

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q3 FY 2018**

- Robust and Diversified Credit Growth Continues. Blended Y-o-Y Growth rate of 22%
- Refined Retail Asset delivery architecture yields results (HL grows 26% Y-o-Y; 7% Q-o-Q and Auto grows 68%Y-o-Y;15%Q-o-Q; Retail Disbursements grow 13% Q-o-Q).
- Corporate continues strong Growth.

- Market Share in Advances increases to 1.01%. Up by 6bps Y-o-Y
- Market Share in deposits increases to 0.91%. Up by 3bps Y-o-Y
- Network-2 crosses Rs.50000Cr in Advances

- Highest ever NII at 950Cr. NIM at 3.33%. Increases Y-o-Y and sequentially. Tracks guidance.
- Operating profit increases 18% Y-o-Y to Rs. 561Cr and Net Profit increases 26% Y-o-Y.

### Granular Liability Franchise:

- Total deposits cross Rs.1Lakh Crore
- Retail deposits at 96% of total deposits
- CASA Ratio at 33%
- NR continues to exhibit strong growth



- Percentage of Accounts opened through digital channels at 50%.
- Pure play DIY personal loans – 100% opened digitally. 143% growth in PL portfolio Y-o-Y

- Asset Quality Indicators - GNPA at 2.52% and NNPA at 1.36%
- Upfronted educational loan delinquency impact
- Credit cost improves from 0.73 to 0.59 sequentially (Material improvement in recovery/upgrade)

- No. of payroll accts grow 57% Y-o-Y). Crosses 3L accounts.
- Branch-Light Distribution Heavy – RMs' force increased to 336. Up 80% from Q2
- Dedicated TPP Sales force
- Trade Desks at key centres

- Balance Sheet grows by 15% Y-o-Y (Rs1.28L Cr)
- Total business grows by 15% Y-o-Y (Rs.1.85L Cr)
- CRAR at 14.41%



# Performance Highlights (Y-o-Y)

<b>Core Retail Advance</b> (ex AAD, Gold, Assignments)	27 %	↑	<b>NII</b>	20 %	↑
<b>SME Advance</b>	20 %	↑	<b>Operating Profit</b>	18%	↑
<b>Agri Advance</b>	30 %	↑	<b>Net Profit</b>	26%	↑
<b>Corporate Business</b>	30 %	↑	<b>GNPA %</b>	25 bps	↓
<b>Total Advance</b>	22 %	↑	<b>NNPA %</b>	22 bps	↓
<b>Retail Deposit</b>	9 %	↑	<b>Cost To Income Ratio</b>	311 bps	↓
			<b>NIM</b>	@ 3.33	
			<b>Capital Adequacy (CRAR)</b>	@ 14.41%	
			<b>Provision Coverage Ratio</b>	@ 70%	



# Comparison : Y-o-Y

## Advances

Retail+Agri



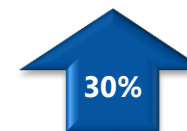
28076→33064

SME\*



15351→18493

Corporate\*



26512→34364

Total Advances



70439→85922

## Deposits

CASA



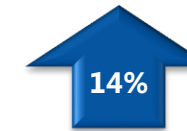
31973→33141

CASA Ratio<sup>#</sup>



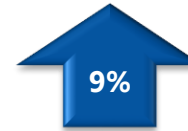
34.66→32.96

NRE Deposits



34547→39431

Retail Deposits



88758→96576

## Performance

Net Interest Income



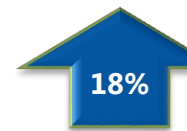
791→950

Core Fee Income



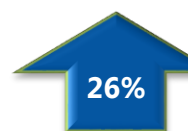
171→193

Operating Profit



475→561

Net Profit



206→260

## Ratios

Cost Income ratio



55.48→52.37

Gross NPA%



2.77→2.52

Net NPA%



1.58→1.36

Profit Per Employee



7.13→8.75 (n Lacs)

<sup>#</sup> Demonetisation Impact

\* SME & Corporate realigned as per FY beginning reclassification



# Comparison : Q-o-Q (Sequential)

## Advances

**Retail+Agri**



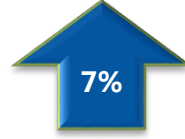
31670→33064

**SME**



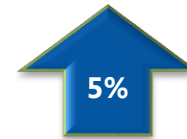
17651→18493

**Corporate**



32175→34364

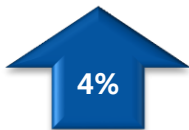
**Total Advances**



81497→85922

## Deposits

**CASA**



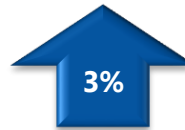
32016→33141

**CASA Ratio**



32.93→32.96

**NRE Deposits**



38256→39431

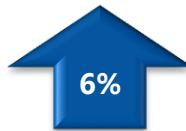
**Retail Deposits**



94313→96576

## Performance

**Net Interest Income**



899→950

**Core Fee Income**



195→193

**Operating Profit**



583→561

**Net Profit**



264→260

## Ratios

**Cost Income ratio**



50.83→52.37

**Gross NPA%**



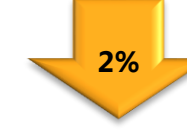
2.39→2.52

**Net NPA%**



1.32→1.36

**Profit per Employee**



8.96→8.75 (lacs)

## Shareholder Value

**Book Value**  
(Per Share in ₹)

Q3 FY18

Q2 FY18

Q1 FY18

Q4 FY17

Q3 FY17

60.80

59.59

59.42

51.43

49.94

EPS

5.32

5.35

4.34

6.04

4.74

## Granularity

**CASA + Deposits <1 Cr**  
(% of Total Deposits)

92%

90%

92%

89%

92%

## Profitability

ROA

0.87

0.94

0.77

0.96

0.78

RoRWA

(On Credit &amp; Mkt Risk Weighted Assets)

1.40

1.45

1.23

1.56

1.32

ROE

8.74

9.02

8.26

11.92

9.62

## Efficiency

Cost/Income

52.37

50.83

50.62

51.16

55.48

Net NPA%

1.36

1.32

1.39

1.28

1.58



# Asset Quality Trend

(Rs. in Cr)

Fresh Accretion					
	Q3 FY18	Q2 FY18	Q1 FY18	Q4 FY17	Q3 FY17
<b>Retail</b>	<b>150*</b>	<b>106</b>	97	55	<b>86</b>
<i>Of the above, Edcml Loan slippage</i>	<b>71 (46%)</b>	<b>3 (2%)</b>	<b>3 (4%)</b>	<b>9 (17%)</b>	<b>14 (16%)</b>
<b>Agri</b>	<b>42</b>	<b>51</b>	45	30	<b>14</b>
<b>SME</b>	<b>122</b>	<b>107</b>	114	122	<b>119</b>
<b>Corporate</b>	<b>98</b>	<b>20</b>	169	37	<b>55</b>
<b>Total</b>	<b>411</b>	<b>284</b>	425	244	<b>273</b>

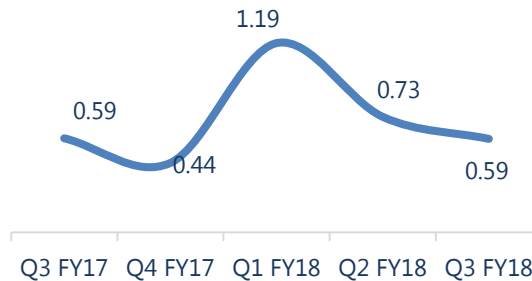
>80% of these are fully secured  
Almost half the fresh slippages are <1Cr and linked to NW1

Restructured				
TYPE	Q3 FY18		Q2 FY18	
	Balance	Of which Bonds	Balance	Of which Bonds
<b>STANDARD</b>	1425	157	1343	157
<b>NPA</b>	186	72	403	292
<b>TOTAL</b>	<b>1611</b>	<b>229</b>	<b>1746</b>	<b>449</b>

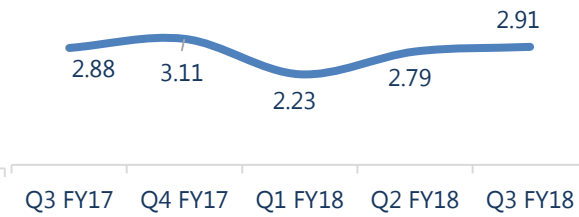
NPA Composition		Q3 FY18	Q2 FY18
Business	NPA	NPA	NPA
<b>Gross NPA</b>	<b>Retail</b>	569	501
	<b>Agri</b>	266	242
	<b>SME</b>	1057	948
	<b>Corporate</b>	269	257
	<b>Total</b>	2161	1949
<b>Net NPA</b>		<b>1157</b>	<b>1066</b>

Security Receipts		
	Q3 FY18	Q2 FY18
Face Value	1090	1094
Book Value	870	873

## Credit Cost



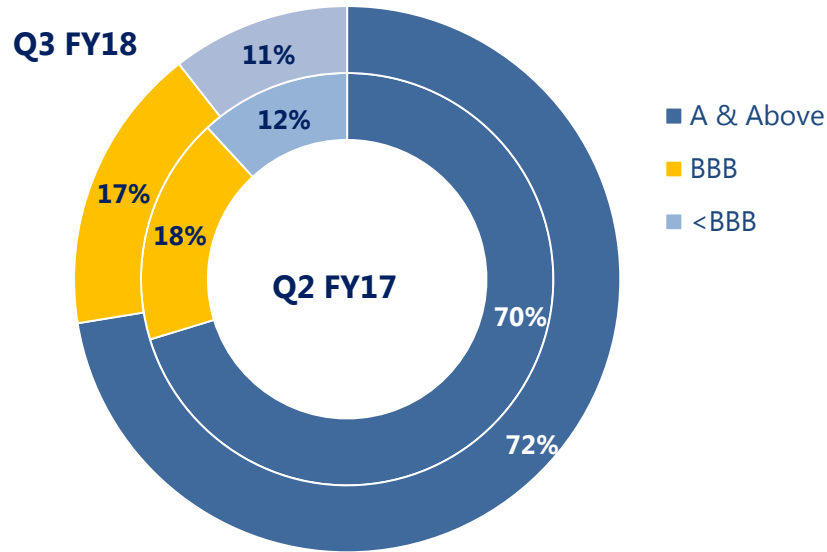
## Risk Adj NIM



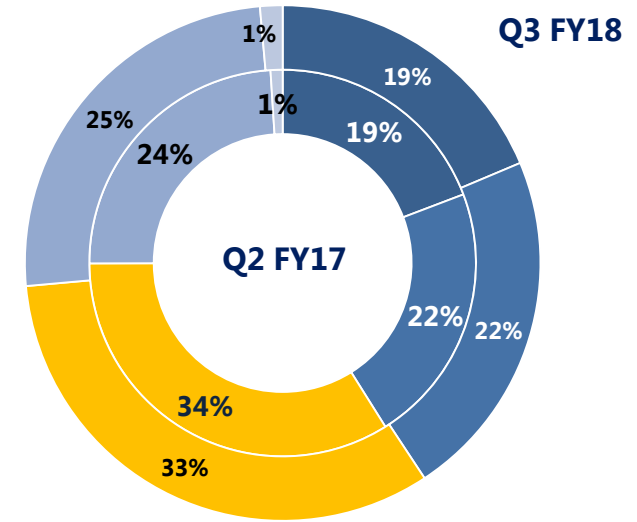


# Asset Quality : Rating Distribution

## Risk Rating



- A & Above
- BBB
- < BBB



### Wholesale Assets

Rating	Q3 FY-18	Q2 FY-18
A & above	72%	70%
BBB	17%	18%
< BBB	11%	12%

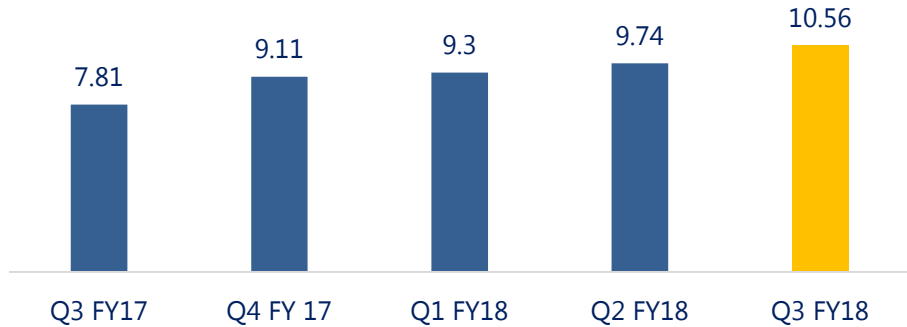
### Other Assets

Rating	Q3 FY-18	Q2 FY-18
FBR1 FB1	19%	19%
FBR2/FBR3 FB2	22%	22%
FBR4 FB3	33%	34%
FBR5/FBR6 FB4	25%	24%
Others	1%	1%

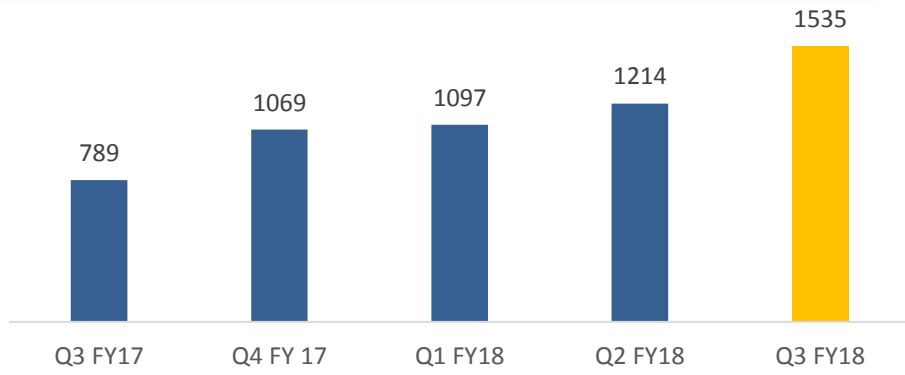




### Increase in the number of Active Digital User (in Lac)



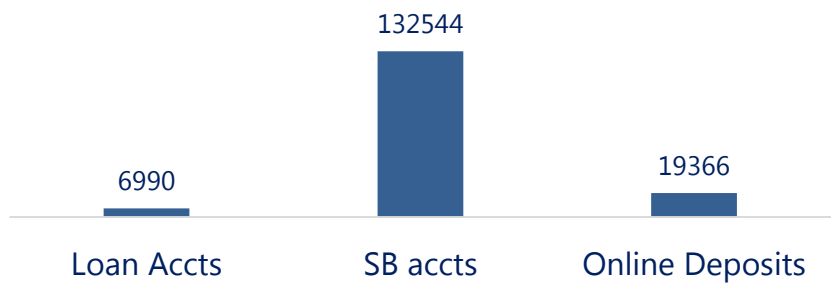
### FedMobile Transaction Volume (per month in Cr)



### Updates in Mobile Banking

- Bharat QR introduced in FedMobile
- BBPS introduced on FedMobile
- Customers can switch on/off E-com transactions through Debit Card using SMS and Internet Banking

### Digital onboarding (in Q3)





Customers can avail Loan against Deposit through online web portal

Customers can convert debit card purchases as EMI using online web portal

Web based application 'Paylite' was launched to process bulk transaction for corporate clients

Introduced Electricity Bill Payment through Federal Bank's ATMs in the state of Tamil Nadu

Partnered with Confirmation.com for Automating 'Balance Confirmation' for corporate clients

Online ticketing Partner for India vs New Zealand T20 match in Trivandrum

Launched Blockchain Cross Border Remittance arrangement with Lulu International Exchange



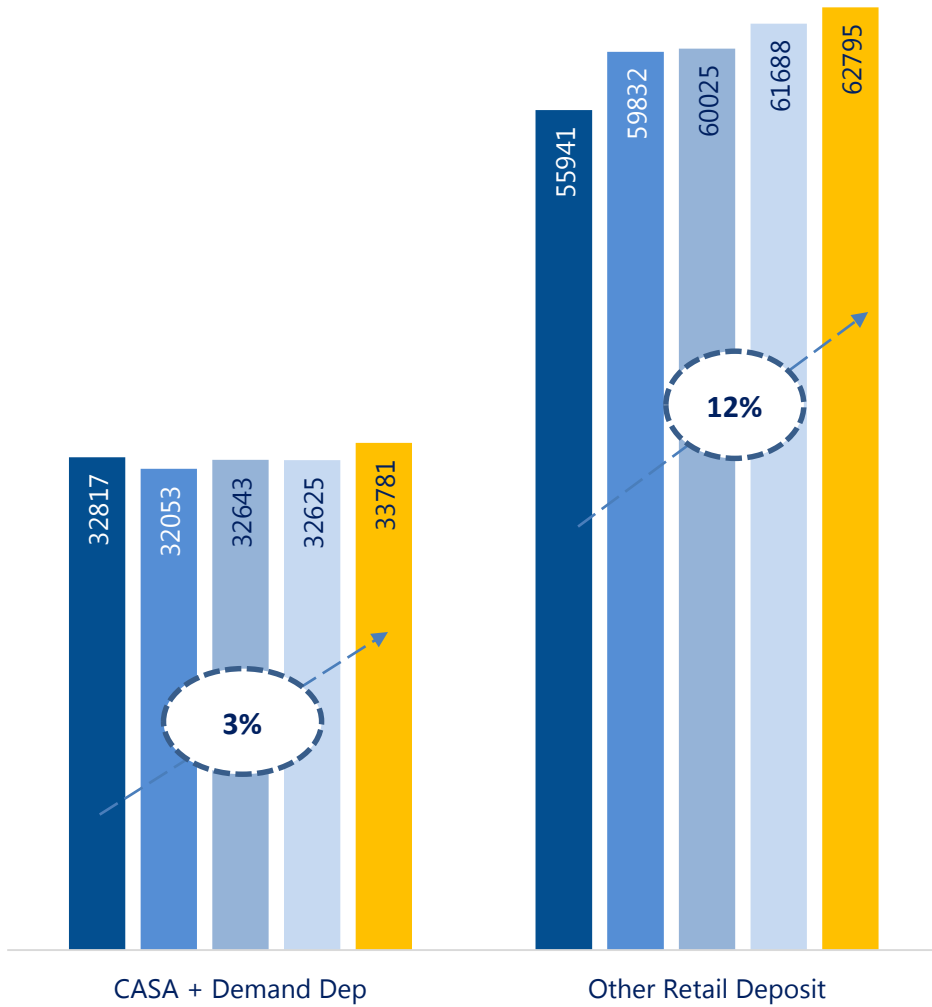
# Business Parameters



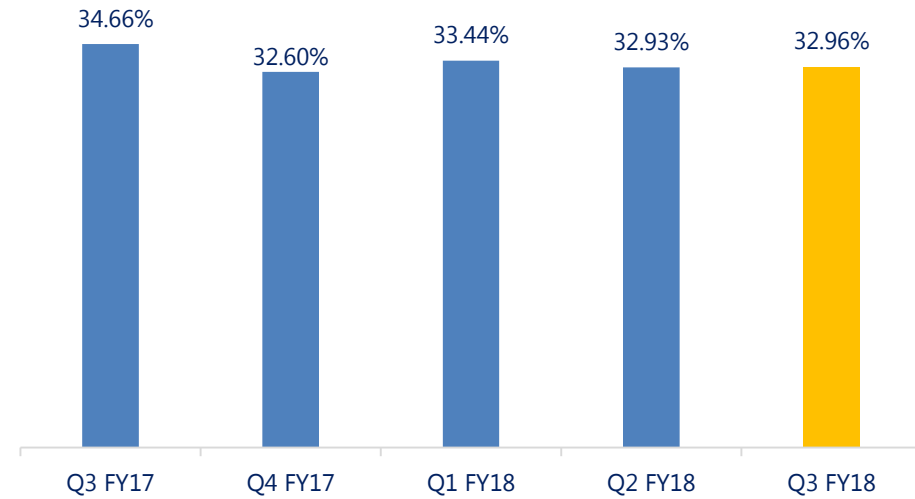
# Liability : Trends

₹ in Cr

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



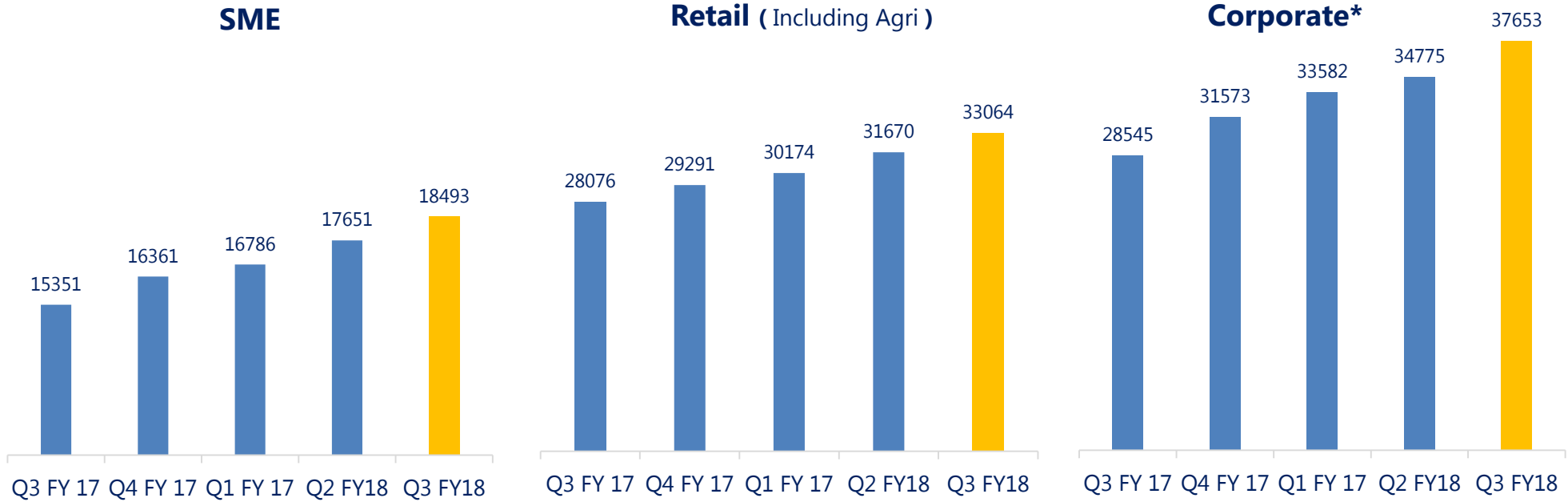
## CASA Ratio





# Customer Exposures

₹ in Cr



## Highlights

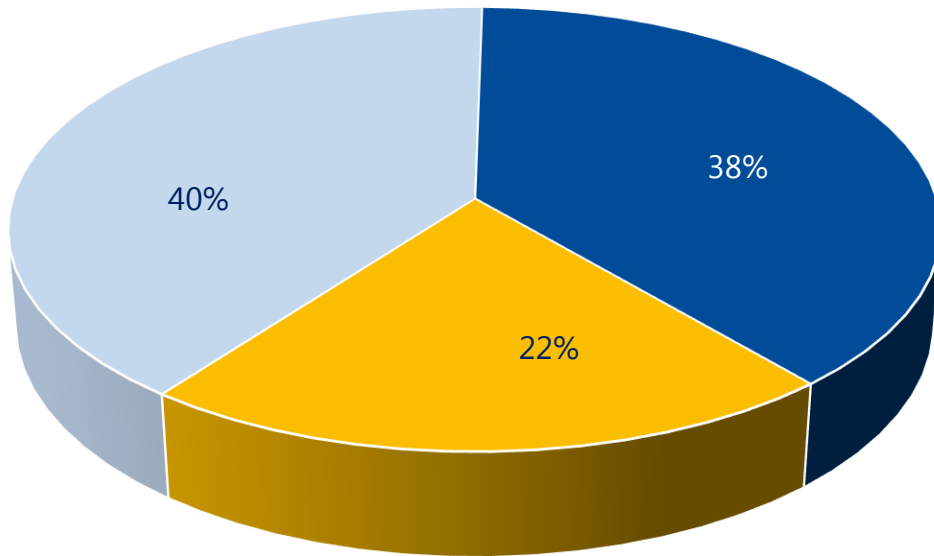
- SME Portfolio shows 20% growth Y-o-Y.
- Retail (including Agri) portfolio grows by 18% Y-o-Y .
- Corporate\* portfolio grows by 32% Y-o-Y.

(\*Aggregate customer exposure)



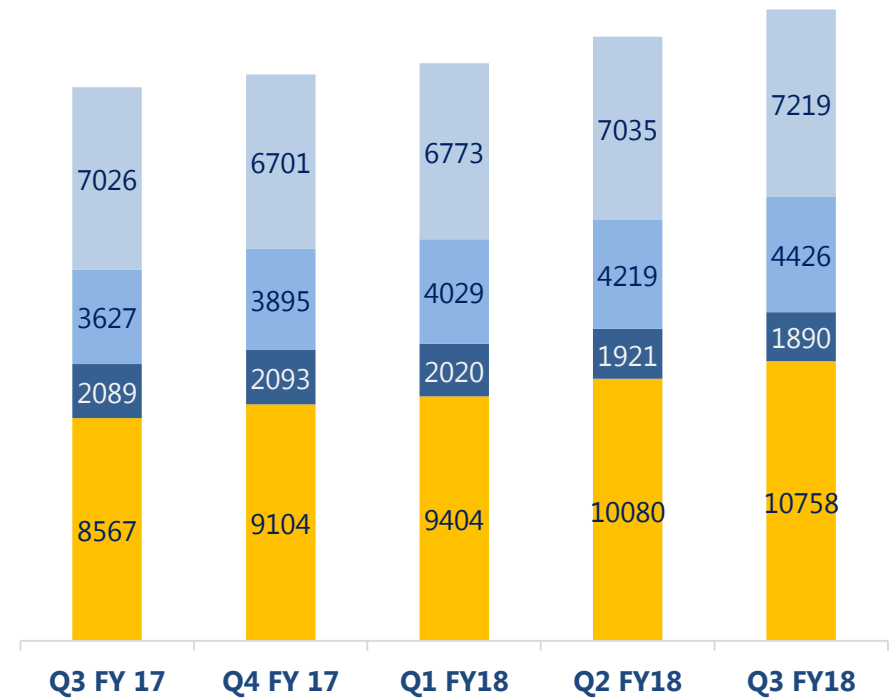
## Total Loan Book

■ Retail (inc Agri)   ■ SME   ■ Wholesale



## Retail Loan Book (Excl Agri)

■ Housing   ■ Gold   ■ Mortgage   ■ Others



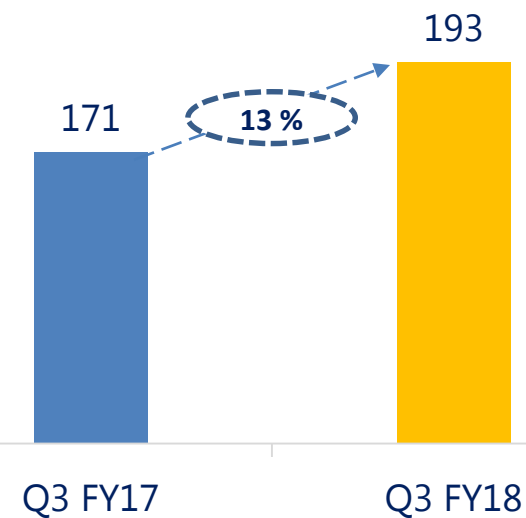


# Fee Income/Other income

₹ in Cr

	Q3 FY18	Q2 FY18	Q1 FY18	Q4 FY17	Q3 FY17	Y-o-Y %
Loan Processing Fee	34	35	28	41	29	17%
Exchange, Commission, Brokerage & Other Fee Income	120	119	118	130	109	10%
Net Profit on Forex Transactions	39	41	34	41	33	18%
<b>Fee Income</b>	<b>193</b>	<b>195</b>	<b>180</b>	<b>212</b>	<b>171</b>	<b>13%</b>
Profit on sale of securities	29	75	112	54	86	-66%
Recovery from assets written off & Other Receipts	7	17	37	16	18	-64%
<b>Total Other income</b>	<b>229</b>	<b>287</b>	<b>329</b>	<b>282</b>	<b>275</b>	<b>-17%</b>

## Fee Income (Y-o-Y)





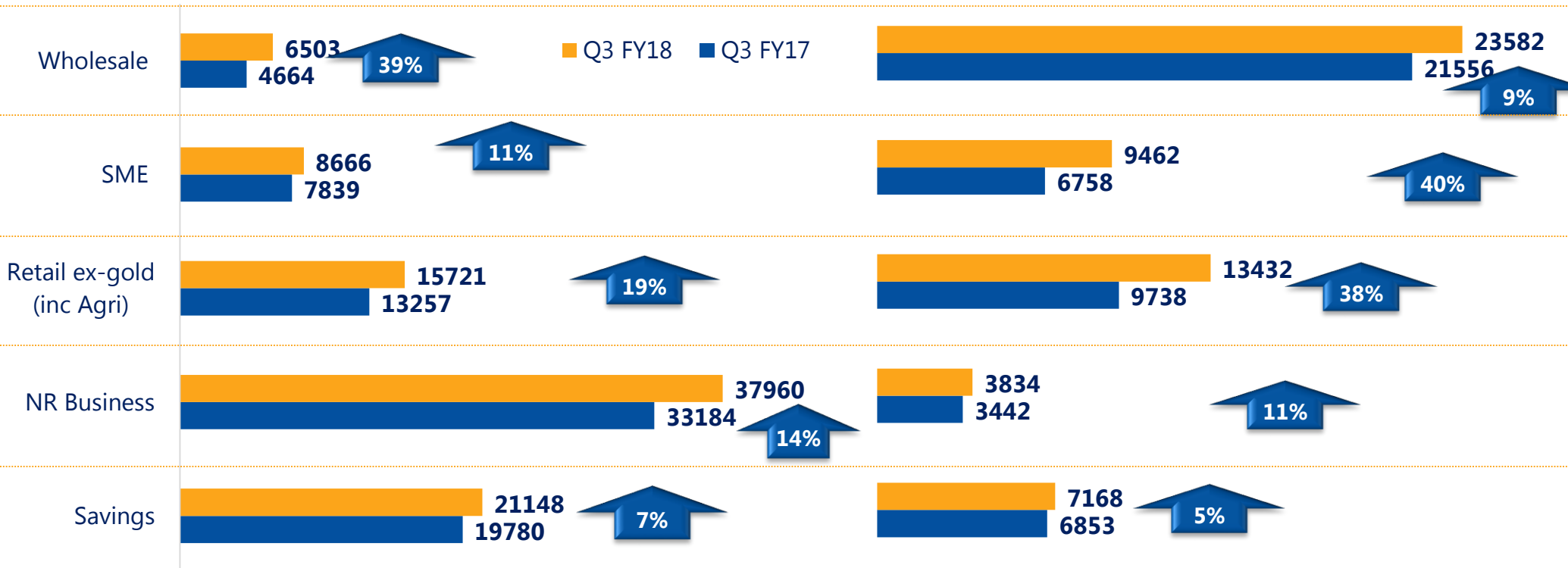




## Kerala : Continuing Dominance

## Outside Kerala: Gaining share

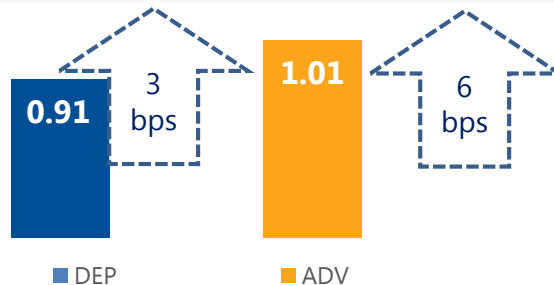
₹ in Cr



\* SME & Corporate realigned as per FY beginning reclassification

### Gain in Market Share(Y-o-Y)

Advance: Market Share improved by 6 bps  
Deposit : Market Share improved by 3 bps



Micro Banking : Rural Branches show 30% increase in Business Volumes



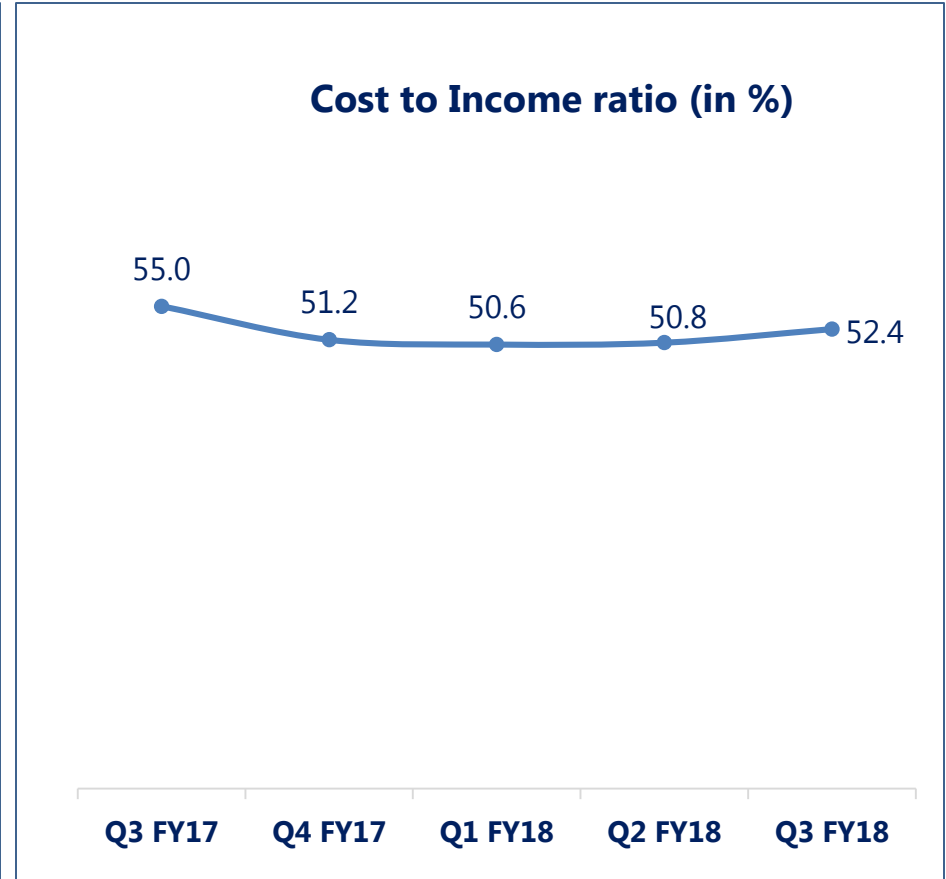
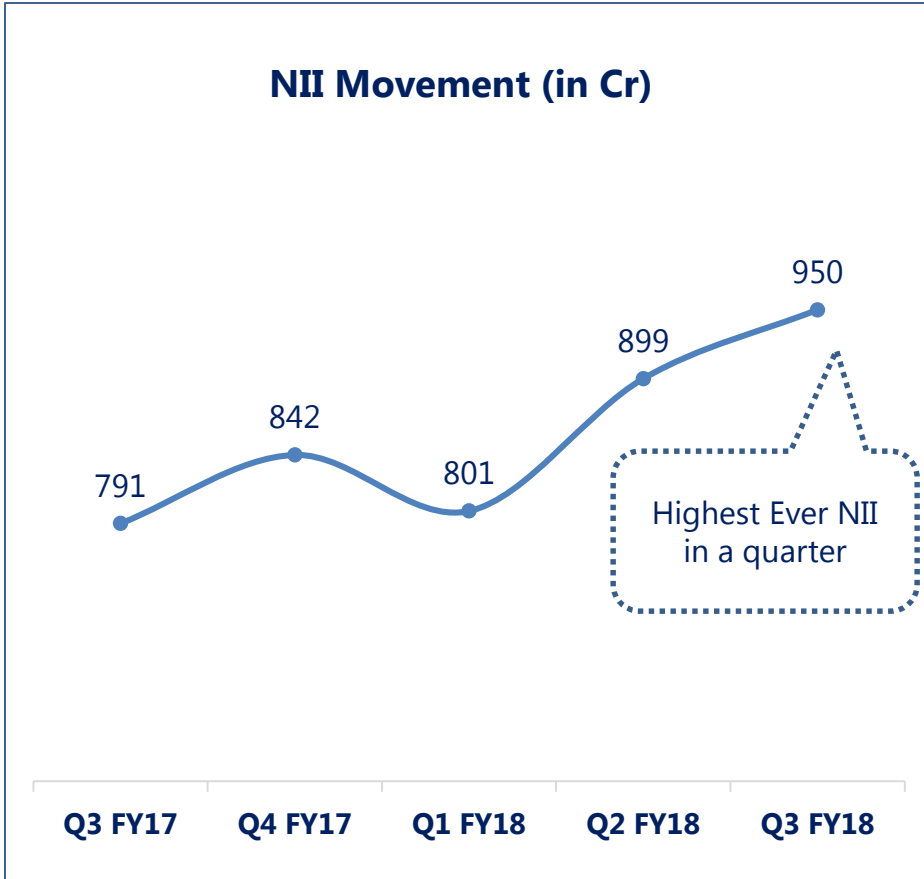
# CRAR – How strong is your Bank?

₹ in Cr

	Dec-17	Sep-17
<b>Risk Weighted Assets</b>		
Credit Risk	69565	68244
Market Risk	4168	3752
Operational Risk	6392	6392
<b>Total RWA</b>	<b>80125</b>	<b>78388</b>
<b>Tier-1 Capital Funds</b>		
Tier-1 Capital Funds	11089	11042
Tier-II Capital Funds	459	426
<b>Total Capital Funds</b>	<b>11548</b>	<b>11467</b>
<b>CRAR</b>	<b>14.41%</b>	<b>14.63%</b>
Tier-I	13.84%	14.09%
Tier-II	0.57%	0.54%



# Annexures

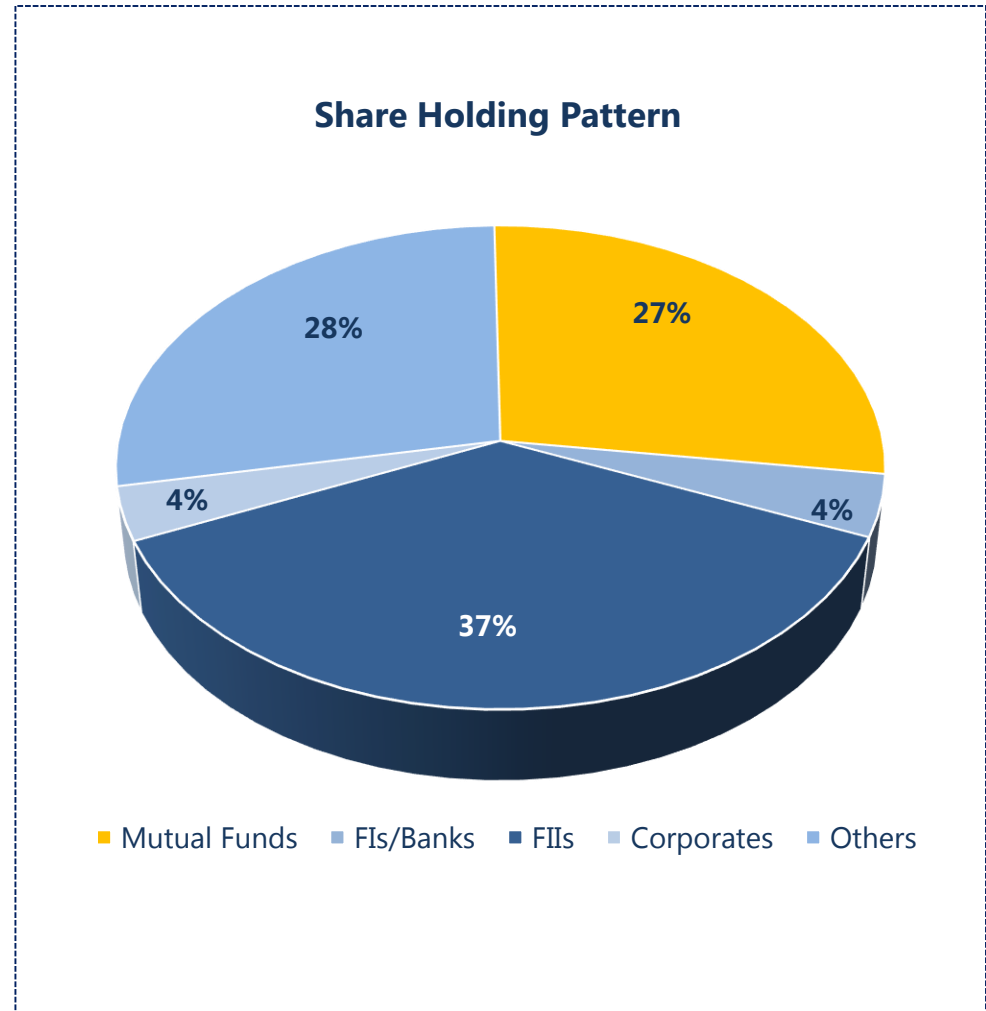




# Balance Sheet & Shareholding Pattern

₹ in Cr

	Q3 FY18	Q3 FY17
<b>LIABILITIES</b>		
Capital	393	344
Reserves & Surplus	11648	8334
Deposits	100537	92236
Borrowings	10840	6232
Other Liabilities & Provisions	4803	4352
<b>TOTAL</b>	<b>128221</b>	<b>111497</b>
<b>ASSETS</b>		
Cash & Balance with RBI	4637	4574
Balances with Banks, Money at Call	2569	2297
Investments	29775	28520
Advances	84953	69629
Fixed Assets	462	511
Other Assets	5825	5966
<b>TOTAL</b>	<b>128221</b>	<b>111497</b>



WHY  
SETTLE  
FOR  
LESS?

# Financials

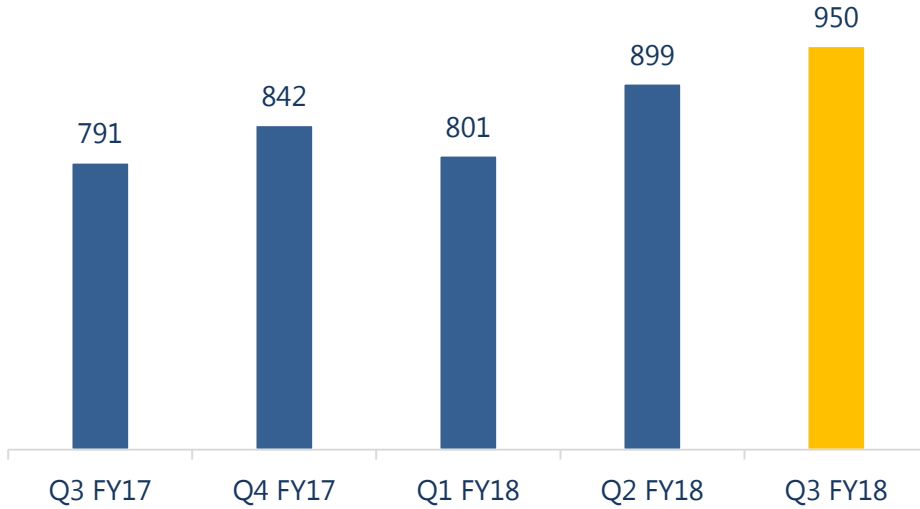
**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

₹ in Cr

	Q3 FY18	Q2 FY18	Q-o-Q	Q3 FY17	Y-o-Y
<b>Interest Income</b>	2501	2380	5%	2281	10%
<b>Interest Expenses</b>	1551	1481	5%	1490	4%
<b>Net Interest Income</b>	<b>950</b>	<b>899</b>	<b>6%</b>	<b>791</b>	<b>20%</b>
<b>Other Income</b>	229	287	-20%	275	-17%
<b>Total Income</b>	2730	2667	2%	2557	7%
<b>Total Expenditure</b>	2168	2084	4%	2082	4%
<b>Operating Profit</b>	<b>561</b>	<b>583</b>	<b>-4%</b>	<b>475</b>	<b>18%</b>
Total Provisions	301	320	-6%	269	12%
<b>Net Profit</b>	<b>260</b>	<b>264</b>	<b>-1%</b>	<b>206</b>	<b>26%</b>
<b>Net Interest Margin (%)</b>	<b>3.33%</b>	<b>3.31%</b>	<b>2 bps</b>	<b>3.32%</b>	<b>1 bps</b>
<b>Cost to Income Ratio (%)</b>	<b>52.37%</b>	<b>50.83%</b>	<b>154 bps</b>	<b>55.48%</b>	<b>-311 bps</b>

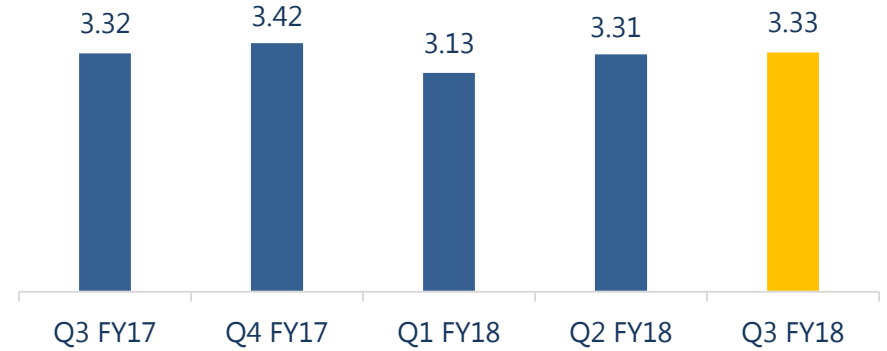


## Net Interest Income

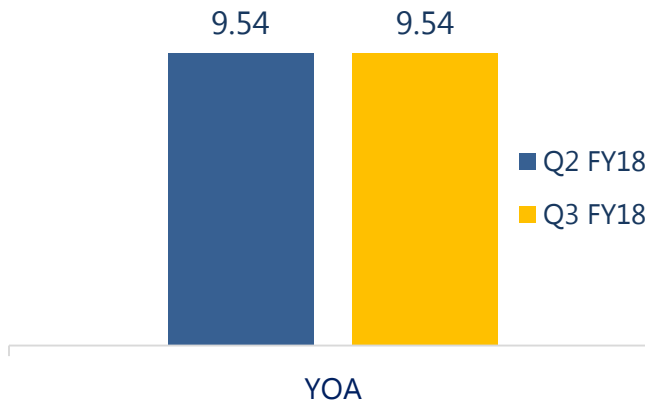


## Net Interest Margin (%)

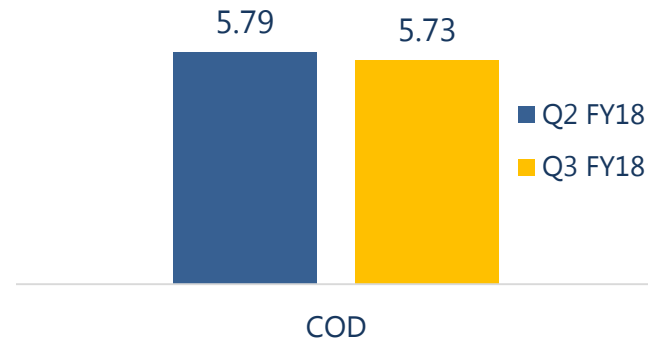
₹ in Cr



## Yield on Advances

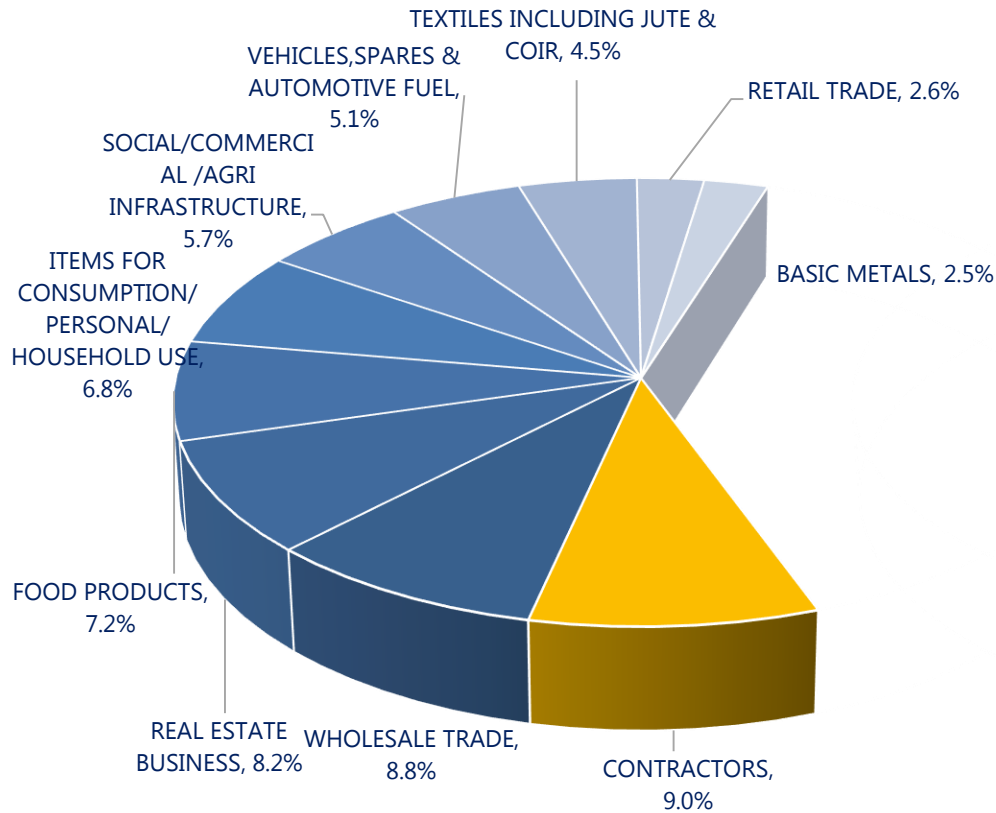


## Cost of Deposits

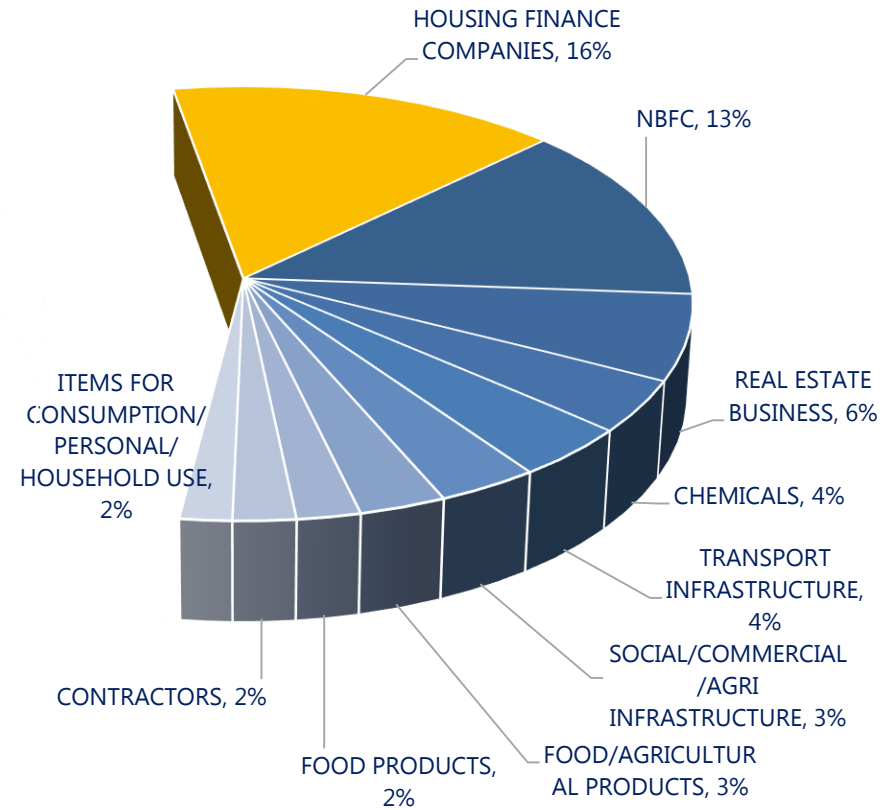




## SME Portfolio



## Corporate 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.

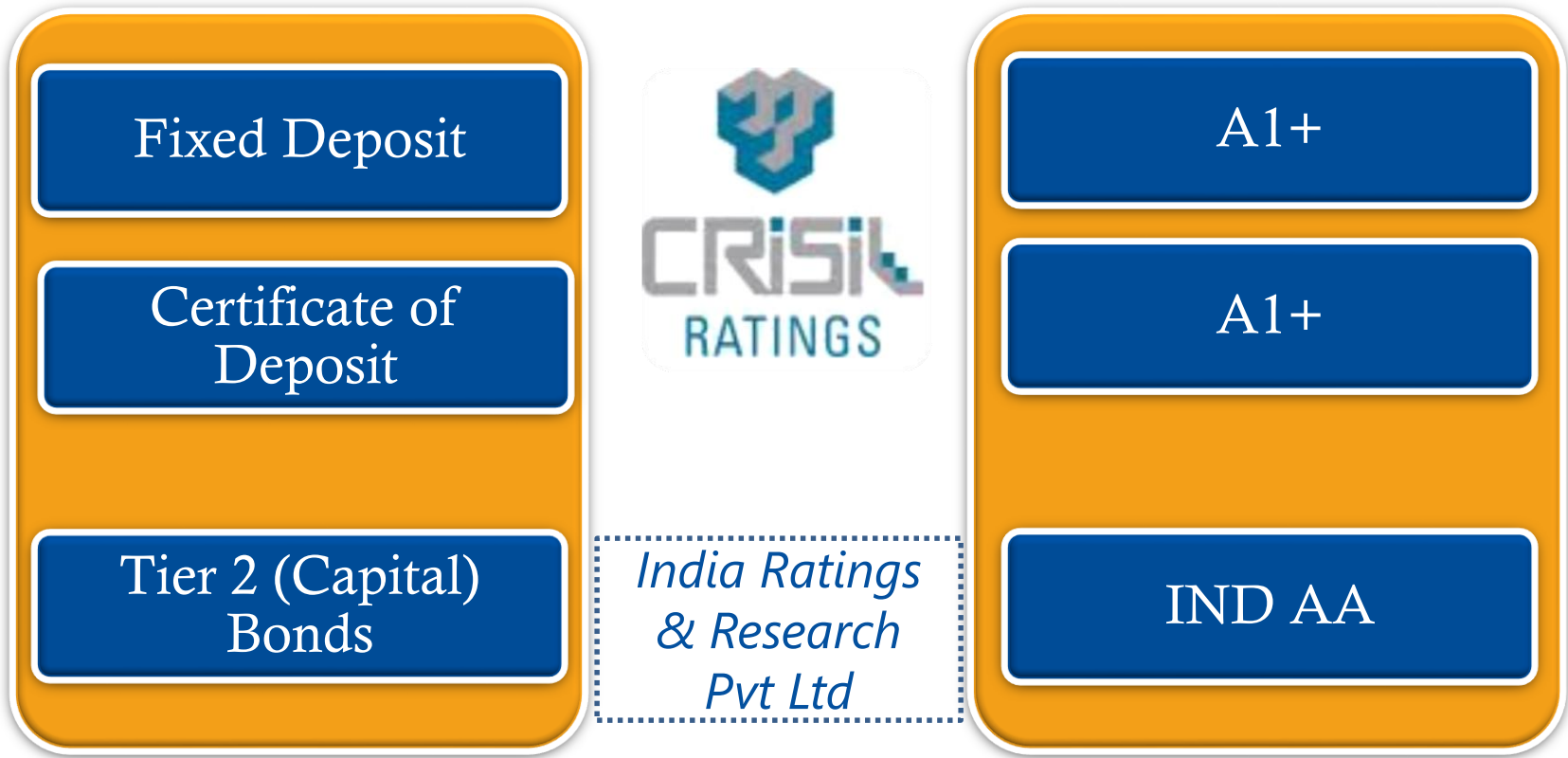
- Bank's Joint Venture Life Insurance Company, in association with IDBI Bank and Ageas
- Federal Bank holds 26% equity in the J.V.
- Started selling life insurance products from March 2008

### 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



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

This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank's business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.

All information contained in this presentation has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. No representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Bank nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from any use or reliance on this presentation or its contents or otherwise arising in connection therewith. This presentation may not be used, reproduced, copied, distributed, shared, or disseminated in any other manner.



**Thank You**