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AX1/ISD/STEX/45/2026-27 **Date: 16th July, 2026**

The Vice President **BSE Ltd.,** **P.J Towers,** **Dalal Street, Fort,** **Mumbai-400 001**	**The Vice President** **National Stock Exchange of India Ltd.,** **Exchange Plaza,** **Bandra Kurla Complex,** **Bandra (East), Mumbai-400 051**
BSE Scrip Code: 532525	**NSE Scrip Code: MAHABANK**

Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call with Investors / Analysts held on 10th July, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of conference call with Investors/ Analysts regarding Financial Results of the Bank for the quarter ended 30.06.2026 held on Friday, 10th July, 2026.

The transcript of conference call is uploaded on Bank's website and same can be accessed through below link:
https://bankofmaharashtra.bank.in/financial-results

Kindly take the same on your records.

Thanking you

Yours faithfully,
For **Bank of Maharashtra**

VISHAL SETHIA Digitally signed by VISHAL SETHIA Date: 2026.07.16 12:29:10 +05'30'

(Vishal Sethia)
Company Secretary & Compliance Officer

Encl : As above

"Q1 FY 2026-27 Earnings Conference Call"

July 10, 2026

MANAGEMENT: **MR. NIDHU SAXENA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

EXECUTIVE DIRECTORS, CHIEF GENERAL MANAGERS & GENERAL MANAGERS OF THE BANK

Moderator: Ladies and gentlemen, good day, and welcome to the Bank of Maharashtra Limited Q1 FY '27 Earnings Conference Call, hosted by Nuvama Wealth. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raj Jha from Nuvama Wealth. Thank you. And over to you, sir.

Moderator: Thank you, Sagar. Good evening, everyone. Thank you all for joining Bank of Maharashtra's Q1 FY '27 Post Results Conference Call. From the management team, we have Mr. Nidhu Saxena, Managing Director and CEO; Mr. Prabhat Kiran, Executive Director; and Mr. Sushanta Kumar Mohanty, Executive Director. We, at the Nuvama Wealth team are grateful to the bank for giving us the opportunity to host this conference call.

Without further delay, I would now like to hand over the call to Mr. Nidhu Saxena for his opening remarks. Post that, we will open the floor for the Q&A session. Over to you, sir.

Nidhu Saxena: Thank you. And at the outset, I extend a warm welcome to all the investors for joining this investor call. June 2026, Q1 of this FY, has yet another good quarter of business growth for the bank, wherein we have seen no major challenges around our asset quality, which is getting maintained at the same good healthy levels. The stress in the loan book also is being well managed. There has been improvement around that. Our efficiency ratios, profitability ratios also have -- is showing signs of consistency, and we continue to consistently maintain our performance over now past several quarters.

Coming to specific numbers. We had, in my last interaction, shared the guidance number on around 15, 16 parameters. I'm happy to share that all the guidance around the growth parameters, the profitability parameters, asset quality parameters, profitability, efficiency parameters. We are maintaining a performance in this Q1, which is above the guidance numbers. Specifically speaking, total business, which was guidance of 16% to 17%. We have grown year-on-year by 19%, INR1,04,000 crores of business is added in the past one year. Total advances against 18%, we have grown at Y-o-Y 27%, INR65,000 crores of advances have been added.

Total deposits also 14% against 14% guidance, we are 13%. The CASA within which have also grown year-on-year by 9% by -- in percentage terms and INR14,000 crores in amount terms. The RAM book versus corporate book, the ratio has been maintained at 63:37. Our individually, our Retail has grown at 25%, Agri at 30% MSME at 23%, and corporate book also has a healthy 30% growth year-on-year.

Gross NPA is maintained at the March level 1.45% against our guidance of maintaining it below 2%. NNPA likewise, against our guidance of maintaining less than 0.25% is maintained at

0.13%. PCR stands at a healthy 98.55%. Recovery performance in the Q1 also has been reasonably good. INR709 crores of recovery happened within which cash is INR490 crores odd, and upgrades are INR208 crores.

Recovery from the write-off book has been INR305 crores in the Q1. Our stress percentage also has come down in the overall loan book to 3.18%, which is 140 bps improvement year-on-year in the stress percentage. In terms of amount wise also, the stress number has come down in absolute terms by INR1,300 crores. The leaving SMA 0, SMA 1 plus SMA 2 that book also has registered improvement of 5 basis points. It is now at 1.34% year-on-year.

Coming to the profitability. Operating profit has shown a healthy growth of 21% year-on-year with adding INR547 crores, our OP is INR3,117 crores. Net profit for the Q1 is INR2,020 crores, which is a year-on-year increase of 27%. The NIM stands at 3.85%. It has been a reduction of 10 bps, but we are healthy 10 bps above our guidance number of 3.75%, which again, I would say, is a decent number to maintain at this level. ROA at 1.9% is, again, an improvement of 10 bps year-on-year. Likewise, ROE has improved 165 bps year-on-year and stands at 24.65%.

The cost of funds and cost of deposits both have seen improvement by way of reduction by 25 bps and 22 bps, respectively. Our credit cost has also come down by 20 basis points and has remained within our guidance of maintaining credit cost below 1%. CET1 capital adequacy, 15.56%, CRAR at 18.64% qualifies us to be well-capitalized, adequately capitalized bank. I think these are the high-level information that I will share. I would like to take questions from investors and then we would like to also keep adding some more inputs around the overall decent performance in the bank in the Q1.

Moderator: Should we open the floor for questions now, sir?

Nidhu Saxena: Yes, please.

Moderator: Thank you very much sir. Your first question comes from the line of Priyank Chheda with Vallum Capital. Please go ahead.

Priyank Chheda: Hi, this is a Priyank Chheda from Vallum Capital. What a fantastic start to FY '27, Nidhu, sir! First question, our NII growth, which is net interest income growth has lagged our total advances growth of 27% versus NII growth of 14.5%. And I understand as well as reconciled that PPOP growth, which is operating profit growth has been 21%, which is again higher, but still lagging the loan growth, which only means that NIMs have a bit compressed. And yet, they are higher than what you have guided?

So just would like to understand, would you want us to only focus on operating profit growth along with the higher -- way higher loan growth, which is with the system level growth, which is also expanding and improving. So just guide us on how NII growth with loan growth would pan out for the full year or Q1, anything to call out as one-off?

Nidhu Saxena: So while if you look at the...

Moderator: Sorry for that, sir.

Nidhu Saxena: Yes, so I'll be audible to the investors, right? Am I audible?

Moderator: Yes, sir, you are.

Nidhu Saxena: Okay. There was a -- I think, recorded message, which played. Anyway. Coming to the question, if you see the NII guidance, which was given as 15% and the NIM guidance, you rightly observed at 3.75%. What we have done in Q1, it is we have maintained both the numbers. And I think we are as a management, as a bank, we are committed to the guidance numbers that we have shared. And we will, going forward, keep continuing to maintain these levels.

Profitability and doing growth not mindlessly or increasing your top line has always been a conscious element in our growth journey. So we are always focusing on growth, which is a profitable one, where there is no compromise on the asset quality. And that's how we look things remaining sustainable in the medium to long term.

So this year to look at getting good interest income the overall profitability from the system. We have done a couple of initiatives which are different and probably, I would say, pioneering it in the industry in our review mechanism with our field leaderships.

So today, there is a -- my risk management has developed a simple profitability dashboard, which gives a sense to my Branch Manager and the Zonal Manager as to if the incremental business in the quarter has happened at some rate, whether the profitability out of that incremental business has grown at the same level or at the higher level or at the lower level. So they are very consciously tracking this top line growth as well as the bottom line growth.

And that's how we have built the consciousness down to the branch head level that in the individual accounts also when they are negotiating the pricing with the clients, they are ensuring that the negotiation is a smart negotiation. The negotiation leads to a price which the Bank of Maharashtra brand deserves to charge to the client. And we are very conscious about our good tact, good experience to the client.

And sometimes, we even try to see that clients happily pay a price for the good service or the turnaround time, which is reasonable or a decent turnaround time. So with every credit decision we have built this consciousness around. So we are also seeing probably in coming quarters we will see that we are commanding good rates at the account level, the concessions in charges also are well negotiated. And that's how we will see our NII growth also is happening this thing in the manner, it ought to be.

Priyank Chheda: Perfectly, we understood, sir. Definitely, there are a lot of operating level changes happening. And no doubt of that. When you guided for loan growth in FY27 at the start of this year or meaning at the end of last quarter, the system level growth has been accelerating versus what you had guided at that point of time. And rightfully, even your advances growth has been accelerating in that manner.

Would you want to revisit your guidance of 18% loan growth for the full year to the higher number? And wanted -- on the other side, I wanted your observation on the current account balances. I understand that Q1 is usually weaker and it's usually 10% softer than the Q4 or year-ending quarter. This time, it was quite a bit steeper decline that we saw in current account balances, I could not reconcile if there was a corporate loan growth happening. So I thought that, current account balances should have seen sharp increase. Anything -- any observations on that would be happy to hear.

Nidhu Saxena: Right. So coming to first, your question on advances. Advances 27% growth, 3% growth out of this 27% growth is the contribution coming from the IBU, which today has become a sizable book for us, INR8,200 crores in almost 8 to 9 months is what we have built there. The 24% is, yes, a healthy growth.

We have seen traction in all the verticals, Retail, Agri, MSME even the corporate is growing at a decently good rate. We are maintaining this kind of high double-digit corporate loan growth. For the last four quarters, I'm seeing it is 17%, 18%. And this time, it is almost 30%.

So this is what is going to continue. I would not like to look at, relook at, revisit our guidance of 18% growth. But I think the way things are happening, it looks that we are able to perform likewise, other plays in the industry at a higher level. But we will maintain the guidance at 18%.

As regards to the current account, it is not a major concern at all. It is just 2,500 to 3,000 bps in the overall current account book is not a very big size when you compare with SB book of 1.28 lakhs. Current account doesn't compare to the INR3,000 crores of negative. And these things fluctuations do come sometimes. But the way we are growing our CASA, which is today, CASA in this, despite this degrowth has grown Y-o-Y 9%. And we have added INR14,000 crores of CASA in our city.

A lot of initiatives are taken around trying to see that fresh accounts get added to the bank, it's a new individual deposits, which are stable deposits come and add to the bank kitty. We are the bank which is also differentiated in terms of faster expansion. We are opening branches annually at the rate of 200 branches, expanding our footprints in the country. And all these new branches are being opened at potential growth centers in the country, very scientifically identified using a lot of Pin code-level data.

And these branches today are bringing us the stable deposits of individuals, including saving and current. And in terms of new offerings, new products that we are giving to our field they are actually finding that differentiated options, which are not available in the -- from the other players are being provided to them, which gives them the definite advantage and reasons for clients to choose us over the other banks.

Last year, we had done a product around and claiming it as global saving options brought to you in India by the bank. And that product has really brought a lot of traction and it is going to continue to contribute in the core stable CASA.

We also have looked at CASA for giving some technology support there. So our mobile banking application, which is a revamped application, which is now nine months around, it has spent the new version. And we have seen that the active registered users number in the old version from 2.75 lakhs. The number has crossed 14 lakhs, 3 days back, and it is counting.

So when you are getting more and more people onboarded on your mobile platform, we are seeing that the balances that are getting maintained in these individual accounts are also going up. And that's how a lot of technology, new product ideas are being given its support to see that the stable core CASA in the book grows.

Priyank Chheda: So very heartening to hear that. And just last question. On the provisions, quarter-on-quarter, a slight increase had to do with most likely to be with Agri loans and maybe a deferment of debt waiver scheme, if you can confirm that.

And additionally, with that debt waiver coming in, would you like to mention what can be the benefits and the P&L implications or balance sheet implications for Bank of Maharashtra? And one clarification required on the taxation rate, what should we assume for '27? I remember we had utilized all the DTA last year. So what explains the current lower tax rate, which is a percentage of PBT? Three question, sorry. Last, Thank you.

Nidhu Saxena: Yes. So I will take them one by one. Debt waiver is what I remember. So debt waiver, the scheme is still under formulation, but we have the covenants of the scheme and our eligible portfolio, we have rough numbers to share. And around INR3,500 crores is eligible amount in case of debt waiver. From the government receivable to us will be INR2,750 crores. And INR260 crores out of this amount has to come from the farmers. That's what the scheme is.

Max haircut to the bank is around the range of INR450 crores to INR500 crores, we hold already a provision of INR1,700 crores in this debt waiver eligible accounts. There is also a TWO of INR1,100 crores in this debt waiver eligible accounts. So I think like the other banks, since we have a predominance presence in Agri, my predominantly book Agri -- the large part is also in Maharashtra.

I think we stand to also benefit in this debt waiver scheme when we will see that the accounts which are identified already, there is a TWO book of INR1,100 crores and total overall provisions that I'm holding is INR1,700 crores. So any haircut we are taking is actually already provided for. And with TWO recovery that may happen out of this will also incrementally help my OP, in that way. Of course, there is also one element, which is for regular payments by farmers.

The government is -- Maharashtra government has created a provision of incentivizing them and INR50,000 per account per farmer would be given as the incentive in their SB accounts. So we have our calculations. We may get some SB balance also in a significant number through this debt waiver settlement whenever that is coming.

And of course, it is expected to happen within this FY, definitely, the way things are moving. Credit cost also has come down against our guidance to maintain it below 1%. It has been 0.99% for this Q1 and which is a Y-o-Y 20 bps improvement in this metric.

Management: Sir, with regards to tax rate -- so sir, like last -- earlier also, we said that our tax rate is on the OP basis, it is coming 13% to 14%. And if you are asking for a PBT basis, then it is 16% to 17%. So earlier, we also said that it have a multiple levers and but also over -- now we are normal tax bucket rate, and that is on PBT basis, 16% to 17% rate is there.

Priyank Chheda: Sorry, I couldn't hear you clearly. What would be that benefit, if you can help us repeat for the larger audience? Is this a structural -- would it change for one year or would it remain for multiple years?

Management: Sir, basically, tax rate for the -- we are getting the benefit of rural advances since most of the branches having rural advances of our around 40% branches in rural. So that benefit we are getting under tax rate. And apart from that bad debts also -- for bad debts write-off, we are getting the tax benefit. And apart from that, sir, DTA also is one of the factor impacting. So considering all these factors, our operating profit of OP basis, the tax rate will come in around 12% to 13% and PBT basis, it is coming around 16% to 17%.

Moderator: The next question comes from the line of Akshay Badlani with Motilal Oswal.

Akshay Badlani: First question is around the lines of deposits. The CD ratio is now around 87%, 88%. So how is the deposit growth going beyond the state of Maharashtra? And till what CD ratio would we be comfortable given the growth has been very healthy. So where would we be comfortable with CD ratio? And what kind of progress we have done in institute especially, institutional deposits outside Maharashtra?

Nidhu Saxena: I will answer this question in two ways. One is the deposit growth you have mentioned. And I would like to give you a perspective that how we have done in this Q1. Very consciously looking at the margins and what are the various sources deposits that your branches are become -- bringing from the individuals, the institutional deposits, government, corporates that is coming to you. You have refinance also as an option. You have options to raise CDs also.

So if you look at my deposit growth, the average deposit growth, what we have seen this Q1, we decided for some time, we are not doing any fresh CD issuances. In Q1, I have this deposit growth of 13% with no CD raised in the Q1. While the PSB average is 11% deposit growth and minus the CD because most of the players have taken the help of CD.

So 10%, the PSBs as a group have grown. Private Banks, 14% is the deposit growth. And 11% is the minus CD, in the core deposit time or demand deposits, they have grown. So 3% more than that. So we have grown 13% with no CD raised in the Q1. So if you see the way we look at it, CD is going to be coming with a runoff factor of 40%.

It is by intrinsic short-term nature. Maximum tenure is one year. What we are doing is, we are funding our credit growth entirely by deposits. So we are not borrowing and funding. And this we are doing why? Because we are very conscious about the margins.

So coming to the CD ratio. Yes, CD ratio, you may see it elevated. My global CD ratio because it has a composition of IBU also where we don't have deposits, where we are doing borrowings and lending. Look at the domestic CD is also 86%. While we have -- what we have done is for last, I think, now six quarters, I've been talking about this, sharing even the numbers, we have gone for a lot of refinance.

And refinance, which in the last year was INR14,000 crores, INR15,000 crores. We have almost INR19,000 crores of refinance that we have taken. If I consider this refinance, my CD ratio is 81.99%. So refinance, again, why we decided not to go for high-cost bulk deposit, the blended cost that we have experienced while we go for refinance is in the range of 6% to 6.5%.

Now when we are going for refinance, there is no CRR and SLR loading. So we found that this is a viable proposition to raise resources for funding my credit growth rather than going for high-cost bulk deposits. And ultimately, the outcome is that we are conscious about the margin part of it.

Having said this, CDs refinance, we also -- yes, we are also mindful of this. We are tracking this number. We feel the high credit growth that is happening, we would not like to lose any new opportunity for growth. So we have other sources. Today, if you see the ecosystem, there is a clear marked shift of consumers moving to other asset classes.

So if you keep depending always on individual deposits and bank plans to grow, I think there is a high time we need to relook this. So we are very consciously seeing -- analysing this, and we are seeing a clear shift. People are going to other asset classes, SIP, mutual funds and all those things.

So your deposits are going to go down in the -- so refinance is option, you can do CDs. We also have a Board-approved plan, capital raising plan for raising equity, INR5,000 crores for this FY. RBI approval is with us. Shareholders have approved. We have sent our request to the government. And the moment government approval is coming, we are good to go.

Any time, opportune time during this FY to support our fast credit growth, we can raise equity also. While I'm adequately capitalized, I don't have an urgent dire need to raise to maintain, but this is what -- this is how we are looking at. And to answer your question, last year, we are tracking these numbers because a lot of new branch openings are also happening.

So last year, INR21,000 crores in deposits, we have raised outside Maharashtra. Out of our total growth of INR43,000 crores in deposits, INR21,000 crores contribution is coming from outside Maharashtra. So I think I have answered all your questions, sir.

Akshay Badlani: Yes, sir. Thank you for that. And just one last question was around the opex. I think this quarter, our opex growth has been around 8%, 9% against balance sheet growth of over 20%. So is this like a one-off in this quarter? Or are we structurally seeing better operating leverage going forward?

Nidhu Saxena: Staff cost, is that you are -- there is a -- see, today, the way we are growing, expanding in our national footprints, we need a lot of manpower to man these new branches. Today, two years back, our staff strength stood around INR13,000 crores. We are now INR17,500 crores -- sorry, I'm sorry 17,500 in numbers.

And the way we look at it, any new branch that we are opening, if you don't adequately staff, you are also into the business of finance, and we should not unnecessarily open ourselves to any operational risk. So the minimum staffing that we feel is required is provided to the branches from the day one, and they are not just focusing on doing the transactions.

They are also required to be making new customer acquisitions in the new geography in the new pin code that where we have opened our branch. So we rather like to staff the branch adequately. And that recruitment exercise is going to keep going on.

What we have found that, in the long or in the medium run, what we have seen, if you see my cost-to-income guidance has been to maintain it below 40%, the way we are increasing our opex by opening new branches, recruiting staff, I was thinking with 37%, 38% kind of 36%, 37%, 38% that we've been maintaining, we should try to maintain it below 40%.

But we have been maintaining a good cost to income. And large part is seen that whatever branches that we have opened, we are seeing the branches which were opened three years or more from now, all have turned profitable. Two years to three years, there was some data we had taken. So a significant percentage of branches have breakeven.

So that's what we are seeing. When you're opening branches in the right locations, potential centers, potential growth centers of the country, you will see that new business will come fast and the branch will also breakeven fast.

And we -- the incremental cost that is coming by opening new branches, the revenue that they are generating, the profitability they are generating, it is more than offsetting the cost that is we are experiencing in opening new branches, recruiting.

So that's how we are into the growth story. We are not reducing the pace of opening branches or recruiting staff. We will keep doing the same pace as per the need. We are -- so maybe some staff opex cost would have gone up. But today, if you see the cost to income that I'm maintaining is a decent number.

Many of the private banks also don't -- I mean, they are around that or at least, I would say, a guidance of maintaining below 40% is a decent cost to income to maintain, which we are maintaining.

Akshay Badlani: Sure, sir. Thank you. Thank you for answering the questions.

Moderator: Thank you. The next question comes from the line of Parth Gutka with 360 One Capital. Please go ahead.

Parth Gutka: Yeah. Hi, sir. Thanks a lot for the opportunity. Sir, my first question is, can you give some color why advances declined so sharply during the quarter?

Nidhu Saxena: So sir, I think you'll have to read it again because advances growth has happened, sir. We have -- in fact, this Q1 has seen advances growth of 27% Y-o-Y.

Parth Gutka: Sir, I'm talking about the yield on advances, sir.

Nidhu Saxena: Yield, I did not hear that. Sorry, we heard advances. I'm sorry. Let me just look at that. So yes, 8.57%, 71 bps is what you are looking at. So there is MCLR reset we had with these rate cuts in the past FY, which were announced. So the full year effect, I would say, would have been felt by the -- this -- I think this time around, when we have started to cut the MCLR, the eligible portfolio with MCLR gets to reset annually when the account is coming for review.

And in fact, one of the reasons I decided to keep our NIM guidance at 3.75%, we were expecting probably there will be further rate cuts. But now the way the West Asia crisis has come in and things have evolved, at least now discussions are not around any further rate cuts. It simply looks like for sure. And rather maybe there could be a review and you may see an interest rate going up.

So this is how, but I think we are very, very conscious in terms of profitability of the business that we are doing. And as I just explained with some example also that at the transaction level, that sensibility we are trying to bring to our branches that the profitability is not a central office function alone. That central office verticals only do and the field only focuses on the top line growth.

But now in their review, we have made this as an essential element of review. And we have also decided to quickly see how the first quarter outcomes are. Maybe I may even decide to allocate in their performance appraisals, some weightage towards if they're doing business growth, how profitable the growth is, we will work out some mechanism around and assign them due marks towards increasing business and increasing business profitability.

So if that kind of sensibility is going to come, I think we will see that in any case, bank is maintaining a good profitability, a healthy number, which is there. And one last thing which I'd like to mention, see, GIFT IBU has been an addition in the bank eight to nine months back, and we have now $965 million of sanctions in the IBU, INR8,200 crores of books.

So the 8.57%, what I have mentioned is the global yield. So the domestic yield, if you look at is 8.66%. So which is only not 20 bps, it is 13 bps difference over the quarter. But I think that's how we are very mindful and conscious of doing profitable business, both in the asset side and the liability side.

Parth Gutka: Sure, sir. And sir, my second question is, how are you thinking in terms of the COVID provision buffer that you have? You had around INR1,200 crores last year, and then we draw down some provisions. So how are we thinking on that? And the follow-up on the provision is, we do not hold any provisions towards ECL. Is that the right assessment?

Nidhu Saxena: So see, provisions in terms of COVID book, I think we peaked around almost INR1,200 crores or something as a COVID provision, when 2021, when we started to build this provision. And there was some INR4,000 crores of restructured book that we were keeping at that time. And now it has come down to almost INR1,050 crores.

So we almost have provision 100% of the restructured book, which is actually not required, as you rightly pointed out. But this is, again, a prudent way to provide for any unforeseen or future delinquencies is what has happened over the last three, four years. In terms of ECL, and this gives me only extra buffer and cushion.

And we are always mindful whenever there are any high-level suggestions coming from the RBI also when honorable governor or deputy governors, they are speaking. For the last one, two years, I recall, the broad nudge was that we are passing a benign phase and these are the best times, but you need to keep yourself adequately capitalized.

You need to create buffers and cushions, and that's exactly what we've been doing. But today, as you rightly said, with 1,000% -- INR1,000 crores of restructured book and equal amount of COVID loan provision, we don't need to really make that. But we have other avenues to utilize this, write back this, which we will be looking at gradually as the quarter-on-quarters are there.

As regards to ECL, we already have -- even when the draft stage guidelines were there, we had decided and we had made a provision of INR255 crores. Today, we -- in terms of ECL, our calculations are it is INR2,500 crores is the total provision that I may require to keep maintain in a 4-year period up to 31st March 2031, which gives me around every quarter, INR125. INR125 crores every quarter I have to make for ECL.

So for around two quarters, we have already done when the draft stage was there. And when the guidelines set in, I see no challenge at all in being able to create this extra provision on this ECL also. The ECL guidelines, which have now been conveyed, they've also said that any provisioning you are doing is going to impact your net worth and not impact the P&L.

So that change also is now seen, which I think going forward, ECL does not remain a concern anymore. Otherwise, also it was not. And it does not -- with this final guidelines from the regulator where it does not impact your PL, it is the net worth that gets adjusted with the provisions. Maybe I'll ask my CFO also to just add anything to what I have said.

Management: Sir, further with regards to this, also that RBI has changed the CRAR calculations. Now the quarterly profit is also allowed for the -- taking the CRAR calculation and considering that 4 years past, we have to give the initial impact on the CRAR. So considering all these things, we are not seeing that anything is required as of now and we are sufficiently having buffer provisioning also. So considering that we are very comfortable on ECL side, sir.

Parth Gutka: Sure, sir. Thanks. And my last two questions. When I see the gross NPA across all your retail segments, housing vehicles, education loans has gone up Q-o-Q. And also within the MSME segment, micro, small and medium, the gross NPA has gone up on a Q-o-Q basis. So anything to read into here? That's my first question and second is what was the LCR at the end of the quarter, sir?

Nidhu Saxena: So NPA, if you ask me segment-wise, while we'll look at the NPA amount, but retail is 0.34%. Agri is 7.58%, which is again has reduced from 9% in a couple of quarters back. MSME stands at 1.60% and total in the RAM is 1.23%. It's not a cause of a serious concern to look at. And we'll just -- but still in amount-wise, have we changed?

Management: Yes, INR73 crores, it has gone to INR150 crores.

Nidhu Saxena: Okay. So whatever change I'm looking at the slide, it is not something that we need to be worrying of. We are very, very conscious in new underwriting. In fact, whatever growth this bank we are registering in the last 12 to 15 months, we have stringent underwriting standards, benchmark.

There's no compromise on the quality, as I said earlier. We have stopped underwriting any segment loan, even in personal segment, where the TransUnion CIBIL score, where we have benchmarked our entire underwriting in the bank, where the individual CIBIL score is less than 681, so which is the definition of CIBIL TransUnion as a subprime category.

So all our sanctioning in the past 15 months have been in the segment, which are prime and super prime categories. We had even looked at the sanctions that happened in say home loans, which is one of the big categories, 50% of retail book comes through home loans. So home loans after we set this strengthened underwriting benchmark, we had 57% -- 23% of sanctions in 12 months in home loans, were where the CIBIL score was 800 and above.

And 750 to 800 CIBIL score, 57% sanctions in the past 1 year. You add 57 plus 23% it becomes 80% of new sanctions in home loans was from the prime and super prime categories. So we are very, very conscious about the loan book that is being created, both in all the segments.

We have been very mindful about not achieving growth on two parameters are important. The mantra is very clear. It has to be a profitable growth and no compromise on the quality. So whether it's the RAM book or the corporate book, we are very conscious on what new clients are getting added to us.

This is what I would like to also share LCR on an average basis, we have kept a band of 115% to 120% on an average basis was 118% is what we are maintaining. Terminal LCR was 114%. But we feel that LCR between 115% to 120% is prudent to maintain and you are able to see that a good deployment and interest earning is happening if you are maintaining the liquidity within this band.

Parth Gutka: Sure, sir. Thanks a lot for answering all my questions.

Moderator: Thank you. The next question comes from the line of Suhani Goyal with ICICI Securities. Please go ahead.

Jay Mundra: Yes, sir, this is Jay Mundra. Sir, a few questions before that congratulations, sir, on a steady number. Sir, first thing on your yield on advances and cost of deposit trajectory from here onwards, assuming there is no rate change. And I hear your commentary on the overseas and GIFT IBU business growth. But -- I mean including that also, how should one look at the yield on advances incrementally as we go ahead?

Nidhu Saxena: Mr. Jay, thank you for the observation you made regarding the performance. Coming to your questions, while we see that the cost of deposits today, we have improved, the reduction has been 22 bps, 4.38% and focus is to get core deposits from the branches. And CASA is always the focus to get and with a lot of initiatives around bringing innovative products.

Bringing -- taking help of technology to help us get new business, within which the low cost always remains our focus. And with this new set of branches that we are opening and opening in potential centers of the country, they're also giving me a lot of core stable retail deposits, which we would like to have in our books.

So we haven't actually -- I don't have a number ready in mind to share with you. But yes today when we look at our global book versus the IBU. Today, IBU book is 2%, 3%. But yes I'm mindful of the fact that what you are going to get in domestic in terms of profitability, domestic NIM, you will not get that kind of a NIM in overseas business.

But currently, it is a very small part of our total book, INR293 crores of loan book and here is INR8,000 crores. But IBU has also in terms of optics, in terms of new opportunities to explore in terms of getting stickiness of our corporate clients to remain with us for all their banking needs and they feel like raising ECB.

Now they don't need to look here there, bank can help ECB raise also. And we have got a lot of -- in terms of traction already in this IBU. So -- but I will not have any specific numbers, but we would like to maintain this yield and this cost of funds and deposits. And this is a very dynamic market that we are into. And there cannot be one specific way to do it in the remaining three quarters. We are very mindful, as I said, of the margins, the business and the profitability part of the business. So both asset side and liability side we are mindful that we are doing and growing profitably.

Jay Mundra: Sure. No, I respect that. What I was trying to understand is if you think that cost of deposit is going to get higher? And is there any lever with you to actually improve the spread on the yield side and also as to maintain the margins. So that is what I was trying to understand that if you think that cost of deposits...

Nidhu Saxena: I got it. Maybe a little bit, I can -- I did respond to this in some other question, that we are not expecting also any further rate cuts. Maybe if there is a rate hike you may get to see in subsequent quarters, that also adds to your yield and other things. But I think we are very -- I do not have any specific numbers, but today, if you look at my -- this is one thing, okay, let me share this with you.

Tomorrow, my MCLR book today stands at 44% and my Repo-linked book is 53%. So, with this -- tomorrow, if there is a rate cut, I can -- I'm sorry, a rate hike in the repo, I will immediately see a big benefit coming because my 53% of loan book now is Repo-linked. At some point of time, my MCLR book was 55%, 57%.

But now with this change scenario where my corporate has also grown and maybe the retail segments, retail MSME have grown handsomely and this retail Repo-linked book becoming 53%. This is what I think will be something contributing in a big way for this. Then again, we have also in the last two, three reviews in ALCO, we have actually looked at increasing MCLR. And we have done it also.

So MCLR base that has been cleared in our last two months ALCO, we will see that these portfolios of accounts in the next one year, as and when they are falling due for reset, we will see that the interest earnings at the reset, they will see MCLR hike also. So, these two things are something which will help us not see any further down, but the yield of advances may be going up only.

Jai Mundhra: Sure, sir. I think that is very helpful. Sir, I wanted to...

Moderator: Sorry to interrupt. Sir, your audio is breaking. The line is not clear. As there is no response from the line of current participant, we'll move on to our next question. The next question comes from the line of Ashlesh Sonje with Kotak Securities.

Ashlesh Sonje: Sir, first question is on the ECLGS scheme. If you can share what is the amount of sanctions and disbursements we have done so far? And if you can also highlight if there is any specific product segment or borrower segment, which is showing more interest in the scheme?

Nidhu Saxena: Our performance, I would say, has been decent. We have INR6,700 crores of eligible portfolio under ECLGS, within which we have already conveyed sanction of INR4,500 crores. So, 65% of eligible portfolio has already been accorded sanctioned from the bank. Out of INR4,500 crores of sanctions, INR3,560 crores already stands disbursed.

So, 82% of ECLGS sanctions are disbursed. And when we look at eligible versus disbursed, like not 100% of borrowers would like to avail the ECLGS facility. But we still are pursuing to reach out to all the clients, 53% of our eligible portfolio has already been disbursed. So, we are continuously reaching out.

Our experience has been that while the MSMEs comparatively to corporates are more willing to look at this option and avail the emergency line. Out of my INR3,560 crores of ECLGS amount disbursed so far, INR2,700 crores is MSME and INR400 crores is corporate.

Ashlesh Sonje: Understood sir. Sir, second one is on the FCNR deposit scheme. If you can share what is the progress so far? And if you can also give some qualitative color on what are the processes, approvals, partnerships that are needed for mobilizing these projects?

Nidhu Saxena: So, this is yet another opportunity, which has come to the system to raise dollar deposits and get liquidity for your Indian operations. While initially, the Reserve Bank of India guidelines and more engagements with RBI, they have also now issued FAQ, which has addressed all the issues and concerns from the bank's side

And all of the banks are looking and even we are looking at this opportunity to see that what is the optimum or maximum mobilization that can come to the bank through this window. Initially, when we envisage the product, the pricing or the rate that we were offering, we thought with the changes and clarifications that have been coming in the FAQs from the regulator, we should take an aggressive stance comparatively.

So, we are -- now we are offering for a 5-year FCNR deposit, a rate of 6.60, which compares us with the best offers that are available in the industry, definitely from the PSB space. And we are now working around the strategies, the ways to do the reach out as well and see how maximum utilization or traction that we can build around this.

Currently, the business mobilization already started, but it's a very initial stage. We don't -- I don't have a big number to inform. But since very consciously, we have improved our initial rates to such high level 6.60%, we definitely plan to make maximum use of this offering that we are doing. And maybe the following weeks, months, August and September, one may see major traction coming in from mobilization with all the banks, and we will also see that, how best we can utilize the opportunity.

Ashlesh Sonje: Understood, sir. And last question from my side. Your cost of deposits has increased by 5 basis points Q-on-Q. Do you expect this to increase again in the next quarter also?

Nidhu Saxena: So, in terms of cost of deposits, year-on-year basis, they have actually sharply reduced. They have come down to 4.38% by 22 bps. There is also -- if you see, we are also seeing a shift that my TD growth, the Time Deposit even from the retail segment, our TD, Term Deposit growth is at 16% while my total deposits are growing at 13%.

So, a lot of our individual segment deposits are also -- depositors are also taking benefit of the high interest rates that we sometimes like to offer to individual clients through our special schemes, limited period schemes. And we want to give them the options to remain competitive in the market. I don't wish my retail depositors to look at other banks for their -- getting returns on savings. So, we like to give them decent offerings while we are not -- we are averse sometimes to high-cost bulk deposits from institutions.

But for retail clients, so this is what we have seen a lot of CASA has also converted through time deposits from retail segment as well. And which is Q-on-Q basis is what we have seen, while the year-on-year 22 bps improvement came to us in terms of reduction. But the Q-on-Q, there's a slight 5 bps increase and the reason I just explained, sir.

Ashlesh Sonje: That is understood, sir. Sir, I'm just checking whether, because you get a visibility into the mix of incremental deposits that are coming, whether it is CASA, term deposits, retail term deposits, wholesale term deposits, you would also get a sense of what is happening on the renewal of your term deposits, whether it is coming at a higher cost. As a mix of all of that, do you think the cost of deposits has now kind of bottomed out and will only increase from here? That is the question.

Nidhu Saxena: I do not think because -- you are also getting to explore new avenues to raise resources. I think we must understand there is a clear shift among the -- household savings also have moved from banks or to other asset class through the SIP mutual fund. And this is an irreversible phenomenon. Even from the Tier 2, 3 cities, if somebody looks at the number of Demat accounts that have been opened in the country, those numbers are clear indication to the shift and people are willing to get higher returns, better returns and not just depend on bank deposits.

But yes, there is a trade-off that -- but they are willing to maybe take some higher risk, compromise a little bit on the liquidity part, which a bank deposit typically would offer. But this is how things are growing. So for your raising resources to fuel your growth, fund your growth, credit growth, you have to look at not only deposits, you have to look at other sources where you can.

So we have been doing a lot of refinance. CD is an option, but we have seen that it is a short-term measure and borrowing at some cost, sometimes if it is not helping my margins and rather denting the margins, I would not like to do that. So refinance has been where our blended cost has been 6%- 6.5%. We have done that significantly also, I would say. We also can now, I think, with a high ROE that we are commanding, we can look at some capital raising in course of this year.

We already have a Board and shareholder approval to raise equity. At opportune time, we can even look at raising capital to fund this high double-digit growth that we are experiencing in the bank. I would not like to lose any opportunity to not grow. And wherever the growth is a profitable growth, is what the only requirement is. So these are the various sources that we will have to be mindfully watching and operating around them.

Ashlesh Sonje: Thank you, sir. Thank you for the elaborate answer. That is all the questions I have.

Moderator: Thank you. The next question comes from the line of Abhishek Murarka with HSBC. Please go ahead.

Abhishek Murarka: Hello, hi. Actually, my question has been answered. So thank you so much and all the best.

Nidhu Saxena: Thank you Abhishek for taking out time to come and sit through our call. Thank you so much.

Abhishek Murarka: Thank you sir, it is a pleasure. Thank you.

Moderator: Thank you. Our next question comes from CA Dr. Ashok Ajmera from Ajcon Global. Please go ahead.

Ashok Ajmera: Thanks for giving this opportunity at the far end. So sir, compliments to you for very steady performance in the first quarter of this financial year, which was otherwise -- which is a difficult quarter, Nidhu sir. And many of the questions have already been answered in such a detailed answer which you have given. So sir, I will just take up on the treasury. Treasury operations in this quarter has contributed a lot in the profitability of INR266 crores as compared to INR33 crores in the March quarter. So sir, going forward, how do we see the treasury working out treasury operations and the profitability on that, which includes the profit on the investments and from the forex also?

Nidhu Saxena: While what you have noticed, Ajmeraji, let me thank you for commenting on the bank's performance. But this treasury income had a component of a one-time SR of INR104 crores. So this is what is the contribution. While we are looking at our treasury income on a consistent basis, but this figure that you just mentioned has a large one-time contribution, which I thought I will clarify.

Ashok Ajmera: Sir, going forward, sir, in the coming quarters, do we feel some good income coming from the treasury matching even this one-time also?

Nidhu Saxena: So while is this -- there are some SRs and in this particular SR, this is not the final payment. We may see in subsequent quarters. But we have also improved on -- we have got a lot of skill sets at senior levels. And treasury also, we have recruited people from other public sector banks. And I mean, I am sure there will be -- the idea is to see how smartly we are able to manage our treasury operations.

And while we do not give any targets to treasury for profits, but yes, there are a lot of ways to augment income from the activities that are happening in the treasury. And not only that we are not currently doing, but any possibility to have any incremental contribution to the profitability of the bank. Yes, we do not want to lose out on any possible opportunities, what I thought I will make.

Ashok Ajmera: Yes, sir. Point well taken, sir. Sir, in the net worth calculation, I just observed that in addition to the profit added of this quarter, of the last quarter's last net worth, INR488 crores additional has been added. So this has come from the reserves, which might have come from the AFS book? Or is it something else? -- this INR488 crores net worth is increased beyond the profits?

Management: Yes, sir. That has come from AFS reserve only. So you have rightly pointed out, sir.

Ashok Ajmera: Okay. So this fully has come from the AFS is revaluation. Sir, on the SMA front, this SMA 2 in this quarter has increased from INR56 crores to INR208 crores. So is this mean that this SMA 1, which was INR241 crores in the last quarter, has turned into SMA 2?

And secondly, the overall gross NPA also increased by about INR188 crores. So there must be below INR5 crores, many accounts of them. So are you sensing some kind of major stress in MSME or the lower below INR5 crores accounts because of this geopolitical situations and the -- on the war front between Iran and U.S. and whatever disturbances are being created. How do you see it panning out in the coming quarters? Do you see a little more stress coming into within your -- this ECL also people have availed. So almost about INR3,100 crores has already been, I think, availed by the MSME and the corporate book only. So what are your views on this, sir?

Nidhu Saxena: Ajmeraji, there is one single government entity account, which you have seen has entered momentarily in the SMA 2. That is not a problem at all. The money has to flow from the government, and that will be getting regularized. On the contrary, if you see, the stress in the loan book has come down both in percentage terms and absolute terms also.

Year-on-year, if you see 3.18% is my stress level, which is an improvement of 140 bps. And in terms of value, INR1,300 crores stress level has come down. If you see the concern SMA 1 plus 2 despite this one government account, so SMA 1 plus 2 is 1.34%. So which is also a 5 bps improvement. So one single government account has probably distorted the SMA 2 figure when you look at stand-alone. But overall, SMA 1 plus SMA 2 also has shown improvement and this particular account will get rectified. That is not a challenge that we are seeing.

Ashok Ajmera: Okay. Which is -- how much is that government account?

Nidhu Saxena: Probably not proper to name the account, but...

Ashok Ajmera: No, not name, but the amount.

Nidhu Saxena: INR87 crores.

Ashok Ajmera: INR87 crores?

Nidhu Saxena: Yes, sir.

Ashok Ajmera: Last question in this round -- I mean, in this round, its last round only. So is on the again, on the credit growth and also the CASA Bank of Maharashtra is known for the phenomenal credit growth. And even now also, if you look at the yearly basis, it is 27%, 26.9%.

So going forward, I think one question was asked earlier by somebody, that would you like to revisit the credit growth target, which is I think that 17%, 18% is generally happening in every bank, especially in this quarter onwards. So, don't you -- I mean, think that a bank like Bank of Maharashtra, which is known for its credit growth will again go into 24%, 25% kind of a growth in this financial year?

Nidhu Saxena: So, while what you say is correct, sir, the system is also seeing that. We have also seen that private capex or maybe renewable energy, data centre, all these are emerging new areas, which has also helped lenders, the clean energy, the solar projects. So many things new which are happening.

We've also been bullish on these sectors. We have marked them as bullish sectors where we are bullish and we are participating. These are the growth sectors in the present system. So, if you look at corporate growth year-on-year, we have grown in this Q1 as 30%.

So, while we'll see, keep this thing, also one differentiated thing that is with Bank of Maharashtra is that we are opening new branches annually at the rate of 200 branches. With every new branch that is getting functional during the year for the -- for that particular branch, the base is zero. Any incremental deposit, any incremental advance that happens in that particular branch only adds up to the overall growth of the bank.

And that's how this is one of the contributing factors where we are continuously delivering industry-leading performance, more than what the industry average is. And this is not going to go down because our branch expansion plan is a 5 year plan. So, for the next 2 to 3 years, we will continue to experience this kind of credit growth.

But I think -- and we also have marked some sectors as our focus sectors. So, whether it's a vehicle loan among our existing clients where we are doing cross-selling to our MSME customers, large credit customers and doing big ticket vehicle loans, car loans. Gold loan as a product, if you see both in the Agri, MSME and non-priority retail segment, gold loan, INR13,000 crores have grown gold loan year-on-year, if you see, it's a 75% Y-o-Y growth, which is coming.

And so, these are also some product categories which are contributing to this fast growth. But I think at the initial of the year, our -- my trend has been that whatever guidance we share, that becomes sacrosanct to us, and we would like to stick to that. And if we are over delivering, I'm sure we are only giving confidence to you all that whatever bank has shared as a guidance, they are performing. So, we would like to not -- I think, change the guidance.

Ashok Ajmera: All right, then. Thank you very much, sir, and all the best.

Nidhu Saxena: Thank you.

Moderator: Thank you. Ladies and gentlemen, we would take that as our last question for today. I now hand the conference over to the management for closing comments.

Nidhu Saxena: So, I think it was -- in my opening remarks, most of the points have been covered, and I must thank the investors who have asked a lot of questions around how we are doing and what we are doing. Maybe the OPNP numbers, everything I've already shared, there's not much to share from our side. But I would like to thank the investors community in general, our engagement and you have been very supportive.

Today, in 2 years' time, our FII holding has gone up from 0.39% to 6.08%, the DII holding also likewise has gone up from 0.24% to 7.42%. And in terms of number of investors in our BENPOS it's also encouraging. We are completely committed to see that whatever commitments in terms of guidance that we are sharing, bank would like to make sure that we stick to that.

And this 7.42%, which I just shared about the DII share excludes the LIC, by the way. So that's how we have been getting the support. And we are committed to see that the guidance, as I just mentioned, we perform and wherever possible, we can over deliver, we would like to do that. So, thank you so much for joining the call.

Moderator: Thank you, members of the management. On behalf of Nuvama Wealth that concludes this conference. Thank you for joining us, and you may now disconnect.

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