

Interest Rate Policy

JP Morgan Securities India Private Limited

Current Effective Date: September 23, 2019

1. Applicability

This interest rate policy is applicable to all loans and advances provided by J.P. Morgan Securities India Private Limited ('JPMSIPL')

2. Interest Rate Policy Details

- I. JPMSIPL provides credit facilities to various client segments, including but not limited to, Indian corporates, Indian financial institutions (FIs), Multinational clients (MNC), including MNC FIs and Indian subsidiaries of small and medium sized US clients. These clients differ from each other on the basis of scale of operations in India, nature of business and market access
- II. The interest rate model takes into account cost of funds, margin and risk premium, based on parameters set out below to determine the rate of interest to be charged for loans and advances
- III. The gradation of risk/ risk premium is based on several parameters such as rating, security, size, tenor, type of facility, type of borrower, credit and default risk profile of the borrower and end-use. Final pricing will also take into account prevailing market conditions, market pricing and business opportunity
- IV. The rates of interest are subject to the discretion of the management on a case to case basis. The rate of interest for the same product and tenor availed during the same period may be different for different borrowers depending on a combination of a few or all factors listed above in Point III
- V. In case of loans linked to floating rate benchmarks, JPMSIPL shall use external or market-based benchmark rates for pricing as permitted under the extant regulations.
 - a. Loans can be linked to external benchmarks e.g. CD, MIBOR, T-Bill, OIS, LIBOR, G-Sec or any other reference rate published by an independent benchmark administrator
 - b. All loans linked to external benchmarks shall be priced at or over the benchmark, and the spread over the benchmark (and the corresponding price) will depend on prevailing market conditions, internal cost of funds, market pricing for the client and overall business opportunity & profitability.
- VI. In case of fixed rate loans, pricing will include spread which will differ for different client segments as enumerated in Point I and there can further be variation in pricing for clients within the same segment based on credit and default risk profile of borrower, prevailing market conditions, market pricing and business opportunity.
- VII. Interest rate for these loans would indicatively range from 6%p.a. - 25% p.a.
- VIII. The pricing for every loan needs to be approved by atleast 2 Directors on the board of JPMSIPL prior to disbursal of loan
- IX. JPMSIPL may also charge processing fees, penal interest for delayed payments and other costs & fees as per the negotiated terms of the loan documents.
- X. The frequency of charging interest to the client will be communicated at the time of every drawdown, and will be per the norms of the Reserve Bank of India.
- XI. The above policy is subject to review from time to time and at least once a year