

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q1 FY 2019**

- ❑ Credit Growth Momentum Continues. Blended Y-o-Y Growth rate of 24%
- ❑ Highest ever NII @ 980Cr. Grows 22% Y-o-Y. Matches Credit Growth

- ❑ Market Share in Advances increases to 1.07%. Up by 8bps Y-o-Y
- ❑ Market Share in deposits increases to 0.97%. Up by 8bps Y-o-Y

- ❑ Highest quarterly operating profit @ 603Cr. (despite absorbing 54Cr provisioning on acct of unamortized Gratuity expenditure in Q1FY19)
- ❑ Net Profit registers 25% growth YoY to reach 263Cr.
- ❑ Cost To Income Ratio falls by 101 bps Sequentially, to 51.80

### Granular Liability Franchise:

- ❑ Retail deposits at 96% of total deposits
- ❑ CASA rises to 33.47%
- ❑ NR continues to exhibit strong growth
- ❑ Cost of Deposits lower by 12bps Q-o-Q



- ❑ Percentage of Accounts opened through digital channels at 78% in Q1 FY19.
- ❑ Opened up API banking portal to customers
- ❑ Transactions using Digital now accounts for 65% of the total transactions.

- ❑ Total stressed Book decreases from 2890Cr to 2680 Cr to touch 2.01% of total assets
- ❑ Recovery/ upgrades @ Rs 246Cr is the highest in any quarter.
- ❑ Credit Cost along predicted lines at 71 bps.

- ❑ Truenorth signs up as strategic partner in FedFina.
- ❑ Market hires for retail unsecured business & commercial vehicle business (in addition to Govt Business & Treasury marketing).

- ❑ Balance Sheet grows by 17% Y-o-Y (Rs1.36L Cr)
- ❑ Total business grows by 20% Y-o-Y (Rs.2.06L Cr)
- ❑ CRAR at 14.50 %



# Performance Highlights Y-o-Y

<b>Retail (inc Agri)</b>	<b>20%</b>	<b>↑</b>	<b>NII</b>	<b>22%</b>	<b>↑</b>
<b>SME Advance</b>	<b>17%</b>	<b>↑</b>	<b>Core Fee Income</b>	<b>15%</b>	<b>↑</b>
<b>Corporate Business</b>	<b>32%</b>	<b>↑</b>	<b>Net Profit</b>	<b>25%</b>	<b>↑</b>
<b>Total Advance</b>	<b>24%</b>	<b>↑</b>	<b>NIM</b>	<b>@3.12%</b>	
<b>Retail Deposit</b>	<b>15%</b>	<b>↑</b>	<b>GNPA</b>	<b>3.00%</b>	
<b>CASA</b>	<b>16%</b>	<b>↑</b>	<b>Capital Adequacy (CRAR)</b>	<b>14.50%</b>	
			<b>Provision Coverage Ratio</b>	<b>64.71%</b>	



# Comparison : Y-o-Y (3 M)



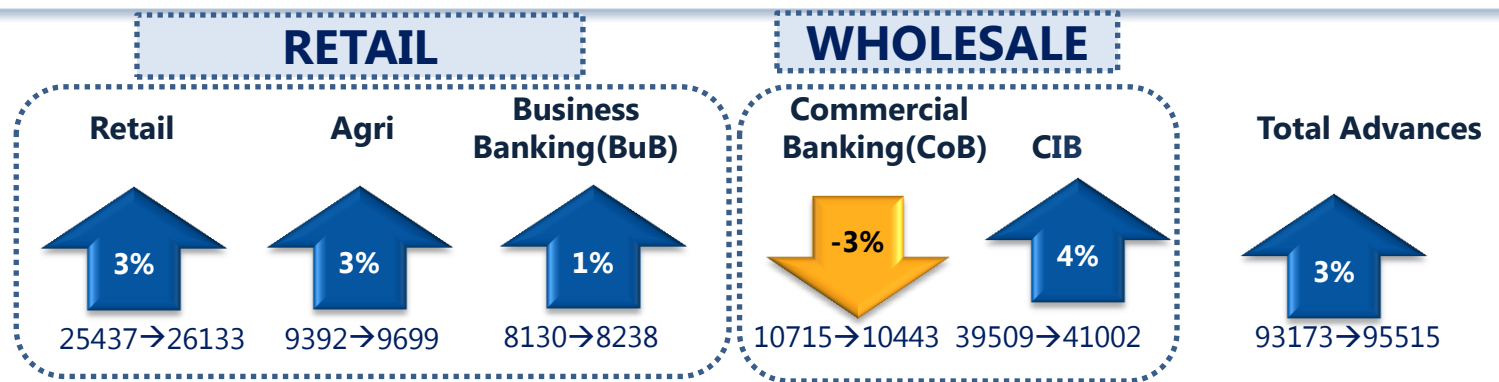
\* Credit segments are realigned at the beginning of every FY.

#SME split into BuB & CoB

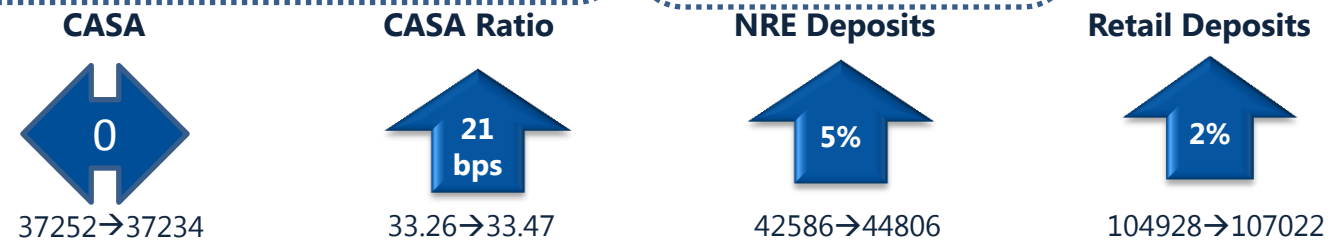


# Comparison : Q-o-Q (Sequential)

### Advances



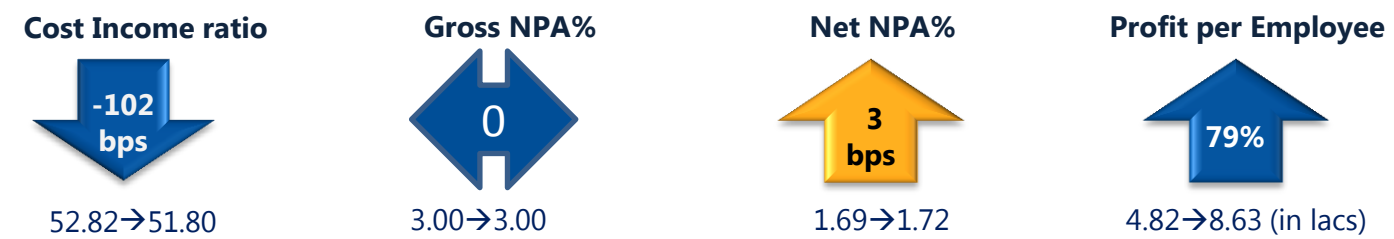
### Deposits



### Performance



### Ratios



\* Credit segments are realigned at the beginning of every FY. #SME split into BuB & CoB

WHY SETTLE FOR LESS?

# Key Indicators

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## Shareholder Value

	Q1 FY19	Q4 FY18	Q3 FY18	Q2 FY18	Q1 FY18
<b>Book Value</b> (Per Share in ₹)	62.62	61.55	60.80	59.59	59.42
<b>EPS</b> (annualized)	5.32	2.98	5.32	5.35	4.34

## Granularity

<b>CASA + Deposits &lt;1 Cr</b> (% of Total Deposits)	91%	88%	92%	90%	92%
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## Profitability (Annualized)

<b>ROA</b>	0.79	0.46	0.87	0.94	0.77
<b>RoRWA</b>	1.37	0.77	1.40	1.45	1.23
<b>ROE</b>	8.61	4.88	8.74	9.02	8.26

## Efficiency

<b>Cost/Income</b>	51.80	52.82	52.37	50.83	50.62
<b>Net NPA%</b>	1.72	1.69	1.36	1.32	1.39



# Fresh Slippages Break up

## Fresh Slippages

	Q1 FY19	Q4 FY18	Q3 FY18	Q2 FY18	Q1 FY18
<b>Retail</b>	<b>109</b>	70	150	106	97
<b>Agri</b>	<b>54</b>	56	42	51	45
<b>SME</b>	<b>90</b>	142	122	107	114
<b>Corporate</b>	<b>207*</b>	604	98	20	169
<b>Total</b>	<b>461</b>	<b>872</b>	<b>411</b>	<b>284</b>	<b>425</b>

\*of which 163 Cr from restructured standard book.

## Restructured

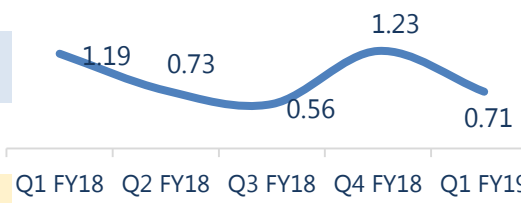
TYPE	Q1 FY19		Q4 FY18	
	Balance	Of which Bonds	Balance	Of which Bonds
<b>STANDARD</b>	581	81	792	131
<b>Gross NPA</b>	656	75	643	53
<b>Net NPA</b>	563	75	594	53
<b>TOTAL</b>	<b>1144</b>	<b>156</b>	<b>1386</b>	<b>184</b>

NPA Composition		Q1 FY19	Q4 FY18
Gross NPA	Business	NPA	NPA
	Retail	595	527
	Agri	325	291
	SME	1062	1134
	Corporate	887	843
	<b>Total</b>	<b>2869</b>	<b>2796</b>
<b>Net NPA</b>		<b>1620</b>	<b>1552</b>

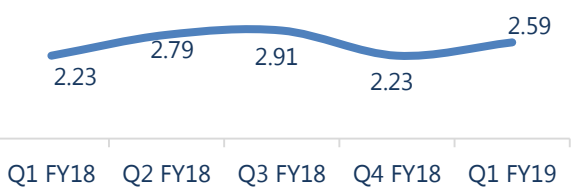
## Security Receipts

	Q1 FY19	Q4 FY18
Face Value	758	835
Book Value	649	726

## Credit Cost



## Risk Adjusted NIM





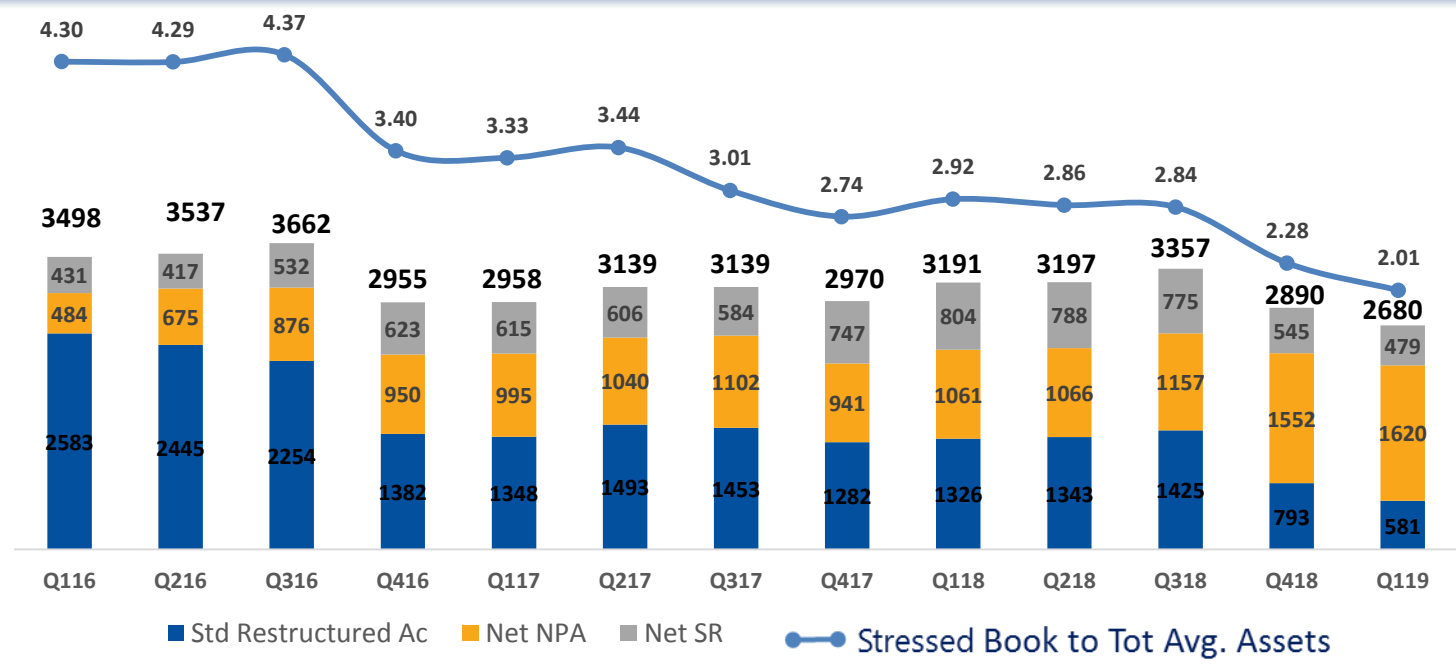
# Asset Quality Drill-Down

Total Stressed Book further reduced from 2890Cr to 2680cr to touch 2.01% of Total Assets.

Credit Cost of the Bank improved to 71 bps which is along budgeted lines

Net Security Receipts portfolio down to 479Cr

Recovery/ upgrades @ Rs 246cr is the highest in any quarter.



## Movement of NPA

Amt in Rs.Cr.

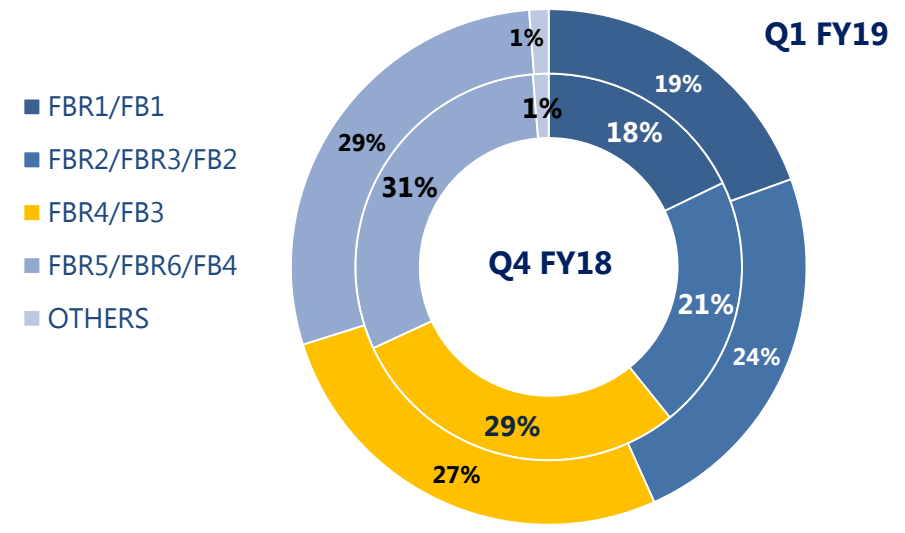
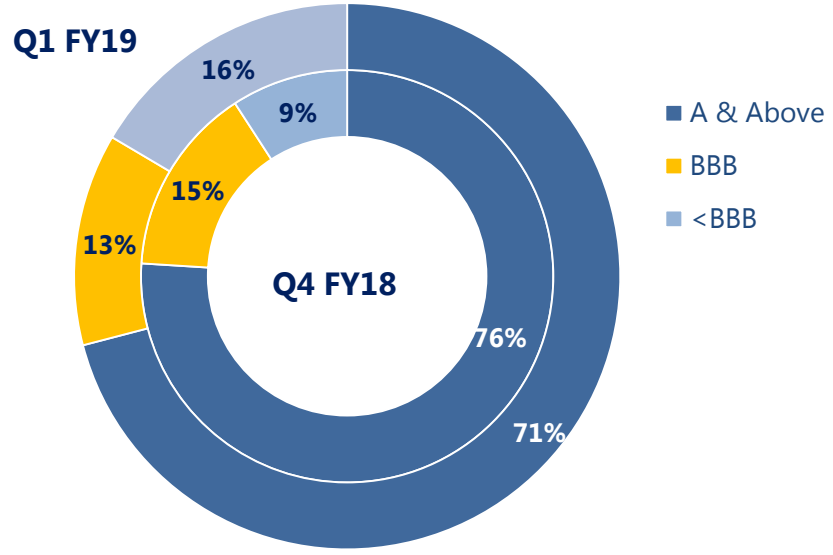
Gross NPA as on 31.03.2018	<b>2796</b>
Add Fresh Slippage	461
Add Increase in Balances in Existing NPAs	21
Deduct Recoveries/ Upgrades	-246
Deduct Written Off	-163
Deduct Sale to ARCs	0
Gross NPA as on 30.06.2018	<b>2869</b>





# Asset Quality : Rating Distribution

## Risk Rating



### Wholesale Assets

Rating	Q1 FY-19 *	Q4 FY-18
A & above	71%	76%
BBB	13%	15%
< BBB	16%	9%

### Other Assets

Rating	Q1 FY-19	Q4 FY-18
FBR1 FB1	19%	18%
FBR2/FBR3 FB2	24%	21%
FBR4 FB3	27%	29%
FBR5/FBR6 FB4	29%	31%
Others	1%	1%

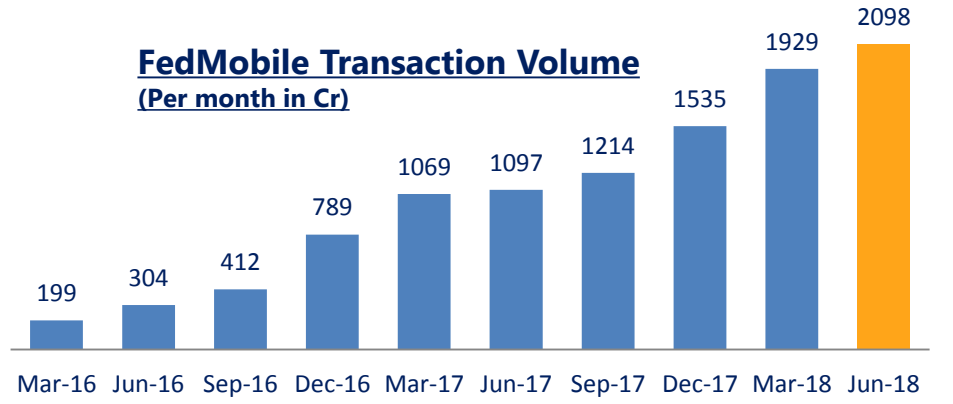
\*Includes all rated Corporate & Commercial Banking Assets



## Digital share

- 65% Digital Transactions
- 78% New Savings Accounts
- 36% of Retail Personal Loans
- 17% of New Term Deposits

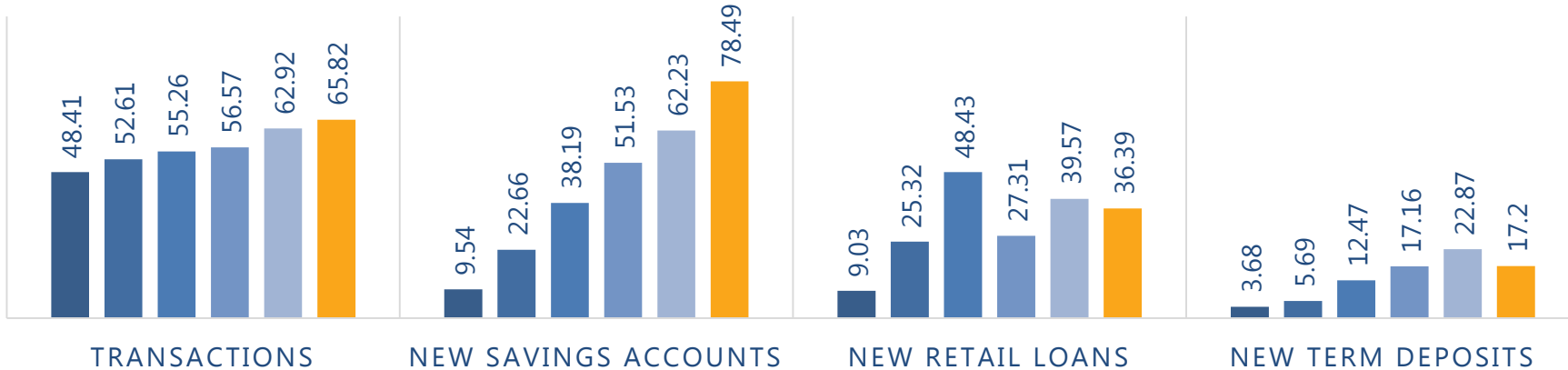
## FedMobile Transaction Volume (Per month in Cr)



5.97 Lakh active customers in Mobile Platform

## Digital Share

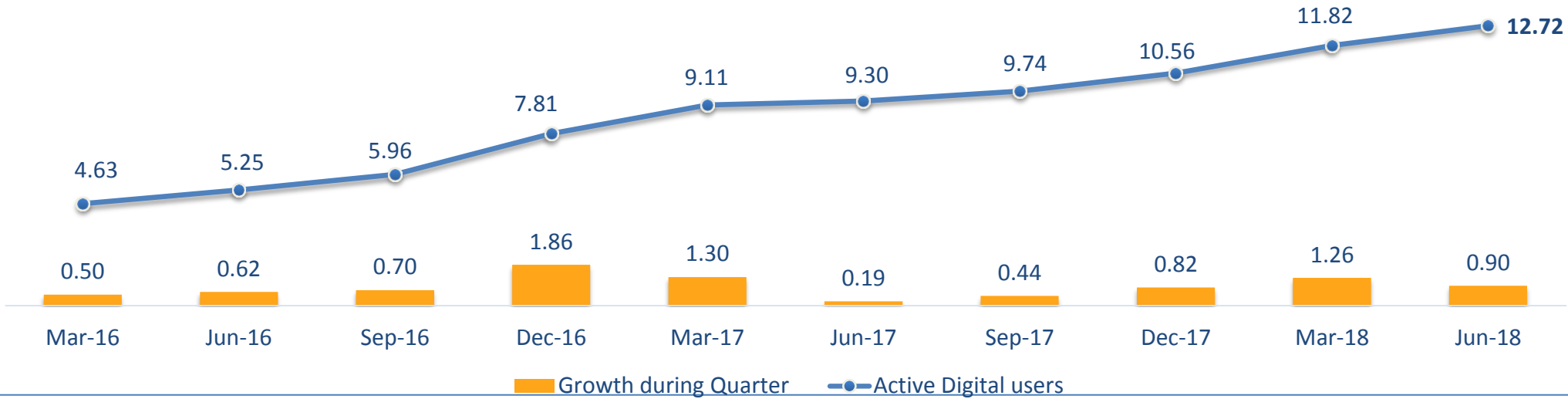
■ Mar-17 ■ Jun-17 ■ Sept-17 ■ Dec-17 ■ Mar-18 ■ Jun-18



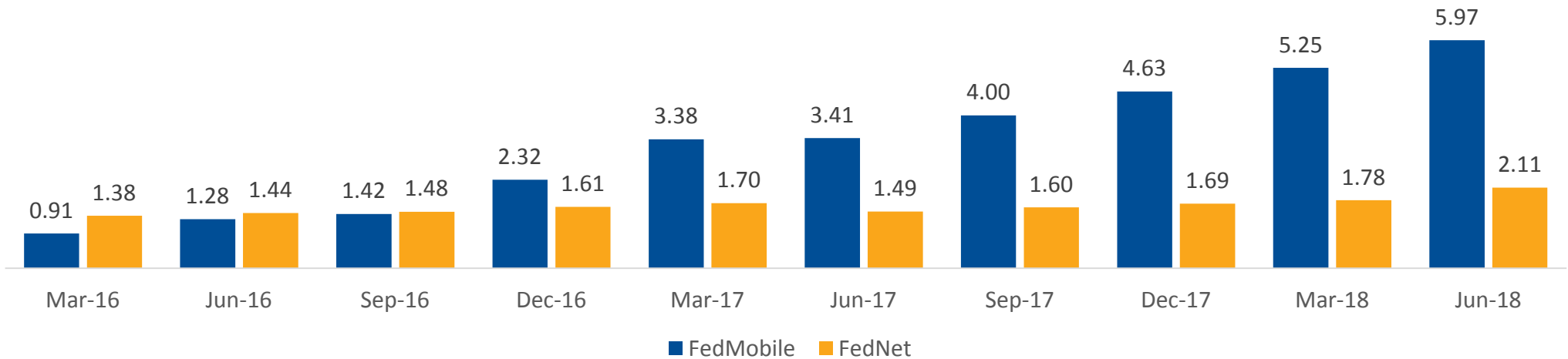


# Digital Journey

### Increase in the Number of Active Digital Users (In Lakhs)



### Active Digital Users for Mobile Banking (FedMobile) and Internet Banking (FedNet) (In Lakhs)





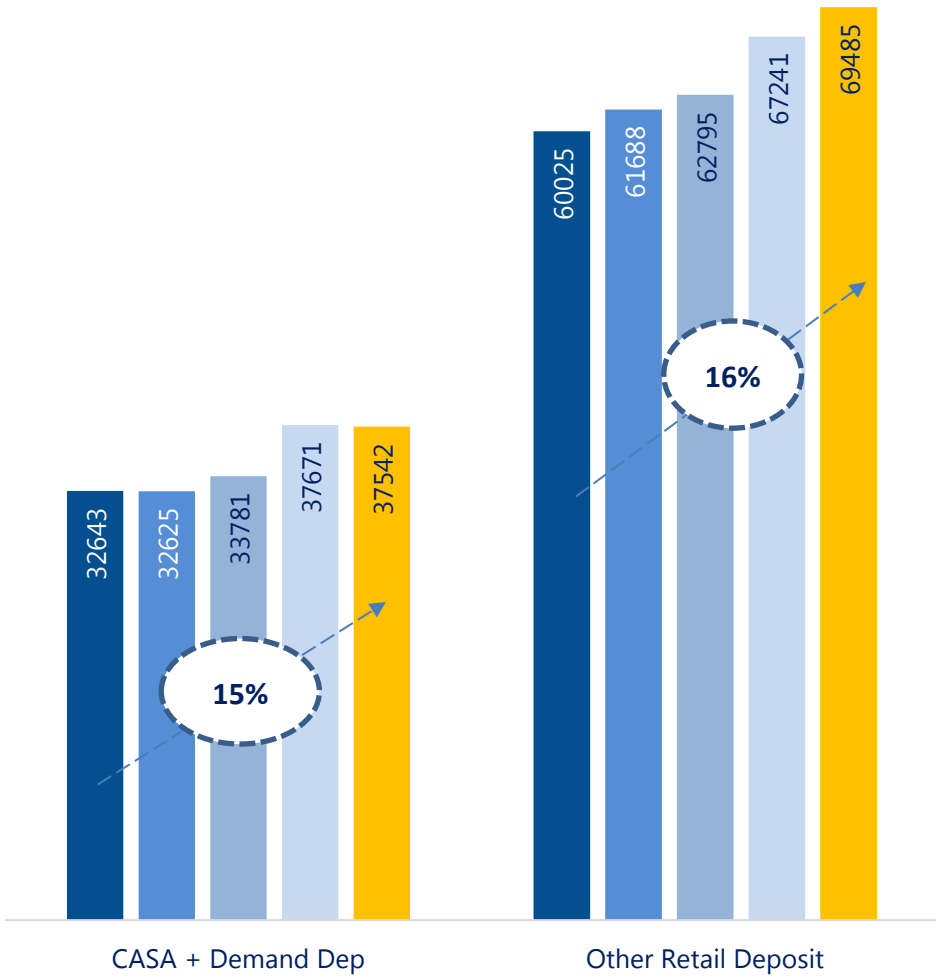
# Business Parameters



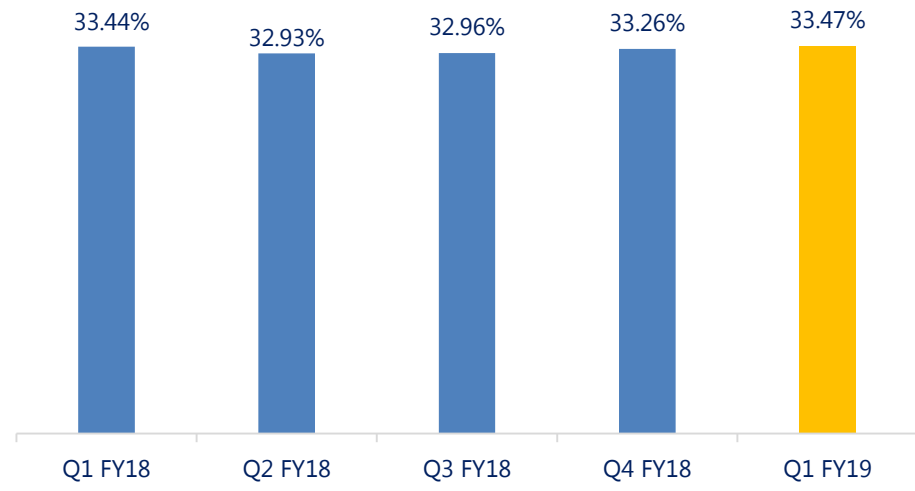
# Liability : Trends

₹ in Cr

■ Q1 FY18 ■ Q2 FY18 ■ Q3 FY18 ■ Q4 FY18 ■ Q1 FY19



## CASA Ratio

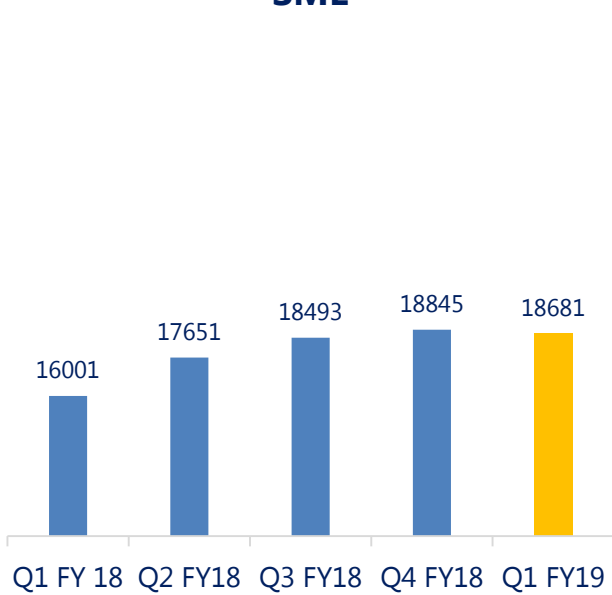




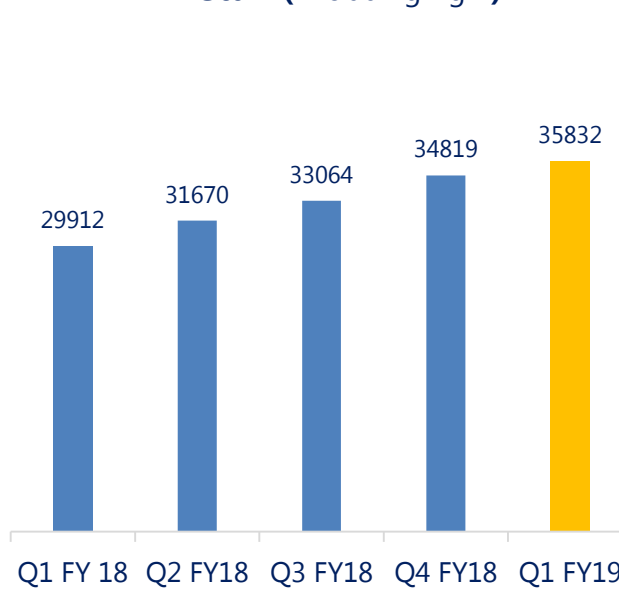
# Customer Exposures

₹ in Cr

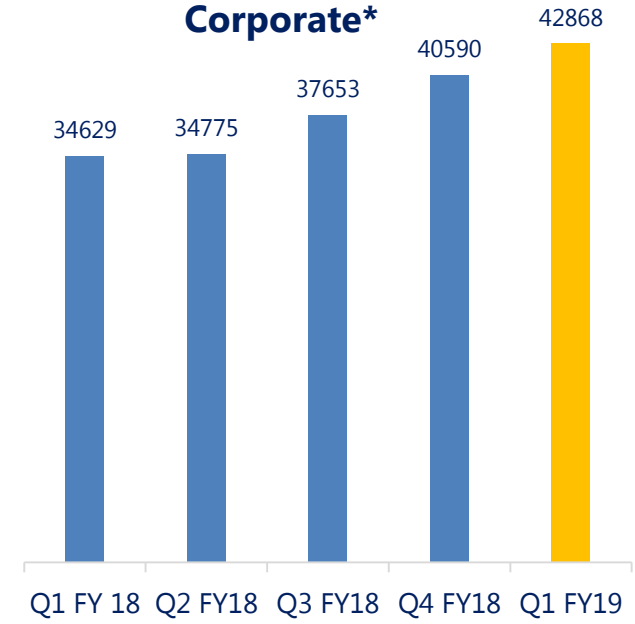
## SME



## Retail ( Including Agri )



## Corporate\*

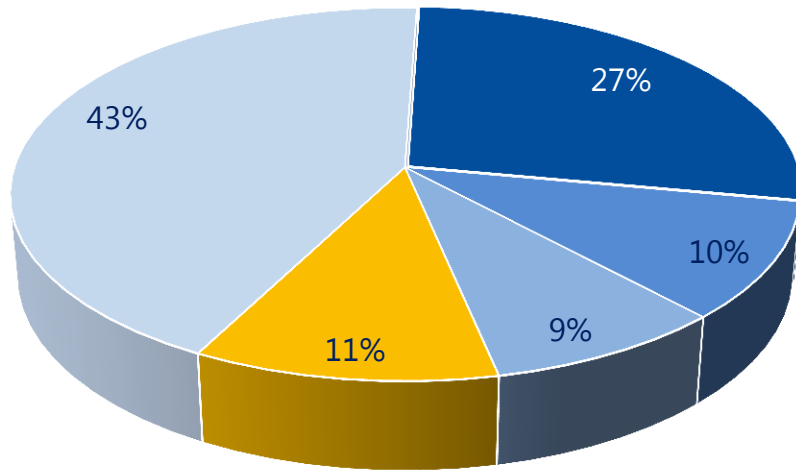


## Highlights

- SME Portfolio shows 17% growth Y-o-Y.
- Retail (including Agri) portfolio grows by 20% Y-o-Y .
- Corporate\* portfolio grows by 24% Y-o-Y.



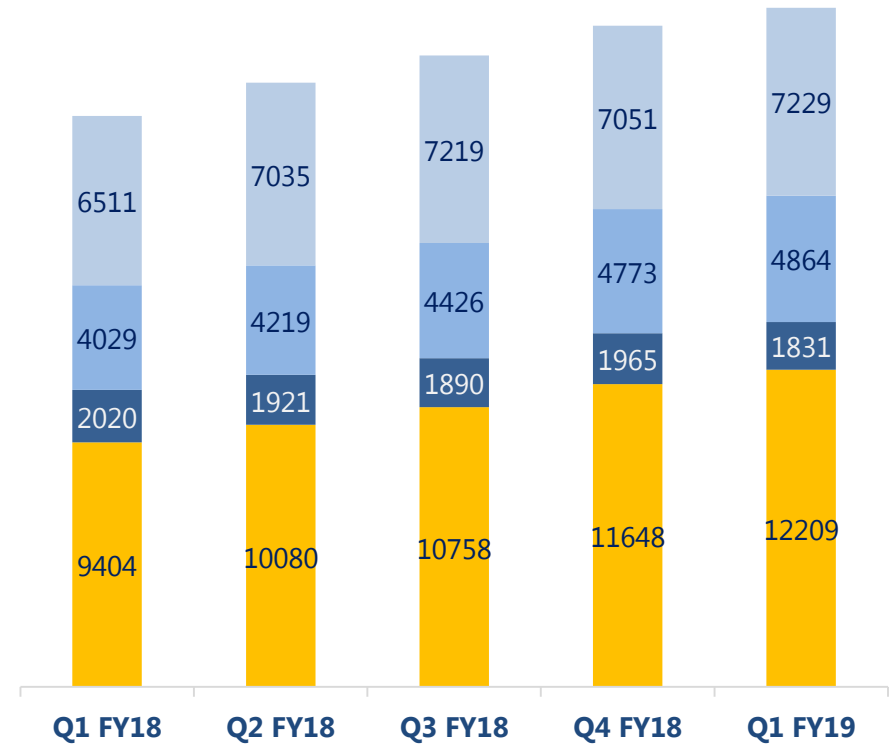
## Total Loan Book



■ Retail ■ Agri ■ BuB ■ CB ■ CIB

## Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others



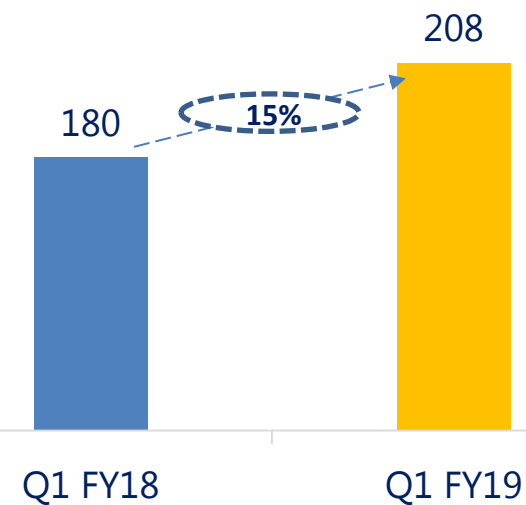


# Fee Income/Other income

₹ in Cr

	Q1 FY19	Q4 FY18	Q3 FY18	Q2 FY18	Q1 FY18	Y-o-Y %
Loan Processing Fee	31	46	34	35	28	12%
Exchange, Commission, Brokerage & Other Fee Income	129	136	120	119	118	9%
Net Profit on Forex Transactions	47	56	39	41	34	40%
<b>Fee Income</b>	<b>208</b>	<b>238</b>	<b>193</b>	<b>195</b>	<b>180</b>	15%
Profit on sale of securities	49	22	29	75	112	-56%
Recovery from assets written off & Other Receipts	14	54	7	17	37	-61%
<b>Total Other income</b>	<b>271</b>	<b>314</b>	<b>229</b>	<b>287</b>	<b>329</b>	-18%

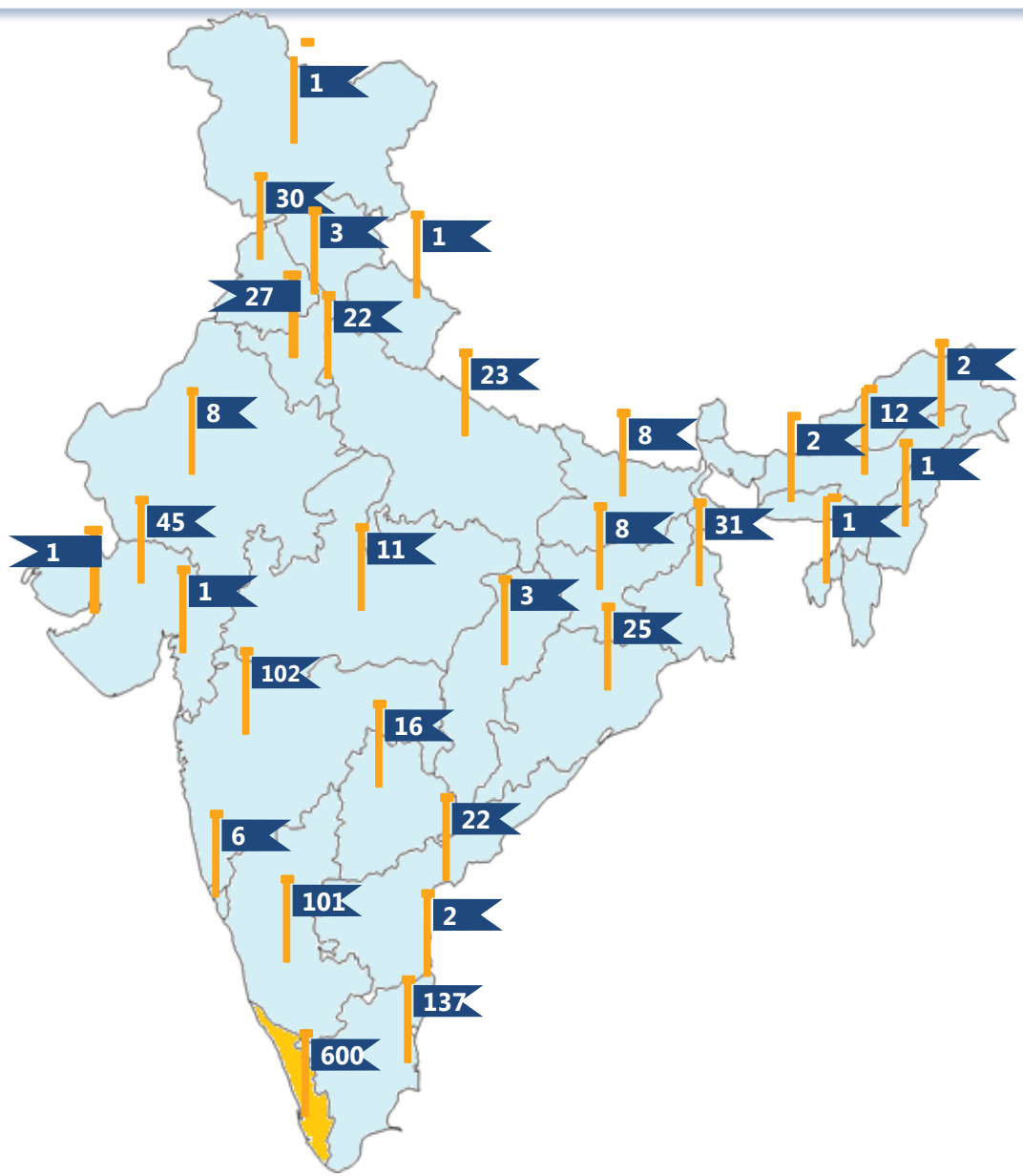
## Fee Income (Y-o-Y)



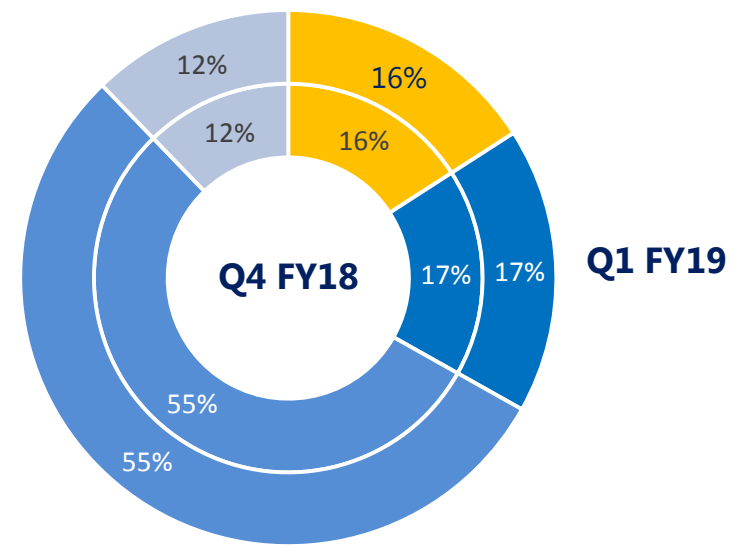


**WHY SETTLE FOR LESS?**

# Distribution : Deriving Efficiency from Foot Print



	Q1 FY19	Q4 FY18	Q3 FY18
Branches	1252	1252	1252
ATMs	1684	1696	1679



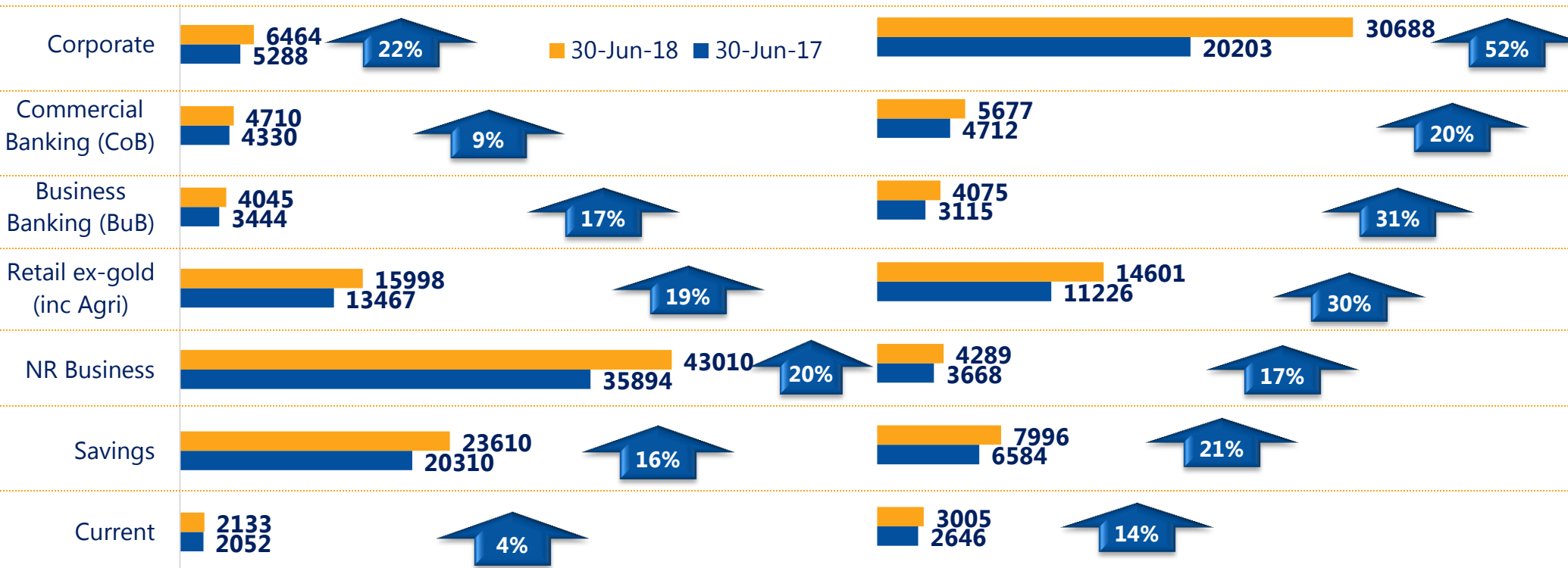
■ Metro ■ Urban ■ Semi Urban ■ Rural



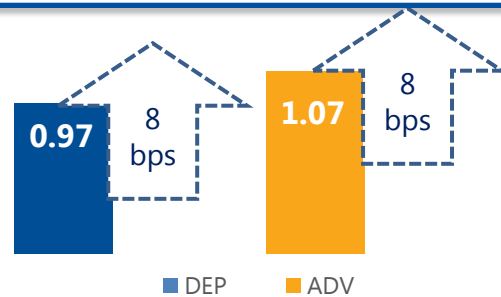
## Kerala : Continuing Dominance

## Outside Kerala: Gaining share

₹ in Cr



## Bank's Market Share



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

Advance: Market Share improved by 8 bps  
Deposit : Market Share improved by 8 bps



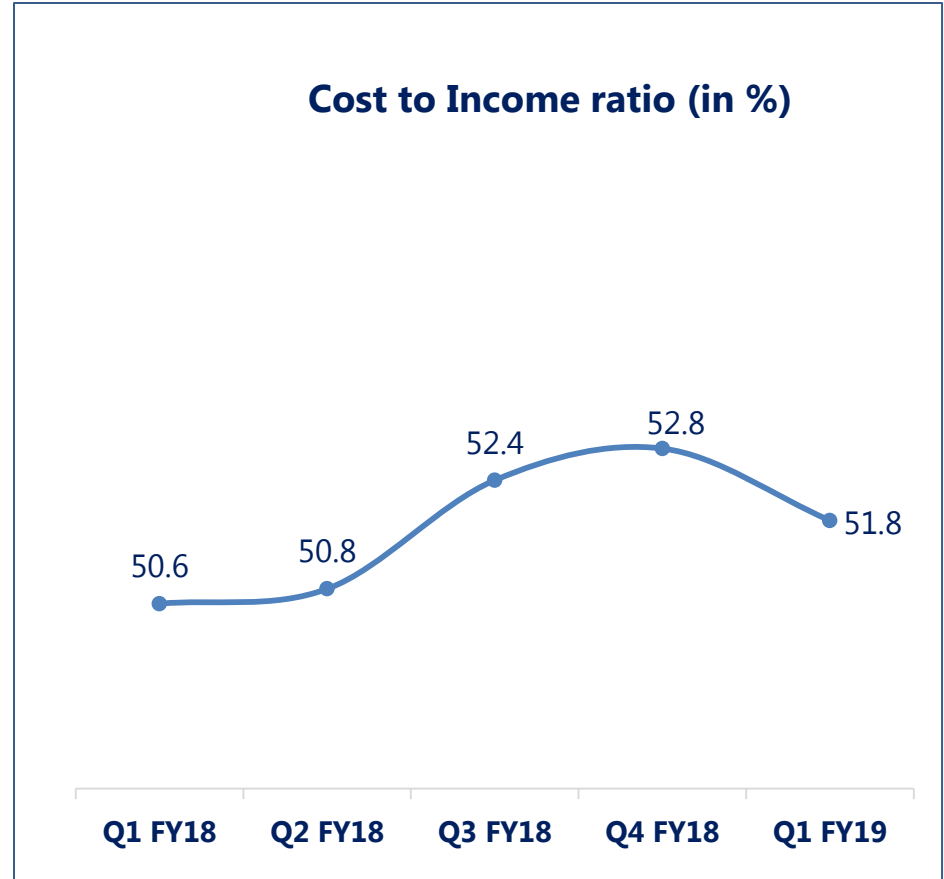
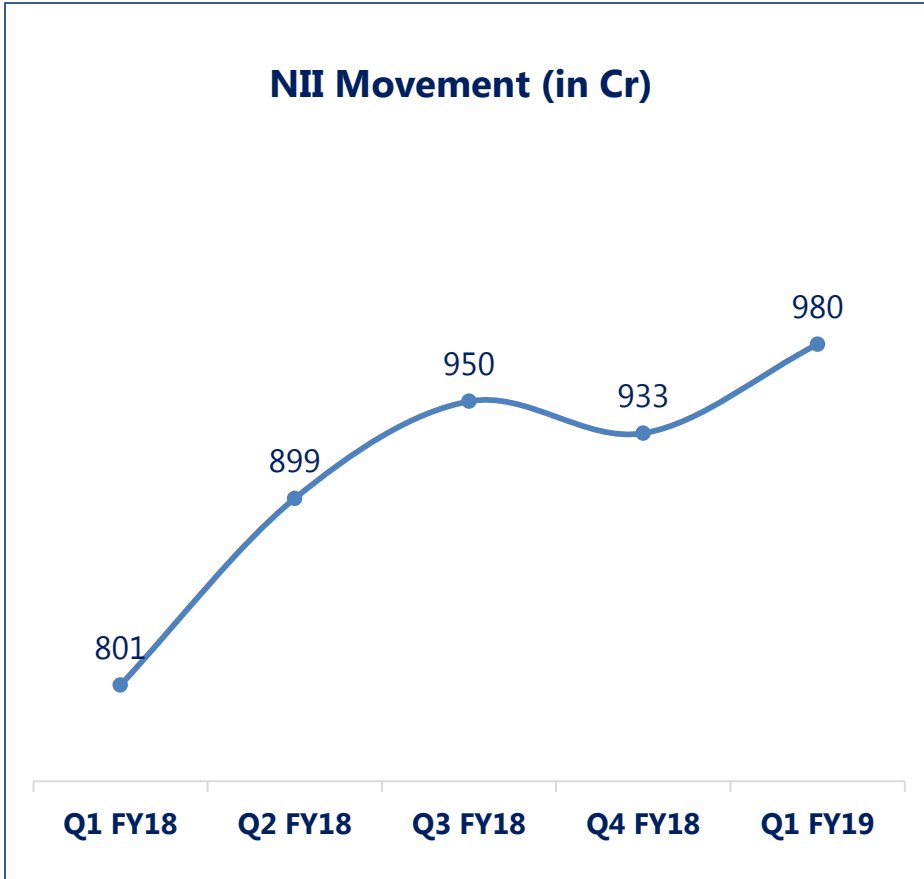
# CRAR – How strong is your Bank?

₹ in Cr

	Jun-18	Mar-18
<b>Risk Weighted Assets</b>		
Credit Risk	73755	73163
Market Risk	3151	3504
Operational Risk	7325	6392
<b>Total RWA</b>	<b>84232</b>	<b>83060</b>
Tier-1 Capital Funds	11801	11776
Tier-II Capital Funds	414	437
<b>Total Capital Funds</b>	<b>12216</b>	<b>12213</b>
<b>CRAR</b>	<b>14.50%</b>	<b>14.70%</b>
Tier-I	14.01%	14.18%
Tier-II	0.49%	0.52%



# Annexures

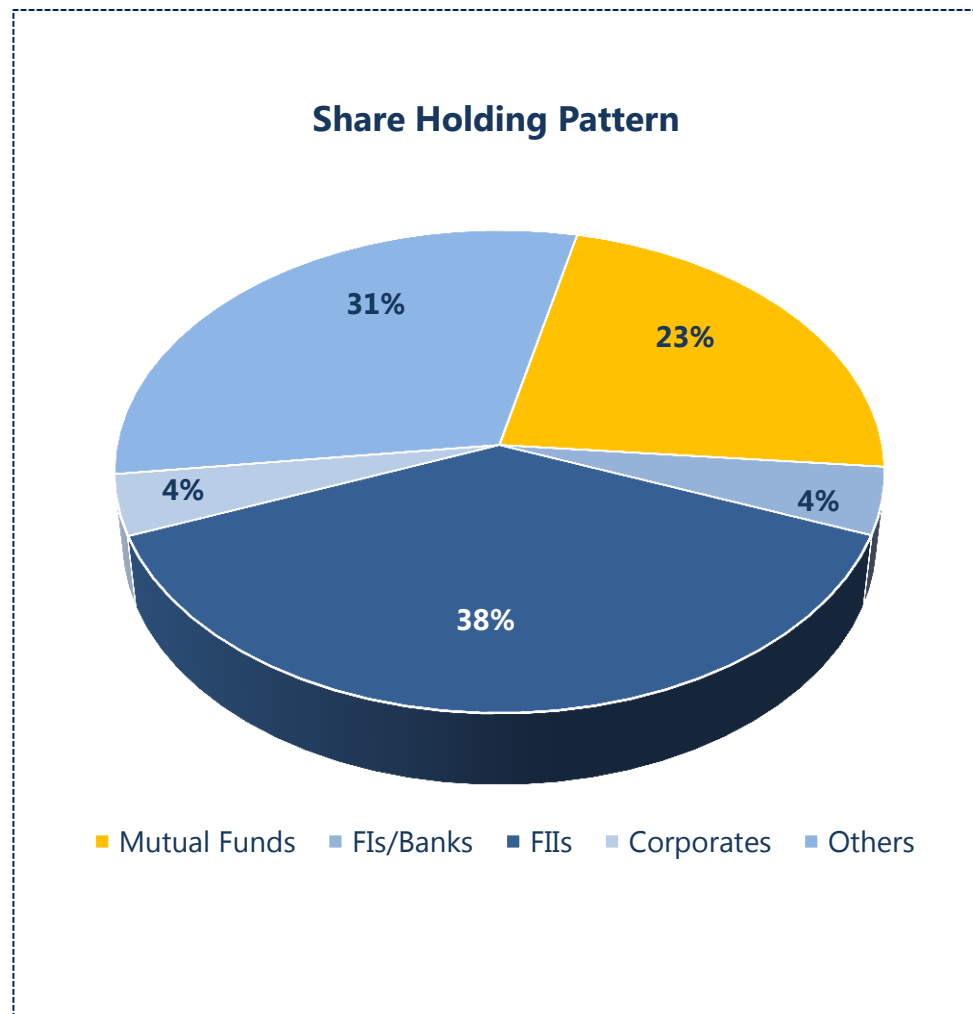




# Balance Sheet & Shareholding Pattern

₹ in Cr

	Q1 FY19	Q1 FY18
<b>LIABILITIES</b>		
Capital	396	388
Reserves & Surplus	12103	11239
Deposits	111242	95839
Borrowings	9470	5833
Other Liabilities & Provisions	3470	3067
<b>TOTAL</b>	<b>136681</b>	<b>116367</b>
<b>ASSETS</b>		
Cash & Balance with RBI	4835	4674
Balances with Banks, Money at Call	2713	2778
Investments	28312	26691
Advances	94297	76307
Fixed Assets	467	484
Other Assets	6058	5433
<b>TOTAL</b>	<b>136681</b>	<b>116367</b>



WHY  
SETTLE  
FOR  
LESS?

# Financials

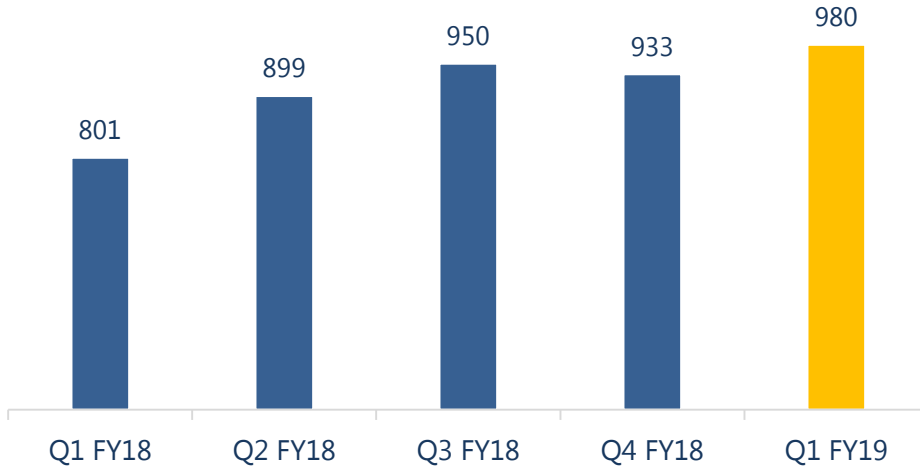
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₹ in Cr

	Q1 FY19	Q4 FY18	Q-o-Q	Q1 FY18	Y-o-Y
<b>Interest Income</b>	2667	2548	5%	2324	15%
<b>Interest Expenses</b>	1687	1615	4%	1523	11%
<b>Net Interest Income</b>	<b>980</b>	<b>933</b>	<b>5%</b>	<b>801</b>	<b>22%</b>
<b>Other Income</b>	271	314	-14%	329	-18%
<b>Total Income</b>	2938	2862	3%	2653	11%
<b>Total Expenditure</b>	648	659	-2%	572	13%
<b>Operating Profit</b>	<b>603</b>	<b>589</b>	<b>2%</b>	<b>558</b>	<b>8%</b>
Total Provisions	340	444	-23%	348	-2%
<b>Net Profit</b>	<b>263</b>	<b>145</b>	<b>81%</b>	<b>210</b>	<b>25%</b>
<b>Net Interest Margin (%)</b>	<b>3.12%</b>	<b>3.11%</b>	<b>1 bps</b>	<b>3.13%</b>	<b>-1 bps</b>
<b>Cost to Income Ratio (%)</b>	<b>51.80%</b>	<b>52.82%</b>	<b>-102 bps</b>	<b>50.62%</b>	<b>118 bps</b>

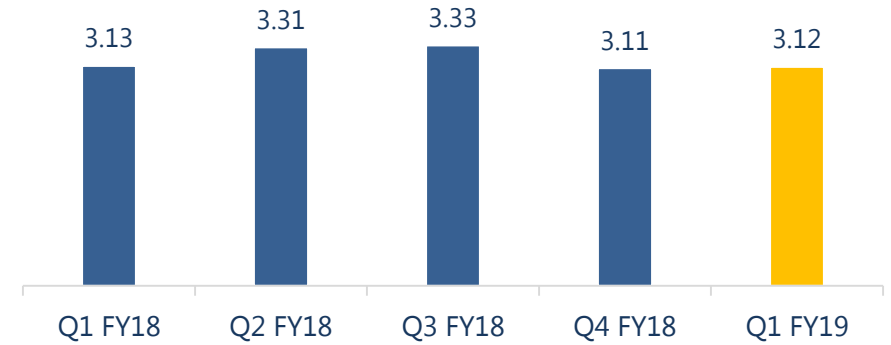


## Net Interest Income

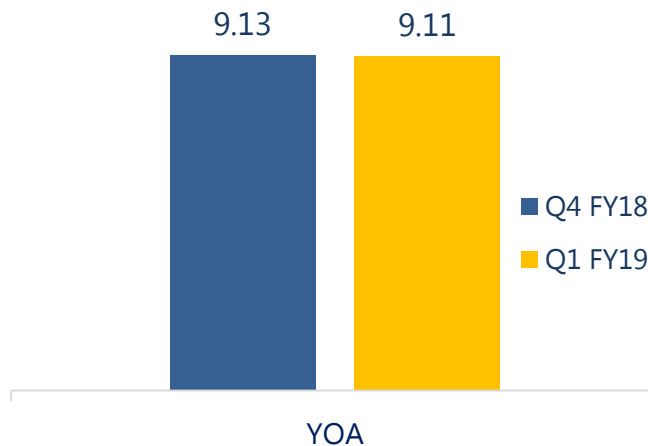


## Net Interest Margin (%)

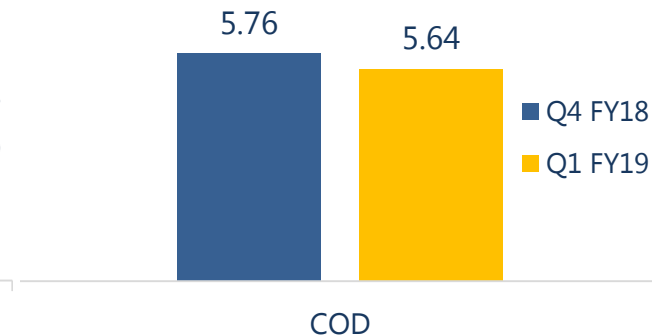
₹ in Cr



## Yield on Advances



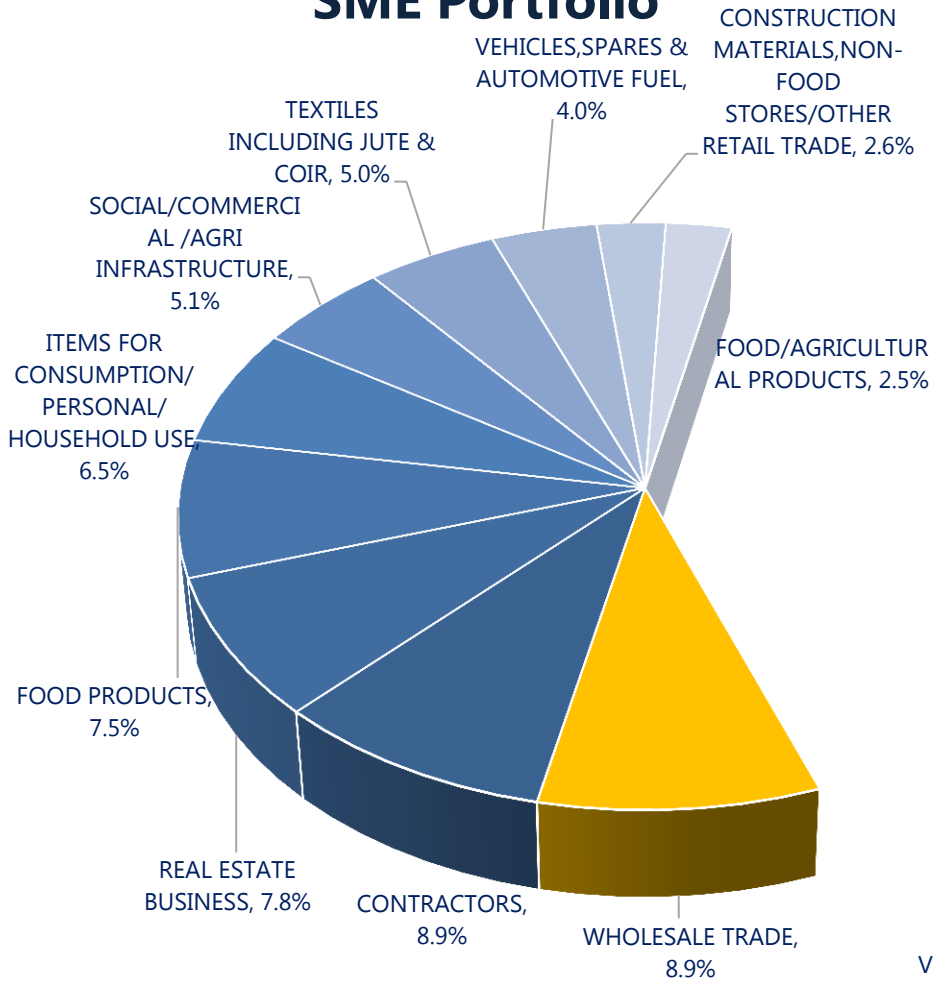
## Cost of Deposits



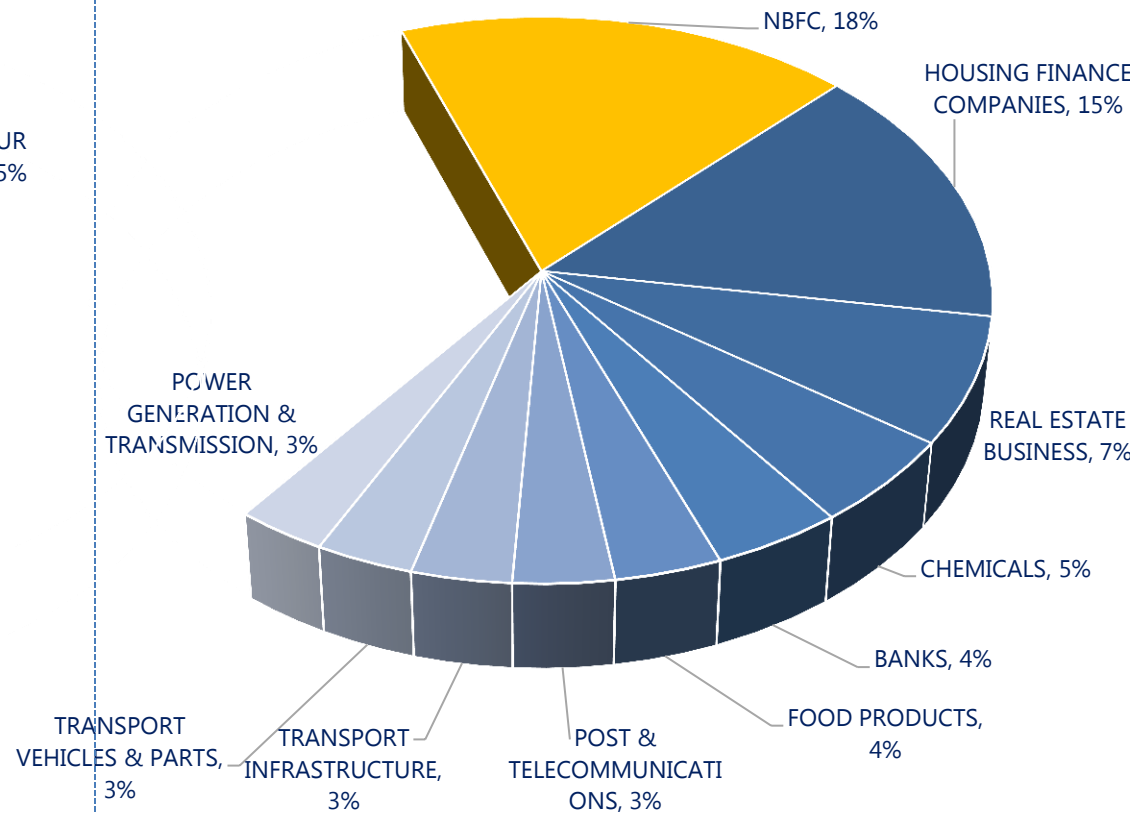




## SME Portfolio



## 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.

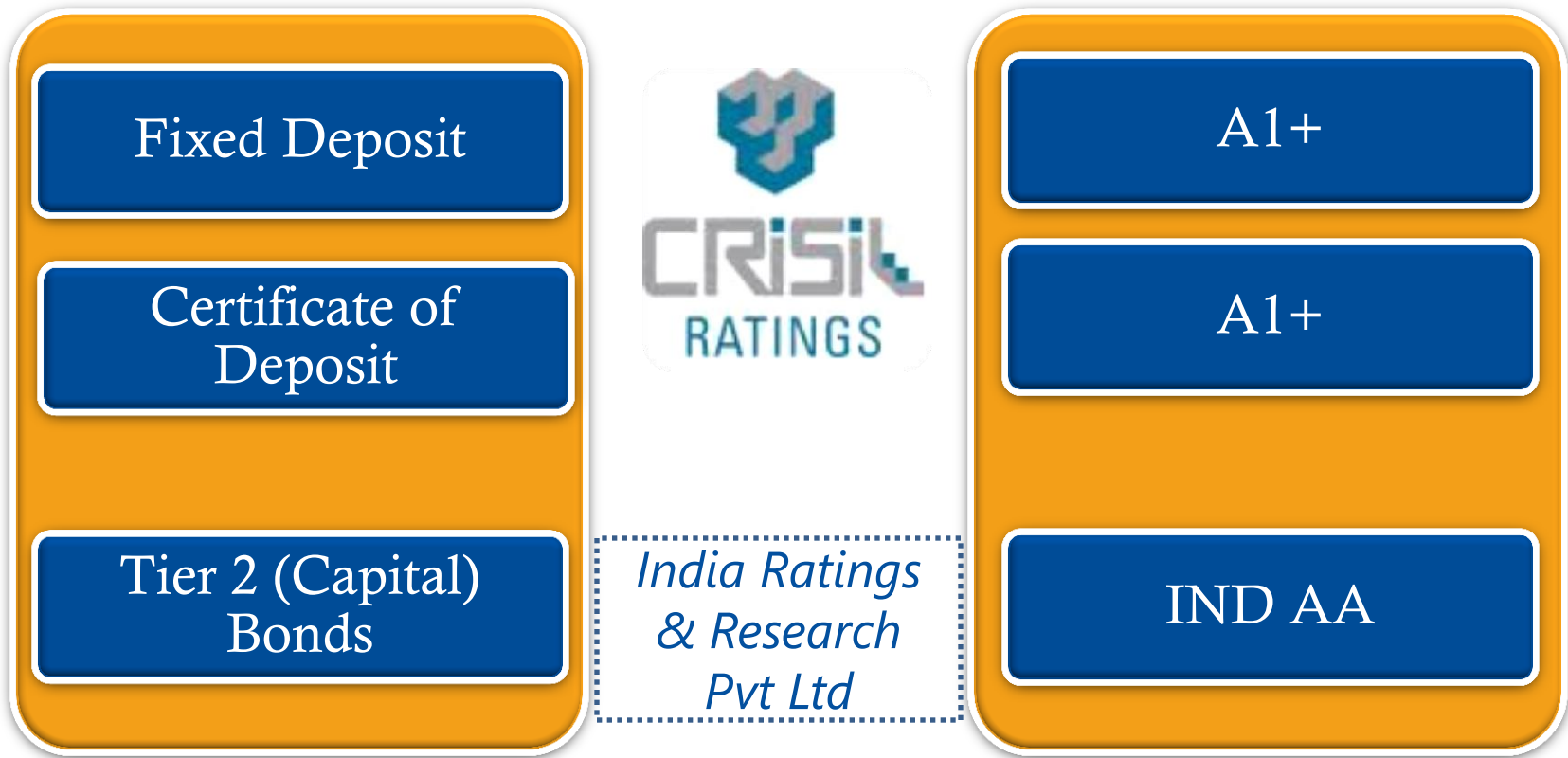
- Fully owned subsidiary of the Bank with NBFC license
- Marketing Retail Asset Products of the Bank
- Retail Hubs established at major centres all over India
- Separate mechanism established for speedy and dedicated processing of retail loans sourced through this channel

### 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



# External Ratings



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

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