

February 10, 2023

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 for the third quarter and nine months ended December 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.

JM Financial Limited

Corporate Identity Number: L67120MH1986PLC038784

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

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PRESS RELEASE
For Immediate Release

JM Financial's consolidated loan book stood at Rs. 15,234 crore, an increase of 35.53% YoY for Q3FY23.

Mumbai, February 10, 2023: The Board of Directors of JM Financial Limited, at its meeting held today, approved the unaudited financial results for the third quarter and nine months ended December 31, 2022.

Summary of Consolidated results FY 23 – Q3 compared to FY 22 – Q3

(Rs. in Cr)

Particulars	Quarter ended December 31, 2022	Quarter ended December 30, 2021	% Increase / (Decrease)
Total income	946.13	964.48	(1.90%)
Pre-Provision Operating Profit	363.98	424.17	(14.19%)
Profit before tax	321.64	348.74	(7.77%)
Net profit after tax and before non- controlling interest	240.27	260.91	(7.91%)
Net profit after tax, non-controlling interest and share of associate*	190.16	216.80	(12.29%)

*Q3FY22 PAT includes Rs. 56.81 Cr from IPO financing activity, which is negligible for Q3FY23

Summary of Key Statistics

(Rs. in Cr, unless otherwise stated)

Particulars	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2022
Loan book**	15,234	11,240	14,670
Gross NPA	3.60%	4.39%	3.85%
Net NPA	2.23%	2.76%	2.44%
SMA-2	1.07%	2.50%	1.26%

Particulars	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2022
Total Provision to Loan book	4.11%	6.96%	4.02%
Loan book under the Resolution Framework for Covid-19 by RBI	0.35%	0.91%	0.37%
EPS (Rs.)	1.99	2.27	1.89
Consolidated net worth*	8,025	7,499	7,916
BVPS (Rs.)*	84.05	78.60	82.91
Gross debt /equity*	1.34x	1.05x	1.21x
Cash and Cash equivalents	2,109	3,854	1,388

* 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 Loan book

(Rs. in Cr)

Particulars	Quarter ended December 31, 2022	Quarter ended December 31, 2021	YoY Increase / (Decrease)	Quarter ended September 30, 2022
Wholesale Mortgage	7,938	6,688	18.69%	7,321
Bespoke	3,811	2,512	51.69%	3,821
Retail Mortgage	1,572	992	58.48%	1,392
FI Financing	1,009	108	8.35x	995
Capital Market	904	940	(3.85%)	1,141
Total	15,234	11,240	35.53%	14,670

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

“The global economic environment is experiencing uncertainties due to geopolitics, monetary policy tightening and inflation. The NBFC and banking sector have demonstrated resilience on the back of healthy capitalization and good credit offtake.

We reported robust earnings basis given that last financial year had witnessed strong performance in the IPO issuance and IPO financing related businesses compared to this financial year.

The Investment bank segment demonstrated strong performance despite volatile equity market conditions on the back of our strong integrated franchise. The pipeline of investment banking transactions remains robust. The loan book for the mortgage lending (retail and wholesale) segment has demonstrated strong growth. We are on track to achieve the loan book guidance provided for the retail and wholesale mortgage lending businesses. During the quarter the distressed credit business acquired retail assets and continues to focus on acquisition and resolution of distressed assets. Investments in physical and digital infrastructure continue in the platform AWS business.

Considering global macro conditions, high interest rates, inflation and geopolitical conditions, the equity markets are expected to remain volatile in the first half of this calendar year”.

Summary of Segment-wise performance FY 23 – Q3 compared to FY 22 – Q3

(Rs. in Cr)

Consolidated Net Profit	Quarter ended December 31, 2022	Quarter ended December 31, 2021	% Increase / (Decrease)
Investment Bank	101.68	98.86	2.85%
Mortgage Lending	42.12	30.80	36.75%
Alternative & Distressed Credit	5.98	8.80	(32.05%)
Platform AWS	9.31	39.65	(76.52%)
Others	31.07	38.69	(19.70%)
Total Consolidated Net Profit	190.16	216.80	(12.29%)

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 Global Health Limited (~Rs. 2,206 Cr) and Pre-IPO (~Rs. 482 Cr), Archean Chemical Industries Limited (~Rs. 1,462 Cr), Fusion Micro Finance Limited (~Rs. 1,104 Cr), Bikaji Foods International Limited (~Rs. 881 Cr), Uniparts India Limited (~Rs. 836 Cr), Electronics Mart India Limited (~Rs. 500 Cr) and Elin Electronics Limited (~Rs. 475 Cr)
- Lead Manager to the maiden Public Issue of NCDs of National Highways Infra Trust (Rs. 1,500 Cr).
- Seller's Broker to the Offer for Sale of Equity Shares of Indian Railway Catering & Tourism Corp Limited (~Rs. 2,720 Cr)
- Sole Manager to the Buyback of Equity Shares of Bajaj Auto Limited (~Rs. 2,500 Cr)

- Sole Manager to Corporate Block transactions in Equity Shares of Sapphire Foods India Limited (~Rs. 973 Cr), TVS Motor Company Limited (two block deals aggregating ~Rs. 687 Cr) and SRF Limited (~Rs. 148 Cr)
- Exclusive financial advisor and exclusive manager for the open offer to the shareholders of New Delhi Television by the subsidiaries of Adani Enterprises;
- Exclusive financial advisor to the open offer by Shiva Performance Materials to the public shareholders of Ineos Styrolutions India;
- Exclusive financial advisor to AM Marketplaces and its shareholders on acquisition by V-Mart;
- Fairness opinion on share exchange ratio on amalgamation of ISMT to the board of directors of Kirloskar Ferrous Industries.

During the quarter, we acted as an:

- Arranger to the Private Placement of NCDs of Small Industries Development Bank of India (Rs. 4,000 Cr & Rs. 5,000 Cr), Hindustan Petroleum Corporation (Rs. 2,500 Cr & Rs. 750 Cr), REC (Rs. 3,889 Cr & Rs. 2,000 Cr), Indian Oil Corporation (Rs. 3,955 Cr), IRFC (Rs. 1,320 Cr), Union Bank of India (Rs. 1,500 Cr), Bank of Maharashtra (Rs. 348 Cr & Rs. 1,000 Cr), IDFC First Bank (Rs. 1,500 Cr), HUDCO (Rs. 470 Cr), Power Finance Corporation (Rs. 2,783 Cr), GAIL (Rs. 2,500 Cr), BSNL (Rs. 4,185 Cr), Punjab National Bank (Rs. 1,000 Cr), Nuclear Power Corporation of India (Rs. 2,350 Cr) and THDC India (Rs. 600 Cr)

During the quarter, the average daily trading volume of our institutional equities business stood at **Rs. 938 Cr.**

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

➤ **Mortgage Lending**

The total lending book* (comprising of loan book of JM Financial Credit Solutions Limited and JM Financial Home Loans Limited) stood at **Rs. 10,480 Cr** as at December 31, 2022.

Our wholesale mortgage lending focuses on metro cities, viz., MMR, Pune, Bangalore, Chennai, Hyderabad and NCR. Further details in respect of the wholesale mortgage lending are as under:

- SMA 2 numbers increased from 0.93% as of September 2022 of the portfolio to 1.18% as of December 2022 of the portfolio. During this period, the loan book* has increased from Rs. 8,415 Cr as of September 2022 to Rs. 9,299 Cr as of December 2022.
- Debt to equity stood at 1.39x.

**Loan book does not include episodic financing book, if any*

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 project 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**

The quarter witnessed higher recovery of **Rs. 480 Cr** compared to previous quarter backed by strong recovery from sale of assets, restructured accounts, settlement and NCLT process etc. Security Receipts of **Rs. 433 Cr** were redeemed and the outstanding Security Receipts stood at **Rs. 11,039 Cr** as on December 31, 2022 as compared to **Rs. 11,349 Cr** as on September 30, 2022. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,362 Cr** as on December

31, 2022 as compared to **Rs. 3,340 Cr** as on September 30, 2022. During the quarter, we closed two deals of which one was retail loan portfolio acquisition. We continue to focus on acquisition of incremental new accounts/portfolios for our business growth along with recovery and resolutions of existing assets.

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

The AUM* of our wealth businesses stood at **Rs. 82,242 Cr** comprising of

- Private wealth management at **Rs. 57,681 Cr** (excluding custody assets) as on December 31, 2022 as compared to **Rs. 57,679 Cr** as on September 30, 2022 and **Rs. 64,683 Cr** as on December 31, 2021. Out of which, Equity AUM stood at **Rs. 38,886 Cr** as on December 31, 2022 as compared to **Rs. 37,346 Cr** as on September 30, 2022 and **Rs. 28,048 Cr** as on December 31, 2021.
- Retail wealth management at **Rs. 23,331 Cr** as on December 31, 2022 as compared to **Rs. 22,247 Cr** as on September 30, 2022 and **Rs. 19,424 Cr** as on December 31, 2021.
- Elite wealth management at **Rs. 1,230 Cr** as on December 31, 2022 as compared to **1,156 Cr** as on September 30, 2022 and **Rs. 881 Cr** as on December 31, 2021. We have built out a strong team of 82 relationship managers under Elite Wealth Management.

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

The PMS team size stood at 23 as of December 31, 2022 from 16 as of December 31, 2021.

Over the last quarter, we have recruited 12 people in our mutual fund asset management business.

During the quarter, the average daily trading volume of our retail broking business stood at **Rs. 28,518 Cr**.

Borrowing Profile

We continued our focus on diversifying our sources and maturities for our borrowing profile. As on December 31, 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.

Awards & Recognitions

- Bondskart has been recognized by BSE Ltd., as the Best Performer in Retail Trading in Corporate Bonds – Fintech Platforms
- JM Financial Services Limited has been recognized by BSE Ltd. for FY 2021 – 2022 amongst:
 - Top 5 Performers in Primary Market Segment (Equity - Members)
 - Top 5 Performers in Primary Market Segment (UPI Bids - Members)
 - Top 5 Performers in Primary Market Segment (Debt - Members)
 - Best Performers in Institutional Segment - Domestic

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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 (affordable home loans and secured MSME); (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 December 31, 2022, the consolidated loan book stood at **~Rs. 152.3 BN**, distressed credit business AUM at **~Rs. 110.4 BN**, wealth management AUM at **~Rs. 822.4 BN**, mutual fund AAUM at **~Rs. 32.6 BN**.

The Group is headquartered in Mumbai and has a presence across **710** locations spread across **199** 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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