Bank Of India

24 July 2026

Operator: Good evening, ladies and gentlemen. 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 Q1 FY27. I would like to introduce the Bank of India's management team present for today's analyst meet: Shri Rajneesh Karnatak, MD and CEO; Shri P. R. Rajagopal, Executive Director; Shri Subrat Kumar, Executive Director; Shri Rajiv Mishra, Executive Director; and Shri Pramod Trivedi, Executive Director. We will now begin this analyst briefing. To start, I would like to invite Shri Rajneesh to address this gathering, after which we will open the floor for the Q&A session. So, over to you.

Management: Thank you. Good evening, ladies and gentlemen. Thank you for joining us today ahead of our announcement for the financial results for Q1 FY27. The first quarter of the year has been marked by a changing global environment. While West Asia uncertainties continued to trade, related developments remain fluid. The Indian economy has remained on a firm footing. Inflation has remained broadly contained, although the uneven progress of the monsoon and its implications for food prices continue to warrant close attention. Domestic economic activity has remained steady, and the Reserve Bank of India has maintained a supportive policy stance to support growth. These developments have created a favorable environment for the banking sector. The new financial year has opened on a steady note, building on the progress achieved so far. Our focus is on sustainable growth, prudent lending, and disciplined execution across all our businesses. My remarks today are divided into three parts: first being the institutional initiatives, the second being the business, and the third being profitability and asset quality.

As far as the institutional initiatives are concerned, to sharpen the market focus and accelerate the growth, Bank of India has established a dedicated centralized sales vertical to streamline the business outsourcing. This functional vertical holds end-to-end responsibility for driving customer acquisition, enhancing business productivity, and boosting the revenue across the streams. The second initiative that we have taken is complementing this with the establishment of the strategic business branch, the SBB at Mumbai, dedicated to capturing high-value pool buyouts, co-lending, TReDS business, and also supply chain financing. With the aim to enhance the digital convenience and seamless banking, Bank of India has now offered the virtual personalized debit card in the RuPay segment. Customers can instantly apply for and self-activate the card directly through the BOI Omni Neo mobile banking application.

The fourth initiative that we have taken is to elevate the user experience. The bank has introduced the BOI Star Choice Current Account, which gives clients the unique capability to select the last 7 digits of the account number. The bank has also operationalized the Central Video Customer Identification Process Center in Mumbai, enabling seamless end-to-end digital account opening through the e-platform without manual intervention, driving operational efficiency and frictionless customer service.

Digital banking has taken a leap forward in Kenya. The Bank of India Kenya mobile banking application is now live, bringing customers the convenience of anytime banking, real-time transactions, and seamless M-Pesa interaction. To revamp the bank's existing cash management services, Bank of India Services Limited is facilitating the proposed mechanism to deploy dedicated field staff on the ground. This on-the-street presence will allow us to leverage the existing corporate relationships, driving through deposit growth and broader business opportunities.

As far as the business is concerned, global business has grown by 16.57% on a year-over-year basis from 15.06 lakh crores in June 2025 to 17.55 lakh crores in June 2026 with an incremental growth of 2.49 lakh crores. Global deposits have increased by 14.90% on a year-over-year basis from 8.34 lakh crores in June 2025 to 9.58 lakh crores as on June 2026 with an incremental growth of 1.24 lakh crores. As far as domestic deposits are concerned, they have increased by 16.15% on a year-over-year basis from 7.10 lakh crores in June 2025 to 8.25 lakh crores as on June 2026. CASA has increased on a year-over-year basis from 2.82 lakh crores in June 2025 to 3.02 lakh crores as on June 30 with an incremental growth of more than 20,000 crores, and the CASA ratio stood at 36.68%.

As far as the global advances are concerned, they have increased by 18.84% on a year-over-year basis from 6.72 lakh crores in June 2025 to 7.98 lakh crores in June 2026 with an incremental growth of 1.25 lakh crores. As far as the domestic gross advances are concerned, they have increased by 19.20% on a year-over-year basis from 5.65 lakh crores in June 2025 to 6.74 lakh crores as on June 2026. RAM advances have also increased by 19.75% on a year-over-year basis from 3.25 lakh crores in June 2025 to 3.93 lakh crores in June 2026, constituting nearly 54.30% of the advances coming under the RAM segment.

As regards the profitability and the asset quality, operating profit has improved by 25.99% on a year-over-year basis and stood at 5,051 crores for June 2026 as against 4,009 crores as on June 2025. Net profit has increased by 36% on a year-over-year basis and stood at 3,068 crores for June 2026 as against 2,252 crores as on June 2025. Net interest income has also increased by 12.61% on a year-over-year basis and stood at 6,833 crores for June 2026 as against 6,068 crores in June 2025. Non-interest income has increased by 19.07% on a year-over-year basis and stood at 2,579 crores for June 2026 as against 2,166 crores as on June 2025.

Global NIM stood at 2.52% in June 2026 as against 2.55% in June 2025. Slippage ratio stood at 0.24% in June 2026 as against 0.33% in June 2025. Credit cost has also declined to 0.15% in June 2026 as against 0.17% in June 2025. There has been improvement in the asset quality also with reduction in both GNPA and NNPA. Gross NPA ratio has improved by 111 basis points on a year-over-year basis to 1.81% only as on June 2026. Net NPA ratio has also improved by 24 basis points on a year-over-year basis to 0.51% as on June 2026. Provision coverage ratio has improved to 93.63% in June 2026 as against 92.94% in June 2025. As on June 30, 2026, the bank's CRAR has improved to 18.69% from 17.39% as on June 2025.

Going forward, the outlook for the Indian economy remains constructive, supported by stable consumption patterns, continued public investment, and healthy credit demand across sectors. However, geopolitical developments and evolving financial market conditions continue to warrant close monitoring. Against this backdrop, our guidance for FY27 stays unchanged. Global advances are to grow by 15-16% and global deposits by 13-14% on a year-over-year basis. Our approach will continue to be guided by balanced growth with a focus on improving our deposit mix, supporting credit demand, maintaining sound asset quality, and making processes more efficient through technology and better customer service. Our Q1 FY27 results and investor presentation have been released today, provide detailed insights into our quarterly performance, key business developments, and outlook for the remainder of FY27. Thank you once again for joining us today. I invite you for your questions. Thank you so much.

Operator: Thank you, sir. We will now proceed towards our Q&A session. Before we proceed, I would request you to kindly raise your hand for the queries. One of our representatives shall hand over the microphone to you. Also, kindly restrict to two questions at one time so that the others also get a chance to interact with the management. For further queries, we will come back to you later if time permits. Request you to please identify yourself and your organization before asking a question. For outstation analysts, please send your questions to the Concept PR representative, Mr. Ganesh, on message or WhatsApp at 7738688746. You can also mail the queries to Ganesh@conceptpr.com. We will now proceed. Please raise your hand for the questions.

Ashok Ajmera: Hello. I am Ashok Ajmera. Complement to you, the entire team of Bank of India for a good set of numbers in the first quarter of FY27. We are escaped from whatever is happening geopolitically because we started from February 28. But somehow that impact is still not very visible to us if you see the numbers. However, the way things are going, have you started feeling some kind of stress in some of the accounts, especially the MSME and the small loan accounts? Regarding this ECLGS 5, how much have people already received in terms of disbursement and sanctions? Are more people approaching, which might give an idea about stress building up so that the future quarters may or may not be impacted as much? This is my first observation.

Management: Thank you, Mr. Ajmera. On the first point with respect to the West Asia crisis and its stress, we have two data points in our balance sheet presentation today. First is with respect to the SMA numbers and the second is the asset quality and the fresh slippages. As far as the SMA numbers are concerned, if you see our 5 crore and above SMA numbers, our SMA has now come down to 4,070 crores, which is only 0.52% of our standard book. This was around 4,700 crores as on March 31 and more than 7,000 crores as on June 30, 2025. As far as the SMA numbers are concerned, the collection efficiency remains intact for Bank of India. Our zonal collections are doing excellent work, enabling us to reduce our overall SMA numbers. So, the stress of the West Asia crisis does not seem to reflect there.

As far as the fresh slippages are concerned, fresh slippages, including the existing debit outstanding which increases in the existing NPA accounts, have been only around 1,800 crores as against 2,100 crores of fresh slippages which happened in the quarter of June 2025. So there also we have been able to control the slippages. Normally, the Q1 slippages in Bank of India are higher than other quarters, and as time progresses, the fresh slippages will go down further. We feel that the asset quality remains intact. At present, we do not see much stress regarding the West Asia crisis getting reflected in the SMA or fresh slippages. However, we are monitoring the situation very closely. In certain sectors, we feel there has been a direct impact, particularly chemicals, ceramics, and sectors involving imports and exports, especially the import of oil or gas. Beyond that, because of the supply chain crisis in West Asia, there is also an increase in the working capital cycle.

However, that has been taken care of by the government through the ECLGS scheme. As far as that scheme is concerned, we have already sanctioned approximately 6,000 crores under the ECLGS scheme, out of which 4,600 crores has already been disbursed. We expect that by the time the scheme comes to an end, which is around 2.5 trillion rupees, we will be able to do around 8,000 crores of sanctions and disbursements. The MSME accounts where there is certain stress because of the increase in their working capital cycle will have availed or will be availing the ECLGS scheme, which will help them tide over the current prevailing situation.

Ashok Ajmera: Sir, we are a large player even in the international market. Now with this relaxation in the interest rate by the RBI on the FCNRB and the other foreign routes for bringing the foreign deposits, where do we stand? Can you give some color on that and what is our overall plan this year up to September and the whole year under those routes? How is it expanding our deposit base and credit leverage?

Management: Yes. As far as the FCNRB is concerned, we have set a target of around $1.2 billion that we will be mopping up. We have a very robust mechanism and an international presence in more than 15 countries. As far as our AD branches are concerned, those enabled to take FCNRB and NRI branches all put together are around 250 across the entire country in the 13 FGMs. Presently, we have already garnered more than $200 million of FCNRB deposits. Our target is to achieve the $1.2 billion by September 30. We are seeing this deposit coming from across the globe, whether it is the USA, Canada, four countries in Africa, Europe, the UK, East Asia, Singapore, Hong Kong, or Japan. This money is coming from across the globe and within the country from all NRI segments.

As regards leverage, we have a product providing up to 9 times leverage. We have already rolled out and are marketing that leverage product. Regarding costing, for a 3-year FCNR, we are giving 6.25%. For 3-year to 4-year FCNR terms, we are giving 6.30%, and for the 5-year, we are giving 6.50%. Presently, we are getting bulk deposits at around 7%. Even if you see the gap for the 5-year FCNR at 6.50% with the hedging cost taken care of by the RBI, we are getting a clean spread of around 50 basis points on that 5-year deposit. There is an attraction for us, as there is no CRR or SLR to be maintained on those deposits. Cost of deposits will be coming down for the bank on that account.

Ashok Ajmera: Treasury has contributed very well in this quarter due to revaluation and profit. But going forward, the yield movement is getting adverse again. Do you think we will be able to maintain that, and if not, how do we compensate in the coming quarters to improve the overall financial year 2027?

Management: If the RBI increases the repo rate, as 60% of our book is through the repo external benchmark, we will be able to earn better interest income. The NIMs will improve as far as interest income on loans and advances is concerned. In that situation, typically the investment book would be under stress, or vice-versa. That will always play out in the market as interest rates move.

But one thing we are doing is increasing our advances in a very secular manner. We want to grow our RAM advances in retail, agriculture, and MSME, and grow our mid-corporate and corporate books. We also want to grow our international book, co-lending, pool purchase, supply chain financing, and TReDS book. We are growing in a secular manner so that any impact in a particular geography or segment can be mitigated through our credit book.

Manoj Alimshanan: Rajneesh, Manoj Alimshanan here. Congratulations to you and your team. Excellent performance, better than most private and public sector banks so far. Excellent other income and vertical performance. How do we see our business in Gift City? Second, and while corporate loans are doing well, gold loans were not mentioned in slide 7. What is our strategy for scaling up gold loans since it is a risk-free opportunity? Third, regarding the $1.2 billion target for FCNR, I find it very conservative given the government and RBI targets. What are your detailed plans across continents? Lastly, what are your thoughts on PSU bank mergers to create globally-sized banks?

Management: Regarding the merger part, we have no comments. There has been no discussion with us. That is for the government or RBI to answer. Moving to the FCNR targets, $1.2 billion is a target we are confident we will achieve very quickly. Apart from that, we have set a target to raise around $2 billion through OFCB and the MTN. The FCNR window is up to September 30, and for OFCB and MTN, the window is up to December 31, 2026. Another $2 billion will be raised through that. The third opportunity is with respect to the ECB. In 4 to 5 accounts, we have already given in-principle approvals for around $500 million, and we are confident we will do around $1 billion there as well. Put together, we will reach around $4.3 billion by December 31 through FCNR, OFCB, MTN, and the ECB.

As regards Gift City, it is our key strategy for lending. A very good book is being created. Our corporate pipeline is around 70,000 crores presently, including domestic and international corporates, with some coming from Gift City. Regarding gold loans, we have a book of approximately 57,000 crores as on June 30 with a yield of more than 9%, around 9.10%. Regarding asset quality, the NPA is less than 100 crores. We have a clear SOP: after three notices within 90 days, we sell the gold and realize the money. Our gold loan book is performing nicely and growing at around 25% on a year-over-year basis.

Manoj Alimshanan: In the gold loan 157,000 crores currently, what is the growth number, and what is the leverage offered on FCNR deposits?

Management: The gold loan growth is 25% year-over-year. Regarding leverage, the board has approved up to 9 times. Maximum, we will go up to 9 times. The deposit rates are 6.25%, 6.30%, and 6.50% as mentioned.

Analyst 5: Congratulations to the Bank of India team. Looking at your performance, it seems you will outperform your guidance. Regarding the $4.2 billion you are raising, what portion of the $1.2 billion will be leveraged and what part will be direct deposits? Direct deposits are stickier.

Management: We have more than 3 lakh NRI, PIO, and OCI customers, and a very strong franchise there. We have already garnered $200 million in FCNR, and the majority is core FCNR deposits. Going forward, we expect some leverage, as some large HNI customers are seeking it. Maximum leverage will be 9 times.

Analyst 5: The spread is reduced compared to what was initially offered. Moving to the international book, how are you seeing traction besides Gift City?

Management: We have a pipeline of more than 1 lakh crore across our loan book. The corporate and international pipeline is around 70,000 crores. The remaining is RAM, digital, pool purchase, TReDS, and supply chain. We have a strong international pipeline in New York, London, Japan, Hong Kong, and Singapore, coming from both Indian and local corporates. In this quarter, for the first time, we touched more than 2.5 lakh crores of international business, closing at 2.56 lakh crores. We are trying to improve NIMs by reducing trade finance, which is 32% of our international book with lower margins, and substituting it with local and domestic corporates.

Analyst 4: Regarding digitization and human resources, what are we spending to ensure staff become the leaders of tomorrow?

Management: We are driving the Star Light program for upskilling and reskilling our workforce, including officers, clerical staff, and sub-staff. We are doing work on capability building and succession planning. We have mentor-mentee programs and are sending staff to domestic and international coaching centers. On technology, we are spending heavily on IT, digital, and cybersecurity. Our loan operating system is well-established, and 22% of our domestic credit book is now digitally sanctioned. Our analytical sanctions through the data lake project are also flowing into the CRMnext package. We have built a business of more than 18,000 crores there. It is now time to ramp up and automate to drive further business results.

Operator: I would request you to pause because we have questions coming online. There is one from Lavish from Morgan Stanley. He asks: how should we think of PSL income for the next three quarters, given the 277 crore base this quarter? Second, is there any reversal of provision for AS-15?

Management: We have earned approximately 277 crores in Q1 from PSL. As our RAM advances grow—specifically retail, MSME, and agriculture—we will have the opportunity for PSL in Q2 and Q3 as well. On AS-15, we have no plans to go for that at present.

Operator: We have a question from Nitin from Aurum Capital. He asks: what is your guidance for ROA, NIM, and CIR for the financial year? Will you be able to hold a 2.52% NIM and CIR below 46.3%?

Management: Our guidance for ROA remains consistent with our March results. We touched 1% this quarter and aim to maintain a 1% or higher ROA in FY27 consistently. For NIM, it is currently 2.52%. Given the interest rate scenario and the situation in West Asia, NIMs are under challenge, but our guidance for global NIM is around 2.55% to 2.60% for FY27. Cost-to-income ratio was 46% this quarter, but for the full year, it should be between 48-49%.

Analyst 2: What is the trend for the year regarding yields and the cost of funds?

Management: Our cost of deposits is coming down. We hope to reduce it further by focus on RAM advances, retail term deposits, and FCNR deposits. Regarding yield on advances, we feel there will be a pause in the reduction and a subsequent move to grow that yield. We are targeting more MCLR advances and mid-corporate advances through our 19 emerging corporate credit branches, where interest rates and fees are better. We are also re-strategizing the international book to substitute low-margin trade finance with higher-margin corporate business.

Analyst 3: In your retail loans, personal loans have only grown 3%. What are the challenges?

Management: We have put guardrails on personal loans. Low-ticket personal loans and non-salaried segments were showing risk in the industry. We are concentrating more on the service sector where salaries come into Bank of India accounts with nudge mandates. This has led to some de-escalation in the personal loan book, but we are watchful to protect asset quality.

Analyst 3: Regarding credit cards, what was the growth in the number of cards year-over-year?

Management: We revamped our credit card offering last year. We intend to increase the base. The target we have set is to have 3 lakh credit cards by the end of FY27.

Operator: A question from Dheeraj: given the financial improvement, do you believe the investment community recognizes this transformation, and how will management demonstrate that this improvement is sustainable?

Management: We are clear about building a strong bank with sustainable growth, profitability, and improved asset quality. We are focused on improving our processes and doing better each quarter. It is for the investment community to decide based on our numerical performance.

Analyst 4: Three questions: CASA ratio and retail term deposits have come down by 3% each, yet the cost of deposits came down by 15 basis points. Can you explain? Second, you reduced ATMs by 300. Third, regarding Bank of India Mutual Fund, why don't you do a public issue?

Management: Regarding CASA and term deposits, there is a structural change in saving patterns in India, with more money going into equities, mutual funds, and real estate. We have focused on garnering deposits in the 3 crore to 25 crore bucket, where the interest rate is finer than bulk deposits of 500-1,000 crores. Since our credit growth is robust, we have been taking bulk deposits above 3 crores to support that growth, which has pushed the CASA and retail term deposit percentages down. However, we are optimizing costs to keep NPM stable.

On ATMs, we rationalized units that were running at a loss or had low hits. This is part of our cost optimization strategy. For the mutual fund, our AUM is around 16,000-17,000 crores. We need to grow the AUM further before hitting the market. At the right time, we may plan for it.

Operator: We will now conclude this gathering.

Analyst 3: I have a quick question if time permits.

Management: You can always meet us and ask whatever questions you want over a cup of coffee. We are all here. It is the rainy season.

Management: Alright, thank you so much for joining. Thank you, everyone.

Operator: Thank you so much for joining and thank you to the management team.

Management: It is done, it is processed. What is happening with you all? Thank you.