

PRESS RELEASE

Date: 23 January 2019

Bank of Maharashtra's results for quarter/ nine months ended December 31, 2018

Shri. A. S. Rajeev, Managing Director & CEO, Bank of Maharashtra announced the financial results for Quarter/ nine months ended Dec 2018 along with Shri. A. C. Rout & Shri. Hemant Tamta, Executive Directors of the Bank.

Speaking on the occasion, Shri. A. S. Rajeev stated that Bank is making all efforts to improve financial performance. Bank has made various structural, systemic and strategic changes to improve performance of the Bank.

The bank will continue to focus on improving operational efficiency and strengthening Retail, Agriculture and MSME (RAM) to provide value to Bank's customers, shareholder and other stakeholders.

Key highlights:

Business:

- Total business stood at Rs. 225596 crore as on December 31, 2018.
- As on December 31, 2018 total deposits stood at Rs. 136001 crore & Gross advances stood at Rs. 89594 crore.
- Share of CASA deposits increased to 46.88% as on December 31, 2018 from 44.86% as on December 2017 and 46.25% as on September 30, 2018.
- Share of Retail, Agriculture and MSME (RAM) is 50.01% of Gross Advances

Profitability:

- Operating profit for the quarter ended December 31, 2018 has increased to Rs. 431.85 Crore in comparison to Rs. 419.36 Crore for the quarter ended December 31, 2017.
- Operating profit of the Bank for Nine months ended December 31, 2018 has increased to Rs. 1696.51 Crore in comparison to Rs. 1644.67 Crore as on December 31, 2017.
 - This is due to exceptional expenses like depreciation on revalued assets as per Revised AS – 10 guidelines,
 - Provision for wage revision of Rs.82.12 Crore.
- Net Loss for the quarter ended December 31, 2018 stood at Rs.3764 Crore as compared to Net profit for the quarter ended September 30, 2018 of Rs.27 Crore
- Net Loss for the nine month ended December 31, 2018 stand at Rs.4856 Crore as compared to Net Loss for the nine month ended December 31, 2017 of Rs.1032 Crore.

- This increased loss is due to higher loan loss provisions on impaired assets.
 - Increase in depreciation on revalued assets as per revised AS – 10
 - Increase in expenses due to wage revision provision of Rs.82.12 Crore
- Non-Interest income for the nine months ended December 31, 2018 increased by 5.24% to Rs. 1162 Crore in comparison to Rs. 1104 Crore as on December 31, 2017.
- Non interest income for the quarter ended December 31, 2018 has increased by 52.02% & 1.50% to Rs. 411 Crore in comparison to Rs. 270 Crore & Rs. 405 Crore for the quarter ended December 31, 2017 and September 30, 2018 respectively.
- Net Interest Income increased by 8.23% to Rs. 2734 Crore for the nine months ended December 31, 2018 in comparison to Rs. 2509 Crore as on December 31, 2017.
- Net Interest Income for the quarter ended December 31, 2018 has increased by 2.30% to Rs. 872 Crore in comparison to Rs. 853 Crore for the quarter ended December 31, 2017. Net Interest Income for the quarter ended September 30, 2018 stood at Rs. 1003 Crore.
- Net Interest Margin increased by 21 basis points from 2.29 for the nine months ended on December 31, 2017 to 2.50% in nine months ended on December 31, 2018.
- Cost of deposit reduced by 40 basis points from 5.41 % for the nine months ended on December 31, 2017 to 5.01% in nine months ended on December 31, 2018.
- Cost of funds reduced by 47 basis points from 4.99 % for the nine months ended on December 31, 2017 to 4.52% in nine months ended on December 31, 2018. The reduction in cost of funds is due to better Liability management.
- Robust increase in recovery in written off accounts by 183% i.e. to Rs. 195 crore for nine months ended December 31, 2018 in comparison to Rs.69 crore for the nine months ended on December 31, 2017.

NPA Management:

- Net NPA of the Bank has reduced to 5.91% as on December 31, 2018 from 12.17% as on December 31, 2017 and 10.61% as on September 30, 2018.
- The Bank has shown consistent efforts in arresting fresh slippages. Slippages reduced to Rs.3612 crores as on December 31, 2018 as compared to Rs.3857 crore as on December 31, 2017. Slippages for the quarter ended December 31, 2018 are Rs.1098 crore as compared to Rs.1536 crore for quarter ended December 31, 2017 and Rs.1365 crore for the quarter ended September 30, 2018.
- Gross NPAs have reduced to Rs. 15509 crore (GNPA%- 17.31%) as on December 31, 2018 from Rs. 18128 crore (GNPA%- 19.05%) as on December 31, 2017 and Rs. 16873 crore (GNPA%- 18.64%) as on September 30, 2018.
- Cash recoveries in NPAs during nine months ended December 31, 2018 is Rs.1780 crore as compared to Rs. 1394 crores for the nine months ended December 31, 2017.



- Provision coverage ratio of the Bank has improved to 81.07% as on December 31, 2018 in comparison to 53.40% as on December 31, 2017 and 64.37% as on September 30, 2018.
- Provision Coverage Ratio excluding Technical write of stand at 70.17% for nine month ended December 31, 2018.
- Non performing investments have reduced to Rs.130.40 crore as on December 31, 2018 as compared to Rs.207 crore as on December 31, 2017.

Capital Adequacy:

- Bank is maintaining the CRAR ratio above the minimum prescribed level at 11.05% as on December 31, 2018 as against 9.87 % as on September 30, 2018
- RWA reduced to Rs.73304 crore as on December 31, 2018 from Rs.83679 crore as on December 31, 2017 and Rs. 76042 crore as on September 30, 2018.
- Ratio of RWA to Gross advances improved from 87.93% as on December 31, 2017 to 86.36% as on March 31, 2018 and 81.82% as on December 31, 2018. Improvement is 6.11% on YoY and 4.54% over March 31, 2018
- There is improvement in % of RWA for Credit Risk (STD+NPA) to Gross Advances from 61.57% as on December 31, 2017 to 59.60% as on March 31, 2018 and 53.83% as on December 31, 2018
- “AAA, AA & A rated” exposure has increased from 53.27% as on March 31, 2018 to 57.62% as on December 31, 2018 amounting to Rs. 21729 crore.
- Inferior rated advances (BB & below) has decreased from 20.47% as on March 31, 2018 to 17.98% as on December 31, 2018
- Leverage Ratio is maintained at 4.15%
- Govt has infused Rs,4498 Crore as Capital during quarter ending on 31.12.2018

Looking forward:

- Focus on growth in Retail, Agriculture and MSME Sector (RAM)
- Continue recovery efforts with special focus on recovery in written off accounts and arresting slippages
- Gradual reduction in non-investment grade advances by way of exit from such accounts
- New scoring model has been introduced for MSME for faster delivery and quality credit to small borrowers.
- Implementation of LLMS to have system based credit appraisal process.
- Formation of industry wise verticals with technical experts.
- Recruiting specialized executives to build requisite capacity for Techno economic valuation/ assess such valuation.