

**92ND ANNUAL GENERAL MEETING
MD & CEO SPEECH**

Thank You Chairman Sir.

Ladies and Gentlemen, Esteemed Shareholders.

A warm and hearty welcome to the 92nd Annual General Body Meeting of Federal Bank. It is an honour to address all of you, our shareholders, as we come together to reflect on our journey that has led us to this point.

My gratitude goes out to all of you – our loyal shareholders who have stood by us all along, as well as to our new investors who have come on board most recently during our well subscribed QIP.

I take this opportunity to express my heartfelt thanks to our esteemed Board for their steadfast support and guidance all along. And for leading the board as Chairman for the past 2 years, it is with great appreciation that I extend my thanks to Mr. Balagopal. Looking ahead, I offer my sincerest congratulations to Mr Hota, the Father of NPCI, for taking on the role of Chairman of the Board. I also thank Ashutosh Khajuria whose term ended as Executive Director, but he has agreed to stay on for one more year as a Mentor and groom many more of our colleagues - thank you Ashutosh. I also extend my warmest congratulations to Harsh Dugar for his well-deserved elevation to the position of Executive Director of the Board.

Now let me delve into the core purpose of our gathering today: to present our bank's aspirations and to retrospectively examine the lessons garnered from the previous year. Our sights are set on working our way **to be amongst the top 5 private sector banks** in the country in terms of scale and size.

This we will ensure by fortifying our core, tapping into the megatrends and thoughtfully investing in adjacencies. All this while we keep our eyes sharply pinned on delivering quality across the board.

FY 23, as we all know, was characterized by fragile economies, anxious geopolitical conditions, non-linear growth patterns, and incomprehensible index movements. Amidst these challenges, the resilience of the Indian economy shone brightest. While the world grappled with uncertainties, India remained steadfast as an economic stronghold. This resilience reflects our nation's adeptness in navigating complexities and advancing with unwavering determination. As noted in our annual report, I firmly believe

that a new India is emerging in this dynamic world, evidenced by the stability of our financial sector, backed by the foresight of our regulators and aided by the remarkable resilience exhibited by our fellow countrymen.

It is often quoted that "In the world of banking, numbers are our best friends" and I am sure you all must have noticed in our Annual Report- the numbers arranged encouragingly well for us in the past year.

Despite the highly competitive environment in the banking industry that led to a war for customer deposits, we grew our deposit base by 17% year-on-year. We also delivered a 20% year-on-year increase in credit, clearly evidencing all-round market share gains. As a result, we achieved significant milestones, with our **annual profits surpassing 3000 Cr** for the first time, and our **total business volumes crossing the 3.8 Lakh Crore mark**.

As I'm sure all of you are already acquainted with the details of our Annual Report, which is now conveniently accessible on our website in an engaging and interactive format, I will avoid reiterating the subjects comprehensively covered within it. Instead, I would like to take this opportunity to share a theme that is central to our future plans- Our focus on **F.O.C.U.S**

Let me explain in detail what **F.O.C.U.S** means for us :

Fortification of our Core:

With the steady growth in business and the attendant complications that go with growth, fortifying our core is imperative.

This notion of fortification is akin to strengthening the very essence of our identity. Just as a tree's strength and longevity stem from its roots, we are committed to fortifying the core elements that define us. This commitment to discipline will be the cornerstone of achieving targeted outcomes and enhancing tangible value. The well-received "*Rishta*" campaign, launched last year, reinforced our identity and Federal Bank's commitment in nurturing relationships, a reputation which has now become legendary.

Our relentless commitment to creating an excellent workplace has been recognized by the **Great Place to Work Institute, where we were the only**

bank from India to feature in Asia's top 100. Furthermore, we proudly boast of a diverse workforce, with **41% of our employees being women**, and an impressive 24% of our branches being led by women. Our HR practices are evident in our industry-defying **low attrition rate of 3.75%**, which fares very well in an industry where attrition rates are soaring.

On the digital front, we continue to be an innovation leader. This year's achievements include being the first bank to list our payment gateway on the new tax platform, launching two bus-as-a-platform branches, and introducing cross-border BBPS services. We've also successfully piloted a fully digitalized instant Kisan Credit Card in partnership with RBIH, showcasing our embrace of cutting-edge technology. **Digital transactions constituted 90% of our total transactions.** To further enhance customer experience, our **AI-powered customer support, Feddy, handled 69% of customer queries**, allowing us to allocate resources more effectively for core business activities. Our online self-service portal, Fed E Point, adeptly processed 23 lakh customer requests, resolving issues seamlessly through technology-driven processes.

Collaborative growth has been a cornerstone of our strategy. We've cultivated partnerships within the burgeoning Fintech ecosystem, enabling us to offer cutting-edge products. Our collaborations with over 75 Fintech companies has positioned us as the preferred partner in the country, fostering innovative solutions in credit cards, loans, and investments. Through a network of branches, relationship managers, direct selling associates, and business correspondents, we've seamlessly integrated digital and Fintech systems, effectively expanding our business reach across nearly **18000 out of the 19000+ pin codes in the country.**

Lastly, a direct measure of the fortification is reflected in our NPA figures. Despite meaningful credit growth, we take pride in maintaining robust asset quality across segments. Maintaining a healthy credit quality remains a top priority, ensuring Federal Bank's sustainable growth.

Opportunities All Around Us:

I've always believed that India, when plotted on an XY axis, with four quadrants representing different population orientations, holds ample potential for multiple banks to tap into for years to come. Opportunities are limitless in this vast country; however, identifying the quadrant with the highest growth potential is key.

Business opportunities are the currency of growth. Our commitment to recognizing and capitalizing on emerging prospects ensures continuous expansion. Embracing a mindset to pursue opportunities wisely, positions us as agile navigators of the evolving market landscape. Businesses like MFI, Gold, SME, and unsecured lending are crucibles of growth. Our agility in recognizing and harnessing these prospects propels our expansion. We don't merely seize opportunities; we shape them into shareholder value.

In last year's AGM, I spoke about exploring new business opportunities, and our ventures into Credit Cards, Personal Loans, Commercial Vehicle/Construction Equipment financing, and Microfinance Institutions have shown strong growth. Our MFI business has witnessed impressive year-on-year growth of 223%, facilitated by technology advancements like the innovative Fedmi App. The CV/CE portfolio recorded an impressive growth of 71%, reaching 2186 Crore.

Customer Centricity, Kyunki Rishta Aap Se Hain:

When it comes to our customers, they are more than just account holders; they are the North Star guiding our path. Their experiences, needs, and ambitions steer our direction. We have invested in a state of art integrated CRM solution that helps deliver smart customer experiences seamlessly across touchpoints. Our dedication to customer-centricity shines through exceptional service and tailored solutions. Our journey's success is closely woven with the trust and satisfaction of our valued customers.

Customer-centricity isn't a mere strategy; it's ingrained in how we operate. Bill Gates once said, 'Your most unhappy customers are your greatest source of learning.' This isn't just a quote; it's a philosophy we are trying to live by. In this era of digital dominance in India, we've taken a unique approach to humanize banking, as our annual report's theme suggests. We

remain committed to being "Digital at the fore, Human at the core.", and to pursue NPS levels that make us future proof.

Unsubscribing from Dated Mindsets:

In a world where everyone is asking you to 'Like, Subscribe and Follow' we are choosing to unsubscribe.

"To boldly go where no man has gone before," is a famous catchphrase of the 90's. We are firm believers that to be a cut above the rest, we must unsubscribe from the ordinary and take roads that are less travelled by. We believe in shedding dated mindsets, reaching untapped segments and markets. Sunsetting obsolete paradigms is crucial in a rapidly changing landscape. We empower our dynamic workforce to break free from traditional thinking, fostering innovation and forward thinking.

The average age of a Federal Bank employee is now around 36 years, which speaks for the fact that the thinking process of the bank is new age. This approach of infusing younger employees into the workforce is in line with the plan to make Federal Bank a hub of creative concepts. Our preparedness for new challenges underscores our commitment to fostering a culture of growth and adaptability.

Sustainability isn't just a Buzzword:

We believe sustainability isn't just a buzzword; it's a cherished responsibility. By embedding sustainability into our practices, we ensure our institution's longevity and the well-being of the communities we serve. Our "*Rishta*" extends not only to customers and shareholders but also to the environment, society, employees, and technology. The recent Refinitiv ESG scores reaffirm our strong ties to the environment and society, positioning Federal Bank 4th among 62 banking service providers in India, 25th among 723 Indian companies, and 74th among 934 banks globally.

Our CSR initiatives, such as Speak for India, Hormis Memorial Scholarships, SEED, Swayam Sakthi, and DREAM, have positively impacted over 3.15 million lives. **Federal Skill Academy** – another of our CSR initiative, remains steadfast in its mission to equip the youth and women with the knowledge and

expertise needed to thrive in a competitive world. Through such initiatives, the academy aims to promote inclusivity, skill enhancement, and women empowerment in the community.

Additionally, we've disbursed green loans worth 32.2 billion Rupees, conserved **84,000 litres of rainwater**, saved **108 lakh sheets of paper**, **preserved 1,074 MWh of energy**, and prevented **1.8 million tons of emissions**, significantly contributing to the planet's well-being. Sustainability isn't just an investment in the present; it's a legacy for future generations. This commitment is deeply ingrained in our values, ensuring a lasting impact on both our institution and the world.

In a world that's constantly changing, we are focussing on **F.O.C.U.S** – a fitting compass for our journey ahead. Let me assure each one of you – that focus on **F.O.C.U.S** is not just a concept; it's the heartbeat of our strategy, the wind beneath our wings.

In conclusion, I want to express my heartfelt gratitude to every member of the Federal family for their dedication and tireless efforts that have contributed to the bank's significant achievements in the last fiscal year. Their commitment to excellence and customer-centric approach has been instrumental in driving the bank's growth and success.

And in closing I remain **Proud to be a Federal**.