

November 21, 2017

Bank of India

Summary of rated instruments

Instrument*	Rated Amount (Rs. crore)	Rating Action
Innovative Perpetual Debt Instruments	658	[ICRA]AA-(negative); withdrawn

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the rating of [ICRA]AA- (pronounced ICRA double A minus with negative outlook) assigned to the Rs. 658 crore Innovative Perpetual Debt Instruments of Bank of India (BOI)¹.

ICRA has a rating outstanding of MAA+(negative) (pronounced M double A plus with negative outlook) on the term deposits programme of BOI.

Rationale

There is no outstanding amount against rated instrument and hence, the rating has been withdrawn at the request of the bank.

Analytical approach: Not Applicable

Links to applicable criteria

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

[ICRA Rating Methodology for Banks](#)

About the bank

Bank of India (BOI) was incorporated in 1906 and was nationalised along with 13 other banks, in July 1969. The Government of India held a 75.12% stake in the bank as on September 30, 2017. The bank has a wide spread network of 5,126 branches and 7,717 ATMs across India as on September 30, 2017. During FY2017, the bank reported a net loss of Rs. 1,558 crore on a total asset base of Rs. 6.26 lakh crore as on March 31, 2017 as against a net loss of Rs. 6,089 crore during FY2016 on a total asset base of Rs. 6.08 lakh crore as on March 31, 2016. Further, in H1FY2018, the bank reported a net profit of Rs. 267 crore on a total asset base of Rs. 6.24 lakh crore as on September 30, 2017 as against a net loss of Rs. 615 crore during H1FY2017 on a total asset base of Rs. 5.97 lakh crore. The bank reported a capital adequacy of 12.23% with a Tier I capital of 8.86 % (CET-1 of 7.21%) as on September 30, 2017.

¹ For complete rating scale and definitions, please refer to ICRA's website (www.icra.in) or other ICRA rating publications

Key Financial Indicators:

	FY2016	FY2017	Q2FY2017	Q2FY2018
Net Interest Income	11,725	11,826	2,720	2,908
Profit before tax	(7,791)	(2,373)	197	280
Profit after tax	(6,089)	(1,558)	127	179
Net advances	359,189	366,482	363,310	364,502
Total assets	604,608	621,344	597,350	624,228
% CET 1	7.97%	7.17%	7.93%	7.21%
% Tier 1	9.03%	8.90%	9.37%	8.86%
% CRAR	12.01%	12.14%	12.50%	12.23%
% Net Interest Margin / Average total assets	1.92%	1.93%	1.84%	1.87%
% Net Profit / Average total assets	-1.00%	-0.25%	0.09%	0.12%
% Return on Net Worth	-23.90%	-6.08%	1.97%	2.56%
% Gross NPAs	13.07%	13.22%	13.45%	12.62%
% Net NPAs	7.79%	6.90%	7.56%	6.47%
% Provision coverage excl. technical write offs	43.87%	51.38%	47.44%	52.21%
% Net NPA/ Net worth	114.42%	94.42%	103.67%	81.86%

*Source: Bank's investor presentation and ICRA research; Amount in Rs. crore
All ratios are as per ICRA calculations*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years:
Table:

Sr. No.	Instrument	Current Rating (FY2018)					Chronology of rating history for the past 3 years					
		Type	Rated amount (Rs. crore)	Nov 2017	Nov 2017	June 2017	FY2017			FY2016		FY2015
							Sep 2016	Aug 2016	July 2016	Feb 2016	Nov 2015	Jul 2014
1	Innovative Perpetual Debt Instruments	Long Term	658	[ICRA]AA-(negative); withdrawn	[ICRA]AA-(negative)	[ICRA]AA-(negative); Outlook revised to negative	[ICRA]AA-(stable)	[ICRA]AA-(stable)	[ICRA]AA-(stable)	[ICRA]AA-(stable); downgraded from [ICRA]AA (stable)	[ICRA]AA (stable); downgraded from [ICRA]AA+(stable)	[ICRA]AA+(stable)
2	Term Deposits Programme	Long Term	-	MAA+(negative)	MAA+(negative)	MAA+(negative); Outlook revised to negative	MAA+(stable)	MAA+(stable)	MAA+(stable)	MAA+(stable); downgraded from MAAA(stable)	MAAA(stable)	MAAA (stable)
3	Lower Tier II Bonds Programme	Long Term	-	-	-	-	-	-	[ICRA]AA (stable); withdrawn	[ICRA]AA(stable); downgraded from [ICRA]AA+(stable)	[ICRA]AA+(stable); downgraded from [ICRA]AAA (stable)	[ICRA]AAA (stable)
4	Upper Tier II Bonds Programme	Long Term	-	-	-	-	-	[ICRA]AA-(stable); withdrawn	[ICRA]AA-(stable)	[ICRA]AA-(stable); downgraded from [ICRA]AA(stable)	[ICRA]AA (stable); downgraded from [ICRA]AA+(stable)	[ICRA]AA+(stable)
5	Corporate Governance Rating	-	-	CGR2	CGR2	CGR2	CGR2	CGR2	CGR2	CGR2	CGR2	CGR2

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

ISIN No.	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Rated Amount (Rs. crore)	Current Rating and Outlook
NA	Term Deposits Programme	-	-	-	-	MAA+(Negative)

Source: BOI

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