



**बैंक ऑफ महाराष्ट्र**  
**Bank of Maharashtra**  
भारत सरकार का उद्यम  
**एक परिवार एक बैंक**



**AX1/ISD/STEX/161/2024-25**

**Date: 23<sup>rd</sup> January, 2025**

<b>The General Manager</b> <b>Department of Corporate Services,</b> <b>BSE Ltd.,</b> <b>P.J Towers,</b> <b>Dalal Street, Fort,</b> <b>Mumbai-400 001</b>	<b>The Vice President</b> <b>Listing Department,</b> <b>National Stock Exchange of India Ltd.,</b> <b>Exchange Plaza,</b> <b>Bandra Kurla Complex,</b> <b>Bandra (East), Mumbai-400 051</b>
<b>BSE Scrip Code: 532525</b>	<b>NSE Scrip Code: MAHABANK</b>

Dear Sir / Madam,

**Sub: Reaffirmation of Ratings on securities by Brickwork Ratings India Private Ltd**

Pursuant to Regulation 55 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that **Brickwork Ratings India Private Ltd** has reaffirmed its ratings on Bank's securities on 23.01.2025 as below:

<b>Sr. No.</b>	<b>ISIN &amp; Details of the Instrument</b>	<b>Coupon Rate</b>	<b>Rated amount (Rs.Crore)</b>	<b>Rating action</b>	<b>Verification status of rating agencies</b>	<b>Date of Verification</b>
1	INE457A08068 Basel III Tier II Bonds (Series-1)	7.75%	200.70	BWR AA+/ Stable	Reaffirmed	23.01.2025
2	INE457A08076 Basel III Tier II Bonds (Series-2)	8.00%	205.00	BWR AA+/ Stable	Reaffirmed	23.01.2025
3	INE457A08084 Basel III Tier II Bonds (Series-3)	8.00%	100.00	BWR AA+/ Stable	Reaffirmed	23.01.2025
4	INE457A08092 Basel III Tier II Bonds (Series-4)	7.86%	1000.00	BWR AA+/ Stable	Reaffirmed	23.01.2025

Please find the enclosed Rating rationale dated 23.01.2025 issued by Brickwork Ratings India Private Ltd with respect to the ratings on above Securities.

**प्रधान कार्यालय / Head Office:** "Lokmangal", 1501, Shivajinagar, Pune - 411005

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This information is given in compliance with Regulation 55 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you.

Yours faithfully,

**For Bank of Maharashtra**

**(Nehal Rawat)**

**Company Secretary & Compliance Officer**

Encl: As above



## RATING RATIONALE

23 January 2025

### Bank of Maharashtra

**Brickwork Ratings (BWR) reaffirms the rating for Bank of Maharashtra of Basel III Tier II bonds of Rs. 2000 Crs at BWR AA+/Stable**

#### Particulars:

Instruments #	Amount (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous 8 May 2024	Present
Tier II bonds (under Basel III) (Series-4)	1000.00	<b>1000.00</b>	Long Term	BWR AA+ (Stable) Upgraded, with Revision in outlook from Positive to Stable	<b>BWR AA+ (Stable) (Reaffirmed)</b>
Tier II bonds (under Basel III)** (Series-1,2 & 3)	1000.00	<b>1000.00</b>	Long Term	BWR AA+ (Stable) Upgraded, with Revision in outlook from Positive to Stable	<b>BWR AA+ (Stable) (Reaffirmed)</b>
Total	2000.00	<b>2000.00</b>	<b>Rs. Two Thousand Crores Only.</b>		

\*Please refer to the BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings

\*\*Out of Tier II bonds (under Basel III) of Rs.1000 Crs. The bank has raised Rs.505.70 Crs.

#Details of bonds rated are provided in Annexure-II

## RATING ACTION/OUTLOOK

### Reaffirmation at BWR AA+ (Stable)

Brickwork Ratings (BWR) reaffirmed the rating of bonds of Bank of Maharashtra (BOM or the 'Bank') as tabulated above. The rating reaffirmation continues to factor in the growth in business, improvement in earnings, stable asset quality though SMA 2 book is marginally increased, comfortable capitalisation and liquidity levels, apart from experienced board and management team and substantial GOI stakeholding in and support to the Bank. BWR takes note of the recent development on the expected reduction in GOI stakeholding, which will further strengthen the bank's capitalization levels. BWR shall however monitor the developments and impact on the overall financial risk profile of the bank. The GOI stakeholding as of 31 Dec 2024 stood at 79.60%.

BWR believes the Bank of Maharashtra's business risk profile will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change over the medium term.



## KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED :

- The bank has Fully raised Tier II bonds of Rs.1000 Crs. (under Basel III Series-4) on 21-Oct-2021.
- Out of Tier II bonds (under Basel III - Series-1,2 & 3) of Rs.1000 Crs., the bank has raised Rs.505.70 Crs.
- The distinguishing feature of Tier-II capital instruments under Basel III, is the existence of the point of non-viability (PONV) trigger, the occurrence of which may result in a loss of principal to the investors, and hence, to default on the instrument by the issuer. According to the Basel III guidelines, the PONV trigger will be determined by the RBI. BWR believes that the PONV trigger is a remote possibility in the Indian context, given the robust regulatory and supervisory framework and the systemic importance of the banking sector. The inherent risk associated with the PONV feature is adequately factored into the rating of the instrument.
- All the NCDs are Unsecured Subordinated fully paid up taxable nonconvertible redeemable Basel III compliant tier II bonds in the nature of debenture series I, II, III, and IV.
- For Series I, coupon rate is 7.75% the date of maturity is 13/12/2030. The frequency of interest payment is payable annually on 14/12/2021, and 14/12/2022 till maturity. Call option details - After 5 years from the deemed date of allotment and every year thereafter.
- For Series II, coupon rate 8%, the date of maturity is 11/02/2031. The frequency of interest payment is payable annually on 11/02/2021, and 11/02/2022 till maturity. Call option details- After 5 years from the deemed date of allotment and every year thereafter.
- For Series III, coupon rate 8%, the date of maturity is 23/03/2031. The frequency of interest payment is payable annually on 23/02/2022, and 23/03/2023 till maturity. Call option details- After 5 years from the deemed date of allotment and every year thereafter
- For Series IV, coupon rate 7.86%, the date of maturity is 21/10/2031. The frequency of interest payment is payable annually on 21/10/2022, and 21/10/2023 till maturity. Call option details- After 5 years from the deemed date of allotment and every year thereafter

## KEY RATING DRIVERS

### Credit Strengths:-

**Continued strong support from GoI:** The Bank of Maharashtra was one of 12 Public Sector Banks (PSBs) post the consolidation of PSBs and has been in existence since 1935. The Bank has a network of 2551 branches as of 31 December 2024 around 45% of the total branches are from Maharashtra. One of the few regional banks in the country, it assumes importance from its large presence in the state having the country's financial capital, Mumbai. Strong support from the GoI, which had a shareholding of 79.60% as of 31 December 2024, continues to aid the bank. The bank plans to have at least one branch in every district of the country to broaden its presence.



**Growth in business:** The business size of Rs.5.08 lakh Crs includes Deposits of Rs.2.79 lakh Crs, and Advances crossed Rs.2.29 lakh Crs as of 31 December 2024. The Advances portfolio consists of 27% to retail, 15% to Agriculture and 21% to MSME, and 37% to Corporates & others. Across sectors, the major funded exposure is to Infrastructure at 16.31%, to Agriculture & Allied Activities at 15.39% followed by Housing at 15.22%, Trade at 6.24%, and NBFC at 8.07%; the remaining industries have less than 4.5% funded exposure each. As of 31 December 2024, the bank had a Current and Savings Accounts (CASA) deposit of 49.28%. As of 31 December 2024, the bank's business growth is at 17% on a YoY basis.

**Comfortable Capitalisation:** The bank's Capital Adequacy Ratios are comfortable and well above the regulatory requirements. As of 31 December 2024, the Bank's net worth was Rs.25,310 Crs. The total CAR was 18.71%, the Tier I ratio was 14.70% and the CET-I ratio was 13.60%, as of 31 December 2024. The bank has received an approval to raise Rs 10,000 crores of Infra bonds, of which Rs. 811 crores of bonds have been raised during the last 12 months. The infra bonds have been raised at 7.80% pa. The bank has also raised capital via QIP Rs. 3,500 crores and refinancing from SIDBI Rs. 5,800 crores during the last 12 months.

**Controlled Cost of Funds:** The Bank has the distinction of having one of the highest CASA deposits, helping the Bank to control the cost of funds to manageable levels. The Bank is also optimizing refinance from designated entities like MUDRA, NABARD, SIDBI etc.

**Asset Quality improving, albeit monitorable:** The bank's gross NPAs as of 31 December 2024, were at 1.80% (31 December 2023: 2.04%) and net NPAs at 0.20% (31 December 2023: 0.22%). The PCR was 98.28% (31 December 2023: 98.40%) Slippages to NPA stood at Rs.621 Crs (31 December 2023: Rs. 570 Crs), Reductions to NPA were Rs. 510 Crs (31 December 2023: Rs. 731 Crs), of which recovery + upgradations were Rs. 226 crs (31 December 2023: Rs. 209 Crs). Increasing slippages over the last few quarters and its continuation over the near to medium term shall be monitorable on a forward looking basis, however adequate recovery (excluding write offs) shall enable the bank to maintain its asset quality. The proportion of weakening in the asset quality was mainly from the agriculture sector followed by MSME, and substantial incremental weakening in this segment shall be monitorable.

**Credit Risks:-**

**High regional concentration in operations:** Operations are concentrated in Maharashtra, which accounted for 45% of the branches as of December 31, 2024. While the bank has been opening branches outside the state, concentration risk is likely to reduce only in the long term as the Bank plans to expand geographically. The bank plans to have at least one branch in every district of the country.

**ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA:** To arrive at its ratings, BWR has considered the standalone performance of the Bank of Maharashtra. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).



## RATING SENSITIVITIES

**Positive:** The bank's ability to continue its growth in business size and scaling up substantially in line with peers in the industry, while maintaining the healthy levels of earnings, capital adequacy ratios and asset quality at the current levels shall be positive for the bank.

**Negative:** A substantial decline in CASA deposits and a substantial weakening of the asset quality would be credit negatives for the Bank.

### Liquidity - Adequate (As of 31 December 2024)

Cash and balance with RBI and Bank stood at Rs. 15,466 Crs. as on 31 Dec 2024. During the year the bank had received approval for raising infra bonds of Rs. 10,000 Crs, and have raised Rs. 811 Crs up to 31 Dec 2024, at average cost of 7.8%. The Bank's interest expenses for 9MFY25 was Rs.9,668 Crs (9MFY24: Rs. 7,791 Crs) on borrowings of Rs.15,164 Crs (9MFY23: Rs.7,321 Crs) and deposit of Rs.2,79,007 Crs (9MFY23: Rs. 2,45,734 Crs). While the Bank's average cost of funds for 9MFY25 increased to 4.19% (9MFY23: 3.9%), the yield on advances also increased to 9.15% (9MFY24: 8.85%). The bank's NIM stood at 3.98% (9MFY24: 3.90%). LCR as of 30 Sep 2024 was 110.95% well above the regulatory requirement of 100%.

### ABOUT THE COMPANY :

**Bank of Maharashtra (BOM) is a premier nationalized bank in the country.** The Board is presently led by Mr. Nidhu Saxena is the Managing Director and Chief Executive Officer of the bank and is supported by 2 Executive Directors, two nominee directors each from the Reserve Bank of India and Government of India, and a Shareholders Director along with 2 part-time non-official directors. Bank of Maharashtra is one of the 12 Public Sector Banks (PSBs) post the consolidation of PSBs and has existed since 1935. Strong support from the GoI, which had a shareholding of 79.60% as of 31 December 2024, continues to aid the bank. The bank plans to have at least one branch in every district of the country, to broaden its area of operations

### KEY FINANCIAL INDICATORS -

Key Financial Indicators	Units	Standalone			
		FY22 (31 Mar 2022)	FY23 (31 Mar 2023)	FY24 (31 March 2024)	9M FY25 (31 Dec 2024)
Result Type		Audited	Audited	Audited	Unaudited
Total Assets	Rs Crs	2,30,611	267,651	3,07,138	3,29,695
Business	Rs Crs	3,37,534	4,09,202	4,74,411	5,07,650
CASA ratio	%	57.85	53.38	52.73	49.28
Gross NPA	%	3.94	2.47	1.88	1.80
Net NPA	%	0.97	0.25	0.20	0.20
PCR	%	94.79	98.28	98.34	98.28
Net Profits	Rs Crs	1,152	2,602	4,055	4,027
NIM	%	3.15	3.56	3.92	3.98

ROA	%	0.55	1.10	1.50	1.74
Total CAR	%	16.48	18.14	17.38	18.71
Tier I ratio	%	12.38	14.25	13.72	14.70
CET-1 ratio	%	12.17	12.66	12.50	13.60

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY : NIL**

**ANY OTHER INFORMATION: NA**

**RATING HISTORY FOR THE PREVIOUS THREE YEARS (Including withdrawal and suspended)**

SI. No.	Instrument/facility	Current Rating (2025)			Rating History		
		Type	Amount (Rs. in Crs)	Ratings	2024 8 May 2024	2023 22 Sep 2023	2022 23 Aug 2022
1	Tier II Bonds (under Basel III)	Long term	1000.00	BWR AA+ (Stable) (Reaffirmed)	BWR AA+ (Stable), Upgraded with revision in outlook from Positive to Stable	BWR AA/ Positive Reaffirmed, with Revision in outlook from Stable to Positive	BWR AA/ Stable Reaffirmed
2	Tier II Bonds (under Basel III)	Long term	1000.00	BWR AA+ (Stable) (Reaffirmed)	BWR AA+ (Stable), Upgraded with revision in outlook from Positive to Stable	BWR AA/ Positive Reaffirmed, with revision in outlook from Stable to Positive	BWR AA/ Stable Reaffirmed
<b>Total</b>			<b>2000.00</b>		<b>Rupees Two Thousand Crores Only</b>		

**COMPLEXITY LEVELS OF THE INSTRUMENTS - HIGHLY COMPLEX**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Banks & Financial Institutions](#)
- [Capital Instruments Issued by Banks & Financial Institutions](#)
- [Approach to Financial Ratios](#)

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1-860-425-2742	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**Bank of Maharashtra**

**ANNEXURE I:  
Details of Bank Loan Facilities rated by BWR: NA**

**ANNEXURE II:  
INSTRUMENT(Bonds) DETAILS:**

Instrument	Issue Date	Amount (Rs. Crs)	Coupon Rate	Maturity Date	ISIN Particulars	Complexity levels of instruments
Tier II Bonds (under Basel III)	14-Dec-2020	200.7	7.75%	13-Dec-2030	INE457A08068	Complex
Tier II Bonds (under Basel III)	11-Feb-2021	205	8.00%	11-Feb-2031	INE457A08076	Complex
Tier II Bonds (under Basel III)	23-Mar-2021	100	8.00%	23-Mar-2031	INE457A08084	Complex
Tier II Bonds (under Basel III)	21-Oct-2021	1000	7.86%	21-Oct-2031	INE457A08092	Complex

Out of the Tier II bonds (Basel III) of Rs. 1000 crs, the bank has raised Rs. 505.70 crs as detailed above. Bank's also fully raised Tier II bonds (Basel III) of Rs. 1000 crs on 21-Oct-2021

\*For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**ANNEXURE- III**





#### List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Maharashtra Executor & Trustee Company Pvt. Ltd. (METCO)	100%	100%	Subsidiary
Maharashtra Gramin Bank	35%	35%	Associate

*BWR has followed a standalone approach and aforesaid details are shared for reference*

#### List of Entities Consolidated :

**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

#### About Brickwork Ratings

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