



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](mailto:media@mahabank.co.in); [bomcomedia@gmail.com](mailto:bomcomedia@gmail.com);

## PRESS RELEASE

Date: 30.10.2018

# Bank of Maharashtra Turns around, Posts Net Profit of Rs 27 crore in Sep 2018

**Operating Profit improved to Rs 794 crore registering a growth of 15% for Q2 FY 2018-19 on YoY basis**

A. C. Rout, Executive Director, Bank of Maharashtra announced the financial results for Quarter ended September 30, 2018 along with Shri. V. P. Srivastava, General Manager & Chief Financial Officer of the Bank.

Speaking on the occasion, Shri. A C Rout stated that Bank has made turnaround in Q2 FY 2018-19 and reports a profit this quarter. The Bank is making all efforts to sustain growth and maximize returns for all the stakeholders.

Bank will continue to focus on improving operational efficiency and strengthening retail portfolio to provide value to Bank's customers, shareholders and other stake holders.

### Key Performance Highlights

#### 1. Profitability:

- ★ Bank earned Net profit for Q2 FY 19 for Rs 27.00 crore as against loss of Rs (23.24) crore for Q2 FY 18. **Bank made turn around in Q2 FY 19 after posting net losses after taxes for last 10 quarters (since March 16 to June 18).**
- ★ Operating profit up by 15% and improved from Rs 692 crore for Q2 FY 18 to Rs 794 crore for Q2 FY 19. Increase in operating profit was mainly on account of improved net interest income, recovery in written off accounts, lower operating expenses etc.
- ★ Operating expenses for Q2 FY 19 reduced by ~4%. Operating expenses for Q2 FY 19 was Rs 613 crore as against Rs 640 crore for Q2 FY 18.



- ★ Non-interest Income up by ~10%. The same was Rs 405 crore for Q2 FY 19 as against Rs 369 crore for Q2 FY 18.
- ★ Net interest income for Q2 FY 19 was Rs 1003 crore as against Rs 963 crore for Q2 FY 18 registering growth of ~4%.
- ★ Net Interest margin (NIM) improved from 2.64% for Q2 FY 18 to 2.76% for Q2 FY 19.
- ★ Interest expenditure has reduced substantially from Rs 1972 crore for Q2 FY 18 to Rs 1785 crore (-9.46%) for Q2 FY 19. Reduction in interest expenditure was mainly on account of reduction in cost of deposits on account of higher CASA deposits as well as repayment of high cost borrowings i.e. refinance, Tier1/ Tier 2 bonds.
- ★ Cost of Deposits has come down by 41 bps from 5.44% for Q2 FY 18 to 5.03% for Q2 FY 19.
- ★ Cost to income ratio improved by 450 bps. Same has improved from 48.06% for Q2 FY 18 to 43.56% for Q2 FY19.
- ★ Robust increase in recovery in written off accounts by 882% from Rs 13.47 crore for Q2 FY 18 to Rs 132.33 crore for Q2 FY 19.

## 2. Business:

- ★ Bank's Total Business as of 30.09.2018 stood at Rs 2,26,069 crore as against Rs 2,28,062 crore as of 30.09.2017.
- ★ Gross Advances of the Bank was Rs 90542 crore as on 30.09.2018 as against Rs 92965 crore as of 30.09.2017.
- ★ Retail advances have grown by ~15%. Same has increased from Rs 13303 crore as of 30.09.2017 to Rs 15331 crore as of 30.09.2018.
- ★ Total deposit increased from Rs 135097 crore as of 30.09.2017 to Rs 135527 crore as of 30.09.2018.
- ★ CASA Deposits share improved to 46.25% as of 30.09.2018 as against 44.26% as of 30.09.2017.
- ★ Share of Retail deposits (CASA + Retail term deposit) to total deposit improved to 97.16% as of 30.09.2018 as against 95.91% as of 30.09.2017.
- ★ Gross investment increased by ~38%. Gross investment was Rs. 51662 crores as of 30.09.18 as against Rs. 37466 crores as of 30.09.2017



### **3. NPA Management:**

- ★ Asset quality improved. Gross NPA has reduced to Rs 16873 crore as of 30.09.2018 as against Rs 17239 crore as of 30.09.2017. Gross NPA and Net NPA ratios are 18.64% and 10.61% as of 30.09.2018 as against 18.54% and 12.68% as of 30.09.2017. .
- ★ There is reduction in Net NPA by 20% from Rs 10990 crore as of 30.09.2017 to Rs 8743 crore as of 30.09.2018.
- ★ Cash Recoveries in NPAs during H1 FY 2018-19 was Rs 1630 crore as against Rs 1072 crore during H1 FY 2017-18 showing a growth of ~52%.
- ★ Provision coverage ratio improved substantially from 49.69% as of 30.09.2017 to 64.37% as of 30.09.2018 registering improvement of 1468 bps.
- ★ Non performing investments have reduced substantially from Rs 687 crore as of 30.09.2017 to Rs 290 core as of 30.09.2018.

### **Capital Adequacy:**

- ★ Bank's CET1 Capital (including CCB) stood at 7.81% (Tier 1 capital 7.85%) and Total CRAR at 9.87%.

### **Looking Forward:**

- ★ Focus on growth in Retail Agri & MSME sector
- ★ Continue recovery efforts with special focus on recovery in written off account and arresting slippages.
- ★ Focus on increasing non-interest income and controlling operating expenses
- ★ Improving the profitability & returns for all stakeholders.

\*\*\*\*\*