बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम
एक परिवार एक बैंक

Marketing and Publicity Dept.,
Head Office, Lokmanagal
1501, Shivaji Nagar, Pune 411 005
020- 25614324
media@mahabank.co.in; bomcomedia@gmail.com;

PRESS RELEASE

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Bank of Maharashtra posts Operating Profit of Rs.1645 Crore registering growth of 17.39% on Y-o-Y for the Nine Months Ending December 31, 2017

Shri.R. P. Marathe, Managing Director& CEO, Bank of Maharashtra announced the financial results for Quarter ended December 31, 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, "The bank is in the consolidation phase. For the nine months ended December 31, 2017, the Bank has reported 17.39 per cent growth in operating profits as compared to the nine months ended on December 31, 2016. Our collective efforts has helped in a 177.78% increase in cash recovery in Non Performing Assets for the nine months ended December 31, 2017 as compared to the December 31, 2016."

Speaking on the growth opportunities for the Bank, Shri. Marathe added, "With a strong capital support from the GoI and QIP we are well capitalized which will enable the Bank to focus on growth centres like MSME, agri and retail book. We will be focusing on bringing in operational efficiency and strengthening our retail portfolio to provide value to our consumers and other stake holders.

The Government's announcement of capital support of Rs.3173 crore to the Bank will help Bank to focus on credit growth while maintaining CRAR requirement as per Basel III norms."

Key Performance Highlights

Profitability:

- Operating Profit for nine months ended December 31, 2017 increased by 17.39% Y-o-Y to Rs.1644.67 crore. Operating Profit for the quarter ended December 2017 stood at Rs. 419.36 Crore as compared to Rs. 514.97 Crore for the December 31, 2016 quarter.

- Operating Expenses for the nine months ended December 31, 2017 reduced by 7.78%. Overhead expenses have come down by 4.07% for the same period.

- The Bank has a healthy CASA deposit ratio of 45% in total deposits that helped in reducing interest expenses.

- Interest expenses for the nine months ended December 31, 2017 declined by 11.75% to Rs.5895.48 crore as compared to Rs 6680.33 crore in the corresponding period of previous year. Interest expenses for the December 31, 2017 quarter declined by 15.66% to Rs.1871.77 crore as compared to Rs 2219.37 crore in the corresponding period of previous year.

- Net interest income for nine months ended December 31, 2017 increased by Rs. 97.27 crore (4.03%) to Rs. 2508.54 crore on a Y-o-Y basis.

- Non-Interest income stood at Rs. 1103.99 crore during the period ended 31.12.2017. This is despite lower profit from sale of investments in light of adverse interest rate scenario in quarter ended December 2017.

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- Robust increase in recovery in written off accounts by 260% to Rs. 69 crore in period ended December 31, 2017 over comparable period of previous year.

- Burden (excess of operating expenses over net income) has come down by 14.49% for the nine months ended December 31, 2017 in comparison to the nine months ended on December 31, 2016.

- Net loss of the Bank stood at Rs. 1032.14 crore for the Nine months ended for December 31, 2017, as against net loss of Rs. 917.06 crore in period ended December 31, 2016. For Q3 of FY18 net loss of the Bank stood at Rs. 596.69 crore, as against net loss of Rs. 182.51 crore in Q3 of FY17.

- Despite increase in operating profit, net loss expanded due to higher provision required on cases referred to NCLT as per RBI directive and mark to market (MTM) losses on investments due to sudden increase in bond yield.

- In line with RBI directives, Bank has made additional provision of Rs.656 crore during period ended December 31, 2017 for cases referred to NCLT.

- During Q3 of FY18, Bank has made provision of Rs.107 crore for MTM loss on investments.

- Cost of deposits has come down by 76 bps for the nine months ended December 31, 2017 (5.41%) in comparison to the nine months ended on December 31, 2016 (6.17%).

Business:

- Total business stood at Rs. 228762.33 crore as on 31.12.2017.

- As on 31.12.2017 total deposits stood at Rs. 133593.16 crore & Gross advances stood at Rs.95169.17 crore.

- Due to conscious decision to consolidate the Bank's business growth in Advances was restricted. Gross Advances stood at Rs. 95169.17 crore as on December 31, 2017 as compared to Rs.92964.83 crore as on September 30, 2017 and Rs.102216.58 crore as on December 31, 2016.

- Retail advances have grown by 5.61% (Y-o-Y) to Rs. 13537 crore mainly on account of handsome growth in Vehicle Loans (48.30%), Education Loans (12.36%). Share of retail advances in the loan book has improved by 1.68% (Y-o-Y) to 14.22%.

- CASA deposits stood at Rs. 59927.06 Crore as on 31.12.2017.

- CASA deposits constitute 44.86% of total deposits.

NPA Management:

- Recovery in Q3, 2017-18 was Rs. 387.90 crore as compared to Rs 352.80 crore in the corresponding quarter of last year. Recovery in Written off accounts in Q 3, 2017-18 was Rs. 29.60 Crore as compared to Rs. 7.87 Crore in the corresponding quarter of last year

- The Bank has shown consistent efforts in arresting fresh slippages, which have come down to Rs.4410.58 crore for the Nine months ending on December 31, 2017 as compared to Rs. 6186.01 Crore for the corresponding period in previous year. Slippages in Q3

- Gross NPA stood at Rs, 18128.26 crore (19.05% of gross advances) and Net NPA stood at Rs. 10670.24 crore (12.17% of net advances) as on December 31, 2017.

- Provision Coverage Ratio has improved to 53.40% as on December 31, 2017 from 42.10% as on December 31, 2016.

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Capital Adequacy:

- The Bank stays well capitalized with CRAR at 11.29% (CET1- 7.23%) as on December 2017 against the minimum regulatory requirement of 10.25% (CET1- 6.75%) as per Basel III guidelines.
- During Q3 of FY18, the Bank raised Rs.313.55 crore equity capital from the market by way of Qualified Institutional Placement (QIP). Bank has also received capital support of Rs.650 crore from the Government of India.

Looking Forward:

1. The Bank has put in place plans to improve profitability and cost reduction by way of rationalization of Branches and Zonal Offices. The Bank has already merged 34 branches and 3 Zonal Offices during the year.
2. Improvement in retail credit portfolio in gross advances and less focus on corporate advances.
3. We will continue with our recovery efforts and arrest any further slippages.
4. Focus on increasing our non-interest income.

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