

Export-Import Bank of India (1005Z IN)

FUNDAMENTAL VIEW ¹

As of 27 Dec 2024

- The Export-Import Bank of India (EXIMBK) was founded in 1982. Its credit standing is built upon the key role it plays in the promotion of India's cross border trade and investment development, as India's official export credit agency.
- EXIMBK is 100% owned by the Government of India. Given its crucial policy role, close governmental links and quasi-sovereign status, we view it as inconceivable that the Indian government would fail to provide EXIMBK with support in a timely manner, if needed.

RISKS & CATALYSTS

As of 27 Dec 2024

- As a quasi-sovereign issuer with backstops from the Government of India and the Reserve Bank of India (RBI), it is viewed as a proxy to the sovereign. Any downgrade to India's sovereign rating will flow through to EXIMBK as well.
- EXIMBK's policy role may require it to, at times, take on exposures that could lead to financial losses. This has led to poor asset quality and high impairment charges similar to the public sector commercial banks during the years leading up to the pandemic.
- Capital standing, however, is robust thanks to capital infusions from the Government of India which have been stepped up in recent years – INR 50 bn was injected in FY19, followed by infusions of INR 15 bn and INR 13 bn in FY20 and FY21 respectively. The bank received INR 7.5 bn in FY22 despite capital levels remaining strong during the year. No infusions have been made since FY23 due to the comfortable capital position.

CREDIT QUALITY SCORE (CQS) ²

As of 03 Jan 2025

CURRENT CQS

50

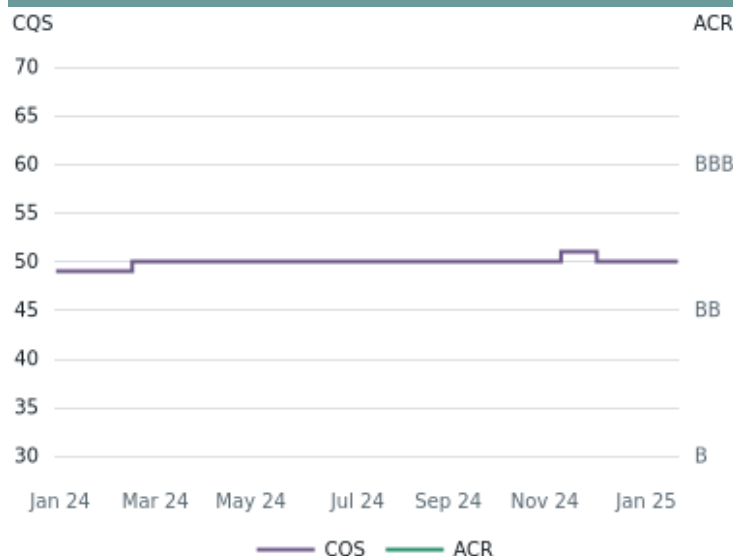
CQS OUTLOOK ³

NEGATIVE

STABLE

POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) ⁴ VS CQS



KEY METRICS

As of 27 Dec 2024

| INR MN | FY21 | FY22 | FY23 | FY24 | 1H25 |
|--|--------|--------|--------|--------|--------|
| Net Interest Margin (Annual) | 1.84% | 2.19% | 2.29% | 2.06% | 1.70% |
| ROAA | 0.19% | 0.54% | 1.04% | 1.43% | 1.16% |
| ROAE | 1.49% | 3.97% | 7.76% | 11.47% | 9.54% |
| Equity/Assets | 13.23% | 14.12% | 12.87% | 12.06% | 12.31% |
| Tier 1 Capital Ratio | 24.0% | 28.6% | 23.7% | 19.6% | 27.4% |
| Gross NPA Ratio | 6.69% | 3.56% | 4.09% | 1.94% | 2.02% |
| Provisions/Loans | 2.46% | 0.90% | 1.24% | 0.29% | 0.16% |
| Pre-Impairment Operating Profit / Average Assets | 2.13% | 2.31% | 2.41% | 2.12% | 1.68% |

BUSINESS DESCRIPTION

As of 27 Dec 2024

- EXIMBK presently serves as a growth engine for the internationalization efforts of Indian businesses, facilitating the import of technology and export product development, export production, export marketing, pre- and post-shipment, as well as overseas investment.
- As at F1H25, EXIMBK's loan portfolio was principally made up of export finance (68%) and term loans to exporters (18%), with the remaining 14% split among the financing of overseas investment, import finance, and export facilitation. 44% come under the policy business/face GOI risk while the remaining 56% are to the commercial business.
- By geography, the bank has a primary exposure of 33% to Africa, 56% to Asia (mainly South Asia), 7% to Europe and the Americas, and the remaining to the rest of the world.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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