

<b>बैंक ऑफ महाराष्ट्र</b> प्रधान कार्यालय लोकमंगल, 1501, शिवाजीनगर, पुणे- 5		<b>BANK OF MAHARASHTRA</b> Head Office LOKMANGAL, 1501, SHIVAJINAGAR, PUNE-5
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AX1/ISD/STEX/2018-19

Date: 03.09.2018

The General Manager,  
 Department of Corporate Services,  
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 P.J Towers,  
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 Mumbai-400 001

The Vice President,  
 Listing Department,  
 National Stock Exchange of India Ltd.,  
 Exchange Plaza,  
 Bandra Kurla Complex,  
 Bandra (East), Mumbai-400 051

Ref: BSE Scrip Code: 532525

NSE Scrip Code: MAHABANK-EQ

Dear Sir/ Madam,

**Subject: Review of Ratings of Bank's Bonds by Rating Agencies (i.e. CARE Ratings Ltd and CRISIL Ltd).**

With reference to the captioned subject, Credit Rating Agencies i.e. CARE Ratings Ltd and CRISIL Ltd., has reviewed the ratings for the following Bonds borrowing & CoDs issued by the Bank:

Series	Type	ISIN No	Amount Outstanding (Rs in crore)	Present Rating by	
				CARE	CRISIL
//	Perpetual Tier 1	INE457A09165	70.00	-	A
V	Upper Tier II	INE457A09157	100.00	-	A
VI	Upper Tier II	INE457A09173	300.00	-	A
IX	Subordinate Tier II	INE457A09140	130.00	-	A+
X	Subordinate Tier II	INE457A09199	1000.00	-	A+
I	Basel III Tier II	INE457A08035	500.00	A+	-
I	INFRA Bond Sr. I	INE457A09207	1000.00	A+	-
	Certificate of Deposits	N.A.	1500.00	-	A1+

Rating Rational is attached as per annexure.



We request you to consider the above information pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,  
For **Bank of Maharashtra**

  
(Chandrakant Bhagwat)  
Company Secretary & Compliance Officer



**Bank of Maharashtra**  
**September 03, 2018**

**Ratings**

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Infrastructure Bonds <sup>^</sup>	1,000	<b>CARE A+; Stable</b> <b>(Single A Plus; Outlook:</b> <b>Stable)</b>	<b>Reaffirmed</b>
<b>Total amount rated (Infrastructure Bonds)</b>	<b>1,000</b> <b>(Rs. One Thousand crore only)</b>		
Tier II Subordinated Bond Series (Basel III)	1,000	<b>CARE A+; Stable</b> <b>(Single A Plus; Outlook:</b> <b>Stable)</b>	<b>Reaffirmed</b>
<b>Total amount rated (Tier II Subordinated Bond Series (Basel III))</b>	<b>1,000</b> <b>(Rs. One Thousand crore only)</b>		
Tier II Subordinated Bond Series VIII	<b>0.00</b> <b>(Reduced from 200.00 crore)</b>	-	<b>Withdrawn</b>
Upper Tier II Bond Series IV	<b>0.00</b> <b>(Reduced from 200.00 crore)</b>	-	<b>Withdrawn</b>
Perpetual Bond Series I	<b>0.00</b> <b>(Reduced from 225.00 crore)</b>	-	<b>Withdrawn</b>
Basel III Compliant Tier I Perpetual Bond Series I	<b>0.00</b> <b>(Reduced from 1000.00 crore)</b>	-	<b>Withdrawn</b>
Basel III Compliant Tier I Perpetual Bond Series II	<b>0.00</b> <b>(Reduced from 1000.00 crore)</b>	-	<b>Withdrawn</b>
<b>Total</b>	<b>2000.00</b> <b>(Rs. Two Thousand Crore Only)</b>		

<sup>^</sup>The long-term infrastructure bonds are unsecured and would rank pari-passu along with other uninsured, unsecured creditors. These bonds are senior to the subordinated bonds of the bank.

RBI vide its circular dated July 15, 2014, has allowed banks to raise these bonds to finance their long-term loans to infrastructure as well as affordable housing with minimum regulatory pre-emption such as CRR, SLR and priority sector lending.

@BoM exercised the call options dated March 21, 2017 and March 30, 2017 for series II and Series III respectively and fully redeemed the bonds. In addition to this CARE has withdrawn Tier II Subordinated bonds Series VIII of Rs.200 crore, Upper Tier II Bond Series IV of Rs.200 crore and Perpetual bonds (Basel II) Series I of Rs.225 crore with immediate effect as the bank has fully repaid the amounts under the said issue and there is no amount outstanding under the issue as on date.

Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**Detailed Rationale & Key Rating Drivers**

The reaffirmation of the ratings assigned to various debt instruments of Bank of Maharashtra (BoM) takes into account the majority ownership by the Government of India (GoI), supported by capital infusion of Rs 3173 crore by GOI during Q3FY19 and Q4FY19 and satisfactory proportion of Current Account Saving Account (CASA) deposits.

However, the rating of the bank is constrained by the significant deterioration in the bank's profitability during FY18 (refer to the period April 1 to March 31) and Q1FY19 (Refer to the period April 1 to June 30), sharp deterioration in the asset quality resulting in weak earning profile coupled with lower income levels and geographical concentration of the bank branches in the state of Maharashtra.

The continued ownership and support from the GoI and thereby maintaining capital adequacy, significant improvement in the asset quality and profitability, are the key rating sensitivities.

### Detailed description of the key rating drivers

#### **Majority ownership and capital support by GoI**

The GoI has infused total additional capital of Rs.3173 crore in two tranches; Rs.650 crore on December 29, 2017 and Rs.2523 crore as on March 27, 2018. As a result of this capital infusion the total shareholding of GOI has increased from 81.61% as on March 31, 2017 to 87.01% as on March 31, 2018. BoM will remain significantly dependent on the GoI to meet regulatory capital ratios.

#### **Moderate capitalization parameters among public sector banks**

BoM reported capital adequacy ratio (CAR) of 11.00% (Tier I CAR: 9.01%) (under Basel III) as on March 31, 2018 as compared to 11.18% (Tier I CAR: 9.01%) (under Basel III) as on March 31, 2017, with Common Equity Tier I Capital (CET I) ratio of 8.97% as on March 31, 2018 as compared to 7.28% as on March 31, 2017. Bank has also repaid Basel III compliant Additional Tier I (AT1) bonds of Rs.1500 crore by exercising call option under regulatory event (PCA) in March 2018 as per advice of GoI. The bank reported CAR of 10.14% (Tier I CAR: 8.85%) (under Basel III) as on June 30, 2018 with CET I of 8.03% as on June 30, 2018.

Considering the elevated provisioning requirements for the coming quarters and insufficient operating profits parameters, sufficient amount of capital infusion from GOI is expected during FY19 in order to meet capital adequacy provisions as per BASEL III.

Ability to raise the funds by March 31, 2019 and meet the regulatory requirements is a key rating monitorable.

#### **Strong deposit base with growth in CASA deposit**

The bank has an established deposit base with stable low cost Current Account Savings Account (CASA) deposits proportion. The bank's CASA deposits increased in absolute terms to Rs.66,345 crore as on March 31, 2018 from Rs.62,419 crore as on March 31, 2017, registering a growth of 6.29% (y-o-y), resulting in proportion of CASA deposit of 47.74% as on March 31, 2018 as compared to 44.89% as on March 31, 2017. During Q1FY19 CASA Share (%) to total deposit stood at 46.33% as compared to 44.09% during Q1FY18.

(Rs.crore)

Particulars	As on		
	June 2017	March 2018	June 2018
Total Business	2,33,725	2,33,626	21,9458
Deposits	1,36,629	1,38,981	1,35,411
Of which CASA	60,235	66,345	62,737
CASA Share (%) of total deposit	44.09	47.74	46.33
Gross advances	97,096	94,645	84,047
Gross Investments	40,563	44,163	51,900

#### **Liquidity profile**

The bank's liquidity profile remained comfortable as on March 31, 2018. The bank reported Liquidity Coverage Ratio (LCR) of 216.96% as on March 31, 2018 (against a minimum requirement of 90%). However, The bank has negative cumulative mismatch beyond 6 month period as roughly 40% of the deposits are getting matured within one year bracket.

#### **Profitability Parameters**

*Significant deterioration in profitability and higher provisioning resulting in continued net losses* During FY18, the bank reported a significant de-growth of 7.13% in total income to Rs.12,602 crore from Rs.13,570 crore during FY17. Interest income reported a de-growth of 8.00% during FY18, while non-interest income remained flat at Rs.1506 crore during FY18.

Net Interest Income (NII) increased by ~7% during FY18 to Rs.3,389 crore as compared to Rs.3,175 crore during FY17. The bank's Net Interest Margin (NIM) during FY18 was seen higher at 2.16% as compared to 2.32% for FY17. The bank's Return on Total Assets (ROTA) was negative 0.73% for FY18 as compared to 0.86% for FY17. In addition to this the bank reported a loss of Rs.1119 crore during Q1FY19. However, the bank reported PBT of negative 1163 crore as compared to negative Rs.1494 crore during Q4FY18. Increase in losses was mainly on account of higher provisions and slippages which further elevated on account of agricultural sector NPAs which increased from Rs.2094 crore in FY17 to Rs.2490 crore in FY18.

### **Deterioration in asset quality**

During FY18, the bank saw increase in slippages with gross NPA increasing to Rs.18,433 crore as on March 31, 2018 from Rs.17,189 crore as on March 31, 2017. As a result the bank reported gross NPA ratio of 19.48% (P.Y.: 16.93%) as on March 31, 2018 and Net NPA ratio of 11.24% (P.Y.: 11.76%) as on March 31, 2018. Net NPA to Net worth ratio stood at 109.39% (P.Y.: 181.91%) as on March 31, 2018. The bank gross NPA stood at Rs.17,800 crore as on June 30, 2018 and reported the gross NPA ratio of 21.18% during the same period. Total gross stressed assets (std. restr. Assets + gross NPA + SR's + SDR + 5/25 + S4A) as a percentage of gross advances was 21.14% (P.Y.: 19.39%) and total net stressed assets as a percentage of total net worth was 15.44% (P.Y.:38.80%) as on March 31, 2018. The bank had provision coverage of 58.71% for its non-performing loans as on March 31, 2018 which improved to 62.19% as on June 30, 2018. Furthermore the bank had exposures (fund based exposures and non-fund based outstanding) to borrowers (excluding borrowers classified as non-performing or restructured) to NBFC, Infrastructure (Power, Telecom, Roads, Ports) and promoter entities. These exposures aggregated to Rs.25,340 crore as on March 31, 2018 and Rs.19,184 crore as on June 30, 2018.

### **Industry outlook**

During FY18, the asset quality of the banks continued to show deterioration in general and public sector banks (PSB) in particular. During FY18, the stress on the asset quality of banks is expected to continue with the absolute amount of NPA is expected to increase; however, the pace of incremental NPA would be lower. Due to deterioration in asset quality, banks, especially public sector banks, saw sharp decline in profitability numbers due to interest income reversal and enhanced provisioning requirements. During Q1FY19, the banks reported high amount of losses in line with the FY18 performance. During FY19, the overall profitability is expected to see some improvement, although it would continue to remain subdued / under pressure.

Though currently, the overall sector remains moderately capitalized, banks would continue to require further capital infusion especially the public sector banks. While credit growth has been subdued, increase in provisioning has impacted the capital adequacy of the banks.

**Analytical approach:** Standalone

#### **Applicable Criteria**

[Criteria on assigning Outlook to Credit Ratings](#)  
[Rating Methodology : Factoring Linkages in Rating](#)  
[CARE's Policy on Default Recognition](#)  
[CARE's Rating Methodology for Banks](#)  
[Rating framework for Basel III instruments](#)

### **About the Bank**

Bank of Maharashtra was incorporated in the year 1935 and is headquartered in Pune (Maharashtra). The Government of India (GOI) holds majority of stake [87.01% as on March 31, 2017] in the bank. The bank had a network of 1,846 branches and 1,864 ATMs as on March 31, 2018. Around 60% of the bank's branches are in the state of Maharashtra.

<b>Brief Financials (Rs. crore)</b>	<b>FY17 (A)</b>	<b>FY18 (A)</b>	<b>Q1FY19</b>
Total operating income	13,570	12,602	2,987
PAT	(1,373)	(1,146)	(1119)
Interest coverage (times)	1.21	1.28	1.26
Total Assets (net of revaluation reserves)	158,118	1,55,199	149931
Net NPA (%)	11.76	11.24	12.20
ROTA (%)	(0.86)	(0.73)	(2.83)

A: Audited

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds-Perpetual Bonds	July 31, 2007	10.65	July 2017	225.00	Withdrawn
Bonds-Upper Tier II	July 19, 2007	10.35	July 2017	200.00	Withdrawn
Bonds-Lower Tier II	January 15, 2008	9.20	April 2018	200.00	Withdrawn
Bonds-Infrastructure Bonds	October 20, 2014	9.40	October 2021	1000.00	CARE A+; Stable
Bonds-Tier I Bonds	January 12, 2015	9.48	March 2018	1000.00	Withdrawn
Bonds-Tier II Bonds	June 01, 2016	9.20	September 2026	1000.00	CARE A+; Stable
Bonds-Tier I Bonds	June 12, 2015	9.48	March 2018	1000.00	Withdrawn

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Bonds-Perpetual Bonds	LT	-	-	-	1)CARE A; Stable (05-Feb-18) 2)CARE A; Negative (19-Jul-17)	1)CARE AA- (14-Jul-16)	1)CARE AA- (13-Oct-15)
2.	Bonds-Lower Tier II	LT	-	-	-	-	1)Withdrawn (16-Aug-16) 2)CARE AA (14-Jul-16)	1)CARE AA (13-Oct-15)
3.	Bonds-Upper Tier II	LT	-	-	-	-	1)Withdrawn (10-Nov-16) 2)CARE AA- (14-Jul-16)	1)CARE AA- (13-Oct-15)
4.	Bonds-Upper Tier II	LT	-	-	-	1)Withdrawn (19-Jul-17)	1)CARE AA- (14-Jul-16)	1)CARE AA- (13-Oct-15)
5.	Bonds-Upper Tier II	LT	-	-	-	1)Withdrawn (19-Jul-17)	1)CARE AA- (14-Jul-16)	1)CARE AA- (13-Oct-15)
6.	Bonds-Upper Tier II	LT	-	-	-	1)CARE A; Stable (05-Feb-18) 2)CARE A; Negative (19-Jul-17)	1)CARE AA- (14-Jul-16)	1)CARE AA- (13-Oct-15)
7.	Bonds-Lower Tier II	LT	-	-	-	1)CARE A+; Stable (05-Feb-18) 2)CARE A+; Negative (19-Jul-17)	1)CARE AA (14-Jul-16)	1)CARE AA (13-Oct-15)
8.	Bonds-Infrastructure Bonds	LT	1000.00	CARE A+; Stable	-	1)CARE A+; Stable (05-Feb-18) 2)CARE A+; Negative (19-Jul-17)	1)CARE AA (14-Jul-16)	1)CARE AA (13-Oct-15)
9.	Bonds-Tier I Bonds	LT	-	-	-	1)CARE BBB+; Negative	1)CARE A (10-Nov-16)	1)CARE A+ (13-Oct-15)

						(05-Feb-18) 2)CARE BBB+; Negative (19-Jul-17)	2)CARE A+ (14-Jul-16)	
10.	Bonds-Tier II Bonds	LT	1000.00	CARE A+; Stable	-	1)CARE A+; Stable (05-Feb-18) 2)CARE A+; Negative (19-Jul-17)	1)CARE AA (14-Jul-16)	1)CARE AA (12-Feb-16)
11.	Bonds-Tier I Bonds	LT	-	-	-	1)CARE BBB+; Negative (05-Feb-18) 2)CARE BBB+; Negative (19-Jul-17)	1)CARE A (26-Dec-16) 2)CARE A (10-Nov-16)	-

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## Rating Rationale

August 31, 2018 | Mumbai

### Bank of Maharashtra

Ratings Reaffirmed

#### Rating Action

Lower Tier-II Bonds (Under Basel II) Aggregating to Rs.1130 Crore	CRISIL A+/Stable (Reaffirmed)
Rs.400 Crore Upper Tier-II Bonds (Under Basel II)	CRISIL A/Stable (Reaffirmed)
Rs.70 Crore Perpetual Tier-I Bonds (Under Basel II)	CRISIL A/Stable (Reaffirmed)
Rs 200 Crore Lower Tier-II Bonds (Under Basel II)	CRISIL A+/Stable (Withdrawn)
Rs.1000 Crore Tier-I Bonds (Under Basel III)	CRISIL BBB+/Negative (Withdrawn)
Rs.1500 Crore Certificate of Deposits	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL has **withdrawn** its 'CRISIL A+/Stable' rating on the Rs 200 crore Lower Tier-II Bonds (Under Basel II) and its 'CRISIL BBB+/Negative' rating on the Rs 1,000 crore Tier-I Bonds (Under Basel III) of Bank of Maharashtra (BoM) as there was no outstanding against these instruments. The withdrawal is in line with CRISIL's policy. The ratings on the Lower Tier-II Bonds (under Basel II), Tier-I Perpetual Bonds and Upper Tier-II Bonds (hybrid instruments; under Basel II), and certificates of deposit programme have been reaffirmed at 'CRISIL A+/Stable', 'CRISIL A/Stable', and 'CRISIL A1+', respectively.

The ratings continue to factor in the expectation of strong support from the majority owner, Government of India (GoI), and a comfortable resource profile. These strengths are partially offset by stress on the asset quality, which has also impacted profitability, and high regional concentration in operations.

#### Analytical Approach

For arriving at the ratings, CRISIL has considered the standalone business and financial risk profiles of BoM and has also factored in expected strong support from the government, the majority shareholder.

#### Key Rating Drivers & Detailed Description

##### Strengths

##### \* Strong expectation of support from the government

The ratings continue to factor in expectation of strong government support, both on an ongoing basis and in the event of distress. This is because it is both the majority shareholder in public sector banks (PSBs) and the guardian of India's financial system. Stability of the banking sector is of prime importance to the government, given the criticality of the sector to the economy, strong public perception of sovereign backing for PSBs, and the severe implications of any PSB failure in terms of political fallout, systemic stability, and investor confidence in public sector institutions. The majority ownership creates a moral obligation on GoI to support PSBs, including BoM. As part of the Indradhanush framework, the government has pledged to infuse at least Rs 70,000 crore in PSBs during fiscals 2015-19, of which Rs 25,000 crore each was infused in fiscals 2016 and 2017. Furthermore, in October 2017, the government had outlined a recapitalisation package of Rs 2.11 lakh crore over fiscals 2018 and 2019, out of which PSBs would receive Rs 88,139 crore in fiscal 2018. BoM was allocated Rs 3,173 crore out of this during fiscal 2018.

##### \* Comfortable resource profile

The bank's comfortable resource profile is reflected in the large proportion of low-cost current account and savings account (CASA) deposits, at 47.7% of total deposits as on March 31, 2018 (46.3% as on June 30, 2018). Furthermore, total retail deposits constituted 96.7% of total deposits as on March 31, 2018.

##### Weaknesses

##### \* Weak asset quality

Asset quality has deteriorated sharply over the past few quarters, as reflected in the rise in the gross non-performing assets (NPAs) ratio to 21.18% as on June 30, 2018, from 19.48% as on March 31, 2018 (16.93% as on March 31, 2017), primarily due to slippages in the large and medium corporate loan portfolios. Slippages to NPAs as a percentage of opening net advances was high at 10.15% (annualised) for the quarter ended June 30, 2018, as against 6.0% in fiscal 2018 and was also from micro and small enterprise, and agriculture portfolios besides that from large corporates. Absolute gross NPAs was Rs 17800 crore as on June 30, 2018 (Rs 18433 crore as on March 31, 2018). Net NPA ratio was 12.20% as on June 30, 2018 (11.24% as on March 31, 2018). The ability of the bank to arrest slippages and also affect recovery mainly in the corporate and MSME loan book will remain a key rating monitorable over the medium term.

##### \* Weak earnings

The sharp deterioration in asset quality has significantly affected profitability of the bank as reflected in return on assets at a negative 2.8% (annualised) for the quarter ended June 30, 2018, as against a negative 0.7% for fiscal 2018 (negative 0.9% for fiscal 2017). Pre-provisioning profits as a proportion of average assets also decreased to 1.2% (annualised) for the quarter ended June 30, 2018, from 1.4% for fiscal 2018. Additionally, provisioning cost increased to 4.2% for the quarter ended June 30, 2018 (annualised) against 3.5% for fiscal

2018. The provision coverage ratio (excluding technical write-off), however, increased to 48.5% as on June 30, 2018, from 47.8% as on March 31, 2018, and 34.7% as on March 31, 2017. Ability to improve operating profits and also contain credit costs will, therefore, remain a key monitorable.

**\* High regional concentration in operations**

Operations are concentrated in Maharashtra, which accounted for 71% of the business and 60% of the branches as on March 31, 2018. While branches have been opened outside the state, concentration risk is likely to reduce only in the long term.

**Outlook: Stable**

CRISIL believes BoM will continue to benefit from strong government support, given the stated recapitalisation plan. However, asset quality and earnings are expected to remain under pressure over the near to medium term.

**Upside scenario:**

Substantial and sustained improvement in asset quality and earnings

**Downside scenario:**

Sharper-than-expected deterioration in asset quality, resulting in further weakening of profitability and capitalisation metrics.

**About the Bank**

BoM is a medium-sized PSB, with assets of Rs 1,56,329 crore, and a network of 1846 branches and 1864 automated teller machines (ATMs) as on March 31, 2018; 57% of its branches are in rural and semi-urban areas. With deposits of Rs 1,38,981 crore and advances of Rs 94,645 crore, the bank had market shares of 1.2% and 1.1% of deposits and advances, respectively, in the banking system, as on March 31, 2018. Tier I, and overall capital adequacy ratios stood at 9.00% and 11.00%, respectively, as on March 31, 2018 (8.07% and 10.14%, respectively, as on June 30, 2018).

Net loss was Rs 1,146 crore and net total income Rs 4,896 crore in fiscal 2018, against a net loss of Rs 1,373 crore and net total income of Rs 4,683 crore in fiscal 2017. For the quarter ended June 30, 2018, the net loss was Rs 1,119 crore and net total income Rs 1,205 crore, against Rs 412 crore and Rs 1,158 crore, respectively, for the corresponding period of the previous fiscal.

**Key Financial Indicators**

As on / for the period ended June 30	Unit	2018	2017
Total assets	Rs crore	151045	153740
Total income	Rs crore	2987	3210
Profit after tax	Rs crore	-1119	-412
Gross NPA	%	21.18	18.59
Overall capital adequacy ratio	%	10.14	11.08
Return on assets (annualized)	%	-2.8	-1.0

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Note on Hybrid Instruments (Under Basel II)**

Given that hybrid capital instruments (Tier-I perpetual bonds and Upper Tier-II bonds; under Basel II) have characteristics that set them apart from Lower Tier-II bonds (under Basel II), the ratings on the two instruments may not necessarily be identical. The factors that could trigger a default event for hybrid instruments include: the bank breaching the regulatory minimum capital requirement, or the regulator's denial of permission to the bank to make payments of interest and principal if the bank reports losses. Hence, the transition from one rating category to another may be significantly sharper for these instruments than in the case of Lower Tier-II bonds; this is because debt servicing on hybrid instruments is far more sensitive to the bank's overall capital adequacy levels and profitability.

**Annexure - Details of Instrument(s)**

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Outstanding rating with Outlook
INE457A09165	Perpetual Tier-I Bonds (under Basel II)	30-Sep-09	9.25	Perpetual	70.00	CRISIL A/Stable
INE457A09157	Upper Tier-II Bonds (under Basel II)	30-Sep-09	8.95	30-Sep-24	100.00	CRISIL A/Stable
INE457A09173	Upper Tier-II Bonds (under Basel II)	1-Feb-10	8.65	1-Feb-25	300.00	CRISIL A/Stable
INE457A09140	Lower Tier-II Bonds (under Basel II)	30-Sep-09	8.74	30-Apr-19	130.00	CRISIL A+/Stable
INE457A09199	Lower Tier-II Bonds (under Basel II)	31-Dec-12	9.00	31-Dec-22	1000.00	CRISIL A+/Stable
NA	Certificates of Deposit	NA	NA	7-365 Days	1500.00	CRISIL A1+

**Annexure - Rating History for last 3 Years**

Current		2018 (History)		2017		2016		2015		Start of 2015
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Rating

<b>Certificate of Deposits</b>	ST	1500.00	CRISIL A1+	25-01-18	CRISIL A1+	30-08-17	CRISIL A1+	27-12-16	CRISIL A1+	21-10-15	CRISIL A1+	CRISIL A1+
								04-10-16	CRISIL A1+	02-06-15	CRISIL A1+	
								10-03-16	CRISIL A1+	10-04-15	CRISIL A1+	
<b>Lower Tier-II Bonds (under Basel II)</b>	LT	1130.00 31-08-18	CRISIL A+/Stable	25-01-18	CRISIL A+/Stable	30-08-17	CRISIL A+/Negative	27-12-16	CRISIL AA-/Negative	21-10-15	CRISIL AA-/Negative	CRISIL AA+/Stable
								04-10-16	CRISIL AA-/Negative	02-06-15	CRISIL AA+/Negative	
								10-03-16	CRISIL AA-/Negative	10-04-15	CRISIL AA+/Negative	
<b>Perpetual Tier-I Bonds (under Basel II)</b>	LT	70.00 31-08-18	CRISIL A/Stable	25-01-18	CRISIL A/Stable	30-08-17	CRISIL A/Negative	27-12-16	CRISIL A+/Negative	21-10-15	CRISIL AA-/Negative	CRISIL AA/Stable
								04-10-16	CRISIL A+/Negative	02-06-15	CRISIL AA-/Negative	
								10-03-16	CRISIL AA-/Negative	10-04-15	CRISIL AA-/Negative	
<b>Tier I Bonds (Under Basel III)</b>	LT	0.00 31-08-18	Withdrawal	25-01-18	CRISIL BBB+/Negative	30-08-17	CRISIL BBB+/Negative	27-12-16	CRISIL A-/Negative	21-10-15	CRISIL A+/Negative	CRISIL AA-/Stable
								04-10-16	CRISIL A-/Negative	02-06-15	CRISIL AA-/Negative	
								10-03-16	CRISIL A+/Negative	10-04-15	CRISIL AA-/Negative	
<b>Upper Tier-II Bonds (under Basel II)</b>	LT	1300.00 31-08-18	CRISIL A/Stable	25-01-18	CRISIL A/Stable	30-08-17	CRISIL A/Negative	27-12-16	CRISIL A+/Negative	21-10-15	CRISIL AA-/Negative	CRISIL AA/Stable
								04-10-16	CRISIL A+/Negative	02-06-15	CRISIL AA-/Negative	
								10-03-16	CRISIL AA-/Negative	10-04-15	CRISIL AA-/Negative	

All amounts are in Rs.Cr.

#### Links to related criteria

[Rating Criteria for Banks and Financial Institutions](#)

[Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support](#)

[Rating criteria for Basel III - compliant non-equity capital instruments](#)

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