

October 16, 2020

PRESS RELEASE

**Federal Bank registers 40% growth in Operating Profit** Federal Bank announced Unaudited Financial Results for the quarter ended 30<sup>th</sup> September 2020. Highlights of the results on a Y-o-Y basis are as follows:

- Operating profit of the Bank increased by 40% to reach Rs.1006.53 Cr
- Net Interest income grew by 22.79%
- Gold Loans registered handsome growth of 54.02%
- CASA ratio improved to 33.68%
- Total Advances increased by 6.45%
- Total Deposits increased by 12.33%
- NR deposits registered a growth of 16.83%

Commenting on the results and financial performance, Mr. Shyam Srinivasan, Managing Director & CEO, Federal Bank said, the Bank could deliver highest ever operating profit, which crossed Rs.1000 Cr for the first time in the history of the Bank. Low risk and high yielding product like Gold Loan registered handsome growth. Net Interest Income registered robust growth, which helped improve NIMs as well. The Bank continues to weather the turbulences in the external environment by returning strong numbers for CASA and Asset Quality. As a prudent step and as part of strengthening the balance sheet, the Bank made standard asset provisions of Rs.402 Cr, taking the total to Rs. 588 Cr held as at end of Q2.

**WORKING RESULTS AT A GLANCE**

(Rs. in Crore)

Particulars	Q2	Q2	% y-o-y growth
	2020-21	2019-20	
Operating Profit	1006.53	718.80	↑40.03%
Net Interest Income	1379.87	1123.77	↑22.79%
Total Income	3997.25	3675.15	↑08.76%

**Balance Sheet**

Total Business of the Bank reached Rs.279659.39 Cr registering a growth of 9.48% as on 30<sup>th</sup> September 2020. Total Advances grew from Rs. 117622.36 Cr to Rs.125208.57 Cr. Total Deposits increased from Rs. 139546.52 Cr as on 30<sup>th</sup> September 2019 to Rs.156747.39 Cr as on 30<sup>th</sup> September 2020.

NRE Deposits of the Bank grew from Rs. 52690.21 Cr to Rs.61560.46 Cr registering a growth of 16.83%. CASA Deposits clocked a growth of 20% Y-o-Y to reach Rs. 52786 Cr.

On the Asset side, Gold Loans continued their impressive run with a growth of 54.02% reaching Rs. 12691.00 Cr as on 30<sup>th</sup> September 2020. Retail Advances grew by 13.30% to reach Rs. 39649.20 Cr. Business Banking advances grew by 12.95% to reach Rs. 11134.48 Cr. Agriculture advances registered a growth of 20.29% to reach Rs. 14915.35 Cr from Rs. 12399.26 Cr.

### **Operating Profit & Net Profit**

The Bank registered Operating Profit of Rs. 1006.53 Cr and Net Profit of Rs. 307.62 Cr. for the quarter ended 30<sup>th</sup> September 2020. Operating profit recorded a commendable growth of 40.03%. Operating Profit and Net Profit for the half year ended 30<sup>th</sup> September 2020 stood at Rs. 1938.91 Cr and Rs. 708.39 Cr respectively.

### **Margins**

The Bank earned Net Interest Income of Rs. 1379.87 Cr for the quarter ended 30<sup>th</sup> September 2020. Net Interest Margin stood at 3.13% as on 30<sup>th</sup> September 2020.

### **Asset Quality**

Gross NPA of the Bank as at the end of Q2 FY21 stood at Rs. 3552.19 Cr, which as a percentage to Gross Advances stood at 2.84%. The Net NPA and Net NPA as a percentage to Net Advances as on 30<sup>th</sup> September 2020 stood at Rs. 1218.14 Cr and 0.99% respectively. Provision Coverage Ratio (including technical write-offs) was 78.34%.

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

Net worth of the Bank increased from Rs. 13754.31 Cr to Rs. 15235.25 Cr, as on 30<sup>th</sup> September 2020. Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines stood at 14.64% as at the end of the quarter.

### **Footprint**

The Bank has 1271 branches and 1941 ATMs/ Recyclers as on 30<sup>th</sup> September 2020.

### **Q2FY20 Vs Q2FY21**

- Retail advances grew by 13.30% to reach Rs.39649.20 Cr
- Gold Loans registered a growth of 54.02% to reach Rs.12691.00 Cr
- Business Banking Advances grew by 12.95% from Rs. 9858.31 Cr to Rs. 11134.48 Cr
- Agri advances reached Rs.14915.35 Cr registering a growth of 20.29%
- CASA grew by 20% from Rs. 44023 Cr to Rs.52786 Cr
- NRE Deposits registered a growth of 16.83% to reach Rs.61650.46 Cr
- Total Deposits increased by 12.33% from Rs. 139546.53 Cr to Rs.156747.38 Cr
- Investments stood at Rs. 36252.63 Cr
- Book Value per share increased from Rs. 69.18 to Rs. 76.38

**MAJOR FINANCIAL INDICATORS (Standalone nos.)**

(Rs. in Crore)

Business Figures	As on 30.9.2020	As on 30.9.2019	Growth (%)
Total Deposits	156747.38	139546.53	↑12.33%
SB & Demand Deposits	53152.28	44534.81	↑19.34%
Gross Advances	125208.57	117622.36	↑6.45%
Retail Advances	39649.20	34862.97	↑13.30%
Business Banking Advances	11134.48	9858.31	↑12.95%
Agri Advances	14915.35	12399.26	↑20.29%
<b>Capital</b>			
Equity Capital	398.93	397.62	
Net Worth	15235.25	13754.31	↑10.77%
Capital Adequacy (%)	14.64	13.98	
Tier I (%)	13.33	12.87	
Tier II (%)	1.31	1.11	

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