

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q1 FY 2023**

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**RoA & RoE trending at the Guided Level @ 1.10% and 12.70% respectively**

### Profitability

- **Highest ever Net Profit @ 601 Cr, up 64% YoY**
- Operating Profit for Q1 at 973 Cr
- **Highest ever NII @ 1605 Cr for Q1, grew 13% YoY and 5% sequentially**
- **NIM improved to 3.22%, higher by 7bps YoY and 6bps QoQ**

### Strong momentum in Credit Growth

- Total Advances grew by 16% YoY
- CV/CE grew by 56%
- Auto Loans grew by 24%
- Gold Loans grew by 17% YoY
- Business Banking & Commercial Banking grew at 18% and 20% YoY respectively

**Strong Asset Growth across Business Verticals**

### Granular Liability Franchise

- Total Savings Deposits grew by 12% YoY
- CASA grew by 15% YoY and CASA Ratio stood at 36.84%
- **Retail Deposits stood at 94% of Total Deposits\***

### Income and Cost Streams

- **Fee Income @ 441 Cr, increase of 73% YoY**
- Other Income at 453 Cr, impacted by lower Treasury gains and loss on revaluation of Investments
- Cost to Income @ 52.68%, a reduction of 721bps sequentially

**Stable Asset Quality Performance**

### Asset Quality

- **GNPA and NNPA down to 2.69% and 0.94% respectively**
- Strengthened collection and recovery mechanism helped robust recovery/ upgradation of 281 Cr
- **Credit cost for Q1 at 41bps**

### Steady Growth in Market Share

- Market Share in Advances at 1.21%
- Market Share in Deposits at 1.08%
- **Market Share at an all time high of 21.06% for Individual Inward Remittance**

**Leveraging Partnerships/ Digital Dominance Visible**

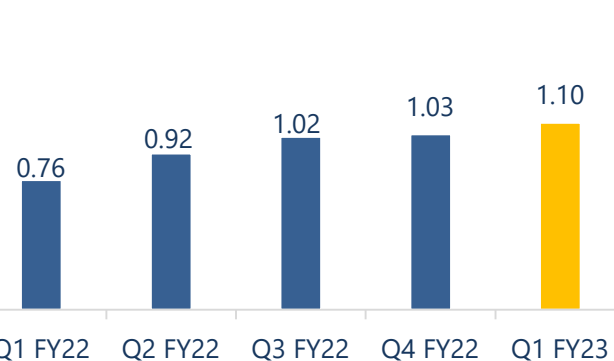
### New Initiatives/ Digital Update

- Enabled online income tax payments for clients in CBDT's TIN 2.0 platform.
- Introduced the best-in-class CRM solution that will enhance CX
- Partnered with Pine Labs to offer EMIs on Credit Card purchases.

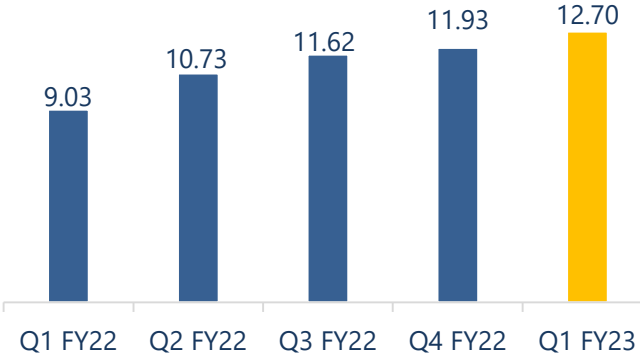
### Balance Sheet and Capital

- Balance Sheet grew by 13% YoY (Rs 2.25 L Cr)
- Total business grew by 12% YoY (Rs 3.35 L Cr)
- CRAR at 14.57%

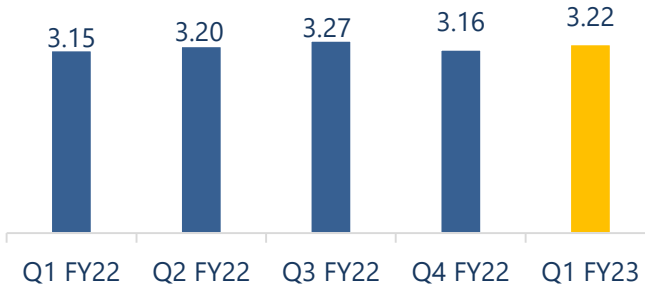
### RoA



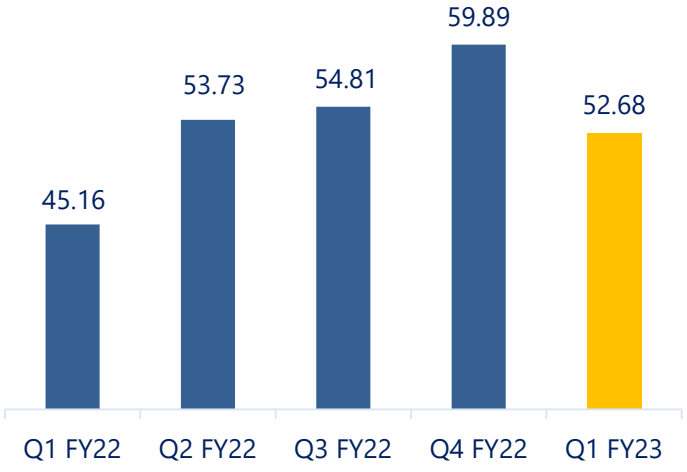
### RoE



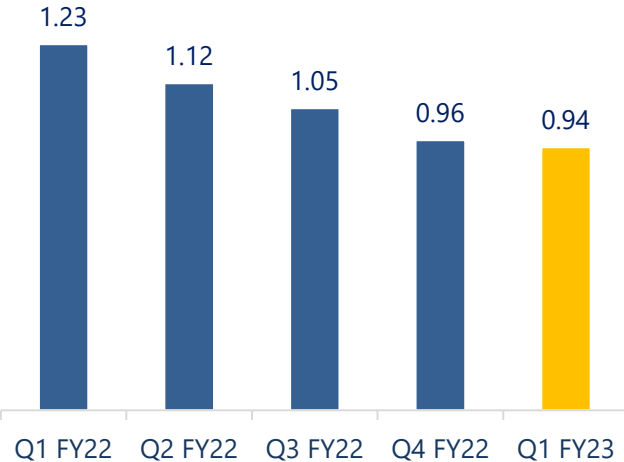
### Net Interest Margin (%)



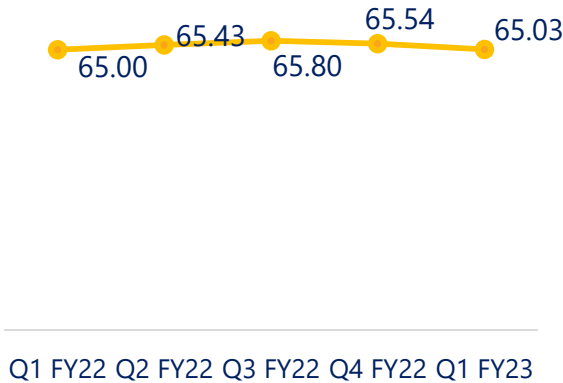
### Cost to Income Ratio



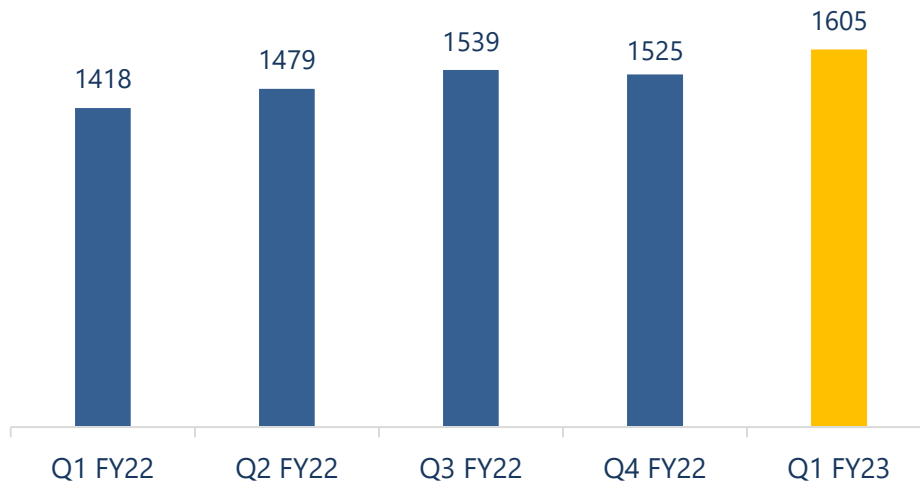
### NNPA (%)



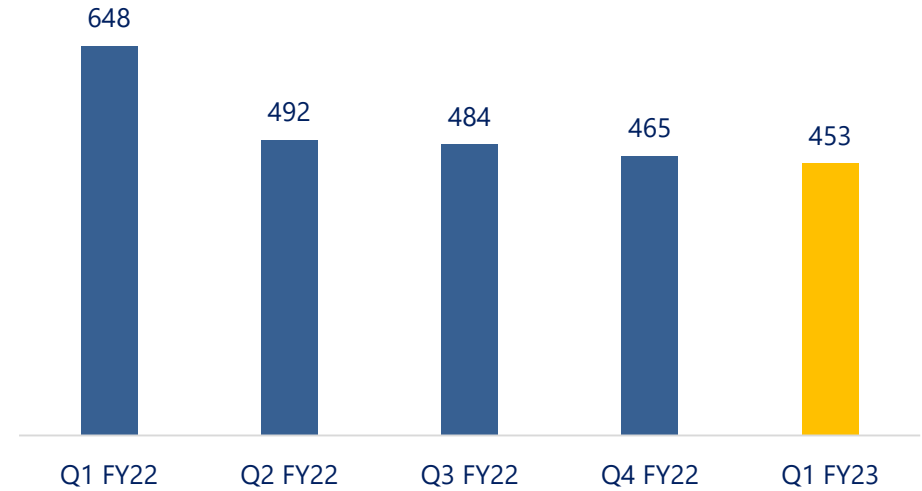
### PCR (%)



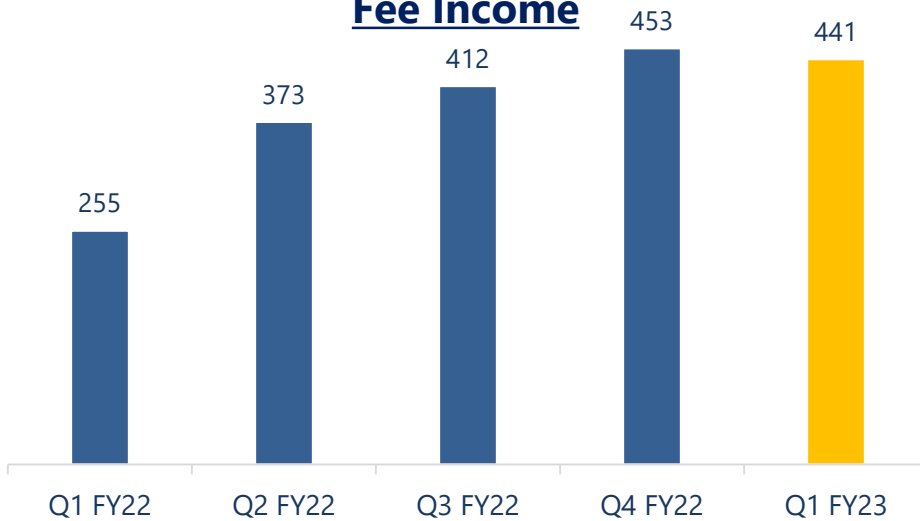
## Net Interest Income



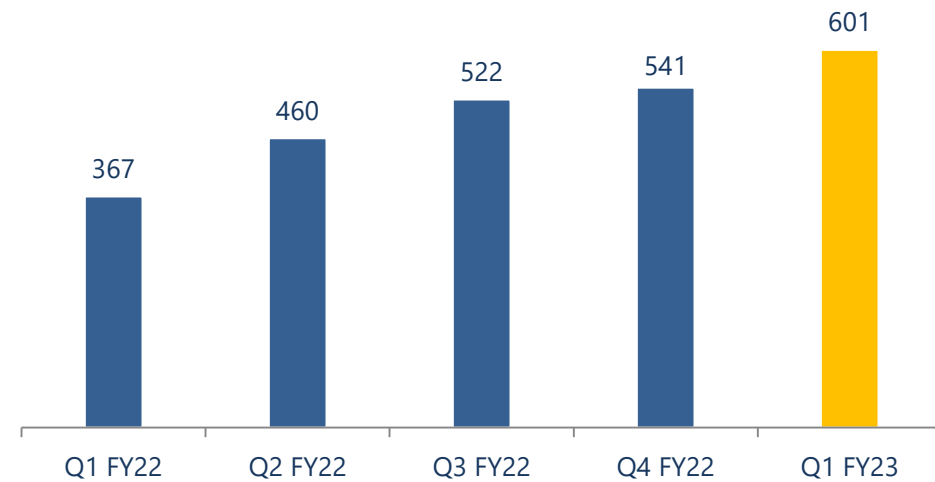
## Other Income



## Fee Income



## Net Profit



		Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
<b>Shareholder Value</b>	<b>Book Value</b> (Per Share in ₹)	82.60	83.52	86.05	88.75	91.59
	<b>EPS</b> (annualized)	7.38	8.79	9.85	10.43	11.46
<b>Granularity</b>	<b>CASA + Deposits &lt;2 Cr</b> (% of Total Deposits)	91%	92%	92%	92%	92%
<b>Profitability</b> (Annualized)	<b>ROA</b>	0.76	0.92	1.02	1.03	1.10
	<b>RoRWA</b>	1.49	1.79	1.93	1.98	2.02
	<b>ROE</b>	9.03	10.73	11.62	11.93	12.70
<b>Efficiency</b>	<b>Cost/Income</b>	45.16	53.73	54.81	59.89	52.68
	<b>Net NPA%</b>	1.23	1.12	1.05	0.96	0.94

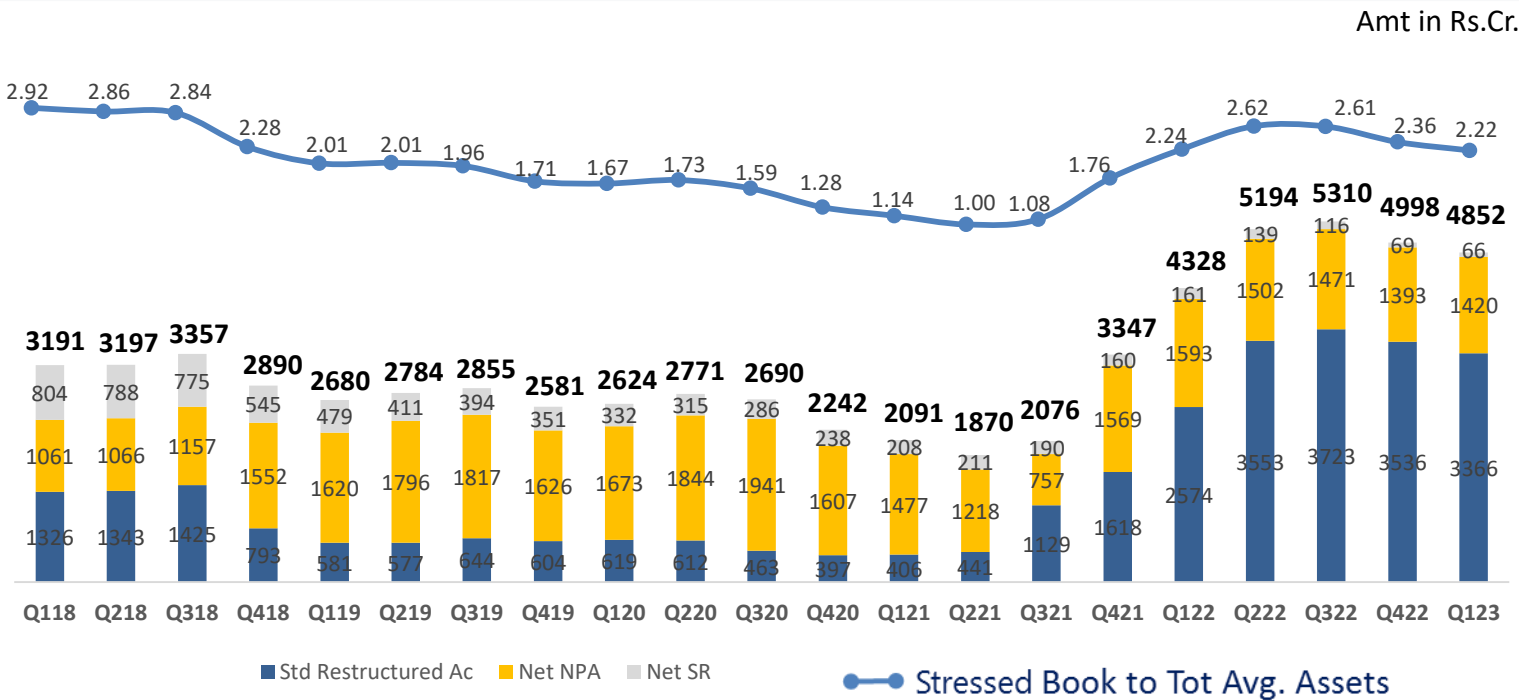
# Asset Quality Trends

Total stressed book trending down and is at 2.22% of average total assets

Provision Coverage Ratio maintained at 65%

Collection Efficiency – stable at 95%

Credit Cost controlled at 41bps for Q1



## Movement of NPA

Gross NPA as on 31.03.2022	<b>4137</b>
Add Fresh Slippage	444
Add Increase in Balances in Existing NPAs	19
Deduct Recoveries/ Upgrades/ Reduction in existing NPA/ Sale to ARC	281
Deduct Written Off	163
Gross NPA as on 30.06.2022	<b>4155</b>

## Provisions in Q1

Loan Loss	<b>150</b>
Investment Loss	-1
Standard Accounts	18
Other Purposes	0
Total Provisions	<b>167</b>

# Fresh Slippages Break up

## Fresh Slippages

	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
<b>Retail</b>	126	85	95	86	204
<b>Agri</b>	157	98	102	147	89
<b>BuB</b>	169	48	81	68	107
<b>CV/CE</b>	0	1	3	2	2
<b>CoB</b>	118	88	111	55	42
<b>Corporate</b>	70	0	50	0	0
<b>Total</b>	640	320	442	358	444

## Restructured

TYPE	Q4 FY22		Q1 FY23	
	Balance	Of which Bonds	Balance	Of which Bonds
<b>STANDARD</b>	3536	17	3366	17
<b>Net NPA</b>	427	100	534	100
<b>TOTAL</b>	3963	117	3900	117

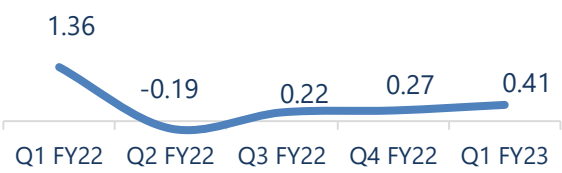
## Security Receipts

	Q4 FY22	Q1 FY23
Face Value	539	530
Book Value	456	447

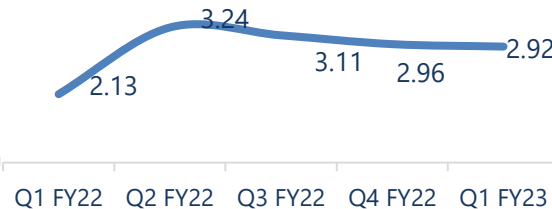
## NPA Composition

Business		Q4 FY22 NPA	Q1 FY23 NPA
<b>Gross NPA</b>	<b>Retail</b>	1097	1131
	<b>Agri</b>	891	916
	<b>BuB</b>	903	958
	<b>CV/CE</b>	8	10
	<b>CoB</b>	768	696
	<b>Corporate</b>	470	445
<b>Total</b>		<b>4137</b>	<b>4155</b>
<b>Net NPA</b>		<b>1393</b>	<b>1420</b>

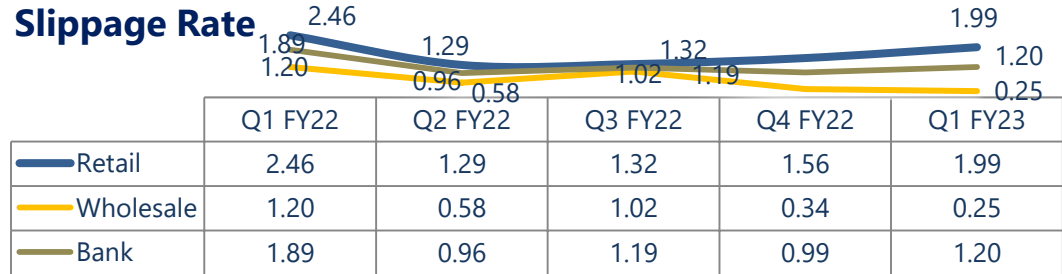
## Credit Cost



## Risk Adjusted NIM

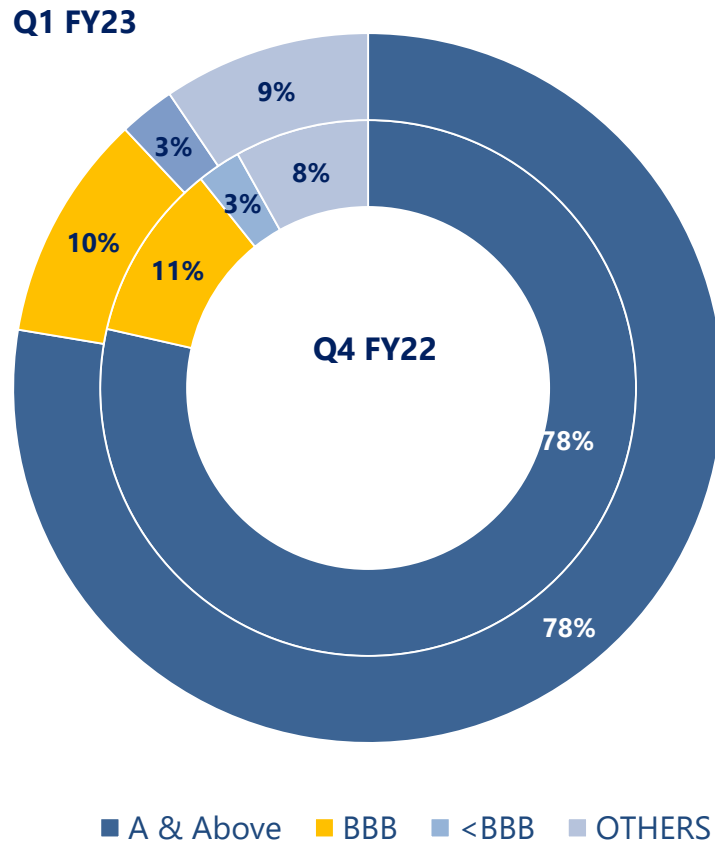


## Slippage Rate





## External Rating of Corporate Advances



## External Rating of Corporate Advances

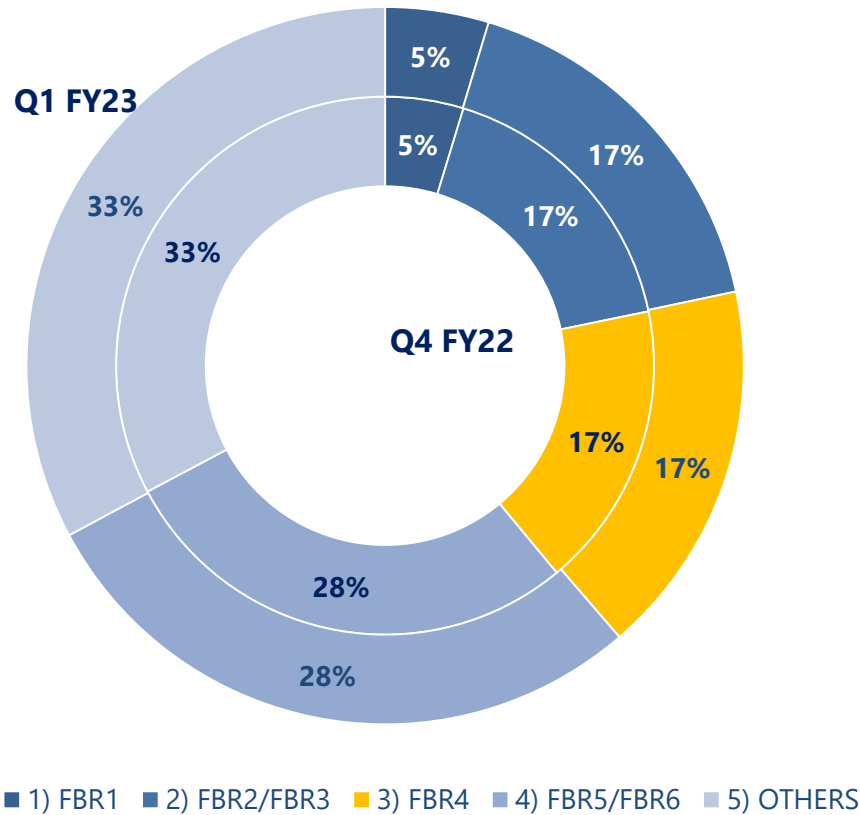
Rating	Q4 FY22	Q1 FY23
A & above	78%	78%
BBB	11%	10%
< BBB	3%	3%
Others	8%	9%

## Internal Rating of 'others' (Externally unrated Corporate advance from above table)

Rating	Q4 FY22	Q1 FY23
FBR1	5%	5%
FBR2/FBR3	4%	6%
FBR4	15%	10%
*Below FBR4 & unrated	76%	79%

\*includes IBPC and exempted category.

# Asset Quality : Rating Distribution (Advances excluding Corporate advance)



Rating	Q4 FY22	Q1 FY23
FBR1	5%	5%
FBR2/FBR3	17%	17%
FBR4	17%	17%
FBR5/FBR6	28%	28%
Staff	3%	3%
Gold, Advance against Deposit/Securities & others	30%	30%

# Comparison : Y-o-Y (3 M)



\* Credit segments are realigned at the beginning of every FY.

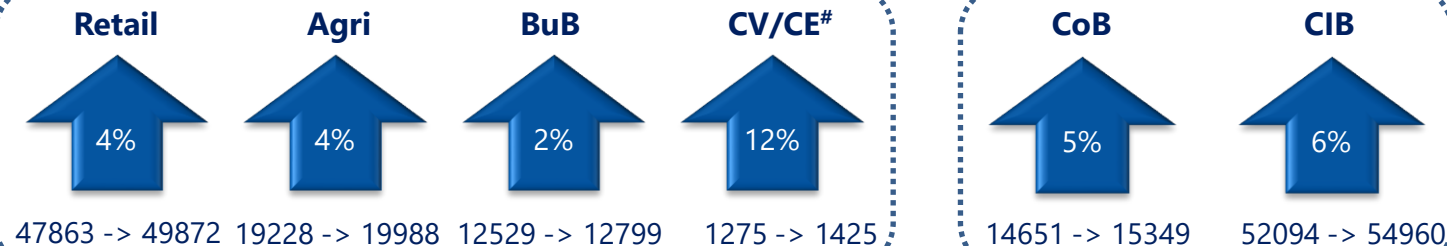
# Approx 86% of CV/CE portfolio comes under Retail based on internal classification

# Comparison : Q-o-Q (3 M)

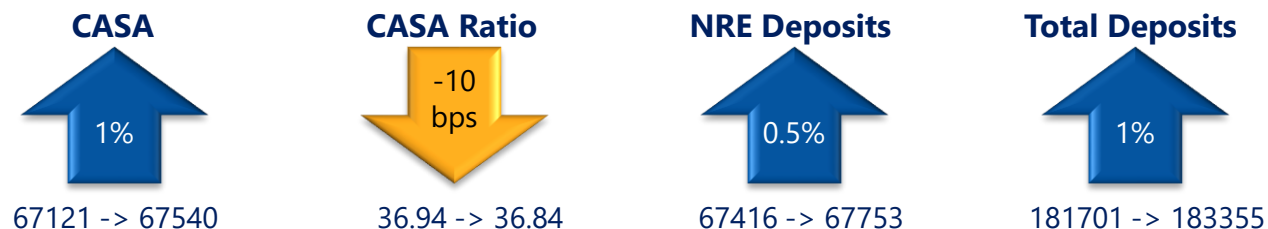
## RETAIL

## WHOLESALE

### Advances



### Deposits



### Performance



### Ratios



\* Credit segments are realigned at the beginning of every FY.

# Approx 86% of CV/CE portfolio comes under Retail based on internal classification

## Digital Migration

**87.73%**

SHARE OF DIGITAL TRANSACTION

**₹13.6K**

CR WORTH MONTHLY MOBILE BANKING TRANSACTIONS

**₹44.3K**

CR WORTH MONTHLY CORPORATE DIGITAL PRODUCTS VOLUME

## Digital Transformation

**232%**

YOY GROWTH IN UPI TRANSACTIONS

**245**

RPA PROCESSES RUNNING

**92%**

ACCOUNTS OPENED DIGITALLY

## Future Readiness

**340+**

API'S AVAILABLE IN OPEN BANKING

**75+**

NUMBER OF FINTECH PARTNERS

**5**

NUMBER OF CHANNELS WHERE AI IS INTEGRATED

FUTURE OF DIGITAL IS  
**HUMAN**

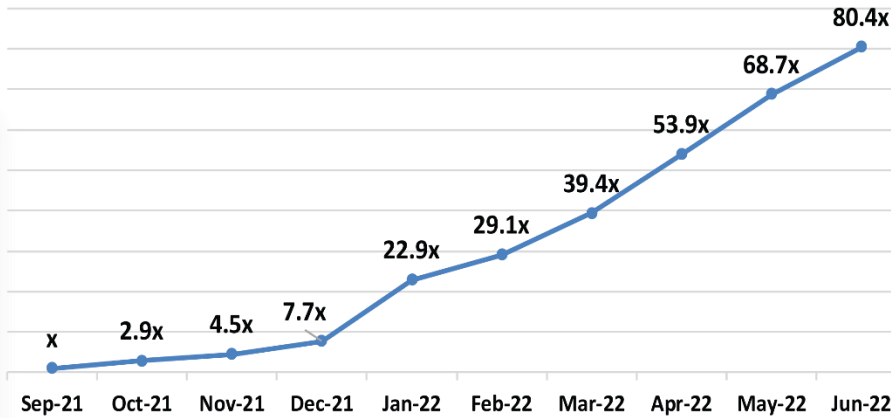




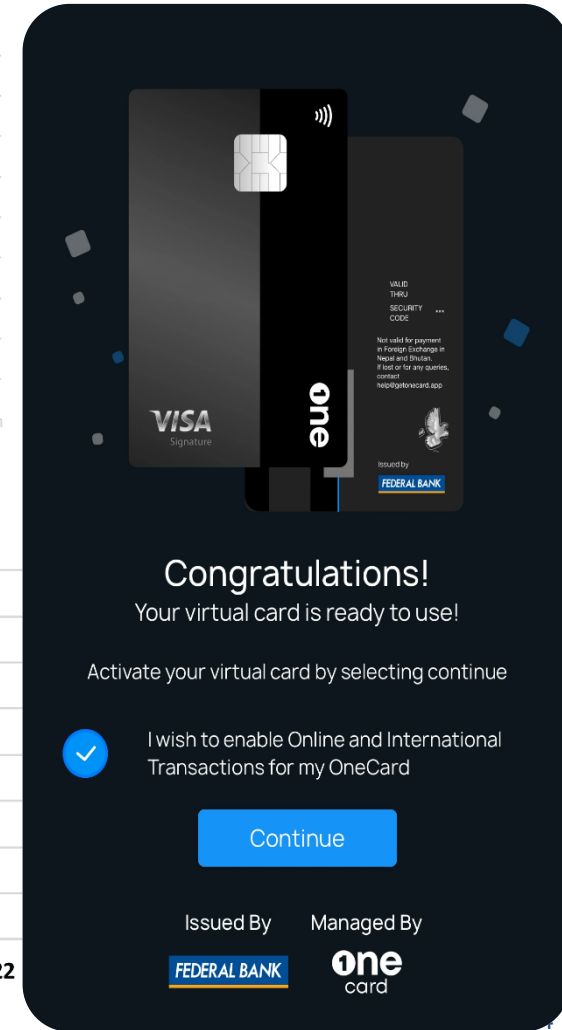
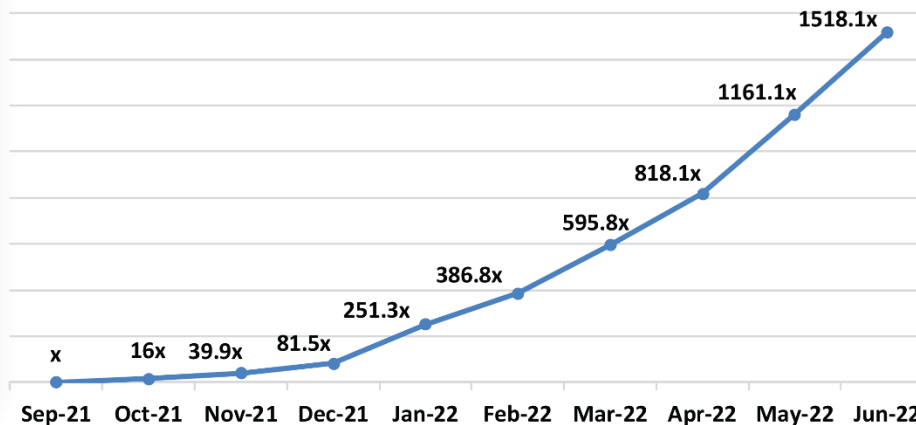
## Co-Branded Credit Card!!

- Bank has tied up with FPL Technologies (First Principles Labs), popularly known as 'One Card' for issuing co-branded credit cards.
- Customer onboarding process will happen via One Card App available on Play & App Store, also the entire customer life-cycle journey will be taken care by FPL.
- The tie-up with FPL primarily concentrates on acquiring NTB customers with focus on the digitally savvy segment.

Cards Issued



Spends

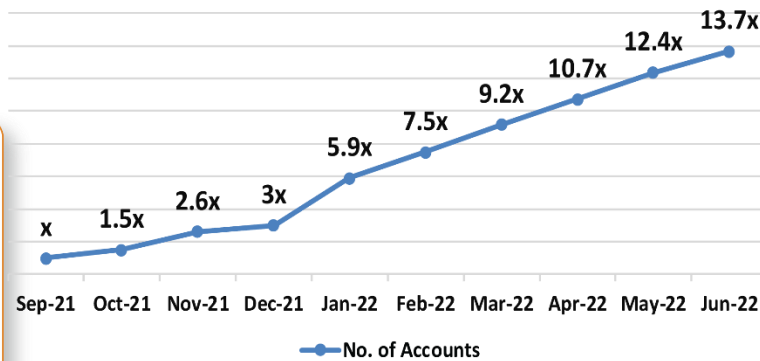


## epifi. Jupiter

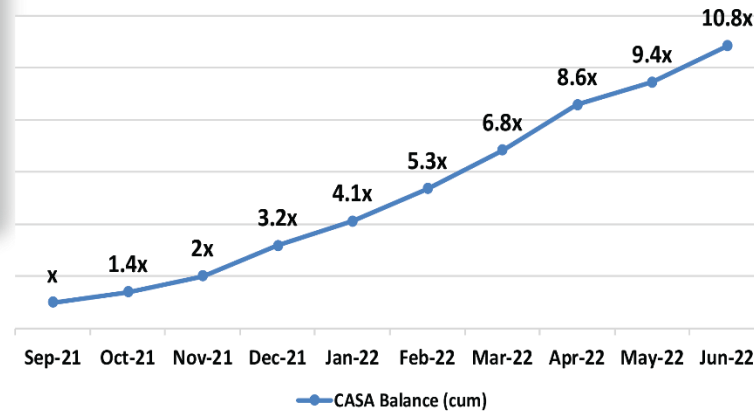


- Bank is live with 2 leading Fintech Partners - Fi & Jupiter.
- The proposition is positioned for the salaried millennial who are digitally native across their savings, investing and borrowing needs.
- More than 4.5L+ account are being opened every month by Fi & Jupiter.

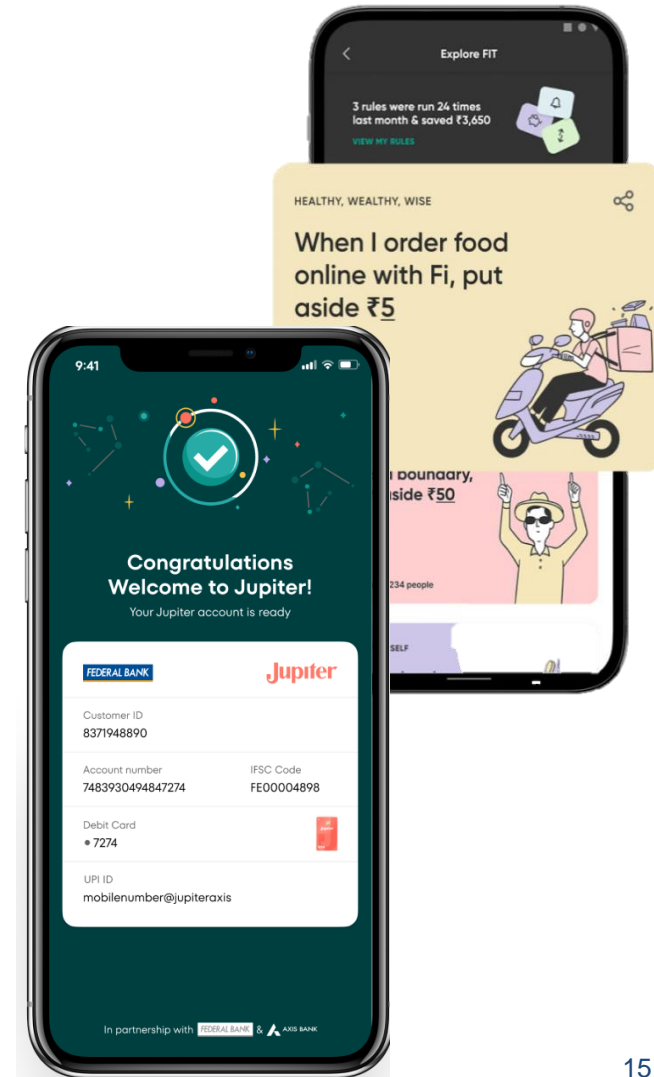
Number of Accounts



Growth in CASA Balance (Amount In Cr.)



## FINTECH PARTNERS

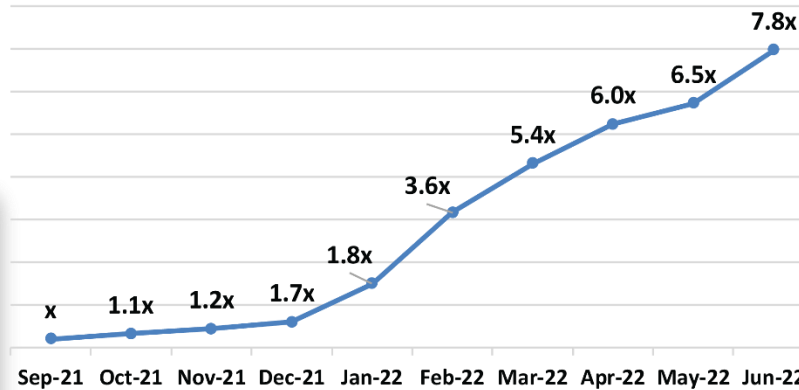




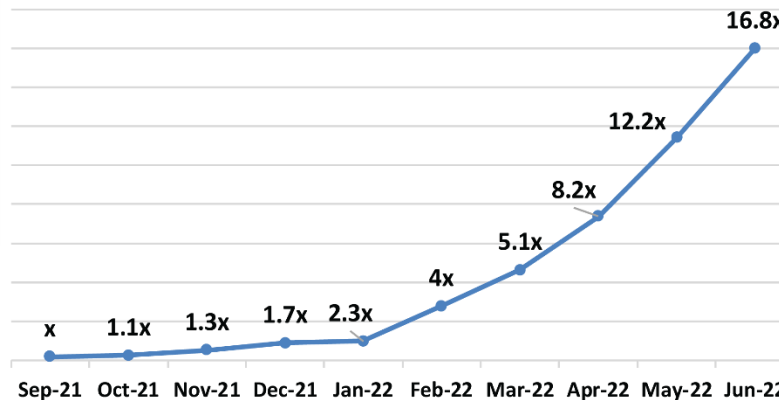
## DigiVridhi Technologies (DGV)

- DGV is a Neo for Bharat fintech empowering the underserved & under-banked with banking facilities.
- Federal Bank, DGV & Amul have joined hands to digitize the farmer milk payment life cycle spread across 18000 Milk Societies and 36 lac farmers.
- Now farmers can receive credits in their accounts & withdraw using Micro ATM services.

Current Account opened of Mandilis



Savings Account opened of Farmers

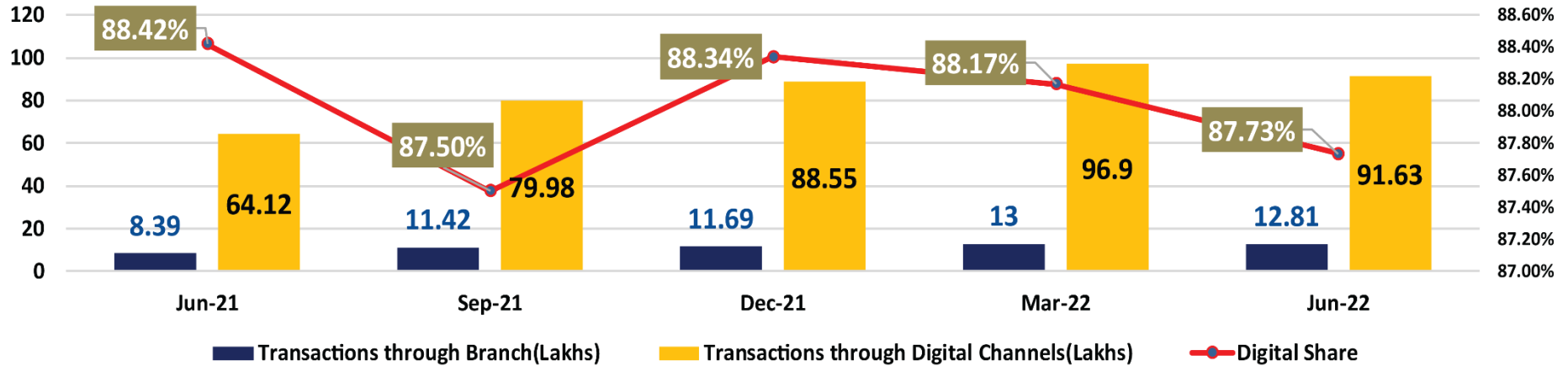


## CATERING THE UNDER-SERVED/BANKED

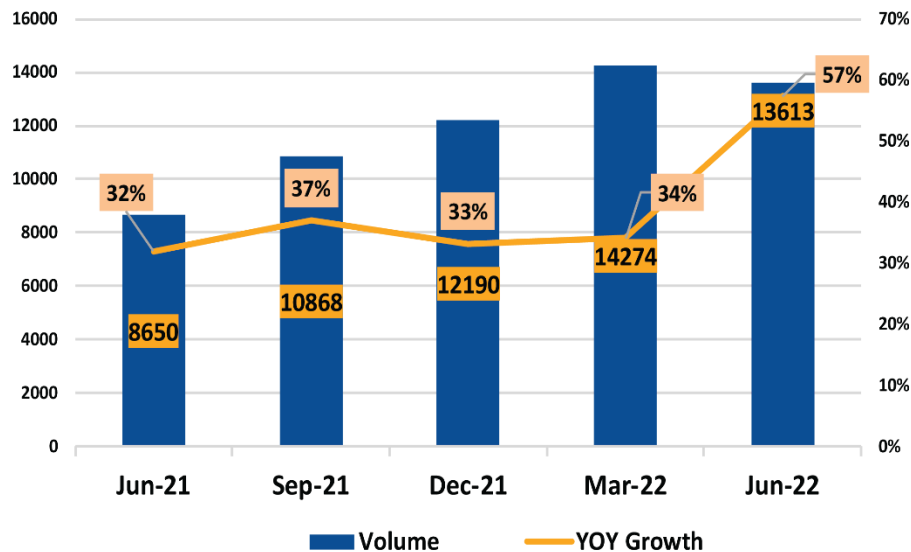




## Branch vs Digital Transactions (In Lakhs)

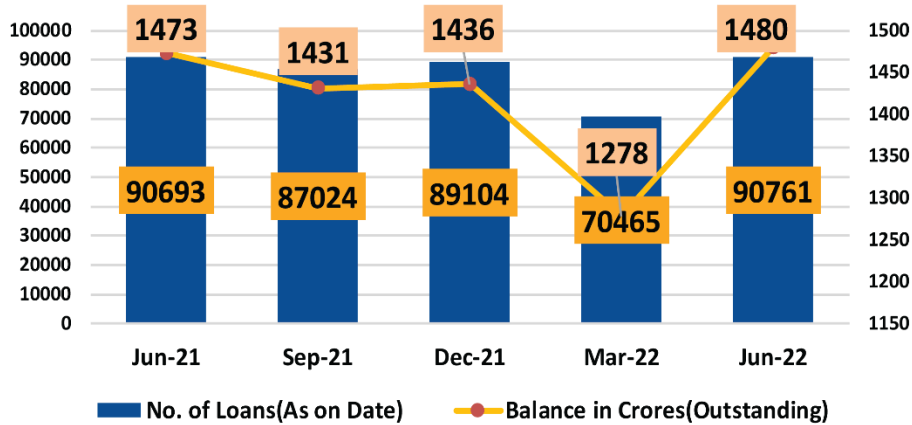


## Mobile Banking Volume (In Crores)

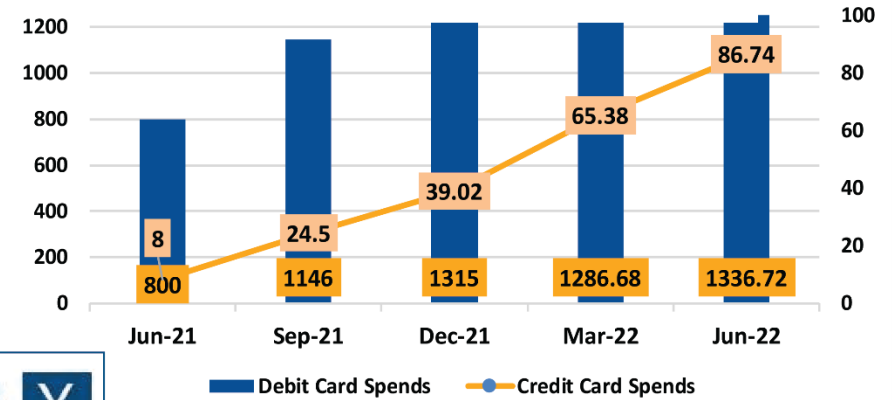


- Digital transactions have seen a **43%** YOY growth.
- Mobile Banking volume stands at **13,613 Crore**, a **57%** YOY growth.
- Crossed **44,374 Crores** in terms of transaction volume for Corporate Digital Products.
- Digital Share stands at **87.73%** for the month of June-22.

## BYOM Digital Personal Loans : Loan book progress



## Card Spends (In Crores)

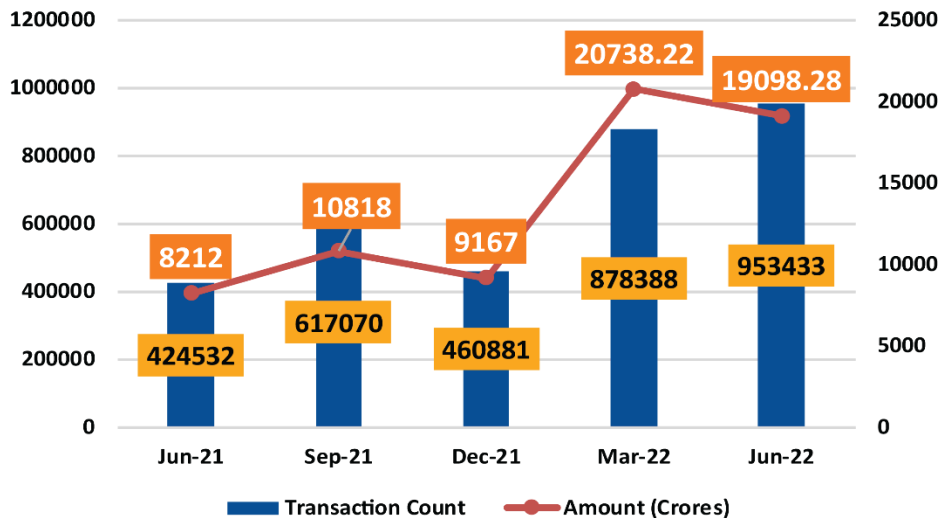


- BYOM enables digital instant personal loans through Federal Bank's Web Portal, FedMobile, Google Pay, Paisa Bazaar & Airtel Payments Bank.
- EMI on check out through PineLabs, Innoviti at multiple merchant locations through POS machines.
- EMI through online channels ex. Bill Desk (Amazon), Flex Money (Flipkart & Mynta) & PayU (MMT).



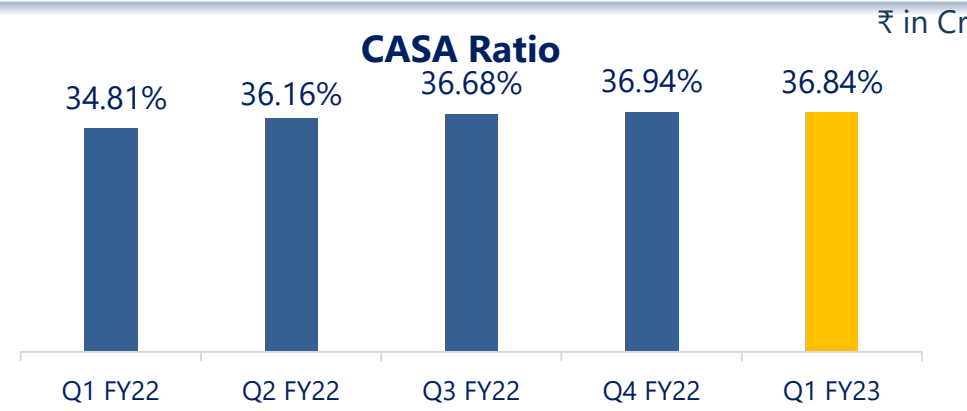
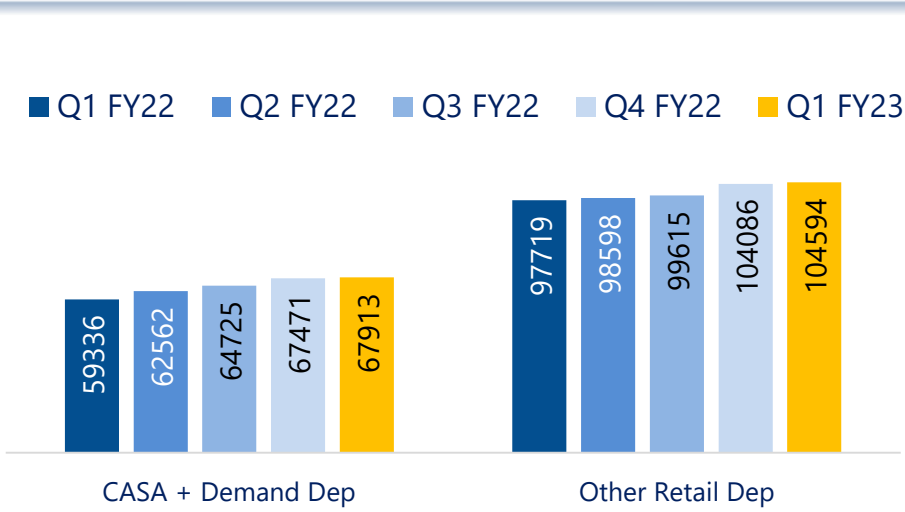
- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 132% YOY growth in terms of Transaction value.

## Fed-e-Biz

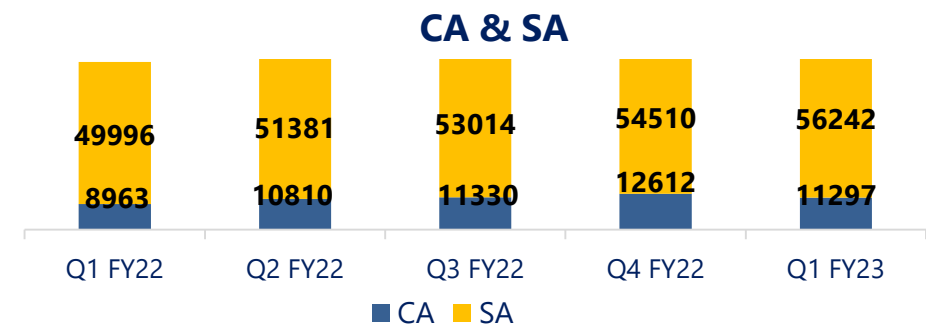
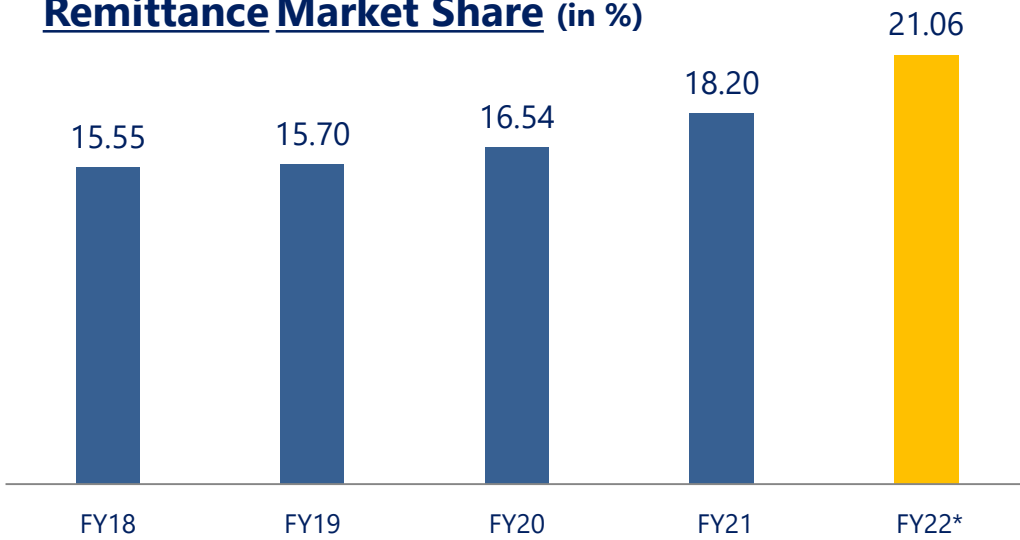


# Business Parameters

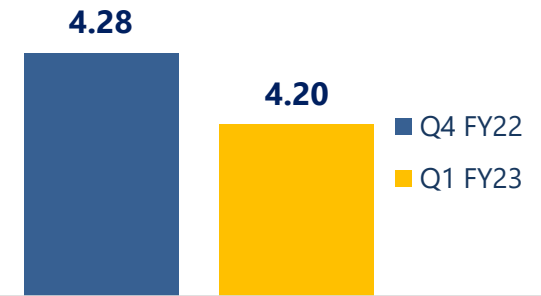
# Liability : Trends



## Remittance Market Share (in %)



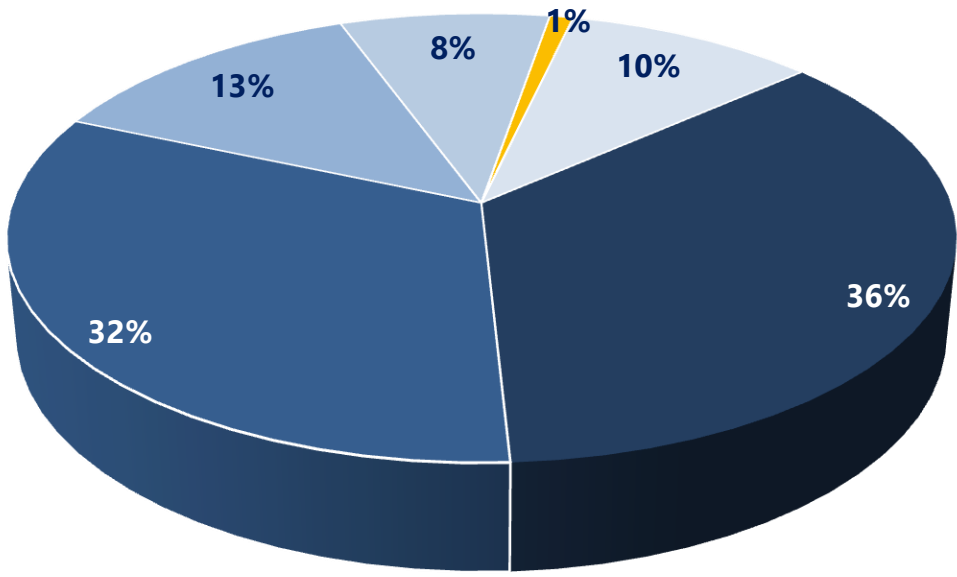
## Cost of Deposits



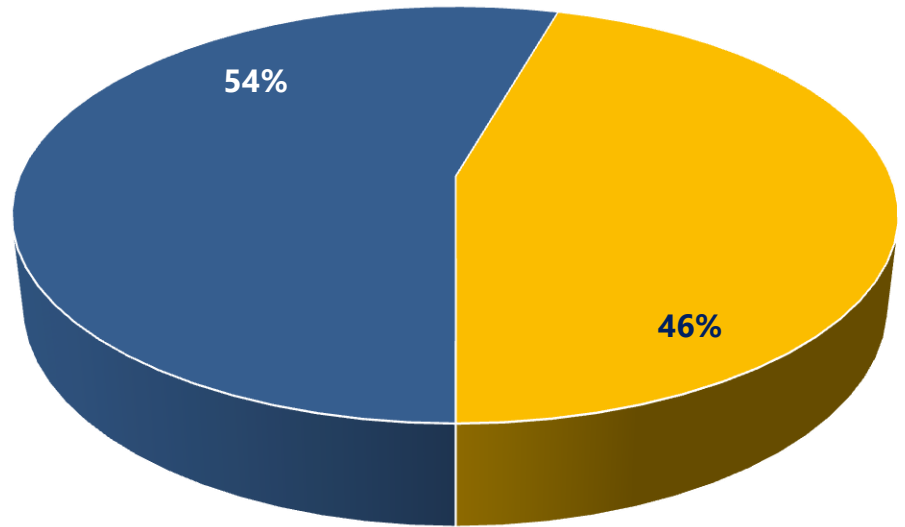
\*data for full year FY22

₹ in Cr

**TOTAL LOAN BOOK**

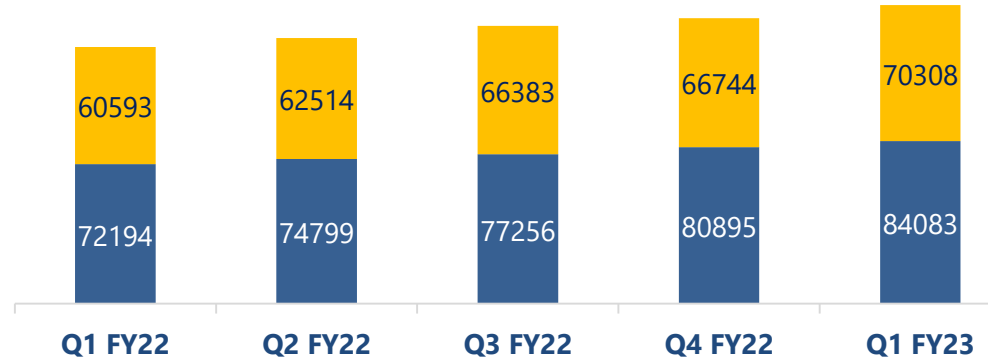
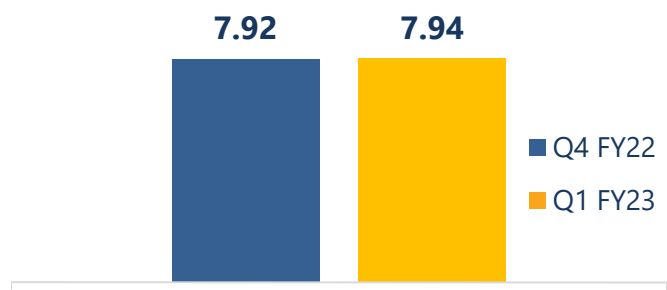


■ Retail ■ Agri ■ BuB ■ CV/CE ■ CoB ■ CIB

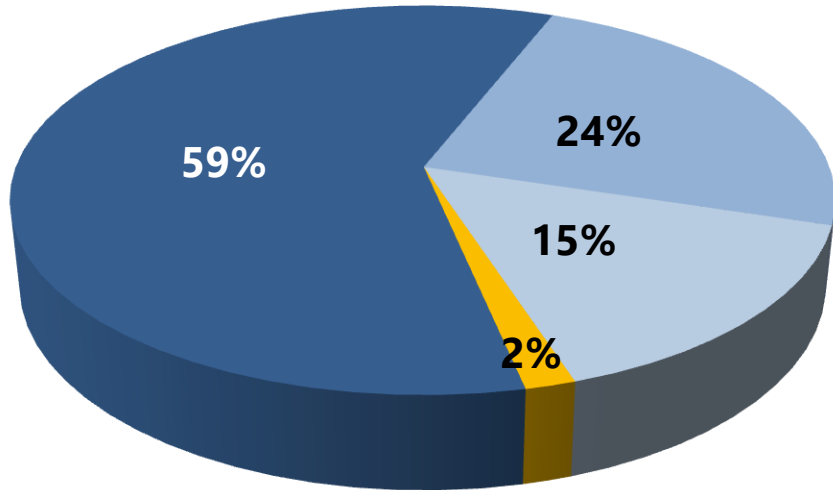


■ Retail ■ Wholesale

**Yield on Advances**

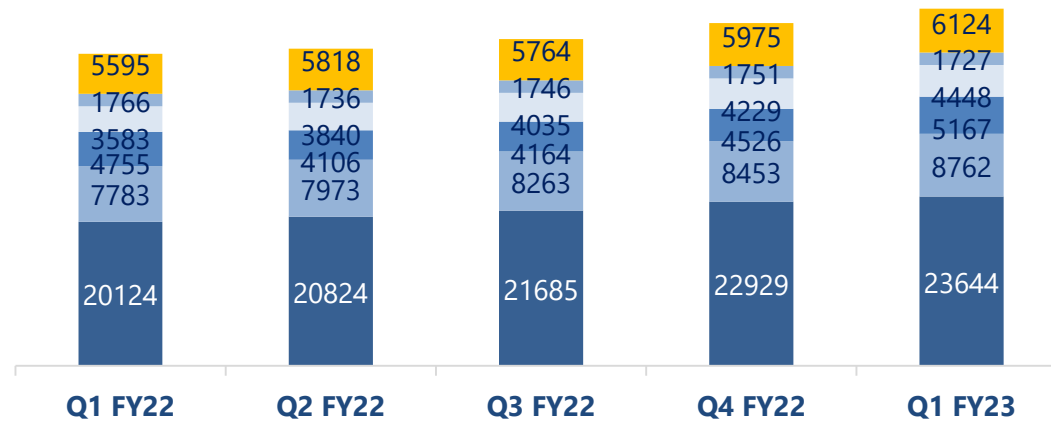


₹ in Cr

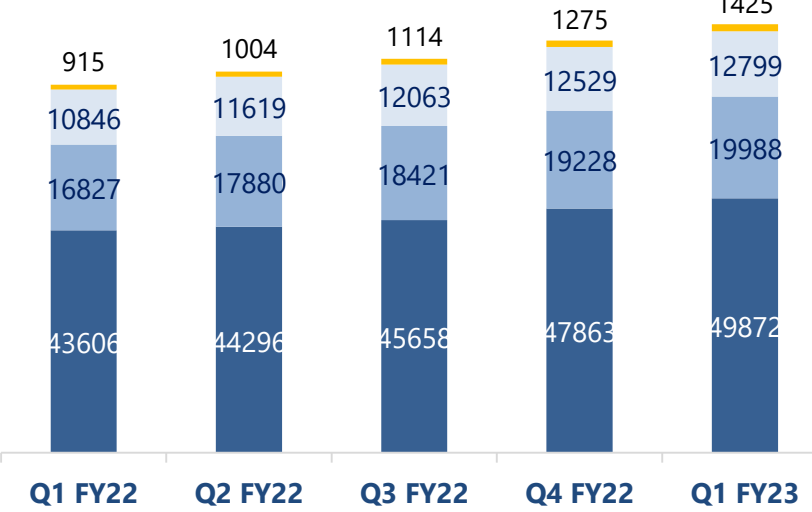


## Retail Loan Book (Excl Agri, BuB & CV/CE)

■ Housing ■ LAP ■ Gold ■ Auto ■ Personal ■ Other



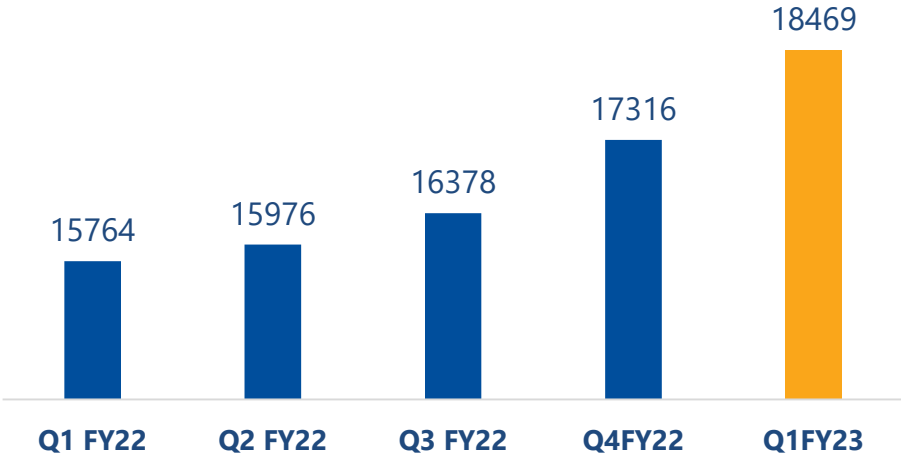
■ Retail ■ Agri ■ BuB ■ CV/CE



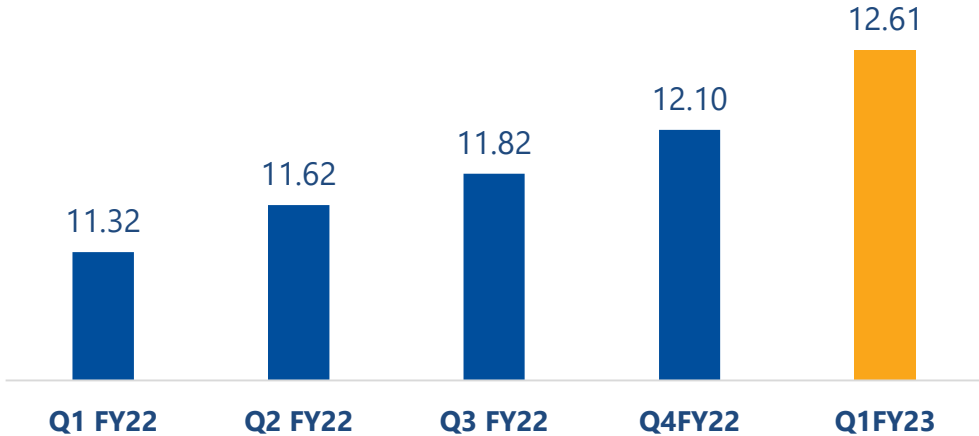
## RETAIL BANKING

- Launched a Digital journey for purchase of Used Cars which includes online evaluation through external vendors
- Partnered with Rubber Board in their e-trade platform 'mRube' for their Banking requirements
- Disbursals through Fintech enabled Gold and Micro lending platforms crossed Rs 8400 Cr with AUM crossing Rs 2400 Cr

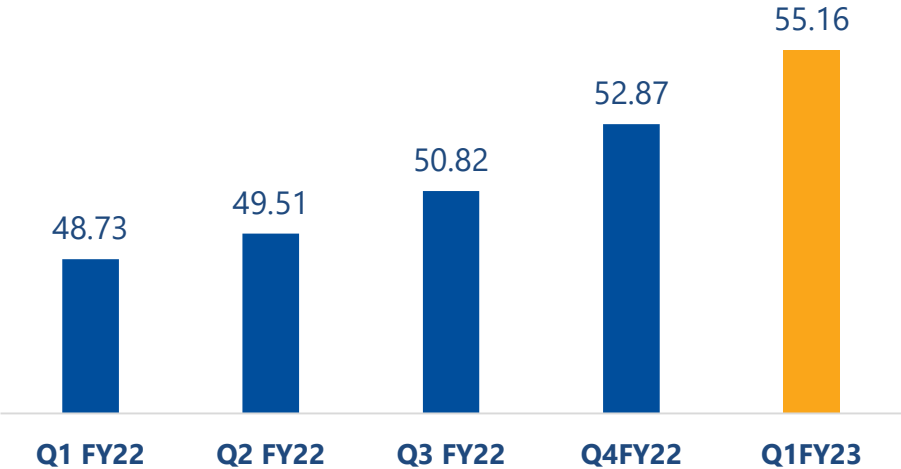
## Gold Loan Portfolio

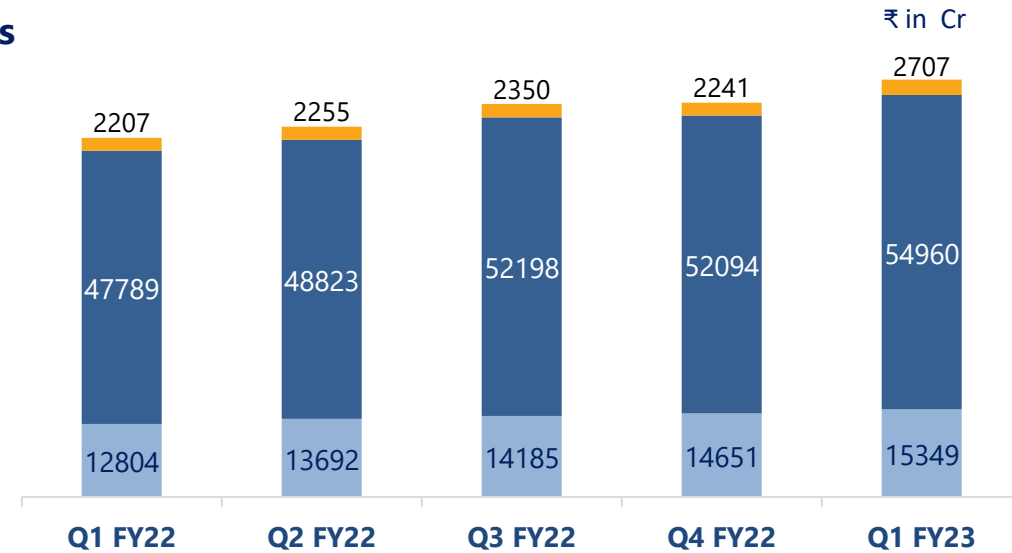
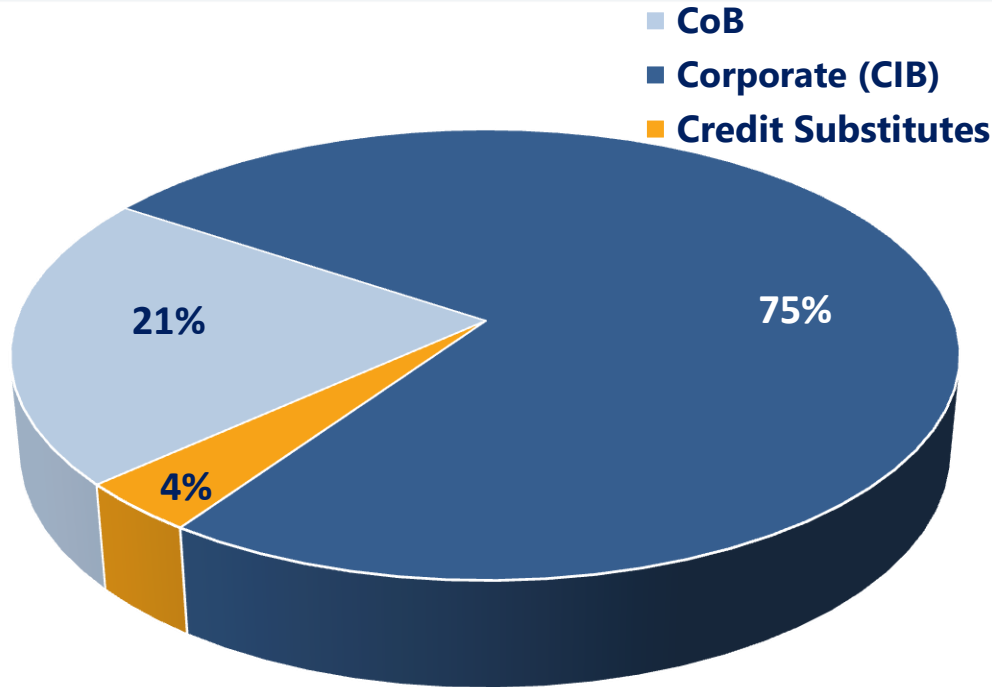


## No of outstanding Accounts (in Lakhs)



## Tonnage





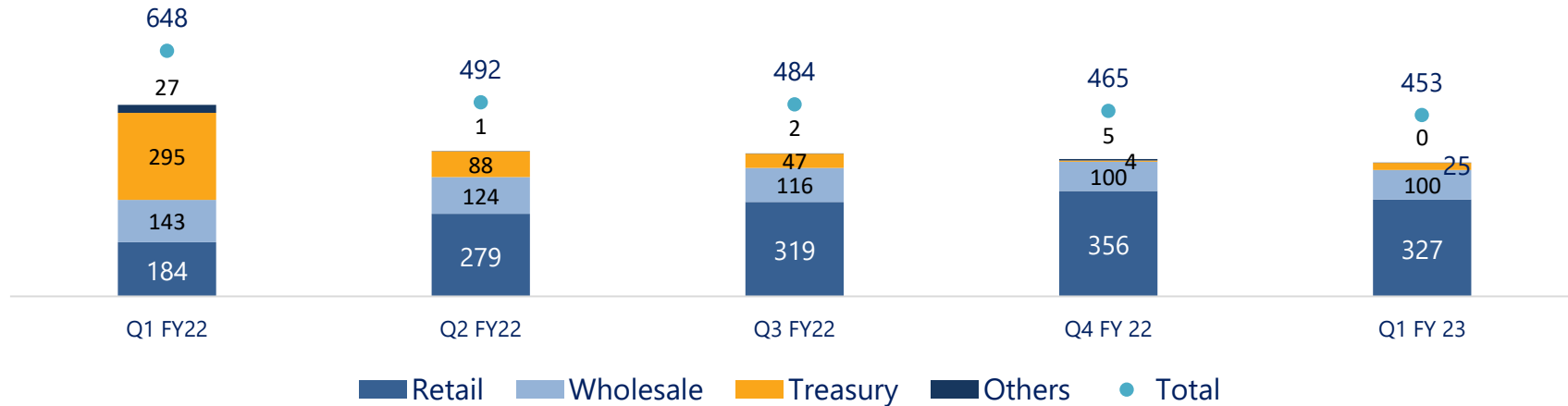
## WHOLESALE BANKING

- Onboarded 44 new clients in CIB and 54 new clients in CoB, across business groups, geographies and sectors during the quarter
- Focussed thrust on Transaction banking and Trade related flows helped improve CASA and Fee by 34% & 59% YoY in CIB and 22% and 19% YoY in CoB
- Average Ticket Size of Wholesale Loan Book (CIB+CoB) : 25 Cr
- Average Ticket Size of CIB & CoB Loans is 59 Cr & 8 Cr respectively



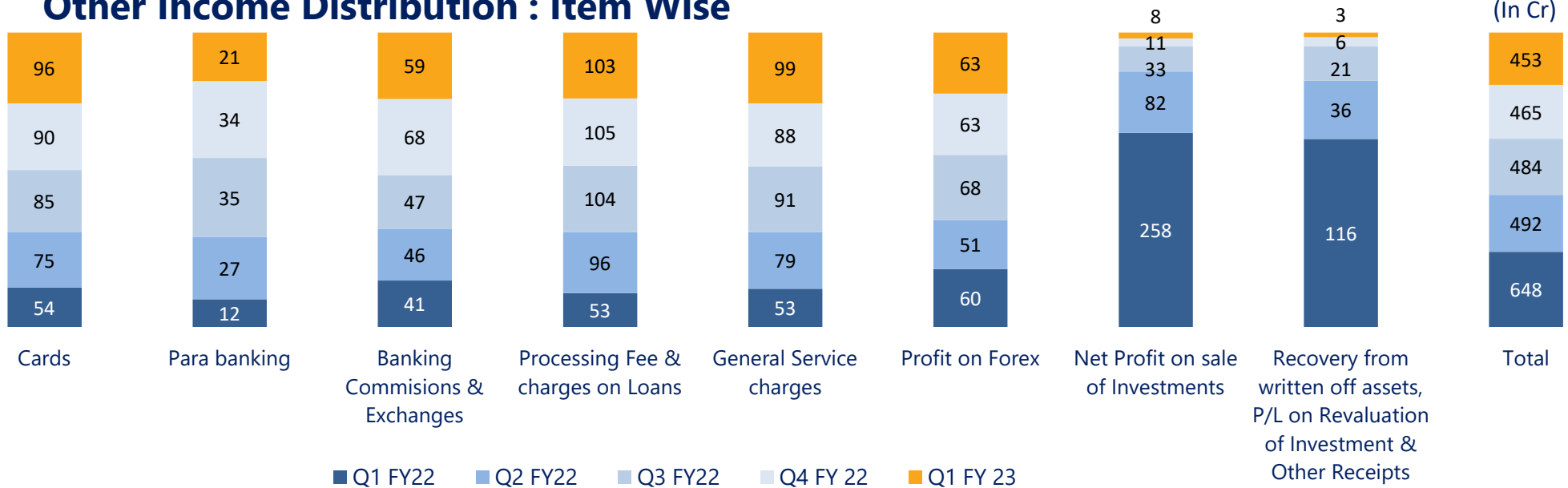
## Other Income Distribution : Vertical Wise

(In Cr)



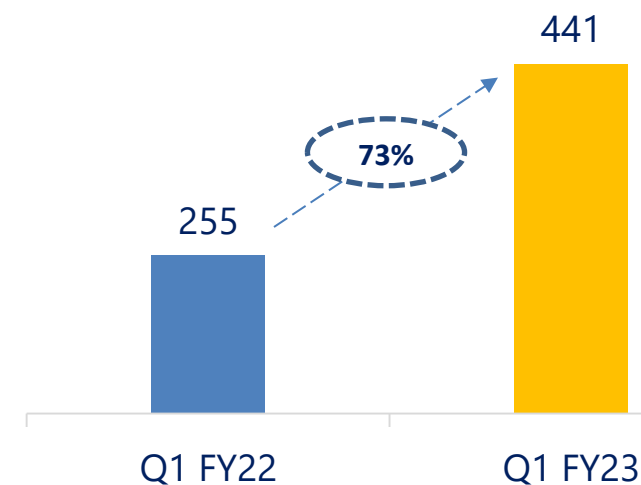
## Other Income Distribution : Item Wise

(In Cr)



	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Loan Processing Fee	53	96	104	105	103
Exchange, Commission, Brokerage & Other Fee Income	161	227	258	280	275
Net Profit on Forex Transactions	41	50	50	68	63
<b>Fee Income</b>	<b>255</b>	<b>373</b>	<b>412</b>	<b>453</b>	<b>441</b>
Profit on sale of securities/ Other Receipts & misc.	394	119	72	12	12
<b>Total Other income</b>	<b>648</b>	<b>492</b>	<b>484</b>	<b>465</b>	<b>453</b>

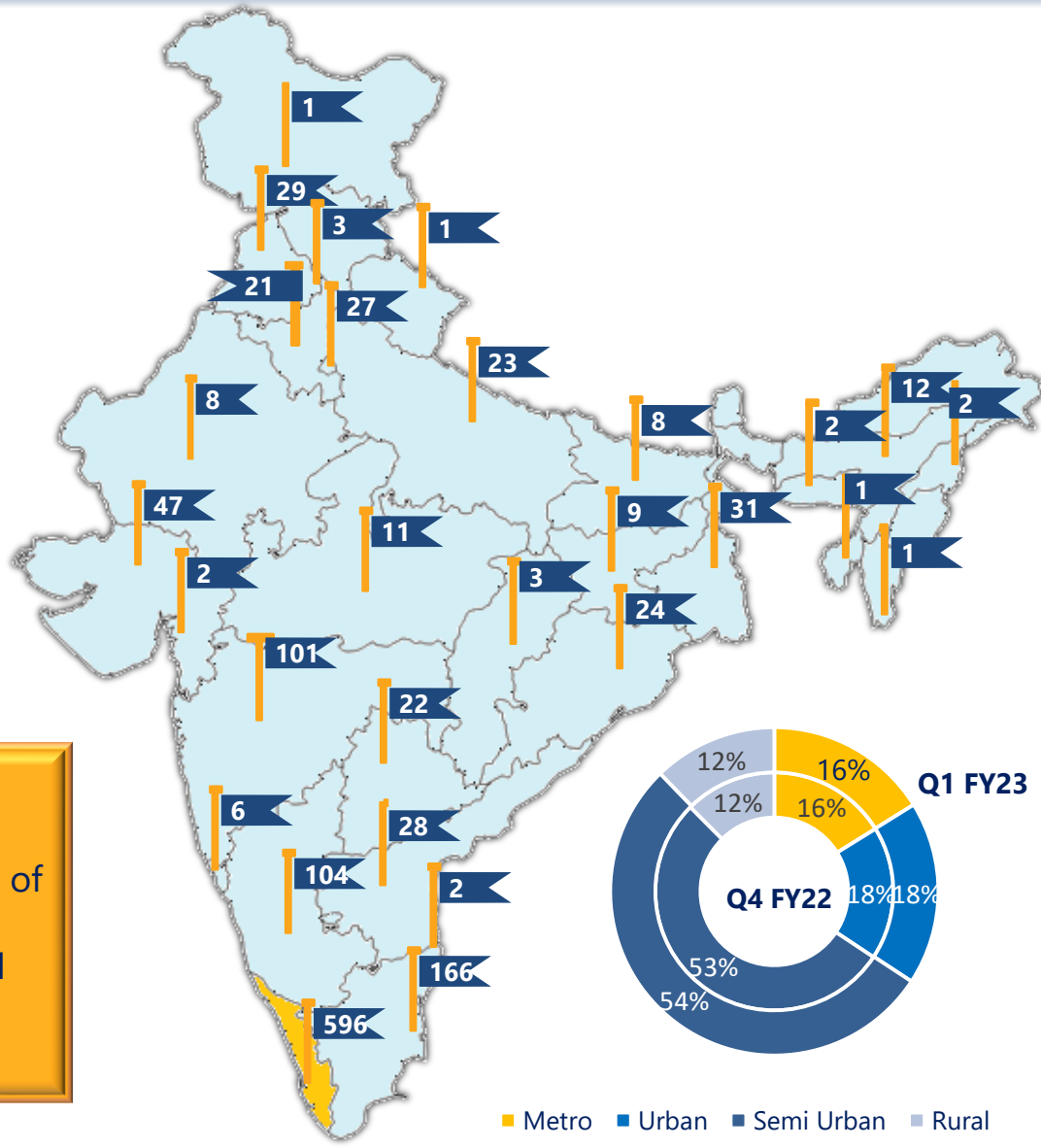
## Fee Income (Y-o-Y)



	Q3 FY22	Q4 FY22	Q1 FY23
Branches	1274	1282	1291
ATM/ Recyclers	1882	1885	1860

## Footprint Expansion Plans (Lite Branch Heavy Distribution Approach)

- Opened 10 Branches in Q1, with plans to open a total of 65 branches in FY23
- Over the next 3 years, the outreach of the Bank would be increased by over 200 branches outside the home market



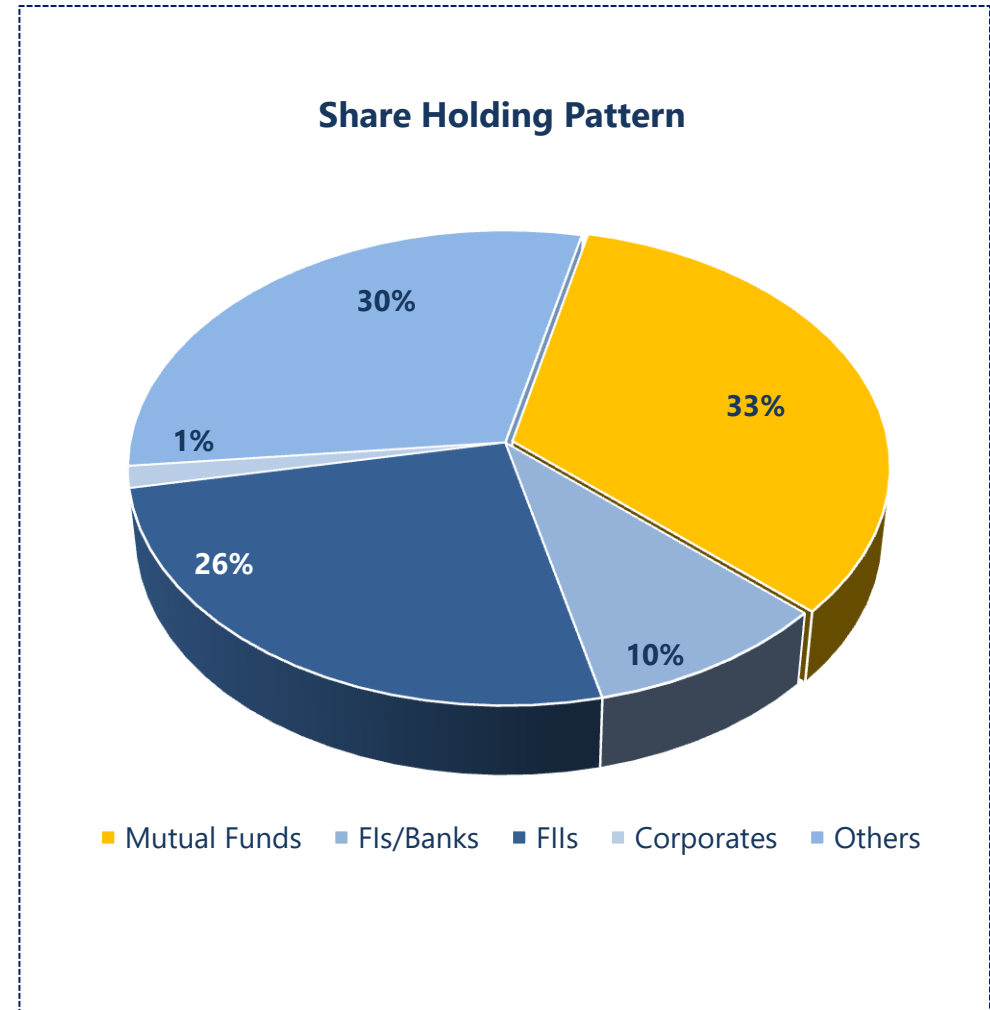
# CRAR – How strong is your Bank?

₹ in Cr

	Q4 FY22	Q1 FY23
<b>Risk Weighted Assets</b>		
Credit Risk	107167	115456
Market Risk	3398	3747
Operational Risk	11695	13136
<b>Total RWA</b>	<b>122260</b>	<b>132339</b>
<b>Tier-1 Capital Funds</b>	<b>17639</b>	<b>17620</b>
Tier-II Capital Funds	1637	1666
<b>Total Capital Funds</b>	<b>19276</b>	<b>19285</b>
<b>CRAR</b>	<b>15.77%</b>	<b>14.57%</b>
Tier-I	14.43%	13.31%
Tier-II	1.34%	1.26%

# Annexures

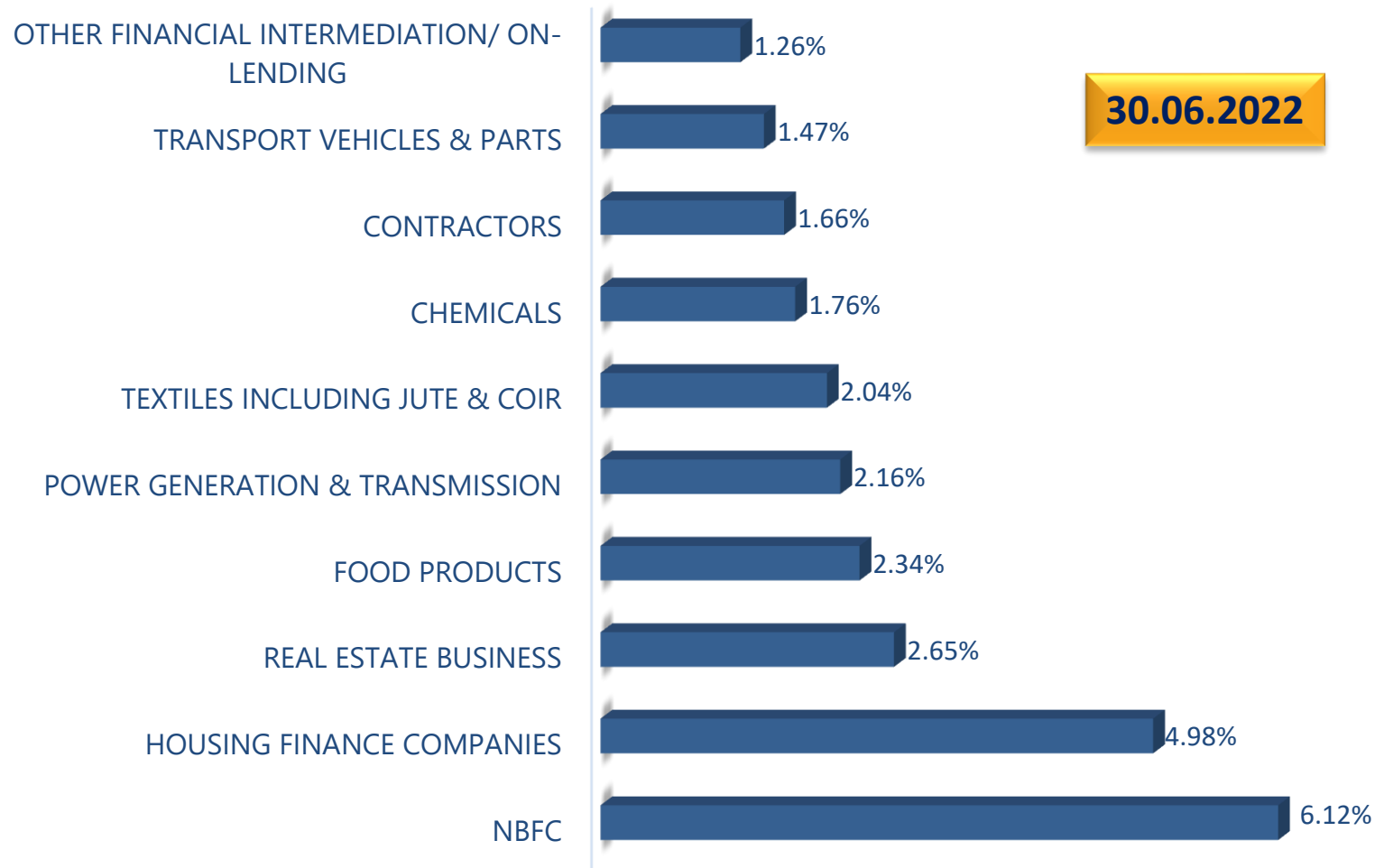
	Q4 FY22	Q1 FY23
<b>LIABILITIES</b>		
Capital	421	421
Reserves & Surplus	18373	18972
Deposits	181701	183355
Borrowings	15393	15834
Other Liabilities & Provisions	5059	6771
<b>TOTAL</b>	<b>220946</b>	<b>225353</b>
<b>ASSETS</b>		
Cash & Balance with RBI	16049	13157
Balances with Banks, Money at Call	4961	2805
Investments	39179	41186
Advances	144928	151689
Fixed Assets	634	668
Other Assets	15194	15847
<b>TOTAL</b>	<b>220946</b>	<b>225353</b>



₹ in Cr

	Q1 FY22	Q4 FY22	Q1 FY23	Q-o-Q	Y-o-Y
<b>Interest Income</b>	3356	3483	3629	4.2%	8.1%
<b>Interest Expenses</b>	1937	1958	2024	3.4%	4.5%
<b>Net Interest Income</b>	1418	1525	1605	5.2%	13.1%
<b>Other Income</b>	648	465	453	-2.7%	-30.2%
<b>Operating Expense</b>	933	1192	1084	-9.1%	16.1%
<b>Total Income</b>	4004	3948	4081	3.4%	1.9%
<b>Total Expense</b>	2871	3150	3108	-1.3%	8.3%
<b>Operating Profit</b>	<b>1133</b>	<b>798</b>	<b>973</b>	<b>21.9%</b>	<b>-14.1%</b>
<b>Total Provisions</b>	766	258	373	44.7%	-51.3%
<b>Net Profit</b>	<b>367</b>	<b>541</b>	<b>601</b>	<b>11.1%</b>	<b>63.5%</b>
<b>Net Interest Margin (%)</b>	<b>3.15</b>	<b>3.16</b>	<b>3.22</b>	<b>6 bps</b>	<b>7 bps</b>
<b>Cost to Income Ratio (%)</b>	<b>45.16</b>	<b>59.89</b>	<b>52.68</b>	<b>-721 bps</b>	<b>752 bps</b>

## Top 10 Sector wise exposure as a % of Total Advance





## Major Investments

Entity	% of stake
Federal Operations & Services Limited (FedServ)	100.00%
Fedbank Financial Services Limited	73.30%
Ageas Federal Life Insurance Company Limited	26.00%
Equirus Capital Private Ltd	19.87%

## Subsidiaries & JVs

### Ageas Federal Life Insurance Co. Ltd.

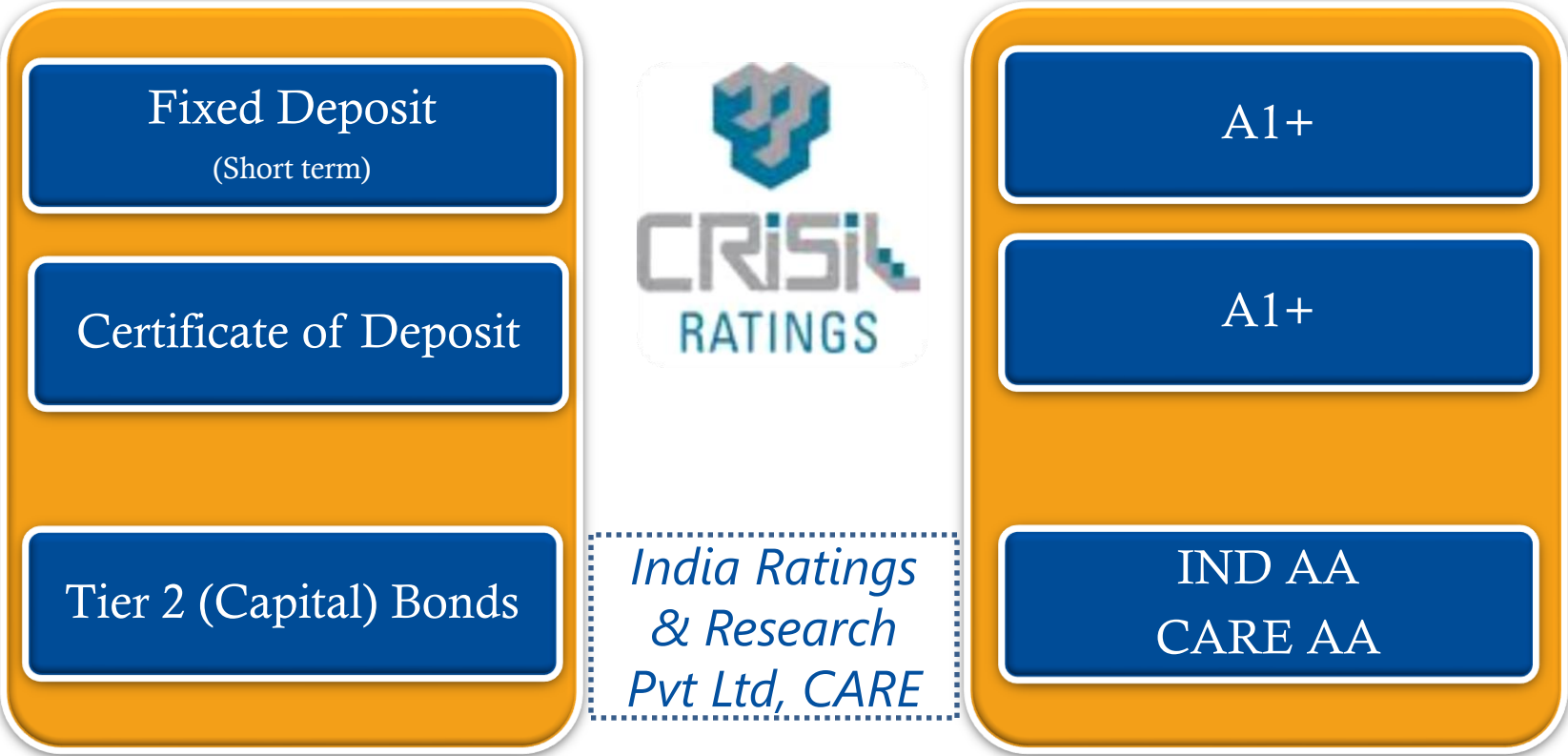
- Bank's Joint Venture Life Insurance Company, in association with Ageas
- Federal Bank holds 26% equity in the J.V.
- Started selling life insurance products from March 2008

### FedBank Financial Services Ltd.

- 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.

### Federal Operations & Services Limited (FedServ)

- FedServ is a wholly owned subsidiary company of Federal Bank.
- It provides operational & technology oriented services to Federal Bank
- Located at Visakhapatnam & Kochi
- Designed to deliver excellence in service, mitigation of risk and cost efficiencies



- Fixed Deposits and Certificate of Deposits enjoy highest rating in that class.

**Thank You**