



**BANK OF MAHARASHTRA,
CENTRAL OFFICE, PUNE**

July 30, 2010

PRESS RELEASE

**HIGHLIGHTS OF THE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2010**

- Net Profit up by 16.35% (Y-o-Y) at Rs. 118.43 crore
- Operating profit up by 44.39% (Y-o-Y) at Rs. 260.33 crore
- Net Interest Income up by 58.27% (Y-o-Y)
- Cost of Deposits decreased to 5.24% (Y-o-Y)
- CASA increased by 32.58% (Y-o-Y)
- CASA Share in total deposits up at 40.01%
- Total Deposits up by 15.89% (Y-o-Y)
- Gross Advances up by 21.85% (Y-o-Y)
- Business Per Employee up at Rs 7.55 crore
- Gross NPA ratio at 3.46%
- Net NPA ratio at 2.02%
- Book Value per share up at Rs 51.62
- Earnings per Share (EPS) at Rs.2.75 (not annualized)
- Capital Adequacy Ratio (Basel II) at 12.39%



Performance in brief

The Board of Directors in its meeting on 29th July 2010 adopted the unaudited (reviewed) financial results for the quarter ended 30th June 2010

A summary of results is given below:

(Rs. in crore)

Particulars	June 2010	June 2009	Variation
Total Income	1412.98	1282.96	10.13%
Interest Income	1280.21	1118.87	14.42%
on advances	905.11	822.60	10.03%
on investment	364.13	282.33	28.97%
on others	10.97	13.94	-21.31%
Other income	132.77	164.09	-19.09%
Total Expenses	1152.65	1102.66	4.53%
Interest expenses	869.72	859.51	1.19%
Operating Expenses	282.93	243.15	16.36%
Staff expenses	173.86	154.93	12.22%
others	109.07	88.22	23.63%
Operating Profit	260.33	180.30	44.39%
Provisions	141.90	78.51	80.74%
Net Profit	118.43	101.79	16.35%

1. PROFIT GROWTH

Net Profit recorded a rise of 16.35% from Rs.101.79 crore in the quarter ended June 30, 2009 to Rs.118.43 crore in the quarter ended June 30, 2010.

2. CAPITAL ADEQUACY

Capital Adequacy Ratio (Basel II) stood at 12.39%

Tier I capital increased by Rs.311.59 crore in June, 2010 on Y-o-Y basis and stood at Rs.2352.72 crore as compared to Rs.2042.13 crore in June, 2009.

Tier I CRAR (Basel II) was at 6.22%

3. BUSINESS GROWTH

The total business has increased from Rs.85964 crore as on 30.06.2009 to Rs.101729 crore as on 30.06.2010, registering a Y-o-Y growth of Rs. 15765 crore [18.34%].

The total deposits has increased from Rs. 51385 crore as on 30.06.2009 to Rs. 59594 crore as on 30.06.2010, registering a growth of Rs. 8209 crore [15.97 %] on Y-o-Y basis.



The CASA deposits have increased from Rs. 17985 crore as on 30.06.2009 to Rs. 23844 crore as on 30.06.2010, registering a growth of Rs. 5859 crore [32.58%] on Y-o-Y basis. The CASA deposits stood at Rs. 23364 crore as on 31.03.2010, and have registered a growth of Rs. 480 crore during the quarter. Share of CASA to total deposits was 40.01% as on 30.06.2010, as against 35.00% as on 30.06.2009 and 36.91% as on 31.03.2010.

The Gross Advances have increased from Rs. 34579 crore as on 30.06.2009 to Rs. 42135 crore as on 30.06.2010, registering a growth of Rs. 7556 crore (21.85%) on Y-o-Y basis. The gross advances as on 31.03.2010 were Rs. 40926 crore.

Credit Deposit Ratio as on June 30, 2010 was at 70.70%.

2. ASSET QUALITY

Gross NPA stood at 3.46% and the Net NPA at 2.02%

Total Cash Recoveries in Non Performing Assets is Rs.96.14 crore of which the recovery in written off accounts was at Rs.11.30 crore.

NPA Provision Coverage Ratio improved from 52.38% to 54.70% on Y-o-Y basis.

3. EARNINGS ANALYSIS

Net Interest Income grew by 58.27% on Y-o-Y basis.

The cost of deposits decreased from 6.36% to 5.24%. on Y-o-Y basis.

Net Interest Margin improved to 2.38%

Book Value per Share improved from Rs.42.91 to Rs.51.62

Platinum Jubilee Year

The Bank entered in its Platinum Jubilee Year on 16-9-2009.

During the Platinum Jubilee Year –

Bank achieved 100% CBS on 2-3-2010

Total Business crossed Rs One lakh Crore mark by March 2010.



“Mahabank Platinum Jubilee Gramin Unnati Prakalpa”

In order to mark the historical event of Platinum Jubilee Year, **the Bank has adopted 75 backward villages** as a part of “Mahabank Platinum Jubilee Gramin Unnati Prakalpa” project under which the Bank will develop basic infrastructure in sanitation, healthcare, education, energy and water conservation in these villages. The project will also focus on financial inclusion and develop these villages in an integrated manner for achieving higher Human Development Index. The project will ensure easy availability of credit to their inhabitants. Out of these 75 villages, 52 villages are from Maharashtra and 23 are from other states.

BRANCH EXPANSION

The Bank opened 9 branches during the quarter. As on 30.06.2010, the net work comprised 1462 branches across the country; of which, 54% are in rural / semi urban area. The Bank has network of 345 ATMs with VISA connectivity. All the branches are under CBS.

Technology

- The Bank has brought ALL its branches under core banking solution (CBS) and joined the league of public sector banks who achieved this.
- 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 brought under Straight Through Process (STP) eliminating manual intervention.
- Internet Banking facility is made available with value additions like **Online utility bill payment, SMS alerts and E-statement.**
- **E-payment facility** for tax payments is already available through Internet banking.
- The ATM Card base stood at more than 12.66 lakh.
- All 345 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.** Now the customers who are physically challenged and or illiterate can directly transact through ATMs.
- New IT enabled products & services, like **MAHA-E-TRADE**, online share trading facility and **MAHA MOBILE**, mobile banking facility have been launched during the year taking the state of the art technology to the drawing room of the customer.



HUMAN RESOURCES MANAGEMENT

The Bank has initiated process of inducting 650 clerks to its workforce. Specialist Officers for marketing, finance and risk management have recruited.

OTHER SCHEMES/ PROGRAMMES UNDER PRIORITY LENDING

Special Package to the MSME borrowers:

In order to help MSMEs tide over the difficulties faced by them due to the present economic scenario, Bank has implemented special package for the MSME borrowers. The package includes reduction in interest rate @100 basis points for micro enterprise borrowers and 50 basis points for small enterprise borrowers and various measures to extend need based additional financial assistance to the MSME borrowers.

Farmers' Clubs:

Farmers' clubs have proved to be helpful in dissemination of information and creating good recovery climate in the villages. Therefore, emphasis is given on formation of such clubs. Bank has so far formulated 215 farmers' clubs through out the country.

CORPORATE SOCIAL RESPONSIBILITY

- 7689 Farmers from Vidarbha Region of Maharashtra are trained under "Mahabank Vidarbha Shetkari Jagruti Abhiyan" in different subjects like agriculture, animal husbandry etc.
- The Bank established Rural Development Centres at Hadapsar and Bhigwan. These centres are undertaking various developmental activities for the benefit of farmers viz. Lab to Land Project, Development of Saline Soil and providing advice on use of various inputs.
- 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.

Road Map Ahead

- Taking present network of 1473 branches to 1506 by 16-9-2010 thus opening of 75 branches in platinum jubilee year.
- Achieving total business of Rs 1.10 lakh crore by 16-9-2010
- 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.
- Bank has identified 1215 villages covering 484 branches in 26 regions and propose to provide banking services using ICT based model with the help of Business Correspondents so as to roll them out over next three years.
