

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q1 FY 2021**

## Steady Operating Momentum

### Robust Operating Performance

- **Operating Profit @ 932 Cr for the Quarter, grows 19% YoY**
- Net Profit @ 401 Cr, grows 33% QoQ & 4% YoY
- Net Interest Margin @ 3.07%, highest in the last 4 quarters

### Credit Growth in Chosen Areas

- Total Advances grew by 9% YoY
- Retail grew by 16% YoY
- **Gold loan grew by 10% QoQ & 36% YoY**
- Business Banking grew by 14% YoY

## Continue to Strengthen Balance Sheet

### Granular Liability Franchise

- **Total Savings Bank grew 7% QoQ & 21% YoY**
- CASA grew by 19 YoY and CASA Ratio improved to 32.02%, an increase of 152 bps QoQ
- Retail Deposits continue to be above 90%, @ 92% of Total Deposits

### Income and Cost Streams

- **Highest ever Net Interest Income @1296 Cr**
- Strategic design of advance book led to NII growth of 12% YoY vs Advance growth of 9%
- Other Income @ 488 Cr, grew by 25% YoY
- **Cost to Income improved to 47.76%, down 246 bps QoQ, lowest in last 25 quarters**

## Adequately Capitalized and Strong Liquidity Coverage Ratio

### Asset Quality

- **NNPA @ 1.22%, lowest in last 20 quarters**
- **Further strengthened PCR to 58.54% from 53.39% QoQ, highest in last 20 quarters.**
- Covid provision stands at 186 Cr

### Consistent Gain in Market Share

- Market Share in Advances reaches 1.18% - up by 5 bps YoY
- Market Share in Deposits reaches 1.10% up by 5 bps YoY

### New Initiatives/ Digital Update

- Launched a facility for Pre-Booking Appointments in Branches named FedSwagat
- Transactions using Digital Channels now account for 82% of the total transactions

### Balance Sheet and Capital

- Balance Sheet grew by 16% YoY (Rs 1.86 L Cr)
- Total business grew 13% YoY (Rs 2.76 L Cr)
- CRAR at 14.17%

## Income

- Net Interest Income at an all time high, supported by strategic design of asset mix and low cost of funds
- Other Income supported by treasury gains on sale of securities @ 304 Cr
- Fee Income down due to low activity levels during the quarter. However, PF on loans resilient with minor degrowth of 10% YoY, with increased contribution from Gold Loans

## Expense

- Employee expenses include additional pension cost of 35 Cr
- Tight control on expenses brought down Other Opex by 21% QoQ
- Benefits of digitalisation started yielding results.
- Cost/ Income ratio down sharply QoQ to 47.76%

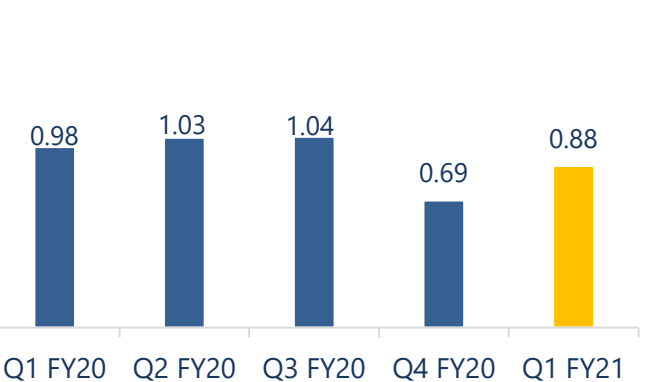
## Provision

- Beefed up Provision Coverage Ratio to 58.54%
- Carrying Covid specific provision of 186 Cr
- Recognised a large corporate account as NPA and provided for it fully
- Also, created standard asset provision of 37 Cr for the expected hair cut in a large corporate account

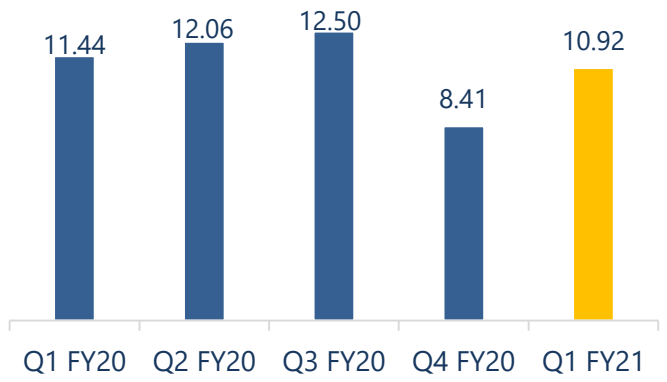
# Performance Highlights Y-o-Y

Operating Profit	19%	↑	Retail Banking	16%	↑
Other Income	25%		Agri Banking	14%	↑
RoA	@ 0.88%		Business Banking (BuB)	14%	↑
RoE	@ 10.92%		Commercial Banking (CoB)	3%	↑
Cost to Income Ratio	@ 47.76%		Corporate Banking (CIB)	3%	↑
GNPA	@ 2.96%		Total Advance	9%	↑
NNPA	@ 1.22%		CASA	19%	↑
NII	12%	↑	NRE Deposit	19%	↑
NIM	@ 3.07%		Total Deposit	17%	↑
Capital Adequacy (CRAR)	@ 14.17%				

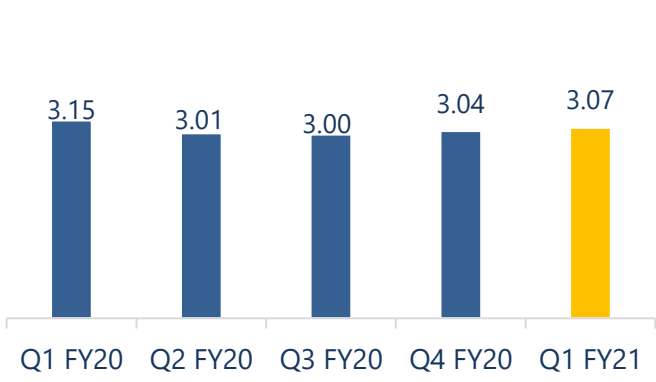
### RoA



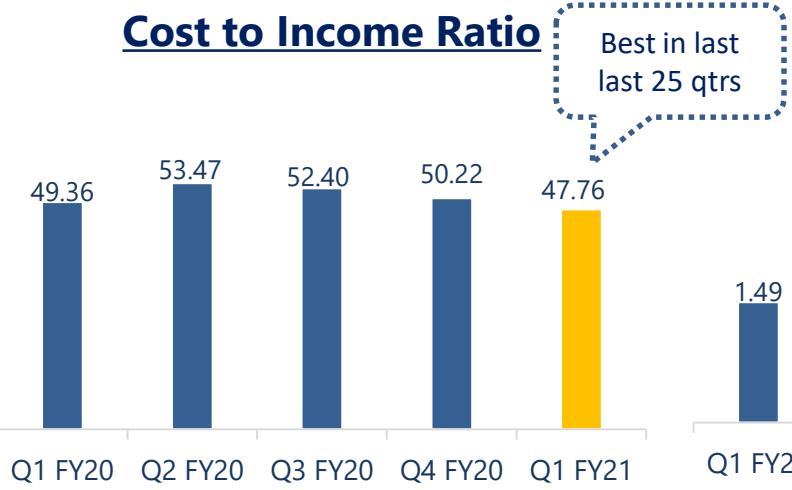
### RoE



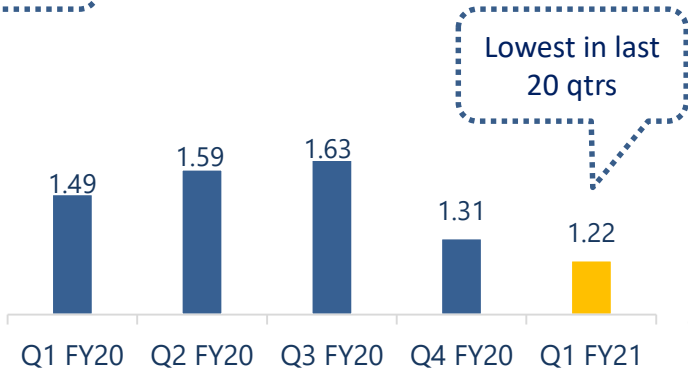
### Net Interest Margin (%)



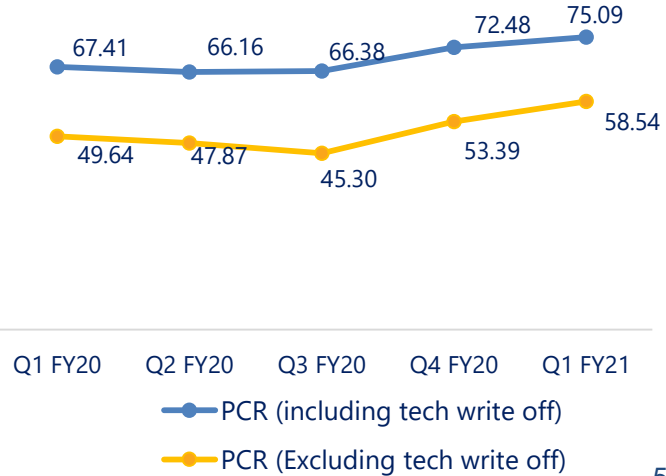
### Cost to Income Ratio



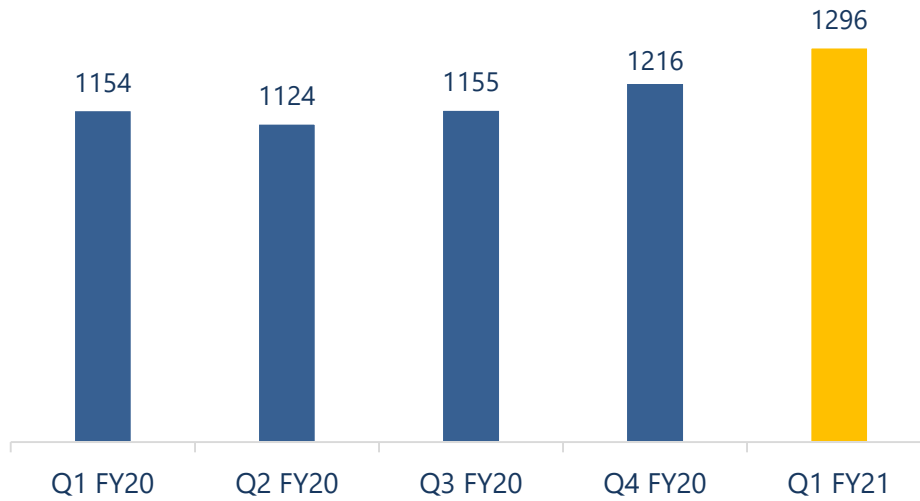
### NNPA (%)



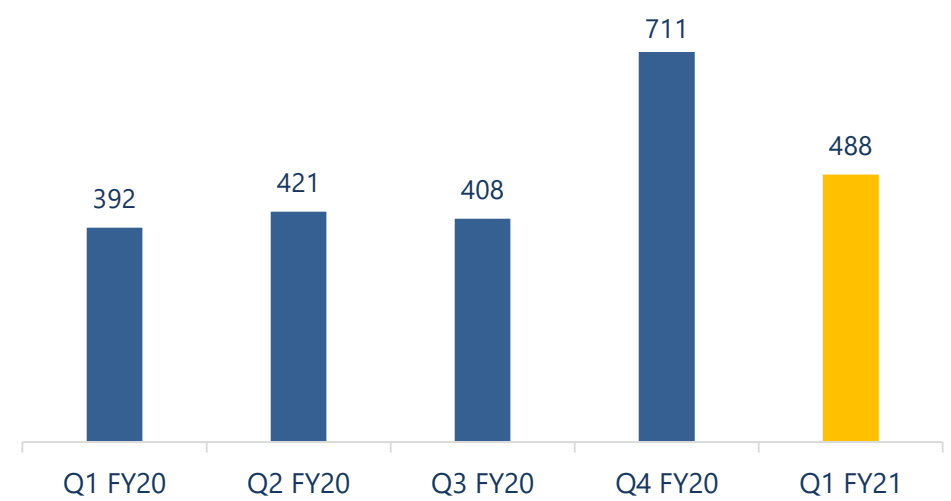
### PCR (%)



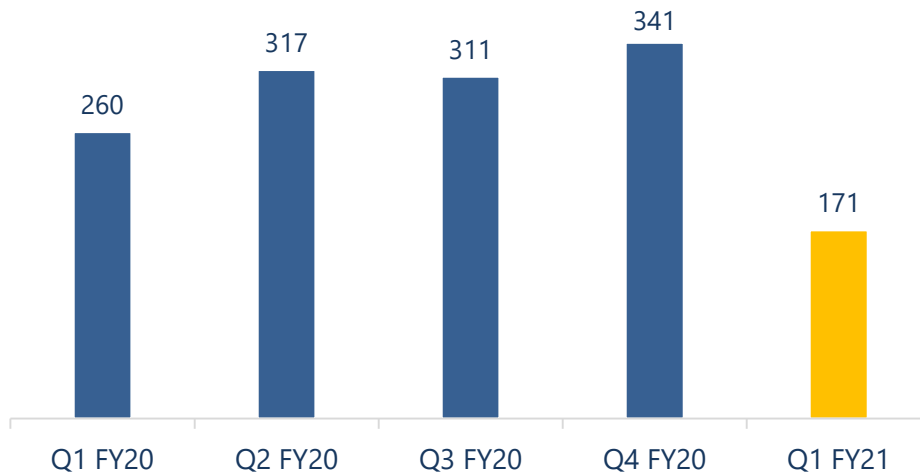
## Net Interest Income



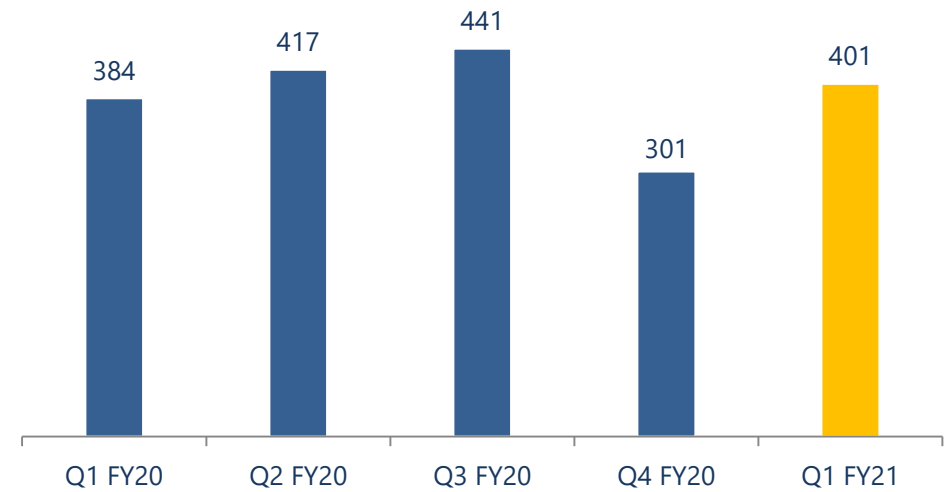
## Other Income



## Fee Income



## Net Profit



## Shareholder Value

**Book Value**  
(Per Share in ₹)

	Q1 FY21	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20
<b>Book Value</b> (Per Share in ₹)	<b>74.85</b>	<b>72.86</b>	<b>71.33</b>	<b>69.18</b>	<b>68.79</b>

**EPS**  
(annualized)

<b>EPS</b> (annualized)	<b>8.07</b>	<b>6.06</b>	<b>8.78</b>	<b>8.32</b>	<b>7.76</b>
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## Granularity

**CASA + Deposits <2 Cr**  
(% of Total Deposits)

<b>CASA + Deposits &lt;2 Cr</b> (% of Total Deposits)	<b>89%</b>	<b>87%</b>	<b>88%</b>	<b>89%</b>	<b>89%</b>
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## Profitability (Annualized)

**ROA**

<b>ROA</b>	<b>0.88</b>	<b>0.69</b>	<b>1.04</b>	<b>1.03</b>	<b>0.98</b>
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**RoRWA**

<b>RoRWA</b>	<b>1.64</b>	<b>1.23</b>	<b>1.92</b>	<b>1.86</b>	<b>1.76</b>
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**ROE**

<b>ROE</b>	<b>10.92</b>	<b>8.41</b>	<b>12.50</b>	<b>12.06</b>	<b>11.44</b>
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## Efficiency

**Cost/Income**

<b>Cost/Income</b>	<b>47.76</b>	<b>50.22</b>	<b>52.40</b>	<b>53.47</b>	<b>49.36</b>
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**Net NPA%**

<b>Net NPA%</b>	<b>1.22</b>	<b>1.31</b>	<b>1.63</b>	<b>1.59</b>	<b>1.49</b>
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Segment	Book Size in Cr	Moratorium Book (Gross)*		Moratorium Book (Net)*	
		Amt in Cr	%	Amt in Cr	%
Agri	13645	5275	39%	3169	23%
Retail	37908	15105	40%	12336	33%
Business Banking	10512	7915	75%	4448	42%
Commercial Banking	11830	6124	52%	4134	35%
CIB	49542	8840	18%	6135	12%
Total	123437	43258	35%	30222	24%

Net Moratorium = Gross Moratorium – loans which cleared all interest/ EMI demands till June 2020 – Gold Loans/ loans against liquid securities

\* Moratorium Book as on 12<sup>th</sup> July, 2020



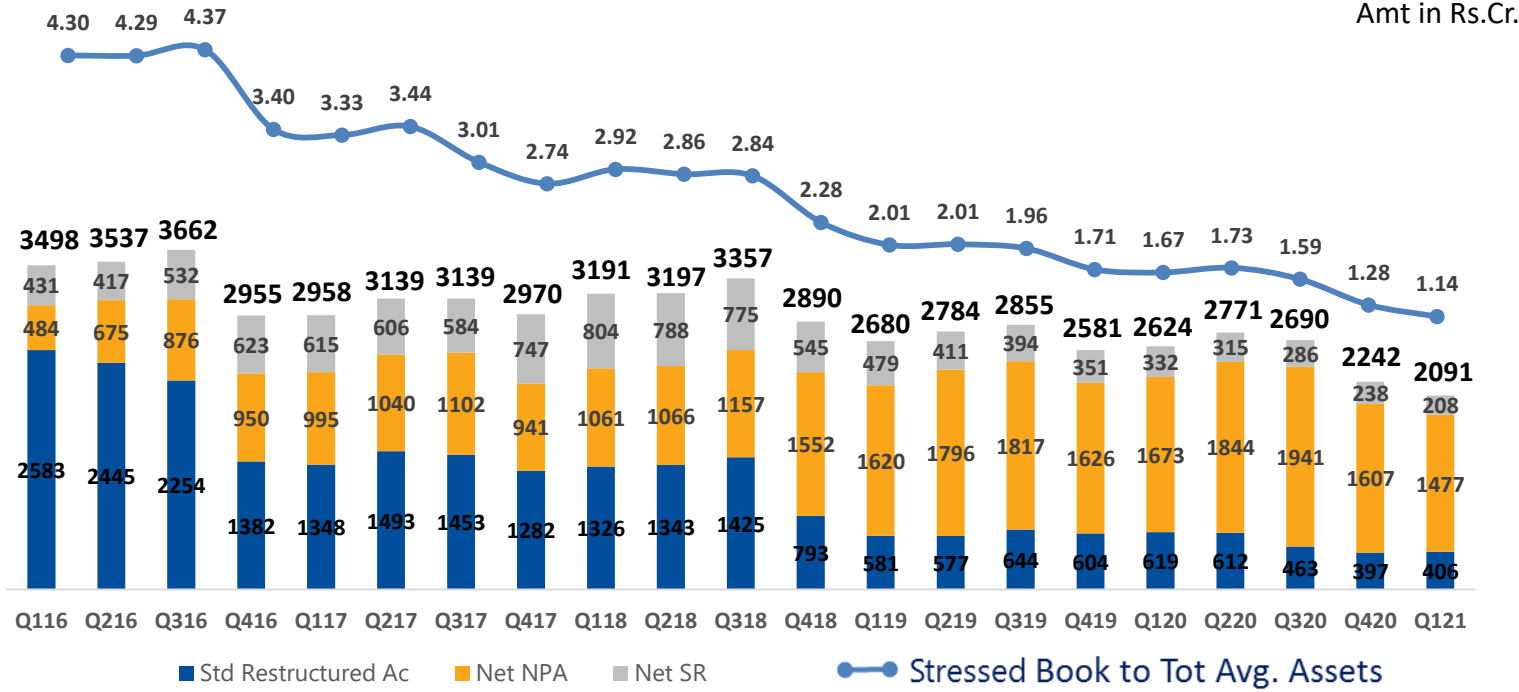
# Asset Quality Trends

Strengthened Provision Coverage ratio to 58.54%, an increase of 515 bps QoQ

Carrying Covid specific provision of 186 Cr

One large corporate account recognized as NPA and fully provided for, during the quarter

Total stressed book to total average assets reduced to 1.14%



## Movement of NPA

Gross NPA as on 31.03.2020	<b>3531</b>
Add Fresh Slippage	184
Add Increase in Balances in Existing NPAs	9
Deduct Recoveries/ Upgrades	-66
Deduct Written Off	-2
Gross NPA as on 30.06.2020	<b>3656</b>

## Provisions in Q1 FY21

Loan Loss	<b>256</b>
Investment Loss	-5
Restructured Accounts	0
Standard Accounts	144
Other Purposes	0
Total Provisions	<b>395</b>

# Fresh Slippages Break up

## Fresh Slippages

	Q1 FY21	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20
<b>Retail</b>	1	97	101	124	141
<b>Agri</b>	1	36	50	72	67
<b>BuB</b>	0	54	66	95	99
<b>CoB</b>	8	68	55	51	20
<b>Corporate</b>	174	29	321	199	88
<b>Total</b>	184	284	593	540	415

## Restructured

TYPE	Q1 FY21		Q4 FY20	
	Balance	Of which Bonds	Balance	Of which Bonds
<b>STANDARD</b>	406	42	397	42
<b>Net NPA</b>	198	80	202	80
<b>TOTAL</b>	604	122	599	122

## Security Receipts

	Q1 FY21	Q4 FY20
Face Value	600	633
Book Value	514	546

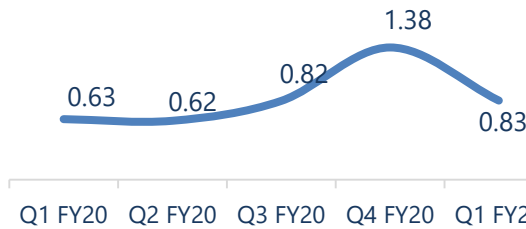
## NPA Composition

Q1 FY21      Q4 FY20

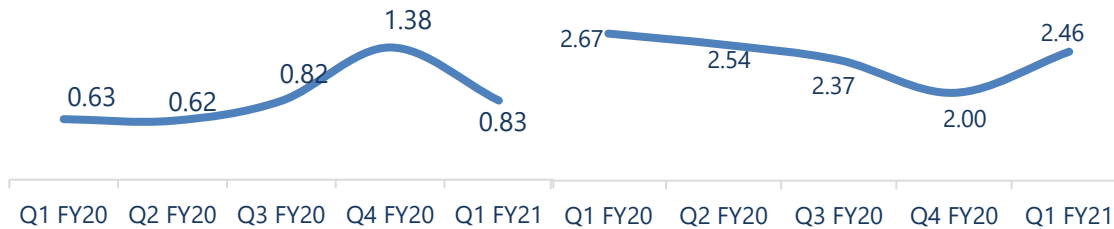
Business	NPA	NPA
<b>Retail</b>	695	717
<b>Agri</b>	586	596*
<b>BuB</b>	660	674*
<b>CoB</b>	675	678
<b>Corporate</b>	1039	866
<b>Total</b>	3656	3531
<b>Net NPA</b>	1477	1607

\*Change due to reclassification

## Credit Cost



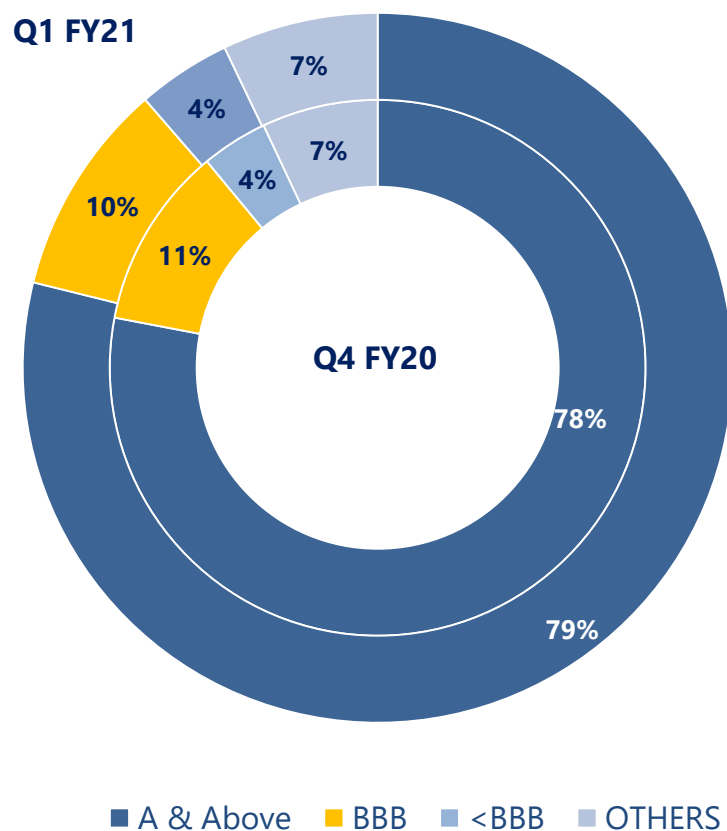
## Risk Adjusted NIM



## Slippage Rate

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
— Retail	2.33	2.15	1.51	1.26	0.01
— Wholesale	0.73	1.67	2.49	0.63	1.16
— Bank	1.48	1.90	2.02	0.94	0.59

## External Rating of Corporate Advances



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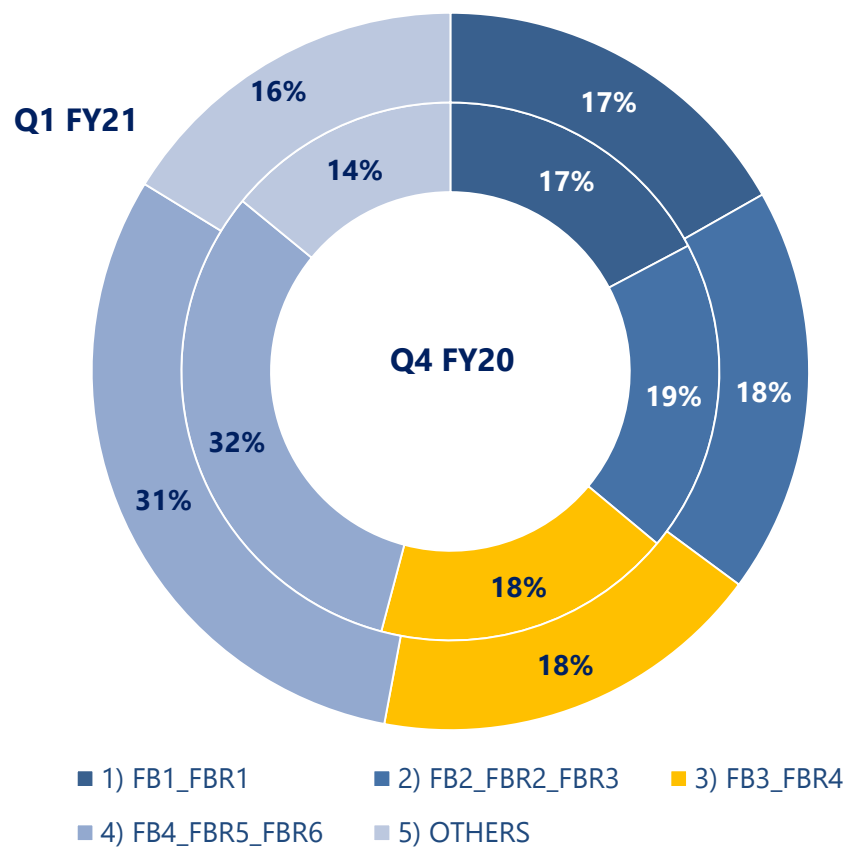
Rating	Q1 FY-21	Q4 FY-20
A & above	79%	78%
BBB	10%	11%
< BBB	4%	4%
Others	7%	7%

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

Rating	Q1 FY-21	Q4 FY-20
FBR1	2%	11%
FBR2/FBR3	1%	1%
FBR4	33%	21%
Below FBR4 & unrated	64%*	68%*

\*includes IBPC.

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



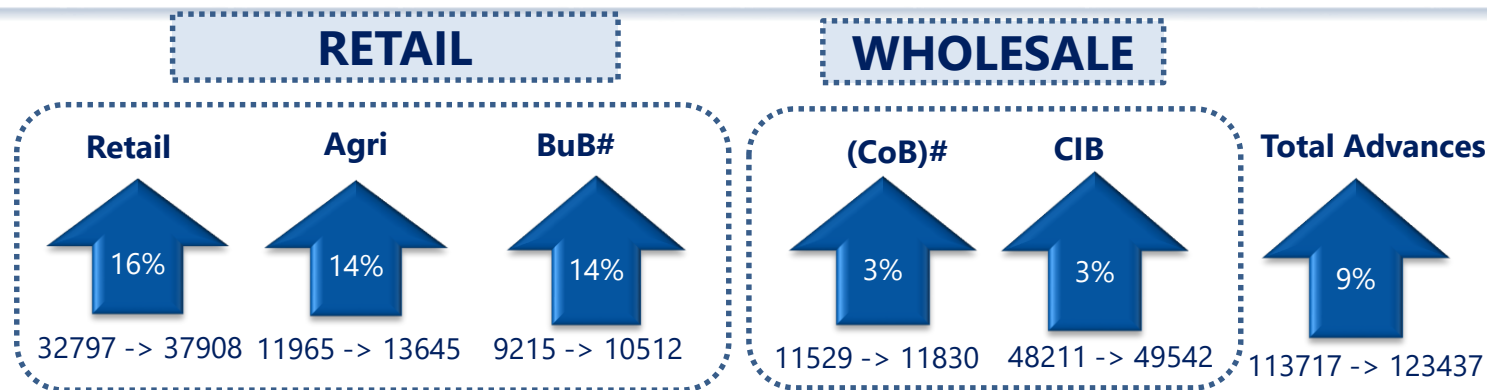
Rating		Q1 FY-21	Q4 FY-20
FBR1	FB1	17%	17%
FBR2/FBR3	FB2	18%	19%
FBR4	FB3	18%	18%
FBR5/FBR6	FB4	31%	32%
Staff		3%	3%
Gold, Advance against Deposit/Securities & others		13%	11%

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

## RETAIL

## WHOLESALE

### Advances



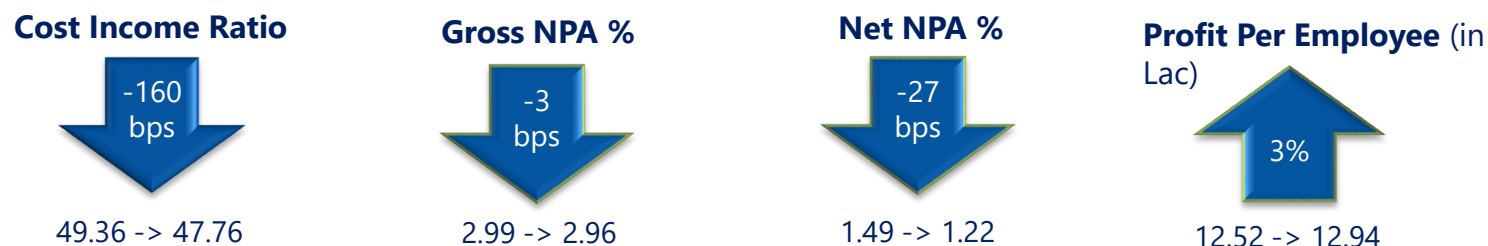
### Deposits



### Performance



### Ratios



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

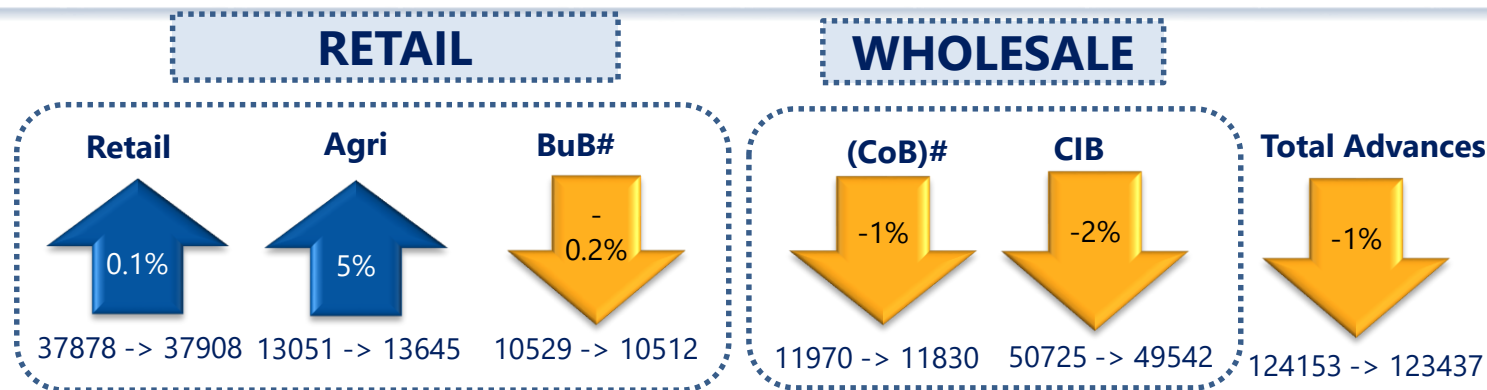
#SME split into BuB & CoB

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

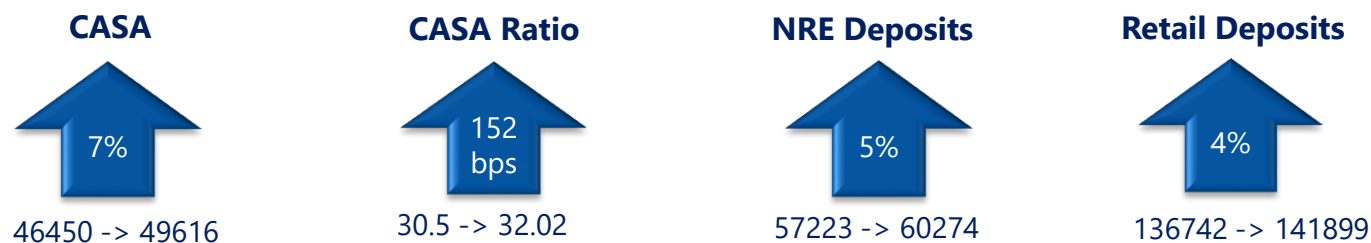
## RETAIL

## WHOLESALE

### Advances



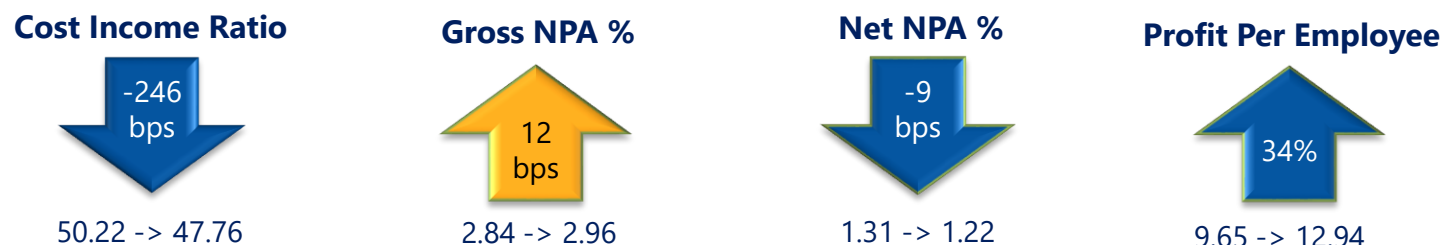
### Deposits



### Performance



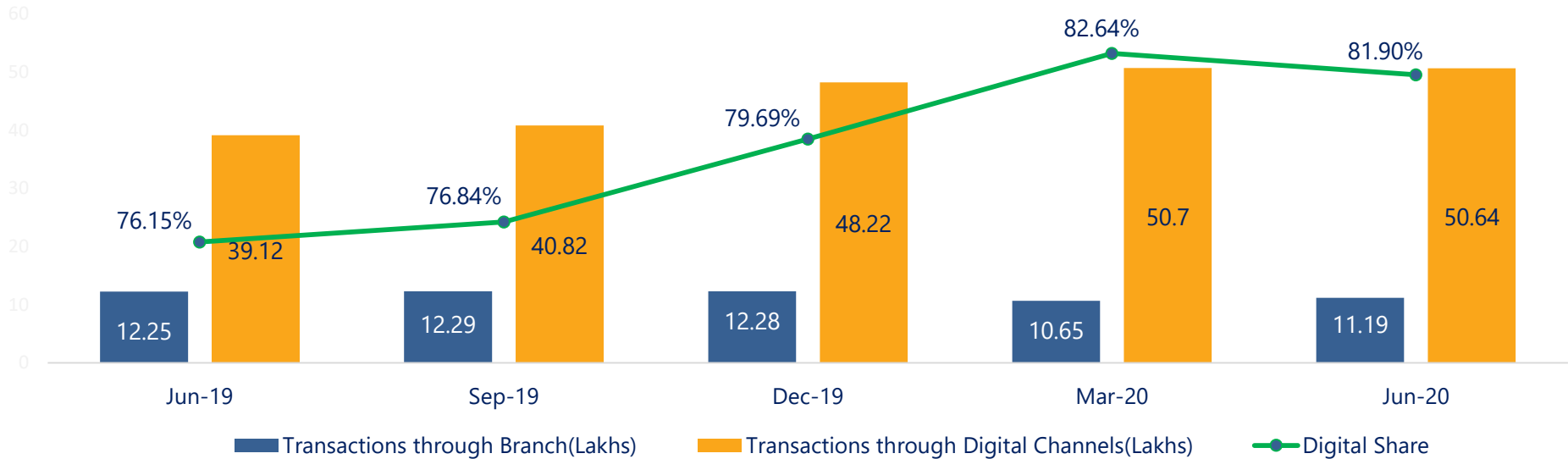
### Ratios



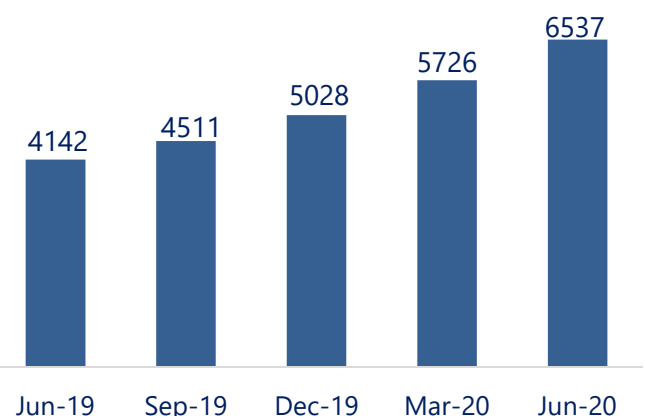
\* Credit segments are realigned at the beginning of every FY.

#SME split into BuB & CoB

## Digital vs Branch : Transaction count with bifurcation on various Digital channels(In lakhs)

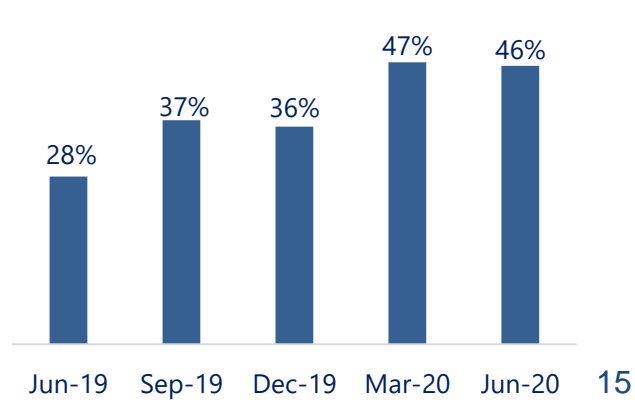


## Mobile Banking Volume in crores



- Mobile Banking monthly volume crossed **6500 Cr**, a first time ever even amidst the COVID crisis.
- There is a YoY growth of **46%** in active digital users.
- Digital Share stands at **81.90%**.
- Count of digital active users continues to increase.

## YoY Growth in Digital Users



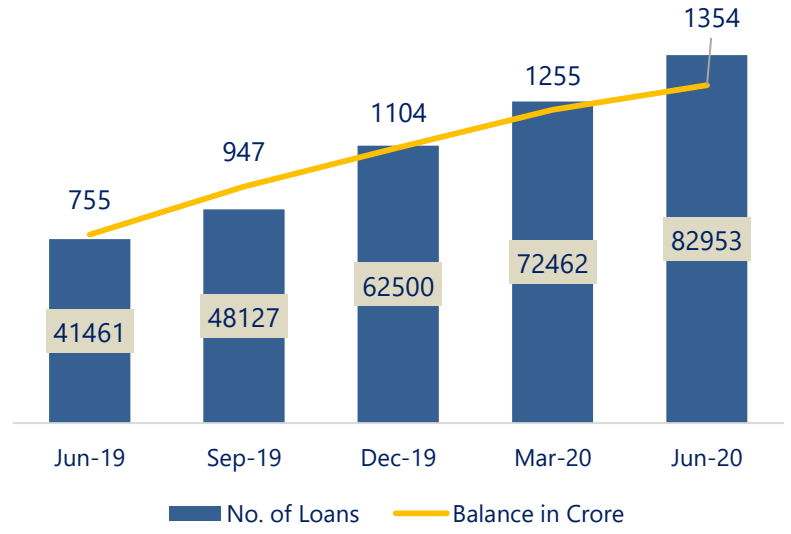


- BYOM enables digital instant personal loans through Web, Google Pay & Paisa Bazaar clubbed with HDFC Ergo insurance.
- EMI on check out through PineLabs at multiple merchant locations.

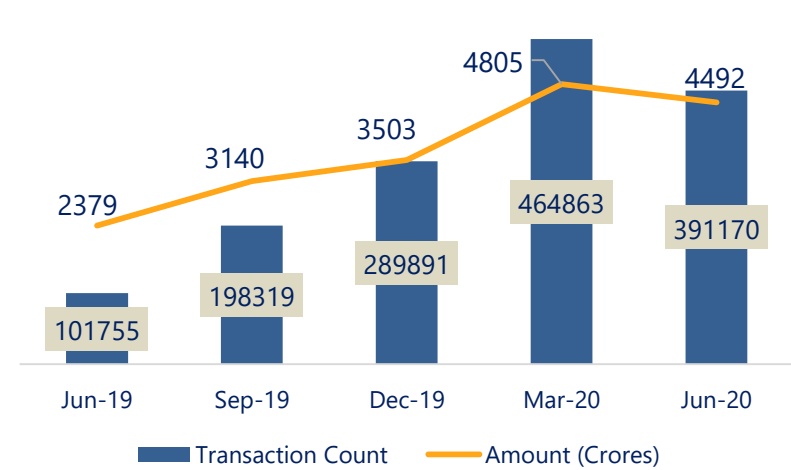


- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 88.81% YOY growth in the platform and transaction volume has reached 4492 cr, even amidst the pandemic.

## BYOM Digital Personal Loans : Loan book progress



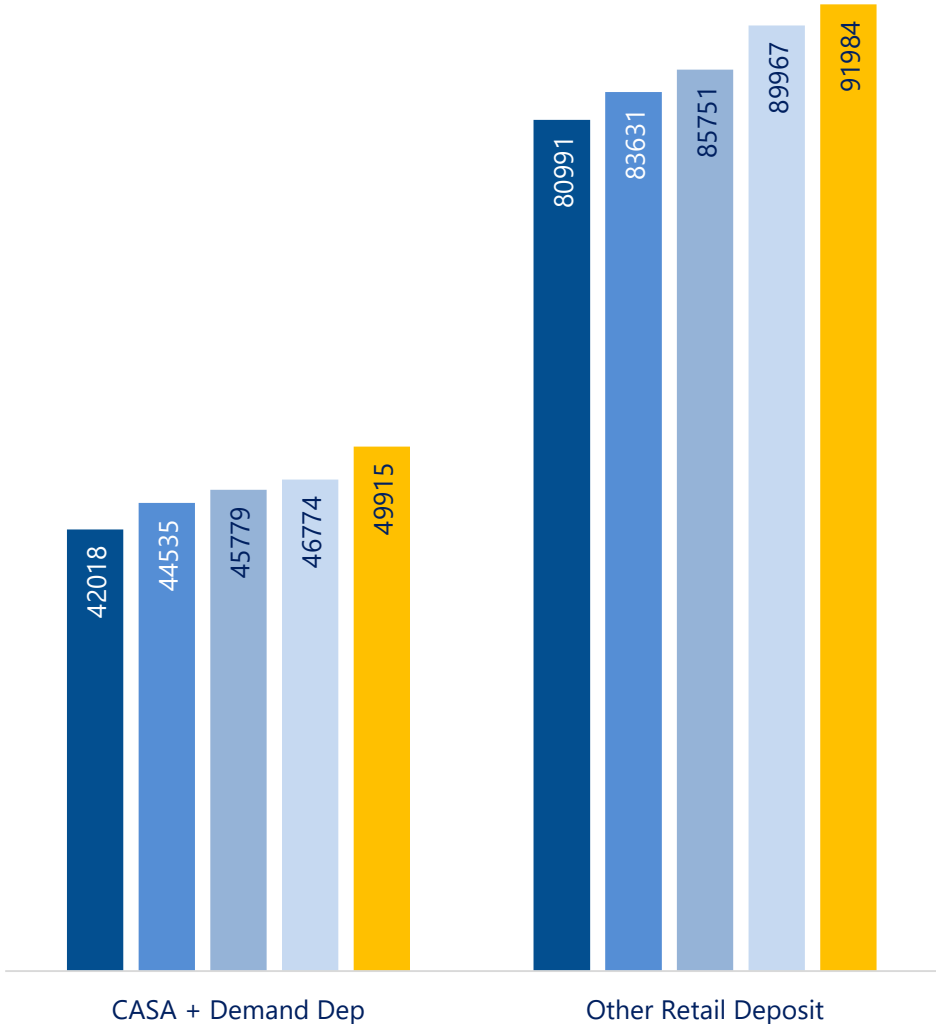
## Fed E Biz





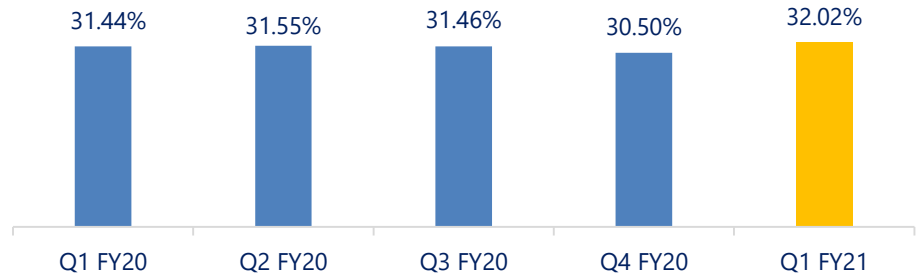
# Business Parameters

■ Q1 FY20 ■ Q2 FY20 ■ Q3 FY20 ■ Q4 FY20 ■ Q1 FY21

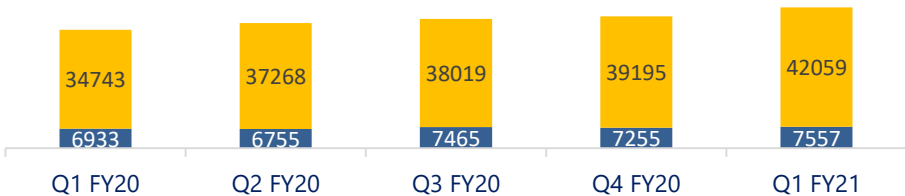


₹ in Cr

### CASA Ratio

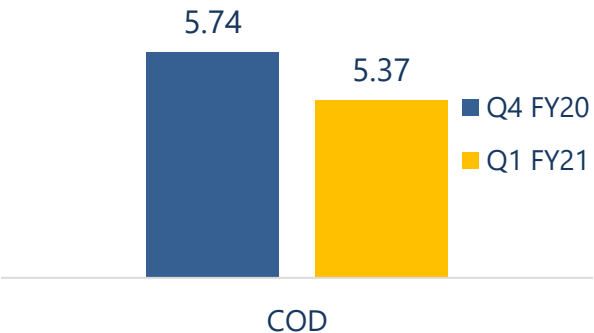


### CA & SA



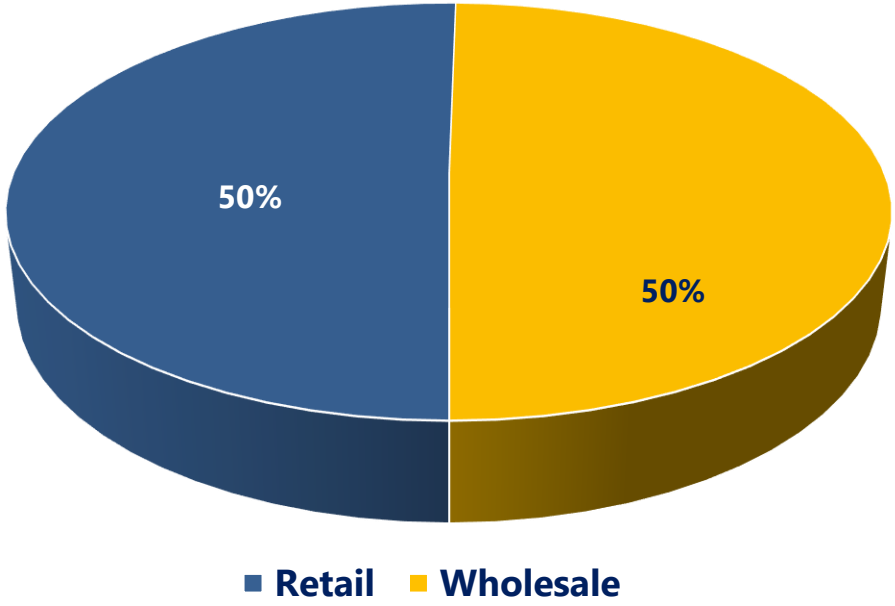
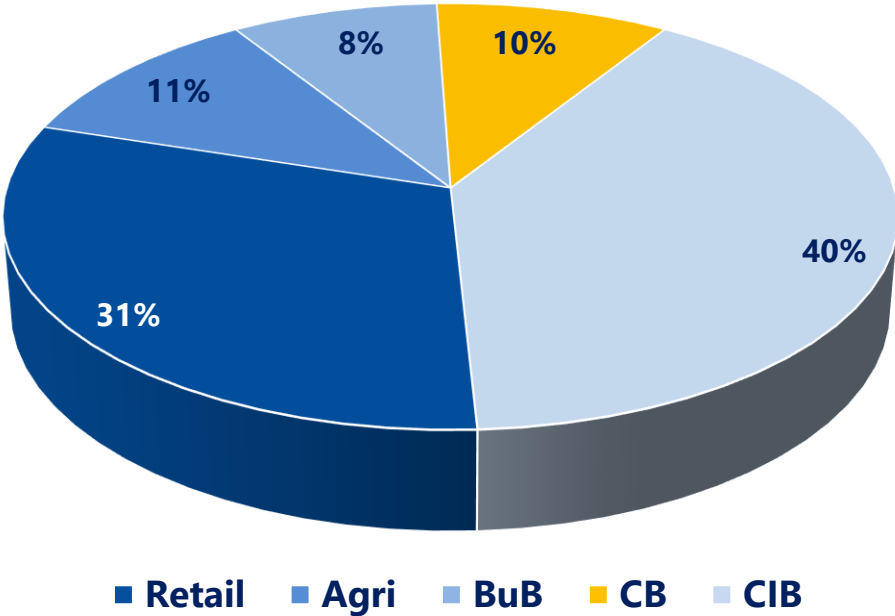
■ CA ■ SA

### Cost of Deposits

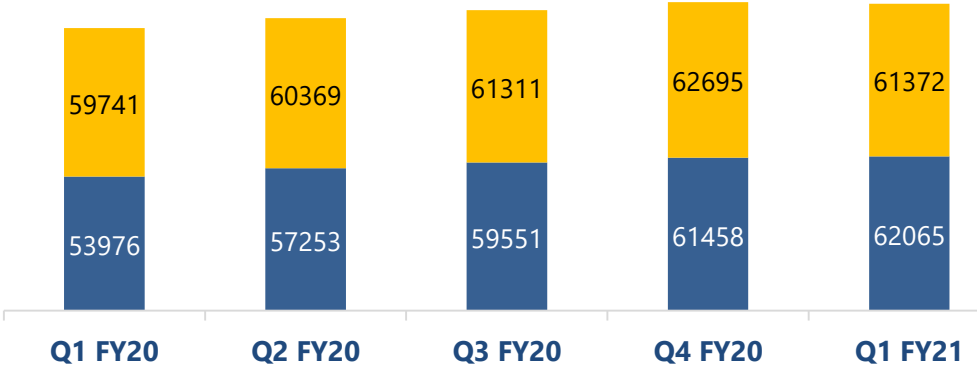
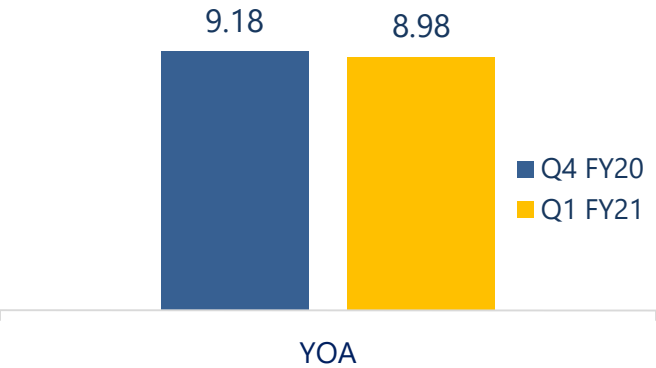


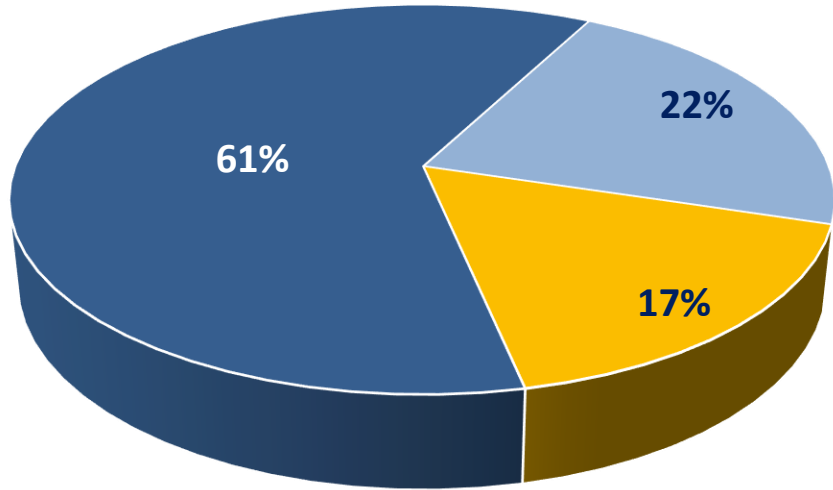
₹ in Cr

**TOTAL LOAN BOOK**



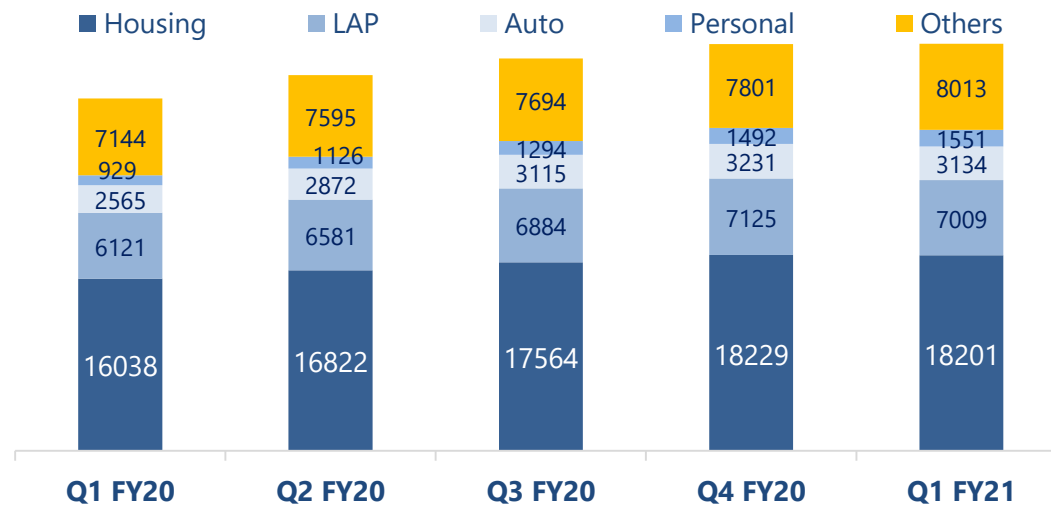
**Yield on Advances**



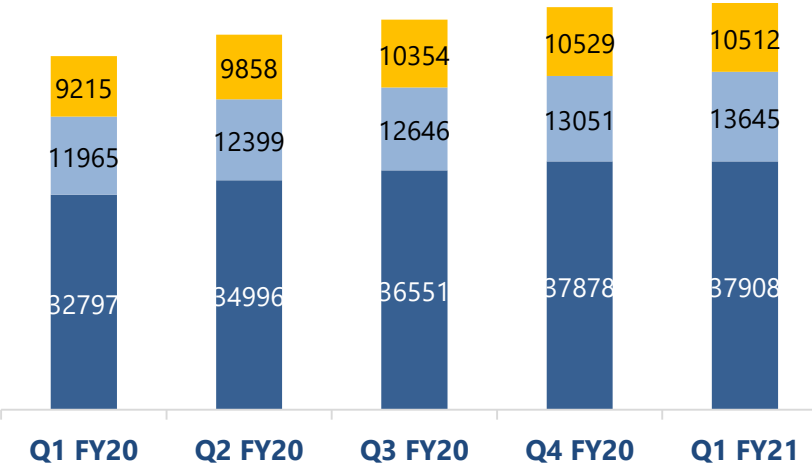


₹ in Cr

## Retail Loan Book (Excl Agri & BuB)

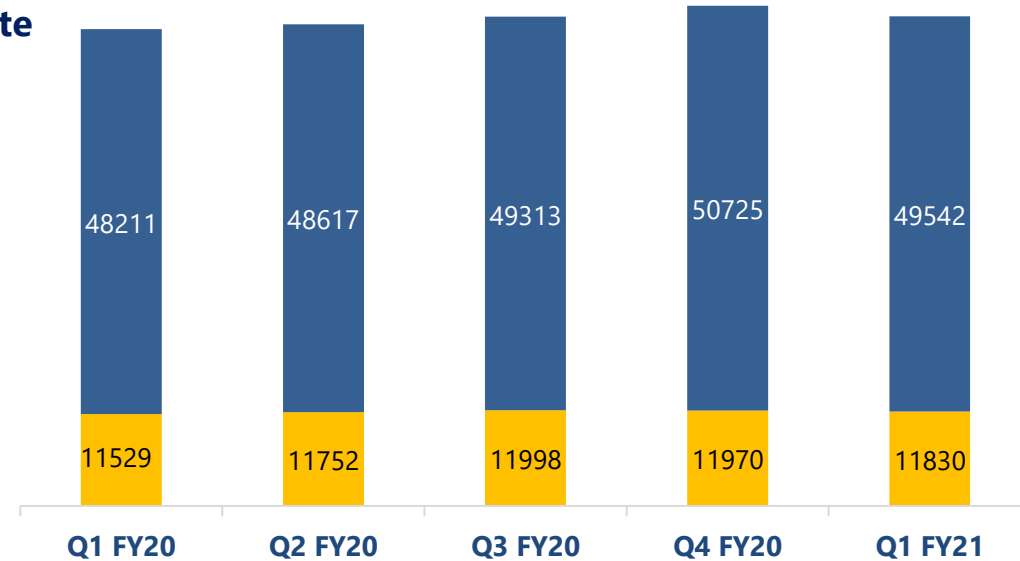
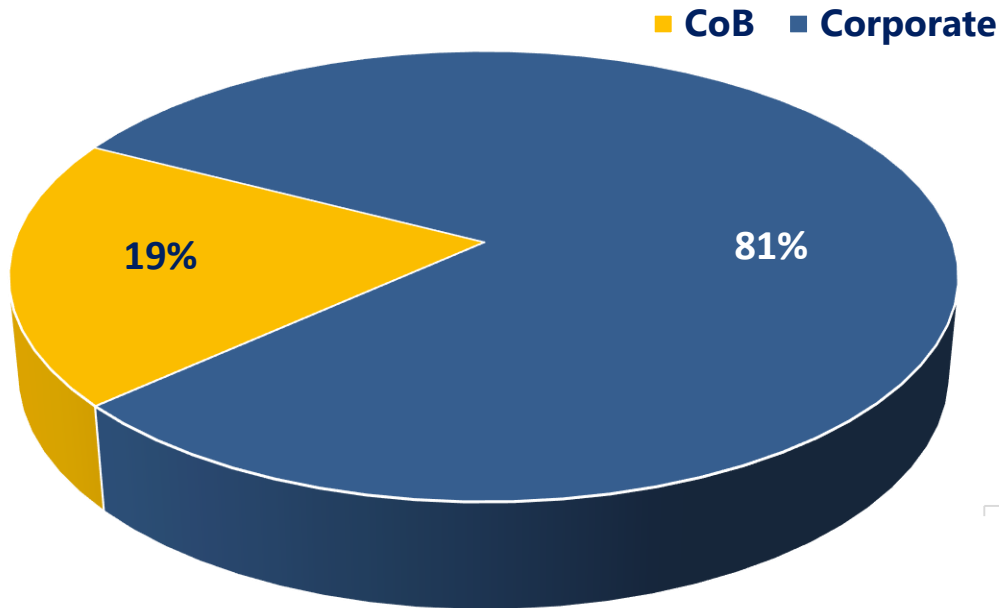


## Retail Agri BuB



## RETAIL BANKING

- Rolled out the Digital Platform named GoNoGo across the entire sales channel to ensure better TAT, bring down the cost of acquisition and a better digital experience
- Bank has partnered with Amazon to offer Debit Card EMI facility to customers
- Digital delivery of GECL loans enabled to ensure faster and hassle free experience for the customers, rolling out as pre-approved loans helping in disbursing 1000 Cr across geography.
- Gold Loans crossed Rs.10,000 Cr milestone registered YoY growth of 36 % and QoQ growth of 10%, which is one of the best in the industry.

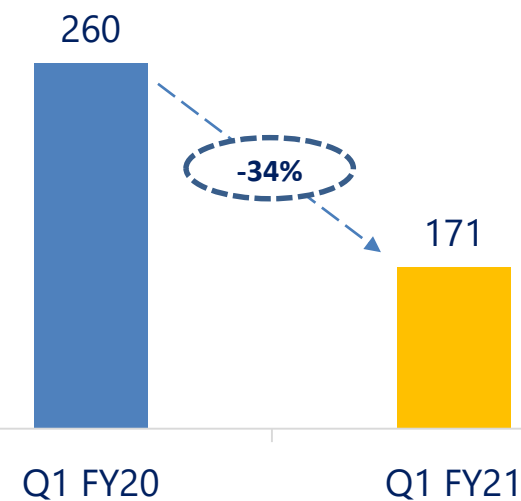


## WHOLESALE BANKING

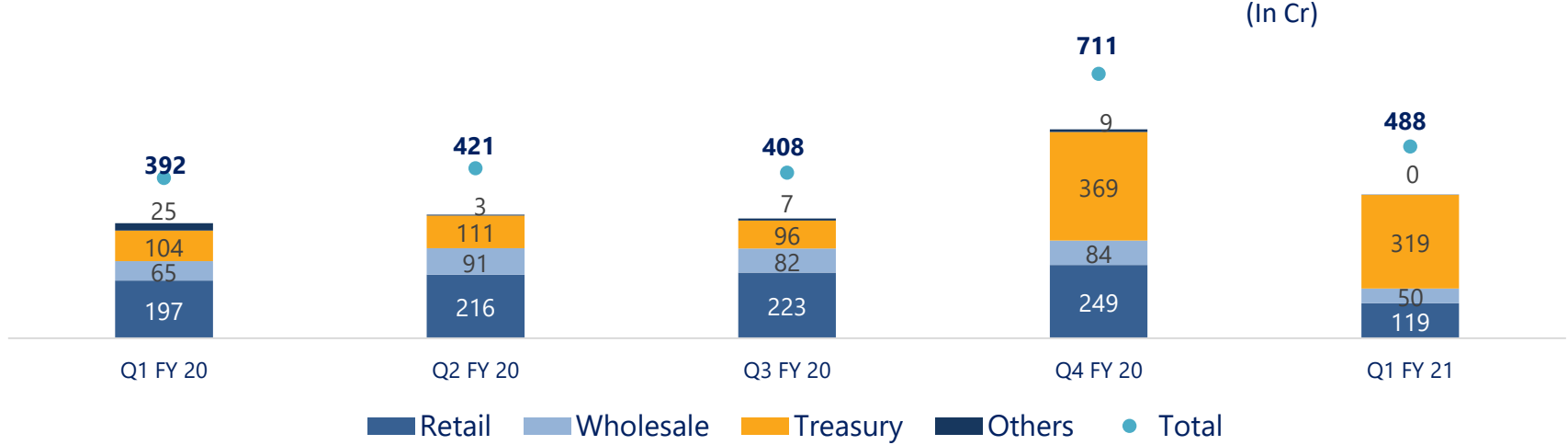
- 25 New corporate clients onboarded during the quarter consisting of marquee names in Media, Pharma and other sectors
- Bagged mandate for Bankers to the Issue for a large corporate (part of one of the largest conglomerates in the country) for their Rights issue
- Added 11 NTBs in CB vertical. Simultaneously ensured onboarding on digital platform, opening of promoter savings account and shifting of salary accounts.
- Average Ticket Size of Wholesale Loan Book(CIB+CB) : 25 Cr
- Average Ticket Size of CIB & CB Loans is 66 Cr & 7 Cr Respectively

	Q1 FY21	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Y-o-Y %
Loan Processing Fee	44	56	63	61	49	-10%
Exchange, Commission, Brokerage & Other Fee Income	103	209	191	191	169	-39%
Net Profit on Forex Transactions	24	76	56	64	43	-44%
<b>Fee Income</b>	<b>171</b>	<b>341</b>	<b>311</b>	<b>317</b>	<b>260</b>	<b>-34%</b>
Profit on sale of securities	304	369	65	82	91	233%
Recovery from assets written off, Other Receipts & misc.	13	1	32	22	40	-66%
<b>Total Other income</b>	<b>488</b>	<b>711</b>	<b>408</b>	<b>421</b>	<b>392</b>	<b>25%</b>

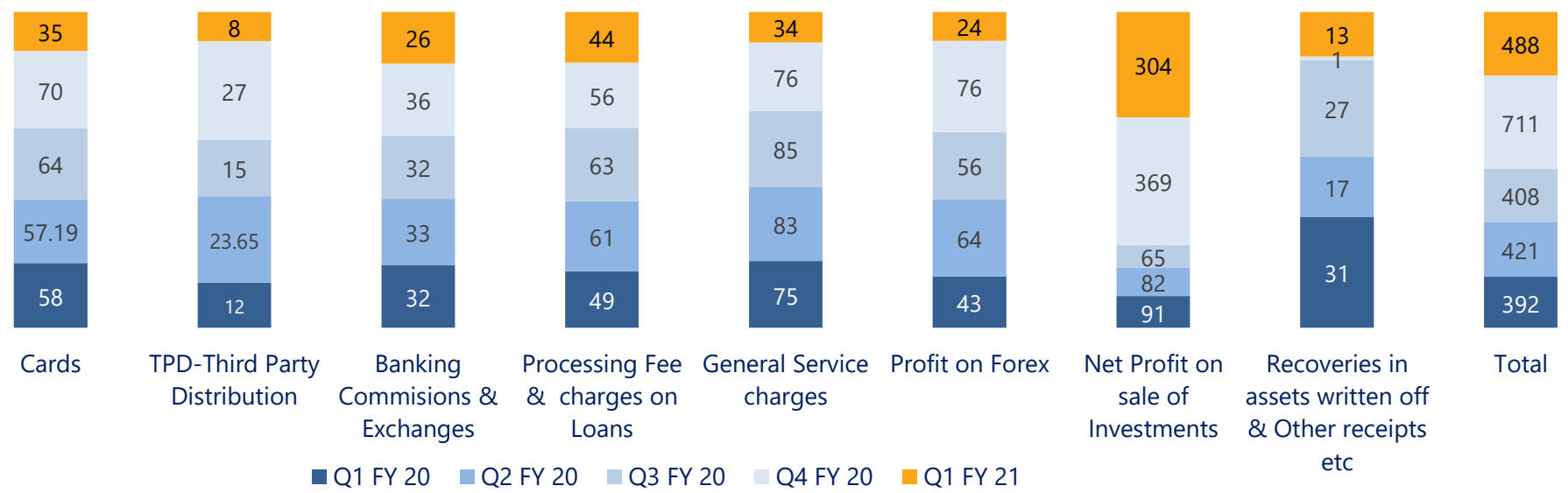
## Fee Income (Y-o-Y)



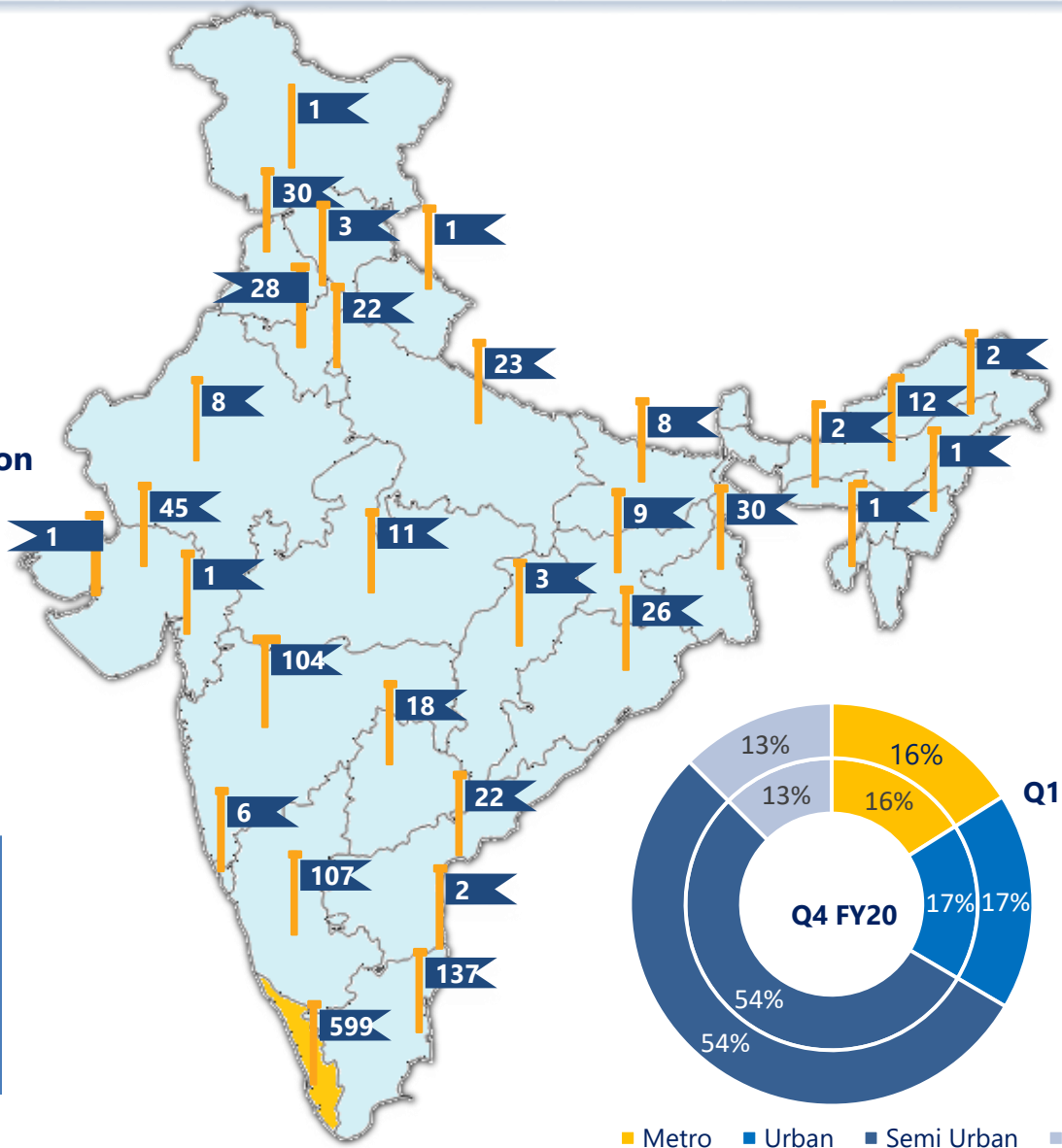
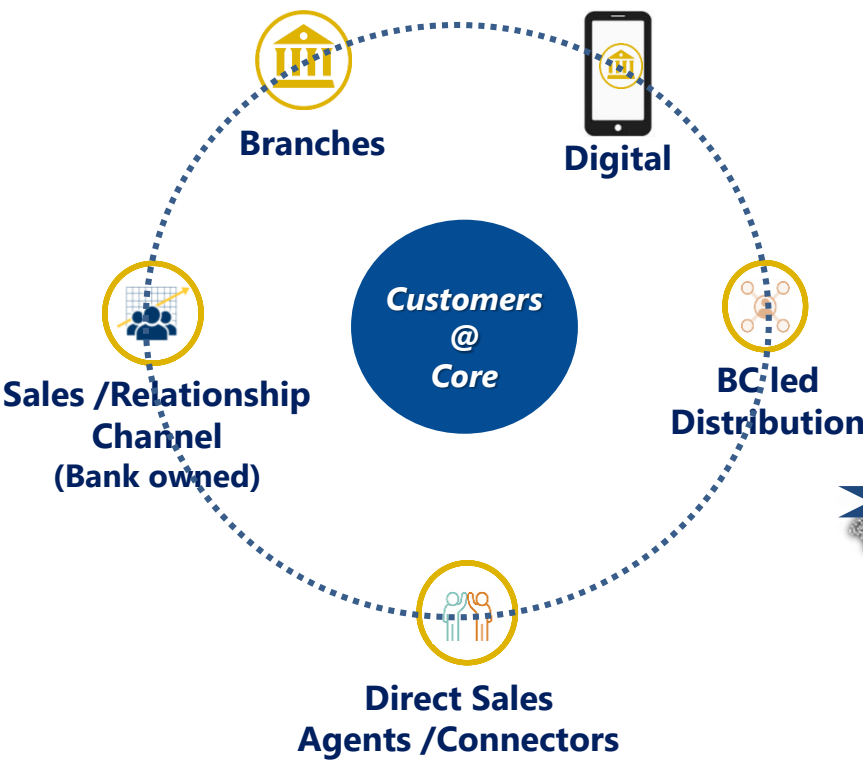
## Fee Income Distribution : Vertical Wise



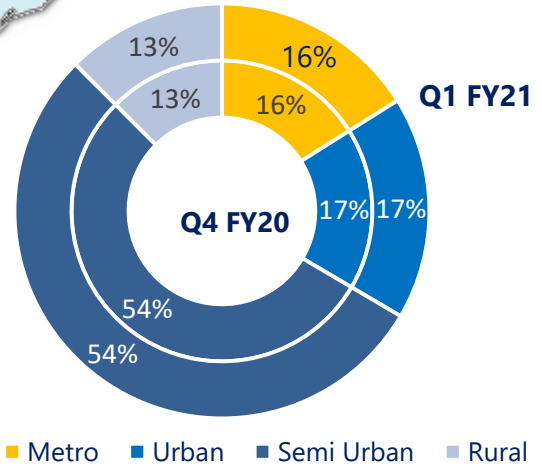
## Fee Income Distribution : Item Wise



# Distribution : Deriving Efficiency from Footprint



	Q1 FY21	Q4 FY20	Q3 FY20
Branches	1263	1263	1255
ATM/ Recyclers	1936	1937	1965

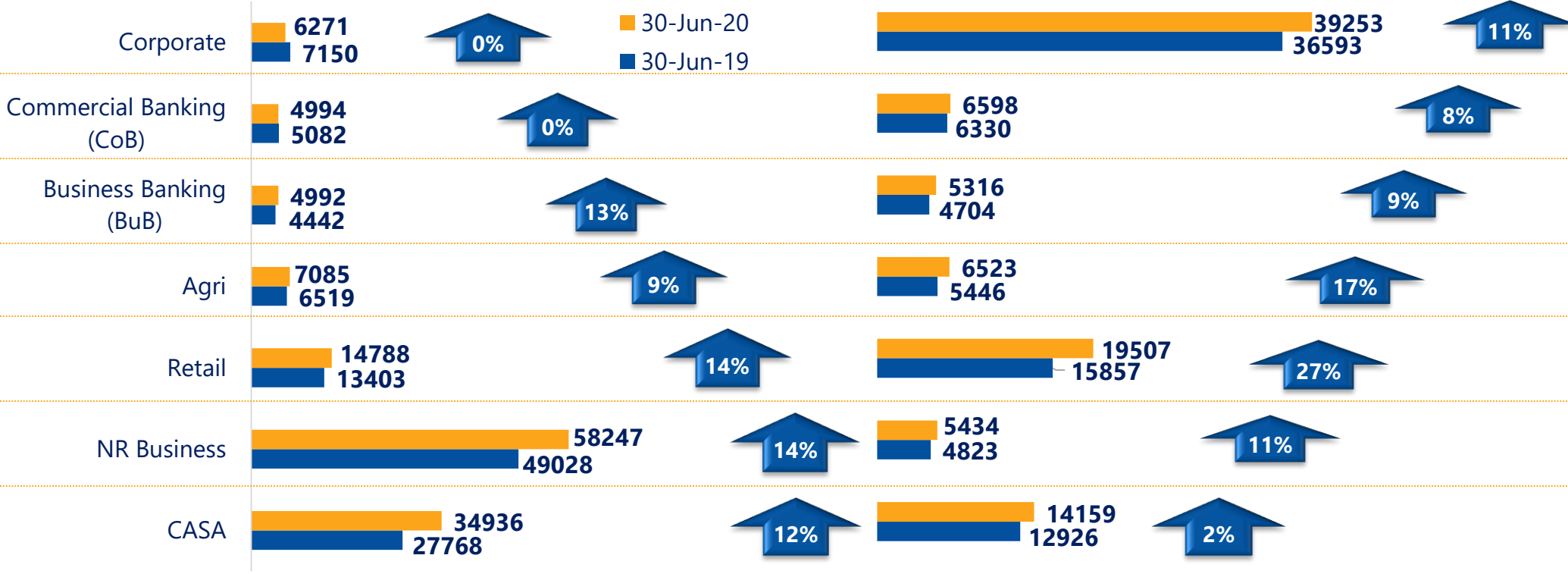




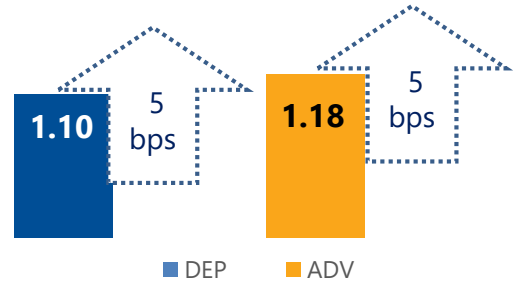
₹ in Cr

### Network I

### Network II



## Bank's Market Share



**Gain in Market Share(Y-o-Y)**  
 Advance: Market Share improved by 5 bps  
 Deposit : Market Share improved by 5 bps

# CRAR – How strong is your Bank?

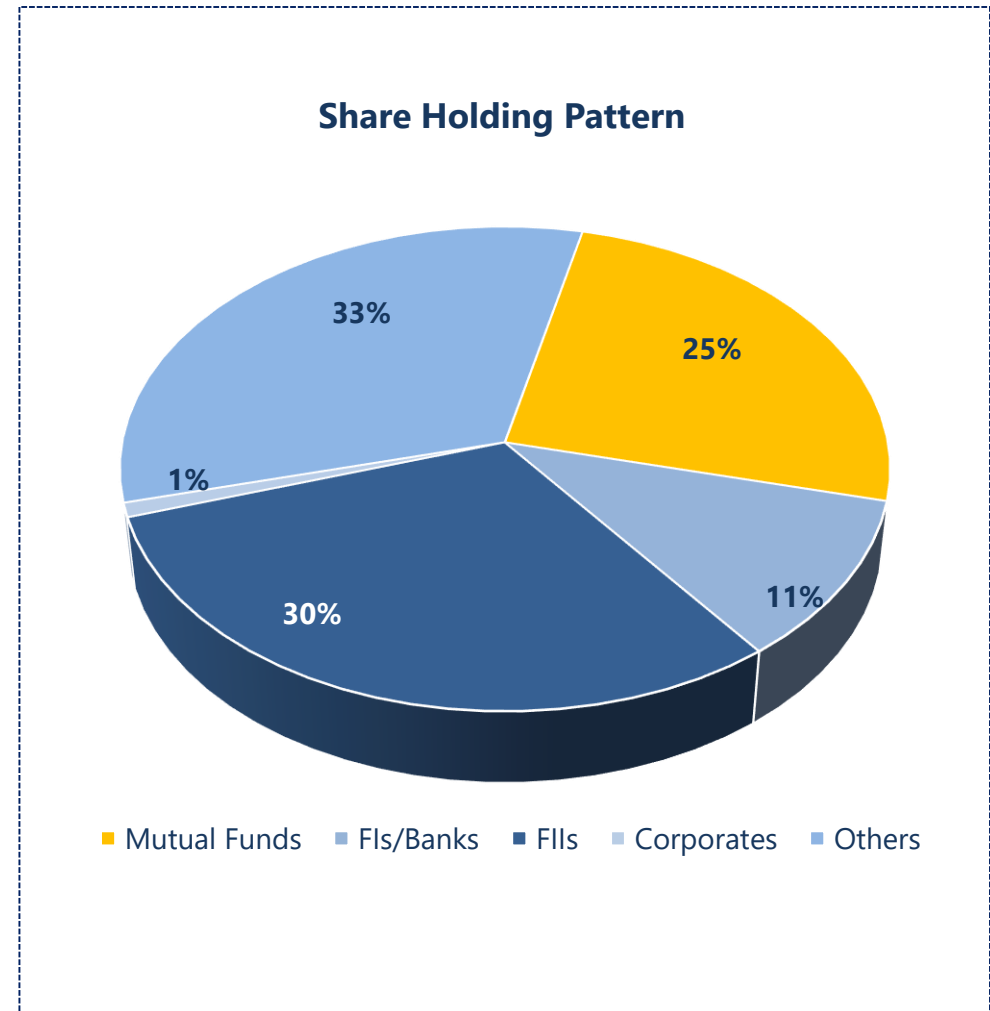
₹ in Cr

	Jun-20	Mar-20
<b>Risk Weighted Assets</b>		
Credit Risk	92139	90889
Market Risk	5890	6182
Operational Risk	10095	8715
<b>Total RWA</b>	<b>108124</b>	<b>105786</b>
<b>Tier-1 Capital Funds</b>		
Tier-1 Capital Funds	14062	14057
Tier-II Capital Funds	1262	1118
<b>Total Capital Funds</b>	<b>15324</b>	<b>15175</b>
<b>CRAR</b>	<b>14.17%</b>	<b>14.35%</b>
Tier-I	13.00%	13.29%
Tier-II	1.17%	1.06%

# Annexures

₹ in Cr

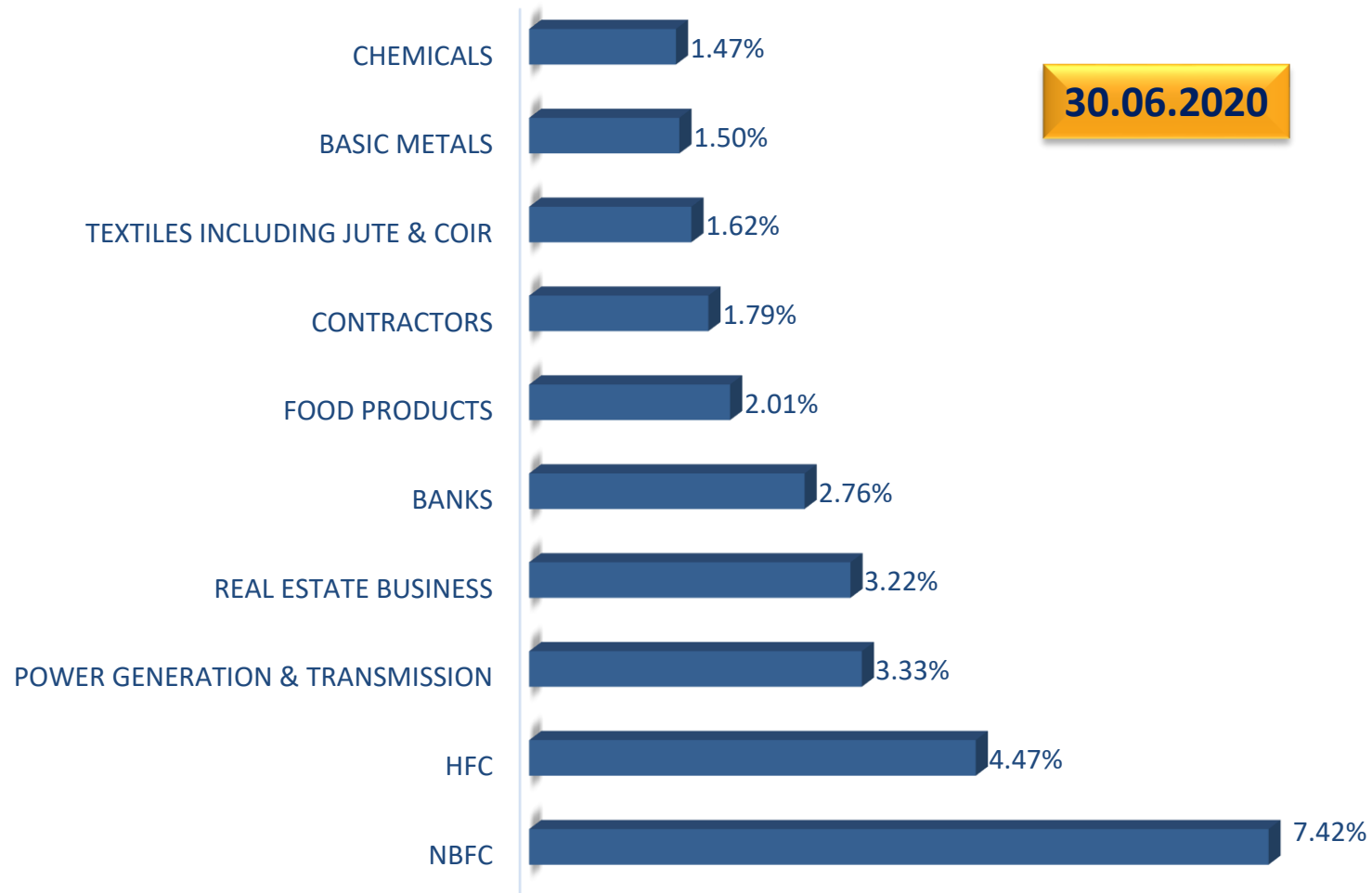
	Q1 FY21	Q1 FY20
<b>LIABILITIES</b>		
Capital	399	397
Reserves & Surplus	14524	13264
Deposits	154938	132537
Borrowings	11237	9951
Other Liabilities & Provisions	4723	4188
<b>TOTAL</b>	<b>185820</b>	<b>160338</b>
<b>ASSETS</b>		
Cash & Balance with RBI	5887	6449
Balances with Banks, Money at Call	14054	2791
Investments	34749	31810
Advances	121297	112032
Fixed Assets	460	469
Other Assets	9374	6787
<b>TOTAL</b>	<b>185820</b>	<b>160338</b>



₹ in Cr

	Q1 FY21	Q4 FY20	Q-o-Q	Q1 FY20	Y-o-Y
<b>Interest Income</b>	3444	3397	1%	3229	7%
<b>Interest Expenses</b>	2148	2181	-2%	2075	3%
<b>Net Interest Income</b>	<b>1296</b>	<b>1216</b>	<b>7%</b>	<b>1154</b>	<b>12%</b>
<b>Other Income</b>	488	711	-31%	392	25%
<b>Operating Expense</b>	852	968	-12%	763	12%
<b>Total Income</b>	3933	4108	-4%	3621	9%
<b>Total Expense</b>	3000	3149	-5%	2838	6%
<b>Operating Profit</b>	<b>932</b>	<b>959</b>	<b>-3%</b>	<b>783</b>	<b>19%</b>
<b>Total Provisions</b>	532	658	-19%	399	33%
<b>Net Profit</b>	<b>401</b>	<b>301</b>	<b>33%</b>	<b>384</b>	<b>4%</b>
<b>Net Interest Margin (%)</b>	<b>3.07</b>	<b>3.04</b>	<b>3bps</b>	<b>3.15</b>	<b>-8 bps</b>
<b>Cost to Income Ratio (%)</b>	<b>47.76</b>	<b>50.22</b>	<b>-246 bps</b>	<b>49.36</b>	<b>-160 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	74.00%
IDBI Federal Life Insurance Company of India Limited	26.00%
Equirus Capital Private Ltd	19.90%

## 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.

- Total AUM of 3750+ 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.



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



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**Thank You**