

PRESS RELEASE

30, April, 2007

Net profit of Bank of Maharashtra zooms more than five folds to Rs. 271.84 crore in 2006-07.

The Bank is pleased to announce its Financial results for the year ended 31st March 2007 as under:

1. Profitability

Net Profit for the year increased to Rs. 271.84 crore as against Rs. 50.79 crore for the previous year registering a 435 % growth.

Operating Profit increased to Rs. 613.20 crore for the year as against Rs.365.07 crore for the previous year, registering growth of 68 %.

The net profit and operating profit for Q 4 were to the extent of Rs. 75.27 crore (corresponding period last year Rs. (-) 33.41 crore) and Rs. 166.52 crore (corresponding period last year Rs. 78.90 crore) respectively.

The Non Interest income (excluding treasury income) during the year rose to Rs. 304.51 crore as against Rs. 211.92 crore last year registering a growth of 44 %. The major increase in non interest income was on account of increase in commission, exchange and brokerage income by 30% and increase in recovery in written off accounts by 218%.

Total Income during the year increased to Rs. 2987.08 crore, showing a growth of 18 % over the previous year.

The interest spread increased from Rs 971.55 crore to Rs. 1094.19 crore, registering a growth of 12.62 %. Net interest margin during the year improved to 3.07 % as against 3.02 % for the previous year.

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2. Business Growth

The Total Business of the Bank reached a level of Rs. 57382 crore as against Rs. 43986 crore during last year registering a strong growth of 30.46 % .

Total Deposits of the Bank stood at Rs 33919 crore, an absolute increase of Rs 7013 crore (26% growth). The Bank has been able to sustain its strong performance in mobilizing CASA which registered a rise of 27% during 2006-07. The share of CASA to total deposits stood at 43.16% as on 31 03 2007 as against 42.84% as on 31 03 2006. The strong performance in resource mobilization particularly in CASA has enabled the Bank to reduce the cost of deposits from 5.16% to 5.12%

During the year Bank has added 9.50 lakh new accounts to its fold. The customer base has expanded to over 10.50 million.

The bank registered robust growth in its core operations and the Advances portfolio grew by 37 % over the previous year to reach a level of Rs 23462 Crore from Rs. 17080 crore The interest income from Advances increased to Rs. 1704.99 crore from Rs. 1183.54 crore registering a growth of 44%. The yield on Advances also increased substantially from 8.27 % to 8.89 %.

The Priority sector advances increased from Rs. 7206 crore to Rs. 9576 crore reflecting a growth of over 32%.

The percentage of priority sector advances to Net Bank Credit stood at 41.22% as on 31 03 2007 as against the minimum targeted level of 40%.

The agricultural advances increased from Rs. 2750 crore to Rs. 3884 crore, an absolute increase of Rs. 1134 crore (growth 41%).

The Bank has formed 36719 Self Help Groups (SHG) up to 31 03 2007 (growth 40%) and credit linked 8763 SHGs during the year. The outstanding advances to SHGs was Rs. 76.76 crore as on 31 03 2007 (growth 59%).

Lending to SME segment which is a thrust area increased from Rs. 1533 crore to Rs. 2047 crore registering a growth of 34%.

Retail Advances stood at Rs 3683 Crore as on 31.03.2007, which constitute 15.7 % of the Gross Advances (previous year 13.41%).

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Housing loans increased by 42% from Rs. 1527 crore to RS. 2166 crore.

To give more thrust to Retail Credit, the Bank has entered into Tie up with Hero Honda Motors Ltd. for financing Two Wheelers to Kisan Credit Card Holders and has so far disbursed loans to 1614 farmers involving Rs. 6.45 crore.

The Bank has also entered into a tie up with Tractor and Power Tiller manufacturing companies and has disbursed loans to 2046 farmers amounting to Rs. 75.40 crore.

To promote adoption of renewable Energy practices as an alternate Energy source in Rural and Semi Urban areas, the Bank has tied up with United Nations Environment program (UNEP) for implementing Solar Home Systems.

3. Asset Quality

The Bank made all out efforts to boost the Recovery performance and effected Cash recovery of Rs 351 Crore during the year as against Rs. 178 crore during the last year. The ratio of Gross Non Performing Assets declined substantially from 5.53 % as on 31.03.2006 to 3.50 % as on 31.03.2007.

The Ratio of Net Non Performing Assets to Net Advances also declined from 2.03 % as on 31.03.2006 to 1.21 % as on 31.03.2007.

4. Capital Adequacy

The Bank is well capitalized and the Capital Adequacy ratio (CRAR) stood at 12.06 % as on 31.03.2007 as against minimum prescribed level of 9 %.

5. Branch Expansion.

The Bank opened 29 Branches during the year and upgraded 16 Extension counters into full fledged Branches. As on 31.03.2007, the Branch Network comprises 1345 Branches and 13 Extension counters spread over 22 States and 2 Union territories.

The Bank has a Network of 302 ATM's with VISA connectivity.

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6. IT Initiatives.

All the 1345 Branches are fully computerized.

The Bank has during the year implemented Core Banking Solution (CBS) in 66 branches which offer customer convenience products like Any Branch Banking, Multi City Cheque facility etc. The CBS network will be extended to 600 branches during the year 2007-08. Plans are afoot to introduce multiple delivery channels like internet banking, mobile banking etc during the year.

The Bank has joined National Electronic Funds Transfer (NEFT) with 510 Branches going live during the year and also launched an Insta Remit facility on its RTGS platform.

7. New Initiatives.

i) Bancassurance Business.

The bank has entered into corporate agency tie up with United India Insurance Company limited for sale of General Insurance Products and with LIC of India for sale of Life Insurance products. These products are available in all the Branches of the Bank.

ii) Mutual Funds.

The bank has entered into tie up with Franklin Templeton for distribution of Mutual Fund products.

**Authorised Official
Bank of Maharashtra**

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