

PRESS RELEASE

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Bank of Maharashtra posts Operating Profit of Rs.533 Crore in quarter ending June 2017

Shri. R. P. Marathe, Managing Director & CEO, Bank of Maharashtra announced the financial results for Quarter ended June 2017 along with Shri. R. K. Gupta, & Shri. A. C. Rout, Executive Directors of the Bank.

Speaking on the occasion, Shri. R. P. Marathe stated, "Today's results are reflection of our efforts towards the Bank's Turnaround Plan. In this quarter the Bank has reported 25 per cent growth in operating profits as compared to the quarter ended on March 31, 2017. Our collective efforts has helped in a 200% increase in cash recovery this quarter as compared to Q1 2016."

Speaking on the growth opportunities for the Bank, Shri. Marathe added, "We will be focusing on bringing in operational efficiency and strengthening our retail portfolio to provide value to our consumers and other stake holders."

Key Performance Highlights

Profitability:

- Operating Profit for June 2017 quarter increased by 16.30% Y-o-Y to Rs.533 crore.
- Non-Interest income increased by 61.50 % Y-o-Y to Rs. 465 crore during the quarter ended 30.06.2017.
- Operating Expenses during the quarter reduced by 10.00% Y-o-Y and 13.51% sequentially. Overhead expenses have come down by 13.00%, sequentially.
- Interest expenses in quarter ended June2017 declined by 10.46% to Rs.2052 crore as compared to Rs 2292 crore in the corresponding period of previous year.
- On a sequential basis, net loss declined to Rs. 412 crore for the quarter ended June 2017, as against net loss of Rs. 455 crore in quarter ending March 2017.
- Cost to income ratio has improved to 53.92% during Quarter ended June 2017, from 62.88% during Quarter ended March 2017.
- Burden (excess of operating expenses over net income) has come down by 60.74% Y-o-Y
- Cost of deposits has come down by 74 bps Y-o-Y basis to 5.58 % for quarter ended 30.06.2017.

Business:

- Due to conscious decision to reduce corporate advances; advances level has marginally reduced from Rs.1,01,537 crore as on 31.03.17 to Rs. 97,096 crore as on 30.06.17.
- Retail advances have grown by 26.54%(YOY) mainly on account of handsome growth in Loans to Housing sector (28.01%) and Vehicle Loans (38.75%).Share of retail advances in the loan book has improved by 425 bps (YoY) to 16.60%.
- Total business stood at Rs. 2,33,725 crore as on 30.06.2017.
- As on 30.06.2017 total deposits stood at Rs. 1,36,629 crore & Gross advances stood at Rs. 97,096 crore.
- CASA deposits increased by 21.80 % (Rs. 10780 crore) Y-o-Y, to Rs. 60,235 crore as on 30.06.2017.
- CASA deposits constitute 44.09 % of total deposits.

NPA Management:

- Recovery in Q1, 2017-18 was Rs. 630 crore as compared to Rs 201 crore in the corresponding quarter of last year.
- The Bank has shown consistent efforts in arresting fresh slippages, which have come down to Rs.1626 crore in June 2017 quarter as compared to Rs 3,522 crore during quarter ended March 2017 and Rs. 2888 crore during June 2016.
- Gross NPA stood at Rs 18,049 crore (18.59% of gross advances) and Net NPA stood at Rs. 11,259 crore (12.48% of net advances) as on 30.06.2017. This may be seen in light of shrinkage of advances by Rs 6000 crore.
- Provision Coverage Ratio has improved from 43% to 47% (YoY)

Capital Adequacy:

- The Bank stays well capitalized with CRAR at 11.08% as on 30.06.17 against the minimum regulatory requirement of 10.25% as per Basel III guidelines.

Looking Forward:

1. The Bank has put in place plans to improve profitability and cost reduction by way of rationalization of zonal offices.
2. Substituting our corporate advances with retail portfolio.
3. We will continue with our recovery efforts and arrest any further slippages.
4. Focus on increasing our non-interest income.