



**The Ninth Annual
JMP Securities Research Conference**

May 10, 2010

Forward-Looking Statements

This presentation, as well as any accompanying comments by JMP Group representatives, contains forward-looking statements that reflect JMP Group’s current views with respect to, among other things, the company’s operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative versions of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. JMP Group believes that these factors include, but are not limited to, those described in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the company’s Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission on March 9, 2010, and in the similarly captioned sections of its other periodic reports filed under the Securities Exchange Act of 1934, as amended. JMP Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Mission Statement

To build a premium-quality, research-centric institutional investment bank and alternative asset manager focused on small- and mid-cap growth companies and their investors

Company Overview

- Founded in 1999 and publicly traded since 2007 (NYSE: JMP)
- Two operating businesses: broker-dealer and alternative asset manager
- Principal investment activities provide attractive standalone returns while enhancing operating businesses
- Headquartered in San Francisco, with additional offices in New York, Boston, Chicago and Atlanta
- 217 employees

JMP Securities

- Investment banking
 - Corporate finance and M&A advisory services
- Institutional brokerage
 - Equity research
 - Equity sales and trading
 - Convertible sales and trading

Harvest Capital Strategies

- Alternative asset management
 - \$1.1 billion under management as of 3/31/10
 - Single-strategy hedge funds and multi-manager funds
 - Real estate opportunity funds
 - Middle-market corporate credit manager

Business Highlights

Producers' Platform	<ul style="list-style-type: none">▪ Entrepreneurial culture▪ Over 50% of employees are Managing Directors or Directors with substantial equity ownership
Scalable Asset Manager	<ul style="list-style-type: none">▪ Alternative asset manager with multiple top-tier track records▪ More than \$1 billion in assets under management
Newly Established Growth Platforms	<ul style="list-style-type: none">▪ Convertible sales and trading platform▪ Hua Mei Capital Company▪ JMP Credit Corporation▪ Sanctuary Wealth Services
Strong Balance Sheet	<ul style="list-style-type: none">▪ Supports fee-based businesses but is not the driver of revenues
Cost Structure & Revenue Mix	<ul style="list-style-type: none">▪ Low fixed cost structure and well-diversified revenue mix enabled modest profitability during severe market downturn
Earnings Rebound	<ul style="list-style-type: none">▪ Earnings recovered quickly to pre-downturn levels as capital markets environment improved

Long-Term Revenue Growth Target of 15% to 20% per Year

JMP Securities

- **Product expansion**
 - **Phase I: Complete build-out of existing industry verticals under research coverage**
 - Increased number of senior analysts from 16 at 01/09 to 23
 - Increased research universe from 203 stocks at 01/09 to 292; plan to reach 400 by 1Q11
 - **Phase II: Broaden sales and trading distribution**
 - Added convertible sales and trading platform and expanded PIPE and private placement efforts
 - Increase number of senior equity salespeople and sales traders from 28 to 32 by 1Q11
 - Increase number of active U.S. institutional accounts from 560 to 700
 - **Phase III: Add senior investment bankers with M&A focus to complement research coverage**
- **Following an initial 12- to 18-month lag, we anticipate that broker-dealer revenue growth should accelerate and track a doubling of JMP's research universe within five years**

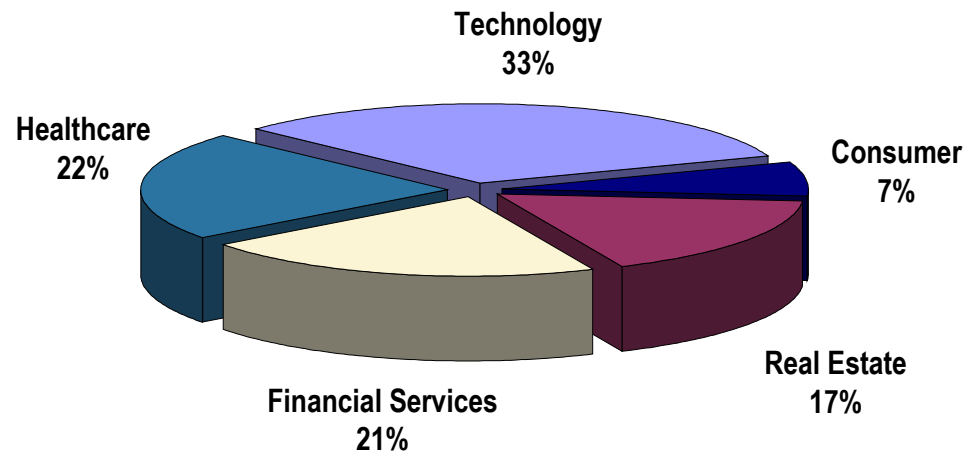
Harvest Capital

- **Developed diversified fund manager platform and infrastructure to support rapid AUM growth**
- **Added additional senior marketing professional in 1Q10 to focus on fundraising**
- **Strategic investments in HuaMei Capital Company and Sanctuary Wealth Services**
- **Evaluating growth opportunities for JMP Credit Corporation**

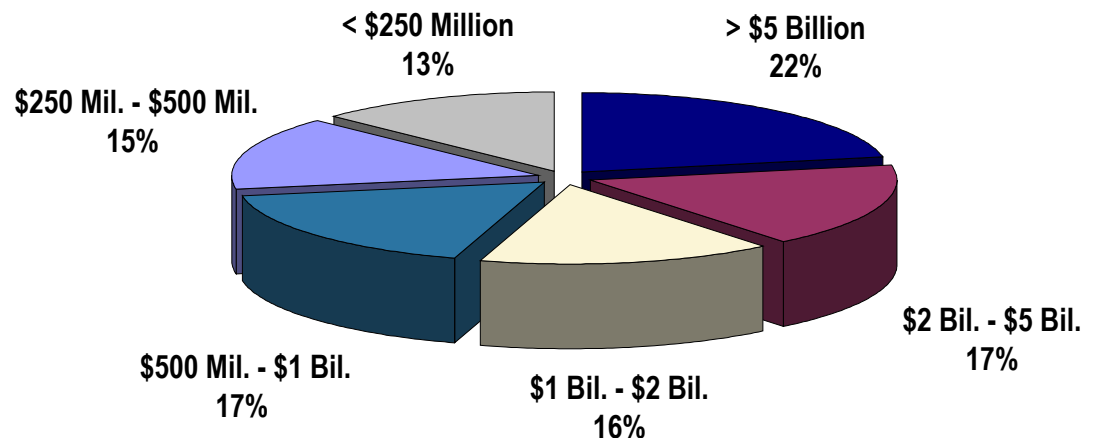
Independent Analysis and Informed Opinions

- Proprietary investment themes and action-oriented reports
- Research universe with median market capitalization of \$1.2 billion
 - 292 stocks under coverage
 - 23 publishing research analysts

JMP Research Coverage by Industry



JMP Research Coverage by Market Cap.

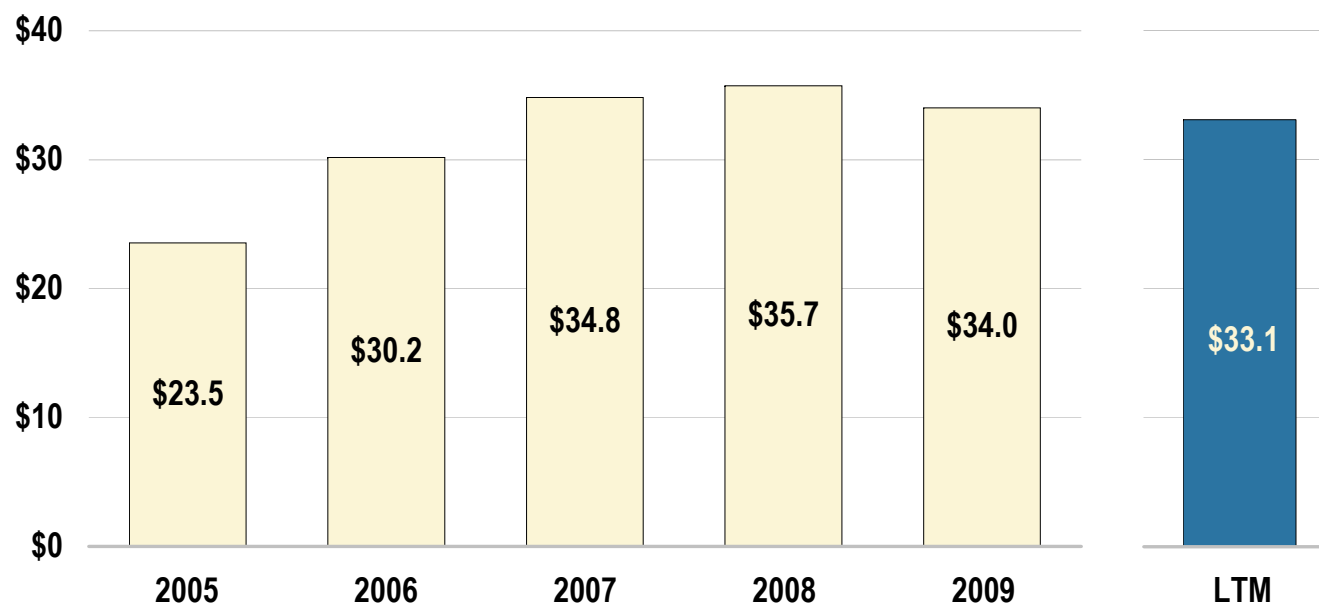


- Disproportionate coverage of large-cap U.S. equities by brokerage firms
 - Market cap > \$2 billion: Average of 15 analysts
 - Market cap < \$2 billion: Average of 4 analysts

Investment in Institutional Brokerage Platform

Historical Brokerage Revenues

Net Revenues
(\$ in millions)



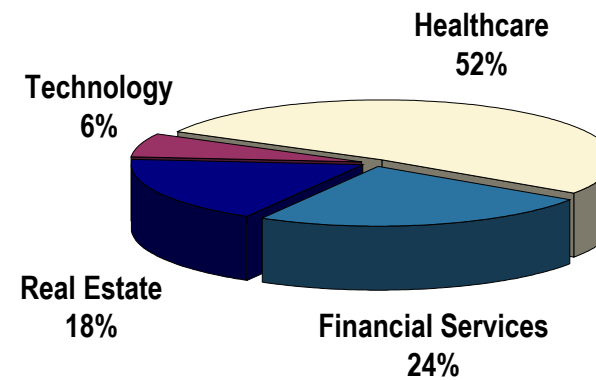
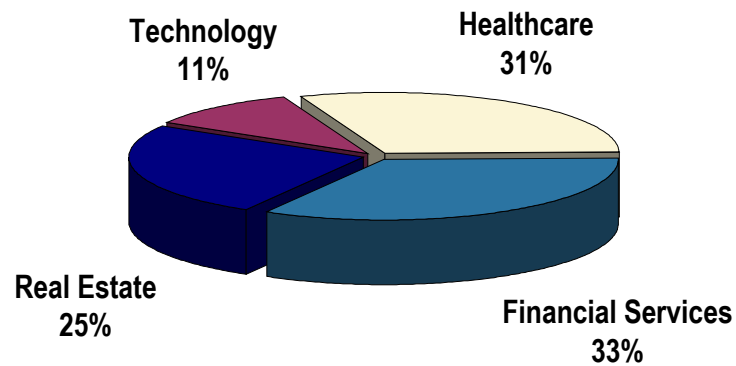
Employees (Period-End)	43	44	46	48	49	46
Revenues per Employee (Avg.)	\$0.547	\$0.694	\$0.764	\$0.763	\$0.691	\$0.678
Companies Under Coverage (Period-End)	294	279	214	201	286	283
Revenues per Company Covered (Avg.)	\$0.096	\$0.109	\$0.130	\$0.164	\$0.141	\$0.129

Diversification in Transaction Volume

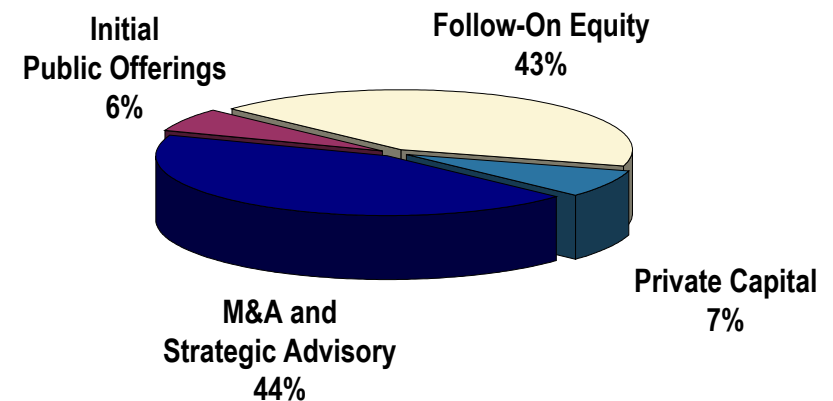
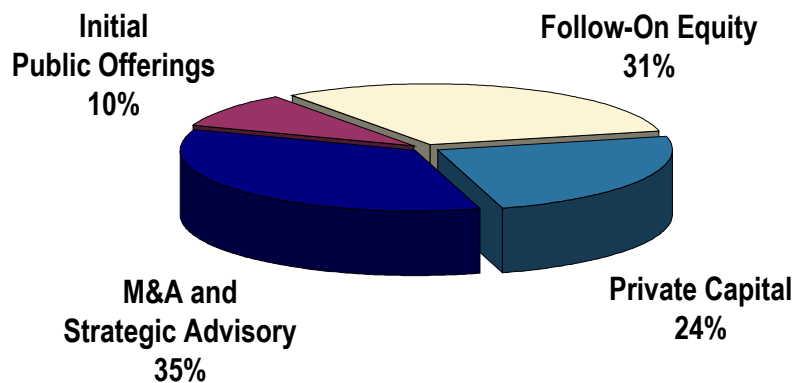
2009 Revenues

1Q10 Revenues

By Industry



By Type of Transaction



Asset Management

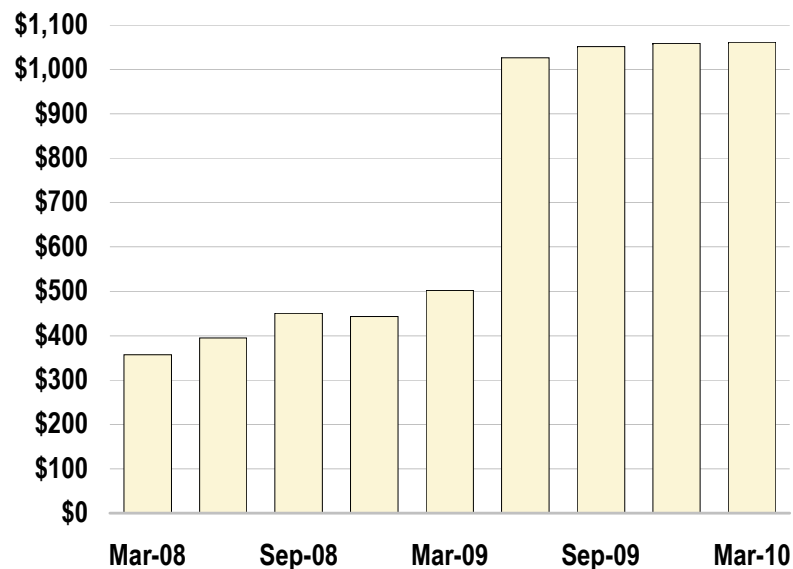
Alternative Investment Products

- Attractive economics of the alternative asset model provide management fees and profit participation
- Plan to develop additional distribution channels to substantially grow assets under management

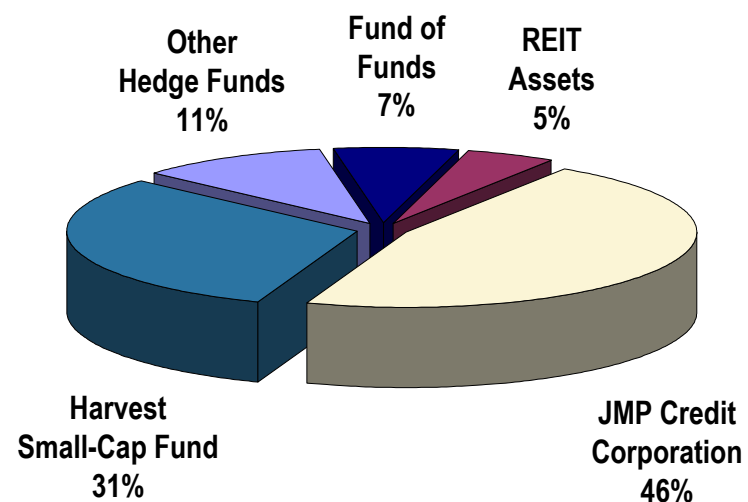
Client Assets Under Management

Historical Growth

(\$ in millions)



Composition – 3/31/10

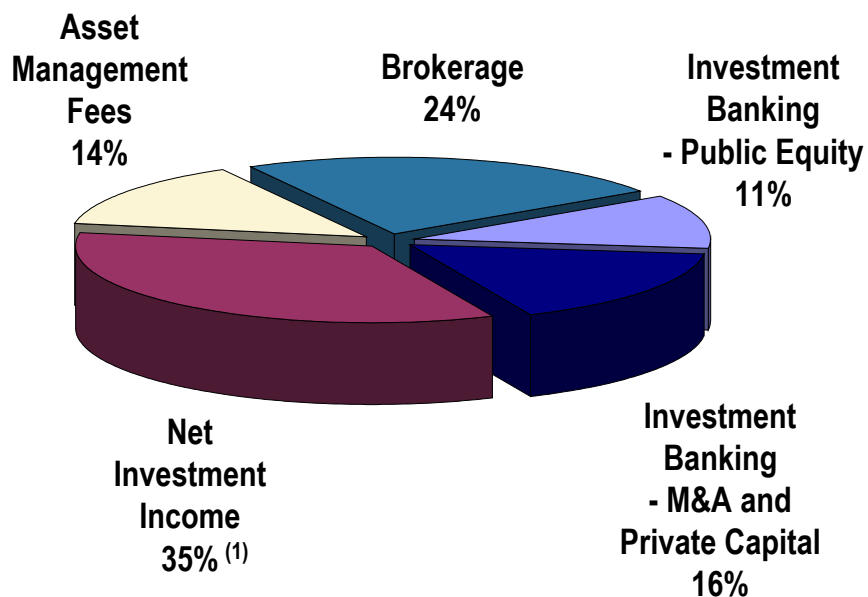


Revenue Diversification

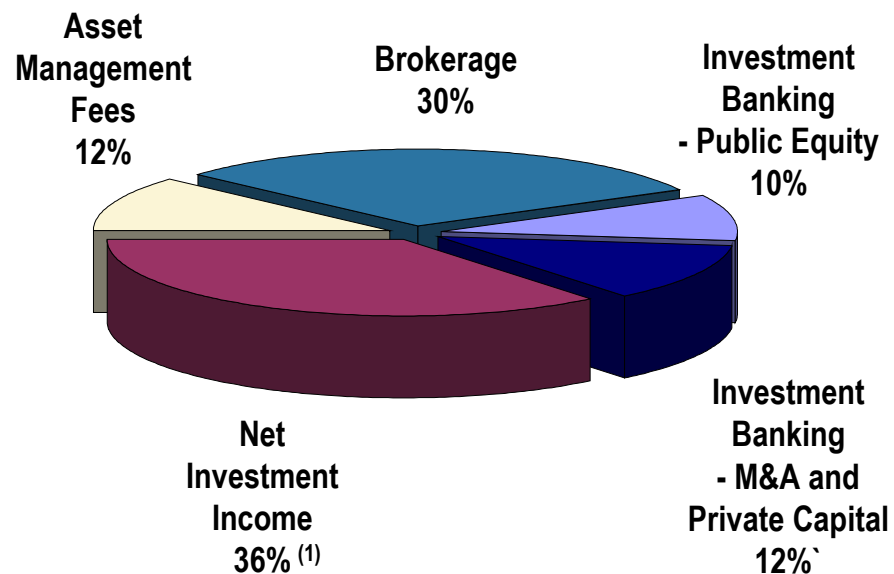
Diverse Revenue Sources

Revenue Composition

2009



1Q10



⁽¹⁾ Excludes unrealized gains on equity investments in publicly-traded New York Mortgage Trust (\$5.6 million in 2009 and \$0.2 million in 1Q10) and Hercules Technology Growth Capital (\$0.9 million in 2009). Includes base asset management fees related to JPM Credit Corporation that are eliminated in consolidation (\$1.9 million in 2009 and \$0.9 million in 1Q10).

Financial Statements

Income Statement – Operating Net Income

(\$ in millions)	2007	2008	2009	Adjusted		1Q09	1Q10
				2008	2009		
Revenues							
Investment Banking Fees	\$49.3	\$27.2	\$39.9	\$27.2	\$39.9	\$4.1	\$5.5
Net Brokerage Revenues	34.8	35.7	34.0	35.7	34.0	8.5	7.7
Asset Management Fees	5.0	11.4	20.1	11.4	20.1	8.5	2.9
Net Investment Income	7.7	1.7	60.0 ⁽³⁾	10.1 ⁽⁴⁾	53.6 ⁽⁵⁾	3.8	9.4
Loan Loss Provision	-	(2.9)	(5.8)	(2.9)	(5.8)	(0.7)	(0.2)
Total Net Revenues	96.8	73.1	148.3	81.6	141.8	24.2	25.2
Expenses							
Compensation and Benefits ⁽¹⁾	56.8	61.8	102.0	55.6 ⁽⁶⁾	96.3 ⁽⁶⁾	17.8	14.8
General, Administrative and Other	22.1	24.2	24.0	24.2	24.0	5.3	6.3
Total Non-Interest Expenses	78.9	86.1	126.0	79.8	120.3	23.2	21.1
Oper. Inc. before NI and Taxes	17.9	(12.9)	22.3	1.8	21.6	1.0	4.1
Noncontrolling Interest	0.4	(0.5)	1.9	0.6 ⁽⁷⁾	1.4 ⁽⁷⁾	0.0	0.3
Pro Forma Income Tax Expense ⁽²⁾	7.3	(5.2)	8.6	0.5	8.5	0.4	1.6
Operating Net Income	\$10.1	(\$7.2)	\$11.9	\$0.7	\$11.7	\$0.6	\$2.2
Operating EPS	\$0.52	(\$0.36)	\$0.54	\$0.03	\$0.53	\$0.03	\$0.10

(1) Excludes compensation expense related to restricted stock units granted in connection with the company's IPO.

(2) Assumes an effective tax rate of 42%.

(3) Excludes bargain purchase gain of \$1.2 million related to acquisition of Cratos Capital Partners.

(4) Excludes unrealized mark-to-market losses on equity investments in New York Mortgage Trust (\$6.5 million) and Hercules Technology Growth Capital (\$2.0 million).

(5) Excludes unrealized mark-to-market gains on equity investments in New York Mortgage Trust (\$5.6 million) and Hercules Technology Growth Capital (\$0.9 million).

(6) Excludes \$6.2 million and \$5.7 million of compensation expense derived from accelerated vesting of restricted stock awards in 2008 and 2009, respectively.

(7) Excludes noncontrolling interest in convertible preferred stock in New York Mortgage Trust held at Harvest Mortgage Opportunity Partners, L.P.

Financial Statements

Balance Sheet

(\$ in millions)	3/31/10
Assets	
Cash and Cash Equivalents	\$27.7
Restricted Cash and Deposits and Receivable from Clearing Broker	39.0 ⁽¹⁾
Marketable Securities Owned, at Fair Value	21.1
Other Investments	
Interests in JPM-Managed Hedge Funds	31.7
Convertible Preferred Equity in NYMT	15.0
Other Equity Investments	9.6
Total Other Investments	56.3
Loans Held for Investment, Net	1.5
Loans Collateralizing ABS Issued, Net	344.0
Deferred Tax Asset	47.1
Other Assets	14.8
Total Assets	\$551.5
Liabilities and Stockholders' Equity	
Note Payable	\$9.0
ABS Issued	330.2
Deferred Tax Liability	45.1
Accrued Compensation	4.8
Other Liabilities	33.8
Total Liabilities	422.9
Total Equity	128.5 ⁽²⁾
Total Liabilities and Equity	\$551.5

- Liquid balance sheet
 - Net liquid assets of \$72.6 million, or \$3.35 per share ⁽³⁾
 - Fixed assets < 1% of total assets
- Debt-to-equity ratio of 6.8%
 - \$9.0 million of recourse debt ⁽⁴⁾
 - \$18.9 million undrawn on line of credit
- Tangible book value of \$5.68 per share
- Active capital management
 - Quarterly dividend
 - Share repurchase program
 - 3.4 million shares bought back of 5.0 million shares authorized
 - Principal investment activities

⁽¹⁾ Includes \$23.8 million of cash collateralizing ABS issued and \$12.2 million of proceeds from short sales.

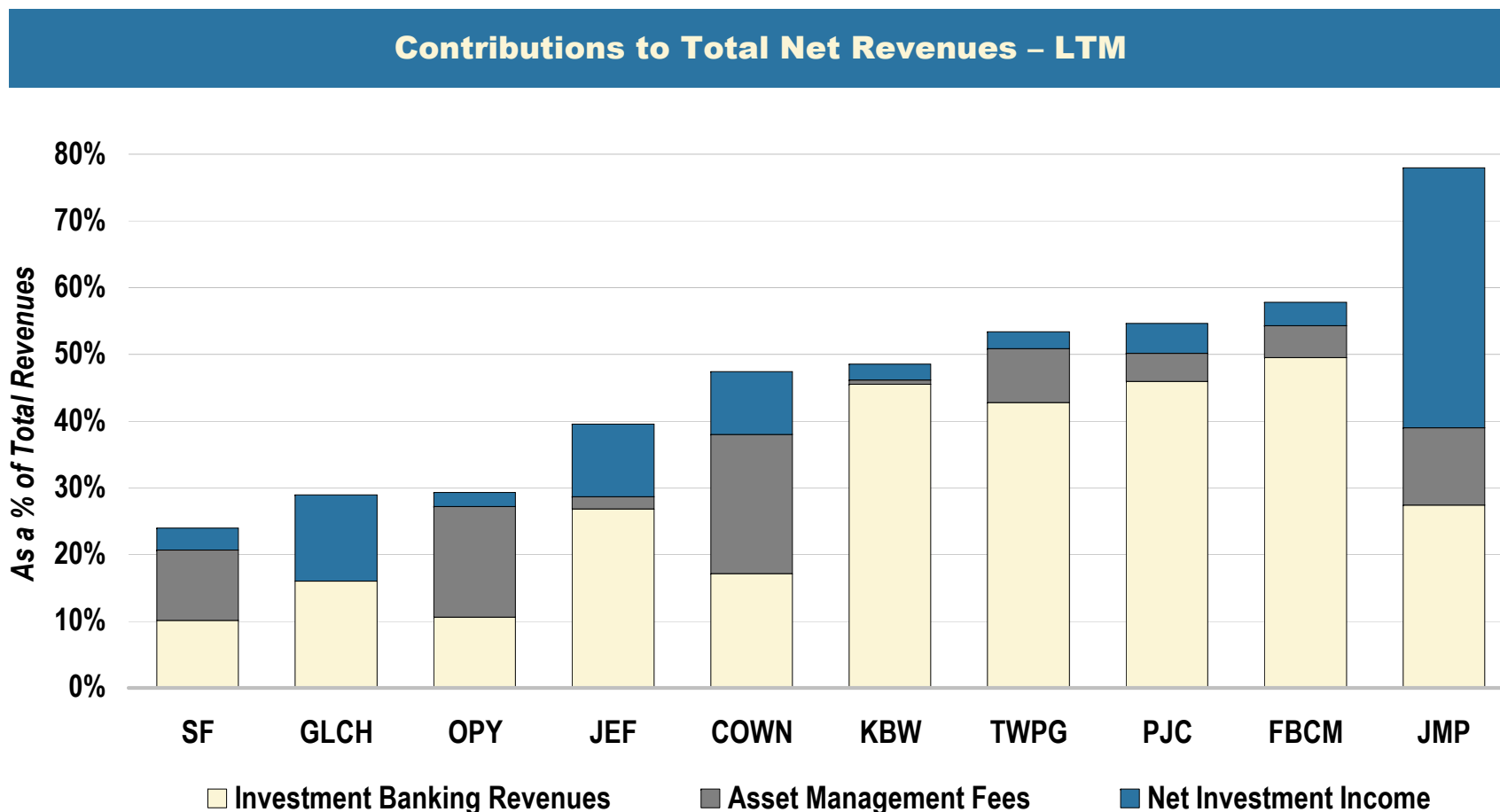
⁽²⁾ Includes \$5.3 million of noncontrolling interest.

⁽³⁾ Sum of unrestricted cash, marketable securities and GP interests in hedge funds less notes payable, accrued compensation and noncontrolling interest.

⁽⁴⁾ Excludes \$330.2 million of asset-backed securities, issued by a bankruptcy-remote entity, that are non-recourse to JMP Group.

Analysis of Comparable Peers – Revenue Diversification

- JMP is primarily engaged in high-margin businesses and derives less than 25% of its revenues from lower-margin sales and trading activities, in contrast to some of its publicly traded peers

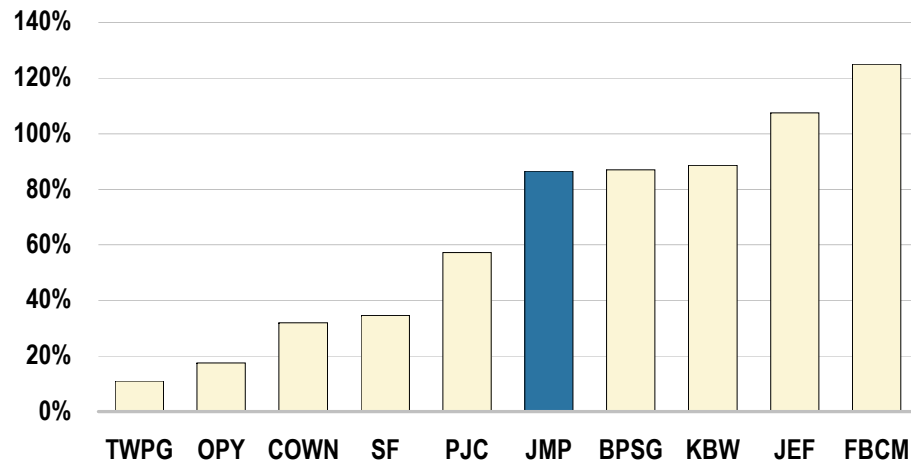


Source: Company press releases and SEC filings. Cowen Group results for the 12 months ended 12/31/09; pro forma for Ramius merger.

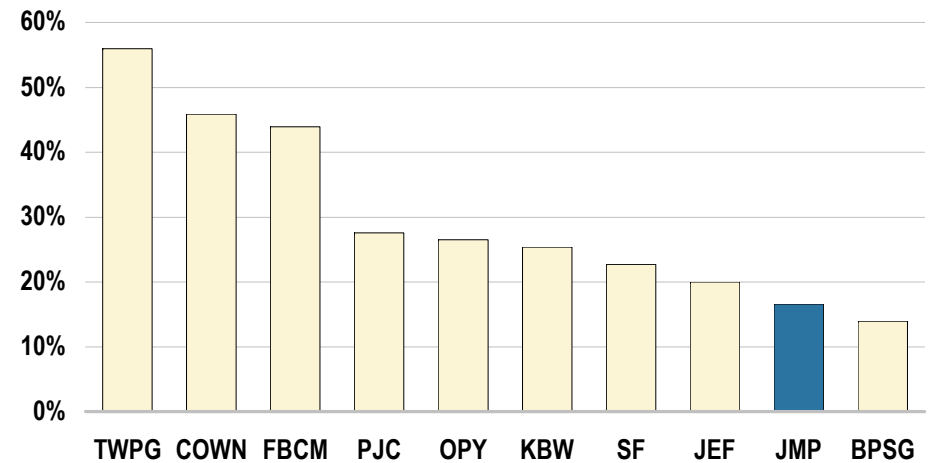
Key Metrics

Analysis of Comparable Peers – Broker-Dealers

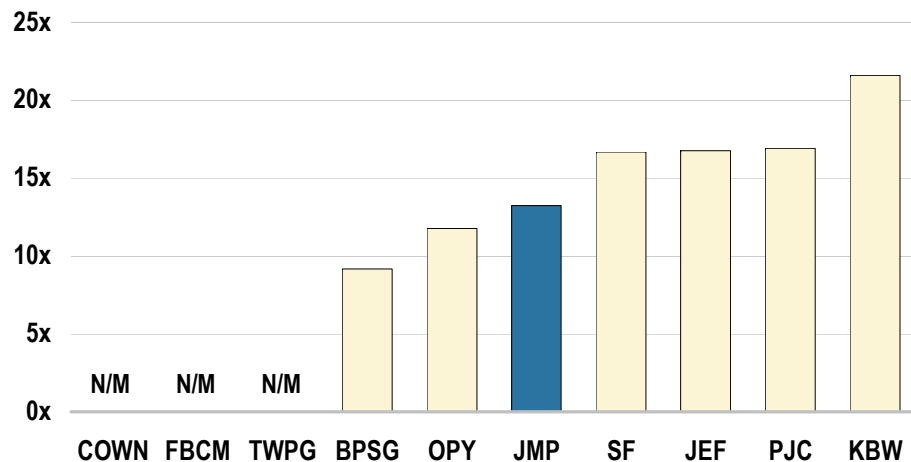
Revenue Change – LTM / Prior 12 Mos.



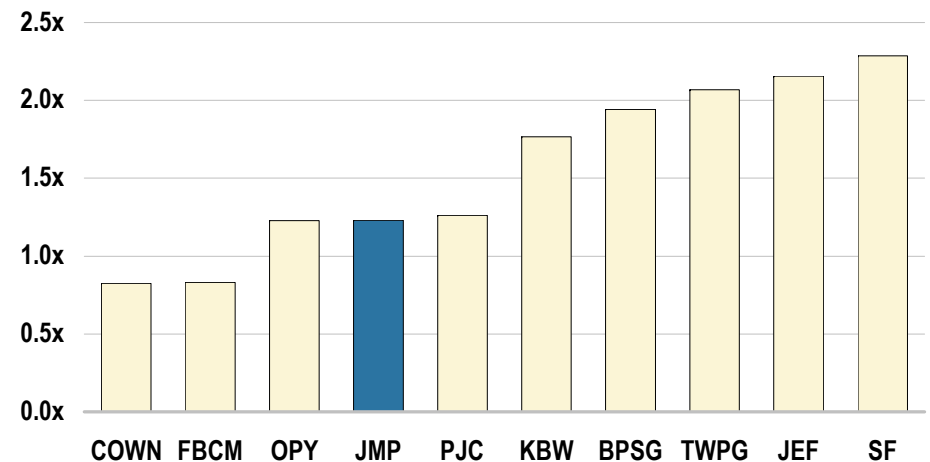
Non-Comp. Expense Ratio – LTM



Price / Operating Earnings – 2010E



Price / Tangible Book Value

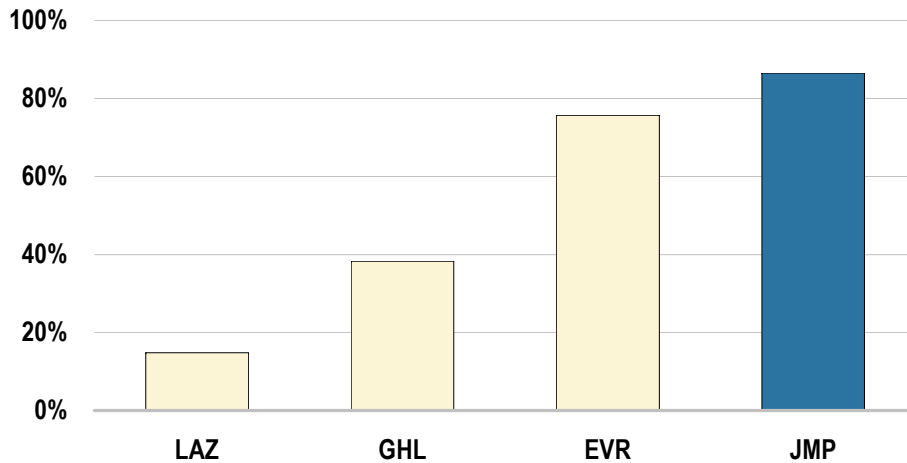


Source: Company press releases and SEC filings.

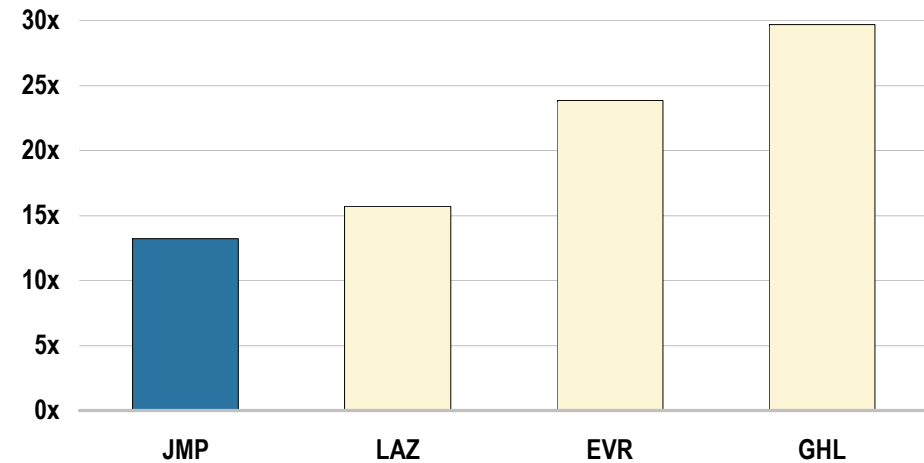
Key Metrics

Analysis of Comparable Peers – Advisory Boutiques and Hedge Fund Cos.

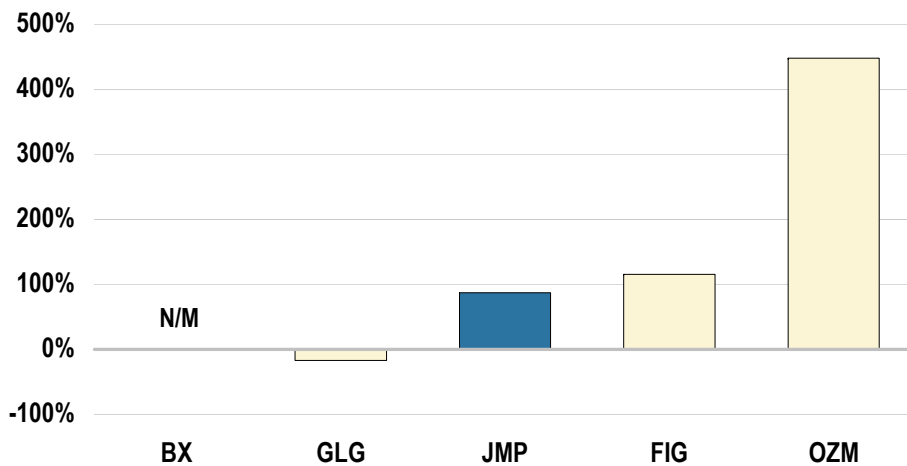
Revenue Change – LTM / Prior 12 Mos.



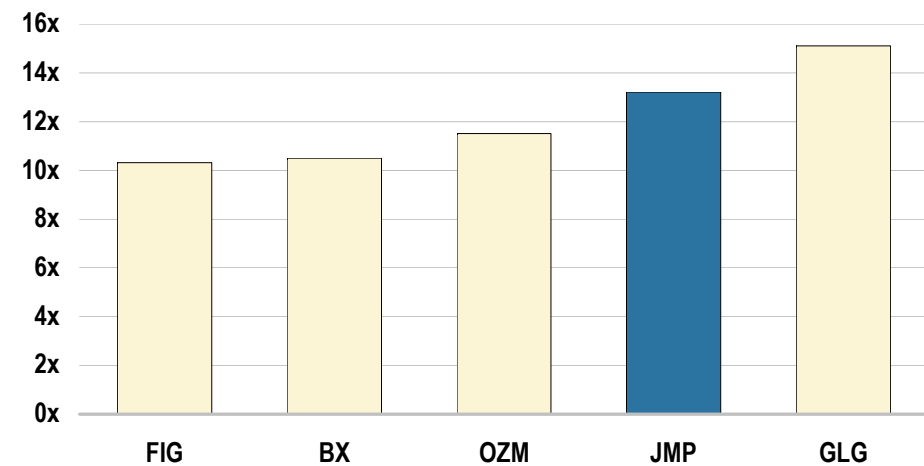
Price / Operating Earnings – 2010E



Revenue Change – LTM / Prior 12 Mos.



Price / Operating Earnings – 2010E



Source: Company press releases and SEC filings.



Appendix

Client Assets Under Management

Net Asset Values and Returns				
(\$ in millions)	12/31/09 Client AUM	2009 Net Return	3/31/10 Client AUM	1Q10 Net Return
Hedge Funds				
Harvest Small-Cap Partners	\$327.3	14.6%	\$329.6	(4.0%)
Harvest Opportunity Partners II	63.5	31.7%	65.5	1.8%
Harvest Technology Partners	14.9	25.5%	20.8	(1.0%)
Harvest Diversified Partners (1)	N/A	N/A	14.7	(0.1%)
Harvest Consumer Partners	6.5	23.3%	7.6	(3.1%)
Harvest Global Select Partners (1)	4.5	6.8%	5.2	8.5%
	\$416.7		\$443.4	
Fund of Hedge Funds				
JMP Masters Fund	\$95.0	12.6%	\$73.5	2.0%
REIT Assets				
New York Mortgage Trust, Inc. (2)	\$48.4	99.5% (6)	\$48.4	21.7% (6)
Harvest Mortgage Opportunities Partners (3)	3.5	24.6%	3.7	2.1%
Collateralized Loan Obligations				
JMP Credit Corporation (4)	\$495.1	436.8%	\$492.2	15.8%
Total Client AUM	\$1,058.7		\$1,061.3	
Sponsored Funds				
Expo Health Sciences Fund	\$178.0	26.2%	\$280.0	2.1%
Headlands Asset Management (5)	31.8	14.7%	31.8	31.9%
Adjusted Total Client AUM	\$1,268.5		\$1,373.1	

(1) HDP launched 1/1/10; HGSP launched 5/1/09.

(2) Portion of New York Mortgage Trust's net assets that is subject to management fees payable to Harvest Capital Strategies.

(3) Fund has been returning capital and expects to fully distribute to investors during 2010.

(4) AUM represents loans at cost and cash in CLO. For 2009, net return on JMP Group's investment of \$4.0 million. For 2010, net return on cost basis as of 12/31/09.

(5) Fund I launched 3/31/09; Fund II launched 11/13/09. Portion of Headlands' net assets for which JMP Group is apportioned management fees for providing fundraising services.

(6) Represents stock price appreciation and dividends paid on common and convertible preferred shares.

Principal Investment Activity

- Objective of providing risk-adjusted unlevered returns of greater than 15% while investing in businesses that enhance JMP Group's asset management and investment banking activities

Principal Investments – 3/31/10 ⁽¹⁾

(\$ in millions)

	Description	Investment	
		Amount	Type
JMP Credit Corporation	CLO manager	\$24.9	Private equity
New York Mortgage Trust	Agency MBS REIT	11.7	Convertible preferred
		4.5	Common equity PIPE
Harvest Growth Capital	Investor in secondary venture capital interests	2.7	Private equity
WI Harper Group	China-focused venture capital fund	2.5	Private equity
HuaMei Capital Company	Joint venture with China Merchants Securities Co.	2.0	Private equity
Sanctuary Wealth Services	Service provider to independent wealth managers	1.5	Private equity
Strategic Storage Holdings	Specialty asset manager of self-storage properties	1.2	Senior debt + revenue share
Headlands Capital Management	Investor in distressed residential mortgages	0.6	Private equity
Bridger Commercial Funding	Commercial real estate loan trading platform	0.0	Private equity
Expo Capital Management	Hedge fund manager	N/A	Revenue share
Non-Accrual Assets			
Dunmore Homes	Sacramento homebuilder	0.3	Mezzanine debt

⁽¹⁾ Investments shown at carrying value rather than cost. Excludes JMP Group investments in funds managed by Harvest Capital Strategies, a portfolio of equity securities held at JMP Securities, warrants in certain investment banking client companies and minority interests.