

May 17, 2022

## Export-Import Bank of India: Rating Reaffirmed; [ICRA]AAA(Stable) assigned to bond programme

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Bonds Programme	26,020.30	26,020.30	[ICRA]AAA(Stable); reaffirmed
Long-term Bonds Programme	855.00	-	[ICRA]AAA(Stable); reaffirmed and withdrawn
Long Term Bonds Programme	-	5,000.00	[ICRA]AAA(Stable); assigned
Short-term Debt Programme	22,645.52 <sup>#</sup>	22,645.52 <sup>#</sup>	[ICRA]A1+; reaffirmed
Certificates of Deposit Programme	22,645.52 <sup>#</sup>	22,645.52 <sup>#</sup>	Interchangeable rating of [ICRA]AAA(Stable)/ [ICRA]A1+; reaffirmed
Bank Lines	3,000	3,000	[ICRA]AAA(Stable); reaffirmed
Basel III - Additional Tier-I Bonds	600	600	[ICRA]AA+(Stable); reaffirmed
Basel III - Additional Tier-I Bonds	500	-	[ICRA]AA+(Stable); reaffirmed and withdrawn
Fixed Deposits Programme	-	-	[ICRA]AAA(Stable); reaffirmed
<b>Total</b>	<b>53,620.82</b>	<b>57,265.82</b>	

\*Instrument details are provided in Annexure-1

<sup>#</sup>Total limit rated for long-term/short-term certificates of deposit and short-term debt is Rs. 22,645.52 crore; the amount outstanding would not exceed the said limit.

### Rationale

The ratings for Export-Import Bank of India (EXIM) derives strength from its sovereign ownership, the demonstrated support from the Government of India (GoI) by way of periodic capital infusion (Rs. 9,050 crore infused over FY 2018-2022, besides an infusion of Rs. 1,500 crore budgeted for FY2023) and its strategic importance to the GoI as a key policy institution for promoting the trade competitiveness of Indian entities in international markets. The ratings derive further comfort from EXIM's relatively risk-free book under lines of credit (LOC), Concessional Finance Scheme (CFS) Buyer's Credit under National Export Insurance Account (BC- NEIA)<sup>1</sup> and other policy lending programmes, which accounted for 60% of its net advances as on December 31, 2021. Additionally, the ratings derive comfort from the bank's superior liquidity profile and its quasi-sovereign status, which supports its ability to raise both onshore and offshore funding at competitive rates.

The overall leverage ratio<sup>2</sup> improved to 6.79 times as on December 31, 2021 (7.64 times as on March 31, 2021), supported by a capital infusion of Rs.750 crore by the GoI, while the growth in net advances was modest during same this period. Furthermore, the annualised fresh Non-performing Advances (NPA) generation declined to 0.23% in 9M FY2022 (1.52% in FY2021) and the bank also shored up the provision coverage ratio to 100% as on December 31, 2021.

While EXIM declared a watchlist of Rs. 6,125 crore (5.20% of gross advances) as on December 31, 2021, which expanded from Rs. 3,666 crore (3.31% of gross advances as on March 31, 2021), a large part of the increase was driven by its exposure to borrowers with a relatively low probability of default as per its internal classification. Despite lower slippages and a decline in credit costs to 0.79% of assets (annualised) in 9M FY2022 (2.27% in FY2021), the Return on Assets (RoA) remained suboptimal

<sup>1</sup> NEIA – EXIM provides Buyer's Credit under NEIA for promoting India's export projects to traditional as well as new markets in developing countries. The credit is directly extended to overseas buyers of projects from India without recourse to Indian exporters. EXIM will obtain credit insurance cover under NEIA through Export Credit Guarantee Corporation of India (ECGC)

<sup>2</sup> Total debt / Net owned funds (NOF), which is stipulated to be 10 times as per regulatory requirements; NOF as on December 31, 2021 includes capital infusion of Rs. 750 crore for FY2022 but does not include profits for 9MFY2022

at 0.20% (annualised) on the back of a one-time write-down of deferred tax assets of deferred tax assets (DTA) and the changeover to the new tax-regime at lower rates. Going Forward, the overall profitability is expected to improve from these levels, supported by lower credit costs compared to the levels seen in recent years.

The outlook on the ratings remains Stable on account of the sovereign ownership, demonstrated by regular capital infusions by the GoI and the bank's strategic importance to the GoI as a key policy institution for promoting the trade competitiveness of Indian entities in international markets.

ICRA has withdrawn the ratings assigned to the long-term bonds worth Rs.855 crore and the Basel III AT-I bonds worth Rs.500 crore as they stand matured. The ratings were withdrawn in accordance with ICRA's policy on withdrawal and suspension ([ICRA Policy on Withdrawal](#)).

## Key rating drivers and their description

### Credit strengths

**Sovereign ownership and strategic importance in fulfilling GoI's mandate of promoting international trade** – EXIM (100% held by GoI) commenced operations in 1982 under the Export-Import Bank of India Act, 1981 with the key objective of providing financial assistance to exporters and importers. It functions as the principal financial institution for coordinating the working of institutions engaged in financing the export and import of goods and services with a view to promote the country's international trade. Given its role in promoting the trade competitiveness of Indian entities in international markets, EXIM has a strategic importance for the GoI.

**High share of policy business** – The bank's policy business includes advances sanctioned under LOCs, CFS and the NEIA business and other policy business, which grew by ~9.28% to Rs. 67,552 crore as on December 31, 2021 from Rs. 61,818 Crore as on December 31, 2020. The net commercial business (including refinance) grew by ~22.64% to Rs. 45,391 crore as on December 31, 2021 from Rs. 37,012 crore as on December 30, 2020.

The share of the policy business remained stable at 60% of net advances as on December 31, 2021 (61% as on March 31, 2021). These segments are virtually risk-free as they enjoy the availability of credit guarantee from the GoI, thus reducing the credit risk on this portfolio. Further, the counterparties in the refinance portfolio are well-rated large domestic banks or Indian branches of foreign banks, thus reducing the credit risk in this segment for EXIM. Though the LOC, CFS, BC-NEIA and refinance businesses are relatively less risky, their profitability margins are low, which will impact the bank's operating profitability. However, this will be offset by lower credit risk and future provisions.

**Capitalisation profile supported by regular capital infusions** – The GoI has demonstrated regular capital support to EXIM for meeting its regulatory as well as growth capital requirements. The GoI has budgeted a capital infusion of Rs. 1,500 crore into EXIM in FY2023. This is similar to the level budgeted for FY2022, although the actual infusion was lower at Rs. 750 crore on account of the bank's improved capital position. Prior to this, the GoI had infused capital of Rs. 1,300 crore in FY2021, Rs. 1,500 crore in FY2020 and Rs. 5,000 crore in FY2019.

Supported by the capital infusion, the leverage ratio to improve to 6.79 times as on December 31, 2021 (compared to 7.64 times as on March 31, 2021) while the capital adequacy metrics improved with the CRAR at 32.60% and Tier I at 30.63% as on December 31, 2021 (25.89% and 24.00%, respectively, as on March 31, 2021). This, in turn, is expected to help absorb any incremental asset quality related shock or meet the growth requirements.

The Reserve Bank of India (RBI) recently came up with draft guidelines for Basel III implementation. ICRA expects EXIM to comply with the leverage and capital metrics post the implementation of the Basel III capital regulations.

**Diversified funding profile with access to both domestic and foreign wholesale markets** – EXIM has demonstrated flexibility in raising funds from the domestic and foreign markets and for providing a hedge against foreign currency assets. There was a slight uptick in rupee refinance lending in 9MFY2022, and the share of foreign currency advances declined marginally to 76%

of total advances as on December 31, 2021 (80% as on March 31, 2021). With a large share of foreign currency assets, foreign currency resources account for most of EXIM's resources at ~69%. Given its quasi-sovereign status, EXIM has the ability to mobilise funds at competitive rates from the domestic as well as international markets.

## Credit challenges

**Watchlist remains a monitorable** – While the bank has gradually grown its policy business, it continues to face the risk of potential incremental stress from the existing commercial business book. Therefore, its ability to reduce sizeable slippages from this segment will remain a key monitorable. The watchlist declared by EXIM witnessed a relatively sharp expansion to Rs. 6,125 crore (5.20% of gross advances) as on December 31, 2021 compared to Rs. 3,666 crore (3.31%) as on March 31, 2021 and Rs. 2,086 crore (1.95%) as on March 31, 2020. However, of the declared watchlist, as per the classification by the bank, the exposure with a high probability of slippages remains limited at Rs. 335 crore (0.28%) as on December 31, 2021 compared to Rs 853 crore (0.82%) as on March 31, 2021. Given that a substantial portion of the high-ticket slippages in the recent past were from the watchlist, future stress from this pool of stressed assets will remain a monitorable.

Annualised fresh NPA generation remained low at Rs. 234 crore or ~1% of the commercial book (excluding refinance) in 9M FY2022 compared to Rs. 1,488 crore or 5.2% in FY2021. Supported by recoveries and upgrades (Rs. 1,359 crore) and write-offs (Rs. 1,582 crore), the gross NPA (GNPA) and net NPA (NNPA) ratios declined to 4.12% and 0.00%, respectively, as on December 31, 2021 from 6.69% and 0.51%, respectively, as on March 31, 2021.

**Internal capital generation to improve though remains modest in recent past** –The net interest margin (NIM) as a percentage of average total assets (ATA), improved to 2.17% (annualised) in 9M FY2022 from 1.93% in FY2021 although it remains muted given the high share of the relatively low-margin policy and refinance businesses. While credit costs witnessed a meaningful moderation to 0.79% in 9M FY2022 (2.27% in FY2021), the profit after tax/ATA or RoA remained sub-optimal at 0.20% (annualised) largely due to the one-time write-down of DTA and the changeover to the new tax-regime at lower rates. Going forward, the return metrics are likely to improve from these levels, subject to the bank maintaining satisfactory asset quality which would lead to low credit costs.

## Liquidity position: Superior

EXIM typically maintains a well-matched asset-liability profile with limited cumulative mismatches across major buckets in domestic as well as foreign currency. Also, owing to its quasi-sovereign status, EXIM can borrow funds from the international and domestic markets at short notice, which supports its overall liquidity profile.

## Rating sensitivities

**Positive factors** – Not applicable as all the ratings are at the highest possible level for the respective instruments

**Negative factors** – ICRA could assign a Negative outlook or downgrade the ratings if there is a dilution in EXIM's role as a policy institution for the promotion of the country's international trade and hence its importance to the GoI. The erosion of the distributable reserves (DRs) because of losses would remain an additional trigger for the rating of the Tier-I bond.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA Rating Methodology for Banks</a> <a href="#">Impact of Parent or Group Support on Issuer's Credit Rating</a> <a href="#">ICRA's Policy on Withdrawal of Credit Ratings</a>
Parent/Group Support	The ratings factor in EXIM's sovereign ownership and its role as a public policy institution for the development of the international trade of India. ICRA expects the bank to receive sufficient capital support from the GoI, if required.
Consolidation/Standalone	The ratings are based on the standalone financial statements of EXIM.

## About the company

Wholly owned by the GoI, EXIM is an export finance and development institution. It was set up under an Act of Parliament in 1982 for providing financial assistance to exporters and importers and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing the export and import of goods and services with a view to promoting the country's international trade.

## Key financial indicators (standalone)

	FY2020	FY2021	9M FY2022 <sup>^</sup>
Net interest income	1,994	2,562	2,085
Profit after tax	124	254	195
Net advances	99,447	1,03,851	1,12,943
Total assets (Rs. lakh crore)	1.31	1.35	1.31
% NIM /ATA	1.62%	1.93%	2.17%
% RoA	0.10%	0.19%	0.20%
% RoE	0.80%	1.49%	1.69%
% Tier I	18.70%	24.00%	30.63%
% CRAR	20.13%	25.89%	32.60%
% Gross NPA	8.75%	6.69%	4.12%
% Net NPA	1.77%	0.51%	-
% PCR (excl write-offs)	81.23%	92.81%	100%

**Source:** EXIM & ICRA Research; Amount in Rs. crore unless stated otherwise

All ratios as per ICRA calculations

<sup>^</sup>Provisional

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Sr. No.	Name of Instrument	Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years					
		Type	Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020	
					May-17-2022	Dec-24-2021	Aug-10-2021	Aug-21-2020	Jan-10-2020	Jun-28-2019
1	Long-term bonds programme	Long Term	26,020.30	25,127.20	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2	Long-term bonds programme	Long Term	855.00	0.00	[ICRA]AAA (Stable); Withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
3	Long-term bonds programme	Long Term	5,000.00	-	[ICRA]AAA (Stable)	-	-	-	-	-
4	Short-term debt programme	Short Term	22,645.52	9,050 <sup>^</sup>	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Certificates of deposit programme	Long Term / Short Term	22,645.52	7,300 <sup>^</sup>	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+	[ICRA]AAA (Stable) / [ICRA]A1+
6	Bank lines	Long Term	3,000.00	Yet to be availed	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
7	Basel III compliant additional Tier-I bond	Long Term	600.00	0.00 <sup>*</sup>	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)
8	Basel III compliant additional Tier-I bond	Long Term	500.00	0.00 <sup>#</sup>	[ICRA]AA+ (Stable); Withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)	[ICRA]AA+ (hyb) (Stable)
9	Fixed deposits programme	Long Term <sup>#</sup>	-	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	MAAA (Stable)	MAAA (Stable)	MAAA (Stable)

Source: ICRA Research

Total limit rated for long-term/short-term certificates of deposit, commercial paper and short-term debt together is Rs. 22,645.52 crore and the amount outstanding would not exceed the said limit

<sup>^</sup> Certificates of deposit outstanding as on May 10, 2022

<sup>\*</sup> Balance yet to be placed – Bonds of Rs. 893.10 crore and AT-1 bond of Rs. 600 crore.

<sup>#</sup> Exercised Call option for Rs.500 crore bonds as on March 31, 2022.

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term bonds	Very Simple
Basel III compliant AT-I bonds	Highly Complex
Short-term debt programme	Very Simple
Certificates of deposit programme	Very Simple
Bank lines	Very Simple
Fixed deposits programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instruments credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [www.icra.in](http://www.icra.in)

**Annexure-1: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE514E08746	Long-term bonds	July 23, 2010	8.68%	July 23, 2022	250	[ICRA]AAA(Stable)
INE514E08753	Long-term bonds	July 28, 2010	8.68%	July 28, 2022	200	[ICRA]AAA(Stable)
INE514E08761	Long-term bonds	August 16, 2010	8.72%	August 16, 2022	50	[ICRA]AAA(Stable)
INE514E08AQ5	Long-term bonds	February 07, 2012	9.00%	February 07, 2022	150	[ICRA]AAA(Stable); withdrawn
INE514E08AS1	Long-term bonds	February 22, 2012	9.05%	February 22, 2022	400	[ICRA]AAA(Stable); withdrawn
INE514E08AT9	Long-term bonds	March 21, 2012	9.30%	March 21, 2022	150	[ICRA]AAA(Stable); withdrawn
INE514E08AU7	Long-term bonds	March 28, 2012	9.30%	March 28, 2022	100	[ICRA]AAA(Stable); withdrawn
INE514E08AV5	Long-term bonds	April 18, 2012	9.25%	April 18, 2022	55	[ICRA]AAA(Stable); withdrawn
INE514E08AX1	Long-term bonds	May 11, 2012	9.30%	May 11, 2022	767	[ICRA]AAA(Stable)
INE514E08BA7	Long-term bonds	June 15, 2012	9.10%	June 15, 2022	60	[ICRA]AAA(Stable)
INE514E08BE9	Long-term bonds	July 12, 2012	9.25%	July 12, 2022	130.7	[ICRA]AAA(Stable)
INE514E08BJ8	Long-term bonds	August 01, 2012	9.14%	August 01, 2022	425	[ICRA]AAA(Stable)
INE514E08BK6	Long-term bonds	September 05, 2012	9.15%	September 05, 2022	450	[ICRA]AAA(Stable)
INE514E08BO8	Long-term bonds	September 21, 2012	9.04%	September 21, 2022	240	[ICRA]AAA(Stable)
INE514E08BQ3	Long-term bonds	October 10, 2012	8.87%	October 10, 2022	153	[ICRA]AAA(Stable)
INE514E08BS9	Long-term bonds	October 18, 2012	8.88%	October 18, 2022	550	[ICRA]AAA(Stable)
INE514E08BY7	Long-term bonds	December 12, 2012	8.93%	December 12, 2022	100	[ICRA]AAA(Stable)
INE514E08CB3	Long-term bonds	December 31, 2012	8.94%	December 31, 2022	200	[ICRA]AAA(Stable)
INE514E08CC1	Long-term bonds	January 09, 2013	8.83%	January 09, 2023	250	[ICRA]AAA(Stable)
INE514E08CE7	Long-term bonds	February 14, 2013	8.76%	February 14, 2023	151	[ICRA]AAA(Stable)
INE514E08CHO	Long-term bonds	March 13, 2013	8.87%	March 13, 2025	100	[ICRA]AAA(Stable)
INE514E08CI8	Long-term bonds	March 15, 2013	8.80%	March 15, 2023	590	[ICRA]AAA(Stable)
INE514E08CK4	Long-term bonds	April 26, 2013	8.50%	April 26, 2023	150	[ICRA]AAA(Stable)
INE514E08CO6	Long-term bonds	May 22, 2013	7.94%	May 22, 2023	280	[ICRA]AAA(Stable)
INE514E08CQ1	Long-term bonds	July 08, 2013	8.50%	July 08, 2023	420	[ICRA]AAA(Stable)
INE514E08CR9	Long-term bonds	July 10, 2013	8.50%	July 10, 2023	500	[ICRA]AAA(Stable)
INE514E08CT5	Long-term bonds	August 14, 2013	9.40%	August 14, 2023	295	[ICRA]AAA(Stable)
INE514E08CU3	Long-term bonds	September 16, 2013	9.45%	September 16, 2023	269.5	[ICRA]AAA(Stable)
INE514E08CY5	Long-term bonds	October 08, 2013	9.58%	October 04, 2023	405	[ICRA]AAA(Stable)
INE514E08DGO	Long-term bonds	December 03, 2013	9.50%	December 03, 2023	245	[ICRA]AAA(Stable)
INE514E08DH8	Long-term bonds	December 16, 2013	9.58%	December 16, 2023	127	[ICRA]AAA(Stable)
INE514E08DJ4	Long-term bonds	December 17, 2013	9.62%	December 17, 2023	170	[ICRA]AAA(Stable)
INE514E08DK2	Long-term bonds	January 10, 2014	9.57%	January 10, 2024	311	[ICRA]AAA(Stable)
INE514E08DM8	Long-term bonds	February 07, 2014	9.60%	February 07, 2024	255	[ICRA]AAA(Stable)
INE514E08DO4	Long-term bonds	February 26, 2014	9.65%	February 26, 2024	1000	[ICRA]AAA(Stable)
INE514E08DP1	Long-term bonds	April 04, 2014	9.65%	April 04, 2024	348	[ICRA]AAA(Stable)
INE514E08DS5	Long-term bonds	May 29, 2014	9.25%	May 29, 2024	270	[ICRA]AAA(Stable)
INE514E08ED5	Long-term bonds	October 30, 2014	8.87%	October 30, 2029	350	[ICRA]AAA(Stable)
INE514E08EE3	Long-term bonds	November 03, 2014	8.83%	November 03, 2029	250	[ICRA]AAA(Stable)
INE514E08EJ2	Long-term bonds	January 21, 2015	8.15%	January 21, 2030	465	[ICRA]AAA(Stable)

INE514E08EK0	Long-term bonds	February 03, 2015	8.11%	February 03, 2025	155	[ICRA]AAA(Stable)
INE514E08EL8	Long-term bonds	March 05, 2015	8.15%	March 05, 2025	250	[ICRA]AAA(Stable)
INE514E08EO2	Long-term bonds	July 24, 2015	8.38%	July 24, 2025	320	[ICRA]AAA(Stable)
INE514E08EP9	Long-term bonds	September 28, 2015	8.25%	September 28, 2025	250	[ICRA]AAA(Stable)
INE514E08EQ7	Long-term bonds	October 29, 2015	8.02%	October 29, 2025	325	[ICRA]AAA(Stable)
INE514E08ES3	Long-term bonds	November 19, 2015	8.10%	November 19, 2025	225	[ICRA]AAA(Stable)
INE514E08EU9	Long-term bonds	December 07, 2015	8.18%	December 07, 2025	700	[ICRA]AAA(Stable)
INE514E08FB6	Long-term bonds	April 20, 2016	8.02%	April 20, 2026	350	[ICRA]AAA(Stable)
INE514E08FC4	Long-term bonds	April 25, 2016	8.12%	April 25, 2031	400	[ICRA]AAA(Stable)
INE514E08FE0	Long-term bonds	June 23, 2016	8.25%	June 23, 2031	240	[ICRA]AAA(Stable)
INE514E08FF7	Long-term bonds	July 11, 2016	8.11%	July 11, 2031	475	[ICRA]AAA(Stable)
INE514E08FG5	Long-term bonds	September 01, 2016	7.62%	September 01, 2026	675	[ICRA]AAA(Stable)
INE514E08FH3	Long-term bonds	November 25, 2016	7.02%	November 25, 2031	350	[ICRA]AAA(Stable)
INE514E08FJ9	Long-term bonds	February 01, 2017	7.25%	February 01, 2027	350	[ICRA]AAA(Stable)
INE514E08FM3	Long-term bonds	May 18, 2017	7.35%	May 18, 2022	325	[ICRA]AAA(Stable)
INE514E08FN1	Long-term bonds	May 18, 2017	7.56%	May 18, 2027	325	[ICRA]AAA(Stable)
INE514E08FO9	Long-term bonds	May 26, 2017	7.74%	May 26, 2037	325	[ICRA]AAA(Stable)
INE514E08FP6	Long-term bonds	August 03, 2017	7.22%	August 03, 2027	650	[ICRA]AAA(Stable)
INE514E08FQ4	Long-term bonds	January 11, 2018	7.88%	January 11, 2033	350	[ICRA]AAA(Stable)
INE514E08FR2	Long-term bonds	January 17, 2018	7.92%	January 17, 2033	650	[ICRA]AAA(Stable)
INE514E08FS0	Long-term bonds	March 14, 2018	8.50%	March 14, 2033	820	[ICRA]AAA(Stable)
INE514E08FT8	Long-term bonds	February 18, 2020	6.35%	February 18, 2025	990	[ICRA]AAA(Stable)
INE514E08FU6	Long-term bonds	June 22, 2020	5.62%	June 20, 2025	740	[ICRA]AAA(Stable)
INE514E08FV4	Long-term bonds	September 14, 2020	5.85%	September 12, 2025	1,300	[ICRA]AAA(Stable)
INE514E08FW2	Long-term bonds	March 04, 2022	5.20%	March 04, 2025	1,230	[ICRA]AAA(Stable)
INE514E08FX0	Long-term bonds	March 29, 2022	5.40%	March 31, 2025	1,580	[ICRA]AAA(Stable)
Unplaced	Long-term bonds	NA	NA	NA	893.1	[ICRA]AAA(Stable)
Unplaced	Long-term bonds	NA	NA	NA	5,000	[ICRA]AAA(Stable)
INE514E16BX2	Certificates of deposits	September 14, 2021	3.85%	September 14, 2022	1,400	[ICRA]AAA(Stable) / [ICRA]A1+
INE514E16BW4	Certificates of deposits	August 02, 2021	3.99%	August 02, 2022	1,400	[ICRA]AAA(Stable) / [ICRA]A1+
INE514E16BZ7	Certificates of deposits	March 24, 2022	4.85%	March 24, 2023	1,500	[ICRA]AAA(Stable) / [ICRA]A1+
INE514E16BY0	Certificates of deposits	March 17, 2022	4.85%	March 17, 2023	2,000	[ICRA]AAA(Stable) / [ICRA]A1+
INE514E16BS2	Certificates of deposits	May 19, 2020	5.75%	May 19, 2023	1,000	[ICRA]AAA(Stable) / [ICRA]A1+
INE514E14QK2	Commercial paper	April 29, 2022	4.10%	July 29, 2022	1,000	[ICRA]A1+
INE514E14QJ4	Commercial paper	April 06, 2022	3.75%	May 27, 2022	2,000	[ICRA]A1+
INE514E14QH8	Commercial paper	March 30, 2022	4.43%	September 30, 2022	1,500	[ICRA]A1+
INE514E14QC9	Commercial paper	March 29, 2022	3.95%	June 28, 2022	750	[ICRA]A1+
INE514E14QI6	Commercial paper	March 28, 2022	4.43%	September 28, 2022	1,000	[ICRA]A1+
INE514E14QG0	Commercial paper	March 02, 2022	3.93%	June 01, 2022	500	[ICRA]A1+
INE514E14QC9	Commercial paper	December 28, 2021	4.20%	June 28, 2022	800.00	[ICRA]A1+
INE514E14QA3	Commercial paper	December 16, 2021	4.00%	June 16, 2022	1,500.00	[ICRA]A1+



INE514E08FL5	Basel III AT-I bond	March-31-2017	8.60%	March-31-2022 <sup>#</sup>	500	[ICRA]AA+ (Stable); withdrawn
Unplaced	Basel III AT-I bond	NA	NA	NA	600	[ICRA]AA+(Stable)
Unplaced	Certificates of deposit/ Short-term deposits*	NA	NA	7 days – 3 years	6295.52	[ICRA]AAA(Stable) / [ICRA]A1+
NA	FD programme	NA	NA	NA	NA	[ICRA]AAA(Stable)
Unutilised	Bank lines	NA	NA	NA	3,000	[ICRA]AAA(Stable)

CD data outstanding as on May 10, 2022; <sup>#</sup>Perpetual bond with first call option on March 31, 2022 was exercised and the bond stands redeemed.

\* Total limit rated for long-term/short-term certificates of deposit, commercial paper and short-term debt together is Rs. 22,645.52 crore and the amount outstanding would not exceed the said limit

Source: EXIM

### Key features of the Basel III AT-I instruments

The rated Basel III Additional Tier-I (AT-I) bonds have the following loss-absorption features that make them riskier:

- Coupon payments are non-cumulative and discretionary, and the bank has full discretion at all times to cancel the coupon payments. The cancellation of discretionary payments shall not be an event of default.
- Coupons can be paid out of the current year's profits. However, if the current year's profit is not sufficient or if the payment of the coupon is likely to result in a loss, the coupon payment can be made through reserves and surpluses<sup>3</sup> created through the appropriation of profits (including statutory reserves). However, the coupon payment is subject to the bank meeting the minimum regulatory requirements for CET I, Tier I and total capital ratios (including capital conservation buffer; CCB) at all times as prescribed by the RBI under the Basel III regulations.

These Tier-I bonds are expected to absorb losses through the write-down mechanism at the objective prespecified trigger point fixed at the bank's (CET I) ratio as prescribed by the RBI – 6.125% (5.5% till October 1, 2021) of the total risk-weighted assets (RWAs) of the bank or when the point of non-viability trigger (PONV) is breached in the RBI's opinion.

The rated instrument is a subordinated instrument with equity-like loss-absorption features; such features may translate into higher levels of rating transition and loss severity vis-à-vis conventional debt instruments.

Given the above distinguishing features of the Tier-I bonds, ICRA has assigned a one notch lower rating on these than the rating on the other instruments. The DRs, that can be used for servicing the coupon in a situation of inadequate profits or a loss during the year, remain strong at 4.16% of the RWAs as on March 31, 2021.

Incrementally, ICRA expects EXIM to remain profitable. Hence, the DRs shall only increase from these levels in absolute amount.

### Annexure-2: List of entities considered for consolidated analysis – Not applicable

<sup>3</sup> Calculated as per the amendment in Basel III capital regulations for AT-I bonds by the RBI, vide its circular dated February 2, 2017; as per the amended definition, DRs include all reserves created through appropriations from the profit and loss account

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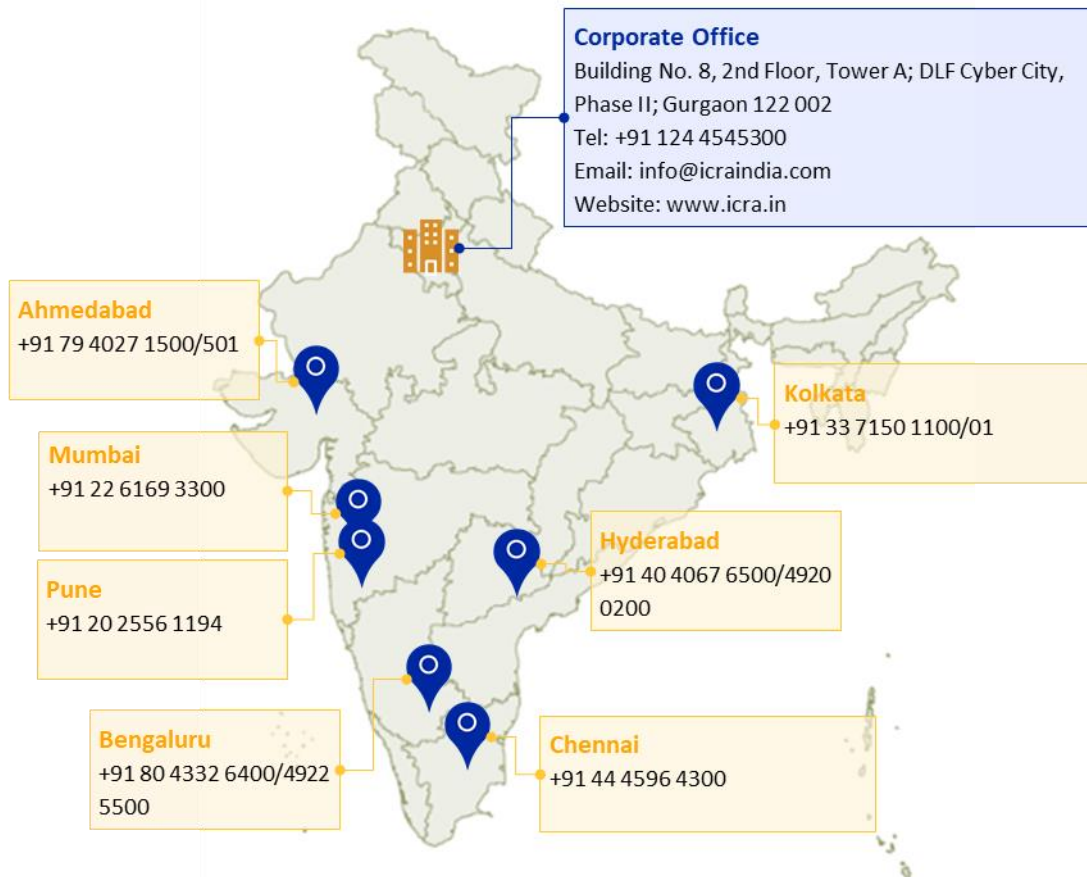
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