

JM Financial's consolidated revenue is up by 33.99% and consolidated net profit is up by 27.20% for the Q2 FY 18

Mumbai, October 16, 2017: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the quarter and half year ended September 30, 2017.

Summary of Consolidated results FY 18 – Q2 compared to FY 17 – Q 2

(Rs. in Cr)

Particulars	Quarter ended September 30, 2017	Quarter ended September 30, 2016*	% Increase
Total income	755.44	563.80	33.99%
Profit before tax	286.19	228.99	24.98%
Net profit after tax and before minority interest	194.05	157.34	23.33%
Net profit after tax, minority interest and share of associates	145.84	114.65	27.20%

Summary of Consolidated results FY 18 – H1 compared to FY 17 – H1

(Rs. in Cr)

Particulars	Half year ended September 30, 2017	Half year ended September 30, 2016*	% Increase
Total income	1,464.53	1,040.34	40.77%
Profit before tax	556.03	400.08	38.98%
Net profit after tax and before minority interest	372.38	274.45	35.68%
Net profit after tax, minority interest and share of associates	274.03	200.75	36.50%

JM Financial Limited

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**Upon JM Financial Asset Reconstruction Company Limited (the ARC) becoming a subsidiary of 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 half year ended September 30, 2017 is Rs.3.44 and Rs.3.42 respectively (not annualized). The consolidated net worth as at September 30, 2017 stands at Rs.4,575 Cr and the debt equity (equity + minority Interest) ratio is 2.71 times*. The book value per share is Rs 42.70.

** Debt as on September 30, 2017 excludes Rs .1,424 Cr being short term borrowing raised for financing Initial Public Offerings*

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

“Long term potential of the Indian economy remains bright on the back of reforms like GST, RERA and the Insolvency and Bankruptcy code. Economic growth is going through an aberration caused by temporary disruptions in implementation of the GST, which we believe will get corrected.

Our fund-based businesses performed steadily during the quarter and continue to be key contributors to our profits. Our ARC business remains focussed on resolution of the existing assets and we remain selective on acquiring new assets. Capital markets continue to remain buoyant with a consistent rise in the number of companies looking to raise capital.”

Business Update

Investment banking, Wealth Management and Securities business

Investment Banking

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

- Sole sell side advisor to Firstsource Solutions on the sale of their domestic BPO business to Altruist Technologies

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- Financial advisor to Timken India on acquisition of ABC Bearings under a scheme of arrangement and provided a fairness opinion to the Board of Timken India in relation to the same
- Advisor to Eton Park on the sale of its stake in Reliance Nippon Life Asset Management Ltd
- Book running lead manager to the IPO of Cochin Shipyard ~Rs.1,443 Cr,
- Book running lead manager to the IPO of ICICI Lombard General Insurance Co. Ltd. ~Rs.5,701 Cr
- Global Coordinator and Book running lead manager to the Qualified Institutions Placement of Bajaj Finance Limited ~Rs.4,500 Cr and Book running lead manager to the Qualified Institutions Placement of Aksharchem (India) Ltd. ~Rs.69 Cr

We have been **ranked No. 1** in the Equity Capital Markets League Table for the period 1 January 2017 to 30 September 2017 having raised **Rs.41,846 Cr** in 11 issuances.

Wealth Management

The AUM of our wealth management business stood at **Rs.27,289 Cr** (excluding custody assets) as on September 30, 2017 as compared to **Rs. 24,203 Cr** as of June 30, 2017 and **Rs.21,895 Cr** as of September 30, 2016.

Securities business

The Indian market reached new highs driven primarily by strong flows from domestic institutions even as FII flows slowed down on the back of the relatively higher valuations of the Indian market. We have strengthened our position even in the face of emerging global regulations on payment for research and trading by focusing equally on both domestic and foreign institutions. We have research coverage of **176** stocks and cover **over 200** institutional investors that include marquee long only FIIs, hedge funds, sovereign funds, domestic mutual funds and insurance companies. Assisted by our global offices in New York, Singapore and Mauritius, we continue to enhance our relationship with global investors.

During the quarter, the average daily trading volume stood at **Rs.4,748 Cr**

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Fund based business

The lending book of JM Financial Products stood at **Rs. 6,102 Cr*** as on September 30, 2017. Out of the said lending book, the Corporate Credit & Structured Financing and Capital Market lending book stood at **Rs.4,148 Cr**, the Real Estate lending at **Rs. 1,954 Cr**

**Does not include short term IPO financing book of Rs.1,536 Cr.*

During the quarter, in IPO financing business, we funded 16 IPOs wherein the aggregate amount of funding was around **Rs. 15,664 Cr.**

The lending book of JM Financial Credit Solutions stood at **Rs. 5,708 Cr** as on September 30, 2017 which includes real estate lending book of **Rs. 5,697 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 57%** on September 30, 2017*.

**Excludes Rs.1,424 Cr being short term borrowing raised for financing Initial Public Offerings*

During the Quarter, Banks/NBFCs announced various NPA portfolio auctions and we continued to actively participate in several auction processes. We closed 4 deals consisting of 5 accounts out of which 2 accounts were fresh acquisitions and 3 accounts as part of debt aggregation process. The quarter witnessed higher recovery compared to previous quarter backed by recovery from sale of assets and restructured accounts. The outstanding Security Receipts (SRs) stood at **Rs.12,469 Cr** as on September 30, 2017 as compared to **Rs. 12,202 Cr** as on June 30, 2017.

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Asset Management Business

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

Mutual Fund

The average AUM of our Mutual Fund schemes during the quarter ended September 30, 2017 stood at **Rs. 13,952 Cr**; comprising of **Rs. 6,987 Cr** in equity schemes and **Rs. 6,965 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.597 Cr.**

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

As on September 30, 2017, the Private Equity Fund has returned an **aggregate of ~88%** of the capital contribution received from its Investors in Indian Rupee terms.

As on September 30, 2017, the Real Estate Fund has returned an **aggregate of 65.6%** of the capital contribution received by it in Indian Rupee terms.

Awards & Recognitions

- JM Financial Services Limited recognized as 'India's Best Companies To Work For 2017 - Investments Industry' by The Great Place to Work Institute- India's Best Companies To Work For, 2017.
- JM Financial Asset Management Limited - Ranked 30th in India's Great Mid-Size Workplaces by The Great Place to Work Institute 2017.
- JM Financial Limited - Ranked 45th in India's Great Mid-Size Workplaces by The Great Place to Work Institute 2017.

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- JM Financial Services Limited recognized as 'Highest IPO Bidding - Non-Institutional category' by NSE at Market Achievers Award, 2017.
- JM Financial Services Limited recognized as 'India's Best Companies To Work For 2017 - Investments Industry' by The Great Place to Work Institute-India's Best Companies To Work For, 2017.

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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

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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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