

August 3, 2023

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J 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

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, 2023, 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**

Dimple Mehta
Company Secretary & Compliance Officer

Encl.: as above.

PRESS RELEASE

For Immediate Release

JM Financial's consolidated loan book stood at Rs. 15,891 crore, an increase of 26.1% YoY for Q1FY24. Revenue and Pre-Provision Operating Profit stood at Rs. 1,081 crore and Rs. 377 crore, YoY increase of 34.2% and 29.2% respectively for Q1FY24.

Mumbai, August 3, 2023: 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, 2023.

Business Update for Q1FY24

• Investment Bank

- Executed several equity and debt capital market transactions and have an extremely strong pipeline. Current market conditions provide an extremely robust opportunity to execute the pipeline
- Financial institutions financing book (FIF) has grown to Rs. 1,653 crore (Rs. 461 crore as of June 30, 2022)
- Final close of Private Equity Fund III at ~Rs. 616 crore
- Post approval of the Scheme of Arrangement, Private wealth and PMS are now part of the Investment Bank segment (Platform AWS earlier)

• Mortgage Lending

- Wholesale mortgage lending
 - Additional slippages (NPA + SMA-2) are from the Pre Covid-19 / DCCO restructured book during the quarter leading to an increase in provisions. The loan accounts are being monitored closely and we are at different stages of resolution for the NPA book. We are confident of resolving these assets by FY25
 - Current levels of NPA and SMA-2 represent peaking of stressed assets. The loan book is fully secured. Provisioning requirements are expected to peak out in FY24. Depending on the outcome of certain resolutions, we anticipate additional provisioning to be in the range of Rs. 100 to Rs.135 crore for the balance of FY24
 - Rest of the loan book is well diversified and performing well
 - While the pipeline of transactions remains strong, we are also expecting strong repayments
- Retail mortgage lending
 - Branches have expanded to 93 as of June 30, 2023 from 64 as of June 30, 2022

• **Distressed and Alternative Credit**

- JM Financial Asset Reconstruction Company recorded highest ever AUM of Rs. 15,109 crore as of June 2023 (Rs. 11,405 crore as of June 2022)
- Acquired further assets of Rs. 2,096 crore and recoveries stood strong at Rs. 1,181 crore (total AUM addition over last two quarters ended June 2023 of Rs. 4,832 crore)

• **Platform AWS (Asset management, Wealth management and Securities business)**

- Average Daily turnover stood at Rs. 32,626 crore as of June 30, 2023 (June 30, 2022 - Rs. 19,922 crore)
- Retail and Elite Wealth AUM at Rs. 25,316 crore and Rs. 1,348 crore respectively as of June 30, 2023 (Retail and Elite Wealth AUM was Rs. 20,710 crore and Rs. 967 crore respectively as of June 30, 2022)
- Announced the first close of performing credit Fund – JM Credit Opportunities Fund – 1. The fund targets a final close around June 2024 with a target deployment of Rs. 1,500 crore (inclusive of co-investments)
- Continued investments in digital and asset management businesses

Summary of Consolidated results:

(Rs. in Cr)

Particulars	Quarter ended June 30, 2023	Quarter ended June 30, 2022	YoY % Increase / (Decrease)	Quarter ended March 31, 2023*	QoQ % Increase / (Decrease)
Total income	1,081.1	805.7	34.2%	871.2	24.1%
Pre-Provision Operating Profit	376.5	291.4	29.2%	291.9	29.0%
Profit before tax	230.4	259.2	(11.1%)	300.2	(23.2%)
Net profit after tax and before NCI	176.6	198.4	(11.0%)	216.6	(18.5%)

Particulars	Quarter ended June 30, 2023	Quarter ended June 30, 2022	YoY % Increase / (Decrease)	Quarter ended March 31, 2023*	QoQ % Increase / (Decrease)
Net profit after tax, NCI and share of associate	165.9	170.0	(2.4%)	164.5	0.8%
Additional provision on Security Receipts (post tax and post NCI)	-	-	-	(107.4)	N/M
Net profit after tax, NCI and share of associate	165.9	170.0	(2.4%)	57.1	190.5%

* Pre-Provisioning Profit and Profit Before Tax is before considering the impact of Rs. 246 Cr (Post tax impact of Rs.184 Cr) on account of additional provision considered in Security Receipts ("SRs") on a few accounts in our distressed credit business for Q4FY23. Net Profit after tax, NCI and share of associate is prior to adjusting a loss of Rs. 107.4 Cr.

Summary of Key Statistics

(Rs. in Cr, unless otherwise stated)

Particulars	Quarter ended June 30, 2023	Quarter ended June 30, 2022	Quarter ended March 31, 2023
Loan book*	15,891	12,606	15,653
Gross NPA	3.96%	3.52%	3.35%
Net NPA	2.32%	2.31%	2.14%
SMA-2	4.63%	2.19%	0.14%
Total Provision to Loan book	3.07%	4.51%	3.08%
Loan book under the Resolution Framework for Covid-19 by RBI	0.30%	0.45%	0.33%
EPS (Rs.)	1.74	1.78	0.60**

Particulars	Quarter ended June 30, 2023	Quarter ended June 30, 2022	Quarter ended March 31, 2023
Consolidated net worth [^]	8,251	7,809	8,084
BVPS (Rs.) [^]	86.40	81.83	84.66
Gross debt /equity [^]	1.47x	1.10x	1.45x
Cash and Cash equivalents	1,452	2,878	2,207

[^] Computed after reducing goodwill of Rs.52.4 Cr from shareholders' funds and excludes borrowings for episodic financing

* Loan book for the lending entities and does not include episodic financing book and SEBI Margin Trade Financing Book which is a part of the Platform AWS business

** Q4FY23 PAT included loss of Rs. 107.4 Cr from additional provision on SRs of few accounts in our distressed credit business

Summary of segment-wise Loan book

(Rs. in Cr)

Particulars	Quarter ended June 30, 2023	Quarter ended June 30, 2022	YoY Increase / (Decrease)	Quarter ended March 31, 2023	QoQ Increase / (Decrease)
Wholesale Mortgage	7,966	6,014	32.5%	8,445	(5.7%)
Bespoke	3,079	3,652	(15.7%)	2,636	16.8%
Retail Mortgage	2,033	1,271	60.0%	1,918	6.0%
FI Financing	1,653	461	3.6x	1,592	3.8%
Capital Market	1,160	1,208	(4.0%)	1,062	9.3%
Total	15,891	12,606	26.1%	15,653	1.5%

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

“Equity and debt capital market activities are robust and we have a strong pipeline of transactions. We have witnessed strong traction in the Financial Institutions Financing book on the back of strong retail credit environment.

On the wholesale mortgage lending business, we saw slippages from the Pre Covid-19/DCCO restructured book. Current NPA and SMA 2 portfolio represents the peak of stressed assets. In line with our earlier guidance, we continue to closely monitor these accounts and work on their resolutions. Provisioning requirements are expected to peak out in FY24. Depending on the outcome of certain resolutions, we anticipate additional provisioning to be in the range of Rs. 100 to Rs.135 crore for the balance of FY24. The balance wholesale mortgage lending book continues to remain strong and we are anticipating repayments. Our pipeline for transactions is robust.

We are diversifying our overall loan book mix through our retail mortgages business. Retail mortgage loan book constitutes 20% of overall mortgage lending (wholesale and retail) as of June 30, 2023. We will continue to invest in the retail mortgages business with a view to further diversify the overall loan book.

On the distressed and alternative credit business, we continue to face delays in some of our large resolutions. We are consciously diversifying to acquire retail assets.

Our investments in Platform AWS businesses are on track. Our digital broking, “BlinkX”, is launched and are gearing up for the next phase of its journey. We announced the first close of our credit opportunities fund with a target deployment of Rs. 1,500 crore (inclusive of co-investments).

Looking ahead, the stable economic scenario due to the strengthening macroeconomic fundamentals provides strong tailwinds for our diversified businesses."

Summary of Segment-wise performance:

(Rs. in Cr)

Consolidated Net Profit	Quarter ended June 30, 2023	Quarter ended June 30, 2022	% Increase / (Decrease)	Quarter ended March 31, 2023	% Increase / (Decrease)
Investment Bank	105.9	101.5	4.4%	74.4	42.4%
Mortgage Lending	9.4	26.9	(65.0%)	56.9	(83.5%)
Alternative & Distressed Credit	14.9	1.9	709.2%	16.3*	(8.7%)
Platform AWS	9.4	10.4	(10.1%)	(6.4)	245.6%
Others	26.3	29.3	(10.4%)	23.3	12.9%
Total Consolidated Net Profit	165.9	170.0	(2.4%)	164.5*	0.8%
<i>Additional provision on Security Receipts (post tax and post NCI)</i>	-	-	-	(107.4)	N/M
Total Consolidated Net Profit	165.9	170.0	(2.4%)	57.1	190.5%

* Prior to adjusting Rs. 107.4 Cr from additional provision on SRs of few accounts.

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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, private wealth management, PMS, 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 elite and retail wealth management business, broking and mutual fund business.

As of June 30, 2023, the consolidated loan book stood at **~Rs. 158.9 BN**, distressed credit business AUM at **~Rs. 151.1 BN**, wealth management AUM at **~Rs. 848.3 BN**, mutual fund AAUM at **~Rs. 31.5 BN**.

The Group is headquartered in Mumbai and has a presence across **768** locations spread across **213** 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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