

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

## Q1 FY 2017

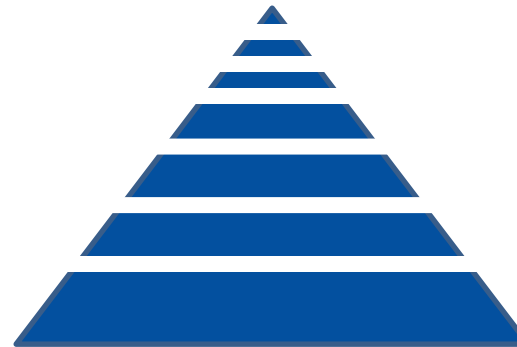
- ❑ **Operating performance continues growth momentum**
- ❑ **Marked increase in NII**

**Core NIM increases by 17 bps to 3.28%**

**Consistent Credit growth over 5 quarters**

## **Liability Portfolio strengthens**

- ❑ **CASA continues healthy growth; at 32.83%**
- ❑ **Cementing leadership in NR franchise**



**Digital penetration improving significantly with customer experience enhancing offerings.**

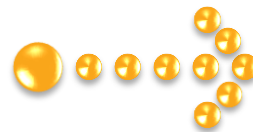
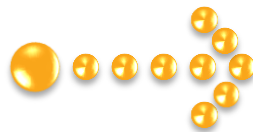
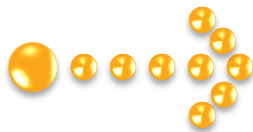
- ❑ **Slippages halved to Rs 280 Cr sequentially**
- ❑ **Credit Cost sliced by more than half to 0.86% on Q-o-Q basis.**

**Cost to Income Ratio improves sequentially**

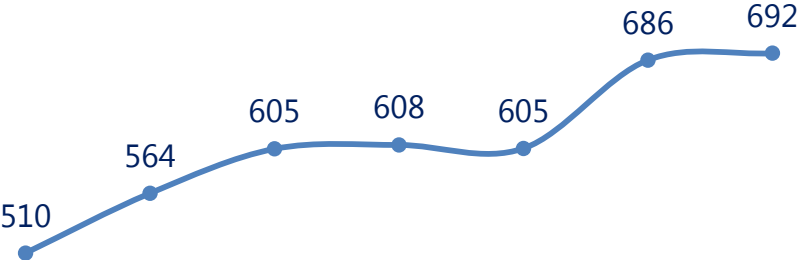
- ❑ **Dominance in home market sustained.**
- ❑ **Gaining Share outside Kerala.**

# Performance Highlights (Y-o-Y)

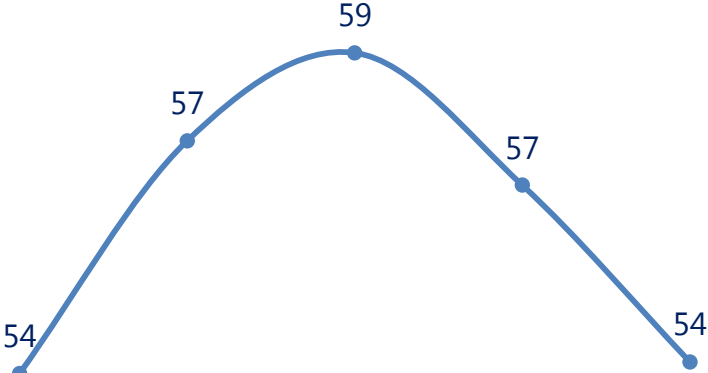
Savings Account	20% ↑	Net Interest Income	14.5% ↑
Current Account	8% ↑	NIM	3.28% ↑
Retail Deposit Ratio	121 Bps ↑	Operating Profit	16% ↑
Retail Adv (Excl Gold)	17% ↑	Fresh Slippage	12% ↓
SME Adv	18% ↑	Capital Adequacy (CRAR)	13.59%
Wholesale Business	37% ↑	Provision Coverage Ratio	72.09%



### Consistent growth in NII (in Cr)



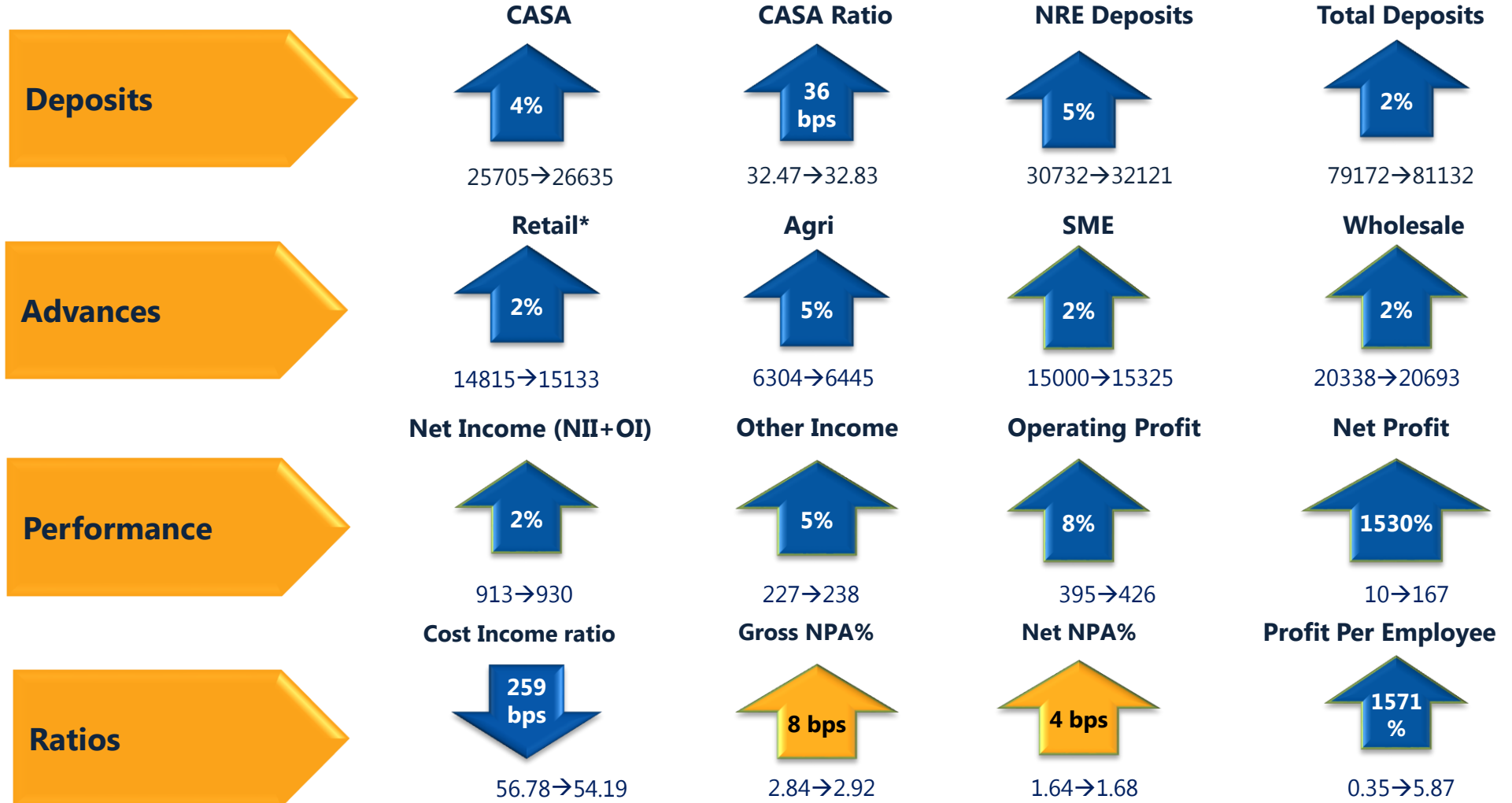
### Cost to Income ratio



Q1 FY14 Q1 FY15 Q1 FY16 Q2 FY16 Q3 FY16 Q4 FY16 Q1 FY17

Q1 FY16 Q2 FY16 Q3 FY16 Q4 FY 16 Q1 FY17

# Comparison : Q-o-Q (Sequential)



Note: Slight changes in Q4 FY16 figures on account of segment wise regrouping.

(\* Retail Exc Gold)

## Deposits

**CASA**



22554 → 26635

**CASA Ratio**



31.26 → 32.83

**NRE Deposits**



25792 → 32121

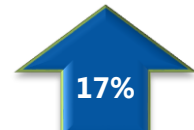
**Total Deposits**



72140 → 81132

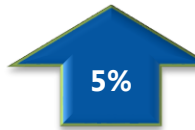
## Advances

**Retail\***



12926 → 15133

**Agri**



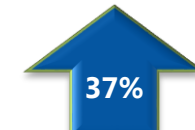
6159 → 6445

**SME**



13011 → 15325

**Wholesale**



15130 → 20693

## Performance

**Net Income (NII+OI)**



799 → 930

**Other Income**



194 → 238

**Operating Profit**



367 → 426

**Net Profit**



141 → 167

## Ratios

**Cost Income ratio**



54 → 54

**Gross NPA%**



2.59 → 2.92

**Net NPA%**



0.98 → 1.68

**Profit per Employee**



5.09 → 5.87

		Q1 FY17	Q4 FY16	Q3 FY16	Q2 FY16	Q1 FY16
<b>Shareholder Value</b>	<b>Book Value</b> (Per Share in ₹)	47.07	46.24	47.86	46.92	45.98
	<b>EPS</b>	3.89	0.24	3.79	3.76	3.3
<b>Granularity</b>	<b>Customer Base</b> (In Lakhs)	76.42	75.13	73.52	71.93	69.97
	<b>CASA + Deposits &lt;1 Cr</b> (% of Total Deposits)	93%	92%	93%	92%	90%
<b>Profitability</b>	<b>ROA</b>	0.76	0.05	0.77	0.78	0.70
	<b>ROE</b>	8.37	0.51	8.0	8.09	7.24
<b>Efficiency</b>	<b>Cost/Income</b>	54.19	56.78	58.72	57.43	54.02
	<b>Net NPA%</b>	1.68	1.64	1.66	1.33	0.98



- Relationship management structure reinforced
- Client Interaction processes and practices standardized
- Smart Origination and underwriting processes

- Higher and consistent market presence
- New client acquisition
- Deeper penetration and strengthening existing client relationships



- Created a relationship structure to tap potential clusters
- Relationship structure to elevate outcomes from branch led origination
- Tools deployed for mining markets and assisting client selection.
- Integrated offerings on supply chain management

- RM at the fore and branch at the core
- Supply chain mandates with leading corporates
- Better credit management of SME relationship



- Embedding retail Cross sell across all business units
- Deployment of tools to track sales channel efficiency
- Focus on Organic and partner led growth

- Improve Products per Customer
- Better Penetration of Third Party Products
- Systematic pursuit and conversion of leads



Fresh Accretion			
	Q1 FY 17	Q4 FY 16	Q1 FY16
Retail	67	85	46
Agri	34	43	19
SME	134	154	109
Wholesale	45	254	143
<b>Total</b>	<b>280</b>	<b>536</b>	<b>317</b>

- No Sale to ARCs
- No 5:25 Structuring
- No SDR
- No Conversion to Off-balance sheet
- No S4A

NPA Composition		Q1 FY17	Q4 FY16
	Business	NPA	NPA
<b>Gross NPA</b>	Retail	311	287
	Agri	165	152
	SME	724	633
	Wholesale	547	594
	<b>Total</b>	<b>1747</b>	<b>1668</b>
<b>Net NPA</b>		<b>995</b>	<b>950</b>

Restructured				
TYPE	Q1 FY17		Q4 FY16	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1348	95	1382	94
NPA	491	228	598	208
<b>TOTAL</b>	<b>1839</b>	<b>323</b>	<b>1980</b>	<b>302</b>

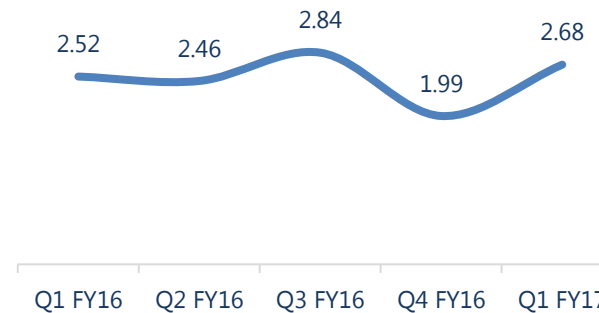
(Rs. in Cr)

Security Receipts	
Q1 FY17	Q4 FY16
634.95	639.33

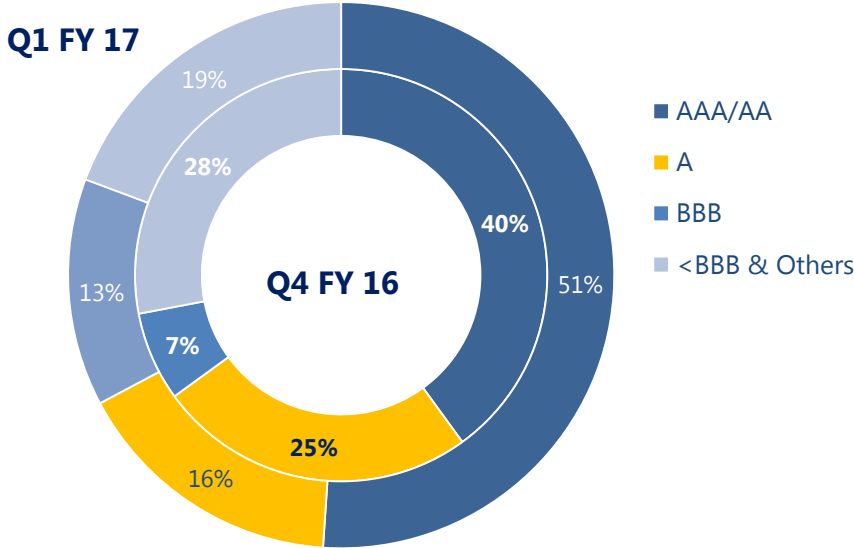
## Credit Cost



## Risk Adj NIM

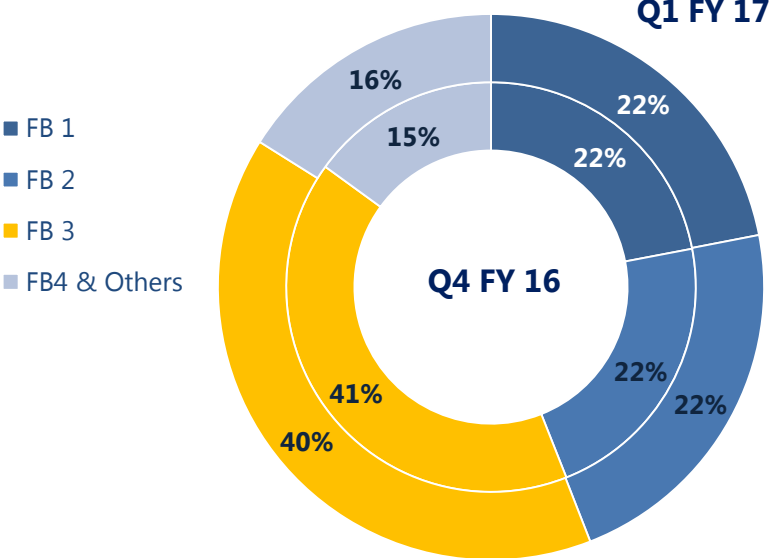


## Risk Rating



### Wholesale Assets

Rating	Q1 FY-17	Q4 FY-16
AAA / AA	51%	40%
A	16%	25%
BBB	14%	7%
< BBB & Others	19%	28%



### Other Assets

Rating	Q1 FY-17	Q4 FY-16
FB 1	22%	22%
FB 2	22%	22%
FB 3	40%	41%
FB4 & Others	16%	15%

## Digital Enrichments

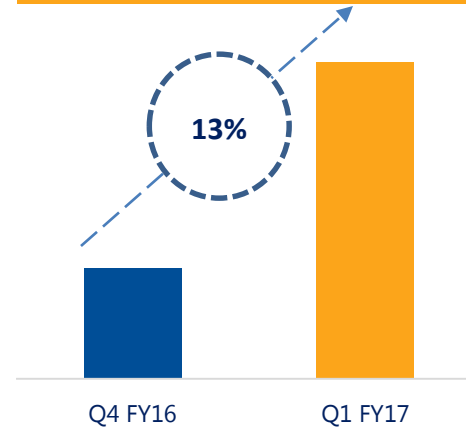
 BYOM (Be Your Own Master) – Online Personal Loan

 Online Car Loans launched in select Geographies

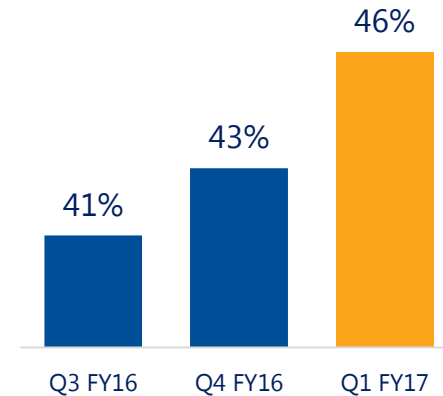
 Pioneered funds transfer through Missed Call

 Truck aggregator partnership-4TiGO

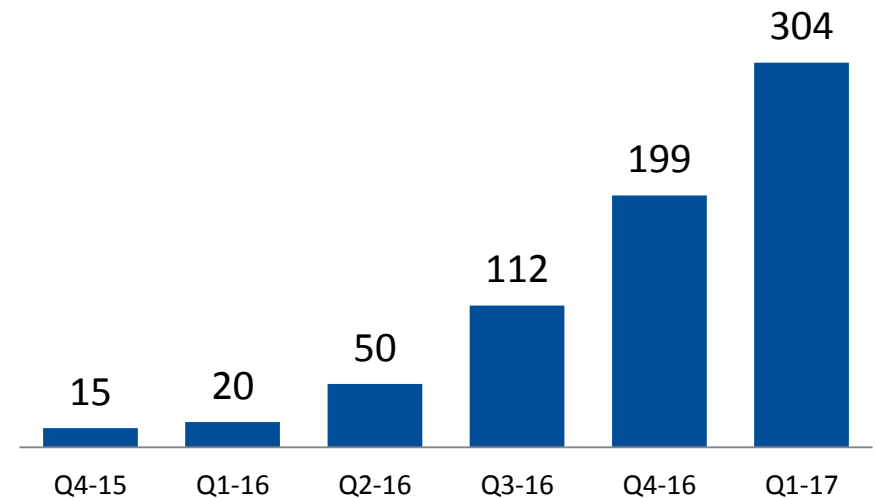
## Increase in the % of Number of Active Digital Users



## Share Of Digital Transaction

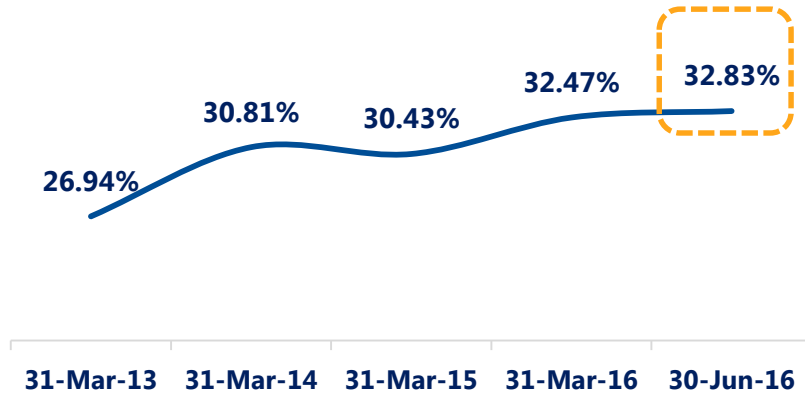


## FedMobile Transaction Volume (per month in Cr)

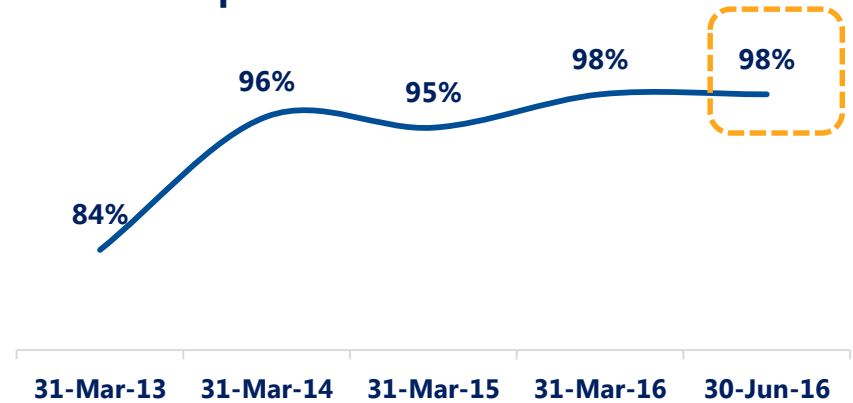


# Business Parameters

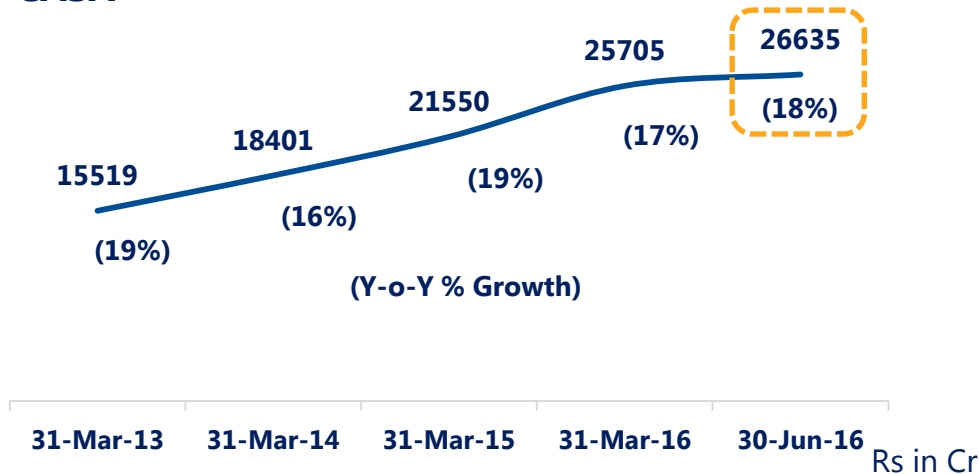
## CASA Ratio



## Retail Deposit Ratio



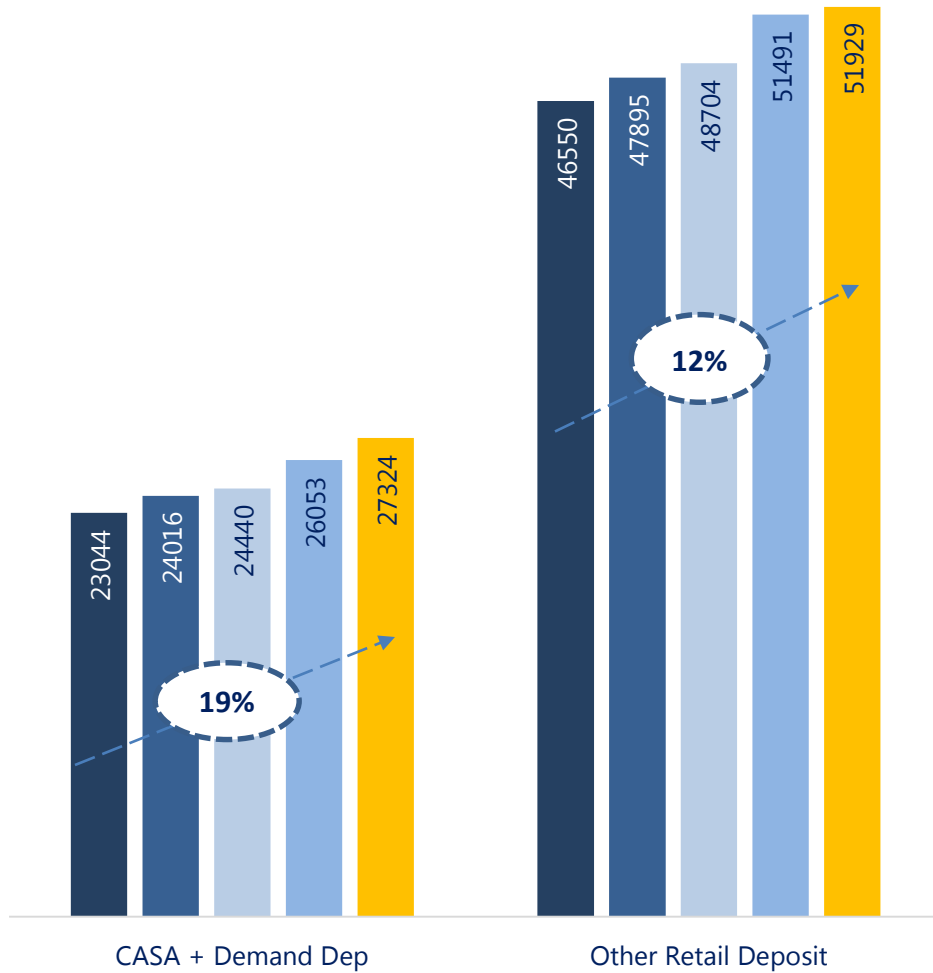
## CASA



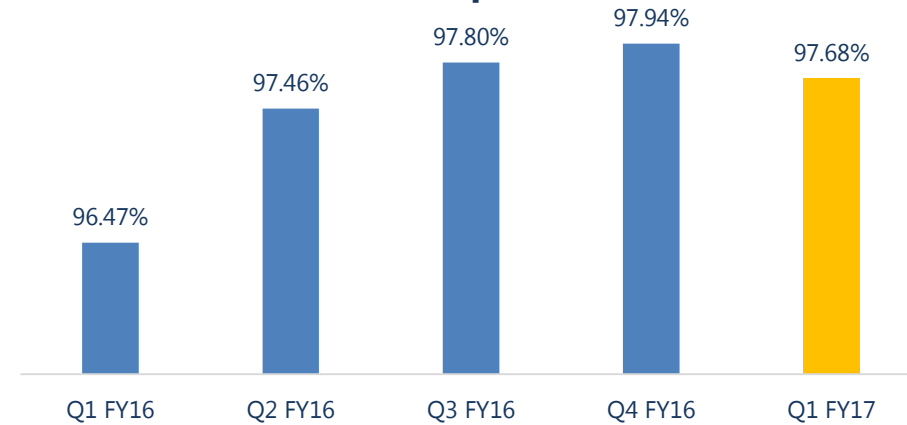
**Strong Liability Mix with significant CASA proportion and 93% granularity.**

₹ in Cr

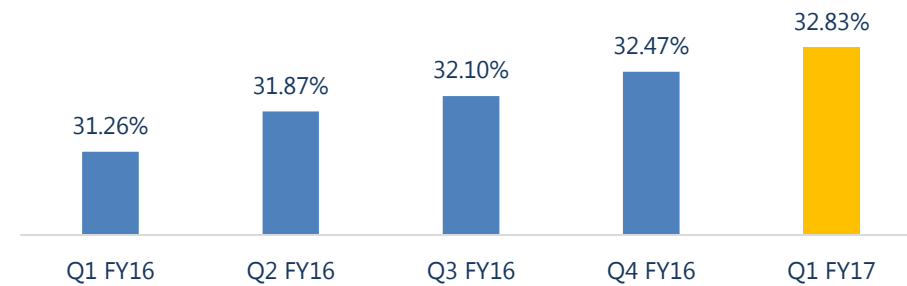
■ Q1 FY16 ■ Q2 FY16 ■ Q3 FY16 ■ Q4 FY16 ■ Q1 FY17

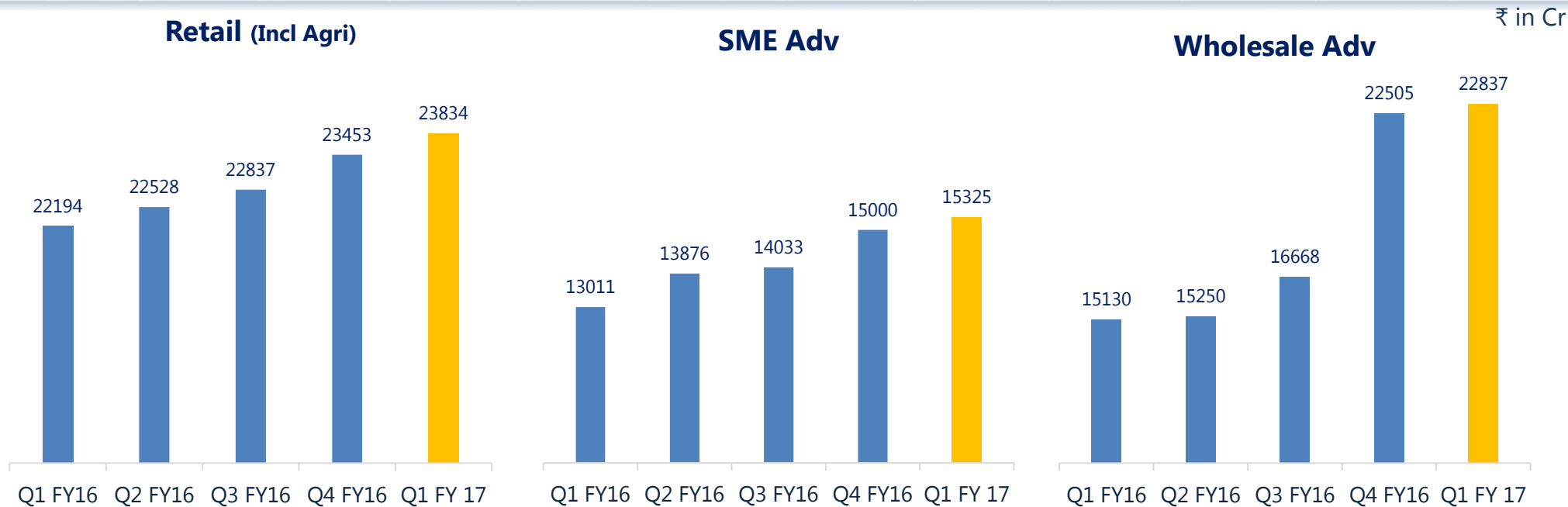


## Retail Deposit ratio



## CASA Ratio





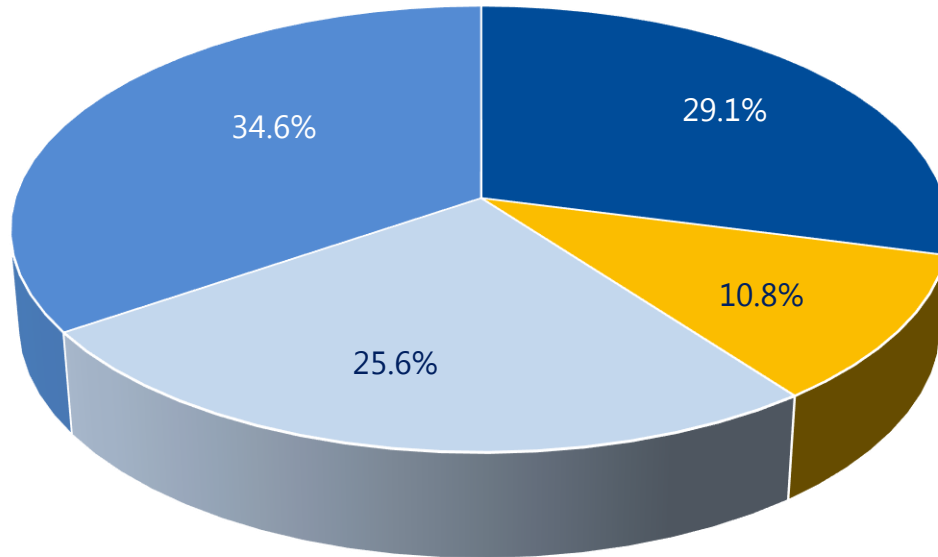
## Highlights

- The credit book is diversified with Wholesale customer exposures of Rs 20693 Cr, SME - Rs 15325 Cr and Retail & Agri –Rs 23834 Cr
- Retail ex-gold up by 17 % Y-o-Y, Retail Advances up by 8% Y-o-Y, Retail Advance including Agri up by 7.4% Y-o-Y.
- Wholesale Book up by 51% Y-o-Y\* .

\*includes credit substitutes

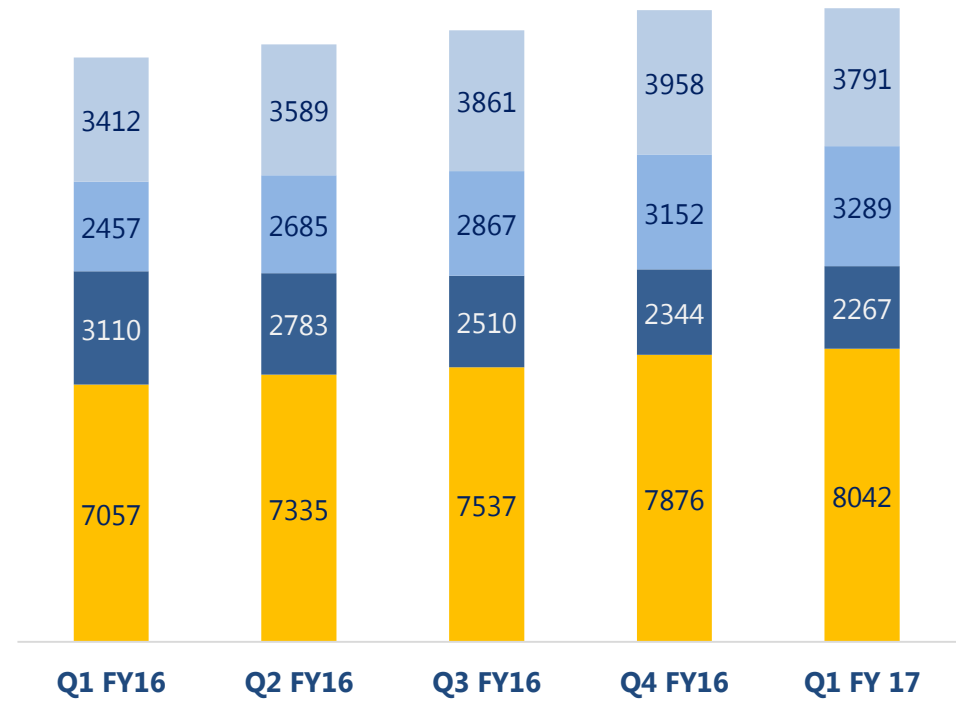
## Total Loan Book

■ Retail ■ Agri ■ SME Adv ■ Wholesale Adv



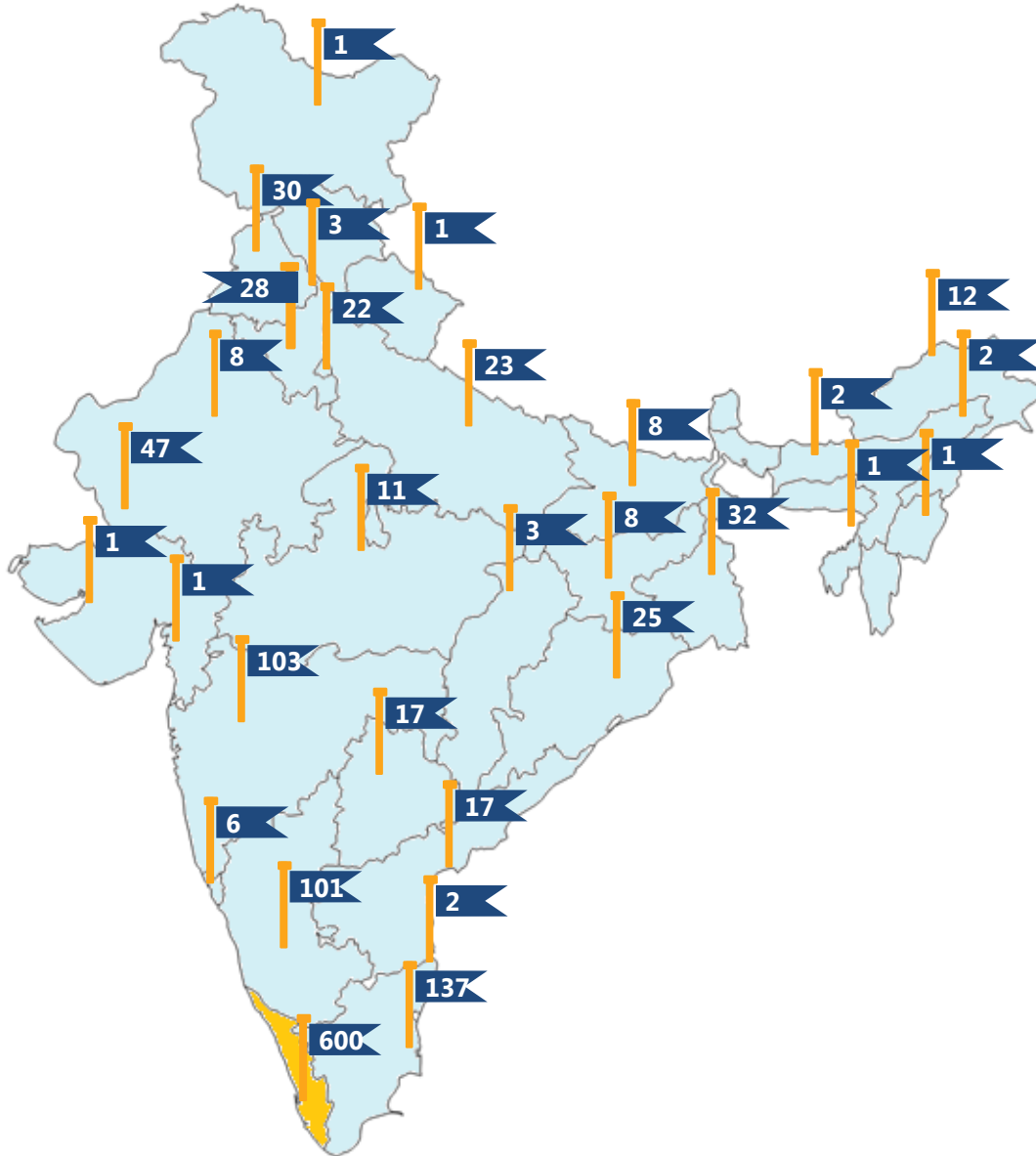
## Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others

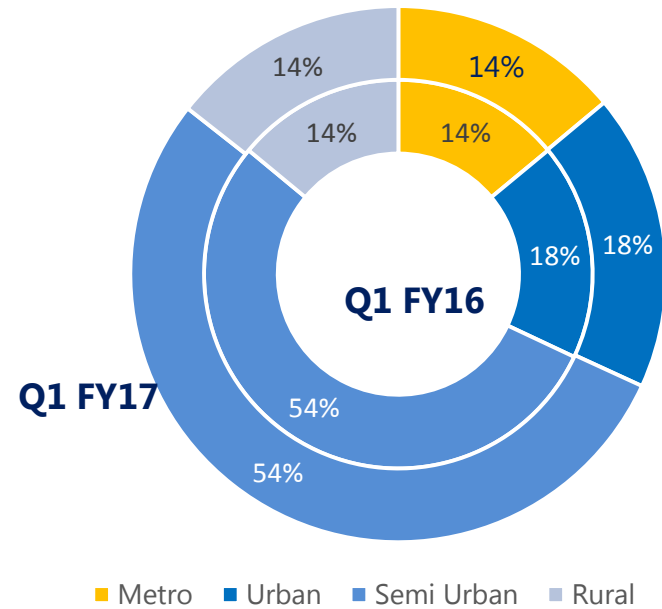




# Distribution : Deriving Efficiency from Foot Print



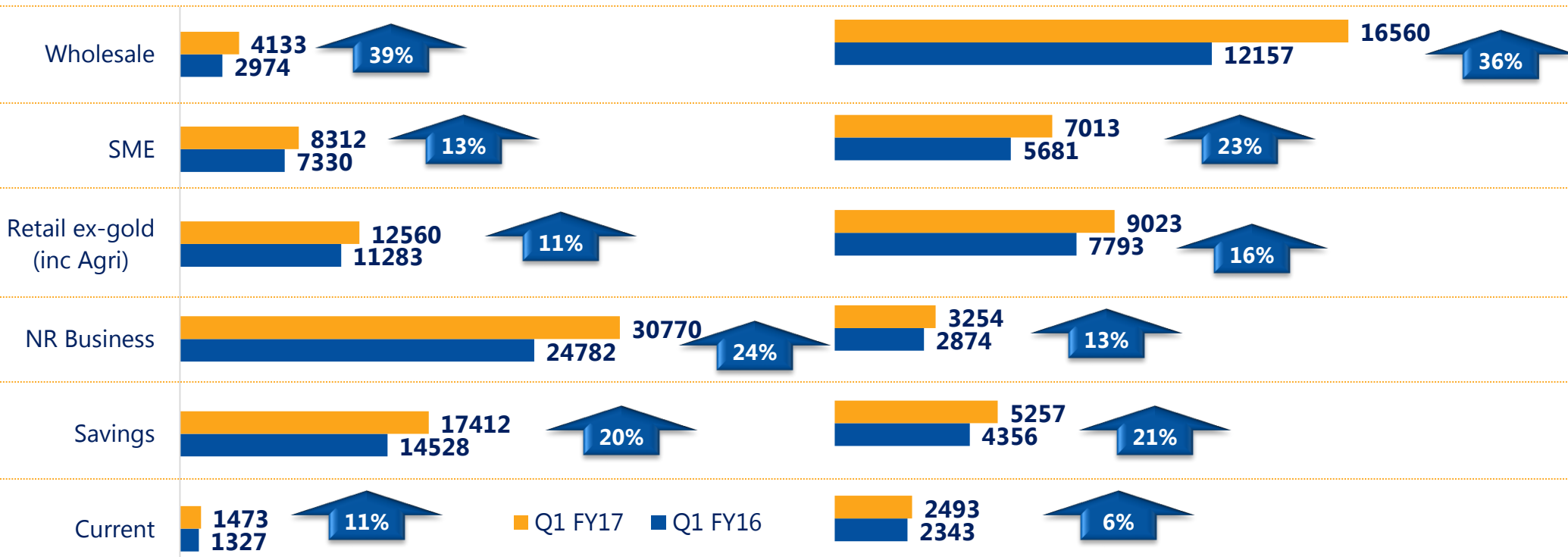
	Q1 FY17	Q1 FY16
Branches	1252	1247
ATMs	1551	1498



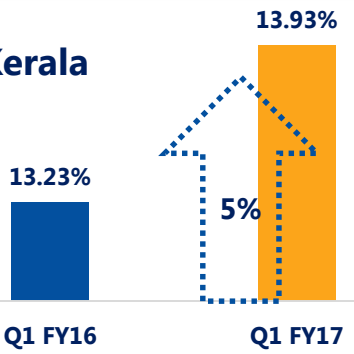
₹ in Cr

## Kerala : Continuing Dominance

## Outside Kerala: Gaining share

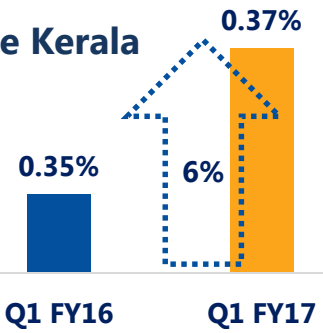


### Kerala



**Gain in Market Share**

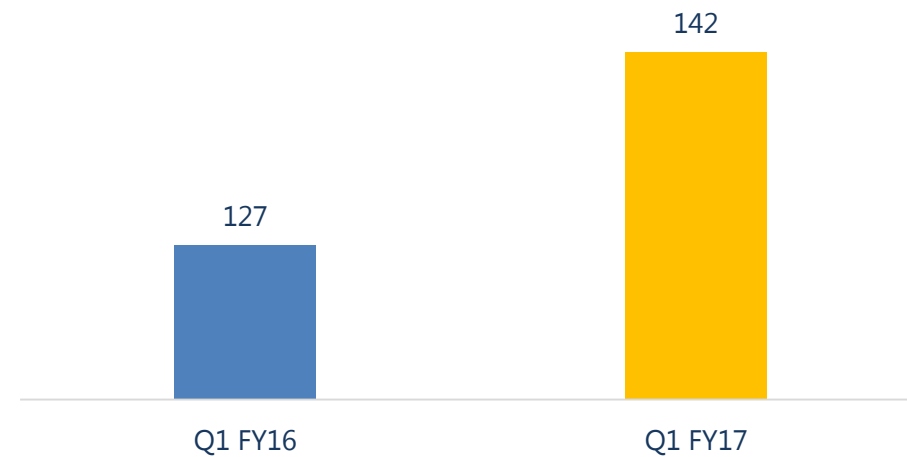
### Outside Kerala



Q1 FY 17 Q1 FY 16 Y-o-Y %

	Q1 FY 17	Q1 FY 16	Y-o-Y %
Loan Processing Fee	22	16	38%
Exchange, Commission, Brokerage & Other Fee Income	93	70	33%
Net Profit on Forex Transactions	27	41	-34%
<b>Fee Income</b>	<b>142</b>	<b>127</b>	<b>12%</b>
Profit on sale of securities	83	38	118%
Recovery from assets written off & Other Receipts	13	30	-57%
<b>Total</b>	<b>238</b>	<b>194</b>	<b>22%</b>

**Fee Income (Y-o-Y)**



# CRAR – How strong is your Bank?

₹ in Cr

	Jun-16	Mar-16
<b>Risk Weighted Assets</b>		
Credit Risk	50962	49325
Market Risk	3329	3703
Operational Risk	5704	5302
<b>Total RWA</b>	<b>59995</b>	<b>58330</b>
Tier-1 Capital Funds	7796	7792
Tier-II Capital Funds	359	334
<b>Total Capital Funds</b>	<b>8155</b>	<b>8125</b>
<b>CRAR</b>	<b>13.59%</b>	<b>13.93%</b>
Tier-I	12.99%	13.36%
Tier-II	0.60%	0.57%

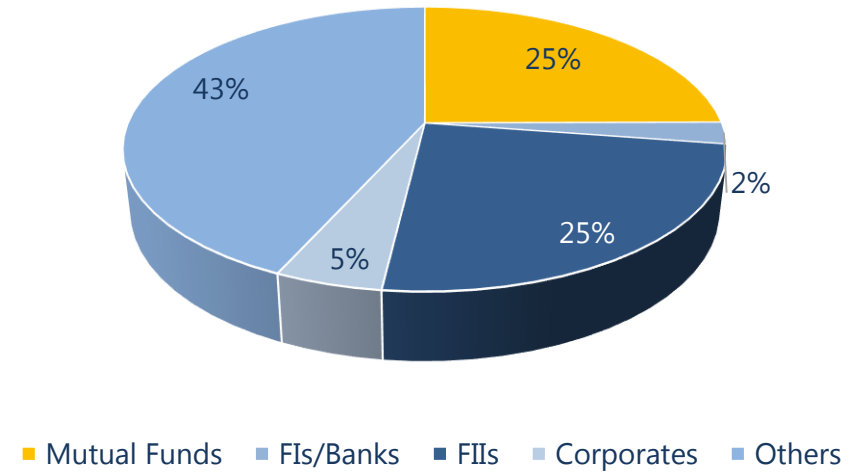
# Annexures

# Balance Sheet & Shareholding Pattern

₹ in Cr

	Q1 FY17	Q1 FY16
<b>LIABILITIES</b>		
Capital	344	172
Reserves & Surplus	7916	7718
Deposits	81132	72140
Borrowings	1729	1829
Other Liabilities & Provisions	2669	2416
<b>TOTAL</b>	<b>93790</b>	<b>84274</b>
<b>ASSETS</b>		
Cash & Balance with RBI	3767	3558
Balances with Banks, Money at Call	2660	2216
Investments	22851	23164
Advances	59118	49552
Fixed Assets	514	480
Other Assets	4880	5304
<b>TOTAL</b>	<b>93790</b>	<b>84274</b>

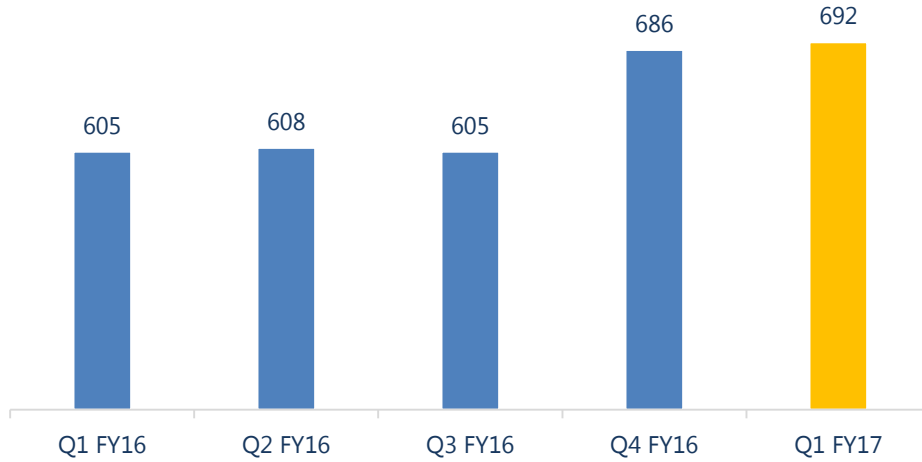
**Share Holding Pattern**



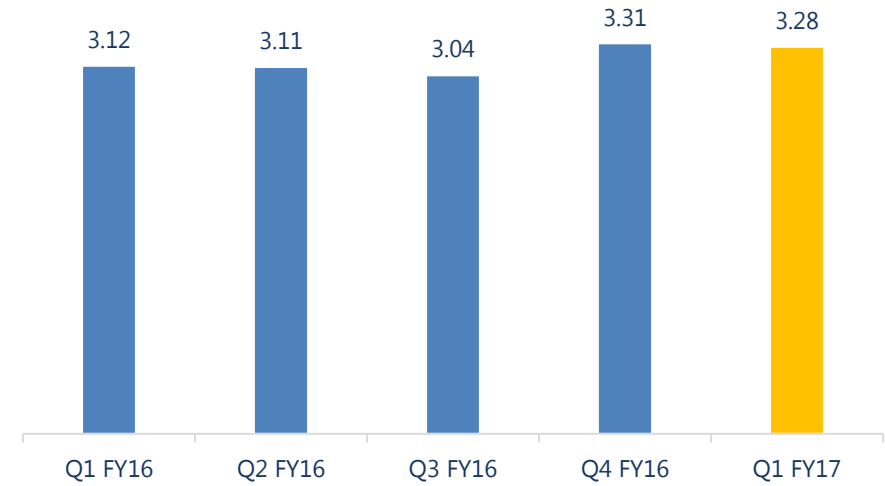
₹ in Cr

	Q1 FY17	Q4 FY16	Q-o-Q	Q1 FY16	Y-o-Y
<b>Interest Income</b>	2013	2027	-1%	1913	5%
<b>Interest Expenses</b>	1321	1341	-1%	1308	1%
<b>Net Interest Income</b>	692	686	1%	605	14%
<b>Other Income</b>	238	227	5%	194	23%
<b>Total Income</b>	2251	2253	0%	2107	7%
<b>Total Expenditure</b>	1825	1859	-2%	1740	5%
<b>Operating Profit</b>	426	395	8%	367	16%
<b>Total Provisions</b>	259	384	-33%	226	14%
<b>Net Profit</b>	167	10	1530%	141	18%
<b>Net Interest Margin (%)</b>	3.28	3.31	-3bps	3.12	16 bps
<b>Cost to Income Ratio (%)</b>	54.19	56.78	-259 bps	54.02	17 bps

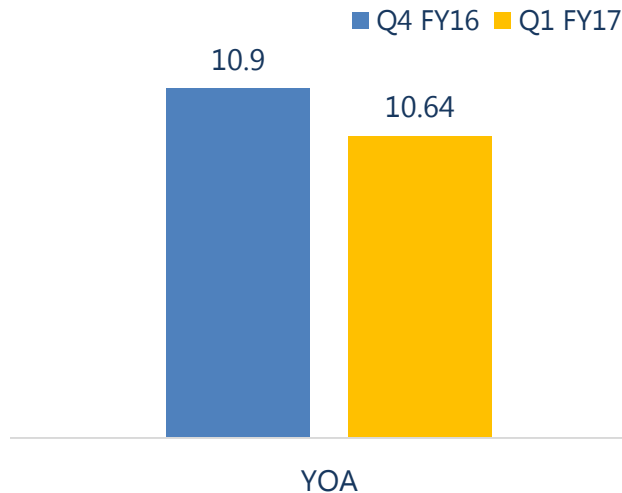
## Net Interest Income



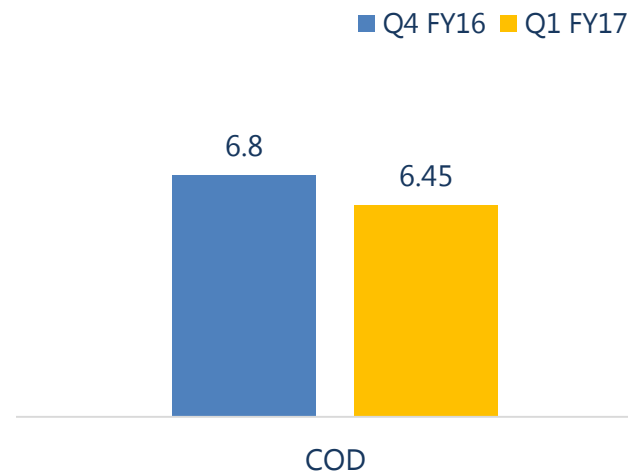
## Net Interest Margin (%)



## Yield on Advances

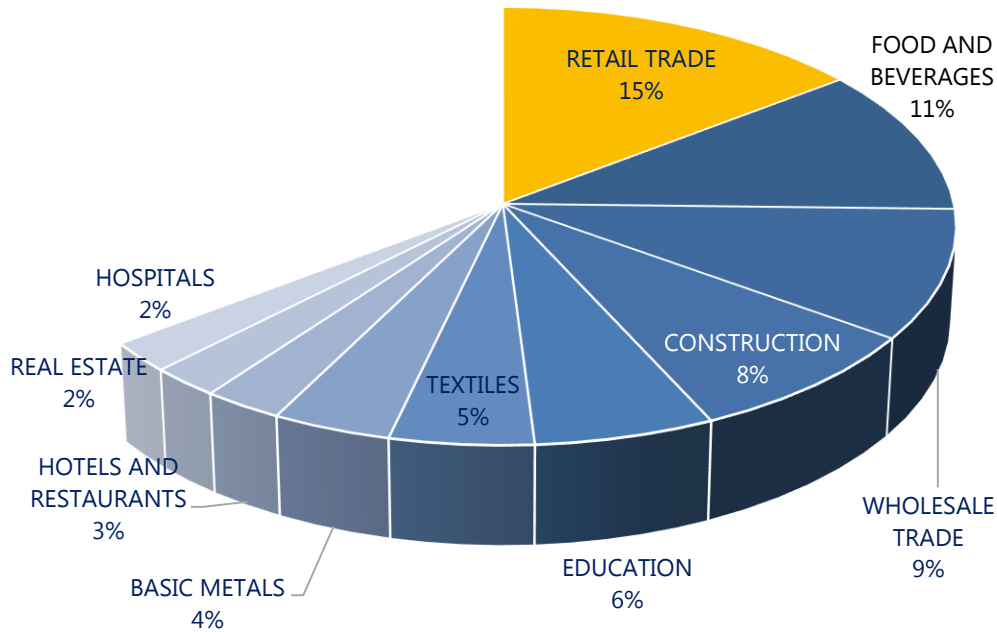


## Cost of Deposits

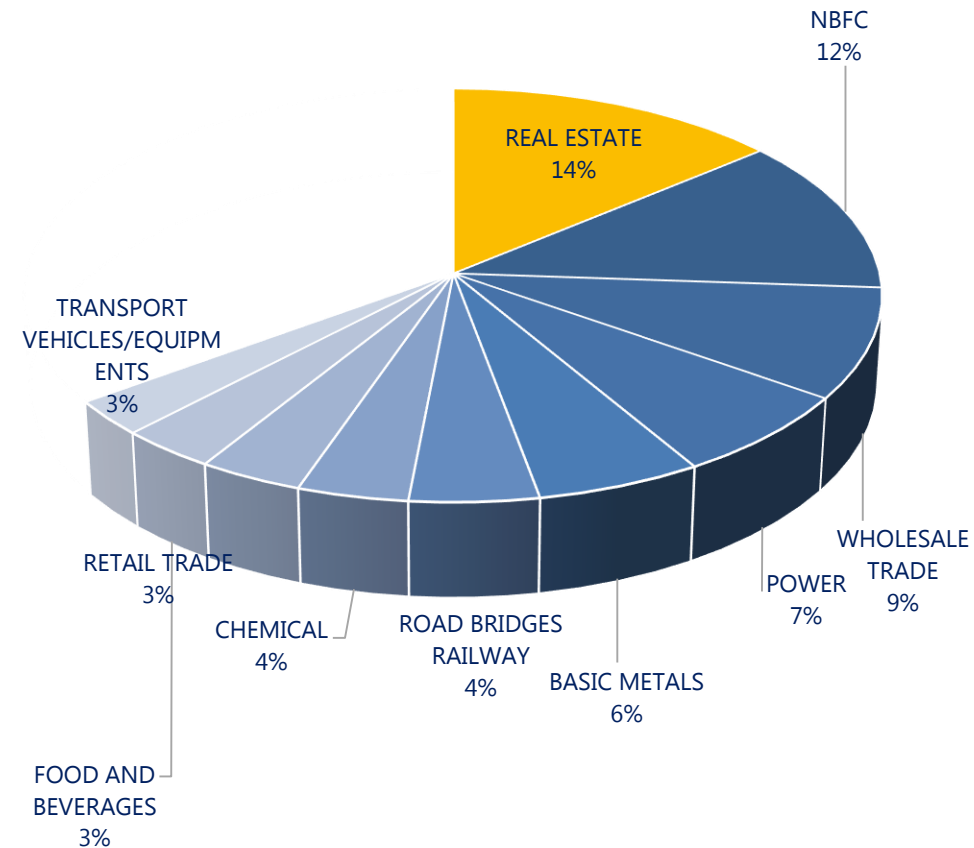




## SME Portfolio



## 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	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.

**Federal Bank – Phillip Capital strategic partnership**



**Inauguration of launchpad(an exclusive outlet for Startups) at Bangalore**



**Federal bank tie up with 4-TiGO**



**6th Annual Greentech HR award for Technology Excellence in HR**



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**Thank You**