

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q4 FY 2022

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RoA & RoE at the Guided Level of 1.03% and 11.93%

Profitability

- **Net Profit @ 541 Cr, grew by 13% YoY**
- Operating Profit for Q4 at 798 Cr, impacted by family pension cost and loss on revaluation of Security Receipts
- **Had we amortized Family pension cost as hitherto, YoY growth in Net Profit, Operating Profit would have been 35% and 5% respectively and RoA would have been at 1.24%**

Fully Absorbed Family Pension Cost

Granular Liability Franchise

- Total Savings Deposits grew by 14% YoY
- CASA grew by 15% YoY and CASA Ratio at all time high level of 36.94%
- Retail Deposits at 94% of Total Deposits

Strong Asset Quality Performance

Asset Quality

- **GNPA and NNPA brought down to 2.80% and 0.96% respectively**
- Strong collection mechanism helped ensure robust recovery/ upgradation of 347 Cr
- Credit cost for FY 22 at 45bps

Leveraging Fintech Partnerships/ Digital Dominance Visible

New Initiatives/ Digital Update

- Leveraged the strategic partnership with Mashreq Bank UAE for digital account opening for NRIs in UAE
- Partnered with BSE to jointly evaluate SMEs and Start-ups undergoing the listing process

Credit Growth in Chosen Areas

- Total Advances grew by 9% YoY
- CV/CE grew by 40% and Auto Loans grew by 17% YoY
- Agri Business grew by 20% YoY
- Business Banking grew by 15% & Commercial Banking grew by 12% YoY

Income and Cost Streams

- **Core Fee Income @ 453 Cr, increase of 25% YoY & 10% QoQ**
- Other Income at 465 Cr, impacted by lower treasury gains and loss on revaluation of Security Receipts
- NII @ 1525 Cr for Q4, grew 7% YoY
- Cost to Income @ 59.89%

Steady Growth in Market Share

- Market Share in Advances at 1.21%
- Market Share in Deposits at 1.06%
- **Market Share in Personal Inward remittance business at 20.16% (Q3 FY22)**

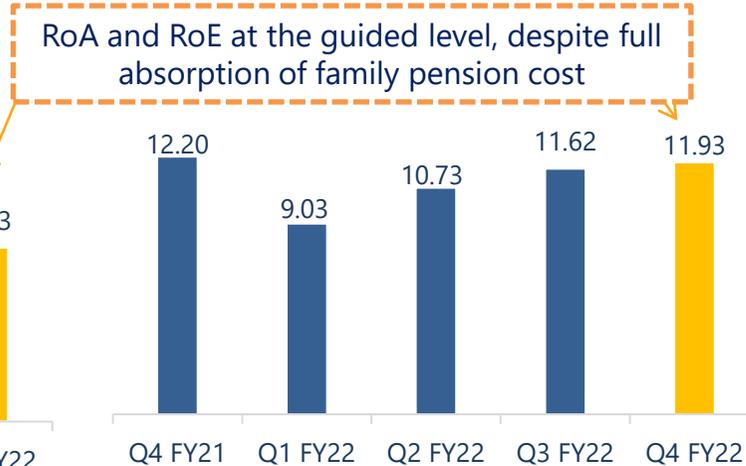
Balance Sheet and Capital

- Balance Sheet grew by 10% YoY (Rs 2.20 L Cr)
- Total business grew by 7% YoY (3.26 L Cr)
- **CRAR at 15.77%, up by 115bps YoY**

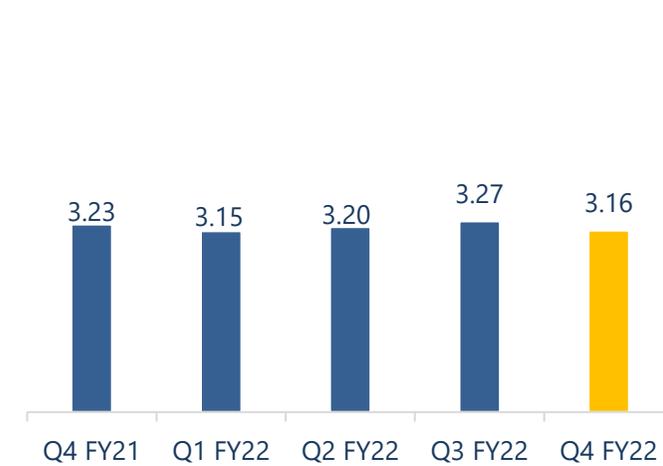
RoA



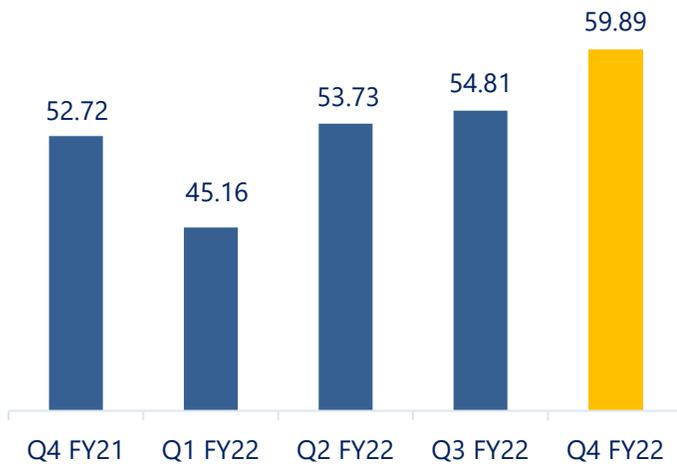
RoE



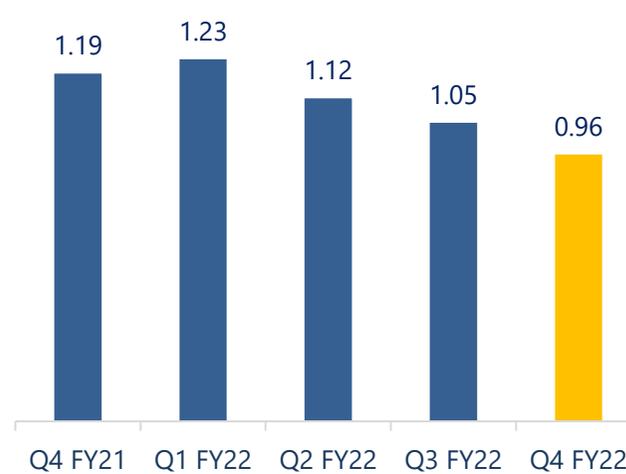
Net Interest Margin (%)



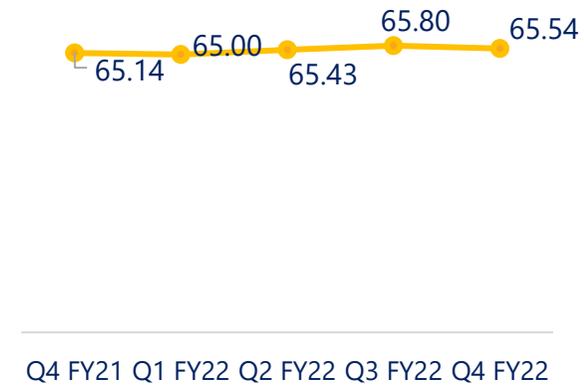
Cost to Income Ratio



NNPA (%)

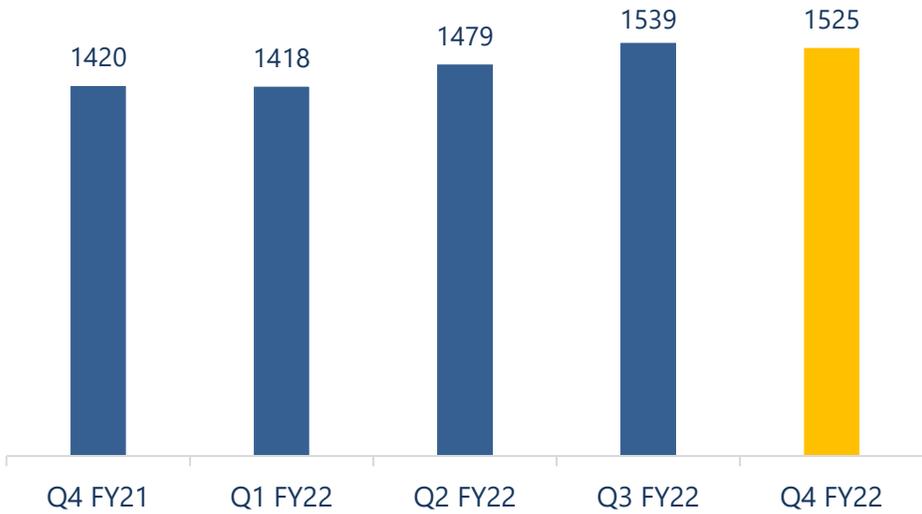


PCR (%)

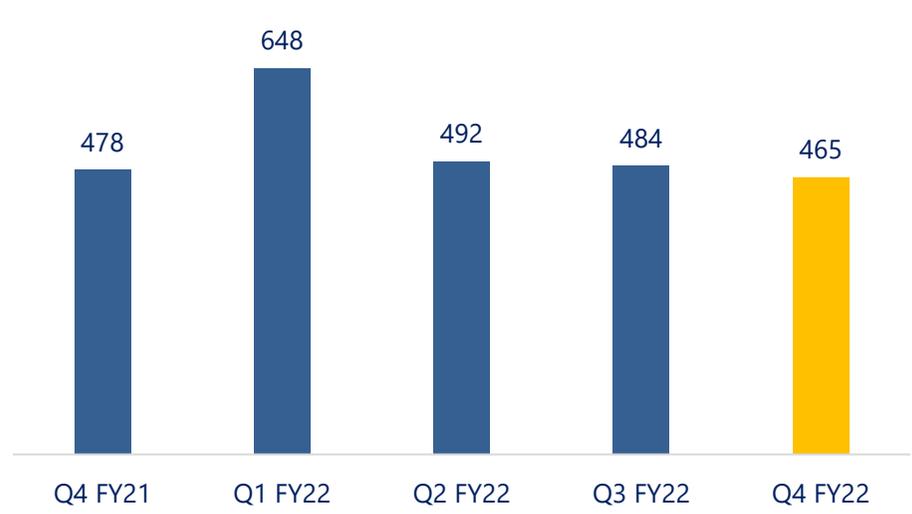


₹ in Cr

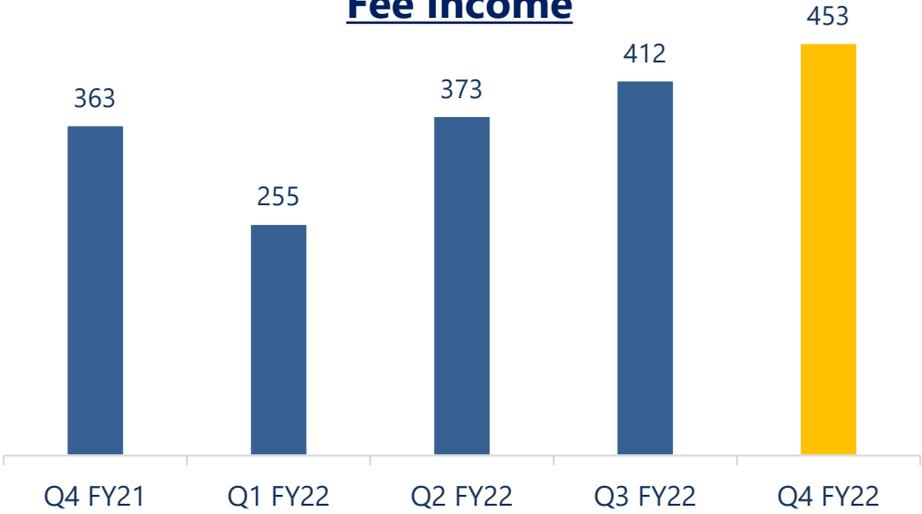
Net Interest Income



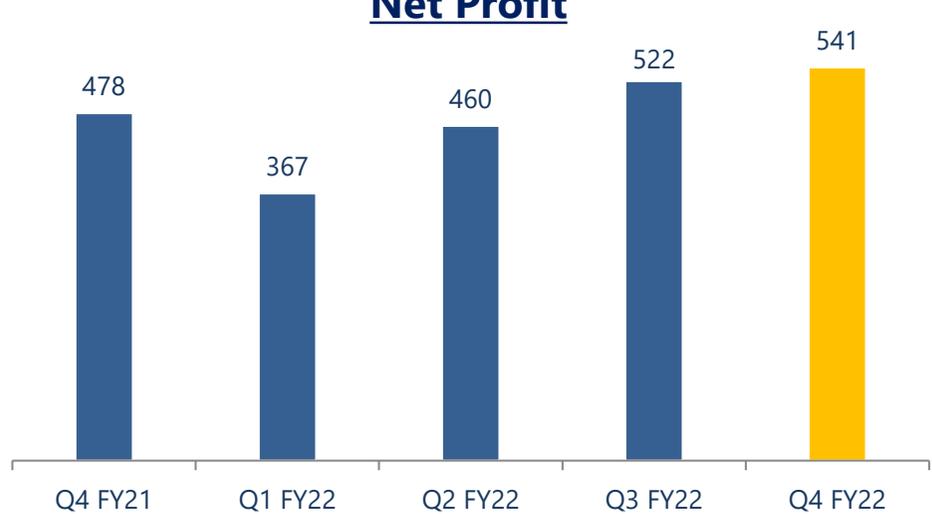
Other Income



Fee Income



Net Profit



Shareholder Value

	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
Book Value (Per Share in ₹)	80.77	82.60	83.52	86.05	88.75
EPS (annualized)	9.71	7.38	8.79	9.85	10.43

Granularity

CASA + Deposits <2 Cr (% of Total Deposits)	88%	91%	92%	92%	92%
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Profitability (Annualized)

ROA	1.02	0.76	0.92	1.02	1.03
RoRWA	1.91	1.49	1.79	1.93	1.98
ROE	12.20	9.03	10.73	11.62	11.93

Efficiency

Cost/Income	52.72	45.16	53.73	54.81	59.89
Net NPA%	1.19	1.23	1.12	1.05	0.96

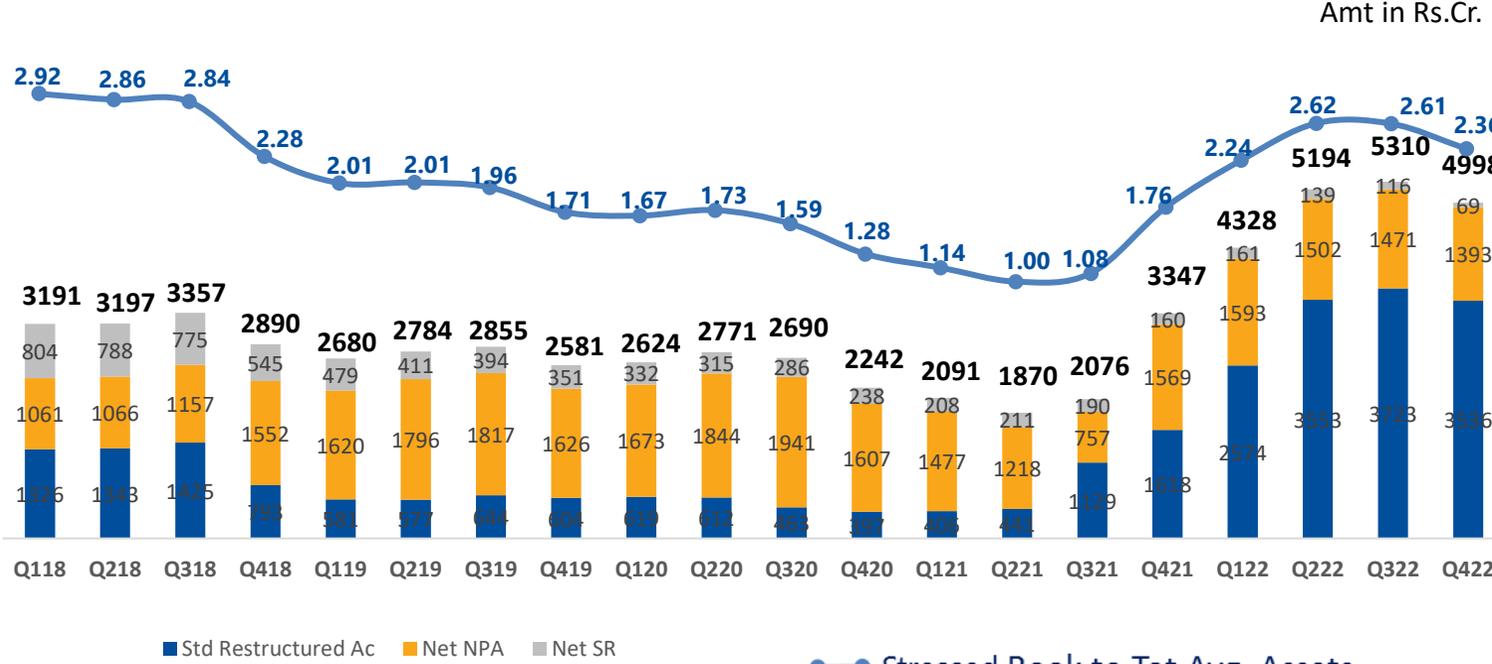
Asset Quality Trends

Repayment behaviour of restructured book is better than the forecast owing to improved collection efficiency and quality of the book

Total stressed book trending down and is at 2.36% of average total assets

Provision Coverage Ratio maintained at 65%

Collection Efficiency – stable at 95%



Movement of NPA

Gross NPA as on 31.12.2021	4401
Add Fresh Slippage	358
Add Increase in Balances in Existing NPAs	41
Deduct Recoveries/ Upgrades/ Reduction in existing NPA/ Sale to ARC	417
Deduct Written Off	246
Gross NPA as on 31.03.2022	4137

Provisions in Q4

Loan Loss	95
Investment Loss	3
Standard Accounts	-40
Other Purposes	17
Total Provisions	75

Fresh Slippages Break up

Fresh Slippages

	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
Retail	301	127	85	95	86
Agri	89	157	98	103	147
BuB	73	169	49	84	68
CoB	135	117	88	110	56
Corporate	0	70	0	50	0
Total	598	640	320	442	358

Restructured

TYPE	Q3 FY22		Q4 FY22	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	3723	17	3536	17
Net NPA	459	102	427	100
TOTAL	4181	119	3963	117

Security Receipts

	Q3 FY22	Q4 FY22
Face Value	546	539
Book Value	463	456

NPA Composition

	Q3 FY22	Q4 FY22
Business	NPA	NPA
Retail	1187	1097
Agri	851	891
BuB	922	903
CoB	888	776
Corporate	553	470
Total	4401	4137
Gross NPA		
Net NPA	1471	1393

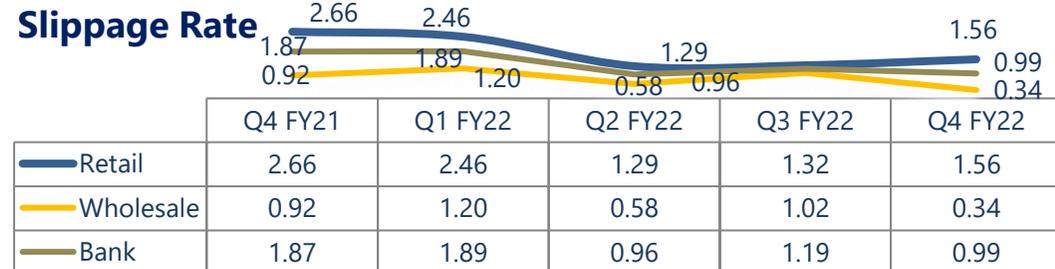
Credit Cost



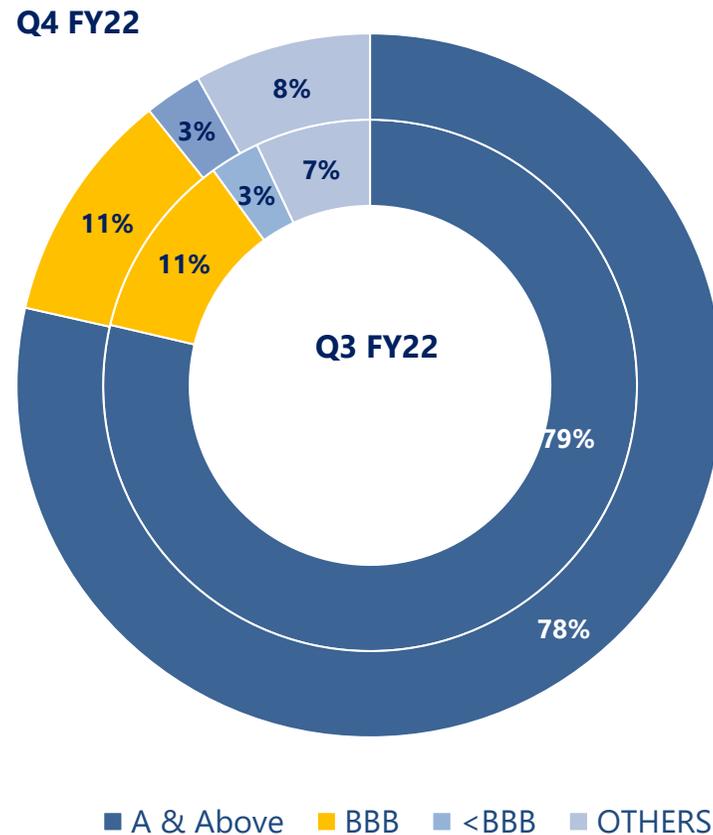
Risk Adjusted NIM



Slippage Rate



External Rating of Corporate Advances



External Rating of Corporate Advances

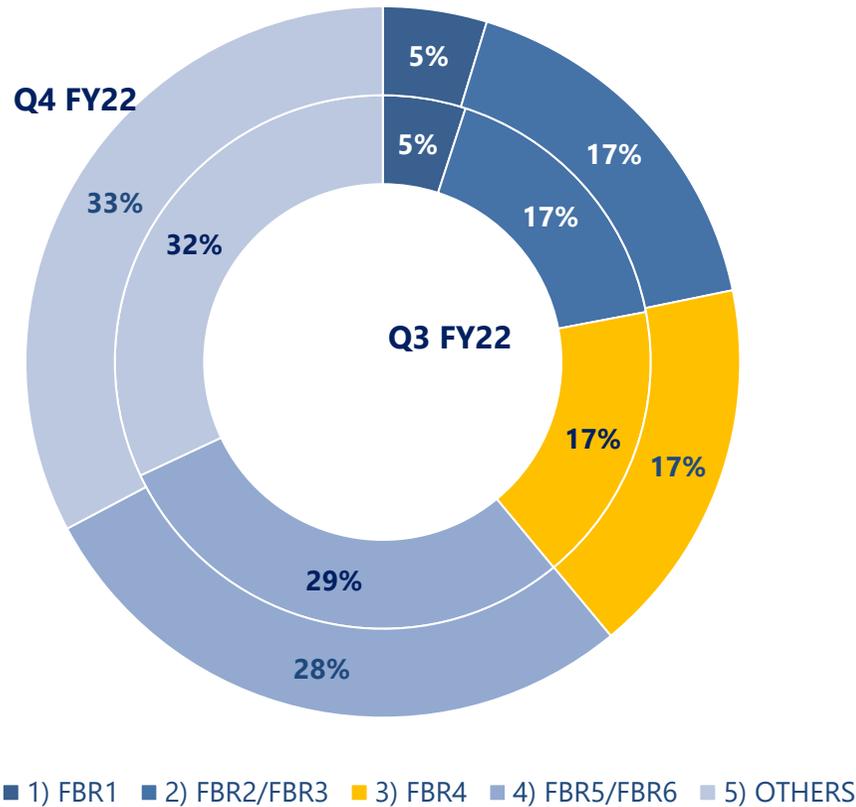
Rating	Q3 FY22	Q4 FY22
A & above	79%	78%
BBB	11%	11%
< BBB	3%	3%
Others	7%	8%

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

Rating	Q3 FY22	Q4 FY22
FBR1	6%	5%
FBR2/FBR3	3%	4%
FBR4	15%	15%
*Below FBR4 & unrated	76%	76%

*includes IBPC.

Asset Quality : Rating Distribution (Advances excluding Corporate advance)



Rating	Q3 FY22	Q4 FY22
FBR1	5%	5%
FBR2/FBR3	17%	17%
FBR4	17%	17%
FBR5/FBR6	29%	28%
Staff	3%	3%
Gold, Advance against Deposit/Securities & others	29%	30%

Comparison : Y-o-Y (3 M)



#SME split into BuB & CoB



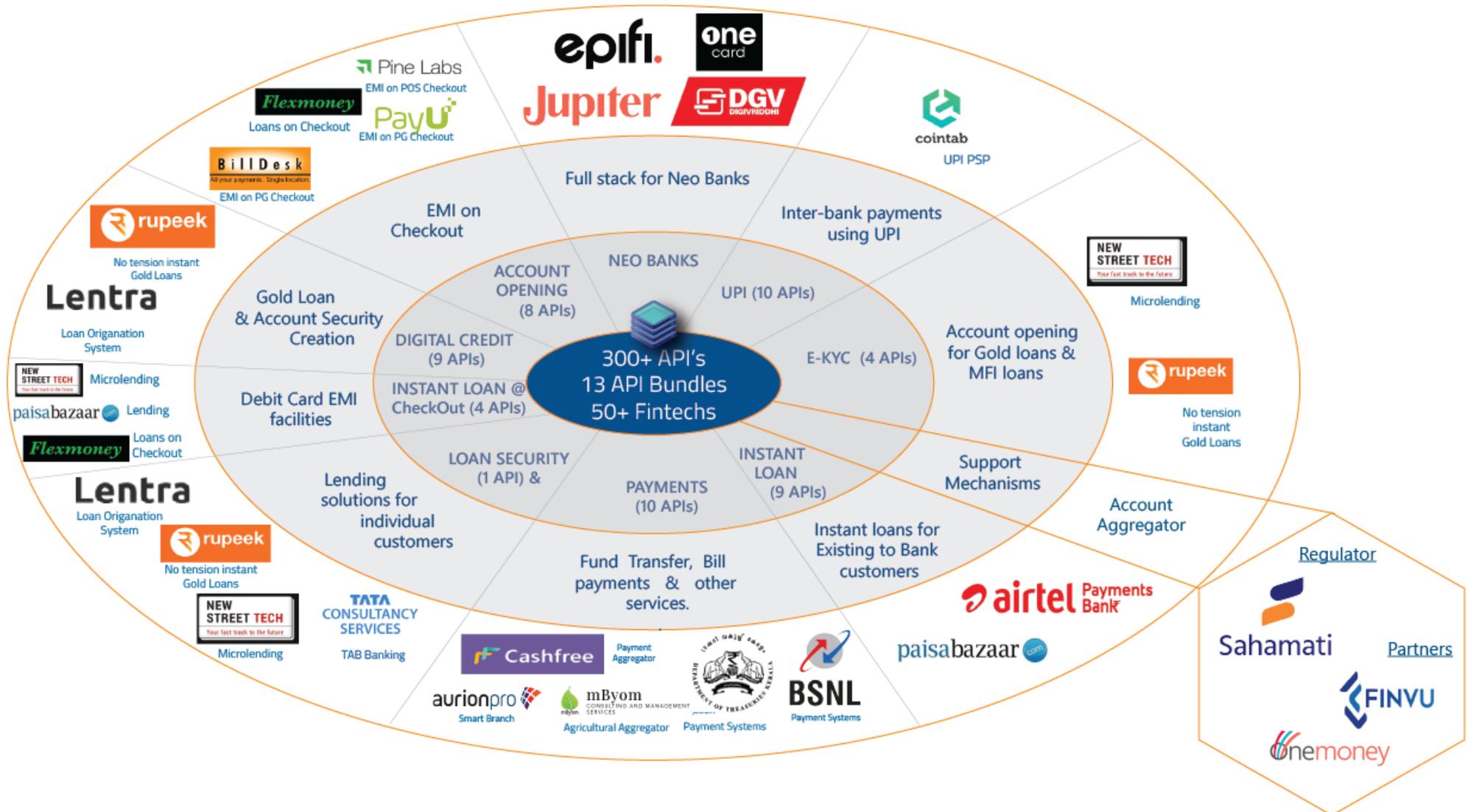
* Credit segments are realigned at the beginning of every FY.

#SME split into BuB & CoB

<i>Digital Migration</i>	88.17% SHARE OF DIGITAL TRANSACTION	₹14.2K CR WORTH MONTHLY MOBILE BANKING TRANSACTIONS	₹30.5K CR WORTH MONTHLY CORPORATE DIGITAL PRODUCTS VOLUME
<i>Digital Transformation</i>	169% YOY GROWTH IN UPI TRANSACTIONS	210+ RPA PROCESSES RUNNING	90% ACCOUNTS OPENED DIGITALLY
<i>Future Readiness</i>	300+ API'S AVAILABLE IN OPEN BANKING	50+ NUMBER OF FINTECH PARTNERS	5 NUMBER OF CHANNELS WHERE AI IS INTEGRATED

FUTURE OF DIGITAL IS
HUMAN



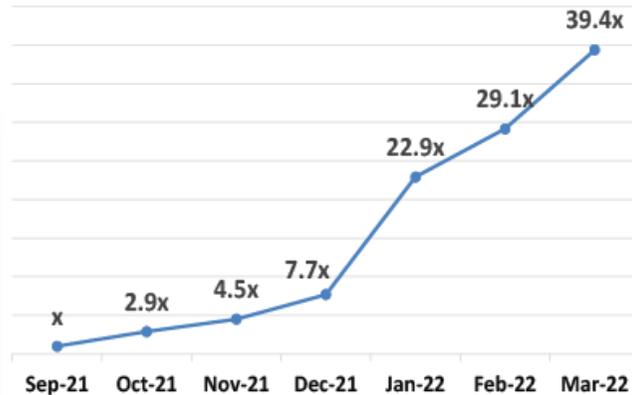




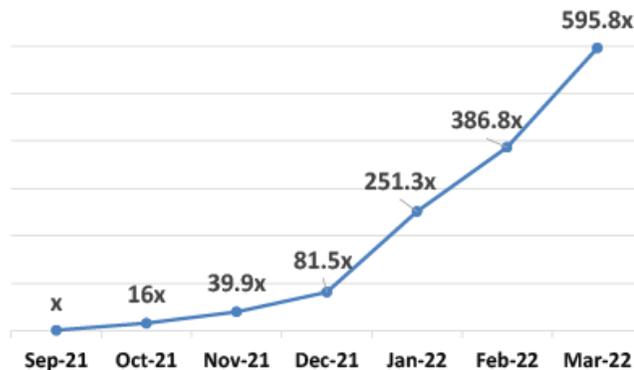
Co-Branded Credit Card!!

- Bank has tied up with FPL Technologies (First Principles Labs), popularly known as 'One Card' for issuing co-branded credit cards.
- Customer onboarding process will happen via One Card App available on Play & App Store, also the entire customer life-cycle journey will be taken care by FPL.
- The tie-up with FPL primarily concentrates on acquiring NTB customers with focus on the digitally savvy segment.

Cards Issued



Spends



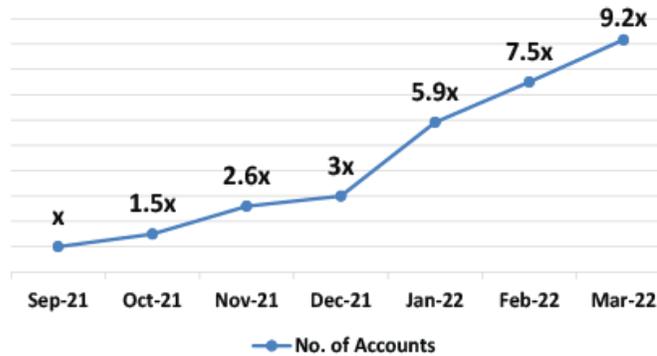
NEO BANKS

epifi. Jupiter

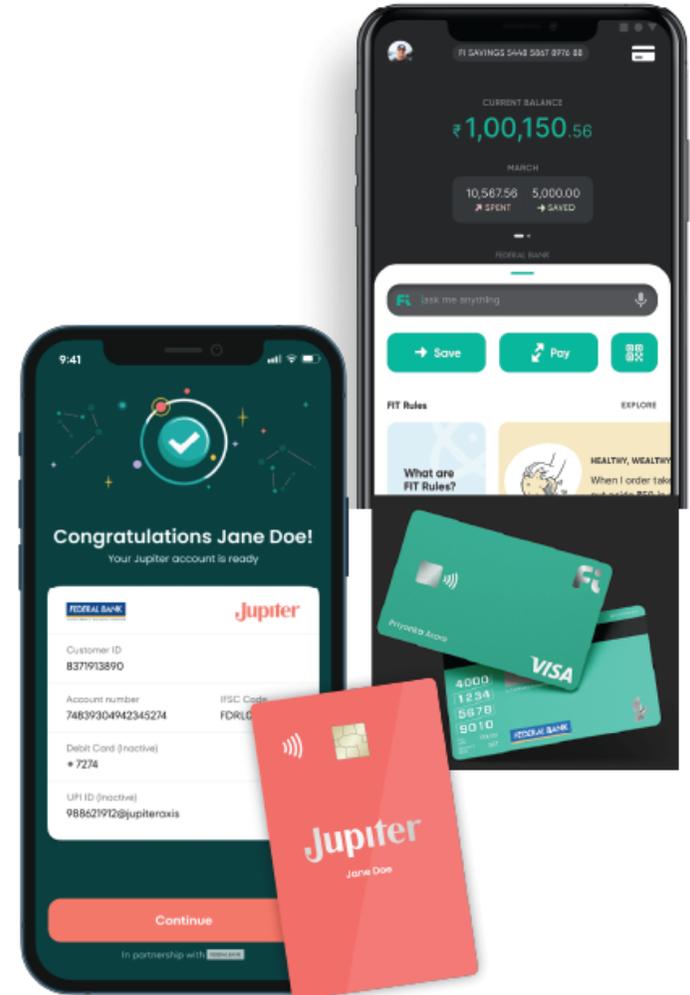
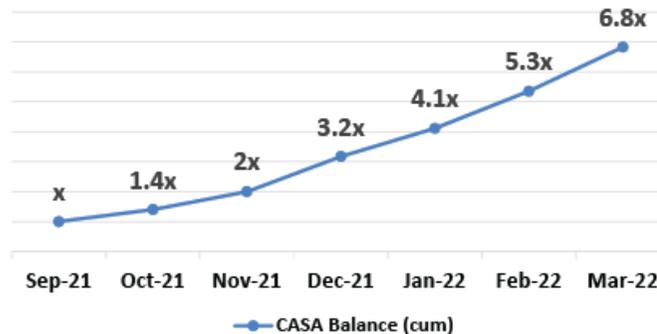


- Bank is live with 2 leading Neo Bank's - Fi & Jupiter.
- The proposition is positioned for the salaried millennial who are digitally native across their savings, investing and borrowing needs.
- More than 4.5L+ account are being opened every month by our neo banking partners Fi & Jupiter.

Number of Accounts



Growth in CASA Balance (Amount In Cr.)





DigiVridddhi Technologies (DGV)

- DGV is a Neo for Bharat fintech empowering the underserved & under-banked with banking facilities.
- Federal Bank, DGV & Amul have joined hands to digitize the farmer milk payment life cycle spread across 18000 Milk Societies and 36 lac farmers.
- Now farmers can receive credits in their accounts & withdraw using Micro ATM services.

Current Account opened of Mandilis



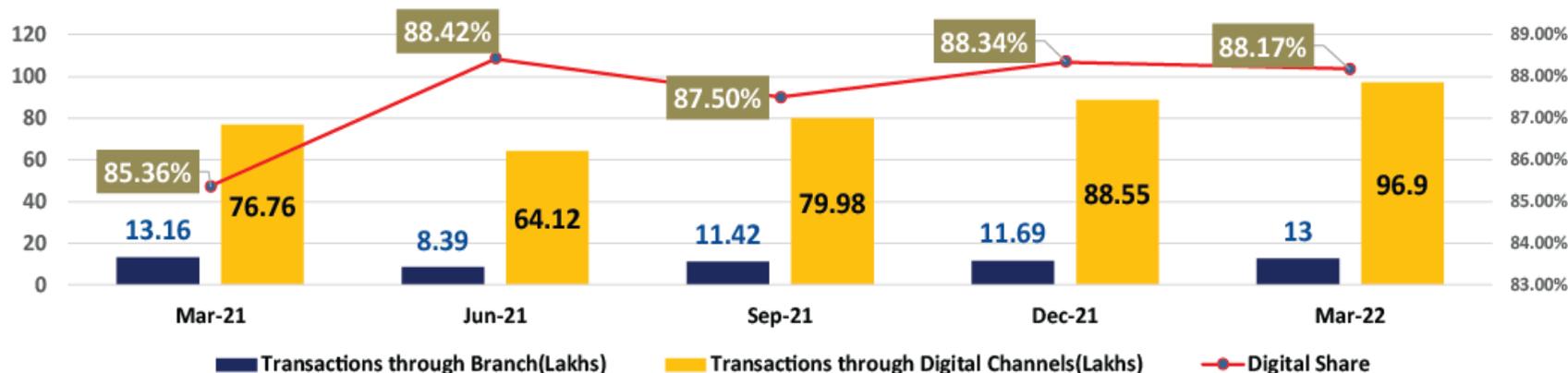
Savings Account opened of Farmers



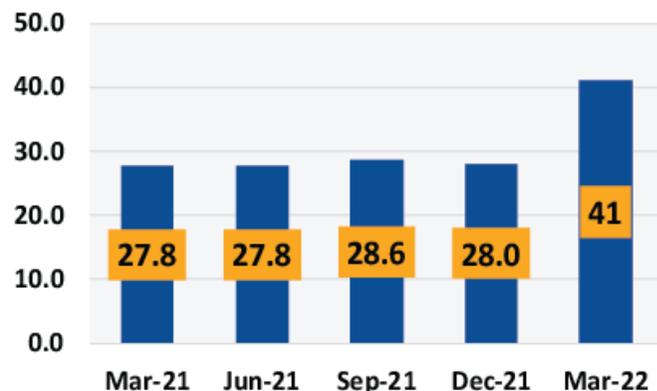
CATERING THE UNDER-SERVED/BANKED



Branch vs Digital Transactions (In Lakhs)



YoY Growth in Digital Users (In Lakhs)

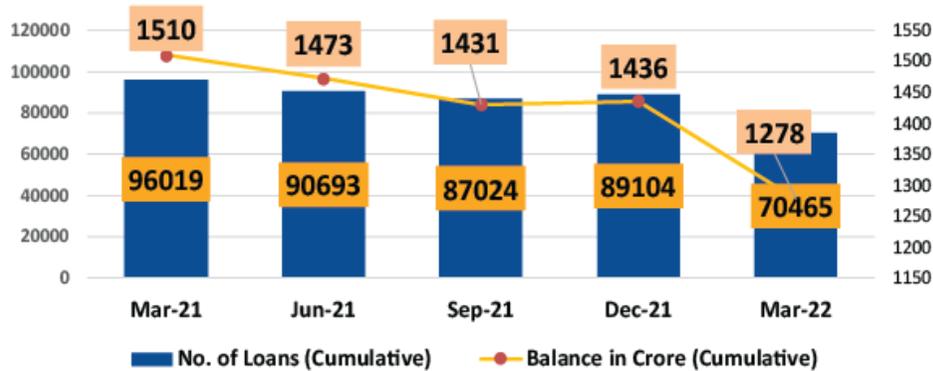


- Digital transactions have seen a **26%** YOY growth.
- Mobile Banking volume stands at **14,274 Crore**, a **34%** YOY growth.
- Crossed **30,000 Crores** in terms of transaction volume for Corporate Digital Products.
- Digital Share stands at **88.17%** for the month of Mar-22.
- Count of digital active users continues to increase.

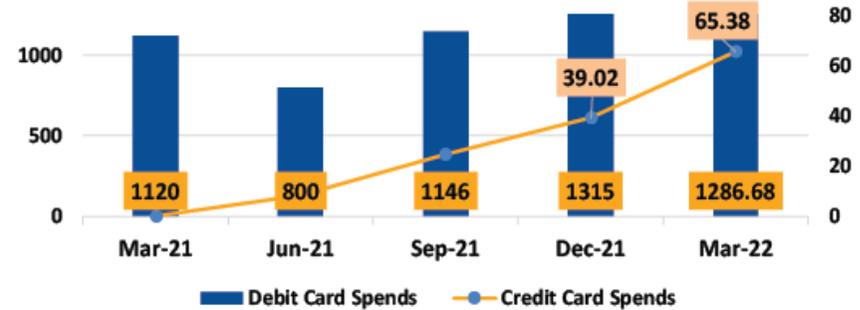
Mobile Banking Volume (In Crores)



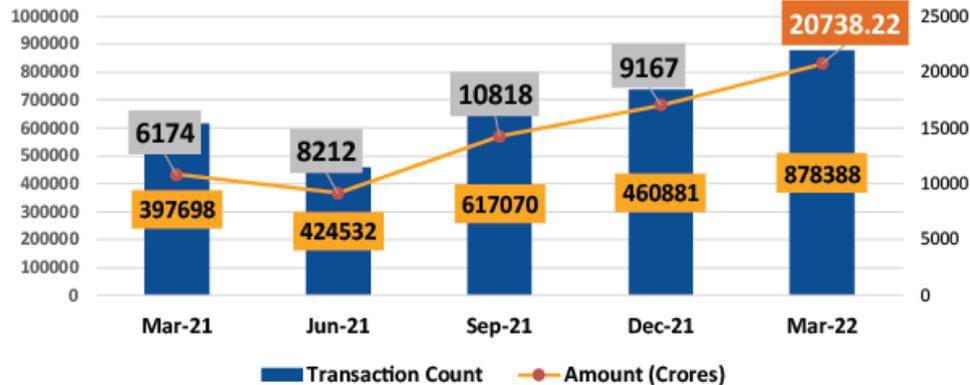
BYOM Digital Personal Loans : Loan book progress



Card Spends (In Crores)



Fed-e-Biz



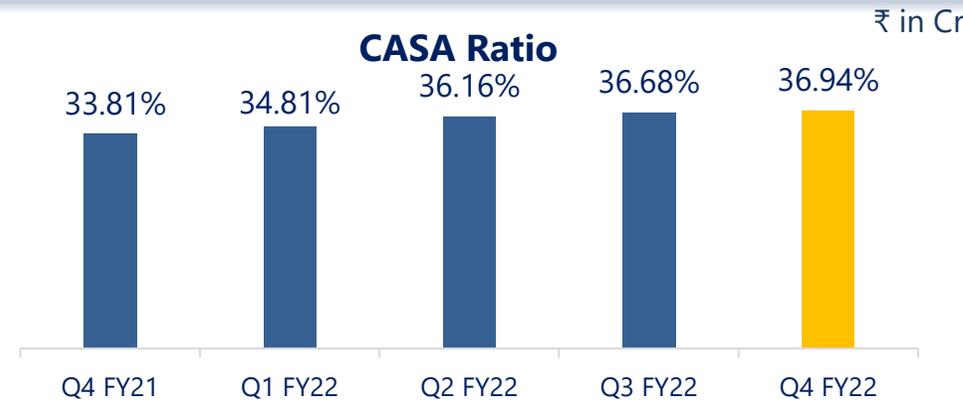
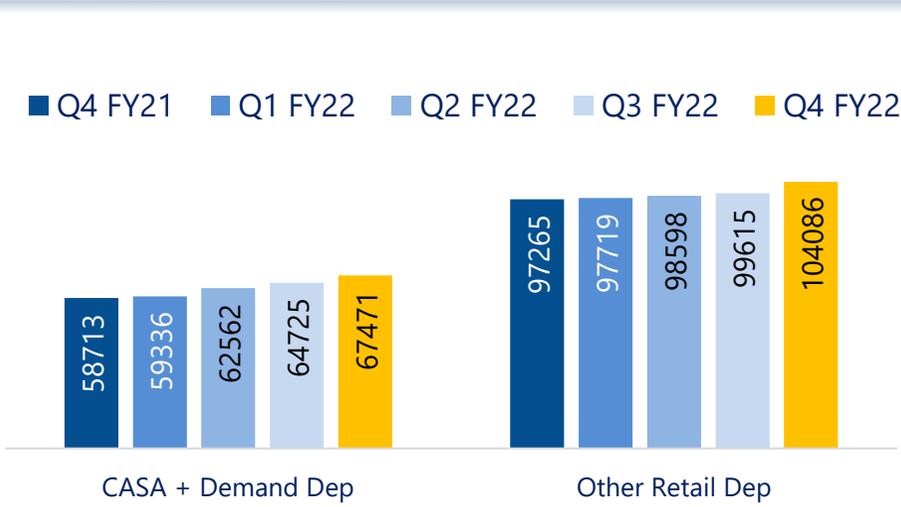
- BYOM enables digital instant personal loans through Federal Bank's Web Portal, FedMobile, Google Pay, Paisa Bazaar & Airtel Payments Bank.
- EMI on check out through PineLabs, Innoviti at multiple merchant locations through POS machines.
- EMI through online channels ex. Bill Desk (Amazon), Flex Money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



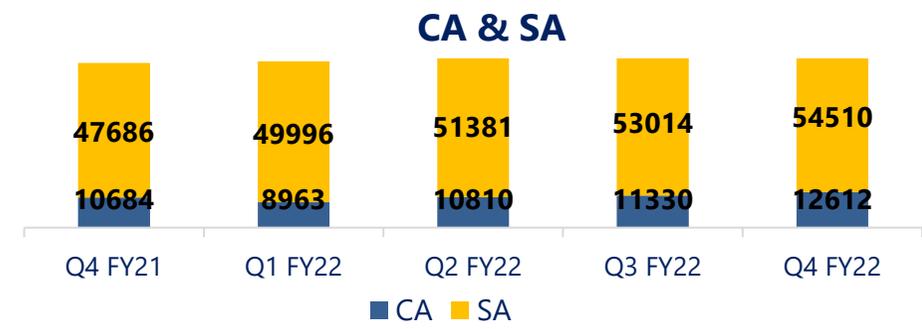
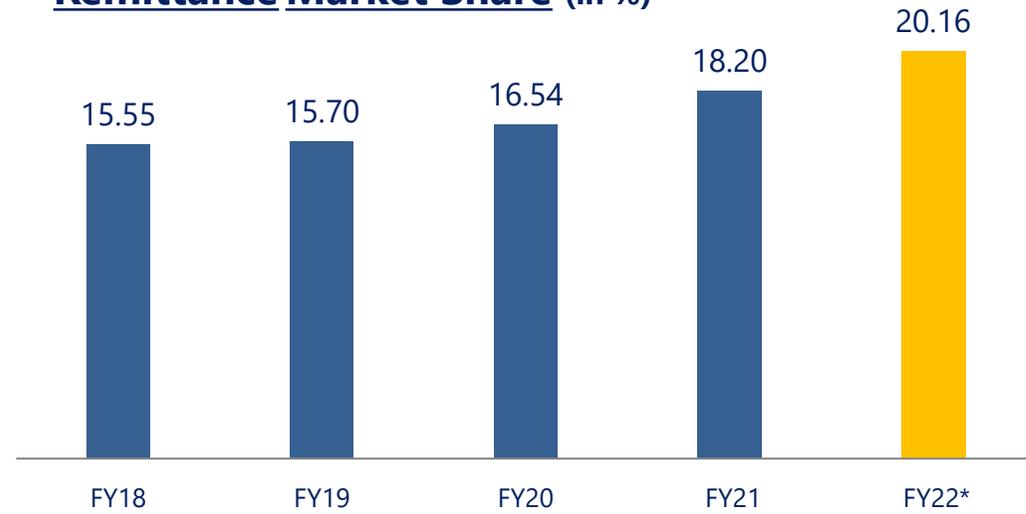
- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 235% YOY growth in terms of Transaction value can be seen as the amount breaches 20k Cr mark.

Business Parameters

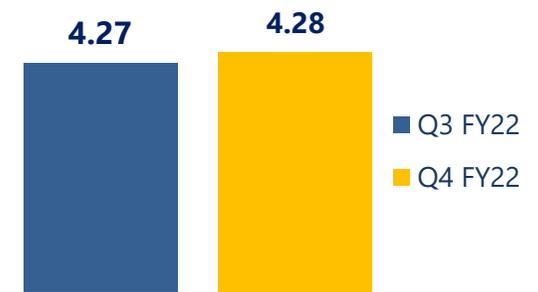
Liability : Trends



Remittance Market Share (in %)



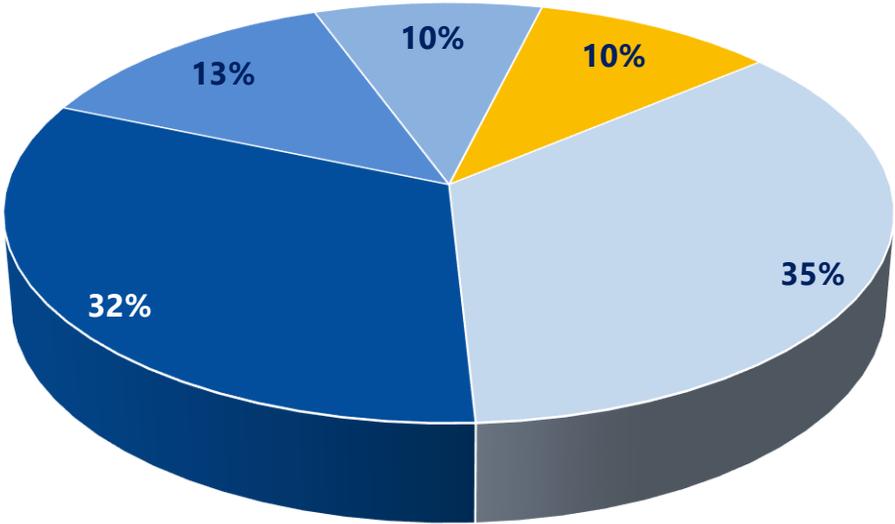
Cost of Deposits



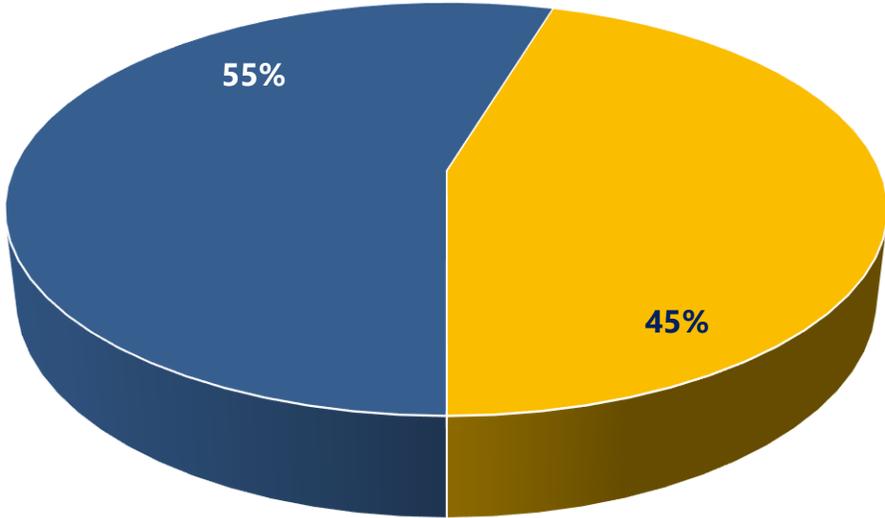
*data up to Q3 FY22

₹ in Cr

TOTAL LOAN BOOK

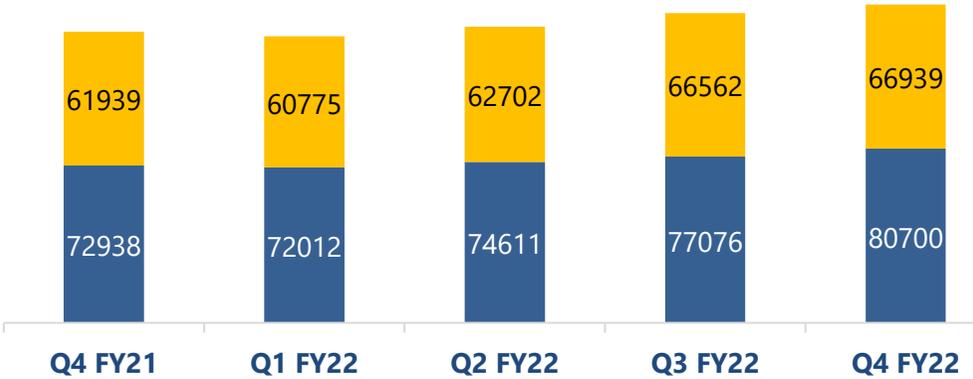


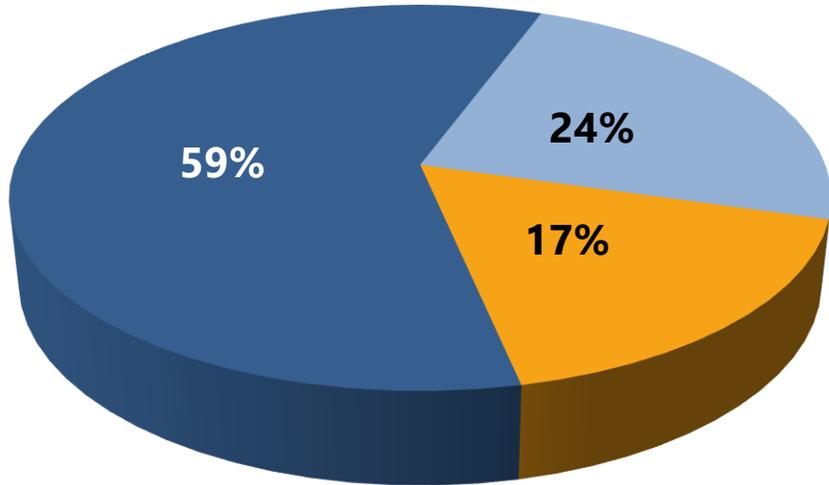
■ Retail ■ Agri ■ BuB ■ CoB ■ CIB



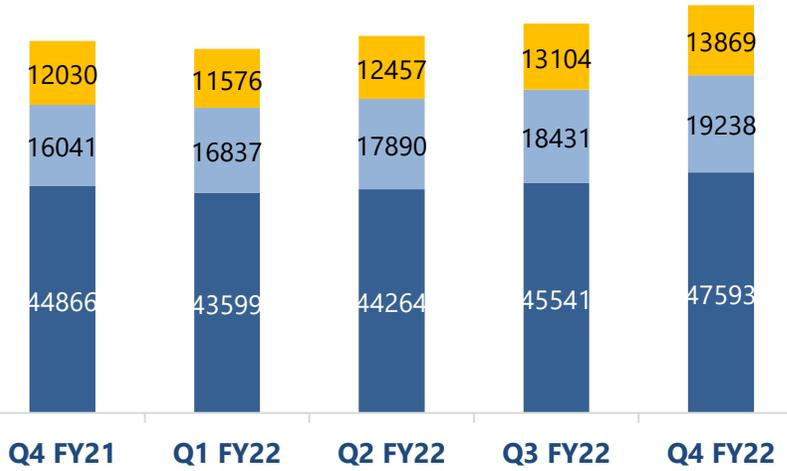
■ Retail ■ Wholesale

Yield on Advances

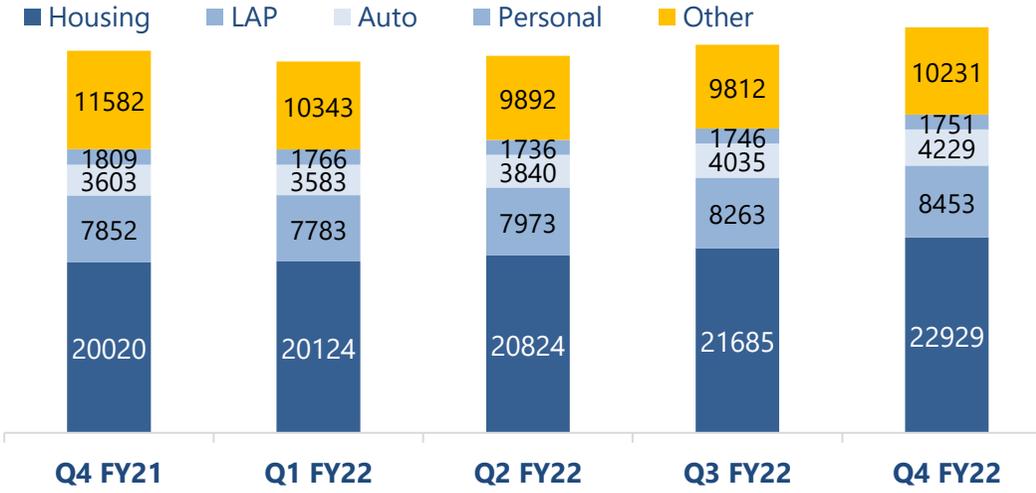




■ Retail ■ Agri ■ BuB



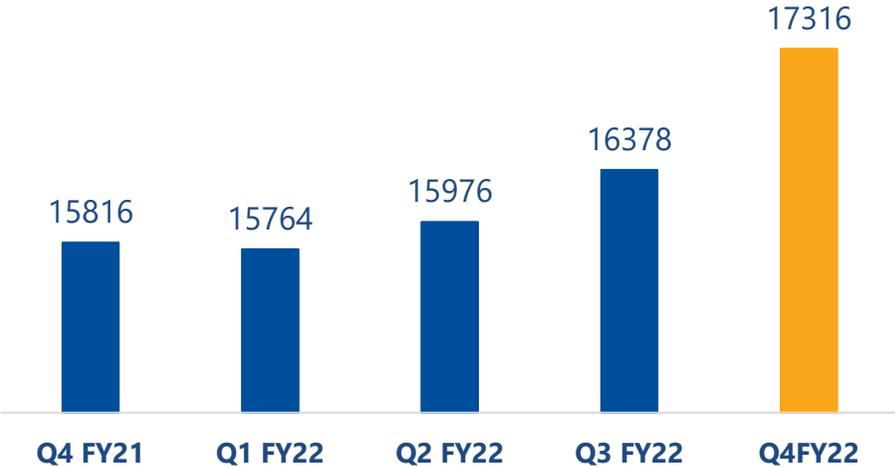
Retail Loan Book (Excl Agri & BuB) ₹ in Cr



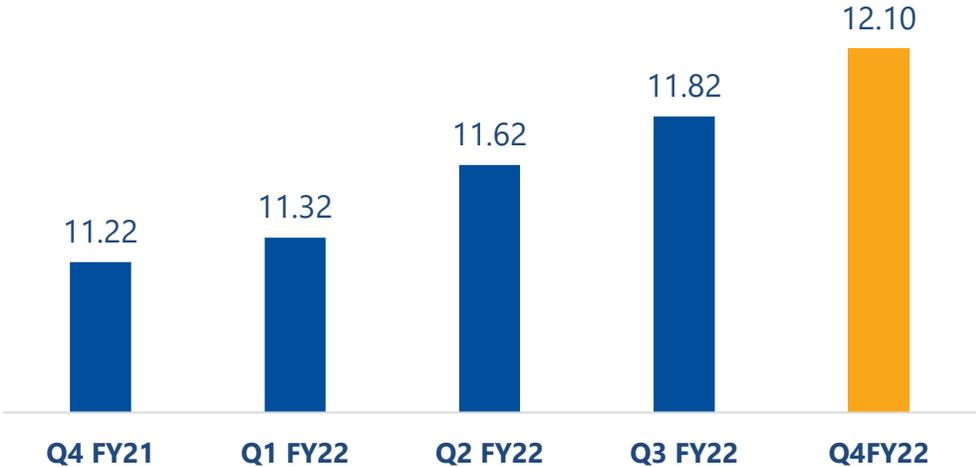
RETAIL BANKING

- Tied up with the Namaste credit for automated CAM generation and standardising the underwriting process
- Launched Insurance Tech Platform in association with TurtleMint as a digital solution for insurance sales
- Disbursals through Fintech enabled Gold and Micro lending platforms crossed Rs.6550 Cr

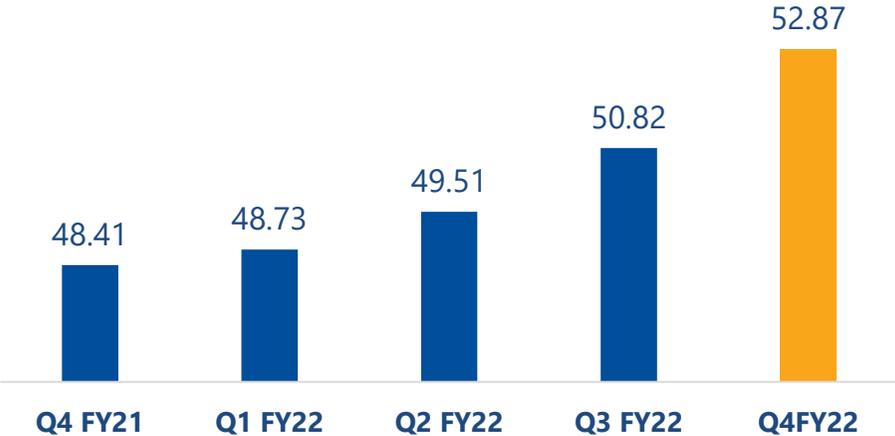
Gold Loan Portfolio

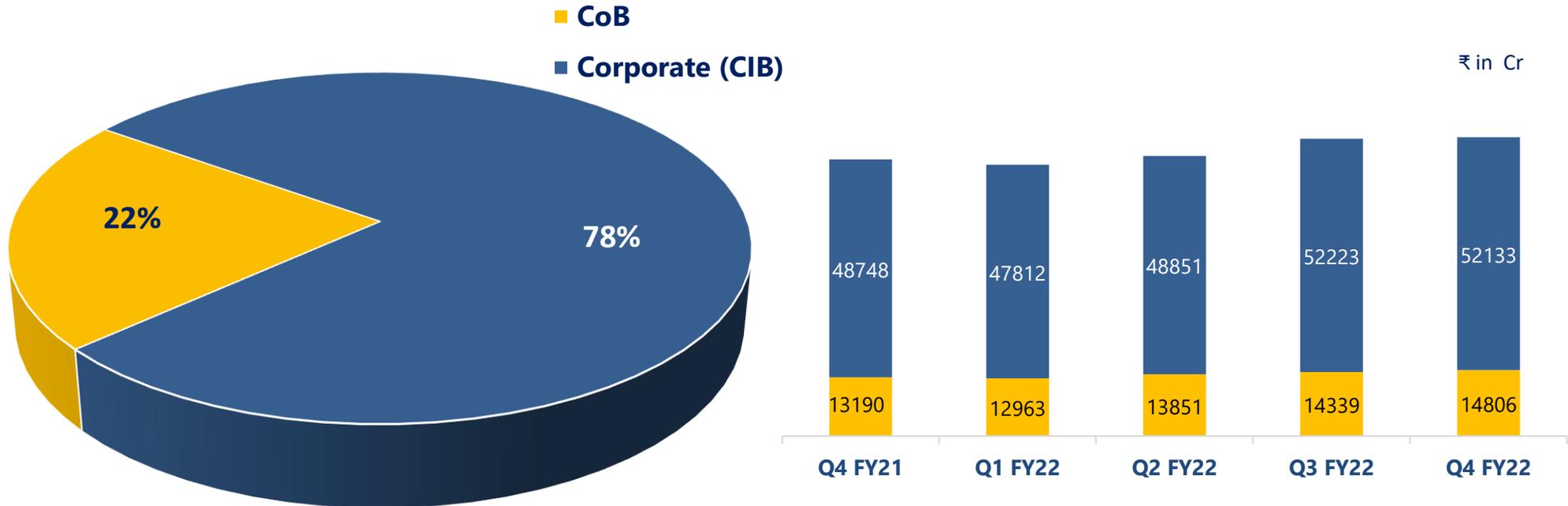


No of outstanding Accounts (in Lakhs)



Tonnage



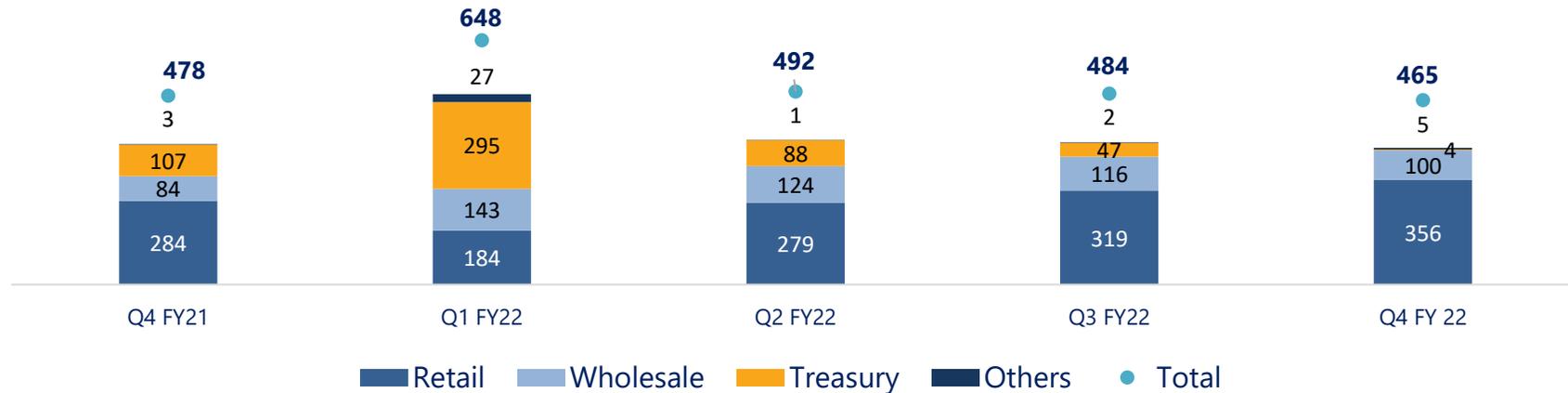


WHOLESALE BANKING

- Onboarded 67 new clients in CIB and 87 new clients in CoB, across business groups, geographies and sectors during the quarter
- Average Ticket Size of Wholesale Loan Book (CIB+CoB) : 22 Cr
- Average Ticket Size of CIB & CoB Loans is 54 Cr & 7 Cr respectively

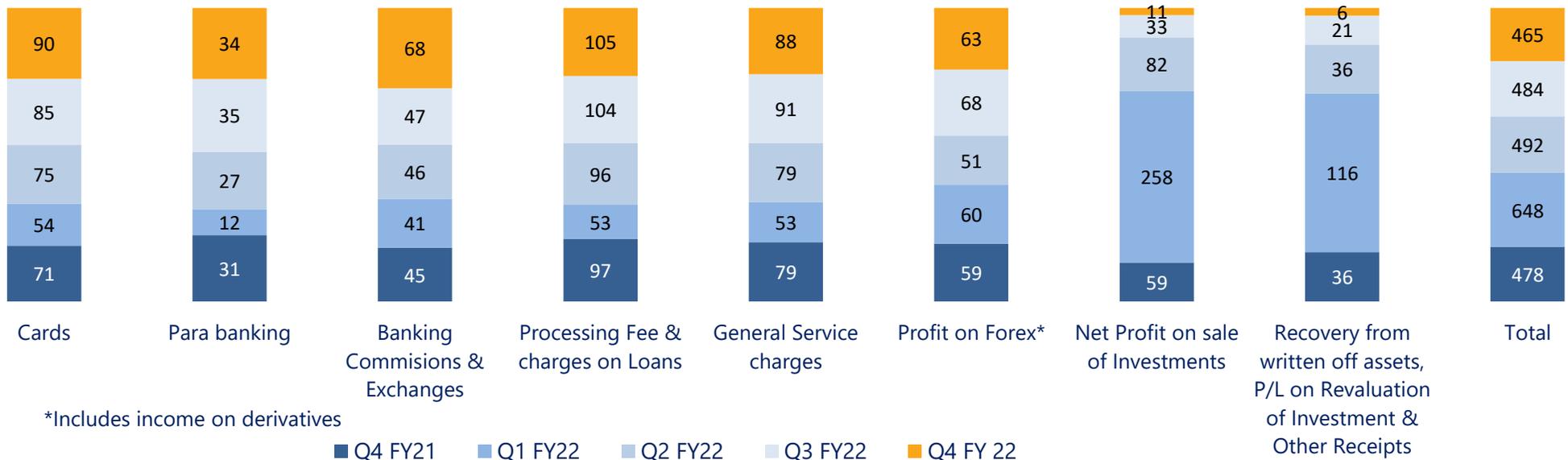
Other Income Distribution : Vertical Wise

(In Cr)



Other Income Distribution : Item Wise*

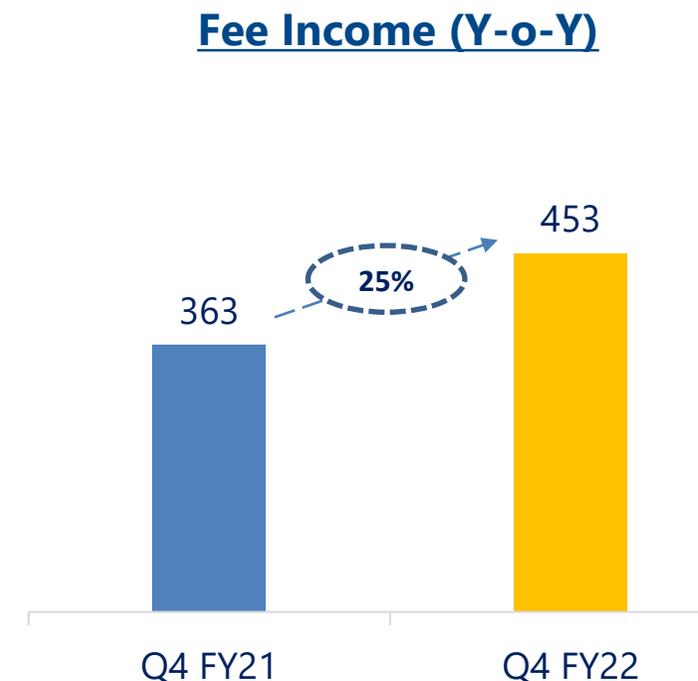
(In Cr)



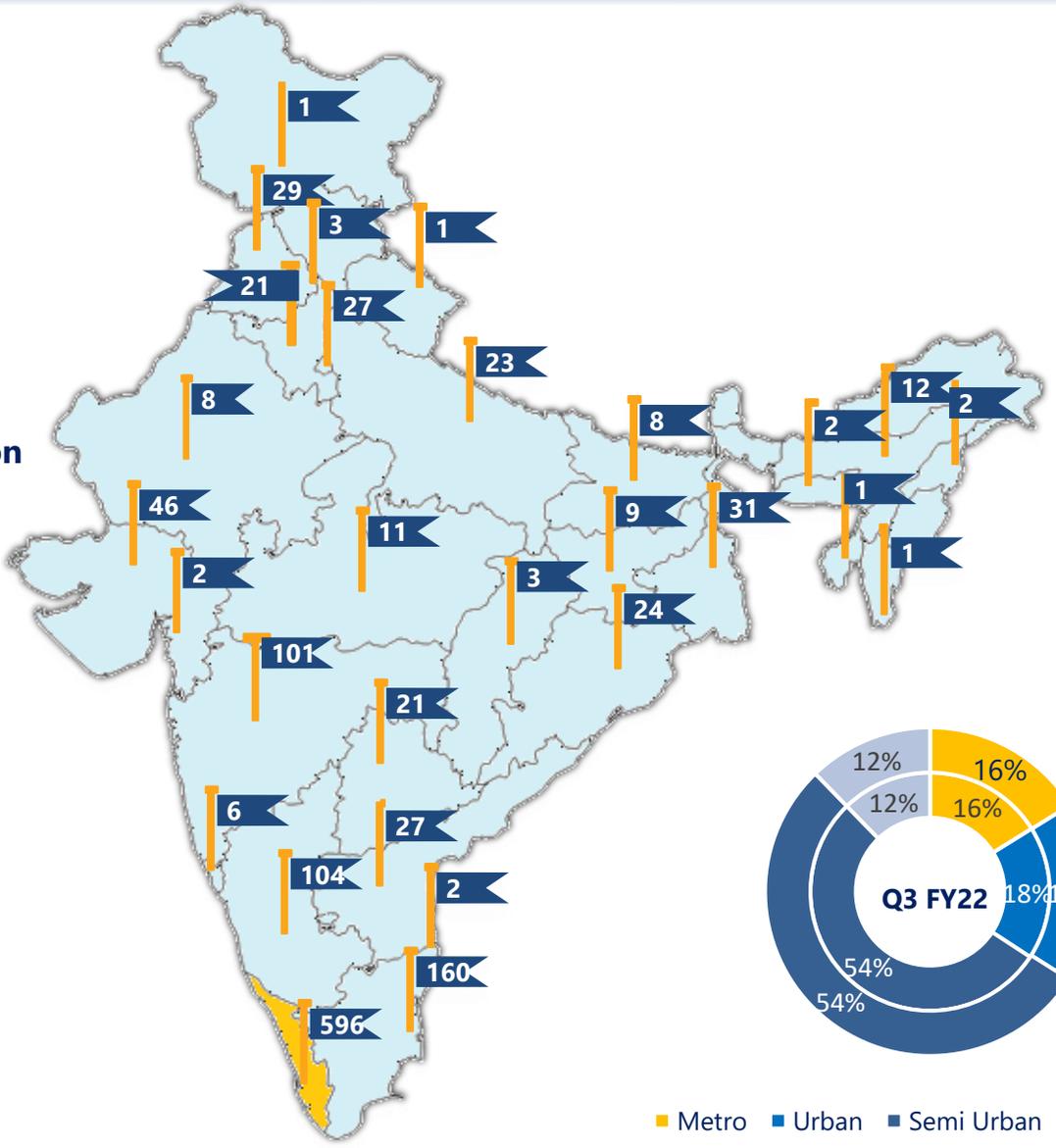
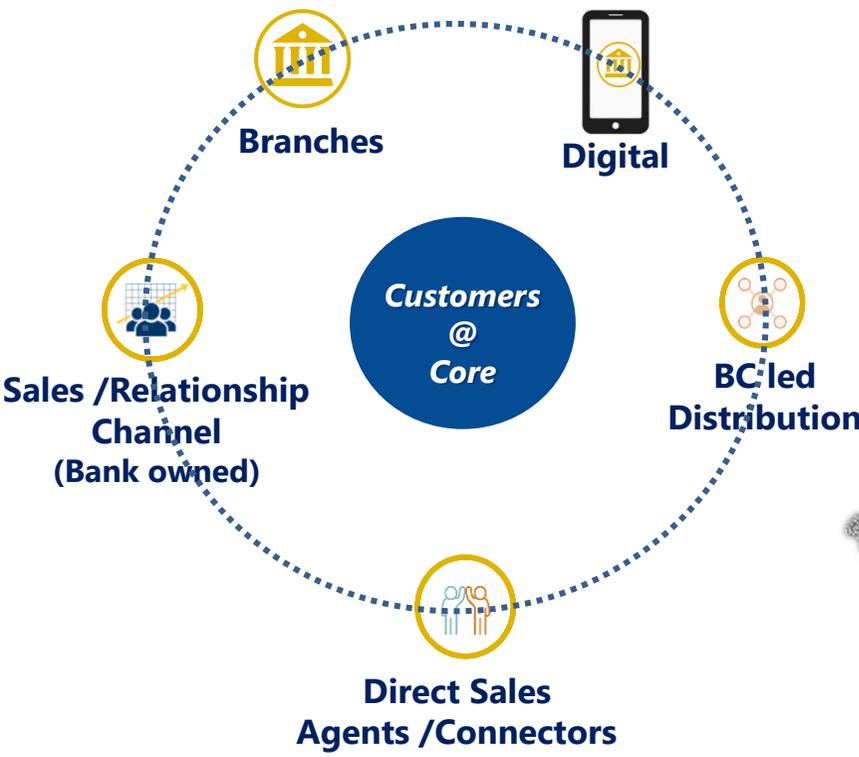
*Includes income on derivatives

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

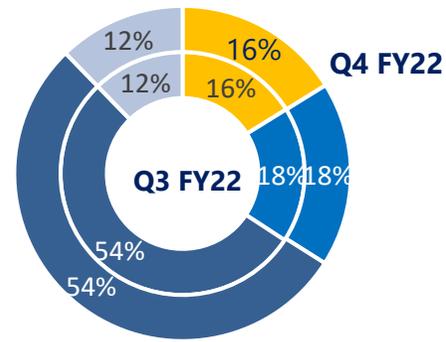
	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
Loan Processing Fee	97	53	96	104	105
Exchange, Commission, Brokerage & Other Fee Income	226	161	227	258	280
Net Profit on Forex Transactions	40	41	50	50	68
Fee Income	363	255	373	412	453
Profit on sale of securities/ Other Receipts & misc.*	115	394	119	72	12
Total Other income	478	648	492	484	465



Distribution : Deriving Efficiency from Footprint



	Q2 FY22	Q3 FY22	Q4 FY22
Branches	1272	1274	1282
ATM/ Recyclers	1874	1882	1885



■ Metro ■ Urban ■ Semi Urban ■ Rural

CRAR – How strong is your Bank?

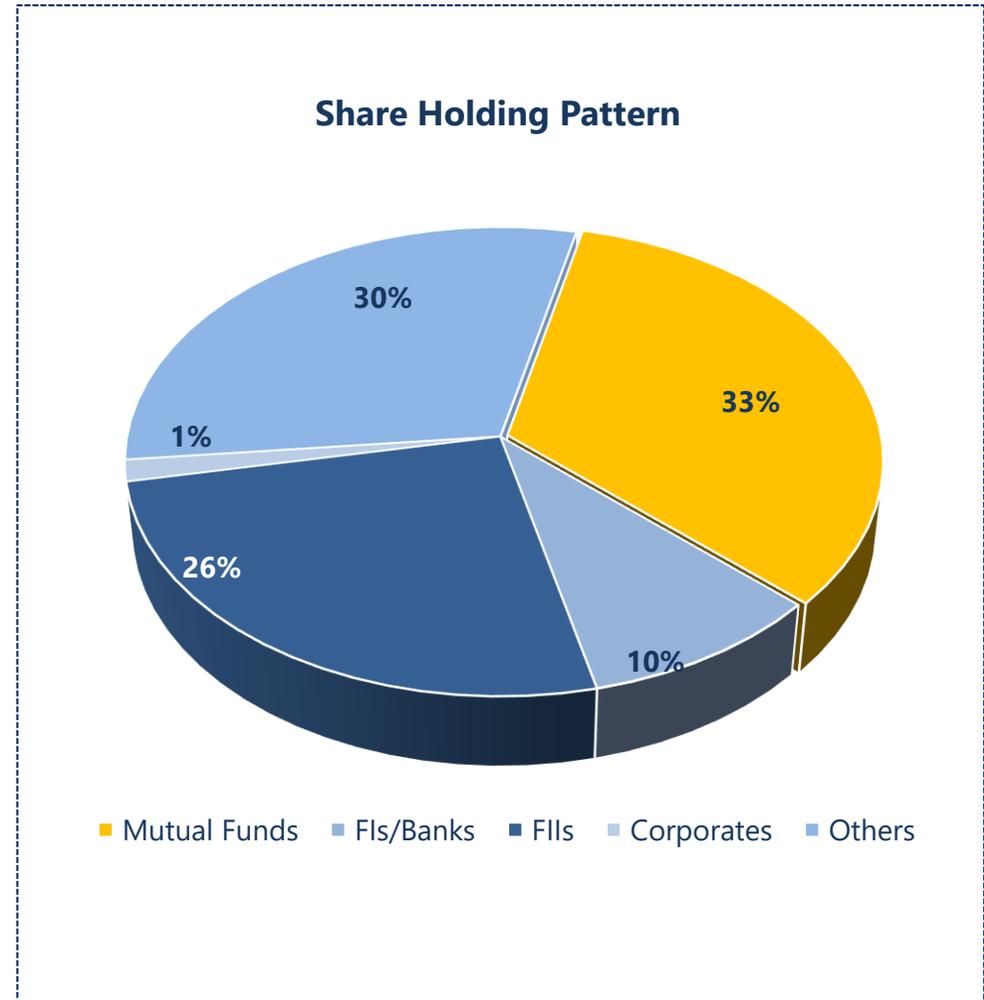
₹ in Cr

	Dec-21	Mar-22
Risk Weighted Assets		
Credit Risk	103462	107171
Market Risk	3747	3398
Operational Risk	11695	11695
Total RWA	118904	122264
Tier-1 Capital Funds	16073	17639
Tier-II Capital Funds	1014	1637
Total Capital Funds	17087	19276
CRAR	14.37%	15.77%
Tier-I	13.52%	14.43%
Tier-II	0.85%	1.34%

Annexures

₹ in Cr

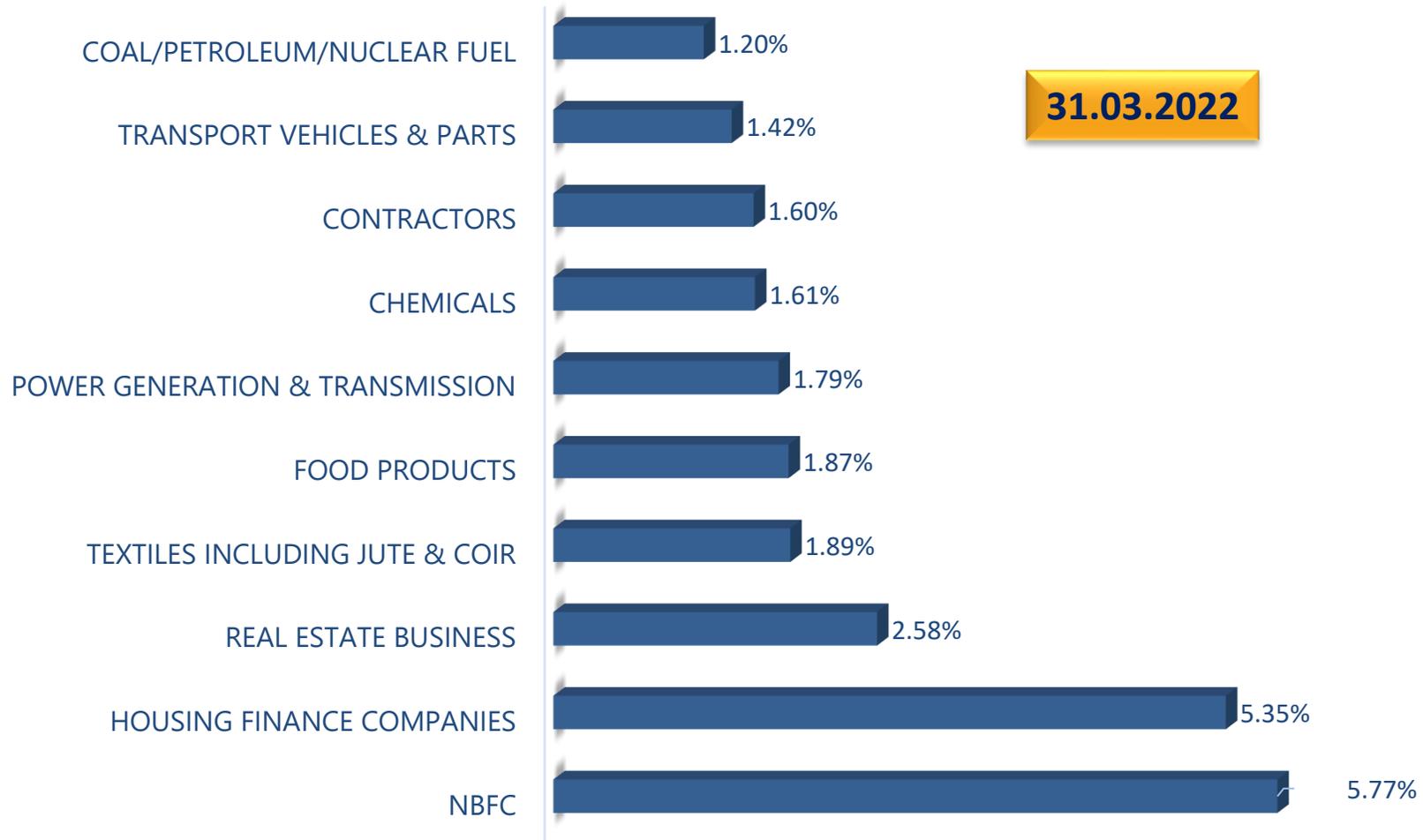
	Q3 FY22	Q4 FY22
LIABILITIES		
Capital	420	421
Reserves & Surplus	17832	18373
Deposits	175432	181701
Borrowings	8150	15393
Other Liabilities & Provisions	7043	5059
TOTAL	208876	220946
ASSETS		
Cash & Balance with RBI	9526	9999
Balances with Banks, Money at Call	5788	11011
Investments	37495	39179
Advances	140743	144928
Fixed Assets	558	634
Other Assets	14767	15194
TOTAL	208876	220946



₹ in Cr

	Q4 FY21	Q3 FY22	Q4 FY22	Q-o-Q	Y-o-Y
Interest Income	3366	3443	3483	1.2%	3.5%
Interest Expenses	1946	1904	1958	2.9%	0.6%
Net Interest Income	1420	1539	1525	-0.9%	7.4%
Other Income	478	484	465	-4.0%	-2.6%
Operating Expense	1001	1109	1192	7.5%	19.1%
Total Income	3844	3927	3948	0.5%	2.7%
Total Expense	2947	3012	3150	4.6%	6.9%
Operating Profit	897	914	798	-12.7%	-11.0%
Total Provisions	419	393	258	-34.4%	-38.6%
Net Profit	478	522	541	3.6%	13.1%
Net Interest Margin (%)	3.23	3.27	3.16	-11 bps	-7 bps
Cost to Income Ratio (%)	52.72	54.81	59.89	509 bps	717 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	73.30%
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.

- 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



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

Thank You