

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q4 FY 2017

- ❑ Business momentum continues robust growth of 25% Y-o-Y
- ❑ Highest ever Operating Profit; Y-o-Y growth of 35%; Qtly Oper. Profit @ Rs.549 Cr.

- ❑ Credit growth significantly ahead of the Industry average (26% growth Y-o-Y)
- ❑ Fourth consequent quarter of Slippages trending downwards
- ❑ Credit cost contained @ 0.44%

- ❑ NIM @3.42%, up by 11bps Y-o-Y
- ❑ Fee income growth 24% Y-o-Y
- ❑ Cost to Income ratio improves by 562 bps Y-o-Y

- ❑ Sharply focused business architecture
- ❑ Market Share Improvement in Deposits by 10% (9 bps) & in advances by 20% (16 bps)



- ❑ Consistent liability profile remains core strength
- ❑ CASA Ratio at 32.60%

- ❑ Continued dominance in NR Franchise
- ❑ Full service Bank to NR Businesses through IFSC Banking unit at Gift City
- ❑ The Gift City unit Crosses USD200Mn business

- ❑ Cutting edged Merchant Solutions
 - U-Pos Machine
 - Lotza Merchant
 - E-Pos Payment solution
- ❑ Instant account opening using Aadhar

- ❑ Balance Sheet grows by 26% Y-o-Y (Rs.1.15 L Cr)
- ❑ Total business grows by 25% Y-o-Y (Rs.1.71 L Cr)

Redefined Business Vertical Architecture to sharpen market focus

Corporate & Institutional Banking

- Seasoning of the Relationship Manager model
- Visible presence in key geographies
- Focus on higher customer engagement and outcomes

Commercial Banking

- Relationship model to tap the SME & Middle Market
- RM at the fore and Branch at the core
- Integrated offerings along the supply chain to create better value for SME clients

Business Banking

- Leveraging distribution to offer credit solutions for small Businesses
- Historical strength of neighborhood Banking with wide product suite
- Branch as the 360 degree servicing point

Rural and Micro Banking

- Creating a relationship architecture for Agri and Agri Supply Chain
- Gramjeevan Branches functioning as a Financial Hub to rural India
- Micro-lending Initiatives

Retail Assets

- Full spectrum approach in Retail :
 - ✓ Own distribution
 - ✓ Partnership led growth
 - ✓ Inorganic Opportunities
 - ✓ Digital Platforms
- Leveraging technology, analytics and innovation to offer more Self-service DIY products

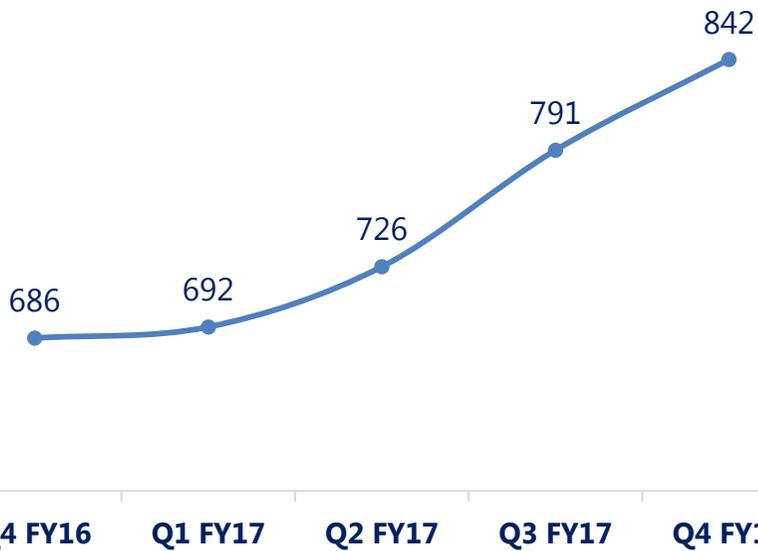
Power of the Full Bank to the Customer



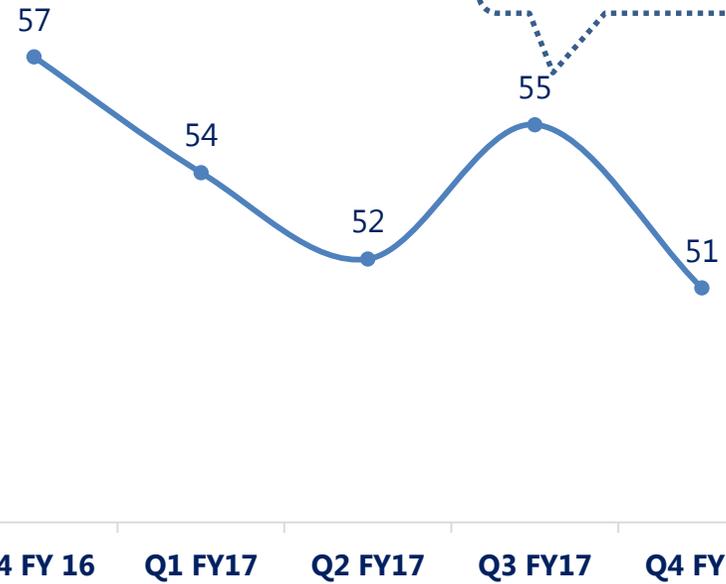
Performance Highlights (Y-o-Y)

Savings Account	23%	Net Interest Income	23%
Current Account	27%	NIM	3.42%
Retail Deposit	18%	Operating Profit	39%
Retail Advance	27%	GNPA	44 bps
SME Advance	18%	Capital Adequacy (CRAR)	12.39%
Wholesale Business	34%	Provision Coverage Ratio	71.75%

Consistent growth in NII (in Cr)



Cost to Income ratio (in %)



(Rs. in Cr)

Advances

Retail+Agri



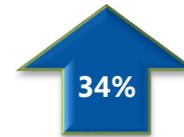
23453→29291

SME



15000→17641

Wholesale



20338→27159

Total Advances



58791→74091

Deposits

CASA



25705→31838

CASA Ratio



32.47→32.60

NRE Deposits



30732→36407

Total Deposits



79172→97665

Performance

Net Income (NII+OI)



922→1125

Other Income



236→282

Operating Profit



395→549

Net Profit



10→257

Ratios

Cost Income ratio



56.78→51.16

Gross NPA%



2.84→2.33

Net NPA%



1.64→1.28

Profit per Employee



0.35→8.87 (lacs)

(Rs. in Cr)

Advances

Retail+Agri



28084 → 29291

SME



16324 → 17641

Wholesale



25531 → 27159

Total Advances



70439 → 74091

Deposits

CASA



31973 → 31838

CASA Ratio



34.66 → 32.60

NRE Deposits



34547 → 36407

Total Deposits



92236 → 97665

Performance

Net Income (NII+OI)



1066 → 1125

Other Income



275 → 282

Operating Profit



475 → 549

Net Profit



206 → 257

Ratios

Cost Income ratio



54.97 → 51.16

Gross NPA%



2.77 → 2.33

Net NPA%



1.58 → 1.28

Profit Per Employee



7.13 → 8.87 (n Lacs)

		Q4 FY17	Q3 FY17	Q2 FY17	Q1 FY17	Q4 FY16
Shareholder Value	Book Value (Per Share in ₹)	51.43	49.94	48.63	47.07	46.24
	EPS	6.04	4.74	4.68	3.89	0.24
Granularity	CASA + Deposits <1 Cr (% of Total Deposits)	89%	92%	89%	93%	92%
Profitability	ROA	0.96	0.78	0.88	0.76	0.05
	ROE	11.92	9.62	9.78	8.37	0.51
Efficiency	Cost/Income	51.16	54.97	51.92	54.19	56.78
	Net NPA%	1.28	1.58	1.61	1.68	1.64



Sustained improvement in Asset Quality ratios

Fresh Accretion					
	Q4 FY17	Q3 FY17	Q2 FY17	Q1 FY17	Q4 FY16
Retail	55	86	63	67	85
Agri	30	14	26	34	43
SME	122	119	135	134	154
Wholesale	37	55	42	45	254
Total	244	273	266	280	536

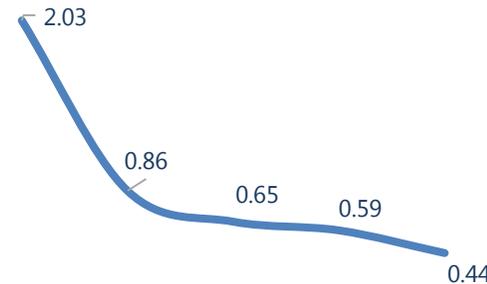
Restructured				
TYPE	Q4 FY17		Q3 FY17	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1282	140	1453	101
NPA	372	228	511	228
TOTAL	1655	368	1964	329

(Rs. in Cr)

NPA Composition		Q4 FY17	Q3 FY17
	Business	NPA	NPA
Gross NPA	Retail	348	368
	Agri	170	158
	SME	855	901
	Wholesale	354	525
	Total	1727	1952
Net NPA		941	1102

Security Receipts	
Q4 FY17	Q3 FY17
782.49	613.94

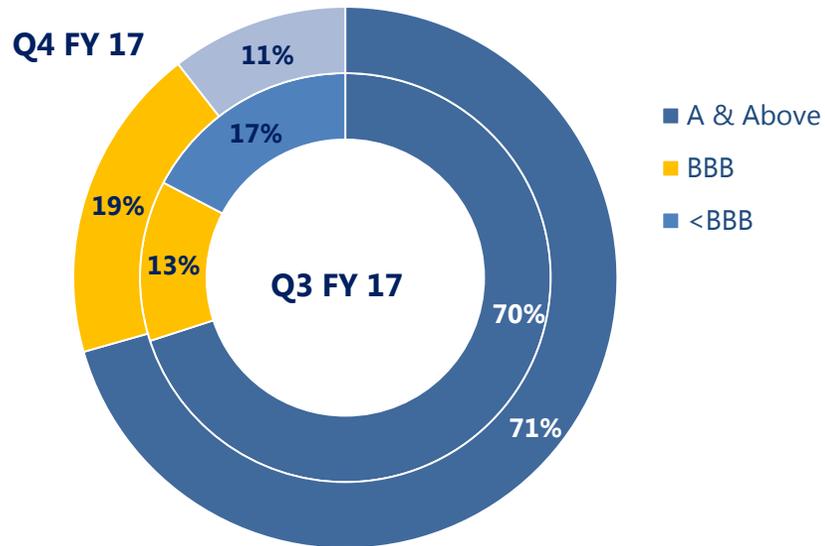
Credit Cost



Risk Adj NIM

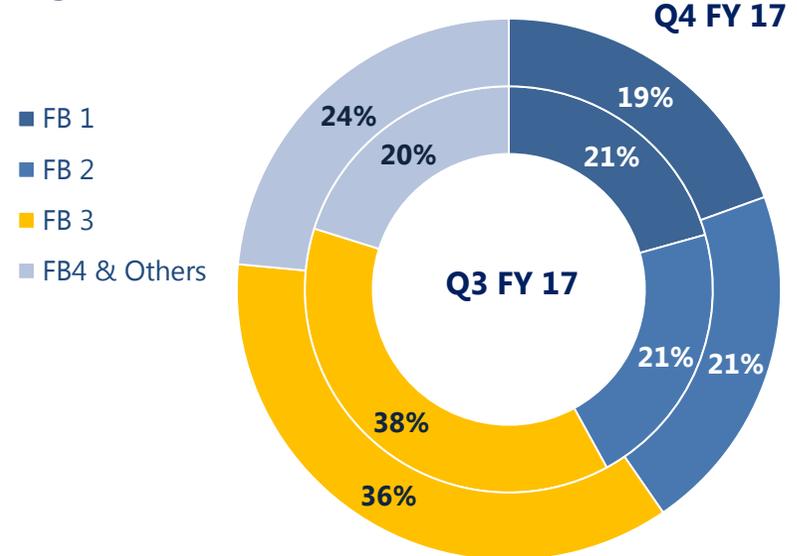


Risk Rating



Wholesale Assets

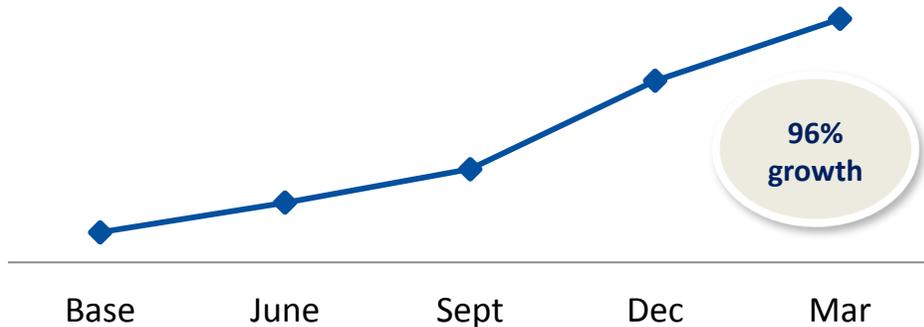
Rating	Q4 FY-17	Q3 FY-17
A & above	71%	70%
BBB	19%	13%
< BBB	10%	17%



Other Assets

Rating	Q4 FY-17	Q3 FY-17
FB 1	19%	21%
FB 2	21%	21%
FB 3	36%	38%
FB4 & Others	24%	20%

Increase in the % of Number of Active Digital Users



BYOM- Online personal loans during FY 16-17



FedMobile Transaction Volume (per month in Cr)



Federal on every Mobile

Launched E- POS Payment solution to merchants to collect cashless payments from customers.

Introduced FedBook Selfie with Aadhaar based authentication for online account opening.

Comprehensive apartment solution introduced in association with Unity Living

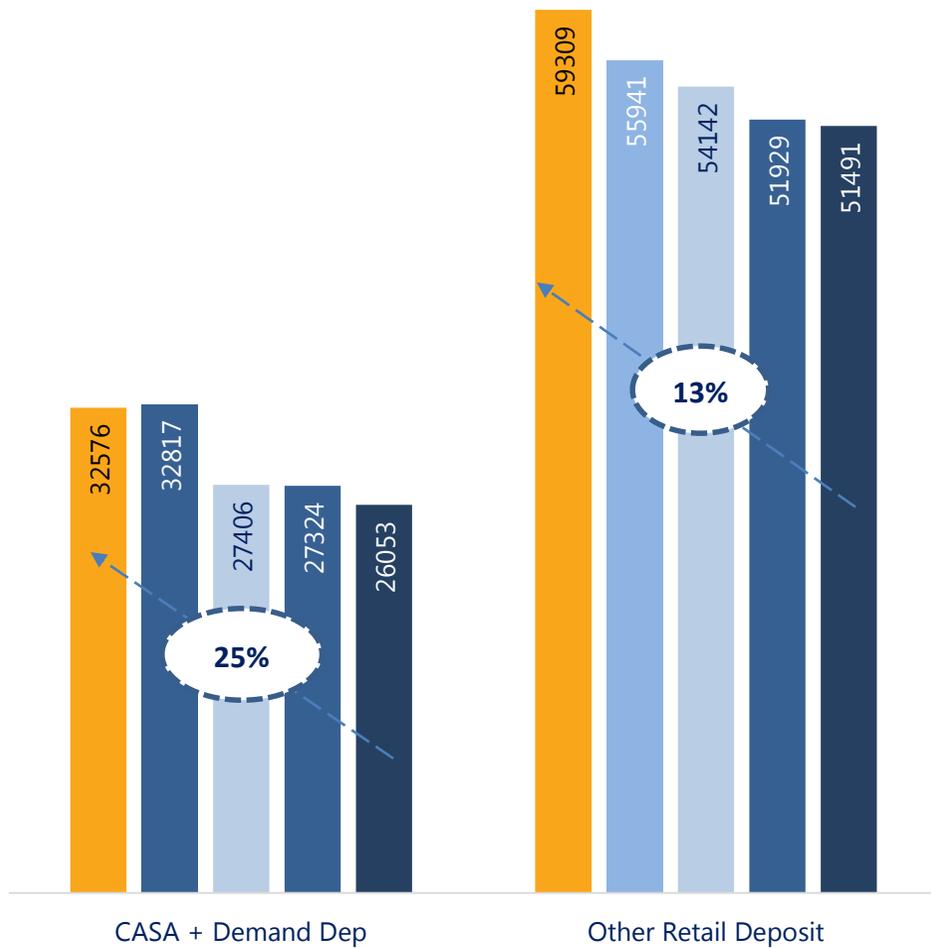
Introduced IAO (Instant Account opening) through Aadhaar biometric KYC through select branches.



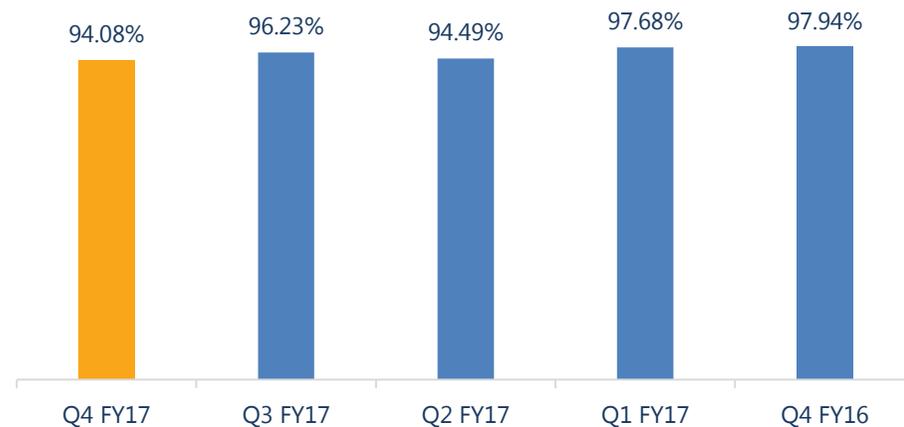
Business Parameters

₹ in Cr

■ Q4 FY17 ■ Q3 FY17 ■ Q2 FY17 ■ Q1 FY17 ■ Q4 FY16



Retail Deposit ratio



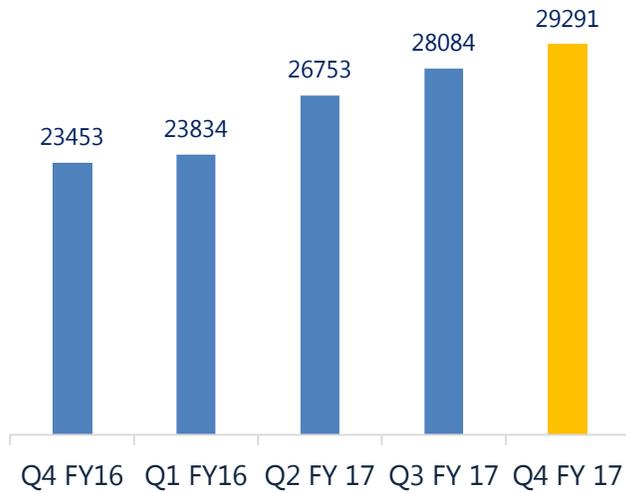
CASA Ratio



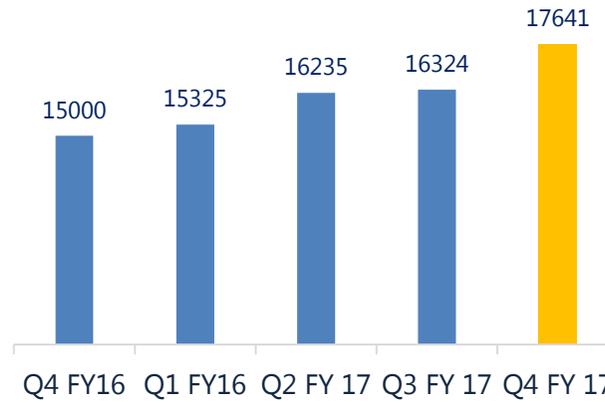


₹ in Cr

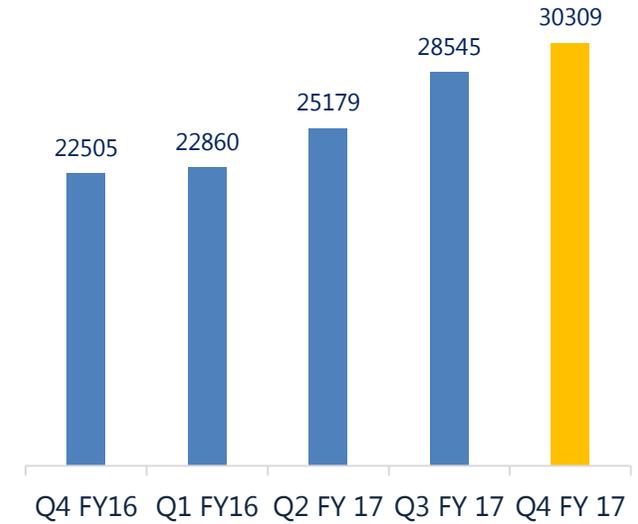
Retail (Incl Agri)



SME



Wholesale*



Highlights

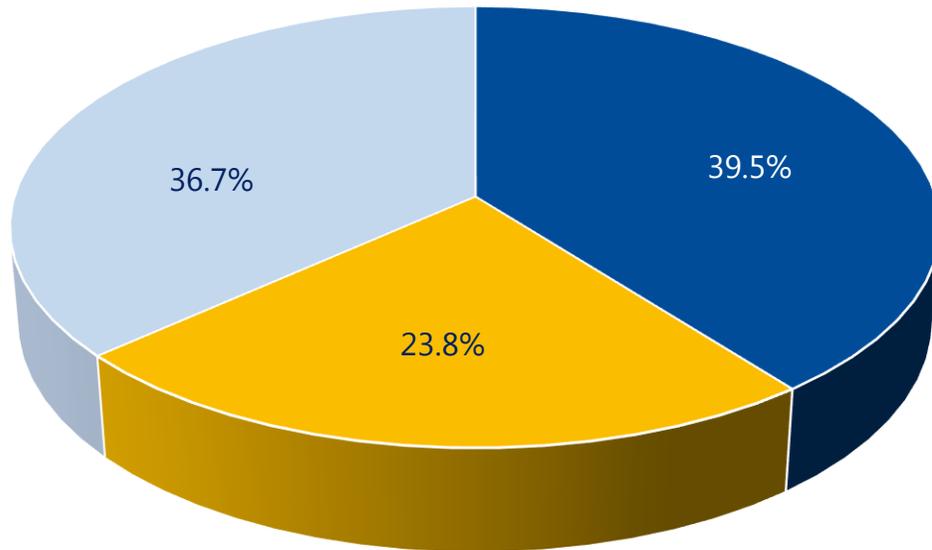
- Even Business Mix.
- All Segments demonstrate growth.

(*Aggregate customer exposure)



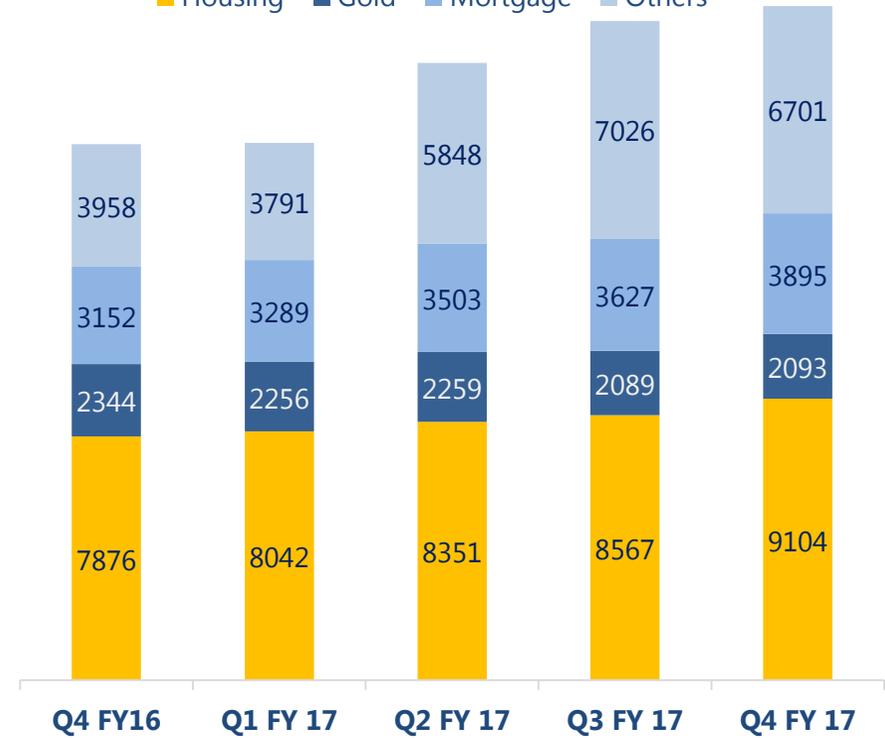
Total Loan Book

■ Retail (inc Agri) ■ SME Adv ■ Wholesale Adv



Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others



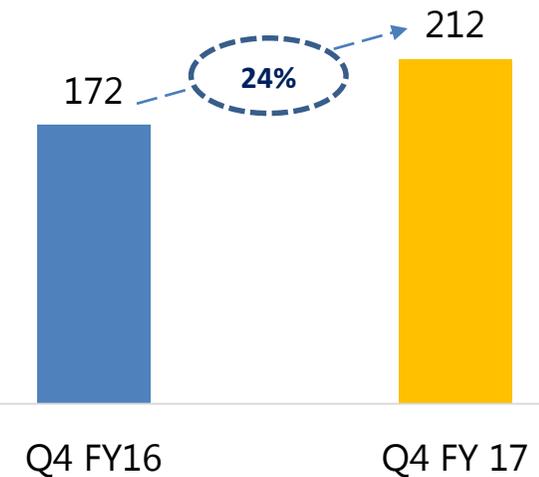


Fee Income/Other income

₹ in Cr

	Q4 FY 17	Q3 FY 16	Q2 FY17	Q1 FY17	Q4 FY16	Y-o-Y %
Loan Processing Fee	41	29	27	22	27	52%
Exchange, Commission, Brokerage & Other Fee Income	130	109	99	93	107	21%
Net Profit on Forex Transactions	41	33	27	27	37	10%
Fee Income	212	171	152	142	172	24%
Profit on sale of securities	54	86	86	83	42	30%
Recovery from assets written off & Other Receipts	16	18	23	13	23	-32%
Total Other income	282	275	262	238	236	19%

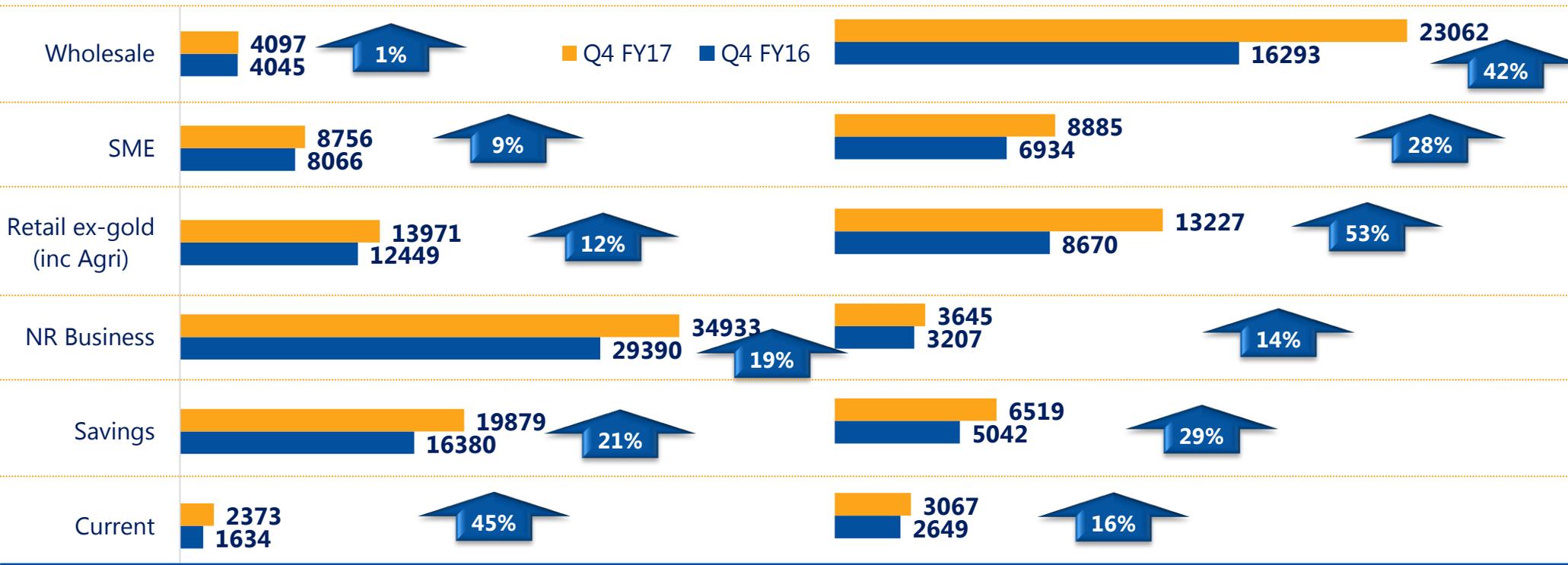
Fee Income (Y-o-Y)



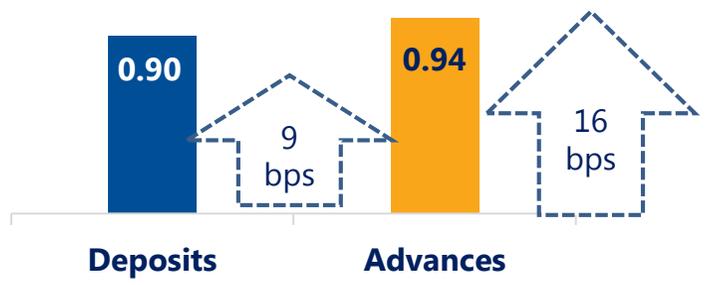
₹ in Cr

Kerala : Continuing Dominance

Outside Kerala: Gaining share



Bank's Market Share



Gain in Market Share:
growth (Y-o-Y)



CRAR – How strong is your Bank?

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₹ in Cr

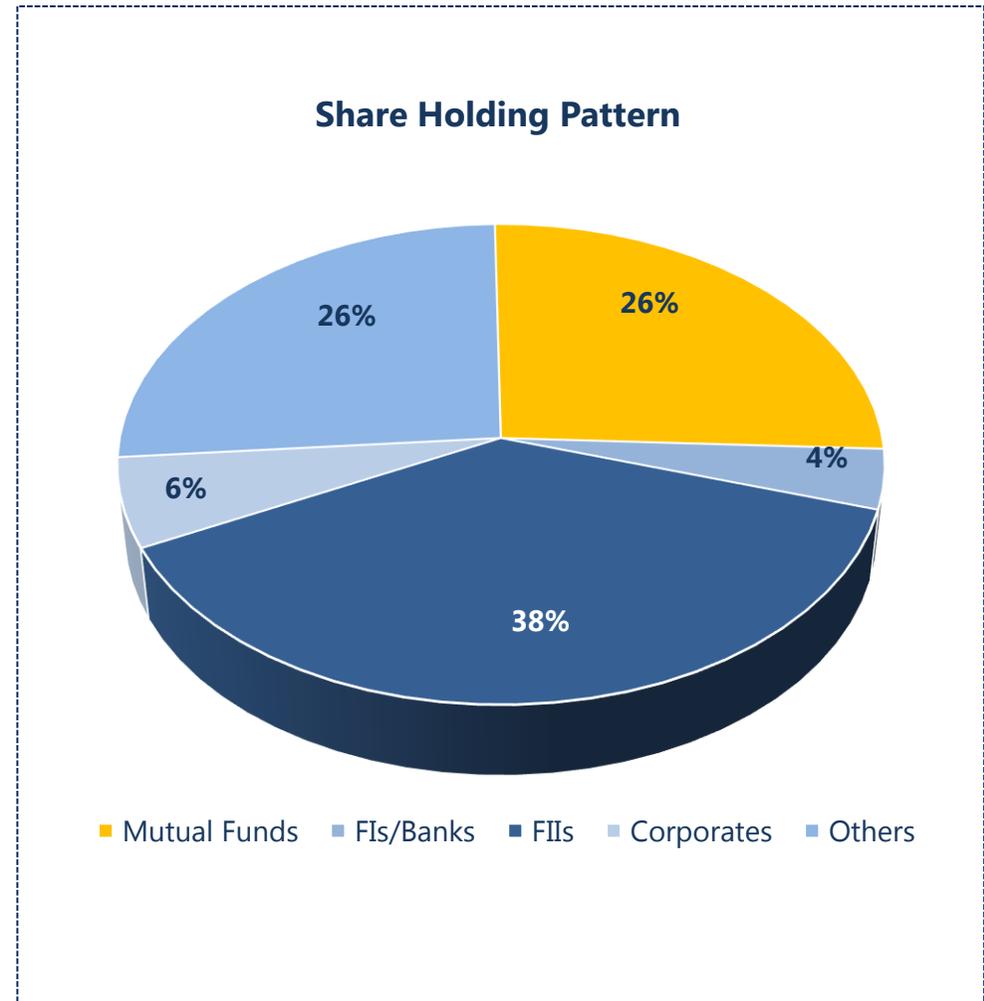
	Mar-17	Dec-16
Risk Weighted Assets		
Credit Risk	62538	58564
Market Risk	4053	3258
Operational Risk	5704	5704
Total RWA	72295	67526
Tier-1 Capital Funds	8539	7851
Tier-II Capital Funds	416	441
Total Capital Funds	8955	8292
CRAR	12.39%	12.28%
Tier-I	11.81%	11.63%
Tier-II	0.58%	0.65%



Annexures

₹ in Cr

	Q4 FY17	Q4 FY16
LIABILITIES		
Capital	345	344
Reserves & Surplus	8598	7747
Deposits	97665	79172
Borrowings	5897	2177
Other Liabilities & Provisions	2385	1991
TOTAL	114889	91430
ASSETS		
Cash & Balance with RBI	4577	3775
Balances with Banks, Money at Call	2876	1645
Investments	28196	22217
Advances	73336	58090
Fixed Assets	489	520
Other Assets	5415	5183
TOTAL	114889	91430



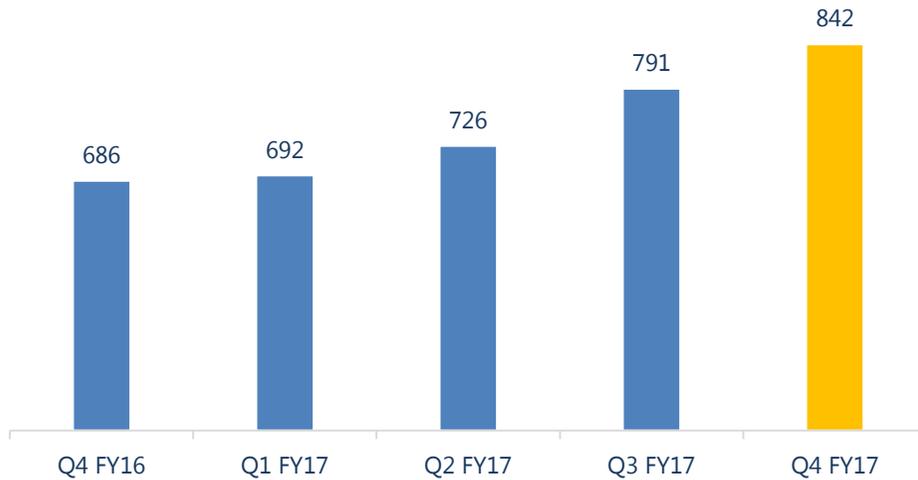


₹ in Cr

	Q4 FY17	Q3 FY17	Q-o-Q	Q4 FY16	Y-o-Y
Interest Income	2316	2281	2%	2027	14%
Interest Expenses	1474	1490	-1%	1341	10%
Net Interest Income	842	791	6%	686	23%
Other Income	282	275	2%	236	19%
Total Income	2598	2556	2%	2263	15%
Total Expenditure	2049	2081	-2%	1868	10%
Operating Profit	549	475	16%	395	39%
Total Provisions	293	269	9%	384	-24%
Net Profit	257	206	25%	10	2400%
Net Interest Margin (%)	3.42%	3.32%	10 bps	3.31%	11 bps
Cost to Income Ratio (%)	51.16%	54.97%	-381 bps	56.78%	-562 bps

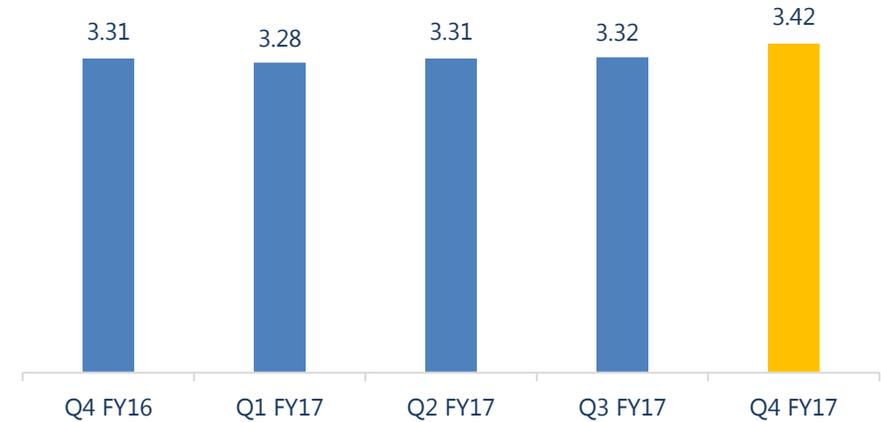


Net Interest Income

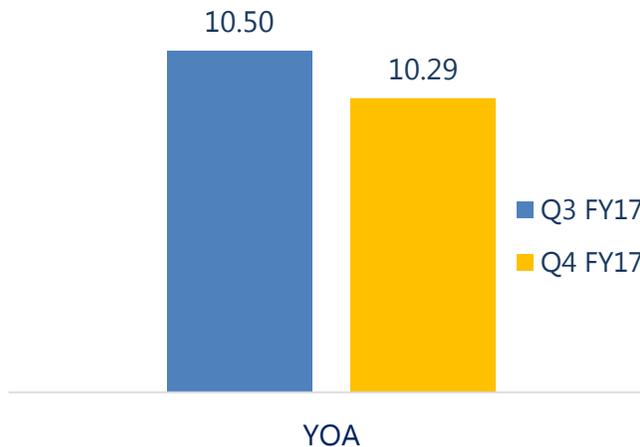


Net Interest Margin (%)

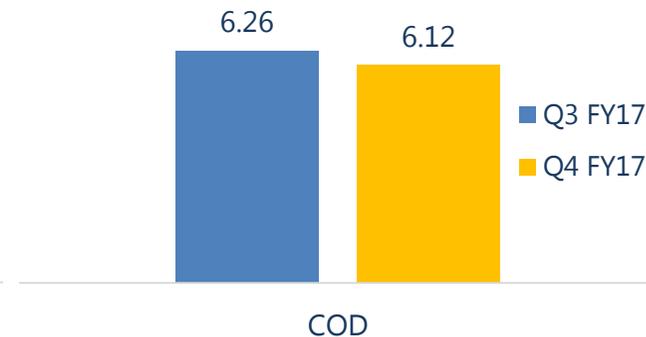
₹ in Cr



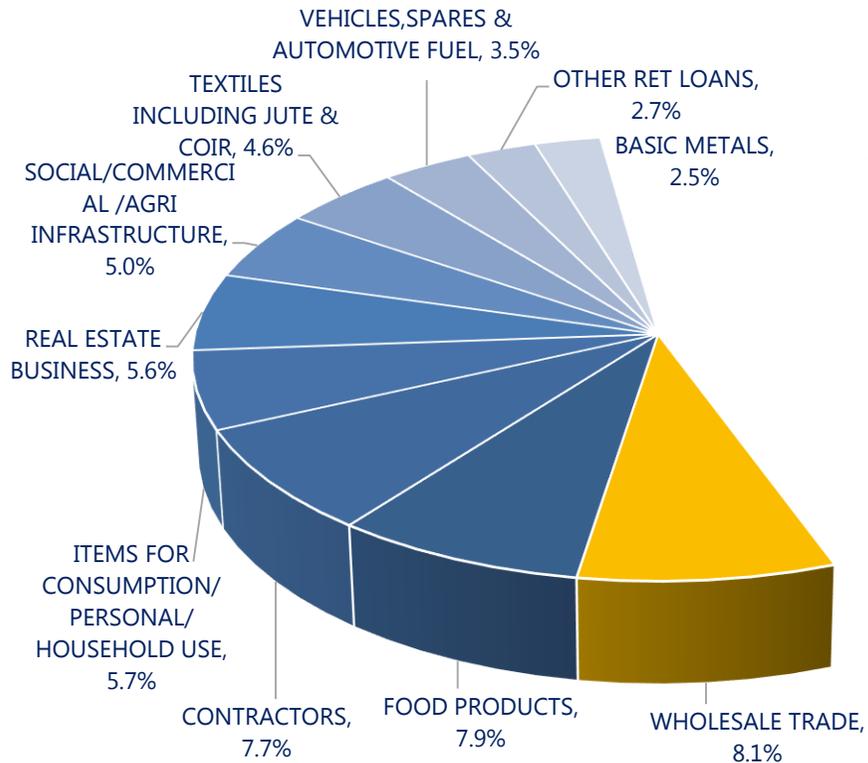
Yield on Advances



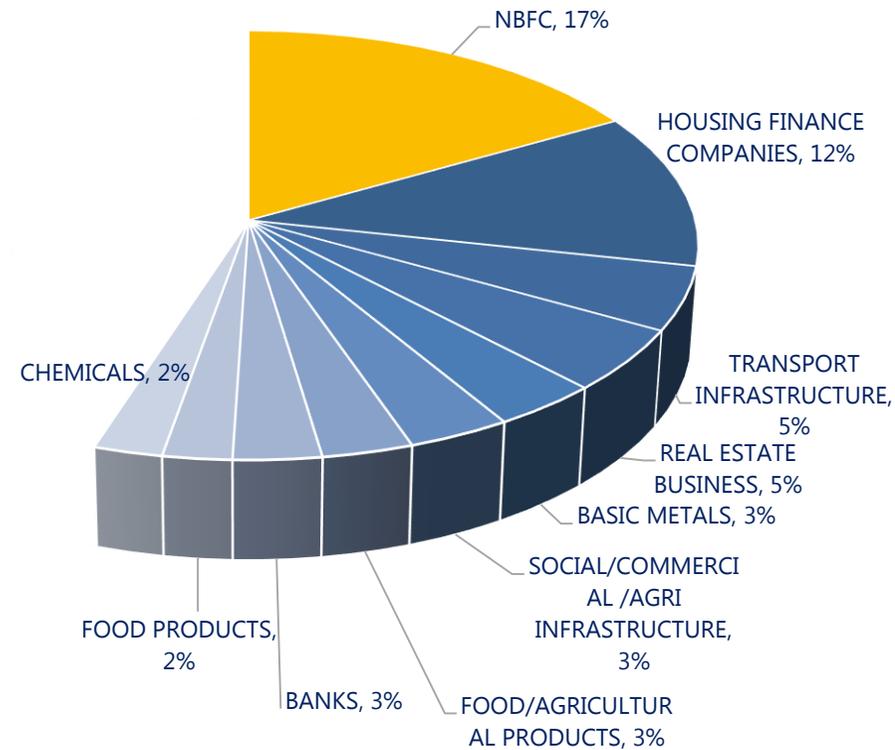
Cost of Deposits



SME Portfolio



Wholesale Portfolio



Major Investments

Entity	% Equity
Fedbank Financial Services Limited	100.00%
IDBI Federal Life Insurance Company of India Limited	26.00%
Kannur International Airport	2.89%
Experian Credit Information Company of India Pvt Ltd	2.14%
Cochin International Airport	1.96%

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 & 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

Fixed
Deposit

Certificate
of Deposit



A1+

A1+

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



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