

August 2, 2022

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


In continuation of our letter of even date enclosing therewith the unaudited financial results of the Company for the first quarter ended June 30, 2022, we are enclosing a copy of the Press Release being issued by the Company.

We request you to kindly take the above on your record and disseminate the same on your website, as you may deem appropriate.

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 stood at Rs. 170.01 crore, a decrease of 16.31% YoY for Q1FY23.

Mumbai, August 2, 2022: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the first quarter ended June 30, 2022.

Summary of Consolidated results FY 23 – Q1 compared to FY 22 – Q1

Particulars	(Rs. in Cr)		
	Quarter ended June 30, 2022	Quarter ended June 30, 2021	% Increase / (Decrease)
Total income	805.72	992.55	(18.82%)
Pre-Provision Operating Profit	291.44	469.03	(37.86%)
Profit before tax	259.17	360.40	(28.09%)
Net profit after tax and before non- controlling interest	198.38	274.78	(27.80%)
Net profit after tax, non-controlling interest and share of associate	170.01	203.14	(16.31%)

The earnings per share for the quarter ended June 30, 2022 is **Rs. 1.78**. The consolidated net worth* as at June 30, 2022 stands at **Rs. 7,809 Cr** and the gross debt equity (equity of **Rs. 7,809 Cr** + non-controlling interest of **Rs. 2,847 Cr**) ratio is **1.10** times*. Cash and cash equivalents stands at **Rs. 2,878 Cr**. The book value per share is **Rs. 81.83**.

Our consolidated loan book** stood at **Rs. 12,606 Cr** as of March 31, 2022 compared to **Rs. 13,017 Cr** as of March 31, 2022 and **Rs. 11,014 Cr** as of June 30, 2021. Gross NPA and Net NPA stood at **3.52%** and **2.31%** respectively as of June 30, 2022 compared to **4.27%** and **2.67%** respectively as of March 31, 2022 and **3.46%** and **1.89%** respectively as of June 30, 2021. The loan book under the Resolution Framework for Covid-19 announced by RBI stood at **0.45%** as of June 30, 2022 (**0.81%** as of March 31, 2022). Overall provisions on

the loan book stood at **4.5%** of the loan book as of June 30, 2022 as compared to **5.8%** of the loan book as of March 31, 2022 and **6.0%** as of June 30, 2021.

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

**Loan book for the lending entities and does not include episodic financing book

Summary of Segment-wise performance FY 23 – Q1 compared to FY 22 – Q1

(Rs. in Cr)

Consolidated Revenue	Quarter ended June 30, 2022	Quarter ended June 30, 2021	% Increase / (Decrease)
Investment Bank	308.31	315.87	(2.39%)
Mortgage Lending	299.83	300.16	(0.11%)
Alternative & Distressed Credit	64.66	225.31	(71.30%)
Platform AWS	130.03	142.75	(8.91%)
Others	36.03	35.61	1.18%
Total Segment Revenue	838.86	1,019.70	(17.73%)
Less: Inter - segmental revenue	(33.14)	(27.15)	(22.06%)
Total Consolidated Revenue	805.72	992.55	(18.82%)

(Rs. in Cr)

Consolidated Net Profit	Quarter ended June 30, 2022	Quarter ended June 30, 2021	% Increase / (Decrease)
Investment Bank	105.14	91.13	15.37%
Mortgage Lending	26.93	25.09	7.33%
Alternative & Distressed Credit	1.84	65.18	(97.18%)
Platform AWS	6.77	8.75	(22.63%)
Others	29.33	12.99	125.79%
Total Consolidated Net Profit	170.01	203.14	(16.31%)

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

“The world economy has been impacted by the war in Ukraine, higher-than-expected inflation, tighter financial conditions and strict zero Covid policies in China.

The capital markets continue to remain volatile and primary equity issuances have reduced substantially as compared to last year. We expect September quarter to continue to remain challenging for primary market issuances. Our pipeline of Investment Banking mandates continues to remain healthy and we are confident to execute a substantial volume of transactions in the next available window of opportunity.

During the quarter, we received higher than anticipated levels of pre-payments across the lending book. The transaction flow for wholesale mortgage and bespoke financing transactions is strong and we are on track to achieve the guidance provided in May 2022 in our annual earnings call. The branch network of JM Financial Home Loans has expanded to 64 as of June 30, 2022 compared to 55 as of March 31, 2022. The increased infrastructure would further enhance the reach and accelerate the disbursements.

Looking ahead, we shall continue to leverage our strengths as an integrated and well capitalized financial services player.”

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 Life Insurance Corporation of India (~Rs. 20,557 Cr), Paradeep

Phosphates Limited (~Rs. 1,502 Cr) and Campus Activewear Limited (~Rs. 1,400 Cr)

- Sole Merchant Banker and Manager to the Buyback of Equity Shares of UPL Limited (~Rs. 1,100 Cr)
- Book Running Lead Manager to the Qualified Institutions Placement of Equity Shares of Indiabulls Real Estate Limited (~Rs. 865 Cr)
- Acted as the Lead Manager for the Maiden Public Placement of NCDs of Navi Finserv Limited (~Rs. 495 Cr)
- Advisor and manager in relation to the open offer to the shareholders of Eveready Industries
- Exclusive Financial Advisor to Hero FinCorp on fundraise from Apollo Global Management and other investors
- Exclusive Financial Advisor to Rapido on fundraise from Swiggy, TVS Motors, WestBridge, Shell Ventures and Nexus Ventures
- Fairness Opinion to the Board of JSW Ispat on amalgamation of Creixent Special Steels, JSW Ispat Special Products with and into JSW Steel Limited

During the quarter, we acted as an:

- Arranger to the Private Placement of NCDs of Small Industries Development Bank of India (~Rs. 2,500 Cr), Indian Oil Corporation Limited (~Rs. 2,500 Cr), NABARD (~Rs. 2,030 Cr), Hindustan Petroleum Corporation Limited (~Rs. 1,500 Cr) and Tata Capital Financial Services Limited (~Rs. 300 Cr & ~Rs. 250 Cr)

During the quarter, the average daily trading volume of our institutional equities business stood at **Rs. 747 Cr.**

The Private Equity platform has completed the first closing of PE Fund III and is in the process of further fund raising. JM Financial India Fund III has also finalized three investments. Further, JM Financial India Fund II has completed ten investments and is now fully invested.

➤ **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. 7,784 Cr** as at June 30, 2022.

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 4.17% as of March 2022 of the portfolio to 2.75% as of June 2022 of the portfolio. During this period, the loan book* has decreased from Rs. 7,362 Cr as of March 2022 to Rs. 6,865 Cr as of June 2022.
- Debt to equity stood at 1.21x.

**Loan book does not include episodic financing book*

The residential sales across all geographies and ticket sizes have been robust. With the rapid consolidation in the sector, top developers are garnering a high market share. We anticipate new project launches by top developers. Demand trends are expected to remain strong driven by favourable demographics, increasing urbanisation, amenities and work force. This is expected to increase the demand for construction finance. We are witnessing a strong pipeline of transactions and expect the lending traction to improve in a benign competitive environment.

➤ **Alternative and Distressed Credit**

During the quarter, we closed 3 deals of which 2 were fresh acquisitions including a retail loan portfolio and 1 as a part of debt aggregation process. The quarter witnessed recoveries of **Rs. 122 Cr** backed by recovery from restructured accounts, sale of assets and NCLT process etc. Security Receipts of **Rs. 69 Cr** were redeemed and the outstanding

Security Receipts stood at **Rs. 11,405 Cr** as on June 30, 2022 as compared to **Rs. 10,936 Cr** as on March 31, 2022. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,240 Cr** as on June 30, 2022 as compared to **Rs. 3,160 Cr** as on March 31, 2022.

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

The AUM* of our wealth businesses stood at **Rs. 83,337 Cr** comprising of

- Private wealth management at **Rs. 61,660 Cr** (excluding custody assets) as on June 30, 2022 as compared to **Rs. 61,211 Cr** as on March 31, 2022 and **Rs. 60,385 Cr** as on June 30, 2021.
- Retail wealth management at **Rs. 20,710 Cr** as on June 30, 2022 as compared to **Rs. 20,202 Cr** as on March 31, 2022 and **Rs. 17,683 Cr** as on June 30, 2021.
- Elite wealth management at **Rs. 967 Cr** as on June 30, 2022 as compared to **Rs. 1,030 Cr** as on March 31, 2022 and **Rs. 659 Cr** as on June 30, 2021. We have built out a strong team of about 100 relationship managers under Elite Wealth Management.

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

We have significantly expanded our PMS team. The PMS team size stood at 23 as of June 30, 2022 from 9 as of June 30, 2021. With the team expansion almost done, we believe we are in a good position to accelerate the growth of the PMS business.

JM Financial Mutual Fund has on boarded senior hires across functions such as the Investment Team, Products, Sales, Risk, Operations and Technology. Our engagement efforts are picking pace and we have been rebuilding relationships with several key distributors. Over the last quarter, we have recruited 24 people in our asset management business.

During the quarter, the average daily trading volume of our retail broking business stood at **Rs. 19,922 Cr.**

The Board of Directors has approved the modified scheme of demerger of the undertaking ("Scheme") comprising of Private Wealth and PMS (catering to large clients) along with the investment in JM Financial Institutional Securities Limited (which houses the institutional equities business) from its wholly owned subsidiary, JM Financial Services Limited to JM Financial Limited. The Scheme also comprises merger of JM Financial Capital Limited, which is a wholly owned subsidiary of JM Financial Services Limited, into JM Financial Services Limited. The Scheme shall be subject to regulatory and other approvals. Accordingly, once demerged the Private Wealth and PMS divisions shall be classified under the Investment Bank segment.

Borrowing Profile

We continued our focus on diversifying our sources and maturities for our borrowing profile. As on June 30, 2022 our long term borrowing as a proportion of total borrowing stood at **approximately 80%** and short term borrowing as a proportion of total borrowing stood at **approximately 20%**. Short term borrowing also includes working capital loans / borrowing for brokerage business.

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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 June 30, 2022, the consolidated loan book stood at **~Rs. 126.1 BN**, distressed credit business AUM at **~Rs. 114.1 BN**, wealth management AUM at **~Rs. 833.4 BN**, mutual fund AAUM at **~Rs. 30.6 BN**.

The Group is headquartered in Mumbai and has a presence across **659** locations spread across **191** 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.

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