

Secretarial Department

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

SDF-24/ /2018-19

17th January 2019

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

Re.: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Sir,

Sub. : Presentation to Investors/Analyst on the Financial Results for the period ended 31st December 2018

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 Quarter III results for the period ended 31 December 2018. Press release & Business Updates 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



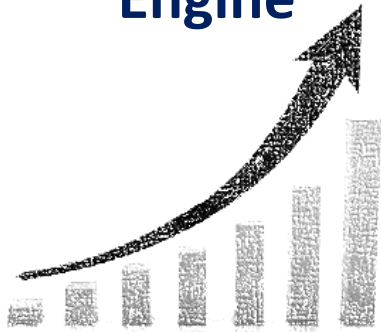
Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2019

Operating Momentum Continues to make Strong Progress

Healthy Core Engine



Robust Operating Momentum 1

- Highest ever Operating Profit @ 708cr, grows 26% Y-o-Y
- Highest ever Net Profit @ 334Cr, grows 28% Y-o-Y
- Highest ever NII @1077Cr

Granular Liability Franchise

- Total Deposits and CASA grew 23%, 24% respectively, Y-o-Y.
- NRE Deposit grows 22% Y-o-Y
- Current Account grows materially - 40% Y-o-Y

Consistent Gain in Market Share

- Market Share in Advances reaches 1.12% - up by 11bps Y-o-Y
- Market Share in Deposits reaches 1.03% up by 12bps Y-o-Y

Digital Update

- 99% of New Savings Accounts are opened through Digital Channels
- Transactions using Digital Channels now account for 74% of the total transactions

Strong, balanced Credit Growth of 25%

- Core Retail grew by 31% & CIB by 31%
- Auto grew 60%, PL-130% & HL-35%
- Smarter churning of advances book increased Yield to 9.31%

Asset Quality

- Credit Cost contained at 68 bps.
- Total stressed Book reduced to 1.96% of Average total assets.
- No regulatory Divergence in asset portfolio

Income and Cost Streams

- Core Fee Income and Other Income grew materially by 45% and 51% respectively, Y-o-Y
- Cost to Income @ 50.25

Balance Sheet and Capital

- Balance Sheet grows by 17% Y-o-Y (Rs.1.49L Cr)
- Total business grows by 23% Y-o-Y (Rs.2.29L Cr)
- CRAR at 12.97%



Business initiatives To Sharpen high Quality Growth

Corporate & Institutional Banking

- Selective sell down of Assets to ensure better yield & Asset quality management.
- Focus on Deeper Geographies; Mid Corporate Clients and manufacturing entities.

Commercial Banking

- Initiated Retail Finance for medium and entry-level passenger car segments in 34 centres, through dealer relationships
- Continuous churning of book established as a process to ensure asset quality
- Identified new geographies for deepening market coverage.

Business Banking and Rural & Micro Banking

- New commodity lending platform (Electronic Commodity based Financing (eCBF)) in place to professionalize Warehouse Receipt lending and contain costs.
- Partnering with commodity repositories CCRL (CDSL Commodity Repository Ltd) & NERL (National E Repository Ltd) for funding against electronic warehouse receipts.
- Introduced a new Business Loan product based on GST Returns

Retail Business

- A Robust Digital on-boarding platform is in the pipeline to scale up Auto-Lending that would result in improved TAT and Cost to Income
- Debit Card Spends record a growth of 48% Y-o-Y as a result of strategic campaigning on ecom space with offers on shopping, travel, dining, entertainment etc.
- New partnerships in General Insurance with Tata AIG and HDFC Ergo to augment fee income
- Opened new Call Centre for Cross Selling products like Credit Card, Insurance and to extend exclusive support to Ultra HNI and NR Customers.

Government Business & Treasury

- Empanelled in 15 states, catering to 200 govt entities & select PSUs in meeting their Banking needs.
- Selected by Kerala Govt for taking over Housing Loans of its employees
- Merchant business clocked a Y-o-Y growth of 120%



Performance Highlights Y-o-Y

Retail (inc Agri)	23%	↑	NII	13%	↑
SME Advance	15%	↑	NIM	@3.17	
Business banking	20%	↑	Core Fee Income	45%	↑
Corporate Business	31%	↑	Operating Profit	26%	↑
Total Advance	25%	↑	Net Profit	28%	↑
CASA	24%	↑	Cost to Income Ratio	@ 50.25%	
CA	40%	↑	GNPA	@ 3.14%	
Retail Deposit	20%	↑	RoA	@ 0.91%	
			RoE	@ 10.48%	
			Capital Adequacy (CRAR)	12.97%	
			Provision Coverage Ratio	64.20%	



Comparison : Y-o-Y (3 M)

	RETAIL		WHOLESALE		
Advances	Retail+Agri	Business Banking (BuB)#	Commercial Banking(CoB) #	CIB	Total Advances
	↑ 23% 32803→40343	↑ 20% 7450→8906	↑ 11% 10112→11253	↑ 31% 35557→46563	↑ 25% 85922→107065
Deposits	CASA	CASA Ratio	NRE Deposits		Retail Deposits
	↑ 24% 33304→41172	↑ 22 bps 33.13→33.35	↑ 22% 39431→47930		↑ 20% 96576→115797
Performance	Net Interest Income	Core Fee Income	Operating Profit		Net Profit
	↑ 13% 950→1077	↑ 45% 193→279	↑ 26% 561→708		↑ 28% 260→334
Ratios	Cost Income ratio	Gross NPA%	Net NPA%		Profit Per Employee
	↓ -212 bps 52.37→50.25	↑ 62 bps 2.52→3.14	↑ 36 bps 1.36→1.72		↑ 24% 8.75→10.86(in Lacs)

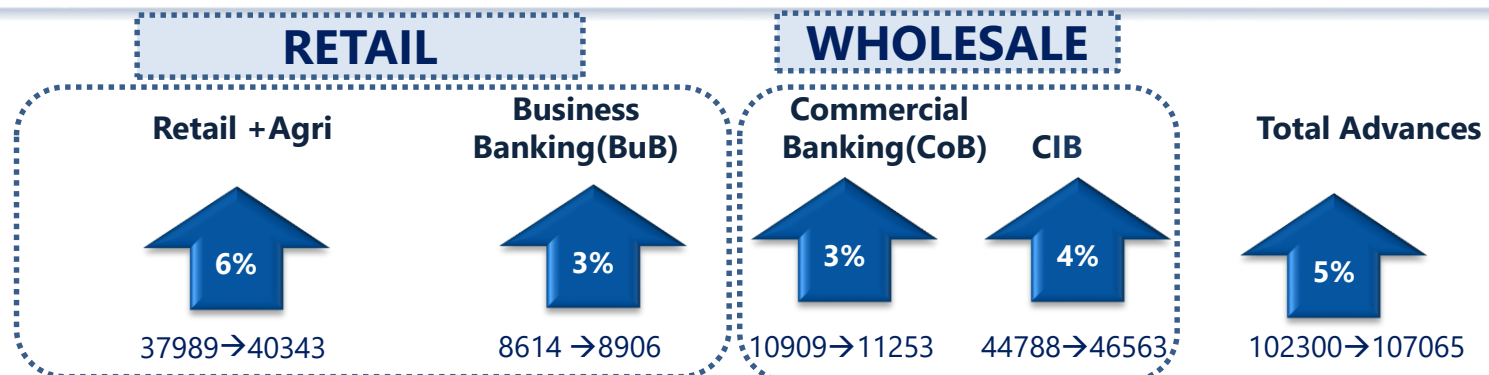
* Credit segments are realigned at the beginning of every FY.

#SME split into BuB & CoB

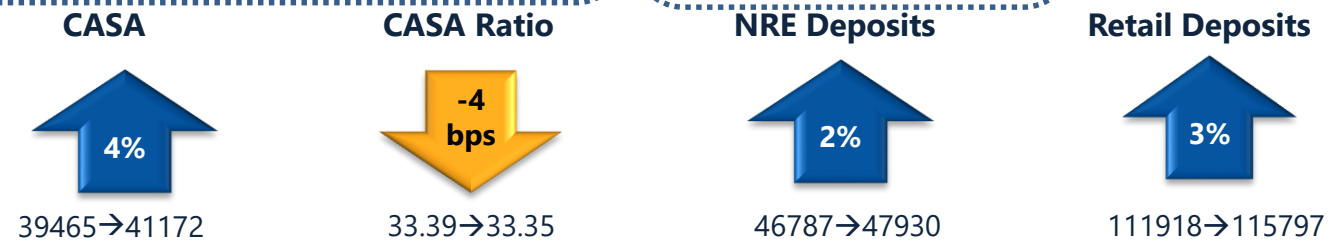


Comparison : Q-o-Q (Sequential)

Advances



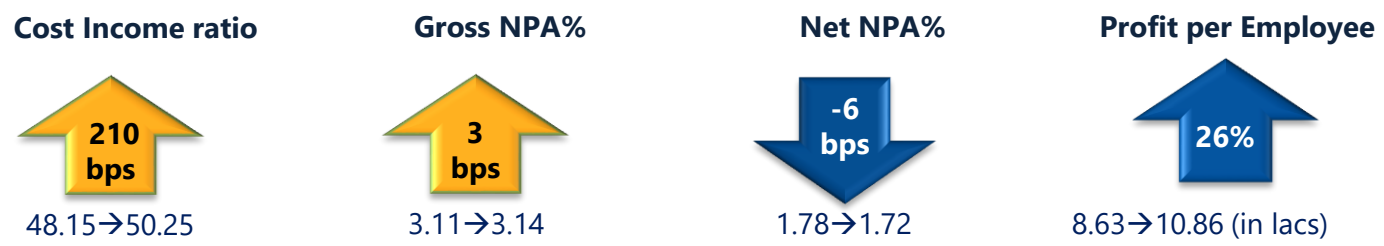
Deposits



Performance



Ratios



#SME split into BuB & CoB

Shareholder Value

Book Value
(Per Share in ₹)

64.60

62.81

62.62

61.55

60.80

EPS
(annualized)

6.68

5.33

5.32

2.98

5.32

Granularity

CASA + Deposits <1
Cr
(% of Total Deposits)

88%

89%

91%

88%

92%

Profitability
(Annualized)

ROA

0.91

0.76

0.79

0.46

0.87

RoRWA

1.51

1.24

1.37

0.77

1.40

ROE

10.48

8.50

8.61

4.88

8.74

Efficiency

Cost/Income

50.25

48.15

51.80

52.82

52.37

Net NPA%

1.72

1.78

1.72

1.69

1.36



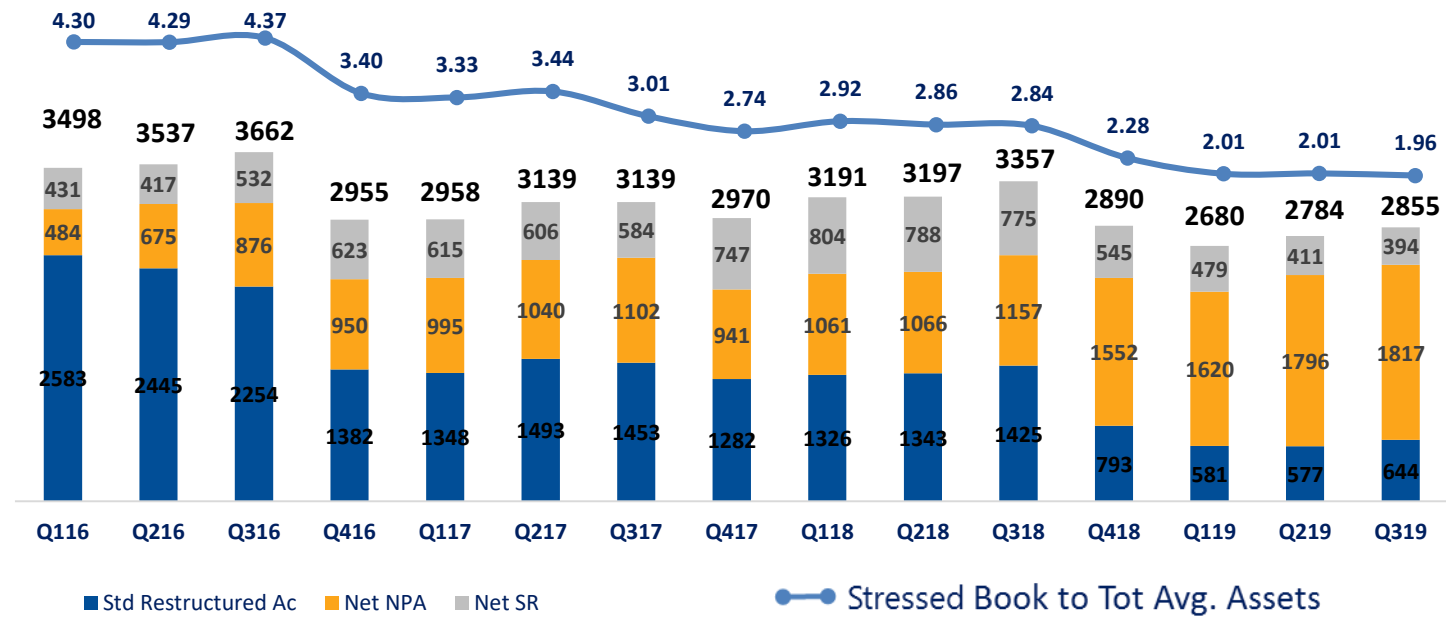
Asset Quality Drill-Down

Total Stressed Book at 2875Cr. Reduced to 1.96% of Average Total Assets.

Credit Cost of the Bank at 68 bps which is well within the guided lines.

Net Security Receipts portfolio down to 394Cr.

Recovery/ upgrades at 240Cr.



Movement of NPA

Amt in Rs.Cr.

Gross NPA as on 30.09.2018	3185
Add Fresh Slippage	426
Add Increase in Balances in Existing NPAs	9
Deduct Recoveries/ Upgrades	-240
Deduct Written Off	-19
Gross NPA as on 31.12.2018	3361



Fresh Slippages Break up

Fresh Slippages

	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18
Retail	108	120	109	70	150
Agri	71	65	54	56	42
SME	192	169	90	142	122
BuB	107	94	39		
CoB	85	75	51		
Corporate	56	123	207	604	98
Total	426	477	461	872	411

Restructured

TYPE	Q3 FY19		Q2 FY19	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	644	80	577	84
Gross NPA	630	73	705	72
Net NPA	506	73	577	72
TOTAL	1150	153	1154	156

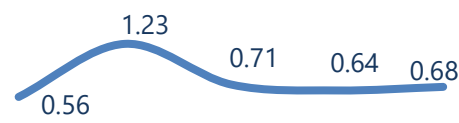
NPA Composition

Business	Q3 FY19 NPA	Q2 FY19 NPA
Retail	658	625
Agri	414	367
SME	1340	1213
BuB	601	531
CoB	740	682
Corporate	949	979
Total	3361	3185
Net NPA	1817	1796

Security Receipts

	Q3 FY19	Q2 FY19
Face Value	710	723
Book Value	619	630

Credit Cost



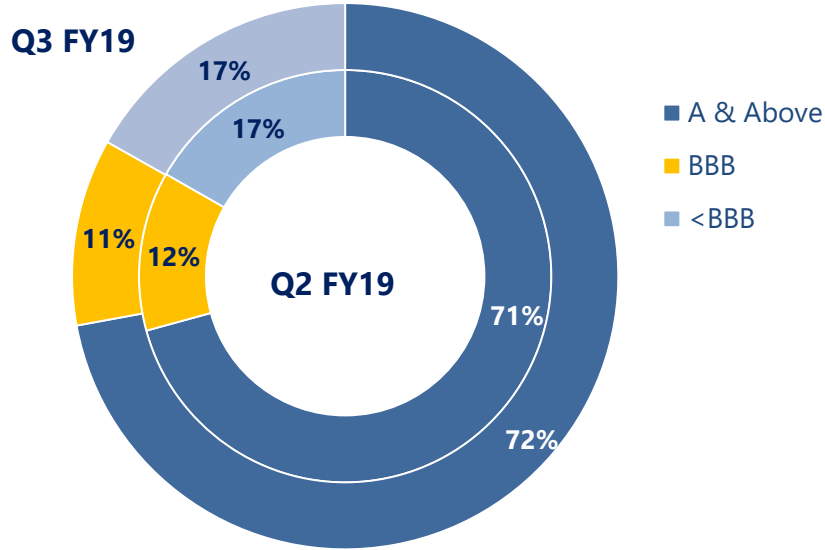
Risk Adjusted NIM



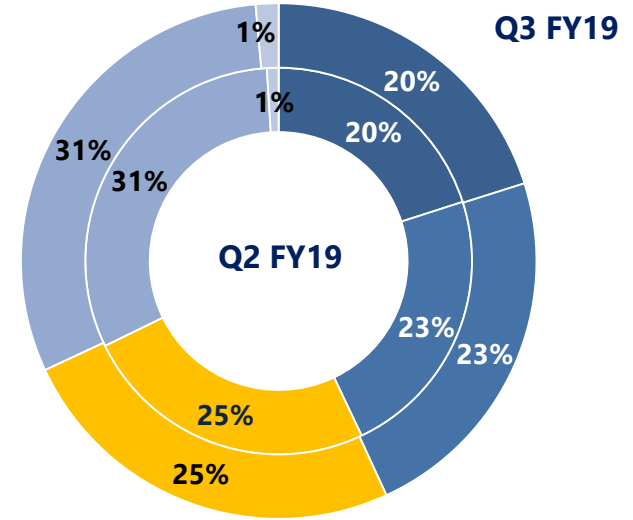
Q3 FY18 Q4 FY18 Q1 FY19 Q2 FY19 Q3 FY19 Q3 FY18 Q4 FY18 Q1 FY19 Q2 FY19 Q3 FY19



Risk Rating



- A & Above
- BBB
- < BBB



Wholesale Assets

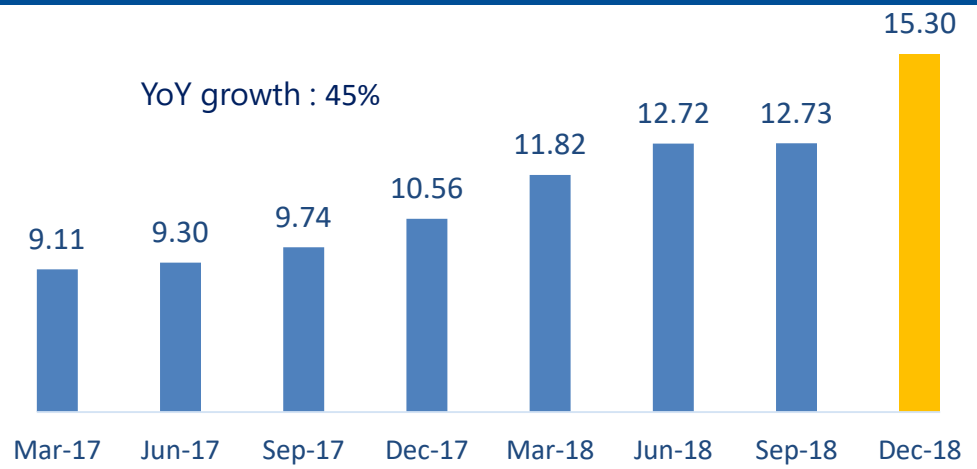
Rating	Q3 FY-19	Q2 FY-19
A & above	72%	71%
BBB	11%	12%
< BBB	17%	17%

Other Assets

Rating	Q3 FY-19	Q2 FY-19
FBR1 FB1	20%	20%
FBR2/FBR3 FB2	23%	23%
FBR4 FB3	25%	25%
FBR5/FBR6 FB4	31%	31%
Others	1%	1%



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



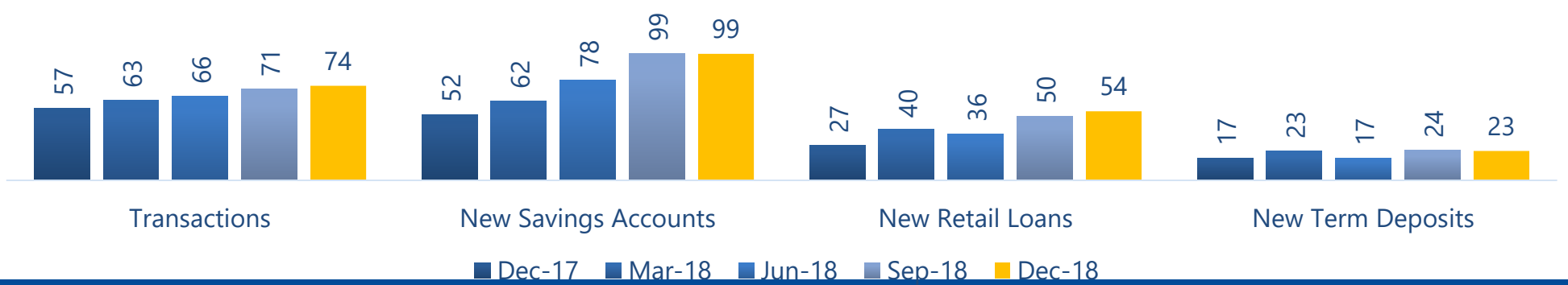
FedMobile Transaction Volume (per month in Cr)



Digital share

74% Digital Transactions → 99% New Savings Accounts → 54% of New Retail Personal Loans → 23% of New Term Deposits

Digital Percentage





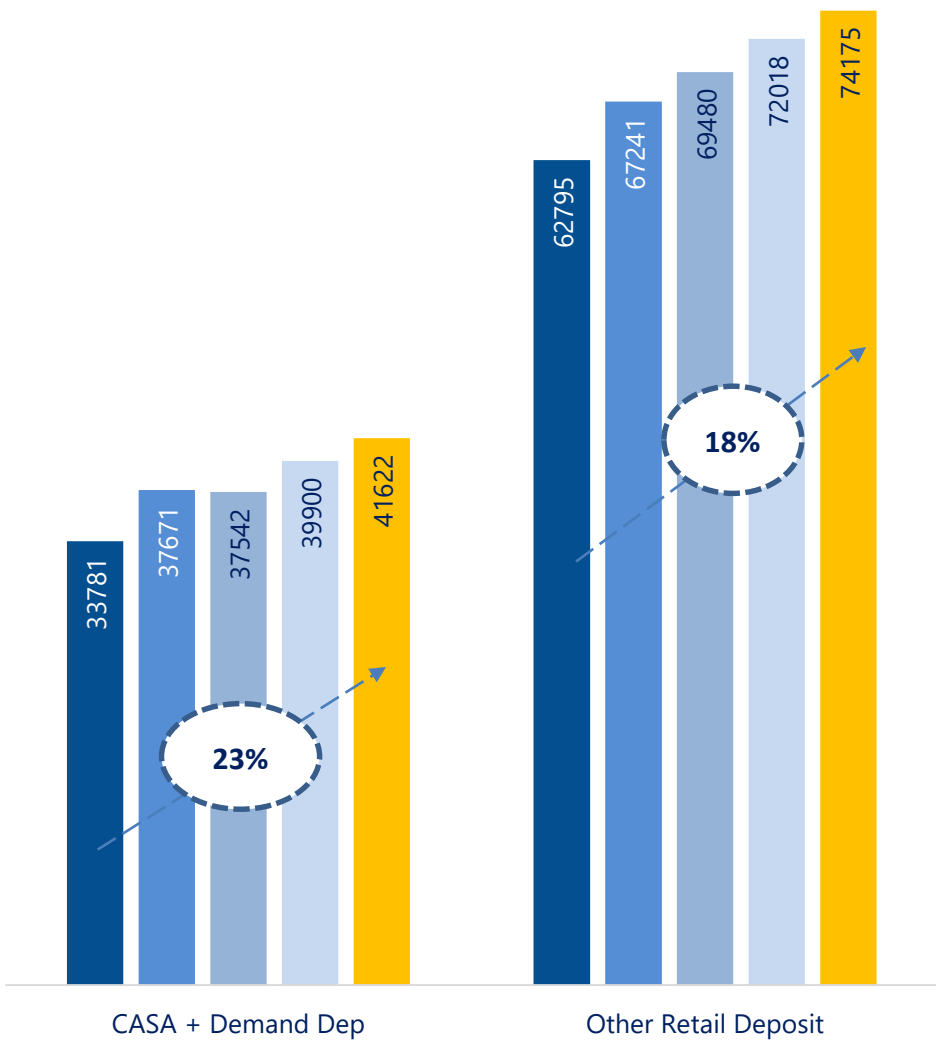
Business Parameters



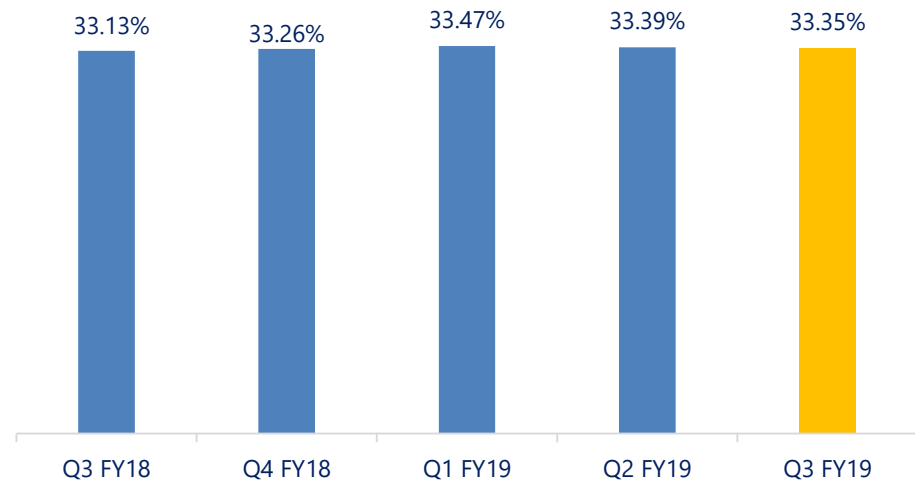
Liability : Trends

₹ in Cr

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



CASA Ratio





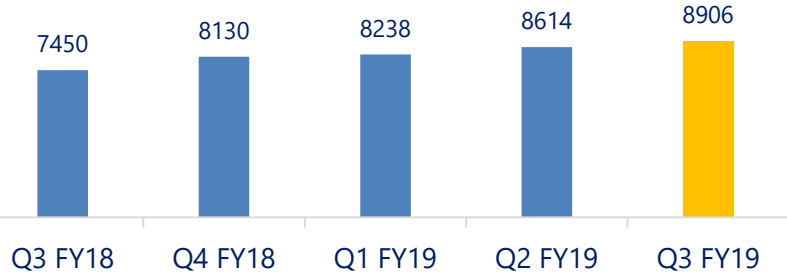
Customer Exposures

₹ in Cr

RETAIL

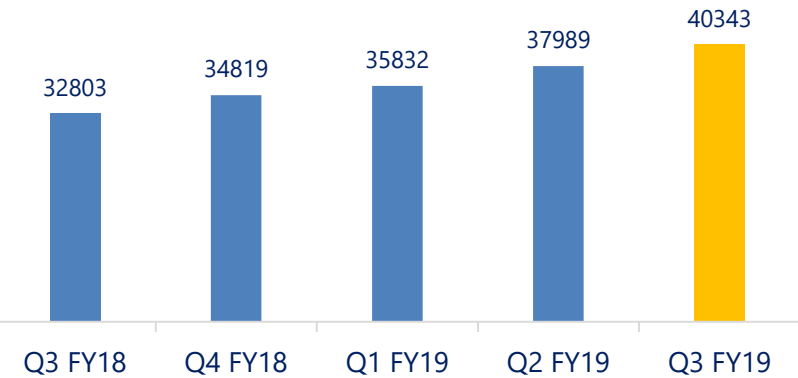
Business banking

Y-o-Y growth : 20%
Q-o-Q growth: 3%



Retail (Including Agri)

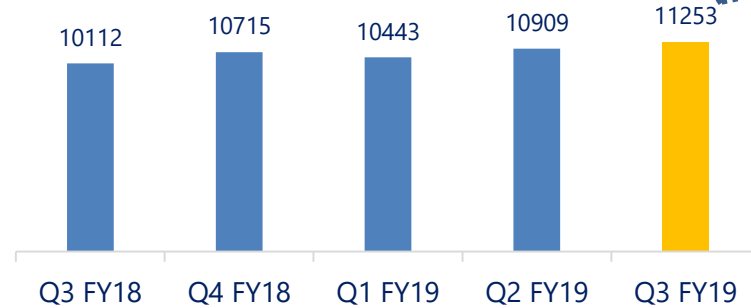
Y-o-Y growth : 23%
Q-o-Q growth: 6%



WHOLESALE

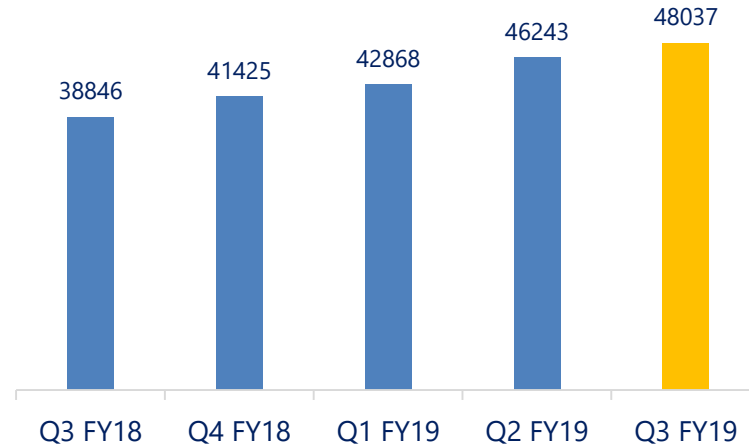
Commercial Banking

Y-o-Y growth : 11%
Q-o-Q growth: 3%



Corporate*

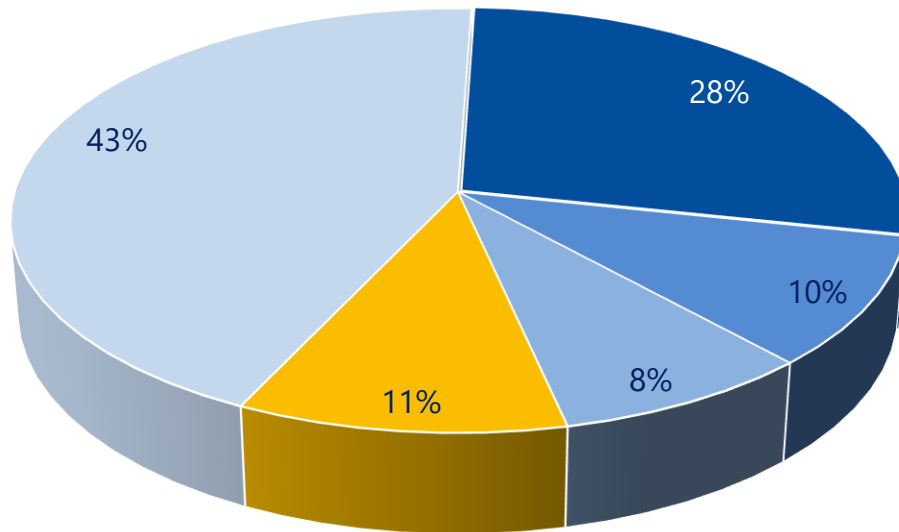
Y-o-Y growth : 24%
Q-o-Q growth: 4%



(*Aggregate customer exposure) 14



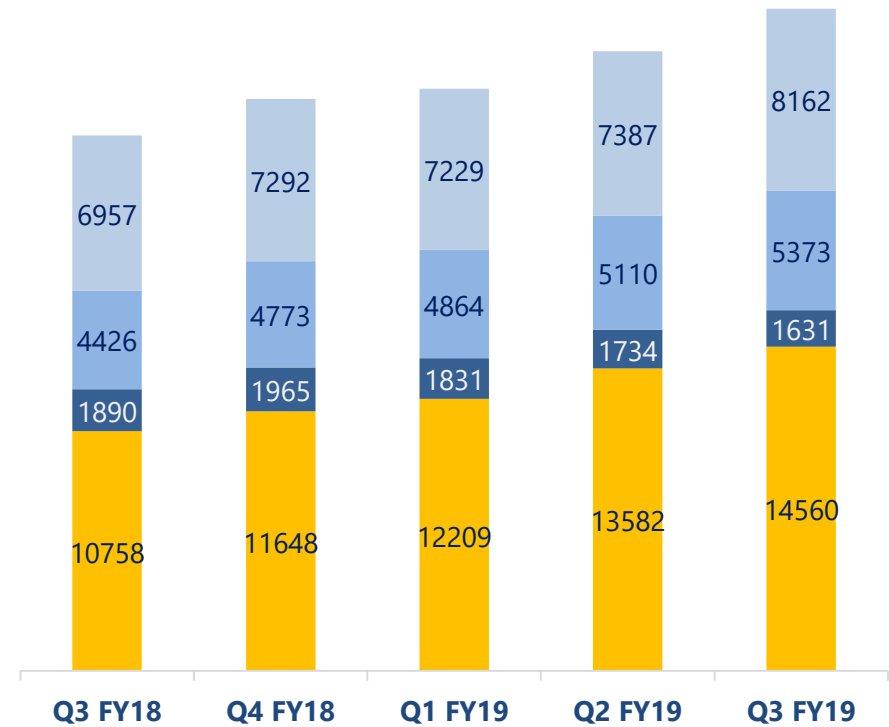
Total Loan Book



■ Retail ■ Agri ■ BuB ■ CB ■ CIB

Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others



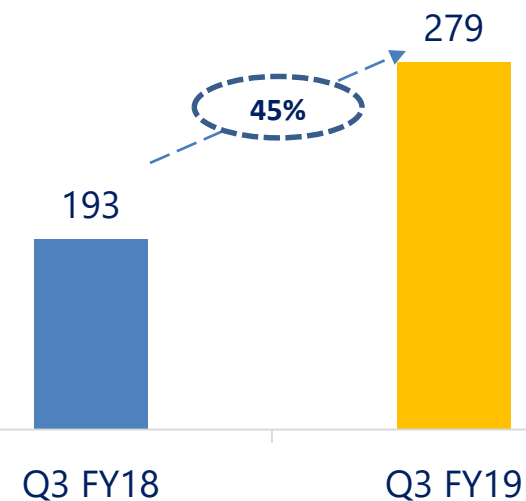


Fee Income/Other income

₹ in Cr

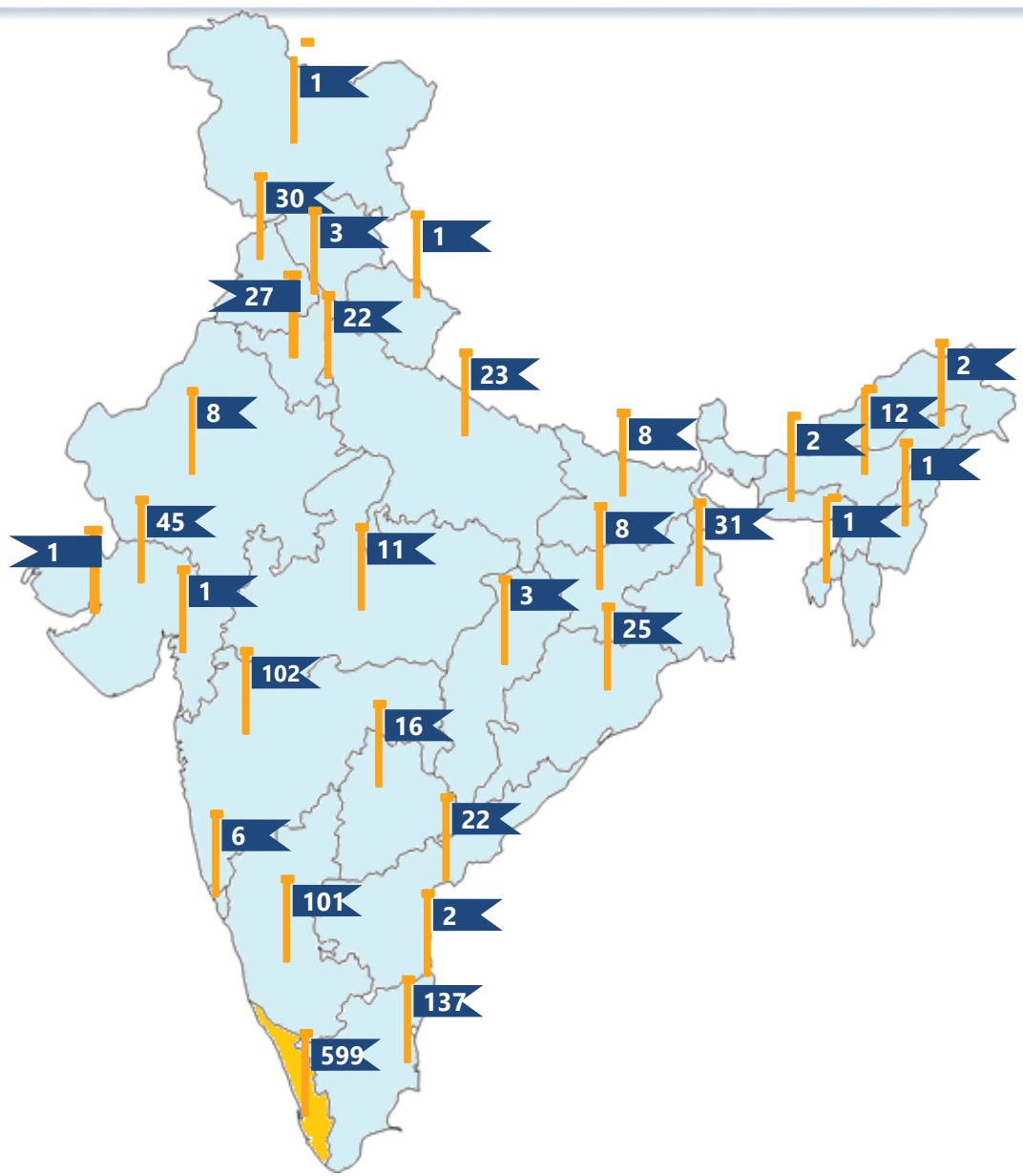
	Q3 FY19	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18	Y-o-Y %
Loan Processing Fee	50	53	31	46	34	46%
Exchange, Commission, Brokerage & Other Fee Income	156	147	129	136	120	30%
Net Profit on Forex Transactions	74	61	47	56	39	91%
Fee Income	279	261	208	238	193	45%
Profit on sale of securities	55	51	49	22	29	89%
Recovery from assets written off & Other Receipts	11	11	14	54	7	73%
Total Other income	346	323	271	314	229	51%

Fee Income (Y-o-Y)

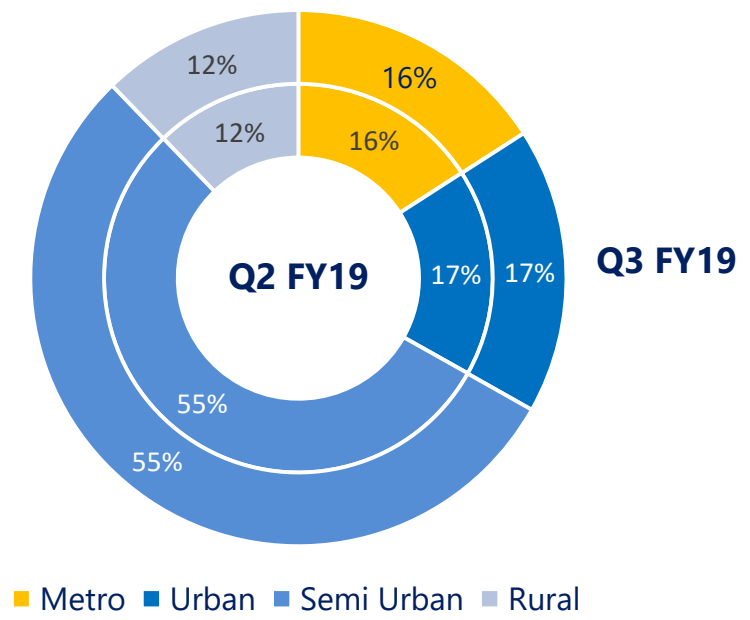


WHY SETTLE FOR LESS?

Distribution : Deriving Efficiency from Foot Print



	Q3 FY19	Q2 FY19	Q1 FY19
Branches	1251	1252	1252
ATMs	1669	1683	1684

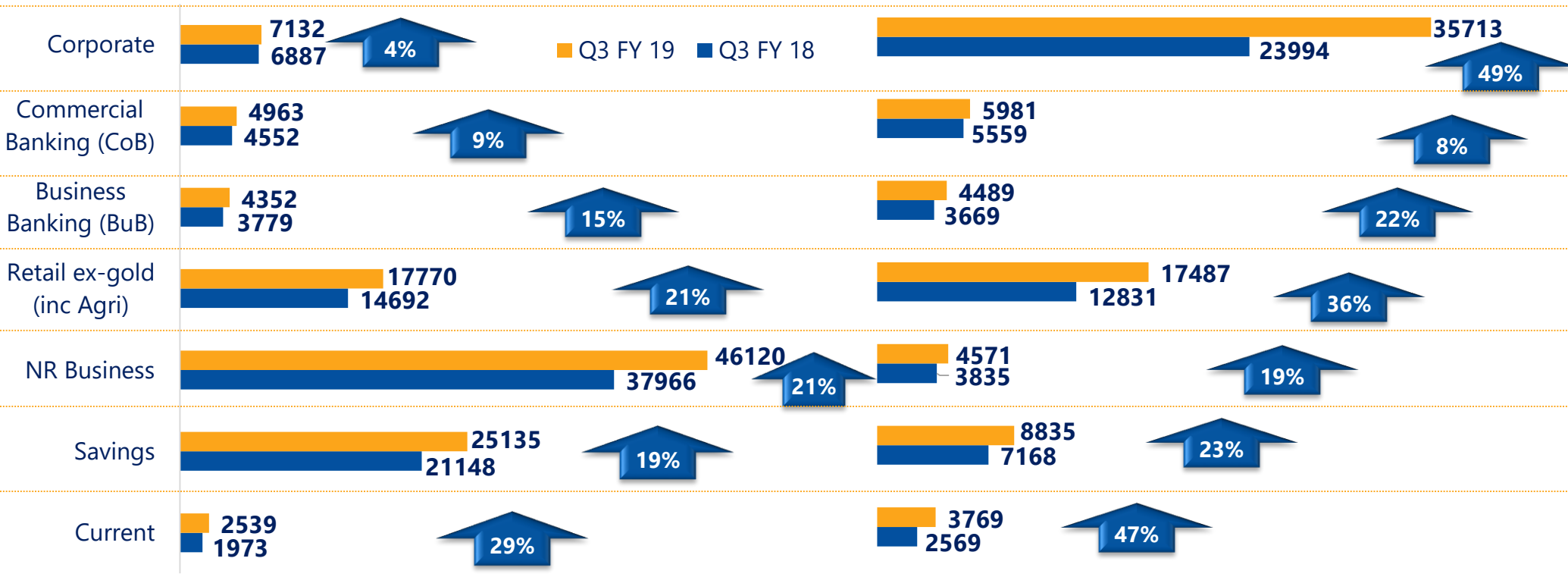




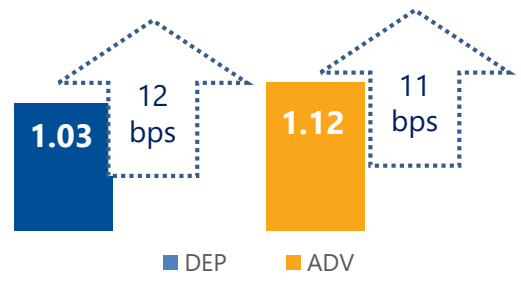
₹ in Cr

Kerala : Continuing Dominance

Outside Kerala: Gaining share



Bank's Market Share



Gain in Market Share(Y-o-Y)
 Advance: Market Share improved by 11bps
 Deposit : Market Share improved by 12bps



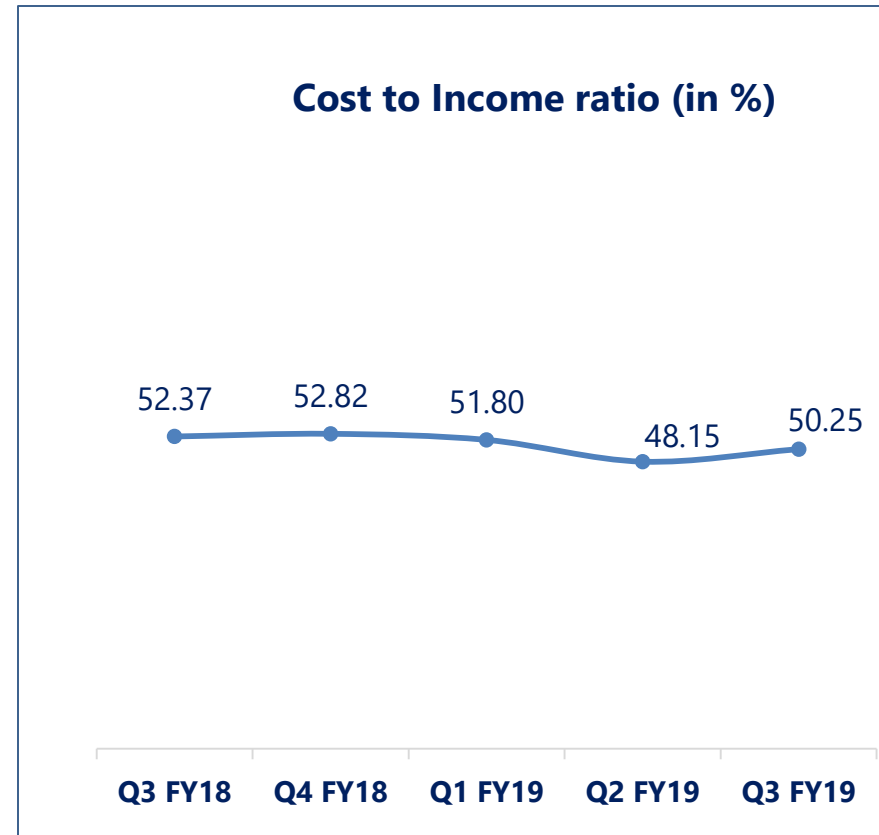
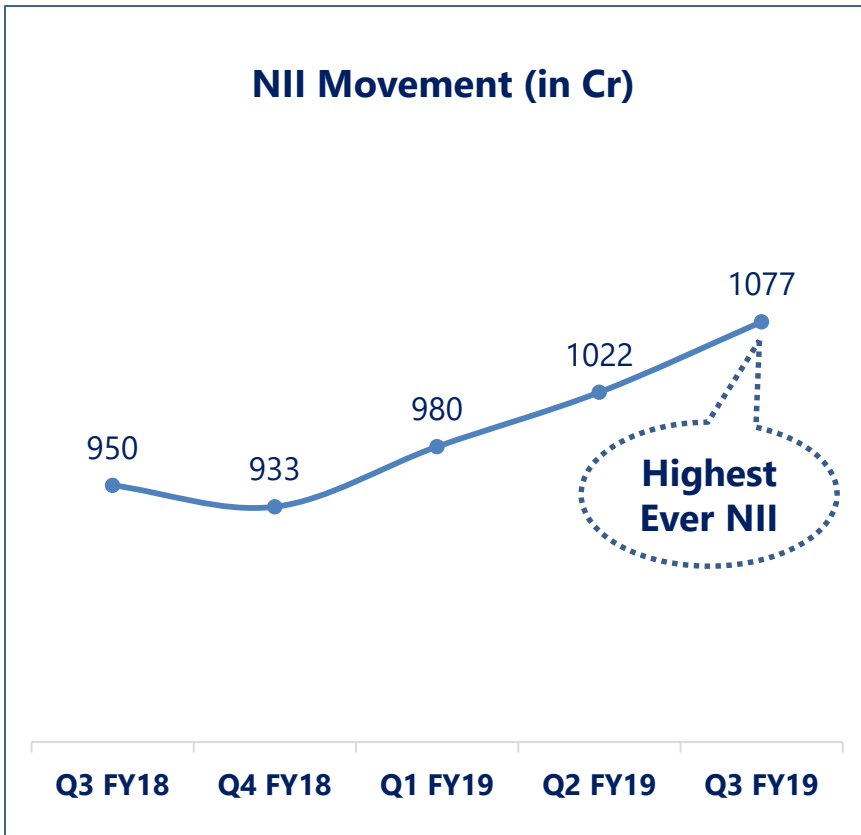
CRAR – How strong is your Bank?

₹ in Cr

	Dec-18	Sep-18
Risk Weighted Assets		
Credit Risk	84747	81987
Market Risk	2977	3058
Operational Risk	7326	7326
Total RWA	95049	92370
Tier-1 Capital Funds	11822	11815
Tier-II Capital Funds	509	459
Total Capital Funds	12332	12274
CRAR	12.97%	13.29%
Tier-I	12.44%	12.79%
Tier-II	0.53%	0.50%



Annexures

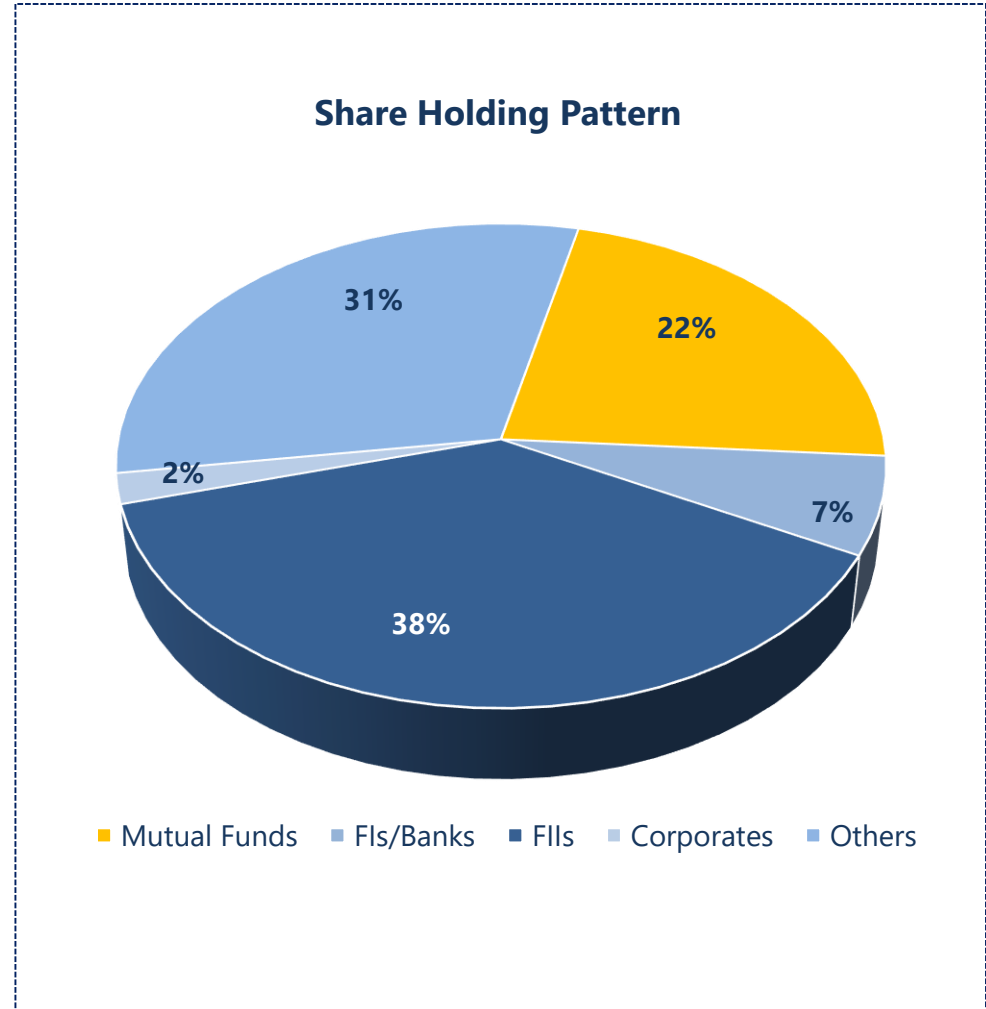




Balance Sheet & Shareholding Pattern

₹ in Cr

	Q3 FY19	Q3 FY18
LIABILITIES		
Capital	397	393
Reserves & Surplus	12490	11648
Deposits	123457	100537
Borrowings	8409	10840
Other Liabilities & Provisions	5026	4803
TOTAL	149779	128221
ASSETS		
Cash & Balance with RBI	6397	4637
Balances with Banks, Money at Call	1379	2569
Investments	29200	29775
Advances	105550	84953
Fixed Assets	458	462
Other Assets	6795	5825
TOTAL	149779	128221



WHY
SETTLE
FOR
LESS?

Financials

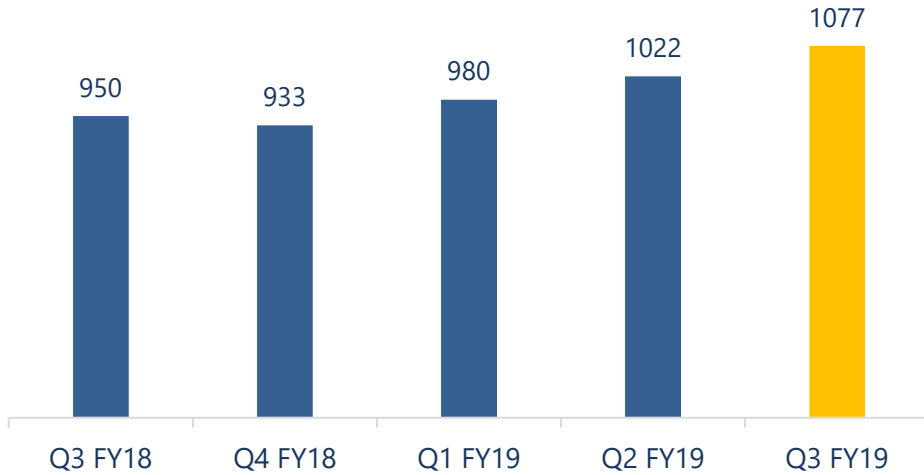
FEDERAL BANK
YOUR PERFECT BANKING PARTNER

₹ in Cr

	Q3 FY19	Q2 FY19	Q-o-Q	Q3 FY18	Y-o-Y
Interest Income	2954	2765	7%	2501	18%
Interest Expenses	1877	1742	8%	1551	21%
Net Interest Income	1077	1022	5%	950	13%
Other Income	346	323	7%	229	51%
Total Income	3300	3088	7%	2730	21%
Total Expenditure	715	648	10%	617	16%
Operating Profit	708	698	1%	561	26%
Total Provisions	374	432	-13%	301	24%
Net Profit	334	266	25%	260	28%
Net Interest Margin (%)	3.17%	3.15%	2 bps	3.33%	-16 bps
Cost to Income Ratio (%)	50.25%	48.15%	210 bps	52.37%	-212 bps

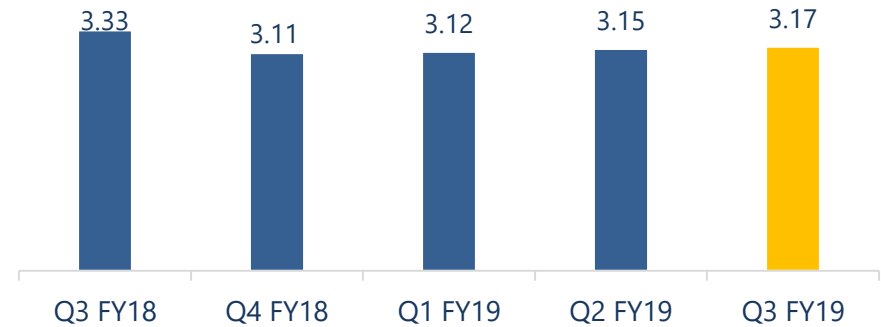


Net Interest Income

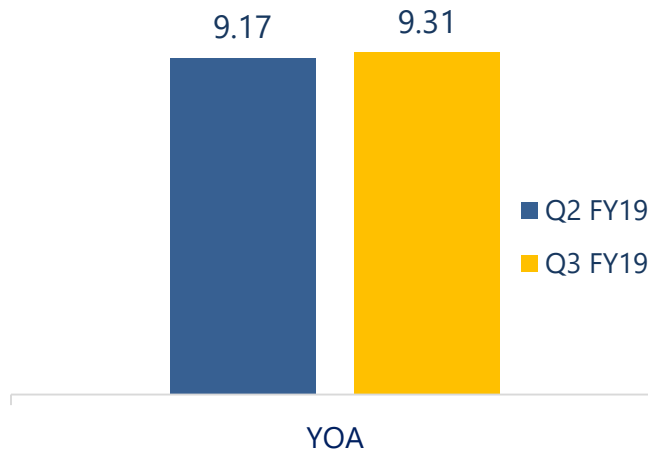


Net Interest Margin (%)

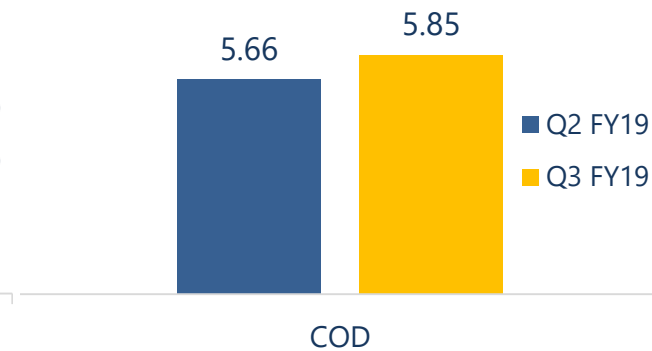
₹ in Cr



Yield on Advances

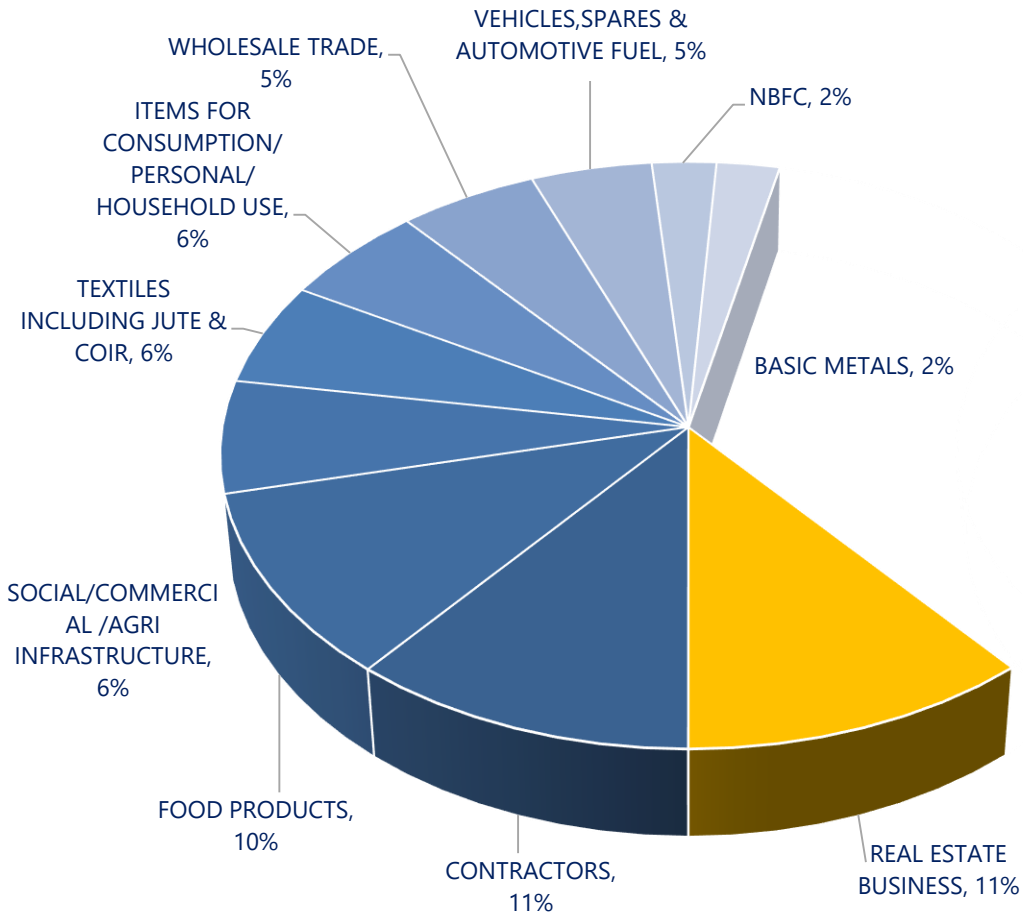


Cost of Deposits

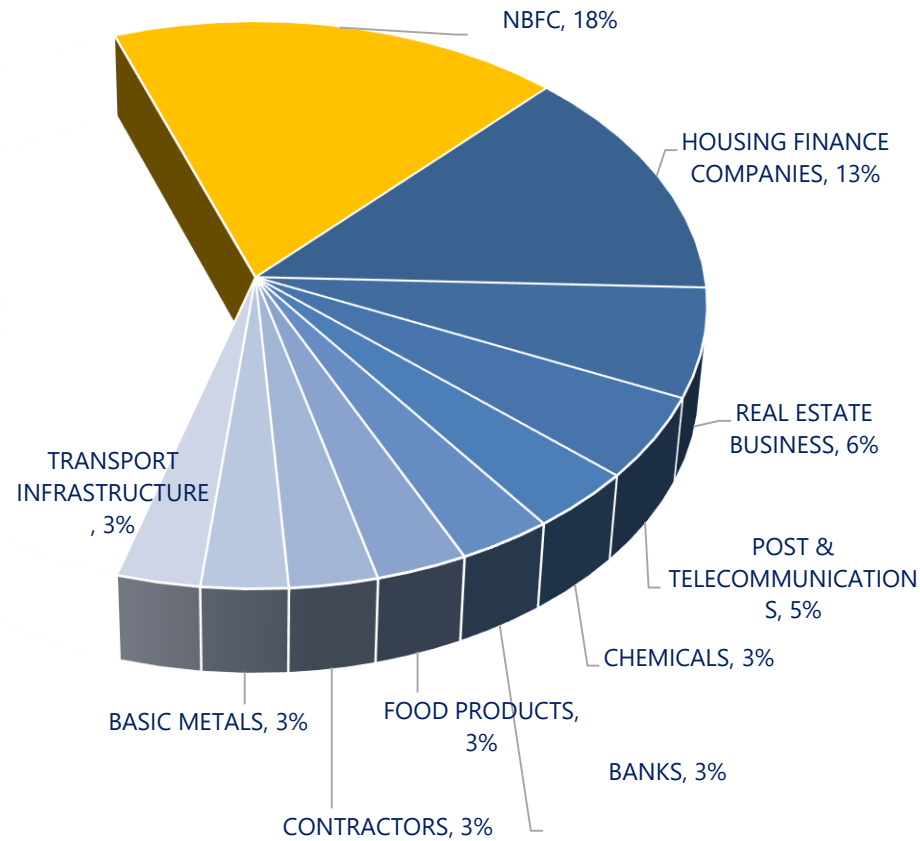




Commercial Portfolio



Corporate Portfolio





Major Investments

Entity	% Equity
Fedbank Financial Services Limited	82.40%
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.

- 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



External Ratings



- 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

Marketing Department

January 17, 2019

PRESS RELEASE

Federal Bank Quarterly Net Profit at Rs. 334 Crores, Grows 28% Y-o-Y

Federal Bank announced the Unaudited Financial Results for the quarter ended 31st December 2018. The major highlights of the results on a Y-o-Y basis are as follows:

- Operating profit up by 26.08%
- CASA records a growth of 23.62%
- Advances grow by 24.61%
- Core retail and corporate advances grow 31% each
- Other income grows 51.14%

WORKING RESULTS AT A GLANCE

(Rs. in Crore)

Particulars	Q3	Q3	% y-o-y growth
	2018-19	2017-18	
Net Profit	333.63	260.01	↑28.31%
Operating Profit	707.83	561.40	↑26.08%
Net Interest Income	1077.29	950.00	↑13.40%
Net Total Income	1422.84	1178.63	↑20.72%

Q3FY18 Vs Q3FY19

- Retail Advances including Agri Advances registered a growth of 22.99% to reach Rs. 40343.00 Cr
- CASA increased to Rs. 41172.41 from Rs. 33304.30 Cr registering a growth of 23.62%
- Net Advances grew 24.25% to reach Rs. 105550.12 Cr
- NRE Deposits grew by 21.55% to reach Rs.47930.07 Cr
- Agri Advances grew by 21.03% to reach Rs.10617.00 Cr
- The Net worth of the Bank reached Rs.12815.13 Cr
- Book Value per share increased to Rs. 64.60 from Rs. 60.80.

Balance Sheet

The Total Business of the Bank grew 23.46% Y-o-Y from Rs.185490.17 Cr as on 31st December 2017 to Rs.229007.49 Cr as on 31st December 2018. While Total Deposits reached Rs.123457.36 Cr from Rs.100537.10 Cr, Net Advances grew 24.25% to reach Rs. 105550.12 Cr.

NRE Deposits of the Bank grew by 21.55% to reach Rs. 47930.07 Cr as on 31st Dec 2018. CASA increased to Rs. 41172.41 Cr from Rs. 33304.30 Cr.

On the Asset side, Retail Advances including Agri Advances registered a Y-o-Y growth of 22.99% to reach Rs.40343.49 Cr as on 31st Dec 2018. Business Banking advances grew by 19.54% to reach Rs. 8906.38 Cr. Commercial Banking registered a growth of 11.28% to reach Rs. 11253.00 Cr. Corporate and Institutional advances reached Rs. 46562.84 Cr with a growth of 30.95%.

Operating Profit & Net Profit

The Operating Profit of the Bank increased by 26.08% to reach Rs.707.83 Cr as on 31st Dec 2018. Net Profit increased by 28.31% to reach Rs.333.63 Cr. for the quarter ended 31st Dec 2018.

Margins

The Bank earned a Net Interest Income of Rs.1077.29 Cr for the quarter. The Net Interest Margin of the Bank as on 31st December 2018 stood at 3.17%.

Asset Quality

The Gross NPA and Net NPA of the Bank as at the end of the Quarter stood at Rs.3361.23 Cr and Rs. 1817.32 Cr respectively. Gross NPA as a percentage stood at 3.14% and Net NPA as a percentage stood at 1.72%. The Provision Coverage Ratio (including technical write-offs) is 64.20%.

NET WORTH & CAPITAL ADEQUACY

The Net worth of the bank increased from Rs.11955.18 Cr as on 31st December 2017 to Rs.12815.13 Cr as on 31st December 2018. The Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines stood at 12.97% as at the end of the quarter.

Footprint

The Bank has 1251 branches and 1669 ATMs as on 31st December 2018.

Awards

- Skoch Award in Banking and Finance (Gold category) for 'Federal Bank cross border remittance solution' 2018
- Skoch order – of - merit award for 'Open Banking API' for qualifying among top banking and finance projects in India
- Federal Bank adjudged as the winner of 'best use of blockchain technology' at Drivers of Digital awards 2018

MAJOR FINANCIAL INDICATORS (Standalone nos.)

			(Rs. in Crore)
Business Figures	As on 31.12.2018	As on 31.12.2017	Growth (%)
Total Deposits	123457.36	100537.10	↑22.80%
CASA	41172.41	33304.30	↑23.62%
Net Advances	105550.12	84953.08	↑24.25%
Retail Advances including Agri	40343.49	32803.84	↑22.99 %
Business Banking Advances	8906.38	7449.88	↑19.55%

Commercial Banking Advances	11253.00	10112.40	↑11.28%
Corporate and Institutional Banking Advances	46563.84	35556.52	↑30.95%
Capital			
Equity Capital	396.78	393.27	
Net Worth	12815.13	11955.18	↑7.19%
Capital Adequacy (%)	12.97%	14.41%	
Tier I (%)	12.44%	13.84%	
Tier II (%)	0.53%	0.57%	

RAJANARAYANAN N

Vice President

Ph- 9605002412, E-mail: rajanarayanan@federalbank.co.in

A presentation for investors is being placed separately on our Bank's website: 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