बैंक ऑफ इंडिया
Bank of India BOI

संदर्भ क्र. Ref. No.:HO:IRC:RKP:2025-26:178 दिनांक Date: 20-08-2025

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.

Dear Sir/Madam,

Reporting under Regulation 30 & Regulation 55 of SEBI (LODR) Regulations
Credit Rating of Tier II Bonds by Infomerics Ratings – Reaffirmed

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 Circular No.CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform that the Rating Agency, Infomerics Ratings has reaffirmed Tier II Bond rating as per details given below:

Sr. No.	ISIN	Name of the Credit Rating Agency	Credit Rating Assigned	Outlook (Stable/ Positive/ Negative/ No Outlook)	Rating Action (New/ Upgrade/ Downgrade/ Reaffirm / Other)	Specify Other Rating Action	Date of Credit Rating	Verification Status of Credit Rating Agencies	Date of Verification
1.	INE08408151 (Tier-II Bonds)	Infomerics Ratings	AAA	Stable	Reaffirm	-	19.08.2025	Verified	20.08.2025

2. The press release issued by Infomerics Ratings is attached.

3. This is for your information and appropriate dissemination.

भवदीय Yours faithfully,

RAJESH VENKATA RAJ UPADHYA

Digitally signed by: RAJESH VENKATARAJ UPADHYA
DN: CN = RAJESH VENKATARAJ UPADHYA C = IN O = AADPU0825G OU = DGM AND COMPANY SECRETARY
Date: 2025.08.20 13:07:01 +06'30'

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

(Rajesh V Upadhya)
कंपनी सचिव Company Secretary

प्रधान कार्यालय :निवेशक संबंध विभाग ,स्टार हाउस-I, आठवीं मंजिल, सी-5, जी-ब्लॉक ,बांद्रा कुर्ला संकुल, बांद्रा पूर्व, मुंबई - 400 051
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Press Release

Bank of India (BOI)

Aug 20, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term – BASEL III Compliant Tier II Bonds	1800.00	IVR AAA/ Stable (IVR Triple A with Stable outlook)	IVR AAA/ Stable (IVR Triple A with Stable outlook)	Rating reaffirmed	Highly Complex
Total	**1800.00 (Rupees One Thousand Eight Hundred Crores only)**				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale:

Infomerics Ratings has reaffirmed the ratings assigned to the BASEL III Compliant Tier II Bonds of BOI which continues to derive strength from sovereign ownership with continued support, sustained improvement in the earnings profile, diversified loan portfolio coupled with growth in advances, established & well spread market reach, comfortable capitalization levels and healthy resource profile. The ratings are however partially constrained by modest, albeit improving, asset quality and moderate growth in deposits in comparison to the advances.

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

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.

Key Rating Sensitivities:

Upward Factors: None

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.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Sovereign ownership with continued support:

GoI continues to be the majority shareholder holding 73.38% stake in BOI as on June 30, 2025. GoI has consistently provided capital infusions and implemented measures to enhance capitalization, operational efficiency, and asset quality in public sector banks (PSBs). Given the GoI's majority ownership and the significant role of PSBs in the domestic banking system, Infomerics Ratings anticipates that the BOI will continue to receive timely and sufficient capital and operational assistance from the GoI as needed.

Sustained improvement in the earnings profile:

BOI's earnings profile has shown sustained improvement since FY21 after being constrained by high credit costs from FY16 to FY20. As on 30th June 2025, BOI's interest income has grown y-o-y by ~8% to Rs. 18,352 crores (FY25 (refers to period 1st April 2024 to 31st March 2025): Rs. 70,826 crores) on back of growth in advances whereas its net interest margin (NIM) has declined to 2.55% for quarter ending June 2025 (FY25: 2.82%, QE March 25: 2.61%) primarily due to the prompt transmission of policy rate cuts on the lending side, while deposit repricing, being carried out in a phased manner, is yet to be fully aligned. BOI's credit cost (annualised) has decreased to 0.68% as on 30th June 2025 (FY25: 0.76%) on back of lower provisions on non-performing assets. BOI's operating profit has increased y-o-y by ~9% to Rs. 4,009 crores as on 30th June 2025 (FY25: Rs. 16,412 crore) on back of higher non- interest income. Additionally, BOI's return on assets (ROA) and cost to income ratio stood at 0.82% & 51.31% respectively as on 30th June 2025. Going forward, BOI's ability to improve profitability and manage credit costs will remain a key rating monitorable.

Diversified loan portfolio coupled with growth in advances:

BOI's loan portfolio is diversified with Retail, Agriculture & MSME's (RAM) share in the portfolio continues to be ~58%. As on 30th June 2025, BOI's gross domestic advances have grown y-o-y by ~11% to Rs. 5,65,297 crores (FY25: 5,63.550 crore) driven by the growth in RAM segment. RAM has grown y-o-y by ~17% to Rs. 3,28,048 crores as on 30th June 2025 on back of growth in retail segment which has grown y-o-y by ~20% followed by MSME and Agriculture which has grown y-o-y by ~17% and ~12% respectively. The corporate & other segment have grown y-o-y by ~5% to Rs. 2,37,249 crores with major exposure to sectors like infrastructure and NBFCs. Infomerics Ratings expects continuity in RAM segment to be a key focus area for BOI to drive credit growth over medium term.

Established and well spread market reach:

BOI has a geographically well spread branch network in India and aboard. BOI has 5,304 domestic branches, 7,986 ATMs & CRA, 23,676 BCs and 36,990 customer touch points and strong international presence with 22 overseas branches as on 30 June 2025 which keeps BOI presence felt in all times zones and important financial centres of the globe.

Comfortable capitalisation:

BOI's capitalization levels are comfortable, with Common Equity Tier-1 (CET 1) ratio, Tier-I capital adequacy ratio (CRAR) and overall, CRAR at 14.52%, 15.15% & 17.39% respectively, as on June 30, 2025 (14.84%, 15.47% & 17.77% respectively, as on March 31, 2025). Additionally, BOI has raised capital worth Rs. 2,500 crore in FY25 through Tier II Bonds and has a capital raising plan of Rs. 5000 crore in FY26 out of which Rs. 2500 crore will be through Additional Tier I Bonds and remaining Rs. 2500 crore through Tier II Bonds. Infomerics Ratings expects BOI maintaining a sufficient buffer above the minimum regulatory capital requirement to meet credit growth on back of expected capital infusion ably supported by improvement in internal accruals over medium term.

Healthy resource profile:

BOI's resource profile is healthy marked by the proportion of current account and savings account (CASA) deposits which remained stable at 39.88% as on 30th June 2025 (FY25: 40.29%) despite the challenges faced by the banking industry in mobilizing CASA as depositors preference have shifted to term deposits with attractive rates along with mutual funds which has seen record inflows. Additionally, BOI's retail term deposits are largely stable at ~46% which provides it additional comfort on the liabilities side as probability of premature withdrawal is remote. BOI's cost of funds and cost of deposits have marginally declined to 4.66% & 4.85% respectively as on 30th June 2025 (FY25: 4.75% & 4.90% respectively) on account of repricing of deposits due to softening of policy rates. Infomerics Ratings expects BOI's resource profile to remain healthy over medium term on back of stability in CASA deposits due to its well diversified geographical presence.

Key Rating Weaknesses

Modest, albeit improving, asset quality:

BOI's asset quality continues to remain moderate despite improvement over the years as marked by gross non-performing asset (GNPA) and net non-performing asset (NNPA) which stood at 2.92% & 0.75% respectively as on 30th June 2025 (FY25 : 3.27% & 0.82% , FY24: 4.98% & 1.22% respectively, FY23: 7.31% & 1.66% respectively). Reduction in GNPA is driven by cash recovery and write off worth Rs. 1226 crore and Rs. 2459 crore in Q1FY26 respectively (Rs. 5963 crore and Rs. 7756 crore respectively in FY25). Additionally, BOI's slippage ratio stood at 0.33% (FY25: 1.36%) as on 30th June 2025 whereas its provision coverage ratio (PCR) stood at a healthy 92.94% (FY25: 92.39%) as on 30th June 2025. BOI's asset quality will continue to remain a key rating monitorable.

Moderate growth in deposits in comparison to the advances:

BOI's credit - deposit ratio stood at 80.66% as on 30th June 2025 (FY25: 81.57%) primarily on account of higher growth in gross advances as compared to the deposits. As on 30th June 2025, BOI's gross advances have grown y-o-y by ~12% whereas its deposits have grown y-o-y by ~9%, however deposit growth has exceeded the credit growth on a sequential basis. Additionally, BOI is raising capital through infrastructure bonds to create additional resources for sustaining the credit growth cycle. Infomerics Ratings expects BOI's credit – deposit ratio to remain stable on back of BOI's branch expansion strategy with a focus on liabilities growth coupled with capital raising through infrastructure bonds and unwinding of some excess statutory liquidity ratio (SLR) to fund credit growth.

Analytical Approach: Standalone

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]

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.

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.

Financials (Standalone):

(Rs. crore)

For the year ended* / As on	31-03-2024	31-03-2025
	Audited	Audited
Total Income	66,805	79,820
PAT	6,318	9,219
Total Advances	5,85,595	6,66,047
Total Deposits	7,37,920	8,16,541
Total Business	13,23,515	14,82,588
Tangible Net Worth	68,881	78,601
Ratios		
NIM (%)	2.97	2.82
ROTA (%)	0.70	0.90
CET I CRAR (%)	14.24	14.84
Overall, CRAR (%)	16.96	17.77
Gross NPA (%)	4.98	3.27
Net NPA (%)	1.22	0.82
PCR (Including Technical Write-off) (%)	90.59	92.39
CASA (%)	43.21	40.28

** Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
				--	30 Aug 2024	08 Sept 2023	16 Sept 2022
1.	BASEL III Compliant Tier II Bonds	Long Term	1800.00	IVR AAA / Stable (Aug 20, 2025)	IVR AAA / Stable	IVR AAA / Stable	IVR AAA / Stable

Analytical Contacts:

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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

Annexure 1: Instrument/Facility Details :

Name of instrument	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Basel III Complaint Tier II Bonds	INE084A08151	30 September 2021	7.14%	30 September 2031	1800.00	Listed	IVR AAA/ Stable

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated instrument:

Basel III complaint Tier II Bonds – Issue Size – Rs. 1800 crores

Security Description	7.14% Bank of India BASEL III Tier II (Series XV) Bonds in the nature of Debentures
Issue Size (Rs in Crores)	Rs 1800 Crores
Objects of the Issue	Augmenting Tier II Capital
Tenor	120 months
Covenants	Write-down trigger of Non-Viability (“PONV Trigger”) PONV Trigger, in respect of the bank means the earlier of: i. Notify the trustee. ii. cancel any Coupon which is accrued and unpaid on the Bonds as on the write-down date; and iii. Without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI ("PONV Write Down Amount") and as is otherwise required by the RBI at the relevant time. The Issuer will affect a write-down within thirty days of the PONV

	Write- Down Amount being determined and agreed with the RBI. PONV Trigger, in respect of the Issuer or its group, means the earlier of: i. a decision that a principal write-down, without which the Issuer or its group (as the case may be) would become nonviable, is necessary, as determined by the RBI; and ii. the decision to make a public sector injection of capital, or equivalent support, without which the Issuer or its group (as the case may be) would have become non-viable, as determined by the RBI.
Coupon rate	7.14% subject to “Loss Absorbency”, “Permanent principal write-down on PONV trigger event
Call Option	On or after the fifth anniversary from the date of allotment, the Issuer may at its sole discretion, having notified the debenture trustee not less than 21 days prior to the date of exercise of the issuer call date

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

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.