बैंक ऑफ़ इंडिया Bank of India BOI

संदर्भ क्र. Ref. No.:HO:IRC:AB:2026-27:159 दिनांक Date: 19.08.2026

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

Dear Sir/Madam,

**Reporting under Regulation 30 & Regulation 55 of SEBI (LODR) Regulations – Press Release by Infomerics Basel-III compliant Tier II Bond**

We refer to our Letter No. HO:IRC:SVM:2026-27:156 Dated 14.08.2026 regarding Credit Rating by Infomerics for our Tier – II Bond.

2. We attach the Press Release Dated 19.08.2026 issued by Infomerics

3. This is for your information and appropriate dissemination.

Yours faithfully,

USHA RAMSINGHANI

Digitally signed by: USHA RAMSINGHANI
DN: CN = USHA RAMSINGHANI C = IN O = BANK OF INDIA OU = INVESTOR RELATION CELL
Date: 2026.08.19 18:11:53 +06'30'

बैंक ऑफ़ इंडिया BANK OF INDIA प्र. का. H.O. निवेशक संबंध विभाग Investor Relations Dept.

(Usha Ramsinghani)
Company Secretary

# Bank of India

## August 19, 2026

### Rating Action

| Instrument | Amount (Rs. crore) | Ratings | Rating Action | Regulator^ |
|---|---|---|---|---|
| BASEL III Compliant Tier II Bonds | 1,800.00 | IVR AAA/ Stable | Rating Reaffirmed | SEBI |
| **Total** | **1,800.00 (Rupees One Thousand Eight Hundred Crores only)** | | | |
| ^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available. | | | | |

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

**Note:** *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

### Rationale

Infomerics has reaffirmed its long-term rating of IVR AAA/Stable on Basel III Compliant Tier-II Bond Programme of Bank of India (BOI). The rating factors in sovereign ownership with continued support from Government of India (GOI), sustained improvement in the earnings profile, diversified loan portfolio coupled with growth in advances, established and well spread market reach, comfortable capitalisation backed with healthy resource profile. However, the rating strengths are constraint by modest, albeit improving, asset quality coupled with moderate growth in deposits in comparison to the advances

**Outlook: Stable**

Infomerics Ratings expects outlook to remain stable on the expectations of continued support from the GoI, growth in advances, healthy resource profile, comfortable capitalization levels and improvement in asset quality.

### Analytical Approach

| Approach | Comments |
|---|---|
| Consolidation/ Standalone | Standalone |
| Parent/ Group Support | Not Applicable |

## Key Rating Drivers with Detailed Description

### Strengths

- **Sovereign ownership with continued support:**

  GOI continues to be the majority shareholder of BOI, holding 73.38% stake as on June 30, 2026, providing significant comfort in terms of ownership and potential support. The bank's strategic importance within the public sector banking system, coupled with its majority government ownership, provides comfort regarding the availability of timely support, including capital and operational assistance, as and when required. During FY26, BOI also maintained a comfortable capital position and continued to generate healthy internal accruals, supporting its growth and capitalisation. Given the GoI's continued majority ownership and BOI's systemic importance, Infomerics Ratings expects the bank to continue to receive timely and adequate support from GoI, if required.

- **Sustained improvement in the earnings profile:**

  BOI's earnings profile continued to improve during FY26, supported by higher operating profit, lower provisions, moderation in credit costs and strong growth in non-interest income. Operating profit increased by around 4% y-o-y to Rs 17,049 crore in FY26 from Rs 16,412 crore in FY25, while net profit increased by around 14% to Rs 10,527 crore from Rs 9,219 crore. The improvement in profitability was supported by a reduction in provisions before tax by around 22% to Rs 3,103 crore, reflecting continued improvement in asset quality and lower credit costs. However, the bank's NIM moderated to 2.52% in FY26 from 2.82% in FY25, primarily due to pressure on lending yields in the prevailing interest-rate environment and the relatively lower margins on the international book. The domestic NIM remained comparatively stronger at around 2.78% as on March 31, 2026. Management indicated that it intends to support margins through higher-yielding RAM and MCLR-linked advances, increased mid-corporate lending and reduction in the cost of deposits. The earnings momentum strengthened further in Q1FY27, with operating profit increasing by around 26% y-o-y to Rs 5,051 crore and net profit increasing by around 36% to Rs 3,068 crore. ROA improved to 1.01% from 0.82% in Q1FY26, while the cost-to-income ratio improved significantly to 46.33% from 51.31%. Credit cost also moderated to 0.15% from 0.17%. However, NIM remained at 2.52%, reflecting continued margin pressure. Management has guided for global NIM of 2.55%-2.60% and ROA of 1% or above in FY27, with cost-to-income expected to remain around 48%-49% on a sustainable basis. The ability to sustain profitability, improve margins and contain credit costs will remain key rating monitorables.

- Diversified loan book and comfortable resource profile:
  BOI maintains a well-diversified loan portfolio, with RAM accounting for around 59% of domestic advances as on March 31, 2026, supporting granular credit growth. Domestic gross advances grew 16% y-o-y in FY26, led by Retail, Agriculture and MSME growth of 21%, 18% and 18%, respectively, and the momentum strengthened in Q1FY27, with domestic advances and RAM growing 19% and 20% y-o-y, respectively. Retail, Agriculture and MSME advances grew by 21%, 19% and 19%, respectively, making RAM the key growth driver. Management plans to further increase exposure to RAM, MCLR-linked and selected mid-corporate advances to improve yields and fee income, while maintaining tighter guardrails on unsecured personal loans, particularly low-ticket and non-salaried borrowers, to contain asset-quality risks. The resource profile remains comfortable due to BOI's large and diversified deposit base, although CASA moderated to 37.64% in FY26 from 40.29%, and further to 36.68% in Q1FY27, despite absolute CASA rising to Rs 3,00,765 crore from Rs 2,80,316 crore, reflecting changing customer savings preferences and higher reliance on Rs 3-25 crore and selective bulk deposits to support credit growth. Nevertheless, funding costs improved, with cost of deposits declining to 4.69% from 4.85% and cost of funds to 4.45% from 4.66% in Q1FY27, aided by deposit optimisation. Infomerics expects RAM-led diversification and a strong deposit franchise to support growth, while prudent underwriting, CASA mobilisation, funding-cost optimisation, liquidity and the ability to sustain credit growth without weakening asset quality remain key monitorables.

- **Established and well spread market reach:**
  BOI has an established and geographically diversified domestic and international presence, supporting its deposit franchise and business diversification. As on March 31, 2026, the bank had 5,535 domestic branches, 7,685 ATMs & CRAs, 25,053 Business Correspondents and 38,273 customer touch points, compared with 5,328 branches, 8,003 ATMs & CRAs, 23,281 Business Correspondents and 36,612 customer touch points as on March 31, 2025.
  The bank also maintains a well-established international presence across 15 countries and five continents, including major financial centres. During FY26, overseas deposits increased to around Rs 1.27 lakh crore, while overseas advances increased to around Rs 1.17 lakh crore, supporting the overall growth in the bank's global business. The bank's geographical reach continued to support business growth in Q1FY27, with global business increasing by around 17% y-o-y, supported by growth in both deposits and

advances. BOI is also undertaking initiatives to strengthen its deposit franchise and customer acquisition through dedicated sales verticals, strategic business branches and deposit-focused initiatives. Its extensive distribution network and diversified geographical presence are expected to continue supporting business growth and deposit mobilisation.

- **Comfortable capitalisation:**

  BOI's capitalisation remained comfortable and strengthened further, with CRAR improving to 18.01% as on March 31, 2026 from 17.77% a year earlier, supported by healthy profitability and internal capital generation. The strengthening continued in Q1FY27, with CET-1 improving to 15.97% from 14.52% as on June 30, 2025, Tier-I to 16.27% from 15.15%, and CRAR to 18.69% from 17.39%, providing adequate headroom for growth. Management plans to raise around Rs 7,500 crore in FY27 through AT-I and Tier-II instruments, which should further support capital requirements and absorb the manageable transition impact of the ECL-based provisioning framework.

- **Improving asset quality:**

  BOI's asset quality has continued to improve during FY26 and Q1FY27, although it remains moderate. The GNPA and NNPA improved to 1.98% and 0.56%, respectively, as on March 31, 2026, from 3.27% and 0.82%, respectively, as on March 31, 2025. The improvement was supported by lower fresh slippages, healthy cash recoveries, upgradation of NPAs and continued write-offs. Fresh slippages declined to Rs 5,326 crore in FY26 from Rs 7,099 crore in FY25, while the annualised credit cost moderated to 0.48% from 0.76% during the same period. The improvement continued in Q1FY27, with GNPA further declining to 1.81% as on June 30, 2026, from 1.98% as on March 31, 2026 and 2.92% as on June 30, 2025. NNPA also improved to 0.51%, compared with 0.56% as on March 31, 2026 and 0.75% as on June 30, 2025. Fresh slippages stood at Rs 1,778 crore during Q1FY27, compared with Rs 2,080 crore in Q1FY26. The provision coverage remains comfortable, supported by continued provisioning and write-offs.

  Management remains focused on further reducing fresh slippages and has indicated a target of bringing fresh slippages down to around Rs 4,000 crore in FY27, from around Rs 5,326 crore in FY26. At the same time, the bank has adopted a cautious approach towards unsecured personal loans, particularly low-ticket and non-salaried segments, by introducing additional underwriting guardrails to protect asset quality. While the sustained improvement in asset quality is positive, the absolute level of stressed assets, exposure to certain corporate and international segments and the potential impact of the transition to the ECL-based provisioning framework remain key monitorables. BOI's ability to sustain the improvement in asset quality and contain fresh slippages and credit costs will remain a key rating monitorable.

### Weaknesses

- **Moderate growth in deposits in comparison to the advances:**
  BOI's credit-deposit ratio remained elevated at 83.19% as on March 31, 2026, compared with 81.57% as on March 31, 2025, reflecting stronger growth in advances relative to deposits. During FY26, global advances grew by around 16% y-o-y, while global deposits grew by around 15%, resulting in a moderate increase in the credit-deposit ratio. The trend continued in Q1FY27, with the credit-deposit ratio increasing marginally to 83.28% as on June 30, 2026. The relatively stronger credit growth has necessitated continued focus on resource mobilisation. While CASA deposits have increased in absolute terms, the CASA ratio moderated from 40.29% as on March 31, 2025 to 37.64% as on March 31, 2026 and further to 36.68% as on June 30, 2026, reflecting changing customer savings preferences and the bank's strategy of mobilising additional deposits, including deposits in the Rs 3-25 crore segment and bulk deposits, to support credit growth. Management has indicated that the bank is focusing on strengthening its liability franchise through increased CASA mobilisation, retail term deposits, FCNR deposits and dedicated deposit-focused initiatives. The bank is also seeking to optimise the cost of deposits while improving the yield on advances through greater focus on RAM, MCLR-linked and selected mid-corporate advances. Infomerics Ratings expects the credit-deposit ratio to remain at elevated levels in the near to medium term, given the bank's strong credit growth. The ability to mobilise deposits commensurate with credit growth, improve the deposit mix and maintain a comfortable liquidity position will remain key rating monitorables.

### Liquidity –Strong

BOI's liquidity position is supported by the strength of its liabilities franchise and its sovereign ownership. The Bank is having a sizeable retail deposit base that forms a significant part of the total deposits. Its liquidity coverage ratio stood at 120.25% as on June 30, 2025, as against minimum regulatory requirement of 100%. Liquidity is further supported by the Bank's access to systemic sources of funds, such as the liquidity adjustment facility from RBI and access to the call money market.

## Rating Sensitivities

**Upward Factors** - NA

**Downward Factors**

- Any weakening of linkages with GoI thereby impacting the expectations of support from GoI.
- Any major increase in slippages leading to weakening of asset quality with gross NPAs, thereby impacting the earnings profile.
- Any material decline in overall capital adequacy ratios below the current level.

## About the Bank

BOI was founded on 7th September 1906 by a group of eminent businessmen from Mumbai. BOI was under private ownership and control till July 1969 when it was nationalised along with 13 other banks. Beginning with one office in Mumbai, with a paid-up capital of Rs.50 lakh and 50 employees, BOI has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations. In business volume, BOI occupies a premier position among the nationalized banks.

**Key Financial Indicators (Standalone):**

(Rs. crore)

| For the year ended* / As on | 31-03-2025 | 31-03-2026 | Q1FY27 |
|---|---|---|---|
| | Audited | Audited | Unaudited |
| Total Income | 79,820 | 85,036 | 22,528 |
| PAT | 9,219 | 10,527 | 3,068 |
| Total Advances | 6,66,047 | 7,71,391 | 7,97,775 |
| Total Deposits | 8,16,541 | 9,27,271 | 9,57,924 |
| Total Business | 14,82,588 | 16,98,662 | 17,55,699 |
| Tangible Net Worth | 78,601 | 88,004 | 90,137 |
| **Ratios** | | | |
| NIM (%) | 2.82 | 2.58 | 2.52 |
| ROTA (%) | 0.90 | 1.01 | 1.01 |
| CET I CRAR (%) | 14.84 | 15.05 | 15.97 |
| Overall, CRAR (%) | 17.77 | 18.01 | 18.69 |
| Gross NPA (%) | 3.27 | 1.98 | 1.81 |
| Net NPA (%) | 0.82 | 0.56 | 0.51 |
| PCR (Including Technical Write-off) (%) | 92.39 | 93.57 | 93.83 |
| CASA (%) | 40.28 | 37.64 | 36.68 |

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

## Applicable Criteria

Rating Methodology for Banks

Financial Ratios & Interpretation: Financial Sector

Criteria for Government Support

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

**Status of non-cooperation with previous CRA:** None

**Any other information:**

Note on Basel-III Compliant Tier-II Instruments: The distinguishing feature of Tier-II capital instruments under Basel III is the existence of the point of non-viability (PONV) trigger, the occurrence of such situation might result in loss of principal to the investors and, henceforth, to default on the instrument by the issuer. According to the Basel III guidelines, the PONV trigger will be determined by the RBI. Infomerics Ratings believes the PONV trigger is a remote possibility in the Indian context, given the robust regulatory and supervisory framework and the systemic importance of the banking sector. The inherent risk associated with the PONV feature is adequately factored into the rating on the instrument.

## Rating History for last three years

| Sr. No. | Instruments/ Facilities | Current Ratings (Year 2026-27) | | | Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2025-26 | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 |
| | | | | | Aug 20, 2025 | Aug 30, 2024 | Sept 8, 2023 |
| 1. | BASEL III Compliant Tier II Bonds | LT | 1,800.00 | IVR AAA/Stable | IVR AAA / Stable | IVR AAA / Stable | IVR AAA / Stable |

**Annexure 1: Instrument/Facility Details**

| Name of Facility / /Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook | Listing Status | Regulator^ | Complexity Indicator |
|---|---|---|---|---|---|---|---|---|---|
| BASEL III Compliant Tier II Bonds | INE084A08151 | 30 Sept 2021 | 7.14% | 30 Sept 2031 | 1800.00 | IVR AAA/Stable | Listed | SEBI | Highly Complex |

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** None

**Annexure 4: List of companies considered for Consolidated/Combined analysis:** Not Applicable

**Annexure 5: List of activities / instruments and names of regulators**

| Sr. No. | Instrument / activity Name | Regulator of the instruments |
|---|---|---|
| 1 | Listed/Proposed to be listed bonds/debentures/preference share (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $ | RBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)* | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)* | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^ | RBI |
| 9 | External Commercial Borrowings and other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11a | Fixed Deposits raised by NBFCs, HFCs, FIs | RBI |
| 11b | Fixed Deposits raised by Banks | + |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Borrowing programme ~ | - |
| 15 | Issuer Ratings # | - |

| | | |
|---|---|---|
| 16 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 17 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18 | Listed Security Receipts $ | RBI |
| 19 | Unlisted Security Receipts | RBI |
| 20 | Independent Credit Evaluation (ICE) | RBI |
| 21 | Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis) | + |
| 22 | Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities)) | SEBI |
| 23 | Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)) | MCA |
| 24 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

***Footnotes:***
** Includes securitisation transactions involving assignee payout, acquirer's payout.*
*~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.*
*^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*
*# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.*
*@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.*
*$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.*
*+ To be finalized following a discussion with the regulatory authorities.*

***Note:*** *For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

| Analytical Contact |
|---|
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## About Infomerics

Infomerics Valuation and Rating Ltd. ("Infomerics") [Formerly known as Infomerics Valuation and Rating Private Limited], a SEBI-registered and RBI-accredited credit rating agency, is dedicated to delivering independent, transparent, and research-driven ratings. Licensed for credit rating operations since 2015, Infomerics has empowered investors with reliable insights to make informed credit decisions. Driven by robust frameworks and methodologies, enriched by sectoral depth, and defined by analytical precision, Infomerics evaluates a wide spectrum of borrowers including MSMEs, large corporates, banks, NBFCs, state governments, municipal bodies, infrastructure projects, REITs, and InvITs— covering the entire range of debt instruments. With a strong pan-India presence anchored by its Head Office in Delhi and Corporate Office in Mumbai, alongside branches in major cities, Infomerics has rapidly expanded its footprint. Its joint venture in Nepal further underscores its growing influence across South Asia. Over the past decade, Infomerics has emerged as a rapidly expanding force in the credit rating space, achieving broad market recognition and building enduring trust among investors, institutions, and issuers.

For more information and definitions of ratings, please visit www.infomerics.com.