

“Continues Momentum with decent Profit Growth and Improved Asset Quality”
Ajcon Global's observations & views:

1. With steady asset quality, robust CASA, healthy profitability, and strong capital position, the Bank continues to distinguish itself among PSBs, poised for sustainable growth in FY26.
2. The Banks plans to raise capital during FY26 will bring the government holding below 75% and at the same time will boost its CRAR which intern take care of credit growth target of 17%.

Q2FY26 Result Analysis

- 1) **Total Business** rose to Rs. 5,63,909 crore in Q2FY26 from Rs. 5,46,143 crore in Q1FY26, up 3.25% QoQ.
- 2) **Total Deposits** stood at Rs. 3,09,791 crore in Q2FY26, increasing 1.56% QoQ from Rs. 3,05,046 crore in Q1FY26 and up 102.13% YoY from Rs. 2,76,289 crore in Q2FY25.
- 3) **Gross Advances** increased at Rs. 2,54,118 crores in Q2FY26 up by 5.40% QoQ against Rs. 2,41,097 crores in Q1FY26 and also up by 16.83% YoY against Rs. 2,17,504 crores in Q2FY25.
- 4) **Net Interest Income (NII)** slightly declined 1.34% QoQ to Rs. 3,248 crore in Q2FY26 from Rs. 3,292 crore in Q1FY26 but rose 15.71% YoY from Rs. 2,807 crore in Q2FY25.
- 5) **Operating Profit** increased 0.16% sequentially to Rs. 2,574 crore in Q2FY26 from Rs. 2,570 crore in Q1FY26, marking a 16.89% YoY growth from Rs. 2,202 crore in Q2FY25.
- 6) **Net Profit** rose 2.51% QoQ to Rs. 1,633 crore in Q2FY26 from Rs. 1,593 crore in Q1FY26 and increased 23.06% YoY from Rs. 1,327 crore in Q2FY25.
- 7) **Net Interest Margin (NIM)** stood at 3.85 % in Q2FY26.
- 8) **Cost of Deposits** slightly increased to 4.67% in Q2FY26 from 4.59% in Q1FY26 (4.66% in Q2FY25).
- 9) **Cost of Funds** rose to 4.32% in Q2FY26 from 4.26% in Q1FY26 (4.20% in Q2FY25).
- 10) **Yield on Advances** decreased to 9.19% in Q2FY26 from 9.28% in Q1FY26 (9.21% in Q2FY25).
- 11) **Total Non-Interest Income** increased to Rs. 845 crore in Q2FY26 from Rs. 825 crore in Q1FY26, down 2.42% QoQ but up 7% YoY.
- 12) **Fee-Based Income** rose 9.52% QoQ to Rs. 437 crore in Q2FY26 (Rs. 399 crore in Q1FY26) but declined 1% YoY from Rs. 440 crore in Q2FY25.
- 13) **Treasury Income** decreased 37.82% sequentially to Rs. 120 crore in Q2FY26 from Rs. 193 crore in Q1FY26 but increased 34.83% YoY from Rs. 89 crore in Q2FY25.
- 14) **Cost-to-Income Ratio** improved to 37.10% in Q2FY26 from 37.57% in Q1FY26 (38.81% in Q2FY25).

KEY FINANCIAL INDICATORS – Q2FY26

CMP (15.10.2025)	: Rs.59.30
Face Value	: Rs. 10
Book value per share	: Rs. 37.62
Market Capitalization (Crores)	: Rs. 45,534.01
Capital Adequacy Ratio	: 18.13%
C/D Ratio	: 82.03%
CASA Ratio	: 50.35%
Net Interest Margin (NIM)	: 3.85%
Cost / Income Ratio	: 37.10%
Gross NPA	: 1.72%
NNPA	: 0.18%
PCR	: 98.34%
Slippage Ratio	: 1.20%
Credit Cost	: 0.92%
Return on Assets	: 1.82%
Return on Equity	: 22.58%

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- 15) **CASA Ratio** improved to 50.35% in Q2FY26 from 50.07% in Q1FY26.
- 16) **Credit-to-Deposit (C/D) Ratio** rose to 82.03% in Q2FY26 from 79.04% in Q1FY26 and 78.72% in Q2FY25.
- 17) **Return on Assets (ROA)** improved to 1.82%.
- 18) **Fresh Slippages** decreased to Rs. 710 crore in Q2FY26 from Rs. 727 crore in Q1FY26, while Recovery and Upgradation rose to Rs. 427 crore in Q2FY26 from Rs. 242 crore in Q1FY26.
- 19) **Gross NPA Ratio** declined to 1.72% in Q2FY26 from 1.74% in Q1FY26 and 1.84% in Q2FY25.
- 20) **Restructuring of Standard Advances** stood at Rs. 2,157 crores in Q2FY26 against Rs. 2,282 Crore in Q1FY26
- 21) **Credit Cost** reduced to 0.92% in Q2FY26 from 1.19% in Q1FY26 and 1.10% in Q2FY25.
- 22) **Provision Coverage Ratio (PCR)** remained largely stable at 98.34% in Q2FY26, compared with 98.36% in Q1FY26 and 98.31% in Q2FY25.
- 23) **Capital Adequacy Ratio (CAR)** stood at 18.13% in Q2FY26, down from 20.06% in Q1FY26 but higher than 17.26% in Q2FY25.

Management Comments

- 24) Mr. Nidhu Saxena, the bank's MD and CEO, stated in his opening remarks that S&P Global has assigned Bank of Maharashtra a BBB- rating, marking a three-notch improvement over the ratings given by other international agencies. He highlighted the steady increase in FII holdings, which rose from 0.39% in 2023 to 2.58% as of September 2025, reflecting growing investor confidence. Mutual funds have also been increasing their exposure to the bank's stock, he added.
- 25) He further emphasized that the Bank consistently outperformed the industry on majority of parameters, driven by its strategic expansion into high-potential growth centers across the Country. As part of its long-term expansion strategy, the bank has launched “Project 321”, under which it plans to open 321 branches within the next 18 months, contributing to its broader five-year plan of opening 1,000 branches Nationwide.
- 26) In response to an analyst question about the increase in the cost of deposits, Mr. Nidhu Saxena explained that the bank is consciously avoiding the renewal of high-cost bulk deposits, which recorded a degrowth of 9.9% but the leg effect in repricing of fixed deposits along with a shift of some CASA balances to term deposits amid the prevailing interest rate cycle contributed to the marginal increase in deposit costs.
- 27) In response to a query on the RAM portfolio growth strategy, Mr. Saxena stated that the bank is rebalancing its portfolio toward quality borrowers. In the agriculture segment, the focus is shifting from production to investment credit, targeting mid-segment clients. The retail book continues to see strong growth in home, gold, and banker loans, with an emphasis on prime customers.
- 28) In response to an analyst question on capital raising plans, Mr. Nidhu Saxena confirmed that the bank has approvals to raise up to Rs 7,500 crores, including Rs. 5,000 crores in equity. He added that the fundraise is planned within the current fiscal year, depending on market conditions, to maintain a strong capital adequacy ratio and comply with SEBI's public shareholding norms.