बैंक ऑफ इंडिया Bank of India BOI

संदर्भ क्र. Ref. No.:HO:IRC:SVM:2026-27: 183 दिनांक Date: 08.09.2026

Scrip Code: BANKINDIA	Scrip Code: 532149
The Vice President – Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051.	The Vice-President – Listing Department, BSE Ltd., 25, P.J. Towers, Dalal Street, Mumbai 400 001.

Re: Bank of India – Credit Rating

In terms of Regulation 30 read with point 3 of Para A of Part A of Schedule III and Regulation 55 of SEBI (LODR) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/DDHS-POD2/P/CIR/2025/101 dated July 11, 2025, we wish to inform that the rating agency, S&P Global Ratings, has assigned 'BBB' long -term and 'A -2' short -term issuer credit ratings to BOI. The outlook on the long -term rating is stable.

2. Press Release issued by S&P Global Ratings dated 07.09.2026 is also attached.

3. This is for your information and appropriate dissemination.

भवदीय Yours faithfully,

USHA RAMSINGHANI

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(Usha Ramsinghani)
कंपनी सचिव Company Secretary

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Research Update:

Bank of India Ltd. Assigned 'BBB/A-2' Ratings; Outlook Stable

September 7, 2026

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Overview

- We think that Bank of India Ltd. (BOI) has a very high likelihood of receiving government support if needed.
- Sufficient capitalization, solid funding, and healthy liquidity underpin the bank's credit quality, in our view.
- We assigned our 'BBB' long-term and 'A-2' short-term issuer credit ratings to Bank of India Ltd.
- The stable outlook on the long-term rating reflects our view that the bank will maintain its adequate capital position and solid funding and liquidity over the next two years.

Rating Action

On Sept. 7, 2026, S&P Global Ratings assigned its 'BBB' long-term and 'A-2' short-term issuer credit ratings to Bank of India Ltd. (BOI). The outlook on the long-term rating is stable.

Rationale

Our ratings on BOI reflect the likelihood of extraordinary support from the government of India if needed. The long-term rating on BOI is one notch above our assessment of the stand-alone credit profile (SACP) for the bank. We think that there is a very high likelihood that the government would provide BOI with timely and sufficient extraordinary support in the event of financial distress.

We base our view on BOI's very important role as a public sector bank in promoting financial inclusion through increased access to deposits and lending. The bank has very strong links with the government via the latter's majority ownership and control.

The starting point for our ratings on BOI is 'bbb-', the same as for any bank operating predominantly in India. About 85% of the bank's loan exposure is in India.

BOI's established reputation across India, solid deposits backed by high customer confidence owing to its ownership by the government, and its ample liquidity underpin the bank's creditworthiness. However, profitability and asset quality lagging industry averages are tempering these strengths.

We expect BOI to continue improving its risk management and asset quality over the next two years. The bank's capitalization should also remain adequate and sufficient to support credit growth above the industry average.

BOI is a midsize public sector bank with a gradually growing market share. An established presence across India, large branch network, and a 3.0%-3.5% market share in loans and deposits as of the end of March 2026 underpin BOI's business position. Retail, agriculture, and micro, small, and midsize enterprises (MSME) lending--the RAM segment in India's banking industry--will mainly drive BOI's loan growth as the bank continues to focus on improving its loan yields and granularity of its lending. BOI has less exposure to the RAM segment than several other public sector banks. We expect the RAM segment to increase to above 60% of BOI's total loans over the next two years, compared with about 58.3% as of the end of June 2026.

In our view, retail growth will center on secured loans, predominantly residential mortgages and auto loans. MSME lending is likely to be channeled toward tourism, hospitality, and logistics. In the corporate segment, BOI focuses on midsize companies.

BOI maintains a significant, although geographically diversified, international loan book (15% of advances), using cross-border trade flows and syndicated global corporate lending.

BOI will maintain sufficient capitalization to support growth. We expect BOI's S&P Global Ratings-adjusted risk-adjusted capital (RAC) ratio to be 7.0%-7.5% over the next two years, compared with 8.8% as of March 31, 2026. Driving this decline will be above-average loan growth and an anticipated normalization of credit costs, which we project will climb from a low of 8 basis points, thereby also constraining earnings.

Additionally, our forecast includes a one-off Day-1 expected credit loss (ECL) in fiscal 2028 (ending March 31, 2028) as the bank adopts Indian Accounting Standard (IND AS) 109, equivalent to International Financial Reporting Standard 9. Notably, our forecast does not factor in any gradual phase-in period that regulators might permit the bank during this transition.

We expect BOI's credit costs to remain below the industry average, supported mainly by the recoveries in its loan book. Credit costs could rise to approximately 0.6% of customer loans in fiscal 2028 and 0.7% in fiscal 2029, compared with 0.3% in fiscal 2027. The uptick in fiscal 2028 reflects an increase in steady-state credit costs under the Reserve Bank of India's ECL framework and tapering recoveries from the bank's written-off accounts.

Asset quality to come under pressure. BOI's improving risk management should limit any significant weakening in asset quality, although external headwinds remain a risk.

We anticipate new nonperforming loan formation will hover around 1.0% over the next two years, compared with a 0.94% annualized rate in the first quarter of fiscal 2027. This primarily reflects heightened risk across several key segments.

Agriculture comprises a somewhat larger share of BOI's RAM segment than of those of several other public sector peers we rate. We also see geographical concentration in this portfolio particularly toward certain states, where agricultural conditions remain under persistent pressure. BOI's agriculture-related nonperforming loans are also somewhat higher than the industry average. However, gold loans cover almost 42% of agriculture loans.

The MSME book is predominantly secured, though sectors like gems and jewelry, textiles, and chemicals face potential pressure.

The credit quality of BOI's wholesale portfolio continues to benefit from ongoing, highly favorable domestic corporate credit conditions. However, the bank continues to have higher single name concentration than its peers, with the top 20 loans accounting for 15.76% of total loans as of the end of March 2026. This compares with about 4%-7% for peers. However, these exposures are mainly to public sector companies and large highly rated corporates.

BOI has strong funding, backed by solid deposits. Government ownership enhances customer confidence, resulting in highly stable and sticky deposits. A diverse range of retail deposits dominate the bank's deposit base, alongside a meaningful share of relationship-based corporate and government deposits. Household deposits form about 58% of domestic deposits, similar to the industry.

Given government ownership, BOI will also benefit from flight to quality in a stress scenario, in our view. The bank's wide network of 5,510 branches as on March 31, 2026, supports its deposit base, alongside its deep presence in rural and semiurban areas.

BOI's current account-savings account (CASA) deposits ratio at 37.0% of total deposits as of June 2026, remains better than those of several domestic peers. The bank's deposit concentration is also low, with the top 20 depositors holding about 7.3% of total deposits. Moreover, many of its large depositors are government-related.

Despite BOI's large overseas presence, its reliance on wholesale funds remains limited. However, the bank's loan-to-deposit ratio could come under pressure as its loan growth outpaces deposit growth. The ratio was at about 83% as of March 31, 2026, which is better than most private sector bank peers. Meanwhile, BOI's stable funding is also better than several private sector peers with the ratio averaging about 125% over the past five years.

BOI also maintains an ample pool of liquid assets to support its liquidity needs. The bank has limited reliance on short-term wholesale funding.

Outlook

The stable rating outlook on BOI reflects that on the sovereign. We believe the bank will continue to benefit from its established reputation and improve its risk management over the next two years. We also expect capitalization to remain supported by steady internal capital generation amid above-average credit growth and solid funding and liquidity--supported by high customer confidence. Our ratings on BOI factor in a very high likelihood of government support for the bank if needed.

Downside scenario

We could downgrade BOI if we lower our sovereign ratings on India or if we revise downward our assessment of the SACP. We may revise down the SACP if:

- The bank's RAC ratio falls sustainably below 7%. This could happen if the bank grows much faster than we expect without raising new equity or higher internal capital generation.

- The bank's funding deteriorates significantly such that its low-cost CASA deposits or loan-to-deposit ratio is no longer superior to those of peers.

Upside scenario

We could upgrade BOI if we raise the sovereign ratings on India and revise the SACP upward.

Rating Component Scores

Rating Component Scores

Issuer Credit Rating	BBB/Stable/A-2
SACP	bbb-
Anchor	bbb-
Business position	Adequate (0)
Capital and earnings	Adequate (0)
Risk position	Moderate (-1)
Funding and liquidity	Strong and Strong (1)
Comparable ratings analysis	0
Support	1
ALAC support	0
GRE support	1
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, May 5, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015

- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- A Weak Monsoon Will Strain India's Rural Sector, July 5, 2026
- Credit Conditions Asia-Pacific Q3 2026: Hormuz Reopens, Fragility Remains, June 25, 2026
- Economic Outlook Asia-Pacific Q3 2026: AI-Exposed Markets To Outperform, June 23, 2026
- Scenario Analysis: India's Strong Fundamentals Would Cushion The Blow Of An Oil Shock, April 13, 2026

Ratings List

Ratings List	
New Rating	
Bank of India	
Issuer Credit Rating	BBB/Stable/A-2