RESULT UPDATE

Bank of Maharashtra – Q1FY26

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

"In spite of muted 1st quarter growth, the bank performed well on profitability front"

Ajcon Global's observations & views

1. **The Bank's growth story of last three to four years has slowed down in Q1FY26, though the management is optimistic about maintaining 17% credit growth for FY26.**
2. **With enhanced profitability backed by 3.95% NIM, and excellent performance of Treasury, steady asset quality, strong CASA base, lowest cost to income ratio,comfortable CRAR, the Bank stands out amongst the PSBs.**

Q1FY26 Result Analysis

1) **Net Interest Income** up by 5.65% QoQ at Rs. 3,292 crores in Q1FY26 against Rs. 3,116 crores in Q4FY25. It rose by 17.60% YoY basis against Rs. 2,799 crores in Q1FY25.
2) **Operating profit** increased by 1.98% sequentially at Rs. 2,570 crores in Q1FY26 against Rs. 2,520 crores in Q4FY25 and up by 12.01% YoY against Rs. 2,294 Crores in Q1FY25.
3) **Net Profit** rose by 6.70% QoQ and 23.14% YoY at Rs. 1,593 crores in Q1FY26 against Rs. 1,493 crores in Q4FY25 and Rs. 1,293 crores in Q1FY25.
4) **Net Interest Margin (NIM)** stood at 3.95 % in Q1FY26.
5) **Cost of Deposits** marginally decreased to 4.59% in Q1FY26 (4.48% in Q1FY25) from 4.74% in Q4FY25.
6) **Cost of Funds** decreased to 4.26% in Q1FY26 (4.09% in Q1FY25) and 4.30% in Q4FY25.
7) **Yield on Advances** decreased to 9.28% in Q1FY26 (8.96% in Q1FY25) and 9.30% in Q4FY25.

KEY FINANCIAL INDICATORS – Q1FY26

CMP (16.07.2025)	: Rs. 57.32
Face Value	: Rs. 10
Book value per share	: Rs. 36.01
Market Capitalization (Cr)	: Rs. 44,103
Capital Adequacy Ratio	: 20.06%
C/D Ratio	: 79.04%
CASA Ratio	: 50.07%
Net Interest Margin (NIM)	: 3.95%
Cost / Income Ratio	: 37.57%
Gross NPA	: 1.74%
NNPA	: 0.18%
PCR	: 98.36%
Slippage Ratio	: 1.23%
Credit Cost	: 1.19%
Return on Assets	: 1.80%
Return on Equity	: 23.00%

8) **Total business declined** a bit at Rs. 5,46,143 crores in Q1FY26 against Rs. 5,46,979 in Q4FY25 down by 0.15% QoQ.
9) **Total Non-Interest Income** decreased at Rs. 825 crores against Rs. 981 crores in Q1FY26 down by 15.90% QoQ and also down 8% YoY.
10) **Fee-based Income** increased by 8% on YoY basis and down 22.52% on QoQ basis to Rs. 399 Crore in Q1FY26 (Rs. 368 Crore in Q1FY25) as against Rs. 515 Crore in Q4FY25.
11) **Treasury Income** increased by 98.97% sequentially to Rs. 193 Crore in Q1FY26 as against Rs. 97 Crore in Q4FY25 and also up by 305% YoY at Rs. 48 Crore in Q1FY25.
12) **Cost/Income Ratio** decreased to 37.57% in Q1FY26 (37.87% in Q1FY25) as against 38.50% in Q4FY25.
13) **Gross Advances** stood at Rs. 2,41,097 crores in Q1FY26 up by 0.53% QoQ against Rs. 2,39,837 crores in Q4FY25 and also up by 15.34% YoY against Rs. 2,09,031 crores in Q1FY25.
14) **Total Government Guaranteed** exposure including exposure backed by Treasury Deposits of State Government stood at Rs.13,090 crores in Q1FY26 against Rs. 12,726 Crores in Q4FY25 and against Rs. 15,405 Crores in Q1FY25. Total rated plus Government Guarantee exposure stood at Rs. 1,01,594 crores in Q1FY26 against Rs. 1,00,732 Crores in Q4FY25 and against Rs.89,663 Crores in Q1FY25.

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15) **Total Deposits** decreased at Rs. 3,05,046 crores in Q1FY26 down by 0.68% QoQ against Rs. 3,07,143 crores in Q4FY25 and up by 14.07% YoY basis from Rs. 2,67,416 crores in Q1FY25.
16) **CASA Ratio** decreased at 50.07% in Q1FY26 as against 53.28% in Q4FY25.
17) **Credit/Deposit (C/D) Ratio** stood at 79.04% in Q1FY26 as against 78.09% in Q4FY25 & 78.17% in Q1FY25.
18) **Return on Assets (ROA)** improved to 1.80%.
19) **Fresh Slippages** increased to Rs. 727 Crore in Q1FY26 as against Rs. 660 Crore in Q4FY25. Recovery + Upgradation stood at Rs. 242 Crore in Q1FY26 as against Rs. 366 Crore in Q4FY25.
20) In Q1FY26, **the Gross NPA Ratio** was 1.74%, unchanged from Q4FY25 and 1.85% in Q1FY25.
21) **Outstanding Standard Restructured Assets** stood at Rs. 2,282 crores in Q1FY26 against Rs. 2,379 Crore in Q4FY25 as against Rs. 2,098 Crore in Q1FY25.
22) **Credit Cost** increased to 1.19% in Q1FY26 from 1.07% in Q4FY25 and 1.12% in Q1FY25.
23) **Provision Coverage Ratio** further improved to 98.36% in Q1FY26 as against 98.26% in Q4FY25 and 98.36% in Q1FY25.
24) **Capital Adequacy Ratio** stood at 20.06% in Q1FY26 as against 20.53% in Q4FY25 and 17.04% in Q1FY25.

Management Comments

25) Mr. Nidhu Saxena, the bank's MD and CEO, stated that the bank's growth, asset quality, profitability, and efficiency ratios are within the expected range, with 18 of the 26 indicators, leading the sector. The bank is employing experts in compliance, governance, technology & risk management to help it develop in the long run.
26) Mr. Saxsena explained the rationale for the rise in the provision, stating that it is due to the stress in the agriculture sector portfolio. He expressed confidence that this will improve with the projected strong monsoon and subsequent upgradation of these accounts in future quarters.
27) In response to an analyst question about the NIM and CASA deposits, Mr. Saxsena stated that, despite the RBI rate cut, the bank has provided guidance of 3.75% for the NIM on the conservative side for the current FY26 because of benefits from good CASA deposits and hopes to keep CASA above 50% of total deposits.
28) On the subject of fund raising, the MD and CEO stated that the board has approved raising Rs. 7500 crore using a combination of debt and equity. The capital raise would also assist the bank in reducing the Government ownership from 79.60%. The bank also intends to raise Rs. 10000 crore through infrastructure bonds.
29) In response to analyst questions about treasury income and SMA, Mr. Divesh Dinkar, General Manager, stated that three major components have contributed: one is increased domestic profit, second is book profit in mutual funds, which was not present in Q1Fy25, and finally, book better forex profit from trading. On the SMA level, some accounts have changed from SMA 1 to SMA 2, but there is no cause of worry, he stated.
30) The bank aims to increase its geographical presence by opening 1,000 branches over the next five years, with 321 expected in the next 18 months. Mr. Nidhu Saxena stated that 37% of the loan portfolio is related to EBLR, and 57% to MCLR. Despite rate reduction, the bank has managed to keep its net interest margin constant by focusing on profitable business divisions.