

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q3 FY 2021

Strong Operating Momentum

Robust Operating Performance

- **Operating Profit @ 963 Cr for the Quarter, grew 29% YoY**
- Net Profit @ 404 Cr, impacted by significant step up in provisions to further strengthen the Balance sheet
- **Net Interest Margin @ 3.22% an increase of 22 bps YoY**

Credit Growth in Chosen Areas

- Total Advances grew by 6% YoY
- Retail Advances grew by 16% YoY
- **Gold loans grew by 16% QoQ & 67% YoY**
- Business Banking grew by 13% YoY

Income and Cost Streams

- **Highest ever Net Interest Income @1437 Cr, grew 24% YoY, against credit growth of 6%**
- Other Income @ 482 Cr, grew by 18% YoY & Core Fee income grew by 15% YoY
- Cost to Income improved to 49.82%, down 258 bps YoY

Steady Growth in Market Share

- Market Share in Advances at 1.18%
- Market Share in Deposits at 1.09%
- **Market Share in Personal Inward remittance business increased to 17.50%**

Balance Sheet and Capital

- Balance Sheet grew by 14% YoY (Rs 1.97 L Cr)
- Total business grew 9% YoY (Rs 2.87 L Cr)
- CRAR at 14.31%

Continue to Strengthen Balance Sheet

Granular Liability Franchise

- **CASA grew by 23% YoY and CASA Ratio improved to 34.48%**
- Retail Deposits at 92% of Total Deposits
- **More than INR one trillion inward remittances processed in calendar year 2020**

Asset Quality

- **Strengthened PCR to 77.10% from 64.65% QoQ**
- GNPA down to 2.71% and NNPA down to 0.60%, including the proforma slippages, GNPA & NNPA would have been 3.38% & 1.14% respectively

New Initiatives/ Digital Update

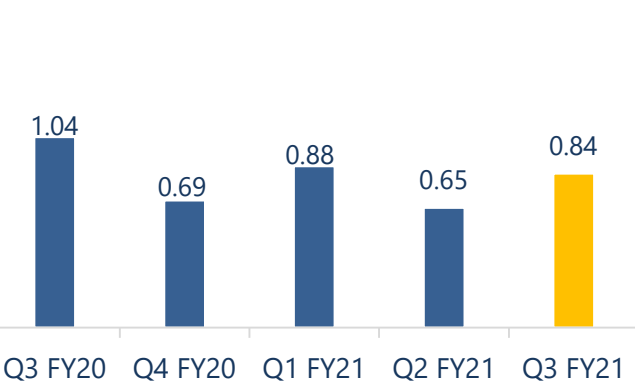
- **Crossed 1000 crores of monthly spends on Debit cards, in December 2020. This puts Federal Bank in top 5 private sector banks on debit spends**
- Transactions using Digital Channels now account for 86% of the total transactions

Adequately Capitalized

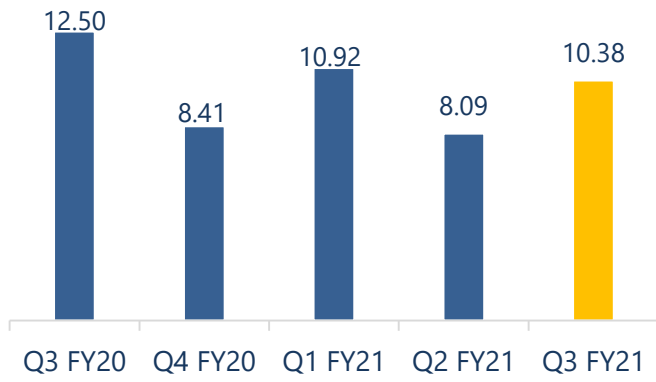
Performance Highlights Y-o-Y

Operating Profit	29%	↑	Retail Banking	16%	↑
Other Income	18%		Agri Banking	24%	↑
RoA	@ 0.84 %		Business Banking (BuB)	13%	↑
RoE	@ 10.38 %		Commercial Banking (CoB)	8%	↑
Cost to Income Ratio	@ 49.82%	↓	Total Advance	6%	↑
GNPA	@ 2.71%	↓	CASA	23%	↑
NNPA	@ 0.60%		NRE Deposit	17%	↑
NII	24%	↑	Total Deposit	12%	↑
NIM	@ 3.22%				
Capital Adequacy (CRAR)	@ 14.31%	↑			

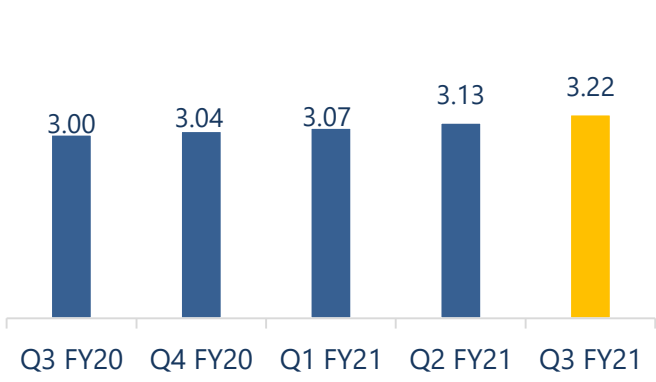
RoA



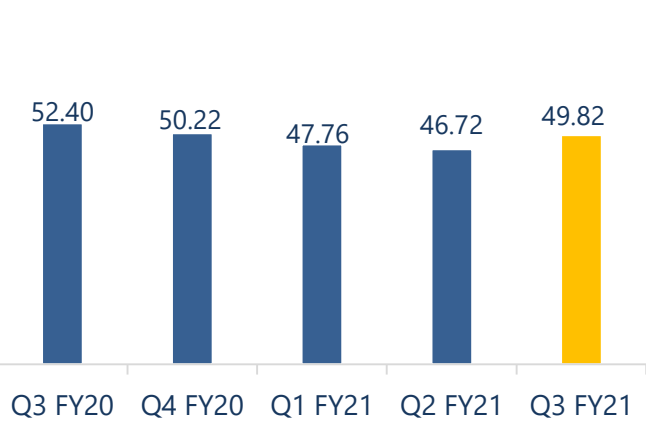
RoE



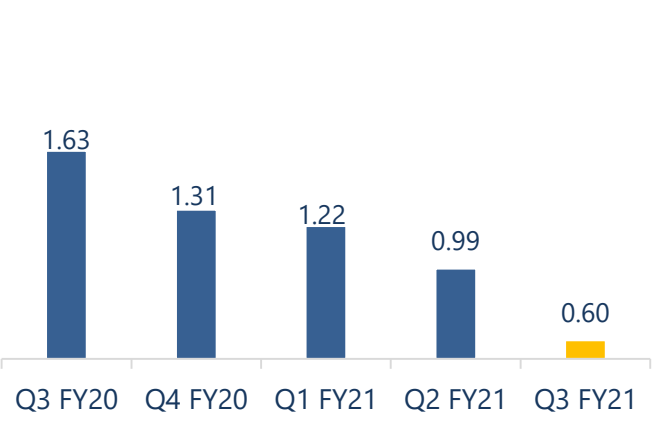
Net Interest Margin (%)



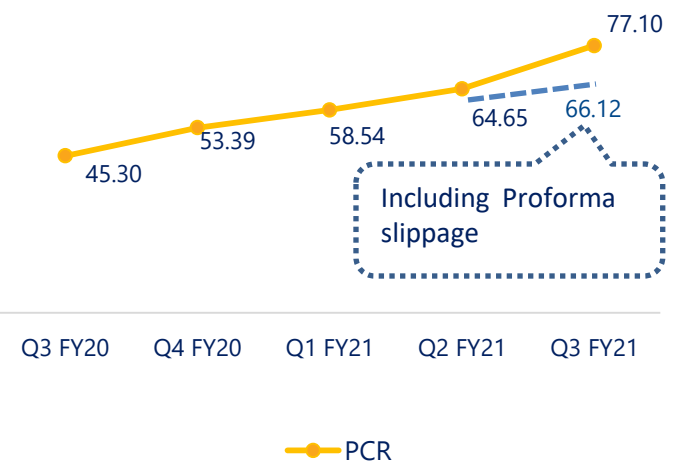
Cost to Income Ratio



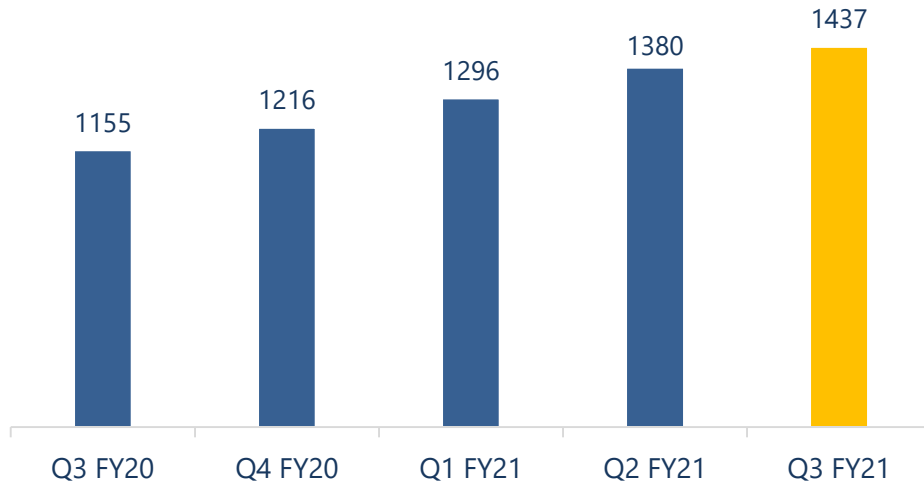
NNPA (%)



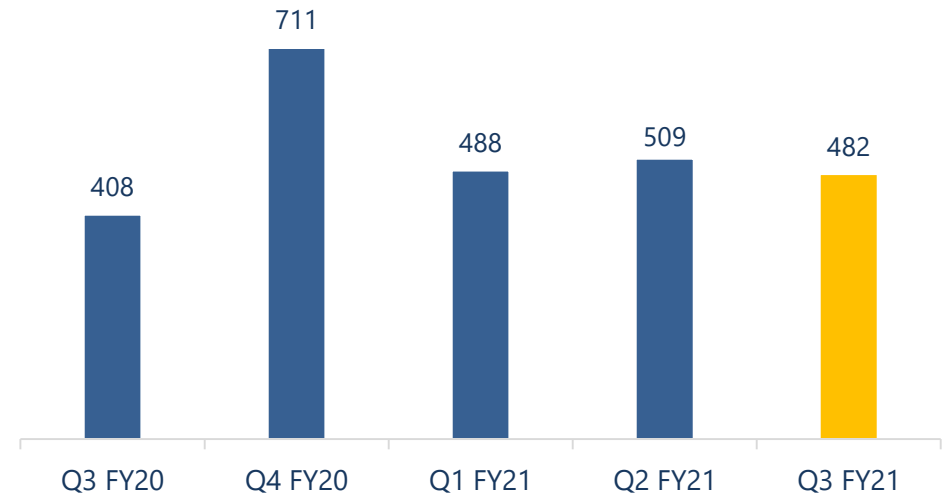
PCR (%)



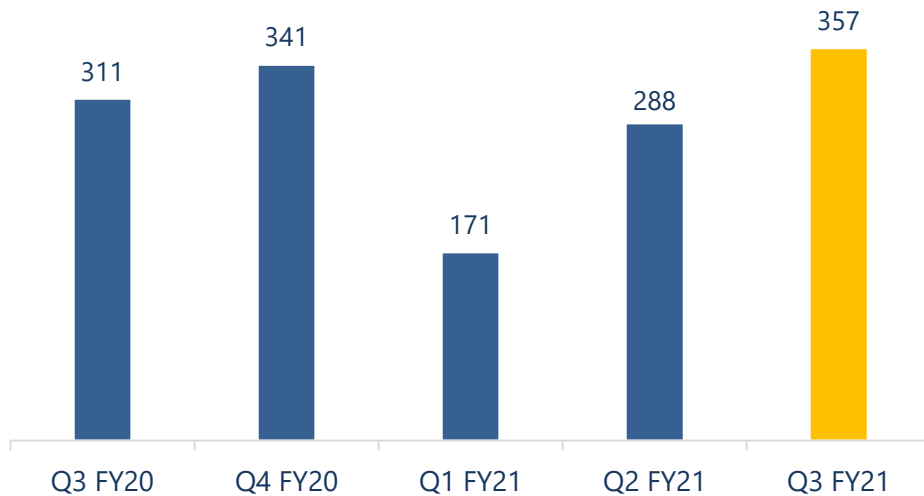
Net Interest Income



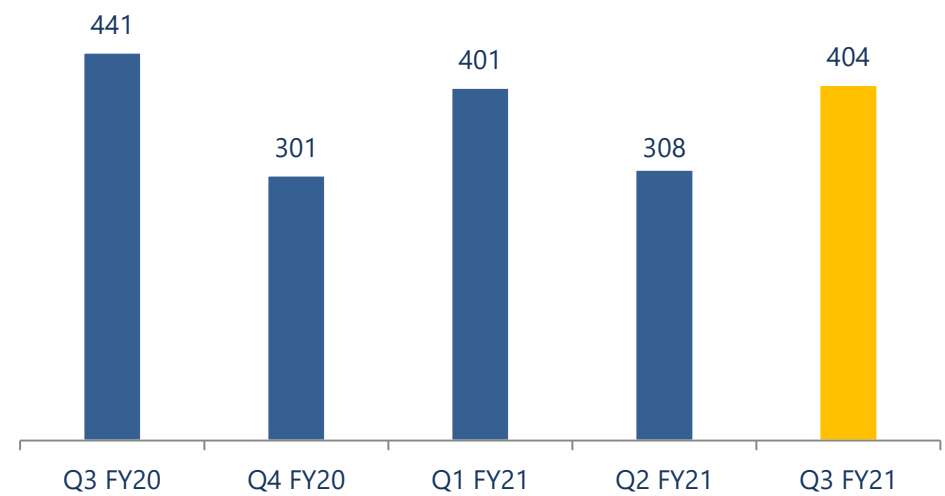
Other Income



Fee Income



Net Profit



Shareholder Value

Book Value
(Per Share in ₹)

	Q3 FY21	Q2 FY21	Q1 FY21	Q4 FY20	Q3 FY20
Book Value (Per Share in ₹)	78.39	76.38	74.85	72.86	71.33

EPS
(annualized)

EPS (annualized)	8.04	6.12	8.07	6.06	8.78
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Granularity

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

CASA + Deposits <2 Cr (% of Total Deposits)	90%	90%	89%	87%	88%
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Profitability (Annualized)

ROA

ROA	0.84	0.65	0.88	0.69	1.04
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RoRWA

RoRWA	1.64	1.28	1.64	1.23	1.92
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ROE

ROE	10.38	8.09	10.92	8.41	12.50
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Efficiency

Cost/Income

Cost/Income	49.82	46.72	47.76	50.22	52.40
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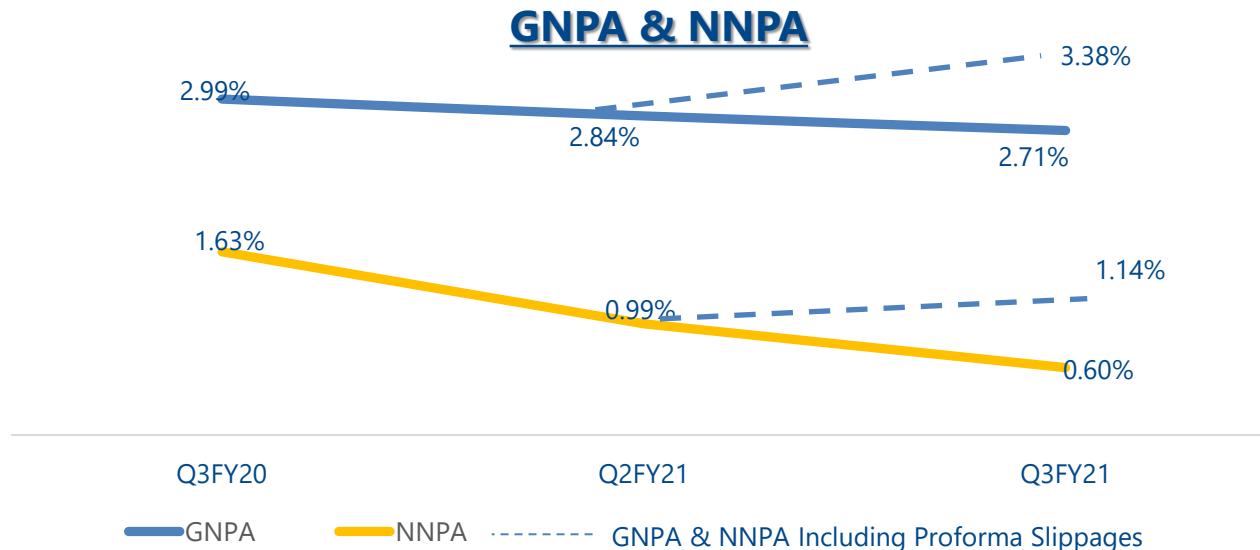
Net NPA%

Net NPA%	0.60	0.99	1.22	1.31	1.63
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Asset Quality including Proforma Slippages

Proforma Slippages	Amt in Cr	Proforma Slippages Business Wise	Amt in Cr
Proforma Slippages of Q2 & Q3	1068	Retail	314
Of which, large infra account in standstill for which resolution/ payment expected during the current quarter; provision for haircut already made during Q1 FY21	205	Agri	153
		BB	180
		CoB	108
		CIB	108
Balance as on 31 st Dec 2020	863*	Total Proforma Slippages	863*

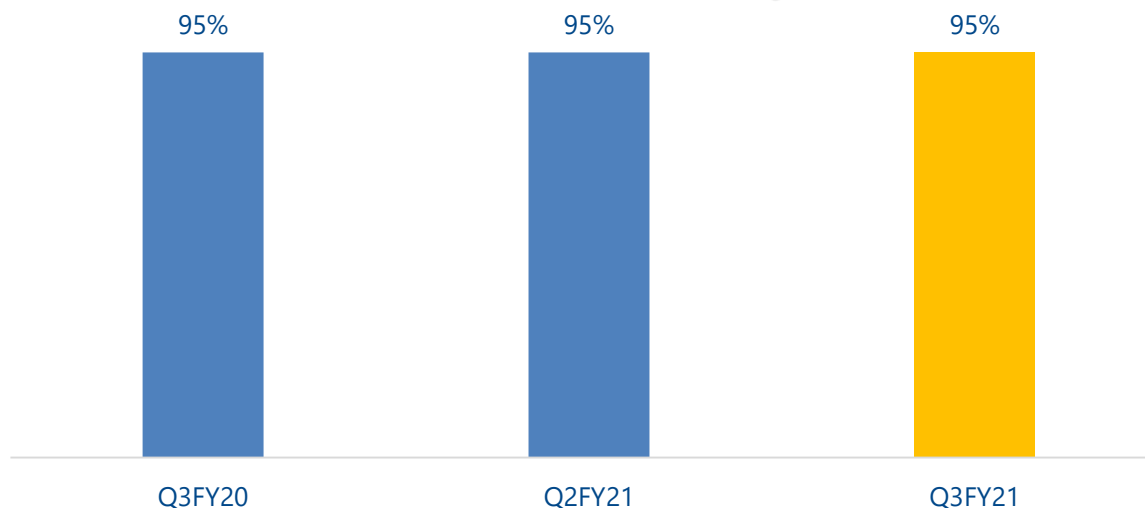
* Includes proforma slippages of Q2 FY21



Covid Specific Restructuring Details	Amt in Cr
Restructuring done in Q2 FY21	28
Restructuring done in Q3 FY21	663
Restructuring done after Q3 FY21 till 16 th Jan 2021	376
Total so far	1067
Total Restructuring expected during FY21	1500-1600

Covid Specific Restructuring Business Wise	Amt in Cr
Retail	859
BB	93
CoB	88
Others	27
Total Restructuring	1067

Collection Efficiency



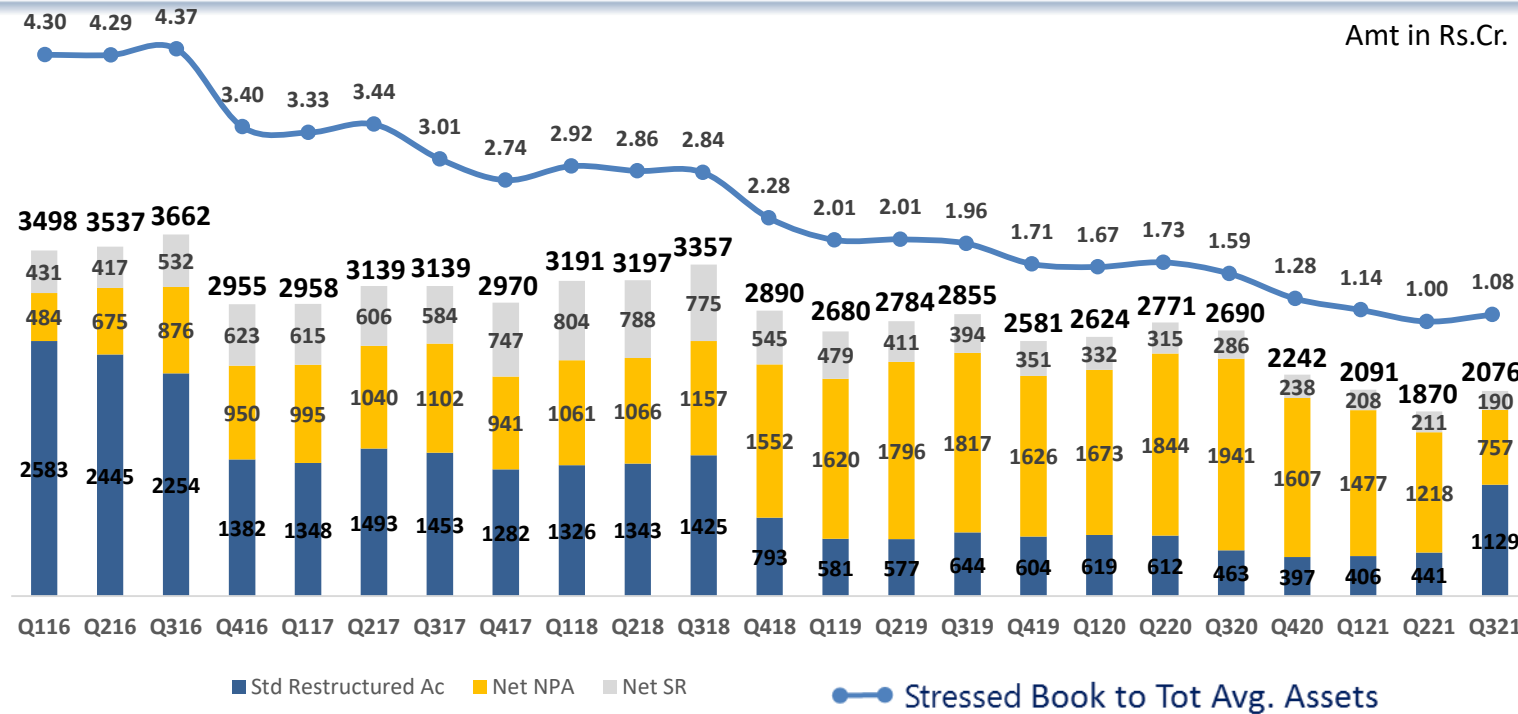
Asset Quality Trends

Strengthened Provision Coverage ratio to 77.10%, an increase of 1245 bps QoQ

Provision Coverage Ratio including the proforma slippages would have been 66.12%

Maintaining specific standard asset provision of 537 Cr

Covid related restructuring at 0.54% of total advance



Movement of NPA

Gross NPA as on 30.09.2020	3552
Add Fresh Slippage	22
Add Increase in Balances in Existing NPAs	12
Deduct Recoveries/ Upgrades	-108
Deduct Written Off	-8
Gross NPA as on 31.12.2020	3470

Provisions in Q3

Loan Loss	389
Investment Loss	7
Restructured Accounts	0
Standard Accounts	25
Other Purposes	0
Total Provisions	421

Fresh Slippages Break up

Fresh Slippages

	Q3 FY21	Q2 FY21	Q1 FY21	Q4 FY20	Q3 FY20
Retail	0	1	1	97	101
Agri	6	1	1	36	50
BuB	16	1	0	54	66
CoB	0	0	8	68	55
Corporate	0	0	174	29	321
Total	22	3	184	284	593

Restructured

TYPE	Q3 FY21		Q2 FY21	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1129	42	441	42
Net NPA	196	80	197	80
TOTAL	1325	122	638	122

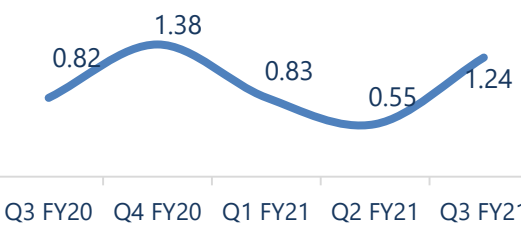
Security Receipts

	Q3 FY21	Q2 FY21
Face Value	594	598
Book Value	507	512

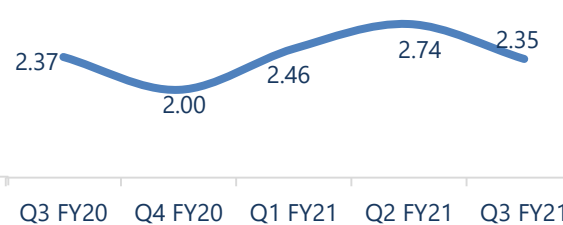
NPA Composition

Business	Q3 FY21 NPA	Q2 FY21 NPA
Retail	646	664
Agri	534	555
BuB	633	635
CoB	636	667
Corporate	1022	1030
Total	3470	3552
Net NPA	757	1218

Credit Cost



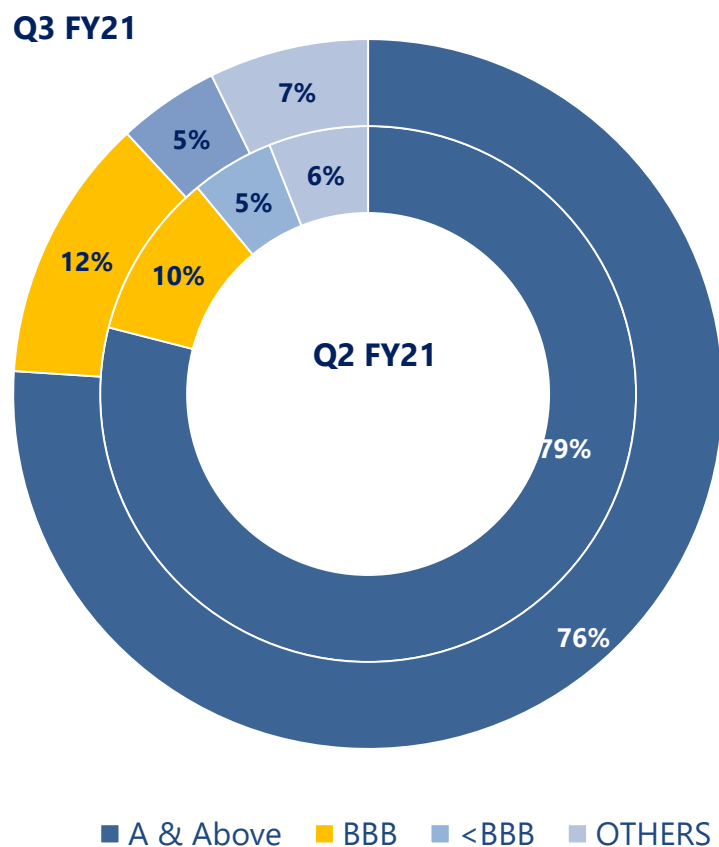
Risk Adjusted NIM



Slippage Rate

	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Retail	1.51	1.26	0.01	0.02	0.14
Wholesale	2.49	0.63	1.16	0.00	0.00
Bank	2.02	0.94	0.59	0.01	0.07

External Rating of Corporate Advances



External Rating of Corporate Advances

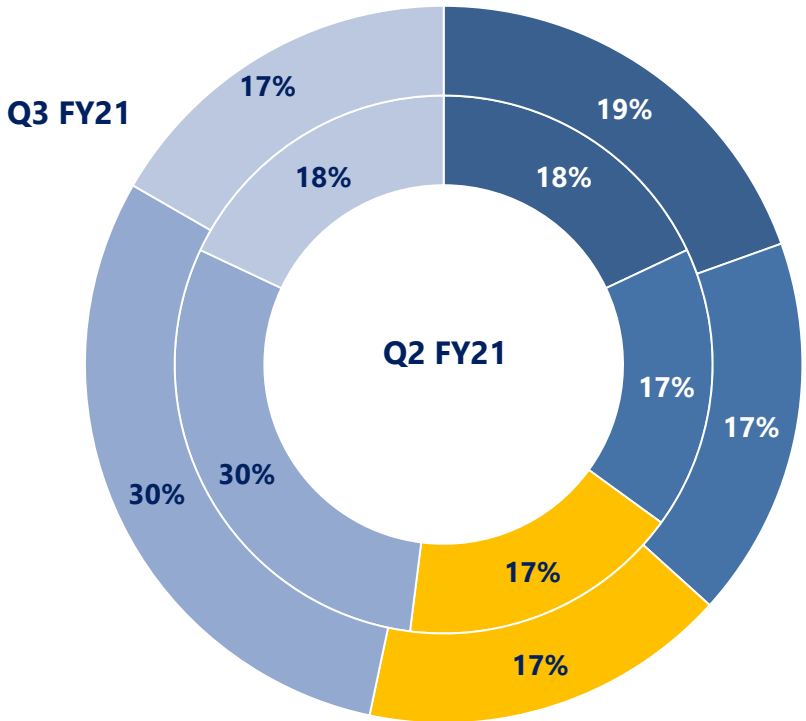
Rating	Q3 FY-21	Q2 FY-21
A & above	76%	79%
BBB	12%	10%
< BBB	5%	5%
Others	7%	6%

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

Rating	Q3 FY-21	Q2 FY-21
FBR1	15%	12%
FBR2/FBR3	7%	1%
FBR4	15%	25%
Below FBR4 & unrated	63%*	61%*

*includes IBPC.

Asset Quality : Rating Distribution (Advances excluding Corporate advance)



■ 1) FBR1 ■ 2) FBR2/FBR3 ■ 3) FBR4 ■ 4) FBR5/FBR6 ■ 5) OTHERS

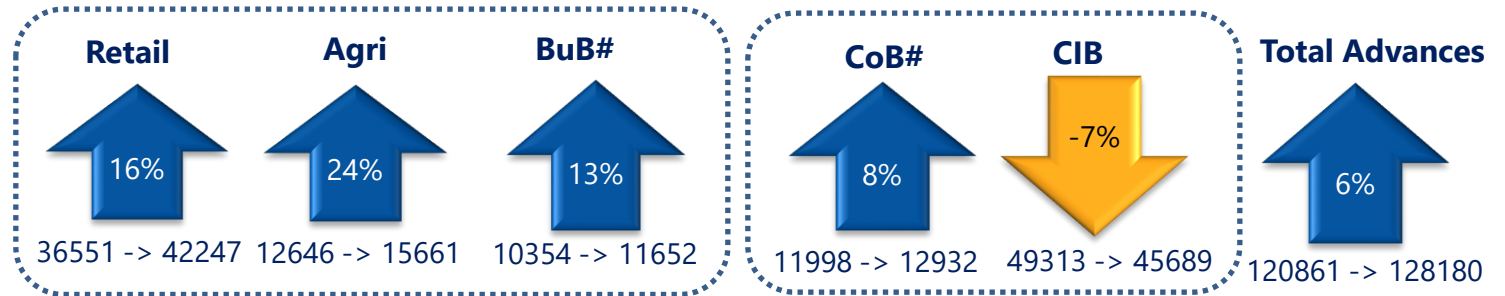
Rating	Q3 FY-21	Q2 FY-21
FBR1	19%	18%
FBR2/FBR3	17%	17%
FBR4	17%	17%
FBR5/FBR6	30%	30%
Staff	2%	3%
Gold, Advance against Deposit/Securities & others	15%	15%

Comparison : Y-o-Y (3 M)

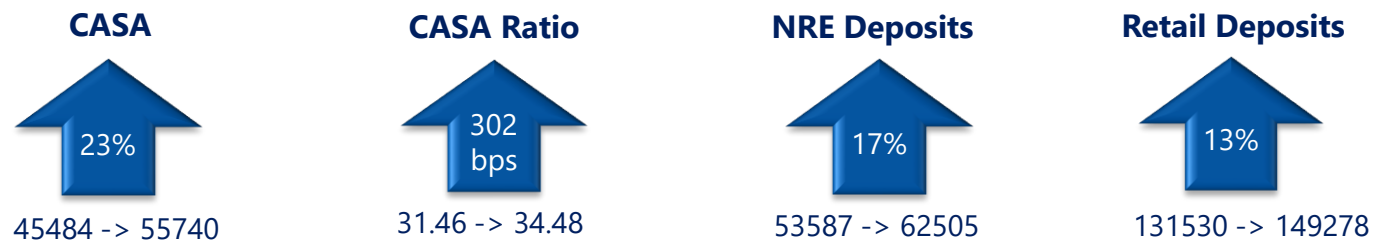
RETAIL

WHOLESALE

Advances



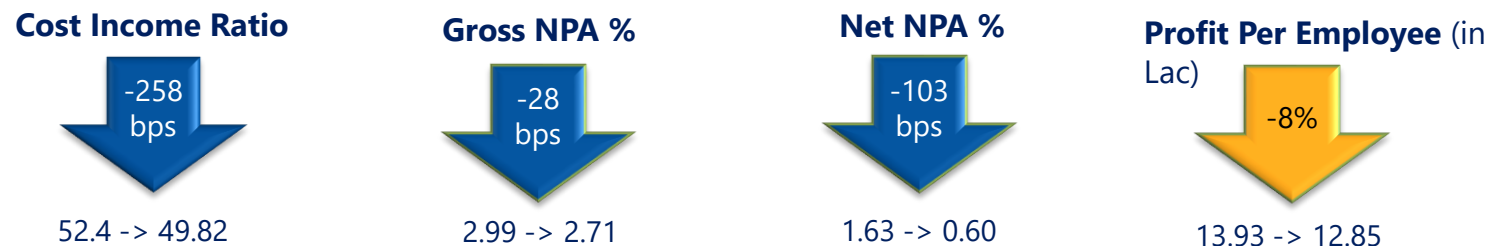
Deposits



Performance



Ratios



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

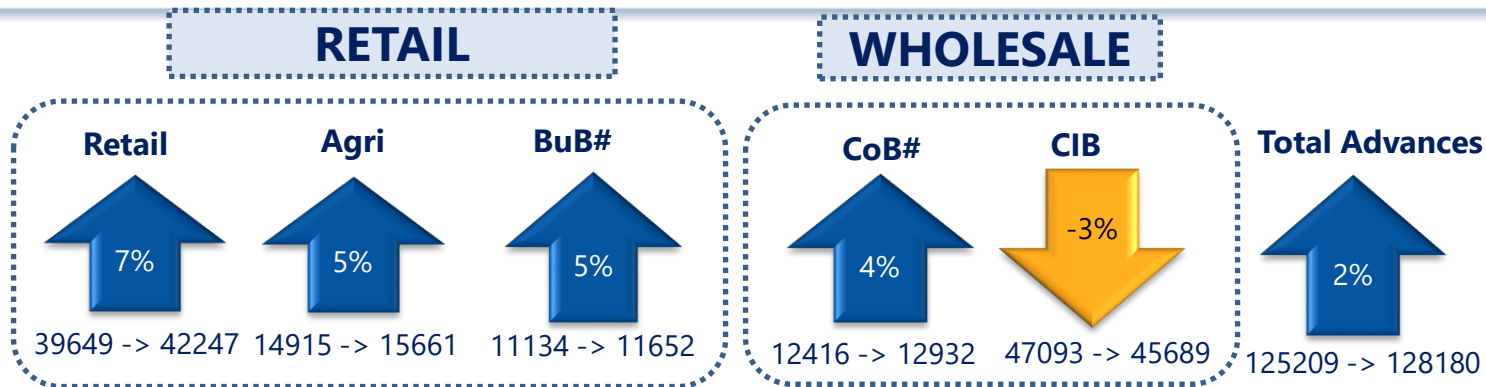
#SME split into BuB & CoB

Comparison : Q-o-Q (3 M)

RETAIL

WHOLESALE

Advances



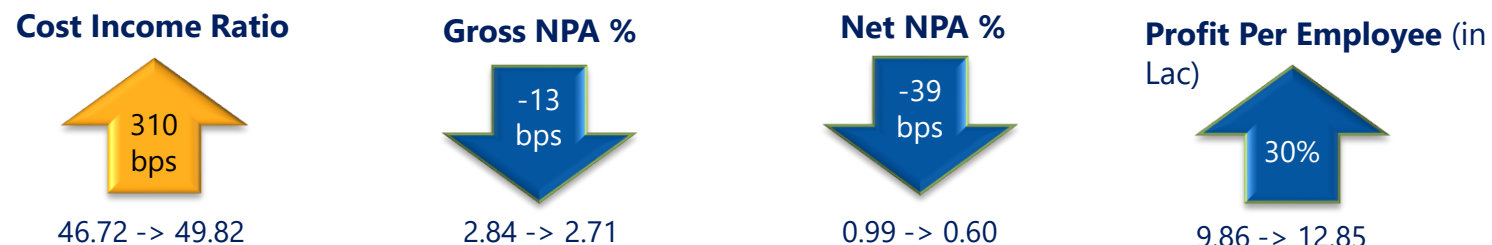
Deposits



Performance



Ratios



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

#SME split into BuB & CoB





Feddy

A one of its kind omnichannel smart bot available through Web, WhatsApp, Google Assistant, Alexa & FB Messenger.

Video KYC

An end to end digital & paperless customer acquisition platform through Video Conferencing launched.



VMeet

A dedicated online support tool for customers to connect with their RM's using Video Conferencing facility.

IRIS & Face Authentication

A first of its kind IRIS & Face Authentication methods for creating a fully contactless & highly secure login experience in our CBS for employees.



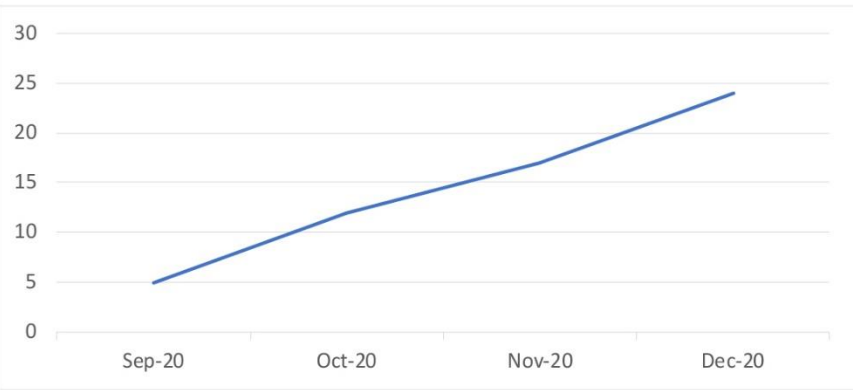


Expanding the Merchant Network

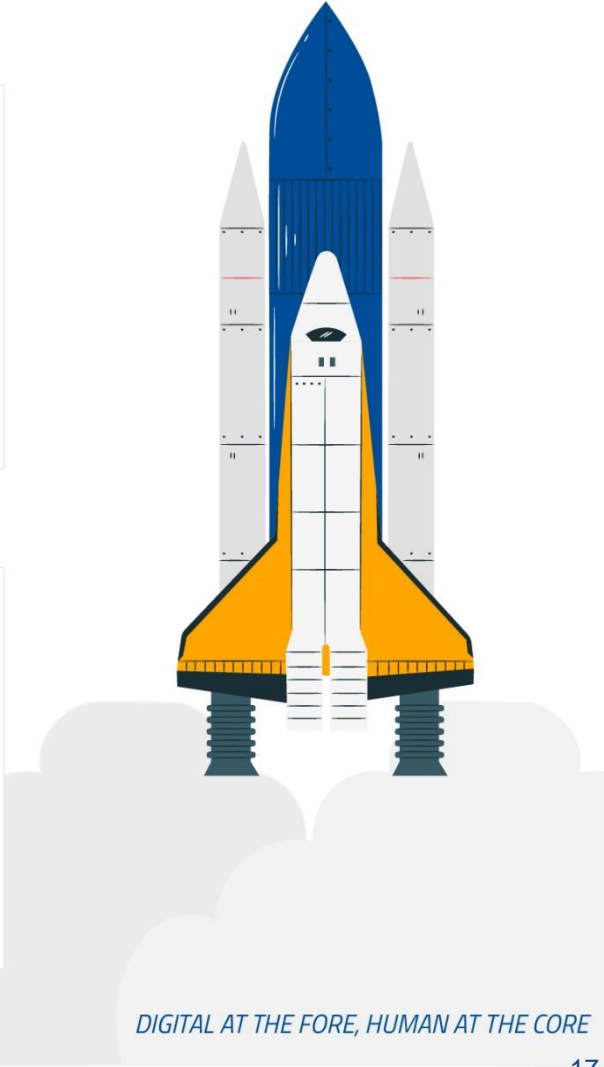
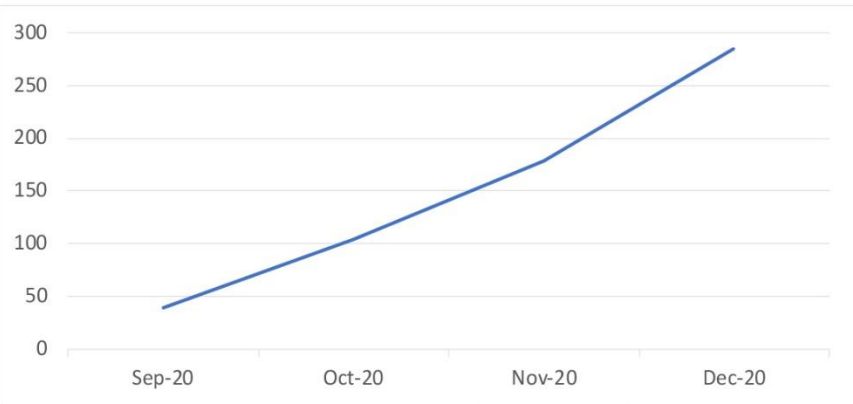
Aligning with vision of deepening digital payments, Bharat Pe now serves more than 65 lakh customers. Federal Bank now processes the highest number of transactions for Bharat Pe – and this was achieved in a record time of 8 months.

No.1 Partner Bank
23L+ Merchants
10L+ Transaction/Day

Number of Merchants (In Lakhs)





Growth in Transaction Count (In Lakhs)




REMITTANCE SOLUTION (9 APIs)

Through the Remittance Fund Transfer API, fund transfer from outside of India is made easy.





Blockchain for cross border remittances Cross Border remittances



UPI (10 APIs)

The Unified Payments Interface (UPI) is an instant, real-time payment system developed by National Payments Corporation of India



cointab

UPI PSP

LOAN SECURITY (1 API)

APIs to create security and to link to an account number for various security types

Lentra
Loan Origination System



rupeek

No tension instant Gold Loans

FEDERAL INSTANT LOAN (9)
Instant Loan



Google Pay



airtel Payments Bank



paisabazaar

Digital Lending

PAYMENTS (10 APIs)

The Fund Transfer APIs are strategically driven solutions, that enable an easy money transfer services between Bank accounts in India. It facilitates ease in the transfer process using technology solutions like NEFT, RTGS, IMPS etc.



BSNL



Cashfree



Payment Systems Payment Aggregator Payment Systems



aurionpro




mByom

Smart Branch Agricultural Aggregation

ACCOUNT OPENING (8 APIs)


Federal Bank's API for banking correspondence, facilitates account opening on behalf of the Bank.

Lentra
Loan Origination System




rupeek

No tension instant Gold Loans



NEW STREET TECH
Your fast track to the future

Microlending



TATA CONSULTANCY SERVICES

TAB Banking

DIGITAL CREDIT (9 APIs)

These APIs are offered to extend loan facility to Customers, through FinTech applications.



NEW STREET TECH
Your fast track to the future

Microlending



paisabazaar



Flexmoney

Lending Loans on Checkout

E-KYC (4 APIs)

Federal Bank offers eKYc services in two variants- 1) SDK version of eKYC 2) Web version of eKYC



NEW STREET TECH
Your fast track to the future

Microlending




rupeek

No tension instant Gold Loans


INSTANT LOAN @ CheckOut (4 APIs)

When a Customer checks out through a Merchant's Point of Sale (POS) terminal, this API helps the Bank to offer convenient EMI option for the payment to the customer.




Pine Labs

EMI on POS Checkout



BillDesk



PayU

EMI on PG Checkout

GOLD LOAN (5 APIs)

Federal Bank helps customers get gold loans in times of a financial need. As gold loans are the quickest mode of availing instant cash, the Bank provides loans with attractive interest rates and flexible repayment options.



rupeek

No tension instant Gold Loans



One stop shop for all banking needs

Universal application- Bank agnostic

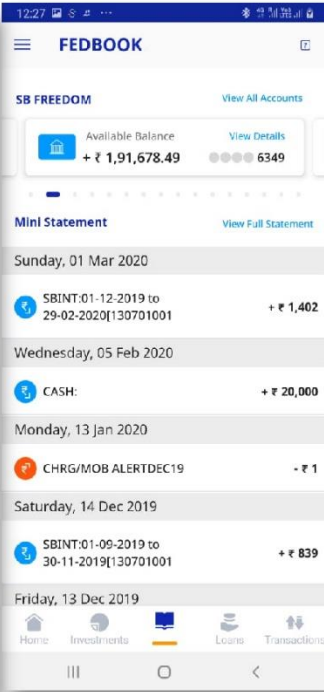
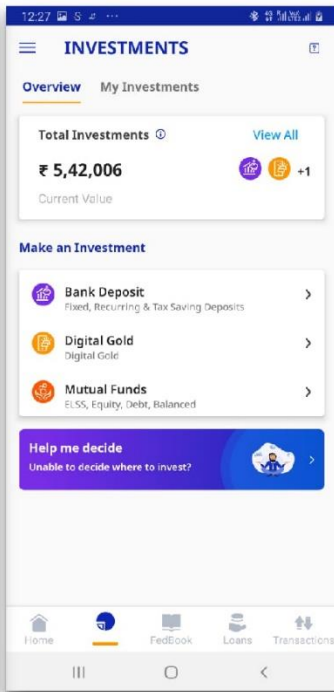
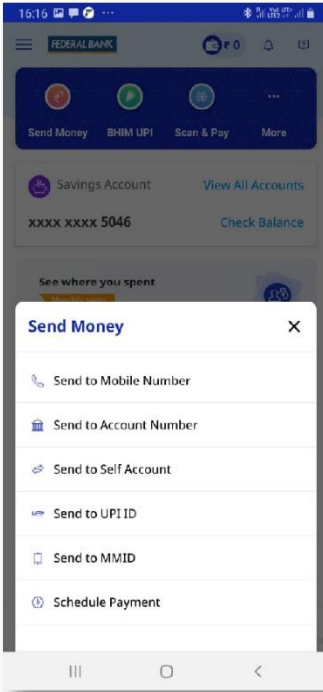
State-of-the-art app security

BANKING

Fund Transfer

Investments

Passbook

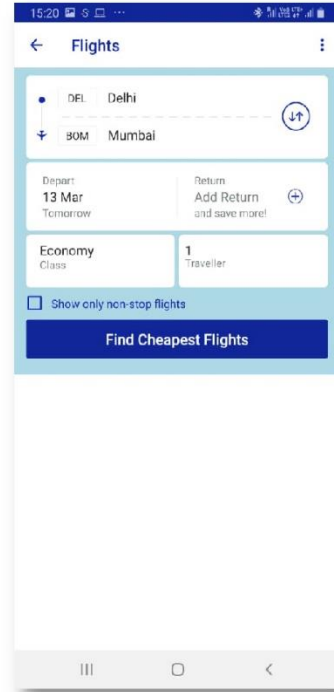
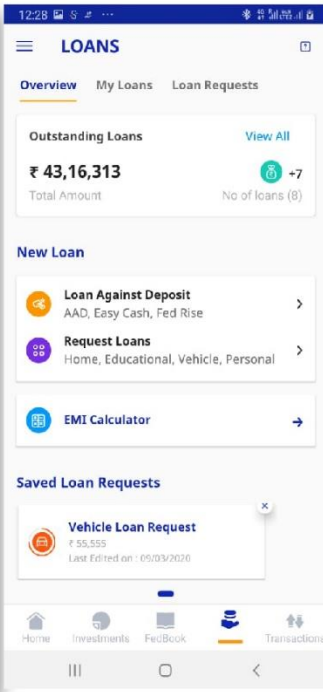


ADD ON SERVICES

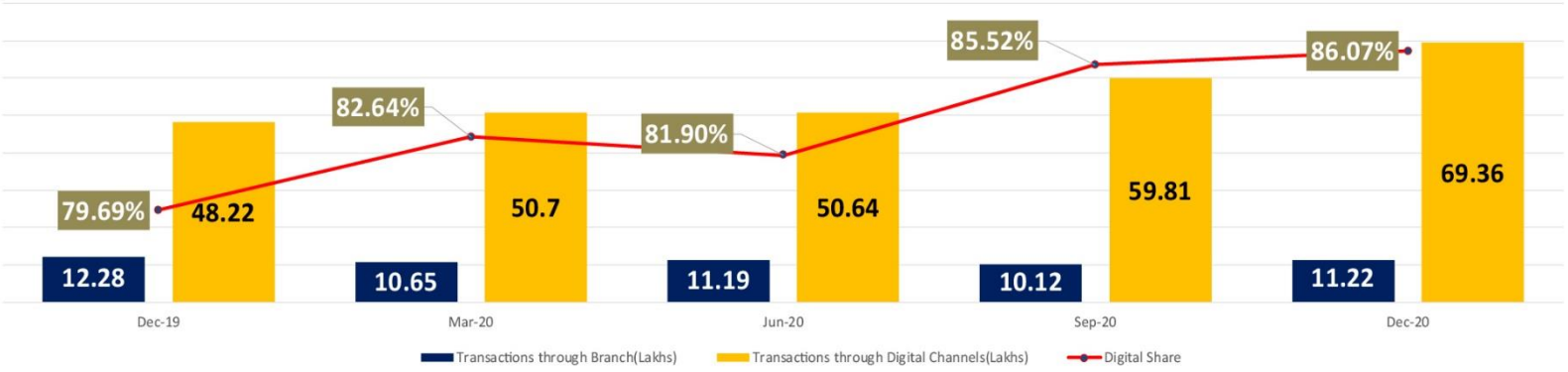
Bill Payment

Loans

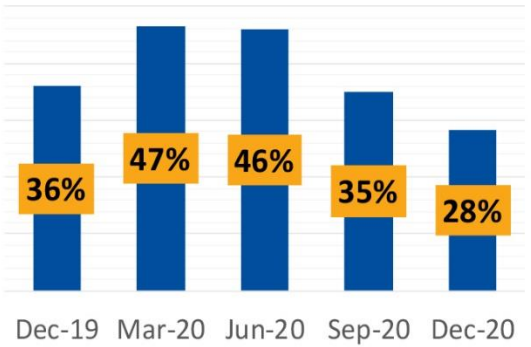
Life Style Services



Branch vs Digital Transactions (In Lakhs)

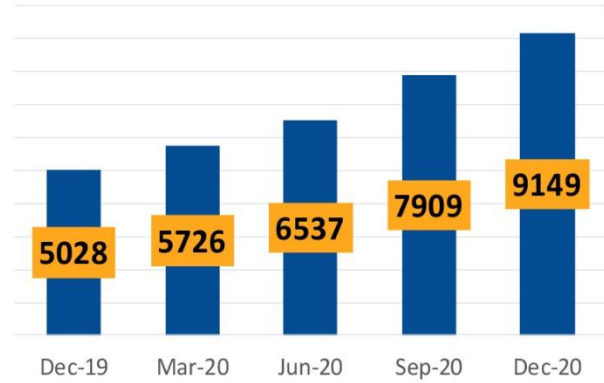


YoY Growth in Digital Users



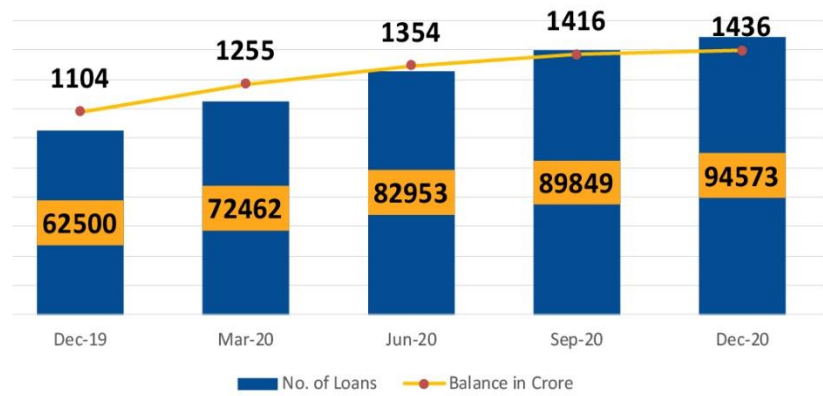
- Mobile Banking monthly is around 9149 crores, highest ever even amidst the COVID crisis & a 81.96% YOY growth.
- There is a YoY growth of 28% in active digital users.
- Digital Share stands at 86.07%.
- Count of digital active users continues to increase.

Mobile Banking Volume (In Crores)

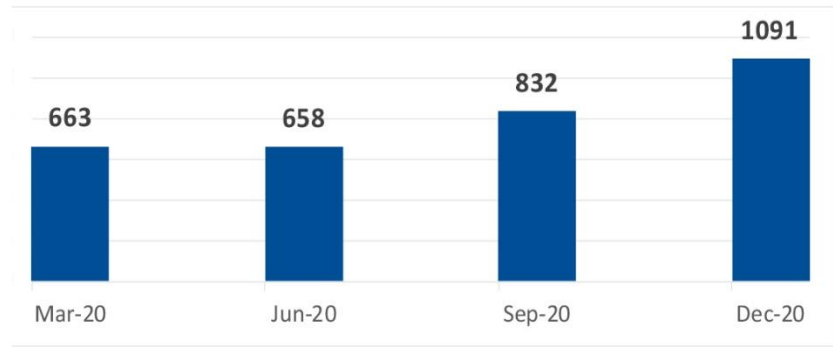


DIGITAL AT THE FORE, HUMAN AT THE CORE

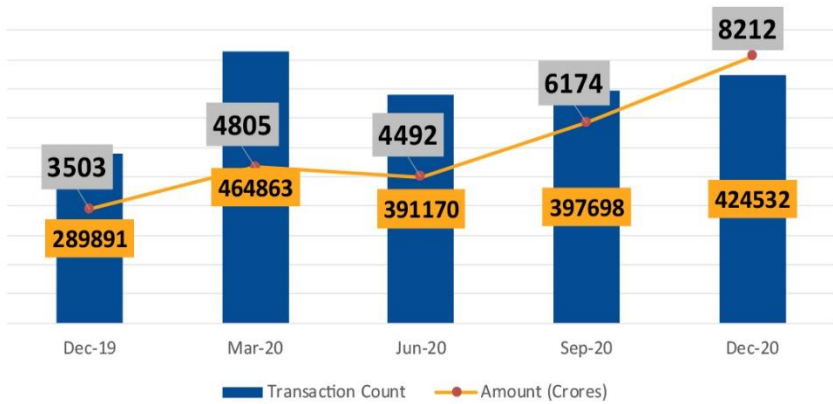
BYOM Digital Personal Loans : Loan book progress



Debit Card Spends (In Crores)



Fed-e-Biz



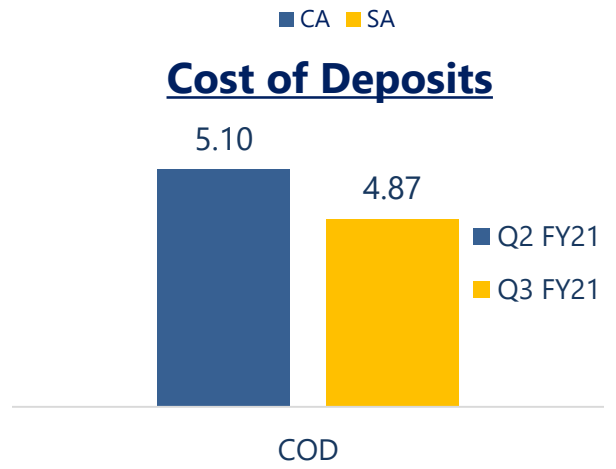
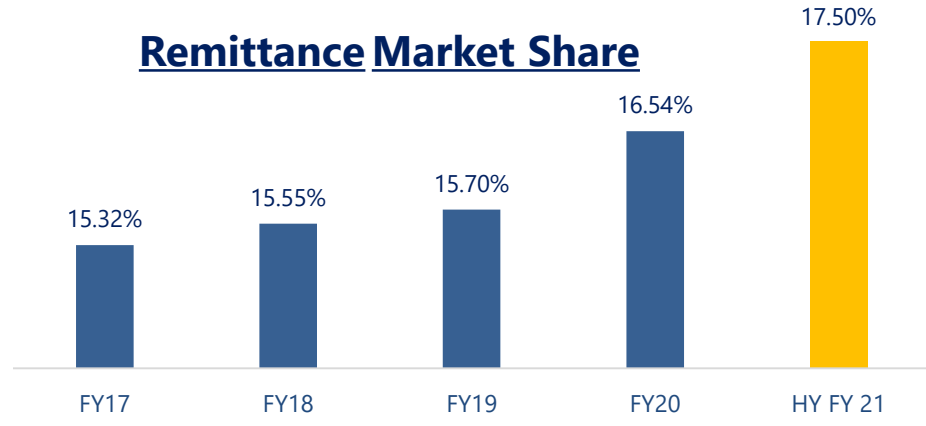
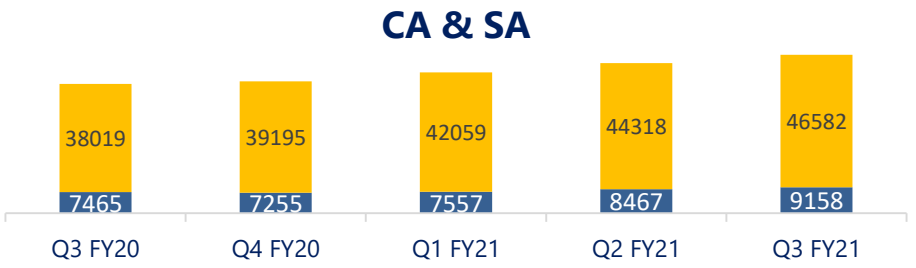
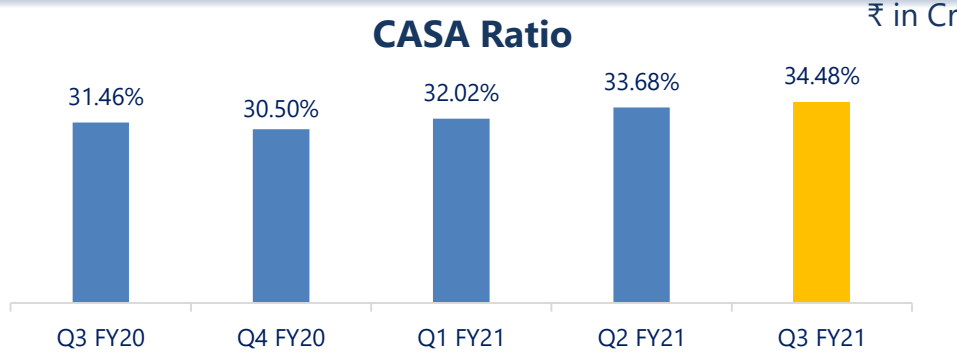
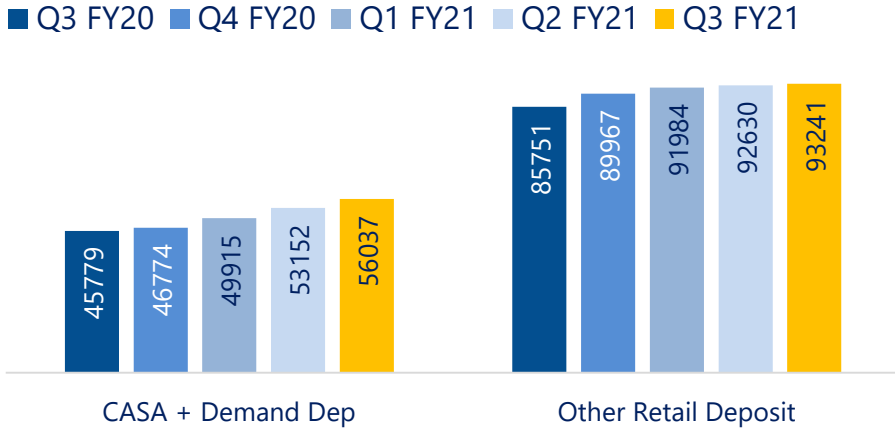
- BYOM enables digital instant personal loans through Federal Bank's Web Portal, FedMobile, Google Pay, Paisa Bazaar & Airtel Payments Bank.
- EMI on check out through PineLabs, Innoviti at multiple merchant locations through POS machines.
- EMI through online channels ex. Bill Desk (Amazon), Flex Money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



- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 134% YOY growth in the platform and transaction volume has crossed 8,200cr, even amidst the pandemic.

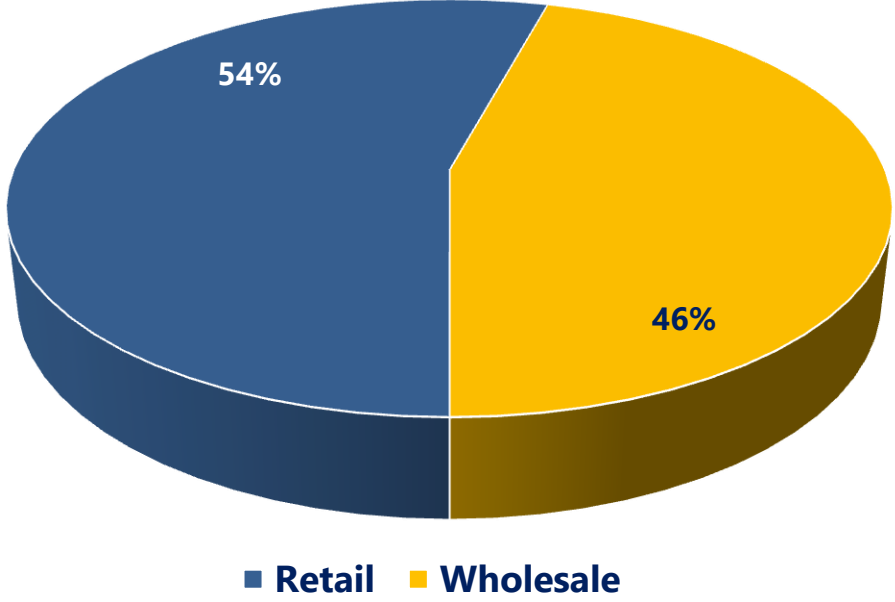
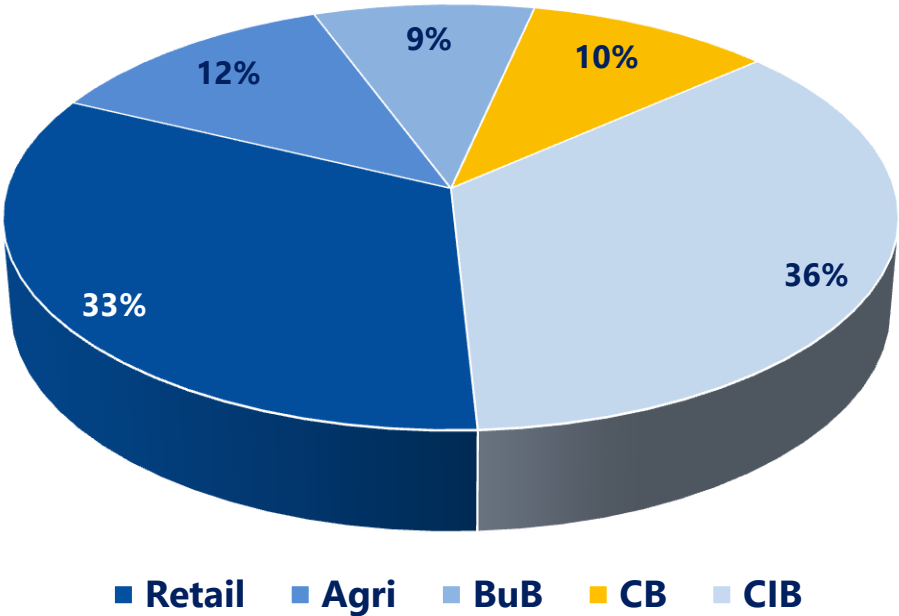
DIGITAL AT THE FORE, HUMAN AT THE CORE

Business Parameters

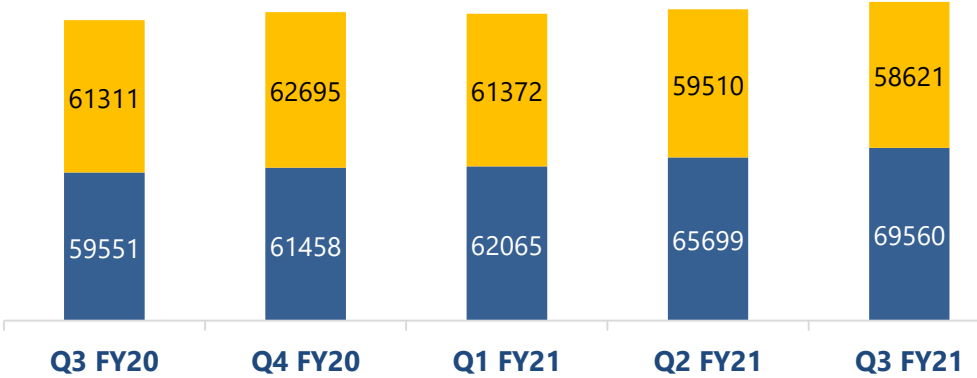
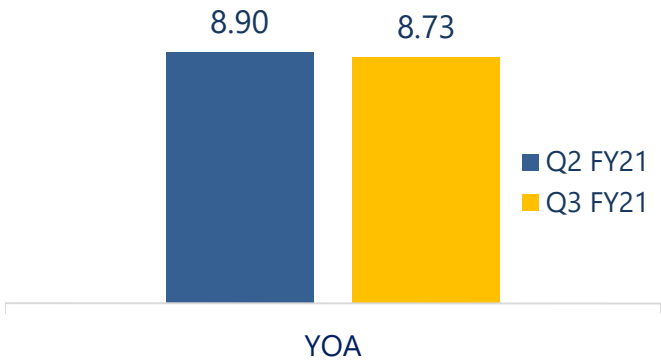


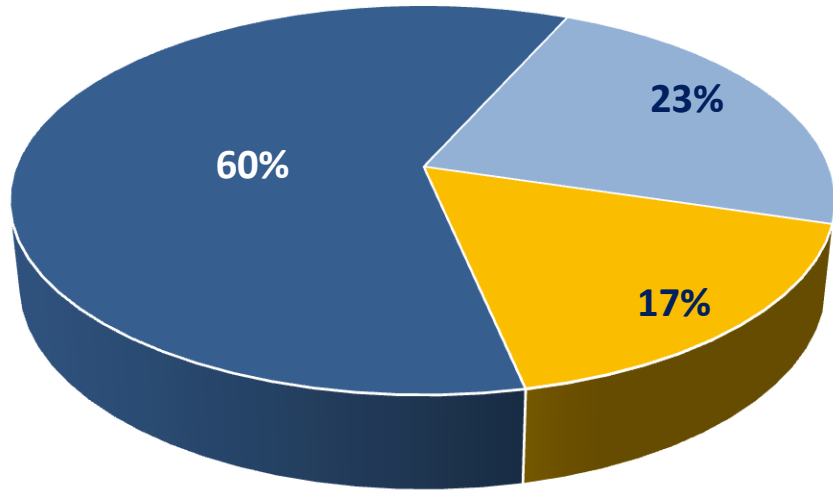
₹ in Cr

TOTAL LOAN BOOK



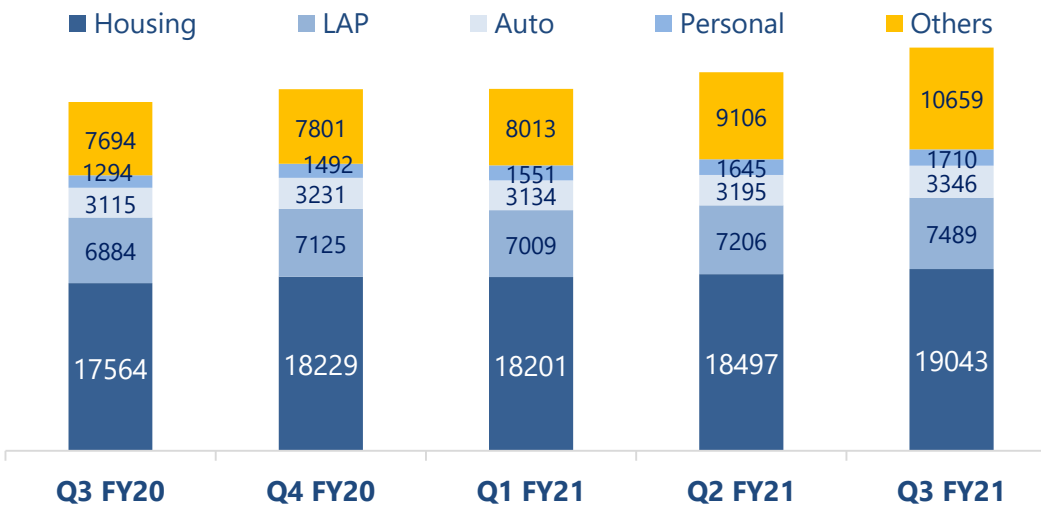
Yield on Advances



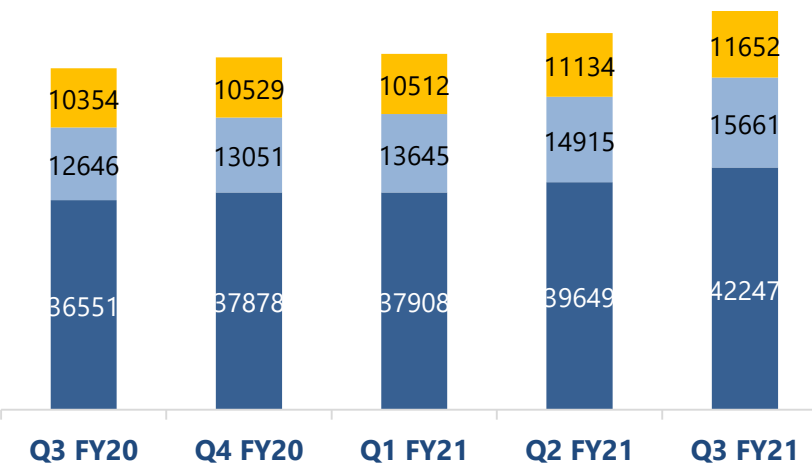


Retail Loan Book (Excl Agri & BuB)

₹ in Cr



Retail Agri BuB

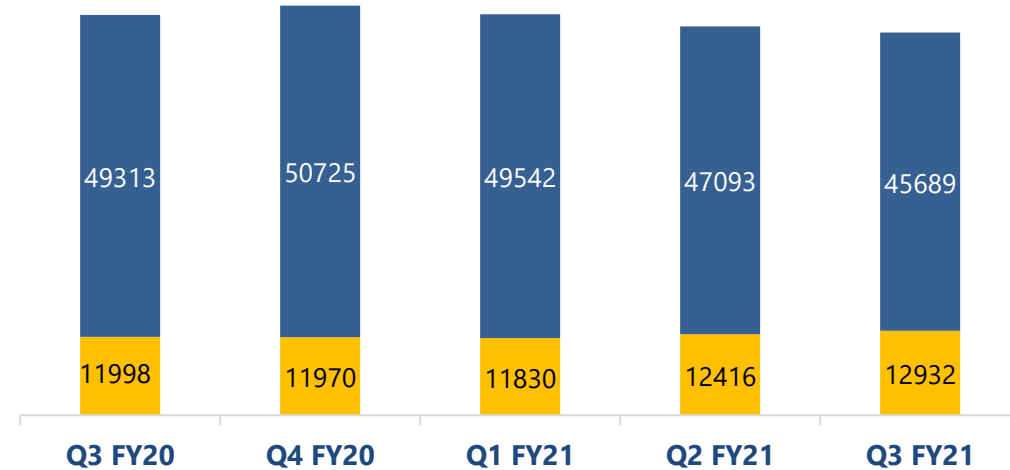
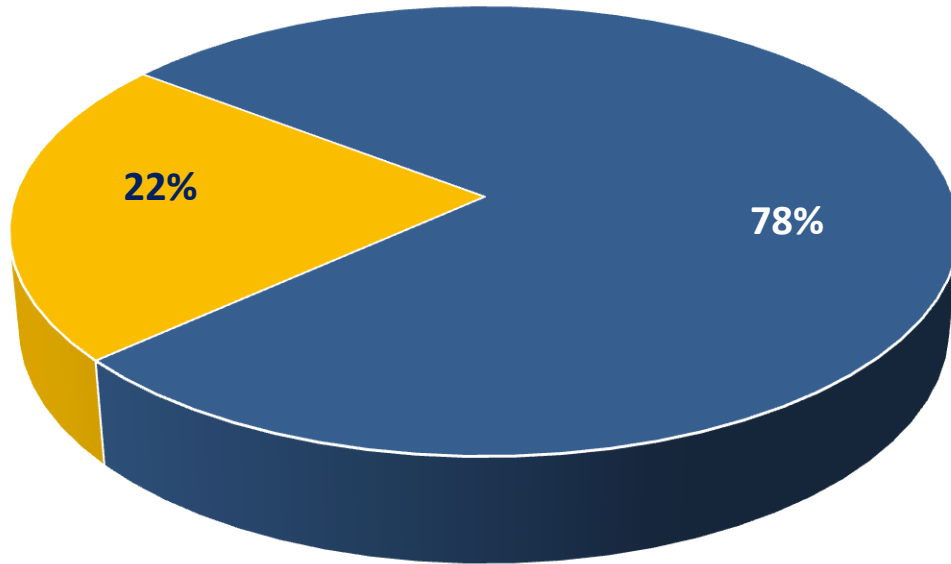


RETAIL BANKING

- Use of Digital channels in Auto Loan acquisition given greater focus and this is seen improving the TAT thus helping better customer profiles and improved business.
- BuB introduced simplified renewal process of ODCC accounts which can be completed in less than 30 minutes.
- Gold Loans registered record YoY growth rate of 67% and QoQ growth rate of 15.76 %, which is one of the best in the industry and crossed Rs.14,000 Cr milestone
- Disbursals through Fintech enabled Gold and Micro lending platforms crossed Rs.2000 Cr.

■ CoB ■ Corporate

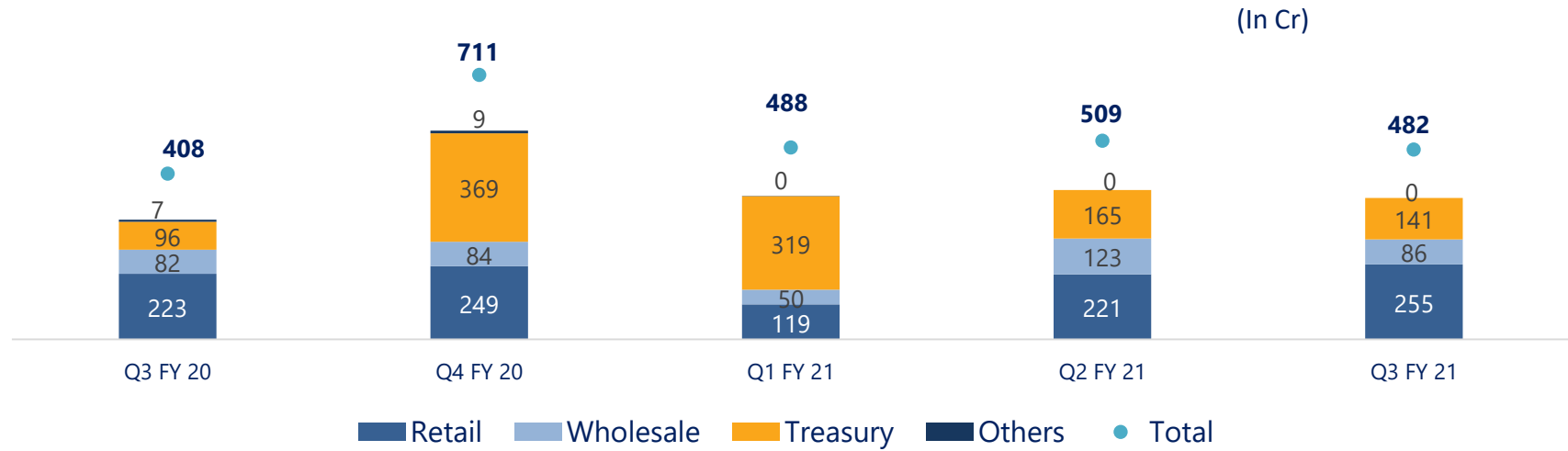
₹ in Cr



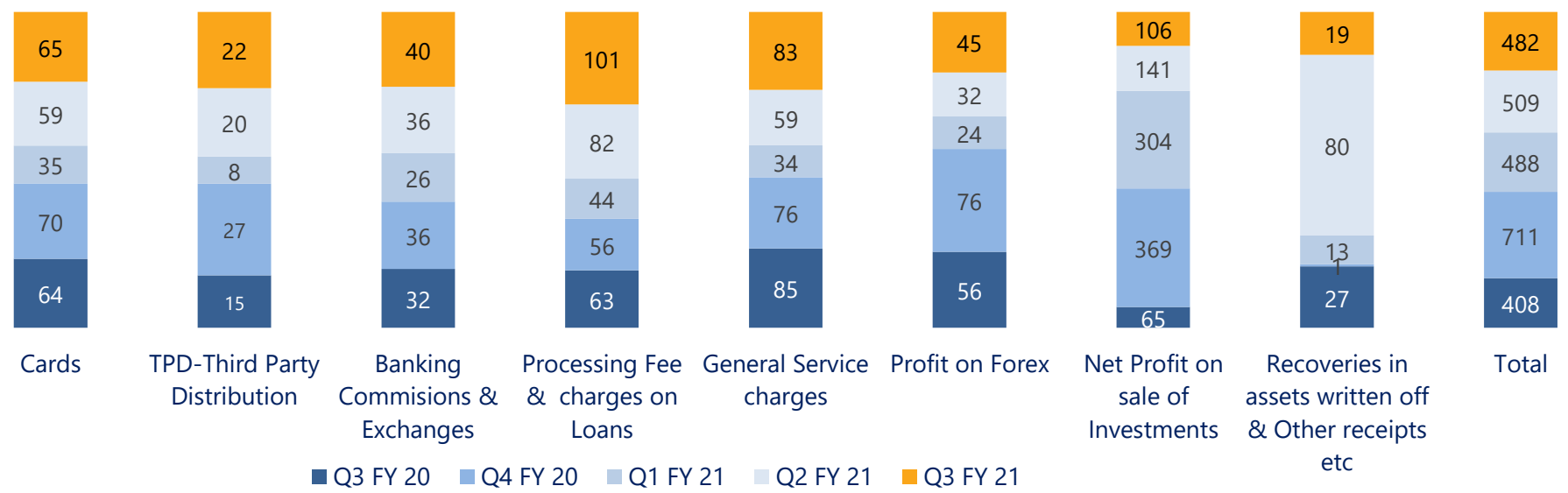
WHOLESALE BANKING

- Focus on New name acquisition continues to yield result with 39 NTB clients added during the quarter in CIB and 50 NTB in CoB. These include several marquee names across sectors and geographies.
- New mandates bagged in BTI space getting traction for IPO/Bond issuance.
- Partnered with a leading Fintech to provide working capital solutions in supply chain space and with a large FI to finance energy efficient projects.
- Average Ticket Size of Wholesale Loan Book(CIB+CB) : 22 Cr
- Average Ticket Size of CIB & CB Loans is 55 Cr & 7 Cr Respectively

Fee Income Distribution : Vertical Wise

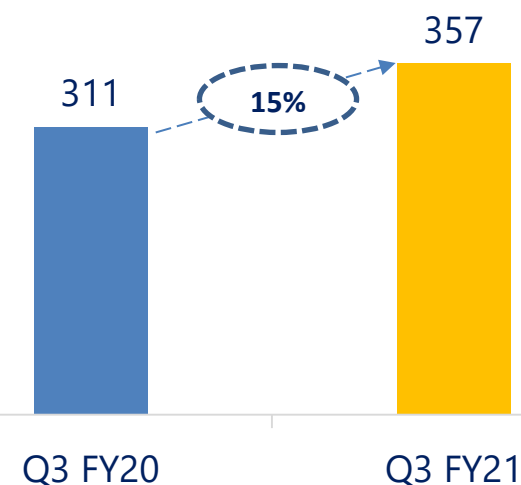


Fee Income Distribution : Item Wise

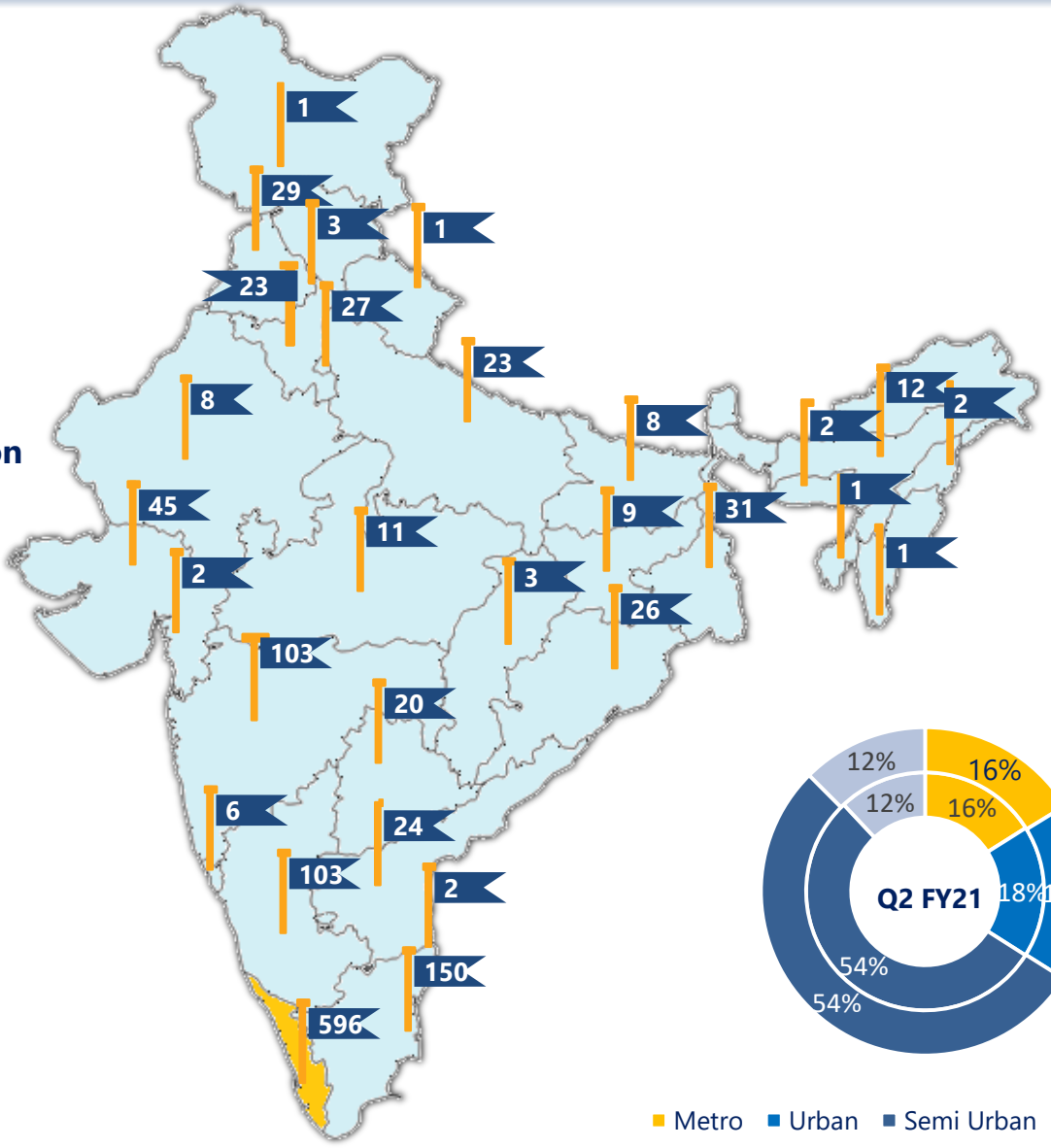
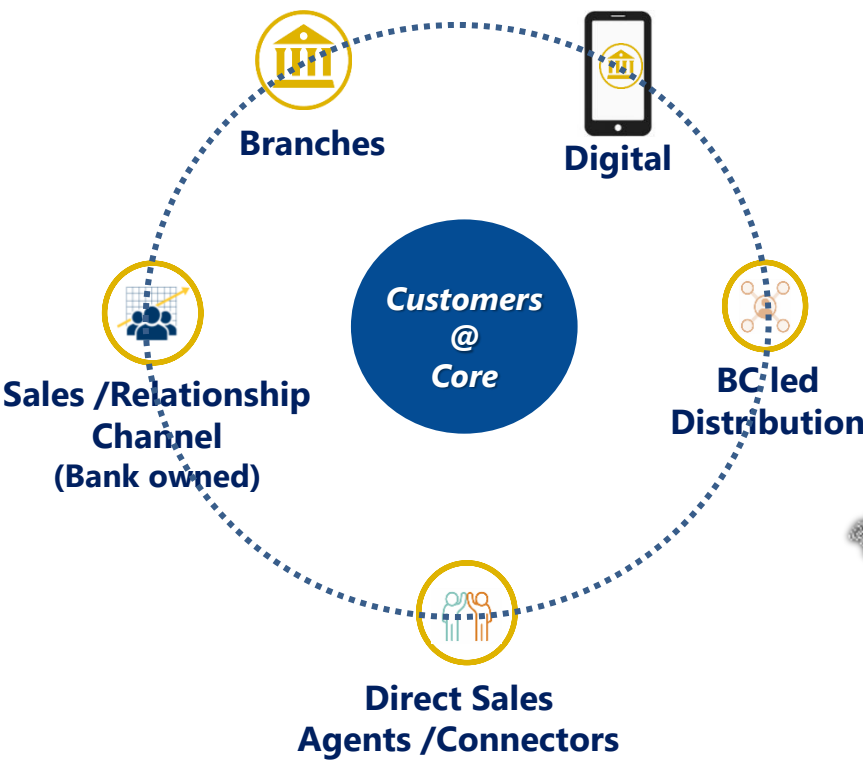


	Q3 FY21	Q2 FY21	Q1 FY21	Q4 FY20	Q3 FY20	Y-o-Y %
Loan Processing Fee	101	82	44	56	63	60%
Exchange, Commission, Brokerage & Other Fee Income	211	174	103	209	191	10%
Net Profit on Forex Transactions	45	32	24	76	56	-20%
Fee Income	357	288	171	341	311	15%
Profit on sale of securities	106	141	304	369	65	62%
Recovery from assets written off , Other Receipts & misc.	19	80	13	1	32	-40%
Total Other income	482	509	488	711	408	18%

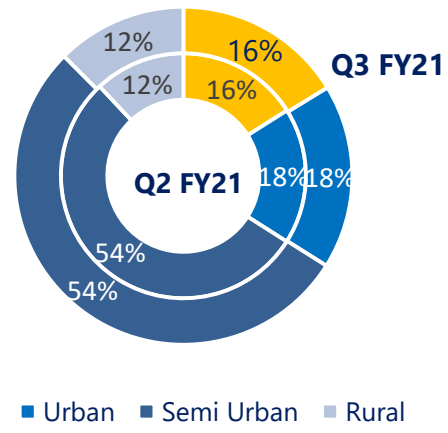
Fee Income (Y-o-Y)



Distribution : Deriving Efficiency from Footprint



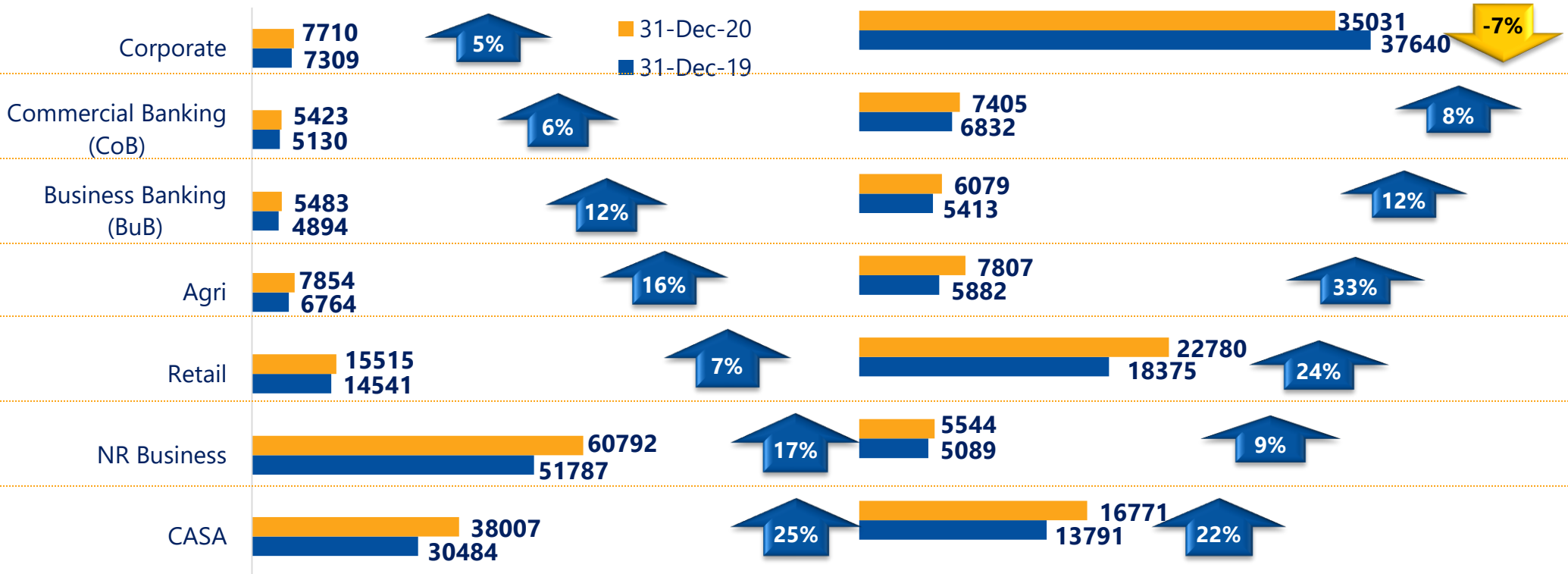
	Q3 FY21	Q2 FY21	Q1 FY21
Branches	1272	1271	1263
ATM/ Recyclers	1948	1941	1936



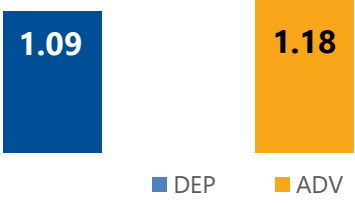
₹ in Cr

Network I

Network II



Bank's Market Share



Market Share(Y-o-Y)
Maintained Market Share in Advances & Deposits

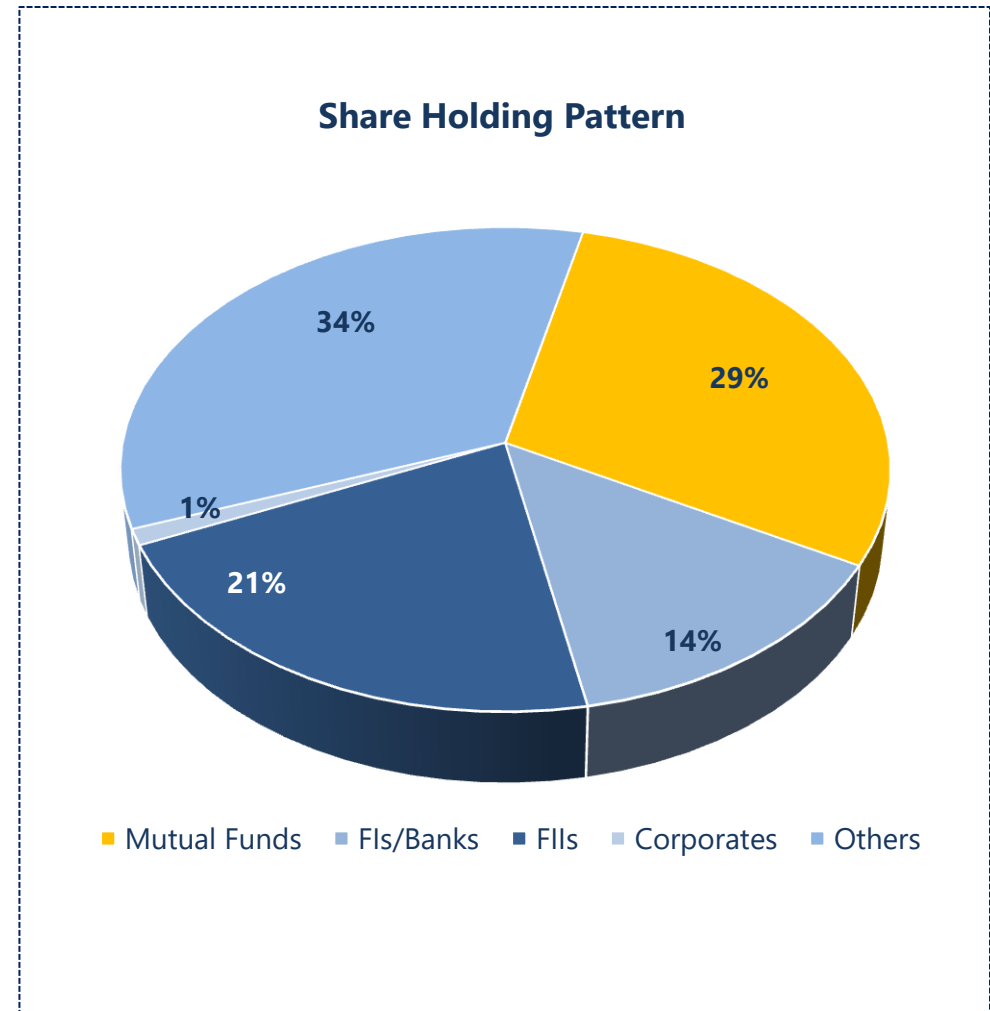
CRAR – How strong is your Bank?

₹ in Cr

	Dec-20	Sep-20
Risk Weighted Assets		
Credit Risk	93847	91404
Market Risk	3808	3980
Operational Risk	10095	10095
Total RWA	107751	105479
Tier-1 Capital Funds	14003	14066
Tier-II Capital Funds	1416	1381
Total Capital Funds	15419	15447
CRAR	14.31%	14.64%
Tier-I	13%	13.33%
Tier-II	1.31%	1.31%

Annexures

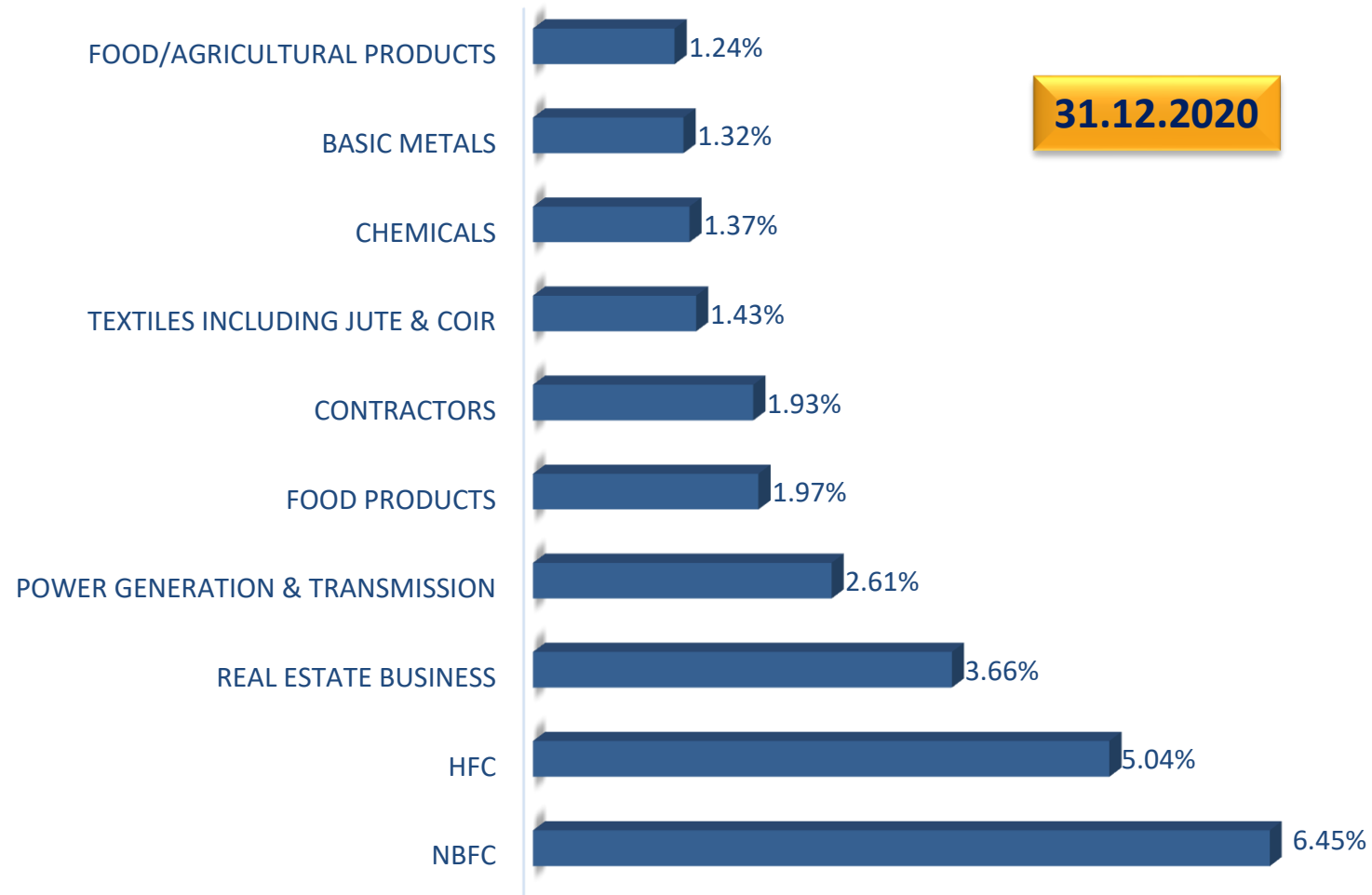
	Q3 FY21	Q2 FY21
LIABILITIES		
Capital	399	399
Reserves & Surplus	15246	14836
Deposits	161670	156748
Borrowings	12474	11043
Other Liabilities & Provisions	7058	6001
TOTAL	196847	189027
ASSETS		
Cash & Balance with RBI	6410	6120
Balances with Banks, Money at Call	18965	13529
Investments	34389	36253
Advances	125505	122912
Fixed Assets	465	457
Other Assets	11113	9756
TOTAL	196847	189027



₹ in Cr

	Q3 FY21	Q2 FY21	Q-o-Q	Q3 FY20	Y-o-Y
Interest Income	3460	3488	-1%	3330	4%
Interest Expenses	2022	2108	-4%	2175	-7%
Net Interest Income	1437	1380	4%	1155	24%
Other Income	482	509	-5%	408	18%
Operating Expense	956	883	8%	819	17%
Total Income	3941	3997	-1%	3738	5%
Total Expense	2978	2991	0%	2994	-1%
Operating Profit	963	1007	-4%	744	29%
Total Provisions	559	699	-20%	303	84%
Net Profit	404	308	31%	441	-8%
Net Interest Margin (%)	3.22	3.13	9 bps	3.00	22 bps
Cost to Income Ratio (%)	49.82	46.72	310 bps	52.40	-258 bps

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

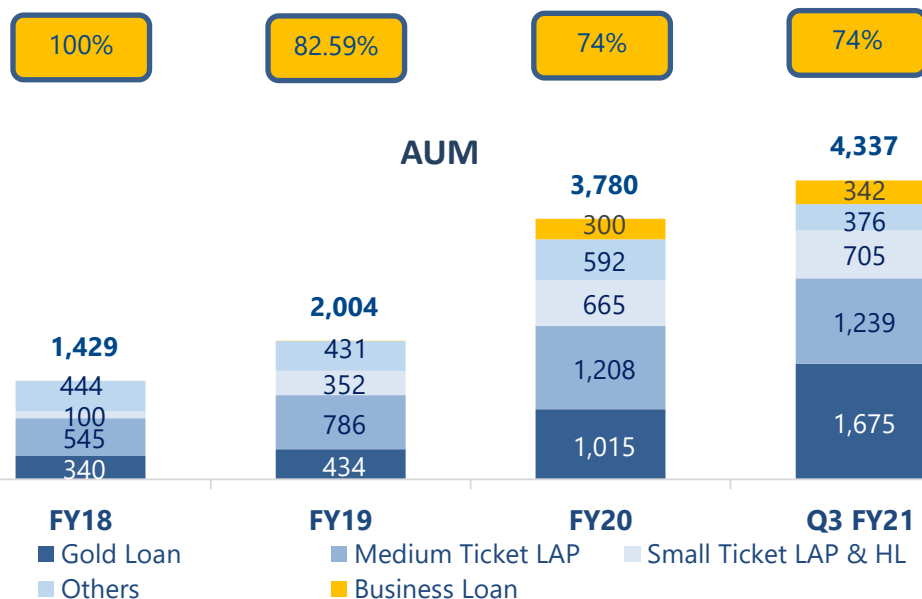
FedBank Financial Services Ltd.

- Total AUM 4300+ 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



₹ in Cr

	Q3 FY21	Q2 FY21	Q-o-Q	Q3 FY20	Y-oY
Net Worth	810	716	13%	603	34%
Total Revenue	175	163	7%	119	46%
NII	86	84	3%	55	55%
PPOP	39	38	3%	16	141%
PBT	20	4	362%	14	39%
PAT	15	8	98%	11	40%
GNPA (%)	0.82%	0.99%	-17 bps	1.23%	-41 bps
NNPA (%)	0.64%	0.80%	-16 bps	1.07%	-42 bps
CAR (%)	23.7%	23.2%	50 bps	18.9%	480 bps

HIGHLIGHTS

- Increase in Collection Efficiency (CE%) post lockdown
- CE% for installment loans at 94% of the pre-COVID level
- Certified Great Place To Work second time in a row
- 28 New Gold Loan branches launched in Q3 FY21

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STATES

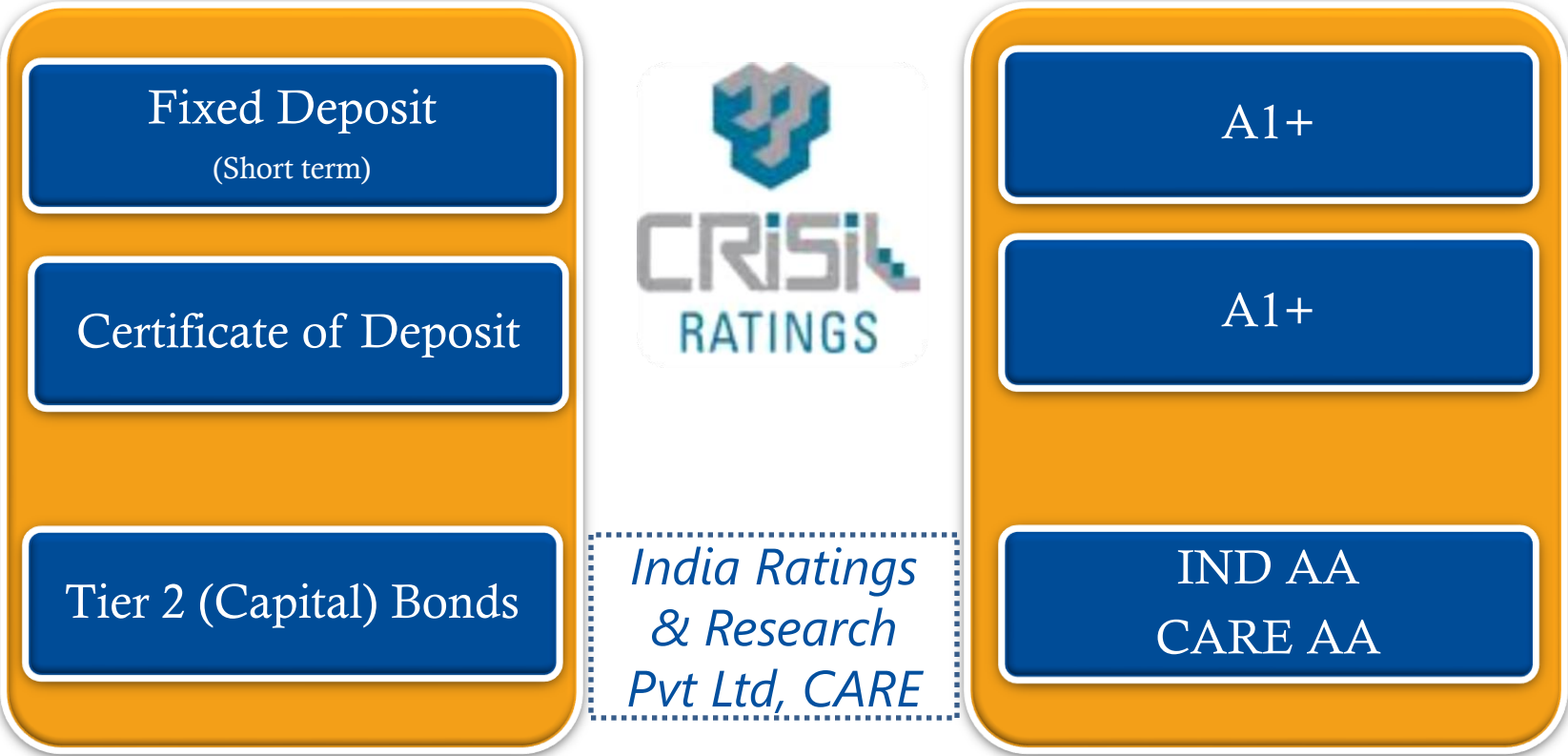
360
BRANCHES

2029
EMPLOYEES

₹. 4,337 Cr
LOAN BOOK

AA- (Stable)
CREDIT RATING
(IND-RA)

23.7%
CAPITAL ADEQUACY



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

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