

PRESS RELEASE
For Immediate Release

JM Financial's consolidated net profit increased by 35.35% YoY for Q4 FY21 and by 8.29% for FY21.

Mumbai, May 5, 2021: While approving the financial results for the fourth quarter and financial year ended March 31, 2021, **the Board of Directors of JM Financial Limited has recommended a dividend of Re. 0.50 per share of the face value of Re.1/- each.**

Summary of Consolidated results FY 21 – Q4 compared to FY 20 – Q4

(Rs. in Cr)

Particulars	Quarter ended March 31, 2021	Quarter ended March 31, 2020	% Increase / (Decrease)
Total income	841.13	840.58	0.07%
Profit before tax	312.40	215.02	45.29%
Net profit after tax and before non- controlling interest	233.65	162.96	43.38%
Net profit after tax, non-controlling interest and share of associate	176.71	130.56	35.35%

Summary of Consolidated results FY 21 compared to FY 20

(Rs. in Cr)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	% Increase / (Decrease)
Total income	3,226.63	3,453.55	(6.57%)
Profit before tax	1,066.85	1,093.52	(2.44%)
Net profit after tax and before non- controlling interest	808.17	777.95	3.88%
Net profit after tax, non-controlling interest and share of associate	590.14	544.98	8.29%

The earnings per share for the year ended March 31, 2021 is **Rs. 6.34**. The consolidated net worth* as at March 31, 2021 stands at **Rs. 6,947 Cr** and the gross debt equity (equity of **Rs. 6,947 Cr** + non-controlling interest of **Rs. 2,605 Cr**) ratio is **1.29** times* and net debt equity of **0.73** times* (post reducing cash and cash equivalents of **Rs. 5,351 Cr**). The book value per share is **Rs. 72.92**.

Our consolidated loan book** stood at **Rs. 10,854 crore** as of March 31, 2021 compared to **Rs. 11,531 crore** as of March 31, 2020. Gross NPA and Net NPA stood at **3.50%** and **1.95%** respectively as of March 31, 2021 compared to **1.65%** and **1.13%** respectively as of March 31, 2020. We have made additional gross provisions of **Rs. 208 Cr** on account of the uncertainties around COVID-19 for the year ended March 31, 2021, thereby taking the total provisions to **Rs. 383 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*

Commenting on the results and financial performance, Mr. Vishal Kampani, Managing Director, JM Financial Group, said,

“FY20-21 has been one of the most challenging years amidst the uncertainties on account of COVID-19. In spite of the economic volatility during the year, the capital markets remained strong on the back of strong liquidity.

We are pleased to report that we have concluded the financial year on a positive note, banking on our diversified and resilient business model with strong performance across our business segments.

Our investment banking, wealth and securities businesses have done exceedingly well and our pipeline for these businesses is extremely healthy. Despite the challenges from COVID-19, we had strong recoveries in our distressed credit business in FY2020-21. Our retail mortgage business has gained momentum and its further build will be a key focus area. The lending book continues to remain robust and asset quality is in check. Our balance sheet is extremely strong with Net Debt to Equity at 0.73x.

We continue to closely monitor the external environment given the uncertainties due to the second wave of the pandemic. Looking ahead, we are well positioned to grow and further scale our businesses in this financial year.”

Business Update

➤ Investment banking, Wealth Management and Securities business (IWS)

The IWS segment continued the momentum during the quarter. The pipeline for our investment banking transactions continues to remain healthy.

During the quarter, our completed investment banking transactions include:

- Sole Manager to the Buyback of Equity Shares of Tata Consultancy Services Limited (~Rs. 16,000 Cr) and Wipro Limited (~Rs. 9,500 Cr)
- Book Running Lead Manager to the Qualified Institutions Placement of Equity Shares of Bank of Baroda (~Rs. 4,500 Cr) and Poly Medicure Limited (~Rs. 400 Cr)
- Lead Manager for the Public Issue of NCDs of Power Finance Corporation Limited (Rs. 4,429 Cr)
- Book Running Lead Manager to the Initial Public Offer of Units of Brookfield India Real Estate Trust (~Rs. 3,800 Cr), Equity Shares of Anupam Rasayan India Limited (~Rs. 760 Cr), Easy Trip Planners Limited (~Rs. 510 Cr), Stove Kraft Limited (~Rs. 413 Cr) and MTAR Technologies Limited (~Rs. 696 Cr) (including Pre-IPO Placement).
- Sole Manager to the Voluntary Delisting of Equity Shares of Xchanging Solutions Limited (~Rs. 95 Cr)
- Financial Advisor to India Grid Trust for acquisition of 74% of share capital of Parbati Koldam Transmission Company
- Advisory to Brookfield on acquisition of a portfolio of office and retail assets, and co-working business from RMZ Group and its promoters

- Manager to the Open Offer to the shareholders of Fairchem Organics
- Fairness opinion on the share exchange ratio relating to the amalgamation of Adani Ports and Special Economic Zone and Bramhi Tracks Management Services

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

- NCDs of diversified public sector companies like IRFC and IOCL. (~Rs. 4,300 Cr)
- NCDs in the form of Basel III compliant Additional Tier I bonds of Union Bank of India and Bank of Baroda. (~Rs. 2,000 Cr)

The AUA of our private wealth management business stood at **Rs. 59,052 Cr** (excluding custody assets) as on March 31, 2021 as compared to **Rs. 44,883 Cr** as on March 31, 2020 and **Rs. 56,757 Cr** as on December 31, 2020. The AUA of our Independent Financial Distribution (IFD) business stood at **Rs. 16,171 Cr** as on March 31, 2021 as compared to **Rs. 13,437 Cr** as on March 31, 2020 and **Rs. 15,731 Cr** as on December 31, 2020.

During the quarter, the average daily trading volume stood at **Rs. 14,248 Cr**.

During the quarter, we also funded **17 public issues (including 1 NCD issue) aggregating to a funding of ~Rs. 38,641 Cr**.

➤ **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. 7,650 Cr** as at March 31, 2021. Our wholesale mortgage lending focuses on Tier - 1 cities, viz., Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Kolkata and NCR.

The highlights of the quarter in respect of the wholesale mortgage lending are as under:

- SMA2 numbers decreased from 8.04% as of December 2020 of the portfolio to 3.50% as of March 2021 of the portfolio. During this period, the loan book

has increased from Rs. 6,993 Cr as of December 2020 to Rs. 7,219 Cr as of March 2021.

- Debt to equity stood at 1.51x and net debt to equity at 0.90x.

The last quarter has seen a significant increase in sales velocity across all geographies we are present in. Efforts made by some state governments along with measures by the central government have helped developers in many ways. The reduction in stamp duty, coupled with the correction in prices along with the general view that prices have bottomed out has helped increase the demand for residential real estate. We have seen some movement in credit to the sector. We have also seen rapid consolidation and believe that going forward the industry will have very few players and the market share of the larger developers will continue to increase. 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 impact of the second wave of COVID 19 which we have been currently experiencing is yet to be seen.

During the quarter ended March 31, 2021, JM Financial Credit Solutions Limited invested Rs. 50 Cr in JM Financial Home Loans Limited for 8.99% stake. The infusion is at Rs. 33.74/- per equity share at a pre-money equity valuation of JM Financial Home Loans Limited of Rs. 510 Cr. Further, JM Financial Credit Solutions Limited shall have a right but not an obligation to invest an additional amount of ~Rs.440 Cr at the same price per share of Rs.33.74/- on or prior to June 30, 2021 or such timeline as may be mutually extended, subject to regulatory and other customary approvals as may be required. If JM Financial Credit Solutions Limited decides to make further investment of Rs. 440 Cr as above, upon receipt of all the approvals as are required, it would hold 49%

equity stake in JM Financial Home Loans Limited post the allotment of the said shares.

➤ **Distressed Credit**

Higher focus on recoveries yielded results and recoveries during quarter were about ~**Rs. 240 Cr** and Security Receipts of ~**Rs. 141 Cr** were redeemed. We also acquired loans of two companies during the quarter. The outstanding Security Receipts stood at **Rs. 11,060 Cr** as on March 31, 2021 as compared to **Rs. 10,915 Cr** as on December 31, 2020. The contribution of JM Financial Asset Reconstruction Company Limited towards the Security Receipts stood at **Rs. 3,193 Cr** as on March 31, 2021 as compared to **Rs. 2,923 Cr** as on December 31, 2020. Until March 31, 2021, we have acquired total outstanding dues of **Rs. 61,666 Cr** at a gross consideration of **Rs. 17,427 Cr**. In spite of the pandemic we achieved good results with total recovery of ~**Rs 1,192 Cr** in FY 21 through the Corporate Insolvency Resolution Process, SARFAESI and settlement. Going forward, our focus would remain on recoveries and resolution while we continue to work with financial and strategic investors for acquisition.

Beginning this quarter we have restarted evaluating few accounts for acquisition purposes. We closed one large acquisition and acquired a significant majority of the debt of the Company. We will continue to aggregate the balance debt in the coming quarters. Going forward we would continue to evaluate the right acquisition opportunities and gradually grow our book.

➤ **Asset Management**

The average AUM of our Mutual Fund schemes during the quarter ended March 31, 2021 stood at **Rs. 2,389 Cr**; comprising of **Rs. 591 Cr** in equity schemes (including hybrid schemes) and **Rs. 1,798 Cr** in debt schemes (including liquid scheme). The average AUM of our Mutual Fund schemes during the quarter ended December 31, 2020 stood at **Rs. 3,700 Cr**; comprising of **Rs. 815 Cr** in equity schemes (including hybrid schemes) and **Rs. 2,885 Cr** in debt schemes

(including liquid scheme). In addition, we have commitments aggregating ~**Rs. 146 Cr** under JM Financial Yield Enhancer (Distressed Opportunity) Fund I.

Borrowing Profile

We continued our focus on diversifying our sources and maturities for our borrowing profile. As on March 31, 2021 our long term borrowing as a proportion of total borrowing stood at **approximately 78%**. Borrowing through Commercial paper (CP) consisted **approximately 9%** of the total borrowing as on March 31, 2021. These CP's were utilised primarily towards the financing of short term liquid assets.

Awards & Recognitions

14th Institute of Chartered Accountants of India (ICAI) Awards

- Mr. Nimesh Kampani, our Group Chairman, was inducted into the 'CA Hall of Fame Award' by Institute of Chartered Accountants of India (ICAI)

The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2020

- JM Financial Limited awarded for the 'Best IPO' under the Best Deal category (MindSpace Business Parks Reit 45 billion rupees IPO)
- JM Financial Limited awarded for the 'Best rights issue' under the Best Deal category (Reliance Industries US\$7.1 billion rights offering)
- JM Financial Limited awarded for the 'Best block trade' under the Best Deal category (Bandhan Bank US\$1.4 billion block trade)

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The press release and audited 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 (a) Investment banking, wealth management and securities business (IWS) which includes fee and fund based activities for its clients (b) Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP) (c) Distressed credit which includes the Asset Reconstruction business (d) Asset Management which includes the mutual fund business.

As of March 31, 2021, the consolidated loan book stood at **~Rs. 108.5 BN**, distressed credit business AUM at **~Rs. 110.6 BN**, wealth management AUA at **~Rs. 590.5 BN**, mutual fund AAUM at **~Rs. 23.9 BN**.

The Group is headquartered in Mumbai and has a presence across **550** locations spread across **170** 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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