

SD/ F24 /124/2020-21

16th October, 2020

The Manager Listing Department The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	The Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, Mumbai – 400 001
---	---

Re: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Madam/ Sir,

Sub: Outcome of the Board Meeting held on 16th October, 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 and half year ended September 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 10.30 am and concluded at 12.30 pm

Kindly take the same on record.

Thanking you.
Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev
Company Secretary

Varma & Varma

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

Borkar & Muzumdar

Chartered Accountants
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/half year ended 30th September 2020, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Review Report to
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/half year ended 30th September, 2020 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 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 30th September 2020, including Leverage Ratio and Liquidity Coverage Ratio 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'), SEBI circular CIR/CFD/FAC/62/2016 dated 5th July, 2016 (hereinafter referred to as the 'SEBI Circular'), 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 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is 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.
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, the SEBI circular 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 (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.
6. We draw attention to Note No.10 of the accompanying Statement of Unaudited Standalone Financial results, regarding the impact of COVID-19 pandemic and the adjustments made in the accounts for the quarter/half year ended 30th September, 2020 on account of the same. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on various aspects, including actions taken to mitigate its impact and other regulatory measures.

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

7. The review of unaudited quarterly/half yearly financial results for the quarter ended 30th June 2020 and the quarter/half year ended 30th September 2019 and audit of financial results for the year ended 31st March 2020 included in the Statement were carried out and reported by predecessor auditors who have expressed unmodified conclusion vide review reports dated 15th July, 2020 and 16th October 2019 respectively for the periods ended 30th June 2020 and 30th September 2019 and unmodified opinion vide audit report dated 28th May, 2020, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

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

R Rajasekharan
Partner
M. No. 22703
UDIN: 20022703AAAAAA8316

Devang Vaghani
Partner
M. No. 109386
UDIN: 20109386AAAAFN1336

Kochi-19
16th October 2020

Mumbai-55
16th October 2020

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020
(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	348,790	344,415	325,425	693,205	648,355	1,321,075
(a) Interest/discount on advances/bills	271,749	270,598	263,766	542,347	524,374	1,067,087
(b) Income on investments	59,252	60,612	52,744	119,864	108,267	218,407
(c) Interest on balances with Reserve Bank of India and other inter bank funds	11,661	7,067	3,811	18,728	5,783	13,996
(d) Others	6,128	6,138	5,104	12,266	9,931	21,585
2. Other income	50,933	48,837	42,092	99,770	81,244	193,141
3. TOTAL INCOME (1+2)	399,723	393,252	367,517	792,975	729,599	1,514,216
4. Interest expended	210,805	214,771	213,047	425,576	420,560	856,185
5. Operating expenses (i)+(ii)	88,265	85,243	82,590	173,508	158,883	337,561
(i) Employees cost	48,746	49,585	44,070	98,331	83,854	177,236
(ii) Other operating expenses	39,519	35,658	38,520	75,177	75,029	160,325
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	299,070	300,014	295,637	599,084	579,443	1,193,746
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	100,653	93,238	71,880	193,891	150,156	320,470
8. Provisions (other than tax) and contingencies	59,206	39,462	25,177	98,668	44,381	117,217
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	41,447	53,776	46,703	95,223	105,775	203,253
11. Tax expense	10,685	13,699	5,033	24,384	25,684	48,975
12. Net Profit from Ordinary Activities after tax (10-11)	30,762	40,077	41,670	70,839	80,091	154,278
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	30,762	40,077	41,670	70,839	80,091	154,278
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,893	39,875	39,762	39,893	39,762	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	NIL	NIL
(ii) Capital Adequacy ratio (%)						
Under Basel III	14.64	14.17	13.98	14.64	13.98	14.35
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	1.54*	2.01*	2.10*	3.55*	4.03*	7.76
(b) Diluted EPS (before and after extra ordinary items)	1.54*	2.01*	2.08*	3.55*	4.00*	7.70
(iv) NPA Ratios						
a) Gross NPA	355,219	365,559	361,211	355,219	361,211	353,083
b) Net NPA	121,814	147,746	184,364	121,814	184,364	160,717
c) % of Gross NPA	2.84	2.96	3.07	2.84	3.07	2.84
d) % of Net NPA	0.99	1.22	1.59	0.99	1.59	1.31
(v) Return on Assets (%)	0.16*	0.22*	0.26*	0.38*	0.51*	0.94

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020 Unaudited	30.06.2020 Unaudited	30.09.2019 Unaudited	30.09.2020 Unaudited	30.09.2019 Unaudited	31.03.2020 Audited
Segment Revenue:						
Treasury	60,754	93,782	61,427	154,536	115,775	226,846
Corporate/Wholesale Banking	131,976	115,894	122,637	247,870	246,201	489,365
Retail Banking	206,993	183,576	183,453	390,569	367,623	798,005
Other Banking operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
Total Revenue	399,723	393,252	367,517	792,975	729,599	1,514,216
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	399,723	393,252	367,517	792,975	729,599	1,514,216
Segment Results (net of provisions):						
Treasury	4,154	42,628	15,748	46,782	25,298	41,518
Corporate/Wholesale Banking	15,063	(8,149)	11,334	6,914	29,580	17,058
Retail Banking	22,230	19,299	19,621	41,529	50,897	145,113
Other Banking operations	-	-	-	-	-	-
Unallocated	-	(2)	-	(2)	-	(436)
Profit before tax	41,447	53,776	46,703	95,223	105,775	203,253
Segment Assets						
Treasury	4,378,891	4,219,642	2,930,670	4,378,891	2,930,670	3,787,323
Corporate/Wholesale Banking	6,809,139	7,013,384	6,778,385	6,809,139	6,778,385	7,056,243
Retail Banking	6,937,457	6,529,646	6,066,964	6,937,457	6,066,964	6,480,887
Other Banking operations	-	-	-	-	-	-
Unallocated	777,184	819,363	866,430	777,184	866,430	739,352
Total	18,902,671	18,582,035	16,642,449	18,902,671	16,642,449	18,063,805
Segment Liabilities						
Treasury	1,305,303	1,396,438	1,326,738	1,305,303	1,326,738	1,627,269
Corporate/Wholesale Banking	1,405,908	1,227,165	999,919	1,405,908	999,919	1,258,540
Retail Banking	14,461,623	14,227,797	12,708,464	14,461,623	12,708,464	13,458,149
Other Banking operations	-	-	-	-	-	-
Unallocated	206,312	238,354	231,897	206,312	231,897	268,086
Total	17,379,146	17,089,754	15,267,018	17,379,146	15,267,018	16,612,044
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	3,073,588	2,823,204	1,603,932	3,073,588	1,603,932	2,160,054
Corporate/Wholesale Banking	5,403,231	5,786,219	5,778,466	5,403,231	5,778,466	5,797,703
Retail Banking	(7,524,166)	(7,698,151)	(6,641,500)	(7,524,166)	(6,641,500)	(6,977,262)
Other Banking operations	-	-	-	-	-	-
Unallocated	570,872	581,009	634,533	570,872	634,533	471,266
Total	1,523,525	1,492,281	1,375,431	1,523,525	1,375,431	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.

Statement of Assets and Liabilities of the Bank as on September 30, 2020 is given below:

(₹ in Lakhs)

Particulars	As at	As at	As at
	30.09.2020 Unaudited	30.09.2019 Unaudited	31.03.2020 Audited
CAPITAL AND LIABILITIES			
Capital	39,893	39,762	39,853
Reserves and Surplus	1,483,632	1,335,669	1,411,908
Deposits	15,674,739	13,954,652	15,229,008
Borrowings	1,104,314	776,384	1,037,243
Other Liabilities and Provisions	600,093	535,982	345,793
Total	18,902,671	16,642,449	18,063,805
ASSETS			
Cash and Balances with Reserve Bank of India	611,989	773,319	617,491
Balance with Banks and Money at Call and Short Notice	1,352,867	367,442	639,967
Investments	3,625,263	3,109,436	3,589,268
Advances	12,291,199	11,589,321	12,226,791
Fixed assets	45,717	47,248	47,999
Other assets	975,636	755,683	942,289
Total	18,902,671	16,642,449	18,063,805

Notes:

- The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 16, 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 and half year ended September 30, 2020 or the previous periods/year.

- 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 and half year ended September 30, 2020, the Bank has allotted 930,455 and 2,010,385 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 On account of uncertainties arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position 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.

As per 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.

As on June 30, 2020 Bank was maintaining provision against the likely impact of COVID-19 amounting to ₹ 18,630.00 Lakhs, which was in excess of RBI mandated 10% provision on asset classification benefit extended accounts. During the current quarter, as a prudent measure, the Bank has made additional provision of ₹ 40,161.00 Lakhs (₹ 9,300.00 Lakhs during the quarter ended June 30, 2020), against the further likely impact of COVID-19 pandemic in respect of exposure of the Bank to certain specified sectors based on the assessment of presently available information. The aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, as on September 30, 2020 stands at ₹ 58,791.00 Lakhs and is grouped under Other liabilities and provisions in the Balance sheet of the Bank.

The Honourable Supreme Court in a writ petition by Gajendra Sharma Vs Union of India & Anr vide its interim order dated September 3, 2020 has directed Banks that the accounts which were not declared Non performing asset (NPA) till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, the Bank has not declared any account as NPA, which was not declared as NPA till August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, and provisioning pertaining to advances. However, as a prudent measure Bank has created sufficient provisions in respect of these advances.

- 11 The disclosures as required under RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 is given below for the half year ended as on September 30, 2020:

	(₹ in Lakhs)
Amounts in SMA/overdue categories, where the moratorium/deferment was extended (As of March 31, 2020)	371,262
Amount where asset classification benefits is extended (As of September 30, 2020)	76,397
Provisions made during the quarter ended March 31, 2020 and June 30, 2020 (Mandatory 10% Provision)	7,640
Provisions adjusted during the half year ended September 30, 2020 against slippages	-

- 12 The disclosures as required under RBI circular DOR.No.BP.BC.62/21.04.048/2020-21 dated April 17, 2020 with respect to the number of accounts and the Amount involved in those accounts where the Resolution period was extended is given below for the half year ended as on September 30, 2020:

No. of accounts in which Resolution Period was extended	3
Amount Involved (₹ in Lakhs)	4,170

- 13 The figures for the quarter ended June 30, 2020, quarter and half year ended September 30, 2019 and year ended March 31, 2020 were reviewed / audited by previous statutory auditors.
- 14 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in Lakhs)

	Half year ended September 30, 2020	Half year ended September 30, 2019
Cash Flow from Operating Activities		
Net Profit before taxes	95,223	105,775
Adjustments for:		
Depreciation on Bank's Property	6,133	5,835
Depreciation on Investments	(809)	2,603
Amortisation of Premium on Held to Maturity Investments	6,761	3,116
Provision for Non Performing Investments	(69)	188
Provision / Charge for Non Performing Assets	42,573	35,177
Provision for Standard Assets	56,462	6,178
(Profit)/Loss on sale of fixed assets (net)	(24)	(45)
Provision for Other Contingencies	511	235
	206,761	159,062
Adjustments for working capital changes:-		
(Increase)/ Decrease in Investments [excluding Held to Maturity Investments]	92,983	(21,727)
(Increase)/ Decrease in Advances	(106,980)	(602,202)
(Increase)/ Decrease in Other Assets	(30,787)	(65,540)
Increase/ (Decrease) in Deposits	445,730	459,218
Increase/ (Decrease) in Other liabilities and provisions	197,327	196,440
	598,273	(33,811)
Direct taxes paid	(26,945)	(40,454)
Net Cash Flow from / (Used in) Operating Activities	778,089	84,797
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,922)	(6,010)
Proceeds from Sale of Fixed Assets	96	176
Investment in Subsidiary	-	(500)
(Increase)/ Decrease in Held to Maturity Investments	(134,861)	89,331
Net Cash generated / (Used in) Investing Activities	(138,687)	82,997
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	40	61
Proceeds from Share Premium	711	1,342
Proceeds from Issue of Subordinate Debt	-	30,000
Increase/(Decrease) in Borrowings (Excluding Subordinate Debt)	67,071	(31,749)
Dividend Paid (Including Tax on Dividend)	-	(33,541)
Net Cash generated from Financing Activities	67,822	(33,887)
Effect of exchange fluctuation on translation reserve	174	174
Net Increase in Cash and Cash Equivalents	707,398	134,081
Cash and Cash Equivalents at the beginning of the period	1,257,458	1,006,680
Cash and Cash Equivalents at the end of the period	1,964,856	1,140,761

Note:

Cash and Cash Equivalents comprise of Cash in hand (including foreign currency notes), Balances with Reserve Bank of India, Balances with banks and money at call and short notice.

Kochi
October 16, 2020

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

Limited Review Report on consolidated unaudited financial results of The Federal Bank Limited for the quarter/half year ended 30th September 2020, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Review Report to
The Board of Directors,
The Federal Bank Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited 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 ended 30th September 2020 and the year to date results for the period from 1st April 2020 to 30th September 2020 (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 30th September 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 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'), SEBI circular CIR/CFD/FAC/62/2016 dated 5th July, 2016 (hereinafter referred to as the 'SEBI Circular'), 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. IDBI 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 8 and 9 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, the SEBI circular 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 (as amended) including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure, as at 30th September 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 aforesaid Statement, which have not been reviewed by us, or that it contains any material misstatement.

7. We draw attention to Note No.11 of the accompanying Statement, regarding the impact of COVID-19 pandemic and the adjustments made in the accounts for the quarter/half year ended 30th September, 2020 on account of the same. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on various aspects, including actions taken to mitigate its impact and other regulatory measures.

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

8. The statement of consolidated unaudited financial results includes the interim financial statements / financial information/ financial results of the two subsidiaries whose unaudited financial results reflects total assets of Rs. 4,54,990.48 Lakhs as at 30th September 2020 and total revenues of Rs. 17,416.68 Lakhs and Rs.32,940.75 Lakhs and total net profit after tax of Rs.808.06 Lakhs and Rs.2241.69 Lakhs for the quarter ended 30th September 2020 and for the period from 1st April 2020 to 30th September 2020 respectively, and cash flows (net) of Rs.15,560.19 for the period from 1st April 2020 to 30th September 2020. These interim financial statements/financial information/ financial results have been reviewed by one of the Joint auditors of the Bank, 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 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.

9. The statement of consolidated unaudited financial results includes the Group's share of net loss after tax of Rs.42.73 Lakhs and Rs.49.55 Lakhs for the quarter ended 30th September 2020 and for the period from 01st April 2020 to 30th September 2020, respectively, in respect of one associate whose interim financial results have not been reviewed by us. These 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.

10. The statement of consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs.216.74 lakhs and Rs.379.95 lakhs for the quarter ended 30th September 2020 and for the period from 1st April 2020 to 30th September 2020, respectively, in respect of one associate, 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 interim financial statements / financial information / financial results are not material to the Group.

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

11. The review of unaudited quarterly/half yearly financial results for the quarter ended 30th June 2020 and the quarter/half year ended 30th September 2019 and audit of financial results for the year ended 31st March 2020 included in the Statement were carried out and reported by predecessor auditors who has expressed unmodified conclusion vide review reports dated 15th July, 2020 and 16th October 2019 respectively for the periods ended 30th June 2020 and 30th September 2019 and unmodified opinion vide audit report dated 28th May, 2020, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

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

R Rajasekharan
Partner
M. No. 22703
UDIN: 20022703AAAAAB2436

Devang Vaghani
Partner
M. No. 109386
UDIN: 20109386AAAAFO6674

Kochi-19
16th October 2020

Mumbai-55
16th October 2020

THE FEDERAL BANK LIMITED

REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101

(CIN: L65191KL1931PLC000368)

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020
(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	362,188	357,211	333,675	719,399	663,196	1,359,039
(a) Interest/discount on advances/bills	285,376	282,774	272,087	568,150	539,139	1,104,518
(b) Income on investments	59,284	60,654	52,674	119,938	108,343	218,550
(c) Interest on balances with Reserve Bank of India and other inter bank funds	11,661	7,067	3,810	18,728	5,783	13,996
(d) Others	5,867	6,716	5,104	12,583	9,931	21,975
2. Other income	50,944	48,331	41,169	99,275	78,266	188,181
3. TOTAL INCOME (1+2)	413,132	405,542	374,844	818,674	741,462	1,547,220
4. Interest expended	215,941	219,655	215,422	435,596	425,129	867,831
5. Operating expenses (i)+(ii)	92,710	89,595	86,305	182,305	165,382	354,670
(i) Employees cost	52,136	52,656	46,321	104,792	87,862	187,598
(ii) Other operating expenses	40,574	36,939	39,984	77,513	77,520	167,072
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	308,651	309,250	301,727	617,901	590,511	1,222,501
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	104,481	96,292	73,117	200,773	150,951	324,719
8. Provisions (other than tax) and contingencies	62,543	40,935	25,343	103,478	44,675	118,722
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	41,938	55,357	47,774	97,295	106,276	205,997
11. Tax expense	10,368	14,199	5,334	24,567	26,465	50,720
12. Net Profit from Ordinary Activities after tax (10-11)	31,570	41,158	42,440	72,728	79,811	155,277
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	31,570	41,158	42,440	72,728	79,811	155,277
15. Minority interest	199	364	129	563	311	1,028
16. Share in Profit of Associates	174	156	223	330	454	3,771
17. Consolidated Net Profit of the group (14-15+16)	31,545	40,950	42,534	72,495	79,954	158,020
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,893	39,875	39,762	39,893	39,762	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	NIL	NIL
(ii) Capital Adequacy ratio (%)						
Under Basel III	15.19	14.53	14.32	15.19	14.32	14.63
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	1.58*	2.05*	2.14*	3.64*	4.03*	7.94
(b) Diluted EPS (before and after extra ordinary items)	1.58*	2.05*	2.13*	3.63*	3.99*	7.88
(iv) NPA Ratios						
a) Gross NPA	359,172	371,207	365,317	359,172	365,317	358,015
b) Net NPA	124,985	152,566	187,941	124,985	187,941	164,953
c) % of Gross NPA	2.80	2.94	3.06	2.80	3.06	2.82
d) % of Net NPA	0.99	1.23	1.60	0.99	1.60	1.32
(v) Return on Assets (%)	0.17*	0.22*	0.26*	0.39*	0.49*	0.92

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	60,827	93,782	61,427	154,609	113,692	223,796
Corporate/Wholesale Banking	130,786	114,942	122,637	245,728	246,201	486,614
Retail Banking	221,519	196,818	190,780	418,337	381,569	836,810
Other Banking operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
Total Revenue	413,132	405,542	374,844	818,674	741,462	1,547,220
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	413,132	405,542	374,844	818,674	741,462	1,547,220
Segment Results (net of provisions):						
Treasury	4,234	42,275	15,747	46,509	23,183	38,436
Corporate/Wholesale Banking	15,493	(8,038)	11,334	7,455	29,580	18,421
Retail Banking	22,211	21,122	20,693	43,333	53,513	149,576
Other Banking operations	-	-	-	-	-	-
Unallocated	-	(2)	-	(2)	-	(436)
Profit before tax	41,938	55,357	47,774	97,295	106,276	205,997
Segment Assets						
Treasury	4,332,971	4,197,586	2,932,382	4,332,971	2,932,382	3,765,464
Corporate/Wholesale Banking	6,742,587	6,953,817	6,778,385	6,742,587	6,778,385	6,997,531
Retail Banking	7,330,321	6,894,109	6,233,258	7,330,321	6,233,258	6,832,986
Other Banking operations	-	-	-	-	-	-
Unallocated	777,293	819,363	866,430	777,293	866,430	739,352
Total	19,183,172	18,864,875	16,810,455	19,183,172	16,810,455	18,335,333
Segment Liabilities						
Treasury	1,298,917	1,395,636	1,326,738	1,298,917	1,326,738	1,626,174
Corporate/Wholesale Banking	1,417,520	1,249,280	999,919	1,417,520	999,919	1,291,143
Retail Banking	14,686,523	14,439,516	12,834,629	14,686,523	12,834,629	13,649,598
Other Banking operations	-	-	-	-	-	-
Unallocated	205,895	238,354	231,897	205,895	231,897	268,086
Total	17,608,855	17,322,786	15,393,183	17,608,855	15,393,183	16,835,001
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	3,034,054	2,801,950	1,605,644	3,034,054	1,605,644	2,139,290
Corporate/Wholesale Banking	5,325,067	5,704,537	5,778,466	5,325,067	5,778,466	5,706,388
Retail Banking	(7,356,202)	(7,545,407)	(6,601,371)	(7,356,202)	(6,601,371)	(6,816,612)
Other Banking operations	-	-	-	-	-	-
Unallocated	571,398	581,009	634,533	571,398	634,533	471,266
Total	1,574,317	1,542,089	1,417,272	1,574,317	1,417,272	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.

Statement of Assets and Liabilities of the Group as on September 30, 2020 is given below:

(₹ in Lakhs)

Particulars	As at	As at	As at
	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	39,893	39,762	39,853
Reserves and Surplus	1,515,764	1,362,141	1,442,383
Minority Interest	18,660	15,369	18,096
Deposits	15,648,514	13,952,139	15,225,191
Borrowings	1,347,911	893,823	1,252,772
Other Liabilities and Provisions	612,430	547,221	357,038
Total	19,183,172	16,810,455	18,335,333
ASSETS			
Cash and Balances with Reserve Bank of India	613,172	774,158	618,254
Balance with Banks and Money at Call and Short Notice	1,363,110	373,480	657,477
Investments	3,579,343	3,096,818	3,571,539
Advances	12,590,255	11,754,542	12,484,950
Fixed assets	48,378	48,809	50,481
Other assets	988,914	762,648	952,632
Total	19,183,172	16,810,455	18,335,333

Notes:

- The above Consolidated Unaudited Financial Results for the quarter and half year ended September 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 October 16, 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 and half year ended September 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 and half year ended September 30, 2020 or the previous periods/year.

- 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 and half year ended September 30, 2020, the Bank has allotted 930,455 and 2,010,385 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 On account of uncertainties arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position 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.

As per 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.

As on June 30, 2020 Bank was maintaining provision against the likely impact of COVID-19 amounting to ₹ 18,630.00 Lakhs, which was in excess of RBI mandated 10% provision on asset classification benefit extended accounts. During the current quarter, as a prudent measure, the Bank has made additional provision of ₹ 40,161.00 Lakhs (₹ 9,300.00 Lakhs during the quarter ended June 30, 2020), against the further likely impact of COVID-19 pandemic in respect of exposure of the Bank to certain specified sectors based on the assessment of presently available information. The aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, as on September 30, 2020 stands at ₹ 58,791.00 Lakhs and is grouped under Other liabilities and provisions in the Balance sheet of the Bank.

The Honourable Supreme Court in a writ petition by Gajendra Sharma Vs Union of India & Anr vide its interim order dated September 3, 2020 has directed Banks that the accounts which were not declared Non performing asset (NPA) till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, the Bank has not declared any account as NPA, which was not declared as NPA till August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, and provisioning pertaining to advances. However, as a prudent measure Bank has created sufficient provisions in respect of these advances.

- 12 The figures for the quarter ended June 30, 2020, quarter and half year ended September 30, 2019 and year ended March 31, 2020 were reviewed / audited by previous statutory auditors.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi
October 16, 2020

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020
(₹ in Lakhs)

	Half year ended September 30, 2020	Half year ended September 30, 2019
Cash Flow from Operating Activities		
Net Profit before taxes	97,062	106,420
Adjustments for:		
Depreciation on Group's Property	6,547	6,039
Depreciation on Investments	(456)	2,634
Amortisation of Premium on Held to Maturity Investments	6,761	3,116
Provision for Non Performing Investments	(69)	188
Provision / Charge for Non Performing Assets	42,653	35,194
Provision for Standard Assets	60,831	6,423
(Profit)/ Loss on sale of fixed assets (net)	(25)	(47)
(Income) / Loss From Associate	(330)	(454)
Provision for Other Contingencies	519	235
	213,493	159,748
Adjustments for working capital changes:-		
(Increase)/ Decrease in Investments [excluding Held to Maturity Investments]	121,152	(23,563)
(Increase)/ Decrease in Advances	(147,958)	(636,145)
(Increase)/ Decrease in Other Assets	(31,396)	(66,781)
Increase/ (Decrease) in Deposits	423,324	464,246
Increase/ (Decrease) in Other liabilities and provisions	194,703	201,710
	559,825	(60,533)
Direct taxes paid	(30,115)	(41,587)
Net Cash Flow from / (Used in) Operating Activities	743,203	57,628
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(4,522)	(6,987)
Proceeds from Sale of Fixed Assets	103	179
Investment in Subsidiary	-	(500)
(Increase)/ Decrease in Held to Maturity Investments	(134,861)	89,331
Net Cash generated / (Used in) Investing Activities	(139,280)	82,023
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	40	61
Proceeds from Share Premium	712	6,497
Increase / (Decrease) in Minority Interest	563	6,255
Proceeds from Issue of Subordinate Debt	-	30,000
Increase/(Decrease) in Borrowings (Excluding Subordinate Debt)	95,139	(6,806)
Dividend Paid (Including Tax on Dividend)	-	(33,541)
Net Cash generated from financing Activities	96,454	2,466
Effect of exchange fluctuation on translation reserve	174	174
Increase/(Decrease) in Cash and Cash Equivalents	700,551	142,291
Cash and Cash Equivalents at the beginning of the period	1,275,731	1,005,347
Cash and Cash Equivalents at the end of the period	1,976,282	1,147,638

Note:

Cash and Cash Equivalents comprise of Cash in hand (including foreign currency notes), Balances with Reserve Bank of India, Balances with banks and money at call and short notice.

Kochi
October 16, 2020

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)