

INVESTOR PRESENTATION

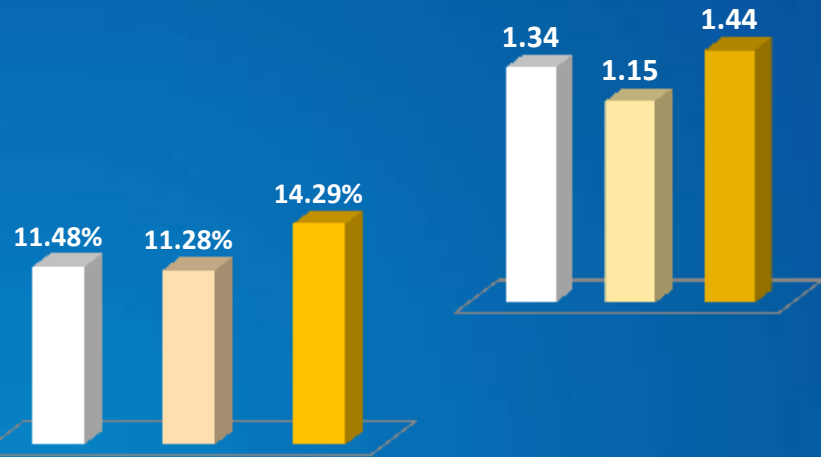


Q2 FY 12

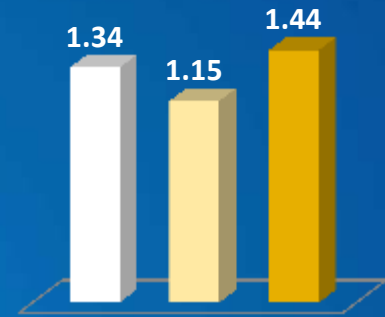
FEDERAL BANK
YOUR PERFECT BANKING PARTNER

PERFORMANCE HIGHLIGHTS

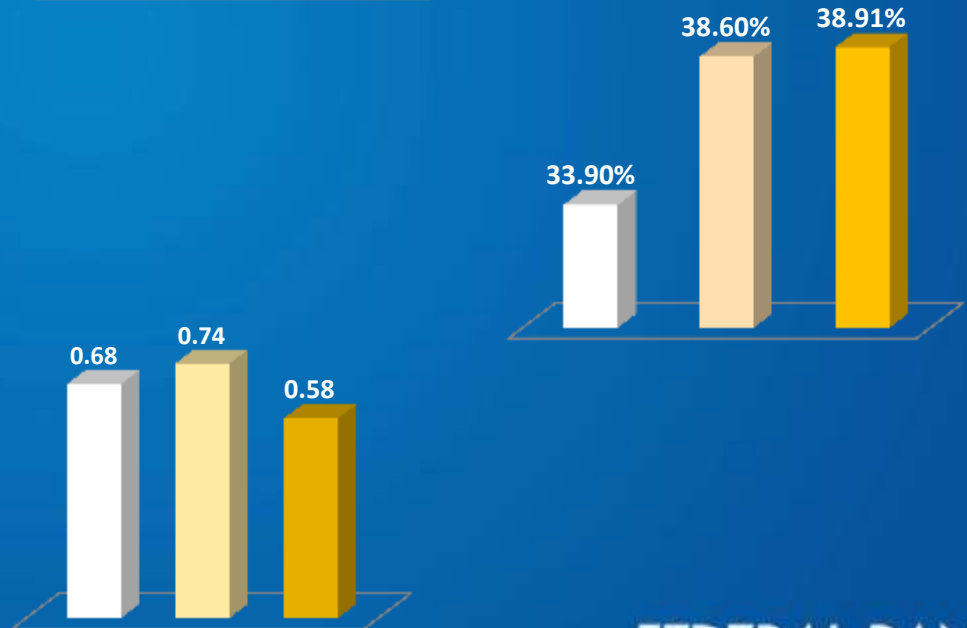
Profitability Measure ROA



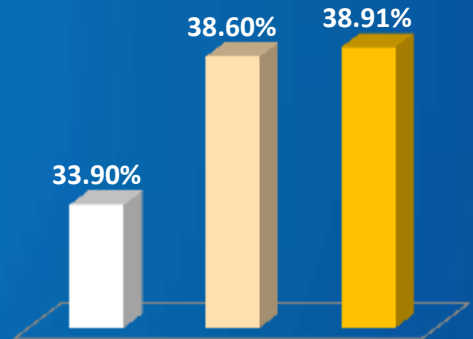
Shareholder Value Measure ROE



Efficiency Measure COST-INCOME



Risk Appetite Measure NET NPA%



■ Sept - 10 ■ Jun - 11 ■ Sept - 11

Performance Highlights

Q2 FY 11 V/s Q2 FY 12

- Total income increased to ₹1484.79 Cr (up by 32.29 %)
- Fee income at ₹89.26 Cr (up by 7.39%)
- Operating profit at ₹ 361.27 Cr
- Net profit up by 36.15 % to ₹ 191.16 Cr
- NIM at 3.77% (4.44%)
- EPS at ₹44.70
- Gross NPA at 3.61%(3.84%)
- Net NPA at 0.58% (0.68%)
- Provision Coverage improved to 82.97%
- Capital Adequacy at 15.05%

BUSINESS GROWTH

DEPOSIT GROWTH

- CASA grew by 17.55 % to reach Rs 12484.28 Cr
- Deposits grew by 30.87 % to reach Rs 47263 Cr
- Retail deposits grew by 29.28 % to reach Rs 35441 Cr
- Low Cost FCAB (NRE) grew by 67.67 % to reach Rs 1531 Cr
- NRE Deposits grew by 19.33 % to reach Rs 6622 Cr

- Advances grew by 21.61 % to reach Rs 33606 Cr
- Retail advances grew by 8.95 % to reach Rs 9673 Cr
- SME advances grew by 11.64 % to reach Rs 9970 Cr
- Corporate Credit up by 39.84 % to reach Rs 15000 Cr
- Gold Loans grew by 154.80 % to reach Rs 3081.80 Cr
- Agricultural Loans grew by 28.81 % to reach Rs 4368.58 Cr

CREDIT GROWTH

INCOME & PROFIT GROWTH

INCOME GROWTH

- Interest Income grew by 39.81 % to reach Rs 1368 Cr
- Net Interest Income grew by 8.22 % to reach Rs 474 Cr
- Total Income grew by 32.21 % to reach Rs 1485 Cr

- Interest expenses increased by 62.94 % to reach Rs 822 Cr
- Operating expenses went up by 16.55 % to reach Rs 230 Cr
- Operating Profit decreased by 6.16 % to reach Rs 361 Cr
- Net Profit grew by 36.16 % to reach Rs 191 Cr

PROFIT GROWTH

KEY FINANCIALS

(₹ in Cr)

	Q2 FY 11	Q1 FY 12	Q2 FY 12	Y-o-Y
Interest Income	978.34	1244.71	1367.83	39.81%
Interest Expenses	539.98	784.96	893.42	65.45%
Net Interest Income	438.37	459.75	474.41	8.22%
Other Income	144.04	116.9	116.96	-18.80%
Total Income	1122.38	1361.61	1484.79	32.29%
Total Expenditure	737.4	1007.56	1123.52	52.36%
Operating Profit	384.98	354.05	361.27	-6.16%
Net Profit	140.4	146.16	191.16	36.16%
Net Interest Margin	4.44%	3.87%	3.77%	-15.13%
Cost to Income Ratio	33.90%	38.60%	38.91%	14.78%

BALANCE SHEET

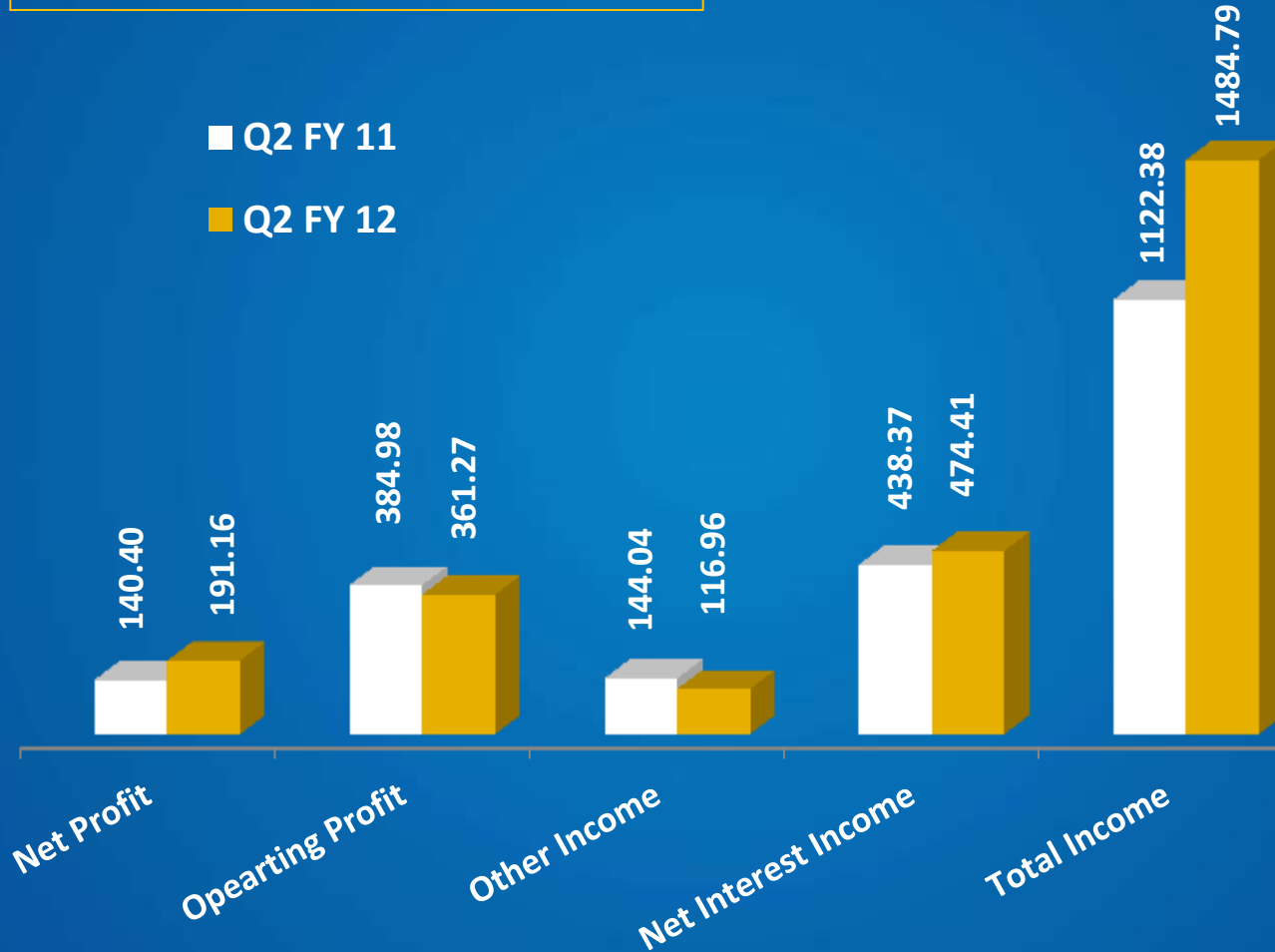
(₹ in Cr)

LIABILITIES	Q2 FY 11	Q1 FY 12	Q2 FY 12
Capital	171.03	171.05	171.05
Reserves & Surplus	4791.68	5083.78	5274.93
Deposits	36115.96	42935.62	47263.46
Borrowings	1462.23	2350.14	2926.15
Other Liabilities & Provisions	1579.46	2111.5	2067.95
TOTAL	44120.36	52652.09	57703.54
ASSETS			
Cash & Balance with RBI	2558.33	2984.74	3378.33
Bal. with banks & money at call	356.63	315.91	295.91
Investments	12506.65	15703.15	18798.11
Advances	27635.64	31971.61	33606.69
Fixed Assets	283.32	291.75	289.23
Other Assets	779.79	1384.93	1335.27
TOTAL	44120.36	52652.09	57703.54

PROFIT & INCOME GROWTH

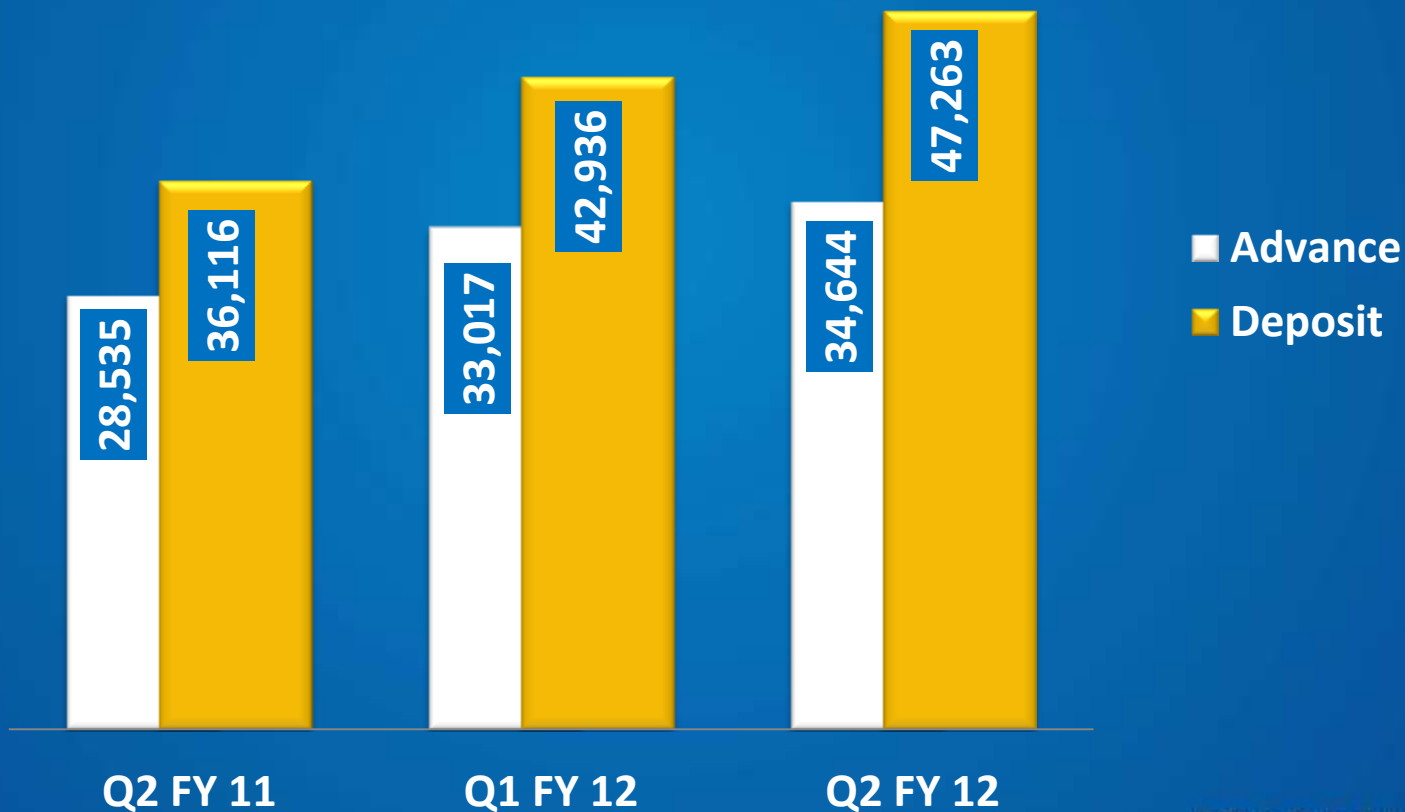
(₹ in Cr)

3 Months – Q2 FY 11 vs Q2 FY 12



CORE BUSINESS PORTFOLIO

(₹ in Cr)

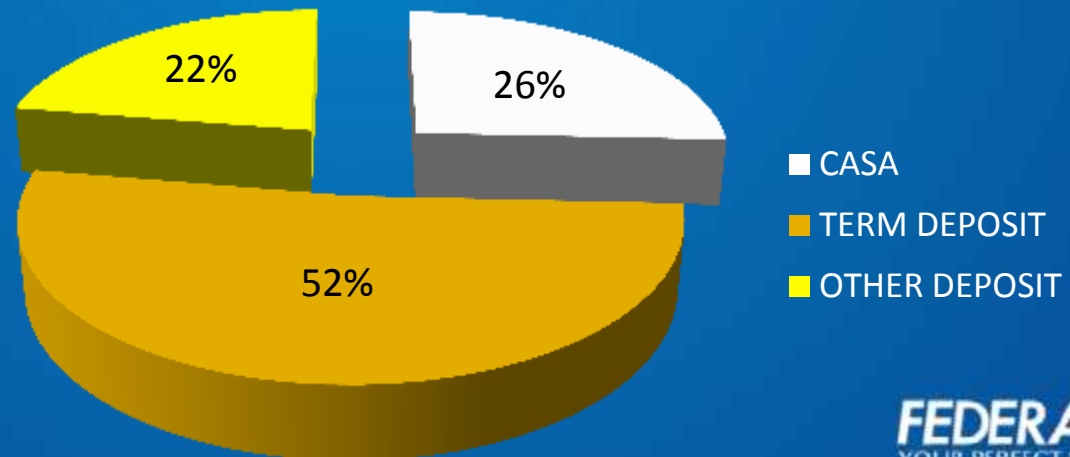


DEPOSIT GROWTH

(₹ in Cr)

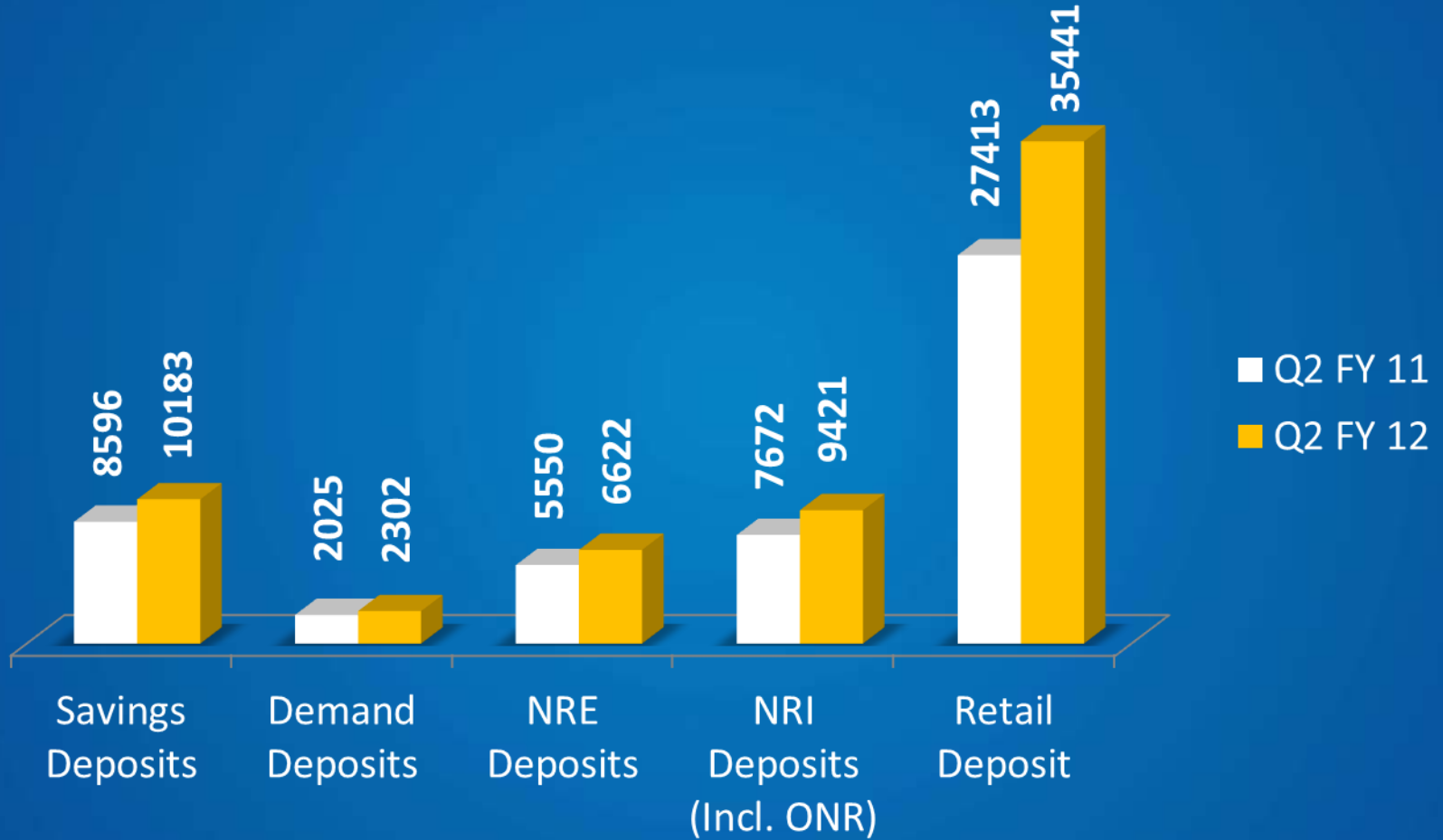
	Q2 FY 11	Q1 FY 12	Q2 FY 12
Savings Deposits	8596	9451	10183
Demand Deposits	2025	2247	2302
NRE Deposits	5550	6057	6622
High Value Deposits	7103	9609	11629
Other Retail Deposits	12482	15572	16527
Total Deposits	36116	42936	47263

CONSTITUTION OF TOTAL DEPOSIT



DEPOSIT GROWTH - RETAIL

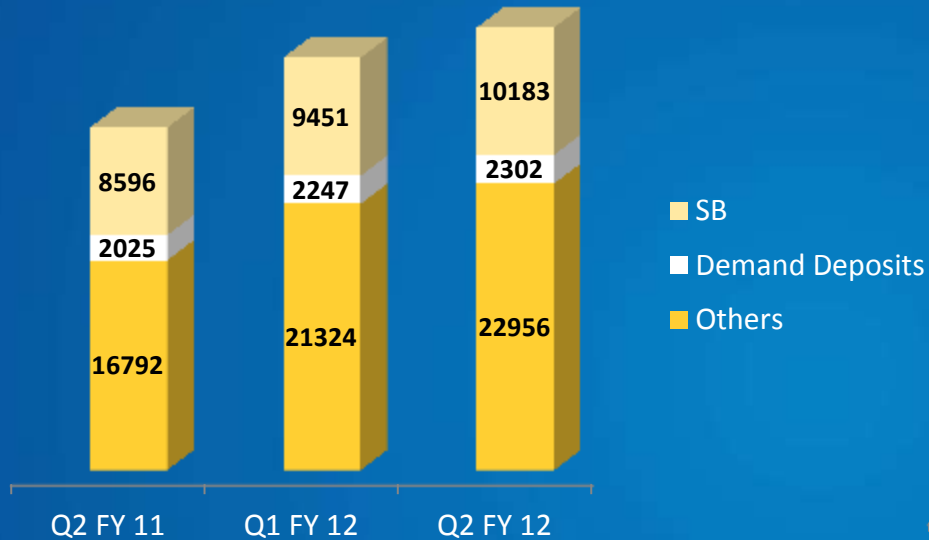
(₹ in Cr)



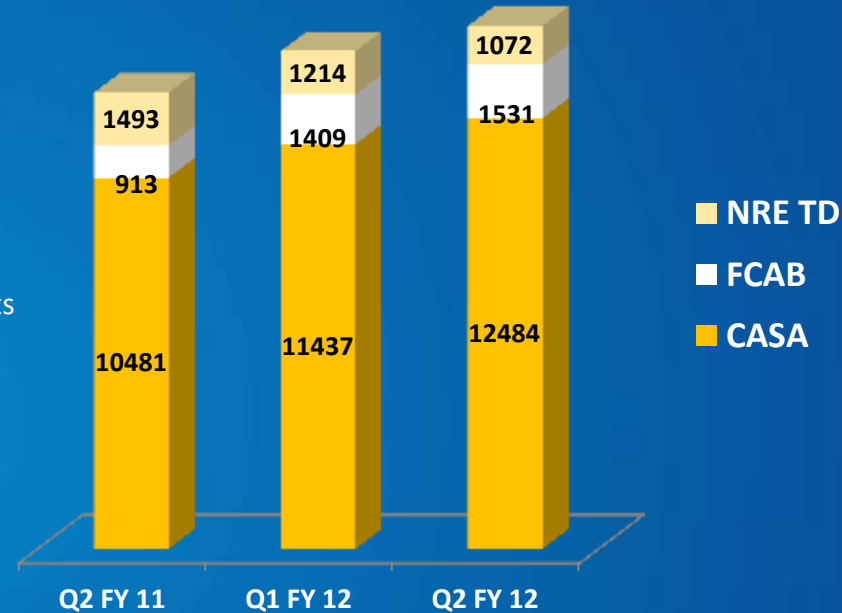
DEPOSIT COMPOSITION

(₹ in Cr)

RETAIL DEPOSITS



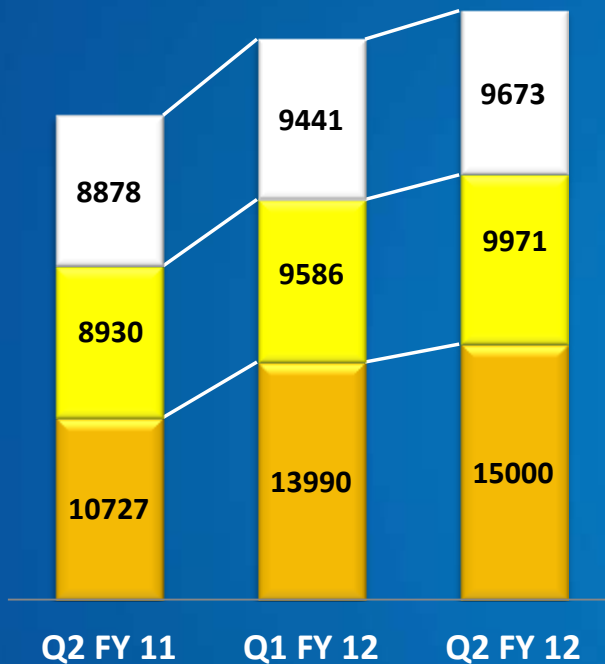
LOW COST DEPOSIT



- Healthy share of savings bank (SB) deposits
- Steady growth in CASA share
- Low Cost Deposit constitutes 31.25% of total deposits and 41.67% of retail deposits
- Spreading of Priority Banking services have increased the average SB balances
- Freeing of other bank's ATM usage charges, bringing in additional business

LOAN GROWTH

(₹ in Cr)



- RETAIL ADVANCE
- SME ADVANCE
- LARGE CORPORATE ADVANCE

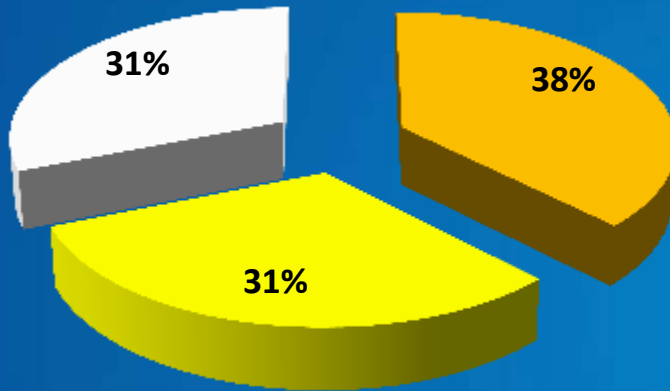
	Q2 FY 11	Q1 FY 12	Q2 FY 12
LARGE CORPORATE ADVANCE	10727	13990	15000
SME ADVANCE	8930	9586	9971
RETAIL ADVANCE	8878	9441	9673
GROSS ADVANCE	28535	33017	34644

- Wholesale Banking Division at Mumbai
- Cluster-based approach for added thrust to SME lending
- SME Credit Hubs and Retail Credit Hubs set up across major centres for faster processing of such loans
- Centralised Loan Application processing and DMS
- Fedbank Financial Services Ltd. to distribute Bank's retail loans

LOAN BOOK COMPOSITION

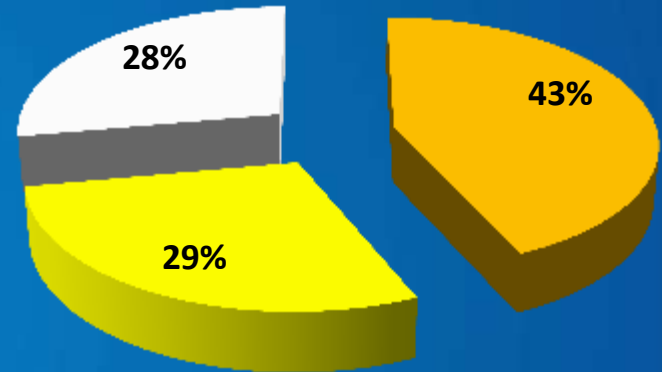
(₹ in Cr)

Q2 FY 11



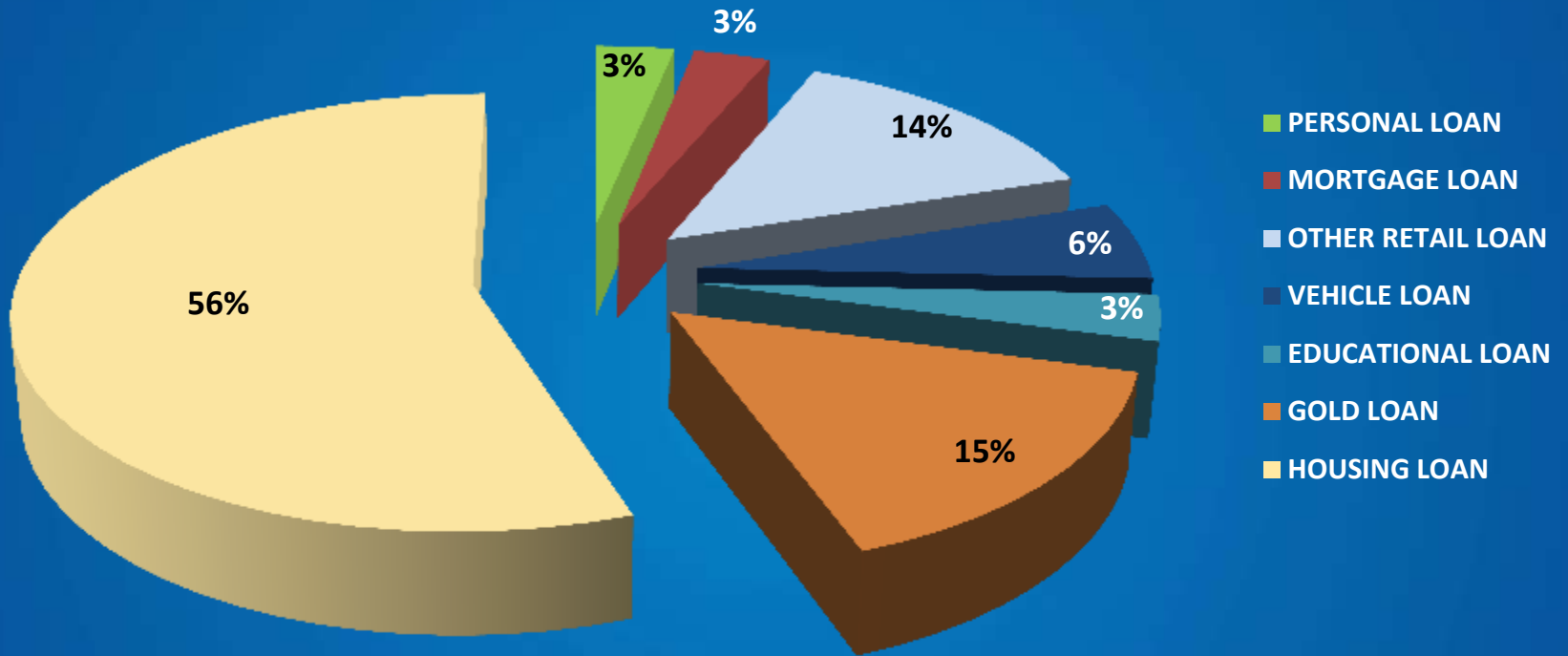
■ LARGE CORPORATE
■ SME ADVANCE
■ RETAIL ADVANCE

Q2 FY 12



- The SME portfolio of the Bank grew by 11.65% to reach Rs 9971 Cr
- Large Corporate Credit grew by 39.84% to reach Rs 15000 Cr
- Retail loans grew by 8.95% to reach Rs 9673 Cr
- Gold Loans grew by 154.80% to reach Rs 3081.80 Cr
- Agri. lending grew by 28.81% to reach Rs 4369 Cr

RETAIL BOOK COMPOSITION



TOP INDUSTRIAL EXPOSURES

(₹ in Cr)

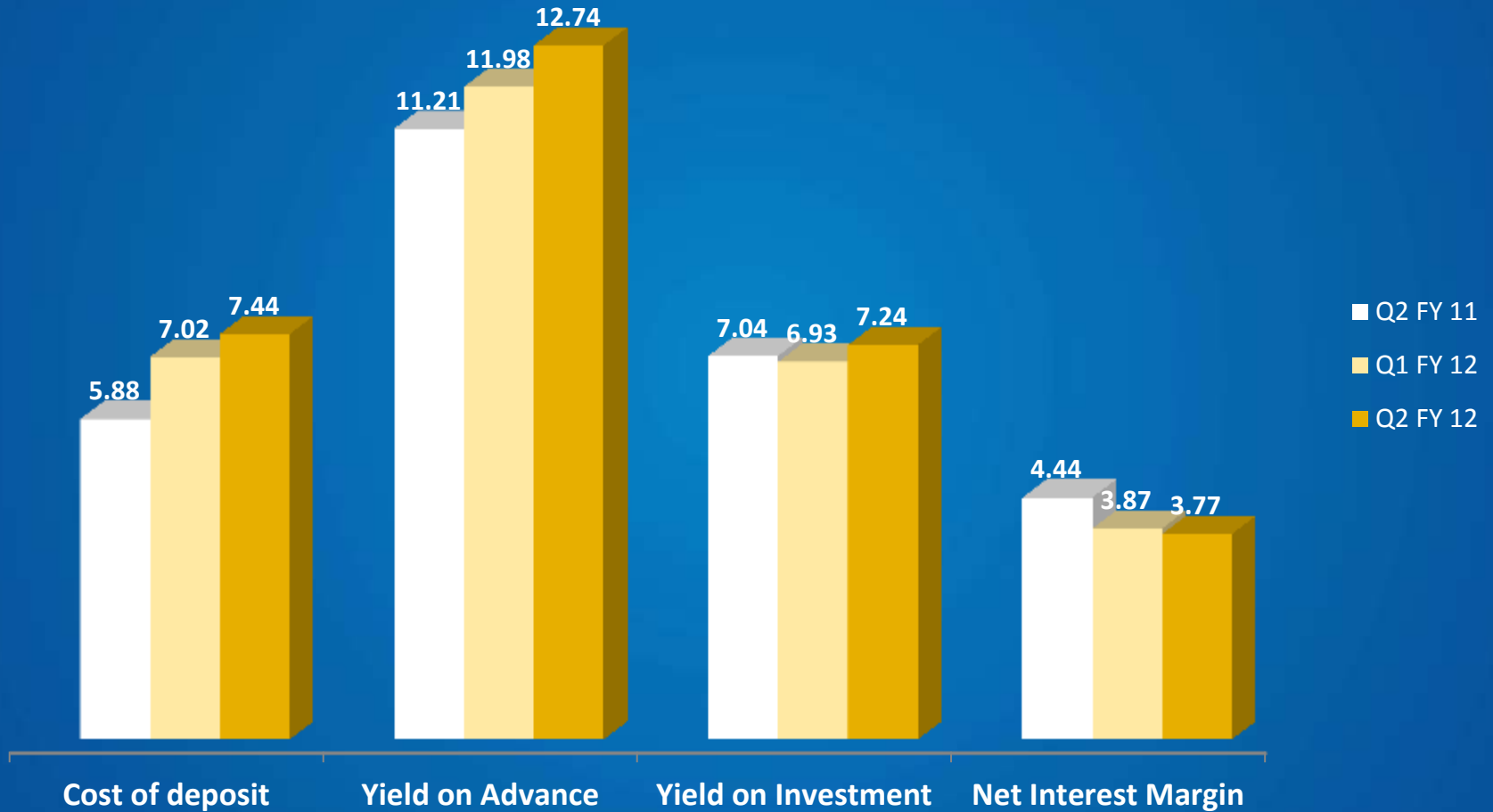
SL No.	Sector	Bal O/s.
1	POWER	1922
2	PETROLEUM	1760
3	NBFC	1704
4	HOUSING FINANCE	1282
5	IRON AND STEEL	881
6	ROAD & PORT	733
7	FOOD CREDIT	648
8	AGRICULTURE	588
9	ENGG CONTRACTOR	446
10	TEXTILE	386

TREASURY PORTFOLIO

(₹ in Cr)

	Q2 FY 11	Q1 FY 12	Q2 FY 12
HFT	554	919	1334
AFS	2890	4057	6292
HFT + AFS	3444	4976	7626
HTM	9372	10764	11746
Total Investments	12816	15740	19372
of which SLR	10355	10740	12586
Non-SLR	2461	5000	6786
IFR	190	190	190

COST, YIELD & NIM



MARGINS

	Q2 FY 11 (3 months)	Q2 FY 12 (3 months)
Yield on Advance	11.21	12.74
Cost of Deposits	5.88	7.44
Interest Spread	5.33	5.30
Yield on Investments	7.04	7.24
Net Interest Margin	4.44	3.77
Cost to Income Ratio	33.90	38.91

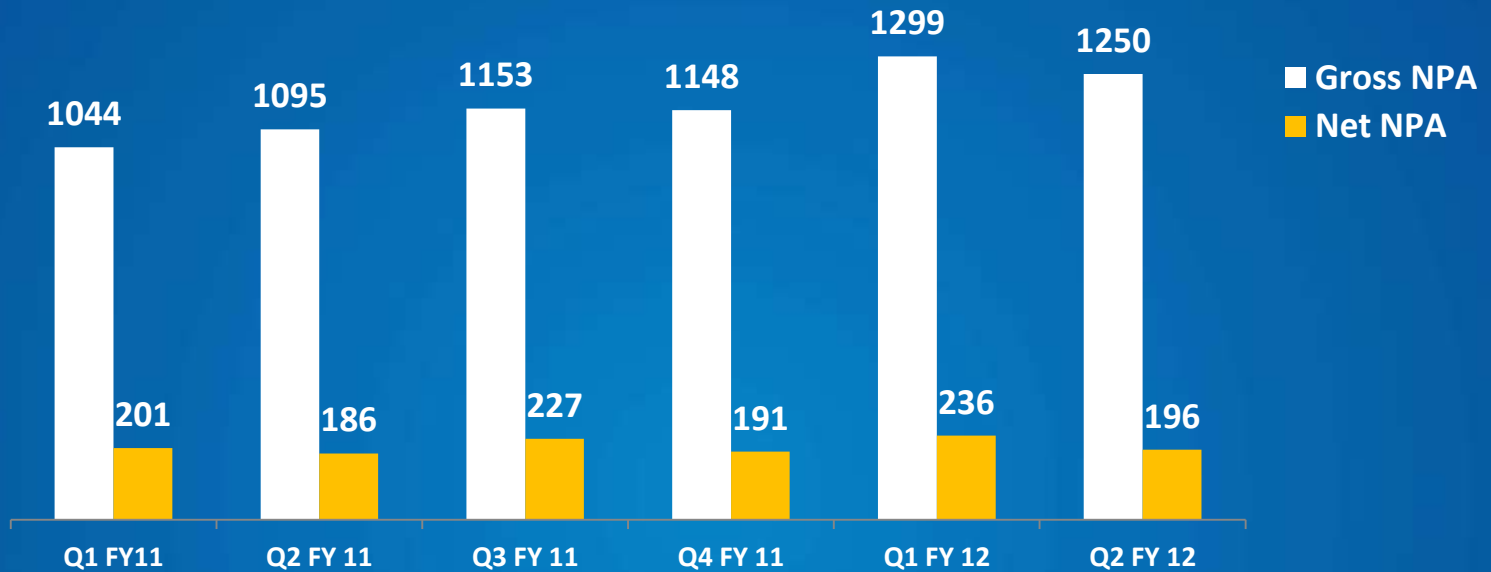
- Yield on advances for HY1 increased to 12.36%
- Cost of deposits for HY1 at 7.24%
- Net Interest Margin for HY1 increased to 3.83%
- Cost to Income ratio for HY1 remains at a comfortable level of 38.76%

NIM & COST OF FUNDS

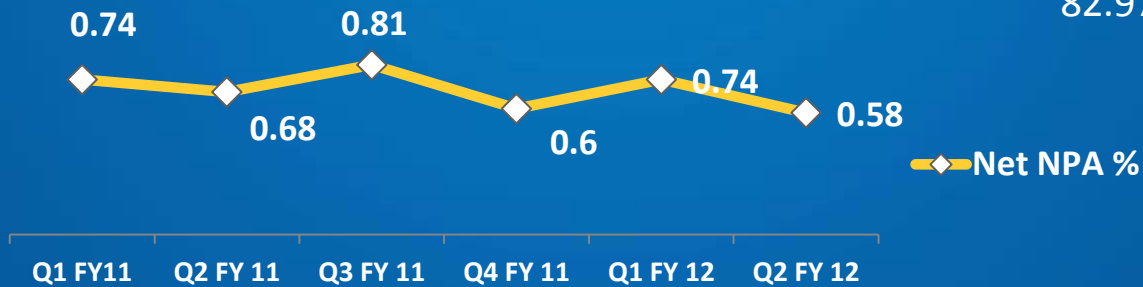


NPA MOVEMENT

(₹ in Cr)



Net NPA %



Provision Coverage Ratio

82.97% as on 30.09.2011

RESTRUCTURED ADVANCES

(₹ in Cr)

	No.	Amount
Standard	13	32.84
Sub-standard	6	0.49
TOTAL	19	33.33

PROVISIONS

(₹ in Cr)

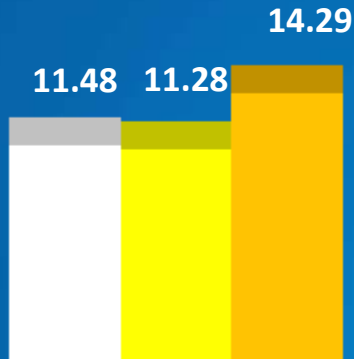
	3 Months ended Sept 2010	3 Months ended June 2011	3 Months Ended Sept 2011
Investment Losses	7.71	15.31	6.82
Loan Losses	142.98	114.14	56.98
Standard Assets & Other purposes	19.57	4.57	8.39
Tax	74.32	73.87	97.92
TOTAL PROVISIONS	244.58	207.89	170.11

OTHER INCOME

(₹ in Cr)

	Q2 FY 11	Q1 FY12	Q2 FY12
Exchange, Commission & Brokerage Income	31.28	31.21	31.35
Other Fee Income	32.25	27.90	30.33
Net Profit on Forex Transactions	13.77	13.95	18.83
Profit on sale of securities	14.11	16.03	14.06
Recovery from assets written off	46.81	23.28	13.64
Other Receipts	5.82	4.51	8.77
Total	144.04	116.90	116.96

KEY RATIOS - ROE & ROA

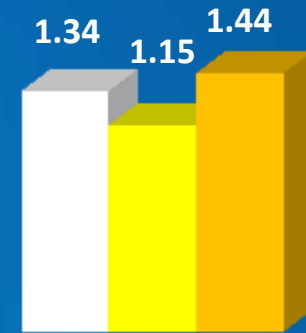


RETURN ON EQUITY (%)

■ Sept - 10

■ Jun - 11

■ Sept - 11



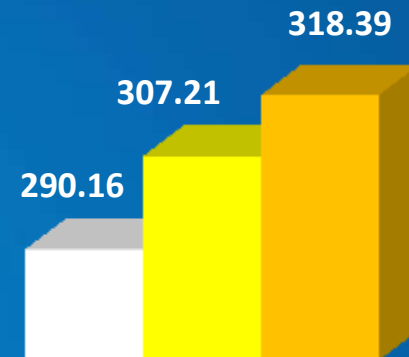
RETURN ON ASSETS (%)

- Return on Average Equity up by 301 bps to reach 14.29
- Return on Assets up by 29 bps to reach 1.44

RETURNS TO SHAREHOLDERS



EARNINGS PER SHARE (Rs)

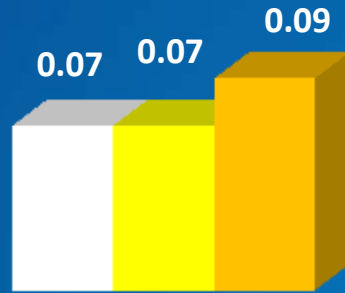


BOOK VALUE PER SHARE (Rs)

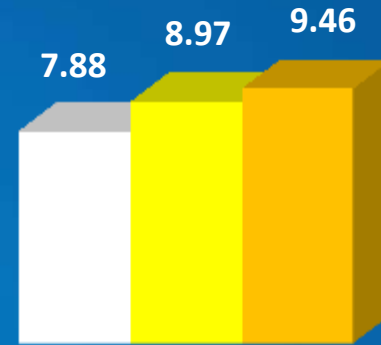
- Earnings Per Share increased to Rs 44.70
- Book Value per share at Rs 318.39

PRODUCTIVITY RATIOS

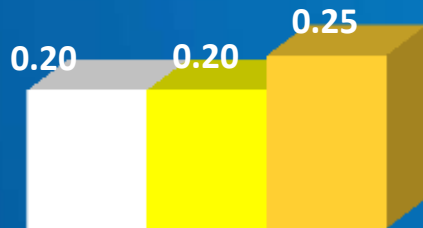
(₹ in Cr)



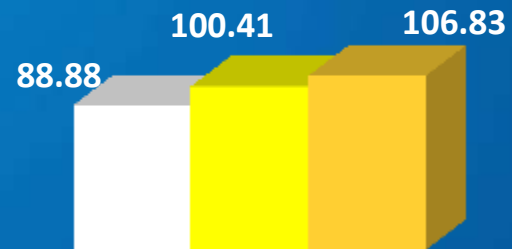
PROFIT PER EMPLOYEE (Rs)



BUSINESS PER EMPLOYEE (Rs)



PROFIT PER BRANCH (Rs)



BUSINESS PER BRANCH (Rs)

DISTRIBUTION NETWORK

STATE / UT	NO OF BRANCHES
ANDHRA PRADESH	26
ASSAM	6
BIHAR	1
CHANDIGARH	1
CHATTISGARH	2
GOA	4
GUJARAT	20
HARYANA	9
JAMMU & KASHMIR	1
JHARKHAND	5
KARNATAKA	60
KERALA	486
MADHYA PRADESH	3
MAHARASHTRA	76
MEGHALAYA	1
NAGALAND	1
NEW DELHI	18
ORISSA	3
PUDUCHERRY	2
PUNJAB	6
RAJASTHAN	4
TAMILNADU	60
UTTAR PRADESH	10
UTTARAKHAND	1
WEST BENGAL	17

- 823 branches spread across 25 states
- Presence across various geographies – 123 branches in metros, 172 in urban centres, 400 in semi-urban centres and 128 in rural areas
- Two currency chests
- Corporate Banking Branches at Mumbai and New Delhi
- One Overseas Representative Office at Abudhabi, UAE
- 8 Zonal Offices across the country
- 31 Regional Offices across the country
- 6 Extension Counters at various locations
- 846 ATMs across 114 metro centres, 232 urban centres, 411 semi-urban locations and 89 rural areas
- Retail and SME hubs established across major centres in India for faster processing of loans and advances

BUSINESS DISTRIBUTION

DEPOSITS



ADVANCES



- Kerala
- Outside Kerala

PRODUCT RANGE

RETAIL BANKING

Deposits

Savings Bank variants
Current Account variants
Fixed Deposits
Recurring Deposits

Loans

Car / 2 wheeler loans
Home Loans
Home Overdrafts
Mortgage Loans
Loans against securities
Educational Loans
Gold Loans
Personal Loans

Other services

Gold Coin sales
Debit Cards
POS terminals
On-line bill payments
NRI Services
Insurance Product sales
Mutual Fund sales
Depository Services
On-line equity trading
PIS for NRI's

CORPORATE BANKING

Working Capital
Term Loans
Collection of bills

Letter of credit
Bank Guarantee
Forex and Derivatives
Cash Management Services

TREASURY

Currency Futures
Structured products to HNIs
Derivative products
G-Sec retailing
Retailing of debt instruments
Buyer's credit

OTC Contracts
Outward remittances hub
On-line SME forex trading
Rate Research Data Cell
Option Trading
Offshore Banking unit

EXTERNAL RATINGS

Instrument

Fixed Deposit

Certificate of deposit

Bonds

Bonds

Agency

CRISIL

CRISIL

FITCH

CARE

Rating

P1+

P1+

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

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

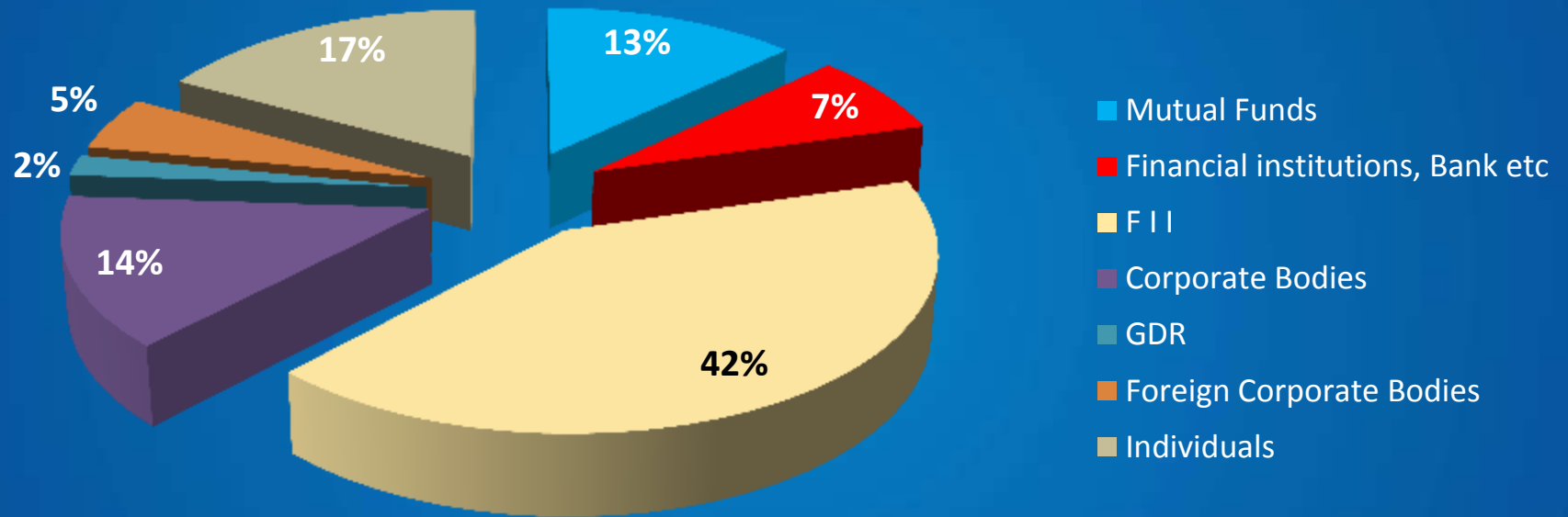
UAE Representative Office

- Representative Office at Abu Dhabi, Capital of U.A.E., 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

MAJOR INVESTMENTS

Entity	% Equity
Fedbank Financial Services Limited	100.00 %
IDBI Federal Life Insurance Company of India Limited	26.00 %
Credit Analysis and Research Limited	5.00 %
United Stock Exchange of India Limited	6.00 %
Experian Credit and Information Company of India Limited	5.00 %

SHARE HOLDING



INVESTOR PRESENTATION

THANK YOU