

PRESS RELEASE

BoM Registers Net Profit of Rs. 46.63 crore in Q1

The Bank is pleased to announce its financial results for the quarter ended 30th June 2008, as under:

1. Business Growth

Total business reached the level of Rs 72090 crore as at 30.06.2008 as against Rs. 58381 crore as at 30.06.2007 registering a growth of 23.48% over June 2007.

Total deposits stood at Rs 42091 crore as at 30.06.2008 as against Rs. 34250 crore as on 30.06.2007, recording annualized growth of 22.89%.

Share of CASA viz. Current and Savings Deposits stood at 40.08% as on 30.06.2008. Cost of deposits for the first quarter was contained at 6.04% despite difficult market conditions.

During the quarter, the Bank added new 2.44 lakh accounts in its fold. The customer base has expanded to over 12.7 million accounts.

Gross advances stood at Rs. 29999 crore as on 30.06.2008 as against Rs. 24131 crore as on 30.06.2007, registering growth at 24.32%. The Yield on Advances also improved from 10.00 % to 10.07% as on 30.06.2008. The interest income on advances showed an increase from Rs. 579.28 crore to Rs. 737.09 crore, a growth of 27.24%.

2. PROFITABILITY

Net Profit for the quarter stood at Rs. 46.63 crore as against Rs. 81.58 crore for the corresponding period of the previous year. The decline was on account of higher depreciation on investment portfolio caused by market forces.

Total Income during the quarter increased to Rs.1040.68 crore, showing a growth of 19.23% over the previous year.

The interest spread increased from Rs 306.47 crore to Rs. 317.21crore, registering growth of 3.50%.

3.SOCIAL BANKING

Priority Sector Advances stood at Rs.11824.00 crore as on 30.06.2008 against Rs.11410.00 crore on 31.03.2008 showing a growth of 3.62%.

Agriculture and SME sectors remained the thrust areas for the Bank. The Bank disbursed advances of Rs. 246.40 crore to agriculture during the first quarter as against the annual target of Rs. 2700 crore. The Bank has tied up with various manufacturers of tractors and agricultural equipments for financing the same.

The Bank has so far formed 47682 Self Help Groups (SHG) up to 30.06.2008 and the outstanding advance to the SHGs was Rs. 109.69 crore involving 20062 SHG's.

The rural development centres, Maharashtra Self Employment Training Institute (M-SETI) and other institutions sponsored by the Bank actively participated in capacity building of Farmers, unemployed youth, women and those belonging to underprivileged section.

The Bank also took a lead in covering 20 districts of Maharashtra for Financial Inclusion during the year.

4. ASSET QUALITY

The Bank made all out efforts to boost the recovery performance and has effected total recovery of Rs 64.74 crore during the quarter. The ratio of Gross Non-Performing Advances to Gross Advances declined from 3.36 % as on 30.06.2007 to 2.49% as on 30.06.2008.

The ratio of Net Non-Performing Advances to Net Advances also declined from 1.19% as on 30.06.2007 to 0.86% as on 30.06.2008.

5. CAPITAL ADEQUACY

Capital Adequacy Ratio was comfortable at 10.97% as against minimum prescribed level of 9.00%.

6. BRANCH EXPANSION

The Bank opened 3 branches during the quarter. As on 30.06.2008, the Branch Network comprised 1378 branches and 3 extension counters spread over 22 States and 2 Union Territories.

The Bank has network of 345 ATMs with VISA connectivity.

7.EMPLOYEE PRODUCTIVITY

The Business per Employee of the Bank has improved from Rs. 4.24 crore as of 30 06 2007 to Rs. 5.39 crore as of 30 06 2008.

The business per branch also improved from Rs. 43.18 crore as of 30.06.2006 to Rs. 52.31crore as of 30.06.2008.

8. IT INITIATIVES

All 1378 branches are fully computerized including rural and semi- urban branches which are computerized with a bilingual TBA solution.

During the quarter, 46 branches were rolled out under Core Banking Solution (CBS). As on 30th June, 2008, 696 Branches were under CBS handling 86 % of banking business.

The Bank has introduced internet banking/phone banking/ SMS banking for its customers. E-payment facility for payment of taxes is provided through internet banking.

The Bank has joined National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS), 614 branches & 615 branches are covered under this service respectively.

9. NEW INITIATIVES

During the quarter the Bank entered into an arrangement for distribution of export credit insurance of Export Credit Guarantee Corporation of India Ltd. (ECGC) by Bank as their corporate agent.

The Bank has established its visibility and strong presence in the market. It strives to become a Customer Centric, Innovative, Technology Savvy, Modern Bank with strong fundamentals benchmarking with global standards of performance and values relationship with customers that extends beyond banking.

Authorised Official
Bank of Maharashtra