

The Manager The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	The Manager Department of Corporate Services BSE Limited, Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, Mumbai- 400 001
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Ref.: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Madam/ Sir,

**Sub: Investor Presentation**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the investor presentation on the Unaudited Financial Results for the quarter ended June 30, 2023.

The same is also being made available on the Bank's website, <https://www.federalbank.co.in/financial-result>.

This is for your information and records.

Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev  
Company Secretary

Encl: as above

# Investor Information

Q1 FY 2024

**FEDERAL BANK**

YOUR PERFECT BANKING PARTNER



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#### Statistical Information

The Information also contains certain statistical data and analyses (the “Statistical Information”) which have been prepared in reliance upon information furnished by the Bank. Numerous assumptions were used in preparing the Statistical Information, which assumptions may or may not appear herein. As such, no assurance can be given as to the Statistical Information’s accuracy, appropriateness or completeness in any particular context, nor as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance.

#### Industry Data

The Information includes market share and industry and economic data and forecasts. You should note that the industry data included in the Information is estimated in the absence of official company confirmation or reliable country source information, and you should not place undue reliance on such data. In addition, while we have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we have not independently verified any of the data or ascertained the underlying economic assumptions relied upon therein. As a result, you should not place undue reliance on such information.

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.



# TABLE OF CONTENT

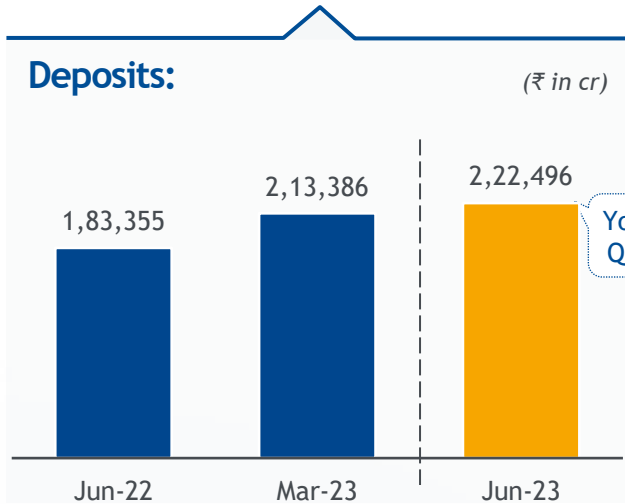
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# Consistently delivering robust growth and sustained profitability...



## DEPOSITS

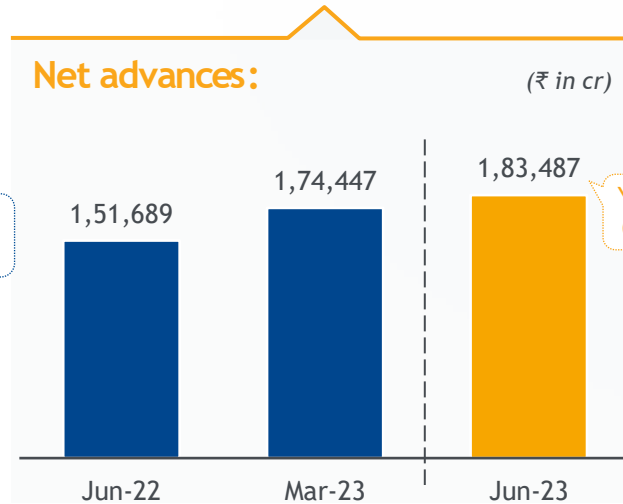


- ✓ Resident SB grew by 7% YoY
- ✓ Core deposits at 97.95% of Total Deposits
- ✓ NR Term Deposits up by 11% YoY

Sustained business momentum



## ADVANCES

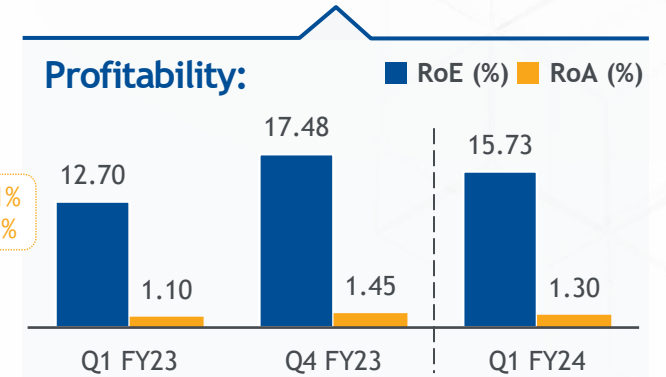


- ✓ Retail book up by 17% YoY
- ✓ Business banking book up by 18% YoY
- ✓ CIB up by 22% YoY
- ✓ CoB grew by 20% YoY
- ✓ CV/CE up by 72% YoY

Broad-based robust credit growth



## PROFITABILITY



% change	QoQ (%)	YoY (%)
Total Income	5.54	41.05
NII	0.49	19.57

- ✓ RoRWA at 2.36% for current quarter

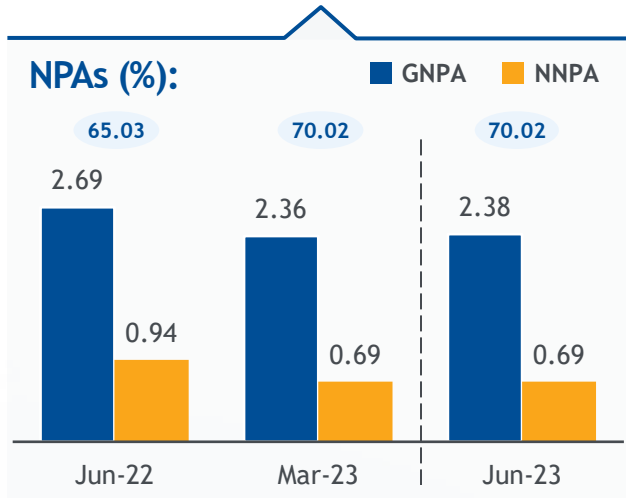
Consistently delivering improvement



# ... while maintaining asset quality and expanding distribution capabilities



## ASSET QUALITY



- ✓ NNPA improved by 25bps YoY
- ✓ PCR up by 499bps YoY
- ✓ Collection Efficiency maintained: Recoveries & Upgradations of ₹246 cr

Asset quality - stable and improving

xx% Provision Coverage ratio

\*Including Cash Recyclers and Mobile ATMs



## REACH

Branches / ATMs:

1,366 / 1,920\* (Jun-23)

Alternate channels:

Fintechs    RMs / DSAs / BCs    BaaP

Customers / Employees:

1.67 Crore / 13,357  
(Jun-23)

Multi-pronged approach to distribution



## KEY INITIATIVES



End-to-End Digital Personal Loan platform introduced as a DIY journey launched to target NTB customers



Tie up with Valocity global to streamline valuation process for mortgage loan



Separate Sales team formed for BuB



Co-lending tie up live under Micro Finance



New derivative product "Non-Deliverable Options" launched



Participated in syndicated factoring program executed in India

Strong innovation culture

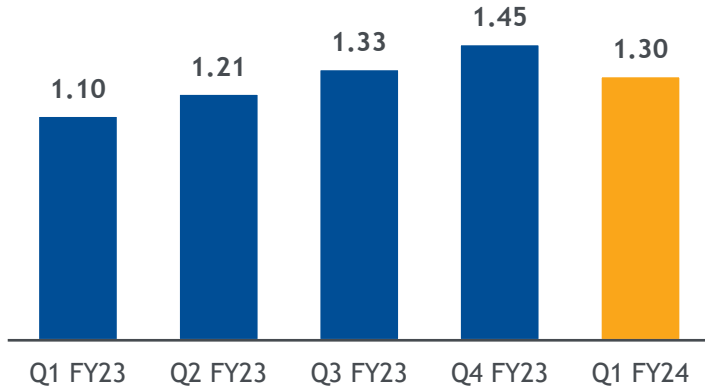


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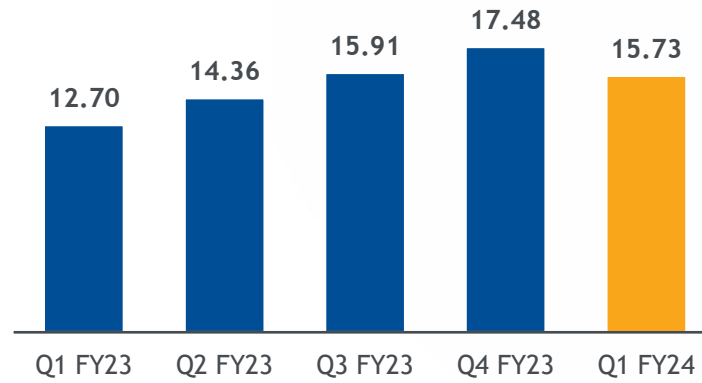
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# Key ratios

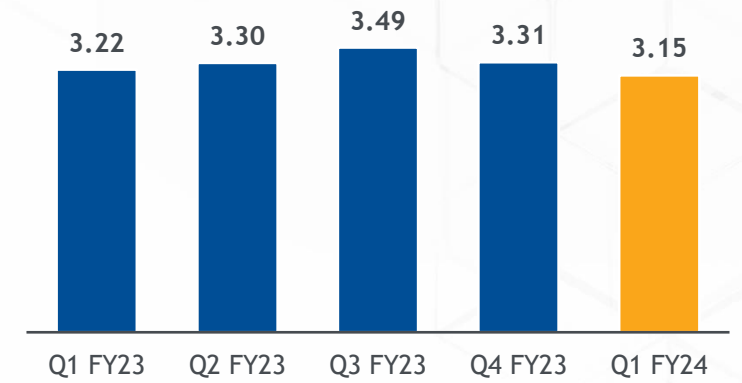
### RoA (%)\*



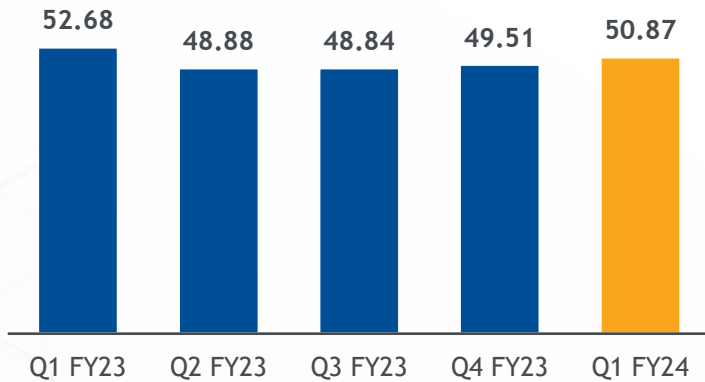
### RoE (%)\*



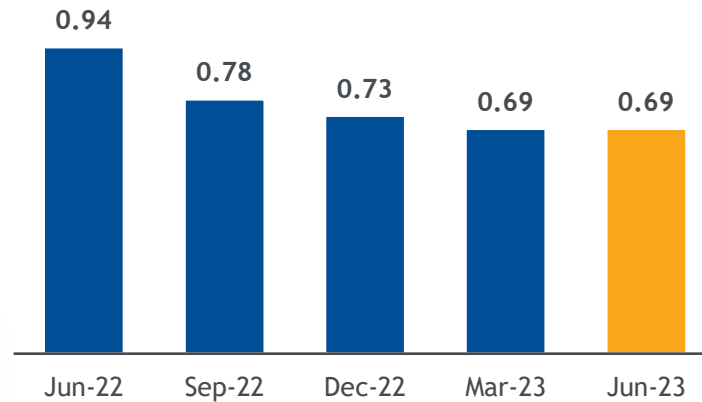
### Net interest margin (%)\*



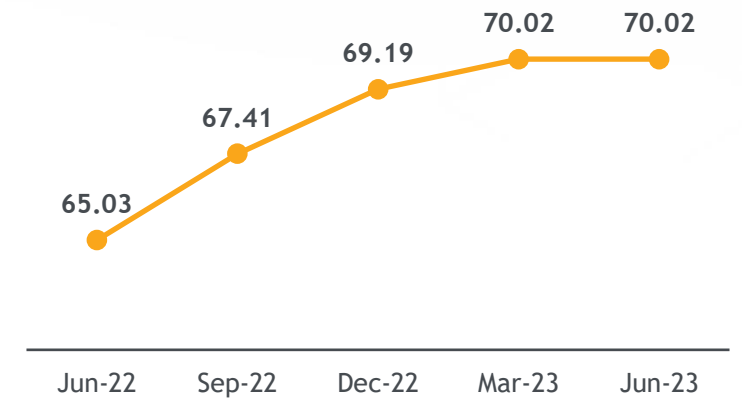
### Cost to income ratio (%)



### NNPA (%)



### PCR (%)



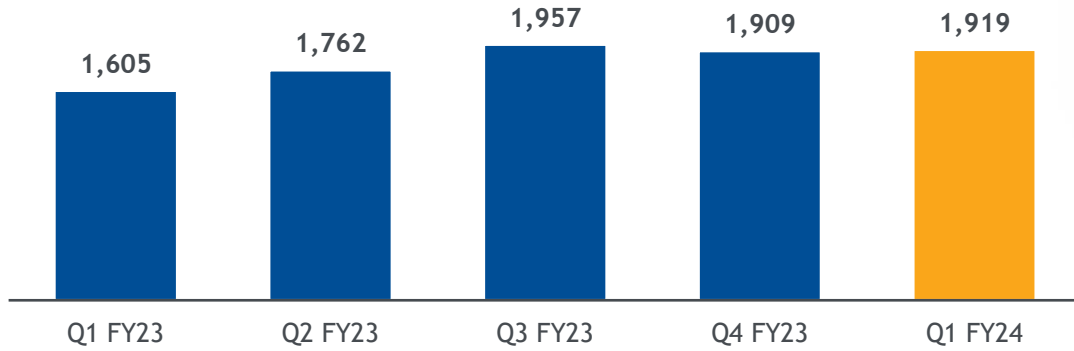
\*Annualized



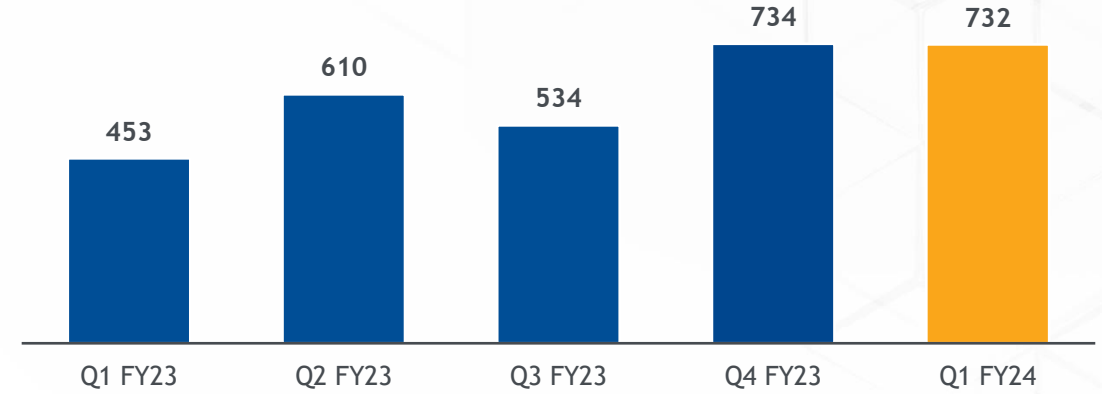
# Key P&L parameters

₹ in cr

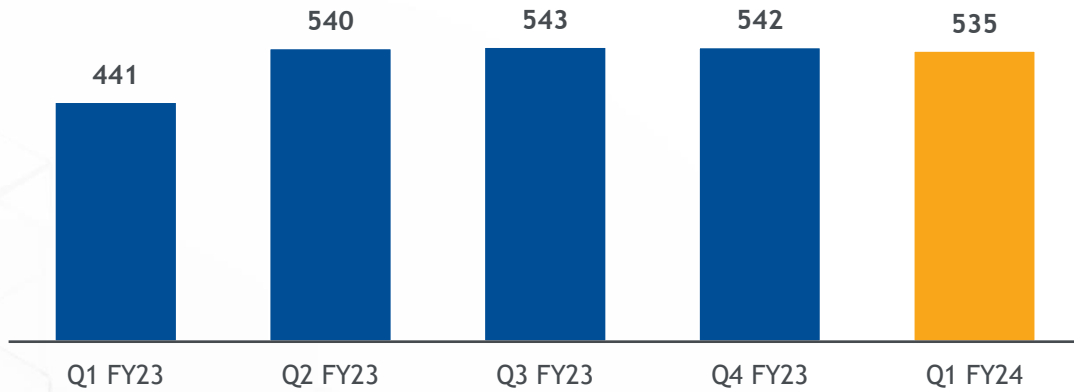
## Net interest income



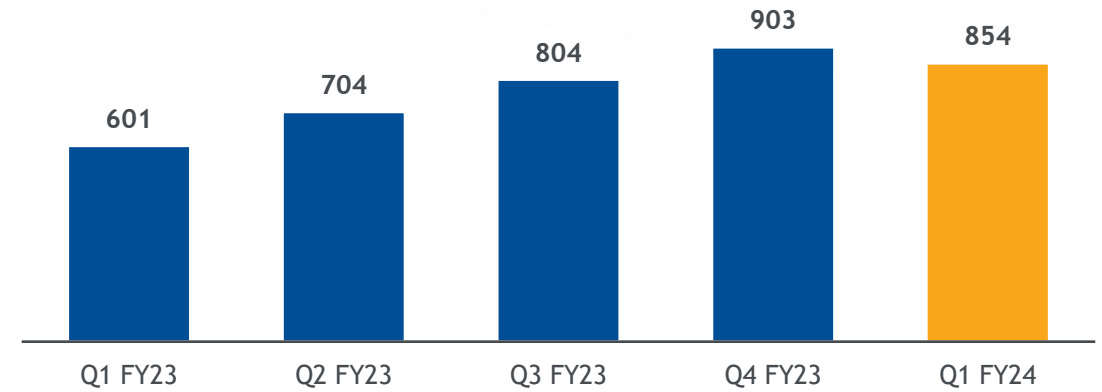
## Other income



## Fee income



## Net profit





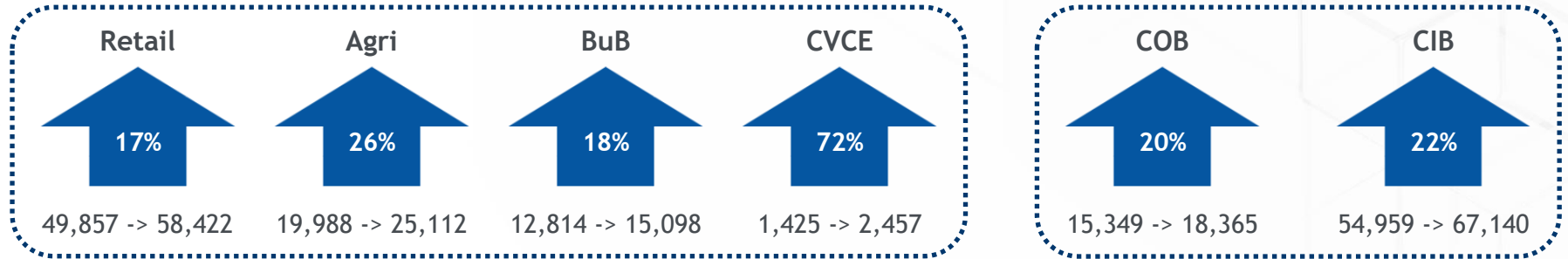
# Comparison: Y-o-Y

₹ in cr

## Retail

## Wholesale

### Advances



### Deposits



### Performance



### Ratios



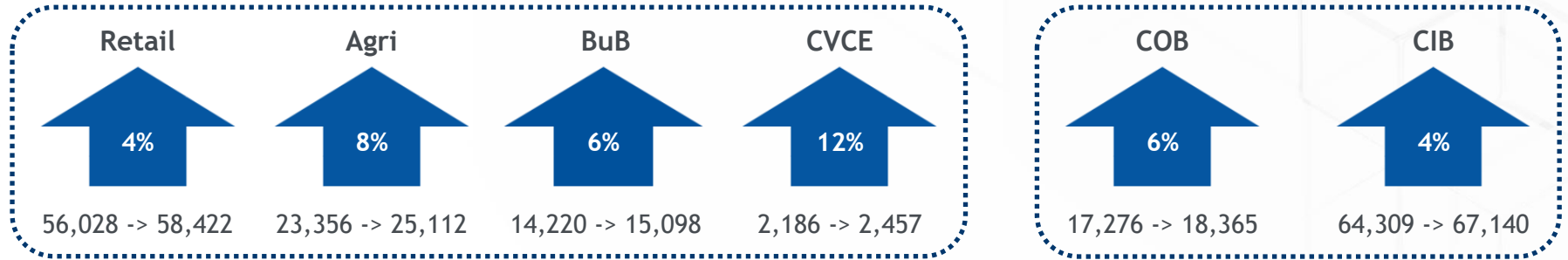
# Comparison: Q-o-Q

₹ in cr

## Retail

## Wholesale

### Advances



### Deposits



### Performance

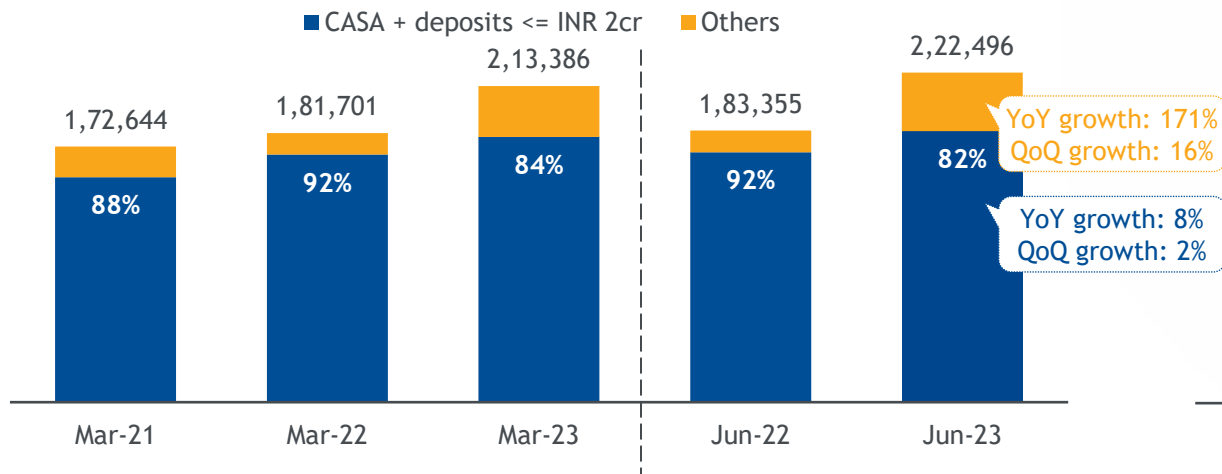


### Ratios

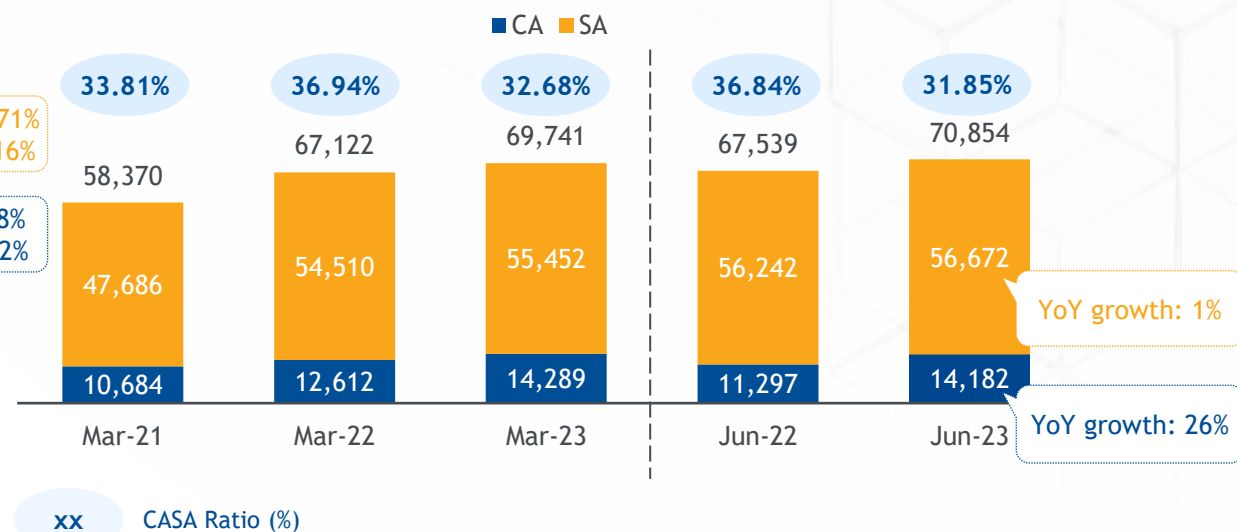


# Liability trends

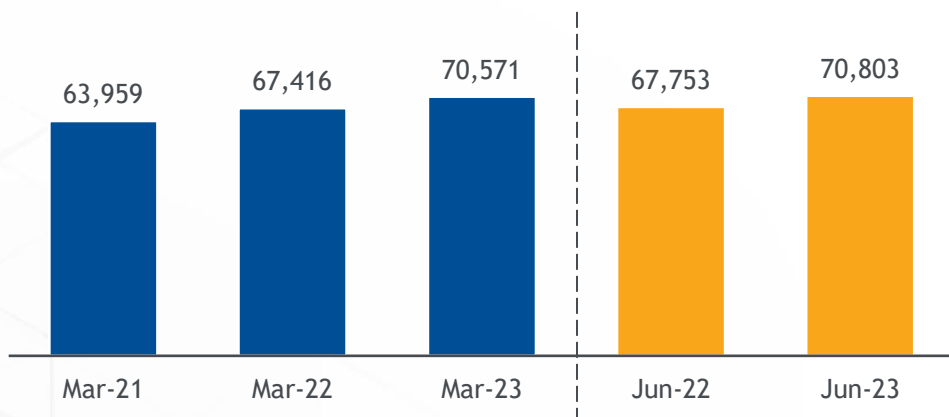
## Deposits (₹ in cr)



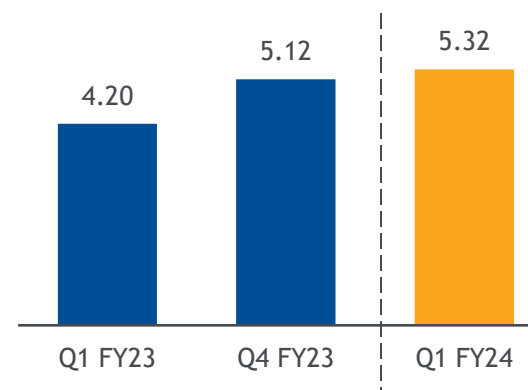
## CA & SA (₹ in cr) and CASA ratio (%)



## NR deposits (₹ in cr)



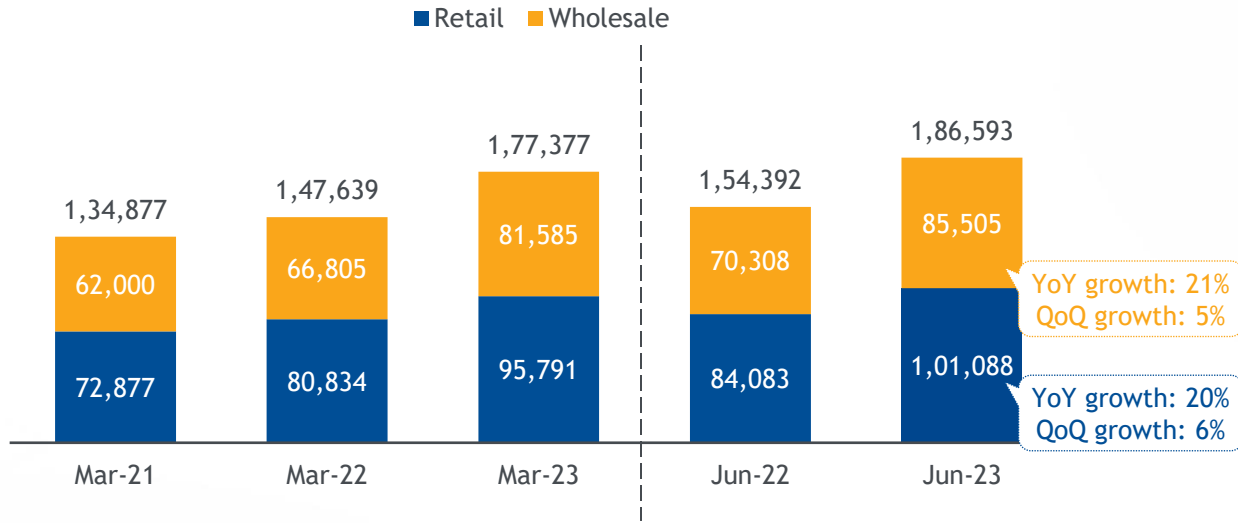
## Cost of deposits (%)<sup>1</sup>



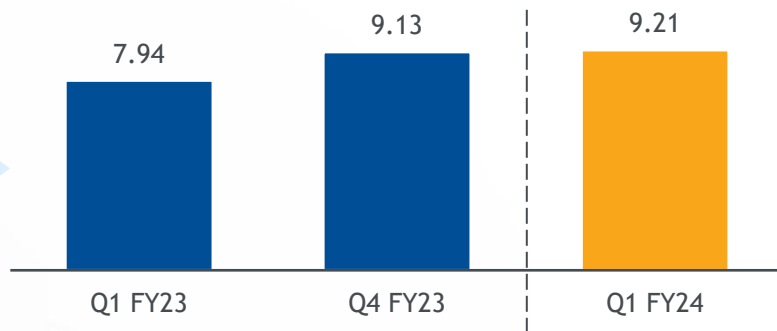
\*Market share calculated based on (i) Federal Bank's remittances data, and (ii) Preliminary data from RBI report on balance of payment (Statement II: Standard Presentation of India's Balance of Payments)  
<sup>1</sup> Annualised

# Credit portfolio distribution

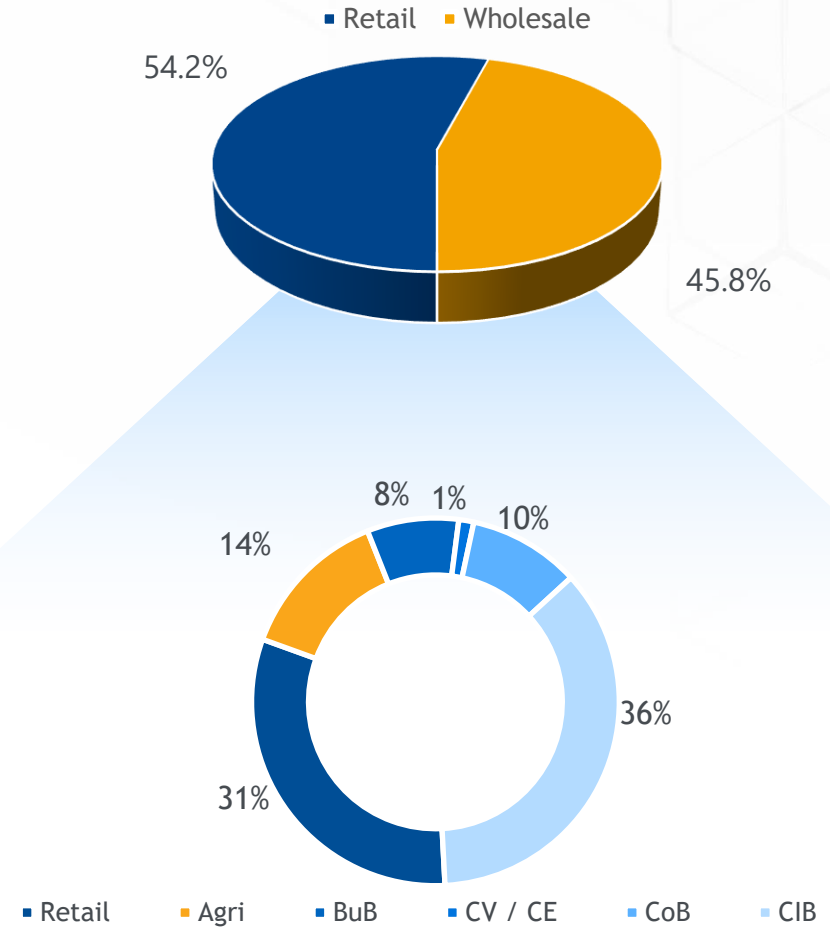
## Gross Advances (₹ in cr)



## Yield on advances (%)

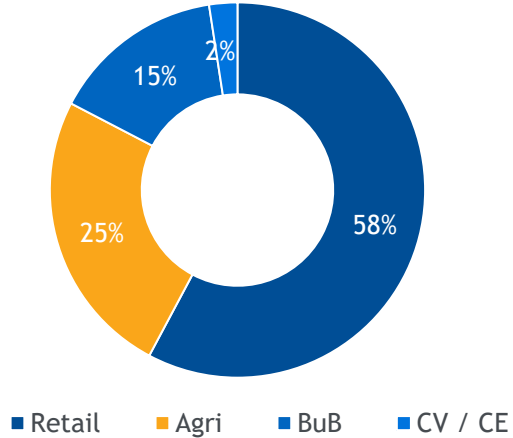


## Gross Advances mix (Jun-23)

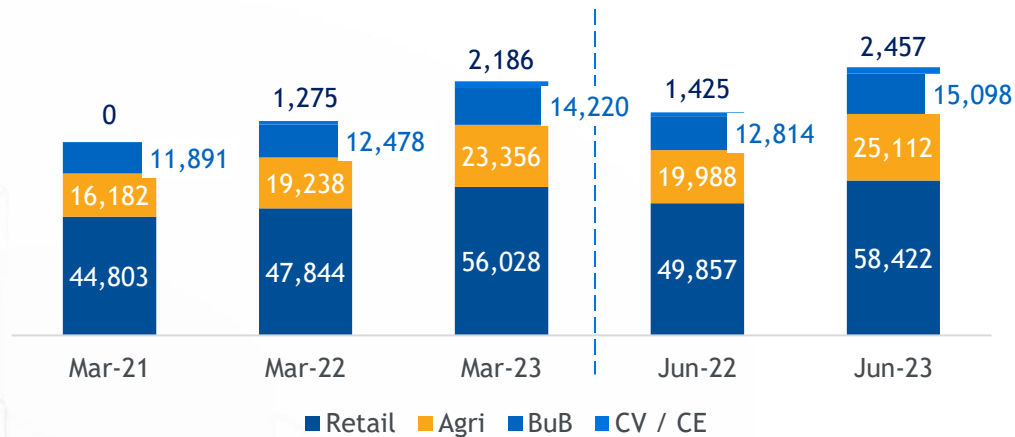


# Retail banking

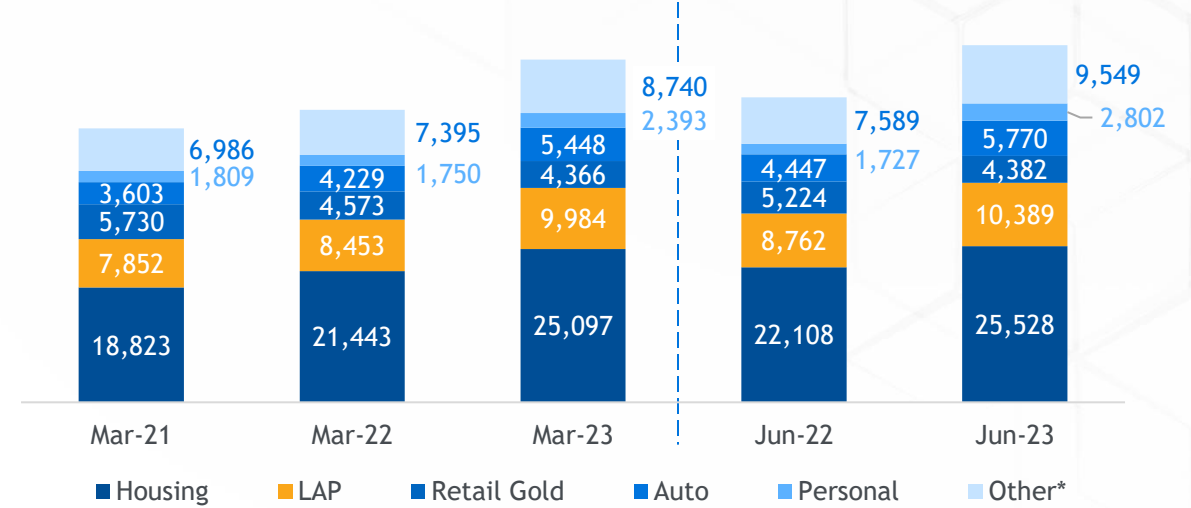
## Retail advances mix (Jun-23)



## Retail advances (₹ in cr)



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

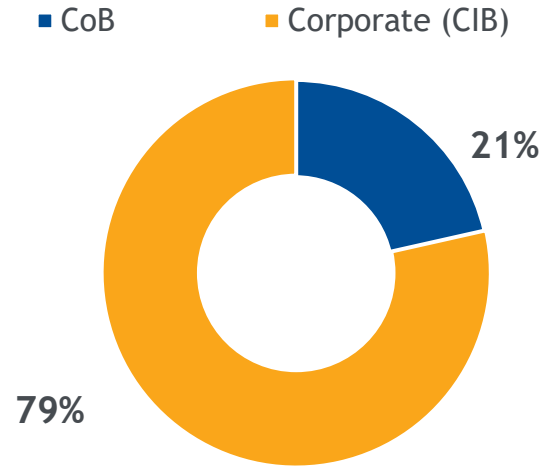


- CV/CE book grew at 72% YoY and 12% QoQ
- Retail loans grew at 17% YoY and 4% QoQ
- BuB loans grew at 18% YoY and 6% QoQ
- MFI portfolio cross 1800 Crore

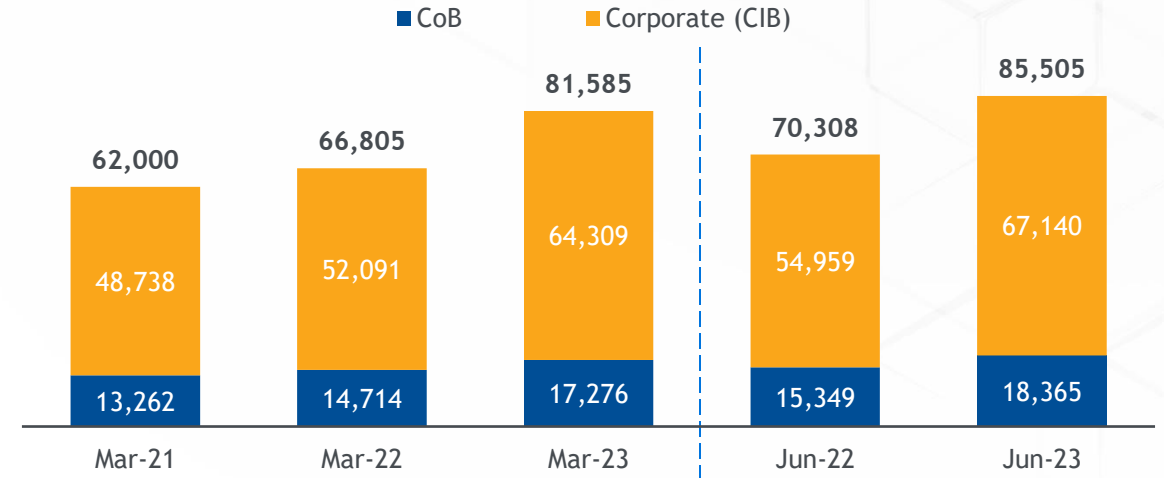
\*Other includes Credit Cards, Staff loans, Retail Assignments, Education loans, AAD/AAS etc

# Wholesale banking

## Wholesale advances mix (Jun-23)



## Wholesale advances (₹ in cr)

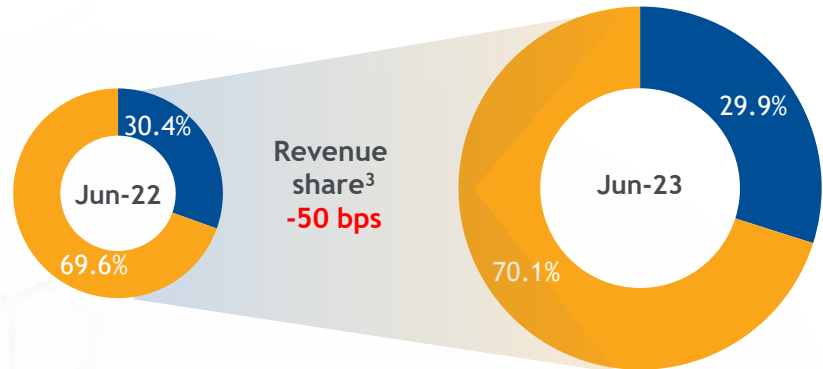
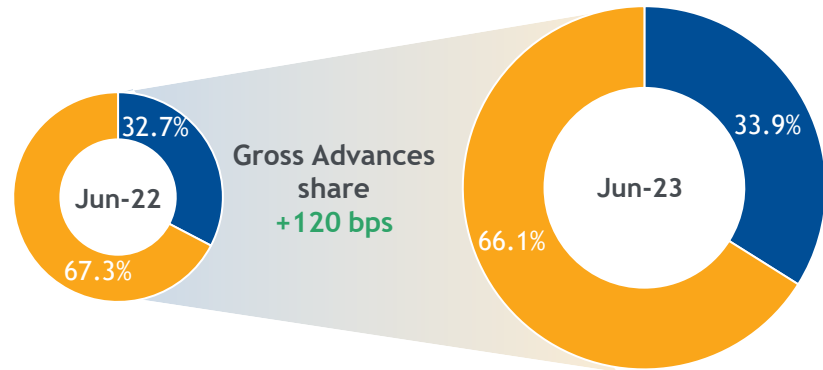


- CIB grew by 22% YoY and 4% QoQ
- CoB grew by 20% YoY and 6% QoQ
- Two large dealer finance tied up during the quarter for supply chain finance (SCF) programme.



# High margin lending products

## High Yielding Segment<sup>1</sup>



### Credit Cards



**267%**  
YoY growth

**1,877**  
Gross advances  
(INRcr)



### Personal Loans



**62%**  
YoY growth

**2,802**  
Gross advances  
(INRcr)

**BYOM**  
Digital loan platform

### MSME (BuB + CoB)



**19%**  
YoY growth

**33,463**  
Gross advances  
(INRcr)

**26K+**  
Number of  
Customers

### CV/CE



**72%**  
YoY growth

**2,457**  
Gross advances  
(INRcr)

**14k+**  
Accounts Outstanding

### Gold Loans<sup>4</sup>



**13%**  
YoY growth

**20,927**  
Gross advances  
(INRcr)

**1.3mm+**  
No. of outstanding  
accounts

### Micro Finance



**245%**  
YoY growth

**1,825**  
Gross advances  
(INRcr)

**494K+**  
Accounts

YoY growth for gross advances as of Jun-23

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

<sup>2</sup> Cards-in-Force represents active cards issued and outstanding

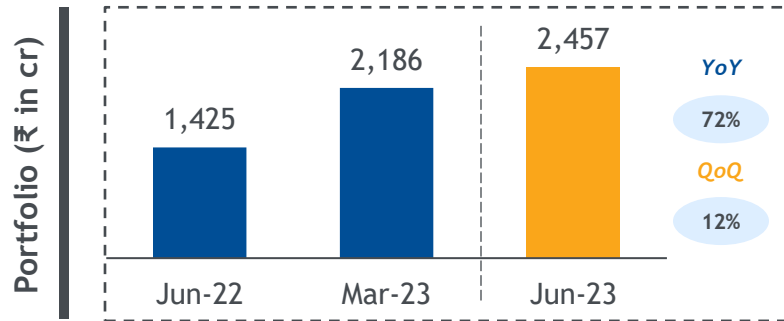
<sup>3</sup> Revenue = Interest income + non-interest income

<sup>4</sup> Total Gold includes Retail Gold, Agri Gold, MSME Gold and Staff Gold



# Select high margin lending products

## CV / CE



Disbursements:

**445.63**  
INRcr (Q1 FY23)

PSL:

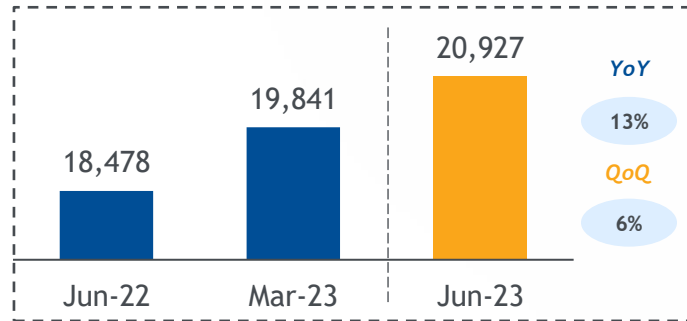
**69%**

Avg. ticket size:

**< 27L**  
INR

✓ Tie-up with all major OEMs

## Gold loans



No of Accounts:

**13.52L**

LTV:

**70.96%**

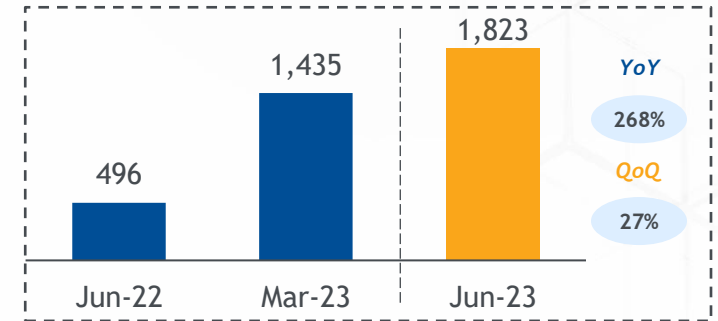
Tonnage:

**55.38**

Yield

**10.03%**

## Micro finance



Reach:

**11** states  
**1** UT

No of Accounts:

**4.94L**

Network:

**11** BC partners  
**380** BC branches

Women customers

**99%+**



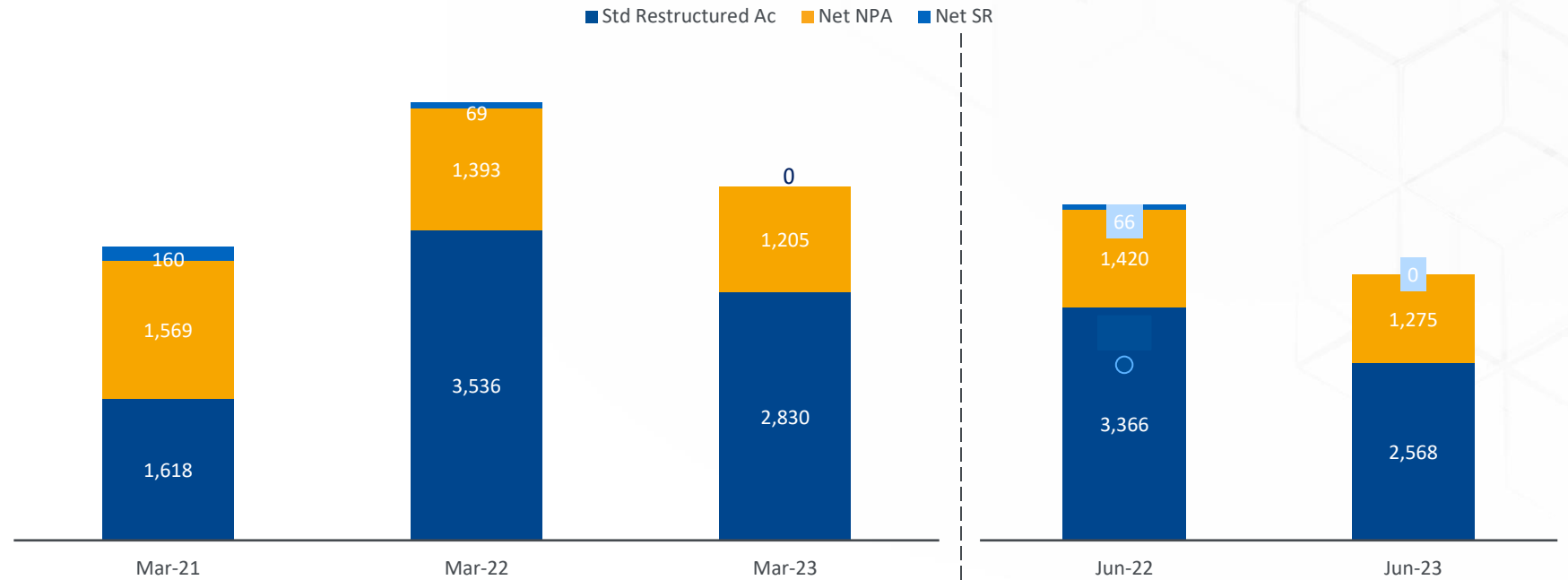
# Asset quality trends

Asset quality continues to remain robust across all segments

Provision Coverage Ratio stable at 70.02%

Recovery & Upgradation of ₹ 246 Cr in Q1

Credit Cost at 41bps for Q1 FY24 (Annualized)



## Movement of NPA

Gross NPA as on 31.03.2023	4,184
Add Fresh Slippage	496
Add Increase in Balances in Existing NPAs	5
Deduct Recoveries/ Upgrades/ Reduction in existing NPA/ Sale to ARC (₹)	246
Deduct Written Off	5
Gross NPA as on 30.06.2023	4,435

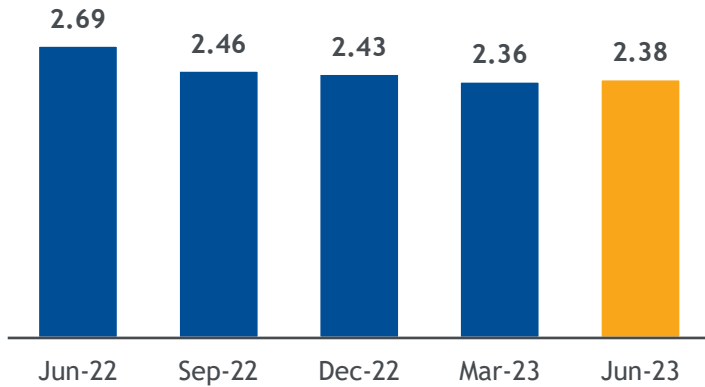
## Provisions in Q1

Loan Loss	182
Investment Loss	2
Standard Accounts	-29
Other Purposes	1
<b>Total Provisions</b>	<b>156</b>

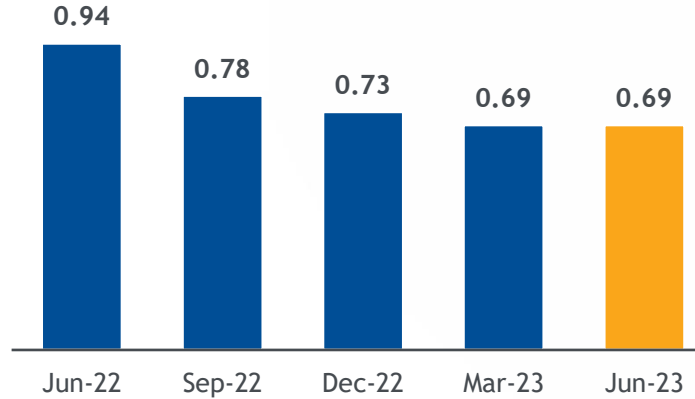


# Asset quality trends (cont'd)

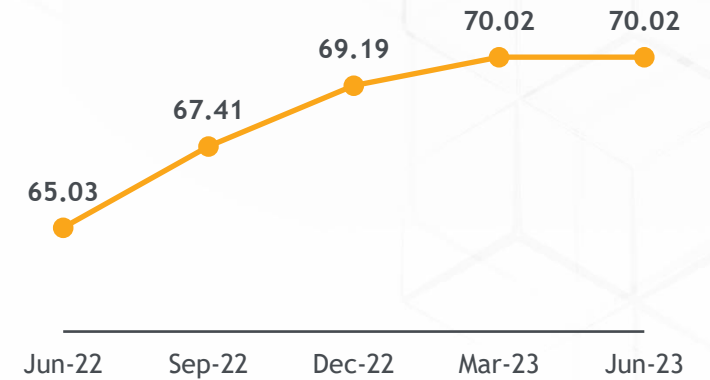
### GNPA (%)



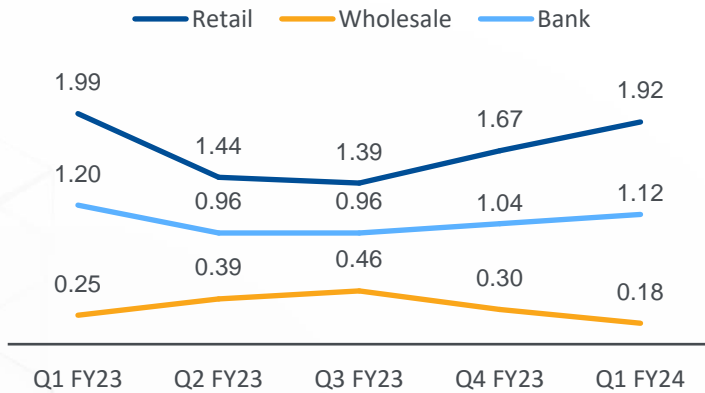
### NNPA (%)



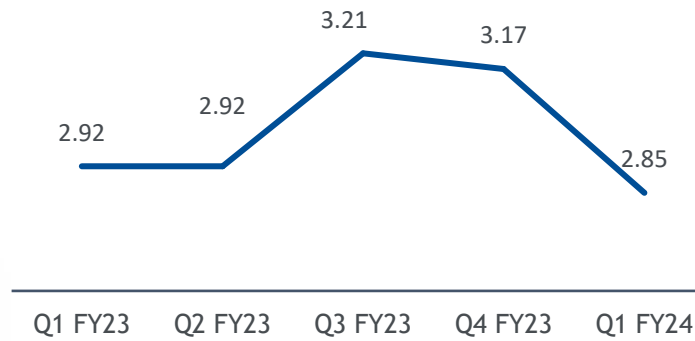
### PCR (%)



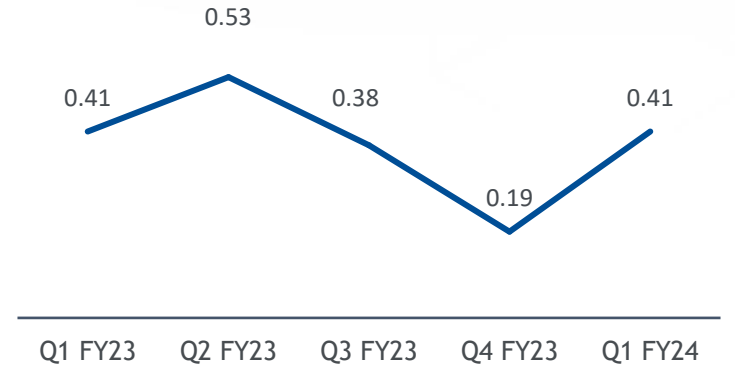
### Slippage rate (%)



### Risk adjusted NIM (%)\*



### Credit costs (%)\*

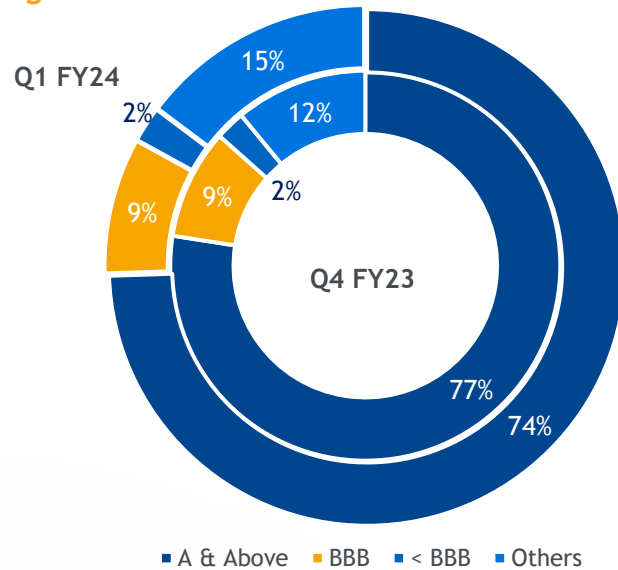


\*Annualised

# Asset quality - rating distribution

## Rating distribution (CIB)

### External rating of CIB advances

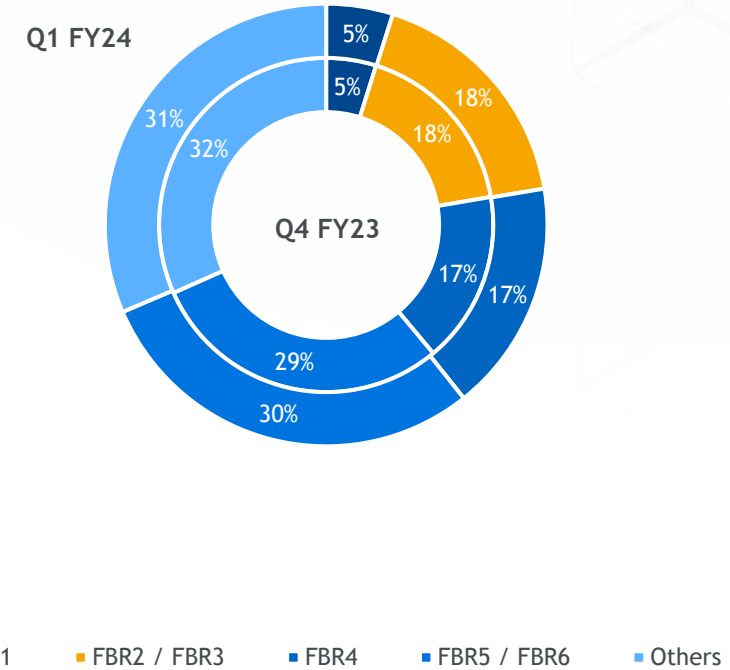


### Internal Rating of 'OTHERS' (Externally unrated CIB from above table)

Rating	Q4 FY23	Q1 FY23
FBR1	8%	7%
FBR2/FBR3	7%	12%
FBR4	8%	12%
Below FBR4 & unrated <sup>1</sup>	77%	69%

## Rating distribution (advances excluding CIB)

### Internal rating of advances excluding CIB



<sup>1</sup> Includes IBPC and exempted category (Eg Loans against liquid security)



# Fee income / other income

## Diversified and granular fee income

₹ in Cr	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	QoQ	YoY
Loan processing fee	103	125	129	132	158	20% ▲	53% ▲
Cards	96	116	128	137	153	12% ▲	59% ▲
Para banking	21	37	41	45	27	-40% ▼	29% ▲
Banking commissions & exchanges	59	67	55	92	65	-29% ▼	10% ▲
General service charges	99	101	110	110	102	-7% ▼	3% ▲
Net Profit on Foreign Exchange Transactions	63	94	80	26	30	15% ▲	-52% ▼
<b>Fee income</b>	<b>441</b>	<b>540</b>	<b>543</b>	<b>542</b>	<b>535</b>	<b>-1% ▼</b>	<b>21% ▲</b>
Net Profit on sale of Investments	8	23	7	40	33	-18% ▼	313% ▲
Recovery from written off assets, P/L on Revaluation of Investment & Other Receipts	4	47	(16)	152	164	8% ▲	4000% ▲
<b>Total other income</b>	<b>453</b>	<b>610</b>	<b>534</b>	<b>734</b>	<b>732</b>	<b>--</b>	<b>62% ▲</b>



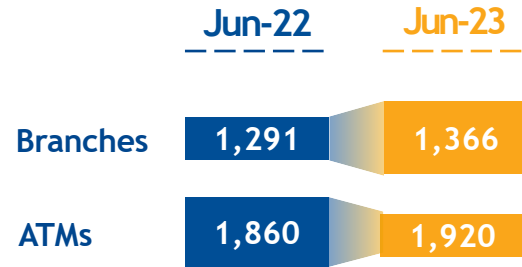
# Capital position

₹ in Cr	Mar-23	Jun-23
<b>Risk weighted assets</b>		
Credit risk	138,753	142,131
Market risk	5,027	5,619
Operational risk	13,136	14,992
<b>Total RWA</b>	<b>156,916</b>	<b>162,742</b>
Tier-I capital funds	20,431	20,409
Tier-II capital funds	2,813	2,833
<b>Total capital funds</b>	<b>23,245</b>	<b>23,242</b>
<b>CRAR</b>	<b>14.81%</b>	<b>14.28%</b>
Tier-I	13.02%	12.54%
Tier-II	1.79%	1.74%



# Distribution - A Multi Pronged Approach

Continuous investment in expanding Pan India footprint



**LITE BRANCH  
HEAVY DISTRIBUTION**

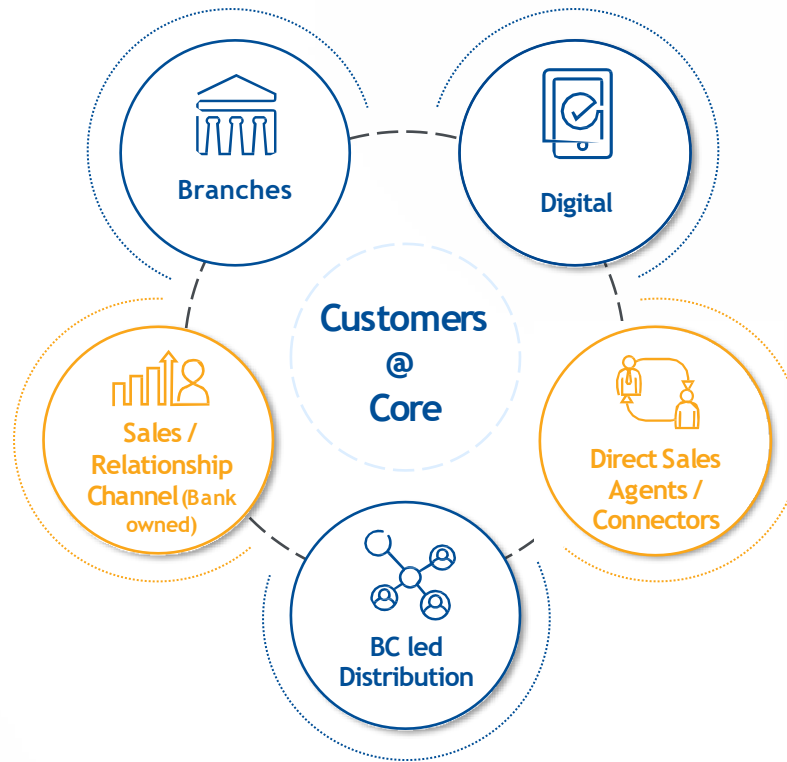
Driven by alternate channels



Direct Sales Agents



Business Correspondents



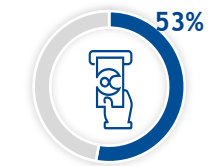
## Fintech arrangements



& many more...

Share of FinTech (YoY)

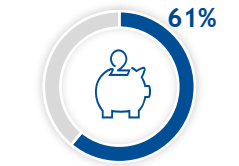
PL disbursements



Credit cards issued



SB incremental growth

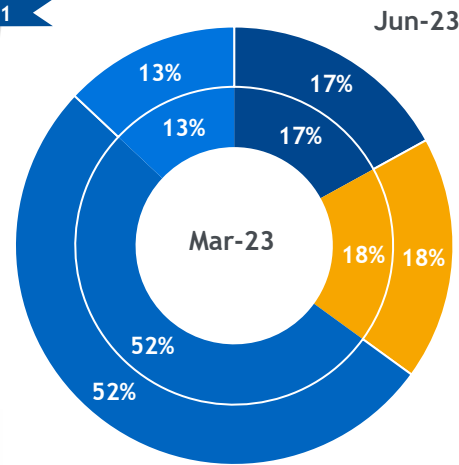
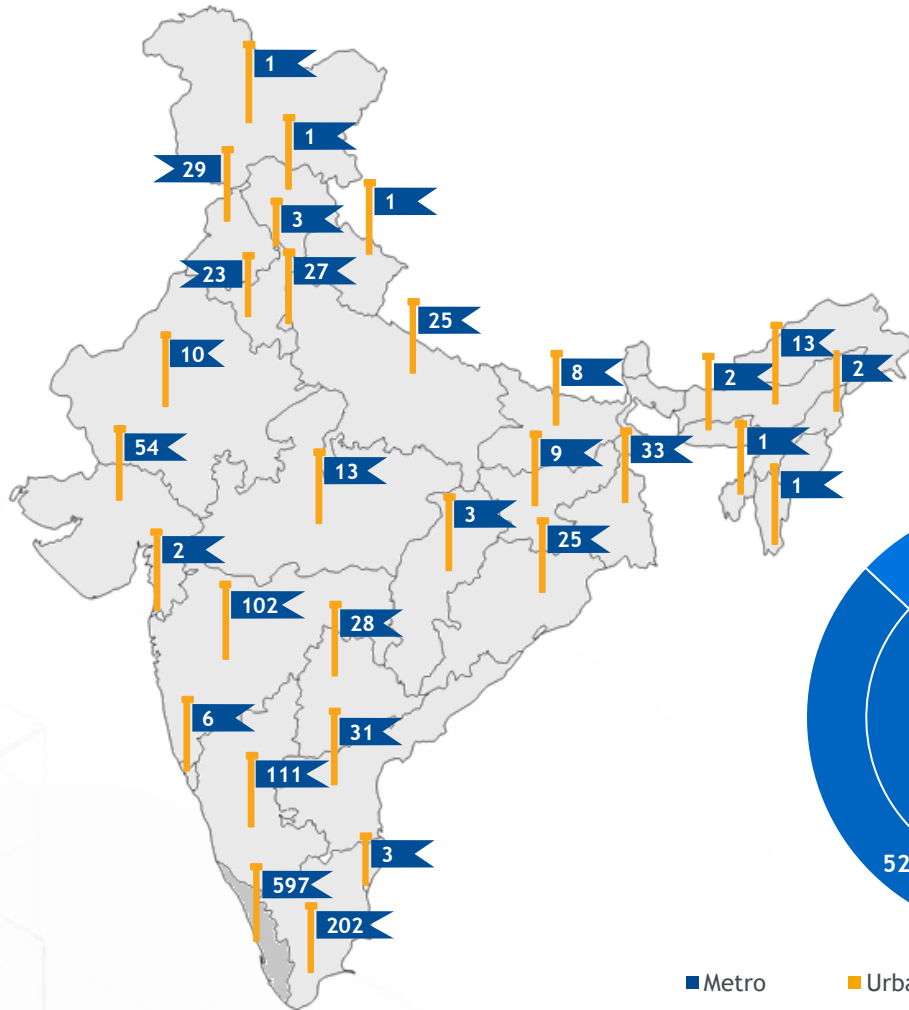


\*Including Cash Recyclers and Mobile ATMs

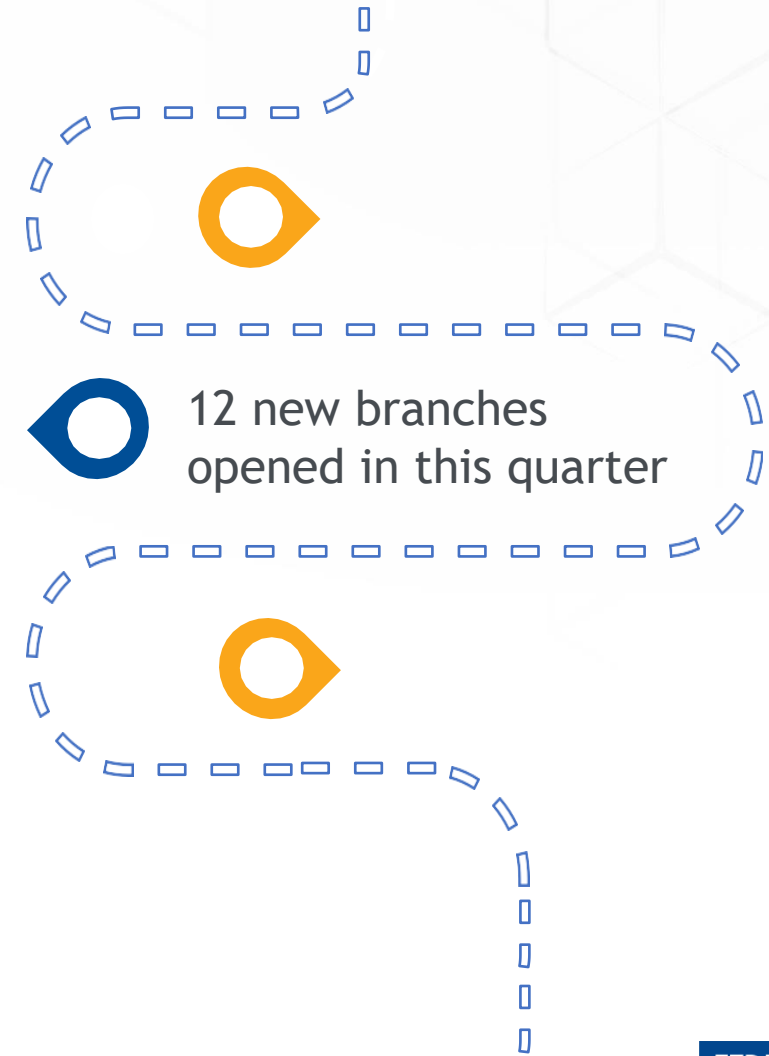


# Distribution: Deriving efficiency from footprint

Expanding horizons through physical footprint



■ Metro ■ Urban ■ Semi-urban ■ Rural



# Innovation and growth through partnerships

## Co-branded credit cards

### Partners

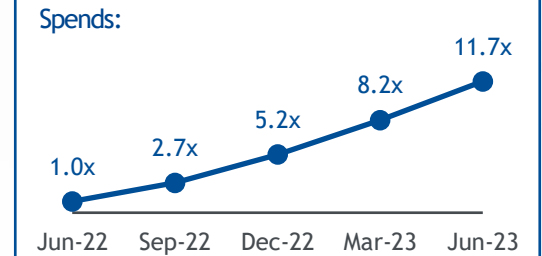
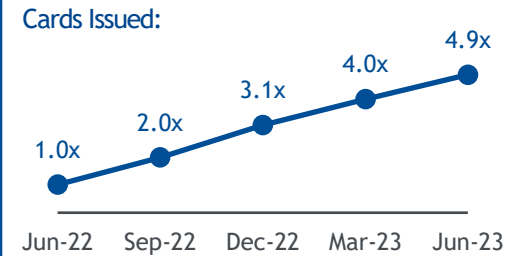


Card programs under CUG<sup>1</sup>

### Particulars

- ✓ Targeting digitally savvy NTB customers
- ✓ Customer onboarding as well as the entire customer life-cycle journey taken care of by FPL

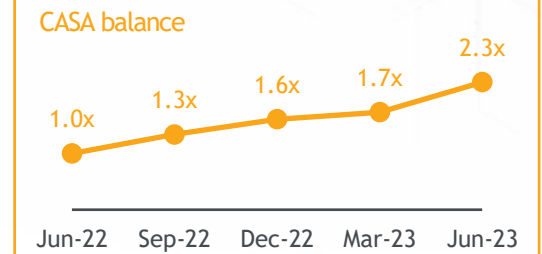
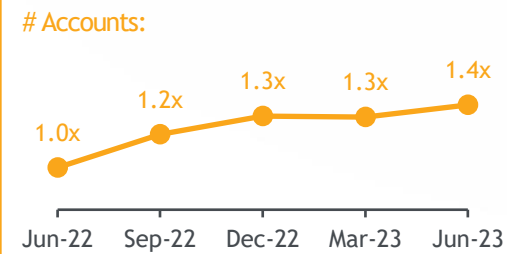
### Key metrics



## Deposits franchise



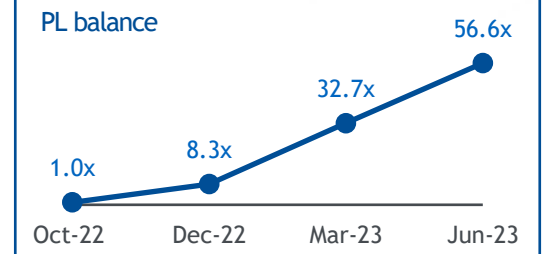
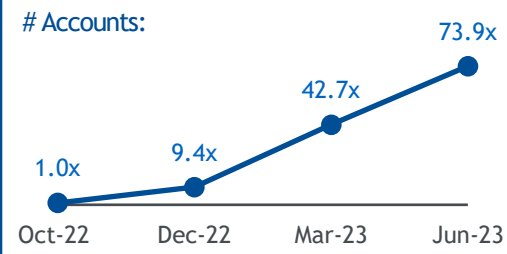
- ✓ Targeting digitally native salaried millennials
- ✓ Cross-sell → PL & CC<sup>1</sup> available on Fi & CC<sup>1</sup> available on Jupiter



## Personal loans



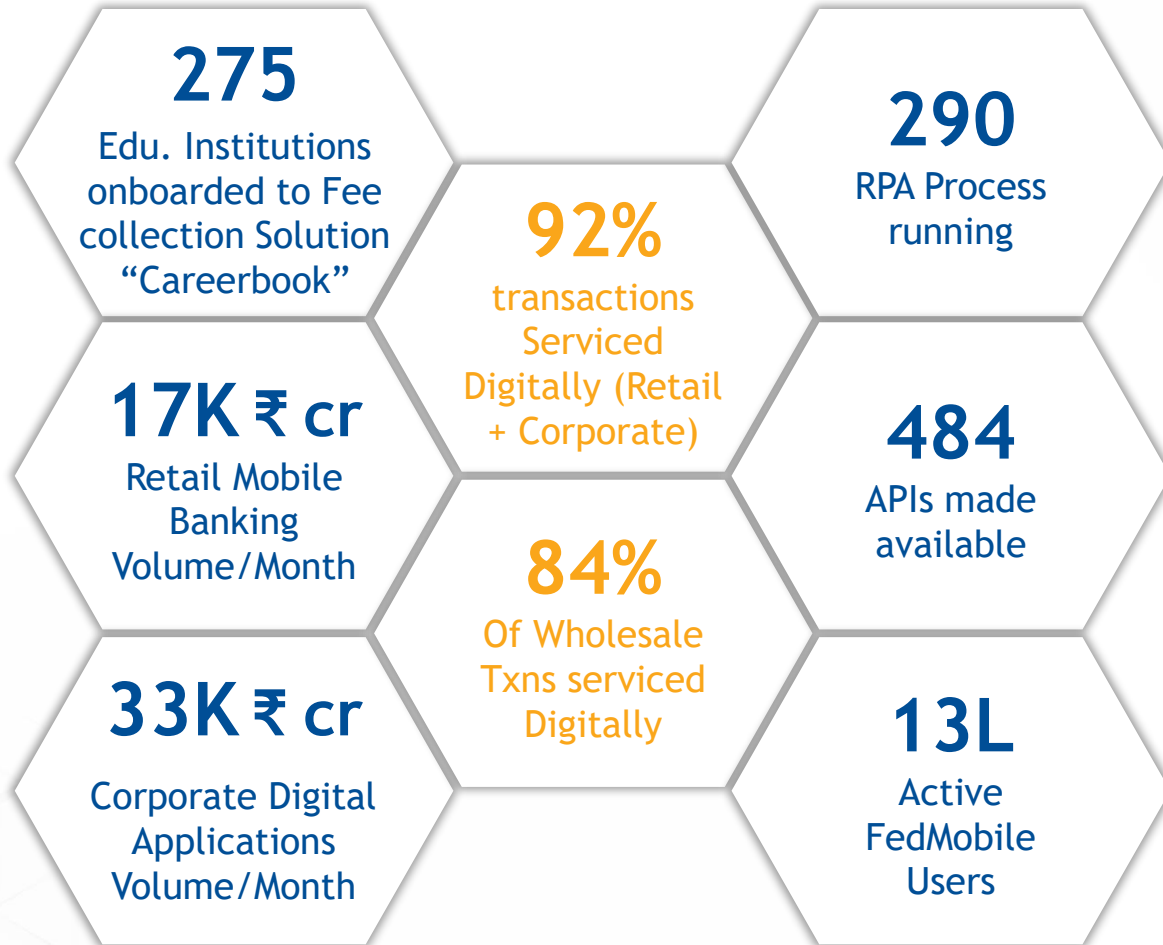
- ✓ Targeting digitally native salaried customers
- ✓ Has disbursed 714 loans till date



<sup>1</sup> Card programs under CUG: Jupiter



# Digitization as a Multiplier



Note: Data as at Jun-23 unless specified otherwise

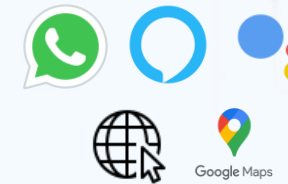


Digital Assistant - Feddy



1.8 Lakh queries answered by Feddy in Jun-23

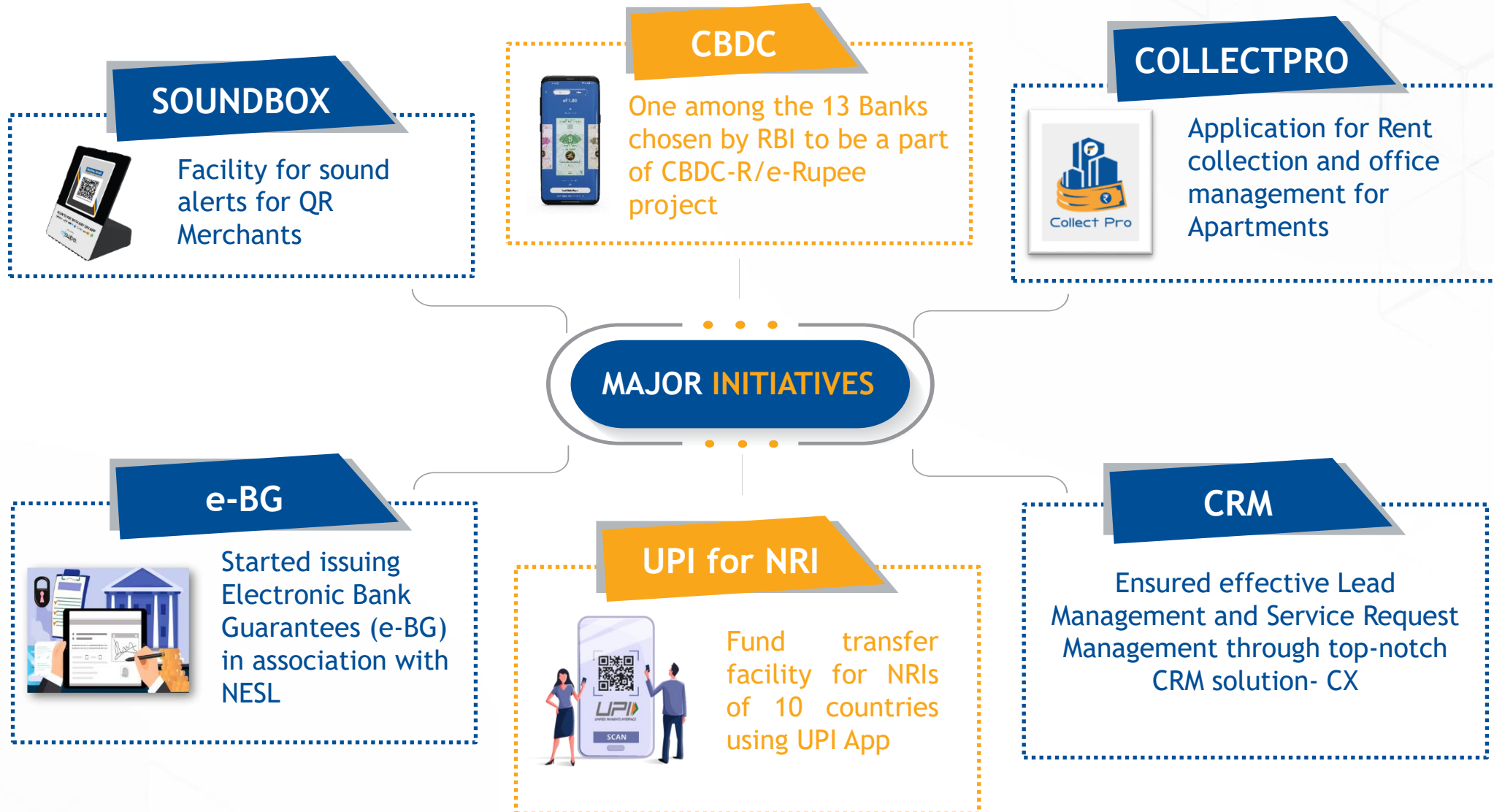
Feddy is Live on



Google Maps

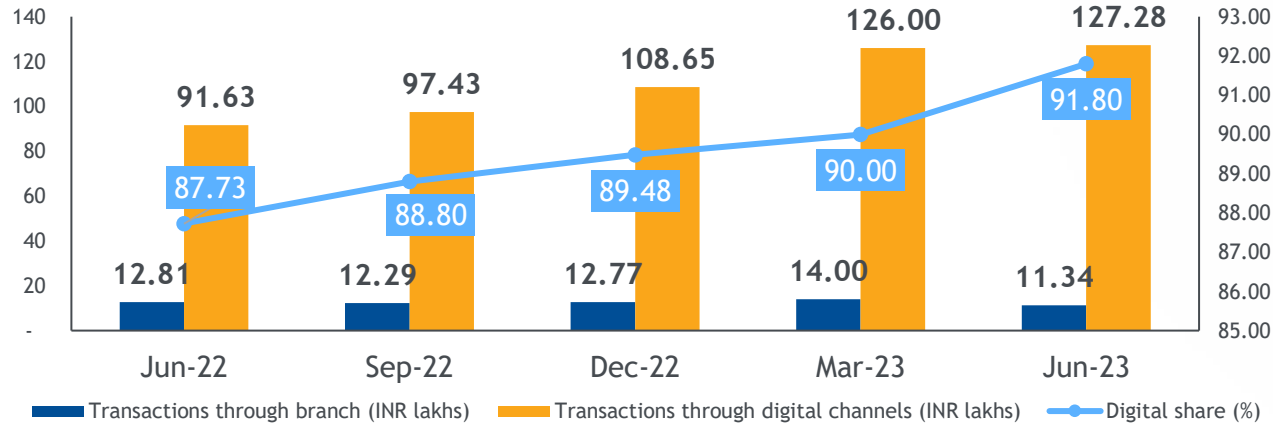


# Digital initiatives



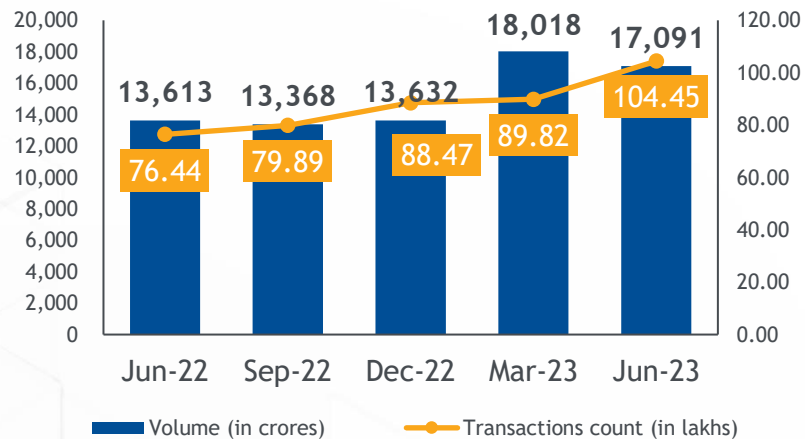
# Digital migration

## Branch vs. Digital Transactions (₹ in Lakh)



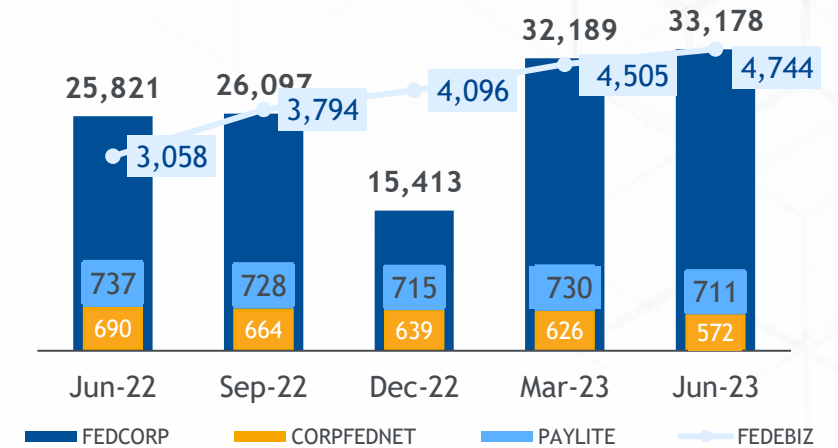
\*MONTH WISE DATA

## Mobile Banking Volume & Txn Count

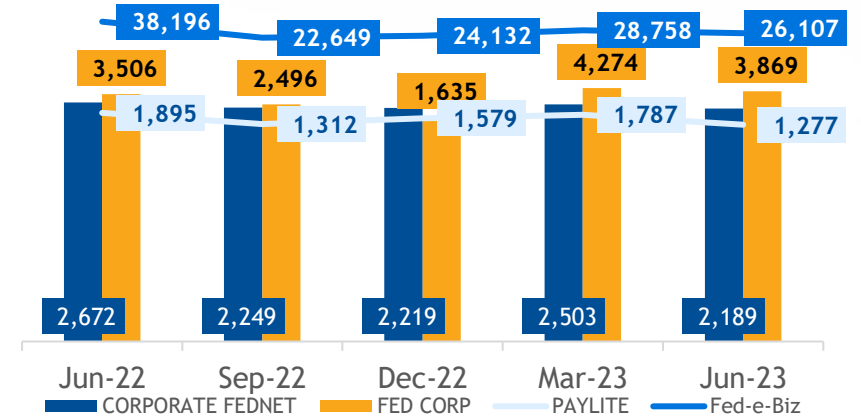


- Digital transactions have seen a 39% YOY growth
- Mobile Banking txn count stands at 104.45 lakhs, YOY growth of 37%
- Digital Share stands around 92% for the month of Jun-23

## Corporate Digital Products - Active Users\*



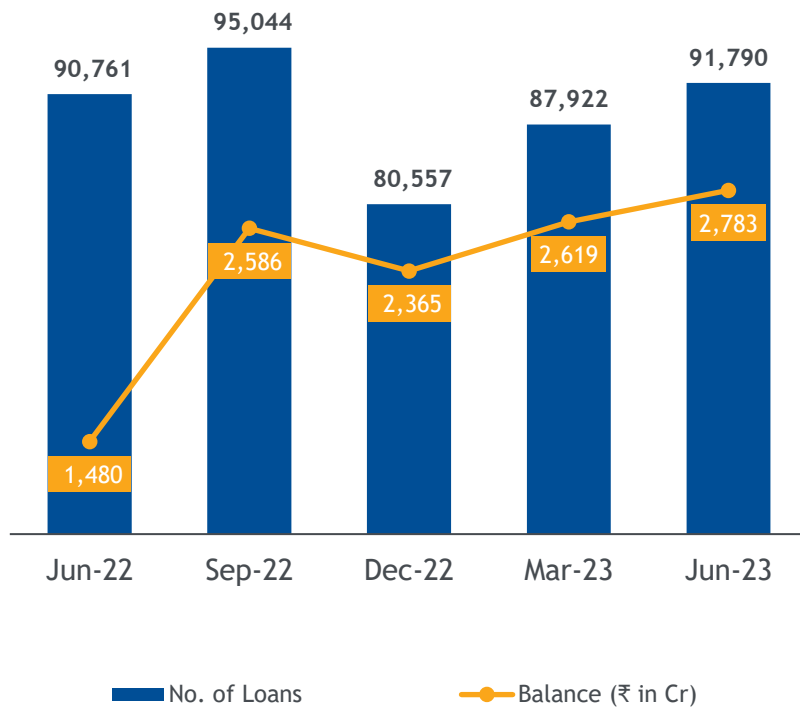
## Corporate Txn Volume (₹ in Cr)



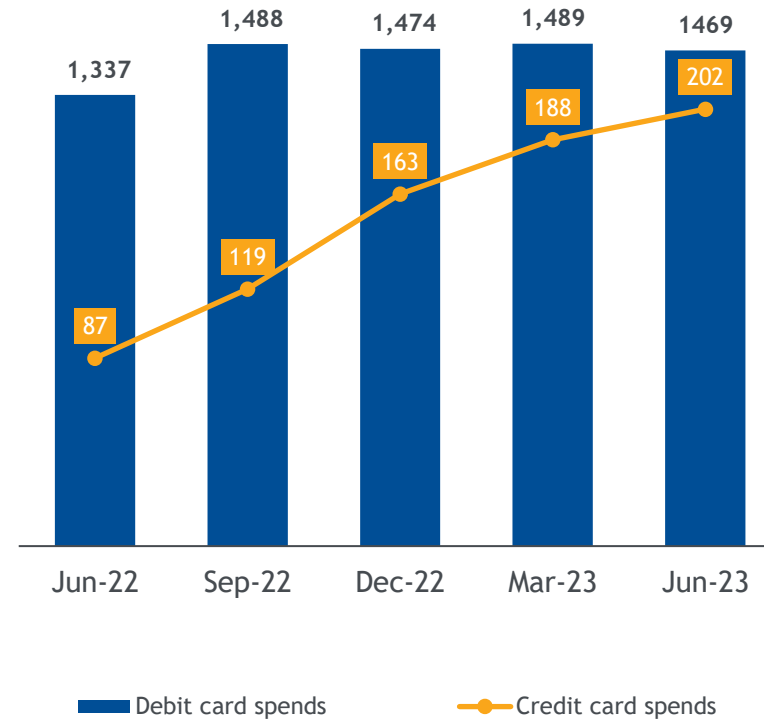
\*Customers currently transacting using Corporate digital products

# Digital lending and card spends

## BYOM Digital Personal Loans



## Card spends (₹ in Cr)



# Appendix

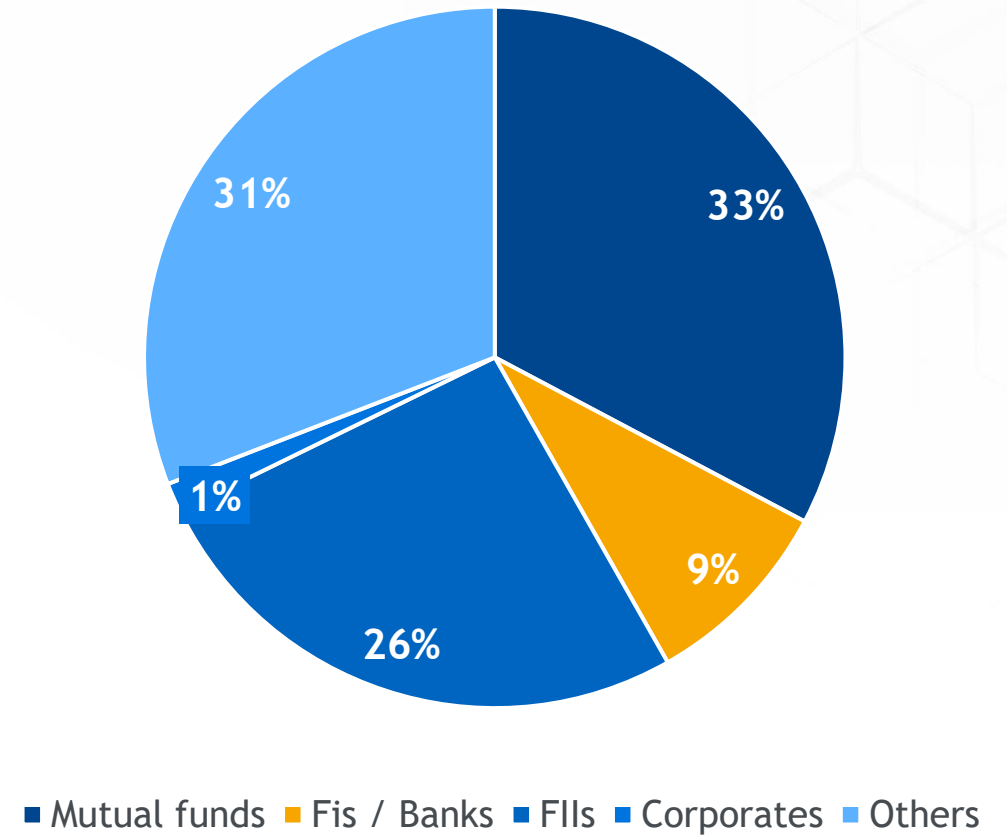
**FEDERAL BANK**  
YOUR PERFECT BANKING PARTNER



# Balance sheet & shareholding pattern

₹ in Cr	Mar-23	Jun-23
<b>LIABILITIES</b>		
Capital	423	424
Reserves & surplus	21,083	21,952
Deposits	2,13,386	2,22,496
Borrowings	19,319	21,178
Other liabilities & provisions	6,131	8,146
<b>TOTAL</b>	<b>2,60,342</b>	<b>2,74,196</b>
<b>ASSETS</b>		
Cash & balance with RBI	12,591	13,591
Balances with banks, money at call	5,098	5,692
Investments	48,983	51,942
Advances	1,74,447	1,83,487
Fixed assets	934	934
Other assets	18,289	18,550
<b>TOTAL</b>	<b>2,60,342</b>	<b>2,74,196</b>

Share holding pattern (Jun-23)



# Financials

₹ in Cr	Q1 FY23	Q4 FY23	Q1 FY24	Q-o-Q	Y-o-Y
Interest income	3,629	4,721	5,025	6%	38%
Interest expenses	2,024	2,811	3,106	10%	53%
<b>Net interest income</b>	<b>1,605</b>	<b>1,910</b>	<b>1,919</b>	<b>0.5%</b>	<b>20%</b>
Other income	453	734	732	-0.2%	62%
Operating expense	1,085	1,309	1,349	3%	24%
Total income	4,082	5,455	5,757	6%	41%
Total expense	3,109	4,120	4,455	8%	43%
<b>Operating profit</b>	<b>973</b>	<b>1,335</b>	<b>1,302</b>	<b>-2%</b>	<b>34%</b>
Total provisions (inc. tax)	372	432	448	4%	20%
<b>Net profit</b>	<b>601</b>	<b>903</b>	<b>854</b>	<b>-5%</b>	<b>42%</b>



# Key Indicators

## Shareholder value

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24
Book Value (Per Share in ₹)	91.59	93.00	96.74	101.22	105.04
EPS (annualized)	11.46	13.26	15.09	17.30	16.22

## Granularity

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

## Profitability (Annualized)

ROA %	1.10	1.21	1.33	1.45	1.30
RoRWA %	2.10	2.27	2.47	2.66	2.36
ROE %	12.70	14.36	15.91	17.48	15.73

## Efficiency

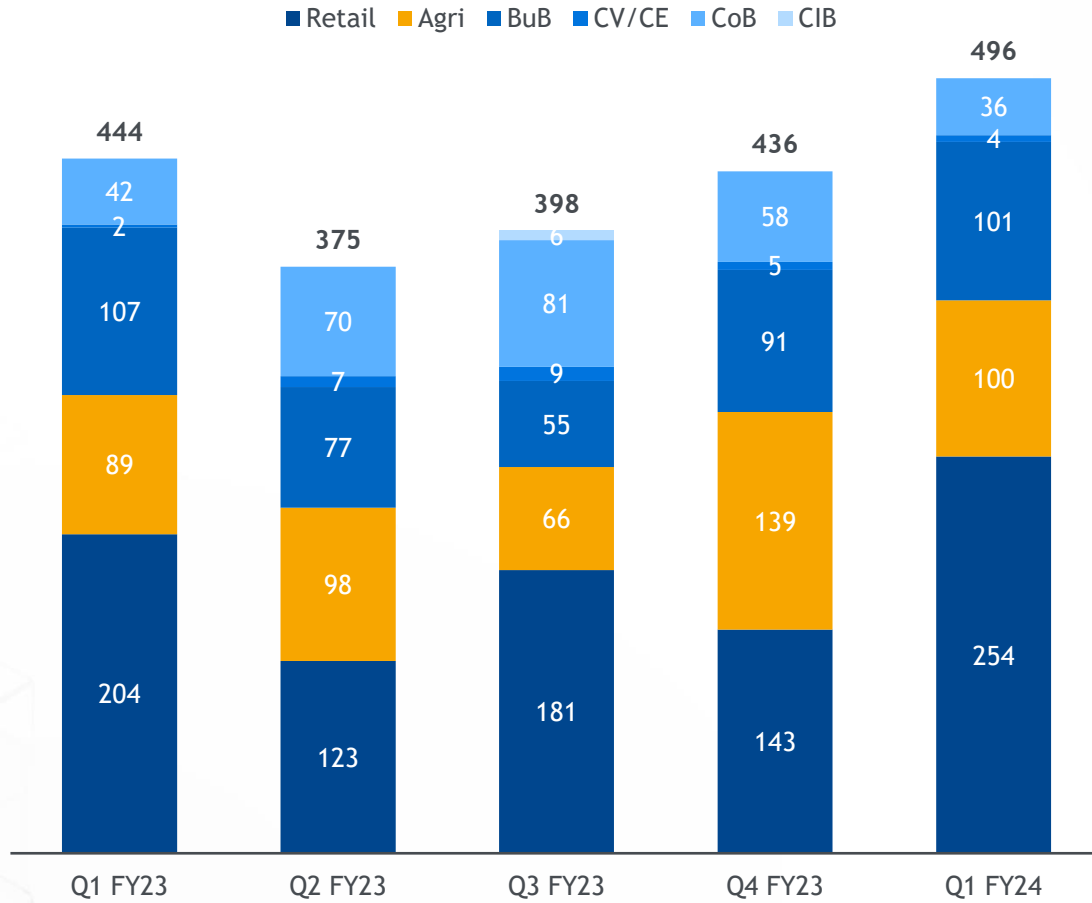
Cost / Income %	52.68	48.88	48.84	49.51	50.87
Net NPA %	0.94	0.78	0.73	0.69	0.69





# Fresh slippages break up

## Fresh slippages

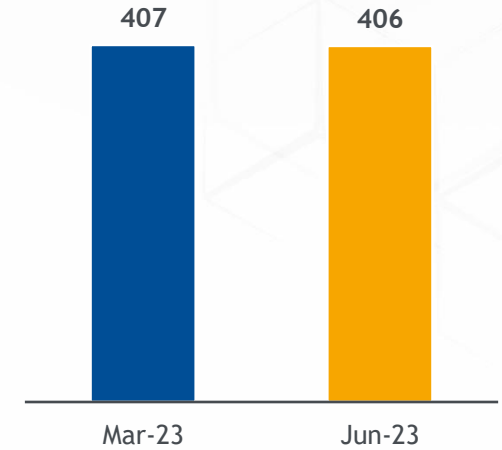


## NPA Composition

Business	Q4 FY23	Q1 FY24
	NPA	NPA
<b>Gross NPA</b>		
Retail	1,181	1,366
Agri	977	977
BuB	936	988
CV/CE	30	34
CoB	666	679
Corporate	394	391
<b>Total</b>	<b>4,184</b>	<b>4,435</b>
<b>Net NPA</b>	<b>1,205</b>	<b>1,275</b>

## Security receipts

### Book Value



## Restructured book

Type	Q4 FY23		Q1 FY24	
	Balance	Of which Bonds	Balance	Of which Bonds
Standard	2,830	60	2,568	60
Net NPA	642	78	837	78
<b>Total</b>	<b>3,472</b>	<b>138</b>	<b>3,405</b>	<b>138</b>



# 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

73.2%



## 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%

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### 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

19.8%

**equirus**

xx% Stake owned by Federal Bank as on 30<sup>th</sup> June 2023



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# Corporate governance & ESG snapshot

## Strong & Diverse Board

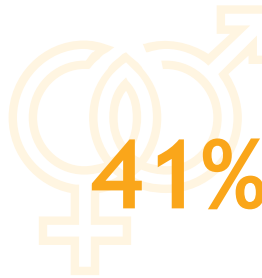


**10** Total Board Members

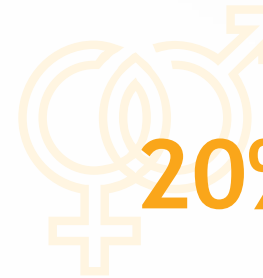


**70%** Independent Directors

## Focus on Gender diversity



**41%** Women Representation in workforce



**20%** Women Representation in the Board

## ESG

### Investor Recognition



Green Equity Investment by International Finance Corporation

### Employee Recognition



Great Place to Work- Only Indian Bank to feature in 70 Best Large Workplaces in Asia - 2022

### 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



**Reducing coal related sub project exposure**  
(Baseline March 2021: 3.49% of gross advances)



**Grow green portfolio size**



**In-house solar power generation capacity**



**Water conservation capacity**



**Finance women entrepreneurs**  
(Baseline March 2023: 3.50 Lakh)



**Bank branches to be green certified**



**Gender diversity ratio (Women)**

**Target metric**

50% / NIL

₹ 13,000 Cr

500KW

1 Lakh Litre

10.00 Lakh

At least 10%

Greater than or equal to 40%

**Target date**

December 2025 / December 2030

December 2025

March 2025

March 2025

March 2028

March 2028

Continuing target

**Mar-23**

0.76% of gross advances

₹ 3,222 Cr

300KW

84,000 Litre

3.50 Lakh

Two Bank branches are in the process of getting green certified by IGBC

41%

**Jun-23**

1.74% of gross advances

₹ 3,585 Cr

310KW

84,000 Litre

4.73 Lakh

42%

Considerable progress against baseline

11% QoQ growth registered

Added solar capacity of 10 KW during the quarter

Capacity built up via rainwater harvesting units in various offices

1.23 Lakh women entrepreneurs financed through BC channel during the quarter

Maintained on an ongoing basis

Public Commitments

Current position



# Award-winning franchise & other initiatives / highlights

## BYOM Top up Home Loans - 2023

Finnoviti Awards



## Best use of Direct Marketing in a Loyalty Program - 2023

16<sup>th</sup> edition of the Customer FEST awards 2023



## Gold Medal in Golden Mikes Radio and Audio Awards - 2023

11<sup>th</sup> edition of Golden Mikes Radio and Audio Awards 2023



## India's Best Workplaces in BFSI - 2023

Great Place to Work Institute, India



## The Economic Times Future Ready Organisation for 2023-24



## Infosys Innovation Awards - 2023

Infosys Finacle Innovation Awards

## Other initiatives / highlights



Introduced BaaP (Bus as a Platform)



Partnered with Mashreq Bank to launch the only-of-its kind online facility to open their NRI accounts



New debit card initiative



New relationship banking campaign that brings alive the brand's ethos "Digital at the fore, human at the core"



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# 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**