

संदर्भ क्र. Ref. No.:HO:IRC:SVM:2025-26:402

दिनांक Date:28.01.2026

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, <u>Mumbai 400 001.</u>

**Unaudited (Reviewed) Financial Results  
for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December, 2025  
Bank's Earnings Call with the Analysts and Investors - Transcript**

With reference to the above and pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, we herewith enclose the transcript of post results Earnings Call for Unaudited (Reviewed) Financial Result for the 3<sup>rd</sup> Quarter ended 31<sup>st</sup> December, 2025.

The transcript of Q3 FY26 Earnings Call is uploaded on Bank's website and the same can be accessed through below link:

<https://bankofindia.bank.in/analyst-conference-call-transcript>

This is for your information and records.

भवदीय Yours faithfully,



(Rajesh V Upadhyा)  
Deputy General Manager

Classification: **Public**



**Q3 FY26 Earnings Con-Call**  
**21<sup>st</sup> January, 2026**

**Management:**

1. Shri Rajneesh Karnatak, MD & CEO.
2. Shri P R Rajagopal, Executive Director
3. Shri Subrat Kumar, Executive Director
4. Shri Rajiv Mishra, Executive Director
5. Shri Pramod Kumar Dwibedi, Executive Director

**Moderator:**

Good evening, ladies and gentlemen. I am Gaurav Giridhar from Concept PR. On behalf of Bank of India, I extend a warm welcome to all the esteemed Analysts who have joined us today in person, as well as those who have joined us virtually from different cities across India. We are pleased to announce Bank of India's financial results for Q3 FY26. I would like to now introduce the Management of Bank of India who have joined us for today's Analyst Meet. Shri Rajneesh Karnatak. MD & CEO, Shri P R Rajagopal, Executive Director, Shri Subrat Kumar, Executive Director and Shri Pramod Kumar Dwibedi, Executive Director. We will now begin the Analyst briefing.

To start, I would now like to invite Shri Rajneesh Karnatak Sir to address this gathering. Afterwards, we will open the floor for Q & A session. Thank you and over to you, Sir.

**Shri Rajneesh Karnatak, MD & CEO:**

Thank you so much.

Ladies and Gentlemen, Good Evening and a very Happy New Year to all of you. As I share with you the financial results of the Bank for Q3 FY'26, it is my pleasure to welcome each one of you to today's Analyst Meet. Thank you for joining.

As we step into 2026, calendar year 2025 stand behind us as a year marked by significant global uncertainty and heightened geopolitical tensions. Against this backdrop, global GDP growth is expected to moderate to 2.60%, as per the latest World Bank estimates. For India, the year has been one of resilience and opportunity. Despite the global headwinds, India has become the world's fourth largest economy, surpassing Japan. Supported by targeted policy measures for exporters, GST rationalization, and an expanding network of trade agreements. India has steadily strengthened its global competitiveness. Reflecting this momentum, the World Bank and RBI have projected India's full year GDP growth at a robust 7.20% and 7.30% respectively. The RBI has adopted a proactive stance by implementing rate cuts and reducing the CRR, thereby ensuring adequate liquidity in the financial system. Key regulatory initiatives, including the proposed adoption of the Expected Credit Loss Framework, proposal to implement revised Basel III Capital Adequacy Norms, and the transition to a Risk Based Deposit Insurance Premium, are aimed at further strengthening resilience, improving risk management and enhancing competitiveness of India's banking sector.

We are pursuing a calibrated approach to credit growth. Bank continues to invest in its IT infrastructure and strategic partnerships towards improving operational efficiency and delivering a superior customer experience. This balanced emphasis on business growth and assurance will support consistent profitability and reinforce resilience in the evolving environment.

My speech will be in 3 parts. The first part being the various Initiatives that the Bank has taken during the quarter. The second part is business numbers and the third part will be the profitability and the asset quality.

As regard the various initiatives that we have taken, the Bank has implemented CTS Continuous Clearing, which is now live and facilitates faster, near real-time cheque clearing for all our customers.

Second initiative is with respect to the introduction of BOI Surya Shakti Scheme: Financing scheme for Agriculture sector Farmers and Agri-entrepreneurs for Solar Irrigation System, Solar Cold Storage / Food and Agro Processing / Livestock & Dairy /Poultry / any other allied activity / Power Plants / Water Heaters etc.

The third initiative is that the Bank has introduced a bouquet of products designed for Gig Workers. These include:

- a) Star Gig Grow Loan, which is like a MSME loan for gig workers registered on the e-Shram portal.
- b) GIG GearUP Loan, which is like a Retail loan for gig workers registered on the e-Shram portal.

The fourth product that we have introduced is with respect to introduction of two new credit card variants:

- a. Celestia Credit Card – Rupay Platinum Contactless (Metal) Card with Single Block Multiple Debit (SBMD) feature. This card is designed for high end customers with elevated experience and superior services.
- b. Rupay Women's Credit Card – A credit Card designed for women with product features exclusively catering to the women's needs.

The next initiative that we have taken is the BOI-CSR Trust. The Bank has partnered with the Social Foundation Trust to oversee and implement the Bank's CSR-related initiatives, both internal and external activities.

The second part of the speech is the Business numbers.

Global business has grown by 12.54% on YoY basis from Rs.14,46,295 crore in Dec'24 to Rs.16,27,602 crore in Dec'25 with incremental growth of Rs.1,81,000 crore.

Global Gross Advances has increased by 13.63% on YoY basis from Rs. 6,51,507 crore in Dec'24 to Rs. 7,40,314 crore in Dec'25 with incremental growth of nearly Rs. 88,000 crore. Global Deposits have also increased by 11.64% YoY from Rs. 7.94 lakh crore in Dec'24 to Rs. 8.87 lakh crore in Dec'25 with incremental growth of Rs. 92,500 crore.

Domestic Gross Advances have increased by 15.16% on YoY basis from Rs. 5.46 lakh crore in Dec'24 to Rs.6.29 lakh crore in Dec'25. RAM advances increased by 18.05% on YoY basis from Rs.3.12 lakh crore to Rs.3.68 lakh crore in Dec'25 constituting 58.54% of Advances in Dec'25.

As regards Domestic Deposits, they have increased by 12.80% on YoY basis from Rs.6.79 lakh crore in Dec'24 to Rs.7.65 lakh crore in Dec'25. CASA has also increased on YoY basis from Rs.2.77 lakh crore in Dec'24 to Rs.2.90 lakh crore with incremental growth of nearly Rs.12,430 crore in Dec'25 and CASA ratio stood at 37.97%.

As regards the third part, which is the profitability & Asset Quality, the Operating Profit has increased by 13% on YoY basis and stood at Rs.4,193 crore for Q3FY26 against Rs.3,703 crore in Q3FY25.

Net Profit has increased by 7% on YoY basis and stood at Rs.2,705 crore for Q3FY26 as against Rs.2,517 crore in Q3FY25. Net Interest Income has increased by 6% on YoY basis and stood at Rs.6,461 crore for Q3FY26 against Rs. 6,070 crore in Q3FY25. Global NIM sequentially has improved by 16 Bps and stood at 2.57% in Q3FY26. Non-Interest Income has also increased by 30% on YoY basis and stood at Rs.2,279 crore for Q3FY26 against Rs.1,747 crore in Q3FY25.

Slippage ratio has stood at 0.16% in Q3FY26 as against 0.19% in Q3FY25. As far as the Credit Cost improved to 0.34% in FY26 as against 0.39% in FY25. There has been improvement in asset quality with reduction in both Gross NPA ratio and Net NPA ratio. Gross NPA ratio improved by 143 bps on YOY basis to 2.26% for Q3FY26. Net NPA ratio also improved by 25 bps on YoY basis to 0.60% for Q3FY26. As far as the Provision Coverage Ratio (PCR) is concerned, it has improved to 93.60% in Dec25 as against 92.48% in Dec24.

As on 31.12.2025, Bank's CRAR has improved to 17.09% from 16.00% as on 31.12.2024.

Now to conclude, I would say that, in tune with growth of the global economy and the Indian economy, the guidance for global advances growth will be around 13-14%, and global deposit growth around will be around 11-12% for FY26. The key priority of the Bank will be mobilizing low-cost deposits, accelerate the growth of high-yielding advances, thereby safeguarding the Net Interest Margin (NIM). Our concerted efforts will focus on prudent credit underwriting to strengthen asset quality and contain fresh slippages. The Bank remains firmly committed to enhancing operational efficiency and profitability, while maintaining rigorous compliance standards and robust corporate governance. Together, these initiatives will ensure the creation of sustainable value for all our stakeholders.

I would like to thank you all for your continued support. The floor is now open for discussion and Q & A and thank you for coming here. Thank you so much.

**Moderator:**

Thank you, Sir. That was very informative. We will now begin the Question-and-Answer session. Before we proceed, we would request you to kindly raise your hand and introduce yourself and your organisation. One of our representatives shall hand over a mike to you. For subsequent questions from our online participants, I would request you to raise your hand on the chat box. Our representative will take your question.

**Mr. Sushil Choksey:**

Congratulations to team Bank of India for excellent numbers and performance exceeding your guidance. My name is Sushil Choksey from Indus Equity. Do you expect higher growth than what you are guiding or you just want to be conservative?

**Shri Rajneesh Karnatak, MD & CEO:**

As far as the growth is concerned, if you see our numbers, we have been growing our global business at around 12 %. And if you see within that the credit growth has been at around 13 % plus on a YOY basis and deposit growth has been at around 11% on a YOY basis. If you see the domestic numbers, the credit growth has been as good as 15% plus on the domestic advances side. And within that if I give you a color of the RAM advances, there we have grown at around 18% on the RAM growth. Within that Retail has grown at around 20% and agriculture has grown at around 16% and MSME has grown at around 15%. The corporate book has also grown at this trying times and reached double digit growth of around 11%. So, with the kind of pipeline that we are having as far as the credit is concerned of nearly Rs.80,000 crore of pipeline of which the Corporate pipeline is around Rs.65,000 crore which will help us to grow the credit in the Q4 and the Q1 in the next financial year. We are very confident that the growth numbers will be much better for the next financial year than what we are showing at this present time.

**Mr. Sushil Choksey:**

So, the Rs.65,000 crore is the pipeline for Q4. What is the unavailed credit as of today's sanction.

**Shri Rajneesh Karnatak, MD & CEO:**

These Rs.65,000 crore corporate pipeline include the in-principle approvals that we have given, the sanctions that we have given which are yet to get into documentation stage

and 3rd is the stage wherein the sanctions have been given, documentation has taken place and drawdown will take place as per the disbursement schedules. So, Rs. 65000 crore will not get disbursed in this quarter itself, but it will be getting disbursed in the next six months as I said in the Q4 FY 26 and Q1 FY 27.

**Mr. Sushil Choksey:**

As you said in your opening remark that you've shed some low yielding advances and you're looking for better yield advances. Does it mean that we have shredded low yielding advances? I may name them, say NABARD, SIDBI, some housing finance, government owned companies or entities which are fetching only 6 % or six and a quarter for yearly advances.

**Shri Rajneesh Karnatak, MD & CEO:**

Yes, that is the basic idea. We have churned our portfolio. We have scanned our portfolio and what we saw was that among the low yielding advances they were external linked lending rates, typically Repo linked. Typically, AAA PSUs and other kinds of things where the yields are less. That we have now churned and gone into other advances where the returns were much better. The yields were better. I will not say it was very high, but definitely from that number, it was more by around 25-30-40 basis points.

So that kind of churning we have done in our portfolio that has helped us improve the margins. So overall, if you see the global NIM also for the Bank, it has improved from a number of 2.41 % in September'25 to a number of 2.57% as on December '25.

**Mr. Sushil Choksey:**

And the flavor in the stock market is PSU Banks. And, if I see the results which are so far declared, RAM is the highlight across all banks. Do you think RAM will sustain in 2026? I'm not only saying about the current quarter, but looking at housing market, retail loans, car loans, some maybe having a good yield, some maybe poor compared to market. How do you see that panning out over the period of FY2027.

**Shri Rajneesh Karnatak, MD & CEO:**

As far as the RAM book is concerned, we are very much positive and buoyant and we feel that from the Top Management side also for FY 27, we will give a very good RAM growth. For the simple reason, the way Indian economy is growing, the way the income levels are growing, both in the cities and also in the agriculture side, we see not much impact on the RAM growth. Keeping all these things in mind, we feel that the RAM growth will be a very important growth number for all the banks, the entire ecosystem, particularly, with respect to change in definition in the MSME which has happened, wherein medium enterprises are those units with turnover up to Rs. 500 crore and plant

and machinery of Rs. 125 plus crores. Typically, you can give a loan to a medium enterprise with the back of the envelope calculation of around Rs. 200 crores, Rs. 100 hundred crore working capital and Rs. 100 crore term loan.

That kind of number coming, definitely the overall RAM book should be growing with the change in definitions and the economy activity which is growing and for the banks also I can speak for my bank, for Bank of India. For agriculture also we have changed our strategy rather than traditional agriculture wherein we used to go for tractors and KCC, we are going for allied agriculture and other kinds of things and food processing where we feel that the asset quality is much better. Margins are much better and definitely there is a lot of scope in that kind of category.

**Mr. Sushil Choksey:**

Sir, just a color on two, three parameters. One is digital spend, human resources, bank is getting better on that and many other aspects, so what are you likely to do and what we have already done? 3rd is color on gold loans.

**Shri Rajneesh Karnatak MD & CEO:**

As far as the color on the gold loan is concerned, we have a book of around Rs. 47,000 crores in gold loan as on 31st December, 2025. So, if I give you the numbers, the NPA amount is around Rs. 70-75 crores only. So that is the kind of figure which is there as far as NPA is concerned and that is on the date of the 31st December, 2025. Normally, our SOP is that once the account of the gold becomes NPA, it has to be like sold in the market after giving the notice to the borrower. We have to sell it in the market and normally this money comes back within 30 days of the account becoming NPA. So very less NPA is there, there is no threat of asset quality and the return in the gold loan just to give you a sense is around 9% yield on such advances because very less NPA is there.

**Mr. Sushil Choksey:**

Gold NPA is kind of a worry in today's market scenario for anybody. So, if you go aggressive also nobody is going to bother about it unless you lend hundred percent of the value. So, 75 % is fine.

**Shri Rajneesh Karnatak MD & CEO:**

So, that's a very good point because of the rising gold prices and the commodity prices. So, we have increased our guardrails also in the loan. We are very much concerned. That is the way the portfolio is growing and the way the prices of gold are going, definitely it may pose a risk particularly with respect to the valuations which are there on the metal. So, what we have done is we have reduced the loan to value to 75% now. So, any fresh

advances in the gold loan category, we are keeping a margin of 25% as against earlier of 10 % or 15 %.

**Mr. Sushil Choksey:**

Thank you for answering all my questions and best luck. Thank you.

**Mr. Ashok Ajmera:**

My compliments to you Sir, for the all-round growth in this quarter. In fact, you are probably among very few banks where the growth is very balanced. If you look at the quarterly growth, around 4 % for deposit, credit as well as overall business. So, which is a very good sign that you are growing your deposit also as you are growing your credit portfolio also. So that said, profitability is also improved operating profit is good. Net profit is good. So, my compliments to the entire team of Bank of India Sir. I couldn't join you there because of some traffic issues, but I am here online and I've got certain observation, some clarification to be sought and some information.

So, this time, overall SMA figures has gone down, but SMA 2 is almost doubled from Rs. 2,020 crores to Rs.4,120 crores. So, is it because of those one or two accounts or and what is the breakup of this like corporate and the retail and MSME from this SMA-2?

**Shri Rajneesh Karnatak MD & CEO:**

Yes. Thank you so much. As you rightly said that, yes, we have improved the overall SMA book for us. If you see the numbers, we were at around Rs. 6,200 crores SMA in above Rs.5 crores SMA as on September, 2025. It has come down to now Rs. 5,400 crores only and it is only 0.75 % of our standard loan book. As regards the SMA-2 number is there as we have already presented that the majority of that in the SMA-2 categories are three State Government accounts which are there which are backed by the State Government guarantee also which have rolled over from SMA-1 or SMA 0 to the SMA 2 category, but nonetheless we are monitoring these advances and we are hoping that there will not be any delinquency in these accounts. But otherwise, if you see the number, whether it is retail SMA, whether it is agriculture SMA or the MSME SMA is quite muted and on a lower side. The major portion of the overall SMA, Rs 5,400 crore out of which around Rs.3,500 crore compromising of these three accounts.

**Mr. Rohit Shinde:**

Sir, my name is Rohit. I'm from Market Memories. My question is Sir regarding Bank of India Shakti scheme and Bank of India Gig worker's loan. You have just launched it recently. So, can you just throw some color on this because Shakti is for the agriculture

and gig workers is for those particular loans. So can you throw some color on the ticket size, the tenor of the loan, and what will be the interest percentage?

**Shri Rajneesh Karnatak MD & CEO:**

Mr. Ashok Pathak, will you be able to take this one?

**Shri Ashok Pathak, Chief General Manager:**

So, this gig worker is for retail side for individuals and small enterprises for SME side and typically rate of interest is between 9.5% - 10.5%. That is the kind of rate of interest we have kept it and farm mechanization we have launched it for the Shakti Scheme.

**Mr. Rohit Shinde:**

And what is the rate of interest for the farm workers?

**Shri Ashok Pathak, Chief General Manager:**

We have kept minimum CIBIL score below which we don't lend and the rate of interest is 9%.

**Mr. Rohit Shinde:**

What would be the ticket size minimum and maximum for both.

**Shri Ashok Pathak, Chief General Manager:**

So, farm mechanization especially we get good amount of some harvesters and it goes even up to Rs.35 lacs to 50 lacs, but it starts like somewhere around Rs.4-5 lacs but those high tickets are, very less in number.

**Mr. Rohit Shinde:**

And for the Gig workers?

**Shri Ashok Pathak, Chief General Manager:**

For Gig workers, we have recently launched the project for individual side it is only up to Rs.2 lacs and on SME side it is up to 5 lacs.

**Mr. Rohit Shinde:**

What will be the tenure of these loans approximately?

**Shri Ashok Pathak, Chief General Manager:**

Typically, I mean two years to five years.

**Mr. Rohit Shinde:**

For farm or Gig?

**Shri Ashok Pathak, Chief General Manager:**

For farm it is up to five years. And Gig also, two to five years depends upon what is the repayment capacity.

**Mr. Rohit Shinde:**

What would be the net interest margin for this bank will be expecting?

**Shri Ashok Pathak, Chief General Manager:**

Generally, we are giving at around 10 % and our cost of fund is around 5% so that that's the margin we are keeping.

**Mr. Rohit Shinde:**

Ok, 5 % NIM. How many accounts, how many people Bank is expecting to lend in this can you throw some color on this?

**Shri Ashok Pathak, Chief General Manager:**

In the individual Gig side, volume wise, it will be very, very small. We are not expecting much big number. But on SMEs especially on Sakti side, close to Rs.500 to Rs.1,000 crore kind of book we are looking for.

**Mr. Rohit Shinde:**

Okay and the Gig book size?

**Shri Ashok Pathak, Chief General Manager:**

That will be very small.

**Mr. Sharad Chandra:**

This is Sharad Chandra, investment advisor. Sir, I wanted to know whether the competitive environment is increasing in the banking space because your CASA deposit in a time frame of 12 months has come down from 41% to 38%. And you have covered that up with the bulk deposits from 13.50% to 15.50%. So that is one part. Second part is the Yield on Advances has come down by 80 basis points in the nine-month time horizon. So, both on the deposit side and on the lending side there seem to be pressure on the Bank. Is it because of the general environment or is it because of increased competitive intensity in the banking space?

**Shri Rajneesh Karnatak, MD & CEO:**

Thank you so much. Your question has basically two parts to address. One is the liability side and the other is the asset side, the yields on the asset side. So, as far as the liability side is concerned, see there is a transformational shift, structural shift which is happening on the deposit side across the system. So, what we are seeing is that the deposits across all banks, whether it is private sector banks, foreign banks, public sector banks, small finance banks are lowering down, getting down. And the delta which is getting created out of the CASA deposits is on a lower side. So, if you see our numbers also, the increase in CASA has been only around Rs.12,000 crores on a Y-o-Y basis. In percentage terms also it is low as you rightly observed. Our CASA percentage to total deposit has also come down to now near to 38%. And what I would like to tell over here is that Bank of India has a franchise with around 5,400 branches with 37,000 touch points for our customers, we've been able to monitor and maintain our cost of deposits to a large extent. This has also resulted in improvement in the NIM by nearly 16 basis points on a sequential quarter from 2.41% percent to 2.57%. So, our bulk deposit is now only 15 %. Though it has also increased, but it is only 15 % which means that 85 % of our domestic deposit is either CASA deposit or retail term deposits. Within that, if I give you the color, our retail term deposits have grown by nearly 14 % on a YOY basis. Now, what is retail term deposit? Retail term deposit as per the definition of RBI is any deposit which is up to Rs. 3 crores. So, that is the deposit which is cheaper for us and definitely we want more spread out deposit because in that situation, the outgo of deposit does not take place. So that is the kind of thing which is there but definitely there is a pressure on the deposit.

As I said in answering the previous question that since we are growing our global credit by 13% plus our domestic credit by more than 15% plus, it is very important for us to grow our deposits also. So, if the CASA is not growing because of the structural issues which are there in the economy today, in the sense that the depositors which are there now, they are not keeping the deposits idle with the banks either in current account or saving deposits. Now, they are parking their deposits in various investment avenues, wealth management products which are available to them, whether it is a real estate, whether it is a metal like gold or silver, whether it is in equity market, mutual funds,

pension funds, NPS or life insurance. So, with all these kinds of investment opportunities available with the growth in economy and the financial literacy which is taking place, this will continue to happen.

In the coming future which we see from the Top Management side is that there will be a pressure on the CASA definitely for the entire banking system and banks will have to search other avenues like particularly more retail term deposits, more of bulk deposits to compensate the growth of CASA which is not happening to match the Credit growth which is happening. So that is what we are trying to do and this is what we have been successful also in doing. So bulk deposit is only 15% and remaining are CASA and retail term deposits.

As regards, the other part is concerned on the loan book side, there we have been able to improve our Yield on Advances though you rightly observed that the Yield on Advances have come down from December 2024 to December 2025. For the simple reason that if you see our book, 64 % of our book is linked to the EBLR advances, which are the Repo linked advances. And Repo rate which you are aware that it has come down by nearly 125 basis point in the calendar year 2025 itself. The rate cut started in February 2025 and it was there up to 5th of December 2025 when the RBI brought down another 25 basis points. So, 125 basis point has been shaved off from that side. Since 64% of our book is on the Repo side, immediately transition of the rate happens. So, for MCLR, it takes time. That is why the Yield on Advances has come down, but nonetheless, if you see our numbers, our Yield on Advances have improved from September to December quarter and we have been able to churn our credit portfolio as I said earlier that we have been able to shed some of the very low yielding advances and got it replaced with certain advances of AA and other categories whichever giving 20-30-40 basis point higher. So it's a conscious strategy we are adopting at the bank level that we want to improve our RAM advances to improve the yield, we want to increase our MCLR advances to improve the Net Interest Margins and also we want to have a portfolio of more of AA advances so that because the yield in AAA advances is very less. So, this is how we'll try to protect our, like reduce our cost of deposits, increase our yield on advances and protect the NIMs going forward.

**Mr. Sharad Chandra:**

What is the difference? Bulk deposit and the retail term deposit rates. Is there a differential?

**Shri Rajneesh Karnatak, MD & CEO:**

It cannot be given in one number, but let me share with you the data. So, when we are taking bulk deposits, it also depends on the kind of liquidity we want. So, the bulk deposit rates are different for the amount and the maturity. So, if I need a Rs.50 crore deposit

for one month or a Rs.500 crore deposit for one month, the rates will be different. Totally different. Similarly, if we need a Rs.500 crore deposit for six months, the rate will be different or a Rs.50 crore deposit for six months, the rate will be different. So, for the bulk deposit many times it is the negotiation which takes place at the field level with the various depositors. Many of them are central government entities, some are state government entities, some are central PSUs, some are state PSUs, and some of them are also corporates. These days a lot of money is flowing into mutual fund and insurance company. Some of the deposits is also coming from the mutual funds and insurance companies also. So, it's a bargain which happens as far as the negotiation which happens in the bulk deposit rate.

**Mr. Sharad Chandra:**

Is it like in the term deposit, you must be having a weighted average cost of deposit only for the bulk deposits, the weighted average cost would be what 1 % more than the retail term deposits?

**Shri Rajneesh Karnatak, MD & CEO:**

No, it's not that. But what I can say is, the cost of deposit of retail term deposit weighted average is higher than the weighted average for the bulk deposit. For the simple reason that the weighted average for the bulk deposit is where there is a lot of short-term deposit also available with us for 15 days also. Sometimes, even we take for seven days also. That kind of deposit we want for our immediate disbursal of say to some PSU happening for Rs.2,000, Rs.3,000 crore next day. We take a seven-day deposit also from some government entity for seven days. So, the retail term deposit weighted average is bit higher than the bulk deposit.

**Moderator:**

Thank you. Thank you very much and the next question is from our online participant Mr. Ashok Ajmera. Sir, please go ahead, thank you.

**Mr. Ashok Ajmera:**

Yes Sir, I was immediately muted after my 1st question only which you answered. Sir, there is a little increase in the fresh slippages in this quarter. So, what is the reason and going forward are we going to keep the slippages under control and what is the total recovery target for FY26 from the recovery from the written off account and what is the outstanding written off book and what is the overall recovery target for FY26 vis-a-vis the slippages?

**Shri Rajneesh Karnatak, MD & CEO:**

As far as the fresh slippages are concerned, see the fresh slippages have increased by nearly Rs. 200 crores in this quarter. So last quarter it was around Rs.910 crores, so this time it is around Rs.1,100 crores. One of the main reasons is that there was one corporate road account which slipped into NPA, that is the reason it's a consortium account. It is there with other lenders also. Because of that slippage, the incremental data has been at around Rs. 200 crores. But as far as the slippage ratio is concerned, so we are quite comfortable though slippage ratio has increased by a couple of basis points from the previous quarter, but if you compare it to December 24 to December 25, the slippage ratio in fact has come down from 0.19% to 0.16%. So, as far as the SME book is concerned, just to give you a color over there, overall SMA number Rs. 5 crore and above if you see the presentation. SMA number in amount terms has been reduced from Rs. 6,200 crore to Rs. 5,400 crore and it is only 0.75 %. So, in this quarter also we do not see any further deterioration in the asset quality and we'll be able to hold the run rate on the slippage side.

As regards to recovery is concerned, we have already done a recovery, if you see the presentation, nine-month recovery at around Rs.5300 crore. And we expect that our recovery for this quarter should be somewhere around Rs. 2,000 crore in the Q4 quarter, so we should be ending at around somewhere around Rs. 7,200 crore – Rs.7,300 crore of total recovery during the twelve months. As regards the written off accounts are concerned, so we have a book of around Rs. 50,000 crore on the written off accounts. Our run rate presently is at around Rs. 400-450 crore per quarter. That translates to around Rs.1,800 crore per annum. So, there internally on the Top Management side, we are targeting that we should have a number of around Rs. 750 crore per quarter, which would translate to a number of around Rs.3,000 crore in the next four quarters on the written off account recovery.

**Mr. Ashok Ajmera:**

About 6 % of the total written off accounts. And Sir, will you give some color on our IT, activity and the digital budget and the product which we have launched, you know, with a big delivery which we have given, there were some initial hiccups. So, what is the status of the overall digital growth of the Bank and the future plans for going forward in this area?

**Shri Rajneesh Karnatak, MD & CEO:**

A lot of initiatives the bank has taken as far as the digital initiatives are concerned, not only on the IT but also on digital side and also on the cybersecurity side. So, as far as the business numbers are concerned, if you can see the presentation, already 29 journeys are live as far as the business journeys are concerned. Out of that, around 24 journeys are on the loan side and five journeys are from the liability side. In this quarter

also, there will be quite a few journeys which we will go live as far as whether it is the loan journeys or whether it is the liability journeys and some of the journeys also on the wealth management side. As far as the transformation project which is going on within the bank for IT, digital and cyber security, there are also a lot of automation we are trying to do in many of our processes, particularly on the credit side where the sanctions are concerned and also on the monitoring and controls side, whether it is transaction monitoring and other kinds of things.

If you see the presentation, lot of customization and optimization has happened over there and we have been able to save a lot of number of man hours also under this automation things as far as the back-offices activities are concerned, so around 50,000 man hours we have saved during the nine months, because of the automation and this kind of thing that we have done and this journey will continue to improve further. That is what is the understanding for us.

Apart from that, we have another very important project which we have project Star Aditya, which is for the data lake project, which is artificial intelligence, machine learning and generative AI, there also a lot of use cases have already started flowing to our verticals, to the branches, to our Zonal Offices, even to the underwriting centers. There we are going for not only for the business side leads and the actual underwriting which is happening, but also from the control side, transaction monitoring alerts are going early warning system alerts are going and even for the underwriting centers, there is a lot of alerts which are going for the ecosystem alerts which are there while the credit underwriting is taking place. And with the kind of emphasis that we are giving on IT now, and just to give you a sense I may tell you that the kind of money we are investing in IT out of the total operating expenses which are there nearly 10 % of the Opex is going to the IT Opex. So that kind of significant money we are spending on IT, apart from that, there is a Capex also which we are spending on the IT side. So, management is clearly into the IT system and we want the experience of the customers to improve through digital journeys and also improve our system and procedures as far as the cybersecurity stack is concerned.

**Mr. Aditya Mundra:**

This is Aditya Mundra from My Temple capital. Sir, our RAM to wholesale ratio is approximately 50- 50 and what is our target in terms of that because from compared to your peer banks, I think they are targeting more 60-40 and they are maybe at 65-35, if not more and does that play a role in our NIM plans? Like how, what is our roadmap to take our NIM above 3%, let's say? and an extension of that query, what is our plan for our international advances? Like how much percentage of that international advances will be part of our book? I have more questions, I'll come back in queue.

**Shri Rajneesh Karnatak, MD & CEO:**

So as far as the 1st question on RAM is concerned, our RAM book is at around 58.4%. As far as our future plans are concerned, we have an approved strategy of the board for Bank of India at 125. So, we are 120-year-old organization, five years hence, we would be 125-years-old. So, at that time we say that we, our total business should be at around Rs.31 Lac crore; Within that number within the credit number, the RAM book should be at around 65 % and 35 % has to be corporate. For the simple reason that we believe that it will be our diversification of advances, if you go to the RAM book number one, the credit risk gets spread number one and number two is the fact that the better margins are available as far as the RAM book are concerned. So, we have a clear understanding within the bank that we need to grow the RAM book. Definitely as I already said that with the change in definition, there is huge scope for increasing the MSME book.

So, RAM book will definitely grow in the Bank and we are very conscious and we want the better yielding advances in the RAM and the NIMs will also improve because of that. As far as the color into the international book is concerned, see if you see the book presently as on 31st December, out of the global advances of Rs. 7,40,000 crore, nearly Rs. 1,10,000 crore is contributed by the international advances and it is 15% of the book. And just to give a sense on BOI at 125 at 2031, how the international book would be. Again, we are saying over there that our international book should be at around 15 to 16 % of the global book on the advances side. So, we will be growing both our international books simultaneously our domestic book on the credit side. So, what we feel today is because of the various geopolitical issues which are there, definitely there is some slowness as far as the international advances are concerned. We are also very cautious about entering into new overseas accounts, particularly though we are giving to Indian corporates, but to overseas corporates, we are very watchful and watching the situation and the global political issues which are panning out.

**Mr. Aditya Mundra:**

Any target for the NIM on the 125 plan?

**Shri Rajneesh Karnatak, MD & CEO:**

NIM cannot be a target at 125 plan at this juncture when the situation is so volatile and the Repo rate cut has been there and other issues are there as far as the global environment is concerned. But, definitely for the immediate run, I would say that for FY 26, though, we are at 2.57% as on 31st December for the annualized FY26 we hope that we should be maintaining a NIM of around 2.50 % and for the Q4, we should be somewhere around 2.60 %.

**Mr. Aditya Mundra:**

And Sir, what will be your branch expansion plans in terms of number as well as geography that you are focusing on? Is it different from where we are already present, what is our strategy for that?

**Shri Rajneesh Karnatak, MD & CEO:**

So already we have a board approved strategy as far as our branch expansion is concerned, so in FY 25 we opened exactly 211 branches. This year again we have a board approval of around 200 branches. Already 145 plus branches we have opened. The next remaining 50-55 branches we will be opening in this quarter itself. So, they are in the final pipeline of opening, going live as far as the opening of those branches are concerned. So, in the next year also, for FY27, the Board has given approval for 200 more branches. So, 600 branches will be opened in the three years. FY 25-26-27. So, that is one part. Second part is that we have 13 FGM offices under which there are 69 Zones, pan India. So, we are agnostic to any particular geography north, south, east, west or central. So, all these 600 branches are getting opened across Pan India and in each of these states.

**Participant:**

Sir, last quarter you indicated that the impact of ECL would be around Rs.4,700 crore. And you also indicated that you would be deciding on how and when you would be taking the hit on the P&L. So, any update on the same?

**Shri Rajneesh Karnatak, MD & CEO:**

ECL is a work in progress frankly speaking because the draft guidelines of RBI are already out. We have done the calculation as far as the present numbers which are concerned, so we feel that the ECL impact should be at around 2 % on our CRAR. So, if you see our CRAR is around 17.09 % and 1 % of this translates to around Rs. 4,600 to Rs.4,700 crores. So, the overall number would be coming the two times of around that Rs.4,700 crores within the Rs. 10,000 crore number. But if I give you a sense since it has to be spread across the next five years, so the impact would be at around 0.40% only per annum on the CRAR side and if you see the profitability which the Bank is having around Rs. 7,500 crore of net profit in the nine months, which should and with this going run rate, we should be having a profitability of say around Rs.10,000 crore in this financial year itself. So, there should not be any impact on the CRAR with this kind of number.

**Mr. Jiten Bhatia, Ajmera:**

Thank you, Sir. So, what do you see the interest rates trajectory going forward and which sectors like you can further improve the slippages which in the coming quarters?

**Shri Rajneesh Karnatak, MD & CEO:**

So, interest rate trajectory, presently we don't see any rate cut coming now. Already 125 basis points rate cut has happened in the calendar year 2025 and with the kind of geopolitical situation and the kind of metal prices the way they are going, we feel that in the immediate we don't see any cut coming immediately. So, but nonetheless in the medium term we cannot say after six months what would happen, but we feel that it should be playing around at that number only and we would be in the reducing our cost of deposit with the fact that most of our term deposits are getting repriced and at a lower rate of interest because we have cut the deposit rates both in the saving account and also in the fixed deposits. So, there we feel that our cost of deposits overall should be coming down.

**Mr. Jiten Bhatia:**

Which sector you see the improvement in slippages?

**Shri Rajneesh Karnatak, MD & CEO:**

Slippages if you see our numbers - the slippages are mostly into the MSME and Agriculture and some of the slippages which are happening in the Retail. So corporate, we do not see any slippages. This is one off slippage which has happened in this quarter. It was a stressed road asset which was there in the books of the bank and of other banks also for the last 18 months, so it has slipped. In corporate, we do not see any slippages happening, but there will be some routine slippages which happened in Retail, Agriculture and MSME, but I don't think there should be any worry on that.

**Moderator:**

Thank you, ladies and gentlemen. This was the last question for the session. Thank you for your in-depth questions. Thank you Rajneesh Karnatak Sir and the Bank of India's management team. We will now conclude the Conference. Thank you and have a good day.

**Shri Rajneesh Karnatak, MD & CEO:**

Thank you so much. Thank you for coming.