BANK OF MAHARASHTRA- Q1FY27

Result Update (13.07.2026)

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

" Good Credit growth keeps the momentum on, reinforcing Confidence in Sustainable Growth"

Ajcon Global's observations & views:

1. The Bank delivered a steady performance in Q1FY27, supported by healthy credit growth, stable asset quality and sustained improvement in operating parameters. The bank maintained its focus on profitable growth rather than relying on aggressive liability mobilization.
2. The bank is well positioned to further grow its loan book supported by strong capital base, improving profitability and diversified funding initiatives, including FCNR deposits and digital-led liability mobilisation.
3. While ECL implementation remains a near-term monitorable, its impact is expected to be manageable given the bank's healthy provisioning buffers and robust Balance Sheet.

Q1FY27 Result Analysis:

1) **Total Business** expanded by 1.23% QoQ in Q1FY27 to Rs. 6,50,457 crores against Rs. 6,42,531 crores in Q4FY26 and also increased by 19.10% YoY from Rs. 5,46,143 crores in Q1FY26.
2) **Total Deposits** declined by 1.73% to Rs. 3,44,493 crores in Q1FY27 against Rs. 3,50,564 crores in Q4FY26 and increased by 12.93% from Rs. 3,05,046 crores in Q1FY26.
3) **Gross Advances** rose by 4.79% to Rs. 3,05,964 crores in Q1FY27 against Rs. 2,91,967 crores in Q4FY26 and increased by 26.90% from Rs. 2,41,097 crores in Q1FY26.
4) **Net Interest Income (NII)** slightly increased by 1.84% QoQ to Rs. 3,770 crores in Q1FY27 from Rs. 3,702 crores in Q4FY26 and rose 14.52% YoY from Rs. 3,292 crores in Q1FY26.
5) **Operating Profit** grew by 5.80% sequentially to Rs. 3,117 crores in Q1FY27 from Rs. 2,946 crores in Q4FY26, marking a 21.29% YoY growth from Rs. 2,570 crores in Q1FY26.
6) **Net Profit** marginally rose 0.30% QoQ to Rs. 2,020 crores in Q1FY27 from Rs. 2,014 crores in Q4FY26 and increased by 26.80% YoY from Rs. 1,593 crores in Q1FY26.

KEY FINANCIAL INDICATORS – Q1FY27

CMP (13.07.2026)	: Rs. 82.56
Face Value	: Rs. 10
Book value per share	: Rs. 42.62
Market Capitalization (Crores)	: Rs. 63,493.79
Capital Adequacy Ratio	: 18.64%
C/D Ratio	: 88.82%
CASA Ratio	: 49.00%
Net Interest Margin (NIM)	: 3.79%
Cost / Income Ratio	: 35.04%
Gross NPA	: 1.45%
NNPA	: 0.13%
PCR	: 98.55%
Slippage Ratio	: 1.23%
Credit Cost	: 0.99%
Return on Assets	: 1.90%
Return on Equity	: 24.65%

7) **Cost of Deposits** slightly increased to 4.38% in Q1FY27 from 4.33% in Q4FY26 and decreased from 4.59% in Q1FY26.
8) **Net Interest Margin (NIM)** declined to 3.79% in Q1FY27 against 3.91% in Q4FY26 and 3.95% in Q1FY26
9) **Cost of Funds** rose to 4.01% in Q1FY27 from 3.95% in Q4FY26 and declined from 4.26% Q1FY26.
10) **Yield on Advances** fell to 8.57% in Q1FY27 from 8.72% in Q4FY26 and 9.28% in Q1FY26, respectively.
11) **Total Non-Interest Income** increased by 9.70% to Rs. 1,029 crores against Rs. 938 crores and also rose by 25% YoY from Rs. 824 crores in Q1FY26.
12) **Fee-Based Income** declined by 9.44% QoQ to Rs. 451 crores in Q1FY27 against Rs. 498 crores in Q4FY26 and increased by 13% YoY from Rs. 399 crores in Q1FY26.
13) **Treasury Income** increased by 706.06% to Rs. 266 crores in Q1FY27 from Rs. 33 crores in Q4FY26 and also rose by 37.82% from Rs. 193 crores in Q1FY26. (Includes one-time SR of Rs. 104 crore in Q1FY27)
14) **Cost-to-Income Ratio** came down to 35.04 in Q1FY27 from 36.51% in Q4FY26 and also fell from 37.57% in Q1FY26.
15) **CASA Ratio** decline to 49.00% in Q1FY27 from 53.00% in Q4FY26 and from 50.00% in Q1FY26, respectively.
16) **Credit-to-Deposit (C/D) Ratio** expanded to 88.82% in Q1FY27 from 83.28% in Q4FY26 and 79.04% in Q1FY26, respectively.
17) **Return on Assets (ROA)** fell to 1.90% in Q1FY27 from 1.97% in Q4FY26 and improved from 1.80% in Q1FY26.
18) **Fresh Slippages** increased to Rs. 888 crores in Q1FY27 from Rs. 839 crores in Q4FY26, while Recovery and Upgradation declined to Rs. 236 crores in Q1FY27 from Rs. 344 crores in Q4FY26.
19) **Gross NPA Ratio** stayed same to 1.45% QoQ but improved from 1.74% in Q1FY26.
20) **Net NPA Ratio** stood at 0.13% QoQ and improved YoY from 0.18% in Q1FY26.
21) **Restructuring of Standard Advances** slightly came down at Rs. 2,001 crores in Q1FY27 against Rs. 2,079 Crores in Q4FY26.
22) **Credit Cost** marginally rose to 0.99% in Q1FY27 from 0.91% in Q4FY26 and came down from 1.19% in Q1FY26.
23) **Provision Coverage Ratio (PCR)** fell slightly to 98.55% in Q1FY27, compared with 98.59% in Q4FY26 and marginally increased from 98.36% in Q1FY26 .
24) **Capital Adequacy Ratio (CAR)** slightly increased to18.64% in Q1FY27 from 18.36% in Q4FY26 but came down from 20.06% in Q4FY26.

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Management Comments

25) Mr. Nidhu Saxena -MD & CEO of the Bank, reiterated the bank's commitment to its FY27 guidance of 15% NII growth and 3.75% NIM. He emphasized that growth will remain profitability-driven, with no compromise on asset quality. The bank has introduced branch-level profitability dashboards and strengthened pricing discipline. These initiatives are helping branches negotiate better loan yields and fee structures, supporting healthier NII growth going forward.

26) The MD & CEO retained the FY27 loan growth guidance of 18% despite delivering 27% YoY advance growth, highlighting the bank's preference for maintaining conservative guidance. Growth remains healthy across retail, agri, MSME, corporate, and GIFT IBU businesses. On the decline in current account balances, Mr. Saxena stated that it is a temporary phenomenon, supported by 9% YoY CASA growth. The bank expects deposit mobilisation to remain healthy over the long term, aided by the addition of around 200 new branches annually, innovative deposit offerings, and deeper digital engagement.

27) While speaking on Prudent Funding Strategy, Mr. Saxena acknowledged the elevated CD ratio but reiterated that the bank is prioritising profitability over aggressive liability mobilisation. Credit growth is being funded through core deposits and low-cost refinance, avoiding expensive bulk deposits and fresh CD issuances. The bank remains comfortable with its funding position, supported by ₹19,000 crore of refinance, a planned ₹5,000 crore capital raise, and continued expansion of its deposit franchise.

28) The MD & CEO spoke on yield pressure, attributing the decline primarily to the lagged impact of MCLR resets following earlier policy rate cuts. He highlighted that domestic loan yields declined only 13 bps QoQ, with the larger reported decline driven by the inclusion of lower-yielding GIFT IBU assets. Going forward, yields are expected to remain supported by disciplined pricing, limited scope for further rate cuts, and a stronger focus on profitability at the branch and account level.

29) Mr. Saxena highlighted that the bank continues to hold ₹1,050 crore of COVID-related provisions, despite a significant reduction in the restructured book, providing a strong prudential buffer that can be gradually utilised or written back over time. He further noted that the implementation of the Expected Credit Loss (ECL) framework is estimated to require around ₹2,500 crore of provisioning over four years (₹125 crore per quarter), with the transition expected to remain manageable in line with the final RBI guidelines.

30) In response to an analyst's query on asset quality, the MD & CEO stated that the marginal QoQ increase in retail and MSME GNPA was not indicative of any broader stress, with overall asset quality remaining healthy across segments. He highlighted the bank's stringent underwriting practices, including the exclusion of sub-prime borrowers (CIBIL <681) and focus on prime and super-prime customers. He reiterated that the bank's lending strategy remains centred on achieving profitable growth while maintaining strong credit discipline.

31) Mr. Saxena stated healthy execution under the ECLGS scheme, with ₹4,500 crore sanctioned (65% of the eligible ₹6,700 crore portfolio) and ₹3,560 crore disbursed (82% of sanctions). He noted that MSMEs have witnessed significantly stronger demand compared to corporates, contributing nearly ₹2,700 crore of total disbursements, while the bank continues to engage with eligible borrowers to drive further utilisation.

32) The MD & CEO, noted that FCNR deposits represent an attractive avenue to mobilise foreign currency deposits, supported by regulatory clarifications and a competitive interest rate of 6.60% for five-year deposits. While mobilisation remains at an early stage, he expects meaningful traction in the coming months as the bank strengthens its marketing strategy and customer outreach to capitalise on this opportunity.