



January 21, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip Code: 543940

Trading Symbol: JIOFIN

Dear Sirs,

Sub: Transcript of the Presentation made to analysts on the Unaudited Financial Results (Consolidated and Standalone) for the quarter and nine months ended December 31, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the presentation made to analysts on January 17, 2025, on the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and nine months ended December 31, 2024, is attached.

The presentation to the analysts concluded at 19.54 hours (IST) on January 17, 2025.

This is for information and records.

Thanking you

Yours faithfully,

For Jio Financial Services Limited

Mohana V

**Group Company Secretary and
Compliance Officer**

Encl: a/a



Jio Financial Services Limited Q3 2024 – 2025

Analyst Call Transcript



Call Participants:

Mr. Hitesh Sethia, MD & CEO – Jio Financial Services Limited

Mr. Abhishek Pathak, Group Chief Financial Officer - Jio Financial Services Limited

Ms. Jill Deviprasad, Head, Investor Relations – Jio Financial Services Limited

Transcript:

Ms. Jill Deviprasad (1:29):

Good evening, everyone. My name is Jill Deviprasad and I'm the head of Investor Relations for Jio Financial Services Limited. On the declaration of the results for the third quarter ended December 31, 2024 for FY 2024-25, it gives me immense pleasure to welcome the analysts, investors and our colleagues to this virtual meeting. We have with us today, our MD & CEO Mr. Hitesh Sethia and our Group Chief Financial Officer, Mr. Abhishek Pathak. In this call, all participants will be in a listen-only mode. The earnings presentation is uploaded on our website www.jfs.in and on the stock exchanges.

Before I hand over the call, I would like to read out the Safe Harbor statement. This presentation contains forward-looking statements which may be identified by their use of words like plans, expects, estimates or other words of similar meaning. All statements that address expectations or predictions about the future, including, but not limited to, statements about strategy for growth, product development, market position are forward statements based on rationale and data. Actual results may vary materially given market circumstances. I will now hand over the call to Hitesh to discuss the business in detail.

Mr. Hitesh Sethia (2:55):

Thank you, Jill, and good evening everyone. A very warm welcome to all those joining this earnings call today. At the outset, I would like to wish all of you and your near and dear ones, a very healthy, happy and prosperous new year.



Today, we shall discuss our business performance for Q3 FY25 and nine months ended December 31, 2024, which reflects, in my view, strong operational execution.

Our mission at JFSL is to simplify financial services by establishing ourselves as a trusted, digital-first financial companion for the people of India, catering to their diverse financial needs by leveraging next-gen technology.

Our adjacency to an expansive customer base provides valuable insights which, combined with advanced data analytics, enables us to identify what customers want, when they want it, and how they want it. This integration of technology, customer intelligence, and analytics empowers us to deliver tailored solutions while minimizing risks and maintaining the highest standards of governance and regulatory adherence.

In this slide, you can see a snapshot of the key operating highlights for the third quarter of FY25. I am happy to share that with a diversified product suite, enhanced distribution, and a modular and scalable tech stack, we are firmly in an expansion mode.

Having put the building blocks of the business in place, our focus is now squarely on operational execution, with an unwavering determination to craft best-in-class digital journeys for our customers.

Whether it is to buy a digital gold; open a payments bank account; avail loan on mutual funds; purchase two-wheeler insurance; or onboard a small merchant for payment solutions; customers can complete the journey within a matter of minutes through a seamless and end-to-end digital process.

Simultaneously, we are also focussing on enhancing our distribution channels across the businesses. Jio Finance Limited, or JFL, which is our NBFC, now has nine offices across seven cities for last-mile fulfilment; Jio Payments Bank Limited has expanded its business correspondent network to around 7,300 BCs across the country; and Jio Payment Solutions Limited has embedded its payment solution with JioBharat, which allows us to onboard small merchants at scale, commensurate to growing demand for affordable feature phones across the country. We have now entered into a marketing tie-up to leverage the MyJio app for customer acquisition.

The result of these strategic initiatives are beginning to reflect in our business performance. The assets under management of JFL stood at Rs. 4,199 crores in Q1...Q3FY25, compared to Rs. 1,206 crores in the preceding quarter. The payment bank saw a robust 25% quarter-on-quarter increase in its customer base to 1.89 million CASA customers; and all the digital properties of JFSL saw a combined monthly active user base of 7.4 million customers.



We have also taken concrete steps towards securing and applying for licences, necessary for scaling up our businesses further in the near future. A positive development in the last quarter was Jio Payment Solutions Limited receiving the Online Payment Aggregator Licence, which will allow it to offer payment gateway services to merchants for online commerce. On the asset management JV with Blackrock, after obtaining in-principle approval for its sponsors JFSL and Blackrock, Jio BlackRock Asset Management Private Limited submitted an application to SEBI, seeking final approval. And Jio Finance Platform and Service Limited has also filed for a Third Party Application Provider, or TPAP Licence with NPCI for the JioFinance app.

Finally, a quick look at the financial performance. The consolidated profit after tax for Q3 FY25 stood at Rs. 295 crores. Abhishek, our group CFO, will talk you through the detailed financial performance of the company in the second half of this presentation.

Moving forward, the JioFinance app is our unified digital storefront for retail customers and a seamless, secure, and convenient platform for engaging with our financial products and services.

During Q3 FY25, the combined average monthly active users across all the digital properties of JFSL - including the JioFinance app and our embedded offerings within the MyJio app - stood at 7.4 million users.

Across the core... four core financial needs of a customer, which is Borrow, Transact, Invest and Protect, the JioFinance app features a diverse and growing bouquet of products and services, with relevance across...

On the auspicious occasion of Dhanteras, SmartGold - a convenient way of buying digital gold through a safe, hassle-free and transparent process - went live on the JioFinance app. Customers can now buy digital gold either in lump sum or through a Systematic Investment Plan.

The app also saw the launch of MyMoney, a personal finance manager, that allows customers to track and analyse their investments and spends.

During the quarter, we accelerated our targeted marketing efforts by offering tailored products to relevant customers on the MyJio app, leveraging the wide customer funnel that MyJio offers. We also integrated exciting rewards with UPI and bill payments on our platform, which our customers received with much enthusiasm.

Turning to our Lending & Leasing vertical, through which we cater to both retail and corporate segments, offering a diverse range of products.



JFL is focused on driving loan book growth through a combination of internal synergies and external partnerships, including with the larger Jio ecosystem. For instance, JFL... JFL's home loan products are being distributed by the physical network of our group ecosystem; as well as through collaborations with external property portals and real estate developers.

In the Loan against Shares and Mutual Funds segment, JFL has established channel partnerships with wealth management firms and banks to serve high net worth individuals through a seamless 'phygital' model.

JFL is committed to empowering customers with quick and flexible access to loans backed primarily by either property or shares and mutual funds, thereby addressing the evolving financial needs of our customers.

On the Payment front, our two verticals - the payment bank and the payment solution company have emerged as key layers for deep customer engagement, as well as strategic levers for creating distribution strength by leveraging the group ecosystem.

JPBL's Business Correspondent network grew to about 7,300 BCs nationwide, with new BCs added during the quarter. This expanded network enhances JPBL's reach, particularly in rural areas, by supporting customers through an assisted digital channel.

JPSL also saw significant technology enhancements during the quarter. The business has upgraded to a new, robust SaaS-based platform for payment services, that will support a diversified distribution strategy.

Small merchants can now be onboarded on to our payment solution platform within 5 minutes by leveraging AI. A large part of our population still uses feature phones, and the integration with JioBharat will ensure that they don't miss out on convenient payment solutions for their small businesses, just because they don't own a smartphone. For JPSL, this will translate into a much wider merchant base.

Jio Insurance Broking Limited, or JIBL's, product portfolio is now complete with a range of insurance plans available from 31 leading insurance companies, across all categories and through its three primary distribution channels: Direct-to-Customer, Embedded & Ecosystem Sales, and Institutional Sales.

During the quarter, JIBL expanded its offerings by launching non-term life insurance through Direct-to-Customer channel. Additionally, the number of plans available across auto, two-wheeler, health, and life insurance categories more than doubled quarter-on-quarter to a total of 54 plans.

JIBL has also co-developed and launched a range of sachet insurance products, including solar panel insurance and cyber insurance, to address specific customer needs under... under its embedded insurance channel.



In the Institutional channel, JIBL... JIBL added 39 new corporate clients during the quarter, and continued to witness sales momentum through a comprehensive suite of products spanning Group Term Life, Group Medical Cover, Group Personal Accident and Commercial Insurance.

On our partnership with BlackRock for investment solutions, Jio BlackRock Asset Management Private Limited, submitted its application for final regulatory approval in December 2024. Concurrently, we are also in advanced stages of building the senior leadership and core business teams, and are working to make the technology platform and infrastructure operational.

Jio BlackRock Asset Management is... is building a platform that will enable us to simplify the investment landscape in India while ensuring operational excellence and efficiency.

On the Wealth Management front, Jio BlackRock Investment Advisers Private Limited was formed in September 2024. Recruitment for the senior leadership of the wealth management company is currently underway.

In conclusion, Q3 FY25 has been a quarter of robust execution and progress across all our businesses. Our strong brand and ecosystem, a modern tech stack free of legacy, data analytics capabilities, cost levers, and a strong focus on governance gives us the right to win.

Our aspiration is to become one of the leading companies in financial services - both in terms of meaningful market share as well as return ratios. And the journey towards this has begun well.

Thank you, and with that, I now invite Abhishek Pathak, our Group CFO, to provide a detailed overview of our financial performance for Q3 FY25. Over to you, Abhishek.

Mr. Abhishek Pathak (14:26):

Thank you, Hitesh. Good evening everyone. Let me take this opportunity to wish you all a wonderful new year, and season's greetings from all of us at JFSL.

Q3 FY25 has been a quarter of robust operational execution, with a significant increase in our NBFC loan book and the launch of new products through the JioFinance app, our direct-to-customer digital distribution channel.

In this context, we are pleased to share the financial highlights for the third quarter and nine months ended December 31, 2024.

Our financial results for this period are prepared in compliance with Ind AS, as prescribed by the Ministry of Corporate Affairs.



This slide highlights our group structure. JFSL is a holding company which operates its financial services businesses through its customer-facing subsidiaries, JVs and associates.

With a prudent risk management framework and strong governance structures in place, these entities are supported by multi-layered products and business teams.

During the quarter, Jio BlackRock Asset Management Private Limited was incorporated as a 50:50 JV, following JFSL and BlackRock receiving in-principle approval in September 2024 to sponsor a mutual fund. JFSL and BlackRock have made an initial investment of Rs. 82.5 crore each in this entity. Jio BlackRock Asset Management has filed for final approval with the regulator in December 2024.

In addition, JFSL and BlackRock also made an initial investment of Rs. 3 crores each in Jio BlackRock Investment Advisers Private Limited, another 50:50 JV for wealth management, incorporated in September 2024.

Moving on to the financial performance now.

JFSL's consolidated total income for the quarter was Rs. 449 crore, versus Rs. 414 crore in Q3 FY24 and Rs. 694 crore in Q2 FY25. Sequentially, total income declined as total income in Q2 FY25 included a dividend of Rs. 241 crore received on the shares of Reliance Industries Limited, held by Reliance Industrial Investments and Holdings Limited, or RIHL, which is an investment holding company and a wholly-owned subsidiary of JFSL.

The consolidated total income for Q3 FY25 comprised the following:

1. Interest income of Rs. 210 crores, which includes interest earned on our loan book and income from our treasury operations.
2. Net gain on fair value changes on money market and liquid mutual funds of Rs. 191 crores and
3. Fees and commission income of Rs. 37 crores on account of fees received by the insurance broking and the payment services businesses

With respect to our treasury operations, I would like to highlight that our prudent cash management helped us navigate a challenging market environment.

The company's total expenses, including provisions, for Q3 FY25 was Rs. 131 crore, as compared to Rs. 98 crores in Q3 FY24 and Rs. 146 crores in Q2 FY25. Provisions, on account of ECL, increased to Rs 12 crores in Q3 FY25 from Rs 4 crores in Q2 FY25.

Excluding provisions, total expenses declined on a quarterly basis. This was on account of annual CSR expense incurred in Q2 FY25; and pre-incorporation expenses attributable to new businesses in subsidiaries and JVs.

Shares of Associates & Joint ventures stood at Rs. 59 crores in Q3 FY25 vs. Rs. 66 crore in Q3 FY24, and Rs. 225 crores in Q2 FY25. It may be noted that, in Q2 FY25, Reliance



Services and Holdings Limited, or RSHL, received dividend on its investment in RIL shares. RSHL is accounted for as an associated of JFSL.

Consolidated profit after tax in Q3 FY25 stood at Rs. 295 crores versus Rs. 294 crores in Q3 FY24 and Rs. 689 crores in Q2 FY25. On a... on a year-on-year basis, increase in total income was offset by higher expenses, including provisions, and lower share of associates and joint ventures.

Now moving on to our standalone financial performance. Standalone total income in Q3 FY25 was Rs. 148 crore, versus Rs. 134 crores in Q3 FY24, and Rs. 383 crores in Q2 FY25. It is to be noted that in Q2 FY25, JFSL received dividend income of Rs. 235 crores from RIIHL.

Total expenses, including provisions, for Q3 FY25, on a standalone basis, was Rs. 48 crore as compared to Rs. 36 crores in Q3 FY24 and Rs. 55 crores in Q2 FY25. The sequential decline in expenses was mainly due to CSR expense incurred in Q2 FY25

On a standalone basis, the profit after tax of the company for Q3 FY25 was Rs. 75 crore, vs Rs. 71 crores in Q3 FY24 and Rs. 305 crores in Q2 FY25.

In conclusion, I would like to reiterate that we will continue to focus on our cost levers and aim to maintain best-in-class cost-to-income ratio, driving benefits for all our stakeholders.

Thank you for your continued support as we pursue a sustainable path to value creation, within the guardrails of our four guiding principles.

With this, I would like to hand over the call to Jill. Thank you so much for your time.

Ms. Jill Deviprasad (21:29)

Thank you, Hitesh and Abhishek. And thank you everyone, for joining this call. As we conclude our earnings call, we invite you to explore the detailed earnings presentation available on our website and the stock exchanges. Have a good one. Thank you.