



## PRESS RELEASE

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### **BANK OF MAHARASHTRA HALF-YEARLY OPERATING PROFIT UP BY 37%**

**NET INTEREST INCOME SURGES BY 63%**

**NET INTEREST MARGIN UP BY 77 BPS**

#### **BRIEF FINANCIALS**

(Rs. crore)

	<b>AMOUNT</b>	<b>Y-o-Y growth (%)</b>
Operating Profit	480.60	37.04%
Business	102688.76	12.73%
Deposits	61660.77	13.24%
Advances (Gross)	41027.99	11.97%
CASA	25142	28.35%

- ✍ CASA Deposits increases to 40.77% of total deposits.
- ✍ Net Interest Income rises by Rs. 336 crore (62.88%)
- ✍ NIM improves to 2.54%
- ✍ Capital Adequacy Ratio (Basel II) increases to 13.82%

#### **Highlights of the performance for the period ended 30<sup>th</sup> September 2010**

##### Profit

? Operating profit for the second quarter of current financial year (Q2 FY2010-11) stands at Rs. 220.27 crore as against Rs. 170.41 crore in Q2 FY2009-10, recording a y-o-y growth of 29.26%.

? Core operating profit (excluding trading profit) rose by 91.97% to Rs 211.46 crore in Q2 FY2010-11 from Rs. 110.15 crore in Q2 FY2009-10

##### Business

? Total Business of the Bank rose to Rs. 102689 crore as compared to Rs. 91094 crore as on 30<sup>th</sup> September 2009, showing a y-o-y growth of 12.73%



- ? Total Deposits of the Bank as on 30<sup>th</sup> September 2010 rises to Rs. 61661 crore from Rs. 54452 crore as on 30<sup>th</sup> September 2009, exhibiting a growth of 13.24% on y-o-y basis.
- ? CASA registers a growth of 28.35% (y-o-y) to Rs. 25142 crore as on 30<sup>th</sup> September 2010 from Rs. 19588 crore as on 30<sup>th</sup> September 2009.
- ? CASA share expands to reach 40.77% as on 30.09.2010, up from 35.97% a year ago.
- ? Gross Advances of the Bank at Rs. 41028 crore as on 30.09.2010 growing by 11.97% on y-o-y basis, from the level of Rs. 36641 crore as on 30.09.2009

#### Income and Expenses

- ? Total Income increases by 9.44% to Rs. 1426 crore, led by y-o-y growth of 13.42% in Interest Income.
- ? Net Interest Income rises by 62.88% (Rs. 336 crore) on y-o-y basis, to reach Rs 461.14 crore in Q2 FY2010-11 from Rs. 275.78 crore in Q2 FY2009-10.
- ? Core Non-Interest Income (excluding trading profit) witnesses a y-o-y growth of 22% and stands at Rs. 109 crore
- ? Total Expenses in the first half of the current FY2010-11 is Rs. 1205 crore
- ? Net Interest Margin (NIM) stands higher at 2.71% for the quarter ended September 2010 up from 2.38% in Q1 in FY11

#### Ratios

- ? Book Value per share climbs higher and reaches Rs 53.17 as on 30.09.2010 from Rs 44.35 as on 30.09.2009.
- ? Capital Adequacy (CRAR) under Basel II increases to 13.82% as on 30.09.2010 as compared to 12.62% as on 30.09.2009
- ? Gross NPA to Gross Advances ratio at 3.58%
- ? Net NPA to Net Advances ratio at 2.18%



## Initiatives & Achievements

Bank achieved 100% CBS thus bringing connectivity to all its branches across India. Launched IT enabled services like On-line Share Trading and Mobile Banking.

Value additions to Internet Banking facility such as online utility bill payment and E-statement service have been made.

Income tax payment facility through ATM is launched

Mahabank 'zero balance' Salary account scheme for salaried employees has been launched.

14 Retail Asset Branches have been opened in major cities to ensure quick processing of retail loan applications.

5 Asset Recovery Branches have been brought in to operation deploying specialist officers for focused follow up on Non Performing Assets and ensure early recovery.

## Marching Ahead with Technology

ATM debit Card is issued immediately on opening of the account under the INSTA ATM VISA Debit Card Scheme and the customer can transact through ATM within 36 hours of account opening.

Remittances through RTGS/NEFT have been enabled for ALL branches of the Bank. Net banking customers can directly make remittances now.

*E-payment of taxes facility* is already available through Internet banking.

All 358 ATMs of the Bank have Braille enabled key pads with voice guidance in Hindi and English. Bank has enabled *Bio-metric solutions in 11 ATMs*. Customers, who are physically challenged and or illiterate, can also directly transact through ATMs.

## HR initiatives

**Mahachetna Abhiyan**, a programme for staff is launched to keep up motivation level high

As part of succession planning, Bank has carried out skill mapping of all officers.

## BRANCH EXPANSION

46 new branches were opened during the quarter taking the total branch net work to 1508.

ATMs Network is increased from 345 to 358 in September '10 quarter.

## **CREDIT FLOW TO MSME SECTOR**

To facilitate customers for availing credit facility, Loan Application Forms for Loan Proposals of Micro and Small Enterprises have been simplified.

Limit of collateral free loans has been increased to Rs 10.00 lac.

MSME Care Centers are established in all the 32 Regional Offices to attend to requests/ representations in any form received from MSMEs.

### **Launching of new Products**

Board has approved launching of following products immediately.

- i) Mahabank Top up Loan – A loan facility to existing home loan borrowers to meet their personal needs, such as house repairs/ renovations, children’s education, children’s marriage etc.
- ii) Mahabank Jewel Loan – A loan facility against pledge of gold ornaments to meet personal needs/ agriculture and trading activities.

## **CORPORATE SOCIAL RESPONSIBILITY**

Bank has established a Trust viz. Mahabank Agricultural Research and Rural Development Foundation (MARDEF). It undertakes various projects and village improvement programmes. MARDEF is undertaking farmers’ training on various subjects in Agriculture i.e. Dairy, EMU Farming, goat rearing, cultivation practices in grape farming, application of fertilizers, agriculture credit schemes of our Bank etc.

Bank has established five Mahabank Self Employment Training Institutes (MSETI) at Pune, Aurangabad, Nagpur, Nasik & Amravati for providing training to rural youth and women enabling them to acquire skills for self-employment.

Gramin Mahila Va Balak Vikas Mandal (GMVBVM), an NGO formed by Bank of Maharashtra is actively involved in formation, nurturing, training and linkage of SHGs to Bank Credit. The GMVBVM also helps SHGs in marketing products of SHGs through two outlets established in Pune City named “SAVITRI”. The GMVBVM guides & actively helps SHGs for selection and purchase of raw material & quality production. It is in the process of up-scaling matured SHGs to SMEs.

### **Financial Inclusion Plan**

Bank has drawn up a road map to provide banking services to every village having a population of over 2000, and such banking services may be provided through various forms of ICT based models with the help of hand held machines, Smart Cards and Business Correspondents (BCs), as matter of commitment under FINANCIAL INCLUSION.

The Bank has been allotted 1215 unbanked villages to be covered under Financial Inclusion for extending banking and financial services and the plan has been

realigned to roll out over a period of 2 years ie by March 2012.

### **Road Map Ahead for FY 2010-11**

- ✍ Taking present branch network of 1508 to 1532
- ✍ Increase Bank's ATMs to 500
- ✍ Achieving total business of Rs 1,20,000 crore
- ✍ Gross NPA level below 3% and Net NPA below 2%
- ✍ Setting up of atleast five micro Asset Recovery units/ branches in identified rural centres to recover NPAs in smaller accounts and arrest further delinquencies in accounts below Rs 10 lacs
- ✍ Setting up of atleast one Specialised Branch exclusively for assisting Self Help Groups mainly to women.
- ✍ Setting up of three 3G techno savvy one stop specialised branches in centres like Pune, Mumbai and Delhi to cater younger generations & high value clients.
- ✍ Recruiting 650 clerks & 250 officers, including 100 specialist officers to strengthen the human resources for faster growth.

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