

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2020

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 (%)

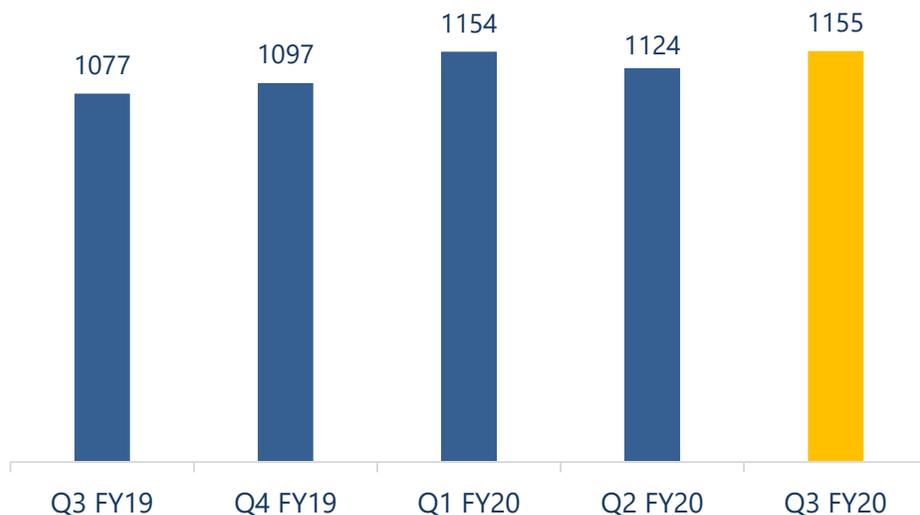


PCR (%)

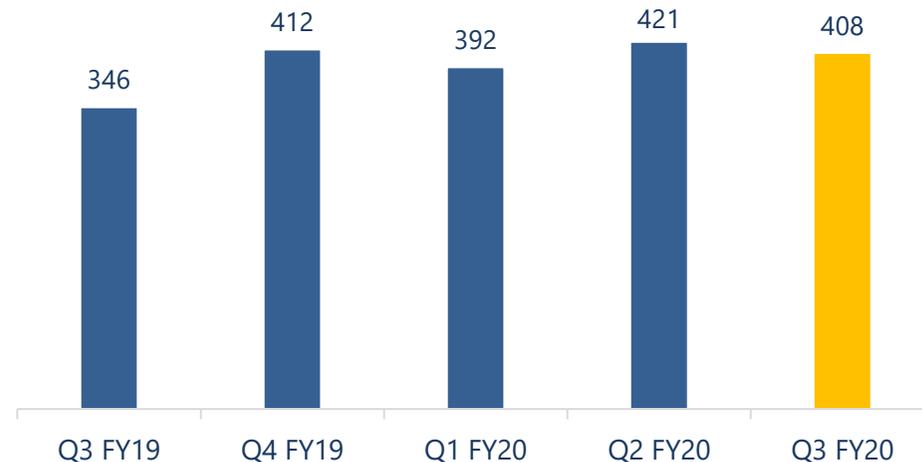


₹ in Cr

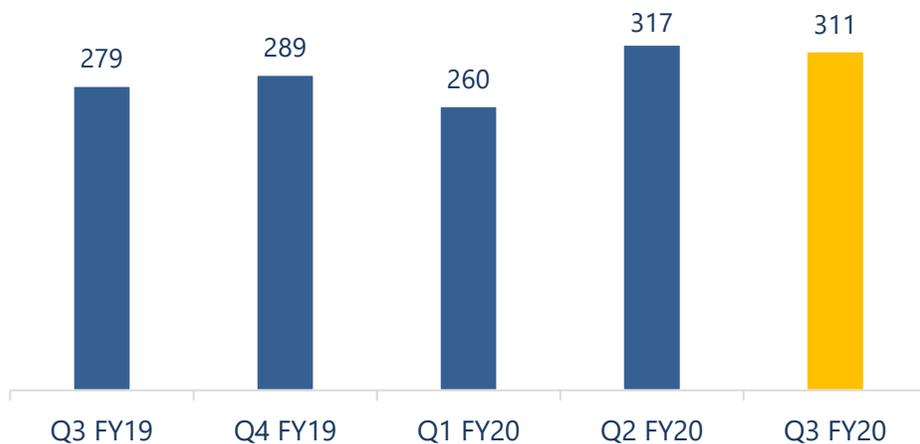
Net Interest Income



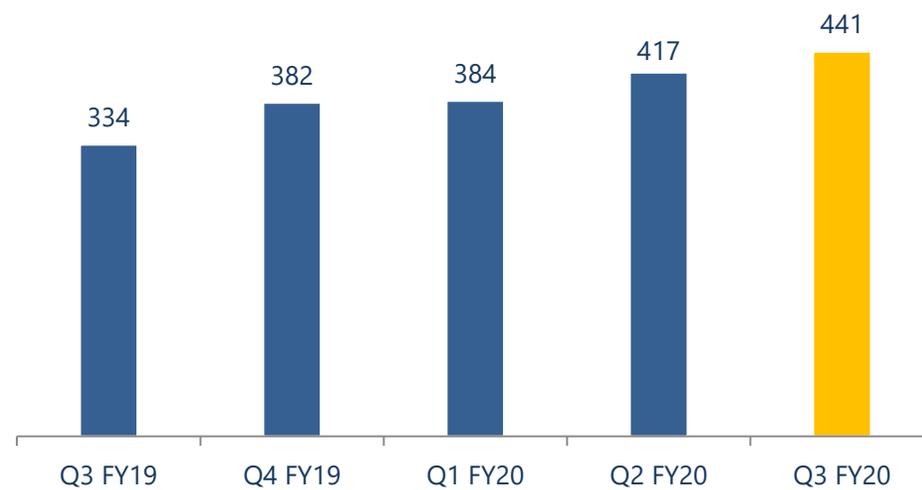
Other Income



Fee Income



Net Profit



Performance Highlights Y-o-Y

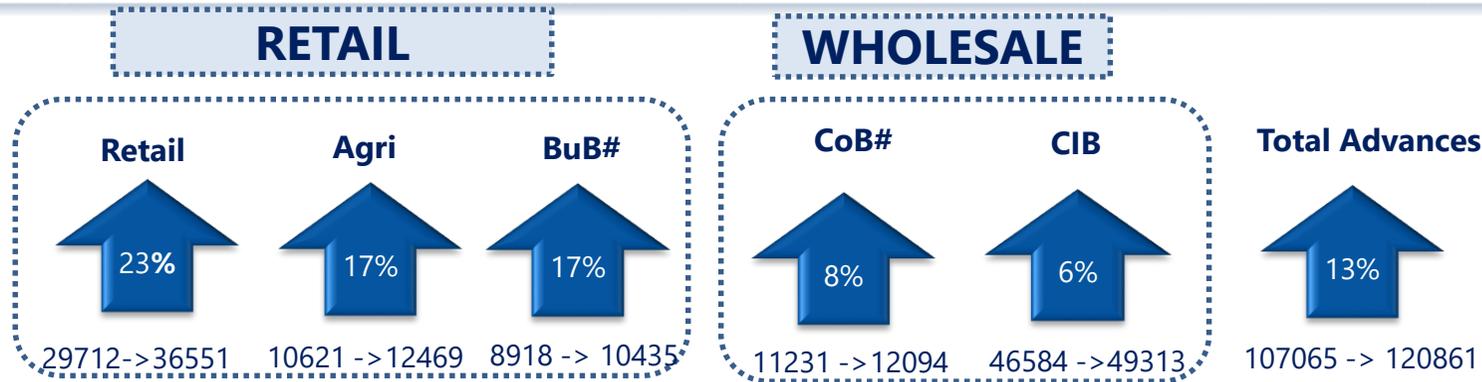
Net Profit	32 %	↑	Retail Banking	23%	↑
Operating Profit	5 %	↑	Agri Banking	17%	↑
RoA	@ 1.04 %	↑	Business Banking (BuB)	17%	↑
RoE	@ 12.50%	↑	Commercial Banking (CoB)	8%	↑
Cost to Income Ratio	@ 52.40%		Corporate Banking (CIB)	6%	↑
GNPA	@ 2.99%	↓	Total Advance	13%	↑
Core Fee Income	11%	↑	CASA	10%	↑
Other Income	18%	↑	Total Deposit	17%	↑
NII	7%		Capital Adequacy (CRAR)	13.64%	
NIM	@3.00				
Provision Coverage Ratio	66.38%				

Comparison : Y-o-Y

RETAIL

WHOLESALE

Advances



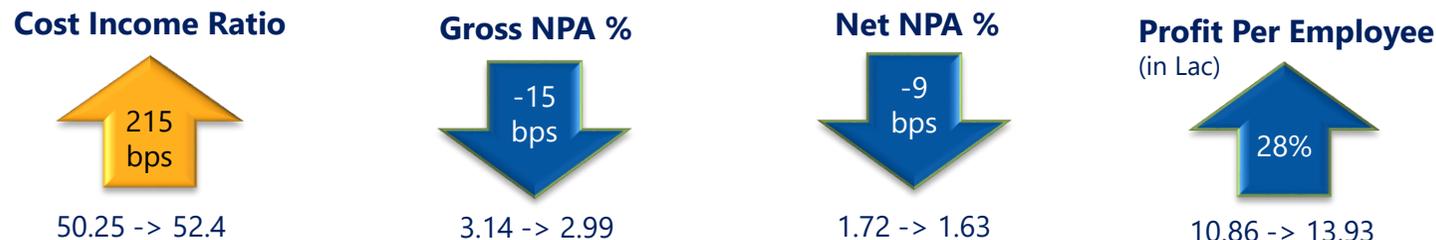
Deposits



Performance



Ratios



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

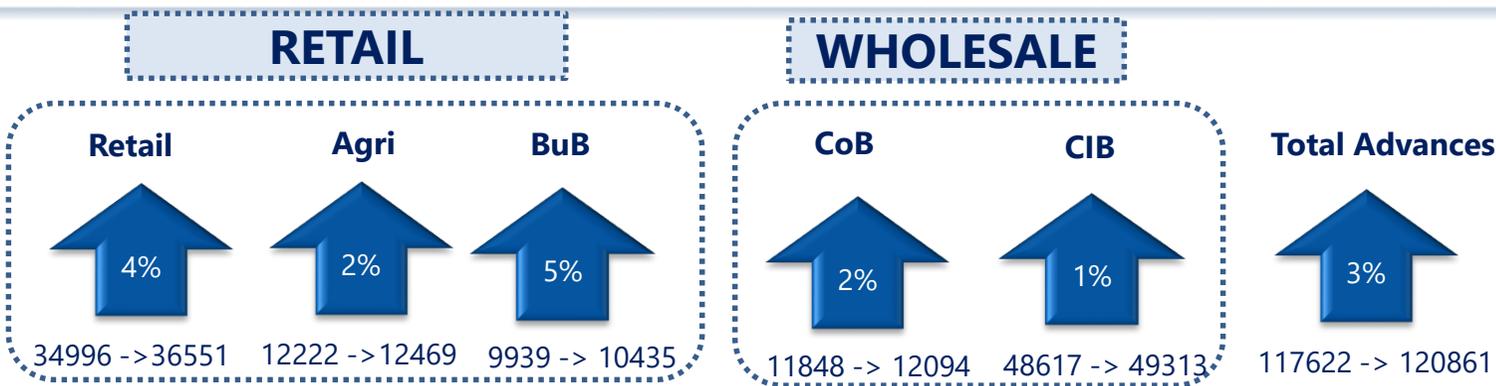
#SME split into BuB & CoB

Comparison : Q-o-Q (3 M)

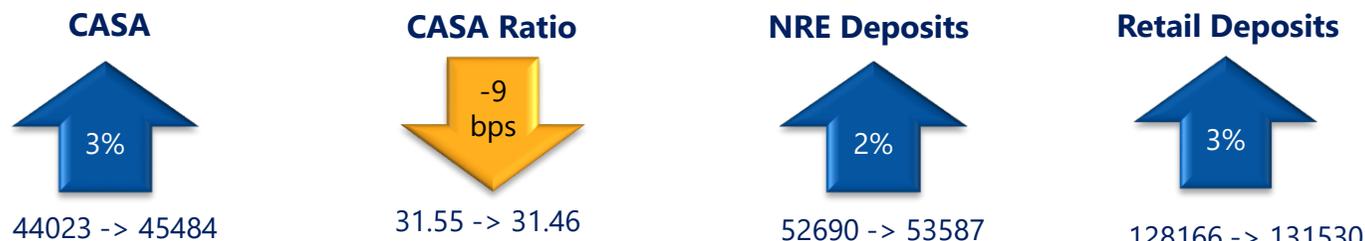
RETAIL

WHOLESALE

Advances



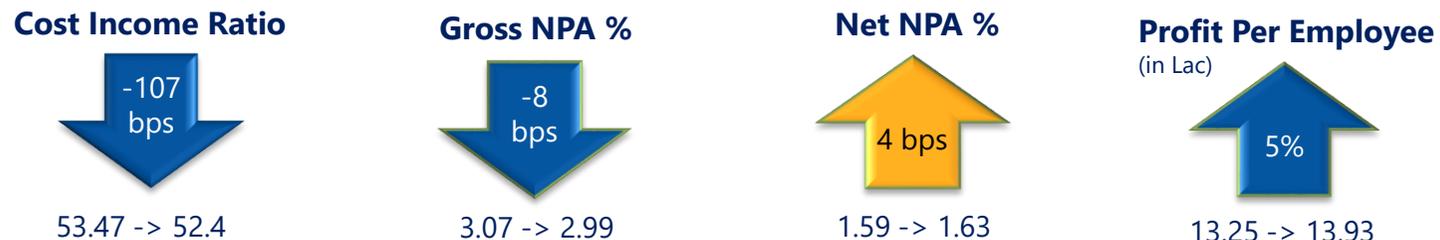
Deposits



Performance



Ratios



Shareholder Value

Book Value
(Per Share in ₹)

Q3 FY20

Q2 FY20

Q1 FY20

Q4 FY19

Q3 FY19

71.33

69.18

68.79

66.87

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

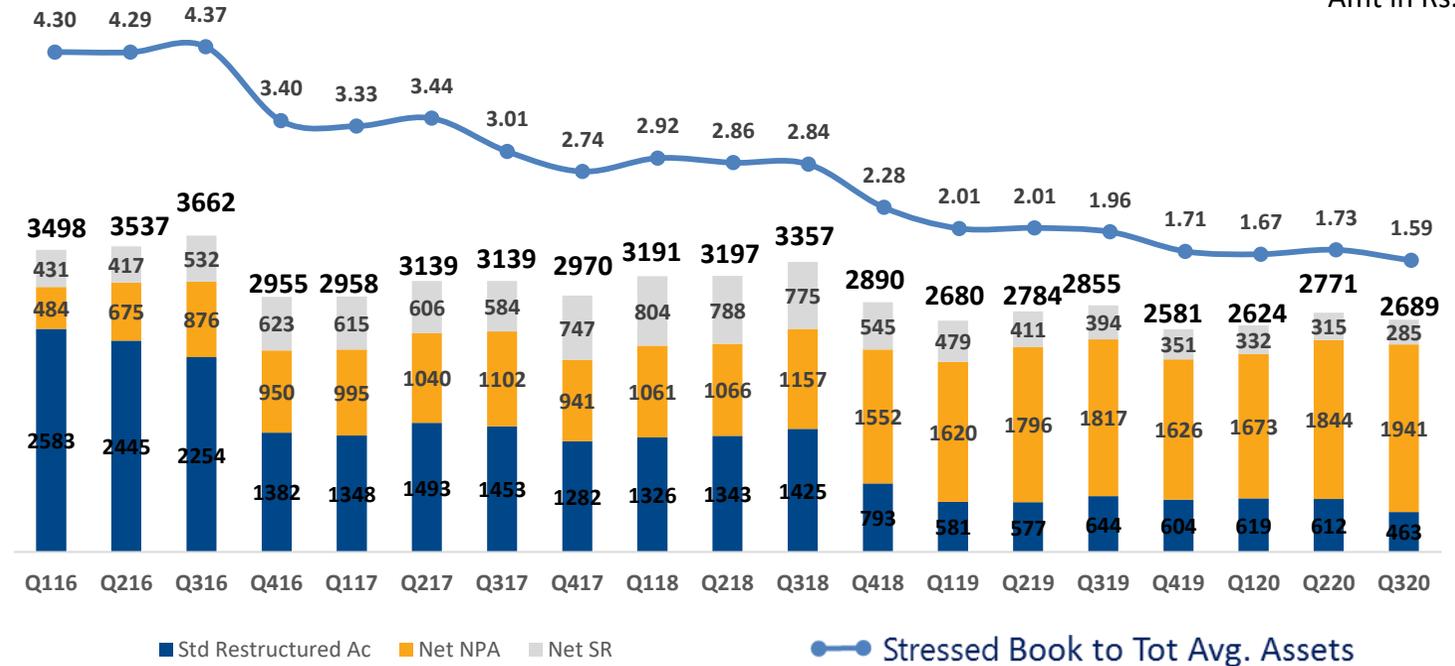
Amt in Rs.Cr.

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

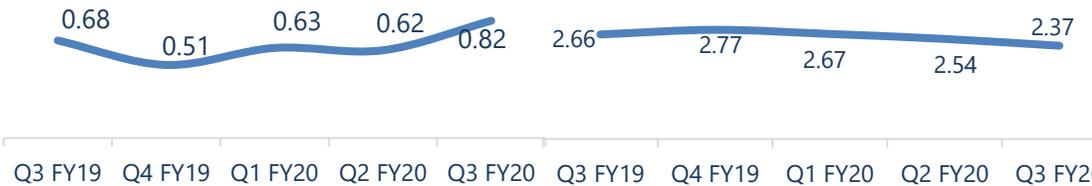
TYPE	Q3 FY20		Q2 FY20	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	463	66	612	66
Net NPA	172	58	394	58
TOTAL	635	124	1006	124

Security Receipts

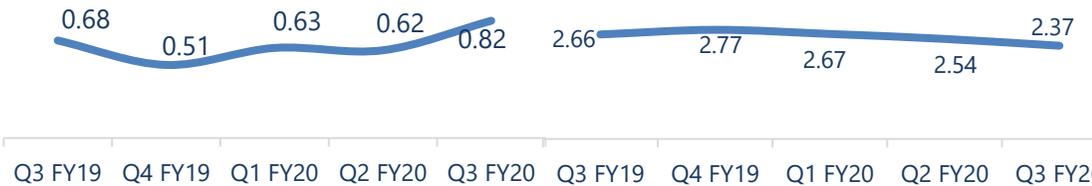
	Q3 FY20	Q2 FY20
Face Value	664	697
Book Value	577	609

NPA Composition		Q3 FY20	Q2 FY20
Business	NPA	NPA	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



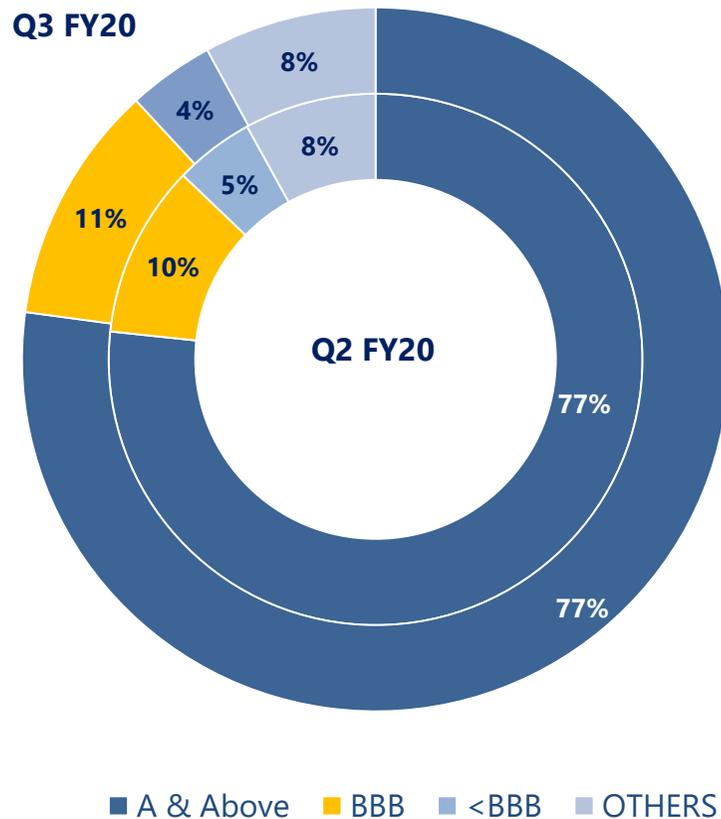
Risk Adjusted NIM



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



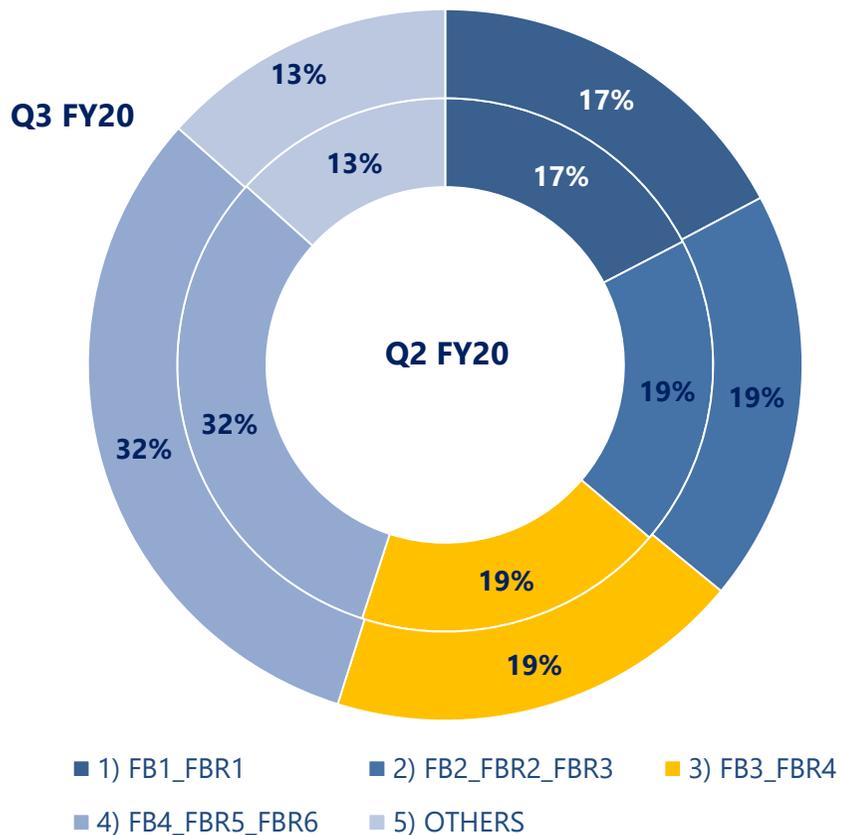
External Rating of Corporate Advances

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

Internal Rating of 'Others'

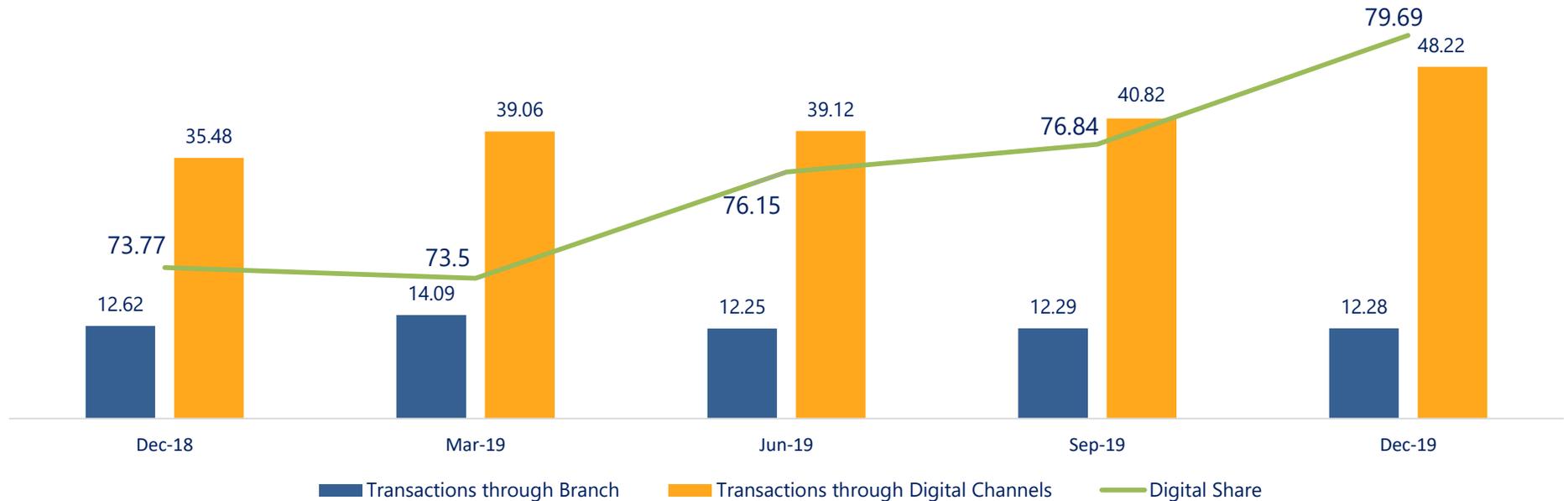
Rating		Q3 FY-20	Q2 FY-20
FBR1	FB1	10%	27%
FBR2/FBR3	FB2	17%	2%
FBR4	FB3	31%	30%
Below FBR4 & Others		43%	41%

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)

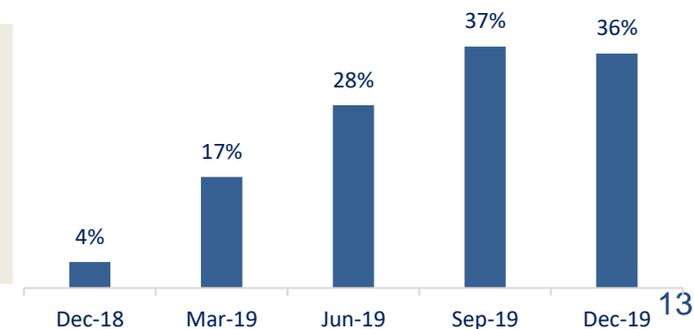


Mobile Banking Volume in crores



- 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



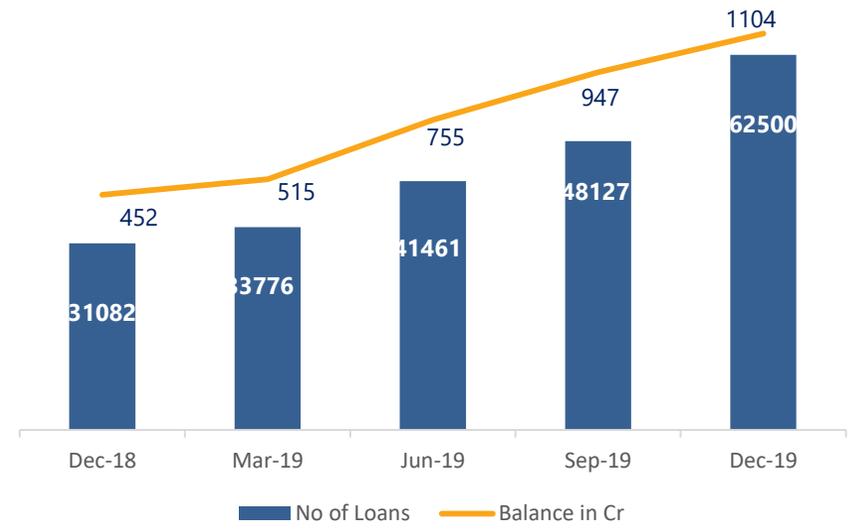


- BYOM enables Instant online loan pre approved loan disbursal.

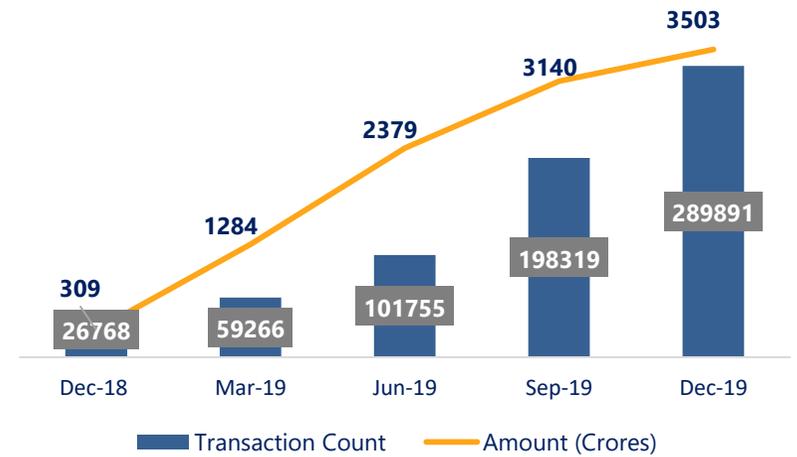


- Fed e-Biz is the omni channel transaction banking platform for corporates.
- Volume of transactions has crossed 3500 crores during the month of December 2019.

BYOM Digital Personal Loans : Loan book progress



Fed E Biz

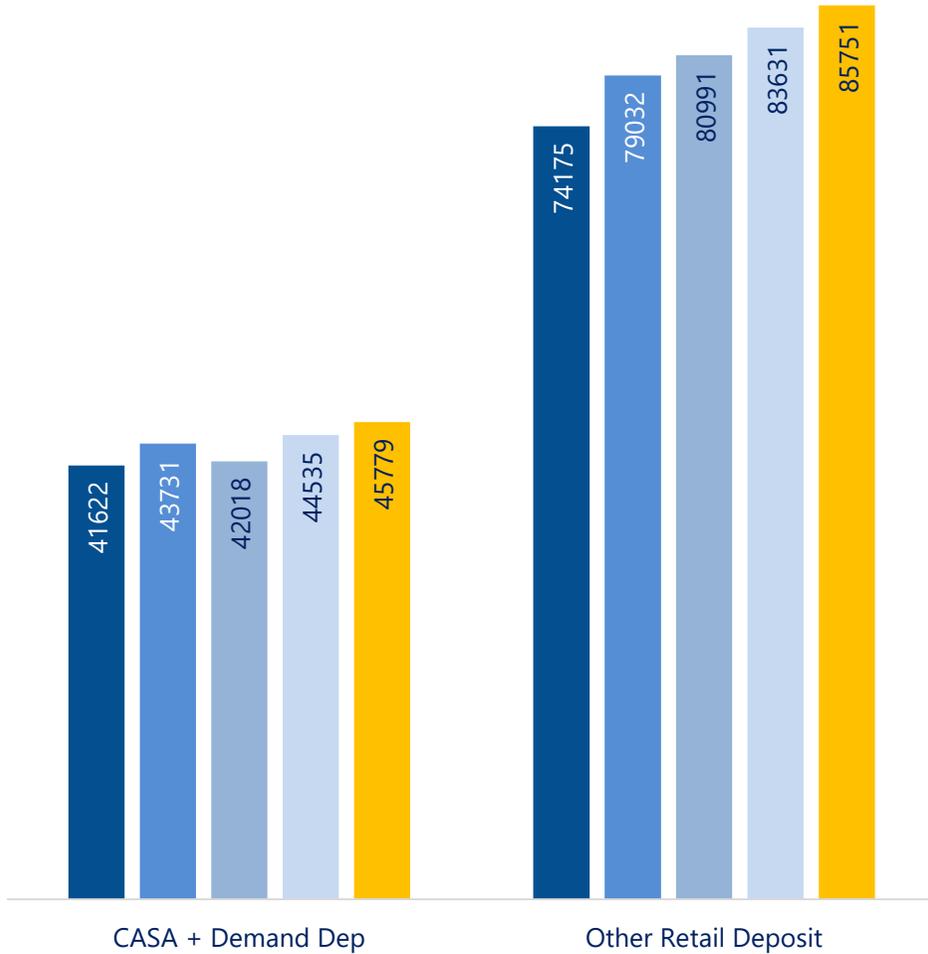


Business Parameters

Liability : Trends

₹ in Cr

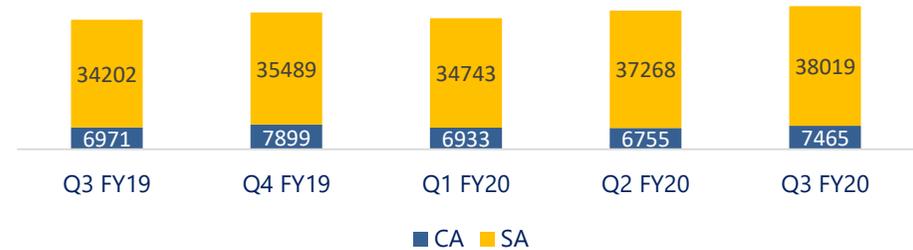
■ Q3 FY19 ■ Q4 FY19 ■ Q1 FY20 ■ Q2 FY20 ■ Q3 FY20



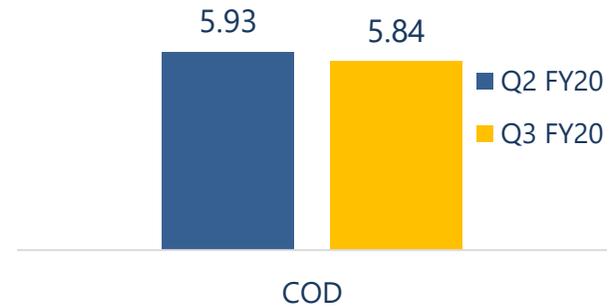
CASA Ratio



CA & SA



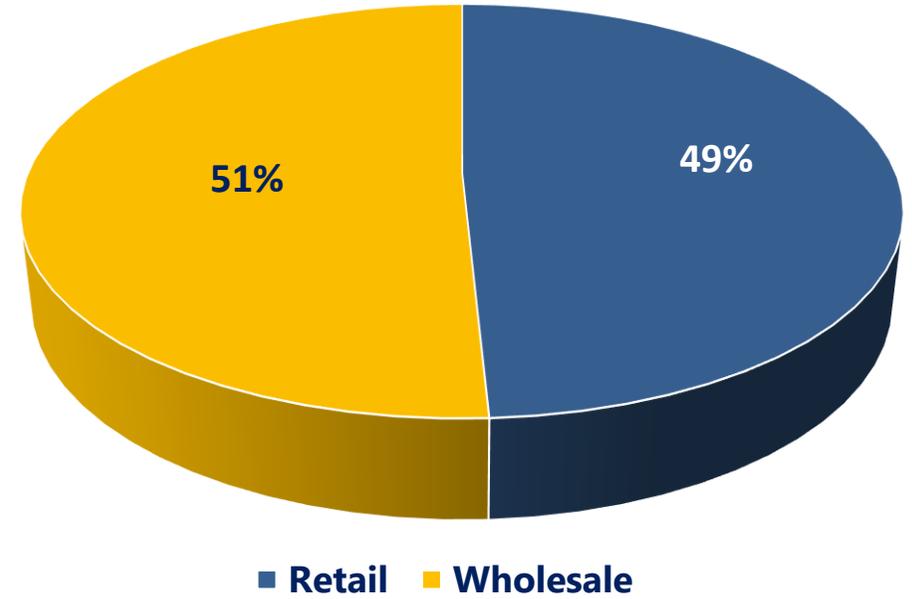
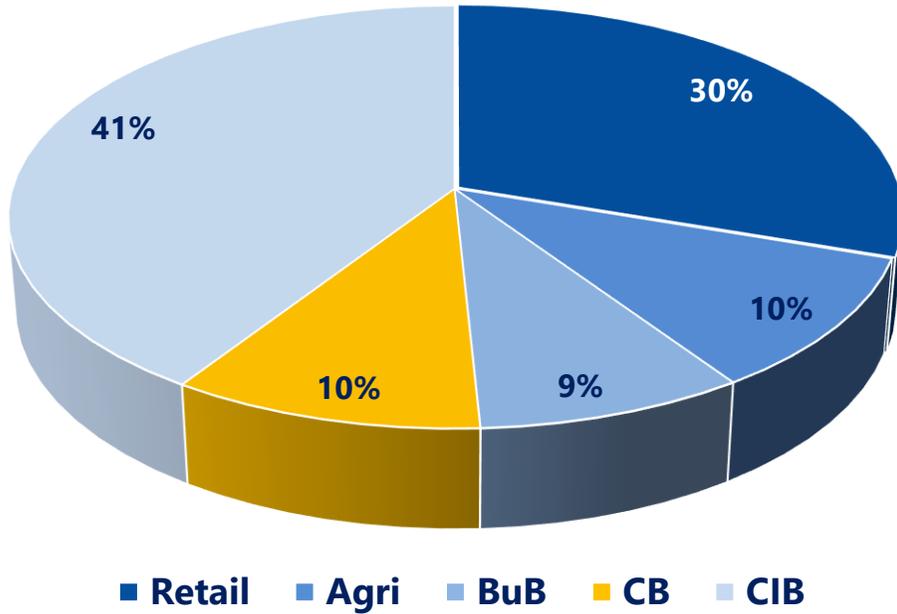
Cost of Deposits



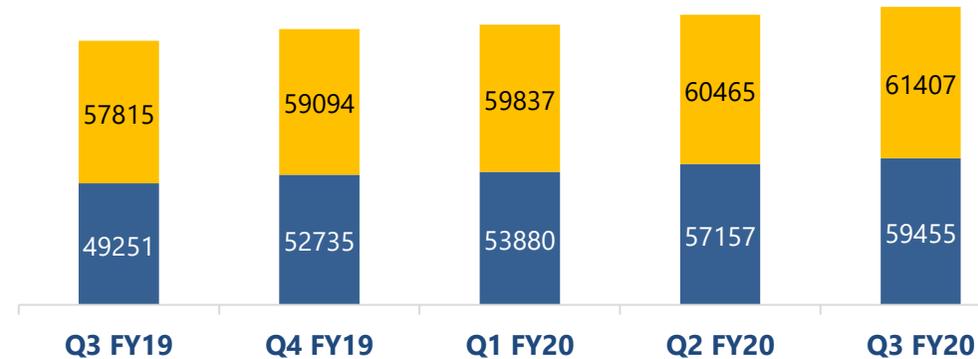
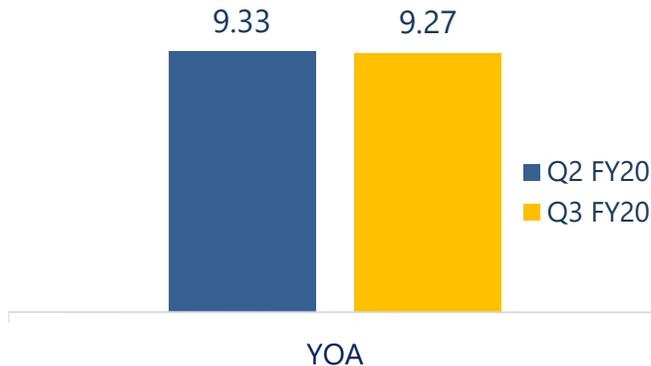
Credit Portfolio Distribution

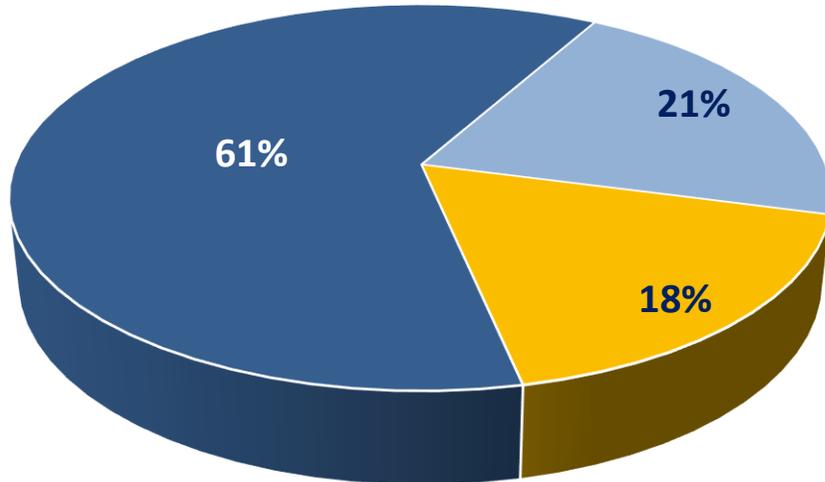
₹ in Cr

TOTAL LOAN BOOK

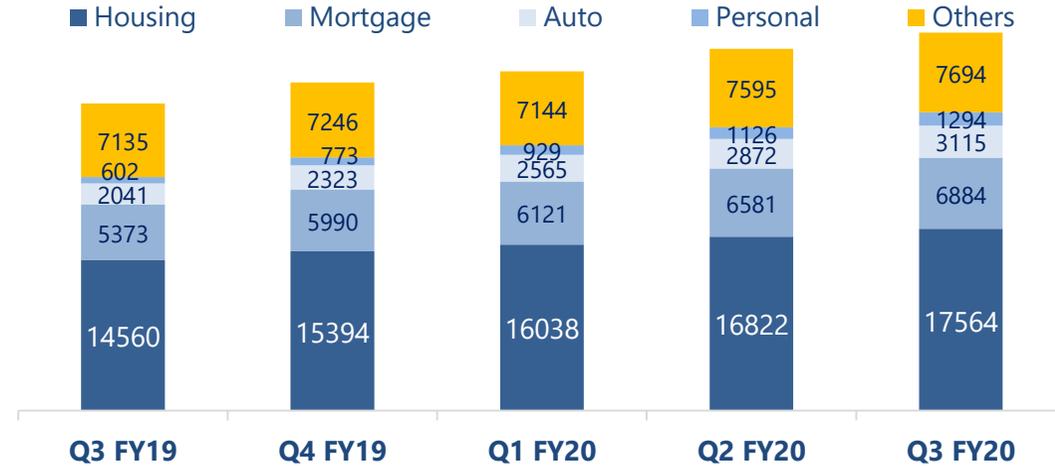


Yield on Advances

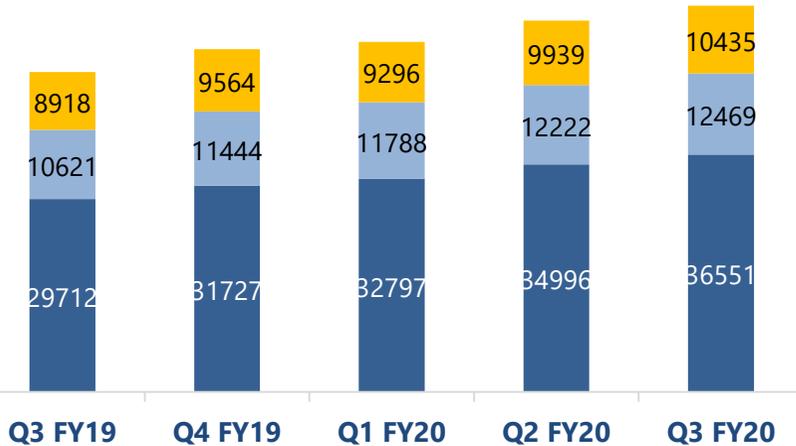




Retail Loan Book (Excl Agri & BuB)

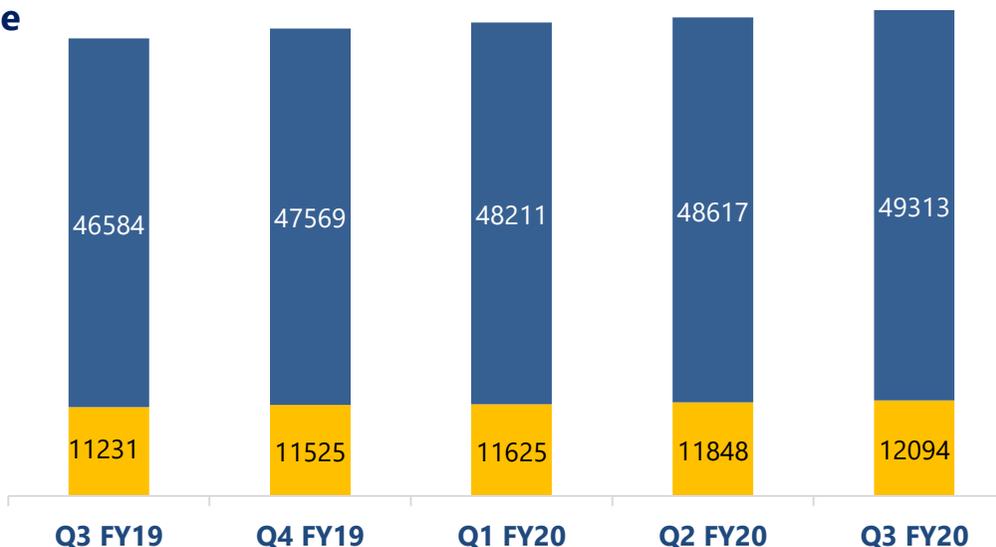
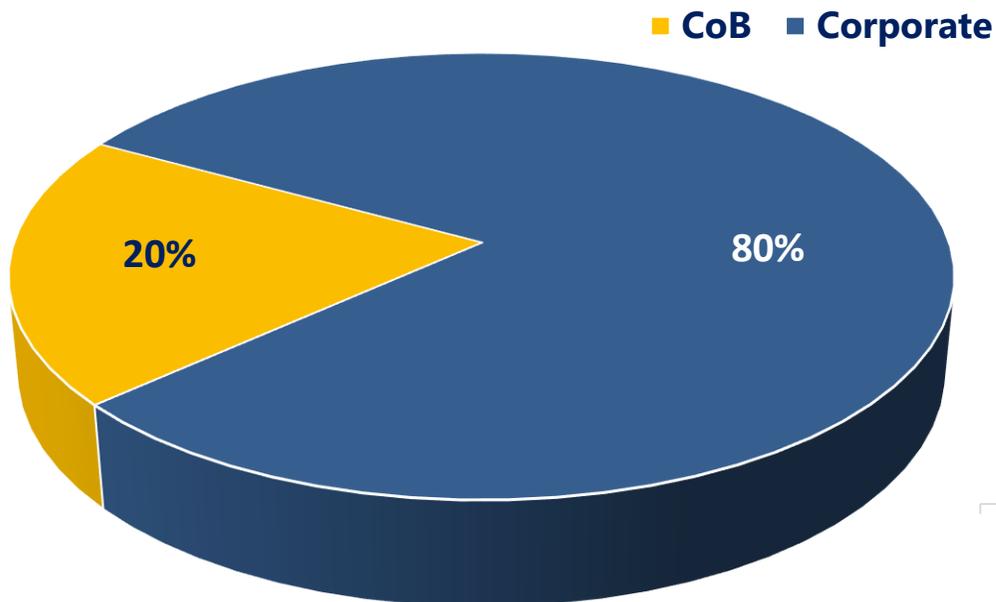


Retail AGRI BuB



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.

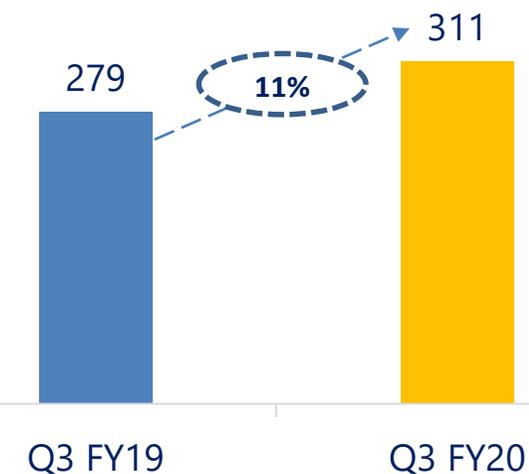


WHOLESALE BANKING

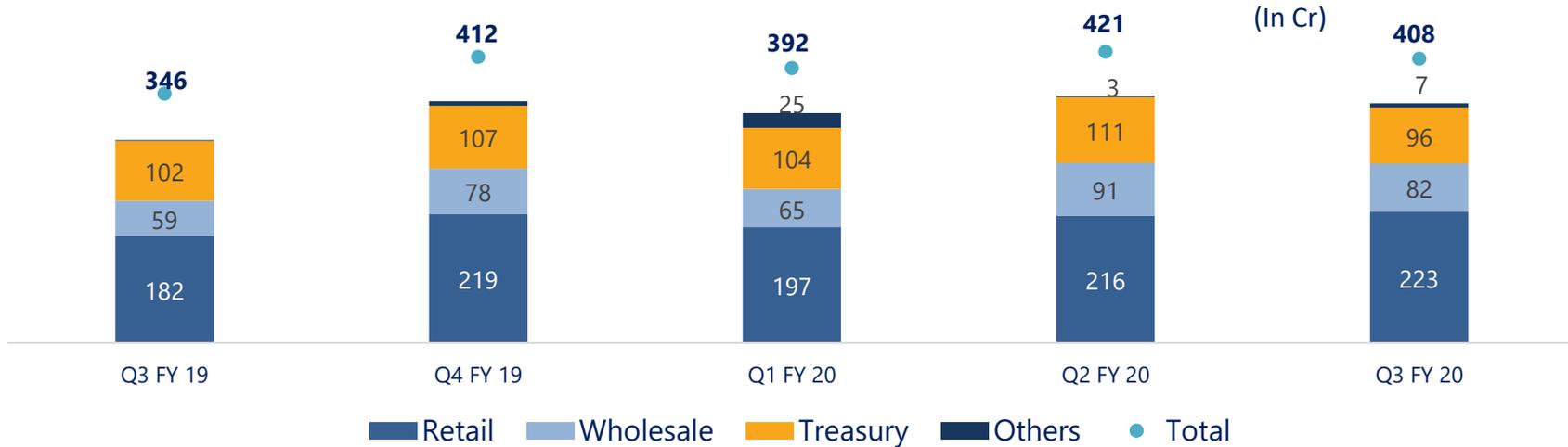
- The asset growth was muted given the overall external environment, however excluding the Writeoff/ Derisk book the asset growth was at 11% Y-o-Y
- MOU signed with Maruti Suzuki (MSIL) for channel finance and Retail Car Finance. We are preferred financier of MSIL
- No specific Big ticket (> 100 Cr) 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

	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%

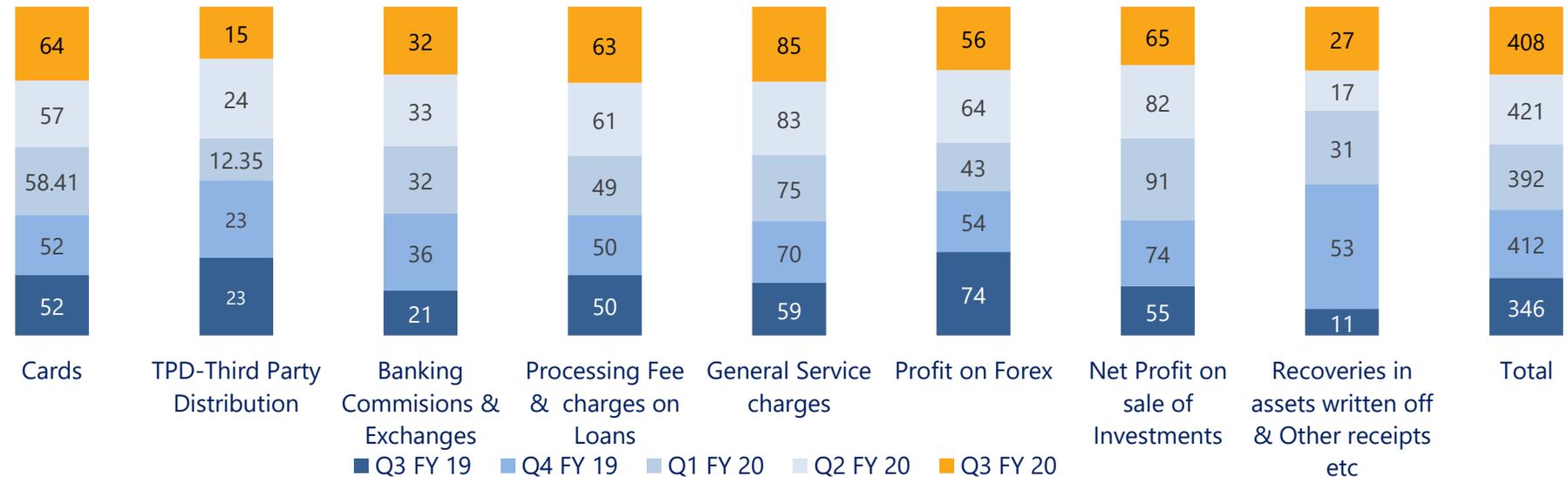
Fee Income (Y-o-Y)



Fee Income Distribution : Vertical Wise



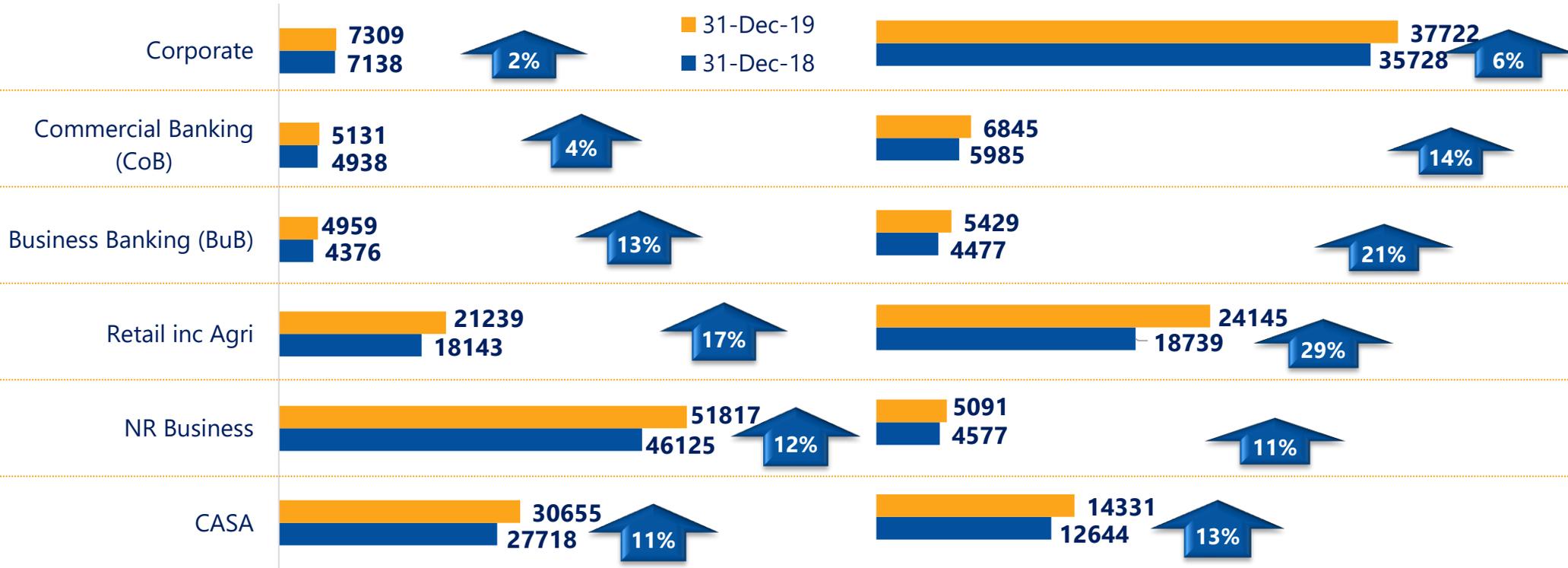
Fee Income Distribution : Item Wise



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?

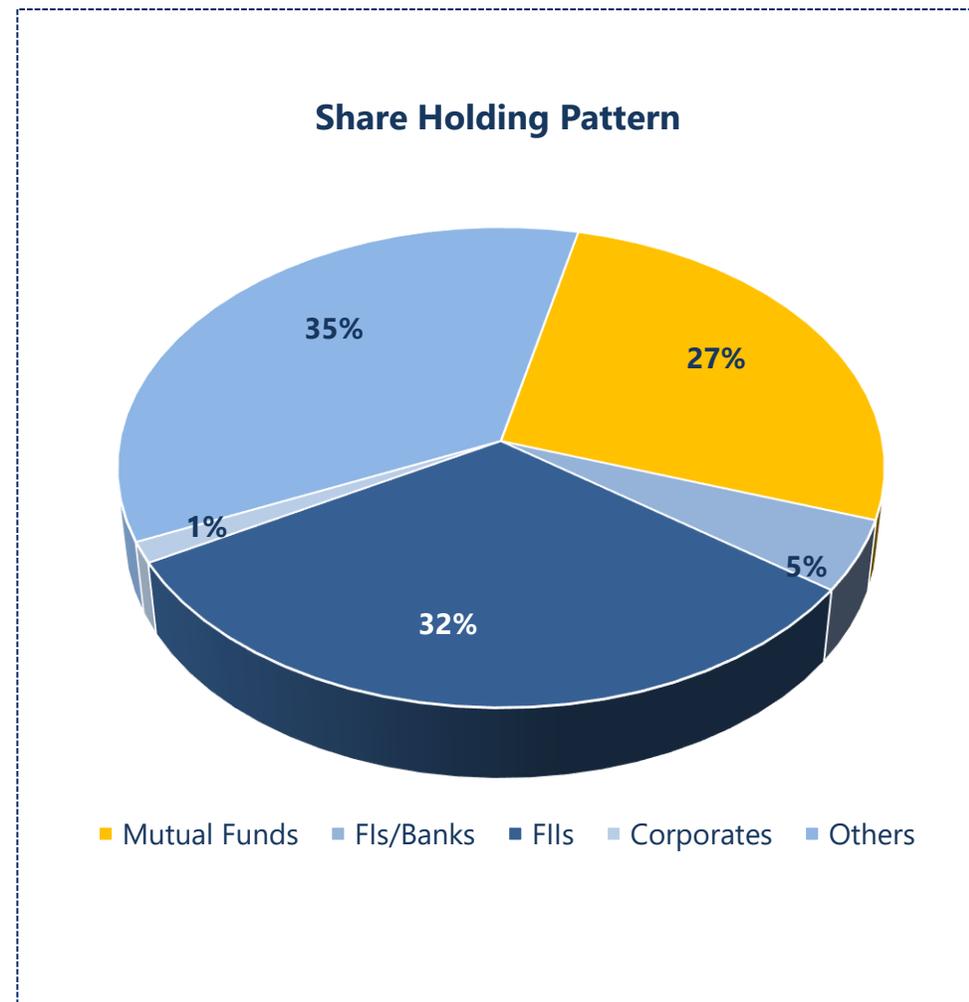
₹ in Cr

	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

₹ in Cr

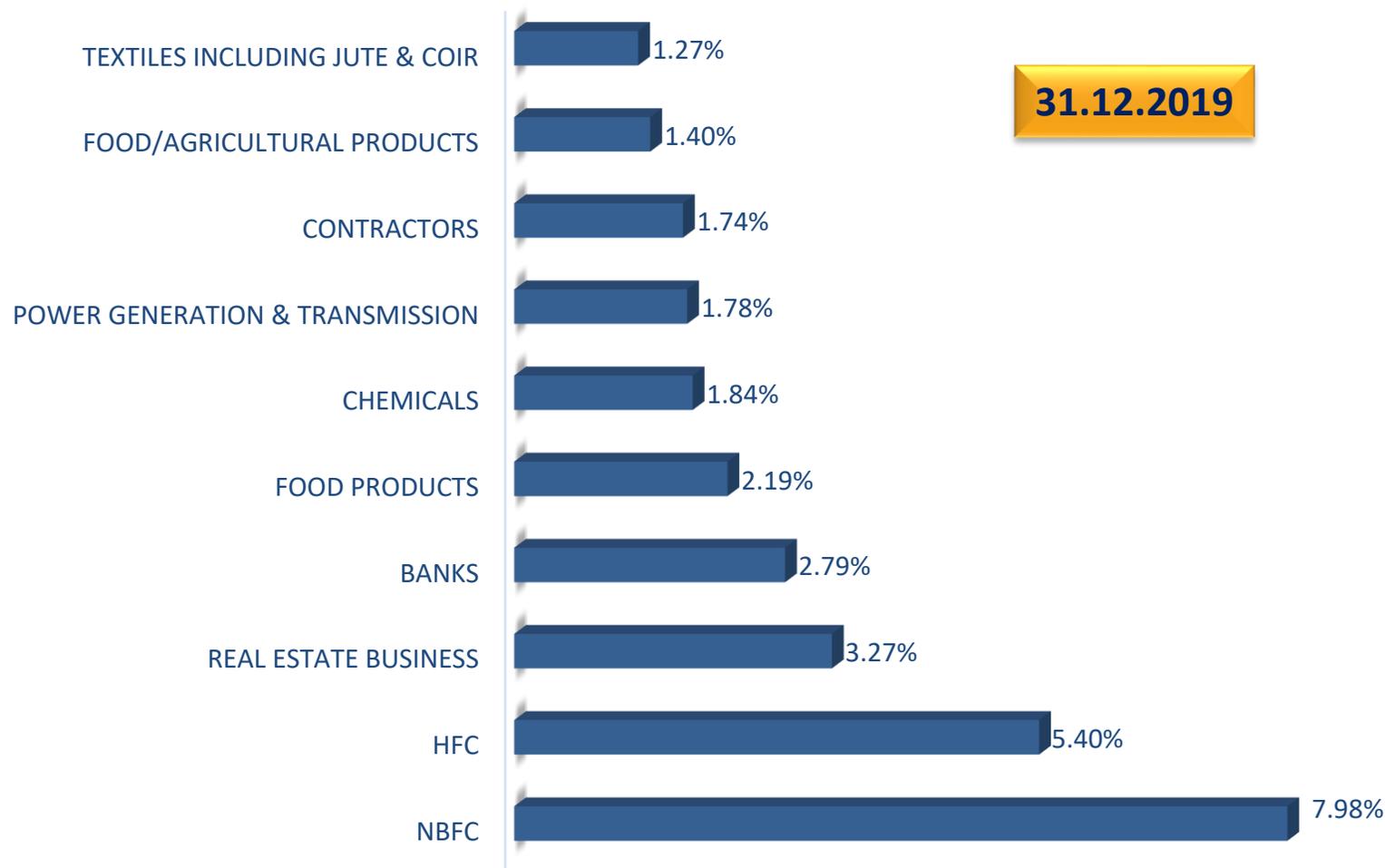
	Q3 FY20	Q3 FY19
LIABILITIES		
Capital	398	397
Reserves & Surplus	13813	12490
Deposits	144592	123457
Borrowings	8100	8409
Other Liabilities & Provisions	5888	5026
TOTAL	172791	149779
ASSETS		
Cash & Balance with RBI	8682	6397
Balances with Banks, Money at Call	5092	1379
Investments	31026	29200
Advances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



₹ 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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to **Dominance**

Presence
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