

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

## Introduction

Performance Overview

Business Overview

# Overview / Key Messages



Branches	1124
ATMS	1272
Deposits	56794
Advances	42220
Employees	10204

SME (Y-o-Y)	NRE Deposits	CASA (Y-o-Y)	CASA Ratio
<b>36%</b>	<b>56%</b>	<b>23%</b>	<b>201 bps</b>
Operating Profit	Net Profit	ROE	ROA
<b>354 Cr</b>	<b>226 Cr</b>	<b>14.08</b>	<b>1.31</b>

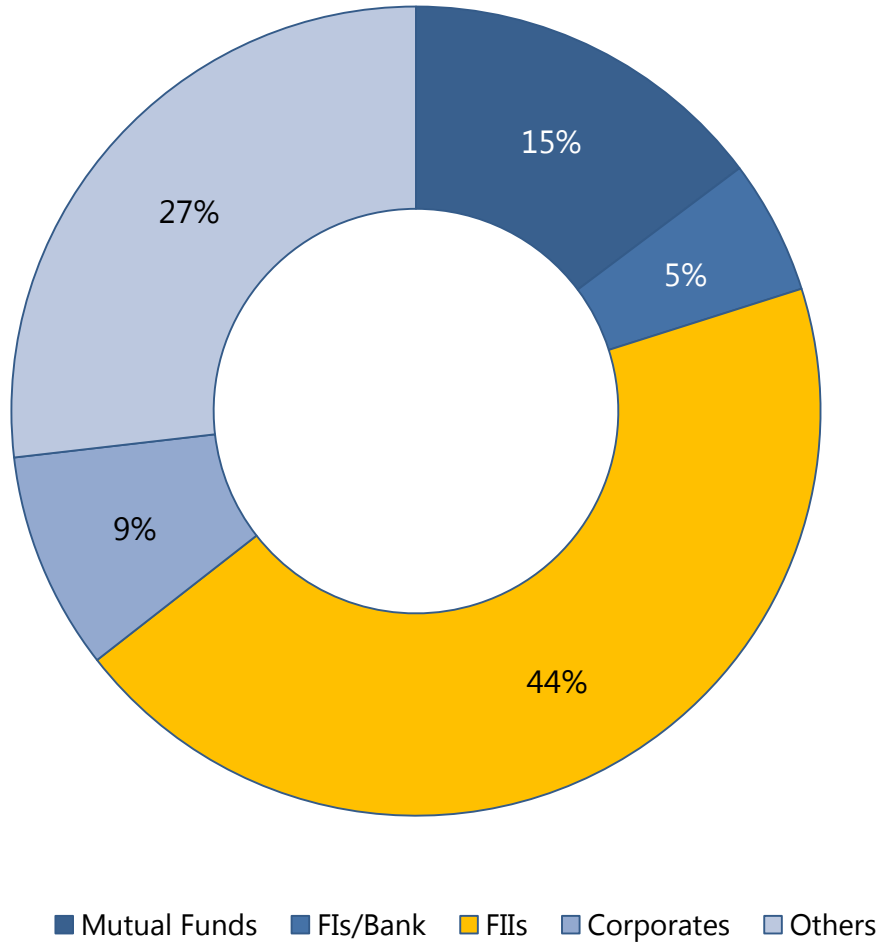
# Key Ratios

	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13	
Profitability Measure	<b>ROA</b>	<b>1.31</b>	<b>1.43</b>	<b>0.96</b>	<b>1.35</b>
Shareholder Value Measure	<b>ROE</b>	<b>14.08</b>	<b>14.33</b>	<b>10.34</b>	<b>13.72</b>
Efficiency Measure	<b>Cost/Income</b>	<b>48.84</b>	<b>45.82</b>	<b>46.76</b>	<b>44.81</b>
Risk Appetite Measure	<b>Net NPA%</b>	<b>0.98</b>	<b>0.68</b>	<b>0.98</b>	<b>0.68</b>

# Balance Sheet

Rs in Cr

	H1 FY 13	H1 FY 14
<b>LIABILITIES</b>		
Capital	171	171
Reserves & Surplus	5941	6525
Deposits	49518	56794
Borrowings	2754	5033
Other Liabilities & Provisions	2210	2713
<b>TOTAL</b>	<b>60594</b>	<b>71236</b>
<b>ASSETS</b>		
Cash & Balance with RBI	2992	3272
Balances with Banks, Money at Call	976	880
Investments	18550	22794
Advances	36299	42220
Fixed Assets	374	395
Other Assets	1402	1675
<b>TOTAL</b>	<b>60594</b>	<b>71236</b>

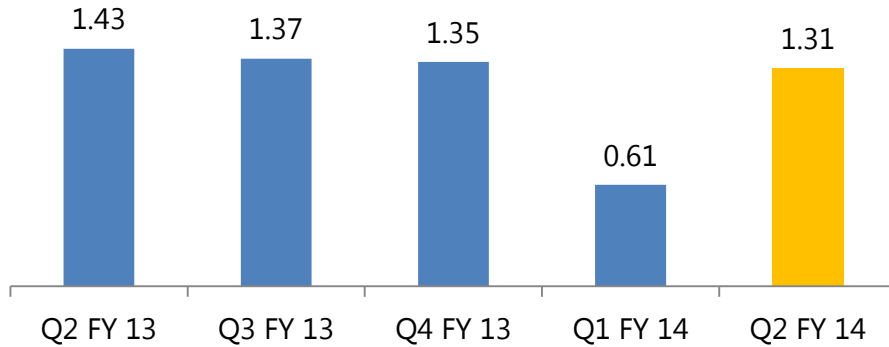


---

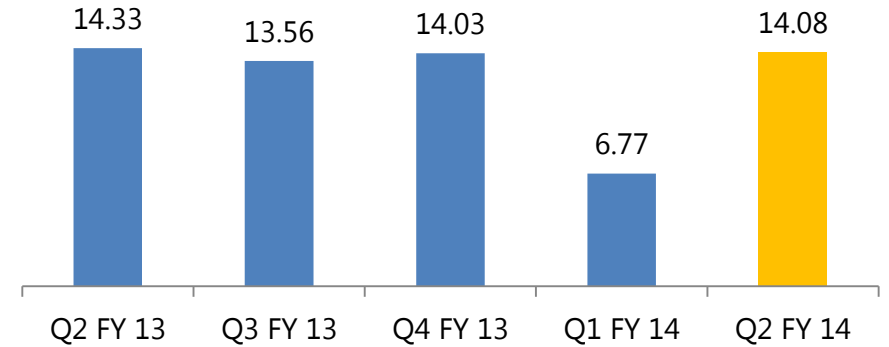
Share Capital	171.06 Cr
Shareholder's Funds	6584.26 Cr
Book Value Per Share	Rs 76.98

---

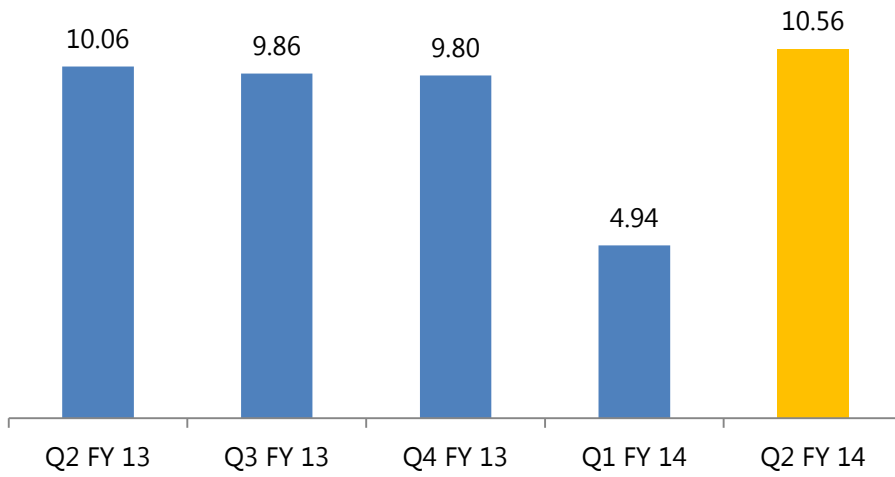
# Shareholders Value



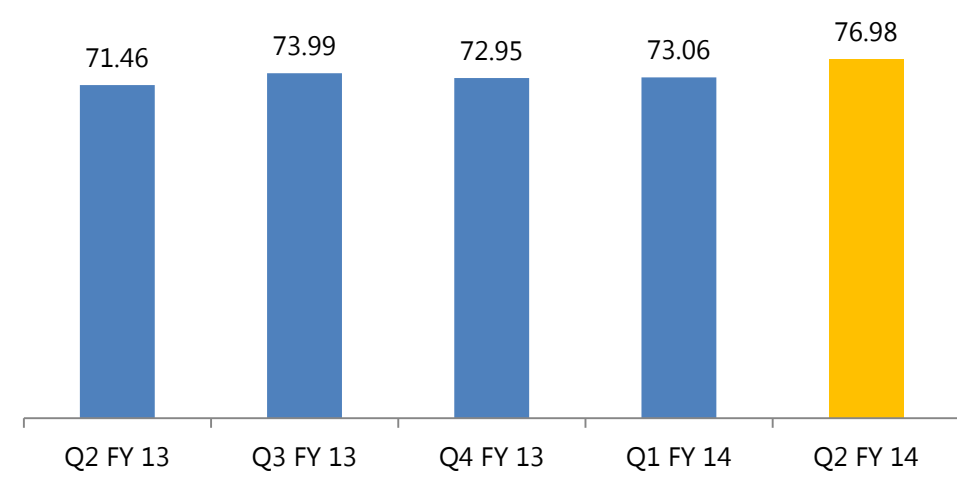
**RETURN ON ASSETS (%)**



**RETURN ON EQUITY (%)**



**EARNINGS PER SHARE**



**BOOK VALUE PER SHARE**

Introduction

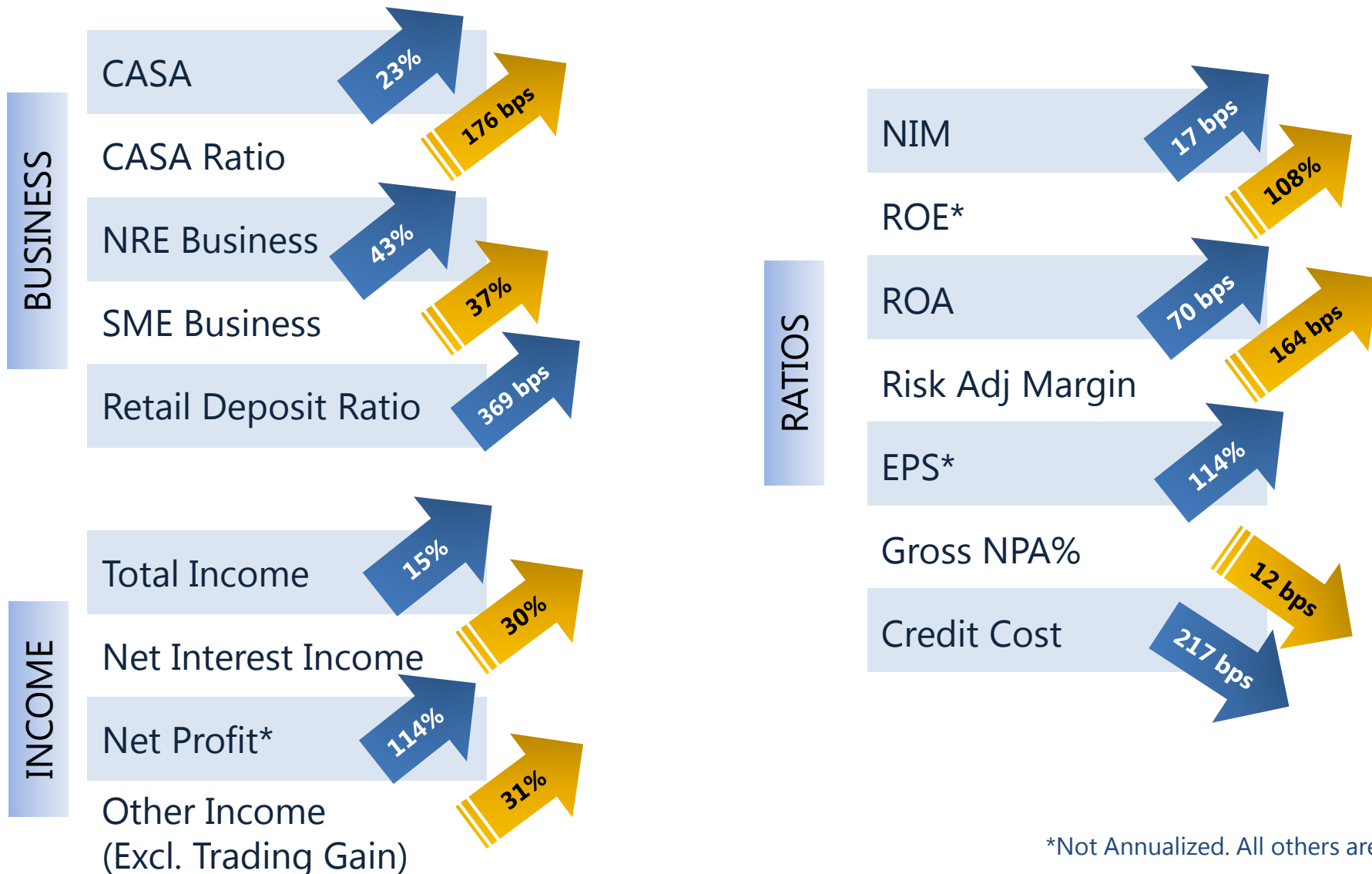
**Performance Overview**

Business Overview



# Performance Highlights

Q1 FY 14 v/s Q2 FY 14



\*Not Annualized. All others are annualized

# Key Financials

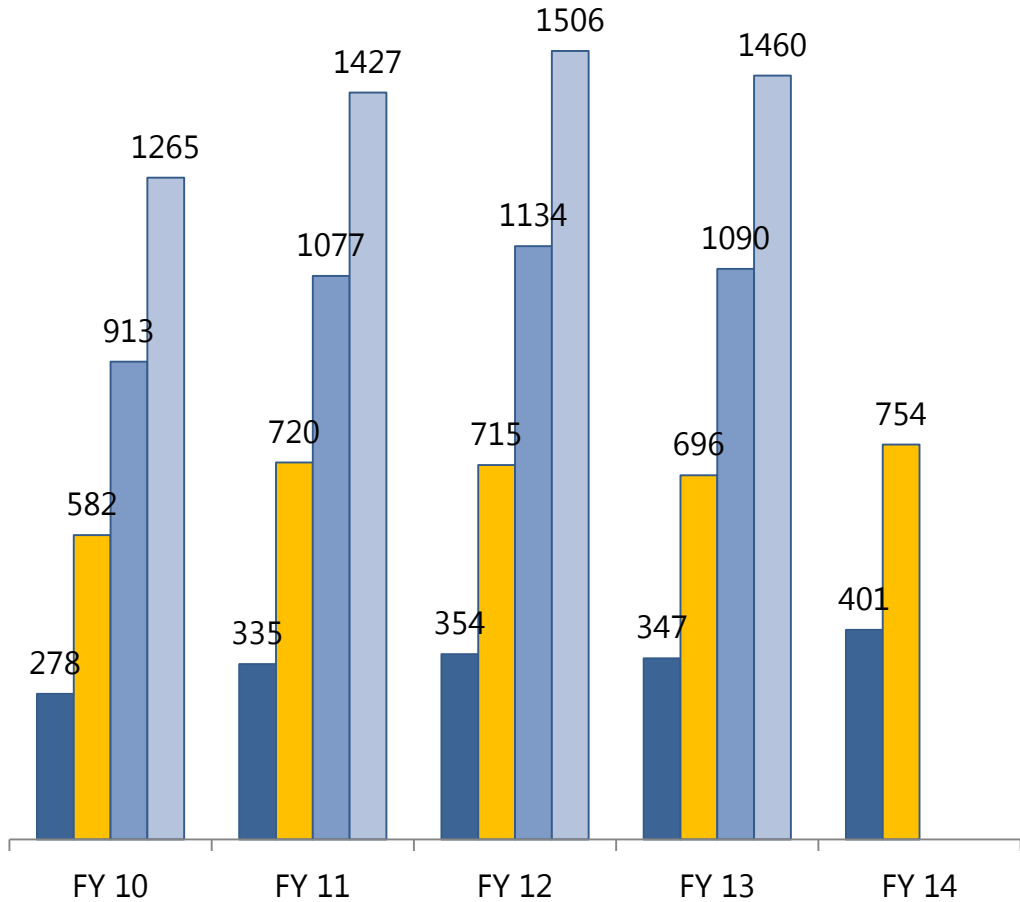
Rs in Cr

	<b>Q2 FY13</b>	<b>Q2 FY14</b>	<b>Y-o-Y</b>	<b>H1 FY13</b>	<b>H1 FY14</b>	<b>Y-o-Y</b>
Interest Income	1525.63	1714.44	12.38%	3062.34	3367.70	9.97%
Interest Expenses	1019.72	1166.09	14.35%	2064.79	2309.74	11.86%
Net Interest Income	505.91	548.35	8.39%	997.55	1057.96	6.06%
Other Income	139.41	143.40	2.86%	263.74	359.19	36.19%
Total Income	1665.04	1857.84	11.58%	3326.08	3726.89	12.05%
Total Expenditure	1315.40	1503.93	14.33%	2629.93	2972.44	13.02%
Operating Profit	349.64	353.91	1.22%	696.15	754.45	8.37%
Net Profit	215.10	225.81	4.98%	405.45	331.47	-18.25%
Net Interest Margin (%)	3.58	3.30	-7.76%	3.50	3.22	-8.10%
Cost to Income Ratio (%)	45.82	48.84	6.59%	44.81	46.76	4.36%

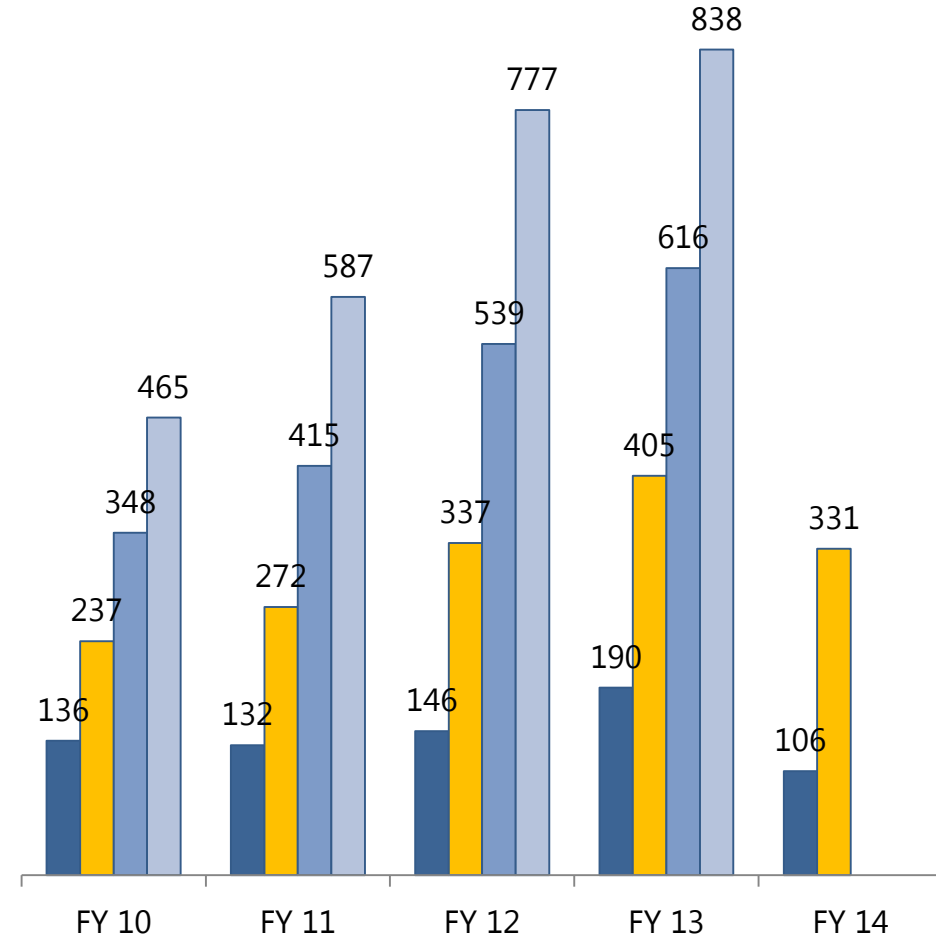
Rs in Cr

■ Q1 ■ Q2 ■ Q3 ■ Q4

## Operating Profit



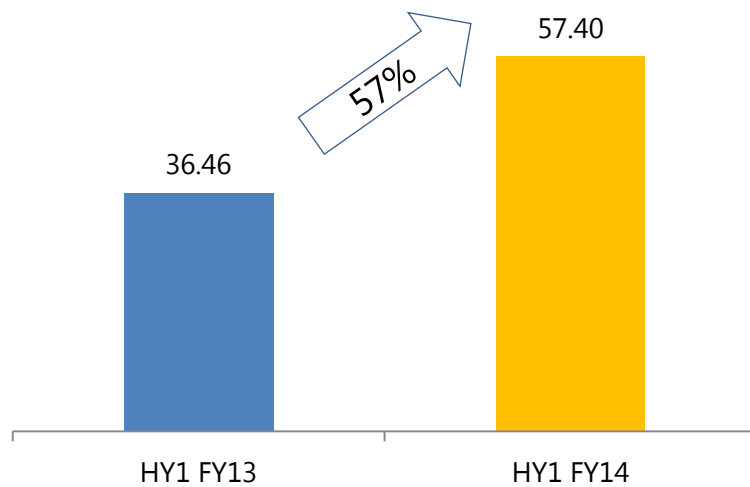
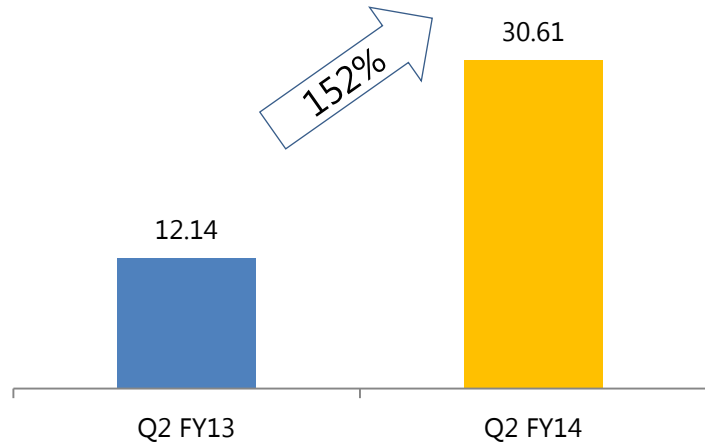
## Net Profit



Cumulative Nos

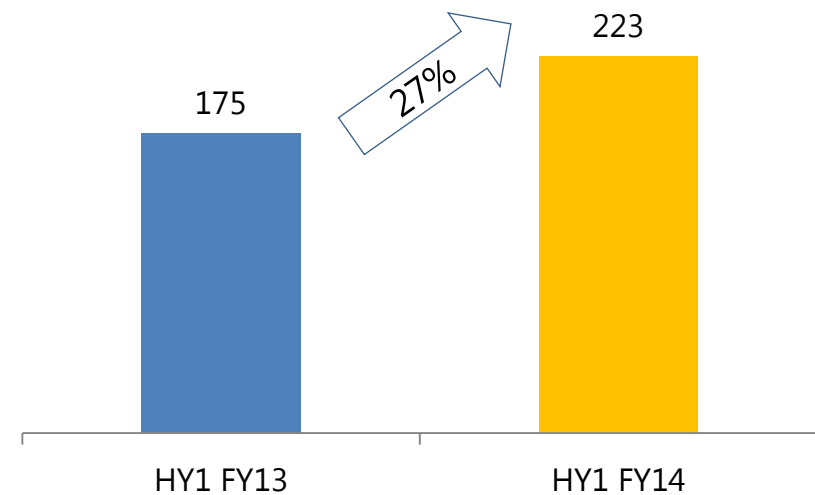
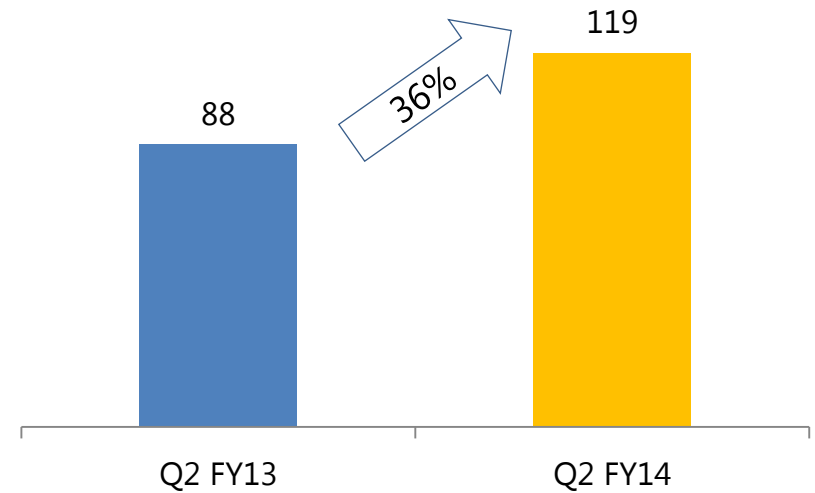
# Consistent growth in Fee Income

## Forex Gain



## Fee Income (Excl Trading Gain)

(Rs in Cr)



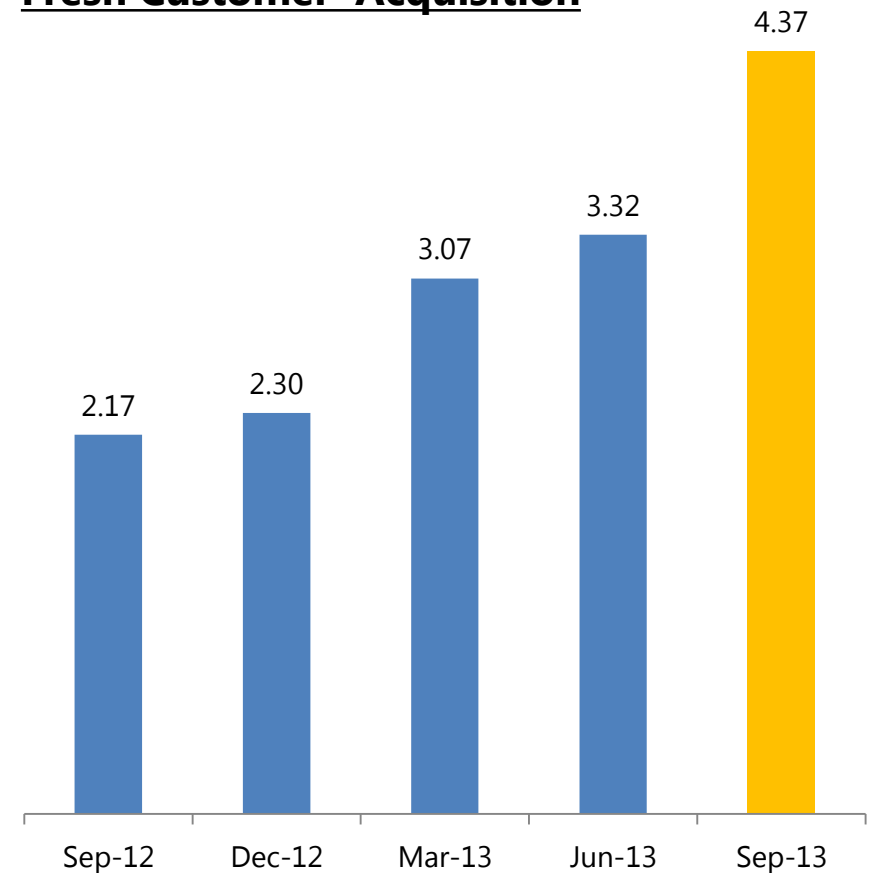
Rs in Cr

(No in Lakh)

<b>Gross Advance</b>	<b>Sep-12</b>	<b>Sep-13</b>	<b>Y-o-Y</b>
Retail	11375	13343	17%
SME	6874	9386	36%
Agri	4628	4615	0%
Corporate	14570	15855	9%

	<b>Sep-12</b>	<b>Sep-13</b>	<b>Y-o-Y</b>
<b>Retail Customer Deposit</b>	<b>43690</b>	<b>52424</b>	<b>20%</b>
Savings	11758	14524	24%
Current	2458	2926	19%
CASA	14216	17450	23%

## Fresh Customer Acquisition



# Provisions & Expenses

## PROVISIONS

	Q2 FY 13	Q2 FY 14
Investment Depreciation	-4.54	27.20
Loan Losses	20.05	-45.69
Other Purpose	14.94	29.47
Tax	104.09	117.12
<b>TOTAL</b>	<b>134.54</b>	<b>128.10</b>

## OPERATING EXPENSES

Rs in Cr

	Q2 FY 13	Q2 FY 14	Y-o-Y %
Staff expense	159.44	170.43	6.89
Depreciation	17.91	22.59	26.13
Others	117.3	144.8	23.44
<b>TOTAL</b>	<b>294.68</b>	<b>337.85</b>	<b>14.26</b>

Introduction

Performance Overview

**Business Overview**

## Growth with Quality

- Retail
- Agriculture
- SME

Assets

- Customer Deposits
- NRI
- Savings Bank
- Current Accounts

Liability

- **NRI**
- **SME**
- **Agriculture**
- **Gold**

Strategic  
Segments

- Risk Adjusted NIM
- Fee Income
  - Wholesale Banking
  - SME

Revenue  
Growth

- Centralization
- Business Analytics

Efficiency

- Independence in Sourcing & underwriting
- Dedicated Collection Team
- Basel II & RAROC

Risk  
Management

- Look & Feel
- Extensive branding outside Kerala
- Identified 5 Potential States for SME & Agriculture

Branding &  
Network  
Expansion

- Skill Build
- Employee Engagement
- Recruitment
- Reward Management

HR



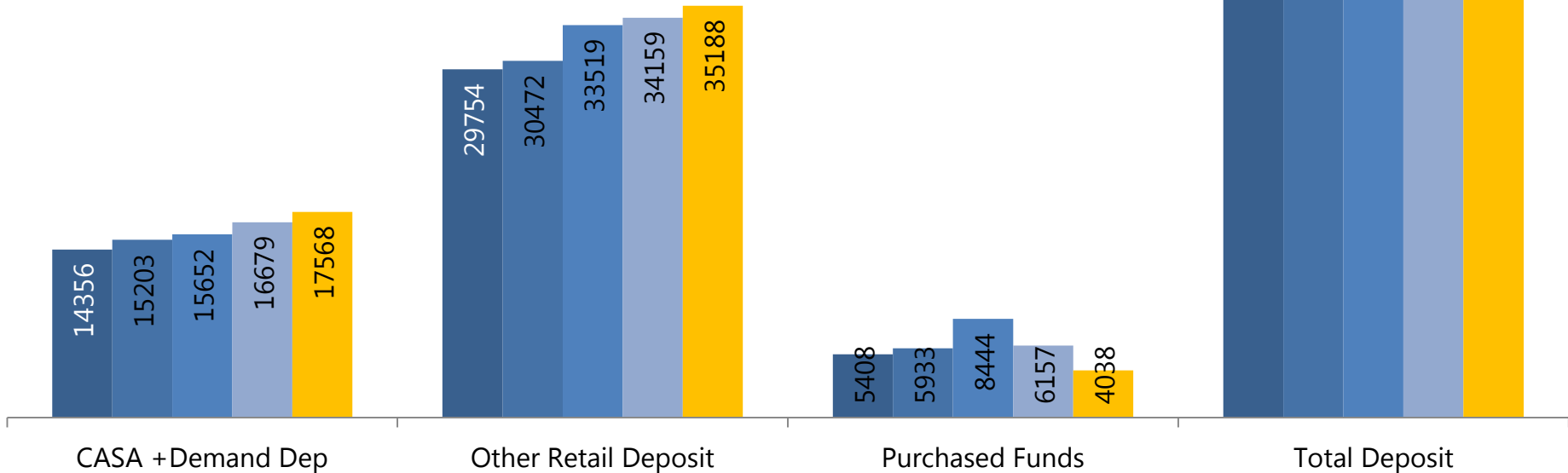
# Robust Growth in Customer Deposit

Rs in Cr

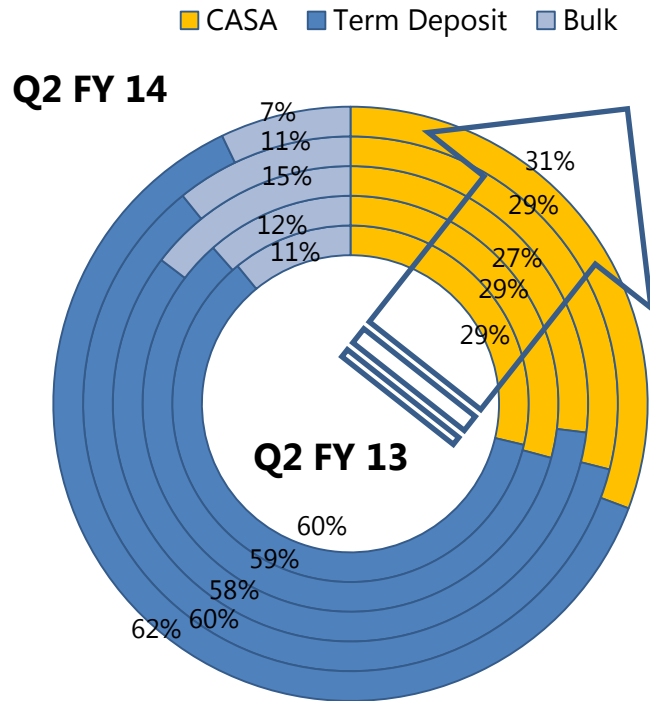
■ Q2 FY 13 ■ Q3 FY 13 ■ Q4 FY 13 ■ Q1 FY 14 ■ Q2 FY 14

CASA Ratio strengthened to **30.72** from 28.96 in Q1 FY14 and 26.94 in FY13

Retail Deposits Ratio improved to **92.89** from 89.20 in Q1 FY14 and 85.34 in FY13



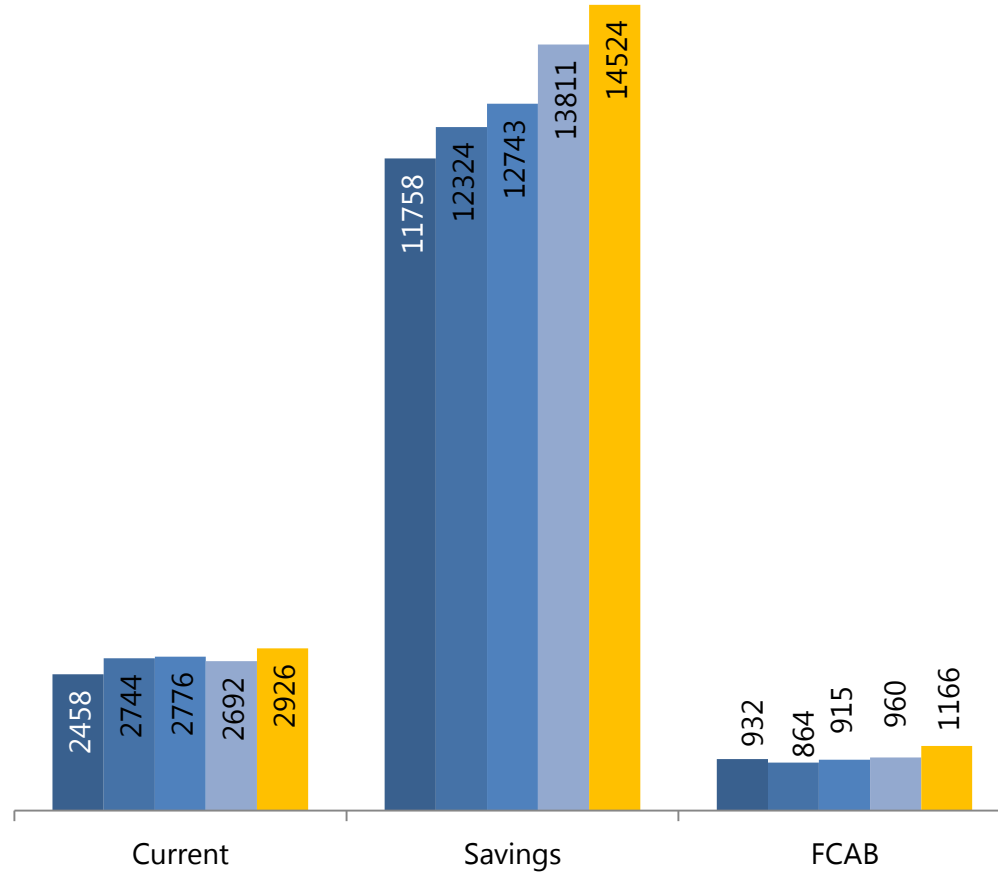
## Deposit Mix



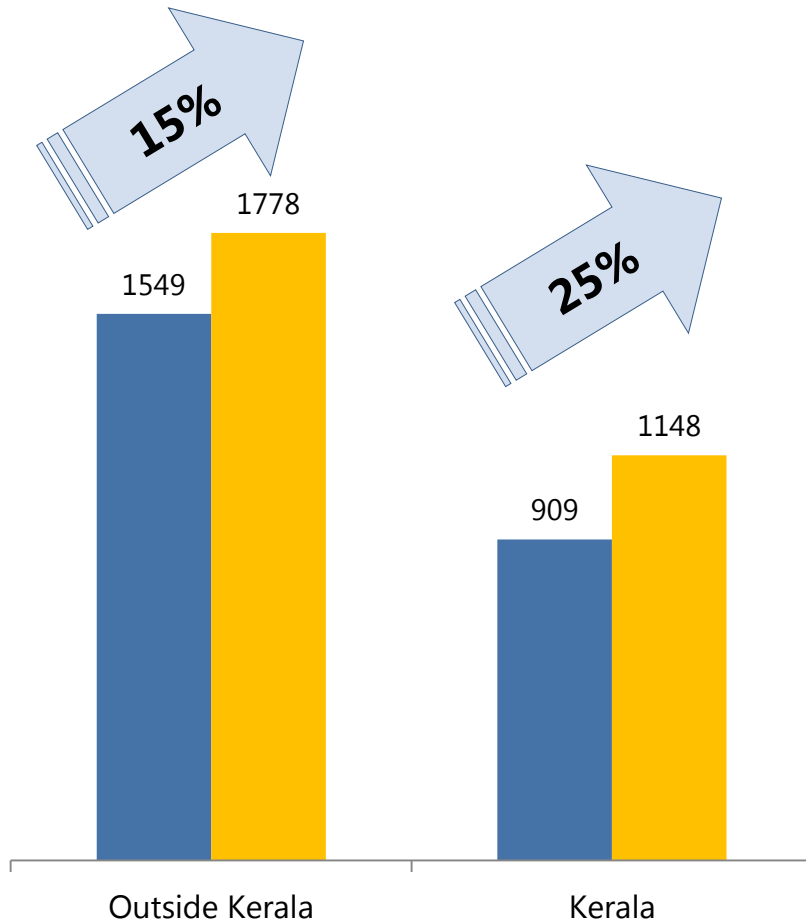
## Low Cost Dep

Rs in Cr

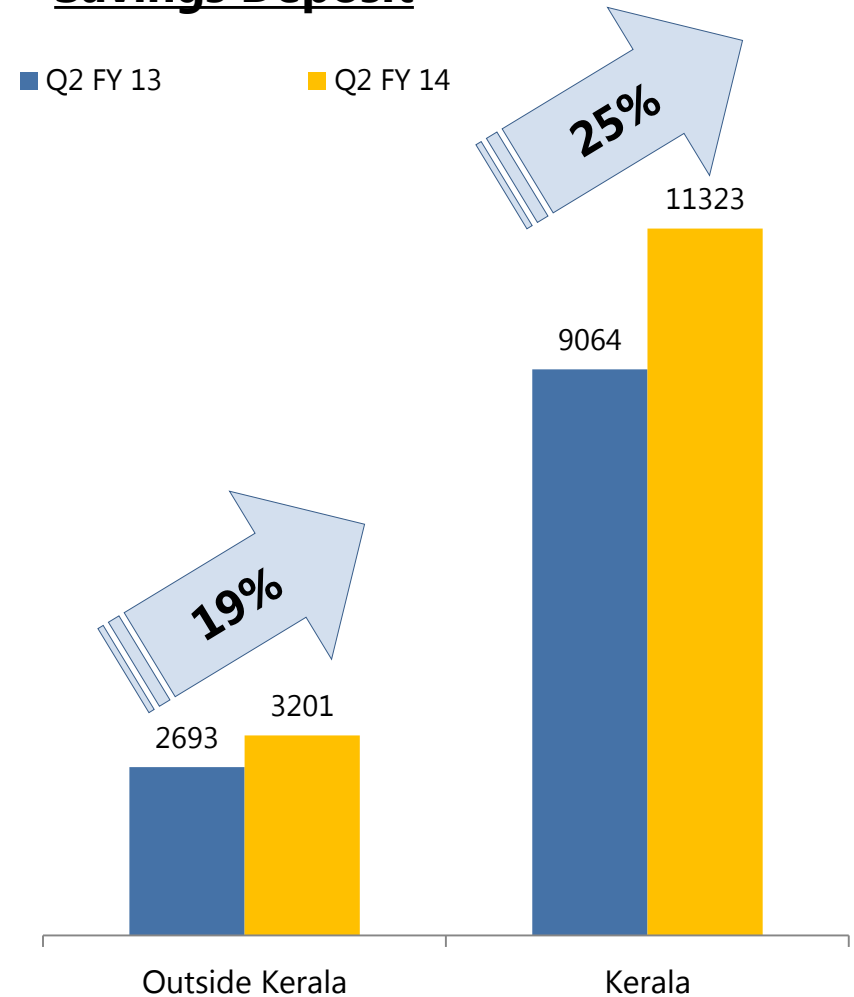
■ Q2 FY 13 ■ Q3 FY 13 ■ Q4 FY 13 ■ Q1 FY 14 ■ Q2 FY 14



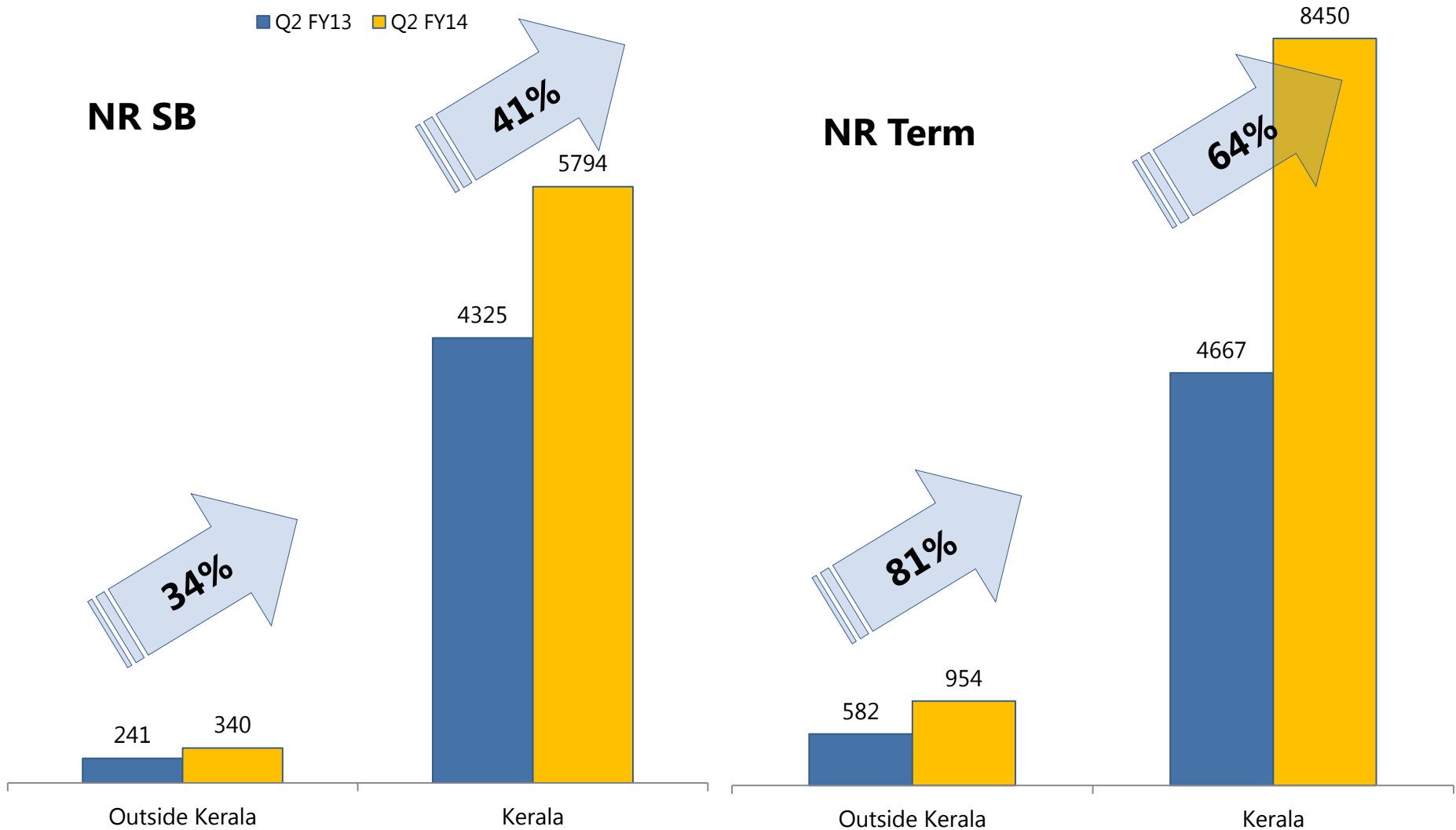
## Current Deposit



## Savings Deposit



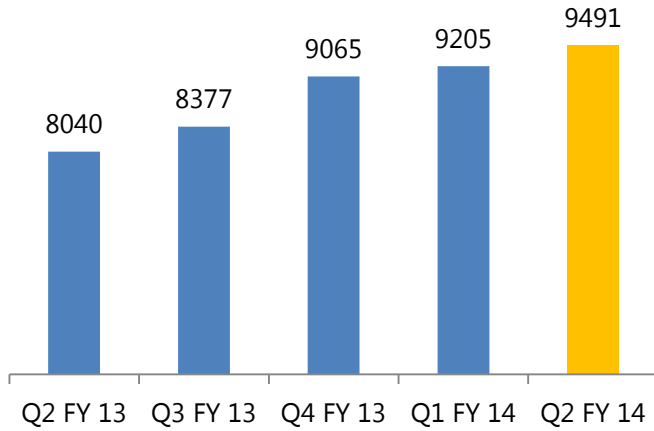
# NR Trend – Geography wise



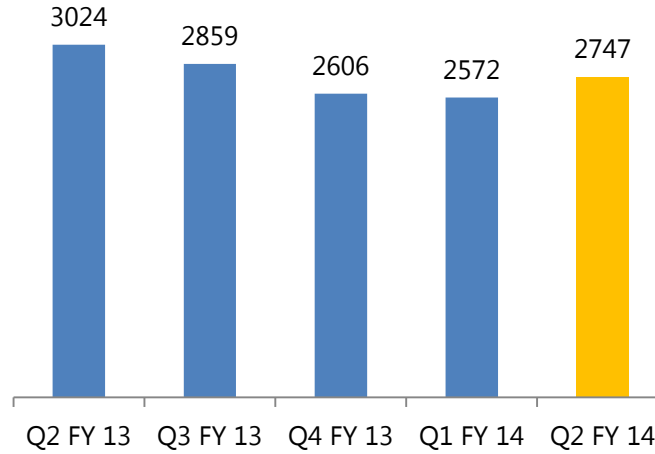
# Growth in Credit

## Focus Segments

### Retail Loans (Excl Gold)

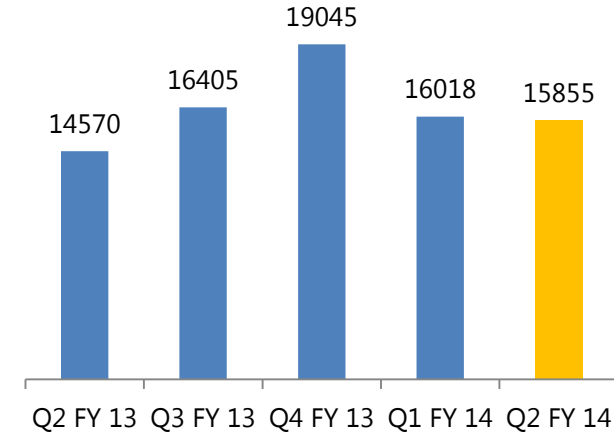


### Agri Excl Gold

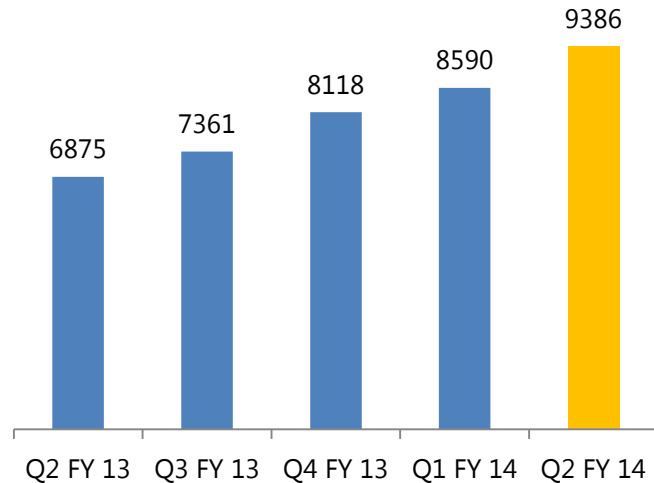


## De-Bulking

### Corporate Loans

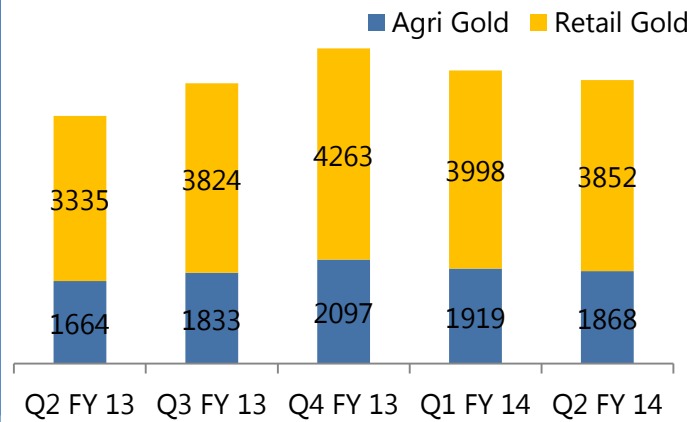


### SME Loans

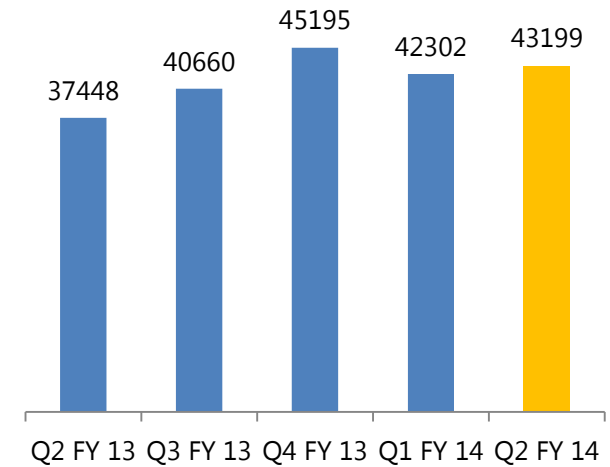


## Gold Price Impact

### Gold Loan (Incl. Agri Gold)

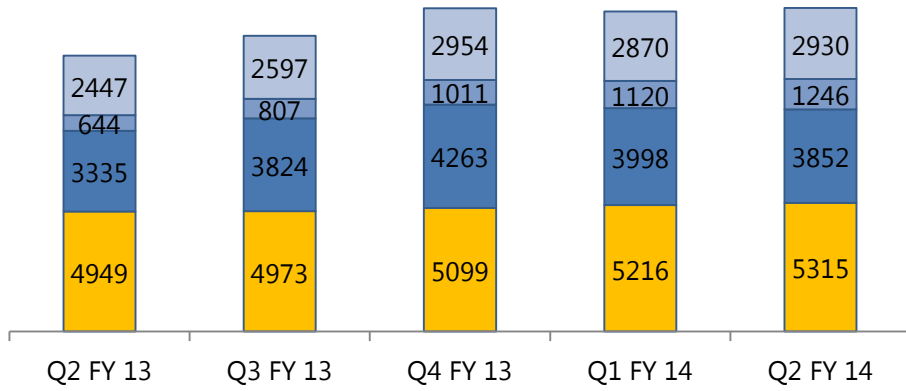


## Total Advances

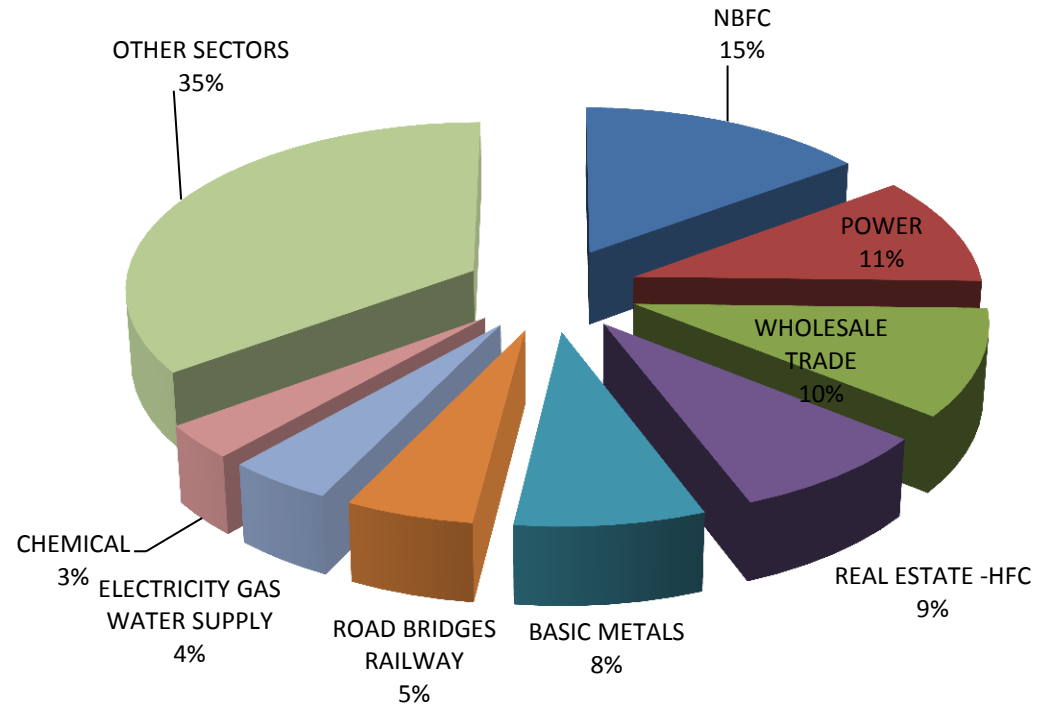


## Retail Loan Book

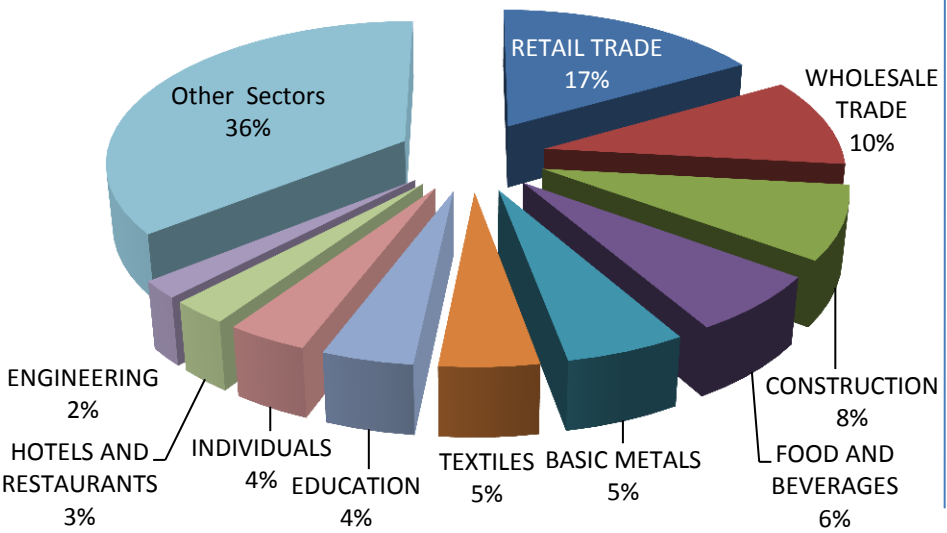
■ Housing 
 ■ Gold 
 ■ Mortgage 
 ■ Others



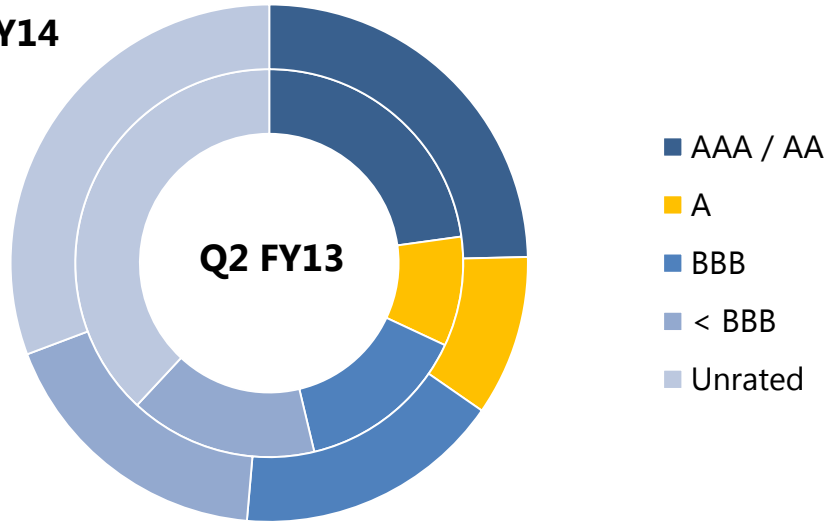
## Corporate Portfolio



## SME Portfolio



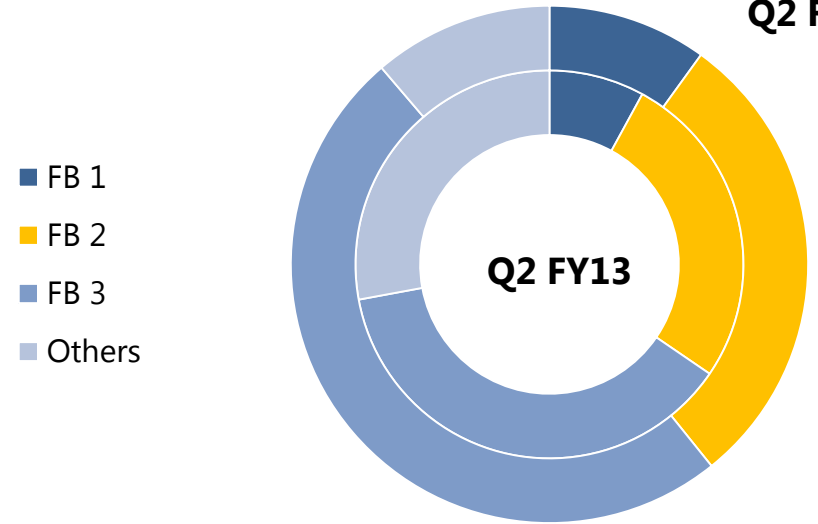
Q2 FY14



## Corporate Assets

Rating	Q2 FY13		Q2 FY14	
AAA / AA	22.81%	46.27%	24.62%	51.38%
A	9.14%		10.03%	
BBB	14.32%		16.73%	
< BBB	15.66%		17.89%	
Unrated	38.07%		30.73%	

Q2 FY14

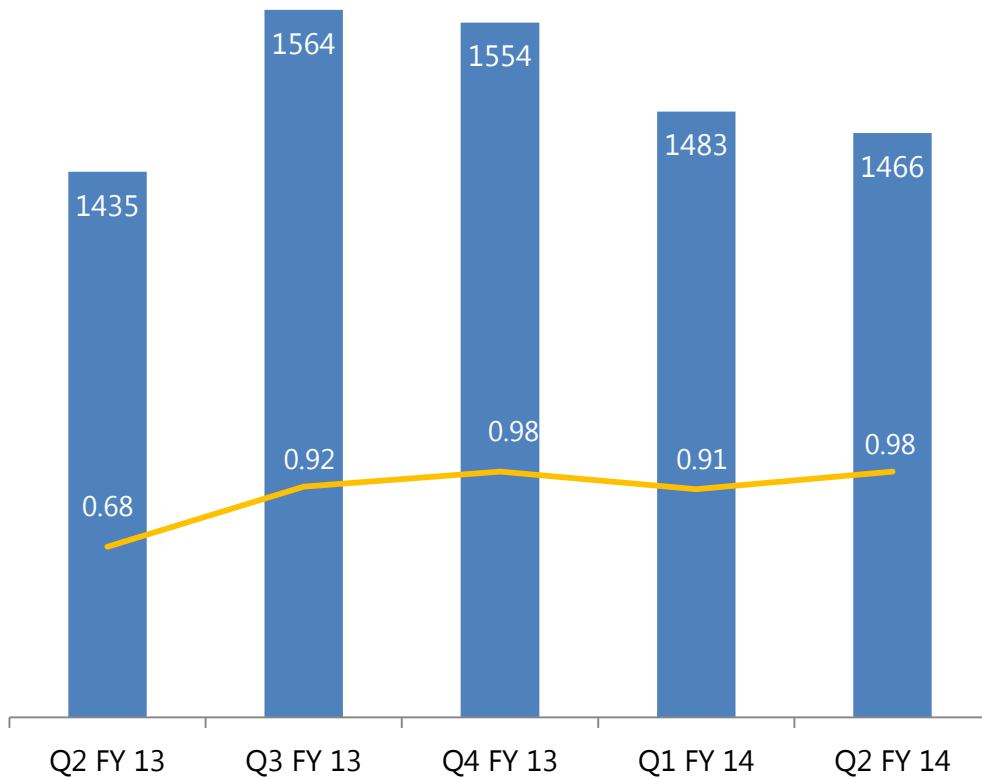


## SME Assets

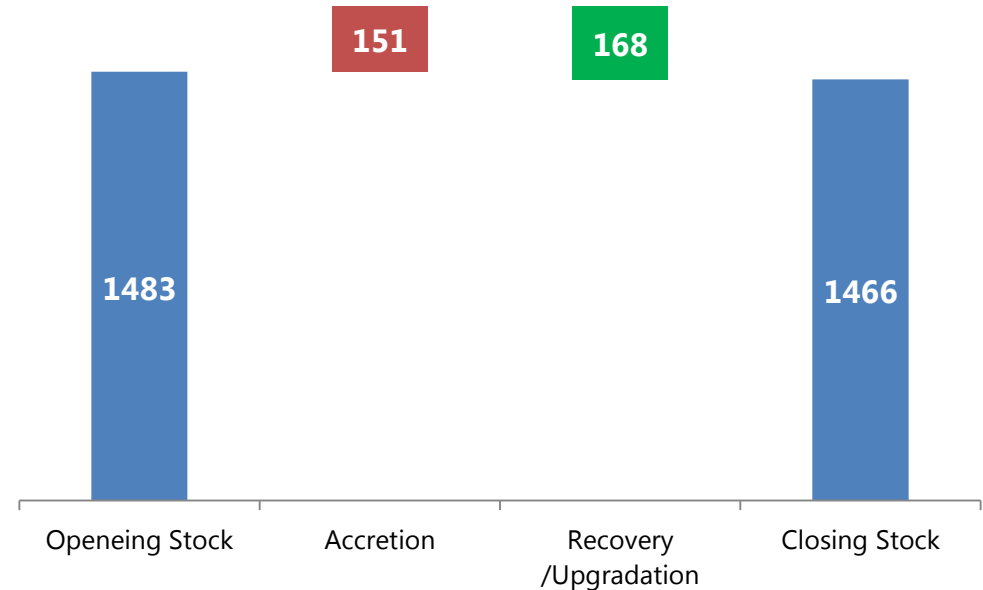
	Q2 FY13		Q2 FY14	
FB 1	7.95%	72.09%	9.97%	88.76%
FB 2	26.59%		29.26%	
FB 3	37.56%		49.53%	
Others	27.91%		11.25%	

Rs in Cr

■ Gross NPA    — Net NPA %



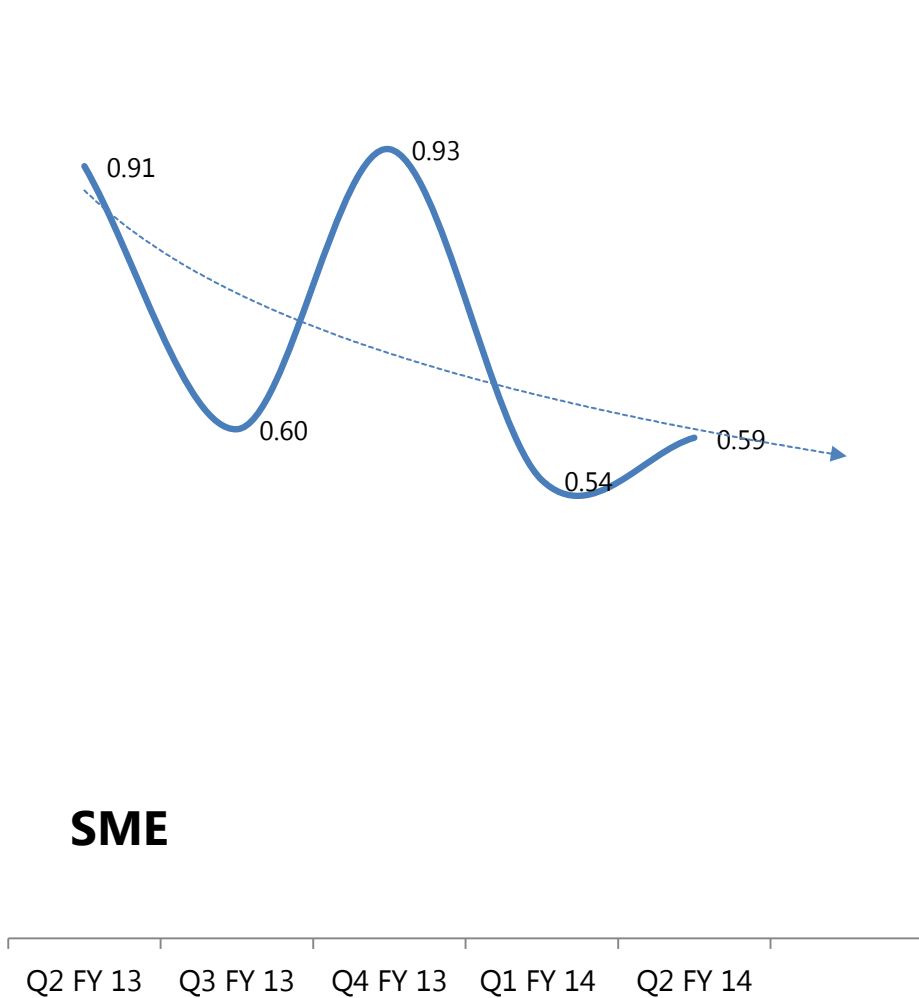
Fresh Accretion					
	Q2 FY 13	Q3 FY 13	Q4 FY 13	Q1 FY 14	Q2 FY 14
Retail	42	64	36	52	45
SME & Agri	105	72	119	71	83
Corporate	0	215	202	181	23



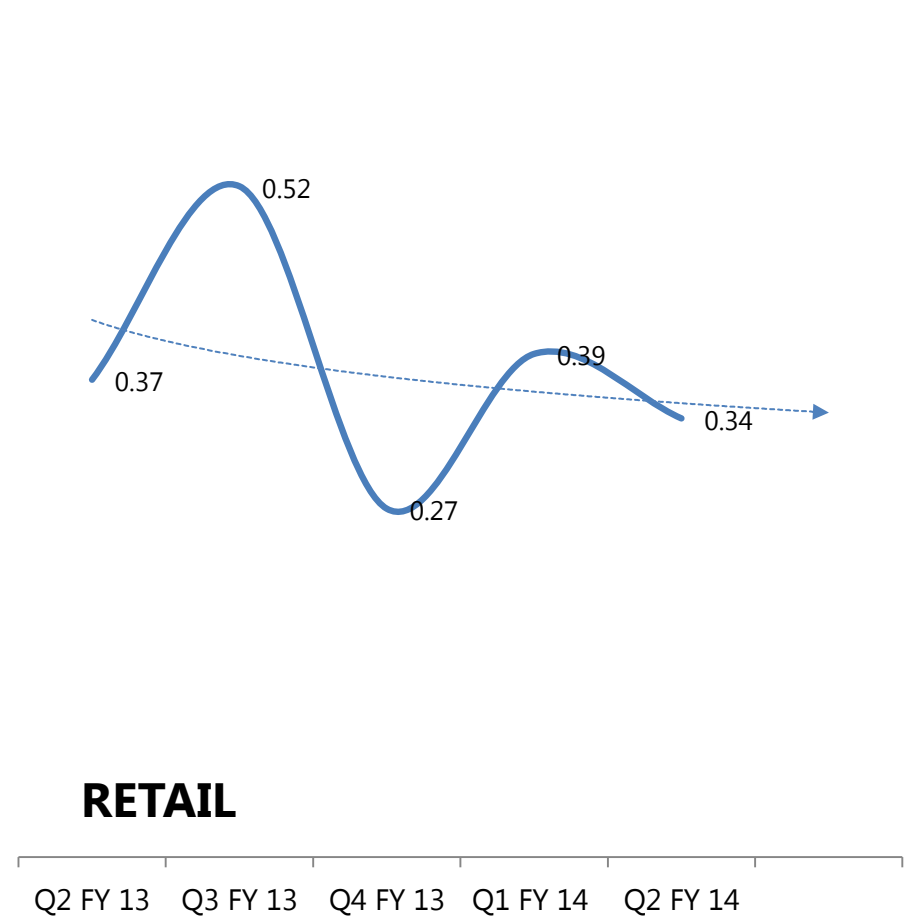
**Provision Coverage Ratio (Including Technically Written Off) at 81.23% (83.00% in Q1 FY 14)**



## Fresh Slippage / Total Advance Ratio

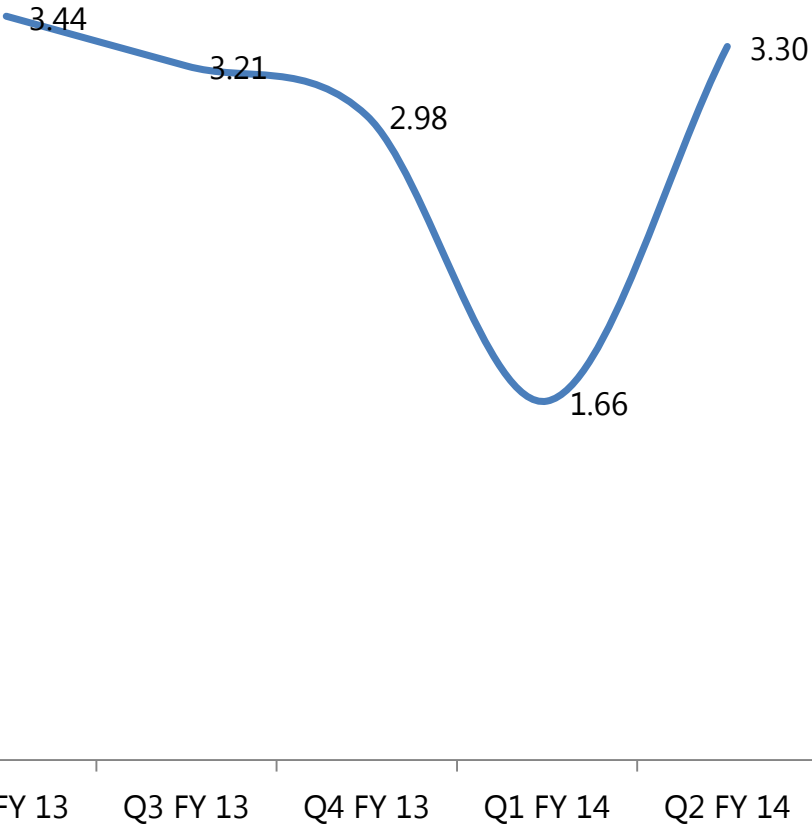


**SME**

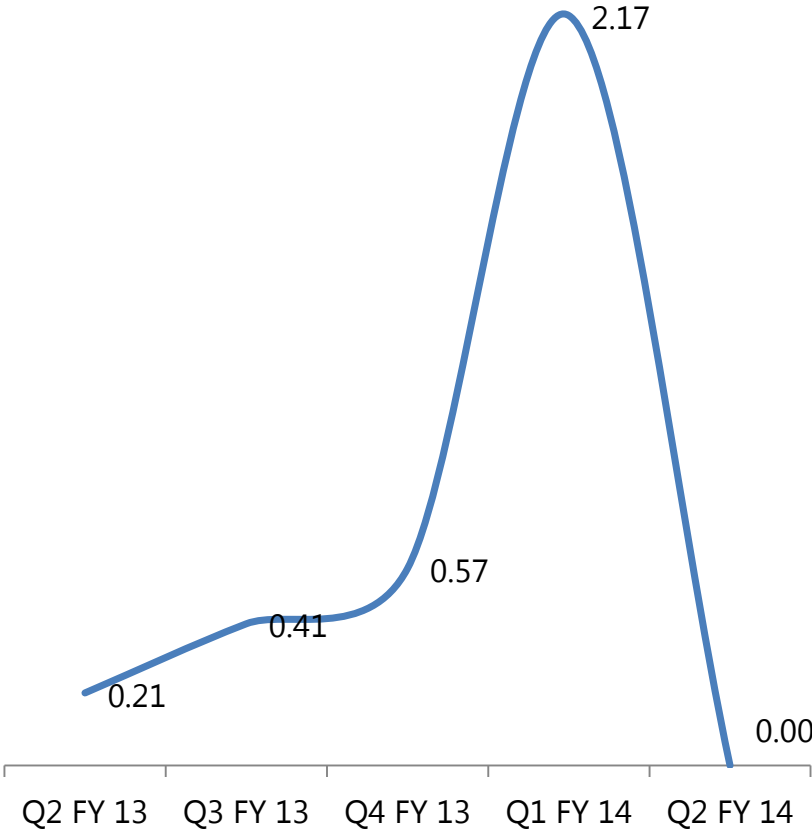


**RETAIL**

### Risk Adj NIM



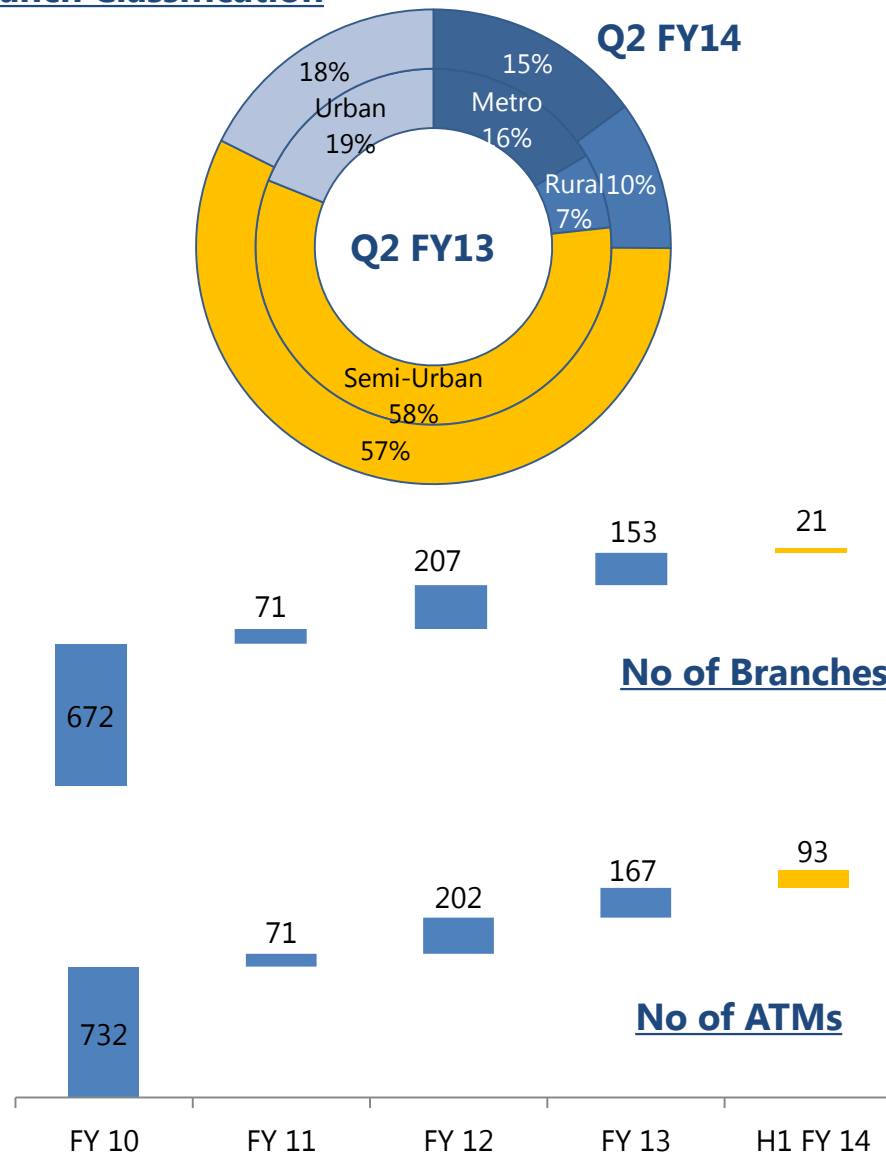
### Credit Cost



# Expanding Nation wide Footprint

STATE	Opened up to Q1 FY 14	Q2 FY14	Opened up to H1 FY 14
Andhra Pradesh	29		29
Assam	12		12
Bihar	5		5
Chandigarh	3		3
Chattisgarh	3		3
Dadra & Nagar Haveli	1		1
Daman & Diu	1		1
Goa	6		6
Gujarat	34	1	35
Haryana	13		13
Jammu & Kashmir	1		1
Jharkhand	8		8
Karnataka	84	11	95
Kerala	581	3	584
Madhya Pradesh	3	1	4
Maharashtra	88	1	89
Meghalaya	2		2
Mizoram	1		1
Nagaland	2		2
New Delhi	23		23
Orissa	11		11
Puducherry	2		2
Punjab	25		25
Rajasthan	7		7
Tamil Nadu	124		124
Uttar Pradesh	14		14
Uttarakhand	1		1
West Bengal	22		22
Tripura	1		1
<b>Total</b>	<b>1107</b>	<b>17</b>	<b>1124</b>

## Branch Classification



## Major Investments

Entity	% Equity
Fedbank Financial Services Limited	100.00%
IDBI Federal Life Insurance Company of India Limited	26.00%
United Stock Exchange of India Limited	5.83%
Experian Credit and Information Company of India Limited	5.00%

## 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, 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

Fixed Deposit

Certificate of Deposit

Bonds

Bonds



**India Ratings  
& Research**  
A Fitch Group Company



A1+

AA- (Ind)

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

**Thank You**