

## PRESS RELEASE

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### Bank of Maharashtra posts higher Operating Profit registering growth of 20% on Y-o-Y in FY 2017-18

Board of Directors of Bank of Maharashtra announced the financial results for Quarter and Year ended March 31, 2018, in presence of Shri R.P. Marathe MD & CEO, Shri R.K. Gupta, Executive Director and Shri A.C Rout, Executive Director, Bank of Maharashtra.

Speaking on the occasion, Shri. R. P. Marathe MD & CEO of the Bank stated, "The bank is in the process of consolidating its financial position recording an all-round improvement in asset quality, capital adequacy and profitability. In the quarter ended March 2018, the Bank has reported 28.34 per cent growth in operating profits as compared to the same period previous year. Focused approach in increasing income and reducing expenditure has resulted in 547 basis points improvement in cost to income ratio on year on year basis in the March 2018 quarter."

Elaborating on future plans of the Bank, Shri R.P. Marathe said, "We are taking steps in the direction of realigning our business for more profitable and efficient use of capital. A well-diversified loan portfolio with priority to retail, agri and MSME sectors is our focus area. Reform initiatives are being implemented to bring subtle improvements in our customer service and offerings to all stake holders.

#### Key Performance Highlights

##### **Profitability:**

- Operating Profit for the year ended March 31, 2018 increased by 19.94% Y-o-Y to Rs. 2191.42crore as against Rs. 1827.07 crore on March 2017.
- Operating Profit for the quarter ended March 31, 2018 stood at Rs. 546.75 crore as compared to Rs. 426.09 crore for the March 31, 2017 quarter, registering growth of 28.32%.
- Operating Expenses for the year ended March 31, 2018 reduced by 5.30% on Y-o-Y.
- The Bank has further improved in CASA ratio to an all-time high of 47.74% that helped in reducing interest expenses.
- Interest expenses for the year ended March 31, 2018 declined by 13.28% to Rs.7706.68crore as compared to Rs8887.27 crore in the previous year. Interest expenses for the March 31, 2018 quarter declined by 17.93% to Rs.1811.20crore as compared to Rs 2206.94 crore in the corresponding period of previous year.
- Net interest income for year ended March 31, 2018 increased by Rs. 215.05 crore (6.77%) to Rs. 3389.74 crore on a Y-o-Y basis.
- Non-Interest income stood at Rs. 1506.06 crore during the period ended 31.03.2018. This is despite lower profit from sale of investments in light of adverse interest rate scenario during the year ended March 2018.

- Robust increase in recovery in written off accounts by 266.28% to Rs. 138.49 crore in period ended March 31, 2018 over comparable period of previous year.
- Net loss of the Bank stood at Rs. 1145.63 crore for the Year ended for March 31, 2018, as against net loss of Rs.1372.51 crore in period ended March 31, 2017. For Q4 of FY18 net loss of the Bank stood at Rs. 113.49 crore, as against net loss of Rs.455.45 crore in Q4 of FY17.
- Cost of deposits has come down by 74 bps for the year ended March31, 2018 (5.31%) in comparison to the year ended on March31, 2017 (6.05%).
- Net Interest Margin (NIM) improved to 2.32% for FY 2017-18 as compared to 2.16% for FY 2016-17.
- Cost to income ratio in FY18 declined by 574 basis points over the previous year to 55.24% from 60.98%.

#### **Business:**

- Total business stood at Rs.233626.38crore as on 31.03.2018 showing a marginal growth of 2.13% on Q-o-Q basis.
- As on 31.03.2018 total deposits stood at Rs.138981.18 crore & Gross advances stood at Rs.94645.20 crore.
- Retail advances have grown by 22.24% to Rs. 16,547 crore mainly on account of handsome growth in Housing Loans (26.28%), Vehicle Loans (8.94%) (Q-o-Q). Share of retail advances in the loan book has improved by 3.26 % (Y-o-Y) to 17.48%.
- CASA deposits constitute 47.74% of total deposits.

#### **NPA Management:**

- Recovery in FY 2017-18 was Rs. 1765 crore as compared to Rs 810 crore in the last year. Recovery in Written off accounts in FY 2017-18 was Rs. 138.48 Crore as compared to Rs. 37.81 Crore in the previous year
- The Bank has shown consistent efforts in arresting fresh slippages, which have come down to Rs.5144 crore for the year ended March 31, 2018 as compared to Rs. 9035 Crore for the corresponding period in previous year.
- Slippages in Q4 of FY18 was Rs.1660 crore against Rs.3522crore in corresponding period of previous year.
- Gross NPA stood at Rs, 18433 crore (19.48% of gross advances) and Net NPA stood at Rs. 9641crore (11.24% of net advances) as on March 31, 2018.
- Provision Coverage Ratio has improved by 14 percentage points to 58.71% as on March 31, 2018 from 44.48% as on March 31, 2017.

### Capital Adequacy:

- As on 31.03.2018 CRAR stood at 11.00% (CET1 ratio 8.97%) against the minimum regulatory requirement of 10.875% (CET1 ratio 7.375%) as per Basel III guidelines.
- During the FY 2017-18, 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.3173 crore from the Government of India.

### Way Forward:

With an expected improvement in overall operating environment, especially in the recovery climate in the country, Bank will be able to capture the growth opportunities through better IT intervention and optimization of human and physical infrastructure of the Bank.

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