

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**FY 2015**

## History Created: *Federal Bank joins 1000 Cr Profit Club*

**Net Profit**

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**FY 15 : 1006 Cr**  
**FY 14 : 839 Cr**  
**FY 13 : 838 Cr**

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

1800 425 1199  
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**Aluva:** Federal Bank announced the audited financial results for the year ended 31st March 2015 today at Kochi. The Bank recorded strong performance in terms of achieving growth in all key parameters, despite the challenging environment.

The Bank posted its highest ever Operating Profit and Net Profit, the latter breaching the ₹ 1000 Cr landmark for the first time in history.

- **Total income for the year grew by 8.61% to ₹ 8297.77 Cr.**
- **Other Income grew by 26.58 % from ₹ 693.85 Cr to ₹ 878.31 Cr**
- **Net profit increased by 20% to ₹ 1005.75 Cr from ₹ 838.89 Cr.**

- **Net Interest Income increased by 6.81 % to ₹ 2380.51 Cr.**
- **Net Interest Margin (NIM) stood at 3.27 %**
- **Total Deposits increased by 18.57 % from ₹ 59731.28 Cr to ₹ 70824.99 Cr**
- **CASA increased by 17.11% from ₹ 18400.79 Cr to ₹ 21549.57 Cr**
- **Advances of the Bank increased by 18.07 % from ₹ 43436.10 Cr to ₹ 51284.99Cr**
- **Investments stood at ₹ 24439.16 Cr**
- **Gross NPA of the Bank is at 2.04%**
- **Net NPA at 0.73%.**
- **Return on Average Assets increased to 1.32% from 1.20%**
- **Earnings Per Share increased to 11.75 from ₹ 9.81**
- **Book Value per share increased from ₹ 80.36 to ₹ 90.33**

## Overview



**2015**  
Entered into the  
**1000 Cr. Profit League**

**2013**

**2014**

**2015**

**Net Profit**  
**838 Cr**

**Net Profit**  
**839 Cr**

**Net Profit**  
**1006 Cr**

## Deposits (Y-o-Y)

- Total Deposit registered a growth of 19 %.
- CASA up by 17% supported by NR SB →20%.
- Retail Deposits Ratio above 95%
- 28% growth in NRE Deposits

## Advance (Y-o-Y)

- Gross Advances registered a growth of 18 %.
- Retail Advances grew by 14 %, and Retail (excl. Gold) grew by 21%
- SME advance grew by 17%
- Agri advance registered a growth of 23%
- Corporate advance up by 20%






## Asset Quality (Y-o-Y)

- Gross NPA reduced by 3% from 1087 Cr to 1058 Cr
- Net NPA % reduced by 1 bps from 0.74 to 0.73
- PCR (Including Tech W/O) at 83.94






# Performance Highlights : FY14 vs FY15

Rs in Cr





## Performance

Net Income (NII+OI)	Operating Profit	Other Income	Total Income	Net Profit
 12%	 10%	 27%	 9%	 20%
2922→3259	1480→1628	694→878	7640→8298	839→1006

## Ratios

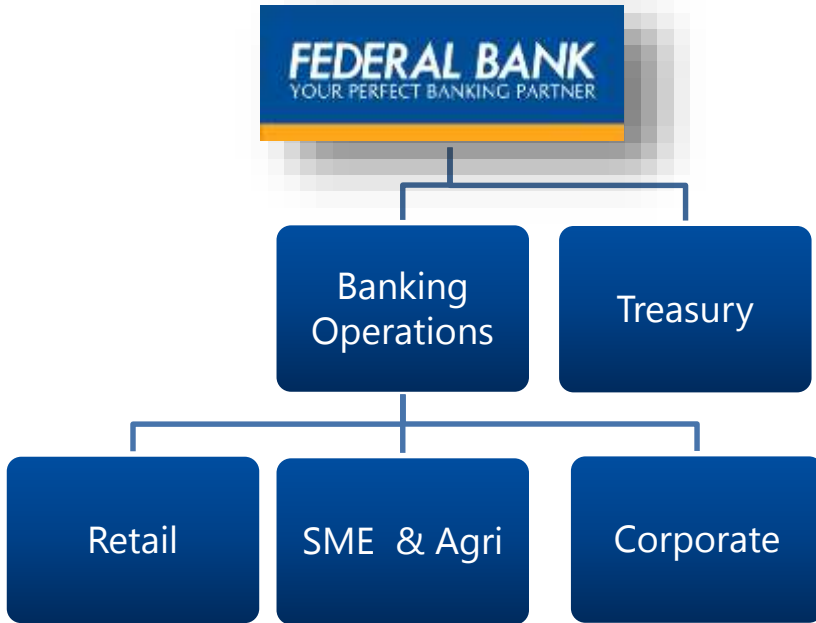
Cost Income ratio	ROA	ROE	Gross NPA%	Net NPA%
 59 bps	 12 bps	 97 bps	 42 bps	 1 bps
49.34→ 50.05	1.20→ 1.32	12.80→ 13.77	2.46→ 2.04	0.74→ 0.73

## Deposits

Total Savings	Current Deposits	NRE Deposits	Term Deposits	Total Deposits
 16%	 23%	 28%	 19%	 19%
15284→17727	3117→ 3823	18974→ 24231	41067→ 49042	59731→ 70825

## Advances

Retail	SME	Agri	Corporate	Total Advances
 14%	 17%	 23%	 20%	 18%
14124→16135	11021→12918	5139→6312	13873→16588	44157→51951

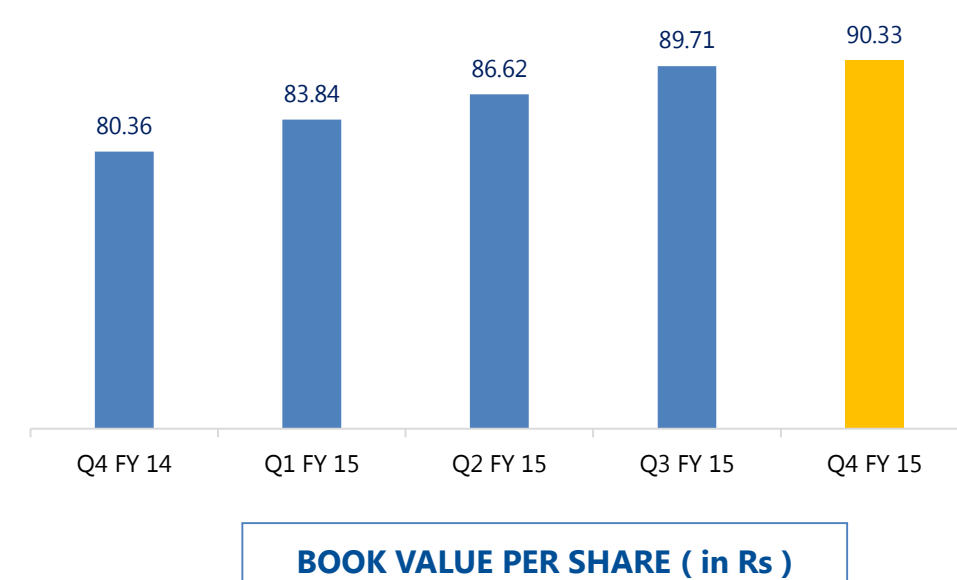
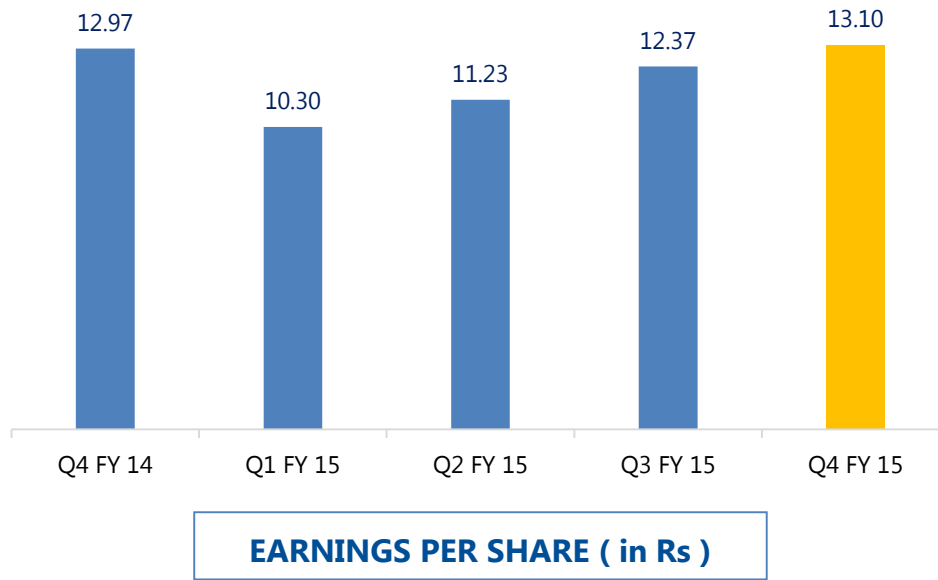
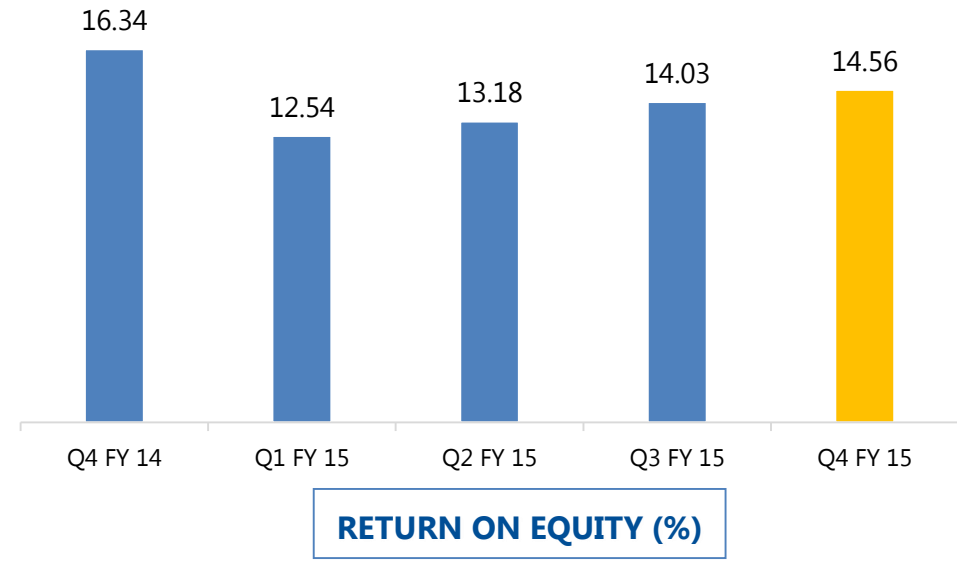
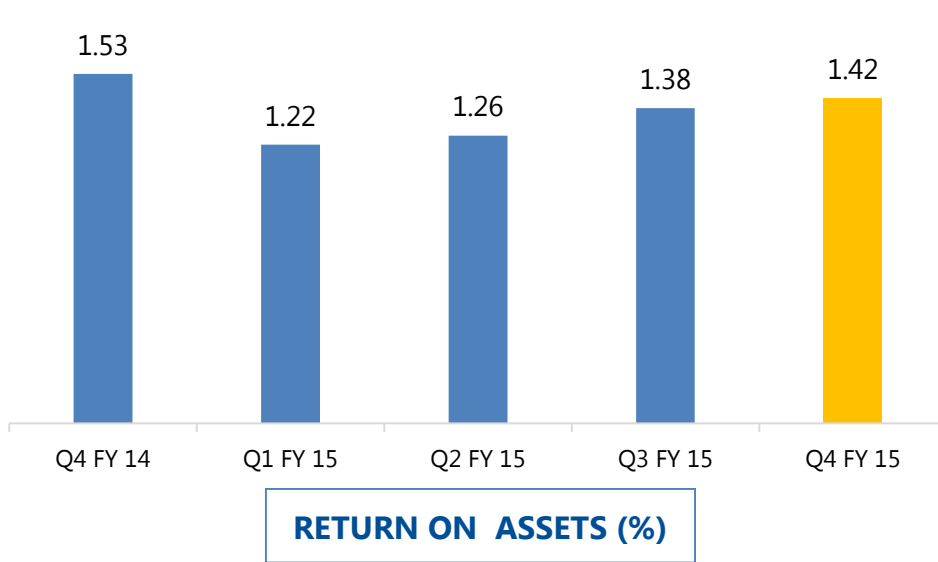


31 <sup>st</sup> Mar 2015	
Deposits	70825
Gross Advances	51951
Net Profit	1006
Net Worth	7738
Net NPA Ratio	0.73
CRAR- BASEL III	15.46
Net Interest Margin	3.27
Return on Average Assets	1.32



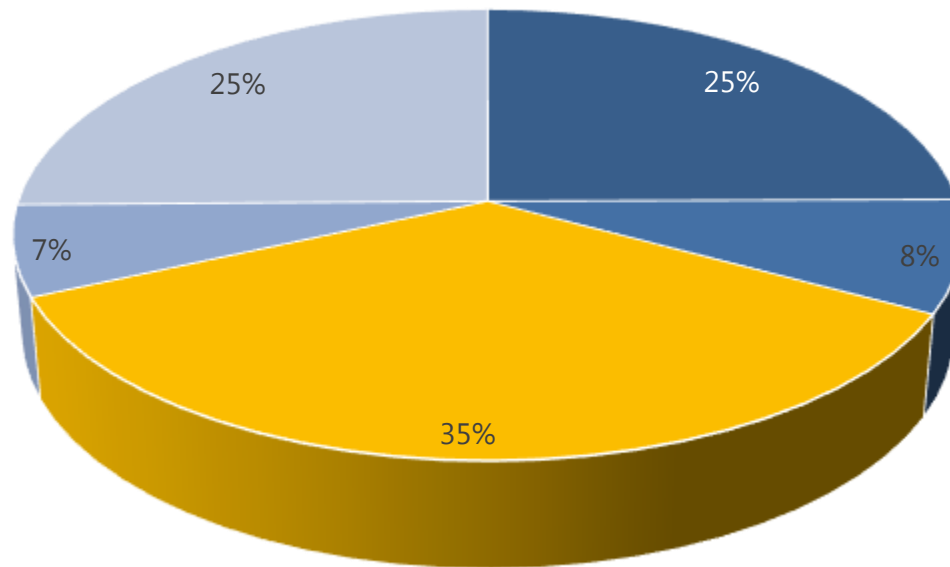
		FY12	FY13	FY14	FY15
<b>Profitability Measure</b>	<b>ROA</b>	<b>1.41</b>	<b>1.35</b>	<b>1.20</b>	<b>1.32</b>
<b>Shareholder Value Measure</b>	<b>ROE</b>	<b>14.37</b>	<b>14.03</b>	<b>12.80</b>	<b>13.77</b>
<b>Efficiency Measure</b>	<b>Cost/Income</b>	<b>39.40</b>	<b>44.69</b>	<b>49.34</b>	<b>50.05</b>
<b>Risk Appetite Measure</b>	<b>Net NPA%</b>	<b>0.53</b>	<b>0.98</b>	<b>0.74</b>	<b>0.73</b>

# Shareholder Value





## Share Holding Pattern (As on 31-Mar-2015)



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

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Share Capital	Rs. 171.33 Cr
Shareholder's Funds	Rs. 7738.13 Cr
Book Value Per Share	Rs. 90.33

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Rs in Cr

	FY 14	FY 15
<b>LIABILITIES</b>		
Capital	171	171
Reserves & Surplus	6780	7567
Deposits	59731	70825
Borrowings	5688	2308
Other Liabilities & Provisions	2224	1979
<b>TOTAL</b>	<b>74594</b>	<b>82850</b>
<b>ASSETS</b>		
Cash & Balance with RBI	3104	3380
Balances with Banks, Money at Call	1425	1400
Investments	24118	24409
Advances	43436	51285
Fixed Assets	425	467
Other Assets	2086	1910
<b>TOTAL</b>	<b>74594</b>	<b>82850</b>

## Performance Overview

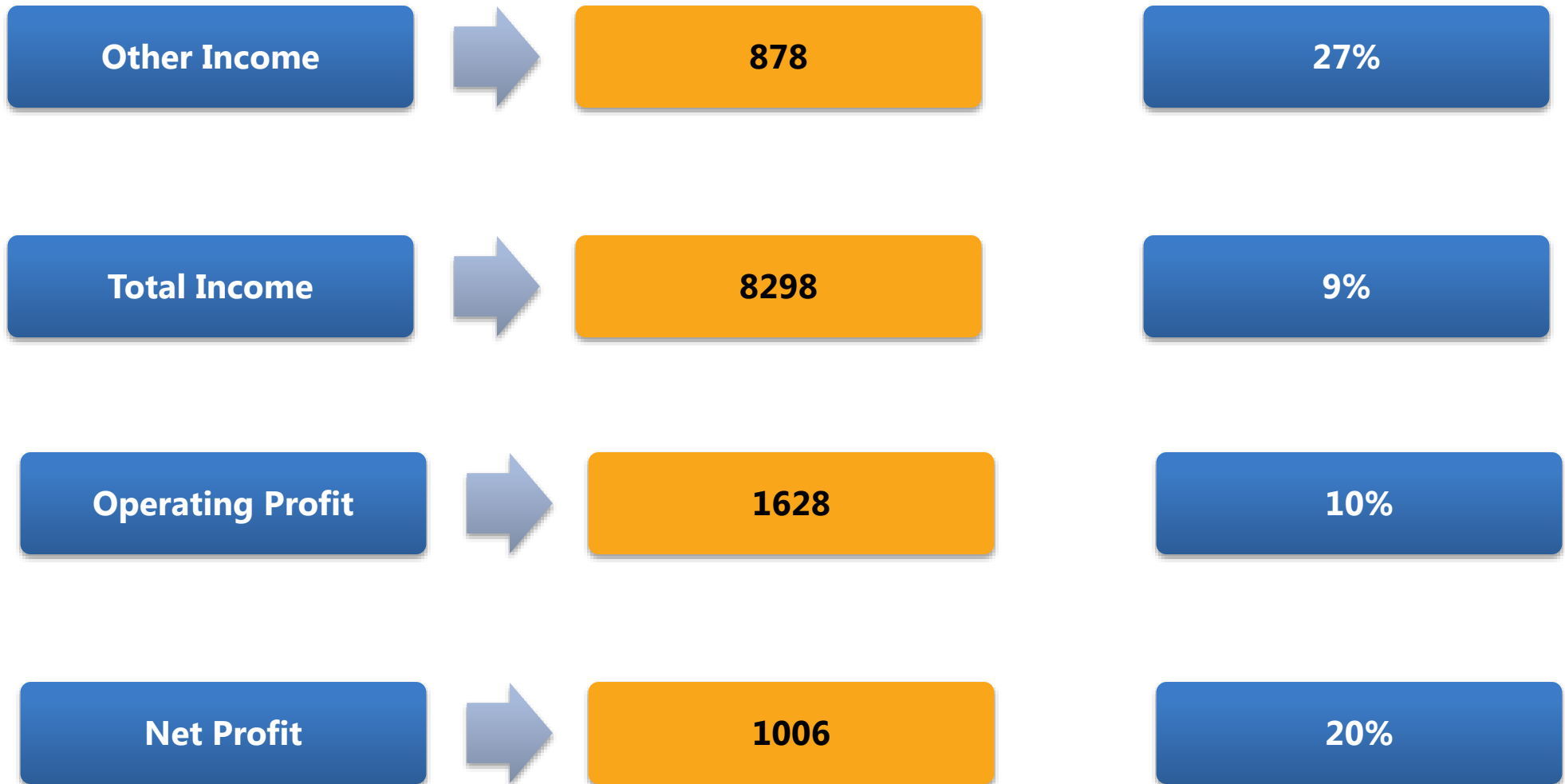
# Key Financials – Q4 FY-2015

		<u>Q-o-Q</u>	<u>Y-o-Y</u>	Rs in Cr
Other Income	→ 306	39%	72%	
Total Income	→ 2214	6%	10%	
Operating Profit	→ 469	18%	12%	
Net Profit	→ 281	6%	1%	

# Key Financials –FY-2015

Rs in Cr

**Y-o-Y**



		<u>Q-o-Q</u>	<u>Y-o-Y</u>
Deposits	70825	8%	19%
Advances	51951	7%	18%
CASA	21550	8%	17%
NRE Deposits	24231	8%	28%
SME & Agri Adv	19230	8%	19%
Priority Sector Adv	20870	4%	29%

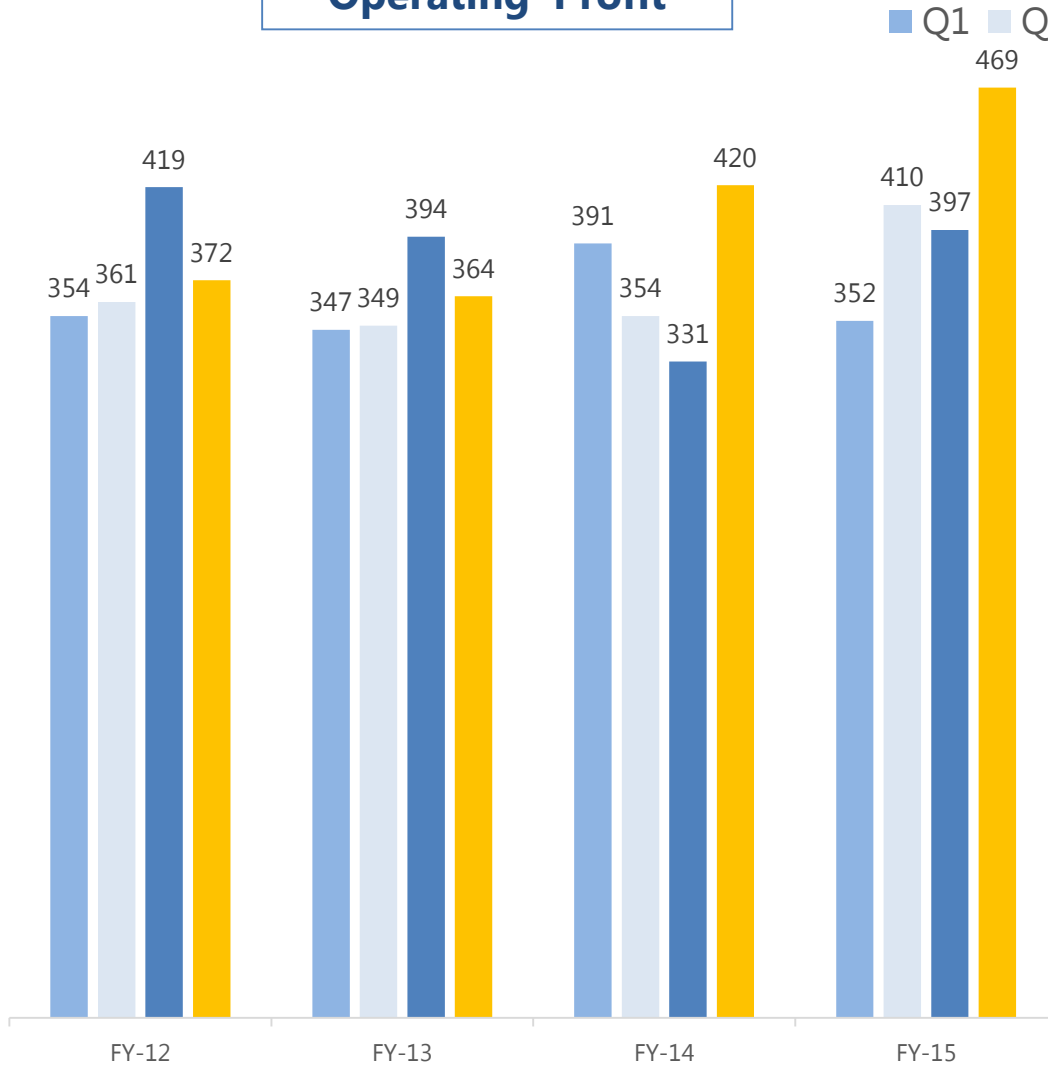
Rs in Cr

# Key Financials – FY 2015

Rs in Cr

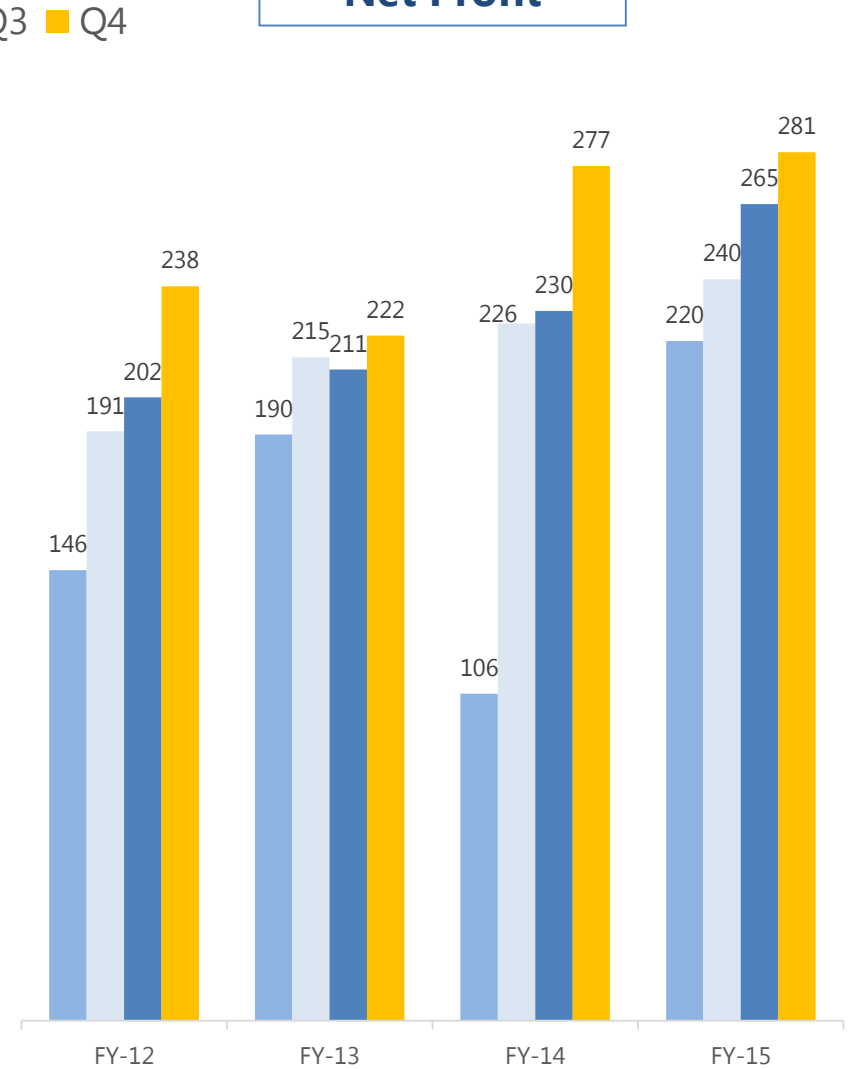
	Q4 FY15	Q3 FY15	Q-o-Q	Q4 FY14	Y-o-Y	FY15	FY14	Y-o-Y
Interest Income	1908	1870	2%	1839	4%	7419	6946	7%
Interest Expenses	1285	1283	0%	1214	6%	5039	4717	7%
Net Interest Income	623	587	6%	625	0%	2380	2229	7%
Other Income	306	220	39%	178	72%	878	693	27%
Total Income	2214	2090	6%	2017	10%	8298	7639	9%
Total Expenditure	1745	1693	3%	1597	9%	6670	6160	8%
Operating Profit	469	397	18%	420	12%	1628	1480	10%
<b>Net Profit</b>	<b>281</b>	<b>265</b>	<b>6%</b>	<b>277</b>	<b>1%</b>	<b>1006</b>	<b>839</b>	<b>20%</b>
Net Interest Margin (%)	3.31	3.2	3%	3.59	-8%	3.27	3.32	-2%
Cost to Income Ratio (%)	49.51	50.77	-2%	47.72	4%	50.05	49.34	1%

## Operating Profit



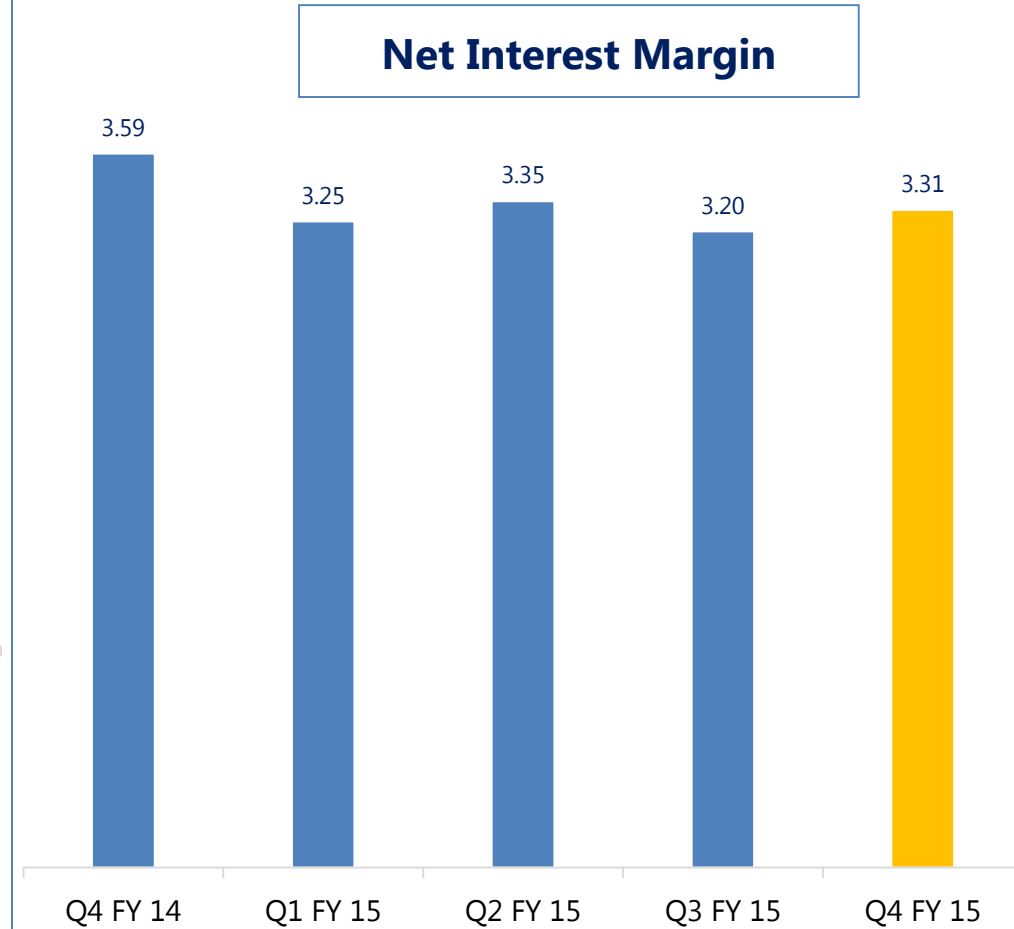
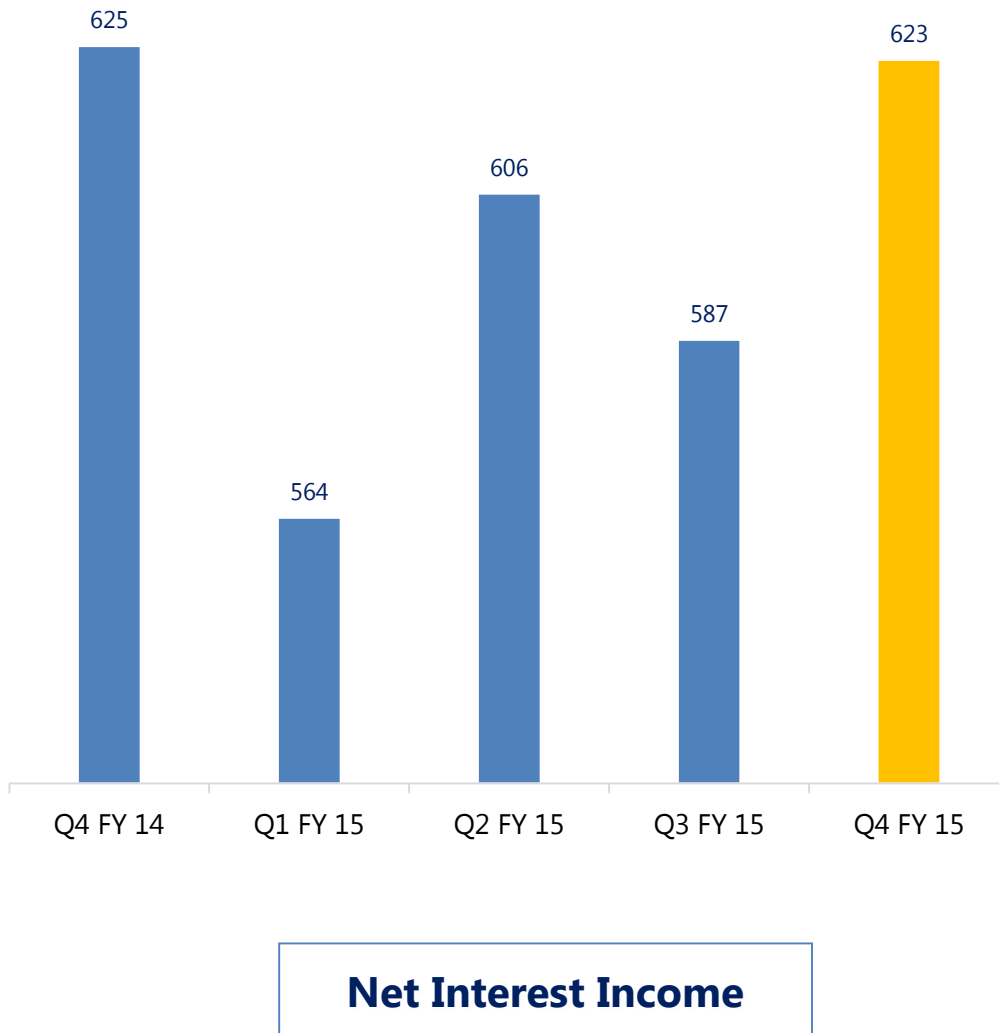
## Net Profit

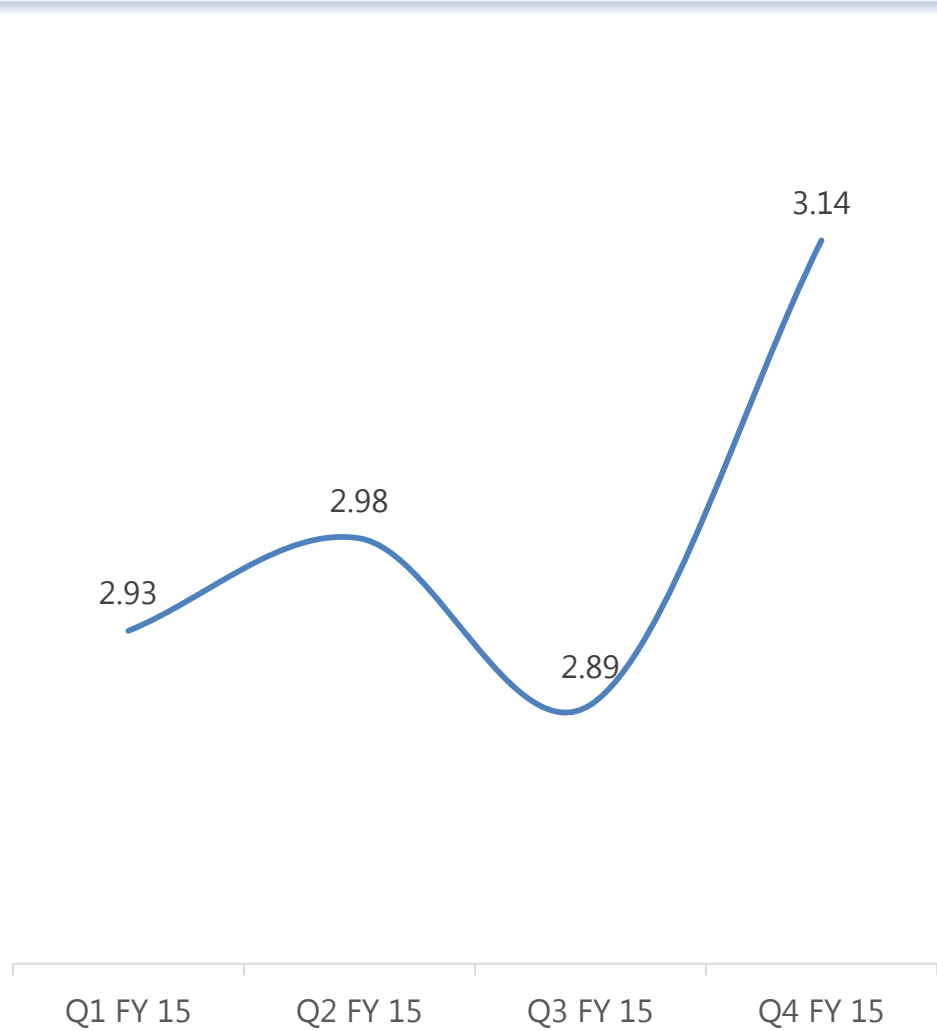
Rs in Cr



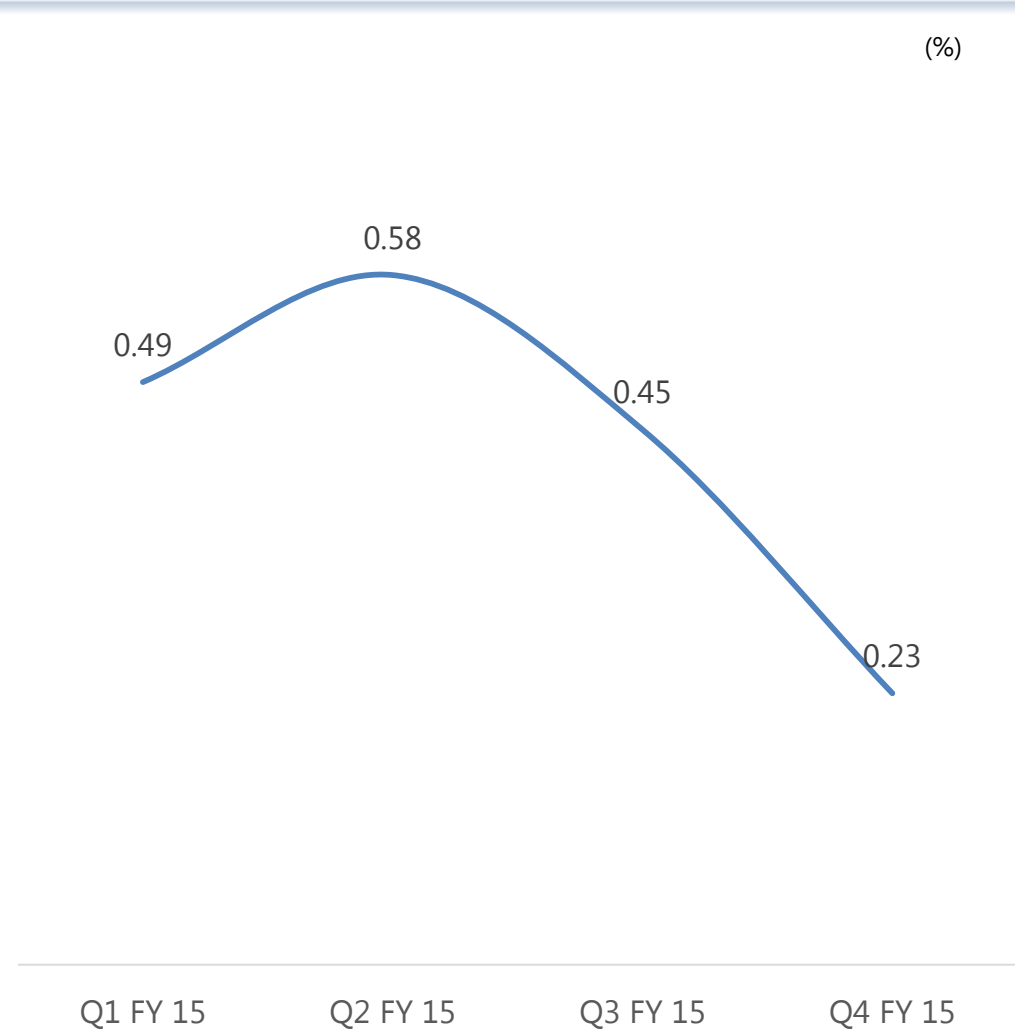


Rs in Cr





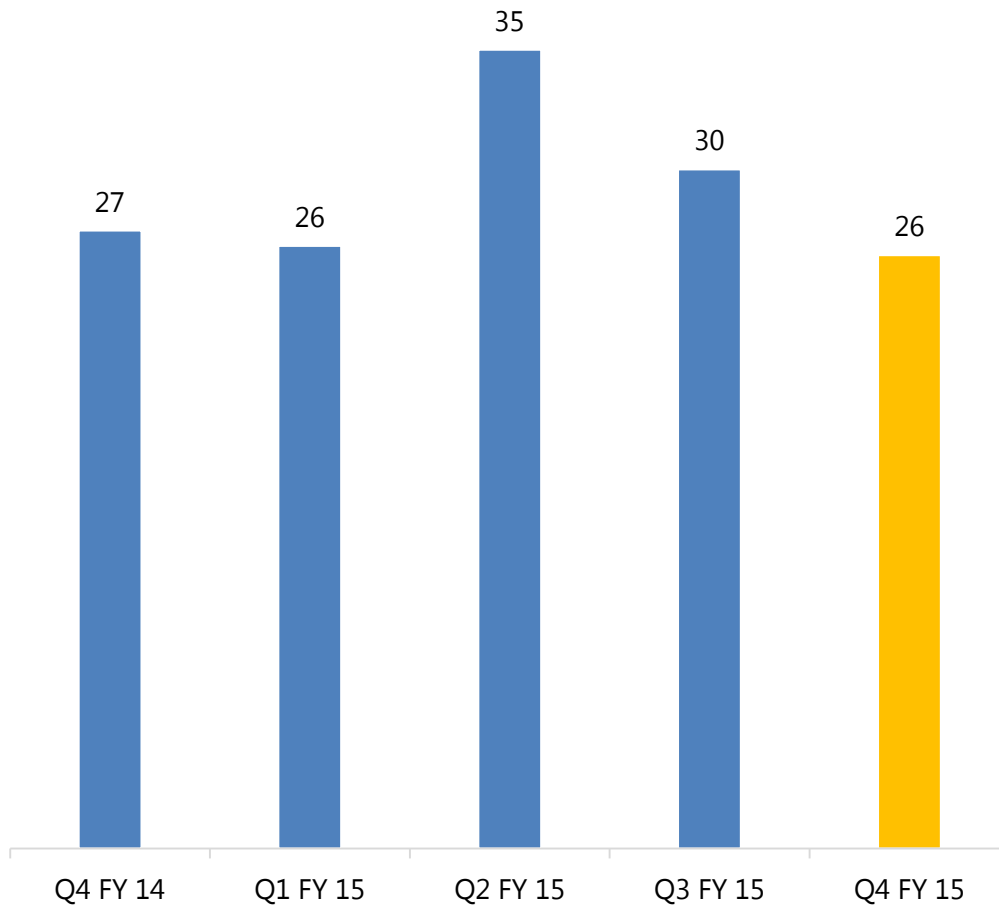
**Risk Adj NIM**



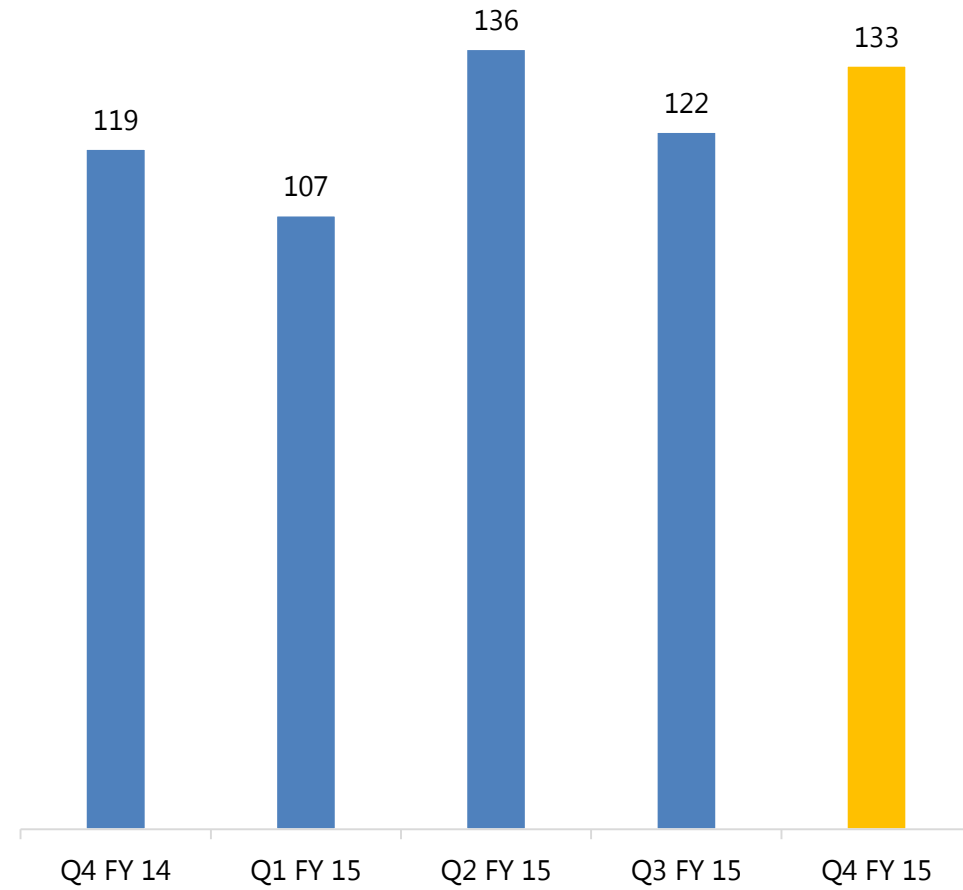
**Credit Cost**

# 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
  - Strategic Alliance

## Revenue Growth

- Centralization
- Business Analytics
- Digital Banking

## Efficiency

- Independence in Sourcing & underwriting
- Dedicated Collection and Credit Monitoring Teams
- Basel III & RAROC

## Risk Management

- Look & Feel
- Extensive branding outside Kerala
- Identified Potential centers for SME & Agri

## Branding & Network Expansion

- Skill Build
- Employee Engagement
- Recruitment
- Reward Management

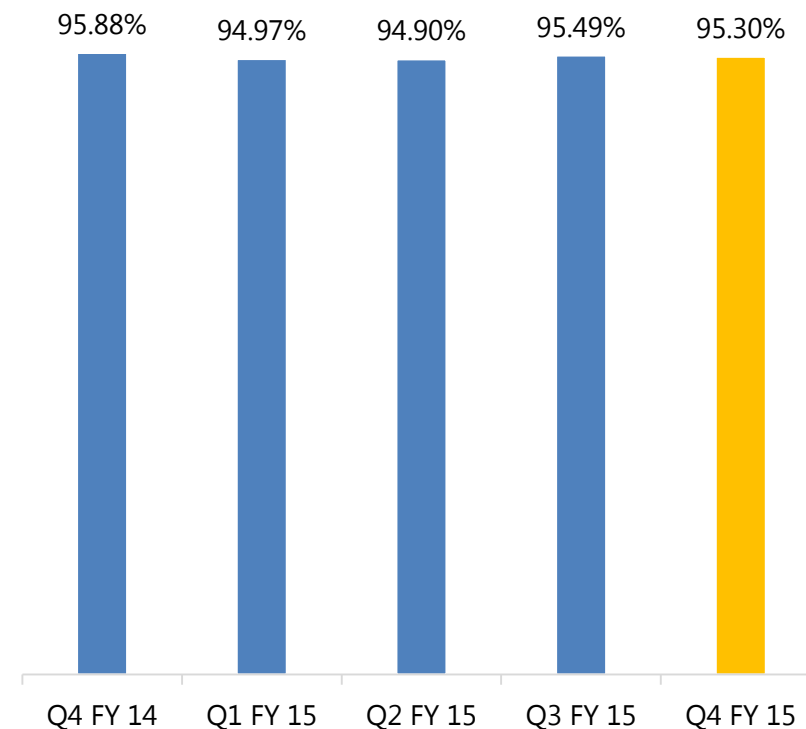
## HR

Rs in Cr

Gross Advance	FY 14	FY 15	Y-o-Y
Retail	14124	16135	14%
SME	11021	12918	17%
Agri	5139	6312	23%
Corporate	13873	16588	20%

	FY 14	FY 15	Y-o-Y
Retail Deposit	57270	67499	18%
Savings	15284	17727	16%
Current	3117	3823	23%
CASA	18401	21550	17%

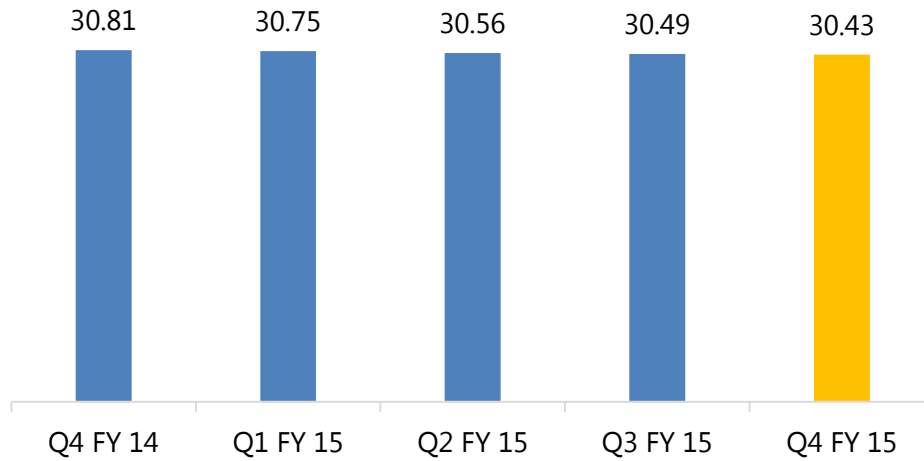
## Retail Deposit Ratio



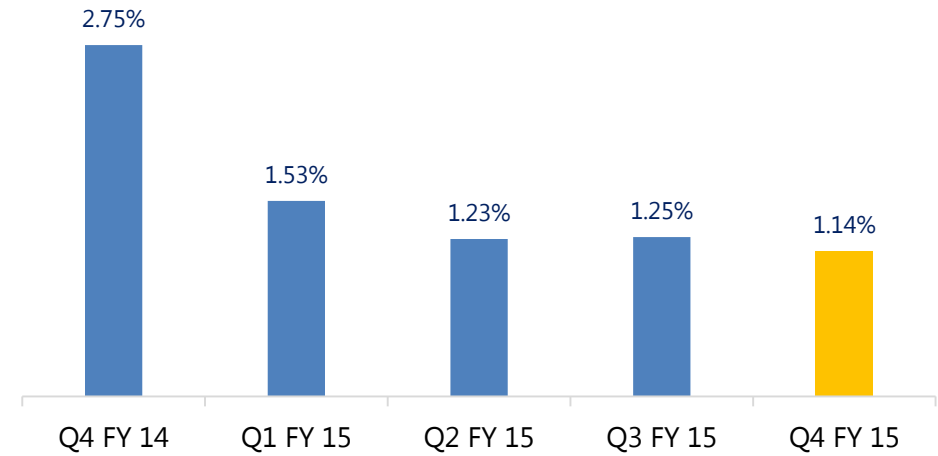
Retail Deposits ratio maintained above 95%

Rs in Cr

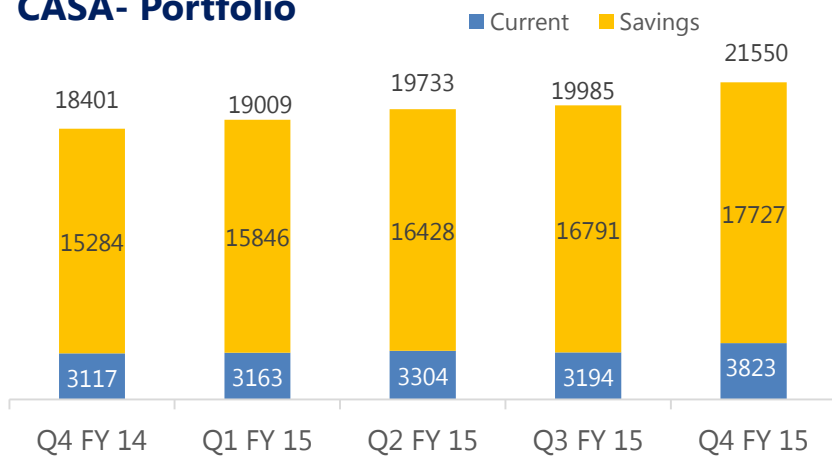
## CASA Ratio



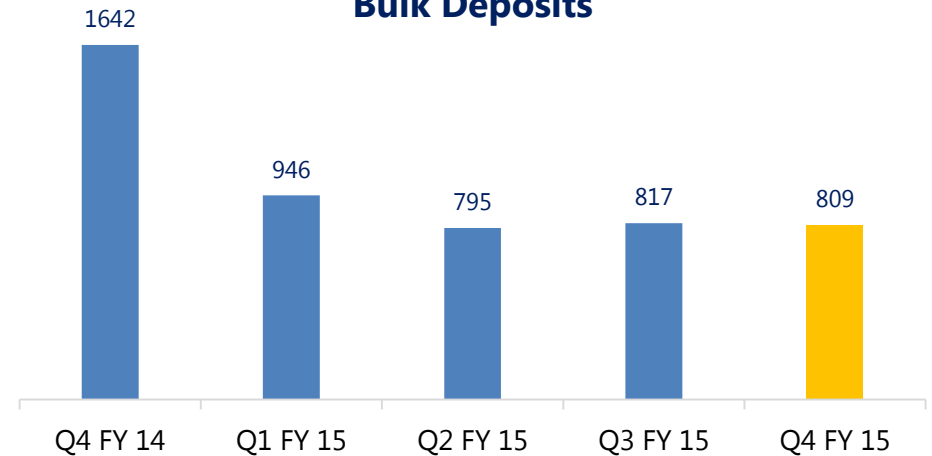
## Bulk Deposits Ratio



## CASA- Portfolio



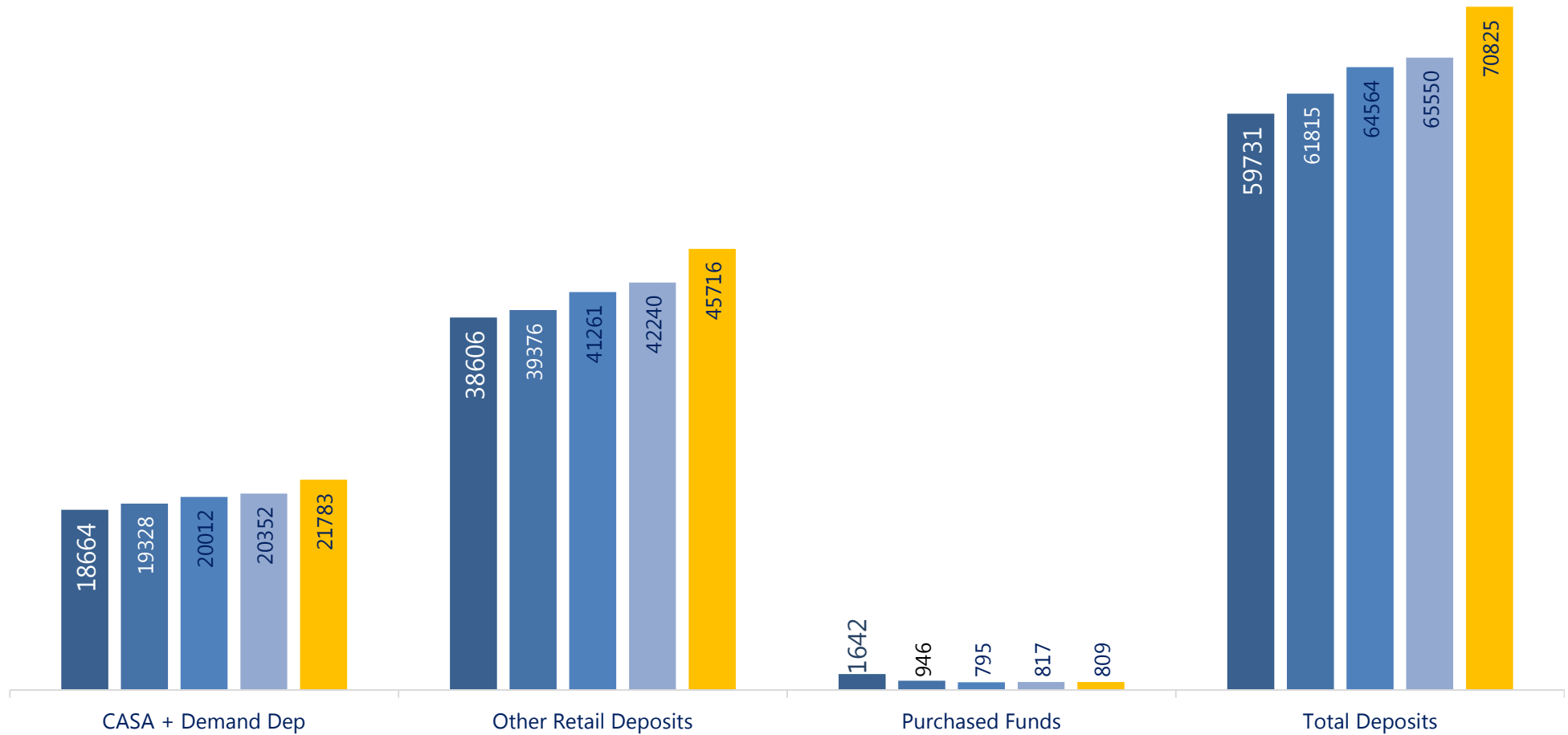
## Bulk Deposits



# Growth in Customer Deposit

Rs in Cr

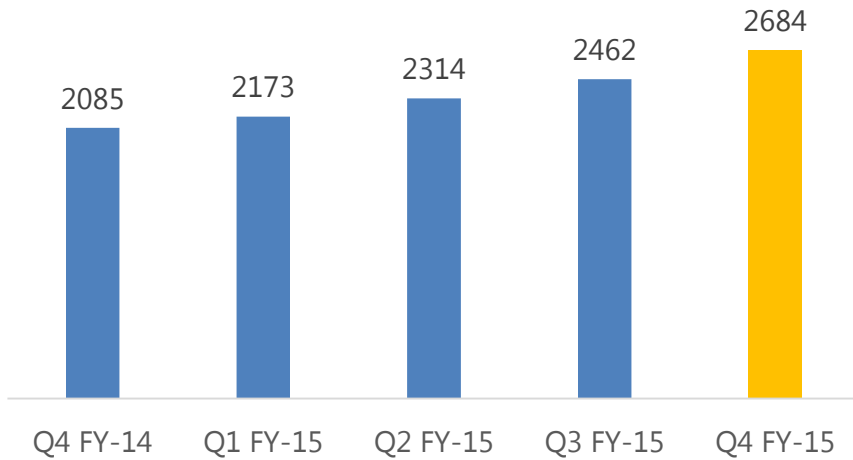
■ Q4 FY 14 ■ Q1 FY 15 ■ Q2 FY 15 ■ Q3 FY 15 ■ Q4 FY 15



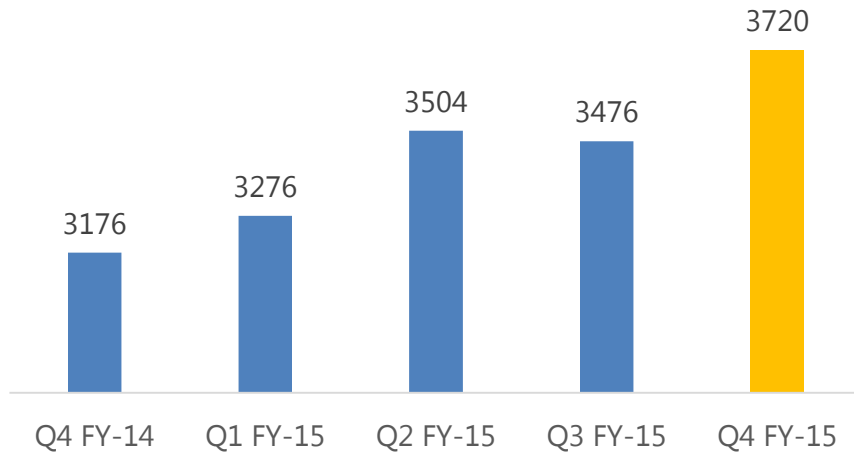


Rs in Cr  
(No of Accounts)

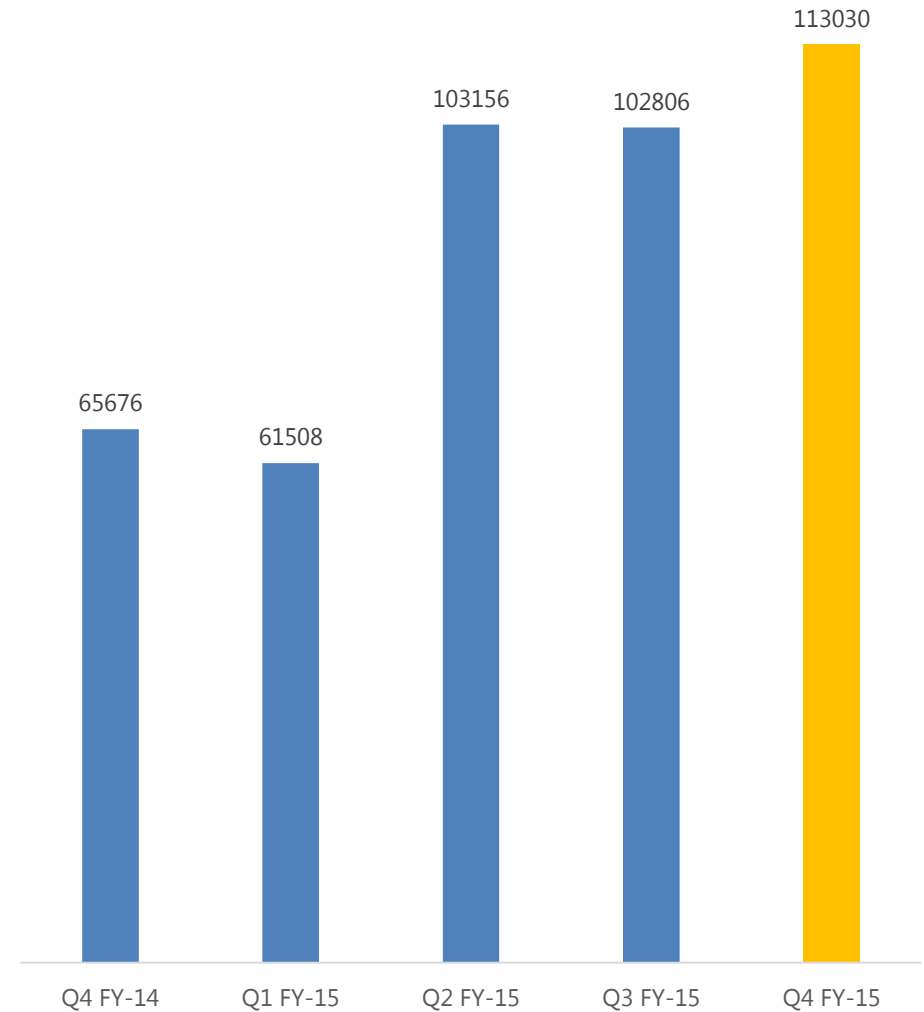
## NR Business



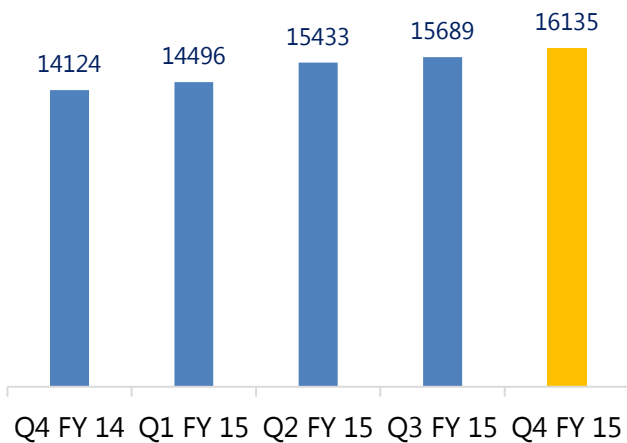
## Resident Savings Bank



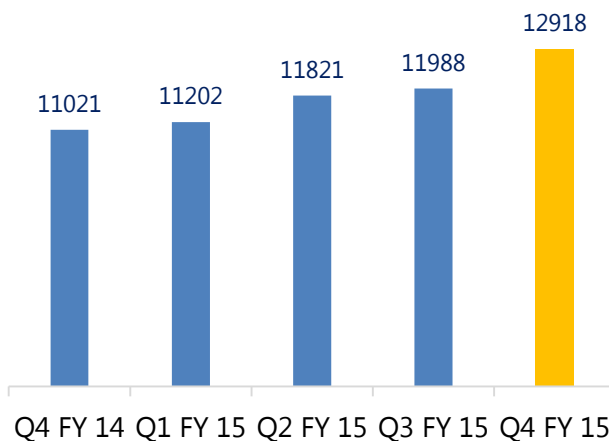
## Savings Account Acquisition



## Retail Adv

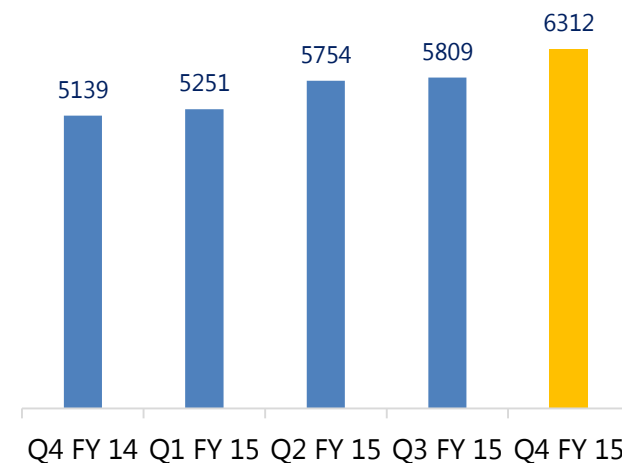


## SME Adv

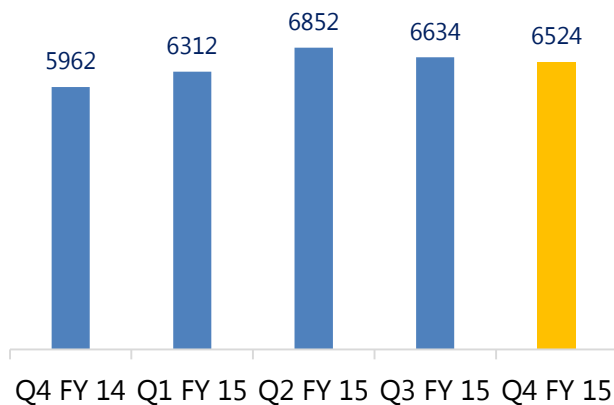


## Agri Adv

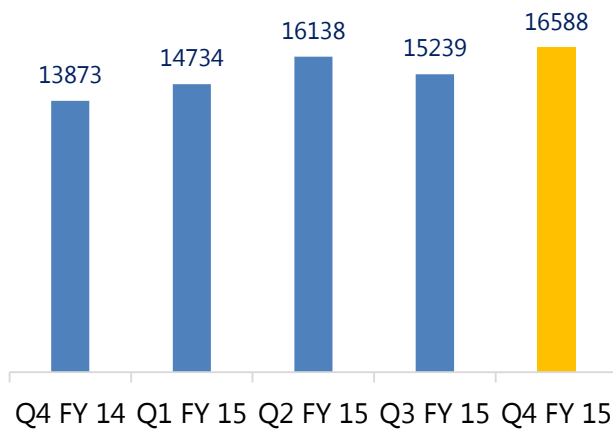
Rs in Cr



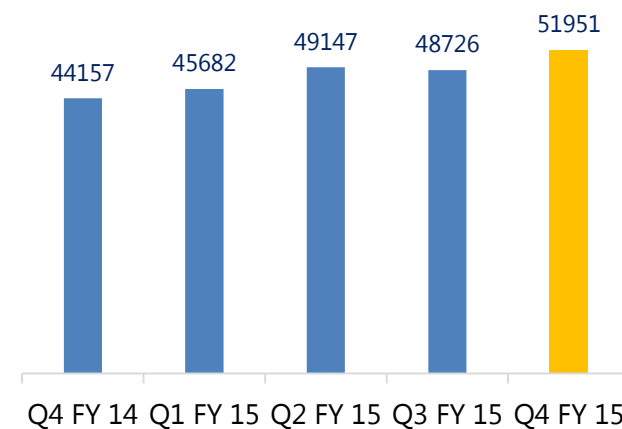
## Total Gold Loans



## Corporate Adv



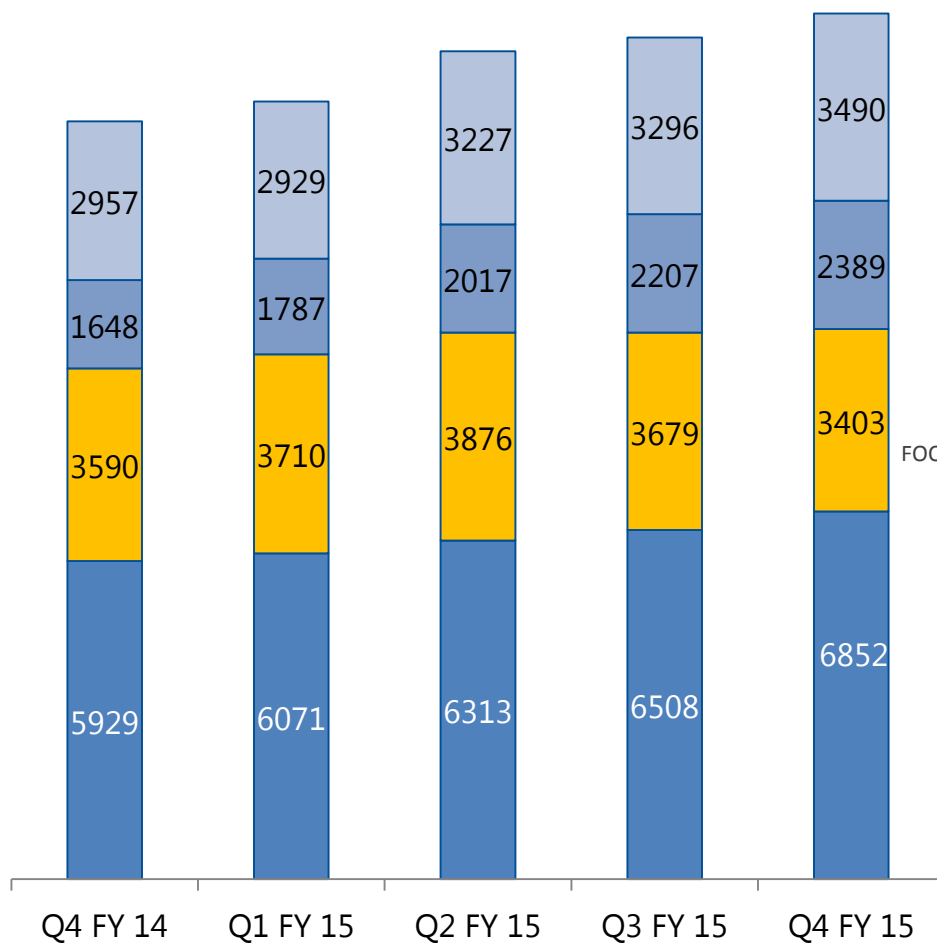
## Total Advances



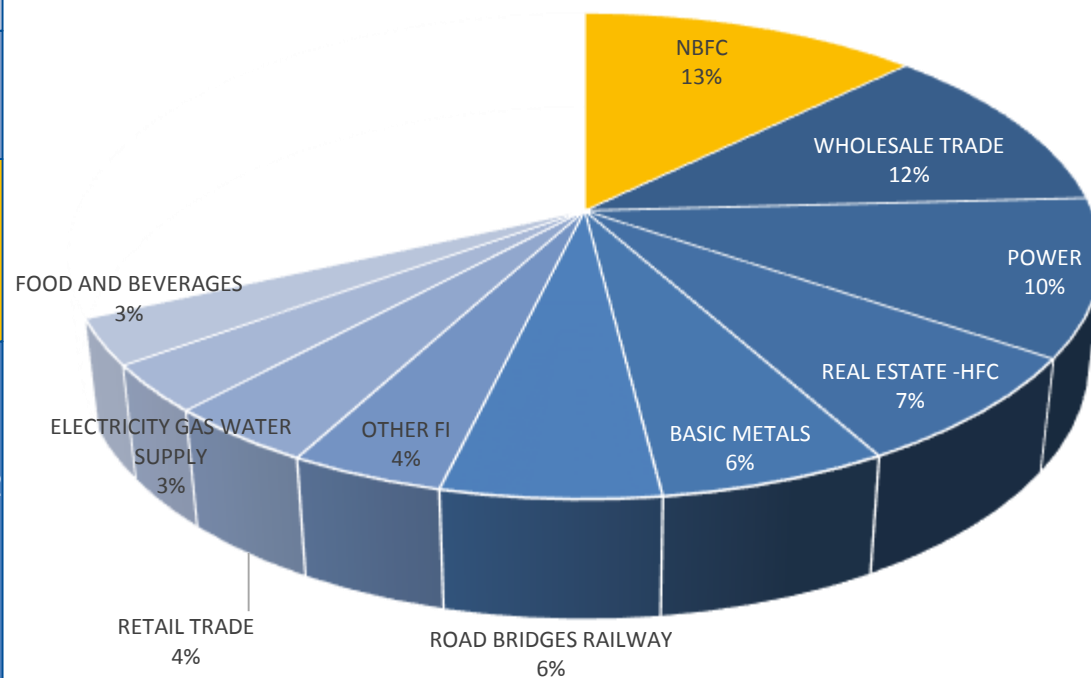
Rs in Cr

## Retail Loan Book

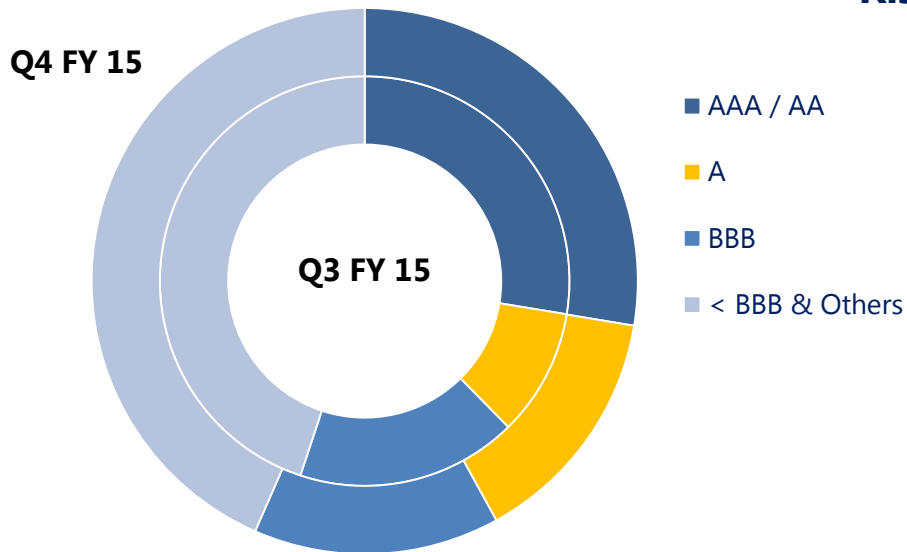
■ Housing ■ Gold ■ Mortgage ■ Others



## Corporate Portfolio

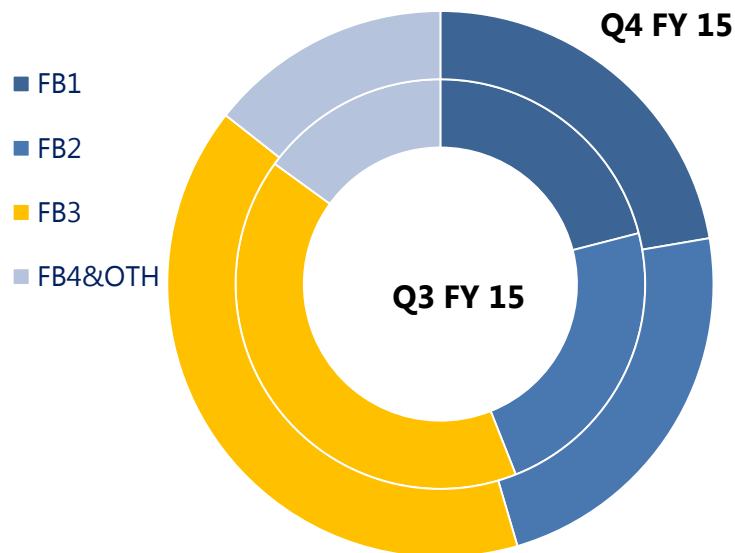


## Risk Rating



### Corporate Assets

Rating	Q3FY15	Q4FY15
AAA / AA	28%	28%
A	10%	14%
BBB	17%	15%
< BBB & Others	45%	43%
	55%	57%

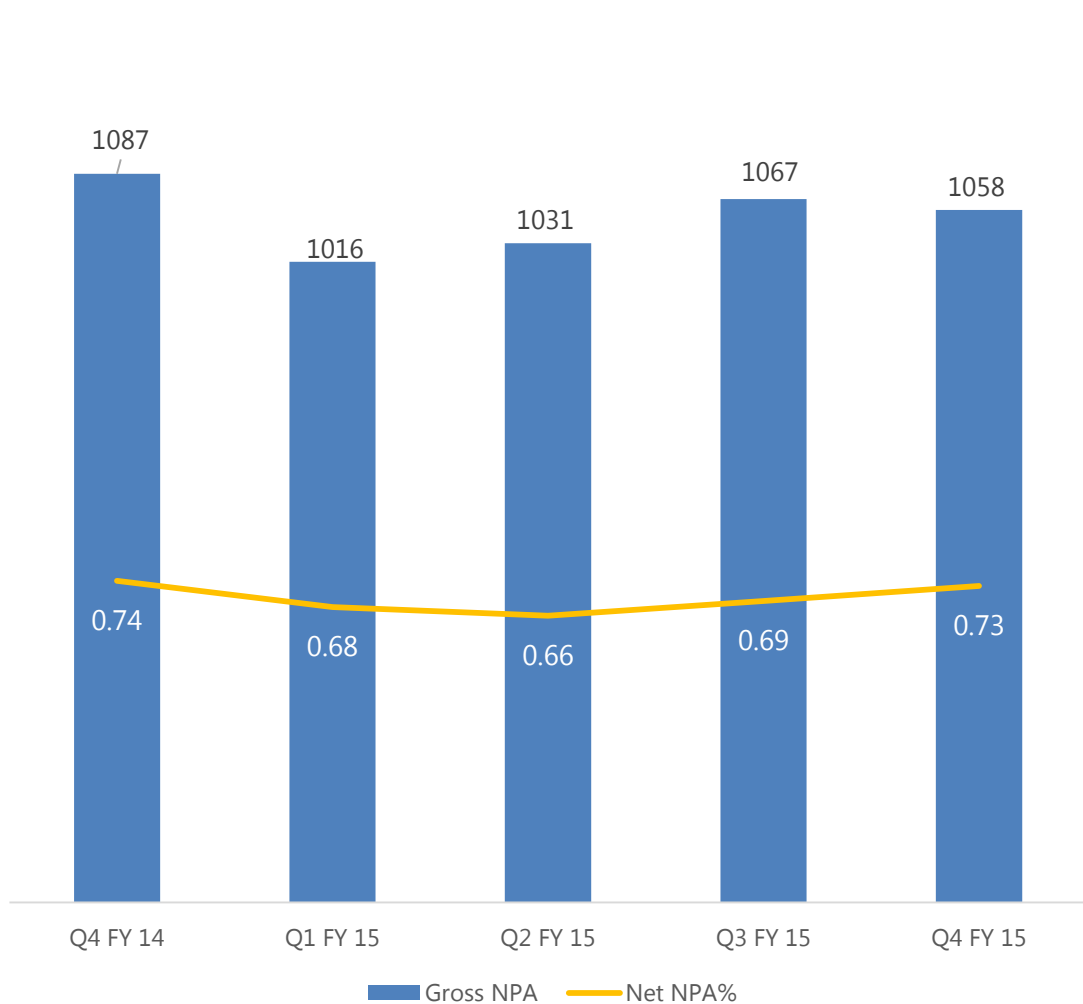


### Other Assets

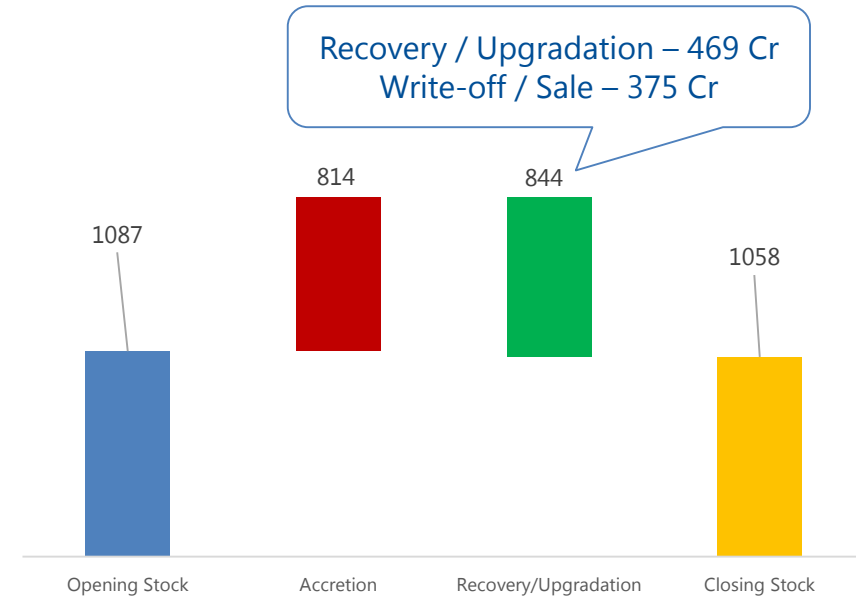
Rating	Q3FY15	Q4FY15
FB 1	21%	22%
FB 2	23%	24%
FB 3	41%	40%
FB4 & Others	15%	14%
	85%	86%

(Rs. in Cr)

**Provision Coverage Ratio (Including Technically Written Off) at 83.94%  
(84.12% in Q4 FY 14)**

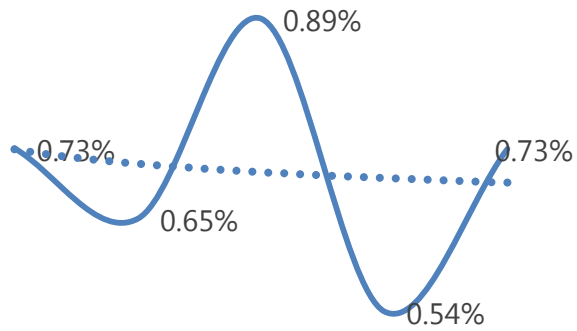


Fresh Accretion					
	Q4 FY 14	Q1 FY 15	Q2 FY 15	Q3 FY 15	Q4 FY 15
Retail	29	53	55	31	36
SME	81	73	105	65	95
Agri	13	15	16	13	17
Corporate	71	42	0	125	32



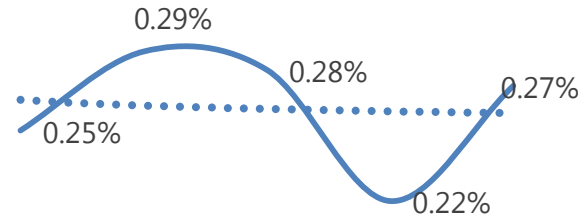
## Fresh Slippage / Advance Ratio

### SME



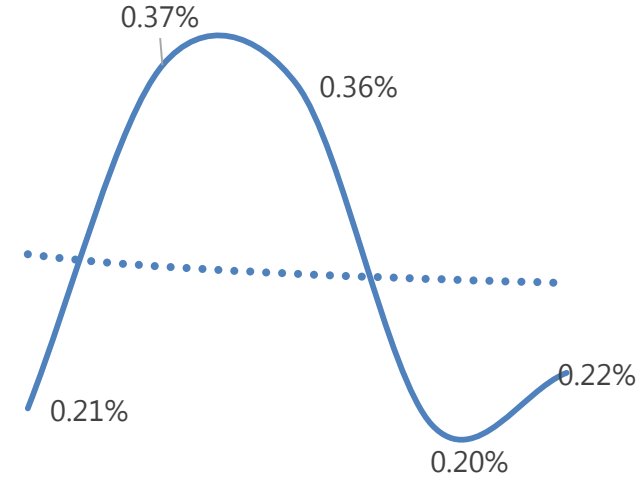
Q4 FY-14 Q1 FY-15 Q2 FY-15 Q3 FY-15 Q4 FY-15

### Agri



Q4 FY-14 Q1 FY-15 Q2 FY-15 Q3 FY-15 Q4 FY-15

### Fresh Slippage/Adv - Retail

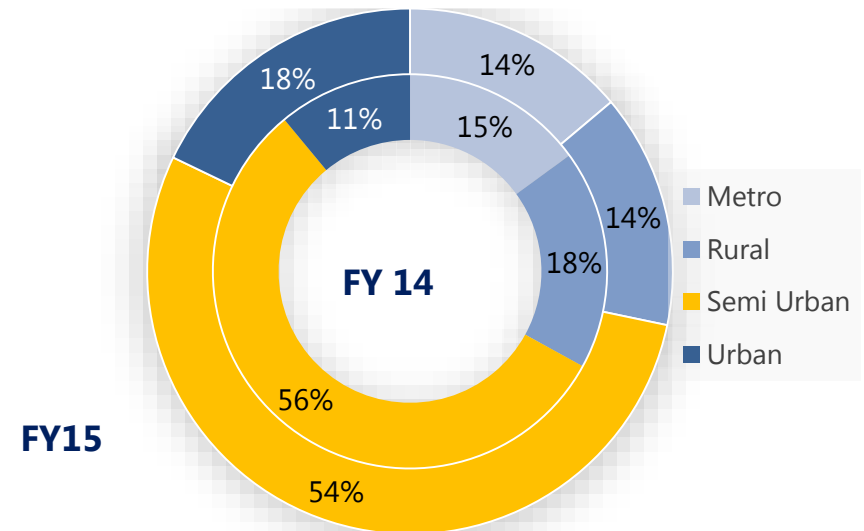


Q4 FY-14 Q1 FY-15 Q2 FY-15 Q3 FY-15 Q4 FY-15

# Distribution Expansion to Drive Growth

State	Opened in FY 15	Total Branches
Andhra Pradesh	5	17
Assam		12
Bihar	2	8
Chandigarh		3
Chattisgarh		3
Dadra & NH		1
Daman Diu		1
Goa		6
Gujarat	6	46
Haryana	9	22
Jammu & Kashmir		1
Jharkhand		8
Karnataka	5	101
Kerala	9	595
Madhya Pradesh		11
Maharashtra	8	103
Meghalaya		2
Mizoram		1
Nagaland		2
New Delhi	4	28
Orissa	5	25
Puducherry		2
Punjab	3	30
Rajasthan	1	8
Tamilnadu	8	137
Telangana		17
Tripura		1
Uttar Pradesh	3	23
Uttarakhand		1
West Bengal	5	32
<b>Total</b>	<b>73</b>	<b>1247</b>

	Mar 12	Mar 13	Mar 14	Mar 15
Branches	950	1103	1174	1247
ATMs	1005	1172	1359	1485



## 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%
Kannur International Airport	5.17%
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



# Awards, Accolades & Recognitions



**BW BUSINESSWORLD**

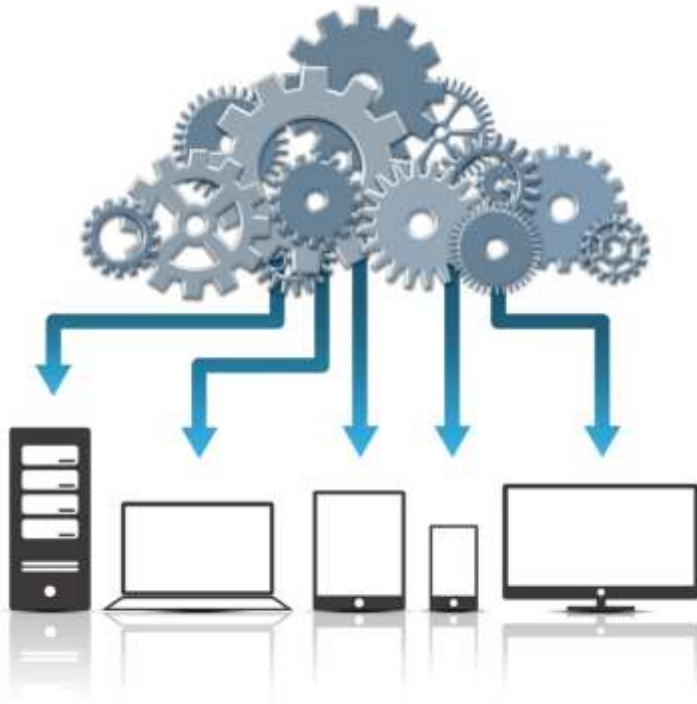
**Businessworld - PricewaterhouseCoopers  
combine chose Federal Bank as the Best Bank  
among Small Banks in India in its Best Bank  
Survey, 2014**



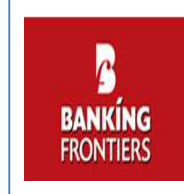
**CNBC Award for Financial Inclusion**



**Won ACI Excellence Award 2014 for the  
category "Customer Service"**



**Won 4 IDRBT Banking Technology Excellence Awards 2013 – 14**



**Received Banking Frontier's Finnoviti 2015 Award for its innovative product "Scan N Pay"**



**Federal Bank's Mobile based passbook - 'FedBook' received the Finacle Client Innovation Award - 2014**



**MasterCard innovation Award for the second year in a row**





- 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

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