

Investor Information

Q2 FY 2024

FEDERAL BANK

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Further, certain numbers in these presentations and materials have been subject to routine rounding off and accordingly figures shown as total in tables and diagrams may not be an arithmetic aggregation of the figures that precede them.

Our principal business activities are divided into the following business units: retail banking, wholesale banking, treasury operations and other banking operations. The presentation of our business units as set forth in this presentation corresponds to our own internal organization of our operations, with each business unit comprising a distinct group of assets and operations engaged in providing products and services that are subject to their own distinct set of risks and returns. This presentation of our business units differs from that of our segments reported in our financial statements as prepared in accordance with the segment reporting guidelines issued by the RBI.

This presentation contains certain annualized figures. These annualized figures have been arrived at by multiplying the three month figures with four. The annualized figures are not indicative of our future financial performance.



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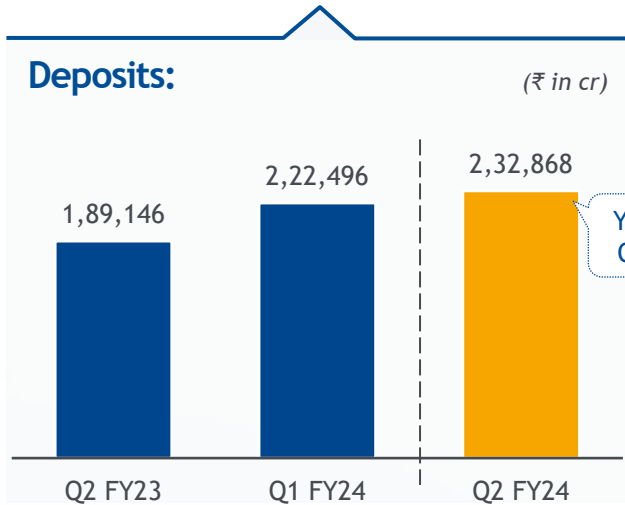
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Consistently delivering robust growth and sustained profitability...



DEPOSITS

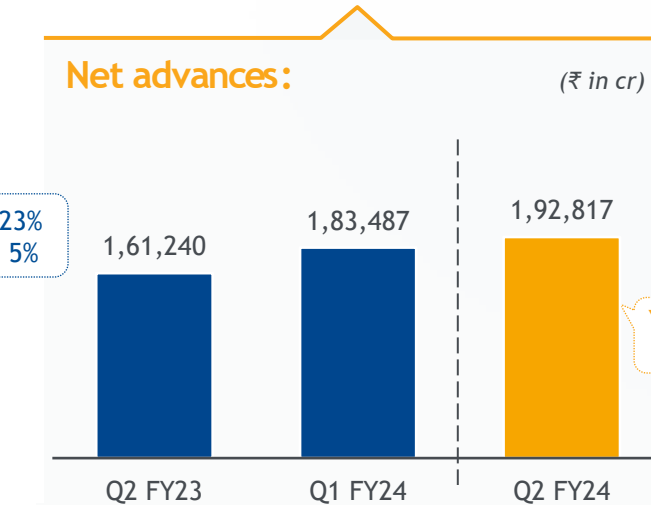


- ✓ Resident SB (Incl Bespoke) grew by 6.50% YoY
- ✓ Core deposits at 97.87% of Total Deposits
- ✓ NRE Term Deposits up by 10.14% YoY

Sustained business momentum



ADVANCES

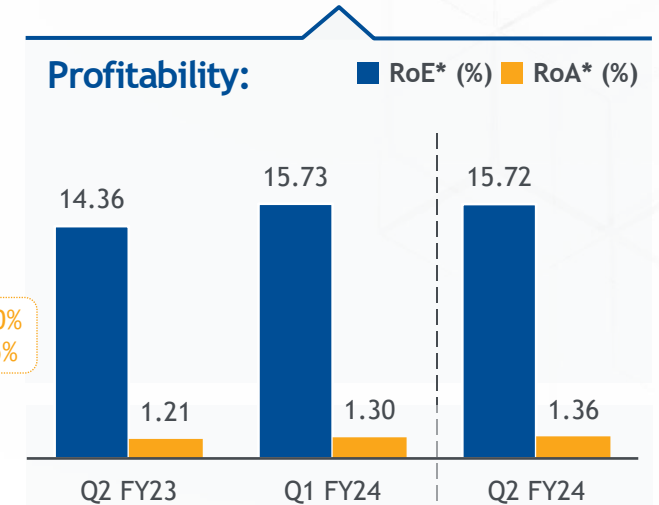


- ✓ Retail Book up by 22% YoY
- ✓ Business Banking book up by 18% YoY
- ✓ CIB¹ grew by 15% YoY
- ✓ CoB² grew by 24% YoY
- ✓ CV/CE³ up by 67% YoY
- ✓ Consolidated Group Advances crossed ₹2L Cr

Broad-based robust credit growth



PROFITABILITY



% change	QoQ (%)	YoY (%)
Total Income	7.45	33.59
NII	7.18	16.72

- ✓ RoRWA at 2.50% for current quarter
- ✓ Profit per employee at ₹27.11 lakh

Consistently delivering improvement

*Annualized
¹Corporate and Institutional Banking
²Commercial Banking
³Commercial Vehicle/ Construction Equipment finance



Highest Ever Quarterly Net Profit of 954cr
Highest ever NII of ₹ 2056Cr
 Sequential NII growth of 7% against credit growth of 5%



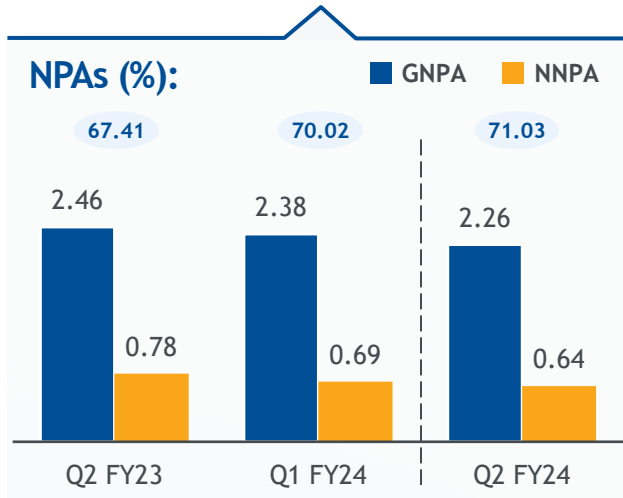
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... while maintaining asset quality and expanding distribution capabilities



ASSET QUALITY



- ✓ NNPA improved by 14bps YoY
- ✓ PCR up by 362bps YoY, 101bps QoQ
- ✓ Collection Efficiency maintained: Recoveries & Upgradations of ₹348 cr
- ✓ Lowest GNPA in 34 Quarters

Asset quality - stable and improving

xx% Provision Coverage ratio

*Including Cash Recyclers and Mobile ATMs
¹Relationship Managers
²Direct Selling Agents
³Business Correspondents
⁴Bus as a Platform



REACH

Branches / ATMs: (Sep-23)

1,389 / 1,937*

23 Branches opened in Q2 FY24

Alternate channels:

Fintechs RMs¹ / DSAs² / BCs³ BaaP⁴

Customers / Employees: (Sep-23)

1.72 Crore / 14,270

Multi-pronged approach to distribution



Strong growth in branch network, added 35 new Branches in H1 FY24.



KEY INITIATIVES

- Introduction of WhatsApp Lending Platform for Pre-Approved Personal Loans & registration for PM Social Security Schemes
- End-to-End Digital Personal Loan platform introduced as a DIY journey to target NTB customers.
- Co-lending tie up live under Micro Finance
- Federal Bank Credit card as a biller in BBPS Platform
- Mutual Funds through Debit card in association with Visa

Strong innovation culture

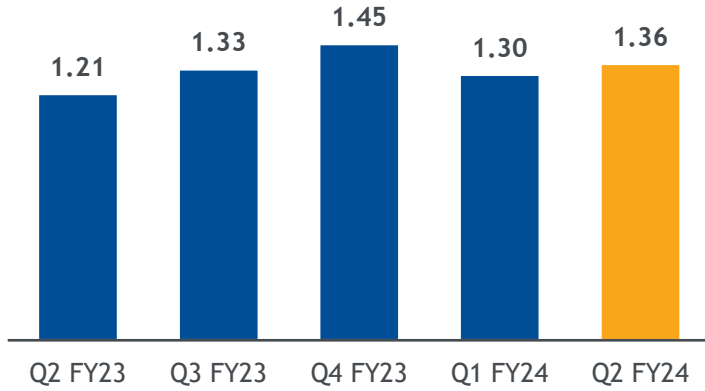


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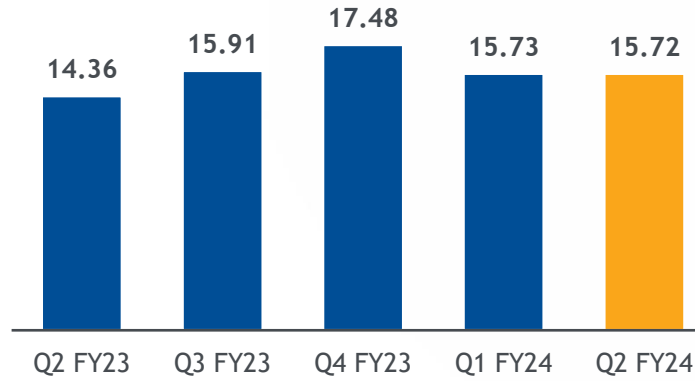
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Key ratios

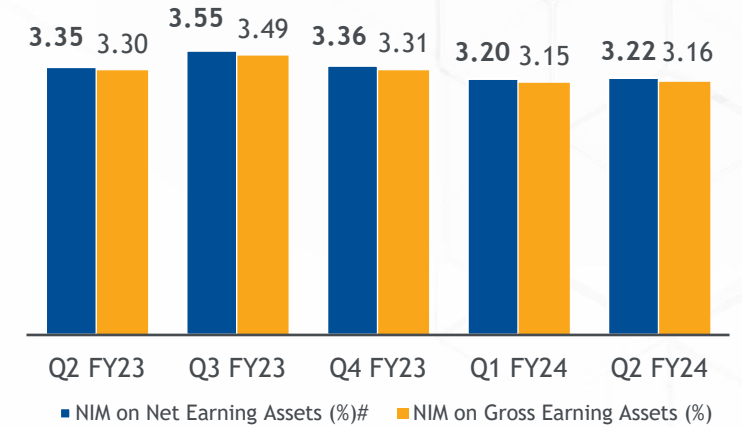
RoA (%)*



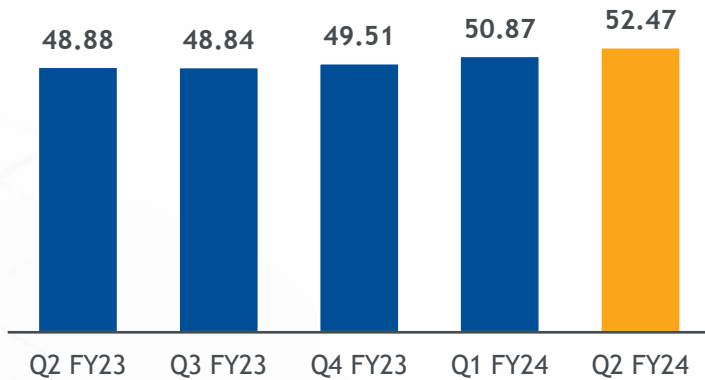
RoE (%)*



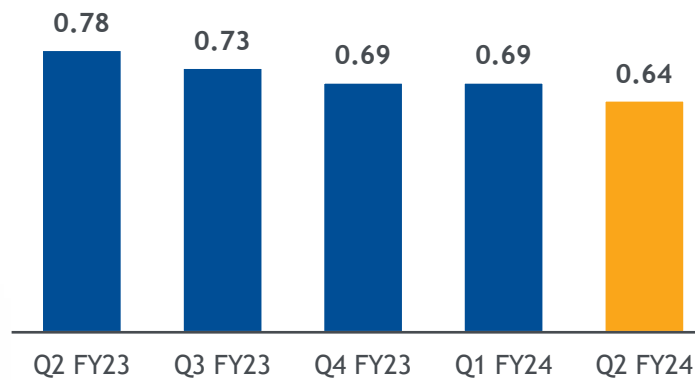
Net interest margin (%)*



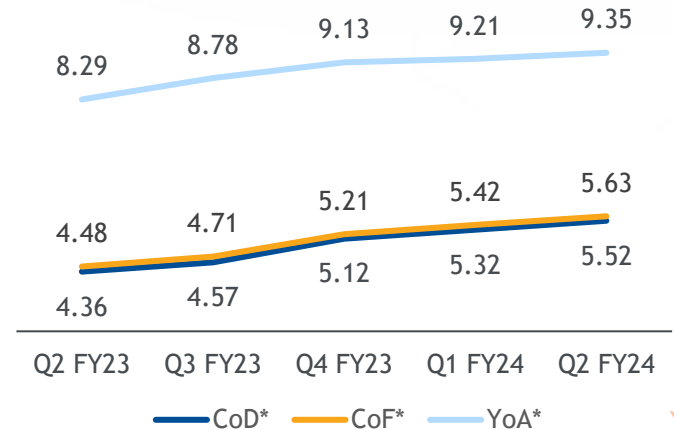
Cost to income ratio (%)



NNPA (%)



Cost of Deposits, Cost of Funds, Yield on Advances (%)



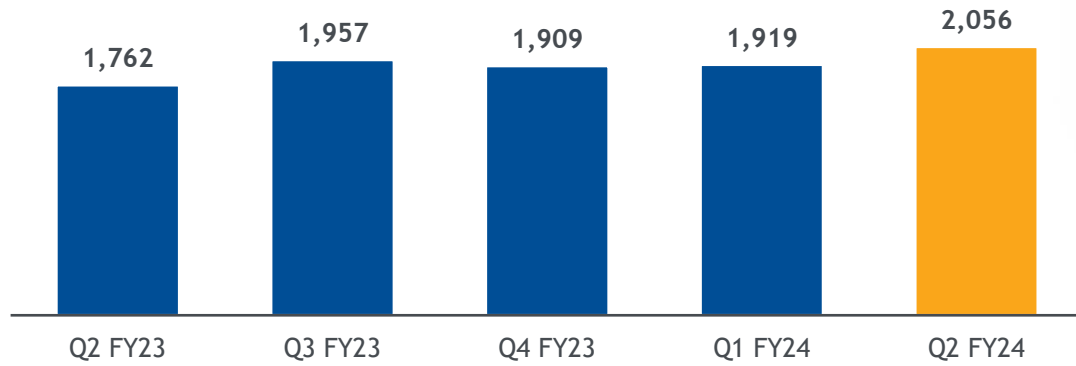
*Annualized
#Net Earning Assets is defined as Gross Earning Assets less Provisions



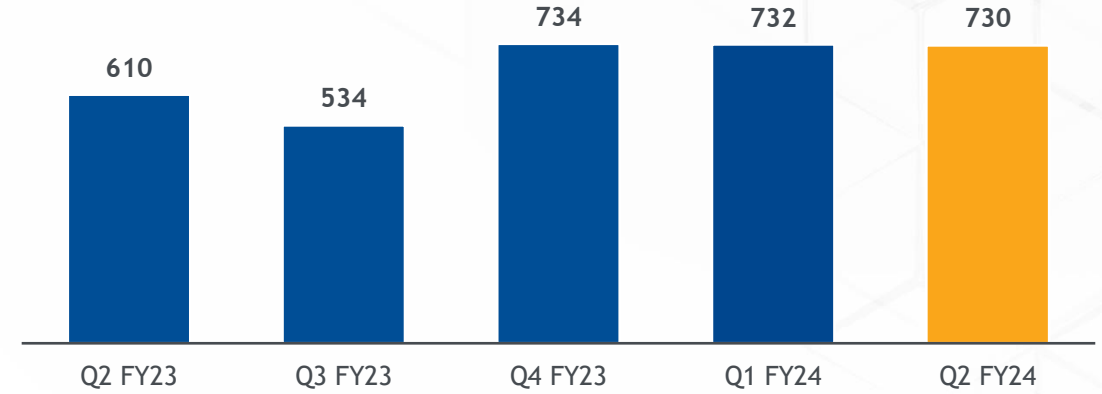
Key P&L parameters

₹ in cr

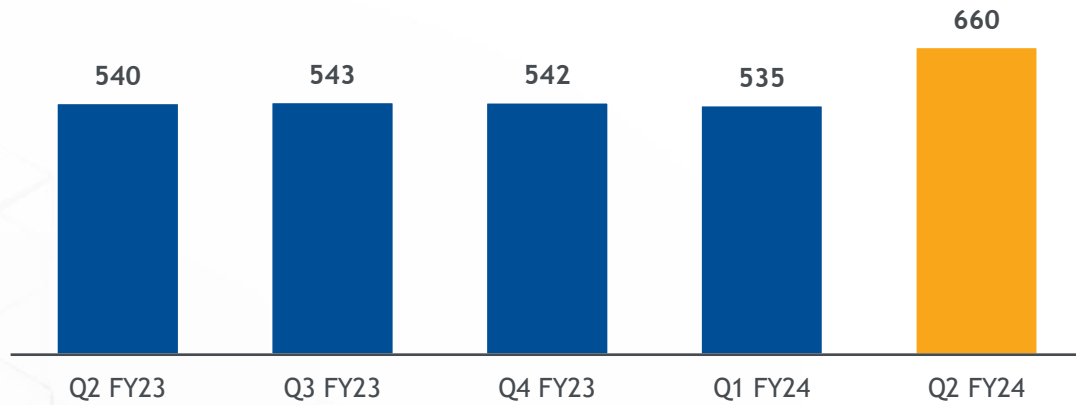
Net interest income



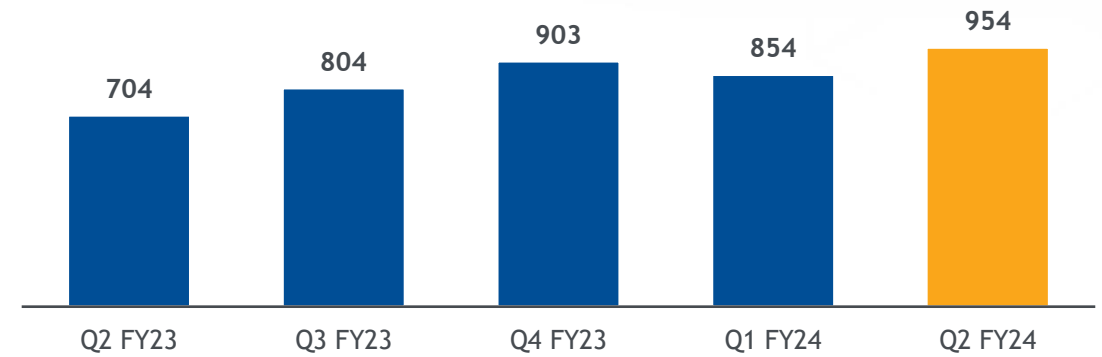
Other income



Fee income



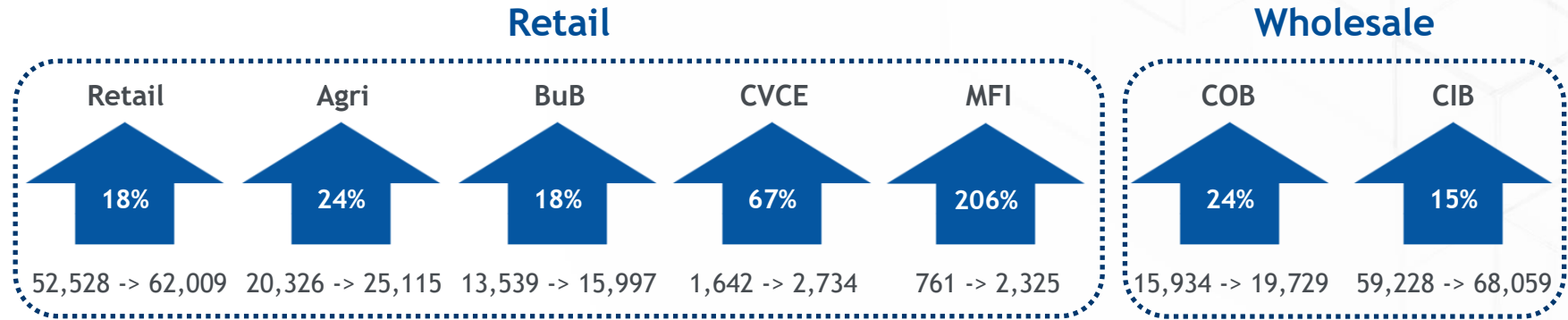
Net profit



Comparison: Y-o-Y

₹ in cr

Advances



Deposits



Performance



Ratios



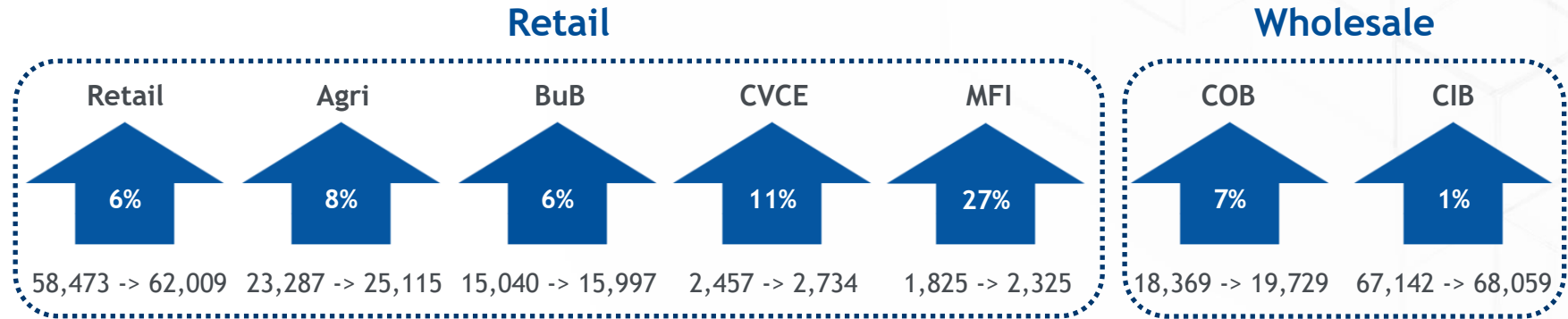
*Excluding TWO
Credit segments are realigned at the beginning of every FY.



Comparison: Q-o-Q

₹ in cr

Advances



Deposits



Performance



Ratios

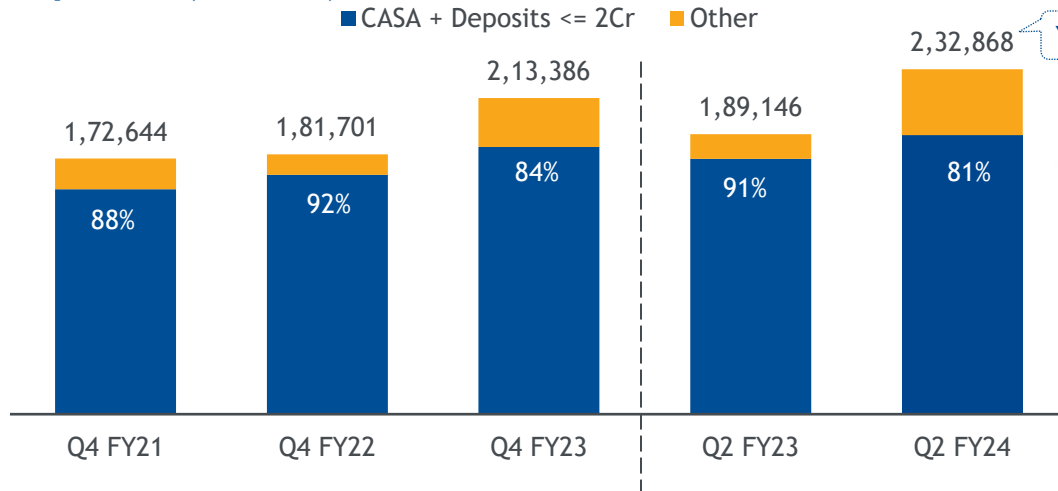


*Excluding TWO
Credit segments are realigned at the beginning of every FY.

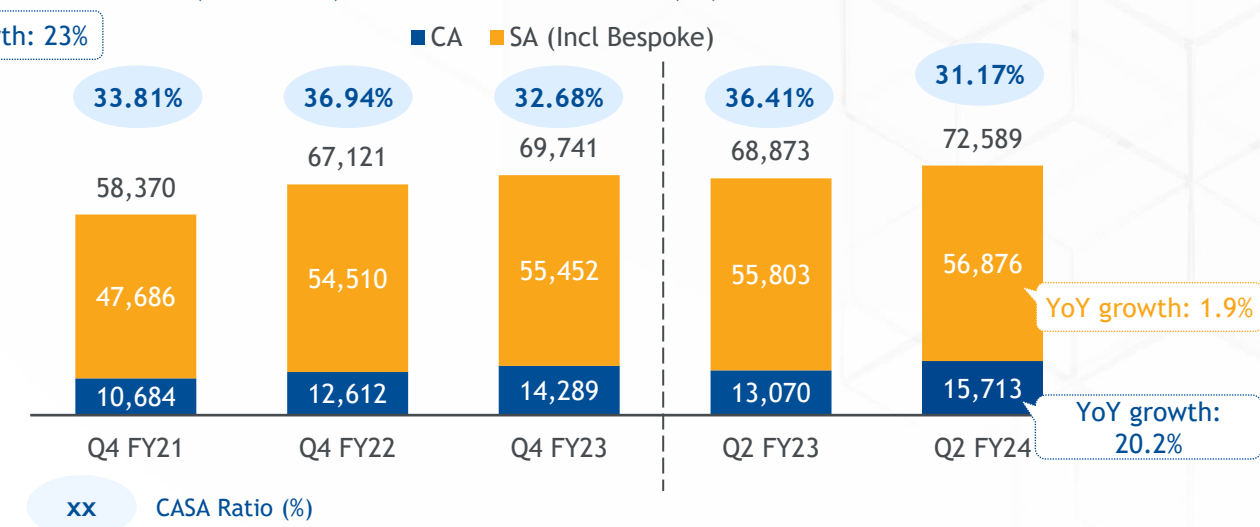


Liability trends

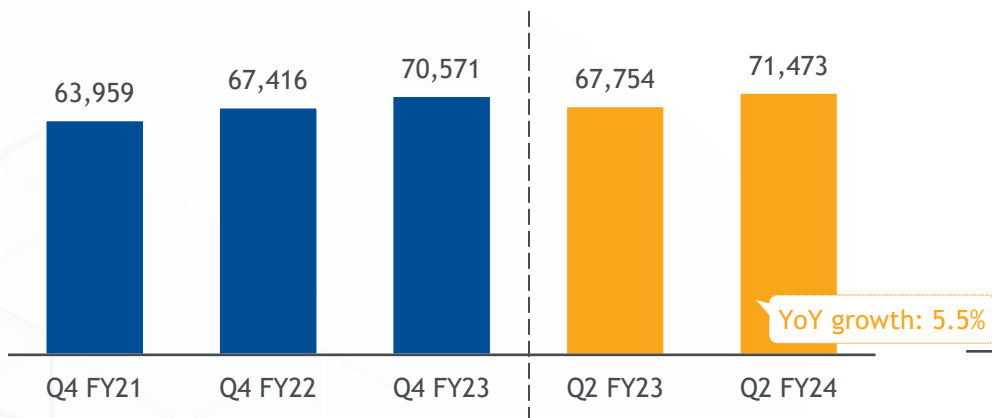
Deposits (₹ in cr)



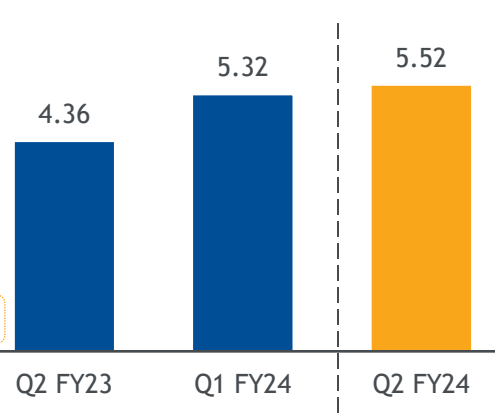
CA & SA (₹ in cr) and CASA ratio (%)



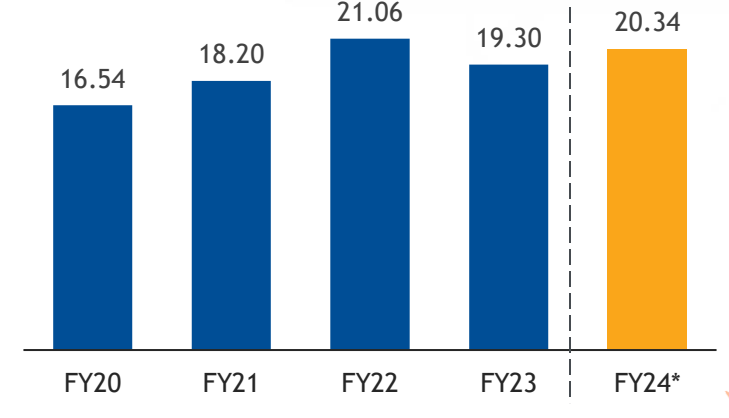
NRE deposits (₹ in cr)



Cost of deposits (%)¹



Remittance Market share (%)²



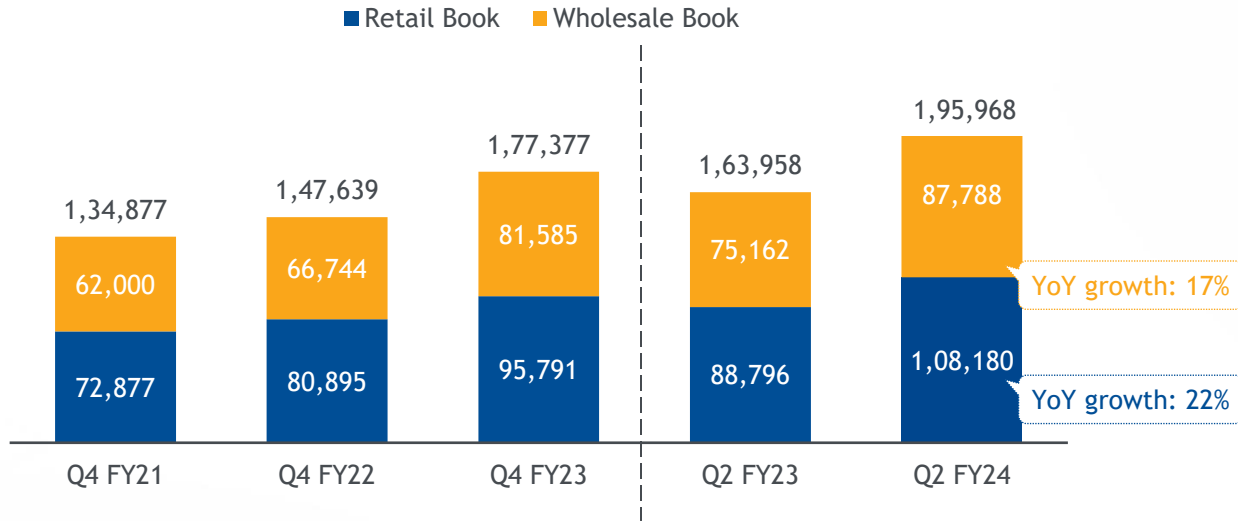
* Upto Q2 FY24

¹ Annualised

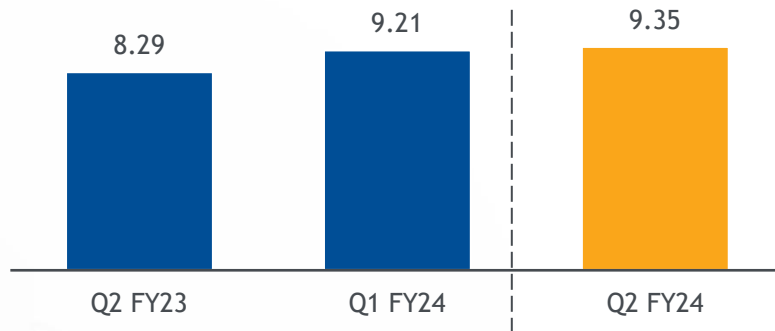
² Market share calculated based on (i) Federal Bank's remittances data, and (ii) Preliminary data from RBI report on balance of payment (Statement II: Standard Presentation of India's Balance of Payments)

Credit portfolio distribution

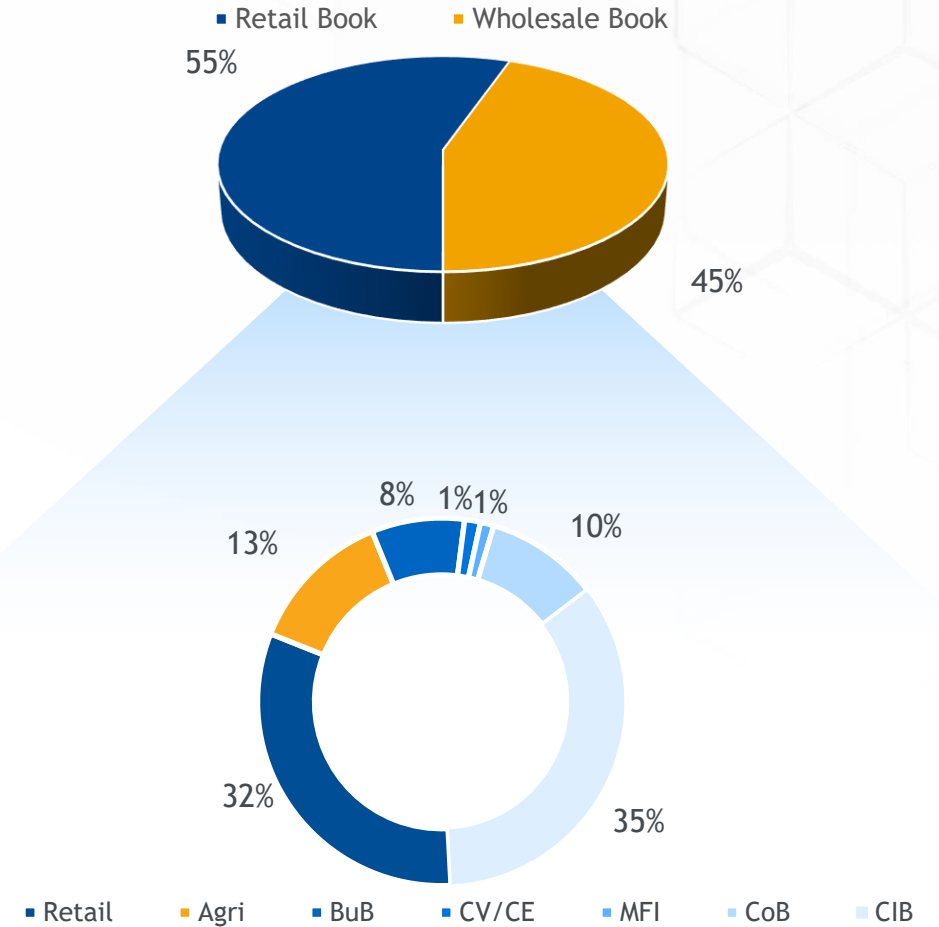
Gross Advances (₹ in cr)



Yield on advances (%)



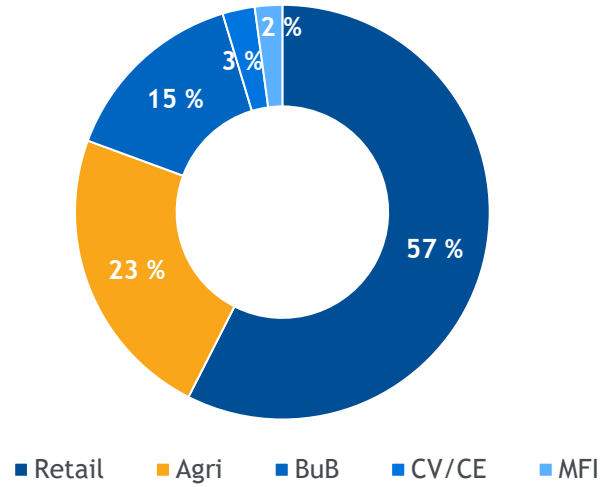
Gross Advances mix (Sep-23)



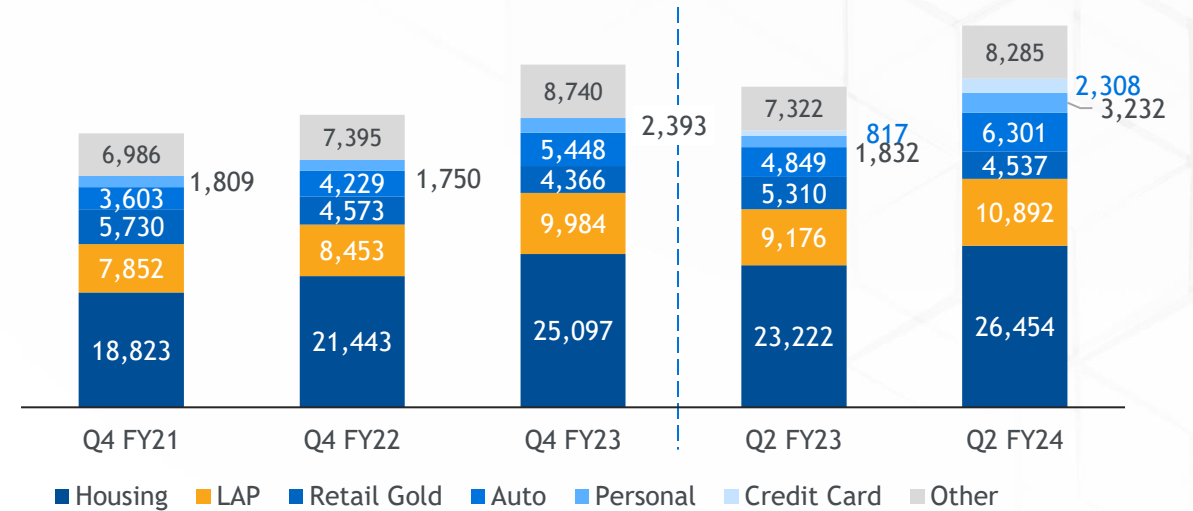
Credit segments are realigned at the beginning of every FY.

Retail Banking

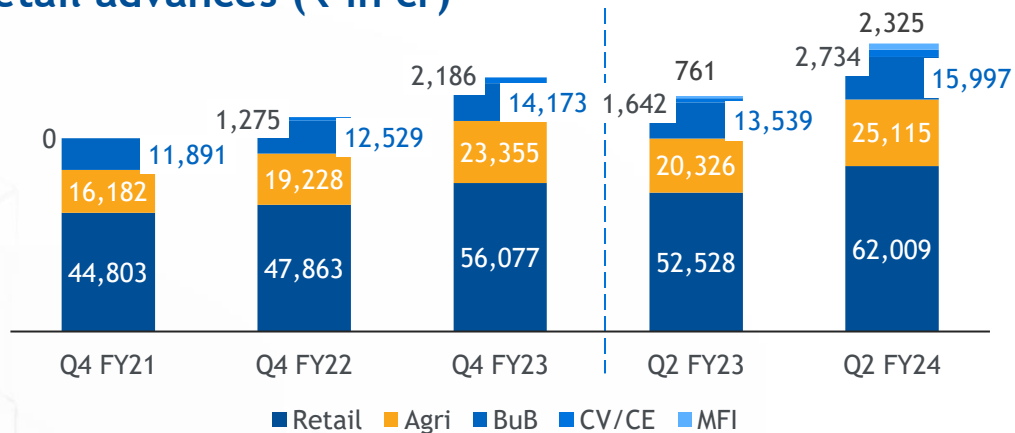
Retail advances mix (Sep-23)



Retail advances mix (Excl Agri, BuB, CV/CE & MFI) (₹ in cr)



Retail advances (₹ in cr)



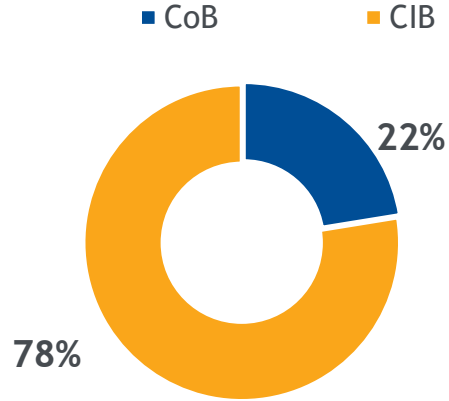
- CV/CE book grew at 67% YoY and 11% QoQ
- Retail loans grew at 18% YoY and 6% QoQ
- BuB loans grew at 18% YoY and 6% QoQ
- MFI portfolio crosses ₹ 2300 Crore

*Other includes Staff loans, Retail Assignments, Education loans, AAD/AAS etc
Credit segments are realigned at the beginning of every FY

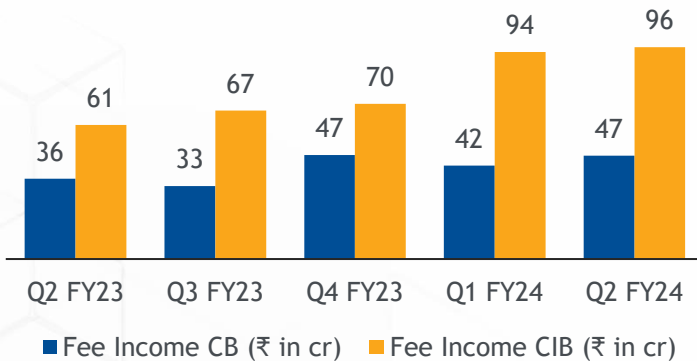


Wholesale Banking

Wholesale advances mix (Sep-23)

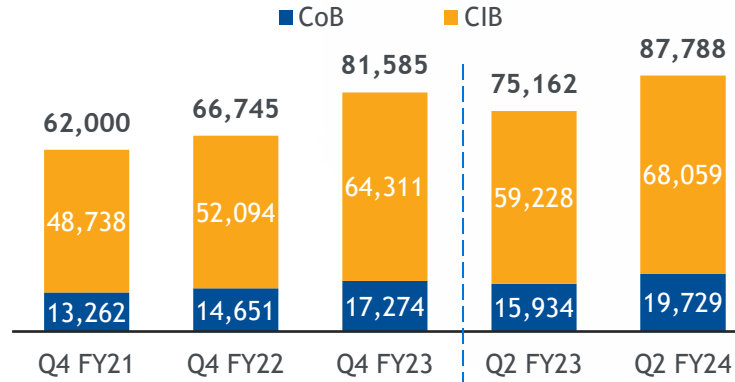


From Lender to Preferred Financial Products partner

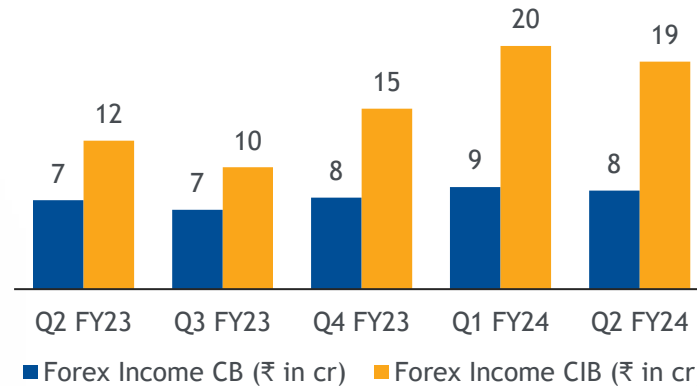


CIB grew by 15% YoY

Wholesale advances (₹ in cr)



From Lender to Preferred Forex partner



CoB grew by 24% YoY

Success Snippets

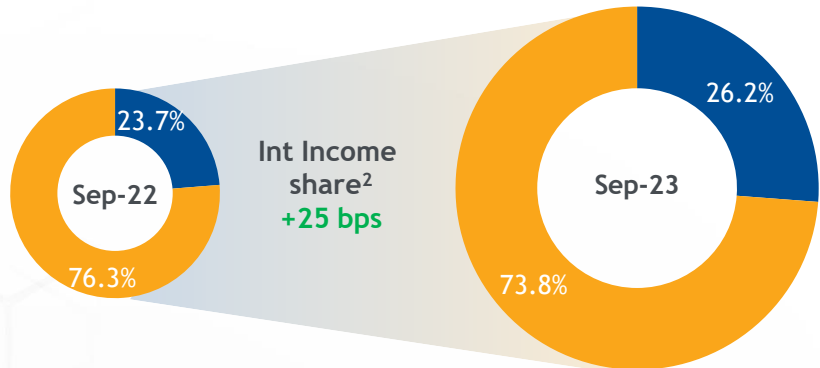
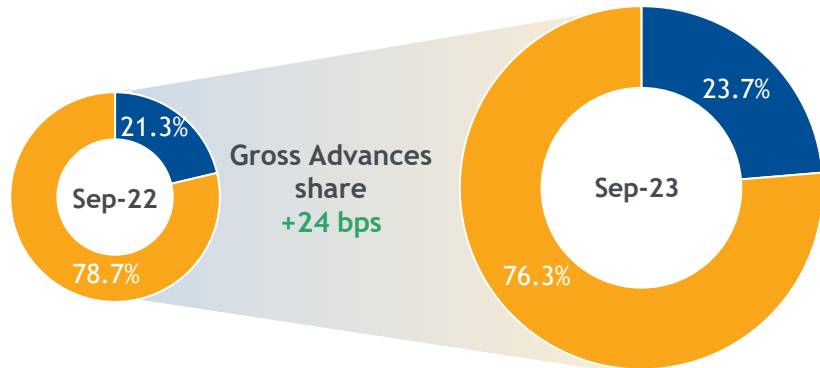
- We initiated a lending relationship amounting to approximately 50 Crores under a Multiple Banking arrangement with a client based in North India, initially holding a BBB+ credit rating. The client exhibited a robust financial foundation and promising business prospects. Presently, the client holds an AA- credit rating, and the relationship's value has surpassed 600 Crores. We serve as the primary conduit for a significant portion of their cashflow, including salary transactions, as well as the predominant channel for both expense and trade throughput.
- An export-oriented client hailing from Eastern India initially established a lending relationship of 100 Crores. Subsequently, we have significantly expanded our credit exposure to this client, overseeing the majority of their trade and foreign exchange transactions. Furthermore, we have become the custodian for the complete payroll of their employees and maintain the personal accounts of the promoters. Additionally, we fulfill the client's bancassurance needs as well.

Supply Chain Finance book up by 45% QoQ.



High margin lending products

High Yielding Segment¹



Credit Cards³ 	182% YoY growth	2,308 Gross advances (INRcr)	
Personal Loans³ 	76% YoY growth	3,232 Gross advances (INRcr)	<p>Digital loan platform</p>
MSME (BuB + CoB) 	16% YoY growth	35,616 Gross advances (INRcr)	44% BuB NTB acquisition through newly formed Sales structure
CV/CE 	67% YoY growth	2,734 Gross advances (INRcr)	15k+ Accounts Outstanding
Micro Finance 	206% YoY growth	2,325 Gross advances (INRcr)	572K+ Accounts

YoY growth for gross advances as of Sep-23

¹ High margin lending products: Credit cards, Personal loans, MSME, CV/CE and Micro Finance

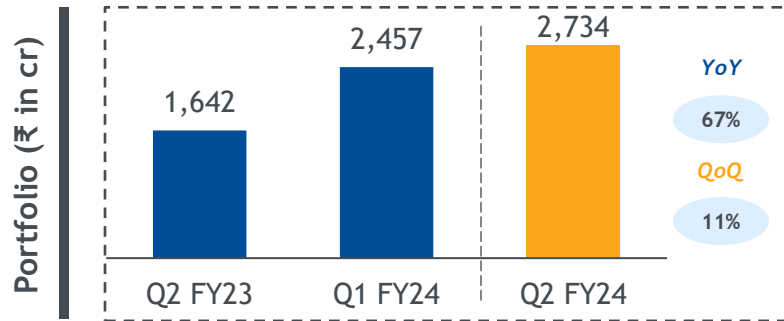
² Int Income = Share of Interest income out of Total Interest Income from Advances

³ Figures show numbers including partnerships



Select high margin lending products

CV / CE



Disbursements:

477 INRcr
(Q2 FY23)

PSL:

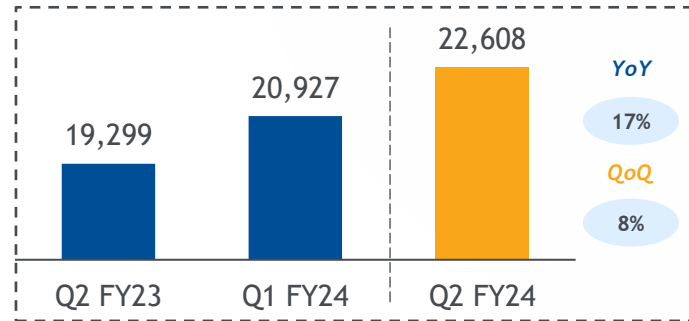
82%

Avg. ticket size:

< 28L
INR

✓ Tie-up with all major OEMs

Gold loans



No of Accounts:

14.23L

LTV:

74.43%

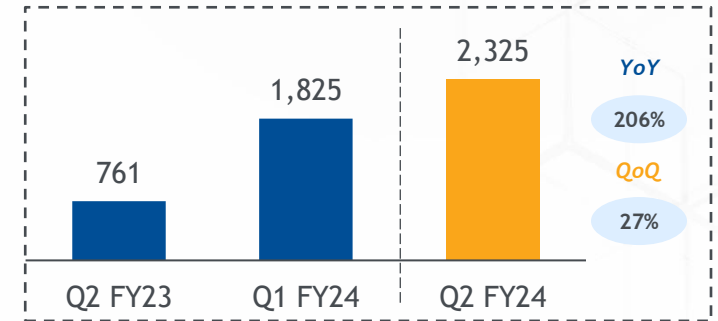
Tonnage:

57.45

Yield

10.14%

Micro finance



Reach:

13 states
1 UT

No of Accounts:

5.72L

Network:

14 BC partners
481 BC branches

Women customers

99%+

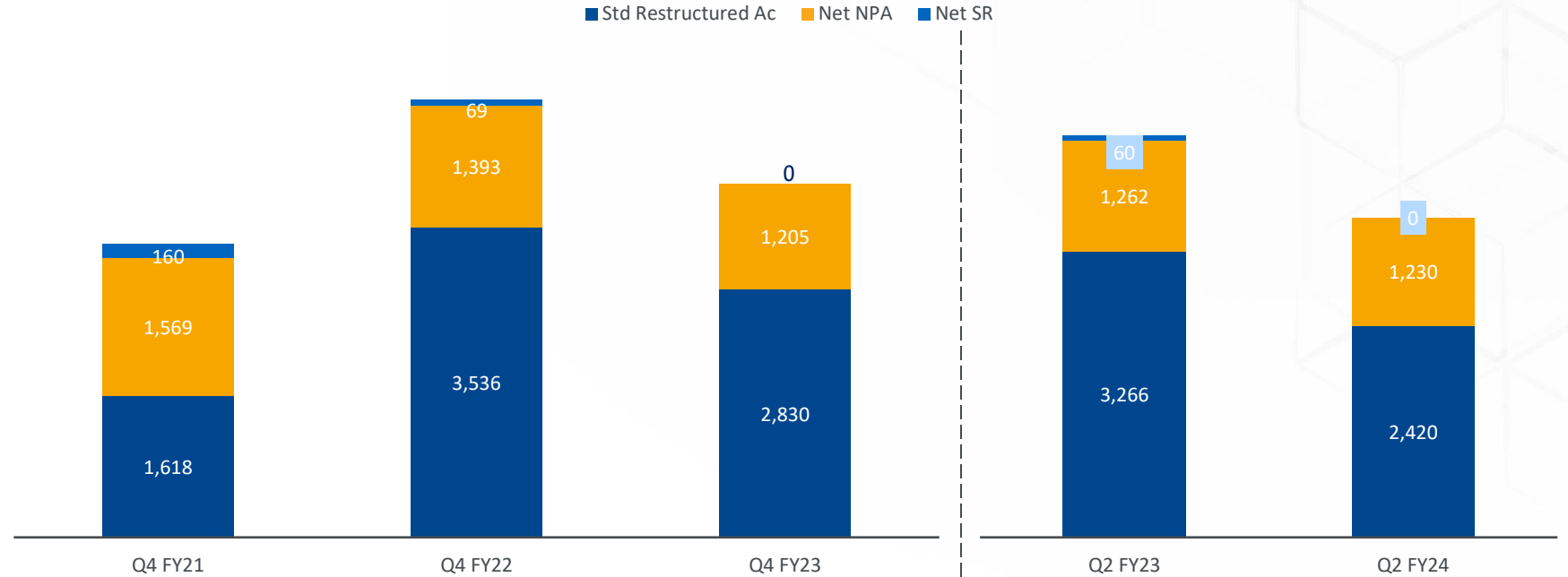
Asset quality trends

Asset quality continues to remain robust across all segments

Provision Coverage Ratio Increases to 71.03%

Recovery & Upgradation of ₹348 Cr in Q2

Credit Cost at 13bps for Q2 FY24 (Annualized)



Movement of NPA

Gross NPA as on 30.06.2023	4,435
Add Fresh Slippage	365
Add Increase in Balances in Existing NPAs	8
Deduct Recoveries/ Upgrades/ Reduction in existing NPA/ Sale to ARC (₹)	359
Deduct Written Off	13
Gross NPA as on 30.09.2023	4,436

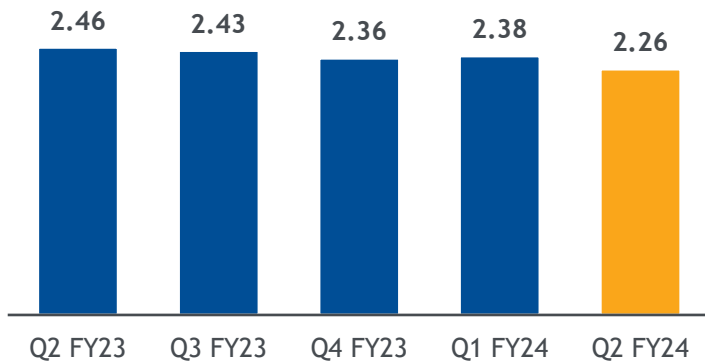
Provisions in Q2

Loan Loss	61
Investment Loss	-6
Standard Accounts	-11
Other Purposes	0
Total Provisions	44

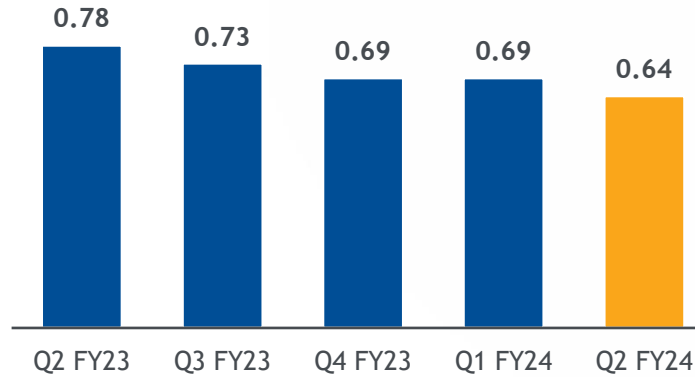


Asset quality trends (cont'd)

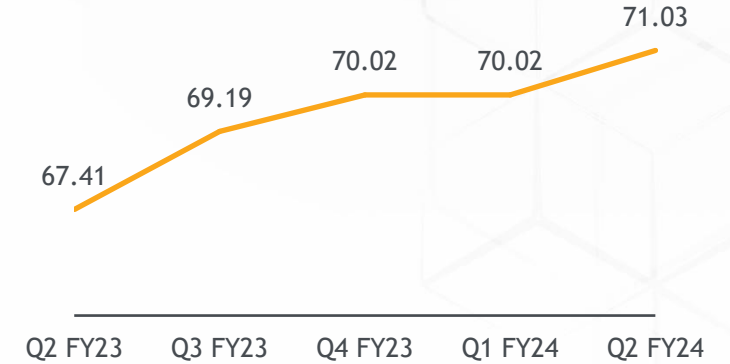
GNPA (%)



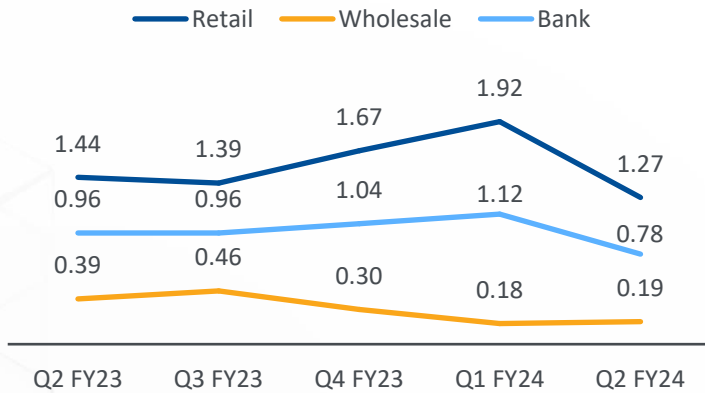
NNPA (%)



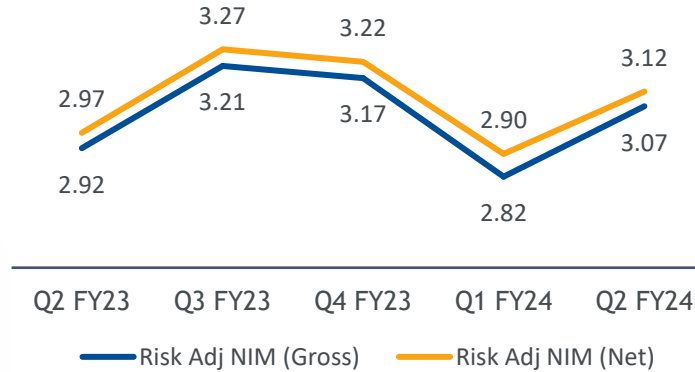
PCR (%)¹



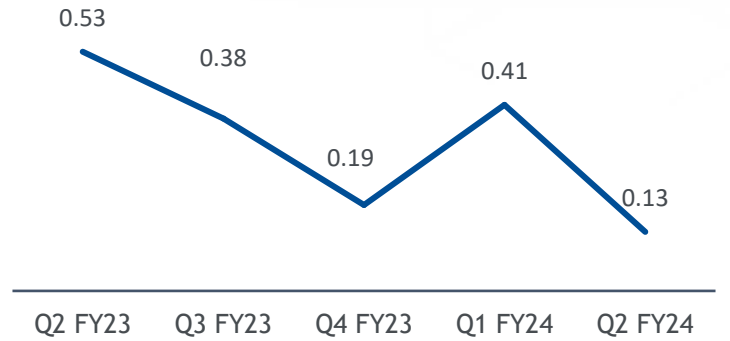
Slippage rate (%)



Risk adjusted NIM (%)*



Credit costs (%)*

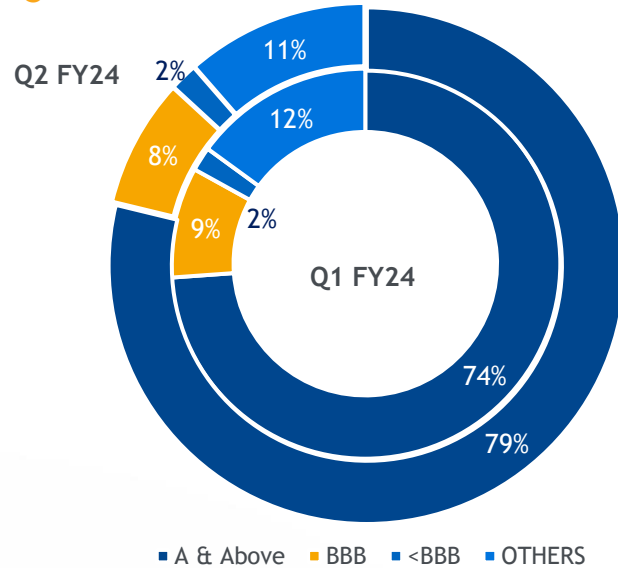


*Annualised
¹Excluding TWO

Asset quality - rating distribution

Rating distribution (CIB)

External rating of CIB advances

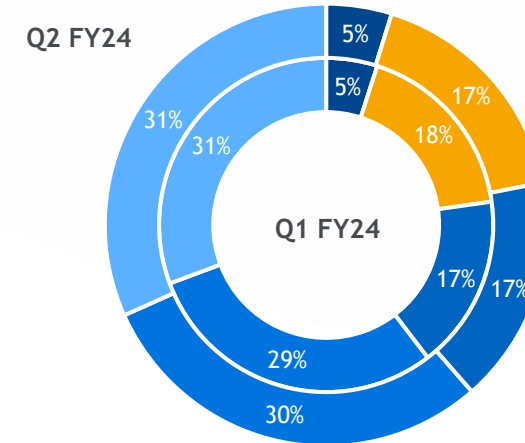


Internal Rating of 'OTHERS' (Externally unrated CIB from above table)

Rating	Q1 FY24	Q2 FY24
FBR1	7%	5%
FBR2/FBR3	12%	14%
FBR4	12%	12%
Below FBR4 & unrated ¹	69%	69%

Rating distribution (advances excluding CIB)

Internal rating of advances excluding CIB



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

¹ Includes IBPC and exempted category (Eg Loans against liquid security)

Fee income / other income

Diversified and granular fee income

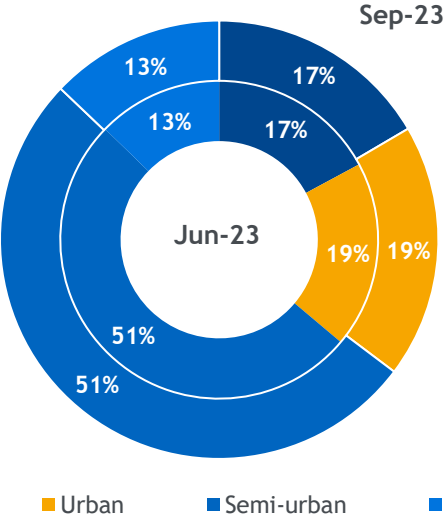
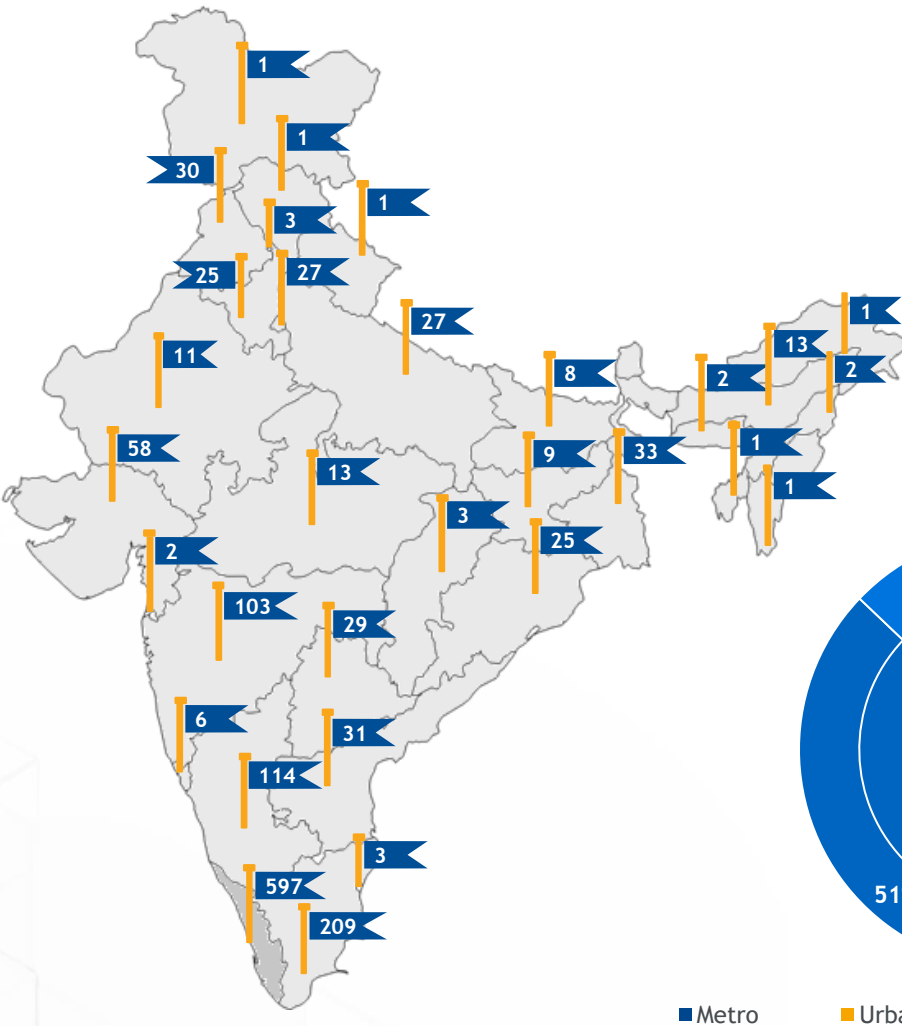
₹ in Cr	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	QoQ	YoY
Loan processing fee	125	129	132	158	175	11% ▲	40% ▲
Cards	116	128	137	153	175	15% ▲	51% ▲
Para banking	37	41	45	27	52	93% ▲	41% ▲
Banking commissions & exchanges	67	55	92	65	73	13% ▲	9% ▲
General service charges	101	110	110	102	103	2% ▲	2% ▲
Net Profit on Foreign Exchange Transactions	94	80	26	30	82	174% ▲	-13% ▼
Fee income	540	543	542	535	660	23% ▲	22% ▲
Net Profit on sale of Investments	23	7	40	33	18	-45% ▼	-20% ▼
Recovery from written off assets, P/L on Revaluation of Investment & Other Receipts	47	(16)	152	164	52	-68% ▼	11% ▲
Total other income	610	534	734	732	730	--	20% ▲

Capital position

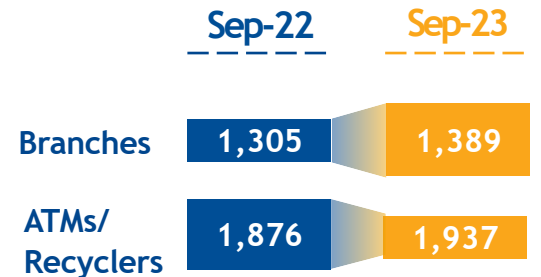
₹ in Cr	Jun-23	Sep-23
Risk weighted assets		
Credit risk	142,131	148,031
Market risk	5,619	6,370
Operational risk	14,992	14,992
Total RWA	162,742	169,393
Tier-I capital funds	20,409	23,362
Tier-II capital funds	2,833	2,895
Total capital funds	23,242	26,257
CRAR	14.28%	15.50%
Tier-I	12.54%	13.79%
Tier-II	1.74%	1.71%



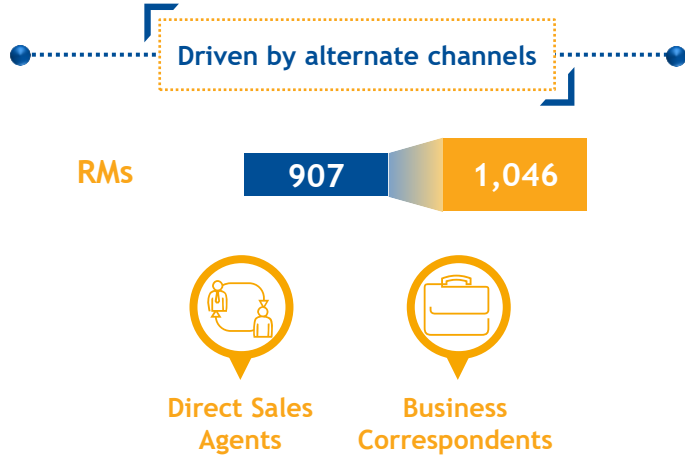
Distribution: Deriving efficiency from footprint



Continuous investment in expanding Pan India footprint



LITE BRANCH HEAVY DISTRIBUTION



*Including Cash Recyclers and Mobile ATMs

Innovation through partnerships

Liability Partners



Jupiter



paisabazaar.com



1ne score

Instant Digital Loans

Credit Cards



scapia



Jupiter



BillDesk



Pine Labs



BharatPe

EMIs and Merchant Payments

Gold Loan & Priority Lending



OROPAY

NEW STREET TECH

Your fast track to the future



LuLu Exchange

terrapay

Cross Border remittance solutions

Support Systems



Support Systems

¹Launched TAB based account opening for cooperate salary customers

²Launched NTB Digital Bovine Loans



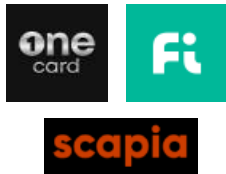
Growth through partnerships

Partners

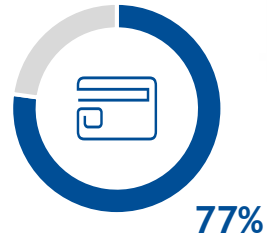
Share in FY'24

Key metrics

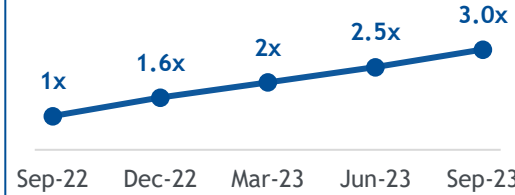
Co-branded credit cards



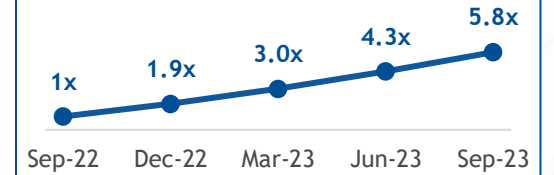
Card programs under CUG¹



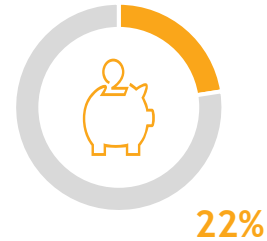
Cards Issued:



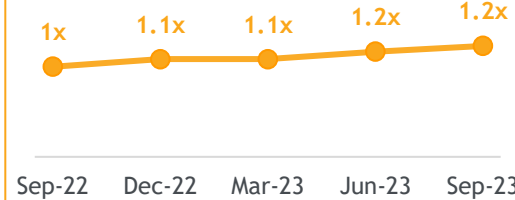
Spends



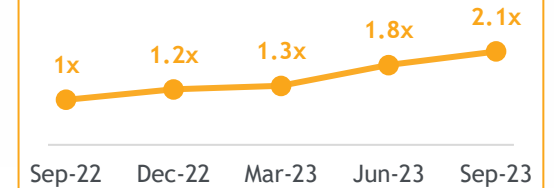
Savings franchise



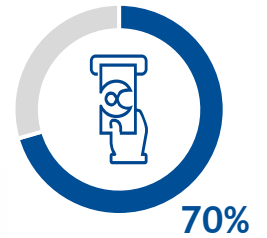
Accounts:



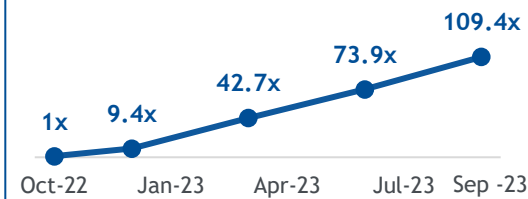
CASA Balance:



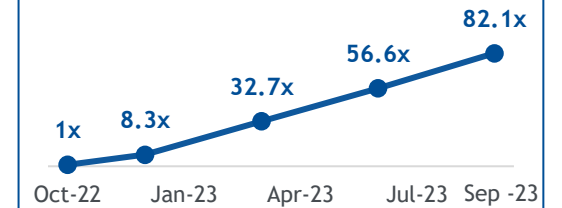
Personal loans



#Accounts:

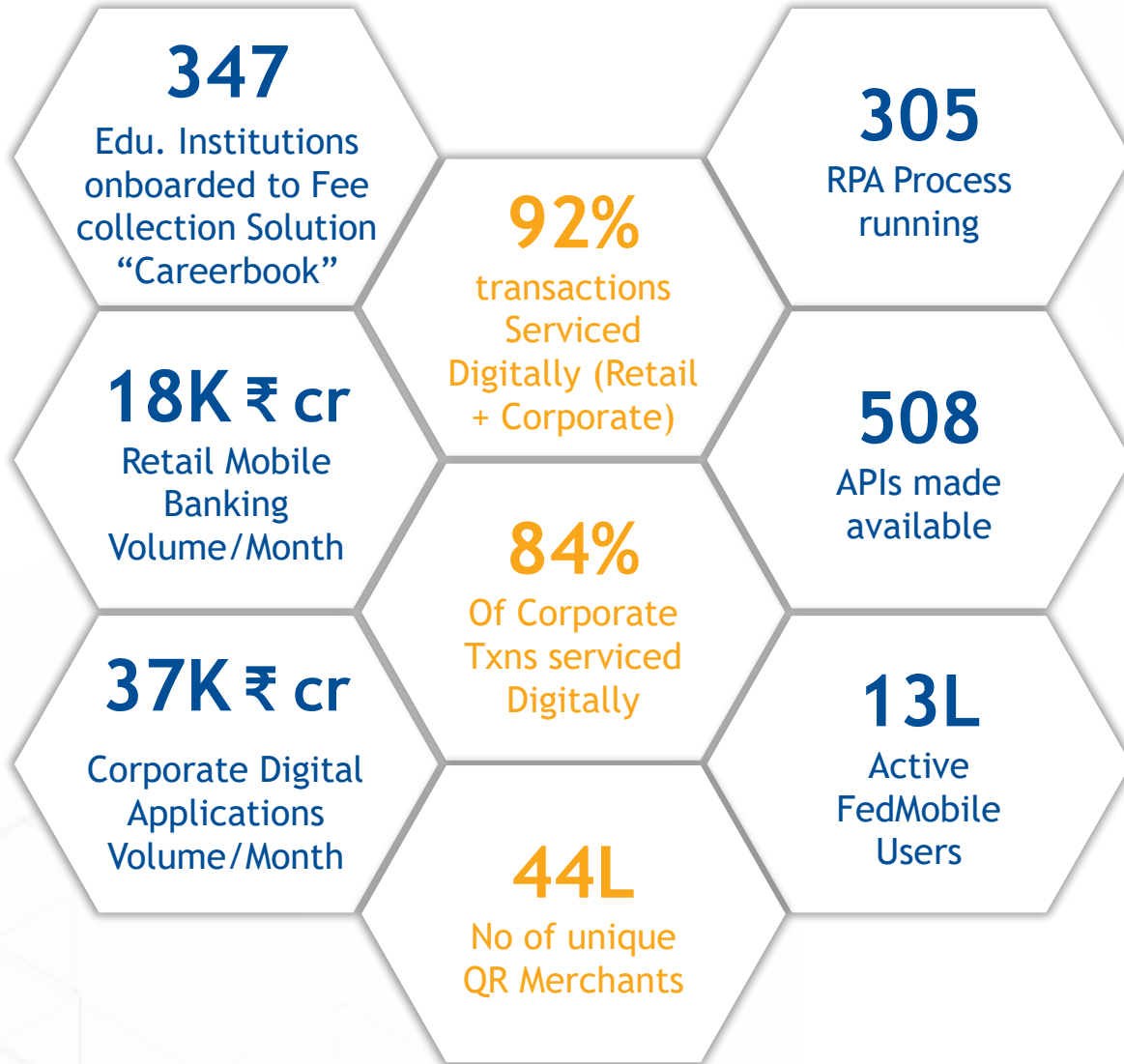


PL Balance:



¹ Card programs under CUG: Jupiter

Digitization as a Multiplier



Note: Data as at Sep-23 unless specified otherwise

DIGITAL AT THE FORE
HUMAN AT THE CORE

Feddy is Live on

1.9 Lakh queries answered by Feddy in Sep-23

Digital Assistant - Feddy

Fed e Point

15 G/H

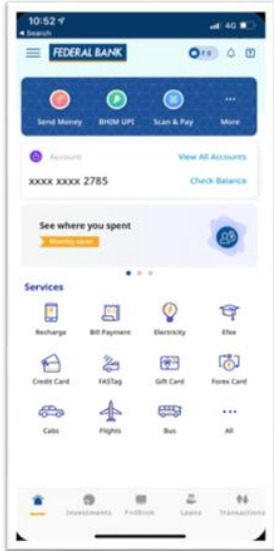
11% KYC Upload

10%

16% Debit Card Application

(Share of Service Requests received through Fed-e-Point)

Major initiatives



FedMobile 6.7.0

- UPI International
- UPI for NRIs
- FedMobile to Minors maintaining FedFirst a/c
- Higher Transaction Limits
- Reporting Fraudulent Txns
- Social Security Schemes

UPI Lite



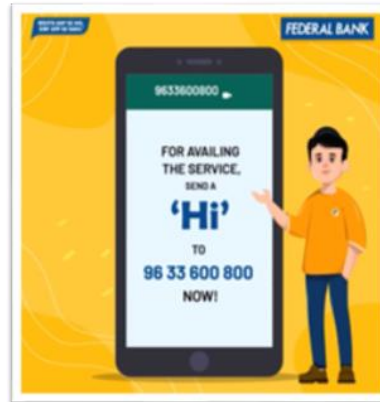
- UPI Lite is a simplified version of UPI for faster processing of small value UPI transactions up to Rs 500.
- Customers can create a UPI Lite account in their existing UPI app. UPI Lite transactions are permitted without additional factor authentication (UPI PIN), making it faster than a normal UPI transaction.

WhatsApp Lending - Personal Loan

&

WhatsApp Banking - PMSBY/PMJJBY

- Customers can join us on WhatsApp by sending a 'Hi' message to 9633 600 800 and unlock a world of Pre-Approved Personal Loans and avail Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY).
- Customers can avail pre-approved personal loans through BYOM, WhatsApp Lending Platform, FedMobile and Digital Personal Loan Platform.



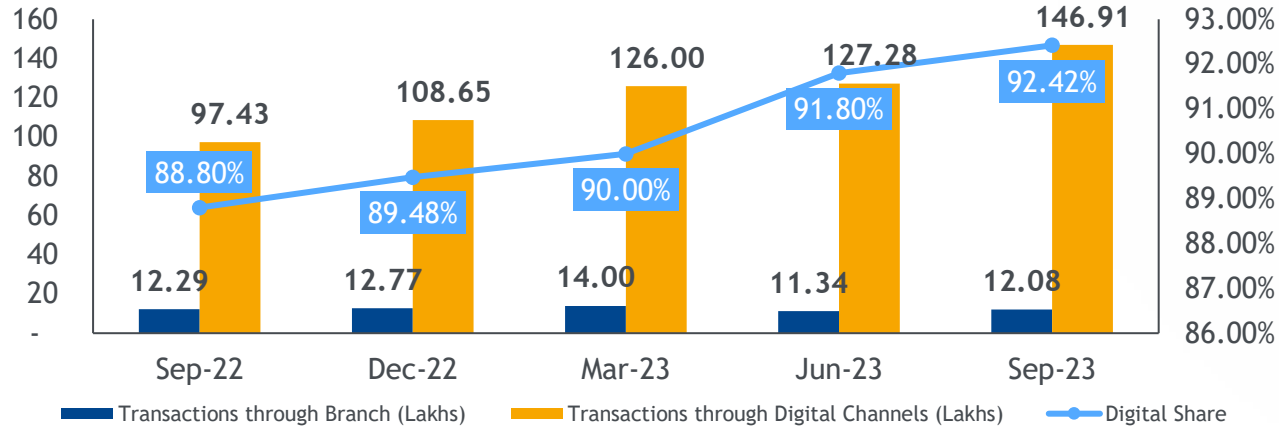
Credit Card Payment through BBPS

- Federal Bank Credit Card has now officially become a biller in the BBPS ecosystem.
- It ensures our customers enjoy a smooth and effortless process while making credit card bill payments through over 900 live payment agents within the BBPS ecosystem.

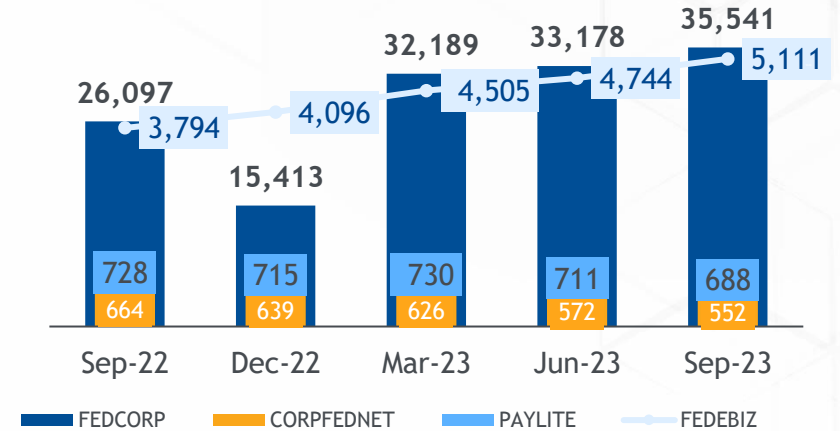


Digital migration

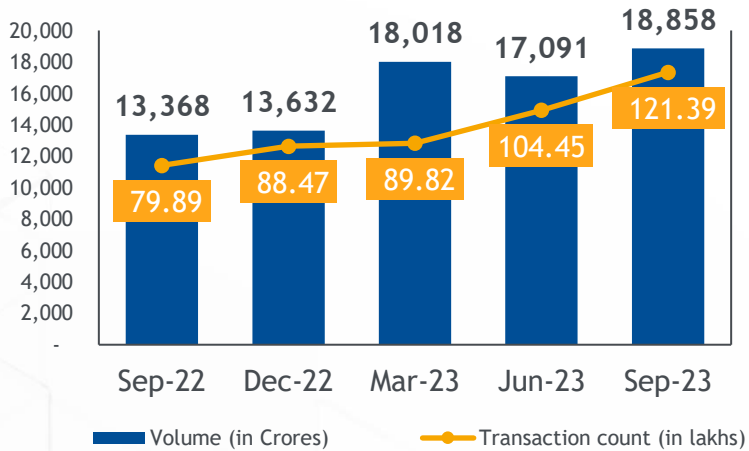
Branch vs. Digital Transactions (₹ in Lakh)*



Corporate Digital Products - Active Users¹

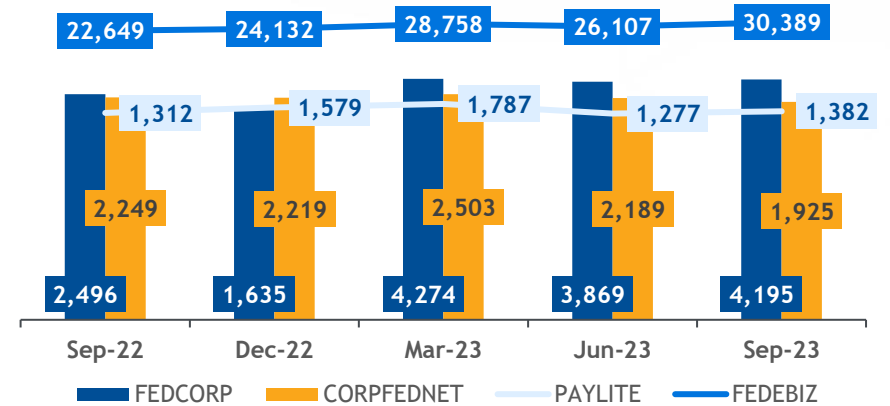


Mobile Banking Volume & Txn Count



- Digital transactions have seen a 51% YOY growth
- Mobile Banking txn count stands at 121.39 lakhs, YOY growth of 52%
- Digital Share stands above 92% for the month of Sep-23

Corporate Txn Volume (₹ in Cr)

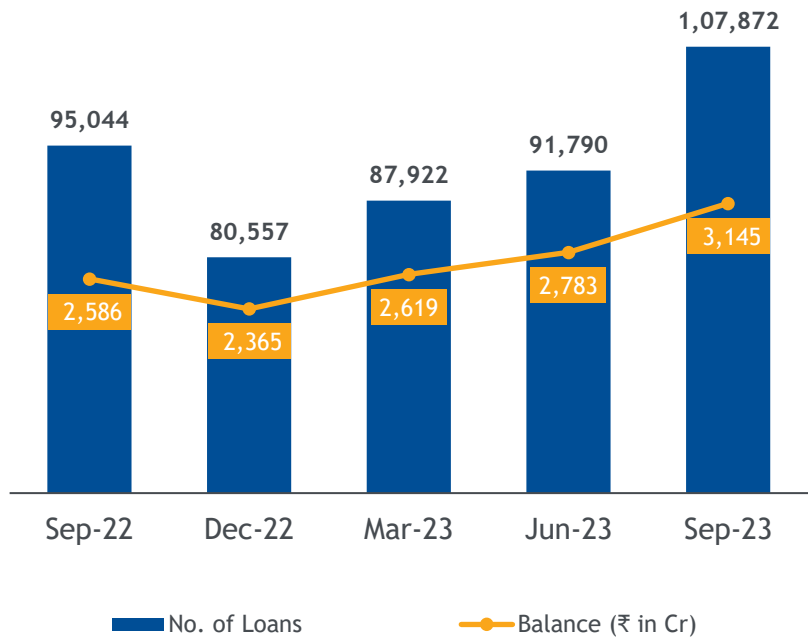


*MONTH WISE DATA

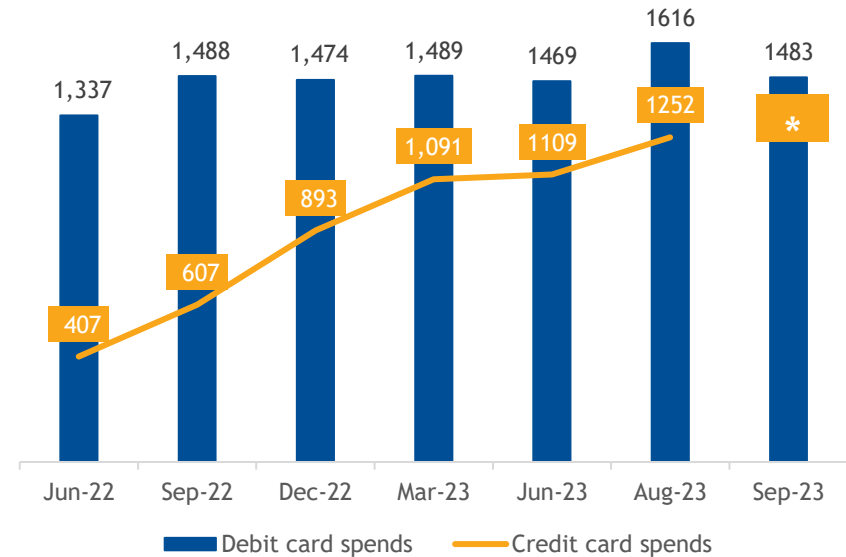
¹Customers who transacted using Corporate digital products during the month

Digital lending and card spends

BYOM Digital Personal Loans



Card spends (₹ in Cr)¹



¹Cards spends include Fintech partnerships
^{*}RBI data for the quarter not yet available



Appendix

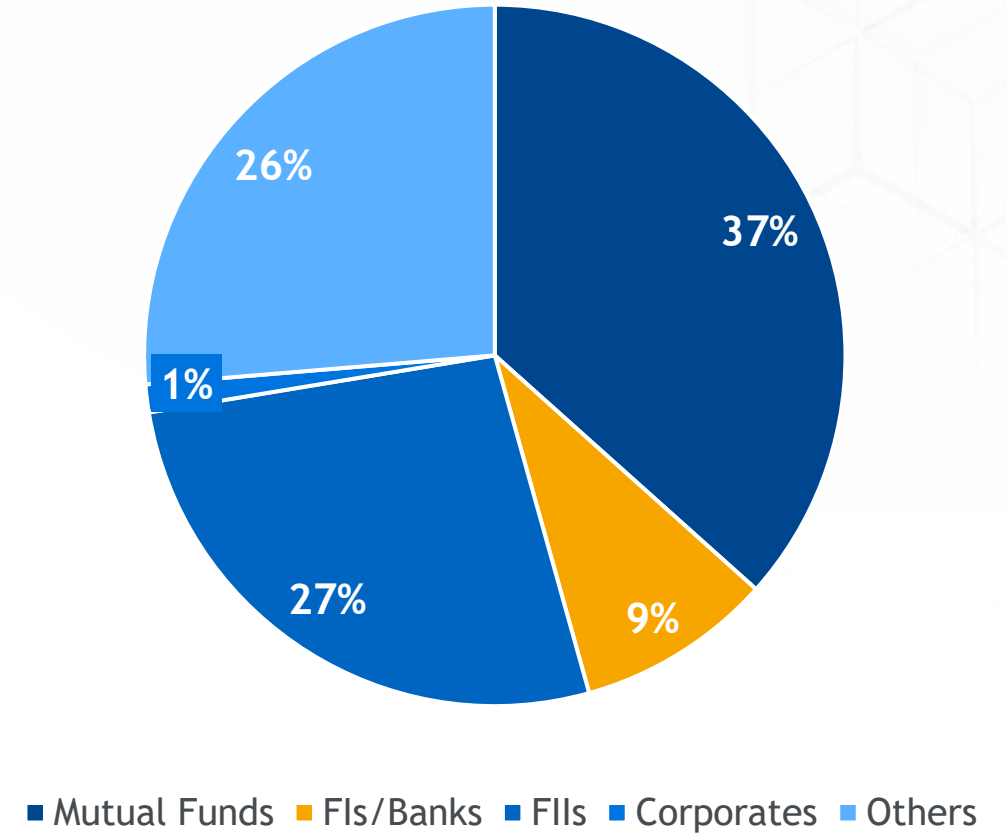
FEDERAL BANK
YOUR PERFECT BANKING PARTNER



Balance sheet & shareholding pattern

₹ in Cr	Jun-23	Sep-23
LIABILITIES		
Capital	424	470
Reserves & surplus	21,952	25,649
Deposits	2,22,496	2,32,868
Borrowings	21,178	19,181
Other liabilities & provisions	8,146	9,258
TOTAL	2,74,196	2,87,426
ASSETS		
Cash & balance with RBI	13,591	15,001
Balances with banks, money at call	5,692	4,985
Investments	51,942	55,169
Advances	1,83,487	1,92,817
Fixed assets	934	938
Other assets	18,550	18,517
TOTAL	2,74,196	2,87,426

Share holding pattern (Sep-23)



Financials

₹ in Cr	Q2 FY23	Q1 FY24	Q2 FY24	Q-o-Q	Y-o-Y
Interest income	4,021	5,025	5,455	9%	36%
Interest expenses	2,259	3,106	3,399	9%	50%
Net interest income	1,762	1,919	2,056	7%	17%
Other income	610	732	730	-0.3%	20%
Operating expense	1,159	1,349	1,462	8%	26%
Total income	4,630	5,757	6,186	7%	34%
Total expense	3,418	4,455	4,861	9%	42%
Operating profit	1,212	1,302	1,325	2%	9%
Total provisions (inc. tax)	509	448	371	-17%	-27%
Net profit	704	854	954	12%	36%



Key Indicators

Shareholder value

	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Book Value (Per Share in ₹)	93.00	96.74	101.22	105.04	110.70
EPS (annualized)	13.26	15.09	17.30	16.22	16.57

Granularity

CASA + Deposits <= ₹2cr (% of Total Deposits)	92%	88%	84%	82%	81%
--	-----	-----	-----	-----	-----

Profitability (Annualized)

ROA %	1.21	1.33	1.45	1.30	1.36
RoRWA %	2.27	2.47	2.66	2.36	2.50
ROE %	14.36	15.91	17.48	15.73	15.72

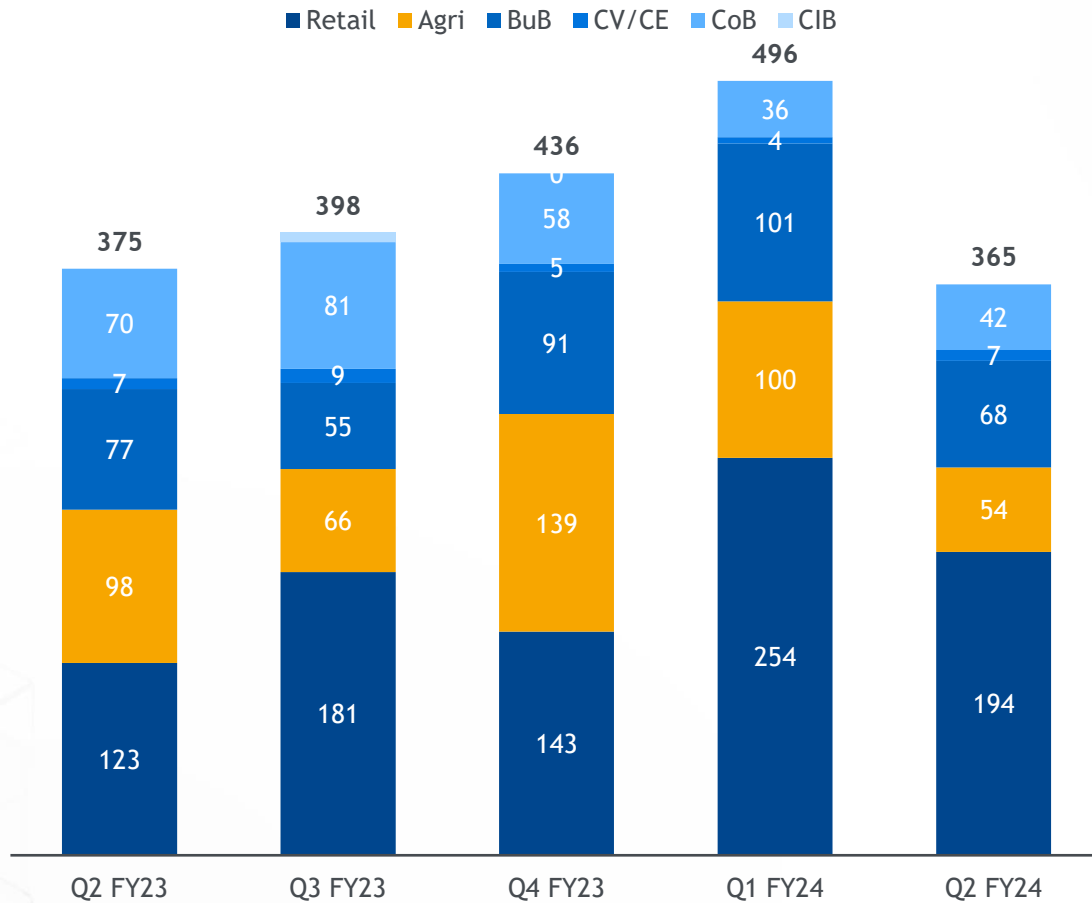
Efficiency

Cost / Income %	48.88	48.84	49.51	50.87	52.47
Net NPA %	0.78	0.73	0.69	0.69	0.64



Fresh slippages break up

Fresh slippages

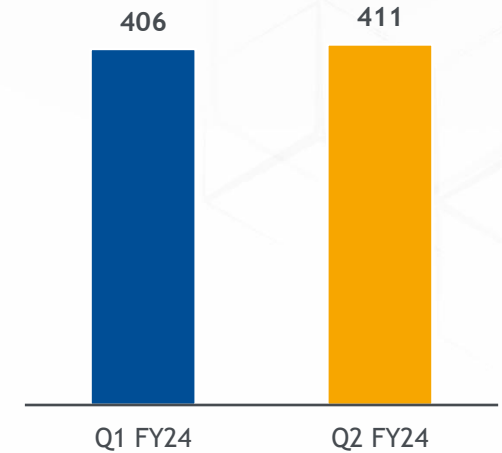


NPA Composition

Business	Q1 FY24	Q2 FY24
	NPA	NPA
Gross NPA		
Retail	1,366	1,425
Agri	977	942
BuB	988	996
CV/CE	34	39
CoB	679	664
Corporate	391	370
Total	4,435	4,436
Net NPA	1,275	1,230

Security receipts

Book Value



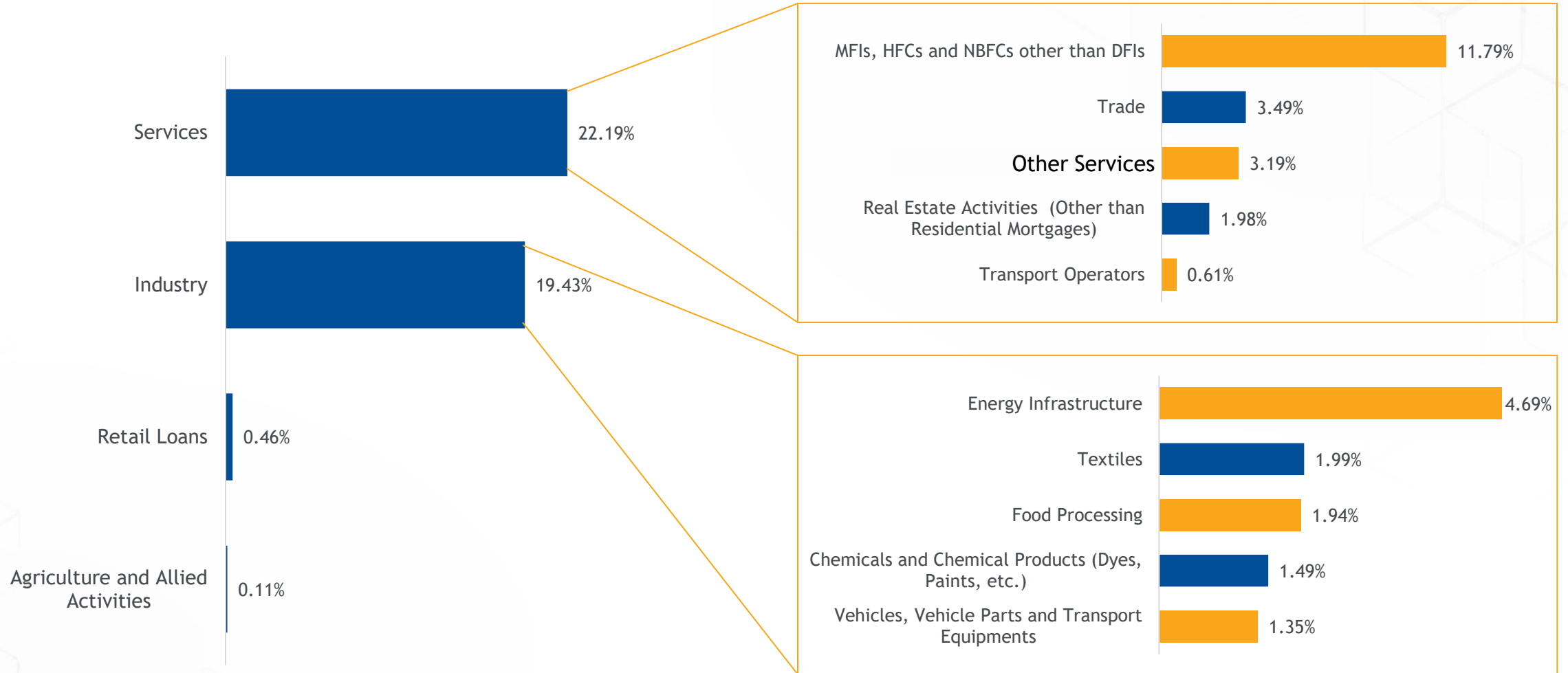
Restructured book

Type	Q1 FY24		Q2 FY24	
	Balance	Of which Bonds	Balance	Of which Bonds
Standard	2,568	60	2,401	60
Net NPA	837	78	930	78
Total	3,405	138	3,331	138



Top Sectors in Wholesale Advance Portfolio

Top Sector wise CB,CIB Balance O/s as a % of Gross Advances (Sep-23)*



*Excluding Assignments, IBPC and IBU Advances



Group companies

Fedbank Financial Services

Subsidiary

- 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

FEDBANK
FINANCIAL SERVICES LIMITED

72.8%



Federal Operations & Services (FedServ)

Subsidiary

- A wholly owned subsidiary company of Federal Bank
- Provides operational & technology oriented services to Federal Bank
- Located at Bangalore, Visakhapatnam & Kochi
- Designed to deliver excellence in service, mitigation of risk and cost efficiencies

100%

FEDERAL BANK

YOUR PERFECT BANKING PARTNER

Subsidiaries & Associates

Ageas Federal Life Insurance Company

Associate

- 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

26%

ageasFEDERAL
LIFE INSURANCE

Equirus Capital

Associate

- Provides IB, FI, insurance broking, institutional equities, portfolio & WM services

19.9%

equirus

xx% Stake owned by Federal Bank as on 30th June 2023



FEDERAL BANK

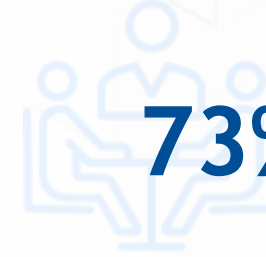
YOUR PERFECT BANKING PARTNER

Corporate governance & ESG snapshot

Strong & Diverse Board

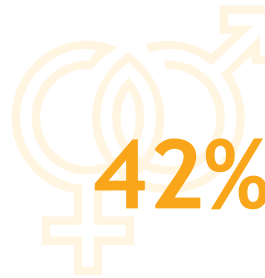


11 Total Board Members

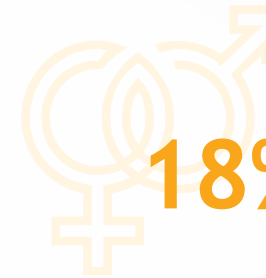


73% Independent Directors

Focus on Gender diversity



42% Women Representation in workforce



18% Women Representation in the Board

ESG

Employee Recognition



Federal Bank is featured among India's Best Workplaces for Millennials 2023

Employee Recognition



Federal Bank becomes the only Bank to feature among India's Best Workplaces™ for Women 2023

Governance Structure



Dedicated E&S committee chaired by MD & CEO to track the ESG strategies & actions

Certifications



- ✓ Information Security Management System
- ✓ Business Continuity Management System
- ✓ Payments Card Industry Data Security Standard



ESG performance snapshot



Grow green portfolio size

Target metric

₹ 13,000 Cr

Target date

December 2025

Mar-23

₹ 3,222 Cr

Sep-23

₹ 5,083 Cr

58.90% growth registered during H1FY24.



In-house solar power generation capacity

500KW

March 2025

300KW

310KW

Added solar capacity of 10KW during the H1FY24.



Water conservation capacity

1 Lakh Litre

March 2025

84,000 Litre

84,000 Litre

Capacity built up via rainwater harvesting units in various offices



Finance women entrepreneurs – BC Channel

10.00 Lakh

March 2028

3.50 Lakh

6.03 Lakh

72.28% growth in no. of women beneficiaries during H1FY24.



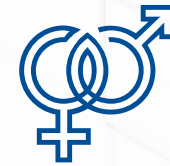
Bank branches to be green certified

At least 10%

March 2028

Five projects are submitted for IGBC approval & the certification process is ongoing.

-IGBC Certification under process.



Gender diversity ratio (Women)

Greater than or equal to 40%

Continuing target

41%

42%

Maintained on an ongoing basis

Public Commitments

Current position



Award-winning franchise & other initiatives / highlights

Launched WhatsApp Lending Platform for Pre-Approved Personal Loans and Registration for PMJBY & PMSBY



Successfully Raised 3040 Crs via QIP boosting Tier 1 Capital.
Strong Investor Response with nearly 7x Subscription



India's Top 10 Best Workplaces for Millennials - 2023
Great Place to Work Institute, India



India's Top 10 Best Workplaces for Women- 2023
Great Place to Work Institute, India



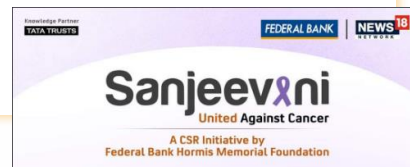
Millennials Indian Chambers of Commerce
Emerging Asia Banking Awards 2023



Infosys Innovation Awards - 2023
Infosys Finacle Innovation Awards

Other initiatives / highlights

United with News18 & TATA Trusts to promote regular tests & early cancer detection through 'Sanjeevani.'



Launched Exclusive NR Savings Accounts for NRI Women



Collaborated with National Bank of Oman to facilitate money transfer from Oman to India



External ratings

Fixed Deposit
(Short term)

Fixed Deposit

Certificate of Deposit

Tier 2 (Capital) Bonds



India Ratings
& Research Pvt Ltd,
CARE

A1+

AA+

A1+

IND AA CARE AA+

Fixed Deposits (short term) and Certificate of Deposits enjoy highest rating in that class



Thank You