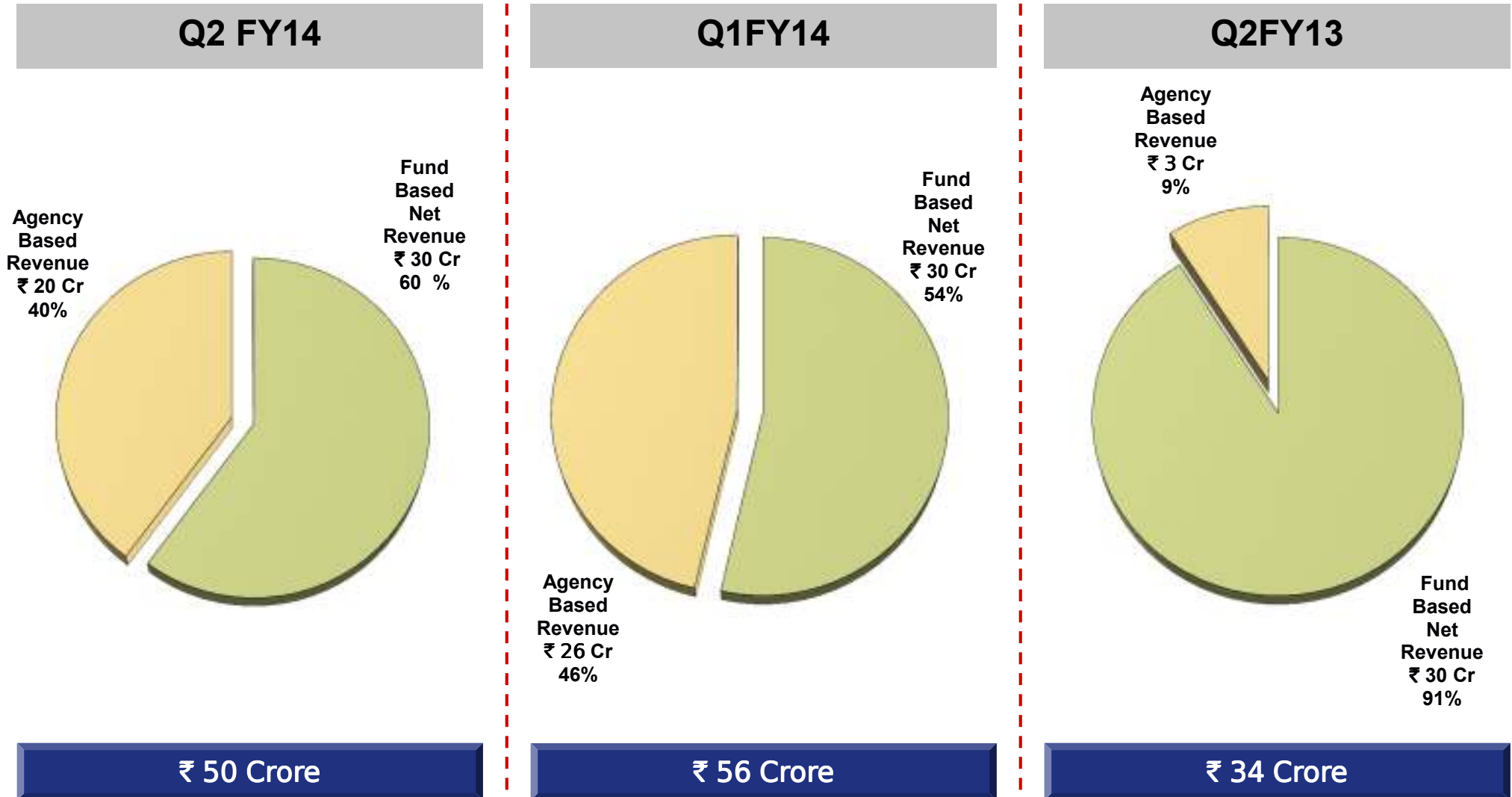
JM Financial Group consolidated results for quarter ended Sep 13

₹ Cr	Q2 FY14	Q1 FY14	QoQ	Q2FY13	YoY
Gross Revenue	248	282	-12%	245	1%
Sub-brokerage	19	20	-5%	28	-32%
Net Revenue	229	262	-13%	217	6%
Employee cost	49	57	-14%	47	4%
Operating cost	31	24	29%	20	55%
Finance cost	77	98	-22%	92	-17%
Depreciation	4	3	33%	3	33%
Profit before tax	68	79	-14%	55	24%
Profit after tax	49	56	-13%	37	32%
Minority interest / Associate	1	0	-	-3	-133%
Net Consolidated profit	50	56	-12%	34	49%

Revenue Growth and Segment Mix at Net Revenue level



Segment result Growth and Mix at Profit after Tax level



JM Financial Group consolidated half yearly results for Sep' 13

₹ Cr	H1 FY14	H1 FY13	YoY
Gross Revenue	530	495	7%
Sub-brokerage	39	53	-26%
Net Revenue	491	443	11%
Employee cost	106	96	10%
Operating cost	56	46	22%
Finance cost	175	183	-4%
Depreciation	7	5	40%
Profit before tax	147	113	30%
Profit after tax	105	75	40%
Minority interest / Associate	1	-6	-117%
Net Consolidated profit	106	69	53%

Balance Sheet Highlights

✓	Net worth stood at ₹ 2,074 Cr (yoy ₹ 1,940 Cr)
✓	Borrowings reduced to ₹ 2,548 Cr (yoy ₹ 3,795)
✓	Debt Equity : Gross Gearing - 1.2x, Net Gearing – 0.8x
✓	Balance sheet size stood at ₹ 5,366 Cr (yoy ₹ 6,451 Cr)
✓	Loan book stood at ₹ 2,486 Cr (yoy ₹ 2,485 Cr)
✓	Treasury funds around ₹ 850 Cr which is 41 % of net worth
✓	Strong and Liquid Balance Sheet with a comfortable Leverage
✓	Highest Short term rating of CRISIL A1+ ; long- term rating of CRISIL AA- with stable outlook

Summary Balance Sheet

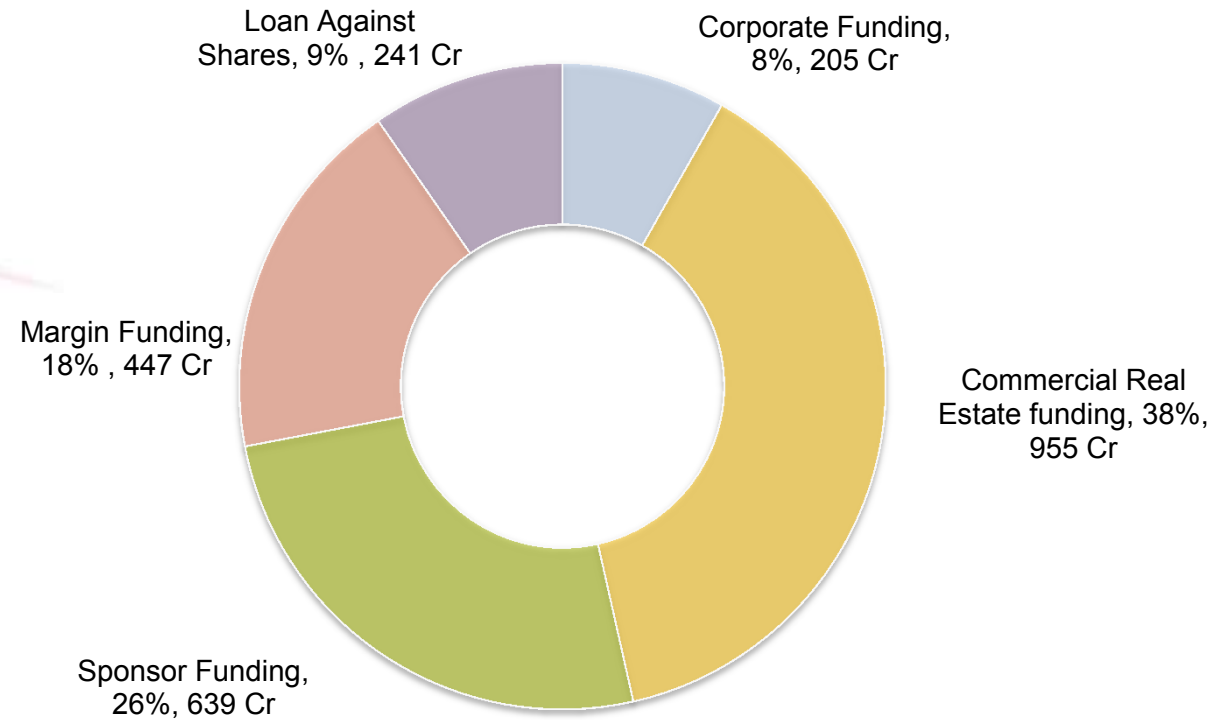
Rs Cr	As at September 30, 2013	As at March 31, 2013	As at September 30, 2012
Equity and Liabilities			
Shareholders' Funds	2,074	1,976	1,940
Minority Interest	158	150	148
Borrowings	2,548	4,267	3,795
TOTAL	4,780	6,393	5,883
Assets			
Fixed & Net Non-current Assets	1,721	1,500	1,099
Net Current Assets (CA-CL)	3,059	4,893	4,784
TOTAL	4,780	6,393	5,883

Strong and Liquid Balance Sheet with a comfortable Leverage

Lending Segments - Diversified portfolio of products

Break-up of AUM (%)

As on September 30th, 2013, the **Loan book stood at Rs.2,486 Crores**



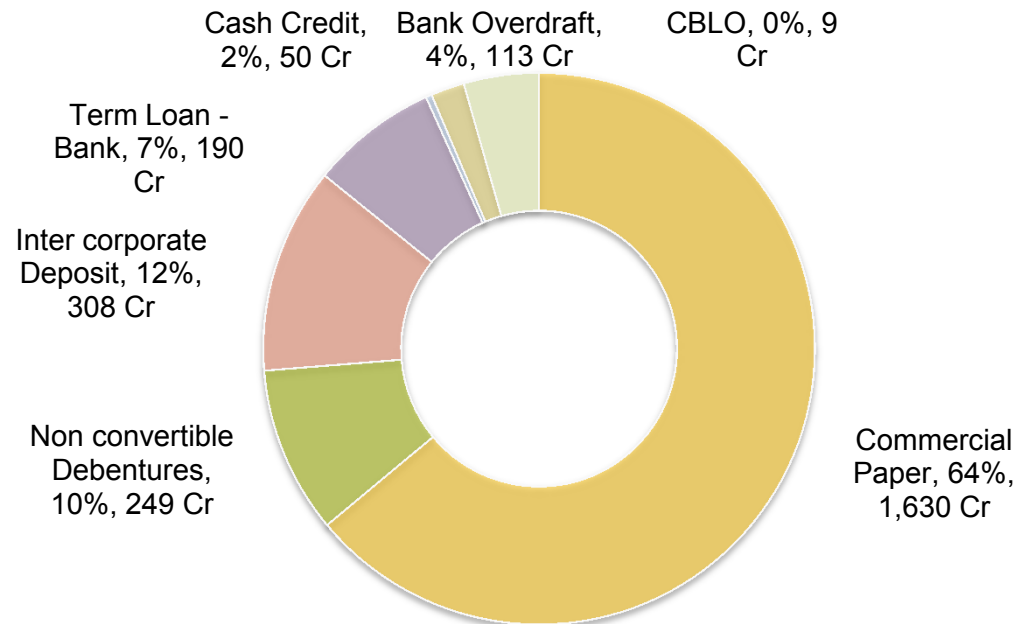
Funding sources - Access to Range of Cost Effective Funding Sources

As on September 30th, 2013, the total **sources of funds was Rs.2,548 Crores**

Long term debt ratings: **CRISIL AA-/STABLE**

Short term debt ratings: **CRISIL A1+**

Sources of Funds (%)



Track record of prompt debt servicing has allowed JM Financial to maintain strong relationships with financial institutions

II : Business performance

Investment banking and securities

Snapshot



Closed the public issue of Non-Convertible Debentures of Shriram Transport Finance Co. Ltd. for Rs. 736 crore



Announced the open offer by Diageo and United Spirits to public shareholders of Pioneer Distilleries, where acted as Manager to the open offer



Certain important transactions announced earlier such as tender offer by Aditya Birla Nuvo Limited to public shareholders of Pantaloon Fashions & Retail Limited as part of the scheme of demerger of Pantaloon format business from Future Retail Limited, where we acted as advisors to Aditya Birla Nuvo also got closed during the quarter

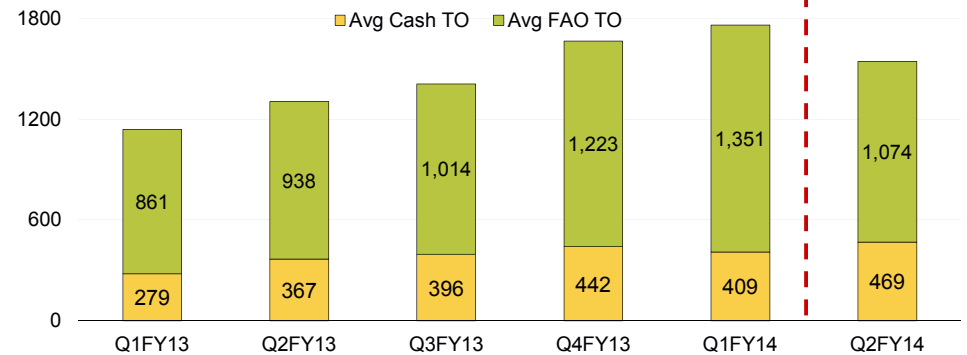
Investment banking and securities Highlights

Snapshot

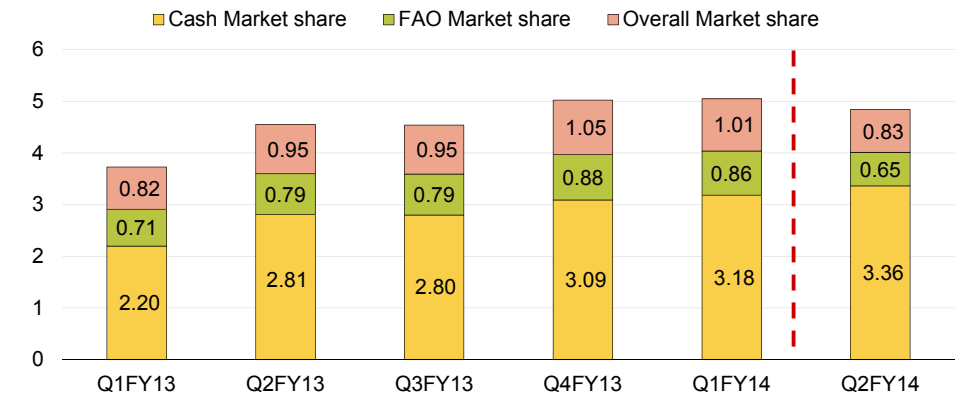
Despite equity market upsurge, retail participation still low

- Average daily turnover was at ₹ 1,543 Cr in Q2FY14 up 18% yoy
- Market share on NSE was at 0.83% in Q2FY14 as compare to 0.95% in Q2FY13
- Stocks under research coverage stood at 165
- Asset under management of over ₹ 18,700 Cr
- Over 8,500 active IFAs
- Presence in 114 cities

Average daily turnover (₹Cr)



Equity market share on NSE (%)



Highlights - Fund based activities - Half Yearly



Income increased 5 % YoY to ₹ 274 Cr



Profit before tax up by 11 % YoY to ₹ 99 Cr



Profit after tax up by 7 % YoY to ₹ 66 Cr



RoE (annualised) remained to 14.7%



Loan book remained flat to ₹ 2,486 Cr in September 2013.



The treasury book for fixed income securities stood at ₹ 303 Cr.



Net Interest Income stood at ₹ 83 Cr up by 62.7%.
Net Interest Margin stood at 5.62%



Gross NPA is 1.4 % , Net NPA is 1.2 %



Net worth stood at ₹ 925 Cr



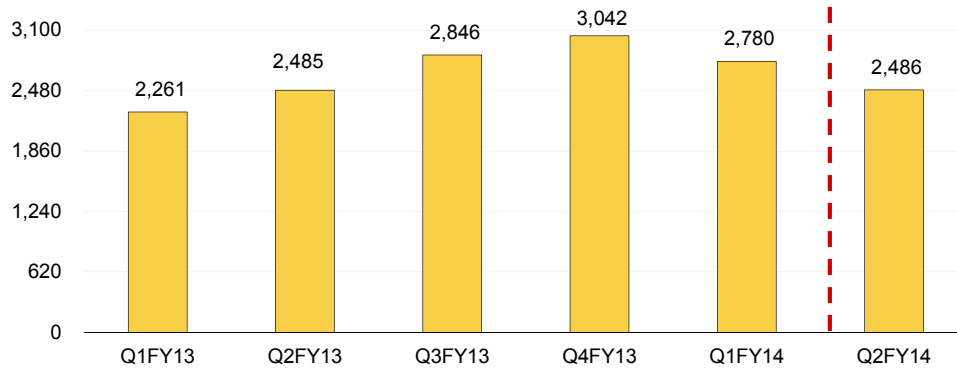
Real Estate exposure ₹ 1,199 Cr

Highlights - Fund based activities - Quarterly

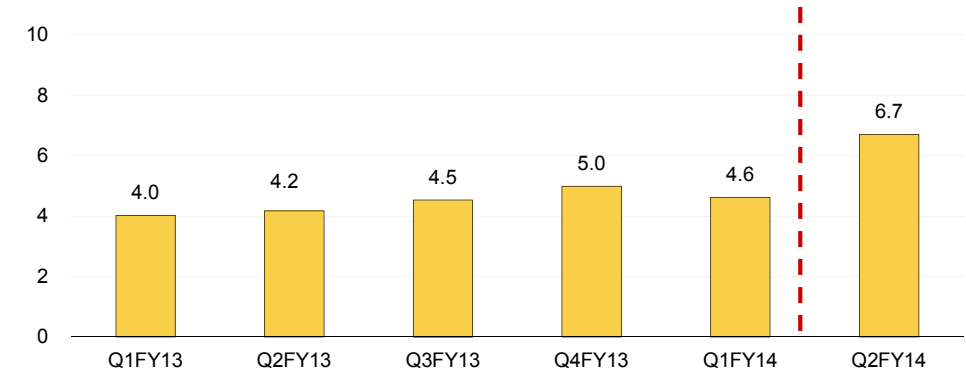
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|---|--|---|---|
| ✓ | Income down 12 % YoY to ₹ 121 Cr | ✓ | Net Interest Income up by 72 % YoY to ₹ 48 Cr. |
| ✓ | Profit before tax down by 6 % YoY to ₹ 45 Cr | ✓ | Net Interest Margin stood at 6.74 % (3.99% in Q2FY13). |
| ✓ | Profit after tax down by 11 % YoY to ₹ 30 Cr | ✓ | Capital Adequacy Ratio stood at 29.99% |
| ✓ | RoE (annualised) stood at 13.1% | ✓ | Provision Coverage Ratio stood at 15%. |
| ✓ | Loan book remained flat to ₹ 2,486 Cr in Q2 FY14 | ✓ | Provision Coverage Ratio including standard asset provision stood at 96 % |

Highlights - Fund based activities

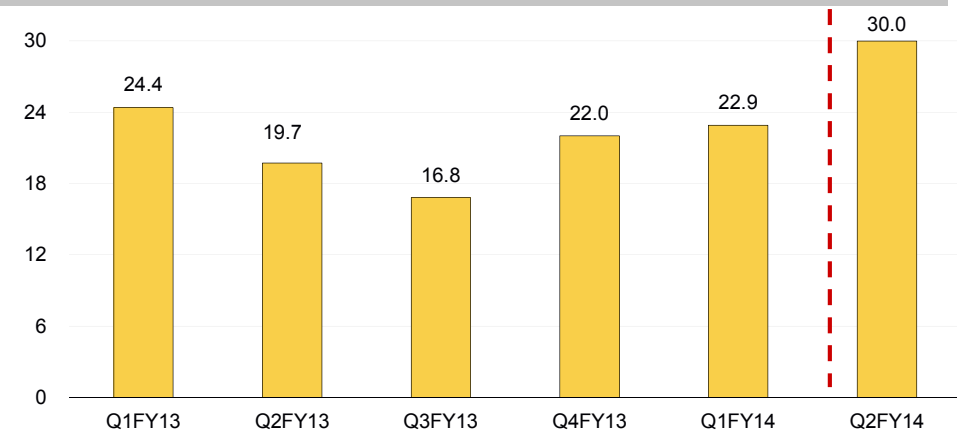
Loan book
(₹Cr)



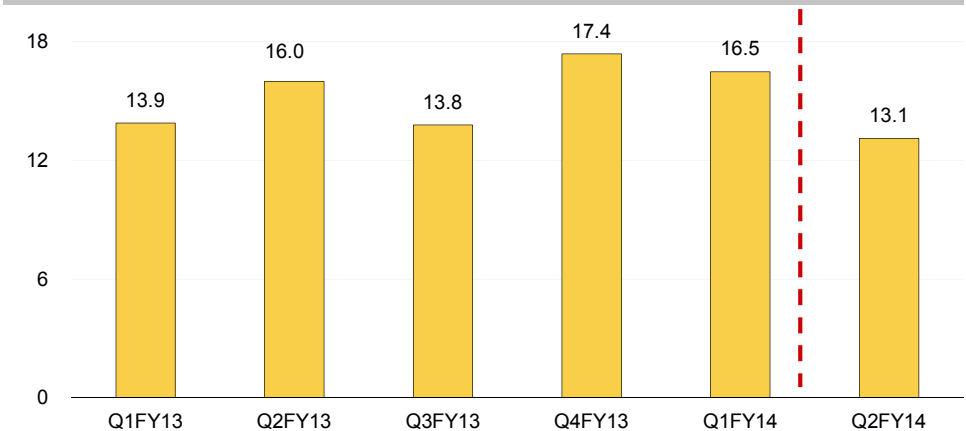
Net Interest Margin
(%)



Capital Adequacy Ratio
(%)



Return on Equity
(%)



Asset Reconstruction



AUM of ₹ 1,095 Cr



JM ARC share in total AUM stood at ₹ 363 Cr



Assets acquired during the quarter ₹ 13 Cr



JM ARC share in acquisition during the quarter stood at ₹ 1 Cr



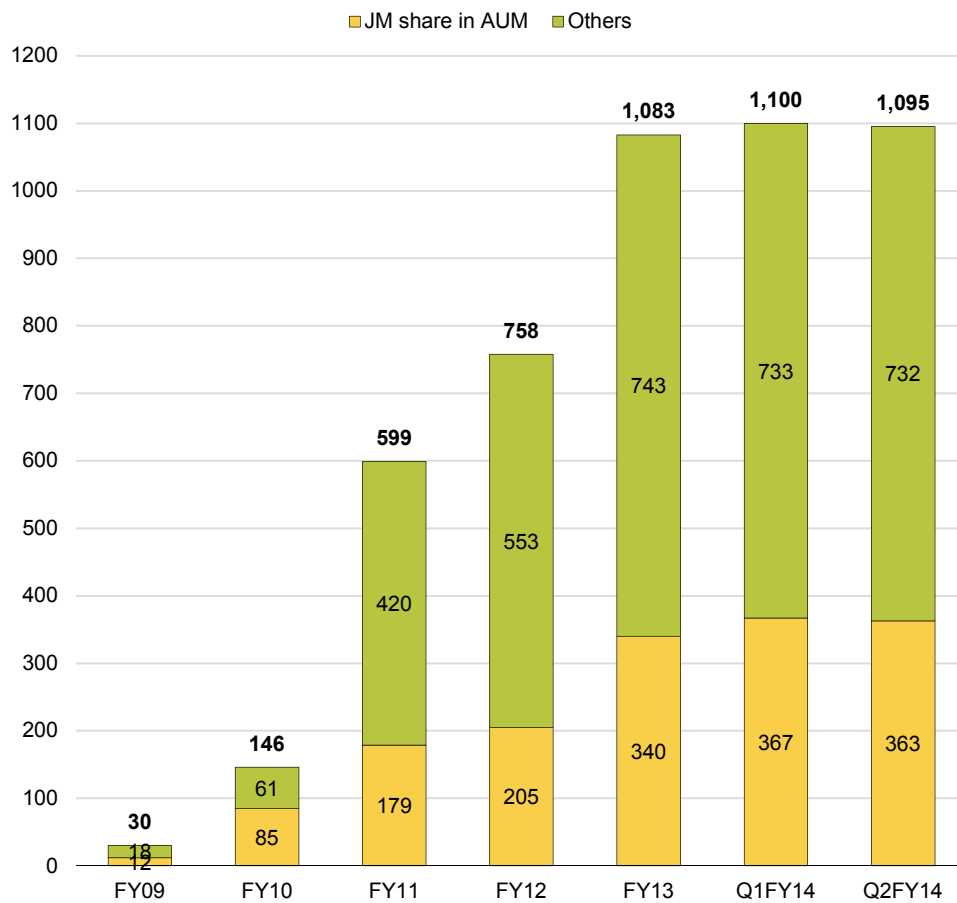
Assets Redeemed during the quarter stood at ₹ 18 Cr



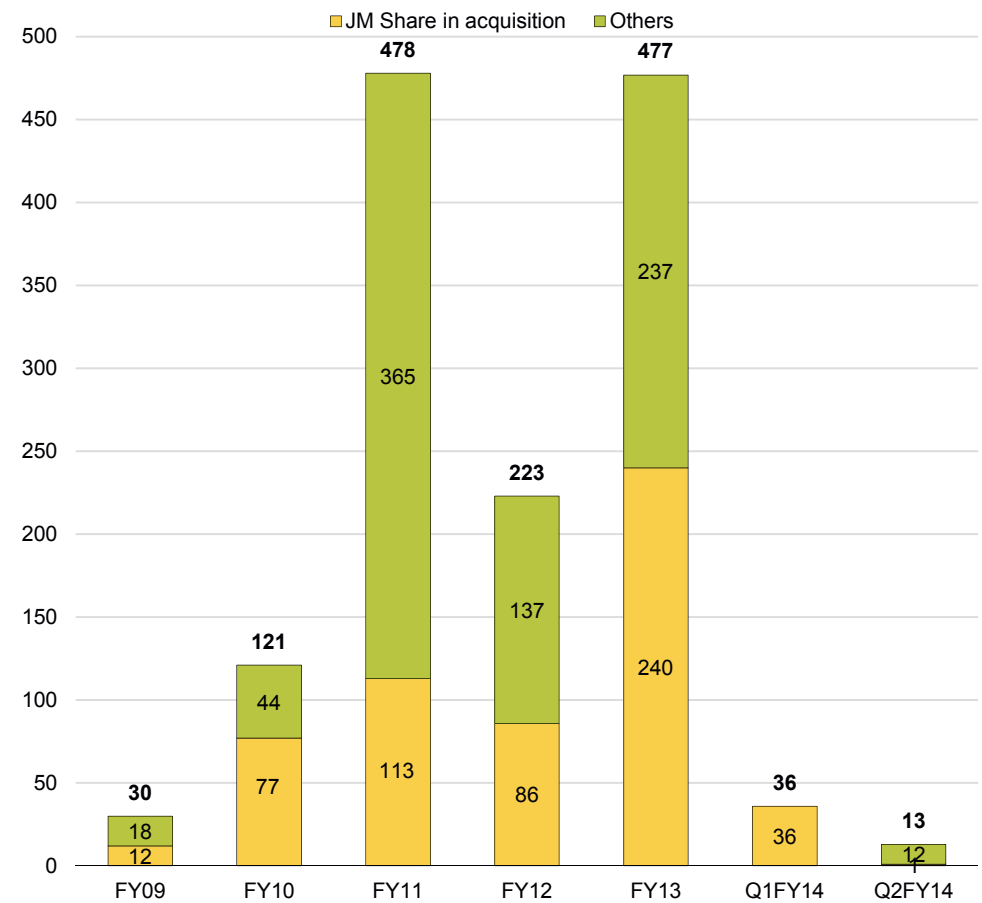
JM ARC share in redemption during the quarter stood at ₹ 5 Cr

Asset Reconstruction

AUM (₹ Cr)



Asset acquired during the period (₹ Cr)



Alternative Asset Management

Private Equity

- Fund Size: US\$ 225 Mn / Rs. 936 Cr.
- No. of investments: 16
- No. of Exits: 4

Real Estate

- Fund Size: 390 Cr
- No. of investments: 14
- No. of Exits: 2
- Fully drawn down & invested

Asset Management

Mutual Fund

- Average AUM

Equity 443

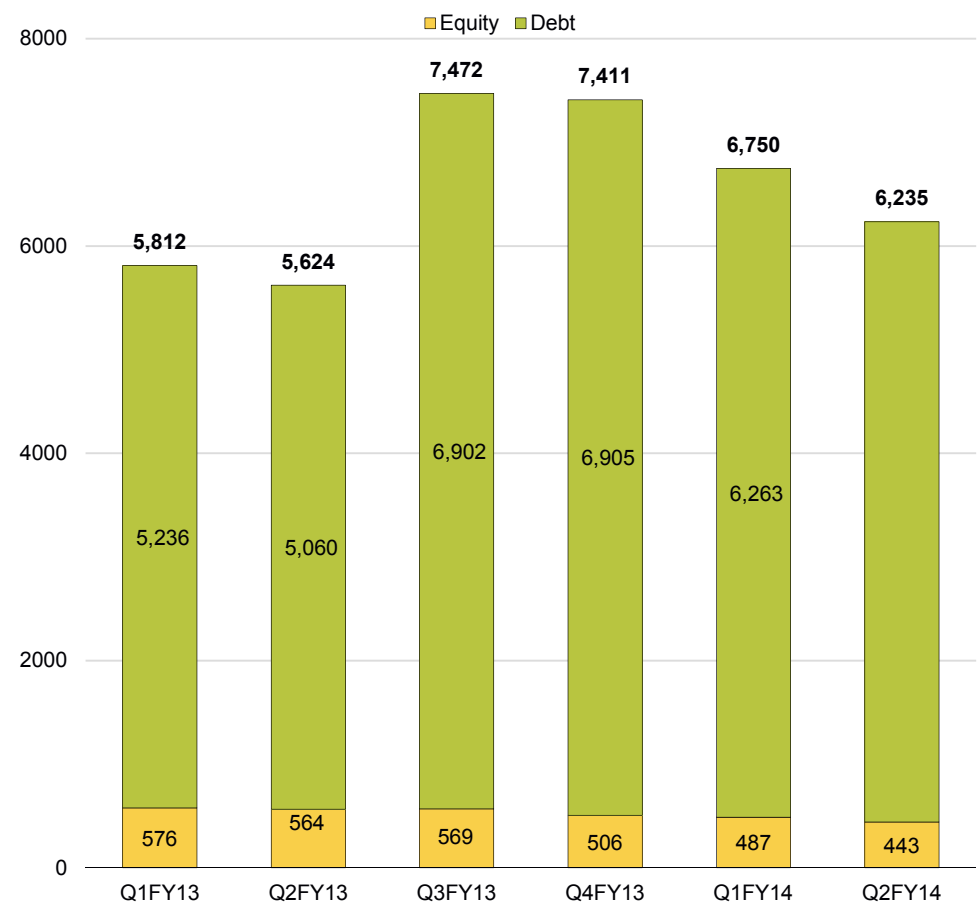
Debt 5,791

Total 6,235

- Over 2 Lacs active investors

- Number of Scheme : 17

Average AUM (₹ in Cr)



Thank You

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