

**POLICY FOR DETERMINATION OF MATERIALITY OF  
EVENTS/ INFORMATION FOR DISCLOSURE TO THE  
STOCK EXCHANGES**



**THE FEDERAL BANK LIMITED**  
Federal Towers, Aluva, 683101, Kerala

**OBJECTIVE**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**hereinafter referred as “the Regulations”**). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

**EFFECTIVE DATE**

Adoption of policy: This policy has been approved by the Board at its meeting held on December 19, 2015 and has been made effective from January 12, 2016.

**The Bank’s policy on determination of materiality will be based on the following:**

The Bank shall make disclosures of events or information which are material in nature. The following criteria be used for determination of materiality of events/ information:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; **or**
- (c) **the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:**
  - (1) **two percent of turnover, as per the last audited consolidated financial statements of the Bank;**
  - (2) **two percent of net worth, as per the last audited consolidated financial statements of the Bank, except in case the arithmetic value of the net worth is negative;**
  - (3) **five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Bank;**
- (d) **In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Bank, the event or information is considered material:**

**MD & CEO, CFO or the Company Secretary after getting consent from the MD, shall have the authority to determine materiality of any event or information and ensure disclosures of the same are made to Stock Exchange(s), subject to the provisions of the said Policy.**

**The employees of the Bank shall identify any potential material event or information and report the same to the MD & CEO, CFO or the Company Secretary after getting consent from the MD. MD & CEO/ Executive Director has been authorised to put in place the procedure for reporting by the employees regarding the reporting of material event. In view of the same, the MD&CEO has instructed the secretarial department to devise a format for reporting of the material events by the employees. The secretarial department will send an email, including the reporting format, to all the concerned employees, level 7 and above, on monthly basis explaining the requirement on the disclosure of the material events to the MD&CEO/ Exchanges. To determine the materiality of the said event or information as reported by the employees of the Bank, MD & CEO, CFO or the**

**Company Secretary after getting consent from the MD, has been authorised for getting the necessary disclosures to be submitted to the stock exchange(s).**

The Bank would disclose the events and occurrences and information as noted in Annexure that would impact price of the Bank's share in the market no sooner than credible and concrete information comes into being in order to make such information generally available.

**The Bank shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature, and which indicates that rumours of an impending specific material event or information in terms of the provisions of the regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four hours from the reporting of the event or information.**

**In case where an event occurs or an information is available with the Bank, which has not been indicated in Para A or B of Part A of Schedule III of the Regulations, but which may have material effect on it, the Bank is required to make adequate disclosures in regard thereof.**

**Annexure**

**I. Indicative list of events/information/occurrences which are material as per SEBI guidelines and which is being incorporated in the policy as material events**

Sl. No.	Category	Disclosures to be made
A	Board related matters	<p>1. Appointment/ Change in Directors</p> <p>2. Appointment/ Change in Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, <b>senior management</b> etc.) and Compliance Officer.</p> <p>As per Reg 16(1)(d) of the Regulations, the term "Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.</p> <p>3. Appointment/ Change in Auditor</p> <p>4. <b>In case, the Managing Director or Chief Executive Officer of the Bank was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s)."</b></p> <p>Time Limit for Disclosure (sl. No. 1 to 4 as above): Not later than <b>twelve hours</b> from the occurrence of the event or information.</p> <p>5. <b>In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Bank within seven days from the date that such resignation comes into effect.</b></p>

		<b>Time Limit for Disclosure:</b> <i>within seven days from the date that such resignation comes into effect.</i>
<b>B</b>	<b>Financial matters</b>	<p>1. Outcome of Meetings of the Board of Directors to consider:</p> <ol style="list-style-type: none"> <li>i. Financial results</li> <li>ii. Dividends and/or cash bonuses recommended or declared and the date on which dividend shall be paid/ dispatched</li> <li>iii. Any cancellation of dividend with reasons thereof</li> </ol> <p>Time Limit for Disclosure: Within thirty minutes of the conclusion of the Board meeting. <b><i>Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.</i></b></p> <p>a. Schedule of analysts or institutional investors meet <b><i>at least two working days in advance (excluding the date of the intimation and the date of the meet)</i></b> and presentations made by the Bank to analysts or institutional investors.</p> <p>Explanation: For this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.</p> <p>Time Limit for Disclosure: <b><i>at least two working days in advance of analysts or institutional investors' meeting (excluding the date of the intimation and the date of the meet)</i></b></p> <p>b. Audio or video recordings and transcripts of post earnings/ quarterly calls, by whatever name called, conducted physically or through digital means, shall be submitted to the recognized stock exchange(s), in the following manner:</p> <ol style="list-style-type: none"> <li>i. The presentation and the audio/video recordings, <p>Time Limit for Disclosure: Before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier.</p> </li> <li>ii. The transcripts of such calls <p>Time Limit for Disclosure: within five working days of the conclusion of such calls</p> </li> </ol>
<b>C</b>	<b>Securities/ shareholding and shareholders related matters</b>	<p>1. Outcome of Meetings of the Board of Directors to consider:</p> <ol style="list-style-type: none"> <li>i. Short particulars of any alterations of capital, including calls.</li> <li>ii. the decision on buyback of securities.</li> <li>iii. the decision with respect to fund raising proposed to be undertaken.</li> <li>iv. Reissue of forfeited shares or securities.</li> <li>v. Decision on voluntary delisting by the <b>Bank</b> from stock exchange(s).</li> </ol> <p><b>Time Limit for Disclosure:</b> Within thirty minutes of the conclusion of the Board meeting.</p> <p>2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.</p> <p>3. Appointment or discontinuation of share transfer agent</p>

		<p>4. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media</p> <p>5. Proceedings of Annual and extraordinary general meetings of the <b>Bank</b>.</p> <p><b>Time Limit for Disclosure:</b> Not later than <b>twelve</b> hours from the occurrence of the event or information.</p>
<b>D</b>	<b>Risk Related matters</b>	<p>1. <b><i>Fraud or defaults by the Bank, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter, or director of the Bank, whether occurred within India or abroad.</i></b></p> <p><b><i>The Bank shall adhere to definitions/ ensure conditions as specified in the SEBI LODR Regulations for disclosure relating to the above disclosure.</i></b></p> <p>2. <b><i>New Rating(s) or</i></b> Revision in Ratings excluding Supervisory/ Regulatory Rating by RBI</p> <p>3. Initiation of Forensic audit:</p> <p>a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;</p> <p>b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the <b>Bank</b> along with comments of the management, if any</p> <p><b>Time Limit for Disclosure:</b> Not later than <b>twelve</b> hours from the occurrence of the event or information</p>
<b>E</b>	<b>General Business Matters</b>	<p>1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), <b><i>whole or substantially the whole of the undertaking(s) or subsidiary of the Bank, sale of stake in associate company of the Bank or any other restructuring or subsidiary of the bank or any other restructuring.</i></b></p> <p><b><i>The Bank shall adhere to definitions/ ensure conditions as specified in the SEBI LODR Regulations for disclosure relating to the above disclosure.</i></b></p> <p>2. Agreements (viz. shareholder agreement(s), joint venture agreement(s), agreement(s), treaty(ies)/ contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.</p> <p>3. <b><i>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Bank or of its holding, subsidiary or associate company, among themselves or with the Bank or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Bank or impose any restriction or create any liability upon the Bank, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Bank is a party to such agreements:</i></b></p> <p><b><i>Provided that such agreements entered into by a Bank in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Bank or they are</i></b></p>

		<p><i>required to be disclosed in terms of any other provisions of these regulations.</i></p> <p><i>Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that Bank shall or shall not act in a particular manner.”</i></p> <p><i>Time Limit- Not later than twelve hours from the occurrence of the event or information.</i></p> <p>4. Amendments to Memorandum and Articles of Association of the Bank.</p> <p>5. Listing of subsidiaries through IPO</p> <p>6. <b>Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Bank, in relation to any event or information which is material for the Bank in terms of materiality as per the policy and is not already made available in the public domain by the Bank.</b>  <i>Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.</i></p> <p>7. <b>Action(s) initiated, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Bank or its directors, key managerial personnel, senior management, promoter, or subsidiary, in relation to the Bank and subject to the compliance of the conditions as mentioned in clause 19 &amp; 20 to Sch III - Part A - Para A of the SEBI (LODR) Regulations, 2015.</b></p> <p>8. <b>Voluntary revision of financial statements or the report of the board of directors of the Bank under section 131 of the Companies Act, 2013.</b></p> <p>9. <b>In case an event or information is required to be disclosed by the Bank in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Bank shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.</b></p> <p><b>Time Limit for Disclosure:</b> Not later than <i>twelve</i> hours from the occurrence of the event or information.</p>
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**II. List of miscellaneous items which are mentioned in the SEBI Guidelines and which need to be tracked and disclosed based on the criteria specified for materiality. (Time Limit for Disclosure: Not later than *twelve* hours from the occurrence of the event or information)**

<b>A</b>	<b>Board related matters</b>	-
<b>B</b>	<b>Risk related Matters including natural calamities</b>	<p>1. <b>Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Bank.</b></p> <p>2. Disruption of operations of any one or more units or division due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.</p>
<b>C</b>	<b>Securities/ shareholding and shareholders related matters</b>	Effect(s) arising out of change in the regulatory framework applicable to the <b>Bank</b> ;
<b>D</b>	<b>HR related matters</b>	1. <b>Frauds or defaults by employees of the Bank which has or may have an impact on the Bank</b>

		2. Options to purchase securities including any ESOP/ESPS Scheme.
<b>E</b>	<b>General Business Matters</b>	<ol style="list-style-type: none"> <li>1. Commencement or any postponement in the date of commencement of commercial operations of any unit/division.</li> <li>2. <b>Any of the following events pertaining to the Bank: (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (b) adoption of new line(s) of business; or (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)."</b></li> <li>3. Capacity addition or product launch.</li> <li>4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.</li> <li>5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</li> <li>6. Giving of guarantees or indemnity or becoming a surety <b>by whatever name called for</b> any third party.</li> <li>7. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.</li> <li>8. <b>Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.</b></li> <li>9. Any other information/event viz. major development that is likely to affect business, e.g., Emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Bank which may be necessary to enable the holders of securities of the Bank to appraise its position and to avoid the establishment of a false market in such securities.</li> </ol>

### III. DISCLOSURE OF INFORMATION ON NON-CONVERTIBLE DEBT SECURITIES

**Disclosure of Information having bearing on performance/operation and/or Price Sensitive Information: Non-Convertible Debt Securities** (Time Limit for Disclosure: Not later than **twelve** hours from the occurrence of the event or information)

The Bank shall promptly inform the stock exchange(s) of all information which shall have bearing on performance/operation of the Bank or is price sensitive or shall affect payment of interest or redemption payment of non-convertible securities of the Bank including

<b>A</b>	<b>Board Related matters</b>	<ol style="list-style-type: none"> <li>1. any major change in composition of board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</li> <li>2. the following approvals made by board of directors in their meeting:- <ol style="list-style-type: none"> <li>(a) the decision to pass any interest payment;</li> <li>(b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debt security holders, or in any other way;</li> </ol> </li> </ol>
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		<p>3. Outcome of meetings of the Board of Directors of the Bank to the Exchange(s), within thirty minutes of the closure of the meeting, held to consider the following:</p> <p>(a) the decision with respect to fund raising proposed to be undertaken by way of non-convertible securities;</p> <p>(b) financial results</p> <p>4. <b>fraud/defaults by promoter or key managerial personnel or director of Bank or by Bank or arrest of key managerial personnel or promoter.</b></p> <p>5. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Senior Management etc.), Auditor and Compliance Officer.</p> <p>6. In case of resignation of the auditor of the Bank, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Bank to the stock exchanges as soon as possible.</p>
<b>B</b>	<b>Risk Related matters</b>	<p>1. Expected default in the timely payment of interest, or redemption payment or both in respect of the non-convertible securities and also default in the creation of security for non-convertible debt securities as soon as the same becomes apparent;</p> <p>2. Any action that shall affect adversely payment of interest on non-convertible debt securities including default to pay interest on non-convertible debt securities or redemption amount</p> <p>3. Any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial operations;</p> <p>4. Delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;</p> <p>5. Any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the Bank with any investor(s)/lender(s).</p> <p>6. <b>New Rating(s) or</b> any revision in the rating;</p> <p>7. <b>Failure to create charge on the assets within the stipulated time period;</b></p>
<b>C</b>	<b>Securities related matters</b>	<p>1. Any attachment or prohibitory orders restraining the <b>Bank</b> from transferring non-convertible securities from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;</p> <p>2. Any action which shall result in the redemption, reduction, cancellation, retirement in whole or in part of any non-convertible securities;</p> <p>3. Any change in the form or nature of any of its non-convertible securities that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;</p> <p>4. Details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security along with its comments thereon, if any;</p> <p>5. All information, report, notices, call letters, circulars, proceedings etc., concerning non-convertible securities;</p> <p>6. Intimation related to any change in the debenture trustee or Credit Rating Agency or Registrar and Share Transfer Agent;</p>



		<p>7. Intimation related to any change in covenants or breach of covenants under the terms of non-convertible debentures</p> <p>8. Intimation related to any change in terms of issue or redemption or exercising of call/ put options</p> <p>9. Intimation related to forfeiture of unclaimed interest or principal amount;</p> <p>10. Proceedings of Annual and extraordinary general meetings of the Bank;</p>
<b>D</b>	<b>HR Related matters</b>	<p>1. Any events such as strikes and lock outs which have a bearing on the interest payment/ principal repayment capacity.</p> <p>2. Fraud/defaults by employees of <b>Bank</b>.</p>
<b>E</b>	<b>Other matters</b>	<p>1. Any other information/change that:</p> <p>a. shall affect the rights and obligations of the holders of the non-convertible securities; and</p> <p>b. is not in the public domain but necessary to enable the holders of the nonconvertible securities to comprehend the true position and to avoid the creation of a false market in such listed securities.</p> <p>2. Intimation of comfort/guarantee or any credit enhancement provided by the <b>Bank</b> to a third party</p>

#### AMENDMENT TO THE POLICY

The Board of Directors shall alter, amend or modify the clauses of this Policy from time to time in line with the requirement of the SEBI Guidelines or any other rules, regulations etc., which may be amended and applicable from time to time.

The RACI matrix given below provides a broad overview of the responsibilities/roles of various verticals during disclosure:

<b>R - Responsible</b>	Refers to those who do the work to complete the task.
<b>A - Accountable</b>	Designates the person who ultimately answer for the results of an activity, and also who delegates the work to the people who will execute it.
<b>C - Consulted</b>	Refers to those who sought be heard on the related activity, and with whom there is two-way communication.
<b>I - Informed</b>	Designates those who sought to be kept up-to-date on the progress of the activity, and with whom there is just one-way communication.

Materiality Policy	IRM D	Financial Reporting	Sec retarial	Marketi ng/ Investo r Relations	HR	Treas ury	Corpor ate Planni ng	Legal	MD& CEO	Inspecti on and Audit Departm ent	Retail Busine ss	Complia nce	NRC	Board
Determination of materiality of events	C	C	C	C	C	C	C	C	R/A	C	C	C/I	R/A	R/A
Disclosure of Material events/ information as per SEBI guidelines	C/I	C/I	R/A	C/I	C/I	C/I	C/I	C/I	R/A	I	I	C/I	C/I	C/I
Events/ information disclosed based on the criteria	C/I	C/I	R/A	C/I	C/I	C/I	R/C/I	R/C/I	R/C/I	R/C/I	R/C/I	C/I	R/A	R/A

specified materiality for															
Disclosure of information on Non-Convertible Debt Securities	C/I	C/I	R/A	-	-	A/C	C/I	C/I	C/I	-	-	-	C/I	C/I	
Updation of the Policy based on regulatory changes	-	-	R/A	-	-	-	-	-	-	-	-	C/I	C/I	C/I	

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