BANK OF INDIA – Q1FY27

Result Update (27.07.2026)

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORY

"The bank posted a healthy Q1FY27 quarter, supported by robust credit growth and improving asset quality"

Ajcon Global's observations & views

1. The Bank delivered a healthy Q1FY27 performance, supported by steady credit growth, controlled slippages, declining SMA levels and continued improvement in asset quality. Bank's disciplined underwriting and strong provisioning buffers reinforce confidence in the balance sheet's resilience.
2. Looking ahead, management's strategy of driving diversified credit growth across RAM, mid-corporates, international business, gold loans, GIFT City, co-lending, and supply-chain finance, while strengthening the funding mix through retail deposits and FCNR(B), should support sustainable earnings growth and margin stability.

Q1FY27 Result Analysis:

1) **Total Business** expanded by 3.36% QoQ to Rs. 17,55,699 Crores in Q1FY27 from Rs. 16,98,662 Crores in Q4FY26 and surged by 16.57% YoY against Rs. 15,06,142 Crores in Q1FY26.
2) **Total Global Deposits** rose by 3.31% QoQ to Rs. 9,57,924 Crores in Q1FY27 from Rs. 9,27,271 Crores in Q4FY26 and climbed by 14.90% YoY against Rs. 8,33,698 Crores in Q1FY26.
3) **Global Gross Advances** grew by 3.42% QoQ to Rs. 7,97,775 Crores in Q1FY27 from Rs. 7,71,391 Crores in Q4FY26 and jumped 18.64% YoY against Rs. 6,72,444 Crores in Q1FY26.
4) **Net Interest Income** rose by 1.53% QoQ to Rs. 6,833 Crores in Q1FY27 from Rs. 6,730 Crores in Q4FY26 and also gained by 12.61% YoY against Rs. 6,068 Crores in Q1FY26.
5) **Operating Profit** grew by 0.49% QoQ to Rs. 5,051 Crores in Q1FY27 from Rs. 5,026 Crores in Q4FY26 and also up by 25.99% YoY against Rs. 4,009 Crores in Q1FY26.
6) **Net Profit** increased by 1.72% QoQ to Rs. 3,068 Crores in Q1FY27 from Rs. 3,016 Crores in Q4FY26 and also scaled up by 36.23% YoY against Rs. 2,252 Crores in Q1FY26.

KEY FINANCIAL INDICATORS – Q1FY27

CMP (27.07.2026)	: Rs. 137.87
Face Value	: Rs. 10
Book value per share	: Rs. 169.98
Market Capitalisation	: Rs. 62,781.29 Crs.
Capital Adequacy Ratio	: 18.69%
C/D Ratio	: 83.28%
CASA Ratio	: 36.68%
Net Interest Margin (NIM)	: 2.52%
Cost / Income Ratio	: 46.33 %
GNPA	: 1.81%
Net NPA	: 0.51%
PCR	: 93.83%
Credit Cost	: 0.15%
Return on Assets	: 1.01%
Return on Equity	: 16.12%

4) **Net Interest Margin (NIM)** marginally declined to 2.52% in Q1FY27, compared to 2.58% in Q4FY26 and decreased from 2.55% in Q1FY26.
5) **Cost of Deposits** softened to 4.69% in Q1FY27 against 4.73% in Q4FY26 and 4.85% in Q1FY26. **Cost of Funds** decreased to 4.45% in Q1FY27 against 4.49% in Q4FY26 and from 4.66% in Q1FY26. **Yield on Advances** contracted to 7.46% QoQ from 7.59% in Q4FY26 and from 8.01% in Q1FY26, respectively.
6) **Total Non- Interest Income** declined by 19.65% QoQ to Rs. 2,579 Crores in Q1FY27 against Rs. 3,210 Crores in Q4FY26 and was up by 19.07% YoY from Rs. 19.07 Crores in Q1FY26.
7) **Cost to income ratio (Global)** decreased to 46.33% in Q1FY27 against 49.44% in Q4FY26 and declined from 51.31% in Q4FY26.
8) **Domestic CASA ratio** came down to 36.68% in Q1FY27 against 37.64% in Q4FY26 and also, declined from 39.88% in Q1FY26.
9) **C/D ratio** marginally improved to 83.28% in Q1FY27 against 83.19% in Q4FY26 and increased from 80.66% in Q1FY26.
10) **Return on Assets (ROA)** stayed flat QoQ to 1.01% in Q1FY27 and increased YoY from 0.82% in Q1FY26.
11) **Fresh slippages** increased to Rs. 1,778 Crores in Q1FY27 against Rs. 1,269 Crores in Q4FY26 but declined from Rs. 2,080 Crores in Q1FY26. **Recovery + Upgradation** decreased to Rs. 1,669 Crores in Q1FY27 against Rs. 1,861 Crores in Q4FY26 and also declined from Rs. 1,799 Crores in Q1FY26.
12) **Gross NPA ratio** improved to 1.81% in Q1FY27 against 1.98% in Q4FY26 and 2.92% in Q1FY26. Net NPA ratio also improved to 0.51% in Q1FY27 against 0.56% in Q4FY26 and 0.75% in Q1FY26, respectively.
13) **Credit cost** decreased to 0.15% in Q1FY27 from 0.16% in Q4FY26 and also declined from 0.17% in Q1FY26.
14) **Provision Coverage Ratio** inched up to 93.83% in Q1FY27 against 93.57% in Q4FY26 and increased from 92.94% in Q1FY26.

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Management Comments

15) In his opening remarks, Mr. Rajneesh Karnatak, MD & CEO of the Bank, highlighted that the Bank has undertaken several strategic initiatives to strengthen its franchise, including the creation of a centralized sales vertical and a Strategic Business Branch (SBB) to drive customer acquisition, improve business productivity, and capture high-value opportunities. He further noted that the Bank continues to enhance its digital capabilities through new customer-centric offerings and process digitization, aimed at improving operational efficiency and delivering a seamless banking experience.

16) Responding to an analyst's query on the West Asia crisis, the MD & CEO stated that the crisis has not materially impacted the Bank's asset quality so far, as reflected in the continued decline in SMA accounts and lower fresh slippages. While the Bank remains watchful of sectors such as chemicals, ceramics and Import–Exports linked businesses. However, Bank's collection efficiency has remained strong and stress levels continue to be well contained.

17) Discussing the progress of the ECLGS 5.0 scheme, Mr. Karnatak noted that the ECLGS scheme has helped address the higher working capital requirements of MSMEs arising from supply-chain disruptions. The Bank has already sanctioned around ₹6,000 crore under the scheme, with ₹4,600 crore disbursed, and expects total sanctions/disbursements to reach nearly ₹8,000 crore by the scheme's closure.

18) On FCNR(B) mobilization, Mr. Karnatak highlighted that the Bank is targeting US$1.2 billion in FCNR(B) deposits by September 30, 2026, with over US$200 million already mobilized from key NRI markets. BOI is offering competitive FCNR(B) rates of 6.25% (3 years), 6.30% (3–4 years), and 6.50% (5 years), supported by RBI hedging benefits and exemption from CRR/SLR requirements, helping reduce funding costs. Additionally, the Bank plans to raise US$2 billion through OFCBs and MTNs and US$1 billion via ECB-linked business, taking the total foreign currency mobilization opportunity to around US$4.3 billion.

19) Addressing to an analyst's query on treasury performance, Mr. Karnatak highlighted that gains from the investment book will continue to be influenced by the interest rate cycle, with treasury and lending income typically offsetting each other across different rate environments. He noted that nearly 60% of Bank's loan book is linked to the external benchmark (repo rate), which supports loan yields when policy rates rise.

20) In reply to an analyst's query, Mr. Karnatak stated that the Bank remains focused on diversified, broad-based credit growth across Retail, Agriculture, MSME, corporate, international, co-lending, pool purchases, supply-chain finance and TReDS. This balanced growth strategy is expected to mitigate sector-specific risks and support sustainable earnings.

21) While answering on the Gift city operations, the MD & CEO, highlighted that it remains a key pillar of Bank's international growth strategy. He further added that the bank has a ₹70,000 crore corporate pipeline, comprising domestic and international corporate opportunities, with a meaningful portion originating from GIFT City, which is expected to support sustained growth in the overseas loan book.

22) On gold loans, Mr. Karnatak highlighted that the Bank's gold loan book has grown 25% YoY to around ₹57,000 crore, delivering a healthy yield of 9.1% while maintaining excellent asset quality, with GNPA below ₹100 crore. He added that gold loans remain a key growth driver within the RAM portfolio, supported by a well-defined recovery mechanism through timely auction of pledged gold in delinquent accounts.

23) Addressing on the Bank's international business query, Mr. Karnatak highlighted that the Bank has a strong loan pipeline of over ₹1 lakh crore, including around ₹70,000 crore in the corporate and international segments, with opportunities spanning GIFT City, New York, London, Japan, Hong Kong, and Singapore from both Indian and local corporates. He added that BOI's international business crossed ₹2.56 lakh crore during the quarter for the first time, and the Bank will focus on improving margins by gradually increasing higher-yielding corporate loans while reducing the share of lower-yielding trade finance in the international portfolio.