

6th August 2026

Quarterly Result Update

Bank of India



Research Analyst

Atul Karwa

Reco

BUY

Industry	BFSI – PSB
LTP (Aug 06, 2026)	142.7
Entry Range	Rs 140-145
Add on Dips	Rs 128-130
Base case target	161
Bull case target	172
Time Horizon	4 Quarters

Stock Info

HDFC Scrip Code	BANINDEQNR
BSE Code	532149
NSE Code	BANKINDIA
Bloomberg	BOI IN
Equity Capital (Rs Cr)	4552.7
Face Value (Rs)	10
Equity Share O/S (Cr)	455.3
Market Cap (Rs Cr)	65041
Adj. Book Value (Rs)	169.1
Avg. 52 Wk Volumes	1,04,85,000
52 Week High	178.36
52 Week Low	109.3

Share Holding Pattern (%) (Jun'26)

Promoters	73.4
Institutions	20.8
Non-Institutions	5.8
Total	100.0

One Year Price Chart



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Profit Surges 36%, Asset Quality Hits Multi-Quarter Highs

Bank of India (BOI) posted strong performance for Q1FY27, marked by high PAT expansion, robust advances growth, and asset quality improvements. Total business scale surpassed the Rs 17.50 lakh crore threshold, driven by expanding credit demand in the Retail, Agriculture, and MSME (RAM) segments. Operating efficiency improved with a drop in the cost-to-income ratio. Profitability ratios held above regulatory target levels, maintaining RoA above the 1% threshold.

NII expanded 12.6% YoY to Rs 6,833 crore, backed by strong double-digit growth in advances. Non-interest income rose 19.1% YoY to Rs 2,579 crore, boosted by recoveries from written-off accounts (Rs 609 crore, +89% YoY) and steady foreign exchange transaction gains. Controlled operating expenses (+3.2% YoY) brought down the Cost-to-Income Ratio by 498 bps YoY to 46.3%. Provision declined 12% to Rs 964 crore as fresh slippages declined ~15% YoY. Consequently, PAT surged by 36% YoY to Rs 3068 crore.

Global advances rose 18.6% YoY to ~Rs 8 lakh crore. Advances growth remained fairly strong across sectors, with Retail growing 20.6% to Rs 1.66 lakh crore and Corporate advances expanding 18.4% to Rs 2.81 lakh crore. Deposits grew 14.9% to Rs 9.6 lakh crore. CASA deposit growth (+7.1% YoY) lagged total deposit growth, driving a 320/96 bps YoY/QoQ contraction in CASA ratio to 36.7%. The domestic loan book remained centered around the Retail, Agriculture, and MSME (RAM) portfolio, which accounts for 58.30% of total domestic advances.

The bank delivered gains in asset quality, supported by lower slippages and improved recoveries. Asset quality improved with GNPA ratio at 1.81% (down 111/17 bps YoY/QoQ), Net NPA at 0.51% (down 24/5 bps YoY/QoQ). PCR improved marginally to 93.8%. Credit costs declined to 0.15% down 2/1 bps YoY/QoQ. The Management sees no significant stress visible yet from the West Asia geopolitical crisis, though it is closely monitoring sectors like chemicals, ceramics, and import/export-linked businesses, with ECL scheme sanctions of ~Rs 6000 crores (Rs 4600 crore disbursed) to support affected MSMEs. SMA has come down from Rs 7,000 crore YoY and Rs 5,400 crore QoQ to Rs. 4,700 crore.

Management reaffirmed FY27 guidance:

- Global advances to grow 15-16% YoY
- Global deposits 13-14% YoY
- ROA guidance of 1% and above on a consistent quarterly basis
- Global NIM guidance of 2.55-2.60%
- Cost-to-income ratio guidance of 48-49% for the full year (versus 46% in Q1).

Valuation & Recommendation

Bank of India (BoI) has made rapid growth over the last few years after coming out of the RBI's PCA-required list in FY19 and has strengthened into a mighty institution. It is the 6th largest PSU bank and has a national presence with sizable international operations. In business volume, the Bank occupies a premier position among the nationalised banks, having a total business of over Rs 17.5 lakh crore.

BoI is no longer just a recovery story. With a Net NPA of 0.51% and a capital adequacy ratio (CRAR) of 18.7%, the bank is now in a growth phase. It is targeting \$1.2 billion under FCNRB by September 30, having already garnered over \$200 million, plus an additional \$2 billion via OFCB/MTN and ~\$1 billion via ECB, totalling approximately \$4.3 billion by December 31, 2026 providing the necessary ammunition to fund large-scale infrastructure projects, which management has identified as a key corporate growth lever for FY27.

The bank continues to invest in its IT infrastructure and strategic partnerships to improve operational efficiency and deliver a superior customer experience. With improved technology, BoI has implemented CTS Continuous Clearing in Q3FY26. It has taken various initiatives to launch new products and improve services. Its balanced emphasis on business growth and assurance will support consistent profitability and reinforce resilience in the evolving environment.

BoI has demonstrated consistent operational performance, strong capitalisation levels and improving asset quality metrics. Credit growth has remained above industry with increasing share of RAM advances leading to higher granularity. The RoA of the bank is expected to improve to 1.1% by FY28 from ~0.95% in FY26. We feel that investors can buy the stock in the band of Rs 140-145 and add on dips in Rs 128-130 band (0.6x FY28E ABV) for base case fair value of Rs 161 (0.75x FY28E ABV) and bull case fair value of Rs 172 (0.8x FY28E ABV) over the next 4 quarters.

Risks & Concerns

- Although slippages have moderated, the recent economic slowdown could lead to increasing NPAs.
- Credit growth is outpacing deposit growth, leading to higher cost of funds and compression of NIMs.
- The bank has been investing in upgrading its digital infrastructure, which could lead to higher operating expenses.
- Profitability has been aided by recoveries from written-off accounts. Delays in expected recoveries could result in lower profits.

Financial Summary

Particulars (in Rs Cr)	Q1FY27	Q1FY26	YoY-%	Q4FY26	QoQ-%	FY24	FY25	FY26	FY27E	FY28E
NII	6833	6068	12.6	6730	1.5	23053	24394	25173	27904	31432
PPoP	5051	4009	26.0	5026	0.5	14069	16412	17049	19971	23621
PAT	3068	2252	36.2	3016	1.7	6318	9219	10527	12905	15766
EPS (Rs)	6.7	4.9	36.2	6.6	1.7	13.9	20.2	23.1	28.3	34.6
ABV (Rs)						121.3	142.7	166.4	188.4	215.3
P/ABV (x)						10.3	7.0	6.2	5.0	4.1
RoAE (%)						1.2	1.0	0.9	0.8	0.7
RoAA (%)						9.9	12.5	12.6	13.9	15.1

(Source: Company, HDFC sec)

Rating Criteria

Buy - > 15%+ return potential
 Add - +5% to +15% return potential
 Reduce - -10% to +5% return potential
 Sell - >10% downside return potential

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Disclosure:

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 Any holding in stock – **Yes**

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