

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2022

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Note: There has been an accounting change w.r.t. 'recovery from written off assets' to comply with directions issued by RBI vide its Master Circular dated August 30, 2021 and updated as on November 15, 2021. From the current quarter, such recoveries will be reported under the head 'other income' as hitherto (except for the departure in Q2 FY 22 when they were netted off against provisions). In certain parts of the presentation, we have given adjusted numbers to reflect the adjustments made to prior period figures to enable comparison of quarterly numbers on a like to like basis.

Gaining Momentum in Business Growth

Profitability

- **Net Profit @ 522 Cr, grew by 29% YoY**
- ROA for Q3 at 1.02% and ROE at 11.62%
- Operating Profit for Q3 at 914 Cr
- **Strong Pickup in NIM @ 3.27%**

Credit Growth in Chosen Areas

- Total Advances grew by 12% YoY
- Retail Advances grew by 8% YoY
- Agri Business grew by 18% YoY
- Commercial Banking grew by 12% & Corporate grew by 14% YoY

Granular Deposit Portfolio Strength Further Enhanced

Granular Liability Franchise

- Total Savings Deposits grew by 13% YoY
- CASA grew by 15% YoY and CASA Ratio at all time high level of 36.68%
- Retail Deposits at 94% of Total Deposits
- **Fintech partnerships progressing well and contributing to 75%+ of new accounts booked**

Income and Cost Streams

- **Core Fee Income @ 412 Cr, increase of 15% YoY**
- NII @ 1539 Cr for Q3, grew 4% sequentially
- Cost to Income @ 54.81%

Strong Asset Quality Performance

Asset Quality

- **Further reduced GNPA and NNPA to 3.06% and 1.05% respectively**
- Strong recovery/ upgradation and cash recovery on sale of a large account to ARC, helped bring down credit cost in Q3

Steady Growth in Market Share

- Market Share in Advances at 1.23%
- Market Share in Deposits at 1.08%
- **Market Share in Personal Inward remittance business at 19.23% (Q2 FY22)**

Digital Dominance Visible

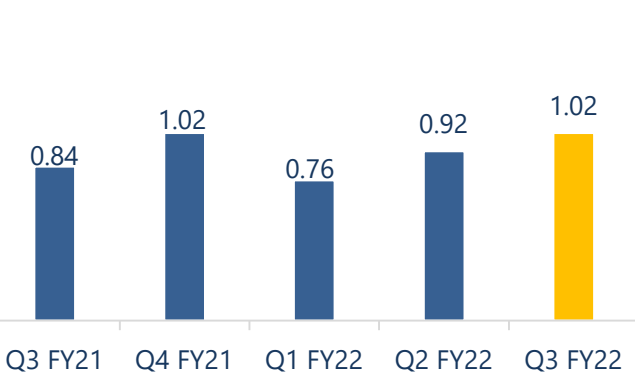
New Initiatives/ Digital Update

- Tied up with two Standalone Health Insurance partners (Star Health Insurance & Aditya Birla Health Insurance)
- Bank went live with two Account Aggregators – Finvu and Onemoney

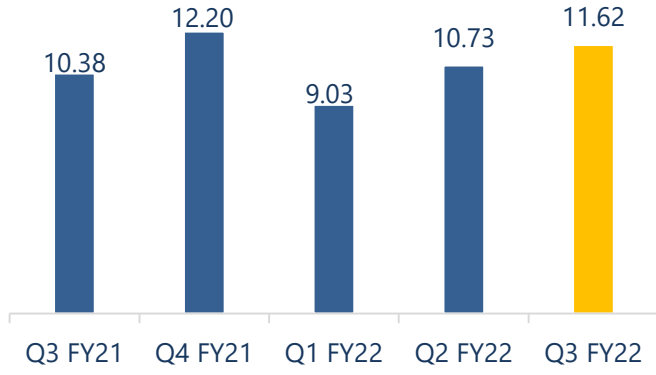
Balance Sheet and Capital

- Balance Sheet grew by 6% YoY (Rs 2.08 L Cr)
- Total business grew by 10% YoY (3.16 L Cr)
- CRAR at 14.37%

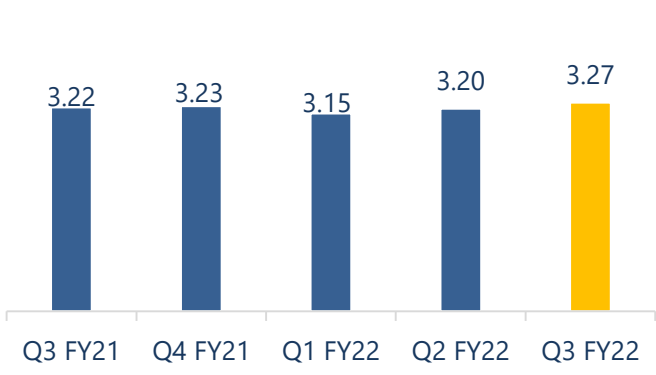
RoA



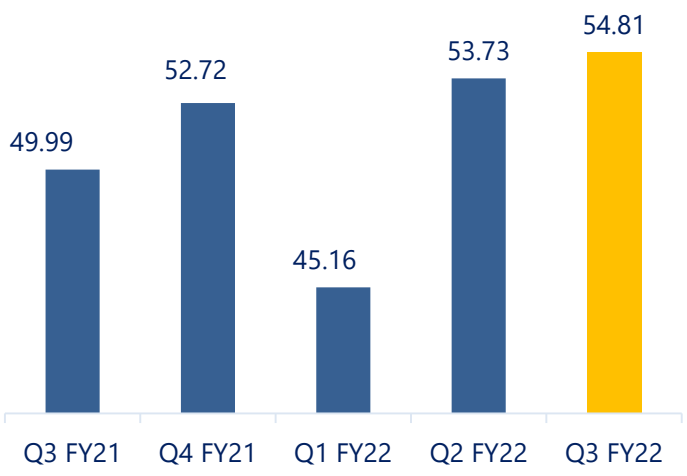
RoE



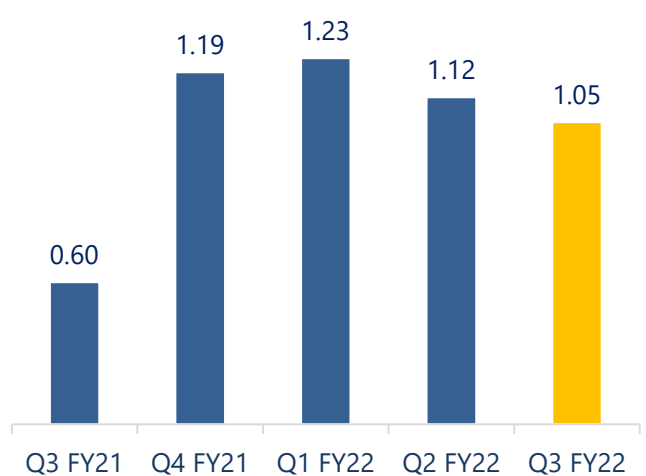
Net Interest Margin (%)



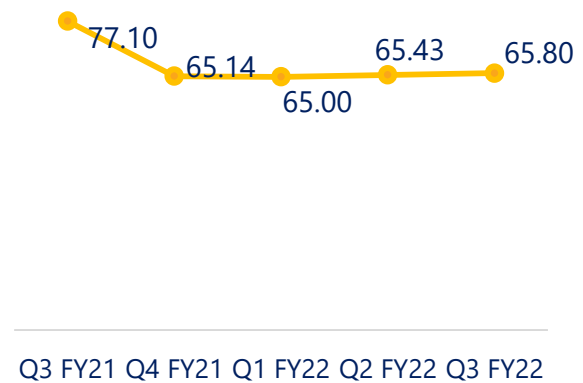
Cost to Income Ratio*



NNPA (%)



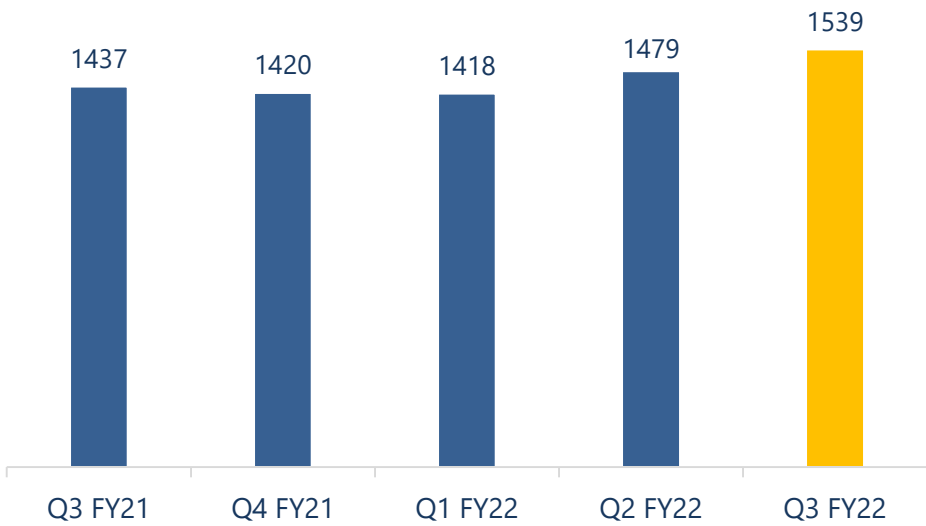
PCR (%)



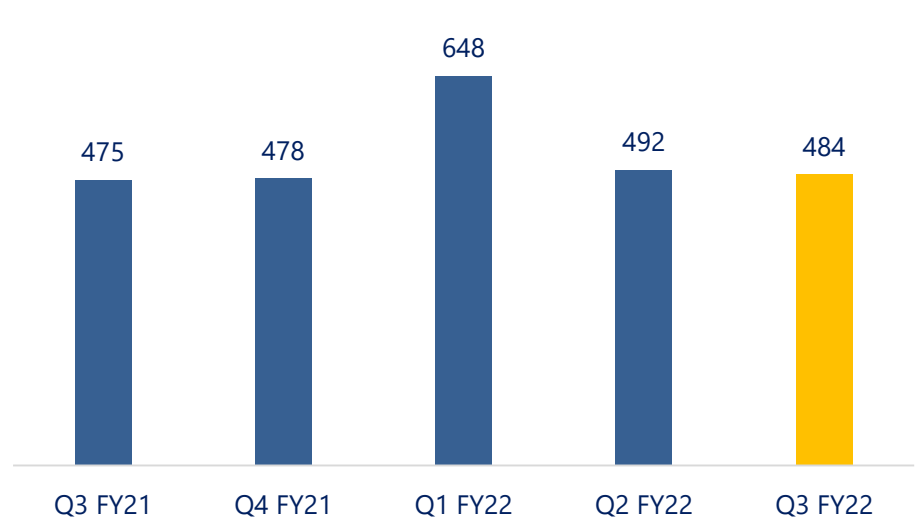
*Adjusted

₹ in Cr

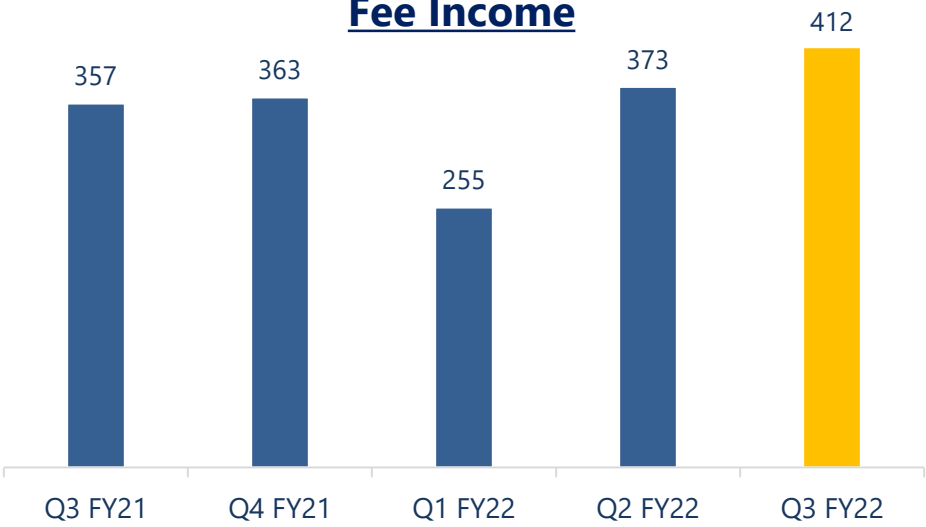
Net Interest Income



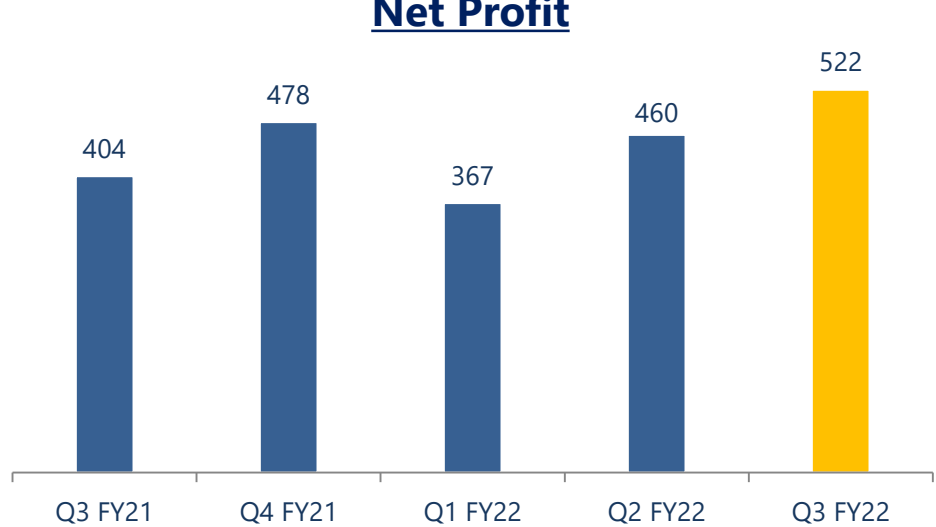
Other Income*



Fee Income



Net Profit



*Adjusted

Shareholder Value

	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21
Book Value (Per Share in ₹)	86.05	83.52	82.60	80.77	78.32
EPS (annualized)	9.85	8.79	7.38	9.71	8.04

Granularity

CASA + Deposits <2 Cr (% of Total Deposits)	92%	92%	91%	88%	90%
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Profitability (Annualized)

ROA	1.02	0.92	0.76	1.02	0.84
RoRWA	1.93	1.79	1.49	1.91	1.64
ROE	11.62	10.73	9.03	12.20	10.38

Efficiency

Cost/Income*	54.81	53.73	45.16	52.72	49.99
Net NPA%	1.05	1.12	1.23	1.19	0.60

*Adjusted

Asset Quality Trends

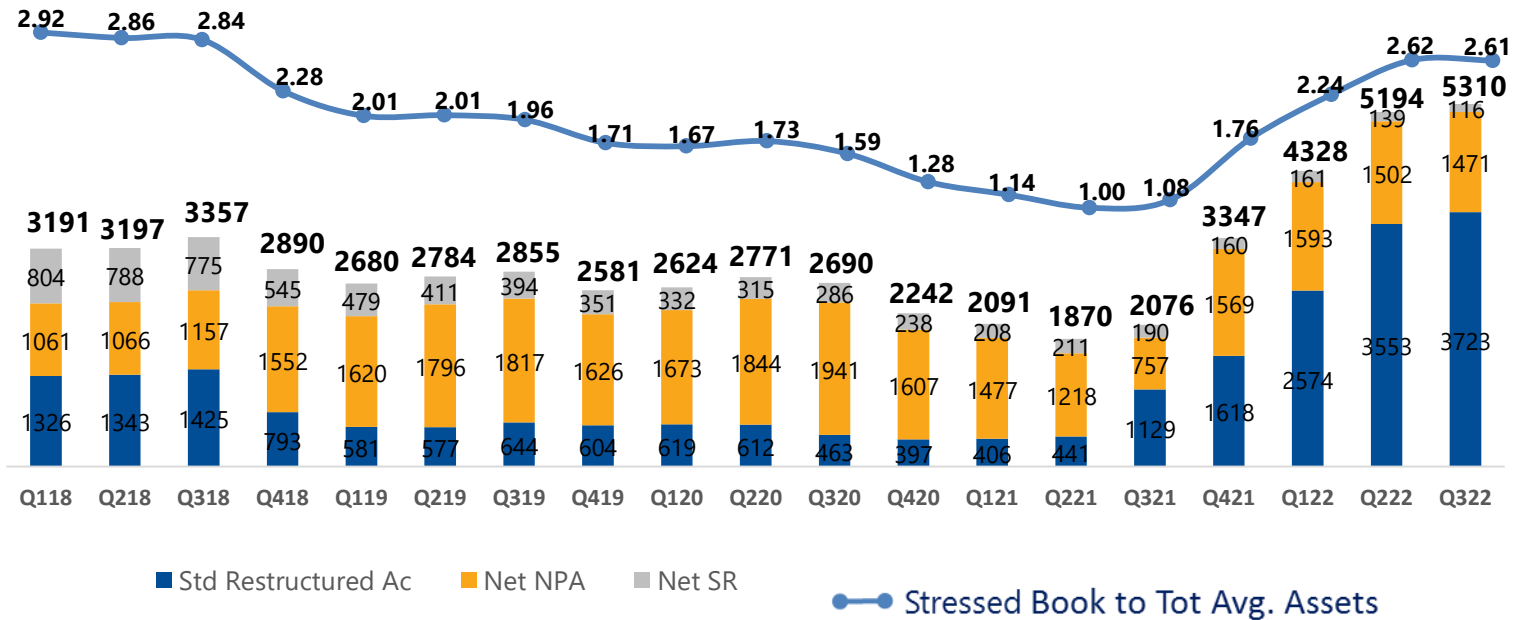
Amt in Rs.Cr.

Standard Covid Specific Restructuring outstanding of 3519 Cr, i.e. at 2.45% of Gross Advances

Maintaining 730 Cr provision for Covid specific restructuring

Provision Coverage Ratio maintained at 65.80%

Collection Efficiency – stable at 96%



Movement of NPA

Gross NPA as on 30.09.2021	4446
Add Fresh Slippage	442
Add Increase in Balances in Existing NPAs	11
Deduct Recoveries/ Upgrades/ Reduction in existing NPA/ Sale to ARC	491
Deduct Written Off	7
Gross NPA as on 31.12.2021	4401

Provisions in Q3

Loan Loss	75
Investment Loss	-19
Standard Accounts	152
Other Purposes	6
Total Provisions	214

Fresh Slippages Break up

Fresh Slippages					
	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21	Q3* FY21
Retail	95	85	127	301	314
Agri	103	98	157	89	159
BuB	84	49	169	73	196
CoB	110	88	117	135	108
Corporate	50	0	70	0	312
Total	442	320	640	598	1089

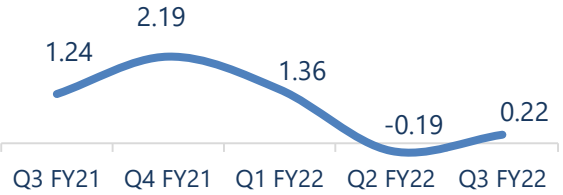
Restructured				
TYPE	Q3 FY22		Q2 FY22	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	3723	17	3553	17
Net NPA	459	102	382	117
TOTAL	4181	119	3935	134

Security Receipts		
	Q3 FY22	Q2 FY22
Face Value	546	561
Book Value	463	478

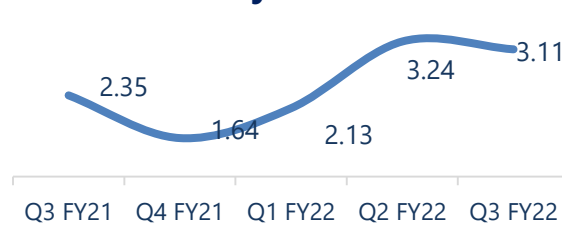
* Includes Proforma slippages

NPA Composition		Q3 FY22	Q2 FY22
Gross NPA	Business	NPA	NPA
	Retail	1187	1203
	Agri	851	838
	BuB	922	890
	CoB	888	798
	Corporate	553	716
	Total	4401	4446
Net NPA		1471	1502

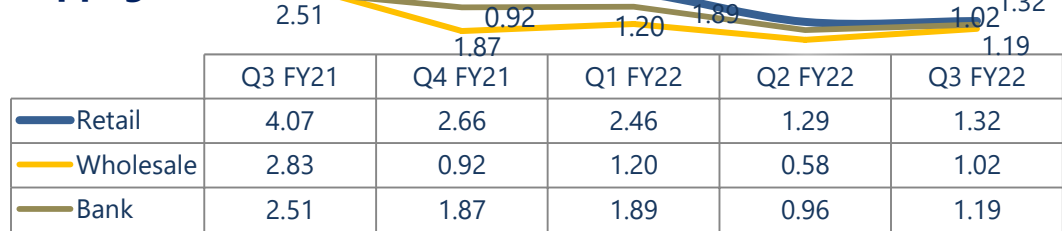
Credit Cost



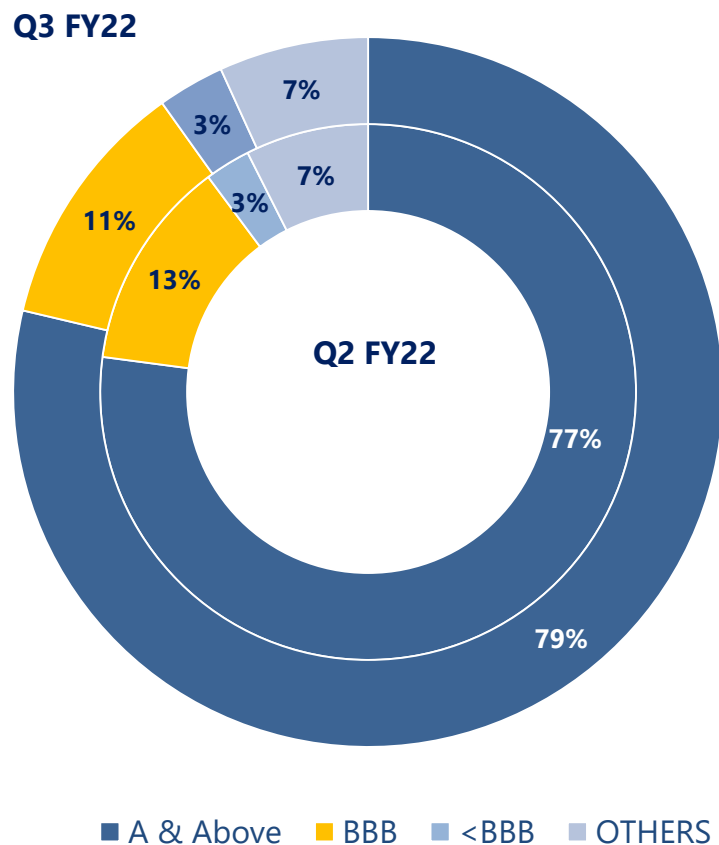
Risk Adjusted NIM



Slippage Rate



External Rating of Corporate Advances



External Rating of Corporate Advances

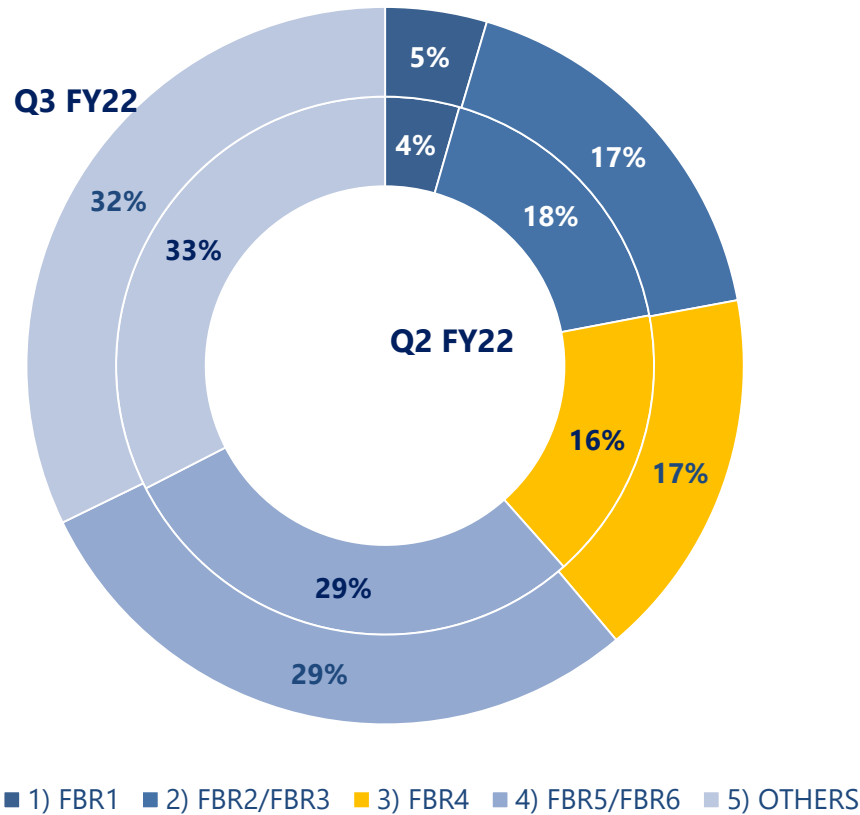
Rating	Q3 FY22	Q2 FY22
A & above	79%	77%
BBB	11%	12%
< BBB	3%	3%
Others	7%	8%

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

Rating	Q3 FY22	Q2 FY22
FBR1	8%	9%
FBR2/FBR3	12%	4%
FBR4	25%	19%
*Below FBR4 & unrated	55%	68%

*includes IBPC.

Asset Quality : Rating Distribution (Advances excluding Corporate advance)



Rating	Q3 FY22	Q2 FY22
FBR1	5%	4%
FBR2/FBR3	17%	18%
FBR4	17%	16%
FBR5/FBR6	29%	29%
Staff	3%	3%
Gold, Advance against Deposit/Securities & others	29%	30%

* Gold loans are clubbed with certain other types of secured loans that are exempted from internal rating requirement and hence past period figures have been adjusted to show like to like comparison.

Comparison : Y-o-Y (3 M)



* Adjusted.

#SME split into BuB & CoB

Comparison : Q-o-Q (3 M)



* Adjusted.

#SME split into BuB & CoB

Digital Migration

88.3%

SHARE OF DIGITAL TRANSACTION

₹12.2K

CR WORTH MONTHLY MOBILE BANKING TRANSACTIONS

₹25.1K

CR WORTH MONTHLY CORPORATE DIGITAL PRODUCTS VOLUME

Digital Transformation

135%

YOY GROWTH IN UPI TRANSACTIONS

210+

RPA PROCESSES RUNNING

85%

ACCOUNTS OPENED DIGITALLY

Future Readiness

300+

API'S AVAILABLE IN OPEN BANKING

50+

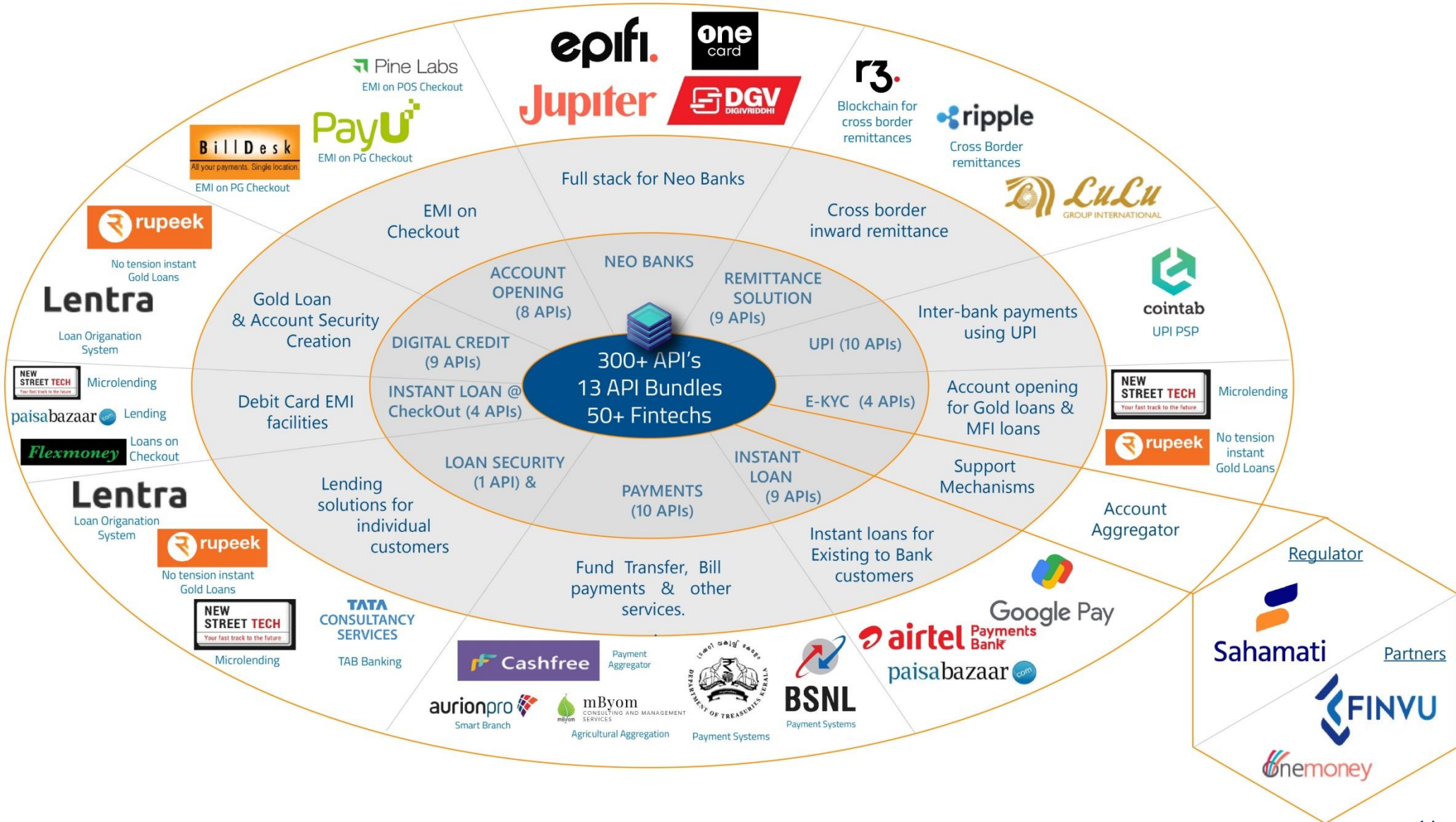
NUMBER OF FINTECH PARTNERS

5

NUMBER OF CHANNELS WHERE AI IS INTEGRATED

FUTURE OF DIGITAL IS
HUMAN



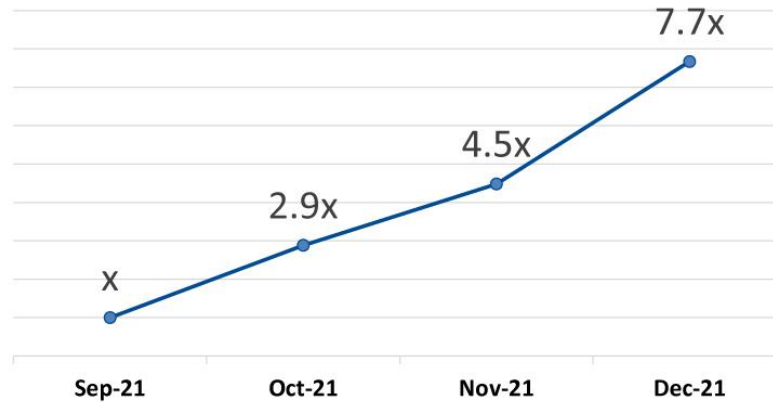




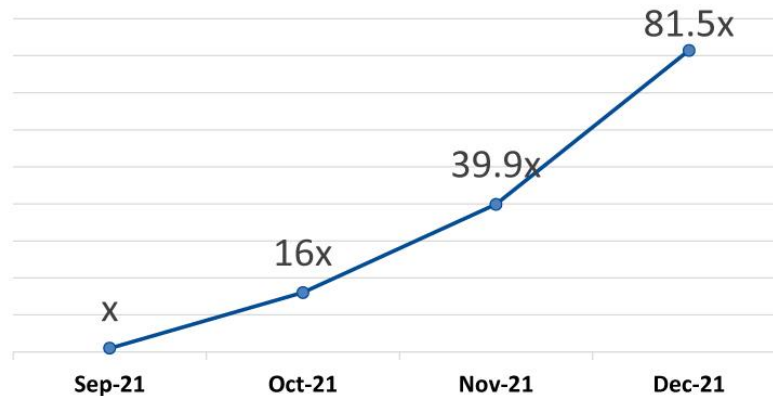
Co-Branded Credit Card!!

- 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

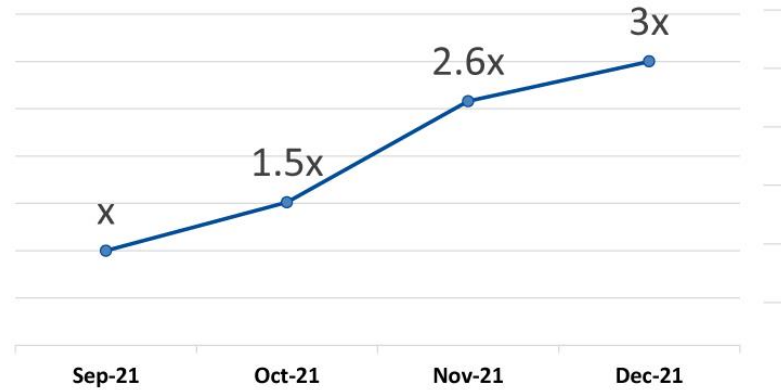


epifi. Jupiter

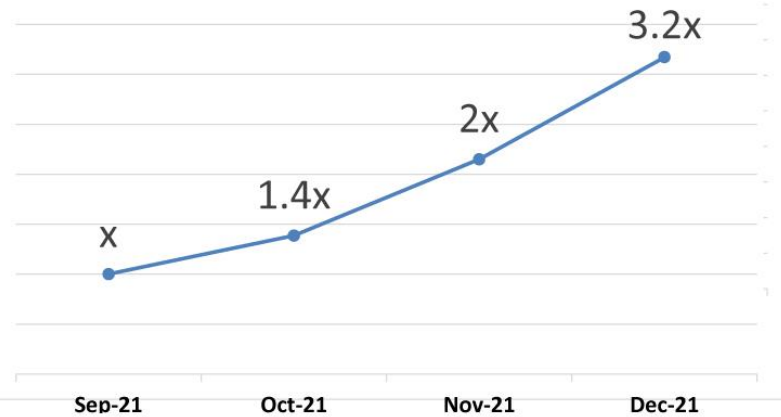


- Bank is live with 2 leading Neo Bank's - Fi & Jupiter.
- The proposition is positioned for the salaried millennial who are digitally native across their savings, investing and borrowing needs.
- More than 3.7L+ accounts are being opened every month by our neo banking partners Fi & Jupiter.

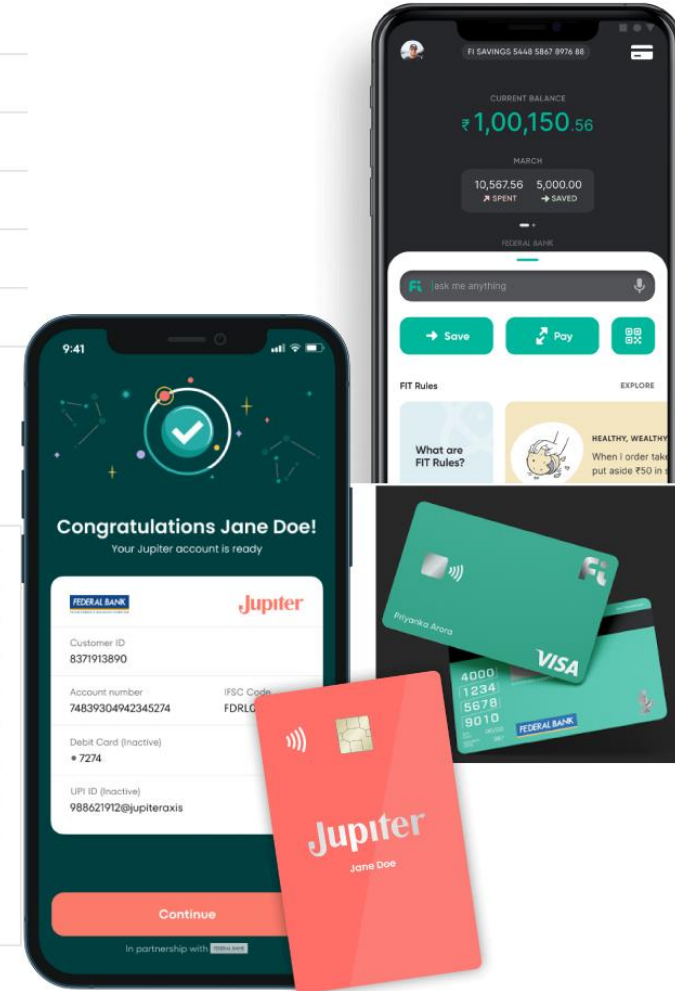
Number of Accounts



Growth in CASA Balance



NEO BANKS



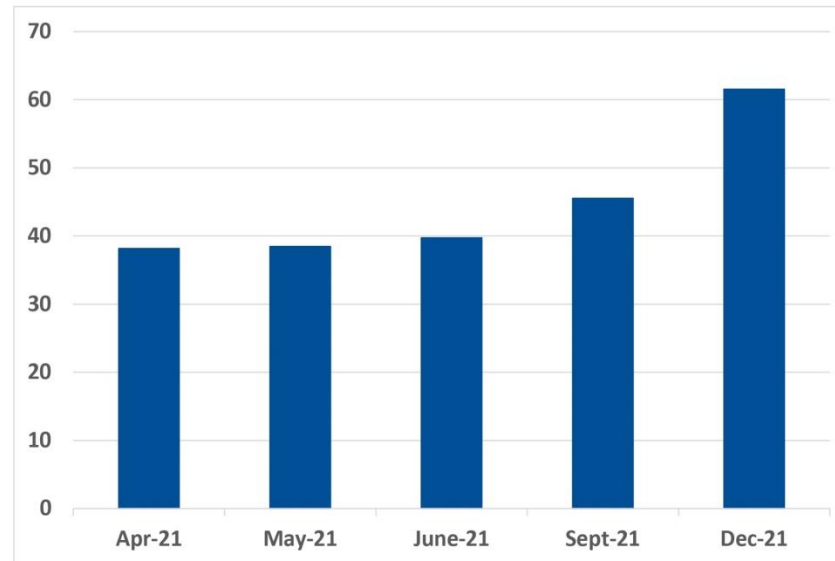
MERCHANT ACQUISITION



Merchant Network

- An offline acquirer of merchants providing QR codes for UPI Payments, POS machines and facilitating small loans.
- Bank now processes the highest number of transactions for Bharat Pe.
- We are No. 1 partner bank of Bharat Pe having 50L+ merchants on the platform & processing 20L+ transactions every day.

Number of Merchants (In Lakhs)

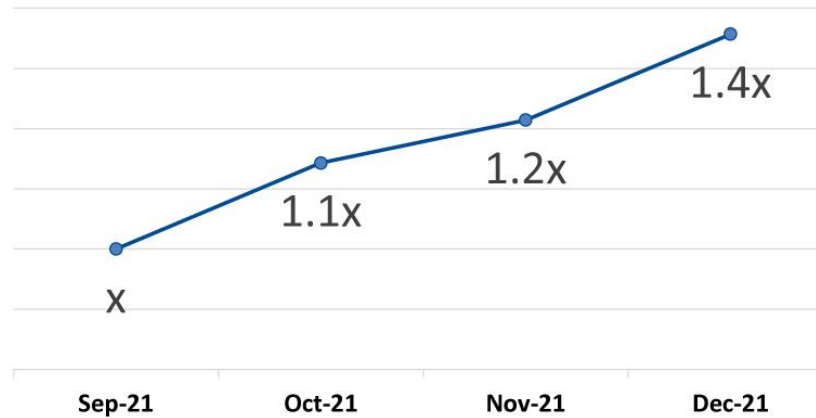




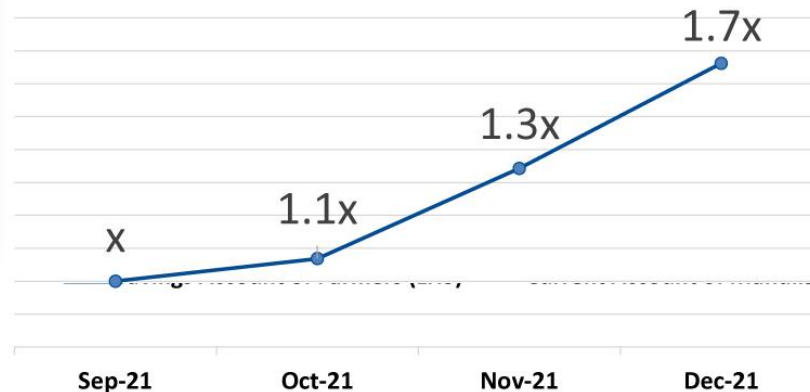
DigiVridddhi Technologies (DGV)

- 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 Mandlis



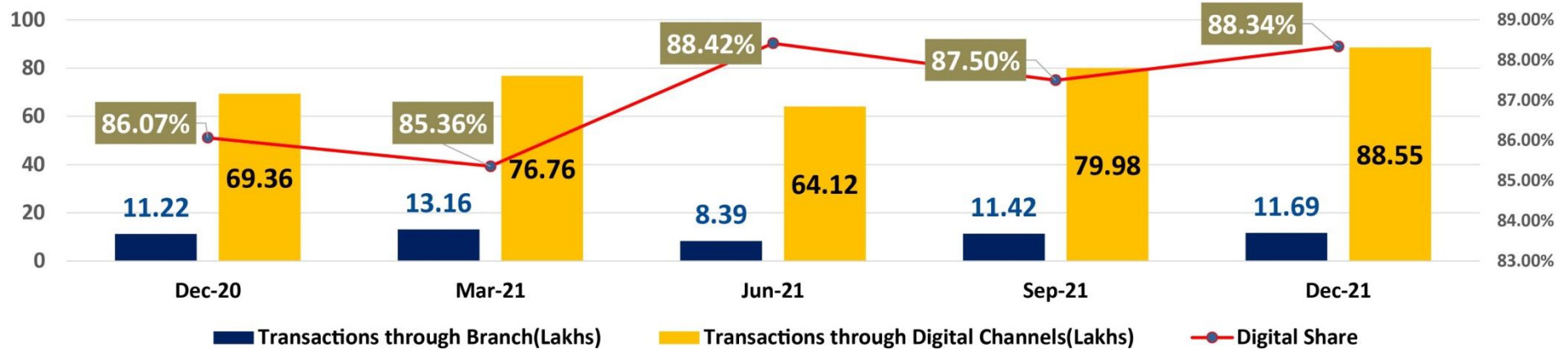
Savings Account opened of Farmers



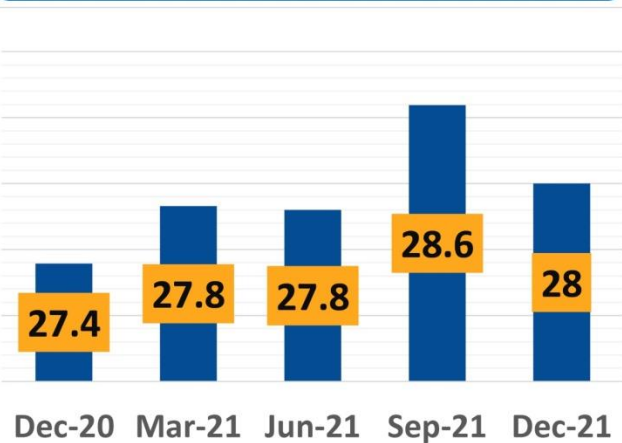
CATERING THE UNDER-SERVED/BANKED



Branch vs Digital Transactions (In Lakhs)



YoY Growth in Digital Users (In Lakhs)



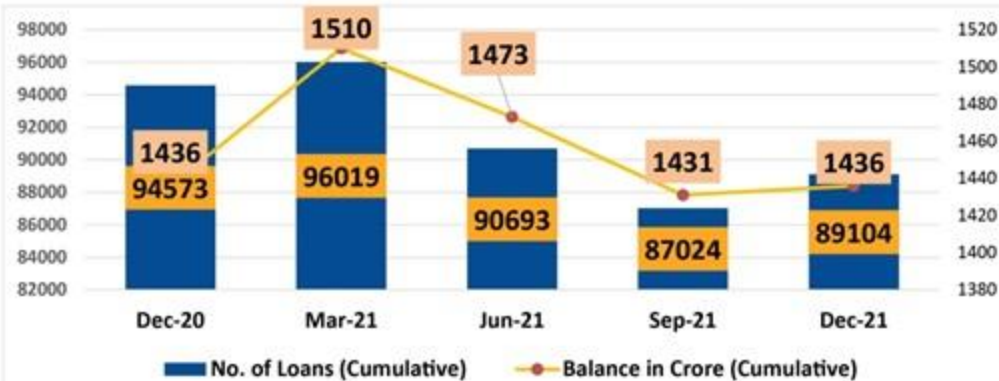
- Digital transactions have seen a **28%** YOY growth.
- Mobile Banking volume stands at **12,190 Crore**, a **33%** YOY growth.
- Crossed **25,000 Crores** in terms of transaction volume for Corporate Digital Products.
- Digital Share stands at **88.34%** for the month of Dec-21.
- Count of digital active users continues to increase.

**Data is only for the corresponding month*

Mobile Banking Volume (In Crores)



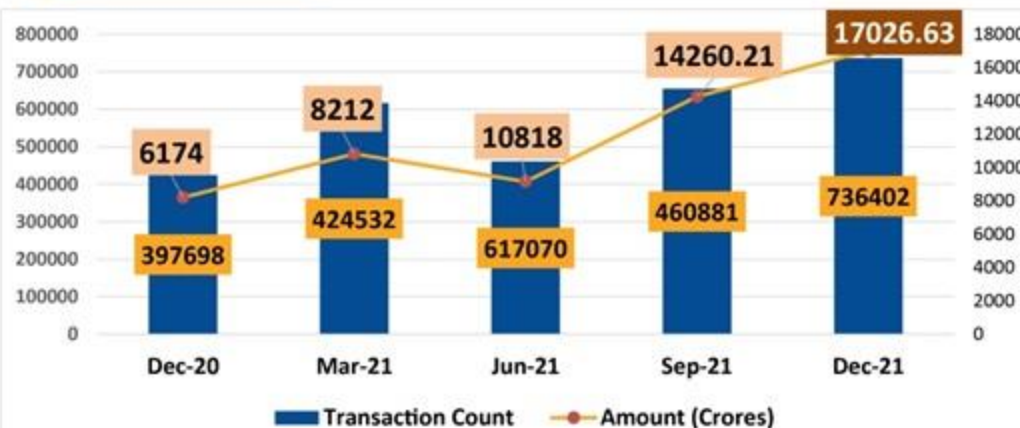
BYOM Digital Personal Loans : Loan book progress



Monthly Card Spends (In Cr)



Fed-e-Biz



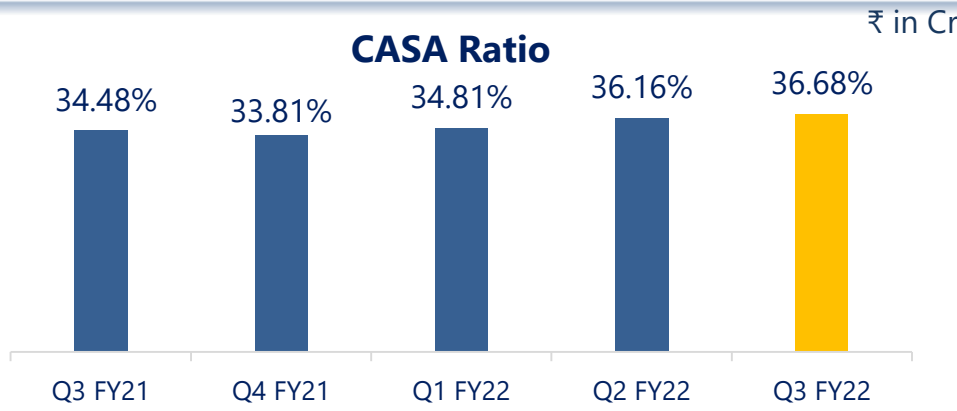
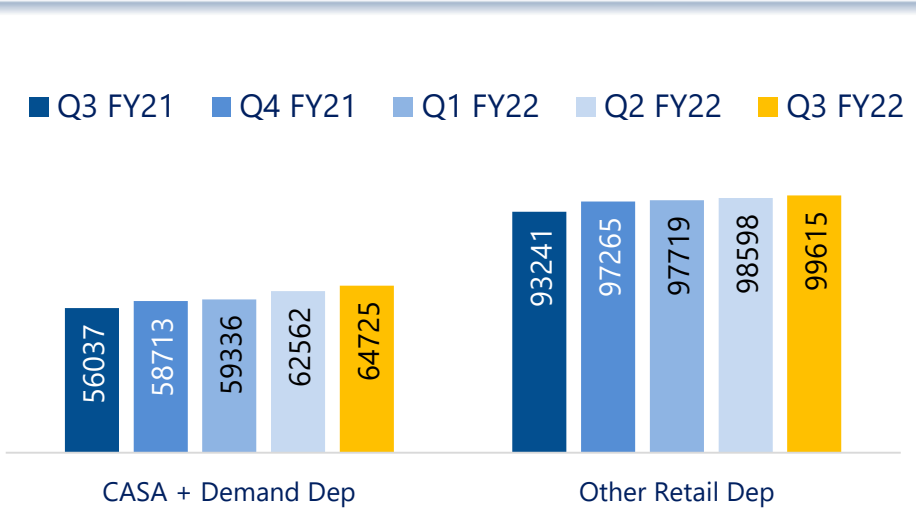
- BYOM enables digital instant personal loans through Federal Bank's Web Portal, FedMobile, Google Pay, Paisa Bazaar & Airtel Payments Bank.
- EMI on check out through PineLabs, Innoviti at multiple merchant locations through POS machines.
- EMI through online channels ex. Bill Desk (Amazon), Flex Money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



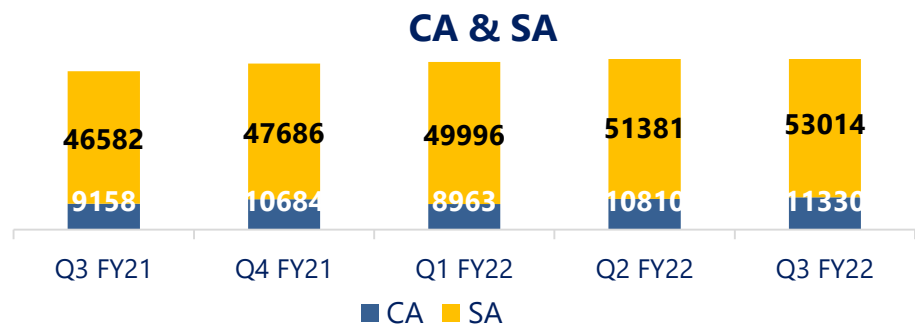
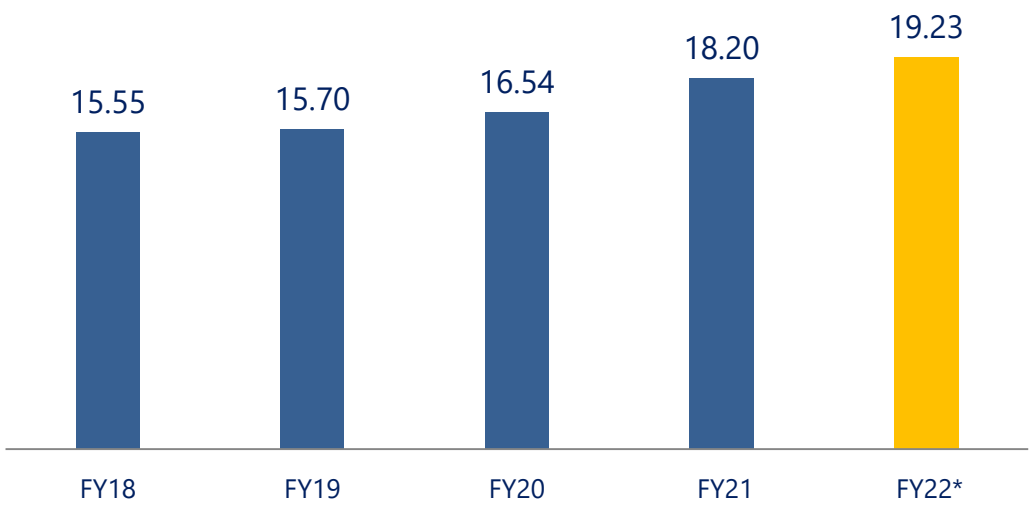
- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 375% YOY growth in terms of Transaction volume can be seen as the amount breaches 17k Cr mark.

Business Parameters

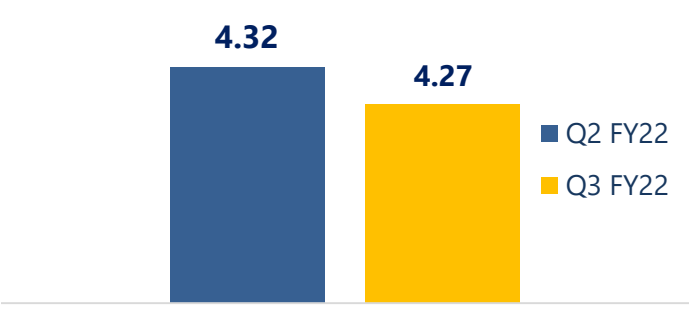
Liability : Trends



Remittance Market Share (in %)



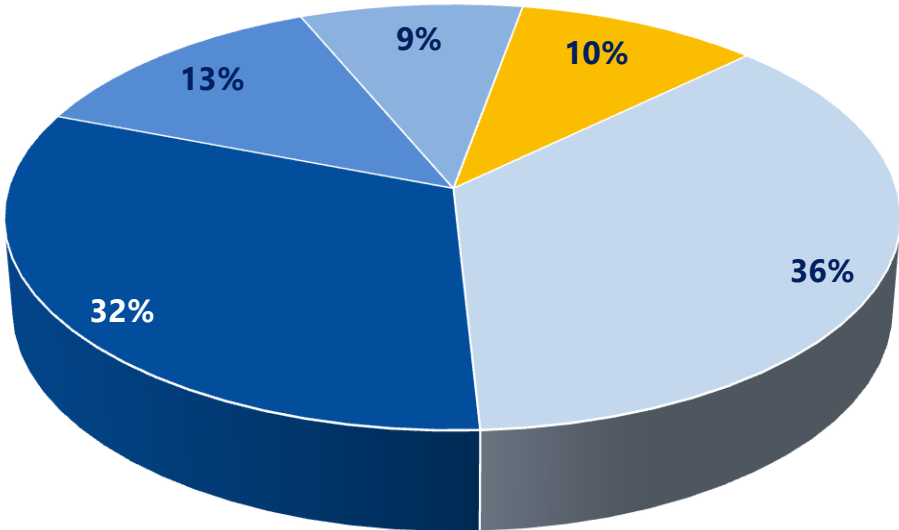
Cost of Deposits



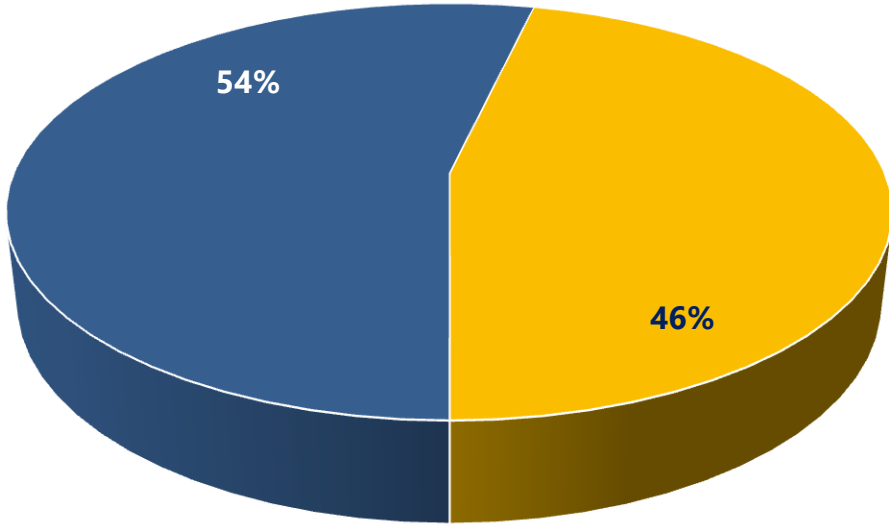
*data up to Q2 FY22

₹ in Cr

TOTAL LOAN BOOK

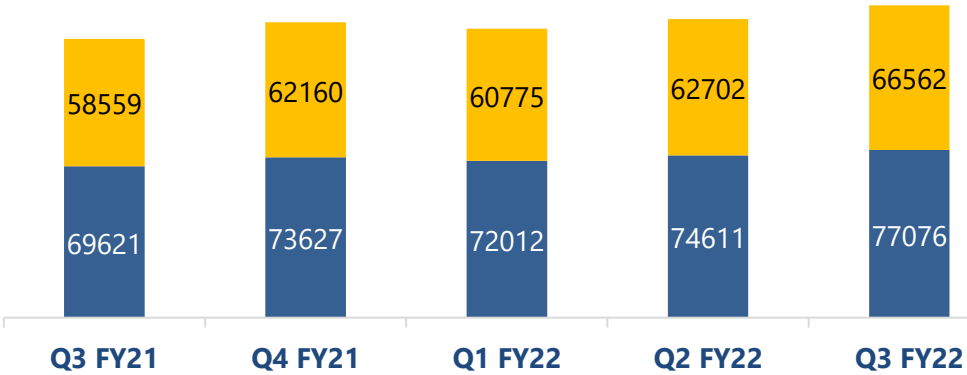
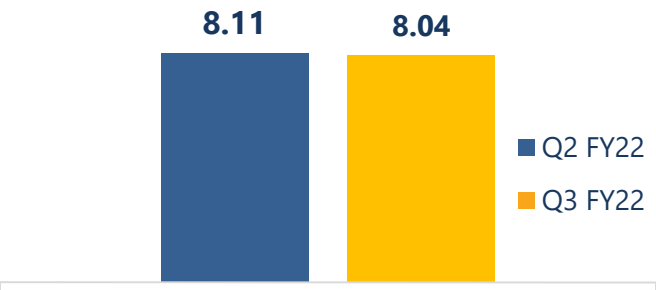


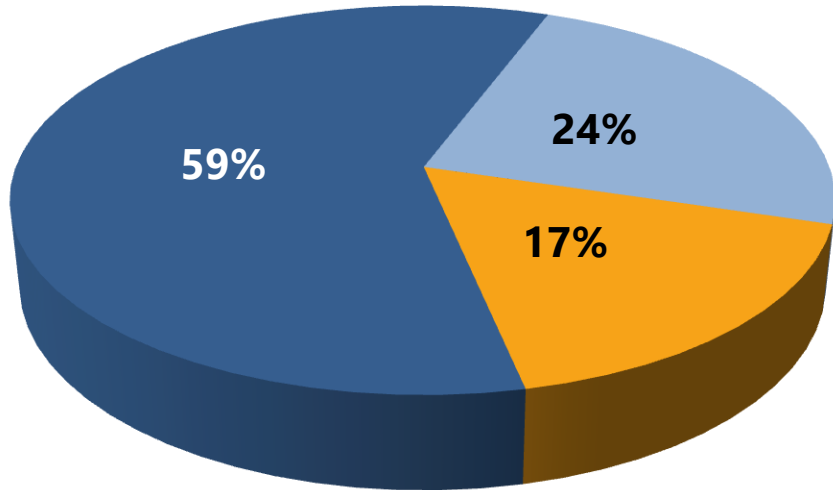
■ Retail ■ Agri ■ BuB ■ CoB ■ CIB



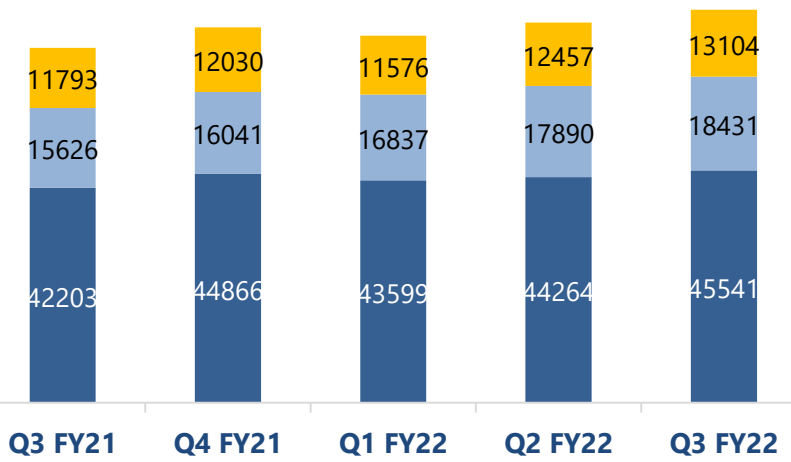
■ Retail ■ Wholesale

Yield on Advances



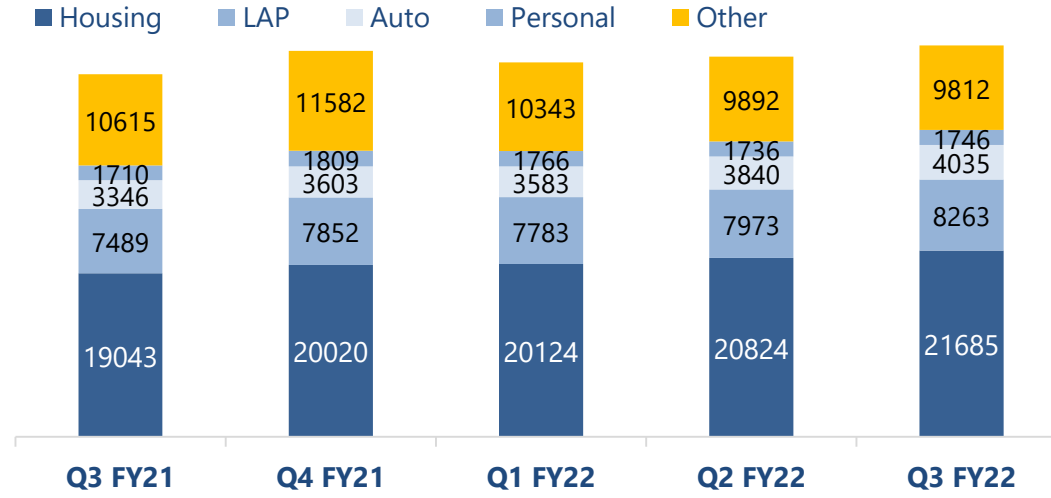


■ Retail ■ Agri ■ BuB



Retail Loan Book (Excl Agri & BuB)

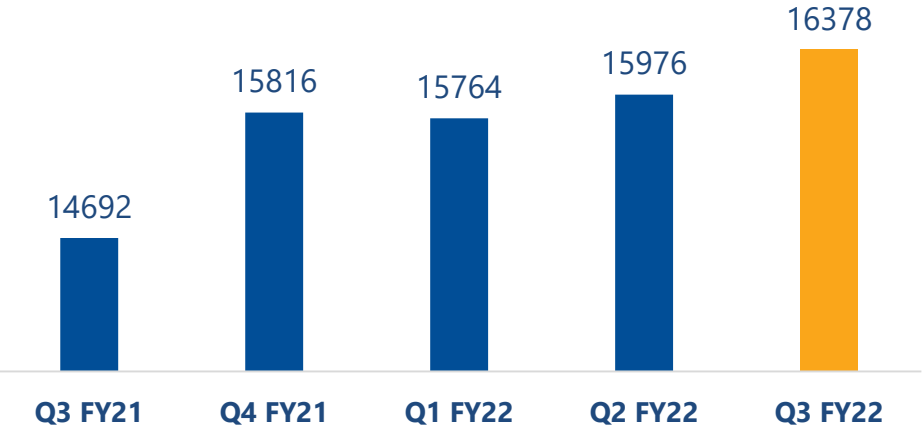
₹ in Cr



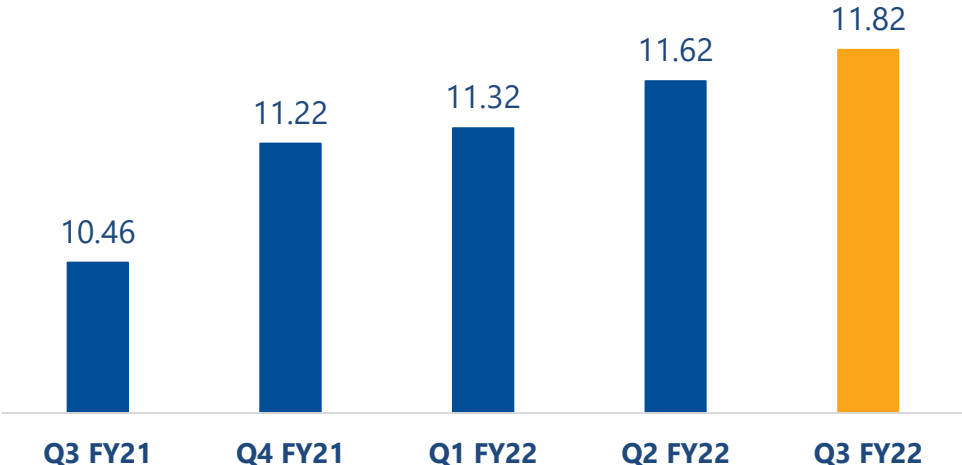
RETAIL BANKING

- Integrated with Maruti smart finance for instant approval of car loans; also tied-up with Honda Motors, TATA Motors and Toyota to increase penetration in Auto loan
- Launched Secured credit Cards to cater to NR Segment
- Disbursals through Fintech enabled Gold and Micro lending platforms crossed Rs 4500 Cr
- Launched an online lending platform, 'federalinstaloans.com' to facilitate quick and hassle-free credit approvals for Micro, Small & Medium enterprises (MSME) across India

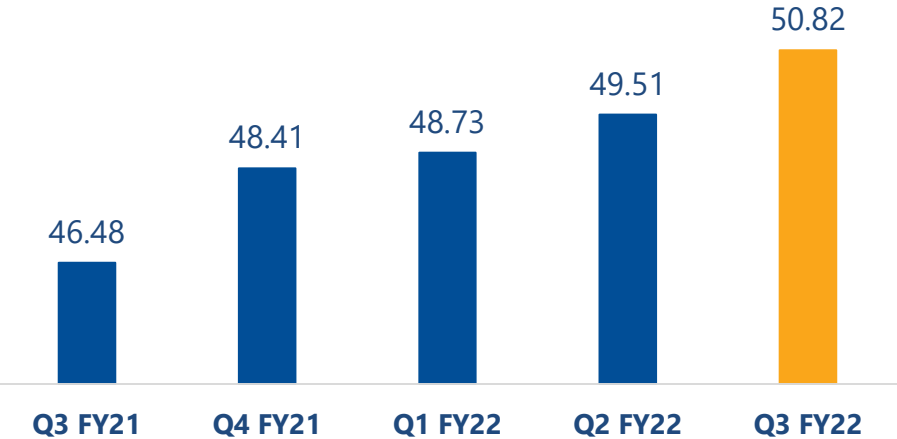
Gold Loan Portfolio

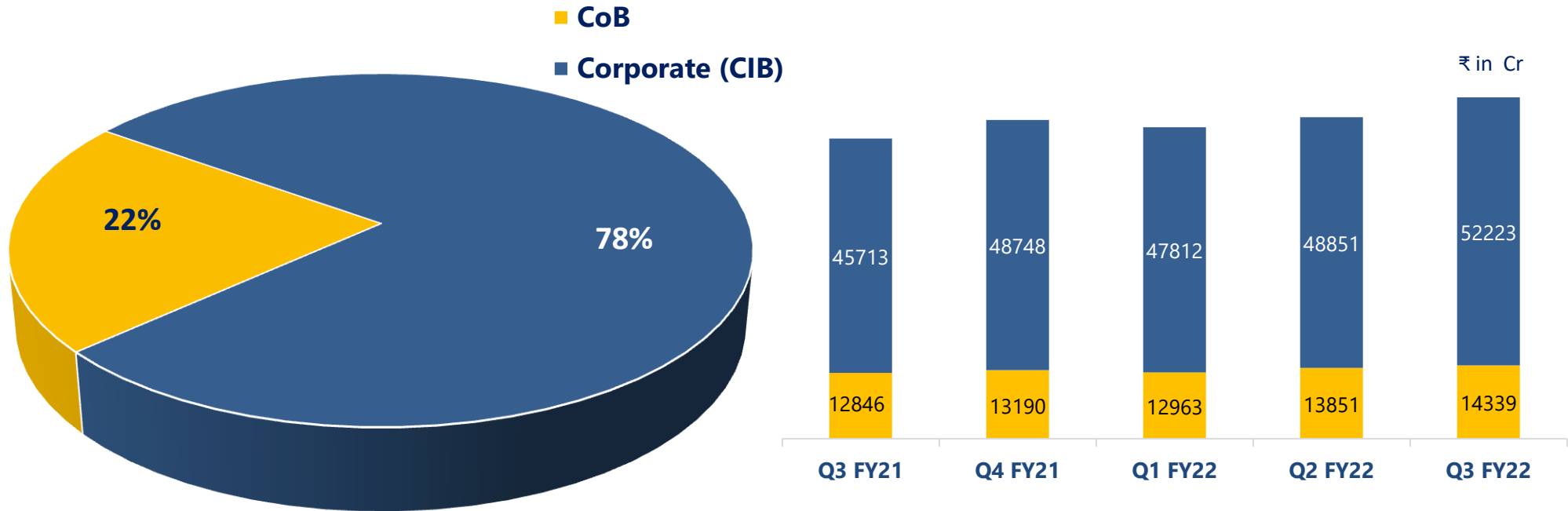


No of outstanding Accounts (in Lakhs)



Tonnage



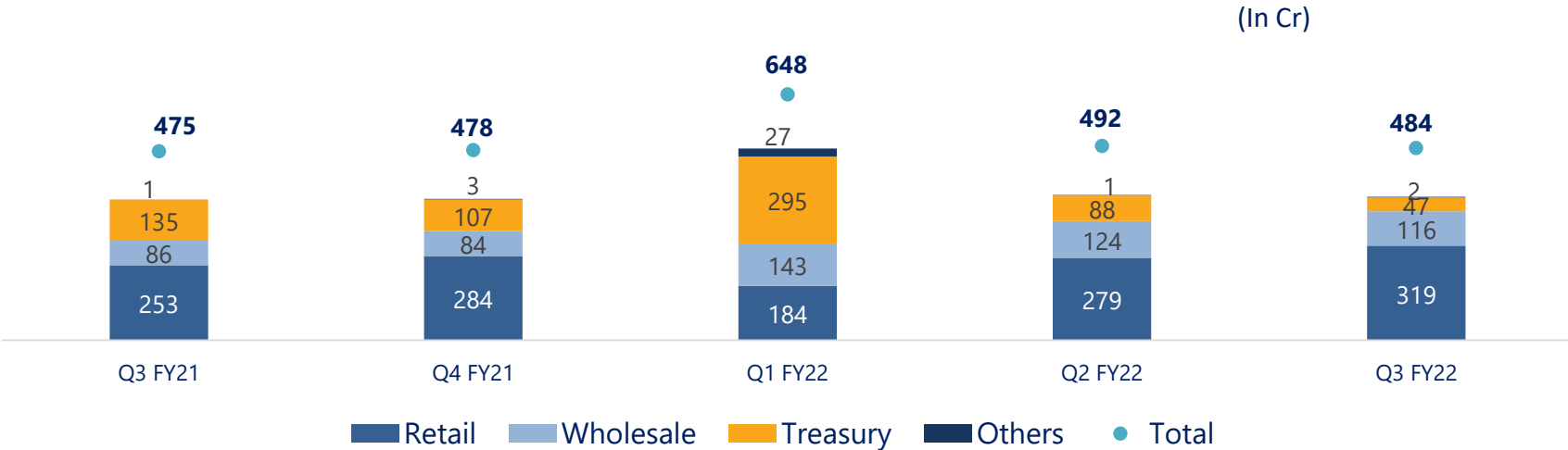


WHOLESALE BANKING

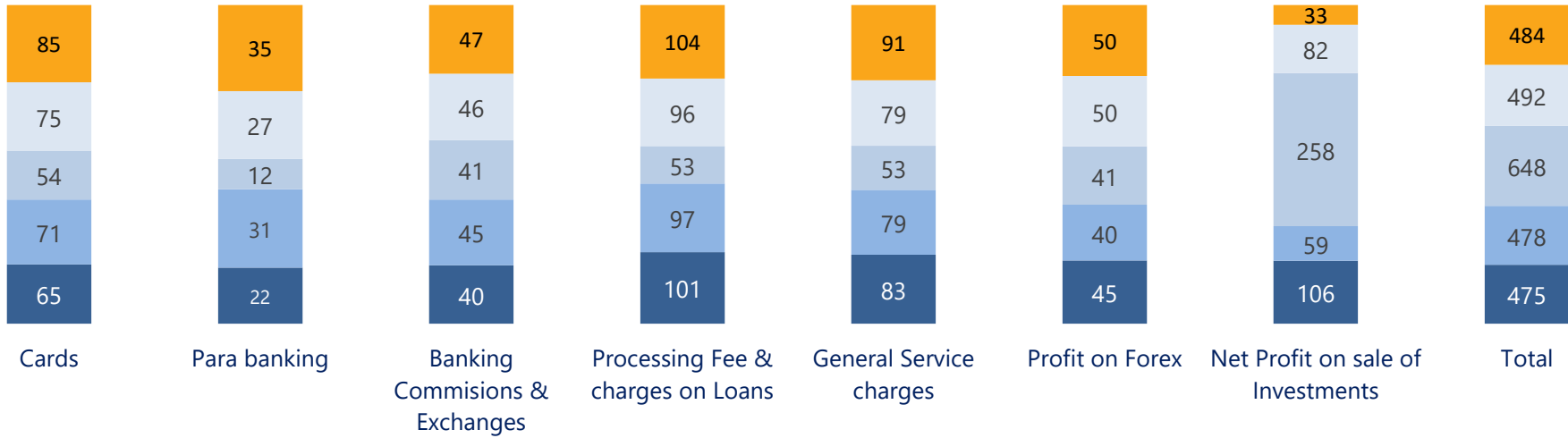
- Onboarded 53 new clients in CIB and 71 new clients in CoB, across business groups, geographies and sectors during the quarter.
- Average Ticket Size of Wholesale Loan Book (CIB+CoB) : 23 Cr
- Average Ticket Size of CIB & CoB Loans is 58 Cr & 7 Cr Respectively

Other Income : Distribution

Other Income Distribution : Vertical Wise*



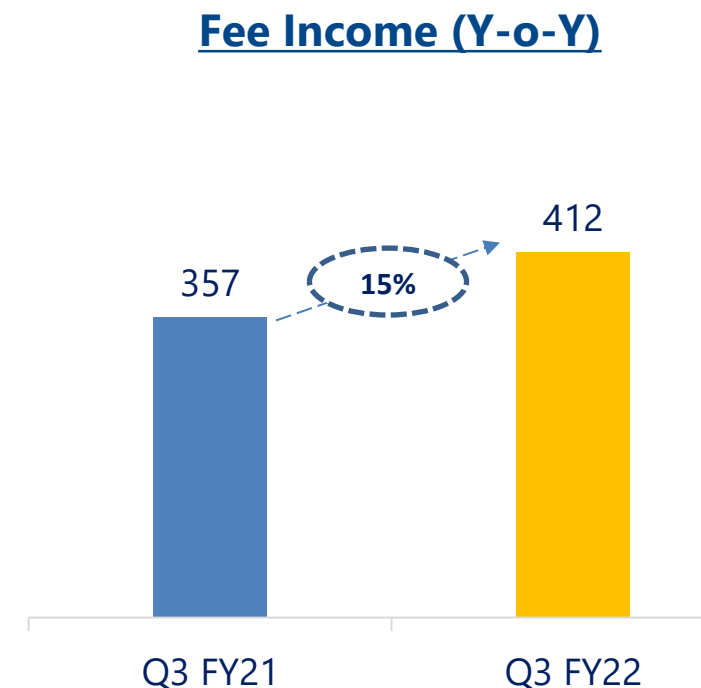
Other Income Distribution : Item Wise*



*Adjusted

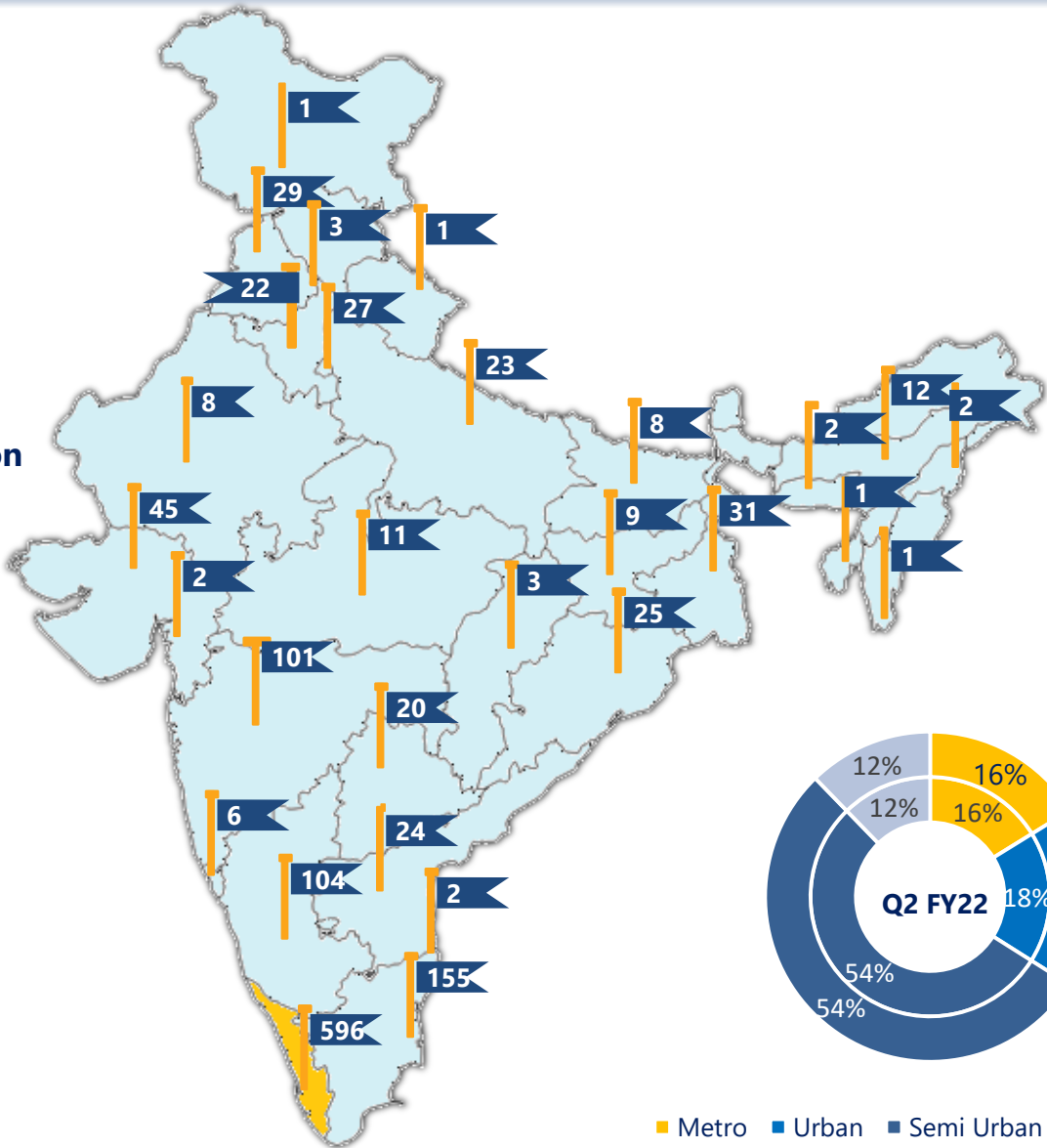
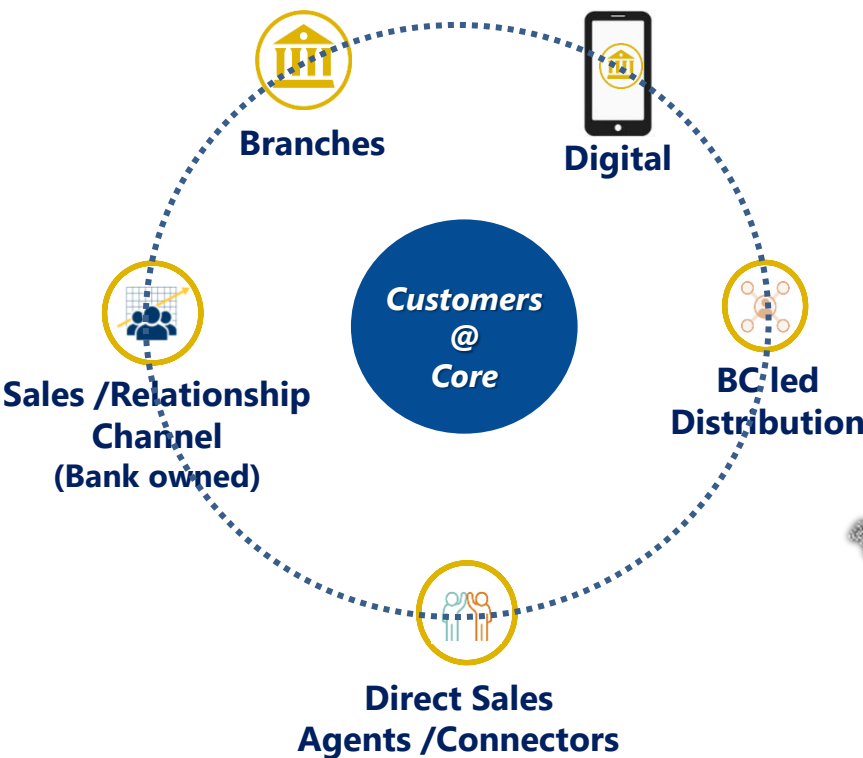
Legend: Q3 FY21 (Dark Blue), Q4 FY21 (Light Blue), Q1 FY22 (Medium Blue), Q2 FY22 (Lightest Blue), Q3 FY22 (Orange)

	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21
Loan Processing Fee	104	96	53	97	101
Exchange, Commission, Brokerage & Other Fee Income	258	227	161	226	211
Net Profit on Forex Transactions	50	50	41	40	45
Fee Income	412	373	255	363	357
Profit on sale of securities/ Other Receipts & misc.*	72	119	394	115	119
Total Other income*	484	492	648	478	475

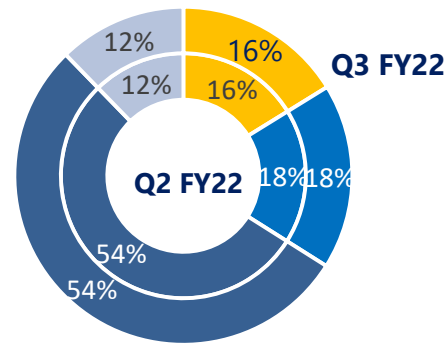


* Adjusted.

Distribution : Deriving Efficiency from Footprint



	Q3 FY22	Q2 FY22	Q1 FY22
Branches	1274	1272	1272
ATM/ Recyclers	1882	1874	1953



■ Metro ■ Urban ■ Semi Urban ■ Rural

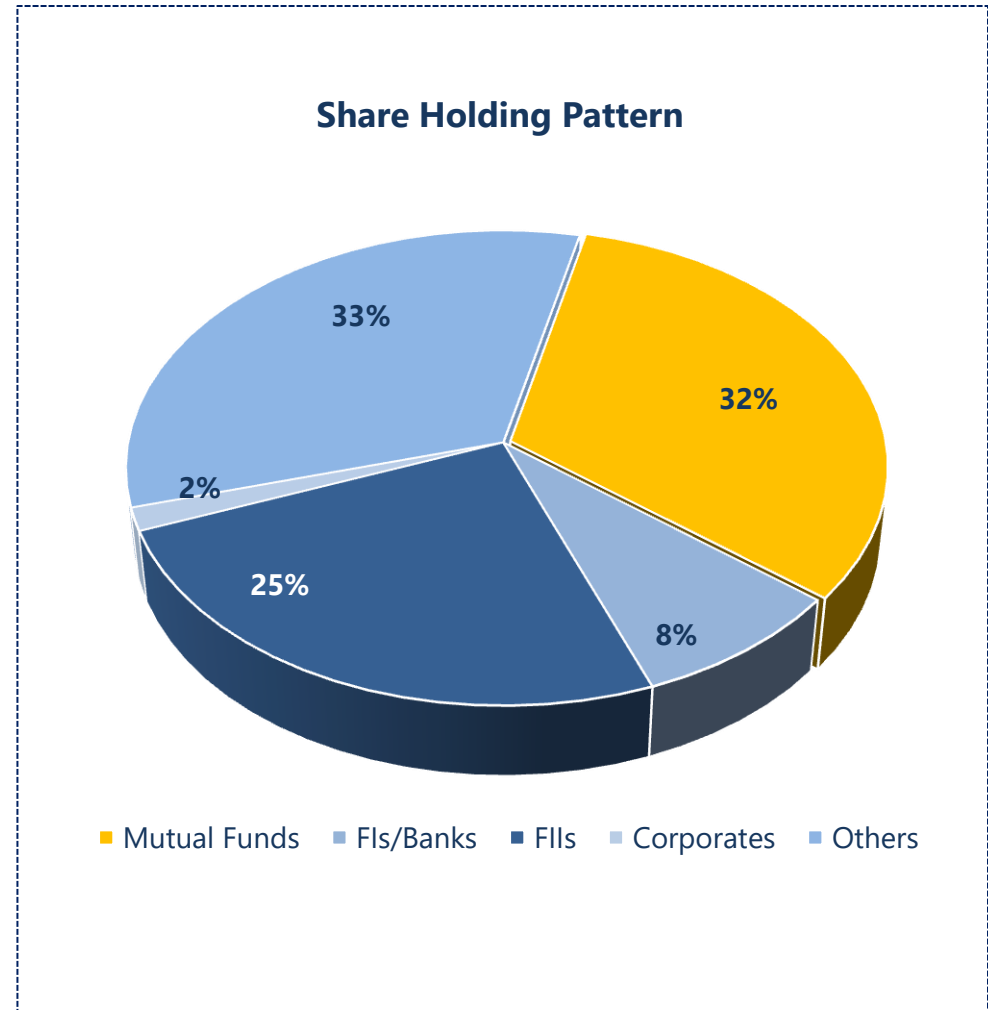
CRAR – How strong is your Bank?

₹ in Cr

	Dec-21	Sep-21
Risk Weighted Assets		
Credit Risk	103462	98648
Market Risk	3747	3605
Operational Risk	11695	11695
Total RWA	118904	113948
Tier-1 Capital Funds	16073	16057
Tier-II Capital Funds	1014	998
Total Capital Funds	17087	17055
CRAR	14.37%	14.97%
Tier-I	13.52%	14.09%
Tier-II	0.85%	0.88%

Annexures

	Q3 FY22	Q2 FY22
LIABILITIES		
Capital	420	420
Reserves & Surplus	17832	17307
Deposits	175432	171995
Borrowings	8150	10784
Other Liabilities & Provisions	7043	6368
TOTAL	208876	206874
ASSETS		
Cash & Balance with RBI	9526	8486
Balances with Banks, Money at Call	5788	13505
Investments	37495	36977
Advances	140743	134405
Fixed Assets	558	548
Other Assets	14767	12954
TOTAL	208876	206874

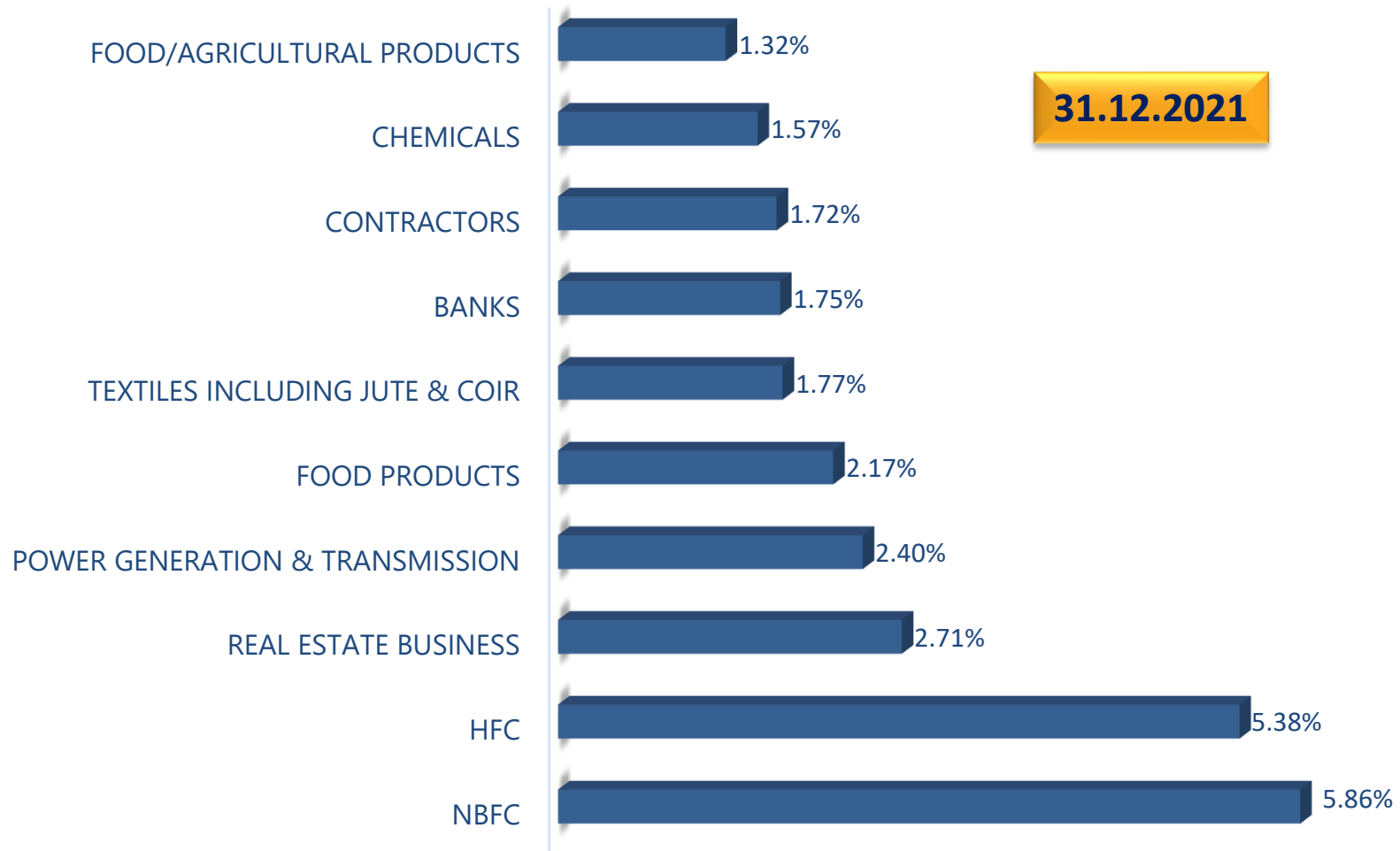


₹ in Cr

	Q3 FY22	Q2 FY22	Q-o-Q	Q3 FY21	Y-o-Y
Interest Income	3443	3379	1.9%	3460	-0.5%
Interest Expenses	1904	1900	0.2%	2022	-5.9%
Net Interest Income	1539	1479	4.0%	1437	7.1%
Other Income*	484	492	-1.5%	475	1.9%
Operating Expense	1109	1059	4.7%	956	16.0%
Total Income*	3927	3871	1.4%	3935	-0.2%
Total Expense	3012	2959	1.8%	2978	1.1%
Operating Profit*	914	912	0.2%	956	-4.4%
Total Provisions*	393	452	-13.1%	552	-28.9%
Net Profit	522	460	13.4%	404	29.1%
Net Interest Margin (%)	3.27	3.20	7 bps	3.22	5 bps
Cost to Income Ratio (%)*	54.81	53.73	108 bps	49.99	482 bps

* Adjusted.

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	73.94%
Ageas Federal Life Insurance Company Limited	26.00%
Equirus Capital Private Ltd	19.89%

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

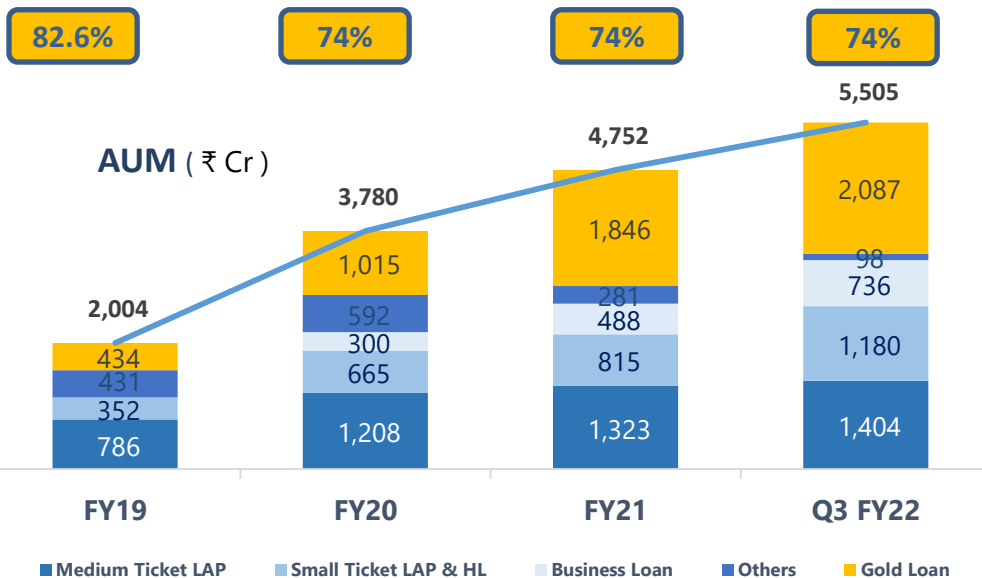
FedBank Financial Services Ltd.

- Total AUM 5500+ Cr.
- 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)

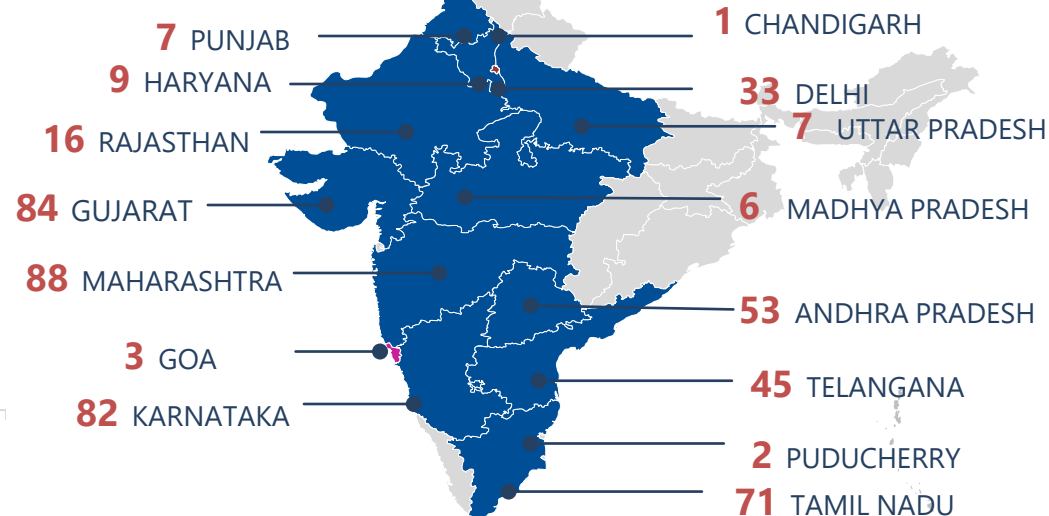
- FedServ is a wholly owned subsidiary company of Federal Bank.
- It provides operational & technology oriented services to Federal Bank
- Located at Visakhapatnam & Kochi
- Designed to deliver excellence in service, mitigation of risk and cost efficiencies

Federal Bank Stake in Fedfina



507 Branches

15 States & UTs



HIGHLIGHTS

- Net Interest Income increased by 32% to ₹ 113 Cr.
- *GNPA's stood at 3.59%.
- 43 gold loan and small ticket LAP branches launched in Q3FY22.
- Crossed Rs 5,500 Cr of AUM in Q3FY22

* On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and revised NPA reporting and up-gradation norms. The Company's management has taken necessary steps to comply with the norms/changes as they become applicable. The implementation of this has led to change in methodology in determination of asset classification from the previous quarter/period.

15

STATES & UTs

507

BRANCHES

2,780

EMPLOYEES

₹. 5,505 Cr

LOAN BOOK

AA- (Stable)

CREDIT RATING
(IND-RA)

23.85%

CAPITAL ADEQUACY

As of December 31, 2021

Note: The financial numbers above are prepared in accordance with Indian GAPP ('I-GAAP') for the purposes of the consolidated financial results of the Bank. Fedfina prepares their financial results in accordance with the notified Indian Accounting Standards ('Ind-AS') and it may be different than Indian GAAP numbers above.



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

Thank You