

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Introduction

Performance Overview

Business Overview

Overview / Key Messages

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Banking Operations

Treasury

Retail

SME & Agri

Corporate

Branches

1124

ATMS

1272

Deposits

56794

Advances

42220

Employees

10204

SME (Y-o-Y)

NRE Deposits

CASA (Y-o-Y)

CASA Ratio

36%

56%

23%

201
bps

Operating Profit

Net Profit

ROE

ROA

354 Cr

226 Cr

14.08

1.31

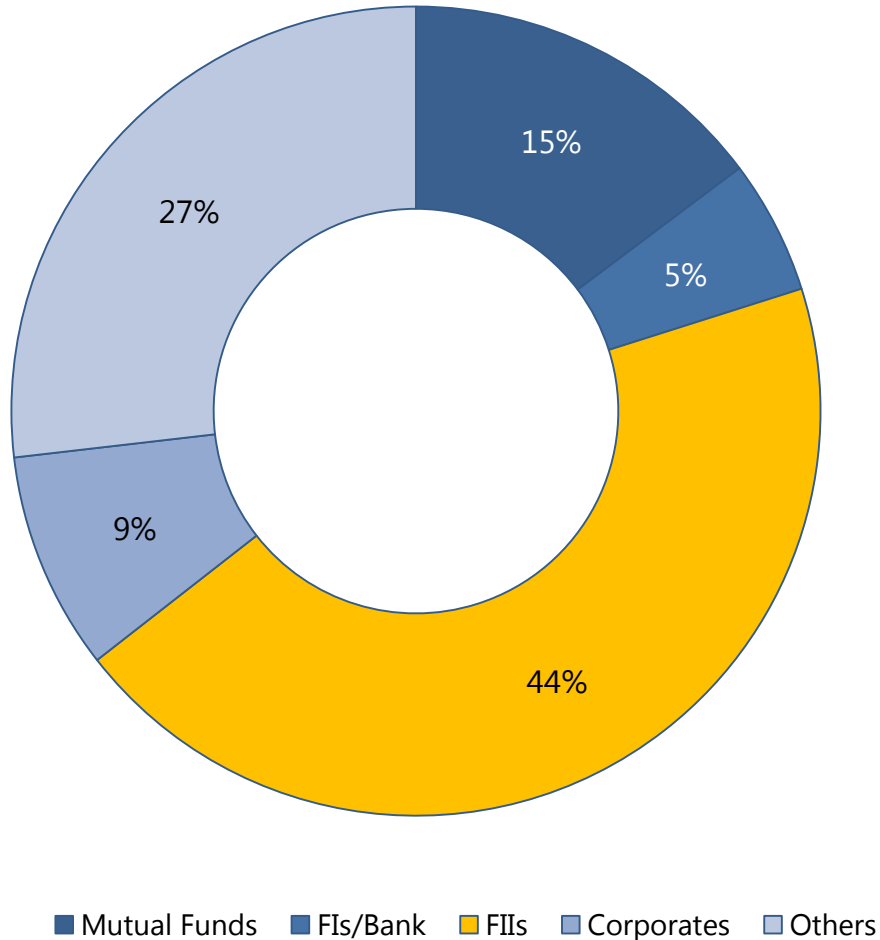
Key Ratios

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

Balance Sheet

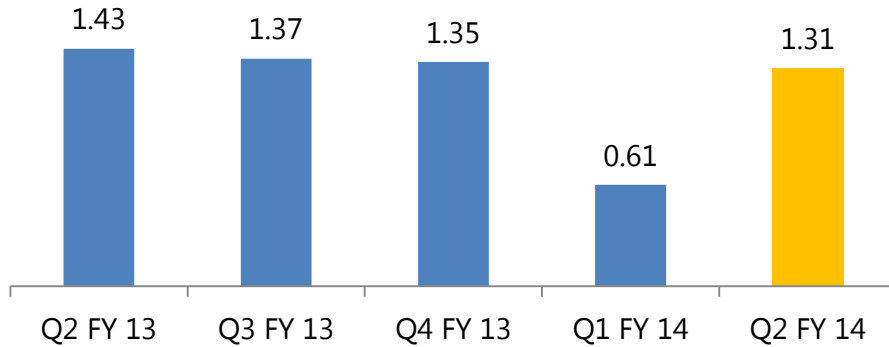
Rs in Cr

| | H1 FY 13 | H1 FY 14 |
|------------------------------------|--------------|--------------|
| LIABILITIES | | |
| Capital | 171 | 171 |
| Reserves & Surplus | 5941 | 6525 |
| Deposits | 49518 | 56794 |
| Borrowings | 2754 | 5033 |
| Other Liabilities & Provisions | 2210 | 2713 |
| TOTAL | 60594 | 71236 |
| ASSETS | | |
| 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 |
| TOTAL | 60594 | 71236 |

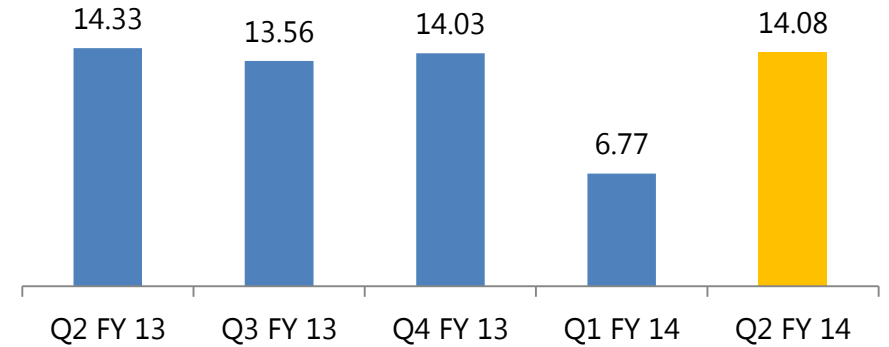


| | |
|----------------------|------------|
| Share Capital | 171.06 Cr |
| Shareholder's Funds | 6584.26 Cr |
| Book Value Per Share | Rs 76.98 |

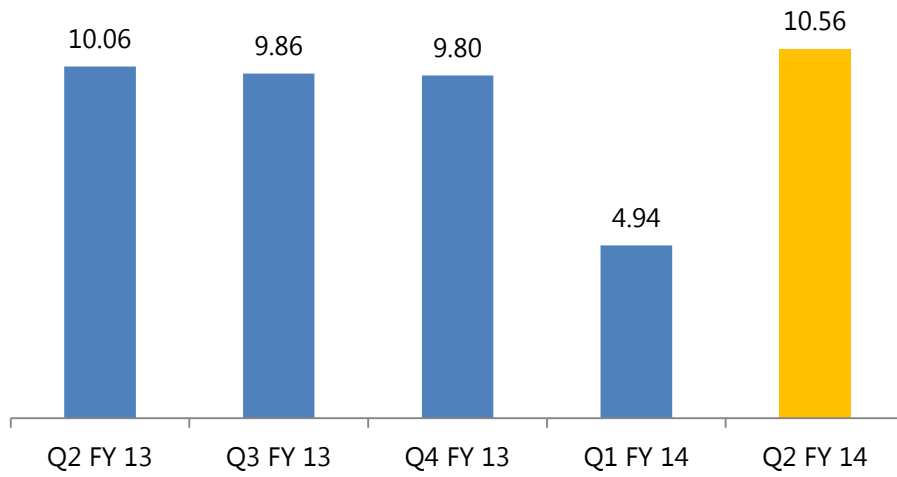
Shareholders Value



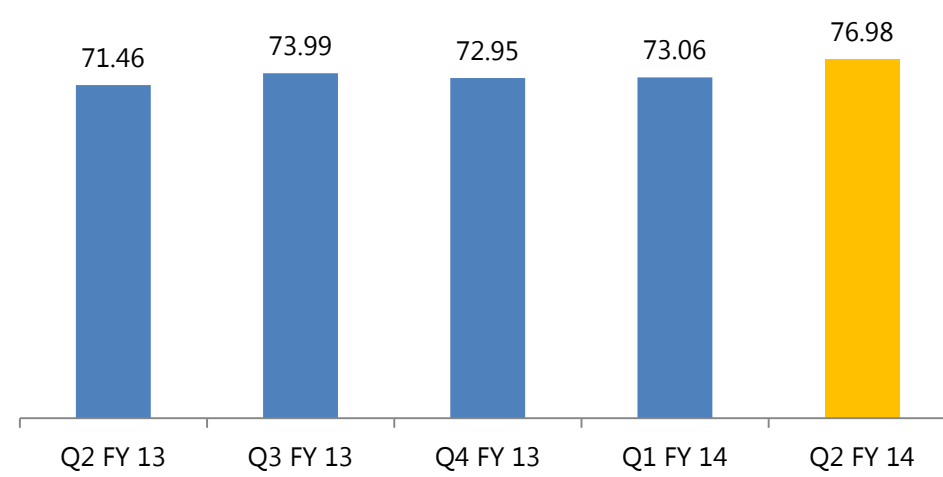
RETURN ON ASSETS (%)



RETURN ON EQUITY (%)



EARNINGS PER SHARE



BOOK VALUE PER SHARE

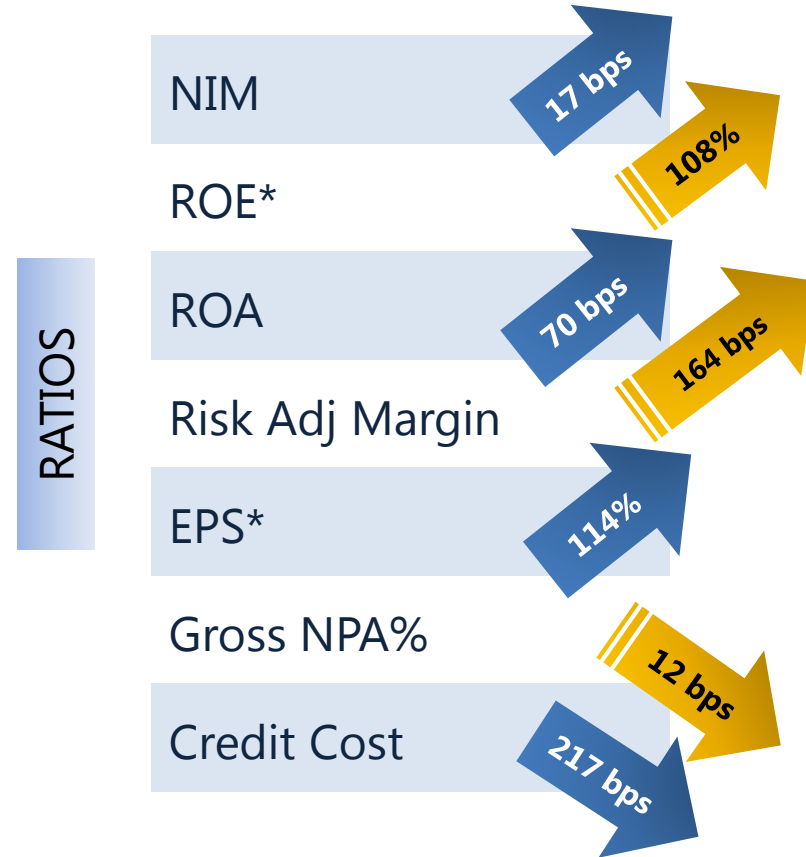
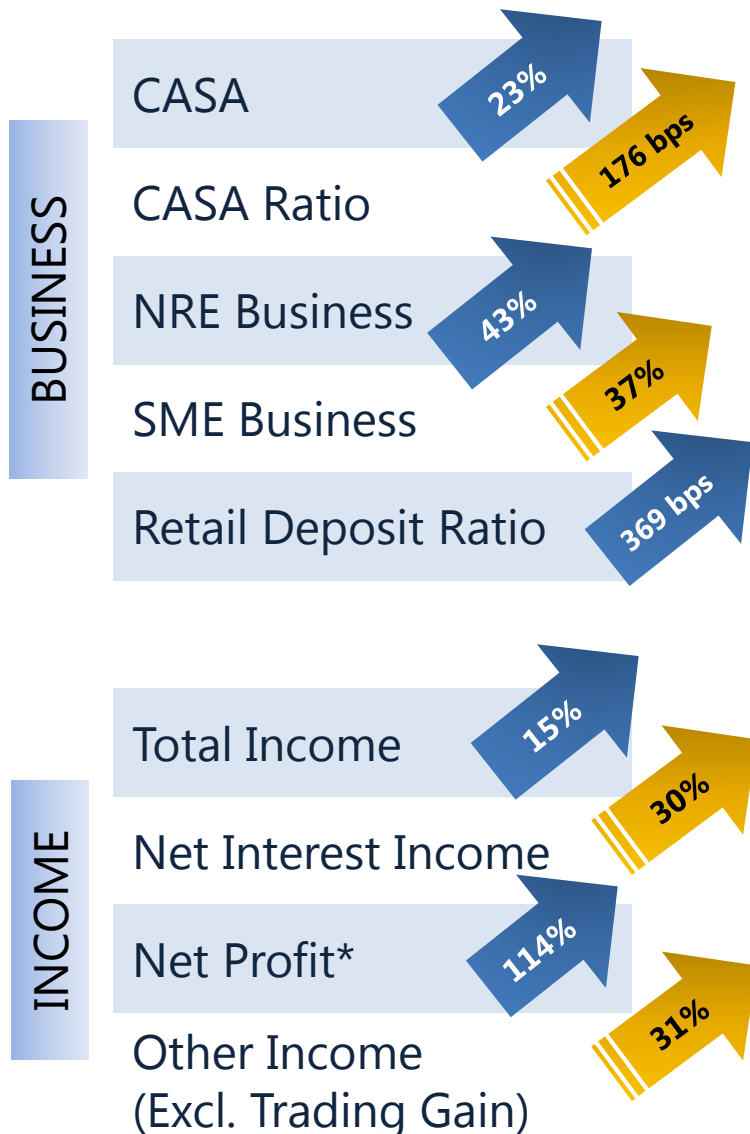
Introduction

Performance Overview

Business Overview

Performance Highlights

Q1 FY 14 v/s Q2 FY 14



*Not Annualized. All others are annualized

Key Financials

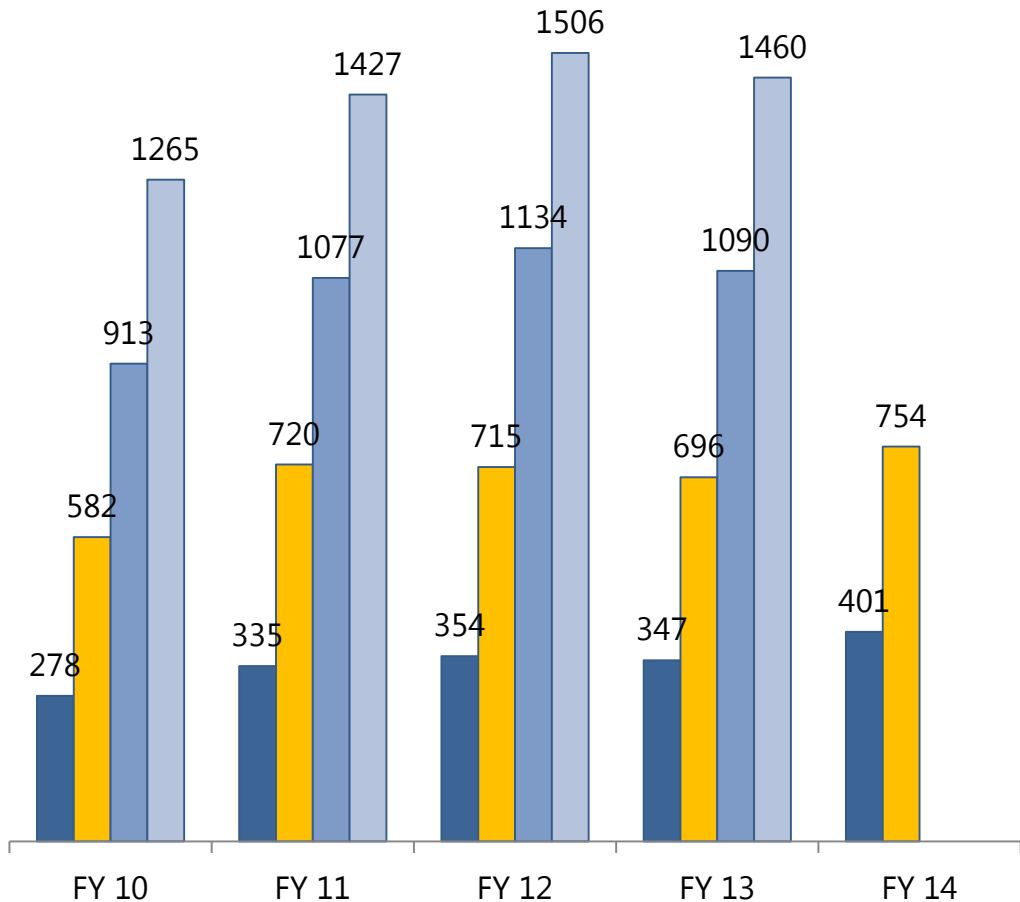
Rs in Cr

| | Q2 FY13 | Q2 FY14 | Y-o-Y | H1 FY13 | H1 FY14 | Y-o-Y |
|--------------------------|----------------|----------------|--------------|----------------|----------------|--------------|
| 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% |

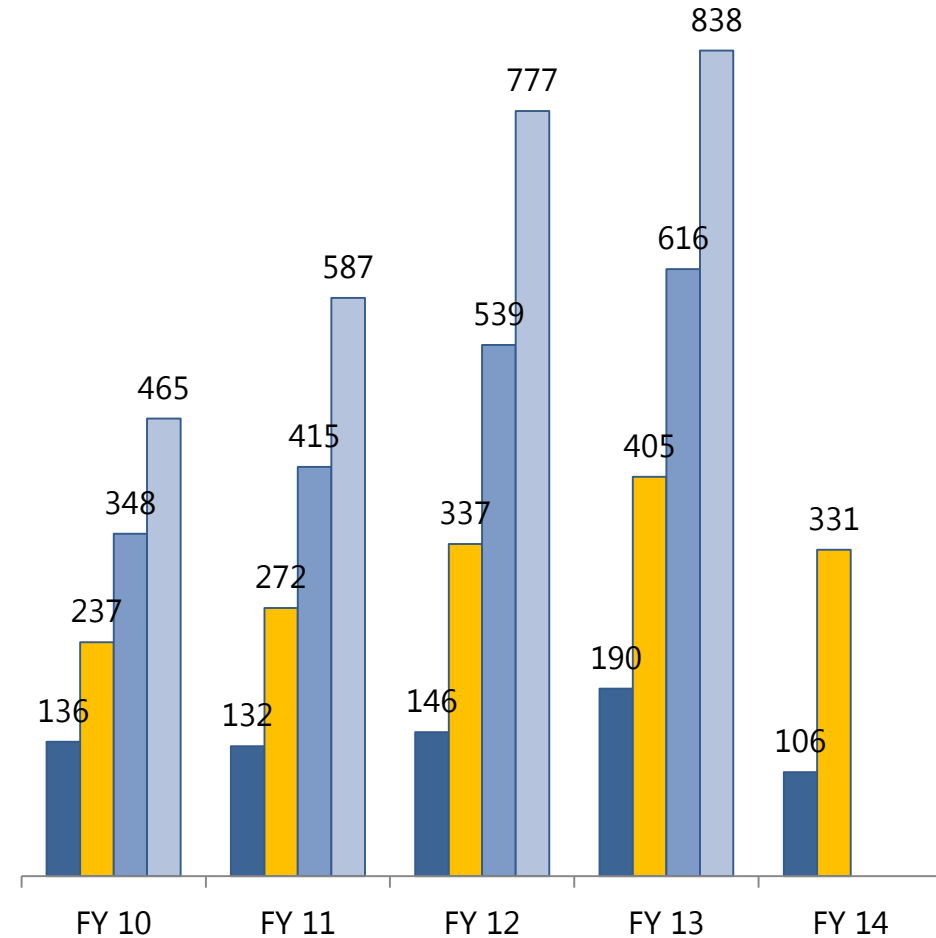
Rs in Cr

■ Q1 ■ Q2 ■ Q3 ■ Q4

Operating Profit



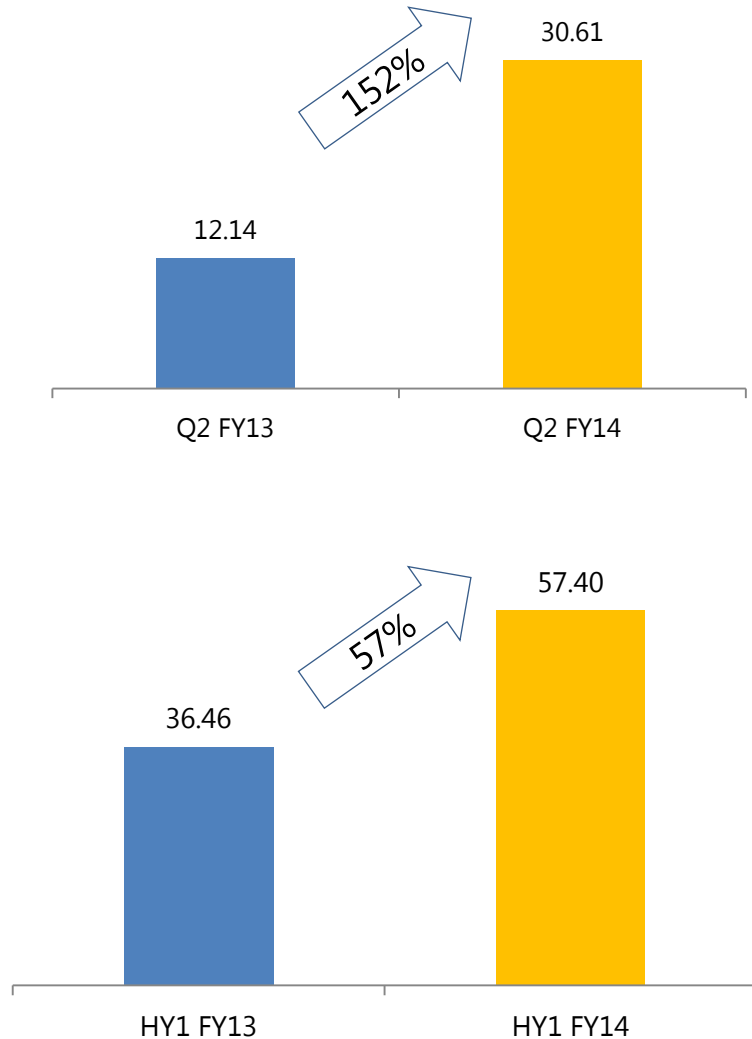
Net Profit



Cumulative Nos

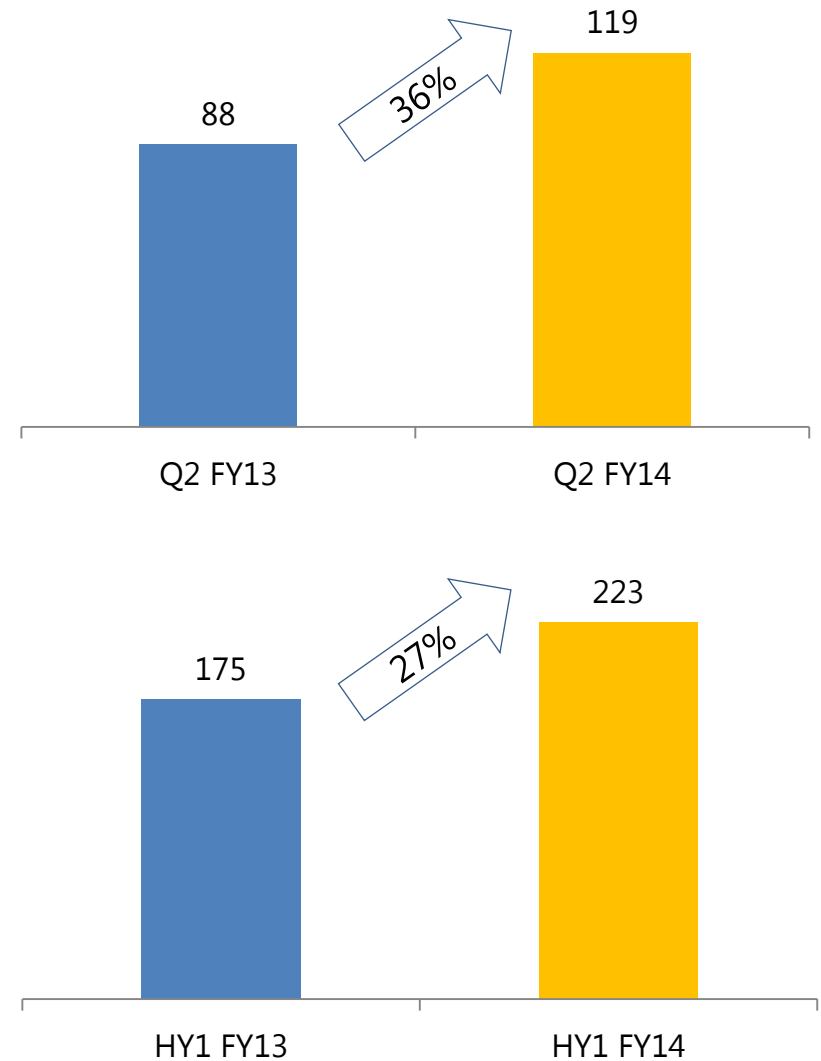
Consistent growth in Fee Income

Forex Gain



Fee Income (Excl Trading Gain)

(Rs in Cr)



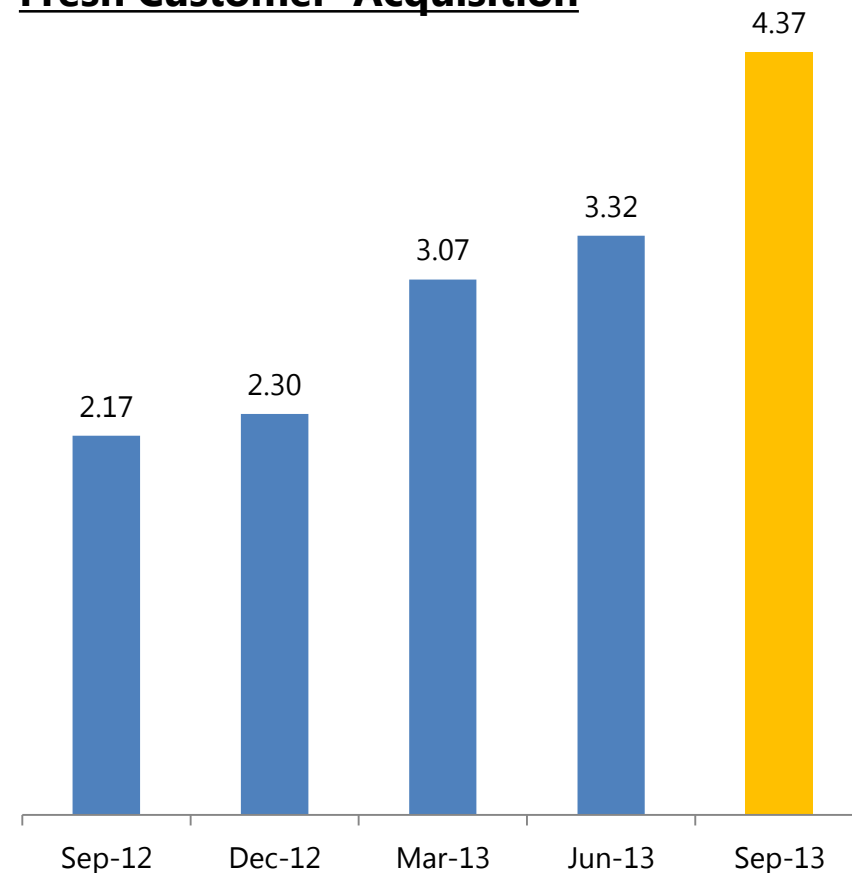
Rs in Cr

(No in Lakh)

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

| | Sep-12 | Sep-13 | Y-o-Y |
|--------------------------------|---------------|---------------|--------------|
| Retail Customer Deposit | 43690 | 52424 | 20% |
| 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 |
| TOTAL | 134.54 | 128.10 |

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 |
| TOTAL | 294.68 | 337.85 | 14.26 |

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

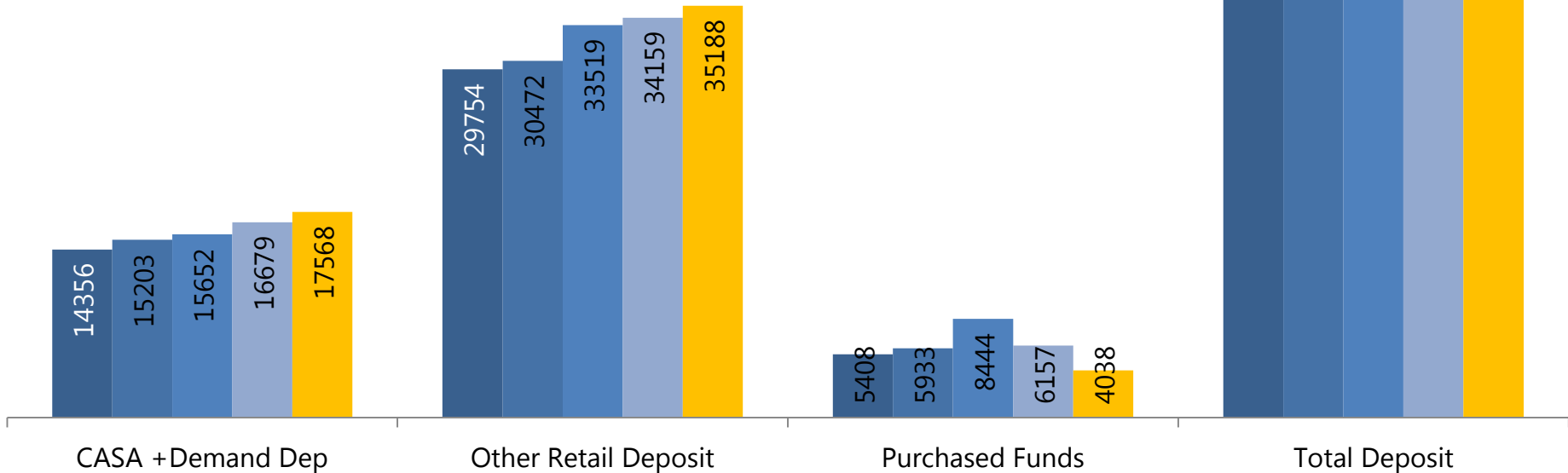
Robust Growth in Customer Deposit

Rs in Cr

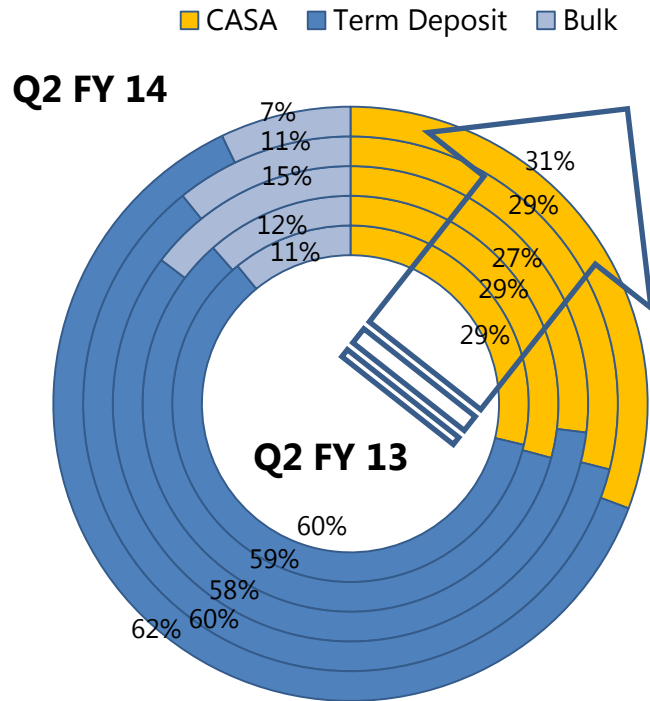
■ Q2 FY 13 ■ Q3 FY 13 ■ Q4 FY 13 ■ Q1 FY 14 ■ Q2 FY 14

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



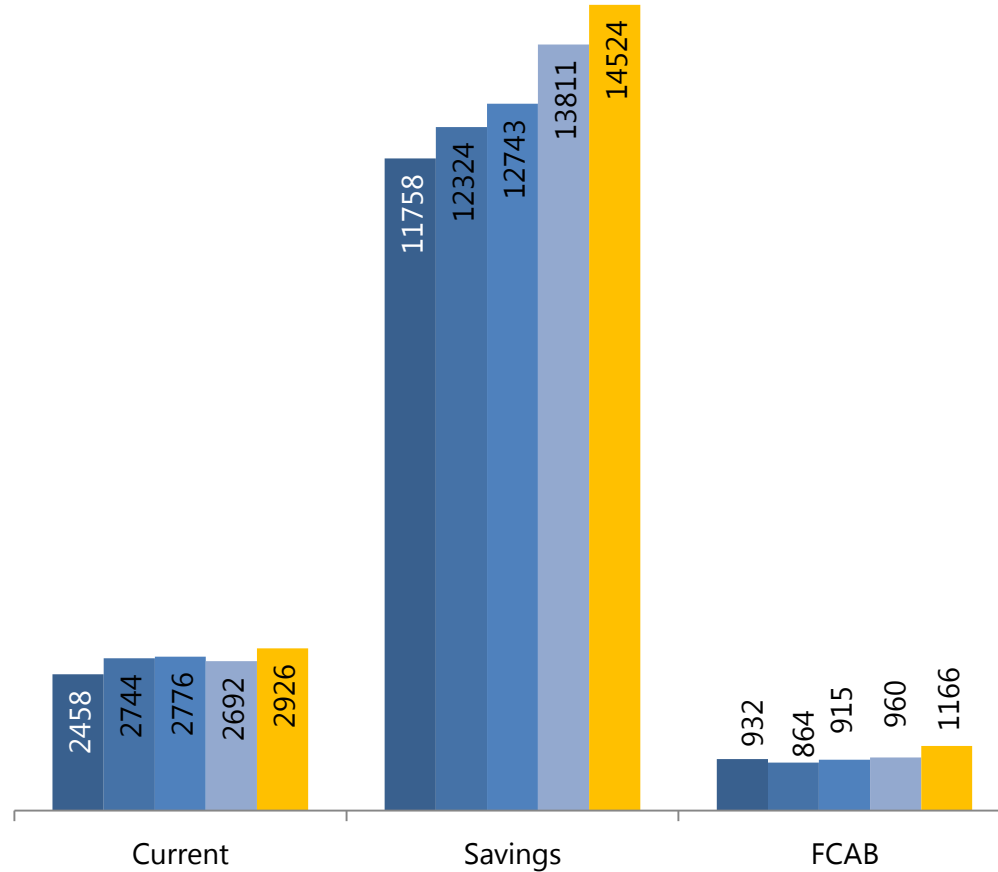
Deposit Mix



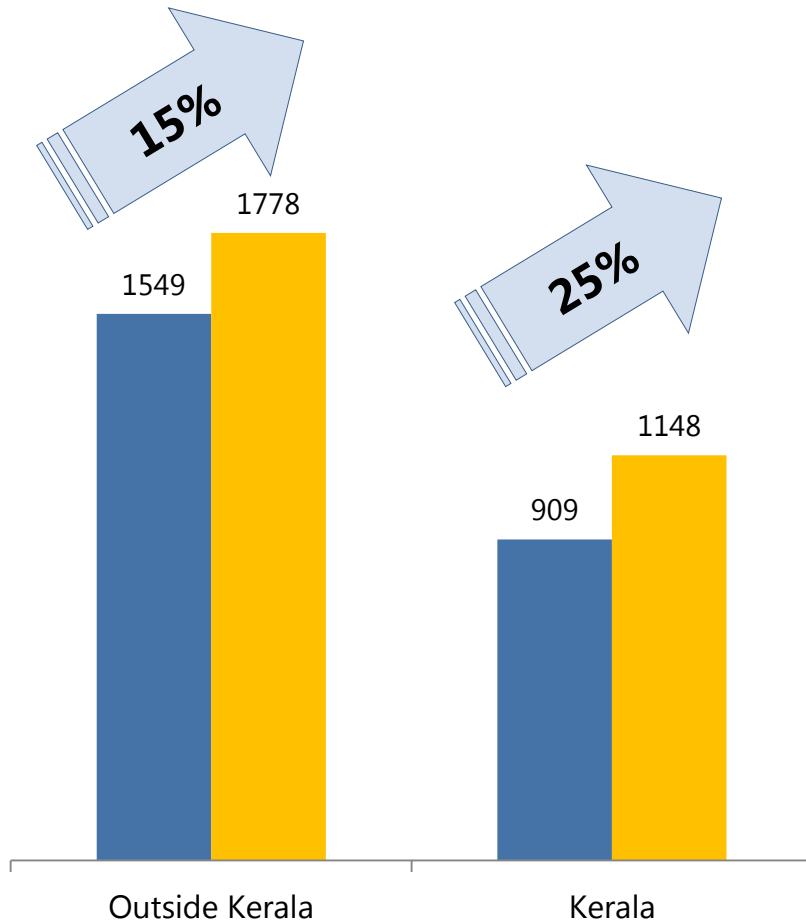
Low Cost Dep

Rs in Cr

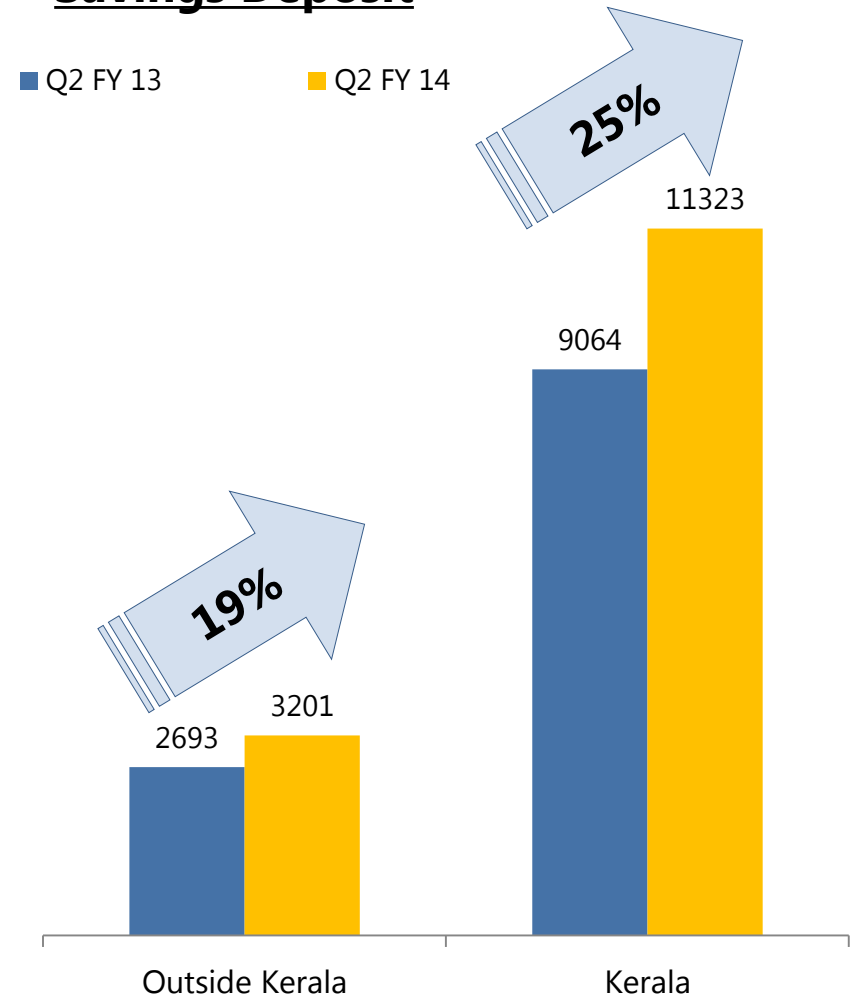
■ Q2 FY 13 ■ Q3 FY 13 ■ Q4 FY 13 ■ Q1 FY 14 ■ Q2 FY 14



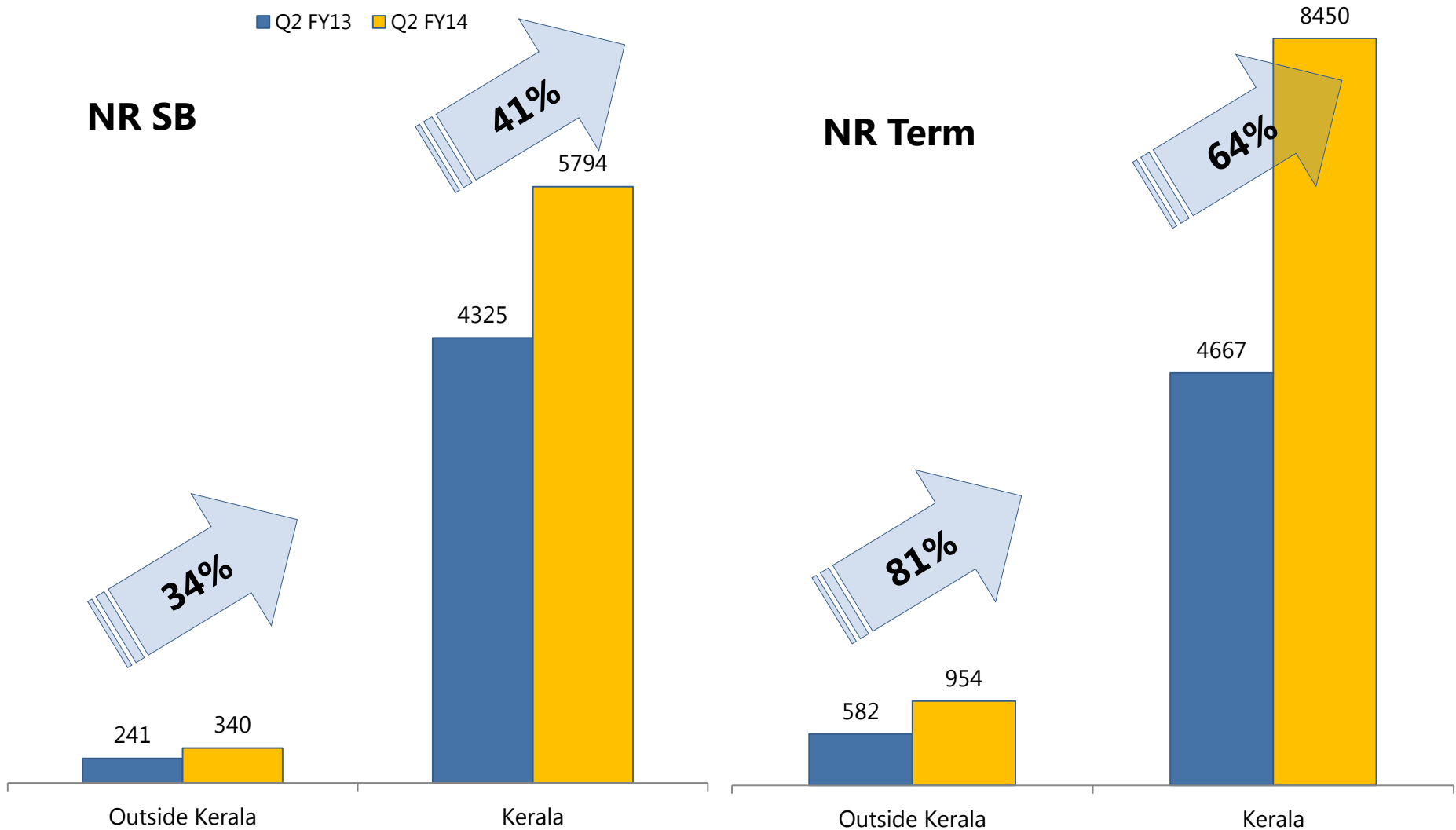
Current Deposit



Savings Deposit



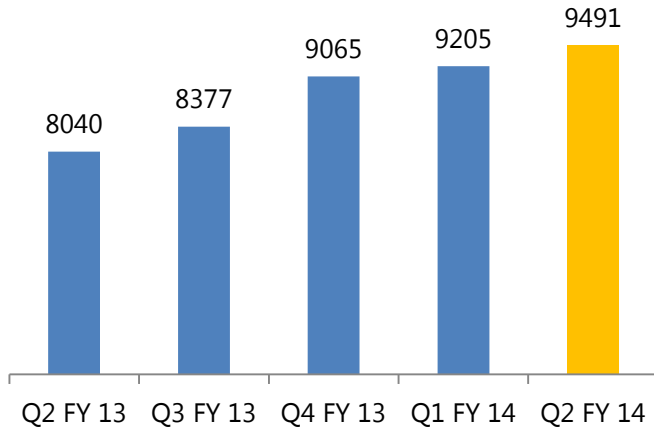
NR Trend – Geography wise



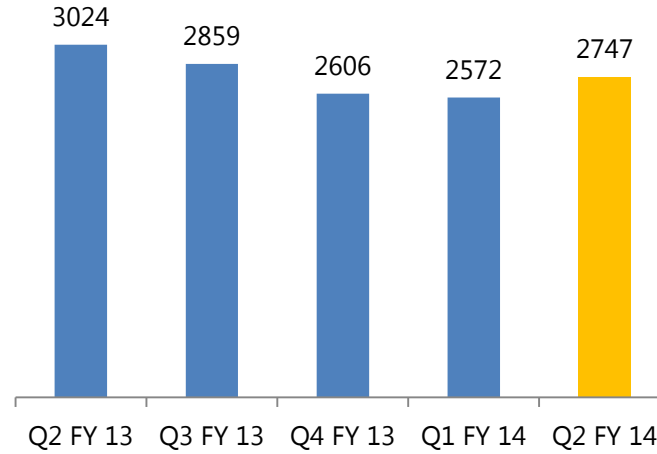
Growth in Credit

Focus Segments

Retail Loans (Excl Gold)

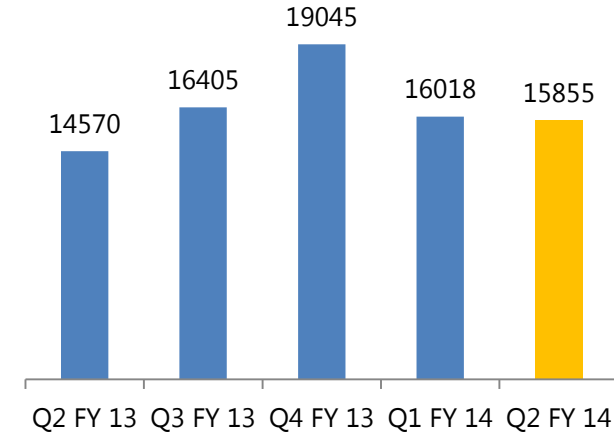


Agri Excl Gold

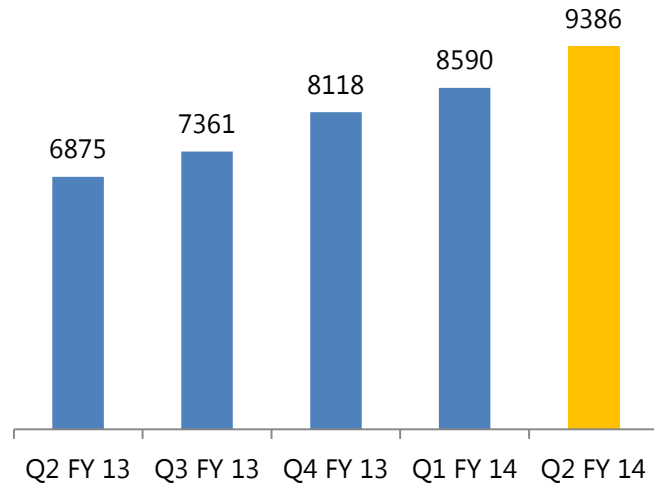


De-Bulking

Corporate Loans

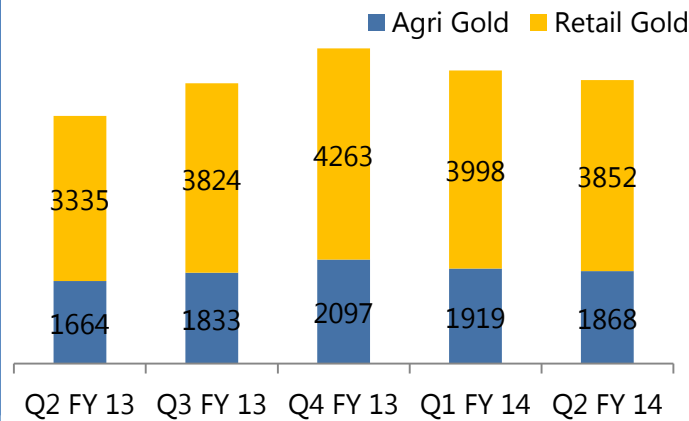


SME Loans

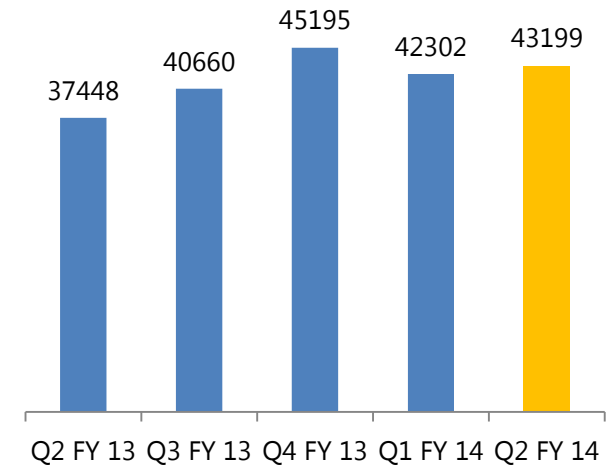


Gold Price Impact

Gold Loan (Incl. Agri Gold)

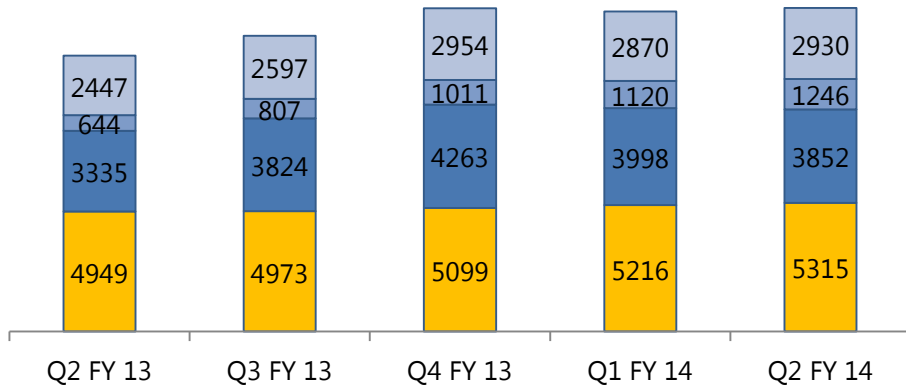


Total Advances

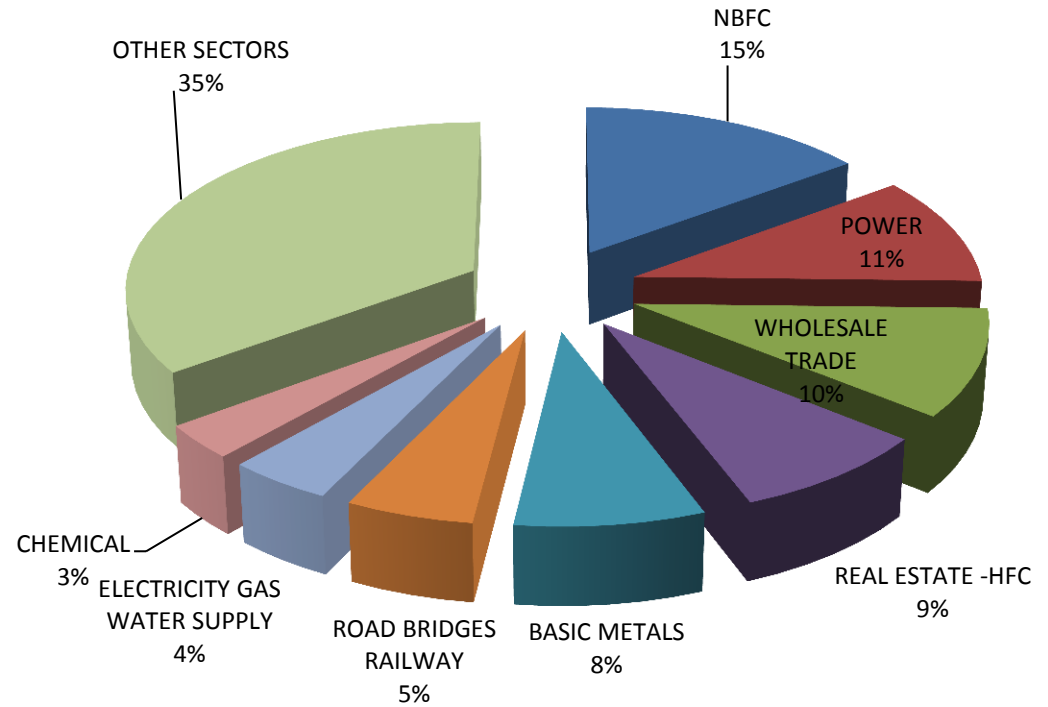


Retail Loan Book

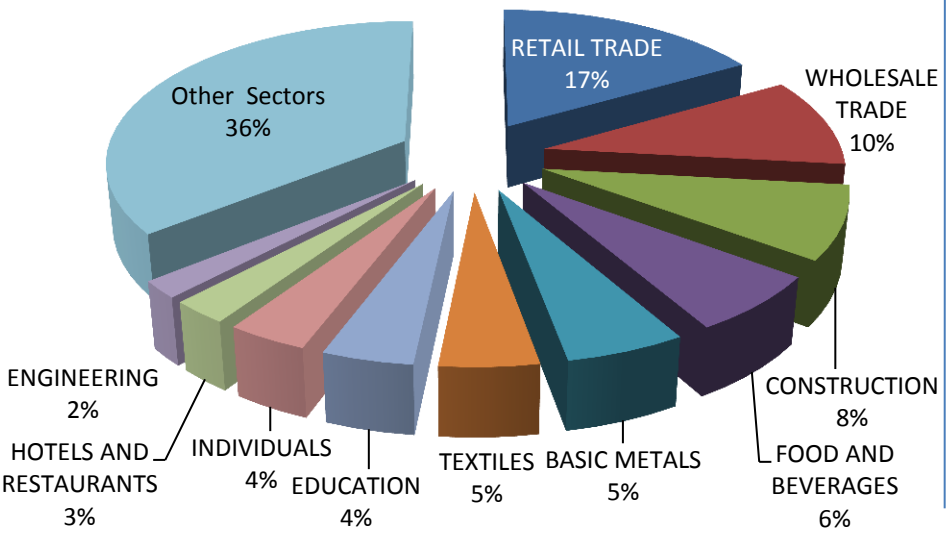
■ Housing
 ■ Gold
 ■ Mortgage
 ■ Others



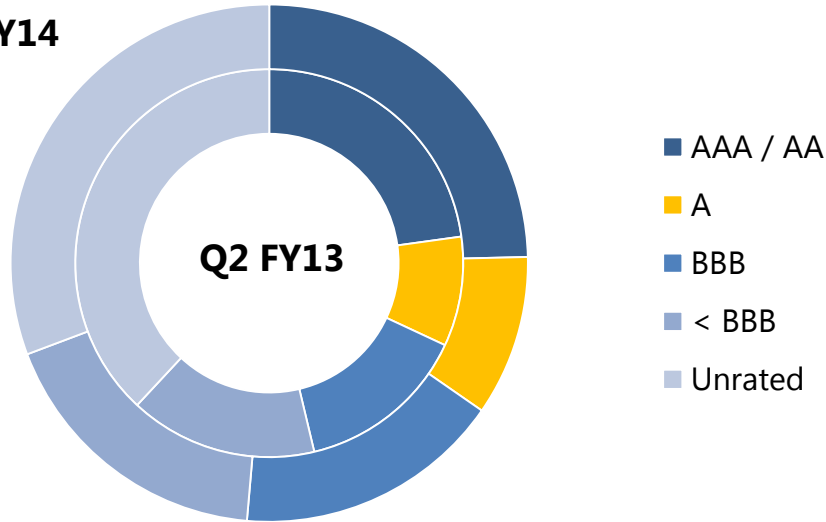
Corporate Portfolio



SME Portfolio



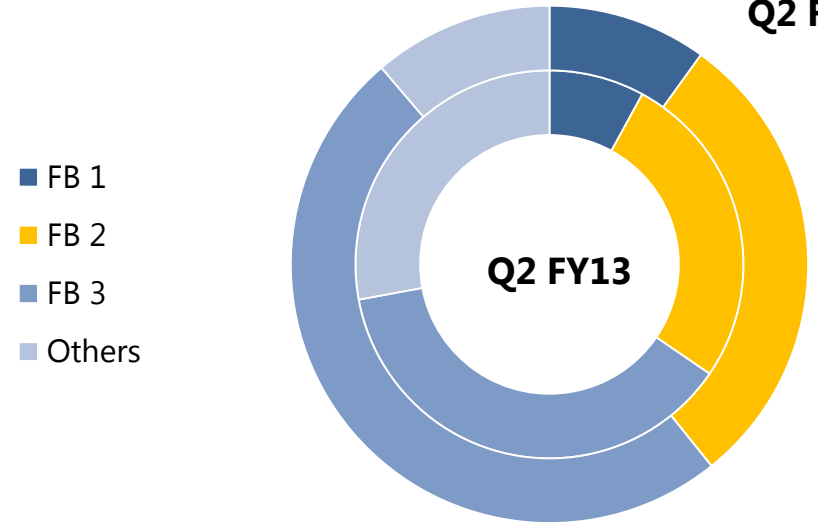
Q2 FY14



Corporate Assets

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

Q2 FY14

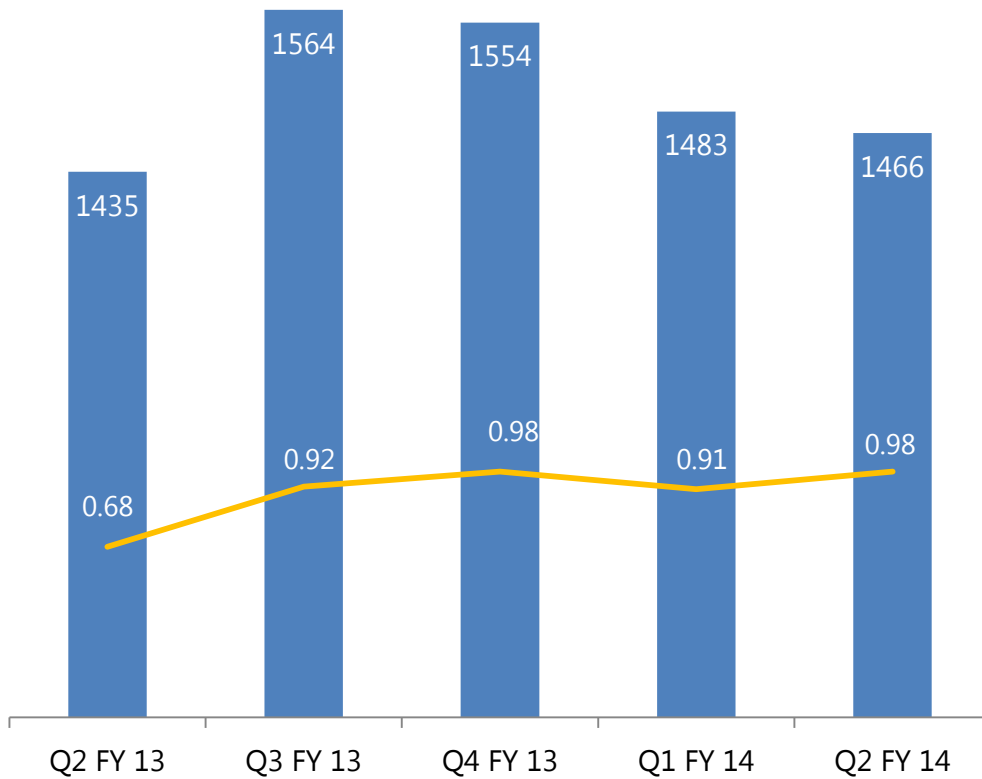


SME Assets

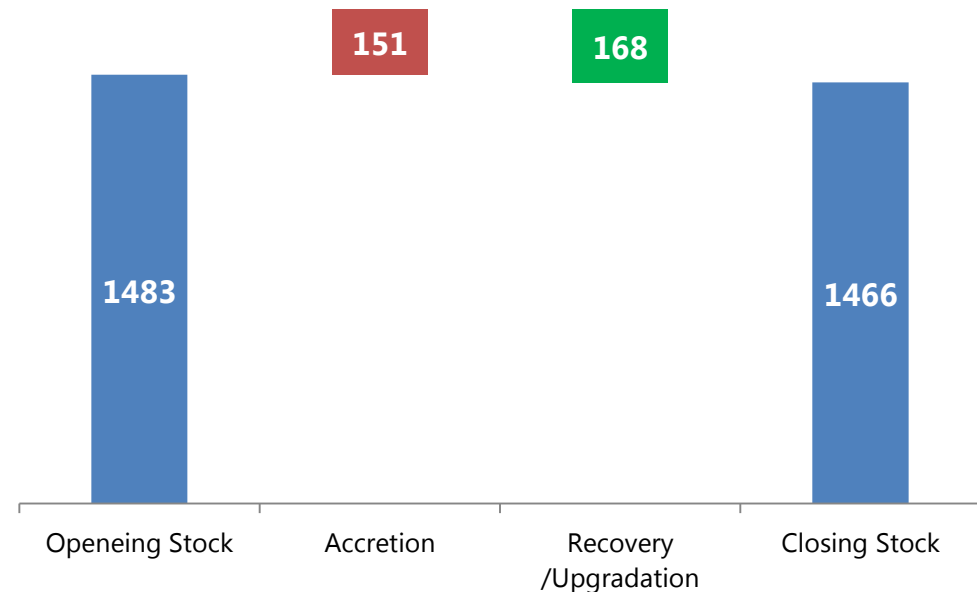
| | Q2 FY13 | | Q2 FY14 | |
|--------|---------|--------|---------|--------|
| FB 1 | 7.95% | | 9.97% | |
| FB 2 | 26.59% | 72.09% | 29.26% | 88.76% |
| FB 3 | 37.56% | | 49.53% | |
| Others | 27.91% | | 11.25% | |

Rs in Cr

■ Gross NPA — Net NPA %

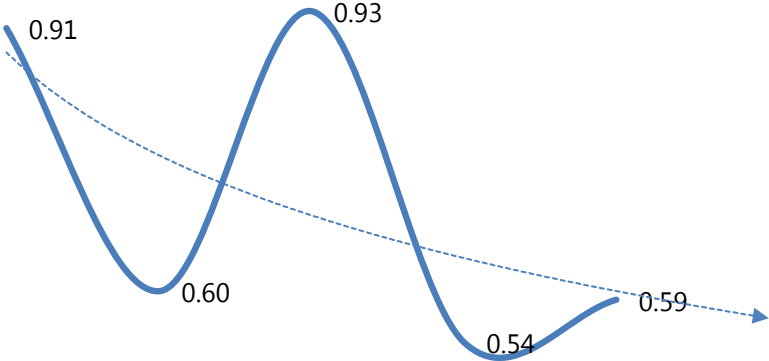


| Fresh Accretion | | | | | |
|-----------------|----------|----------|----------|----------|----------|
| | Q2 FY 13 | Q3 FY 13 | Q4 FY 13 | Q1 FY 14 | Q2 FY 14 |
| Retail | 42 | 64 | 36 | 52 | 45 |
| SME & Agri | 105 | 72 | 119 | 71 | 83 |
| Corporate | 0 | 215 | 202 | 181 | 23 |



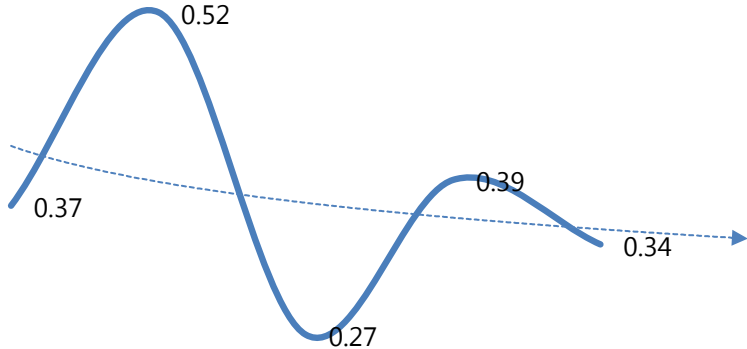
Provision Coverage Ratio (Including Technically Written Off) at 81.23% (83.00% in Q1 FY 14)

Fresh Slippage / Total Advance Ratio



SME

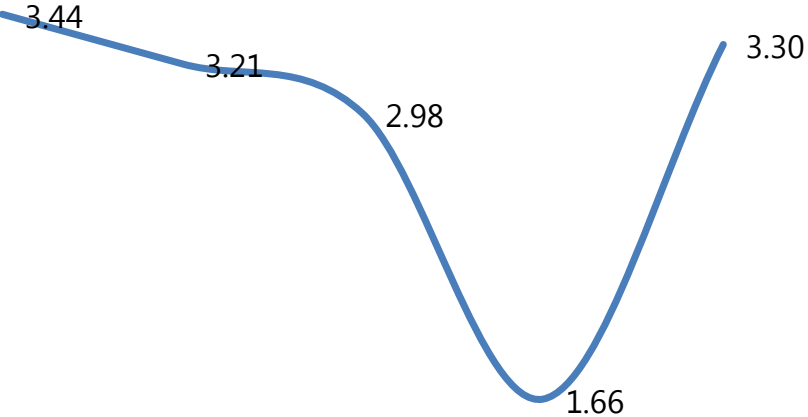
Q2 FY 13 Q3 FY 13 Q4 FY 13 Q1 FY 14 Q2 FY 14



RETAIL

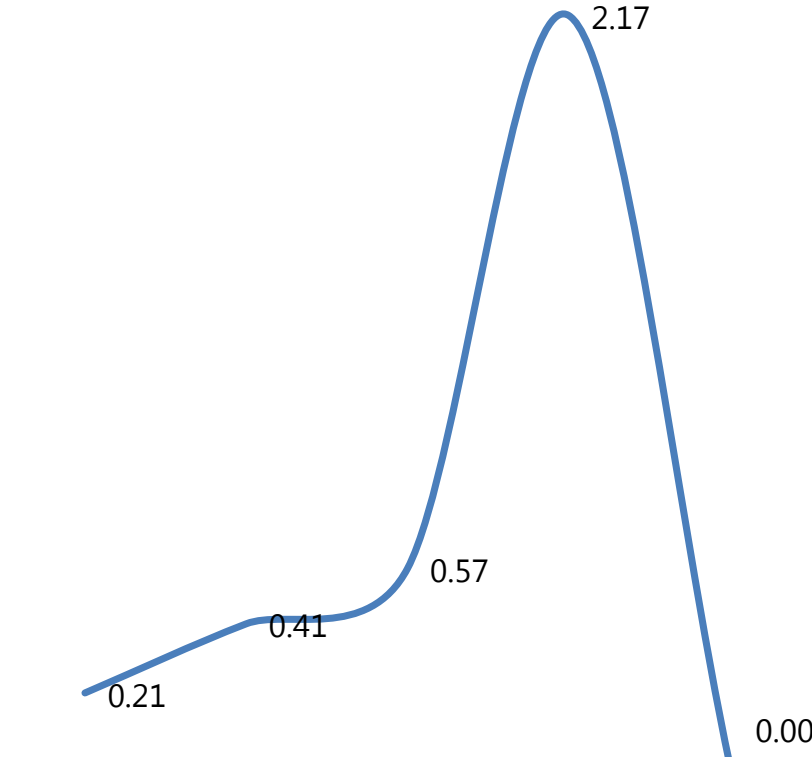
Q2 FY 13 Q3 FY 13 Q4 FY 13 Q1 FY 14 Q2 FY 14

Risk Adj NIM



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

Credit Cost

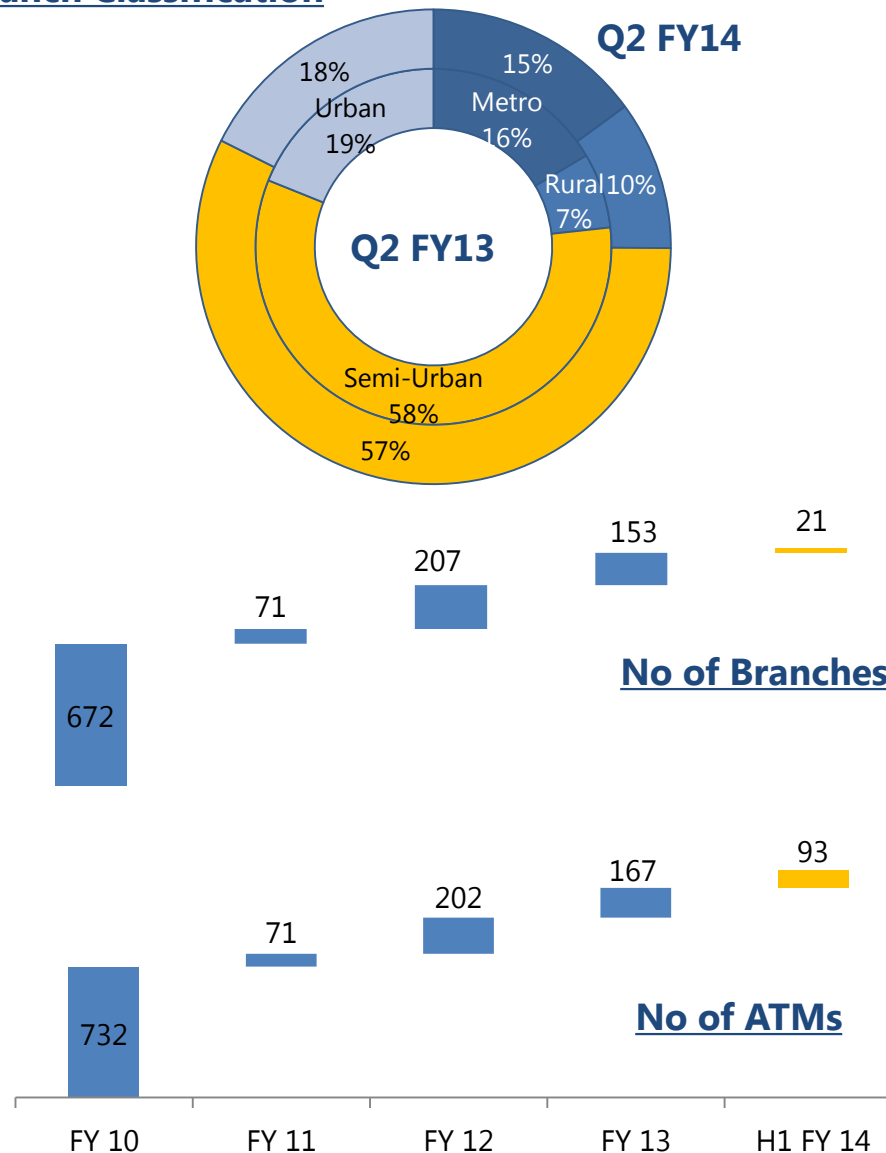


Q2 FY 13 Q3 FY 13 Q4 FY 13 Q1 FY 14 Q2 FY 14

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 |
| Total | 1107 | 17 | 1124 |

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