

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q3 FY 2016**



ET Honored Federal Bank with  
**BEST CORPORATE  
BRAND AWARD 2016**



**Skoch Smart Technology  
Award 2015  
for  
Fedbook Selfie**



**Banking Technology Excellence Award  
2014-15  
for Digital Banking, Analytics  
and Big Data  
in the mid-sized banks segment**



Further strengthening of Liability Profile , well positioned to compete for quality growth

Meaningful progress in Delivery of Credit

Presence in GIFT city , focused RM strategy and targeted Corporate Coverage to be key enablers in quality growth

Very focused and effective Digital and Digitisation Strategy underway

Stressed large credits in select sectors addressed appropriately

Senior Management team further reinforced with recruitment of COO (Nov-15), post ED joining (Sep-15)





***Digital at the fore, Human at the core***

## Overview




# Comparison : Q-o-Q

Rs in Cr






## Deposits

Total Savings	Current Deposits	NRE Deposits	Term Deposits	Total Deposits
 4%	 -7%	 4%	 1%	 1%
19335→20128	4178→3877	27217→28381	49767→50352	73783→74792






## Advances

Retail	SME	Agri	Corporate	Gross Advances
 2%	 1%	 -1%	 9%	 4%
16392→16775	13876→14033	6137→6062	15272→ 16668	51676→53538

## Performance

Net Profit	Operating Profit	Other Income	Net Income (NII+OI)	Total Income
 1%	 -3%	 1%	 -0.19%	 0.1%
161→163	337→325	182→183	791→789	2085→2086






## Ratios

Cost Income ratio	ROA	ROE	Gross NPA%	Net NPA%
 129bps	 -1bps	 -9bps	 25bps	 33bps
57.43→58.72	0.78→0.77	8.09→8.00	2.90→3.15	1.33→1.66

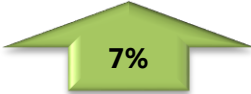

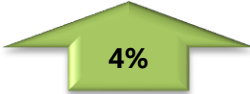


# Comparison : Y-o-Y

Rs in Cr






## Deposits

Total Savings	Current Deposits	NRE Deposits	Term Deposits	Total Deposits
 20%	 21%	 27%	 11%	 14%
16791→20128	3194→3877	22344→28381	45198→50352	65550→74792






## Advances

Retail	SME	Agri	Corporate	Gross Advances
 7%	 17%	 4%	 9%	 10%
15689→16775	11988→14033	5809→6062	15239→16668	48726→53538

## Performance

Net Profit	Operating Profit	Other Income	Net Income (NII+OI)	Total Income
 -39%	 -18%	 -17%	 -2%	 -0.19%
265→163	397→325	220→183	807→789	2090→2086

## Ratios

Cost Income ratio	ROA	ROE	Gross NPA%	Net NPA%
 795bps	 -61bps	 -603bps	 96bps	 97bps
50.77→58.72	1.38→0.77	14.03→8.00	2.19→3.15	0.69→1.66

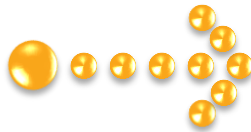
₹ in Cr



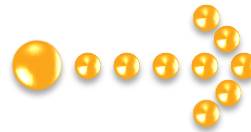
**31<sup>st</sup> Dec 2015**

Deposits	74792
Gross Advances	53538
Net Profit	163
Net Worth	8224
Net NPA Ratio	1.66
CRAR- BASEL III	14.32
Net Interest Margin	3.04
Return on Average Assets	0.77

**1252  
Branches**



**1548  
ATMs**



**11628  
Employees**



**Over 7  
million  
Customers**



*Digital at the fore*

*Human at the core*



**Incorporation of Digital Centre of Excellence**

**New Digital Bank within the Bank**

## Leading the digital journey with Product Innovations

**1st**

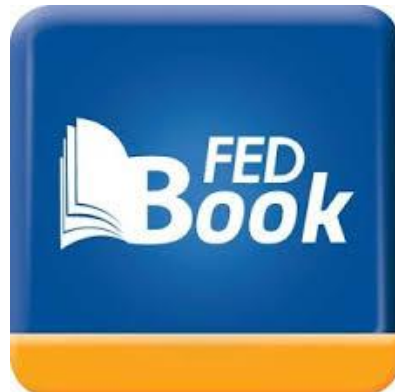


Open your Federal Bank account by yourself in just 3 steps:

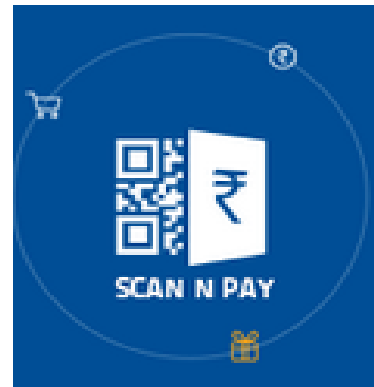
- Download FedBook
- Click a selfie
- Click & scan your Aadhaar & PAN card

**INDIA'S FIRST EVER**  
OPERATE-YOURSELF  
BANK ACCOUNT APP

**1st**



**1st**



**1st**



**Funds Transfer through Missed Call Banking**

**Missed Call Banking:**

- Balances of multiple accounts in a single SMS
- Mobile Recharges
- Fund Transfer



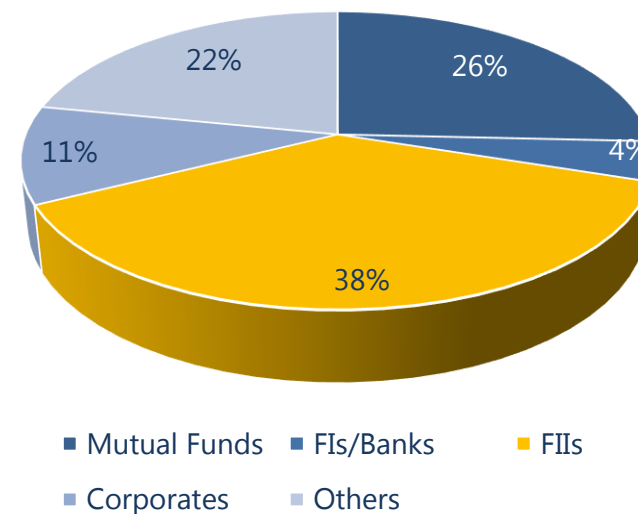
		Q3 FY16	Q2 FY16	Q3 FY15
<b>Shareholder Value</b>	<b>Book Value</b> (Per Share in ₹)	47.86	46.92	44.86
	<b>EPS</b>	3.79	3.76	6.19
<b>Granularity</b>	<b>Customer Base</b> (In Lakhs)	73.53	71.94	66.15
	<b>CASA + Deposits &lt;1 Cr</b> (% of Total Deposits)	92.95%	92.43%	89.75%
<b>Profitability</b>	<b>ROA</b>	0.77	0.78	1.38
	<b>ROE</b>	8.00	8.09	14.03
<b>Efficiency</b>	<b>Cost/Income</b>	58.72	57.43	50.77
	<b>Net NPA%</b>	1.66	1.33	0.69

# Balance Sheet & Shareholding Pattern

₹ in Cr

	Q3 FY 16	Q3 FY 15
<b>LIABILITIES</b>		
Capital	344	171
Reserves & Surplus	7880	7509
Deposits	74792	65550
Borrowings	1898	2715
Other Liabilities & Provisions	3596	3688
<b>TOTAL</b>	<b>88509</b>	<b>79633</b>
<b>ASSETS</b>		
Cash & Balance with RBI	3584	3333
Balances with Banks, Money at Call	1668	1545
Investments	24647	20738
Advances	52753	48026
Fixed Assets	503	460
Other Assets	5353	5531
<b>TOTAL</b>	<b>88509</b>	<b>79633</b>

**Shareholding Pattern**



## Performance Overview

# Key Financials

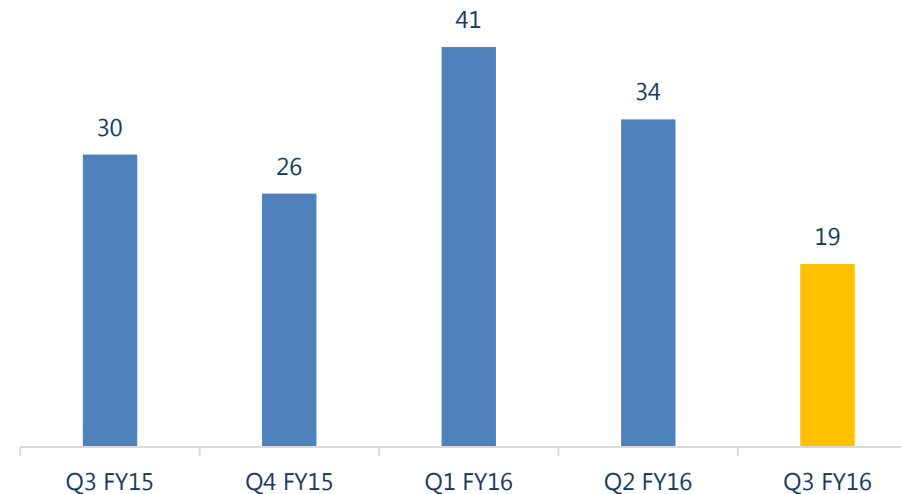
₹ in Cr

	Q3 FY16	Q2 FY16	Q-o-Q	Q3 FY15	Y-o-Y
Interest Income	1903	1902	0%	1870	2%
Interest Expenses	1298	1294	0%	1283	1%
<b>Net Interest Income</b>	605	608	-1%	587	3%
Other Income	183	182	1%	220	-17%
Total Income	2086	2084	0%	2090	0%
Total Expenditure	1761	1748	1%	1693	4%
<b>Operating Profit</b>	325	337	-3%	397	-18%
Loan Losses Provision	39	127	-69%	56	-29%
Provision for Investment losses	16	-26	-163%	-59	-128%
Provision for Tax	88	88	0%	133	-34%
Other Provisions	20	-14	-243%	2	887%
<b>Net Profit</b>	<b>163</b>	<b>161</b>	<b>1%</b>	<b>265</b>	<b>-39%</b>
<b>Net Interest Margin (%)</b>	3.04	3.11	-7 Bps	3.20	-16 Bps
<b>Cost to Income Ratio (%)</b>	58.72	57.43	129 Bps	50.77	795 Bps

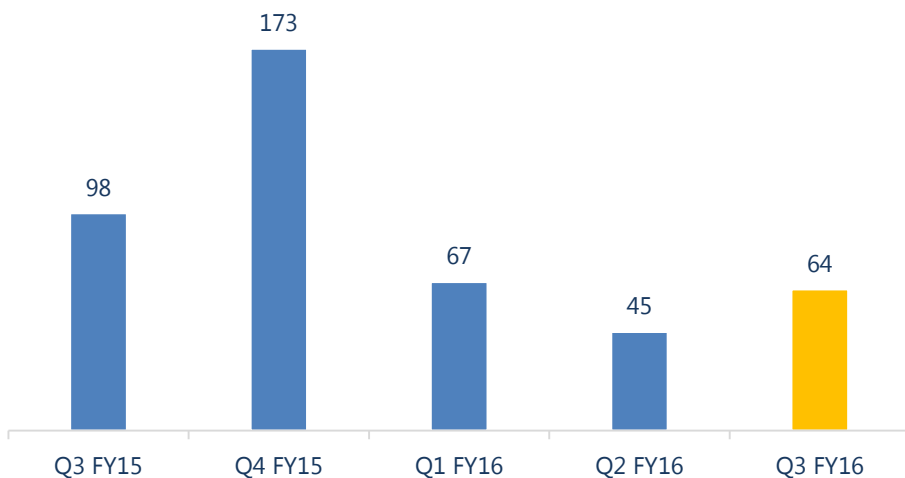
	Q3 FY 16	Q3 FY 15	Y-o-Y %
Exchange, Commission, Brokerage & Other Fee Income	101	92	9%
Net Profit on Forex Transactions	19	30	-36%
Profit on sale of securities	23	77	-71%
Recovery from assets written off & Other Receipts	41	21	97%
<b>Total Other Income</b>	<b>183</b>	<b>220</b>	<b>-17%</b>

## Forex Income

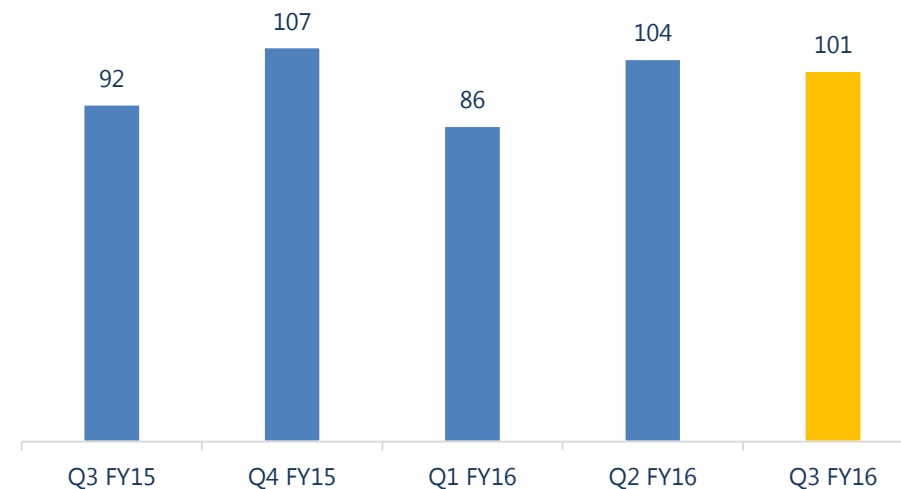
₹ in Cr



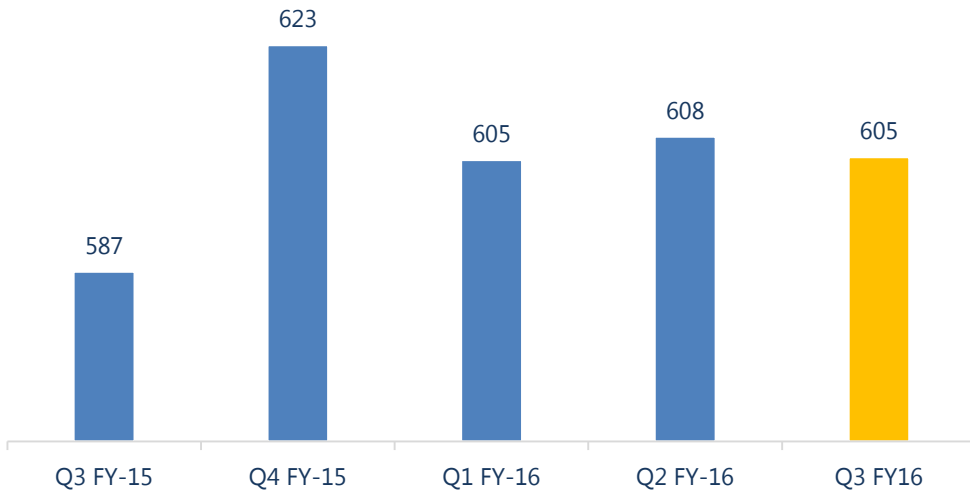
## Non-Fee Income



## Other Fee Income

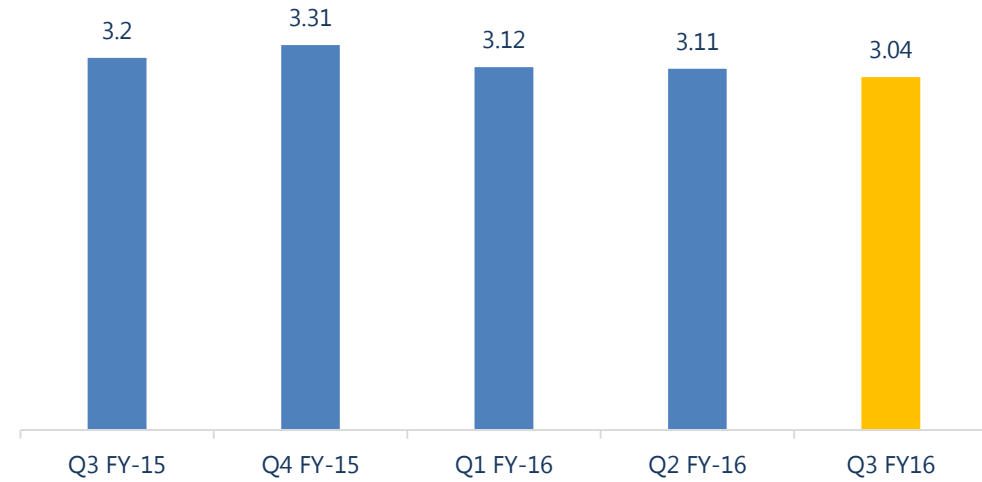


## Net Interest Income

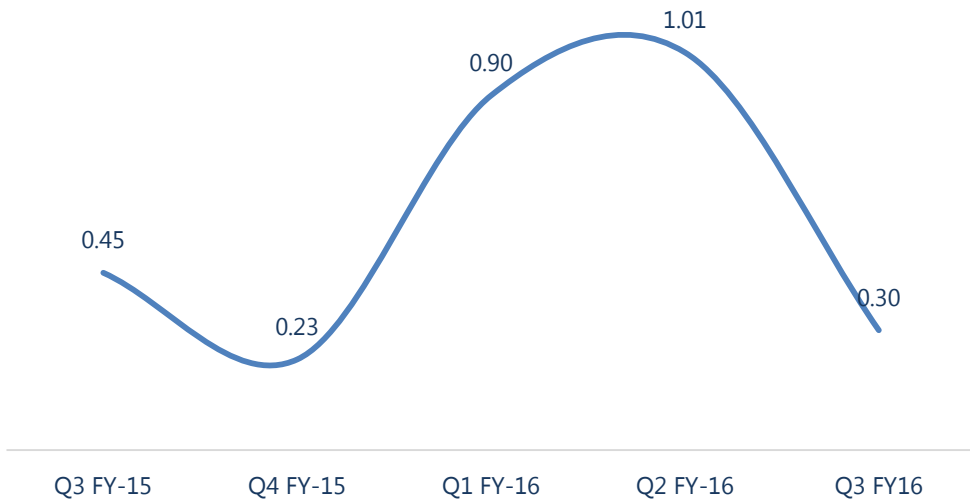


## Net Interest Margin (%)

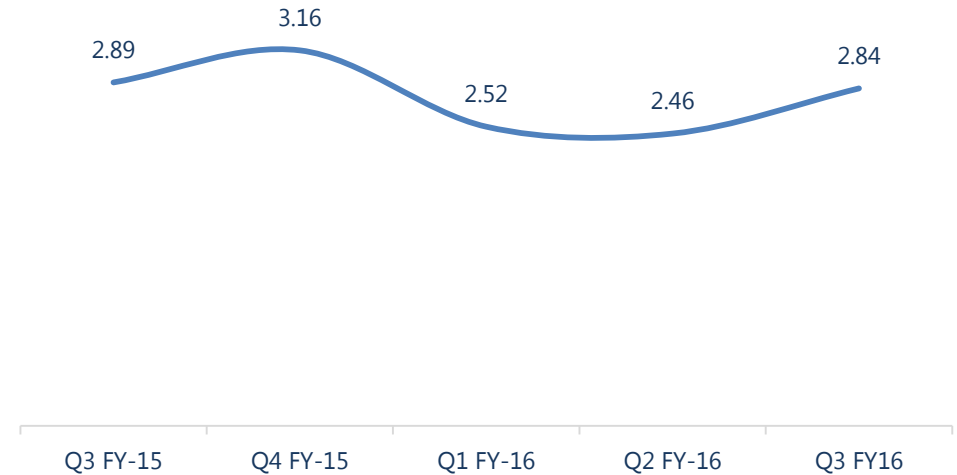
₹ in Cr



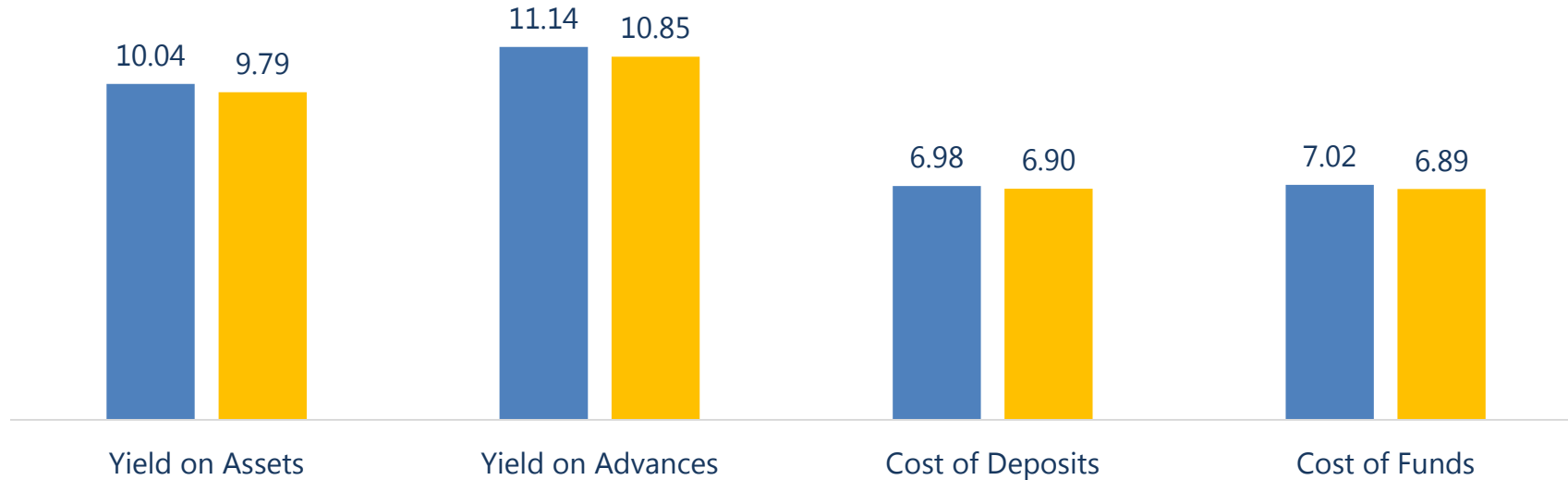
## Credit Cost



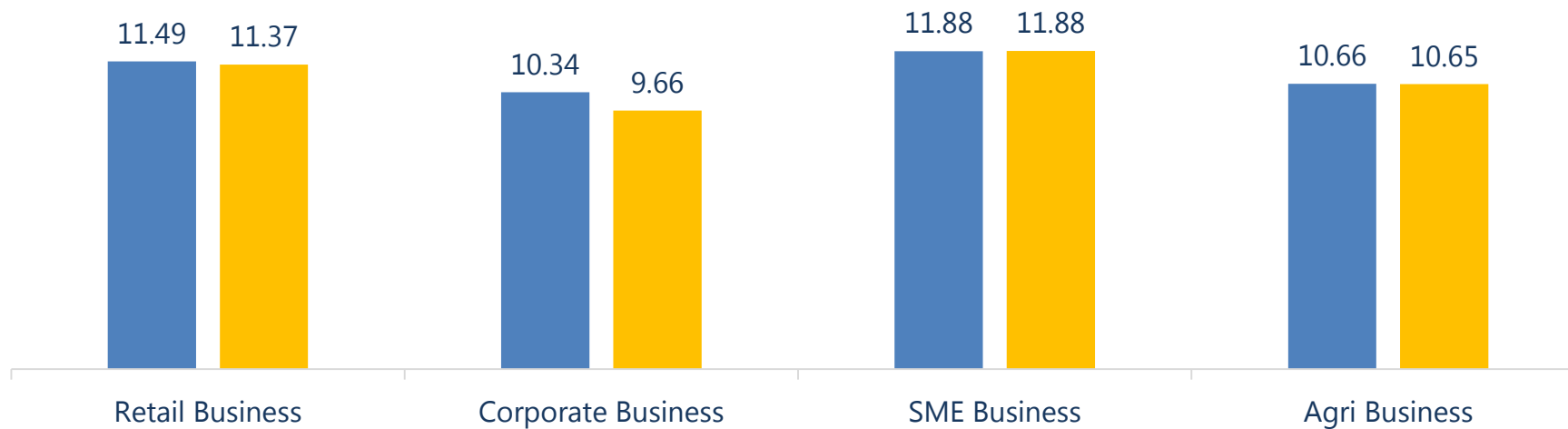
## Risk Adj NIM



■ Q2 FY16   ■ Q3 FY16



## Segment wise Yield



## **Business Overview**



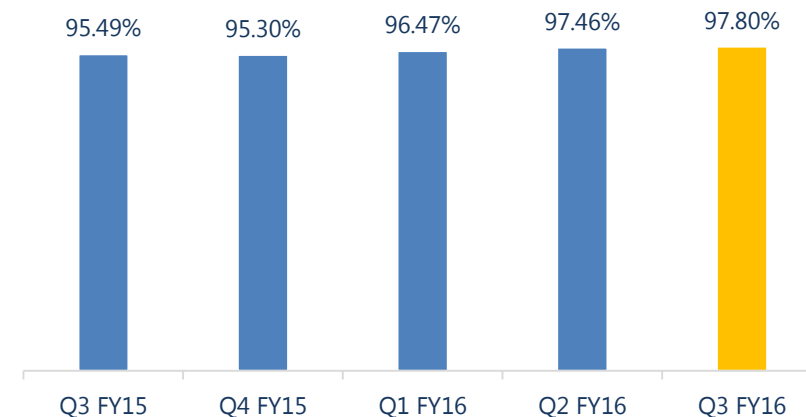
Advance	Q3 FY16	Q3 FY15	Y-o-Y
Retail	16775	15689	7%
SME	14033	11988	17%
Agri	6062	5809	4%
Corporate*	18198	15239	19%

Deposits	Q3 FY16	Q3 FY15	Y-o-Y
Retail Deposit	73143	62592	17%
Savings	20128	16791	20%
Current	3877	3194	21%
CASA	24005	19985	20%

\*-Including Credit Substitutes

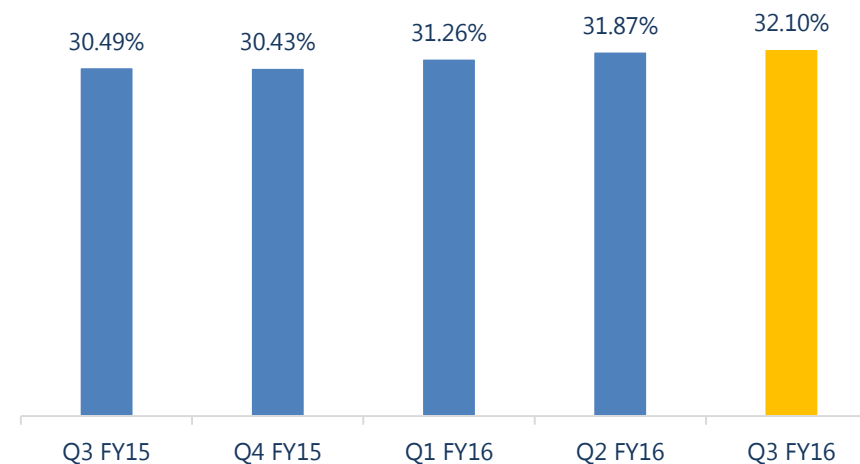
## Retail Deposits Ratio

₹ in Cr



Retail Deposits ratio maintained above 97%

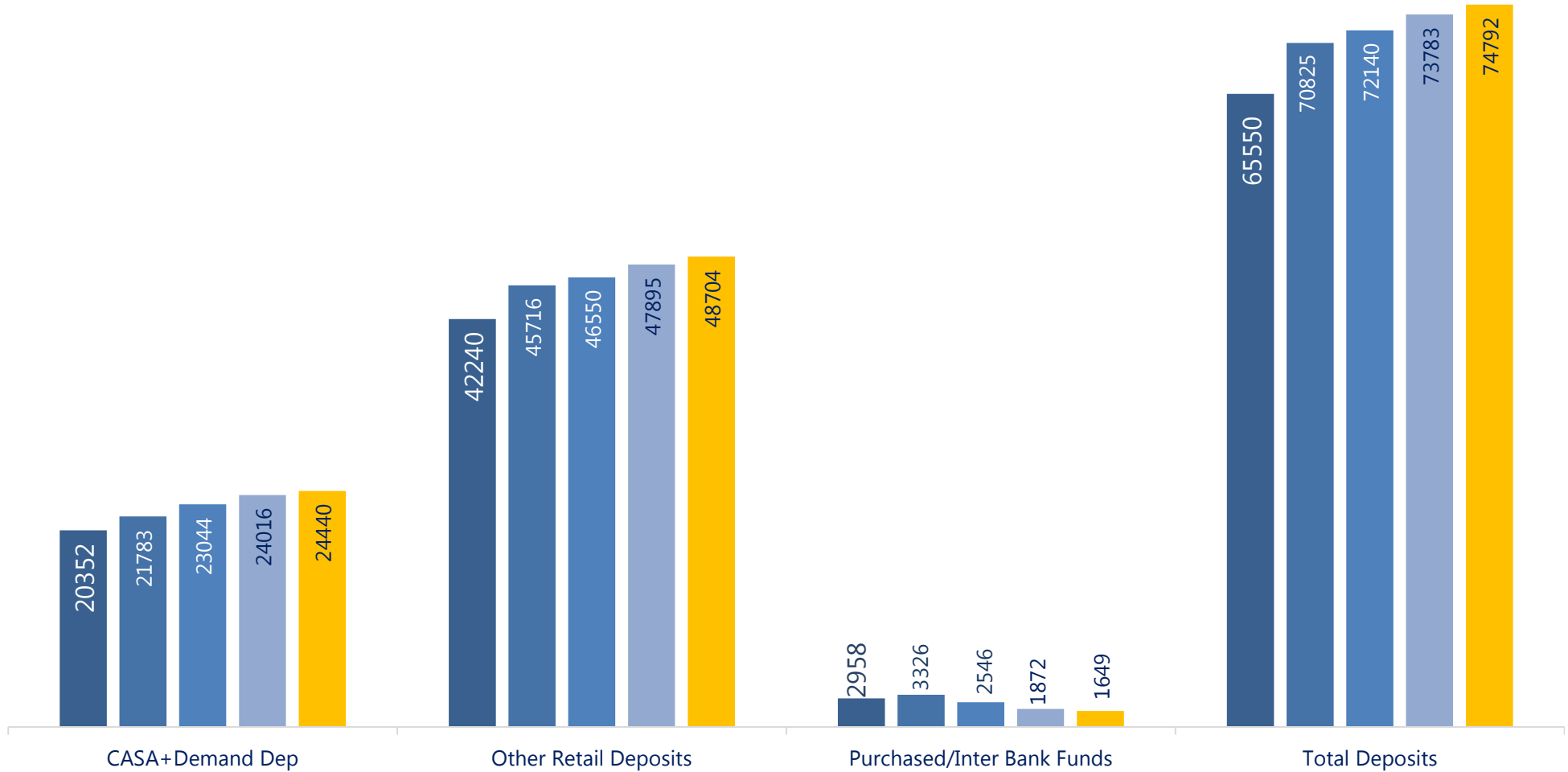
## CASA Ratio



# Growth in Customer Deposit

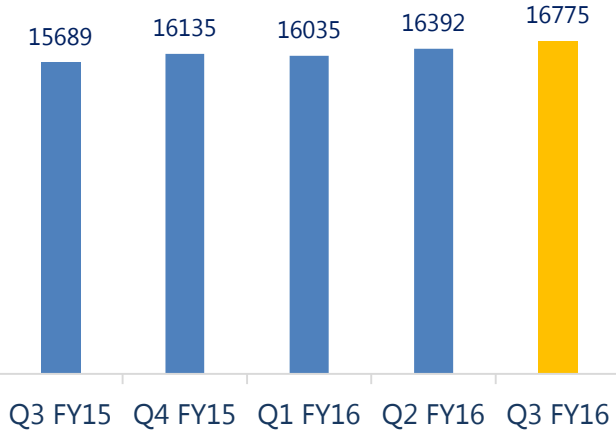
₹ in Cr

■ Q3 FY15 ■ Q4 FY15 ■ Q1 FY16 ■ Q2 FY16 ■ Q3 FY16

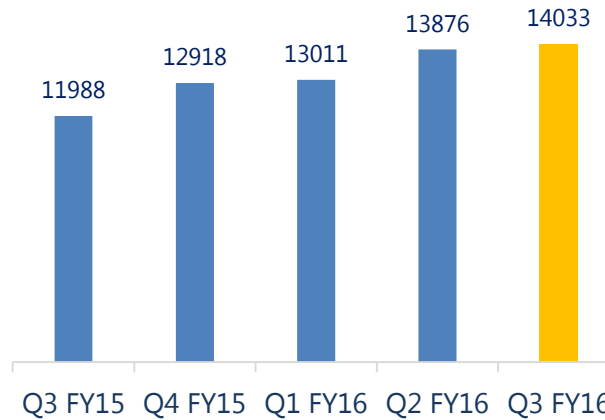


₹ in Cr

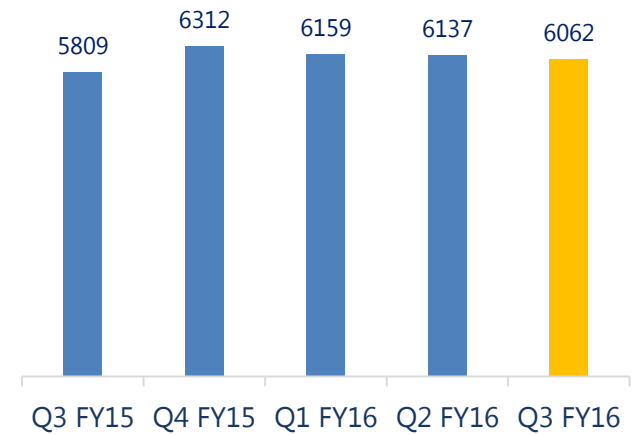
## Retail Adv



## SME Adv

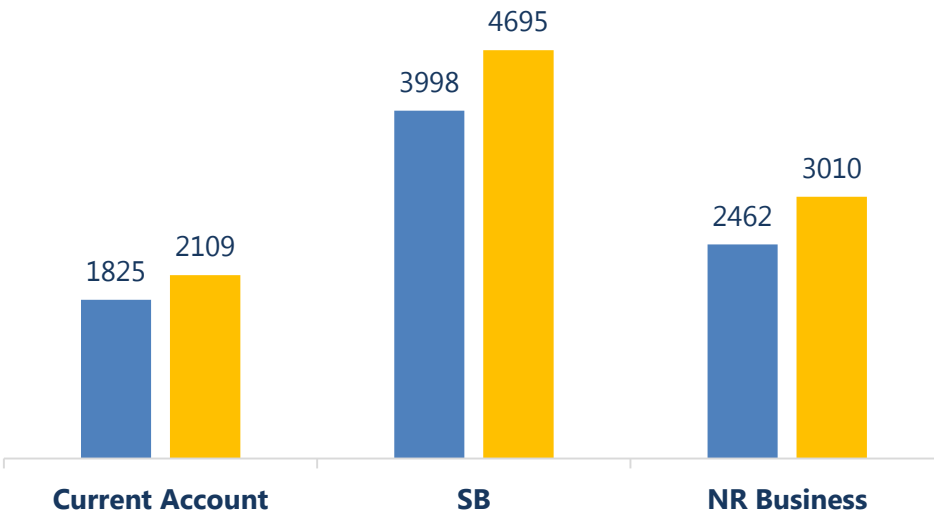


## Agri Adv

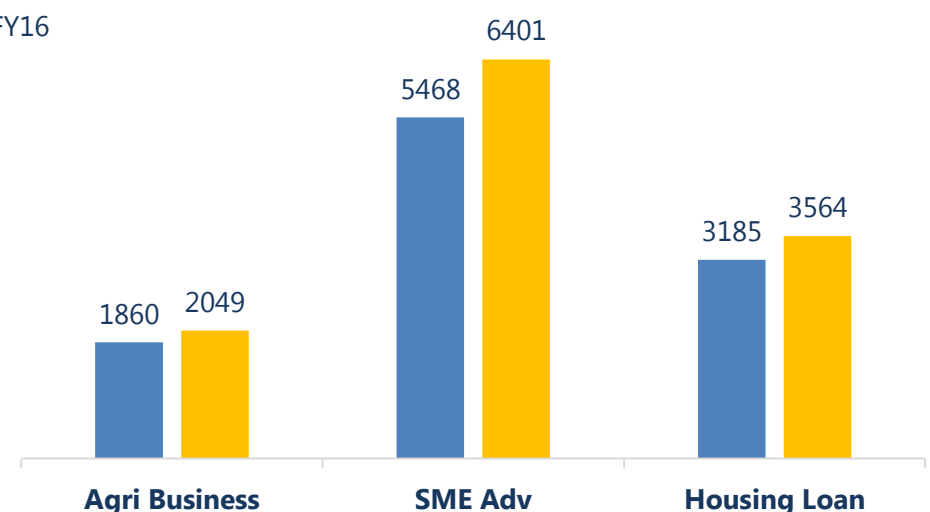


## Gaining Share : Ex Kerala

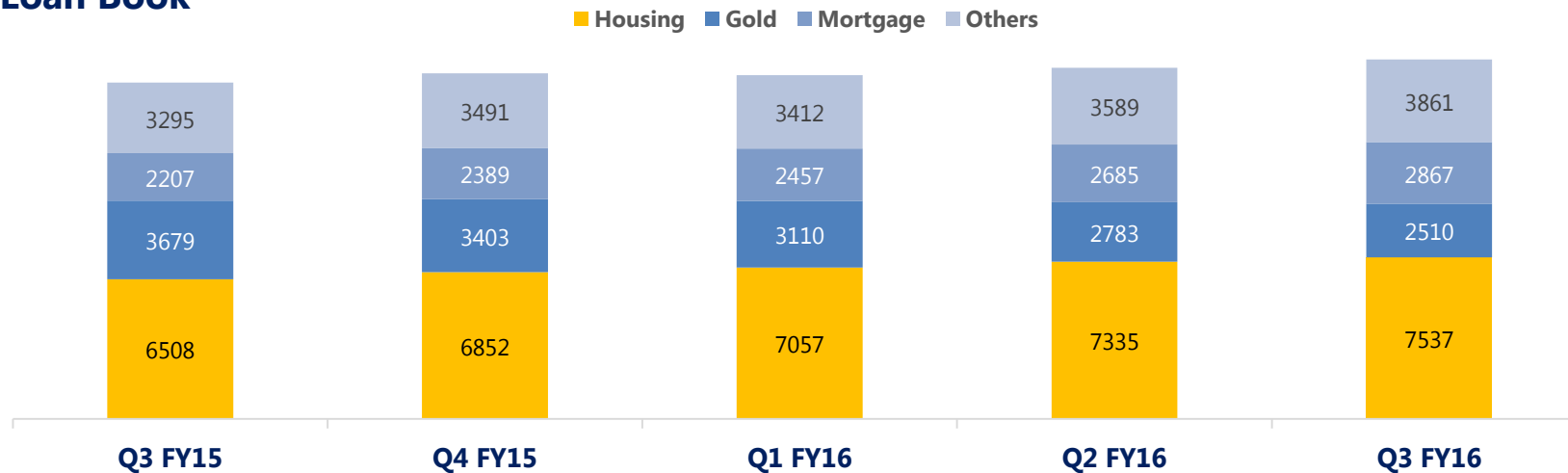
### Focus Segments in Deposits



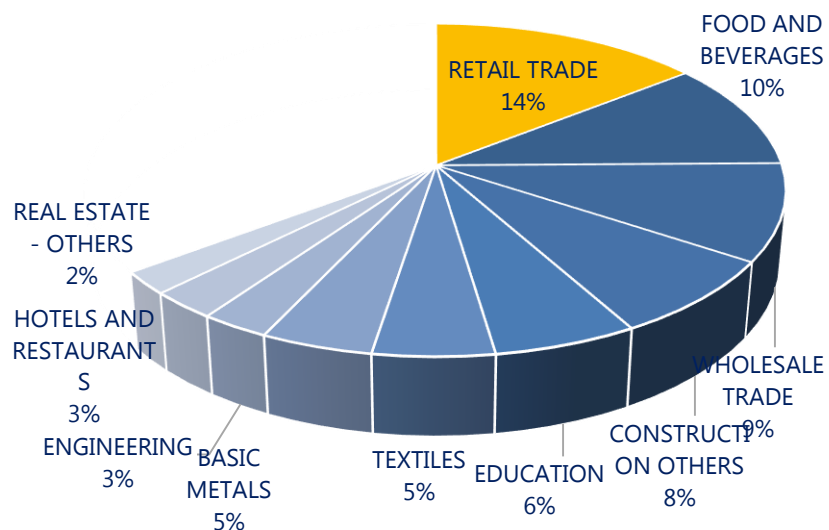
### Focus Segments in Advance



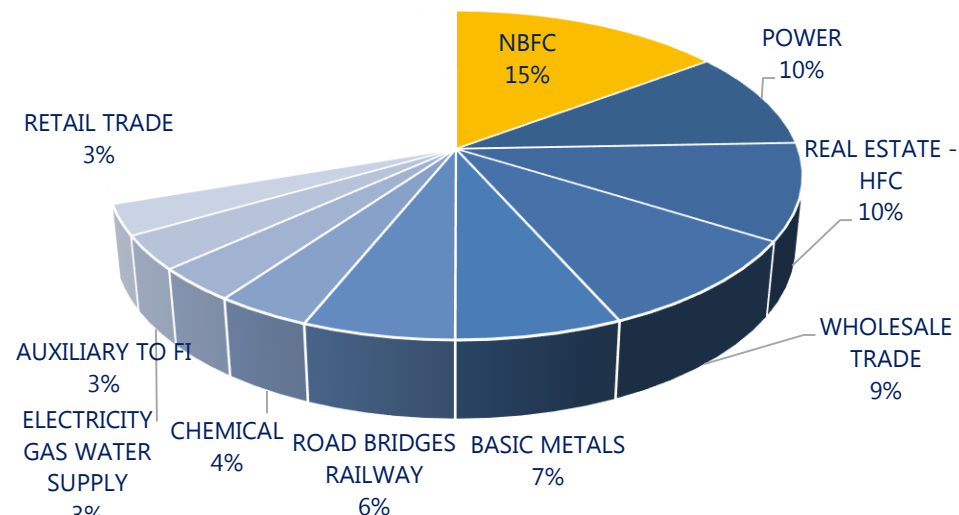
## Retail Loan Book



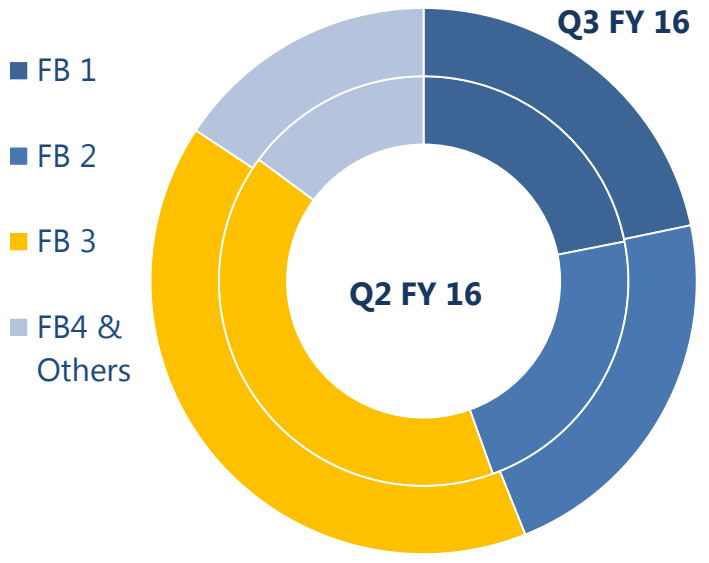
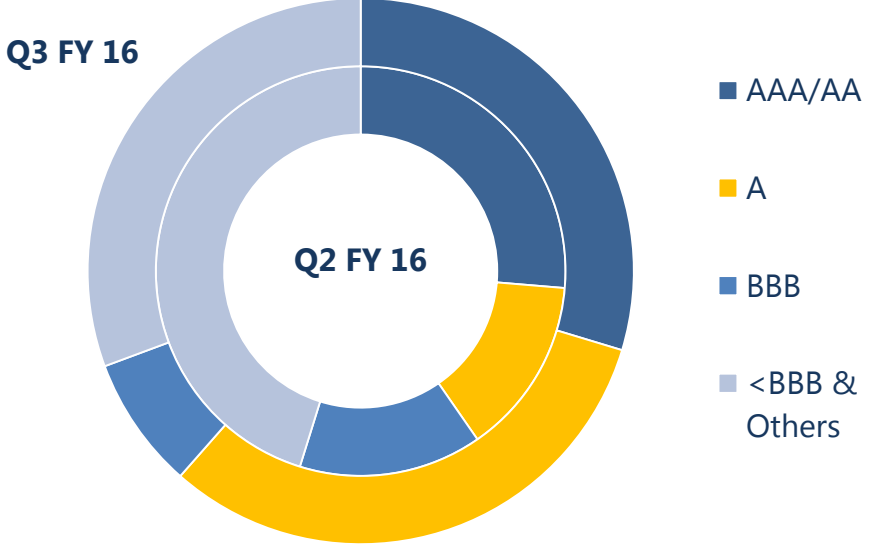
## SME Portfolio



## Corporate Portfolio



## Risk Rating

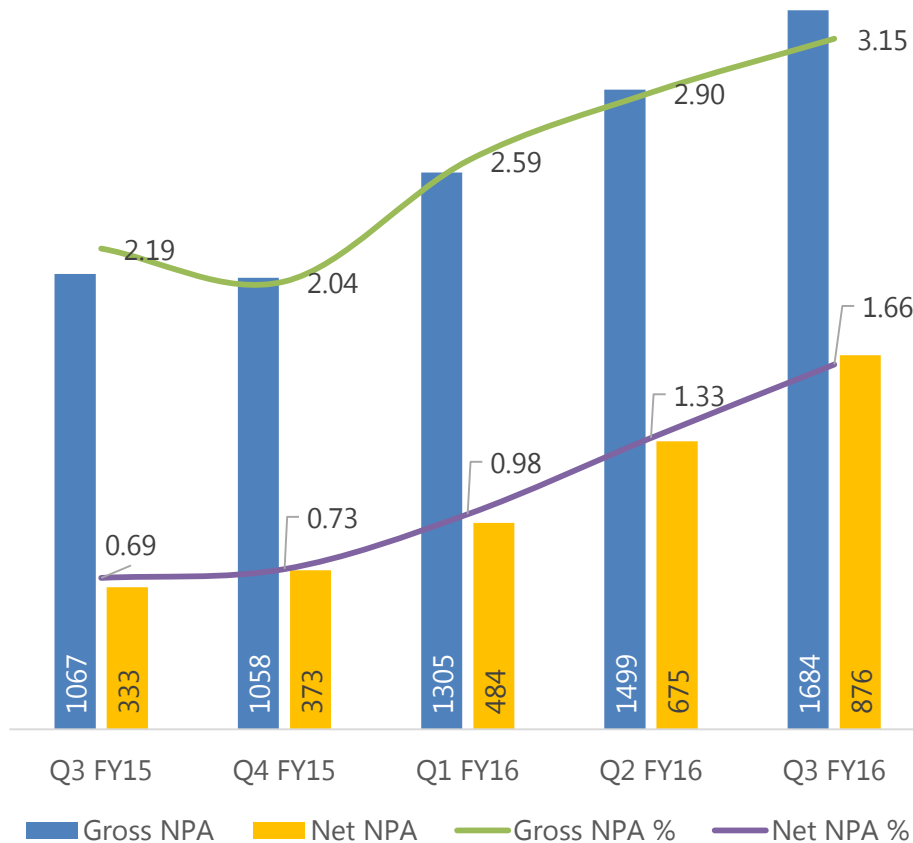


### Corporate Assets

Rating	Q3 FY6	Q2 FY16	Fresh Q3 FY16
AAA / AA	30%	26%	52%
A	31%	14%	30%
BBB	8%	15%	7%
< BBB & Others	31%	45%	11%
	<b>69%</b>	<b>55%</b>	<b>89%</b>

### Other Assets

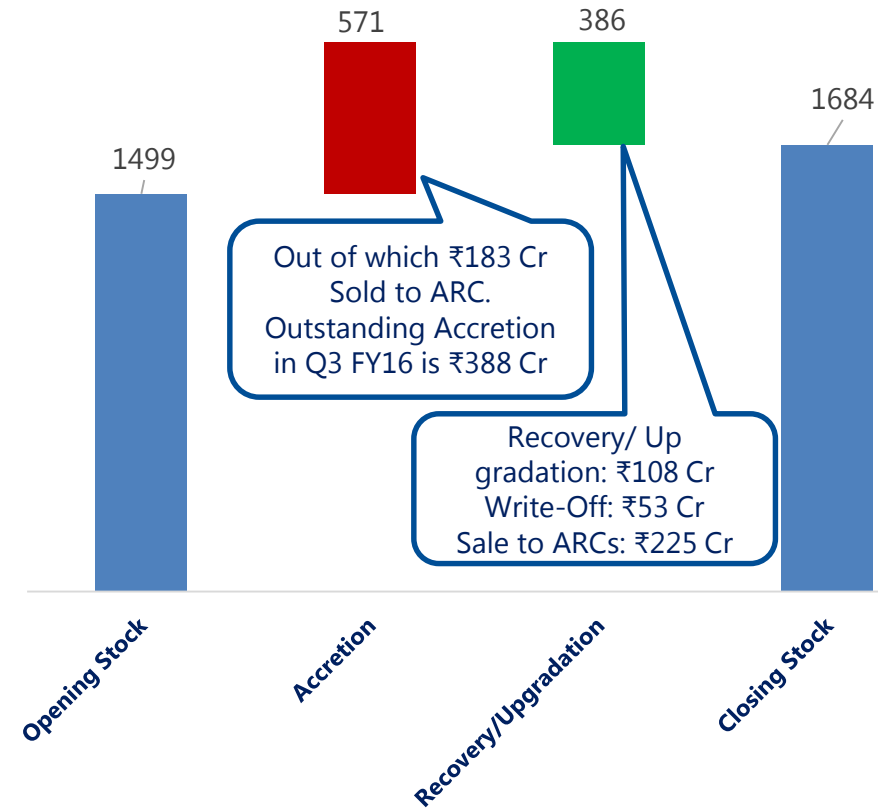
Rating	Q3 FY16	Q2 FY16
FB 1	22%	22%
FB 2	22%	23%
FB 3	40%	41%
FB 4 & Others	16%	14%
	<b>84%</b>	<b>86%</b>



**Provision Coverage Ratio (Including Technically Written Off) at 71.65% (76.58% in Q2 FY 16)**

₹ in Cr

## NPA Movement

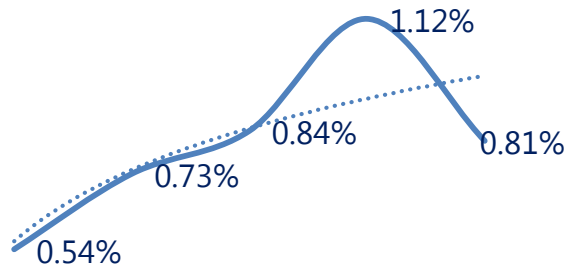


**No Conversion to Off-balance sheet, No 5:25 Structuring, No SDR**

Fresh Accretion					
	Q3 FY 16	Q2 FY 16	Q1 FY 16	Q4 FY 15	Q3 FY 15
Retail	61	57	46	36	31
SME	115	155	109	95	65
Agri	20	19	19	17	13
Corporate	192	174	143	32	125

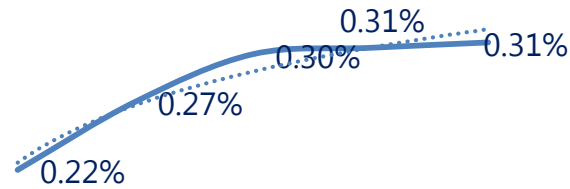
## Fresh Slippage / Advance Ratio

### SME



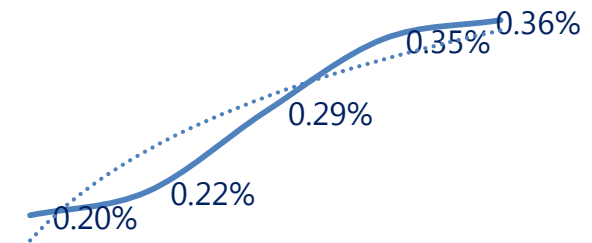
Q3 FY15 Q4 FY15 Q1 FY16 Q2 FY16 Q3 FY16

### Agri



Q3 FY15 Q4 FY15 Q1 FY16 Q2 FY16 Q3 FY16

### Retail



Q3 FY15 Q4 FY15 Q1 FY16 Q2 FY16 Q3 FY16

# Restructured Advances & NPA Composition

₹ in Cr

	Q3 FY16	Q3 FY15
<b>Restructured Advance</b>		
Standard	2254.09	2443.72
NPA	466.35	301.61
% of Restructured Advance	5.08	5.63
% of Standard Restructured advances	4.21	5.02
<b>As % to Standard Restructured Advances</b>		
Exposure to SEBs/ PSEs	37.47	14.45
Infrastructure Sector	54.50	20.63

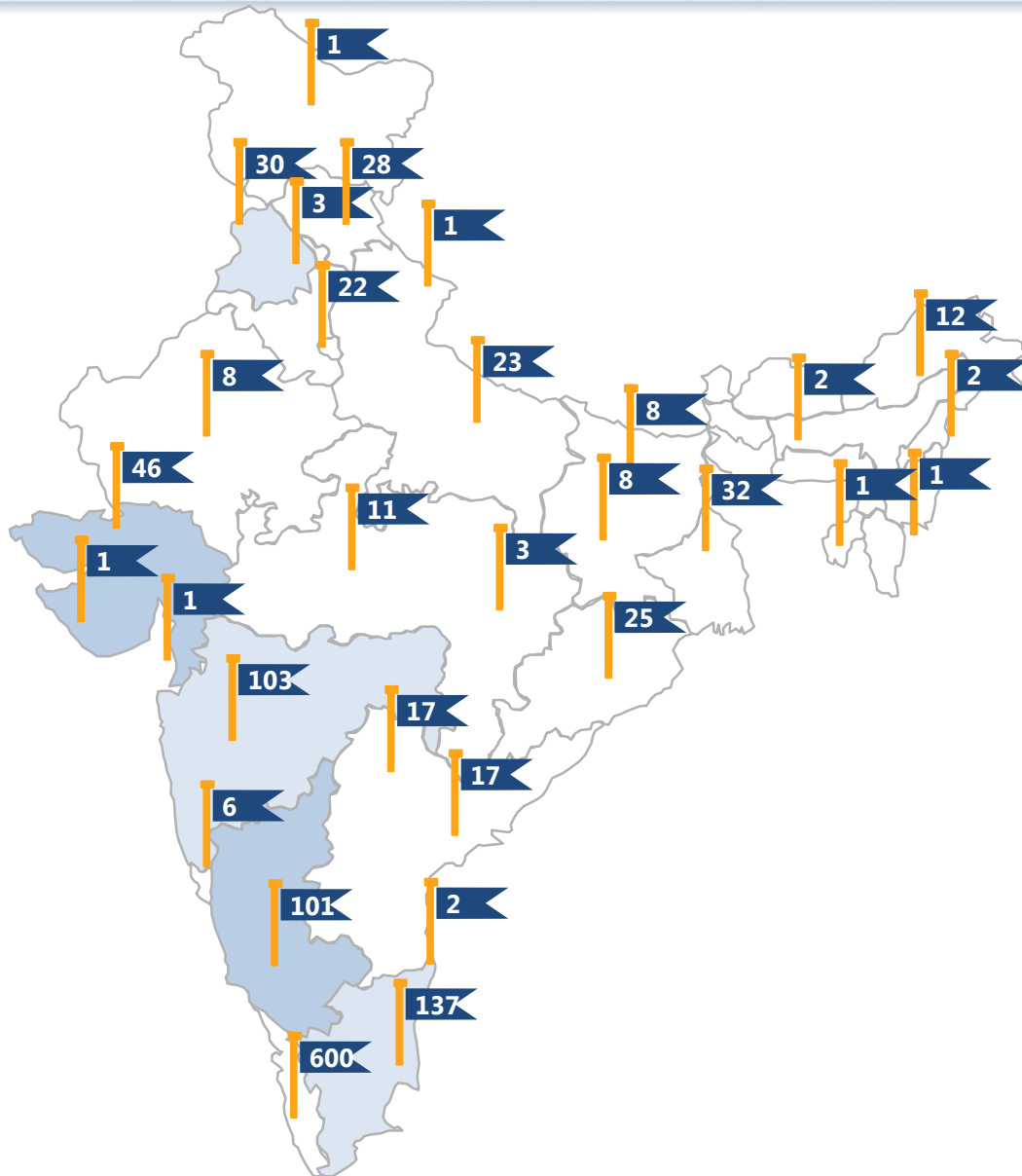
NPA Composition	Q3 FY16		Q3 FY15	
	Gross NPA	Gross NPA %	Gross NPA	Gross NPA %
Retail	252	1.51%	213	1.36%
SME	614	4.38%	418	3.48%
Agri	131	2.16%	124	2.13%
Corporate	687	4.12%	313	2.05%



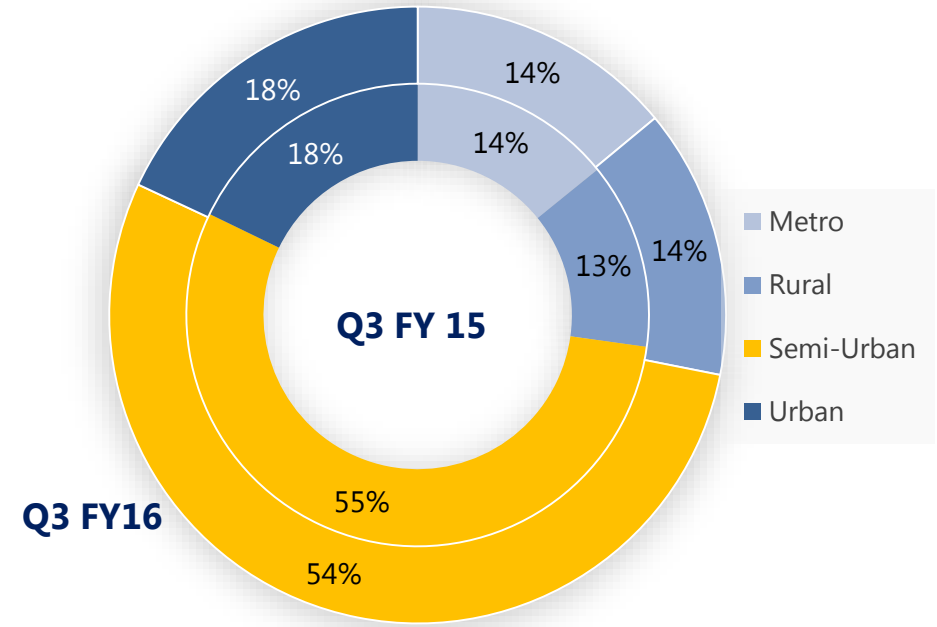
₹ in Cr

	Q3 FY-16	Q2 FY-16	Q3 FY-15
<b>Risk Weighted Assets</b>			
Credit Risk	45060	45148	41533
Market Risk	4460	3100	2894
Operational Risk	5302	5302	4321
<b>Total RWA</b>	<b>54822</b>	<b>53550</b>	<b>48748</b>
Tier-1 Capital Funds	7535	7532	6808
Tier-II Capital Funds	315	346	265
<b>Total Capital Funds</b>	<b>7851</b>	<b>7878</b>	<b>7072</b>
<b>CRAR</b>	<b>14.32%</b>	<b>14.71%</b>	<b>14.51%</b>
Tier-I	13.74%	14.06%	13.97%
Tier-II	0.58%	0.65%	0.54%

# Distribution



	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
Branches	1252	1251	1247	1247	1220
ATMs	1548	1523	1498	1485	1470



## Major Investments

Entity	% Equity
Fedbank Financial Services Limited	100.00%
IDBI Federal Life Insurance Company of India Limited	26.00%
Kannur International Airport	5.80%

## 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

Tier 2 (Capital) Bonds

Tier 2 (Capital) Bonds



India Ratings  
& Research  
A Fitch Group Company



A1+

AA- (Ind)

AA

- Fixed Deposits and Certificate of Deposits enjoy highest rating in that class.
- The rating of Bonds indicate high safety and very low credit risk.

## IDRBT Banking Technology Excellence Award 2014-15



## Inauguration of Portable Currency Exchange Counter at Cochin Port Trust



## ET Best Corporate Brand 2016 Award



## Inauguration of IFSC Banking Unit (IBU), GIFT City, Gujarat



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**Thank You**