

## **PRESS RELEASE**

**Bank of Maharashtra**  
**Central Office, Pune 411 005**

**BANK OF MAHARASHTRA'S Q3 NET PROFIT  
SOARS BY 35.06 % TO  
Rs. 100.38 CRORES**

The Bank is pleased to announce its financial results for the Third quarter ended 31<sup>st</sup> December 2007 as under:

### **1. Profitability**

Net profit for the quarter increased to Rs. 100.38. crore as against Rs. 74.32 crore for the corresponding period of the previous year, registering growth of 35.06 %.

Operating profit remained at Rs.172.51 crore for the quarter as against Rs.171.34 crore for the corresponding period of previous year inspite of additional outgo on IT expenditure, an initiative taken by the Bank last year by introducing core banking solution.

Total income during the quarter increased to Rs. 985.97 crore from Rs. 765.30 crore during the corresponding period of previous year, registering a growth of 28.83 %.

The interest spread increased from Rs. 268.74 crore to Rs. 300.61 crore registering growth of 11.86 %.

### **2. Total business**

Total business reached the level of Rs. 65690 crore registering growth of 27.06 % over December 2006.

### **3. Deposits**

Total deposits stood at Rs. 38275 crore as against Rs.30,766 crore as on 31.12.2006 recording a growth of 24.41 %.

Share of low cost deposits under current and savings deposits stood at 42.24 % as on 31.12.2007. In absolute terms, the figure went up by Rs. 2585 crore in spite of higher rate of interest being offered by banks on term deposits.

Cost of deposit stood at 5.83 % as on 31.12.2007 in tandem with the prevalent market conditions.

During the quarter, the Bank has added 2.07 lac new accounts to its fold.



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#### **4. Advances**

Gross advances stood at Rs. 27,685 crore as on 31.12.2007 as against Rs. 21,148 crore as on 31.12.2006 registering a growth of 30.91 %. The yield on advances has improved from 8.72% to 10.12 %.

Priority sector advances formed 45.40% of net bank credit as against minimum stipulated level of 40%.

Agricultural advances increased from Rs.3,490 crore to Rs. 4,370 crore, an absolute increase of Rs. 880 crore (25.21% Y-O-Y growth).

Lending to SME segment, which is a thrust area, increased from Rs. 1,847 crore as on 31.12.2006 to Rs. 3,308 crore as on 31.12.2007 registering a growth of 79.10 % Y-O-Y

Lending to weaker section increased from Rs. 1,232 crore to Rs. 1,633 crore, an increase of 32.55 %.

Retail advances stood at Rs. 4,103 crore as on 31.12.2007 and constituted 14.82 % of total advances as against Rs.3,417 crore as on 31.12.2006 showing a Y-O-Y growth of 20.08 %.

#### **5. Asset quality**

During the quarter, the Bank has effected cash recovery of Rs. 66.88 crore. During the 9 nine months' period the total cash recovery has been Rs.191.96 crore.

Ratio of Gross non performing advances to gross advances declined from 4.25% as on 31.12.2006 to 2.77 % as on 31.12.2007.

Ratio of net non performing advances to net advances also declined from 1.50% as on 31.12.2006 to 0.95 % as on 31.12.2007.

#### **6. Non interest income**

The total non interest income stood at Rs. 80.27 .crore as compared to Rs. 85.92 crore during the previous year, despite the amount recovered in written off account being lesser at Rs. 15.78 crore during the quarter ended December 2007 as against Rs. 44.00 crore during the corresponding quarter last year. The Bank however had performed better than the budgeted level under this head – the recoveries in written off accounts being Rs. 49.10 crore during the 9 months upto Dec 2007 as against the target of Rs. 50 crore for the full year.



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The trading profit from investment increased to Rs. 26.66 crore as against Rs. 16.84 crore in Dece 2006 quarter showing an increase of 58.31 % on YOY basis.

The core areas have performed as is evident from commission, exchange and brokerage income which has increased to Rs48.90 .crore from Rs. 42.71 crore depicting a growth of 14.49%.

### **7. Capital adequacy**

Capital adequacy ratio was comfortable at 12.76 % as against minimum prescribed level of 9.00%. Tier I capital was 6.85 %.

### **8. Efficiency of capital:**

The return on Assets (ROA) improved to 0.94 % as on 31.12. 2007 as against the level of 0.86 % as on 31.12.2006.

### **9. Branch expansion**

The Bank opened 3 branches during the quarter. As on 31.12.2007, the branch network comprised of 1364 branches and 8 extension counters spread over 22 states and 2 union territories.

The Bank has net work of 344 ATMs with VISA connectivity.

### **10. Computerisation**

The Bank has rolled out 500 branches under Core Banking Solution (CBS) as against 66 branches in March, 2007 . The business covered under CBS branches is more than 75%. The Bank has plans to cover a total of 650 branches under CBS by 31. 03. 2008 covering more than 85% of business.

The Bank has soft launched multiple delivery channels like Internet Banking, Mobile Banking etc during the quarter.

Real Time Gross Settlement (RTGS) scheme is implemented at 520 branches.



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## **11. New Initiatives**

### **Online Education loans**

With a view to providing impetus to education and ensuring extension of educational loans to the students more efficiently and expeditiously, the Bank has launched the facility of On-line sanction of Education loan. Any student can apply for education loan by logging on to the Bank's website and submitting the application online. The student will get auto reply and sanction in principle on-line. The student can avail the loan after completing the formalities at the concerned branch indicated in the in-principle approval.

Authorised Official  
Bank of Maharashtra.



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