

Barclays Bank PLC (India Operations)

April 11, 2018

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Action
Certificate of Deposit programme	5,000.00	[ICRA]A1+; Reaffirmed
Total	5,000.00	

Material Event

On April 04, 2018, Moody's Investor Services Limited (Moody's) downgraded Barclays Bank PLC's (BBPLC) ratings from A1 to A2 for long term deposit and unsecured debt with Base Credit Assessment or BCA downgraded from Baa2 to Baa3. The outlook on the long-term rating is Stable. The ratings downgrade is pursuant to the transfer of the group's UK retail and business banking activities to the newly formed ring-fenced bank, Barclays Bank UK PLC (BBUKPLC). Moody's had reassessed the standalone credit profiles of both BBPLC, following the transfer of ring-fenced activities to BBUKPLC, and the broader Barclays group. As per Moody's view, BBPLC will become more reliant on riskier wholesale and capital markets activities, increasing its risk profile and expected earnings volatility, as well as its dependence on wholesale funding, though its funding profile will remain diversified. Moody's has confirmed the Prime-1 (P1) short-term rating for BBPLC.

Impact of the Material Event

ICRA has taken note of the above event and reaffirmed the short-term rating for borrowing programme of Barclays Banks PLC (Indian Operations). ICRA, in its earlier release ([click here](#)), had highlighted that the rating of Barclays Bank PLC (Indian Operations) is unlikely to change as Moody's had reaffirmed the short-term counterparty risk assessment rating for BBPLC at P1, while it placed the other long-term ratings on a review for downgrade. Going forward, Moody's ratings on BBPLC will remain an important determinant of the rating of the Indian operations of Barclays Group entities.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the bank

Barclays Bank PLC had investment banking operations in India since 1999. The bank commenced its commercial banking operations in India in FY2006 and retail banking operations in FY2007 and has six branches in India at present. During FY2013, the bank sold its retails assets post the Group's decision to exit the retail business in India in December 2011. Barclays Bank PLC Indian operations had an asset base of Rs. 28,356 crore as on March 31, 2017. The bank reported a net profit of Rs. 499 crore on a total income of Rs. 2,162 crore during FY2017 compared to a net profit of Rs. 477 crore on a total income of Rs. 2,066 crore during FY2016.

Key financial indicators (audited)

In Rs. crore	FY2016	FY2017
Net interest income	1,050	844
Profit before tax	844	964
Profit after tax	477	522
Net advances	16,676	10,988
Total assets	33,532	28,356
%CET 1	18.24%	17.29%
%Tier 1	18.24%	17.29%
% CRAR	18.82%	17.80%
% Net interest income/ Average total assets	3.25%	2.77%
%Net profit / Average total assets	1.48%	1.71%
%Return on net worth	7.79%	7.86%
% Gross NPAs	1.10%	0.75%
% Net NPAs	0.00%	0.43%
% Provision coverage incl. technical write offs	99.69%	43.20%
% Net NPA/ Net worth	0.00%	0.71%

as per ICRA calculations

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