July 05, 2023

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	30,698.60	30,698.60	[ICRA]AAA(Stable); reaffirmed
Long-term bonds programme	3,114.00	-	[ICRA]AAA(Stable); reaffirmed and withdrawn
Short-term debt programme	25,844.42#	27,912.17#	[ICRA]A1+; reaffirmed/assigned
Certificates of deposit programme	25,844.42#	27,912.17#	Interchangeable rating of [ICRA]AAA(Stable)/ [ICRA]A1+; reaffirmed /assigned
Long-term fund-based bank lines	3,000.00	6,000.00	[ICRA]AAA(Stable); reaffirmed/assigned
Basel III – Additional tier-I bonds	600.00	600.00	[ICRA]AA+(Stable); reaffirmed
Fixed deposits programme	-	-	[ICRA]AAA(Stable); reaffirmed
Total	**63,257.02**	**65,210.77**	

**Instrument details are provided in Annexure I*

#Total limit rated for long-term/short-term certificates of deposit and short-term debt is Rs. 27,912.17 crore; the amount outstanding would not exceed the said limit

Rationale

The ratings 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 the international markets and demonstrated support from the GoI by way of periodic capital infusions (Rs. 9,050 crore infused during FY2018-2022). The ratings derive further comfort from EXIM's relatively risk-free book under lines of credit (LOC), the Concessional Financing Scheme (CFS), and other policy lending programmes, which accounted for 51.82% of its net advances as on March 31, 2023. Further, Sovereign Exposure under National Export Insurance Account (NEIA)[1] accounted for 4.21% of its net advances. The ratings also factor in 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.

As growth picked up, the overall leverage ratio[2] increased to 6.90 times as on March 31, 2023 (6.24 times as on March 31, 2022) and is expected to rise from these levels in the near to medium term. Nonetheless, the capitalisation metrics remain strong, supported by the low-risk weights the policy and refinance businesses.

The fresh non-performing assets (NPA) generation rate was elevated at 6.52% in FY2023 (0.24% in FY2022, 1.52% in FY2021), and was largely on account of slippages witnessed in the sovereign exposure under NEIA segment, but supported by higher recoveries, the net-slippages and credit costs stood relatively lower. Further, EXIM's watchlist moderated to Rs. 4,690 crore (3.37% of gross advances) as on March 31, 2023, from Rs. 7,194 crore (5.90% of gross advances) as on March 31, 2022, partly led by slippages in the sovereign exposure under NEIA business segment, that were classified as part of the watchlist. Nonetheless, the watchlist continues to be a near-term monitorable. Further, given the high share of policy business, the return on assets (RoA) remained modest, although it has been displaying a steadily improving trend.

[1] 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 the overseas Sovereign Governments and Parastatal agency, to finance project exports from India, without recourse to Indian exporters. EXIM obtains comprehensive risks cover under NEIA Trust through ECGC Ltd (ECGC)

[2] Total debt / Net owned funds (NOF), which is stipulated to be 10 times as per regulatory requirements

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 the international markets.

ICRA has withdrawn the rating assigned to the Rs. 3,114.00-crore long-term bonds as they have matured. 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 the 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 the international markets, EXIM has strategic importance for the GoI.

High share of policy business – The bank's policy business includes advances sanctioned under LOCs, CFS, and other policy businesses, which grew by ~16% to Rs. 69,787 crore as on March 31, 2023 from Rs. 60,014 crore as on March 31, 2022. The net commercial business (including refinance and sovereign exposure under NEIA business) grew by ~12% to Rs. 64,736 crore as on March 31, 2023 from Rs. 57,605 crore as on March 31, 2022, driven by 11% growth in the refinance book and 35% growth in the corporate segment. As on March 31, 2023, net advances grew by ~14% on a Year-on-Year (YoY) basis from March 31, 2023.

The share of the policy business and sovereign exposure under NEIA business remained marginally lower at 52% and 4%, respectively, of net advances as on March 31, 2023 (51% and 9% as on March 31, 2022). The policy business is virtually risk-free as they enjoy the availability of credit guarantees from the GoI, thus reducing the credit risk on this portfolio. However, in contrast to trends seen in recent years, there was a sharp increase in the slippages in the sovereign exposure under NEIA business in FY2023; however, recoveries have also remained equally strong during the year as these are backed by the NEIA cover. 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, sovereign exposure under 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 remains comfortable– The GoI has demonstrated consistent capital support to EXIM for meeting its regulatory as well as growth capital requirements. Supported by the same as well as a relative improvement in the earning profile, the leverage ratio also improved to 6.90 times as on March 31, 2023 (6.24 times as on March 31, 2022) from higher levels in the past. Moreover, the capital adequacy metrics improved with the capital-to-risk weighted assets ratio (CRAR) at 25.43% and Tier I at 23.68% as on March 31, 2023 (30.49% and 28.58%, respectively, as on March 31, 2022). This is expected to help absorb any incremental asset quality-related shock or meet the growth requirements.

In FY2022, The Reserve Bank of India (RBI) had come 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 its flexibility in raising funds from the domestic and foreign markets and for providing a hedge against foreign currency assets. The share of foreign currency advances stood at 74% of total advances as on March 31, 2023 (77% as on March 31, 2022). With a large share of foreign currency assets, foreign currency resources also account for most of the bank's resources at ~60% as on March 31, 2023. 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

High Slippages, though largely in the sovereign exposure under NEIA business segment; watchlist remains a monitorable – Fresh slippages increased sharply to Rs. 7,670 crore or 6.52% of the standard advances in FY2023 compared to Rs. 509[3] crore or 0.24% in FY2022. However, the slippages largely comprised exposures that were part of the sovereign exposure under NEIA business and the recoverability of the same remained strong. Accordingly, the bank witnessed recoveries and upgrades amounting to Rs. 5,503 crore. Further, the residual GNPA stock comprises a sizeable share of sovereign exposure under NEIA business exposures that are in the process of getting recovered in FY2024. As a result of the high recoveries, the headline metrics have worsened only marginally despite higher slippage rate. Further, resolution of residual policy business NPAs will drive further improvement in the headline metrics in the near to medium term.

While the bank has grown its policy business gradually, it continues to face the risk of potential incremental stress from the existing commercial business book. Its ability to reduce sizeable slippages from this segment will remain a key monitorable. The watchlist declared by EXIM moderated to Rs. 4,690 crore (3.37% of gross advances) as on March 31, 2023, although it has come off from comparatively higher levels of Rs. 7,194 crore (5.90% of gross advances) as on March 31, 2022, which in turn was on account of some sovereign exposure under NEIA business that were classified as part of the watchlist and subsequently slipped in FY2023. Going forward, slippages and the ability to ensure high recoverability out of the watchlist will remain a monitorable.

Despite improvement in earnings, profitability levels remain modest – The net interest margin (NIM) improved to 2.32% in FY2023 (2.27% in FY2022 and 1.93% in FY2021) although it remains modest, given the high share of the relatively low-margin policy, sovereign exposure under NEIA business and refinance businesses. While credit costs remained lower than levels seen in recent years, it rose to 1.01% in FY2023 (0.72% in FY2022), on the back of slippages during the year, which are likely to be reversed in FY2024.

Further, high credit cost was offset by lower tax expenses, which helped PAT/ATA or the RoA to remain at 1.04% as on March 31, 2023 (0.54% as on March 31, 2022). Going forward, the return metrics are likely to remain at similar levels, subject to the bank maintaining satisfactory asset quality, which would lead to low 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 one-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 assign a Negative outlook or 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 bond.

[3] Includes Exchange fluctuation of Rs.118 crore and additional funding Rs.144
All ratios as per ICRA's calculations

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA Rating Methodology for Banks and Financial Institutions Impact of Parent or Group Support on Issuer Credit Rating 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 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

EXIM, wholly owned by the GoI, 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. Its primary function is to act as the principal financial institution for coordinating the working of institutions involved in financing the export and import of goods and services, with a view to promote the country's international trade.

Key financial indicators (standalone)

	FY2021	FY2022	FY2023
Net interest income	2,562	3,087	3,456
Profit after tax	254	738	1,556
Net advances (Rs. lakh crore)	1.04	1.18	1.35
Total assets (Rs. lakh crore)	1.35	1.37	1.61
NIM /ATA	1.93%	2.27%	2.32%
RoA	0.19%	0.54%	1.04%
RoE	1.49%	3.97%	7.76%
Tier I	24.00%	28.58%	23.68%
CRAR	25.89%	30.49%	25.43%
Gross NPA	6.69%	3.56%	4.09%
Net NPA	0.51%	0.00%	0.71%
PCR (excl write-offs)	92.81%	100.00%	83.35%

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

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 (FY2024) Type	Rated Amount (Rs. crore)	Amount outstanding as of July 05, 2023 (Rs. crore)	Date & Rating in FY2024	Chronology of Rating History for the Past 3 Years: Date & Rating in FY2023			Date & Rating in FY2022		Date & Rating in FY2021
					July-05-2023	Sep-02-2022	Jul-21-2022	May-17-2022	Dec-24-2021	Aug-10-2021	Aug-21-2020
1	Long-term bonds programme	Long term	30,698.60	24,515.50*	[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	3,114.00	0.00	[ICRA]AAA (Stable); Withdrawn	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
4	Short-term debt programme	Short term	27,912.17	10,125.00^	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Certificates of deposit programme	Long term / Short term	27,912.17	6,400.00^	[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	6,000.00	3,000.00	[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 bond	Long term	600.00	0.00*	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (hyb) (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)	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. 27,912.17 crore and the amount outstanding would not exceed the said limit

^ Certificates of deposit and commercial paper outstanding as on July 05, 2023

**Balance yet to be placed – Bonds of Rs. 6,183.10 crore and AT-I bond 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
INE514E08BK6	Long-term bonds	September 5, 2012	9.15%	September 5, 2022	450.00	[ICRA]AAA(Stable); withdrawn
INE514E08BO8	Long-term bonds	September 21, 2012	9.04%	September 21, 2022	240.00	[ICRA]AAA(Stable); withdrawn
INE514E08BQ3	Long-term bonds	October 10, 2012	8.87%	October 10, 2022	153.00	[ICRA]AAA(Stable); withdrawn
INE514E08BS9	Long-term bonds	October 18, 2012	8.88%	October 18, 2022	550.00	[ICRA]AAA(Stable); withdrawn
INE514E08BY7	Long-term bonds	December 12, 2012	8.93%	December 12, 2022	100.00	[ICRA]AAA(Stable); withdrawn
INE514E08CB3	Long-term bonds	December 31, 2012	8.94%	December 31, 2022	200.00	[ICRA]AAA(Stable); withdrawn
INE514E08CC1	Long-term bonds	January 9, 2013	8.83%	January 9, 2023	250.00	[ICRA]AAA(Stable); withdrawn
INE514E08CE7	Long-term bonds	February 14, 2013	8.76%	February 14, 2023	151.00	[ICRA]AAA(Stable); withdrawn
INE514E08CH0	Long-term bonds	March 13, 2013	8.87%	March 13, 2025	100.00	[ICRA]AAA(Stable)
INE514E08CI8	Long-term bonds	March 15, 2013	8.80%	March 15, 2023	590.00	[ICRA]AAA(Stable); withdrawn
INE514E08CK4	Long-term bonds	April 26, 2013	8.50%	April 26, 2023	150.00	[ICRA]AAA(Stable); withdrawn
INE514E08CO6	Long-term bonds	May 22, 2013	7.94%	May 22, 2023	280.00	[ICRA]AAA(Stable); withdrawn
INE514E08CQ1	Long-term bonds	July 8, 2013	8.50%	July 8, 2023	420.00	[ICRA]AAA(Stable)
INE514E08CR9	Long-term bonds	July 10, 2013	8.50%	July 10, 2023	500.00	[ICRA]AAA(Stable)
INE514E08CT5	Long-term bonds	August 14, 2013	9.40%	August 14, 2023	295.00	[ICRA]AAA(Stable)
INE514E08CU3	Long-term bonds	September 16, 2013	9.45%	September 16, 2023	269.50	[ICRA]AAA(Stable)
INE514E08CY5	Long-term bonds	October 8, 2013	9.58%	October 4, 2023	405.00	[ICRA]AAA(Stable)
INE514E08DG0	Long-term bonds	December 3, 2013	9.50%	December 3, 2023	245.00	[ICRA]AAA(Stable)
INE514E08DH8	Long-term bonds	December 16, 2013	9.58%	December 16, 2023	127.00	[ICRA]AAA(Stable)
INE514E08DJ4	Long-term bonds	December 17, 2013	9.62%	December 17, 2023	170.00	[ICRA]AAA(Stable)
INE514E08DK2	Long-term bonds	January 10, 2014	9.57%	January 10, 2024	311.00	[ICRA]AAA(Stable)
INE514E08DM8	Long-term bonds	February 7, 2014	9.60%	February 7, 2024	255.00	[ICRA]AAA(Stable)
INE514E08DO4	Long-term bonds	February 26, 2014	9.65%	February 26, 2024	1,000.00	[ICRA]AAA(Stable)
INE514E08DP1	Long-term bonds	April 4, 2014	9.65%	April 4, 2024	348.00	[ICRA]AAA(Stable)
INE514E08DS5	Long-term bonds	May 29, 2014	9.25%	May 29, 2024	270.00	[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)
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)

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
INE514E08FX0	Long-term bonds	March 29, 2022	5.40%	March 31, 2025	1,580.00	[ICRA]AAA(Stable)
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)
INE514E14RC7	Commercial Paper	June 22, 2023	6.89%	September 20, 2023	2,000.00	[ICRA]A1+
INE514E14RB9	Commercial Paper	June 9, 2023	6.86%	September 7, 2023	1,775.00	[ICRA]A1+
INE514E14RA1	Commercial Paper	March 29, 2023	7.75%	September 25, 2023	1,250.00	[ICRA]A1+
INE514E14QY3	Commercial Paper	March 24, 2023	7.86%	March 22, 2024	2,000.00	[ICRA]A1+
INE514E14QX5	Commercial Paper	March 23, 2023	7.86%	March 21, 2024	1,100.00	[ICRA]A1+
INE514E14QW7	Commercial Paper	March 17, 2023	7.86%	March 15, 2024	2,000.00	[ICRA]A1+
INE514E16CG5	Certificates of deposit	June 8, 2023	7.30%	June 10, 2024	550.00	[ICRA]AAA(Stable)/ [ICRA]A1+
INE514E16CF7	Certificates of deposit	November 23, 2022	7.61%	March 15, 2024	900.00	[ICRA]AAA(Stable)/ [ICRA]A1+
INE514E16CE0	Certificates of deposit	November 22, 2022	7.61%	March 14, 2024	1,950.00	[ICRA]AAA(Stable)/ [ICRA]A1+
INE514E16CD2	Certificates of deposit	August 29, 2022	6.73%	August 29, 2023	1,100.00	[ICRA]AAA(Stable)/ [ICRA]A1+
INE514E16CC4	Certificates of deposit	August 17, 2022	6.65%	August 17, 2023	1,900.00	[ICRA]AAA(Stable)/ [ICRA]A1+
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	December 29, 2022	NA	June 28, 2024	1,000.00	[ICRA]AAA(Stable)
NA	Long Term Fund based bank lines – Term Loan	June 21, 2022	NA	June 19, 2026	1,000.00	[ICRA]AAA(Stable)
NA	Long Term Fund based bank lines – Term Loan	NA	NA	NA	2,000.00*	[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	11,387.17	[ICRA]AAA(Stable) / [ICRA]A1+
NA	FD programme	NA	NA	NA	NA	[ICRA]AAA(Stable)
NA	Long-term bonds	Yet to be issued	NA	NA	6,183.10	[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. 27,912.17 crore and the amount outstanding would not exceed the said limit; * Not disbursed*

Key features of the 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 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

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 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 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 compared to 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 6.08% of the RWAs as on March 31, 2023.

Incrementally, 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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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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