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PRESS RELEASE

Federal Bank Delivers Q3 Net Profit of ₹ 211 Crore

Federal Bank announced its unaudited financial results for the quarter ended 31.12.2012. It registered quarterly profits of ₹ 211 Crore. The Bank intends to maintain and establish its leadership position by the balanced growth pattern it pursues. .

Major Highlights:9 months performance

- Total Income grew by 13.49% to ₹ 5051.70 Cr.
- Other Income grew by 25.77 % to ₹ 467.59 Cr.
- Interest Income grew by 12.37% to ₹ 4584.11 Cr.
- Operating profit at ₹ 1090.09 Cr and Net Profit at ₹ 616.23 Cr.
- Net Interest Margin (NIM) at 3.49 %
- Total Business grew by 13.95% to ₹ 91101.34 Cr.
- Retail Customer Deposits increased by 17.55% to ₹ 45468 Cr.
- Current Account grew by 31.62% to Rs ₹ 2744 Cr.
- Share of CASA went up by 1%.
- Share of Purchase funds reduced to 11.50% from 16.8%
- Advances increased by 18.94 % to ₹ 39494.03 Cr.
- Retail Advances grew by 23.61% to ₹ 12201 Cr.
- SME and Agri grew by 22.21% to ₹ 12053 Cr.
- Return on Average Assets stood at 1.36 %
- Earnings Per Share (annualized) improved from ₹ 42.03 to ₹ 48.04
- Capital Adequacy Ratio stood at 14.92 %
- Return on Equity is at 13.66%
- Cost to Income ratio is at 44.45%
- Net NPA at 0 .92%

WORKING RESULTS AT A GLANCE

(₹ in Crore)

	Q 3	Q 3	% y-o-y growth	9 M	9 M	% y-o-y growth
	2012 – 13	2011 – 12		2012 – 13	2011 – 12	
Interest Income	1521.77	1466.83	↑ 3.75 %	4584.11	4079.37	↑ 12.37 %
Other Income	203.85	137.93	↑ 47.79 %	467.59	371.79	↑ 25.77 %
Total Income	1725.62	1604.76	↑ 7.53 %	5051.70	4451.16	↑ 13.49 %
Net Interest Income	497.35	528.03	↓ 5.81 %	1494.90	1462.19	↑ 2.24 %
Operating Profit	393.94	418.72	↓ 5.92 %	1090.09	1134.04	↓ 3.88 %
Provisions (incl.Tax)	183.16	216.85	↓ 15.54 %	473.86	594.85	↓ 20.34 %
Net Profit	210.78	201.87	↑ 4.41 %	616.23	539.19	↑ 14.29 %

The total income for the Nine Months period went up by 13.49% on a y-o-y basis to ₹ 5051.70 Cr from ₹4451.16Cr reported for corresponding period of the previous fiscal. The interest earned for the period ending December 31, 2012 increased by 12.37 % to ₹ 4584.11 from ₹ 4079.37 Cr. Other Income of the Bank increased substantially by 25.77% to ₹ 467.59 Cr from ₹ 371.79 Cr.

The Bank reported quarterly net profit for the quarter ended December 2012 of ₹ 210.78 Cr with y-o-y growth of 4.41%.The total income for third quarter went up by 7.53 % on a y-o-y basis to ₹ 1725.62 Cr from ₹1604.76 Cr reported for corresponding period of the previous fiscal. The interest earned for the three months period ending December 31, 2012 increased by 3.75 % on a y-o-y basis to ₹ 1521.77 from ₹ 1,466.83 Cr.

Net interest margin for the quarter stood at 3.47%. The Net NPA, Return on Average Assets and Capital Adequacy Ratio stood at 0.92%, 1.37% and 14.92% respectively as on 31.12.2012. The business per employee and profit per employee as on December 31, 2012 is at ₹ 947 L and ₹ 8.78 L respectively. The Cost to Income ratio stood at 43.82% as on 31.12.2012.

The Earning per Share (annualized), Book Value per share and Return on average Equity (RoE) for the quarter ended 31.12.2012 stood at ₹ 49.29, ₹ 369.63 and 13.56 % respectively as against ₹ 47.21, ₹ 330.19 and 14.56 % respectively as at December 31, 2011.

GROWTH IN BUSINESS

Total business of the Bank reached ₹ 91,101.34 Crore, showing an increase of 13.95 % on a y-o-y basis. Total deposits increased by 10.41 % from ₹ 46,742.46 Crore as on 31.12.2011 to ₹ 51,607.31 Crore as on 31.12.2012. NRI deposits clocked an increase of 34.98 % from December 2011, to reach ₹14,234.82 Cr. Retail deposits grew by 17.55% to touch ₹ 45467.87 Cr. During the period there has been substantial growth in Savings and current Deposits of the bank to the tune of 26 % registering a 1% share in the overall deposit.

Net Advances went up by 18.94 % to ₹ 39,494.03 Crore as on 31st December 2012 from ₹ 33,206.07 Crore as on 31st December 2011. This growth was contributed by SME and Retail segments. The retail advances of the Bank forms 30.01 % of the gross advances while SME contributes 29.64 %. The advance to priority sector is at ₹ 14,106.62 Cr as on 31st December 2012. Lending to Agriculture sector is at ₹ 4,692.33 Crore as on 31.12.2012, growing at 12.45%.

NET WORTH & CAPITAL ADEQUACY

The Net Worth of the Bank increased to ₹ 6,322.58 Cr as on 31.12.2012. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel II guidelines, stands at a very comfortable level of 14.92 % as on 31.12.2012. The Tier-1 (core CRAR) capital is at 14.29 %

ASSET QUALITY

The Bank's Gross NPA and Net NPA stand at 3.85 % and 0.92 % respectively as against 3.97% and 0.74 % as at the end of December 2011. The total provisions held against non-performing advances, expressed as a percentage of gross NPAs amounted to 74.53 % at the end of the third quarter of FY 2012-13.

MAJOR FINANCIAL INDICATORS

(₹ in Crore)

Particulars	3 Months 31.12.2012	3 Months 31.12.2011	% Growth	Financial Year ended 31.03.2012
Income & Expenses				
Interest Income	1521.77	1466.83	↑ 3.75 %	5558.39
Other Income	203.85	137.93	↑ 47.79 %	532.34
Total Income	1725.62	1604.76	↑ 7.53 %	6090.73
Total Expenditure	1331.68	1186.04	↑ 12.28 %	4584.26
Operating Profit	393.94	418.72	↓ 5.92 %	1506.47
Net Profit	210.78	201.87	↑ 4.41 %	776.79
Earnings Per Share (₹)	49.29	47.21	----	45.41
Business Figures	As on 31.12.2012	As on 31.12.2011	Growth	
Total Deposits	51,607	46742	10.41 %	
SB & Demand Deposits	15,203	13396	13.49 %	
Term Deposits	36,404	33346	9.17 %	
Net Advances	39,494	33206	18.94 %	
Retail Advances	12,201	9870	23.61 %	
Investments	19,433	18645	4.23 %	
Gross NPA (%)	3.85 %	3.97 %		
Net NPA (%)	0.92 %	0.74 %		

Capital			
Equity Capital	171.05	171.05	
Net Worth	6323	5648	11.95%
Capital Adequacy Ratio	14.92%	15.91 %	
Tier 1	14.29%	14.99 %	
Tier 2	0.63%	0.92%	

NEW INITIATIVES

With 1028 branches and 1143 ATMs spread across the country Federal Bank envisages to offer its customers personalized and technology driven services, the best of its kind in the industry. The bank holds license for opening 67 new branches at major centers across India. With low interest and liberal terms the bank has tailored retail advance products, targeting specific segments of customers, with special thrust on Housing and Auto Loans.

ANAND CHUGH

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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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