

Secretarial Department

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

SDF-24/ /2019-20

04<sup>th</sup> May 2019

<b>Listing Department</b> The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), <u>Mumbai – 400 051.</u>	<b>Department of Corporate Services – Listing</b> BSE Limited Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, <u>MUMBAI – 400 001</u>
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Re.: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Sir,

**Sub. : Presentation to Investors/Analyst on the Financial Results for the period ended 31<sup>st</sup> March 2019**

As required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, an Investor/Analyst presentation on the Bank's Audited Financial Results for the quarter and year ended 31 March 2019 and Business Updates for the period ended 31 March 2019, Press release are attached herewith and the same has been published on the Bank's website also.

Kindly take the same on your records.

Thanking you,  
Yours faithfully,

  
Girish Kumar G  
Company Secretary



# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q4 FY 2019**

## Consistent & Stable Performance

### Strong Operating Momentum

- Highest ever Operating Profit @ 755cr, grows 28% Y-o-Y
- Highest ever Net Profit @ 382r, grows 163% Y-o-Y
- Q419 ROA exceeds 1% as guided and ROE @ 11.86%

### Stable & Diversified Credit Growth of 20%

- Core Retail grew by 33% & CIB by 21%
- Auto grew 62%, PL-143% & HL-32%
- Highest ever NII @ 1097Cr
- NIM @ 3.17%

### Granular Liability Franchise

- Total Deposits grew by 21% and CA grew 25%, Y-o-Y.
- NRE Deposit grows 18% Y-o-Y
- Retail Deposits constitutes 91% of total deposits

### Asset Quality

- Highest ever Recovery/ Upgrades of 323cr and Significant reduction in Slippages resulted in GNPA and NNPA falling to 2.92% and 1.48% respectively. Net Slippages (slippages less recovery/ upgrades) is negative for 1st time.
- Credit Cost contained at 0.51% even while increasing the PCR to 67.16%

### Consistent Gain in Market Share

- Market Share in Advances reaches 1.13% - up by 7 bps Y-o-Y
- Market Share in Deposits reaches 1.03% up by 8 bps Y-o-Y

### Income and Cost Streams

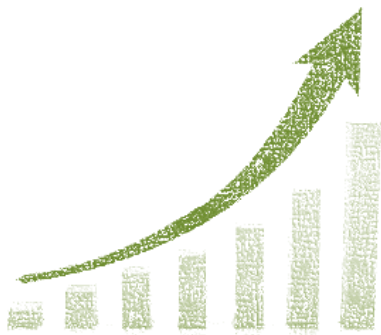
- Consistent growth in Core Fee Income and Other Income at 21% & 31% respectively, YoY.
- Cost to Income contained @ 49.96% a reduction of 286bps Y-o-Y

### Digital Update

- Entered into strategic partnership with Ripple Inc, a block chain supported global remittance company, for cross border remittances.
- On boarded more than 1 Lakh merchants to Bharat QR platform

### Balance Sheet and Capital

- Balance Sheet grows by 15% Y-o-Y (Rs1.59L Cr)
- Total business grows by 20% Y-o-Y (Rs.2.45L Cr)
- CRAR at 14.14%





# How We Fared On Our Key Deliverables

Parameters	FY16	FY17	FY18	FY19 Target	FY19 Actuals	
<b>NIM (%)</b>	3.14%	3.31%	3.21%	3.20%	3.14% (3.17% for Q419)	
<b>Fee Income (Rs Cr)</b>	571	704	807	1000	1037	
<b>Cost to Income (%)</b>	57.06%	53.44%	51.69%	50.00%	50.01%	
<b>Slippages(Rs Cr)</b>	1829	1063	1994	1550*	1620	
<b>Recoveries/ Upgrades (Rs Cr)</b>	421	461	694	800	963	
<b>Credit Cost (bps)</b>	106bps	68bps	128bps	65 – 70bps	51 bps for Q419 and 68bps for Full Year	
<b>ROA (%)</b>	0.57%	0.84%	0.75%	1% for Q419 (Exit Quarter)	1.02% for Q419 (Full year 0.88%)	

\* Original guidance was revised to 1550Cr post the impact of natural calamity in Kerala

## *Business initiatives To Sharpen high Quality Growth*

### Wholesale Banking

- FedeBiz –a DIY platform for Trade and Transaction Banking launched for Wholesale Clients – Over 1000 clients on boarded
- Disciplined and Continuous churning of portfolio to ensure Better Yield and Asset Quality Management
- Current Account Capability reinforced through packaged offering of Cash Management, Supply Chain Management services, Dealer-vendor management facilities etc and also by securing current account relationship of all credit clients. Current Account now constitutes 6.43% of Retail Deposits. The Contribution of Wholesale book to CASA has increased by 21% over previous FY. The book also contributed 241Cr to Core Fee Income.
- Continued sharper focus on Deeper Geographies; Mid Corporate Clients and Manufacturing Entities

- Reshaping of Gold Loan Business reversed growth trend of the book. This book (which consumes negligible capital and whose contribution to credit cost is insignificant) grew at 16% which is industry leading.
- Retail Sales channel covers all major centres. 40% of total Retail Loan disbursed through Retail Sales Channel.
- High Yield Personal Loans constitute 1.47% of total retail book with average yield of 14.78%
- Tight integration via APIs with partners for Credit Cards

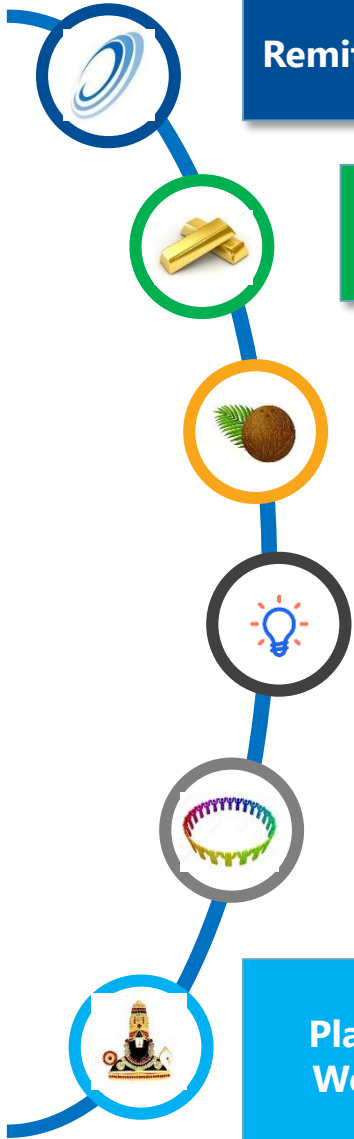
### Retail Banking

### Government Business and Treasury

- Empanelled in 15 states, catering to 210 Government entities & select PSUs in meeting their Banking needs.
- Merchant Forex Business deepened through product diversifications, launch of derivatives etc.



# New Roads



## Remittances

Tied up with Ripple for cross-border remittances. This tie up along with the existing arrangements positions Federal as the first port of call for all remittances.

## Gold Loans @ Home

Partnered with a young Fintech company to distribute Gold Loans at the customers' residences. Federal Bank with its rich experience in Gold Loan Business is one of the first Banks to bring this to home spaces.

## Agri Innovation

Allied with the Government of Kerala as its Banking partner in a Coconut collection process set up by the Government a la the Amul milk collection model.

## Digital Loans to NTB cust

Completely digital assessment and disbursal of loans done thro tieups with two fintech startups to onboard NTB borrowers, while our fully digital BYOM channel caters to existing customers (Total portfolio of 650Cr)

## Micro Finance

Deployed a novel technology for managing and distributing MFIs to SHGs and JLGs. The technology is scalable for onboarding different BCs for different geographies.

## Places of Worship

Deepened relationship with the prestigious Tirumala Tirupati Devasthanam. Model which supports payment gateway, FCRA Acct management, Acquiring Bank services, Bespoke acct offerings, Coin collection etc started with the Devasthanam. The same model can easily be ported/ replicated to any other religious organization



# Business Architecture

➤ **Retail - Personal Banking**

➤ **Business Banking**

➤ **Agri, Rural and Micro Banking**



➤ **Corporate & Institutional Banking**

➤ **Commercial Banking**

➤ Catering to Retail, Small Business, Agri, Rural and Micro Banking Clients.

➤ Leveraging Branch distribution, Relationship Managers, Digital, Fedfina, Fintechs and BCs to garner business.

➤ Historical strength of neighborhood Banking with wide product suite

➤ Branch as the 360 degree servicing point. Gramjeevan Branches functioning as a Financial Hub to rural India

➤ Micro lending through tech driven BC arrangements and tie ups.

➤ Catering to Commercial, Mid Market and Corporate Clients

➤ Leveraging Relationship Managers to garner business.

➤ Significant thrust given to leverage the relationships to improve Salary Accounts, Current Accounts and Fees

➤ Visible presence in key geographies

➤ Integrated offerings along the supply chain to create better value for SME clients



# Performance Highlights Y-o-Y

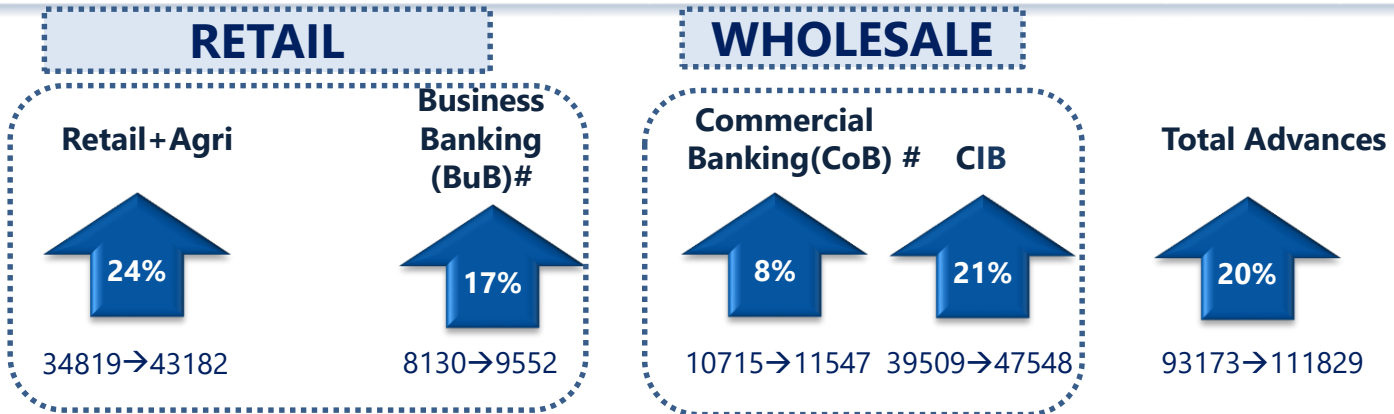
	3Months	12Months		
<b>Operating Profit</b>	28%	21%	<b>Retail (inc Agri)</b>	24%
<b>Net Profit</b>	163%	42%	<b>Agri</b>	22%
<b>RoA</b>	@ 1.02%	@ 0.88%	<b>Business banking</b>	17%
<b>RoE</b>	@ 11.86%	@ 9.81%	<b>Corporate Business</b>	21%
<b>Cost to Income Ratio</b>	@ 49.96%	@ 50.01%	<b>Total Advance</b>	20%
<b>GNPA</b>	@ 2.92%	@ 2.92%	<b>CASA</b>	16%
<b>Core Fee Income</b>	21%	29%	<b>CA</b>	25%
<b>Other Income</b>	31%	17%	<b>Total Deposit</b>	21%
<b>NII</b>	17%	17%	<b>Capital Adequacy (CRAR)</b>	14.14%
<b>NIM</b>	@ 3.17	@ 3.14		
<b>Provision Coverage Ratio</b>	67%			



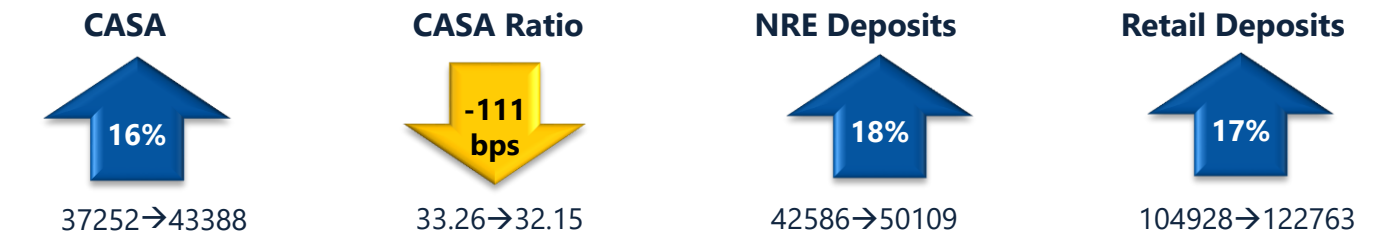


# Comparison : Y-o-Y (3 M)

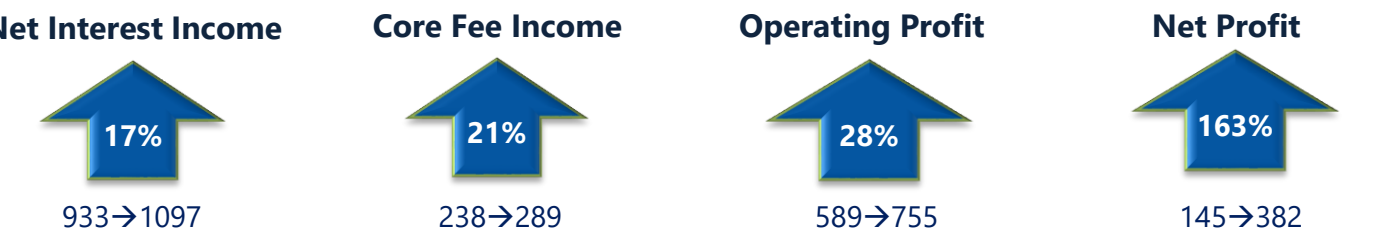
## Advances



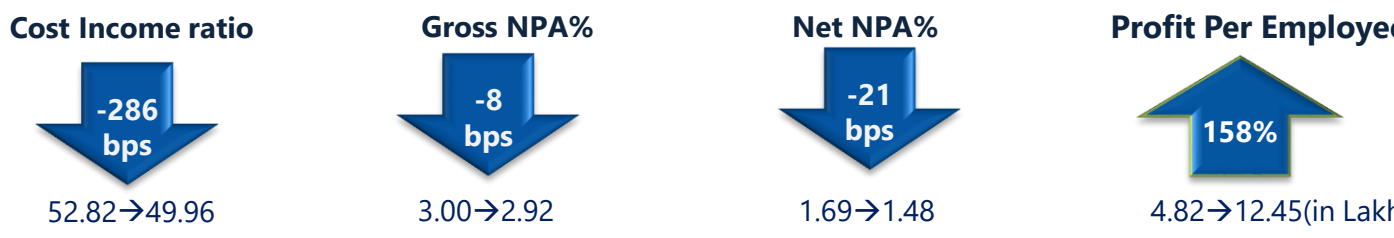
## Deposits



## Performance



## Ratios



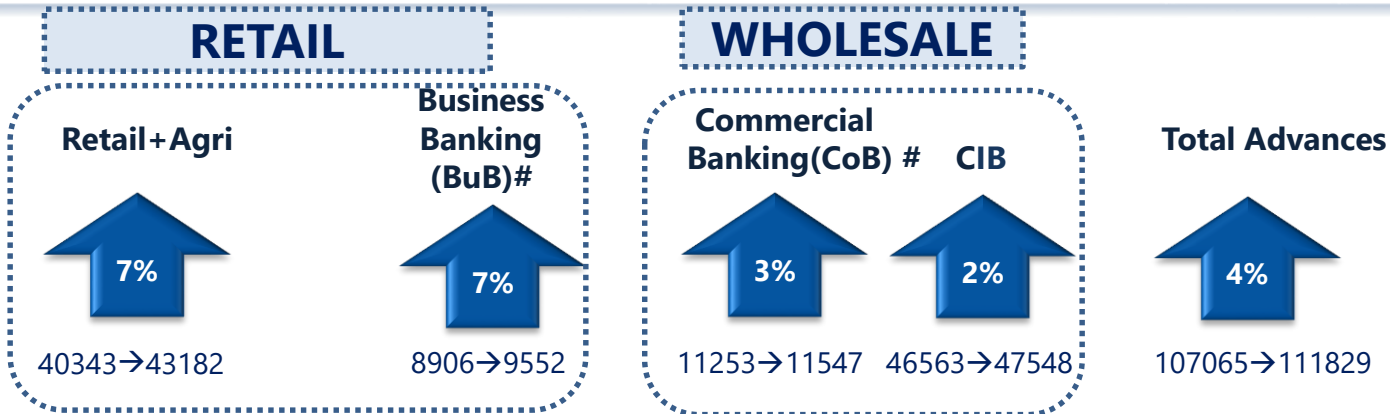
\* Credit segments are realigned at the beginning of every FY.

#SME split into BuB & CoB



# Comparison : Q-o-Q (Sequential)

## Advances



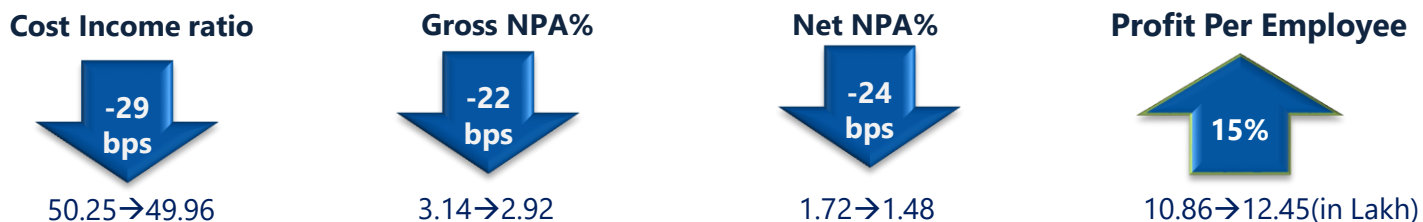
## Deposits



## Performance



## Ratios



Retail deposit : Customer deposits upto 5 Cr

#SME split into BuB & CoB

## Shareholder Value

**Book Value**  
(Per Share in ₹)

Q4 FY19

Q3 FY19

Q2 FY19

Q1 FY19

Q4 FY18

66.87

64.60

62.81

62.62

61.55

**EPS**  
(annualized)

7.68

6.68

5.33

5.32

2.98

## Granularity

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

88%

91%

92%

93%

91%

Profitability  
(Annualized)

ROA

1.02

0.91

0.76

0.79

0.46

RoRWA

1.79

1.51

1.24

1.37

0.77

ROE

11.86

10.48

8.50

8.61

4.88

## Efficiency

Cost/Income

49.96

50.25

48.15

51.80

52.82

Net NPA%

1.48

1.72

1.78

1.72

1.69



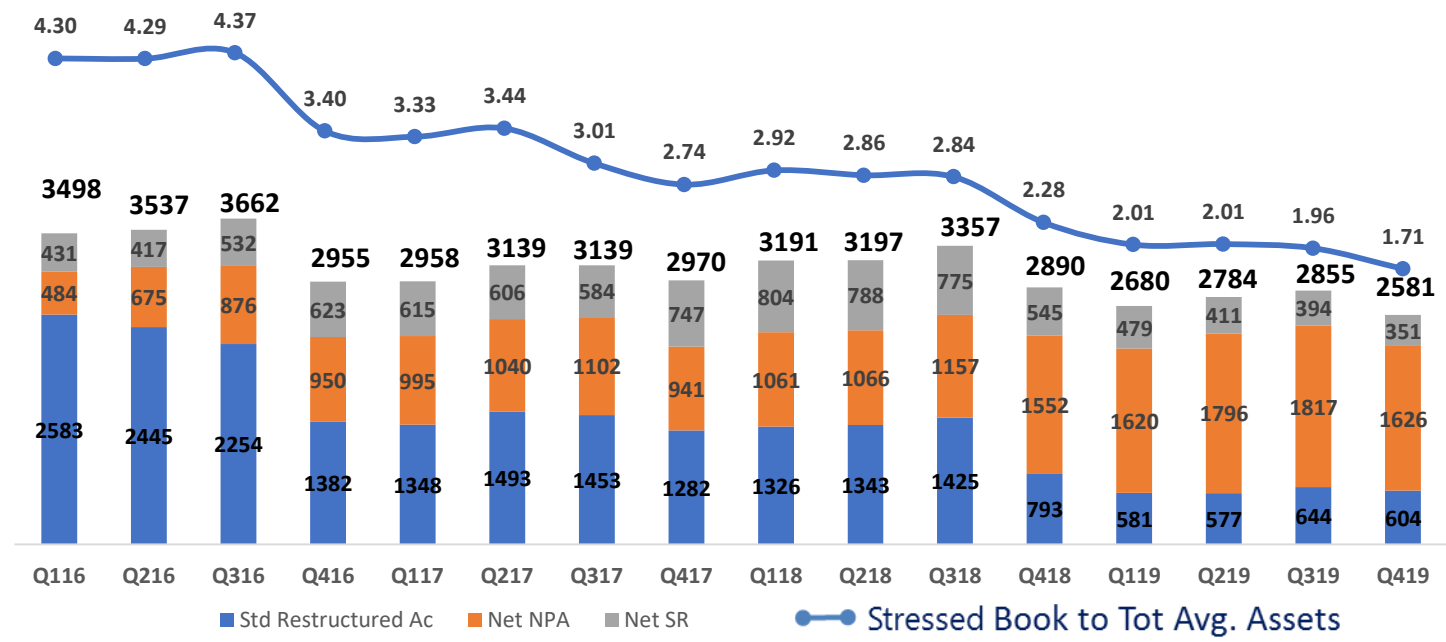
# Asset Quality Drill-Down

Considerable reduction in Total Stressed Book @ 2581Cr. 1.71% of Average Total Assets.

Net Slippages (slippages less recovery/ upgrades) is negative

Net Security Receipts portfolio down to 351Cr.

• Highest ever Recovery/ Upgrades of 323cr



## Movement of NPA

Amt in Rs.Cr.

Gross NPA as on 31.12.2018	3361
Add Fresh Slippage	256
Add Increase in Balances in Existing NPAs	13
Deduct Recoveries/ Upgrades	-323
Deduct Written Off	-46
Gross NPA as on 31.03.2019	3261



# Fresh Slippages Break up

## Fresh Slippages

	Q4 FY19	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18
<b>Retail</b>	<b>67</b>	108	120	109	70
<b>Agri</b>	<b>92</b>	71	65	54	56
<b>SME</b>	<b>97</b>	192	169	90	142
<b>BuB</b>	<b>67</b>	107	94	39	
<b>CoB</b>	<b>29</b>	85	75	51	
<b>Corporate</b>	<b>0</b>	56	123	207	604
<b>Total</b>	<b>256</b>	<b>426</b>	<b>477</b>	<b>461</b>	<b>872</b>

## Restructured

TYPE	Q4 FY19		Q3 FY19	
	Balance	Of which Bonds	Balance	Of which Bonds
<b>STANDARD</b>	604	66	644	80
<b>Gross NPA</b>	626	58	630	73
<b>Net NPA</b>	486	58	506	73
<b>TOTAL</b>	<b>1090</b>	<b>124</b>	<b>1150</b>	<b>153</b>

## NPA Composition

Business	Q4 FY19 NPA	Q3 FY19 NPA
<b>Retail</b>	<b>615</b>	<b>658</b>
<b>Agri</b>	<b>470</b>	<b>414</b>
<b>SME</b>	<b>1320</b>	<b>1340</b>
<b>BuB</b>	<b>595</b>	<b>601</b>
<b>CoB</b>	<b>725</b>	<b>740</b>
<b>Corporate</b>	<b>856</b>	<b>949</b>
<b>Total</b>	<b>3261</b>	<b>3361</b>
<b>Net NPA</b>	<b>1626</b>	<b>1817</b>

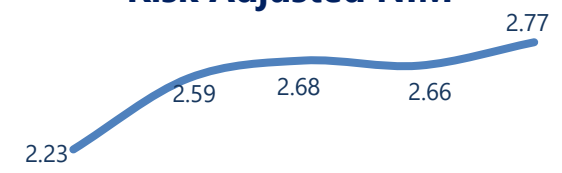
## Security Receipts

	Q4 FY19	Q3 FY19
Face Value	704	710
Book Value	617	619

## Credit Cost



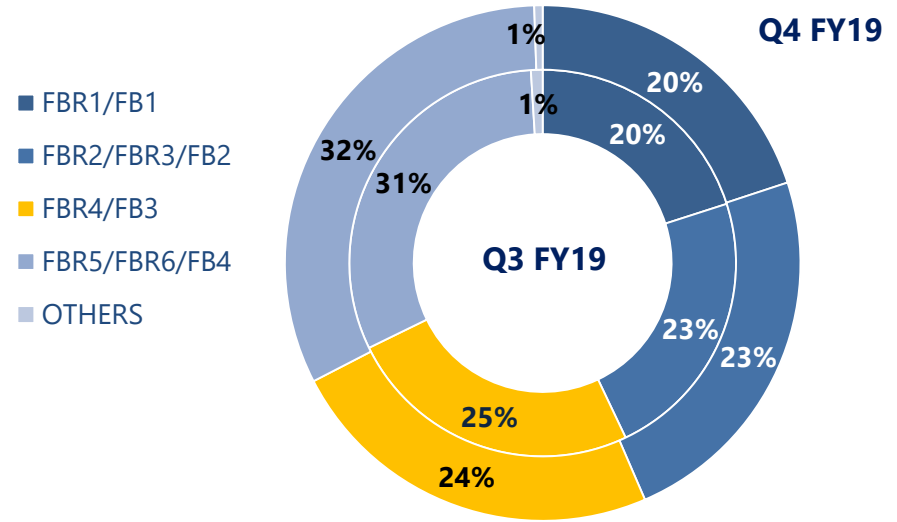
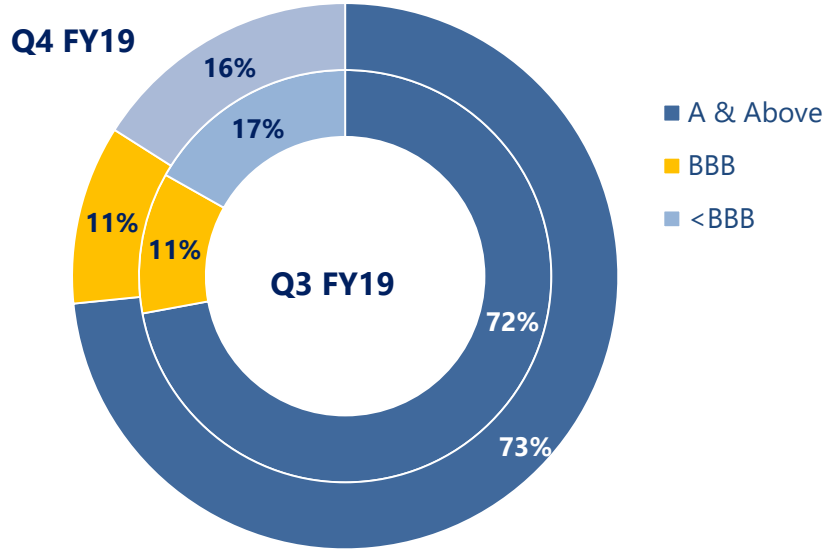
## Risk Adjusted NIM



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



## Risk Rating



### Wholesale Assets

Rating	Q4 FY-19	Q3 FY-19
A & above	73%	72%
BBB	11%	11%
< BBB	16%	17%

### Other Assets

Rating	Q4 FY-19	Q3 FY-19
FBR1 FB1	20%	20%
FBR2/FBR3 FB2	23%	23%
FBR4 FB3	24%	25%
FBR5/FBR6 FB4	32%	31%
Others	1%	1%

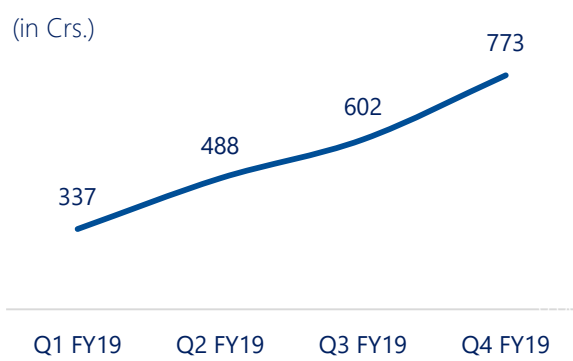


# Analytics Journey

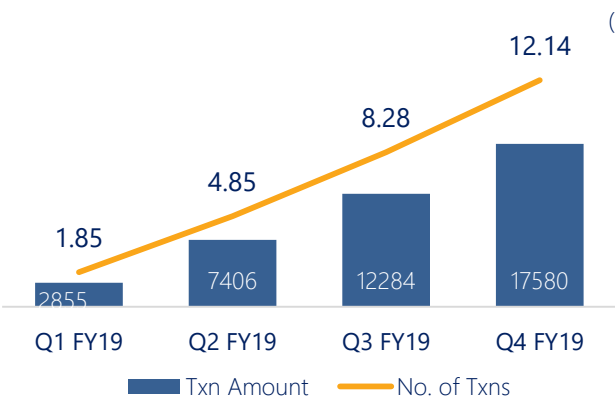
- Behavior Profiling
- Data Enrichment
- Targeted Campaigns
- Segmentation
- Portfolio Assessment
- Cross Sell / Up sell

Unsecured Advances	Portfolio growth of more than 100% with higher activation rates
Usage Improvement on Cards	More than 35% growth on POS/Ecom Debit Card Usage
Digital Usage Improvement	58% improvement in usage of FedMobile; 25% improvement in Digital Banking
Targeted Campaigns	More than 10%(avg.) on conversions for Retail Campaigns
Lead Optimization	10% conversion on the NTB leads
HNI Clientele	Focused programs on balance improvement resulted in growth of 21% in HNI Client Base

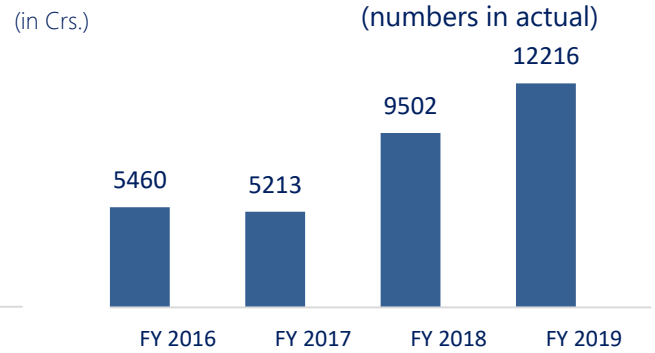
## Personal Loan



## POS/Ecom Usage

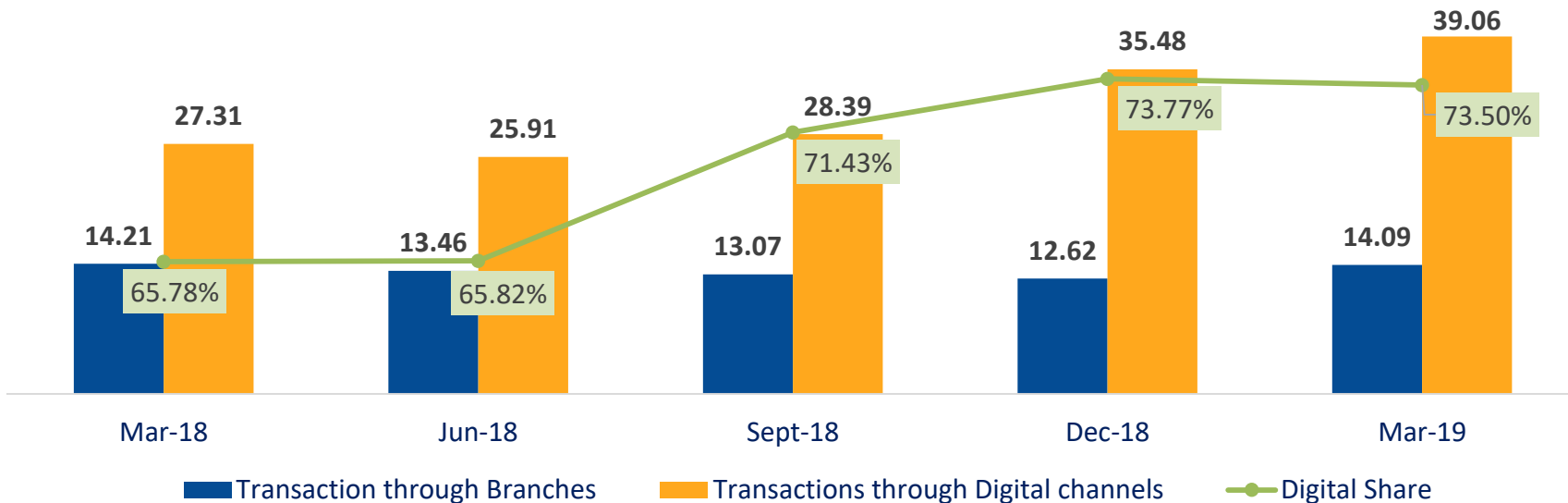


## Credit Card Issued

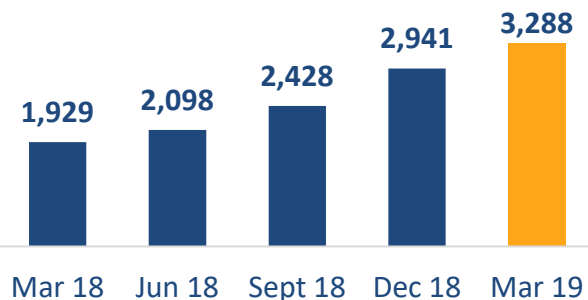


**Digital vs Branch : Transaction count with bifurcation on various Digital channels(In lakhs)**

**43% increase in share of Digital Transaction Y-o-Y**

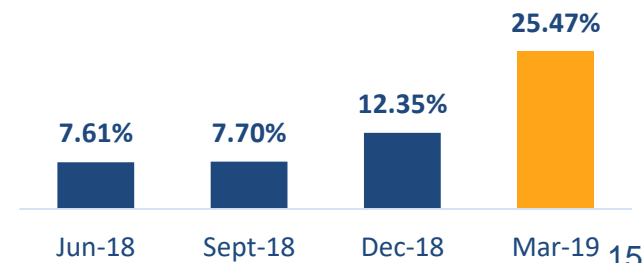


**FedMobile Volume in crores**



- FedMobile monthly volume crossed 3288 crores (70% growth from base)
- Digital share reached 73.50 %
- There is a growth of 25.47 % on digital users

**Digital users Growth from base**







- BYOM enables instant online loan pre approved loan disbursal
- Process upgrade on BYOM - Flexi EMI scheme enables customers to convert their debit card purchases to Flexible EMIs .

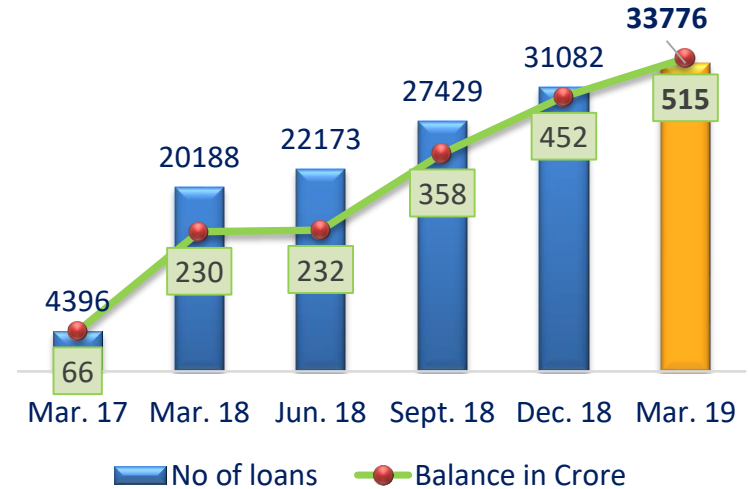


- 1000 plus customers joined the new platform for transaction banking and made transactions of 1400 crores during the month of Mar 2019

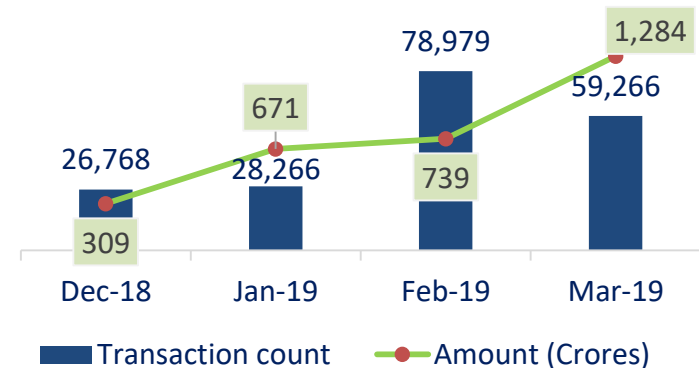


- Onboarded more than 1 Lakh merchants to Bharat QR platform.

## BYOM Personal Loans : Loan book progress



## Fed E Biz





## FedAlert Mobile App

- Instant alerts via push notification
- Secured, reliable and assured on delivery of alerts

## API- Open Banking Platform

- Open Banking platform enables start-ups and fintech companies to consume the Bank's APIs
- Latest addition : Integration with India lends

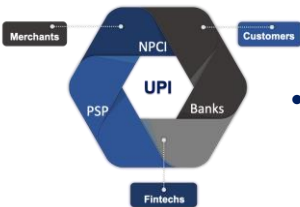


## Partnership with Ripple Inc

- New partnership with Ripple Inc, a blockchain supported global remittance company, for cross border remittance through its network.
- Powered by blockchain-enabled solution, the Ripple platform ensures safe and secure cross-border transactions.

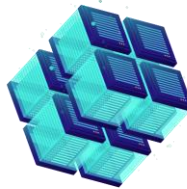
## REMITTANCE USING UPI 2.0

- UPI 2.0 - Making outward remittances simple and hassle-free.
- Non Resident Indians can send money through Exchange houses and Banks using an easy to remember Virtual Payment Address (VPA) of the beneficiary



## Block chain remittance SOLUTION

- Upgraded the blockchain platform for remittances with a sophisticated technology that uses the R3 Cords blockchain platform.
- The new platform will enable exchange houses and banks to connect their existing solutions to make seamless, real-time transactions.





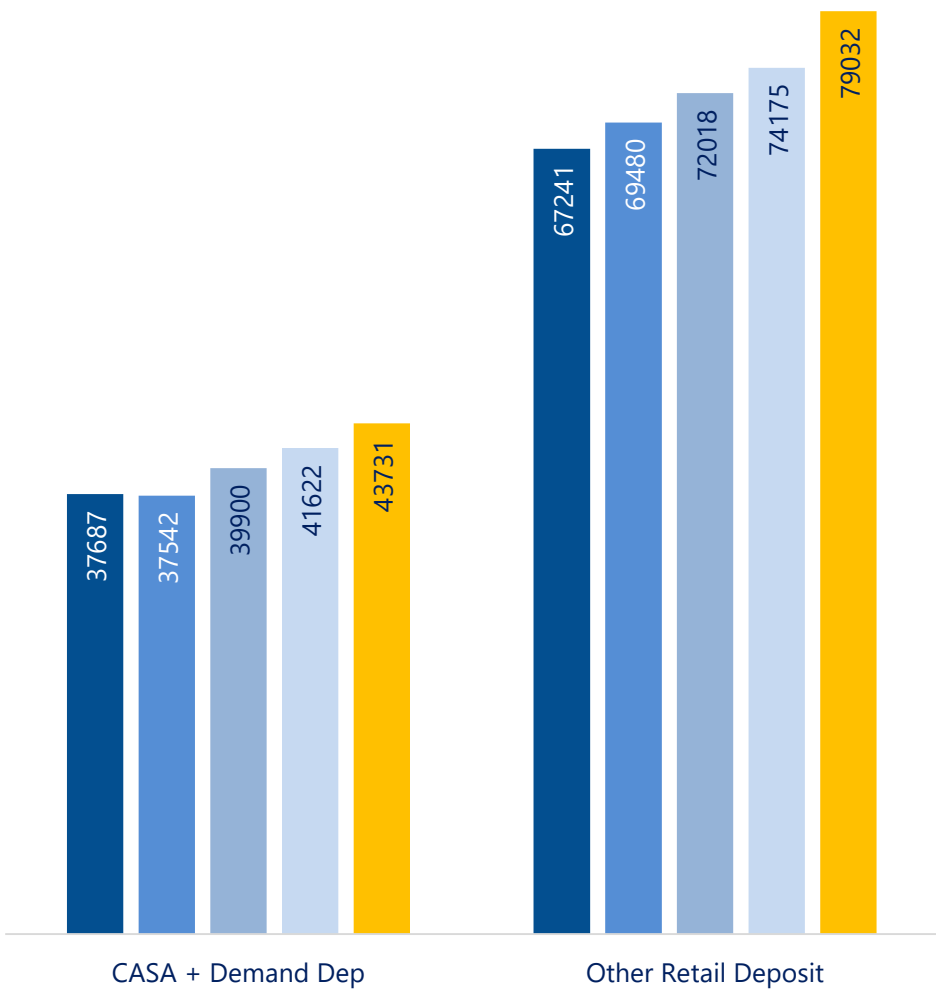
# Business Parameters



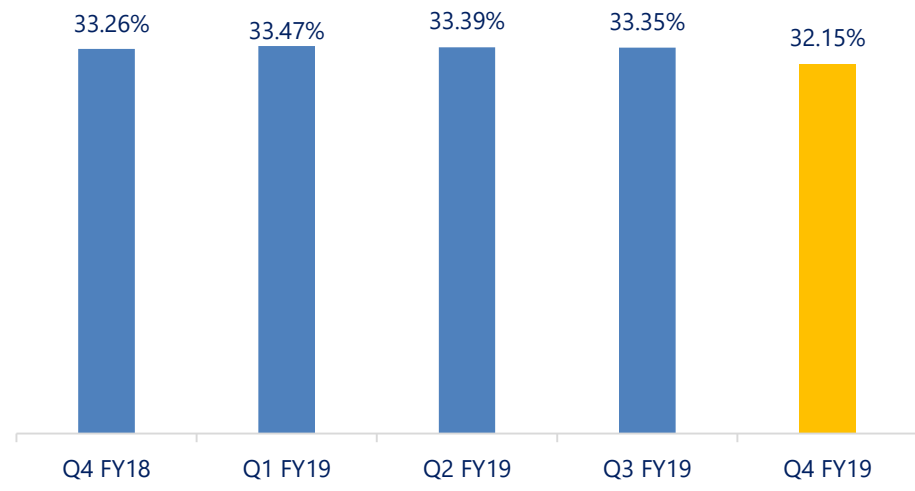
# Liability : Trends

₹ in Cr

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



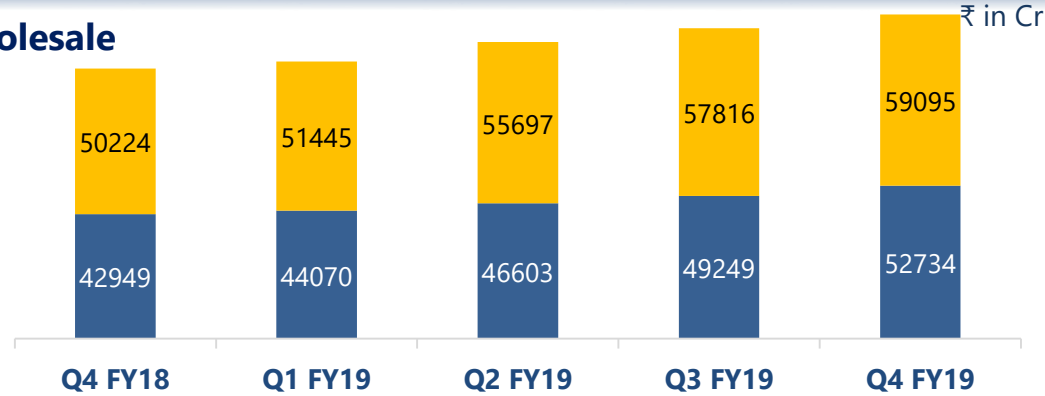
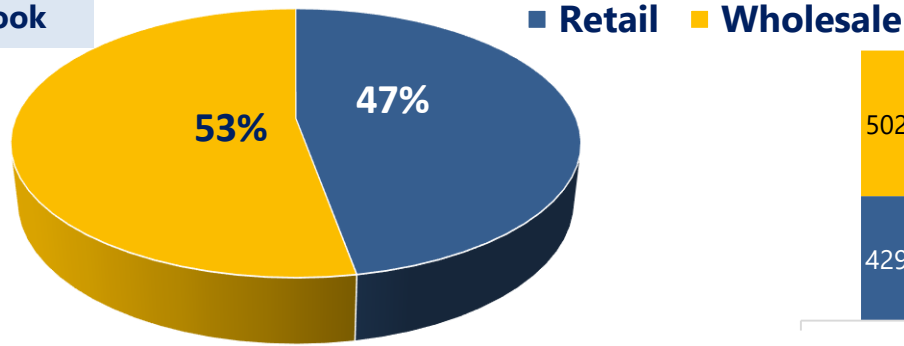
## CASA Ratio



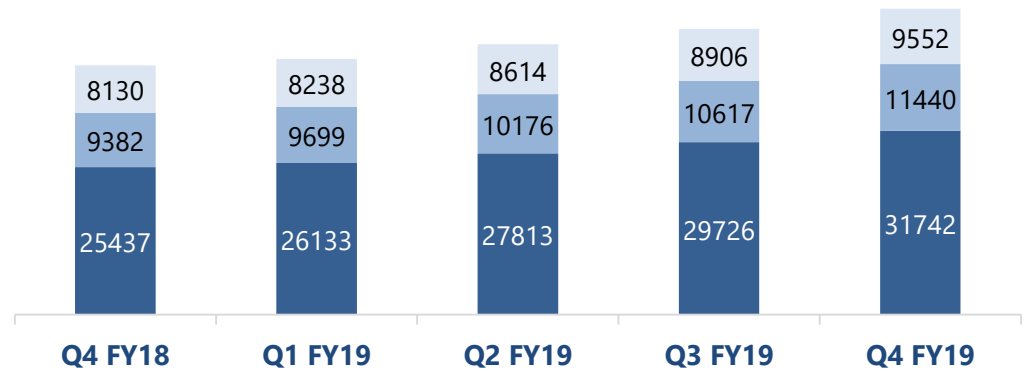
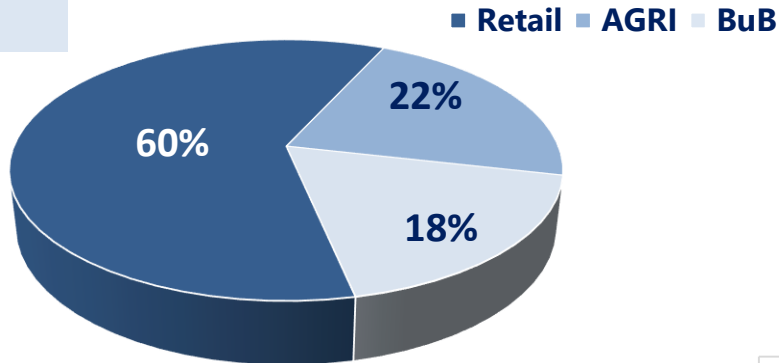


# Credit portfolio distribution

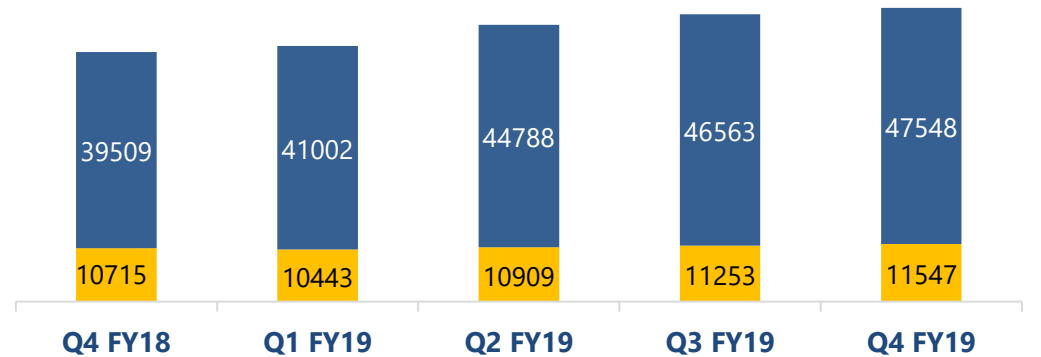
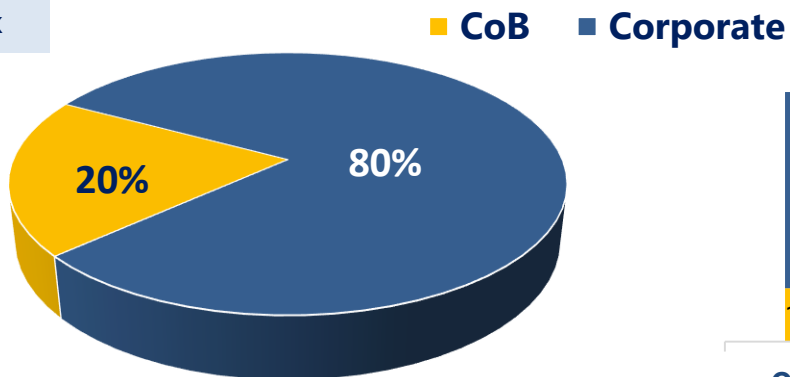
**Total Loan Book**



**Retail Book**



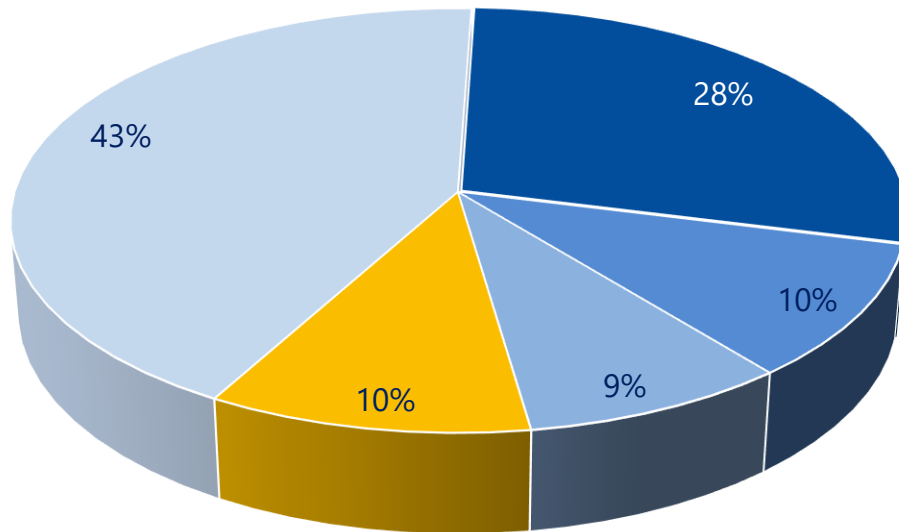
**Wholesale Book**





₹ in Cr

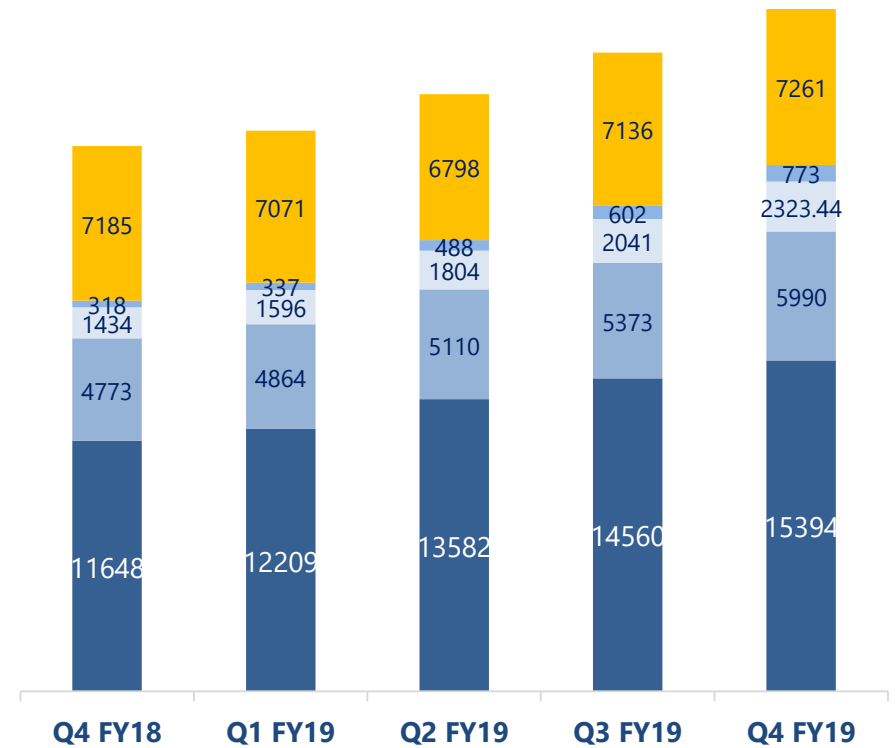
## Total Loan Book



■ Retail ■ Agri ■ BuB ■ CB ■ CIB

## Retail Loan Book (Excl Agri & BuB)

■ Housing ■ Mortgage ■ Auto ■ Personal ■ Others



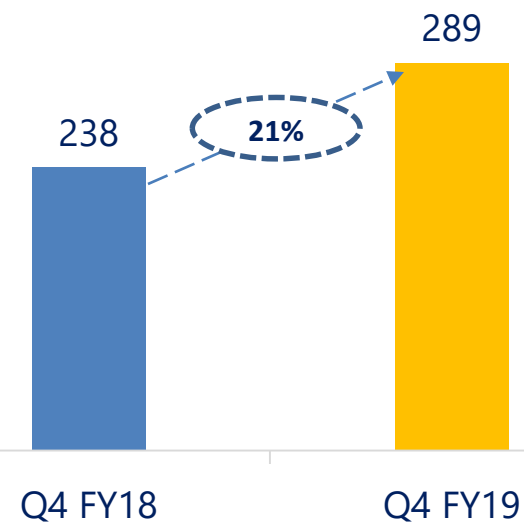


# Fee Income/Other income

₹ in Cr

	Q4 FY19	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Y-o-Y %
Loan Processing Fee	50	50	53	31	46	9%
Exchange, Commission, Brokerage & Other Fee Income	185	156	147	129	136	36%
Net Profit on Forex Transactions	54	74	61	47	56	-4%
<b>Fee Income</b>	<b>289</b>	<b>279</b>	<b>261</b>	<b>208</b>	<b>238</b>	<b>21%</b>
Profit on sale of securities	74	55	51	49	22	231%
Recovery from assets written off & Other Receipts	49	11	11	14	54	-9%
<b>Total Other income</b>	<b>412</b>	<b>346</b>	<b>323</b>	<b>271</b>	<b>314</b>	<b>31%</b>

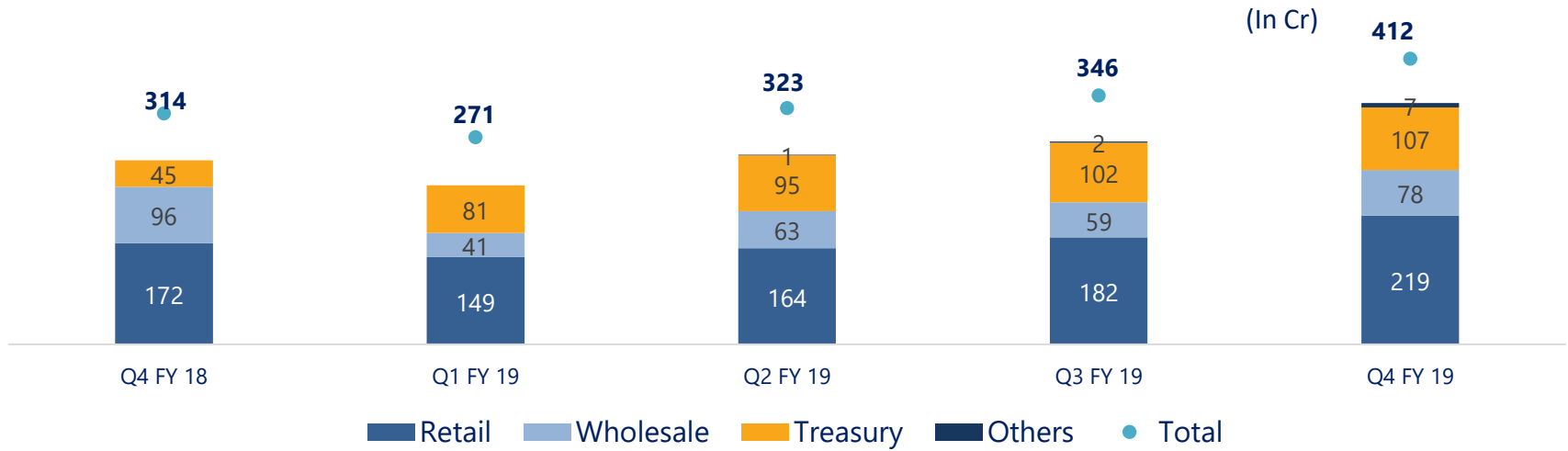
## Fee Income (Y-o-Y)



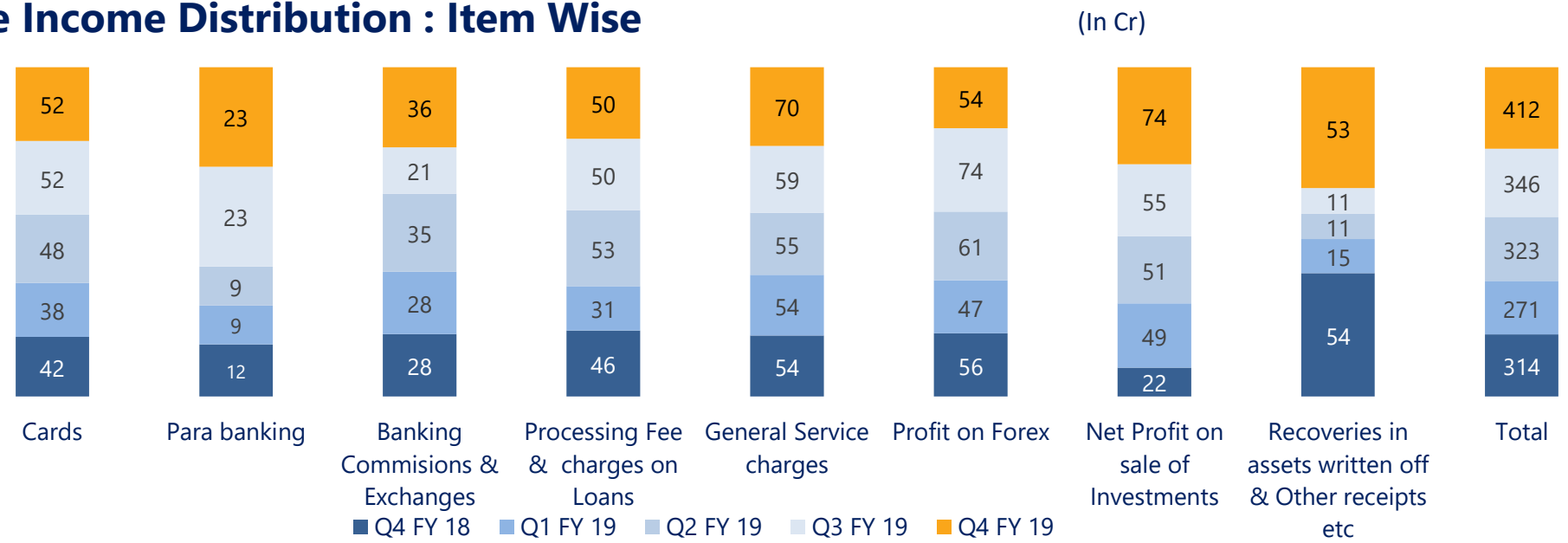


# Fee Income : Distribution

## Fee Income Distribution : Vertical Wise



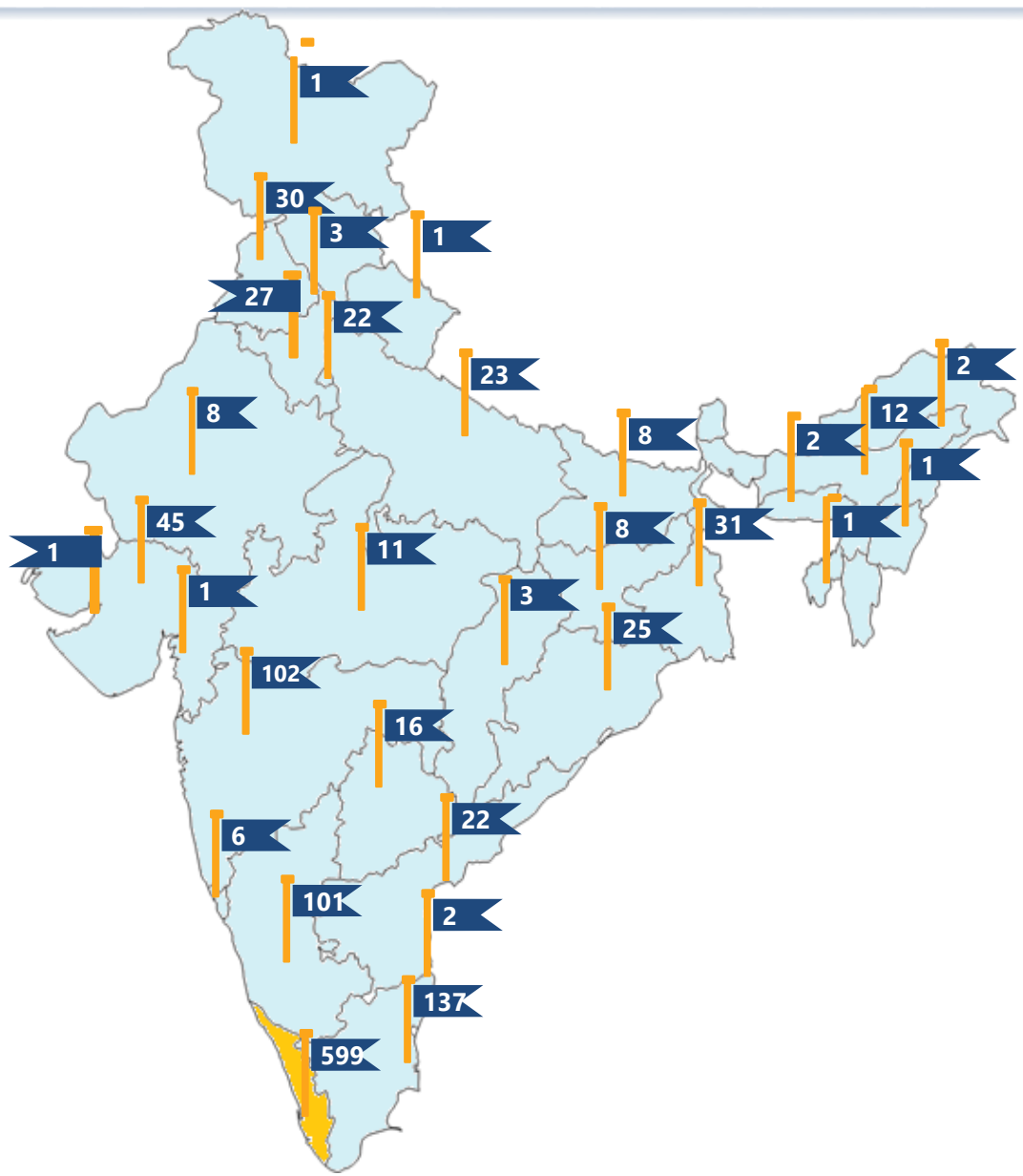
## Fee Income Distribution : Item Wise



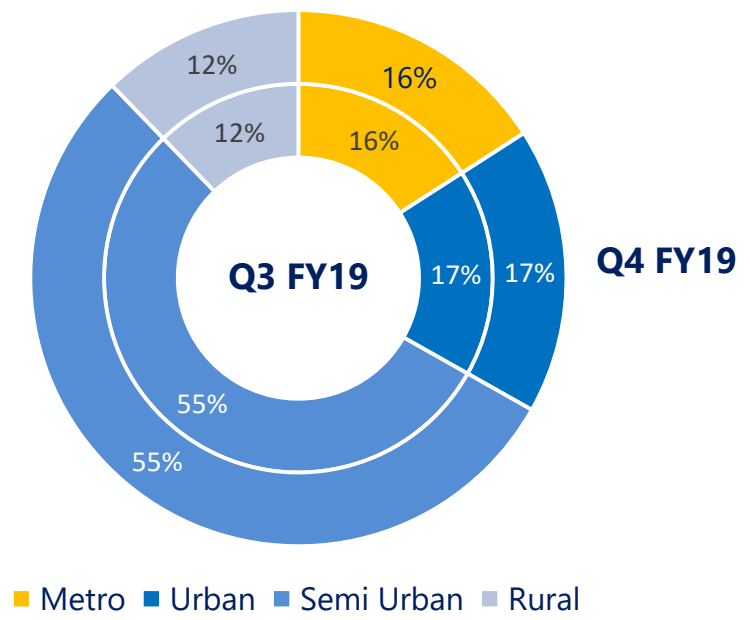


**WHY SETTLE FOR LESS?**

# Distribution : Deriving Efficiency from Foot Print



	Q4 FY19	Q3 FY19	Q2 FY19
Branches	1251	1251	1252
ATMs	1669	1669	1683



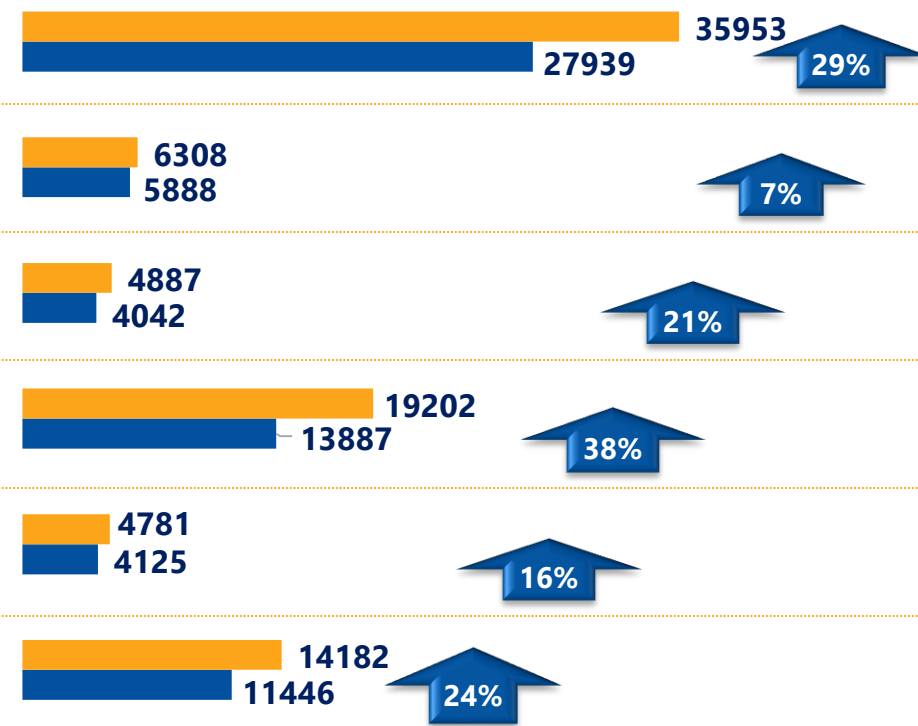
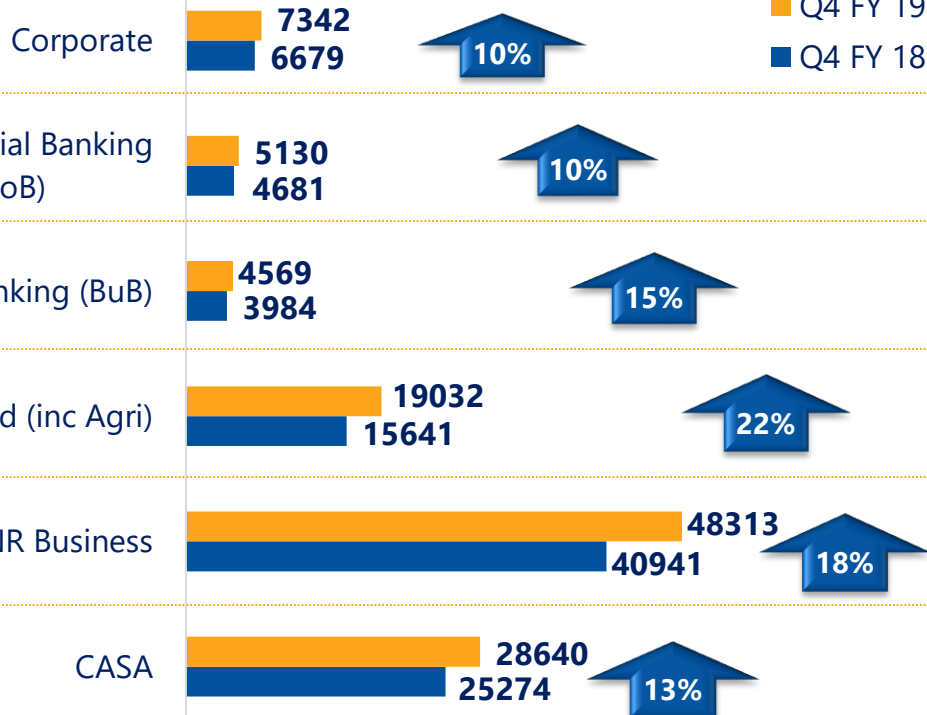


## Kerala : Prominence to Dominance

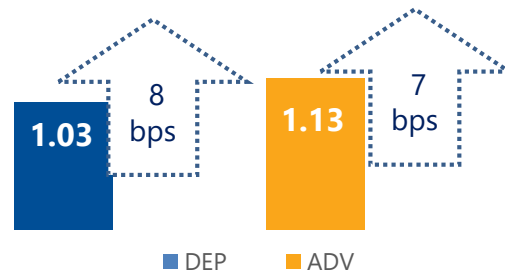
## Outside Kerala: Presence to Prominence

₹ in Cr

■ Q4 FY 19  
■ Q4 FY 18



## Bank's Market Share



## Gain in Market Share(Y-o-Y)

Advance: Market Share improved by 7 bps  
Deposit : Market Share improved by 8 bps



# CRAR – How strong is your Bank?

₹ in Cr

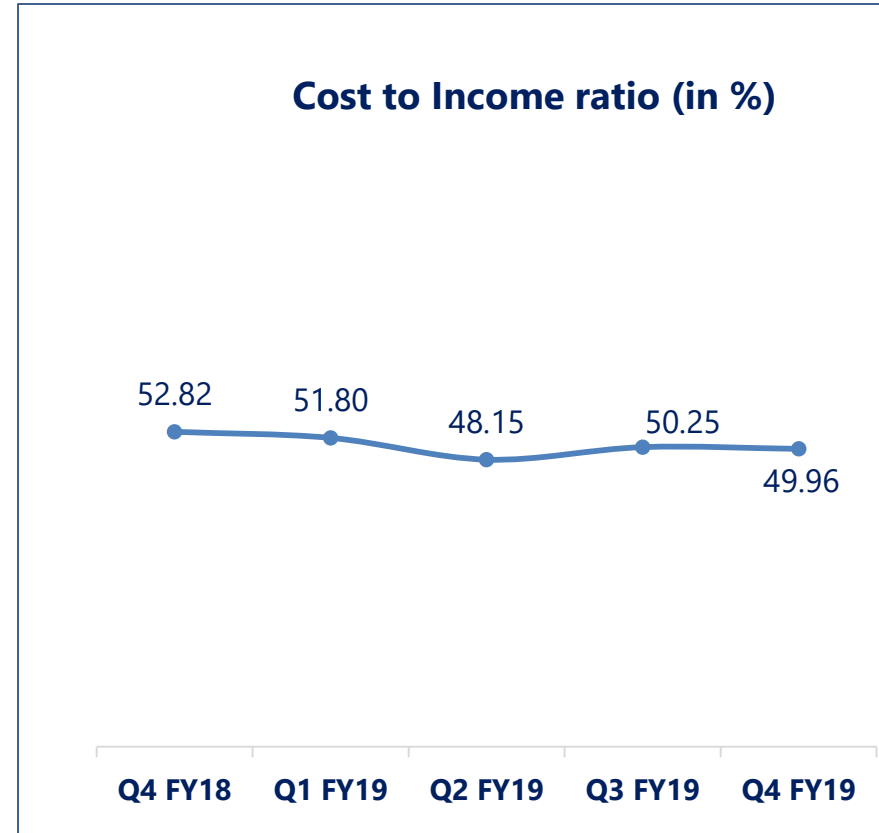
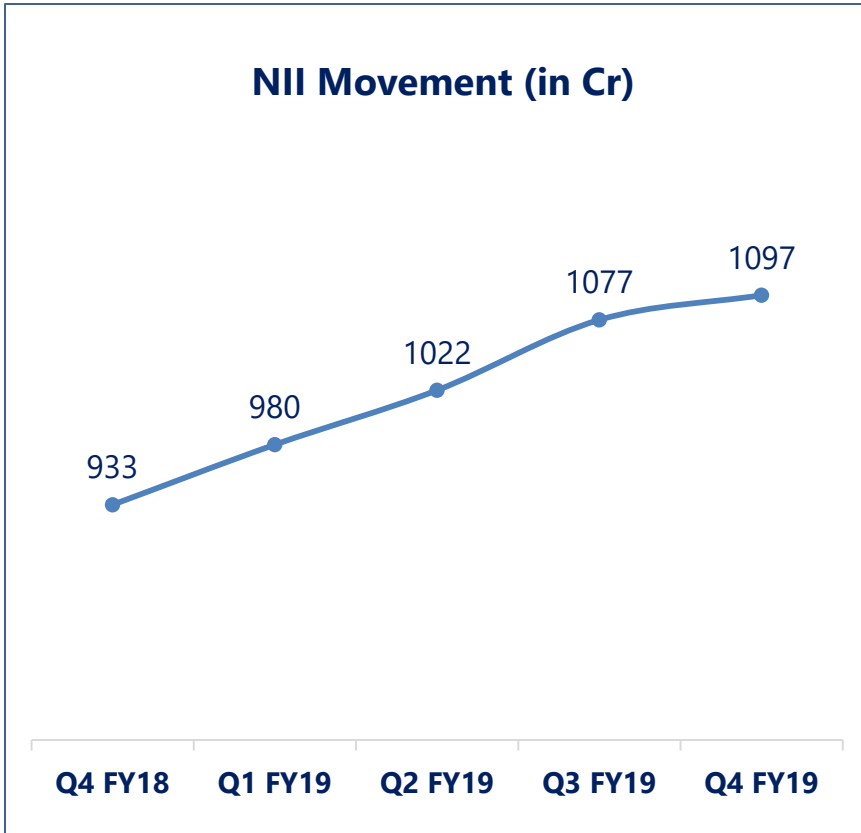
	Mar-19	Dec-18
<b>Risk Weighted Assets</b>		
Credit Risk	83118	84747
Market Risk	3326	2977
Operational Risk	7326	7326
<b>Total RWA</b>	<b>93770</b>	<b>95049</b>
Tier-1 Capital Funds	12546	11822
Tier-II Capital Funds	714	509
<b>Total Capital Funds</b>	<b>13260</b>	<b>12332</b>
<b>CRAR</b>	<b>14.14%</b>	<b>12.97%</b>
Tier-I	13.38%	12.44%
Tier-II	0.76%	0.53%



# Annexures



# Core Performance Indicators

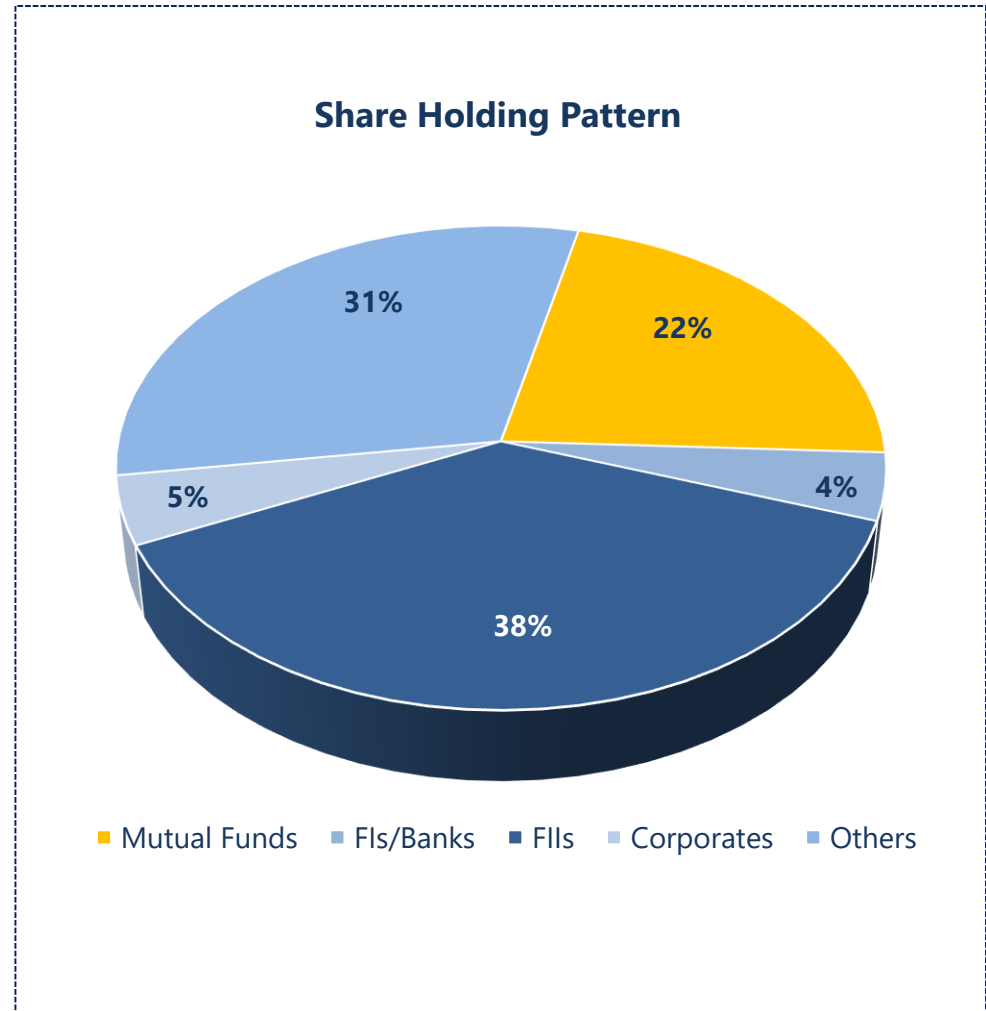




# Balance Sheet & Shareholding Pattern

₹ in Cr

	Q4 FY19	Q4 FY18
<b>LIABILITIES</b>		
Capital	397	394
Reserves & Surplus	12876	11816
Deposits	134954	111992
Borrowings	7781	11534
Other Liabilities & Provisions	3331	2578
<b>TOTAL</b>	<b>159340</b>	<b>138314</b>
<b>ASSETS</b>		
Cash & Balance with RBI	6419	5133
Balances with Banks, Money at Call	3648	4071
Investments	31824	30781
Advances	110223	91957
Fixed Assets	472	457
Other Assets	6754	5915
<b>TOTAL</b>	<b>159340</b>	<b>138314</b>



WHY  
SETTLE  
FOR  
LESS?

# Financials

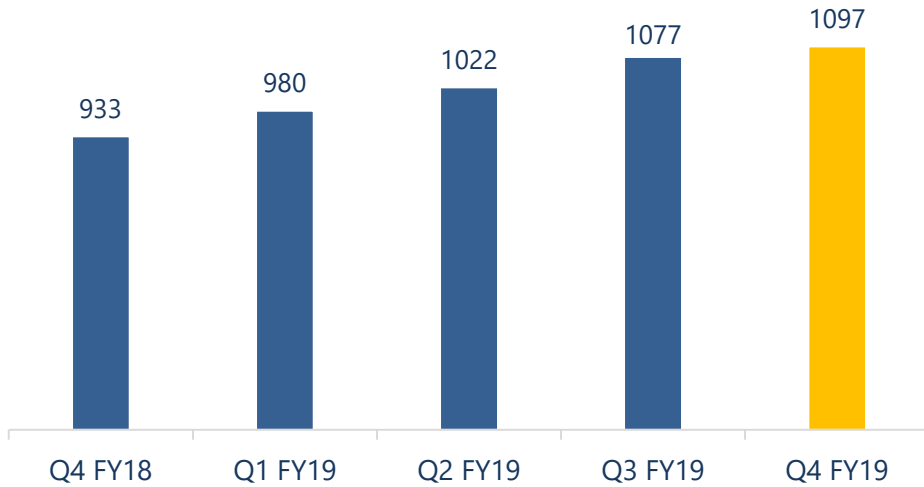
**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

₹ in Cr

	Q4 FY19	Q3 FY19	Q-o-Q	Q4 FY18	Y-o-Y
<b>Interest Income</b>	3032	2954	3%	2548	19%
<b>Interest Expenses</b>	1936	1877	3%	1615	20%
<b>Net Interest Income</b>	<b>1097</b>	<b>1077</b>	<b>2%</b>	<b>933</b>	<b>17%</b>
<b>Other Income</b>	412	346	19%	314	31%
<b>Total Income</b>	3444	3300	4%	2862	20%
<b>Total Expenditure</b>	754	715	5%	659	14%
<b>Operating Profit</b>	<b>755</b>	<b>708</b>	<b>7%</b>	<b>589</b>	<b>28%</b>
<b>Total Provisions</b>	373	374	0%	444	-16%
<b>Net Profit</b>	<b>382</b>	<b>334</b>	<b>14%</b>	<b>145</b>	<b>163%</b>
<b>Net Interest Margin (%)</b>	<b>3.17</b>	<b>3.17</b>	<b>0bps</b>	<b>3.11</b>	<b>6 bps</b>
<b>Cost to Income Ratio (%)</b>	<b>49.96</b>	<b>50.25</b>	<b>-29 bps</b>	<b>52.82</b>	<b>-286 bps</b>

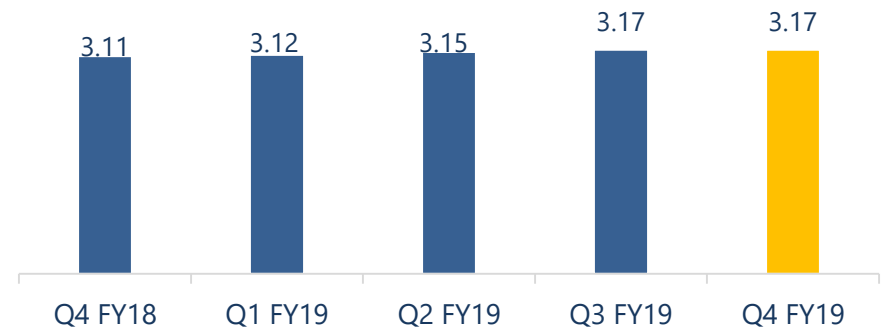


## Net Interest Income

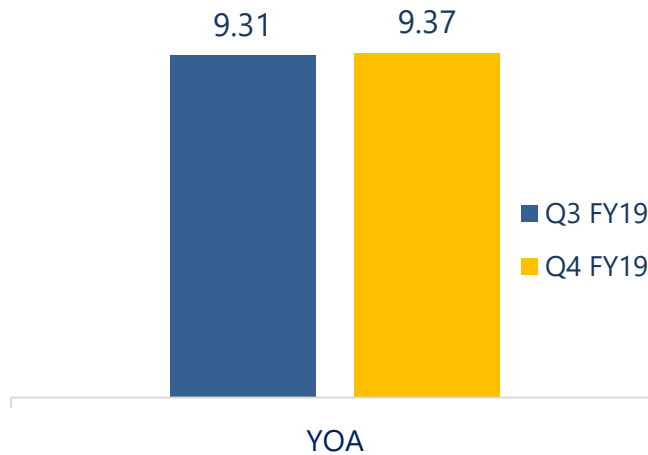


## Net Interest Margin (%)

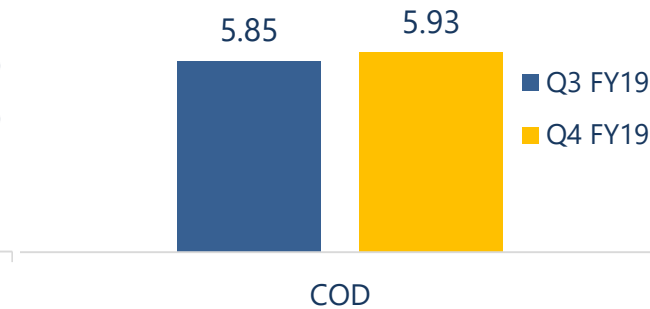
₹ in Cr



## Yield on Advances



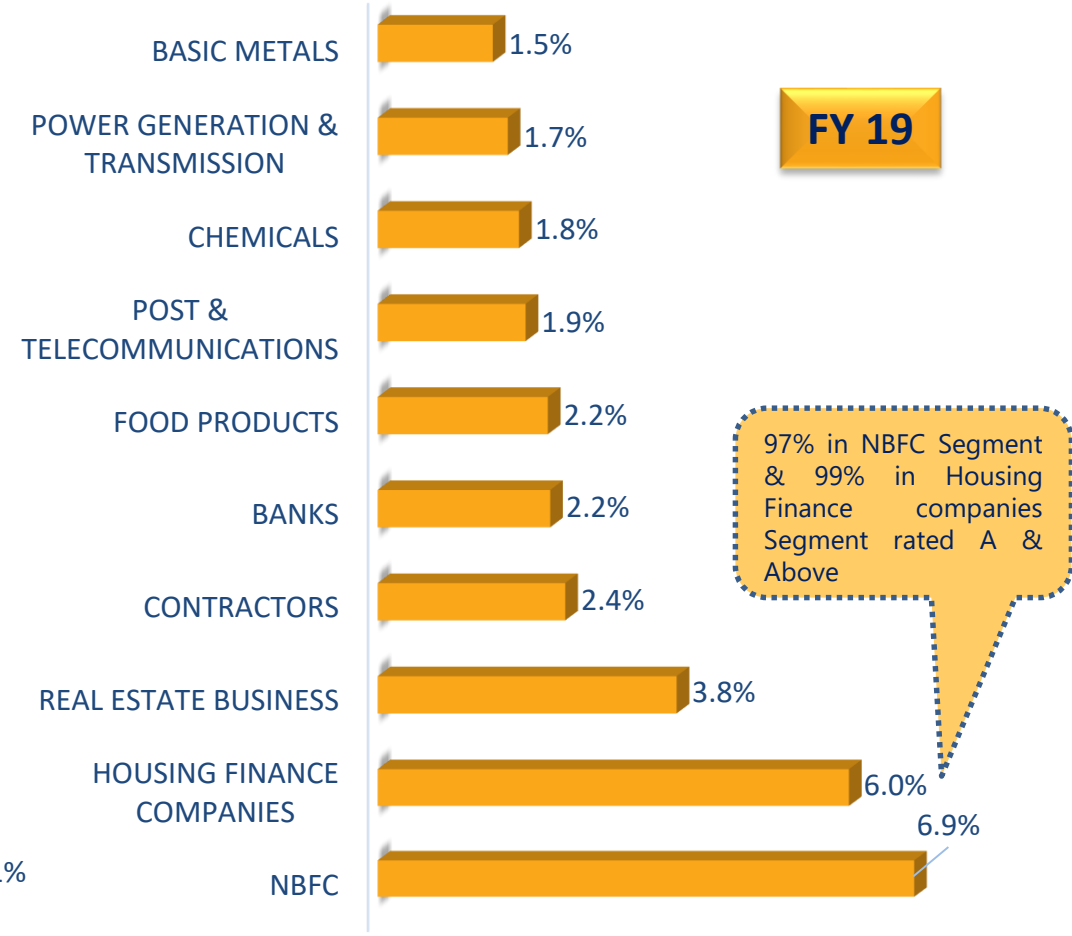
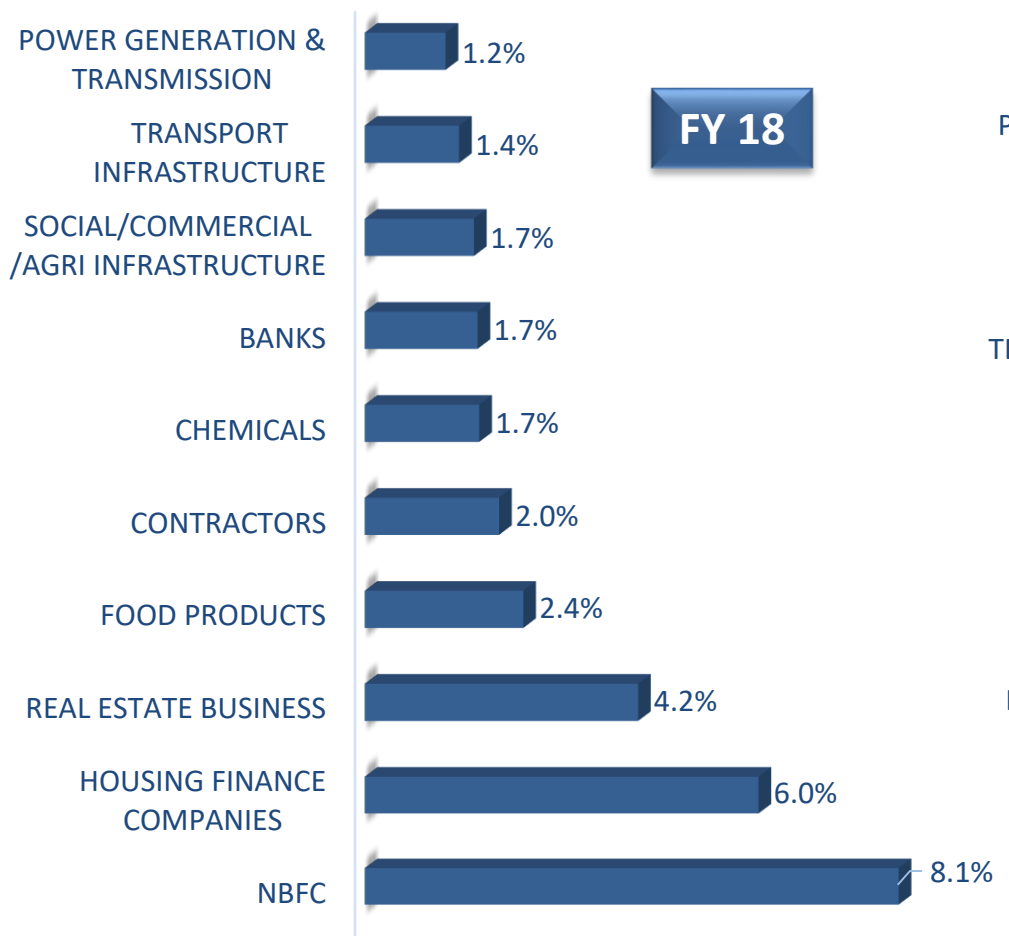
## Cost of Deposits







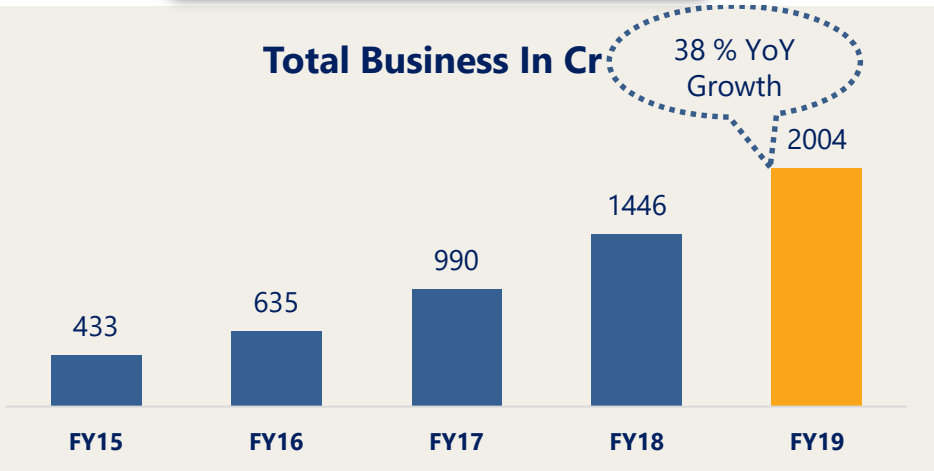
### Top 10 Sector wise exposure as a % of Total Advance



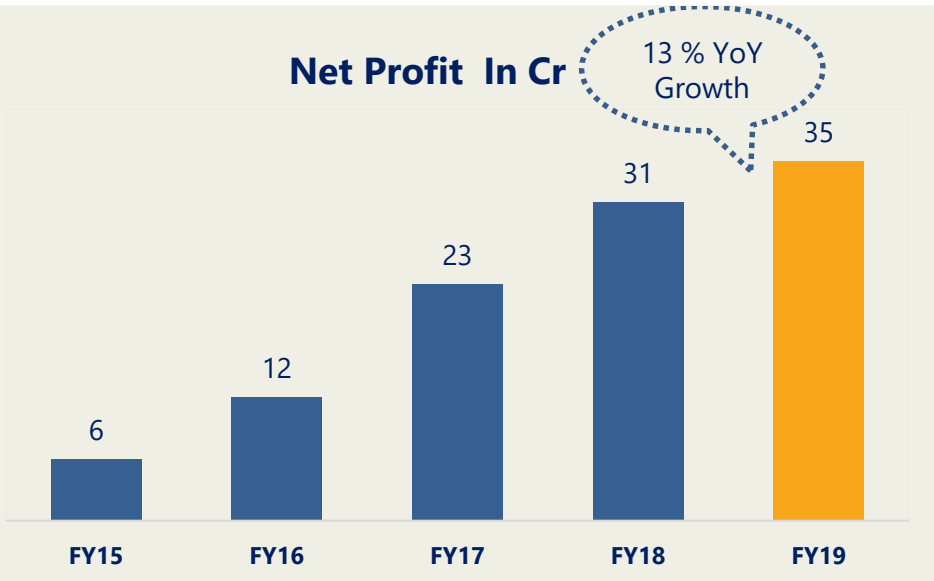


## FEDFINA

Total Business In Cr



Net Profit In Cr

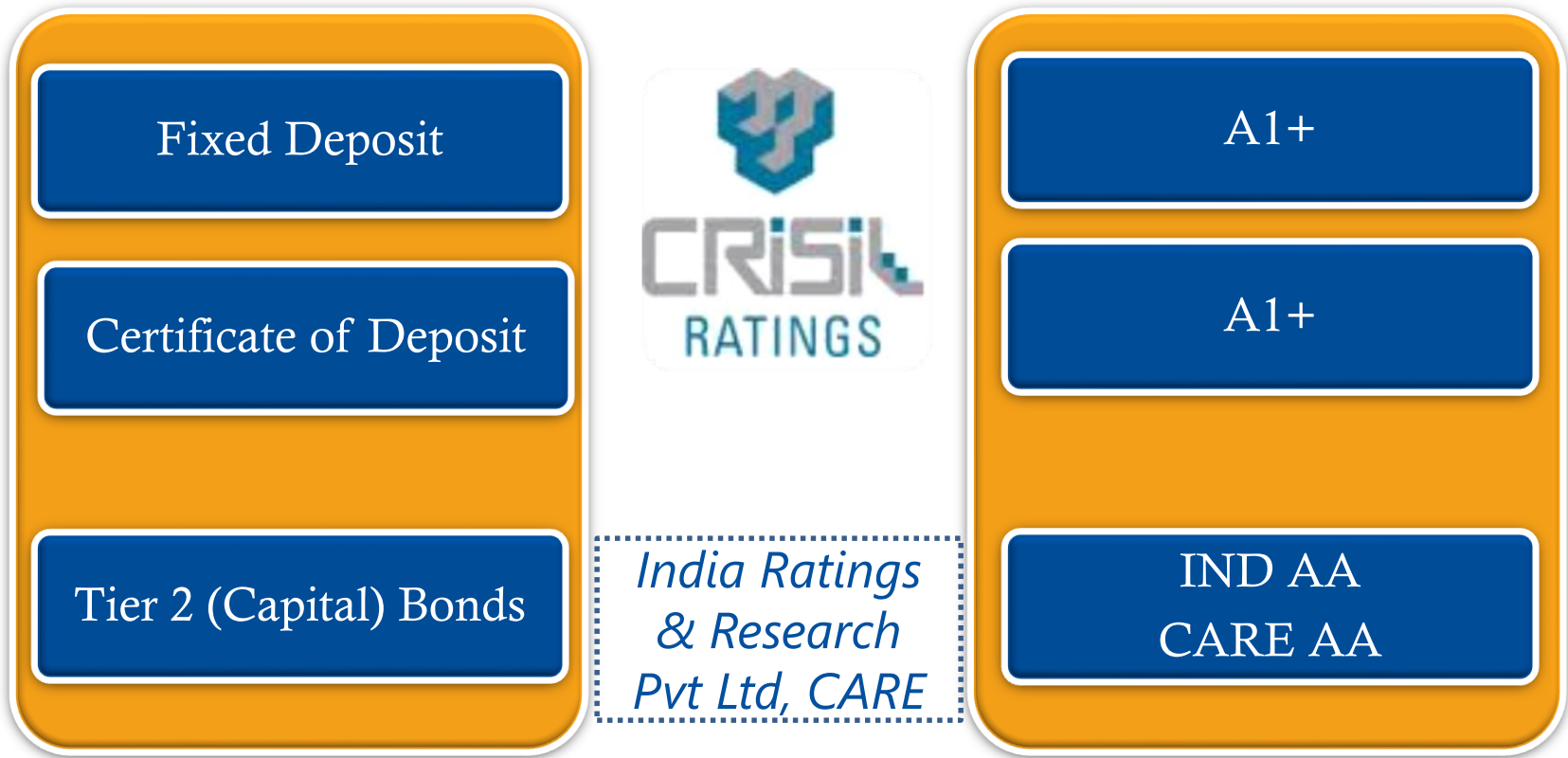


## IDBI Federal Life Insurance

- 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
- Net Profit of 133Cr for FY19 grew by 32% YoY
- Maiden Dividend Recommended

## Equirus

- Investment of 19.90% in Equirus Capital Private Ltd
- Providing Wealth Management advisory services and products for Banks HNI Segment Clients
- Net Profit of 4.10Cr for FY19.



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

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**Thank You**

**PRESS RELEASE****Federal Bank full year net profit at ₹ 1244 Cr, Grows 41.54%****Quarterly net profit at ₹ 382 Cr**

Federal Bank announced its audited financial results for the quarter and year ended 31<sup>st</sup> March 2019 today at Mumbai.

**Key Highlights**

- Highest ever annual net profit of ₹ 1,243.89 Cr (grew by 41.54%) and quarterly net profit of ₹ 381.51 Cr (grew by 163.13%)
- Annual operating profit at ₹ 2,763.10 Cr (grew by 20.61%); Quarterly operating profit at ₹ 754.75 Cr (grew by 28.23%)
- Total business of the Bank registered a growth of 20.28% to reach ₹ 2,46,783.61 Cr
- Deposits recorded a growth of 20.50% to reach ₹ 1,34,954.34 Cr
- Asset quality improved substantially with GNPA at 2.92% and NNPA at 1.48%
- Retail advances recorded a growth of 24.79%
- NRE deposits grew by 17.66 % to reach ₹ 50,109.16 Cr
- Auto loans grew by 62.04%, Personal loans grew by 143.08% and housing loans grew by 32.16%

Commenting on the results and financial performance, Mr. Shyam Srinivasan, Managing Director & CEO, Federal Bank said, the Bank has once again delivered a robust operating performance, founded firmly on the strong growth momentum in both credit and liabilities. The tight performance of the Bank on the slippage front along with disciplined recovery has contributed significantly towards meeting the objectives of the quarter. Overall, it is an encouraging set of numbers.

## Working Results at a Glance

(₹ in Crore)

Particulars	Quarter Ended On			Year Ended On		
	31-03-19	31-03-18	Growth %	31-03-19	31-03-18	Growth %
Net Profit	381.51	144.99	↑163.13%	1243.89	878.85	↑41.54%
Operating Profit	754.75	588.57	↑28.23%	2,763.10	2,291.03	↑20.61%
Total Income	3444.04	2862.14	↑20.33%	12,770.05	10,911.98	↑17.03%
Net Interest Income	1096.53	933.22	↑17.50%	4,176.35	3,582.81	↑16.57%
Other Income	411.72	314.17	↑31.05%	1,351.02	1,159.12	↑16.56%

### OPERATING REVIEW

#### **Total Business**

The total business of the Bank grew by 20.28% Y-o-Y from ₹ 2,05,165.09 Cr as on 31<sup>st</sup> March 2018 to ₹ 2,46,783.61 Cr as on 31<sup>st</sup> March 2019.

#### **Credit Growth**

Gross Advances at ₹ 1,11,829.27 Cr as on 31<sup>st</sup> March 2019 from ₹ 93,172.60 Cr as on 31<sup>st</sup> March 2018 registered a growth of 20.02%. Retail advances grew by 24.79% to reach ₹ 31,741.96 Cr as on 31<sup>st</sup> March 2019 from ₹ 25,437.00 Cr as on 31<sup>st</sup> March 2018. Agri advances registered a growth of 21.94% from ₹ 9,381.60 Cr as on 31<sup>st</sup> March 2018 to ₹ 11,440.00 Cr as on 31<sup>st</sup> March 2019. SME advances grew from ₹ 18,845.00 Cr as on 31<sup>st</sup> March 2018 to ₹ 21,099.31 Cr as on 31<sup>st</sup> March 2019 registering a growth rate of 11.96%. Corporate advances went up by 20.35% to reach ₹ 47,548.00 Cr as on 31<sup>st</sup> March 2019 from ₹ 39,509.00 Cr as on 31<sup>st</sup> March 2018.

#### **Deposit Growth**

Deposits recorded a growth of 20.50% to reach ₹ 1,34,954.34 Cr as on 31<sup>st</sup> March 2019 from ₹ 1,11,992.49 Cr as on 31<sup>st</sup> March 2018. The low cost CASA segment grew by 16.47% to reach ₹ 43,387.67 Cr as on 31<sup>st</sup> March 2019. The NRE deposits of the Bank posted a growth of 17.66% during the year to reach ₹ 50,109.16 Cr as on 31<sup>st</sup> March 2019 from ₹ 42,586.31 Cr as on 31<sup>st</sup> March 2018.

#### **Operating Profit & Net Profit**

The Bank delivered an annual operating profit of ₹ 2,763.10 Cr (grew by 20.61%) and Quarterly operating profit of ₹ 754.75 Cr (grew by 28.23%). Highest ever annual net profit of ₹ 1,243.89 Cr (grew by 41.54%) and quarterly net profit of ₹ 381.51 Cr (grew by 163.13%)

#### **Margins**

Annual Net Interest Income increased from ₹ 3,582.81 Cr to ₹ 4,176.35 Cr registering a growth of 16.57% as on 31<sup>st</sup> March 2019 while the quarterly Net Interest Income increased to ₹ 1,096.53 Cr from ₹

933.22 Cr as on 31<sup>st</sup> March 2019. Net Interest Margin stood at 3.14% for FY19 while the quarterly Net Interest Margin stood at 3.17%.

### **Asset Quality**

The Gross NPA of the Bank as on 31<sup>st</sup> March 2019 stood at ₹ 3,260.68 Cr. Gross NPA as a percentage to Gross Advances is 2.92%. The Net NPA stood at ₹ 1,626.20 Cr and this as a percentage to Net Advances is 1.48%. The Provision Coverage Ratio (including technical write-offs) stood at 67.16% as on 31<sup>st</sup> March 2019.

### **Capital Adequacy & Net worth**

The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines, stood at 14.14% as on 31<sup>st</sup> March 2019. The Net Worth of the Bank is at ₹ 13273.04 Cr as on 31<sup>st</sup> March 2019.

### **Digital Banking – Digital @ the Fore, Human @ the Core**

- New partnership with Ripple Inc, a blockchain supported global remittance company, for cross border remittance through its network. Powered by blockchain-enabled solution, the Ripple platform ensures safe and secure cross-border transactions
- FedAlert Mobile App to serve instant alerts via push notifications. It assures secured and reliable delivery of alerts. This facility will help the NR customers significantly.
- 43% increase in digital transactions and a growth of 25.47% with regard to digital users
- More than 1000 customers on-boarded to the new transaction banking platform - Fed E Biz and have transacted to the tune of ₹ 1400 Cr during the month of March 2019
- More than 1 Lakh customers on-boarded to Bharat QR platform

### **Dividend**

The Board of directors at its meeting held today has recommended a dividend of ₹ 1.40 per equity share having face value of ₹ 2 for the year ended 31<sup>st</sup> March 2019. The dividend will be paid after the approval of shareholders at the Annual General Meeting.

### **Footprint**

The Bank has 1251 branches, 1669 ATMs and 269 Cash Machines as on 31<sup>st</sup> March 2019. The Bank also has its Representative Offices at Abu Dhabi and Dubai and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT City).

### **Q4FY19 Vs Q4FY18**

- Total Deposits increased by 20.50% from ₹ 1,11,992.49 Cr to ₹ 1,34,954.34 Cr
- NRE deposits increased by 17.66 % to reach ₹ 50,109.16 Cr
- Gross Advances increased from ₹ 93,172.60 Cr to ₹ 1,11,829.27 Cr registering a growth of 20.02%



- Retail Advances grew by 24.79% to reach ₹ 31,741.96 Cr
- Agri advances grew by 21.94% to reach ₹ 11,440.00 Cr
- SME advances grew by 11.96% to reach ₹ 21,099.31 Cr
- Corporate Advances grew by 20.35% from ₹ 39,509.00 Cr to ₹ 47,548.00 Cr
- Housing loans registered a growth of 32.16% to reach ₹ 15,394.42 Cr

### Major Financial Indicators (Standalone Nos.)

(₹ in Cr)

Business Figures	Year Ended On		
	31-03-2019	31-03-2018	Growth %)
Total Deposits	1,34,954.34	1,11,992.49	↑ 20.50%
CASA	43,387.67	37,251.84	↑ 16.47%
Gross Advances	1,11,829.27	93,172.60	↑ 20.02%
Retail Advances	31,741.96	25,437.00	↑ 24.79%
Agri Advances	11,440.00	9,381.60	↑ 21.94%
SME Advances	21,099.31	18,845.00	↑ 11.96%
CIB Advances	47,548.00	39,509.00	↑ 20.35%
Gross NPA (%)	2.92	3.00	↓ 8 bps
Net NPA (%)	1.48	1.69	↓ 21 bps
<b>Capital</b>			
Equity Capital	397.01	394.43	
Net Worth	13273.04	12,084.91	↑ 9.83%
Capital Adequacy (%)	14.14		
Tier I (%)	13.38		
Tier II (%)	0.76		

### RAJANARAYANAN N

#### Vice President

Ph - 9605002412, E-mail: [rajanarayanan@federalbank.co.in](mailto:rajanarayanan@federalbank.co.in)

A presentation for investors is being placed separately on our Bank's website: [www.federalbank.co.in](http://www.federalbank.co.in)

For further information, please contact:

#### Mr. Ashutosh Khajuria, Executive Director & CFO

Tel: +91-484-2634006, e-mail: [akhajuria@federalbank.co.in](mailto:akhajuria@federalbank.co.in)