

THE FEDERAL BANK LIMITED						
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101						
(CIN: L65191KL1931PLC000368)						
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021						
(₹ 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
3. TOTAL INCOME (1+2)	392,675	387,090	393,490	1,180,161	1,187,274	1,571,661
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
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	301,246	295,882	297,846	884,196	896,930	1,191,592
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	91,429	91,208	95,644	295,965	290,344	380,069
8. Provisions (other than tax) and contingencies	21,398	29,262	41,416	114,653	140,893	166,342
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	70,031	61,946	54,228	181,312	149,451	213,727
11. Tax expense	17,858	15,920	13,818	46,384	38,202	54,697
12. Net Profit from Ordinary Activities after tax (10-11)	52,173	46,026	40,410	134,928	111,249	159,030
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	52,173	46,026	40,410	134,928	111,249	159,030
15. Paid-up Equity Share Capital (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 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited
Segment Revenue:						
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	392,675	387,090	393,490	1,180,161	1,187,274	1,571,661
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	392,675	387,090	393,490	1,180,161	1,187,274	1,571,661
Segment Results (net of provisions):						
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
Profit before tax	70,031	61,946	54,228	181,312	149,451	213,727
Segment Assets						
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
Total	20,887,637	20,687,425	19,684,657	20,887,637	19,684,657	20,136,739
Segment Liabilities						
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
Total	19,062,440	18,914,723	18,120,167	19,062,440	18,120,167	18,524,378
Capital Employed:						
(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
Total	1,825,197	1,772,702	1,564,490	1,825,197	1,564,490	1,612,361

@ 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)

THE FEDERAL BANK LIMITED						
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101						
(CIN: L65191KL1931PLC000368)						
CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021						
(₹ 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)	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
3. TOTAL INCOME (1+2)	412,530	406,075	408,231	1,233,192	1,227,714	1,628,573
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
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	316,069	309,234	308,657	924,274	926,558	1,233,363
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	96,461	96,841	99,574	308,918	301,156	395,210
8. Provisions (other than tax) and contingencies	23,980	31,182	43,288	122,072	147,575	174,354
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	72,481	65,659	56,286	186,846	153,581	220,856
11. Tax expense	18,472	16,860	14,319	48,482	38,886	56,136
12. Net Profit from Ordinary Activities after tax (10-11)	54,009	48,799	41,967	138,364	114,695	164,720
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	54,009	48,799	41,967	138,364	114,695	164,720
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
17. Consolidated Net Profit of the group (14-15+16)	53,977	48,572	41,814	138,225	114,309	166,433
18. Paid-up Equity Share Capital (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
Segment Revenue:						
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
Total Revenue	412,530	406,075	408,231	1,233,192	1,227,714	1,628,573
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	412,530	406,075	408,231	1,233,192	1,227,714	1,628,573
Segment Results (net of provisions):						
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
Profit before tax	72,481	65,659	56,286	186,846	153,581	220,856
Segment Assets						
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
Total	21,359,451	21,118,155	20,024,067	21,359,451	20,024,067	20,496,653
Segment Liabilities						
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
Total	19,464,510	19,278,151	18,404,928	19,464,510	18,404,928	18,824,757
Capital Employed:						
(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
Total	1,894,941	1,840,004	1,619,139	1,894,941	1,619,139	1,671,896

@ 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)