



AX1/ISD/STEX/84/2025-26

Date: 24.09.2025

The General Manager Department of Corporate Services, BSE Ltd., P.J Towers, Dalal Street, Fort, Mumbai-400 001	The Vice President Listing Department, 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: Disclosure under Regulation 30 SEBI (LODR) Regulations, 2015- Credit Rating by S&P Global Ratings

In terms of SEBI (LODR) Regulations, 2015, we submit that **S&P Global Ratings** on 24.09.2025 has assigned 'BBB' Long Term and 'A-2' Short Term issuer Credit rating to our Bank.

We attach herewith the press release issued by **S&P Global Ratings in this regard.**

Please take the above information on record

Yours faithfully,
For Bank of Maharashtra

(Vishal Sethia)
Company Secretary

Encl: As above.

Research Update:

Bank of Maharashtra Ltd. Assigned 'BBB/A-2' Ratings; Outlook Stable

September 24, 2025

Overview

- We see a very high likelihood of Bank of Maharashtra Ltd. (BOM) receiving government support if needed.
- The bank's robust capitalization, solid funding, and healthy liquidity underpin its credit quality.
- We assigned our 'BBB' long-term and 'A-2' short-term issuer credit ratings to BOM.
- The stable outlook on the long-term rating reflects our view that the bank will maintain its financial strength over the next two years even if its performance moderates.

Rating Action

On Sept. 24, 2025, S&P Global Ratings assigned its 'BBB' long-term and 'A-2' short-term issuer credit ratings to BOM. The outlook on the long-term rating is stable.

Rationale

Our ratings reflect extraordinary support from the government of India if needed. The long-term rating on BOM is one notch above our assessment of its stand-alone credit profile (SACP) as 'bbb-'. We see a very high likelihood that the government would provide the bank with timely and sufficient extraordinary support in the event of financial distress.

We base our view on BOM's very important role as a public sector bank in promoting financial inclusion through increased access to deposits and lending. The company has very strong links with the government via the latter's ownership and control.

The starting point for our ratings on BOM is 'bbb-', the same as for any bank operating predominantly in India. The SACP is driven by the bank's strong capitalization and deposit base. However, its growing but still small size and concentrated loan portfolio partially temper these strengths.

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BOM has a growing presence pan-India with concentration in Maharashtra. While particularly strong in western India, it remains a relatively small player in a fragmented industry. The bank ranks among India's top 15 banks. But as of the end of March 2025, it accounted for only about 1.2% of loans and 1.3% of deposits. This is significantly less than other rated government-owned banks such as State Bank of India, Indian Bank, and Union Bank of India.

We expect BOM's return on assets (ROA) to be around the industry average of about 1.3% starting in fiscal 2027 (ending March 31, 2027). This will follow a period in which its ROA benefits from tax reversals (ending in fiscal 2026) and robust recoveries from loans it has written off. We expect the bank's ROA to be about 1.5% in fiscal 2026.

Good internal capital generation and timely infusions will support BOM's strong capitalization.

We anticipate the bank's risk-adjusted capital (RAC) ratio will strengthen to about 10.5%-11% over the next two years, from 10% (calibrated for an economic risk score of '5' and our 'BBB' long-term sovereign rating on India) as of March 31, 2025. This is despite high projected loan growth of about 14%-15% per annum over the next two years.

We expect BOM to raise additional capital in the next year or so to further dilute government ownership of it to 75% (79.6% as of June 2025) to comply with the Securities and Exchange Board of India's requirement for it to have a minimum public float of 25% for listed entities by August 2026. We believe this could involve a combination of selling new and existing shares.

In October 2024, BOM raised equity through a qualified institutional placement of about Indian rupee (INR) 35 billion.

BOM's above-average credit growth and concentrated loan book reflect its high risk appetite compared with peers. We expect its credit losses will remain about 1.0% of customer loans over the next two years, compared with an industry average of 0.8%-0.9%. We expect new nonperforming loan formation (or slippage) to remain above 1% due to areas of risk such as micro, small, and midsize enterprises, which generally experience cash flow volatility, and agriculture, which is susceptible to seasonality.

Despite efforts to expand across India and focus on small retail, agriculture, and micro, small and midsize enterprise loans (62% of total loans), BOM's loan portfolio remains notably concentrated in the state of Maharashtra.

Further concentration risk comes from infrastructure loans, which make up about 15% of total loan book--more than that of many domestic peers. The bank's exposure to infrastructure projects still under construction creates execution risk. A sizeable portion of these loans are under principal moratorium.

However, the bank has a provision coverage ratio of 90%, providing a buffer. We also expect structural improvements in operating conditions of the banking system and a good economy to support asset quality of banks, including BOM.

Government connection underpins depositor confidence. BOM has strong funding, backed by solid deposits. Customers have confidence in BOM as a government-owned bank in India. Its deposit base is primarily composed of granular retail deposits and stable, relationship-driven public sector deposits.

BOM has a strong stable funding ratio, averaging about 135% over the past five years, higher than that of most domestic peers. Current and savings account (CASA) deposits remain a significant source of funding for BOM. CASA deposits formed about 50.0% of the bank's total customer deposits as of the end of June 2025, significantly higher than several domestic peers.

Bank of Maharashtra Ltd. Assigned 'BBB/A-2' Ratings; Outlook Stable

The bank has high concentration in deposits, with the top 20 depositors holding about 14.5% of total deposits. However, most of these deposits are from the public sector, which we expect to provide stability. We expect BOM to maintain a solid pool of liquid assets to support its liquidity needs.

The bank's ratio of broad liquid assets to short-term wholesale funding of about 7.2x as of June 2025 is stronger than those of several global peers.

Outlook

The stable rating outlook reflects our view that BOM will raise capital and sustain its solid capital position, as well as our expectation that the likelihood of government support for the bank if needed will remain very high over the next two years.

We also expect BOM to maintain solid funding and liquidity over the next two years, supported by high customer confidence.

Downside scenario

We could downgrade BOM if we lower our sovereign ratings on India or if we revise downward our assessment of the SACP for the bank. We could lower the SACP one notch if the bank's RAC ratio falls sustainably below 10%. This scenario could occur if its above-average credit growth is not sufficiently backed by timely capital raisings.

Upside scenario

We could upgrade BOM if we raise the sovereign ratings on India and revise the bank's SACP upward. We view this scenario as unlikely over the next two years.

Rating Component Scores

Rating component scores

Issuer credit rating	BBB/Stable/A-2
SACP	bbb-
Anchor	bbb-
Business position	Moderate (-1)
Capital and earnings	Strong (1)
Risk position	Moderate (-1)
Funding and liquidity	Strong and Strong (1)
Comparable ratings analysis	0
Support	1
ALAC support	0
GRE support	1
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [India Upgraded To 'BBB' On Economic Resilience And Sustained Fiscal Consolidation; Outlook Stable](#), Aug. 14, 2025
- [India's New Rules On Gold-Backed Loans May Reshape The Competitive Landscape](#), June 19, 2025
- [Indian Microfinance Will Benefit From A Rain Check On Growth Plans](#), March 25, 2025

Ratings List

Ratings List

New Rating

Bank of Maharashtra

Issuer Credit Rating	BBB/Stable/A-2
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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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