

Business Standard

CRISIL: BoI margins to see pressure

CRISIL has assigned "AA+" rating to Bank of India's (BoI's) Rs 15.0 billion Tier II bond issue (under Basel III)

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Rating agency CRISIL has said Bank of India (BoI), which plans to raise Rs 1,500 crore via Tier-II bonds, will continue to see pressure on margins in FY17, due to interest reversal on bad loans, subdued credit offtake, and the marginal cost of funds-based lending rate regime. It has assigned an AA+ rating to BoI's Rs 1,500-crore bond issue (under Basel-III rules). This reflects significant pressure on profitability and capital coverage for weak assets over the medium term. Subdued profitability over the next few quarters could ensue, as in the year ended March 31, lowering the ...