

SD/ F24/ 219 /2021-22

January 25, 2022

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

Dear Sir,

**Sub: Outcome of the Board Meeting held on January 25, 2022**

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 and Nine months ended December 31, 2021 (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 12.20 pm.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
**For The Federal Bank Limited**

**Samir P Rajdev**  
Company Secretary

Encl: As Above

**Varma & Varma**

Chartered Accountants,  
No.53/2600, Kerala Varma Tower  
Off Kunjanbava Road,  
Vytilla,  
Kochi -682019

**Borkar & Muzumdar**

Chartered Accountants  
21/168, Anand Nagar, Om Co-op  
Hsg Society, Anand Nagar Lane  
Off Nehru Road, Santacruz(East)  
Mumbai - 400 055

Limited Review Report on unaudited standalone financial results of The Federal Bank Limited for the quarter and nine months ended 31<sup>st</sup> December 2021, pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended)

The Board of Directors,  
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 and nine months ended 31<sup>st</sup> December, 2021 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations, as at 31<sup>st</sup> December 2021, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding 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 aforesaid Statement, which have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's Management and has been approved by the Bank'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 (the 'RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted of the Statement our review in accordance with the Standard on Review Engagement (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.

4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
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, the RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) 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.

#### **Emphasis of Matter**

6. We draw attention to Note No.10 of the accompanying Statement of Unaudited Standalone Financial results, regarding the impact of COVID-19 pandemic on the Bank's operations and financial position which will depend on various uncertain aspects, including actions taken to mitigate the same and other regulatory measures.

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

7. We draw attention to Note No.13 of the accompanying Statement regarding amortisation of the additional liability on account of revision in family pension amounting to ₹ 17,731.55 Lakhs. As stated therein, the Bank has charged an amount of ₹ 1,182.10 Lakhs and ₹ 2,364.21 Lakhs respectively to the Profit and Loss account for the quarter and nine months ended 31<sup>st</sup> December, 2021 and the balance unamortised expenditure amounting to ₹ 15,367.34 Lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit

and Loss Account, net profit after tax for the quarter and nine months ended 31<sup>st</sup> December, 2021 would have been lower by ₹ 11,436.28 Lakhs.

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

For Varma & Varma  
Chartered Accountants  
FRN:004532S

For Borkar & Muzumdar  
Chartered Accountants  
FRN:101569W

Vijay Narayan Govind  
Partner  
M. No. 203094  
UDIN: 22203094AAAAAA3141

Kaushal Muzumdar  
Partner  
M. No. 100938  
UDIN: 22100938AAAAAD4507

Kochi-19  
25<sup>th</sup> January 2022

Mumbai-55  
25<sup>th</sup> January 2022

| <b>THE FEDERAL BANK LIMITED</b>   |                |                |                |                   |                  |                  |
|---|----------------|----------------|----------------|-------------------|------------------|------------------|
| <b>REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101</b>   |                |                |                |                   |                  |                  |
| <b>(CIN: L65191KL1931PLC000368)</b>   |                |                |                |                   |                  |                  |
| <b>STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021</b> |                |                |                |                   |                  |                  |
| (₹ in Lakhs)  |                |                |                |                   |                  |                  |
| Particulars   | Quarter ended  |                |                | Nine months ended |                  | Year ended       |
|   | 31.12.2021     | 30.09.2021     | 31.12.2020     | 31.12.2021        | 31.12.2020       | 31.03.2021       |
|   | Unaudited      | Unaudited      | Unaudited      | Unaudited         | Unaudited        | Audited          |
| 1. Interest earned (a)+(b)+(c)+(d)  | 344,256        | 337,925        | 345,952        | 1,017,752         | 1,039,157        | 1,375,791        |
| (a) Interest/discount on advances/bills   | 272,927        | 267,490        | 271,321        | 807,529           | 813,668          | 1,079,512        |
| (b) Income on investments   | 57,402         | 58,116         | 57,361         | 174,577           | 177,225          | 234,894          |
| (c) Interest on balances with Reserve Bank of India and other inter bank funds                        | 6,089          | 6,662          | 11,469         | 16,413            | 30,197           | 36,817           |
| (d) Others  | 7,838          | 5,657          | 5,801          | 19,233            | 18,067           | 24,568           |
| 2. Other income   | 48,419         | 49,165         | 47,538         | 162,409           | 148,117          | 195,870          |
| <b>3. TOTAL INCOME (1+2)</b>  | <b>392,675</b> | <b>387,090</b> | <b>393,490</b> | <b>1,180,161</b>  | <b>1,187,274</b> | <b>1,571,661</b> |
| 4. Interest expended  | 190,366        | 189,983        | 202,248        | 574,077           | 627,824          | 822,420          |
| 5. Operating expenses (i)+(ii)  | 110,880        | 105,899        | 95,598         | 310,119           | 269,106          | 369,172          |
| (i) Employees cost  | 58,307         | 57,193         | 52,564         | 168,330           | 150,895          | 203,418          |
| (ii) Other operating expenses   | 52,573         | 48,706         | 43,034         | 141,789           | 118,211          | 165,754          |
| <b>6. TOTAL EXPENDITURE (4+5)</b><br>(excluding provisions and contingencies)                         | <b>301,246</b> | <b>295,882</b> | <b>297,846</b> | <b>884,196</b>    | <b>896,930</b>   | <b>1,191,592</b> |
| <b>7. OPERATING PROFIT (3-6)</b><br>(Profit before provisions and contingencies)                      | <b>91,429</b>  | <b>91,208</b>  | <b>95,644</b>  | <b>295,965</b>    | <b>290,344</b>   | <b>380,069</b>   |
| 8. Provisions (other than tax) and contingencies  | 21,398         | 29,262         | 41,416         | 114,653           | 140,893          | 166,342          |
| 9. Exceptional items  | -              | -              | -              | -                 | -                | -                |
| <b>10. Profit from Ordinary Activities before tax (7-8-9)</b>   | <b>70,031</b>  | <b>61,946</b>  | <b>54,228</b>  | <b>181,312</b>    | <b>149,451</b>   | <b>213,727</b>   |
| 11. Tax expense   | 17,858         | 15,920         | 13,818         | 46,384            | 38,202           | 54,697           |
| <b>12. Net Profit from Ordinary Activities after tax (10-11)</b>                                      | <b>52,173</b>  | <b>46,026</b>  | <b>40,410</b>  | <b>134,928</b>    | <b>111,249</b>   | <b>159,030</b>   |
| 13. Extraordinary items (net of tax expense)  | -              | -              | -              | -                 | -                | -                |
| <b>14. Net Profit for the period (12-13)</b>  | <b>52,173</b>  | <b>46,026</b>  | <b>40,410</b>  | <b>134,928</b>    | <b>111,249</b>   | <b>159,030</b>   |
| 15. Paid-up Equity Share Capital<br>(Face value ₹ 2/- per Equity Share)                               | 42,041         | 42,030         | 39,917         | 42,041            | 39,917           | 39,923           |
| 16. Reserves excluding Revaluation Reserve  |                |                |                |                   |                  | 1,571,937        |
| 17. Analytical Ratios and Other Disclosures:  |                |                |                |                   |                  |                  |
| (i) Percentage of shares held by Government of India  | NIL            | NIL            | NIL            | NIL               | NIL              | NIL              |
| (ii) Capital Adequacy ratio (%)   |                |                |                |                   |                  |                  |
| Under Basel III   | 14.37          | 14.97          | 14.31          | 14.37             | 14.31            | 14.62            |
| (iii) Earnings per Share (EPS) (in ₹)   |                |                |                |                   |                  |                  |
| (a) Basic EPS (before and after extra ordinary items)   | 2.48*          | 2.22*          | 2.03*          | 6.56*             | 5.58*            | 7.97             |
| (b) Diluted EPS (before and after extra ordinary items)   | 2.46*          | 2.20*          | 2.02*          | 6.51*             | 5.56*            | 7.94             |
| (iv) NPA Ratios   |                |                |                |                   |                  |                  |
| a) Gross NPA  | 440,126        | 444,584        | 347,018        | 440,126           | 347,018          | 460,239          |
| b) Net NPA  | 147,118        | 150,244        | 75,724         | 147,118           | 75,724           | 156,928          |
| c) % of Gross NPA   | 3.06           | 3.24           | 2.71           | 3.06              | 2.71             | 3.41             |
| d) % of Net NPA   | 1.05           | 1.12           | 0.60           | 1.05              | 0.60             | 1.19             |
| (v) Return on Assets (%)  | 0.26*          | 0.23*          | 0.21*          | 0.68*             | 0.60*            | 0.85             |
| (vi) Net Worth  | 1,808,798      | 1,755,096      | 1,563,115      | 1,808,798         | 1,563,115        | 1,611,034        |
| (vii) Outstanding Redeemable Preference Shares  | NIL            | NIL            | NIL            | NIL               | NIL              | NIL              |
| (viii) Capital Redemption Reserve   | NIL            | NIL            | NIL            | NIL               | NIL              | NIL              |
| (ix) Debenture Redemption Reserve   | NIL            | NIL            | NIL            | NIL               | NIL              | NIL              |
| (x) Debt - Equity Ratio #   | 0.45           | 0.61           | 0.80           | 0.45              | 0.80             | 0.56             |
| (xi) Total Debts to Total Assets (%) #  | 3.90%          | 5.21%          | 6.34%          | 3.90%             | 6.34%            | 4.50%            |
| (xii) Operating Margin (%)  | 23.28%         | 23.56%         | 24.31%         | 25.08%            | 24.45%           | 24.18%           |
| (xiii) Net Profit Margin (%)  | 13.29%         | 11.89%         | 10.27%         | 11.43%            | 9.37%            | 10.12%           |

\* Not Annualised

# Debt and Total Debts represents Total Borrowings of the Bank

## Segment Information@

(₹ in Lakhs)

| Particulars                                 | Quarter ended           |                         |                         | Nine months ended       |                         | Year ended            |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
|   | 31.12.2021<br>Unaudited | 30.09.2021<br>Unaudited | 31.12.2020<br>Unaudited | 31.12.2021<br>Unaudited | 31.12.2020<br>Unaudited | 31.03.2021<br>Audited |
| <b>Segment Revenue:</b>                     |                         |                         |                         |                         |                         |                       |
| Treasury                                    | 52,104                  | 54,326                  | 61,222                  | 185,655                 | 216,567                 | 275,375               |
| Corporate/Wholesale Banking                 | 104,829                 | 105,628                 | 104,742                 | 322,883                 | 352,612                 | 456,152               |
| Retail Banking                              | 233,857                 | 227,069                 | 227,526                 | 669,671                 | 618,095                 | 839,890               |
| Other Banking operations                    | -                       | -                       | -                       | -                       | -                       | -                     |
| Unallocated                                 | 1,885                   | 67                      | -                       | 1,952                   | -                       | 244                   |
| Total Revenue                               | <b>392,675</b>          | <b>387,090</b>          | <b>393,490</b>          | <b>1,180,161</b>        | <b>1,187,274</b>        | <b>1,571,661</b>      |
| Less: Inter Segment Revenue                 | -                       | -                       | -                       | -                       | -                       | -                     |
| <b>Income from Operations</b>               | <b>392,675</b>          | <b>387,090</b>          | <b>393,490</b>          | <b>1,180,161</b>        | <b>1,187,274</b>        | <b>1,571,661</b>      |
| <b>Segment Results (net of provisions):</b> |                         |                         |                         |                         |                         |                       |
| Treasury                                    | 11,022                  | 9,687                   | 12,234                  | 58,623                  | 59,016                  | 72,223                |
| Corporate/Wholesale Banking                 | 21,396                  | 19,299                  | (1,994)                 | 38,160                  | 4,920                   | 22,275                |
| Retail Banking                              | 35,728                  | 32,893                  | 43,986                  | 82,577                  | 85,515                  | 118,985               |
| Other Banking operations                    | -                       | -                       | -                       | -                       | -                       | -                     |
| Unallocated                                 | 1,885                   | 67                      | 2                       | 1,952                   | -                       | 244                   |
| <b>Profit before tax</b>                    | <b>70,031</b>           | <b>61,946</b>           | <b>54,228</b>           | <b>181,312</b>          | <b>149,451</b>          | <b>213,727</b>        |
| <b>Segment Assets</b>                       |                         |                         |                         |                         |                         |                       |
| Treasury                                    | 4,105,806               | 4,679,820               | 4,510,555               | 4,105,806               | 4,510,555               | 4,525,111             |
| Corporate/Wholesale Banking                 | 7,761,124               | 7,305,152               | 6,674,295               | 7,761,124               | 6,674,295               | 7,146,590             |
| Retail Banking                              | 8,365,479               | 8,036,690               | 7,428,474               | 8,365,479               | 7,428,474               | 7,813,657             |
| Other Banking operations                    | -                       | -                       | -                       | -                       | -                       | -                     |
| Unallocated                                 | 655,228                 | 665,763                 | 1,071,333               | 655,228                 | 1,071,333               | 651,381               |
| <b>Total</b>                                | <b>20,887,637</b>       | <b>20,687,425</b>       | <b>19,684,657</b>       | <b>20,887,637</b>       | <b>19,684,657</b>       | <b>20,136,739</b>     |
| <b>Segment Liabilities</b>                  |                         |                         |                         |                         |                         |                       |
| Treasury                                    | 1,066,903               | 1,195,828               | 1,342,363               | 1,066,903               | 1,342,363               | 1,413,771             |
| Corporate/Wholesale Banking                 | 1,670,529               | 1,696,051               | 1,494,931               | 1,670,529               | 1,494,931               | 1,602,533             |
| Retail Banking                              | 16,075,581              | 15,786,867              | 15,084,901              | 16,075,581              | 15,084,901              | 15,306,693            |
| Other Banking operations                    | -                       | -                       | -                       | -                       | -                       | -                     |
| Unallocated                                 | 249,427                 | 235,977                 | 197,972                 | 249,427                 | 197,972                 | 201,381               |
| <b>Total</b>                                | <b>19,062,440</b>       | <b>18,914,723</b>       | <b>18,120,167</b>       | <b>19,062,440</b>       | <b>18,120,167</b>       | <b>18,524,378</b>     |
| <b>Capital Employed:</b>                    |                         |                         |                         |                         |                         |                       |
| (Segment Assets - Segment Liabilities)      |                         |                         |                         |                         |                         |                       |
| Treasury                                    | 3,038,903               | 3,483,992               | 3,168,192               | 3,038,903               | 3,168,192               | 3,111,340             |
| Corporate/Wholesale Banking                 | 6,090,595               | 5,609,101               | 5,179,364               | 6,090,595               | 5,179,364               | 5,544,057             |
| Retail Banking                              | (7,710,102)             | (7,750,177)             | (7,656,427)             | (7,710,102)             | (7,656,427)             | (7,493,036)           |
| Other Banking operations                    | -                       | -                       | -                       | -                       | -                       | -                     |
| Unallocated                                 | 405,801                 | 429,786                 | 873,361                 | 405,801                 | 873,361                 | 450,000               |
| <b>Total</b>                                | <b>1,825,197</b>        | <b>1,772,702</b>        | <b>1,564,490</b>        | <b>1,825,197</b>        | <b>1,564,490</b>        | <b>1,612,361</b>      |

@ 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 and nine months ended December 31, 2021 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 25, 2022. 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, 2021 except as stated in Note 13 below.
- 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), provision for non-performing investments, income-tax and other usual and necessary provisions.
- 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), profit / loss on revaluation of investments, dividend received from subsidiaries / associates, recoveries from advances written off etc.
- 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.
- 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 Financial Services 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.
- During the quarter and nine months ended December 31, 2021, the Bank has allotted 514,964 and 1,029,300 equity shares of ₹ 2 each respectively, pursuant to the exercise of stock options by employees.
- In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015, 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' and RBI Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 - 'Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR) - Final Guidelines', 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: <https://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- During the quarter ended September 30, 2021, the Bank had issued 104,846,394 equity shares of ₹ 2 each for cash pursuant to a preferential allotment as per the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations at ₹ 87.39 per share aggregating to ₹ 91,625.26 Lakhs (including share premium). This resulted in an increase of ₹ 2,096.93 Lakhs in Share Capital and ₹ 89,476.54 Lakhs (Net of share issue expenses) in Share premium account.
- On account of uncertainties prevailing due to COVID-19 pandemic across the world and in India, including the current outbreak, the extent to which the same will impact the Bank's operations and financial position in future will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period. The extent to which the COVID-19 pandemic will continue to impact the Bank's results will depend on the future developments related to the situation, as well as the outcomes of the actions taken to contain the same.

- 11 i) Details of resolution plan implemented in accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Businesses" are given below.

(₹ in lakhs except number of accounts)

| Description   | Individual Borrowers |                | Small businesses |
|---|----------------------|----------------|------------------|
|   | Personal Loans       | Business Loans |                  |
| A) Number of requests received for invoking resolution process under Part A                           | 6,743                | 1,604          | 16,385           |
| B) Number of accounts where resolution plan has been implemented under this window                    | 5,734                | 519            | 2,363            |
| C) Exposure to accounts mentioned at (B) before implementation of the plan                            | 124,791.31           | 16,738.36      | 32,159.24        |
| D) Of (C), aggregate amount of debt that was converted into other securities                          | -                    | -              | -                |
| E) Additional funding sanctioned, if any, including between invocation of the plan and implementation | -                    | -              | -                |
| F) Increase in provisions on account of the implementation of the resolution plan                     | 17,212.09            | 3,561.19       | 9,520.52         |

- ii) In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework – 2.0: Resolution of Covid – 19 related stress of Individuals and Small Business", the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under

(₹ in lakhs except number of accounts)

|  |          |
|--|----------|
| No. of Accounts                            | 192      |
| Aggregate Exposure as on December 31, 2021 | 7,968.46 |

- iii) During the quarter ended December 31, 2021, as a prudent measure, over and above the regulatory minimum provision required for restructured advances, based on the internal assessment, the Bank has created ₹ 10,600.00 Lakhs additional provision against the accounts restructured under the resolution frameworks. As on December 31, 2021, the bank holds ₹ 22,600.00 Lakhs provision over and above the regulatory minimum provision required for restructured advances.

- 12 Disclosures as per 'Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021' dated September 24, 2021 for the loans transferred / acquired during the nine months ended December 31, 2021 are given below:

- i) Details of loans not in default acquired through assignment are given below:

|  |                 |
|--|-----------------|
| Aggregate amount of loans acquired (₹ in lakhs)                          | 10,826.85       |
| Weighted average residual maturity (in years)                            | 2.46            |
| Weighted average holding period by originator (in years)                 | 1.20            |
| Retention of beneficial economic interest by the originator (₹ in lakhs) | 1,202.98        |
| Tangible security coverage   | Unsecured loans |

The loans acquired are not rated as the same are to non-corporate borrowers.

- ii) Details of non-performing assets (NPAs) transferred are given below:

(₹ in lakhs except number of accounts)

|   | To ARCs   | To Permitted Transferees | To other Transferees |
|---|-----------|--------------------------|----------------------|
| Number of accounts  | 1         | -                        | -                    |
| Aggregate principal outstanding of loans transferred                                    | 20,503.93 | -                        | -                    |
| Weighted average residual tenor of the loans transferred (in years)                     | 5.33      | -                        | -                    |
| Net book value of loans transferred (at the time of transfer)                           | 5,604.04  | -                        | -                    |
| Aggregate consideration   | 12,400.00 | -                        | -                    |
| Additional consideration realized in respect of accounts transferred in earlier years   | -         | -                        | -                    |
| Provisions reversed to the profit and loss account on account of sale of stressed loans | 6,795.96  | -                        | -                    |

- iii) During the nine months ended December 31, 2021, the bank has not acquired any stressed loans and not transferred any loan not in default / Special Mention Accounts (SMA).

- iv) During the nine months ended December 31, 2021, the bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.

- 13 During the quarter ended September 30, 2021, the bank had estimated & fully recognized the additional liability on account of revision in family pension for employees covered under the 11th Bipartite Settlement and Joint Note dated November 11, 2020 amounting to ₹ 17,731.55 Lakhs. In accordance with the letter dated October 4, 2021 issued by RBI, permitting all member banks of Indian Banks' Association to amortise the said additional liability over a period not exceeding five years beginning with the financial year ended March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year, the bank had opted to amortize the said liability over a period not exceeding five years beginning with the financial year ended March 31, 2022, subject to a minimum of ₹ 3,546.31 Lakhs being expensed every financial year. Accordingly, during the quarter and nine months ended December 31, 2021, the Bank has charged ₹ 1,182.10 Lakhs and ₹ 2,364.21 Lakhs respectively to the Profit and Loss account and the balance unamortised expenditure amounting to ₹ 15,367.34 Lakhs has been carried forward. Had the Bank charged the entire unamortised expenditure to the Profit and Loss Account during the quarter and nine months ended December 31, 2021, the Net Profit after tax for the quarter and nine months ended December 31, 2021 would have been lower by ₹ 11,436.28 Lakhs.
- 14 The Honourable Supreme Court of India, vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on March 23, 2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms. In view of this, the results for the nine months ended December 31, 2021 may not be comparable with the corresponding nine months ended December 31, 2020.
- 15 The bank has raised ₹ 70,000.00 Lakhs Tier II capital on January 20, 2022, by way of issuance of unsecured Basel III compliant Tier II Bonds on private placement basis.
- 16 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification and also the amounts / ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on financial results - Presentation and disclosure issued by Reserve Bank of India dated August 30, 2021 (updated as on November 15, 2021), as amended and wherever considered necessary.

Kochi  
January 25, 2022

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)

**Varma & Varma**

Chartered Accountants,  
No.53/2600, Kerala Varma Tower  
Off Kunjanbava Road,  
Vytilla,  
Kochi -682019

**Borkar & Muzumdar**

Chartered Accountants  
121/168, Anand Nagar, Om Co-op  
Hsg Society, Anand Nagar Lane  
Off Nehru Road, Santacruz(East)  
Mumbai - 400 055

Limited Review Report on Unaudited Consolidated Financial Results of The Federal Bank Limited for the quarter and nine months ended 31<sup>st</sup> December 2021, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended)

The Board of Directors,  
The Federal Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of The Federal Bank Limited (the 'Bank') and its Subsidiaries (the Bank and its subsidiaries together referred to as 'the Group') and its share of the net profit after tax of its Associates for the quarter and nine months ended 31<sup>st</sup> December 2021 (the 'Statement'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to consolidated Pillar 3 disclosure, as at 31<sup>st</sup> December 2021, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding 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 aforesaid Statement, which have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's Management and has been approved by the Bank'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 (the 'RBI') from time to time (the '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 Engagement (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 Listing Regulations, to the extent applicable.

4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
5. This Statement includes the results of the following entities:
  - a. Fedbank Financial Services Limited (Subsidiary)
  - b. Federal Operations and Services Limited (Subsidiary)
  - c. Ageas Federal Life Insurance Company Limited (Associate)
  - d. Equirus Capital Private Limited (Associate)
6. Based on our review conducted and procedures performed as stated in Paragraphs 3 and 4 above and based on the consideration of the review reports of other auditors referred to in Paragraphs 9, 10 and 11 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, the 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, 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, except for the disclosures relating to consolidated Pillar 3 disclosure, as at 31<sup>st</sup> December 2021, including Leverage Ratio , Liquidity Coverage Ratio, and Net Stable Funding 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 aforesaid Statement, which have not been reviewed by us.

#### **Emphasis of Matter**

7. We draw attention to Note No.10 of the accompanying Statement of Unaudited Consolidated Financial results, regarding the impact of COVID-19 pandemic on

the Bank's operations and financial position for the quarter and nine months ended 31<sup>st</sup> December, 2021, which will depend on various uncertain aspects, including actions taken to mitigate the same and other regulatory measures.

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

8. We draw attention to Note No.11 of the Statements regarding amortisation of the additional liability by the Bank on account of revision in family pension amounting to ₹ 17,731.55 Lakhs. As stated therein, the Bank has charged an amount of ₹ 1,182.10 Lakhs and ₹ 2,364.21 Lakhs respectively to the Profit and Loss account for the quarter and nine months ended 31<sup>st</sup> December, 2021 and the balance unamortised expenditure amounting to ₹ 15,367.34 Lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit after tax for the quarter and nine months ended 31<sup>st</sup> December, 2021 would have been lower by ₹ 11,436.28 Lakhs.

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

9. The statement of consolidated unaudited financial results includes the interim financial results of one subsidiary whose unaudited financial results reflects total revenues of ₹ 22,592.44 Lakhs and ₹ 64,114.44 Lakhs and net profit after tax of ₹ 1,750.15 Lakhs and ₹ 5,860.15 Lakhs for the quarter and nine months ended 31<sup>st</sup> December 2021 respectively and also total revenues of ₹ 21,784.00 Lakhs and net profit after tax of ₹ 2,634.00 Lakhs for the quarter ended 30<sup>th</sup> September 2021 have been reviewed by other auditors, whose reports have been furnished to us by the Management.

Further, the interim financial results of the said subsidiary for the quarter and nine months ended 31<sup>st</sup> December 2020 and audited financial results for the year ended 31<sup>st</sup> March 2021, have been reviewed/audited by one of the joint auditors whose reports have been furnished to us by the Management.

Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, is based solely on the above reports furnished to us by the Management and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

10. The statement of consolidated unaudited financial results includes the interim financial results of one subsidiary whose unaudited financial results reflects total revenues of ₹ 1,191.37 Lakhs and ₹ 3,109.15 Lakhs and net profit after tax of ₹ 86.14 Lakhs and ₹ 279.09 Lakhs for the quarter and nine months ended 31<sup>st</sup>

December 2021 respectively. These interim financial results have been reviewed by one of the joint 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 this subsidiary, is based solely on their reports and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

11. The statement of consolidated unaudited financial results includes the Group's share of net profit after tax of ₹ 124.06 Lakhs and ₹ 603.62 Lakhs for the quarter and nine months ended 31<sup>st</sup> December 2021 respectively, in respect of one associate whose interim financial results have been reviewed by another auditor whose report has 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 the said associate, is based solely on the report of the other auditor and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

12. The statement of consolidated unaudited financial results also includes the Group's share of net profit after tax of ₹ 302.61 Lakhs and ₹ 784.80 Lakhs for the quarter and nine months ended 31<sup>st</sup> December 2021 respectively, in respect of one associate, based on their interim financial results which have not been reviewed. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

For Varma & Varma  
Chartered Accountants  
FRN:004532S

For Borkar & Muzumdar  
Chartered Accountants  
FRN:101569W

Vijay Narayan Govind  
Partner  
M. No. 203094  
UDIN: 22203094AAAAAB3531

Kaushal Muzumdar  
Partner  
M. No. 100938  
UDIN: 22100938AAAAAE8037

Kochi-19  
25<sup>th</sup> January 2022

Mumbai-55  
25<sup>th</sup> January 2022

| <b>THE FEDERAL BANK LIMITED</b>   |                      |                   |                   |                          |                   |                   |
|---|----------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|
| <b>REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101</b>   |                      |                   |                   |                          |                   |                   |
| <b>(CIN: L65191KL1931PLC000368)</b>   |                      |                   |                   |                          |                   |                   |
| <b>CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021</b> |                      |                   |                   |                          |                   |                   |
| <b>(₹ in Lakhs)</b>   |                      |                   |                   |                          |                   |                   |
| <b>Particulars</b>  | <b>Quarter ended</b> |                   |                   | <b>Nine months ended</b> |                   | <b>Year ended</b> |
|   | <b>31.12.2021</b>    | <b>30.09.2021</b> | <b>31.12.2020</b> | <b>31.12.2021</b>        | <b>31.12.2020</b> | <b>31.03.2021</b> |
|   | <b>Unaudited</b>     | <b>Unaudited</b>  | <b>Unaudited</b>  | <b>Unaudited</b>         | <b>Unaudited</b>  | <b>Audited</b>    |
| 1. Interest earned (a)+(b)+(c)+(d)  | 360,398              | 356,627           | 360,423           | 1,069,523                | 1,079,822         | 1,431,408         |
| (a) Interest/discount on advances/bills   | 289,480              | 286,506           | 286,093           | 860,281                  | 854,243           | 1,135,314         |
| (b) Income on investments   | 56,833               | 57,532            | 56,781            | 172,828                  | 176,719           | 233,829           |
| (c) Interest on balances with Reserve Bank of India and other inter bank funds                          | 6,089                | 6,662             | 11,469            | 16,413                   | 30,197            | 36,816            |
| (d) Others  | 7,996                | 5,927             | 6,080             | 20,001                   | 18,663            | 25,449            |
| 2. Other income   | 52,132               | 49,448            | 47,808            | 163,669                  | 147,892           | 197,165           |
| <b>3. TOTAL INCOME (1+2)</b>  | <b>412,530</b>       | <b>406,075</b>    | <b>408,231</b>    | <b>1,233,192</b>         | <b>1,227,714</b>  | <b>1,628,573</b>  |
| 4. Interest expended  | 196,980              | 195,947           | 207,579           | 592,943                  | 643,175           | 843,496           |
| 5. Operating expenses (i)+(ii)  | 119,089              | 113,287           | 101,078           | 331,331                  | 283,383           | 389,867           |
| (i) Employees cost  | 63,437               | 61,785            | 56,210            | 182,212                  | 161,002           | 217,202           |
| (ii) Other operating expenses   | 55,652               | 51,502            | 44,868            | 149,119                  | 122,381           | 172,665           |
| <b>6. TOTAL EXPENDITURE (4+5)</b><br>(excluding provisions and contingencies)                           | <b>316,069</b>       | <b>309,234</b>    | <b>308,657</b>    | <b>924,274</b>           | <b>926,558</b>    | <b>1,233,363</b>  |
| <b>7. OPERATING PROFIT (3-6)</b><br>(Profit before provisions and contingencies)                        | <b>96,461</b>        | <b>96,841</b>     | <b>99,574</b>     | <b>308,918</b>           | <b>301,156</b>    | <b>395,210</b>    |
| 8. Provisions (other than tax) and contingencies  | 23,980               | 31,182            | 43,288            | 122,072                  | 147,575           | 174,354           |
| 9. Exceptional items  | -                    | -                 | -                 | -                        | -                 | -                 |
| <b>10. Profit from Ordinary Activities before tax (7-8-9)</b>   | <b>72,481</b>        | <b>65,659</b>     | <b>56,286</b>     | <b>186,846</b>           | <b>153,581</b>    | <b>220,856</b>    |
| 11. Tax expense   | 18,472               | 16,860            | 14,319            | 48,482                   | 38,886            | 56,136            |
| <b>12. Net Profit from Ordinary Activities after tax (10-11)</b>  | <b>54,009</b>        | <b>48,799</b>     | <b>41,967</b>     | <b>138,364</b>           | <b>114,695</b>    | <b>164,720</b>    |
| 13. Extraordinary items (net of tax expense)  | -                    | -                 | -                 | -                        | -                 | -                 |
| <b>14. Net Profit for the period (12-13)</b>  | <b>54,009</b>        | <b>48,799</b>     | <b>41,967</b>     | <b>138,364</b>           | <b>114,695</b>    | <b>164,720</b>    |
| 15. Minority interest   | 458                  | 685               | 394               | 1,527                    | 957               | 1,524             |
| 16. Share in Profit of Associates   | 426                  | 458               | 241               | 1,388                    | 571               | 3,237             |
| <b>17. Consolidated Net Profit of the group (14-15+16)</b>  | <b>53,977</b>        | <b>48,572</b>     | <b>41,814</b>     | <b>138,225</b>           | <b>114,309</b>    | <b>166,433</b>    |
| 18. Paid-up Equity Share Capital<br>(Face value ₹ 2/- per Equity Share)                                 | 42,041               | 42,030            | 39,917            | 42,041                   | 39,917            | 39,923            |
| 19. Reserves excluding Revaluation Reserve  |                      |                   |                   |                          |                   | 1,609,799         |
| 20. Analytical Ratios and Other Disclosures:  |                      |                   |                   |                          |                   |                   |
| (i) Percentage of shares held by Government of India  | NIL                  | NIL               | NIL               | NIL                      | NIL               | NIL               |
| (ii) Capital Adequacy ratio (%)   |                      |                   |                   |                          |                   |                   |
| Under Basel III   | 14.97                | 15.63             | 14.63             | 14.97                    | 14.63             | 15.19             |
| (iii) Earnings per Share (EPS) (in ₹)   |                      |                   |                   |                          |                   |                   |
| (a) Basic EPS (before and after extra ordinary items)   | 2.57*                | 2.34*             | 2.10*             | 6.72*                    | 5.73*             | 8.34              |
| (b) Diluted EPS (before and after extra ordinary items)   | 2.55*                | 2.32*             | 2.09*             | 6.67*                    | 5.72*             | 8.31              |
| (iv) NPA Ratios   |                      |                   |                   |                          |                   |                   |
| a) Gross NPA  | 459,280              | 455,819           | 350,521           | 459,280                  | 350,521           | 464,639           |
| b) Net NPA  | 161,315              | 159,578           | 78,449            | 161,315                  | 78,449            | 160,471           |
| c) % of Gross NPA   | 3.10                 | 3.22              | 2.67              | 3.10                     | 2.67              | 3.35              |
| d) % of Net NPA   | 1.11                 | 1.15              | 0.61              | 1.11                     | 0.61              | 1.18              |
| (v) Return on Assets (%)  | 0.25*                | 0.23*             | 0.21*             | 0.66*                    | 0.60*             | 0.86              |

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

| Particulars                                 | Quarter ended     |                   |                   | Nine months ended |                   | Year ended        |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 31.12.2021        | 30.09.2021        | 31.12.2020        | 31.12.2021        | 31.12.2020        | 31.03.2021        |
|   | Unaudited         | Unaudited         | Unaudited         | Unaudited         | Unaudited         | Audited           |
| <b>Segment Revenue:</b>                     |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 51,768            | 54,420            | 60,766            | 182,225           | 216,184           | 274,514           |
| Corporate/Wholesale Banking                 | 103,817           | 104,777           | 103,742           | 319,648           | 349,470           | 451,907           |
| Retail Banking                              | 253,966           | 245,351           | 243,723           | 726,813           | 662,060           | 901,908           |
| Other Banking operations                    | 1,094             | 1,460             | -                 | 2,554             | -                 | -                 |
| Unallocated                                 | 1,885             | 67                | -                 | 1,952             | -                 | 244               |
| <b>Total Revenue</b>                        | <b>412,530</b>    | <b>406,075</b>    | <b>408,231</b>    | <b>1,233,192</b>  | <b>1,227,714</b>  | <b>1,628,573</b>  |
| Less: Inter Segment Revenue                 | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Income from Operations</b>               | <b>412,530</b>    | <b>406,075</b>    | <b>408,231</b>    | <b>1,233,192</b>  | <b>1,227,714</b>  | <b>1,628,573</b>  |
| <b>Segment Results (net of provisions):</b> |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 11,276            | 10,388            | 12,395            | 57,009            | 58,904            | 72,226            |
| Corporate/Wholesale Banking                 | 21,370            | 19,084            | (2,197)           | 37,717            | 5,258             | 21,547            |
| Retail Banking                              | 38,545            | 34,662            | 46,086            | 89,305            | 89,419            | 126,839           |
| Other Banking operations                    | (595)             | 1,458             | -                 | 863               | -                 | -                 |
| Unallocated                                 | 1,885             | 67                | 2                 | 1,952             | -                 | 244               |
| <b>Profit before tax</b>                    | <b>72,481</b>     | <b>65,659</b>     | <b>56,286</b>     | <b>186,846</b>    | <b>153,581</b>    | <b>220,856</b>    |
| <b>Segment Assets</b>                       |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 4,059,405         | 4,628,017         | 4,480,398         | 4,059,405         | 4,480,398         | 4,479,657         |
| Corporate/Wholesale Banking                 | 7,707,515         | 7,250,870         | 6,608,639         | 7,707,515         | 6,608,639         | 7,083,959         |
| Retail Banking                              | 8,937,571         | 8,573,839         | 7,864,126         | 8,937,571         | 7,864,126         | 8,282,563         |
| Other Banking operations                    | 286               | 477               | -                 | 286               | -                 | -                 |
| Unallocated                                 | 654,674           | 664,952           | 1,070,904         | 654,674           | 1,070,904         | 650,474           |
| <b>Total</b>                                | <b>21,359,451</b> | <b>21,118,155</b> | <b>20,024,067</b> | <b>21,359,451</b> | <b>20,024,067</b> | <b>20,496,653</b> |
| <b>Segment Liabilities</b>                  |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 1,083,754         | 1,206,212         | 1,361,413         | 1,083,754         | 1,361,413         | 1,403,276         |
| Corporate/Wholesale Banking                 | 1,681,586         | 1,707,578         | 1,502,304         | 1,681,586         | 1,502,304         | 1,609,960         |
| Retail Banking                              | 16,451,320        | 16,129,690        | 15,344,065        | 16,451,320        | 15,344,065        | 15,611,703        |
| Other Banking operations                    | 103               | 218               | -                 | 103               | -                 | -                 |
| Unallocated                                 | 247,747           | 234,453           | 197,146           | 247,747           | 197,146           | 199,818           |
| <b>Total</b>                                | <b>19,464,510</b> | <b>19,278,151</b> | <b>18,404,928</b> | <b>19,464,510</b> | <b>18,404,928</b> | <b>18,824,757</b> |
| <b>Capital Employed:</b>                    |                   |                   |                   |                   |                   |                   |
| (Segment Assets - Segment Liabilities)      |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 2,975,651         | 3,421,805         | 3,118,985         | 2,975,651         | 3,118,985         | 3,076,381         |
| Corporate/Wholesale Banking                 | 6,025,929         | 5,543,292         | 5,106,335         | 6,025,929         | 5,106,335         | 5,473,999         |
| Retail Banking                              | (7,513,749)       | (7,555,851)       | (7,479,939)       | (7,513,749)       | (7,479,939)       | (7,329,140)       |
| Other Banking operations                    | 183               | 259               | -                 | 183               | -                 | -                 |
| Unallocated                                 | 406,927           | 430,499           | 873,758           | 406,927           | 873,758           | 450,656           |
| <b>Total</b>                                | <b>1,894,941</b>  | <b>1,840,004</b>  | <b>1,619,139</b>  | <b>1,894,941</b>  | <b>1,619,139</b>  | <b>1,671,896</b>  |

@ 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 and nine months ended December 31, 2021 were reviewed by the Audit Committee and subsequently taken on record and approved by the Board of Directors at its meeting held on January 25, 2022. 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. Ageas Federal Life Insurance Company Limited & Equirus Capital Private Limited.
- There has been no material change in the accounting policies adopted during the quarter and nine months ended December 31, 2021 as compared to those followed for the year ended March 31, 2021 except as stated in Note 11 below.
- 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), provision for non-performing investments, income-tax and other usual and necessary provisions.
- 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), profit / loss on revaluation of investments, dividend received from subsidiaries / associates, recoveries from advances written off etc.
- 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.
- 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 Financial Services 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.
- In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015, 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' and RBI Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 - 'Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR) - Final Guidelines', 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: <https://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- During the quarter ended September 30, 2021, the Bank had issued 104,846,394 equity shares of ₹ 2 each for cash pursuant to a preferential allotment as per the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations at ₹ 87.39 per share aggregating to ₹ 91,625.26 Lakhs (including share premium). This resulted in an increase of ₹ 2,096.93 Lakhs in Share Capital and ₹ 89,476.54 Lakhs (Net of share issue expenses) in Share premium account.

- 10 On account of uncertainties prevailing due to COVID-19 pandemic across the world and in India, including the current outbreak, the extent to which the same will impact the Bank's operations and financial position in future will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period. The extent to which the COVID-19 pandemic will continue to impact the Bank's results will depend on the future developments related to the situation, as well as the outcomes of the actions taken to contain the same.
- 11 During the quarter ended September 30, 2021, the bank had estimated & fully recognized the additional liability on account of revision in family pension for employees covered under the 11th Bipartite Settlement and Joint Note dated November 11, 2020 amounting to ₹ 17,731.55 Lakhs. In accordance with the letter dated October 4, 2021 issued by RBI, permitting all member banks of Indian Banks' Association to amortise the said additional liability over a period not exceeding five years beginning with the financial year ended March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year, the bank had opted to amortize the said liability over a period not exceeding five years beginning with the financial year ended March 31, 2022, subject to a minimum of ₹ 3,546.31 Lakhs being expensed every financial year. Accordingly, during the quarter and nine months ended December 31, 2021, the Bank has charged ₹ 1,182.10 Lakhs and ₹ 2,364.21 Lakhs respectively to the Profit and Loss account and the balance unamortised expenditure amounting to ₹ 15,367.34 Lakhs has been carried forward. Had the Bank charged the entire unamortised expenditure to the Profit and Loss Account during the quarter and nine months ended December 31, 2021, the Net Profit after tax for the quarter and nine months ended December 31, 2021 would have been lower by ₹ 11,436.28 Lakhs.
- 12 The Honourable Supreme Court of India, vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on March 23, 2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms. In view of this, the results for the nine months ended December 31, 2021 may not be comparable with the corresponding nine months ended December 31, 2020.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification and also the amounts / ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on financial results - Presentation and disclosure issued by Reserve Bank of India dated August 30, 2021 (updated as on November 15, 2021), as amended and wherever considered necessary.

Kochi  
January 25, 2022

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)