

May 24, 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 Audited Financial Results of the Company for the financial year ended March 31, 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 increased by 31.01% YoY for FY22.
This is the highest ever annual operating net profit reported.**

Mumbai, May 24, 2022: While approving the financial results for the last quarter and financial year ended March 31, 2022, **the Board of Directors has recommended a final dividend of Rs. 1.15 per share (face value of Re.1/-).**

Summary of Consolidated results FY 22 compared to FY 21

(Rs. in Cr)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	% Increase / (Decrease)
Total income	3,763.28	3,226.63	16.63%
Pre-Provision Operating Profit	1,696.40	1,323.61	28.16%
Profit before tax	1,348.04	1,066.85	26.36%
Net profit after tax and before non- controlling interest	992.39	808.17	22.79%
Net profit after tax, non-controlling interest and share of associate	773.16	590.14	31.01%

Summary of Consolidated results FY 22 – Q4 compared to FY 21 – Q4

(Rs. in Cr)

Particulars	Quarter ended March 31, 2022	Quarter ended March 31, 2021	% Increase / (Decrease)
Total income	839.22	841.13	(0.23%)
Profit before tax	321.59	312.40	2.94%
Net profit after tax and before non- controlling interest	228.40	233.65	(2.25%)

Particulars	Quarter ended March 31, 2022	Quarter ended March 31, 2021	% Increase / (Decrease)
Net profit after tax, non-controlling interest and share of associate	178.79	176.71	1.18%

The earnings per share for the year ended March 31, 2022 is **Rs. 8.11**. The consolidated net worth* as at March 31, 2022 stands at **Rs. 7,634 Cr** and the gross debt equity (equity of **Rs. 7,634 Cr** + non-controlling interest of **Rs. 2,820 Cr**) ratio is **1.22** times*. Cash and cash equivalents stands at **Rs. 3,637 Cr**. The book value per share is **Rs. 80.01**.

Our consolidated loan book** stood at **Rs. 13,017 Cr** as of March 31, 2022 compared to **Rs. 11,240 Cr** as of December 2021 and **Rs. 10,854 Cr** as of March 31, 2021. Gross NPA and Net NPA stood at **4.27%** and **2.67%** respectively as of March 31, 2022 compared to **4.39%** and **2.76%** respectively as of December 31, 2021 and **3.50%** and **1.95%** respectively as of March 31, 2021. The loan book under the Resolution Framework for Covid-19 announced by RBI stood at **0.81%** as of March 31, 2022 (**0.91%** as of December 31, 2021).

We have made additional gross provisions of **Rs. 194 Cr[#]** on account of the uncertainties around Covid-19 for the year ended March 31, 2022, thereby taking the total provisions (net of reversals) to **Rs. 500 Cr[#]** on account of the pandemic. Overall provisions on the loan book stood at **5.8%** of the loan book as of March 31, 2022 as compared to **7.0%** as of December 31, 2021 and **5.2%** as of March 31, 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

Unaudited and based on management estimates

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

“We are pleased to achieve the highest ever annual operating consolidated net profit in FY22 on the back of strong capital markets business.

Our robust balance sheet position has allowed us to deliver a strong loan book in quarter ended March 2022 especially in the bespoke and retail mortgages segment. Our real estate loan book witnessed a higher than normal level of prepayments. As equity markets turn volatile, tactically, we will in turn focus on credit markets both in our distribution and syndication business as well as growth in loan book.

Our retail mortgage business is achieving critical size and scale. We have already expanded to around 55 locations and increased disbursements to over Rs. 220 Cr per quarter. We have crossed a critical milestone of over Rs.1,000 crore in loan book. We will continue to expand our presence in FY22-23.

We remain focused on serving our clients from an advisory, distribution and financing business."

Business Update

➤ Investment Bank

During the quarter, our completed investment banking transactions include:

- Sole Manager to the Buyback of Equity Shares of Tata Consultancy Services Limited (~Rs. 18,000 Cr)
- Book Running Lead Manager to the Initial Public Offer of Equity Shares of AGS Transact Limited (~Rs. 680 Cr)
- Sole Broker to the Block trades of Equity Shares of TVS Motor Company Limited (~Rs. 605 Cr), MTAR Technologies Limited (~Rs. 526 Cr) and Stove Kraft Limited (~Rs. 160 Cr)
- Financial Advisor in connection with the family arrangement involving the TVS Group
- Financial advisor to Escorts Limited on investment by Kubota Corporation (Japan) in Escorts Limited
- Financial Advisor to Honasa Consumer Pvt Ltd for acquisition of Bblunt

- Fairness Opinion to the Board of Directors of Equitas Holdings Limited ("EHL") on the merger of EHL with Equitas Small Finance Bank Limited
- Fairness opinion to the board of Saurashtra Cement (SCL) on amalgamation of Gujarat Sidhee Cement with SCL
- Fairness opinion to the board of Kalpataru Power Transmission (KPTL) on amalgamation of JMC Projects into KPTL

During the quarter, we acted as an:

- Arranger to the Private Placement of NCDs of Indian Oil Corporation Limited (Rs. 1,500 Cr), Hindustan Petroleum Corporation Limited (Rs. 1,500 Cr), Tata Capital Housing Finance Limited (Rs. 500 Cr and Rs. 146 Cr), Mahindra & Mahindra Financial Services Limited (Rs. 250 Cr), Aditya Birla Finance Limited (Rs. 210 Cr)
- Sole Arranger for the Maiden Private Placement of NCDs of Aragen Lifesciences Private Limited (Rs. 200 Cr)
- Advisor to the Private Placement of Market Linked Debentures (MLDs) of Adani Enterprises Limited (Rs. 150 Cr)
- Appointed as the Designated Market Maker for ICICI Prudential Mutual Fund's ETF: ICICI Prudential 5 YEAR G-SEC ETF

During the quarter, the average daily trading volume of our institutional equities business stood at **Rs. 1,372 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 two 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. 8,181 Cr** as at March 31, 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 increased from 3.31% as of December 2021 of the portfolio to 4.17% as of March 2022 of the portfolio. During this period, the loan book* has increased from Rs. 6,741 Cr as of December 2021 to Rs. 7,362 Cr as of March 2022.
- Debt to equity stood at 1.29x and net debt to equity at 1.07x.

**Loan book does not include episodic financing book*

The residential sales across all geographies and ticket sizes have been robust. Rapid consolidation in the sector continues whereby the amount of sales done by top developers as a percentage of overall sales is increasing gradually. 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. In Mumbai Metropolitan region, we anticipate a lot of new launches on the back of the premiums paid for development of properties. This is expected to increase the demand for construction finance.

We had adopted a cautious approach due to the challenges faced since the COVID-19 pandemic. We maintained strong liquidity buffers to mitigate any unforeseen challenges. We have further strengthened our processes on origination and monitoring of business based on learnings from experiences emanating out of the various uncertainties in the sector. We believe that these changes will further improve our business processes as we look to capitalise on the opportunities to grow our loan book.

➤ **Alternative and Distressed Credit**

The quarter witnessed a higher recovery of **Rs. 451 Cr** compared to previous quarter backed by recovery from sale of assets, restructured accounts,

NCLT and settlement. Security Receipts of **Rs. 179 Cr** were redeemed and the outstanding Security Receipts stood at **Rs. 10,936 Cr** as on March 31, 2022 as compared to **Rs. 10,710 Cr** as on December 31, 2021. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,160 Cr** as on March 31, 2022 as compared to **Rs. 3,176 Cr** as on December 31, 2021. Until March 31, 2022, we have acquired total outstanding dues of **Rs. 63,757 Cr** at a gross consideration of **Rs. 18,138 Cr**. With normalcy in business sentiments, we look forward to evaluate opportunities across corporate and retail loans for acquisitions.

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

The AUM* of our wealth businesses stood at **Rs. 82,443 Cr** comprising of

- Private wealth management at **Rs. 61,211 Cr** (excluding custody assets) as on March 31, 2022 as compared to **Rs. 64,683 Cr** as on December 31, 2021 and **Rs. 59,052 Cr** as on March 31, 2021.
- Retail wealth management at **Rs. 20,202 Cr** as on March 31, 2022 as compared to **Rs. 19,424 Cr** as on December 31, 2021 and **Rs. 16,521 Cr** as on March 31, 2021.
- Elite wealth management at **Rs. 1,030 Cr** as on March 31, 2022 as compared to **Rs. 881 Cr** as on December 31, 2021 and **Rs. 549 Cr** as on March 31, 2021. We have built out a strong team of about 92 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 18 as of March 31, 2022 from 7 as of March 31, 2021. With the team expansion almost done, we believe we are in an extremely strong position to accelerate the growth of the PMS business.

JM Financial Mutual Fund serves nearly 1.35 lakh investors and close to 16,700 distributors across India through its 12 mutual fund schemes, 10 branches, and 81 service centres. In a bid to grow its AUM and folio base, the company 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 one year we have recruited 29 people in our asset management business.

During the quarter, the average daily trading volume of our retail broking business stood at **Rs. 20,284 Cr.**

The Board of Directors has approved the 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 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 March 31, 2022 our long term borrowing as a proportion of total borrowing stood at **approximately 78%** and short term borrowing as a proportion of total borrowing stood at **approximately 22%**. Short term borrowing also includes working capital loans / borrowing for brokerage business.

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The press release and audited financial results are available on our website www.jmfi.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 March 31, 2022, the consolidated loan book stood at **~Rs. 130.2 BN**, distressed credit business AUM at **~Rs. 109.4 BN**, wealth management AUM at **~Rs. 824.4 BN**, mutual fund AAUM at **~Rs. 23.2 BN**.

The Group is headquartered in Mumbai and has a presence across **634** locations spread across **185** 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:**

<p>Manish Sheth Group Chief Financial Officer</p> <p>Tel.: +91 22 6630 3460 Email: manish.sheth@jmfl.com</p> <p>Manali Pilankar Corporate Communication</p> <p>Tel.: +91 22 6630 3475 Email: manali.pilankar@jmfl.com</p>	<p>Nishit Shah Business Strategy & Investor Relations and CFO – JM Financial Products Limited</p> <p>Tel : +91 22 6630 3522 Email : nishit.shah@jmfl.com</p> <p>Gagan Kothari CFO – JM Financial Credit Solutions Limited</p> <p>Tel.: +91 22 6630 3360 Email: gagan.kothari@jmfl.com</p>
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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.