

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q4 FY 2021

Sanjeevani – India's Biggest Vaccination Drive

FEDERAL BANK
YOUR PERFECT BANKING PARTNER



On World Health Day, Federal Bank, as part of its CSR initiative, flagged off Sanjeevani, India's biggest vaccination drive in association with Network 18, at Attari Border, Amritsar. As part of this initiative, the Bank would adopt 5 districts namely Amritsar, Indore, Nashik, Guntur and Dakshin Kannada and run vaccination drives in these districts.

Great Place To Work®
Certified
FEB 2021-JAN 2022
INDIA

BEST BANK

FASTEST GROWING BANK
Winner

BEST BANK
Winner

MOST INNOVATIVE PROJECT
Winner

BEST IT RISK & CYBER SECURITY INITIATIVES
Runner-up

BEST TECHNOLOGY BANK OF THE YEAR
Runner-up

SKOCH SILVER
BFSI Sector

State Forum of Bankers' Clubs

IBA's 16th Annual Technology Awards

BUSINESS TODAY & KPMG*

* Among Mid Size Banks
Kerala State Forum

Robust Financial Performance

Strong Bottomline Performance

- **Highest ever quarterly Net Profit @ 478 Cr, up by 59% YoY**
- **Q4 FY21 ROA @ 1.02%, increase of 33 bps YoY and ROE @ 12.20%, increase of 379 bps YoY**
- Operating Profit @ 885 Cr for Q4

Credit Growth in Chosen Areas

- Total Advances grew by 9% YoY
- Retail Advances grew by 19% YoY
- **Gold loans grew by 70% YoY**
- Business Banking grew by 13% YoY & Commercial Banking grew by 11% YoY

Strong Balance Sheet

Granular Liability Franchise

- **CASA grew by 26% YoY and CASA Ratio at 33.81%**
- Retail Deposits at 90% of Total Deposits
- **More than ₹ one trillion inward remittances received in the Financial Year**

Income and Cost Streams

- **Robust traction in NII @1420 Cr, grew by 17% YoY, against credit growth of 9%**
- **Highest ever Core Fee Income at 363 Cr**
- Other Income @ 465 Cr
- Cost to Income @ 53.06%
- **NIM @ 3.23%, an increase of 19 bps YoY, despite interest reversals**

Adequately Capitalized

Asset Quality

- **NNPA @ 1.19%, amongst the best in the industry**
- PCR increased from 53.39% to 65.14% on a YoY basis.

Steady Growth in Market Share

- Market Share in Advances at 1.19%
- Market Share in Deposits at 1.11%
- **Market Share in Personal Inward remittance business increased to 17.54%**













New Initiatives/ Digital Update

- **Launched the much-awaited Credit Card for staff, with seamless end to end digital onboarding. Oncourse to launch it to ETB customers in the current quarter.**
- Tied up with Mashreq Bank which helps in faster inward remittances.

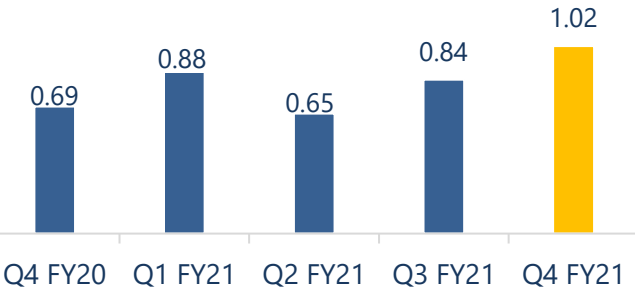
Balance Sheet and Capital

- Balance Sheet grew by 11% YoY (Rs 2.01 L Cr)
- **Total business crossed milestone figure of 3 L Cr, grew 11% YoY (Rs 3.04 L Cr)**
- CRAR at 14.62%

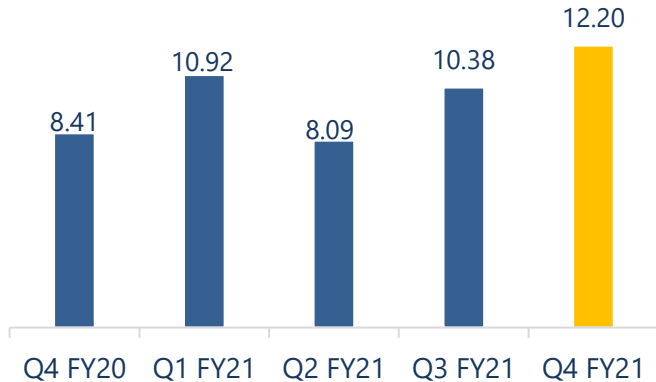
Performance Highlights Y-o-Y

Net Profit	59% 	Retail Banking	19% 
		Agri Banking	23% 
RoA	@ 1.02 % 	Business Banking (BuB)	13% 
RoE	@12.20 %		
Cost to Income Ratio	@53.06 %	Commercial Banking (CoB)	11% 
GNPA	@ 3.41%	Total Advance	9% 
NNPA	@ 1.19%		
NII	17% 	CASA	26% 
NIM	@ 3.23%	NRE Deposit	12% 
Capital Adequacy (CRAR)	@14.62% 	Total Deposit	13% 

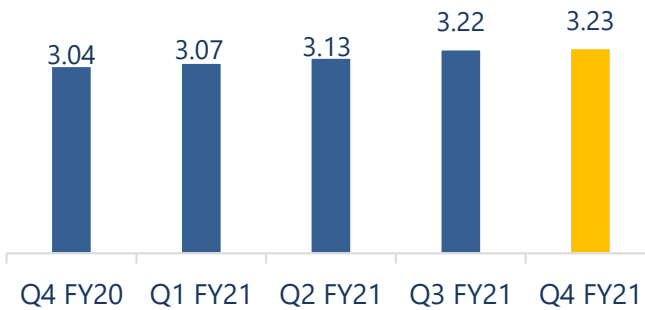
RoA



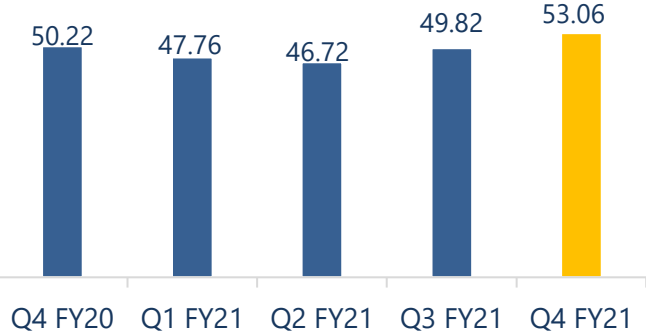
RoE



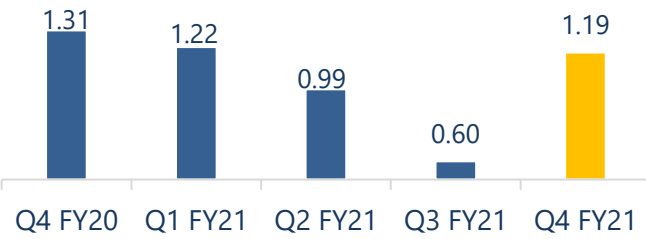
Net Interest Margin (%)



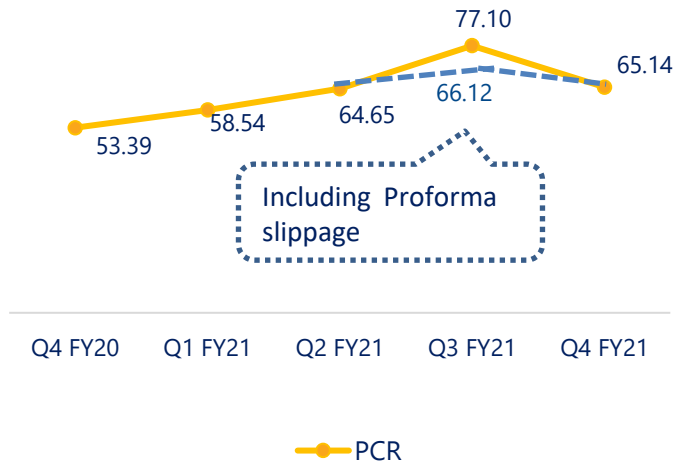
Cost to Income Ratio



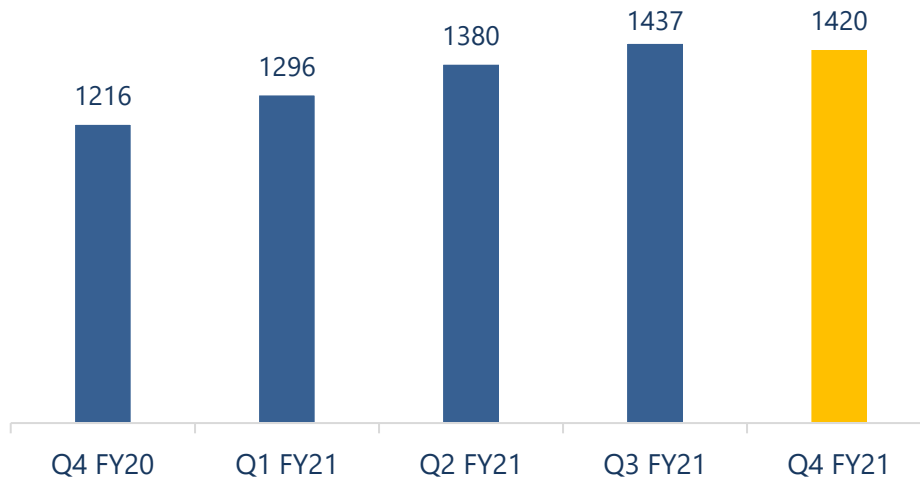
NNPA (%)



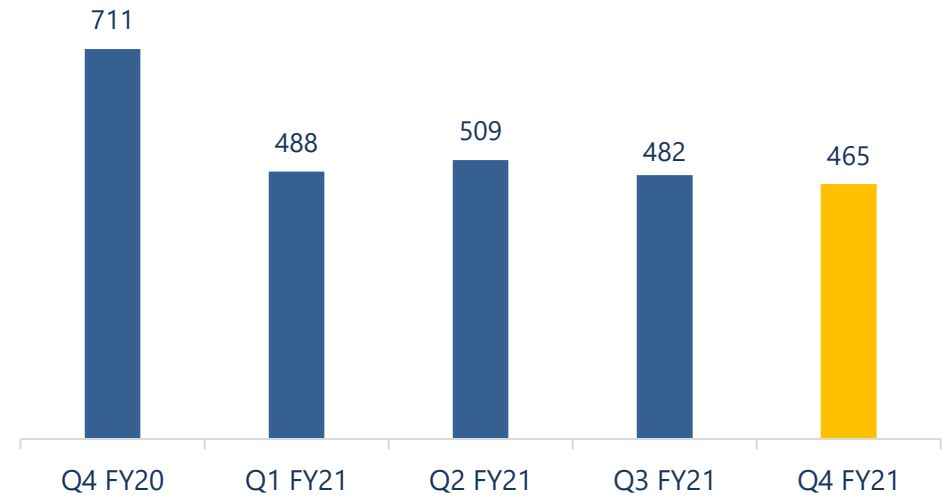
PCR (%)



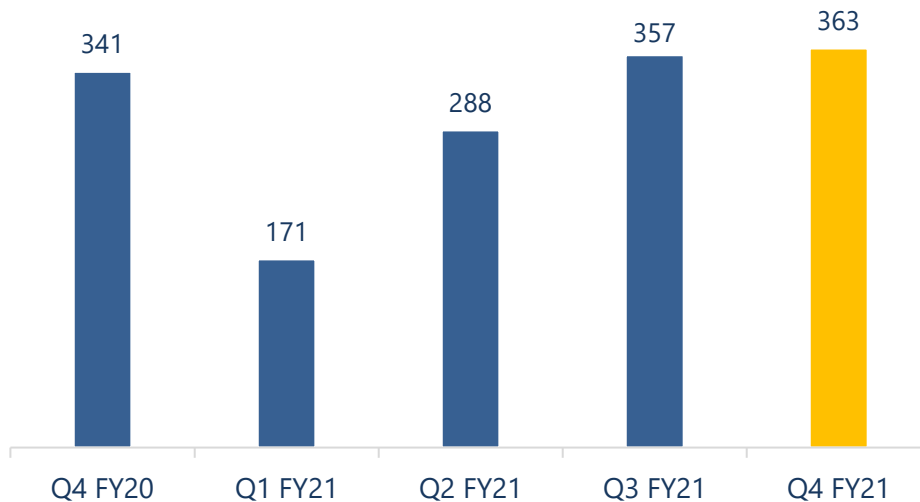
Net Interest Income



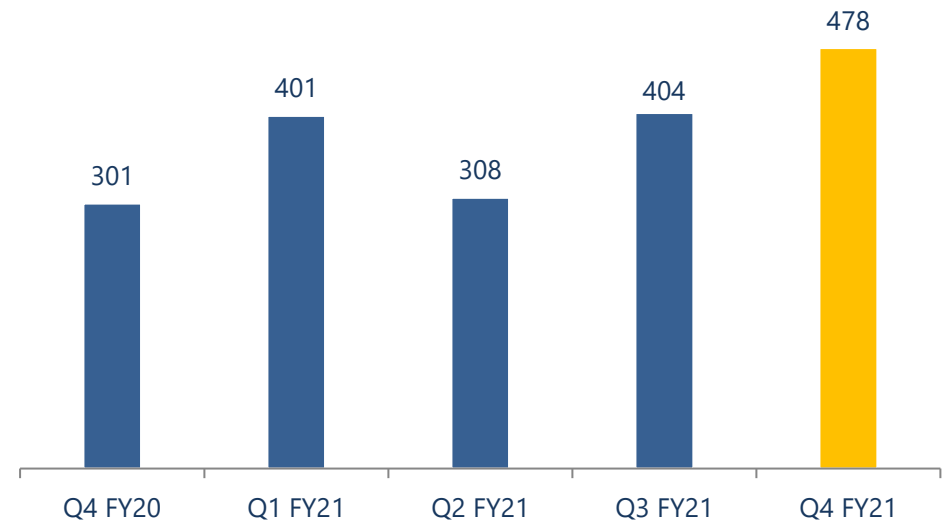
Other Income



Fee Income



Net Profit



Shareholder Value

Book Value
(Per Share in ₹)

80.77

78.39

76.38

74.85

72.86

EPS
(annualized)

9.71

8.04

6.12

8.07

6.06

Granularity

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

88%

90%

90%

89%

87%

Profitability (Annualized)

ROA

1.02

0.84

0.65

0.88

0.69

RoRWA

1.91

1.64

1.28

1.64

1.23

ROE

12.20

10.38

8.09

10.92

8.41

Efficiency

Cost/Income

53.06

49.82

46.72

47.76

50.22

Net NPA%

1.19

0.60

0.99

1.22

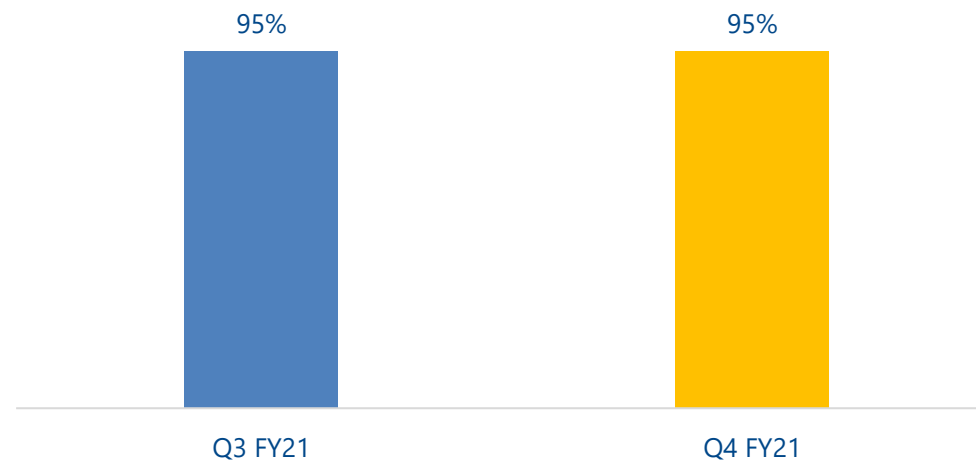
1.31

Covid Specific Restructuring Details	Amt in Cr
Restructuring done in Q2 FY21	28
Restructuring done in Q3 FY21	663
Restructuring done in Q4 FY21	718
Total Restructuring	1409

Covid Specific Restructuring Business Wise	Amt in Cr
Retail	959
BB	236
CoB	209
Agri	5
Total Restructuring	1409

Lower than our guidance of
₹ 1500 Cr – 1600 Cr

Collection Efficiency



Asset Quality Trends

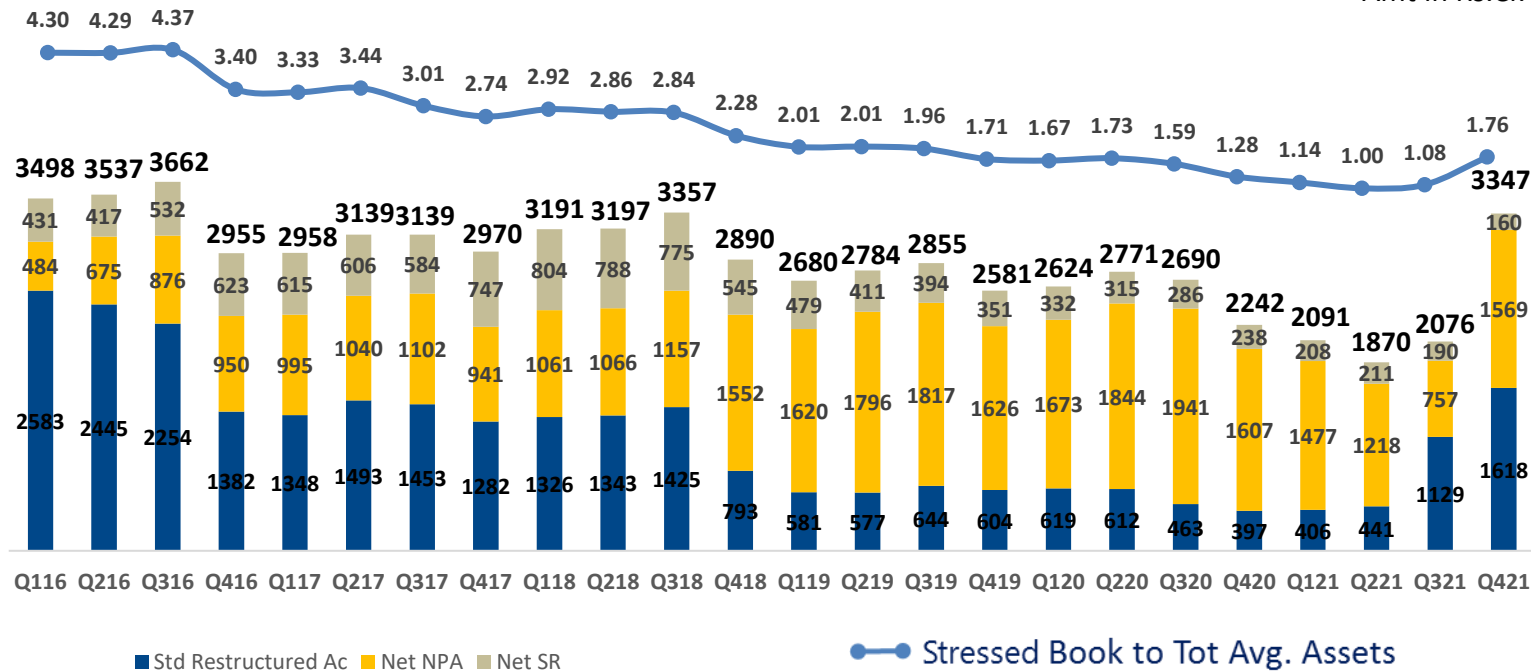
Amt in Rs.Cr.

PCR increased from 53% to 65% on a YoY basis

Covid Specific Restructuring within the guided levels as on Q4 FY21 at 1.04% of total advance

Increase in Stressed book on account of Covid Specific Restructuring

Corporate Book holding well with no major accounts in Watch List



Movement of NPA

Gross NPA as on 31.12.2020	3470
Add Fresh Slippage	1685
Add Increase in Balances in Existing NPAs	0
Deduct Recoveries/ Upgrades	-174
Deduct Written Off	-379
Gross NPA as on 31.03.2021	4602

Provisions in Q4

Loan Loss	701
Investment Loss	17
Restructured Accounts	0
Standard Accounts	-479
Other Purposes	3
Total Provisions	242

Fresh Slippages Break up

Fresh Slippages

	Q4 FY21	Q3* FY21	Q4 FY20	FY21	FY20
Retail	301	314	97	617	463
Agri	89	159	36	250	225
BuB	73	196	54	270	314
CoB	135	108	68	251	194
Corporate	0	312	29	486	637
Total	598	1089	284	1874	1832

* Includes Proforma slippages

Restructured

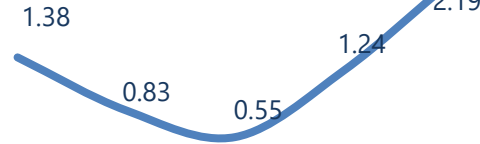
TYPE	Q4 FY21		Q3 FY21	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	1618	7	1129	42
Net NPA	299	115	196	80
TOTAL	1917	122	1325	122

Security Receipts

	Q4 FY21	Q3 FY21
Face Value	577	594
Book Value	493	507

NPA Composition		Q4 FY21	Q4 FY20
Business	NPA	NPA	NPA
Gross NPA	Retail	1222	717
	Agri	715	567
	BuB	847	703
	CoB	814	678
	Corporate	1004	866
	Total	4602	3531
	Net NPA	1569	1607

Credit Cost



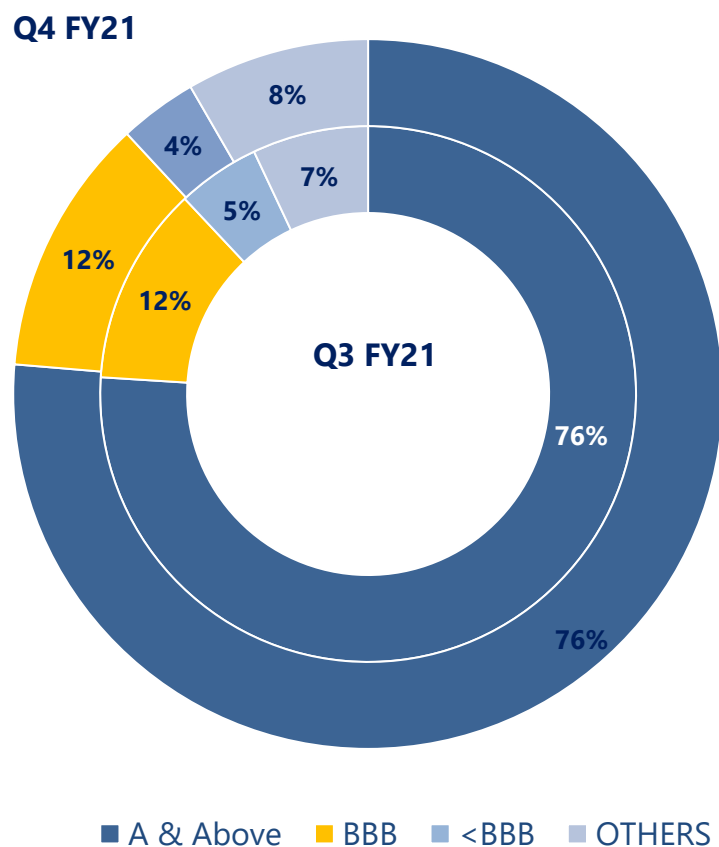
Risk Adjusted NIM



Slippage Rate

	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21
— Retail	1.26	0.01	0.02	0.14	6.38
— Wholesale	0.63	1.16	0.00	0.00	3.79
— Bank	0.94	0.59	0.01	0.07	5.20

External Rating of Corporate Advances



External Rating of Corporate Advances

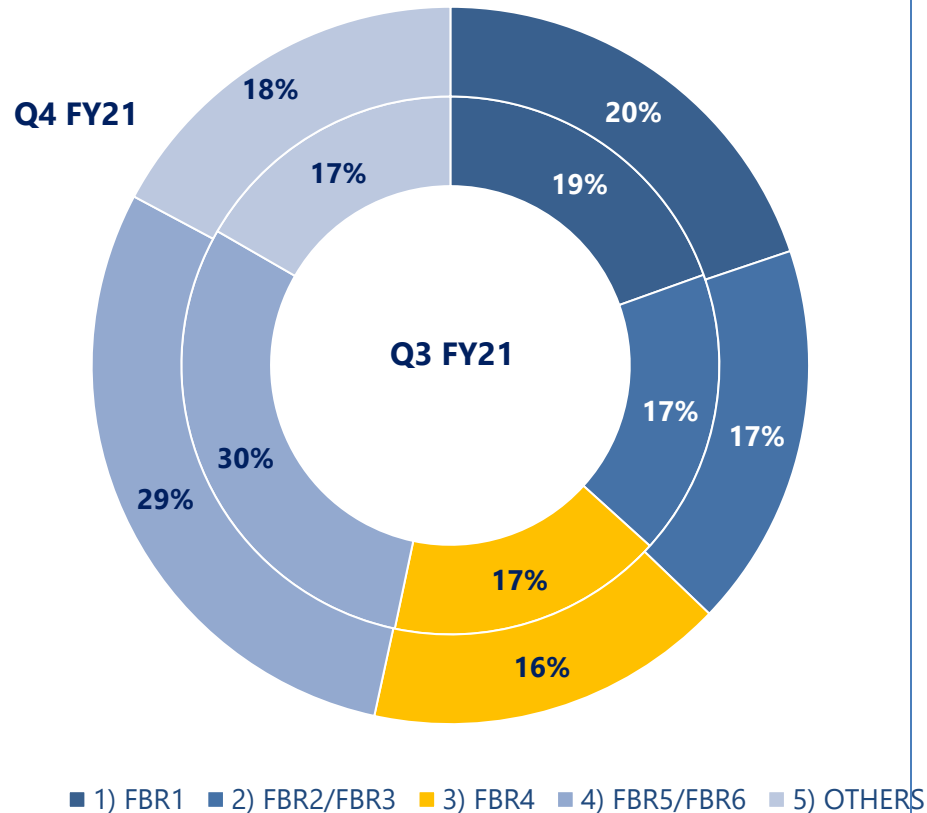
Rating	Q4 FY-21	Q3 FY-21
A & above	76%	76%
BBB	12%	12%
< BBB	4%	5%
Others	8%	7%

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

Rating	Q4 FY-21	Q3 FY-21
FBR1	6%	15%
FBR2/FBR3	6%	7%
FBR4	16%	15%
*Below FBR4 & unrated	72%	63%

*includes IBPC.

Asset Quality : Rating Distribution (Advances excluding Corporate advance)



Rating	Q4 FY-21	Q3 FY-21
FBR1	20%	19%
FBR2/FBR3	17%	17%
FBR4	16%	17%
FBR5/FBR6	29%	30%
Staff	3%	2%
Gold, Advance against Deposit/Securities & others	15%	15%

Comparison : Y-o-Y (3 M)

RETAIL

WHOLESALE

(Amount In Crs)

Advances

Retail

19%

37878 -> 44910

Agri

23%

13051 -> 16076

BuB#

13%

10529 -> 11890

(CoB)#

11%

11970 -> 13262

CIB

-4%

50725 -> 48738

Total Advances

9%

124153 -> 134877

Deposits

CASA

26%

46450 -> 58370

CASA Ratio

331
bps

30.5 -> 33.81

NRE Deposits

12%

57223 -> 63959

Retail Deposits

14%

136742 -> 155977

Performance

Net Interest Income

17%

1216 -> 1420

Core Fee Income

6%

342 -> 363

Operating Profit

-8%

959 -> 885

Net Profit

59%

301 -> 478

Ratios

Cost Income Ratio

284
bps

50.22 -> 53.06

Gross NPA %

57
bps

2.84 -> 3.41

Net NPA %

-12
bps

1.31 -> 1.19

Profit Per Employee (in Lac)

60%

9.65 -> 15.41

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

#SME split into BuB & CoB

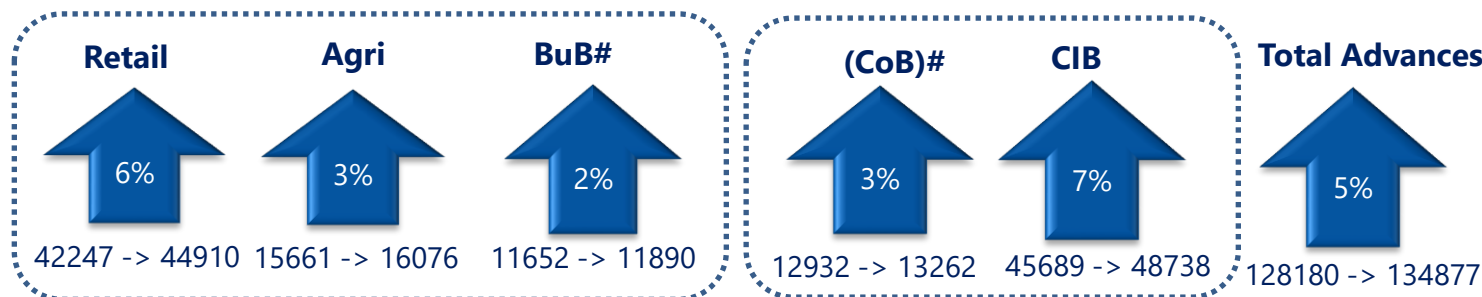
Comparison : Q-o-Q (3 M)

RETAIL

WHOLESALE

(Amount In Crs)

Advances



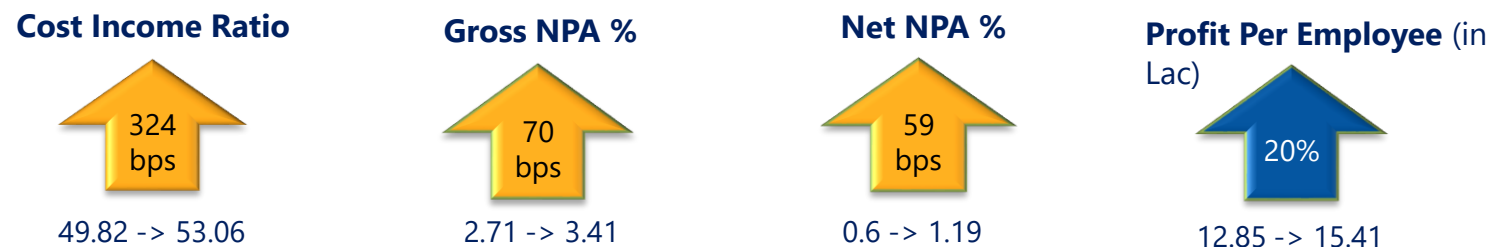
Deposits



Performance

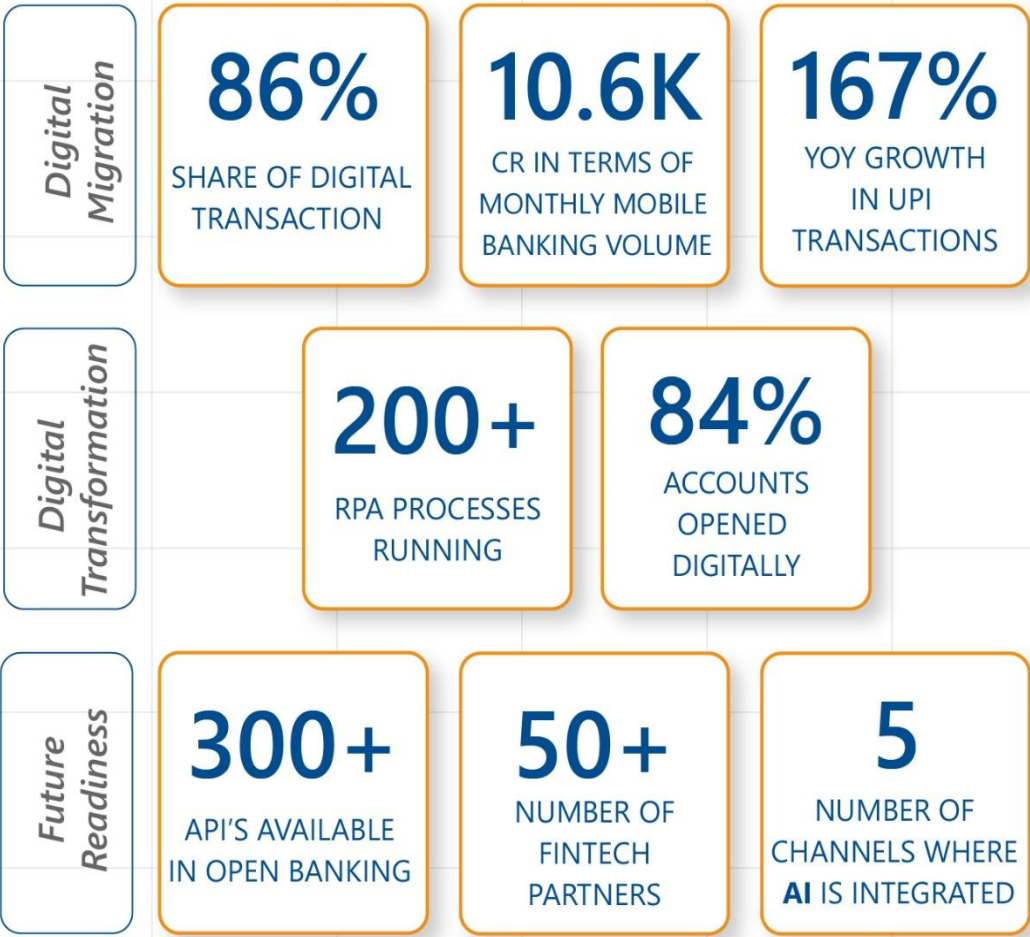


Ratios



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

#SME split into BuB & CoB





Digital Kiosk

- **Fed-e-Studio** is our fully digital self-service digital kiosk available for our customers.
- Customers can perform transactions like Fund Transfer, Cheque deposit directly to CTS, Open Deposits, Request for statements, Cheque book & ATM card, etc. using the kiosk
- The facility is available across 7 cities pan India.

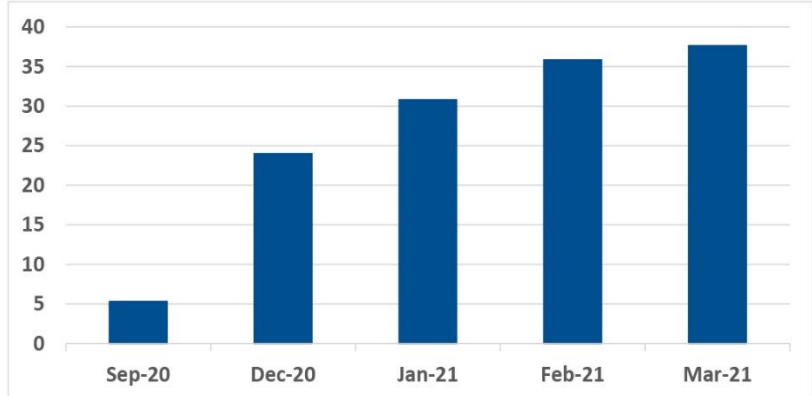




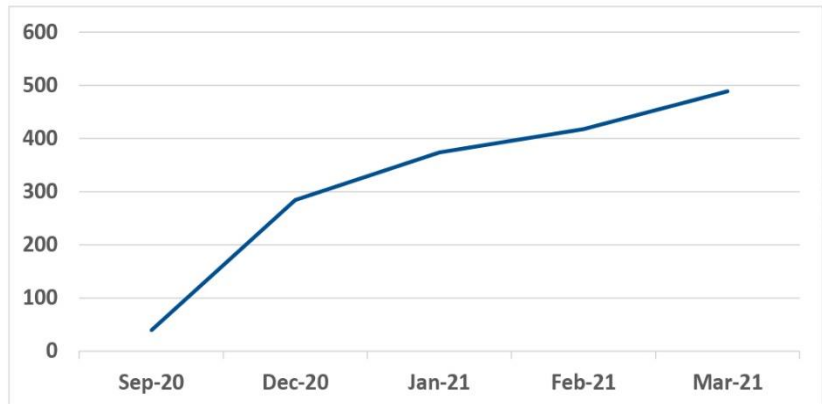
Merchant Network

- 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.
- We have become No. 1 partner bank of Bharat Pe
- 15L+ transactions are processed every day.
- 37L+ merchants are available on the platform.

Number of Merchants (In Lakhs)



Growth in Transaction Count (In Lakhs)



NEO BANKS

A full stack of APIs for the new generation of banks.

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

UPI PSP

FEDERAL INSTANT LOAN (9)

Instant Loan

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.

Payment Systems Payment Aggregator Payment Systems

Smart Branch Agricultural Aggregation

ACCOUNT OPENING (8 APIs)

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

Loan Origination System No tension instant Gold Loans

Microlending

TAB Banking

DIGITAL CREDIT (9 APIs)

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

Microlending

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

Microlending

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.

EMI on POS Checkout

EMI on PG Checkout

LOAN SECURITY (1 API) & GOLD LOAN (5 APIs)

As gold loans are the quickest mode of availing instant cash, the Bank provides loans with attractive interest rates and flexible repayment options. Also, we have APIs to create security and to link to an account number for various security types like vehicle, immovable property etc.

No tension instant Gold Loans Loan Origination System



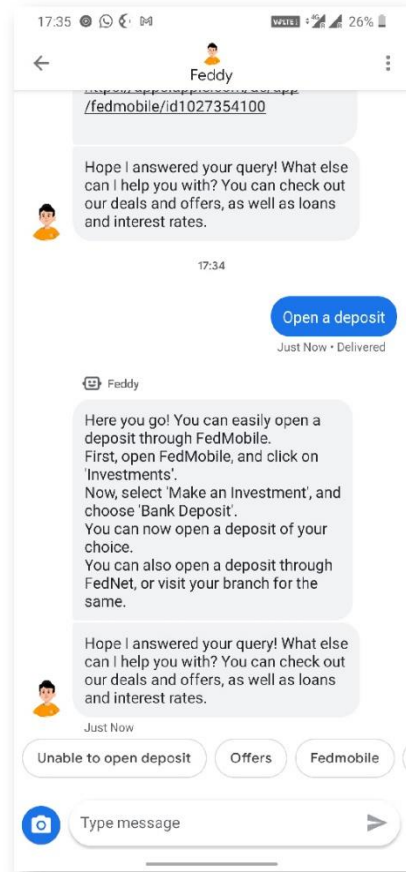
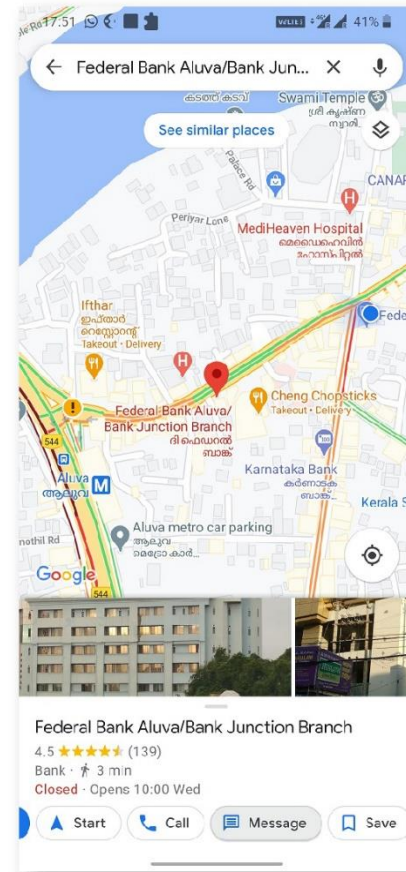
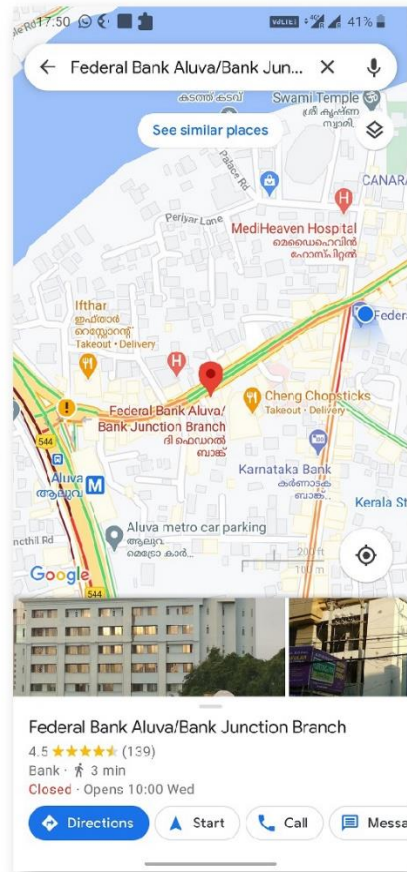
Feddy on Google Business Messaging

- We have become **First bank** in the country to go live on Google Business Messaging.
- The functionality allows our customers to chat with our AI based Personal Assistant Feddy & resolve their queries instantly without a phone call, directly while doing a search in Google Maps or Google.

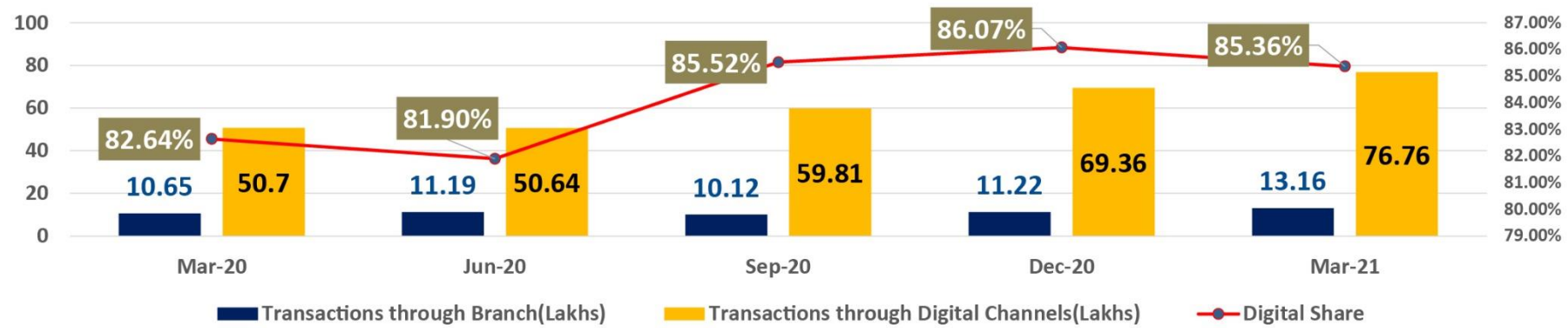
#1 Search for your desired branch on Google Search/Maps.

#2 Tap on 'Message/Chat' icon from the bottom menu.

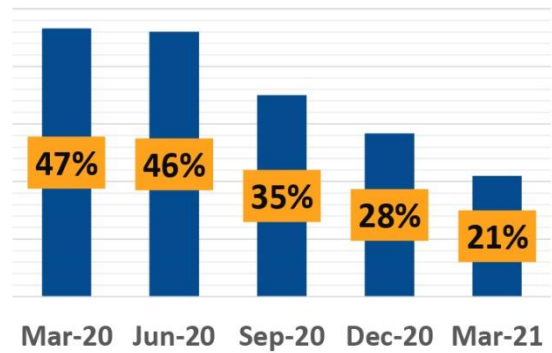
#3 Voila! Start typing your query.



Branch vs Digital Transactions (In Lakhs)



YoY Growth in Digital Users



- Mobile Banking monthly has crossed **10K** crores, highest ever even amidst the COVID crisis & a **85.92%** YOY growth.
- There is a YoY growth of **21%** in active digital users.
- Digital Share stands at **85.36%** for the month of March-21 and **86%** overall.
- Count of digital active users continues to increase.

**Data is only the corresponding month*

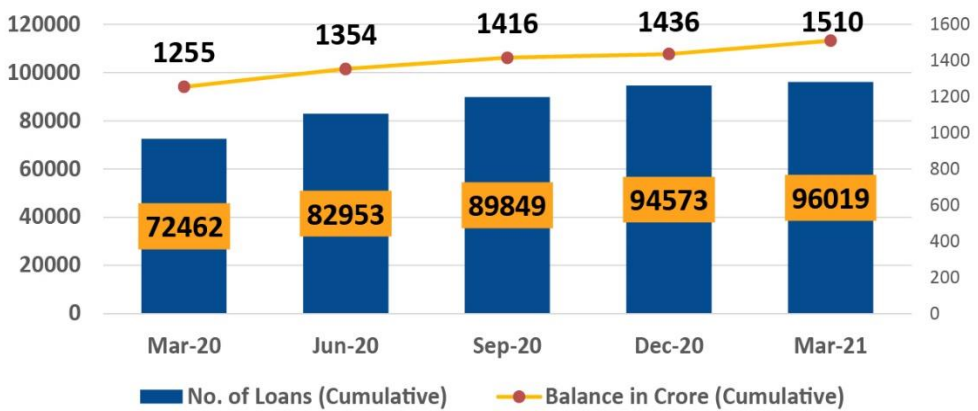
Mobile Banking Volume (In Crores)



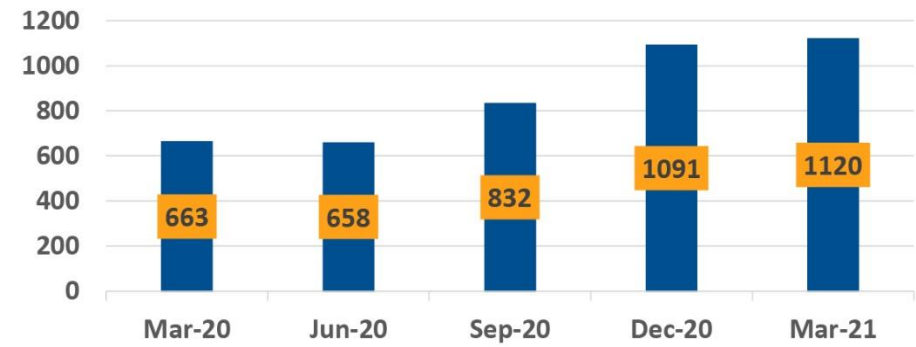
DIGITAL AT THE FORE, HUMAN AT THE CORE

Card Spends, Digital Lending and Corporate migration

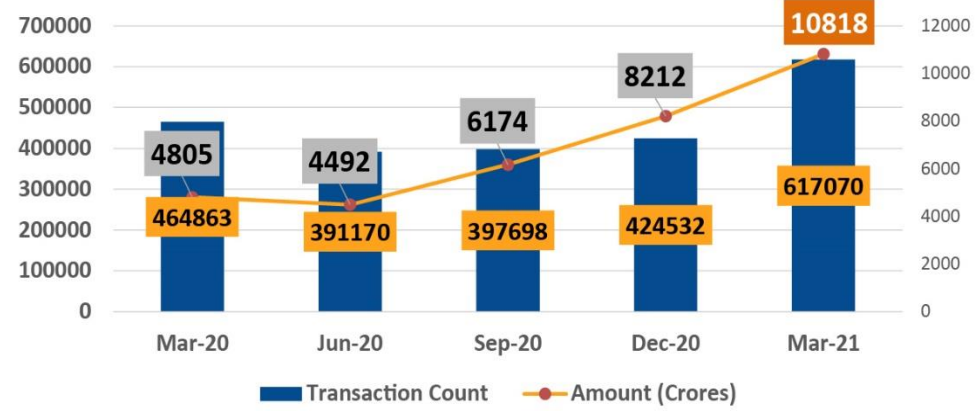
BYOM Digital Personal Loans : Loan book progress



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).

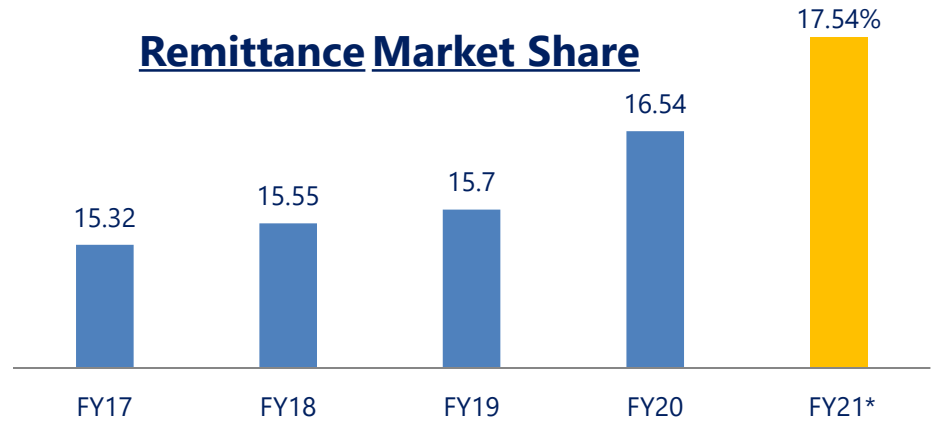
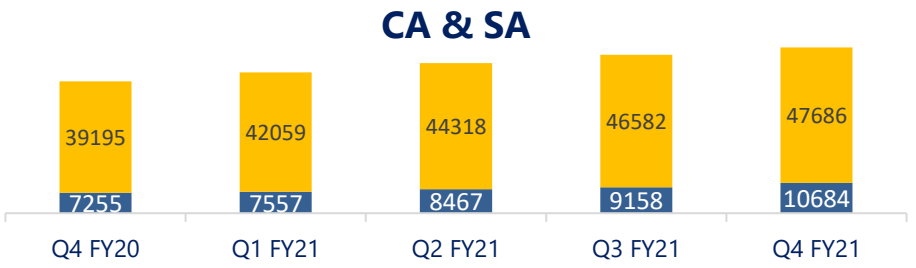
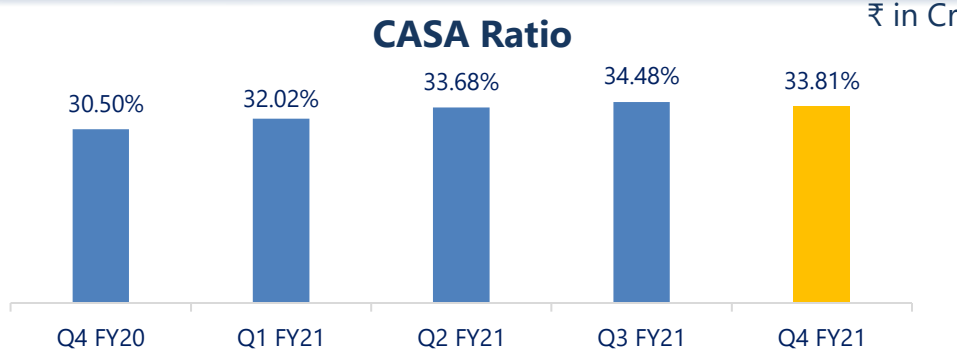
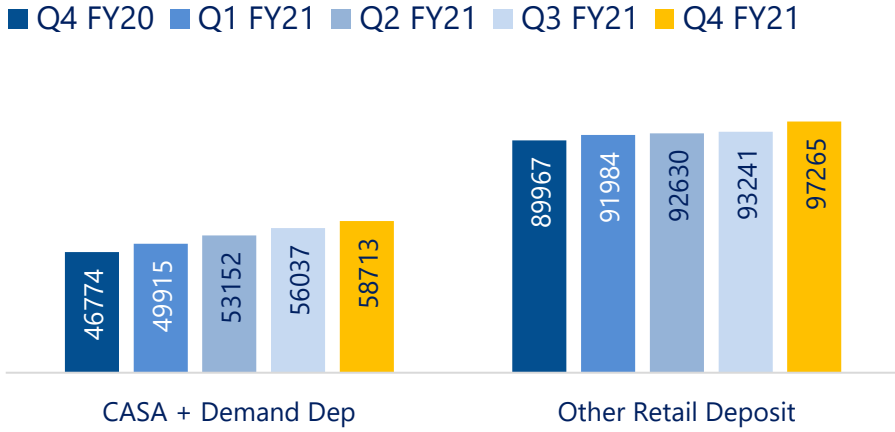


- Fed e-Biz is the omni channel transaction banking platform for corporates.
- Transaction volume has crossed **10k Cr** for the first time.
- **125%** YOY growth has been observed on the platform.

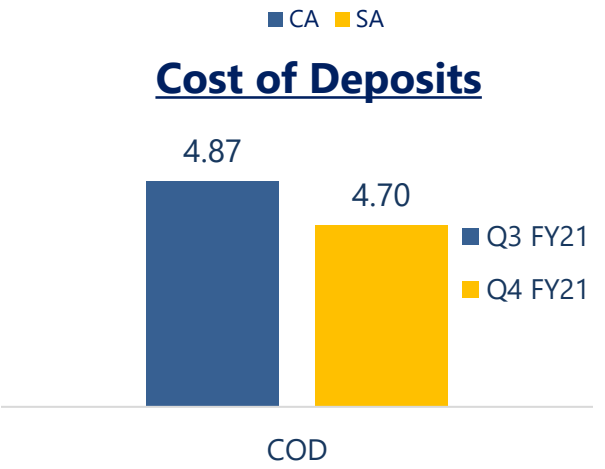
DIGITAL AT THE FORE, HUMAN AT THE CORE

Business Parameters

Liability : Trends

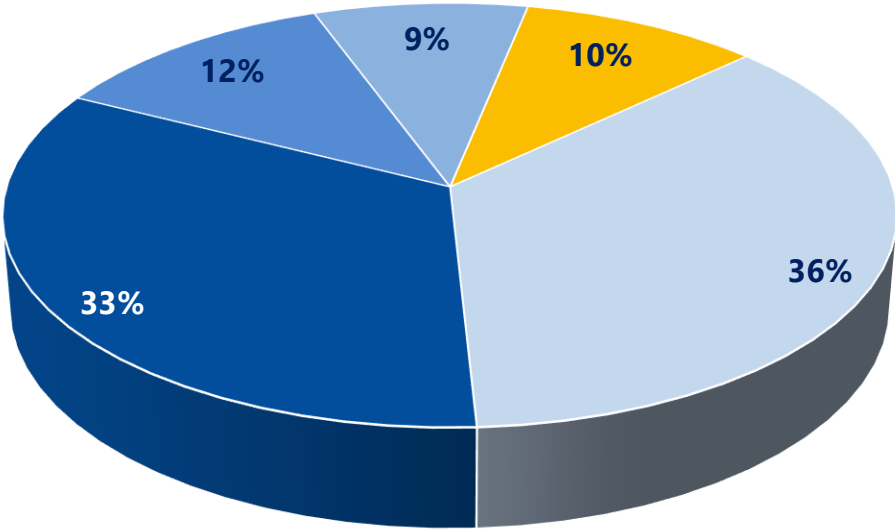


*Cumulative as on Dec-2020

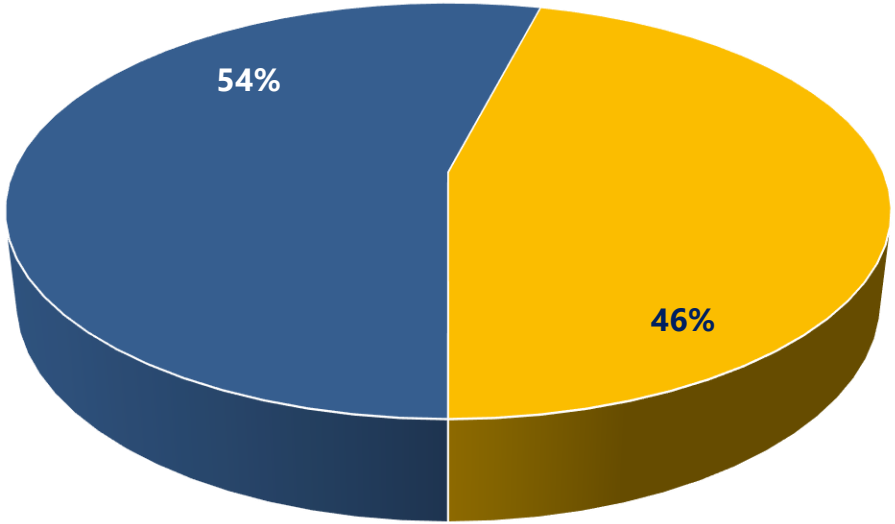


₹ in Cr

TOTAL LOAN BOOK

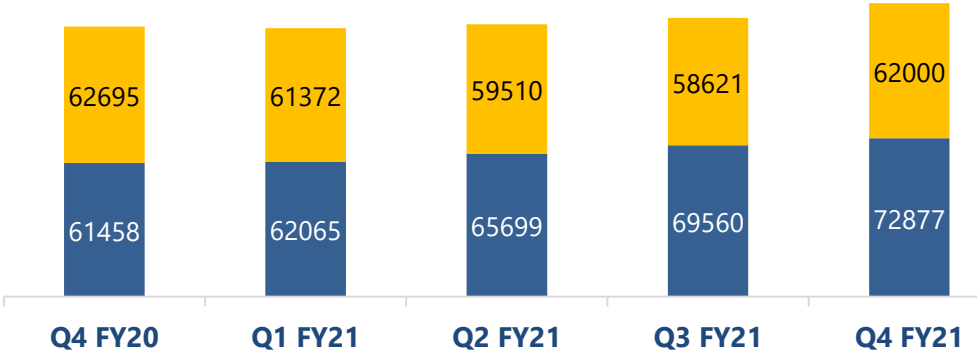


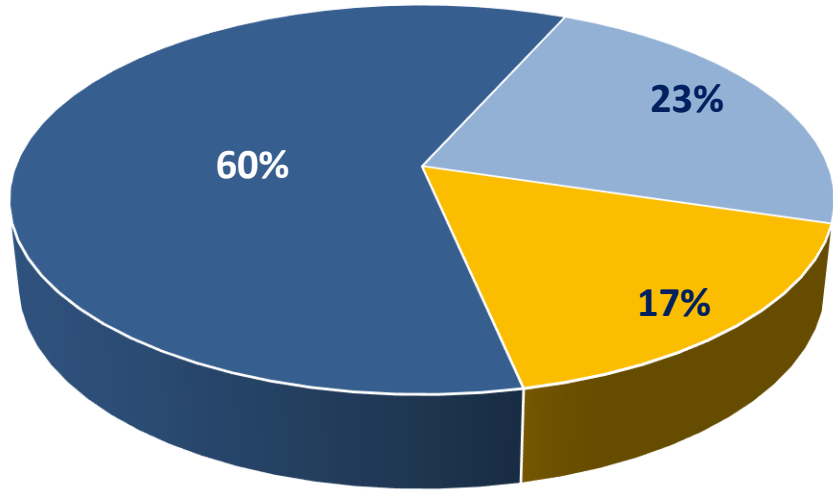
■ Retail ■ Agri ■ BuB ■ CB ■ CIB



■ Retail ■ Wholesale

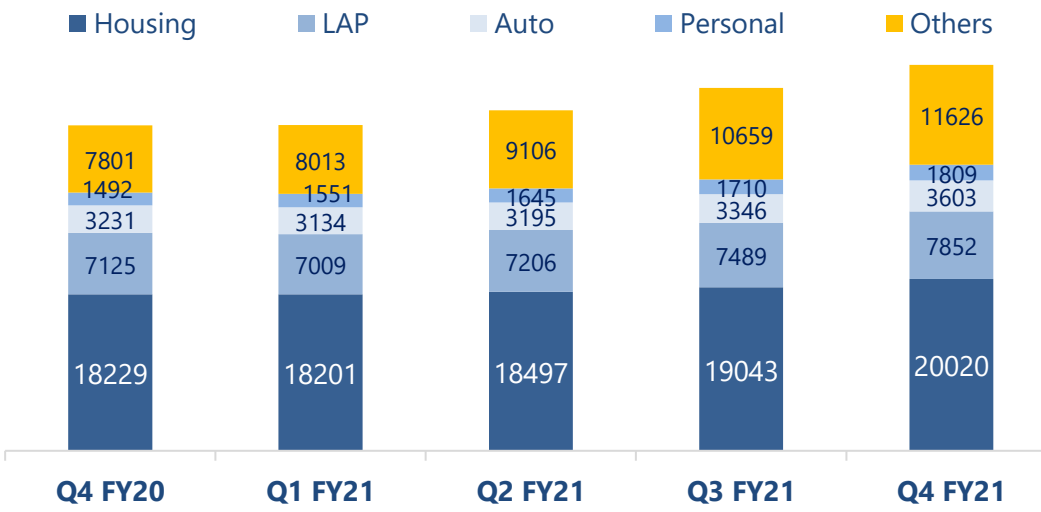
Yield on Advances



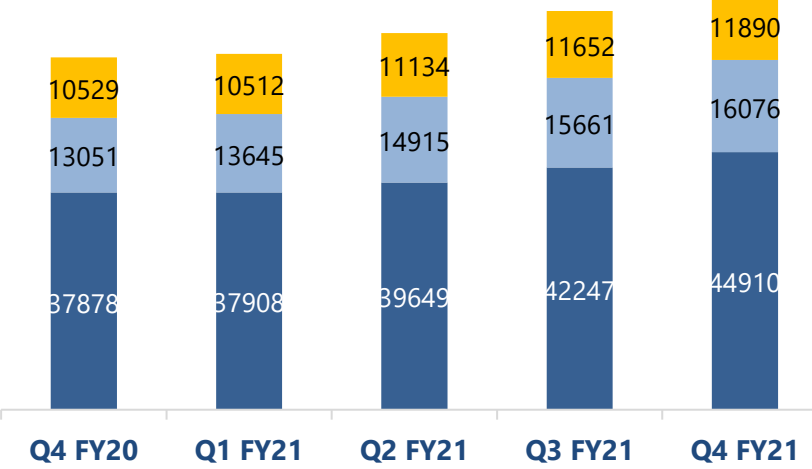


Retail Loan Book (Excl Agri & BuB)

₹ in Cr



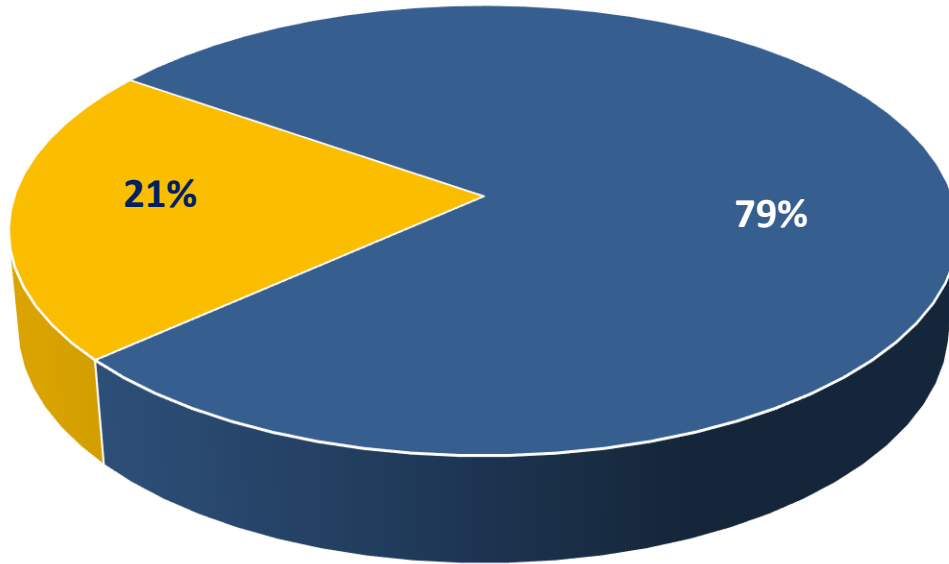
■ Retail ■ Agri ■ BuB



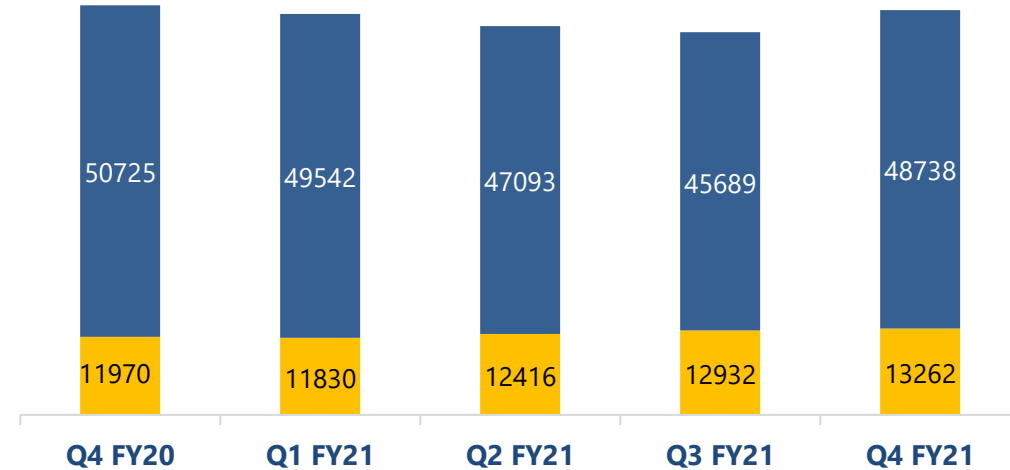
RETAIL BANKING

- Bank's partnership with Epifi for its neobanking went live, which offers an interactive, personalized and transparent digital banking experience
- Launched outward remittance platform –Fed e Remit for Resident Individuals and NRIs to remit funds from India.
- Disbursals through Fintech enabled Gold and Micro lending platforms crossed Rs.3000 Cr. One more Fintech tie-up for Door step gold loan with Orocorp Technologies launched.
- Strategic tie up with ICICI Securities to offer online trading services to customers.

■ CoB ■ Corporate



₹ in Cr

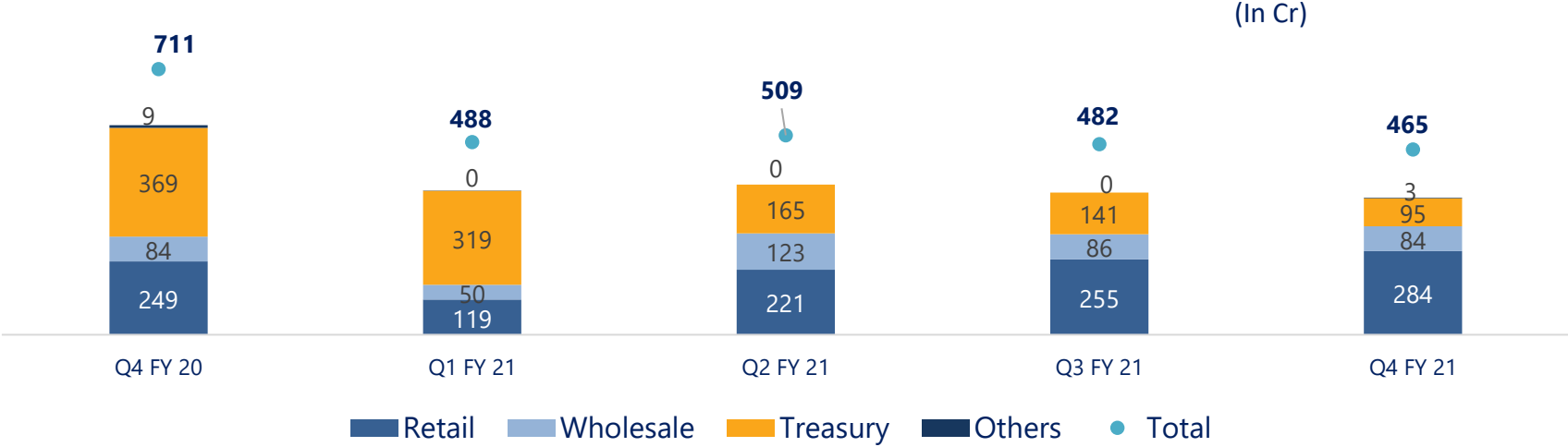


WHOLESALE BANKING

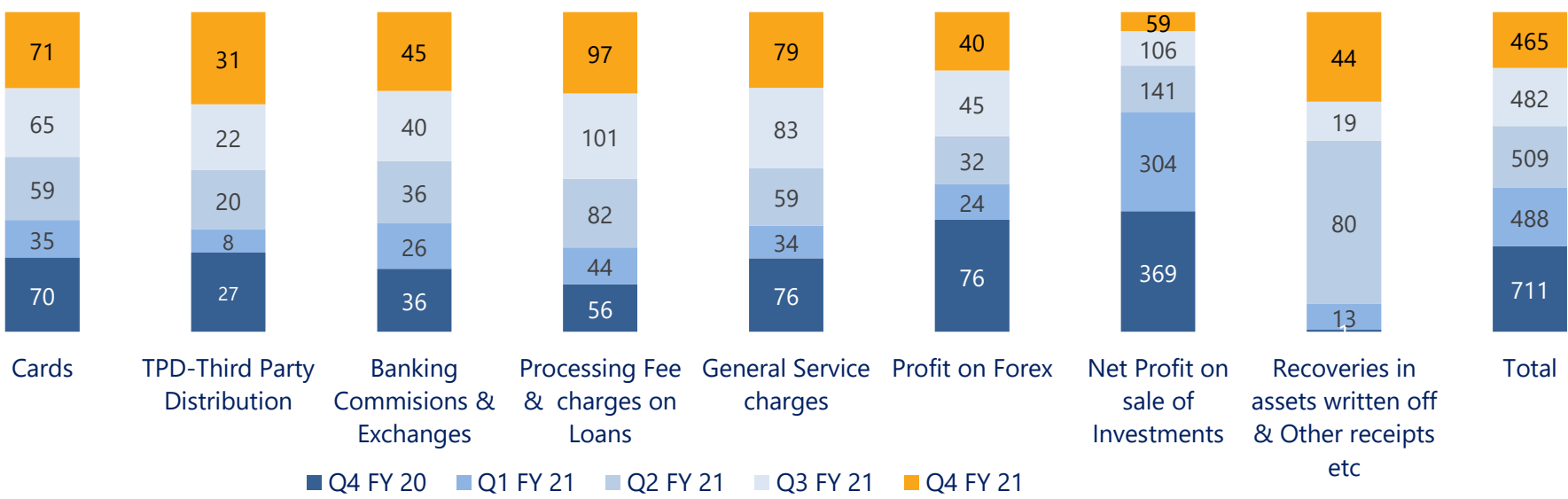
- Focus on New name acquisition continues to yield result with 148 NTB clients in CIB and 164 NTB clients in CoB during the FY, higher than the previous year despite pandemic. These include several marquee names across sectors and geographies.
- Digital Banking – Launched eNach and online CP issuance seen further traction with new client additions. More than 80% of total transaction is done through Digital channel now.
- Average Ticket Size of Wholesale Loan Book(CIB+CB) : 22 Cr
- Average Ticket Size of CIB & CB Loans is 56 Cr & 7 Cr Respectively

Fee Income : Distribution

Fee Income Distribution : Vertical Wise

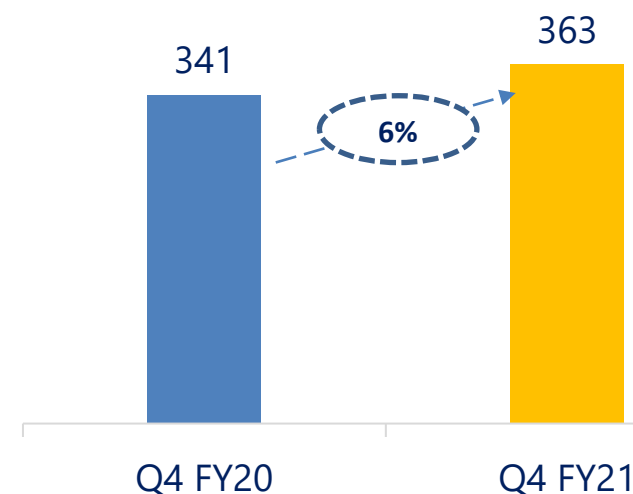


Fee Income Distribution : Item Wise

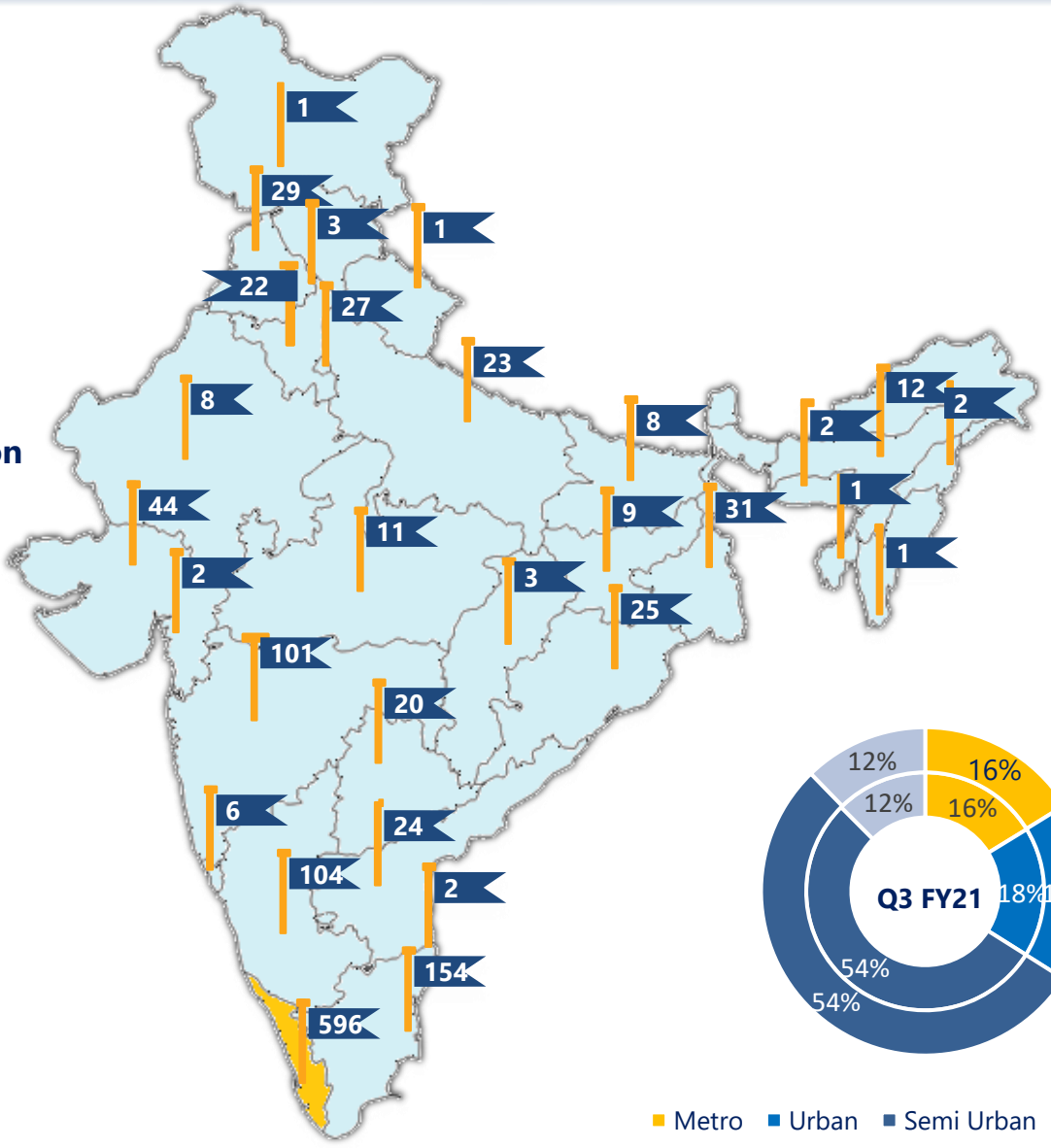
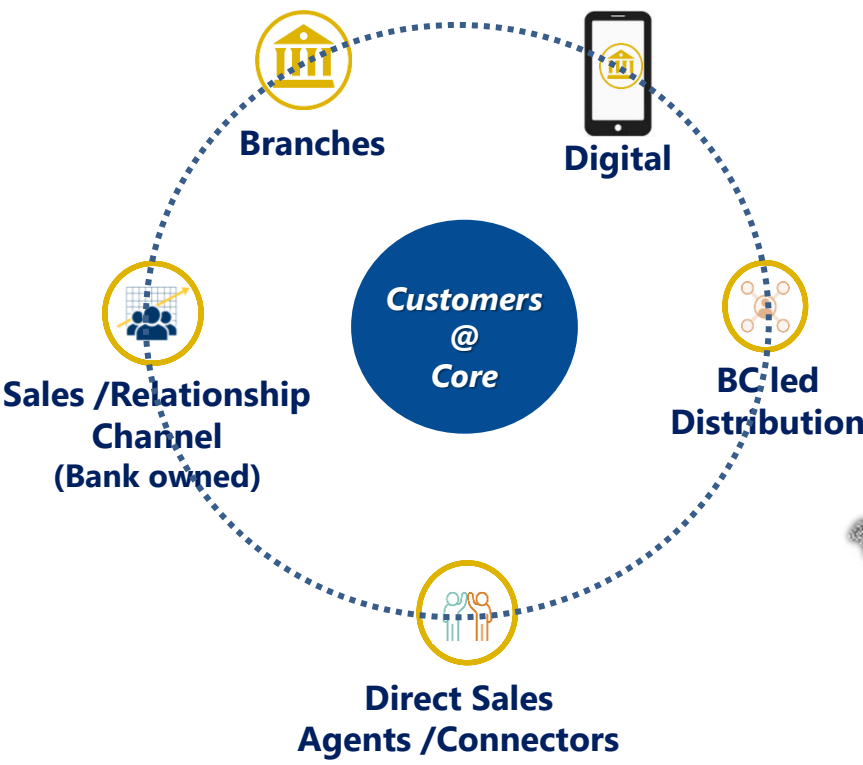


	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21	Q4 FY20
Loan Processing Fee	97	101	82	44	56
Exchange, Commission, Brokerage & Other Fee Income	226	211	174	103	209
Net Profit on Forex Transactions	40	45	32	24	76
Fee Income	363	357	288	171	341
Profit on sale of securities	59	106	141	304	369
Recovery from assets written off, Other Receipts & misc.	44	19	80	13	1
Total Other income	465	482	509	488	711

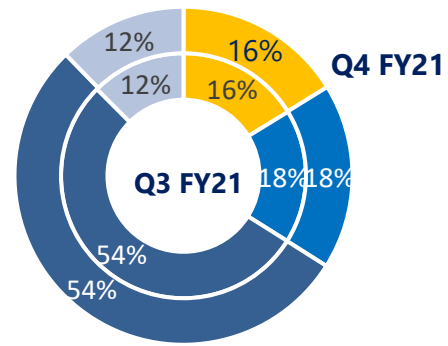
Fee Income (Y-o-Y)



Distribution : Deriving Efficiency from Footprint



	Q4 FY21	Q3 FY21	Q2 FY21
Branches	1272	1272	1271
ATM/ Recyclers	1957	1948	1941



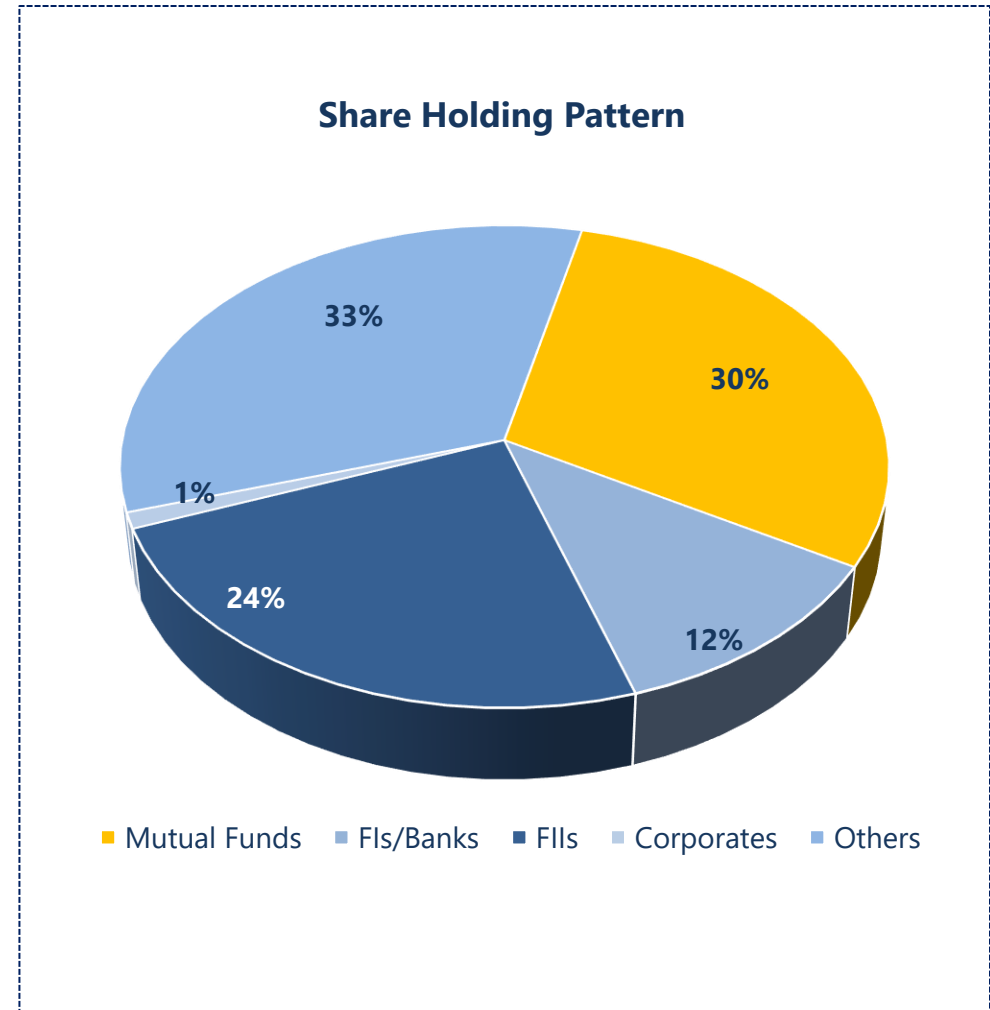
CRAR – How strong is your Bank?

₹ in Cr

	Mar-21	Dec-20
Risk Weighted Assets		
Credit Risk	97762	93847
Market Risk	3763	3808
Operational Risk	10095	10095
Total RWA	111621	107751
Tier-1 Capital Funds	15455	14003
Tier-II Capital Funds	868	1416
Total Capital Funds	16323	15419
CRAR	14.62%	14.31%
Tier-I	13.85%	13%
Tier-II	0.77%	1.31%

Annexures

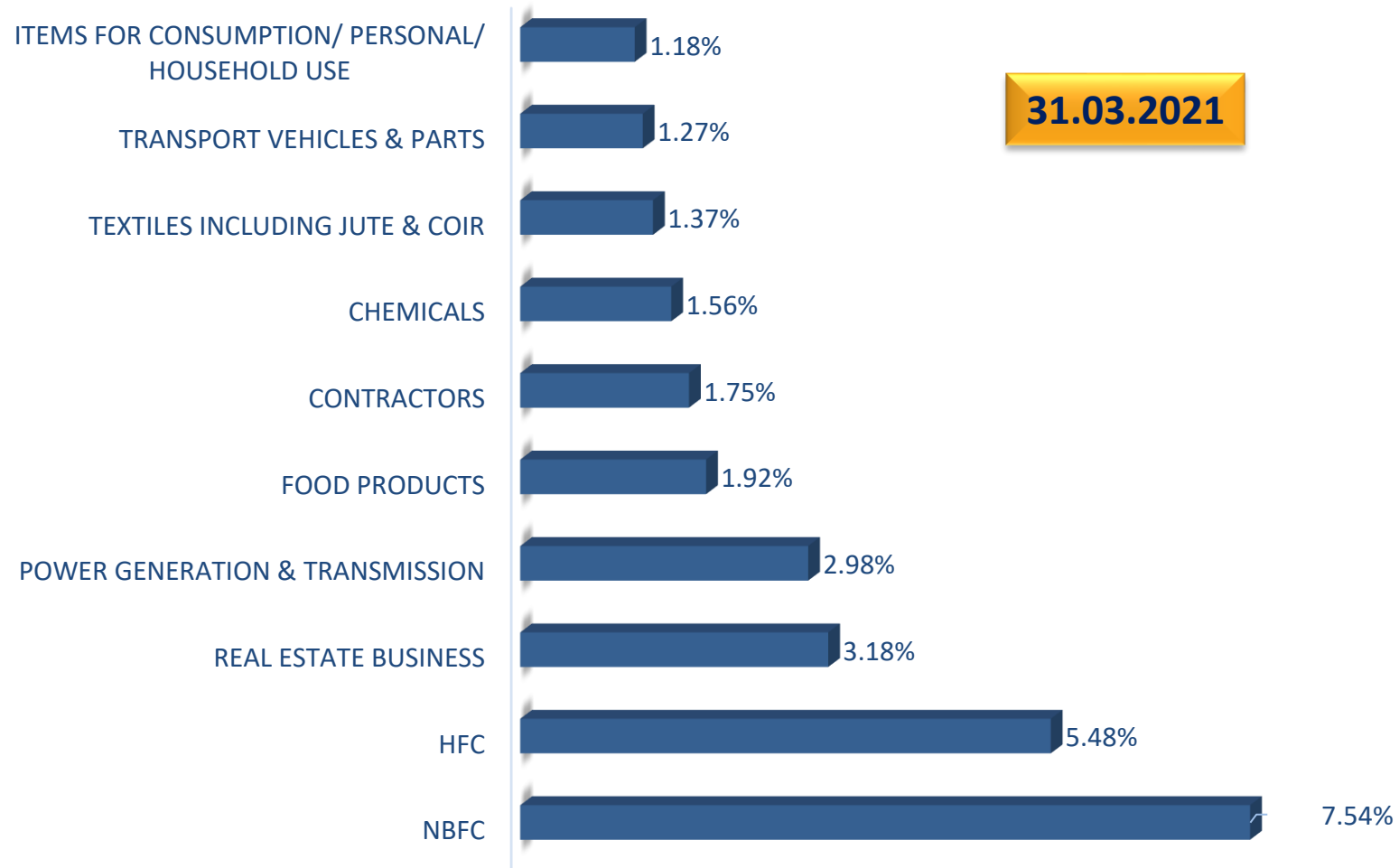
	Q4 FY21	Q3 FY21
LIABILITIES		
Capital	399	399
Reserves & Surplus	15724	15246
Deposits	172644	161670
Borrowings	9069	12474
Other Liabilities & Provisions	3531	7058
TOTAL	201367	196847
ASSETS		
Cash & Balance with RBI	7647	6410
Balances with Banks, Money at Call	11944	18965
Investments	37186	34389
Advances	131879	125505
Fixed Assets	491	465
Other Assets	12220	11113
TOTAL	201367	196847



₹ in Cr

	Q4 FY21	Q3 FY21	Q-o-Q	Q4 FY20	Y-o-Y
Interest Income	3366	3460	-3%	3397	-1%
Interest Expenses	1946	2022	-4%	2181	-11%
Net Interest Income	1420	1437	-1%	1216	17%
Other Income	465	482	-3%	711	-35%
Operating Expense	1001	956	5%	968	3%
Total Income	3832	3941	-3%	4108	-7%
Total Expense	2947	2978	-1%	3149	-6%
Operating Profit	885	963	-8%	959	-8%
Total Provisions	407	559	-27%	658	-38%
Net Profit	478	404	18%	301	59%
Net Interest Margin (%)	3.23	3.22	1 bp	3.04	19 bps
Cost to Income Ratio (%)	53.06	49.82	324 bps	50.22	284 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%
Ageas Federal Life Insurance Company Limited	26.00%
Equirus Capital Private Ltd	19.90%

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

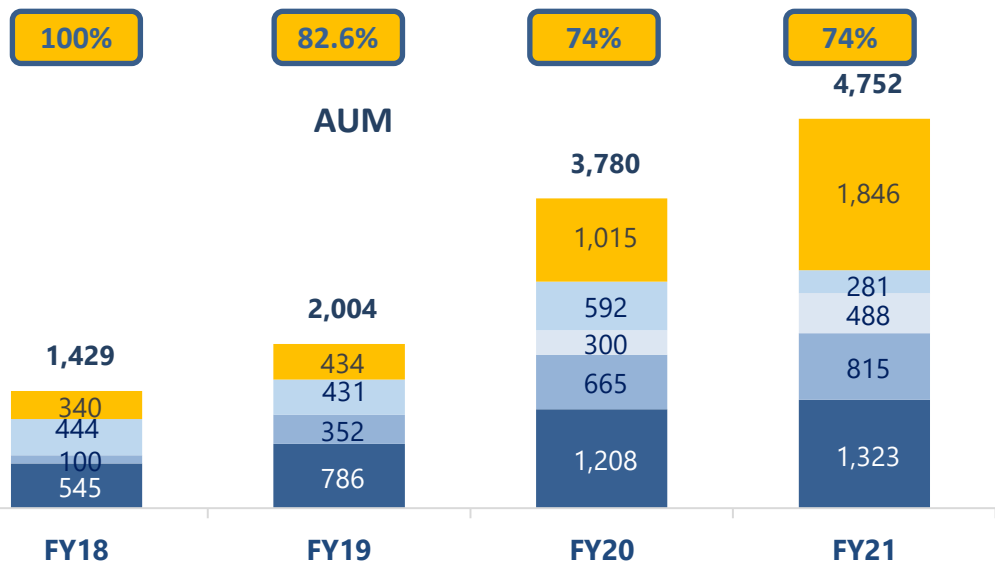
FedBank Financial Services Ltd.

- Total AUM 4750+ 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

	Q4 FY21	Q4 FY20	Y-o-Y	FY21	FY20	Y-o-Y
Net Worth	831	694	20%	831	694	20%
Total Revenue	190	150	26%	674	449	50%
NII	94	69	36%	337	206	64%
PPOP	42	27	57%	149	71	109%
PBT	29	17	76%	72	57	28%
PAT	22	11	101%	59	40	48%
GNPA (%)	0.98%	1.74%	-76 bps	0.98%	1.74%	-76 bps
NNPA (%)	0.79%	1.52%	-73 bps	0.79%	1.52%	-73 bps
CAR (%)	23.5%	17.9%	558 bps	23.5%	18.3%	514 bps

Additional COVID provision carried YTD Mar'21 - ₹ 39.1 Cr
(Total B/S provision : ₹ 45.3 Cr).

Technical write-offs taken during FY21 : ₹ 29.Cr (PY - Nil)

HIGHLIGHTS

- Crossed Balance Sheet size of Rs 5,000 Cr in Q4'21
- FY'21 PAT increase by 48% to ₹ 59 Cr (₹ 40 Cr FY'20)
- Increase in Collection Efficiency (CE%) post lockdown
- CE% for installment loans at 96% of the pre-COVID level

12
STATES

360
BRANCHES

2,130
EMPLOYEES

₹. 4,752Cr
LOAN BOOK

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

23.5%
CAPITAL ADEQUACY



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

LUCKNOW, MUMBAI (ALSO PRINTED IN BHOPAL), NEW DELHI AND PUNE

Federal Bank's Srinivasan is *BS* Banker of the Year

Five-member jury chooses him for consistency of performance

BS REPORTER

Shyam Srinivasan, managing director and chief executive officer (CEO) of Federal Bank, is the Business Standard Banker of the Year for 2019-20 for his bank's consistent healthy performance at a time when most of its peers witnessed large stress on asset quality, registered losses, or even invited regulatory actions.

The unanimous decision was taken by a high-profile jury of five, chaired by former Reserve Bank of India deputy governor S S Mundra. Other members were Keki Mistry, vice-chairman and CEO of Housing Development Finance

SHYAM SRINIVASAN has been heading the bank since 2010. Last year, he got an extension for another year

Corporation; Rashesh Shah, chairman and CEO of Edelweiss Group; Pratip Chaudhuri, former State Bank of India chairman; and Anil Singhvi, chairman of Ican Investment Advisors. The jury met via video-conferencing to finalise the winner, a departure from the usual practice because of the pandemic restrictions.

Srinivasan, who has been heading the bank since 2010, and last year got an extension for another year, has been "low profile and did his job quietly",



observed one of the jury members. From the initial rounds of vetting, the bank's nomination was common in all the jury members' personal picks.

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Chosen as Banker of the Year" by Business Standard as a recognition for Bank's Consistent Performance"

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