

SD/ F 24/ 171 /2022-23

October 14, 2022

The Manager Listing Department 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
--	---

Re: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Sub: Investor Presentation- Q2 Results

Dear Sir/Madam,

Please find attached herewith Investor Presentation- Q2 Results to Analysts/ Investors

Kindly take same on record

Thanking you,

Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev
Company Secretary

Investor Information

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Q2 FY 2023

This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank's business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.

All information contained in this presentation has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. No representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Bank nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from any use or reliance on this presentation or its contents or otherwise arising in connection therewith. This presentation may not be used, reproduced, copied, distributed, shared, or disseminated in any other manner.

"Fedbank Financial Services Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"). The DRHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, ICICI Securities Limited, IIFL Securities Limited, JM Financial Limited and Equirus Capital Private Limited, at www.icicisecurities.com, www.iiflcap.com, www.jmfl.com and www.equirus.com respectively, and the websites of the stock exchange(s) at www.nseindia.com and www.bseindia.com, respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the RHP, when available. Potential investors should not rely on the DRHP for any investment decision."

Broad based Loan Growth, Accelerated Fee Income and Strong Asset Quality results in 'Highest Ever Net Profit'

Strong business momentum aids material gains in Key Ratios

Profitability

- Highest ever Operating Profit at 1212 Cr, grew 33% YoY
- Highest ever Net Profit @ 704 Cr, up 53% YoY
- NIM improved to 3.30%, higher by 10bps YoY and 8bps QoQ

Strong Momentum in Credit Growth

- All credit lines up by 5%+ sequentially
- Net Advances grew by 20% YoY
- CV/CE business grew by 64% YoY
- Corporate credit book grew by 21% YoY
- Commercial credit book grew by 19% YoY
- Total Gold book up by 21% YoY

RoA @ 1.21%
RoE @ 14.36%
(Highest in 30 qtrs)

Granular Liability Franchise

- Total Deposits grew by 10% YoY
- Total SB grew by 9% YoY
- Core deposits* at 98.80 % of Total Deposits
- CASA Ratio being maintained at 36.41%

Income and Cost Streams

- Core Fee Income at 540 Cr, up 45% YoY
- Highest ever NII @ 1762 Cr, grew 19% YoY
- Cost to Income improved to 48.88%, down 485bps YoY

Declining gross slippages and NPAs, moderating credit costs

Asset Quality

- GNPA at 2.46 (Lowest in 24 qtrs)
- NNPA at 0.78 (Lowest in 34 qtrs)
- PCR up by 238bps to 67.41%
- Strong Recoveries & Upgradations of 329.34cr

Steady Growth in Market Share

- Market Share in Advances at 1.24%
- Market Share in Deposits at 1.08%
- Market Share at an all time high of 22.01% for Individual Inward Remittance

Core Fee Income at 540 Cr, up 45% YoY
PAT at 704 Cr, up 53% YoY

New Initiatives

- Launched Credit Cards to New-to-Bank Clients
- Custom Duty Payment is now available through Fednet. First Bank to launch PG for Direct Tax Payment in TIN v2.0
- Partnered with Paisa Bazaar for PL Partnerships
- Added 25 new branches and launched our state-of-the art 'Bank on the Go' service at 2 locations.

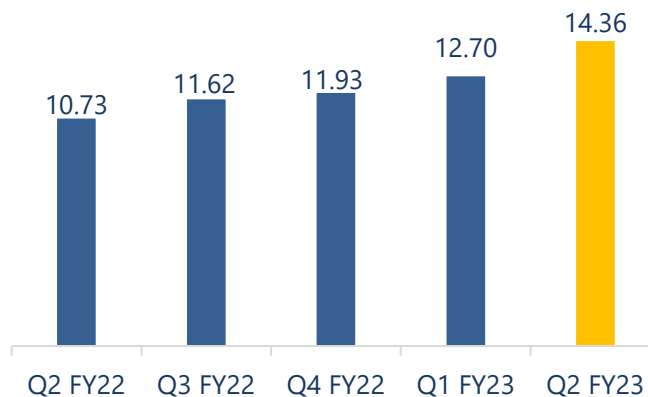
Balance Sheet and Capital

- Balance Sheet grew by 14.62% YoY (Rs 2.37 L Cr)
- Total business crossed milestone figure of 3.5 L Cr, grew by 14.36% YoY
- CRAR at 13.84%

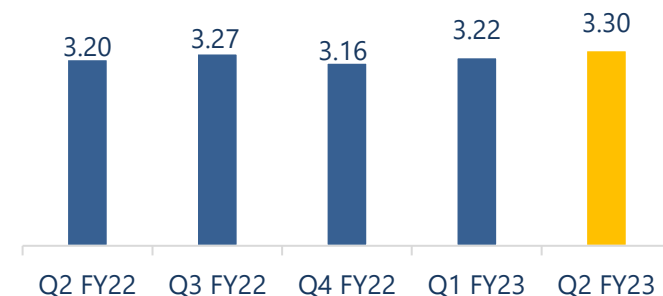
RoA



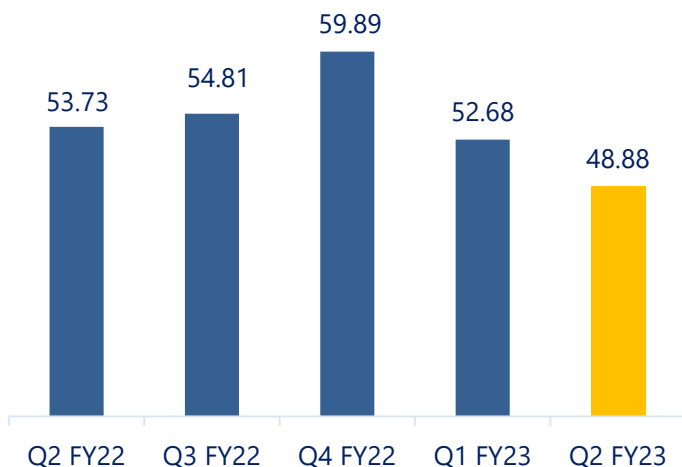
RoE



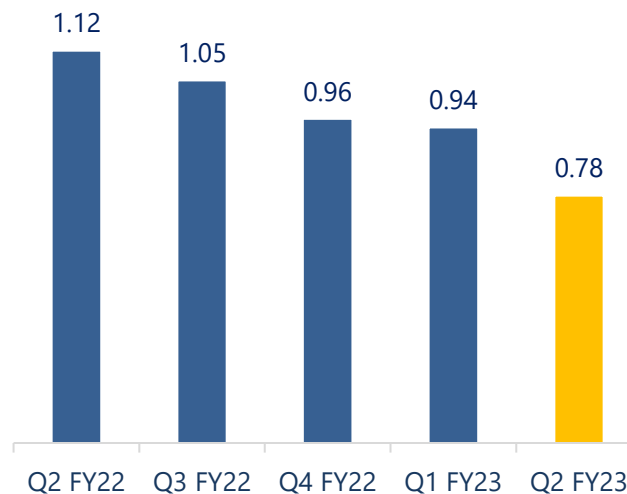
Net Interest Margin (%)



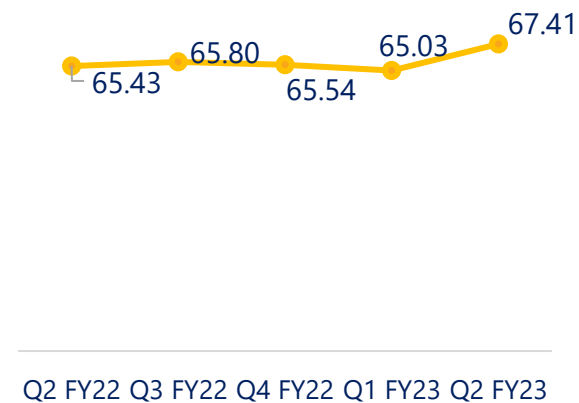
Cost to Income Ratio



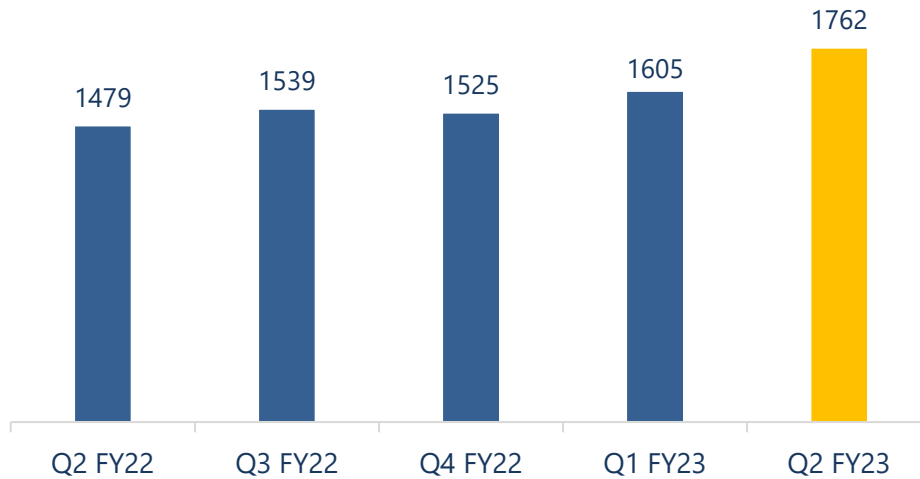
NNPA (%)



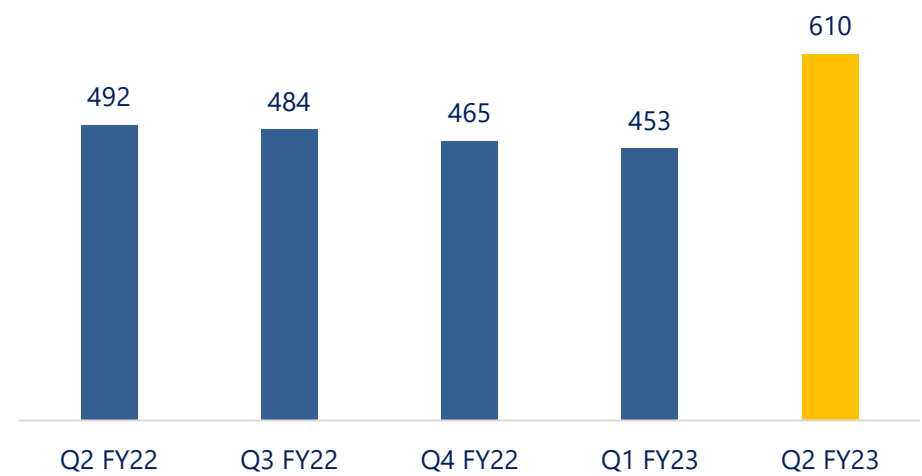
PCR (%)



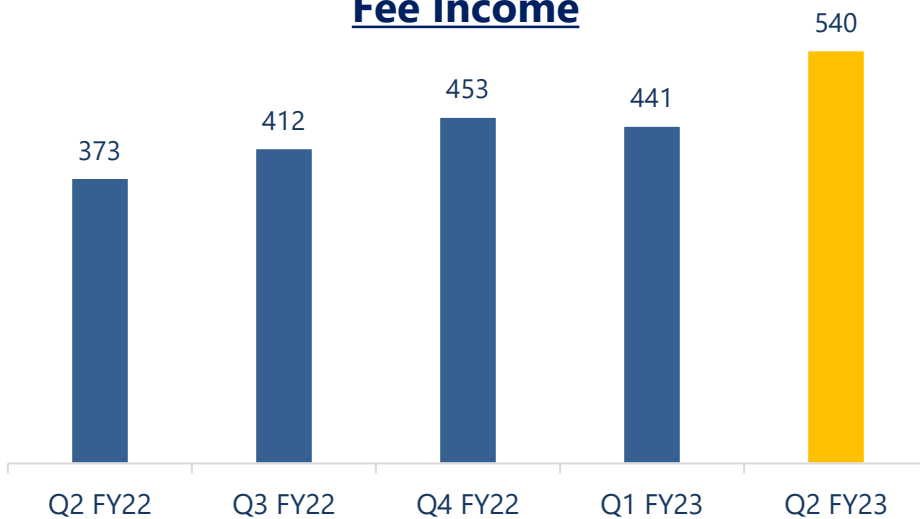
Net Interest Income



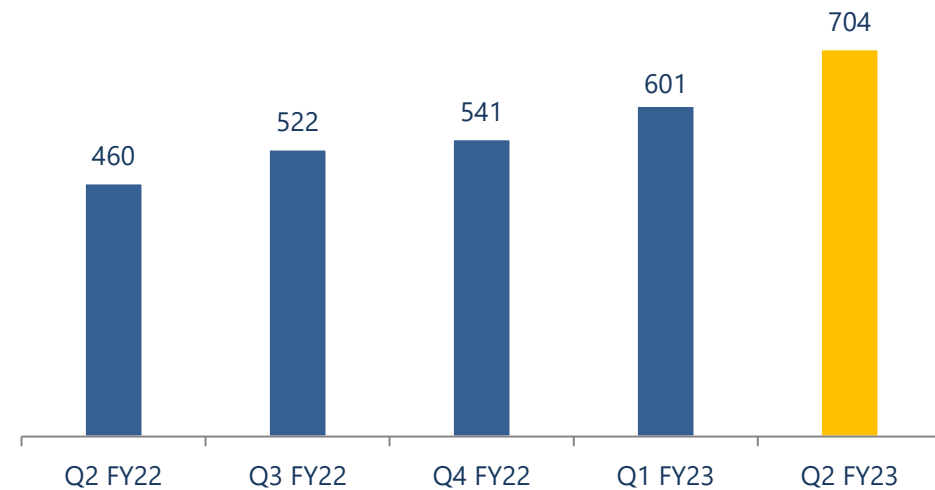
Other Income



Fee Income



Net Profit



Shareholder Value

Book Value
(Per Share in ₹)

Q2 FY22

Q3 FY22

Q4 FY22

Q1 FY23

Q2 FY23

83.52

86.05

88.75

91.59

93.00

EPS
(annualized)

8.79

9.85

10.43

11.46

13.26

Granularity

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

92%

92%

92%

92%

91%

Profitability (Annualized)

ROA

0.92

1.02

1.03

1.10

1.21

RoRWA

1.79

1.93

1.98

2.02

2.21

ROE

10.73

11.62

11.93

12.70

14.36

Efficiency

Cost/Income

53.73

54.81

59.89

52.68

48.88

Net NPA%

1.12

1.05

0.96

0.94

0.78

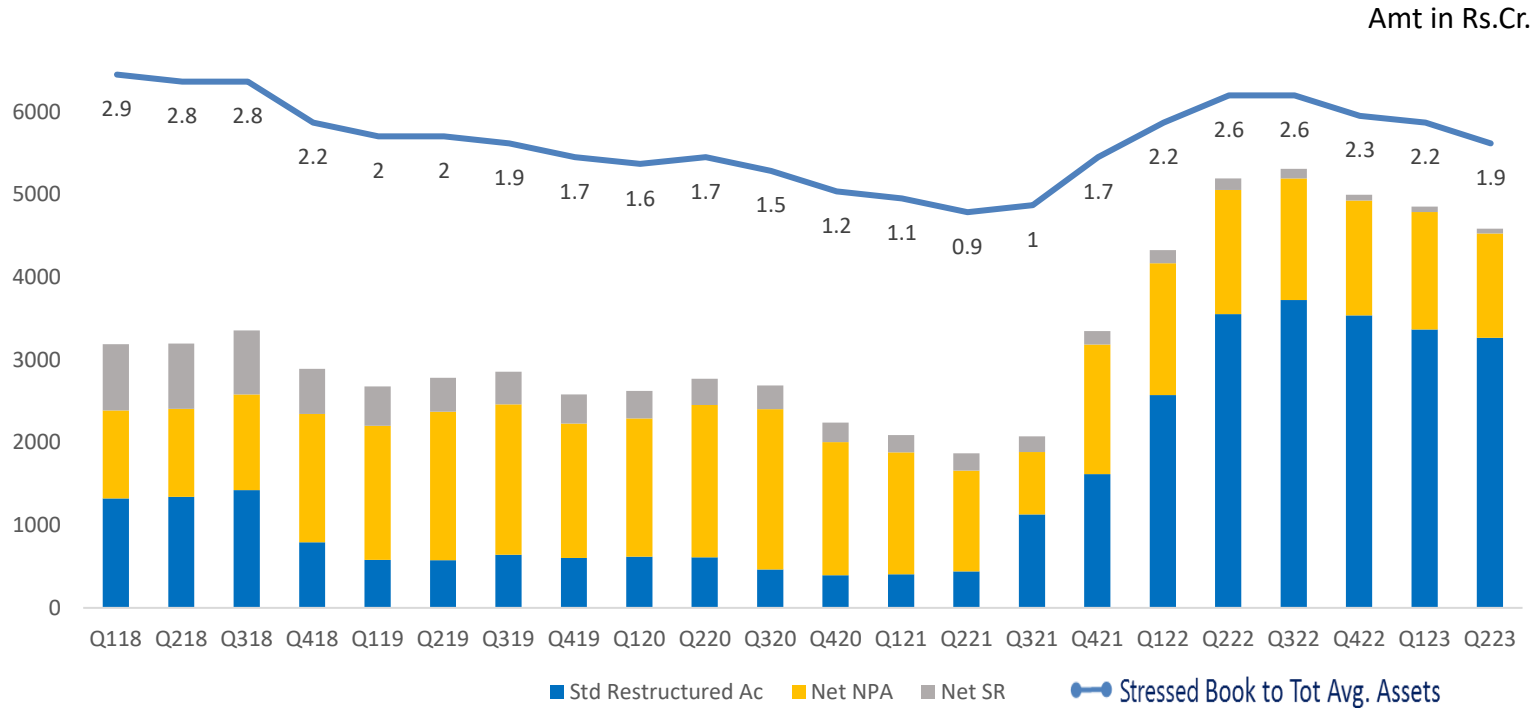
Asset Quality Trends

Total stressed book steadily trending down and is at 1.98% of average total assets

Provision Coverage Ratio up by 238bps to 67.41%

Strong Recovery & Upgradation of 329 Cr in Q2.

Credit Cost maintained at 53bps for Q2



Movement of NPA

Gross NPA as on 30.06.2022	4155
Add Fresh Slippage	375
Add Increase in Balances in Existing NPAs	15
Deduct Recoveries/ Upgrades/ Reduction in existing NPA/ Sale to ARC	329
Deduct Written Off	185
Gross NPA as on 30.09.2022	4031

Provisions in Q2

Loan Loss	205
Investment Loss	-0.21
Standard Accounts	39
Other Purposes	24
Total Provisions	268

Fresh Slippages Break up

Fresh Slippages

	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Retail	85	95	86	204	123
Agri	98	102	147	89	98
BuB	48	81	68	107	77
CV/CE	1	3	2	2	7
CoB	88	111	55	42	70
Corporate	0	50	0	0	0
Total	320	442	358	444	375

Restructured

TYPE	Q1 FY23		Q2 FY23	
	Balance	Of which Bonds	Balance	Of which Bonds
STANDARD	3366	17	3266	60
Net NPA	534	100	626	81
TOTAL	3900	117	3892	141

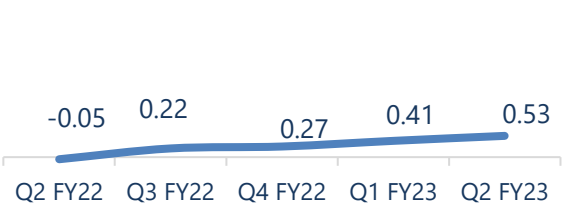
Security Receipts

	Q1 FY23	Q2 FY23
Face Value	530	523
Book Value	447	442

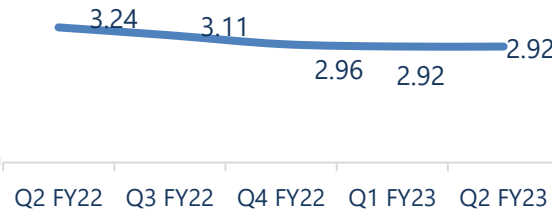
NPA Composition

	Q1 FY23	Q2 FY23	
Business	NPA	NPA	
Gross NPA	Retail	1131	1133
	Agri	916	934
	BuB	958	938
	CV/CE	10	17
	CoB	696	620
	Corporate	445	388
Total	4155	4031	
Net NPA	1420	1262	

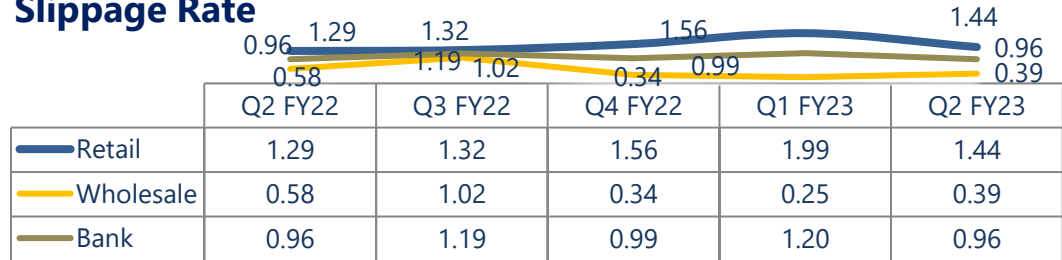
Credit Cost



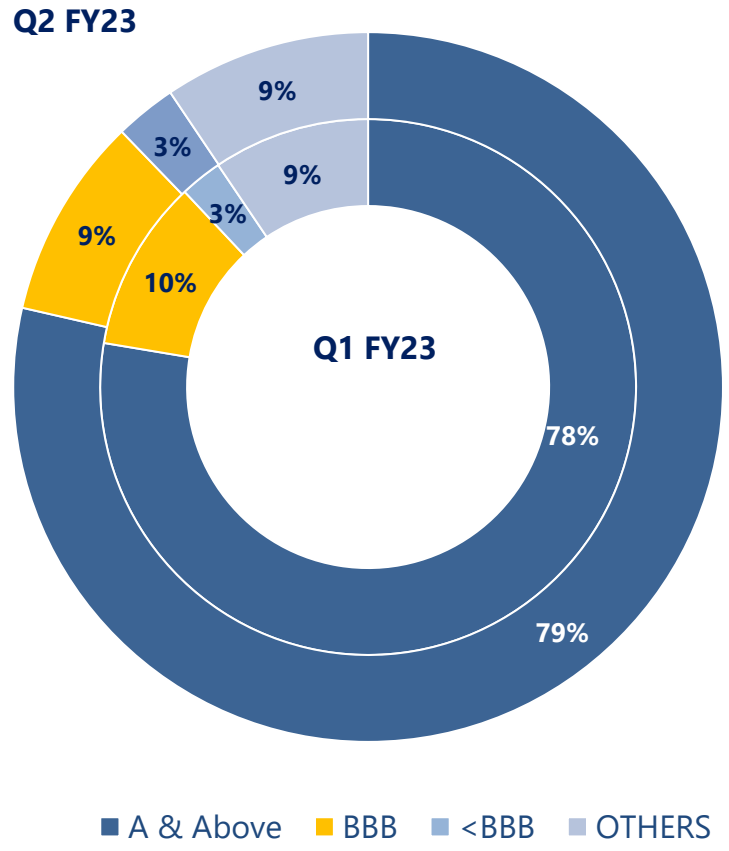
Risk Adjusted NIM



Slippage Rate



External Rating of Corporate Advances



External Rating of Corporate Advances

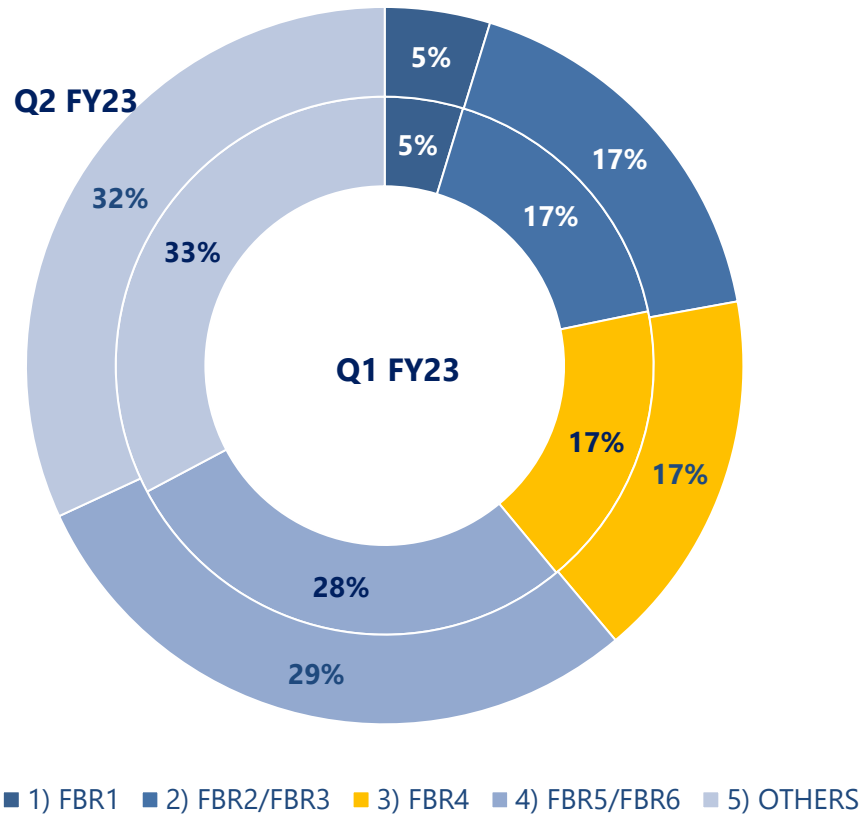
Rating	Q1 FY23	Q2 FY23
A & above	78%	79%
BBB	10%	9%
< BBB	3%	3%
Others	9%	9%

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

Rating	Q1 FY23	Q2 FY23
FBR1	5%	2%
FBR2/FBR3	6%	7%
FBR4	10%	8%
*Below FBR4 & unrated	79%	83%

*includes IBPC and exempted category.

Asset Quality : Rating Distribution (Advances excluding Corporate advance)



Rating	Q1 FY23	Q2 FY23
FBR1	5%	5%
FBR2/FBR3	17%	17%
FBR4	17%	17%
FBR5/FBR6	28%	29%
Staff	3%	3%
Gold, Advance against Deposit/Securities & others	30%	29%

Comparison : Y-o-Y (3 M)



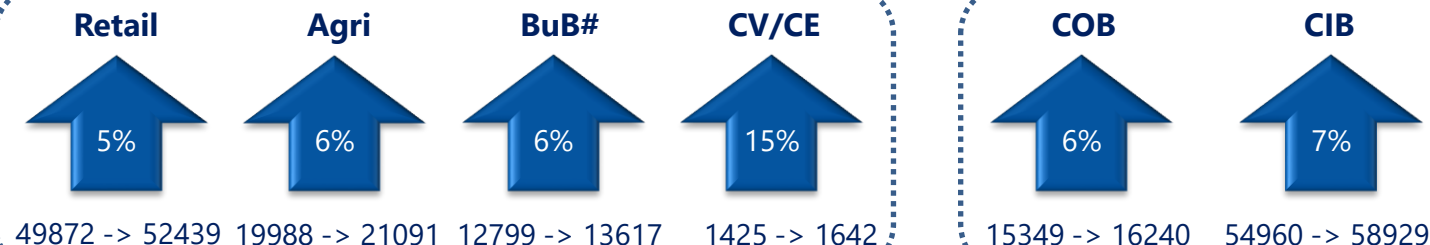
* Credit segments are realigned at the beginning of every FY.

Comparison : Q-o-Q (3 M)

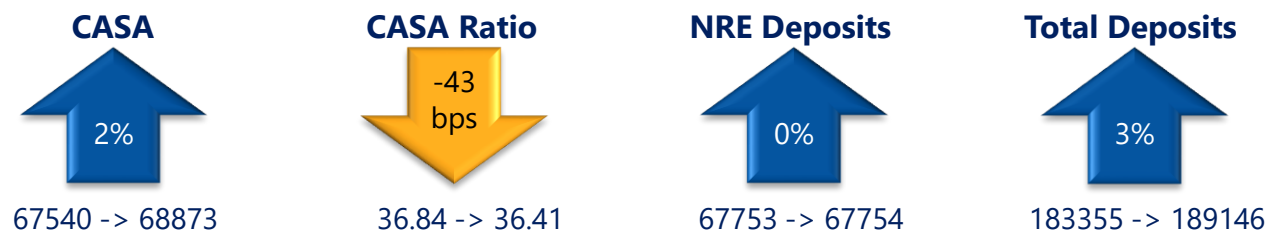
RETAIL

WHOLESALE

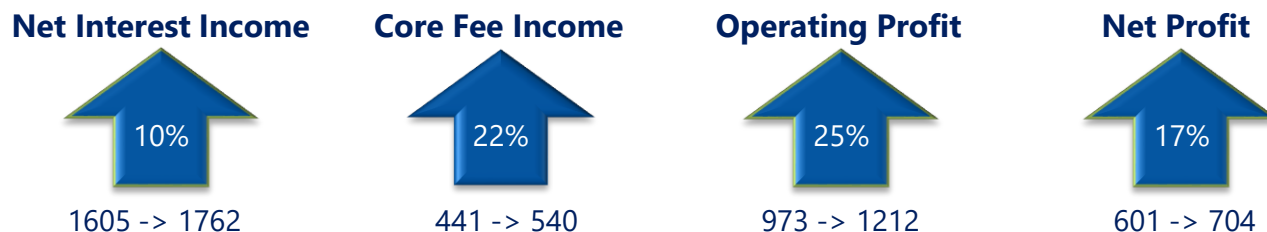
Advances



Deposits



Performance



Ratios



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

Digital Migration

89%

SHARE OF DIGITAL TRANSACTION

₹13.3K

CR WORTH MONTHLY MOBILE BANKING TRANSACTIONS

₹28.7K

CR WORTH MONTHLY CORPORATE DIGITAL PRODUCTS VOLUME

Digital Transformation

154%

YOY GROWTH IN UPI TRANSACTIONS

250

RPA PROCESSES RUNNING

80%

ACCOUNTS OPENED DIGITALLY

Future Readiness

400+

API'S AVAILABLE IN OPEN BANKING

75+

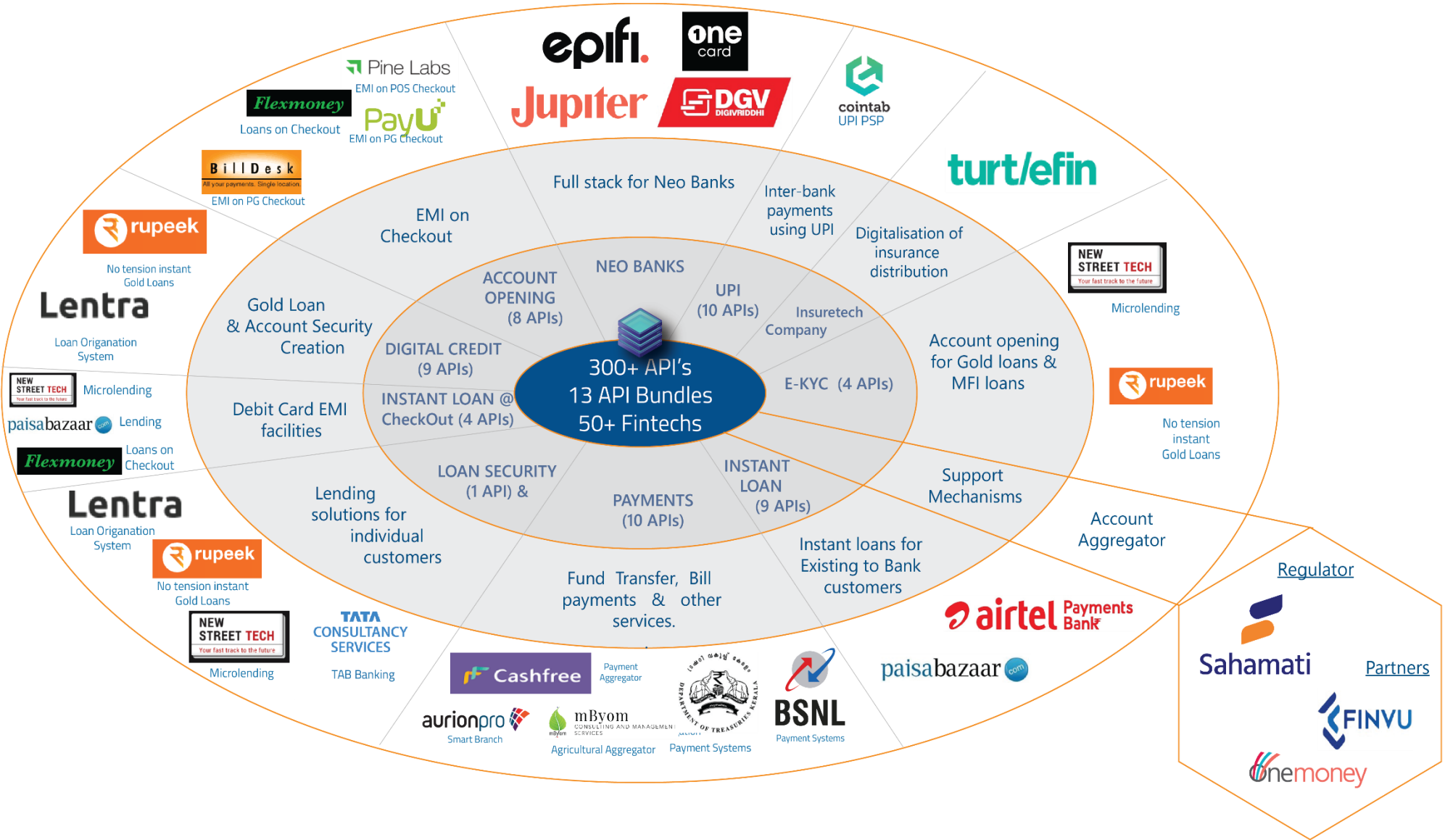
NUMBER OF PARTNERSHIPS

5

NUMBER OF CHANNELS WHERE AI IS INTEGRATED

FUTURE OF DIGITAL IS
HUMAN





paisabazaar 

- We launched our first PL Partnership with PaisaBazaar (PB) on 28th September 2022 . Partnership with PB, one of India's largest digital marketplace for consumer credits, is expected to enhance the unsecured portfolio.
- This digital lending partnership is one more step towards offering enhanced customer experience through an innovative financial solution that is both convenient and easy.
- Entire customer journey including underwriting and on-boarding is end-to-end digital and completed through PaisaBazaar application. The process is simple, convenient and frictionless.



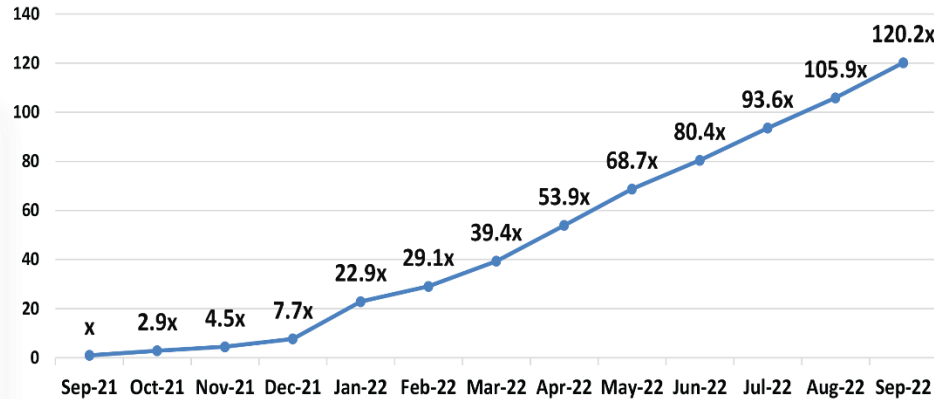
CARDS



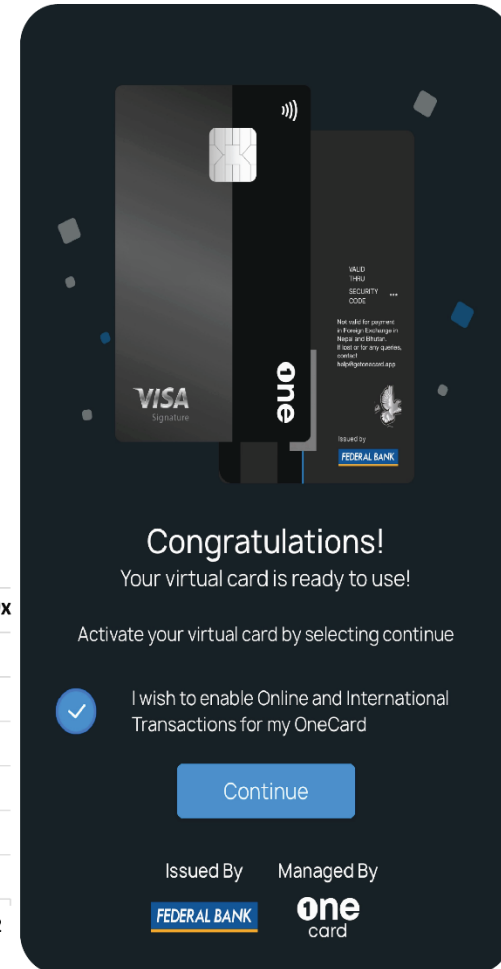
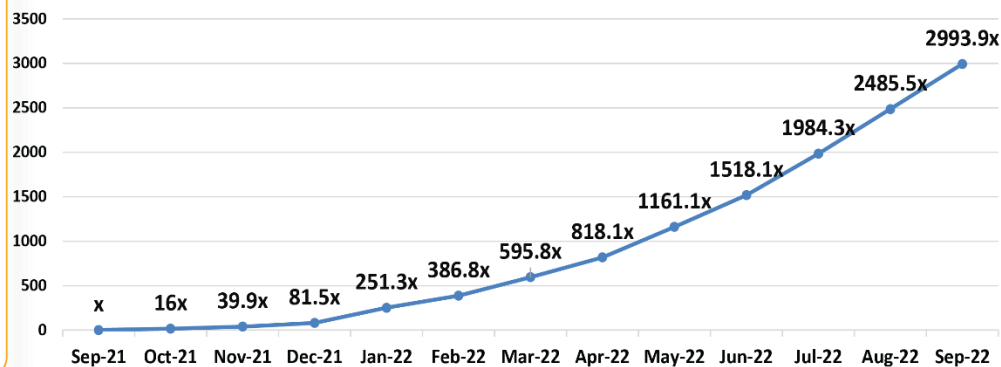
Co-Branded Credit Card!!

- 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



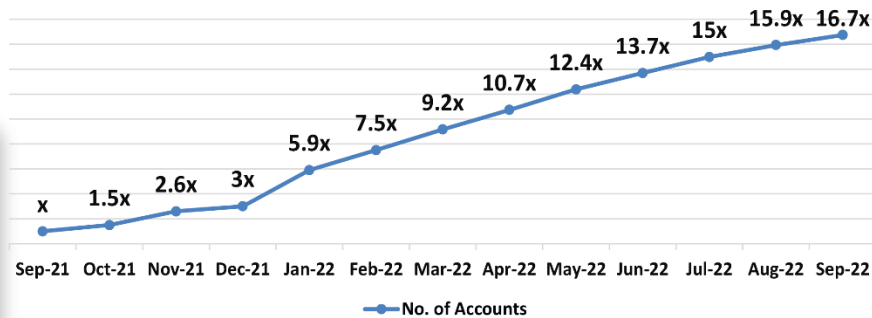
FINTECH PARTNERS

epifi. Jupiter

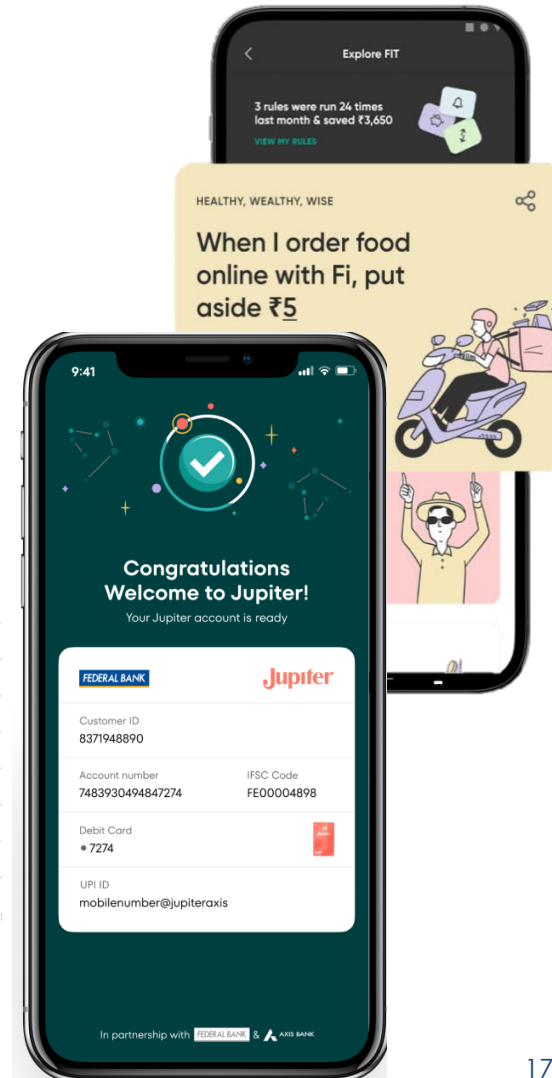
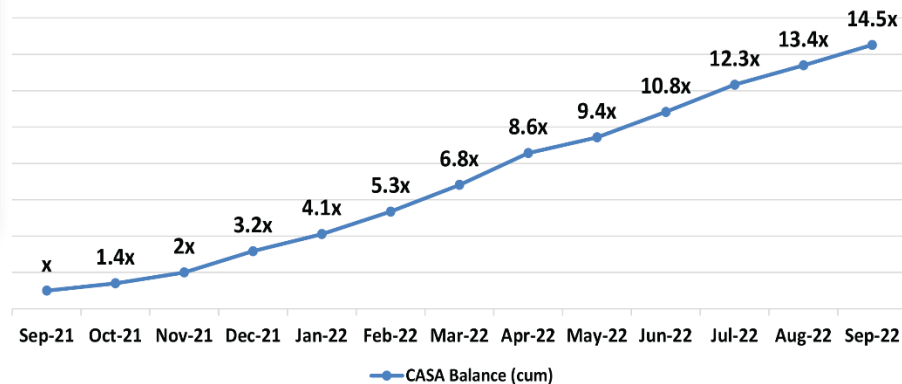


- Bank is live with 2 leading Fintech Partners - Fi & Jupiter.
- The proposition is positioned for the salaried millennial who are digitally native across their savings, investing and borrowing needs.
- More than 4.5L+ account are being opened every month by Fi & Jupiter.

Number of Accounts



Growth in CASA Balance (Amount In Cr.)

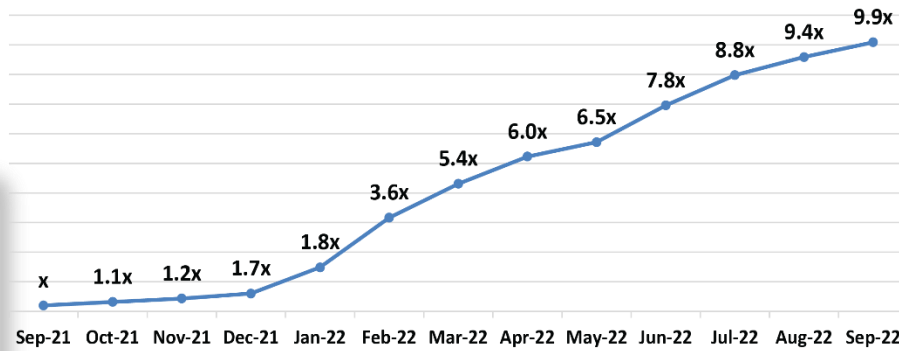




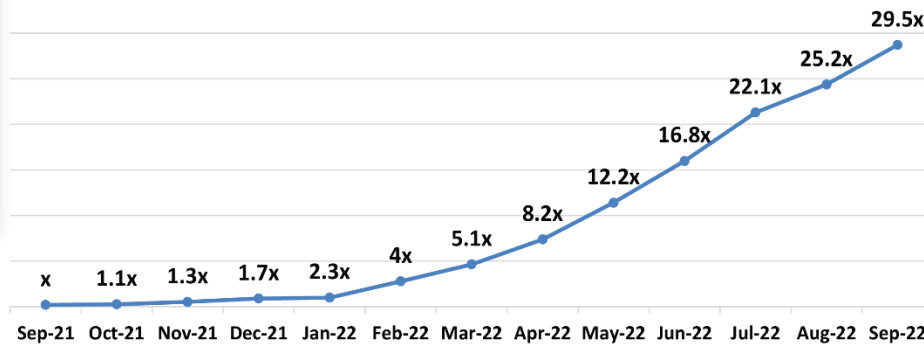
DigiVridhi Technologies (DGV)

- 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



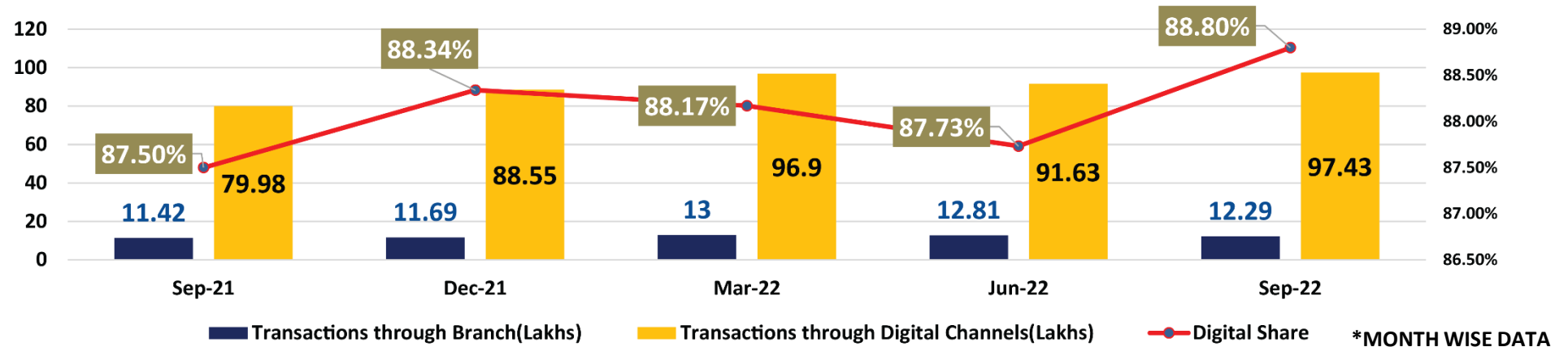
Savings Account opened of Farmers



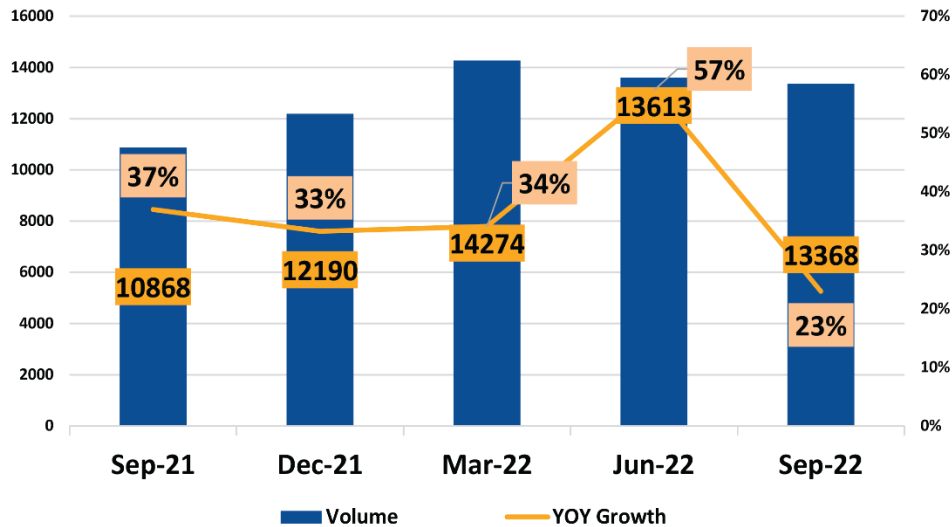
CATERING THE UNDER-SERVED/BANKED



Branch vs Digital Transactions (In Lakhs)

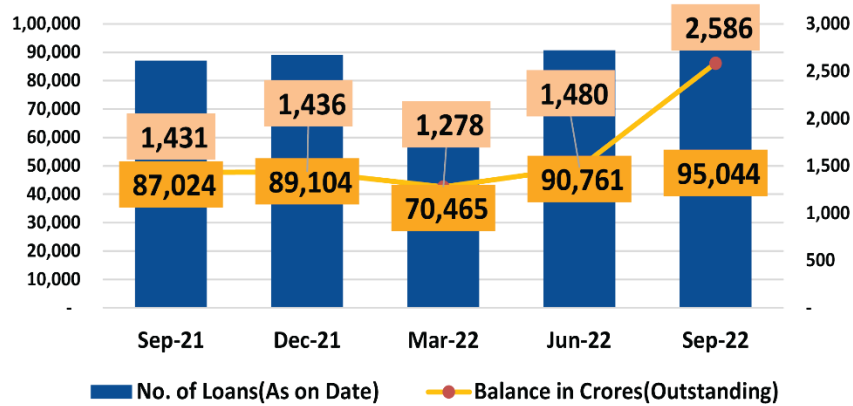


Mobile Banking Volume (In Crores)

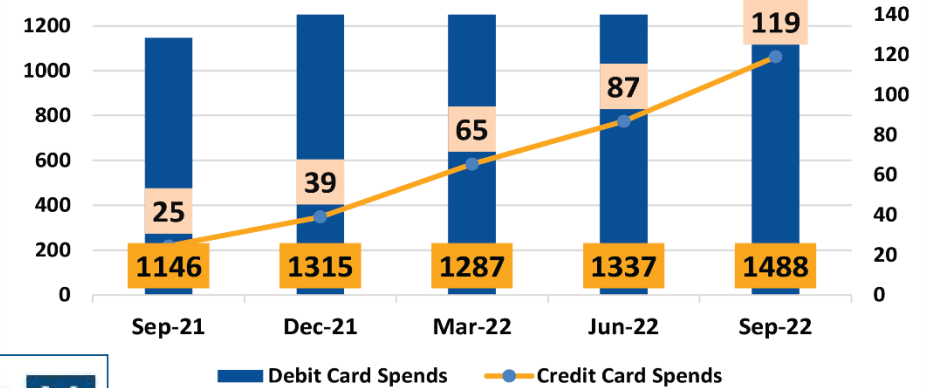


- Digital transactions have seen a **22%** YOY growth.
- Mobile Banking volume stands at **13,368 Crore**, a **23%** YOY growth.
- Digital Share stands at **88.80%** for the month of Sept-22.

BYOM Digital Personal Loans : Loan book progress



Card Spends (In Crores)

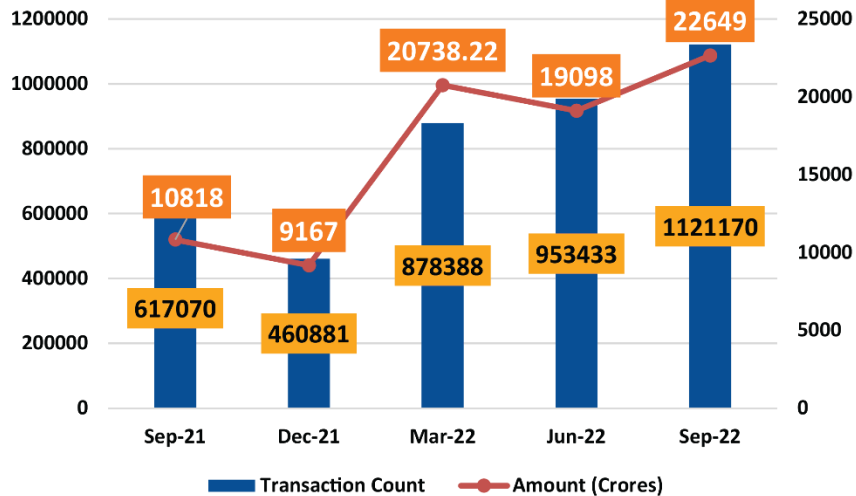


- BYOM enables digital instant personal loans through Federal Bank's Web Portal, FedMobile, Google Pay, Paisa Bazaar & Airtel Payments Bank.
- EMI on check out through PineLabs, Innoviti at multiple merchant locations through POS machines.
- EMI through online channels ex. Bill Desk (Amazon), Flex Money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



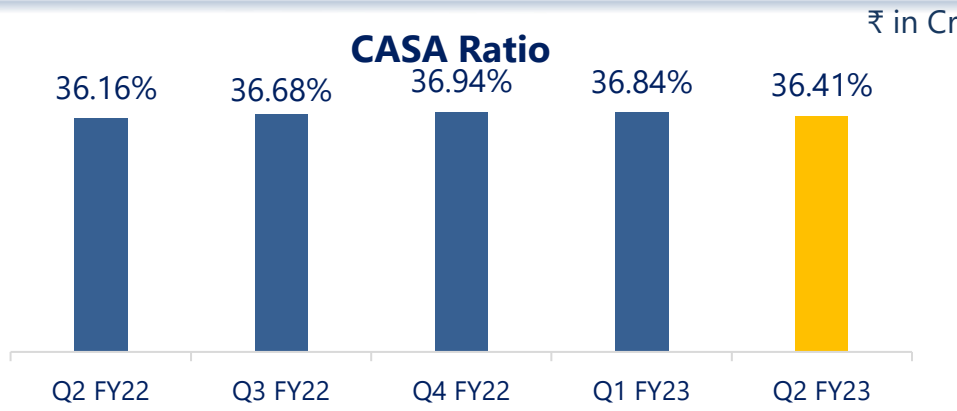
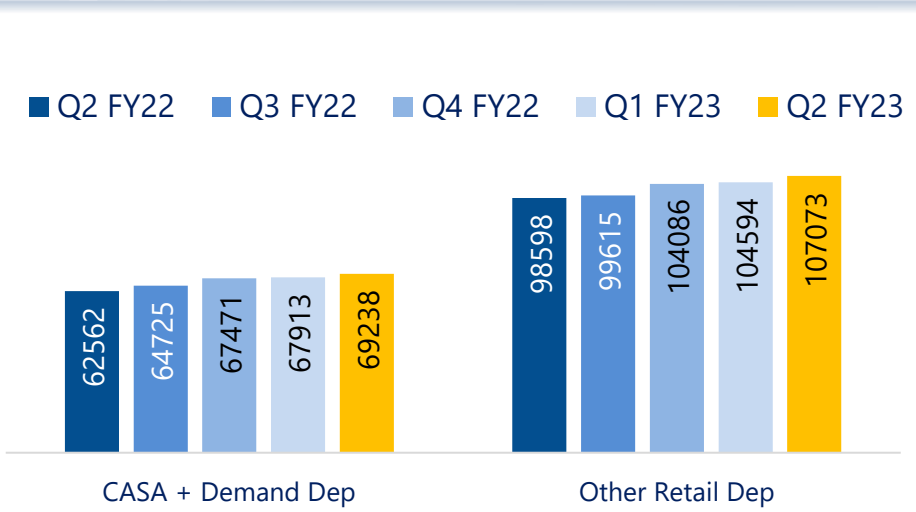
- Fed e-Biz is the omni channel transaction banking platform for corporates.
- 109% YOY growth in terms of Transaction value.

Fed-e-Biz

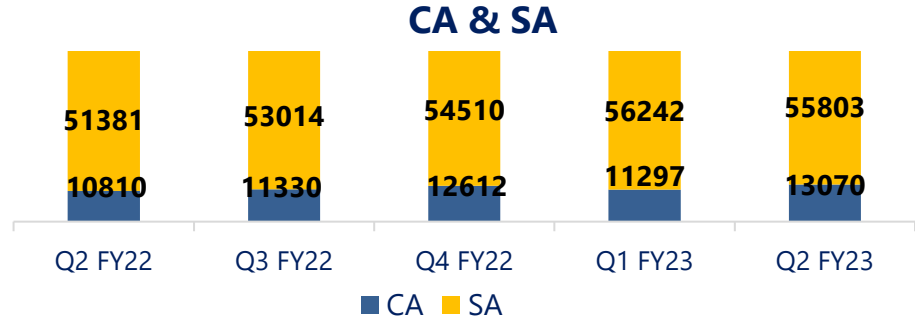
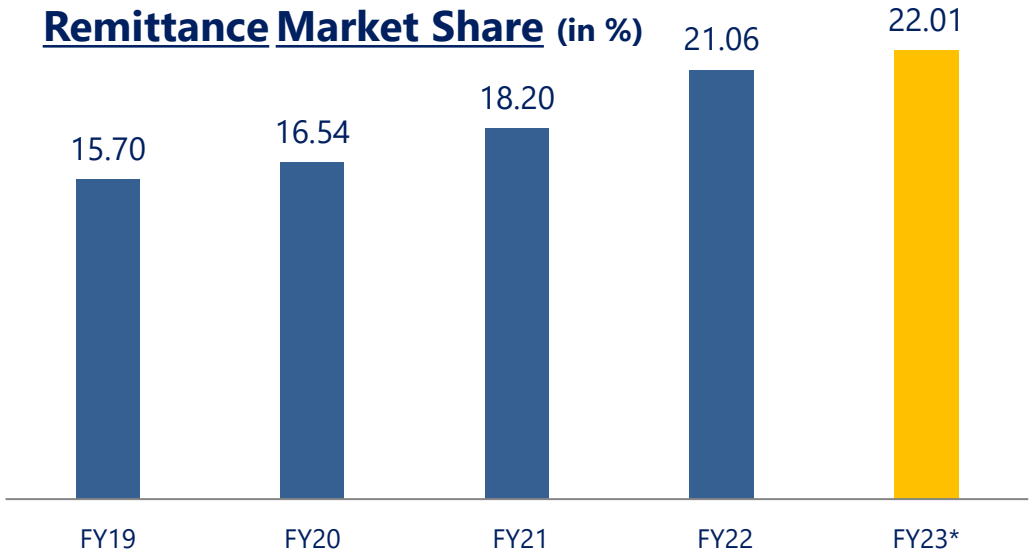


Business Parameters

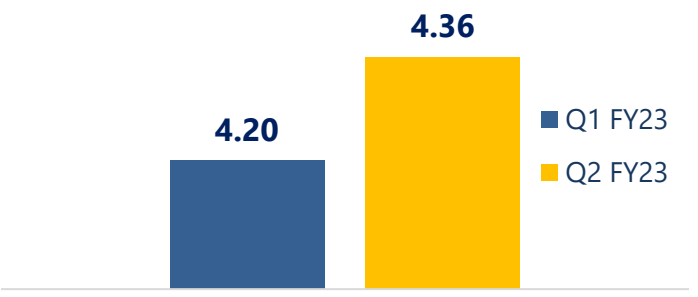
Liability : Trends



Remittance Market Share (in %)



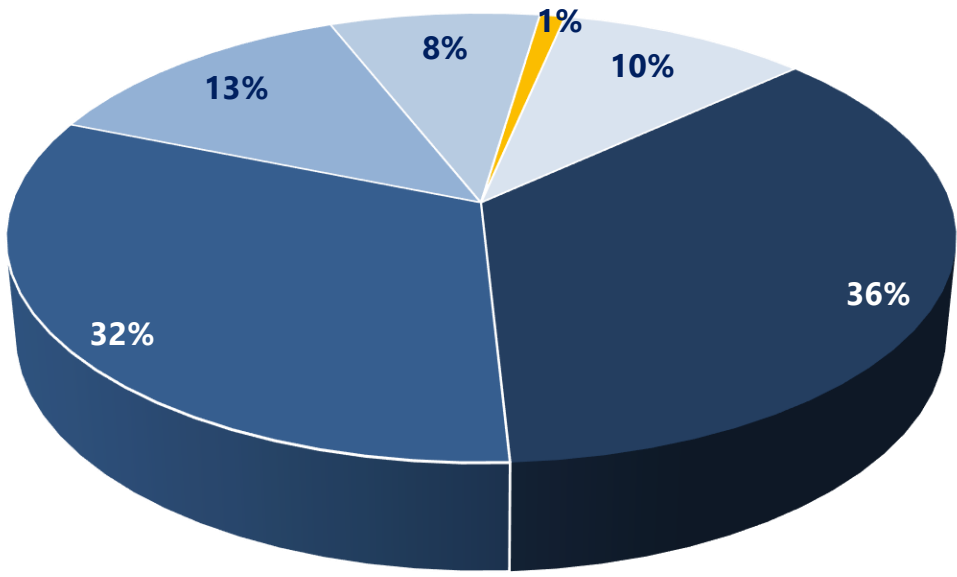
Cost of Deposits



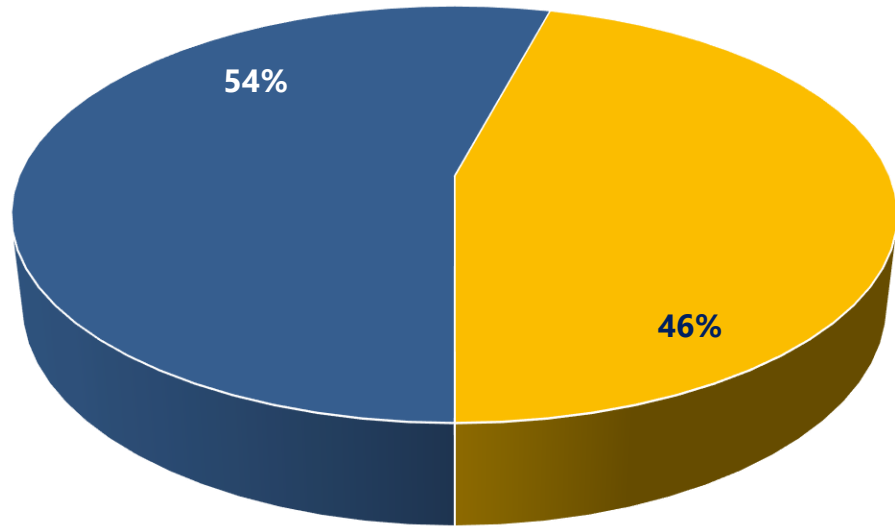
*data upto Q1 FY23

₹ in Cr

TOTAL LOAN BOOK

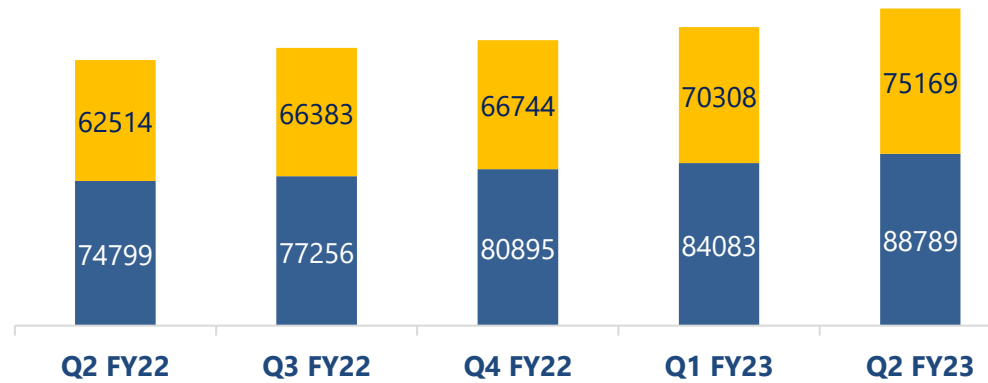
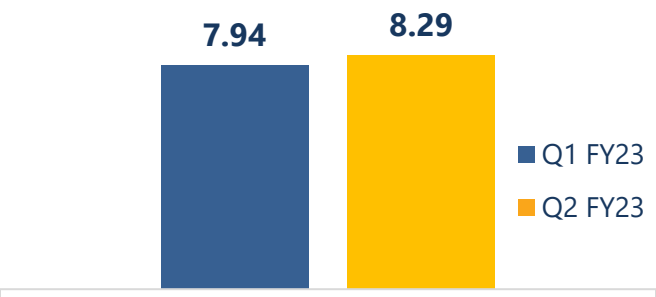


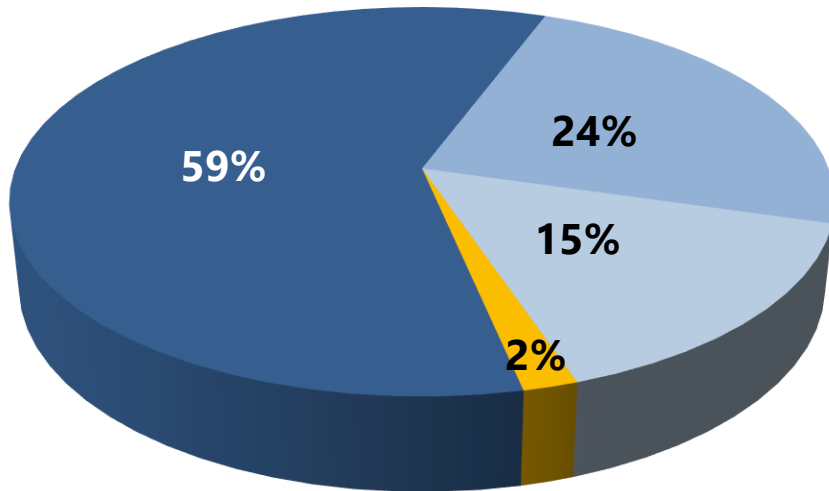
■ Retail ■ Agri ■ BuB ■ CV/CE ■ CoB ■ CIB



■ Retail ■ Wholesale

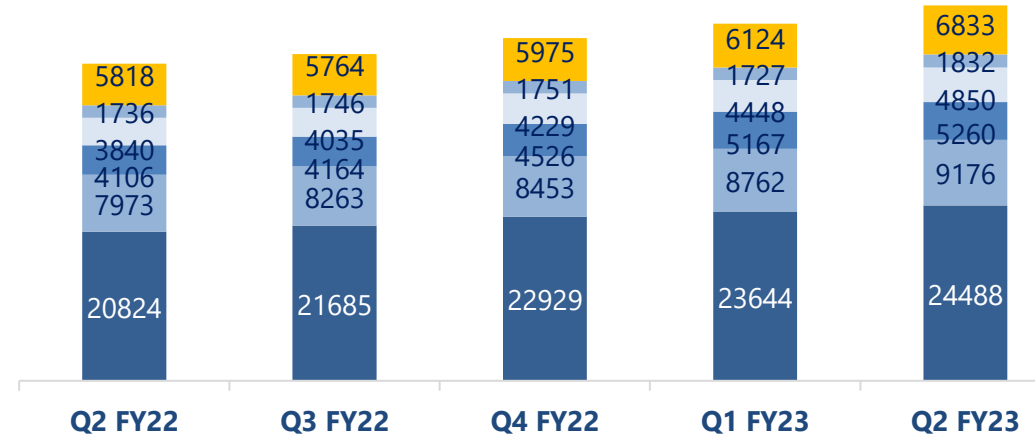
Yield on Advances



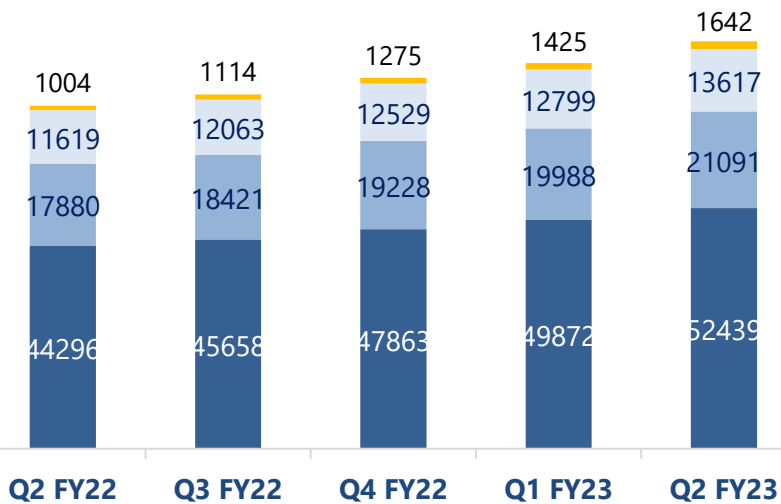


Retail Loan Book (Excl Agri, BuB & CV/CE)

■ Housing ■ LAP ■ Gold ■ Auto ■ Personal ■ Other



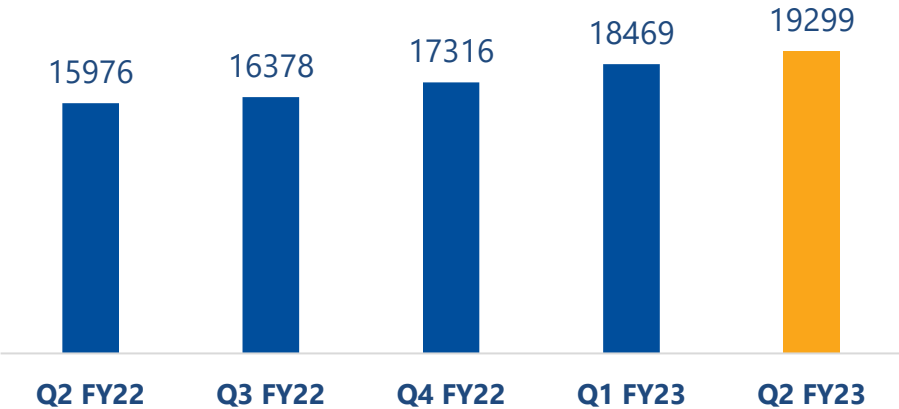
■ Retail ■ Agri ■ BuB ■ CV/CE



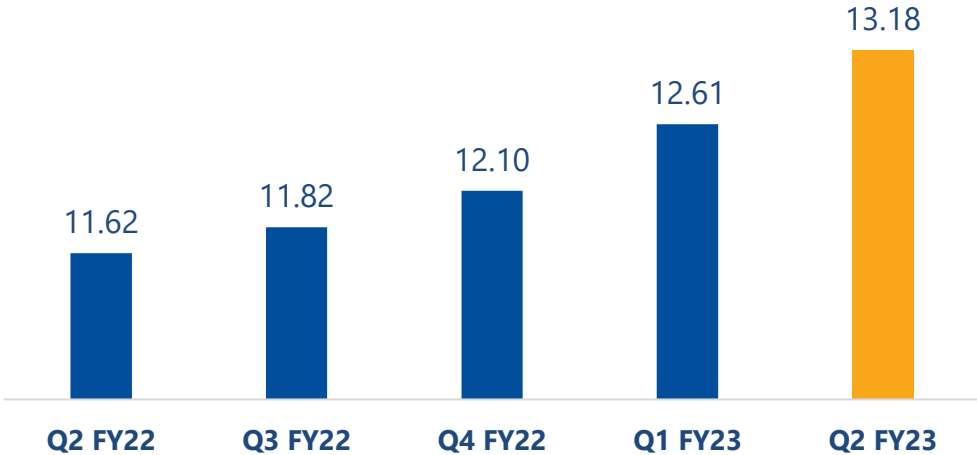
RETAIL BANKING

- **CV/CE Asset book grew by 63% YOY with 82% of the book qualifying under PSL. Activated CVCE business pan India.**
- **Retail Asset has grown at 18% YoY (Home loan - 18%, LAP - 15%, Auto Loan - 26%)**
- **Gold Loans registered 20.80% YoY growth touching 19300 Cr and registered 4.50% QoQ growth.**
- **MARG Business crossed Rs. 26,000 Cr milestone.**
- **Increased footprint in high margin MFI segment through BC delivery channels with monthly run rate crossing 100 Crs per month.**
- **Debit Card Spend at a YoY growth of 30%.**

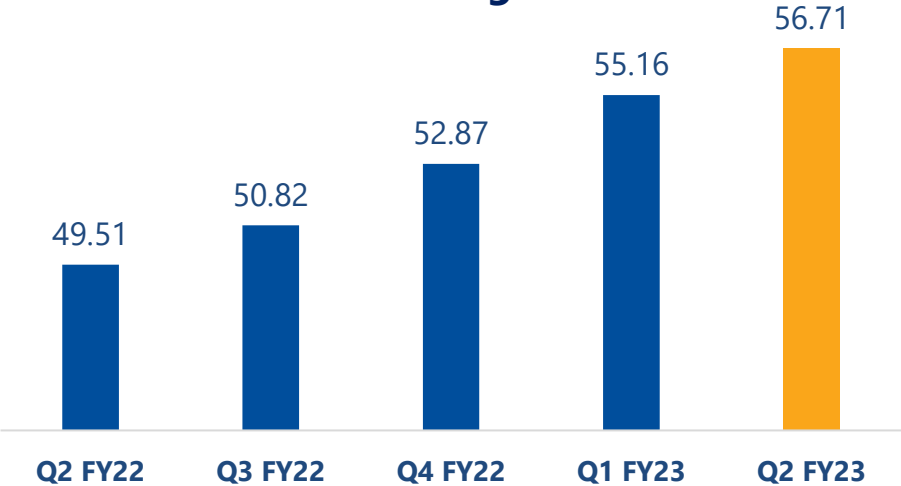
Gold Loan Portfolio



No of outstanding Accounts (in Lakhs)

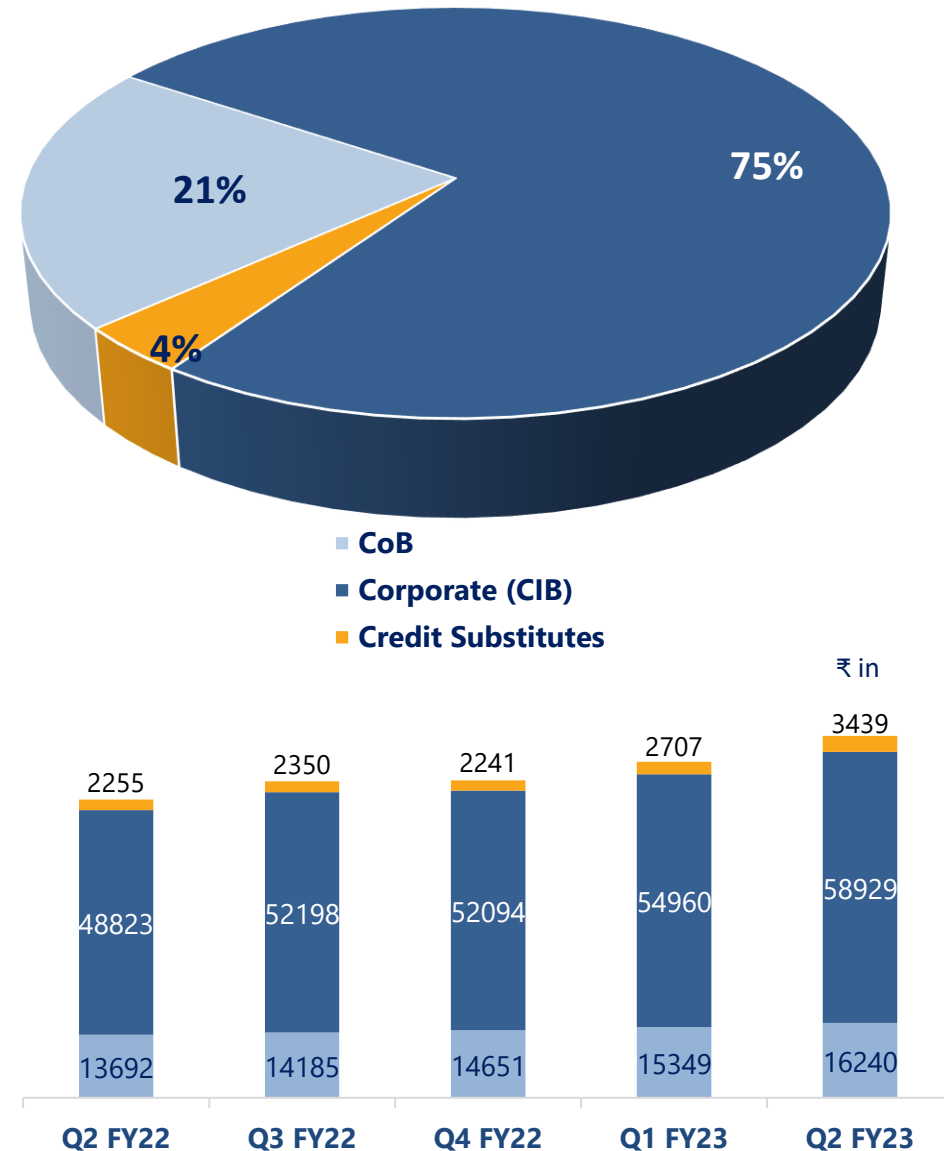


Tonnage



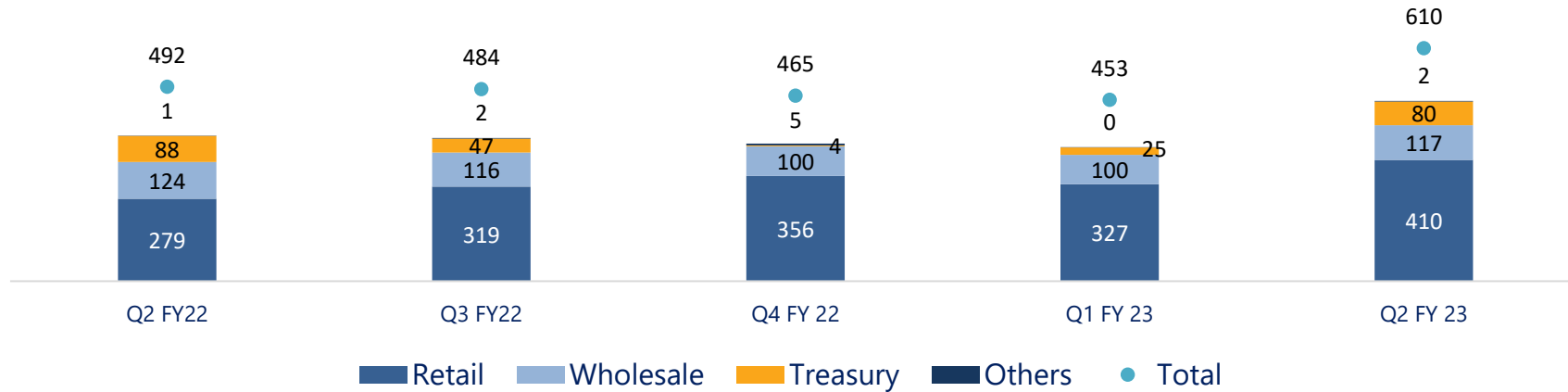
WHOLESALE BANKING

- Corporate Banking book hit the milestone of 60000+ Crs and grew by 22% YoY with Transaction Banking and Trade mandates leading the way. 60 CIB clients added during the quarter and 104 clients added during the H1 as granular NTB focus continues to yield result. Fee income grew by 41% YoY.
- Commercial Banking saw robust traction with 109 new clients being onboarded in Q2. Asset Book and Fee Income both saw growth at 18% YoY.
- SCF business focus resulted in 61% growth in Dealer/Vendor finance during H1.



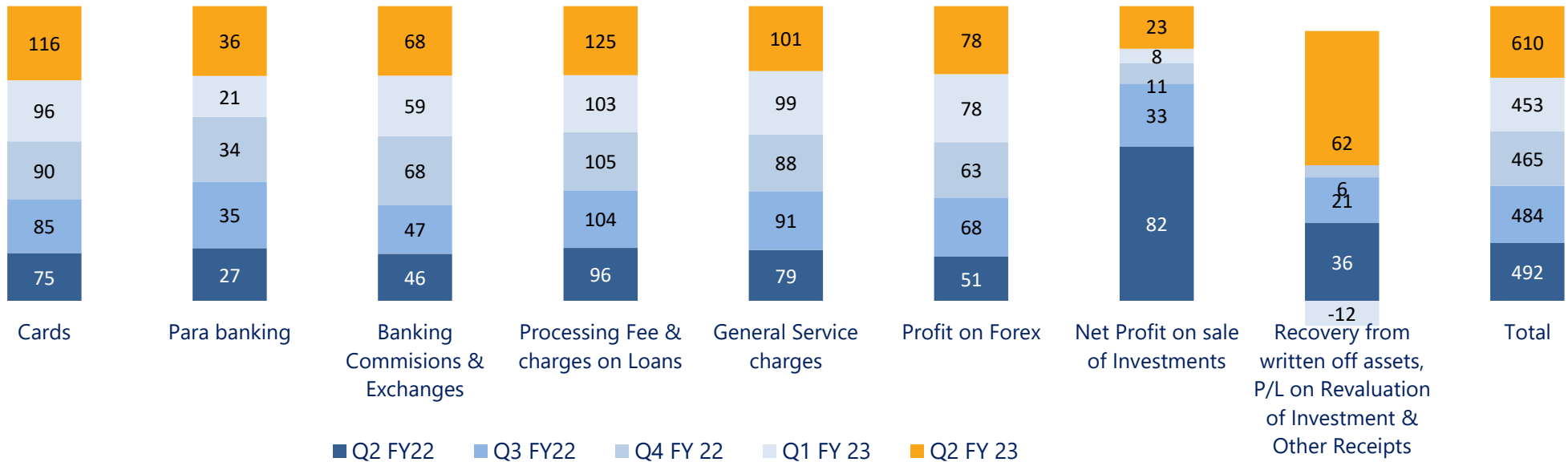
Other Income Distribution : Vertical Wise

(In Cr)

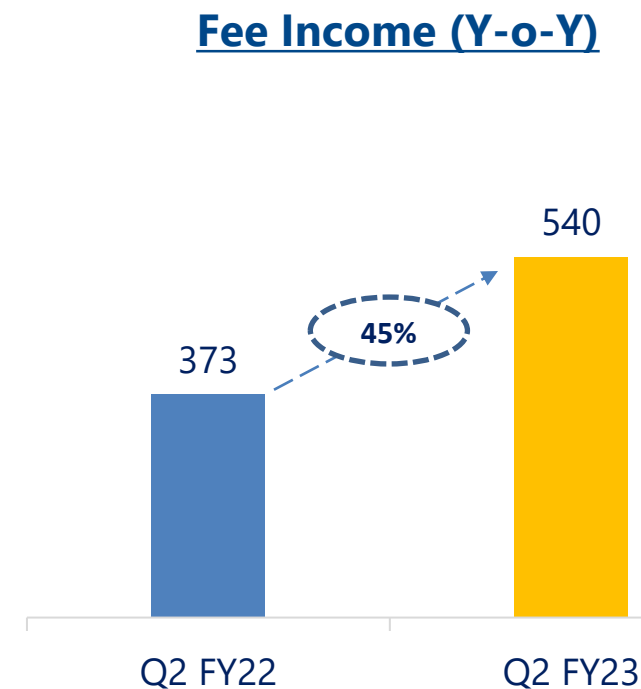


Other Income Distribution : Item Wise

(In Cr)

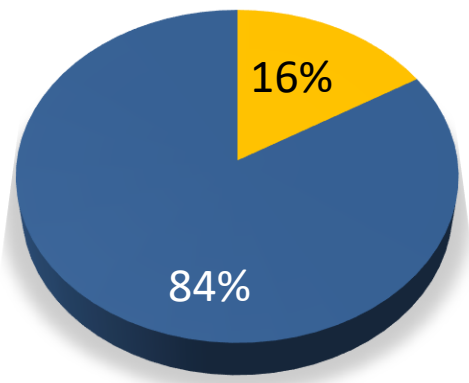
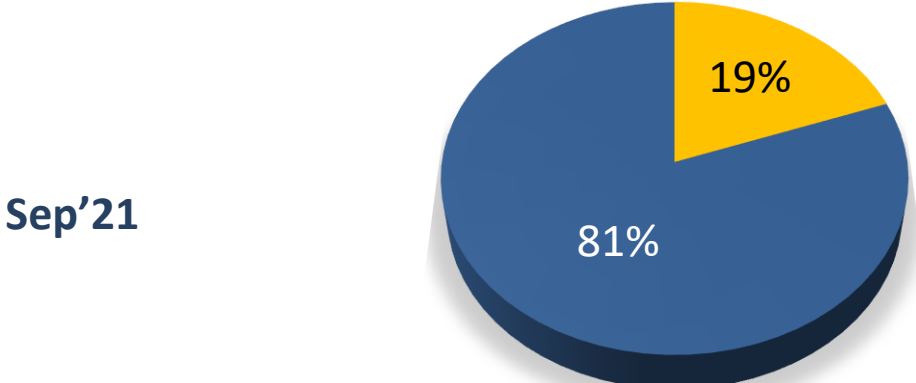


	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Loan Processing Fee	96	104	105	103	125
Exchange, Commission, Brokerage & Other Fee Income	227	258	280	275	321
Net Profit on Forex Transactions	50	50	68	63	94
Fee Income	373	412	453	441	540
Profit on sale of securities/ Other Receipts & misc.	119	72	12	12	70
Total Other income	492	484	465	453	610



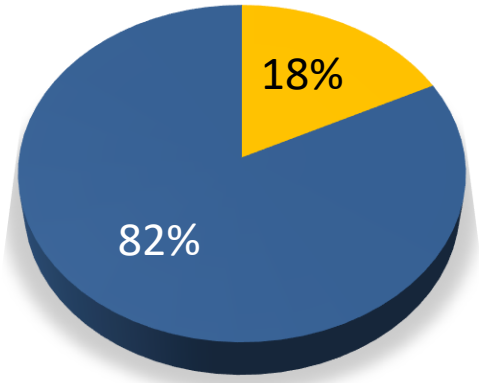
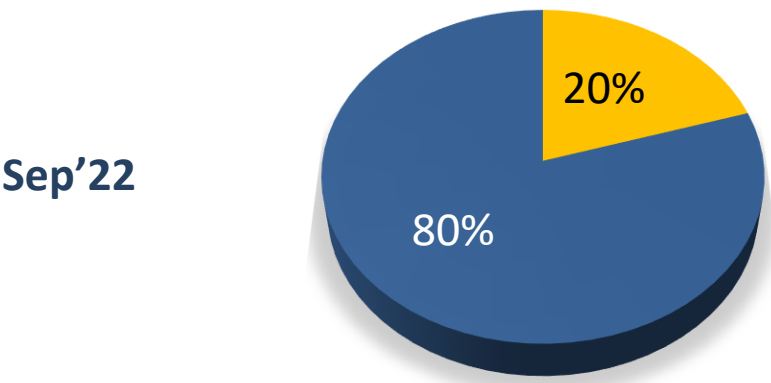
Select Segments ■ MSME ■ CV/CE ■ Credit Cards ■ Micro Finance

Bank's select high yielding portfolio share in total advance grew to 20% in Sep'22. Revenue share from these select segments increased to 18%. MSME credit lines (BuB + CoB) registered a growth of 18% (YoY), CV/ CE @ 64% (YoY), Credit cards @ 2601% (YoY) and Micro Finance @128% (YoY).

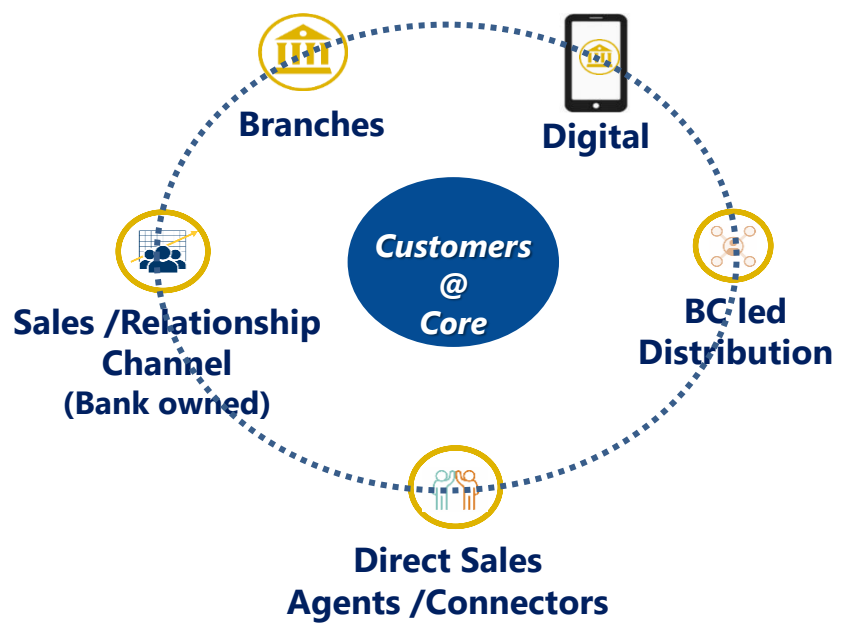


Business Share

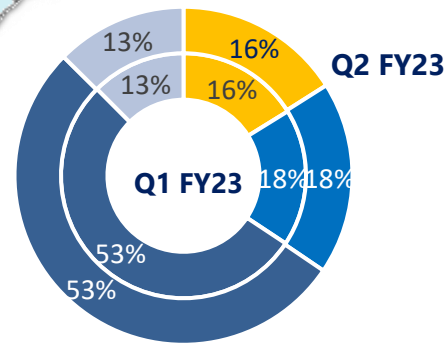
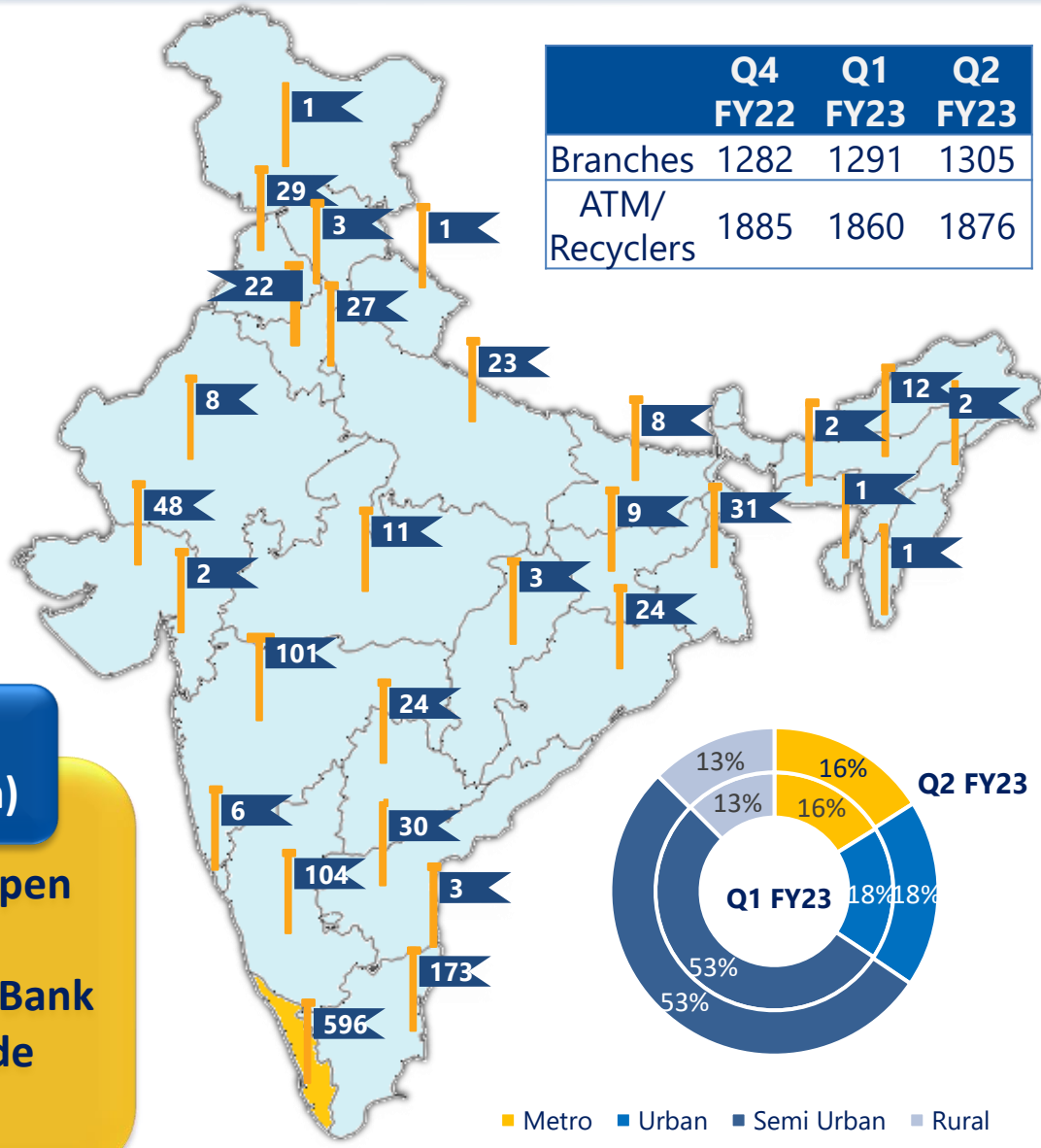
Revenue Share



Distribution : Deriving Efficiency from Footprint



	Q4 FY22	Q1 FY23	Q2 FY23
Branches	1282	1291	1305
ATM/ Recyclers	1885	1860	1876



Footprint Expansion Plans (Lite Branch Heavy Distribution Approach)

- Opened 25 Branches in H1, with plans to open a total of 75 branches in FY23.
- Over the next 3 years, the outreach of the Bank would be increased by 250 branches outside Kerala.

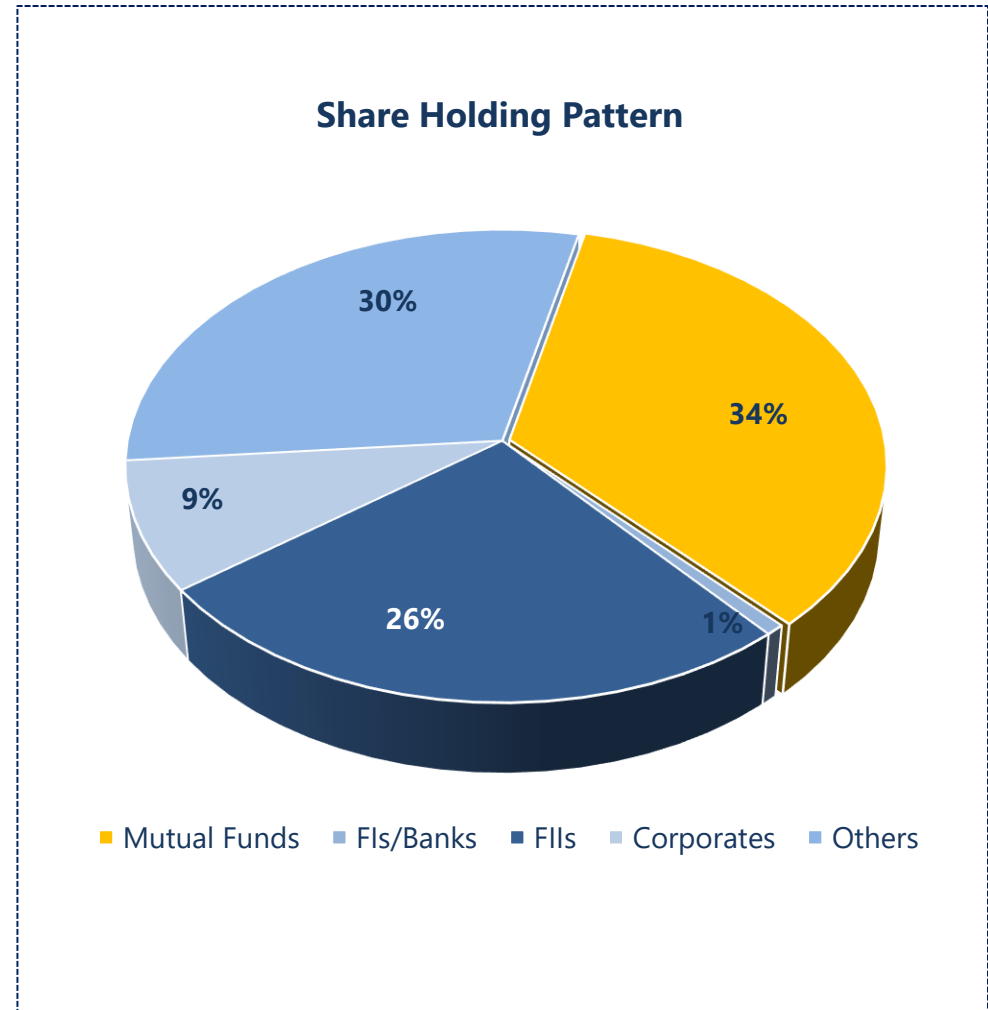
CRAR – How strong is your Bank?

₹ in Cr

	Q1 FY23	Q2 FY23
Risk Weighted Assets		
Credit Risk	115456	121844
Market Risk	3747	4587
Operational Risk	13136	13136
Total RWA	132339	139567
Tier-1 Capital Funds	17620	17616
Tier-II Capital Funds	1666	1704
Total Capital Funds	19285	19320
CRAR	14.57%	13.84%
Tier-I	13.31%	12.62%
Tier-II	1.26%	1.22%

Annexures

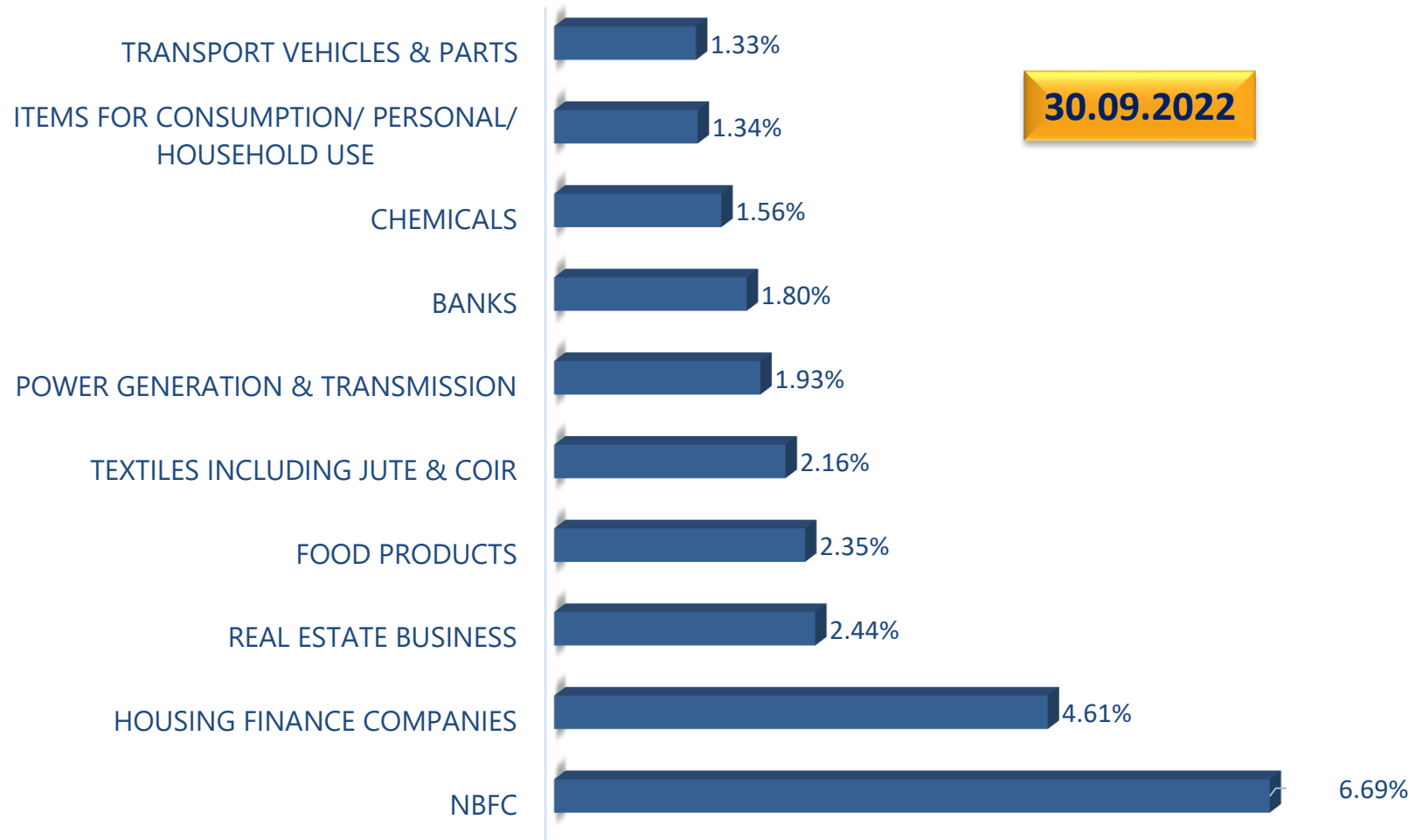
	Q1 FY23	Q2 FY23
LIABILITIES		
Capital	421	422
Reserves & Surplus	18972	19327
Deposits	183355	189146
Borrowings	15834	20413
Other Liabilities & Provisions	6771	7804
TOTAL	225353	237112
ASSETS		
Cash & Balance with RBI	13157	12654
Balances with Banks, Money at Call	2805	2339
Investments	41186	43571
Advances	151689	161240
Fixed Assets	668	717
Other Assets	15847	16590
TOTAL	225353	237112



₹ in Cr

	Q2 FY22	Q1 FY23	Q2 FY23	Q-o-Q	Y-o-Y
Interest Income	3379	3629	4021	10.8%	19.0%
Interest Expenses	1900	2024	2259	11.6%	18.9%
Net Interest Income	1479	1605	1762	9.8%	19.1%
Other Income	492	453	610	34.7%	24.0%
Operating Expense	1059	1084	1159	6.9%	9.4%
Total Income	3871	4081	4630	13.5%	19.6%
Total Expense	2959	3108	3418	10.0%	15.5%
Operating Profit	912	973	1212	24.5%	32.9%
Total Provisions	452	373	509	36.5%	12.6%
Net Profit	460	601	704	17.1%	53.0%
Net Interest Margin (%)	3.20	3.22	3.30	8 bps	10 bps
Cost to Income Ratio (%)	53.73	52.68	48.88	-380 bps	-485 bps

Top 10 Sector wise exposure as a % of Total Advance



Driving Positive Purposes

FEDERAL BANK
YOUR PERFECT BANKING PARTNER



Modi's five-point agenda to put India in 'developed nation' orbit
The aspirational society 'vision' suggests...
With 'leniency plus' regime, competition regulator wants to act tough with cartels

Gross inflow into gold ETFs dips to new low
Mahindra unveils electric 4-wheeler mobility vision; launches new design centre in the UK

When the 'cs' before expert stands only for experience
From presence to prominence to dominance.

FEDERAL BANK
Kalka Branch

फेडरल बैंक
कालका शाखा

Sowing seeds of goodness!

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

It's Love All for Federer.
Roger, you'll be missed.

FEDERAL BANK

Presenting the **Sonic Identity** of Federal Bank

Cross-Segment Appeal, Scale & Sustenance...

Society, Moments and Culture...

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

May the blessings of Lord Ganesha always be with you.

GANESH CHATURTHI

FEDERAL BANK

Your chance to make 'Golden' returns from the comfort of your home!

Invest Now!

Apply for Sovereign Gold Bond via FedMobile and get a discount of ₹50 per gram!

Subscription Period: 22nd - 26th August, 2022

Common man's Twice is Wise

My online friend sent me an expensive gift. Nice no!

Wow!

Oh! A message from the customs department. I need to pay Rs 20000 to clear it.

Wait!

This is not customs SMS. It is a cyber fraud. Block the sender and this friend of yours too!

Your common sense saved me!

Think twice before trusting online friends.

FEDERAL BANK
YOUR PERFECT BANKING PARTNER
A CSR Initiative

DON'T PAY A PRICE. CHECKING #TWICE IS WISE

In association with **THE TIMES OF INDIA**

THREE ENVELOPES

Major Investments

Entity	% of stake
Federal Operations & Services Limited (FedServ)	100.00%
Fedbank Financial Services Limited	73.22%
Ageas Federal Life Insurance Company Limited	26.00%
Equirus Capital Private Ltd	19.79%

Subsidiaries & JVs

Ageas Federal Life Insurance Co. Ltd.

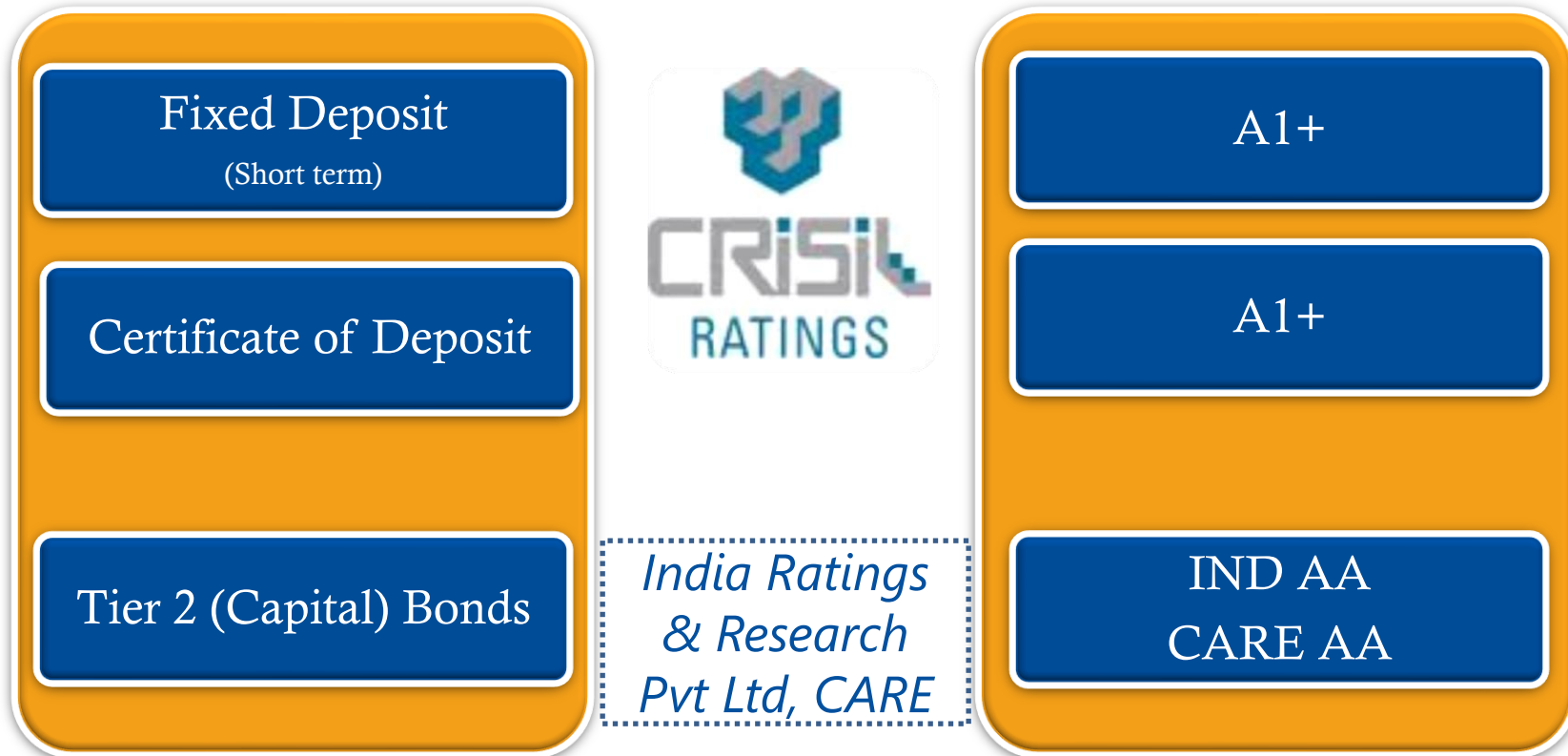
- Bank's Joint Venture Life Insurance Company, in association with Ageas
- Federal Bank holds 26% equity in the J.V.
- Started selling life insurance products from March 2008

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