

Investor Information

The logo for Federal Bank is centered on a blue rectangular background. The text "FEDERAL BANK" is written in a large, bold, white sans-serif font. Below it, the tagline "YOUR PERFECT BANKING PARTNER" is written in a smaller, white sans-serif font. The blue rectangle is set against a background of horizontal stripes: a thick blue stripe and a thinner orange stripe.

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2020

Key Messages

Calibrated acceleration in Retail Business

Cautious approach to Wholesale lending

Strong focus and progress in Asset Quality

Strong Bottomline Performance

- Highest ever Net Profit @ 441 Cr, grows 32% Y-o-Y
- Q3 FY20 ROA at 1.04% and ROE @ 12.50%
- Operating Profit @ 744 Cr for the Quarter

Granular Liability Franchise

- Total Deposits grew by 17% Y-o-Y
- CASA Ratio stands at 31.46%
- Retail Deposits constitute 91% of Total Deposits

Consistent Gain in Market Share

- Market Share in Advances reaches 1.18% - up by 6 bps Y-o-Y
- Market Share in Deposits reaches 1.09% up by 6 bps Y-o-Y

New Tie ups/ Digital Update

- Preferred financier of Maruti Suzuki (MSIL), signed MOU for Channel Finance and Retail Car Finance
- Mobile Banking monthly volume crossed 5000 Cr & share of Digital transactions increased to 79.69%

Robust growth in Retail Business

- Retail grew by 23% Y-o-Y
- Gold loan including agri gold grew by 27%
- Auto grew by 53%, PL by 115%
- Business Banking grew by 17%

Asset Quality

- GNPA and NNPA @ 2.99% and 1.63% respectively.
- Slippages from Retail Banking(<5 Cr Business) at multi quarter low of 216 Cr
- Significant improvement in stressed assets book, @1.59% of Average Total Assets

Income and Cost Streams

- Net Interest Income @1155 Cr
- Other Income grew by 18% Y-o-Y
- Cost to Income improved to 52.40%, down 107 bps QoQ

Balance Sheet and Capital

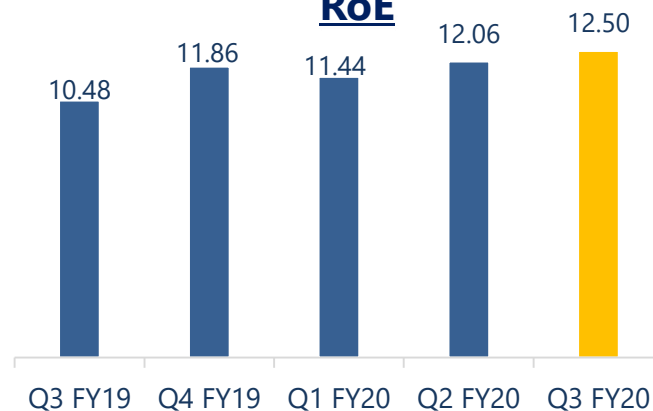
- Balance Sheet grew by 15% Y-o-Y (Rs 1.72 L Cr)
- Total business grew 15% Y-o-Y (Rs 2.63 L Cr)
- Total customers reach milestone figure of 1 Cr
- CRAR at 13.64%

Key Ratios

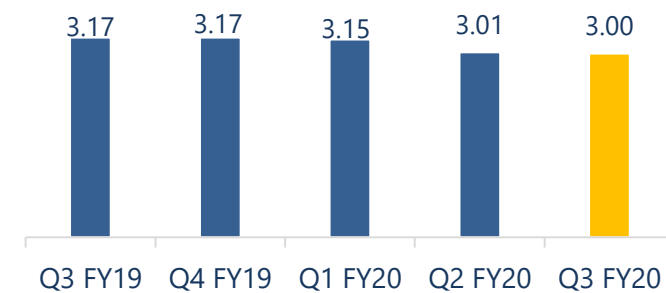
RoA



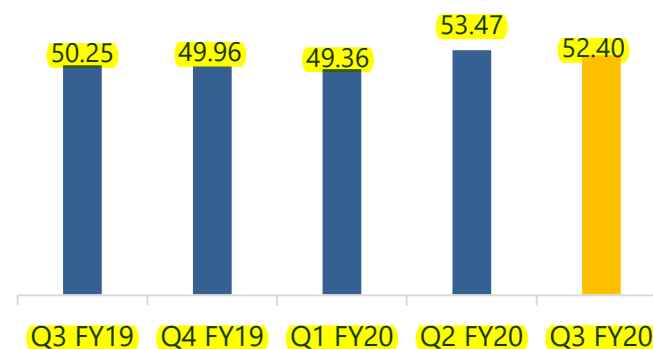
RoE



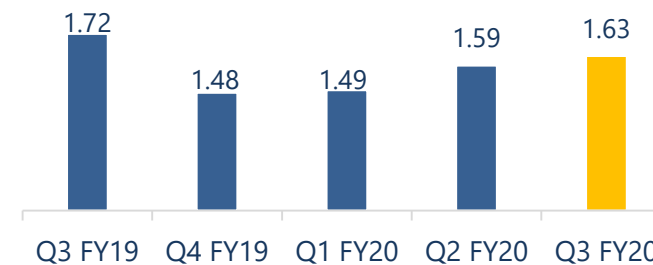
Net Interest Margin (%)



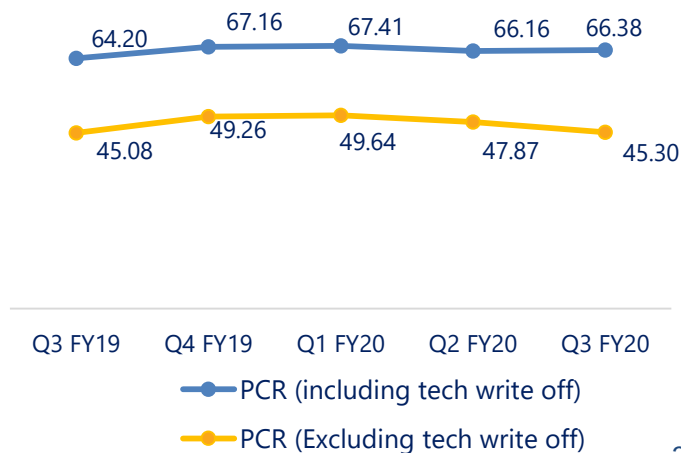
Cost to Income Ratio



NNPA (%)

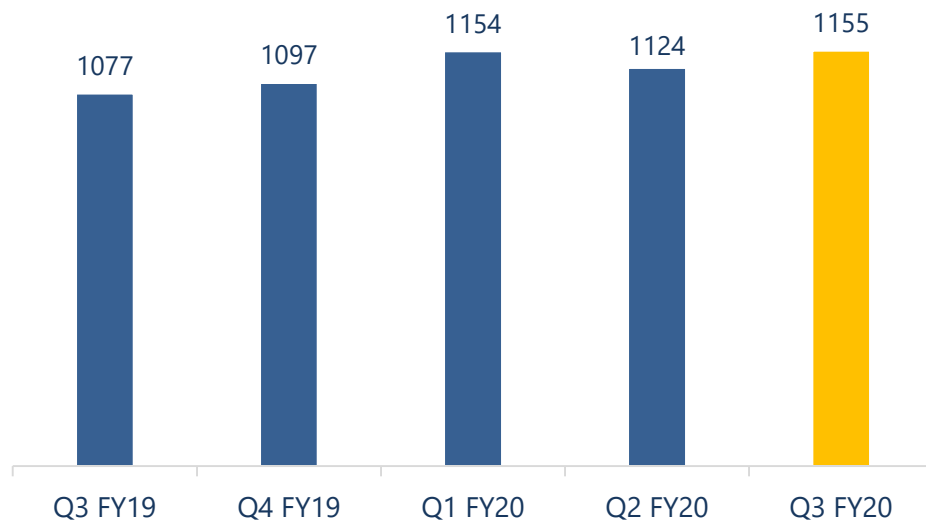


PCR (%)

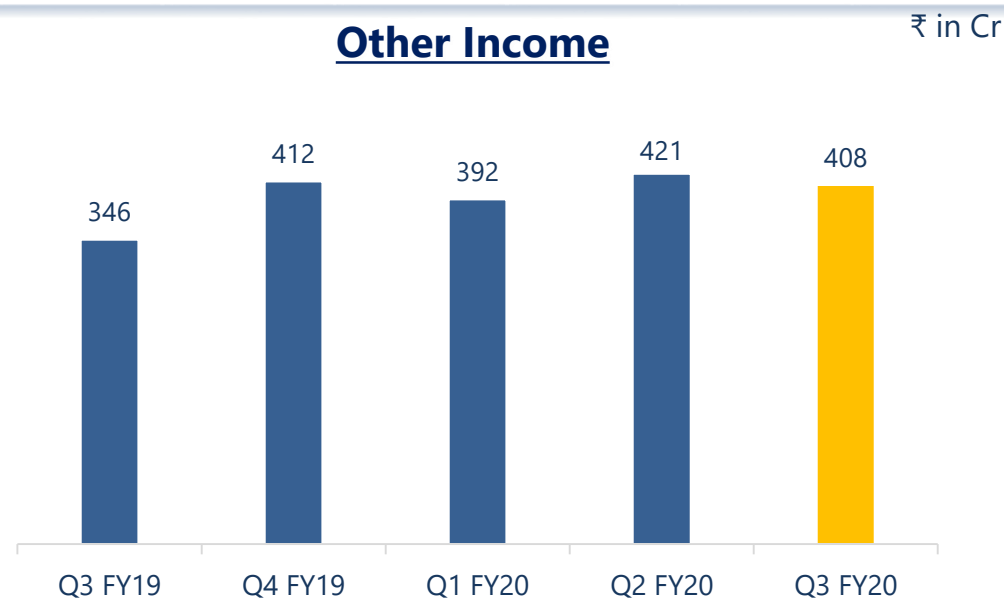


Key Revenue

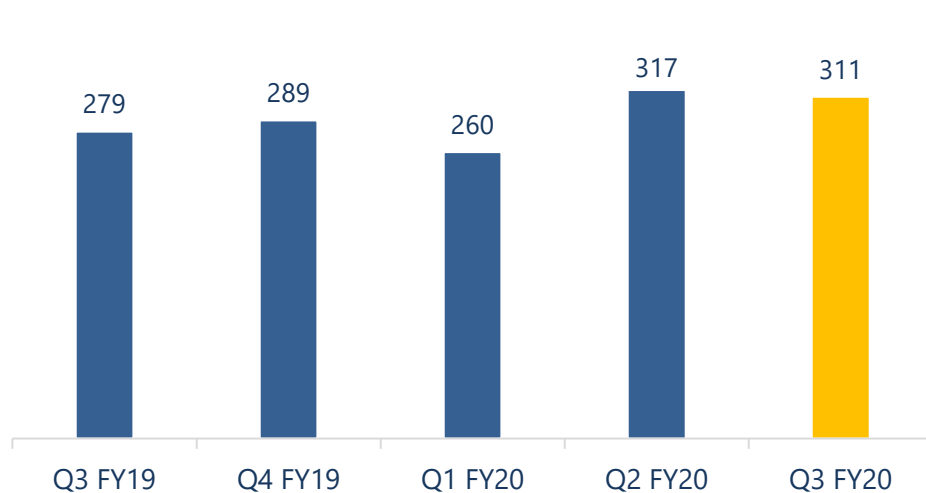
Net Interest Income



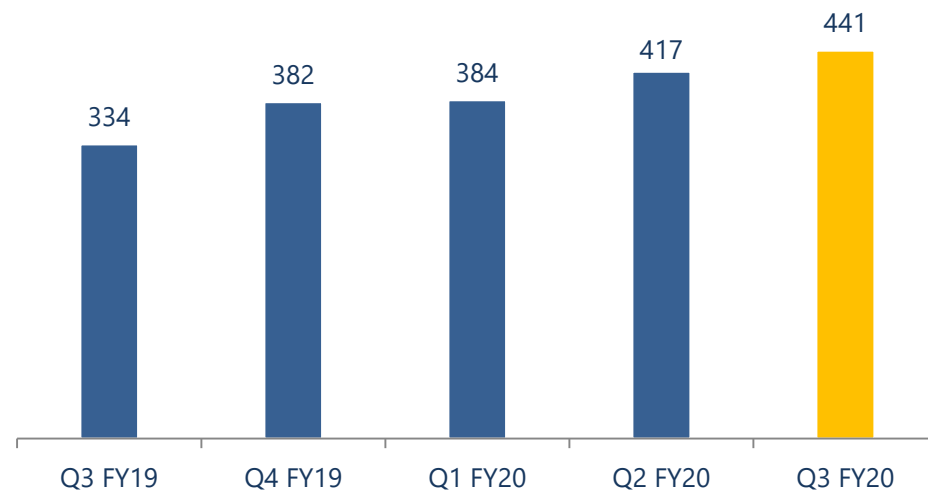
Other Income



Fee Income



Net Profit



Performance Highlights Y-o-Y

Net Profit
Operating Profit

32 % ↑
5 %

RoA
RoE

@ 1.04 % ↑
@ 12.50%

Cost to Income Ratio

@ 52.40%

GNPA

@ 2.99% ↓

Core Fee Income
Other Income

11% ↑
18%

NII
NIM

7%
@3.00

Provision Coverage Ratio

66.38%

Retail Banking
Agri Banking

23% ↑
17%

Business Banking (BuB)

17% ↑

Commercial Banking (CoB)
Corporate Banking (CIB)

8% ↑
6%

Total Advance

13% ↑

CASA

10% ↑

Total Deposit

17% ↑

Capital Adequacy (CRAR)

13.64%

Comparison : Y-o-Y

RETAIL

WHOLESALE

Advances

Retail

23%

29712 -> 36551

Agri

17%

10621 -> 12469

BuB#

17%

8918 -> 10435

CoB#

8%

11231 -> 12094

CIB

6%

46584 -> 49313

Total Advances

13%

107065 -> 120861

Deposits

CASA

10%

41172 -> 45484

CASA Ratio

 -189
bps

33.35 -> 31.46

NRE Deposits

12%

47930 -> 53587

Retail Deposits

14%

115797 -> 131530

Performance

Net Interest Income

7%

1077 -> 1155

Core Fee Income

11%

279 -> 311

Operating Profit

5%

708 -> 744

Net Profit

32%

334 -> 441

Ratios

Cost Income Ratio

 215
bps

50.25 -> 52.4

Gross NPA %

 -15
bps

3.14 -> 2.99

Net NPA %

 -9
bps

1.72 -> 1.63

Profit Per Employee (in Lac)

28%

10.86 -> 13.93

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

#SME split into BuB & CoB

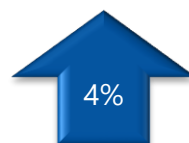
Comparison : Q-o-Q (3 M)

RETAIL

WHOLESALE

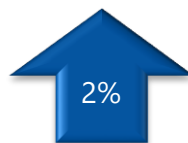
Advances

Retail



34996 -> 36551

Agri



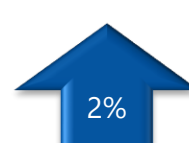
12222 -> 12469

BuB



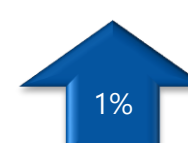
9939 -> 10435

CoB



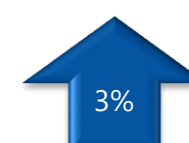
11848 -> 12094

CIB



48617 -> 49313

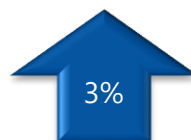
Total Advances



117622 -> 120861

Deposits

CASA



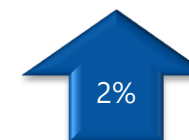
44023 -> 45484

CASA Ratio



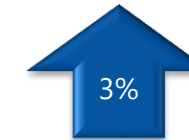
31.55 -> 31.46

NRE Deposits



52690 -> 53587

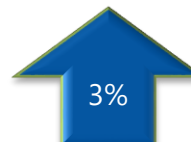
Retail Deposits



128166 -> 131530

Performance

Net Interest Income



1124 -> 1155

Core Fee Income



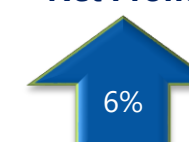
317 -> 311

Operating Profit



719 -> 744

Net Profit



417 -> 441

Ratios

Cost Income Ratio



53.47 -> 52.4

Gross NPA %



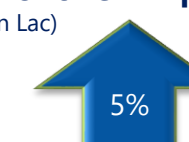
3.07 -> 2.99

Net NPA %



1.59 -> 1.63

Profit Per Employee (in Lac)



13.25 -> 13.93

Key Indicators

Shareholder Value

Book Value
(Per Share in ₹)

Q3 FY20

71.33

Q2 FY20

69.18

Q1 FY20

68.79

Q4 FY19

66.87

Q3 FY19

64.60

EPS

(annualized)

8.78

8.32

7.76

7.68

6.68

Granularity

CASA + Deposits <2
Cr
(% of Total Deposits)

88%

89%

89%

88%

91%

Profitability
(Annualized)

ROA

1.04

1.03

0.98

1.02

0.91

RoRWA

1.92

1.86

1.76

1.79

1.51

ROE

12.50

12.06

11.44

11.86

10.48

Efficiency

Cost/Income

52.40

53.47

49.36

49.96

50.25

Net NPA%

1.63

1.59

1.49

1.48

1.72

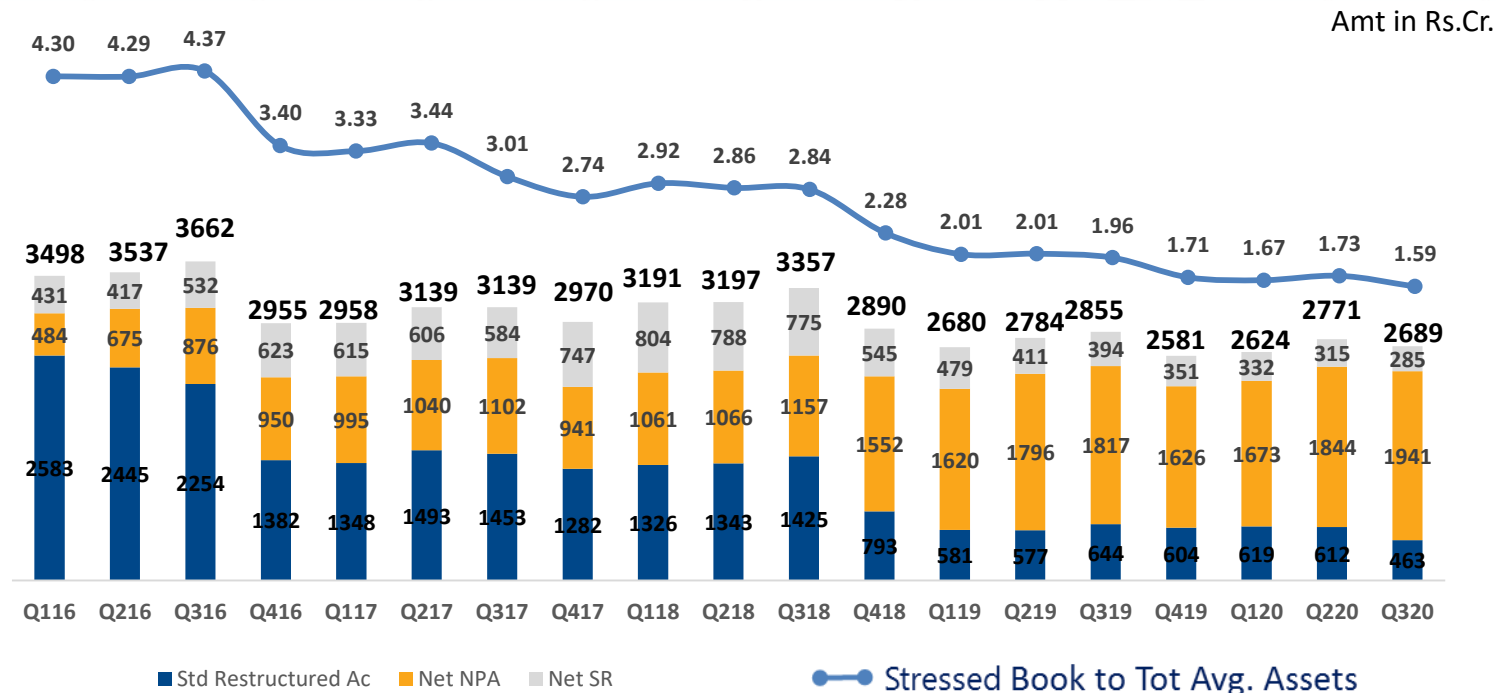
Asset Quality Drill-Down

Considerable reduction in Total Stressed Book @ 2689 Cr. 1.59% of Average Total Assets

No specific Big ticket (> 100 Cr) account in Watch List. 98% of slippages in corporate are from <BBB rated accounts

Slippages from Retail Banking(<5 Cr Business) at multi quarter low of 216 Cr

Recovery/ Upgrades of 263 Cr in Q3 FY20. 32 Cr Redemption from SR book during the quarter



Movement of NPA

Gross NPA as on 30.09.2019	3612
Add Fresh Slippage	593
Add Increase in Balances in Existing NPAs	10
Deduct Recoveries/ Upgrades	-263
Deduct Written Off	-332
Gross NPA as on 31.12.2019	3619

Provisions in Q3

Loan Loss	242
Investment Loss	-7
Restructured Accounts	-9
Standard Accounts	-65
Other Purposes	0
Total Provisions	161

Fresh Slippages Break up

Fresh Slippages

	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19	Q3 FY19
Retail	101	124	141	67	108
Agri	50	72	67	92	71
BuB	66	95	99	67	107
CoB	55	51	20	29	85
Corporate	321	199	88	0	56
Total	593	540	415	256	426

Restructured

TYPE	Q3 FY20		Q2 FY20	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	463	66	612	66
Net NPA	172	58	394	58
TOTAL	635	124	1006	124

Security Receipts

	Q3 FY20	Q2 FY20
Face Value	664	697
Book Value	577	609

NPA Composition

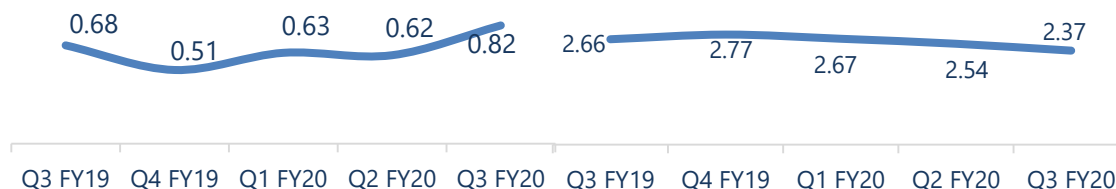
Q3 FY20

Q2 FY20

Business		NPA	NPA
Gross NPA	Retail	731	731
	Agri	565	554
	BuB	717	713
	CoB	654	721
	Corporate	952	893
Total		3619	3612
Net NPA		1941	1844

Credit Cost

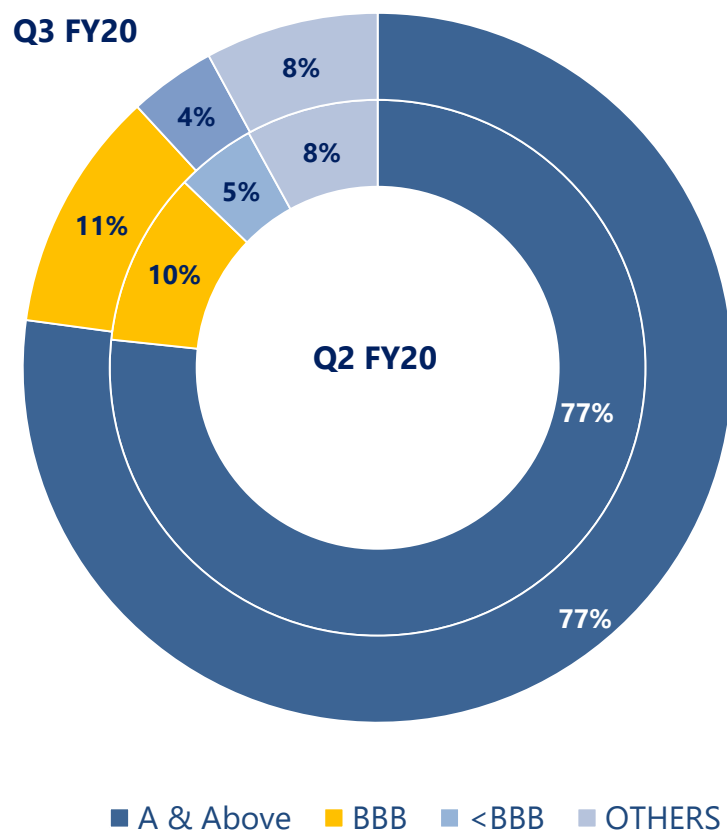
Risk Adjusted NIM



Slippage Rate

	Q3 FY19	Q4 FY19	Q1 FY19	Q2 FY20	Q3 FY20
Retail	2.45	1.84	2.33	2.16	1.51
Wholesale	1.01	0.20	0.73	1.67	2.49
Bank	1.67	0.96	1.48	1.90	2.02

External Rating of Corporate Advances



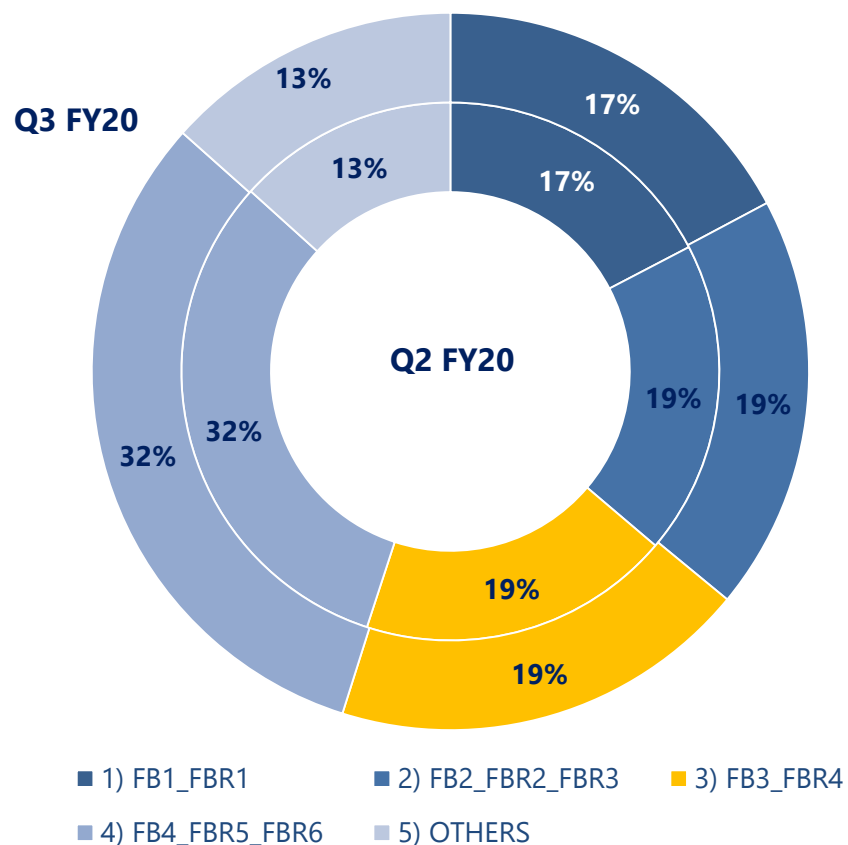
External Rating of Corporate Advances

Rating	Q3 FY-20	Q2 FY-20
A & above	77%	77%
BBB	11%	10%
< BBB	4%	5%
Others	8%	8%

Internal Rating of 'Others'

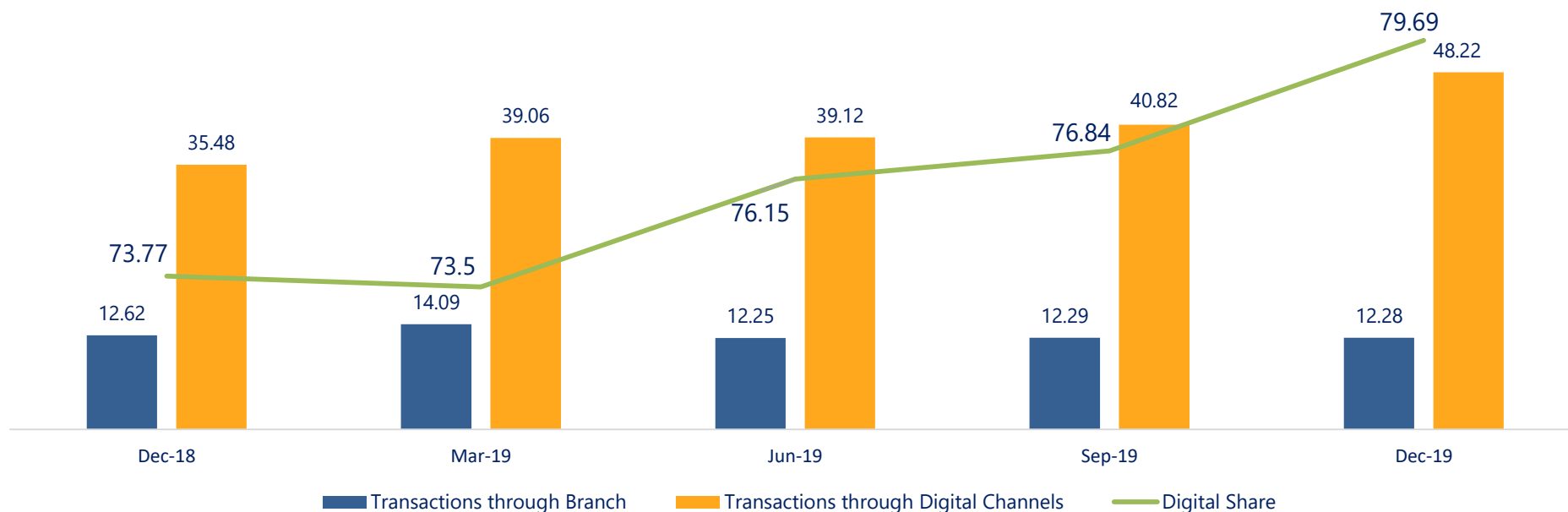
Rating		Q3 FY-20	Q2 FY-20
FBR1	FB1	10%	27%
FBR2/FBR3	FB2	17%	2%
FBR4	FB3	31%	30%
Below FBR4 & Others		43%	41%

Asset Quality : Rating Distribution (Other Advances exc CIB)

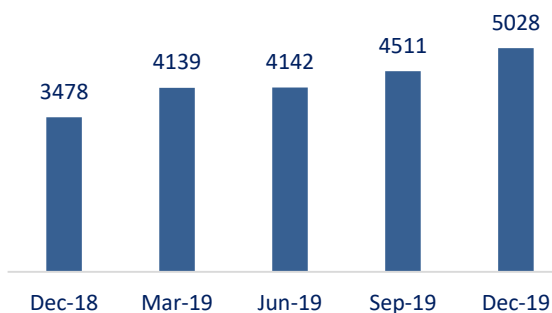


Rating		Q3 FY-20	Q2 FY-20
FBR1	FB1	17%	17%
FBR2/FBR3	FB2	19%	19%
FBR4	FB3	19%	19%
FBR5/FBR6	FB4	32%	32%
Staff		3%	3%
Gold, Advance against Deposit/Securities, etc.		4%	5%
Others		6%	5%

Digital vs Branch : Transaction count with bifurcation on various Digital channels(In lakhs)

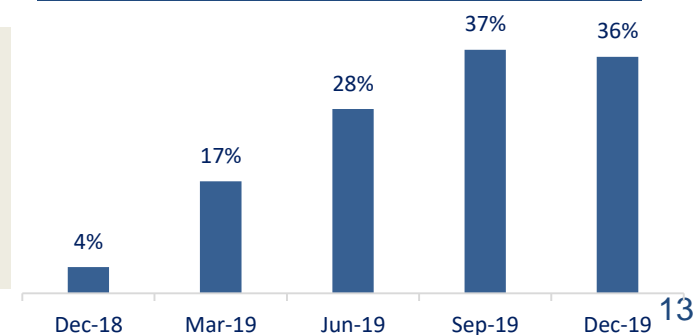


Mobile Banking Volume in crores



- Mobile Banking monthly volume crossed 5000 crores & Digital share grew to 79.69%
- There is a YoY growth of 36% on digital users

YoY Growth in Digital Users



Digital Migration : Performance highlights

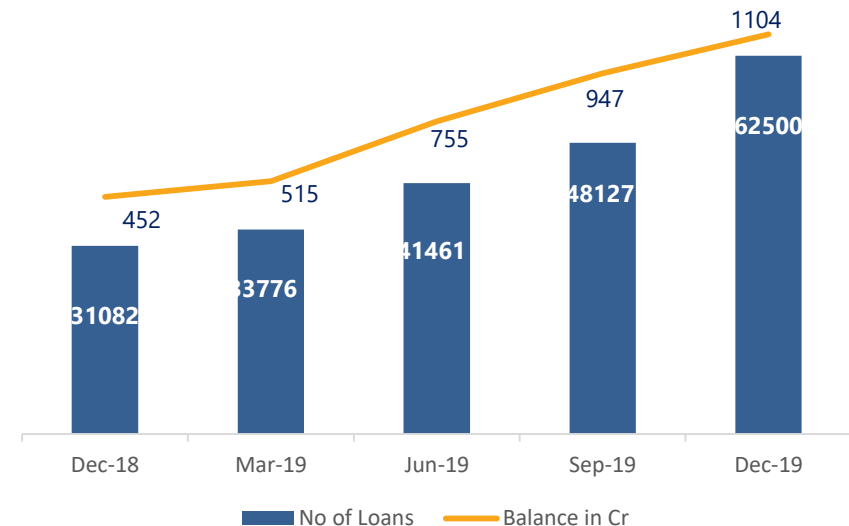
BYOM

- BYOM enables Instant online loan pre approved loan disbursal.

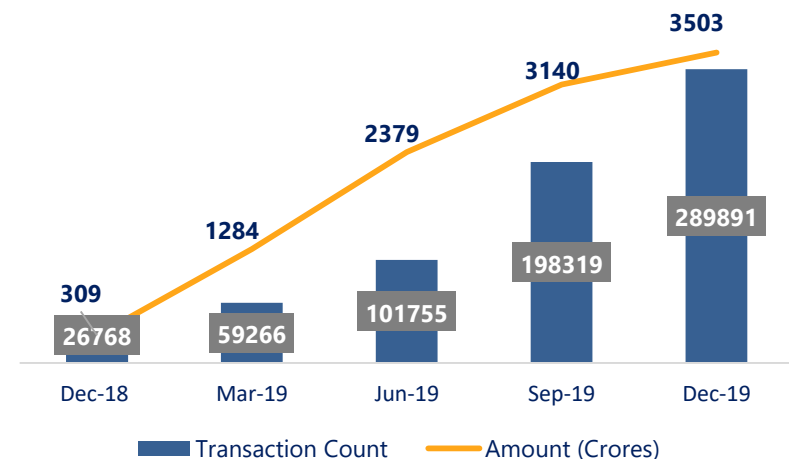
Fed e biz

- Fed e-Biz is the omni channel transaction banking platform for corporates.
- Volume of transactions has crossed 3500 crores during the month of December 2019.

BYOM Digital Personal Loans : Loan book progress



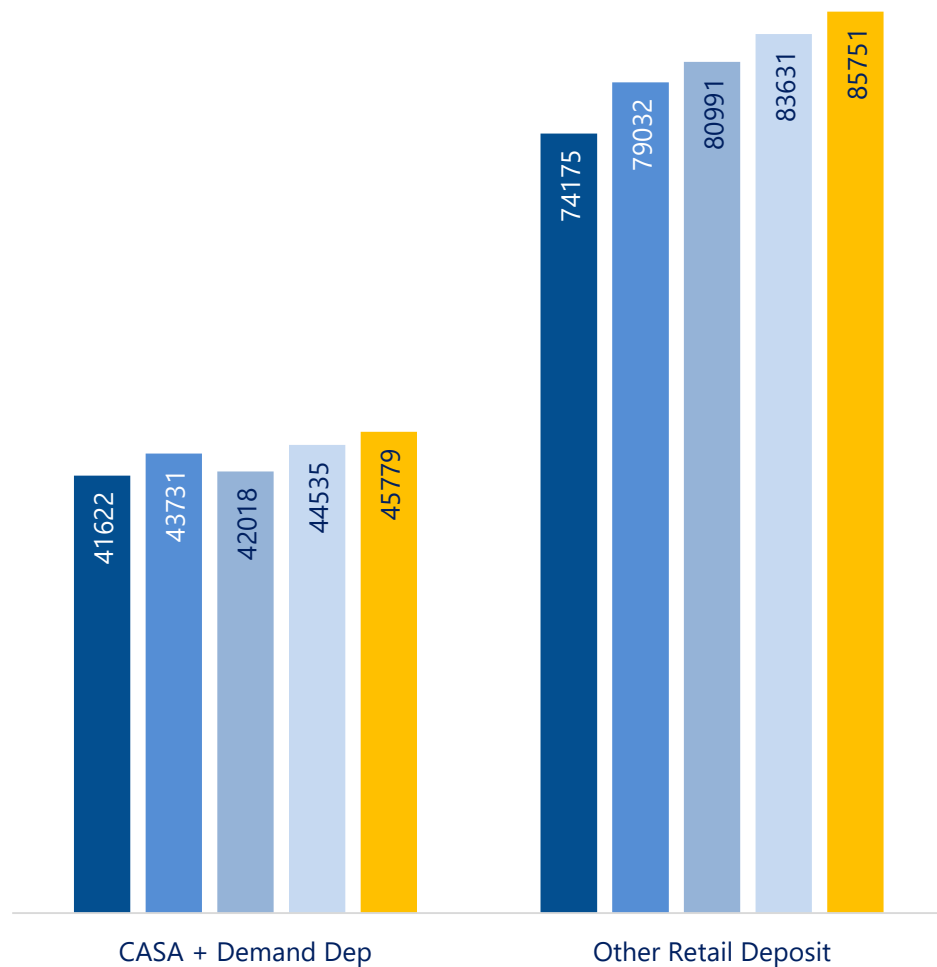
Fed E Biz



Business Parameters

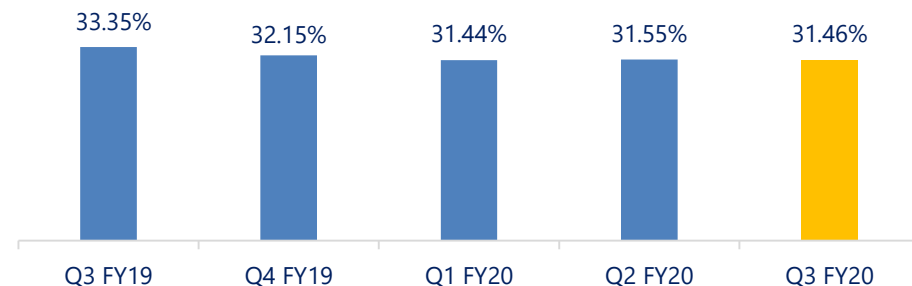
Liability : Trends

■ Q3 FY19 ■ Q4 FY19 ■ Q1 FY20 ■ Q2 FY20 ■ Q3 FY20

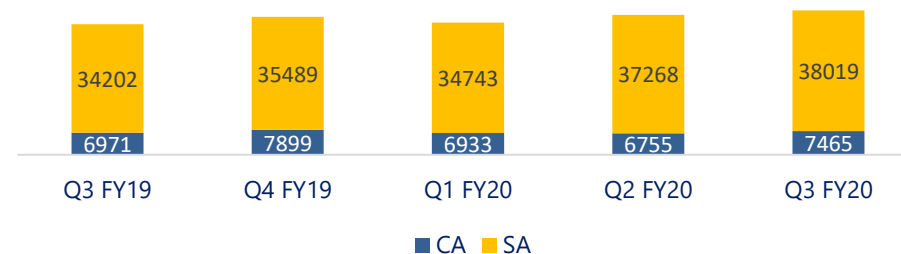


CASA Ratio

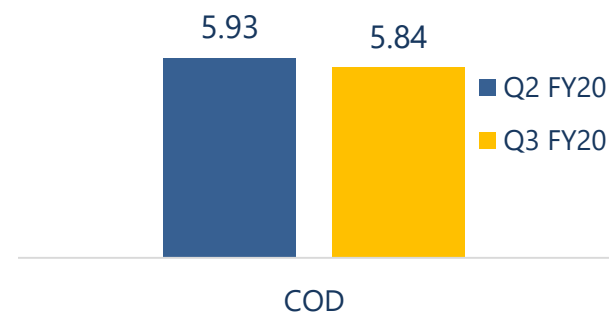
₹ in Cr



CA & SA



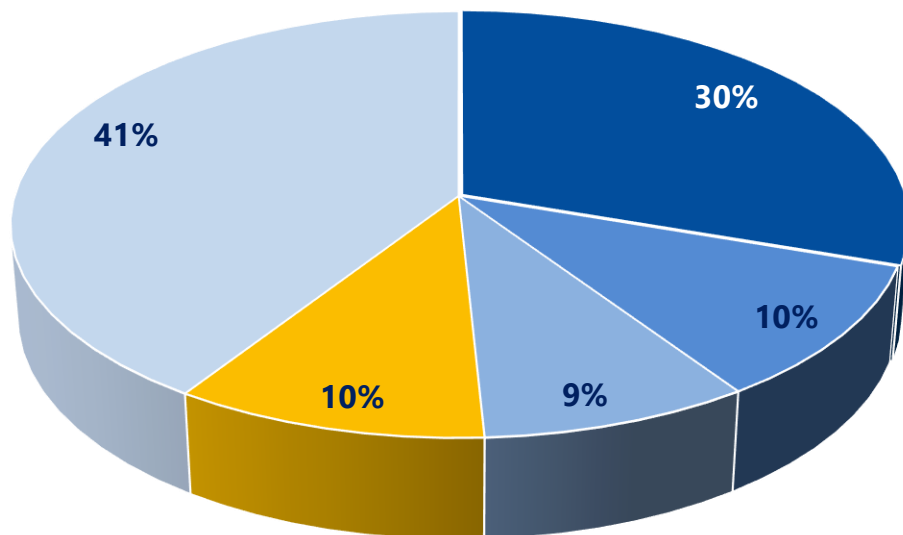
Cost of Deposits



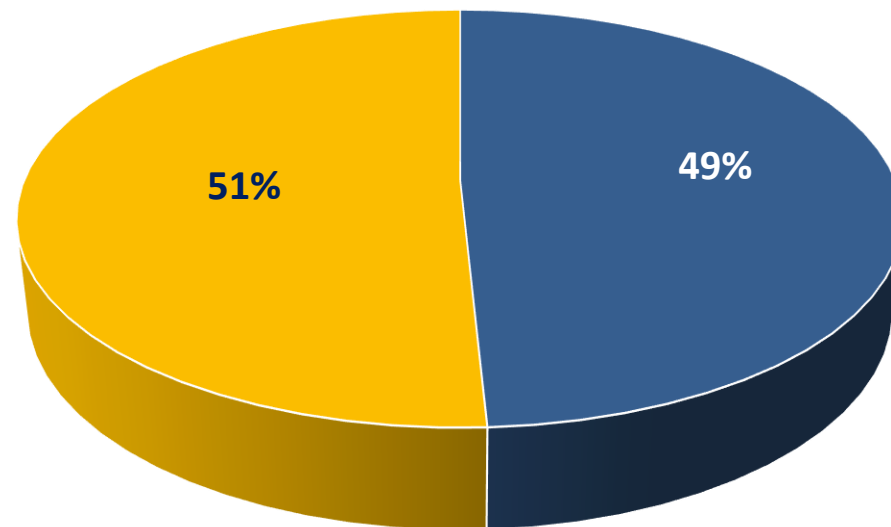
Credit Portfolio Distribution

₹ in Cr

TOTAL LOAN BOOK

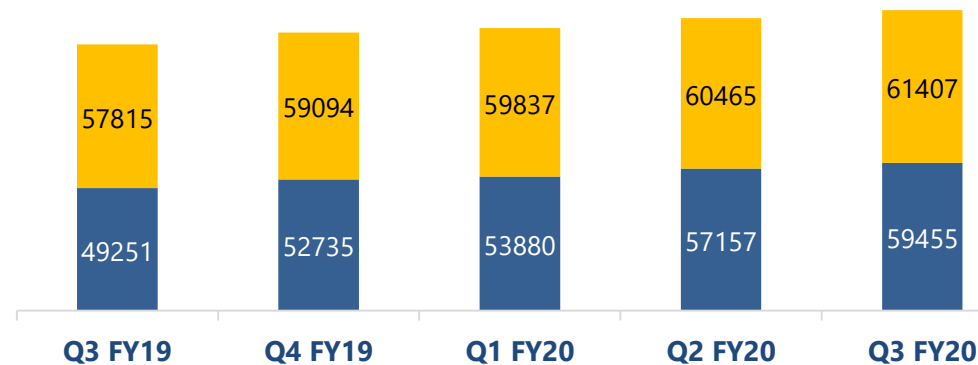
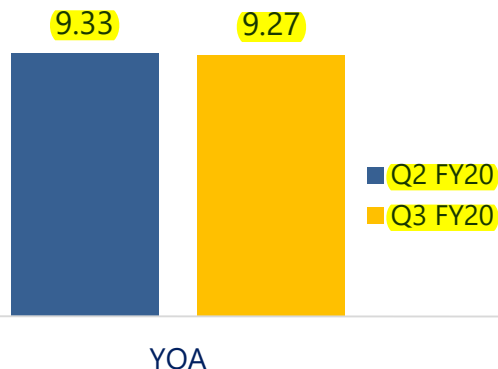


■ Retail ■ Agri ■ BuB ■ CB ■ CIB



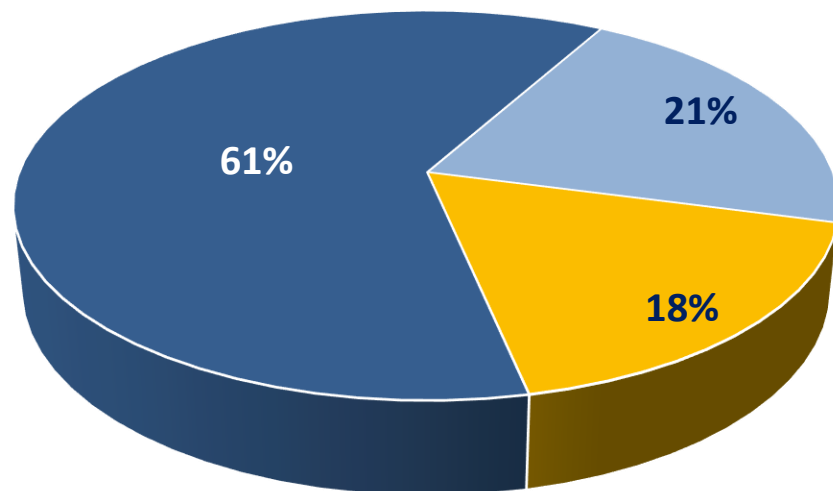
■ Retail ■ Wholesale

Yield on Advances

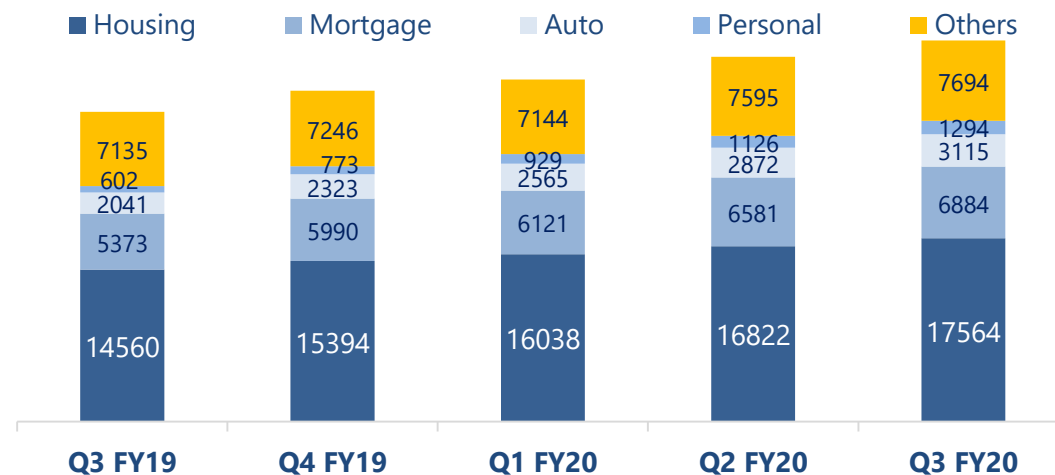


Calibrated Acceleration in Retail Banking

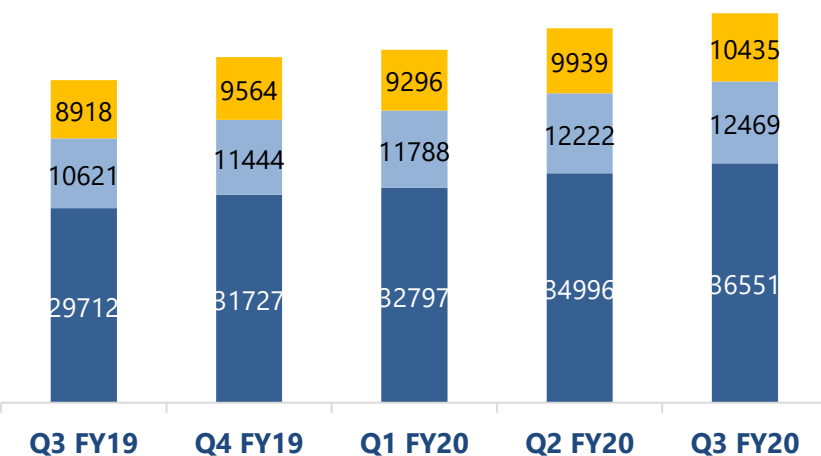
₹ in Cr



Retail Loan Book (Excl Agri & BuB)



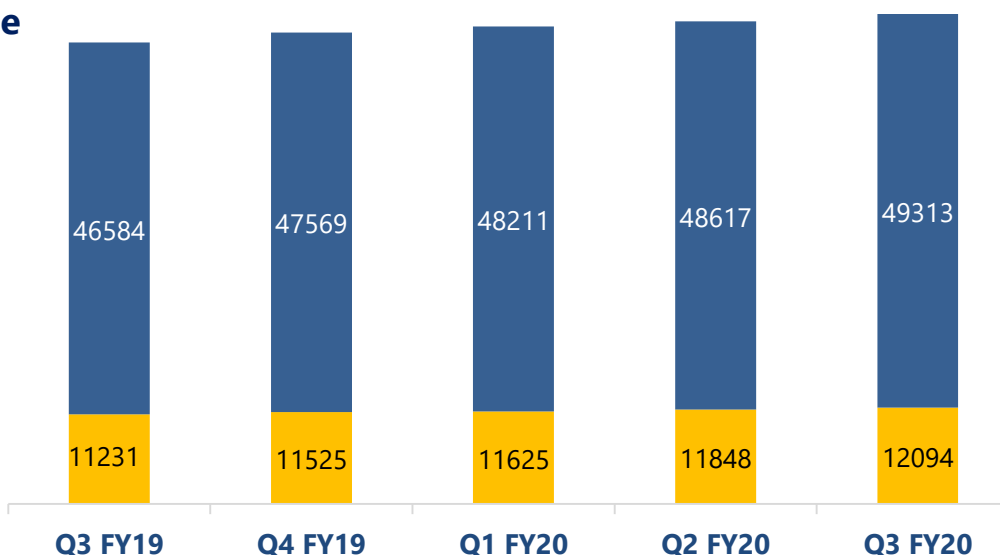
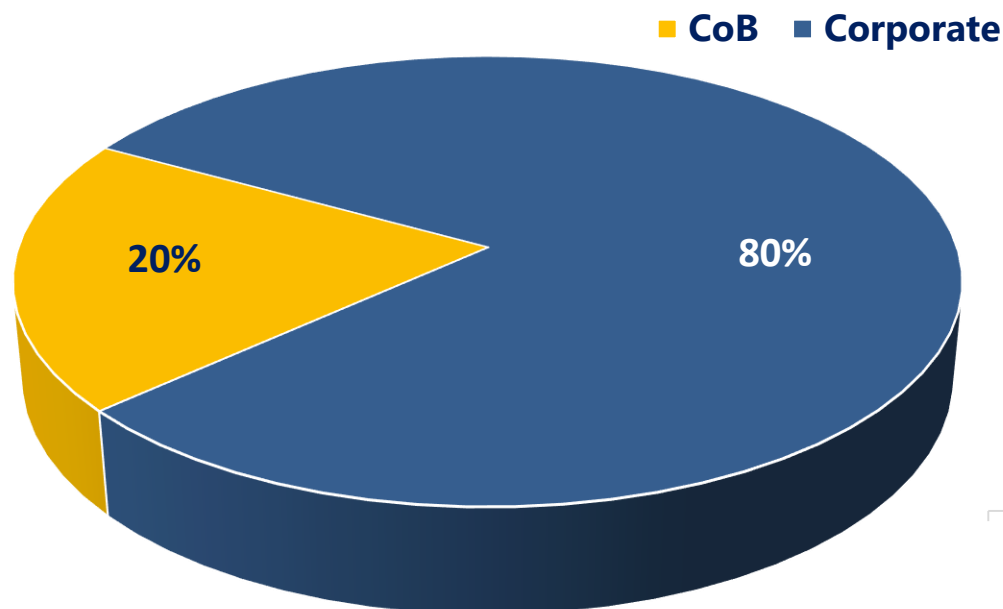
■ Retail ■ AGRI ■ BuB



RETAIL BANKING

- Focused approach in growing high margin Personal Loans & Auto Loans growing at 115% & 53% respectively, Y-o-Y. Gold Loan book grew by 27% Y-o-Y
- Relationship Manager model of business development in Business Banking stabilized and gaining momentum
- Nearly four fold increase in loan disbursement through Fintech enabled Gold and Micro lending platforms on a YTD basis.
- NPA management strategies aligned to reduce impact of macro-economic conditions onto portfolio performance, containing the slippages to multi quarter low.

Cautious Approach in Wholesale Banking



WHOLESALE BANKING

- The asset growth was muted given the overall external environment, however excluding the Writeoff/ Derisk book the asset growth was at 11% Y-o-Y
- MOU signed with Maruti Suzuki (MSIL) for channel finance and Retail Car Finance. We are preferred financier of MSIL
- No specific Big ticket (> 100 Cr) account in Watch List
- Average Ticket Size of Wholesale Loan Book(CIB+CB) : 24 Cr
- Average Ticket Size of CIB & CB Loans is 64 Cr & 7 Cr Respectively

₹ in Cr

Q3 FY20 Q2 FY20 Q1 FY20 Q4 FY19 Q3 FY19 Y-o-Y %

Loan Processing Fee 63 61 49 50 50 27%

 Exchange, Commission,
 Brokerage & Other Fee
 Income 191 191 169 185 156 23%

 Net Profit on Forex
 Transactions 56 64 43 54 74 -24%

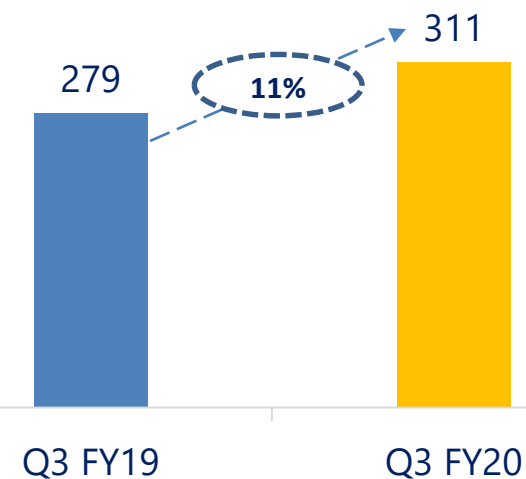
Fee Income 311 317 260 289 279 11%

Profit on sale of securities 65 82 91 74 55 19%

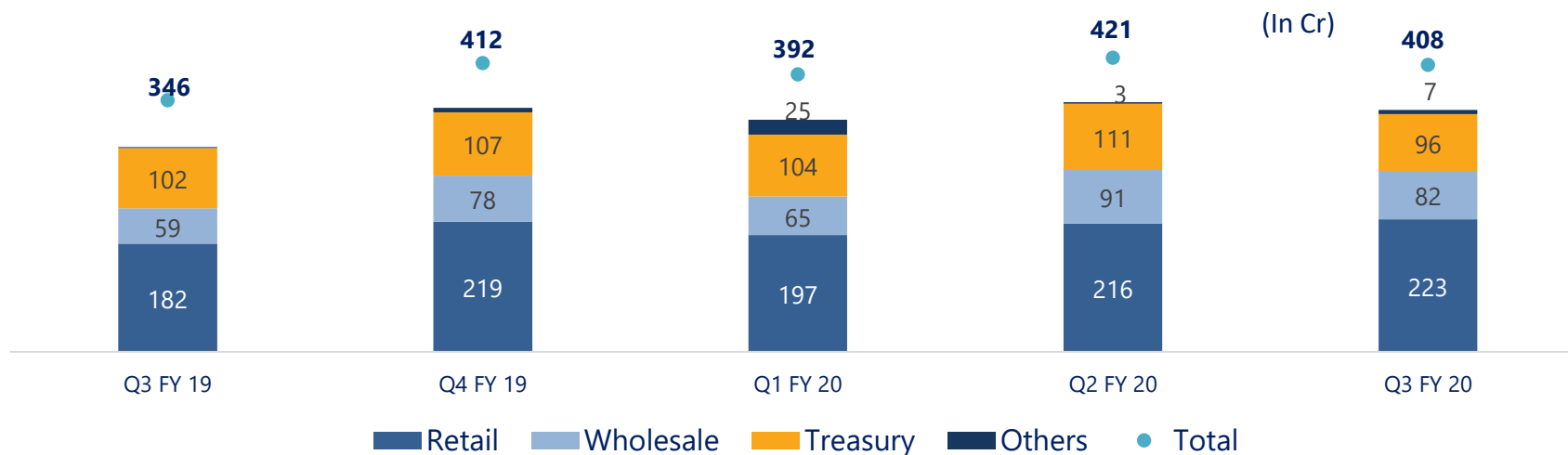
 Recovery from assets
 written off , Other
 Receipts & misc. 32 22 40 49 11 180%

Total Other income 408 421 392 412 346 18%

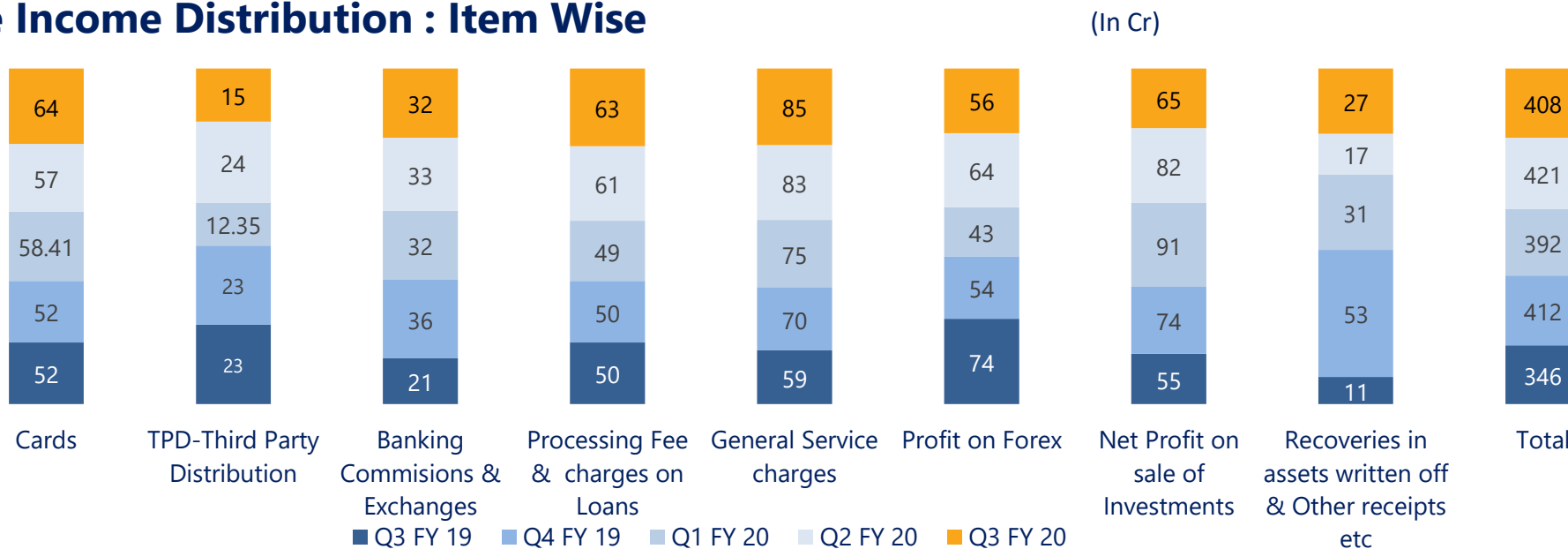
Fee Income (Y-o-Y)



Fee Income Distribution : Vertical Wise



Fee Income Distribution : Item Wise



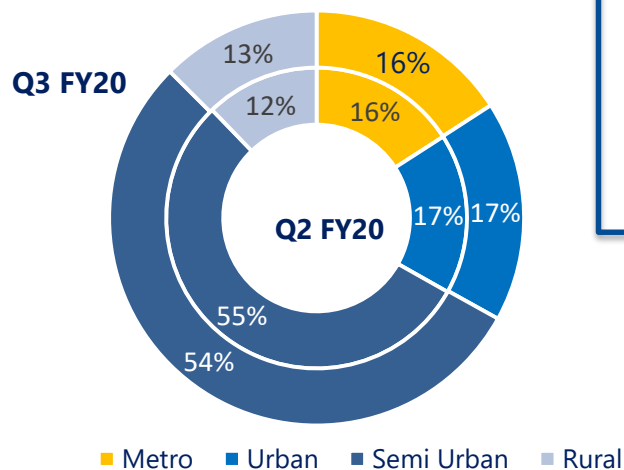
Distribution : Deriving Efficiency from Footprint



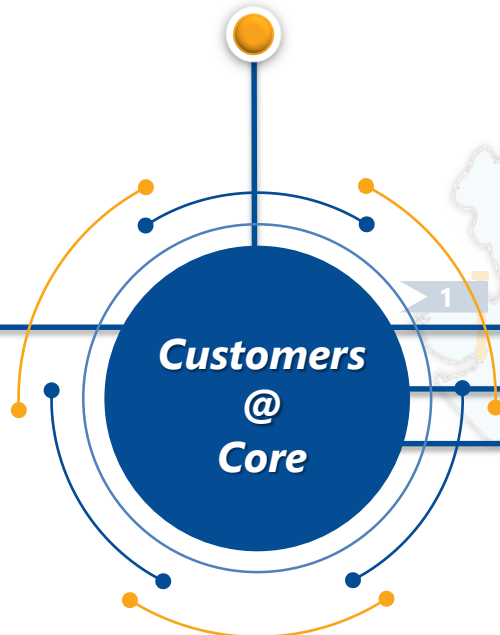
Branches

Selective Expansion

- Around 25 branches in FY20 & 40 branches in FY21.



Sales /Relationship Channel (Bank owned)



Digital

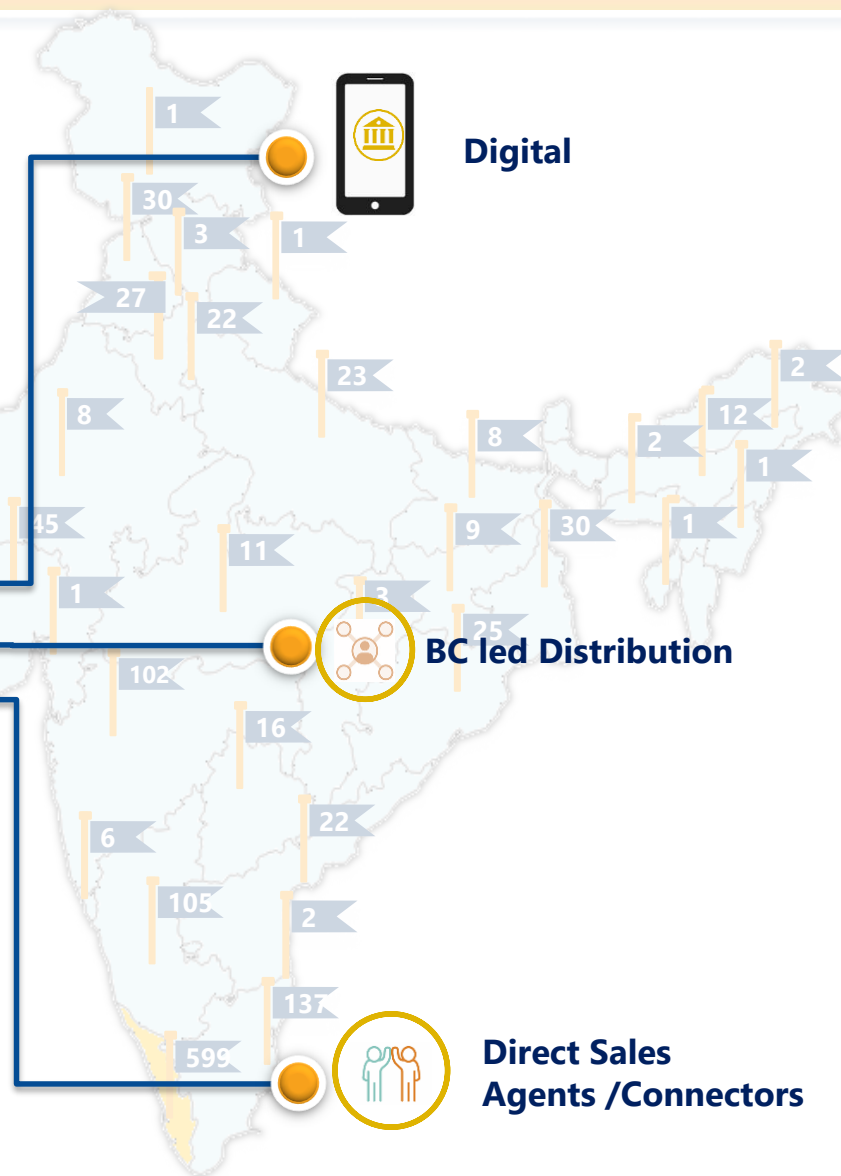


BC led Distribution



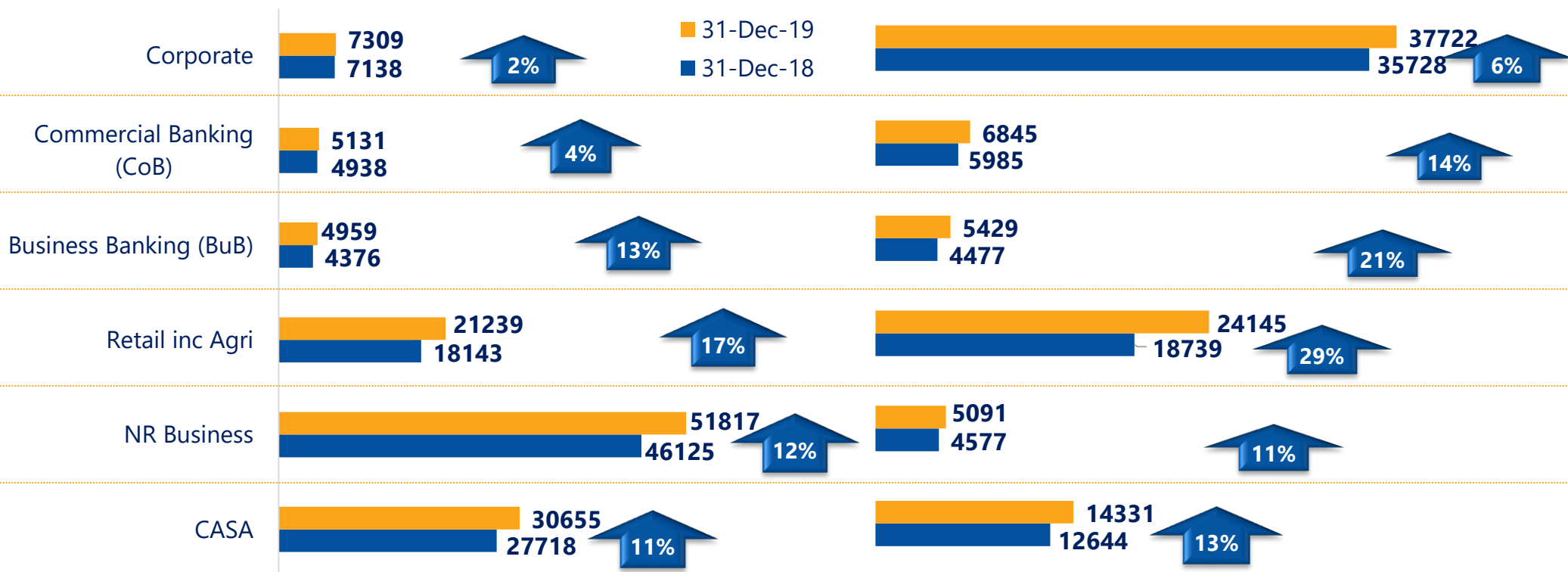
Direct Sales Agents /Connectors

	Q3 FY20	Q2 FY20	Q1 FY20
Branches	1255	1251	1251
ATM/ Recyclers	1965	1942	1934

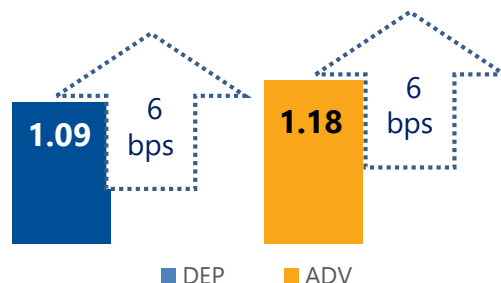


Kerala : Prominence to Dominance

Outside Kerala: Presence to Prominence ₹ in Cr



Bank's Market Share



Gain in Market Share(Y-o-Y)

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

CRAR – How strong is your Bank?

₹ in Cr

	Dec-19	Sep-19
Risk Weighted Assets		
Credit Risk	88456	85828
Market Risk	2473	3024
Operational Risk	8715	8715
Total RWA	99644	97566
Tier-1 Capital Funds	12573	12561
Tier-II Capital Funds	1016	1081
Total Capital Funds	13589	13642
CRAR	13.64%	13.98%
Tier-I	12.62%	12.87%
Tier-II	1.02%	1.11%

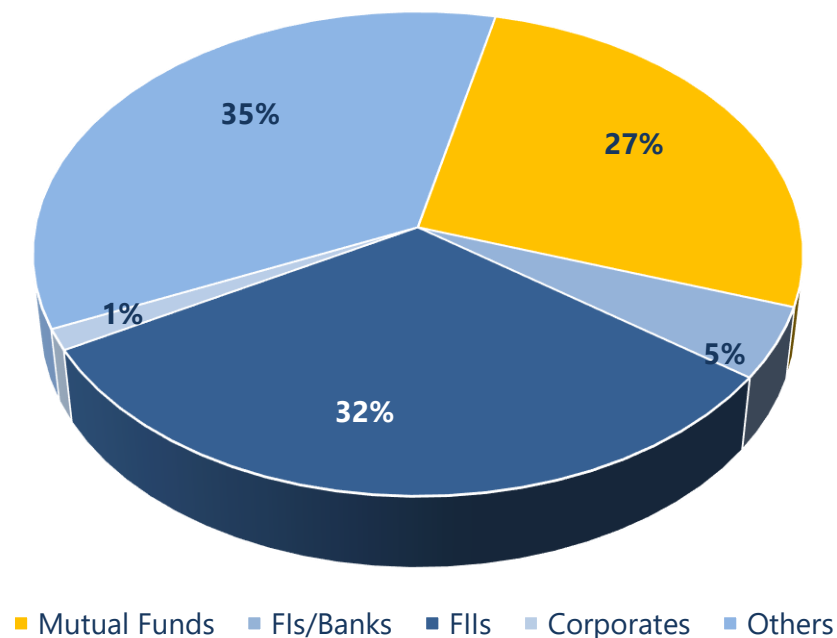
Annexures

Balance Sheet & Shareholding Pattern

₹ in Cr

	Q3 FY20	Q3 FY19
LIABILITIES		
Capital	398	397
Reserves & Surplus	13813	12490
Deposits	144592	123457
Borrowings	8100	8409
Other Liabilities & Provisions	5888	5026
TOTAL	172791	149779
ASSETS		
Cash & Balance with RBI	8682	6397
Balances with Banks, Money at Call	5092	1379
Investments	31026	29200
Advances	119222	105550
Fixed Assets	474	458
Other Assets	8296	6795
TOTAL	172791	149779

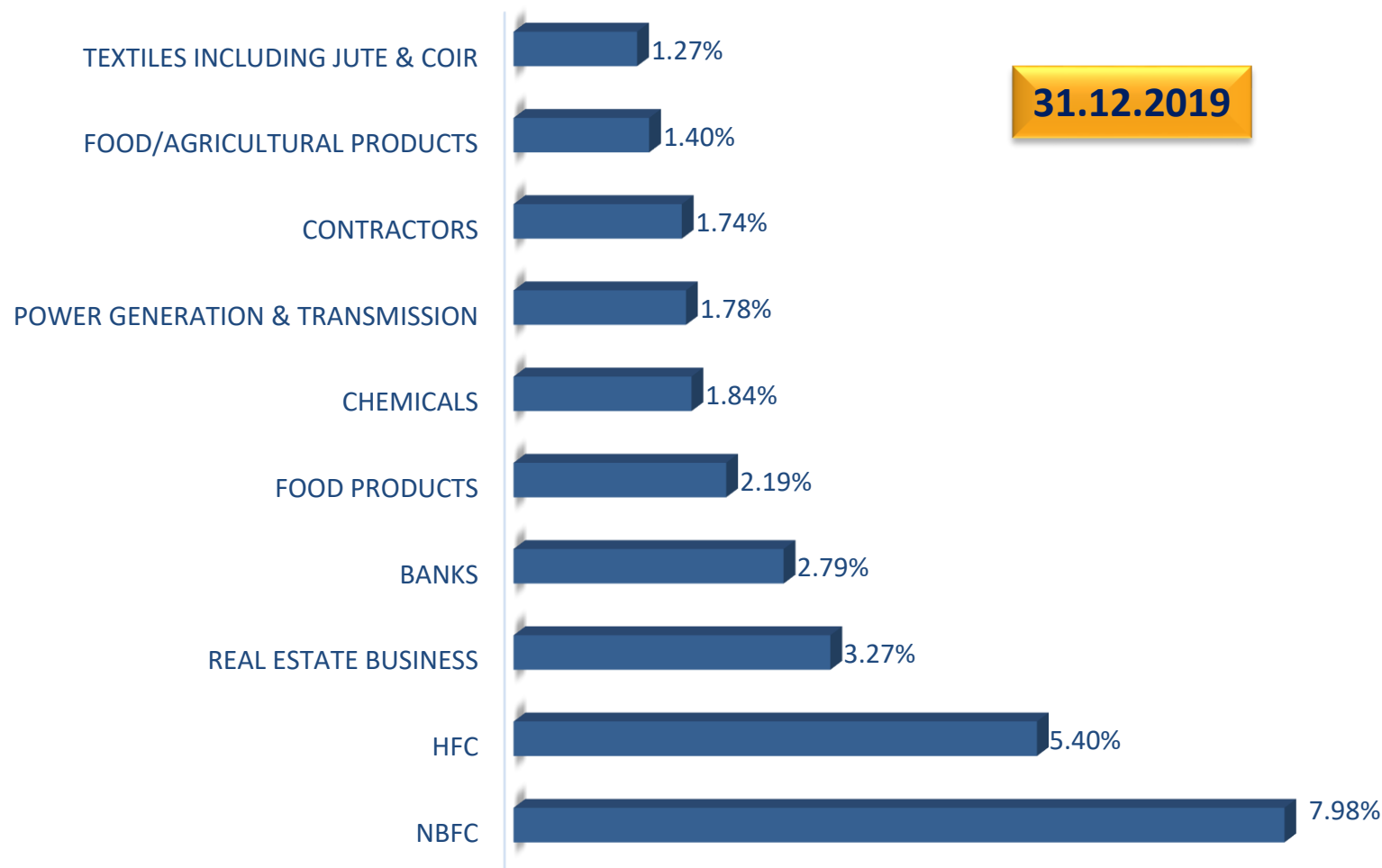
Share Holding Pattern



₹ in Cr

	Q3 FY20	Q2 FY20	Q-o-Q	Q3 FY19	Y-o-Y
Interest Income	3330	3254	2%	2954	13%
Interest Expenses	2175	2130	2%	1877	16%
Net Interest Income	1155	1124	3%	1077	7%
Other Income	408	421	-3%	346	18%
Operating Expense	819	826	-1%	715	15%
Total Income	3738	3675	2%	3300	13%
Total Expense	2994	2956	1%	2592	16%
Operating Profit	744	719	3%	708	5%
Total Provisions	303	302	0%	374	-19%
Net Profit	441	417	6%	334	32%
Net Interest Margin (%)	3.00	3.01	-1bps	3.17	-17 bps
Cost to Income Ratio (%)	52.40	53.47	-106 bps	50.25	215 bps

Top 10 Sector wise exposure as a % of Total Advance



Major Investments

Entity	% of stake
Federal Operations & Services Limited (FedServ)	100.00%
Fedbank Financial Services Limited	74.00%
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.

- Total AUM of 3000+ Cr.
- 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.

Federal Operations & Services Limited (FedServ)

- FedServ is a wholly owned subsidiary company of Federal Bank.
- It provides operational & technology oriented services to Federal Bank.

External Ratings

Fixed Deposit

Certificate of Deposit

Tier 2 (Capital) Bonds



*India Ratings
& Research
Pvt Ltd, CARE*

A1+

A1+

IND AA
CARE AA

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

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