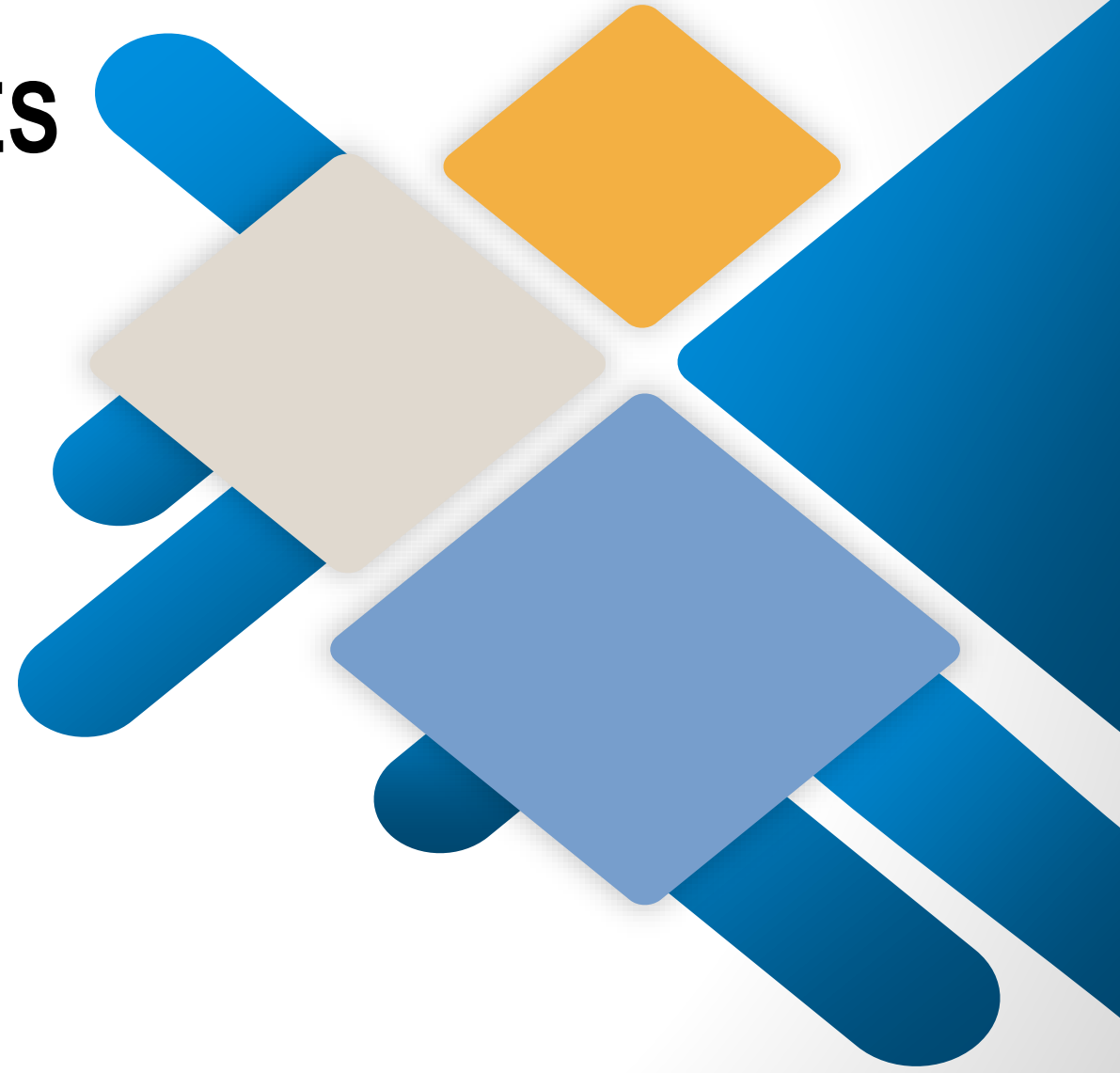


FEDBANK FINANCIAL SERVICES

INVESTOR PRESENTATION

*EMPOWERING EMERGING INDIA WITH
EASY ACCESS TO LOANS*

9M / Q3 FY24



Safe Harbour

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Forward looking statements concerning the Company's future business prospects and business profitability are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of the forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

IPO and Listing Ceremony



Listing Date: **30th November, 2023**

Stock Exchanges: **NSE & BSE**


Total IPO Size: **₹10.9 bn**

Primary Size: **₹6.0 bn**

Secondary Size: **₹4.9 bn**

Secondary Pre-IPO Size: **₹3.3 bn**

Only listed NBFC of a listed private bank

- 
- A decorative graphic on the left side of the slide. It features a stylized blue hand with five fingers, holding four diamonds of different colors: a light grey diamond at the top, a light blue diamond to the right, a light beige diamond at the bottom, and a dark blue diamond to the left. The diamonds are arranged in a cross-like pattern around the center of the hand.
- Who we are
 - Our Franchise
 - Financial Performance
 - Risk Management
 - Treasury & Funding

Q3FY24 Result Summary



₹ 107 bn
AUM

34%

7%



₹ 33 bn
Disbursement

24%

14%



₹ 654 mn
Profit After Tax

28%

13%



₹21,637 mn
Shareholder's Fund

65%

45%



84%
Secured AUM

48 bps

47 bps



609
Branches

38

2



17
States and UTs

2

-



₹ 80 bn
Borrowings¹

16%

-2%



25.8%
CRAR

710 bps

610 bps



4,134
Employees

653

164



2.2%
GNPA

-22 bps

-15 bps



1.7%
NNPA

-29 bps

-16 bps



2.5%
RoA

-3 bps

15 bps



14.3%
RoE

-165 bps

-158 bps



1.0%
Credit Cost²

45 bps

34 bps

¹ Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities outstanding
² Credit cost represents impairment on financial instruments divided by average AUF

Executive Summary

- **Net profit of ₹654 mn** in Q3 FY24, **up 28% YoY**.
- **RoA and RoE** for Q3 FY24 stood at **2.5% and 14.3%** respectively.
- **AUM growth of 34% YoY to ₹107.1 bn** in Q3 FY24.
- Disbursals were **up 24% YoY at ₹33,441 mn** in Q3FY24.
- **Credit rating upgraded to AA+/Stable by CARE** ratings.
- **CRISIL** has assigned us **AA/Positive** rating.
- **Gross stage III stood at 2.2%**, in absolute terms **Gross stage III is down by ₹81.8 mn** in Q3 FY24.
- **LGD on mortgage loans taken up from 20% to 23%**, resulting in an **incremental provisions of ₹85.6 mn** in Q3 FY24.
- Commenced **Gold Loan Co-lending** arrangement with two leading banks.
- We opened 2 branches during Q3, taking our **total count of branches to 609**.

- 
- Who we are
 - Our Franchise
 - Financial Performance
 - Risk Management
 - Treasury & Funding

Our Board of Directors

Independent Directors



**Balakrishnan
Krishnamurthy**
*Chairman &
Independent Director*



Gauri Shah
Independent Director

Executive Director



Anil Kothuri
MD & CEO

Non-Executive and/or Nominee Directors



Shyam Srinivasan
Non-Executive Director



Ashutosh Khajuria
*Non-Executive
Nominee Director*



Maninder Juneja
*Non-Executive
Nominee Director*

Experienced Management Team



Anil Kothuri
MD & CEO



C.V. Ganesh
Chief Financial Officer



Siddharth K
Chief Operating Officer



Shardul Kadam
Chief Risk Officer



Anila Rajneesh
Chief Human Resource Officer



Vikas Srivastava
CBO – Mortgage (Small Ticket)



K Sureshkumar
CBO – Mortgage (Medium Ticket)



Jagadeesh Rao
CBO - Gold Loan

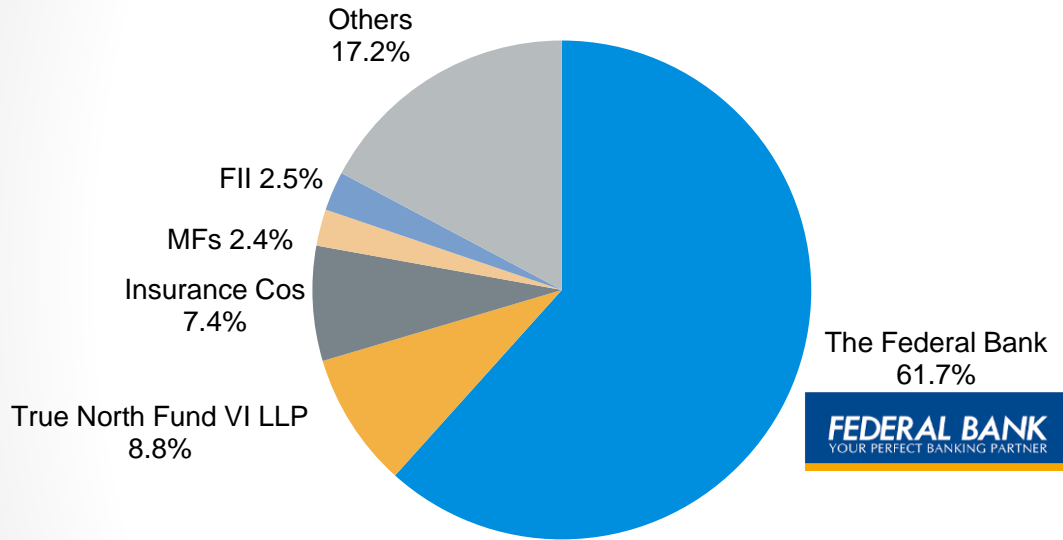


Ramchandar R
CBO – Business Loan

Deep domain experience across cycles

Shareholding Pattern

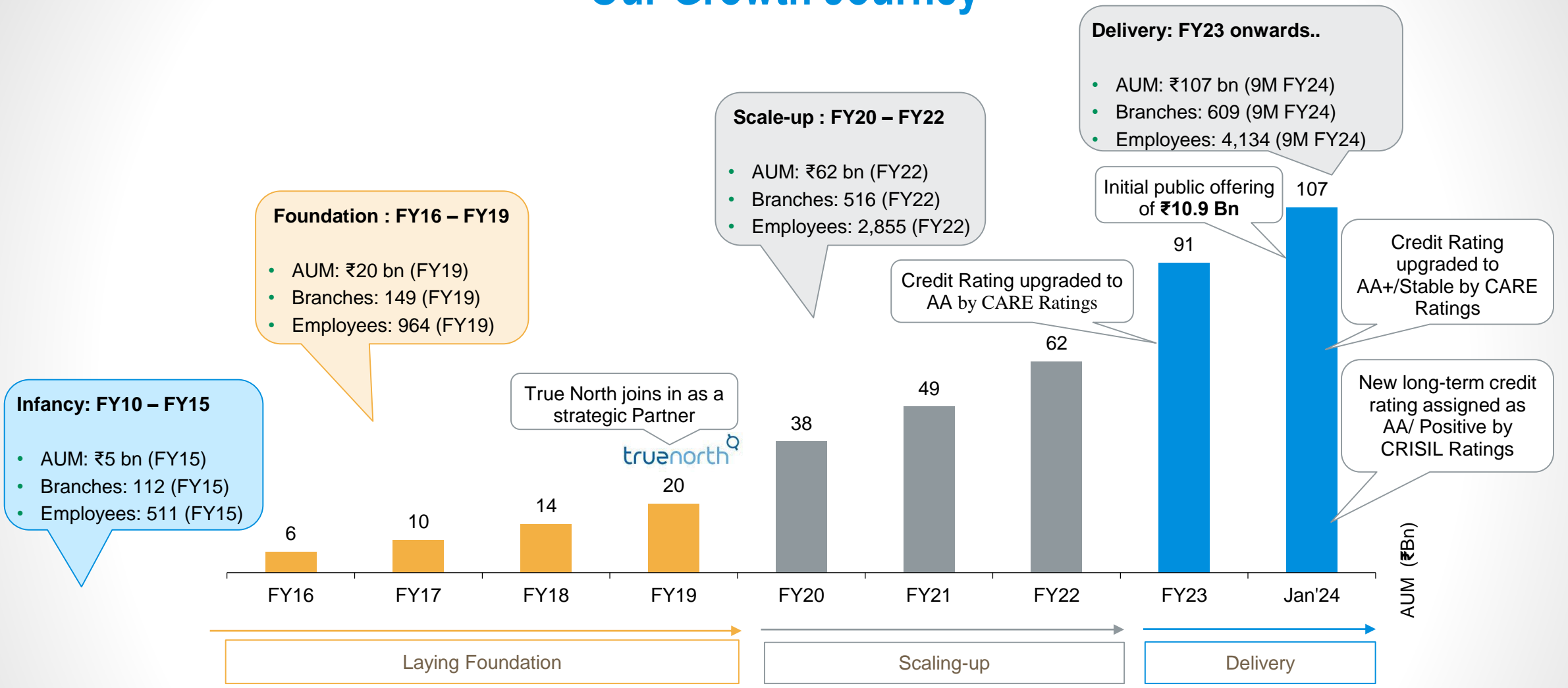
Shareholding Pattern - 30th December 2023



Top Institutional Shareholders : 30th December 2023

Investor Details	% Holding
Federal Bank Ltd	61.7
True North Fund VI LLP	8.8
SBI Life Insurance	2.5
Nuvama Private Investment Trust	1.9
Star Union Daichi Life Insurance	1.5
Blend Fund II	1.4
Yasya Investment Pvt. Ltd.	1.1

Our Growth Journey



Strong Growth trajectory over the years of operations

Transformational Journey - Over the years

	FY19		FY23
Operational Parameters			
No. of Branches	149	3.9 x	575
No. of Employees	964	3.7 x	3,570
Disbursement (₹ mn)	19,686	5.5 x	1,07,487
Disbursement per Branch p.a. (₹ mn)	132	1.4 x	187
Disbursement per Employee p.a. (₹ mn)	20	1.5 x	30
Financial Parameters (₹ mn)			
Asset Under Management	20,193	4.5 x	90,696
Total Assets	21,506	4.2 x	90,710
Net Worth	4,586	3.0 x	13,557
Total Revenue	2,555	4.7 x	12,147
Profit After Tax	361	5.0 x	1,801

Our Historical Performance

Particulars (in ₹Mn)	FY19	FY20	FY21	FY22	FY23	CAGR
Operational Information						
Branches (#)	149	303	359	516	575	
Disbursements	19,686	43,795	58,937	74,698	1,07,487	
AUM	20,193	38,382	48,624	61,872	90,696	46%
Employees (#)	964	1,890	2,125	2,855	3,570	
Financial Information						
Total Income	2,555	4,660	6,976	8,836	12,147	
Interest Expenses	1,139	2,011	3,132	3,477	4,722	
Net Interest Income	1,169	2,205	3,449	4,742	6,380	53%
Operating Expenses	876	1,875	2,362	3,129	4,352	
Credit Cost	32	214	712	839	489	
Exceptional Item	-	-	-	-	154	
Profit before tax	508	560	769	1,392	2,430	
Profit after tax	361	391	617	1,035	1,801	49%
Shareholder's Fund	4,586	6,912	8,347	11,535	13,557	
Book Value Per Share (₹)	19.9	25.3	28.8	35.9	42.1	
Ratios						
Cost to Income	61.9%	70.8%	61.5%	58.4%	58.6%	
Return on Average Assets	2.0%	1.3%	1.3%	1.7%	2.3%	
Return on Average Equity	10.1%	6.8%	8.1%	10.4%	14.4%	
Gross Stage 3 assets / Gross NPA	2.3%	1.4%	1.0%	2.2%	2.0%	
Net Stage 3 assets / Net NPA	1.9%	1.1%	0.7%	1.8%	1.6%	
CRAR	21.6%	17.9%	23.5%	23.0%	17.9%	

Our Vision & Values

Vision

Empower Emerging India with Easy Access to Loans

Values

Execution Excellence

- ✓ Clear Objectives
- ✓ Resource Optimization
- ✓ Adaptability
- ✓ Continuous Improvement



People Focus

- ✓ Empowerment
- ✓ Development Opportunities
- ✓ Recognition and Rewards
- ✓ Work-Life Integration



Integrity

- ✓ Transparency
- ✓ Accountability
- ✓ Building Trust
- ✓ Ethical Decisioning



Customer Centric

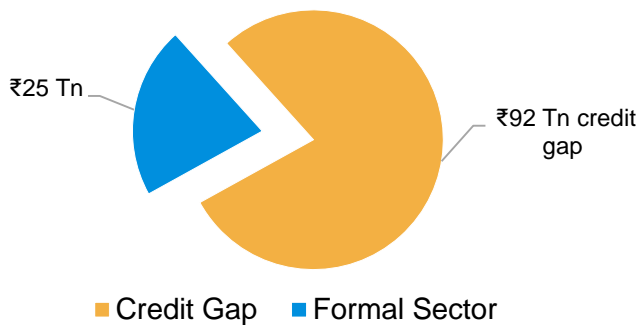
- ✓ Customer Goals
- ✓ Clear Communication
- ✓ Customer Support
- ✓ Seamless Experience



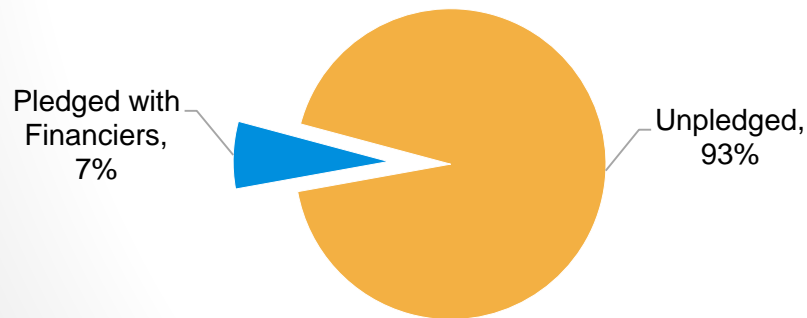
Opportunity and our Strengths

Opportunity*

MSME Credit Addressable Market

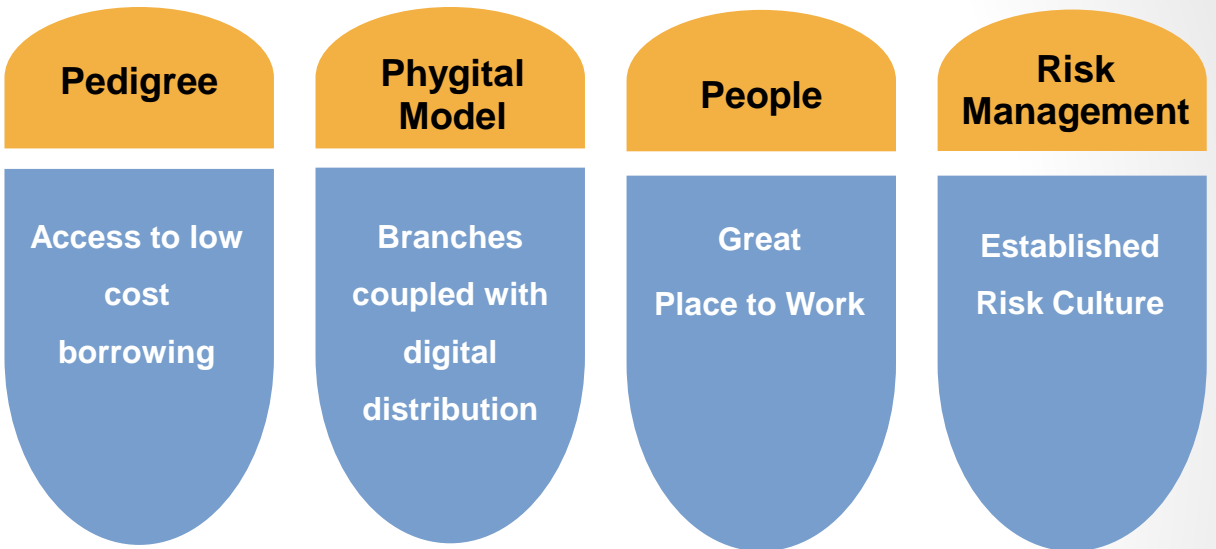


Household Gold



* from company, RHP

Core Strengths








Product Offerings

- Working Capital Loan Against Mortgaged Property
- Loan Against Pledged Gold
- Working Capital Business Loans






Our Product Suite

Secured Against Collateral





	Mortgage Loans	Gold Loan	Business Loan
 AUM (₹Mn) (% of total)	54,707 (51.1%)	34,036 (31.8%)	16,638 (15.5%)
 Avg. Ticket Size (₹ Mn)	2.0	0.1	2.4
 Disbursement (INR Mn) & (Origination Yield)	7,587 (14.8%)	22,239 (15.3%)	3,614 (17.7%)
 Average LTV	53.8%	70.7%	NA
 Underwriting	Assessed Income / Income Based	In-house Valuation	Income Based

Our Mortgage Business

Mortgage Loans

		Small Ticket LAP and HL	Medium Ticket LAP
	AUM (₹Mn) (% of total)	27,291 (25.5%)	27,416 (25.6%)
	Avg. Ticket Size (₹ Mn)	1.3	4.9
	Disbursement (INR Mn) & (Origination Yield)	4,172 (16.5%)	3,416 (12.7%)
	Average LTV	52.8%	55.1%
	Underwriting	Assessed Income	Income Based

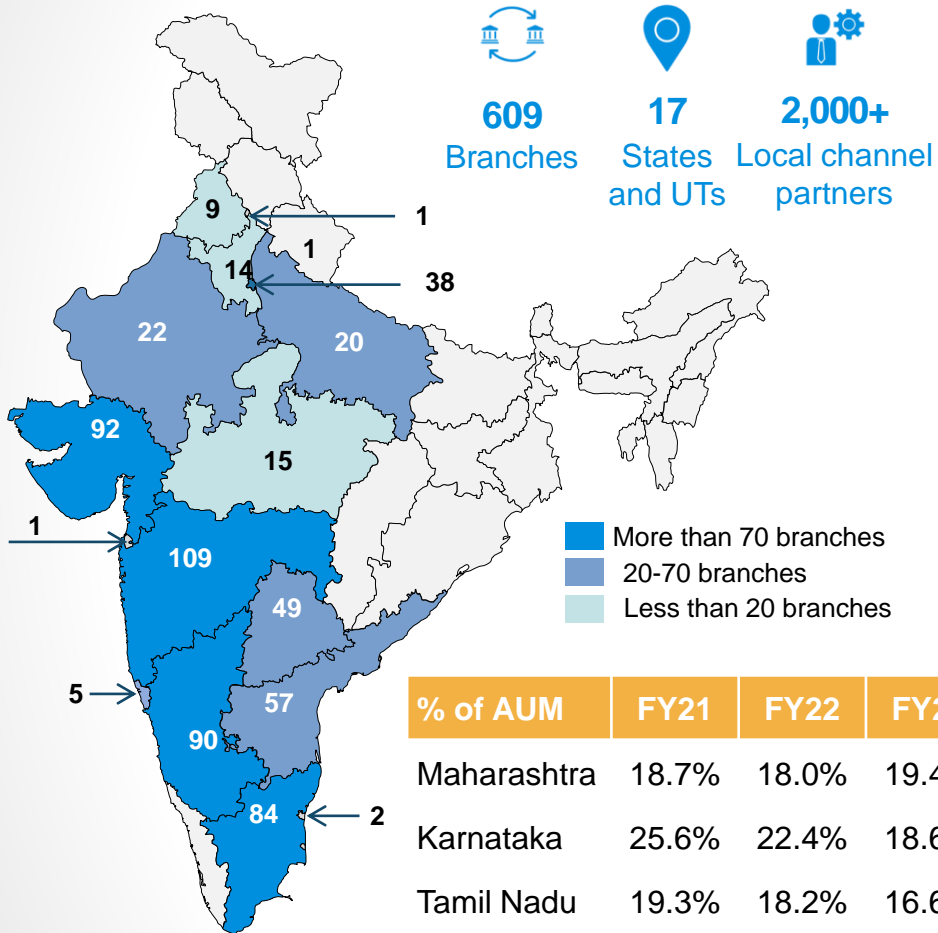
Our Underwriting Approach

Category	Small Ticket LAP	Medium Ticket LAP	Business Loan	Gold Loan
				
Customer Business	Food and Tea Stall	Retail Trading of Snacks and Savories	Trading and Installation of Industrial Electrical Products	Tailoring
Requirement	Expand his product offering and to renovate the store	Refurbish a few existing outlets and open 2 additional outlets	Purchase of raw materials	Purchase additional sewing machine & renovate the shop
Fedfina's Credit Assessment / Solutions	<ul style="list-style-type: none"> Business understanding Stock count Turnover assessment 	<ul style="list-style-type: none"> Stock count / turnover assessment Field visit and verification of records 	<ul style="list-style-type: none"> Initial assessment of cashflows Review of its GST returns Business analysis post-Covid 	<ul style="list-style-type: none"> Collateral Verification Quick processing and sanctioning of loan
Sanctioned Amount	₹1.6 mn	₹7.5 mn	₹3.0 mn	₹0.1 mn
LTV	55%	32%	NA	74%

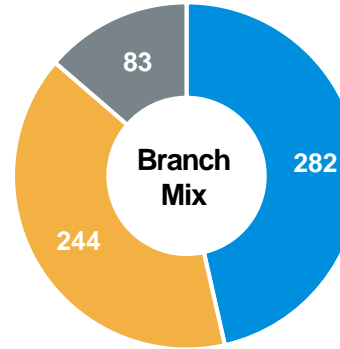
- 
- Who we are
 - **Our Franchise**
 - Financial Performance
 - Risk Management
 - Treasury & Funding

Growing Branch Footprint

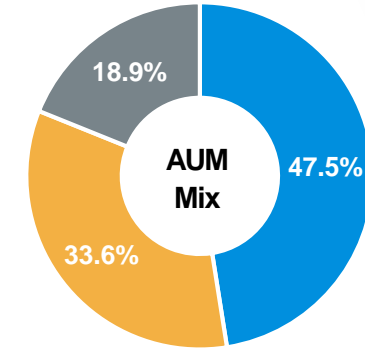
Comprehensive Branch Network...



% of AUM	FY21	FY22	FY23	Q3'24
Maharashtra	18.7%	18.0%	19.4%	20.5%
Karnataka	25.6%	22.4%	18.6%	17.0%
Tamil Nadu	19.3%	18.2%	16.6%	15.7%
Top 3 states	63.6%	58.6%	54.6%	53.2%

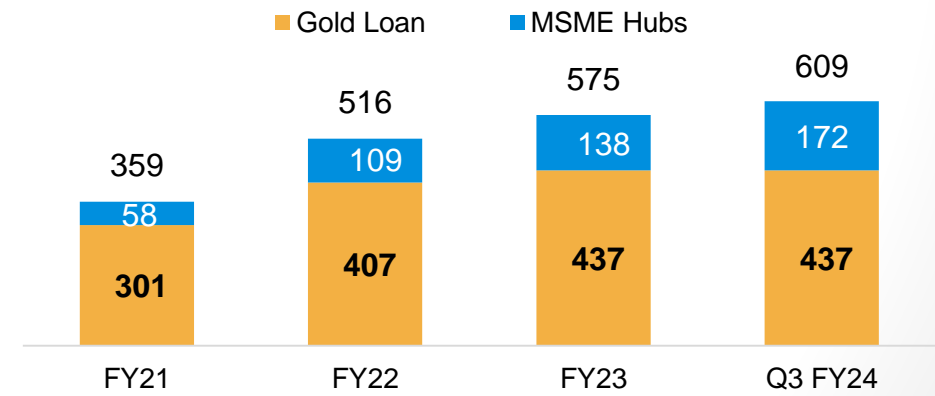


■ South ■ West ■ North



■ South ■ West ■ North

Branch Expansion

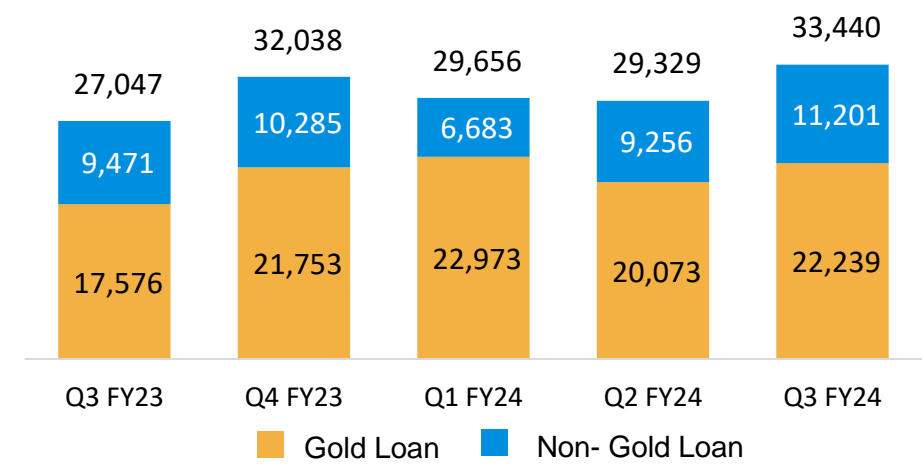
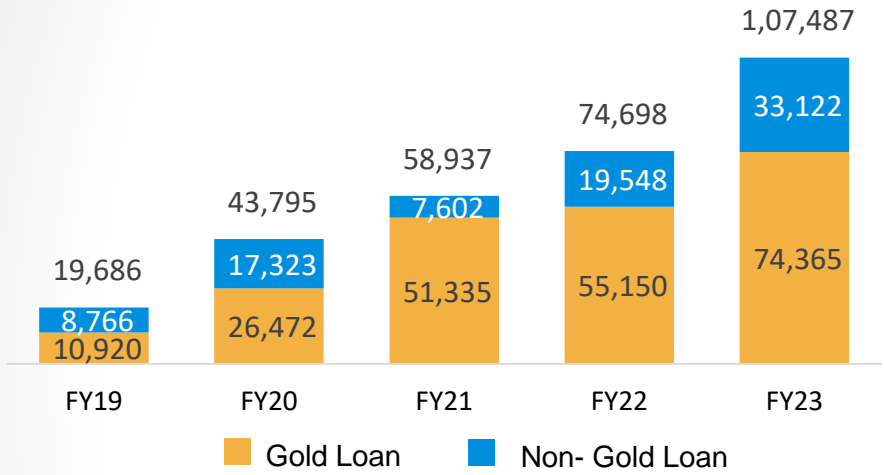


Growing Disbursements & AUM

₹ Mn

Disbursements

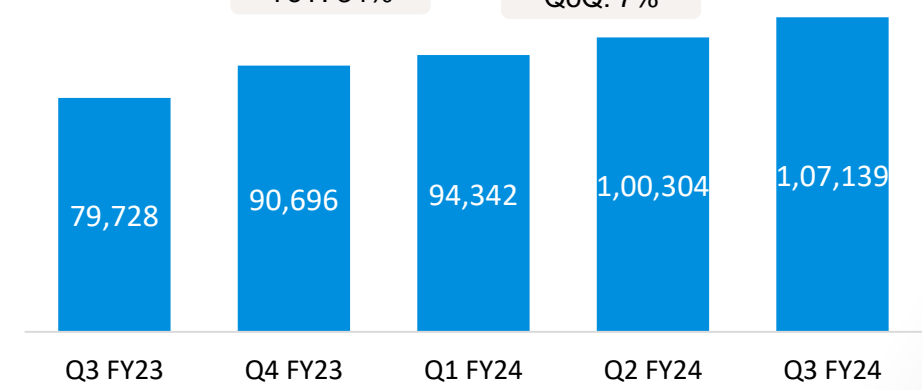
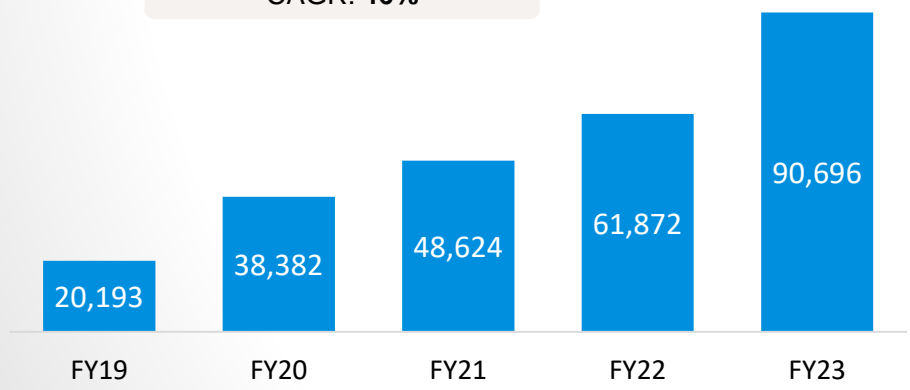
YoY: 24% QoQ: 14%



AUM

YoY: 34% QoQ: 7%

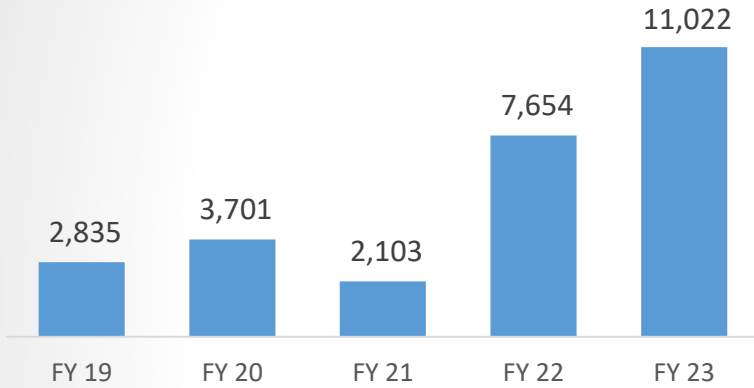
CAGR: 46%



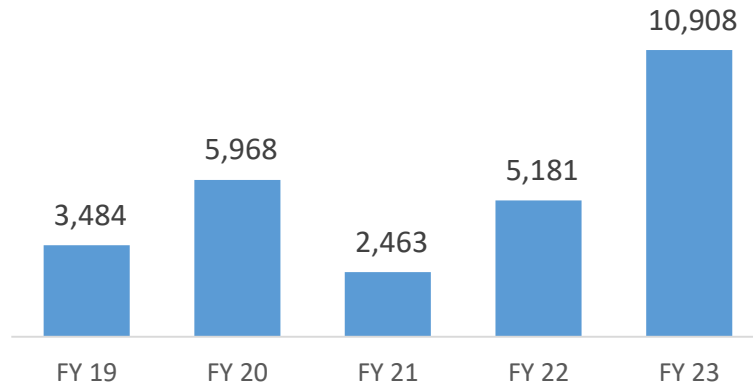
Growing Installment Loans Disbursements

₹ Mn

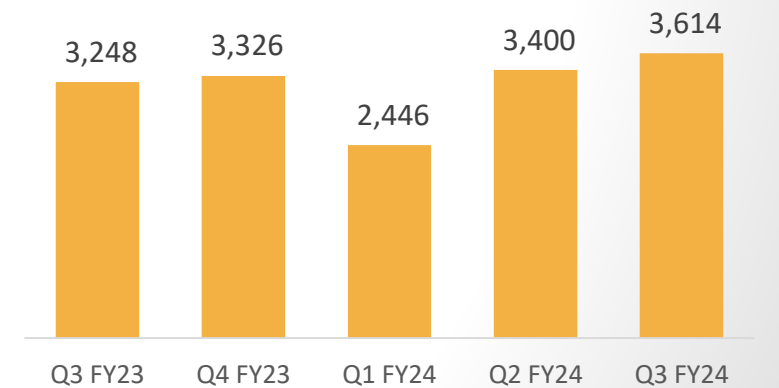
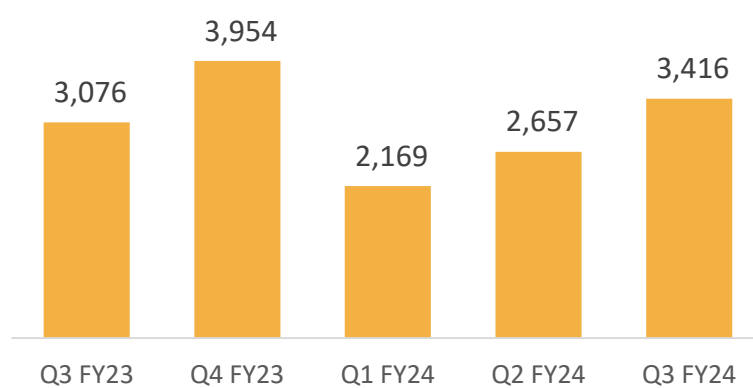
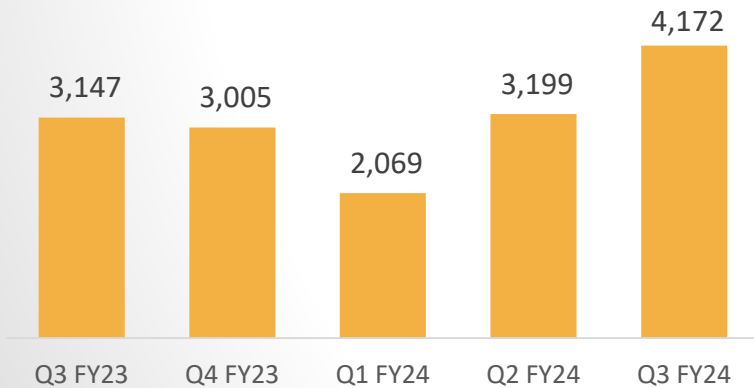
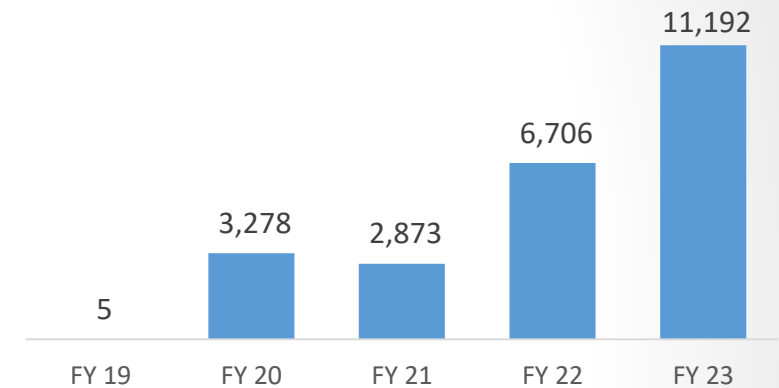
Small Ticket LAP & HL



Medium Ticket LAP

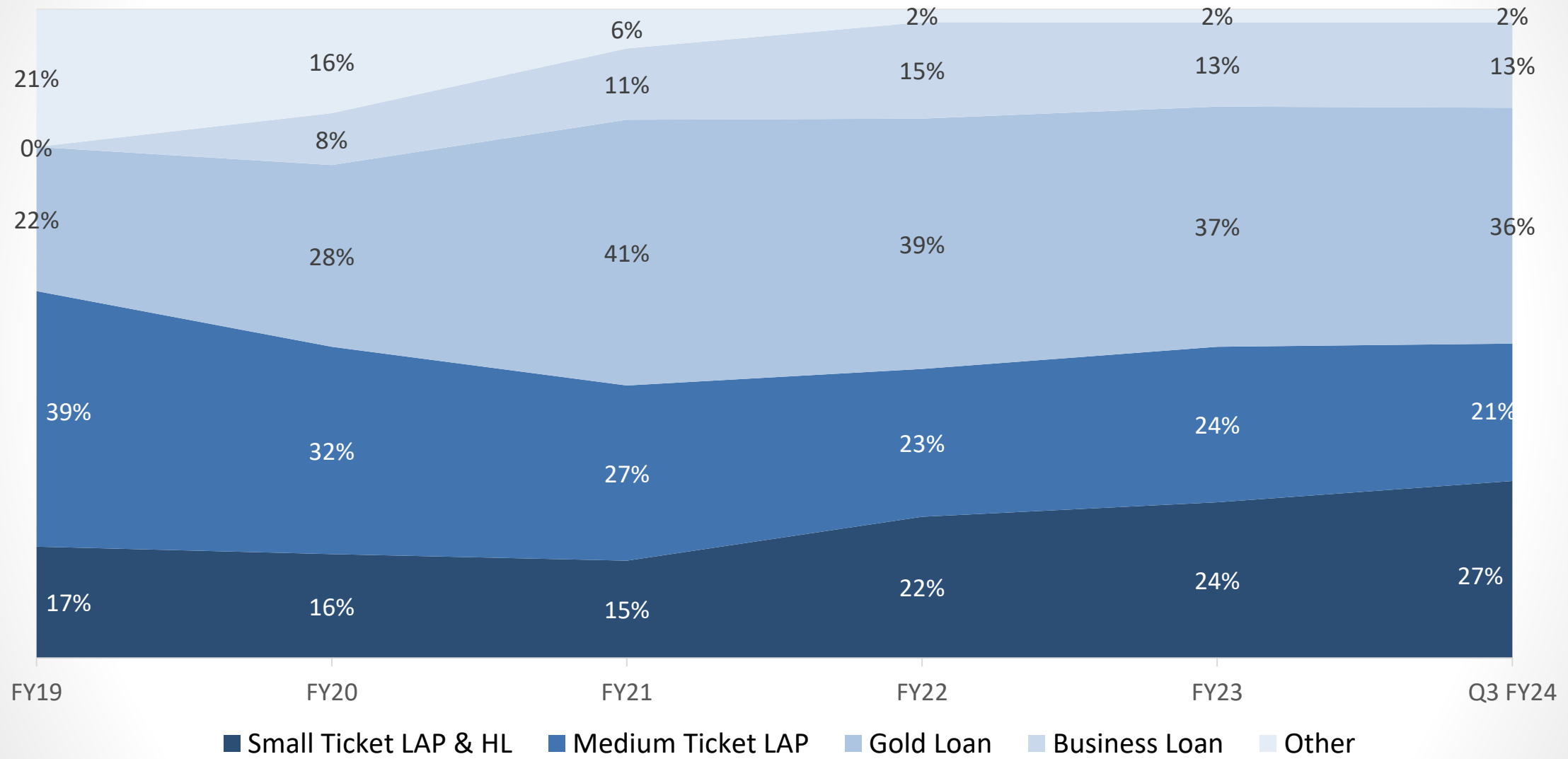


Business Loans

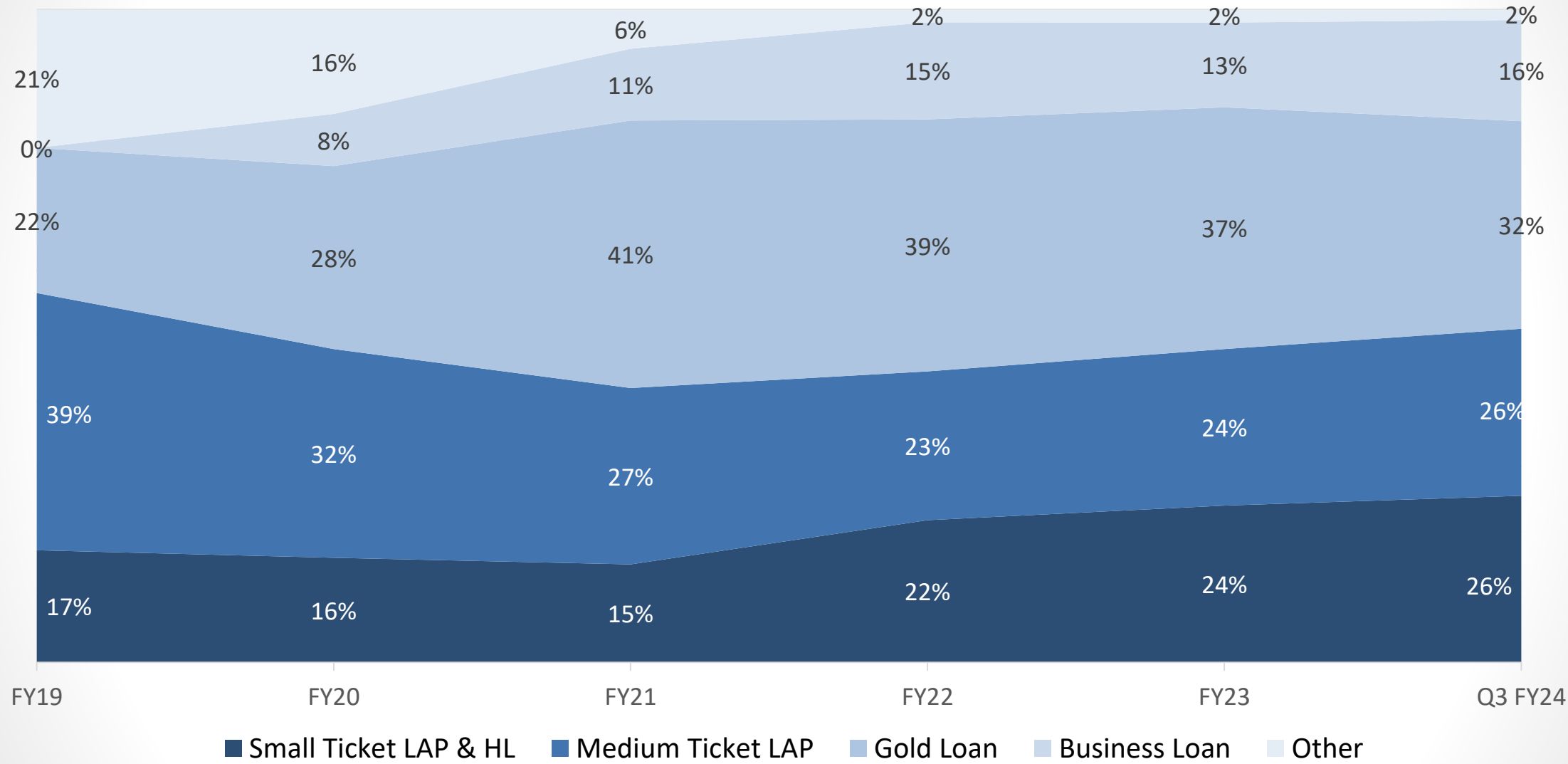


Installment Loans includes Medium Ticket LAP, Small Ticket LAP, Housing Loans and Business Loans

AUF Mix by Products



AUM Mix by Products



Off-Book Strategy

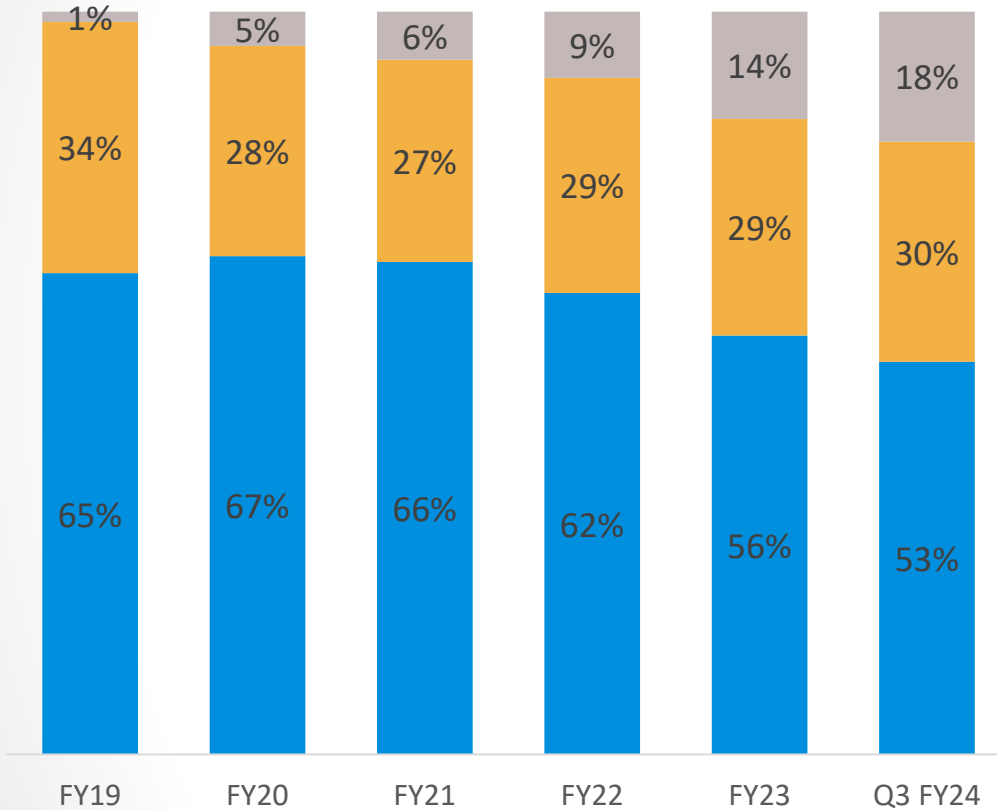
₹ Mn

Product	AUM			AUF			Off Book %		
	Q3'24	Q2'24	Q3'23	Q3'24	Q2'24	Q3'23	Q3'24	Q2'24	Q3'23
Mortgage	54,707	50,062	39,802	43,079	40,245	34,823	21.3%	19.6%	12.5%
Gold Loan	34,036	32,694	26,106	32,271	32,694	26,106	5.2%	0.0%	0.0%
Business Loan	16,638	16,047	12,764	11,389	11,750	11,047	31.5%	26.8%	13.5%
Others	450	459	555	450	459	555	0.0%	0.0%	0.0%
Total[^]	1,07,139	1,00,304	79,728	88,498	86,191	73,018	17.4%	14.1%	8.4%

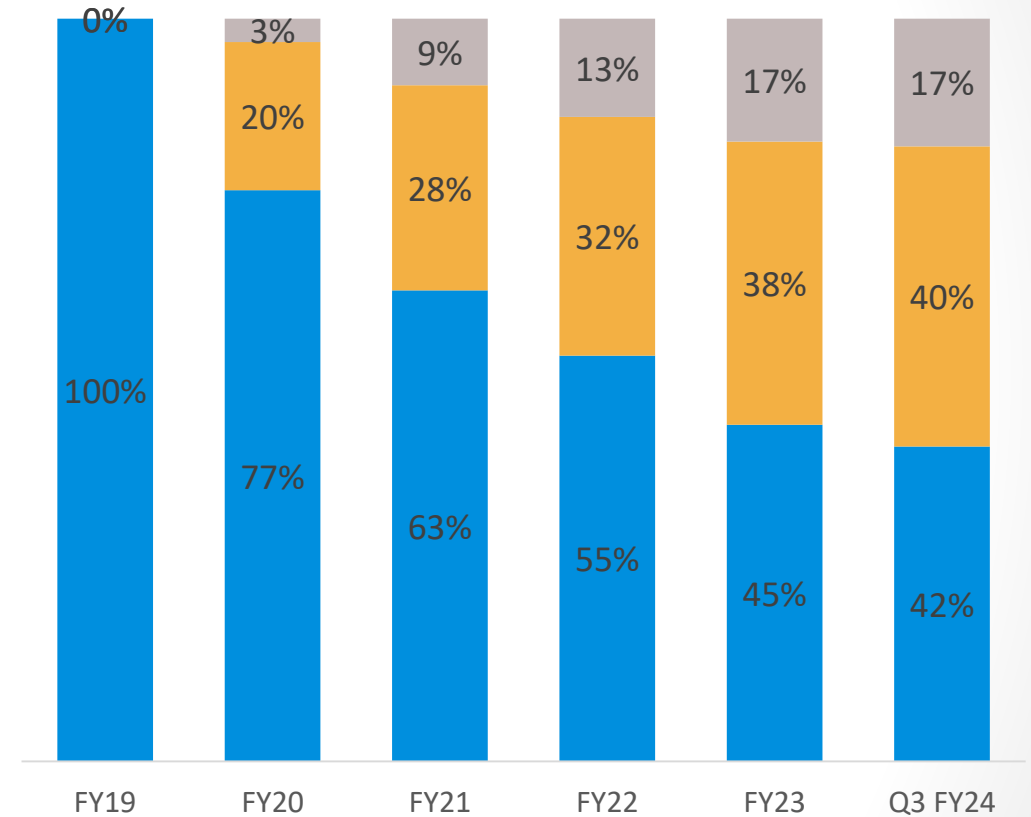
[^]Total includes INDAS accounting adjustments

AUM Mix by Region

Mortgage Loan



Gold Loan



■ South ■ West ■ North

Mortgage Loans includes medium Ticket LAP, Small Ticket LAP and Housing Loans

- 
- Who we are
 - Our Franchise
 - **Financial Performance**
 - Risk Management
 - Treasury & Funding

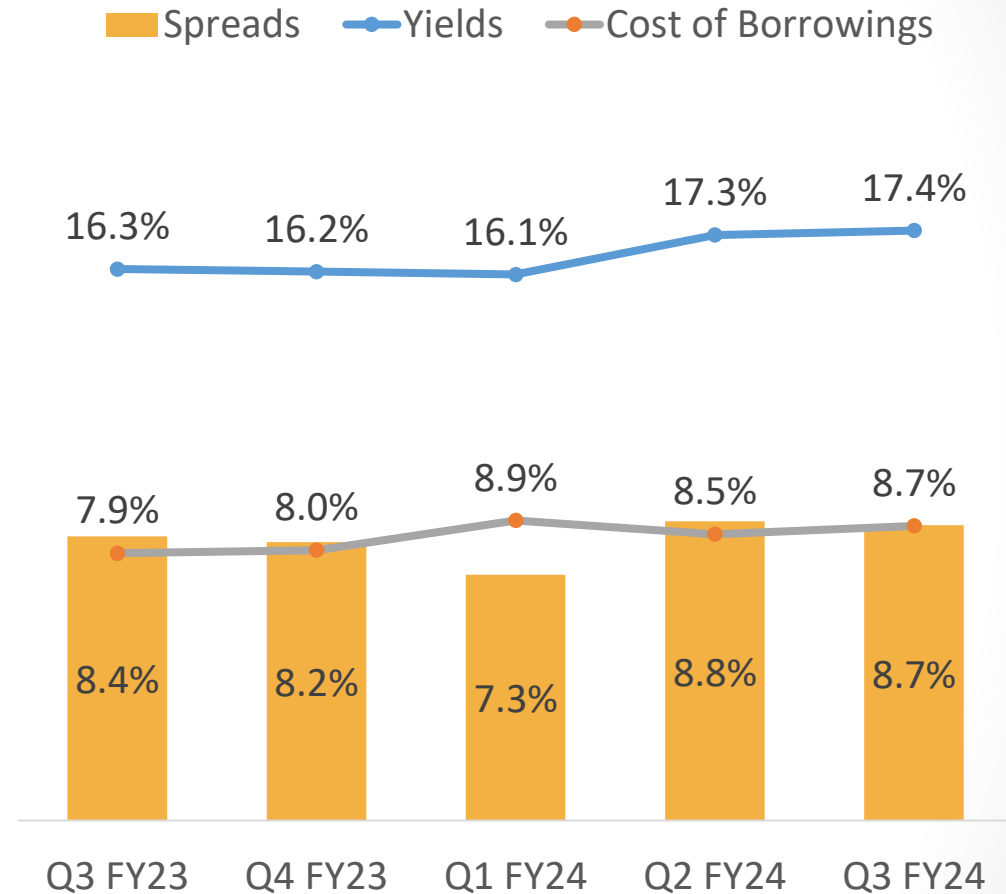
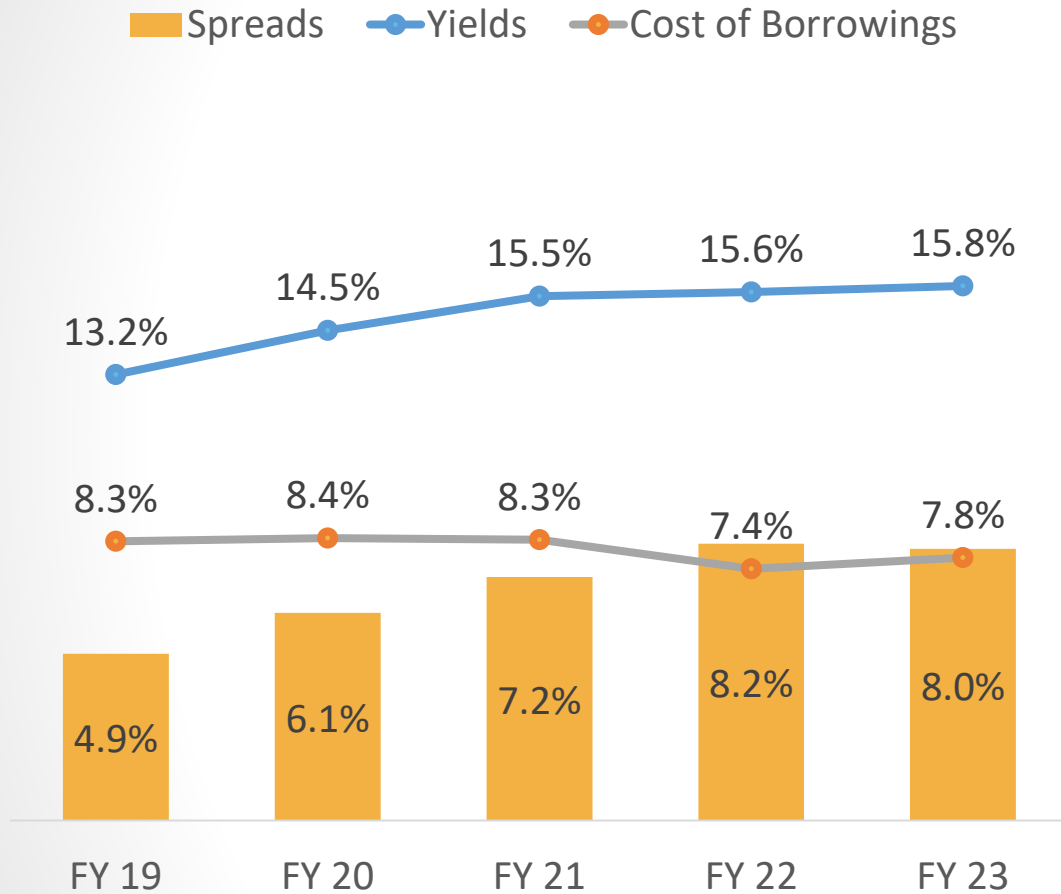
Financials

₹ Mn

Particulars	Q3 FY24	Q2 FY24	Q3 FY23
Operational Information			
Branches (#)	609	607	571
Disbursements	33,441	29,329	27,047
AUM	1,07,139	1,00,304	79,728
Employees (#)	4,134	3,970	3,481
Financial Information			
Total Income	4,294	3,980	3,189
Interest Expenses	1,758	1,669	1,252
Net Interest Income	2,166	2,073	1,654
Operating Expenses	1,432	1,389	1,171
Credit Cost	227	148	104
Profit before tax	878	774	663
Profit after tax	654	578	512
Shareholder's Fund	21,637	14,963	13,102
Book Value Per Share (₹)	58.6	46.2	40.7
Ratios			
Cost to Income	56.5%	60.1%	60.4%
Return on Average Assets	2.5%	2.4%	2.6%
Return on Average Equity	14.3%	15.9%	15.9%
Gross Stage 3 assets / Gross NPA	2.2%	2.3%	2.4%
Net Stage 3 assets / Net NPA	1.7%	1.8%	2.0%
CRAR	25.8%	19.7%	18.7%

ROA and ROE numbers are annualized

Improving Spreads



All quarterly numbers are annualized

Balance Sheet

₹ Mn

Balance Sheet	Q3 FY24	Q2 FY24	Q3 FY23	QoQ	YoY	FY 23	FY 22
Assets							
Cash & Cash Equivalents & Other bank Balance	10,967	9,226	6,249			946	1,426
Loans	87,449	85,204	71,952			79,997	56,448
Investments	4,794	3,567	5,220			6,806	5,143
Other Financial Assets & Receivables	1,155	848	381			841	275
Non-Financial Assets	2,174	2,207	2,290			2,120	2,265
Total Assets	1,06,539	1,01,052	86,092	5%	24%	90,710	65,557
Liabilities & Equity							
Share Capital	3,690	3,239	3,219			3,219	3,215
Reserves & Surplus	17,947	11,724	9,883			10,338	8,320
Shareholder's Fund	21,637	14,963	13,102	45%	65%	13,557	11,535
Borrowings	79,889	81,525	68,934			71,358	50,168
Other Liabilities and Provisions	5,014	4,563	4,057			5,795	3,854
Total Liabilities & Equity	1,06,539	1,01,052	86,092	5%	24%	90,710	65,557

P&L Statement

₹ Mn

Profit & Loss Statement	Q3 FY24	Q2 FY24	Q3 FY23	QoQ	YoY	FY 23	FY 22
Interest Income	3,759	3,560	2,839			10,754	8,149
Net Gain on Direct Assignment	165	182	66			348	70
Other Income	371	237	284			1,045	618
Total Income	4,294	3,980	3,189			12,147	8,836
Interest Expenses	1,758	1,669	1,252			4,722	3,477
Net Interest Income	2,166	2,073	1,654	5%	31%	6,380	4,742
Net Total Income	2,537	2,310	1,937			7,425	5,360
Operating Expenses	1,432	1,389	1,171			4,352	3,129
Operating Profit	1,105	922	767	20%	44%	3,073	2,231
Credit Cost	227	148	104			489	839
Profit Before Tax	878	774	663			2,430	1,392
Tax Expense	224	196	151			629	358
Profit After Tax	654	578	512	13%	28%	1,801	1,035

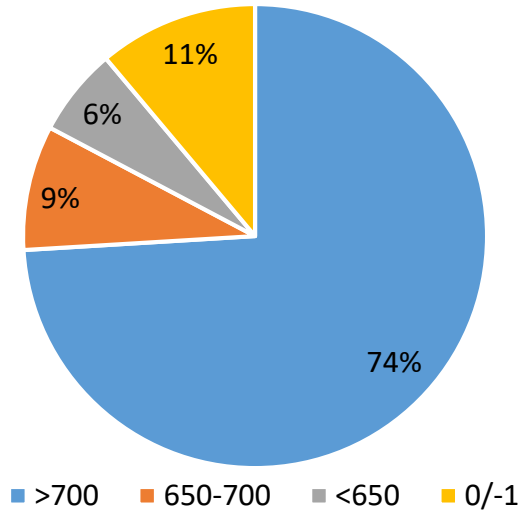
RoA Tree

RoA Tree	Q3 FY24	Q2 FY24	Q3 FY23	FY 23	FY 22
Interest Income / Average total assets	14.5%	14.6%	14.2%	13.8%	13.6%
Net Gain on DA / Average total Assets	0.6%	0.7%	0.3%	0.4%	0.1%
Other Income / Average total assets	1.4%	1.0%	1.4%	1.3%	1.0%
Total Income / Average total assets	16.5%	16.3%	15.9%	15.5%	14.7%
Interest Expenses / Average total assets	6.8%	6.8%	6.2%	6.0%	5.8%
Net Interest Income / Average total assets	8.3%	8.5%	8.3%	8.2%	7.9%
Net Total Income / Average total assets	9.8%	9.5%	9.7%	9.5%	8.9%
Operating Expenses / Average total assets	5.5%	5.7%	5.8%	5.6%	5.2%
Operating Profit / Average total assets	4.3%	3.8%	3.8%	3.9%	3.7%
Credit Cost / Average total assets	0.9%	0.6%	0.5%	0.6%	1.4%
Profit before tax / Average total assets	3.4%	3.2%	3.3%	3.1%	2.3%
Tax expense / Average total assets	0.9%	0.8%	0.8%	0.8%	0.6%
Profit after tax on Average total assets	2.5%	2.4%	2.6%	2.3%	1.7%
Average total assets / Average Shareholders' Fund	5.7	6.7	6.2	6.2	6.0
Profit after tax on Average Shareholders' Fund (ROE)	14.3%	15.9%	15.9%	14.4%	10.4%
Average interest earning assets as % of Average total assets	96.9%	97.0%	96.9%	96.7%	96.1%
Average interest bearing liabilities as % of Average total assets	75.0%	80.7%	80.1%	79.6%	76.5%

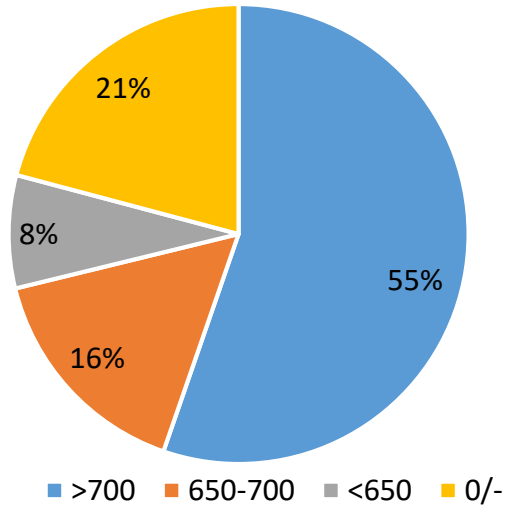
- 
- Who we are
 - Our Franchise
 - Financial Performance
 - **Risk Management**
 - Treasury & Funding

Quality of the Book

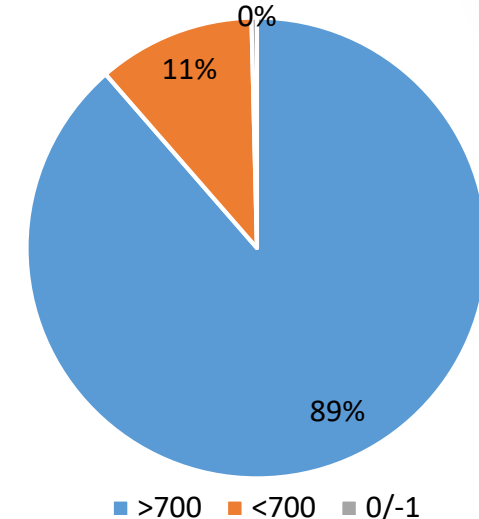
Over 80% AUM from customers with CIBIL >650^{1,2}



Medium Ticket LAP



Small Ticket LAP & HL



Business Loan

Granular loan book with high quality collateral

84%
AUM secured collateral
Either customer property or Gold

79.4%
Mortgage AUM secured by self
occupied residential/ commercial
property

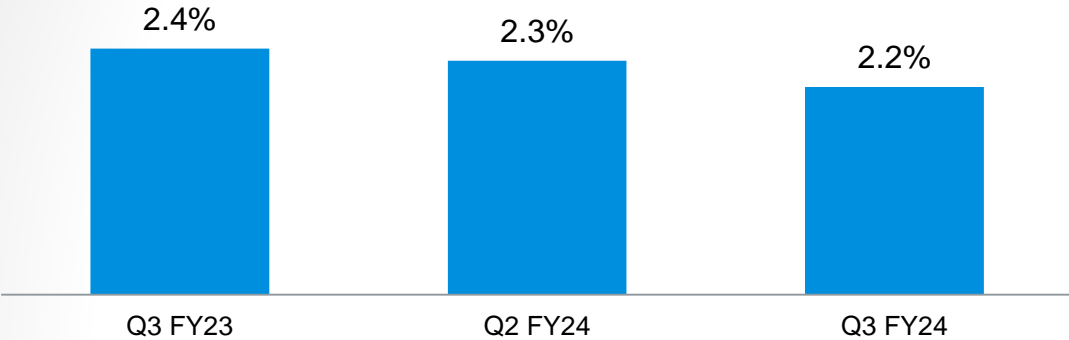
₹ 2.1 mn
Average ticket size for Retail
Installment loan

¹ Pertains to retail installment loans;

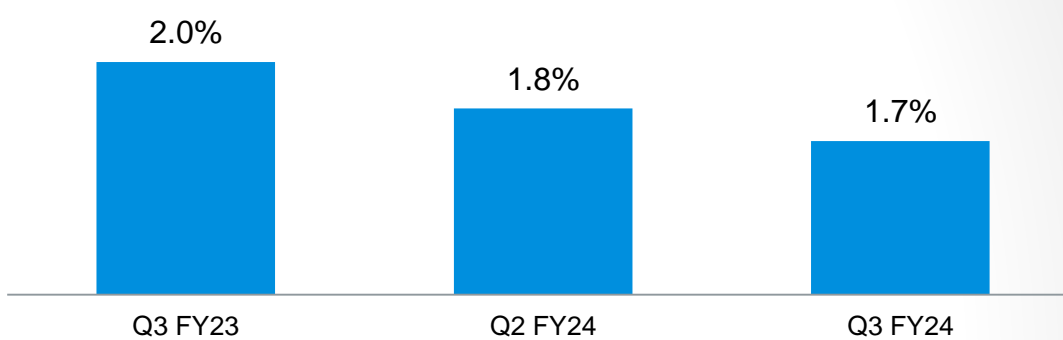
² >650 & >700 range is combination of score >650 /700 and CMR <=6

Portfolio Quality Indicators (1/2)

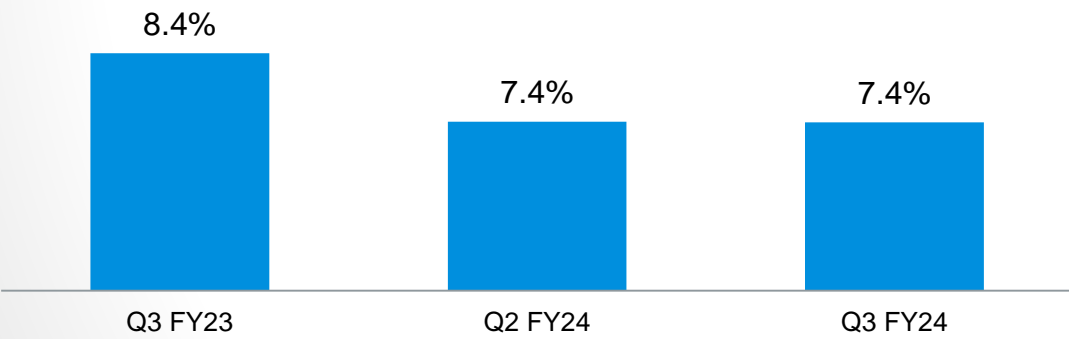
Gross NPA %



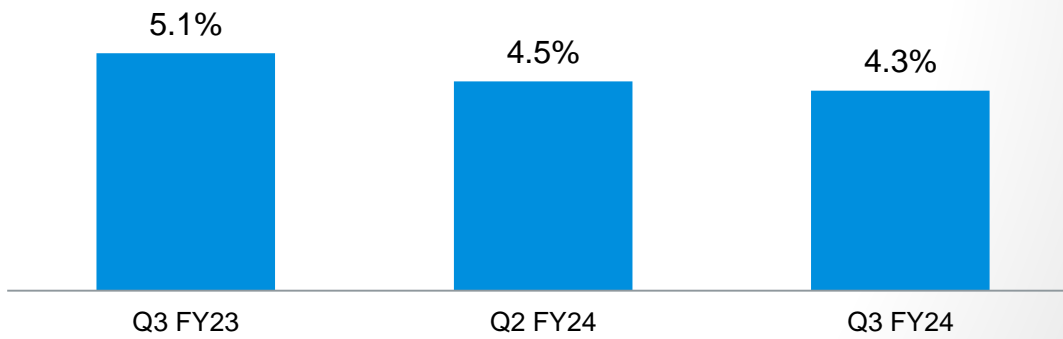
Net NPA %



1+ DPD* %



30+ DPD* %



* 1+ DPD and 30+ DPD are for non Gold Loan portfolio

Portfolio Quality Indicators (2/2)

₹ Mn

Particulars	Q3FY24				Gross Stage 3 %			Net Stage 3 %		
	AUF	Gross Stage 3	Net Stage 3	PCR (%)	Q3FY24	Q2FY24	Q3FY23	Q3FY24	Q2FY24	Q3FY23
Mortgage	43,079	1,191	926	22.2%	2.8%	3.0%	2.9%	2.2%	2.5%	2.4%
Gold Loan	32,271	249	227	8.9%	0.8%	0.9%	1.5%	0.7%	0.8%	1.5%
Business Loan	11,389	57	22	62.3%	0.5%	0.5%	0.3%	0.2%	0.2%	0.1%
Others	450	442	289	34.6%	98.3%	96.5%	59.1%	97.4%	94.7%	45.0%
Total^	88,498	1,939	1,464	24.5%	2.2%	2.3%	2.4%	1.7%	1.8%	2.0%

^Total includes accounting adjustments

Expected Credit Loss

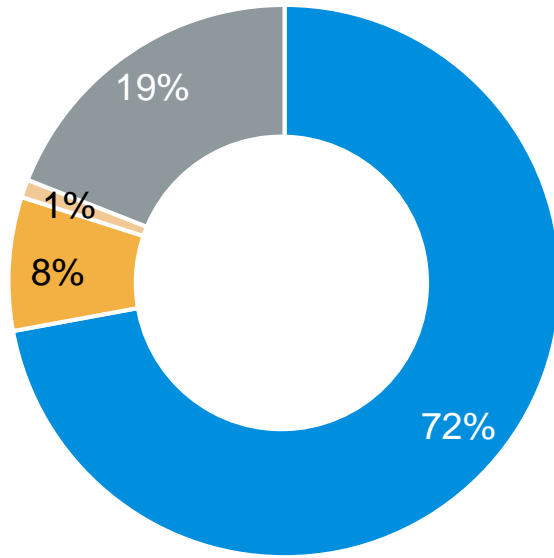
₹ Mn

Particulars	Q3FY24	Q2FY24	Q3FY23	FY22	FY23
Gross Stage 1					
Assets	82,831	80,574	67,074	51,311	75,690
% of total loan assets	94%	93.5%	91.9%	89.1%	93.3%
ECL provision	359	355	273	253	317
ECL provision % of assets	0.4%	0.4%	0.4%	0.5%	0.4%
Gross Stage 2					
Assets	3,728	3,596	4,182	5,012	3,767
% of total loan assets	4%	4.2%	5.7%	8.7%	4.6%
ECL provision	397	319	452	625	422
ECL provision % of assets	10.6%	8.9%	10.8%	12.5%	11.2%
Gross Stage 3					
Assets	1,939	2,021	1,761	1,286	1,645
% of total loan assets	2%	2.3%	2.4%	2.2%	2.0%
ECL provision	475	455	341	284	365
ECL provision % of assets	24.5%	22.5%	19.4%	22.1%	22.2%
Total assets	88,498	86,191	73,018	57,609	81,102
Total ECL provision	1,231	1,129	1,066	1,161	1,105
Total ECL provision % of total assets	1.4%	1.3%	1.5%	2.0%	1.4%

- 
- Who we are
 - Our Franchise
 - Financial Performance
 - Risk Management
 - **Treasury & Funding**

Sources of Funding

Diversified Funding Profile



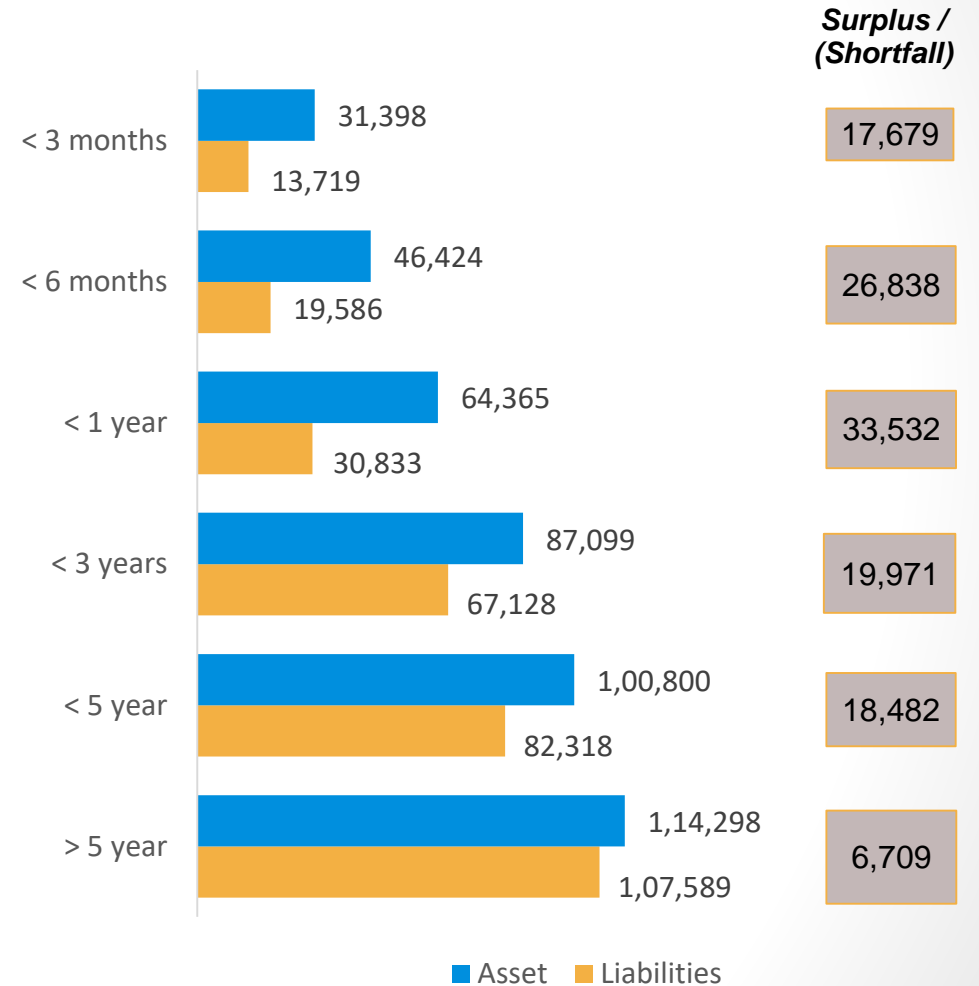
- Terms Loans
- NCDs
- Commercial Papers
- Direct Assignment

Credit Rating

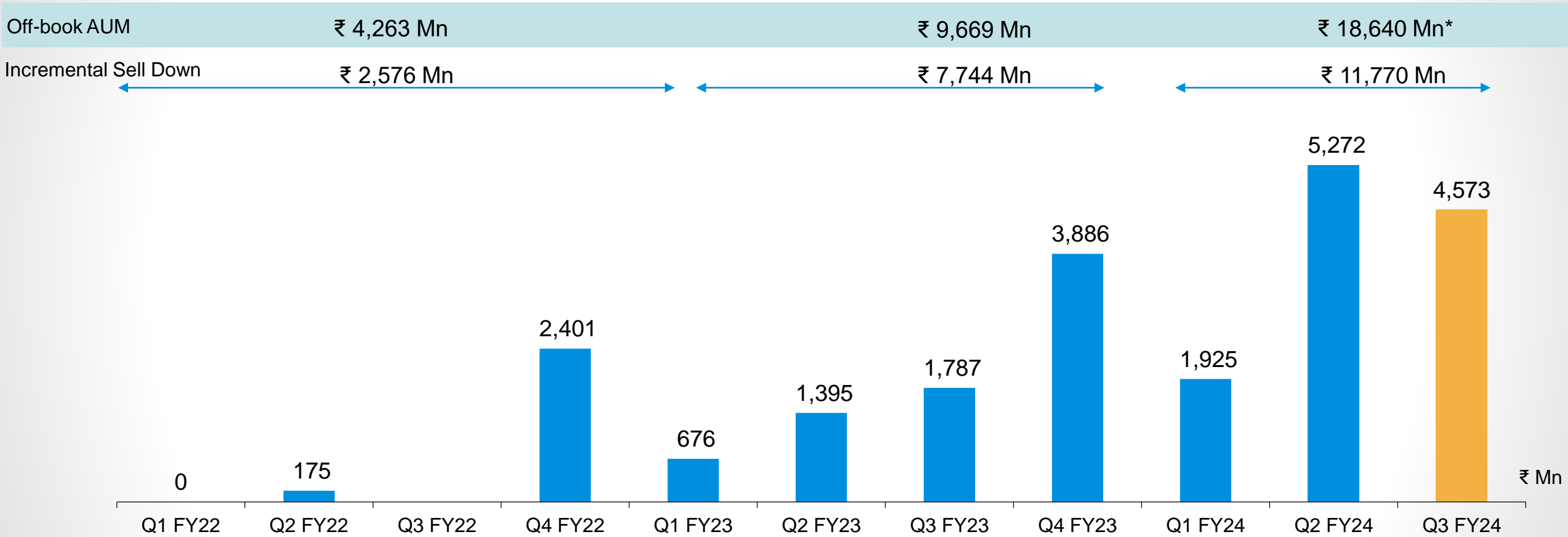
CRISIL	CARE	India Ratings	Short Term Rating*
AA /positive	AA+;Stable	AA- / positive	A1+

* Our CPs are rated A1+ by CRISIL and ICRA Ltd.

ALM Position as on 31st December 2023
(Cumulative) ₹ Mn



Net Securitization Volume



* includes ₹1,764 mn of co-lending AUM for gold loans in Q3 FY24

A stylized graphic of a hand with five fingers, rendered in shades of blue and grey. The hand is positioned on the left side of the slide, with the fingers pointing towards the center. The palm area is composed of several overlapping diamond shapes in light grey, light blue, and light beige.

THANK YOU

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