

JM Financial's consolidated revenue is up by 48.80% YoY and consolidated net profit is up by 48.90% YoY for the Q1 FY 18.

Mumbai, July 24, 2017: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the quarter ended June 30, 2017.

Summary of Consolidated results FY 18 – Q1 compared to FY 17 – Q 1

(Rs. in Cr)

Particulars	Quarter ended June 30, 2017	Quarter ended June 30, 2016	% Increase
Total income	709.09	476.54	48.80%
Profit before tax	269.84	171.09	57.72%
Net profit after tax and before minority interest	178.33	117.11	52.27%
Net profit after tax, minority interest and share of associates	128.19	86.09	48.90%

**Upon JM Financial Asset Reconstruction Company Limited (the ARC) becoming a subsidiary of the JM Financial Limited w.e.f. September 30, 2016, the profit and loss account is consolidated as a subsidiary from October 1, 2016 as compared to being an "Associate" till September 30, 2016.*

The Earnings per share and Diluted Earnings per share, for the quarter ended June 30, 2017 is Rs. 1.61 and Rs. 1.60 respectively. The consolidated net worth as at June 30, 2017 stands at Rs.3,342.76 Cr and the debt equity (equity+minority Interest) ratio is 2.6 times. The book value per share is Rs.41.95.

Commenting on the results and financial performance, Mr. Vishal Kampani, Managing Director, JM Financial Group, said,

“The Indian economy is entering a phase of productive and sustainable growth supported by a stable macro and political environment. Implementation of the

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country's biggest tax reform, GST should widen the country's tax net and improve the ease of doing business. The RBI and Finance Ministry's strong resolve towards tackling the NPA situation is a step in the right direction. Markets have cheered these developments and have touched all-time highs on the back of increased inflows by investors.

Our fund based businesses continue to gain traction. We remain selective and are focused on asset quality in our lending business. Our ARC business remains focused on resolution of the acquired assets and opportunistically adding new assets.

With the strong momentum in the Capital markets we have successfully executed several transactions this quarter. Our capital markets and mergers and acquisitions deal pipeline remains robust."

Business Update

Investment banking, Wealth Management and Securities business

Investment Banking

The Investment Banking business continues to grow with a robust deal pipeline with several mandated transactions under execution. Our approach is relationship driven and we continue to build on areas of competitive advantage and add value to our clients with our advice.

During the quarter, some of the transactions that our Investment banking team executed were as follows:

- Sole financial advisor to Sona Autocomp Holding Limited (SAHL) on the sale of its entire stake in Sona Koyo Steering Systems Limited to JTEKT Corporation, a Japanese multinational, and long standing technical and financial collaborator to SAHL
- Manager to the open offer by JSW Cement Limited to the public shareholders of Shiva Cement Limited
- Fairness Opinion to Adani Power on slump sale of Mundra power generating business
- Book Running Lead Manager to QIP by State Bank of India – Rs.15,000 Cr

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- Book Running Lead Manager to IPO by S.Chand & Co – ~Rs. 729 Cr
- Book Running Lead Manager to IPO by GTPL Hathway Ltd. – ~Rs. 485 Cr
- Manager to Buyback offer by MPHASIS – Rs. 1,103 Cr
- Manager to Buyback offer by Tata Consultancy Services Ltd. – Rs.16,000 Cr

Wealth Management

Wealth Management business offers wealth management services to High Net worth families, Ultra High Net worth families & corporate treasuries and follows the model of asset allocation and custody services. Open product architecture through combination of in-house offerings and third party products has positioned JM Financial as “Unbiased trusted advisor” to its clients. We have presence in 7 major cities in India (Mumbai, New Delhi, Bangalore, Hyderabad, Kolkata, Ahmedabad and Pune) with team of 67 wealth advisors. We follow a hub and spoke model where the smaller cities are covered by the team based in our offices in the 7 major cities. The AUM of our wealth management business stood at **Rs.24,203 Cr** (excluding custody assets) as on June 30, 2017.

Securities business

Equity Brokerage business offers equity sales and trading services to High Net worth Individuals, Corporates and Retail clients. This group is supported by technical and fundamental research teams and derivative strategists who generate Investment and Trading Ideas. We have presence in **279** locations spread across **115** cities through a network of branches and franchisees.

The Indian equity market has risen to all-time highs on the back of record inflows into domestic institutions even as the FII flows have slowed down relative to the previous quarter. Our equal focus on both domestic and foreign institutions has placed us in a position of strength in the face of emerging global regulations on payment for research and trading. We have research coverage of 171 stocks and cover over 200 institutional investors that include marquee long only FIIs, hedge funds, sovereign funds, domestic mutual funds and insurance companies. Our global offices in New York, Singapore and Mauritius continue to help us in our efforts to strengthen our relationships with global investors.

In the **Distribution business**, we have a large network of over **8,300** active Independent Financial Distributors (IFDs) who distribute various financial products

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across the country. During the quarter, we helped corporates mobilize more than **Rs.750 Cr** in fixed deposit schemes and fixed income products.

During the quarter, the average daily trading volume stood at **Rs.4,358 Cr.**

Fund based business

The lending book of JM Financial Products stood at **Rs. 6,216 Cr** as on June 30, 2017. Out of the said lending book, the Corporate Credit & Structured Financing and Capital Market lending book stood at Rs. 3,655 Cr and the Real Estate lending at Rs. 2,561 Cr.

During the quarter, in IPO financing business, we funded 13 IPOs wherein the aggregate amount of funding was around **Rs.13,189 Cr.**

The lending book of JM Financial Credit Solutions stood at **Rs. 5,678 Cr** as on June 30, 2017 which comprises of real estate lending book of **Rs. 5,517 Cr.** Our commercial real estate funding focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai and Hyderabad. We have recently entered the Kolkata market and plan to selectively enter into new geographies to expand our business. In light of the prevailing stress in the Real Estate sector, we have been extremely selective and continue to remain focused on the asset quality.

We continued our efforts of diversifying our sources and maturities for our borrowing profile. Our long term borrowing as a proportion of total borrowing stood at **approximately 50 %** on June 30, 2017.

During the Quarter, Banks/NBFCs announced various NPA portfolio auctions and we actively participated in several auction processes. We closed 5 deals consisting of 32 accounts out of which 29 accounts were fresh acquisitions and 3 accounts as part of debt aggregation process. During the quarter, the Asset Reconstruction business saw recoveries from both restructured accounts as well as settlement accounts. The outstanding Security Receipts (SRs) stood at **Rs. 12,202 Cr** as on June 30, 2017 as compared to **Rs. 11,874 Cr** as on March 31, 2017.

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Asset Management Business

Asset Management business comprises of **Mutual fund, Private Equity Fund and Real Estate Fund.**

Mutual Fund

We offer a bouquet of 15 mutual fund schemes across the risk-return spectrum that caters to the specific needs of both institutional and non-institutional investors. Our risk and fund management framework allows us to effectively manage risk while generating high quartile returns across the product categories that we offer.

The average AUM of our Mutual Fund schemes during the quarter ended June 30, 2017 stood at **Rs. 12,313 Cr**; comprising of **Rs. 5,621 Cr** in equity schemes and **Rs. 6,692 Cr** in debt schemes.

Private Equity and Real Estate Fund

At the end of the quarter, the combined AUM/AUA of our private equity and real estate funds stood at around **Rs. 655 Cr.**

Both the Private Equity and Real Estate Funds continue to work closely with their portfolio companies to seek exit opportunities.

As on June 30, 2017, the Private Equity Fund has returned an **aggregate of ~76%** of the capital contribution received from its Investors in Indian Rupee terms.

As on June 30, 2017, the Real Estate Fund has returned an **aggregate of ~66%** of the capital contribution received by it in Indian Rupee terms.

Awards & Recognitions

- JM Financial Group has been recognised as Great Place to Work-Certified™ by the Great Place to Work Institute.
- JM Financial was also awarded 'Certificate of Merit for 2016' in the Large Service Enterprises category by the Council for Fair Business Practice (CFBP) Jamnalal Bajaj Awards.

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The unaudited financial results are attached. Both, the press release and unaudited financial results are available on our website www.jmfl.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.jmfl.com or **contact:**

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Forward - Looking 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.

This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and neither JM Financial Group nor any of their directors or employees will be liable in any manner for the consequences of such actions.

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