

PRESS RELEASE**Federal Bank Net profit up by 20% at ₹1005.75 Cr**

Federal Bank announced the audited financial results for the year ended 31st March 2015 today at Kochi. The Bank recorded strong performance in terms of growth in all key parameters despite the challenging environment. The key highlights of the results are:

- Net Profit breaches ₹ 1000 Cr landmark
- Both Deposits and Advances outgrow Industry by more than 40%
- Gross NPA reduced by one-third over a period of 2 years, bucking Industry trend

Operating Profit & Net Profit

The Bank posted its highest ever Operating Profit and Net Profit, the latter breaching the ₹ 1000 Cr landmark for the first time in history. Net Profit grew 20% YOY from ₹838.89 Cr in FY14 to ₹1005.75 Cr in FY15. Operating Profit grew 9.96% from ₹1480.39 Cr in FY 14 to ₹1627.79 Cr in FY15. Other income grew 26.58% from ₹693.85 Cr as on 31.03.2014 to ₹878.31 Cr as on 31.03.2015.

Margins

Net Interest Income grew 6.81% from ₹2228.61 Cr in FY14 to ₹2380.41 Cr in FY15. Net Interest Margin improved sequentially by 11 basis points from 3.20% to 3.31%.

Balance Sheet

The Total Business of the Bank increased by 18.36% to ₹122109.98 Cr for the year ended 31st March 2015.

Total Deposits of the Bank as on 31st March 2015 stood at ₹70824.99 Cr, up 18.57% over the year ended 31st March, 2014 as against an Industry growth rate of 12.78%. NRE Deposits recorded an impressive growth of 27.71% to ₹24230.90 Cr from ₹18973.56 Cr as on 31st March 2014. CASA grew 17.11% to reach ₹21549.57 Cr as on 31st March 2015. CASA as a percentage to Total Deposits stood at 30.43%.

Net Advances outpaced industry growth of 12.64% by growing 18.07% to reach 51284.99 Cr as on 31st March 2015. While Retail Advances went up by 14.24% to ₹ 16134.58 Cr, SME Advances posted a 17.21% increase to reach ₹ 12917.84 Cr. Agricultural Advances increased 22.83% to ₹ 6311.86 Cr as on 31st March 2015. Priority Sector Lending of the Bank registered a healthy increase of 29.30% from

₹16141.47 Cr as in FY14 to ₹20870.27 Cr in FY15. Priority Sector Advances as a percentage to ANBC stood at 44.34%, well above the mandated 40%.

Asset Quality

The bank continued to improve its Asset Quality in FY15. Gross NPA de-grew by 2.73% and stood at ₹1057.73 Cr as against ₹1087.41 Cr as on 31st March 2014. Net NPA stood at ₹ 373.27 Cr as on 31st March 2015. Gross NPA as a percentage of Gross Advances reduced by 42 bps to 2.04% from 2.46% as on 31st March 2015. Net NPA as a percentage to Net Advances stood at 0.73% as against 0.74% in FY14. The Provision Coverage Ratio (including technical write-offs) stood at a healthy 83.94%. The total of restructured standard assets and Gross NPA as a percentage of gross advances came down from 8.18% to 7.05% on a YOY basis.

NET WORTH & CAPITAL ADEQUACY

The Net Worth of the Bank increased to ₹ 7738.14 Cr as on 31.3.2015. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines, stands at a comfortable level of 15.46 % as on 31st March 2015.

The Earning per Share (annualized) and Book Value per share for the year ended FY15 increased to ₹ 11.75 and ₹ 90.33 as against ₹ 9.81 and ₹ 80.36 in FY14. Return on average Equity (RoE) and Return on Assets for the year ended 31.03.2015 increased to 13.77 % & 1.32 % resp. from 12.80 % & 1.20 % resp. as on 31.03.2014.

DIVIDEND

The Board of Directors recommended 110% dividend for the year ended March 31, 2015 (₹ 2.20 per equity share of ₹ 2 face value). This would be subject to approval by the share holders at the forthcoming annual general meeting.

Footprint

The Bank continued to expand its footprint and added 73 branches and 126 ATMs during the year to take the tally to **1247 branches** and **1485 ATMs** as on 31st March 2015. The Bank also has its Representative Office at Abudhabi, UAE.

Major Highlights: FY 2014-15 (Standalone nos.)

- Total income for the year grew by 8.61% to ₹ 8297.77 Cr.
- Other Income grew by 26.58 % from ₹ 693.85 Cr to 878.31 Cr
- Net profit increased by 20% to 1005.75 Cr from ₹ 838.89 Cr.
- Net Interest Income increased by 6.81 % to ₹ 2380.41 Cr.
- Net Interest Margin (NIM) stood at 3.27 %

- Total Deposits increased by 18.57 % from ₹ 59731.28 Cr to ₹ 70824.99 Cr
- CASA increased by 17.11% from ₹ 18400.79 Cr to ₹ 21549.57 Cr
- Advances of the Bank increased by 18.07 % from ₹ 43436.10 Cr to ₹ 51284.99Cr
- Investments stood at ₹ 24409.19 Cr
- Gross NPA of the Bank is at 2.04%
- Net NPA at 0.73%.
- Return on Average Assets increased to 1.32% from 1.20%
- Earnings Per Share increased to ₹ 11.75 from ₹ 9.81
- Book Value per share increased from ₹ 80.36 to ₹ 90.57
- Capital Adequacy Ratio as per Basel III stood at 15.46%
- Return on Equity increased to 13.75% from 12.80%
- Cost to Income ratio stood at 50.05%

WORKING RESULTS AT A GLANCE (Standalone nos.)

Particulars	Q4	Q4	% y-o-y growth	12 M	12 M	% y-o-y growth
	2014-15	2013-14		2014 -15	2013 -14	
Interest Income	1908.28	1838.70	↑ 3.78 %	7419.46	6946.07	↑ 6.82 %
Other Income	306	178.41	↑ 71.52 %	878.31	693.85	↑ 26.58 %
Total Income	2214.28	2017.11	↑ 9.77 %	8297.77	7639.92	↑ 8.61 %
Net Interest Income	623.23	625.08	↓ 0.30 %	2380.41	2228.61	↑ 6.81 %
Operating Profit	469.15	420.04	↑ 11.69 %	1627.79	1480.39	↑ 9.96 %
Provisions (incl.Tax)	188.62	142.75	↑ 32.13 %	622.04	641.50	↓ 3.03 %
Net Profit	280.53	277.29	↑ 1.17 %	1005.75	838.89	↑ 19.89 %

MAJOR FINANCIAL INDICATORS (Standalone nos.)

Business Figures	(₹ in Cr)		
	As on 31.3.2015	As on 31.3.2014	Growth (%)
Total Deposits	70824.99	59731.28	↑ 18.57 %
SB & Demand Deposits	21783.50	18663.84	↑ 16.71 %
Net Advances	51284.99	43436.10	↑ 18.07 %
Retail Advances	16134.58	14123.63	↑ 14.24 %
SME Advances	12917.84	11021.43	↑ 17.21 %
Agri Advances	6311.86	5138.87	↑ 22.83 %
Gross NPA (%)	2.04	2.46	
Net NPA (%)	0.73	0.74	
Capital			
Equity Capital	171.33	171.06	

Net Worth	7738.14	6873.30	↑ 12.88 %
Capital Adequacy (%)	15.46	15.14	
Tier I (%)	14.81	14.59	
Tier II (%)	0.65	0.55	

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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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