

PRESS RELEASE**Federal Bank delivers 19% growth in operating profit**

Federal Bank announced the Unaudited Financial Results for the quarter ended 30th June 2020. The key highlights of the results on a Y-o-Y basis are as follows:

- Operating profit grows 19.11% to reach Rs. 932.38 Cr
- Highest ever net interest income of Rs.1296.44 Cr
- Cost to income ratio at 47.76%, best in last 25 quarters
- Gold Loans register growth of 36.19% to reach Rs. 10243 Cr
- Total Savings Bank deposits register growth of 21% to reach Rs. 42059 Cr

Commenting on the results and financial performance, Mr. Shyam Srinivasan, Managing Director & CEO, Federal Bank said “We believe we have delivered a very healthy outcome in arguably the toughest operating conditions in well over 100 years. The Bank has been exemplar, braved all challenges and held fort all along and that is encouraging. The net NPA is down to 1.22% which is the lowest for the Bank in last 20 quarters. Cost to income has improved substantially and that augurs well for the Bank. Overall an encouraging quarter, given the challenging environment and truly motivates us to ensure sensible growth with abundant caution.”

Balance Sheet

The Total Business of the Bank reached Rs.276234.7 Cr registering Y-o-Y growth of 12.95% as on 30th June 2020. Total Deposits reached Rs. 154937.74 Cr registering Y-OY growth of 16.90%. Net advances grew by 8.27% Y-O-Y to reach Rs. 1,21,296.96 Cr as on 30th June 2020.

The total savings Bank deposit registered a growth of 21.05% to reach Rs. 42059 Cr as on 30th June 2020. CASA Deposits of the Bank stood at Rs. 49616 Cr registering Y-O-Y growth of 19%. CASA as a percentage to Total Deposits stood at 32.02% as on 30th June 2020. NRE Deposits of the Bank reached Rs. 60273.83 Cr registering a Y-O-Y growth of 18.62% as on 30th June 2020. NRE SB also grew handsomely to reach Rs. 17411.67 Cr registering a Y-O-Y growth of 27.94%.

On the Asset side, Gold Loan registered a staggering growth of 36.19% Y-O-Y to reach Rs. 10243.00 Cr as on 30th June 2020. Retail advances grew by 15.58% to reach Rs.37908.25 Cr as on 30th June 2020. Business banking advances registered a Y-O-Y growth of 14.08% to reach Rs. 10512.29 Cr. Agri advances grew by 14.04% to reach Rs.13644.70 Cr.

Operating Profit & Net Profit

The Operating Profit of the Bank as on 30th June 2020 stood at Rs. 932.38 Cr up from Rs. 782.76 Cr. Total Income reached Rs.3932.52 Cr as on 30th June 2020. Net Profit of the Bank for the quarter ended June 2020 stood at Rs. 400.77 Cr .

Income

Net Interest Income grew 12.33% on a Y-o-Y basis from Rs.1154.18 Cr to Rs.1296.44 Cr as on 30th June 2020. Other income grew by 24.74% to reach Rs.488.37 Cr, compared to Rs.391.52 Cr as on 30th June 2019. Net total income of the Bank grew 15.47% to reach Rs.1784.81 Cr.

Key Ratios

- ROA & ROE of the Bank for the quarter stood at 0.88% and 10.92% respectively
- Net Interest Margin as on 30th June 2020 stood at 3.07%
- Cost to income ratio of the Bank has been contained at 47.76% clocking a reduction of 160 bps Y-O-Y
- EPS of the Bank on an annualized basis stands at Rs 8.07

Asset Quality

Gross NPA of the Bank as at the end of the quarter stood at Rs.3655.59 Cr, which as a percentage to Gross Advances comes to 2.96%. Net NPA as on 30th June 2020 stood at Rs.1477.46 Cr, and Net NPA as a percentage to Net Advances is at 1.22%. The Provision Coverage Ratio (including technical write-offs) was strengthened substantially and stood at 75.09%.

NET WORTH & CAPITAL ADEQUACY

The Bank's Net worth on a Y-o-Y basis increased from Rs. 13661.64 Cr as on 30th June 2019 to Rs.14922.82 Cr as on 30th June 2020. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines stood at 14.17% as at the end of the quarter. Book Value per share increased to Rs. 74.85 from Rs. 68.79.

Key launches during the quarter

The Bank launched 'FedSwagat', an appointment booking application for those who wish to visit Federal Bank branches for availing any services.

Footprint

The Bank has 1263 branches and 1936 ATM/recyclers as on 30th June 2020.

WORKING RESULTS AT A GLANCE

(Rs.in Cr)

Particulars	Q1	Q1	% y-o-y growth
	2020-21	2019-20	
Net Interest Income	1296.44	1154.18	↑12.33%
Other Income	488.37	391.52	↑24.74%
Net Total Income	1784.81	1545.70	↑15.47%
Operating Profit	932.38	782.76	↑19.11%

MAJOR FINANCIAL INDICATORS (Standalone Nos)

(Rs. in Cr)

Business Figures	As on 30.6.2020	As on 30.6.2019	Growth (%)
Total Deposits	154937.74	132537.46	↑16.90%
CASA Deposits	49616.00	41676.00	↑19.05%
Net Advances	121296.96	112032.33	↑8.27%
Retail Advances	37908.25	32797.10	↑15.58%
Bus. Banking Advances	10512.29	9214.50	↑14.08%
Agri Advances	13644.70	11964.85	↑14.04%
Investments	34748.57	31809.74	↑9.24%
Capital			
Equity Capital	398.75	397.20	
Net Worth	14922.82	13661.64	↑9.23%
Capital Adequacy (%)	14.17	14.10	
Tier I (%)	13.00	13.04	
Tier II (%)	1.17	1.06	

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