

PRESS RELEASE**Federal Bank delivers strong operating performance with 27% growth in operating profit**

Federal Bank announced its audited financial results for the quarter and year ended 31st March 2020 today.

Highlights

- Operating profit registers a growth of 27.10% to reach ₹ 959.31 Cr in Q4 FY20
- Asset quality improves significantly with gross NPA coming down by 8 bps and Net NPA coming down by 17 bps on a YoY basis to 2.84% and 1.31% respectively
- Material improvement in provision coverage ratio as it improves by 809 bps on a QoQ basis to 53.39%
- Total business of the Bank registered a growth of 12.02% to reach ₹ 2,76,443.30 Cr
- Deposits record a growth of 12.85% to reach ₹ 1,52,290.08 Cr
- Retail advances record a growth of 19.39%
- Gold Loans grow by 28.68%
- NRE deposits grow by 14.20 % to reach ₹ 57,223.13 Cr

Commenting on the results and financial performance, Mr. Shyam Srinivasan, Managing Director & CEO, Federal Bank said, the Bank has delivered a robust operating performance with the operating profit registering a growth of 27%. The asset quality of the Bank has improved substantially, which is a positive. To face any unfavorable situation that may arise due to the pandemic, we have increased the provisions substantially and strengthened the balance sheet. On the business front, the Bank has achieved robust growth in the retail segment with housing loans and gold loans growing handsomely.

Working Results at a Glance

(₹ in Crore)

Particulars	Quarter Ended On			Year Ended On		
	31-03-20	31-03-19	Growth %	31-03-20	31-03-19	Growth %
Net Profit	301.23	381.51	↓21.04%	1,542.78	1,243.89	↑24.03%
Operating Profit	959.31	754.75	↑27.10%	3,204.69	2,763.10	↑15.98%
Total Income	4,107.95	3444.04	↑19.28%	15,142.16	12,770.05	↑18.58%
Net Interest Income	1,216.02	1096.53	↑10.90%	4,648.90	4,176.35	↑11.31%
Other Income	711.11	411.72	↑72.72%	1,931.41	1,351.02	↑42.96%

OPERATING REVIEW

Total Business

The total business of the Bank reached ₹ 2,76,443.30 Cr as on 31st March 2020 from ₹ 2,46,783.61 Cr as on 31st March 2019 registering a growth of 12.02%.

Credit Growth

Gross Advances reached ₹ 1,24,153.18 Cr as on 31st March 2020 from ₹ 1,11,829.27 Cr as on 31st March 2019 registering a growth of 11.02%. Retail advances grew by 19.39% to reach ₹ 37,877.97 Cr as on 31st March 2020 from ₹ 31,726.99 Cr as on 31st March 2019. Gold loans registered a robust growth 28.68% to reach ₹ 9,301.00 Cr as on 31st March 2020. Housing Loans went up by 18.42% to reach ₹ 18,229.34 Cr. Agri advances registered a growth of 12.50% to reach ₹ 12,874.26 Cr as on 31st March 2020 from ₹ 11,444.00 Cr as on 31st March 2019. Business Banking advances grew by 10.93% to reach ₹ 10,609.75 Cr.

Deposit Growth

Deposits recorded a growth of 12.85% to reach ₹ 1,52,290.09 Cr as on 31st March 2020 from ₹ 1,34,954.34 Cr as on 31st March 2019. The CASA deposits reached ₹ 45,450.24 Cr as on 31st March 2020. The NRE deposits of the Bank posted a growth of 14.20% during the year to reach ₹ 57,223.13 Cr as on 31st March 2020.

Operating Profit & Net Profit

The Bank delivered an annual operating profit of ₹ 3,204.69 Cr as on 31st March 2020 against ₹ 2,763.10 Cr as on 31st March 2019 registering a growth of 15.98%. Quarterly operating profit rose to ₹ 959.31 Cr from ₹ 754.75 Cr registering a growth of 27.10%. The annual net profit reached an all-time high of ₹ 1,542.78 Cr.

Margins

Annual Net Interest Income increased to ₹ 4,648.90 Cr from ₹ 4,176.35 Cr registering a growth of 11.31% as on 31st March 2020 while the quarterly Net Interest Income increased to ₹ 1,216.02 Cr from ₹ 1,096.53

Cr as on 31st March 2020. Net Interest Margin stood at 3.05% for FY20 while the quarterly Net Interest Margin stood at 3.04%.

Asset Quality

The Gross NPA of the Bank as on 31st March 2020 stood at ₹ 3,530.83 Cr. Gross NPA as a percentage to Gross Advances is 2.84% coming down by 8 bps as on 31st March 2020. The Net NPA stood at ₹ 1,607.17 Cr and this as a percentage to Net Advances is 1.31% coming down by 17 bps as on 31st March 2020. The Provision Coverage Ratio (including technical write-offs) stood at 72.48% as on 31st March 2020.

Capital Adequacy & Net worth

The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines, stood at 14.35% as on 31st March 2020. The Net Worth of the Bank was at ₹ 14,517.61 Cr as on 31st March 2020.

Major Partnership

Tie up with MoneyGram to expand Account Deposit capabilities to millions of customers in India

Footprint

The Bank has 1263 branches, 1937 ATMs/ Recyclers as on 31st March 2020. The Bank also has its Representative Offices at Abu Dhabi and Dubai and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT City).

Q4FY20 Vs Q4FY19

- Total Deposits increased to ₹ 1,52,290.09 from ₹ 1,34,954.34 Cr registering a growth of 12.85%
- NRE deposits increased by 14.20 % to reach ₹ 57,223.13 Cr
- Gross Advances increased from ₹ 1,11,829.27 Cr to ₹ 1,24,153.18 Cr registering a growth of 11.02%
- Gold Loans recorded a staggering growth of 28.68% to reach ₹ 9,301.00 Cr
- Retail Advances grew by 19.39% to reach ₹ 37,877.97 Cr
- Agri advances reached ₹ 12,874.26 Cr registering a growth of 12.50%
- Housing loans registered a growth of 18.42% to reach ₹ 18,229.34 Cr
- Business Banking advances grew by 10.93% to reach ₹ 10,609.75 Cr

Major Financial Indicators (Standalone Nos.)

(₹ in Cr)

Business Figures	Year Ended On		
	31-03-2020	31-03-2019	Growth %)
Total Deposits	1,52,290.09	1,34,954.34	↑12.85%
CASA	46,450.24	43,387.67	↑07.06%
Gross Advances	1,24,153.18	1,11,829.27	↑11.02%
Retail Advances	37,877.97	31,726.99	↑19.39%
Agri Advances	12,874.26	11,444.00	↑12.50%
Business Banking Advances	10,609.75	9,564.06	↑10.93%
Gross NPA (%)	2.84	2.92	↓8 bps
Net NPA (%)	1.31	1.48	↓17 bps
Capital			
Equity Capital	398.53	397.01	
Net Worth	14,517.61	13,273.04	↑09.38%
Capital Adequacy (%)	14.35	14.14	
Tier I (%)	13.29	13.38	
Tier II (%)	1.06	0.76	

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