

PRESS RELEASE

For Immediate Publication

JM Financial announces unaudited financial results for the quarter and nine months ended December 31, 2013. The Board of Directors declares interim dividend of Re. 0.45 per share.

Mumbai, January 29, 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 nine months ended December 31, 2013.

Consolidated Results - Key Highlights:

Quarterly Results - Q3 2013

- > Total income at Rs. 221.93 crore compared to Rs. 268.38 crore.
- The profit before tax stood at Rs. 61.65 crore compared to Rs. 62.97 crore
- Net profit after tax, minority interest and share of associates stood at Rs. 44.16 crore compared to Rs. 44.13 crore.

The Earnings per share and Diluted Earnings per share, for the quarter ended December 31, 2013 is Re. 0.59 and 0.57 respectively (not annualised).

FY 14 - 9 months compared to FY 13 - 9

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- > **Total income** at Rs. 751.51 crore compared to Rs. 763.88 crore.
- > The profit before tax stood at Rs. 209.00 crore compared to Rs. 175.97 crore
- > Net profit after tax, minority interest and share of associates stood at Rs. 150.10 crore compared to Rs. 113.16 crore.

The Earnings per share and Diluted Earnings per share, for the nine months ended December 31, 2013 is Re. 1.99 and 1.95 respectively (not annualised).

The Board of Directors has declared an interim dividend of **Re. 0.45** per share of the face value of Re. 1 each, which will result in cash outflow of Rs. 33.99 crore

Commenting on the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said, "India witnessed one of the most challenging quarters for economic activity. The uncertainty on domestic political front, continuing adverse process coupled with changing global dynamics are contributing to a near flux situation for domestic business.

Our third quarter performance is more or less in line with last quarter on Y on Y and Q on Q basis despite the significant challenges boning in relation to non-institutional equity business. The impact of uncertainty in economic front had a rub-off effect on retail investors activity leading to extremely low level of participation in equity markets including IPO's. We remain focused on building a diverse set of businesses that will help moderate the impact of volatile market conditions and achieve long term growth."

Business Update

Investment banking and securities business:

During the quarter, we were awarded the 'Investment Bank of the Year' as well as the 'India Deal of the Year (Large Markets)' at the recently conducted M&A Atlas Awards. The India Deal of the Year award was received for the de-merger of the Pantaloon format business from Pantaloon Retail (India) Limited and acquisition of controlling stake by the Aditya Birla Group.

The Institutional Equity Business has gained further traction in a challenging scenario. We held our India Conference In Mumbai during November 2013, which was well received by clients and corporates. Participants from 98 funds and 69 corporates attended the conference.

Our Singapore entity viz., JM Financial Singapore Pte. Ltd received capital market services license from Monetary Authority of Singapore (MAS).

In non institutional equity brokerage business the major focus was on advisory based services where we offer multiple products advisory. We have presence in 257 locations spread across 114 cities through a network of branches and franchisees.

In the wealth management business, we retained our focus on providing complete financial and custody solutions to high net worth families and advising large corporate treasuries for their investments and fund raising requirements. Our wealth management business assets under advice stand over Rs.17,500 crore as on December 31, 2013. During the quarter, focus for corporate clients was on mobilization of Fixed Income investments through various products like Short Term Funds, Income Funds, Structured Fixed Maturity Plans, Corporate Fixed Deposits, Commercial Papers, Certificate of Deposits, Non-Convertible Debentures and Bonds. For High **Net** worth clients focus was on mobilization of investments in Structured Products, Tax Free Bonds, Debt Funds, Equity Advisory Assets, Non-Discretionary PMS Assets and Managed PMS Assets.

In the distribution business, we continued our focus on mobilization of mutual funds, public issues, fixed deposits and corporate bonds. We have a large network of over 8,000 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. During the quarter, we Mobilised more than Rs.1,400 crore in fixed deposit schemes and fixed income products of various companies.

Fund based activities:

We continued our business activities of offering loan against capital market instruments which includes products like IPO funding, Loan against shares, Margin funding, ESOP financing, Sponsor financing and Loans against properties. Compared to previous quarter there was a relative ease with regards to the availability of funds, however the long term money lenders were very few and selective in lending. The short term money was available but was being bid at higher rates During the quarter, there was funding demand in few large public issues of equity, tax free bonds and Non-convertible debentures. We provided financing to our clients to subscribe in these issues. Our overall funding book stood at Rs. 2,642 crore including Rs. 1,686 crore in wholesale funding as at the end of quarter. The treasury book as on December 31, 2013 for the fixed income securities stood at Rs. 272 crore. We have been also able to maintain our revenue spread during the quarter.

In relation to our asset reconstruction business, we saw continuation of mounting pressure on banks to off-load NPAs during the quarter. Many banks come up with a number of portfolio auctions and the quarter saw an increased activity within the industry. We closed a couple of deals. In **the** backdrop of increased activity by the Banks and improving industry dynamics, the outlook for the business looks promising. Recovery during the quarter improved owing to collections from restructured accounts.

Alternative Asset Management

The combined AUM / AUA of the Private Equity Fund and Real Estate Fund stood of around Rs. 1,250 crore at the end of the quarter. We exited investments of - Rs. 45 crore at 1.4x in Real Estate fund during the quarter.

The Private Equity Fund and the Real Estate Fund work closely with their portfolio companies to help them grow their businesses as well as to seek exit opportunities.

Asset Management

Average AUM of JM Financial Mutual Fund for the quarter ended December 31, 2013 stood at Rs. 7,191.57 crore. The average AUM under Equity schemes was at Rs. 446.55 crore and under the Debt schemes was at Rs. 6,745.02 crore.

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For further information, please contact. Both, the press release and unaudited financial results are available on our website www.jmfinancial.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.jmfinancial.com

For further information, please contact.

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Forward - Locking 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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