



October 19, 2023

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 Presentation on Unaudited Financial Results (Consolidated and Standalone) for the quarter and half-year ended September 30, 2023

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the presentation made on October 16, 2023, on Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and half-year ended September 30, 2023, is attached. The presentation concluded at 7.52 p.m. (IST) on October 16, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Jio Financial Services Limited

V Mohana

**Group Company Secretary and
Compliance Officer**

Encl: a/a



Jio Financial Services Limited Q2 2023 – 2024

Analyst Call Transcript

Call Participants:

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

Mr. Charanjit Attra, Group Chief Operating Officer - Jio Financial Services Limited

Mr. Saurabh Rajderkar, Investor Relations – Jio Financial Services Limited

Transcript:

Mr. Saurabh Rajderkar, 3:16

Good evening, everyone. My name is Saurabh Rajderkar and I'm the Investor Relations Officer of Jio Financial Services Limited or JFS. On the declaration of the results for H1 FY24 of the company, it gives me immense pleasure to welcome the analysts, investors and our colleagues to this virtual meeting. We have with us president and CEO, Mr. Hitesh Sethia here, and our Group Chief Operating Officer, Mr. Charanjit Attra. This call will be recorded and the recording will be made public. In this call, all participants will be on the listen only mode. This call is intended only for analysts and investors. The earnings presentation will be uploaded on our website www.jfs.in And to carry forward the proceedings, I request Mr. Hitesh Sethia to discuss the strategic initiatives undertaken in JFS followed by an overview of our H1 FY24 results presented by Mr Charanjit Attra. However, before I hand over, I would like to read out the safe harbour statement.

Certain statements are forward looking statements. These statements are based on management's expectations and are subject to uncertainty and changes in circumstances. actual outcomes may differ materially from those included in these statements due to a variety of factors. Thank you. Now I will request Mr. Hitesh Sethia to make his opening remarks.

Mr. Hitesh Sethia, 4:52

Thank you, Saurabh and a very good evening ladies and gentlemen. It gives me great pleasure to welcome all of you for joining the first analysts call of Jio Financial Services Limited as a listed company.

JFS is indeed very fortunate to enter the market in this period of growth and brightest prospects for our economy. Recent reports have estimated that India will become a 10 trillion US dollar economy by 2035. Furthermore, this growth is being fuelled amongst other factors by a shift towards consumption and digitization, thereby providing a wonderful opportunity for broad based growth across the sectors and economic strata of the society. With this expected growth, the financial services sector is certainly expected to grow at a larger multiple across the board. This market expansion provides absolutely exciting opportunities for JFS.



As you're all aware, Reliance Industries Limited announced its intention to demerge its financial service business in November 2022. The scheme of arrangement envisaged Jio Financial Services Limited, which was earlier called Reliance strategic investments limited or RSIL, to become the holding company of the entire financial services business. As a part of this demerger, amongst other entities four licensed entities were demerged as subsidiaries of RSIL. Firstly, an NBFC or a lending entity, second payment bank which is a joint venture with State Bank of India. Third, a payment aggregator entity and fourth, an insurance broking entity. In addition to all this JFS also owns 6.1% of Reliance Industries Limited.

Now post all necessary and statutory approvals over the last few months. The demerger was consummated, with the final approval of the honourable NCLT dated June 28 2023, and the name of Reliance Strategic Investments Limited was changed to Jio financial services, as was envisaged in the scheme. Thereafter, over the last few months necessary steps were taken to list the company which was successfully concluded on August 21 2023.

In parallel to the above steps, leading to the demerger and listing of Jio financial service in August, the following important steps were undertaken:

Firstly, the board of Jio Financial Services Limited was reconstituted under the leadership of Mr. KV Kamath as the chairman, Mr. Sunil Mehta, Mr. Bimal Tanna and Mr. Rajiv Mehrishi have also been appointed as independent directors on the board of the company. Subject to the Reserve Bank of India approval, Miss Isha Ambani and Mr. Anshuman Thakur will join the board as non-independent directors.

Secondly, personnel for key leadership positions and teams, thereof at Jio Financial Services Limited, which is the holding company and Jio Finance Limited which indeed our lending entity that is the NBFC under JFS have also been identified. The other three businesses which I mentioned earlier, which is the payment bank, the payment aggregator, and the insurance broking, which had actually commenced operations in the last few years within the Reliance Industries group have also been now fully integrated into the Jio Financial Services Group. As on date, JFS has about 449 employees across all the entities.

Moving to strategy, the broader strategy of Jio financial services aims to democratize financial services across the country by offering simple, innovative and intuitive products which will be delivered digitally. We will aim to serve the needs of two categories of customers, one is consumers and second is merchants. In a phased manner, we aim to provide financial services to fulfil customer needs across what we think of four important spectrums of financial services. Firstly, borrowings second investment needs third, the transacting needs of customers and fourth is insurance needs of our customers. Now by all these businesses are diverse and be able to serve the diverse needs of our customers. These all the businesses within the JFS group will operate within four key principles:

Number one, reputation and trust is above all, a reputation and trust with customers and reputation and trust with all stakeholders.

Number two, regulatory adherence and this adherence will be in letter and in spirit.

Number three return of capital and number four return on capital.

Now moving to individual businesses, the borrowing needs of our customers will be met through Jio finance limited as I mentioned earlier, which is our NBFC. JFL will leverage best in class technology with no legacy book or technology debt, being born in 2023 and this provides a cost-effective, modern back end and front-end technology stack. Our product



roadmap for JFL will provide for a full stack of unsecured loans and secured loan products. Our distribution approach will be direct to customer, digital or at points of sale embedded in the customer journey. Now, in addition to the technology edge and the advantage of Jio brand, pedigree, underwriting and risk management will be very critical, and it will be centred on the principle of risk adjusted return on capital. Amongst other things, the risk management functions will leverage on alternate data points, which will operate when within the guardrails of the new digital protection data, Personal Data Protection Act of 2023. Collection is always very critical for any lending business, and a pre-emptive and curative collection framework using behavioural analytics is being put in place. In parallel to the team and tech stack build out which I have spoken about, as a first step over the last few months, Jio Finance Limited has worked towards the launch of two products in a sandbox environment. The first is a consumer durable loan and the second is personal loans and today, these products are present in 300 Points of Sales (POS) as on September 30th, 2023.

Moving forward penetration of mobile data indeed provides a wonderful opportunity to serve the transacting needs of our customers through our digital products. These Payment Capabilities are expected to provide vital fulfilment tools for all our products across all subsidiaries.

Now, we will of course continue to offer savings account and current account products through our payment bank business.

We will also continue to offer insurance products through our insurance broking business to meet the needs of consumers and merchants. We will also offer solutions for corporate customers, vendor partners and small businesses in this way.

The investment needs of our customers our first step towards putting these investment needs into an asset management company. In July this year as you already know, we had announced a joint venture with our partner BlackRock and have committed an initial investment of up to US\$ 150 million each towards this joint venture. Thereafter over the last couple of months along with our partner, we have been focusing on the preparatory work towards this business launch, including all new regulatory approvals.

Now I will request my colleague and our group chief operating officer Mr. Charanjit Attra to give you an overview of our Q2 results.

Mr. Charanjit Attra, 13:17

Thank you, Hitesh and a good evening, everyone. I'm pleased to present to you the financial highlights for the half year ended September 30, 2023. But before I discuss the financial highlights, I would like to highlight certain key aspects. The financial results for the half year ended September 30, 2023 have been prepared under the Indian accounting standards as prescribed by the Ministry of Corporate Affairs.

The company is systematically important non-deposit taking Non-Banking Financial Company registered with the Reserve Bank of India. The company shall meet the eligibility criteria for CIC and apply to Reserve Bank of India for the conversion to CIC within six months of the date of the scheme becoming effective or three months of the date of listing our equity shares, whichever is earlier. The company is in the process of filing the same. The consolidated financial statements include the financial results of the company as a holding company and its subsidiaries namely:



Jio Finance Limited (formerly Reliance Retail Finance Limited), which is a registered NBFC and is engaged in the business of lending and making investment in shares and securities in India.

Jio Insurance Broking Limited (formerly Reliance Retail Insurance Broking Limited), which is engaged in the business of insurance broking in India.

Jio Payment Solutions Limited (formerly Reliance Payment Solutions Limited), engaged in the business of payment gateways and payment aggregator business including merchant payments

In addition to the about the consolidated financial statements also include the results of Reliance Industrial Investment Holdings Limited, Jio Infrastructure Management Services Limited and Jio Information Aggregator Services Limited, which are subsidiaries and Reliance Strategic Holding Limited, which has been accounted for and then associate in accordance with the Indian Accounting Standards.

We have also a joint venture namely Jio Payment Bank Limited engaged in the business of providing financial services including payment banking facilities and retail banking facilities in accordance with the guidelines issued by the Reserve Bank of India. The names of all of us consumer facing entities have been aligned with the Jio Brand. The figures of our previous year are strictly not comparable.

Now, I will discuss the financial results for the current quarter and the last quarter. The Consolidated profit after tax for the second quarter of financial year 2024 increased to Rs. 668 crores from Rs. 332 crores in the first quarter of the financial year 2024. The Consolidated profit after tax of Rs. 668 crores include dividend income of Rs. 371 crores of which Rs. 150 crores have been included in the share of income from associates and joint ventures.

The Consolidated net worth as of September 30, 2023 was at Rs. 1.16 lakh crores as compared to Rs. 1.14 lakh crores at March 31, 2023. The standalone profit after tax was at Rs. 89 crores for the second quarter for the year ended 2024 from Rs. 145 crores for the first quarter of the financial year 2024. This was primarily due to lower interest-bearing securities in the second quarter the reflecting transfer of group company shares. The standalone net worth was at Rs. 24,288 crores. The PPOP increased by Rs. 176.23 crores in the second quarter, primarily due to dividend income of Rs. 217 crores, the dividend income was offset by higher employee cost and low investment income. The fee and the commission income represent fees received by the insurance broking and the payment service business. The increase in PAT as seen on the slide can be primarily attributed to increase in our pre-provision operating profit by Rs. 176.3 crores as explained earlier to Rs. 536.62 crores in the second quarter. The increase in PAT can also be attributed to the increase in share of JVs and Associates by about Rs. 150.84 crores. On the balance sheet, the consolidated total assets of the company were Rs. 1,19,598 crores, of which the consolidated total investments were about Rs. 1,12,490 crores. The non-interest-bearing investments included in the above will be managed and utilized in accordance with the growth plans of the group across business verticals. Further at September 30 2023. RIIHL holds 24.09 crore equity shares of Reliance Industries Limited representing 3.56% of the share capital of Reliance Industries Limited and is the sole beneficiary of 17.19 crore equity shares representing 2.54% of the paid-up capital our Reliance Industries held by Reliance Services and Holdings Limited.

To conclude, I would like to thank all of you for the continued support to the company. We consider it as a privilege to be able to contribute towards the growth of our economy. We



remain committed to rebuilding trust in us with superior sustainable returns over the long time. I wish everyone here the best of health and happiness. And I would like right now like to transfer this to Mr. Saurabh to complete the vote of thanks.

Mr. Saurabh Rajderkar, 19:46

Thank you, sir, for the presentation and thank you everyone for joining this call today. Our earnings presentation shall be uploaded on our website www.jfs.in So on behalf of JFSL this concludes the earnings call. Thank you once again and you may now disconnect. Thank you.