

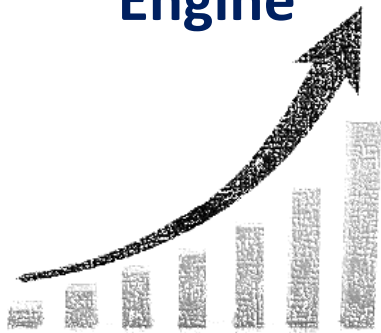
Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2019

Operating Momentum Continues to make Strong Progress

Healthy Core Engine



Robust Operating Momentum 1

- Highest ever Operating Profit @ 708cr, grows 26% Y-o-Y
- Highest ever Net Profit @ 334Cr, grows 28% Y-o-Y
- Highest ever NII @1077Cr

Granular Liability Franchise

- Total Deposits and CASA grew 23%, 24% respectively, Y-o-Y.
- NRE Deposit grows 22% Y-o-Y
- Current Account grows materially - 40% Y-o-Y

Consistent Gain in Market Share

- Market Share in Advances reaches 1.12% - up by 11bps Y-o-Y
- Market Share in Deposits reaches 1.03% up by 12bps Y-o-Y

Digital Update

- 99% of New Savings Accounts are opened through Digital Channels
- Transactions using Digital Channels now account for 74% of the total transactions

Strong, balanced Credit Growth of 25%

- Core Retail grew by 31% & CIB by 31%
- Auto grew 60%, PL-130% & HL-35%
- Smarter churning of advances book increased Yield to 9.31%

Asset Quality

- Credit Cost contained at 68 bps.
- Total stressed Book reduced to 1.96% of Average total assets.
- No regulatory Divergence in asset portfolio

Income and Cost Streams

- Core Fee Income and Other Income grew materially by 45% and 51% respectively, Y-o-Y
- Cost to Income @ 50.25

Balance Sheet and Capital

- Balance Sheet grows by 17% Y-o-Y (Rs.1.49L Cr)
- Total business grows by 23% Y-o-Y (Rs.2.29L Cr)
- CRAR at 12.97%



Business initiatives To Sharpen high Quality Growth

Corporate & Institutional Banking

- Selective sell down of Assets to ensure better yield & Asset quality management.
- Focus on Deeper Geographies; Mid Corporate Clients and manufacturing entities.

Commercial Banking

- Initiated Retail Finance for medium and entry-level passenger car segments in 34 centres, through dealer relationships
- Continuous churning of book established as a process to ensure asset quality
- Identified new geographies for deepening market coverage.

Business Banking and Rural & Micro Banking

- New commodity lending platform (Electronic Commodity based Financing (eCBF)) in place to professionalize Warehouse Receipt lending and contain costs.
- Partnering with commodity repositories CCRL (CDSL Commodity Repository Ltd) & NERL (National E Repository Ltd) for funding against electronic warehouse receipts.
- Introduced a new Business Loan product based on GST Returns

Retail Business

- A Robust Digital on-boarding platform is in the pipeline to scale up Auto-Lending that would result in improved TAT and Cost to Income
- Debit Card Spends record a growth of 48% Y-o-Y as a result of strategic campaigning on ecom space with offers on shopping, travel, dining, entertainment etc.
- New partnerships in General Insurance with Tata AIG and HDFC Ergo to augment fee income
- Opened new Call Centre for Cross Selling products like Credit Card, Insurance and to extend exclusive support to Ultra HNI and NR Customers.

Government Business & Treasury

- Empanelled in 15 states, catering to 200 govt entities & select PSUs in meeting their Banking needs.
- Selected by Kerala Govt for taking over Housing Loans of its employees
- Merchant business clocked a Y-o-Y growth of 120%



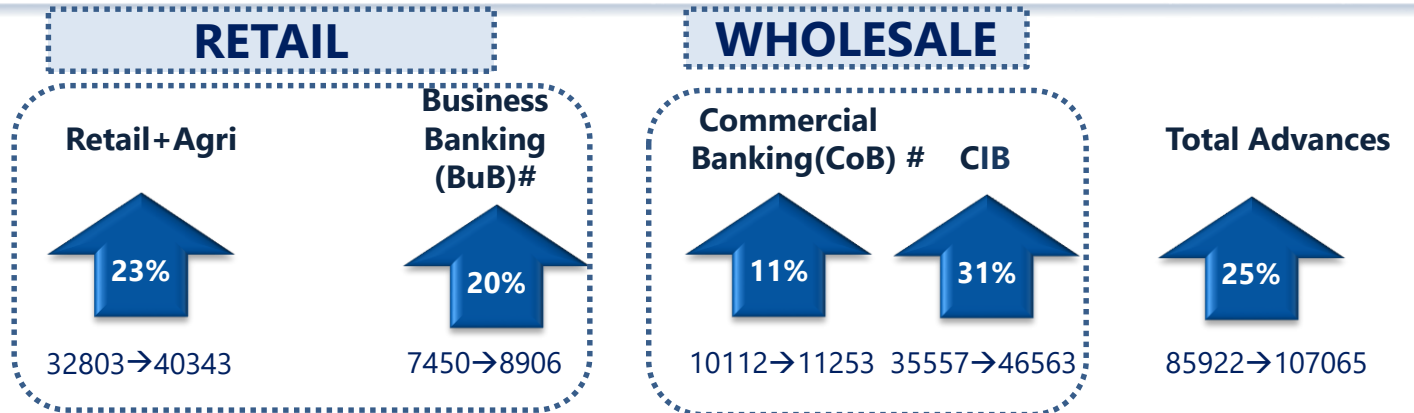
Performance Highlights Y-o-Y

Retail (inc Agri)	23%	↑	NII	13%	↑
			NIM	@3.17	
SME Advance	15%	↑	Core Fee Income	45%	↑
Business banking	20%	↑			
Corporate Business	31%	↑	Operating Profit	26%	↑
			Net Profit	28%	↑
Total Advance	25%	↑	Cost to Income Ratio	@ 50.25%	
			GNPA	@ 3.14%	
CASA	24%	↑	RoA	@ 0.91%	
CA	40%	↑	RoE	@ 10.48%	
Retail Deposit	20%	↑	Capital Adequacy (CRAR)	12.97%	
			Provision Coverage Ratio	64.20%	



Comparison : Y-o-Y (3 M)

Advances



Deposits



Performance



Ratios



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

#SME split into BuB & CoB



Comparison : Q-o-Q (Sequential)

	RETAIL		WHOLESALE		
Advances	Retail +Agri	Business Banking(BuB)	Commercial Banking(CoB)	CIB	Total Advances
	↑ 6% 37989→40343	↑ 3% 8614 →8906	↑ 3% 10909→11253	↑ 4% 44788→46563	↑ 5% 102300→107065
Deposits	CASA	CASA Ratio	NRE Deposits		Retail Deposits
	↑ 4% 39465→41172	↓ -4 bps 33.39→33.35	↑ 2% 46787→47930		↑ 3% 111918→115797
Performance	Net Interest Income	Core Fee Income	Operating Profit	Net Profit	
	↑ 5% 1022→1077	↑ 7% 261→279	↑ 1% 698→708	↑ 25% 266→334	
Ratios	Cost Income ratio	Gross NPA%	Net NPA%	Profit per Employee	
	↑ 210 bps 48.15→50.25	↑ 3 bps 3.11→3.14	↓ -6 bps 1.78→1.72	↑ 26% 8.63→10.86 (in lacs)	

#SME split into BuB & CoB

Shareholder Value

Book Value
(Per Share in ₹)

Q3 FY19

Q2 FY19

Q1 FY19

Q4 FY18

Q3 FY18

64.60

62.81

62.62

61.55

60.80

EPS

(annualized)

6.68

5.33

5.32

2.98

5.32

Granularity

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

88%

89%

91%

88%

92%

Profitability
(Annualized)

ROA

0.91

0.76

0.79

0.46

0.87

RoRWA

1.51

1.24

1.37

0.77

1.40

ROE

10.48

8.50

8.61

4.88

8.74

Efficiency

Cost/Income

50.25

48.15

51.80

52.82

52.37

Net NPA%

1.72

1.78

1.72

1.69

1.36



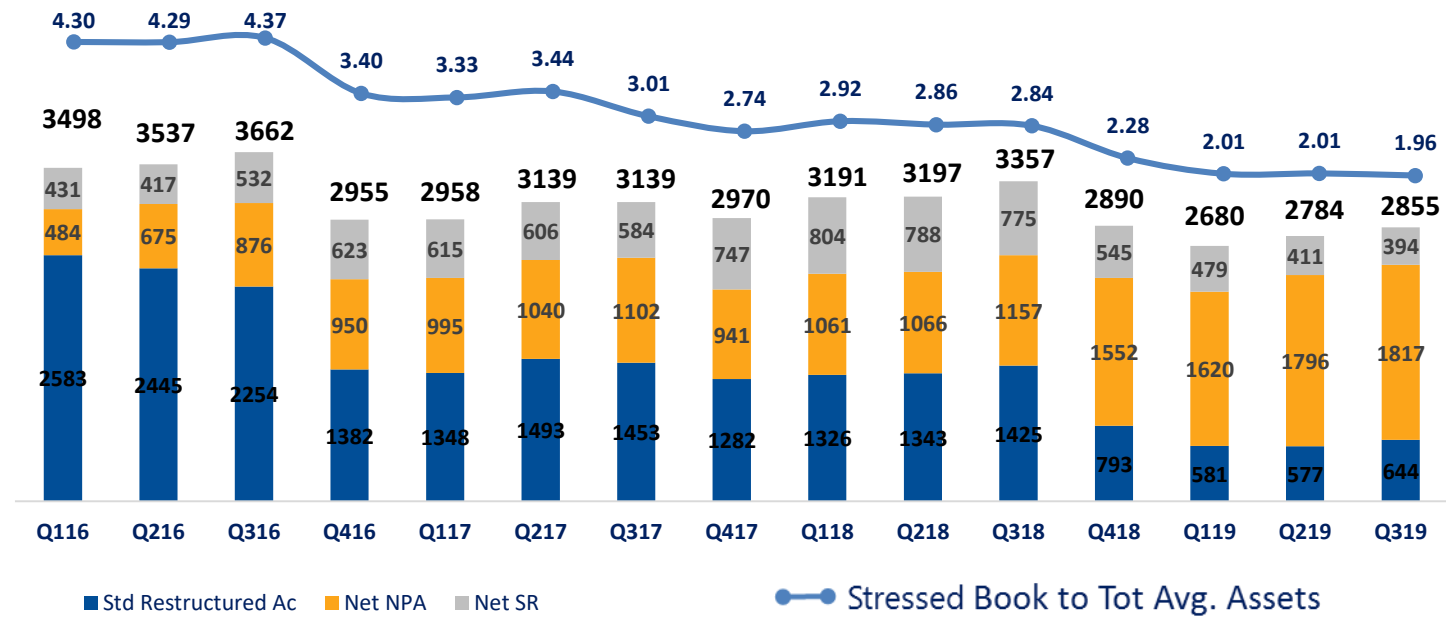
Asset Quality Drill-Down

Total Stressed Book at 2875Cr. Reduced to 1.96% of Average Total Assets.

Credit Cost of the Bank at 68 bps which is well within the guided lines.

Net Security Receipts portfolio down to 394Cr.

Recovery/ upgrades at 240Cr.



Movement of NPA

Amt in Rs.Cr.

Gross NPA as on 30.09.2018	3185
Add Fresh Slippage	426
Add Increase in Balances in Existing NPAs	9
Deduct Recoveries/ Upgrades	-240
Deduct Written Off	-19
Gross NPA as on 31.12.2018	3361



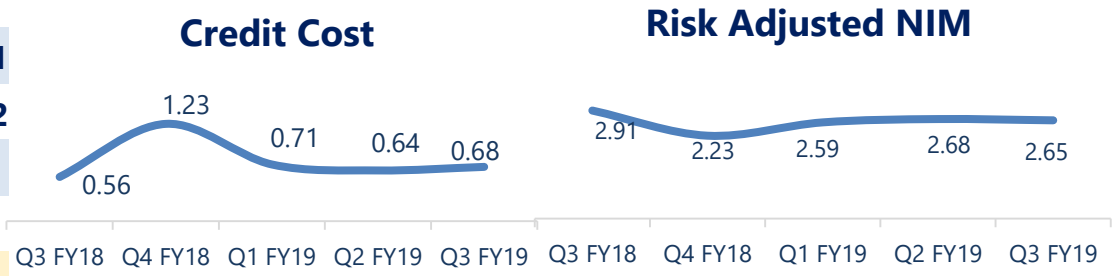
Fresh Slippages Break up

Fresh Slippages					
	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18
Retail	108	120	109	70	150
Agri	71	65	54	56	42
SME	192	169	90	142	122
BuB	107	94	39		
CoB	85	75	51		
Corporate	56	123	207	604	98
Total	426	477	461	872	411

Restructured				
TYPE	Q3 FY19		Q2 FY19	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	644	80	577	84
Gross NPA	630	73	705	72
Net NPA	506	73	577	72
TOTAL	1150	153	1154	156

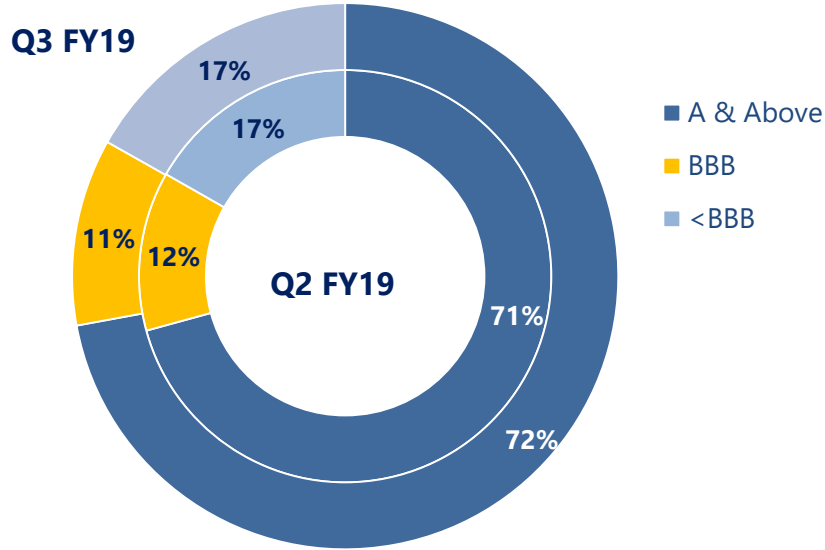
NPA Composition		Q3 FY19	Q2 FY19
Business	NPA	NPA	NPA
Retail	658	625	
Agri	414	367	
SME	1340	1213	
Gross NPA	BuB	601	531
	CoB	740	682
Corporate	949	979	
Total	3361	3185	
Net NPA		1817	1796

Security Receipts		
	Q3 FY19	Q2 FY19
Face Value	710	723
Book Value	619	630

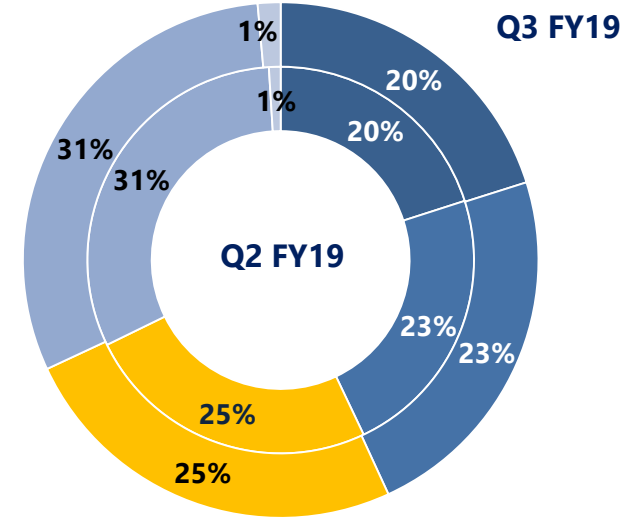




Risk Rating



- A & Above
- BBB
- < BBB



Wholesale Assets

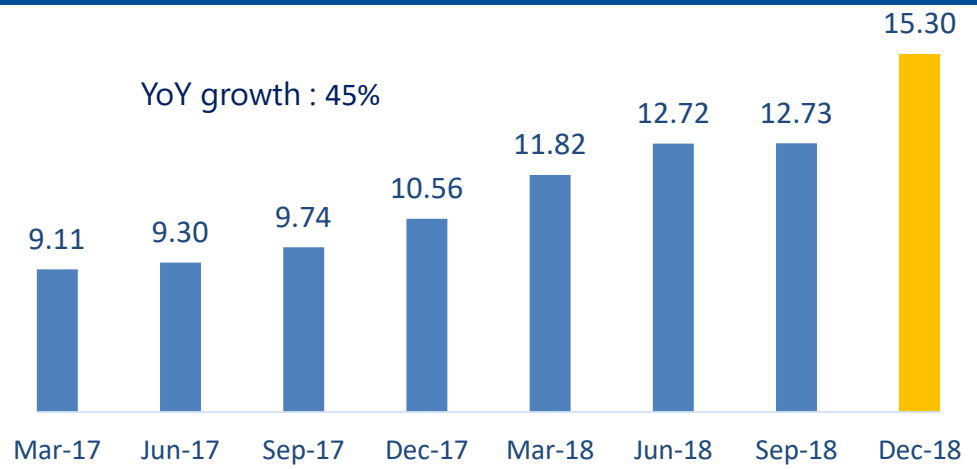
Rating	Q3 FY-19	Q2 FY-19
A & above	72%	71%
BBB	11%	12%
< BBB	17%	17%

Other Assets

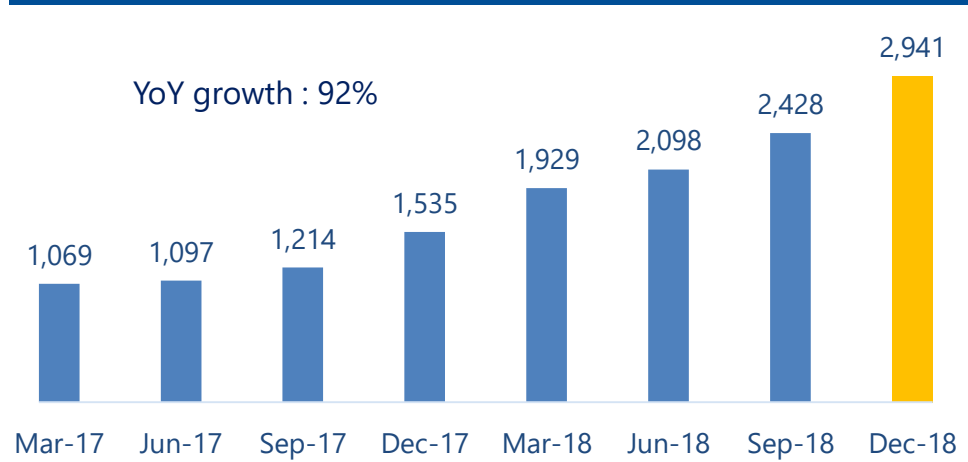
Rating	Q3 FY-19	Q2 FY-19
FBR1 FB1	20%	20%
FBR2/FBR3 FB2	23%	23%
FBR4 FB3	25%	25%
FBR5/FBR6 FB4	31%	31%
Others	1%	1%



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



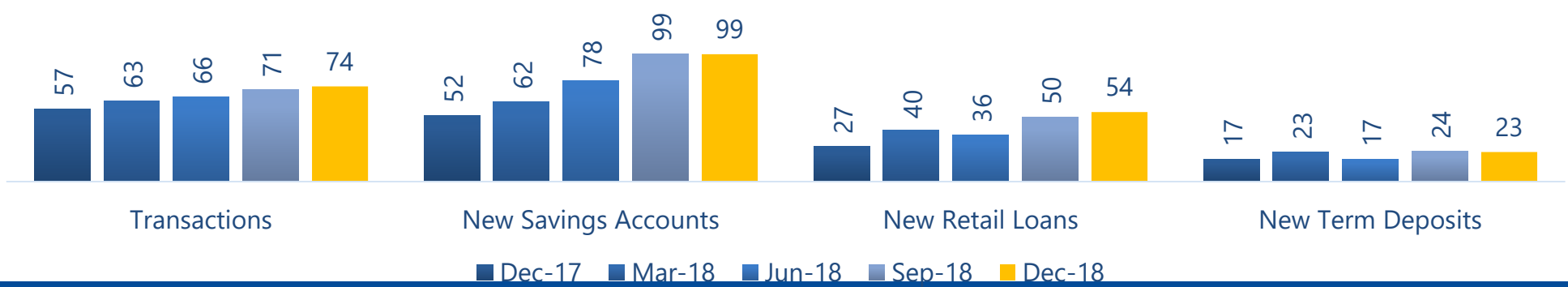
FedMobile Transaction Volume (per month in Cr)



Digital share

74% Digital Transactions → 99% New Savings Accounts → 54% of New Retail Personal Loans → 23% of New Term Deposits

Digital Percentage





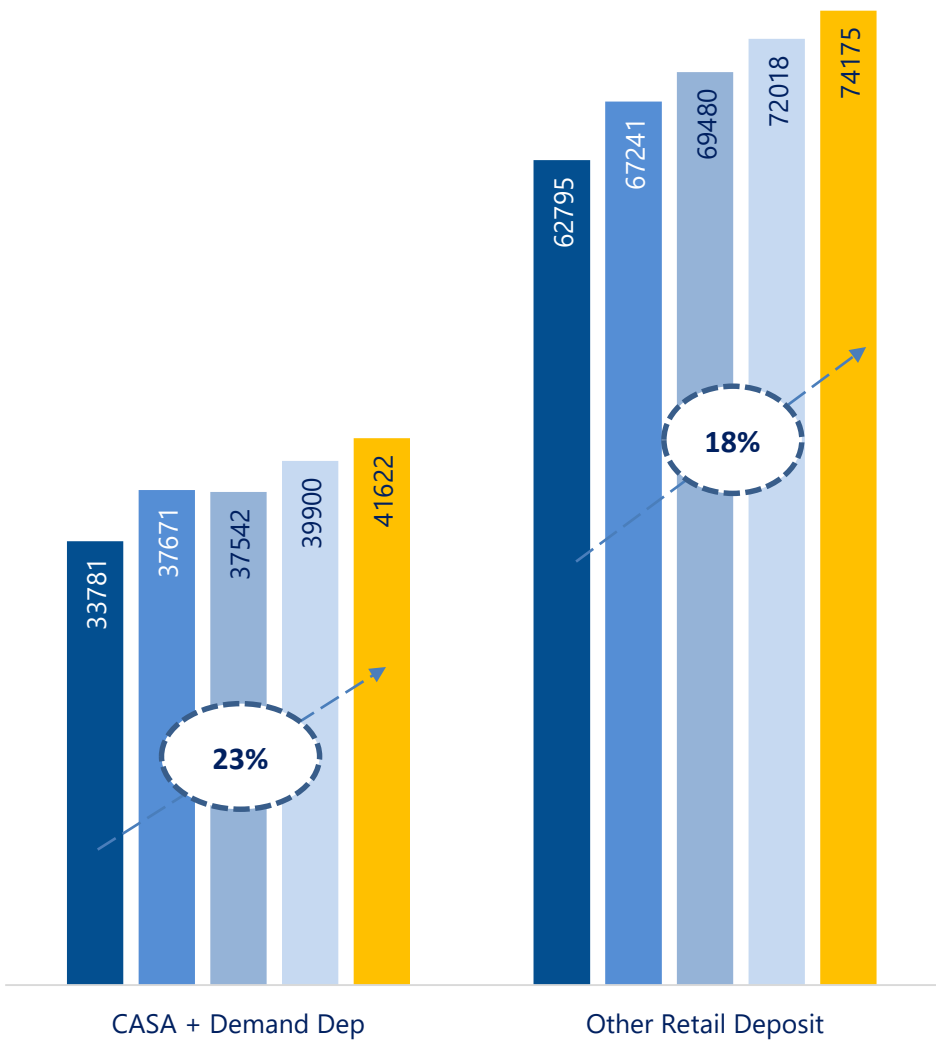
Business Parameters



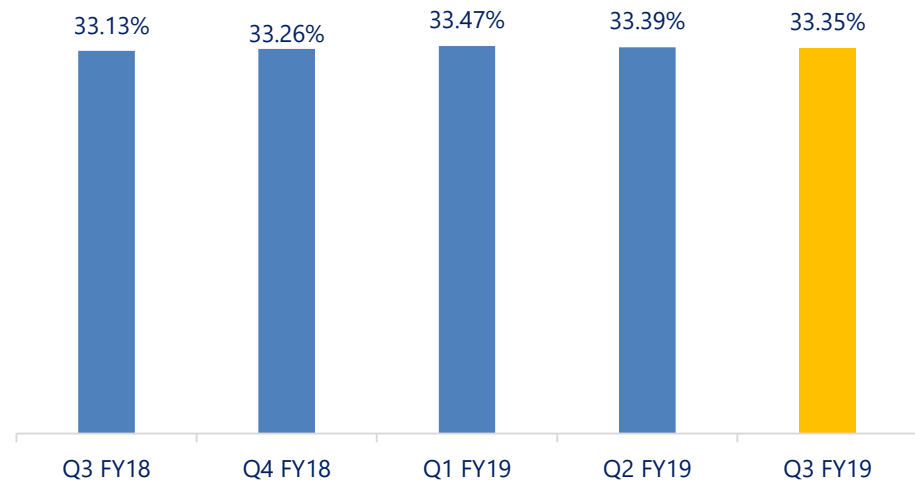
Liability : Trends

₹ in Cr

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



CASA Ratio





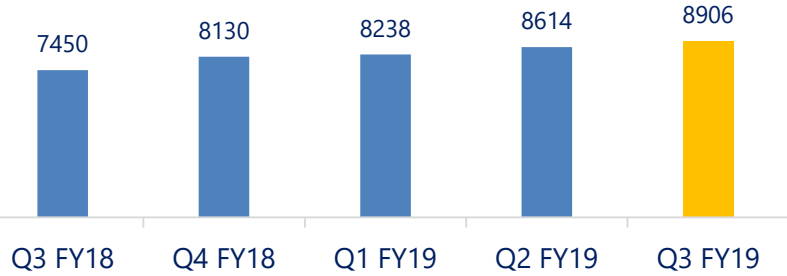
Customer Exposures

₹ in Cr

RETAIL

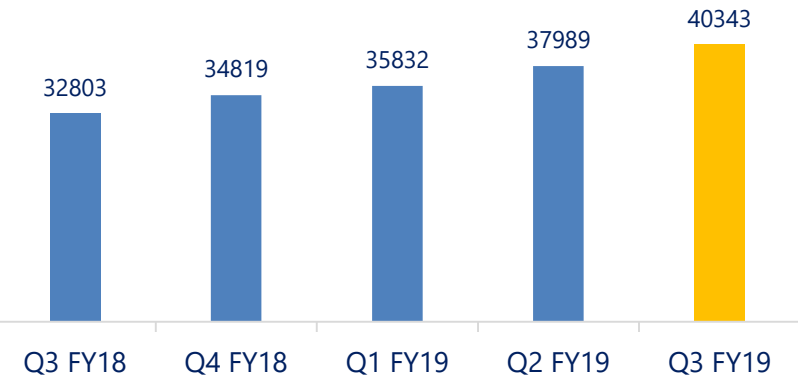
Business banking

Y-o-Y growth : 20%
Q-o-Q growth: 3%



Retail (Including Agri)

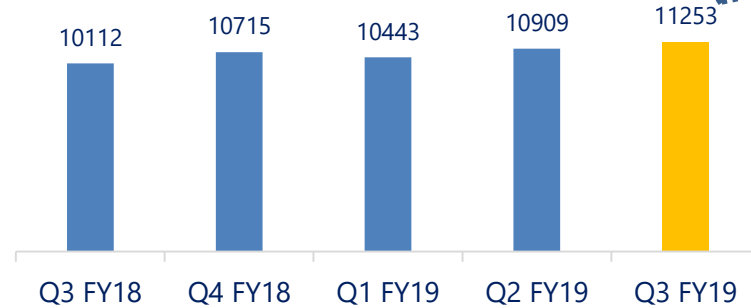
Y-o-Y growth : 23%
Q-o-Q growth: 6%



WHOLESALE

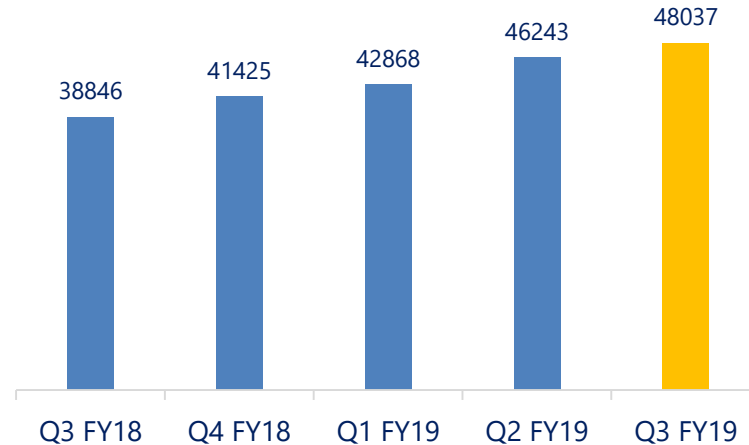
Commercial Banking

Y-o-Y growth : 11%
Q-o-Q growth: 3%



Corporate*

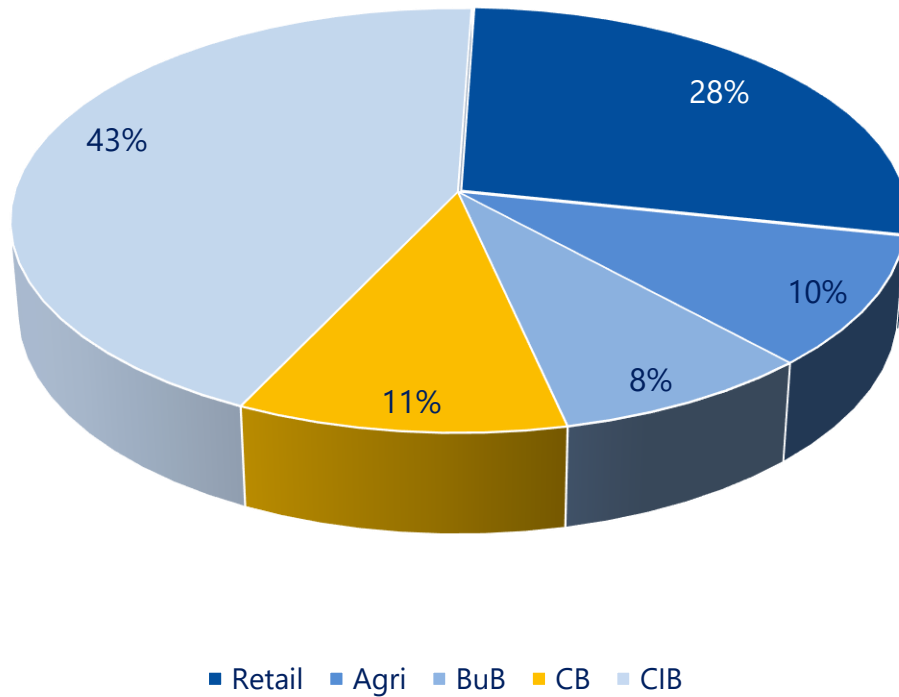
Y-o-Y growth : 24%
Q-o-Q growth: 4%



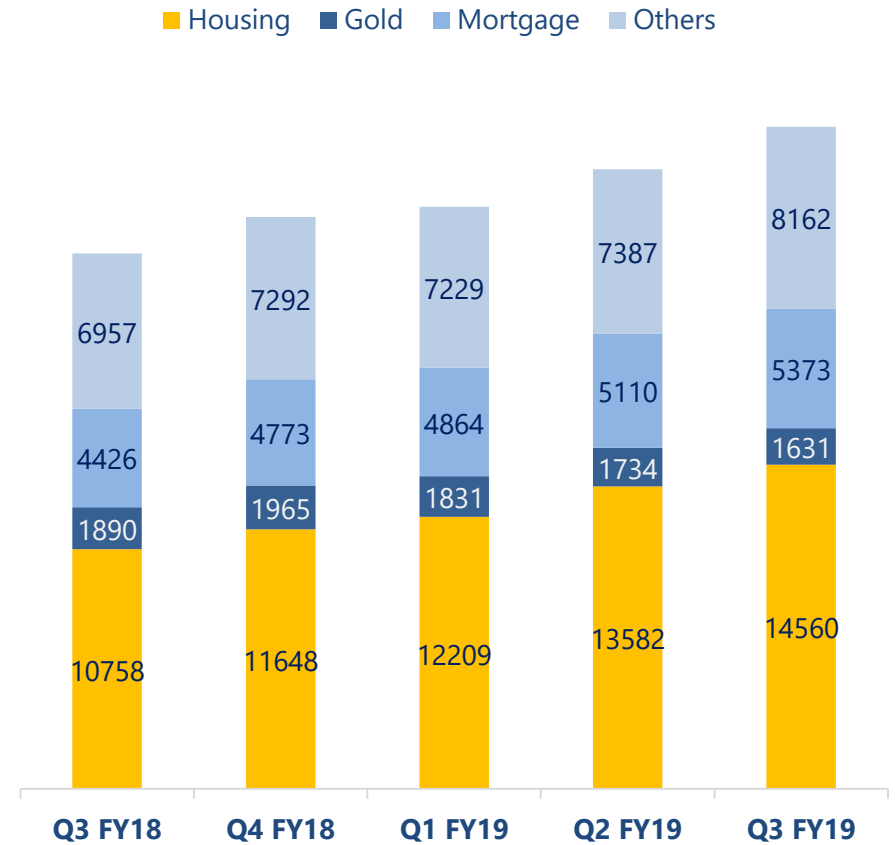
(*Aggregate customer exposure) 14



Total Loan Book



Retail Loan Book (Excl Agri)



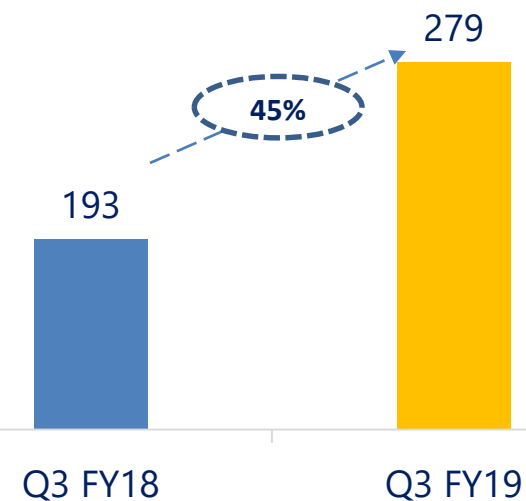


Fee Income/Other income

₹ in Cr

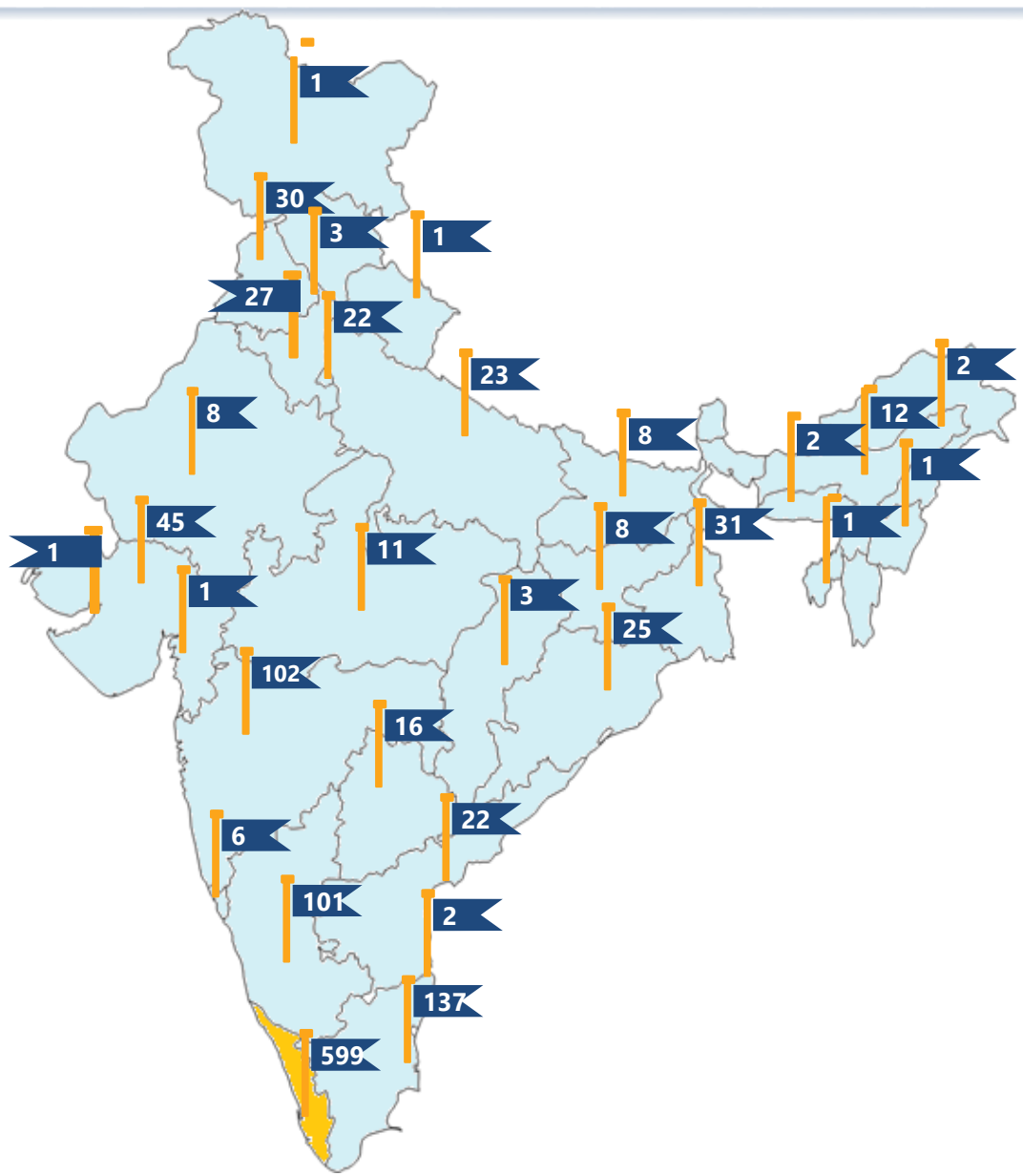
	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18	Y-o-Y %
Loan Processing Fee	50	53	31	46	34	46%
Exchange, Commission, Brokerage & Other Fee Income	156	147	129	136	120	30%
Net Profit on Forex Transactions	74	61	47	56	39	91%
Fee Income	279	261	208	238	193	45%
Profit on sale of securities	55	51	49	22	29	89%
Recovery from assets written off & Other Receipts	11	11	14	54	7	73%
Total Other income	346	323	271	314	229	51%

Fee Income (Y-o-Y)

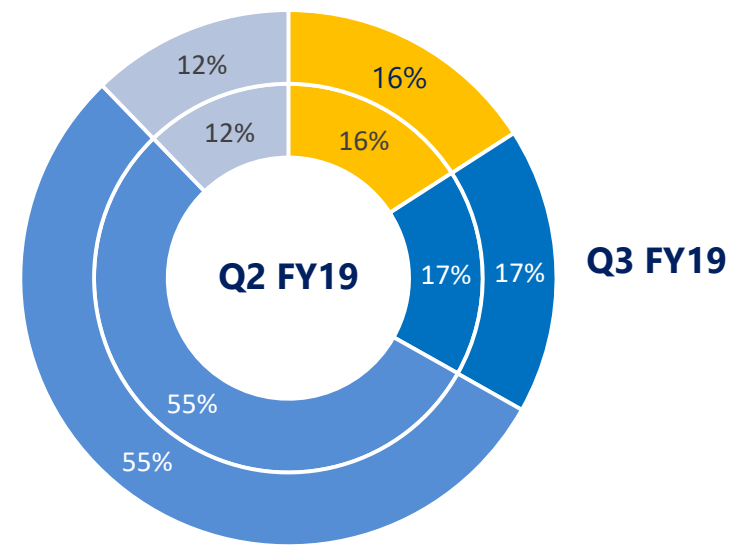


WHY SETTLE FOR LESS?

Distribution : Deriving Efficiency from Foot Print



	Q3 FY19	Q2 FY19	Q1 FY19
Branches	1251	1252	1252
ATMs	1669	1683	1684



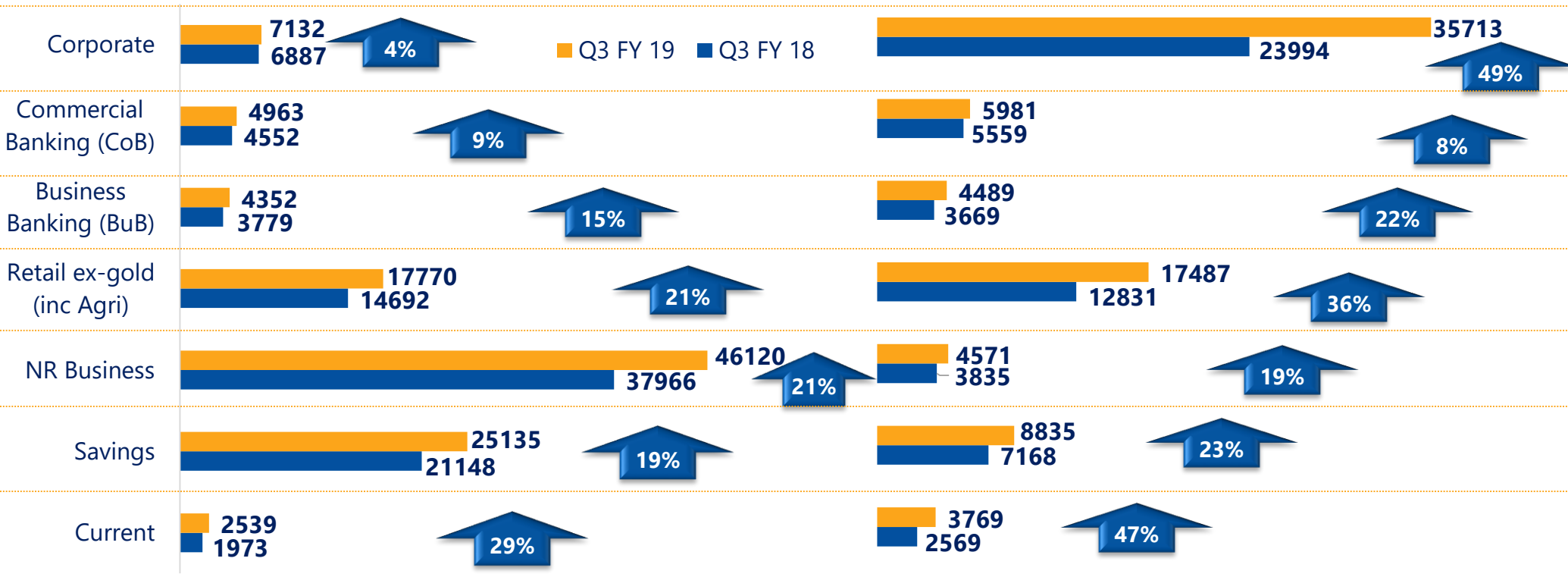
■ Metro ■ Urban ■ Semi Urban ■ Rural



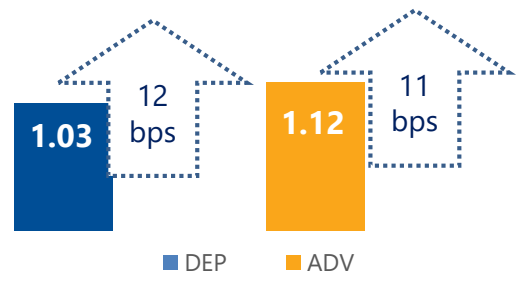
₹ in Cr

Kerala : Continuing Dominance

Outside Kerala: Gaining share



Bank's Market Share



Gain in Market Share(Y-o-Y)
 Advance: Market Share improved by 11bps
 Deposit : Market Share improved by 12bps



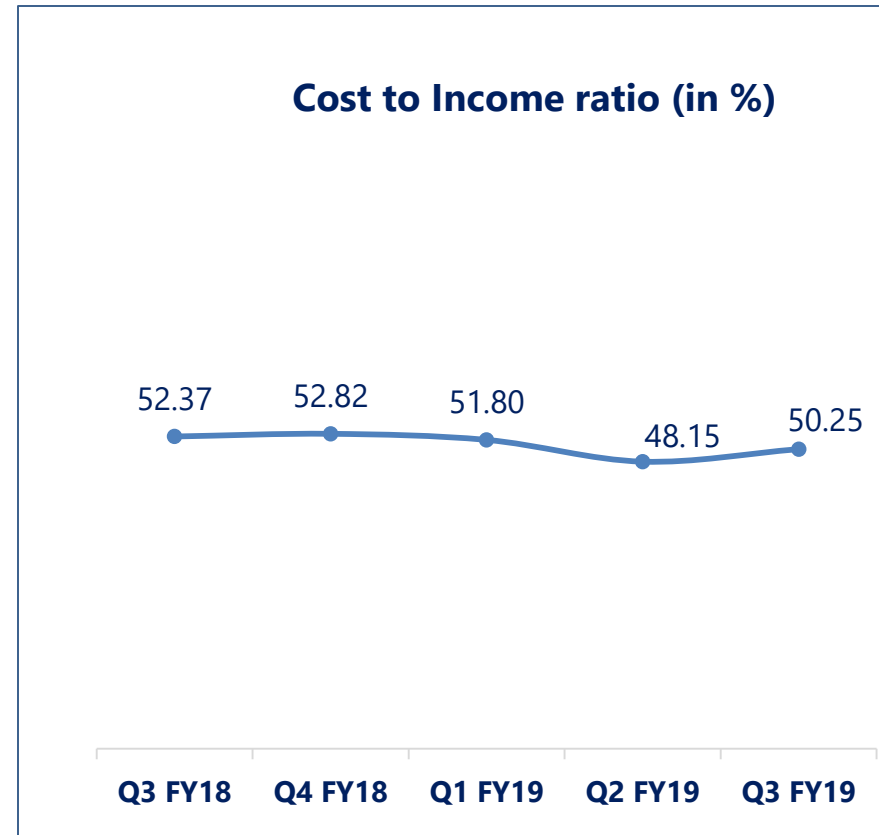
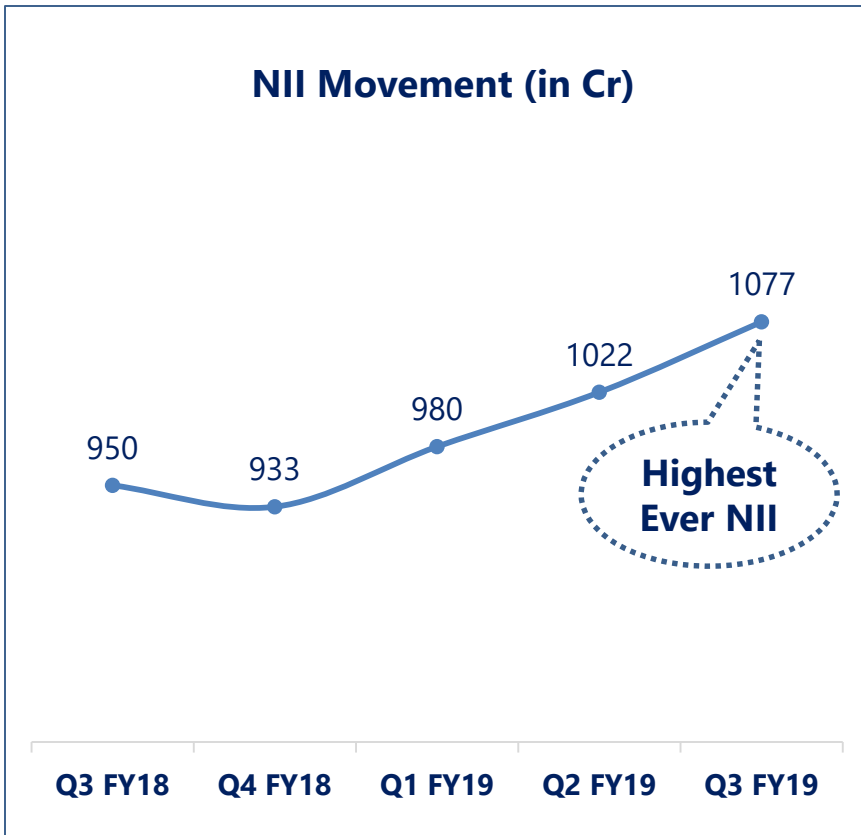
CRAR – How strong is your Bank?

₹ in Cr

	Dec-18	Sep-18
Risk Weighted Assets		
Credit Risk	84747	81987
Market Risk	2977	3058
Operational Risk	7326	7326
Total RWA	95049	92370
Tier-1 Capital Funds	11822	11815
Tier-II Capital Funds	509	459
Total Capital Funds	12332	12274
CRAR	12.97%	13.29%
Tier-I	12.44%	12.79%
Tier-II	0.53%	0.50%



Annexures

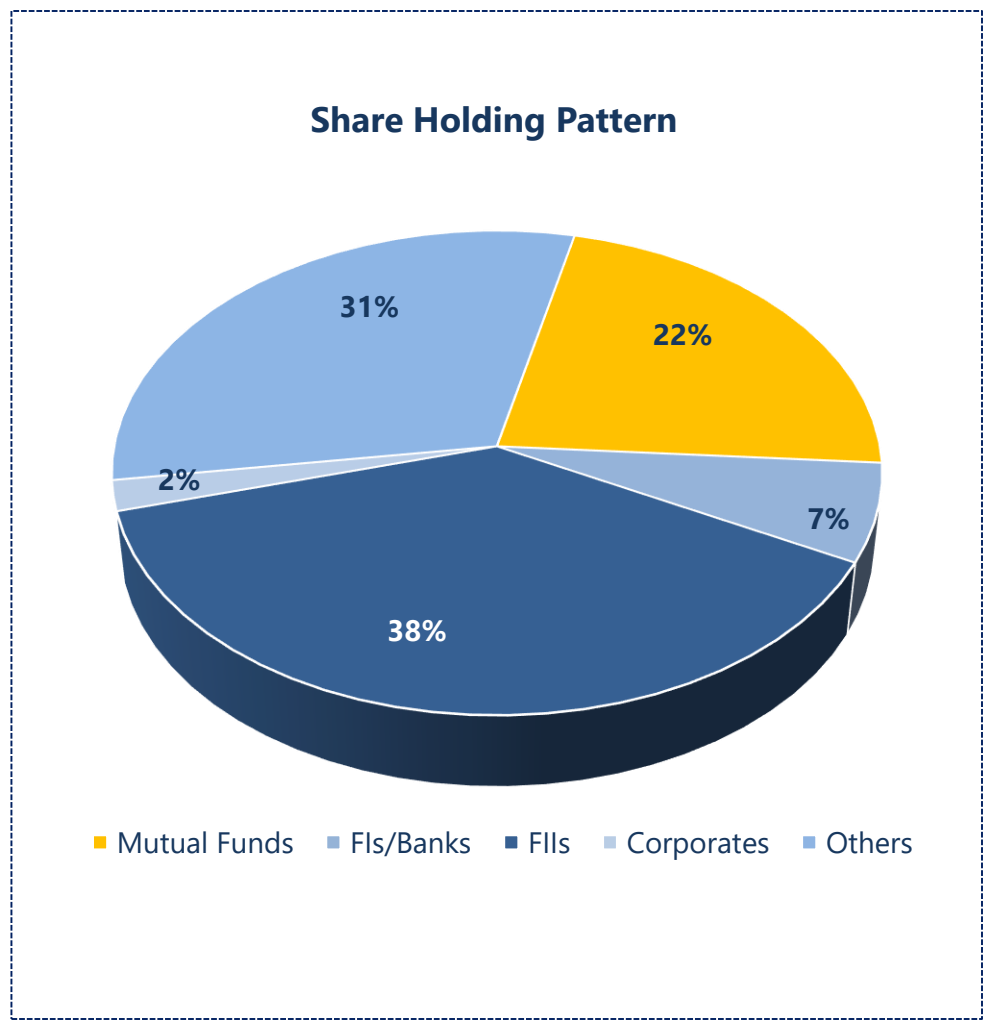




Balance Sheet & Shareholding Pattern

₹ in Cr

	Q3 FY19	Q3 FY18
LIABILITIES		
Capital	397	393
Reserves & Surplus	12490	11648
Deposits	123457	100537
Borrowings	8409	10840
Other Liabilities & Provisions	5026	4803
TOTAL	149779	128221
ASSETS		
Cash & Balance with RBI	6397	4637
Balances with Banks, Money at Call	1379	2569
Investments	29200	29775
Advances	105550	84953
Fixed Assets	458	462
Other Assets	6795	5825
TOTAL	149779	128221



WHY
SETTLE
FOR
LESS?

Financials

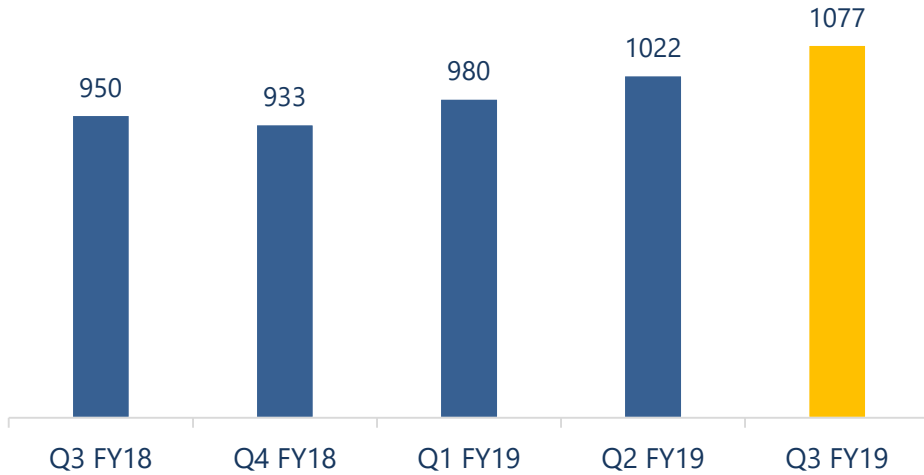
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YOUR PERFECT BANKING PARTNER

₹ in Cr

	Q3 FY19	Q2 FY19	Q-o-Q	Q3 FY18	Y-o-Y
Interest Income	2954	2765	7%	2501	18%
Interest Expenses	1877	1742	8%	1551	21%
Net Interest Income	1077	1022	5%	950	13%
Other Income	346	323	7%	229	51%
Total Income	3300	3088	7%	2730	21%
Total Expenditure	715	648	10%	617	16%
Operating Profit	708	698	1%	561	26%
Total Provisions	374	432	-13%	301	24%
Net Profit	334	266	25%	260	28%
Net Interest Margin (%)	3.17%	3.15%	2 bps	3.33%	-16 bps
Cost to Income Ratio (%)	50.25%	48.15%	210 bps	52.37%	-212 bps

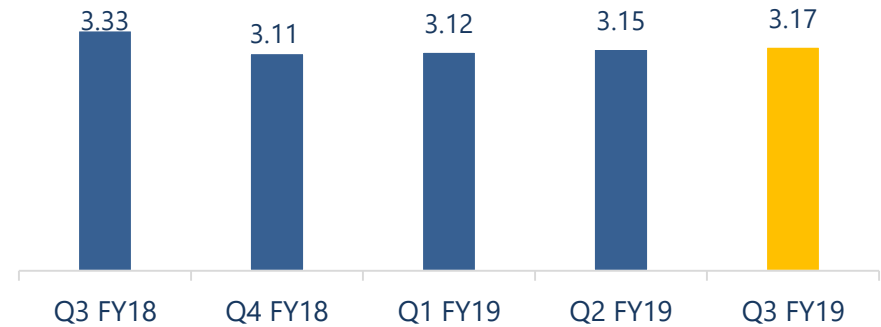


Net Interest Income

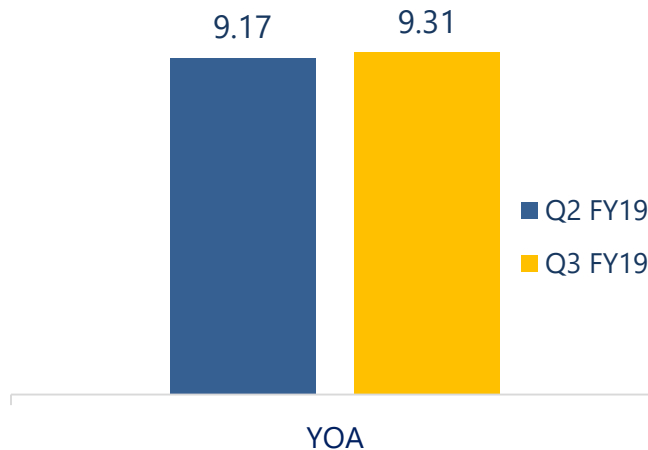


Net Interest Margin (%)

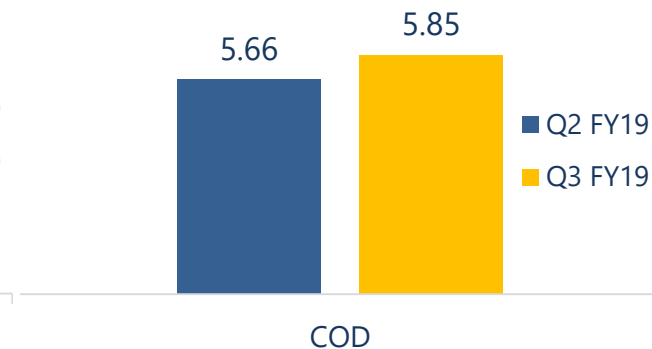
₹ in Cr



Yield on Advances

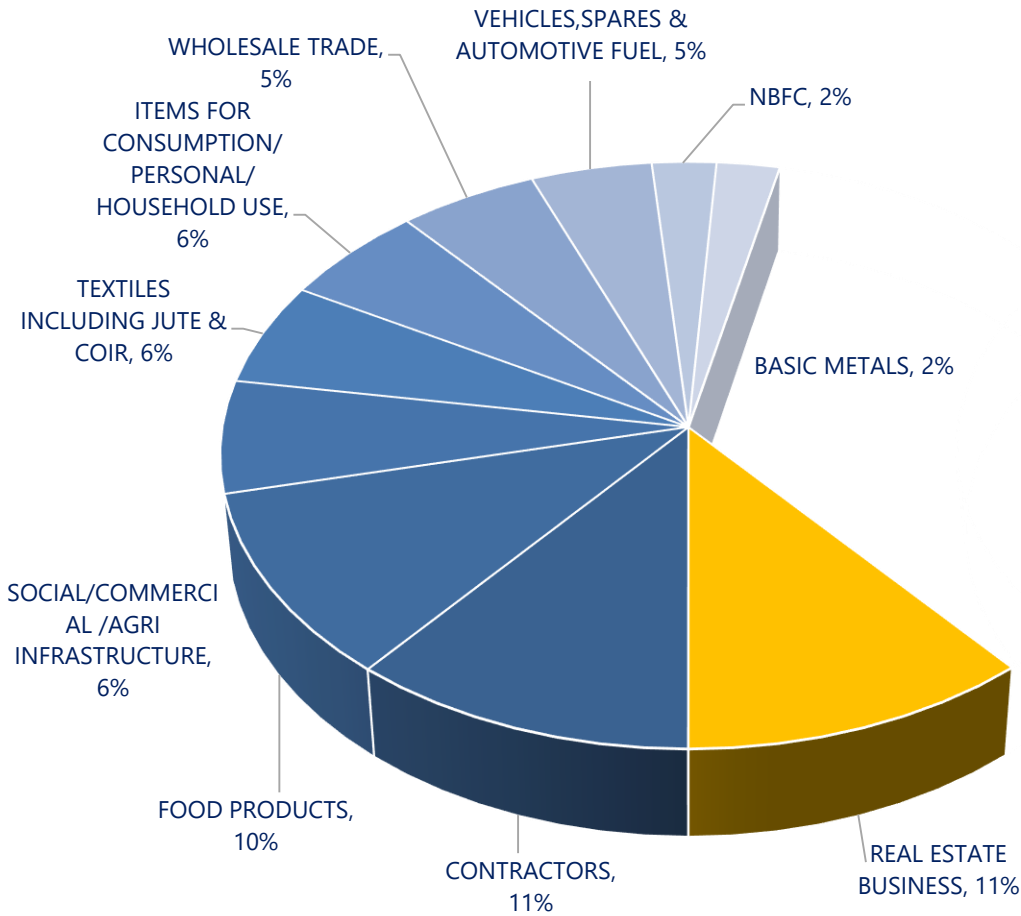


Cost of Deposits

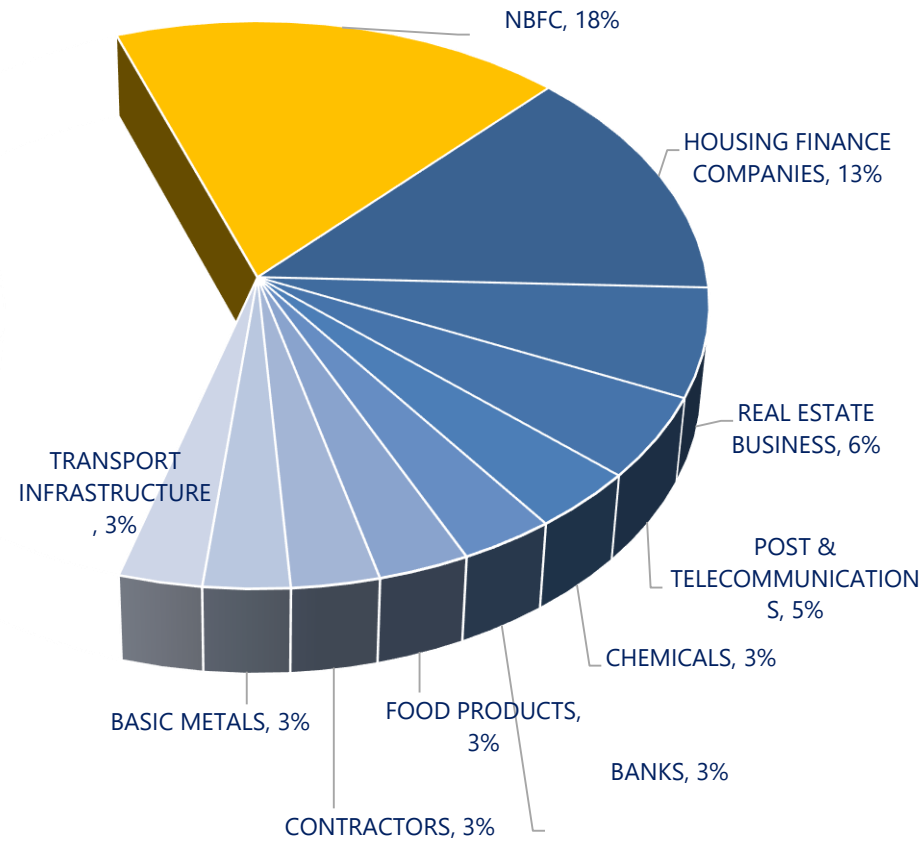




Commercial Portfolio



Corporate Portfolio





Major Investments

Entity	% Equity
Fedbank Financial Services Limited	82.40%
IDBI Federal Life Insurance Company of India Limited	26.00%
Equirus Capital Private Ltd	19.90%

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.

- 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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