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PRESS RELEASE

**Federal Bank Posts Robust Growth in Profits, Reports  
Annual Profit of Rs. 777 Cr.**

Board Recommends Dividend of 90 %

Federal Bank, the fourth largest private sector bank in terms of branch network, announced the Audited Financial Results for the period ended 31<sup>st</sup> March 2012. The Bank registered a profit of ` 776.79 Crore for the FY 2011-12. The Bank could deliver substantial growth in top line and bottom line despite the challenging macro environment.

The Bank intends to maintain and consolidate its leadership position and improve its reach and customer base. The Bank which embarked on its transformation journey is well on its way to position itself as a national player with focus on SME and NRI clientele.

**Performance for the year ended 31.03.2012 Vs year ended 31.03.2011**

- Total income for the year grew by 33.31% to ` 6091 Cr.
- Net profit at ` 776.79 Cr, growth of 32.31 %
- Net Interest Margin (NIM) at 3.79 %
- Total Deposits increased by 13.77 % from ` 43014.78 Cr to ` 48937.12 Cr
- Advances increased by 18.16 % from ` 31953.23 Cr to ` 37755.99 Cr
- Investments increased by 19.71 % from ` 14 537.67 Cr to ` 17402.49 Cr
- Net NPA stood at ` 199 Cr.
- Return on Average Assets improved from 1.34% to 1.41 %
- Earnings Per Share improved from ` 34.32 to ` 45.41
- Book Value per share increased to ` 333.61
- Capital Adequacy Ratio stood at 16.64 %
- Return on Equity improved from 11.98% to 14.37 %
- Cost to Income ratio stood at 39.40 %

**WORKING RESULTS AT A GLANCE**

(` in Crore)

Particulars	Q4	Q4	% y-o-y growth	12 M	12 M	% y-o-y growth
	2011-12	2010-11		2011 -12	2010 - 11	
Interest Income	1479.02	1100.02	↑ 34.45 %	5558.39	4052.03	↑ 37.18 %
Other Income	160.55	141.19	↑ 13.71 %	532.34	516.81	↑ 3.00 %
Total Income	1639.57	1241.21	↑ 32.09 %	6090.73	4568.84	↑ 33.31 %
Net Interest Income	491.21	447.64	↑ 9.73 %	1953.40	1746.58	↑ 11.84 %
Operating Profit	372.43	350.22	↑ 6.34 %	1506.47	1427.25	↑ 5.55 %
Provisions (incl.Tax)	134.83	178.50	↓ 24.46 %	729.68	840.17	↓ 13.15 %
Net Profit	237.60	171.72	↑ 38.37 %	776.79	587.08	↑ 32.31 %

The total income for the year went up by 33.31 % to ₹ 6090.73 Cr from ₹ 4568.84 Cr reported in the previous fiscal. The interest earned for the year ending March 31, 2012 increased by 37.18 % to ₹ 5558.39 Cr from ₹ 4052.03 Cr as on 31.3.2011.

The Bank reported net profit for the quarter ended March 2012 of ₹ 237.60 Cr with y-o-y growth of 38.37 %.

Net interest margin for the year stood at 3.79 %. The Return on Average Assets and Capital Adequacy Ratio were at 1.41 % and 16.64 % respectively as on 31.3.2012, compared to 1.34 % and 16.79 % as on 31.3.2011. The business per employee and profit per employee as on March 31, 2012 increased to ₹ 10.11 Cr and ₹ 9.11 L respectively from ₹ 9.23 Cr and ₹ 7.26 L as on March 31, 2011. The Cost to Income ratio is 39.40 % as on 31.3.2012 against 36.94 % as on 31.3.2011

The Earning per Share (annualized), Book Value per share and Return on average Equity (RoE) for the quarter ended 31.3.2012 stood at ₹ 55.56, ₹ 333.61 and 16.74 % respectively as against ₹ 40.16, ₹ 298.67 and 13.45 % respectively as at March 31, 2011.

### **GROWTH IN BUSINESS**

Total business of the Bank reached ₹ 86,693.11 Crore, showing an increase of 15.64 % on a y-o-y basis. Total deposits increased by 13.77 % from ₹ 43014.78 Crore as on 31.3.2011 to ₹ 48937.12 Crore as on 31.3.2012. NRI deposits clocked an increase of 35.09 % from March 2011, to reach ₹ 11,184.34 Cr. Retail deposits grew by 23.59 % to touch ₹ 41279.17 Cr. CASA deposits also showed a growth of 17.67 % to reach ₹ 13401.67 Cr.

Net Advances went up by 18.16 % to ₹ 37755.99 Crore as on 31.03 2012 from ₹ 31953.23 Crore as on 31.03.2011. This growth was contributed by SME, corporate advances and retail segments. The retail advances of the Bank form 27.37 % of the gross advances while SME contributes 26.98 %. The advance to priority sector was at ₹ 12652.54 Cr as on 31.03.2012. Lending to Agriculture sector was at ₹ 4318.74 Crore with a growth of 15.21 %.

### **NET WORTH & CAPITAL ADEQUACY**

The Net Worth of the Bank increased to ₹ 5706.33 Cr as on 31.3.2012. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel II guidelines, stands at a very comfortable level of 16.64 % as on 31.3.2012. The Tier-1 (core CRAR) capital is at 15.86 %.

### **DIVIDEND**

The Board of Directors recommended a dividend of ₹ 9 per equity share of ₹ 10 for the year ended March 31, 2012, as against ₹ 8.50 per equity share for the previous year. This would be subject to approval by the share holders at the next annual general meeting.

### **ASSET QUALITY**

The Bank's Gross NPA and Net NPA stand at 3.35 % and 0.53 % respectively as against 3.49 % and 0.60 % as at the end of March 2011. The total provisions held against non-performing advances, expressed as a percentage of gross NPAs amounted to 81.13 % at the end of the fourth quarter of FY 2011-12.

**MAJOR FINANCIAL INDICATORS**

(₹ in Crore)

Particulars	3 Months 31.3.2012	3 Months 31.3.2011	% Growth	Financial Year ended 31.03.2012
<b>Income &amp; Expenses</b>				
Interest Income	1479.02	1100.02	34.45	5558.39
Other Income	160.55	141.19	13.71	532.34
Total Income	1639.57	1241.21	32.09	6090.73
Total Expenditure	1267.14	890.99	42.22	4584.26
Operating Profit	372.43	350.22	6.34	1506.47
Net Profit	237.60	171.72	38.37	776.79
Earnings Per Share (annualised) (₹)	55.56	40.16		45.41
<b>Business Figures</b>	<b>As on 31.3.2012</b>		<b>As on 31.3.2011</b>	<b>Growth</b>
Total Deposits	48937.12		43014.78	13.77
SB & Demand Deposits	13475.86		11554.10	16.63
Term Deposits	35461.26		31460.68	12.72
Net Advances	37755.99		31953.23	18.16
Retail Advances	10622.73		9435.95	12.58
Investments	17402.49		14537.67	19.71
Gross NPA (%)	3.35		3.49	
Net NPA (%)	0.53		0.60	
<b>Capital</b>				
Equity Capital	171.05		171.05	
Net Worth	5706.33		5108.66	11.70
Capital Adequacy Ratio	16.64		16.79	
Tier 1	15.86		15.63	
Tier 2	0.78		1.16	

**CUSTOMER TOUCHPOINTS**

As on date, the Bank has 950 branches and 1016 ATMs. The Bank has plans to take the number of the branches to 1000 before the end of the second quarter of FY 2012-13. Bulk of the expansion will be in the 5 states identified by the Bank for organic growth.

**NEW INITIATIVE**

The Bank launched a consumer reward program titled 'Utsav' to reward its customers on use of Bank's debit card for spends over POS terminals/ Payment gateways. The customers can redeem the accumulated points against merchandise and for buying movie/ bus/ air tickets.

## **AWARDS**

Bank has won two awards within a span of three months for its achievements in the field of Corporate Social Responsibility (CSR). The first award was the Global Social Responsibility Award for “Best Corporate Responsibility Practice overall”. The second award Bank was conferred for is the Golden Peacock Award for Social Responsibility by a jury under the Chairmanship of Justice P N Bhagavathi, former Chief Justice of India and member, UN Human Rights Commission.

The Bank also won the international ACI Excellence Awards 2012 in the Payments Transformation category for two of the projects, VISA Fast Funds using VISA debit cards and Bank’s Aadhaar (UID) based Authentication for Payments.

### **ANAND CHUGH CHIEF MANAGER (MARKETING DEPARTMENT)**

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*A presentation for investors is being placed separately on our Bank's website : [www.federalbank.co.in](http://www.federalbank.co.in)*

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