



बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
ONE FAMILY ONE BANK



PRESS RELEASE

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31st DECEMBER 2009

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HIGHLIGHTS

- Net Profit up by Rs. 62.67 crore (26.35%) to Rs. 300.51 crore for the nine months ended 31.12.2009, from Rs. 237.84 crore for the nine months ended 31.12.2008
- Gross Advances up by 18.03% at Rs. 38168 crore as on 31.12.2009; from Rs. 32338 crore as on 31.12.2008
- Total Deposits up by 23.79% at Rs. 56864 crore as on 31.12.2009; from Rs. 45936 crore as on 31.12.2008
- CASA up by 25.35% at Rs. 20888 crore as on 31.12.2009; from Rs. 16664 crore as on 31.12.2008. CASA constitute 36.73% of Total deposits as on 31.12.2009
- Per Branch Business up by 17.12% to Rs. 65.81 crore as on 31.12.2009 from Rs. 56.19 crore as on 31.12.2008
- 26.45 % growth in Earning Per Share (not annualized) to Rs. 6.98 as on 31.12.2009, up from Rs. 5.52 as on 31.12.2008
- Book Value Per Share rises by 17.06% to Rs. 46.57 as on 31.12.2009, up from Rs. 39.78 as on 31.12.2008
- CRAR under Basel II at 12.11% as on 31.12.2009 of which Tier-I at 6.30%.

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Nine Months ended Dec 09

- ≈ Net Profit up by 26.35% (Y-o-Y) at Rs. 300.51 crore
- ≈ Operating Profit up by 0.95 % (Y-o-Y) at Rs. 552.26 crore
- ≈ Interest Income up by 9.81% (Y-o-Y) at Rs. 3489.07 crore
- ≈ Business Mix up by 21.41 % (Y-o-Y) at Rs. 95032.13 crore
- ≈ Total Deposits up by 23.79 % (Y-o-Y) at Rs 56864.23 crore
- ≈ CASA up at 36.73%
- ≈ Gross Credit up by 18.03 % (Y-o-Y) at Rs. 38167.90 crore
- ≈ SME Credit up by 37.32 % (Y-o-Y) at Rs. 4003.15 crore
- ≈ Agriculture Credit at Rs. 6270.84 crore (Y-o-Y) up by 30.87%
- ≈ Capital Adequacy Ratio (Basel-II) at 12.11%
- ≈ Tier I CRAR (Basel-II) at 6.30%
- ≈ Gross NPA Ratio at 3.19% & Net NPA Ratio at 1.73%
- ≈ Earnings Per Share (not annualized) up at Rs. 6.98 from Rs. 5.52
- ≈ Return on Assets (annualized) up at 0.65% from 0.63%

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Quarter (Q 3) ending Dec 09

- Υ **Net Profit at Rs. 112.04 crore**
- Υ **Return on Assets (annualized) at 0.70%**
- Υ **Gross NPA at Rs. 1216.82 crore as of Dec. 2009**
- Υ **Net NPA at Rs. 648.93 crore as of Dec. 2009**
- Υ **Business per Employee (Y-o-Y) up from Rs. 5.76 crore to Rs. 6.97 crore**
- Υ **Business per Branch (Y-o-Y) up from Rs. 56.19 crore to Rs. 65.81 crore**

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## Performance in Brief

The Board of Directors met on 30<sup>th</sup> January 2010 and declared the un-audited reviewed financial results for the quarter / nine months ended 31st December 2009

(Rs. in crore)

| Particulars                            | Quarter Ended  |                | Variation (%) | Nine Months Ended |                | Variation (%) |
|----------------------------------------|----------------|----------------|---------------|-------------------|----------------|---------------|
|                                        | Dec 2008       | Dec 2009       |               | Dec 2008          | Dec 2009       |               |
| Total Income                           | 1292.60        | 1329.97        | 2.89          | 3469.66           | 3915.62        | 12.85         |
| <b>Interest Income</b>                 | <b>1126.58</b> | <b>1216.98</b> | <b>8.02</b>   | <b>3177.41</b>    | <b>3489.07</b> | <b>9.81</b>   |
| on advances                            | 871.42         | 861.54         | -1.13         | 2436.94           | 2502.21        | 2.68          |
| on investment                          | 247.88         | 339.11         | 36.80         | 728.40            | 937.96         | 28.77         |
| on others                              | 7.28           | 16.33          | 124.31        | 12.07             | 48.90          | 305.14        |
| <b>Other income</b>                    | <b>166.02</b>  | <b>112.99</b>  | <b>-31.94</b> | <b>292.25</b>     | <b>426.55</b>  | <b>45.95</b>  |
| ~of which Profit on Sale of Investment | 78.45          | 30.99          | -60.50        | 81.01             | 177.68         | 119.33        |
| Total Expenses                         | 1063.26        | 1128.42        | 6.13          | 2922.62           | 3363.36        | 15.08         |
| <b>Interest expenses</b>               | <b>783.09</b>  | <b>855.40</b>  | <b>9.23</b>   | <b>2205.65</b>    | <b>2592.35</b> | <b>17.53</b>  |
| on deposits                            | 727.66         | 786.88         | 8.14          | 2006.87           | 2411.11        | 20.14         |
| on others                              | 55.43          | 68.52          | 23.62         | 198.78            | 181.24         | -8.82         |
| <b>Operating Expenses</b>              | <b>280.17</b>  | <b>273.02</b>  | <b>-2.55</b>  | <b>716.97</b>     | <b>771.01</b>  | <b>7.54</b>   |
| Staff expenses                         | 182.13         | 167.14         | -8.23         | 439.23            | 483.69         | 10.12         |
| others                                 | 98.04          | 105.88         | 8.00          | 277.74            | 287.32         | 3.45          |
| <b>Operating Profit</b>                | <b>229.34</b>  | <b>201.55</b>  | <b>-12.12</b> | <b>547.04</b>     | <b>552.26</b>  | <b>0.95</b>   |
| Provisions                             | 108.68         | 89.51          | -17.64        | 309.20            | 251.75         | -18.58        |
| <b>Net Profit</b>                      | <b>120.66</b>  | <b>112.04</b>  | <b>-7.14</b>  | <b>237.84</b>     | <b>300.51</b>  | <b>26.35</b>  |

## PROFIT

The **Net Profit and the Operating Profit** during nine months ended 31.12.2009 increased by 26.35% and 0.95% respectively, on year on year (Y-o-Y) basis;

During the third quarter (Q3) of the financial year 2009-10 (FY 2009-10), the Bank's **Operating Profit and Net Profit** stood at Rs. 201.55 crore and Rs. 112.04 crore respectively, as against Rs. 229.34 crore and Rs. 120.66 crore for the corresponding quarter of the previous year. The decline in profit is mainly on account of lower income from treasury operations.

## INCOME

The **Total Income grew** by 2.89% on Y-o-Y basis; the total income for Q3 of FY 2009-10 stood at Rs. 1329.97 crore as against Rs. 1292.60 crore for the quarter ended 31.12.2008. The total income for nine months ended 31.12.2009 increased by Rs. 445.96 Crore to Rs. 3915.62 crore as against Rs. 3469.66 crore for the nine months ended 31.12.2008

The **Interest Income during Q3 recorded a growth** of Rs. 90.40 crore (8.02%) and stood at Rs. 1216.98 crore as on 31.12.2009, up from Rs. 1126.58 crore for the quarter ended 31.12.2008;



## EXPENSES

**Total Expenses** went up by Rs. 440.74 crore on Y-o-Y basis to Rs. 3363.36 crore for nine months ended 31.12.2009 from Rs. 2922.62 crore for the corresponding period of the previous year. During Q3 of FY 2009-10 the total expenses stood at Rs. 1128.42 crore as compared to Rs. 1063.26 crore for the corresponding quarter in the previous year.

**The Operating Expenses grew up by 7.54%** on Y-o-Y basis and stood at Rs. 771.01 crore for nine months ended 31.12.2009, as compared to Rs. 716.97 crore for the corresponding period of the previous year. During Q3 of FY 2009-10 the operating expenses stood at Rs. 273.02 crore as compared to Rs. 280.17 crore for the corresponding quarter in the previous year.

## PROVISIONS AND CONTINGENCIES

Provisions and Contingencies (excluding tax expense) declined by 18.58% on Y-o-Y basis to Rs. 251.75 crore, as against Rs. 309.20 crore for the nine months ended 31.12.2008. The same is Rs. 89.51 Crore during Q3 of the current year as compared to Rs 108.68 Crore during Q3 of 2008-09

## BUSINESS GROWTH

**Business Mix improved** by 21.41% on Y-o-Y to Rs. 95032.13 crore as on 31.12.2009 from Rs. 78273.79 crore as on 31.12.2008.

**Total Deposits have increased** by 23.79 % (Y-o-Y) to Rs. 56864.23 crore as on 31.12.2009 from Rs. 45935.73 crore as on 31.12.2008; **CASA Deposits** constitute 36.73 % of the Total Deposits.

**Gross Advances recorded a growth** of 18.03 % (Y-o-Y) and stood at Rs. 38167.90 crore as on 31.12.2009 from Rs. 32338.06 crore as on 31.12.2008.

**Direct Agriculture Credit increased** by 21.48% (Y-o-Y) and stood at Rs. 3551.93 crore as on 31.12.2009, from Rs. 2923.69 crore as on 31.12.2008.

**Priority Sector Advances increased** by 25.46% (Y-o-Y) from Rs. 11434.77 crore as on 31.12.2008 to Rs. 14346.43 crore as on 31.12.2009.

**SME Credit increased** from Rs. 2915.16 crore as on 31.12.2008 to Rs. 4003.15 crore as on 31.12.2009, showing a growth of 37.32 % (Y-o-Y).

## ASSET QUALITY

**Gross NPA** of the Bank stood at Rs. 1216.82 crore as on 31.12.2009 constituting 3.19% of the Gross Advances.

**Net NPA** of the Bank as on 31.12.2009 stood at Rs.648.93 crore constituting 1.73% of Net Advances.

**Total cash recovery in Non Performing Assets** of the Bank is Rs. 175.19 crore for the nine months ending 31.12.2009.



## CAPITAL ADEQUACY RATIO

**Capital Adequacy ratio under BASEL II** stood at 12.11% - up from 12.05% as on 31.03.2009; The proportion of Tier I CRAR is 6.11%

## KEY FINANCIAL RATIOS

The **Return on Average Assets** (annualized) for the period improved to 0.65% as on 31.12.2009 from 0.63% as on 31.12.2008.

The **Earning Per Share** (not annualized) improved from Rs. 5.52 for the nine months ended 31.12.2008 to Rs. 6.98 for the nine months ended 31.12.2009 and the **Book Value Per Share** stood at Rs. 46.57 as on 31.12.2009 as compared to Rs. 39.78 as on 31.12.2008.

## NEW INITIATIVES

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### Platinum Jubilee Year

Bank entered its Platinum Jubilee Year on 16.09.2009 & inaugural celebrations of platinum jubilee year were done at the hands of the President of India, Mrs. Pratibha Devi Singh Patil. On this occasion, the Bank adopted 75 villages for providing basic education, sanitation, health, energy and water conservation.

The other major activities proposed to be undertaken during the Platinum Jubilee Year are

- Achieving business level of Rs. 1,15,000 crore.
- Taking branch network to more than 1500 branches.
- Adding 75 new ATMs to the ATM network.
- All the branches of the Bank to be networked and brought under CBS by March 2010.

## BRANCH EXPANSION

As on 31.12.2009, the branch net work comprised of 1444 branches spread over 22 states and 2 union territories. Of these 523 branches are in rural, 263 in semi-urban, 278 in urban and 380 in metro. The Bank opened 12 branches during the quarter. Of the 12 branches opened, 2 are Mahabank Retail Credit Hubs (Retail Assets Branches) opened at Delhi and Mumbai, 5 are asset recovery branches opened at Mumbai, Kolkata, Nagpur, Aurangabad and Pune.

## TECHNOLOGY

### **CBS Branches**

Bank has migrated **902 branches** under CBS as on 31.12.2009. As on date 1069 branches have migrated to CBS.

**Branches of Bank** have been networked and are part of Bank's Corporate Network "MAHANET".

### **ATM Network**



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Bank has 345 ATMs. Bank has installed 11 Biometric ATMs.

Card base crosses 12 lakh

### **Mahabank Insta International Visa Debit Card**

Mahabank International Debit Card is issued in collaboration with VISA. ATM Card along with PIN is given to the customer as “Welcome Kit” at the time of opening of the current and SB account in all CBS branches. The customer can start using ATM Insta card after 36 hours from date of issue. The bank has so far issued about one lac cards under this innovative product.

### **E-Commerce / Online Shopping Utility Bill Payment through Internet Banking Facility.**

The customers can do on line shopping / e-commerce and utility bill payment transaction through Internet Banking facility. **(About 50000 Customer are using Internet Banking facility)**

### **“Maha e-Statement”**

Customers can get their statement of account on registering their e-mail id and desired frequency of statement with the Bank.

### **Straight Through Processing (STP)**

STP of NEFT/ RTGS transactions has been implemented for instant processing of inward and outward remittances through RTGS and NEFT. **(More than 900 branches are offering RTGS/NEFT facility)**

### **SMS Alerts to customer**

Transaction alerts / Deposit maturity reminders, information on new products etc. are sent to customers by SMS.

### **Online share Trading**

The bank has made agreement with Religare Securities Ltd, Munoth Capital Market Ltd and Enam Securities Development Ltd for the Online Share Trading Facility to our Net Banking Customers. Online trading is to be shortly launched.

### **Mobile Banking**

The Bank will be launching Mobile Banking to its customers soon thereby providing them another service channel.

### **Human Resource Development**

Bank has recruited 181 fresh officers, out of which 125 officers are recruited in MMGS-II in various disciplines like HRM, Marketing, Chartered Accountant, Risk Mgt., Finance, Treasury etc. through campus placement and 55 probationary officers during the period 01.04.2009 to 31.12.2009. Bank has also recruited 158 clerks during the period 01.04.2009 to 31.12.2009.

1641 employees have undergone Training during 1.4.2009 to 31.12.2009 in various thrust areas like Credit, CBS, Retail, SME, HRM, FOREX, Agriculture, Rural development in house training at Staff Training College and other training establishments of the Bank. 145 employees were sent for training in outside training agencies (both in India and abroad).



## Corporate Social Responsibility

The bank is shouldering the responsibility of lead bank in six districts viz. Satara, Pune, Thane, Nasik, Aurangabad and Jalna. Our bank is also convening State Level Bankers' Committee and various development issues are taken up to implement the state credit plan and achieving the targets under various Government sponsored schemes.

The Bank has set up a Trust viz. Mahabank Agricultural Research and Rural Development Foundation (MARDEF), which is engaged in providing Credit Plus services to the farmers in specific specialised fields like commercial dairy, Emu farming, sericulture, organic farming, etc.

The Rural Development Centers at Bhigwan and Hadapsar in Pune District undertake various *lab to land* programs on improved technologies. A full fledged soil-testing lab is being set up for the benefit of the farmers to go in for high-tech agriculture.

To provide activity specific training to educated unemployed youth, Bank has set up five Mahabank Self Employment Training Institutes (MSETI) at Pune, Aurangabad, Nagpur, Nasik & Amravati for providing training to rural youth for enabling them to acquire skills for self-employment.

Bank has formed another Trust by the name Gramin Mahila va Balak Vikas Mandal (GMBVM), which is primarily engaged in formation, nurturing, training and linkage of self-help groups to various banks, GMBVM has its area of operation in nine districts and has been recognised by Government of Maharashtra as *Mother NGO*. It also markets various products made by SHGs through its two retail outlets by name "SAVITRI" in Pune district. The GMBVM is now in the process of scaling up viable SHGs to SMEs.

## Road Map Ahead

- ☛ Aggressive Focus to increase credit with focus on SME, Mid Corporate, Retail Loans and Corporate Finance.
- ☛ 100% branches/business to be on CBS by end of March 2010, so as to leverage technology.
- ☛ New ATMs to be installed
- ☛ Launching Mobile Banking & Online trading of shares.
- ☛ Introducing Automated Cheque Deposit System at Branches
- ☛ Touch screen Queue Management system to be implemented in more branches to enhance customer service at counters
- ☛ Self-service pass book printing kiosks will be implemented at select branches.
- ☛ Tax Payment through ATM
- ☛ SMS alerts for card not present transactions
- ☛ Implementing IT enabled Financial Inclusion
- ☛ Setting up Near Site
- ☛ ISO 27001 Certification for critical sites viz. Central Office IT Dept., CBS – Project Management Office, Data Center and Disaster Recovery Center.
- ☛ NEFT Transaction through Internet Banking: Customer would be able to initiate NEFT transactions through Internet Banking.