

INVESTOR PRESENTATION

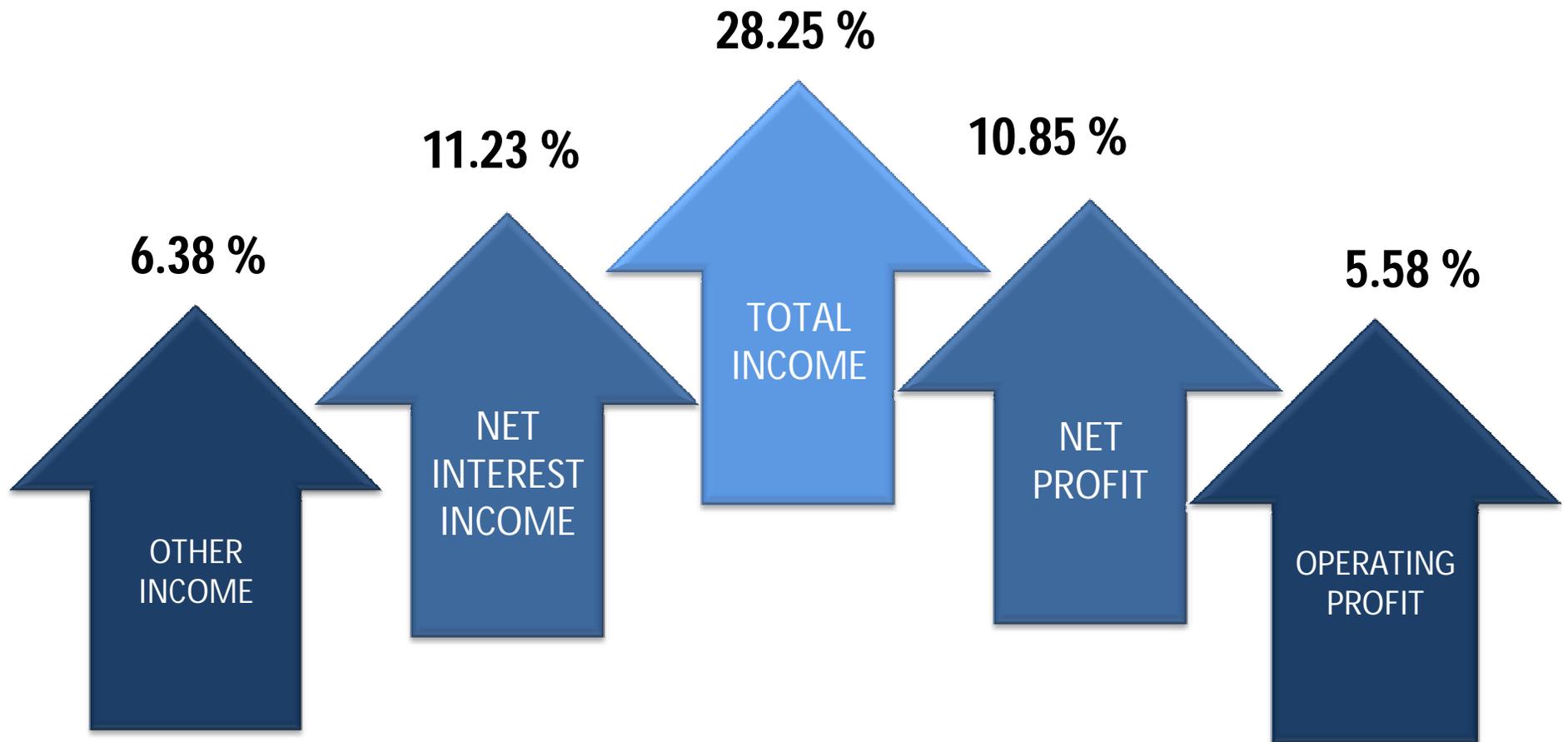
FEDERAL BANK

FY 2011-12
First Quarter

FEDERAL BANK

PERFORMANCE HIGHLIGHTS

Q1 FY 12
(YOY growth)



OVERVIEW

F

- Federal Bank is one of the prominent banks among the scheduled commercial banks in India
- Sound principles of corporate governance, values human capital as the primary source of its strength

Y

- Bank's strategic focus segments are SME, NRI & Agri. 70% of the Bank's business is from retail and SME segments
- Bank has ushered in a new '**Go To Market Structure**' to have more customer focus.

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- Organizationally the Bank has 8 Zones and 31 Regions. In addition, the Bank has 13 Regional Credit Hubs engaged exclusively in the processing of Retail and SME Credit proposals.
- IDBI Federal Life Insurance Company, JV of Federal Bank, IDBI Bank and AGEAS, offer life insurance policies
- FedBank Financial Services Ltd, 100% subsidiary, distribute retail loans of the Bank.

2

- At the end of June 2011, the Bank had 746 Branches and 816 ATMs spread across 25 States of the country
- With initiatives like ESOP, Bank aims to achieve optimum utilization of human capital.
- The Bank is set for phenomenal organic growth and proposes to cross 1000 branches this fiscal mainly focusing on Gujarat, Maharashtra, Punjab, Karnataka and Tamilnadu, in addition to Kerala.

MILESTONES IN THE HISTORY

1947-Bank is redesigned as The Federal Bank Ltd

1964-Bank took over 3 other Banks

1992-Deposit Crossed Rs.1000 Cr

1994-First Public Issue of equity – Issue oversubscribed 60 times

1998-Total business crossed Rs.10000 Cr

2000-Launched Anywhere & Internet Banking & Depository Services

2006-Bank's GDRs listed on London Stock Exchange & acquired erstwhile GBK

2008-Opened first overseas Rep. Office in UAE

2010-IDBI Fortis Insurance rechristened as IDBI Federal Insurance

2011-Gross Business crossed Rs.75000

BUSINESS GROWTH

DEPOSIT GROWTH

- Deposits grew by 22.73% to reach Rs 42936 Cr
- Retail deposits grew by 20.14% to Rs 33852 Cr
- Low Cost FCAB (NRE) grew by 56% to reach Rs 1409 Cr
- NRI Deposits grew by 12.15% to reach Rs. 8,536 Cr

- Advances grew by 17.79% to reach Rs 31972 Cr
- Retail advances (gross) grew by 8.38% to reach Rs 9441 Cr
- SME advances (gross) grew by 16.30% to reach Rs 9586 Cr
- Corporate credit (gross) up by 26.88% to reach Rs 13990 Cr

CREDIT GROWTH

INCOME & PROFIT GROWTH

INCOME GROWTH

- Interest Income grew by 30.78% Rs 1244.71 Cr
- Other Income grew by 6.38% to Rs 116.90 Cr
- Net Interest Income grew by 11.23% to Rs 459.75 Cr
- Total Income grew by 28.25% to Rs 1361.61 Cr

- Operating Profit grew by 5.85% to Rs 354.05 Cr
- Net Profit grew by 10.85% to Rs 146.16 Cr

PROFIT GROWTH

KEY FINANCIALS

(Rs in Cr.)

	Q 1 FY 2011	Q 4 FY 2011	Q1 FY 2012	Y-o-Y Growth
Interest Income	951.79	1100.02	1244.71	30.78%
Interest Expenses	538.47	652.38	784.96	45.78%
Net Interest Income	413.32	447.64	459.75	11.23%
Other Income	109.89	141.19	116.90	6.38%
Total Income	1061.68	1241.21	1361.61	28.25%
Total Expenditure	726.34	890.99	1007.56	38.72%
Operating Profit	335.34	350.22	354.05	5.58%
Net Profit	131.86	171.72	146.16	10.85%
Net Interest Margin	4.17%	4.00 %	3.87%	
Cost to Income Ratio	35.91%	40.52%	38.60%	

BALANCE SHEET

(Rs in Cr.)

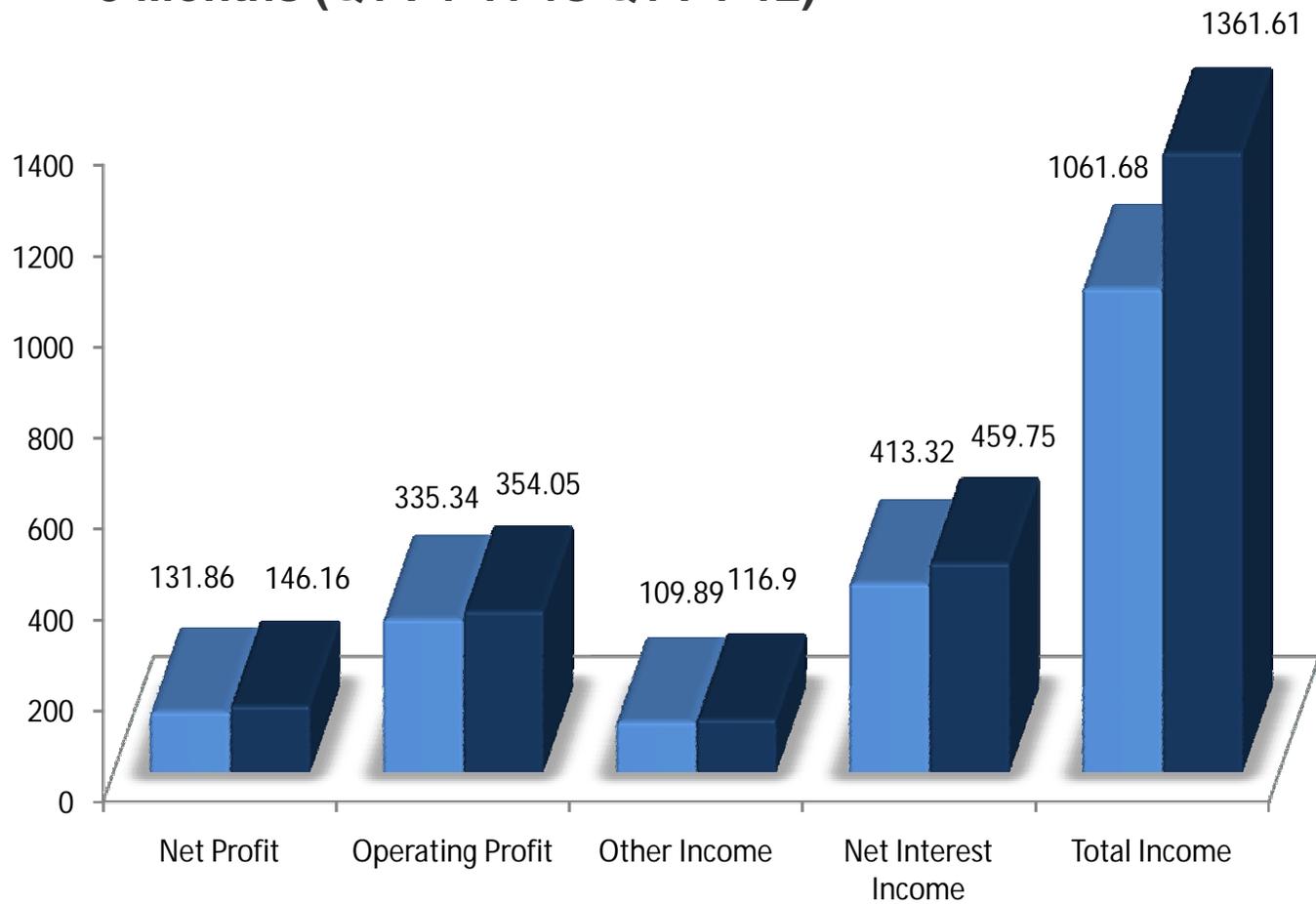
As at	Q1 FY 11	Q4 FY 11	Q1 FY 12
LIABILITIES			
Capital	171.03	171.05	171.05
Reserves & Surplus	4651.27	4937.61	5083.78
Deposits	34983.85	43014.78	42935.62
Borrowings	1558.72	1888.36	2350.14
Other Liabilities & Provisions	1458.69	1444.56	2111.50
TOTAL	42823.56	51456.36	52652.09
ASSETS			
Cash & Balance with RBI	2513.33	2935.05	2984.74
Bal. with banks & money at call	176.65	813.25	315.91
Investments	12012.71	14537.68	15703.15
Advances	27143.99	31953.23	31971.61
Fixed Assets	279.73	289.82	291.75
Other Assets	697.15	927.33	1384.93
TOTAL	42823.56	51456.36	52652.09

FEDERAL BANK

PROFIT & INCOME GROWTH

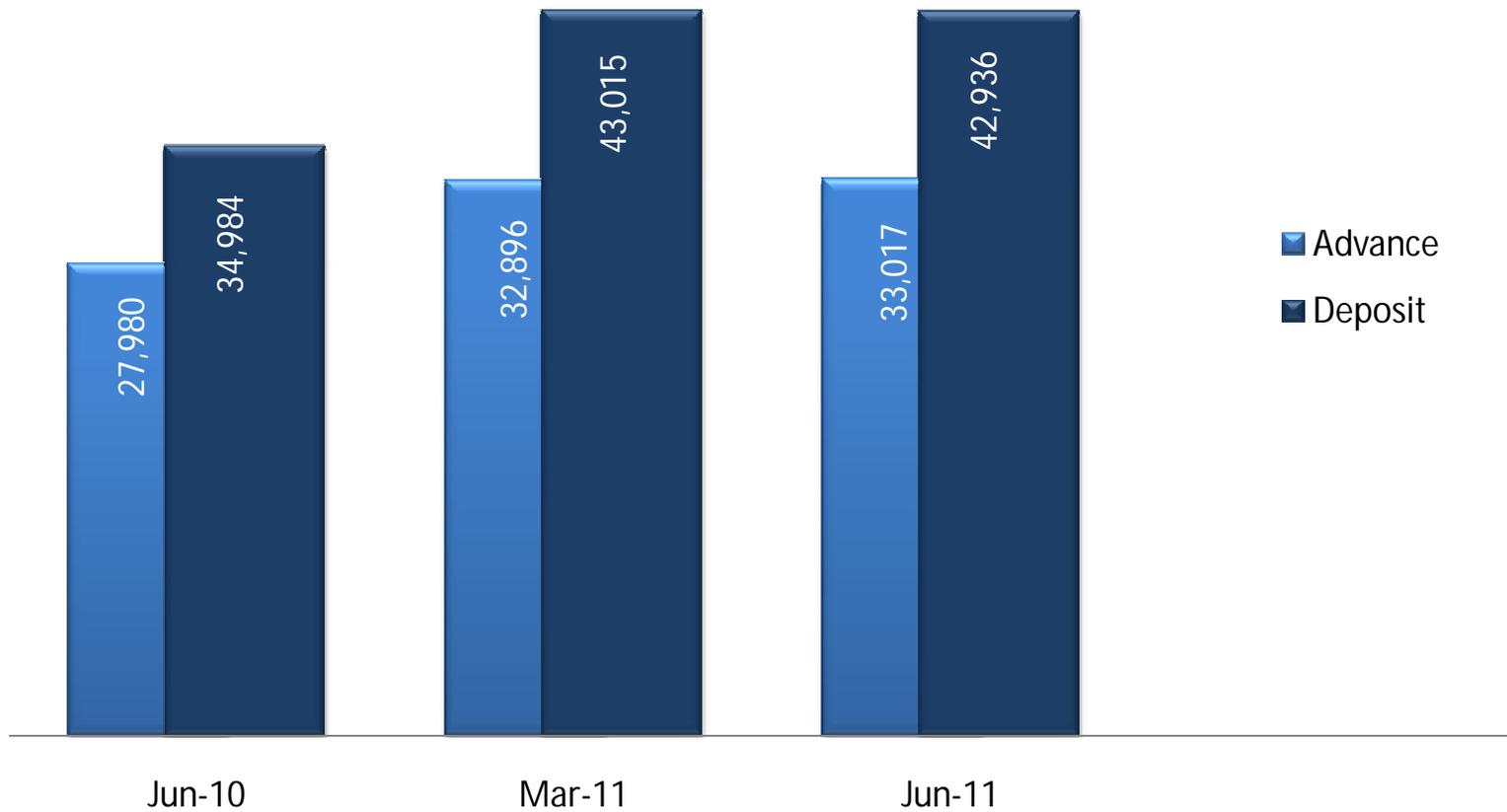
(Rs in Cr.)

3 Months (Q1 FY 11 vs Q1 FY 12)



CORE BUSINESS PORTFOLIO

(Rs in Cr.)

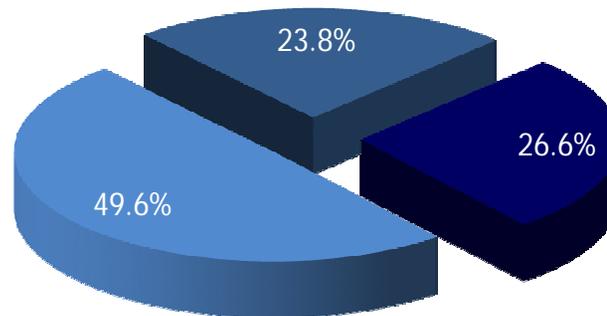


DEPOSIT GROWTH

(Rs in Cr.)

	Q1 FY 11	Q4 FY 11	Q1 FY 12
Savings Deposits	8254	9148	9451
Demand Deposits	1892	2406	2247
High Value Deposits	6716	9340	8783
Other Retail Deposits	18122	22121	22455
Total Deposits	34984	43015	42936

Constitution of Total Deposits

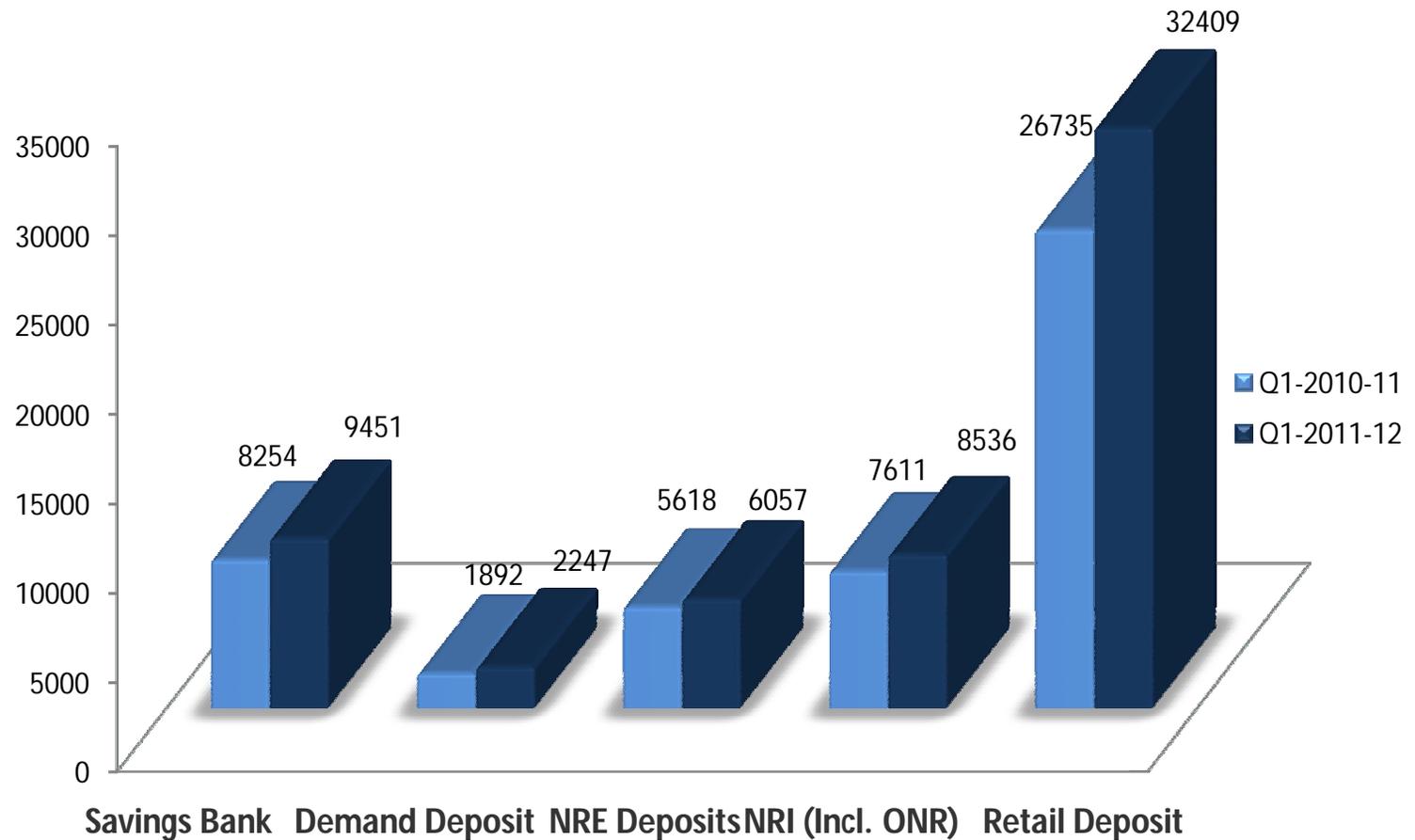


(30.06.2011)

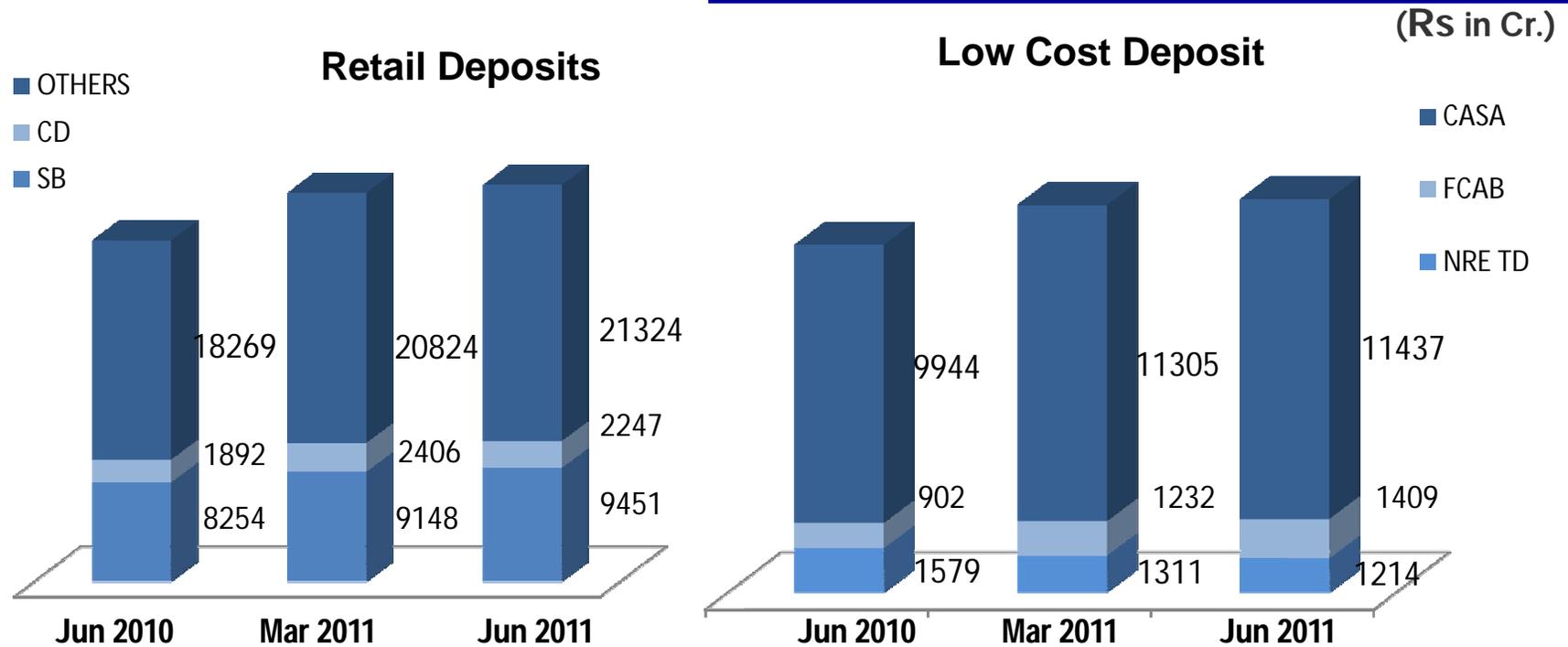
- CASA
- TERM DEPOSIT
- OTHER DEPOSIT

DEPOSIT GROWTH - RETAIL

(Rs in Cr.)



DEPOSIT COMPOSITION

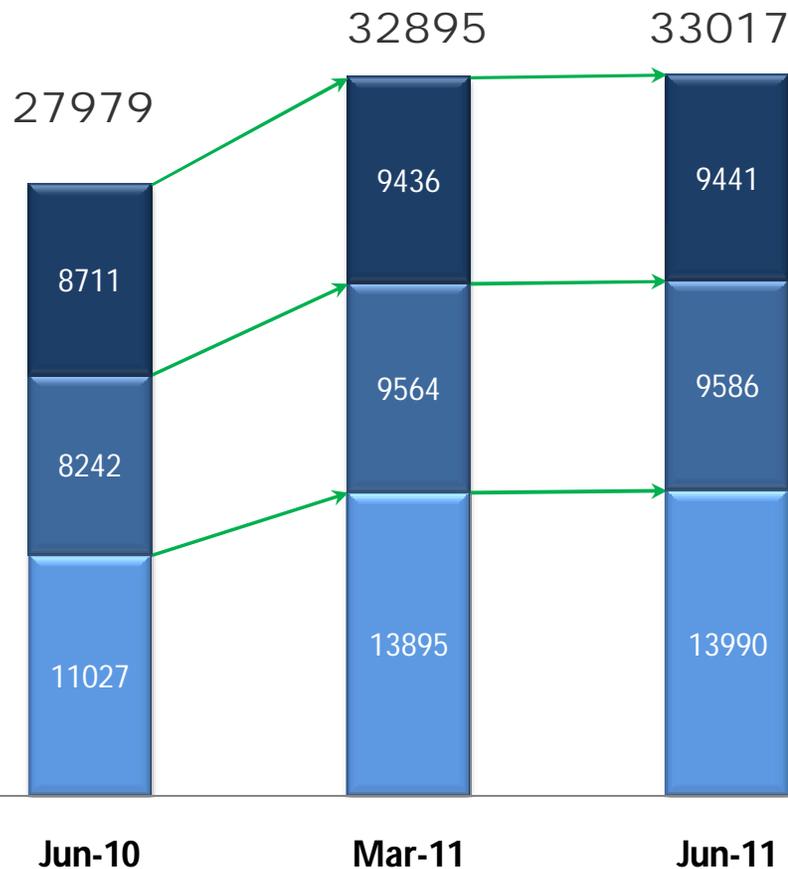


- Healthy share of savings bank (SB) deposits
- Steady growth in CASA share
- Low Cost Deposit constitutes 32.75% of total deposits and 41.5% of retail deposits
- Spreading of Priority Banking services have increased the average SB balances
- Freeing of other bank's ATM usage charges, bringing in additional business

LOAN GROWTH

(Rs in Cr.)

■ Retail Loans ■ SME Advances ■ Large Corporate Advances

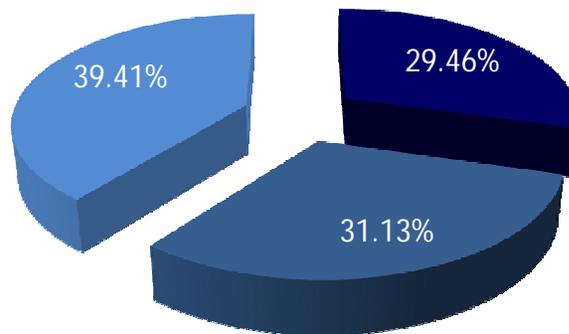


	Q1 FY 11	Q4 FY 11	Q1 FY 12
Gross Advances	27979	32895	33017
Large Corporate Advances	11027	13895	13990
SME Advances	8242	9564	9586
Retail Loans	8711	9436	9441

- Wholesale Banking Division at Mumbai
- Cluster-based approach for added thrust to SME lending
- SME Credit Hubs and Retail Credit Hubs set up across major centres for faster processing of such loans
- Centralised Loan Application processing and DMS
- Fedbank Financial Services Ltd. to distribute Bank's retail loans

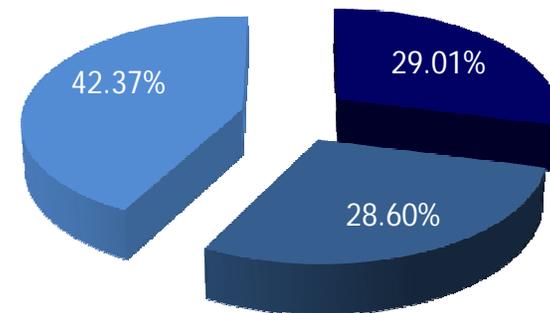
LOAN BOOK COMPOSITION

- The SME portfolio of the Bank grew by 16.21 % to reach Rs 9586 Cr
- Large Corporate Credit grew by 26.86 % to reach Rs 13990 Cr
- Retail loans grew by a modest 8.4 % to reach Rs 9441 Cr
- Agri. lending grew by 16 % to reach Rs 3835 Cr



(30.06.2010)

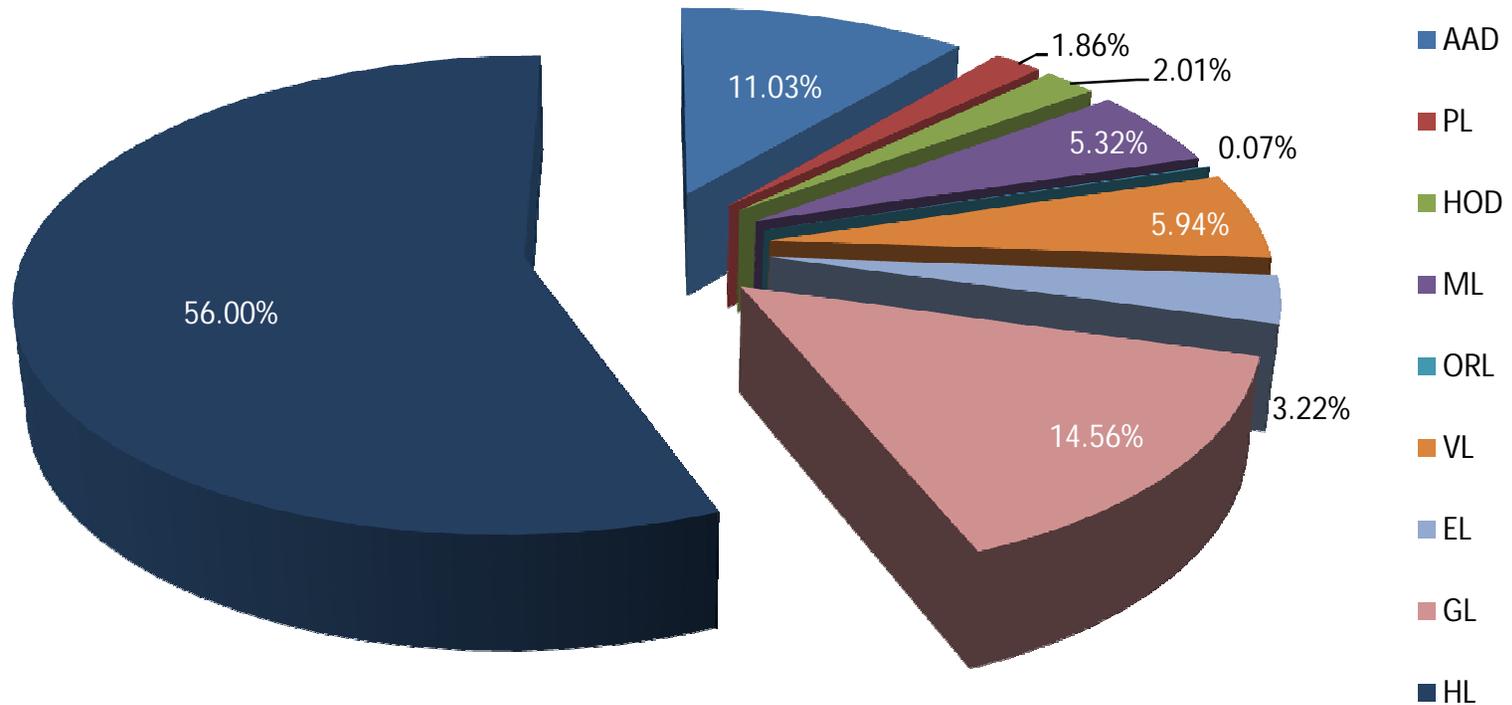
- SME
- Retail
- Large Corporate



(30.06.2011)

RETAIL BOOK COMPOSITION

- Housing Loans form 56 % of Retail Assets
- Advance against approved securities / deposits form 11.03 % of Retail Assets
- Retail Gold Loans contribute another 14.56 %
- Personal Loans account for just 1.86 % of Retail Assets



Total Gold Loan portfolio of the Bank grew by an impressive 62 % on a y-o-y basis

TOP INDUSTRIAL EXPOSURES

(Rs in Cr.)

No.	Sector	Bal. o/s (30.06.2011)
1	POWER	2286
2	NBFC	1528
3	PETROLEUM	1000
4	HOUSING FINANCE	932
5	IRON AND STEEL	870
6	FOOD CREDIT	743
7	ROAD & PORT	646
8	AGRICULTURE	454
9	ENGG CONTRACTOR	453
10	AVIATION	440

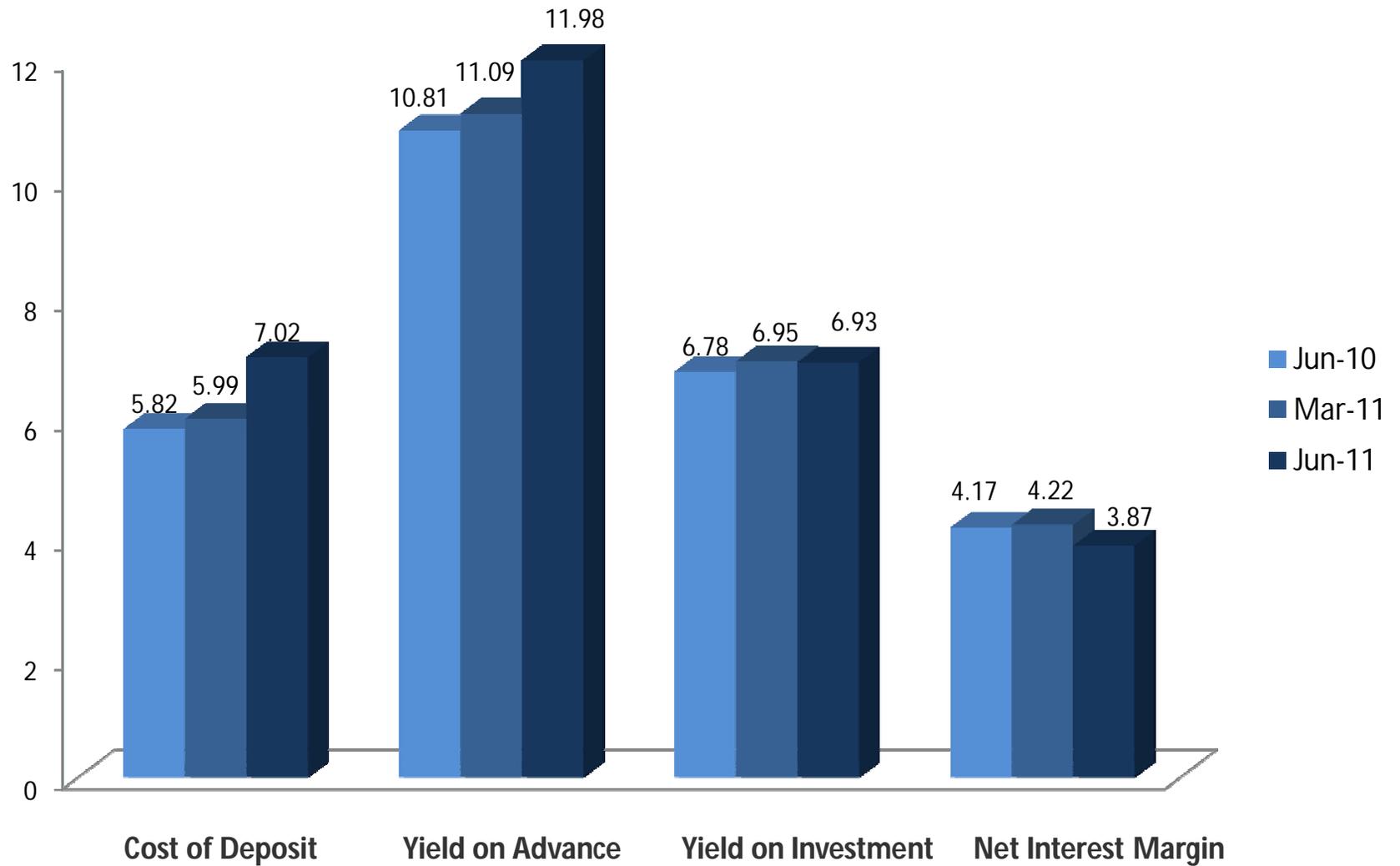
TREASURY PORTFOLIO

(Rs in Cr.)

	Q1 FY 11	Q4 FY 11	Q1 FY 12
HFT	432	1104	919
AFS	2658	3107	4057
HFT + AFS	3090	4211	4976
HTM	8930	10343	10764
Total Investments	12020	14554	15740
of which SLR	9103	9977	11003
Non-SLR	2917	4577	4737
IFR	190	190	190

COST, YIELD & NIM

(All values in %)



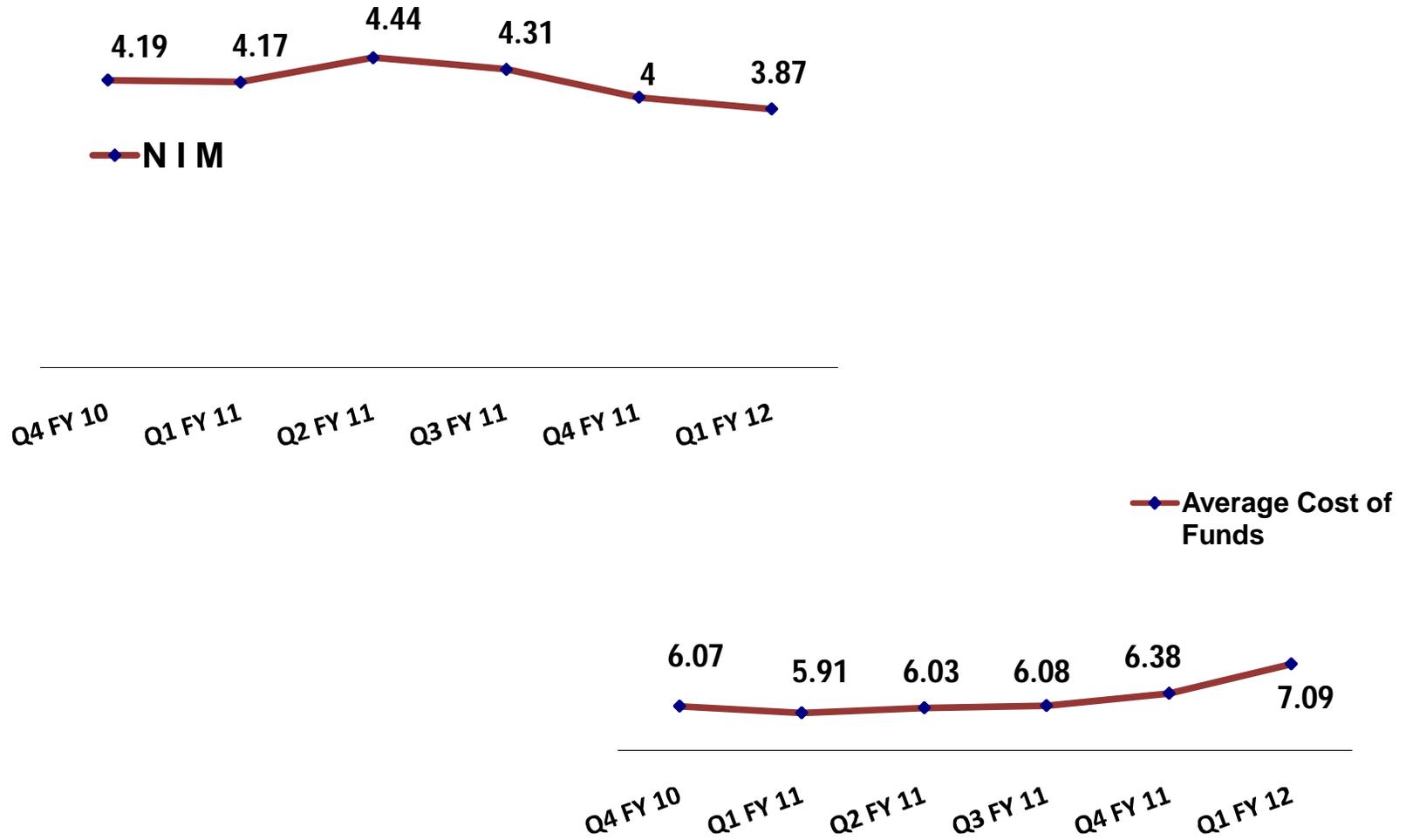
MARGINS

	Q1 FY 11 (3 months)	Q1 FY 12 (3 months)
Yield on Advance	10.81	11.98
Cost of Deposits	5.82	7.02
Interest Spread	4.99	4.96
Yield on Investments	6.78	6.93
Net Interest Margin	4.17	3.87
Cost to Income Ratio	35.91	38.60

- Yield on advances moderated to 11.98 %
- Cost of deposits Increased to 7.02 %
- Net Interest Margin decreased to 3.87 %
- Cost to Income ratio remains at a comfortable level of 38.60 %

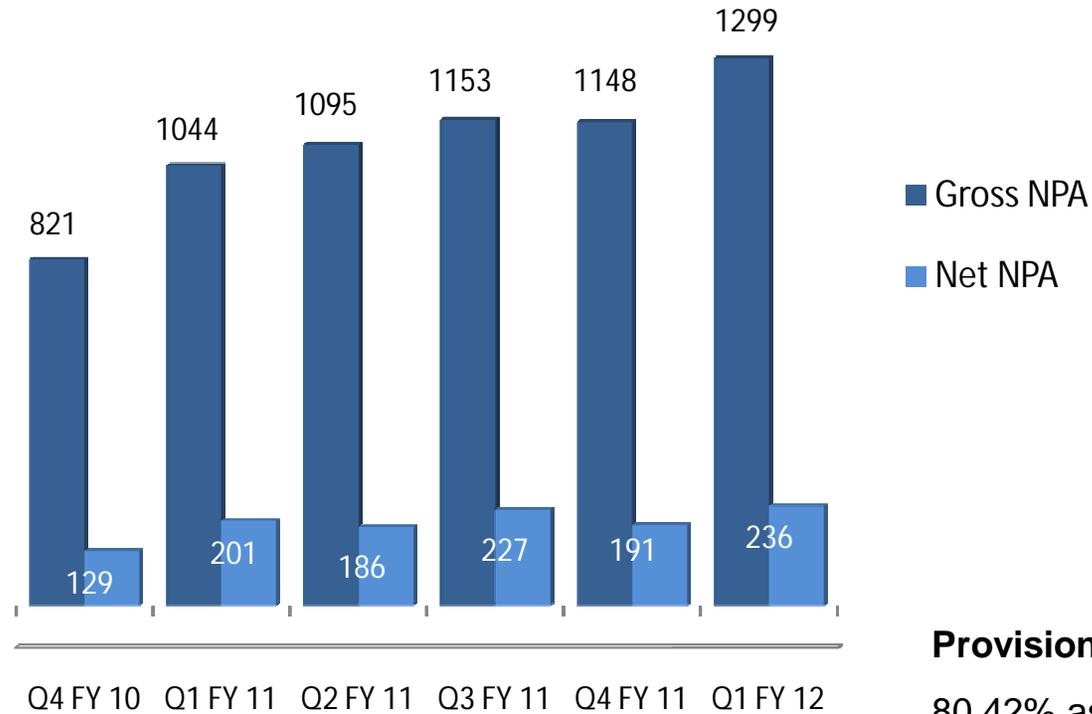
NIM & COST OF FUNDS

(All values in %)

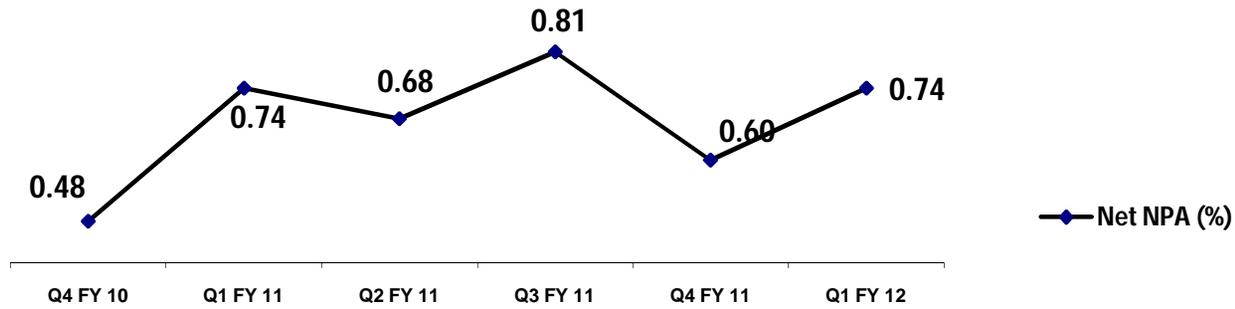


NPA MOVEMENT

(Rs in Cr.)



Provision Coverage Ratio
80.42% as on 30.06.2011



RESTRUCTURED ADVANCES

During the quarter from 01.04.2011 to 30.06.2011

	No.	Amount (Rs in Cr)
Standard	13	28.97
Sub-standard	1	0.01
TOTAL	14	28.98

PROVISIONS

(Rs in Cr.)

	3 months ended June 2010	12 months ended Mar 2011	3 months ended June 2011
Investment Losses	(4.07)	11.13	15.31
Loan Losses	135.78	488.85	114.14
Other purposes	1.67	25.46	4.57
Tax	70.10	314.73	73.87
TOTAL PROVISIONS	203.48	840.17	207.89

OPERATING EXPENSES

(Rs in Cr.)

	Q1 FY 11	Q4 FY 11	Q1 FY 12
Salary	104.75	480.41	130.95
Rent, Taxes & Lighting	19.35	79.60	20.51
Printing & Stationery	2.11	10.16	2.54
Postage	3.54	18.87	5.54
Repairs	5.21	23.04	7.23
Depreciation	17.81	54.26	12.37
Advertisement	1.14	18.12	2.54
Insurance	8.96	35.85	10.60
Others	25.00	115.83	30.32
Total	187.87	836.14	222.60

OTHER INCOME

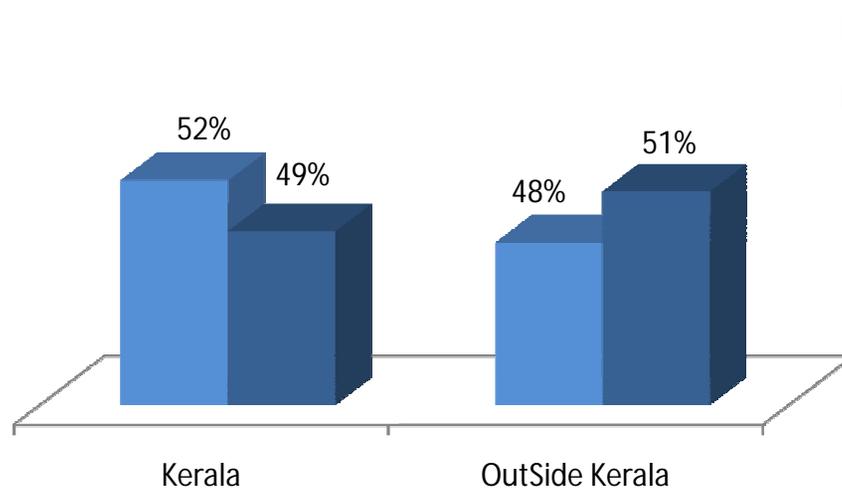
(Rs in Cr.)

	Q1 FY 11	Q4 FY 11	Q1 FY 12
Exchange, Commission & Brokerage Income	31.42	127.28	31.21
Other Fee Income	27.53	123.17	27.90
Net Profit on Forex Transactions	13.96	57.23	13.95
Profit on sale of securities	16.55	45.76	16.03
Recovery from assets written off	18.32	146.07	23.28
Other Receipts	2.11	17.30	4.51
Total	109.89	516.81	116.90

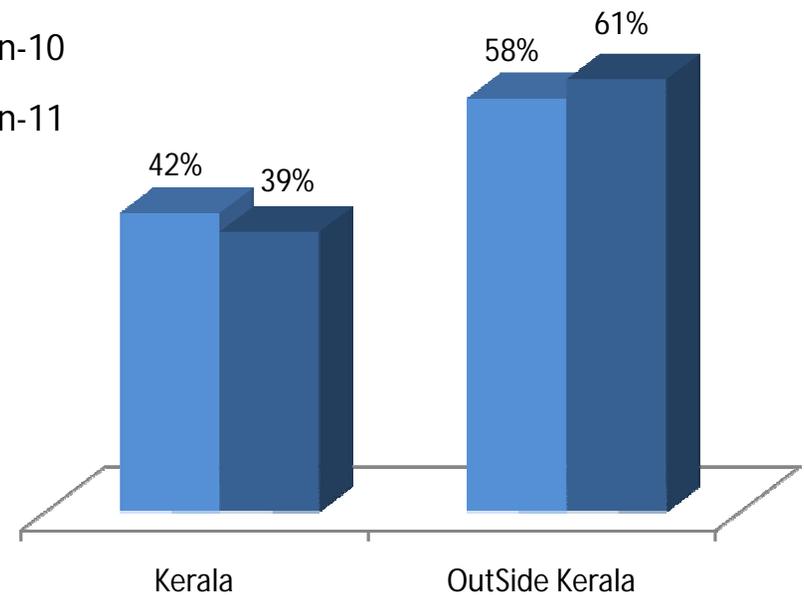
BUSINESS DISTRIBUTION

(as on 30.06.2011)

DEPOSITS

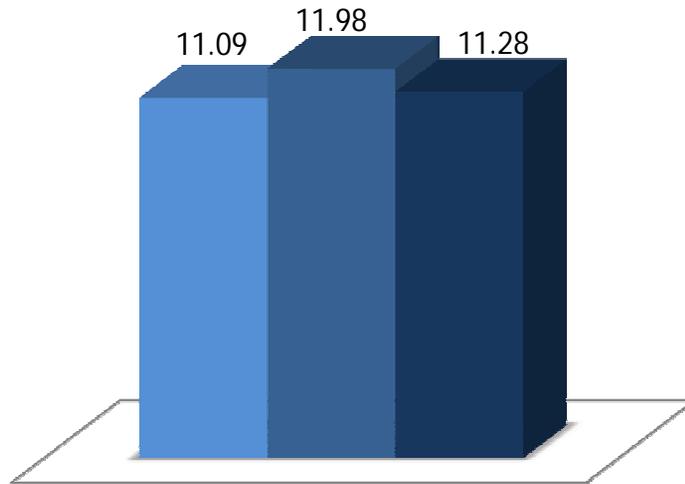


ADVANCES



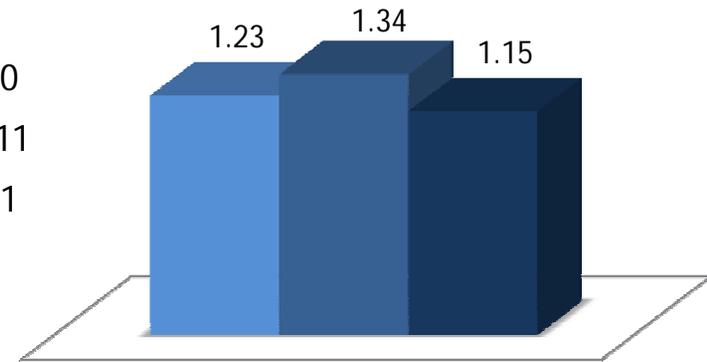
KEY RATIOS - ROE & ROA

(all values pertain to quarters)



RETURN ON EQUITY (%)

■ Jun-10
■ Mar-11
■ Jun-11

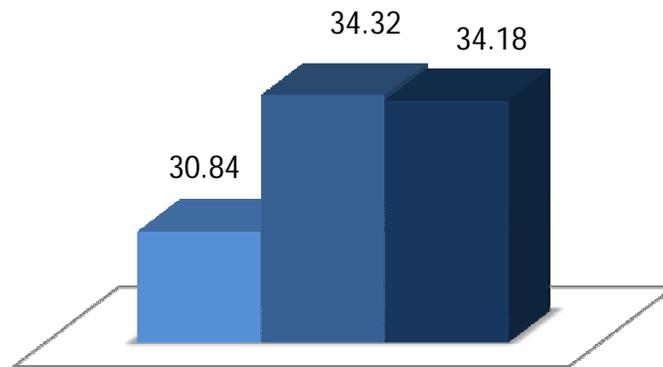


RETURN ON ASSETS (%)

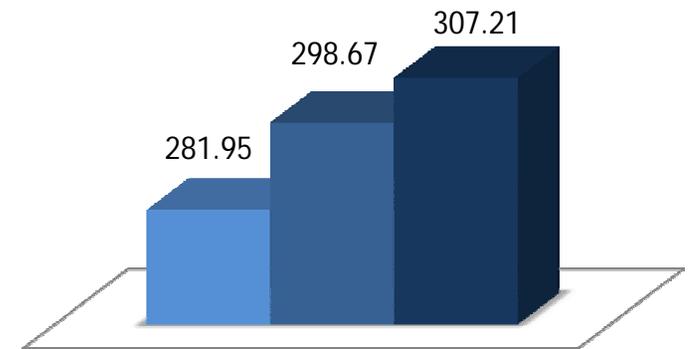
- Return on Average Equity up by 19 bps to reach 11.28%
- Return on Assets decreased by 6.28 %

RETURNS TO SHAREHOLDER

(all values pertain to quarters)



EARNINGS PER SHARE (Rs)

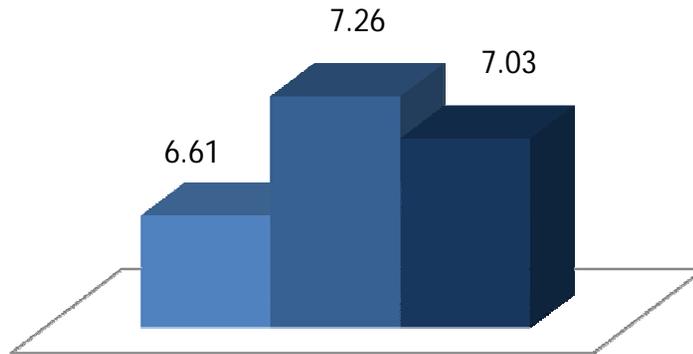


BOOK VALUE PER SHARE (Rs)

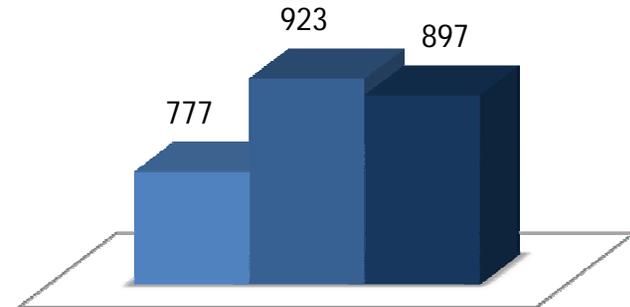
- Earnings Per Share increased to Rs 34.18
- Book Value per share at Rs 307.21

PRODUCTIVITY RATIOS

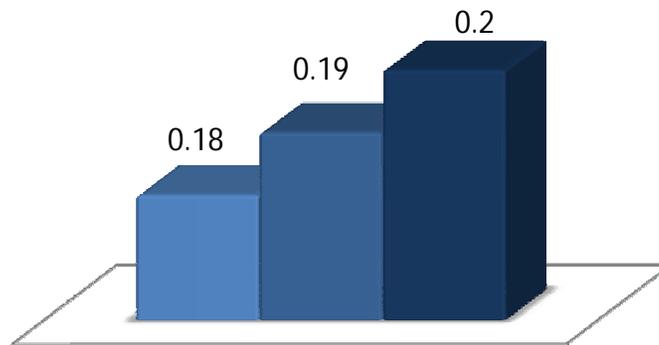
(all values pertain to quarters)



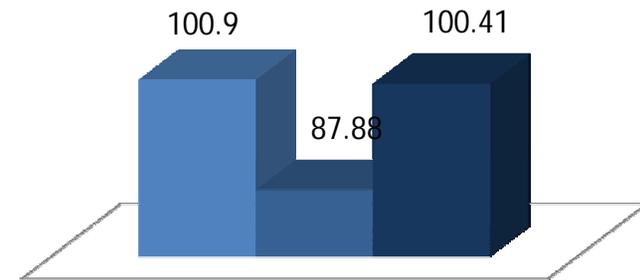
PROFIT PER EMPLOYEE (Rs LAKH)



BUSINESS PER EMPLOYEE (Rs LAKH)



PROFIT PER BRANCH (Rs CRORE)



BUSINESS PER BRANCH (Rs CRORE)

■ Jun-10
■ Mar-11
■ Jun-11

- Employee strength increased y-o-y from 8066 to 8373
- Branch strength increased y-o-y from 707 to 746

DISTRIBUTION NETWORK

State	Br. No.
ANDHRA PRADESH	26
ASSAM	6
BIHAR	1
CHANDIGARH	1
CHATTISGARH	2
GOA	4
GUJARAT	8
HARYANA	8
JHARKHAND	5
JAMMU & KASHMIR	1
KARNATAKA	50
KERALA	450
MADHYA PRADESH	3
MAHARASHTRA	67
MEGHALAYA	1
NAGALAND	1
NEW DELHI	18
ORISSA	3
PONDICHERRY	2
PUNJAB	6
RAJASTHAN	4
TAMILNADU	51
UTTAR PRADESH	10
UTTARKHAND	1
WEST BENGAL	17

- 746 branches spread across 25 states
- Presence across various geographies – 109 branches in metros, 169 in urban centres, 347 in semi-urban centres and 121 in rural areas
- Two currency chests
- Corporate Banking Branches at Mumbai and New Delhi
- One Overseas Representative Office at Abudhabi, UAE
- 8 Zonal Offices across the country
- 31 Regional Offices across the country
- 6 Extension Counters at various locations
- 816 ATMs across 109 metro centres, 230 urban centres, 390 semi-urban locations and 87 rural areas
- Retail and SME hubs established across major centres in India for faster processing of loans and advances

PRODUCT RANGE

RETAIL BANKING

Deposits

Savings Bank variants
Current Account variants
Fixed Deposits
Recurring Deposits

Loans

Car / 2 wheeler loans
Home Loans
Home Overdrafts
Mortgage Loans
Loans against securities
Educational Loans
Gold Loans
Personal Loans

Other services

Gold Coin sales
Debit Cards
POS terminals
On-line bill payments
NRI Services
Insurance Product sales
Mutual Fund sales
Depository Services
On-line equity trading
PIS for NRI's

CORPORATE BANKING

Working Capital
Term Loans
Collection of bills

Letter of Credit
Bank Guarantee
Forex and Derivatives
Cash Management Services

TREASURY

Currency Futures
Structured products to HNIs
Derivative products
G-Sec retailing
Retailing of debt instruments
Buyer's Credit

OTC Contracts
Outward remittances hub
On-line SME forex trading
Rate Research Data Cell
Option Trading
Offshore Banking unit

EXTERNAL RATINGS

Instrument	Agency	Rating
Fixed Deposits	CRISIL	P1+
Certificate of Deposit	CRISIL	P1+
Bonds	FITCH	AA- (ind)
Bonds	CARE	AA

- The Fixed Deposits and Certificates of Deposits enjoy the highest rating in that class
- Bonds have been a rating, which are considered to offer high safety and carrying very low credit risk

SUBSIDIARIES & JVs

IDBI Federal Life Insurance Co. Ltd.

- Bank's Joint Venture Life Insurance Company, in association with IDBI Bank and Ageas
- Federal Bank holds 26 % equity in the J.V.
- Started selling life insurance products from March 2008

FedBank Financial Services Ltd.

- Fully owned subsidiary of the Bank with NBFC license
- Marketing Retail Asset Products of the Bank
- Retail Hubs established at major centres all over India
- Separate mechanism established for speedy and dedicated processing of retail loans sourced through this channel

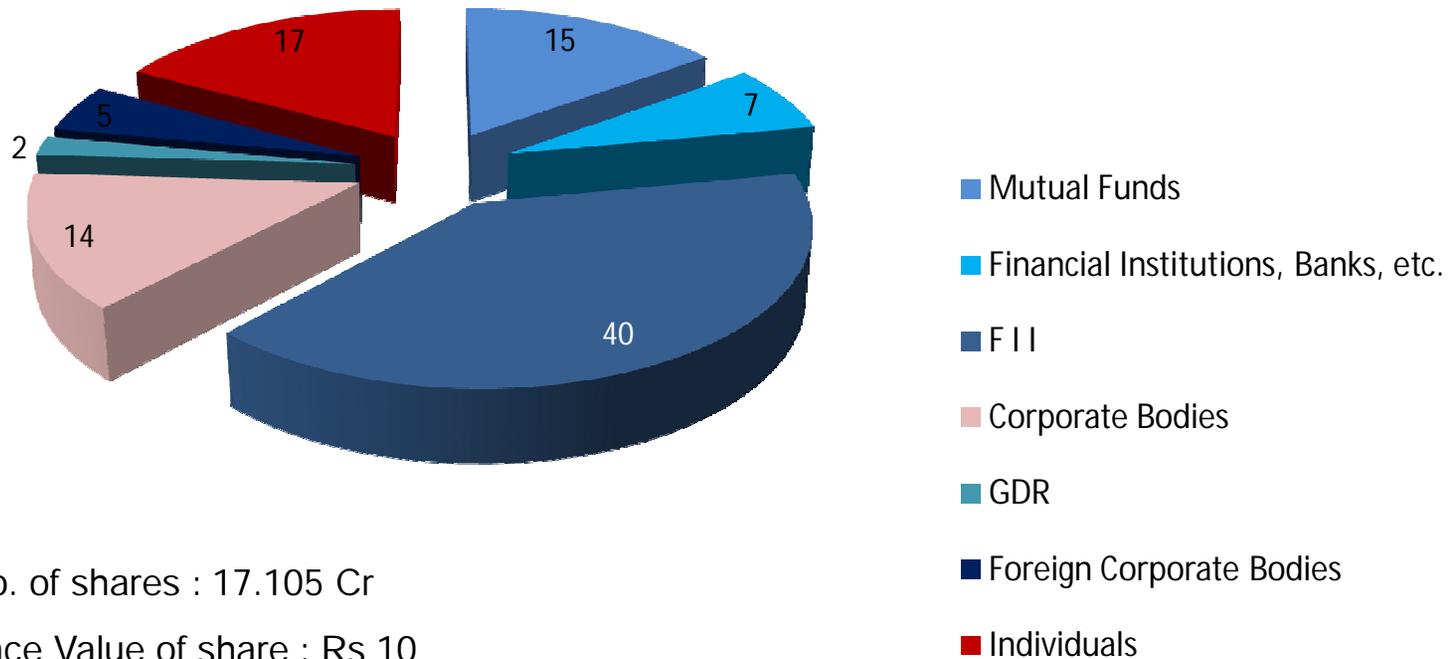
UAE Representative Office

- Representative Office at Abu Dhabi, Capital of U.A.E., established in 2008
- Gateway of the Bank to the whole of Middle East
- Increased the reach of the Bank among Non-Resident Indians in the Gulf countries

MAJOR INVESTMENTS

Entity	% Equity
Fedbank Financial Services Limited	100.00 %
IDBI Federal Life Insurance Company of India Limited	26.00 %
Credit Analysis and Research Limited	5.00 %
United Stock Exchange of India Limited	6.00 %
Experian Credit and Information Company of India Limited	5.00 %
The Catholic Syrian Bank Limited	4.99 %

SHAREHOLDING



- No. of shares : 17.105 Cr
- Face Value of share : Rs 10
- Share Capital : Rs 171.05 Cr
- Shareholder's Funds : Rs 5108.66 Cr
- Book Value per share : Rs 307.22
- Market Price : Rs 440 (as on 27.07.2011)
- Market Cap : Rs 7526 Cr (as on 27.07.2011)

Shareholding pattern as on 30.06.2011

www.federalbank.co.in

THANK YOU

The Federal Bank Limited, Corporate Office, Federal Towers, Aluva, Kochi – 683101, Kerala, India

FEDERAL BANK