



April 23, 2024

BSE Limited

Phiroze Jeejeebhoy 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

Scrip Code: 543940

Trading Symbol: JIOFIN

Dear Sirs,

Sub: Transcript of Presentation on Audited Financial Results (Consolidated and Standalone) for the quarter and year ended March 31, 2024

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the presentation made to analysts on April 19, 2024, on Audited Financial Results (Consolidated and Standalone) of the Company for the quarter and year ended March 31, 2024, is attached. The presentation concluded at 7.28 p.m. (IST) on April 19, 2024.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Jio Financial Services Limited

Mohana V

**Group Company Secretary and
Compliance Officer**

Encl: a/a



Jio Financial Services Limited Q4 2023 – 2024

Analyst Call Transcript

Call Participants:

Mr. Hitesh Sethia, MD & CEO – Jio Financial Services Limited

Mr. Charanjit Attra, Group Chief Operating Officer - Jio Financial Services Limited

Ms. Jill Deviprasad, Head, Investor Relations – Jio Financial Services Limited

Transcript:

Ms. Jill Deviprasad, 1:00

Good evening, everyone. My name is Jill Deviprasad and I'm the head of Investor Relations for Jio Financial Services Limited. On the declaration of the results for the year ended March 31, 2024 of the Company, it gives me immense pleasure to welcome the analysts, investors, and our colleagues to this virtual meeting. We have with us today, our MD & CEO Mr Hitesh Sethia and our Group Chief Operating Officer, Mr Charanjit Attra. In this call, all participants will be in a listen only mode. The earnings presentation is uploaded on our website www.jfs.in and on the stock exchanges.

Before I hand over the call, I would like to read out the safe harbor statement.

Certain statements are forward-looking in nature. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual outcomes may vary materially, from those included in these statements due to a variety of factors.

I will now hand over the call to Hitesh to discuss the business in detail.

Mr. Hitesh Sethia, 2:09

Thank you, Jill and good evening everyone. A very warm welcome to all of you on this call.

Let me begin with a recap of an eventful first year of Jio Financial Services Limited in which we laid the foundation blocks for the business build-out while we got listed on the stock exchanges simultaneously. The demerger of JFS from Reliance Industries Limited, which was announced in November 2022, culminated in the listing of JFS on BSE and NSE in August, 2023. As a part of the demerger, JFSL



as a holding company and the 4 customer-facing entities, amongst others, were demerged, that is, an NBFC, a payment bank, a payment aggregator and an insurance broking entity. The latter 3 were operating while the NBFC had, yet, to commence operations prior to the demerger.

While the demerger was underway, people, process & systems were set up at the holding company and at the NBFC grounds up. The business models and technology stack of the 3 operating entities were reimaged and transformed in parallel to ensure that a strong foundation for scale & profitability is established. Further, a robust governance, risk and compliance framework were also set up across the group. A uniform and fit-for-purpose technology stack for all support & control functions across JFSL entities have also been implemented during this period.

During this entire set up and team build out, the management team has remained observant about the rapidly evolving market developments and took a risk-calibrated approach to fast track our secured lending products as the focus for our NBFC.

While the demerged businesses were being set up and reimaged, new businesses were also being conceptualized during this period, primarily, the asset management company and the leasing business. In July 2023, as you may all know we had announced a 50:50 JV with BlackRock to foray into our Asset Management business. Earlier this week, we are happy to inform you all that we had expanded the partnership with BlackRock to include Wealth Management and Broking business as well. The operating lease business was also conceptualized during this period as an additional business line, to offer embedded financing solutions for home digital devices with a view to enhance affordability of such devices for our consumers.

Our approach, overall, is to offer embedded and digital products to our customers. Towards this, a unified App is being developed and will be launched shortly for our customers.

Let me now begin with the business updates, starting with our NBFC and our leasing subsidiary.

With the foundational work done over the last few months, Jio Finance Limited, our NBFC, is well positioned to capture the lending market opportunity by adopting a digital-first business model to cater to consumers and businesses. The portfolio is being built out with due consideration to customer risk profile and business dynamics. In the past quarter, the supply chain financing solution for businesses have been launched. Products including Loan against Mutual Funds, Home Loan and Loan Against Property are in our pipeline.

On the leasing front, Jio's Leasing Services Limited will offer operating lease solutions to consumers and businesses under what we call a Device-as-a-service model. This model involves embedding a leasing solution along with installation,



maintenance and/or support of such digital equipments as AirFiber, laptops, televisions, etc. This model not only enhances affordability for our consumers but also increases operating efficiencies for our leasing business line.

Moving forward on to our Payments Bank and Payment Solutions Subsidiaries.

Jio Payments Bank Limited provides digital banking solutions to consumers and small businesses. The services offered include savings account with debit cards and a host of consumer payment solutions such as UPI, Aadhar Enabled Payment Services, domestic money remittances etc. The business is being driven by garnering customer deposits and facilitating daily banking needs at a low cost with a digital-native approach. Customers in this bank are acquired and serviced digitally and through a network of about 2,500 business correspondents as on date. In the past quarter, the bank has revamped its digital savings account offerings and also launched virtual debit cards, leading to a rapid increase in the number of customers acquired. In the coming quarters, we expect the ramp up, we expect to ramp up our business correspondent touch points to facilitate further growth.

Jio Payments Solutions Limited is our Payment Aggregator business which helps merchants grow their business by giving them solutions to accept payments across various consumer touch points. The customer segments served includes merchants - enterprise merchants, retail merchants and delivery merchants. Merchants will be able to access a full suite of payment products including in-store solutions such as QR codes and Point of Sale (POS) devices and online solutions which includes our all-in-one payment gateway infrastructure which has comprehensive payment options. The business growth here, we believe, is being driven by strategic and technology tie-ups with banks, large enterprises and creating a low-cost digital distribution architecture. In the last year, the subsidiary has successfully launched a pilot of the Jio Voice Box for its merchant customers.

Moving onto our insurance subsidiary.

Jio Insurance Broking Limited distributes insurance products of multiple insurance companies across the country digitally. The product portfolio is comprehensive and includes fire and property insurance for businesses and extended warranty, life, health and motor insurance for our consumers. The business growth is primarily being driven by strategic partnerships to facilitate embedded insurance, direct digital approach to customers and large enterprise relationships. In the last year we have continued to expand the partnership suite for our insurance broking entity and have increased the number of insurance company tie-ups to 29 insurance companies as of March 31, 2024. The insurance subsidiary has also launched embedded Insurance for white goods and bespoke sachet products which are sold at the point of sale in the customer journey. Furthermore, an institutional sales division has also been set up in the last year in this subsidiary.



Next is an update on our Asset Management Company.

The operationalization of the Joint Venture with Blackrock which we had announced in July 2023 is progressing well, with ongoing set up of systems, infrastructure and people recruitment including the leadership team recruitment. The regulatory process for requisite approvals is also underway.

As mentioned earlier, only last week we had announced that the scope of the JV has been expanded now to include the wealth management and broking business. The launch of these additional business lines is subject to regulatory and statutory approvals.

Now, I would like to talk about what we believe are our strengths and right to win.

JFS will leverage best-in-class, cost-effective, modern back-end and front-end technology stack. We will continue to derive benefit from the fact that we do not have any legacy technology. Our distribution approach will be direct to customer, digital or at point of sale embedded in the customer journey. Finally, we will leverage three important data sets, that is, the credit bureau data, data from the account aggregator and alternate data to aid in contextualizing offers to our customers and providing early warning signals.

From a risk management perspective, necessary frameworks and rule engines have been implemented. The framework is continuously being enhanced with machine learning models to ensure better customer selection within defined risk appetite for each business lines.

Amongst other aspects, we believe that as Jio Financial Services Limited we are endowed with 3 important things that are necessary to build a robust business at scale. - 1. the Jio brand, 2. capital and 3. customer adjacency from our ecosystem. With the ongoing build out of digital, intuitive and simple product offerings across the various business lines which we have spoken about earlier, we believe that these three key strengths will provide a very strong impetus for sustainable growth in times to come.

Our core principles for building out all these businesses remain unwavering - 1. Reputation above all, 2. Regulatory adherence in letter and spirit given that we are multi regulated group, 3. Return of capital and 4. Return on capital. We will continue to build on the strength of brand, capital and the wonderful team that we are putting together. We are committed to enhancing accessibility, affordability and prosperity for our customers by simplifying financial services.

The foundational work sets a base to capture the vast addressable opportunity across the spectrum of financial services i.e. lending, investments, payment and insurance solutions, against the backdrop of a strong and vibrant economy.



I would also like to take this opportunity to thank all my JFS colleagues who have, with utmost dedications, spent the last year setting the vital foundation blocks for the various businesses that we have spoken about. I would also like to thank all our shareholders for your continued faith and support to us.

Now, I would like to hand over the call to my colleague and our group chief operating officer, Mr. Charanjit Attra, to take you through our financial performance. Charanjit, over to you.

Mr. Charanjit Attra, 14:09

Thank you, Hitesh and good evening, everyone.

I am pleased to present to you the financial highlights of our first annual results as a listed company. The Financial results for the quarter -ended March 31st, 2024, are prepared under Indian Accounting Standards as prescribed by the Ministry of Company affairs.

As you may be aware, Jio Financial Services has submitted an application for conversion of the Company from an NBFC to a Core Investment Company, in accordance with the approval given by the Reserve Bank of India pursuant to the demerger.

The Company is a holding company and consolidates the results of its various businesses. This includes, the consumer facing entities, namely, Jio Finance Limited, Jio Insurance Broking Limited, Jio Payments Solutions Limited, Jio Payments Bank Limited, and Jio Leasing Services Limited. Further, the consolidated financial statements also include the results of two more entities. Firstly, Reliance Industrial Investments and Holdings Limited, which is an investment holding company accounted for on a fully consolidated basis and secondly, Reliance Services and Holdings Limited, which has been accounted for as an associate.

Furthermore, during the year, JFSL through its wholly owned subsidiary, Jio Leasing Services Limited, established a ship leasing business in GIFT city. This is a 50:50 JV called Reliance International Leasing IFSC Limited, with Reliance Strategic Business Ventures Limited.

The above legal entities are effectively managed by independent Boards with a robust governance structure. As a part of the governance framework, the Company has put in place comprehensive group-level compliance, audit and risk functions for effective monitoring.

In addition, our endeavor is to optimize the cost-to-income ratios across entities, by leveraging technology and efficient use of resources. Technology plays a vital



role not only in the businesses as mentioned by Hitesh but also across all governance, control and support functions. We will continue to Invest in emerging technologies such as AI, and ML to drive innovation and optimize all internal processes.

Moving onto the financial performance.

Since the appointed date of demerger was the closing business hours of March 31, 2023, the profit and loss account for the year ending 31st March 2024 was the first year of the Company owning and managing the assets and liabilities that were transferred as a result of the demerger. Accordingly, the financial results of FY24 includes the income and expenses on the assets and liabilities for the entire year.

For FY24, our Consolidated Profit after Tax stood at Rs. 1,605 crore as compared to Rs 31 crore for the year ended March 31, 2023, primarily due to

Increase in total income and increase in the share of net profit from the associates. The total income is represented by interest income on investments, dividend on investments, realised gains on sale of investments and unrealised gains on changes in the fair value of investments. This has been offset by,

Increase in the total expenses represented by staff expenses and other operating overheads reflecting a general increase in the business

The Standalone Profit after Tax of the Company for FY24 was Rs 383 crores as compared to Rs. 31 crores for the year ended March 31, 2023 primarily due to

Increase in total income represented by interest income, realised gains on sale of investments and unrealised gains on changes in fair value of investments, offset by,

Increase in total expenses representing increase in staff costs and other operating overheads in line with the setting up of the business operations of the Company.

The Total income in the consolidated profit and loss account increased from Rs.44 crore to Rs. 1,855 crores primarily due to the following:

Increase in interest income in the stand-alone profit and loss account and interest income on fixed deposits in the wholly owned subsidiaries to Rs 938 crores in FY24 as compared to Rs. 38 crores in FY23.



Dividend Income amounting to Rs. 217 crores on shares held by our subsidiaries which was transferred pursuant to the demerger of the Company.

Fees and commission income of Rs. 152 crores in FY24 representing fee income from our subsidiaries primarily in the Insurance and the payment aggregator businesses.

The Total expense, excluding impairment, in the consolidated profit and loss account increased from Rs.6 crores to Rs. 325 crores primarily due to the following

Staff costs of Rs 116 crores in FY24 reflecting the costs of employees of the Company and its subsidiaries in FY24 and

Increase in other operating expenses to Rs. 209 crores in FY24 as compared to Rs. 5.56 crore in FY23 representing the first year of business operations post the demerger. It also includes the expenses of the 3 operating entities that were demerged, and have been fully transformed and now, are well-positioned for increased and sustainable growth.

Further, increase in certain realised and unrealised gains on certain money market instruments classified as Fair Value through Profit and Loss Account to Rs 547 crores in FY24 as compared to Rs. 3 crore in FY23 resulting out of the treasury activities undertaken by the Company and its subsidiaries on certain money market instruments transferred to the Company and its subsidiaries as a result of the demerger.

The consolidated Profit after Tax for the quarter ended March, 2024 was at Rs. 311 crores as compared to Rs. 294 crores for the quarter ended 31st March 2023 primarily due to

Increase in total income and increase in the share of net profit from the associates. The total income is represented by interest income on investments, dividend on investments, realised gains on sale of investments and unrealised gains on changes in the fair value of investments. This is offset by

Increase in the total expenses marginally, represented by staff expenses and other operating expenses reflecting a general increase in the business of the company

Now, moving on to the Balance Sheet items -



The Company's consolidated Networth stood at Rs.1,39,148 crores at the end of 31st March 2024.

The Company's total assets included 41.28 crore equity shares of Reliance Industries Limited represented by

1. 24.09 crore equity shares, representing 3.56% of Reliance Industries Limited held by Reliance Industrial Investments and Holdings Limited; and
2. 17.19 crore equity shares representing 2.54% of Reliance Industries Limited, held by Reliance Services and Holdings Limited.

The Company has also made two equity investments during the year, Rs. 40 crore in its subsidiary Jio Leasing Services Limited, for its leasing business, and Rs. 4 crore in Jio Payments Bank Limited, thereby increasing our holding from 76.98% to 77.25%.

Moving on to the standalone profit & loss account.

The Total income in the standalone profit and loss account increased from Rs.44 Crores to Rs. 639 crores primarily due to the following

Increase in interest income on fixed deposits and certain money market instruments in FY24 as compared to the earlier year which was transferred to the Company as a result of the demerger

Increase in certain realised and unrealised gains on certain money market instruments, classified as Fair Value through Profit and Loss Account to Rs. 255 crores in FY24 as compared to Rs. 3 crore in FY23 resulting out of the treasury activities undertaken by the Company on certain money market instruments transferred to the Company as a result of the demerger.

Similarly, the Total expense, excluding impairment, in the standalone profit and loss account increased to Rs. 117 crore from Rs 6 crore primarily due to the following

Staff costs of Rs 43 crore in FY24 reflecting the costs of employees hired by the Company in FY24 and increase in other operating expenses to Rs. 74 crore in the current year as compared to Rs. 6 crore in FY23 representing the first year of business operations post the demerger.

Similarly, the standalone Profit after Tax for the quarter ended 31st March, 2024 was Rs. 78 crore as compared to Rs. 71 crore for the quarter ended 31st Dec, 2023. This was primarily due to



Increase in the total income - The total income is represented by interest income on investments, realised gains on sale of investments and unrealised gains on changes in the fair value of investments.

Further, the increase in total income was offset by increase in total expenses, a marginal increase though which is represented by staff expenses and other operating overheads reflecting a general increase in the business.

The Company's Standalone Net worth stood at Rs. 24,437 crores as of 31st March 2024.

With this, I would like to hand over the call back to Jill. Thank you so much.

Ms. Jill Deviprasad, 26:09

Thank you, both, for the presentation and Thank you everyone for joining this call. Again, our earnings presentation is uploaded on our website www.jfs.in and the stock exchanges. On behalf of JFSL, this concludes our earnings call. You may now disconnect your line.