



India's National Export Credit Agency

Investor Presentation

November 2022

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Exim Bank: Key Credit Highlights

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The India Story

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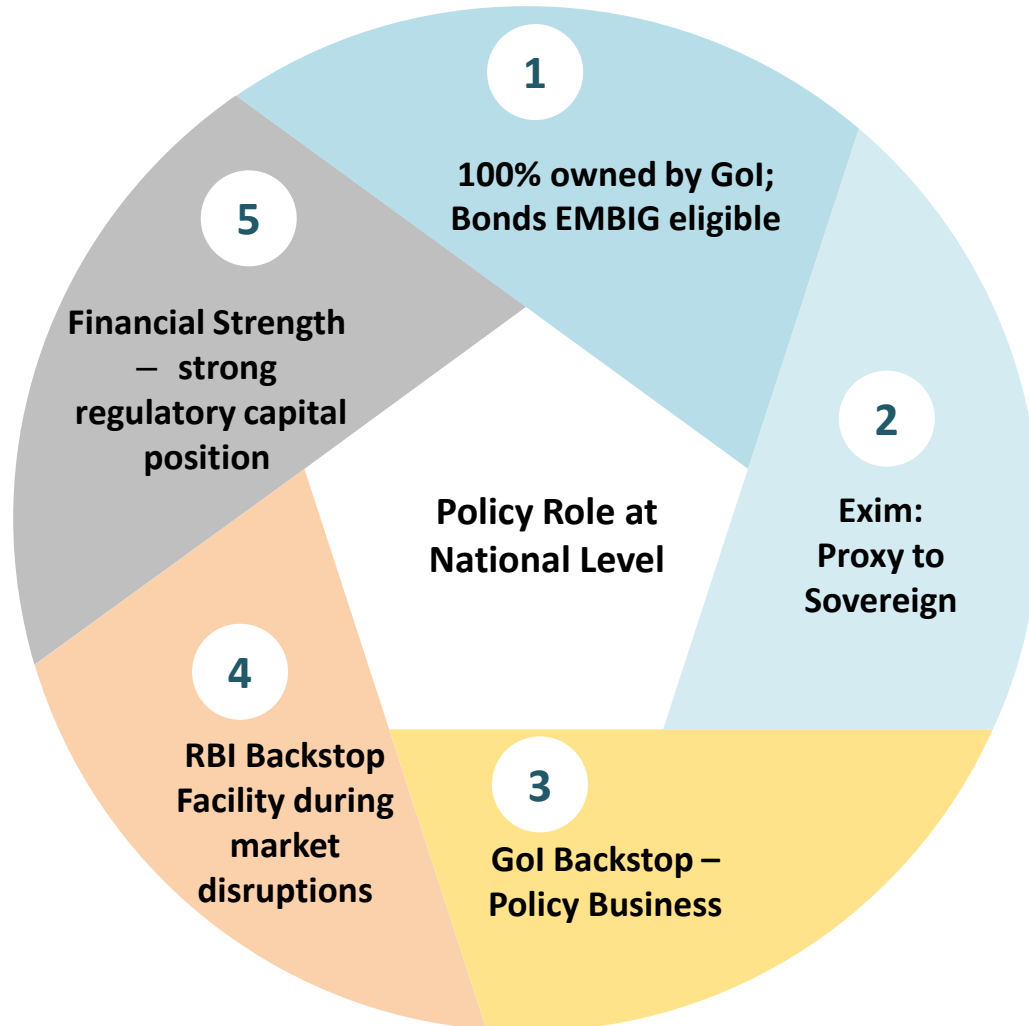
The Exim Bank Story

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Appendix



Exim Bank: Key Credit Highlights

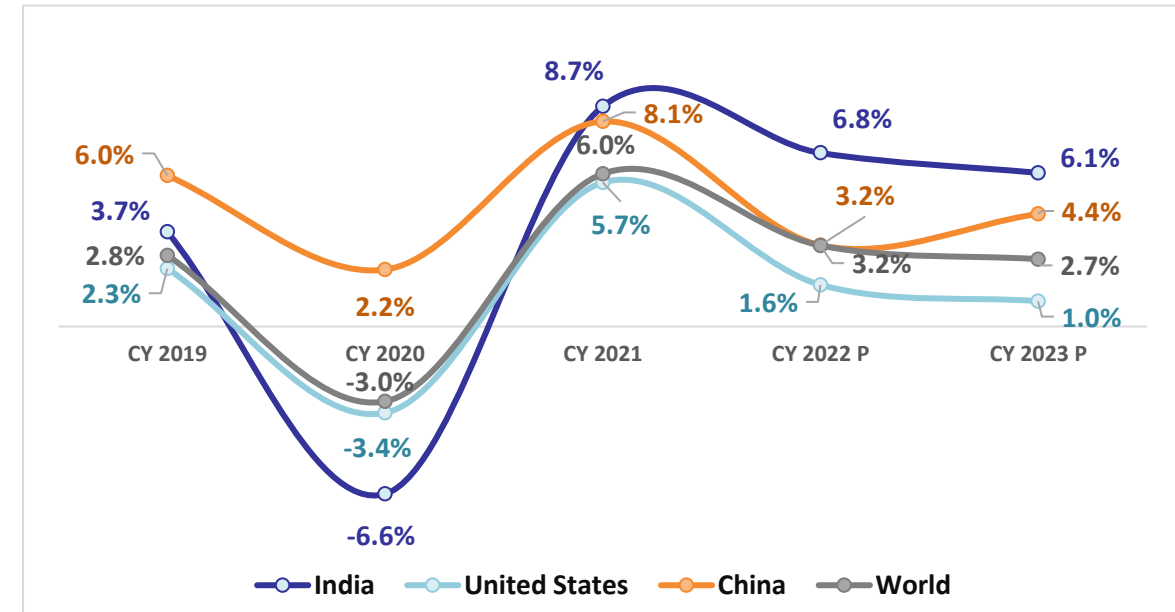
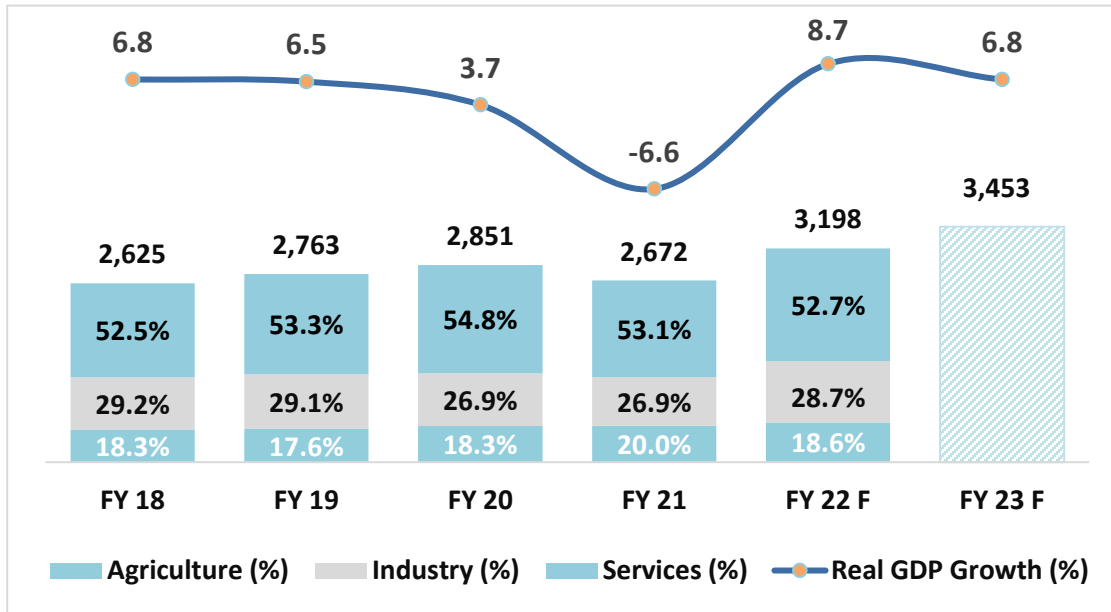


- ❑ **100% owned** by the Government of India (“Gol”); Exim Bank Bonds eligible for inclusion in **EMBIG**
- ❑ International investment grade **ratings at par with Sovereign**
- ❑ **Gol Backstop** – Policy Business guaranteed by the Sovereign
- ❑ **RBI Backstop** Facility during market disruptions
- ❑ **Policy Bank** for India’s Economic Diplomacy
- ❑ Strong **regulatory capital** position, **robust financials**



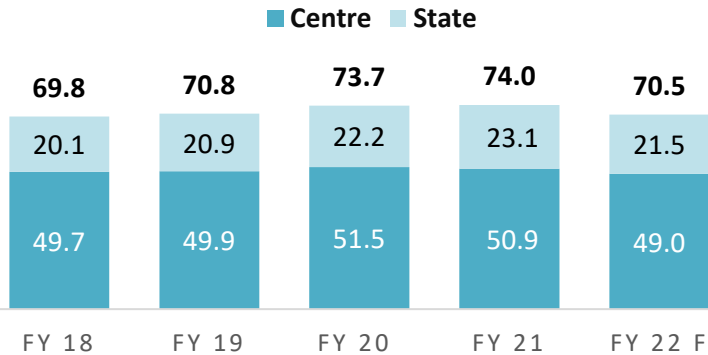
The India Story

Resilient GDP Growth^(1,2,3)

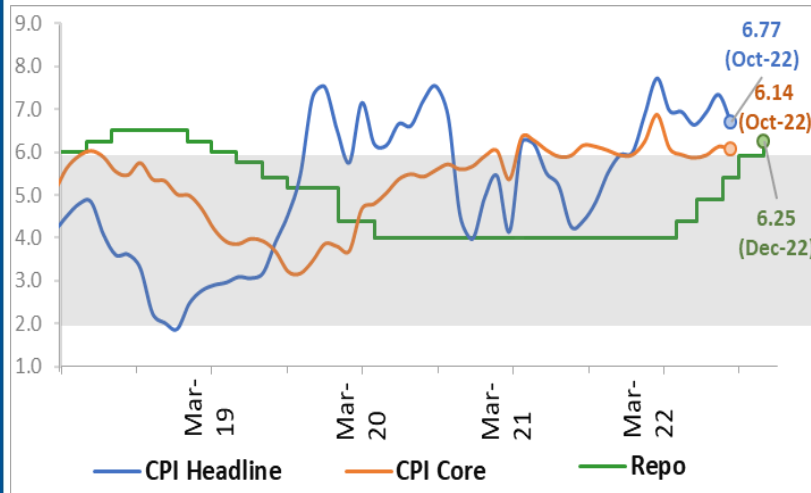


- **World's 5th largest economy based on nominal GDP in CY 2022⁽²⁾**
 - *Nominal GDP for CY 2022: ~US\$ 3.5 tn.⁽²⁾*
- **World's 3rd largest economy based on GDP measured in PPP terms in CY 2022.⁽²⁾**
 - *GDP in PPP terms for CY 2022: ~US\$ 11.7 tn.⁽²⁾*
- The RBI expects growth to be at 6.8% in FY 2022-23, and 7.1% for Q1 FY2023-24 and 5.9% for Q2 FY2023-24.

General Government Debt (% of GDP) ⁽¹⁾



Inflation/ Policy Rates (%) ^{(2)*}



Key Macroeconomic Metrics

Key Parameters	FY20	FY21	FY22	Change
Gross Fixed Capital Formation (% of GDP) ⁽⁴⁾	28.6	26.6	28.6	200 bps
Fiscal Deficit (% of GDP) ⁽⁵⁾	4.6	9.2	6.7	(250 bps)
Revenue Deficit (% of GDP) ⁽⁵⁾	3.3	7.3	4.4	(290 bps)
Debt Service Ratio (%) ⁽²⁾	6.5	8.2	5.2	30 bps
FDI Inflows (US\$ bn) ⁽²⁾	74.4	81.9	83.6	2.1%
Net Portfolio Investment ⁽²⁾	1.4	36.1	(17.2)	(147.6%)
Exchange Rate (INR/US\$, avg.) ⁽²⁾	70.9	74.2	74.5	0.4%

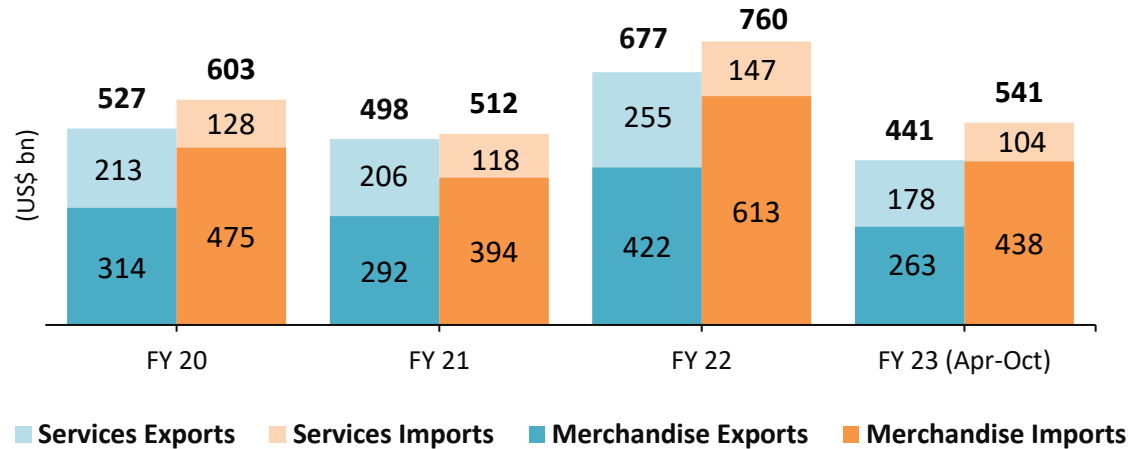
RBI's Policy Rates and Instruments (%) ⁽²⁾

	CRR	SLR	Repo rate	Reverse Repo rate	SDF	MSF
Mar '19	4.00	19.25	6.25	6.00	-	6.50
Mar '20	4.00	18.25	4.40	4.00	-	4.65
Mar '21	3.00	18.00	4.00	3.35	-	4.25
Mar '22	4.00	18.00	4.00	3.35	-	4.25
Apr '22	4.00	18.00	4.00	3.35	3.75	4.25
May '22	4.50	18.00	4.40	3.35	4.15	4.65
Jun '22	4.50	18.00	4.90	3.35	4.65	5.15
Aug '22	4.50	18.00	5.40	3.35	5.15	5.65
Sep '22	4.50	18.00	5.90	3.35	5.65	6.15
Oct '22	4.50	18.00	6.25	3.35	6.00	6.50

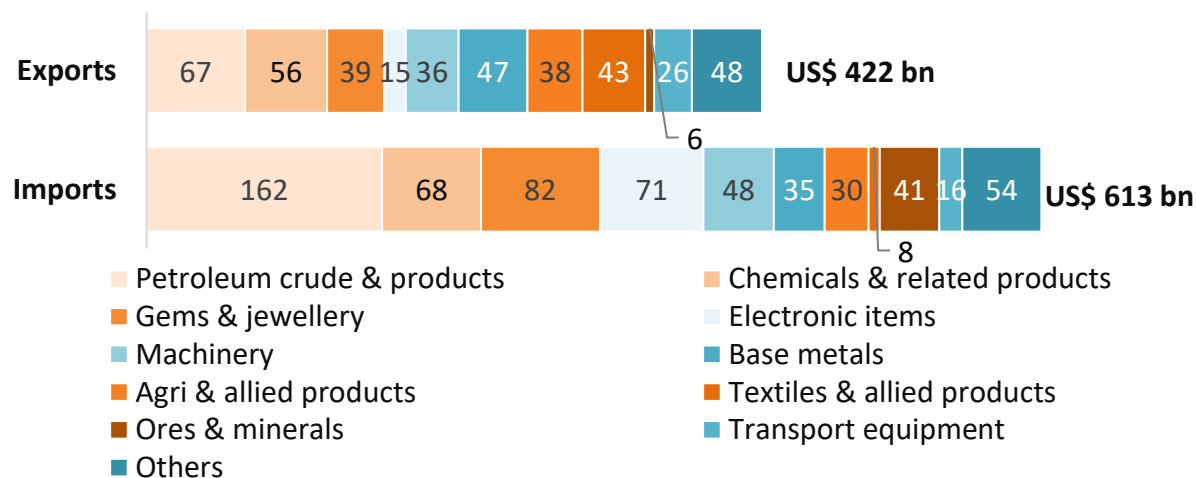
Banking Sector Statistics ⁽²⁾

Key Parameters	FY20	FY21	FY22	Change
Banking Sector (% of GDP)	89.7	99.0	-	-
Credit Deposit Ratio	76.0	71.5	71.9	40 bps
Banking Sector CRAR	14.8	16.3	16.7	40 bps
Banking Sector Net NPAs	2.8	2.4	1.7	(70 bps)
Provisioning Coverage Ratio	66.2	67.6	70.9	330 bps
NBFC (% of GDP)	15.3	17.6	-	-
NBFC CRAR	24.4	26.3	26.9	60 bps
NBFC Net NPAs	3.4	2.7	3.3	60 bps

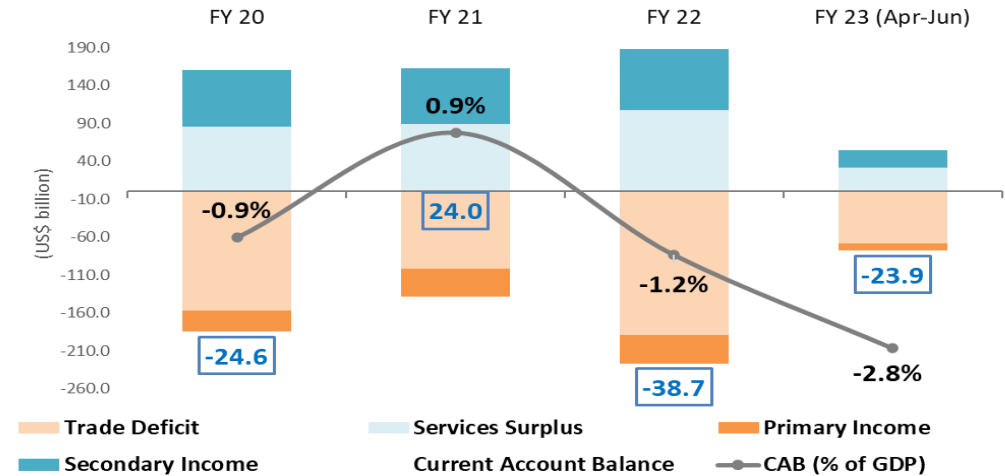
Trade Trends⁽¹⁾⁽²⁾



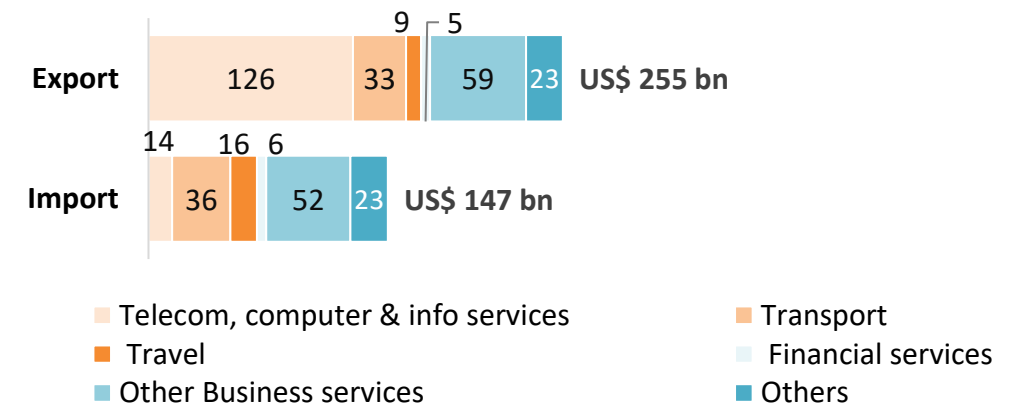
Merchandise Trade Pattern in FY 22⁽¹⁾



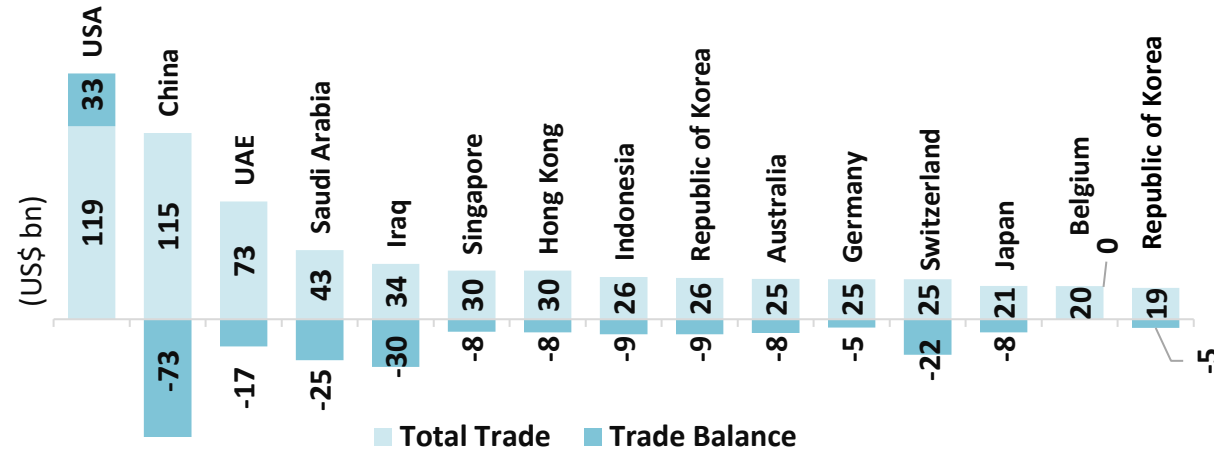
Composition of Current Account Balance⁽²⁾



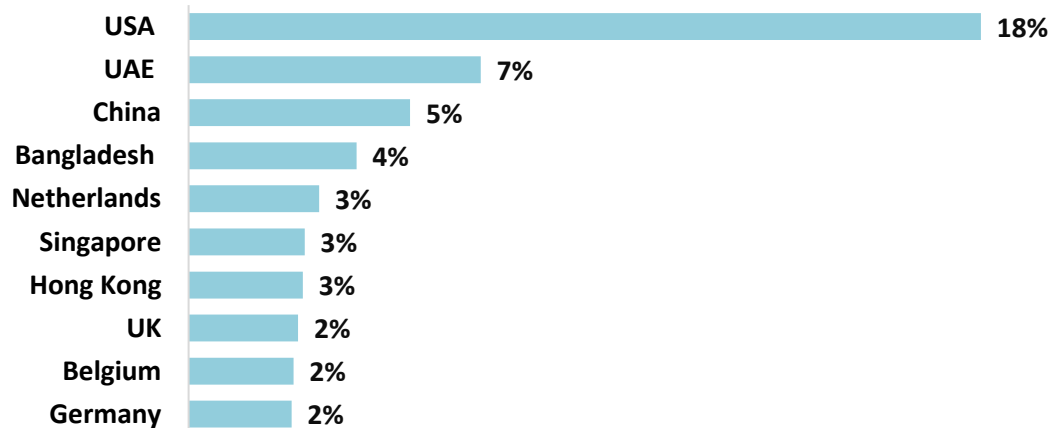
Services Trade Pattern in FY22⁽²⁾



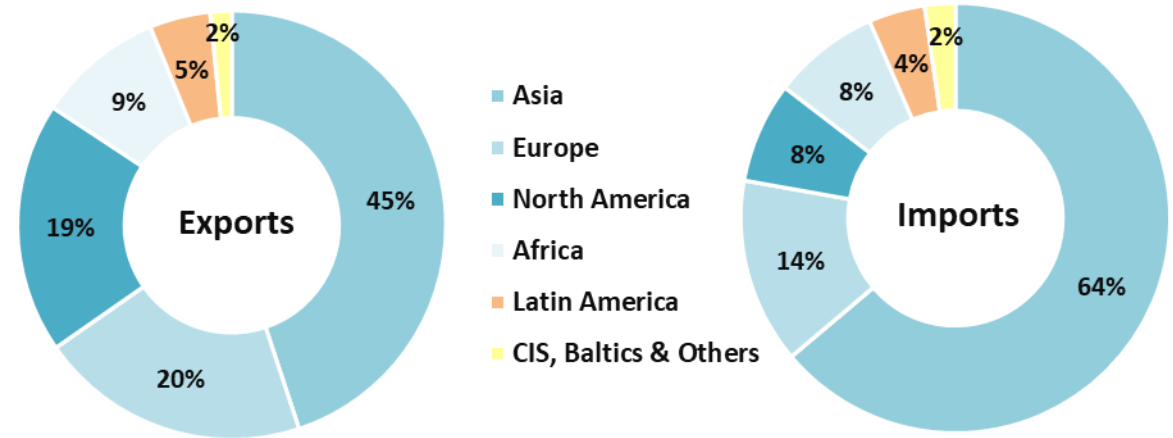
Major Trading Partners⁽¹⁾



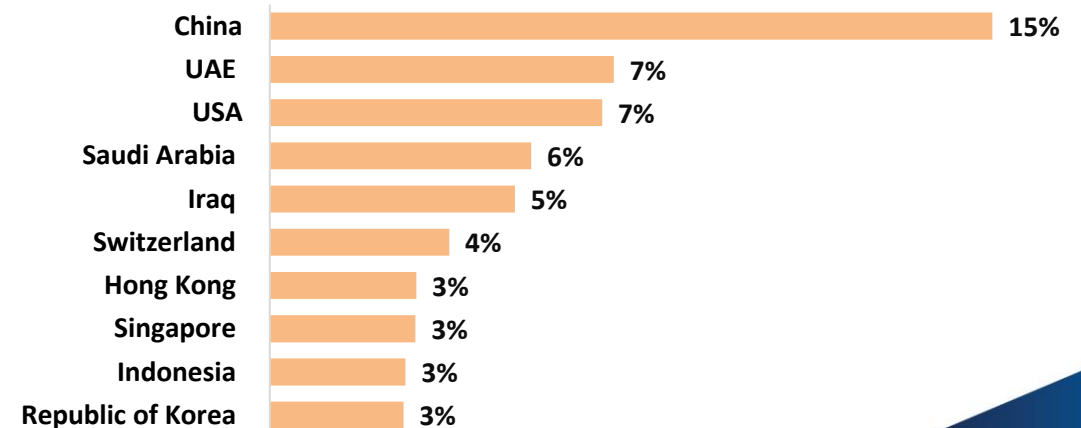
India's Export Markets⁽¹⁾



Regional Trade Direction⁽¹⁾



India's Import Sources⁽¹⁾



Note: Data for North America does not include Mexico; Mexico has been included in Latin America; the above charts represent India's merchandise trade for FY 2022

Source: (1) MOCI

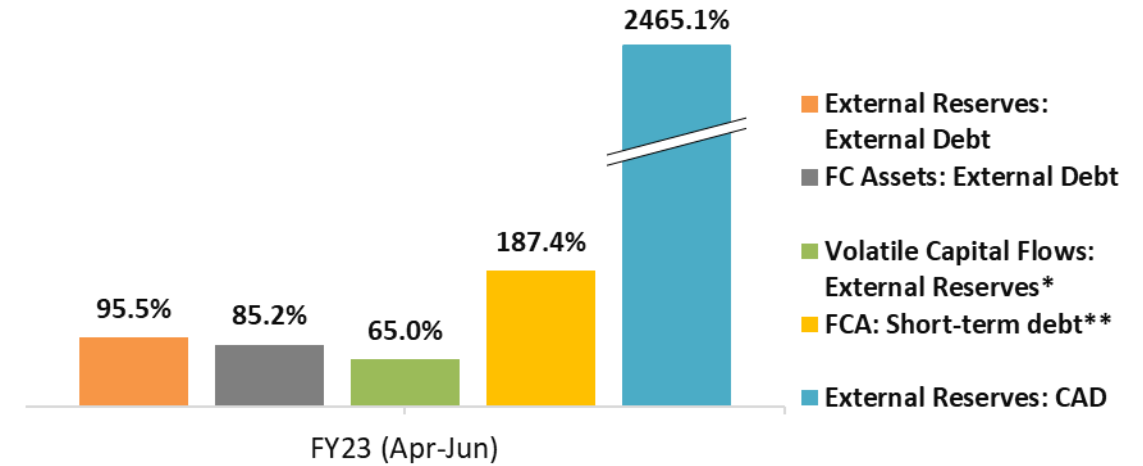
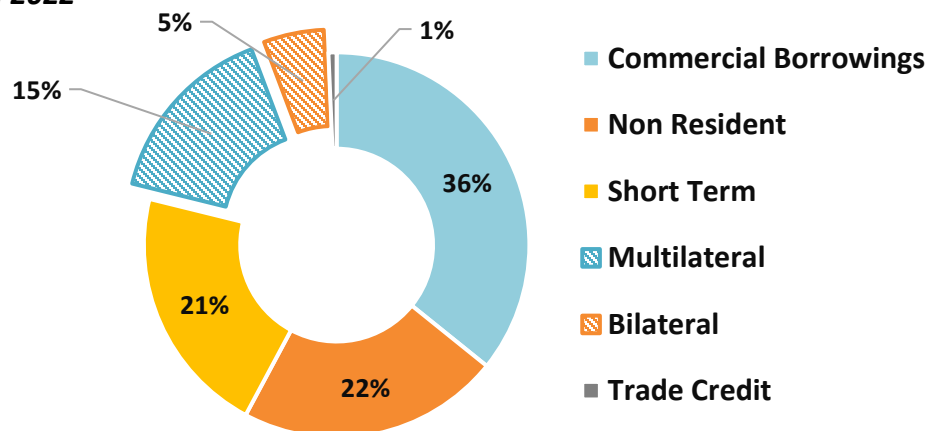
Analysis of External Debt vs External Reserves

(US\$ bn)

	Mar '20	Mar '21	Mar '22	Jun '22
External Debt	558.3	573.6	619.6	617.1
External Debt to GDP Ratio (%)	20.9	21.2	19.9	19.4
Short Term Debt / Total Debt (%)	19.1	17.6	19.6	21.0
Total Debt Service Ratio (%)	6.5	8.2	5.2	4.9
External Reserves	477.8	577.0	607.3	598.16

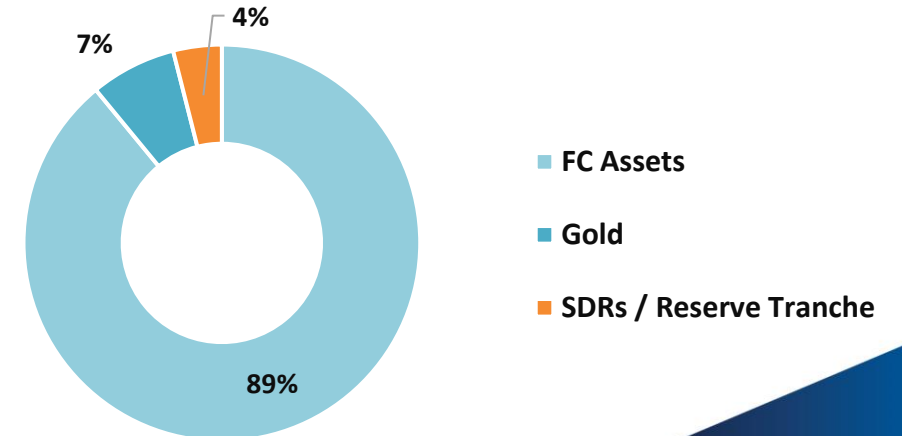
External Debt

As on Jun 2022



External Reserves

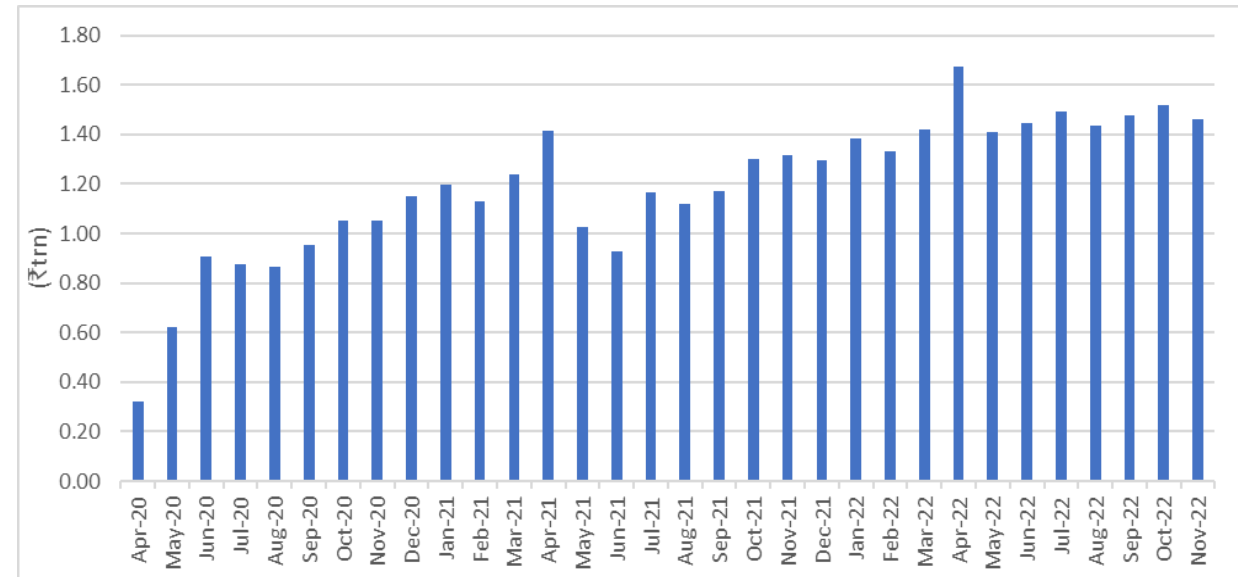
As on Jun 2022



Fiscal Indicators (as % of GDP)

	FY 21	FY22 ^{RE}	FY23 ^{BE}
Net Tax Receipts	7.2%	7.6%	7.5%
Non-tax Receipts	1.4%	1.8%	1.3%
Total Receipts	8.6%	9.4%	8.8%
Revenue Expenditure	15.6%	13.6%	12.4%
Capital Expenditure	2.2%	2.6%	2.9%
Total Expenditure	17.8%	16.2%	15.3%
Fiscal Deficit	9.2%	6.7%*	6.4%
Revenue Deficit	7.3%	4.4%*	3.8%
Primary Deficit	5.8%	3.3%	2.6%

GST Collection



- Union Budget 2022-23: Focused on growth through capex push, along with inclusive welfare.
- Capex outlay increased by 35% y-o-y, to ₹ 7.5 trn (2.9% of GDP) in 2022-23.
- Fiscal deficit is estimated at 6.4% of GDP in 2022-23, consistent with the broad path of fiscal consolidation to reach a fiscal deficit level below 4.5% by 2025-26.
- States to be allowed to run higher deficits of 4% of GSDP in 2022-23 (of which 0.5% will be tied to power sector reforms).
- Disinvestment revenues pegged at ₹ 650 bn (BE) in 2022-23.
- GST revenues have been maintaining strong momentum.

* The data are revised estimates on May 31, 2022, these are lower than the budgetary estimates of fiscal deficit at 6.9% and revenue deficit stood at 4.7% in 2021-22.

Source: Union Budget 2022-23 Documents, Ministry of Finance, Government of India



Exim Bank Story

Genesis

Set up under an Act of Parliament in 1981 by the Government of India

Objectives

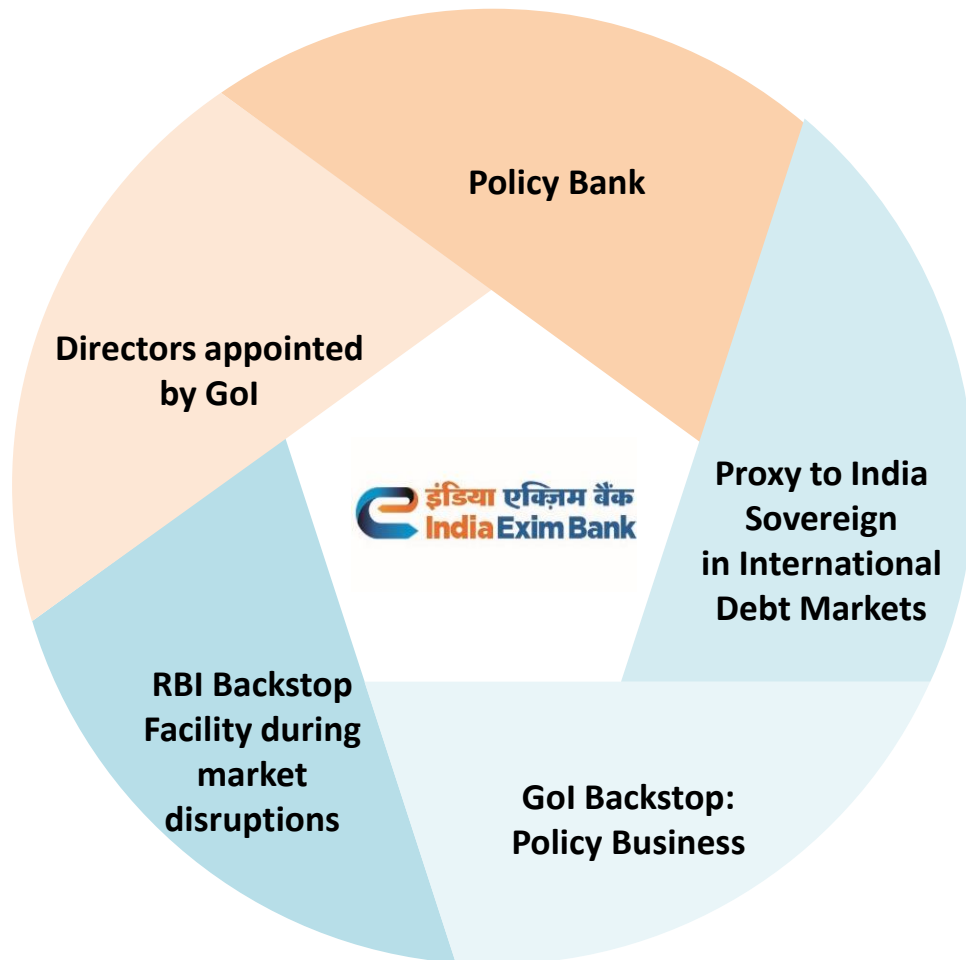
“for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country’s international trade...”

“... shall act on business principles with due regard to public interest”

Vision

“To develop commercially viable relationships with a target set of externally oriented companies by offering them a comprehensive range of products and services, aimed at enhancing their internationalisation efforts”

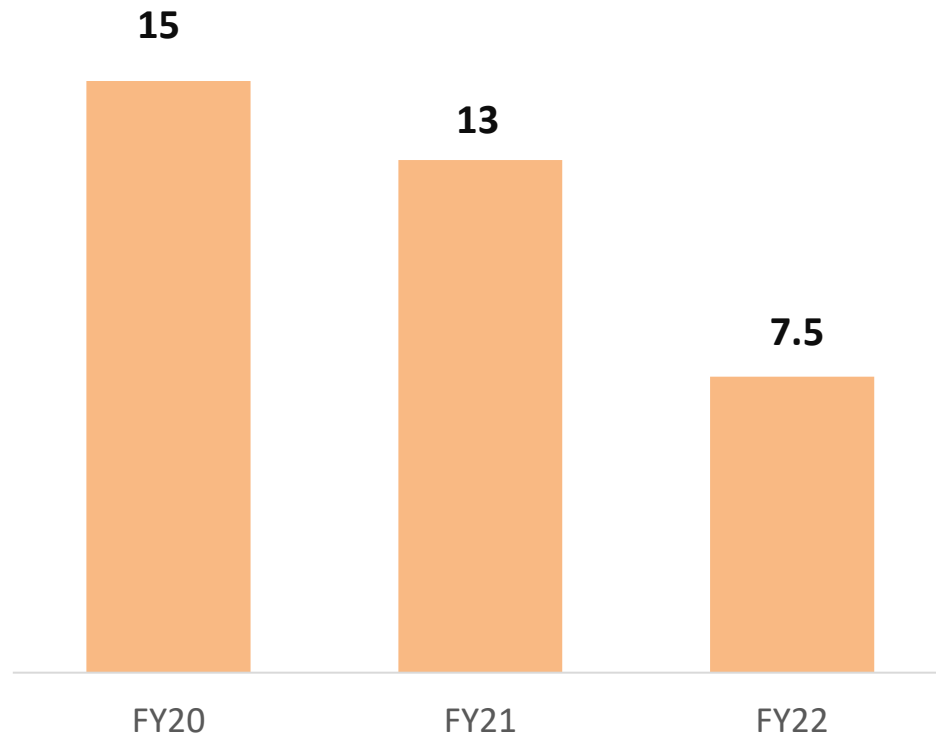
Strong Government Support



- ❑ An instrument of Government policy as India's official Export Credit Agency.
- ❑ 100% owned by Government of India (GoI); Exim Bank Bonds eligible for inclusion in EMBIG
 - A track record of GoI capital infusion
 - Can not be liquidated without GoI Approval
- ❑ **Proxy to the India Sovereign** in international debt markets
- ❑ **GoI Backstop** – Policy Business guaranteed by the Sovereign
- ❑ **RBI Backstop** Facility during market disruptions
- ❑ Board of Directors are appointed by GoI
 - Comprises top officials from key GoI ministries (Finance, Commerce and Industry and External Affairs) and Reserve Bank of India.

Government Capital Infusion

(INR billion)



Budgetary allocation of INR 15 bn for FY23 from GOI towards capital



Exim's credit rating has been on par with India sovereign rating since its establishment

International Rating is BBB+ (Stable)



International Rating is Baa3 (Stable)



International Rating is BBB- (Stable)



International Rating is BBB- (Stable)



Domestic Rating is AAA (Stable)



Domestic Rating is AAA (Stable)



Export Finance

Lines of Credit
(LOC) / CFS

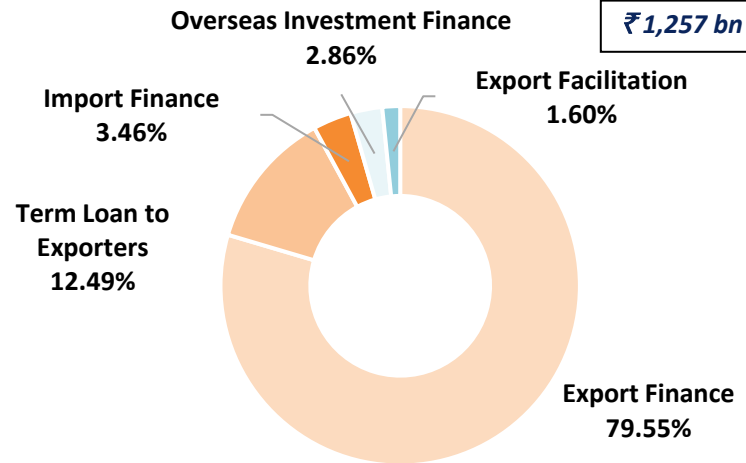
Buyer's Credit
– NEIA

Pre-Shipment
Credit

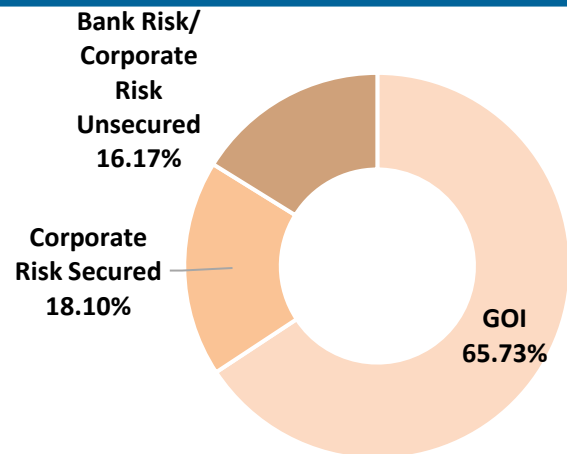
Post-Shipment
Credit

Guarantees
and L/Cs

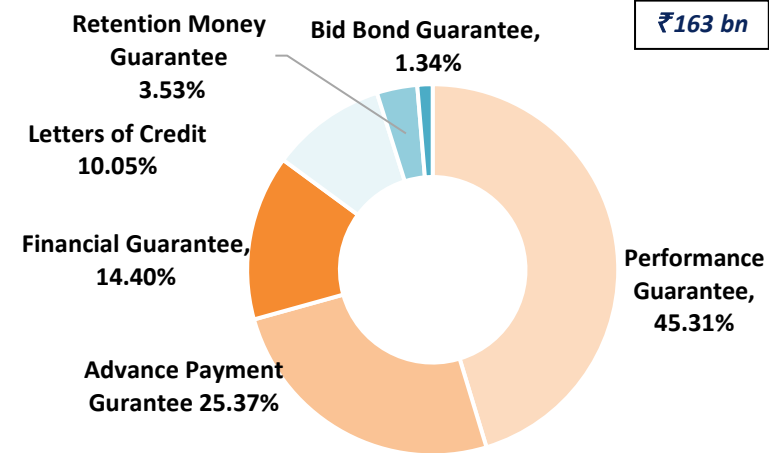
Loan Portfolio ⁽¹⁾



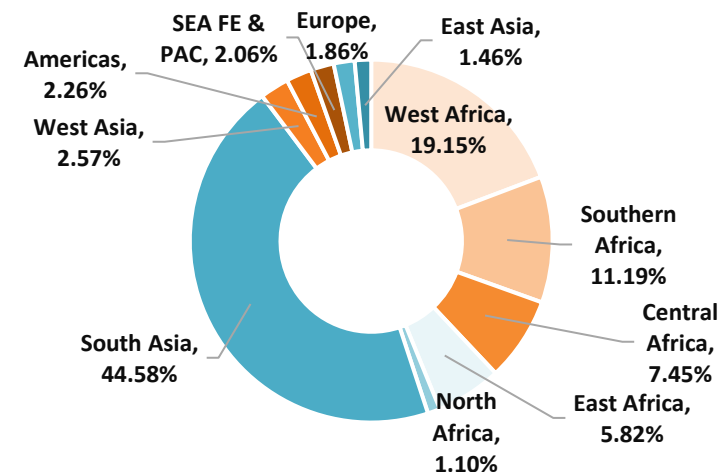
Risk Exposure ⁽¹⁾



Non-Funded Portfolio ⁽¹⁾



Country Exposure ⁽¹⁾⁽²⁾⁽³⁾



Export Capability Creation

Term Loans

Working Capital

Export Product
Development

Export
Facilitation

Overseas
Investment
Finance

Import Finance

Guarantees and
L/Cs



APPROVALS AND EQUITY INVESTMENTS

- The Bank, has so far approved Credit Facilities to **24 companies**, aggregating **₹4.28 bn (fund and non-fund based)** across various sectors including aerospace & defence, auto & auto components, pharmaceuticals, engineering, electronics, leather goods, consumer durable, plastic products, and printing and publishing, among others.
- Supported **two companies with equity investments**



COLLABORATIONS

- Co-financing: Debt funding through co-financing with other Banks/FIs.
- Collaboration and ongoing engagements with industry and academia, including various incubation centers in the country's leading technology and management institutes, such as IITs and IIMs.



UBHARTE SITAARE FUND

- Alternative Investment Fund, christened **"Ubharte Sitaare Fund"**, launched by Hon'ble Finance Minister in FY 2022.
- Total Commitment in the Funds: ₹ 2.95 bn (as on September 30, 2022)
- Corpus of the Ubharte Sitaare Fund of ₹ 2.5 bn with Green-shoe option of ₹ 2.5 bn.

Objective

Identify and nurture firms with differentiated product, technology, or processes





*Sedemac Mechatronics offers **unique solutions focused around small power trains**, enabling transmission control and motor control technology in automotive and off-highway segments.*



*Atomberg Technologies **manufactures smart and energy-efficient home appliances** like ceiling fans, mixer grinder powered by the Brushless Direct Current motor.*



*Tonbo Imaging India (Tonbo) **designs, builds, and deploys advanced imaging and sensor systems.***



Banyan Nation is a **manufacturer of 'near virgin quality' recycled plastic granules** for consumer product packaging.



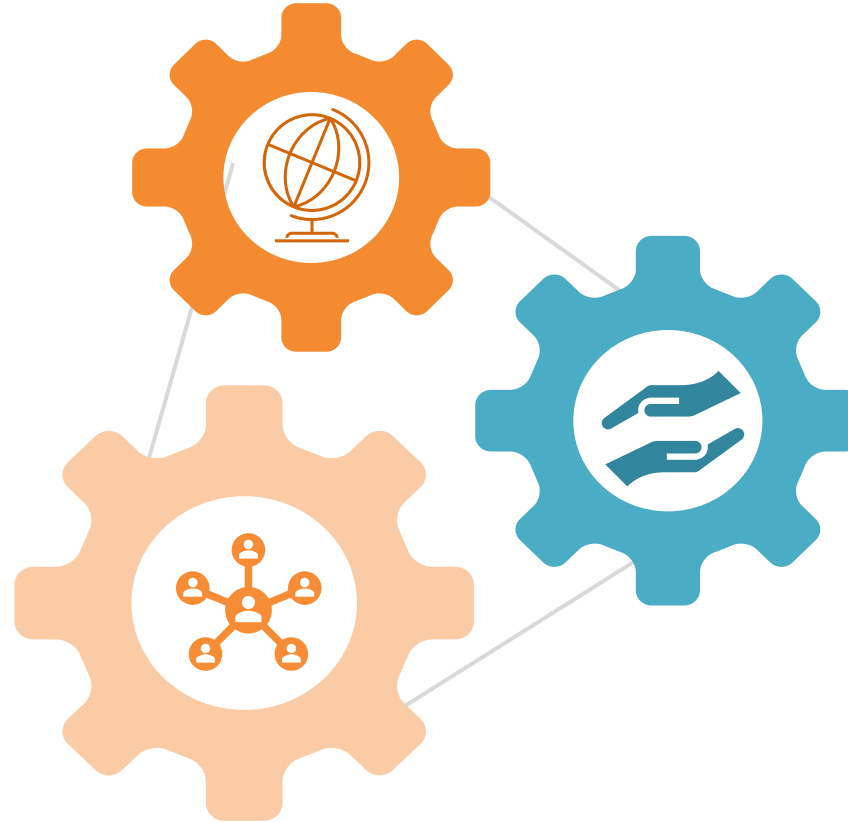
ideaForge Technology, is one of the largest **manufacturer of UAVs (drones) for security, surveillance & industrial applications** with over 90% market share in India.



Ecozen promotes **sustainable agriculture and storage solutions** through using solar energy-based products that are energy efficient and cost effective.

Objective

- Increase confidence of counterparties in settlement of trade transactions;
- Incremental exports by accessing identified untapped/challenging markets;
- Provide market entry mechanism, while enhancing the geographical coverage for exporters, including MSMEs
- Risk coverage for challenging trade transactions; and
- Enable local banks in target countries in establishing working partnerships with large number of commercial banks in India.

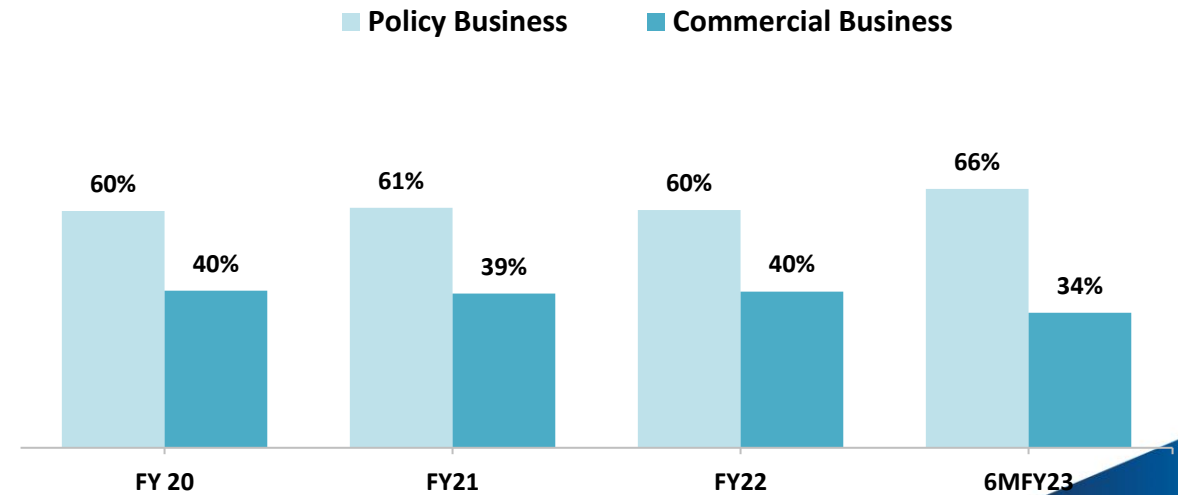
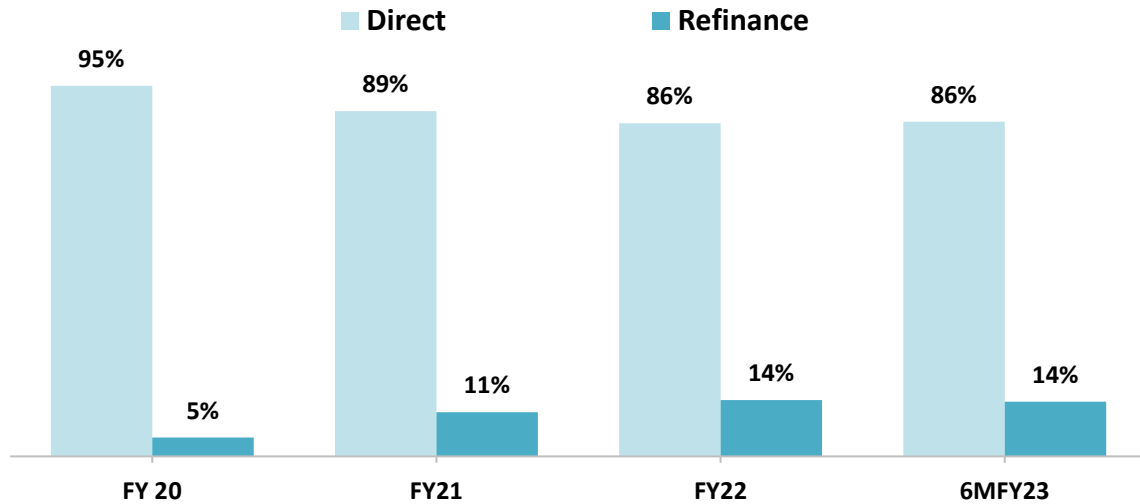
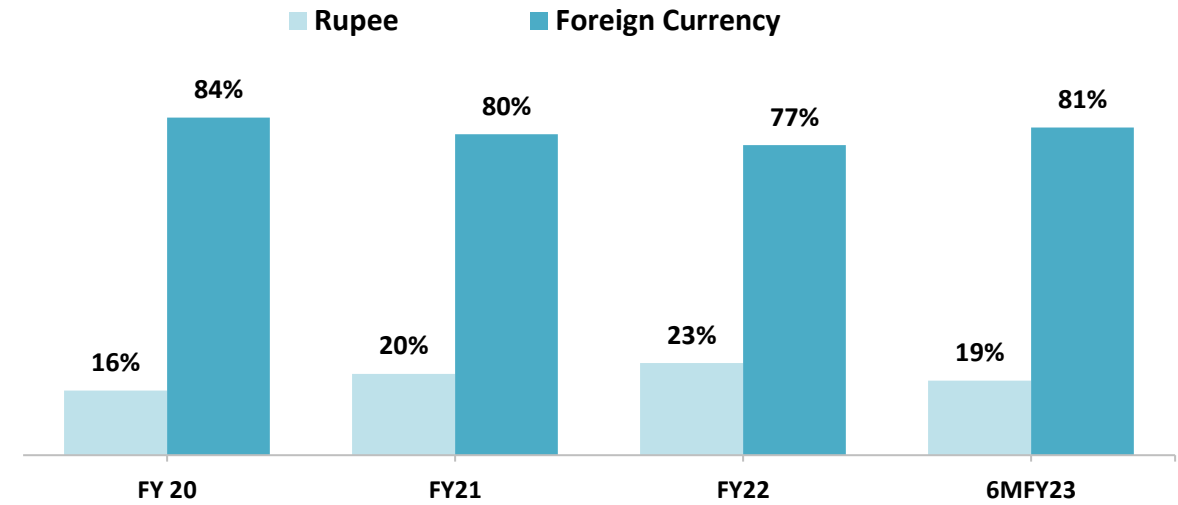
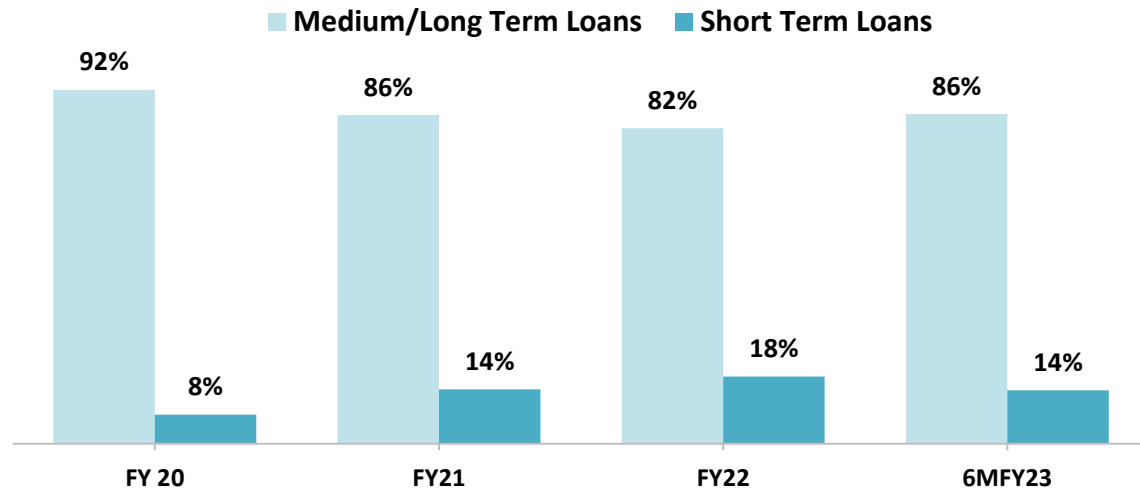


Offerings

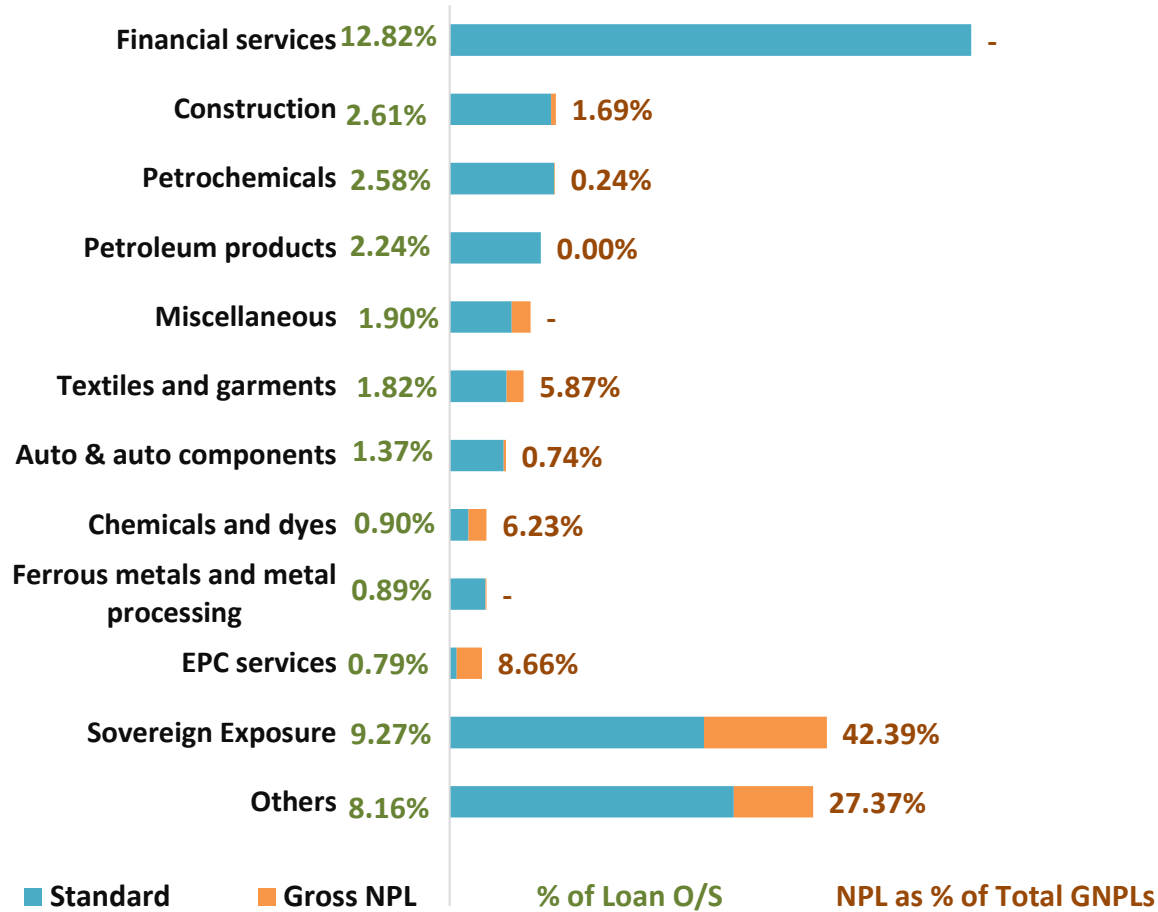
- The Bank is offering partial or full guarantees to cover payment risk on banks in the emerging markets, and at the same time also facilitates Indian banks in meeting their commitment by arranging fronting of their guarantees to encourage participation of Indian contractors to win/execute project in the overseas market.
- The various credit mechanisms offered under TAP are:
 - i. Supporting Trade Finance Instruments
 - ii. Irrevocable Reimbursement Undertaking (IRU)
 - iii. Fronting of Guarantees
 - iv. Risk Participation

Established limits on 35 overseas banks in 11 countries, aggregating USD 247 mn. As on date, the Bank has supported 49 transactions aggregating USD 33.52 mn (~ ₹ 2.76 bn).

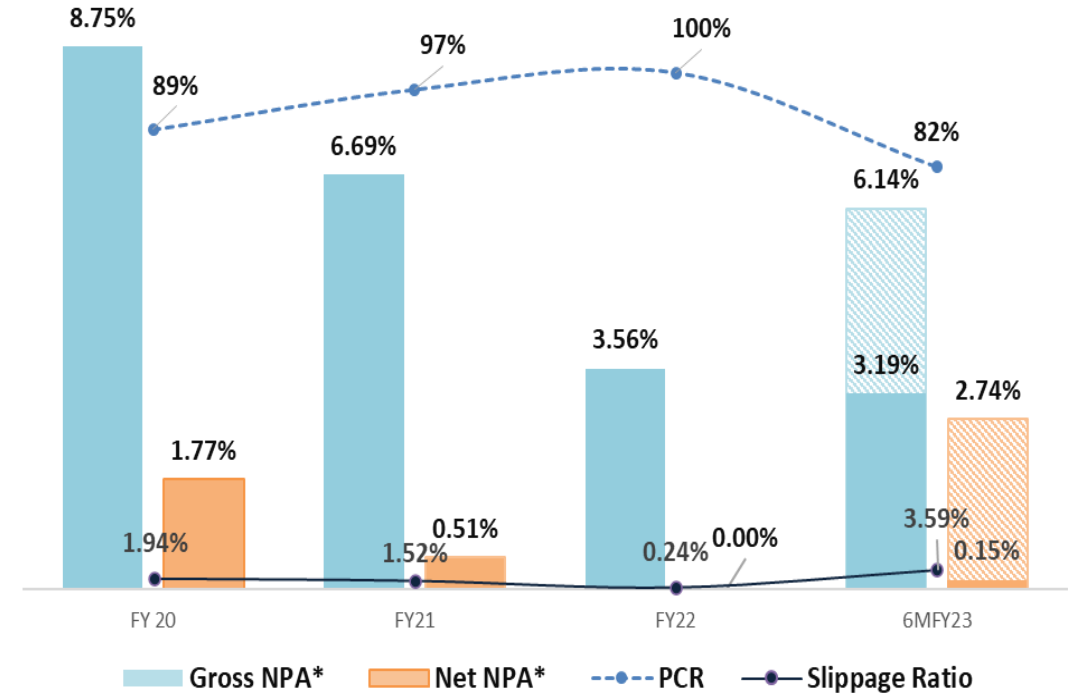
Composition of Loan Portfolio



Gross Loans outstanding⁽¹⁾⁽²⁾⁽³⁾



NPA Ratios⁽²⁾⁽⁵⁾



Current credit watchlist of ₹ 79.28 bn ⁽²⁾⁽⁴⁾

Note: (1) Excludes advances under Lines of Credit, CFS and staff loans which cannot be classified under any particular sector; NPA in sovereign exposure is on account of slippages in exposure to the Governments of Zambia, Suriname, and Sri Lanka (2) As on September 30, 2022; (3) Others includes industries with exposure less than 0.75% of the Gross Loan Outstanding. (4) Credit watchlist is categorised in 3 lists based on High (A), Medium (B) and Low (C) probability of slippage, which nearly 6.1% of the gross loans as on September 30, 2022. (5) * shaded GNPA and NPA include BCNEIA NPAs which are fully covered by GOI's National Export Insurance Account and where claims have already been lodged.

RBI– Regulatory Package

- RBI in March 2020 and May 2020 issued guidelines to lending institutions, for certain regulatory measures to mitigate the burden of debt servicing of the existing borrowers, brought about by disruptions on account of the COVID-19 pandemic. Exim Bank offered the COVID-19 Regulatory Package announced by RBI for its entire eligible Commercial Loan Portfolio. Several borrowers of the Bank sought deferment of principal and interest instalments, falling due between March 01, 2020, to August 31, 2020. The moratorium period ended on August 31, 2020.
- RBI, in August 2020, introduced One Time Restructuring (OTR) resolution framework for the borrowers facing stress on account of COVID-19. A total of 10 borrowers with aggregate outstanding of ₹ 7.65 bn requested Exim Bank for resolution under the OTR framework. The Bank has successfully implemented OTR for 9 borrower accounts, out of which 1 borrower failed to meet the OTR terms in QE June 2022. Hence, aggregate outstanding for remaining 8 borrowers under OTR is ₹ 7.56 bn as on September 30, 2022.
- Exim Bank's support to its clients under ECLGS is as under:

(Amount in ₹ mn)

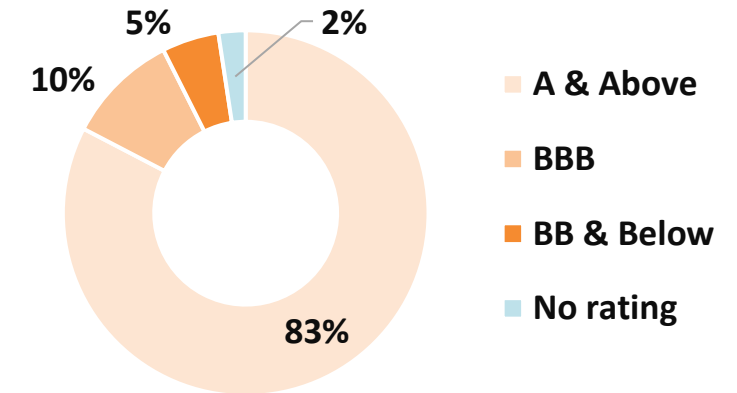
Scheme*	Outstanding as on September 30, 2022**	Loans sanctioned during FY 2022 and 6M FY2022-23
ECLGS 1.0	182.0	77.1
ECLGS 2.0	1,252.0	482.8
ECLGS 3.0	-	220.0
Total	1,434.0	779.9

*Emergency Credit Line Guarantee Scheme (ECLGS) is a relief measure introduced by the GOI to aid the Micro, Small and Medium Enterprises (MSMEs) sector in view of the economic distress caused by the COVID-19 pandemic. During the year, there were no exposures under the ECLGS 4.0 scheme; ** includes Loans sanctioned during the previous years.

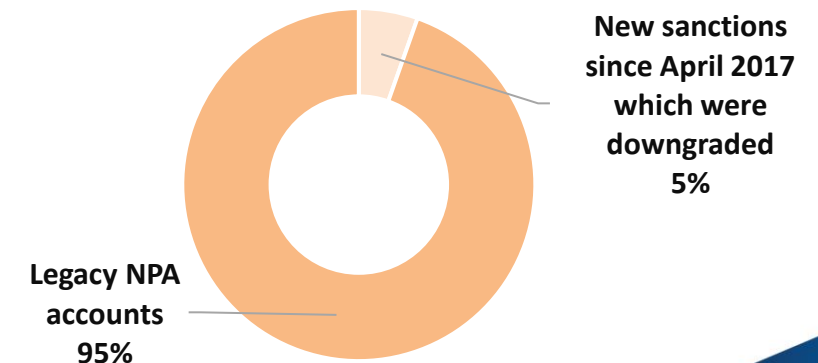
PA: Performing assets

Quality of Commercial Portfolio ⁽¹⁾⁽²⁾

Out of total PA exposure 83% are rated A and above

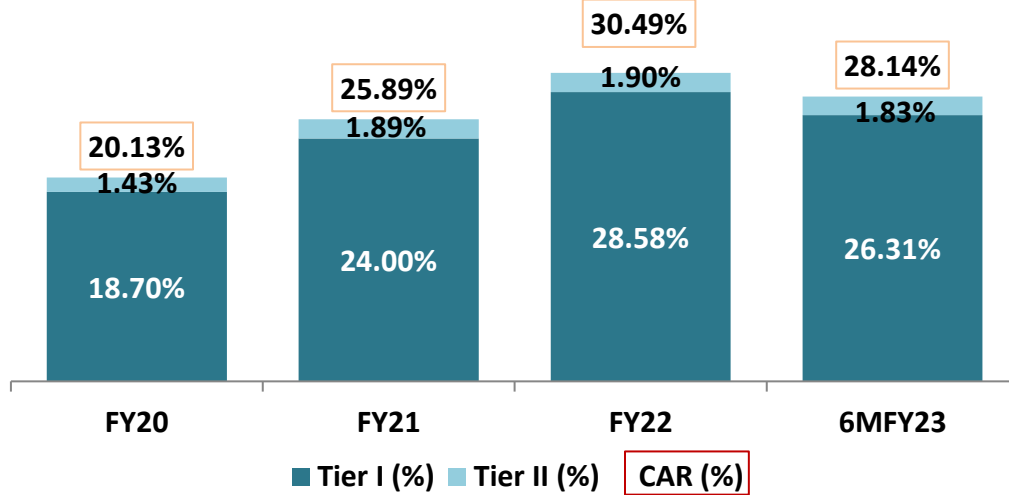


Legacy NPAs and NPAs post April 01, 2017

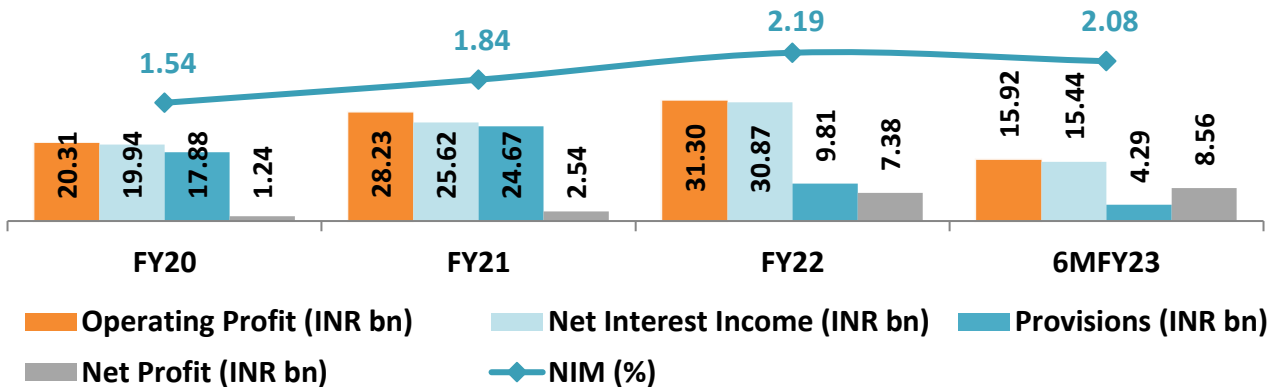


(1) As on September 30, 2022; (2) Excluding refinance to banks

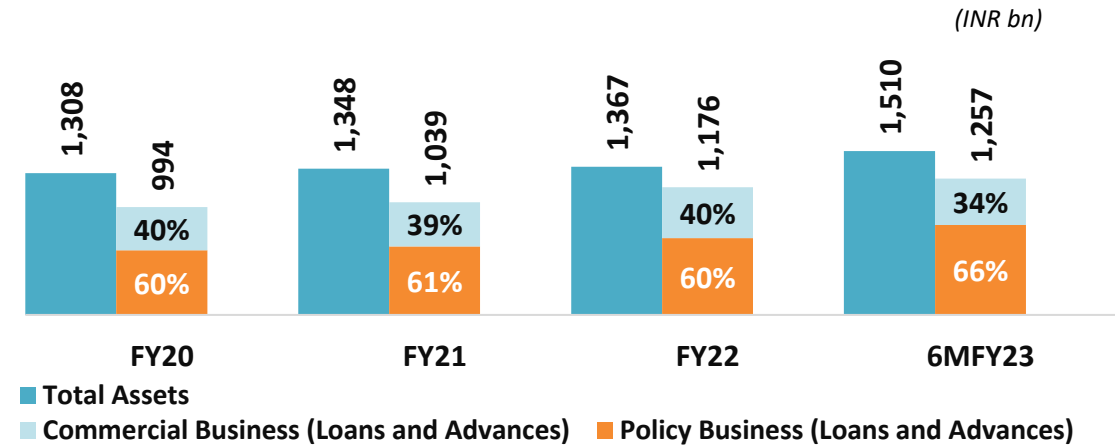
Capital Strength⁽¹⁾



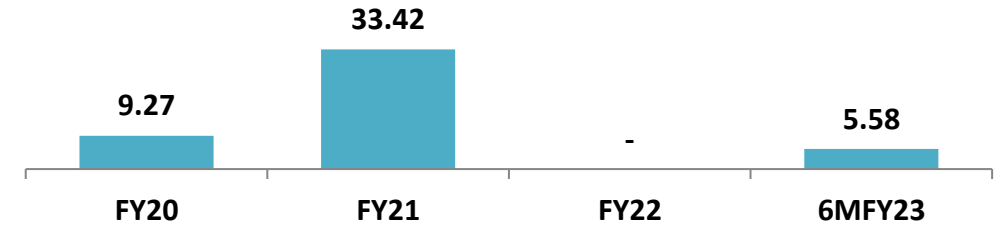
Profitability



Total Assets, Loans and Advances⁽²⁾

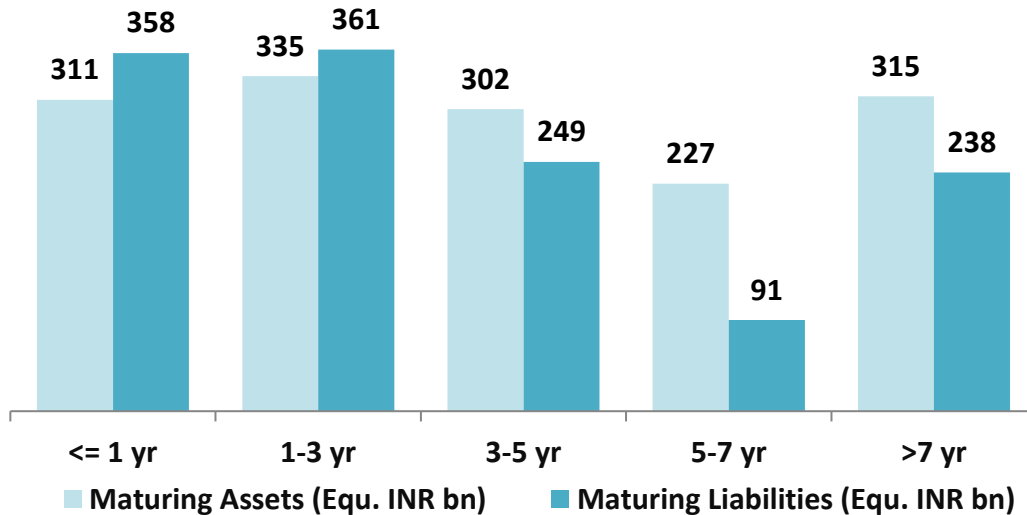


Solvency Ratio

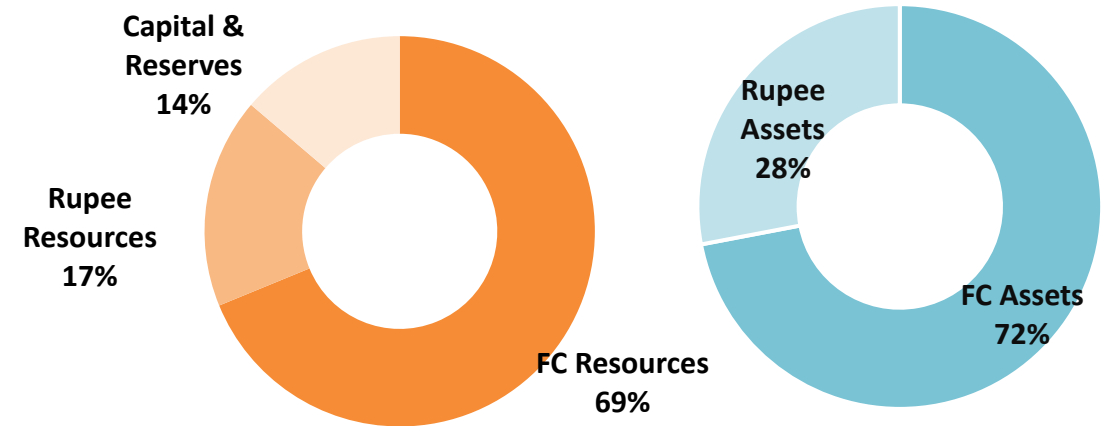


(1) Adjusted CRAR as on September 30, 2022, is at 18.82% after assuming 50% risk weight on GOI guaranteed portfolio. (2) Includes loans and advances to industrial concerns, scheduled banks, foreign governments and other financial institutions and bills of exchange and promissory notes discounted / rediscounted. Amounts stated are net of provisions for non-performing assets (NPAs).; Solvency ratio for FY22 is not applicable because net NPA is nil

Foreign Currency Asset Liability Gaps ^[1]



Total Resources / Total Earning Assets ^[1]



- ✓ Fully hedged position on currency and basis risk. Both Assets and Liabilities on benchmark rate basis.
- ✓ Exim Bank's quasi sovereign status enables issuance at benchmark rates.
- ✓ Liability Management – Replaced existing USD 700 mn resulting in cost reduction and tenor elongation by ~2 years.
- ✓ Debut 10-year 144A issuance in July 2016, the second 10-year 144A issuance in January 2018, the third 10-year 144A issuance in January 2020 and fourth 10-year 144A issuance in January 2021 for USD 1 bn each under GMTN Program.
- ✓ Regular issuer in the International debt markets with 33 issuances since 2004 under the MTN including 4 Uridashi and 4 144A issuances. 5 Samurai issuances since February 2006 including the 2 tranches issued in September 2019.
- ✓ Issuances across currencies including USD, AUD, CHF, CNH, HKD, JPY, MXN, SGD, TRY and ZAR

Procedure for Social and Environment
Management System 2009

ESG Policy set up in 2016

Set up ESG Framework and strengthened
ESG Policy in FY 2022

ESG Framework

- During FY 2022, the Bank set up an **ESG Framework** to facilitate issuance of Green, Social or Sustainable Bonds / Loans.
- **Second Party Opinion (SPO)** Provider – Sustainalytics confirmed the **Framework is 'Credible and Impactful'**; and the Bank is well-positioned to address common environmental and social risks associated with projects.
- Framework aligned with ICMA / LMA Principles - Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP), Green Loan Principles 2021 (GLP), and Social Loan Principles 2021 (SLP).

Eligibility criteria in 6 green and 4 social areas



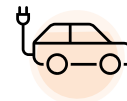
Renewable
Energy



Sustainable
Water and
Wastewater
Management



Pollution
Prevention and
Control



Clean
Transportation



Green Buildings



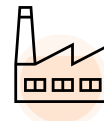
Energy Efficiency



Access to
Essential
Services and
Basic
Infrastructure



Food Security
and Sustainable
Food Systems



MSME Financing



Affordable
Housing

Procedure for Social and Environment
Management System 2009

ESG Policy set up in 2016

Set up ESG Framework and strengthened
ESG Policy in FY 2022

ESG Policy

- During FY 2022, the Bank strengthened its Board-approved **ESG Policy – ‘Environment, Social and Governance Policy of the Bank for Sustainable Development / Responsible Financing’**.
- Revised ESG Policy is broad-based with a wider coverage. The Policy integrates the Bank’s credit appraisal process with an ESG risk assessment.

Sustainable Finance Committee

- The Bank has set up a Sustainable Financing Committee (SFC), with members representing the Bank’s operating, compliance, and legal groups.
- Role of SFC
 - Screen every proposal and categorise into High, Moderate and Low risk.
 - Decide the eligibility of projects under the Framework and to conduct an annual review of such projects.



Dammu Ravi

Secretary (Economic Relations), Ministry of External Affairs



R Subramanian

Executive Director, Reserve Bank of India



Matam Venkata Rao

Managing Director and CEO, Central Bank of India



Rupa Dutta

Principal Adviser, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry



M. Senthilnathan

Chairman-cum- Managing Director, ECGC Ltd.



Ashok Kumar Gupta

Tax Consultant



Rajat Kumar Mishra

Additional Secretary (Multilateral and Bilateral Cooperation), Department of Economic Affairs, Ministry of Finance



Dinesh Khara

Chairman, State Bank of India



Harsha Bangari

Managing Director



Suchindra Misra

Additional Secretary, Department of Financial Services, Ministry of Finance



Rakesh Sharma

Managing Director and CEO, IDBI Bank



N. Ramesh

Deputy Managing Director



Vipul Bansal

Joint Secretary, Department of Commerce, Ministry of Commerce and Industry



A S Rajeev

Managing Director and CEO, Bank of Maharashtra

Directors representing Ministries of Finance, Commerce and External Affairs

Director representing regulator - RBI

Director representing India's Export Credit Insurance Company

Directors representing major Indian Public Sector Banks

Expert representing Trade and Industry

Whole Time Directors



Appendix

Balance Sheet

<i>(Figures in INR mn)</i>	FY20	FY21	FY22	6MFY23
Cash and Bank Balance	128,791	144,923	32,734	41,724
Investments	108,371	100,172	109,025	142,792
Loans and Advances ⁽¹⁾	994,465	1,038,513	1,176,192	1,256,777
Fixed Assets	3,729	3,959	3,689	3,550
Other Assets	73,051	60,449	45,775	64,799
Total Assets	1,308,407	1,348,016	1,367,415	1,509,642
Paid up Capital & Reserves ⁽²⁾	162,851	178,137	192,276	192,276
Deposits	2,348	2,052	1,775	1,622
Notes, Bonds and Debentures	906,281	965,345	911,446	897,716
Borrowings	143,067	128,773	161,554	278,822
Profit and Loss Account	124	254	738	8,555
Other Liabilities & Provisions	93,736	73,455	99,626	130,651
Total Liabilities	1,308,407	1,348,016	1,367,415	1,509,642

Note: (1) Includes loans and advances to industrial concerns, scheduled banks, foreign governments and other financial institutions and bills of exchange and promissory notes discounted / rediscounted. Amounts stated are net of provisions for non-performing assets (NPAs); (2) Includes paid-up capital and reserves.

Profit and Loss Summary

<i>(Figures in INR mn)</i>	FY20	FY21	FY22	6MFY23
Interest Earned	82,464	79,798	79,764	45,278
Interest Expended	62,520	54,182	48,891	29,843
Net Interest Income	19,944	25,616	30,873	15,435
Non-Interest Income	4,067	5,966	3,871	2,416
Non-Interest Expense	3,698	3,348	3,439	1,930
Net Non-Interest Income	369	2,618	432	486
Operating Profit	20,313	28,234	31,305	15,921
Provisions and Contingencies	17,876	24,672	9,807	4,293
Profit / (Loss) Before Tax (PBT)	2,437	3,562	21,498	11,628
Tax (Net of Deferred Tax)	1,199	1,023	14,121	3,072
Profit / (Loss) after Tax (PAT)	1,238	2,539	7,377	8,556

Key Ratios

	FY20	FY21	FY22	6MFY23
Net Interest Margin	1.54%	1.84%	2.19%	2.08%
Gross NPA	8.75%	6.69%	3.56%	6.14%
Net NPA	1.77%	0.51%	-	2.74%
ROAA	0.10%	0.19%	0.54%	1.19%
ROAE	0.94%	1.70%	4.75%	10.76%
CRAR	20.13%	25.89%	30.49%	28.14%
Core CRAR	18.70%	24.00%	28.58%	26.31%
Slippage Ratio	1.94%	1.52%	0.24%	3.59%
Credit Cost	1.70%	2.27%	0.84%	0.68%
Provision Coverage Ratio	89%	97%	100%	81.78%

Exim's Loan Accounts under Exposure to NCLT ⁽²⁾

₹ bn

	Outstanding Amount	Provision (%)	Net Book Value	Expected Recovery
(A) Exim Loans admitted/referred	23.46	100%	-	12.60
(B) Guarantors for Exim Loans ^[1]	2.66	100%	-	0.00
Total	26.12	100%	-	12.60

Non-Performing Assets

Lending Programme	% of Total NPAs	% of Gross Loans
Export Finance*	64.51	3.96
Term Loan to Exporters**	19.18	1.18
Overseas Investment Finance	12.71	0.78
Import Finance	3.58	0.22
Export Facilitation	0.02	0.00
Total	100	6.14

Note: # National Company Law Tribunal

(1) As on September 30, 2022; [2] Corporate under NCLT which are Guarantor to the Loans extended by Exim Bank.

* includes Buyer's Credit, Deemed exports, EPCDF and PPSC etc.

** includes Export Oriented Units (EOUs)



THANK YOU



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