बैंक ऑफ़ इंडिया Bank of India BOI

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Unaudited (Reviewed) Financial Results
for the 1st quarter ended 30th June, 2026
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 1st Quarter ended 30th June, 2026

The transcript of Q1 FY27 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.

Yours faithfully,

USHA RAMSINGHANI

Digitally signed by: USHA RAMSINGHANI
DN: CN = USHA RAMSINGHANI C = IN O = BANK OF INDIA OU = INVESTOR RELATION CELL
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बैंक ऑफ इंडिया BANK OF INDIA प्र.का. H.O. निवेशक संबंध कक्ष Investor Relations Cell

(Usha Ramsinghani)
Company Secretary

Bank of India

Q1 FY27 Earnings Con-Call

24th July, 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 Dwibedi, Executive Director

Moderator:

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 those who have joined us virtually from different cities across India. We are pleased to announce Bank of India's financial results for Q1FY27.

I would like to introduce the Bank of India's management team present for today's analyst meet Shri Rajneesh Karnatak - M.D. and CEO, Shri P.R. Rajagopal - Executive Director, Shri Subrat Kumar - Executive Director, Shri Rajiv Mishra - Executive Director and Shri Pramod Dwibedi - Executive Director.

We will now begin this analyst briefing. To start, I would like to invite Shri Rajneesh sir to address this gathering. After which we'll open the floor for the Q and A session. Sir, over to you.

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

Thank you, madam. So, good evening ladies and gentlemen. Thank you for your joining us today. Ahead of our announcement for the financial results for Q1FY27.

The first quarter of the year has been marked by changing global environment. While West Asia uncertainties continue 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 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.

1. Institutional Initiatives:

i. So as far as the institutional initiatives are concerned, to sharpen its market focus and accelerate growth, Bank of India has established a dedicated, centralized Sales Vertical to streamline business outsourcing. This functional vertical holds end to end responsibility for driving customer acquisition, enhancing business productivity, and boosting revenue across the streams.

ii. The second initiative that we have taken is on complementing this is the establishment of the Strategic Business Branch, the SVB at Mumbai,dedicated to capturing high value pool buyouts, co-lending, TReDS business and also supply chain financing.

iii. With an aim to enhance digital convenience and seamless banking, Bank of India is now offering a **Virtual Personalized Debit Card** in the RuPay variant. Customers can instantly apply for, and self-activate the card directly through the BOI Omni Neo Mobile Banking Application.

iv. The fourth initiative that we have taken is to elevate its 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 their account number

v. The Bank operationalized a **Centralized Video Customer Identification Process Centre** in Mumbai, enabling seamless end to end digital account opening through the E-Platform without manual intervention, driving operational efficiency and a frictionless customer service.

vi. Digital Banking has taken a big leap forward in Kenya. Bank of India **Kenya Mobile Banking App** is now live, bringing customers the convenience of anytime banking, real time transactions, and seamless M-PESA integration.

vii. To revamp the Bank's existing **Cash Management Services**, BOI Services Ltd. is facilitating a proposed mechanism to deploy dedicated field staff on the ground. This on-the-street presence will allow us to leverage existing corporate relationships, driving both deposit growth and broader business opportunities

2. Business:

i. As far as the business is concerned, Global business grew by 16.57% YoY from Rs. 15.06 lakh crore in Jun’25 to Rs. 17.55 lakh crore in Jun’26 with an incremental growth of Rs. 2.49 lakh crore.

ii. Global Deposits increased by 14.90% YoY from Rs. 8.34 lakh crore in Jun’25 to Rs. 9.58 lakh crore in Jun’26 with incremental growth of Rs. 1.24 lakh crore.

iii. As far as domestic deposits are concerned, Domestic Deposits increased by 16.15% YoY from Rs. 7.10 lakh crore in Jun’25 to Rs. 8.25 lakh crore in Jun’26.

iv. CASA increased YoY from Rs. 2.82 lakh crore in Jun’25 to Rs. 3.02 lakh crore with incremental growth of Rs. 20,239 crore in Jun’26 and CASA ratio stood at 36.68%.

v. As far as the global advances are concerned, Global Gross Advances increased by 18.64% YoY from Rs. 6.72 lakh crore in Jun’25 to Rs. 7.98 lakh crore in Jun’26 with an incremental growth of Rs. 1.25 lakh crore

vi. As far as the domestic gross advances are concerned, Domestic Gross Advances increased by 19.20% YoY from Rs. 5.65 lakh crore in Jun’25 to Rs. 6.74 lakh crore in Jun’26.

vii. RAM advances increased by 19.75% YoY from Rs. 3.28 lakh crore in Jun’25 to Rs. 3.93 lakh crore in Jun’26 constituting 58.30% of Advances in Jun’26.

3. Profitability & Asset Quality:

i. As regards the profitability and the asset quality is concerned, Operating Profit improved by 25.99% YoY and stood at Rs. 5,051crore for Jun’26 against Rs. 4,009 crore in Jun’25.

ii. Net Profit increased by 36.23% YoY and stood at Rs. 3,068 crore for Jun’26 against Rs. 2,252 crore in Jun’25.

iii. NII increased by 12.61% YoY and stood at Rs. 6,833 crore for Jun’26 against Rs. 6,068 crore in Jun’25.

iv. Non-Interest Income increased by 19.07% YoY and stood at Rs. 2,579 crore for Jun’26 against Rs. 2,166 crore in Jun’25.

v. Global NIM stood at 2.52% in Jun’26 against 2.55% in Jun’25.

vi. Slippage ratio stood at 0.24% in Jun’26 against 0.33% in Jun’25.

vii. Credit Cost declined to 0.15% in Jun’26 against 0.17% in Jun’25.

viii. There has been improvement in asset quality with reduction in both Gross NPA ratio and Net NPA ratio. **Gross NPA ratio** improved by 111 bps YoY to 1.81% for Jun’26. **Net NPA ratio** improved by 24 bps YoY to 0.51% for Jun’26.

ix. Provision Coverage Ratio (PCR) improved to 93.83% in Jun’26 against 92.94% in Jun’25.

x. As on 30.06.2026, Bank’s CRAR has improved to 18.69% from 17.39% as on 30.06.2025.

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 to grow by 15-16%, and global deposits by 13-14%. Our approach will continue to be guided by balanced growth with focus on improving our deposit mix, supporting credit demand, maintaining sound asset quality and making our processes more efficient through technology and better customer service.

Our Q1 FY27 results and investor presentation, released today, provide detailed insights into our quarterly performance, key business developments and outlook for the remainder of FY 27.

Thank you once again for joining us today. I now invite your questions.

Moderator

Thank you, sir. We will now proceed towards our Q and A session. Before we proceed, would request you to kindly raise your hand for the queries. One of our representatives shall hand over the mic 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'll come back to you later, if time permits.

Request you to please identify yourself and your organization before asking a question for outstation Analyst. Please send your Questions to Concept PR representative Mr. Ganesh on message or WhatsApp. His number is 77386886746. I repeat, 7738688746. You can also mail the queries to ganesh@conceptpr.com. We'll now proceed. Please raise your hand for the questions.

Mr. Ashok Ajmera:

Hello, I'm Ashok Ajmera sir. Compliments to you sir. The entire team of Bank of India for good set of numbers in the first quarter of FY27. Sir, the numbers are good somehow, we are escaped from whatever is happening geopolitically because we started from 28th of February. But somehow that impact is still not been so much visible. To us if you see the numbers and other things by the way things are going still, I mean off late, have you started feeling some kind of stress in some of the accounts, especially the MSME and the small loans accounts and this ECLGS-5, I mean that will give some color of what is the need of the people. How much have they already received the money from you, how much disbursement has taken place, sanction has taken place and whether more and more people are approaching, which will give a little idea about the stress building up so that the future quarters may or may not be impacted that much. This is just my first observation from you sir.

Shri Rajneesh Karnatak, MD & CEO

Yeah, thank you so much Ajmera Ji, on the first point with respect to the West Asia crisis and its stress building up. So, we have two data points in our balance sheet presentation today. First point is with respect to the SMA numbers and the second point is with respect to the asset quality and the fresh slippages which are there.

So as far as the SMA numbers are there, if you see our 5 crore and above SMA numbers, our SMA has now come down to 4090 odd crores which is only 0.52% of our standard book which was around 4700 crores as on 31st March 2026 and more than 7000 crores as on 30th June 2025. So as far as the SMA numbers are concerned, the collection efficiency remains intact for Bank of India. Number one, our zonal collections are doing excellent work which is enabling us to reduce our SMA numbers overall. So, the stress of the West Asia crisis does not seem to reflect over there. As far as the fresh slippages are concerned there also if you see the fresh slippages have been including the debit in existing outstanding which increases in the existing NPA accounts has been only around 1800 crores as against 2100 crore of fresh slippages which had happened in the quarter of the June 25.

So there also we have been able to control the slippages. Normally, the Q1 slippages in Bank of India are higher than the other quarters and with the progress of time the fresh slippages will go down further in the coming quarters. So there also we feel that the asset quality has been intact for us. So, at present, we do not see any much stress as far as the West Asia crisis is concerned which is getting reflected in the SMA or the fresh slippages. However, having said that we are monitoring the situation very closely. There are certain sectors where we feel that there has been direct impact, particularly sectors like chemical, sectors like ceramics and also sectors where import and exports are there, particularly import of oil or gas is there. So, there we are monitoring the situation very closely. Apart from that because of the supply chain crisis which is happening in the West Asia there is also increase in the working capital cycle. So however, that has been taken care very well by the government through the ECLGS scheme.

So as far as that scheme is concerned, we have already sanctioned somewhere around 6,000 crores under the ECLGS scheme out of which 4,600 crores has already been disbursed and we expect that by the time the scheme comes to an end, we feel that around 8,000 crore of sanctions and disbursal will be able to do. So, the MSME accounts where there is certain stress because of the increase in their working capital cycle due to the West Asia crisis. They have already availed or will be availing the ECLGS scheme that will help them to tide over this situation which is there presently prevailing. Thank you

Mr. Ashok Ajmera

Sir, we are one of the large player even in the international market also reasonably large. And now with this relaxation in the interest rate by the RBI on the FCNR and the other foreign, other two routes of bringing the foreign deposits, where do we stand there? Can you give some color on that? And what is our overall plan this year up to September and the whole year under those two three routes which are available to you and how is it expanding our deposit base and at the same time the credit link to the money which is coming in the leveraging.

So, can you give some color on that? That where do we stand as far as Bank of India is concerned on that?

Shri Rajneesh Karnatak, MD & CEO

Yeah. So as far as the FCNR(B) is concerned, see we have ourselves set a target of around $1.2 billion that we will be mopping up under the FCNRB. So, in that we have a very robust mechanism. We have an international presence of more than 15 countries number one. Number two, as far as our AD branches are concerned, branches which are enabled to take FCNRB and NRI branches, all put together are somewhere around 250 branches spread across all the entire country in the 13 FGMOs. And presently as we talk, we have already garnered more than 200 million of FCNRB deposit. And our target is, to achieve the number of 1.2 billion by the 30th of September. And we are seeing this deposit coming from across the globe whether it is USA or Canada, whether it is in the four countries in Africa, whether it is Europe, particularly UK, whether it is in the East Asia, whether it is coming from our Singapore or Hong Kong or Japan. So, we are seeing this money coming from across the globe as far as that is concerned and also within the country from all NRI segments in all the 13 FGMOs which are there as regards the leverage is concerned. In the leverage also we have our product which is up to nine times the leverage we will be giving. So that is the product that we have approved and got approval from our Board that we have already rolled out and we are marketing that leverage product. Also as far as the costing part is concerned we are offering these products at for a three year FCNR we are giving 6.25%. For a three year to four year FCNR term we are giving 6.30% and for the five year we are giving 6.50%. So, presently if you see the bulk deposits we are getting at somewhere around 7% and if you even see the gap which is there for the 5 year FCNR at 6.5% with the hedging cost being taken care by the RBI. So we are getting a clean spread of around 50 basis point even on that 5 year deposit. So definitely there is some gap for us and attraction for us and there is no CRR/ SLR also to be maintained on those deposits. So definitely there will be certain cost benefit analysis for us and the cost of deposits will be coming down for the bank on that count.

Mr. Ashok Ajmera

The last one sir, treasury has contributed very well in this quarter because of the revaluation and also the profit and the overall everybody has made some good money. But now going forward again the things are, you know the yield movement is again getting adverse. So do you think that we will be able to maintain and then if not how do we compensate on the profit in the coming quarters so as to improve from this quarter for the next three quarters of the financial year 27.

Shri Rajneesh Karnatak, MD & CEO

So as far as the interest cycles are concerned, see if when the repo rate will increase, if the RBI increases the repo rate definitely there 60% of our book is through the repo external benchmark. There we will be able to earn better interest income for the Bank. So the NIMs will improve. As far as the interest income is concerned on the loans and advances in that situation typically the investment will be under stress, the investment book will be under stress or vice versa.

So that thing will always play out in the market when the interest rates go up or they come down. So many things are not in our control in that manner. But one thing that we are trying to do is that we want to increase our advances in a very secular manner. So, which means that we want to grow our RAM advances in retail, agriculture, MSME. We want to grow our Mid Corporate book. We want to grow our Corporate book. We also have international presence. We also want to grow our International book and we are also growing our co-lending, pool purchase, supply chain financing and also our TREDs book. So, we are trying to grow in a very secular manner as far as our trade book is concerned. So that any impact which is there in any particular geography, sector or segment we are able to obviate and mitigate that risk as far as our credit book is concerned.

Mr. Ashok Ajmera

Thank you. Thank you very much.

Mr. Manoj Alimchandani

Yeah. Manoj Alimchandani here. Congrats to you and your team. Excellent performance record. In fact better than most private sector and public sector banks so far. Excellent. One can see in slide number six slide number seven and also the other income record breaking performance. So couple of questions. One is how do we see our business in Gift City. Our plans for that and growing up and huge transactions are happening in Gift City. One is that second thing is in the slide number seven we have shown excellent performance across all verticals. It’s not just corporate loans each vertically we are done a record breaking performance 20% and above apparently. But somehow gold loans is not mentioned here. So, what is our strategy for gold loans and scaling it up because it’s a product all even public sector banks have started offering and huge effectively risk free opportunity. And do we have any business? I know we have but type of plan scaling up and the kind of growth expected. So, these are a couple of things. The third is Ashok Bhai, he has already asked on FCNRB.

I personally visited the London branch. Now, you have over 25, 30 years or 40 years' experience internationally in fact Bank of India was the foremost Bank with global operations. Now, when we see the Finance Minister's target, initial target or revised target are 1.2 billion is nowhere. Actually, we should have 5 to 7% share of the target given by the finance minister. Even RBI governor is pushing because this is a time we need to stabilize the rupee and also take opportunity of this international uncertain period to do it. So, I'm sure your 1.2 billion is very very conservative. So, if you can share and if possible and what is our plans and region wise and continent wise. Because, we are across effectively all continents and this is opportunity to even grow and lastly I know informal consultations have started on PSU banks mergers. I am saying informal. So, your thoughts on that. And ultimately, we need to have global sized banks and we have the leadership in that and last time we have left out. Now, I know we can do not only acquisition financing but can also acquire banks in the consolidation process. So would like to have your answers in detail.

Shri Rajneesh Karnatak, MD & CEO

Yeah. Thank you. So, I will go in the reverse order. So as far as the merger part is concerned we have no comments, there has been no discussion with us. So, it is only for the Government to answer this question or the RBI. So, we have no comments on that. Second, as far as this your point is concerned with respect to the RBI circulars with respect to FCNRB, OFCBs, MTN also with respect to the ECBs, Yes, $1.2 billion is our target that we have set for ourselves that and we are very confident that we'll be achieving it very quickly. So that is not the any issue with that. Apart from that we have also set ourselves a target that will be raising around $2 billion. As far as the OFCB and the MTN is concerned that we will be doing. As you are aware for FCNR, the RBI window is up to 30 September and for OFCB and MTN their window is up to 31st December 2026. So, another $2 billion we will be raising it through that. The dollars will be coming into the country through that also. And the third opportunity which is there with us from the RBI circulars is with respect to the ECB, there also in four to five accounts we have already given in principle approvals of around 500 million and we are very confident that there also we will be doing around 1 billion.

So put together, we will be somewhere around 4.2 billion by the end of the 31st of December with FCNR, OFCB, MTN and the ECB which is there. As regard to our strategy in the Gift city. Yes, Gift City is our key strategy as far as lending is concerned and there is very good book is getting created and in the present situation also if I tell you our corporate pipeline is somewhere around 70,000 crore, as we speak which includes our pipeline for domestic corporates and also for the international corporates put together and some of it in the international side is coming from the Gift City itself.

So, we have a very strong strategy as far as the Gift city is concerned. As regards the gold loans are concerned, we have a book of somewhere around Rs. 57,000 crores as on the 30th of June and the yield in that is more than 9% somewhere around 9.10%. And if I give you the color on the asset quality there the NPA is less than Rs. 100 crores and we have a very clear strategy and SOP as far as the realization of these NPAs are concerned. So after giving three notices within 90 days, we sell the gold and realize the money.

So, our gold loan book is performing very nicely and we are growing also at a very good pace in the gold loan. And gold loan is one of our clear strategies as far as the growth in the RAM Advances are concerned.

Mr. Manoj Alimchandani

Thank you. In the gold loan, 57,000 crores currently. What is our growth number? If you can mention and second thing is on that FCNR you mentioned the rates and the spread also of half percent. And you mentioned about leverage. If you can mention a number of times, leverage through your international branch. Because, we know the leverage offered by foreign banks and IDBI bank also. So, we would like to know how does it compare.

Shri Rajneesh Karnatak, MD & CEO

So, the approval from the Board on the leverage, we have taken at nine times, we have a matrix for that maximum, we will go up to nine times. That is as far as the leverage is concerned. Deposit I have already told that we are giving deposit at 6.25, 6.3 and 6.5. So that is the thing which is there and nine times is the leverage that we are giving. And the growth in the gold loan is somewhere around 52% on a YoY basis.

Mr. Manoj Alimchandani

Great. Excellent. Keep it up. All the best. Thank you so much.

Mr. Sushil Choksey

Congratulation to Team Bank. Congratulation to team Bank of India for excellent performance. Sir, looking at your numbers, the guidance and the actual performance is a big mismatch. You may say I would outperform the guidance. But the team capability, the cash position, the credibility of the banking team, not only yourself and your dias team but the rest carries much better weightage. So, taking Manoj's question and many other aspects bank may be at a better position if any question arises of FM taking a decision, this is my judgment.

But, now looking at $4.2 billion which you are raising. Speaking to one of our CGM in the past, he said in the last scheme of FCNR out of 34 only 6 billion was leveraged, 28 was direct. So, taking that question first, what is our estimate that we'll be leveraging what portion of 1.2 and what would be a direct deposit? Because direct deposit is more of your existing customer or the customer who's going to be sticky. The flipper will come first one time.

Shri Rajneesh Karnatak, MD & CEO

Yeah, it's rightly said it's a very technical thing on the FCNR to give you more sense. We have more than 3 lakh NRI, PIO and OIC customers with us in Bank of India platform. So, and we have a very strong franchise as far as the NRI customers are concerned. So, we are very confident that Quite a few. Whatever, even today when we speak that we have 200 Million already garnered in FCNR, majority of which is in the core FCNR deposit and leverage much is not there. But going forward we definitely expect that some leverage will be happening. And because already certain discussions are there with some of the large HNI customers who are seeking leverage from us. So, the leverage as I said maximum will be giving around nine times. This is the leverage that we will be giving.

Mr. Sushil Choksey

Nine Is understood. But it's a matter of spread which all of us know. And the dollar demand is tight. So, the spread is reduced compared to what was initially offered.

Shri Rajneesh Karnatak, MD & CEO

Exactly.

Mr. Sushil Choksey

And it may be different in a month. It may be different today. So. Yeah, go ahead sir.

Shri Rajneesh Karnatak, MD & CEO

Yeah. So spread at this juncture I will not be able to tell in detail because see we have to raise taking the borrowing part also. So, the borrowing rates also you are well aware about the market, international market also these rates are also constantly changing and it's a moving target. So, what is the gap in as far as the leveraging is concerned on the rate side, on the interest rate side over there at this juncture will not be able to tell. But definitely we are targeting leverage also.

Mr. Sushil Choksey

I will start in reverse. Your international book looks promising. Business prospects for India getting better from constraints which we led or the country needs more export, more manufacturing. How are you seeing traction besides Gift City in the geographies where you are present for local as well as domestic business which is intra means local to global.

Shri Rajneesh Karnatak, MD & CEO

The pipeline if you see for Bank of India, if I can tell you see we have presently pipeline of more than 1 lakh crores in the entire loan book of the Bank which is a very secular loan book.

So, if I tell you the corporate and the international book, the pipeline is somewhere around 70,000 crores. Remaining pipeline is with respect to our RAM Advances digital book and also the pool purchase, pool lending, TREDs and supply chain financing. That is the kind of more than 1 lakh crore of supply.

This pipeline that we are having within that we have a very strong pipeline in the international book also. It is not only in the Gift City but also in our main centers, major centers like New York, like London, like Japan and also in Hong Kong. So, these are the centers Hong Kong and Singapore from where good pipeline and this pipeline is coming not only from Indian corporates but also local corporates over there. So, we have a very strong pipeline in the international book also. If you see our numbers in this quarter for the first time we have touched more than 2.5 lakh crores of international business.

In fact, we have closed at around 2.56 lakh crores. So, in the coming time also we are very confident that we'll be able to build the international book. In that you may not see a very high delta because as a strategy what we are trying to do, we are trying to improve our NIMs in the international side also. If you see our presentation, around 32% of our international loan book is trade finance where the margins are very less. We are trying to now replace this trade finance book with the Indian corporates and domestic corporates.

Mr. Sushi Choksey

Looking into business prospects, I have no doubt that you will outperform the market majority of them on outperform. Now, to make enablers in place. One is your digitization. Second is your human resource, the talent which is there, which may stay with you if you take care of them in terms of quality, giving them training, giving them right locations, energizing this Bank to the next level from where it is today. So, what is our spend? How are we investing in that human resource that they become the leaders of tomorrow too?

Shri Rajneesh Karnatak, MD & CEO

Yeah, so we are taking lot of things for transformation part as far as the entire organization structure is concerned. So, in the HR we are driving that Star Light program which is for upskilling and reskilling our present workforce. Not only the officers but even the clerical staff and also the sub staff there. We are doing lot of work as far as the reskilling and upskilling is concerned and building capabilities within our staff and also do succession planning. So, a lot of courses have been started, mentor mentee programs have been started, coaching has been started and we are sending our staff to not only domestic key centers, coaching centers and training centers but also at the international centers.

So, lot of work and effort is being made and we have a slide also this time on the kind of work we are doing on the learning and development part. As far as the HR part is concerned on the technology front, again, I would say that we are spending much money as far as IT, digital and cybersecurity is concerned. In the IT front, lot of money is being spent on the digital now and our loan operating system is also well established and we are seeing the results coming out of that and majority of the sanction.

At least 22% of our entire domestic book in the domestic credit is now digital sanctions. Apart from that now analytical sanctions are also happening where the data lake project is there, where the leads are going from that Data Lake project they are flowing into the CRM Next package and from CRM Next they are being pushed to the branches for sourcing the customer there. If you see our slide there also, we have built a business of more than 18,000 crores. So, a lot of efforts have happened on the IT side also on building the AI capabilities, digital capabilities within the Bank.

And now the time has come for us after spending so much of money that we want to have this technology transformation and have this automation and get the business out of it. Already we have started seeing the business and now is the time to ramp it up and grow that business.

Moderator

As many questions are coming online also, we'll take three online questions. So, there's one from Lavish Morgan Stanley. He's asking how should we think of PSL income in further 3/4 this quarter base being 277 crores. Second question is any reversal of provision for AS15 since the reversal was not done in the last quarter while other banks did it in last quarter

Shri Rajneesh Karnatak, MD & CEO

Yeah so as far as the PSL is concerned we have got a very good income of around 277 crores in the Q1 in PSL is concerned. So, at the pace at which our RAM advances are growing our retail, particularly our retail, this MSME and agriculture advances, we will definitely have an opportunity of doing some PSL in the ensuing quarters of Q2 and Q3 also. So, we are definitely in line with that number presently at this juncture will not be able to give but definitely we will have some legroom to give some PSL income in the coming quarters. Yeah, so as far as the AS15 is concerned so we have at present no plans to go for that. Thank you. Great.

Moderator

Thank you, sir. We have one more question from Nitin, Aurum Capital, Pune. He has sent many congratulations for an exceptional cost control that brought ROA above 1%. What would be your guidance for ROA, NIM and CIR for the financial year while we have it on the similar lines in Q2 as well also will be able to hold 2.52% NIM and CIR at or below 46.3%.

Shri Rajneesh Karnatak, MD & CEO

So as far as our guidance for the ROA is concerned. See our guidance remains the same what we had given after the March results. So that time also we had said that in the Q4 we had reached the figure of 1.01% of the ROA this quarter we have also touched the 1% mark and our guidance continues to remain the same that we would want to have a 1% and above ROA in FY27 on a consistent basis QoQ basis. That is as far as the ROA is concerned.

As far as the NIM is concerned, NIM it is at 2.52%. Definitely NIMs are under challenge with the present interest rate scenario which is there and also the situation which is there in the west because of the West Asia crisis. But our guidance for the global NIM is somewhere around 2.55% to 2.60% for FY27. As far as the cost to income ratio is concerned, this quarter has been very good and we have been able to show it somewhere at around 46%. But, during FY27 we should be somewhere around 48% - 49% on a consistent basis.

Moderator

His second Question is yield on advances and the cost of funds. What will be the trend for the year?

Shri Rajneesh Karnatak, MD & CEO

Yeah, so as far as the yields are concerned, if you see our cost of deposits they are now coming down and we hope that this cost of deposit will continue to remain the same and in fact we will be able to reduce some of the cost of deposits. We with certain strategies where we are following in increasing our RAM advances. We are trying to increase our CASA also. The retail term deposits which is there both these things together and also the FCNR deposits that will be coming will helping us in reducing the cost of deposit.

As far as the yield on advances are concerned, there we feel that there will be a pause in reduction and from there we'll be able to grow that yield on advances. For that we have already again strategize certain things. One is that we want to grow more of our MCLR advances number one. Number two is that we want to grow some of the mid corporate advances through our emerging corporate credit branches which are 19, we are targeting over there 25 crores to 250 crore kind of advances where we feel that the rate of interests are better.

The LC/BG commissions are better which gives us non interest income and the process fees are also better which again give us the non interest income which help Improving the overall operating profit for the Bank. Also we are trying to re-strategize our international book and want to reduce our trade finance in the international book where the margins are very low and substituted with as I said earlier through domestic. Our domestic Corporates, local corporates and also the local corporates at the overseas center.

So that as a strategy, we will be trying to improve our cost of deposits and also increase our yield on advances. Thank you. Yeah.

Mr. Rohit Shinde:

Good evening, sir.

Shri Rajneesh Karnatak, MD & CEO

Over to you sir.

Mr. Rohit Shinde:

In your retail loans YoY, you have done very well on your home loans, vehicle loans etc. But what is the reason why your personal loans have only grown 3%, what are the challenges?

Shri Rajneesh Karnatak, MD & CEO

Yeah. So personal loans. So, we have put certain guardrails as far as the personal loans are concerned. After seeing the industry, we felt that the low ticket personal loans are at risk. That is one thing. Another thing that we were seeing is that the non-salaried personal loans were also creating some issues as far as the industry was concerned. So, we have put certain guardrails as far as that is concerned. So we are more concentrating on service sector as far as the personal loan and where the salary is coming to the Bank of India accounts with NACH mandates and other kinds of things.

So with these guardrails there has been some de-escalation as far as the personal loan book is concerned. But we are very mindful of the fact that we need to also protect the asset quality. And with this present crisis which is going on of West Asia and also the thing which is there, the problem with the monsoon, we feel that it is better to be very watchful and monitor the situation.

Mr. Rohit Shinde

Second question sir is on your credit cards you have namely Rupee Select, Rupee Platinum and Visa Gold International. So how much did we add year on year the number of credit cards Vis-à-vis last year.

Shri Rajneesh Karnatak, MD & CEO

So. Exactly Mishra ji, we have the numbers.

Rajiv Mishra — Executive Director

In fact we have revamped our credit card offering entirely last quarter. Last year the systems have been set. Now, since the systems have been set properly, now we intend to increase it. The target which we have set is to have a credit card base of 3 lakh by end of the FY27.

Shri Rajneesh Karnatak, MD & CEO

Thank you.

Moderator

We'll take one question from the online. We just have time left for two, three questions more. So, I'll just take one online and then we'll take one more from the audience. The question comes from Dheeraj. Given the significant improvement in the bank's financial performance and balance sheet, do you believe the investment community fully recognizes this transformation? If not, what do you think investors are overlooking and how does management plan to demonstrate that improvement is sustainable?

Shri Rajneesh Karnatak, MD & CEO

See we as a Bank of India platform, the top management which is sitting here on the dais and of the dais we are very clear that we want to make a Bank which is a very strong Bank with a sustainable growth and which delivers as far as the top line is concerned, growth is concerned, which delivers as far as the profitability is concerned, which delivers as far as the key financial numbers are concerned and also improves the asset quality of the bank. With all these things being there, definitely the investment community will have a look at the Bank of India and its platform and the numbers that we are giving.

So, we are trying to follow the process, we are trying to improve our processes, we are trying to do better and better in each quarter. And it is for the investment community to decide basis the numbers and to take a call. Thank you.

Mr. Sharad Chandra

Yeah, hello. Yes

Moderator

Sir, you can go ahead.

Mr. Sharad Chandra

Three questions. First question, your CASA deposit ratio has come down by 3%. Your retail term deposits have come down by 3%. And still surprisingly, your cost of deposits have also come down by 15 basis points. Which can you just explain as to why it happened? The second question is you have reduced your ATMs by 300 number. Is it a conscious decision or, you know, it was part of the strategy of, you know, using other people's ATMs and the third thing, you know, you have Bank of India mutual fund.

So why don't you do a public issue like others have done and probably 49% can come to public. Thank you very much.

Shri Rajneesh Karnatak, MD & CEO

Yeah. So as far as your first question in the CASA is concerned, yes, you are right that there has been a reduction of around 3% in the CASA per capita percentage. Similarly, 3% reduction has also happened in the retail term deposit is concerned. But as I said earlier, now we are focusing, we all know that there has been a structural change as far as the saving pattern is concerned in India. And people who are saving depositors are customers. They are investing also in equity, in mutual fund, in insurance products and also in other wealth management products like gold and, and real estate and other kinds of things.

So, we are very mindful of that. And the traction, that which we are seeing is that there is lot of traction in fixed deposits up to 25 crores. So, there we have a campaign, we have garnered lot of deposit between the 3 crore and the 25 crore bucket. There we see the rate of interest is much finer than taking a bulk deposit of say 500 crore or a 1000 crore or a 750 crores. So, there is another strategy that we are doing and all these strategies put together help us reduce the cost of deposit. Another point which is there, which is something very Important to see is that our credit growth is very robust not only in the domestic platform but also in the international platform.

So, we have to raise resources and we have to raise funds to support that credit growth. So, to support that credit growth we have been taking bulk deposits. Deposits which are above 3 crores also. So, in order to do that, obviously this percentage of CASA percentage and the retail term deposit percentage has come down. But nonetheless we are trying to optimize our cost and increase the yield on advances so that the overall impact in the net interest income and the net interest margins remain stable for us.

So as far as the second point is concerned, with respect to the ATMs. Yes, we have rationalized some of the ATMs. Our ATMs are both in the OPEX and the CAPEX model. So, in some of the Capex models, where we've thought that these ATMs were running into losses, much hits were not there. So, there we have clearly moved out of those ATMs. And that is why you see that there has been reduction in the number of ATMs. That is part of our cost optimization strategy also which has helped us to also reduce our cost to income ratio.

As far as the mutual fund is concerned. Yes, our mutual fund present AUM is somewhere around 16,000 – 17,000 crores. It is yet a bit far off to go to the market and raise the funds. Because we are very clear that we need to grow the AUM further before we hit the market. So at this moment there are no plans. But at the right time definitely we may plan. Thank you.

Moderator

Thank you so much. Sir, we would like to now conclude this gathering. For any further question, please do send it to the Bank of India Team.

Unidentified Participant

Quick question. Ma'am, do we have time. I have a quick question. Do we have some time?

Shri Rajneesh Karnatak, MD & CEO

10 minutes. We'll take. Yeah, a quick question. If time permits you can always meet us and then ask whatever question over a cup of coffee. Anyway, you are here only ask. You all are here, you can always meet. Thank you.

Unidentified Participant

Thank you so much.

Moderator

Thank you so much for joining. Thank you. Rajneesh sir and Bank of India's Management team. Have a good day.