

Secretarial Department

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

SDF-24/ /2016-17

19<sup>th</sup> January 2017

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Floor 25, Dalal Street,  
Mumbai- 400 001

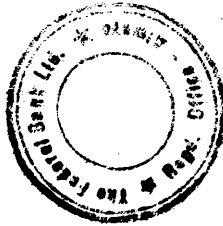
Dear Sir,

**Sub. : Presentation to Investors/Analyst on the Financial Results for the period ended 31<sup>st</sup> December 2016.**

As required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, an Investor/Analyst presentation on the Bank's Quarter III results and Business Updates is attached herewith and the same has been published on the Bank's website also.

Thanking you,  
Yours faithfully,

  
**Girish Kumar G**  
Company Secretary



# Investor Information

**FEDERAL BANK**  
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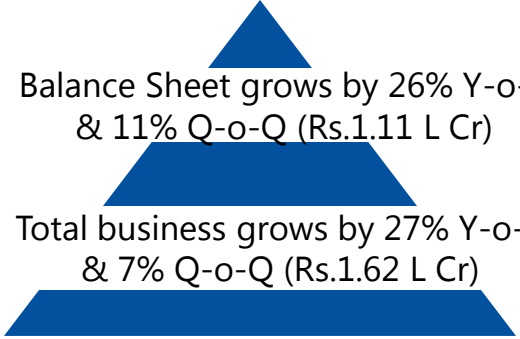
**Q3 FY 2017**

- ❑ Operating performance continues to be strong (46% growth Y-o-Y)
- ❑ Quarterly Net Income crosses Rs.1000 Cr

NIM maintains growth trajectory

- ❑ Growth Enablers in place
- ❑ Consistent Credit growth over last seven quarters (32% growth Y-o-Y)

- ❑ Liability franchise remains a core strength
- ❑ CASA ratio @ 34.66 %

- 
- ❑ Balance Sheet grows by 26% Y-o-Y & 11% Q-o-Q (Rs.1.11 L Cr)
  - ❑ Total business grows by 27% Y-o-Y & 7% Q-o-Q (Rs.1.62 L Cr)










- ❑ First Bank in Country to launch UPI based POS machine
- ❑ Significant uptick in digital adoption

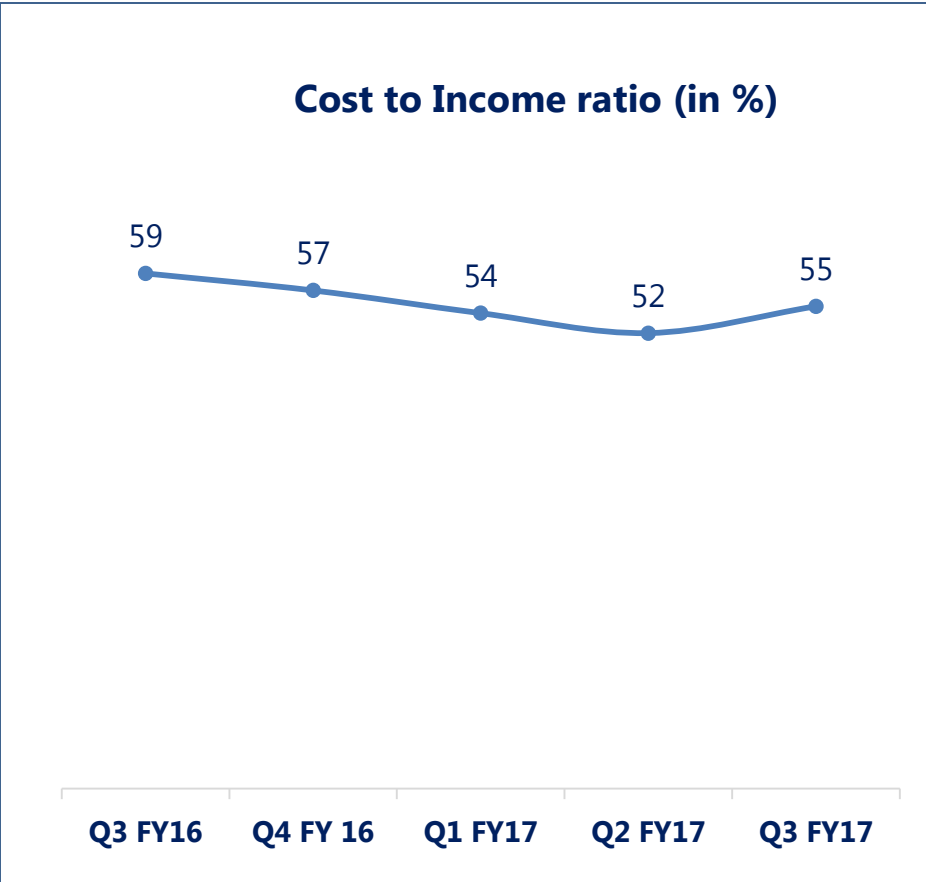
- ❑ Asset Quality remains stable
- ❑ Credit cost contained @ 0.64%

Core Fee income grows by 33% YoY

- ❑ Gaining share Pan India.
- ❑ Opened new representative office at Dubai.

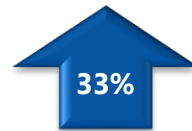
# Performance Highlights (Y-o-Y)

<b>Savings Account</b>	<b>32%</b> 	<b>Net Interest Income</b>	<b>31%</b> 
<b>Current Account</b>	<b>38%</b> 	<b>NIM</b>	<b>3.32%</b>
<b>Retail Deposit</b>	<b>21%</b> 	<b>Operating Profit</b>	<b>46%</b> 
<b>Retail Advance (Excl Gold)</b>	<b>35%</b> 	<b>Fresh Slippage</b>	<b>29%</b> 
<b>SME Advance</b>	<b>16%</b> 	<b>Capital Adequacy (CRAR)</b>	<b>12.28%</b>
<b>Wholesale Business</b>	<b>53%</b> 	<b>Provision Coverage Ratio</b>	<b>71.01%</b>



## Deposits

### CASA



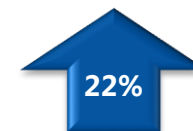
24005→31973

### CASA Ratio



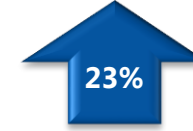
32.10→34.66

### NRE Deposits



28381→34547

### Total Deposits



74792→92236

## Advances

### Retail+Agri



22837→28084

### SME



14033→16324

### Wholesale



16668→25531

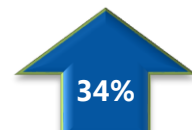
### Total Advances



53538→70439

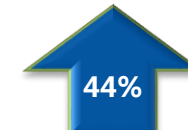
## Performance

### Net Income (NII+OI)



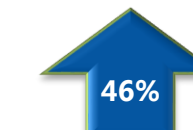
789→1055

### Other Income



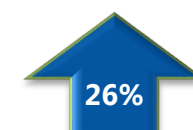
183→263

### Operating Profit



325→475

### Net Profit



163→206

## Ratios

### Cost Income ratio



58.72→ 54.97

### Gross NPA%



3.15→2.77

### Net NPA%



1.66→1.58

### Profit per Employee



5.58→7.13

# Comparison : Q-o-Q (Sequential)

## Deposits

### CASA

19%

26787→31973

### CASA Ratio

362  
bps

31.04→34.66

### NRE Deposits

6%

32459→34547

### Total Deposits

7%

86299→92236

## Advances

### Retail+Agri

5%

26753→28084

### SME

1%

16235→16324

### Wholesale

14%

22451→25531

### Total Advances

8%

65439→70439

## Performance

### Net Income (NII+OI)

7%

988→1055

### Other Income

1%

262→263

### Operating Profit

Flat

475→475

### Net Profit

2%

201→206

## Ratios

### Cost Income ratio

305  
bps

51.92→54.97

### Gross NPA%

1  
bps

2.78→2.77

### Net NPA%

3  
bps

1.61→1.58

### Profit Per Employee

2%

6.96→7.13

		Q3 FY17	Q2 FY17	Q1 FY17	Q4 FY16	Q3 FY16
<b>Shareholder Value</b>	<b>Book Value</b> (Per Share in ₹)	49.94	48.63	47.07	46.24	47.86
	<b>EPS</b>	4.74	4.68	3.89	0.24	3.79
<b>Granularity</b>	<b>Customer Base</b> (In Lakhs)	80.50	78.16	76.42	75.13	73.52
	<b>CASA + Deposits &lt;1 Cr</b> (% of Total Deposits)	92%	89%	93%	92%	93%
<b>Profitability</b>	<b>ROA</b>	0.78	0.88	0.76	0.05	0.77
	<b>ROE</b>	9.62	9.78	8.37	0.51	8.0
<b>Efficiency</b>	<b>Cost/Income</b>	54.97	51.92	54.19	56.78	58.72
	<b>Net NPA%</b>	1.58	1.61	1.68	1.64	1.66



# Steady improvement in Asset Quality ratios

Fresh Accretion					
	Q3 FY17	Q2 FY17	Q1 FY17	Q4 FY16	Q3 FY16
Retail	86	63	67	85	68
Agri	14	26	34	43	16
SME	119	135	134	154	111
Wholesale	55	42	45	254	192
<b>Total</b>	<b>273</b>	<b>266</b>	280	536	<b>386</b>

Restructured				
TYPE	Q3 FY17		Q2 FY17	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1453	101	1493	72
NPA	511	228	519	228
<b>TOTAL</b>	<b>1964</b>	<b>329</b>	<b>2012</b>	<b>300</b>

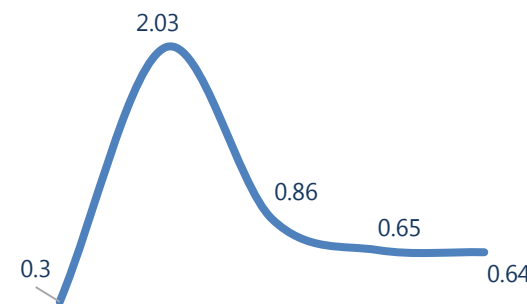
(Rs. in Cr)

- No Sale to ARCs
- No Conversion to Off-balance sheet

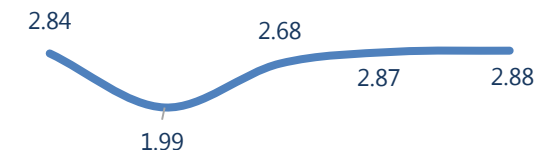
Security Receipts	
Q3 FY17	Q2 FY17
613.94	626.02

NPA Composition		Q3 FY17	Q2 FY17
	Business	NPA	NPA
Gross NPA	Retail	368	312
	Agri	158	156
	SME	901	828
	Wholesale	525	523
	<b>Total</b>	1952	1820
<b>Net NPA</b>		<b>1102</b>	<b>1040</b>

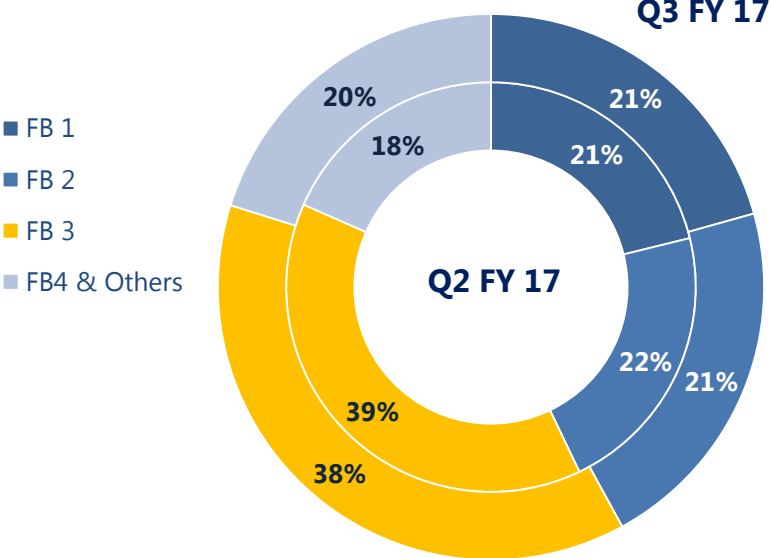
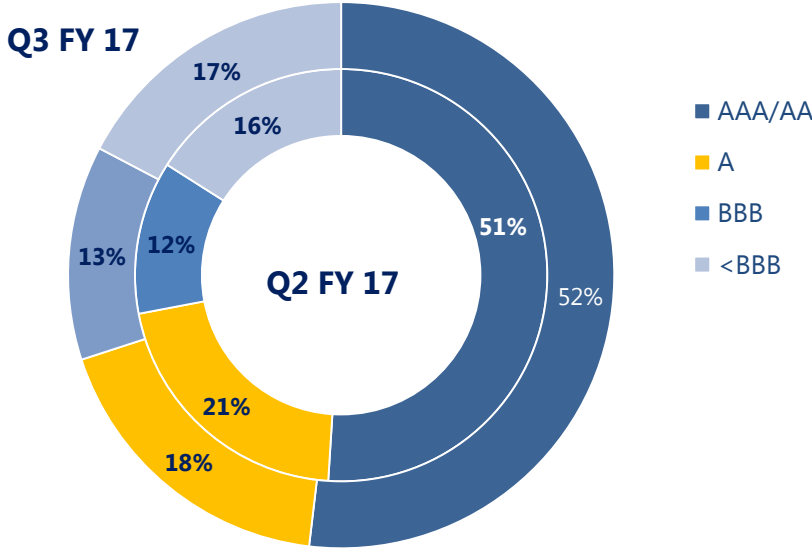
## Credit Cost



## Risk Adj NIM



## Risk Rating



### Wholesale Assets

Rating	Q3 FY-17	Q2 FY-17
AAA / AA	52%	51%
A	18%	21%
BBB	13%	12%
< BBB	17%	16%

### Other Assets

Rating	Q3 FY-17	Q2 FY-17
FB 1	21%	21%
FB 2	21%	22%
FB 3	38%	39%
FB4 & Others	20%	18%

## Digital Enrichments

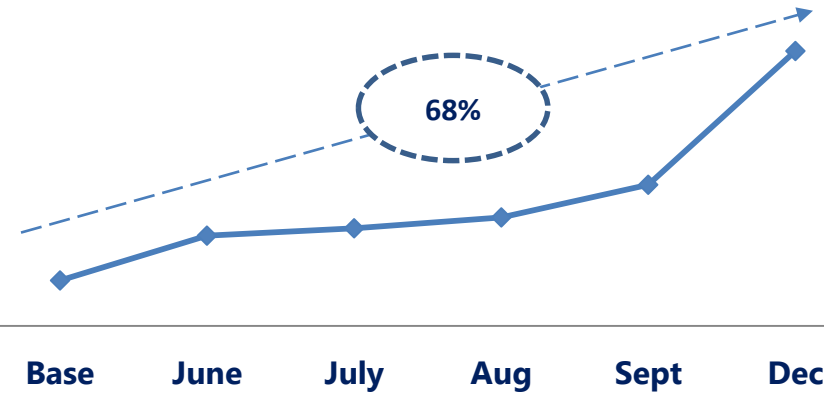
Rolled out Lotza merchant Application, an exclusive UPI App for merchants enabling them to receive funds from any UPI App

New versions of FedMobile, Fedbook and LOTZA released with improved on boarding processes and additional features

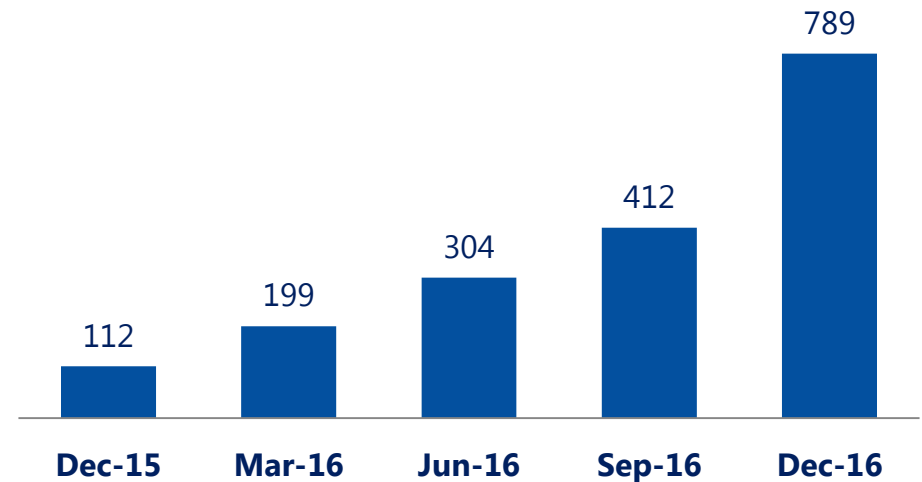
Tie-up with ICAI – Exchanged agreements with ICAI, for fee payments through Federal Bank payment gateway.

Missed call banking : Self number recharge, for Rs.100 by default just by giving a missed call was launched in December.

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



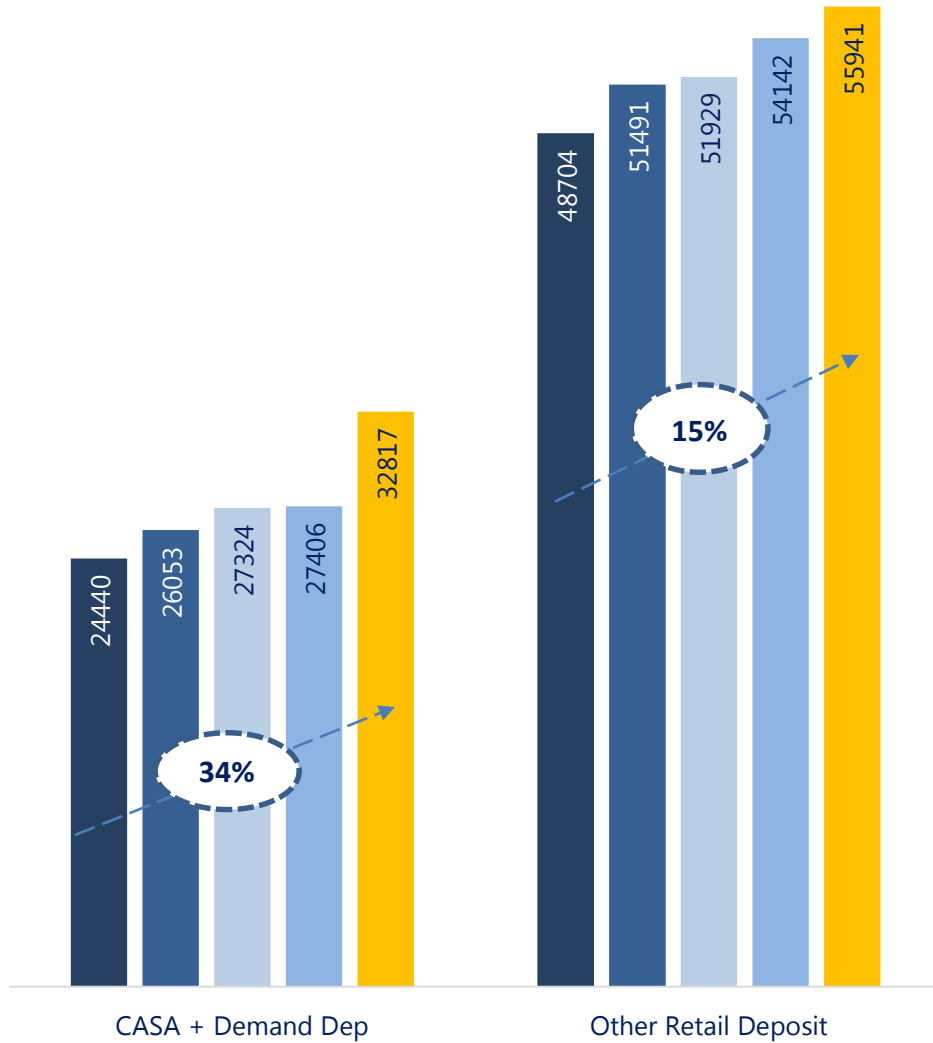
## FedMobile Transaction Volume (per month in Cr)



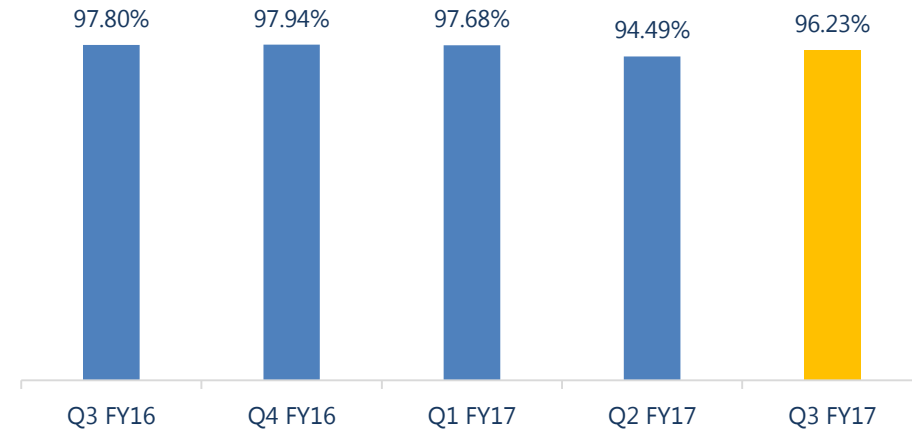
# Business Parameters

₹ in Cr

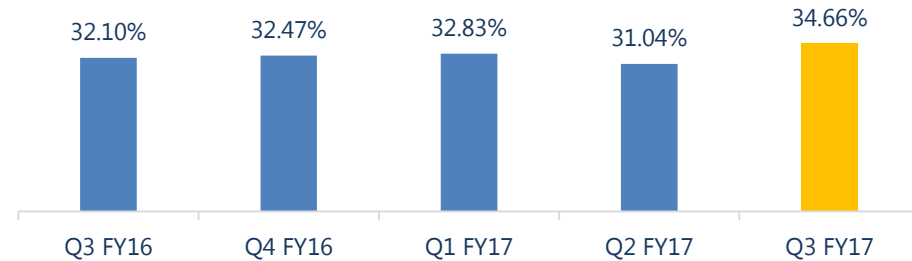
■ Q3 FY16 ■ Q4 FY16 ■ Q1 FY17 ■ Q2 FY17 ■ Q3 FY17

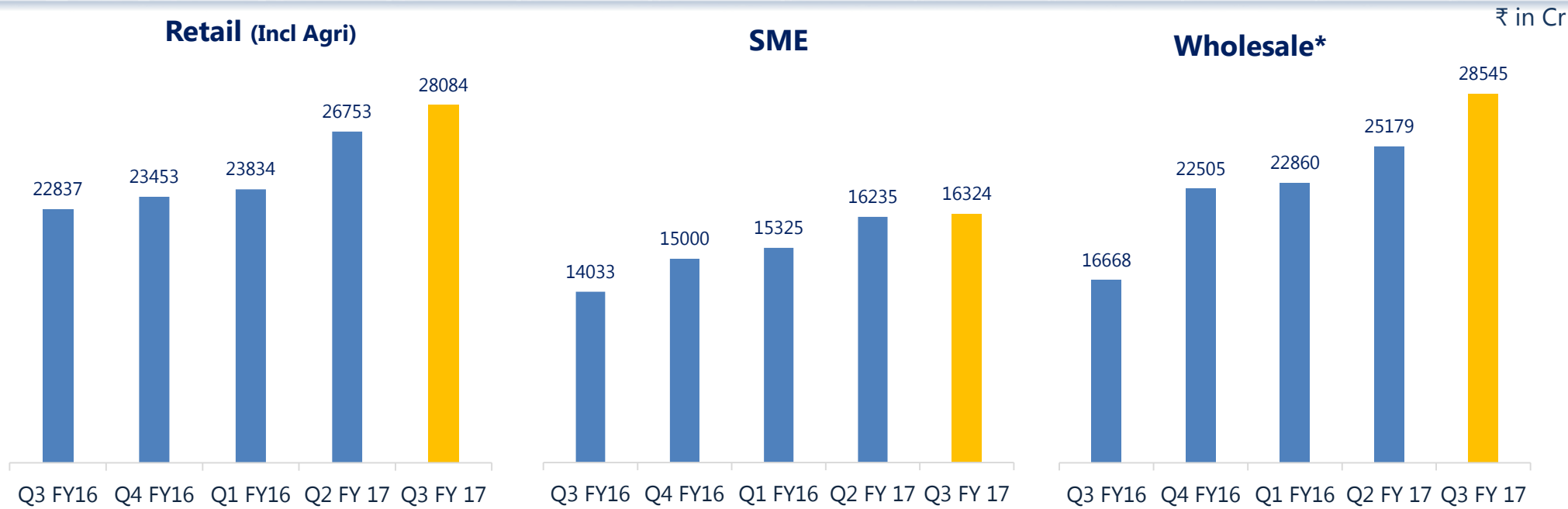


## Retail Deposit ratio



## CASA Ratio



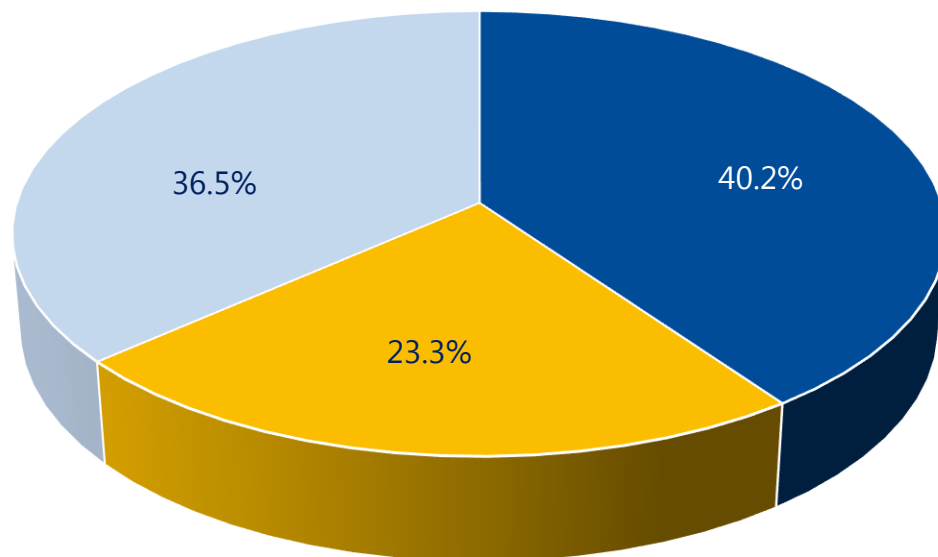


## Highlights

- The credit book is well diversified.
- Retail ex-gold up by 35% Y-o-Y.
- Wholesale\* Book up by 71.25% Y-o-Y.

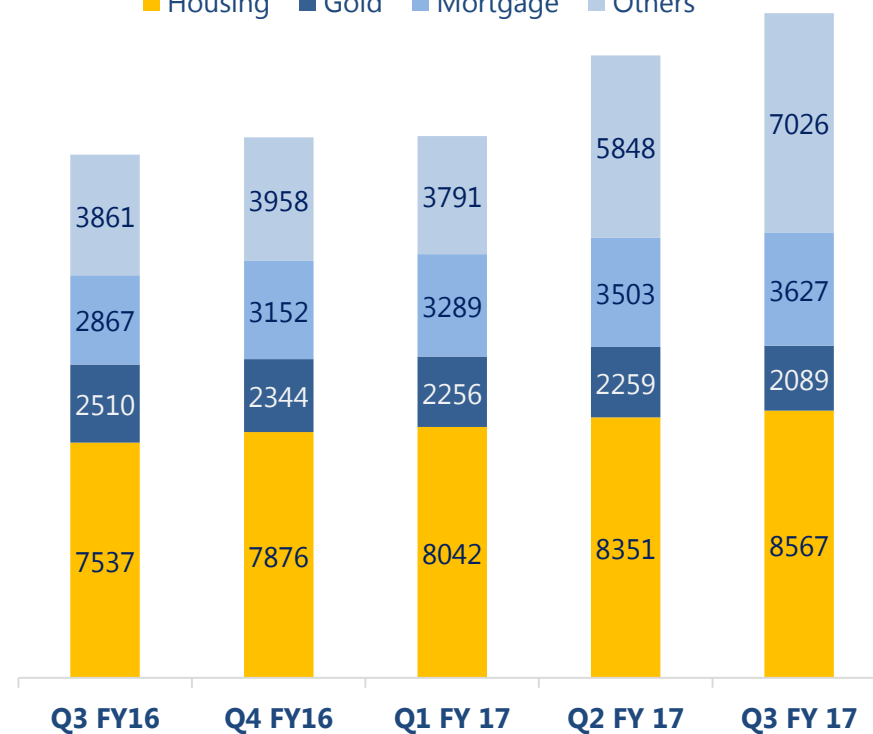
## Total Loan Book

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



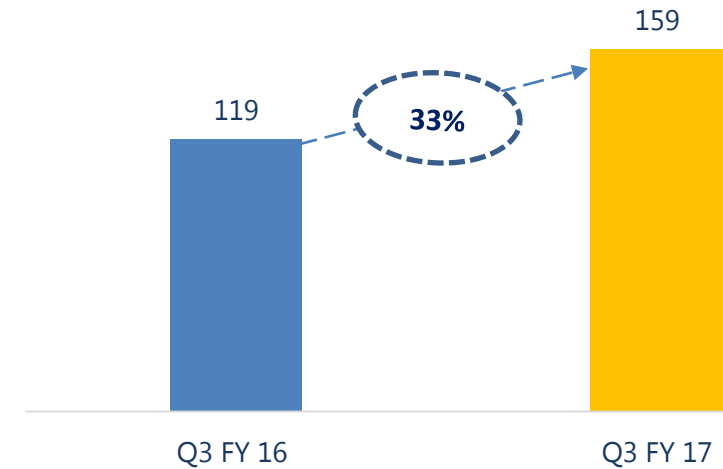
## Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others



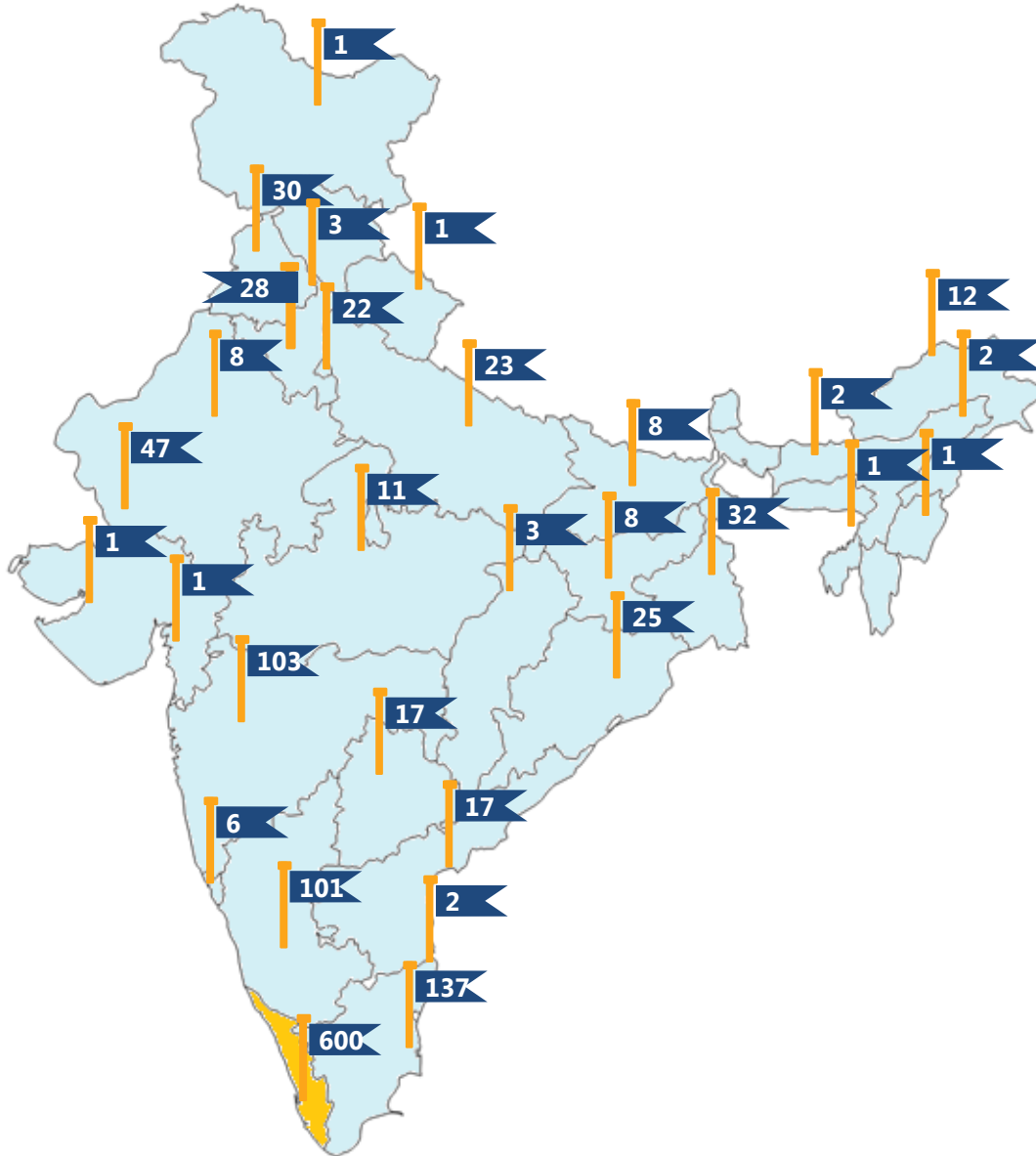
	Q3 FY 17	Q2 FY17	Q3 FY16	Y-o-Y %
Loan Processing Fee	29	27	20	43%
Exchange, Commission, Brokerage & Other Fee Income	97	99	80	21%
Net Profit on Forex Transactions	33	27	19	74%
<b>Fee Income</b>	<b>159</b>	152	<b>119</b>	33%
Profit on sale of securities	86	86	23	274%
Recovery from assets written off & Other Receipts	18	23	41	-51%
<b>Total Other income</b>	<b>263</b>	262	<b>183</b>	45%

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

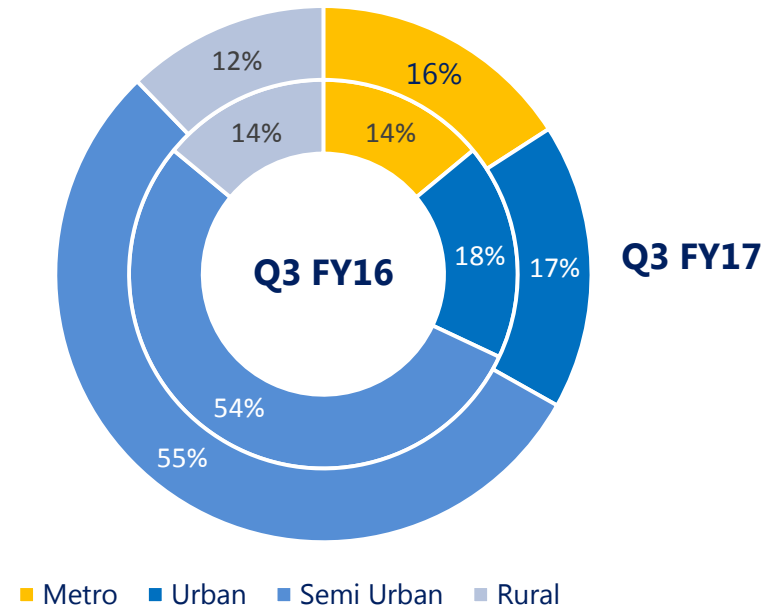




# Distribution : Deriving Efficiency from Foot Print



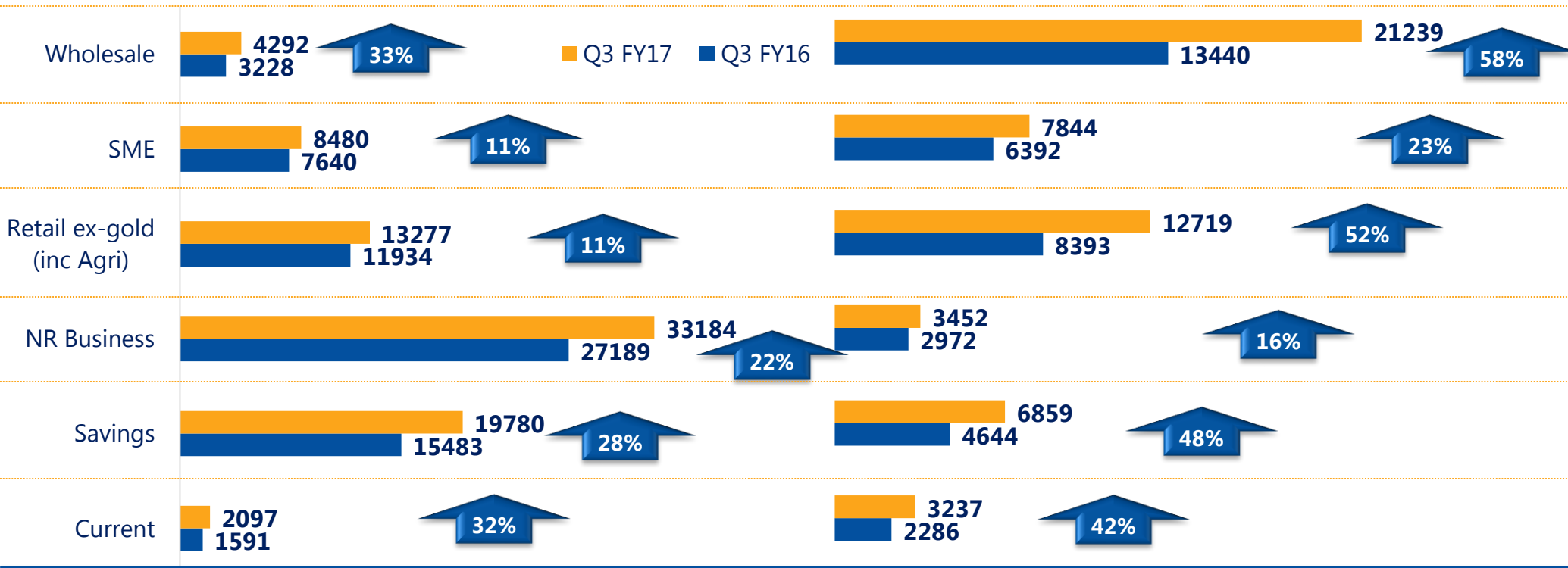
	Q3 FY17	Q2 FY17	Q3 FY16
Branches	1252	1252	1252
ATMs	1655	1607	1548



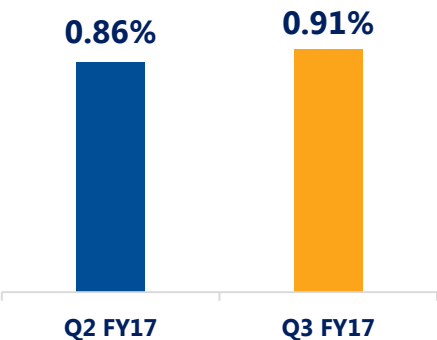
₹ in Cr

## Kerala : Continuing Dominance

## Outside Kerala: Gaining share



## Bank's Market Share



**Gain in Market Share:**  
5.7% growth (Q-o-Q)

# CRAR – How strong is your Bank?

₹ in Cr

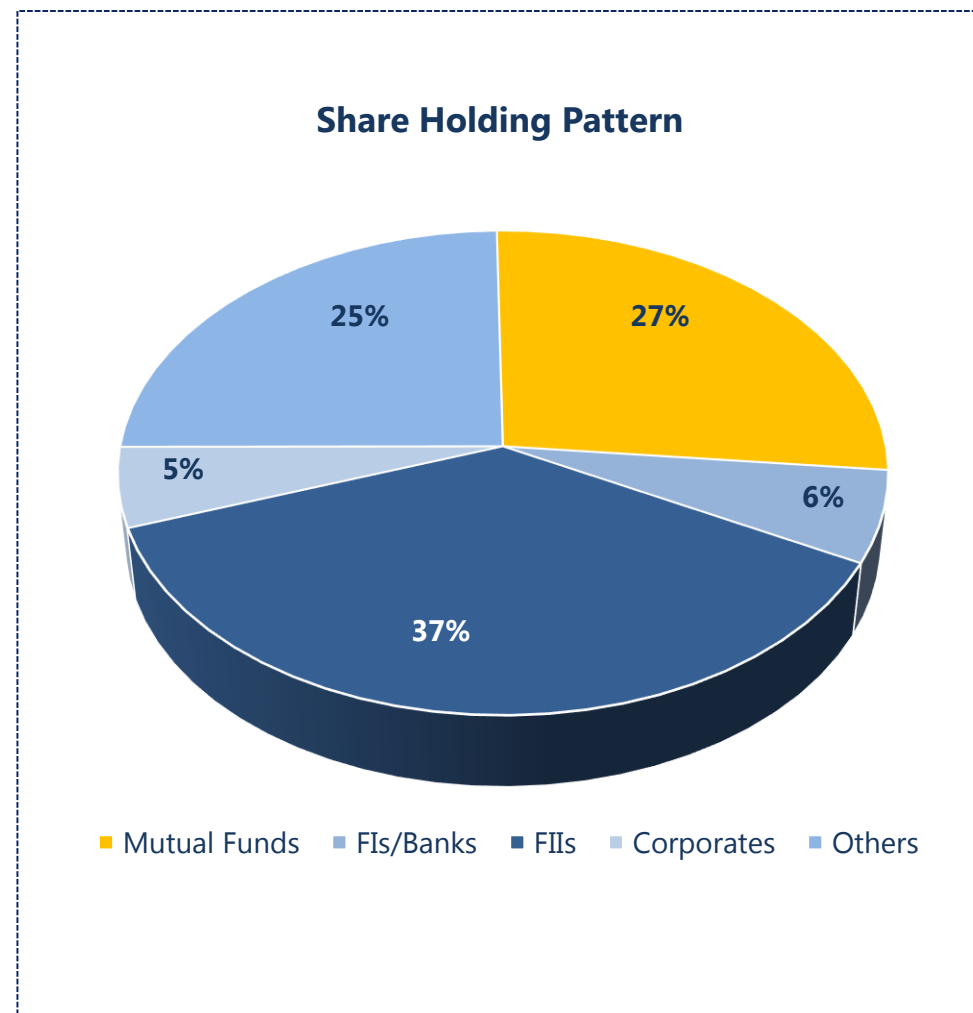
	Dec-16	Sep-16
<b>Risk Weighted Assets</b>		
Credit Risk	58564	55141
Market Risk	3258	3172
Operational Risk	5704	5704
<b>Total RWA</b>	<b>67526</b>	<b>64017</b>
Tier-1 Capital Funds	7851	7822
Tier-II Capital Funds	441	406
<b>Total Capital Funds</b>	<b>8292</b>	<b>8229</b>
<b>CRAR</b>	<b>12.28%</b>	<b>12.85%</b>
Tier-I	11.63%	12.22%
Tier-II	0.65%	0.63%

# Annexures

# Balance Sheet & Shareholding Pattern

₹ in Cr

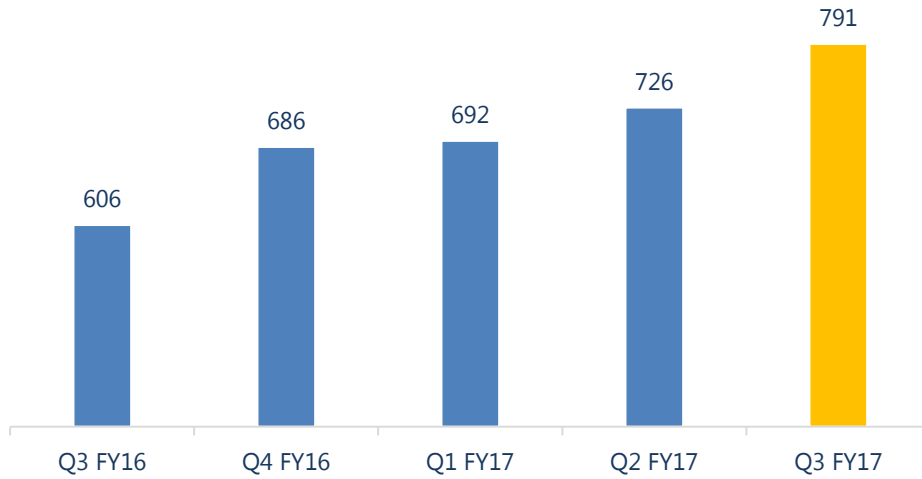
	Q3 FY17	Q3 FY16
<b>LIABILITIES</b>		
Capital	344	344
Reserves & Surplus	8334	7880
Deposits	92236	74792
Borrowings	6232	1898
Other Liabilities & Provisions	4352	3596
<b>TOTAL</b>	<b>111497</b>	<b>88509</b>
<b>ASSETS</b>		
Cash & Balance with RBI	4574	3584
Balances with Banks, Money at Call	2297	1668
Investments	28520	24647
Advances	69629	52753
Fixed Assets	511	503
Other Assets	5966	5353
<b>TOTAL</b>	<b>111497</b>	<b>88509</b>



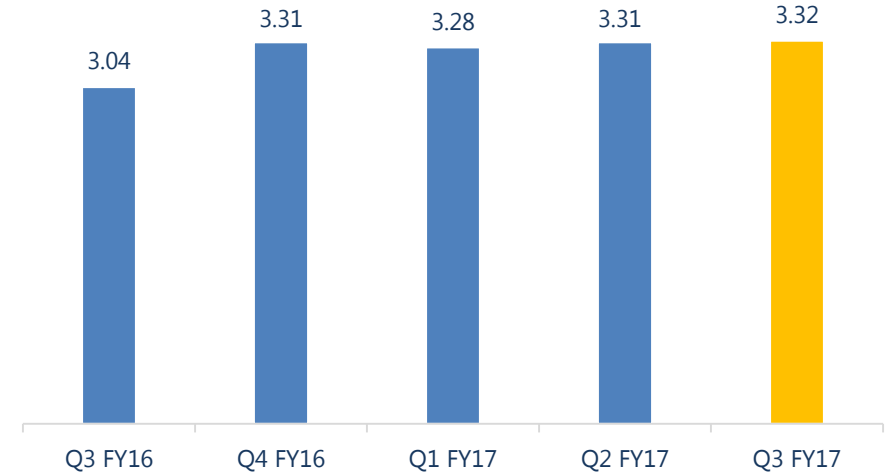
₹ in Cr

	Q3 FY17	Q2 FY17	Q-o-Q	Q3 FY16	Y-o-Y
<b>Interest Income</b>	2281	2066	10%	1903	20%
<b>Interest Expenses</b>	1490	1340	11%	1298	15%
<b>Net Interest Income</b>	<b>791</b>	<b>726</b>	<b>9%</b>	<b>606</b>	<b>31%</b>
<b>Other Income</b>	263	262	1%	183	44%
<b>Total Income</b>	<b>2545</b>	<b>2328</b>	<b>9%</b>	<b>2086</b>	<b>22%</b>
<b>Total Expenditure</b>	2070	1853	12%	1761	18%
<b>Operating Profit</b>	<b>475</b>	<b>475</b>	<b>0%</b>	<b>325</b>	<b>46%</b>
<b>Total Provisions</b>	269	274	-2%	163	65%
<b>Net Profit</b>	<b>206</b>	<b>201</b>	<b>2%</b>	<b>163</b>	<b>26%</b>
<b>Net Interest Margin (%)</b>	<b>3.32%</b>	<b>3.31%</b>	<b>1 bps</b>	<b>3.04%</b>	<b>28 bps</b>
<b>Cost to Income Ratio (%)</b>	<b>54.97%</b>	<b>51.92%</b>	<b>305 bps</b>	<b>58.72%</b>	<b>-375 bps</b>

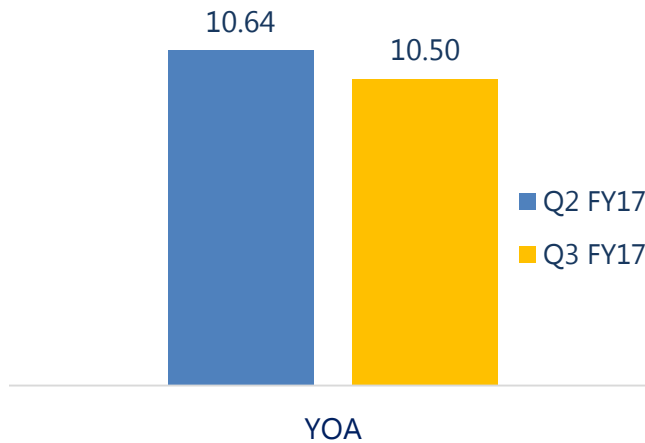
## Net Interest Income



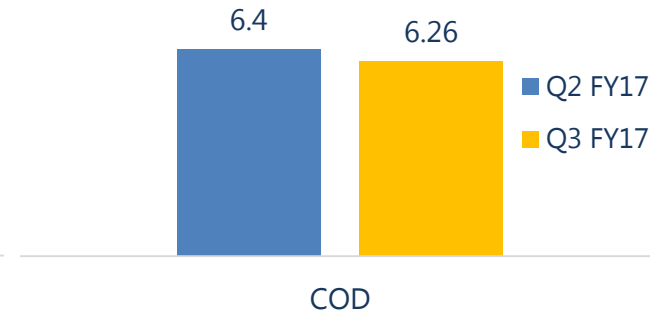
## Net Interest Margin (%)



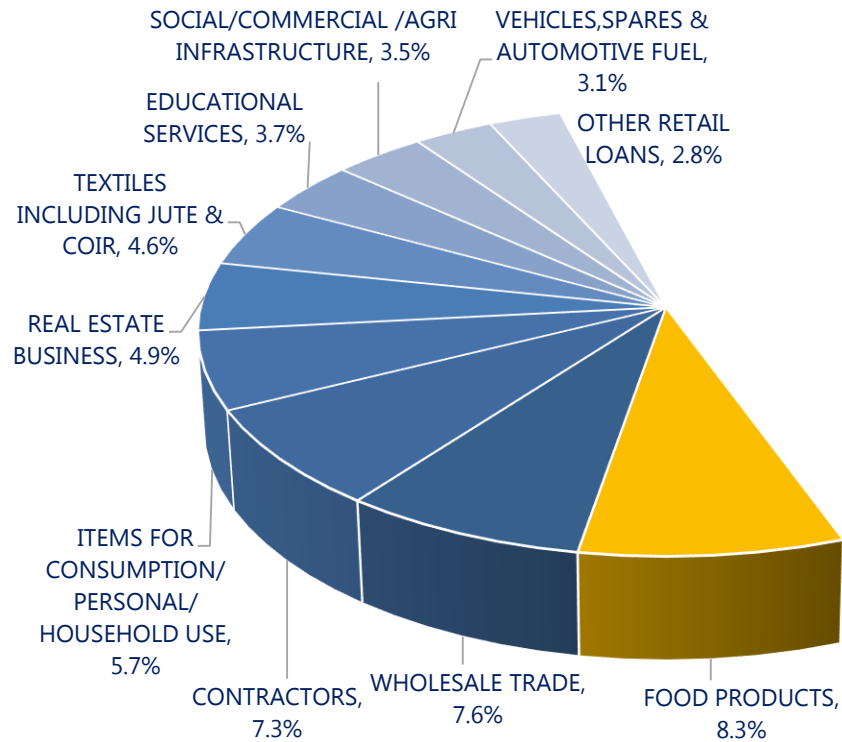
## Yield on Advances



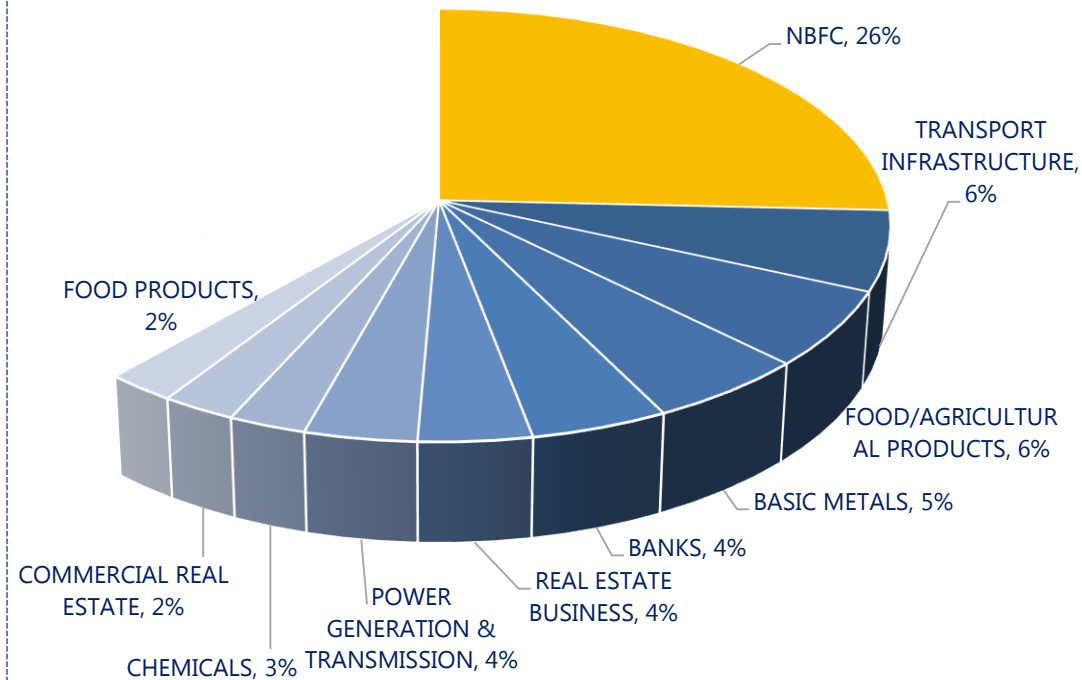
## Cost of Deposits



## 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	2.89%
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

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.

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