

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q2 FY 2018



- ❑ Credit continues growth trend. Book grows by 25% Y-o-Y.
- ❑ Credit Growth spread evenly across all segments.

- ❑ Ahead of system growth continues
- ❑ New client acquisition across all segments shows robust growth.
- ❑ Supportive Business Architecture and growth enablers deepen across all business verticals

- ❑ Highest quarterly operating profit. Increases sequentially over last 4 quarters
- ❑ NIM at 3.31%. Increases sequentially

Granular Liability Franchise:

- ❑ Retail deposits grow 16% Y-o-Y
- ❑ CASA Ratio at 32.93%
- ❑ Continued increase in NR market share.



- ❑ Balance Sheet grows by 21% Y-o-Y (Rs.1.22 L Cr)
- ❑ Total business grows by 18% Y-o-Y (Rs.1.78 L Cr)
- ❑ CRAR at 14.63%

- ❑ Asset Quality Indicators - GNPA% (2.39) and NNPA% (1.32)- Improves Sequentially and Y-o-Y
- ❑ NCLT impact negligible. Ahead of system in recognizing systemically weak Accounts

- ❑ Bank further cements its position as a national player through the 'Why Settle for Less?' – Marketing Campaign
- ❑ The Campaign was run successfully through the quarter.

- ❑ Number of active digital users increases 63%
- ❑ Innovative platform for digital account opening using biometric authentication introduced



Performance Highlights (Y-o-Y)

Savings Account	21%	Cost to Income Ratio	159 bps
Retail Deposit	16%	Operating Profit	23 %
Retail Advance	17%	GNPA %	39 bps
SME Advance	18%	Net Profit	31 %
Agri Advance	24%	Capital Adequacy (CRAR)	14.63
Wholesale Business	36%	Provision Coverage Ratio	70%



Comparison : Y-o-Y

Advances

Retail+Agri	SME*	Wholesale*	Total Advances
↑ 18% 26762→31670	↑ 18% 14955→17651	↑ 36% 23722→32175	↑ 25% 65439→81497

Deposits

CASA	CASA Ratio	NRE Deposits	Retail Deposits
↑ 20% 26787→32016	↑ 189 bps 31.04→32.93	↑ 18% 32459→38256	↑ 16% 81547→94313

Performance

Net Income (NII+OI)	Core Other Income	Operating Profit	Net Profit
↑ 19% 998→1186	↑ 20% 163→195	↑ 23% 475→583	↑ 31% 201→264

Ratios

Cost Income ratio	Gross NPA%	Net NPA%	Profit per Employee
↓ 159 bps 52.42→50.83	↓ 39 bps 2.78→2.39	↓ 29 bps 1.61→1.32	↑ 29% 6.96→8.96 (lacs)

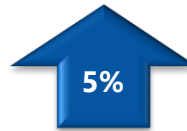
* SME & Wholesale realigned as per FY beginning reclassification



Comparison : Q-o-Q (Sequential)

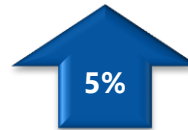
Advances

Retail+Agri



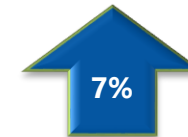
30174→31670

SME



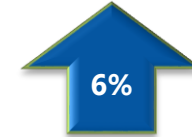
16786→17651

Wholesale



30127→32175

Total Advances



77087→81497

Deposits

CASA



32048→32016

CASA Ratio



33.44→32.93

NRE Deposits



37370→38256

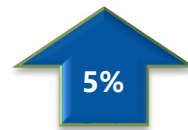
Retail Deposits



92668→94313

Performance

Net Income (NII+OI)



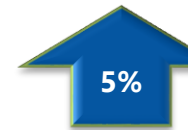
1130→1186

Core Other Income



180→195

Operating Profit



558→583

Net Profit



210→264

Ratios

Cost Income ratio



50.62→50.83

Gross NPA%



2.42→2.39

Net NPA%



1.39→1.32

Profit Per Employee



7.21→8.96 (n Lacs)

		Q2 FY18	Q1 FY18	Q4 FY17	Q3 FY17	Q2 FY17
Shareholder Value	Book Value (Per Share in ₹)	59.59	59.42	51.43	49.94	48.63
	EPS	5.35	4.34	6.04	4.74	4.68
Granularity	CASA + Deposits <1 Cr (% of Total Deposits)	90%	92%	89%	92%	89%
Profitability	ROA	0.94	0.77	0.96	0.78	0.88
	ROE	9.02	8.26	11.92	9.62	9.78
Efficiency	Cost/Income	50.83	50.62	51.16	54.97	52.42
	Net NPA%	1.32	1.39	1.28	1.58	1.61



Asset Quality Trend

(Rs. in Cr)

Fresh Accretion					
	Q2 FY18	Q1 FY18	Q4 FY17	Q3 FY17	Q2 FY17
Retail	106	97	55	86	63
Agri	51	45	30	14	26
SME	107	114	122	119	135
Wholesale	20	169	37	55	42
Total	284	425	244	273	266

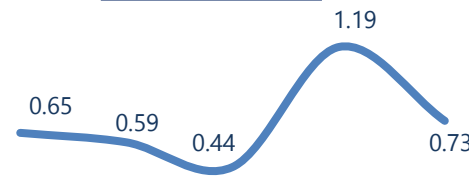
Restructured				
TYPE	Q2 FY18 [#]		Q1 FY18 [#]	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1343	157	1326	135
NPA	403	292	350	243
TOTAL	1746	449	1676	378

includes S4A,SDR,5/25

NPA Composition		Q2 FY18	Q1 FY18
Gross NPA	Business	NPA	NPA
	Retail	501	415
	Agri	242	211
	SME	948	890
	Wholesale	257	351
	Total	1949	1868
Net NPA		1066	1061

Security Receipts		
	Q2 FY18	Q1 FY18
Face Value	1093.74	1091.85
Book Value	873.48	880.40

Credit Cost



Risk Adj NIM

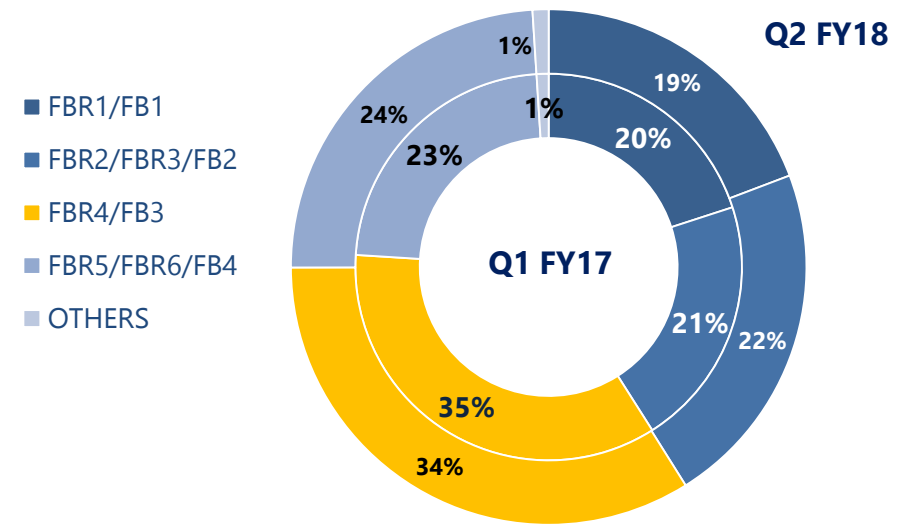
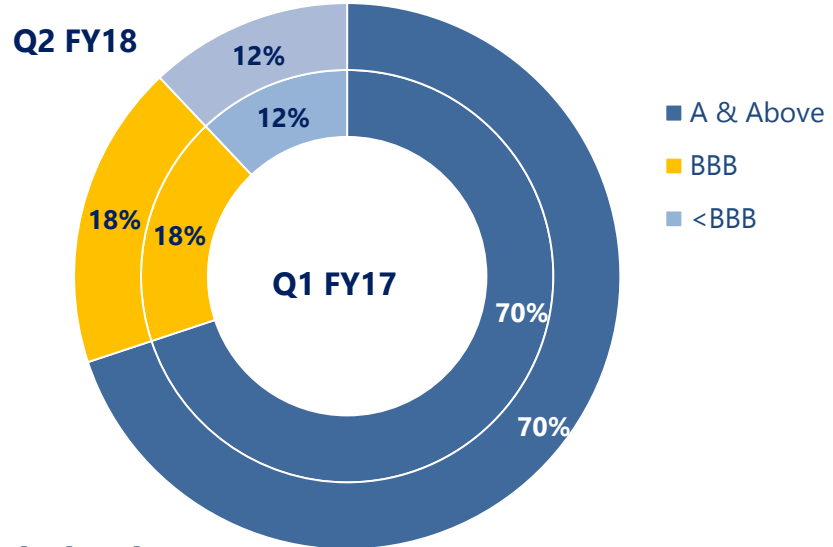


Q2 FY17 Q3 FY17 Q4 FY17 Q1 FY18 Q2 FY18 Q2 FY17 Q3 FY17 Q4 FY17 Q1 FY18 Q2 FY18



Asset Quality : Rating Distribution

Risk Rating



Wholesale Assets

Rating	Q2 FY-18	Q1 FY-18
A & above	70%	70%
BBB	18%	18%
< BBB	12%	12%

Other Assets

Rating	Q2 FY-18	Rating	Q1 FY-18
FBR1 FB1	19%	FB 1	20%
FBR2/FBR3 FB2	22%	FB 2	21%
FBR4 FB3	34%	FB 3	35%
FBR5/FBR6 FB4	24%	FB4	23%
Others	1%	Others	1%



- **FedNet** is now enabled with
 - BBPS (Bharath Bill Payment System)
 - GST payment



- **FedMobile** updated with
 - exciting user interface
 - UPI payments
 - chat feature
 - Bharat QR

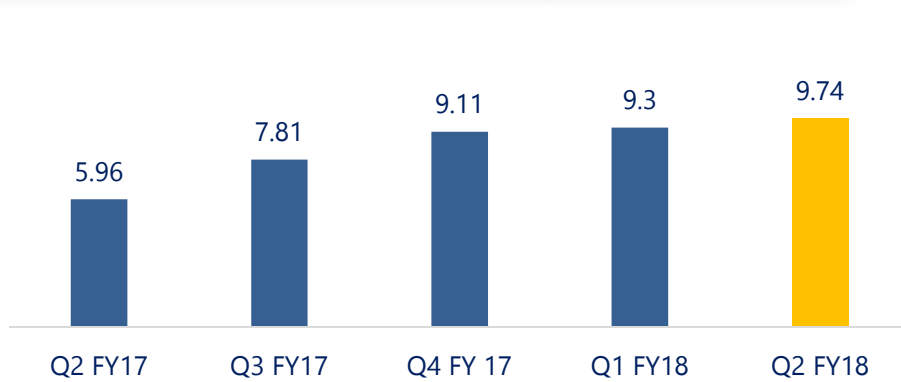


- **Lotza** UPI App launched in iOS.

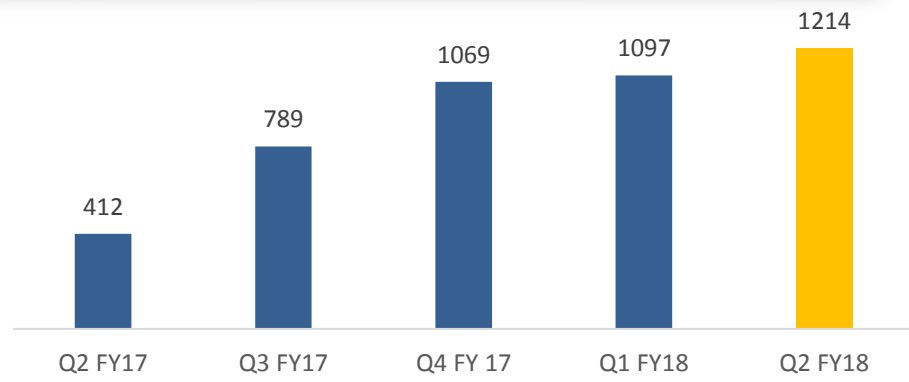
- **IAO (Instant Account Opening):** A new platform for digital account opening using biometric authentication



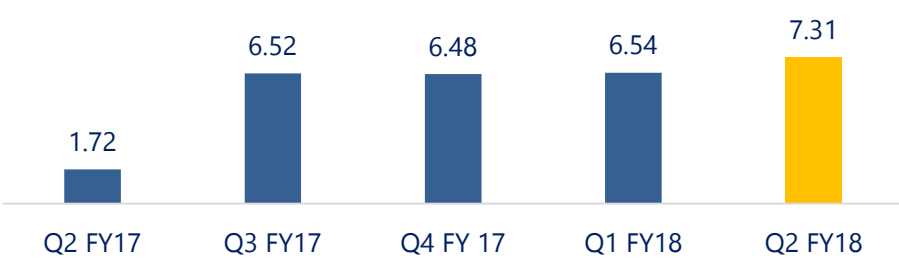
Increase in the number of Active Digital User (in Lac)



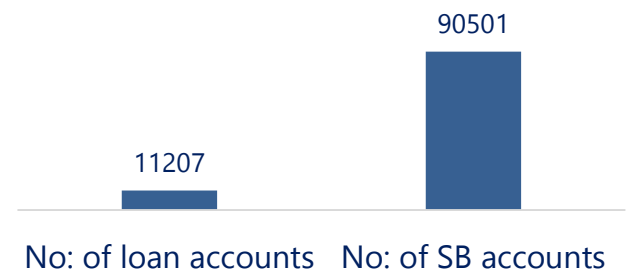
FedMobile Transaction Volume (per month in Cr)



Missed Call Banking Users (in Lac)



Digital onboarding (in Q2)





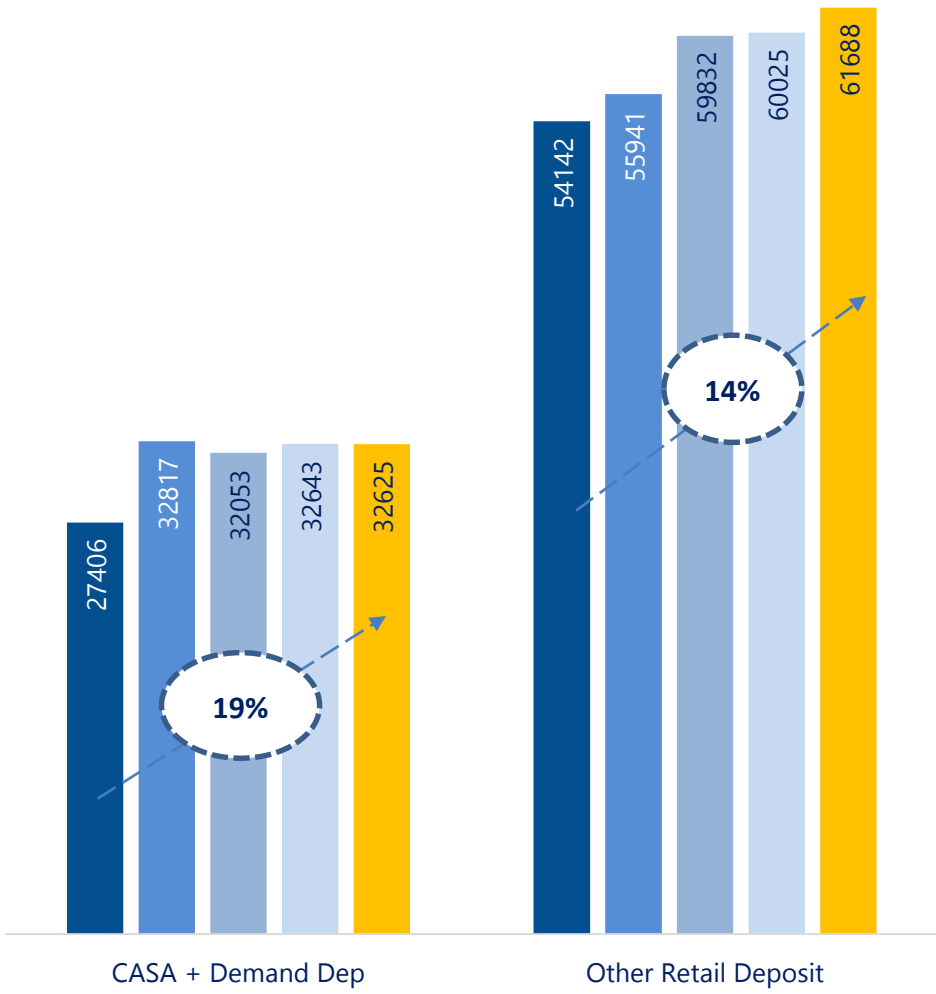
Business Parameters



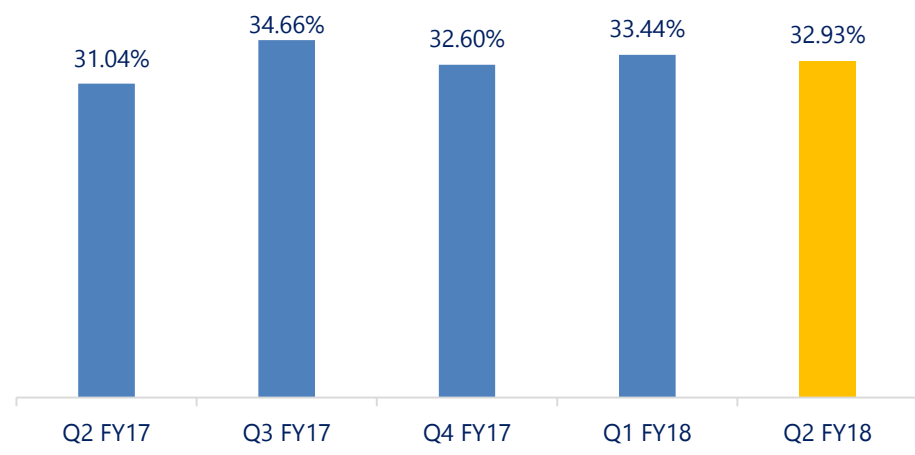
Liability : Trends

₹ in Cr

■ Q2 FY17 ■ Q3 FY17 ■ Q4 FY17 ■ Q1 FY18 ■ Q2 FY18



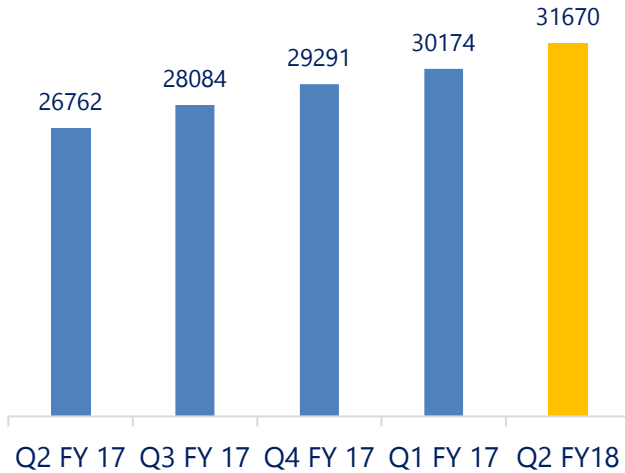
CASA Ratio



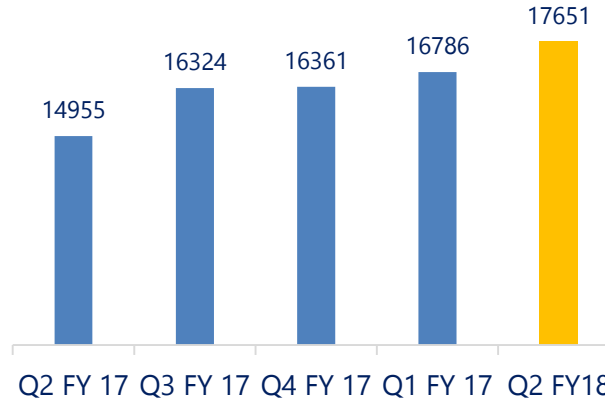


₹ in Cr

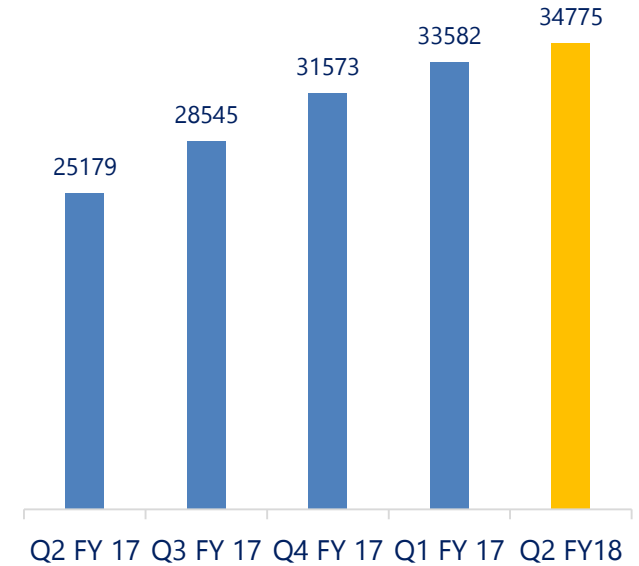
Retail (Including Agri)



SME



Wholesale*



Highlights

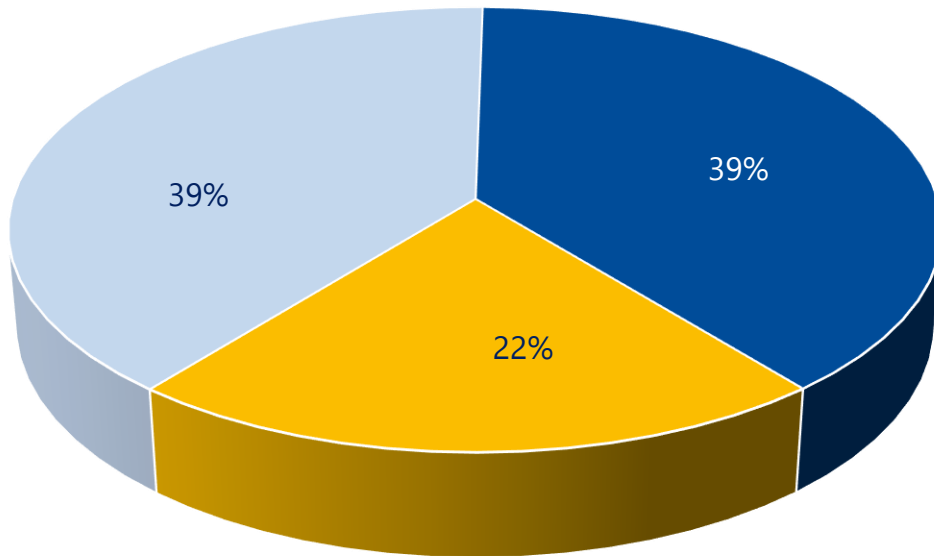
- Wholesale* portfolio grows by 38% Y-o-Y.
- SME Portfolio shows 18% growth Y-o-Y.
- Retail (including Agri) portfolio grows by 18% Y-o-Y .

(*Aggregate customer exposure)



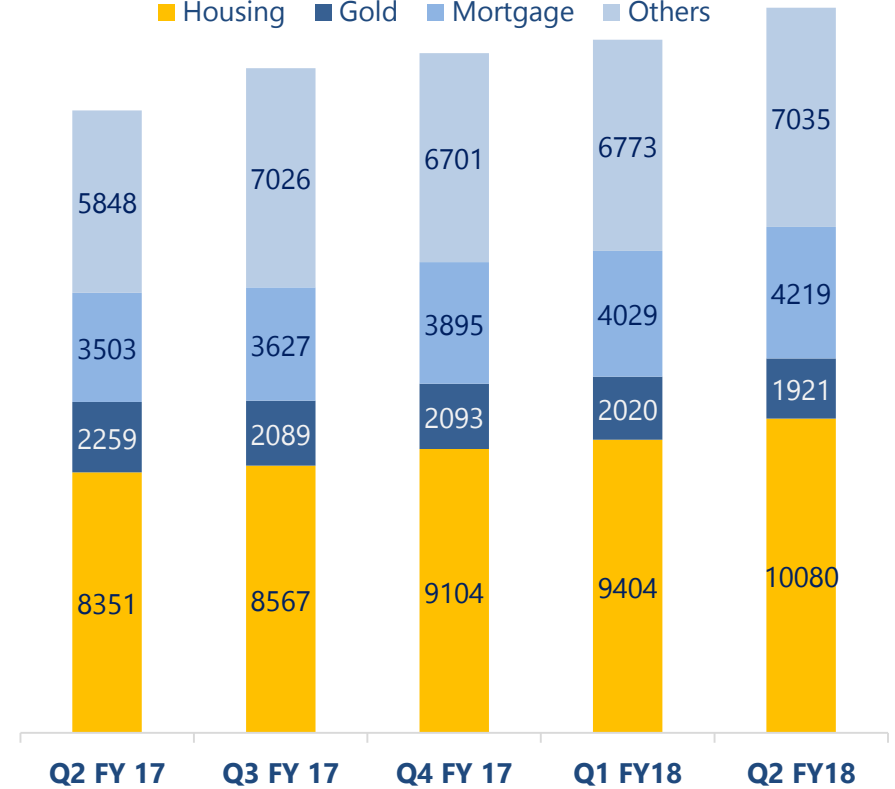
Total Loan Book

■ Retail (inc Agri) ■ SME ■ Wholesale



Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others



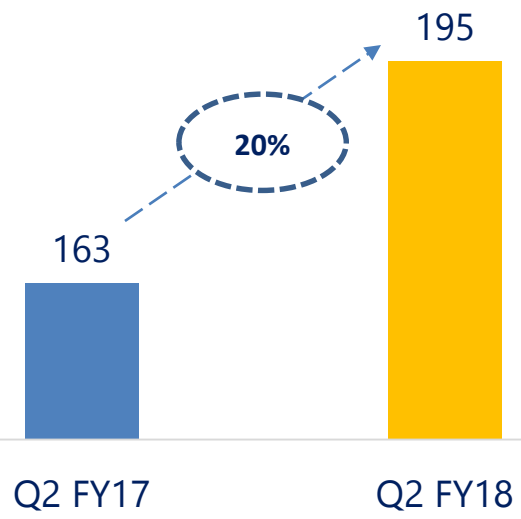


Fee Income/Other income

₹ in Cr

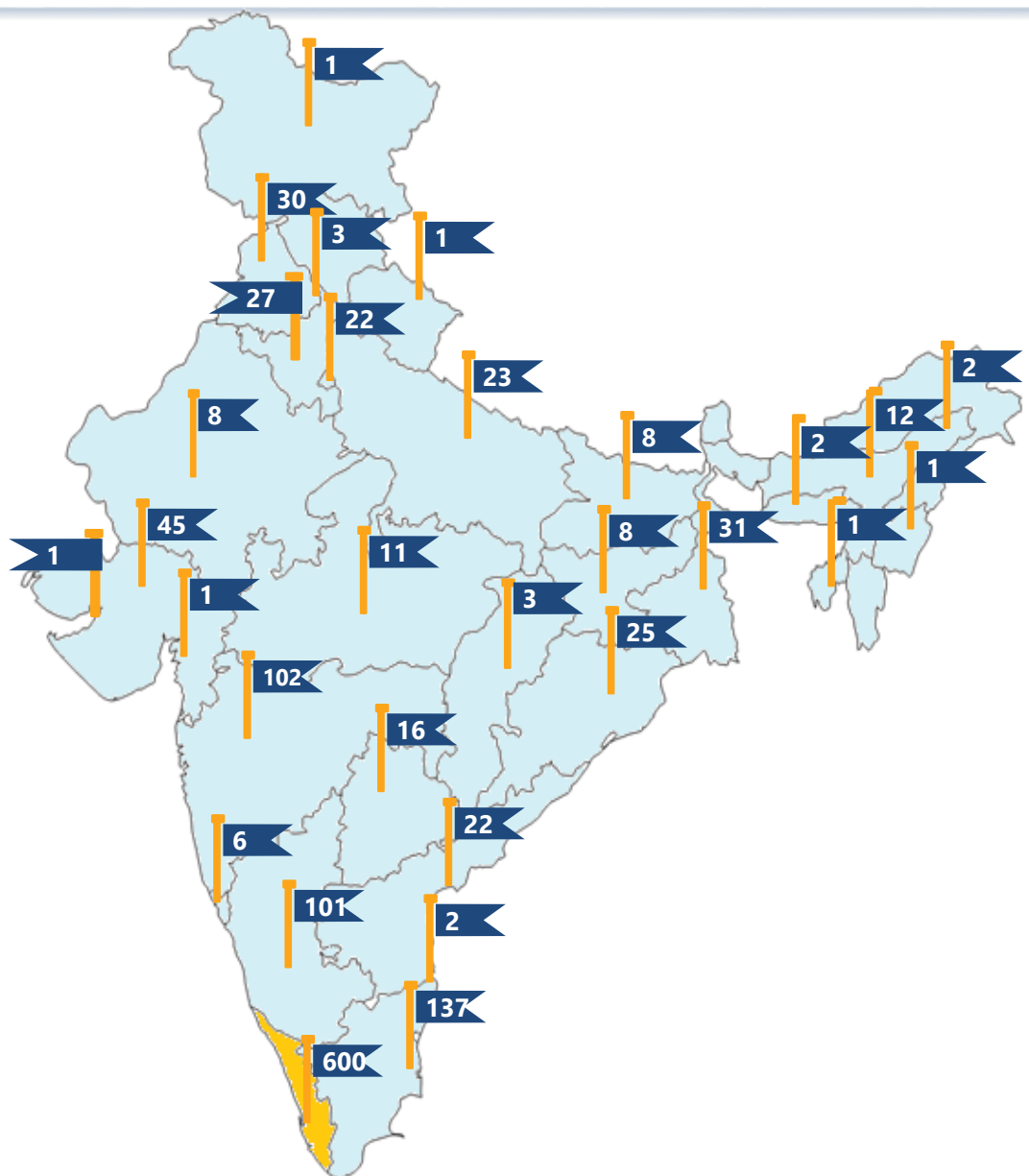
	Q2 FY18	Q1 FY18	Q4 FY17	Q3 FY16	Q2 FY17	Y-o-Y %
Loan Processing Fee	35	28	41	29	27	33%
Exchange, Commission, Brokerage & Other Fee Income	119	118	130	109	109	9%
Net Profit on Forex Transactions	41	34	41	33	27	52%
Fee Income	195	180	212	171	163	20%
Profit on sale of securities	75	112	54	86	86	-13%
Recovery from assets written off & Other Receipts	17	37	16	18	23	-26%
Total Other income	287	329	282	275	272	5%

Fee Income (Y-o-Y)

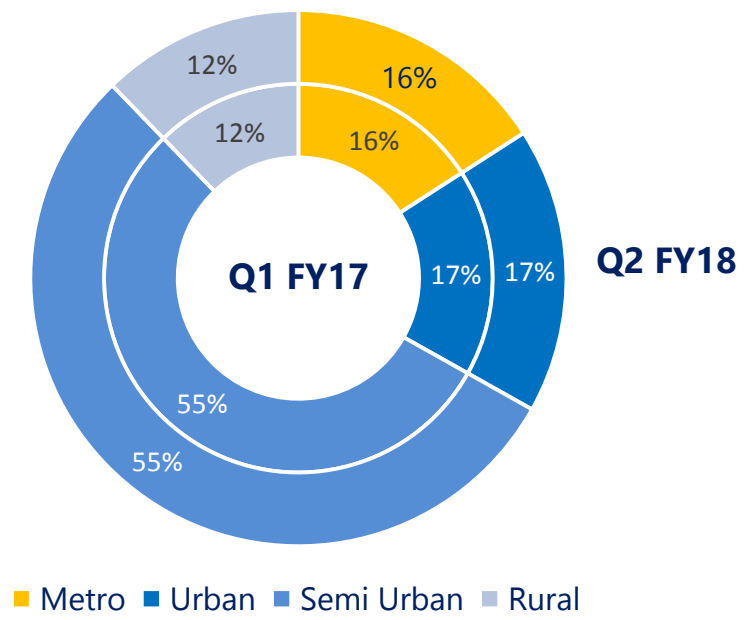


WHY SETTLE FOR LESS?

Distribution : Deriving Efficiency from Foot Print



	Q2 FY18	Q1 FY18	Q4 FY17
Branches	1252	1252	1252
ATMs	1678	1678	1667

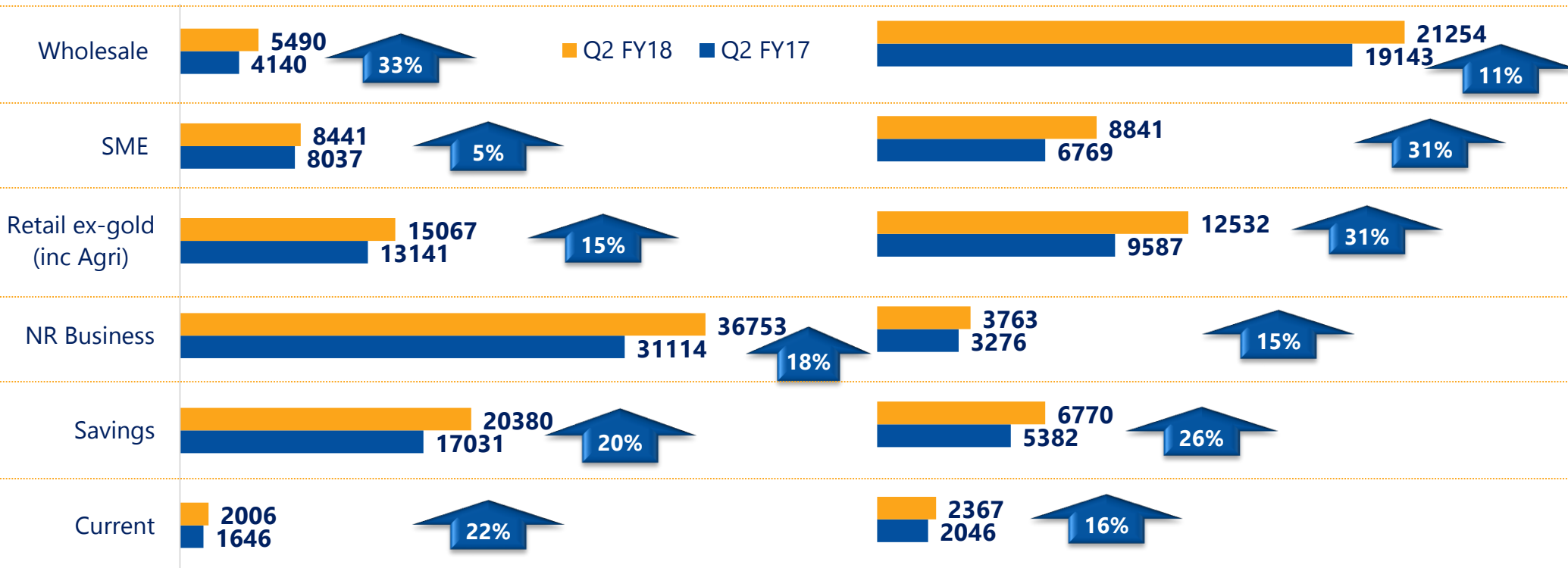




₹ in Cr

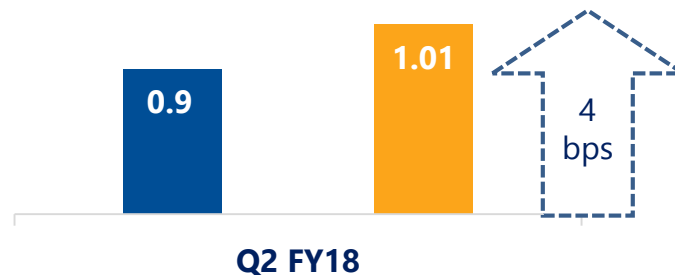
Kerala : Continuing Dominance

Outside Kerala: Gaining share



* SME & Wholesale realigned as per FY beginning reclassification

Bank's Market Share



Gain in Market Share:
growth (Q-o-Q)
Deposit: Maintained Market share
Advance : Market Share improved by 4 bps



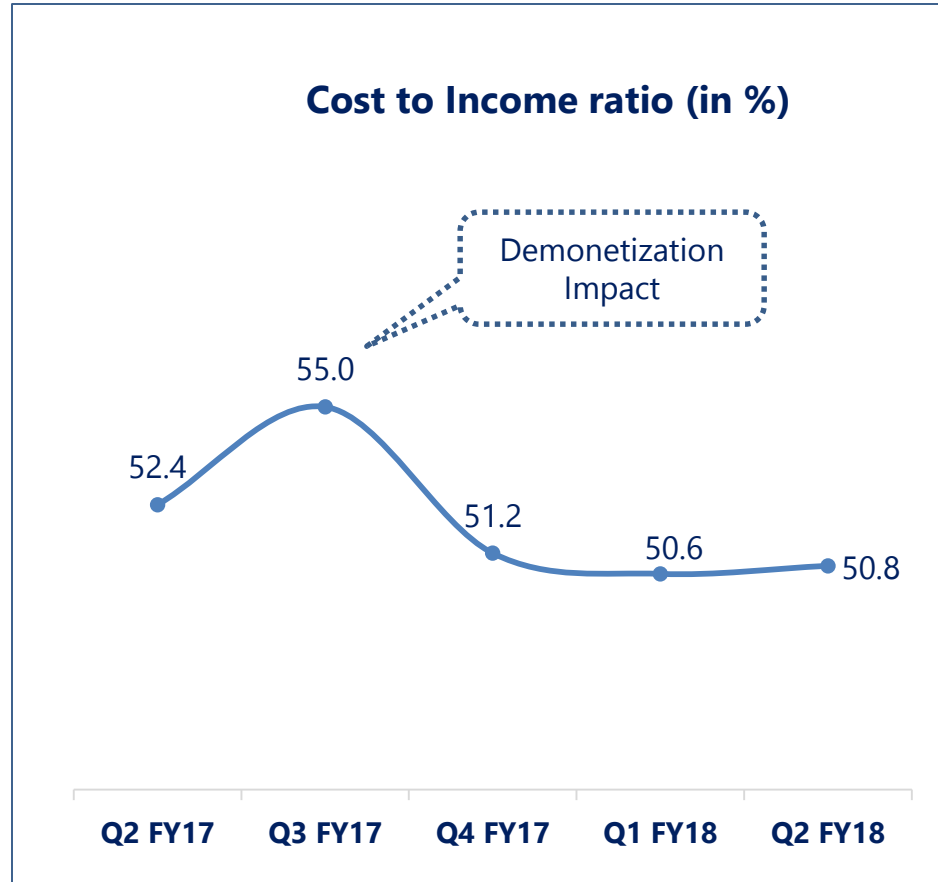
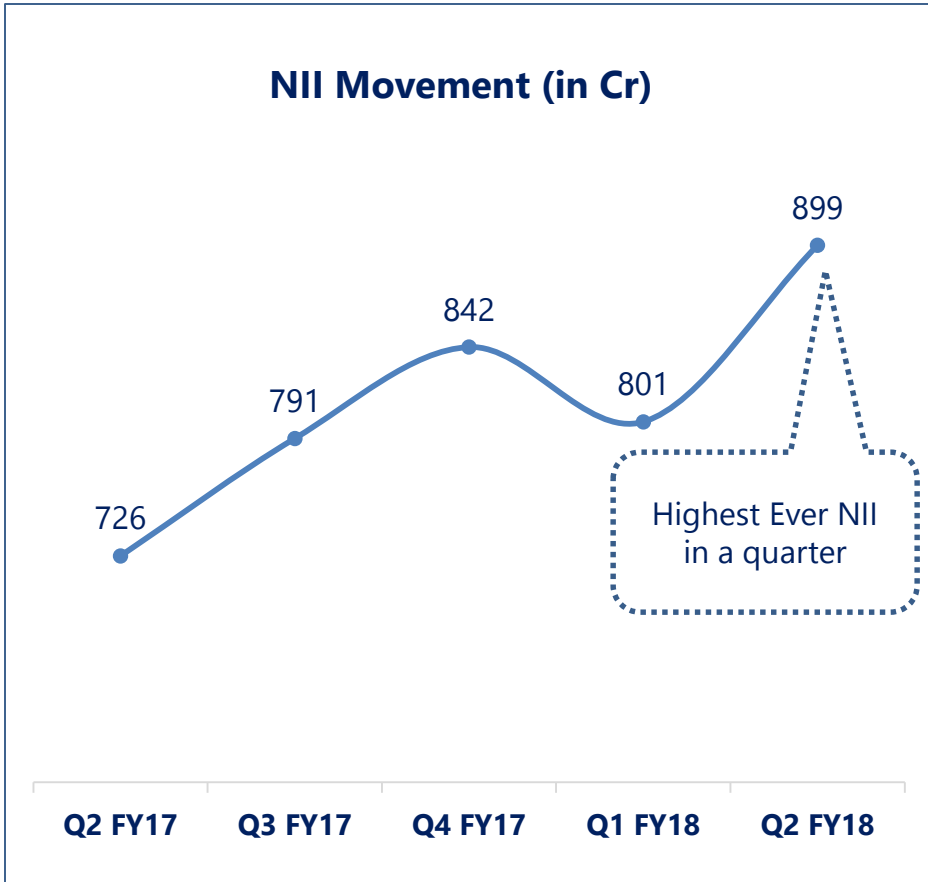
CRAR – How strong is your Bank?

₹ in Cr

	Sep-17	Jun-17
Risk Weighted Assets		
Credit Risk	68244	64589
Market Risk	3752	3681
Operational Risk	6392	6392
Total RWA	78388	74662
Tier-1 Capital Funds	11042	10989
Tier-II Capital Funds	426	419
Total Capital Funds	11467	11408
CRAR	14.63%	15.28%
Tier-I	14.09%	14.72%
Tier-II	0.54%	0.56%



Annexures

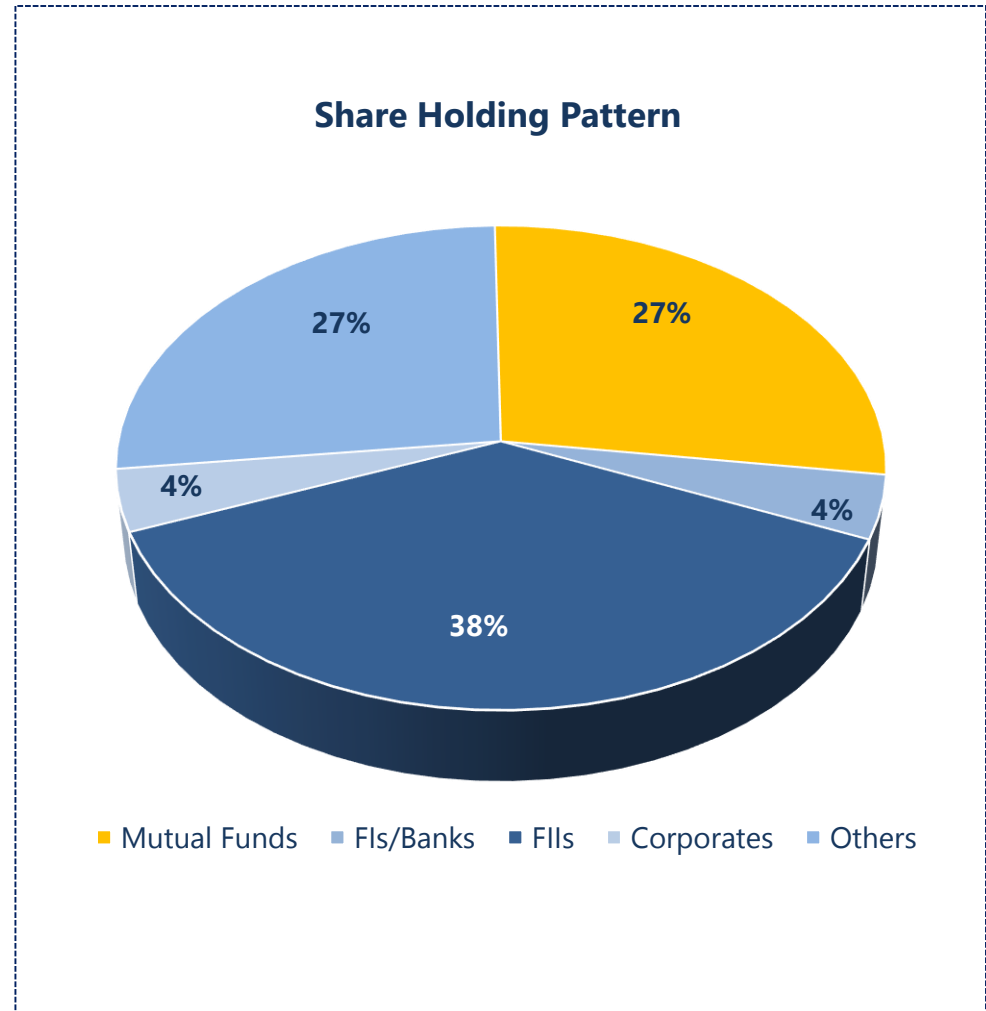




Balance Sheet & Shareholding Pattern

₹ in Cr

	Q2 FY18	Q2 FY17
LIABILITIES		
Capital	391	344
Reserves & Surplus	11342	8121
Deposits	97211	86299
Borrowings	8733	2655
Other Liabilities & Provisions	4080	3055
TOTAL	121757	100475
ASSETS		
Cash & Balance with RBI	4726	3985
Balances with Banks, Money at Call	4048	2001
Investments	26317	24152
Advances	80645	64686
Fixed Assets	472	510
Other Assets	5547	5139
TOTAL	121757	100475



WHY
SETTLE
FOR
LESS?

Financials

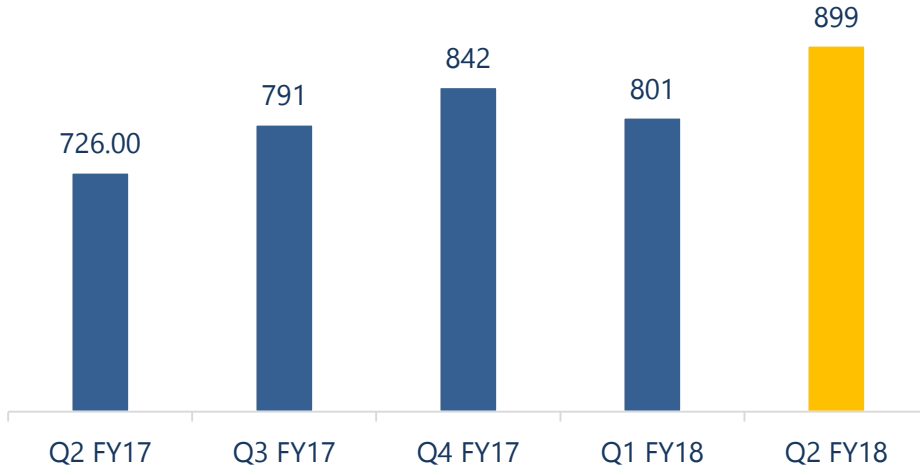
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₹ in Cr

	Q2 FY18	Q1 FY17	Q-o-Q	Q2 FY17	Y-o-Y
Interest Income	2380	2324	2%	2066	15%
Interest Expenses	1481	1523	-3%	1340	10%
Net Interest Income	899	801	12%	726	24%
Other Income	287	329	-13%	272	6%
Total Income	2667	2653	1%	2338	14%
Total Expenditure	2084	2095	-1%	1863	12%
Operating Profit	583	558	5%	475	23%
Total Provisions	320	348	-8%	274	17%
Net Profit	264	210	25%	201	31%
Net Interest Margin (%)	3.31%	3.13%	18 bps	3.32%	-1 bps
Cost to Income Ratio (%)	50.83%	50.62%	21 bps	52.42%	-159 bps

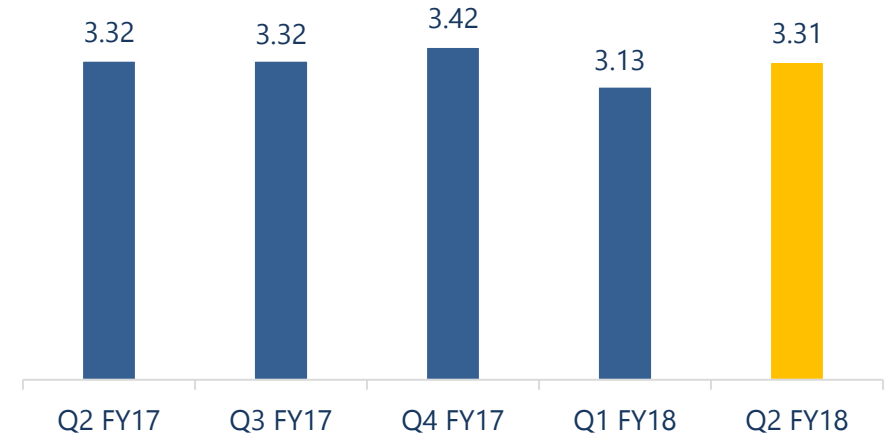


Net Interest Income

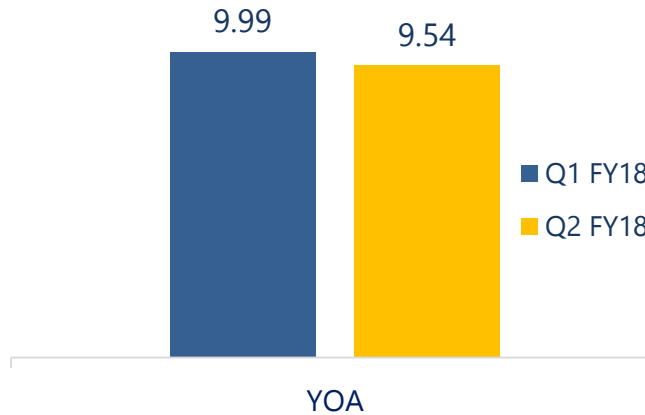


Net Interest Margin (%)

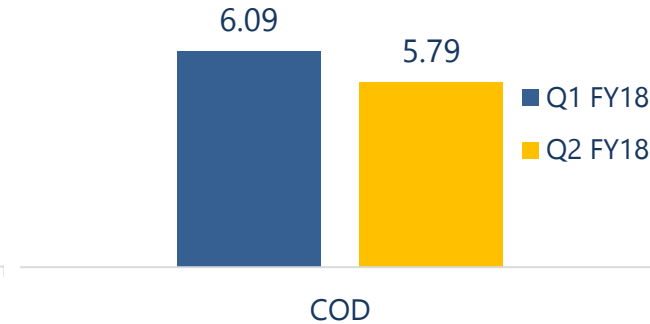
₹ in Cr



Yield on Advances

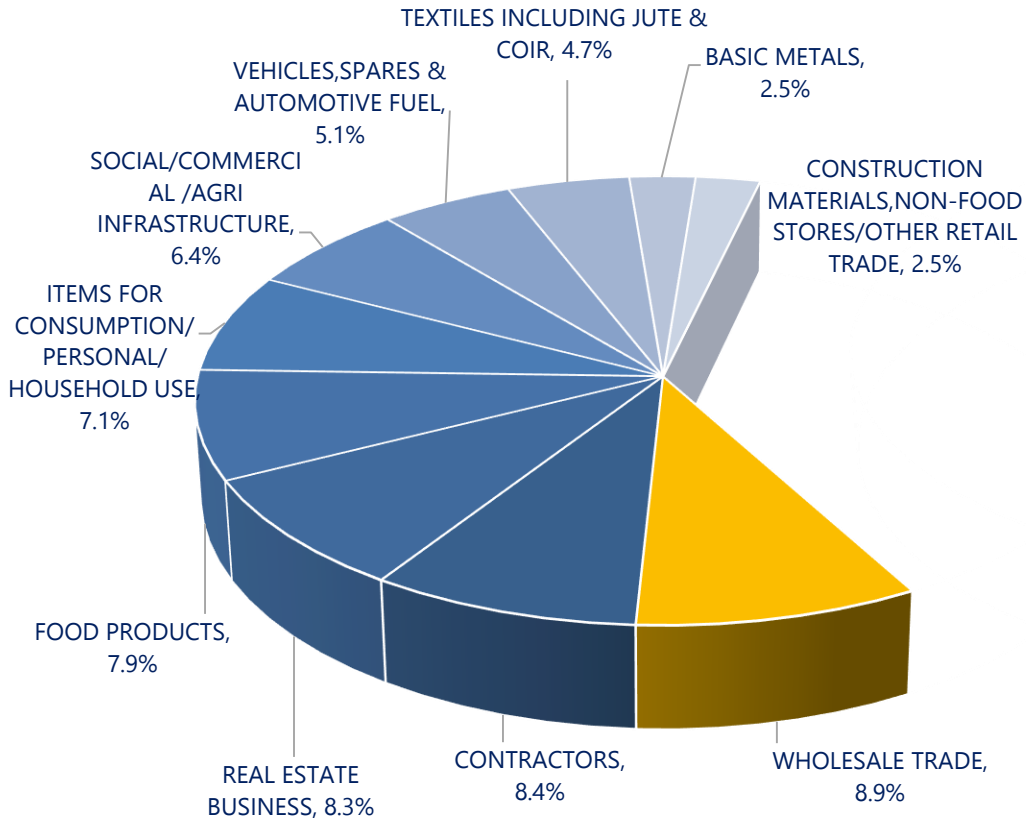


Cost of Deposits

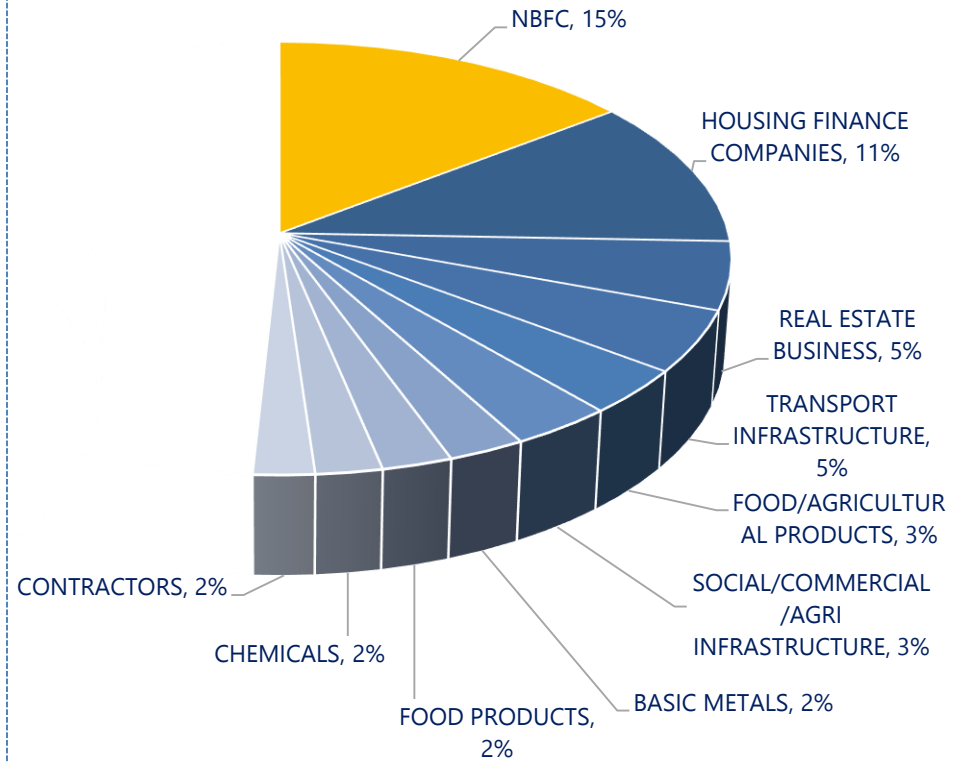




SME Portfolio



Wholesale Portfolio





Major Investments

Entity	% Equity
Fedbank Financial Services Limited	100.00%
IDBI Federal Life Insurance Company of India Limited	26.00%

Subsidiaries & JVs

IDBI Federal Life Insurance Co. Ltd.

- Bank's Joint Venture Life Insurance Company, in association with IDBI Bank and Ageas
- Federal Bank holds 26% equity in the J.V.
- Started selling life insurance products from March 2008

FedBank Financial Services Ltd.

- Fully owned subsidiary of the Bank with NBFC license
- Marketing Retail Asset Products of the Bank
- Retail Hubs established at major centres all over India
- Separate mechanism established for speedy and dedicated processing of retail loans sourced through this channel

UAE Representative Office

- Representative Office at Abu Dhabi, established in 2008 & Dubai in 2016.
- Gateway of the Bank to the whole of Middle East
- Increased the reach of the Bank among Non-Resident Indians in the Gulf countries

WHY SETTLE FOR LESS?

External Ratings

Fixed
Deposit

Certificate
of Deposit



A1+

A1+

- Fixed Deposits and Certificate of Deposits enjoy highest rating in that class.

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