

Investor Information

The logo for Federal Bank is centered within a blue rectangular box. The box is part of a horizontal band that is blue on top and orange on the bottom. The text "FEDERAL BANK" is in a large, bold, white sans-serif font. Below it, the tagline "YOUR PERFECT BANKING PARTNER" is in a smaller, white sans-serif font.

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2018



Key Messages

FEDERAL BANK
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- ❑ 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

**Strong,
Consistent &
Sustainable
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)

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

Advances

Retail+Agri

18%

28076→33064

SME*

20%

15351→18493

Corporate*

30%

26512→34364

Total Advances

22%

70439→85922

Deposits

CASA

4%

31973→33141

CASA Ratio[#]-170
bps

34.66→32.96

NRE Deposits

14%

34547→39431

Retail Deposits

9%

88758→96576

Performance

Net Interest Income

20%

791→950

Core Fee Income

13%

171→193

Operating Profit

18%

475→561

Net Profit

26%

206→260

Ratios

Cost Income ratio

311
bps

55.48→52.37

Gross NPA%

25
bps

2.77→2.52

Net NPA%

22
bps

1.58→1.36

Profit Per Employee

23%

7.13→8.75 (n Lacs)

Demonetisation Impact

* SME & Corporate realigned as per FY beginning reclassification



Comparison : Q-o-Q (Sequential)

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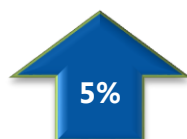
Advances

Retail+Agri



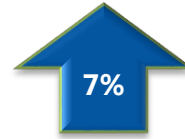
31670→33064

SME



17651→18493

Corporate



32175→34364

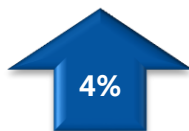
Total Advances



81497→85922

Deposits

CASA



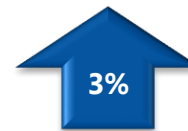
32016→33141

CASA Ratio



32.93→32.96

NRE Deposits



38256→39431

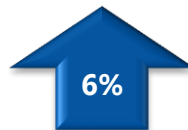
Retail Deposits



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)

		Q3 FY18	Q2 FY18	Q1 FY18	Q4 FY17	Q3 FY17
Shareholder Value	Book Value (Per Share in ₹)	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 & 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
Retail	150*	106	97	55	86
Of the above, Edcml Loan slippage	71 (46%)	3 (2%)	3 (4%)	9 (17%)	14 (16%)
Agri	42	51	45	30	14
SME	122	107	114	122	119
Corporate	98	20	169	37	55
Total	411	284	425	244	273

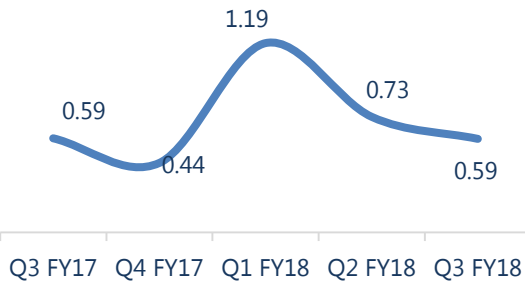
Restructured				
TYPE	Q3 FY18		Q2 FY18	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1425	157	1343	157
NPA	186	72	403	292
TOTAL	1611	229	1746	449

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

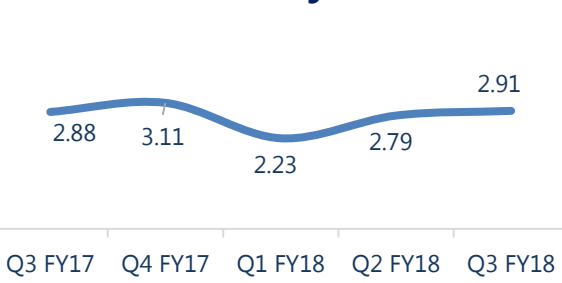
>80% of these are fully secured
Almost half the fresh slippages are <1Cr and linked to NW1

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

Credit Cost

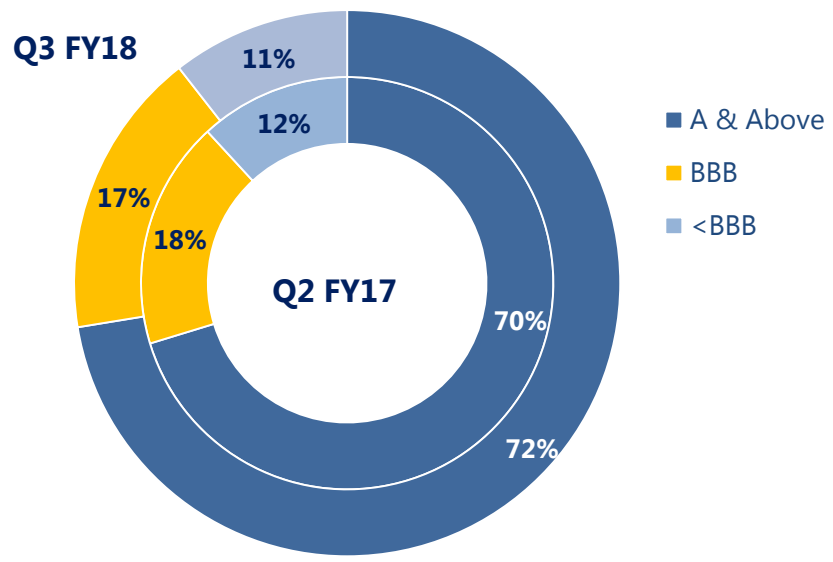


Risk Adj NIM

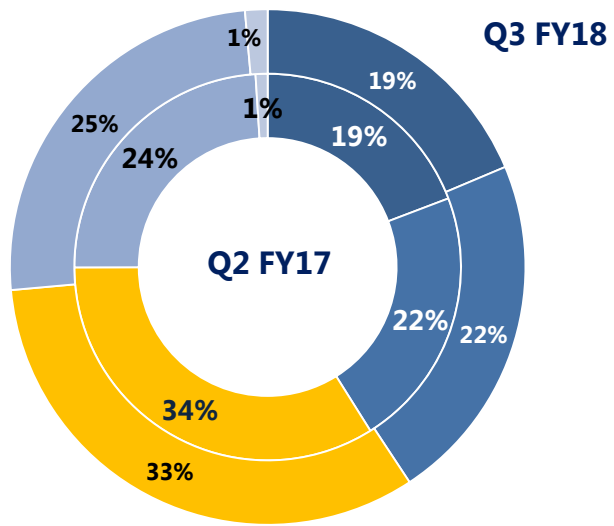




Risk Rating



- FBR1/FB1
- FBR2/FBR3/FB2
- FBR4/FB3
- FBR5/FBR6/FB4
- OTHERS



Wholesale Assets

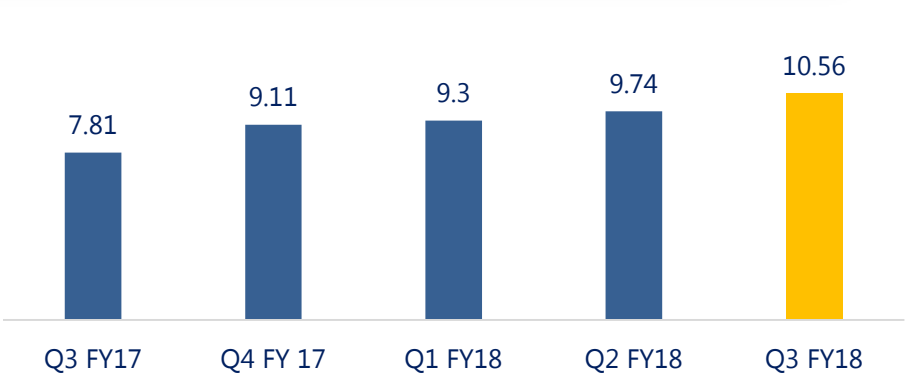
Rating	Q3 FY-18	Q2 FY-18
A & above	72%	70%
BBB	17%	18%
< BBB	11%	12%

Other Assets

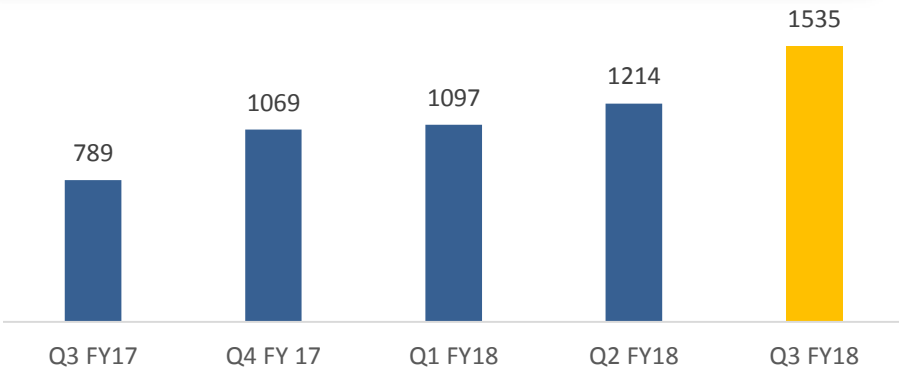
Rating		Q3 FY-18	Q2 FY-18
FBR1	FB1	19%	19%
FBR2/FBR3	FB2	22%	22%
FBR4	FB3	33%	34%
FBR5/FBR6	FB4	25%	24%
Others		1%	1%



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



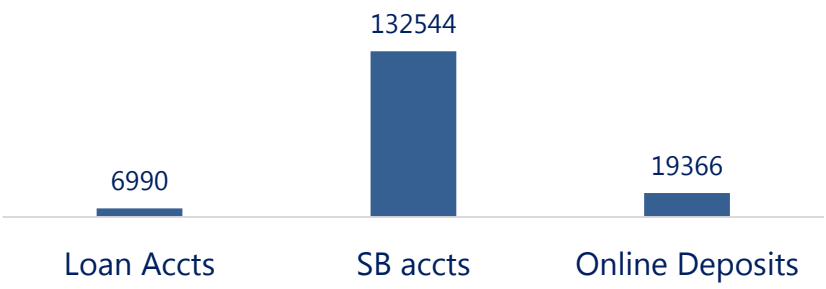
FedMobile Transaction Volume (per month in Cr)



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



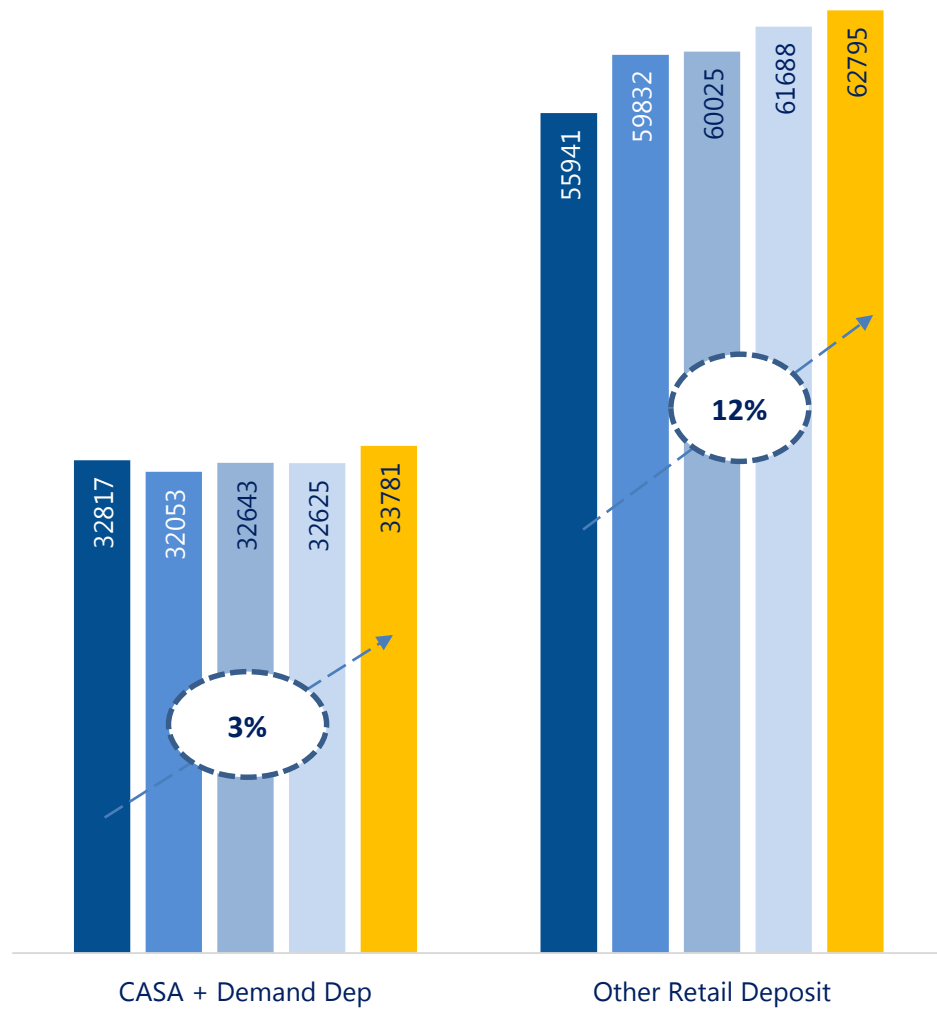
Business Parameters



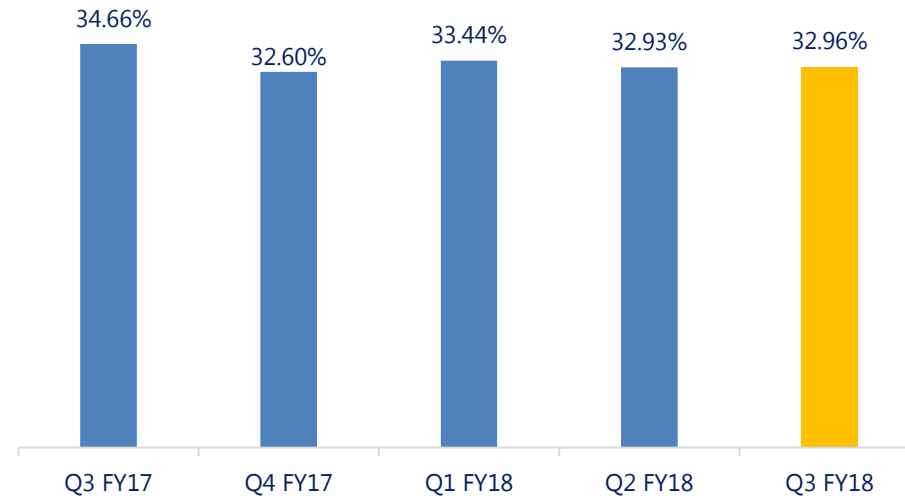
Liability : Trends

₹ in Cr

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

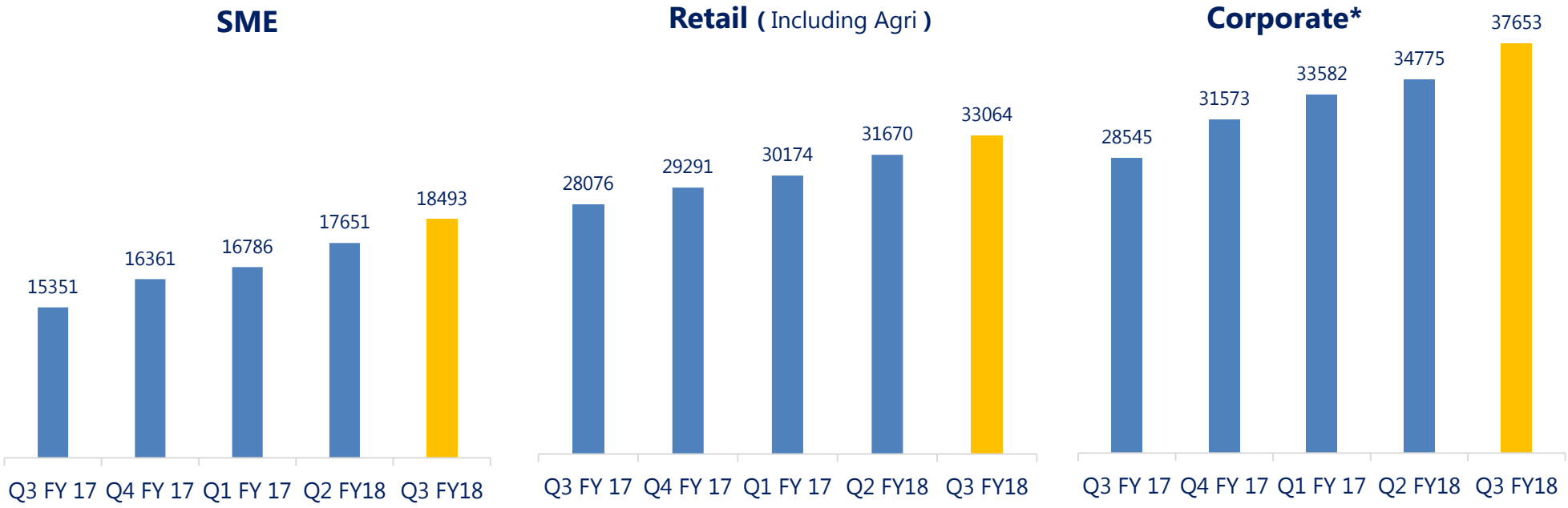


CASA Ratio





₹ 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.

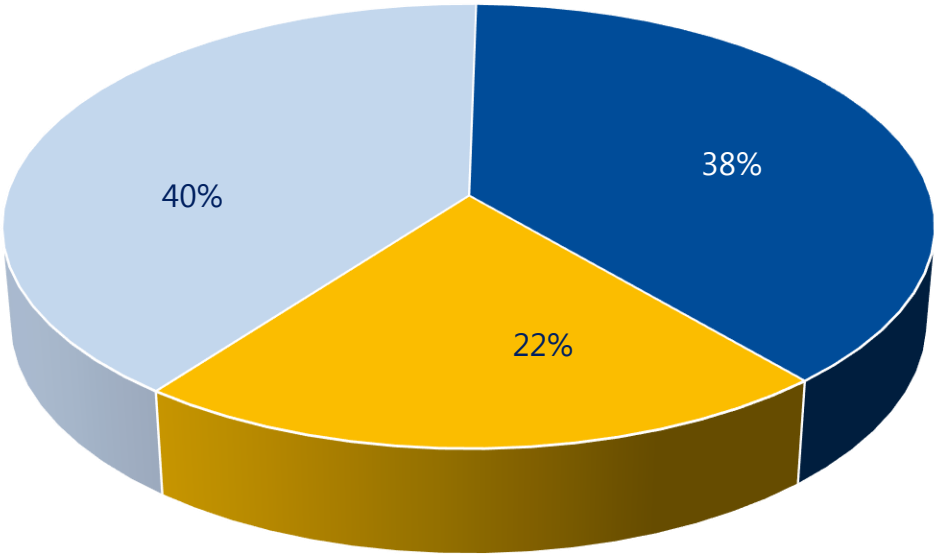
(*Aggregate customer exposure)



₹ in Cr

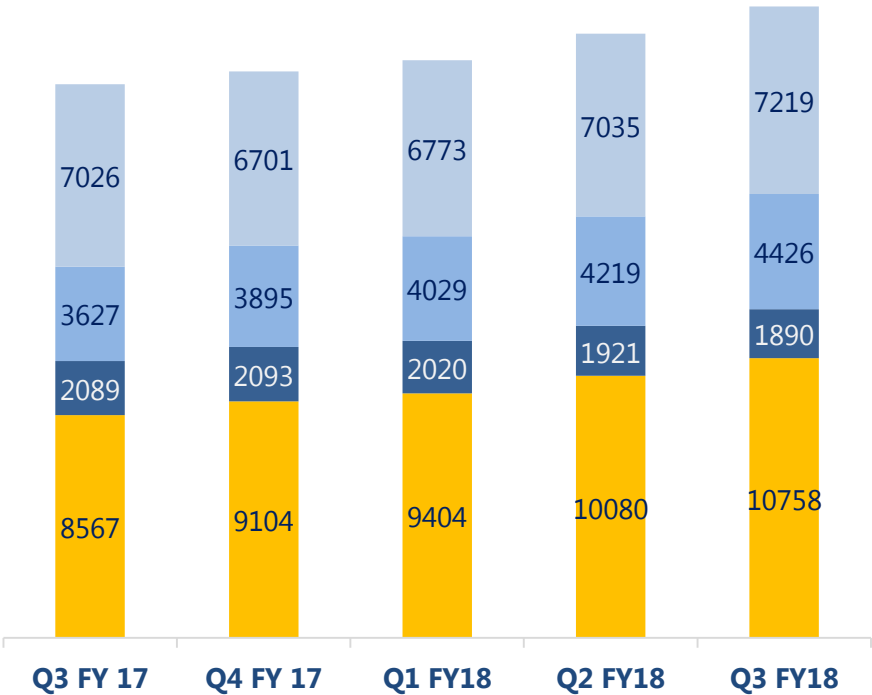
Total Loan Book

■ Retail (inc Agri) ■ SME ■ Wholesale



Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others





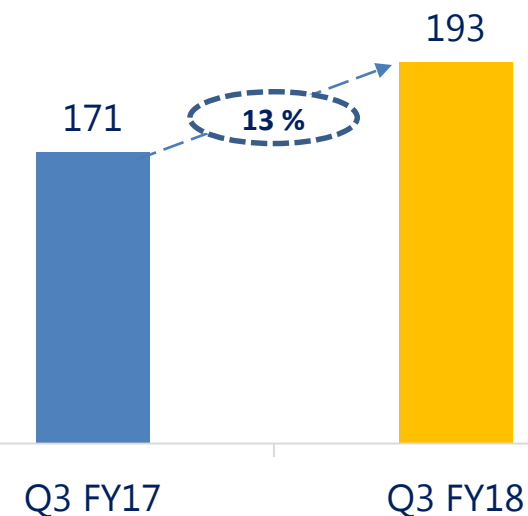
Fee Income/Other income

₹ in Cr

Q3 FY18 Q2 FY18 Q1 FY18 Q4 FY17 Q3 FY17 Y-o-Y %

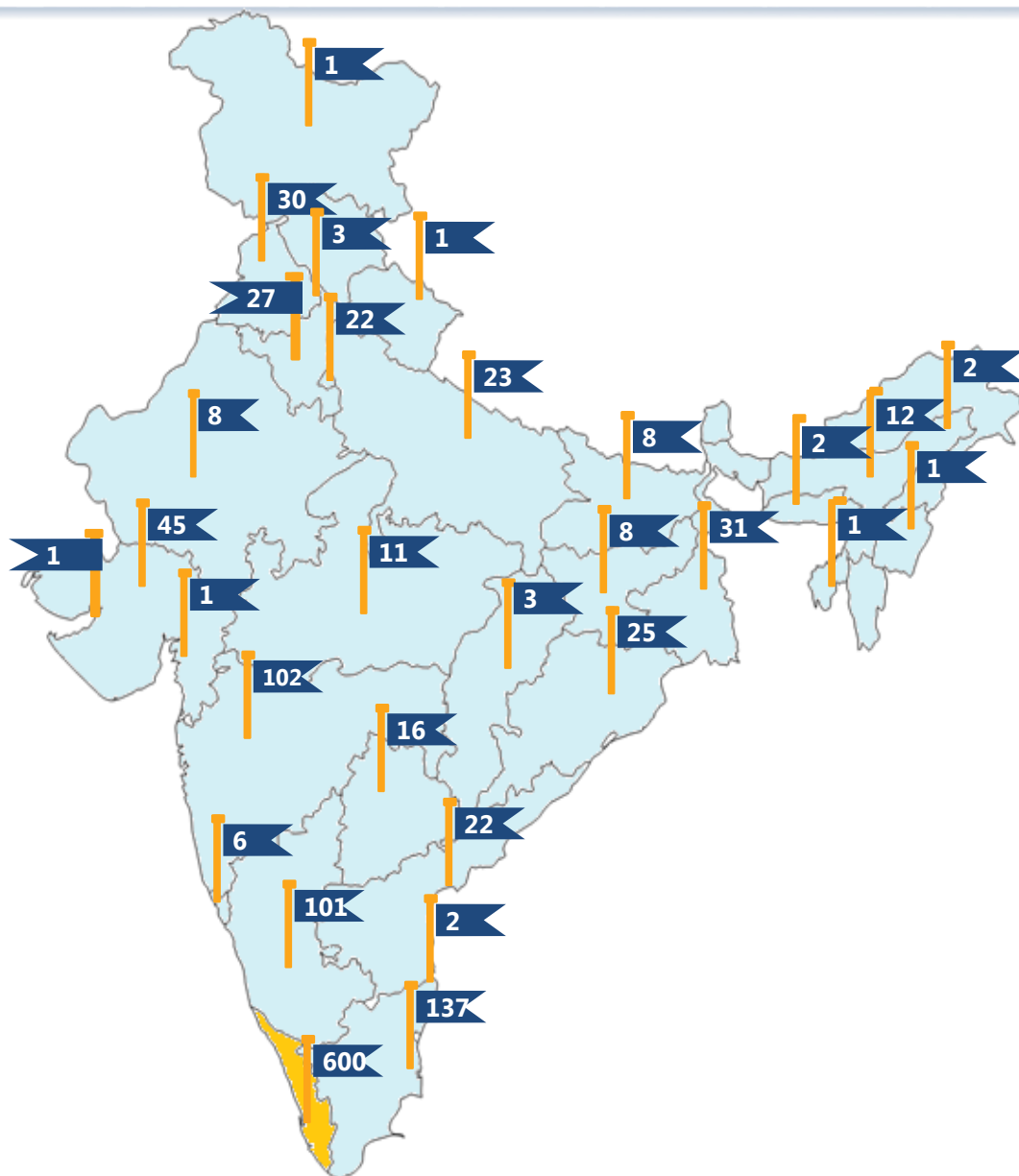
Loan Processing Fee	34	35	28	41	29	17%
Exchange, Commission, Brokerage & Other Fee Income	120	119	118	130	109	10%
Net Profit on Forex Transactions	39	41	34	41	33	18%
Fee Income	193	195	180	212	171	13%
Profit on sale of securities	29	75	112	54	86	-66%
Recovery from assets written off & Other Receipts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

Fee Income (Y-o-Y)

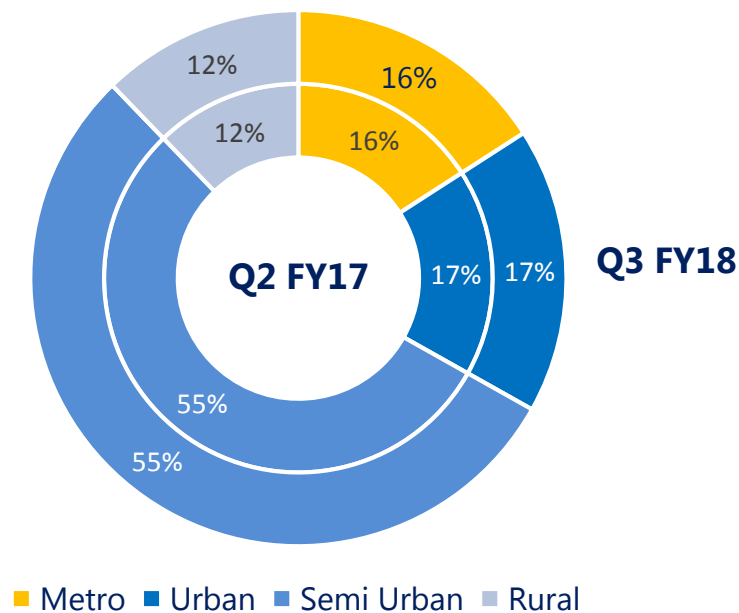




Distribution : Deriving Efficiency from Foot Print



	Q3 FY18	Q2 FY18	Q1 FY18
Branches	1252	1252	1252
ATMs	1679	1678	1678

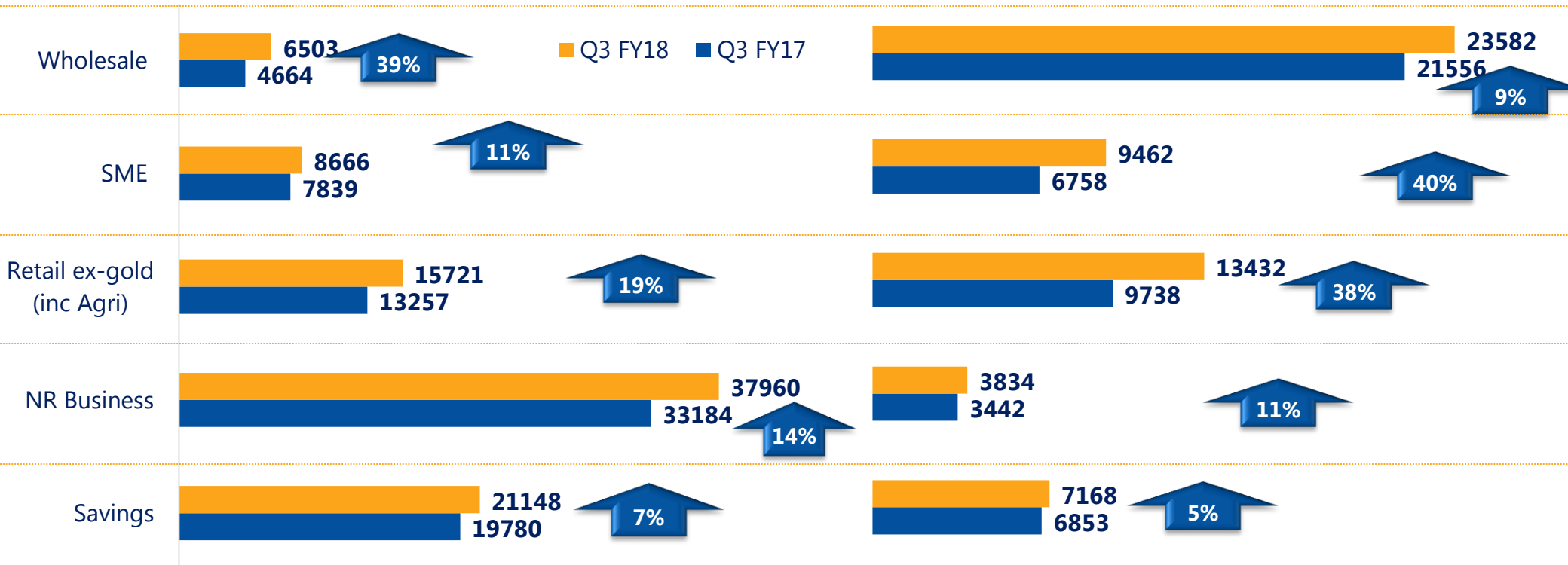




₹ in Cr

Kerala : Continuing Dominance

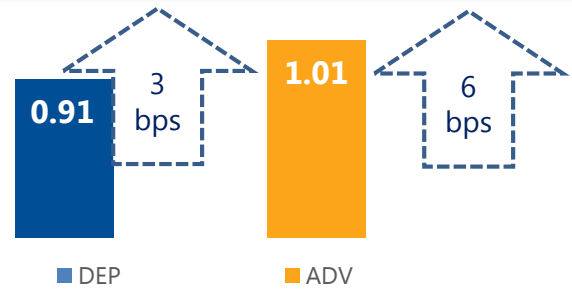
Outside Kerala: Gaining share



* 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?

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₹ in Cr

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

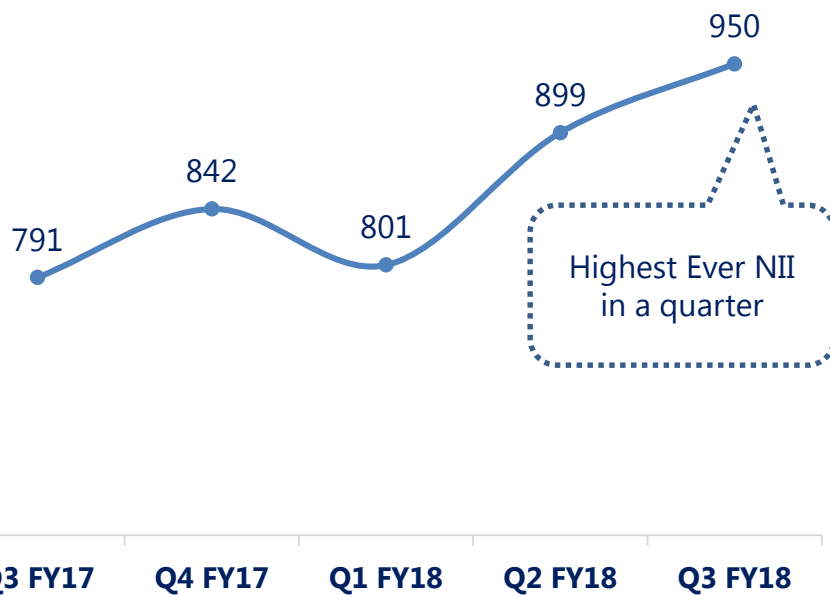


Annexures

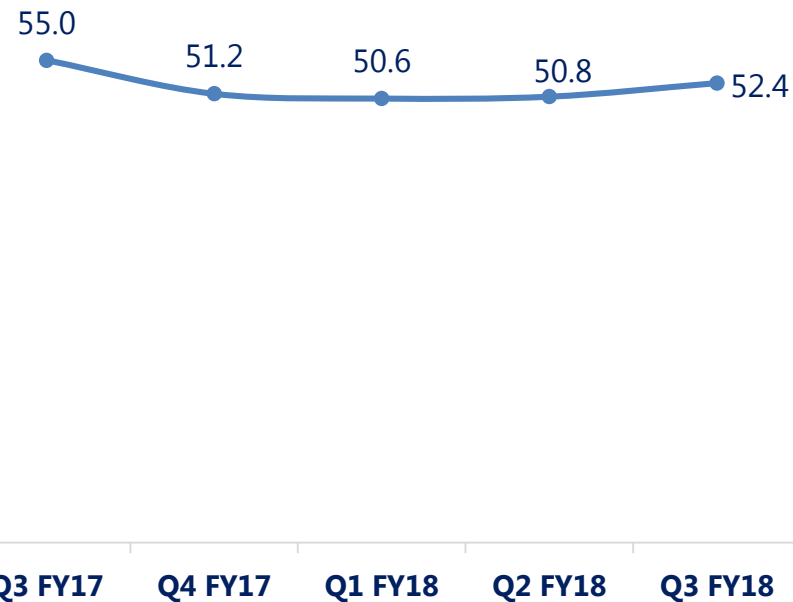


Core Performance Indicators

NII Movement (in Cr)



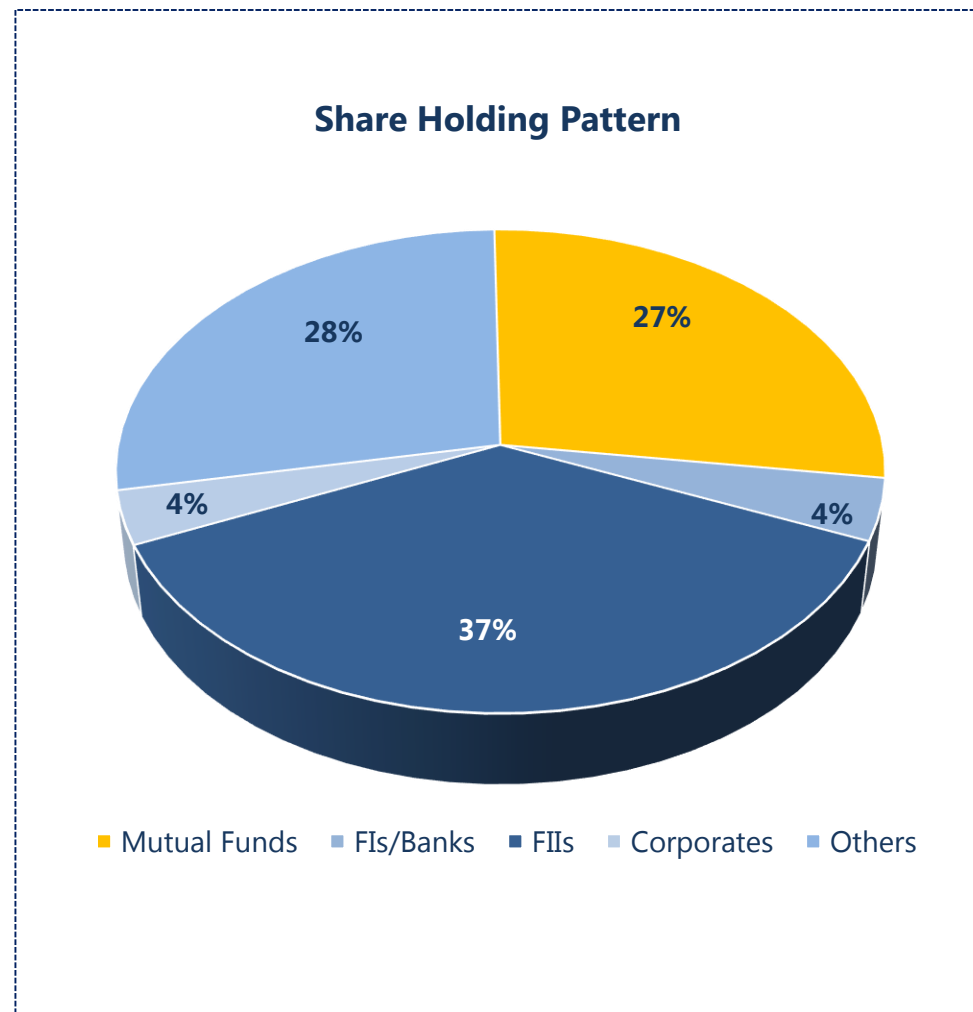
Cost to Income ratio (in %)





₹ in Cr

	Q3 FY18	Q3 FY17
LIABILITIES		
Capital	393	344
Reserves & Surplus	11648	8334
Deposits	100537	92236
Borrowings	10840	6232
Other Liabilities & Provisions	4803	4352
TOTAL	128221	111497
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
TOTAL	128221	111497



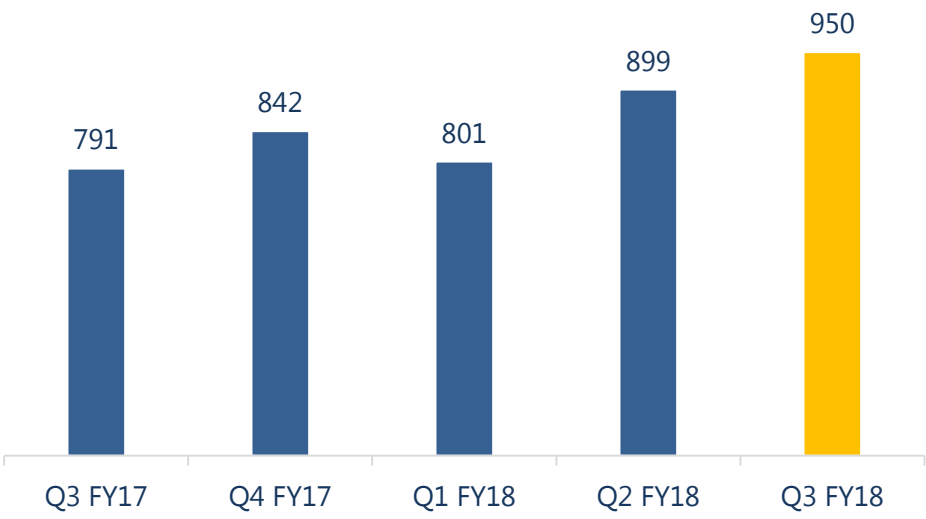


₹ in Cr

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

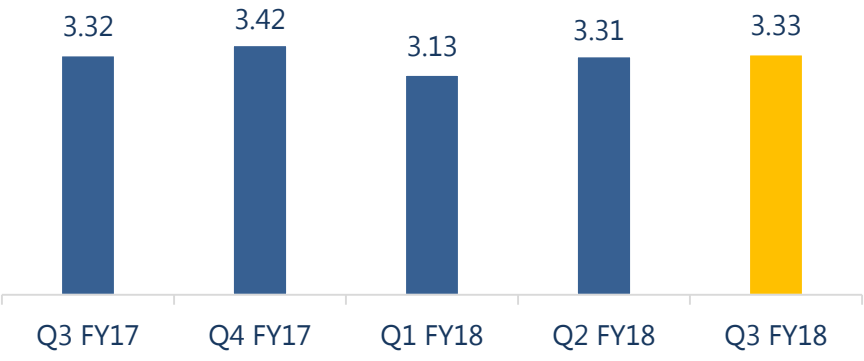


Net Interest Income

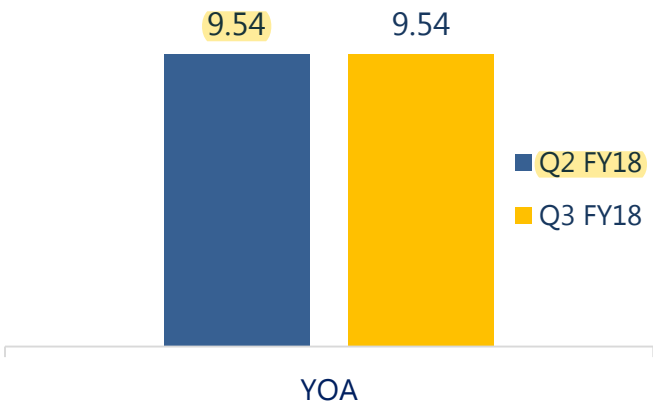


Net Interest Margin (%)

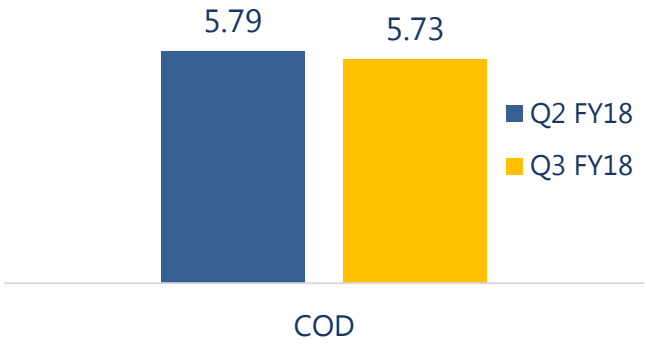
₹ in Cr



Yield on Advances

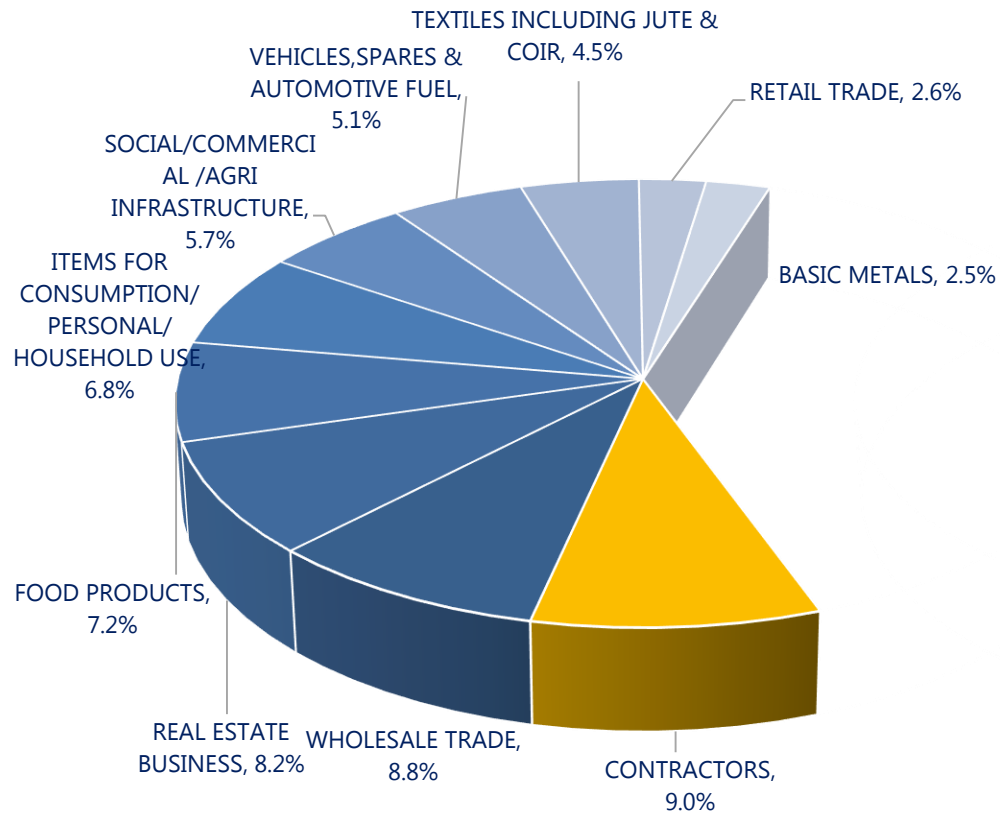


Cost of Deposits

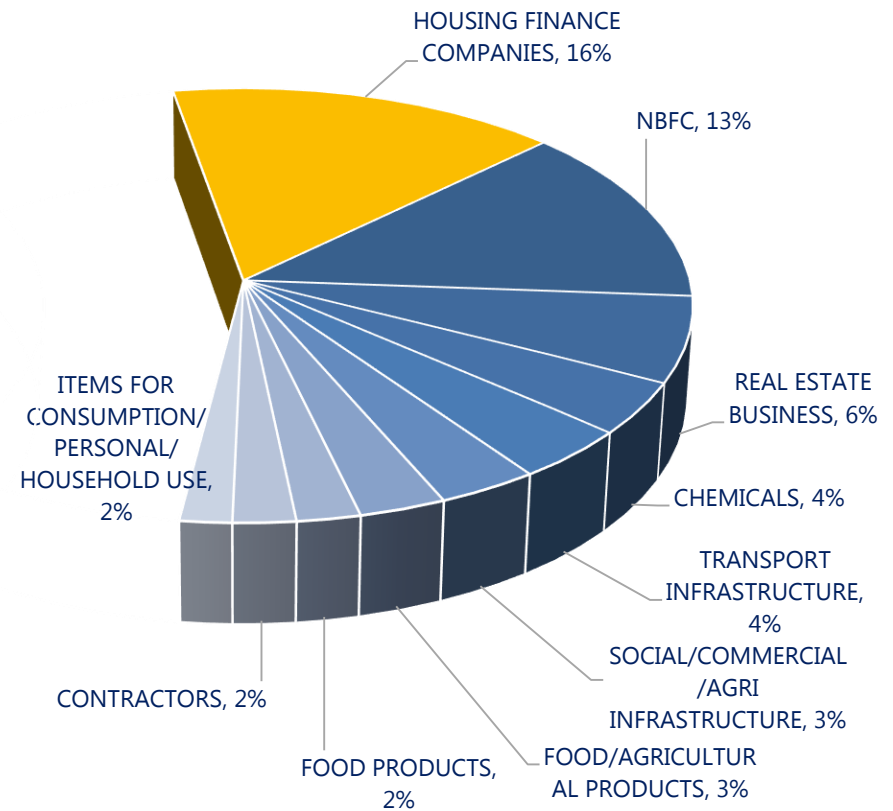




SME Portfolio



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.



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