



PRESS RELEASE

21.01.2011

BANK OF MAHARASHTRA Q3 NET PROFIT UP BY 72.56% over Q2

OPERATING PROFIT LEAPS BY 42.90% (Y-o-Y)

NET INTEREST INCOME SURGES BY 55.35% (Y-o-Y)

NET INTEREST MARGIN UP BY 26 BPS (Q-o-Q)

BRIEF FINANCIALS

Quarterly performance

(Rs. crore)

	Sep '10 (Q2)	Dec '10 (Q3)	Variation Amount	Variation (%)
Operating Profit	220.27	308.57	88.30	40.09
Provisions	167.97	218.32	50.35	29.58
Net Profit	52.30	90.25	37.95	72.56
Interest Income	1307.96	1428.99	121.03	9.25
Non Interest Income	117.65	123.52	5.87	4.99
Cost of Deposits	5.25%	5.35%		
Yield on Advances	9.29%	9.79%		
Net Interest Margin	2.71	2.97		
NPA Provision Coverage	55.79%	60.02%		
Gross NPA Ratio	3.58%	3.15%		
Net NPA Ratio	2.18%	1.85%		

Year on Year Performance

	Dec '09 (9m)	Dec '10 (9m)	Variation Amount	Variation (%)
Deposits	56864.23	62751.72	5887.49	10.35
Savings Deposits	15536.19	19742.94	4206.75	27.08
CASA Deposits	20888.54	25236.27	4347.73	20.81
Advances	38167.90	43763.26	5595.36	14.66
Operating Profit	552.26	789.17	236.91	42.90
Provisions	251.75	528.19	276.44	109.80
Net Profit	300.51	260.98	-39.53	(13.15)
Interest Income	3489.07	4017.16	528.09	15.14
Non Interest Income (other than Treasury income)	248.87	318.56	69.69	28.00
Treasury Income	177.68	55.38		
Cost of Deposits	6.09%	5.28%		
Yield on Advances	9.68	9.38		
Net Interest Margin	1.94	2.69		



Gross NPA Ratio	3.19%	3.15%		
Net NPA Ratio	1.73%	1.85%		
CRAR	12.11%	13.24%		
NPA Provision Coverage	58.32%	60.02%		
Book Value/ share	46.57	55.29		

Highlights of the performance for the period ended 31st December 2010

- ✍ Savings Deposits increased by 27.08% (Y-o-Y)
- ✍ CASA deposits share in total deposits 40.22% (Corresponding Previous Year 36.73%)
- ✍ Operating profit increased by 42.90% (Y-o-Y)
- ✍ Net Interest Income increased by 55.35% (Y-o-Y)
- ✍ NIM increased to 2.69% from 1.94% (Y-o-Y)
- ✍ Capital Adequacy Ratio (Basel II) increases to 13.24% (Y-o-Y)

Profit

? Operating profit for the third quarter of current financial year (Q3 FY2010-11) stands at Rs. 789.17 crore as against Rs. 552.26 crore in Q3 FY2009-10, recording a y-o-y growth of 42.90 %.

Business

- ? Total Business of the Bank rose to Rs. 106514.98 crore as compared to Rs. 95032.13 crore as on 31.12.2009, showing a y-o-y growth of 12.08%
- ? Total Deposits of the Bank as on 31.12.2010 rises to Rs. 62751.72 crore from Rs. 56864.23 crore as on 31.12.2009, exhibiting a growth of 10.35% on y-o-y basis.
- ? CASA registers a growth of 20.81% (y-o-y) to Rs. 25236.27 crore as on 31.12.2010 from Rs. 20888.54 crore as on 31.12.2009
- ? CASA share expands to reach 40.22% as on 31.12.2010, up from 36.73% a year ago.
- ? Gross Advances of the Bank at Rs. 43763.26 crore as on 31.12.2010 growing by 14.66% on y-o-y basis, from the level of Rs. 38167.90 crore as on 31.12.2009

Income and Expenses

- ? Total Income increases by 12.14% to Rs. 4391.10 crore against Rs 3915.62 crore as on 31.12.2009..
- ? Net Interest Income rises by 55.35% (Rs. 496.33 crore) on y-o-y basis, to reach Rs 1393.05 crore in Q3 FY2010-11 from Rs. 896.72 crore in Q3 FY2009-10.



- ? Core Non-Interest Income (excluding trading profit) witnesses a y-o-y growth of 28% and stands at Rs. 318.56 crore
- ? Total Expenses for 9 months as on 31.12.2010 were Rs. 3601.93 crore against corresponding level of Rs. 3363.36 crore in last year
- ? Net Interest Margin (NIM) stands higher at 2.97% for the quarter ended December 2010 up by 26 basis points from September 2010 quarter level.

Ratios

- ? Book Value per share climbs higher and reaches Rs 55.29 as on 31.12.2010 from Rs 46.57 as on 31.12.2009.
- ? Capital Adequacy (CRAR) under Basel II stood at 13.24% as on 31.12.2010 as compared to 12.11% as on 31.12.2009
- ? Gross NPA to Gross Advances ratio at 3.15% against last year level of 3.19%
- ? Net NPA to Net Advances ratio at 1.85%

Initiatives & Achievements during the December 2010 quarter

MAHA CHETNA MISSION

A mission aimed at obtaining the support and acceptance of employees for the change initiatives undertaken by the bank and at explaining to them why change is necessary was launched immediately after take over of Shri A S Bhattacharya as Chairman & Managing Director on 1-10-2010. During the period of his first 100 days, he visited all the 32 regions to interact and motivate all the staff members in the field.

CMD interacts with Customers

During his visit to all the 32 regions, customer meets were held and the Chairman & Managing Director, Shri A.S. Bhattacharya personally interacted with all the valued customers of the Bank.

Business Review with Branch Heads

The CMD, during his visit to the regions took business review with all the branch heads also.

CMD meets all the staff

Under the Maha Chetna Mission, within 100 days of its launching, Hon'ble Chairman and Managing Director, Shri A. S. Bhattacharya personally visited all the 32 regions of the Bank and met all the staff members of the Bank addressing them for continued commitment to mother institution and to accelerate the efforts to meet business goals.

The motivated staff members have already started taking follow up action for accelerating business growth of the Bank.

A special training programme was conducted to the representatives of unions at NIBM, Pune in December, 2010 and the participants have uniquely responded for accelerating the business growth by adopting 150 key branches.

Women empowerment Programme – Swashakti Launched

An exclusive programme for women employees of the Bank, “Swashakti” was launched at Head Office, Lokmangal, Pune in November 2010. Under the programme, women staff will be empowered through forum of interaction, exchange of ideas for drawing inspiration from each other and with effective use of a ‘problem solving mechanism’. The programmes are being conducted in all the regional offices of the Bank covering all the lady staff members.

BANK SIGNS MOU WITH UNIQUE IDENTIFICATION AUTHORITY OF INDIA

Our Bank has become Registrar for the Unique Identification Authority of India (UIDAI). A Memorandum of Understanding (MoU) was signed by the Bank and the Unique Identification Authority of India in October 2010.

Opening of ‘E-Banking Lounge’

‘e-banking lounge’ was launched in three branches at Connaught Place in Delhi, Gadkari Chowk in Mumbai and Deccan Gymkhana in Pune in November 2010 where the customers can walk in and do banking transactions through IT enabled services, viz., internet banking, ATM, automatic cheque depositing machine, self updating pass book printing etc

New Loan products – Maha Jewel Loan and Top Up Loan for home loan borrowers were launched

Bank has launched a new loan product which can be availed by pledging of ornaments to meet personal needs. (19-11-2010)

A new loan scheme for home loan borrowers was launched on 22-11-2010 which will help the borrowers to avail a loan to meet important personal needs.

New Deposit Product – Diamond Current Account was launched

An attractive deposit product called Diamond Current Account was launched in December 2010 under which the account holder gets full concession on Bank’s service charges. Other two products, Pearl and Sapphire Current Account have also been revised to be made further attractive.

Special Branch for Self Help Groups Opened

Bank opened an exclusive branch to cater to credit needs of SHGs on 9-1-2011 at Hadapsar, Pune. It is the first such branch in Western India in the banking industry. It has sanctioned Rs 98 lakhs to various SHGs within a short span of 12 days while the target for lending up to 31-3-2011 is Rs 10 crores in 1000 accounts.

Retail Loans Processing Cells established

With a view to accelerate the processing of retail loan applications, exclusive cells have been opened in all 18 regional offices where there are no retail asset branches. With this, the system for speedy processing of retail loan applications is placed in all the 32 Regional Offices of the Bank.



Micro Asset Recovery Cells at 5 Regional Offices

To have a focused follow up on small NPA accounts (Rs 10 lakhs and below), five Micro Asset Recovery Cells were started in Aurangabad, Latur, Nasik, Satara and Solapur regional offices. This measure will accelerate recovery efforts of branches.

These cells are in addition to 5 Asset Recovery Branches opened by Bank in Pune, Mumbai, Nagpur, Kolkata and Aurangabad which deal with large NPA accounts (Rs 10 lakhs and above).

Focus on Mid Corporates business segment

Bank established a separate cell in Central Office to look after the business requirements and to exploit the business potential in this segment under a DGM.

Additional Interest to Senior Citizens:

Additional interest rate on deposits in maturity slabs of One Year and above has been increased to 0.75% from 0.50% for Senior Citizen depositors.

Bank is offering highest rate of 9.05% for deposits of one year period to Senior Citizens.

Marching Ahead with Technology

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 enabled for ALL branches of the Bank. Net banking customers can directly make remittances through RTGS/NEFT now.

E-payment of taxes facility is already available through Internet banking.

All 373 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*. Customers, who are physically challenged and or illiterate, can also directly transact through ATMs.

Credit Flow to MSME Sector

To facilitate customers for availing credit facility, Loan Application Forms for Loan Proposals of Micro and Small Enterprises have been simplified.

Limit of collateral free loans has been increased to Rs 10.00 lakhs.

MSME Care Centers are established in all the 32 Regional Offices to attend to requests/representations in any form received from MSMEs.

HR initiatives

Bank has recruited 1000 new clerks and recruitment of 392 officers is in final stage to increase the HR position.

BRANCH EXPANSION

3 new branches were opened during the quarter taking the total branch net work to 1511. In all 58 branches were opened during the Calendar Year 2010.

ATMs Network is increased from 347 to 373 by December'10 quarter.

First CBS branch of MGB

Maharashtra Gramin Bank (MGB), a Regional Rural Bank sponsored by the Bank, has rolled out its first branch under CBS at the hands of our Chairman & Managing Director at Khadakpada, Kalyan Branch on 14.12.2010

Opening of Financial Literacy Counselling Cells (FLCCs):

To make general public, farmers, inhabitants of rural & semi urban areas and poor people financially literate and to guide them in credit related matters, Bank has established three FLCCs in December 2010 at Pune, Aurangabad and Nashik. Three more FLCCs will be opened shortly at Satara, Thane and Jalna.

Financial Inclusion Plan

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.

The Bank has been allotted 1215 unbanked villages to be covered under Financial Inclusion for extending banking and financial services and the plan has been realigned to roll out over a period of 2 years ie by March 2012.

Vigilance Awareness Period

Vigilance Awareness Period was observed from 25-10-2010. A separate toll free telephone was installed in Vigilance department enabling the public to make complaints, if any, directly.

Workshop on Cyber Security

One day workshop on Cyber Security in Banking was organized in Pune in in which the DCP (Cyber Crime Cell), Pune, Mr Rajendra Dahale participated.

Road Map Ahead for FY 2010-11

- ✍ Achieving total business of Rs 1,20,000 crore (Deposits Rs 70,000 and Advances Rs 50,000 cr)
- ✍ Gross NPA level below 3% and Net NPA below 1.75%
- ✍ Opening of 24 more new branches
- ✍ Increase Bank's ATMs to 500
- ✍ Setting up of one Specialised Branch exclusively for catering to the banking needs of slum dwellers in Mumbai
- ✍ Opening of Soil Testing Laboratory at Bhigwan, Pune Dist with counselling services to farmers based on soil test reports.

- ✍ Bringing 450 villages to the banking services net work through BCs as part of Financial Inclusion Plan implementation
- ✍ Making the sponsored RRB (Maharashtra Gramin Bank) achieve 100% CBS
- ✍ Extend integrated banking services to all the RRB customers

/***/