

PRESS RELEASE

Federal Bank Net Profit more than doubles to ₹ 220 Crore

Federal Bank announced Unaudited Financial Results for the quarter ended 30th June 2014. Putting up an impressive performance during the quarter, the Net profit of the Bank more than doubled to ₹ 220.23 Crore as against ₹ 105.66 Crore earned during Q1 of FY 2013-14.

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

Asset Quality – Asset quality continued to improve. On a sequential basis, the **Gross NPA** of the Bank came down from ₹ 1087 Crore to ₹ **1016 Crore** and Gross NPA as a percentage to Gross Advances came down by 24 bps from **2.46%** to **2.22%**. **Net NPAs** also fell sequentially from ₹ 322 Crore to ₹ **304 Crore** during the period. Net NPAs as a percentage decreased by 6 bps from 0.74% to **0.68%** on a sequential basis. Even on a Y-o-Y basis, the Gross and Net NPA came down in absolute and percentage terms. Gross NPAs fell from ₹ 1483 Crore to ₹ 1016 Crore (3.51% to 2.22%, fall of 129 bps), while Net NPAs fell from ₹ 374 Crore to ₹ 304 Crore (0.91% to 0.68%, fall of 23 bps). PCR (Provision Coverage Ratio) including written off assets improved from 83.00% to 84.92% on a YoY basis.

Deposits – Total deposits of the Bank grew by ₹ **2084 Crore (3.49%)**, from ₹ 59731 Crore to ₹ **61815 Crore**. The Bank added ₹ **607.52 Crore of CASA during the quarter**, which was led by growth in Savings Bank deposits to the tune of ₹ **561.39 Crore**.

Advances – **Advances** of the Bank grew by ₹ **1576 Crore (3.63%)**, from ₹ 43436 Crore to ₹ **45012 Crore** on a sequential basis.

Performance for the quarter ended 30.06.2014 vs quarter ended 30.06.2013

- Total income for Q1 grew by 3.16 % on a y-o-y basis to ₹ 1,928.04 Cr.
- Net profit up by 108.43% to reach ₹ 220.23 Cr.
- Net Interest Margin (NIM) at 3.25 %
- Net Interest Income increased by 10.72% to ₹ 564.22 Cr
- Total Deposits increased by 8.46 % from ₹ 56,995.66 Cr to ₹ 61,815.36 Cr
- Advances increased by 9.08% from ₹ 41,263.05 Cr to ₹ 45,011.62 Cr
- SME Advances registered a growth of 30% to reach ₹ 11,201.62
- Investments at ₹ 23,563.98 Cr
- Net NPA dropped from 0.91% to 0.68 %

- Return on Average Assets increased from 0.61 % to 1.22%
- Earnings Per Share increased to ₹ 10.30 from ₹ 4.94.on an annualized basis.
- Book Value per share increased to ₹ 83.84 from ₹ 73.06.
- Capital Adequacy Ratio (Basel III) at 15.16 %
- Return on Equity increased to 12.54% from 6.77%
- Cost to Income stood at 51.23%
- Savings deposits grew by 14.73% to reach ₹ 15,845.65 Crore
- CASA ratio improved by 179 bps from 28.96% to reach 30.75%.
- CASA grew by 15.18% to reach ₹ 19,008.31
- NRE deposits grew by 31.97% to reach ₹ 19,938.12 Crore

WORKING RESULTS AT A GLANCE

(₹ in Crore)

Particulars	Q1	Q1	% y-o-y growth
	2014-15	2013-14	
Interest Income	1771.50	1653.26	↑ 7.15 %
Other Income	156.54	215.79	↓ 27.46 %
Total Income	1928.04	1869.05	↑ 3.16 %
Net Interest Income	564.22	509.61	↑ 10.72 %
Operating Profit	351.53	390.54	↓ 9.99 %
Provisions (incl.Tax)	131.30	284.88	↓ 53.91 %
Net Profit	220.23	105.66	↑ 108.43%

NET WORTH & CAPITAL ADEQUACY

The Net Worth of the Bank increased to Rs. 7171.15 Cr as on 30.06.2014. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines, stands at a comfortable level of 15.16% as on 30.06.2014. The Tier-I (core CRAR) capital stood at 14.56 %.

MAJOR FINANCIAL INDICATORS

(₹ in Crore)

Particulars	3 Months 30.6.2014	3 Months 30.6.2013	% Growth	Financial Year ended 31.03.2014
Income & Expenses				
Interest Income	1771.50	1653.26	7.15 %	6946.07
Other Income	156.54	215.79	-27.46 %	693.85
Total Income	1928.04	1869.05	3.16 %	7639.92
Total Expenditure	1576.51	1478.51	6.63 %	6159.53
Operating Profit	351.53	390.54	-9.99 %	1480.39
Net Profit	220.23	105.66	108.43%	838.89
Earnings Per Share (annualized) (₹)	10.30	4.94		9.81

Business Figures	As on 30.6.2014	As on 30.6.2013	Growth
Total Deposits	61815.36	56995.66	8.46
SB & Demand Deposits	19327.51	16679.41	15.87
Term Deposits	42487.85	40316.26	5.39
Net Advances	45011.62	41263.05	9.08
Retail Advances	14496.31	13202.78	9.80
Investments	23563.98	24040.19	-1.98
Gross NPA (%)	2.22	3.51	
Net NPA (%)	0.68	0.91	
Capital			
Equity Capital	171.07	171.06	
Net Worth	7171.15	6248.92	14.76
Capital Adequacy Ratio	15.16	14.27	
Tier 1	14.56	13.60	
Tier 2	0.60	0.67	

Footprint Expansion

The Bank continued to expand its footprint and added 29 branches and 33 ATMs during the quarter to take the tally to 1203 branches and 1392 ATMs as at June 30, 2014.

Brand Campaign

The Bank launched its first-ever brand centric campaign in association with its new advertising partner, Ogilvy. Centering on the theme of long lasting partnerships, Federal Bank – ‘Your Perfect Banking Partner’ – released a series of emotionally appealing and heart rendering television commercials (TVCs) on national and regional television channels.

AWARDS

Federal Bank won the Greentech HR Award 2014 during the quarter for its Innovative practices in Recruitment. The quarter also witnessed the Bank receiving the Finacle Client Innovation Award - 2014 for the category "HIGHLY COMMENDED PRODUCT AND DISTRIBUTION INNOVATION" from Infosys for its innovative Mobile based passbook - 'FedBook'. The Bank also won the ACI Excellence Award 2014 in the category "Customer Service".

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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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