



Q1FY26

Jio Financial Services Ltd.



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Despite huge scaleup in NBFC operations, adjusted profit stood flat led by higher OpEx

CMP* INR 311	Target INR 325	Potential Upside 4.4%	Market Cap (INR Bn) INR 1,977	Recommendation HOLD	Sector NBFC
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Result Highlights

Financial Highlights

In Q1FY26, the Net Interest Income (NII) stood grew by 63.3% YoY (-1.5% QoQ) to INR 2,641 Mn., led by huge scale-up of NBC operations. Sequentially NII stood flat, led by higher finance costs on account of increased external borrowings.

Total operating income grew by 24.6% YoY (1.9% QoQ) to INR 5,207 Mn, majorly led by increase in net interest income. Pre-Provision Operating Profit (PPoP) grew by 8.0% YoY (-2.1% QoQ) to INR 3,659 Mn., led by stronger momentum in NII growth driven by sharp ramp-up in AUM.

Net profit grew by 3.8% YoY (+2.7% QoQ) to INR 3,247 Mn., led by improved operational performance. Net profit was positively impacted by a one-off gain of INR 286 Mn., Adjusted net profit declined by 5.3% YoY (-6.3% QoQ) to INR 2,961 Mn.

Other Highlights

Standalone net worth stood at INR 250bn as of June 30, 2025, reflecting a strong capital position.

The Company is taking big leaps and is making significant progress towards its long-term vision of becoming India's leading financial services franchise. During Q1FY26, 8.1 Mn monthly active users engaged with the company's comprehensive suite of financial products and services across the JioFinance and MyJio platforms.

Jio Financial Services growth is anchored on four strategic pillars including its products, distribution, technology and data intelligence, and people. These foundational levers continue to drive innovation and form the core of its long-term strategy to ensure sustainable and scalable growth.

The JioFinance app is its primary digital storefront and integrated within the MyJio ecosystem, which offers seamless access to the full suite of retail products, including mutual funds, digital gold, home loans, loans against securities, UPI, savings bank accounts, and both life and non-life insurance through the broking arm.

Valuation and Outlook

JFSL is well-positioned to capitalize on India's accelerating digital adoption and financial inclusion journey. The management's emphasis on product depth, distribution reach, data intelligence, and talent will continue to drive platform-wide synergies. Its JV with BlackRock for asset management business, mobilized INR 178bn for its maiden liquid fund NFO. Further, the company is on track to strategically scale-up its operations, with approval for five new index funds. Despite promising long-term prospects, the volatility in earnings and an uncertain near-term

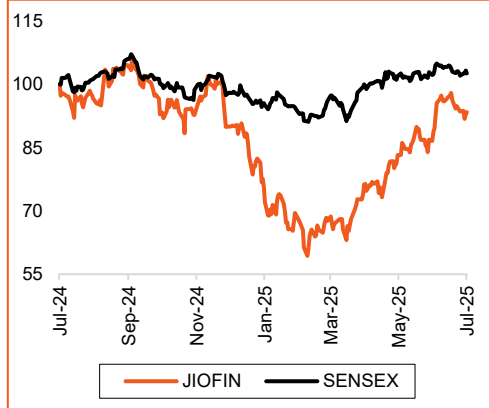
We value JFSL at a 1.8x Q1FY26 ABV (considering a 20.0% Holdco discount) to arrive at a revised target price of INR 325 per share. We reiterate our **"HOLD"** rating on the stock.

KEY FINANCIALS

Particulars (INR Mn)	FY22	FY23	FY24	FY25
Net Interest Income	1,481	383	9,275	8,449
Pre-Provisioning Operating Profit	1,771	393	15,294	15,944
Net Profit	1,680	313	16,046	16,126
Adjusted EPS (INR)	0.26	0.05	2.53	2.54
Book Value per share	4,310.9	179.6	219.0	194.4

Source: Company, DevenChoksey Research

SHARE PRICE PERFORMANCE



MARKET DATA

Shares outs (Mn)	6,353
Mkt Cap (INR Mn)	1,977
52 Week H/L (INR)	363/199
Volume Avg (3m K)	5,984
Face Value (INR)	10
Bloomberg Code	JIOFIN:IN

*Based on previous closing
Note: All the market data is as of previous closing

SHARE HOLDING PATTERN (%)

Particulars (%)	Jun-25	Mar-25	Dec-24
Promoters	47.1	47.1	47.1
FIIIs	12.3	11.6	15.6
DIIIs	14.7	14.2	12.6
Others	25.9	27.1	24.7
Total	100.0	100.0	100.0

NA

NII CAGR
between FY25-27E

NA

PAT CAGR
between FY25-27E

Jio Financial Services Ltd.

Key Concall Highlights:

Joint Ventures with BlackRock

- The partnership brings together BlackRock's global data-driven investment expertise with Jio Finance's robust digital distribution capabilities and deep-rooted understanding of the Indian financial landscape.
- In the asset management segment, the maiden New Fund Offer (NFO) across overnight, liquid, and money market funds witnessed strong response, attracting participation from over 90 institutional investors and more than 67,000 individual investors, mobilizing total AUM of INR 178bn, making it one of the largest cash and debt fund NFOs in India.
- JioBlackRock Asset Management has received regulatory approval for five new index funds, enabling the AMC to build on its strong initial momentum and further diversify its product portfolio.

Jio Credit

- Jio Credit's AUM surged significantly over the past year, from INR 2,170 Mn in Q1FY25 to INR 116,650 Mn in Q1FY26, driven by a diversified portfolio of lending products and a robust distribution network.
- All retail lending products—including home loans, loans against property, and loans against shares and mutual funds—offer a fully digital and optimized onboarding experience through the JioFinance app.
- The company has also partnered with leading builders and developers across India to offer home loans at the point of new property purchase. For loans against mutual funds and shares, strategic tie-ups with prominent wealth management firms and banks have enabled access to high-quality customers.
- The company remains focused on driving digital efficiency across backend functions, including risk, underwriting, operations, finance, and other core processes that support the lending businesses. These initiatives are expected to enhance cost efficiencies while delivering a superior customer experience at the frontend.
- The company successfully raised ~INR 25,000 Mn through commercial papers and non-convertible debentures at best-in-class rates, further optimizing the overall cost of funding.

Jio Payments Bank Limited

- The bank's CASA customer base witnessed strong traction and grew to 2.6 Mn as of Q1FY26, compared to 2.3 Mn as of Q4FY25 and 1.0 Mn as of Q1FY25, reflecting sustained momentum in customer acquisition.
- Deposits registered strong growth, increasing to INR 3,580 Mn in Q1FY26 from INR 2,950 Mn in Q4FY25 and INR 1,170 Mn in Q1FY25, underscoring growing customer trust and expanding deposit franchise.
- Jio Payments Bank reported a substantial (~10x) sequential surge in the value of transaction banking services on its platform, led by offerings such as Aadhaar-enabled payment services, domestic money transfers, and B2B UPI services.

Jio Payment Solution Limited

- JPSSL's transaction processing volume rose sharply to ~INR 77,170 Mn in Q1FY26, up from INR 59,630 Mn in Q4FY25 and INR 39,890 Mn in Q1FY25. As previously highlighted, the business remains focused on scaling margin-accretive transaction volumes to drive sustainable and profitable growth.
- Jio Payment Solutions has launched a dedicated Developer Portal, offering a one-stop platform for developers to explore, integrate, and scale payment solutions using advanced APIs and tools. This initiative is aimed at empowering small and medium businesses as well as startups to seamlessly embed secure, customer-friendly payment solutions into their digital commerce platforms—enabling faster go-to-market and broader customer reach.

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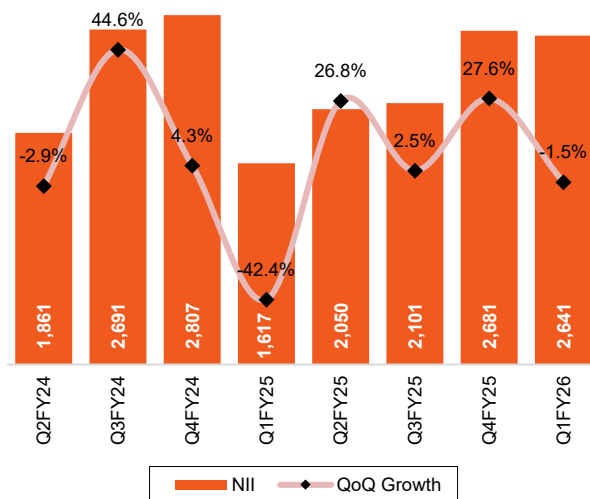
Valuation and view:

Jio Financial Services, is making meaningful progress in its aspiration to become a leading digital-first financial institution of national significance. With a tech-enabled, customer-centric strategy and strong execution across lending, payments, insurance broking, and asset management, the company has built a comprehensive platform that addresses the full spectrum of financial needs—borrowing, transacting, protecting, and investing. Its focus on innovation, agile operating models, and strategic collaborations, such as the joint ventures with BlackRock, underscores its commitment to delivering differentiated and scalable solutions.

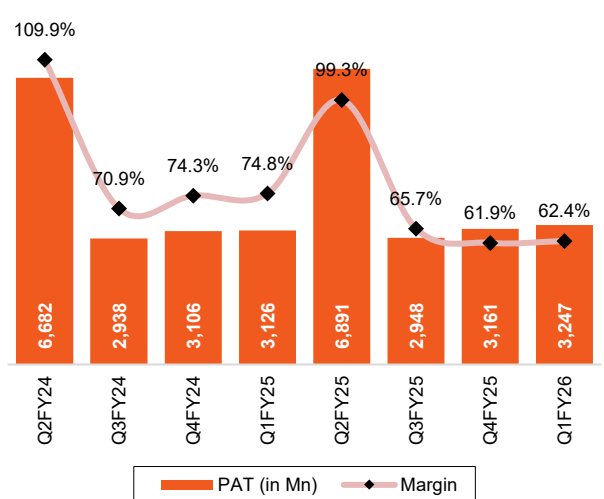
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We value JFSL at a 1.8x Q1FY26 ABV (considering a 20.0% Holdco discount) to arrive at a revised target price of INR 325 per share. We reiterate our **"HOLD"** rating on the stock.

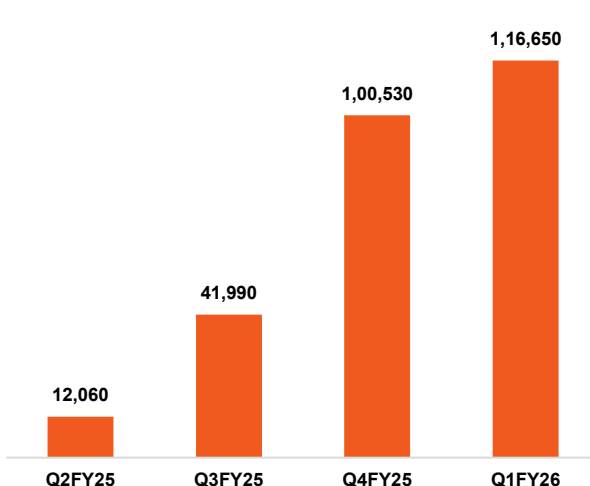
NII stood flat sequentially, led by increase in finance costs



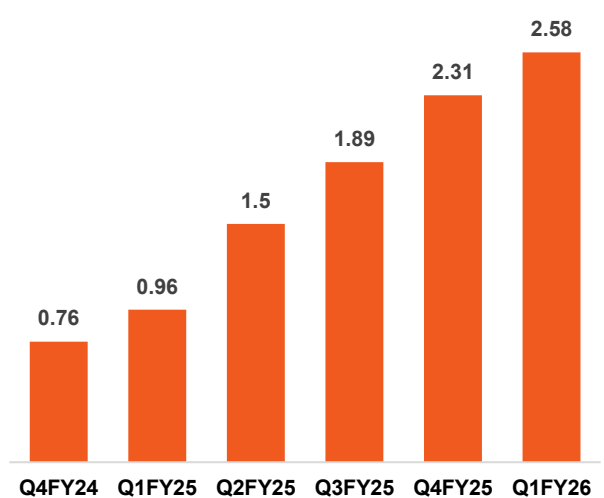
Net profit stood flat sequentially, while observed modest growth driven scaleup of its NBFC operations



Strong scale-up in AUM (INR Mn.), driven by its digital secured loan offerings



Stronger growth in CASA customers (# Mn.) led by consistent onboarding efforts



Source: Company, Bloomberg, DevenChoksey Research

Jio Financial Services Ltd.

KEY FINANCIALS

Exhibit 1: Profit & Loss Statement

INR Mn	FY22	FY23	FY24	FY25
Interest Income	1,481	383	9,377	8,525
Finance Cost	0	0	103	77
Net Interest Income (NII)	1,481	383	9,275	8,449
Dividend Income	0	3	2,169	2,409
Fees and commission income	0	0	1,517	1,552
Net gain on fair value changes	5	30	5,476	7,943
Other income	357	32	8	360
Total Operating Income	1,843	448	18,444	20,713
Total Operating Expenses	71	56	3,150	4,768
Pre-Provisioning Operating Profit (PPOP)	1,771	393	15,294	15,944
Impairment of financial instruments	3	-101	21	404
Profit Before tax & share of profit of Associates and Joint venture	1,769	493	15,274	15,541
Share of profit of Associates and Joint Venture	0	0	4,285	3,928
Tax Expenses	88	181	3,513	3,343
Profit After Tax	1,680	313	16,046	16,126
Reported Basic & Diluted Earnings Per Share (EPS)	325.1	60.5	2.5	2.5
Calculated EPS (INR)	0.26	0.05	2.53	2.54

Source: Company, DevenChoksey Research

Exhibit 2: Balance Sheet

INR Mn	FY22	FY23	FY24	FY25
Cash and Cash equivalents	5	566	672	3,523
Bank Balances	0	62,401	108,926	37,195
Loans	20,010	411	1,733	100,531
Investments	1,809	10,81,409	13,32,922	11,89,103
Other financial assets	0	1,213	1,318	1,023
Total financial assets	21,824	11,46,000	14,45,570	13,31,375
Current tax assets	404	839	852	953
Deferred tax assets	53	2	2	100
Property, plant and equipment	0	396	313	326
Intangible assets	0	1,565	1,438	1,551
Other non-financial assets	0	496	455	728
Total non-financial assets	457	3,297	3,060	3,724
Total Assets	22,281	11,49,297	14,48,630	13,35,099
Liabilities				
Payables	0	164	163	333
Borrowings	0	7,428	0	39,700
Other financial liabilities	1	177	964	3,737
Total financial liabilities	1	7,768	1,127	43,770
Deferred tax liability	0	68	55,576	55,650
Provisions	0	37	296	361
Other non-financial liabilities	0	221	154	353
Total non-financial liabilities	0	326	56,026	56,364
Total Liabilities	1	8,094	57,153	1,00,134
Equity share capital	20	20	63,533	63,531
Share capital pending allotment	0	63,533	0	0
Instruments entirely equity in nature	3	3	0	0
Other equity	22,257	10,77,647	13,27,944	11,71,434
Total Equity	22,280	11,41,203	13,91,477	12,34,965
Total Liabilities and equity	22,281	11,49,297	14,48,630	13,35,099

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Date	CMP (INR)	TP (INR)	Recommendation
28-Jul-25	311	325	HOLD
23-Apr-25	258	268	HOLD
20-Jan-25	276	286	HOLD
18-Oct-24	330	345	HOLD
19-Jul-24	337	350	HOLD
24-Apr-24	382	395	HOLD

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
Buy	More than 15%
Accumulate	5% – 15%
Hold	0 – 5%
Reduce	-5% – 0
Sell	Less than – 5%

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