

SD/ F24/57/2020-21

July 15, 2020

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

Dear Sir,

Sub: Outcome of the Board Meeting held on July 15, 2020

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sending herewith the Unaudited Financial Results of the Bank for the quarter ended June 30, 2020 (both standalone and consolidated) along with Limited Review Report issued by the Joint Central Statutory Auditors of the Bank, which were reviewed and recommended by Audit Committee of the Board and duly approved by the Board of Directors at their respective meetings held today.

The Board Meeting commenced at 11.00 am and concluded at 14.35 pm.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For The Federal Bank Limited

Samir P Rajdev
Company Secretary

Encl: As Above

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Limited review report on the unaudited quarterly standalone financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
The Federal Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of The Federal Bank Limited (the 'Bank') for the quarter ended 30 June 2020 (the 'Statement'), except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations", and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 9 to the Statement and have not been reviewed by us. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in this Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
4. The Statement incorporate the relevant returns of 80 Branches and Treasury Branch reviewed by either of us and un-reviewed returns in respect of 1,183 branches. The Branches reviewed by us cover 51.82% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 50.22% of non-performing advances of the Bank.

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Limited review report on the unaudited quarterly standalone financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
6. As more fully described in Note 10 to the Statement, the Bank has recognized provision on certain loans that were though overdue but standard as at 29 February 2020, for which moratorium benefit has been granted, based on the days past due status as on that date in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

Further, as more fully described in Note 10 to the Statement, the extent to which the COVID-19 pandemic will have impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion on the Statement is not modified in respect of the above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022

For **M.M. Nissim & Co.**
Chartered Accountants
Firm's Registration No: 107122W

Akeel Master
Partner
Membership No: 046768
ICAI UDIN: 20046768AAAAY7910

Varun P. Kothari
Partner
Membership No: 115089
ICAI UDIN: 20115089AAAAYKZ1900

Mumbai
15 July 2020

Mumbai
15 July 2020

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020
(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited (Refer Note 11 below)	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	344,415	339,684	322,930	1,321,075
(a) Interest/discount on advances/bills	270,598	272,435	260,608	1,067,087
(b) Income on investments	60,612	56,529	55,523	218,407
(c) Interest on balances with Reserve Bank of India and other inter bank funds	7,067	4,686	1,972	13,996
(d) Others	6,138	6,034	4,827	21,585
2. Other income	48,837	71,111	39,152	193,141
3. TOTAL INCOME (1+2)	393,252	410,795	362,082	1,514,216
4. Interest expended	214,771	218,083	207,513	856,185
5. Operating expenses (i)+(ii)	85,243	96,780	76,293	337,561
(i) Employees cost	49,585	51,906	39,784	177,236
(ii) Other operating expenses	35,658	44,874	36,509	160,325
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	300,014	314,863	283,806	1,193,746
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	93,238	95,932	78,276	320,470
8. Provisions (other than tax) and contingencies	39,462	56,750	19,204	117,217
9. Exceptional items	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	53,776	39,182	59,072	203,253
11. Tax expense	13,699	9,059	20,651	48,975
12. Net Profit from Ordinary Activities after tax (10-11)	40,077	30,123	38,421	154,278
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit for the period (12-13)	40,077	30,123	38,421	154,278
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,875	39,853	39,720	39,853
16. Reserves excluding Revaluation Reserve				1,411,407
17. Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)				
Under Basel III	14.17	14.35	14.10	14.35
(iii) Earnings per Share (EPS) (in ₹)				
(a) Basic EPS (before and after extra ordinary items)	2.01*	1.51*	1.94*	7.76
(b) Diluted EPS (before and after extra ordinary items)	2.01*	1.50*	1.92*	7.70
(iv) NPA Ratios				
a) Gross NPA	365,559	353,083	339,469	353,083
b) Net NPA	147,746	160,717	167,282	160,717
c) % of Gross NPA	2.96	2.84	2.99	2.84
d) % of Net NPA	1.22	1.31	1.49	1.31
(v) Return on Assets (%)	0.22*	0.17*	0.24*	0.94

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited (Refer Note 11 below)	Unaudited	Audited
Segment Revenue:				
Treasury	93,782	76,986	54,347	226,846
Corporate/Wholesale Banking	115,894	120,584	123,565	489,365
Retail Banking	183,576	213,225	184,170	798,005
Other Banking operations	-	-	-	-
Unallocated	-	-	-	-
Total Revenue	393,252	410,795	362,082	1,514,216
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	393,252	410,795	362,082	1,514,216
Segment Results (net of provisions):				
Treasury	42,628	23,436	9,550	41,518
Corporate/Wholesale Banking	(8,149)	(18,899)	18,245	17,058
Retail Banking	19,299	34,841	31,277	145,113
Other Banking operations	-	-	-	-
Unallocated	(2)	(196)	-	(436)
Profit before tax	53,776	39,182	59,072	203,253
Segment Assets				
Treasury	4,219,642	3,787,323	3,029,635	3,787,323
Corporate/Wholesale Banking	7,013,384	7,056,243	6,685,002	7,056,243
Retail Banking	6,529,646	6,480,887	5,719,248	6,480,887
Other Banking operations	-	-	-	-
Unallocated	819,363	739,352	599,926	739,352
Total	18,582,035	18,063,805	16,033,811	18,063,805
Segment Liabilities				
Treasury	1,396,438	1,627,269	1,316,979	1,627,269
Corporate/Wholesale Banking	1,227,165	1,258,540	1,046,425	1,258,540
Retail Banking	14,227,797	13,458,149	12,081,947	13,458,149
Other Banking operations	-	-	-	-
Unallocated	238,354	268,086	222,297	268,086
Total	17,089,754	16,612,044	14,667,648	16,612,044
Capital employed:				
(Segment Assets - Segment Liabilities)				
Treasury	2,823,204	2,160,054	1,712,656	2,160,054
Corporate/Wholesale Banking	5,786,219	5,797,703	5,638,577	5,797,703
Retail Banking	(7,698,151)	(6,977,262)	(6,362,699)	(6,977,262)
Other Banking operations	-	-	-	-
Unallocated	581,009	471,266	377,629	471,266
Total	1,492,281	1,451,761	1,366,163	1,451,761

@ For the above segment reporting, the reportable segments are identified as Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.

Notes:

- The above Standalone Unaudited Financial Results for the quarter ended June 30, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 15, 2020. These Results have been subjected to "Limited review" by the Statutory Central Auditors of the Bank and an unqualified review report has been issued.
- The Bank has followed the same significant accounting policies in the preparation of the interim financial results as those followed in the annual financial statements for the year ended March 31, 2020.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended June 30, 2020, has revised the basis of preparation of segment information on a direct identification basis with the aid of Internal Transfer pricing mechanism for more appropriate presentation of the segment results. Accordingly, figures for the previous periods have been regrouped / reclassified to conform to current period's classification.

The change in segment information has no impact on the overall Revenue, Results, and Capital employed of the bank for the quarter ended June 30, 2020 or the previous periods/year. However, had the Bank continued the same method of preparation of segment information as was adopted in previous periods, the segment revenue, segment results, segment assets, segment liabilities and capital employed would have been Decreased / (Increased) by:

Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(7,235)	(25,250)	(18,617)	(87,363)
Corporate/Wholesale Banking	(16,485)	(18,943)	(24,516)	(72,962)
Retail Banking	26,964	51,906	48,839	188,733
Other Banking operations	(3,244)	(7,713)	(5,706)	(28,408)
Unallocated	-	-	-	-

Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(207)	(15,597)	(5,902)	(40,682)
Corporate/Wholesale Banking	18,173	16,781	(529)	49,937
Retail Banking	(20,692)	(1,508)	4,958	(10,948)
Other Banking operations	1,462	(1,968)	927	(3,817)
Unallocated	1,264	2,292	546	5,510

Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(535,655)	(395,920)	(464,932)	(395,920)
Corporate/Wholesale Banking	941,377	791,479	923,855	791,479
Retail Banking	(238,834)	(188,822)	(192,004)	(188,822)
Other Banking operations	(862)	(375)	(934)	(375)
Unallocated	(166,026)	(206,362)	(265,985)	(206,362)

Segment Liabilities				(₹ in Lakhs)
Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(3,183,674)	(2,448,092)	(2,029,505)	(2,448,092)
Corporate/Wholesale Banking	(4,645,835)	(4,765,561)	(4,507,676)	(4,765,561)
Retail Banking	7,672,980	7,036,713	6,379,722	7,036,713
Other Banking operations	(54)	(24)	(5)	(24)
Unallocated	156,583	176,964	157,464	176,964

Capital employed (Segment Assets - Segment Liabilities)				(₹ in Lakhs)
Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	2,648,019	2,052,172	1,564,573	2,052,172
Corporate/Wholesale Banking	5,587,212	5,557,040	5,431,531	5,557,040
Retail Banking	(7,911,814)	(7,225,535)	(6,571,726)	(7,225,535)
Other Banking operations	(808)	(351)	(929)	(351)
Unallocated	(322,609)	(383,326)	(423,449)	(383,326)

- 4 The working results have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 5 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recoveries from advances written off etc.
- 6 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 7 The Business operations of the Bank are largely concentrated in India and for the purpose of Segment reporting, the bank is considered to operate only in domestic segment, though the bank has its operations in International Finance Service Centre (IFSC) Banking Unit in Gujarat International Finance Tec-city (GIFT). The business conducted from the same is considered as part of Indian operations.
- 8 During the quarter ended June 30, 2020, the Bank has allotted 1,079,930 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 9 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- 10 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian Financial markets and a significant decrease in the global and local economic activities. COVID-19 outbreak was declared as a global pandemic on March 11, 2020 by World Health Organisation. The Government of India had announced a series of lock-down measures on March 24, 2020 which has been extended from time to time. The recent directions from the Government indicates calibrated and gradual withdrawal of lockdown and partial resumption of economic activities. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate its impact. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI ('the RBI guidelines'), with regard to providing relief to borrowers' on account of COVID-19 pandemic, whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and August 31, 2020, including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.

In accordance with the RBI guidelines, the Bank is required to make provision @10% of outstanding advances over two quarters beginning with quarter ending March 31, 2020 in respect of such borrowers whose accounts, though classified as standard, would have become non-performing but for these benefits/relaxations extended as per RBI guidelines. The Bank, as a prudent measure, has made the entire 10% provision amounting to ₹ 3,026.60 Lakhs during the quarter ended March 31, 2020 itself.

Further, in addition to the above, as a prudent measure, during the current quarter, the Bank has made additional provision of ₹ 9,300.00 Lakhs (₹ 6,303.40 Lakhs during the quarter ended March 31, 2020), net of write back of ₹ 1,781.40 Lakhs, against the likely impact of COVID-19 pandemic in respect of exposure of the Bank to certain specified sectors based on assessment of presently available information. The aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, as on June 30, 2020 stands at ₹ 18,630.00 Lakhs.
- 11 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year, which was subject to limited review.
- 12 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi
July 15, 2020

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

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Email: mail@mmnissim.com**Independent Auditor's Review Report on consolidated unaudited quarterly financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015****To the Board of Directors of
The Federal Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of The Federal Bank Limited (the 'Bank' / the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit and loss after tax of its associates for the quarter ended 30 June 2020 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30 June 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 10 to the Statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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Email: mail@mmnissim.com**Independent Auditor's Review Report on consolidated unaudited quarterly financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in this Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. The Statement includes the results of the following entities:
 - a. Fedbank Financial Services Limited ('the Subsidiary')
 - b. Federal Operations and Services Limited ('the Subsidiary')
 - c. IDBI Federal Life Insurance Company Limited ('the Associate')
 - d. Equirus Capital Private Limited ('the Associate')
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review report of the other auditor referred to in paragraph 8 below and based on our assessment of the Financial Results/ financial information certified by the Board of Directors as stated in paragraph 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30 June 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.
7. As more fully described in Note 11 to the Statement, the Bank has recognized provision on certain loans that were though overdue but standard as at 29 February 2020, for which moratorium benefit has been granted, based on the days past due status as on that date in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As more fully described in Note 11 to the Statement, the extent to which the COVID-19 pandemic will have impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion on the Statement is not modified in respect of the above matters.

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8. We did not review the interim financial results of two subsidiaries included in the Statement, whose interim financial results reflect total revenues of Rs.15,525.78 lakhs and total net profit after tax of Rs. 1,433.15 lakhs for the quarter ended 30 June 2020, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

9. The Statement also includes the Group's share of net profit after tax of Rs. 156.39 lakhs for the quarter ended 30 June 2020, as considered in the consolidated unaudited financial results, in respect of two associates, based on their interim financial results which have not been reviewed/ audited. According to the information and explanations given to us by the management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For B S R & Co. LLP*Chartered Accountants*

Firm's Registration No: 101248W / W-100022

For M.M. Nissim & Co.*Chartered Accountants*

Firm's Registration No: 107122W

Akeel Master*Partner*

Membership No: 046768

ICAI UDIN: 20046768AAAAX5666

Mumbai

15 July 2020

Varun P. Kothari*Partner*

Membership No: 115089

ICAI UDIN: 20115089AAAALA2106

Mumbai

15 July 2020

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020
(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited (Refer Note 12 below)	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	357,211	354,448	329,521	1,359,039
(a) Interest/discount on advances/bills	282,774	286,778	267,052	1,104,518
(b) Income on investments	60,654	56,560	55,669	218,550
(c) Interest on balances with Reserve Bank of India and other inter bank funds	7,067	4,686	1,973	13,996
(d) Others	6,716	6,424	4,827	21,975
2. Other income	48,331	67,839	37,097	188,181
3. TOTAL INCOME (1+2)	405,542	422,287	366,618	1,547,220
4. Interest expended	219,655	222,137	209,707	867,831
5. Operating expenses (i)+(ii)	89,595	102,416	79,077	354,670
(i) Employees cost	52,656	55,371	41,541	187,598
(ii) Other operating expenses	36,939	47,045	37,536	167,072
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	309,250	324,553	288,784	1,222,501
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	96,292	97,734	77,834	324,719
8. Provisions (other than tax) and contingencies	40,935	57,794	19,332	118,722
9. Exceptional items	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	55,357	39,940	58,502	205,997
11. Tax expense	14,199	9,645	21,131	50,720
12. Net Profit from Ordinary Activities after tax (10-11)	41,158	30,295	37,371	155,277
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit for the period (12-13)	41,158	30,295	37,371	155,277
15. Minority interest	364	437	182	1,028
16. Share in Profit of Associates	156	3,046	231	3,771
17. Consolidated Net Profit of the group (14-15+16)	40,950	32,904	37,420	158,020
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,875	39,853	39,720	39,853
19. Reserves excluding Revaluation Reserve				1,441,882
20. Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)				
Under Basel III	14.53	14.63	14.41	14.63
(iii) Earnings per Share (EPS) (in ₹)				
(a) Basic EPS (before and after extra ordinary items)	2.05*	1.65*	1.88*	7.94
(b) Diluted EPS (before and after extra ordinary items)	2.05*	1.64*	1.87*	7.88
(iv) NPA Ratios				
a) Gross NPA	371,207	358,015	343,375	358,015
b) Net NPA	152,566	164,953	170,726	164,953
c) % of Gross NPA	2.94	2.82	2.98	2.82
d) % of Net NPA	1.23	1.32	1.50	1.32
(v) Return on Assets (%)	0.22*	0.18*	0.23*	0.92

* Not Annualised

Segment Information@

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited (Refer Note 12 below)	Unaudited	Audited
Segment Revenue:				
Treasury	93,782	76,019	52,264	223,796
Corporate/Wholesale Banking	114,942	117,833	123,565	486,614
Retail Banking	196,818	228,435	190,789	836,810
Other Banking operations	-	-	-	-
Unallocated	-	-	-	-
Total Revenue	405,542	422,287	366,618	1,547,220
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	405,542	422,287	366,618	1,547,220
Segment Results (net of provisions):				
Treasury	42,275	22,469	7,436	38,436
Corporate/Wholesale Banking	(8,038)	(17,537)	18,245	18,421
Retail Banking	21,122	35,204	32,821	149,576
Other Banking operations	-	-	-	-
Unallocated	(2)	(196)	-	(436)
Profit before tax	55,357	39,940	58,502	205,997
Segment Assets				
Treasury	4,197,586	3,765,464	3,031,123	3,765,464
Corporate/Wholesale Banking	6,953,817	6,997,531	6,685,002	6,997,531
Retail Banking	6,894,109	6,832,986	5,841,039	6,832,986
Other Banking operations	-	-	-	-
Unallocated	819,363	739,352	599,926	739,352
Total	18,864,875	18,335,333	16,157,090	18,335,333
Segment Liabilities				
Treasury	1,395,636	1,626,174	1,316,979	1,626,174
Corporate/Wholesale Banking	1,249,280	1,291,143	1,046,425	1,291,143
Retail Banking	14,439,516	13,649,598	12,175,478	13,649,598
Other Banking operations	-	-	-	-
Unallocated	238,354	268,086	222,297	268,086
Total	17,322,786	16,835,001	14,761,179	16,835,001
Capital employed:				
(Segment Assets - Segment Liabilities)				
Treasury	2,801,950	2,139,290	1,714,144	2,139,290
Corporate/Wholesale Banking	5,704,537	5,706,388	5,638,577	5,706,388
Retail Banking	(7,545,407)	(6,816,612)	(6,334,439)	(6,816,612)
Other Banking operations	-	-	-	-
Unallocated	581,009	471,266	377,629	471,266
Total	1,542,089	1,500,332	1,395,911	1,500,332

@ For the above segment reporting, the reportable segments are identified as Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.

Notes:

- The above Consolidated Unaudited Financial Results for the quarter ended June 30, 2020 were reviewed by the Audit Committee and subsequently taken on record and approved by the Board of Directors at its meeting held on July 15, 2020. These Results have been subjected to "Limited review" by the Statutory Central Auditors of the Bank and an unqualified review report has been issued.
- The Consolidated Financial Results of the Group comprise the financial results of The Federal Bank Limited and its subsidiaries viz. Fedbank Financial Services Limited & Federal Operations and Services Limited and its associates viz. IDBI Federal Life Insurance Company Limited & Equirus Capital Private Limited.
- There has been no material change in the accounting policies adopted during the quarter ended June 30, 2020 as compared to those followed for the year ended March 31, 2020.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended June 30, 2020, has revised the basis of preparation of segment information on a direct identification basis with the aid of Internal Transfer pricing mechanism for more appropriate presentation of the segment results. Accordingly, figures for the previous periods have been regrouped / reclassified to conform to current period's classification.

The change in segment information has no impact on the overall Revenue, Results, and Capital employed of the bank for the quarter ended June 30, 2020 or the previous periods/year. However, had the Bank continued the same method of preparation of segment information as was adopted in previous periods, the segment revenue, segment results, segment assets, segment liabilities and capital employed would have been Decreased / (Increased) by:

Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(7,235)	(25,250)	(18,617)	(87,363)
Corporate/Wholesale Banking	(16,484)	(18,943)	(24,516)	(72,962)
Retail Banking	27,036	52,772	48,839	189,599
Other Banking operations	(3,317)	(8,579)	(5,706)	(29,274)
Unallocated	-	-	-	-

Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(207)	(15,597)	(5,902)	(40,682)
Corporate/Wholesale Banking	18,173	16,781	(529)	49,938
Retail Banking	(20,012)	274	4,976	(9,063)
Other Banking operations	782	(3,750)	909	(5,703)
Unallocated	1,264	2,292	546	5,510

Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(535,656)	(395,920)	(464,932)	(395,920)
Corporate/Wholesale Banking	941,377	791,479	923,855	791,479
Retail Banking	(238,184)	(188,286)	(192,213)	(188,286)
Other Banking operations	(1,511)	(911)	(725)	(911)
Unallocated	(166,026)	(206,362)	(265,985)	(206,362)

Segment Liabilities				(₹ in Lakhs)
Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	(3,183,563)	(2,448,092)	(2,029,505)	(2,448,092)
Corporate/Wholesale Banking	(4,645,978)	(4,765,561)	(4,507,676)	(4,765,561)
Retail Banking	7,674,115	7,037,239	6,379,722	7,037,239
Other Banking operations	(1,157)	(550)	(5)	(550)
Unallocated	156,583	176,964	157,464	176,964

Capital employed (Segment Assets - Segment Liabilities)				(₹ in Lakhs)
Decreased / (Increased)	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
Treasury	2,647,907	2,052,172	1,564,573	2,052,172
Corporate/Wholesale Banking	5,587,355	5,557,040	5,431,531	5,557,040
Retail Banking	(7,912,299)	(7,225,525)	(6,571,935)	(7,225,525)
Other Banking operations	(354)	(361)	(720)	(361)
Unallocated	(322,609)	(383,326)	(423,449)	(383,326)

- 5 The working results have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 6 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recoveries from advances written off etc.
- 7 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 8 The Business operations of the Bank are largely concentrated in India and for the purpose of Segment reporting, the bank is considered to operate only in domestic segment, though the bank has its operations in International Finance Service Centre (IFSC) Banking Unit in Gujarat International Finance Tec-city (GIFT). The business conducted from the same is considered as a part of Indian operations.
- 9 During the quarter ended June 30, 2020, the Bank has allotted 1,079,930 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 10 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- 11 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian Financial markets and a significant decrease in the global and local economic activities. COVID-19 outbreak was declared as a global pandemic on March 11, 2020 by World Health Organisation. The Government of India had announced a series of lock-down measures on March 24, 2020 which has been extended from time to time. The recent directions from the Government indicates calibrated and gradual withdrawal of lockdown and partial resumption of economic activities. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain, including among other things, any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate its impact. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.
- In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI ('the RBI guidelines'), with regard to providing relief to borrowers' on account of COVID-19 pandemic, whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and August 31, 2020, including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.
- In accordance with the RBI guidelines, the Bank is required to make provision @10% of outstanding advances over two quarters beginning with quarter ending March 31, 2020 in respect of such borrowers whose accounts, though classified as standard, would have become non-performing but for these benefits/relaxations extended as per RBI guidelines. The Bank, as a prudent measure, has made the entire 10% provision amounting to ₹ 3,026.60 Lakhs during the quarter ended March 31, 2020 itself.
- Further, in addition to the above, as a prudent measure, during the current quarter, the Bank has made additional provision of ₹ 9,300.00 Lakhs (₹ 6,303.40 Lakhs during the quarter ended March 31, 2020), net of write back of ₹ 1,781.40 Lakhs, against the likely impact of COVID-19 pandemic in respect of exposure of the Bank to certain specified sectors based on assessment of presently available information. The aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, as on June 30, 2020 stands at ₹ 18,630.00 Lakhs.
- 12 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi
July 15, 2020

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)