

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 above and below a thinner orange stripe.

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q1 FY 2019



Key Messages

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

- ❑ 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



Robust Operating Momentum

- ❑ 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

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

Advances

RETAIL

WHOLESALE

Retail

Agri

Business
Banking
(BuB)#Commercial
Banking(CoB) #

CIB

Total Advances

19%

21965→26133

22%

7947→9699

23%

6719→8238

13%

9282→10443

32%

31174→41002

24%

77087→95515

Deposits

CASA

CASA Ratio

NRE Deposits

Retail Deposits

16%

32048→37234

3
bps

33.44→33.47

20%

37370→44806

15%

92668→107022

Performance

Net Interest Income

Core Fee Income

Operating Profit

Net Profit

22%

801→980

15%

180→208

8%

558→603

25%

210→263

Ratios

Cost Income ratio

Gross NPA%

Net NPA%

Profit Per Employee

118
bps

50.62→51.80

58
bps

2.42→3.00

33
bps

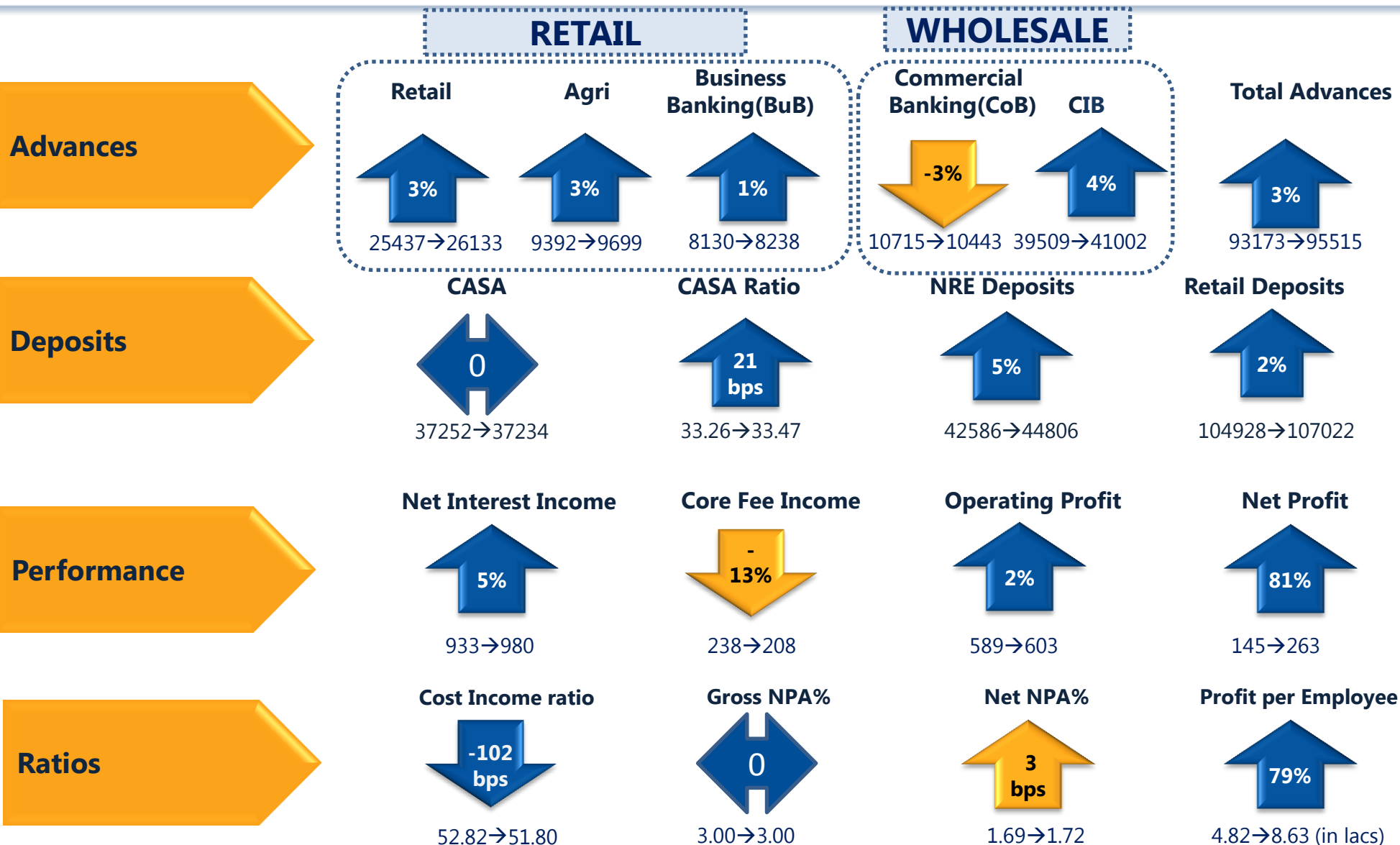
1.39→1.72

19%

7.23→8.63(in Lacs)

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

#SME split into BuB & CoB



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

#SME split into BuB & CoB



Key Indicators

Shareholder Value

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

Granularity

CASA + Deposits <1 Cr (% of Total Deposits)	91%	88%	92%	90%	92%
--	-----	-----	-----	-----	-----

Profitability (Annualized)

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

Efficiency

Cost/Income	51.80	52.82	52.37	50.83	50.62
Net NPA%	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
Retail	109	70	150	106	97
Agri	54	56	42	51	45
SME	90	142	122	107	114
Corporate	207*	604	98	20	169
Total	461	872	411	284	425

*of which 163 Cr from restructured standard book.

NPA Composition

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

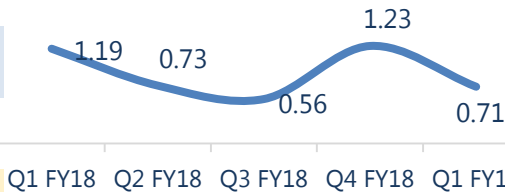
Restructured

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

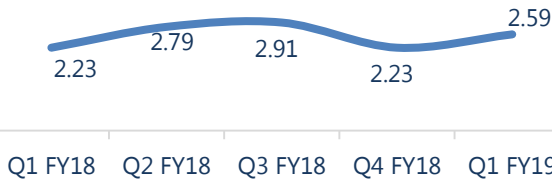
Security Receipts

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

Credit Cost



Risk Adjusted NIM

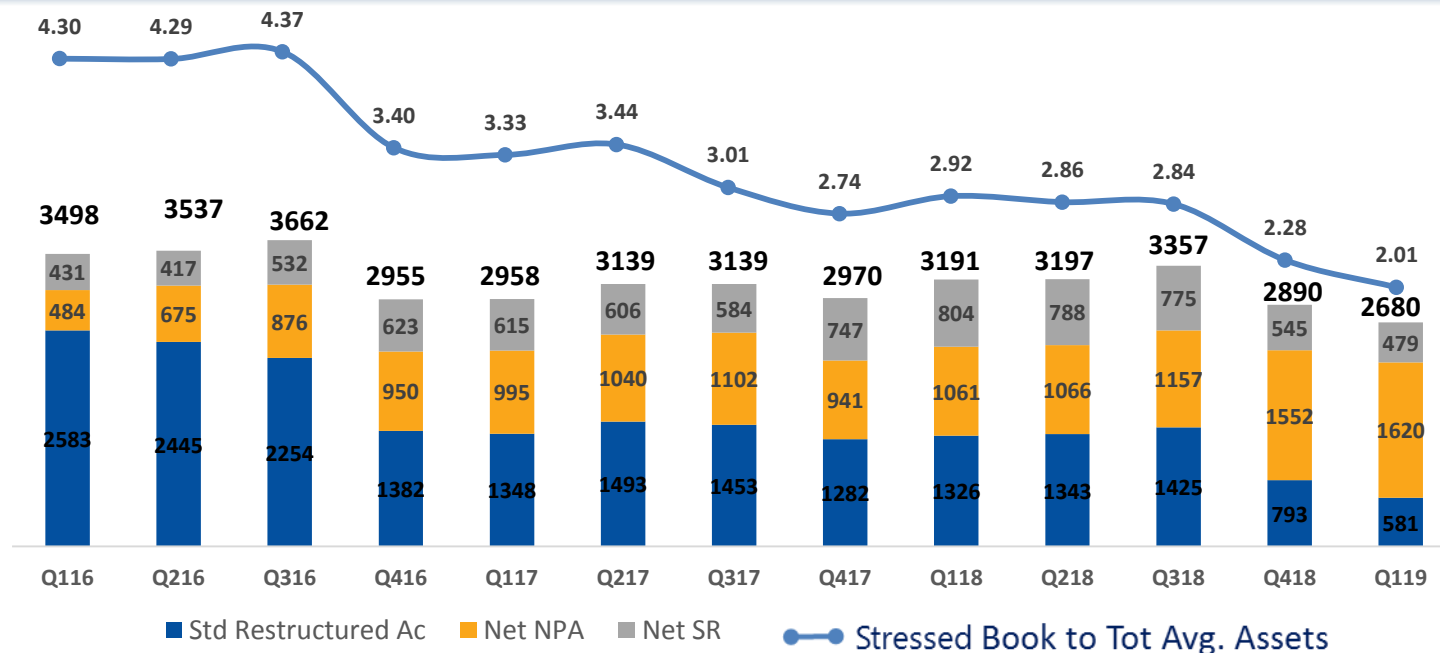


Total Stressed Book further reduced from 2890Cr to 2680cr to touch 2.01% of Total Assets.

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

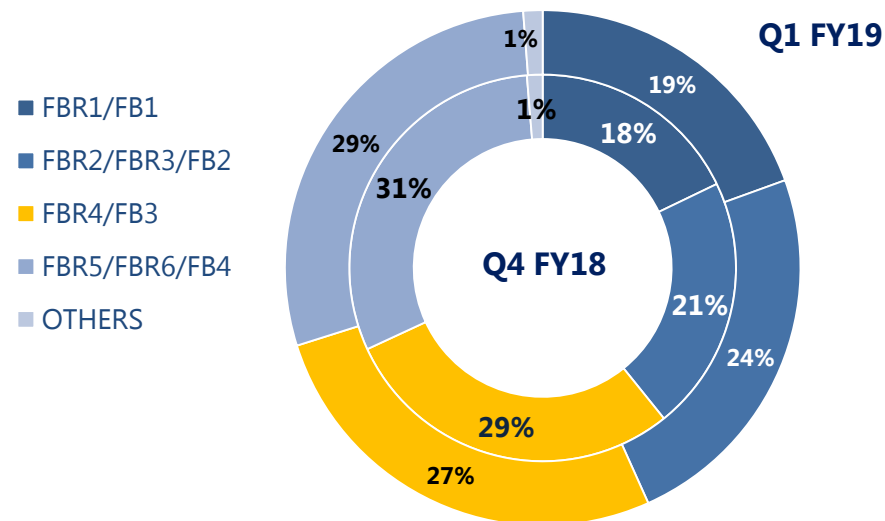
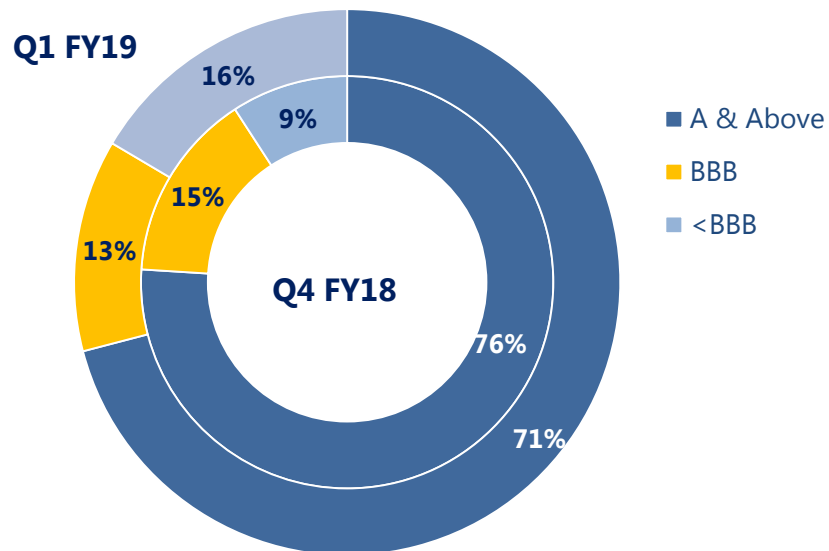
Amt in Rs.Cr.

Gross NPA as on 31.03.2018	2796
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	2869



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%

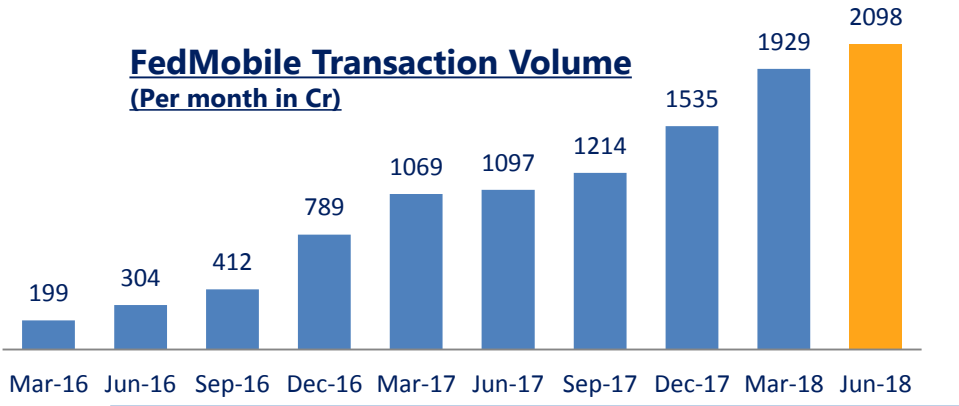
*Includes all rated Corporate & Commercial Banking Assets



Digital share

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

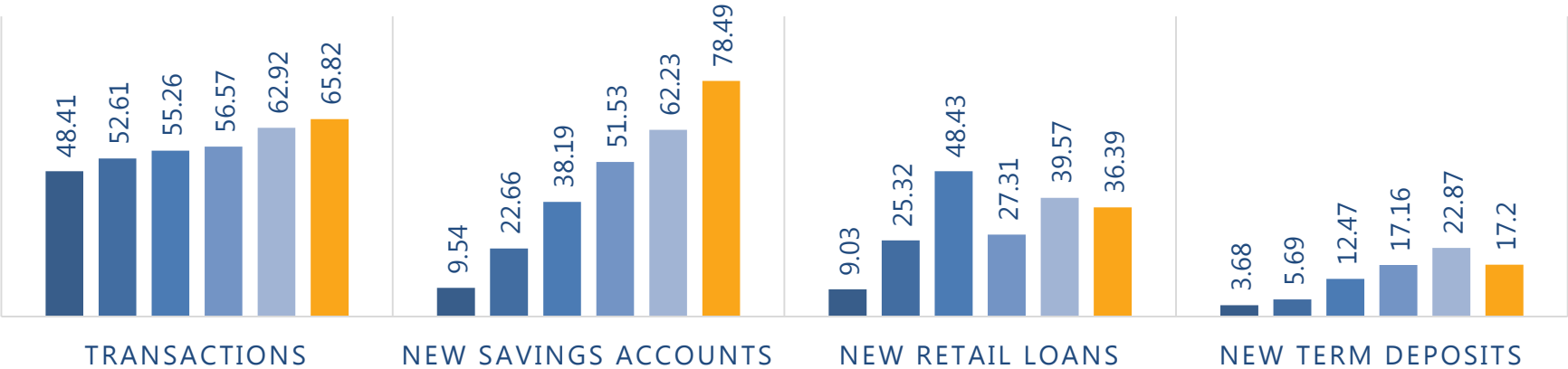
FedMobile Transaction Volume
(Per month in Cr)



5.97 Lakh active customers in Mobile Platform

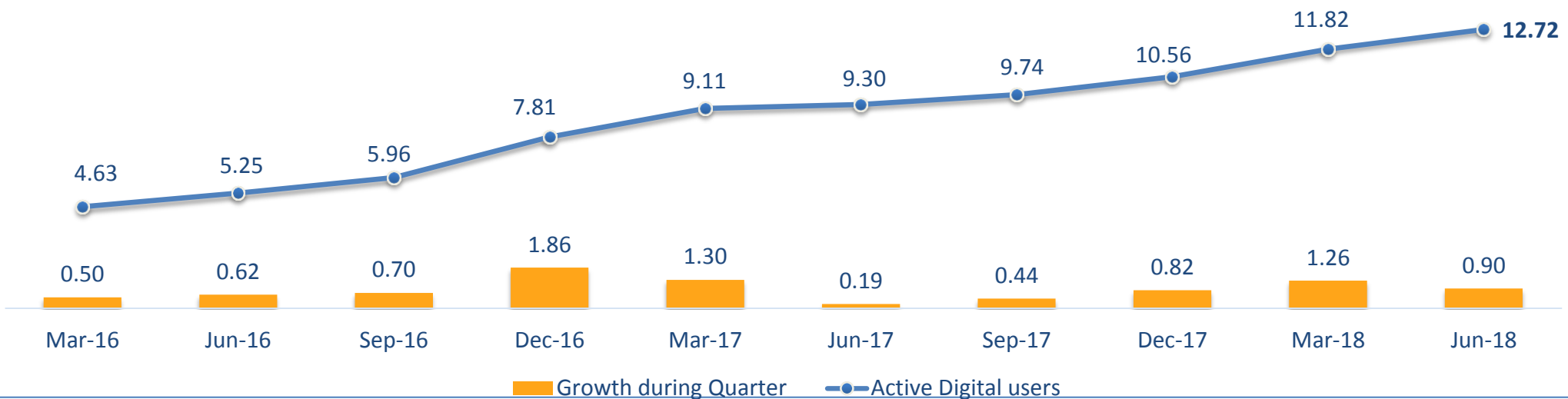
Digital Share

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

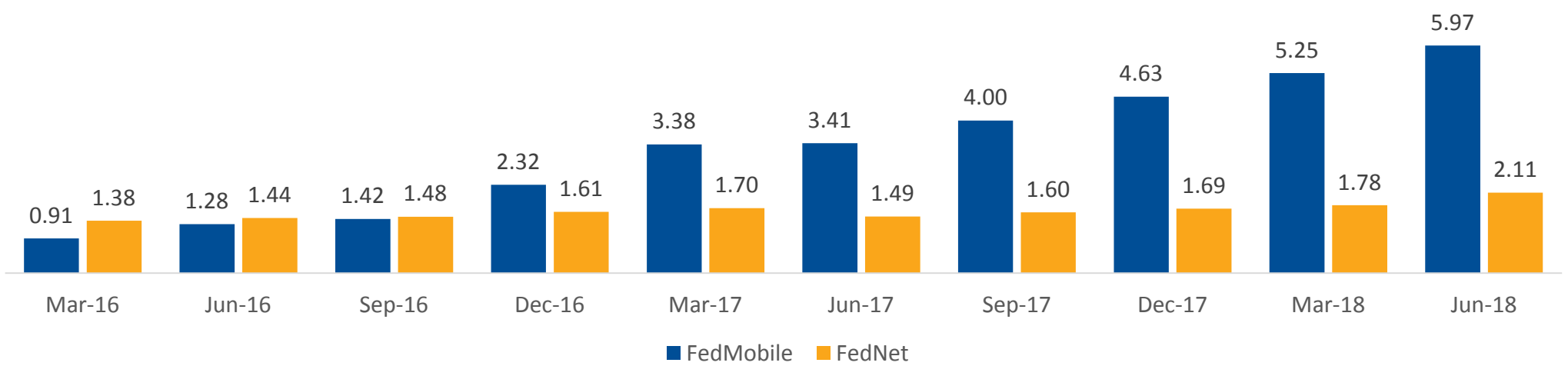




Increase in the Number of Active Digital Users (In Lakhs)



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





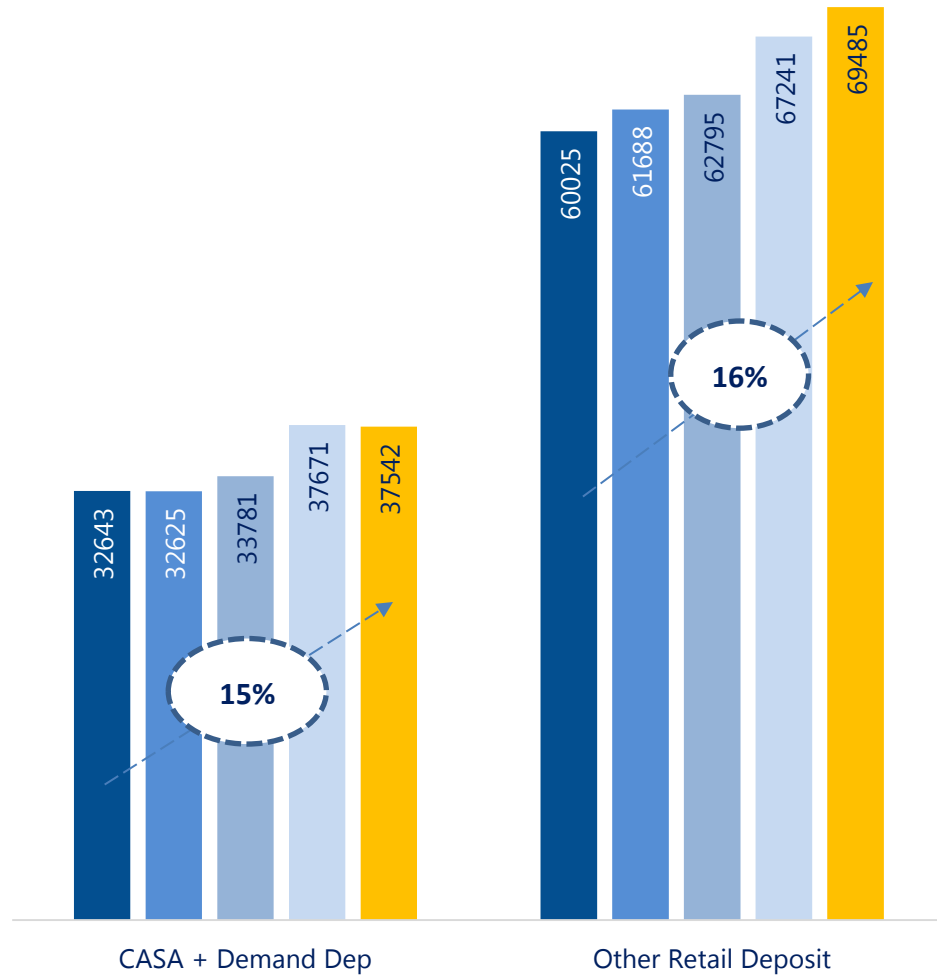
Business Parameters



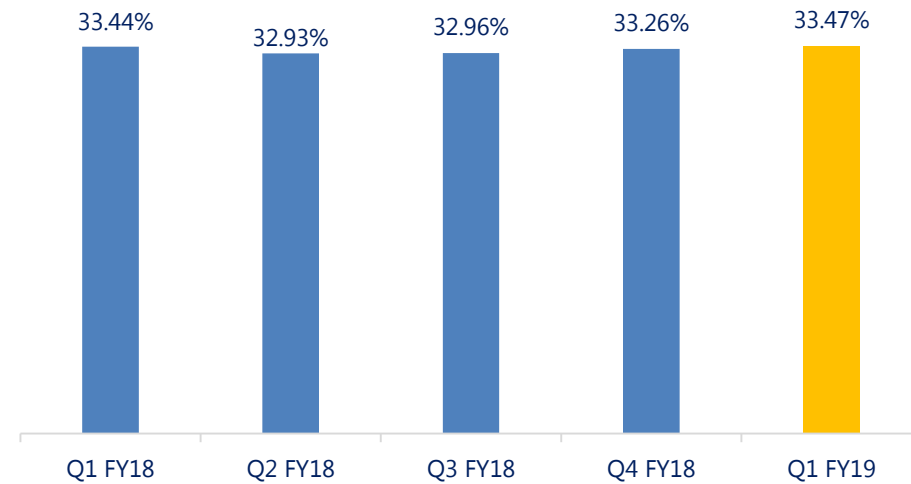
Liability : Trends

₹ in Cr

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

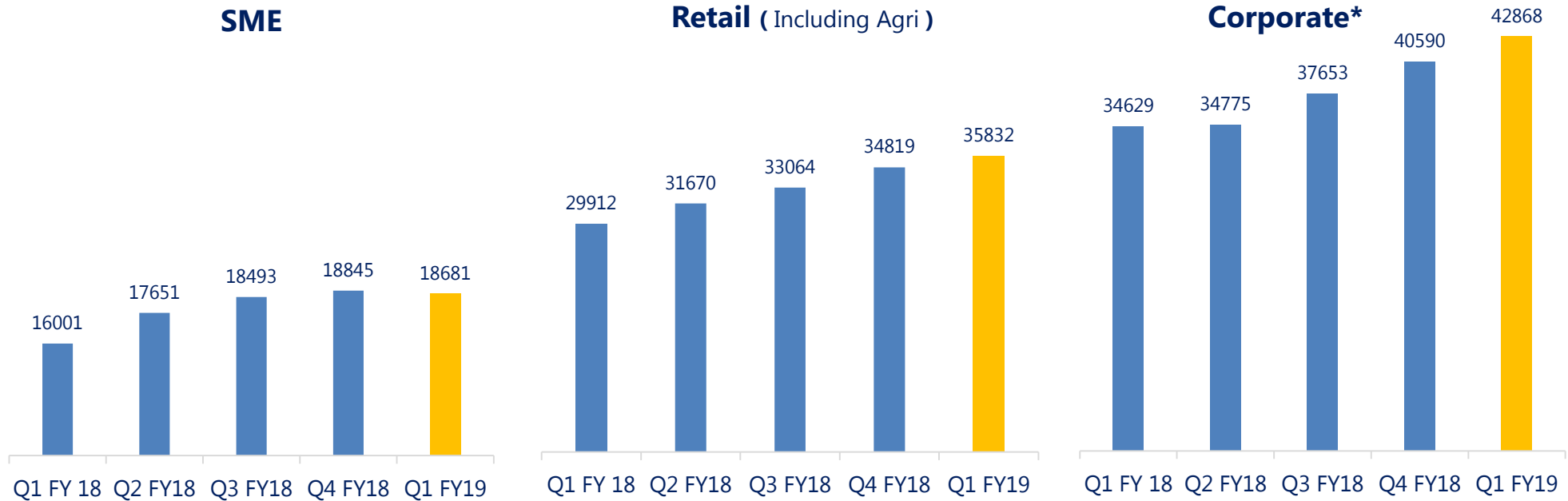


CASA Ratio





₹ in Cr

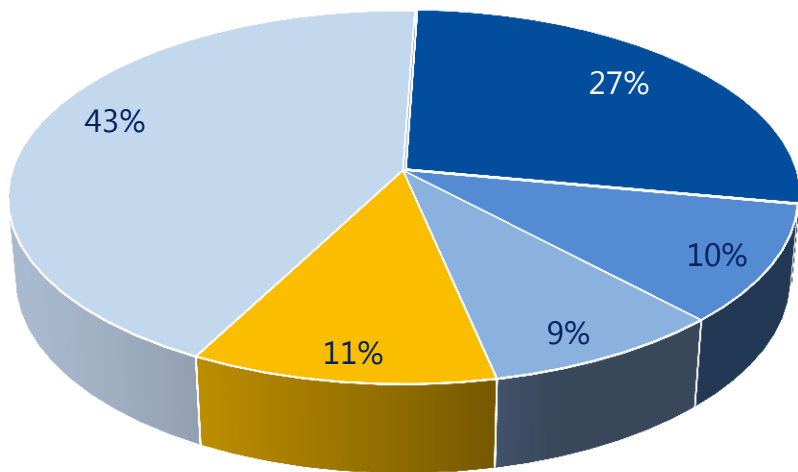


Highlights

- 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.



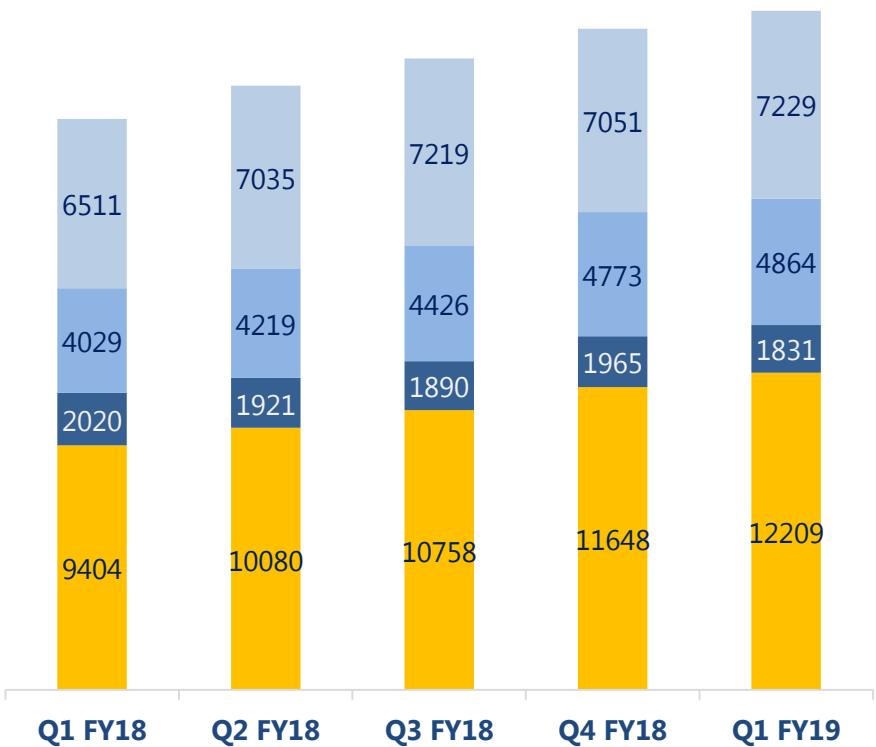
Total Loan Book



■ Retail ■ Agri ■ BuB ■ CB ■ CIB

Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others





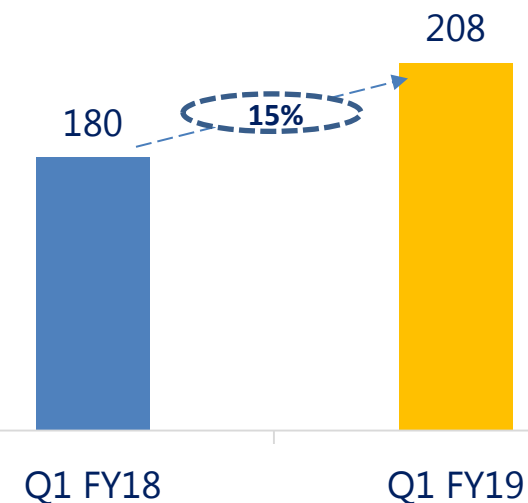
Fee Income/Other income

₹ in Cr

Q1 FY19 Q4 FY18 Q3 FY18 Q2 FY18 Q1 FY18 Y-o-Y %

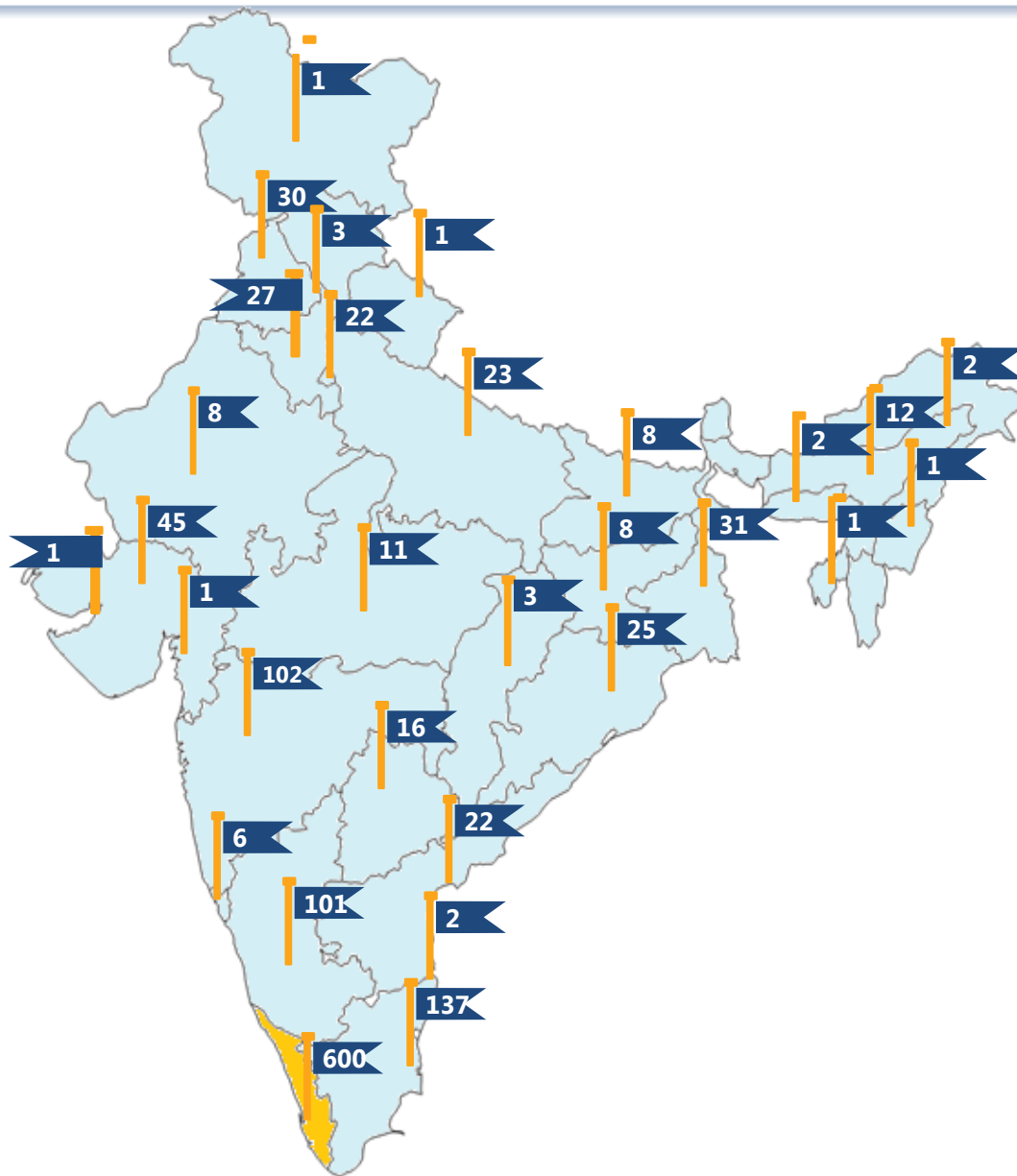
Loan Processing Fee	31	46	34	35	28	12%
Exchange, Commission, Brokerage & Other Fee Income	129	136	120	119	118	9%
Net Profit on Forex Transactions	47	56	39	41	34	40%
Fee Income	208	238	193	195	180	15%
Profit on sale of securities	49	22	29	75	112	-56%
Recovery from assets written off & Other Receipts	14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

Fee Income (Y-o-Y)

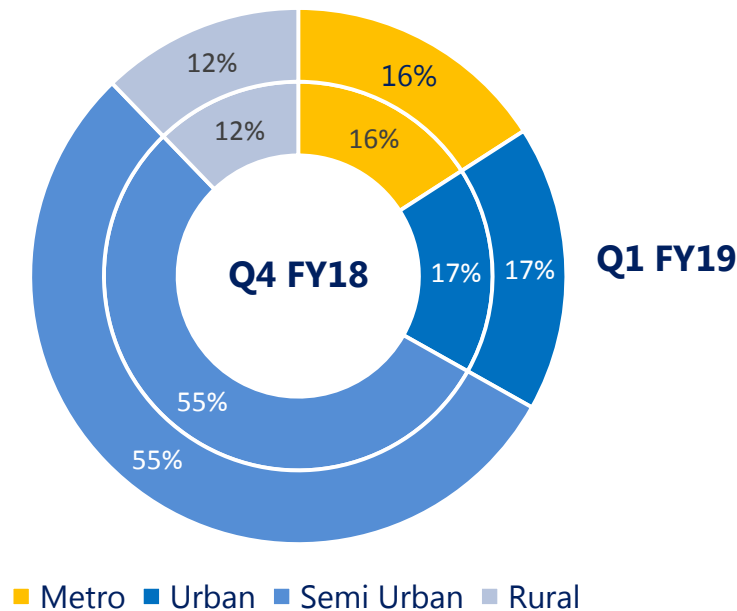




Distribution : Deriving Efficiency from Foot Print



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

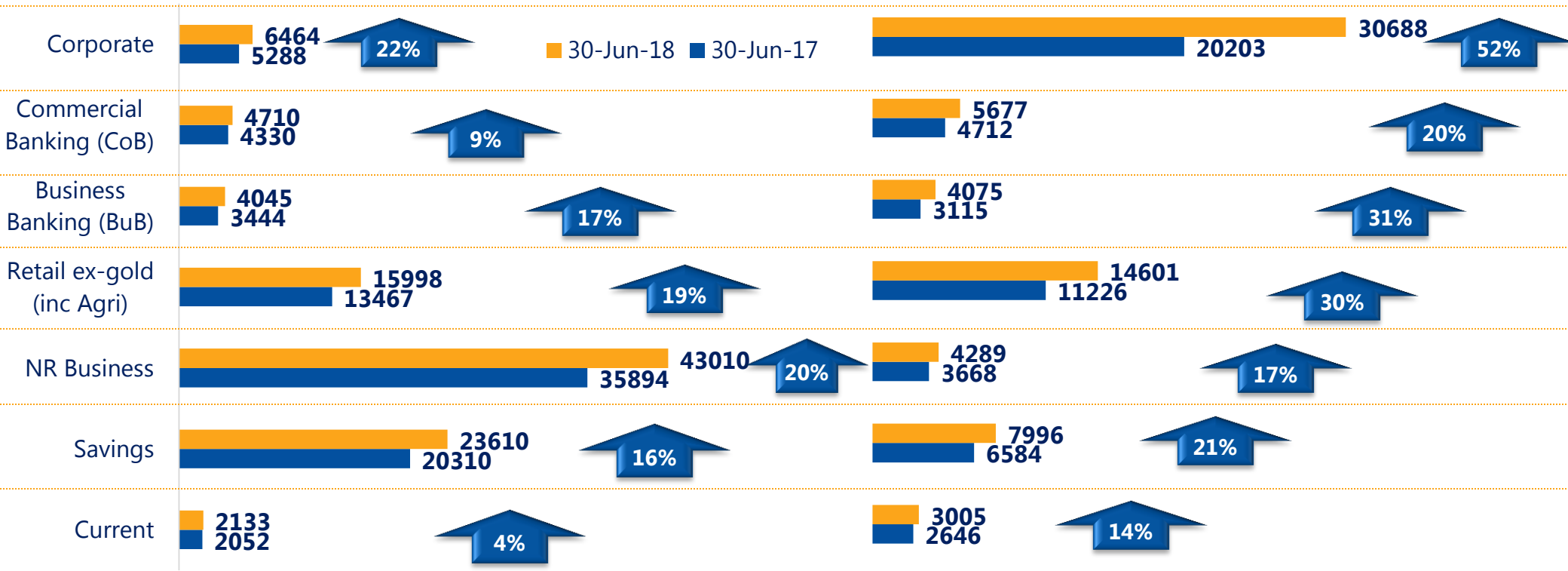




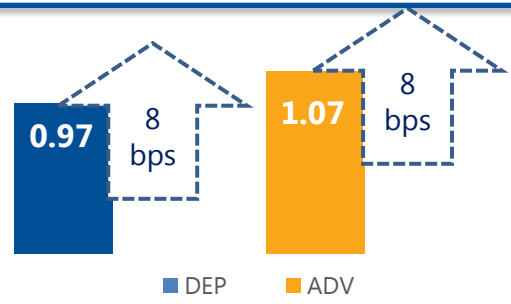
₹ in Cr

Kerala : Continuing Dominance

Outside Kerala: Gaining share



Bank's Market Share



Gain in Market Share(Y-o-Y)

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



CRAR – How strong is your Bank?

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

₹ in Cr

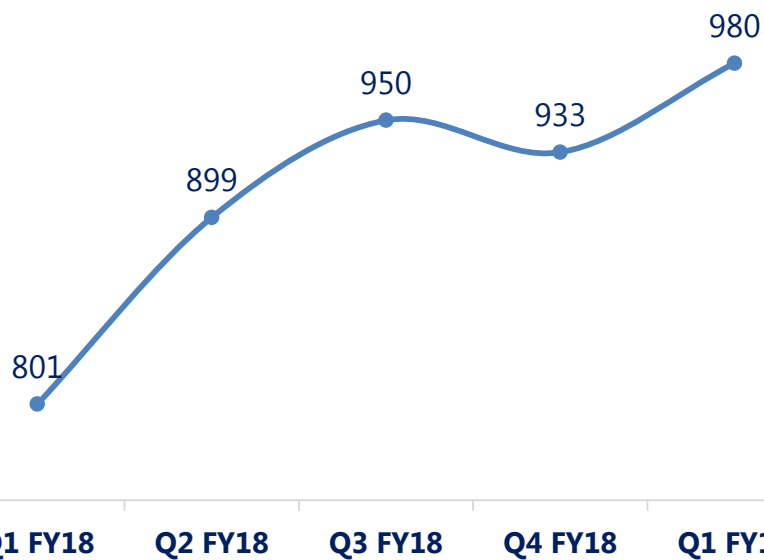
	Jun-18	Mar-18
Risk Weighted Assets		
Credit Risk	73755	73163
Market Risk	3151	3504
Operational Risk	7325	6392
Total RWA	84232	83060
Tier-1 Capital Funds	11801	11776
Tier-II Capital Funds	414	437
Total Capital Funds	12216	12213
CRAR	14.50%	14.70%
Tier-I	14.01%	14.18%
Tier-II	0.49%	0.52%



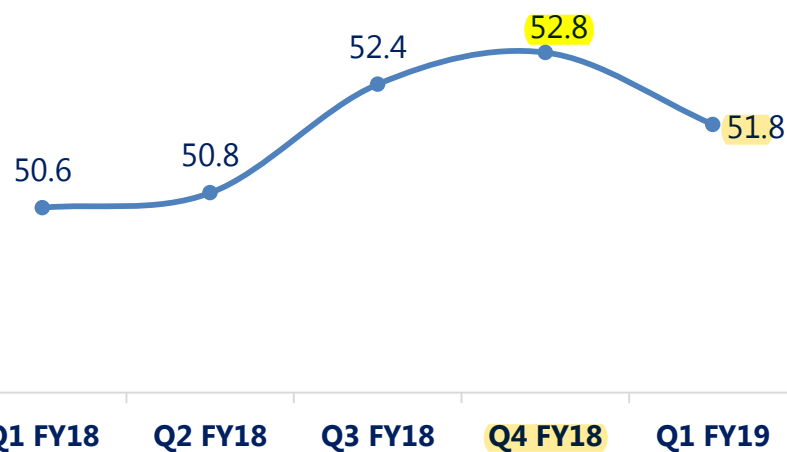
Annexures



NII Movement (in Cr)



Cost to Income ratio (in %)

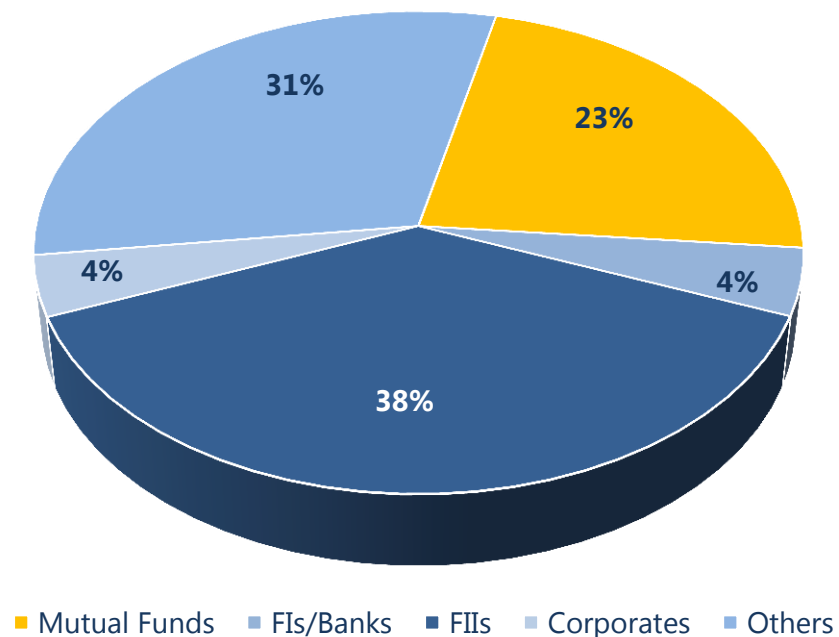




₹ in Cr

	Q1 FY19	Q1 FY18
LIABILITIES		
Capital	396	388
Reserves & Surplus	12103	11239
Deposits	111242	95839
Borrowings	9470	5833
Other Liabilities & Provisions	3470	3067
TOTAL	136681	116367
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
TOTAL	136681	116367

Share Holding Pattern



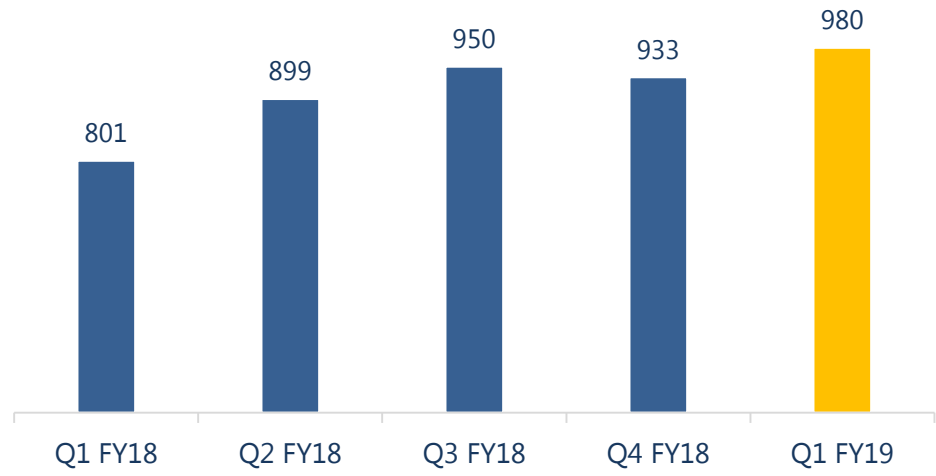


₹ in Cr

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

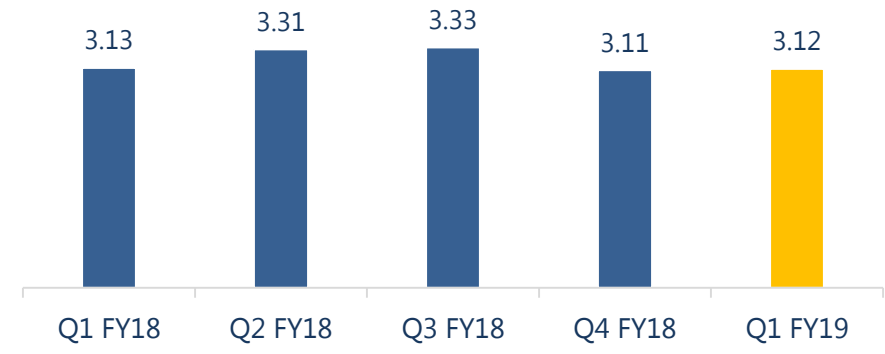


Net Interest Income

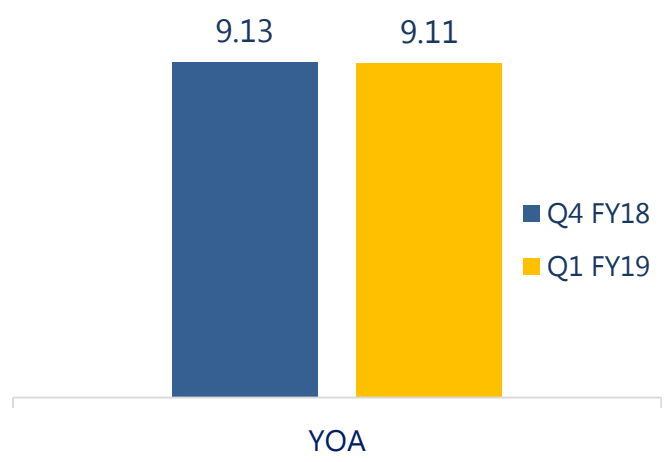


Net Interest Margin (%)

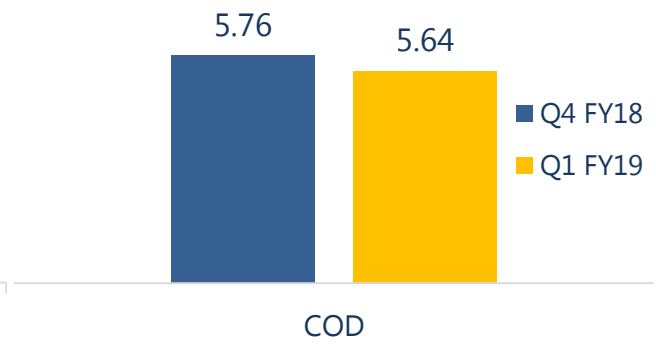
₹ in Cr



Yield on Advances

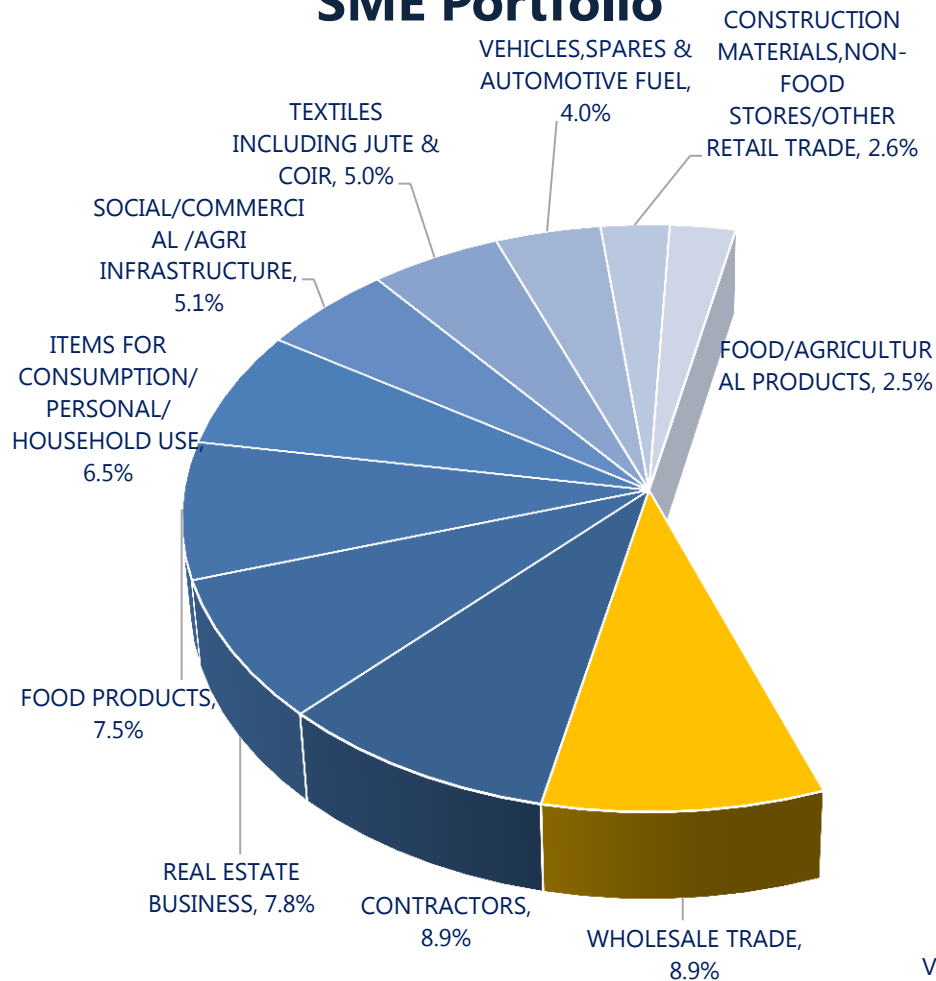


Cost of Deposits

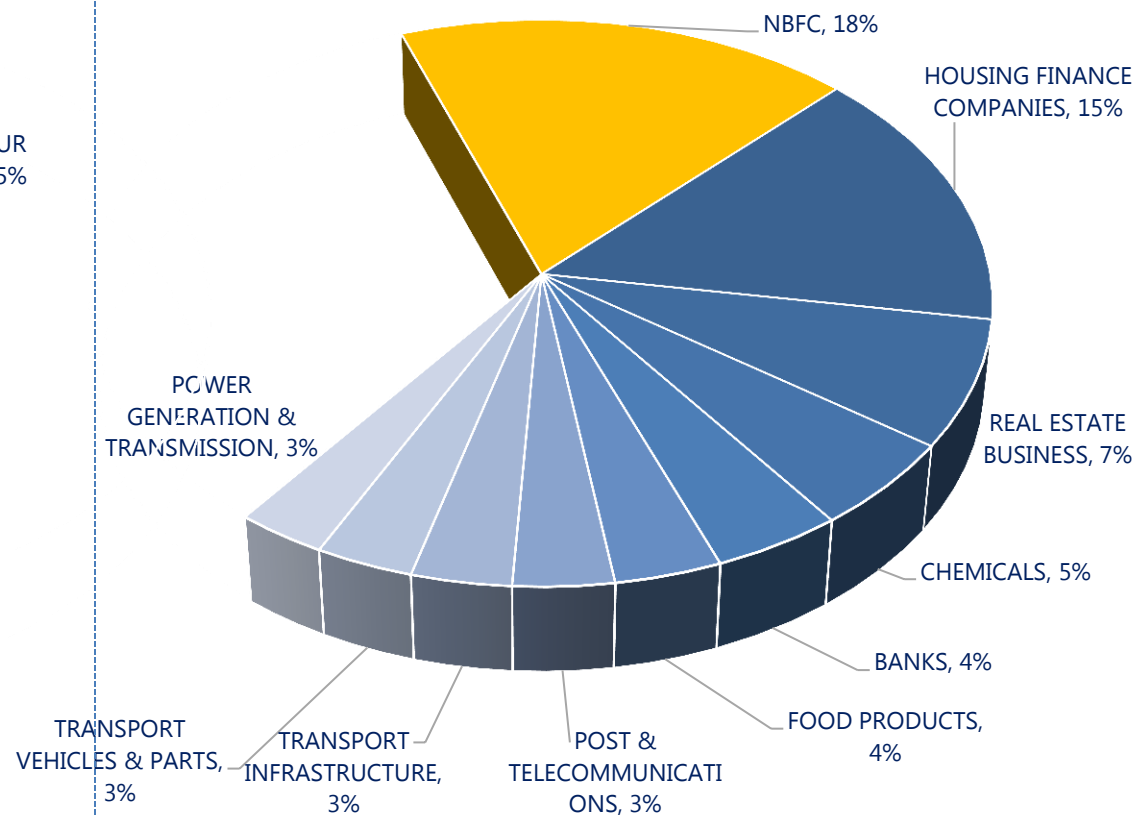




SME Portfolio



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 Deposit

Certificate of
Deposit

Tier 2 (Capital)
Bonds



*India Ratings
& Research
Pvt Ltd*

A1+

A1+

IND AA

- 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.



**WHY
SETTLE
FOR
LESS?**



Thank You