

SD/ F24/324/2022-23

February 28, 2023

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
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Re: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Sir,

Sub: Presentation to Investor/ Analyst

As required under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith, an Investor / Analyst Presentation which was presented at the Analyst meet held today at Mumbai. The same has been published on the Bank's website also.

Kindly take the same on your record.

Thanking you,
Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev
Company Secretary



28TH FEBRUARY 2023
MUMBAI



FEDERAL BANK
YOUR PERFECT BANKING PARTNER



Through the Financial Lens



Then and Now

Progress from...



Advances (INR Lakh Cr)



Deposits (INR Lakh Cr)



NIM



All time high Market Share: 1.26% ★

Crossed Milestone of ₹ 2 Lakh Crore

Highest in 35 quarters | Supported by Higher Margin Lending

Superior Buffer created within 36 months

GNPA Lowest in 21 quarters | Prudent PCR

Highest in 31 quarters | Highest ever Net Profit ★

Consistent improvement in shareholder returns

★ All Time High

CRAR

Then	Now
13.64%	13.35%

PCR



GNPA



RWA to GA

Then	Now
59%	54%

ROA



ROE



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Consistent Performance through Cycles



FY 2021

FY 2022

FY 2023 (as of Dec'22)

FY 2024 & Beyond



ECONOMIC ENVIRONMENT

- 1st wave of COVID
- GDP contraction of 6.6% YoY leading to slowing Credit growth¹: 5.6% YoY
- GNPA of all SCBs²: 7.33%

- 2nd wave of COVID; faltering Economy
- Geopolitical tension at centre stage

- Geopolitical tensions center stage
- Elevated inflation
- Interest rate hikes

- Deglobalization; trade slowdown
- Capex manufacturing push
- Retreating Inflation & Interest rate

STRATEGY

Preserve, Conserve & Innovate

Higher Margin Lending, MSME/PSL focus, FinTech partnership, ESG, Lite Branch Heavy Distribution

FOCUS AREAS

- Conserving capital
- Gold loans
- Enhance Deposits
- Cost efficiency
- Strengthen Digital Stack

- Growth and Scale up: Select portfolios
- Build Core competencies: Credit Cards and other high margin retail opportunities

- Enhance distribution
- Diversified business mix
- Leverage Digital & Fintech partnerships
- Dial up high margin businesses

- Step up growth with focus on select high margin portfolios
- Fit for Future
- Expand Reach: LBHD

'Most Admired Bank'

Net profit – INR cr

1,590

1,890

All time high ★

2,108

NNPA:

1.19%

0.96%

0.73%

- Enhance Returns
- Multiply business size
- Expand Margins
- Maintain Pristine Asset Quality

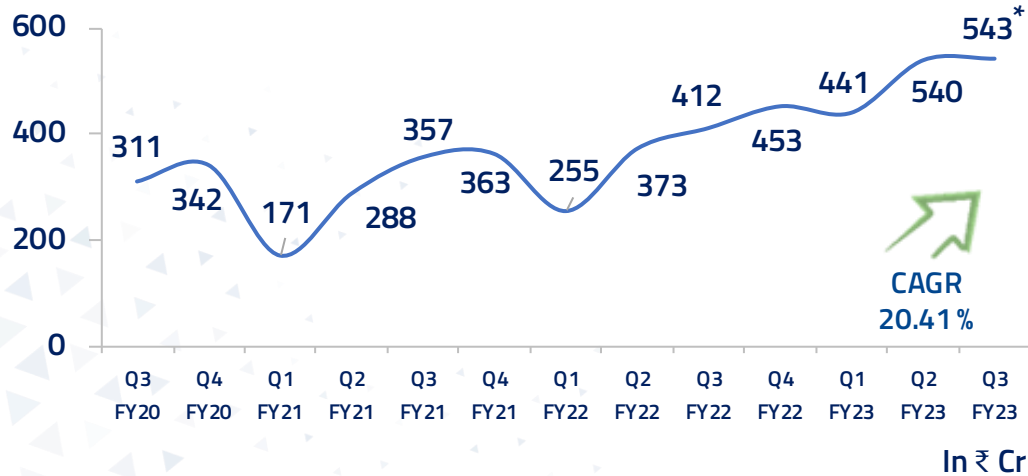
Note: FY 2023 profits represent profits for 9M FY2023
¹ For aggregate bank credit; ² Scheduled commercial banks



Profitability – Building Up Momentum



Fee Income



Net Profit



RoA (%)



RoE (%)



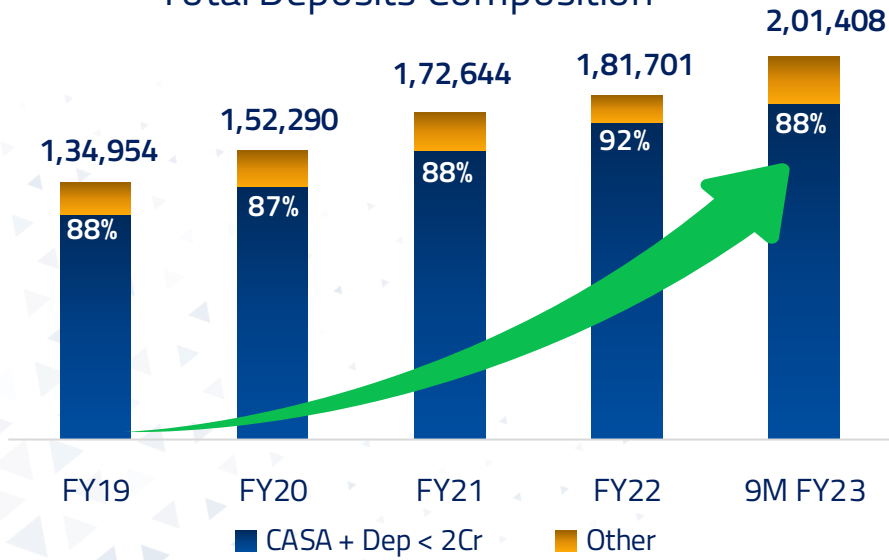
* Additional investment provision of ₹ 47.61 crores for SRs, pursuant to amended RBI guidelines, has been created. Consequently, Net Book Value of SR portfolio as on December 31, 2022, is Nil for us

★ All Time High

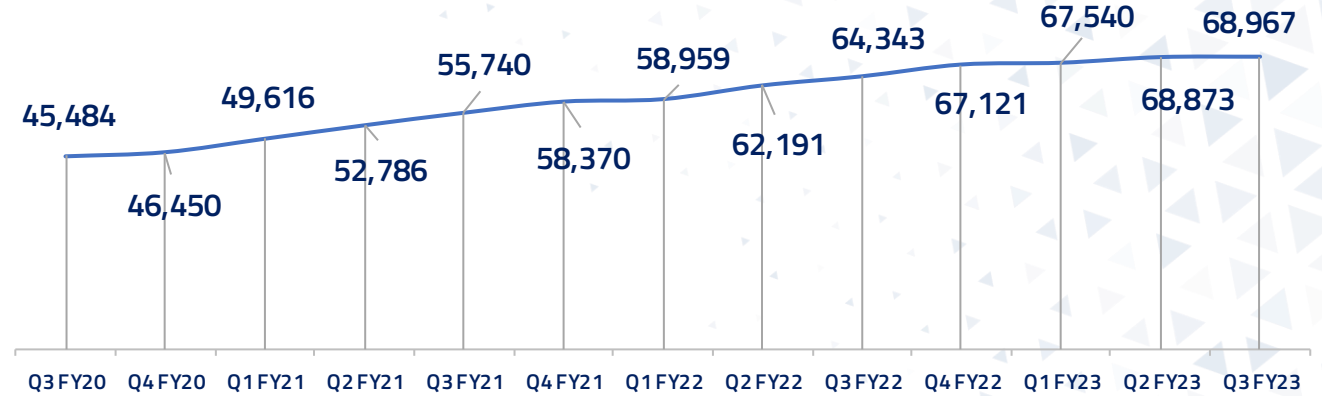


Business – Remix Composition for Orbit Shift

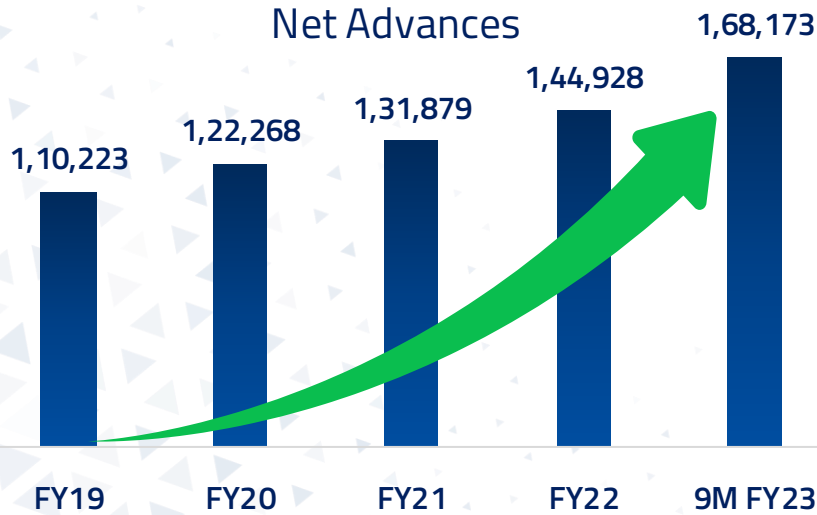
Total Deposits Composition



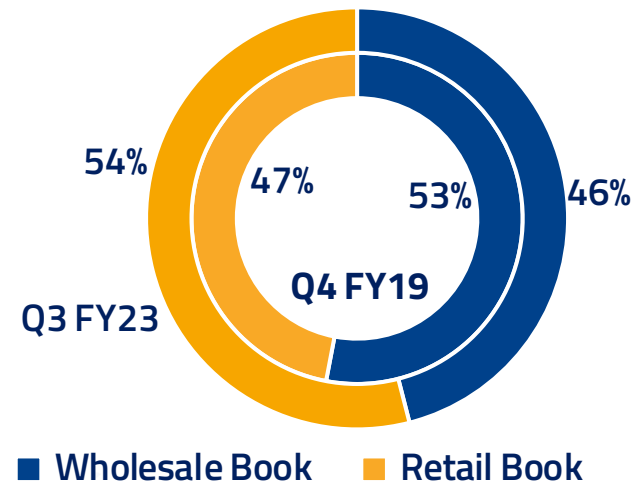
CASA



Net Advances



Credit Book Mix



Deposits have grown faster than Advances providing significant headroom for Future Growth

All figs in ₹ Cr

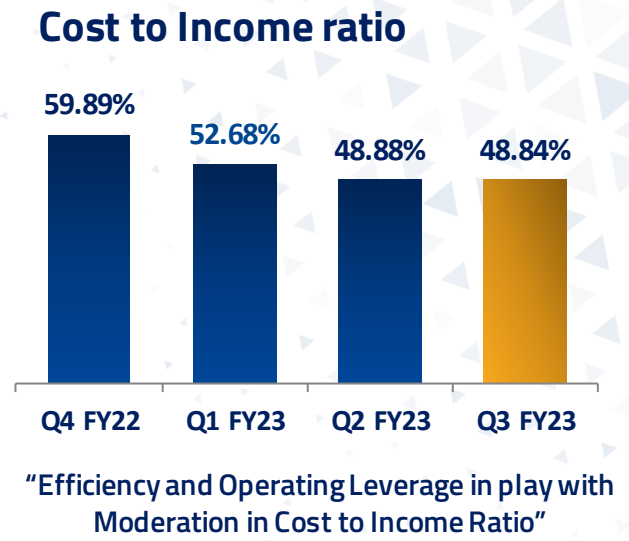
Deriving Efficiency from Footprint and Digital Partnerships

Enhanced Distribution Channels with Digital as Multiplier keeping Customer at the Core



	Then	Now
Branches	1255	1338
ATMs/ Recyclers	1965	1907
RM's	113	937

Branch Light Distribution Heavy → Lite Branch Heavy Distribution



Key levers for RoA Expansion

Consistent growth in advances and deposits



Increase fee income and cross-selling by leveraging data



Maintain Pristine Asset Quality with Prudent Risk Framework



Improve efficiency with Lite Branch Heavy Distribution Model



Enhance yields with focus on high margin lending segments



Empowering well-informed decisions across levels and functions, fuelling the MAB drive



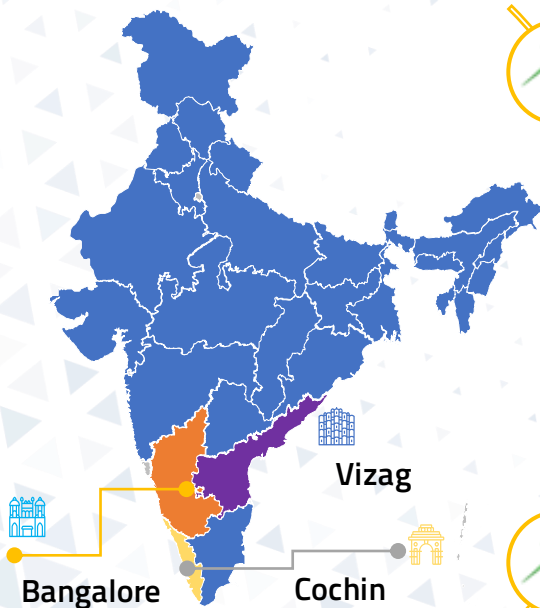
Data as the Pulse

Bank's GPS orientation 

A 900 Member Team

Our Presence

Our Focus Areas



- Governance & Risk Mitigation
- Centralization & Standardization
- Operational Excellence
- Cost Effectiveness
- Continuous Process Improvement

- Set up in Dec 2018 post receiving approval from RBI
- Managing 100+ activities for the bank
- Focusing on Automation, process reengineering & application of AI & ML

Vision
"To provide superior customer service at an optimal cost with risk duly mitigated"

Mission
"To become the trusted and preferred operational partner for the bank"



Our Future Plans

- Collection Management
- Sales Management
- Project Management
- IT Support to Branches

Customer Delight

- CX CRM
- Instant KCC
- Customs, GST Payments
- Income Tax Payments
- Personalised Offers through Analytics



Multiplying Reach

- Branch Expansion
- BC Partners
- Fintech Partnerships
- RM Network
- Alternate Channels

High Margin Business

- Credit Card
- Personal Loan
- MSME Funding
- CV / CE
- Gold
- MFI

Then	Now
17.38%	20.53%



Retail Banking

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Retail Banking has made Considerable Progress since December, 2019

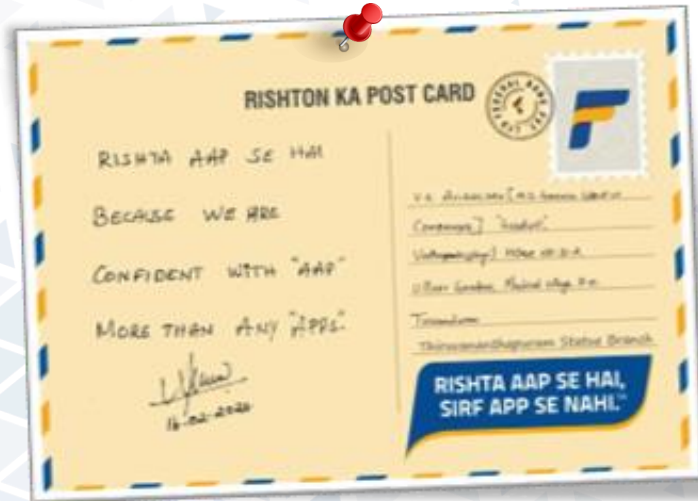


	Then (Dec-19 / Q3 FY20)		Now (Dec-22 / Q3 FY23)	
RETAIL DEPOSITS	1,31,530	↗	1,81,714	CAGR 11.38%
COST OF DEPOSIT	5.84	↘	4.57	
CASA RATIO	30.81%	↗	34.24%	
RETAIL ASSETS	36,551	↗	53,936	CAGR 13.85%
MARKET SHARE OF DEPOSITS	1.09 %	↗	1.12 %	
MARKET SHARE OF ASSETS	1.18 %	↗	1.26 %	
CREDIT COST	0.82	↘	0.38	

In ₹ Cr

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Our 4-D Mantra



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Since our last meeting in February 2020

96% 
Growth in Credit Card
& Personal Loans

60% 
Increase in
Debit Card Spends

10x 
Improvement in
Response Rates to
Insurance Campaigns

33% 
Enhancement in
Collection Capabilities



Digitization – At The Fore Of All That We Do



ORIGINATION

96%

of SB Accounts
Opened Digitally

100%

of Personal Loan
Opened Digitally

181¹

Credit Cards
being issued
every working hour

SERVICING

95%

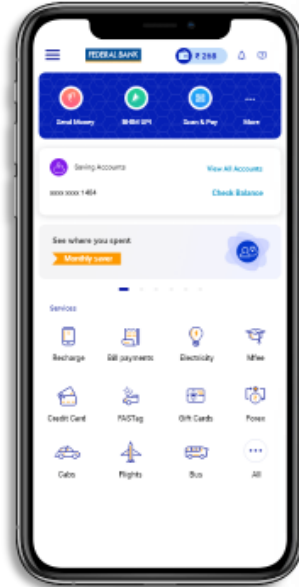
of transactions
Serviced Digitally

90%

of Retail
Transactions
are digital

81%

of Corporate
Transactions
are digital



5+

Savings Accounts
opened every minute

1K+

Transactions per
Second

14K+

Mobile Banking
Volume/ Month (in Cr)

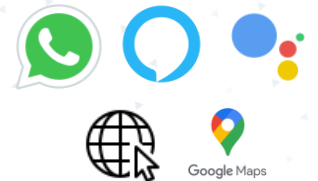
100+

Digital Personal Loans
disbursed every day

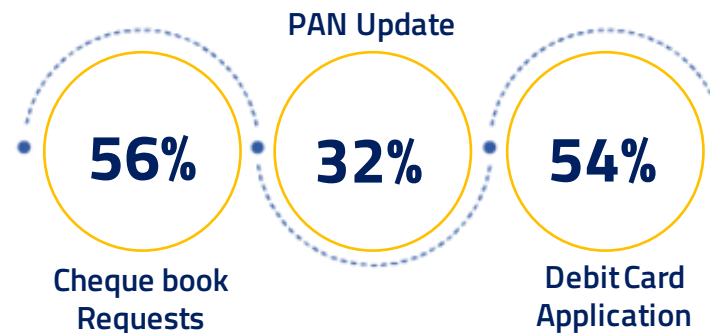


1.5 Lakh queries
answered by Feddy
every Month

Feddy is Live on



**Fed
e
Point**



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

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Depth Of Relationship – Leveraging Technology For The Human Touch



- FedHive
- Responsys
- Maximyser
- DMP & Infinity

Marketing

Launch Cross-Channel campaigns with personalized content.

- CX Service
- Content Management
- Digital Customer Portal
- Contact Centre Management

Service

Deliver enhanced customer experiences

Sales

Manage Leads Effectively

- CX Sales
- Sales Planning
- Partner Management & Incentive Compensation
- NBO using AI/ML



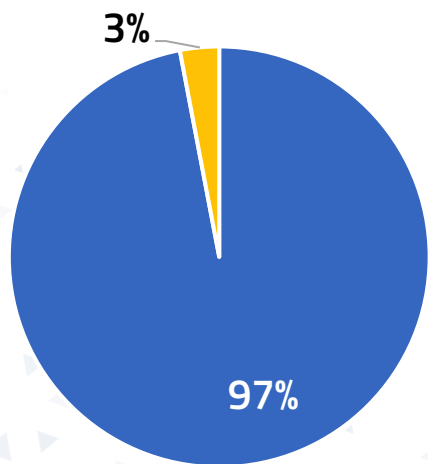


Retail Assets & Cards

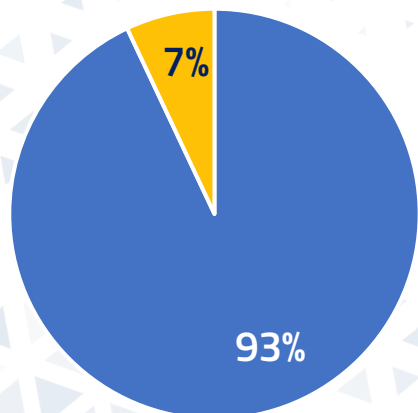
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FY-19

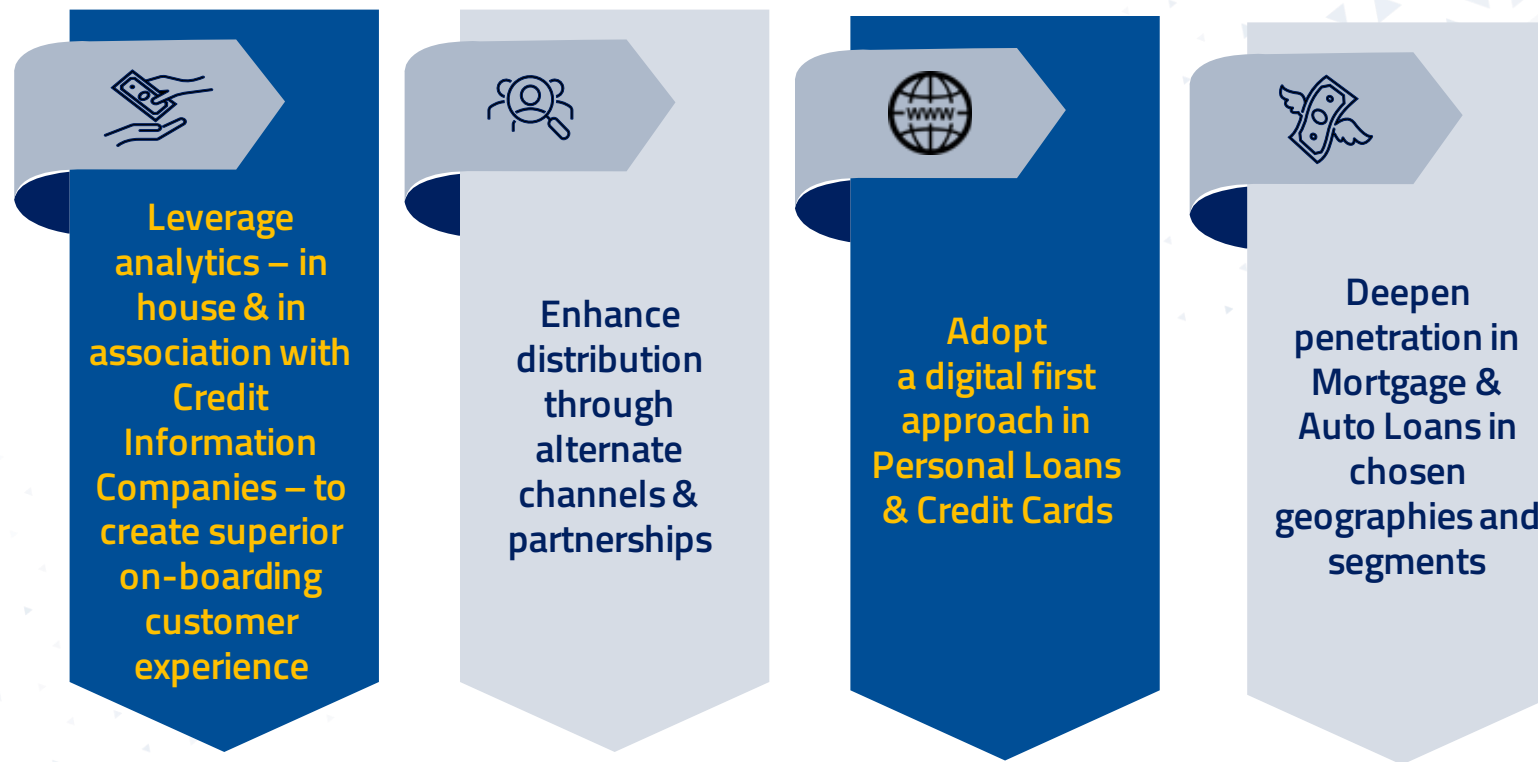


FY-23 -YTD Dec



■ Secured ■ Unsecured

Leverage on the successes of Secured Assets to grow Credit Cards & PL



Market Share

India

- 0.92% share in overall Home loan market
- 5.50% share among Pvt banks

Mumbai

- 3% incremental share in home loan and 9% among Pvt banks

Bangalore

- 1.5% incremental share in home loan and 9% among Pvt banks

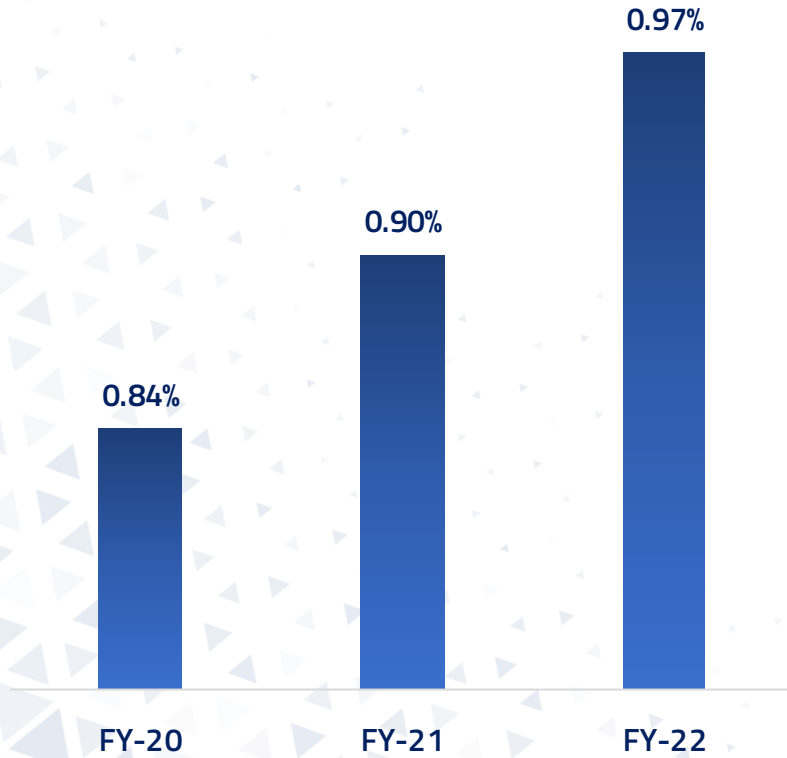
Chennai

- 1.5% incremental share in home loan and 8.5 % among Pvt banks



Car Loans – Become The Bank Of Choice For Our Chosen Segments

Market Share



Among Pvt Banks

- Market share has increased from 1.5% to 2.75% from March-19 onwards.

Key Strategies

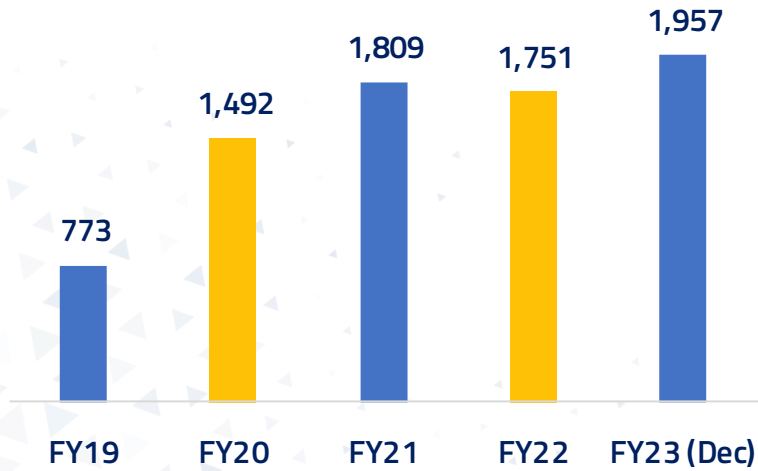


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Personal Loans – Building on the current momentum

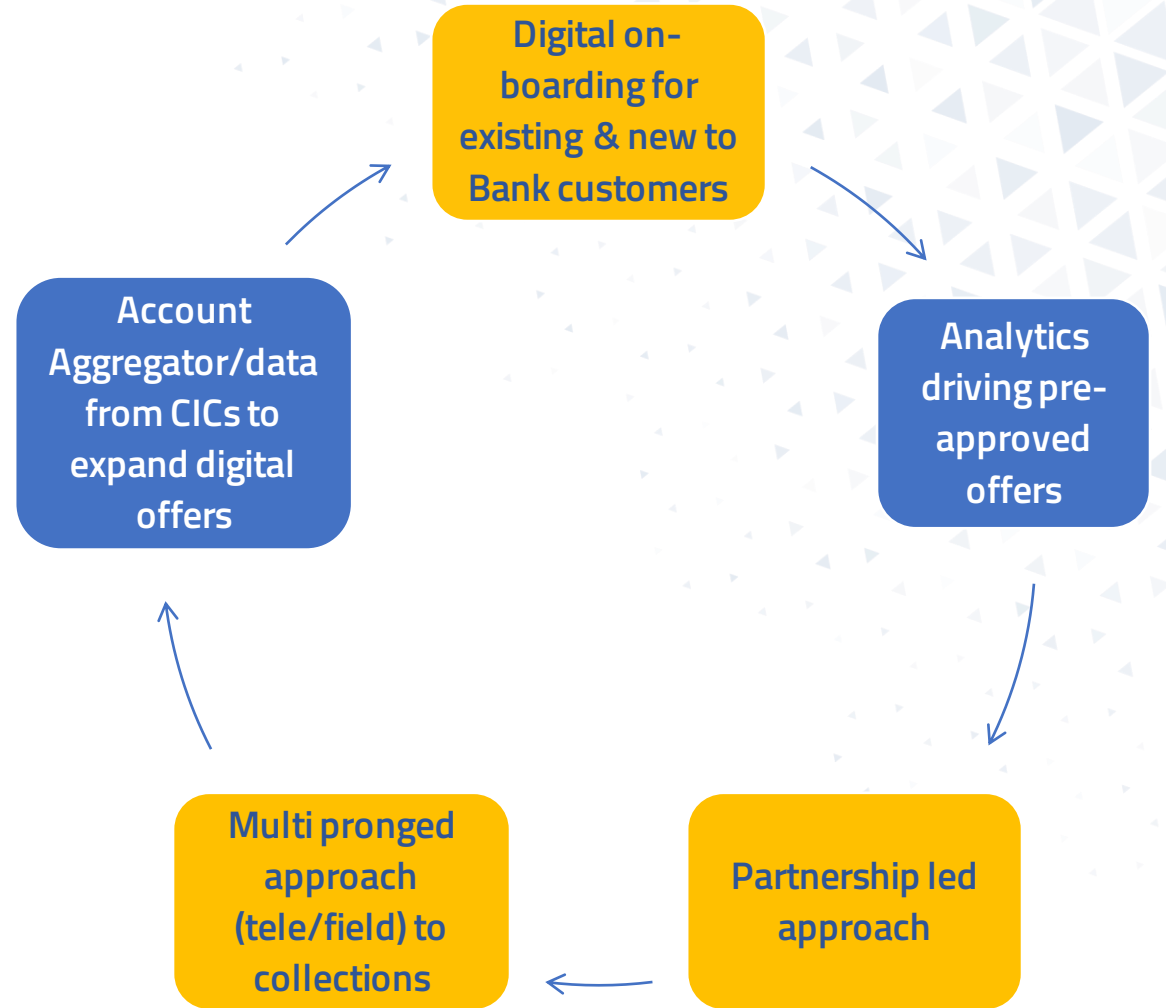
YOY Portfolio (Figure in Rs Cr)



Doubling the portfolio in next 2 years

Dec-22

Dec-24



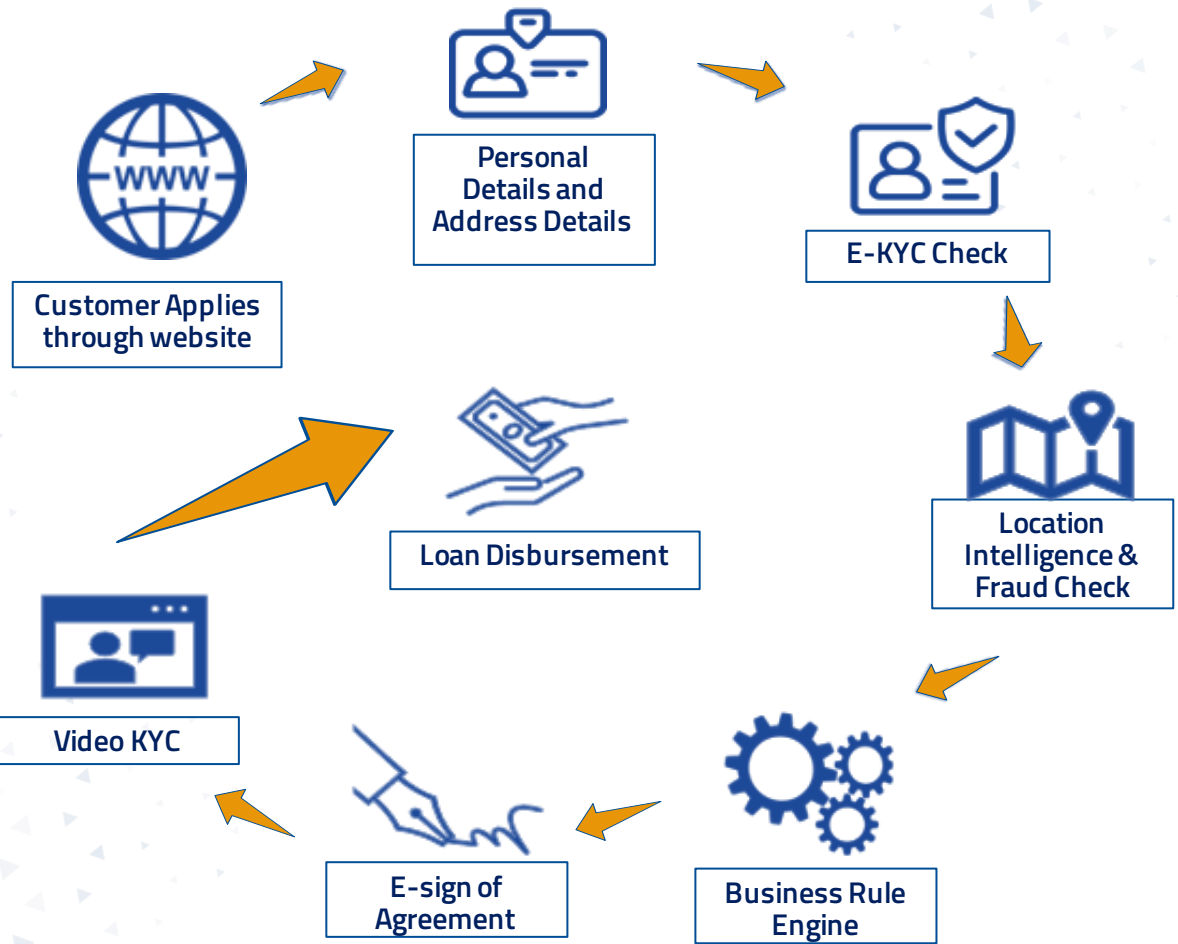
Personal Loans – A Digital First Approach For New To Bank Customers



Instant cash
Instant on-boarding till disbursement for a new customer

Instant credit decisioning
Comprehensive Business Rules Engine

Multiple Sourcing channels
social media, partnerships



Readily available Tech stack - easy integrated journeys with partners

Risk based pricing
affordable interest rates

Statistical modelling
For best in class Risk management



Credit Card – A strong offering to customers

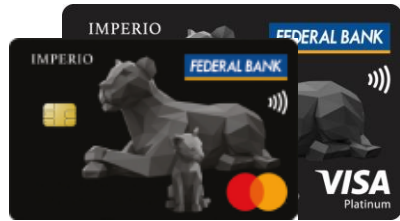


Celesta



For Affluent customers

Imperio



For Value Seeking Families

For Lifestyle Oriented Early Adopters



Signet

One Card



Bank's First Co-brand Credit Card For NTB Customers

New Chapter Added in May 2021
Story since then

0.60%

Card In Force (CIF)

0.61%

O/S Balance

0.72%

Card Spends

Jan 2023 data

5+

Lakh CIF

1250

Cr o/s balance

100%

Digital onboarding

4+

Txns per card

19K+

Spends per Card

90%

Active Cards

63%

E-com Spends

As on Jan-23, Source - RBI



Credit Cards – Be Among The Top 7 Credit Card Players by 2024



Apply via website



Mobile Number verified via OTP



Basic Customer Info Validation



E-KYC Check



- ✓ Bureau Check
- ✓ Location Intelligence Check
- ✓ Fraud Check



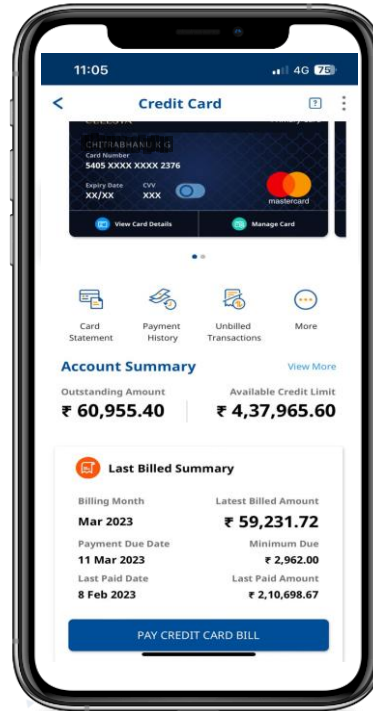
Analytics - model based decisioning



Credit Card Offer & Acceptance of terms and condition



KYC completion through Video Relationship Managers



- Instant Virtual Credit Card upon issuance
- Activate card by PIN Set
- Pay Credit Card Bills
- Apply & manage Add-on Credit Card
- Convert transactions to EMI
- Track Reward Points
- Block Credit Card and Many More.....





Digital Initiatives

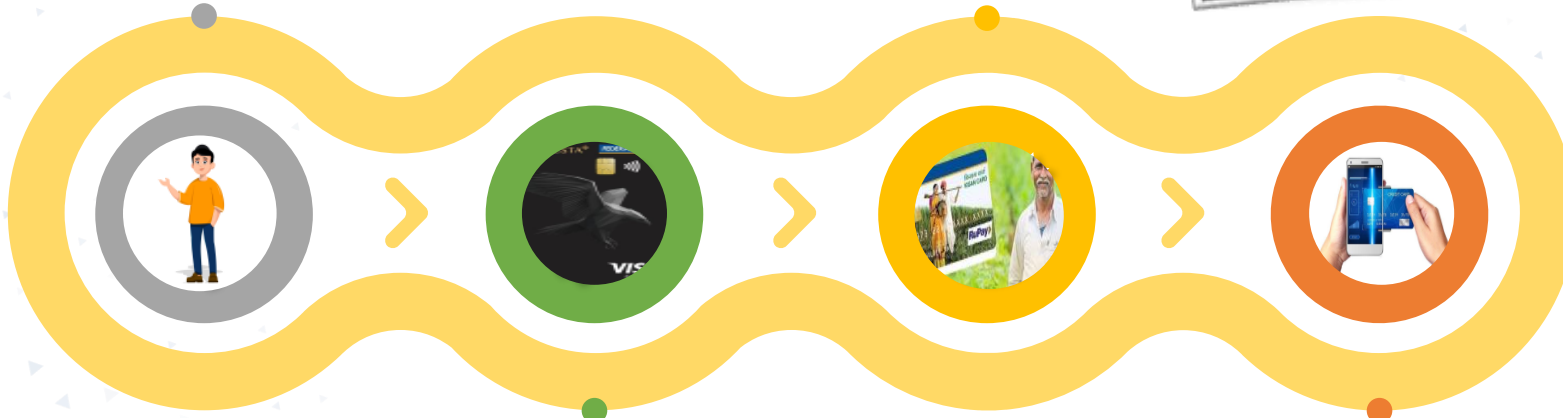


Enhancing and Enriching Digital Banking Through Continuous Innovation



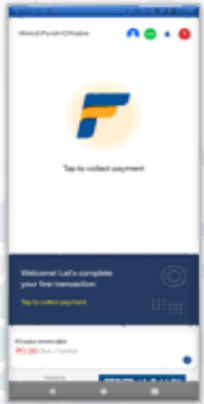
A true conversational banking experience through Feddy

Easy access to credit for farmers through Digital Kisan Credit Cards

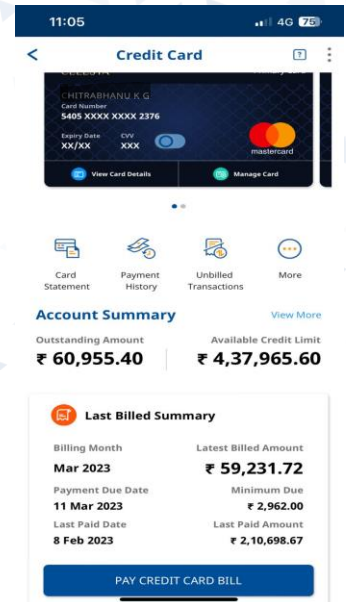
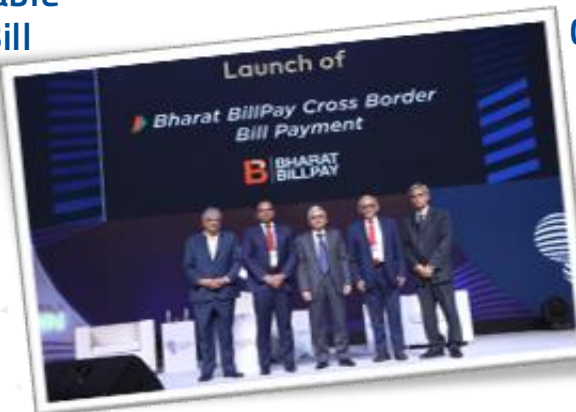


First bank to enable Cross Border Bill Payments

Digital First Credit Card in 3 clicks

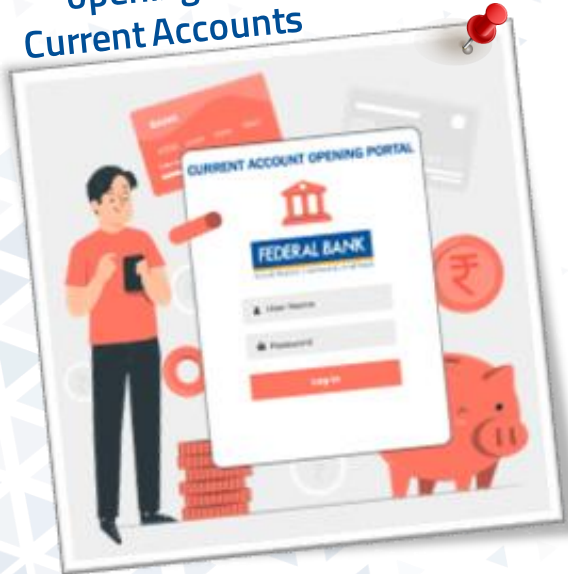


Mobile as POS multi-mode collection solution for merchants



Delivering **Best In Class** Customer Experience

Online account opening for Current Accounts



Digital access to a range of nonfinancial account services

CareerBook - Comprehensive Digital Solution for Educational Institutions
(5 Lakh students onboarded)



Digital Banking Unit & FedeStudio for humanized digital banking

First Bank to offer multiple channels for Online Tax Payments



Outward remittances made easy

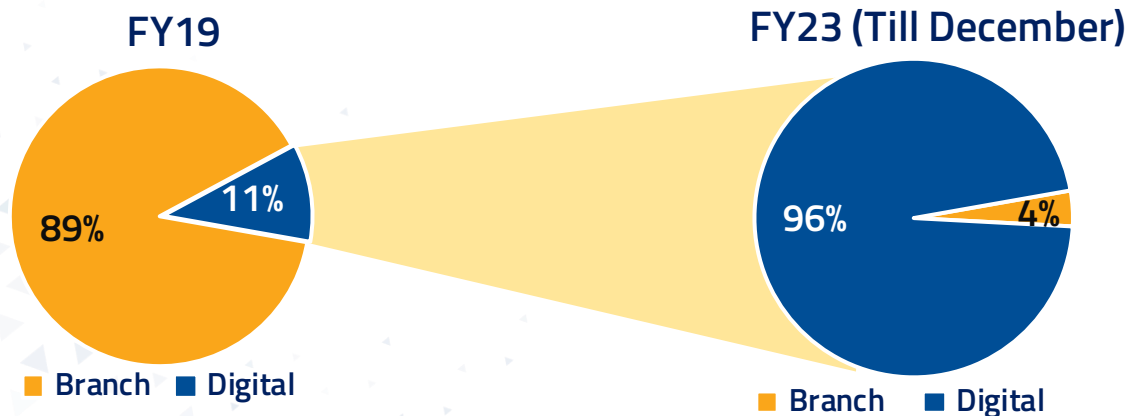
Fed e Point



Strong Progress On All Key Metrics



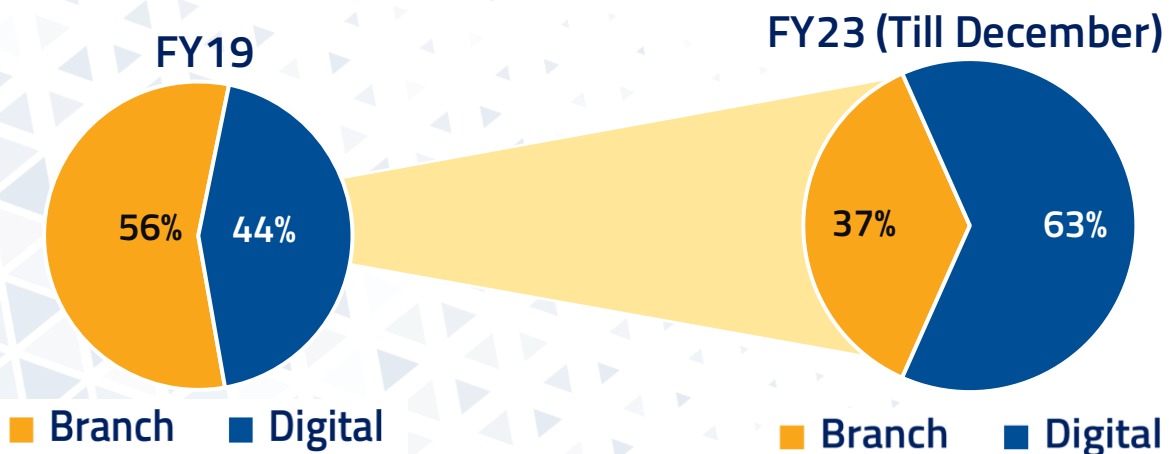
Digital onboarding - Savings



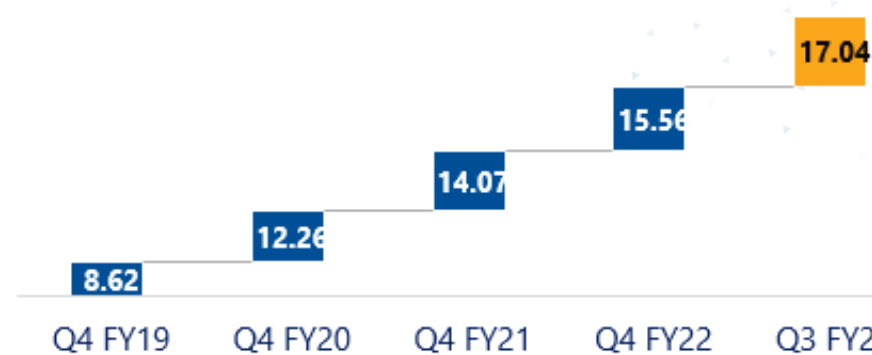
Total Digital Share (in %)



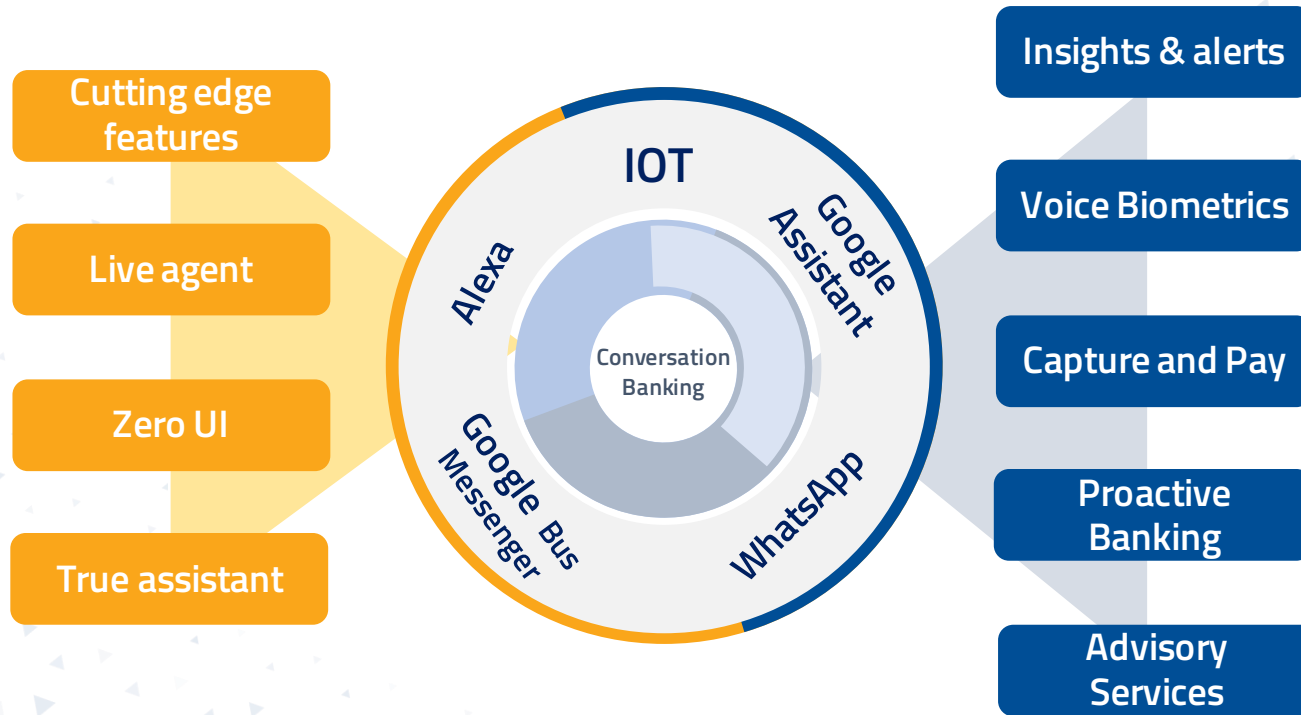
Digital lending by numbers



Mobile Banking- Active Users in Lakhs



Digital At The Fore, Human At The Core



- Enhanced MSME App
- Comprehensive Digital lending solutions
- Revamped Personal Finance Manager across channels
- Payment beyond Apps
- Chat banking services
- Location based services
- Hyper personalization

GETTING ABCDE RIGHT EVERY TIME



- A**
Availability
Anyone
Anywhere
Anytime
*Available 24*7 for all customer segments at a place of their choice*
- B**
Business
Pivot towards revenue generating activities
- C**
Customer Experience
Winning the digitisation war by ensuring best in class customer experience
- D**
Digital Innovation
Enhancing and enriching customer experience at every touch point through continuous innovation
- E**
Employee Experience
Ease the life of employees through more digitisation of internal process/products

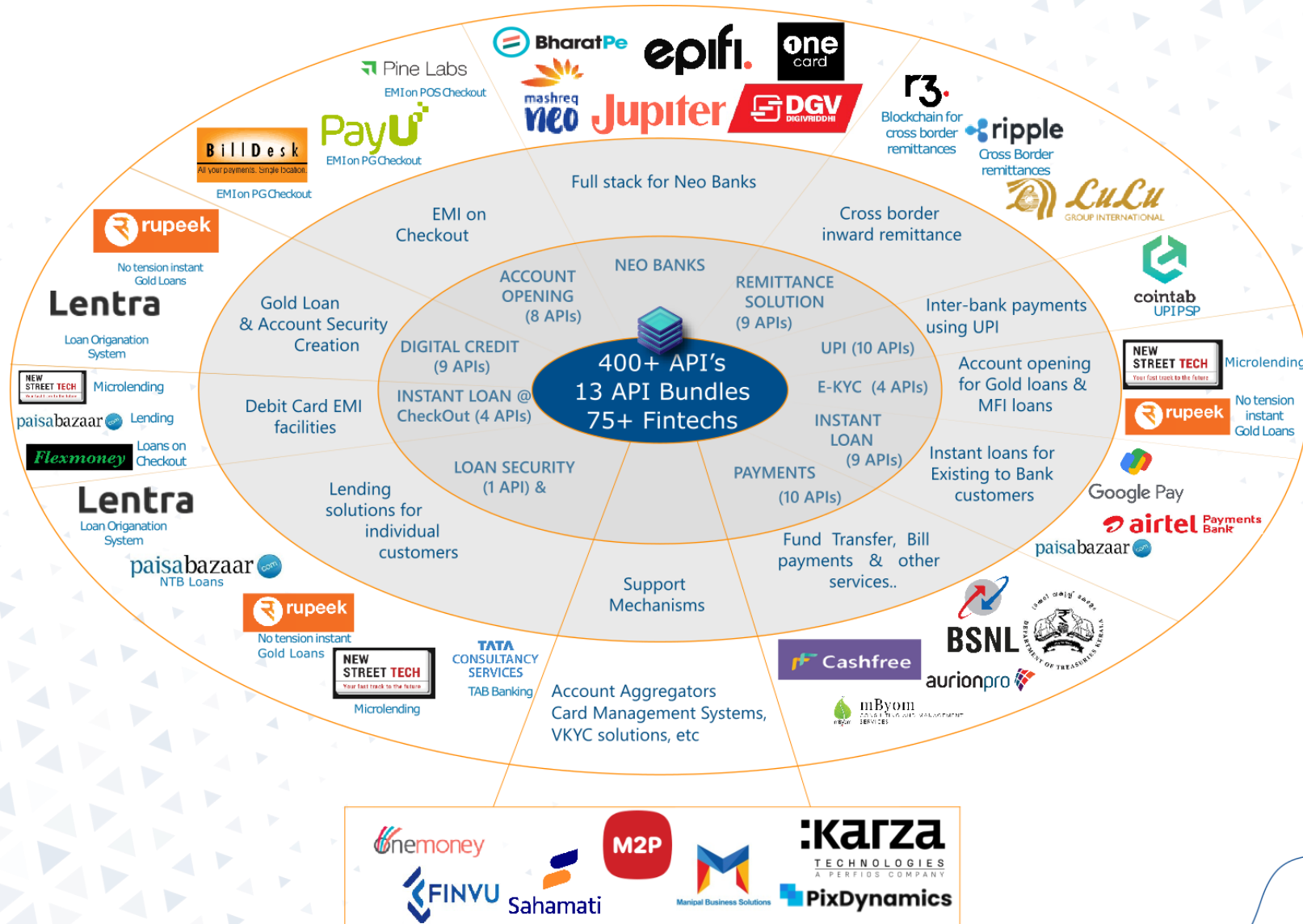


Fintech Partnerships

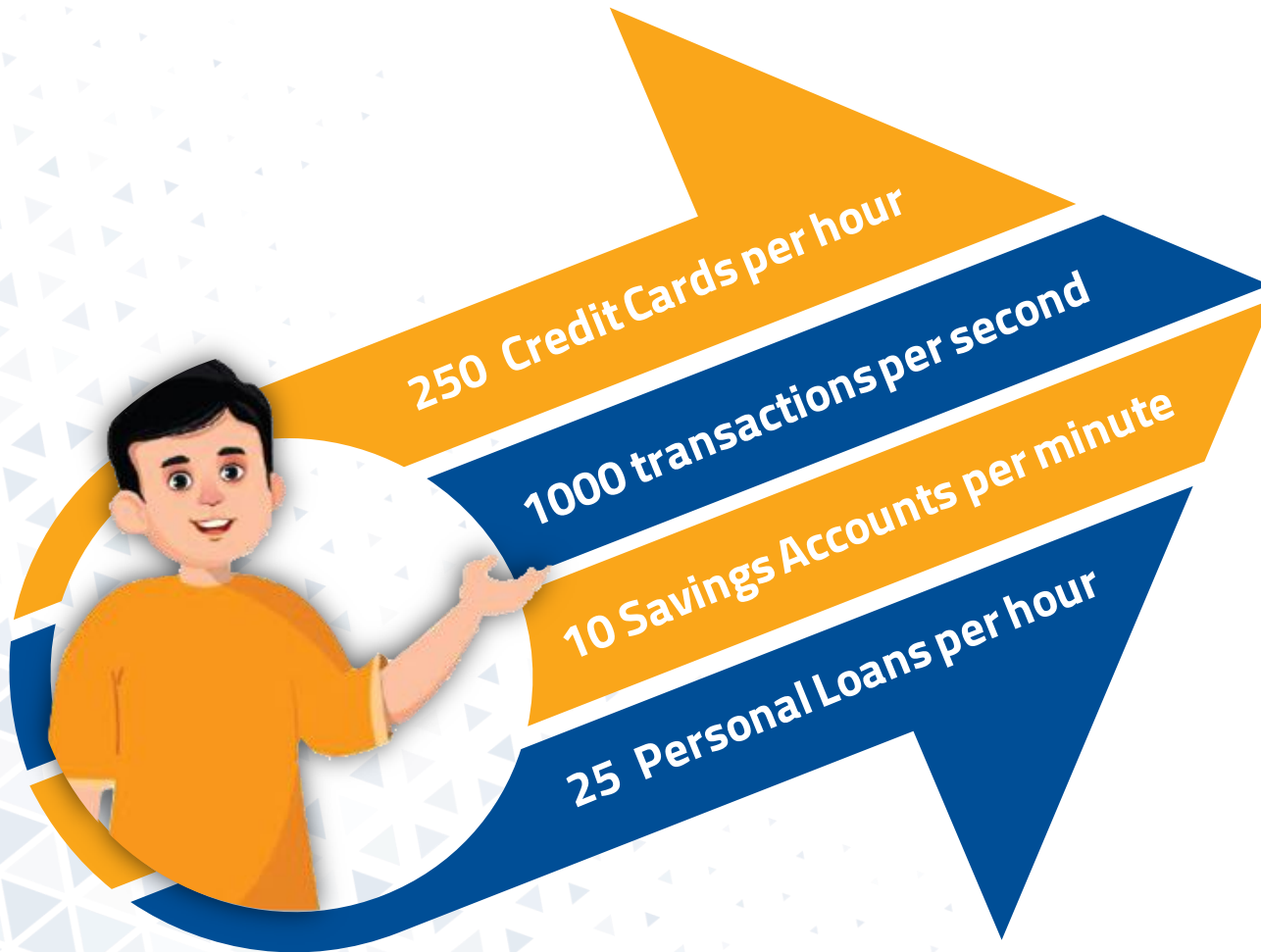
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A Brief Look At Our Fintech Landscape



Capabilities



Enablers

FinTechs served through a dedicated Business Unit

Comprehensive, open & transparent Partner on-boarding strategy

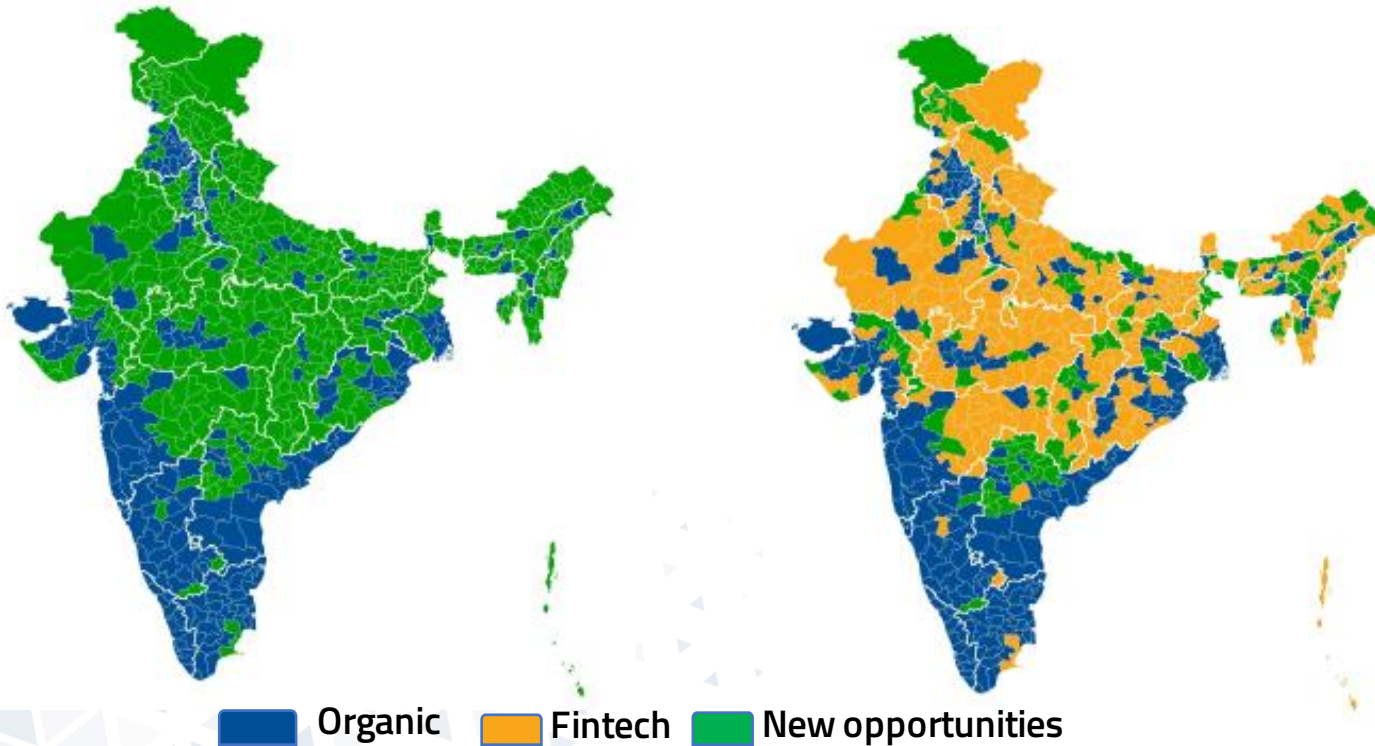
Best in class Technology Stack (400+ APIs)

Specialized skills and capabilities for risk management (regulatory compliance, operational, cyber security, credit)

Expansion Of Distribution Enabled Through Fintechs

Customer Geographical distribution- Organic

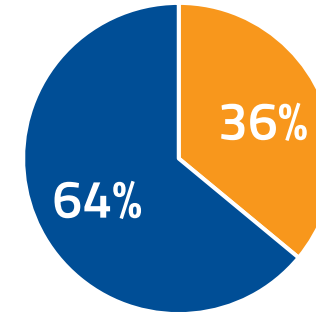
Customer Geographical Distribution- Organic + Fintech



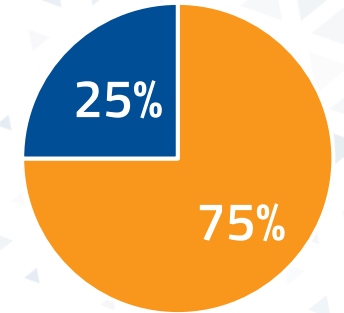
- Extensive geographical penetration
- Access to a different segment of customers
- Faster go to market

Share of FinTech (YTD December, 2022)

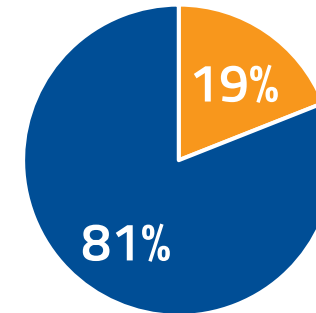
PL disbursements



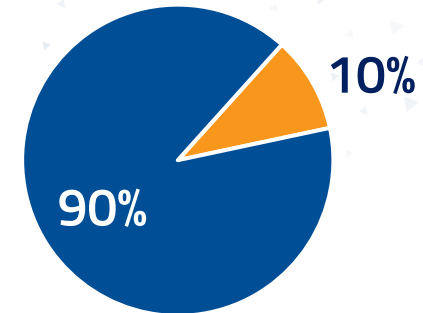
Credit Cards Issued



SB Incremental Growth



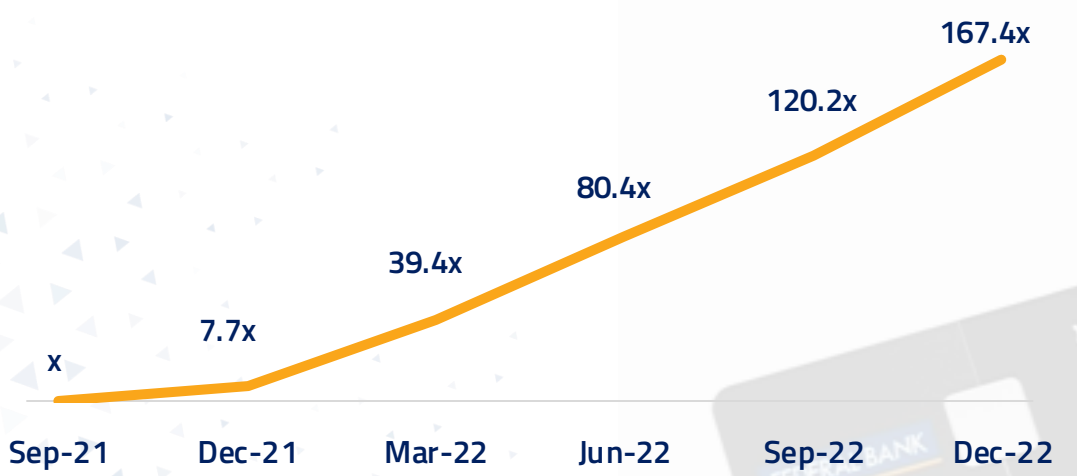
TD Incremental Growth



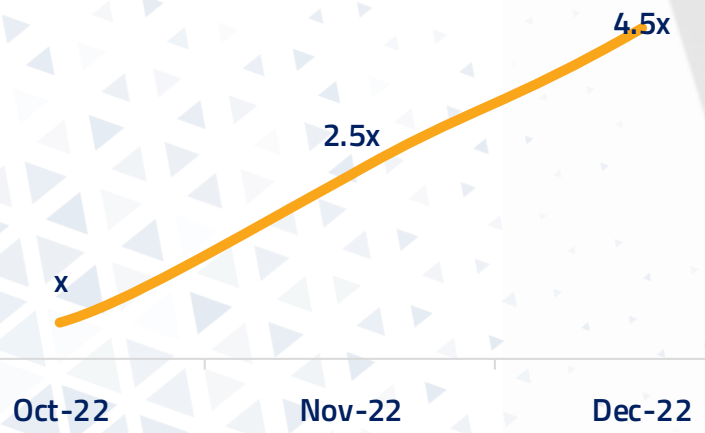
■ FINT ■ Organic

Material contribution to Credit Card & Personal Loan growth

Credit Cards Issued



Personal Loan Amount disbursed

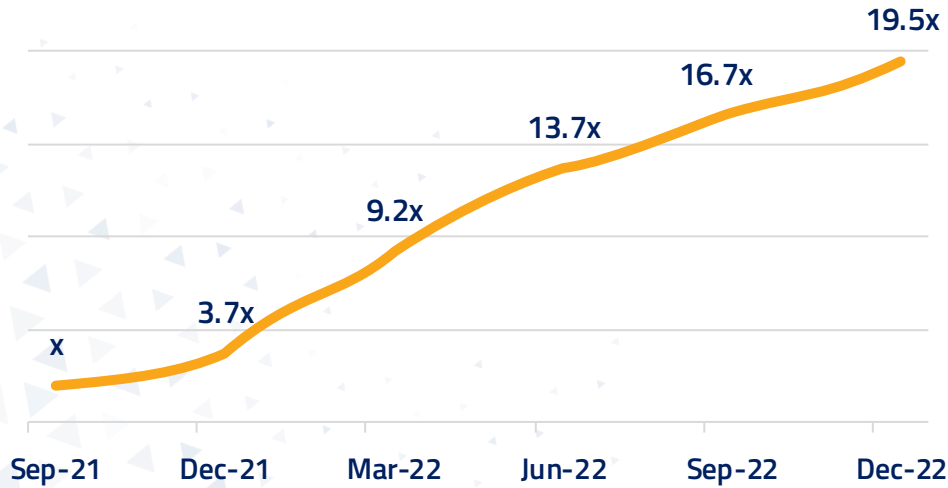


- 01 Driving higher ROA through high yield products
- 02 Generating opportunities for cross-sell
- 03 Primarily targeting New to Bank, Existing to Credit customers
- 04 10+ Major Fintech partnerships in pipeline

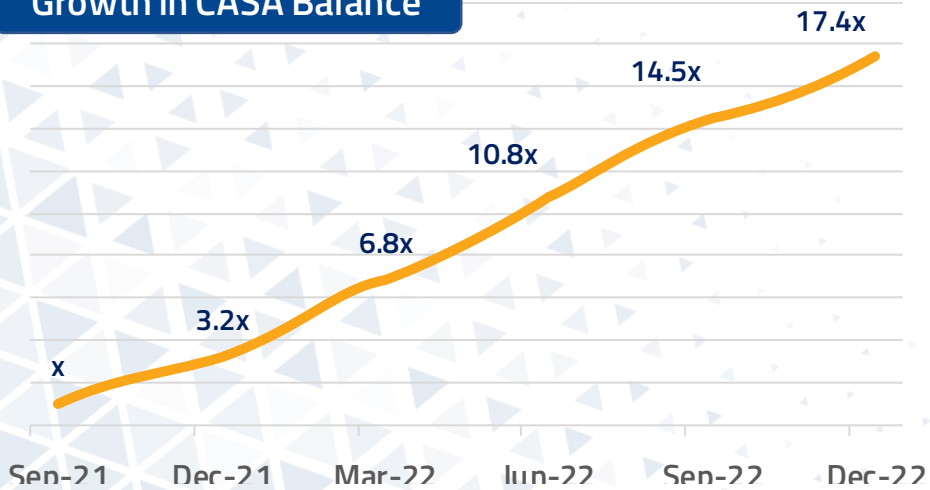


Attracting a different set of customers through unique propositions

Number of Accounts



Growth in CASA Balance



Target digitally native customers; primarily salaried millennials

Enhance revenue through cross sell

- Forex
- Credit Cards
- Personal Loans
- Investment in US Stocks

Create sticky balances through best-in-class propositions (Investments, insurance)

4 More partners in pipeline

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Retail Deposits



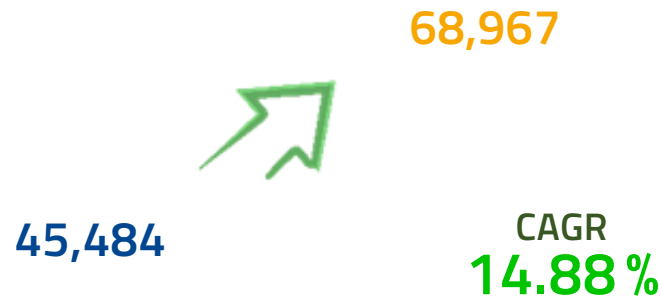
Retail Deposits have made significant progress in the last 3 years on key metrics



RETAIL DEPOSITS



CASA



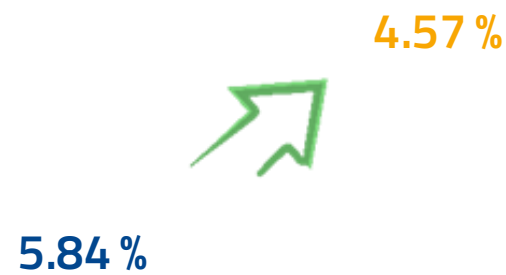
CASA RATIO



Retail deposits - % to total



Cost of Deposits



Market share of deposits



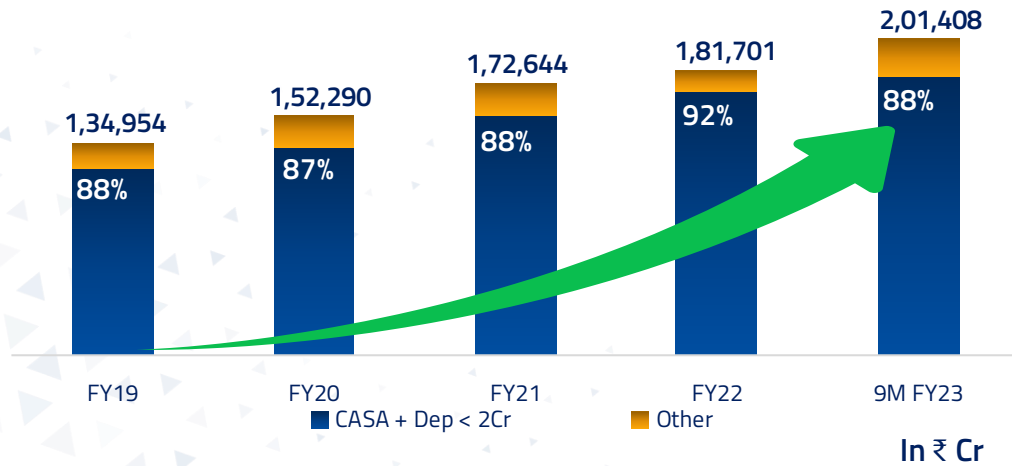
From Dec'19 to Dec'22

Rs in Cr

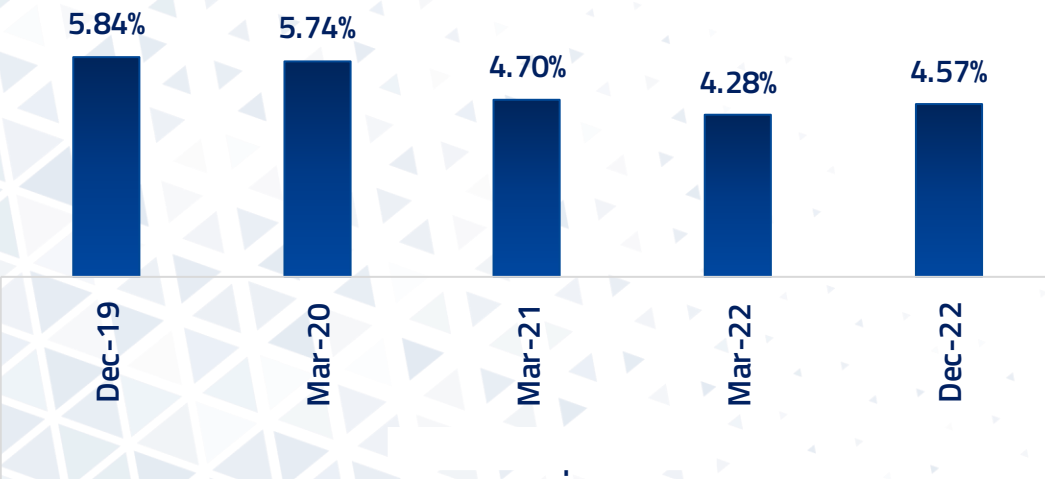
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% of Retail Deposits



Cost of Deposits

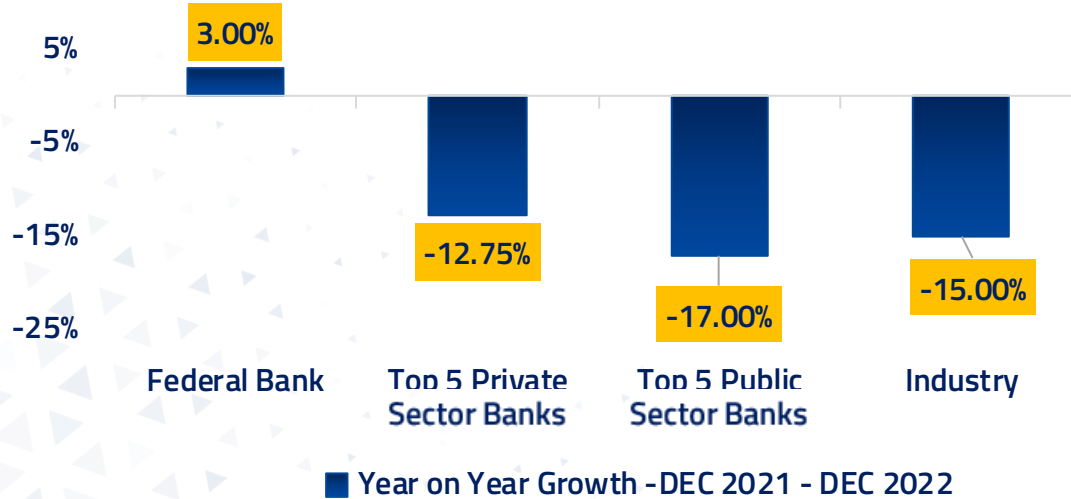


Bespoke products for chosen segments - Celesta, Imperio, Salary, Noor

Gaining share of customer's wallet through cross-selling, cards, Insurance, Investments



Debit spends YoY growth rate

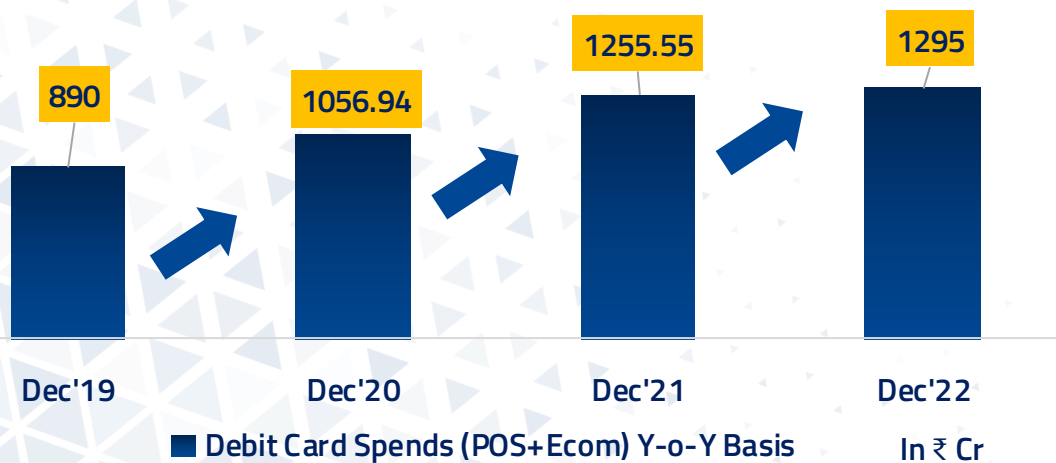


5th Largest Private Sector Bank on Debit Cards Spends(Dec-22)

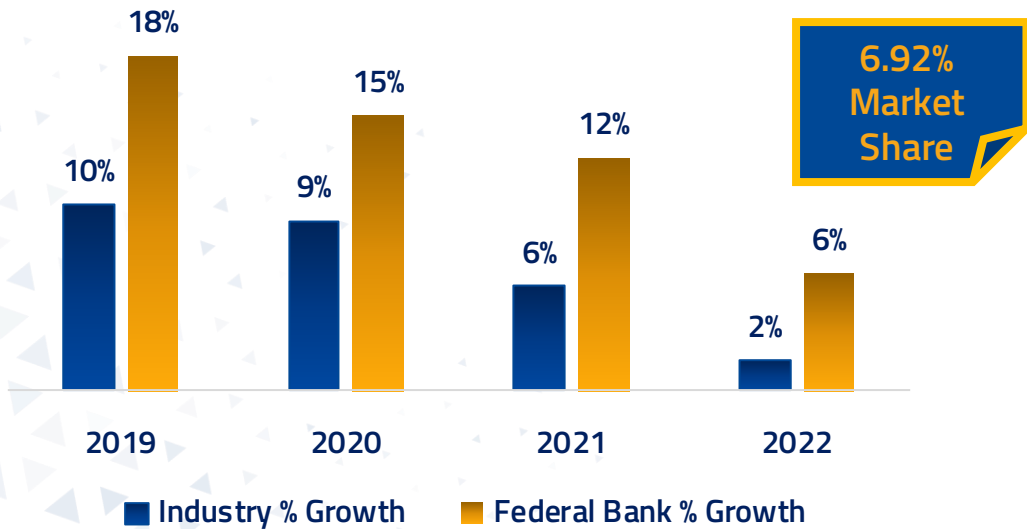
4.9% Share of total spend

Customer active on debit cards maintain an average monthly balance that is ~2.2x of the non active debit card base.

Debit Card Spends (POS+Ecom) - Domestic Spends



Federal Bank Vs Industry Growth Trend



Remittance Mkt. Share
Approx 21 %



Enhance distribution through innovative partnerships (eg Tie up with Mashreq Bank)



Leverage digital capabilities to deliver a delightful customer experience (eg Fedmobile/Fednet)



Deliver innovative solutions to customers through partnerships (eg Concierge and loyalty programs)

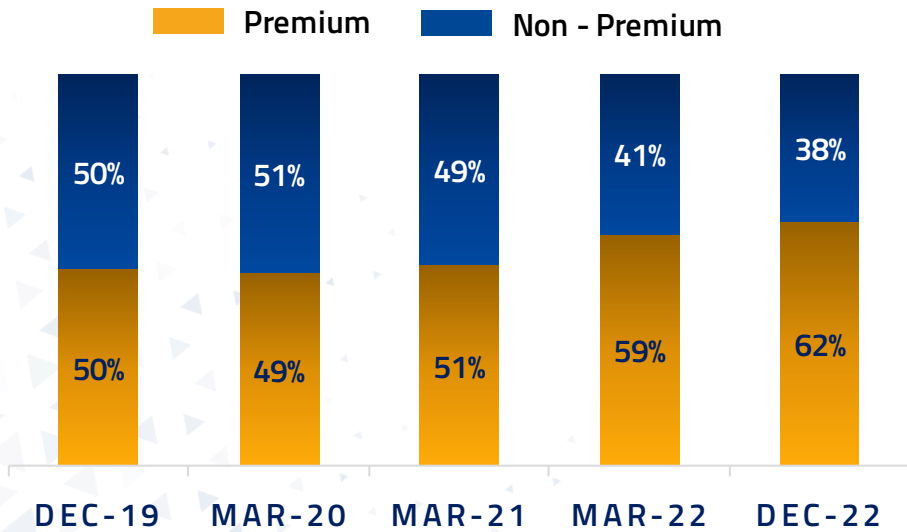


Expand product solutions (eg Competitive and customized investment products via GIFT City)

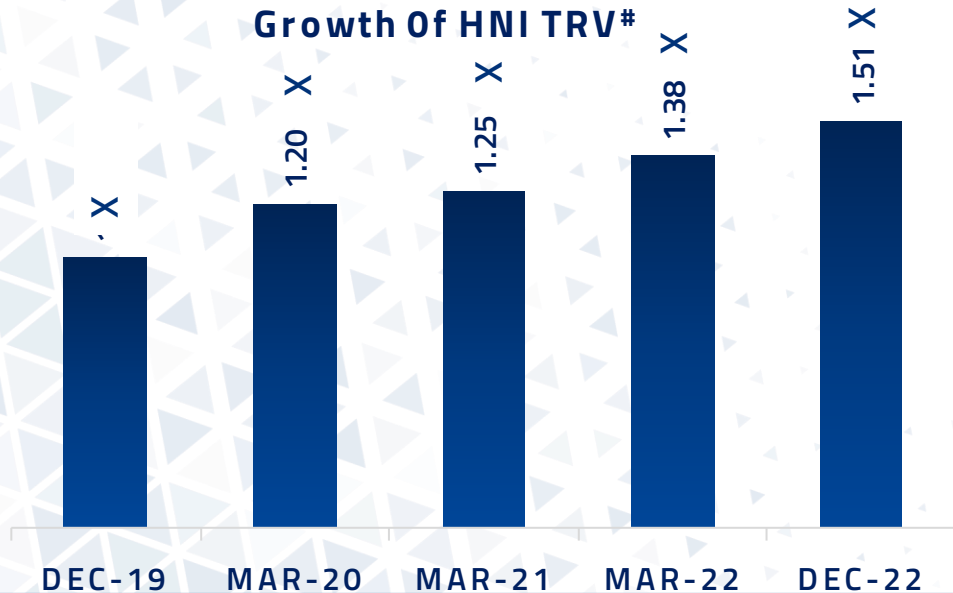


Remain human at the core through strong relationship management with customers and remittance partners

Premium Segment* Share in Retail Savings+ Portfolio



Growth Of HNI TRV#



Customer Lifecycle Management – Welcome Offers, Periodic Offers, Newsletters, Webinars



Family Banking Program – Tool to onboard kids & Gen Y



Curated offerings for UHNIs, HNIs, budding HNI & salaried class



Infrastructure - Exclusive Priority lounges at 221 branches to serve HNI customers



300+ Skilled RM force for serving HNI clients

* Premium segment – Customers maintaining SA balance > 1.5L & TRV > 5L
 + Retail Savings – SA Balance maintained by Retail individual customers
 # - TRV – Total Relationship Value i.e SB + Term deposit balance



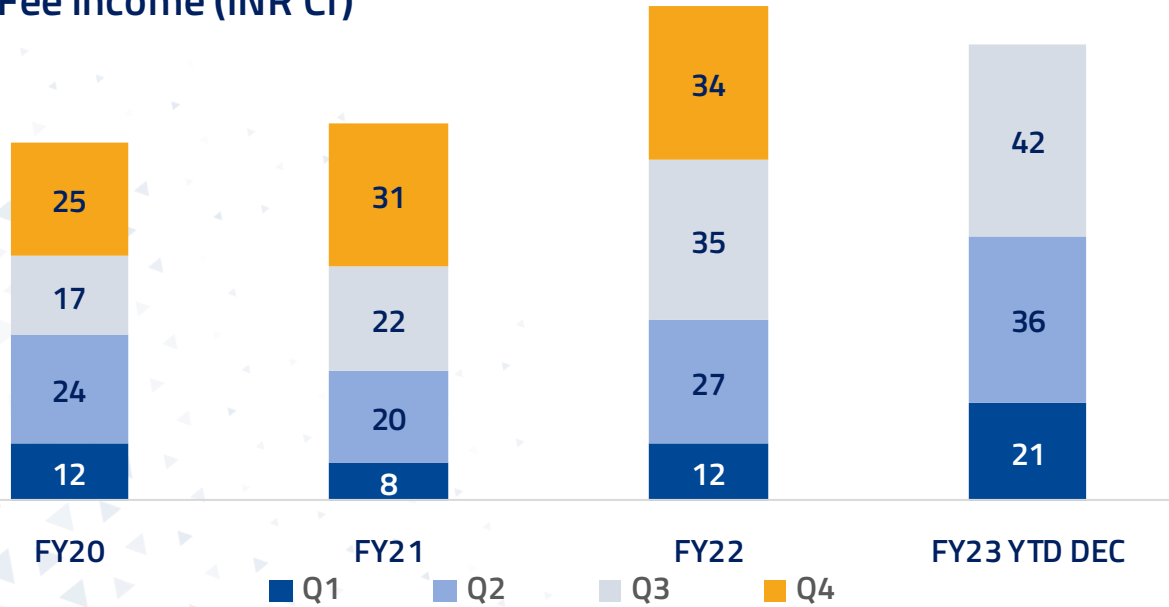
Fee Income

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Leveraging key pillars for steady growth in fee Income

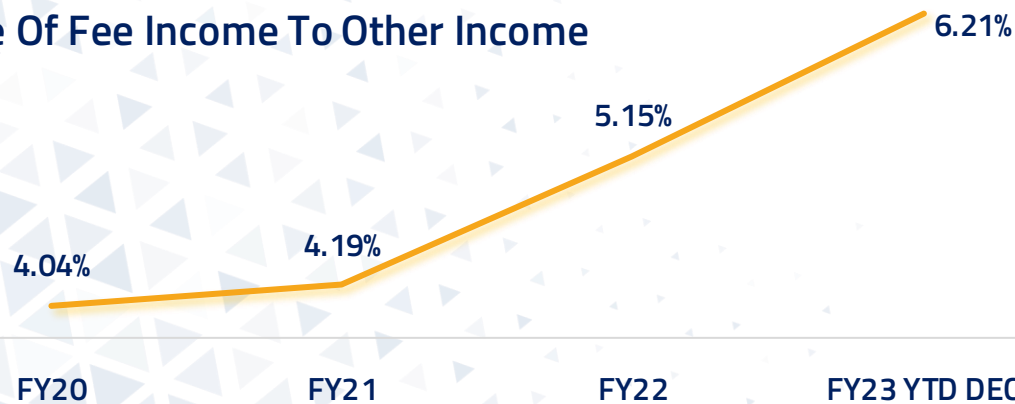
Fee Income (INR Cr)



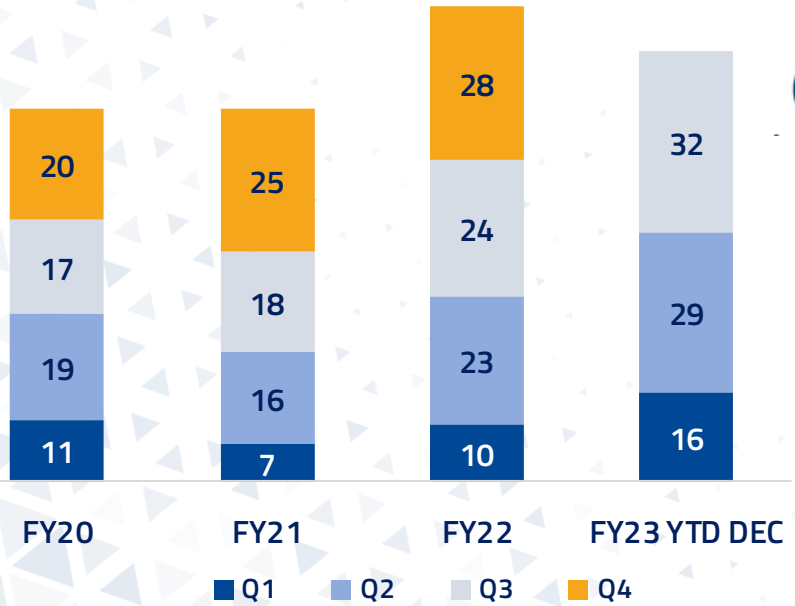
Pillars of Fee Income Business

- 1 Strong Partnerships
- 2 Opportunity in the Customer Base
- 3 Digital Capabilities
- 4 Analytics & CRM Solution
- 5 Multi Channel Distribution

%Share Of Fee Income To Other Income



Bancassurance fee income distribution (INR Cr)



Product proposition

- Co-creating best in class products ; always ahead of market offerings
- Bespoke solutions for Bank’s customer segments
- Cross functional product offerings



Tech integration & analytics

- Sachet products in online product journey
- Predictive product recommendation using analytics and Propensity
- Deep Integration with partner systems for sales optimization



Delight customers with smooth acquisition processes

- Customized underwriting models developed in conjunction with partners
- Pre approved Sum assured offering, reach outs as per the Cohorts & Indicators
- Automation of underwriting rules ; focus on Straight through Processing

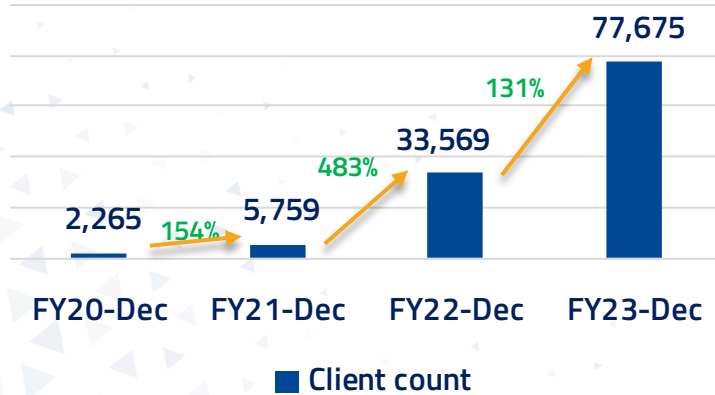


Seamless operations

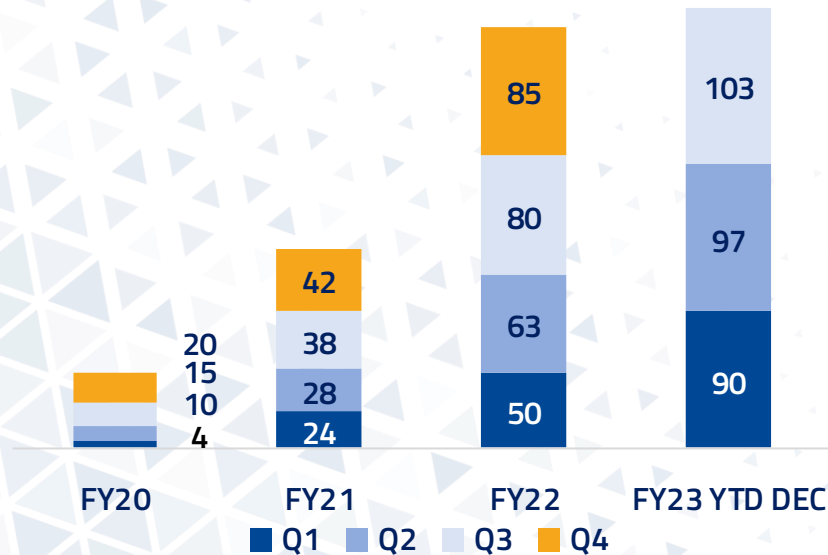
- Co originated Journeys, new distribution models (Insuretech platform, tele sales and digital)
- Focus on learning & certification to ensure the quality sales

Relentlessly focus on building sizable revenue through a combination of Digital, Phygital & Physical models

GROWTH OF WMS CLIENT BASE



GROWTH OF AUM



Product

Tailor made solutions for niche segments - Fractionizing investment to larger audience. E.g. Life Settlement, Venture Capital and Dollar Equity Funds

People

Wealth Management Centre in more centers
 Investment RM/ IC support in all T30 cities
 Building comprehensive training and development program for RMs
 Penetrate the Retail base to augment TRV growth

Platform

Wealth Management 3.0: Diversification of offerings, services, and operating models, allowing for lower, more differentiated costs to serve; facilitated by technology

Model	AUM (Rs)	Onboarding	Servicing
Digital	< 10L	DIY	DIY
Phygital	bw 10L & 50L	Remote RM	DIY
Physical	>50L	Physical RM	Remote / Physical RM

* DIY-Do It Yourself

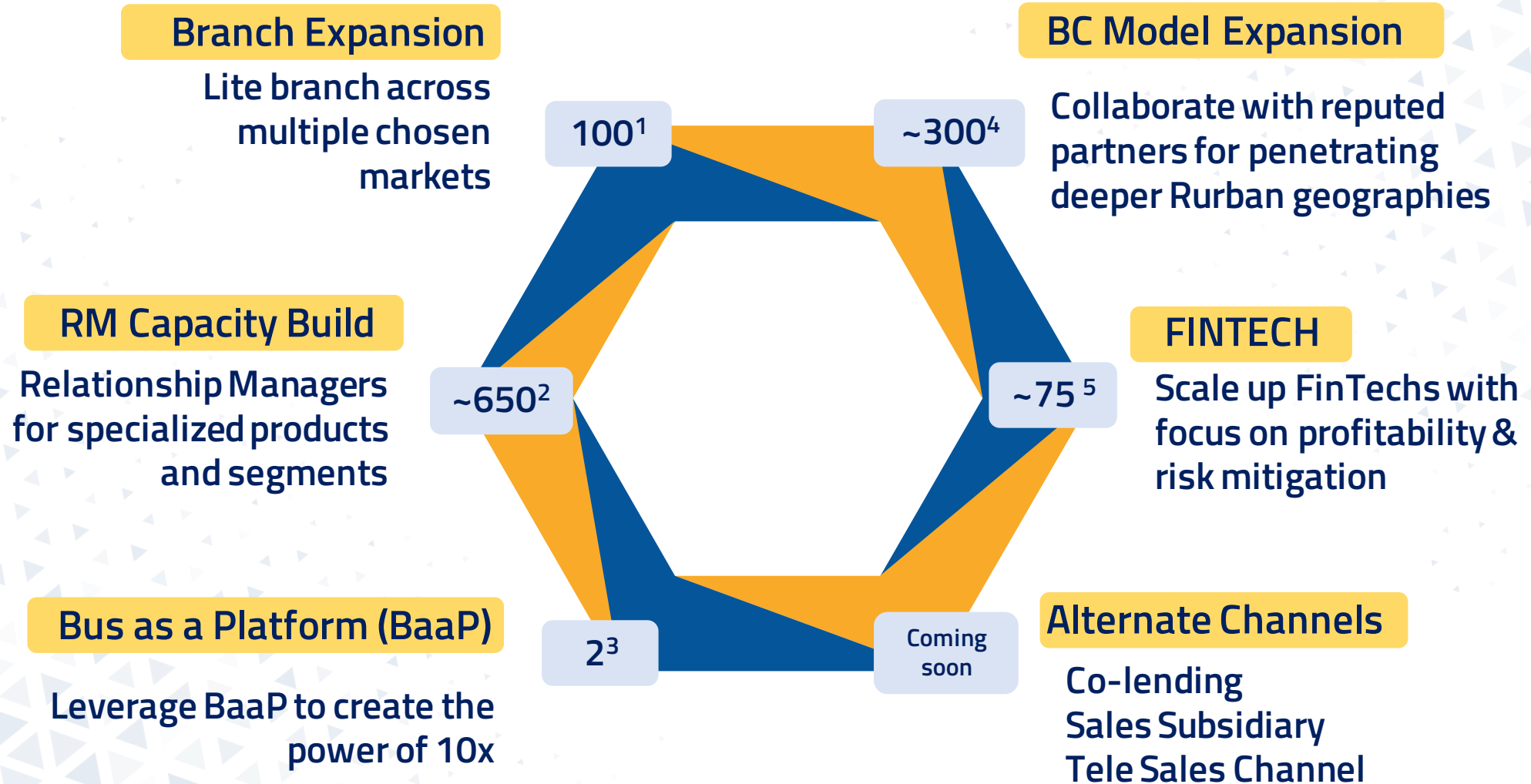


Distribution

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A Multi Pronged Approach To Distribution



1 – Per year

2 – Specialized Relationship Managers as on 31 Dec, 2022

3 – Pilot as of December 2022

4 – In partnership with 11 partners

5 – As on 31 Dec, 2022

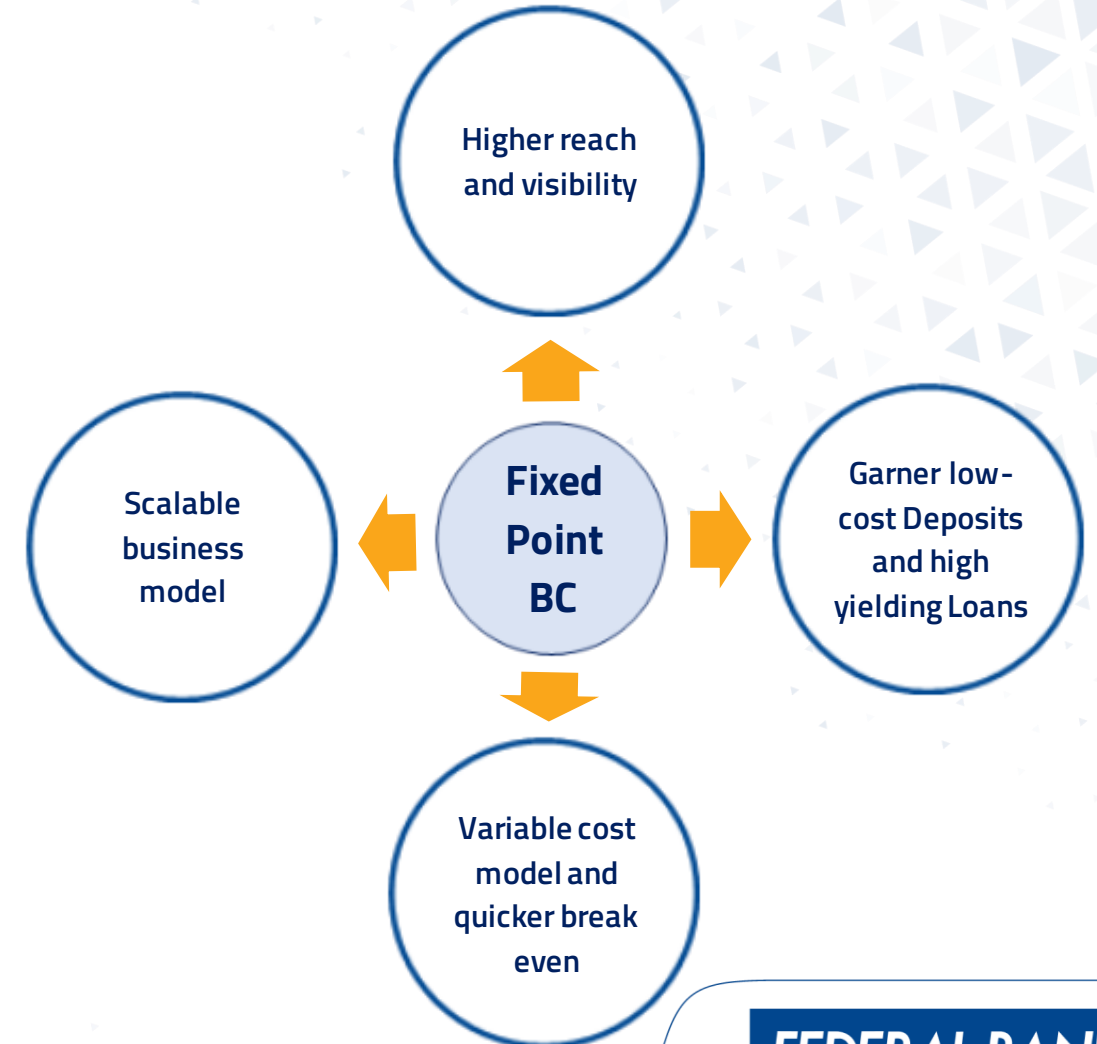
Our Network

FY	Metro	Urban	Semi Urban	Rural	Total
Mar-20	203	224	680	156	1263
Mar-21	206	226	684	156	1272
Mar-22	207	232	686	157	1282
Dec-22	222	245	697	169	1333

Industry – Branches Added

Mar-20	Mar-21	Mar-22	Dec-22 (YTD)
19	18	13	53

Selective Expansion through BCs- Benefits



Co-lending



- Leverage partner distribution capabilities
- Scale up high yielding loans (eg affordable housing)
- Originate more Priority Sector Lending
- Diversify risk

Sales force expansion through FedServ



- Enhance reach to new geographies across product lines
- Optimize cost of acquisition
- Product focused distribution capacity
- Customized and differentiated compensation structure

Telesales



- Multi product distribution capabilities (eg Credit Cards, Personal Loans, insurance & other para-banking products)
- Straight through processing via digital capabilities
- Assisted channel through co-browsing

Assets	Vertical	Mar-19	Dec-22
	Retail	103	108
	Agri	44	112
	BUB	--	46
	Total	147	266

Liabilities	Vertical	Mar-20	Dec-22
	PRM	146	202
	IRM	11	27
	Total	157	229

Enhanced productivity through specialization

Bus Branch
Launched

Madurai
&
Lucknow

Expanding to more locations in the coming years



Take the branch to the customer

Boost branch presence in areas not well represented

Includes Cash Recyclers, Multifunctional Kiosks and Table-Top Touchscreens plus single person human touch.



Jupiter



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Micro – Agri – Rural – Gold (MARG)

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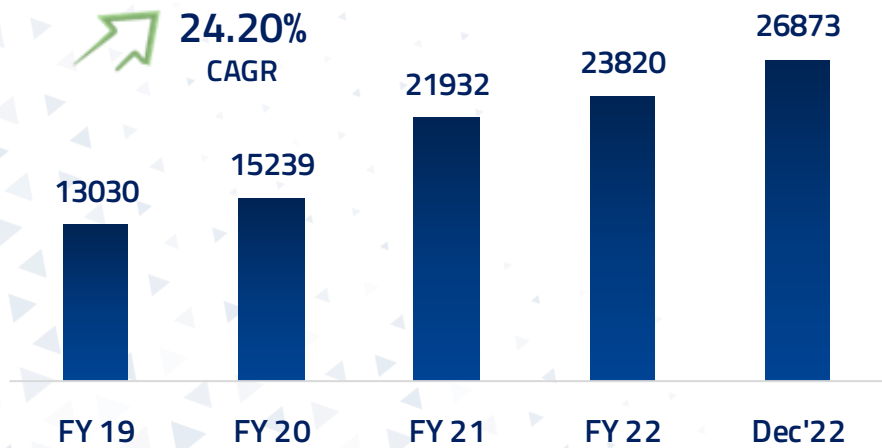
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Customer Base



Doubling Portfolio



"90% of the portfolio is PSL with double digit yield"

Outlook - FY 2026

2x Size

MFI

to be the new driver for ROA growth



Digital at the Fore



4.0 L

Accounts

10,000 Cr

Disbursed

MiFiX

1.6 L

Accounts

620 Cr

Disbursed

FEDmi

1.3 L

Accounts

530 Cr

Disbursed



0.07 L

Accounts

220 Cr

Disbursed



0.007 L

Accounts

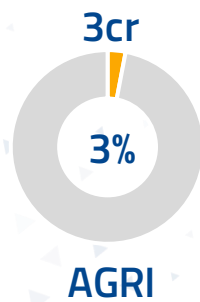
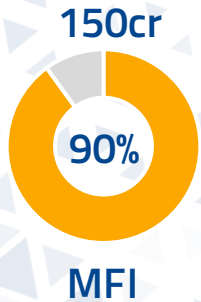
7 Cr

Disbursed

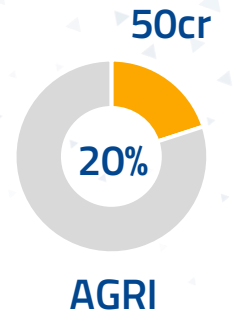
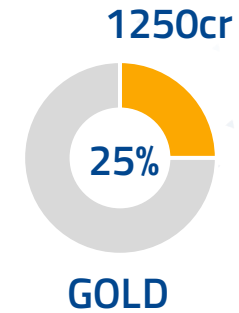
Human at the Core

Dec'22

Mar'26



Digital Lending
(Run Rate p/m)



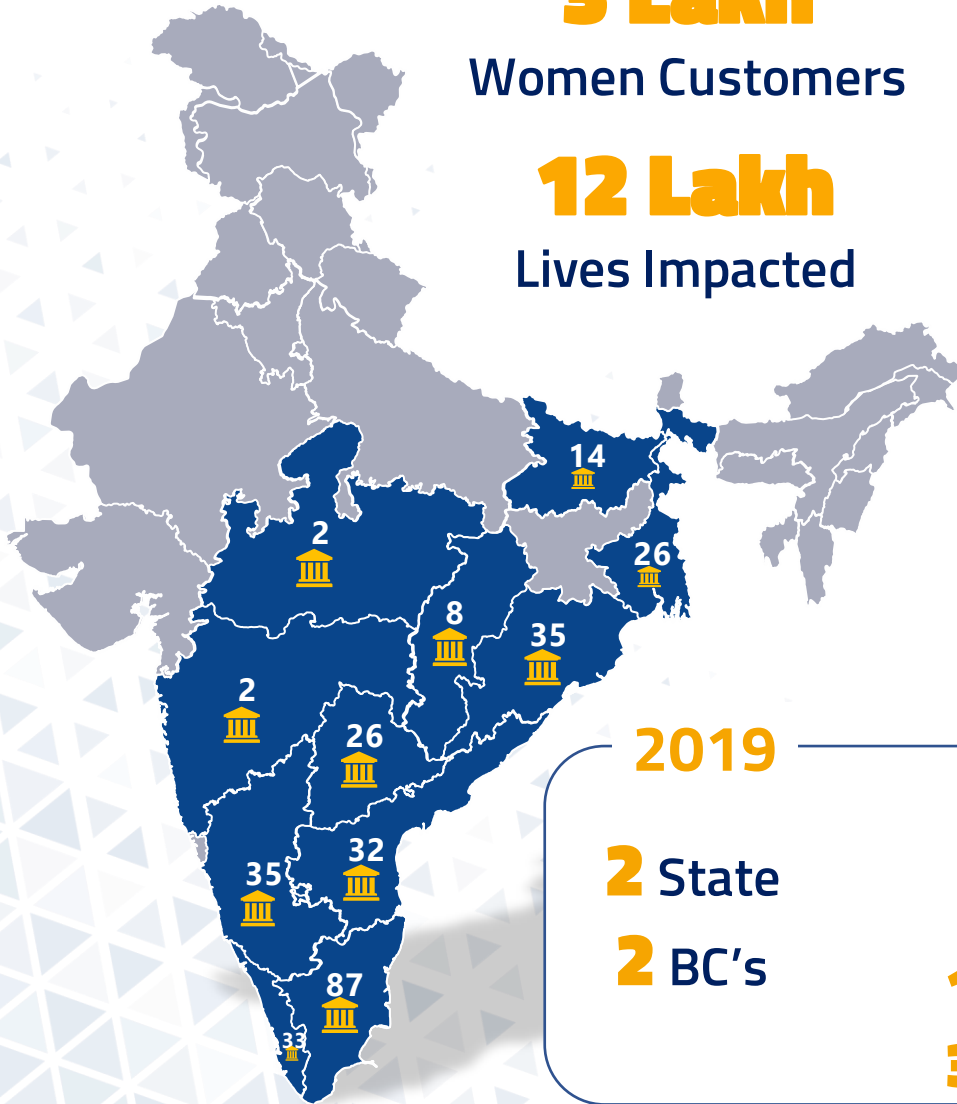
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Unlocking the MFI Potential

3 Lakh
Women Customers

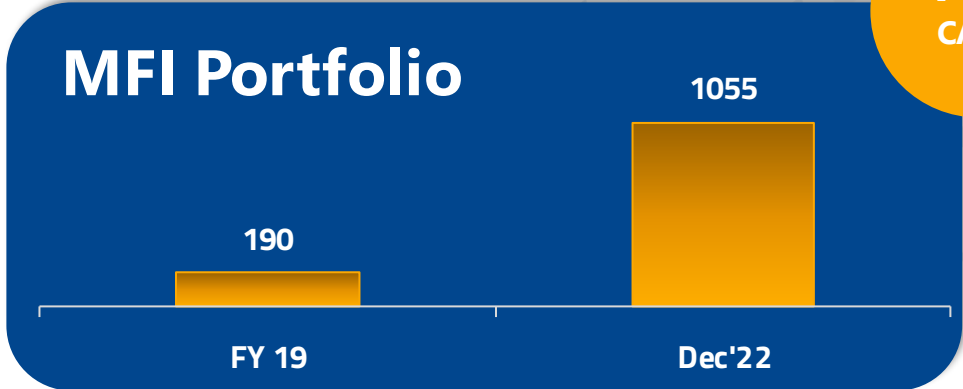
12 Lakh
Lives Impacted



2019	2022
2 State	11 States
2 BC's	1 UTs
	11 BC Partners
	327 BC Branch

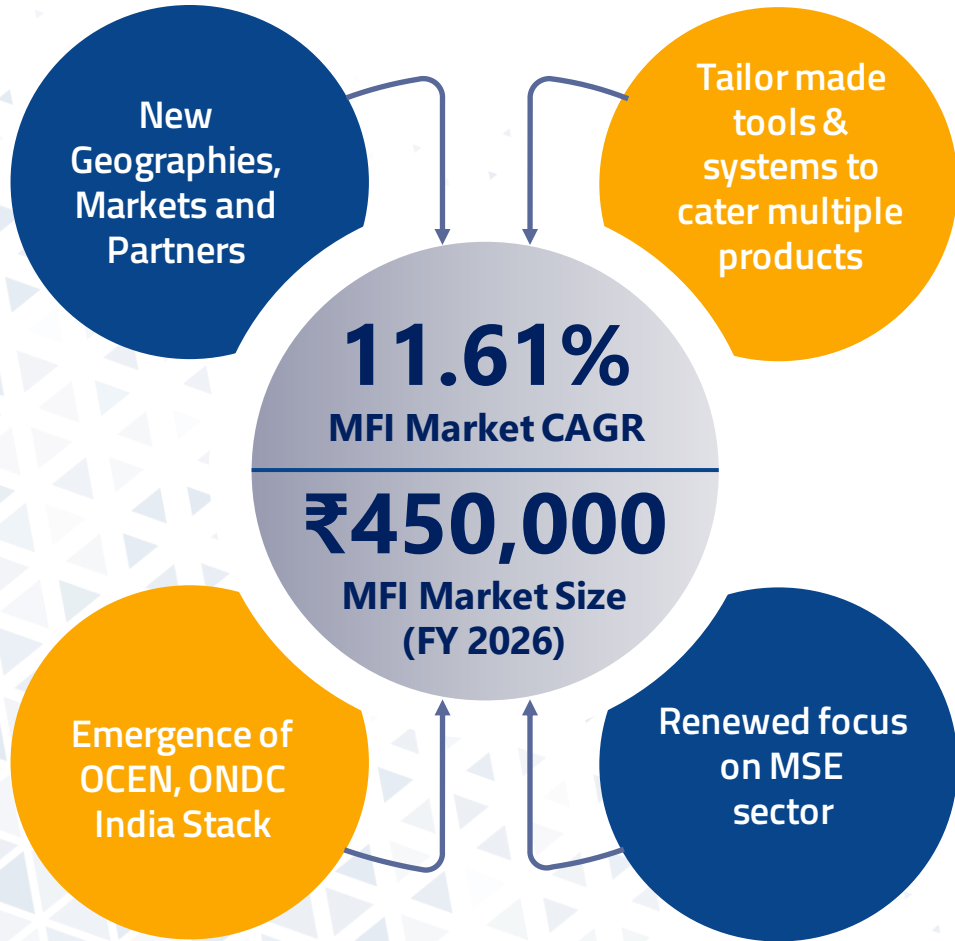
Nurturing
Rishtas
beyond branches

Leveraging
Analytics
for new market opportunities

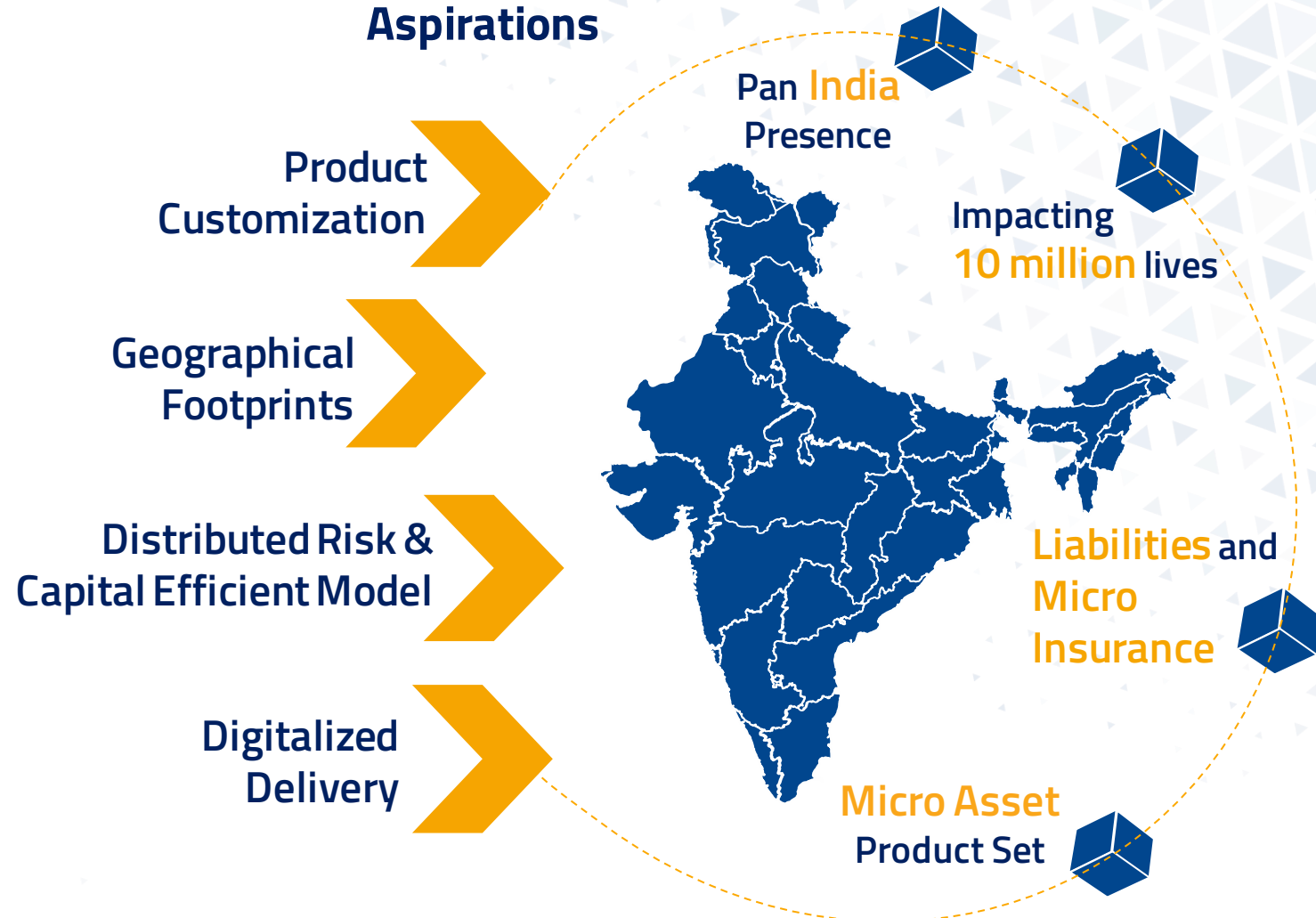


"FEDmi" – Extending credit where credit is due for the billion dreams to be true.

Opportunities



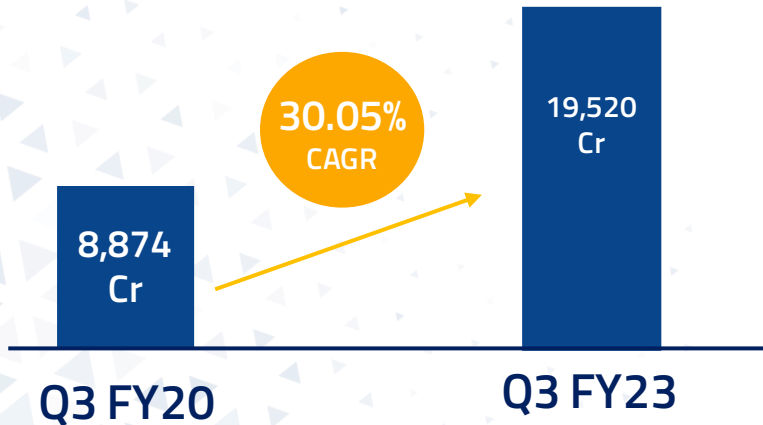
Aspirations



“Significant increase in
Market Share & ROA uptick””

Gold : Doubling The Portfolio

2.2x Portfolio



Fee Income



Distributors

- 1 > Branches
25% growth in network
- 2 > Fintech
New customers & geographies
- 3 > Co-lending
Enhances the reach
- 4 > Online Channels
BYOM for Gold Loans
- 5 > Contact Centre
Lead Generation
- 6 > Sales Team
Lead Conversion

FedGold@Home

Compliant with reg. guidelines

Powered by API Banking and inbuilt Business Rule Engine

Single Ecosystem

Future Ready

- Identifying New Customer Segments.
- Innovative Product suite (Gold Teller Machine FedSAFE Gold, Gold backed Credit Card)
- Technology & Partnerships for scale.

To be the **Largest Private Sector Bank** in Gold Loans



Increased Small and Marginal Farmers (SMF) Portfolio share with pan India presence.

Strategic Corporate Partnerships for Scale:

- Sugar
- Milk
- Agro Processing

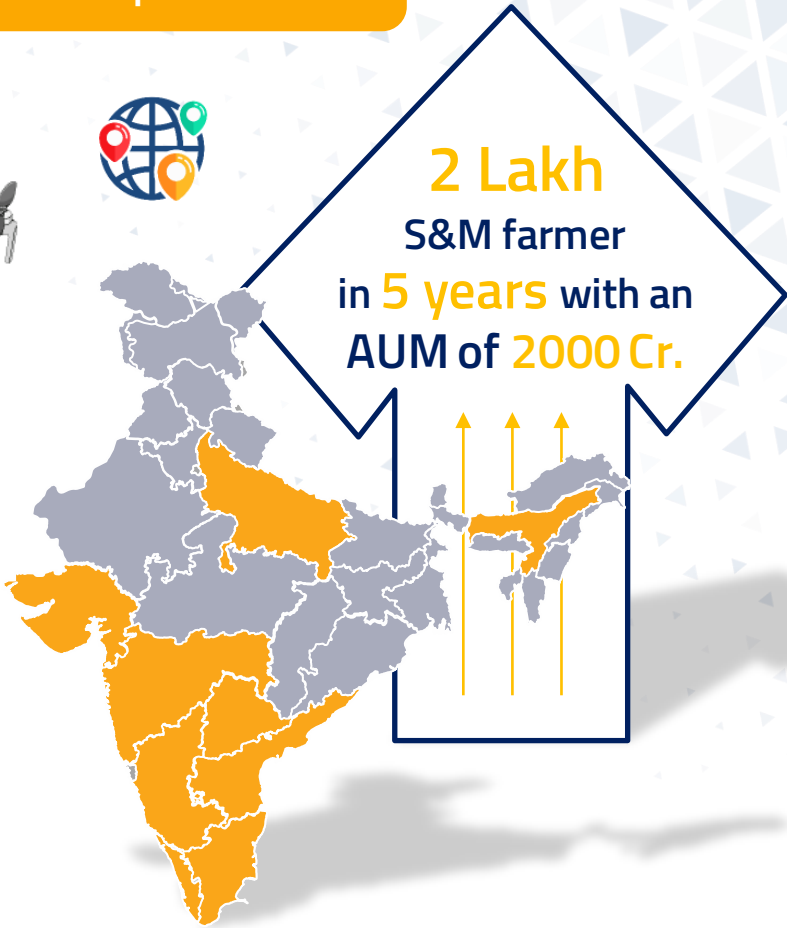
Business Build by leveraging BC model.

Increased farmer engagement through FPOs.

Redefining credit delivery with Technology



- + ENWR Funding
- + Self liquidating Transactional Credit Lines
- + Agri Infrastructure Funding





Business Banking



Leveraging the extensive opportunity through diverse initiatives

₹ 14238 Cr
Business

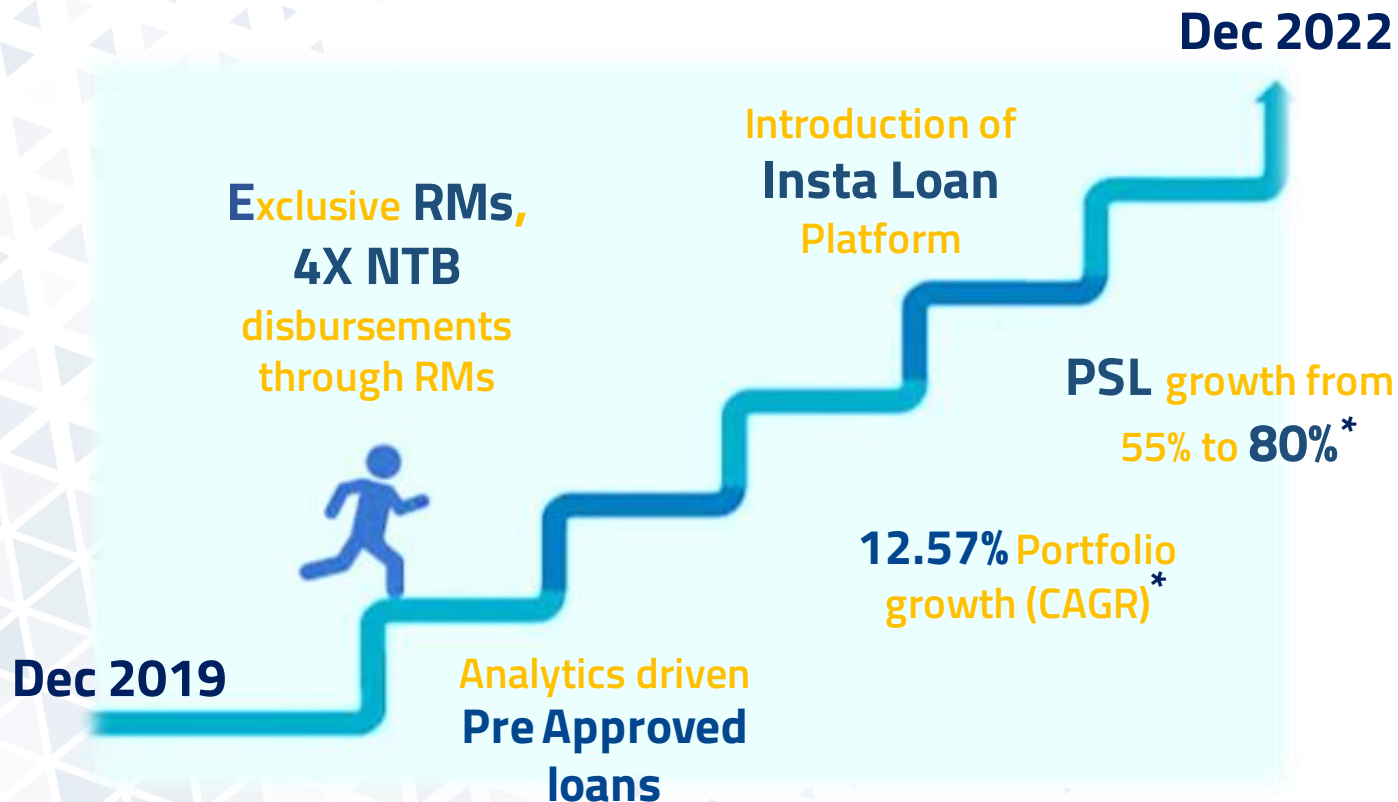
80%
PSL Lending

29K +
Customers

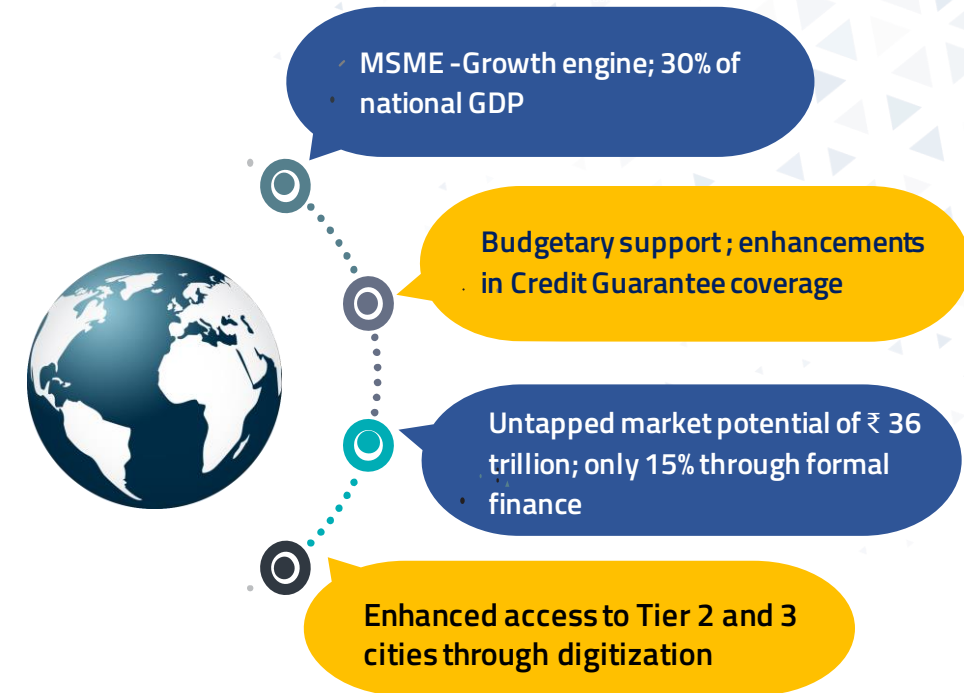
₹ 75L
Avg Ticket size

The Transition

The Opportunity

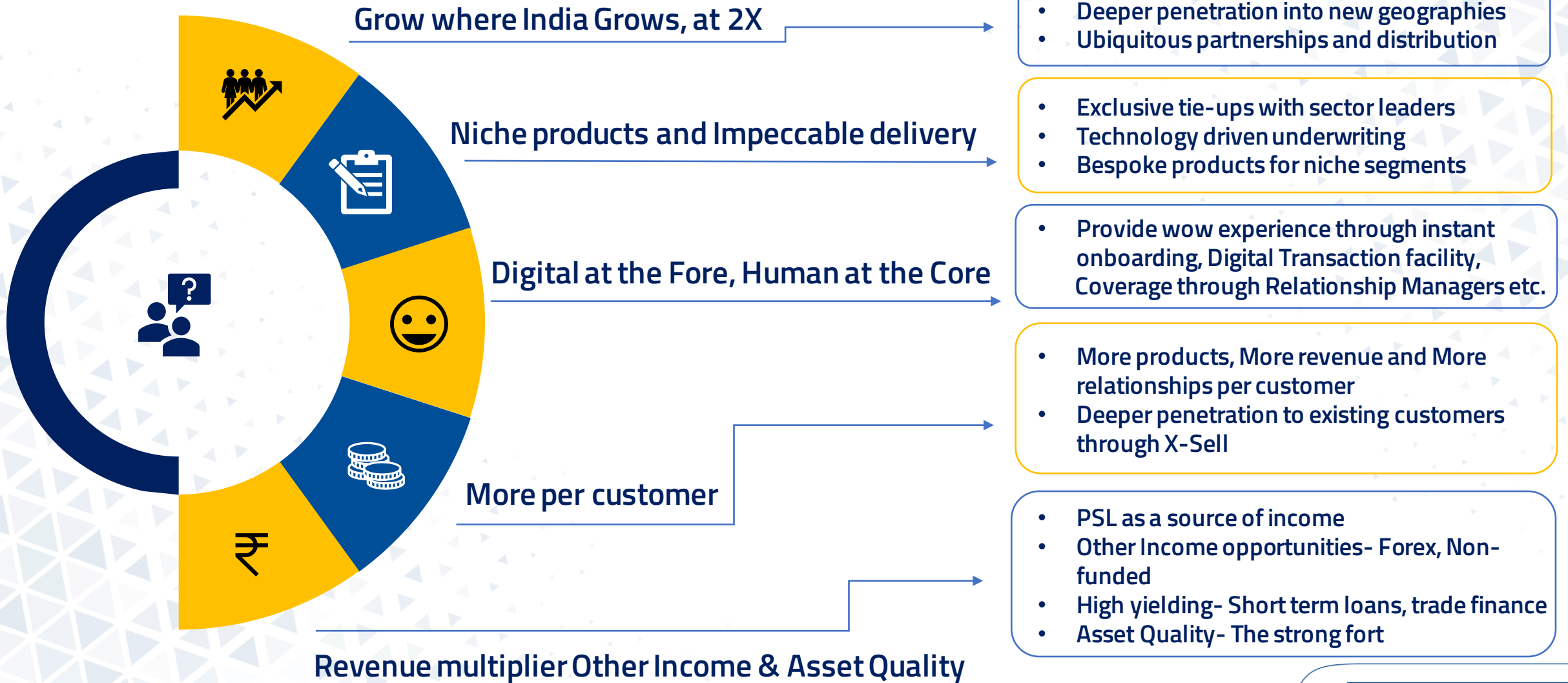


*Growth from Dec'19 to Dec'22



Source: MSME Survey 2022, Finance Budget 2023

The 5 Key Focus Areas



Grow where India Grows, at 2X

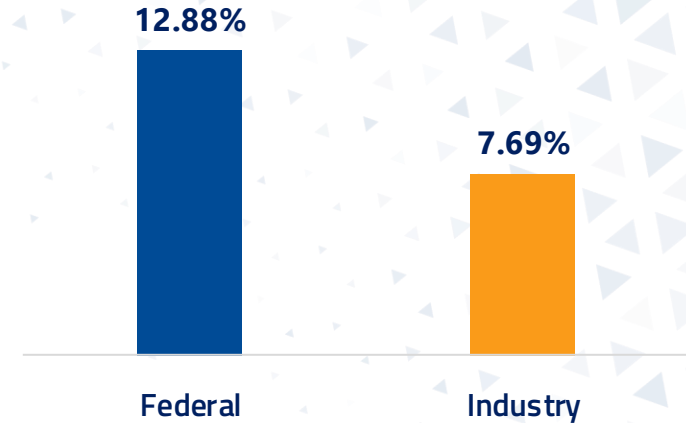


Future Focus



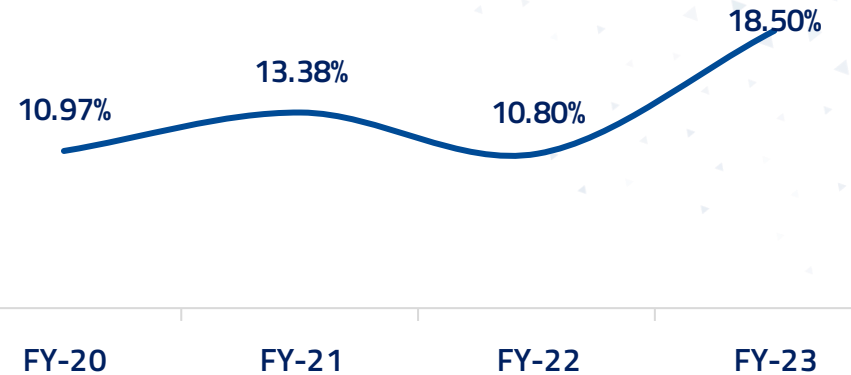
Numbers in the map show 3 yr CAGR of select geographies

Federal vs Industry – 4Y CAGR



CAGR from Mar-19 to Mar -23 (Dec'22 annualized) for SME loan < 10Cr (Source: CIBIL)

Grow at 2X Industry



Data pertains to SME loan < 10Cr (Source : CIBIL)

* Position as on Dec '22 Annualised



Instant Relationship Building

- Paperless on-boarding and document execution
- API banking suite for integration with fintech partners

Transact Digitally

- Fed-e-Biz, Vayana for SCF, Corporate Fed mobile
- Vendor and Tax Payments
- POS, UPI QR, PG Integration with accounting/ERP platform

Instant Top Ups

- Pre-approved loans offered and fulfilled digitally
- Seasonal requirements catered digitally

Super App

- Customer portal with a range of services including online stock statement submission etc.
- ERP system with partner tie ups

Niche Product Suite

- Official Partner of mRube – Rubber board platform
- Specially packed Green Loan schemes to support sustainable activities
- Products based on Sovereign Gold Bond as collateral
- Tailormade products in tie up with DGV - Amul
- Tie up with Kerala Gov (Bill Discounting Scheme) &
- NORKA

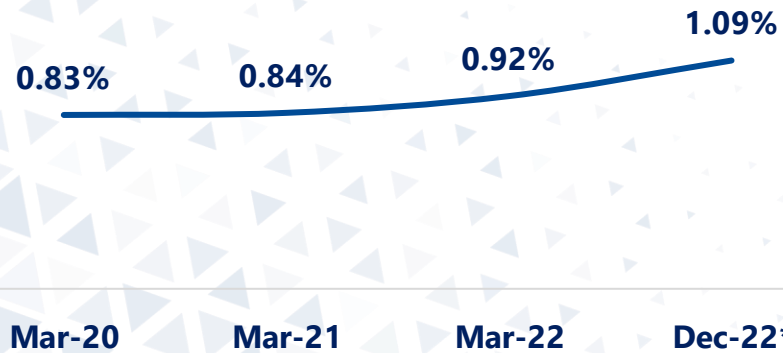
Astute Underwriting Methods

- Underwriting based on alternate data- GST, ITR etc.
- Automated credit assessment and eligibility determination
- Automated analysis of financial statements
- Industry and geography specific underwriting skills

The Revenue Multipliers

- PSL as a source of Income
- Higher Self Funding Ratio, focusing on liability business
- Focus on Forex and Trade Finance Business
- Short Term Unsecured Loans
- Dynamic Repricing of Loans based on behaviour

Other Income / Avg Assets



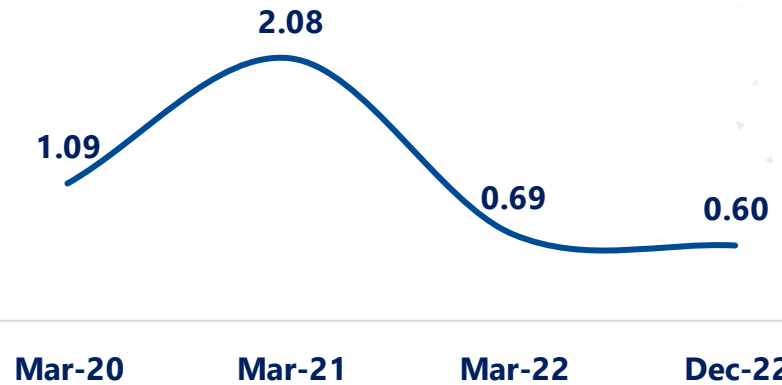
*Annualised



MORE per customer



Steady decline in Credit Cost



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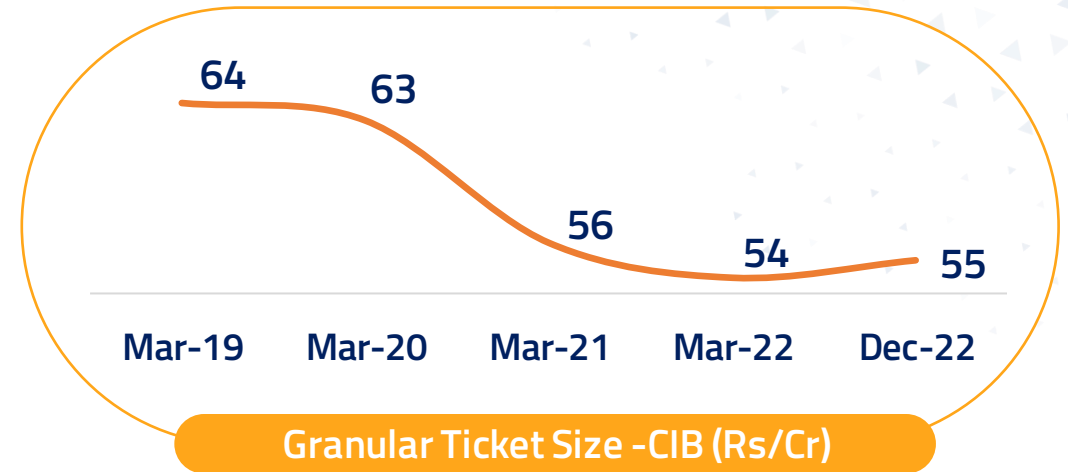
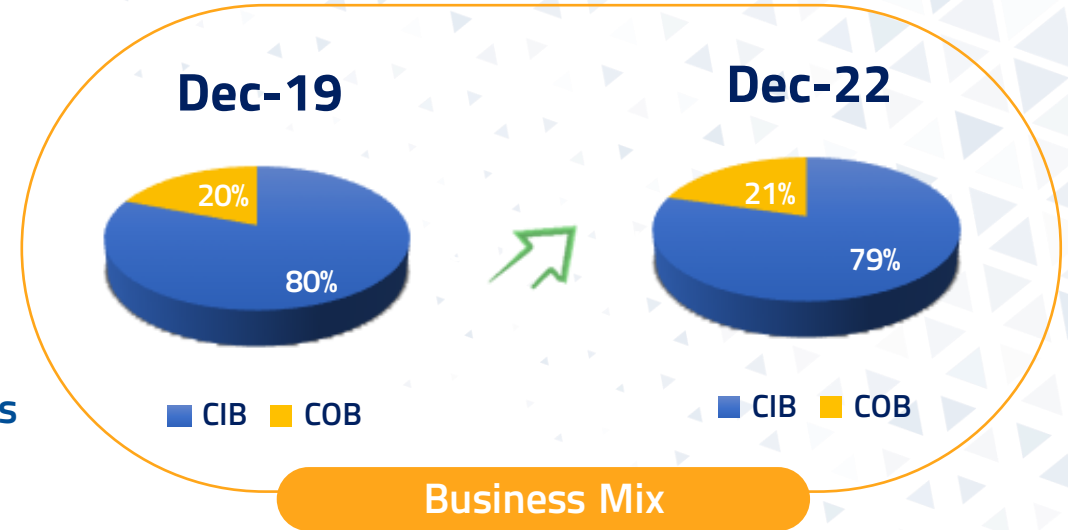
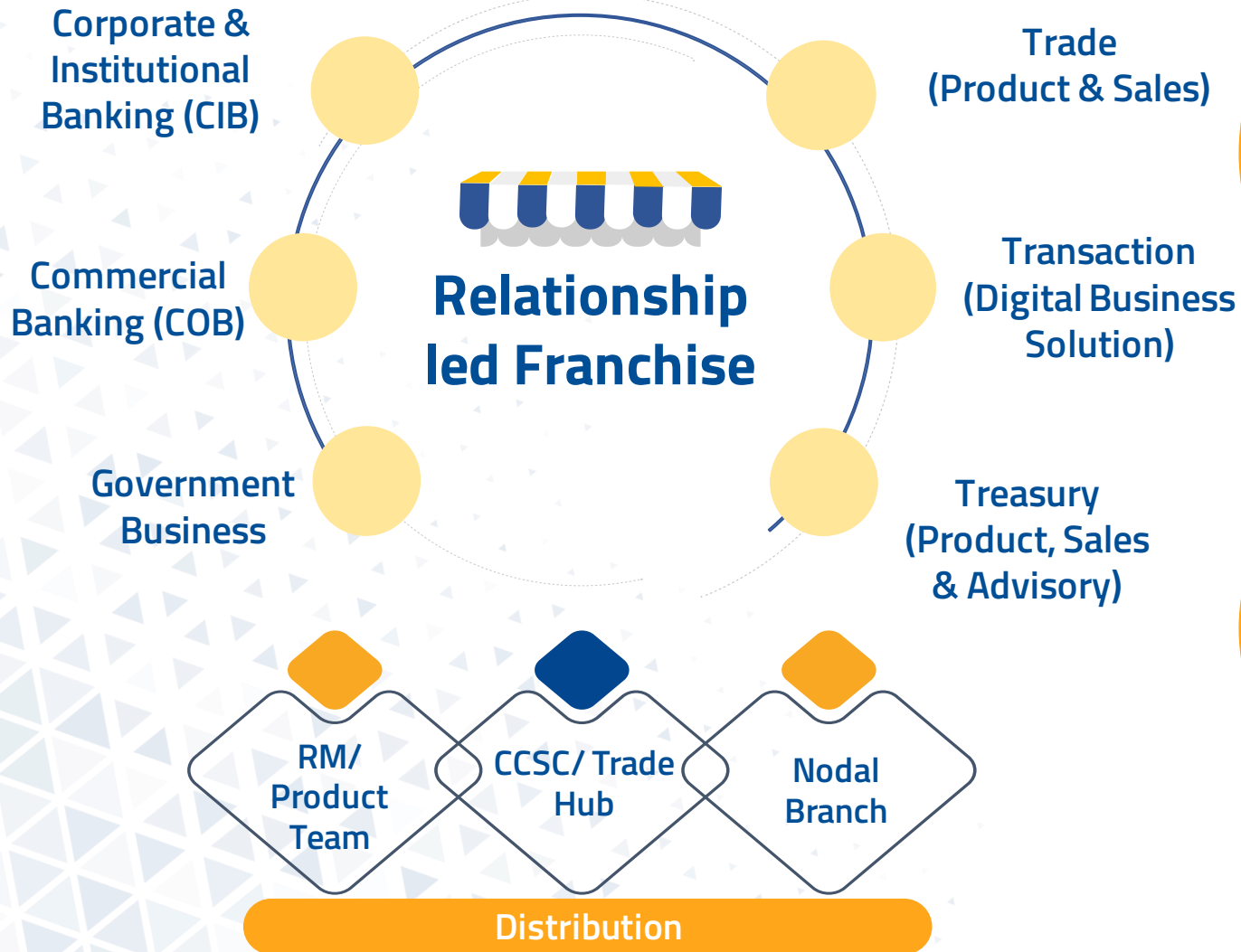


Wholesale Banking

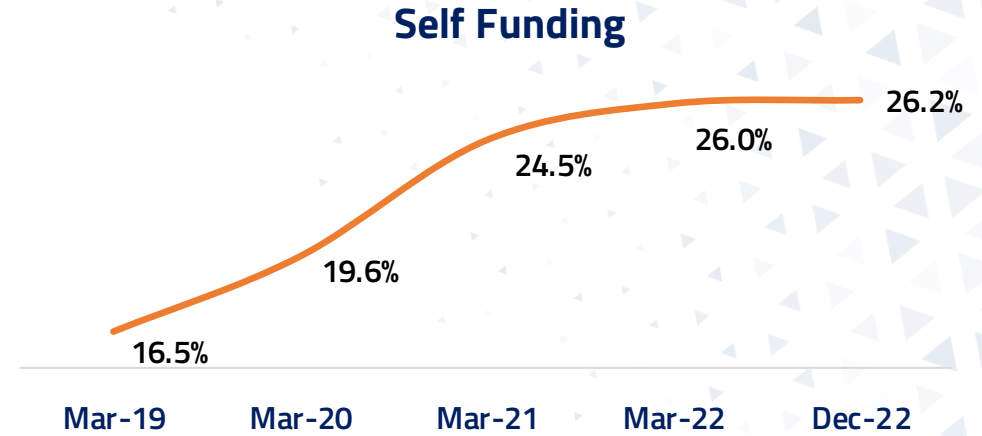
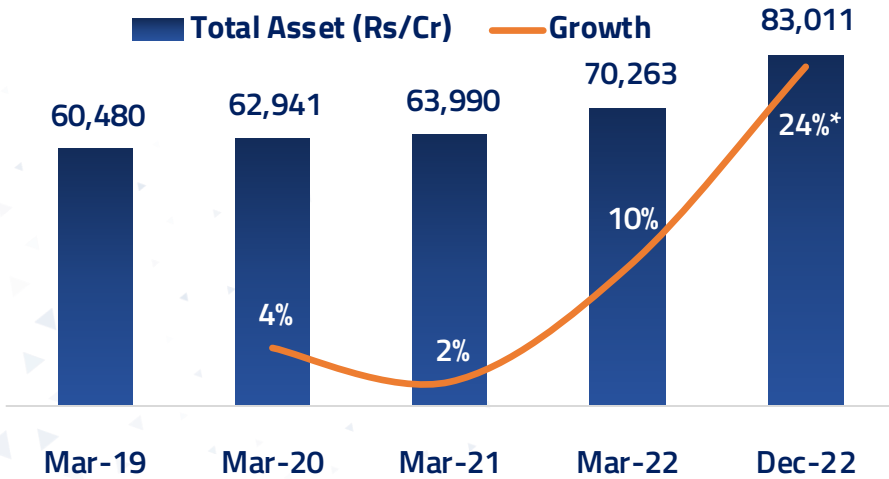
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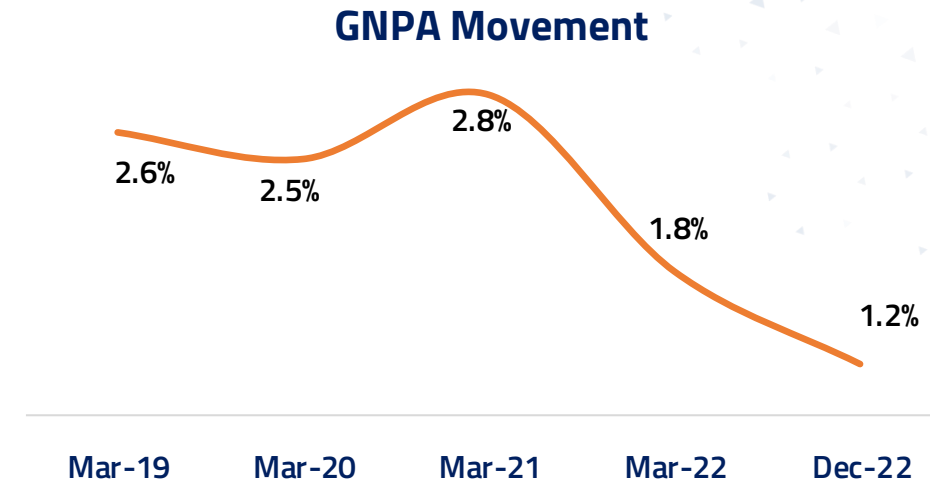
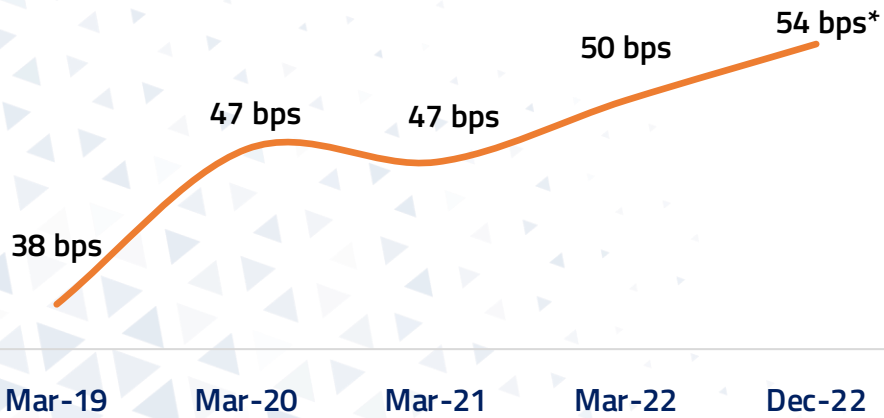
Wholesale Banking – Landscape



Wholesale Banking – Raising Benchmarks



Wholesale – Fee to Avg Asset



Green Book 2,700 + Cr



PSL Book 18,000 + Cr

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- Supply Chain – Dealer/ Vendor/ Factoring/ TREDIS
- Trade, Treasury & Transaction Banking
- Statutory Payments – CBDT, Customs & GST
- Capital Market – Equity and Debt

Products



Feeders

Cross Sell



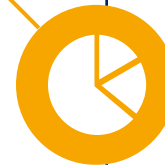
- Salary Empanelment – Deepening & Widening
- Wealth management & Priority Banking
- Debt & Equity Capital Market - Equirus
- General & Life Insurance

- Client & Product wise Profitability optimization
- Leveraging Branch Network
- Customer Data Mining - Business Development
- Credit Monitoring
- GST, Financial & Bank Statement Analysis

Analytics

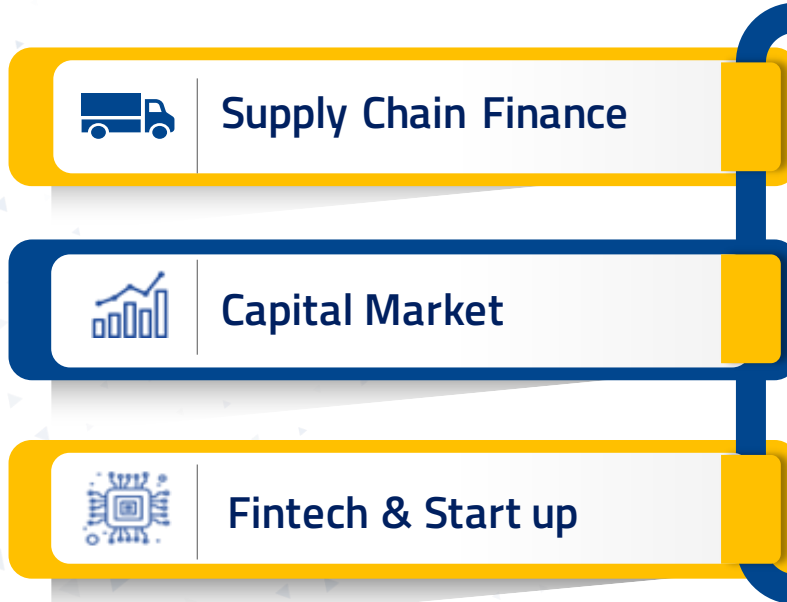


Digital

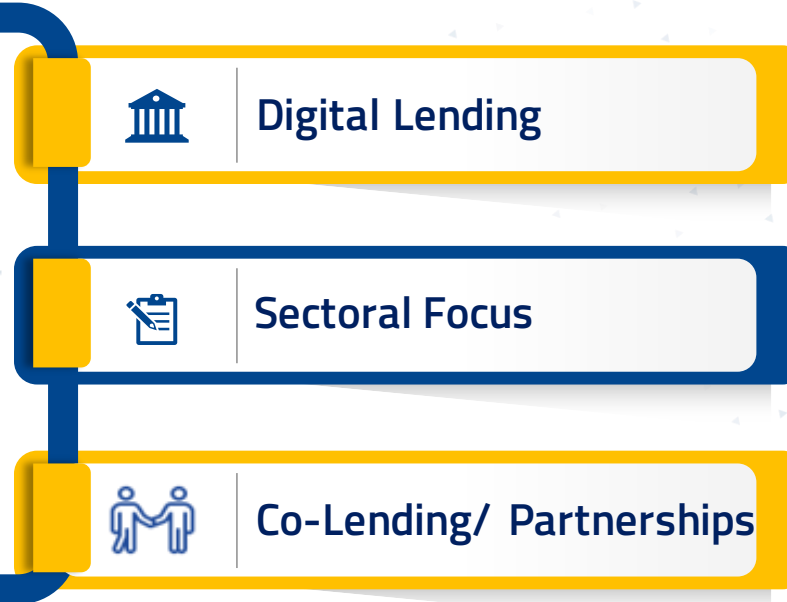


- Supply Chain (Fed-e-SCF)
- Trade Module Upgrade with AI/ML capabilities
- eNACH, E2E digital escrows
- ERP integration -H2H / API / Tally Banking
- Online CP Issuance

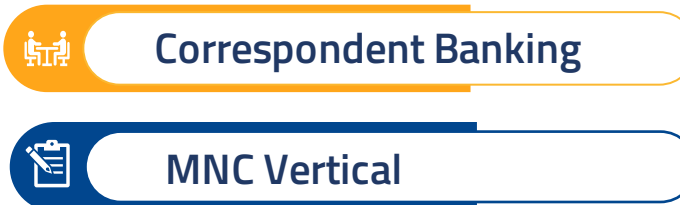
Focused Initiatives



Target Initiatives



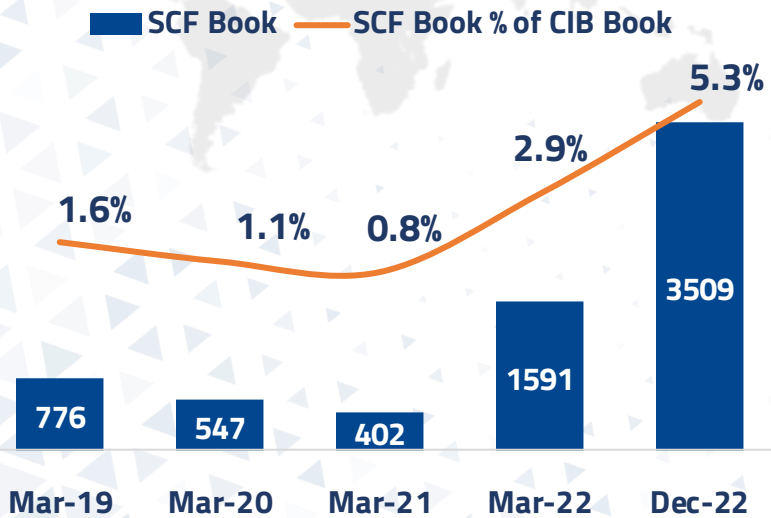
Future Initiatives



Supply Chain Finance - Huge Opportunity & Way Forward

Gaining Market size

SCF is poised for strong growth in Indian Market in next 3-5 years (~28%)



Robust Digital Solution



Funding entire Value Chain



Stop Supply, Collection



Government/Regulator initiatives to boost SCF

- TReDS – Expanded scope of insurance facility & secondary market Ops
- International Trade Finance Services (ITFS)
- Account Aggregator (AA) framework
- E-invoicing and GSTN

Profitable Business

- Yield uptick - 1.02%
- PSL Book – 50% +
- Entry strategy in large corporates
- Retail conversion – CV/ Auto - 18%
- Granular book ~ 6 Crs
- Asset Quality - NPAs < 0.2%



Digital Solutions – Embracing DFHC mantra !



Payables Management

- Digital transactions has improved from 72% in FY19 to 88% currently.
- Managing payouts of ~ Rs. 20,000 Crores just through Corporate API only.
- Sole payments banker for some of India's large Corporates, NBFCs & Insurance companies.

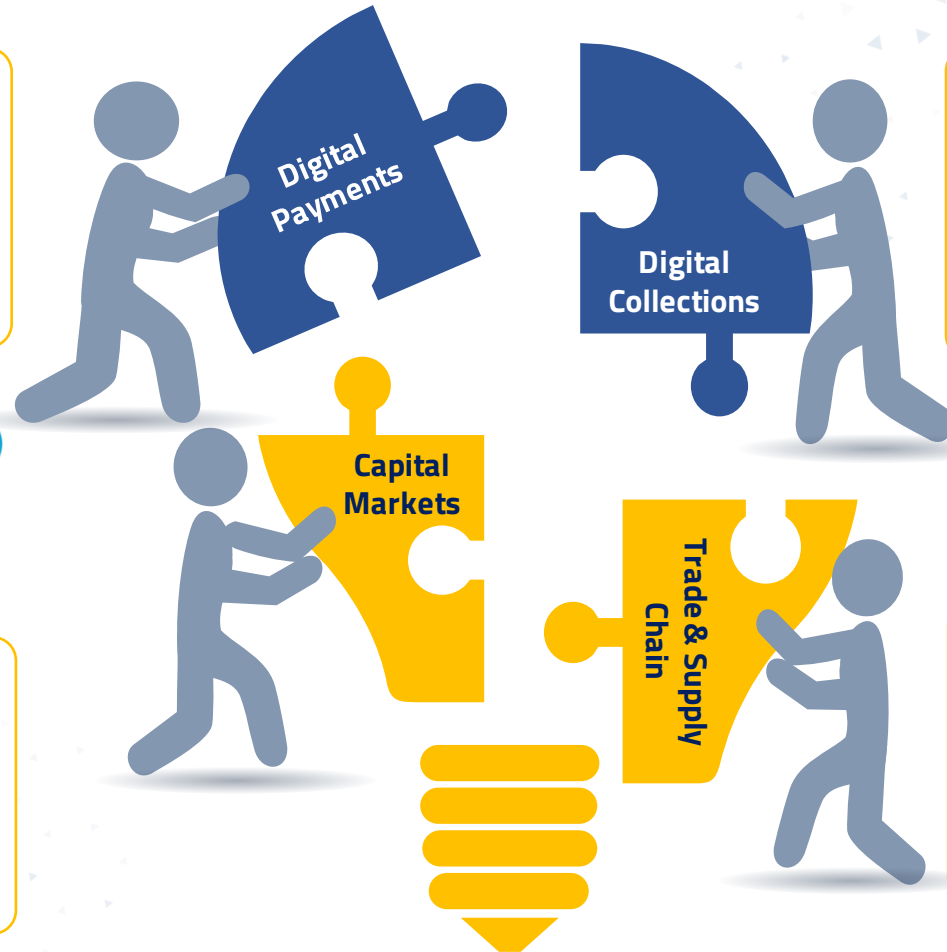


Corporate ERP Integrations



Capital Markets

- One of the first Banks to partner with NSDL for online Commercial Paper Issuance
- End-to-End digitization of Escrow Account services – partnering some of India's largest Corporations.



Receivables Management

- Best-in-class digital collection solutions for all industry sectors
- eNACH collection of ~Rs. 5,000 Crores processed on behalf of NBFC clients in current FY alone
- Some of India's most reputed Educational Institutions now use our eFee solution



Trade & Supply Chain

- Futuristic Supply-chain Finance platform has enabled massive ramp-up of ~120% in last 2 yrs.
- Trade Finance module upgrade to a cutting-edge AI-enabled platform in progress to provide industry- best features and customer experience.



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Government Business

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August 04, 2022

THE ECONOMIC TIMES
* Inflation Rise on Global Dark, Moving Outlines * SG, Ja Salaries Higher Earned Money, Adani 1000+ * Prepaid Card Insurance Dry-up for Pouch Cos P 1

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THE PERFECT BANKING EXPERIENCE NOW INCLUDES **EASY TAX PAYMENTS.**

Federal Bank is one among the first banks to be listed on the new income tax portal in association with the Central Board of Direct Taxes.

Pay Tax using: Internet Banking | NEFT/RTGS | Over the Counter | Credit/Debit Card* | UPI*

1800 422 1199
1800 422 1199
www.federalbank.co.in

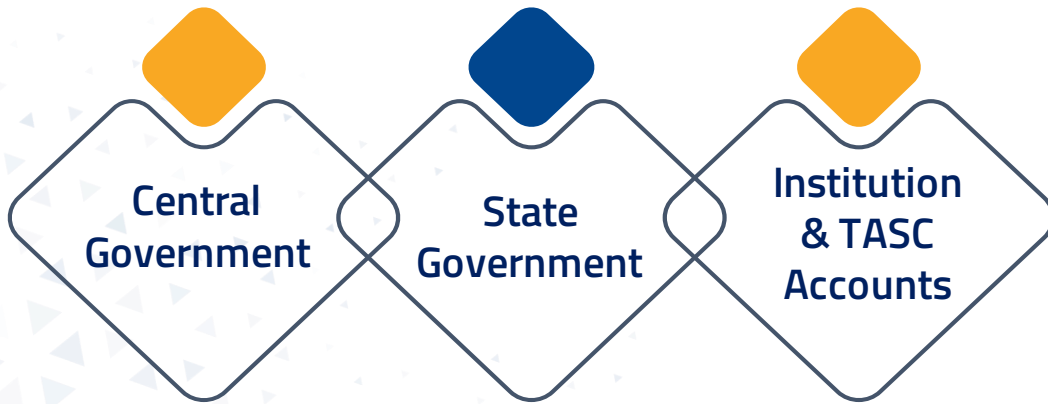
Federal Bank Becomes India's First Bank To List Payment Gateway On New Tax Platform

• By: [Business Desk](#) • [News18.com](#) • Last Updated: AUGUST 04, 2022, 12:51 IST • [New Delhi, India](#)

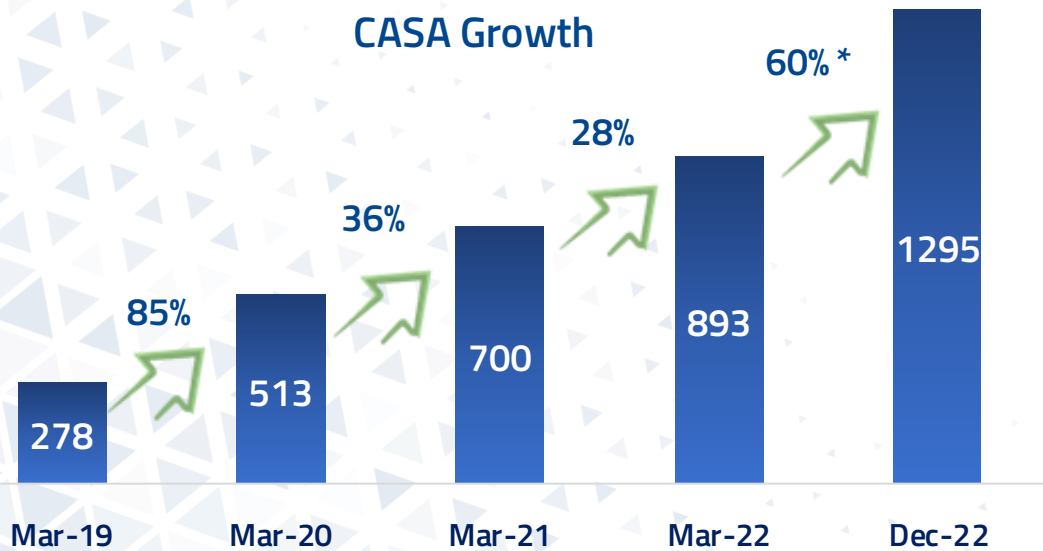


Pivoted to India

Focus Areas



CASA Growth



*Annualised

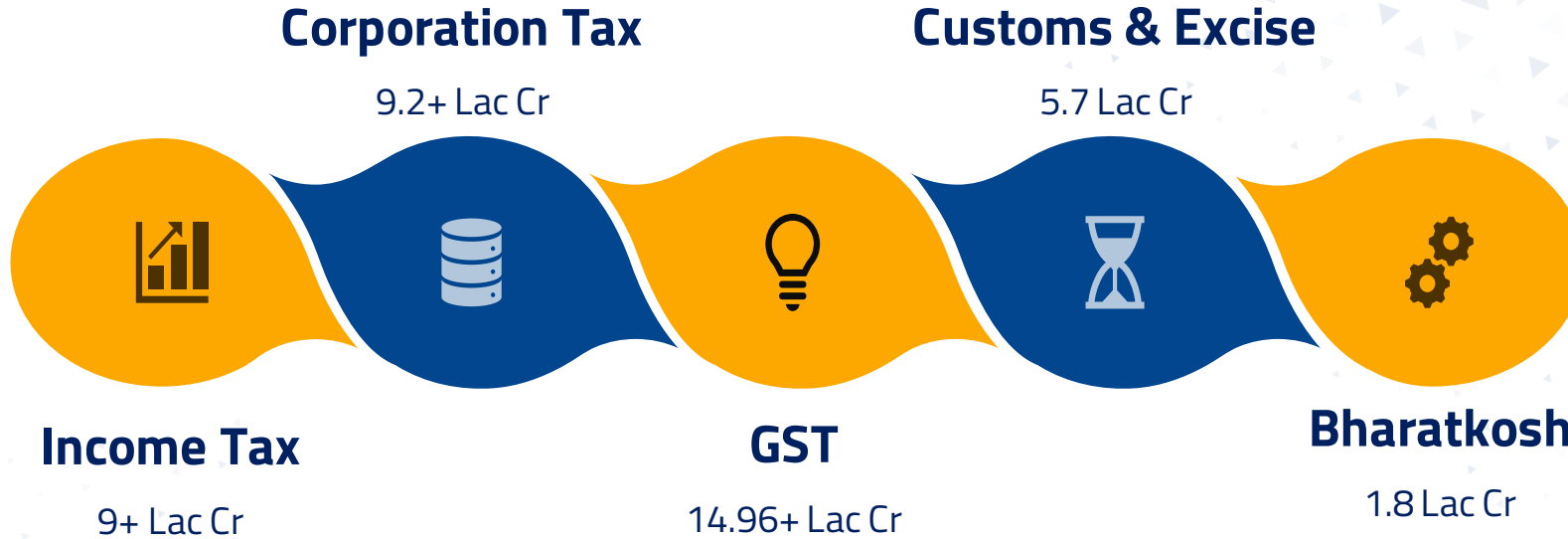
Live Projects

- Income Tax Collection** → 1st Bank to offer UPI, Debit & CC facility for Tax Payment
- GST & Customs Collection** → 1st Bank to complete testing for new Customs portal
- PFMS Scheme** → Amongst 4 Pvt Sector Bank to be empanelled in PFMS model-1
- Govt Agency Business** → Empanelled - KL, Goa & Odisha
Final Stage - TN, WB, GJ & MH

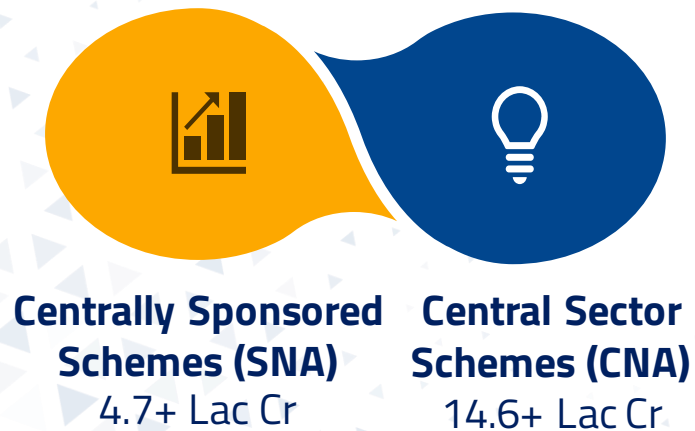
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Govt Flows



Govt Schemes



Targeting ~3% market share by FY 2025

Major Central Govt Schemes

Scheme Name	BE - (2023-24) Rs. In Crores
MGNREGP	60,000
PM Awas Yojna	79,590
Jal Jeevan Mission	70,000
National Education Mission	38,953
National Health Mission	36,785
Saksham Anganwadi & Poshan	20,522
AMRUT & Smart Cities Mission	16,000
PM Poshan Shakti Nirman	11,600

Democratization

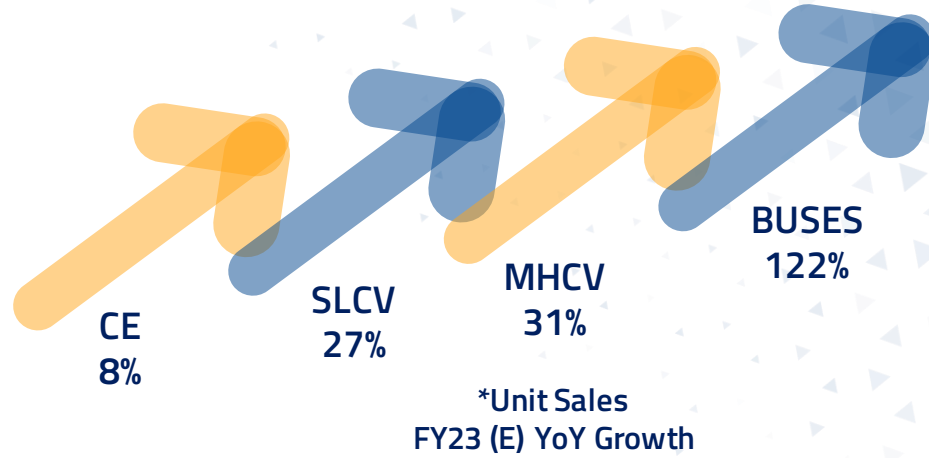
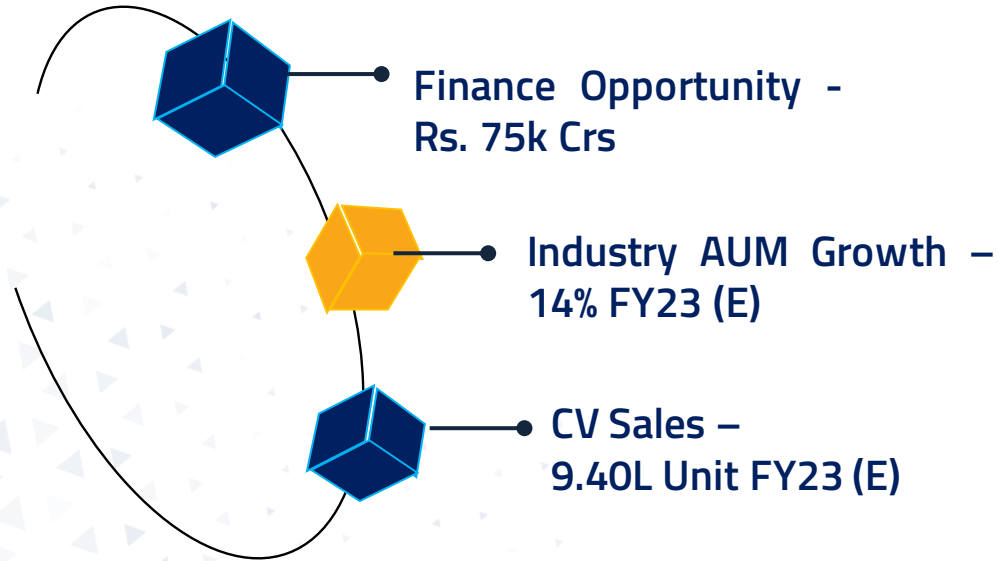




Commercial Vehicles / Construction Equipment

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Favorable Ecosystem



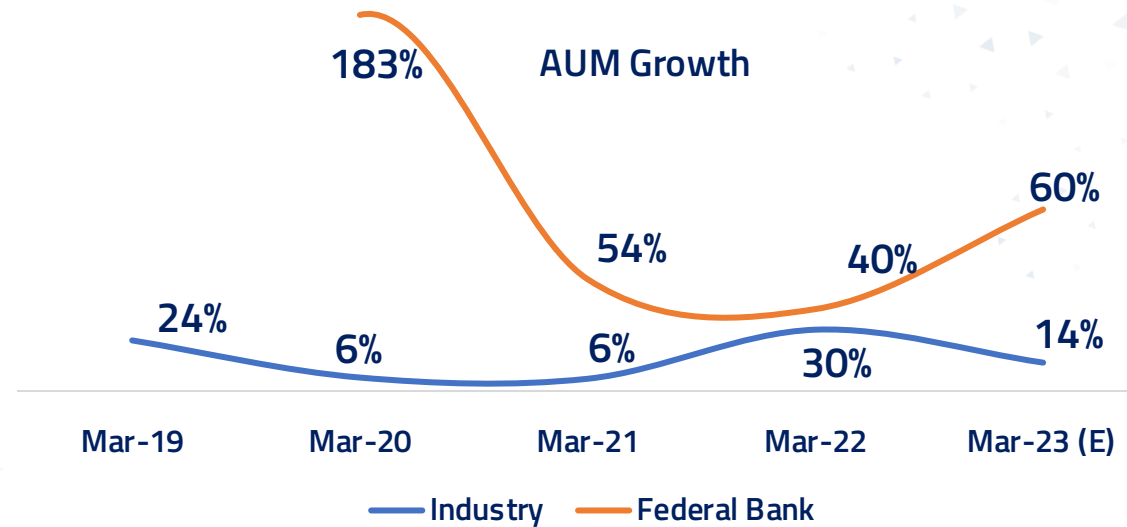
GOVT SPENDING - Infra focused
Roads, Construction, Mining etc

ROAD TRANSPORTS

- Replacement demand and scrappage policy
- CV sales surpassing pre-covid levels

FINANCE OPPORTUNITIES

- 80%+ vehicle sold are financed
- < 60% finance from organized player

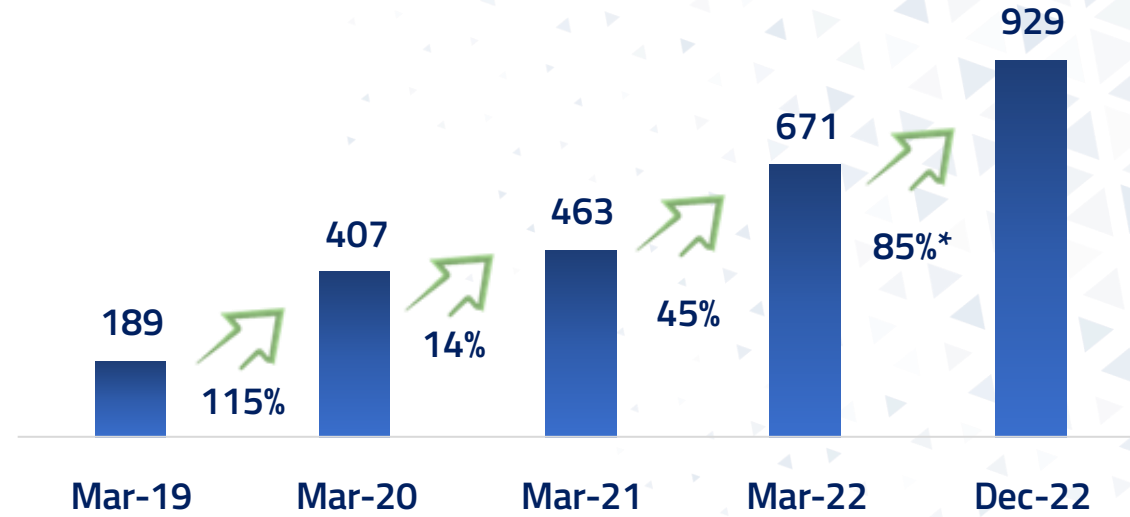


*As per Internal Research, CARE Ratings, HSIE and CRISIL

Asset Book (Rs./Cr)

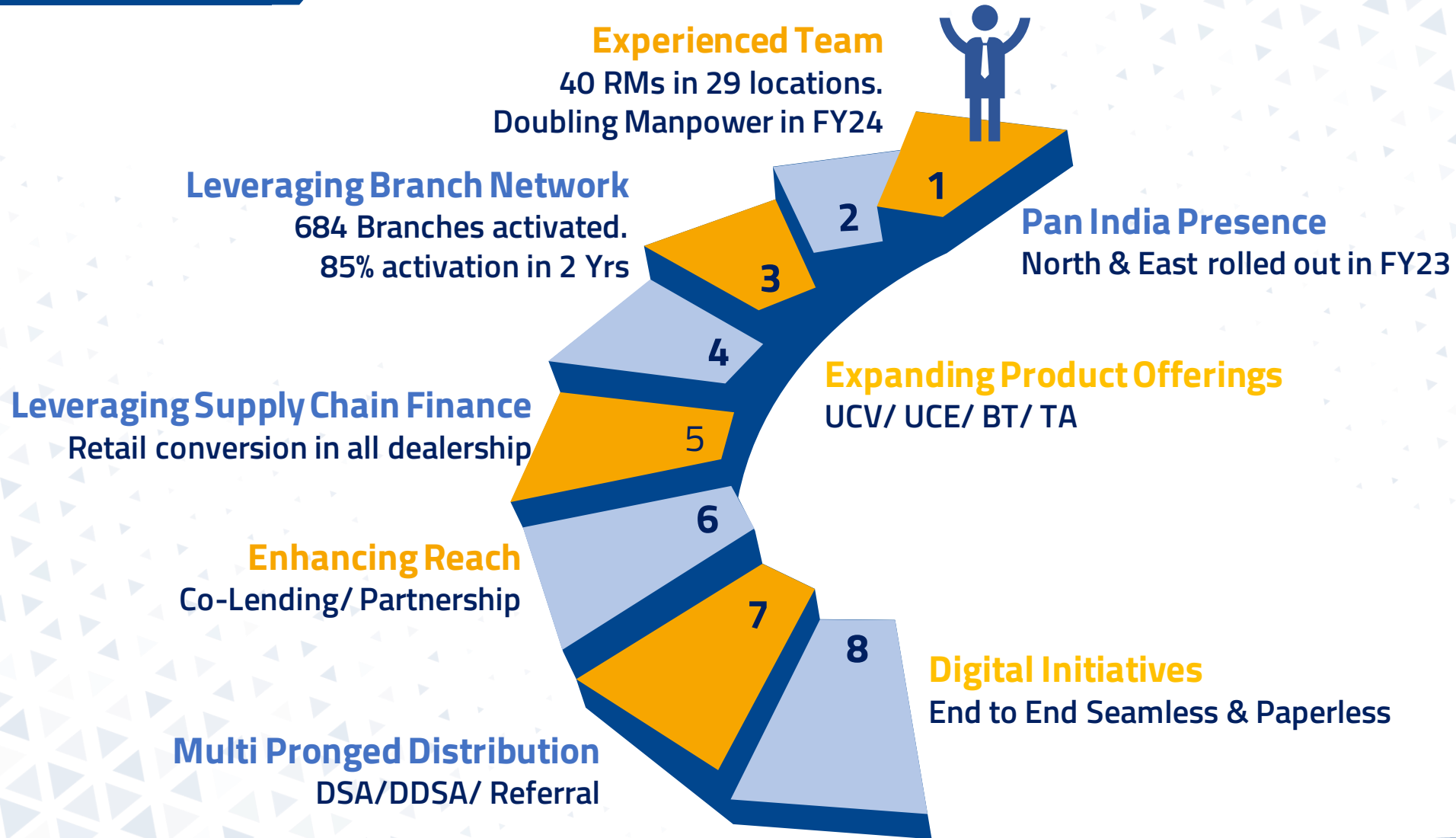


Total Disbursement (Rs./Cr)



*Annualised





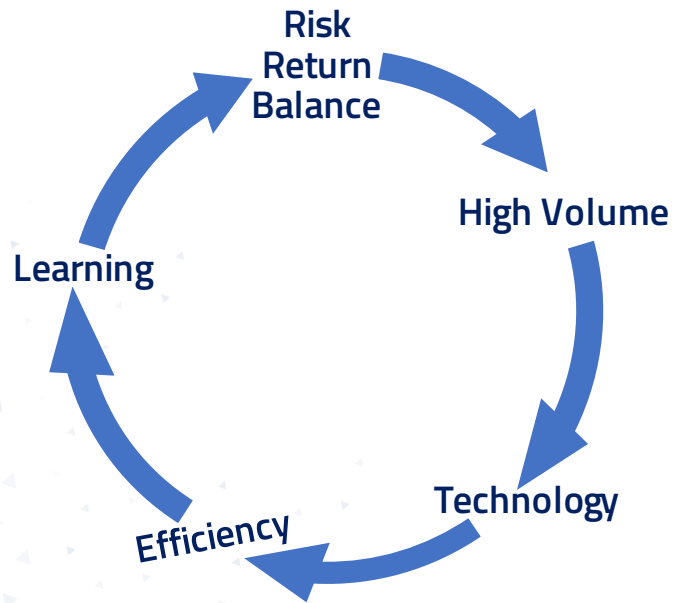


Treasury

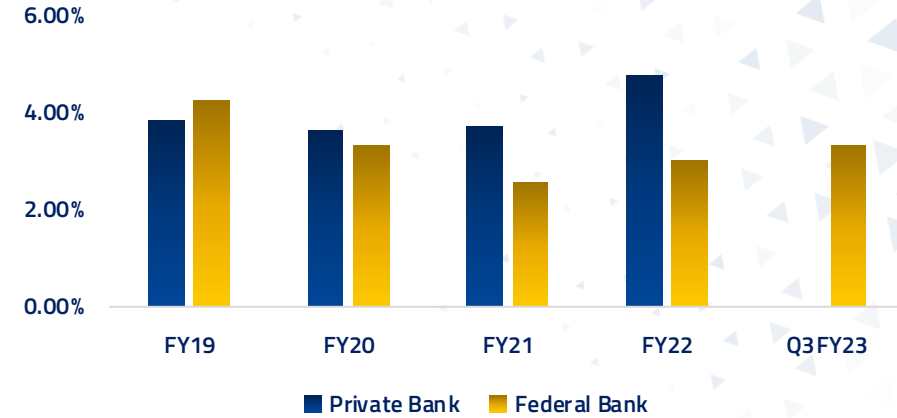
FEDERAL BANK

YOUR PERFECT BANKING PARTNER

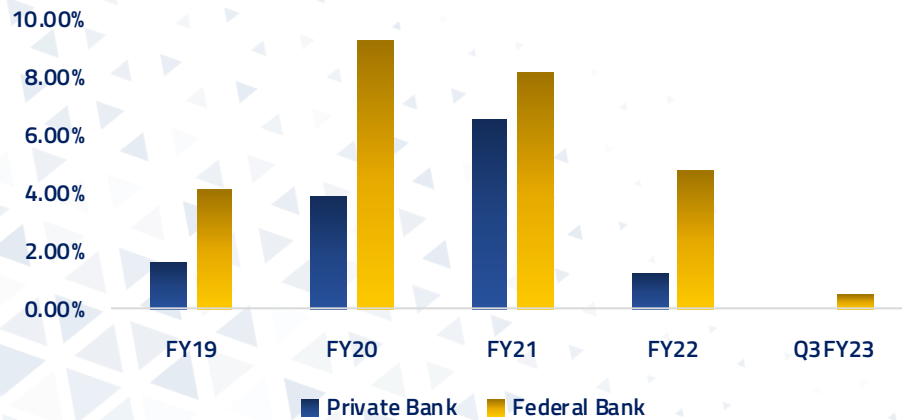
Defining Our Playground



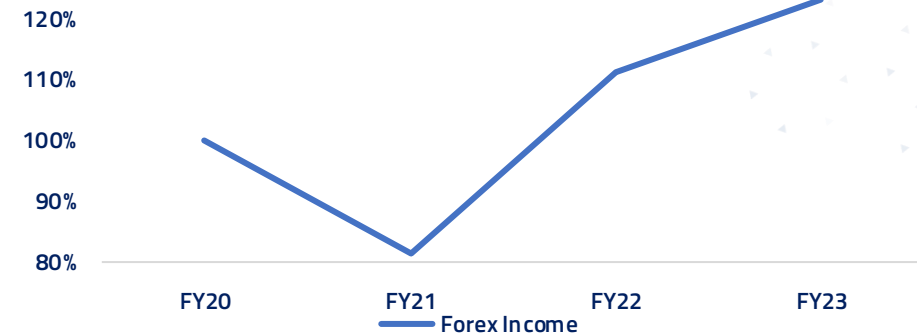
Gain on Fx transactions/Total Income



Profit from sale of Investments/ Total Income

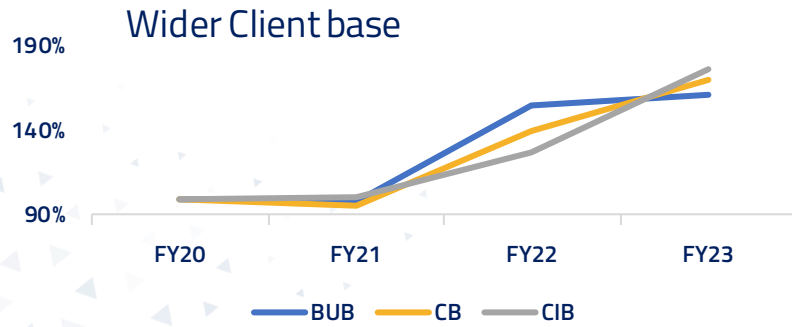


Forex Business seeing systematic growth..

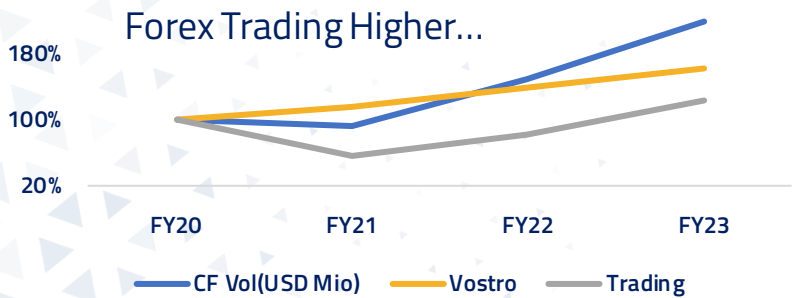


.. and in Profit on Sale of Investment, the bank is a consistent outperformer

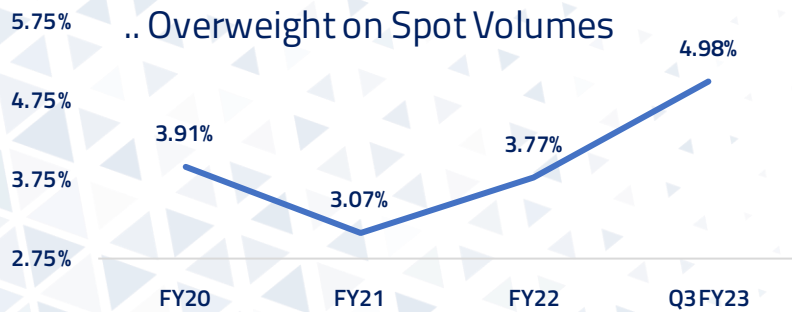
Playing To Our Strengths



Enhanced Customer engagement..

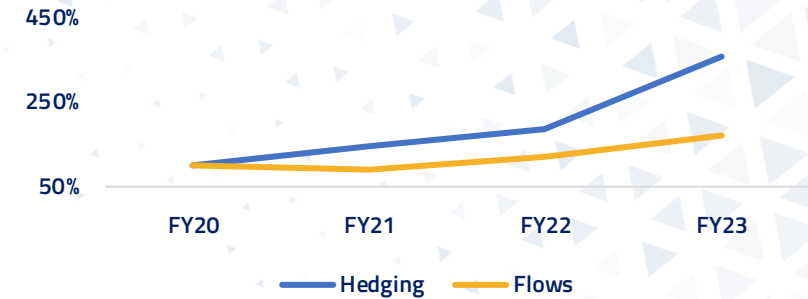


..and Trading Volume too continues its upwards journey..

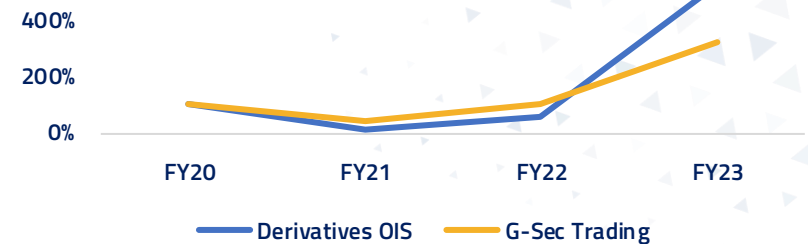


..and we continue to increase our market share in volume

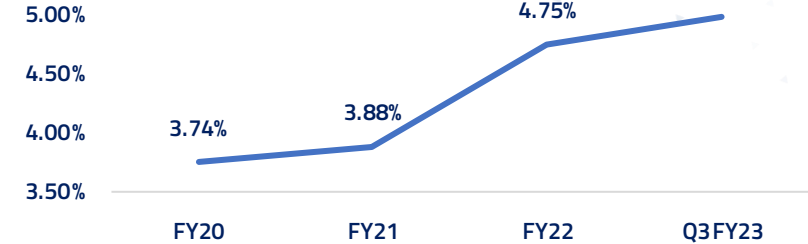
Increased Merchant Volume



.. And higher Domestic Trading



.. On Exchanges too



Overall Revenue increased from 7.5% to 19%

Derivatives to Client Revenue grown by 100%

Hedging Volume up 140% Revenue up 80%

Doubled FX Products



Launched Fed-e-Connect

16% volume through Platform

...and will see many more

.. Will continue to be Prominent

- ALGO Trading
- Adding New products in GIFT
- App Based deal for FX Customers
- Adding New Segment of Customers

Awards - Top performer

NSE-CF- 2021-2022

BSE-Currency Derivatives

Segment (Bank)-2021-2022



MSE award 2021-2022- Best Private Bank as a TM(CF)

Banks Representation

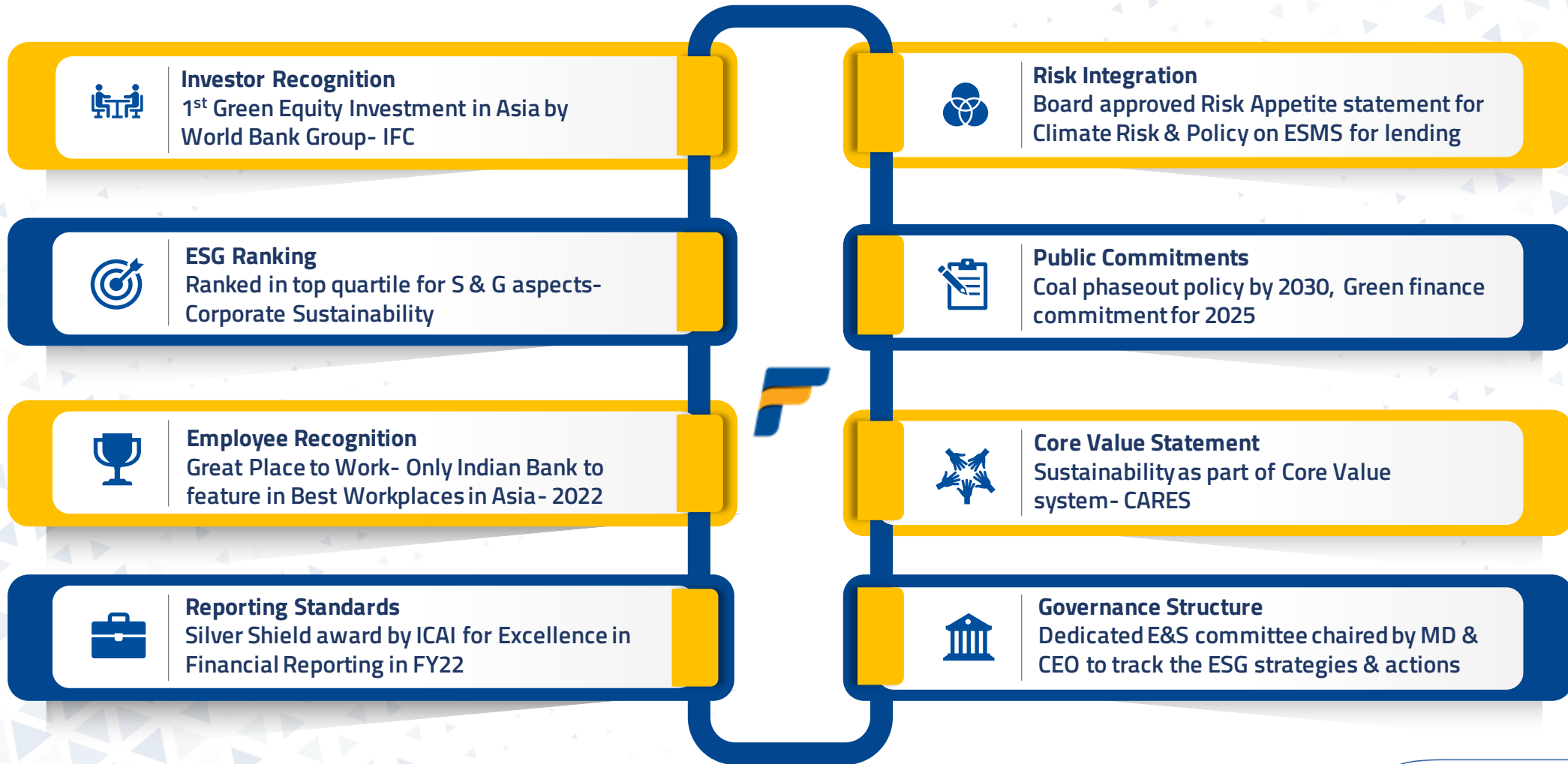
FAI, FEDAI – Member Managing Committee

FIMMDA – Member Board of Director



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Core Business

- ✓ Integrating ESMS into all lending activities
- ✓ Coal phase-out policy: Target <1.75% by Dec25; 0% by Dec30, Present -1.06%
- ✓ Green Finance: Target- ₹ 130 Bn by Dec25, Present exposure-₹ 27 Bn
- ✓ Launched Green Deposit scheme
- ✓ Lending restrictions to negative impact sectors



Responsible, Progressive & Sustainable



TODAY
For A Better
TOMORROW

Own Operations

- ✓ Strategies guided by ESG Policy
- ✓ Go Digital to save millions of paper
- ✓ Solar power capacity: Present-300Kw, To reach 500Kw by 2025
- ✓ 100% LEDification by 2025
- ✓ First Green branch opened in Vyttila
- ✓ Water conservation capacity- Present 80K Litre, To reach 1Lkh Litre by 2025



Employee

- ✓ Women Representation in workforce- 41%
- ✓ Women in fresh hires- 42%
- ✓ Return to work ratio -99.80%
- ✓ Attrition Rate (Voluntary Exits)- 2.85%
- ✓ Training provided- 4.88 lakh total person hours
- ✓ Avg. Training hrs per employee- 42
- ✓ Hiring- 20 states, 200 campuses



Community

CSR Projects supporting UNSDGs:

- ✓ Women Empowerment-SDG1,4,5,8,10
- ✓ Environmental Preservation –SDG13,15
- ✓ Solar Power Generation- SDG7
- ✓ Clean Sanitation – SDG6
- ✓ Waste Management- SDG11
- ✓ Girl Education – SDG4,5



Sectoral Policies

- ❑ No fresh exposure to
 - Thermal power plants (new/ expansion)
 - Coal mines (new/ expansion)
 - Oil & Gas exploration activities
 - Exclusion list activities
- ❑ Client and transaction level E&S analysis for Commercial & Corporate Banking clients
- ❑ Adherence to IFC performance standards

Risk Management

- Climate Risk Appetite statement
- Integrating ESMS across credit cycle
- Pre-sanction E&S Due diligence based on sectoral risk
- Assessing portfolio exposure to climate risk

Client Engagement

- IAAS- Innovation as a service
- Fostering client growth through collaboration
- Supporting innovation in ESG of clients through partnerships

Green Value Proposition

- ✓ Green Deposits
- ✓ Green Financing solutions
 - ✓ Green Buildings
 - ✓ Clean Mobility
 - ✓ Renewables
 - ✓ Climate Smart Agri
 - ✓ Circular economy

Financial Inclusion

- Access to Financial services for weaker section
- Financing MSMEs
- Supporting SHGs/JLGs/Micro Finance
- Financial Literacy Centers

Operating Responsibly



Environment




Solar Power Generated
159000 KWh



Energy Consumption Saved
712MWh



Water Conserved
2 Lakh Litres



Digital Banking
Digital Transactions: 88%
Paper sheets saved: 93.75 Lakh
Fuel Saved: 132.25 Lakh litres

Employees



Awarded consecutively for the Third Year

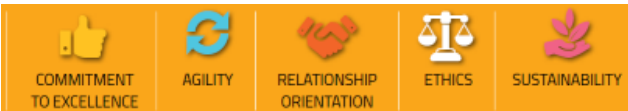


State of Art Training facility of the Bank

Federal Academy of Career Excellence



Sustainability embedded in our Core Values



Holistic Wellness

	Medical Insurance & Welfare Trust	SMILES Mental wellbeing & Counselling	
	SUNSHINE Volunteering Program	Financial Wellness	

Society



Speak for India
Empowering Youth

Ek se Shresta
Give wings to underprivileged Youth

Federal Bank Hormis Memorial Foundation Scholarships
Supporting meritorious students to pursue professional/ Nursing courses

Random Act of Kindness
Founders Day Program 2022- CSR initiatives aligned to UN SDGs

Joy Of Freedom
Resonating 'Azadi ka Amrit Mahotsav'

SEED
Student Empowerment for Env. Development

Swayam Sakthi
Remedial education to girl child

DREAM
Drug Rehabilitation Education and Mentoring



Strong & Diverse Board

11	72%	18%	4.49
Total Board Members	Independent Directors	Women on Board	Average years on Board

Tone at the Top

- Strong Policies
- Code of Ethics and Commitments
- ESG monitoring by Board level RMC
- Dedicated E&S Committee chaired by MD & CEO
- Public Commitments
- Transparent Disclosures
- ESG KPI for all senior executives
- Annual Performance Evaluation includes Value Rating for all executives

Certifications



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

ESG Score



>600
ESG Yearbook 2022
Banking Industry Avg: 496



An S&P Global Company

Strong
Sustainability Yearbook
2022



44

Corporate Sustainability Assessment
Score 2022
Banking Industry Avg: 33

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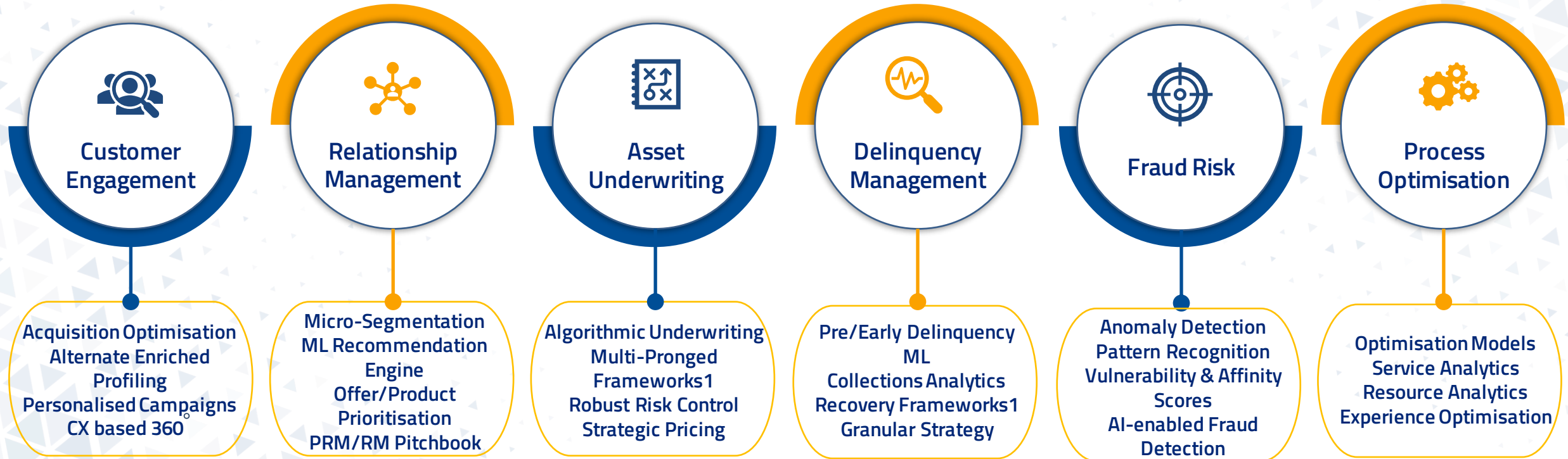


Analytics

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Empowering well-informed decisions across levels and functions, fuelling the MAB drive



Data as the Pulse

Bank's GPS orientation 

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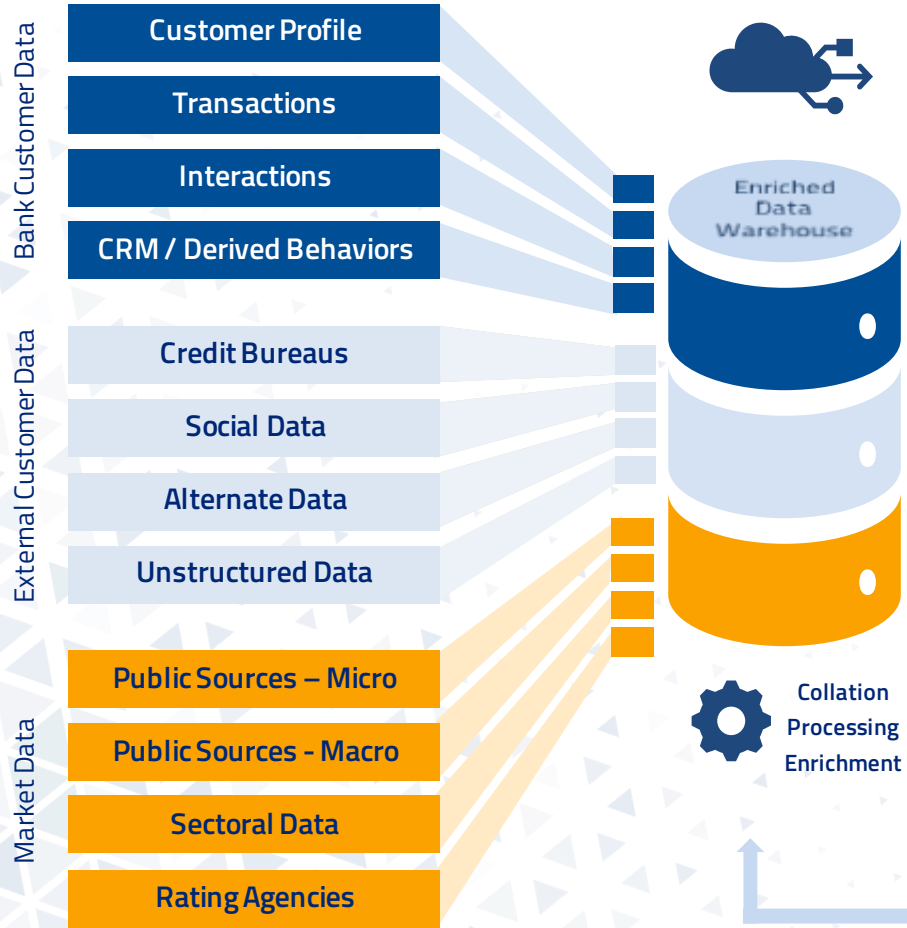
Data & Analytics Ecosystem



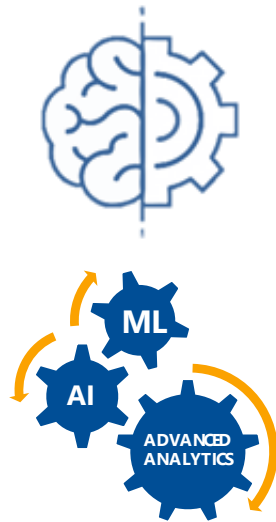
Data Stack

Analytics Stack

MarTech Stack



Business Acumen + Data Science



- Worthiness
- Propensity
- Intent

- Personas
- Propensity Models
- Recommendation Engines
- Asset Underwriting
- Collections Scorecards
- Fraud Scorecards



- Digital Channels
- SMS/Email/Social
- Branches
- CRM Platform
- RMs / PRMs
- Calling Desks
- Service Touchpoints
- Partner Channels

Robust Feedback Loops

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Accelerated Journey



RIGHT

Mantra

C

- Capabilities
- Competencies
- Calibrations
- Collaborations



Analytics



CoE



ADB for MAB

* ADB: Analytics Driven Bank
* MAB: Most Admired bank

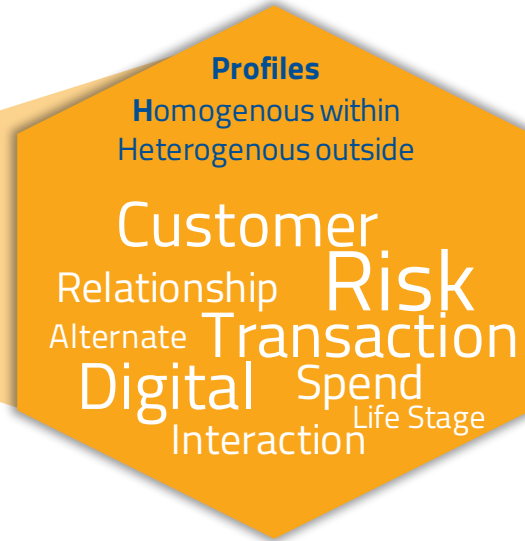
Information Streams



Micro-Segmentation



Discreet Customer View



Index & Micro Scores

Hyper-Personalisation

Effective MarTech Usage



NBA / NBO Universe

- Recommendations
- Offers
- Propensity
- Preferences

From Data to Calibrated Relevant Customer Actions



Thank You

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