

**PRESS RELEASE**

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**Bank of Maharashtra Posted Net Profit of Rs.72.38 crore for Q4, of FY 2018-2019**

Shri. A. S. Rajeev, Managing Director & CEO, Bank of Maharashtra announced the financial results for Quarter/ year ended March 2019 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 and the changes has started yielding result by way of improved financials.

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

**Key Performance Highlights ( Quarterly)**

**1. Profitability:**

- ★ Bank earned Net profit for Q4 FY 19 for Rs 72.38 crore as against loss of Rs (113.49) crore for Q4 FY 18.
- ★ Operating profit for Q4 FY 19 is Rs.501 crores as against operating profit of Rs.547 Crores for Q4 FY 18. The decrease in operating profit is mainly due to increase in depreciation on revalued asset by Rs.82 crore as per the revised AS 10 guideline.
- ★ Net interest income for Q4 FY 19 was Rs 1000 crore as against Rs 881 crore for Q4 FY 18 registering growth of 13.47%.
- ★ Net Interest margin (NIM) up by 23 BPS increased from 2.41% for Q4 FY 18 to 2.64% for Q4 FY 19.
- ★ Interest expenditure has reduced substantially from Rs 1811.20 crore for Q4 FY 18 to Rs 1775.27 crore (-1.98%) for Q4 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 32 bps from 5.31% for FY 18 to 4.99% for FY 19.
- ★ Cost to income ratio stood at 63.83% for Q4 FY 19 as against 57.39% for Q4 FY 18. This is mainly due to increase in depreciation on revalued assets by Rs.82 crore and increase in staff cost mainly on account of AS 15.



## 2. Business:

- ★ Bank's Total Business as of 31.03.2019 increased to Rs 234117 crore as against Rs 233626 crore as of 31.03.2018
- ★ Gross Advances of the Bank was Rs 93467 crore as on 31.03.2019 as against Rs 94645 crore as of 31.03.2018.
- ★ Core Retail advances increased from Rs.16547 crore as on 31.03.2018 to Rs.18805 crore as on 31.03.2019 registering a growth of 13.65%.
- ★ Housing loan comprises 64% of total retail advances.
- ★ RAM% (Retail, Agri. & MSME Advances) to total advances has increased from 50% as on 31.03.2018 to 51% as on 31.03.2019.
- ★ Total deposit increased from Rs 138981 crore as of 31.03.2018 to Rs 140650 crore as of 31.03.2019.
- ★ CASA Deposits share to total deposits increased from 47.74% as of 31.03.2018 to 49.65% as of 31.03.2019.
- ★ Gross investment was Rs. 60164 crores as of 31.03.2019 as against Rs. 44163 crores as of 31.03.2018 showing increase of Rs.16001 crores.

## 3. NPA Management:

- ★ Gross NPA decreased by Rs.3109 crore from Rs 18433 crore as of 31.03.2018 to 15324 crore as of 31.03.2019. Gross NPA and Net NPA ratios are 16.40% and 5.52% as of 31.03.2019 as against 19.48% and 11.24% as of 31.03.2018.
- ★ There is reduction in Net NPA by 53% from Rs 9641crore as of 31.03.2018 to Rs 4559 crore as of 31.03.2019
- ★ Provision coverage ratio improved substantially from 58.71% as of 31.03.2018 to 81.49% as of 31.03.2019, which is one of the highest among peer banks.

## Capital Adequacy:

- ★ Bank maintain CET 1 capital and CRAR ratio above the minimum prescribed regulatory requirement. Bank's CET1 Capital (including CCB) stood at 9.88% as of 31.03.2019 as against 8.97% as of 31.03.2018.
- ★ CRAR improved by 86 bps, to 11.86% as of 31.03.2019 as against 11.00 % as of 31.03.2018.

### **Key Performance Highlights (Yearly)**

- Operating profit of the Bank marginally increased to Rs.2198 crore for FY 19 from Rs 2191 crore for FY 18.
- Net Loss for the year ended 31.03.2019 stood at Rs.4784 Crore as against Net Loss of Rs.1146 crore for the year ended 31.03.2018.
  - 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.109.80 Crore
- Net Interest Income increased by 10.14% to Rs. 3733 Crore for FY 19 in comparison to Rs. 3390 Crore for FY 18.
- Non-interest Income marginally increased from Rs.1506 crore for FY 18 to Rs.1547 crore for FY 19 in spite of subdued trading profit on sale of investment.
- Net Interest Margin increased by 21 basis points from 2.32% for FY 18 to 2.53% for FY19.
- Cost of deposit reduced by 32 basis points from 5.31 % for the year FY18 to 4.99% for FY 19 due to better liability management by shedding high cost deposit.
- Cost of funds reduced by 41 basis points from 4.88 % for FY 18 to 4.47% for FY 19 The reduction in cost of funds is due to better Liability management and repayment of high cost fund.
- Recovery in Written off accounts during FY 19 is 245 crore as against Rs.138 Crore during FY 18 showing a growth of 77%.

### **Looking Forward:**

- ★ Focus on growth in quality corporate advances, Retail, Agri and 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.

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Shri A. S. Rajeev, Managing Director & CEO, Bank of Maharashtra declaring the result for financial results for Quarter/ year ended March 2019. (Third from left)

(In photo- L to R: Shri Ramesh Kshirsagar, General Manager IRM & Credit Monitoring, Shri A. C. Rout, Executive Director, Shri A. S. Rajeev, MD & CEO, Shri H. K. Tamta, Executive Director and Shri V. P. Srivastav, CFO)