

PRESS RELEASE  
For Immediate Release

**JM Financial's consolidated revenue is up by 11.77% and consolidated net profit is down by 12.62% for Q3 FY19.**

**Mumbai, January 23, 2019:** The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the quarter and the nine months ended December 31, 2018.

**The Board of Directors have declared an interim dividend of Re. 0.50 per share of the face value of Re.1/- each.**

**Summary of Consolidated results FY 19 – Q3 compared to FY 18 – Q3**

(Rs. in Cr)

Particulars	Quarter ended Dec 31, 2018	Quarter ended Dec 31, 2017	% Increase / (Decrease)
Total income <sup>1</sup>	900.73	805.88	11.77%
Profit before tax	342.01	327.80	4.33%
Net profit after tax and before minority interest <sup>2</sup>	221.09	219.27	0.83%
Net profit after tax, minority interest and share of associates <sup>2</sup>	137.46	157.32	(12.62%)
Adjusted Net Profit after tax, minority interest and share of associates <sup>3</sup>	141.72	160.45	(11.67%)

**Summary of Consolidated results FY 19 – 9M compared to FY 18 – 9M**

(Rs. in Cr)

Particulars	Nine months ended Dec 31, 2018	Nine months ended Dec 31, 2017	% Increase / (Decrease)
Total income <sup>4</sup>	2,728.90	2,306.02	18.34%
Profit before tax	1,037.95	927.57	11.90%

Particulars	Nine months ended Dec 31, 2018	Nine months ended Dec 31, 2017	% Increase / (Decrease)
Net profit after tax and before minority interest <sup>2</sup>	660.59	613.14	7.74%
Net profit after tax, minority interest and share of associates <sup>2</sup>	443.54	435.12	1.94%
Adjusted Net Profit after tax, minority interest and share of associates <sup>3</sup>	481.94	431.17	11.77%

1. Includes diminution / (gain) in fair value of investments (excluding security receipts) amounting to~ Rs.5 Cr for Quarter ended Dec 31, 2018 and ~Rs.3 Cr for quarter ended Dec 31, 2017.
2. On a conservative approach, group does not create deferred tax assets on any diminution due to change in fair value of investments; hence average tax rate is higher.
3. Adjusted for diminution / (gain) in fair value of investments (excluding security receipts) and is based on management reports and have not been subjected to review or audit.
4. Includes diminution / (gain) in fair value of investments (excluding security receipts) amounting to ~Rs.57 Cr for nine months ended Dec 31, 2018 and ~Rs.(4 Cr) for nine months ended Dec 31, 2017.

The Earnings per share and Diluted Earnings per share, for the nine months ended December 31, 2018 is Rs.5.28 and Rs.5.27 respectively. The consolidated net worth\* as at December 31, 2018 stood at Rs.5,041 Cr and the debt equity (equity + minority interest of subsidiary companies) ratio is **2.15** times\* and net debt equity of **1.87**\* times. The book value per share is **Rs. 60**. Our total loan book stood at **Rs. 16,136 crore** as of December 31, 2018 compared to **Rs. 17,108\*\* crore** as of September 30, 2018. Gross NPA and Net NPA stood at **0.7%** and **0.6%** respectively as of December 31, 2018 compared to **0.5%** and **0.4%** respectively as of September 30, 2018.

\* Computed after reducing goodwill of Rs.73.36 Cr from shareholder's funds

\*\*Does not include Public issue of NCDs Financing book

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

“The tightness in liquidity for our NBFC businesses, volatility in the capital markets, extraordinary widening of credit spreads of AA rated entities over

AAA rated entities and steep decline in deal closures in the investment banking have contributed to making the third quarter a challenging one. We continue to monitor the liquidity scenario and will remain prudent in our business planning over the next few quarters. At the same time we are hopeful about gradual improvement in credit spreads towards AA rated NBFCs and general liquidity position of NBFCs over calendar year 2019."

## **Business Update**

### ➤ **Investment banking, Wealth Management and Securities business (IWS)**

Whilst our pipeline is robust, Investment banking had a weak quarter due to volatility in capital markets and delay in important deal closures. During the quarter, we managed the Buyback of equity shares of HCL Technologies Limited (~Rs. 4,000 Cr).

The AUM/AUA of our wealth management business stood at **Rs.42,738 Cr** (excluding custody assets) as on December 31, 2018 as compared to **Rs. 31,910 Cr** as on December 31, 2017 and **Rs. 43,941 Cr** as on September 30, 2018.

During the quarter, the average daily trading volume stood at **Rs. 5,671 Cr**.

Our loan book in the IWS segment stood at **Rs. 7,387 Cr** as on December 31, 2018.

### ➤ **Mortgage Lending**

The total mortgage lending book stood at **Rs. 8,641 Cr** as on December 31, 2018. Our wholesale mortgage lending focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR. We are at the initial stages of our retail mortgage lending and are currently focused on acquiring the right talent, employing technology and processes before we ramp up our presence in terms of products and geography.

➤ **Distressed Credit**

During the quarter, Banks/NBFCs announced various NPA portfolio auctions and we continued to actively participate in the same. We closed 4 deals during the quarter, for 2 accounts as part of debt aggregation. During the quarter, the Asset Reconstruction business also saw recoveries from various accounts. Also, we continue to see a big opportunity arising out of Companies undergoing Corporate Insolvency Resolution Process in IBC-NCLT.

The outstanding Security Receipts (SRs) stood at **Rs. 14,221 Cr** as on December 31, 2018 as compared to **Rs. 14,257 Cr** as on September 30, 2018. The contribution of JM Financial Asset Reconstruction Company Limited stood at Rs. 3,095 Cr as on December 31, 2018 and Rs. 3,212 Cr as on September 30, 2018.

➤ **Asset Management**

The average AUM of our Mutual Fund schemes during the quarter ended December 31, 2018 stood at **Rs. 11,364 Cr**; comprising of **Rs. 8,357 Cr** in equity schemes (including arbitrage and balanced schemes) and **Rs. 3,007 Cr** in debt schemes (including liquid scheme). The average AUM of our Mutual Fund schemes during the quarter ended September 30, 2018 stood at **Rs. 12,672 Cr**; comprising of **Rs.8,439 Cr** in equity schemes (including arbitrage and balanced schemes) and **Rs.4,233 Cr** in debt schemes (including liquid scheme).

**Borrowing Profile**

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 68%** as on December 31, 2018. During the quarter, we successfully concluded the second tranche of the public issue of secured

Non-Convertible Debentures by JM Financial Credit Solutions Ltd and raised ~**Rs.264 Cr** (for the full year till date we have raised ~**Rs.1,014 Cr**).

### **Awards & Recognitions**

- JM Financial awarded “Best M&A adviser” by The Asset Triple A Country Awards 2018.
- JM Financial awarded for the Best M&A deal (Tata Chemicals US\$ 400 million sale of the urea business to Yara International )– where we were the one of the financial advisors by The Asset Triple A Country Awards 2018.
- JM Financial Services Limited has been recognized by BSE Ltd., amongst the Top Performers in the Equity Broking Segment (Retail Trading) in November 2018
- JM Financial Services Limited has been recognized by BSE Ltd., amongst the Top Performers in Primary Market Segment (Equity – IPO/FPO Bids - Members) in November 2018
- JM Financial Services Limited has been recognized by BSE Ltd., amongst the Top Performers in OTB Segment in November 2018

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*The unaudited financial results are attached. The press release and unaudited financial results are available on our website [www.jmfl.com](http://www.jmfl.com)*

### **About JM Financial**

JM Financial is an integrated and diversified financial services group. The Group's primary businesses include (a) Investment banking, wealth management and securities (IWS) which includes fee and fund based activities for its clients (b) Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP) (c) Distressed credit which includes the Asset Reconstruction business (d) Asset Management includes the mutual fund business.

As of December 31, 2018, the consolidated loan book stood at ~Rs. 161.4 BN, distressed credit business AUM at ~Rs. 142.2 BN, wealth management AUM at ~Rs. 427.4 BN, mutual fund AAUM at ~Rs. 113.6 BN.

The Group is headquartered in Mumbai and has a presence across 320 locations spread across 120 cities in India. The equity shares of JM Financial Limited are listed in India on the BSE and NSE.

For more information, log on to [www.jmfl.com](http://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.

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