

**Press Release**  
**BANK OF MAHARASHTRA**  
**December 18, 2025**  
**Rating Reaffirmed**



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
BOND	2000.00	ACUITE AA   Stable   Reaffirmed	-
BOND	3000.00	ACUITE AA+   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	5000.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed the long-term rating of '**ACUITE AA**' (read as **ACUITE double A**) on the Rs.2000.00 Cr. Basel III Additional Tier-I Bonds of Bank of Maharashtra. The outlook is '**Stable**'.

Acuité has reaffirmed the long-term rating to '**ACUITE AA+**' (read as **ACUITE double A plus**) on the Rs. 3000.00 Cr. Basel III Tier-II Bonds of Bank of Maharashtra. The outlook is '**Stable**'.

**Rationale for the rating**

The rating continues to consider the strong ownership (Gol held 79.60 percent stake as on September 30, 2025) and demonstrated capital support from the Government of India. The rating also factors bank's favourable and stable liability profile with better than industry average CASA share of 50.35 percent as on September 30, 2025 ( 53.28 percent as on Mar 31, 2025). The bank's comfortable capitalization levels are marked by CAR and Tier I of 18.13 percent and 14.96 percent respectively as on September 30, 2025 (CAR:17.26 percent and Tier I :13.13 percent as on September 30 ,2024). The bank raised Rs. 3500 Cr. via QIP route on 5th October 2024. Driven by traction in credit growth in Corporate and RAM segment and healthy margins, the bank has been reporting improvement in operating performance. The ratings further take into account improvement in asset quality due to lower slippages resulting in GNPA of 1.72 percent as on September 2025 (March 31, 2025: 1.74 percent). The Provision Coverage Ratio (PCR) (Including technical write-offs) stood at 98.34 percent as on September 2025 (98.31 percent as on September 2024) which provides adequate buffer to mitigate asset quality pressures in the near to medium term.

These strengths are partly offset by the bank's relatively moderate scale of operations, and regional concentration in the state of Maharashtra. However, the bank is in the process of expanding their pan India presence by opening new branches. Going forward, continued Gol support, the bank's ability to maintain improvement in credit profile are key monitorable.

**About the company**

Established in 1935, Bank of Maharashtra (BoM) is a public sector bank engaged in retail banking, corporate/wholesale banking, priority sector banking, treasury operations and other banking services. BoM was nationalised by the Government of India (Gol) along with 14 other major commercial banks in 1969. The bank is headquartered in Pune and operates through a network of 2665 branches across India as on September 30, 2025. Gol is a majority stakeholder with 79.60 percent stake in the bank as on September 30, 2025.



Not applicable

### **Analytical Approach**

Acuité has adopted a standalone approach while assessing the business and financial risk profile of Bank of Maharashtra and considered features of AT-I Bonds viz. discretion in coupon payment, coupon omission risk and principal write down/loss absorption and in arriving at the rating.

### **Key Rating Drivers**

#### **Strength**

##### **Ownership and demonstrated capital support from the Government**

BoM remains one of the 12 public sector banks in India subsequent to the consolidation exercise undertaken by the Gol in FY19-20. The bank operates through an extensive network of 2665 spread across both rural and urban areas with a strong regional franchise and majority branches being in Maharashtra. As of September 30, 2025 the Government holds 79.60 percent stake in the bank and demonstrated its proactive support to the bank through a regular equity infusion of funds underlining its strategic importance of the bank in furthering the objective of financial inclusion.

Acuité believes that the Government will continue to provide significant support not only for the large and consolidated public sector banks but also for the mid-size banks such as BoM which have a significant presence in particular states and play a key role in the penetration of financial services and social development therein. Nonetheless, any material dilution in stake by the Government as part of the divestment programme will be a key monitorable. In our opinion, such a likelihood is low in the near to medium term.

##### **Comfortable capitalization levels & resources profile**

The capital adequacy and Tier I ratio stood 18.13 percent and 14.96 percent respectively as on September 2025 (CAR: 17.26 percent and Tier I: 13.13 percent as on September 30, 2024) reflecting an adequate cushion to withstand incremental losses without further capital infusion. The capital position is further reinforced by a strong provision coverage of 98.34 percent (including tec write-offs) as on September 30, 2025. The resource profile derives strength from robust Current Account Savings Account (CASA) base of the bank which is highest among the PSU banks at 50.35 percent as on 30 September 2025 as against 53.28 percent as on 31st March 2025. The banks total deposits grew by 12.13 percent, which was higher than the industry growth, growing from Rs 2,76,289 Cr. on September 30, 2024 to Rs 3,09,791 Cr. on September 30, 2025.

Acuité believes that capital position will remain adequate in the near to medium term considering the bank's plan of raising equity through QIP, AT-I and Tier-II bonds ensuring the continuity of adequate capital position. Acuite also expects Bank of Maharashtra to continue to benefit by way of access to lower cost of funds on the back of its sovereign parentage, stable retail deposit base and robust CASA share.

##### **Improvement in asset quality & operating performance**

The bank's GNPA levels have improved to 1.72 percent as on September 30, 2025, from 1.84 percent as on September 30, 2024, due to declining slippages coupled with improving recoveries. Further, the extent of the stress in the advance's portfolio has diminished in the current year, which is reflected in the low slippage ratio.

The rating continues to factor in high provision coverage (including technical write-offs) of 98.34 percent as on September 30, 2025, which provides adequate buffer to mitigate asset quality pressures in the near to medium term.

The bank has been able to improve its resources profile by focusing on CASA deposits. Healthy CASA franchise coupled with focus on improving RAM (retail, agriculture and MSME) advances has led to healthy margins. RAM (retail, agriculture and MSME) advances stood at 62.41 percent of the gross advances as on September 30, 2025. The bank has witnessed noticeable and sustained improvement in financial performance marked by profits (PAT) of Rs. 3,225.90 Cr. in H1FY25 (Rs. 2,620.00 Cr. in H1FY25). For FY2025 profit stood at Rs. 5,519.79 Cr. as compared to Rs 4055.3 Cr. in FY2024. The yield on funds improved to 7.96 percent in

September 2025 (September 2024: 7.84 percent), cost of funds stood at 4.29 percent in H1FY26 which led to decrease in NIM to 3.90 percent in H1FY26 as against 3.98 percent in H1FY25. While Acuité take cognizance of improvement in profitable parameter it continues to remain moderate.

### **Weakness**

#### **Regional Concentration**

While Maharashtra is one of the more economically developed states in India, BoM has a high concentration in the state in terms of advances and deposits. It is the only bank with nearly 44 percent of its branch network and more than 60 percent of its business in Maharashtra as on March 31, 2025. The high concentration may have an impact on not only asset quality but also on the growth of deposits and advances in the near term.

#### **ESG Factors Relevant for Rating**

Public sector banks play a significant role in promoting financial inclusion in the country including facilitation of banking services in unbanked areas. Healthy corporate governance practices are important for sustainability in a bank's long-term performance. Some of the critical governance factors in the banking sector include board independence and diversity, effectiveness of the board sub committees, shareholders' rights as well as policies on KMP compensation and business ethics. Further, for the financial services sector, data privacy, security of financial instruments and responsible investments are relevant social factors. Other material social factors involve employee management and talent retention given the manpower intensive nature of banking operations as also various initiatives for community support and development. While the banking sector has low exposure to environmental risks, energy efficiency and electronic waste management carry moderate materiality.

Bank of Maharashtra's board comprises of six directors. Bank of Maharashtra maintains adequate disclosures for business ethics which can be inferred from its policies relating to Grievance Redressal, corruption mitigation, whistle blower protection, Credit risk mitigation techniques and related party transactions. Bank has taken multiple steps towards enhancement of shareholder rights. The bank has formed a stakeholders' relationship committee for redressal of grievances of shareholders and investors. The bank has formed customers service committees at branch level. The bank board also has a committee for performance evaluation of MD & CEO, Executive Directors and General Managers; this committee is constituted as per Government of India, Ministry of Finance, Department of Financial Services directives. On the social aspect, the bank has taken initiatives towards career development of its employees such as conducting training programs and sponsoring senior employees in reputed training institutes. The bank has put in place cyber security policy and periodically carries out assessment on cyber security awareness through online tests, online surveys etc. Further, as part of Corporate Social Responsibility (CSR), Bank is undertaking various social activities through its various centres and trusts like Rural Development Centre (RDCs), Mahabank Agricultural Research and Rural Development Foundation (MARDEF) and Gramin Mahila Va Balak Vikas Mandal (GMBVM) in the areas of Agriculture, Rural development & women empowerment

#### **Rating Sensitivity**

- Ownership of GoI and continuing support by way of equity infusion.
- Significant movements in asset quality and profitability parameters.
- Movement in overall deposit base.
- Any sharp deterioration in capital position of the bank with capital adequacy coming closer to the regulatory minimum.

#### **Liquidity Position**

##### **Strong**

The bank's liquidity position is supported by robust deposit base. Its liquidity coverage ratio stood at 118.12 percent for the quarter ended September 2025 as against minimum regulatory requirement of 100percent. Further, the Total High Quality Liquid Assets (HQLAs) for the quarter ended September 2025 stood at Rs. 81,100.53 Cr.

## Outlook- Stable

### Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Interest Income	Rs. Cr.	24,947.45	20,494.69
Interest Expense	Rs. Cr.	13,281.88	10,672.84
Profit After Tax (PAT)	Rs. Cr.	5519.79	4,055.03
Deposits	Rs. Cr.	3,07,142.61	2,70,747.17
Gross Advances	Rs. Cr.	2,39,836.53	2,03,663.95
Investments (Net)	Rs. Cr.	82,004.79	68,274.12
Capital Adequacy	(%)	20.53	17.38
Return on Average Assets (RoAA)	(%)	1.64	1.42
Gross NPA	(%)	1.74	1.88

\*Total income equals to Net Interest Income plus other income

\*\* Total Assets have been adjusted for deferred tax assets

\*\*\*Ratios are as per Acuite's calculations

### Status of non-cooperation with previous CRA (if applicable):

Not applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Hybrid Instruments Issued By NBFCs & HFCs: <https://www.acuite.in/view-rating-criteria-56.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Dec 2024	Basel III AT1 Bonds	Long Term	290.00	ACUITE AA   Stable (Reaffirmed)
	Basel III AT1 Bonds	Long Term	710.00	ACUITE AA   Stable (Reaffirmed)
	Basel III AT1 Bonds	Long Term	880.00	ACUITE AA   Stable (Reaffirmed)
	Proposed Perpetual Additional Tier I Bonds	Long Term	120.00	ACUITE AA   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	259.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	515.00	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	146.30	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	1000.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	200.70	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	205.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	100.00	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	226.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	348.00	ACUITE AA+   Stable (Reaffirmed)
19 Dec 2023	Basel III AT1 Bonds	Long Term	290.00	ACUITE AA   Stable (Reaffirmed)
	Basel III AT1 Bonds	Long Term	710.00	ACUITE AA   Stable (Reaffirmed)
	Basel III AT1 Bonds	Long Term	880.00	ACUITE AA   Stable (Reaffirmed)
	Proposed Perpetual Additional Tier I Bonds	Long Term	120.00	ACUITE AA   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	259.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	515.00	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	146.30	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	1000.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	200.70	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	205.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	100.00	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	226.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	348.00	ACUITE AA+   Stable (Reaffirmed)
		Long		



19 Dec 2022	Basel III AT1 Bonds	Term	290.00	ACUITE AA   Stable (Reaffirmed)
	Basel III AT1 Bonds	Long Term	710.00	ACUITE AA   Stable (Reaffirmed)
	Proposed Perpetual Additional Tier I Bonds	Long Term	1000.00	ACUITE AA   Stable (Assigned)
	Basel III Tier II Bonds	Long Term	348.00	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	146.30	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	1000.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	200.70	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	205.00	ACUITE AA+   Stable (Reaffirmed)
	Basel III Tier II Bonds	Long Term	100.00	ACUITE AA+   Stable (Reaffirmed)
	Proposed Basel III compliant Tier II Bonds	Long Term	1000.00	ACUITE AA+   Stable (Reaffirmed)
28 Feb 2022	Proposed Perpetual Additional Tier I Bonds	Long Term	1000.00	ACUITE AA   Stable (Upgraded from ACUITE AA-   Stable)
	Proposed Basel III compliant Tier II Bonds	Long Term	1000.00	ACUITE AA+   Stable (Upgraded from ACUITE AA   Stable)
	Basel III Tier II Bonds	Long Term	200.70	ACUITE AA+   Stable (Upgraded from ACUITE AA   Stable)
	Basel III Tier II Bonds	Long Term	205.00	ACUITE AA+   Stable (Upgraded from ACUITE AA   Stable)
	Basel III Tier II Bonds	Long Term	100.00	ACUITE AA+   Stable (Upgraded from ACUITE AA   Stable)
	Proposed Basel III compliant Tier II Bonds	Long Term	1000.00	ACUITE AA+   Stable (Assigned)
	Proposed Basel III compliant Tier II Bonds	Long Term	494.30	ACUITE AA+   Stable (Upgraded from ACUITE AA   Stable)

**Annexure - Details of instruments rated**

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE457A08100	Basel III AT1 Bonds	24 Mar 2022	8.75	31 Dec 9999	290.00	Highly Complex	ACUITE AA   Stable   Reaffirmed
Not Applicable	INE457A08118	Basel III AT1 Bonds	08 Sep 2022	8.74	31 Dec 9999	710.00	Highly Complex	ACUITE AA   Stable   Reaffirmed
Not Applicable	INE457A08134	Basel III AT1 Bonds	26 Dec 2022	8.74	31 Dec 9999	880.00	Highly Complex	ACUITE AA   Stable   Reaffirmed
Not Applicable	INE457A08142	Basel III Tier II Bonds	18 Sep 2023	7.98	18 Sep 2033	515.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	INE457A08068	Basel III Tier II Bonds	14 Dec 2020	7.75	13 Dec 2030	200.70	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	INE457A08076	Basel III Tier II Bonds	11 Feb 2021	8	11 Feb 2031	205.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	INE457A08084	Basel III Tier II Bonds	23 Mar 2021	8	23 Mar 2031	100.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	INE457A08126	Basel III Tier II Bonds	07 Dec 2022	8	07 Dec 2032	348.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	INE457A08159	Basel III Tier II Bonds	14 Dec 2023	7.99	14 Dec 2033	259.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Basel III compliant Tier II Bonds	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	146.30	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Basel III compliant Tier II Bonds	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1000.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Basel III compliant Tier II Bonds	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	226.00	Highly Complex	ACUITE AA+   Stable   Reaffirmed
		Proposed Perpetual	Not avl.	Not	Not			ACUITE



Not Applicable	Not avl. / Not appl.	Additional Tier I Bonds	/ Not appl.	avl. / Not appl.	avl. / Not appl.	120.00	Highly Complex	AA   Stable   Reaffirmed
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## Contacts

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### About Acuité Ratings & Research

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