

July 02, 2024

Export-Import Bank of India: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term bonds programme	23,273.1	23,273.1	[ICRA]AAA (Stable); reaffirmed
Long-term bonds programme	7,425.5	-	[ICRA]AAA (Stable); reaffirmed and withdrawn
Long-term bonds programme	-	7,816.9	[ICRA]AAA (Stable); assigned
Short-term debt programme	27,912.17 [#]	31,047.57 [#]	[ICRA]A1+; reaffirmed/assigned
Certificates of deposit programme	27,912.17 [#]	31,047.57 [#]	Interchangeable rating of [ICRA]AAA(Stable)/[ICRA]A1+; reaffirmed /assigned
Long-term fund-based bank lines	6,000.00	20,000.00	[ICRA]AAA (Stable); reaffirmed/assigned
Basel III – Tier-I bonds	600.00	600.00	[ICRA]AA+ (Stable); reaffirmed
Fixed deposits programme	-	-	[ICRA]AAA (Stable); reaffirmed
Total	65,210.77	82,737.57	

*Instrument details are provided in Annexure I

[#] The total umbrella limit for certificates of deposit (CD) and short-term debt (STD) has been enhanced to Rs. 31,047.57 crore from Rs. 27,912.17 crore

Rationale

The ratings continue to derive strength from Export-Import Bank of India's (EXIM) sovereign ownership, its strategic importance to the Government of India (GoI) as a key policy institution for promoting the trade competitiveness of Indian entities in international markets, the GoI's support in the form of periodic capital infusions (Rs. 9,050 crore infused during FY2018-2022) and the bank's superior liquidity profile. The ratings derive further comfort from EXIM's relatively risk-free book under lines of credit (LoC) and, the Concessional Financing Scheme (CFS), which is categorised as policy lending programmes, which accounted for 44% of its net advances as on March 31, 2024. Further, the sovereign exposure under the National Export Insurance Account (NEIA) accounted for 4% of its net advances. ICRA notes that the bank's quasi-sovereign status supports its ability to raise both onshore and offshore funding at competitive rates.

As growth picked up in the commercial business, the leverage¹ increased to 7.47 times on March 31, 2024 (6.90 times on March 31, 2023) and is expected to continue rising in the near to medium term. Nonetheless, it remains well below the regulatory threshold of 10 times the net owned funds (NoF). With the implementation of the Basel III framework from April 1, 2024, the borrowing limit of 10 times is replaced by a Leverage Ratio of 4% (minimum). The capitalisation metrics remain comfortable, supported by the low risk-weighted assets (RWA) in the policy and refinance businesses. EXIM reported minimal slippages in FY2024 and the fresh non-performing assets (NPA) generation rate in recent years, aiding to improve the headline asset quality indicators. Further, the bank's watchlist moderated to Rs. 3,620 crore (2.26% of gross advances) as on March 31, 2024 from Rs. 4,690 crore (3.37% of gross advances) as on March 31, 2023. Given the high share of policy business, the return on assets (RoA) remained modest, although it has been improving steadily.

The Stable outlook on the ratings indicates ICRA's expectation that EXIM will keep benefitting from its sovereign ownership, regular capital infusions by the GoI as demonstrated in the past, and its strategic importance to the GoI as a key policy institution for promoting the trade competitiveness of Indian entities in international markets.

¹ Total borrowings/NoF as on March 31, 2024 (8.31 times if calculated as total borrowing/ Opening NoF as on April 1, 2023); Under Basel III, the Leverage Ratio is calculated as Capital Measure (Tier I capital) divided by Exposure Measure (on-balance sheet exposure, off balance sheet exposure after applying the conversion factors and the derivative exposure).

ICRA has withdrawn the rating assigned to the Rs. 7,425.50-crore long-term bonds as they have matured/or have been redeemed. The rating was 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 (fully 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 is strategically important to the GoI.

Major share of policy business – The bank's policy business includes advances sanctioned under LoCs, CFS, and other advances undertaken at the behest of the GoI. The policy business growth is driven by proposals/projects as approved by the GoI, which has remained subdued in FY2024 and constituted 44% of EXIM's net advances as on March 31, 2024 (48% on March 31, 2023; 49% on March 31, 2022). These segments are almost entirely covered by credit guarantees from the GoI, thereby does not attract any credit risk weights on this portfolio. Sovereign exposure under BC-NEIA programme, remained marginally lower at 4%, of net advances as on March 31, 2024, which are covered by comprehensive risks cover under the NEIA. Further, the counterparties in the refinance portfolio are well-rated large domestic banks or Indian branches of foreign banks, reducing the credit risk in this segment for EXIM. Though the LoC, buyer's credit-NEIA (BC-NEIA) and refinance businesses are relatively less risky, their profit margins are low, which impacts the bank's operating profitability. However, this will be offset by lower credit risk and credit provisions.

Capitalisation profile remains comfortable – The GoI has provided capital aid to EXIM, which supports its capitalisation profile, apart from the recent improvement in internal capital generation. With a capital-to-risk weighted assets ratio (CRAR) of 21.18% as on March 31, 2024 (25.43% on March 31, 2023), the bank's capitalisation profile remains comfortable to absorb any asset quality shocks or support its growth ambitions. Further, the Basel III guidelines, leverage ratio of minimum 4% will provide headroom to EXIM to pursue the scaling up of its loan book. Despite the relative increase in the recent past and the significantly higher permissible limits, the bank's leverage (7.47² times as on March 31, 2024) is unlikely to rise rapidly.

Diversified funding profile with access to domestic and foreign wholesale markets – EXIM has demonstrated its flexibility in raising funds from the domestic and foreign markets and for providing a hedge against foreign currency assets and interest rate fluctuations. The share of foreign currency advances stood at 69% of total advances as on March 31, 2024 (74% as on March 31, 2023). With a large share of foreign currency assets, foreign currency resources also accounted for most of the bank's resources at ~70% as on March 31, 2024. Given its quasi-sovereign status, EXIM has the ability to mobilise funds at competitive rates from domestic as well as international markets.

Credit challenges

Watchlist remains monitorable despite considerable reduction in slippages – EXIM's fresh slippages declined to Rs. 200 crore in FY2024 (0.15% of opening standard advances) after spiking to Rs. 7,670 crore or 6.52% of the standard advances in FY2023 (Rs. 509 crore or 0.49% in FY2022). Since slippages in recent years mainly comprised exposures in the BC-NEIA business, the recoverability of the same remained strong. Accordingly, the bank witnessed recoveries and upgrades amounting to Rs. 2,228 crore in FY2024 (Rs. 5,503 crore in FY2023). Further, the residual gross NPA (GNPA) stock comprises a sizeable share of policy business exposures that are in the recovery process, with the same expected to be collected in FY2025. Given the high

² Total borrowings/NoF as on March 31, 2024 (8.31 times if calculated as total borrowing/ Opening NOF)

recoveries, the headline metrics improved with the GNPA and net NPA (NNPA) ratios declining to 1.94% and 0.29%, respectively, as on March 31, 2024 from 4.09% and 0.73%, respectively, as on March 31, 2023.

The watchlist declared by EXIM moderated to Rs. 3,620 crore (2.26% of gross advances) as on March 31, 2024 from Rs. 4,690 crore (3.37%) as on March 31, 2023. Going forward, the ability to contain slippages and ensure high recoverability from the watchlist will remain a monitorable. While the share of policy business (which has minimal loss-given default) is high, sizeable slippages from this segment may lead to a deterioration in the headline asset quality metrics.

Despite improvement in earnings, profitability levels remain moderate – The net interest margin (NIM) stood at 2.06% in FY2024 (2.32% in FY2023 and 2.27% in FY2022), given the gradual increase in the blended cost of funds and the higher leverage, which impacted the margins. The recoverability from the slippages in the policy business kept the credit costs in check at 0.23% of average total assets (ATA) in FY2024 (1.01% in FY2023 and 0.72% in FY2022). Further, lower tax expenses led to an improvement in the RoA to 1.43% in FY2024 (1.04% in FY2023; 0.54% in FY2022). Going forward, the return metrics are likely to stay range-bound with a slight moderation due to the expected NIM compression and will remain subject to the bank's ability to maintain satisfactory asset quality and contain the credit costs.

Liquidity position: Superior

EXIM has a well-matched asset-liability profile with positive cumulative mismatches across major buckets and manageable negative gaps in the less than 1-year bucket in domestic as well as foreign currency. Also, owing to its quasi-sovereign status, EXIM can raise borrowings in 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 downgrade the ratings if there is a dilution in the role of EXIM 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 bonds.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Banks and Financial Institutions Rating Approach – Implicit Parent or Group Support ICRA's Policy on Withdrawal of Credit Ratings
Parent/Group support	The ratings factor in EXIM's sovereign ownership and its role as a public policy institution for the development of India's international trade. 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 promote the country's international trade.

Key financial indicators (standalone)

	FY2023	FY2024
Total operating income*	3,514	4,171
Profit after tax	1,556	2,519
Total assets (Rs. lakh crore)	1.61	1.92
Return on average total assets	1.04%	1.43%
Return on average net worth	7.76%	11.47%
CET I	23.68%	19.56%
CRAR	25.43%	21.18%
Gross NPA	4.09%	1.94%
Net NPA	0.73%	0.29%

Source: EXIM & ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore unless mentioned otherwise

*Total operating income = Net interest income + Other income - Trading gains (losses) if any

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Name of Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years					
			Rated Amount (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023			Date & Rating in FY2022	
				Jul-02-2024	Jul-05-2023	Sep-02-2022	Jul-21-2022	May-17-2022	Dec-24-2021	Aug-10-2021
1	Long-term bonds programme	Long term	23,273.10	[ICRA]AAA (Stable)	[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	7,425.50	[ICRA]AAA (Stable); Withdrawn	[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	7,816.9	[ICRA]AAA (Stable)	-	-	-	-	-	-
4	Short-term debt programme	Short term	31,047.57	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Certificates of deposit programme	Long term / Short term	31,047.57	[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+	[ICRA]AAA (Stable) / [ICRA]A1+
6	Long-term fund-based bank lines	Long term	20,000.00	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
7	Basel III additional Tier-I bonds	Long term	600.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
8	Fixed deposits programme	Long term	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)

Source: ICRA Research

Total limit rated for long-term/short-term certificates of deposit, commercial paper and short-term debt together is Rs. 31,047.57 crore and the amount outstanding would not exceed the said limit

^ Certificates of deposit and commercial paper outstanding as on June 30, 2024

*Balance yet to be placed – Bonds of Rs. 10,000.00 crore and AT-I bonds of Rs. 600 crore

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term bonds	Very Simple
Basel III Tier-I bonds	Highly Complex
Short-term debt programme	Very Simple
Certificates of deposit programme	Very Simple
Long-term fund-based 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: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE514E08CQ1	Long-term bonds	July 8, 2013	8.50%	July 8, 2023	420.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08CR9	Long-term bonds	July 10, 2013	8.50%	July 10, 2023	500.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08CT5	Long-term bonds	August 14, 2013	9.40%	August 14, 2023	295.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08CU3	Long-term bonds	September 16, 2013	9.45%	September 16, 2023	269.50	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08CY5	Long-term bonds	October 8, 2013	9.58%	October 4, 2023	405.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DGO	Long-term bonds	December 3, 2013	9.50%	December 3, 2023	245.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DH8	Long-term bonds	December 16, 2013	9.58%	December 16, 2023	127.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DJ4	Long-term bonds	December 17, 2013	9.62%	December 17, 2023	170.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DK2	Long-term bonds	January 10, 2014	9.57%	January 10, 2024	311.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DM8	Long-term bonds	February 7, 2014	9.60%	February 7, 2024	255.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DO4	Long-term bonds	February 26, 2014	9.65%	February 26, 2024	1,000.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DP1	Long-term bonds	April 4, 2014	9.65%	April 4, 2024	348.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08DS5	Long-term bonds	May 29, 2014	9.25%	May 29, 2024	270.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08CHO	Long-term bonds	March 13, 2013	8.87%	March 13, 2025	100.00	[ICRA]AAA (Stable)
INE514E08ED5	Long-term bonds	October 30, 2014	8.87%	October 30, 2029	350.00	[ICRA]AAA (Stable)
INE514E08EE3	Long-term bonds	November 3, 2014	8.83%	November 3, 2029	250.00	[ICRA]AAA (Stable)
INE514E08EJ2	Long-term bonds	January 21, 2015	8.15%	January 21, 2030	465.00	[ICRA]AAA (Stable)
INE514E08EK0	Long-term bonds	February 3, 2015	8.11%	February 3, 2025	155.00	[ICRA]AAA (Stable)
INE514E08EL8	Long-term bonds	March 5, 2015	8.15%	March 5, 2025	250.00	[ICRA]AAA (Stable)
INE514E08EO2	Long-term bonds	July 24, 2015	8.38%	July 24, 2025	320.00	[ICRA]AAA (Stable)
INE514E08EP9	Long-term bonds	September 28, 2015	8.25%	September 28, 2025	250.00	[ICRA]AAA (Stable)
INE514E08EQ7	Long-term bonds	October 29, 2015	8.02%	October 29, 2025	325.00	[ICRA]AAA (Stable)
INE514E08ES3	Long-term bonds	November 19, 2015	8.10%	November 19, 2025	225.00	[ICRA]AAA (Stable)
INE514E08EU9	Long-term bonds	December 7, 2015	8.18%	December 7, 2025	700.00	[ICRA]AAA (Stable)
INE514E08FB6	Long-term bonds	April 20, 2016	8.02%	April 20, 2026	350.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE514E08FC4	Long-term bonds	April 25, 2016	8.12%	April 25, 2031	400.00	[ICRA]AAA (Stable)
INE514E08FE0	Long-term bonds	June 23, 2016	8.25%	June 23, 2031	240.00	[ICRA]AAA (Stable)
INE514E08FF7	Long-term bonds	July 11, 2016	8.11%	July 11, 2031	475.00	[ICRA]AAA (Stable)
INE514E08FG5	Long-term bonds	September 1, 2016	7.62%	September 1, 2026	675.00	[ICRA]AAA (Stable)
INE514E08FH3	Long-term bonds	November 25, 2016	7.02%	November 25, 2031	350.00	[ICRA]AAA (Stable)
INE514E08FJ9	Long-term bonds	February 1, 2017	7.25%	February 1, 2027	350.00	[ICRA]AAA (Stable)
INE514E08FN1	Long-term bonds	May 18, 2017	7.56%	May 18, 2027	325.00	[ICRA]AAA (Stable)
INE514E08FO9	Long-term bonds	May 26, 2017	7.74%	May 26, 2037	325.00	[ICRA]AAA (Stable)
INE514E08FP6	Long-term bonds	August 3, 2017	7.22%	August 3, 2027	650.00	[ICRA]AAA (Stable)
INE514E08FQ4	Long-term bonds	January 11, 2018	7.88%	January 11, 2033	350.00	[ICRA]AAA (Stable)
INE514E08FR2	Long-term bonds	January 17, 2018	7.92%	January 17, 2033	650.00	[ICRA]AAA (Stable)
INE514E08FS0	Long-term bonds	March 14, 2018	8.50%	March 14, 2033	820.00	[ICRA]AAA (Stable)
INE514E08FT8	Long-term bonds	February 18, 2020	6.35%	February 18, 2025	990.00	[ICRA]AAA (Stable)
INE514E08FU6	Long-term bonds	June 22, 2020	5.62%	June 20, 2025	740.00	[ICRA]AAA (Stable)
INE514E08FV4	Long-term bonds	September 14, 2020	5.85%	September 12, 2025	1,300.00	[ICRA]AAA (Stable)
INE514E08FW2	Long-term bonds	March 4, 2022	5.20%	March 4, 2025	1,230.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08FX0	Long-term bonds	March 29, 2022	5.40%	March 31, 2025	1,580.00	[ICRA]AAA (Stable) reaffirmed and withdrawn
INE514E08FY8	Long-term bonds	June 2, 2022	7.20%	June 5, 2025	1,630.00	[ICRA]AAA (Stable)
INE514E08FZ5	Long-term bonds	June 6, 2022	7.32%	June 8, 2026	1,080.00	[ICRA]AAA (Stable)
INE514E08GA6	Long-term bonds	August 10, 2022	7.10%	March 18, 2026	2,000.00	[ICRA]AAA (Stable)
INE514E08GB4	Long-term bonds	February 12, 2024	7.45%	April 12, 2028	2,000.00	[ICRA]AAA (Stable)
INE514E08GC2	Long-term bonds	March 11, 2024	7.40%	March 14, 2029	2,000.00	[ICRA]AAA (Stable)
NA	Long-term bonds	Yet to be issued	NA	NA	10,000.00	[ICRA]AAA (Stable)
INE514E14RM6	Commercial Paper	March 12, 2024	7.63%	March 10, 2025	1,525.00	[ICRA]A1+
INE514E14RR5	Commercial Paper	June 10, 2024	7.09%	September 09, 2024	2,500.00	[ICRA]A1+
INE514E14RT1	Commercial Paper	June 12, 2024	7.06%	July 12, 2024	2,300.00	[ICRA]A1+
INE514E14RS3	Commercial Paper	June 13, 2024	7.07%	September 12, 2024	2,500.00	[ICRA]A1+
INE514E14RU9	Commercial Paper	June 21, 2024	7.11%	September 20, 2024	2,500.00	[ICRA]A1+
INE514E14RV7	Commercial Paper	June 27, 2024	7.50%	December 06, 2024	2,500.00	[ICRA]A1+
INE514E14RW5	Commercial Paper	June 28, 2024	7.22%	July 26, 2024	2,375.00	[ICRA]A1+
INE514E16CH3	Certificates of deposit	March 22, 2024	7.62%	March 22, 2025	2,000.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	October 31, 2022	NA	October 31, 2025	2,000.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	June 21, 2023	NA	June 19, 2026	1,000.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	August 31, 2023	NA	August 31, 2026	1,700.00	[ICRA]AAA (Stable)

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term Fund based bank lines – Term Loan	December 07, 2023	NA	December 07, 2026	300.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	December 29, 2023	NA	December 29, 2028	1,500.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	March 22, 2024	NA	March 22, 2029	500.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	September 12, 2023	NA	March 12, 2025	2,000.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	September 25, 2023	NA	March 25, 2025	1,000.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	December 13, 2023	NA	June 13, 2025	1,000.00	[ICRA]AAA (Stable)
NA	Long Term Fund based bank lines – Term Loan	NA	NA	NA	9,000.00*	[ICRA]AAA (Stable)
NA	Basel III AT-I bond	Yet to be issued	NA	NA	600.00	[ICRA]AA+ (Stable)
NA	Certificates of deposit/Short-term deposits	Yet to be issued	NA	7 days – 3 years	12,847.57^	[ICRA]AAA (Stable) / [ICRA]A1+
NA	Commercial Paper	Yet to be issued	NA	1 days- 365 days	12,847.57^	[ICRA]A1+
NA	FD programme	NA	NA	NA	NA	[ICRA]AAA (Stable)

Source: EXIM; ^Total limit rated for long-term/short-term certificates of deposit, commercial paper and short-term debt together is Rs. 31,047.57 crore and the total amount outstanding would not exceed the said limit; * Not disbursed.

Key features of Basel III AT-I instruments

The rated Basel III 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 same. The cancellation of discretionary payments shall not be an event of default.
- Coupons can be paid out of the current year's profit. 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 created through the appropriation of profits (including statutory reserves). However, the coupon payment is subject to the bank meeting the minimum regulatory requirements for the CET I, Tier I and total capital ratios (including capital conservation buffer; CCB) at all times as prescribed by the Reserve Bank of India (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% of the total 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 to these compared to the rating for 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 5.03% of the RWAs as on March 31, 2024.

ICRA expects EXIM to remain profitable. Hence, the DRs shall only increase from this level in absolute amounts.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

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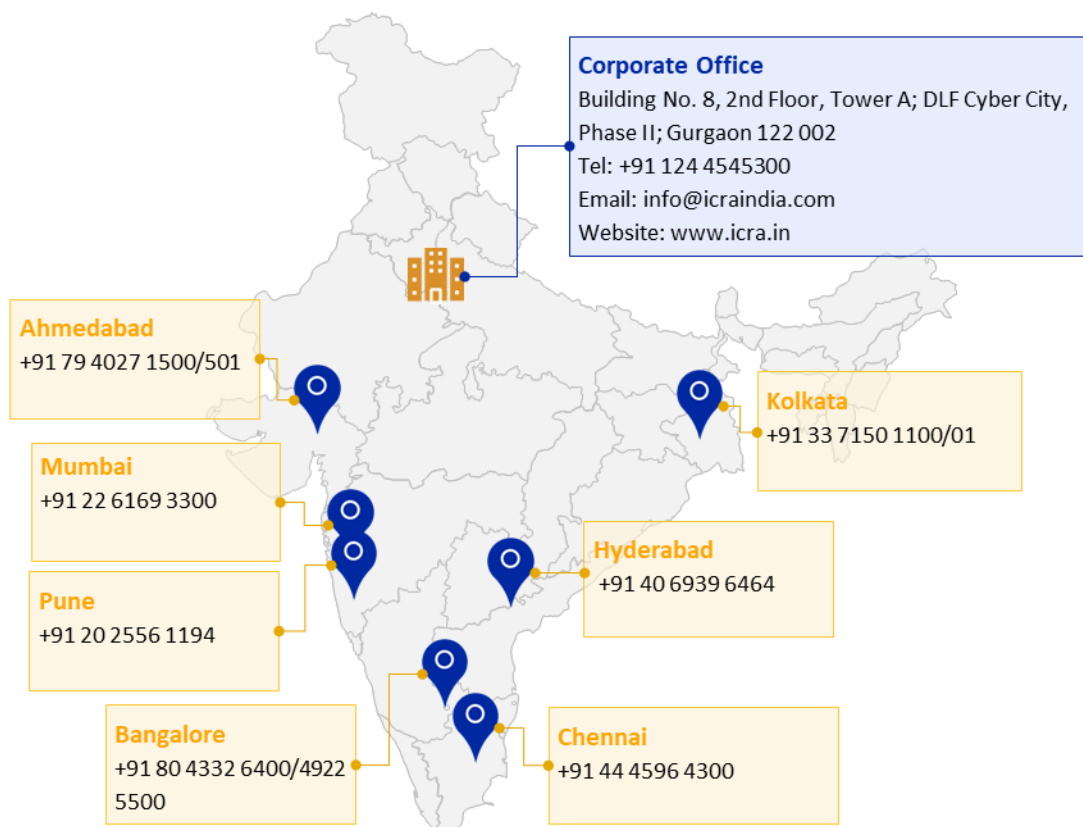


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