

# Investor Information

**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER

**Q2 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 Circular dated August 30, 2021. From the current quarter, such recoveries are netted off against provisions as against the practice of reporting the same under 'other income'. Also, Provision/ Depreciation for standard investments which was earlier accounted under provision and contingency (other than tax) is now netted against other income. 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

- **Strong traction in NIM @ 3.20% and pick up in NII @ 1479 Cr, Sequential growth of 4%, on the back of credit growth in select segments**
- Operating Profit at 865 Cr
- Net Profit @ 460 Cr, grew by 50% YoY

## Credit Growth in Chosen Areas

- Total Advances grew by 10% YoY
- Retail Advances grew by 12% YoY
- Agri Business grew by 20% YoY
- Business Banking grew by 11% & Commercial Banking grew by 12% YoY

## Granular Deposit Portfolio Strength Further Enhanced

### Granular Liability Franchise

- Total Savings Deposits grew by 16% YoY
- **CASA grew by 18% YoY and CASA Ratio at all time high level of 36.16%**
- Retail Deposits at 94% of Total Deposits
- **Fintech partnerships progressing well and contributing to 50%+ of new accounts booked**

## Income and Cost Streams

- **Strong traction in Core Fee Income @ 373 Cr, increase of 29% YoY**
- Cost to Income @ 55.05%, impacted by higher expenses and pertaining to recovery from written off accounts, which impacted other income

## Strong Asset Quality Performance

### Asset Quality

- **Fresh slippages contained to 320 Cr; that, along with recoveries and upgrades of 421 Cr led to reduction of GNPA and NNPA to 3.24% and 1.12% respectively**
- Strong recovery helped bring down credit cost.

## Steady Growth in Market Share

- Market Share in Advances at 1.21%
- Market Share in Deposits at 1.07%
- **Market Share in Personal Inward remittance business increased to 20.54% (Q1 FY22)**

## Digital Dominance Visible

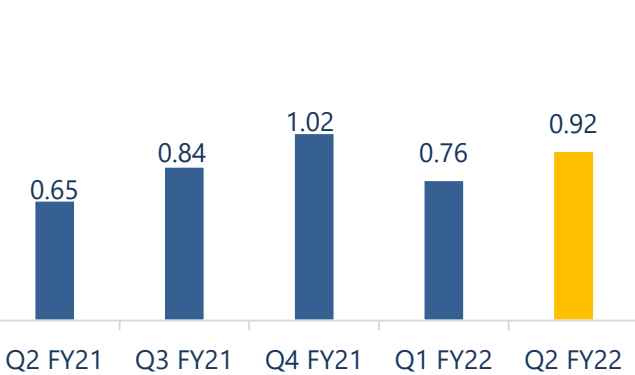
### New Initiatives/ Digital Update

- Launched Credit Cards with Rupay & Visa networks in fastest possible time. Also partnered with OneCard for launch of Credit Card
- **Empanelled by Govt and RBI for collection of Direct and Indirect Taxes**

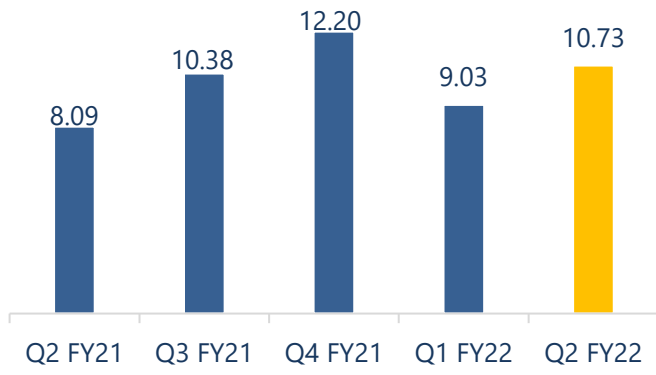
## Balance Sheet and Capital

- Balance Sheet grew by 9% YoY (Rs 2.06 L Cr)
- Total business grew by 10% YoY (3.06 L Cr)
- CRAR at 14.97%

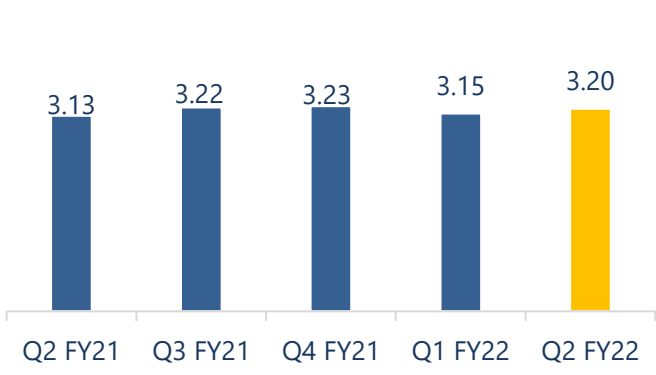
### RoA



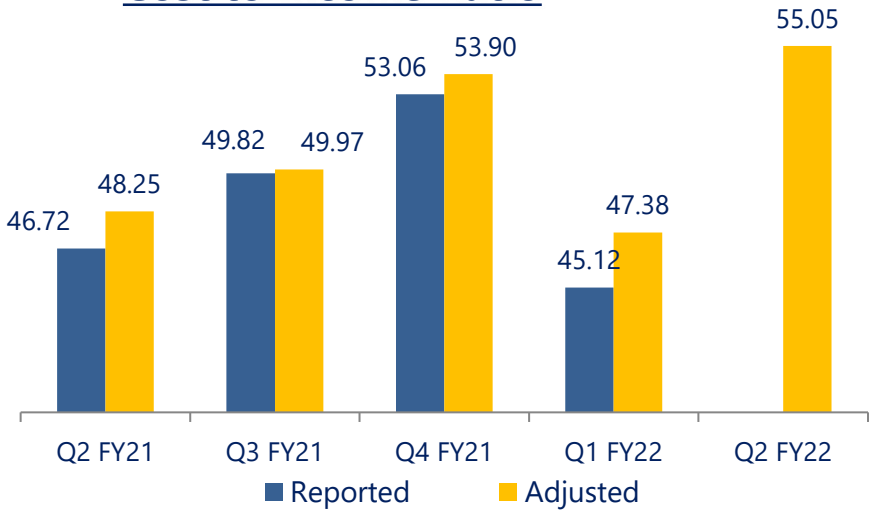
### RoE



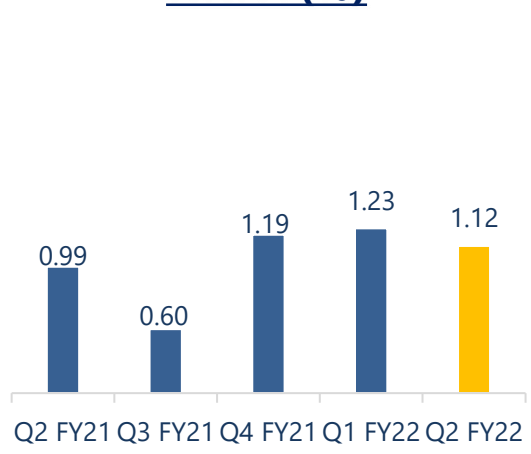
### Net Interest Margin (%)



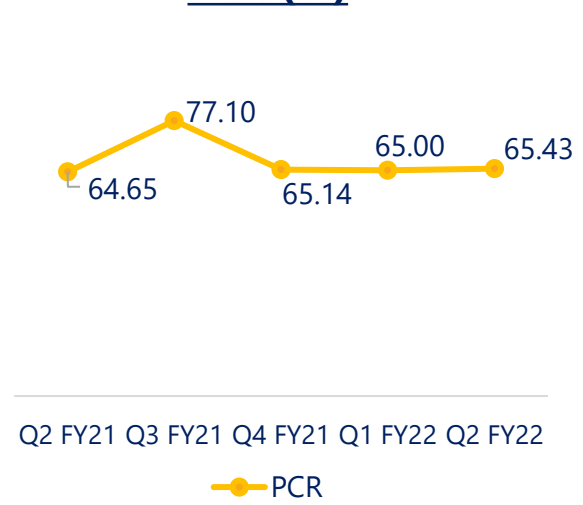
### Cost to Income Ratio



### NNPA (%)

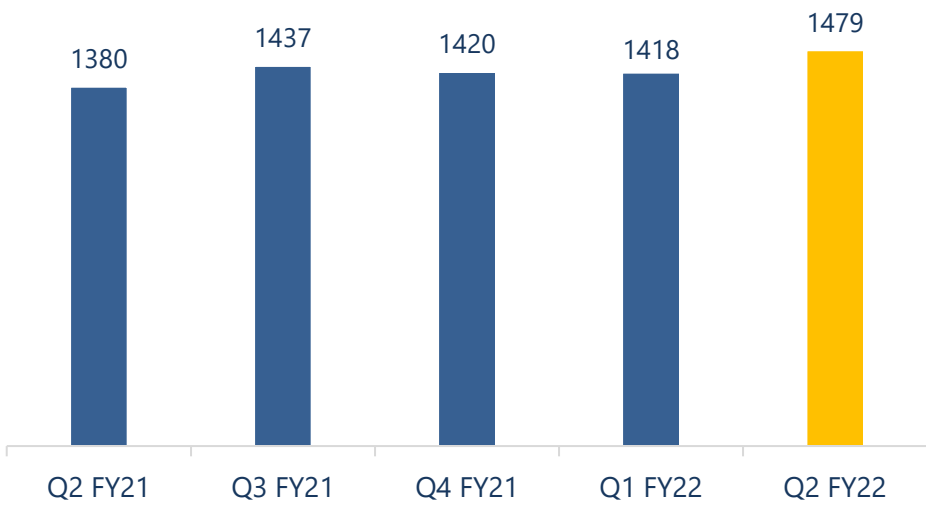


### PCR (%)

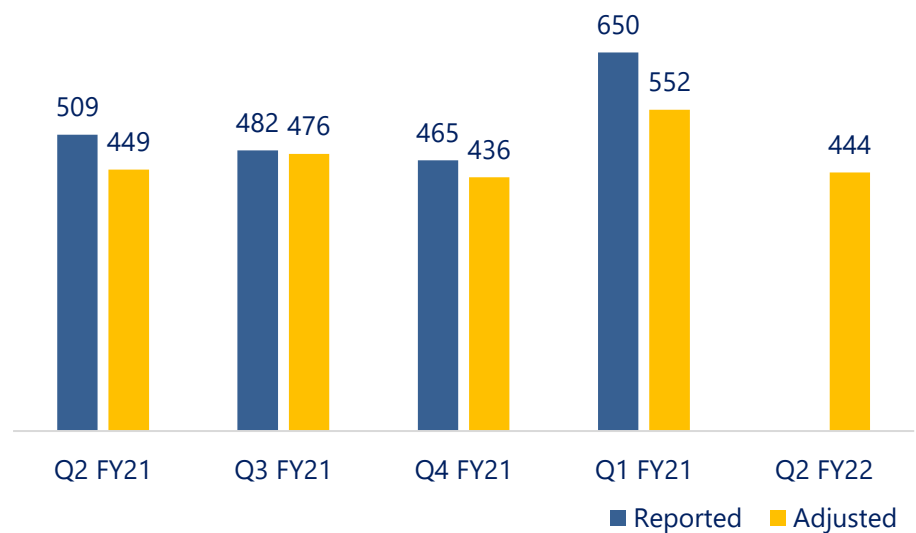


₹ in Cr

## Net Interest Income

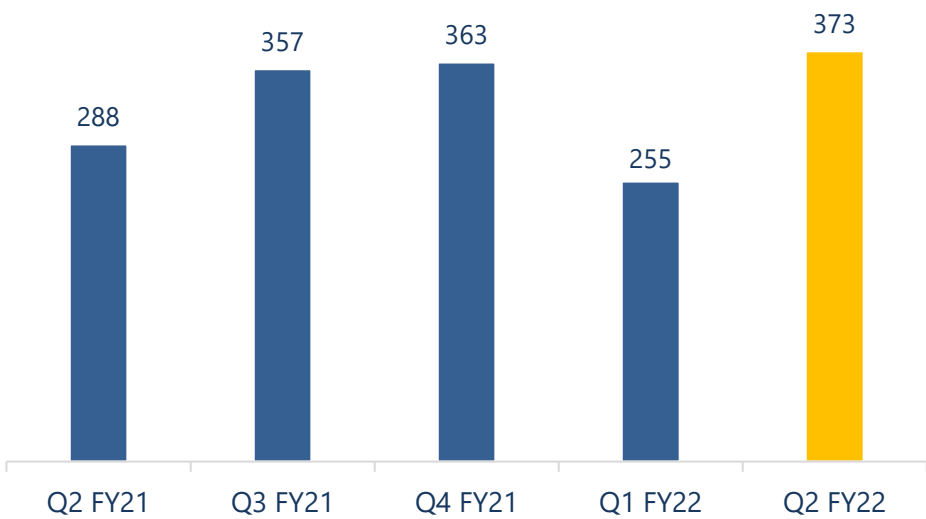


## Other Income

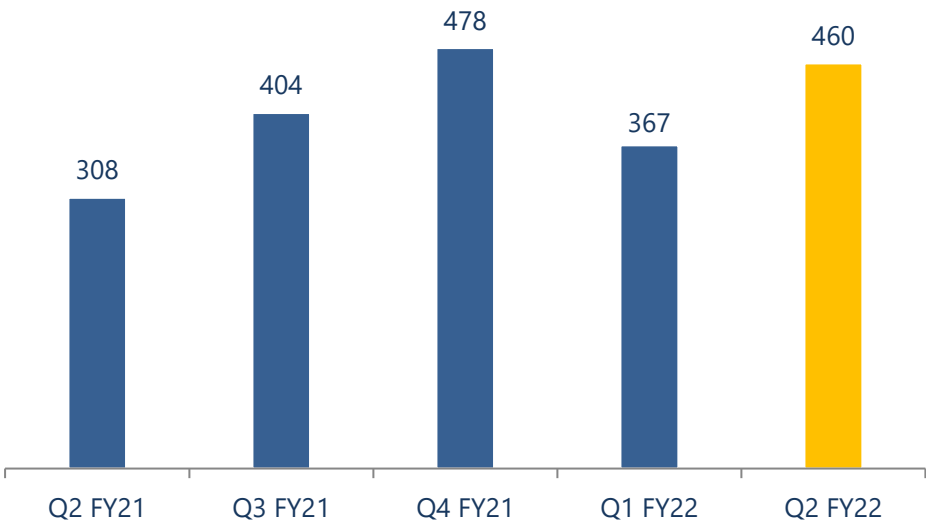


■ Reported ■ Adjusted

## Fee Income



## Net Profit



## Shareholder Value

**Book Value**  
(Per Share in ₹)

Q2 FY22

Q1 FY22

Q4 FY21

Q3 FY21

Q2 FY21

83.57

82.60

80.77

78.39

76.38

**EPS**  
(annualized)

8.79

7.38

9.71

8.04

6.12

## Granularity

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

92%

91%

88%

90%

90%

## Profitability (Annualized)

**ROA**

0.92

0.76

1.02

0.84

0.65

**RoRWA**

1.79

1.49

1.91

1.64

1.28

**ROE**

10.73

9.03

12.20

10.38

8.09

## Efficiency

**Cost/Income\***

55.05

47.38

53.90

49.97

48.25

**Net NPA%**

1.12

1.23

1.19

0.60

0.99

\*Adjusted

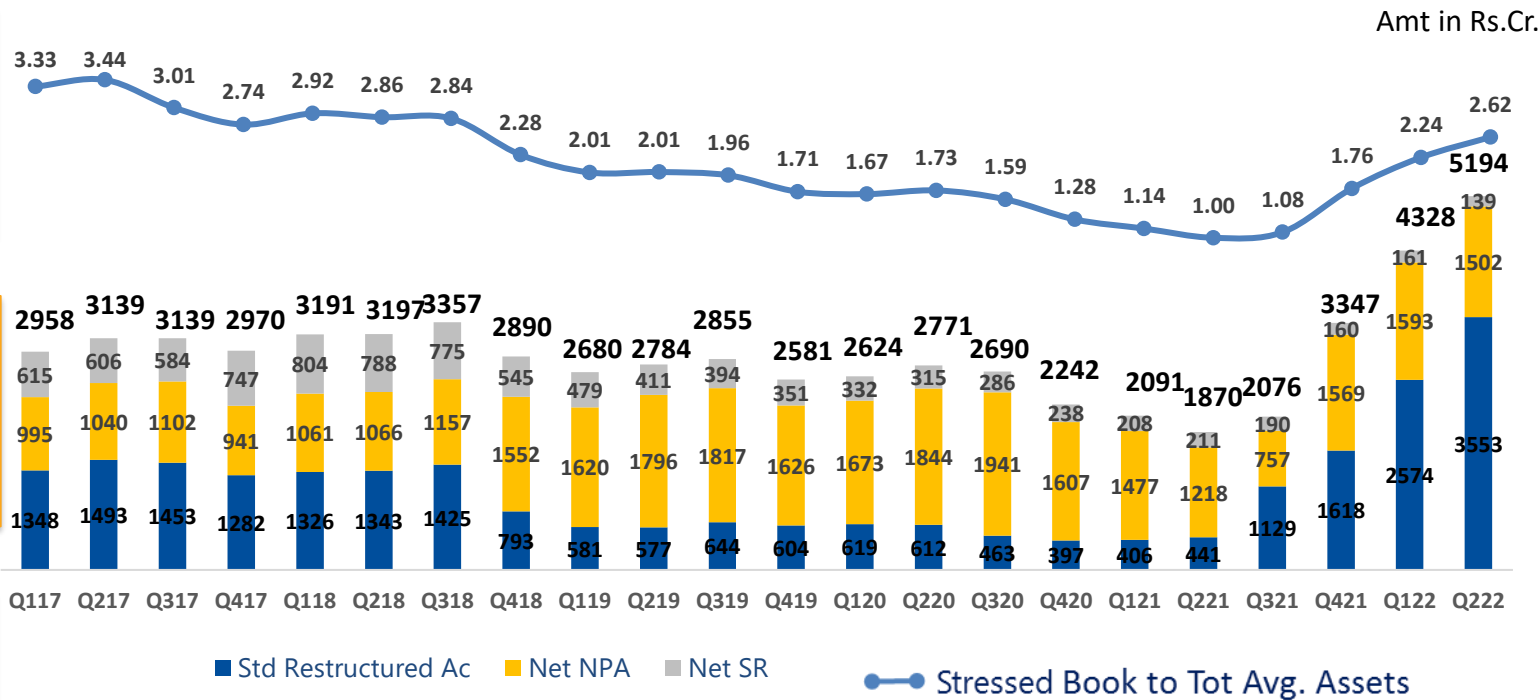
# Asset Quality Trends

Covid Specific Restructuring as on Q2 FY22 at 2.49% of Gross Advance

Provision Coverage Ratio maintained at 65.43%

Recovery and Upgrades higher than fresh slippages at 421 Cr in Q2

Collection Efficiency improved to 96%



## Movement of NPA

Gross NPA as on 30.06.2021	<b>4649</b>
Add Fresh Slippage	320
Add Increase in Balances in Existing NPAs	19
Deduct Recoveries/ Upgrades/ Reduction in existing NPA	-423
Deduct Written Off	-120
Gross NPA as on 30.09.2021	<b>4446</b>

## Provisions in Q2

Loan Loss	<b>-65</b>
Investment Loss	16
Standard Accounts	287
Other Purposes	7
Total Provisions	<b>245</b>

# Fresh Slippages Break up

Fresh Slippages					
	Q2 FY22	Q1 FY22	Q4 FY21	Q3* FY21	Q2 FY21
Retail	85	127	301	314	1
Agri	98	157	89	159	1
BuB	49	169	73	196	1
CoB	88	117	135	108	0
Corporate	0	70	0	312	0
<b>Total</b>	<b>320</b>	<b>640</b>	<b>598</b>	<b>1089</b>	<b>3</b>

Restructured				
TYPE	Q2 FY22		Q1 FY22	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	3553	17	2574	17
Net NPA	382	117	341	115
<b>TOTAL</b>	<b>3935</b>	<b>134</b>	<b>2915</b>	<b>132</b>

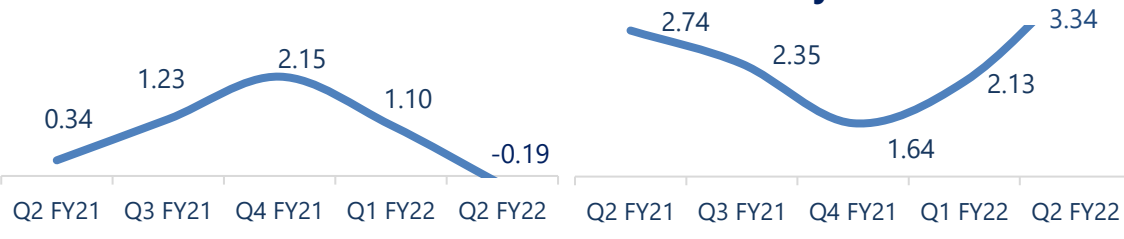
  

Security Receipts		
	Q2 FY22	Q1 FY22
Face Value	561	571
Book Value	478	490

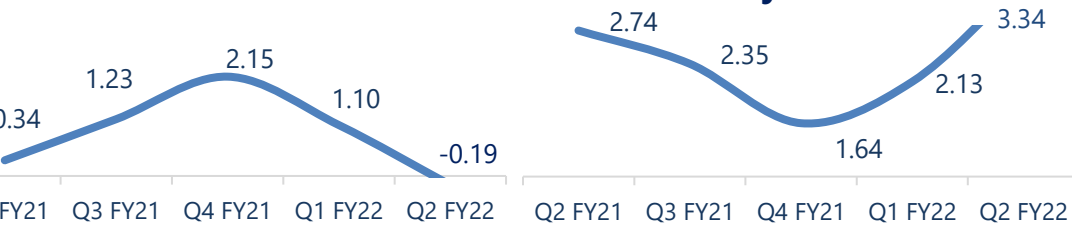
\* Includes Proforma slippages

NPA Composition		Q2 FY22	Q1 FY22
Gross NPA	Business	NPA	NPA
	Retail	1203	1284
	Agri	838	839
	BuB	890	950
	CoB	798	785
	Corporate	716	791
	<b>Total</b>	<b>4446</b>	<b>4649</b>
<b>Net NPA</b>		<b>1502</b>	<b>1593</b>

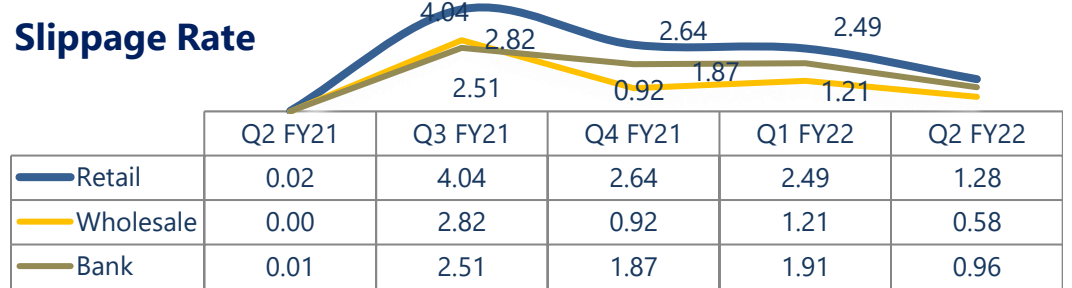
## Credit Cost



## Risk Adjusted NIM



## Slippage Rate



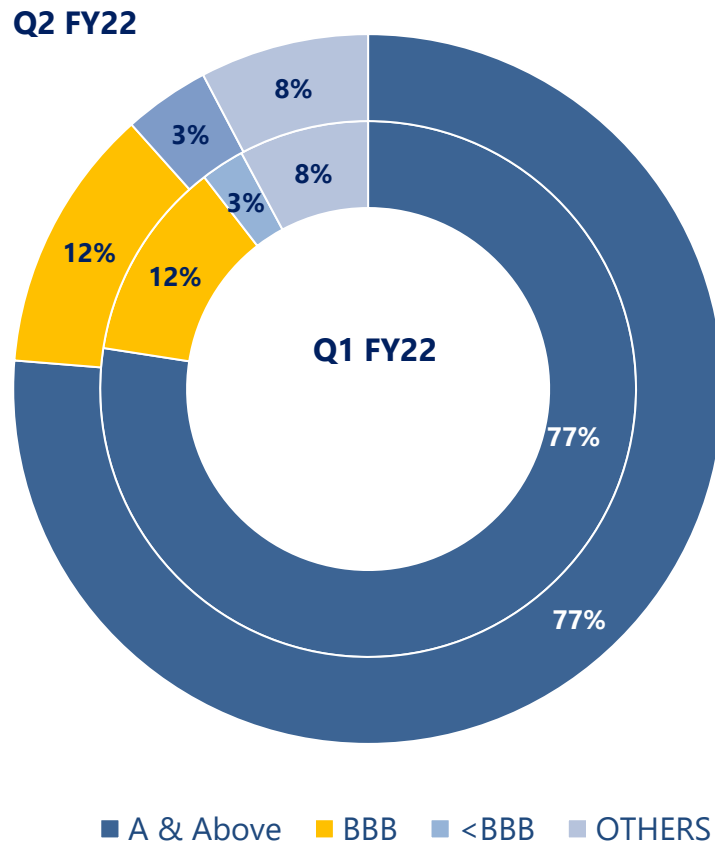


Balance Outstanding of Covid Specific Restructuring	Amt in Cr
Retail	2072
Agri	155
CV/CE	69
BuB	530
CoB	455
CIB	142
Total Restructuring	3423

80% of the restructured book has >75% security coverage. 73% of this has >100% security cover

Balance Outstanding of Covid Specific Restructuring in Retail	Amt in Cr
Housing Loan	1068
Loan against Property	832
Auto Loan	82
Personal Loan	44
Education Loan	45
Others	1
Total Retail Restructuring	2072

## External Rating of Corporate Advances



## External Rating of Corporate Advances

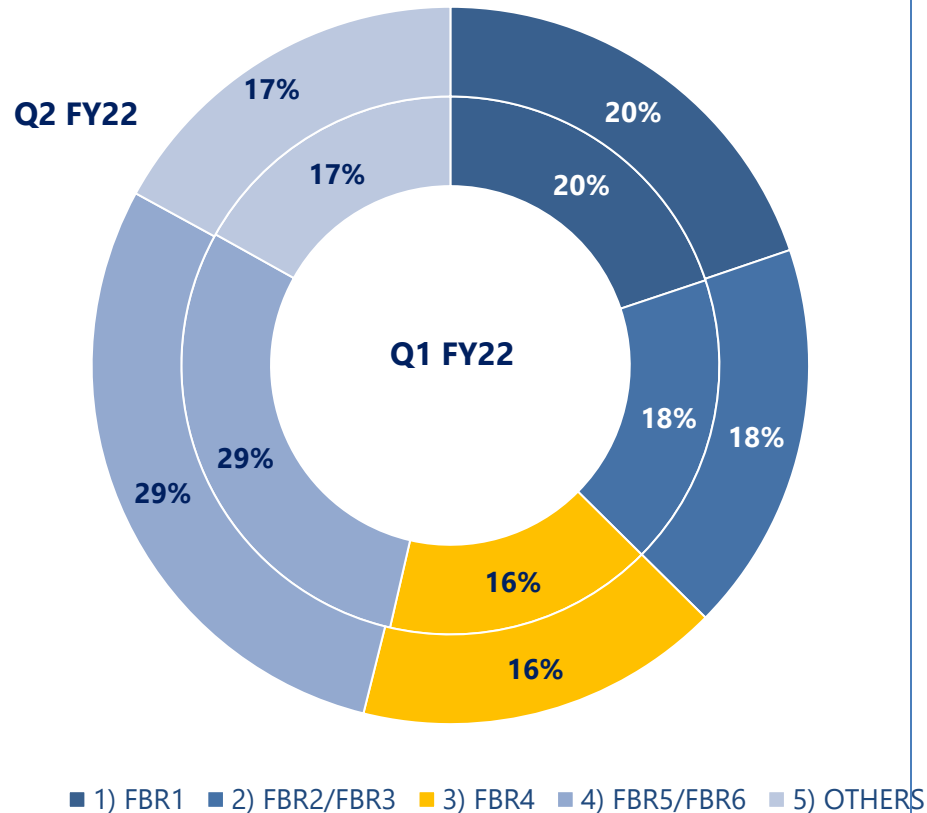
Rating	Q2 FY22	Q1 FY22
A & above	77%	77%
BBB	12%	12%
< BBB	3%	3%
Others	8%	8%

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

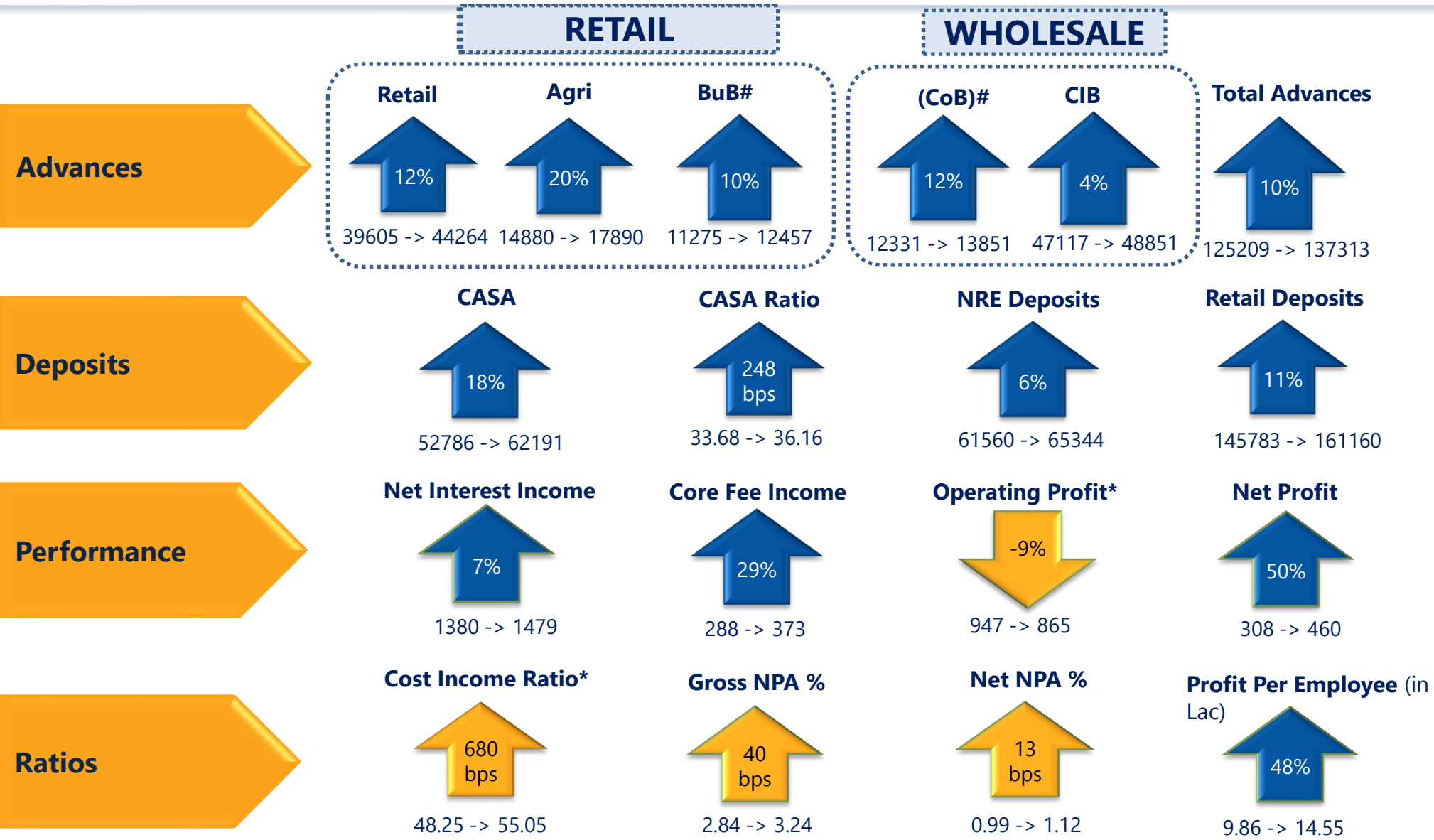
Rating	Q2 FY22	Q1 FY22
FBR1	9%	9%
FBR2/FBR3	4%	1%
FBR4	19%	19%
*Below FBR4 & unrated	68%	71%

\*includes IBPC.

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



Rating	Q2 FY22	Q1 FY22
FBR1	20%	20%
FBR2/FBR3	18%	18%
FBR4	16%	16%
FBR5/FBR6	29%	29%
Staff	2%	2%
Gold, Advance against Deposit/Securities & others	15%	15%



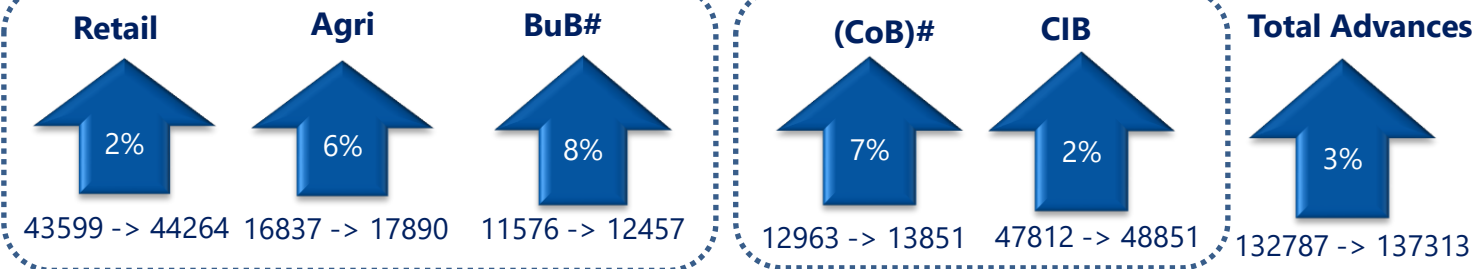
\* Adjusted.

#SME split into BuB & CoB

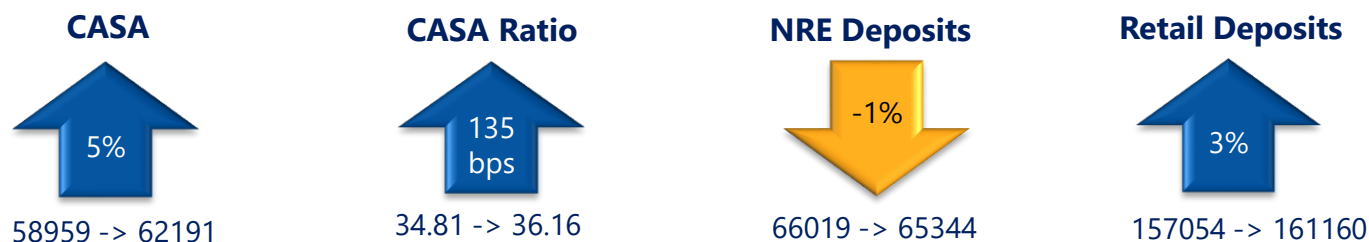
## RETAIL

## WHOLESALE

### Advances



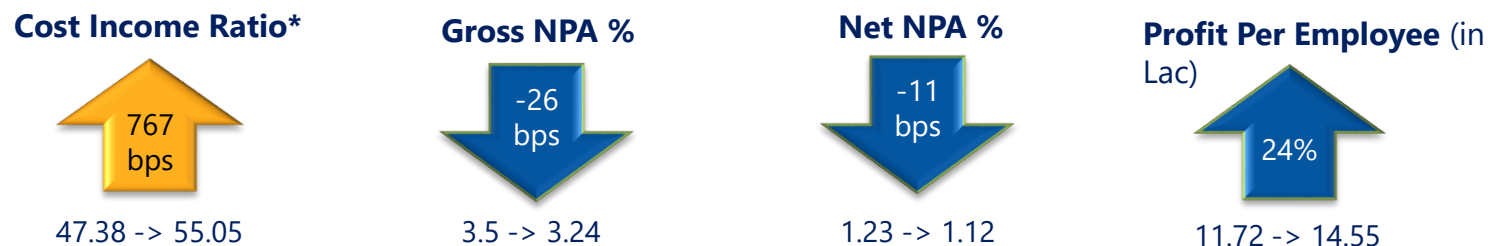
### Deposits



### Performance



### Ratios



\* Adjusted.

#SME split into BuB & CoB

*Digital Migration*



*Digital Transformation*



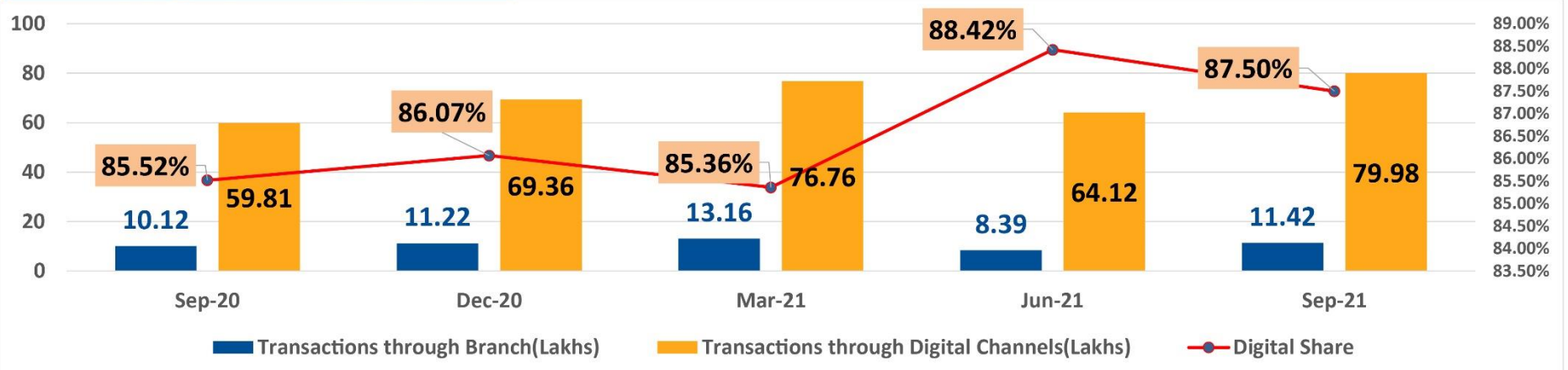
*Future Readiness*



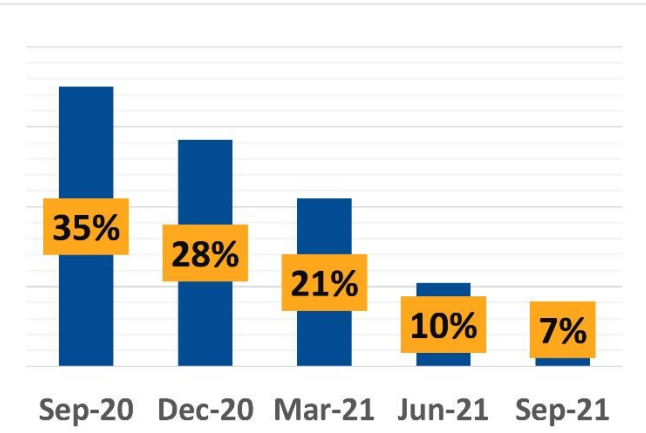
FUTURE OF DIGITAL IS  
**HUMAN**

A cartoon illustration of a man with black hair, wearing an orange long-sleeved shirt and blue trousers, standing with one hand on his hip and the other gesturing towards the text. The background is a light blue gradient.

Branch vs Digital Transactions (In Lakhs)

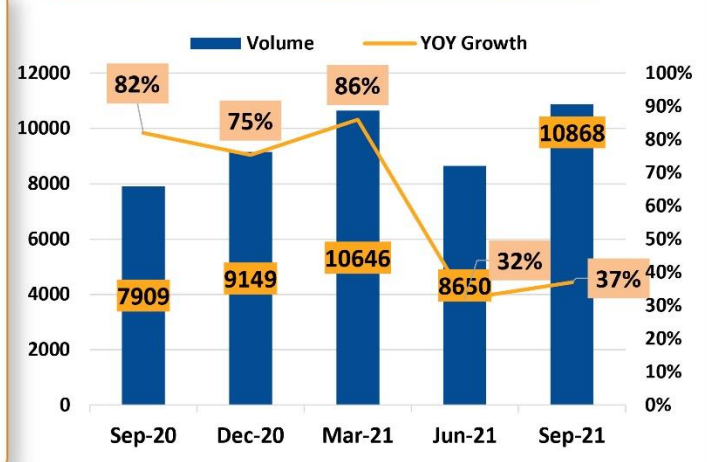


YoY Growth in Digital Users

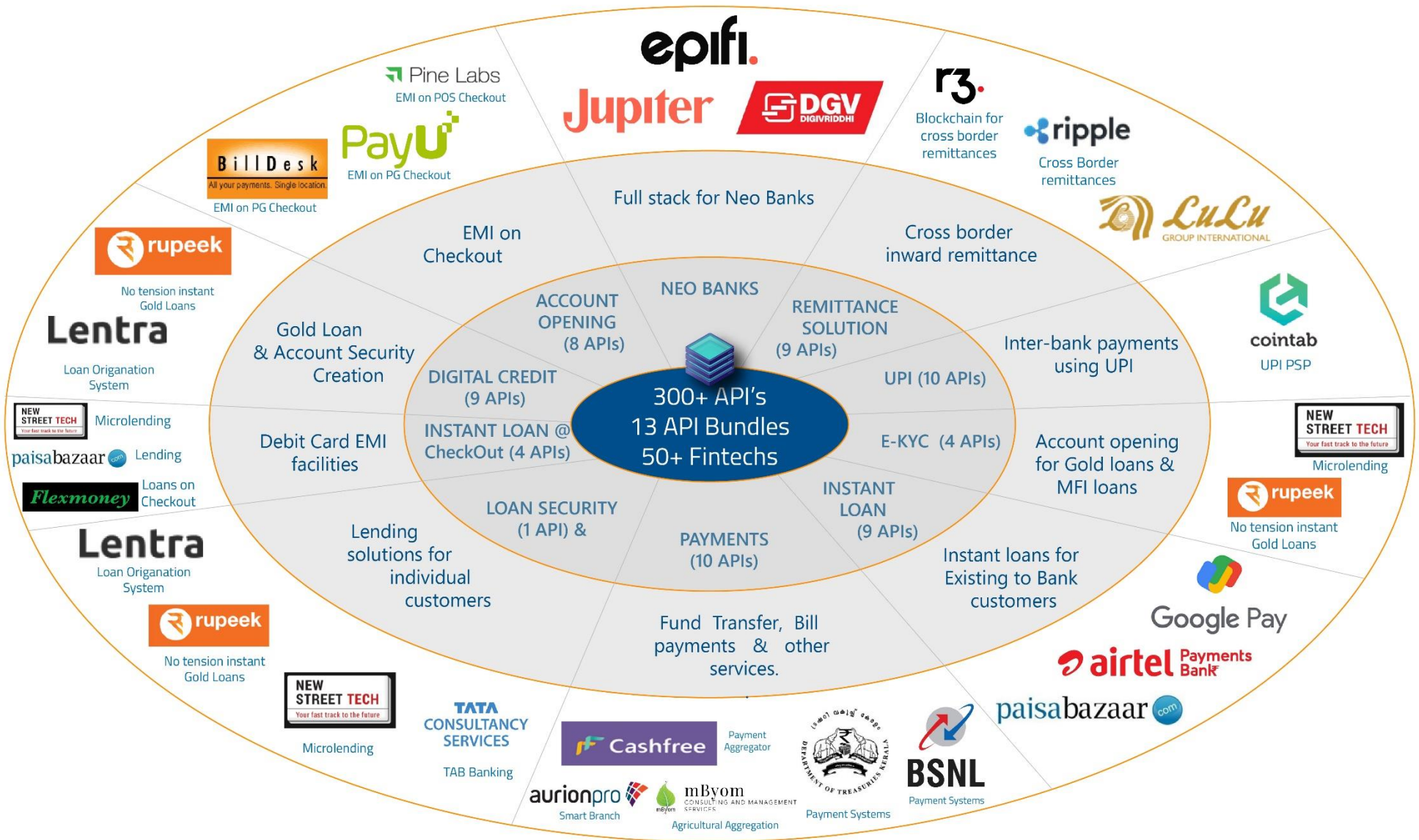


- Digital transactions have seen a **34%** YOY growth.
- Mobile Banking volume stands at **10,868 Crore**, a **37%** YOY growth.
- There is a YoY growth of **7%** in active digital users.
- Digital Share stands at **87.50%** for the month of Sept-21.
- Count of digital active users continues to increase.

Mobile Banking Volume (In Crores)



\*Data is only for the corresponding month





## Account Aggregator

### *Game Changer!!*

- We were among 5 major banks to go live on Account Aggregator Ecosystem.
- AA is a new concept wherein the data is aggregated by Financial institutions, insurance companies, etc. can be used for consumption digitally entirely based on a valid customer consent.
- With use cases from NTB acquisition to cross selling of multiple products, this is one place to vouch for in the coming days.



## Comprehensive School Management Solution

### Careerbook

- Next Gen school management platform for educational institutions.
- Makes fee payment hassle free. Schools on the platform have direct access to Bharat Billpay (BBPS) enabling parents to make payments through 150 plus UPI Apps and Mobile/Net Banking of all banks.
- Schools can subscribe to other features like Admissions, Attendance, Examination, Promotion etc.

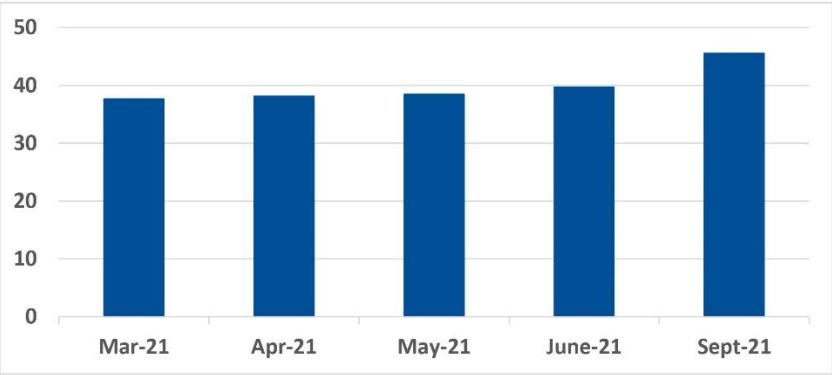




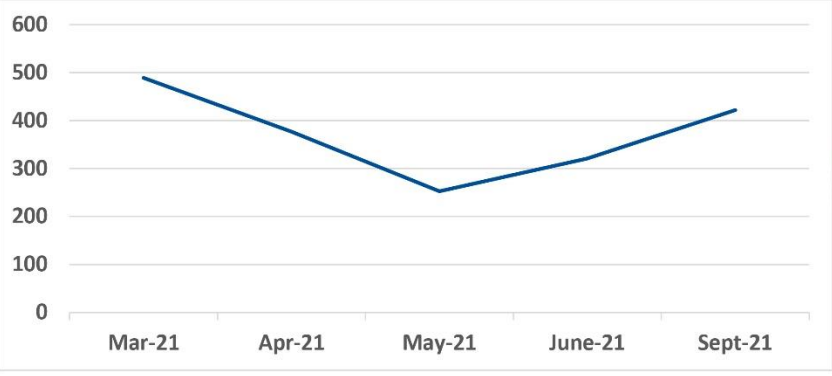
### Merchant Network

- 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 45L+ merchants on the platform & processing 14L+ transactions every day.

Number of Merchants (In Lakhs)



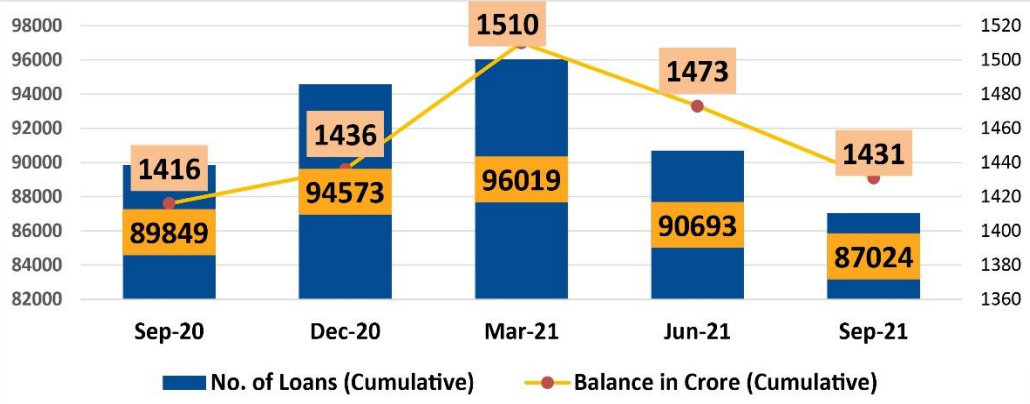
Growth in Transaction Count (In Lakhs)



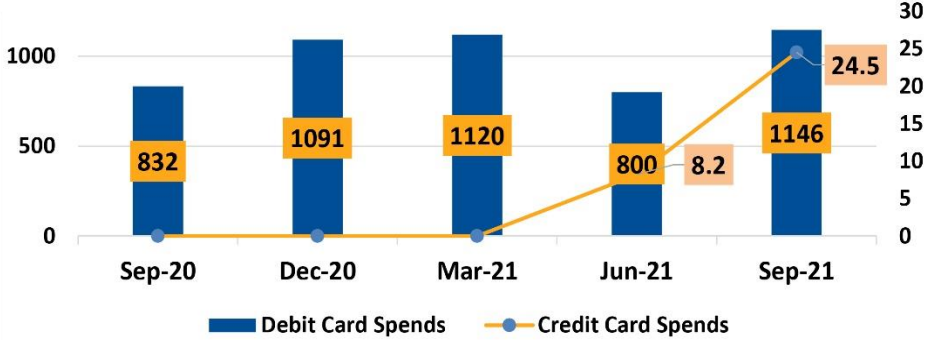
## MERCHANT ACQUISITION



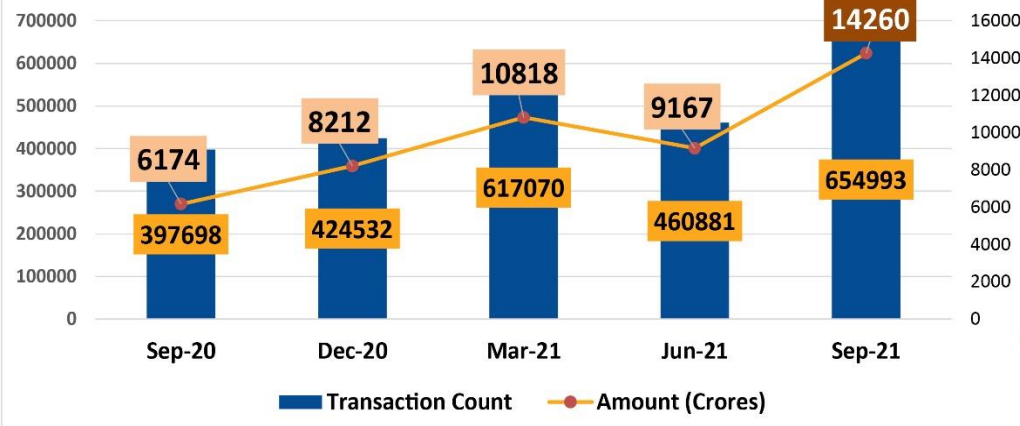
## BYOM Digital Personal Loans : Loan book progress



## 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 & Mynta) & PayU (MMT).

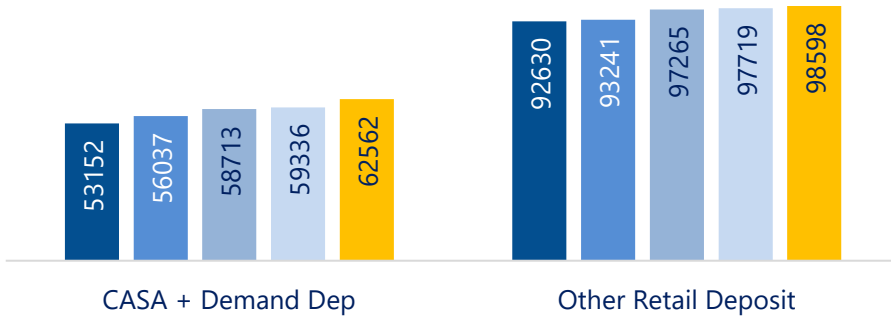


- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 130% YOY growth in the platform and transaction volume has crossed 14K cr mark

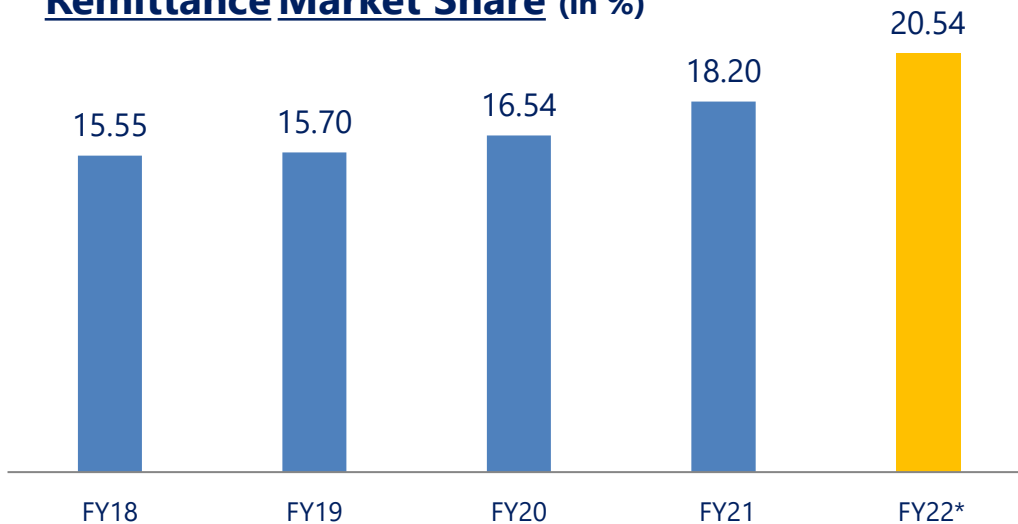
# Business Parameters

# Liability : Trends

■ Q2 FY21 ■ Q3 FY21 ■ Q4 FY21 ■ Q1 FY22 ■ Q2 FY22



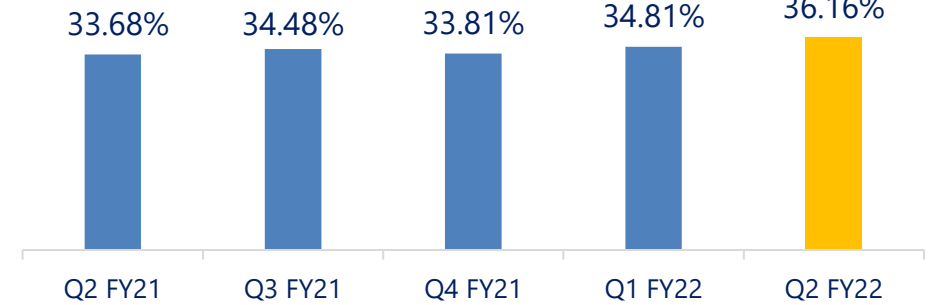
## Remittance Market Share (in %)



\*data up to Q1 FY22

₹ in Cr

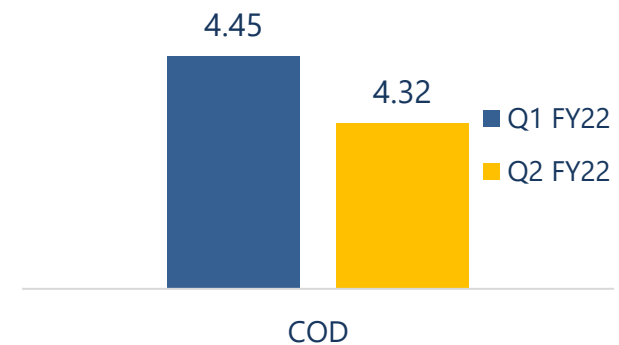
## CASA Ratio



## CA & SA

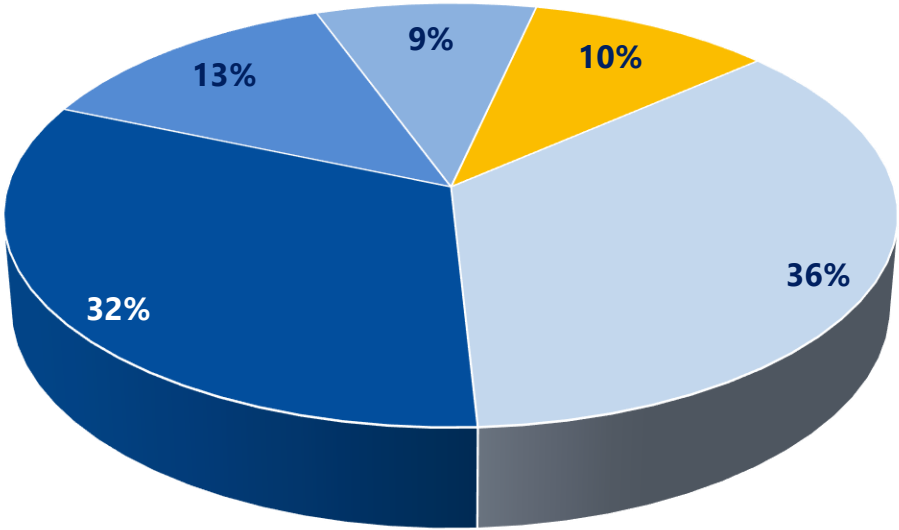


## Cost of Deposits

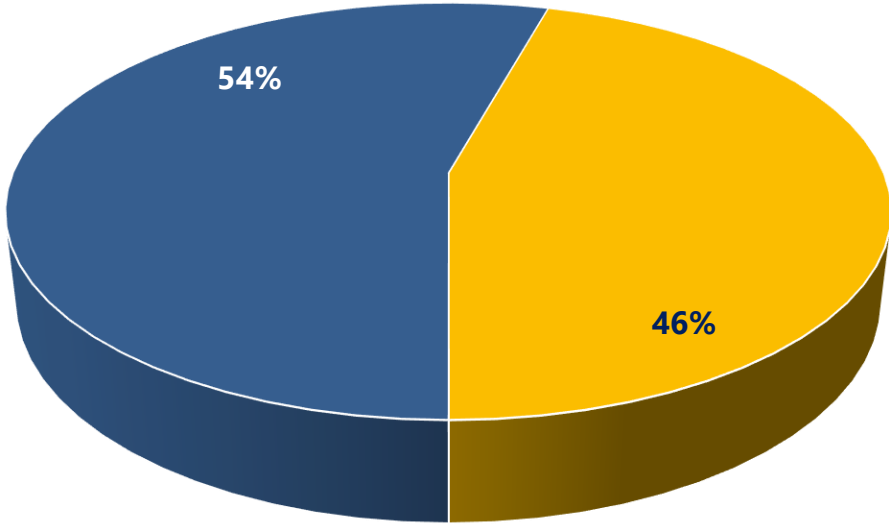


₹ in Cr

**TOTAL LOAN BOOK**

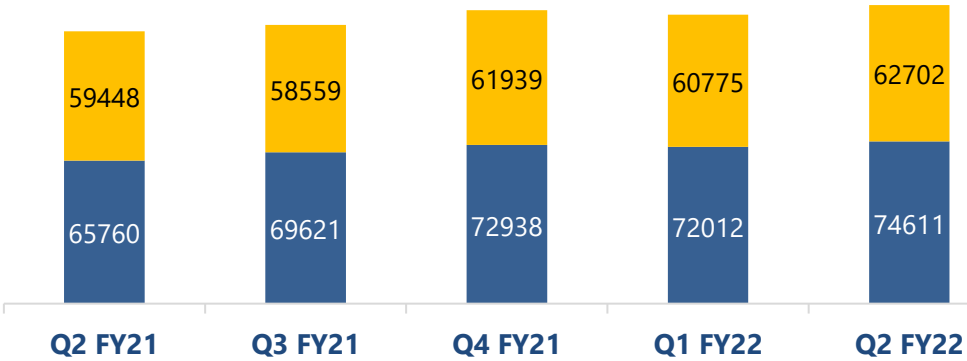


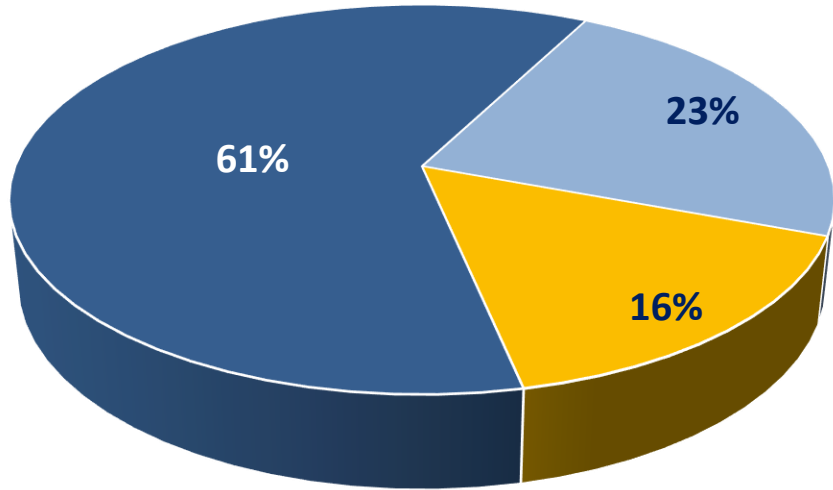
■ Retail ■ Agri ■ BuB ■ CoB ■ CIB



■ Retail ■ Wholesale

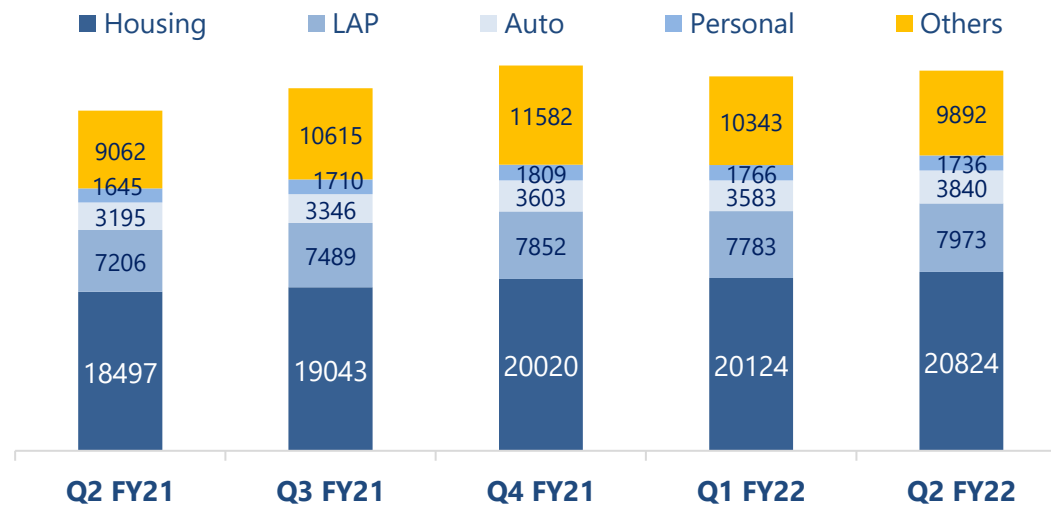
**Yield on Advances**



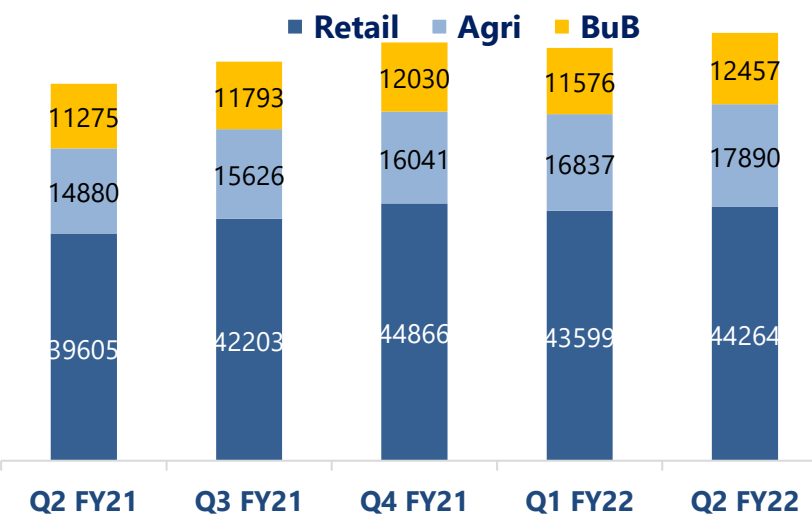


₹ in Cr

## Retail Loan Book (Excl Agri & BuB)



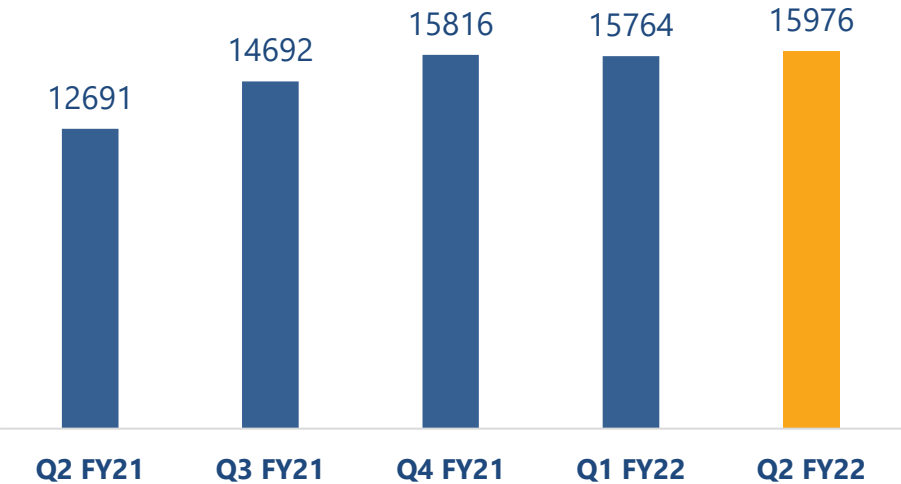
## RETAIL BANKING



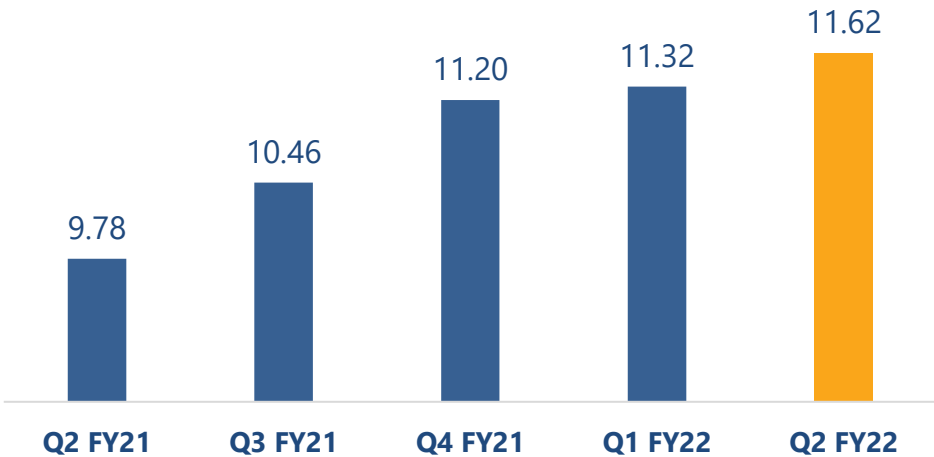
- Launched Debit-Card-EMI/BNPL option for Health insurance with Niva Bupa
- Tied-up with Cred Avenue for technology solution to manage Direct assignment/securitization portfolio
- Disbursals through Fintech enabled Gold and Micro lending platforms crossed Rs.3800 Cr.
- FedMi – BC microlending platform went live in Q2 and 3 BCs onboarded for sourcing MFI business



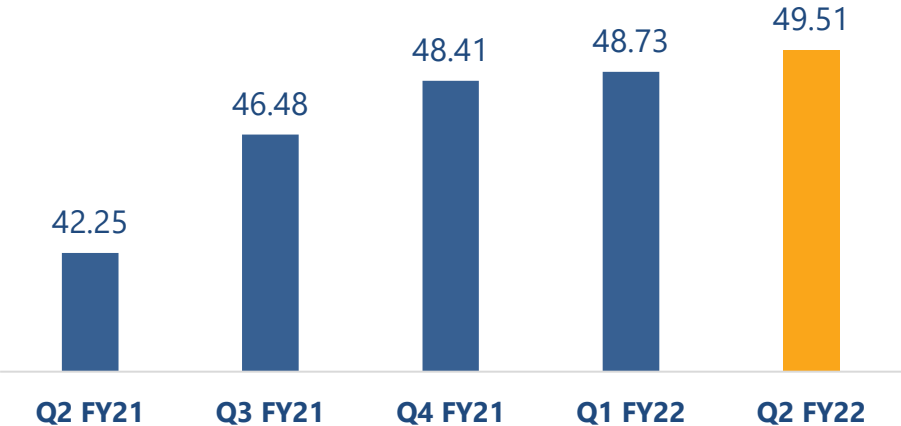
## Gold Loan Portfolio

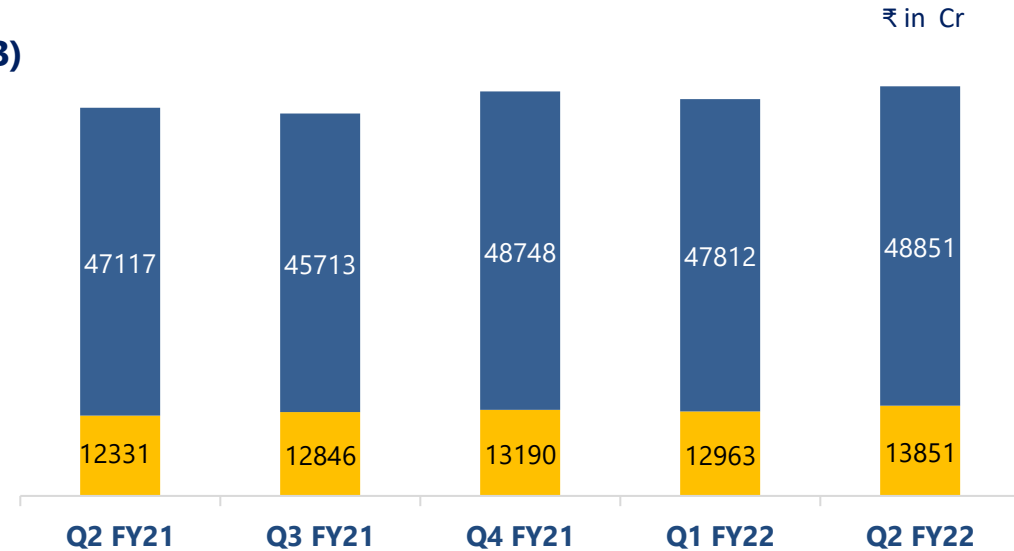
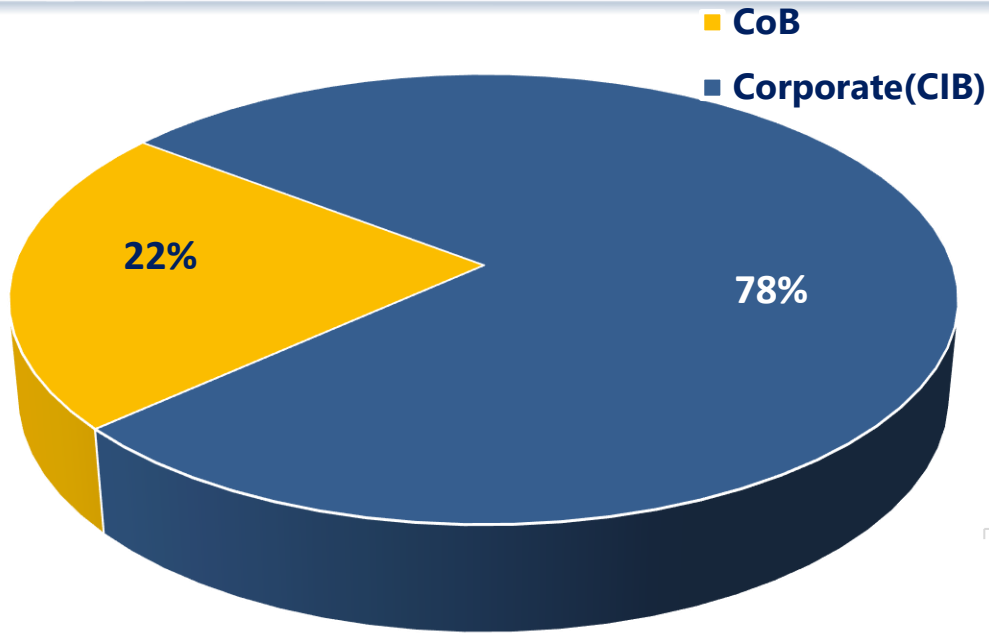


## No of outstanding Accounts (in Lakhs)



## Tonnage





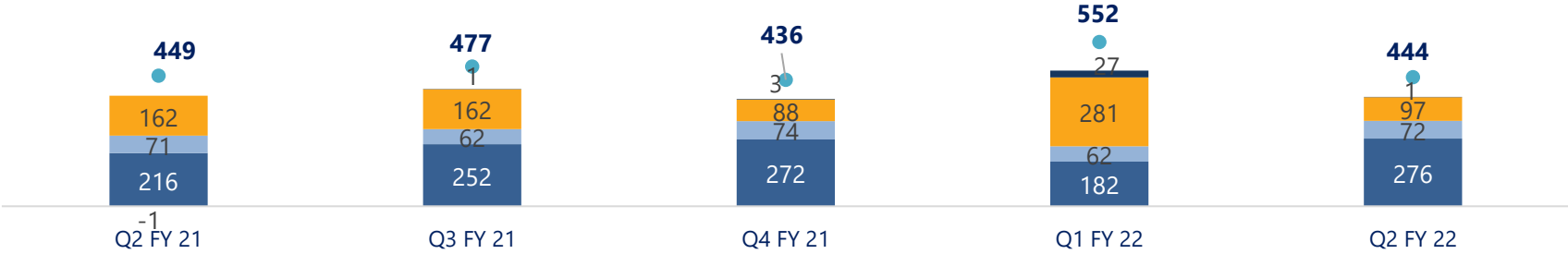
## WHOLESALE BANKING

- Onboarded 62 new clients in CIB and 79 new clients in CoB, across business groups, geographies and sectors during the quarter.
- Digital channel adoption and CASA enabling products (Trade and Transaction products) helped Avg CASA grow by 41% YoY in CIB and 21% YoY in CoB
- Average Ticket Size of Wholesale Loan Book (CIB+CoB) : 23 Cr
- Average Ticket Size of CIB & CoB Loans is 56 Cr & 7 Cr Respectively

# Fee Income : Distribution

## Fee Income Distribution : Vertical Wise\*

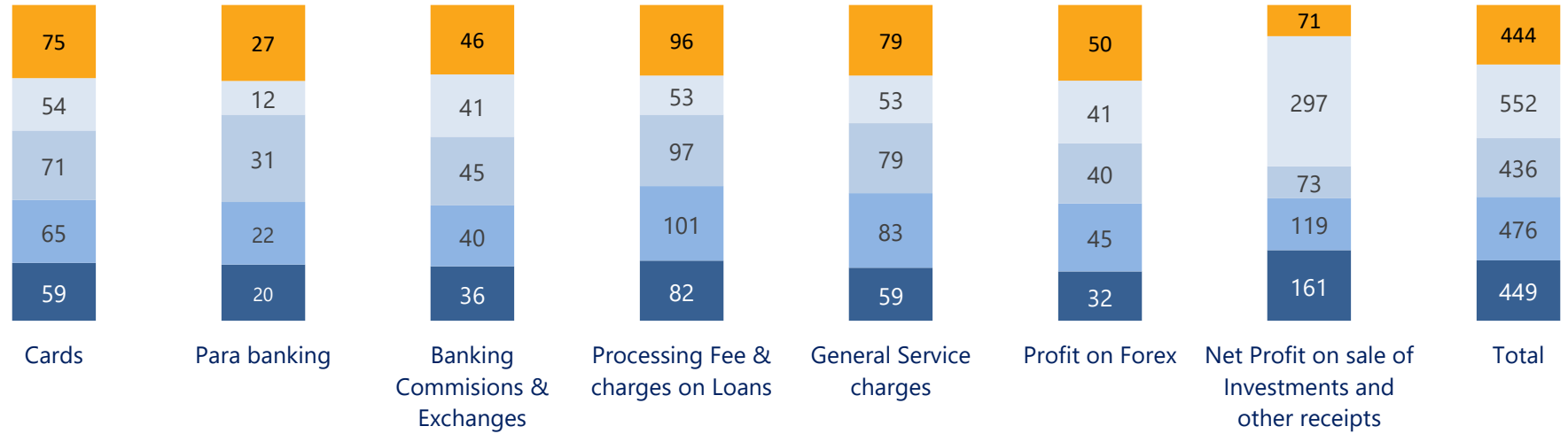
(In Cr)



■ Retail ■ Wholesale ■ Treasury ■ Others ● Total

## Fee Income Distribution : Item Wise\*

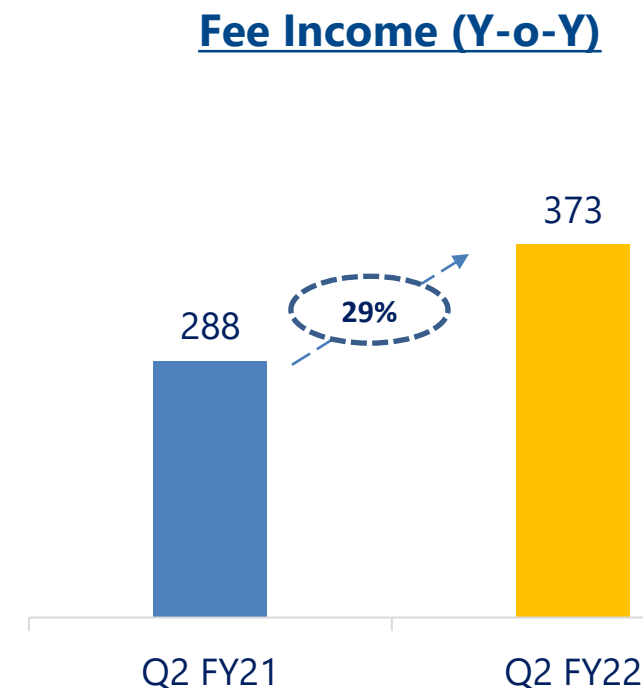
(In Cr)



\*Adjusted

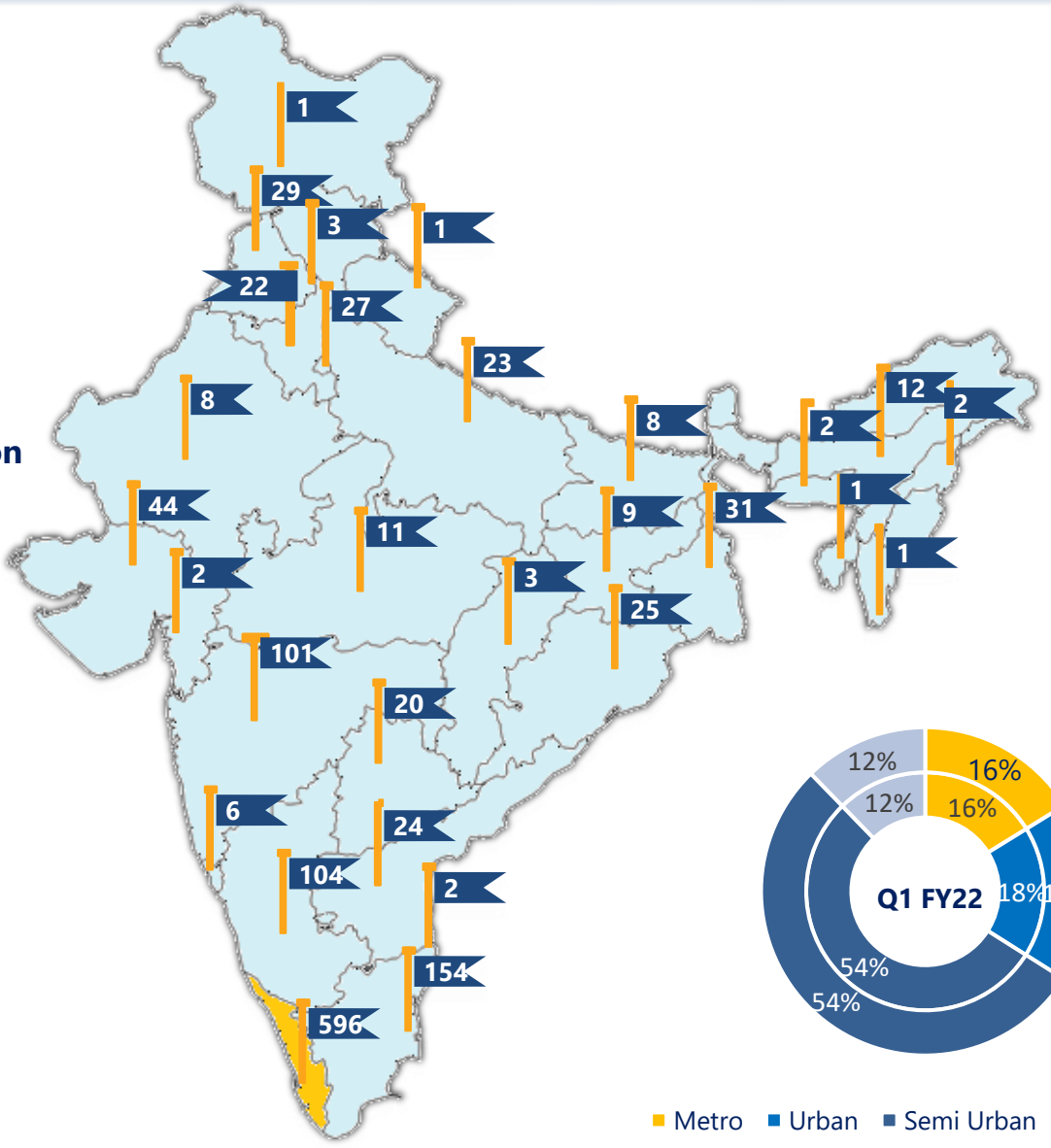
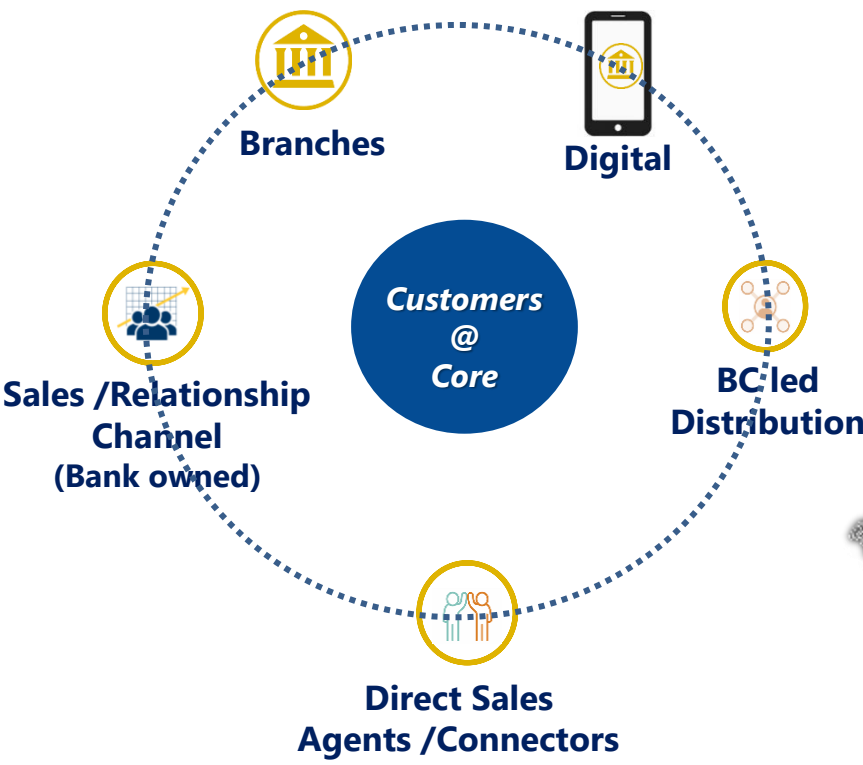
■ Q2 FY 21 ■ Q3 FY 21 ■ Q4 FY 21 ■ Q1 FY 22 ■ Q2 FY 22

	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21	Q2 FY21
Loan Processing Fee	96	53	97	101	82
Exchange, Commission, Brokerage & Other Fee Income	227	161	226	211	174
Net Profit on Forex Transactions	50	41	40	45	32
<b>Fee Income</b>	<b>373</b>	<b>255</b>	<b>363</b>	<b>357</b>	<b>288</b>
Profit on sale of securities/ Other Receipts & misc.*	71	297	73	119	162
<b>Total Other income*</b>	<b>444</b>	<b>552</b>	<b>436</b>	<b>476</b>	<b>449</b>

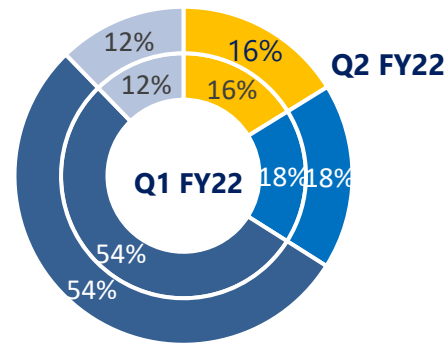


\* Adjusted.

# Distribution : Deriving Efficiency from Footprint



	Q2 FY22	Q1 FY22	Q4 FY21
Branches	1272	1272	1272
ATM/ Recyclers	1874	1953	1957



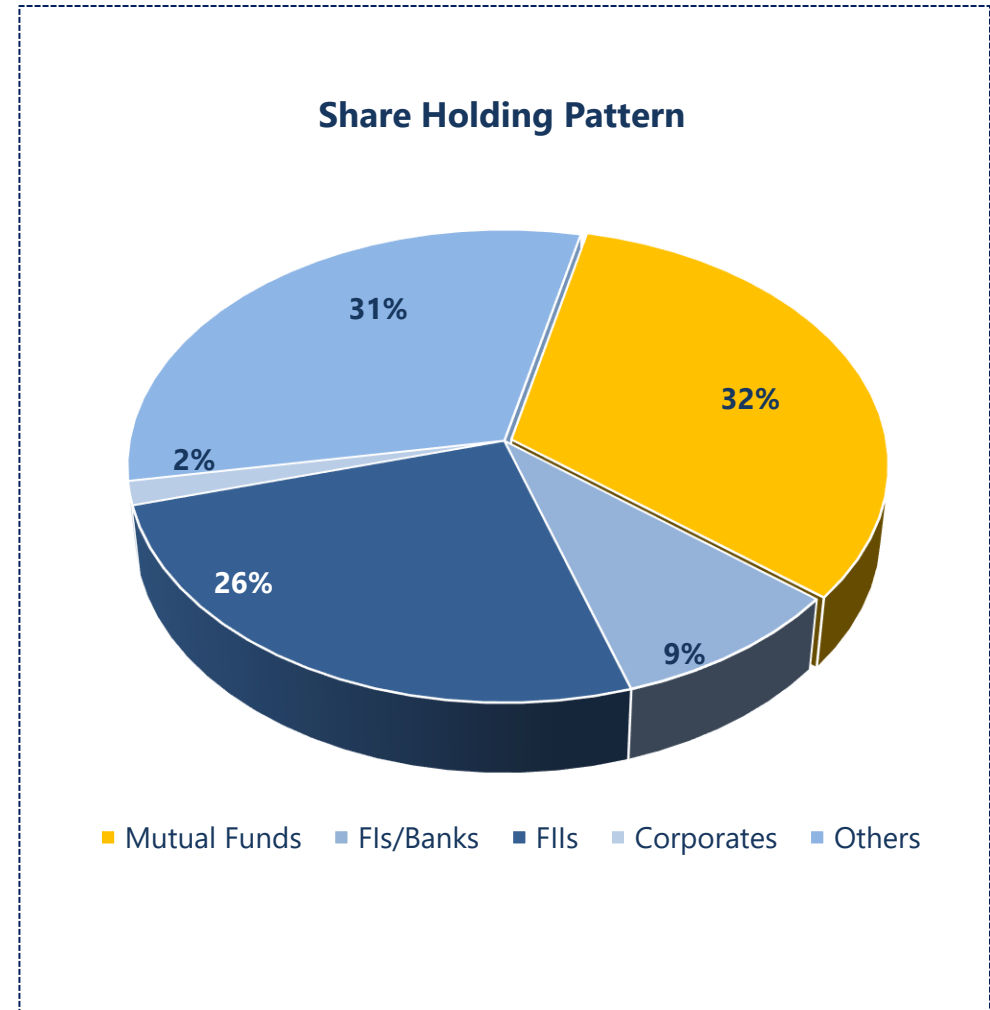
# CRAR – How strong is your Bank?

₹ in Cr

	Sep-21	Jun-21
<b>Risk Weighted Assets</b>		
Credit Risk	98648	94757
Market Risk	3605	3885
Operational Risk	11695	11695
<b>Total RWA</b>	<b>113948</b>	<b>110337</b>
<b>Tier-1 Capital Funds</b>	<b>16057</b>	<b>15305</b>
Tier-II Capital Funds	998	851
<b>Total Capital Funds</b>	<b>17055</b>	<b>16156</b>
<b>CRAR</b>	<b>14.97%</b>	<b>14.64%</b>
Tier-I	14.09%	13.87%
Tier-II	0.88%	0.77%

# Annexures

	Q2 FY22	Q1 FY22
<b>LIABILITIES</b>		
Capital	420	399
Reserves & Surplus	17307	16089
Deposits	171995	169393
Borrowings	10784	9350
Other Liabilities & Provisions	6368	4807
<b>TOTAL</b>	<b>206874</b>	<b>200038</b>
<b>ASSETS</b>		
Cash & Balance with RBI	8486	8284
Balances with Banks, Money at Call	13505	11705
Investments	36977	37391
Advances	134405	129765
Fixed Assets	548	532
Other Assets	12954	12361
<b>TOTAL</b>	<b>206874</b>	<b>200038</b>



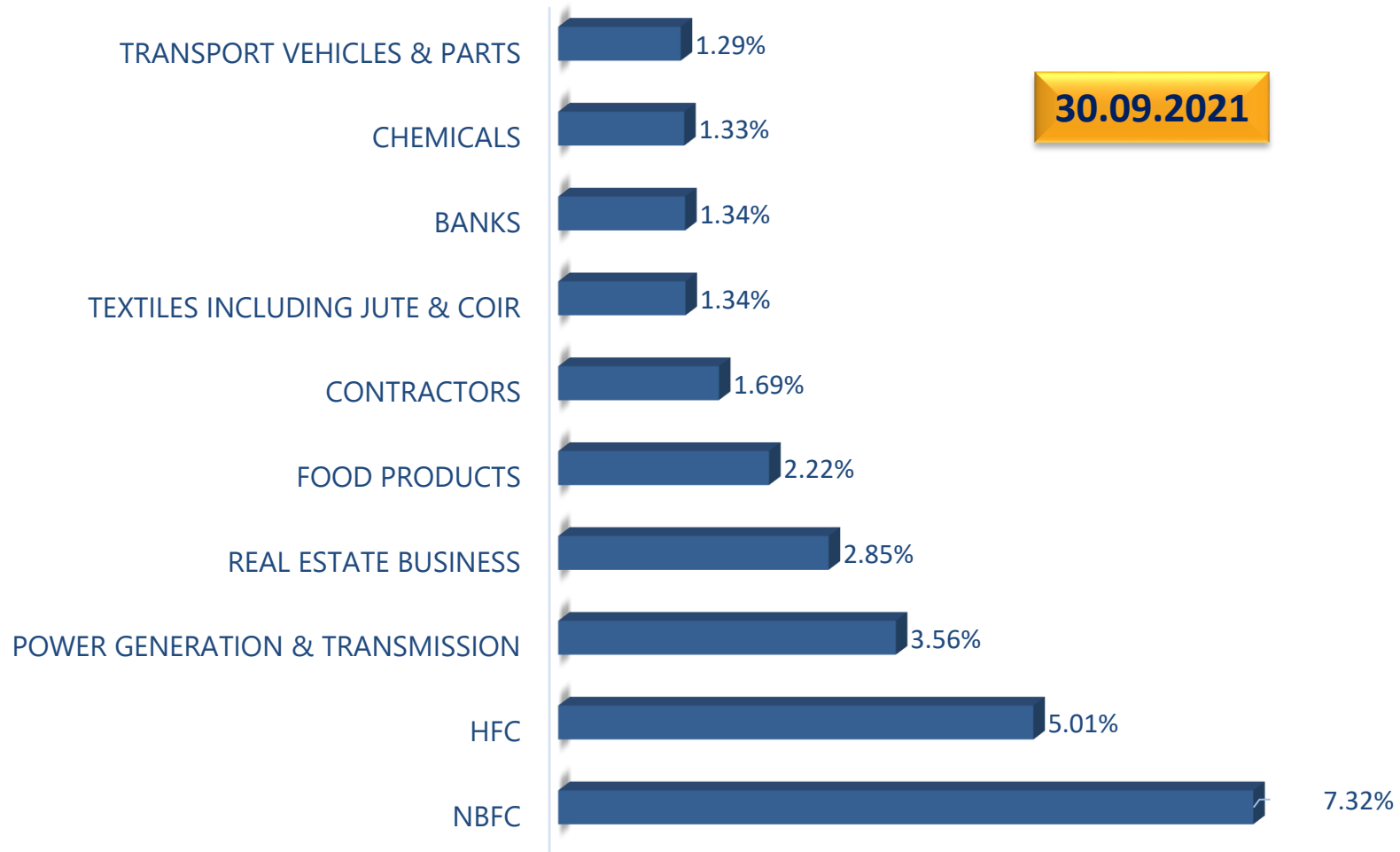


₹ in Cr

	Q2 FY22	Q1 FY22	Q-o-Q	Q2 FY21	Y-o-Y
<b>Interest Income</b>	3379	3356	0.7%	3488	-3%
<b>Interest Expenses</b>	1900	1937	-1.9%	2108	-9.9%
<b>Net Interest Income</b>	<b>1479</b>	<b>1418</b>	<b>4.3%</b>	<b>1380</b>	<b>7.2%</b>
<b>Other Income*</b>	444	552	-19.6%	449	-1.1%
<b>Operating Expense</b>	1059	933	13.5%	883	20%
<b>Total Income*</b>	3824	3908	-2.1%	3937	-2.9%
<b>Total Expense</b>	2959	2871	3%	2991	-1%
<b>Operating Profit*</b>	<b>865</b>	<b>1037</b>	<b>-16.5%</b>	<b>947</b>	<b>-8.7%</b>
<b>Total Provisions*</b>	405	670	-39.6%	639	-36.6%
<b>Net Profit</b>	<b>460</b>	<b>367</b>	<b>25.3%</b>	<b>308</b>	<b>49.6%</b>
<b>Net Interest Margin (%)</b>	<b>3.20</b>	<b>3.15</b>	5 bps	<b>3.13</b>	7 bps
<b>Cost to Income Ratio (%)*</b>	<b>55.05</b>	<b>47.38</b>	767 bps	<b>48.25</b>	680 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	74.00%
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

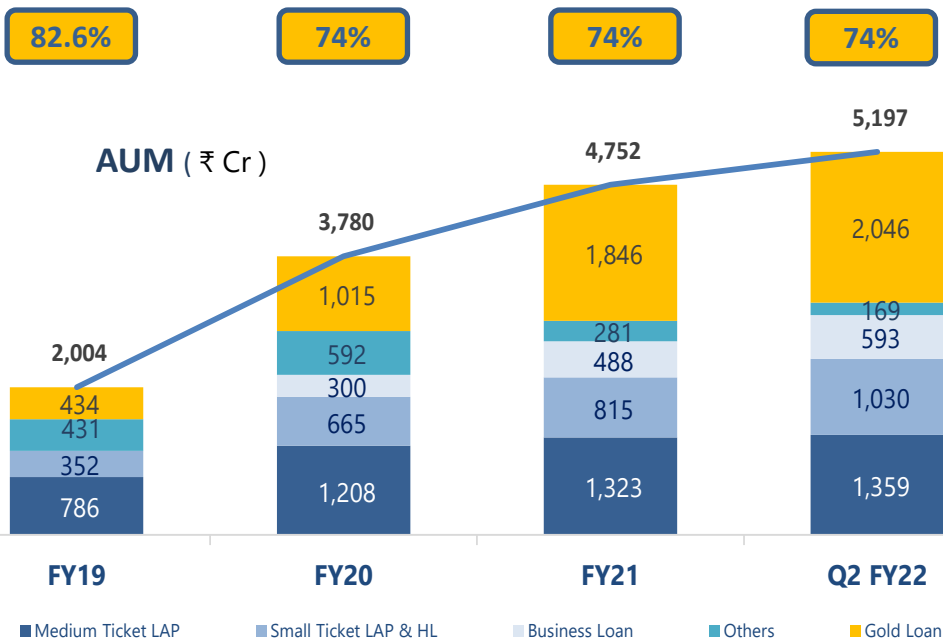
### FedBank Financial Services Ltd.

- Total AUM 5100+ 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)

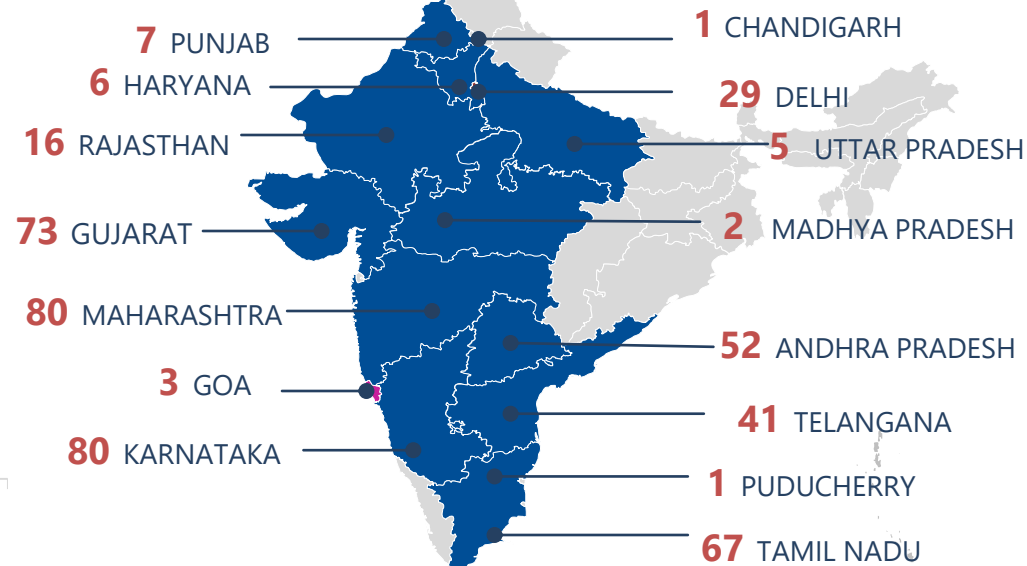
- FedServ is a wholly owned subsidiary company of Federal Bank.
- It provides operational & technology oriented services to Federal Bank
- Located at Visakhapatnam & Kochi
- Designed to deliver excellence in service, mitigation of risk and cost efficiencies

## Federal Bank Stake in Fedfina



463 Branches

15 States & UTs



## HIGHLIGHTS

- Net Interest Income increased by 15% to ₹ 114 Cr over Q1FY22.
- GNPA's declined by 92 bps QoQ to 2.30%.
- 94 gold loan and small ticket LAP branches launched in Q2FY22.
- Certified "Great Place To Work" third time in a row ( Oct'21 – Oct'22).

15

STATES & UTs

463

BRANCHES

2,658

EMPLOYEES

₹. 5,197 Cr

LOAN BOOK

AA- (Stable)

CREDIT RATING  
(IND-RA)

25.2%

CAPITAL ADEQUACY

As of September 30, 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**