



JM Financial Limited

Liquidity Position and ALM Statement

October 05, 2018

Safe Harbour

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The Financial Results of the Company commencing from April 1, 2018 are being prepared in accordance with the applicable Indian Accounting Standards, whereas the Financial Results till March 31, 2018 were being prepared as per the applicable Indian GAAP. Due to the above change, figures for the period prior to March 31, 2018 are not comparable with the figures post April 1, 2018. Similarly, the figures wherever appearing in the presentation for the period prior due to implementation of the Ind As are not comparable with the figures post April 2018.

Strong Asset and Liability Franchise

- ✓ Consolidated Debt / Equity of 2.3x as of June 30, 2018⁽¹⁾

- ✓ Commercial Paper (CP) borrowing are adequately matched by similar maturity “short term assets” which include capital market and trading assets and assets having short term contractual maturities (refer slide 6)
 - Capital markets/trading book is backed by very high quality liquid assets

- ✓ Even in an extreme “stress test” scenario i.e. without fresh CP borrowing, JM Financial Limited and its group companies shall be able to meet all contracted liabilities (refer slide 5 and 7 onwards)

- ✓ Strong liquidity position - Cash, liquid assets and undrawn lines of credit constitute ~49% of total CP borrowing (i.e. 19% of total borrowing)
 - Total group liquidity of ~Rs.3,296 crore as on October 5, 2018
 - Opening cash and liquid investments - ~Rs. 2,091 crore
 - Undrawn credit line - ~Rs.566 crore
 - Liquidable investments - ~Rs.639 crore⁽²⁾

- ✓ Asset quality - GNPA & NNPA ratio at 0.6% and 0.5% respectively as on Jun 30, 2018

Note The above numbers are management estimates and unaudited

1. The consolidated debt / equity is pro-forma for recently announced equity fund raise in JM Financial Credit Solutions Ltd. of ~Rs.875 crore stood at ~2.3x (consolidated debt/equity on a reported basis ~2.7x as of June 30, 2018). Equity includes minority interests also
2. Can be liquidated in approximately 0-30 days

Strong Equity Cushion and Diversified Business and Borrowing Franchise

- **High equity cushion and low asset encumbrance**

- High proportion of equity funding results in low encumbrance of assets
- Ability to generate incremental borrowing from banking channels through availability of large amount of “bankable” assets
- Group has raised ~Rs.1,379 crore equity funds from external investors YTD

- **Diversified funding profile**

- Group has a long history of borrowing from Banks, Non Convertible Debentures (NCDs) and CPs
- Launched public issue of NCDs in JM Financial Credit Solutions Limited (“JMFCSL”) of ~Rs.750 crore in May 2018 (Overall shelf prospectus filed of ~Rs.2,000 crore) - subscribed on Day 1 by retail investors

- **Diversified business profile**

- Significant fee income generated from advisory and asset management businesses without any reliance on borrowing

JM Financial Limited (Consolidated) – Adequate Assets for all Liabilities

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	2,091	2,376	1,966	1,667	2,003	2,684	2,091
Undrawn credit lines	566	-	-	-	-	-	566
Assets which can be liquidated in 0-30 days	320	319	-	-	-	-	639
Total Liquidity (A)	2,977	2,695	1,966	1,667	2,003	2,684	3,296
INFLOW:							
1. Assets repayments (including Interest)	1,184	1,407	1,764	396	1,167	1,152	7,070
2. Sale of Investments / bonds / SR	150	58	51	150	-	-	409
Total Inflow (B)	1,334	1,465	1,815	546	1,167	1,152	7,479
OUTFLOW: (including Interest)							
1. Repayment towards CP	1,830	1,966	1,685	90	334	239	6,144
2. Repayment towards NCD	-	117	243	8	56	27	451
3. Repayment towards term Loan	105	111	186	112	96	174	784
Total Outflow (C)	1,935	2,194	2,114	210	486	440	7,379
Net Cash flow D = (B - C)	(601)	(729)	(299)	336	681	712	100
Closing liquidity E = (A - D)	2,376	1,966	1,667	2,003	2,684	3,396	3,396

Segment-wise Commercial Paper Borrowing and Repayment Capabilities¹

Rs. in crore

Particulars (as on 5 th Oct, 2018)	Amount Rs Crore	% of CP borrowing	Assets backing
Investment Banking, Wealth Management and Securities Business			
Capital Market	1,954	28.8%	High quality liquid assets
Trading & Broking	945	13.9%	Cash future arbitrage book(fully hedged), Fixed deposits and other highly liquid assets
Corporate lending	1,598	23.6%	Short term contractual maturities
Total	4,497	66.3%	
Mortgage Lending			
Wholesale Mortgage	1,465	21.6%	Short term contractual maturities
Retail Mortgage	-	0.0%	
Total	1,465	21.6%	
Distressed Credit	819	12.1%	Expected short term resolutions and recoveries
Asset Management	-	0.0%	No leverage
Total	6,781	100.0%	

Bulk of the CP borrowing is funding short term assets and remaining is backed by contractual repayment of assets which demonstrates strong Asset Liability Management

Note

1. Assuming no fresh borrowings to repay the CP
Total borrowing as of October 5, 2018 of ~Rs.17,814 crore
The above numbers are management estimates and unaudited
The above considers all outstanding CP maturities

Segment wise assets and liabilities



**Investment Banking, Wealth Management &
Securities Business (IWS)**

Investment Banking, Wealth Management & Securities Business (IWS)

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	1,456	1,723	761	705	717	1,177	1,456
Undrawn credit lines	200	-	-	-	-	-	200
Assets which can be liquidated in 0-30 days	320	319	-	-	-	-	639
Total Liquidity (A)	1,976	2,042	761	705	717	1,177	2,295
INFLOW:							
1. Assets repayments (including Interest)	973	682	922	107	810	350	3,843
2. Sale of Investments / bonds / SR	-	58	51	-	-	-	109
Total Inflow (B)	973	740	973	107	810	350	3,952
OUTFLOW: (including Interest)							
1. Repayment towards CP	1,195	1,857	760	75	319	39	4,245
2. Repayment towards NCD	-	117	238	8	3	-	366
3. Repayment towards term Loan	31	47	31	12	28	12	160
Total Outflow (C)	1,226	2,021	1,029	95	350	51	4,771
Net Cash flow D = (B - C)	(253)	(1,281)	(56)	12	460	299	(819)
Closing liquidity E = (A - D)	1,723	761	705	717	1,177	1,476	1,476

Key Borrowing Entities within IWS

JM Financial Products Limited

Lends primarily to Capital Market, Corporate and Wholesale segments

JM Financial Capital Limited

Lends primarily to Loan against Shares, Margin Trade Financing and Employee Stock Option Financing segments

JM Financial Services Limited

Provides research based investment advisory, broking and distribution services, SEBI approved margin lending activities

Astute Investments

Fully hedged and highly liquid cash / future arbitrage trading business⁽¹⁾

JM Financial Products Limited

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	796	1,100	55	12	20	475	796
Undrawn credit lines	100	-	-	-	-	-	100
Total Liquidity (A)	896	1,100	55	12	20	475	896
INFLOW:							
1. Assets repayments (including Interest)	702	304	686	102	805	310	2,908
2. Sale of Investments / bonds / SR	-	50	51	-	-	-	101
Total Inflow (B)	702	354	737	102	805	310	3,009
OUTFLOW: (including Interest)							
1. Repayment towards CP	467	1,235	510	75	319	4	2,610
2. Repayment towards NCD	-	117	238	8	3	-	366
3. Repayment towards term Loan	31	47	32	11	28	12	160
Total Outflow (C)	498	1,399	780	94	350	16	3,136
Net Cash flow D = (B - C)	204	(1,045)	(43)	8	455	294	(127)
Closing liquidity E = (A - D)	1,100	55	12	20	475	769	769

JM Financial Capital Limited

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	280	109	1	1	6	11	280
Undrawn credit lines	-	-	-	-	-	-	-
Total Liquidity (A)	280	109	1	1	6	11	280
INFLOW:							
1. Assets repayments (including Interest)	11	233	125	5	5	40	420
2. Sale of Investments / bonds / SR	-	6	-	-	-	-	6
Total Inflow (B)	11	239	125	5	5	40	426
OUTFLOW:(including Interest)							
1. Repayment towards CP	183	347	125	-	-	35	690
2. Repayment towards NCD	-	-	-	-	-	-	-
3. Repayment towards term Loan	-	-	-	-	-	-	-
Total Outflow (C)	183	347	125	-	-	35	690
Net Cash flow D = (B - C)	(171)	(108)	-	5	5	5	(264)
Closing liquidity E = (A - D)	109	1	1	6	11	16	16

JM Financial Services Limited

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	183	107	2	-	-	-	183
Undrawn credit lines	100	-	-	-	-	-	100
Total Liquidity (A)	283	107	2	-	-	-	283
INFLOW:							
1. Assets repayments (including Interest)	139	20	73	-	-	-	232
2. Sale of Investments / bonds / SR	-	-	-	-	-	-	-
Total Inflow (B)	139	20	73	-	-	-	232
OUTFLOW:(including Interest)							
1. Repayment towards CP	315	125	75	-	-	-	515
2. Repayment towards NCD	-	-	-	-	-	-	-
3. Repayment towards term Loan	-	-	-	-	-	-	-
Total Outflow (C)	315	125	75	-	-	-	515
Net Cash flow D = (B - C)	(176)	(105)	(2)	-	-	-	(283)
Closing liquidity E = (A - D)	107	2	-	-	-	-	-

Astute Investments

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	8	38	15	2	2	2	8
Undrawn credit lines	-	-	-	-	-	-	-
Total Liquidity (A)	8	38	15	2	2	2	8
INFLOW:							
1. Assets repayments (including Interest)	120	125	37	-	-	-	283
2. Sale of Investments / bonds / SR	-	2	-	-	-	-	2
Total Inflow (B)	120	127	37	-	-	-	285
OUTFLOW: (including Interest)							
1. Repayment towards Short term loans	90	150	50	-	-	-	291
2. Repayment towards NCD	-	-	-	-	-	-	-
3. Repayment towards term Loan	-	-	-	-	-	-	-
Total Outflow (C)	90	150	50	-	-	-	291
Net Cash flow D = (B - C)	30	(23)	(13)	-	-	-	(6)
Closing liquidity E = (A - D)	38	15	2	2	2	2	2



Mortgage Lending

Mortgage Lending

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	630	460	718	685	765	949	630
Undrawn credit lines	228	-	-	-	-	-	228
Total Liquidity (A)	858	460	718	685	765	949	858
INFLOW:							
1. Assets repayments (including Interest)	170	317	772	173	252	681	2,365
2. Sale of Investments / bonds / SR	-	-	-	-	-	-	-
Total Inflow (B)	170	317	772	173	252	681	2,365
OUTFLOW:(including Interest)							
1. Repayment towards CP	500	-	650	15	-	200	1,365
2. Repayment towards NCD	-	-	5	-	6	27	37
3. Repayment towards term Loan	68	59	150	78	62	156	574
Total Outflow (C)	568	59	805	93	68	383	1,976
Net Cash flow D = (B - C)	(398)	258	(33)	80	184	298	389
Closing liquidity E = (A - D)	460	718	685	765	949	1,247	1,247

JM Financial Credit Solutions Limited

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	630	451	709	676	756	939	630
Undrawn credit lines	220	-	-	-	-	-	220
Total Liquidity (A)	850	451	709	676	756	939	850
INFLOW:							
1. Assets repayments (including Interest)	170	316	772	173	251	680	2,362
2. Sale of Investments / bonds / SR	-	-	-	-	-	-	-
Total Inflow (B)	170	316	772	173	251	680	2,362
OUTFLOW:(including Interest)							
1. Repayment towards CP	500	-	650	15	-	200	1,365
2. Repayment towards NCD	-	-	5	-	6	27	37
3. Repayment towards term Loan	69	58	151	78	62	156	574
Total Outflow (C)	569	58	805	93	68	383	1,976
Net Cash flow D = (B - C)	(399)	258	(33)	80	183	297	386
Closing liquidity E = (A - D)	451	709	676	756	939	1,236	1,236

JM Financial Home Loans Limited

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	-	8.48	8.96	9.44	9.92	10.40	-
Undrawn credit lines	8.00	-	-	-	-	-	8.00
Total Liquidity (A)	8.00	8.48	8.96	9.44	9.92	10.40	8.00
INFLOW:							
1. Assets repayments (including Interest)	0.48	0.48	0.48	0.48	0.48	0.48	2.88
2. Sale of Investments / bonds / SR	-	-	-	-	-	-	-
Total Inflow (B)	0.48	0.48	0.48	0.48	0.48	0.48	2.88
OUTFLOW:(including Interest)							
1. Repayment towards CP	-	-	-	-	-	-	-
2. Repayment towards NCD	-	-	-	-	-	-	-
3. Repayment towards term Loan	-	-	-	-	-	-	-
Total Outflow (C)	-	-	-	-	-	-	-
Net Cash flow D = (B - C)	0.48	0.48	0.48	0.48	0.48	0.48	2.88
Closing liquidity E = (A - D)	8.48	8.96	9.44	9.92	10.40	10.88	10.88



Distressed Credit

JM Financial Asset Reconstruction Company Limited

Rs. in crore

Repayment of liabilities out of existing Cashflow							
Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Cash Liquidity	5	194	487	277	521	558	5
Undrawn credit lines	138	-	-	-	-	-	138
Total Liquidity (A)	143	194	487	277	521	558	143
INFLOW:							
1. Assets repayments (including Interest)	41	408	70	116	105	121	862
2. Sale of Investments / bonds / SR	150	-	-	150	-	-	300
Total Inflow (B)	191	408	70	266	105	121	1,162
OUTFLOW:(including Interest)							
1. Repayment towards CP	135	109	275	-	15	-	534
2. Repayment towards NCD	-	-	-	-	48	-	48
3. Repayment towards Term Loan/ CC	5	6	5	23	5	6	50
Total Outflow (C)	140	115	280	23	68	6	631
Net Cash flow D = (B - C)	51	293	(210)	244	38	115	531
Closing liquidity E = (A - D)	194	487	277	521	558	673	673

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