

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q4 FY 2020

Strong Operating Momentum

Robust Operating Performance

- Highest ever Operating Profit @ 959 Cr for the Quarter, grows 27% YoY
- Material increase in credit provisions (PCR higher by 809 bps), results in lower Net Profit @ 301 Cr

Stable & Diversified Asset Mix

- Total Advances grew by 11% YoY
- Retail grew by 19% YoY
- Gold loan including agri gold grew by 29%
- Housing Loan grew by 18%
- Business Banking grew by 11%

Emphasis on Strengthening the Balance Sheet

Granular Liability Franchise

- Total Deposits grew by 13% YoY
- CASA Ratio stands at 30.50%
- Retail Deposits constitute 90% of Total Deposits and Average Liquidity Coverage Ratio @ 185% is one of the highest amongst Pvt Sector Banks

Income and Cost Streams

- Highest ever Net Interest Income @1216 Cr
- Other Income grew by 73% YoY driven by higher Investment/ Treasury gains, utilized for enhancing PCR
- Cost to Income improved to 50.22%, down 218 bps QoQ

Adequately Capitalized and Strong Liquidity Coverage Ratio

Asset Quality

- GNPA and NNPA @ 2.84% and 1.31% down by 15 bps and 32 bps QoQ
- Significant step up in provision coverage to 53.39% from 45.30% QoQ and additionally made special covid provision of 93 Cr
- 35% of the borrowers by value have availed moratorium as on 25th May

Consistent Gain in Market Share

- Market Share in Advances reaches 1.18% - up by 5 bps YoY
- Market Share in Deposits reaches 1.09% up by 6 bps YoY

New Initiatives/ Digital Update

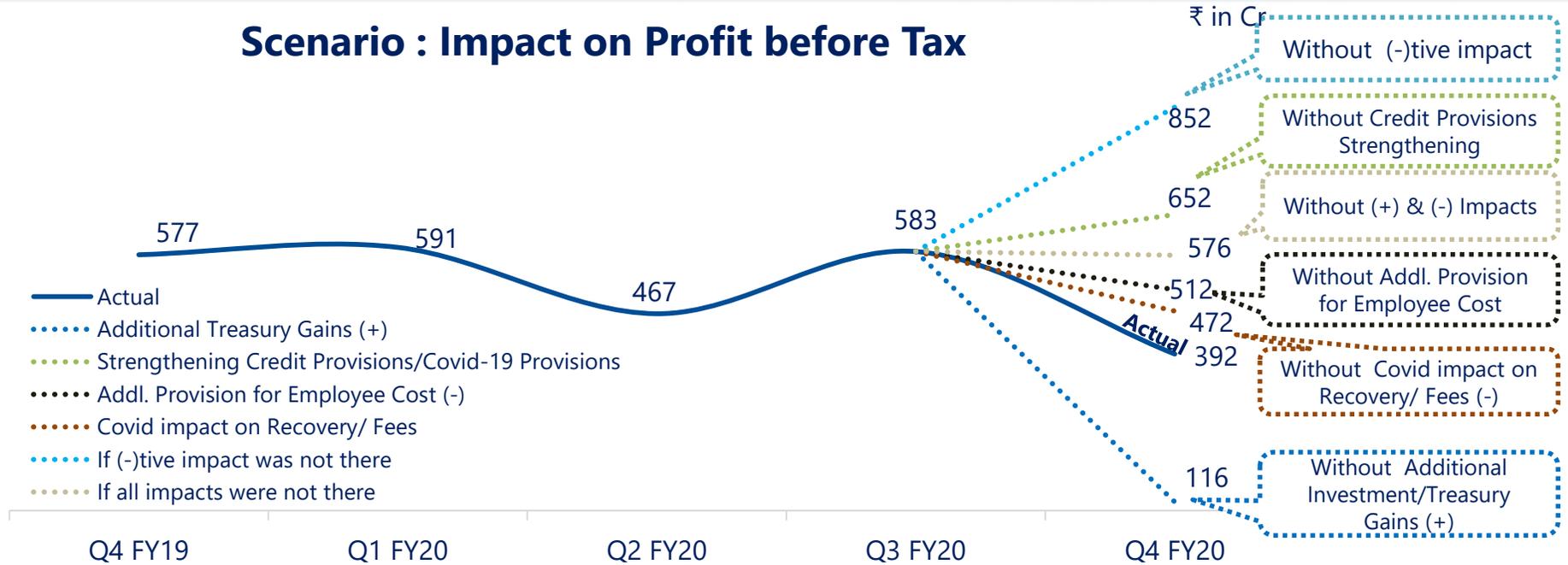
- Deployed Mobile ATMs in select cities
- Transactions using Digital Channels now account for 83% of the total transactions
- Tied up with MoneyGram for cost effective, fast and easy rupee remittance directly into the bank account

Balance Sheet and Capital

- Balance Sheet grew by 13% YoY (Rs 1.80 L Cr)
- Total business grew 12% YoY (Rs 2.74 L Cr)
- CRAR at 14.35%

How the nos. would have looked sans one-offs?

Scenario : Impact on Profit before Tax



One off Cases	Plus	Minus
Investments/ Treasury Gains	276	
Additional Credit Provisions		167
Provision for Covid-19		93
Direct Covid impact – Loss of revenue on account of loss of income/ under recoveries & upgrades		80
Additional Provision for Employee Cost		120
Total	276	460
Net Impact		184

Direct Covid impact on income & Provisions is 173 Cr

a) Additional covid related provision of 93 Cr

b) Loss of revenue on account of loss of income/ under recoveries & upgrades of 80 Cr

- ✓ Central Crisis Management Team met before the lockdown was announced and took proactive steps to ensure business continuity. This is being reviewed periodically.
- ✓ Extended Work from Home to employees with necessary IT infrastructure complying with required cyber safety and security measures
- ✓ Some sections of IT & Ops, Risk and Treasury team were isolated in separate buildings in different locations insulating them from the chances of contracting Covid and to carry out the back end works.
- ✓ More than 98% of branches were functional during the lock down period and followed all precautionary measures as per the guidelines.
- ✓ Digital & IT Infrastructures were strengthened further to handle any surge in digital transaction volume
- ✓ Based on RBI guidelines on regulatory package, the bank has extended moratorium to its customers. Details of the same was informed to customers via SMS, Emails, and displaying on Website.
- ✓ Deployed Mobile ATMs in select cities, by delivering banking services at their doorsteps and thus helping them stay indoors, as much as possible.
- ✓ The Bank pooled contributions from employees and customers for providing aid to community kitchens in various parts of the country. The CSR Foundation of the Bank topped up the amount so collected with a matching amount from its own sources.

Near term focus

Asset Portfolio

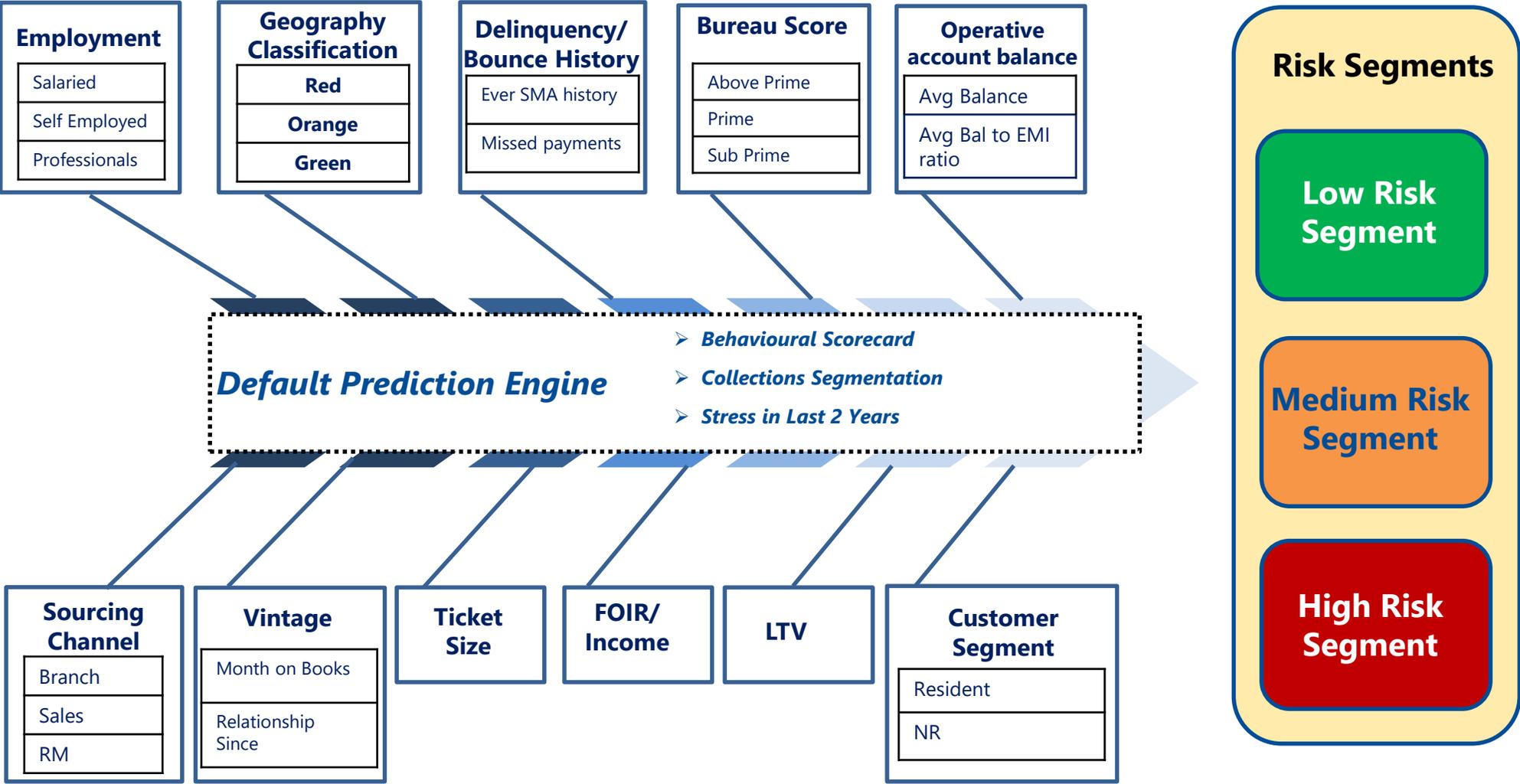
- ✓ Focus on robust growth in Gold Loan
- ✓ Identifying and focussing on well rated corporates
- ✓ Leveraging Government Schemes
- ✓ Targeting preapproved programmes

Liability & Others

- ✓ Deposit growth momentum to be enhanced
- ✓ Streamlining and renegotiating all cost lines
- ✓ Enhancing the digital capabilities to tap business across verticals
- ✓ Focus on conserving capital and continue to strengthen the Balance sheet

Segment	Book Size (A) in Cr	Moratorium Extended as on 25th May (B) in Cr	As a % of segment advances (B/A)	Current Balance of SMA 0/1/2 as on 29 th Feb 2020 under moratorium (C) in Cr	As a % of Segment advances (C/A)
Agri	12874	4055	31%	80	0.6%
Retail	37878	14271	38%	413	1.1%
Business Banking	10610	8433	79%	124	1.2%
Commercial Banking	12066	6360	53%	146	1.2%
CIB	50725	9947	20%	77	0.2%
Total	124153	43067	35%	840*	0.7%

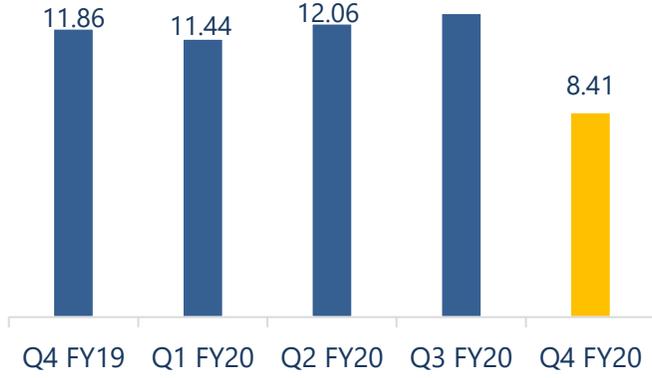
*Includes SMA 2 of 303 Cr where standstill benefit has been extended Covid specific provision of 93 Cr made in Q4 FY20.



RoA



RoE



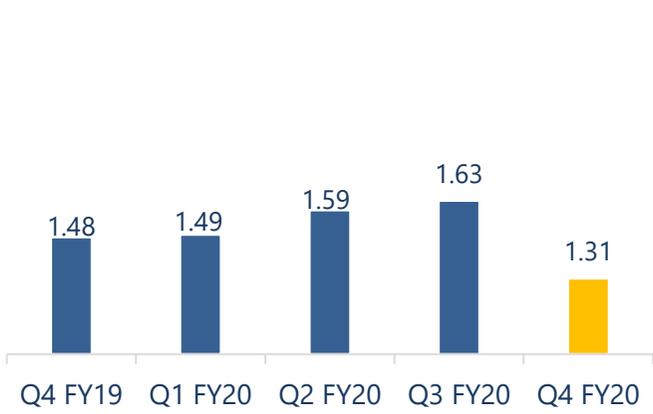
Net Interest Margin (%)



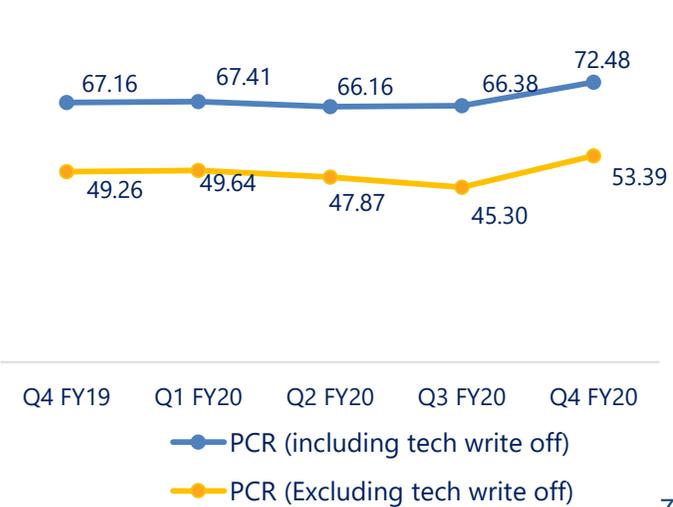
Cost to Income Ratio



NNPA (%)



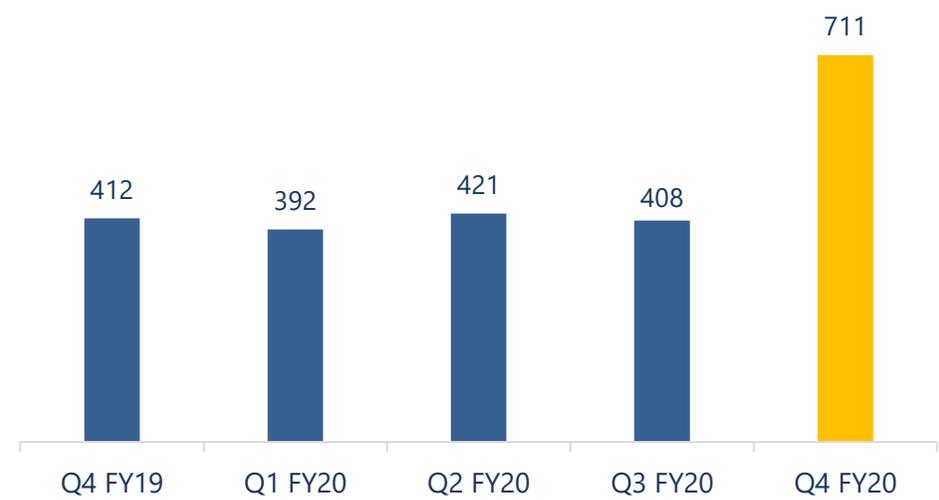
PCR (%)



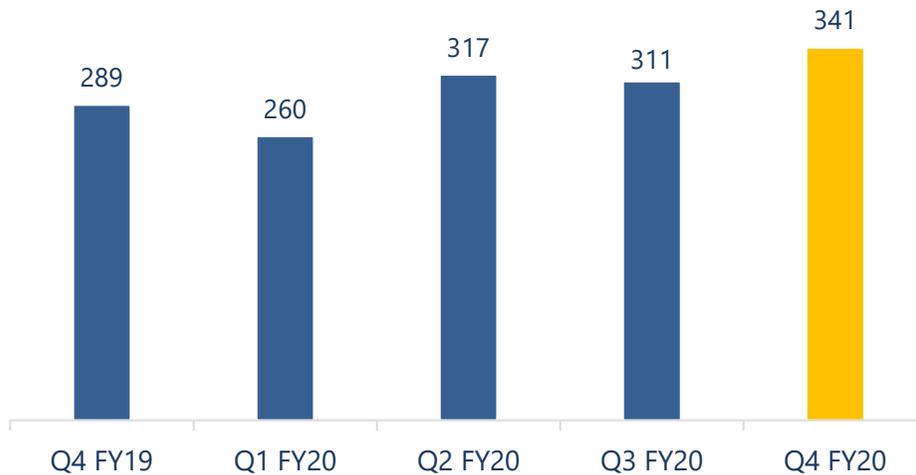
Net Interest Income



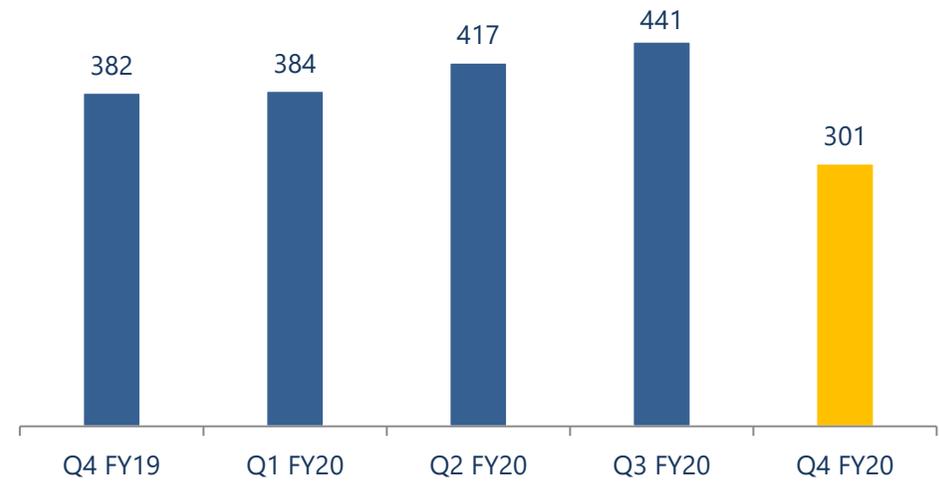
Other Income



Fee Income



Net Profit



Performance Highlights Y-o-Y

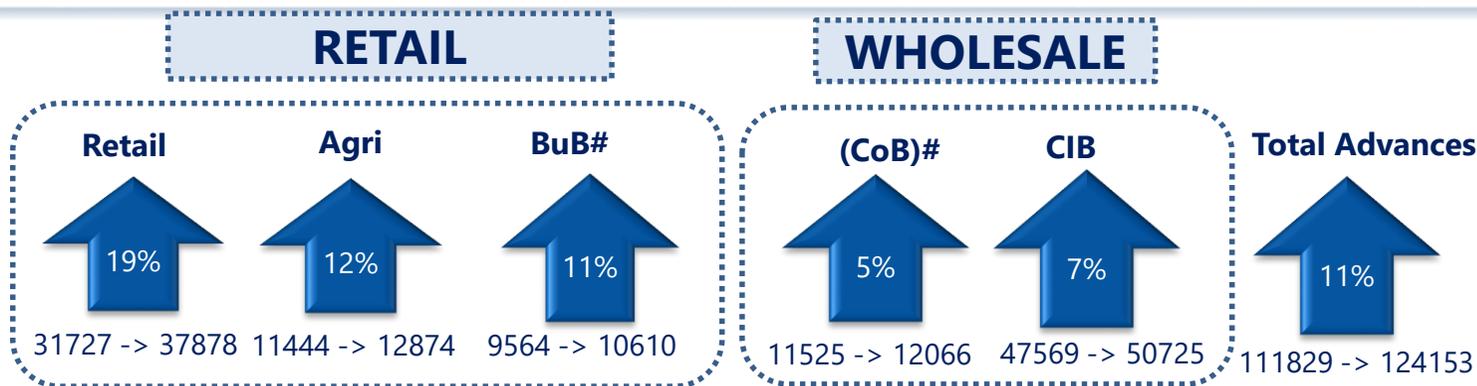
	3Months	12Months			
Operating Profit	27%	16%	Retail Banking	19%	
	-21%	24%	Agri Banking	12%	
Net Profit			Business Banking (BuB)	11%	
RoA	@ 0.69%	@ 0.94%	Commercial Banking (CoB)	5%	
	@ 8.41%	@ 11.10%	Corporate Banking (CIB)	7%	
Cost to Income Ratio	@ 50.22%	@ 51.30%	Total Advance	11%	
Core Fee Income	18%	19%	CASA	7%	
	73%	43%	Total Deposit	13%	
Other Income			Capital Adequacy (CRAR)	14.35%	
NII	11%	11%			
NIM	3.04%	3.05%			

Comparison : Y-o-Y (3 M)

RETAIL

WHOLESALE

Advances



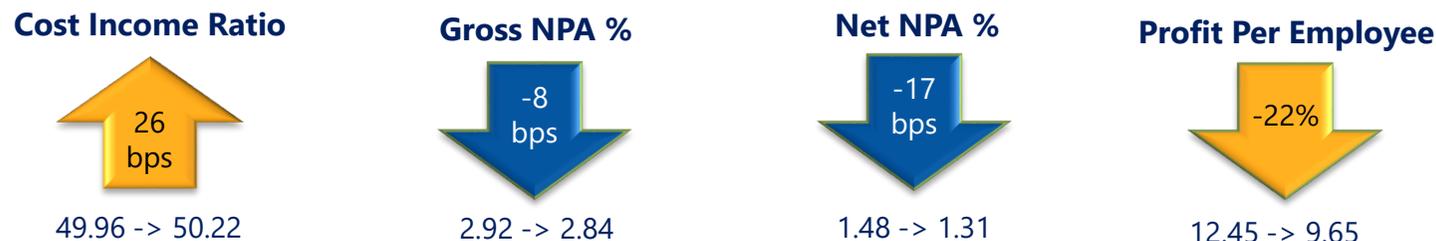
Deposits



Performance



Ratios



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

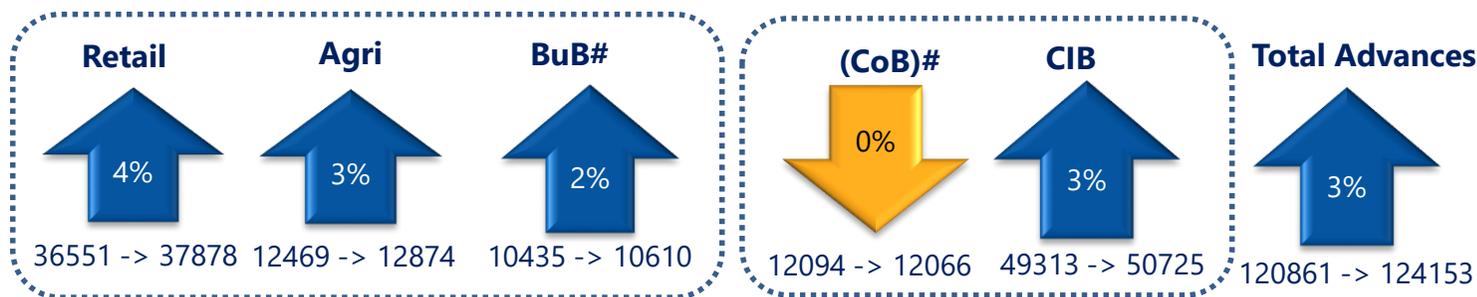
#SME split into BuB & CoB

Comparison : Q-o-Q (3 M)

RETAIL

WHOLESALE

Advances



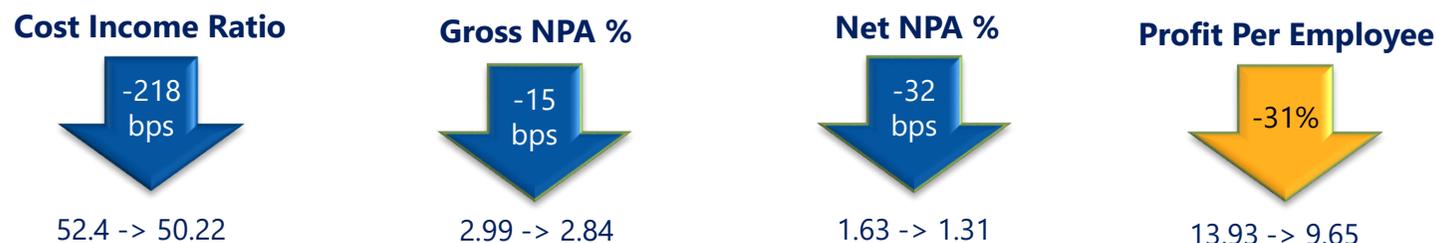
Deposits



Performance



Ratios



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

#SME split into BuB & CoB

Shareholder Value

	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19
Book Value (Per Share in ₹)	72.86	71.33	69.18	68.79	66.87
EPS (annualized)	6.06	8.78	8.32	7.76	7.68

Granularity

CASA + Deposits <2 Cr (% of Total Deposits)	87%	88%	89%	89%	88%
--	------------	------------	------------	------------	------------

Profitability (Annualized)

ROA	0.69	1.04	1.03	0.98	1.02
RoRWA	1.23	1.92	1.86	1.76	1.79
ROE	8.41	12.50	12.06	11.44	11.86

Efficiency

Cost/Income	50.22	52.40	53.47	49.36	49.96
Net NPA%	1.31	1.63	1.59	1.49	1.48

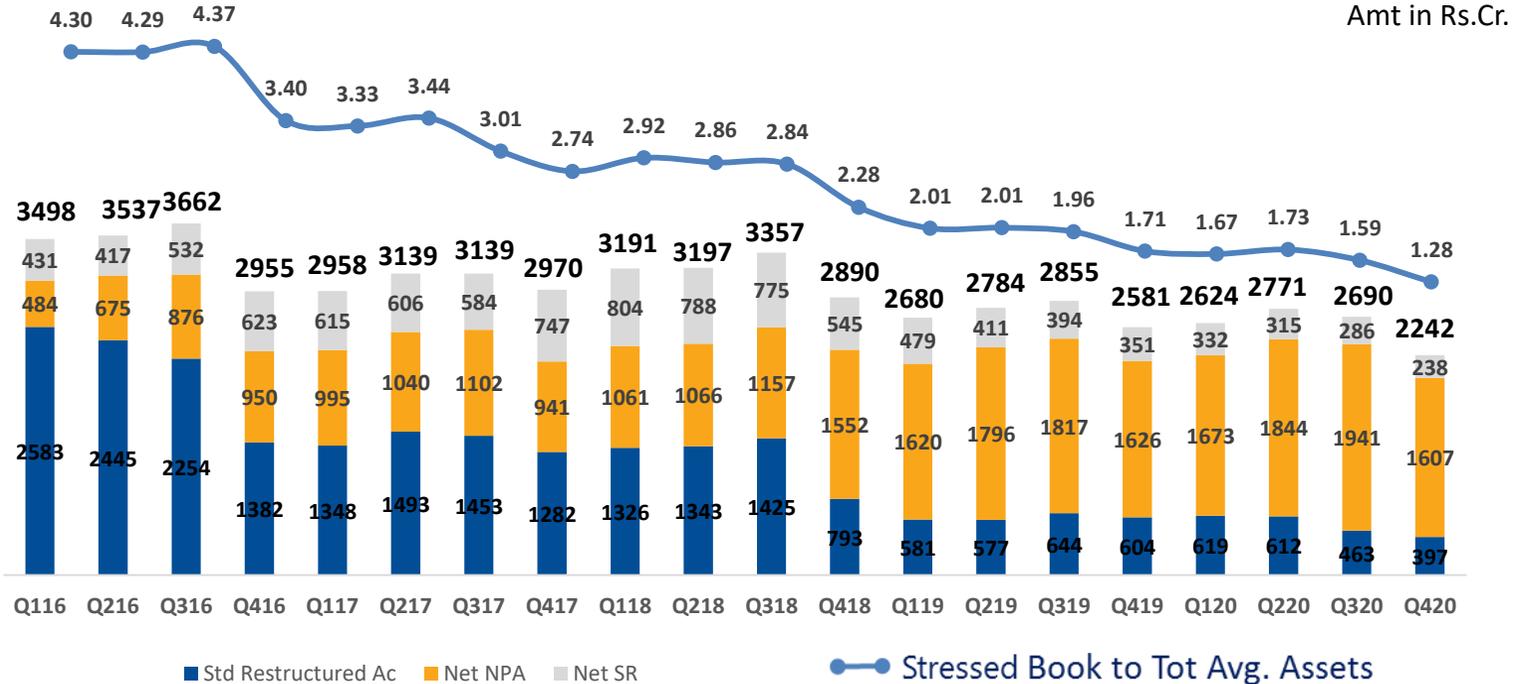
Asset Quality Trends

Strengthened Provision Coverage ratio to 53.39%, an increase of 809 bps QoQ

Additionally provided 93 Cr towards accounts opted for Moratorium.

GNPA would have been higher by 23 bps (303 Cr), had the standstill benefit not been extended

35% of the borrowers by value have availed moratorium as on 25th May



Movement of NPA

Gross NPA as on 31.12.2019	3619
Add Fresh Slippage	284
Add Increase in Balances in Existing NPAs	28
Deduct Recoveries/ Upgrades	-227
Deduct Written Off	-173
Gross NPA as on 31.03.2020	3531

Provisions in Q4

Loan Loss	417
Investment Loss	47
Restructured Accounts	-1
Standard Accounts	102
Other Purposes	2
Total Provisions	567

Fresh Slippages Break up

Fresh Slippages

	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19
Retail	97	101	124	141	67
Agri	36	50	72	67	92
BuB	54	66	95	99	67
CoB	68	55	51	20	29
Corporate	29	321	199	88	0
Total	284	593	540	415	256

Restructured

TYPE	Q4 FY20		Q3 FY20	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	397	42	463	66
Net NPA	202	80	172	58
TOTAL	599	122	635	124

Security Receipts

	Q4 FY20	Q3 FY20
Face Value	633	664
Book Value	546	577

NPA Composition		Q4 FY20	Q3 FY20
Business	NPA	NPA	NPA
Gross NPA	Retail	717	731
	Agri	567	565
	BuB	703	717
	CoB	678	654
	Corporate	866	952
	Total	3531	3619
Net NPA		1607	1941

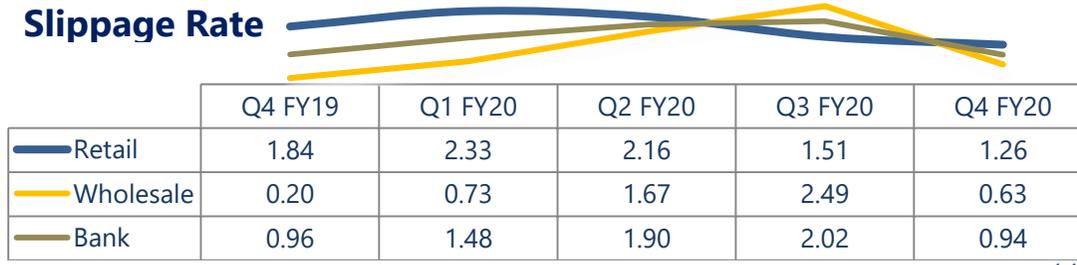
Credit Cost



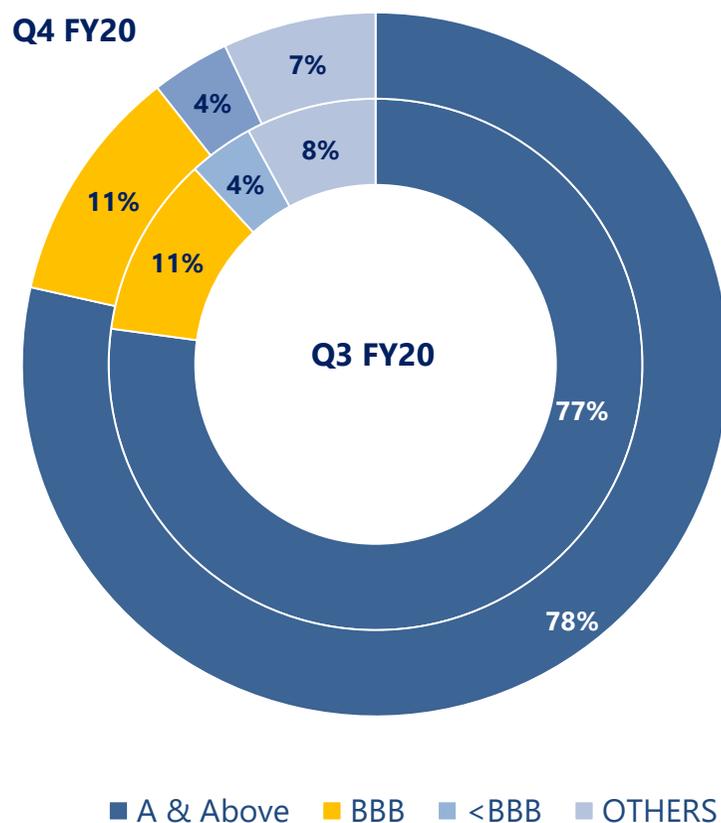
Risk Adjusted NIM



Slippage Rate



External Rating of Corporate Advances



External Rating of Corporate Advances

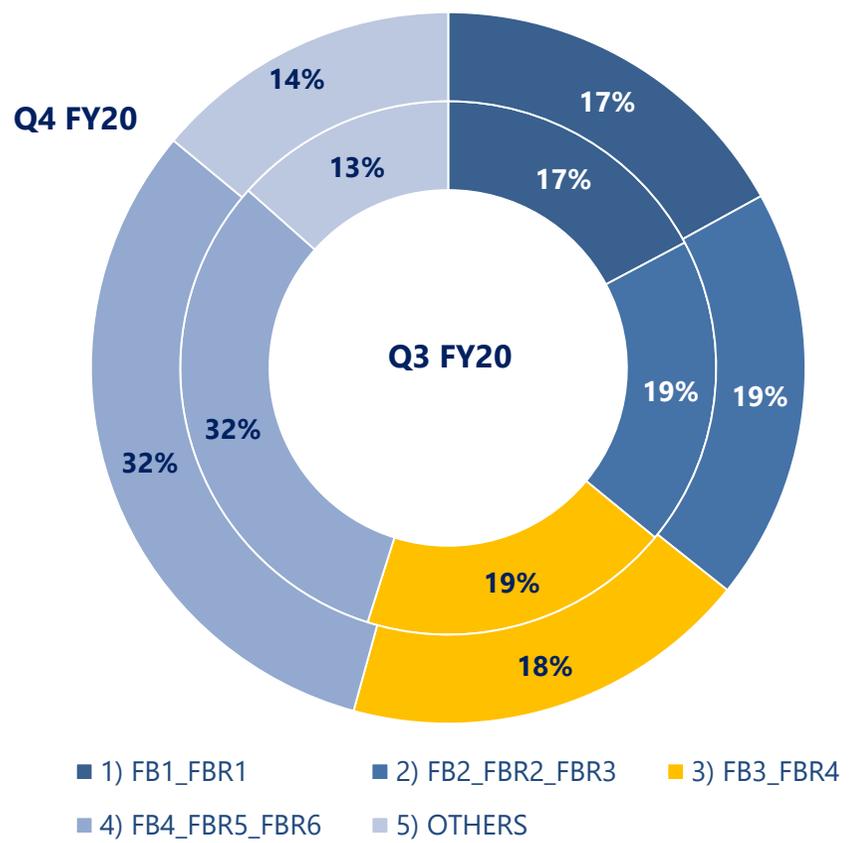
Rating	Q4 FY-20	Q3 FY-20
A & above	78%	77%
BBB	11%	11%
< BBB	4%	4%
Others	7%	8%

Internal Rating of 'others' (Externally unrated Corporate advance from above table)

Rating		Q4 FY-20	Q3 FY-20
FBR1	FB1	11%	10%
FBR2/FBR3	FB2	1%	17%
FBR4	FB3	21%	31%
Below FBR4 & unrated		68%*	43%

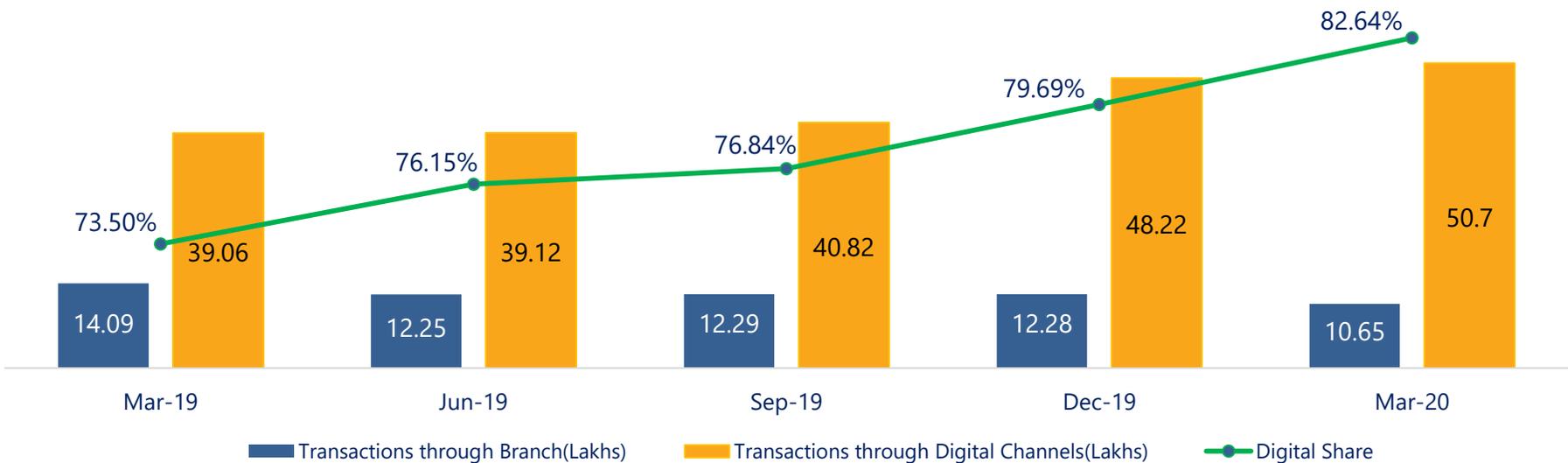
*includes IBPC.

Asset Quality : Rating Distribution (Advances excluding Corporate advance)



Rating		Q4 FY-20	Q3 FY-20
FBR1	FB1	17%	17%
FBR2/FBR3	FB2	19%	19%
FBR4	FB3	18%	19%
FBR5/FBR6	FB4	32%	32%
Staff		3%	3%
Gold, Advance against Deposit/Securities & others		11%	10%

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

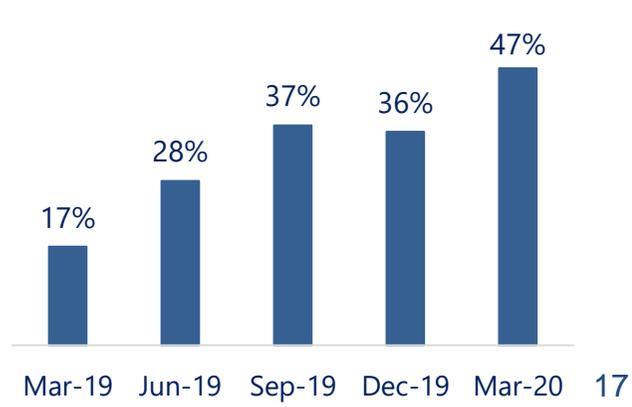


Mobile Banking Volume in crores



- Mobile Banking monthly volume crossed 5500 crores & Digital share grew to 82.64%
- There is a YoY growth of 47% on digital users
- Steady decrease of transaction through branches in FY19-20.

YoY Growth in Digital Users



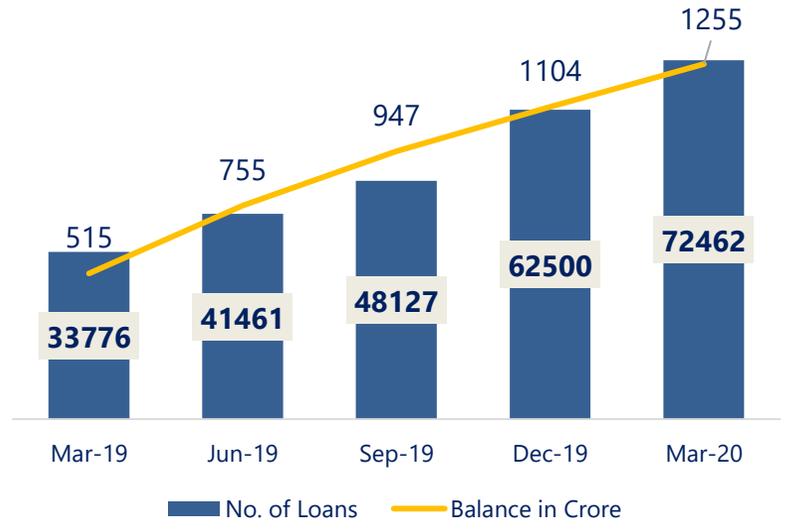


- BYOM enables digital instant personal loans through Web, Google Pay & Paisa Bazaar clubbed with HDFC Ergo insurance.
- EMI on check out through PineLabs at multiple merchant locations.

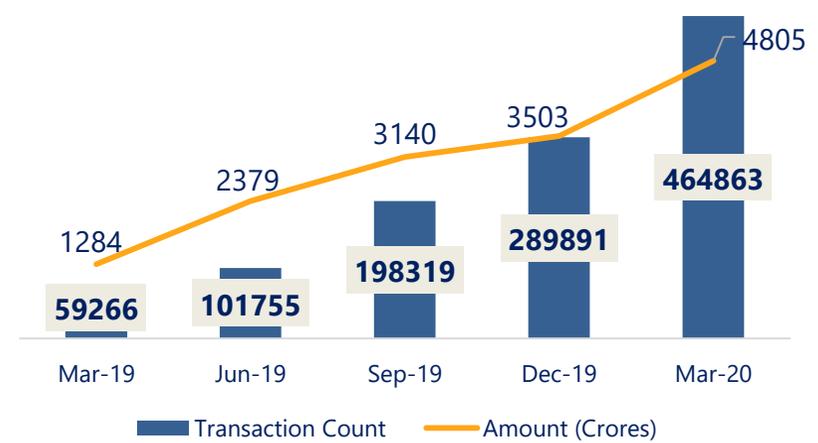


- Fed e-Biz is the omni channel transaction banking platform for corporates.
- Volume of transactions has crossed 4500 crores during the month of March 2020.

BYOM Digital Personal Loans : Loan book progress



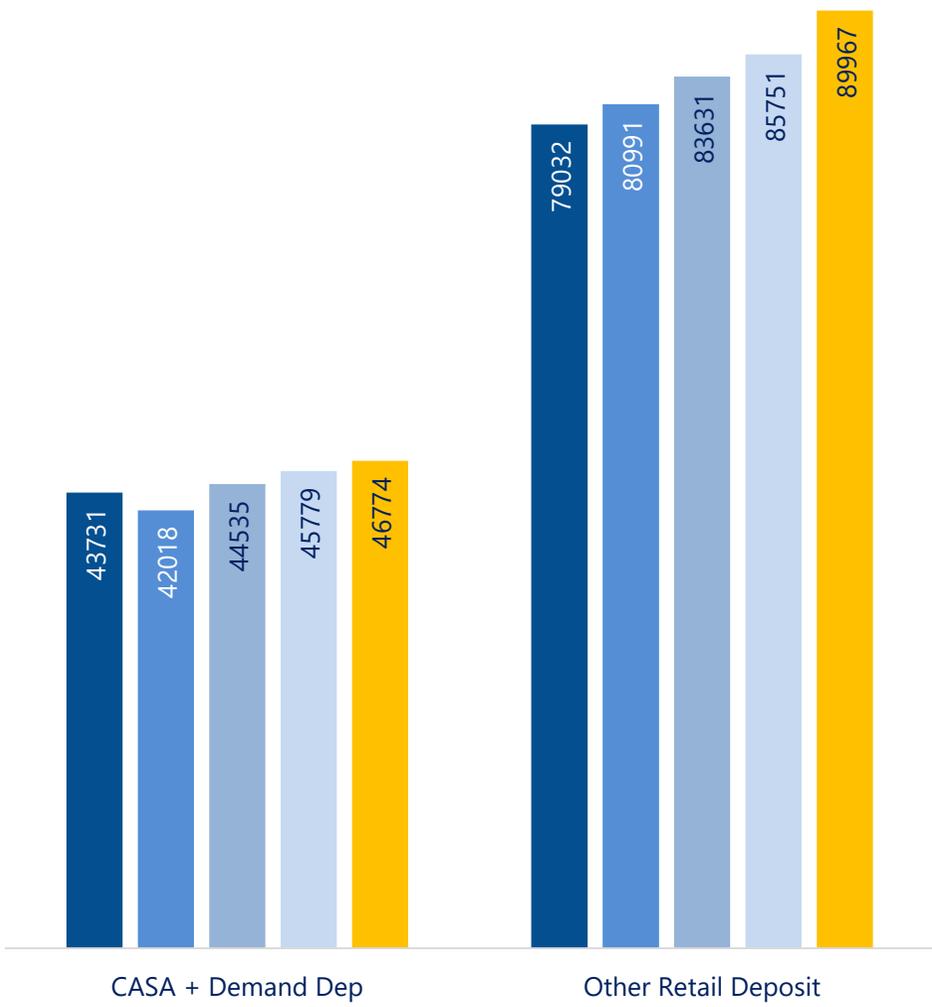
Fed E Biz



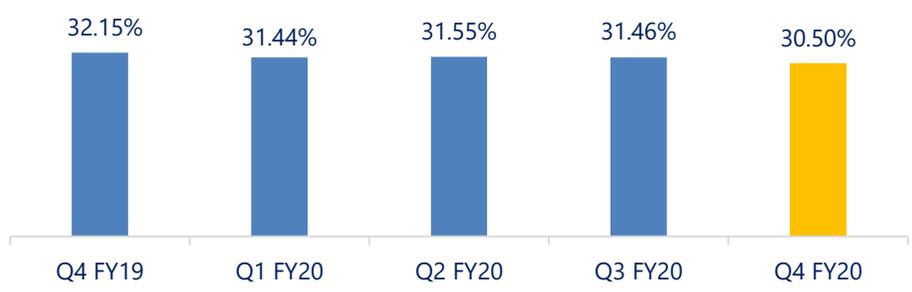
Business Parameters

₹ in Cr

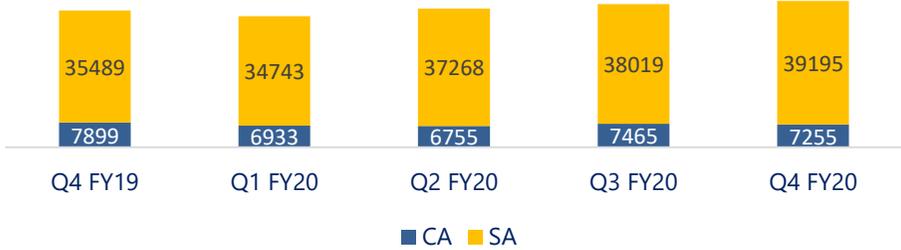
■ Q4 FY19 ■ Q1 FY20 ■ Q2 FY20 ■ Q3 FY20 ■ Q4 FY20



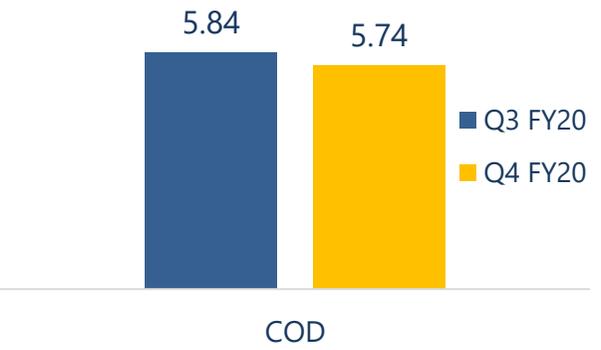
CASA Ratio



CA & SA

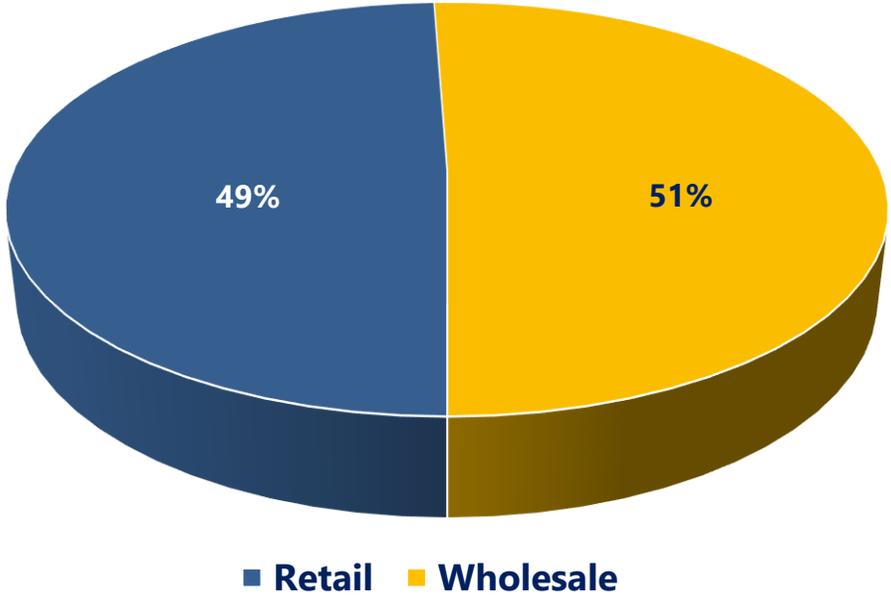
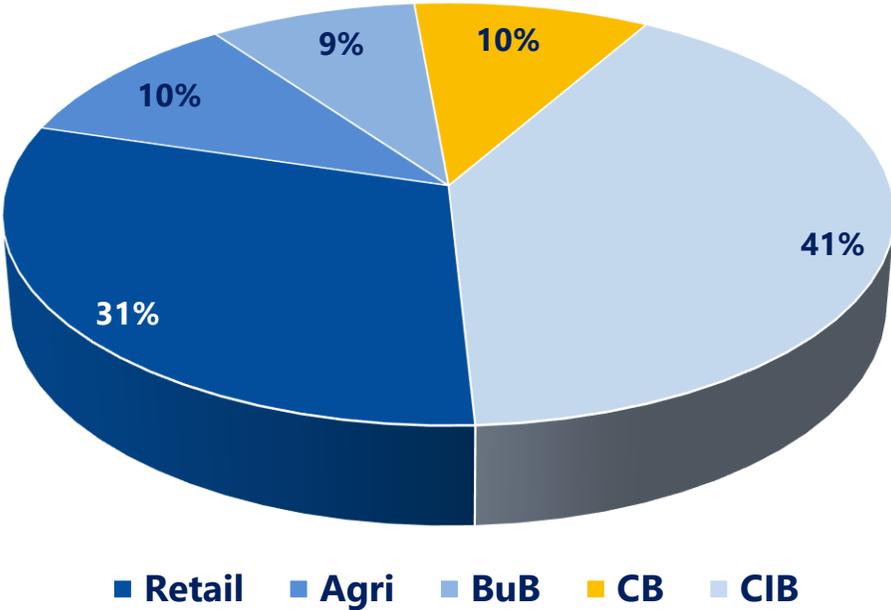


Cost of Deposits

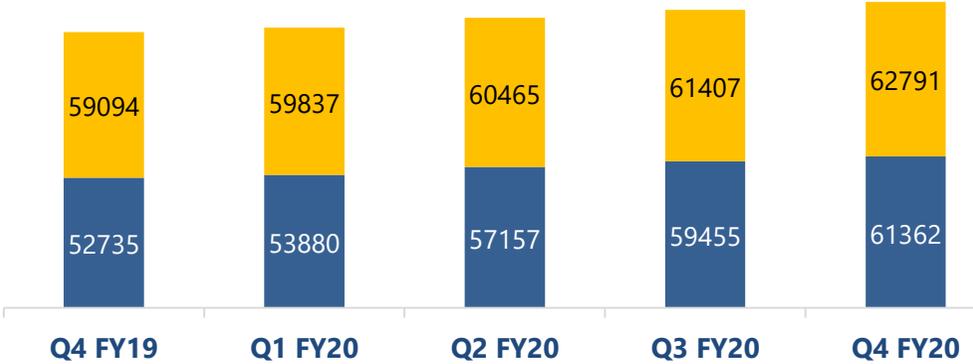


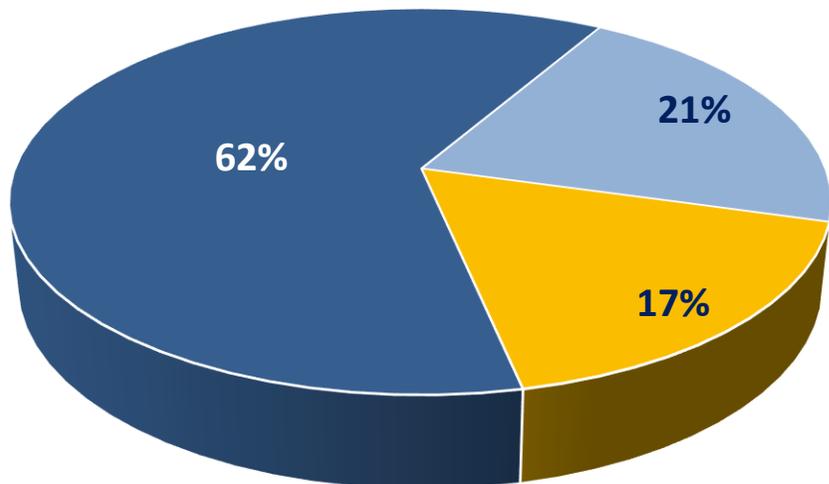
₹ in Cr

TOTAL LOAN BOOK



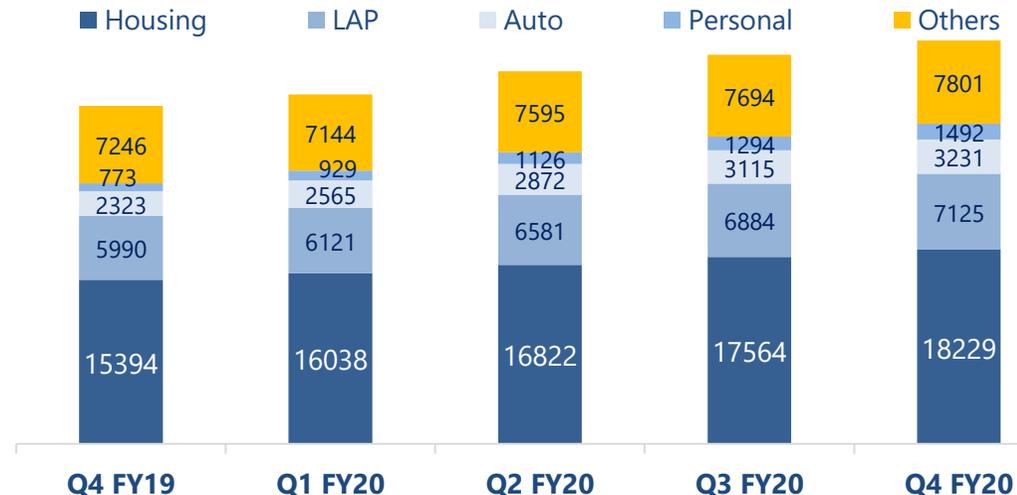
Yield on Advances



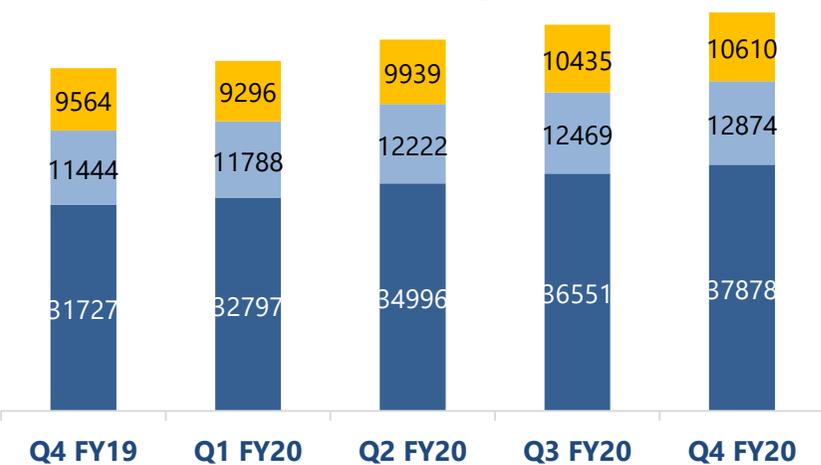


Retail Loan Book (Excl Agri & BuB)

₹ in Cr

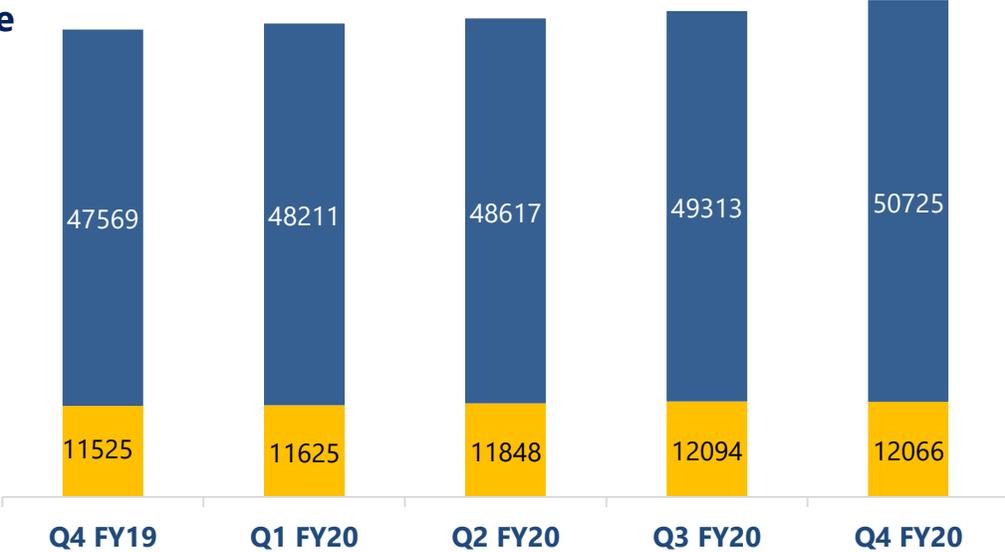
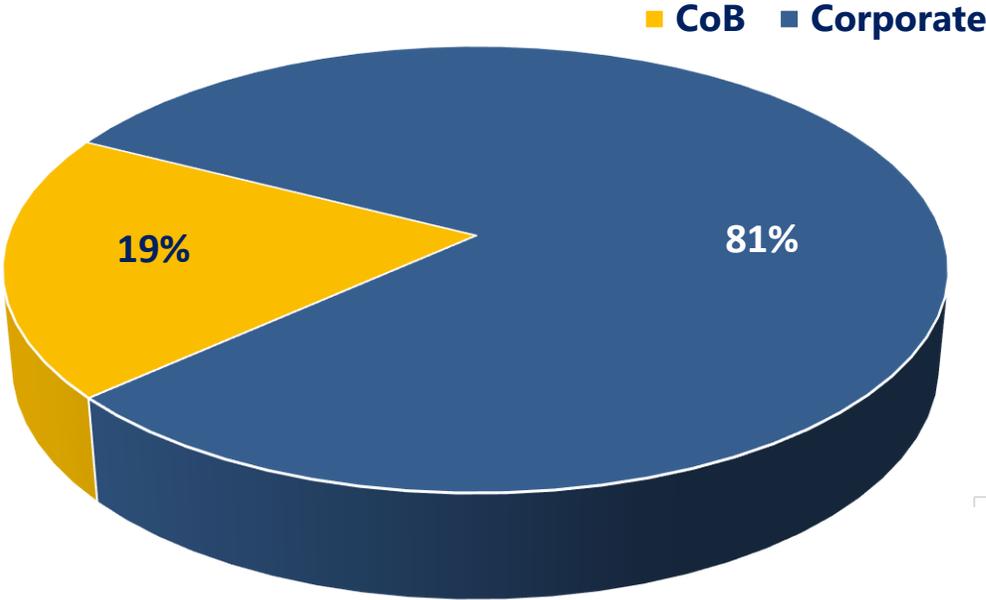


Retail Agri BuB



RETAIL BANKING

- HL and LAP grew by 18% & 19% YoY in FY20. Bank has sourced 20,000+ PL loan through digital channels alone and grew by 93% YoY
- Growing via partnerships continues to be a focus area both for Auto loans and personal loans, with partnerships like Maruti, Gpay, PaisaBazaar etc
- Entered into tie up with partners for daily cash collection arrangement for BuB customers
- Loan disbursement through Fintech enabled digital Gold and Micro lending platforms crossed 1000 Cr.

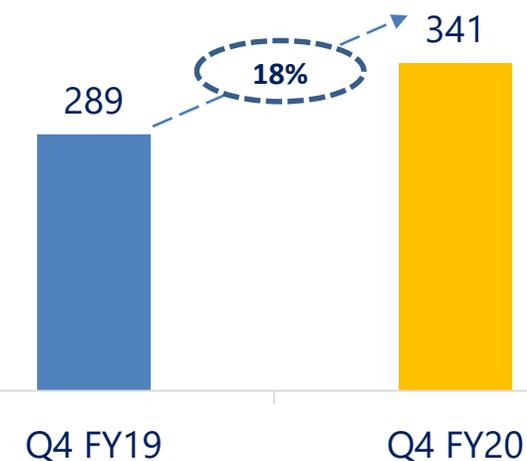


WHOLESALE BANKING

- The asset growth was muted given the overall external environment.
- New relationships established with 145 clients across sectors and regions with blue chip corporates and entities of established conglomerates
- Thrust on onboarding salary accounts of large corporates, with over 60 new mandates, with focus on higher AMBs resulting in 45% increase in SB Salary account balances
- Average Ticket Size of Wholesale Loan Book(CIB+CB) : 24 Cr
- Average Ticket Size of CIB & CB Loans is 63 Cr & 6 Cr Respectively

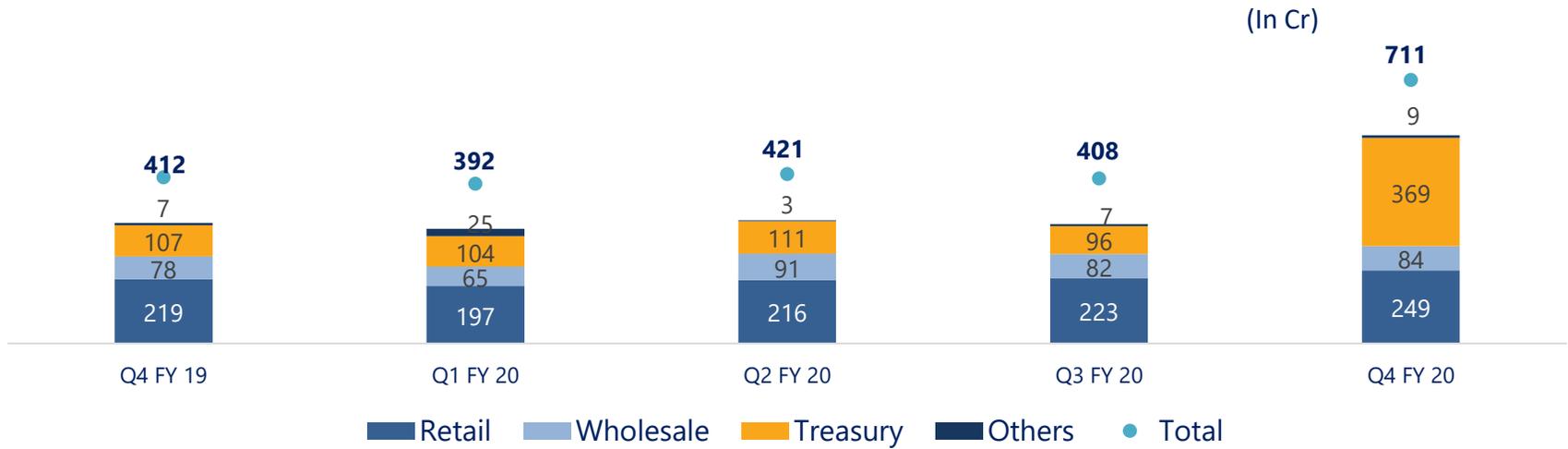
	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19	Y-o-Y %
Loan Processing Fee	56	63	61	49	50	12%
Exchange, Commission, Brokerage & Other Fee Income	209	191	191	169	185	13%
Net Profit on Forex Transactions	76	56	64	43	54	41%
Fee Income	341	311	317	260	289	18%
Profit on sale of securities	369*	65	82	91	74	401%
Recovery from assets written off, Other Receipts & misc.	1	32	22	40	49	-99%
Total Other income	711	408	421	392	412	73%

Fee Income (Y-o-Y)

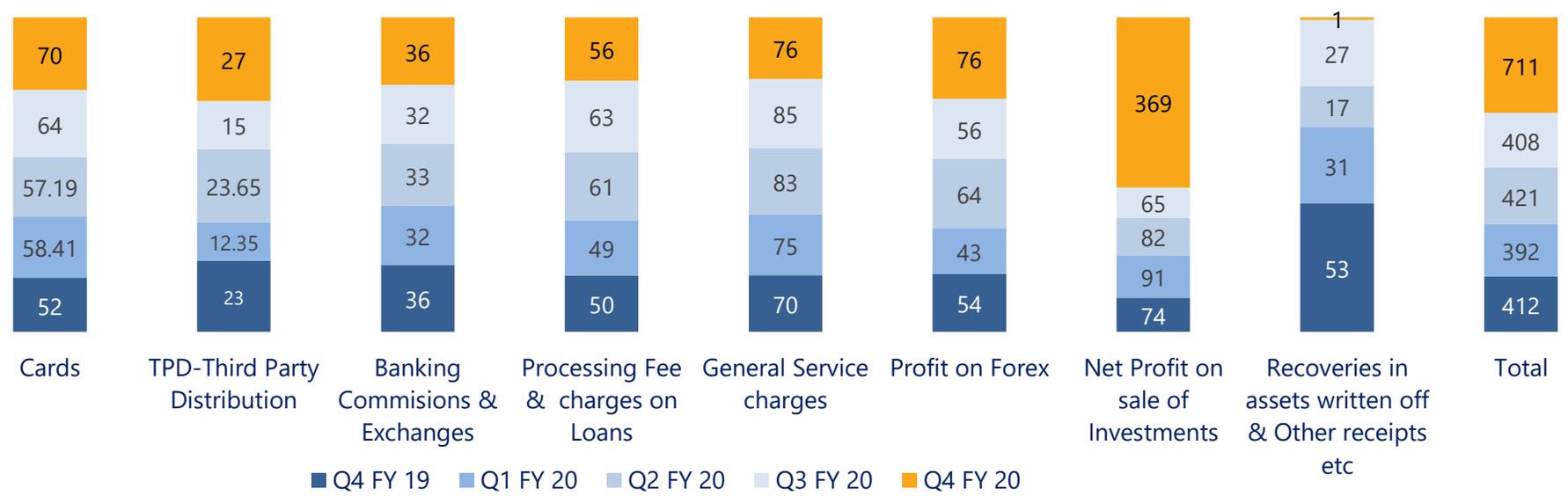


*includes 276 Cr of additional income from investment/treasury gain.

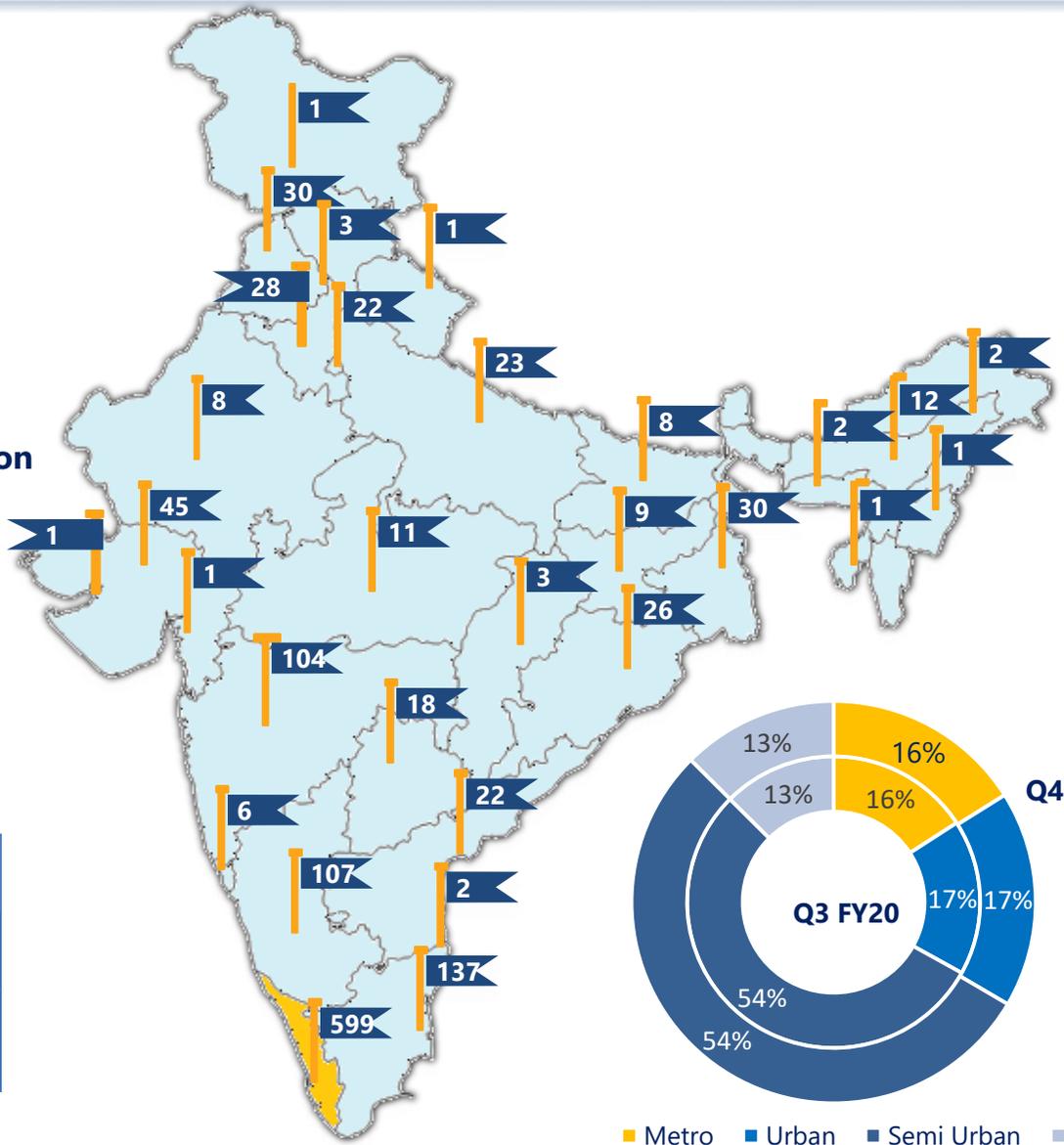
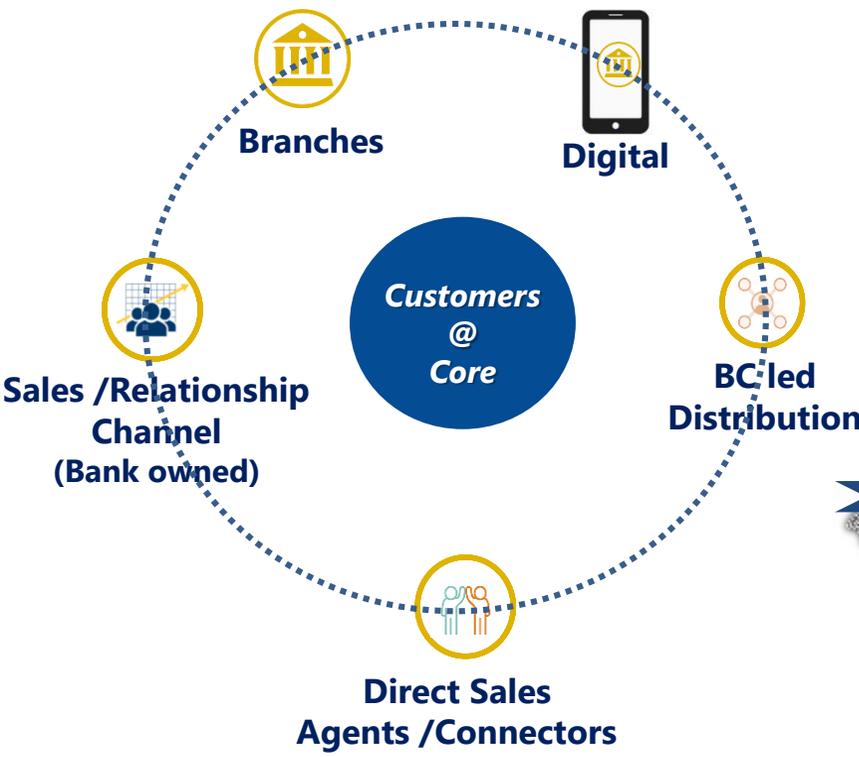
Fee Income Distribution : Vertical Wise



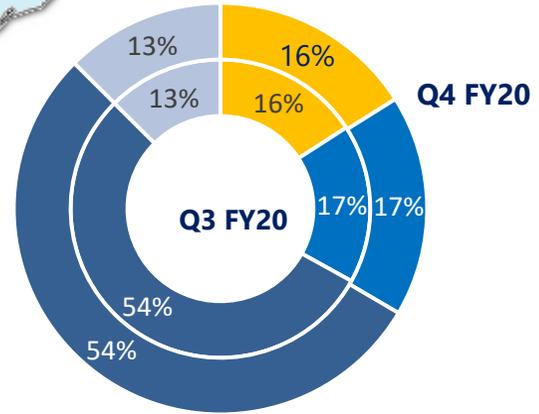
Fee Income Distribution : Item Wise



Distribution : Deriving Efficiency from Footprint



	Q4 FY20	Q3 FY20	Q2 FY20
Branches	1263	1255	1251
ATM/ Recyclers	1937	1965	1942

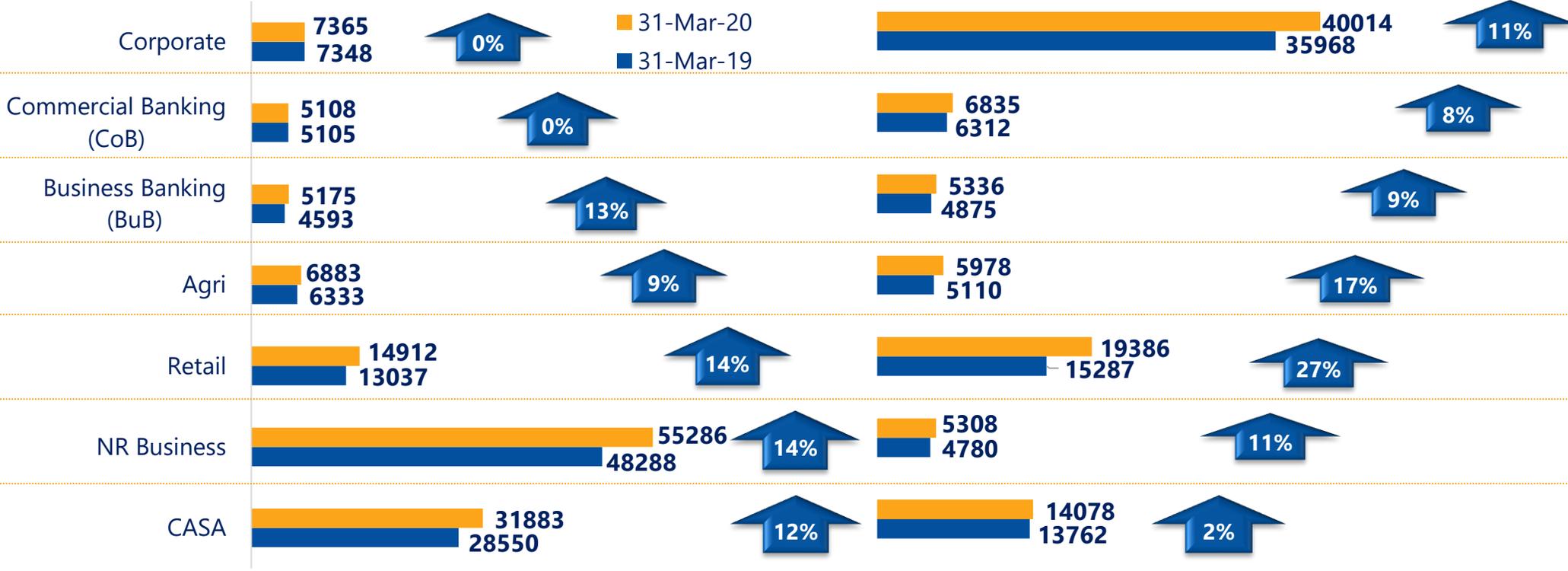


■ Metro ■ Urban ■ Semi Urban ■ Rural

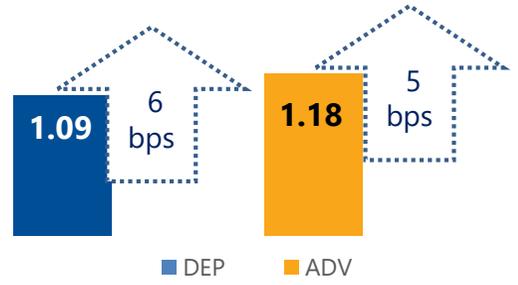
₹ in Cr

Network I

Network II



Bank's Market Share



Gain in Market Share(Y-o-Y)
 Advance: Market Share improved by 5 bps
 Deposit : Market Share improved by 6 bps

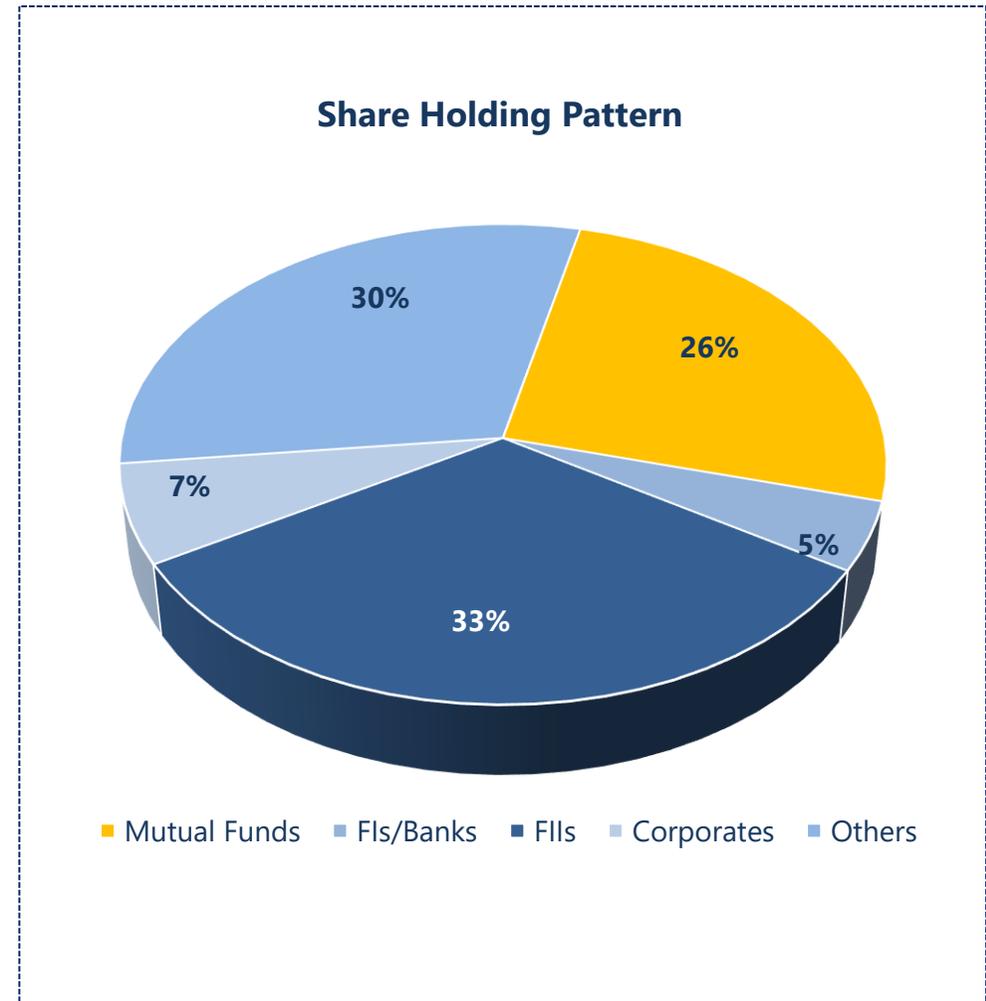
CRAR – How strong is your Bank?

₹ in Cr

	Mar-20	Dec-19
Risk Weighted Assets		
Credit Risk	90889	88456
Market Risk	6182	2473
Operational Risk	8715	8715
Total RWA	105786	99644
Tier-1 Capital Funds	14057	12573
Tier-II Capital Funds	1118	1016
Total Capital Funds	15175	13589
CRAR	14.35%	13.64%
Tier-I	13.29%	12.62%
Tier-II	1.06%	1.02%

Annexures

	Q4 FY20	Q4 FY19
LIABILITIES		
Capital	399	397
Reserves & Surplus	14119	12876
Deposits	152290	134954
Borrowings	10372	7781
Other Liabilities & Provisions	3458	3331
TOTAL	180638	159340
ASSETS		
Cash & Balance with RBI	6175	6419
Balances with Banks, Money at Call	6400	3648
Investments	35893	31824
Advances	122268	110223
Fixed Assets	480	472
Other Assets	9423	6754
TOTAL	180638	159340



₹ in Cr

	Q4 FY20	Q3 FY20	Q-o-Q	Q4 FY19	Y-o-Y
Interest Income	3397	3330	2%	3032	12%
Interest Expenses	2181	2175	0%	1936	13%
Net Interest Income	1216	1155	5%	1097	11%
Other Income	711	408	74%	412	73%
Operating Expense	968	819	18%	754	28%
Total Income	4108	3738	10%	3444	19%
Total Expense	3149	2994	5%	2689	17%
Operating Profit	959	744	29%	755	27%
Total Provisions	658	303	117%	373	76%
Net Profit	301	441	-32%	382	-21%
Net Interest Margin (%)	3.04	3.00	4bps	3.17	-13 bps
Cost to Income Ratio (%)	50.22	52.40	-218 bps	49.96	26 bps

₹ in Cr

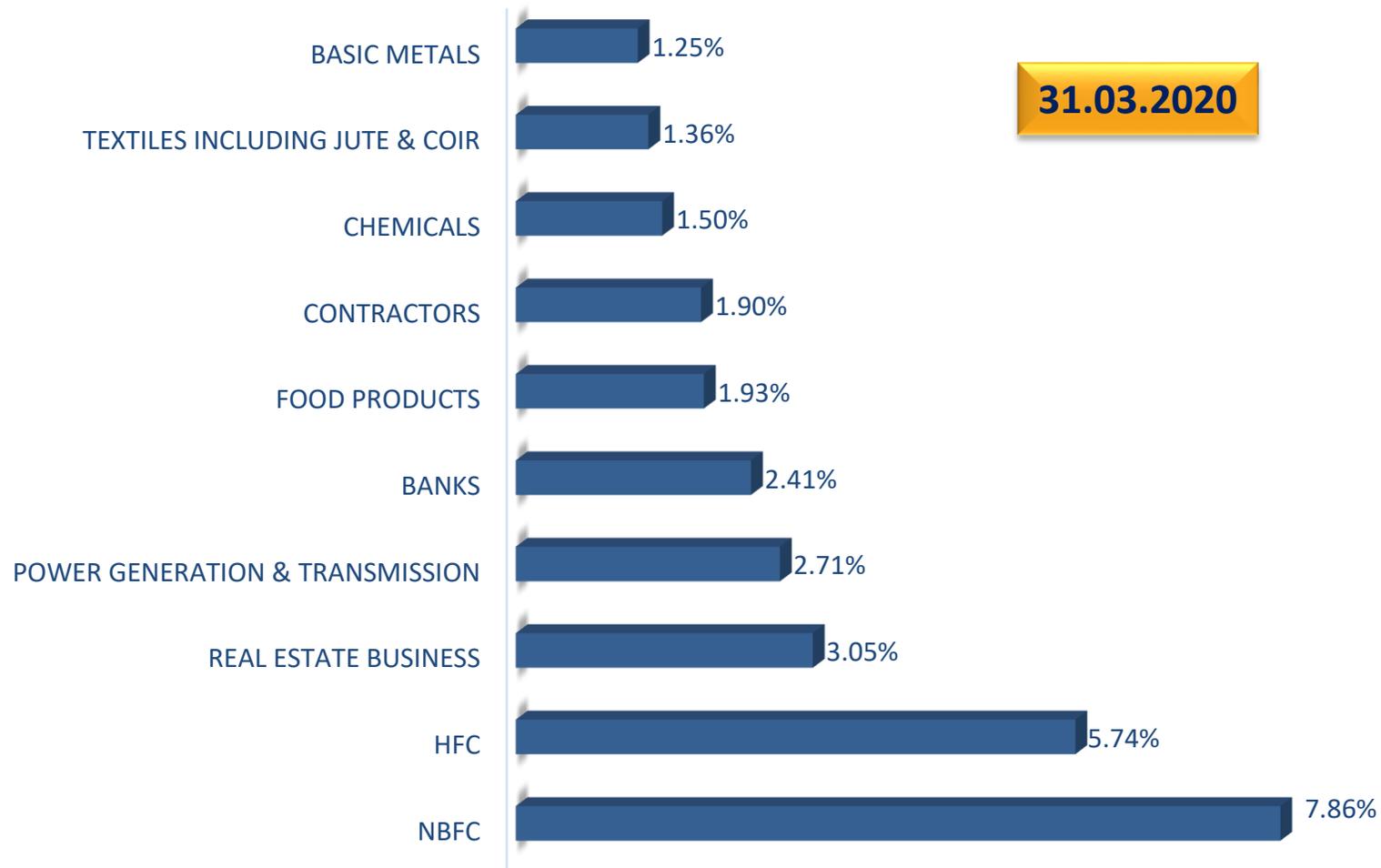
Consolidated Balance Sheet

	FY20	FY19
LIABILITIES		
Capital	399	397
Reserves & Surplus	14119	12876
Deposits	152290	134954
Borrowings	10372	7781
Other Liabilities & Provisions	3458	3331
TOTAL	180638	159340
ASSETS		
Cash & Balance with RBI	6175	6419
Balances with Banks, Money at Call	6400	3648
Investments	35893	31824
Advances	122268	110223
Fixed Assets	480	472
Other Assets	9423	6754
TOTAL	180638	159340

Consolidated P & L

	FY20	FY19
Income	15472	12971
Expenditure	12225	10153
Operating Profit	3247	2818
Consolidated Net Profit (of the group)	1580	1316
GNPA ratio (%)	2.82	2.92
NNPA ratio (%)	1.32	1.49
RoA (%)	0.92	0.88

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 3600+ 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.



- 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.

Thank You