

October 28, 2021

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
Mumbai 400001

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

Sub: Press Release on the unaudited financial results

In continuation of our letter of even date enclosing therewith the unaudited financial results of the Company for the second quarter and half year ended September 30, 2021, we are enclosing a copy of the Press Release being issued by the Company.

We request you to disseminate the above information on your website.

Thank you.

Yours truly,
For **JM Financial Limited**



Prashant Choksi
Group Head – Compliance, Legal
& Company Secretary

Encl.: as above.

PRESS RELEASE
For Immediate Release

JM Financial's consolidated net profit increased by 25.44% YoY for Q2 FY22.

Mumbai, October 28, 2021: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the second quarter and half year ended September 30, 2021.

Summary of Consolidated results FY 22 – Q2 compared to FY 21 – Q2

(Rs. in Cr)

Particulars	Quarter ended September 30, 2021	Quarter ended September 30, 2020	% Increase / (Decrease)
Total income	969.49	803.40	20.67%
Profit before tax	317.31	239.52	32.48%
Net profit after tax and before non- controlling interest	228.30	183.91	24.14%
Net profit after tax, non-controlling interest and share of associate	174.43	139.06	25.44%

Summary of Consolidated results FY 22 – H1 compared to FY 21 – H1

(Rs. in Cr)

Particulars	Half year ended September 30, 2021	Half year ended September 30, 2020	% Increase / (Decrease)
Total income	1,962.04	1,494.51	31.28%
Profit before tax	677.71	423.69	59.95%
Net profit after tax and before non- controlling interest	503.08	323.52	55.50%
Net profit after tax, non-controlling interest and share of associate	377.57	232.67	62.28%

The earnings per share for the half year ended September 30, 2021 is **Rs. 3.96**. The consolidated net worth* as at September 30, 2021 stands at **Rs. 7,281 Cr** and the gross debt equity (equity of **Rs. 7,281 Cr** + non-controlling interest of **Rs. 2,725 Cr**) ratio is **1.08** times* and net debt equity of **0.68** times* (post reducing cash and cash equivalents of **Rs. 3,957 Cr**). The book value per share is **Rs. 76.35**.

Our consolidated loan book** stood at **Rs. 11,072 Cr** as of September 30, 2021 compared to **Rs. 11,386 Cr** as of September 30, 2020. Gross NPA and Net NPA stood at **2.32%** and **1.38%** respectively as of September 30, 2021 compared to **1.69%** and **1.13%** respectively as of September 30, 2020. The loan book under the Resolution Framework for Covid-19 announced by RBI stood at **0.87%** as of September 30, 2021 (**0.62%** as of June 30, 2021).

We have made additional gross provisions of **Rs. 76 Cr#** on account of the uncertainties around Covid-19 for the quarter ended September 30, 2021, thereby taking the total provisions (net of reversals) to **Rs. 559 Cr#** on account of the pandemic.

** Computed after reducing goodwill of Rs.52.44 Cr from shareholders' funds and excludes borrowings for episodic financing*

***Loan book does not include episodic financing book*

Unaudited and based on management estimates

Commenting on the results and financial performance, Mr. Vishal Kampani, Non-executive Vice Chairman, JM Financial Limited, said,

“The economy is showing signs of revival with growth impulses picking up pace, thus paving the way for the economy to gain escape velocity from the pandemic.

We have delivered another strong quarter and the numbers look encouraging reflecting sustainable growth. We achieved a significant milestone, wherein the total consolidated networth including the non-controlling interests has crossed Rs.10,000 Cr.

We continue to diversify our liabilities franchise and have successfully concluded the public issue of secured Non-Convertible Debentures by JM Financial Products Limited of Rs. 500 Cr.

As economic activities are gradually coming back to normal, we are well positioned to drive value for our stakeholders banking on our robust balance sheet and diverse set of businesses.”

Business Update

➤ Investment Bank

During the quarter, our completed investment banking transactions include:

- Book Running Lead Manager to the
 - Initial Public Offer of Equity Shares of Clean Science & Technology Limited (~Rs. 1,546 Cr), Krsnaa Diagnostics Limited (~Rs. 1,213 Cr), India Pesticides Limited (~Rs. 800 Cr), Rolex Rings Limited (~Rs. 713 Cr) and Tatva Chintan Pharma Chem Limited (~Rs. 500 Cr)
 - Qualified Institutions Placement of Equity Shares of Bank of India Limited (~Rs. 2,550 Cr) and Canara Bank Limited (~Rs. 2,500 Cr)
- Sole Advisor to the Private Placement in Gupshup Technology India Private Limited (~Rs. 1,800 Cr)
- Lead Manager for the Public Issue of NCDs by Piramal Capital & Housing Finance Limited (~Rs. 850 Cr)
- Sole Broker to the Block trade of Equity Shares of NSE Limited (~Rs. 485 Cr) and Stove Kraft Limited (~Rs. 75 Cr)
- Sole Manager to the Buyback of Equity Shares of Insecticides India Limited (~Rs. 60 Cr)
- Exclusive Manager to the Open Offer to the public shareholders of Mphasis Limited by BCP Topco IX Pte. Ltd
- Exclusive Financial Advisor to Calibre Chemicals and its promoters on controlling stake sale to Everstone Capital
- Acquisition of 100% stake of Exide Life Insurance Company Limited by HDFC Life Insurance Company Limited. JM Financial Limited provided

Fairness Opinion to the Board of Directors of HDFC Life Insurance Company Limited

- Fairness Opinion on share exchange ratio on amalgamation of Gangavaram Port with Adani Ports and Special Economic Zone
- Fairness Opinion to the Board of Equitas Holdings w.r.t the proposed amalgamation with Equitas Small Finance Bank

During the quarter, we acted as an arranger to the Private Placement of:

- NCDs of Indian Railway Finance Corporation Limited (~Rs. 4,000 Cr and ~Rs. 2,890 Cr), Food Corporation of India Limited (~Rs. 8,000 Cr), THDC India Limited (~Rs. 1,200 Cr), Power Finance Corporation Limited (~Rs. 4,793 Cr), LIC Housing Finance Limited (~Rs. 975 Cr)
- Tier II Bonds of Bank of India (~Rs. 1,800 Cr)
- Sub-debt in the nature of NCDs by Royal Sundaram General Insurance Company Limited (~Rs. 76 Cr)

During the quarter, the average daily trading volume of our institutional equities business stood at **Rs. 625 Cr.**

The private equity fund, JM Financial India Fund II, has completed eight investments and has initiated the process for the fund raise for Fund III.

➤ **Mortgage Lending**

The total mortgage lending book (comprising of loan book of JM Financial Credit Solutions Limited and JM Financial Home Loans Limited) stood at **Rs. 7,102 Cr** as at September 30, 2021.

Our wholesale mortgage lending focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR. Further details in respect of the wholesale mortgage lending are as under:

- SMA 2 numbers decreased from 5.99% as of June 2021 of the portfolio to 5.09% as of September 2021 of the portfolio. During this period, the loan

book has decreased from Rs. 7,166 Cr as of June 2021 to Rs. 6,595 Cr as of September 2021.

- Debt to equity stood at 1.24x and net debt to equity at 0.74x.

The last quarter has seen a rapid recovery across all geographies after the second Covid wave. The residential sales across all geographies and across all ticket sizes have been robust. However, consumer confidence in the developer and project is of paramount importance.

We are also witnessing rapid consolidation in the sector whereby the amount of sales done by top developers as a percentage of overall sales is increasing gradually and significantly. Given the reduction of the inventory overhang across geographies and the rise in demand, developers are looking at acquiring new projects and we will witness increase in new launches.

All the above have been in line with our expectations and we feel that this end user driven sales is here to stay. We are cautiously evaluating opportunities across geographies and will look at gradually increasing the lending book. However, the uncertainty of the third wave continues to keep us cautious in underwriting loans.

➤ **Alternative and Distressed Credit**

Higher focus on recoveries yielded results and recoveries during quarter were about ~**Rs. 315 Cr** and Security Receipts of ~**Rs. 213 Cr** were redeemed. The outstanding Security Receipts stood at **Rs. 10,687 Cr** as on September 30, 2021 as compared to **Rs. 10,885 Cr** as on June 30, 2021. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,140 Cr** as on September 30, 2021 as compared to **Rs. 3,150 Cr** as on June 30, 2021. Until September 30, 2021, we have acquired total outstanding dues of **Rs. 62,418 Cr** at a gross consideration of **Rs. 17,568 Cr**. Going forward, our focus would remain on recoveries and resolution while we continue to work with financial and strategic investors for acquisition. This

quarter, in line with previous two quarters, also witnessed good recoveries given the continued focus on resolution and recoveries. On acquisition front, as planned, we continued our efforts on aggregation of balance debt, and looking for new opportunities.

➤ **Asset Management, Wealth Management and Securities business (Platform AWS)**

The AUM* of our wealth businesses stood at **Rs. 83,394 Cr** comprising of

- Private wealth management at **Rs. 63,760 Cr** (excluding custody assets) as on September 30, 2021 as compared to **Rs. 54,015 Cr** as on September 30, 2020 and **Rs. 60,385 Cr** as on June 30, 2021.
- Retail wealth management at **Rs. 18,841 Cr** as on September 30, 2021 as compared to **Rs. 14,993 Cr** as on September 30, 2020 and **Rs. 17,683 Cr** as on June 30, 2021.
- Elite wealth management at **Rs. 793 Cr** as on September 30, 2021 as compared to **Rs. 265 Cr** as on September 30, 2020 and **Rs. 659 Cr** as on June 30, 2021.

** Assets under Management (AUM) comprises distribution assets and advisory assets, as applicable*

The AUM of our PMS business stood at **Rs. 811 Cr** as on September 30, 2021 as compared to **Rs. 555 Cr** as on September 30, 2020 and **Rs. 757 Cr** as on June 30, 2021.

The average AUM of our Mutual Fund schemes during the quarter ended September 30, 2021 stood at **Rs. 2,089 Cr**; comprising of **Rs. 551 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,538 Cr** in debt schemes (including liquid scheme). The average AUM of our Mutual Fund schemes during the quarter ended June 30, 2021 stood at **Rs. 2,135 Cr**; comprising of **Rs. 522 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,613 Cr** in debt schemes (including liquid scheme).

During the quarter, the average daily trading volume of our retail broking business stood at **Rs. 12,506 Cr.**

Borrowing Profile

We continued our focus on diversifying our sources and maturities for our borrowing profile. As on September 30, 2021 our long term borrowing as a proportion of total borrowing stood at **approximately 23%**. Borrowing through Commercial paper (CP) consisted **approximately 16%** of the total borrowing as on September 30, 2021. CPs were utilized primarily towards the financing of short-term liquid assets.

Awards & Recognitions

The Great Place to Work® - July 2021

- JM Financial Limited (including all institutional businesses), JM Financial Asset Management Limited and JM Financial Services Limited recognised as 'Commitment to Being a Great Place to Work'

-ends-

The press release and unaudited financial results are available on our website www.jmfl.com

About JM Financial

JM Financial is an integrated and diversified financial services group. The Group's primary businesses include (i) **Investment Bank (IB)** shall cater to Institutional, Corporate, Government and Ultra High Networth clients and includes investment banking, institutional equities and research, private equity funds, fixed income, syndication and finance; (ii) **Mortgage Lending** includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP); (iii) **Alternative and Distressed Credit** includes the asset reconstruction business and alternative credit funds; and (iv) **Asset management, Wealth management and Securities business (Platform AWS)** shall provide an integrated investment

platform to individual clients and includes wealth management business, broking, PMS and mutual fund business.

As of September 30, 2021, the consolidated loan book stood at **~Rs. 110.7 BN**, distressed credit business AUM at **~Rs. 106.9 BN**, wealth management AUM at **~Rs. 833.9 BN**, mutual fund AAUM at **~Rs. 20.9 BN**.

The Group is headquartered in Mumbai and has a presence across **601** locations spread across **181** 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 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.

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.