THE HINDU BusinessLine

Loan book growth lifts Federal Bank profits 25%

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Shyam Srinivasan, MD & CEO, Federal Bank Bijoy Ghosh

Good progress made across all our key metrics, say MD

Kochi, Oct 25:

Kerala-based Federal Bank has registered a 25 per cent growth in its net profit at ₹201.24 crore in the second quarter of 2016-17. The figure in the corresponding fiscal last year was ₹161.28 crore.

Backed by a 26.63-per cent increase in advances, the total business showed a 21-per cent growth to reach ₹1,50,986 crore as on September 30, thereby crossing the ₹1,50,000-crore landmark. Total advances grew to ₹65,439.31 crore on September 30 this year from ₹51,675.89 crore on September 30, 2015, and total deposits increased to ₹86,299.10 crore from ₹73,783.20 crore.

NRE deposits also posted a 19.26 per cent growth to ₹32,459.20 crore from ₹27,217.34 crore, while CASA deposits grew ₹13.92 per cent to touch ₹26,786.93 crore.

“We are pleased with the good progress across all our key metrics and, in particular, strong growth in quality credit. This has resulted in the highest ever-recorded income and operating profit numbers. We are working to ensure this trajectory continues,” Shyam Srinivasan, Managing Director and CEO, said.

On the asset side, wholesale advances grew 47 per cent to ₹22,451.08 crore and retail advances clocked 21.77 per cent growth.

In the reporting period, SME advances grew 17 per cent to ₹16,235.37 crore, and housing loans by 13.85 per cent ₹8,350.60 crore.

The bank earned net interest income of ₹725.24 crore for the quarter ended September 30. The net interest margin increased to 3.31 per cent from 3.11 per cent.

Gross NPA as at the end of Q2 stood at ₹1,819.72 crore, which as a percentage to gross advances stood at 2.78 per cent. Net NPA figures stood at ₹1,039.74 crore and 1.61 per cent, respectively. The provision coverage ratio (including technical write-offs) is 71.70 per cent.

The bank’s net worth increased to ₹8,366.91 crore as on September 30 this year from ₹8,057.43 crore as on September 30, 2015. The capital adequacy ratio computed in accordance with Basel III guidelines stood at 12.85 per cent as at the end of the quarter.

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