

PRESS RELEASE
For Immediate Release

JM Financial's consolidated revenue is up by 26.96% and consolidated net profit is up by 8.16% for Q2 FY19.

Mumbai, October 25, 2018: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the quarter and the half year ended September 30, 2018.

Summary of Consolidated results FY 19 – Q2 compared to FY 18 – Q2

(Rs. in Cr)

| Particulars | Quarter ended Sep 30, 2018 | Quarter ended Sep 30, 2017 | % Increase |
|--|-------------------------------|-------------------------------|------------|
| Total income ¹ | 975.70 | 768.51 | 26.96% |
| Profit before tax | 379.55 | 315.50 | 20.30% |
| Net profit after tax and before minority interest ² | 240.27 | 210.78 | 13.99% |
| Net profit after tax, minority interest and share of associates ² | 163.36 | 151.03 | 8.16% |

Summary of Consolidated results FY 19 – H1 compared to FY 18 – H1

(Rs. in Cr)

| Particulars | Half year ended Sep 30, 2018 | Half year ended Sep 30, 2017 | % Increase |
|--|---------------------------------|---------------------------------|------------|
| Total income ³ | 1,828.17 | 1,500.14 | 21.87% |
| Profit before tax | 695.94 | 599.77 | 16.03% |
| Net profit after tax and before minority interest ² | 439.50 | 393.87 | 11.59% |
| Net profit after tax, minority interest and share of associates ² | 306.08 | 277.80 | 10.18% |

1. Includes diminution in fair value of investments (excluding security receipts) amounting to~ Rs.23 Cr for Quarter ended Sep 30, 2018 and ~Rs.2 Cr for quarter ended Sep 30, 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. Includes diminution in fair value of investments (excluding security receipts) amounting to ~Rs.47 Cr for half year ended Sep 30, 2018 and ~Rs.0.3 Cr for half year ended Sep 30, 2017.

The Earnings per share and Diluted Earnings per share, for the half year ended September 30, 2018 is Rs.3.65 and Rs.3.64 respectively. The consolidated net worth* as at September 30, 2018 stood at Rs.4,923 Cr and the debt equity (equity + minority Interest of subsidiary companies) ratio is **2.61** times*. The book value per share is **Rs. 58.63**. Our total loan book stood at **Rs. 17,108** crore** as of September 30, 2018 compared to **Rs. 16,442 crore** as of June 30, 2018. Gross NPA and Net NPA stood at **0.5%** and **0.4%** respectively as of September 30, 2018 compared to **0.6%** and **0.5%** respectively as of June 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,

“Our conservative lending philosophy, focus on balance sheet and Asset Liability Management (ALM) framework has helped us maintain adequate liquidity buffers. Our consolidated gross debt-to-equity ratio of ~2.3x as of October 25, 2018 is amongst the lowest in the financial services space. During the quarter, we also announced equity fund raise in JM Financial Credit Solutions Limited of upto Rs. 875 crore to help strengthen the balance sheet and meet its growth requirement. We are witnessing exciting opportunities in the Distressed Credit space. We believe our diverse set of businesses, strong underwriting processes and operating capabilities will hold us in good stead to achieve long term growth and help us moderate the impact of volatile market conditions”

Business Update

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

During the quarter, some of our investment banking transactions were as follows:

- Buy side advisor to Reliance Jio Infocomm for acquisition of Fibre assets, Media Convergence Nodes assets and related infrastructure assets from Reliance Communications
- Financial advisor to JSW Steel in their acquisition of Monnet Ispat and Energy under the IBC process
- Buy side advisor to Timken India for acquisition of ABC Bearings
- Exclusive financial advisor to Scootsy on sale of its 100% equity shares to Swiggy (Bundl Technologies Pvt. Ltd.)

- Book running lead manager to the IPO of HDFC Asset Management Company Limited (~Rs. 2,800 Cr)
- Book running lead manager to the Qualified Institutions Placement (“QIP”) of HDFC Bank Limited (~Rs. 2,775 Cr)
- Manager to the offer and Sole Selling Broker to the OFS of Larsen &Toubro Infotech Limited (~Rs. 1,845 Cr) and L&T Technology Services Limited (Rs. 789 Cr)
- Manager to the Buyback of Tata Consultancy Services Limited (~Rs. 16,000 Cr)
- Manager to the Block of Orient Refractories Limited (~Rs. 85 Cr)
- Lead manager to the public issue of secured non-convertible debentures of Shriram Transport Finance Limited (~Rs. 3,650 Cr)

The AUM/AUA of our wealth management business stood at **Rs.43,941 Cr** (excluding custody assets) as on September 30, 2018 as compared to **Rs. 27,289 Cr** as on September 30, 2017 and **Rs. 42,808 Cr** as on June 30, 2018.

During the quarter, the average daily trading volume stood at **Rs. 6,045 Cr**.

Our loan book in the IWS segment stood at **Rs. 8,176 Cr** as on September 30, 2018.

During the quarter, in IPO financing business, we funded **14 IPOs** wherein the aggregate amount of funding was around **Rs. 7,183 Cr**.

At the end of the quarter, the combined AUM of our private equity and real estate funds stood at around **Rs. 802 Cr** of which our new private equity fund has announced a second close and having a cumulative commitment of **~Rs. 346 Cr** and it is in the process of raising additional capital.

➤ **Mortgage Lending**

The total mortgage lending book stood at **Rs. 8,792 Cr** as on September 30, 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.

During the quarter we entered into a Subscription and Shareholders' Agreement with JM Financial Credit Solutions Limited ("JMFCSL") and investors for a primary equity infusion ("Fund Raise") of upto Rs. 875 crore. The Fund Raise is at a pre-money equity valuation of Rs.6,300 crore implying a post-money equity valuation of upto Rs. 7,175 crore.

➤ **Distressed Credit**

During the quarter, Banks/NBFCs announced various NPA portfolio auctions and we continued to actively participate in the same. We closed 9 deals during the quarter, for **3** accounts as part of debt aggregation. During the quarter, the Asset Reconstruction business also saw recoveries from various accounts. Also we see a big opportunity arising out of Companies undergoing Corporate Insolvency Resolution Process in IBC-NCLT

The outstanding Security Receipts (SRs) stood at **Rs. 14,257 Cr** as on September 30, 2018 as compared to **Rs. 13,294 Cr** as on June 30, 2018. The contribution of JM Financial Asset Reconstruction Company Limited stood at **Rs. 3,212 Cr** as on September 30, 2018 and **Rs. 2,260 Cr** as on June 30, 2018.

➤ **Asset Management**

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). The average AUM of our Mutual Fund schemes during the quarter ended June 30, 2018 stood at **Rs. 12,073 Cr**; comprising of **Rs.7,995 Cr** in equity schemes (including arbitrage and balanced schemes) and **Rs.4,118 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 65%** as on October 25, 2018.

Awards & Recognitions

- JM Financial Limited ranked amongst top 50 in India's Great Mid-Size Workplaces by The Great Place to Work Institute.
- JM Financial Asset Management Limited ranked amongst top 50 in India's Great Mid-Size Workplaces by The Great Place to Work Institute.

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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

About JM Financial

JM Financial is an integrated financial services group offering. The Group's businesses include investment banking, wealth management and securities business; mortgage lending; distressed credit and asset management business (mutual fund). 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.

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