



## Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q2 FY 15**

# *The Best Bank Awards by IDRBT*



***Best IT Team***

***Business Intelligence  
Initiatives***

***Social Media &  
Mobile Banking***

***Technology for  
Financial Inclusion***

## Overview

# Performance Highlights : Y-o-Y

Rs in Cr

## Performance

Net Income (NII+OI)	Operating Profit	Other Income	Total Income
 16%	 21%	 37%	 11%
692 → 802	339 → 410	143 → 196	1858 → 2065

## Ratios

Cost Income ratio	Earnings Per Share	Gross NPA%	Net NPA%
 212 bps	 67 bps	 129 bps	 32 bps
51.01 → 48.89	10.56 → 11.23	3.39 → 2.10	0.98 → 0.66

## Deposits

Resident Savings	CASA	NRE Deposits	Total Deposits
 18%	 13%	 26%	 14%
7732 → 9149	17450 → 19733	16717 → 21140	56794 → 64564

## Advances

Retail	SME	Agri	Corporate
 16%	 26%	 25%	 2%
13343 → 15433	9386 → 11821	4615 → 5754	15855 → 16138



30 <sup>th</sup> Sep2014	
Deposits	64564
Gross Advances	49147
Net Profit	240
Net Worth	7411
Net NPA Ratio	0.66
CRAR- BASEL III	14.45
Net Interest Margin	3.35
Return on Average Assets	1.26

**1214**  
Branches



**1435**  
ATMs



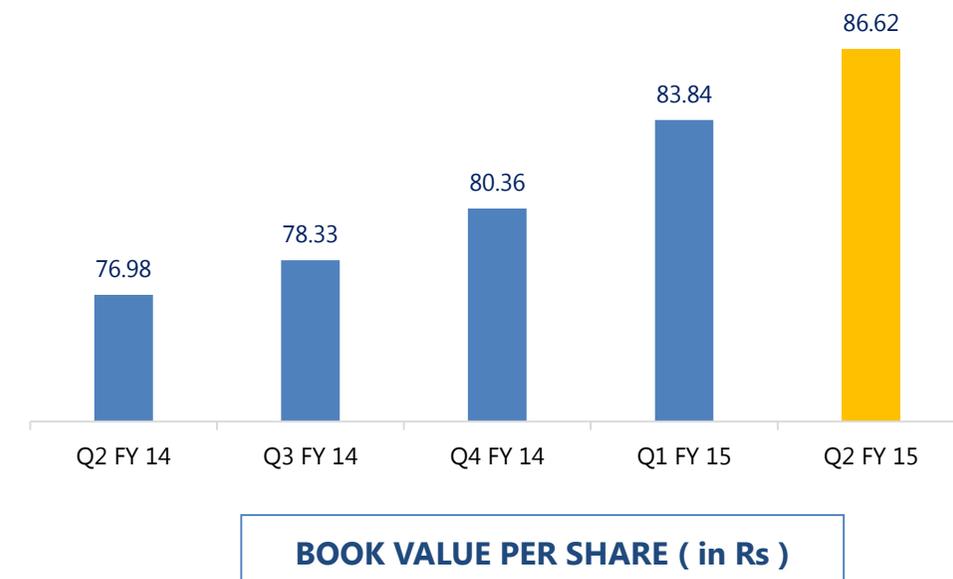
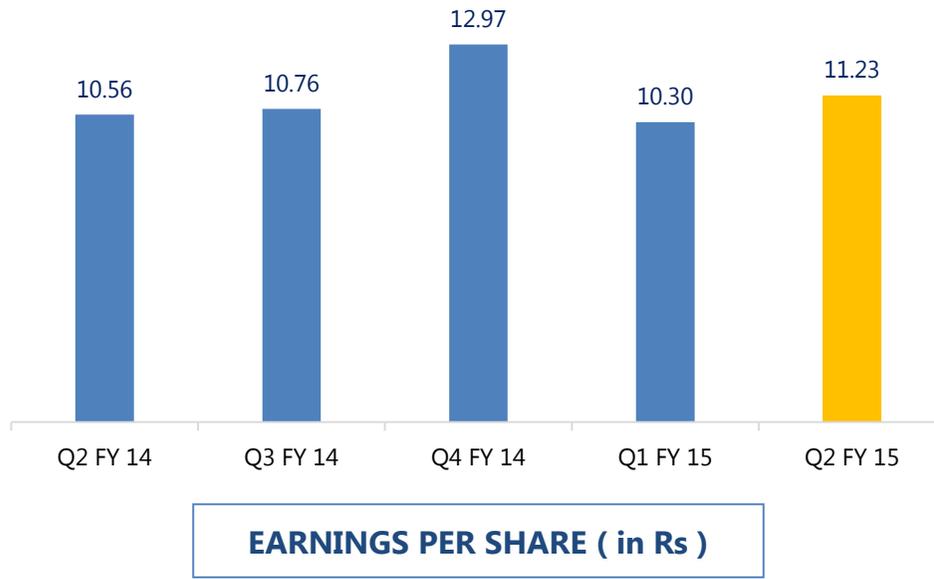
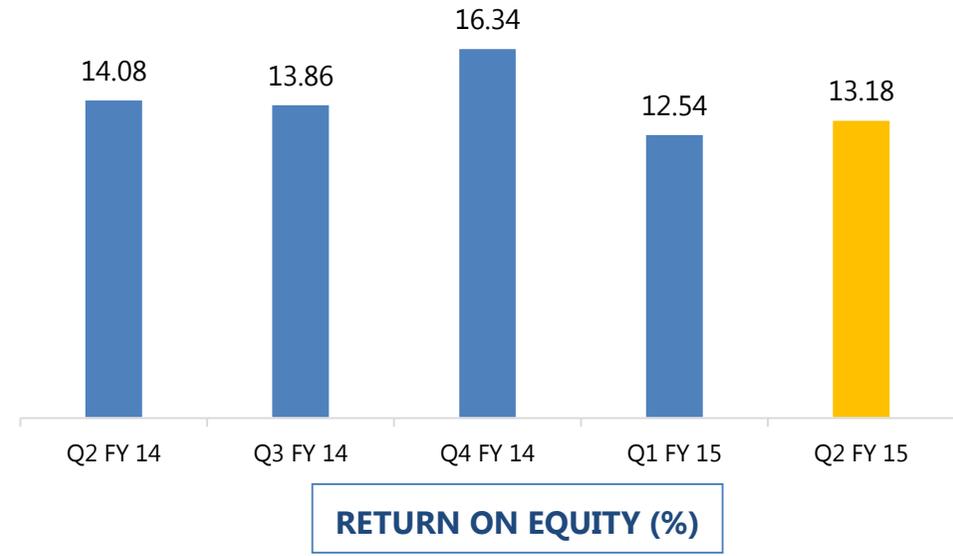
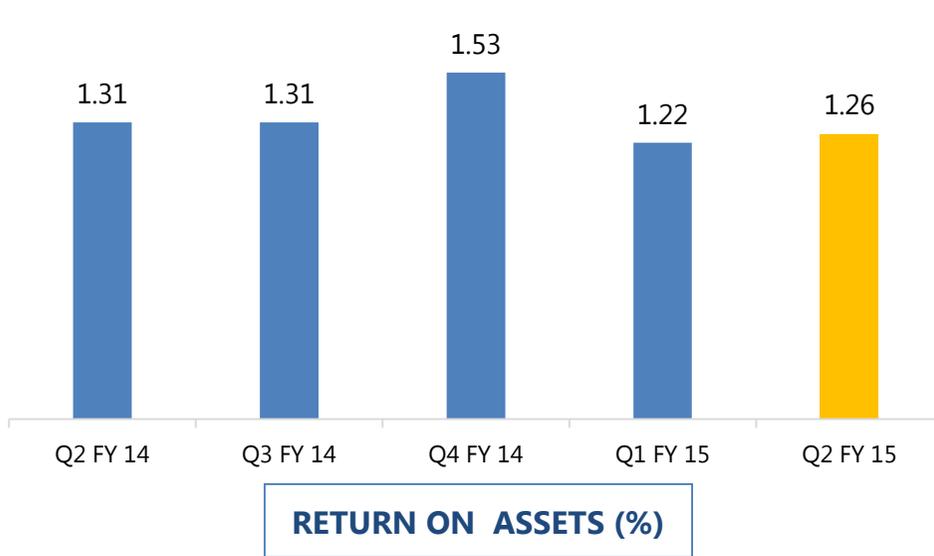
**10866**  
Employees



**Over 6**  
million  
Customers

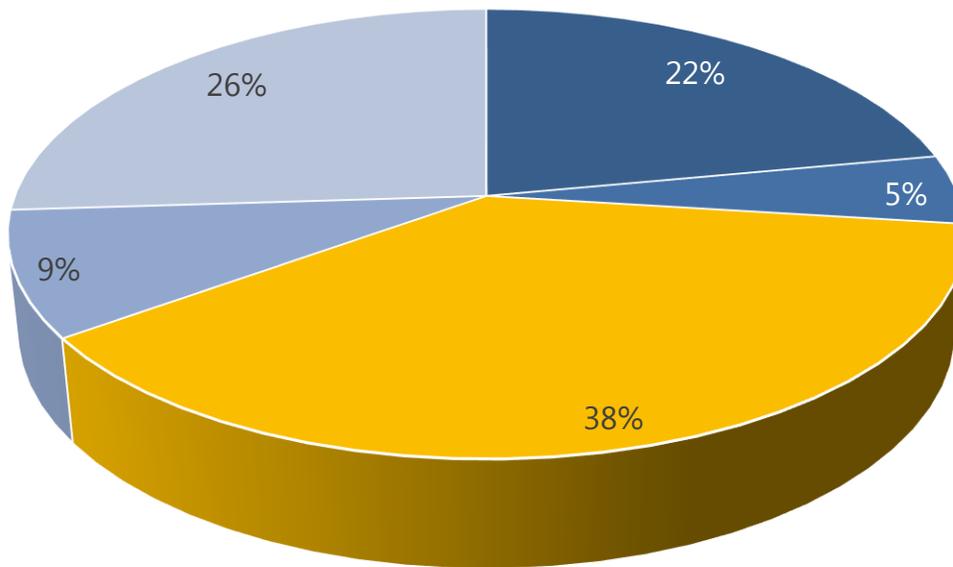
		Q2 FY14	Q1 FY15	Q2 FY15
<b>Profitability Measure</b>	<b>ROA</b>	<b>1.31</b>	<b>1.22</b>	<b>1.26</b>
<b>Shareholder Value Measure</b>	<b>ROE</b>	<b>14.08</b>	<b>12.54</b>	<b>13.18</b>
<b>Efficiency Measure</b>	<b>Cost/Income</b>	<b>51.01</b>	<b>51.23</b>	<b>48.89</b>
<b>Risk Appetite Measure</b>	<b>Net NPA%</b>	<b>0.98</b>	<b>0.68</b>	<b>0.66</b>

# Shareholder Value



## Share Holding Pattern

(As on 30-Sep-2014)



■ Mutual Funds ■ FIs/Banks ■ FIIs ■ Corporates ■ Others

---

Share Capital	Rs. 171.11 Cr
---------------	---------------

Shareholder's Funds	Rs. 7410.51 Cr
---------------------	----------------

Book Value Per Share	Rs. 86.62
----------------------	-----------

---

Rs in Cr

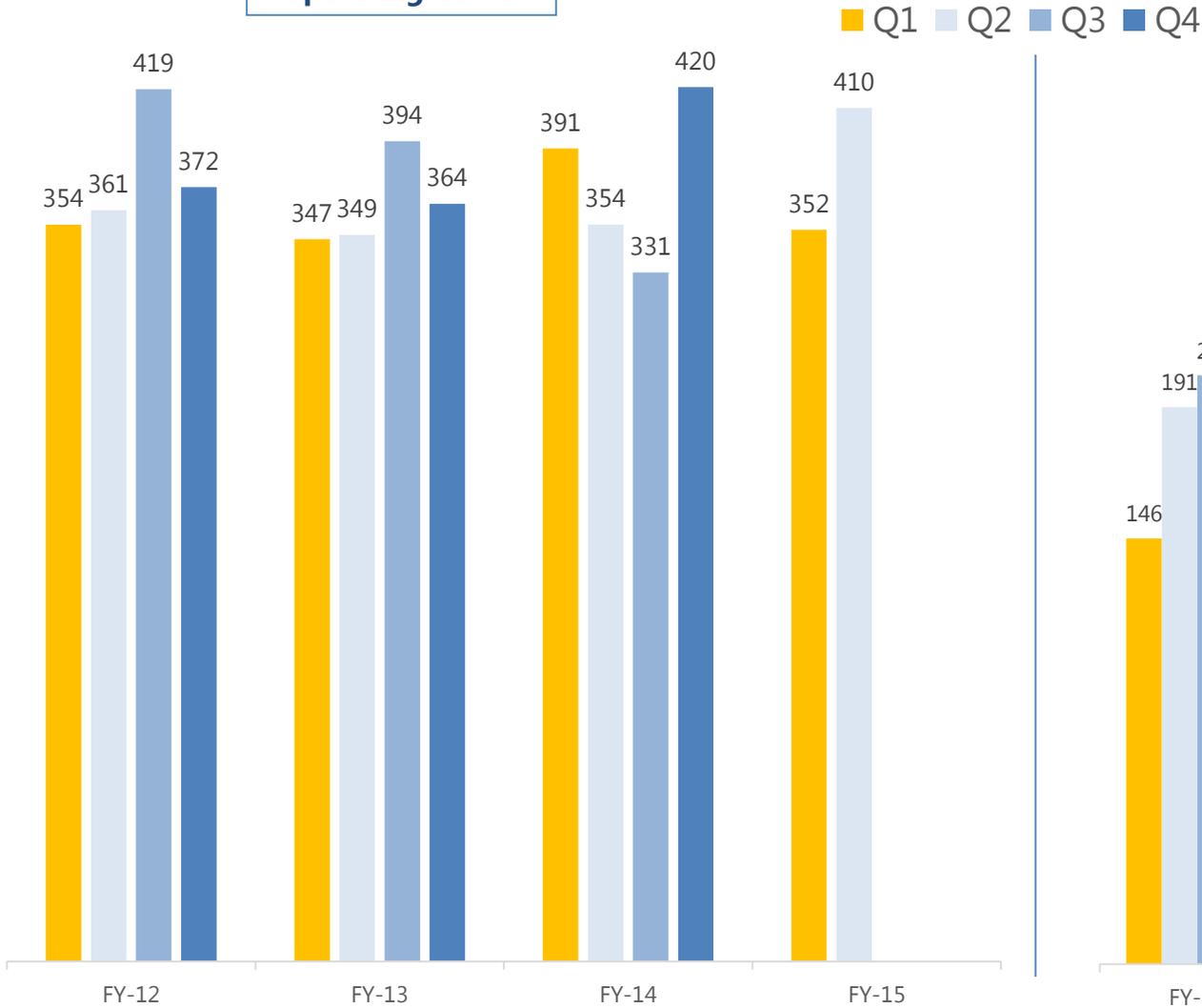
	Q2 FY 14	Q2 FY 15
<b>LIABILITIES</b>		
Capital	<b>171</b>	<b>171</b>
Reserves & Surplus	6525	7239
Deposits	56794	64564
Borrowings	5033	3455
Other Liabilities & Provisions	2713	2943
<b>TOTAL</b>	<b>71236</b>	<b>78372</b>
<b>ASSETS</b>		
Cash & Balance with RBI	3272	3179
Balances with Banks, Money at Call	880	1809
Investments	22794	22712
Advances	42220	48466
Fixed Assets	395	430
Other Assets	1675	1777
<b>TOTAL</b>	<b>71236</b>	<b>78372</b>

## Performance Overview

Rs in Cr

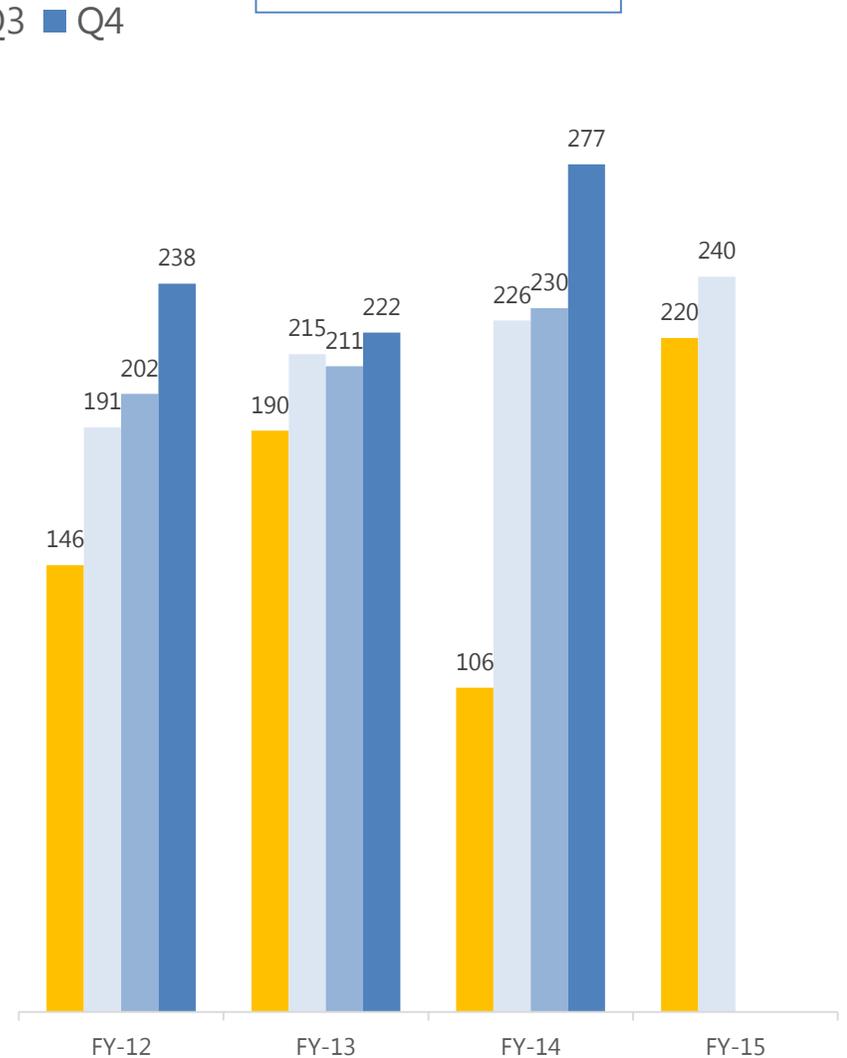
	Q2 FY15	Q1 FY15	Q-o-Q	Q2 FY14	Y-o-Y
Interest Income	1870	1772	5.54%	1714	9.05%
Interest Expenses	1264	1207	4.68%	1166	8.38%
Net Interest Income	606	564	7.37%	548	10.48%
Other Income	196	157	25.12%	143	36.58%
Total Income	2065	1928	7.13%	1858	11.17%
Total Expenditure	1656	1577	5.02%	1519	9.00%
Operating Profit	410	352	16.56%	339	20.91%
<b>Net Profit</b>	<b>240</b>	<b>220</b>	<b>9.11%</b>	<b>226</b>	<b>6.42%</b>
Net Interest Margin (%)	3.35	3	3.08%	3.3	1.44%
Cost to Income Ratio (%)	48.89	51	-4.57%	51.01	-4.16%

## Operating Profit

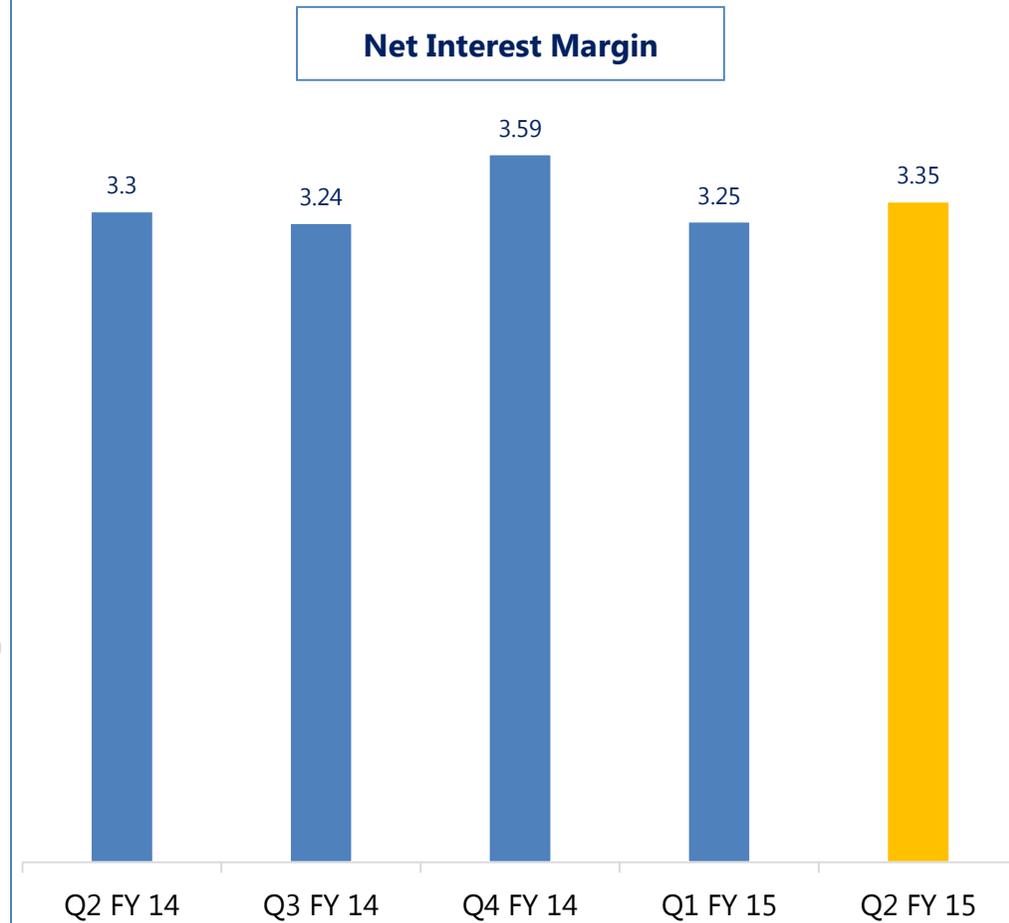
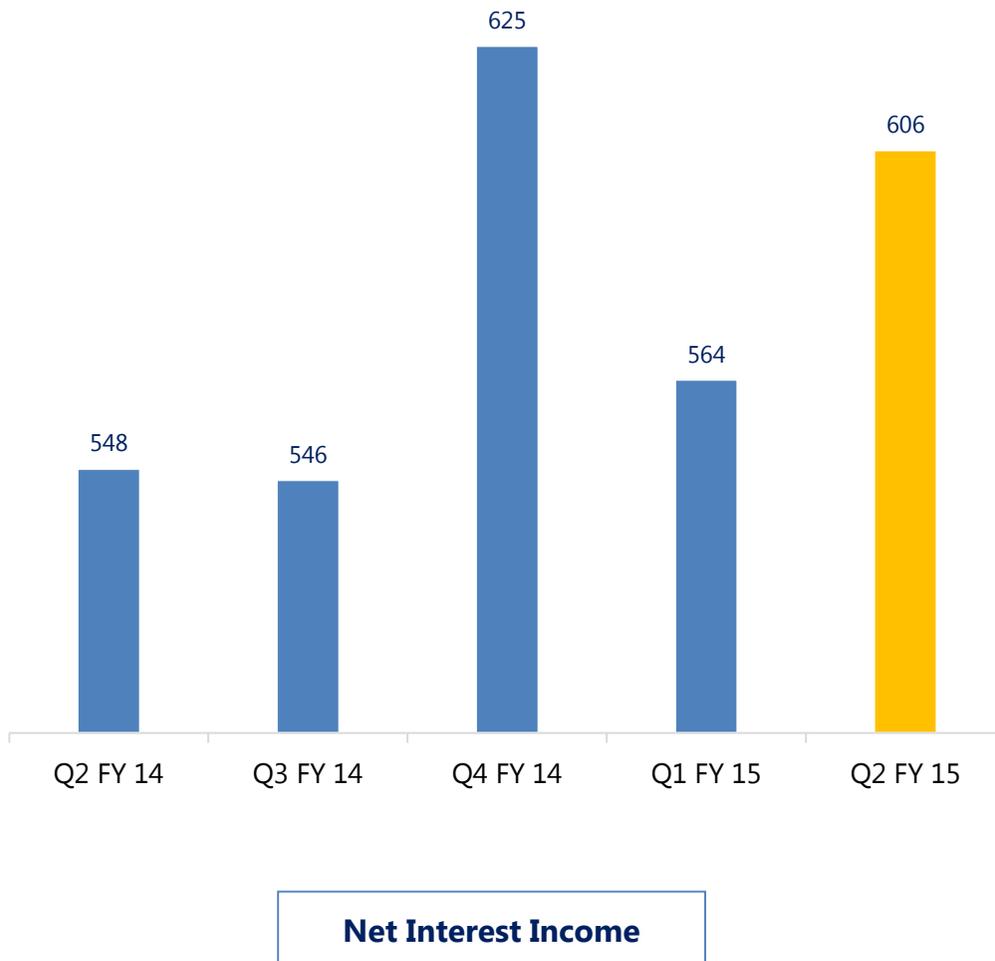


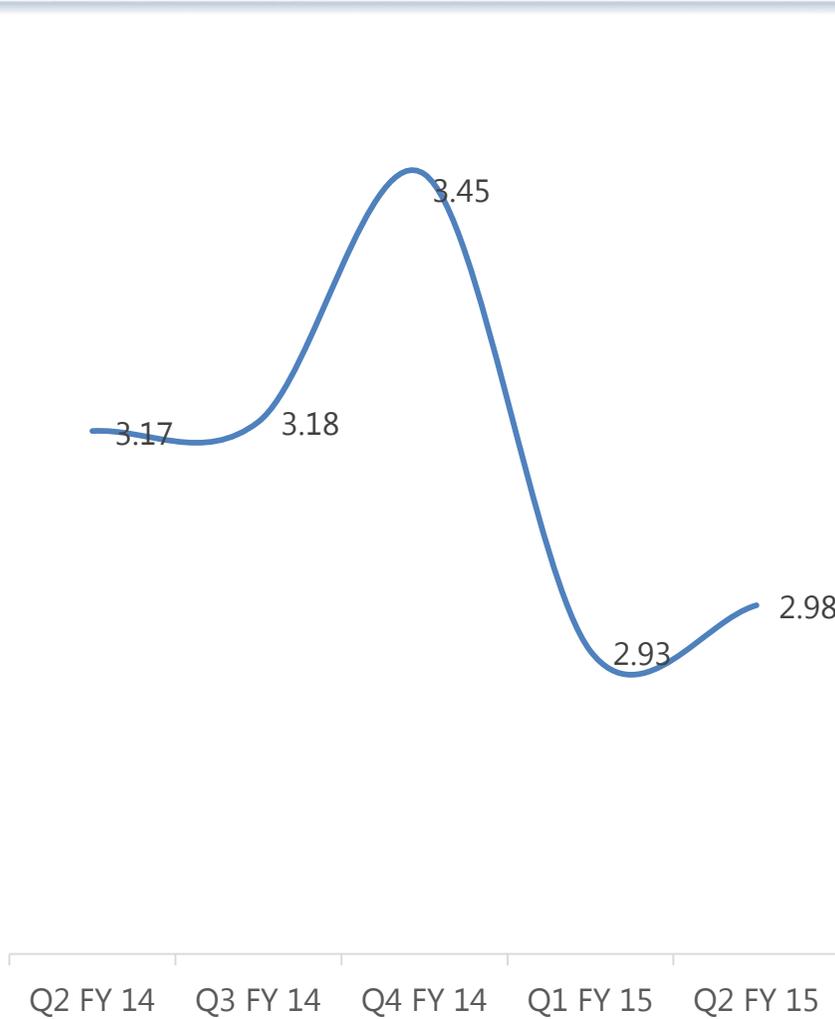
## Net Profit

Rs in Cr

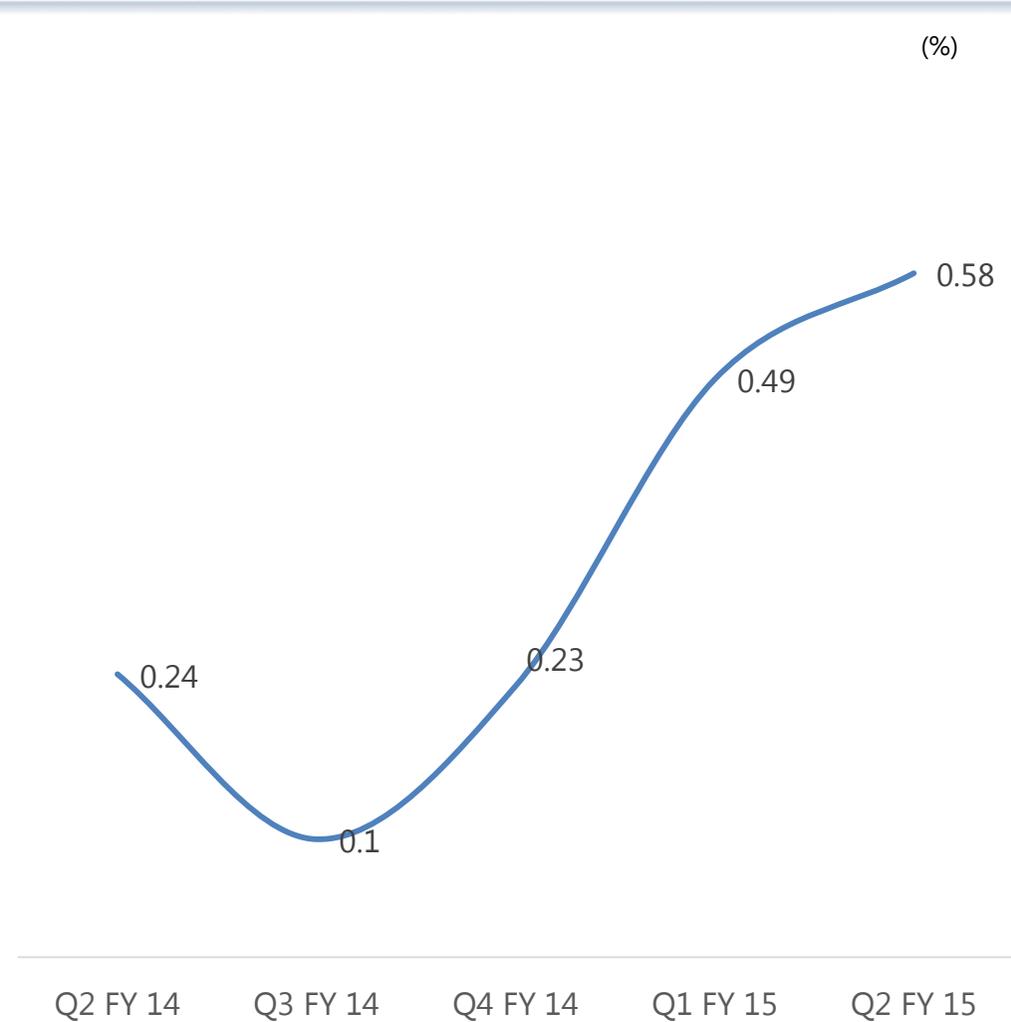


Rs in Cr





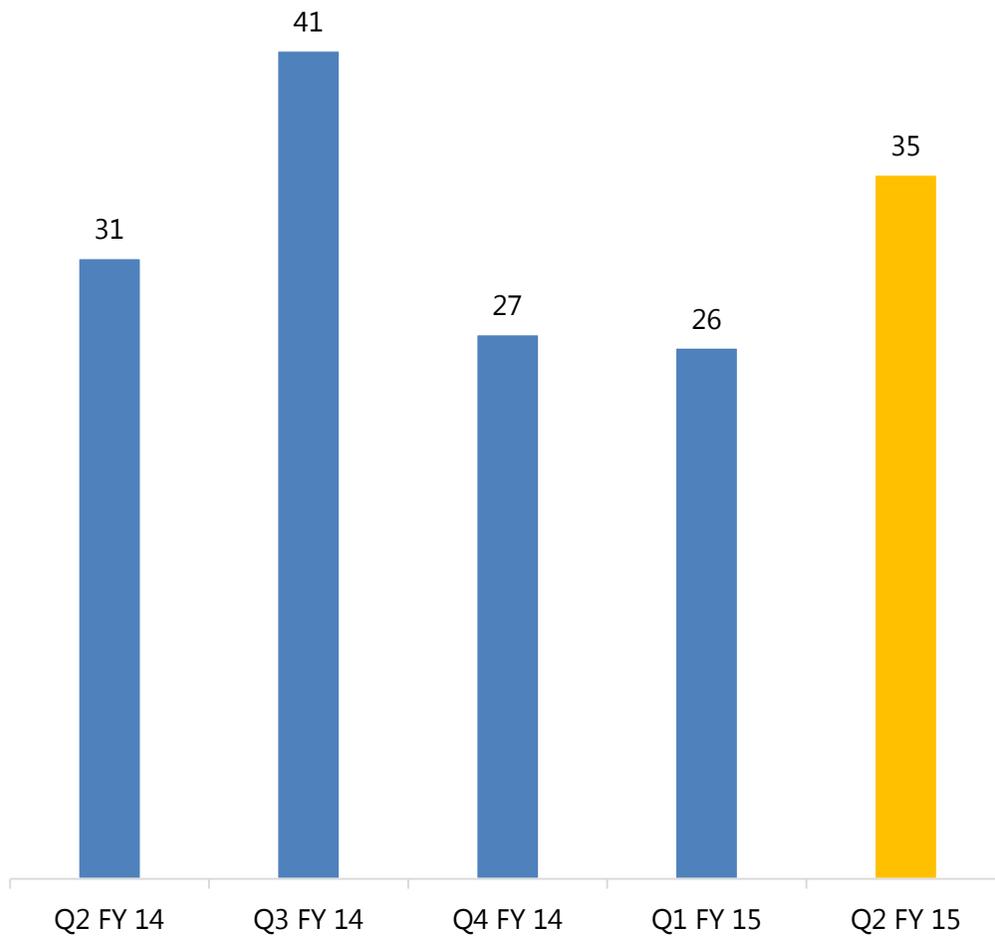
**Risk Adj NIM**



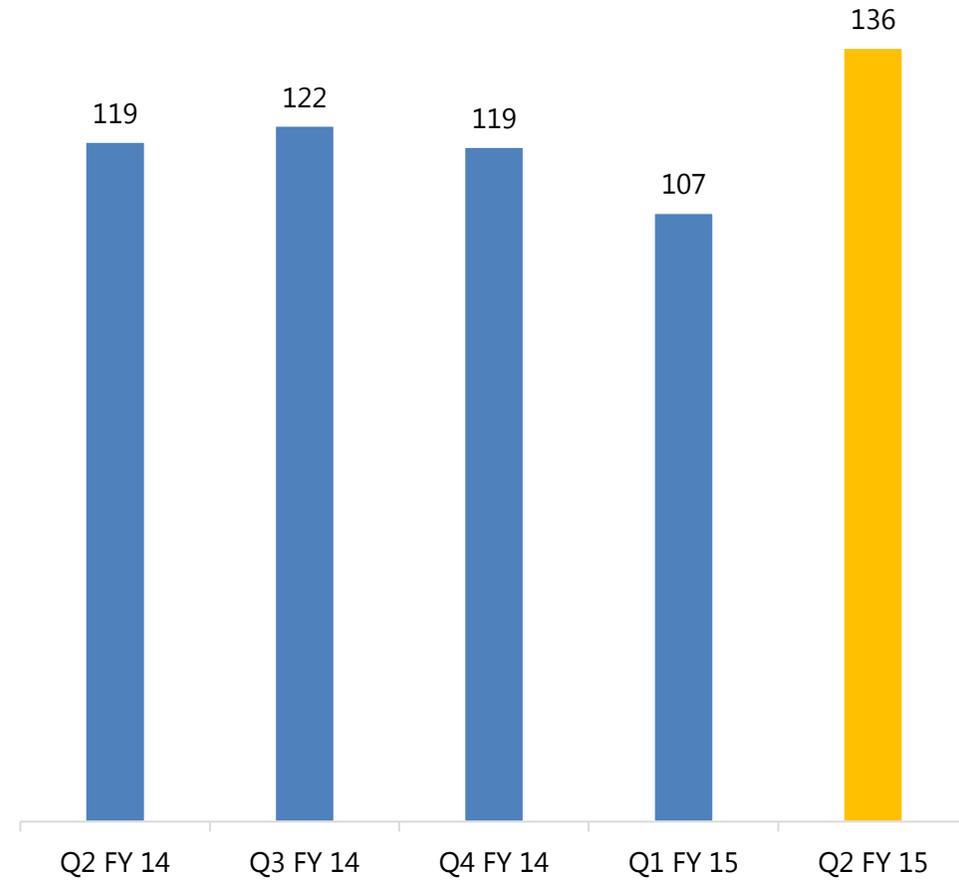
**Credit Cost**

# Growth in Fee Income

(Rs in Cr)



**Forex Income**



**Fee Income**

## **Business Overview**

- 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 and Credit Monitoring Teams
- 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

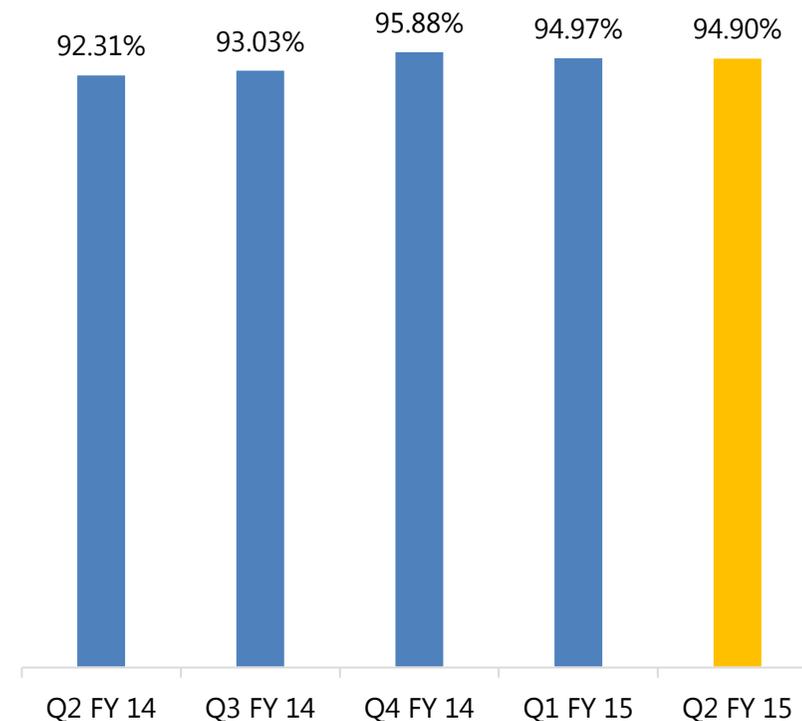
## HR

Gross Advance	Q2 FY 14	Q2 FY 15	Y-o-Y
Retail	13343	15433	16%
SME	9386	11821	26%
Agri	4615	5754	25%
Corporate	15855	16138	2%

	Q2 FY 14	Q2 FY 15	Y-o-Y
Retail Deposit	52424	61273	17%
Savings	14524	16428	13%
Current	2926	3304	13%
CASA	17450	19733	13%

Rs in Cr

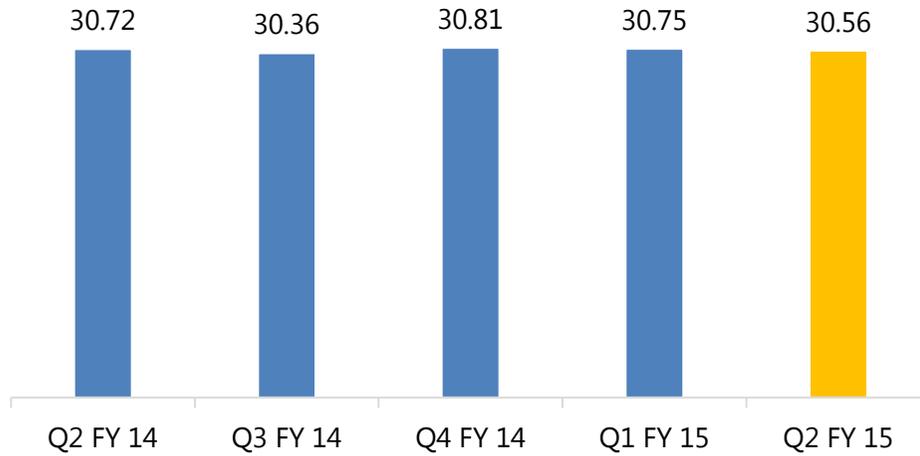
## Retail Deposit Ratio



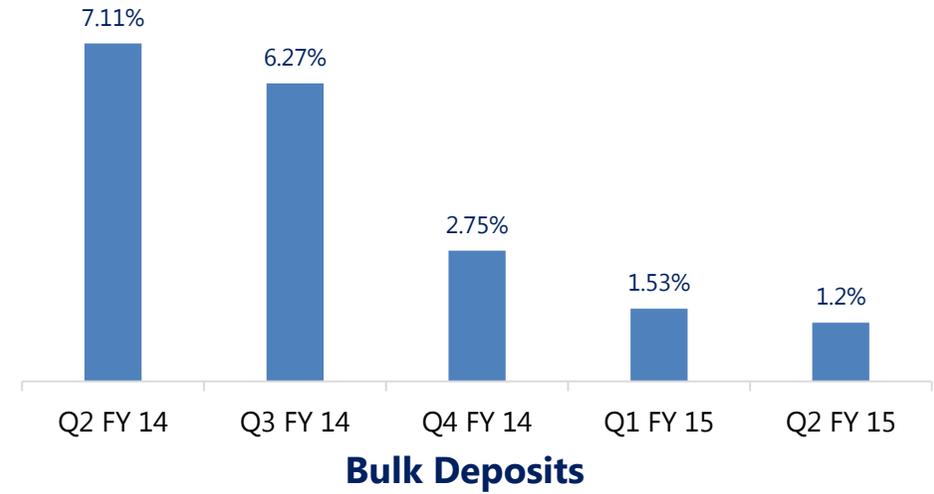
Retail Deposits ratio grown by 260 bps Y-o-Y

Rs in Cr

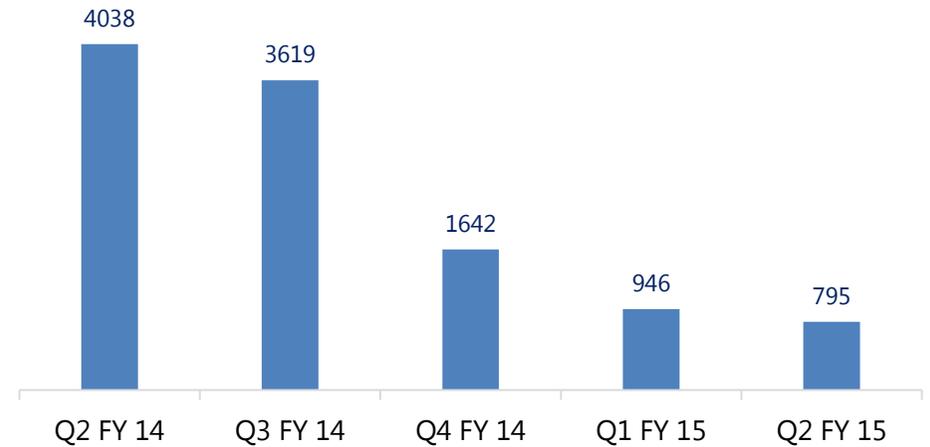
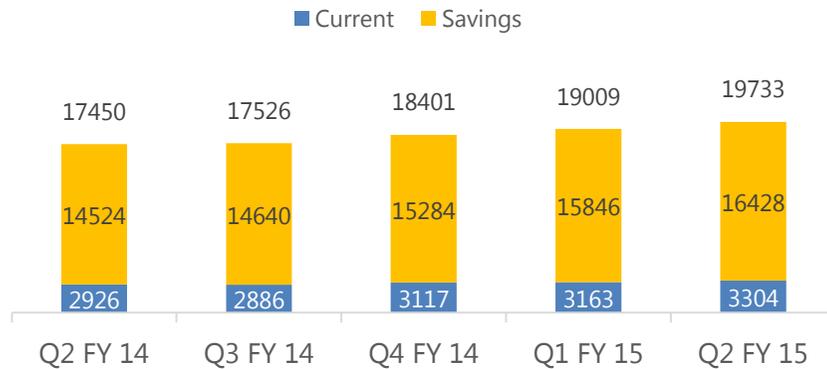
## CASA Ratio



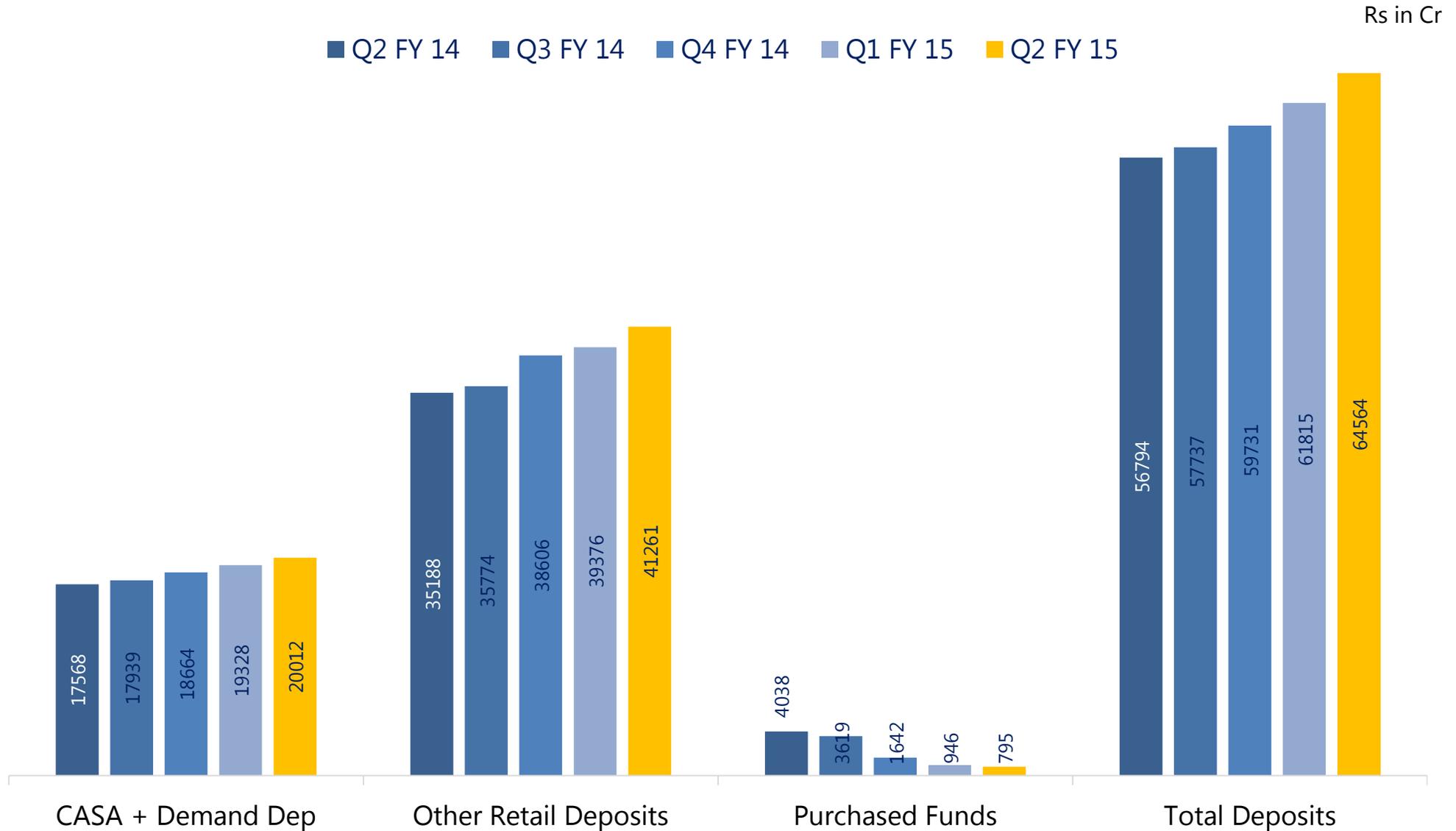
## Bulk Deposits Ratio

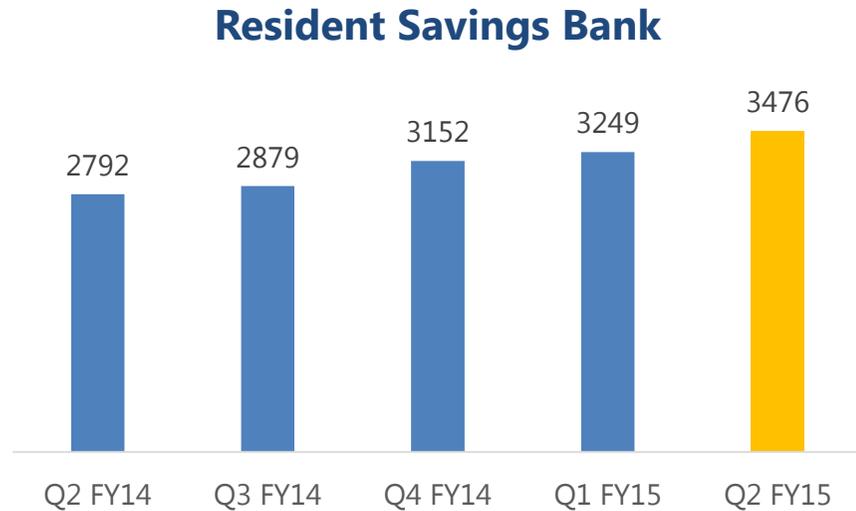
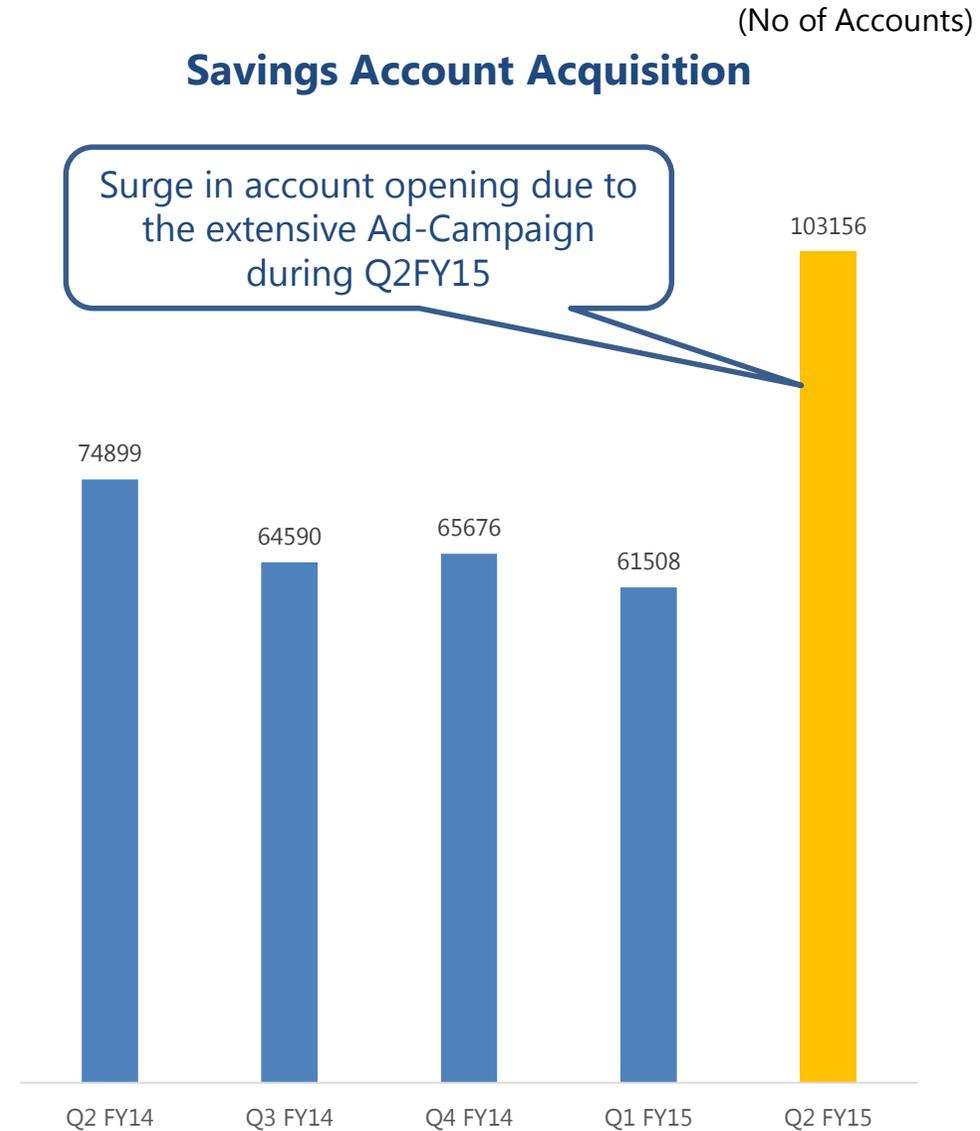
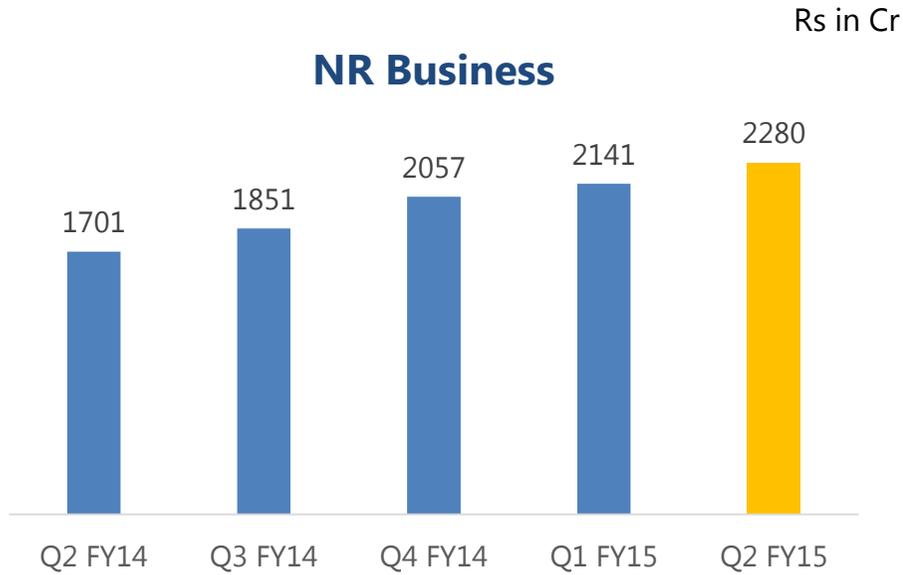


## CASA- Portfolio

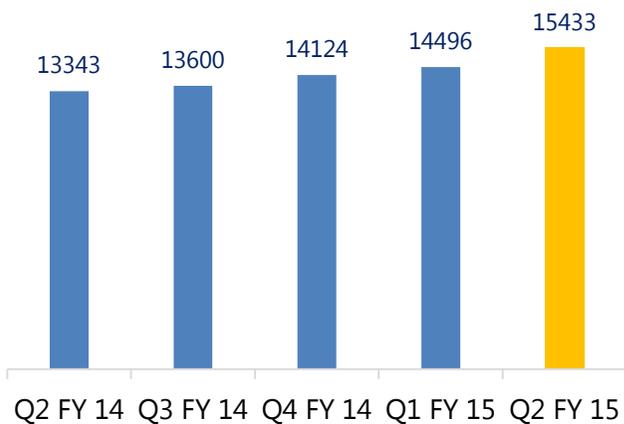


# Growth in Customer Deposit

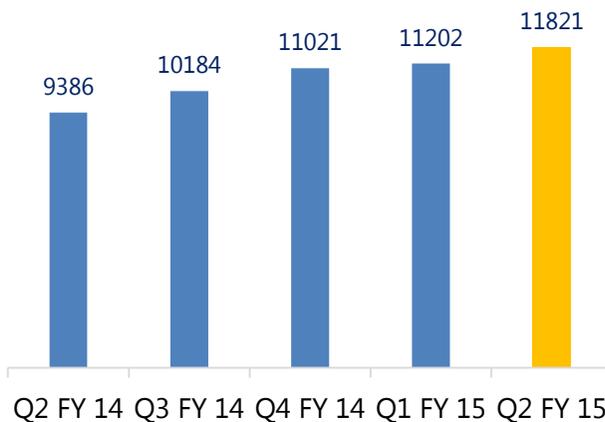




## Retail Adv

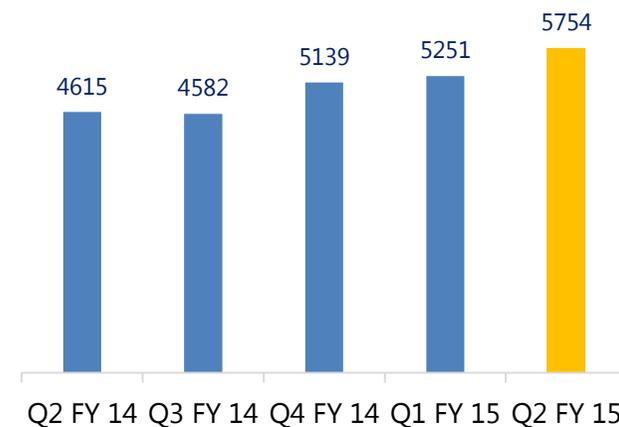


## SME Adv

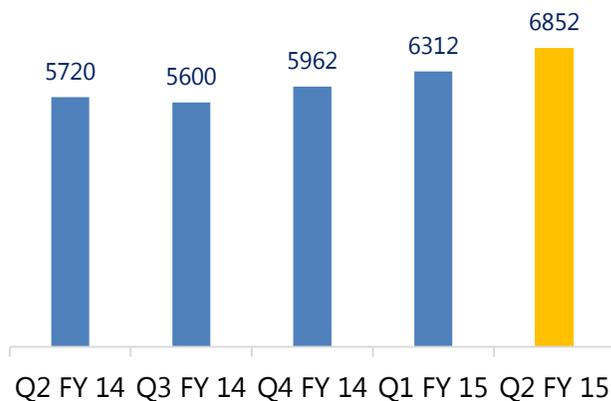


## Agri Adv

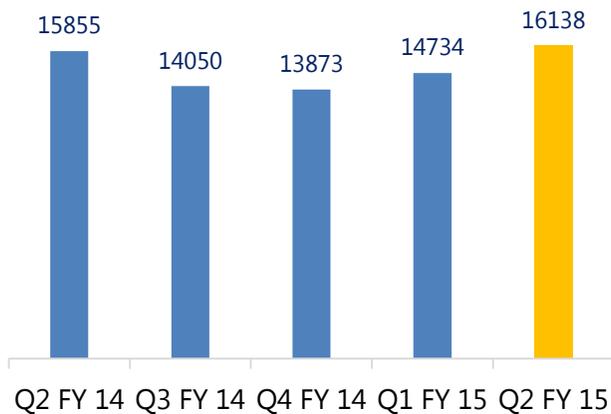
Rs in Cr



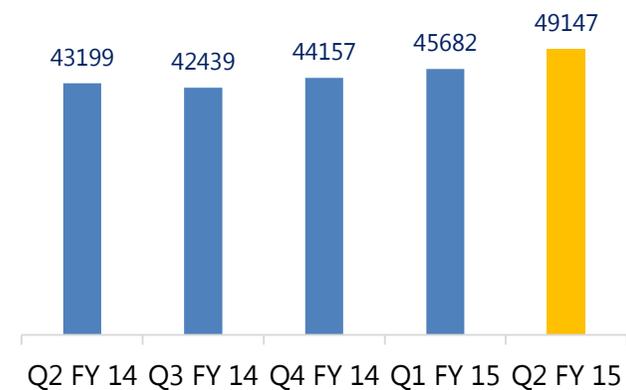
## Total Gold Loans



## Corporate Adv



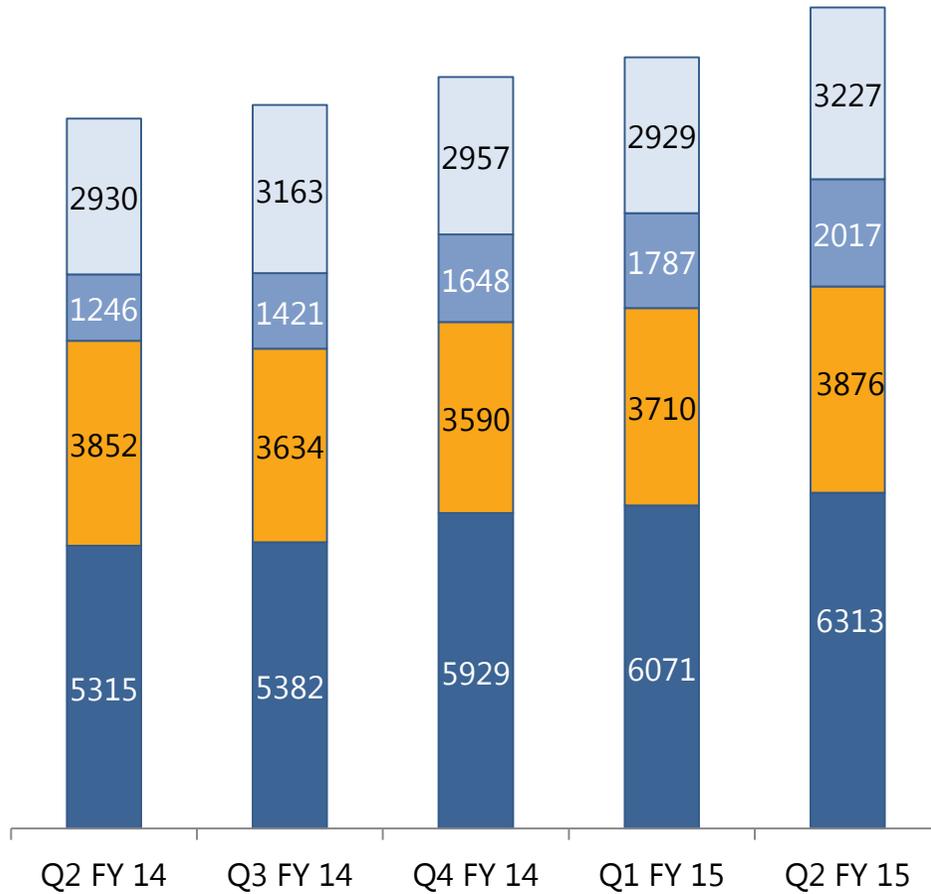
## Total Advances



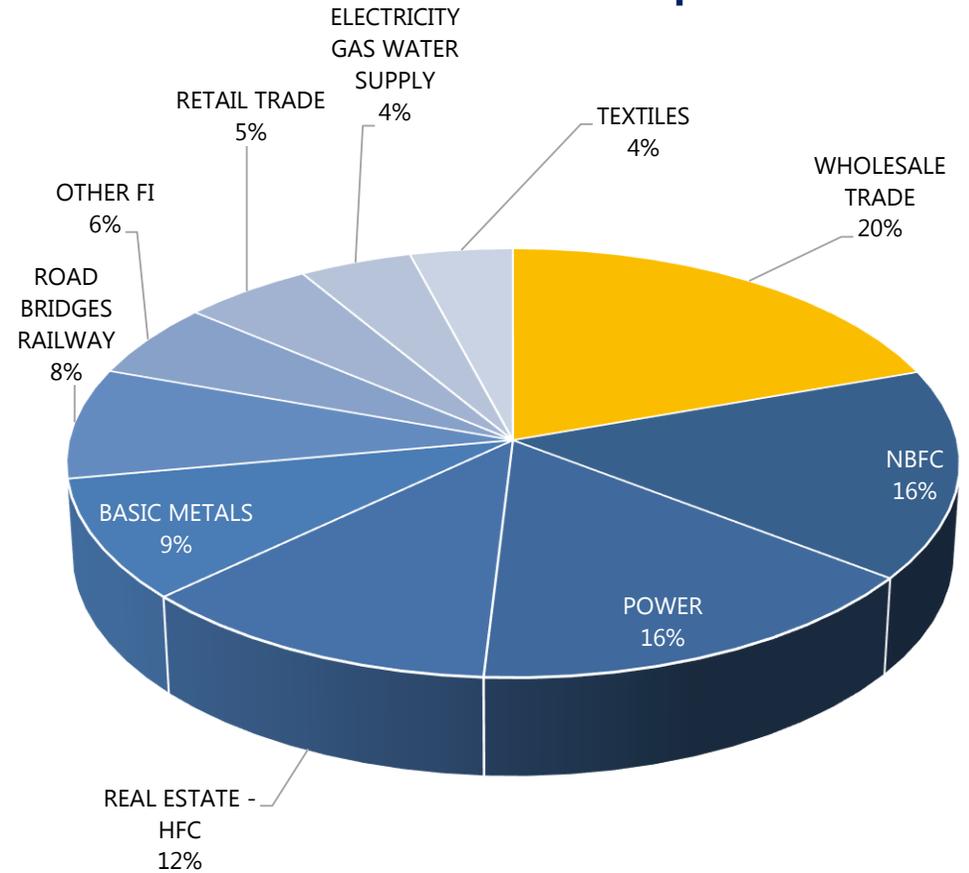
Rs in Cr

## Retail Loan Book

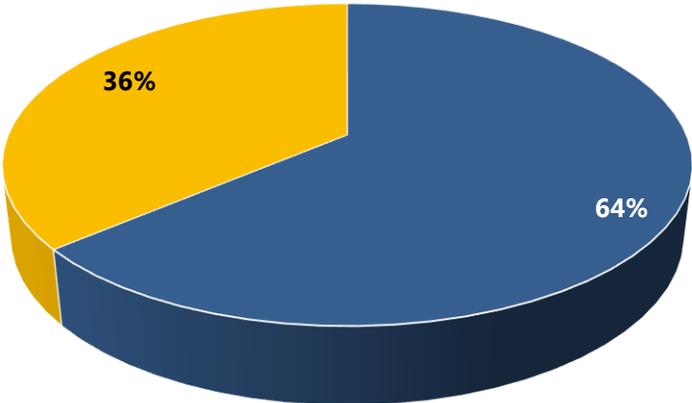
■ Housing ■ Gold ■ Mortgage ■ Others



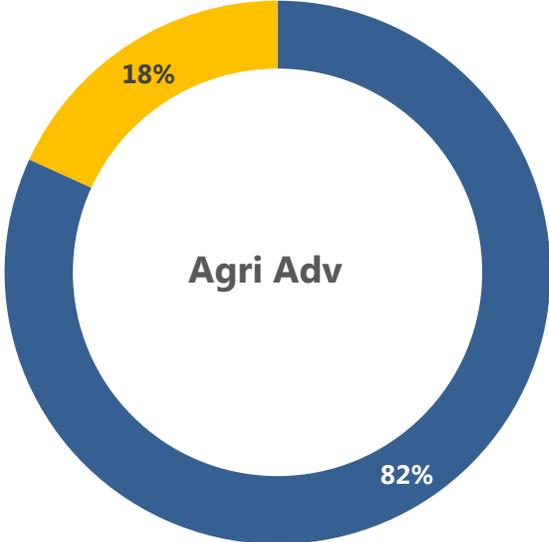
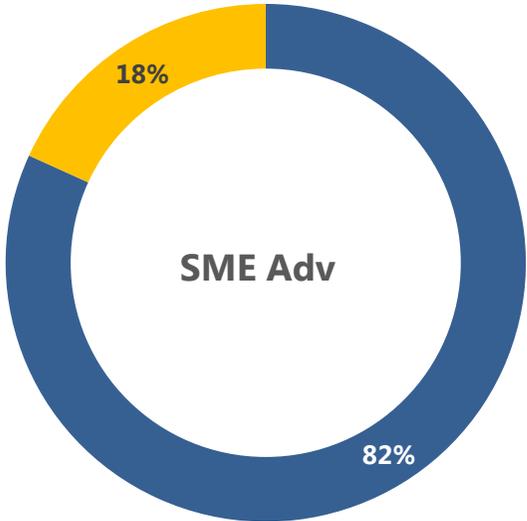
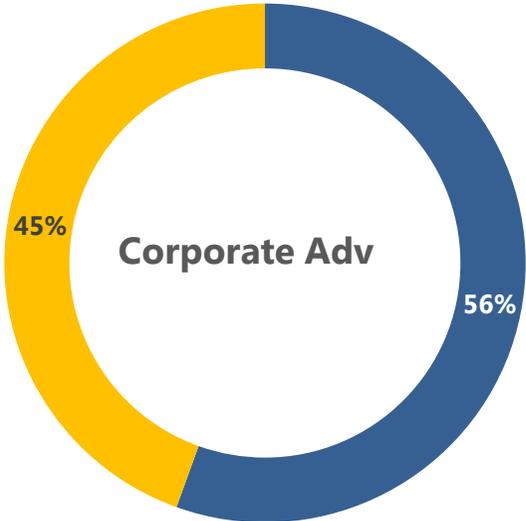
## Corporate Portfolio



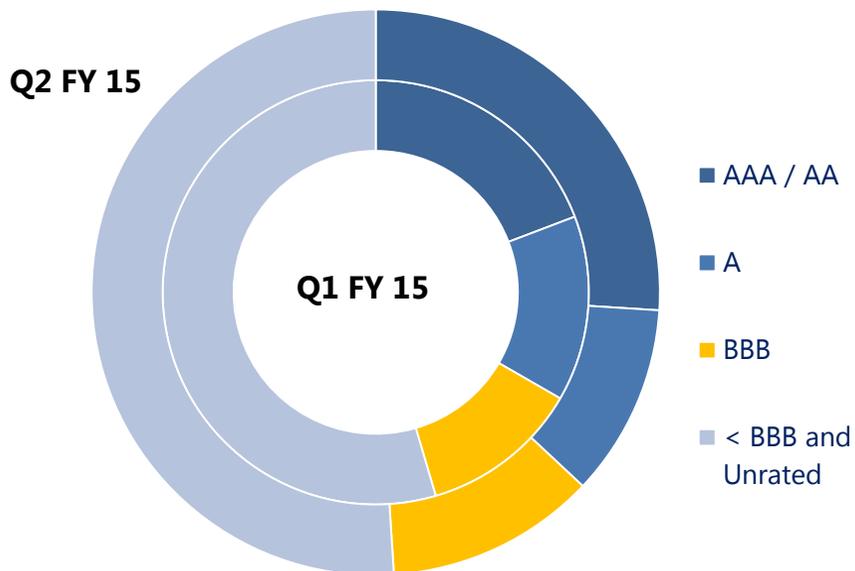
Q2 FY15 Fresh Credit Disburseals:  
Advances (Excluding Retail)



- Working Capital
- Term Loan

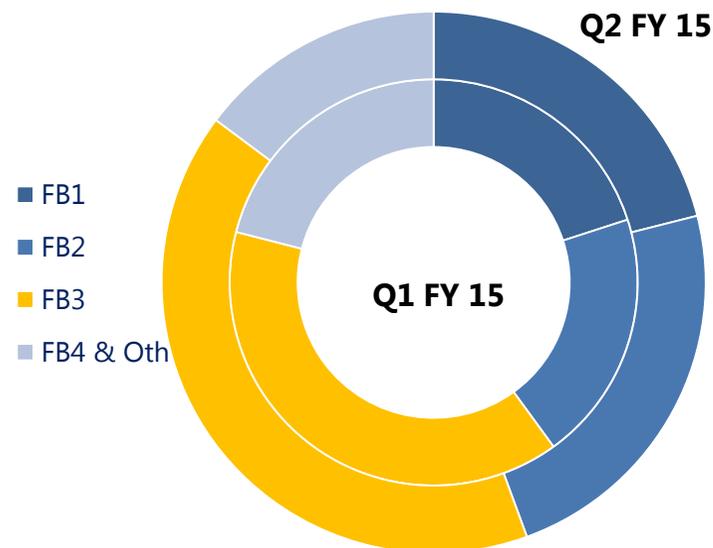


## Risk Rating



### Corporate Assets

Rating	Q1FY15	Q2FY15
AAA / AA	25%	26%
A	7%	8%
BBB	11%	12%
< BBB & Others	57%	54%
	43%	46%

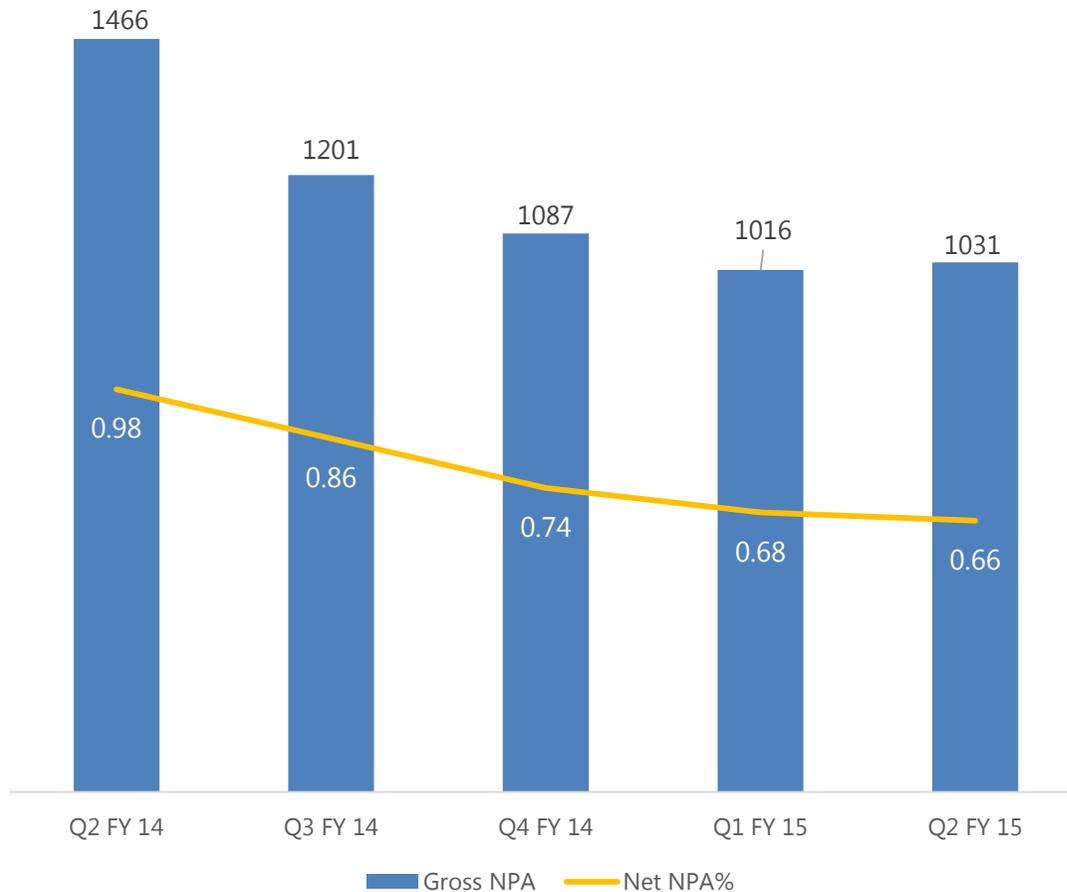


### Other Assets

Rating	Q1FY15	Q2FY15
FB 1	20%	21%
FB 2	20%	23%
FB 3	39%	41%
FB4 & Others	21%	15%
	79%	85%

(Rs. in Cr)

## Provision Coverage Ratio (Including Technically Written Off) at 85.13% (81.23% in Q2 FY 14)

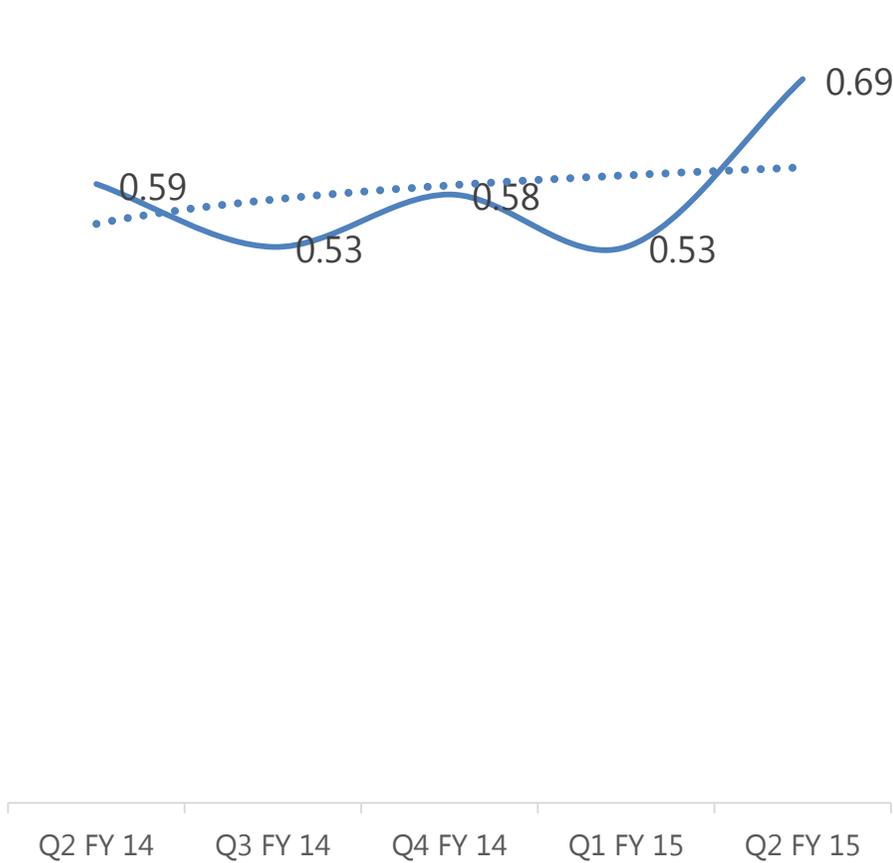


	Fresh Accretion				
	Q2 FY 14	Q3 FY 14	Q4 FY 14	Q1 FY 15	Q2 FY 15
Retail	45	42	29	53	55
SME	69	59	81	73	105
Agri	14	19	13	15	16
Corporate	23	26	71	42	0

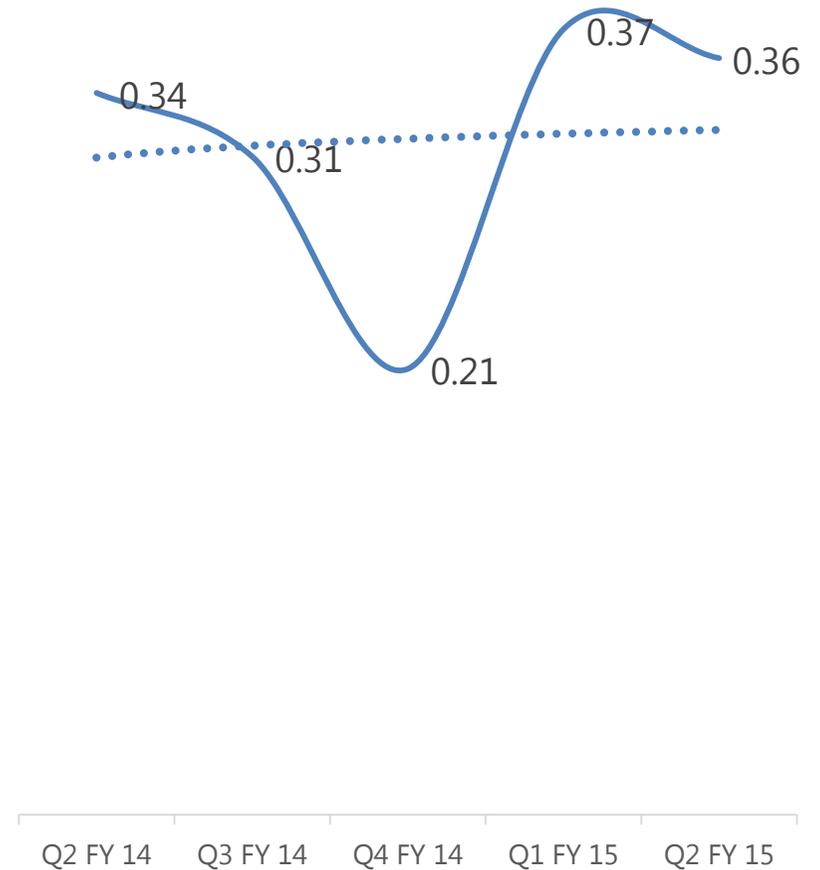


## Fresh Slippage / Total Advance Ratio

### SME



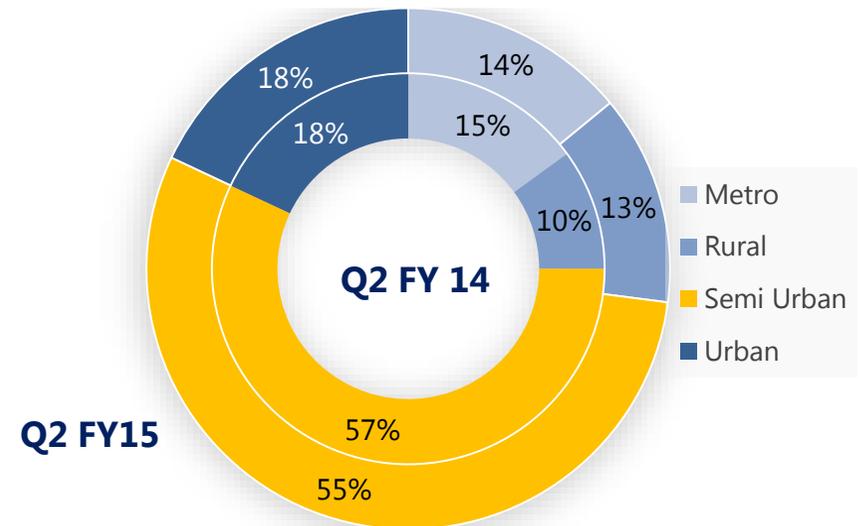
### Retail



# Distribution Expansion to Drive Growth

State	Opened in Q2 FY 15	Total Branches
Andhra Pradesh		15
Assam		12
Bihar	2	8
Chandigarh		3
Chattisgarh		3
Dadra & NH		1
Daman Diu		1
Goa		6
Gujarat		42
Haryana		22
Jammu & Kashmir		1
Jharkhand		8
Karnataka	2	99
Kerala	2	589
Madhya Pradesh		11
Maharashtra		101
Meghalaya		2
Mizoram		1
Nagaland		2
New Delhi		24
Orissa		22
Puducherry		2
Punjab	2	29
Rajasthan	1	8
Tamilnadu		130
Telangana		17
Tripura		1
Uttar Pradesh		21
Uttarakhand		1
West Bengal	2	32
	11	1214

	Mar 12	Mar 13	Mar 14	Sep14
Branches	950	1103	1174	1214
ATMs	1005	1172	1359	1435



## 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



## *The Best Bank Awards*



Best IT Team



Business  
Intelligence  
Initiatives



Social Media  
and Mobile  
Banking



Use of  
Technology for  
Financial  
Inclusion



# Awards, Accolades & Recognitions



recognized for its 'Innovative practices in Recruitment' in the 4th Annual Greentech HR Awards



Federal Bank has won the internationally acclaimed 5<sup>th</sup> annual ACI Excellence Award for innovative and transformative uses of technology solutions to solve customer and business issues.



Federal Bank was awarded the "MasterCard innovation Award" for the second year in a row, having won it for the first time in 2013.



Federal Bank's Mobile based passbook - 'FedBook' received the Finacle Client Innovation Award - 2014 for the category "HIGHLY COMMENDED PRODUCT AND DISTRIBUTION INNOVATION" from Infocys.



Asia Pacific HRM Congress 2014 has recognized the Bank for the performance in HR front by honoring the HR head with the award of "40 Most Talented HR Leaders"



Banking Frontier's Finnoviti 2013 Award for its innovation Virtual Accounting System (VAS).

VConnect

- Exclusive Video Conference Facility for our customers from anywhere in the world.



Scan N Pay

- The next revolutionary innovation, after Fedbook, enabling transfer of funds using QR Codes



Experience Centers

- First of its kind in Federal Bank (first one at Nedumbassery near CIAL) having 24hrs locker facility

Digital Branches

- Completely technology assisted banking (E-Lobby) starting at two centers.

Currency Chests

- Increased number of currency chests outside Home Market to improve Cash Management



- 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

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.

Figures for the previous period / year have been regrouped wherever necessary to conform to the current period's / year's presentation. Total in some columns / rows may not agree due to rounding off.

**Thank You**