

Secretarial Department

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

SDF-24/ /2016-17

19th January 2017

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

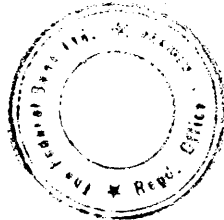
Dear Sir,

Sub. : Presentation to Investors/Analyst on the Financial Results for the period ended 31st 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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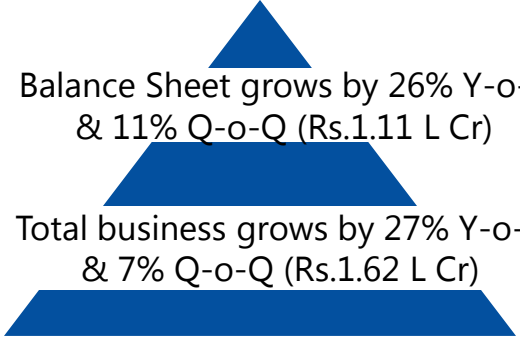
Q3 FY 2017

- ❑ 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%

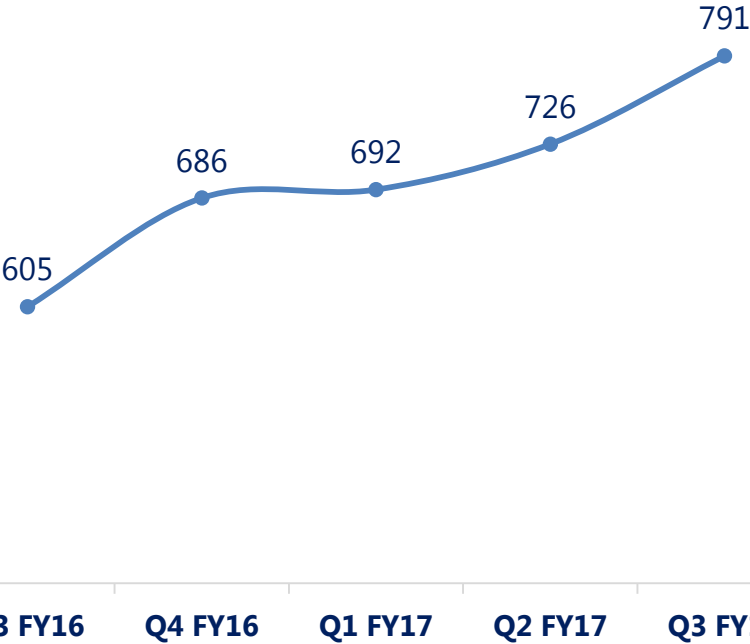
Core Fee income grows by 33% YoY

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

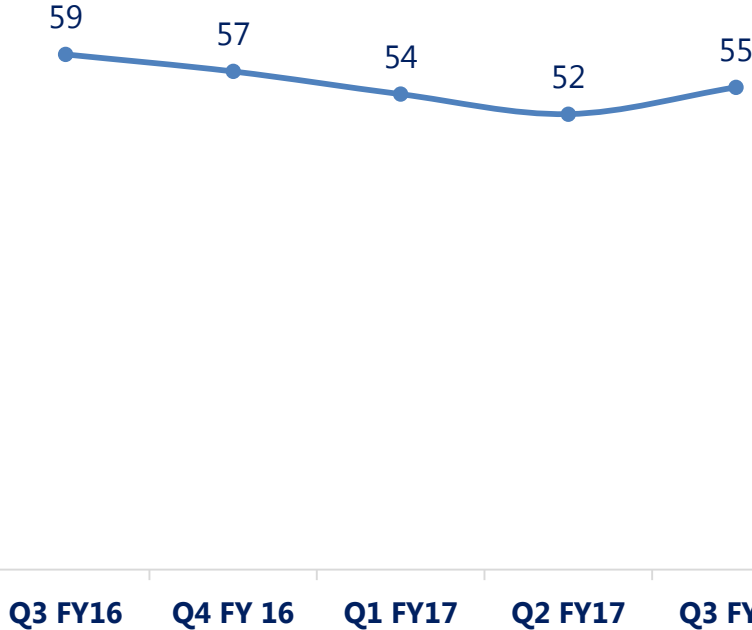
Performance Highlights (Y-o-Y)

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

Consistent growth in NII (in Cr)



Cost to Income ratio (in %)



Deposits

CASA



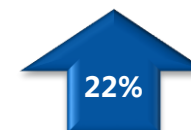
24005→31973

CASA Ratio



32.10→34.66

NRE Deposits



28381→34547

Total Deposits



74792→92236

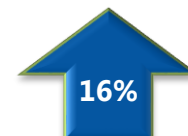
Advances

Retail+Agri



22837→28084

SME



14033→16324

Wholesale



16668→25531

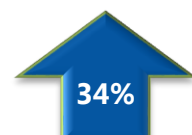
Total Advances



53538→70439

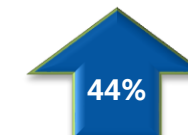
Performance

Net Income (NII+OI)



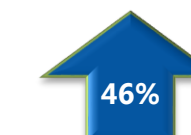
789→1055

Other Income



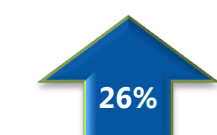
183→263

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
Shareholder Value	Book Value (Per Share in ₹)	49.94	48.63	47.07	46.24	47.86
	EPS	4.74	4.68	3.89	0.24	3.79
Granularity	Customer Base (In Lakhs)	80.50	78.16	76.42	75.13	73.52
	CASA + Deposits <1 Cr (% of Total Deposits)	92%	89%	93%	92%	93%
Profitability	ROA	0.78	0.88	0.76	0.05	0.77
	ROE	9.62	9.78	8.37	0.51	8.0
Efficiency	Cost/Income	54.97	51.92	54.19	56.78	58.72
	Net NPA%	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
Total	273	266	280	536	386

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

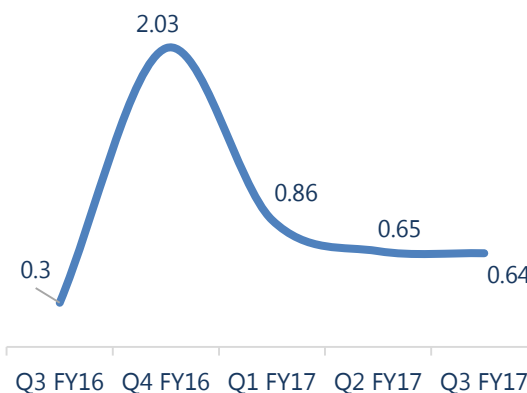
(Rs. in Cr)

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

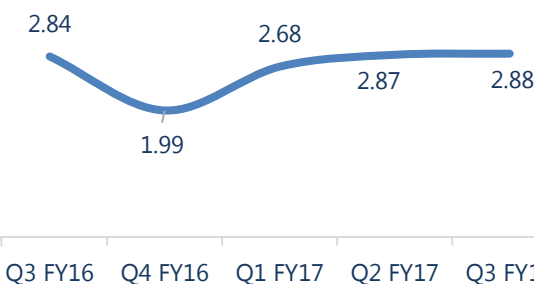
Security Receipts	
Q3 FY17	Q2 FY17
613.94	626.02

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

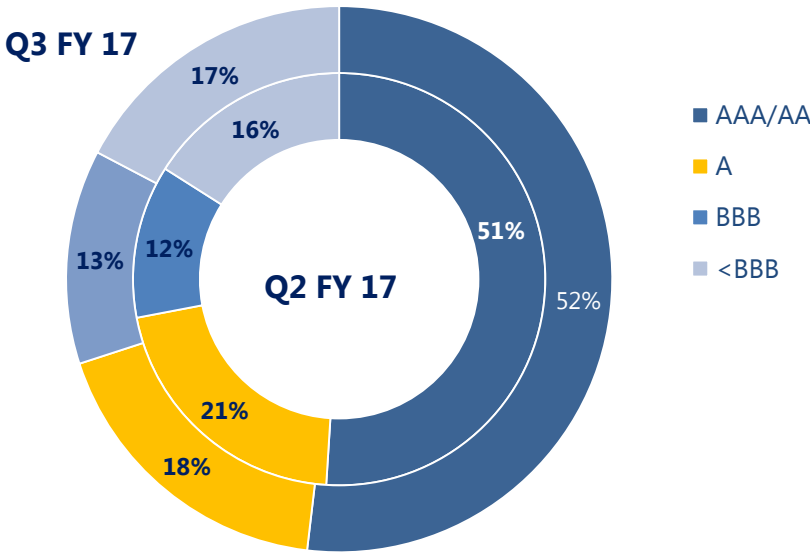
Credit Cost



Risk Adj NIM

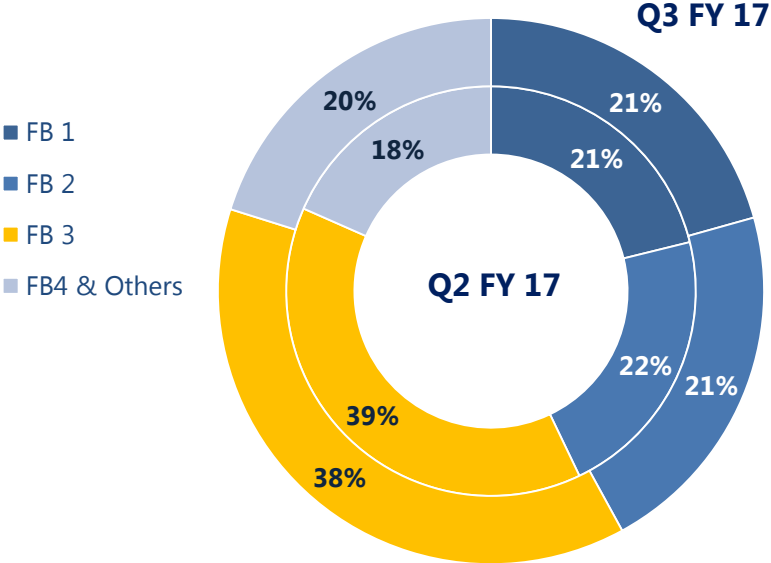


Risk Rating



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

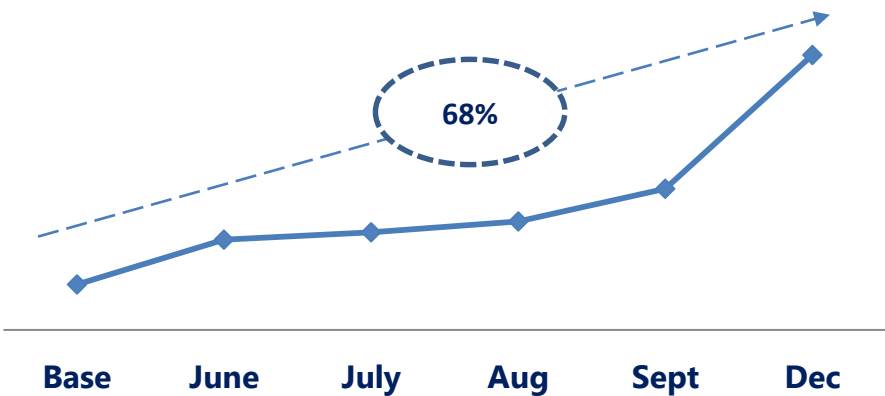
Rolled out Lotza merchant Application, an exclusive UPI App for merchants enabling them to receive funds from any UPI App

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

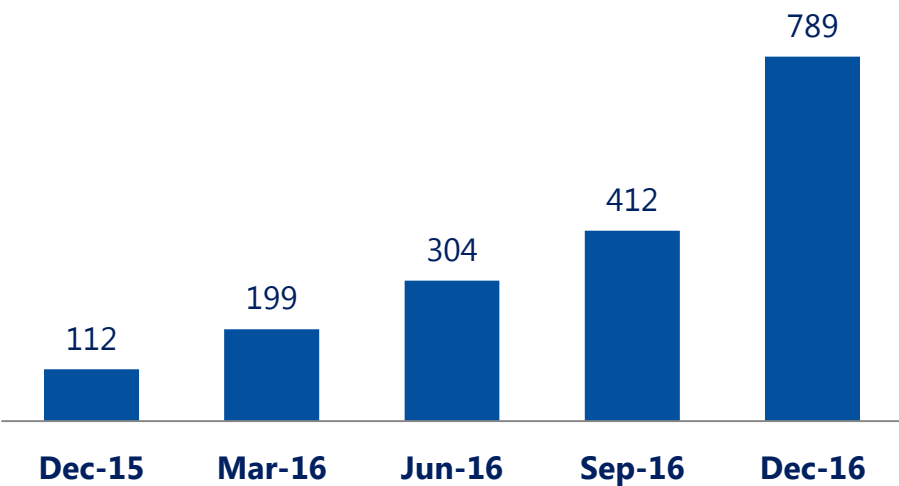
Tie-up with ICAI – Exchanged agreements with ICAI, for fee payments through Federal Bank payment gateway.

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

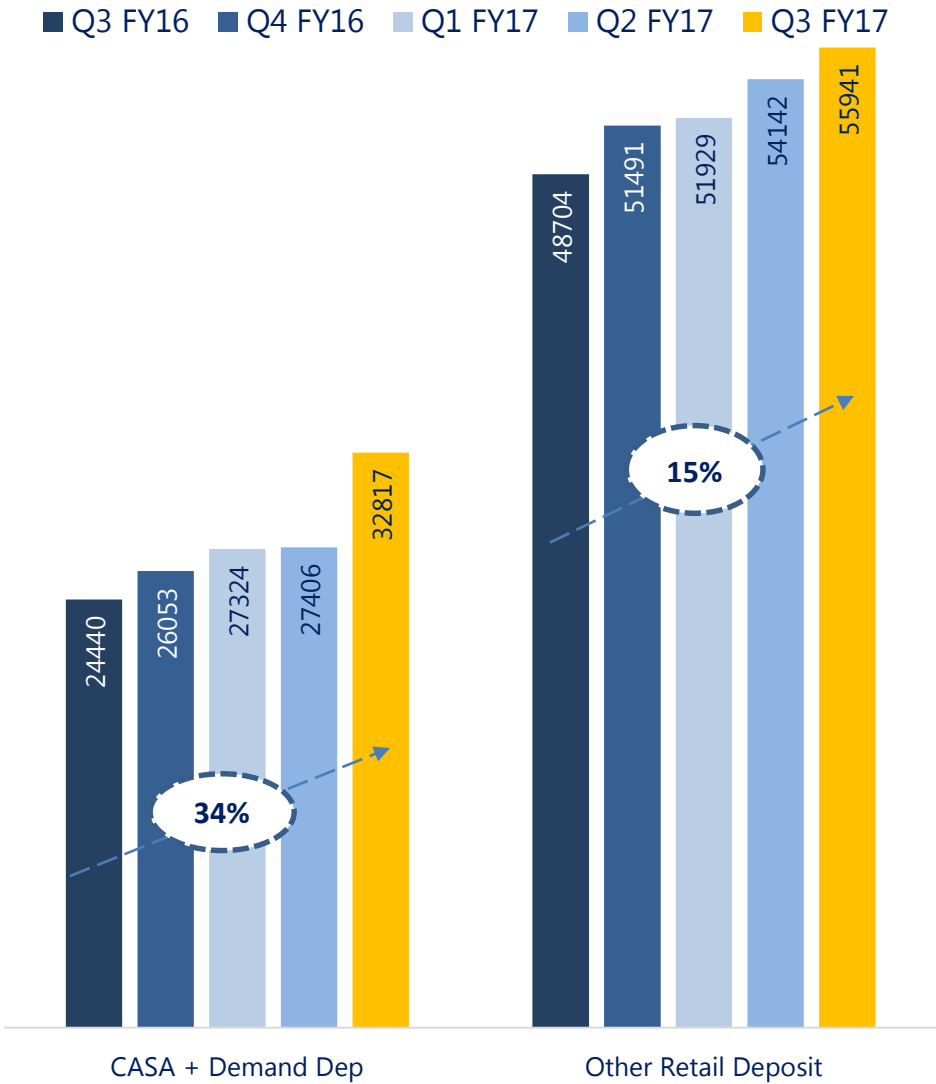


FedMobile Transaction Volume (per month in Cr)

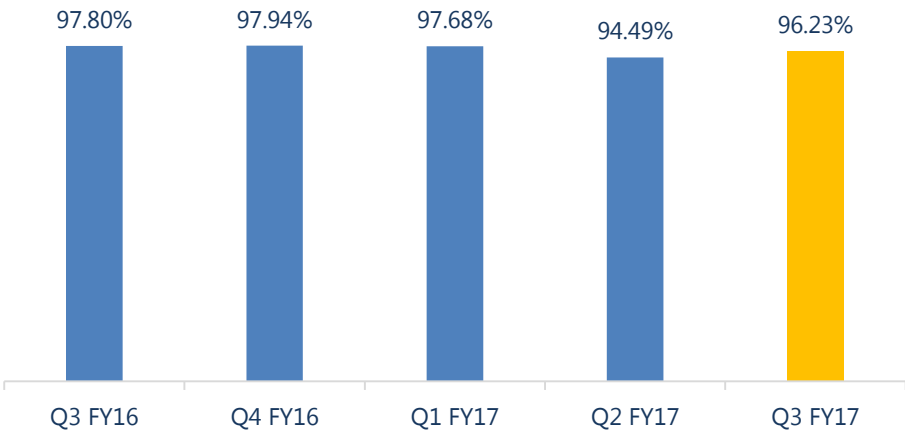


Business Parameters

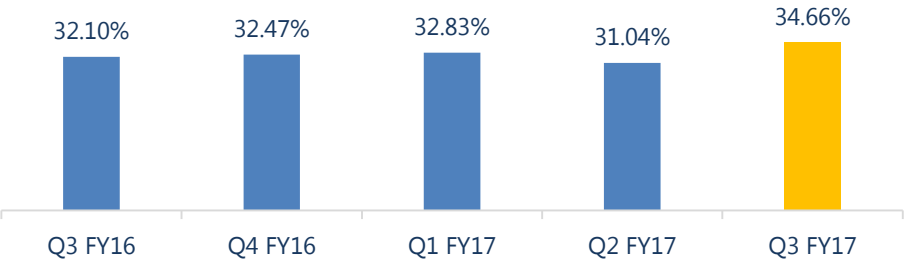
₹ in Cr

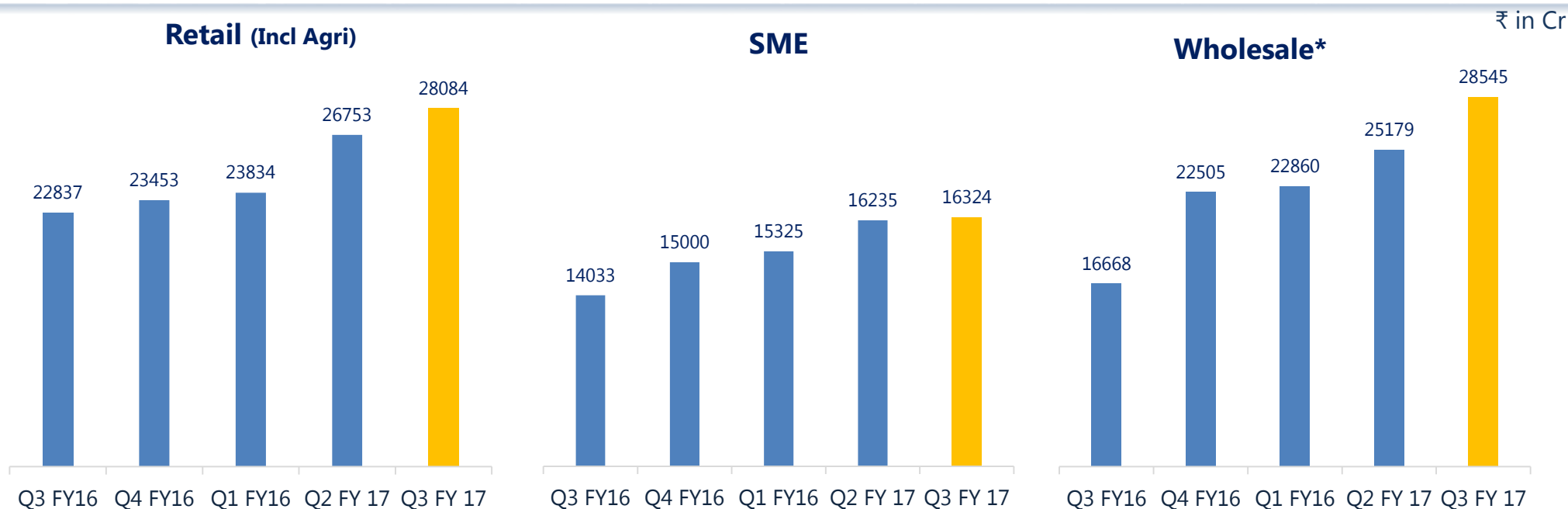


Retail Deposit ratio



CASA Ratio



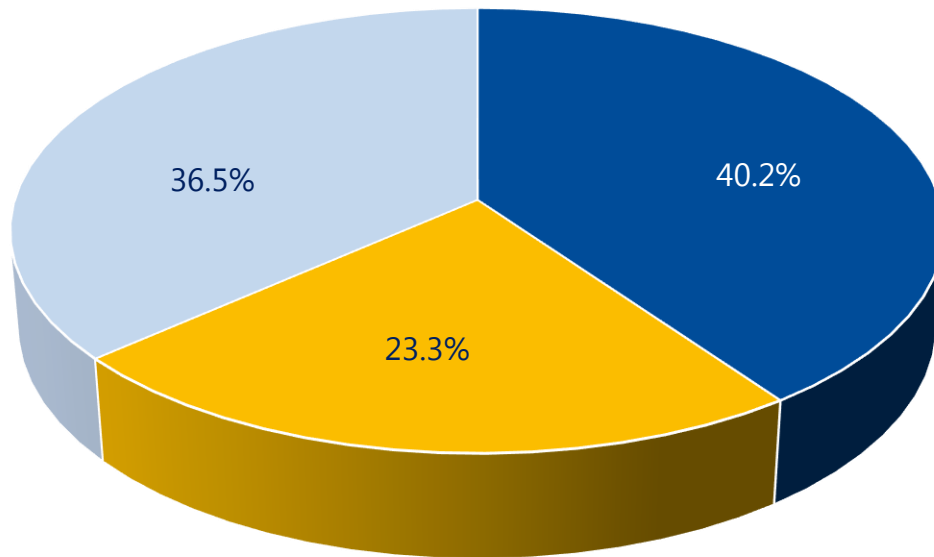


Highlights

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

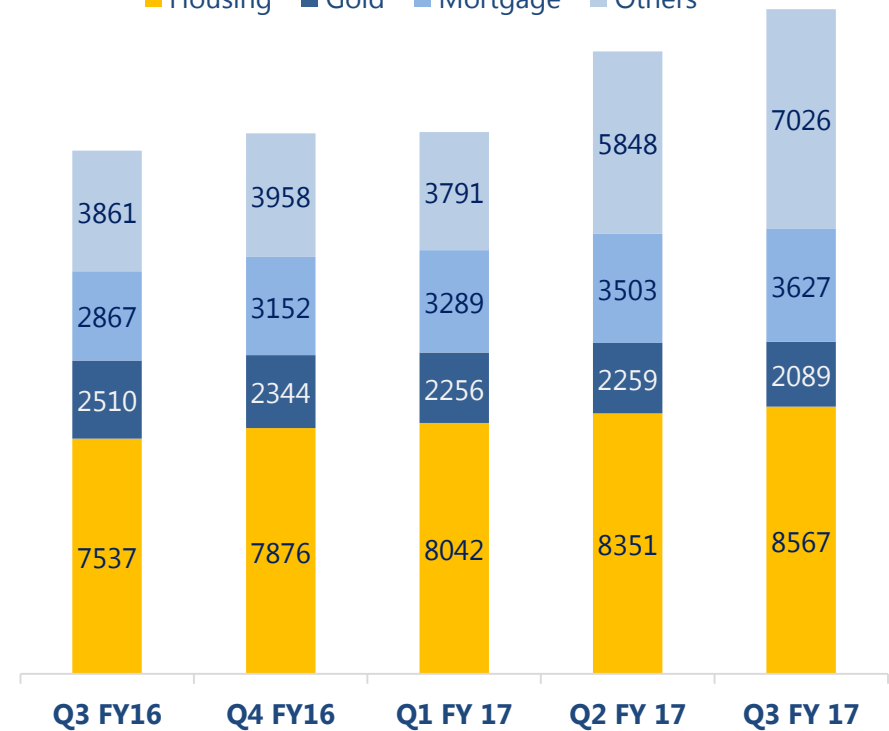
Total Loan Book

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



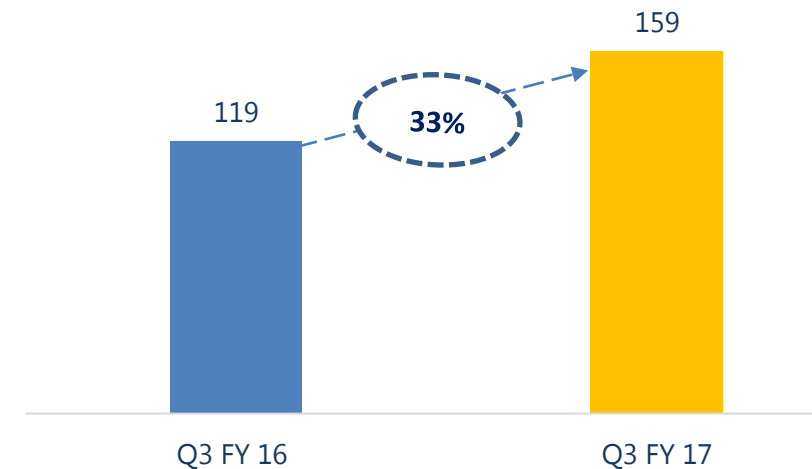
Retail Loan Book (Excl Agri)

■ Housing ■ Gold ■ Mortgage ■ Others

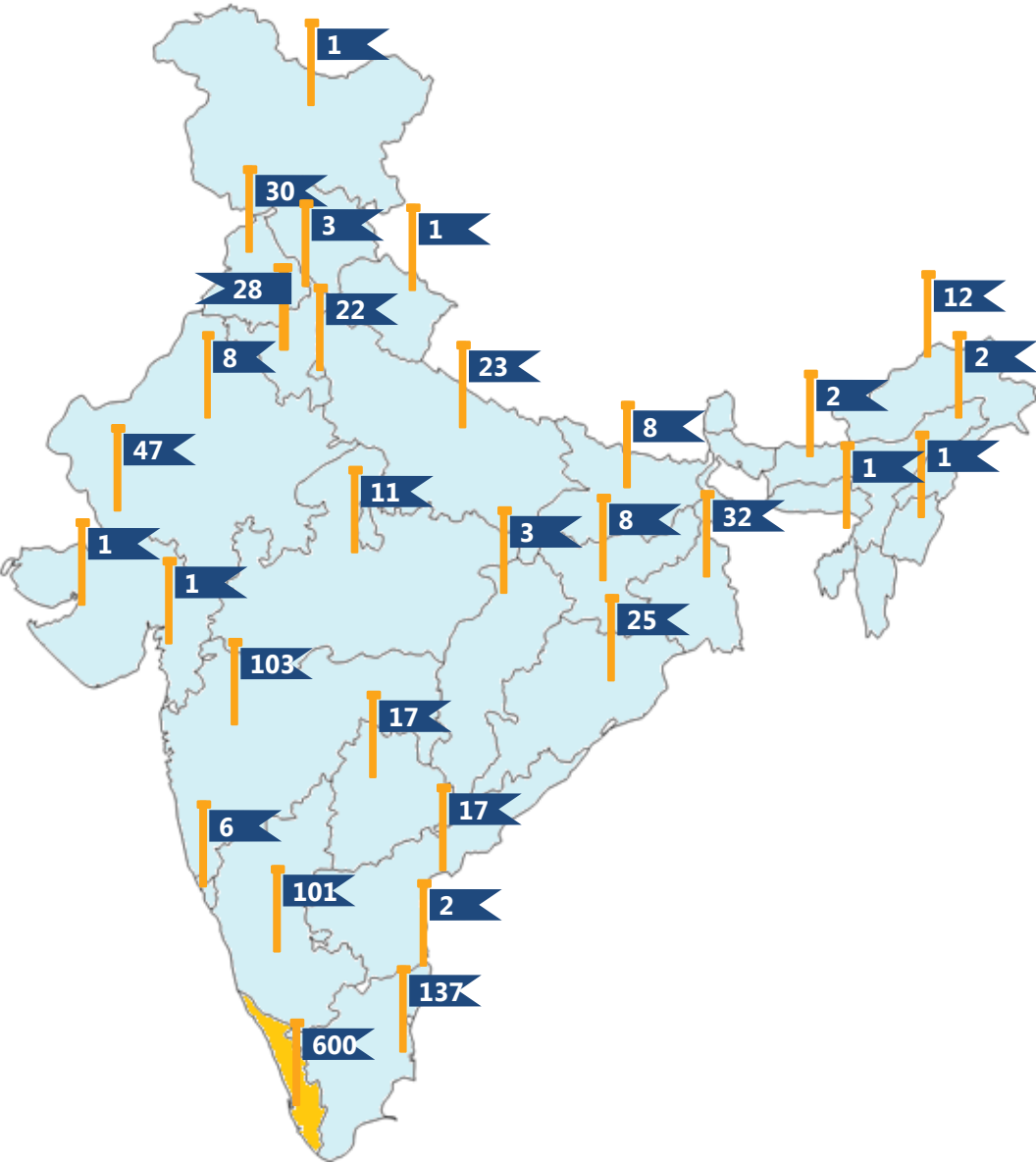


	Q3 FY 17	Q2 FY17	Q3 FY16	Y-o-Y %
Loan Processing Fee	29	27	20	43%
Exchange, Commission, Brokerage & Other Fee Income	97	99	80	21%
Net Profit on Forex Transactions	33	27	19	74%
Fee Income	159	152	119	33%
Profit on sale of securities	86	86	23	274%
Recovery from assets written off & Other Receipts	18	23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

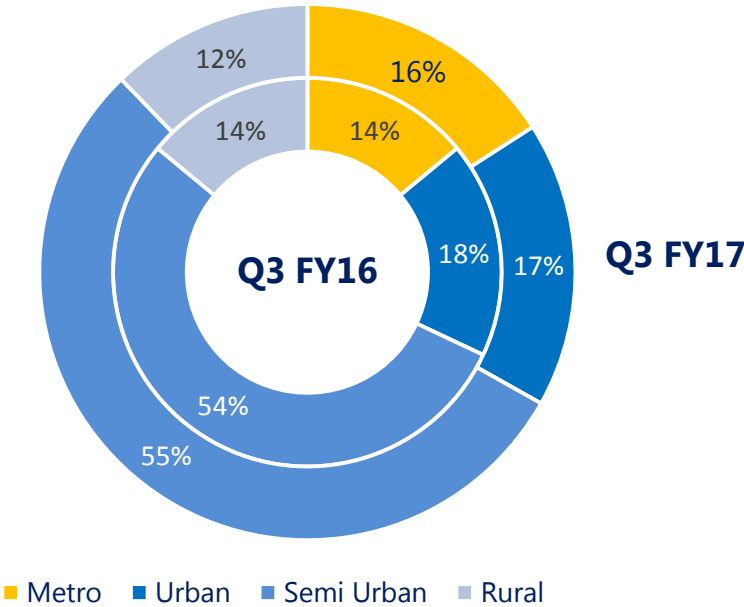
Fee Income (Y-o-Y)



Distribution : Deriving Efficiency from Foot Print



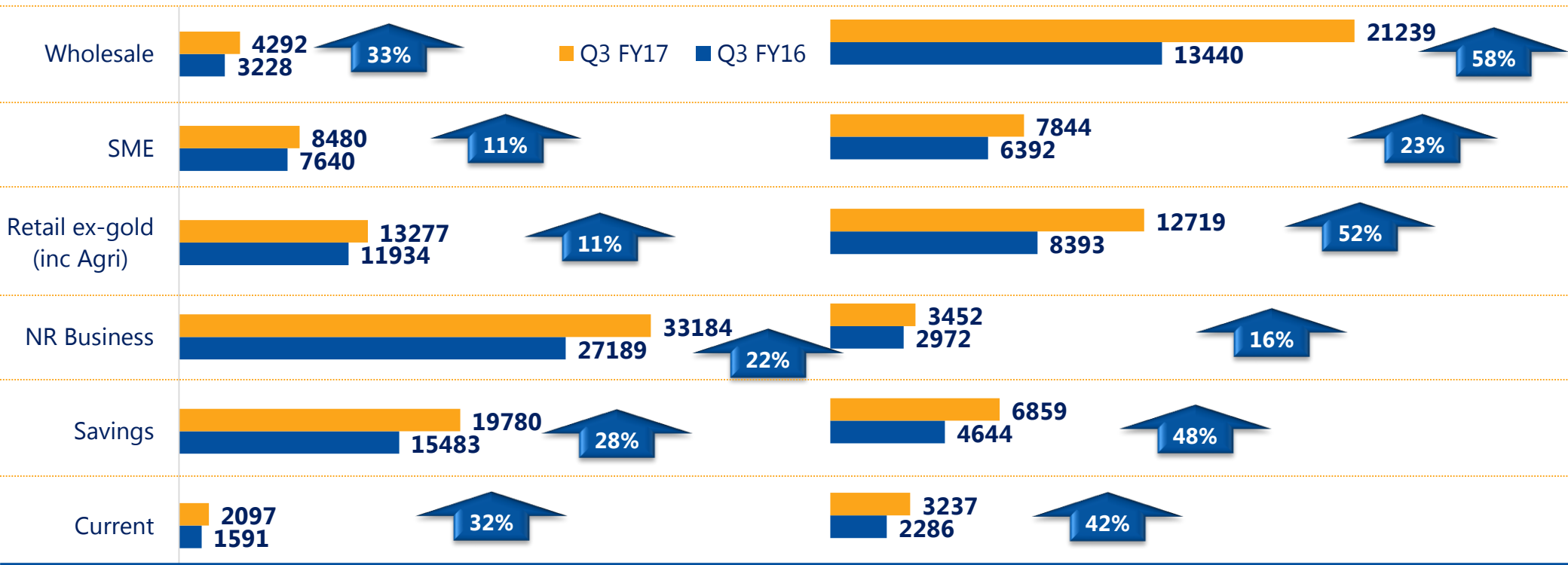
	Q3 FY17	Q2 FY17	Q3 FY16
Branches	1252	1252	1252
ATMs	1655	1607	1548



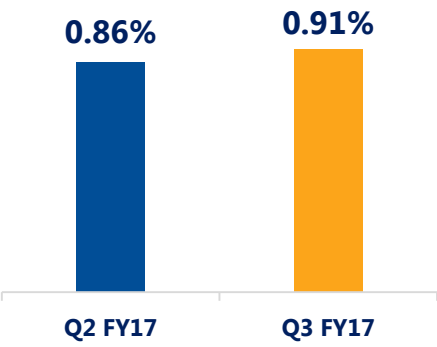
₹ in Cr

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

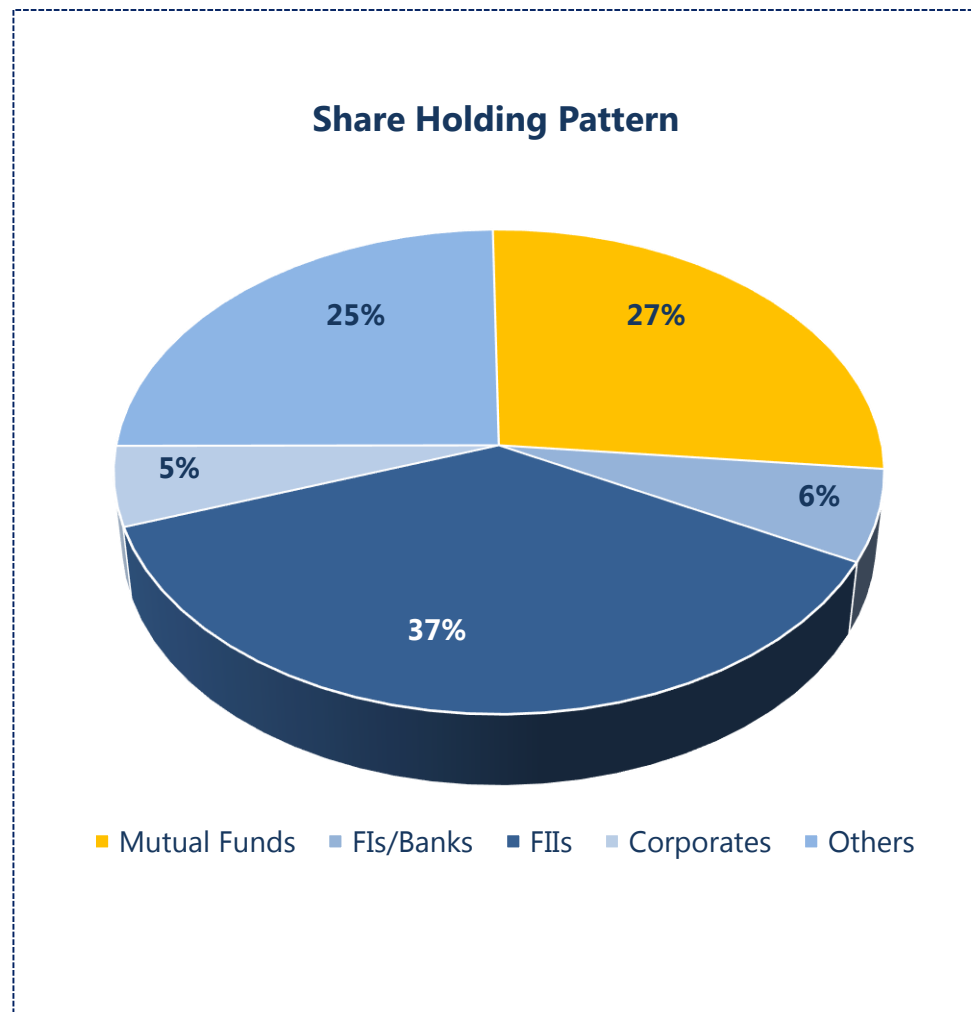
	Dec-16	Sep-16
Risk Weighted Assets		
Credit Risk	58564	55141
Market Risk	3258	3172
Operational Risk	5704	5704
Total RWA	67526	64017
Tier-1 Capital Funds	7851	7822
Tier-II Capital Funds	441	406
Total Capital Funds	8292	8229
CRAR	12.28%	12.85%
Tier-I	11.63%	12.22%
Tier-II	0.65%	0.63%

Annexures

Balance Sheet & Shareholding Pattern

₹ in Cr

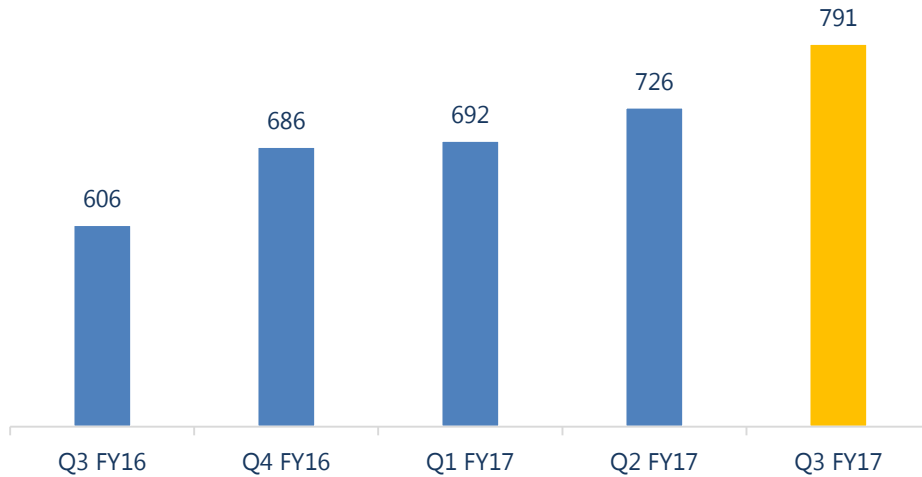
	Q3 FY17	Q3 FY16
LIABILITIES		
Capital	344	344
Reserves & Surplus	8334	7880
Deposits	92236	74792
Borrowings	6232	1898
Other Liabilities & Provisions	4352	3596
TOTAL	111497	88509
ASSETS		
Cash & Balance with RBI	4574	3584
Balances with Banks, Money at Call	2297	1668
Investments	28520	24647
Advances	69629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



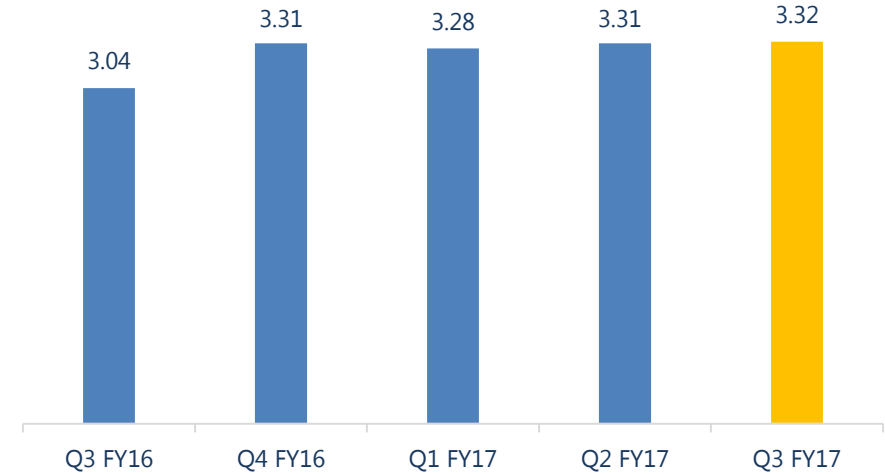
₹ in Cr

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

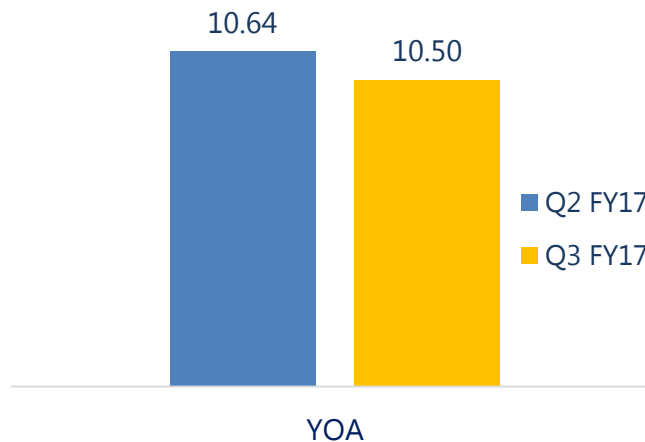
Net Interest Income



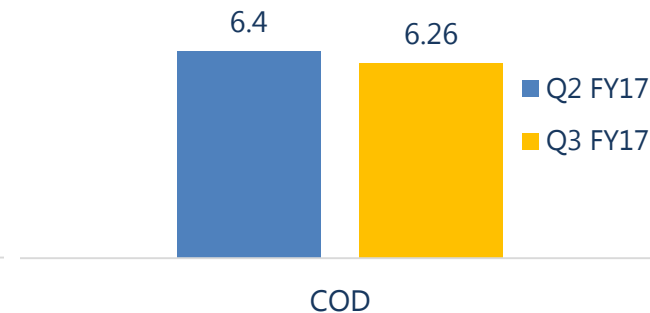
Net Interest Margin (%)



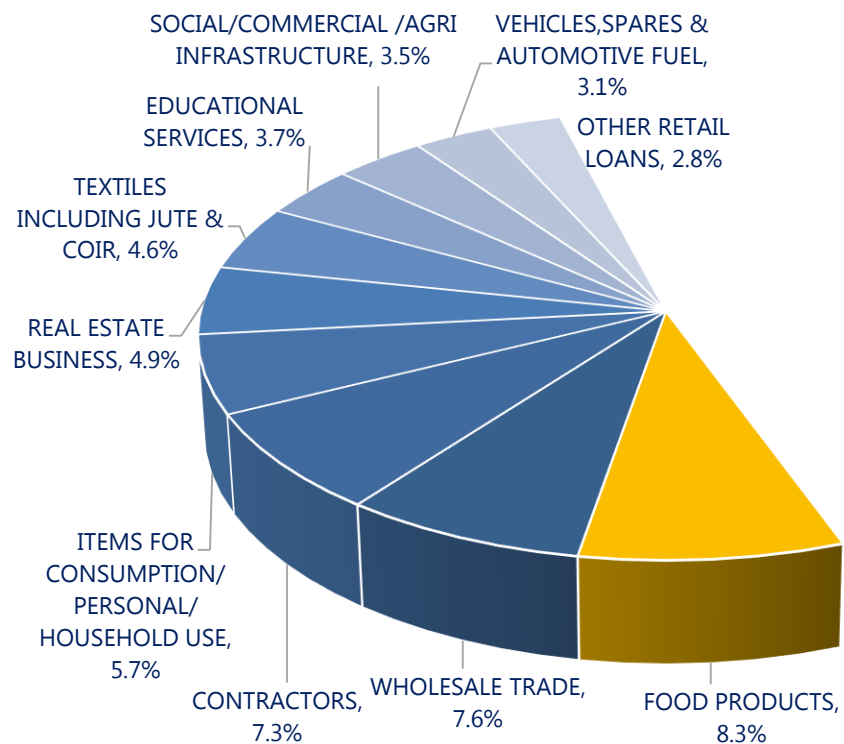
Yield on Advances



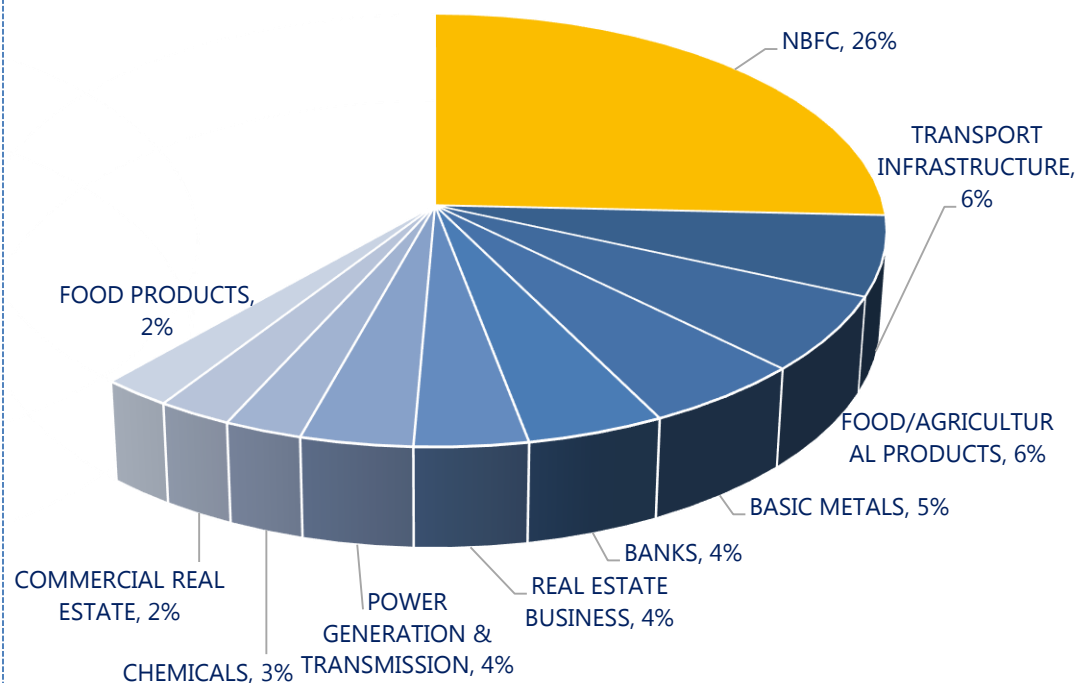
Cost of Deposits



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	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



IndiaRatings
& 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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