

January 15, 2015

Press Release

Federal Bank Net Profit up by 29%

Federal Bank announced unaudited Financial Results for the period ended 31st December 2014. Putting in an impressive performance during the period, the Bank registered growth in business volumes and operating metrics apart from improving upon its asset quality. The Net Profit of the Bank grew by 29.13% to reach ₹ 725.22 Crore as on 31.12.2014 as against ₹ 561.60 Crore as on 31.12.2013. The key highlights of the Bank's performance are given below.

Asset Quality – The Gross NPA and Net NPA came down in absolute and percentage terms on a Y-o-Y basis. The **Gross NPA** of the Bank came down from ₹ 1201 Cr to ₹ **1067 Cr** and Gross NPA as a percentage to Gross Advances came down by 64 bps from 2.83% to **2.19%**. **Net NPAs** also fell from ₹ 356.26 Cr to ₹ **332.94 Cr** during the period. Net NPA% decreased by 17 bps from 0.86% to **0.69%**. PCR (Provision Coverage Ratio) including technically written off assets of the bank stood at **84.96%**.

Advances – SME Advances of the Bank grew by **17.65%**, from ₹ 10190 Cr to ₹ **11988 Cr** on a Y-o-Y basis. **Retail Advances** grew by **15.34%** from ₹ 13603 Cr to ₹ **15689 Cr**. Agricultural advances increased by **26.77%** from ₹ 4582 Cr to ₹ **5809 Cr**.

Deposits – The Bank continued to build on its strong NRI franchise posting a Y-o-Y growth of 27.84% in NRE deposits, which stood at ₹ 22344.11 Crore as on 31.12.2014. The Low Cost Deposits (CASA) grew by **14.03%** Y-o-Y and stood at ₹ 19985.01 Crore as on 31.12.2014. CASA as a percentage of Total Deposits stood at **30.49%**. Total Deposits of the Bank grew **13.53%** Y-o-Y to reach ₹ **65550.43 Cr** as on 31.12.2014 as against ₹ 57737.15 Cr during the corresponding quarter last fiscal.

Margins - Net Interest Income grew by 7.62% from ₹ 545.57 Crore to ₹ **587.16 Cr** on a Y-o-Y basis. **Other Income** increased by 40.74% and stood at ₹ **219.91 Cr** vis-à-vis ₹ 156.25 Crore reported in Q3 FY14. **Net Interest Margin** stood at 3.20%. Operating Profit increased by 20.08% on a Y-o-Y basis from ₹ 330.90 Crore to ₹ 397.35 Crore. The Net Profit for the quarter ended 31.12.2014 went up by 15.02% at ₹ 264.69 Crore as against ₹ 230.13 Crore earned during the corresponding quarter last year.

Footprint Expansion – The Bank continued to expand its footprint and added **6 branches** and **35 ATMs** during the quarter to take the tally to 1220 branches and 1470 ATMs as at December 31, 2014.

Performance for the quarter ended 31.12.2014 Vs quarter ended 31.12.2013

- Total Income grew by 10.24% to ₹ 2090.01 Cr as against ₹ 1895.92 Cr.
- Net profit increased by 15.02% from ₹ 230.13 Cr to ₹ 264.69 Cr.
- Net Interest Margin (NIM) at 3.20%
- Total Deposits increased by 13.53% from ₹ 57737.15 Cr to ₹ 65550.43 Cr.
- Advances increased by 15.34% from ₹ 41639.96 Cr to ₹ 48025.89 Cr.
- Investments stood at ₹ 24424.10 Cr.
- Gross NPA came down to 2.19% from 2.83%
- Net NPA improved from 0.86% to 0.69%.
- Return on Average Assets increased to 1.38% from 1.31%
- Earnings Per Share (annualized) increased from ₹ 10.76 to ₹ 12.37
- Book Value per share increased from ₹ 78.33 to ₹ 89.71
- Capital Adequacy Ratio (Basel III) stood at 14.51%
- Return on Equity improved to 14.03% from 13.86%.
- Cost to Income ratio stood at 50.77%
- CASA ratio improved from 30.36% to 30.49% as on 31/12/2014.
- NRE Deposits grew by 27.84% to ₹ 22344.11Cr from ₹ 17478.30 Cr.
- SME advances grew by 17.65% to ₹ 11988.31 Cr from ₹ 10190.23 Cr.
- Retail advances grew by 15.34% to ₹ 15689.49 Cr from ₹ 13603.07 Cr.
- Other Income increased by 40.74% and stood at ₹ 219.91 Crore vis-à-vis ₹ 156.25 Crore

WORKING RESULTS AT A GLANCE

(₹ in Crore)

	Q 3	Q 3	% y-o-y	9M	9M	% q-o-q
	2014 – 15	2013 – 14	growth	2014 – 15	2013 – 14	growth
Interest Income	1870.10	1739.67	↑ 7.50%	5511.18	5107.37	↑ 7.91%
Other Income	219.91	156.25	↑ 40.74%	572.31	515.44	↑ 11.03%
Total Income	2090.01	1895.92	↑ 10.24%	6083.49	5622.81	↑ 8.19%
Net Interest Income	587.16	545.57	↑ 7.62%	1757.18	1603.53	↑ 9.58%
Operating Profit	397.35	330.90	↑ 20.08%	1158.64	1060.35	↑ 9.27%
Provisions (incl.Tax)	132.66	100.77	↑ 31.65%	433.42	498.75	↓ 13.10%
Net Profit	264.69	230.13	↑ 15.02%	725.22	561.60	↑ 29.13%

MAJOR FINANCIAL INDICATORS

Particulars	3 Months 31.12.2014	3 Months 31.12.2013
Key Ratios		
Return on Average Assets (%)	1.38	1.31
Return on Average Equity (%)	14.03	13.86
Book Value per Share (₹)	89.71	78.33
Earnings Per Share (₹)	12.37	10.76
Business per Employee (₹ in crores)	10.19	9.74
Profit per Employee (₹ in Lakh)	9.68	9.06
Net Interest Margin (%)	3.20	3.24
Gross NPA (%)	2.19	2.83
Net NPA (%)	0.69	0.86
Provision Coverage Ratio* (%)	84.96	83.29

			(₹ in crore)
Business Figures	As on 31.12.2014	As on 31.12.2013	Growth
Total Deposits	65,550	57,737	13.53%
SB & Demand Deposits	20,352	17,939	13.45%
Term Deposits	45,198	39,798	13.57%
Net Advances	48,026	41,639	15.34%
Retail Advances	15,689	13,603	15.34%
Investments	24424	25,028	-2.41%
Gross NPA	1067	1,201	-11.18%
Net NPA	333	356	-6.55%
Capital			
Equity Capital	171.22	171.06	
Net Worth	7680	6699	14.64%
Capital Adequacy Ratio**	14.51	14.80	
Tier 1	13.97	14.21	
Tier 2	0.54	0.59	

Awards and Accolades

Federal Bank won the following awards during Q3 FY 2014-15:

- Federal Bank bagged the CNBC TV18 Financial Inclusion Award for the path breaking work done by the Bank towards the cause of Financial Inclusion and empowerment of those at the bottom layer of the economy.
- Federal Bank was chosen as the Best Bank among small banks in India in the Best Bank Survey, 2014 conducted by BusinessWorld - Price Waterhouse Coopers combine.

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A presentation for investors is being placed separately on our Bank's website : www.federalbank.co.in

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