

April 27, 2013

PRESS RELEASE

Federal Bank Consolidated Net Profit Grows by 13.12% to ₹ 852 Crore

Federal Bank announced its audited financial results for the year ended 31.03.2013. The Bank clocked consolidated annual profit of ₹ 852.66 Crore, registering growth of 13.12% during FY 12-13. The standalone profit of the Bank grew to reach ₹ 838.17 Crore

The Bank's Retail, SME and NRI franchise were the key drivers of growth during the year. **Retail advances grew by 25.47% during FY 12-13 to reach ₹ 13328 Crore.** This comes on the back of 12.58% growth recorded in retail advances in FY 11-12 when it grew from ₹ 9436 Crore to ₹ 10623 Crore. Retail deposits grew by 17.45% to reach ₹ 48,484 Crore. **Advances to SMEs grew by 22.44% to reach ₹ 12820 Crore.** Comparable growth in SME advances during FY 11-12 was 9.49% to ₹ 10471 Crore.

The Bank crossed an important milestone of ₹ 1 Lakh Crore business mix during the last quarter of the fiscal year.

Major highlights: FY 2012-13 (Standalone nos.)

- Total income for the year grew by 12.17% to ₹ 6832.01 Crore.
- **Other Income grew by 24.81% to ₹ 664.44 Crore**
- Net profit at ₹ 838.17 Crore, growth of 7.90 %
- Net Interest Income stood at ₹ 1974.66 Crore
- Net Interest Margin (NIM) at 3.37 %
- Total Deposits increased by 17.73% from ₹ 48937.12 Cr to ₹ 57614.86 Cr
- **Average CASA increased by 23.49% from ₹ 11630 Cr to ₹ 14362 Cr**
- Advances increased by 16.79 % from ₹ 37755.99 Cr to ₹ 44096.71 Cr
- Investments increased by 21.56 % from ₹17402.49 Cr to ₹ 21154.59 Cr
- Net NPA stood at ₹ 431.94 Cr.
- Return on Average Assets stood at 1.35%
- Earnings Per Share improved from ₹ 45.41 to ₹ 49
- Book Value per share increased from ₹ 333.61 to ₹364.74
- Capital Adequacy Ratio stood at 14.73%
- Return on Equity stood at 14.03 %
- Cost to Income ratio stood at 44.69%

WORKING RESULTS AT A GLANCE (Standalone nos.)

(₹ in Crore)

Particulars	Q4	Q4	% y-o-y growth	12 M	12 M	% y-o-y growth
	2012-13	2011-12		2012 –13	2011 – 12	
Interest Income	1583.46	1479.02	↑ 7.06 %	6167.57	5558.39	↑ 10.96 %
Other Income	196.85	160.55	↑ 22.61 %	664.44	532.34	↑ 24.81 %
Total Income	1780.31	1639.57	↑ 8.58 %	6832.01	6090.73	↑ 12.17 %
Net Interest Income	479.76	491.21	↓ 2.33 %	1974.66	1953.40	↑ 1.09 %
Operating Profit	369.47	372.43	↓ 0.79 %	1459.56	1506.47	↓ 3.11 %
Provisions (incl.Tax)	147.53	134.83	↑ 9.42 %	621.39	729.68	↓ 14.84 %
Net Profit	221.94	237.60	↓ 6.59 %	838.17	776.79	↑ 7.90 %

The total income for the year went up by 12.17 % to ₹ 6832.01 Cr from ₹ 6090.73 Cr reported in the previous fiscal. The interest earned for the year ended March 31, 2013 increased by 10.96 % to ₹ 6167.57 Cr from ₹ 5558.39 Cr as on 31.3.2012.

Net Interest Margin, Return on Average Assets and Capital Adequacy Ratio stood at 3.37%, 1.35% and 14.73% respectively as on 31.3.2013. Business per employee grew from ₹ 10.13 Cr to ₹ 10.75 Cr on a Y-o-Y basis. Profit per employee stood at ₹ 8.91 L as on March 31, 2013. The Cost to Income ratio stood at 44.69% as on 31.3.2013

The Earning per Share (annualized), Book Value per share and Return on average Equity (RoE) for the year ended 31.3.2013 stood at ₹ 49, ₹ 364.74 and 14.03 % respectively as against ₹ 45.41, ₹ 333.61 and 14.37 % respectively as at March 31, 2012.

GROWTH IN BUSINESS

Total business of the Bank reached ₹ 1,01,711.57 Crore, showing an increase of 17.32 % on a y-o-y basis. Total deposits increased by 17.73 % from ₹ 48937.12 Crore as on 31.3.2012 to ₹ 57614.86 Crore as on 31.3.2013.

NRE deposits clocked an increase of 65.21 % to reach ₹ 13,156.98 Cr. Retail deposits grew by 17.45 % to touch ₹ 48484.37 Cr. CASA deposits also showed a growth of 15.80 % to reach ₹ 15518.80 Cr.

Net Advances went up by 16.79 % to ₹ 44096.71 Crore as on 31.03 2013 from ₹37755.99 Crore as on 31.03.2012. This growth was contributed by SME, corporate advances and retail segments. The retail advances of the Bank form 29.49 % of the gross advances while SME contributes 28.37 %. The advance to priority sector was at ₹ 11794.97 Cr and to Agriculture sector at ₹ 4702.80 Crore as on 31.03.2013.

NET WORTH & CAPITAL ADEQUACY

The Net Worth of the Bank increased to ₹ 6239.27 Cr as on 31.3.2013. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel II guidelines, stands at a very comfortable level of 14.73 % as on 31.3.2013. The Tier-1 (core CRAR) capital is at 14.09 %.

DIVIDEND

The Board of Directors recommended a dividend of ₹ 9 per equity share of ₹ 10 for the year ended March 31, 2013, which is the same as that for FY 11-12. 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 stood at 3.44% and 0.98% respectively as at the end of March 2013. The total provisions held against non-performing advances, expressed as a percentage of gross NPAs amounted to 80.96 % (including technically written off accounts) at the end of FY 2012-13.

MAJOR FINANCIAL INDICATORS (Standalone nos.)

(₹ in Crore)

Particulars	3 Months 31.3.2013	3 Months 31.3.2012	% Growth	Financial Year ended 31.03.2013	
Income & Expenses					
Interest Income	1583.46	1479.02	↑ 7.06	6167.57	
Other Income	196.85	160.55	↑ 22.61	664.44	
Total Income	1780.31	1639.57	↑ 8.58	6832.01	
Total Expenditure	1410.84	1267.14	↑ 11.34	5372.45	
Operating Profit	369.47	372.43	↓ 0.79	1459.56	
Net Profit	221.94	237.60	↓ 6.59	838.17	
Earnings Per Share (annualised) (₹)	51.90	55.56		49.00	
Business Figures	As on 31.3.2013		As on 31.3.2012		Growth
Total Deposits	57614.86		48937.12		17.73
SB & Demand Deposits	15652.13		13475.85		16.15
Term Deposits	41962.73		35461.27		18.33
Net Advances	44096.71		37755.99		16.79
Retail Advances	13327.81		10622.73		25.47
Investments	21154.59		17402.49		21.56
Gross NPA (%)	3.44		3.35		
Net NPA (%)	0.98		0.53		
Capital					
Equity Capital	171.06		171.05		0.01
Net Worth	6239.27		5706.33		9.34
Capital Adequacy (%)	14.73		16.64		
Tier I (%)	14.09		15.86		
Tier II (%)	0.64		0.78		

CUSTOMER TOUCHPOINTS

As on date, the Bank has 1103 branches and 1187 ATMs compared with 950 branches and 1005 ATMs as at March 31, 2012. The Bank intends to expand its network in select states during the current fiscal.

AWARDS

During the year, the Bank received IDRBT Banking Technology Excellence Best Bank Award among Small Banks for 'Mobile Banking and Electronic Payments' and Best Bank Award among Small Banks for 'CRM and Business Intelligence Initiatives'. The Bank also received ACI Excellence Awards for Best Innovative Product "Apna Gold 24*7".

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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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