

SD/ F24/ 141/2021-22

October 22, 2021

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

Dear Sir,

**Sub: Outcome of the Board Meeting held on October 22, 2021**

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, 2021 (both standalone and consolidated) along with Limited Review Report issued by the Joint Central Statutory Auditors of the Bank, which were reviewed and recommended by Audit Committee of the Board and duly approved by the Board of Directors at their respective meetings held today.

The Board Meeting commenced at 11.00 am and concluded at 12.30 pm.

Kindly take the same on record.

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

**Samir P Rajdev**  
**Company Secretary**

Encl: As Above

**Varma & Varma**

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

**Borkar & Muzumdar**

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

Limited Review Report on unaudited standalone financial results of The Federal Bank Limited for the quarter/half year ended 30<sup>th</sup> September 2021, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

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 30<sup>th</sup> September, 2021 ('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 30<sup>th</sup> September 2021, 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.

### **Emphasis of Matter**

6. We draw attention to Note No.11 of the accompanying Statement of Unaudited Standalone Financial results, regarding the impact of COVID-19 pandemic on the Bank's operations and financial position which will depend on various uncertain aspects, including actions taken to mitigate the same and other regulatory measures.

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

7. We draw attention to Note No.13 of the accompanying Statement regarding amortisation of the additional liability on account of revision in family pension

amounting to ₹ 17,731.55 Lakhs. As stated therein, the Bank has charged an amount of ₹ 1,182.10 Lakhs to the Profit and Loss account for the quarter and half year ended September 30, 2021 and the balance unamortised expenditure amounting to ₹ 16,549.45 lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the profits for the quarter and half year ended September 30, 2021 would have been lower by ₹ 16,549.45 lakhs.

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

For Varma & Varma  
Chartered Accountants  
FRN:004532S

For Borkar & Muzumdar  
Chartered Accountants  
FRN:101569W

Vijay Narayan Govind  
Partner  
M. No. 203094  
UDIN: 21203094AAAACV2092

Kaushal Muzumdar  
Partner  
M. No. 100938  
UDIN: 21100938AAAACG9759

Kochi-19  
22<sup>nd</sup> October 2021

Mumbai-55  
22<sup>nd</sup> October 2021

<b>THE FEDERAL BANK LIMITED</b> <b>REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101</b> <b>(CIN: L65191KL1931PLC000368)</b> <b>STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021</b> (₹ in Lakhs)						
Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	337,925	335,571	348,790	673,496	693,205	1,375,791
(a) Interest/discount on advances/bills	267,490	267,112	271,749	534,602	542,347	1,079,512
(b) Income on investments	58,116	59,059	59,252	117,175	119,864	234,894
(c) Interest on balances with Reserve Bank of India and other inter bank funds	6,662	3,662	11,661	10,324	18,728	36,817
(d) Others	5,657	5,738	6,128	11,395	12,266	24,568
2. Other income	44,436	55,178	44,936	99,614	94,067	185,269
<b>3. TOTAL INCOME (1+2)</b>	<b>382,361</b>	<b>390,749</b>	<b>393,726</b>	<b>773,110</b>	<b>787,272</b>	<b>1,561,060</b>
4. Interest expended	189,983	193,728	210,805	383,711	425,576	822,420
5. Operating expenses (i)+(ii)	105,899	93,340	88,265	199,239	173,508	369,172
(i) Employees cost	57,193	52,830	48,746	110,023	98,331	203,418
(ii) Other operating expenses	48,706	40,510	39,519	89,216	75,177	165,754
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>295,882</b>	<b>287,068</b>	<b>299,070</b>	<b>582,950</b>	<b>599,084</b>	<b>1,191,592</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>86,479</b>	<b>103,681</b>	<b>94,656</b>	<b>190,160</b>	<b>188,188</b>	<b>369,468</b>
8. Provisions (other than tax) and contingencies	24,533	54,346	53,209	78,879	92,965	155,741
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>61,946</b>	<b>49,335</b>	<b>41,447</b>	<b>111,281</b>	<b>95,223</b>	<b>213,727</b>
11. Tax expense	15,920	12,606	10,685	28,526	24,384	54,697
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>46,026</b>	<b>36,729</b>	<b>30,762</b>	<b>82,755</b>	<b>70,839</b>	<b>159,030</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>46,026</b>	<b>36,729</b>	<b>30,762</b>	<b>82,755</b>	<b>70,839</b>	<b>159,030</b>
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	42,030	39,926	39,893	42,030	39,893	39,923
16. Reserves excluding Revaluation Reserve						1,571,937
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	14.97	14.64	14.64	14.97	14.64	14.62
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.22*	1.84*	1.54*	4.06*	3.55*	7.97
(b) Diluted EPS (before and after extra ordinary items)	2.20*	1.83*	1.54*	4.04*	3.55*	7.94
(iv) NPA Ratios						
a) Gross NPA	444,584	464,933	355,219	444,584	355,219	460,239
b) Net NPA	150,244	159,324	121,814	150,244	121,814	156,928
c) % of Gross NPA	3.24	3.50	2.84	3.24	2.84	3.41
d) % of Net NPA	1.12	1.23	0.99	1.12	0.99	1.19
(v) Return on Assets (%)	0.23*	0.19*	0.16*	0.42*	0.38*	0.85

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021 Unaudited	30.06.2021 Unaudited	30.09.2020 Unaudited	30.09.2021 Unaudited	30.09.2020 Unaudited	31.03.2021 Audited
<b>Segment Revenue:</b>						
Treasury	54,326	78,225	60,550	132,551	154,613	275,372
Corporate/Wholesale Banking	101,231	103,955	126,747	205,186	242,715	447,616
Retail Banking	226,737	208,569	206,429	435,306	389,944	837,828
Other Banking operations	-	-	-	-	-	-
Unallocated	67	-	-	67	-	244
Total Revenue	<b>382,361</b>	<b>390,749</b>	<b>393,726</b>	<b>773,110</b>	<b>787,272</b>	<b>1,561,060</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>382,361</b>	<b>390,749</b>	<b>393,726</b>	<b>773,110</b>	<b>787,272</b>	<b>1,561,060</b>
<b>Segment Results (net of provisions):</b>						
Treasury	9,687	37,914	4,154	47,601	46,782	72,223
Corporate/Wholesale Banking	19,299	(2,535)	15,063	16,764	6,914	22,275
Retail Banking	32,893	13,956	22,230	46,849	41,529	118,985
Other Banking operations	-	-	-	-	-	-
Unallocated	67	-	-	67	(2)	244
<b>Profit before tax</b>	<b>61,946</b>	<b>49,335</b>	<b>41,447</b>	<b>111,281</b>	<b>95,223</b>	<b>213,727</b>
<b>Segment Assets</b>						
Treasury	4,679,820	4,611,516	4,378,891	4,679,820	4,378,891	4,525,111
Corporate/Wholesale Banking	7,305,152	7,066,184	6,809,139	7,305,152	6,809,139	7,146,590
Retail Banking	8,036,690	7,740,698	6,937,457	8,036,690	6,937,457	7,813,657
Other Banking operations	-	-	-	-	-	-
Unallocated	665,763	585,373	777,184	665,763	777,184	651,381
<b>Total</b>	<b>20,687,425</b>	<b>20,003,771</b>	<b>18,902,671</b>	<b>20,687,425</b>	<b>18,902,671</b>	<b>20,136,739</b>
<b>Segment Liabilities</b>						
Treasury	1,195,828	1,092,816	1,305,303	1,195,828	1,305,303	1,413,771
Corporate/Wholesale Banking	1,696,051	1,468,615	1,405,908	1,696,051	1,405,908	1,602,533
Retail Banking	15,786,867	15,594,228	14,461,623	15,786,867	14,461,623	15,306,693
Other Banking operations	-	-	-	-	-	-
Unallocated	235,977	199,260	206,312	235,977	206,312	201,381
<b>Total</b>	<b>18,914,723</b>	<b>18,354,919</b>	<b>17,379,146</b>	<b>18,914,723</b>	<b>17,379,146</b>	<b>18,524,378</b>
<b>Capital Employed:</b>						
(Segment Assets - Segment Liabilities)						
Treasury	3,483,992	3,518,700	3,073,588	3,483,992	3,073,588	3,111,340
Corporate/Wholesale Banking	5,609,101	5,597,569	5,403,231	5,609,101	5,403,231	5,544,057
Retail Banking	(7,750,177)	(7,853,530)	(7,524,166)	(7,750,177)	(7,524,166)	(7,493,036)
Other Banking operations	-	-	-	-	-	-
Unallocated	429,786	386,113	570,872	429,786	570,872	450,000
<b>Total</b>	<b>1,772,702</b>	<b>1,648,852</b>	<b>1,523,525</b>	<b>1,772,702</b>	<b>1,523,525</b>	<b>1,612,361</b>

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

Statement of Assets and Liabilities of the Bank as on September 30, 2021 is given below:

Particulars	(₹ in Lakhs)		
	As at 30.09.2021 Unaudited	As at 30.09.2020 Unaudited	As at 31.03.2021 Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	42,030	39,893	39,923
Reserves and Surplus	1,730,672	1,483,632	1,572,438
Deposits	17,199,475	15,674,739	17,264,448
Borrowings	1,078,405	1,104,314	906,850
Other Liabilities and Provisions	636,843	600,093	353,080
<b>Total</b>	<b>20,687,425</b>	<b>18,902,671</b>	<b>20,136,739</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	848,561	611,989	764,704
Balance with Banks and Money at Call and Short Notice	1,350,488	1,352,867	1,194,435
Investments	3,697,673	3,625,263	3,718,621
Advances	13,440,463	12,291,199	13,187,860
Fixed Assets	54,833	45,717	49,113
Other Assets	1,295,407	975,636	1,222,006
<b>Total</b>	<b>20,687,425</b>	<b>18,902,671</b>	<b>20,136,739</b>

## Notes:

- The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2021 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 22, 2021. 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 quarterly 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 etc.

- 5 Reclassification of figures for the current period pursuant to the Master Direction on Financial Statements – Presentation and disclosures issued by Reserve Bank of India on August 30, 2021, has been made with corresponding changes in the figures for the previous periods/year to make the same comparable. Had the presentation been made in accordance with the earlier RBI instructions, Other income, Total income, Operating profit and Provisions (Other than tax) and contingencies would have been as given below:

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Other Income	50,962	65,014	50,933	115,976	99,770	194,491
Total Income	388,887	400,586	399,723	789,473	792,975	1,570,282
Operating Profit	93,005	113,519	100,653	206,524	193,891	378,690
Provisions (other than tax) and contingencies	31,059	64,183	59,206	95,242	98,668	164,963

- 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, 2021, the Bank has allotted 383,346 and 514,336 equity shares of ₹ 2 each respectively, 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: <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.
- 10 During the quarter ended September 30, 2021, the Bank has 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 ₹ 89,476.98 Lakhs (Net of share issue expenses) in Share premium account.
- 11 On account of uncertainties prevailing due to COVID-19 pandemic across the world and in India, 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.
- 12 i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below:

Format - A (₹ in lakhs except number of accounts)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	4,025	93,514.99	-	-	9,351.50
Corporate persons	7	14,249.46	-	90.65	1,424.95
Of which, MSMEs	-	-	-	-	-
Others	92	4,619.94	-	-	461.99
Total	4,124	112,384.39	-	90.65	11,238.44

Format - B (₹ in lakhs except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ended March 31, 2021 (A)*	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended September 30, 2021 #
Personal Loans	95,316.43	1,705.30	-	3,619.23	205,112.29
Corporate persons	14,249.46	-	-	1,019.81	14,137.66
Of which, MSMEs	-	-	-	-	-
Others	4,627.01	174.36	-	572.86	49,939.61
Total	114,192.90	1,879.66	-	5,211.90	269,189.56

\*includes restructuring implemented during the quarter ended June 30, 2021 under the Resolution Framework 1.0

#This also includes cases implemented as per RBI circular for i) Resolution Framework for COVID-19-related Stress dated August 6, 2020 & ii) Resolution Framework – 2.0 for Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021.

ii) 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 Business" 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	5,262	467	7,848
C) Exposure to accounts mentioned at (B) before implementation of the plan	109,980.44	15,410.31	29,579.75
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	13,217.78	1,838.21	3,811.65

iii) 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	118
Aggregate Exposure as on September 30, 2021	3,355.12

iv) During the quarter ended September 30, 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 ₹ 12,000.00 Lakhs additional provision against the accounts restructured under the resolution frameworks.

- 13 During the current quarter, the bank has 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 has 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, the Bank has charged an amount of ₹ 1,182.10 Lakhs to the Profit and Loss account for the quarter and half year ended September 30, 2021 and the balance unamortised expenditure amounting to Rs ₹ 16,549.45 Lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the profits for the quarter and half year ended September 30, 2021 would have been lower by ₹ 16,549.45 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 half-year ended September 30, 2021 may not be comparable with the corresponding half year ended September 30, 2020.
- 15 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi  
October 22, 2021

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)

**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, 2021**

(₹ in Lakhs)

	Half Year ended September 30, 2021	Half Year ended September 30, 2020
<b>Cash Flow from Operating Activities</b>		
Net Profit before taxes	111,281	95,223
<b>Adjustments for:</b>		
Depreciation on Bank's Property	5,875	6,133
Provision / Depreciation on Investments	3,408	(878)
Amortisation of Premium on Held to Maturity Investments	8,434	6,761
Provision / Charge for Non Performing Assets	44,108	42,573
Provision for Standard Assets and Contingencies	47,726	56,973
(Profit)/Loss on sale of fixed assets (net)	26	(24)
Dividend From Subsidiaries / Joint ventures / Associates	(2,704)	-
	<b>218,154</b>	<b>206,761</b>
<b>Adjustments for working capital changes:-</b>		
(Increase)/ Decrease in Investments [excluding Held to Maturity Investments]	(233,373)	92,983
(Increase)/ Decrease in Advances	(296,711)	(106,980)
(Increase)/ Decrease in Other Assets	(68,899)	(30,787)
Increase/ (Decrease) in Deposits	(64,973)	445,730
Increase/ (Decrease) in Other liabilities and provisions	236,037	197,327
	<b>(427,919)</b>	<b>598,273</b>
Direct taxes paid (net)	(33,028)	(26,945)
<b>Net Cash Flow from / (Used in) Operating Activities</b>	<b>(242,793)</b>	<b>778,089</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(11,698)	(3,922)
Proceeds from Sale of Fixed Assets	76	96
Dividend From Subsidiaries / Joint ventures / Associates	2,704	-
Investment in Subsidiary	(14,799)	-
Investment in Associate	(74)	-
(Increase)/ Decrease in Held to Maturity Investments	257,353	(134,861)
<b>Net Cash generated / (Used in) Investing Activities</b>	<b>233,562</b>	<b>(138,687)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	2,107	40
Proceeds from Share Premium (Net of Share issue Expenses)	89,723	711
Increase/(Decrease) in Borrowings (Excluding Subordinate Debt)	171,555	67,071
Dividend Paid	(13,974)	-
<b>Net Cash generated from Financing Activities</b>	<b>249,411</b>	<b>67,822</b>
<b>Effect of exchange fluctuation on translation reserve</b>	(270)	174
<b>Net Increase in Cash and Cash Equivalents</b>	<b>239,910</b>	<b>707,398</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	1,959,139	1,257,458
<b>Cash and Cash Equivalents at the end of the period</b>	2,199,049	1,964,856

**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 22, 2021

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)

**Varma & Varma**

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

**Borkar & Muzumdar**

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

Limited Review Report on Unaudited Consolidated Financial Results of The Federal Bank Limited for the quarter/half year ended 30<sup>th</sup> September 2021, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

The Board of Directors,  
The Federal Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of The Federal Bank Limited (the 'Bank') and its Subsidiaries (the Bank and its subsidiaries together referred to as 'the Group') and its share of the net profit after tax of its Associates for the quarter and half-year ended 30<sup>th</sup> September 2021 (the 'Statement'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to consolidated Pillar 3 disclosure, as at 30<sup>th</sup> September 2021, 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 5<sup>th</sup> 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. Ageas Federal Life Insurance Company Limited (Associate)
  - d. Equirus Capital Private Limited (Associate)
6. Based on our review conducted and procedures performed as stated in Paragraphs 3 and 4 above and based on the consideration of the review reports of other auditors referred to in Paragraphs 9, 10 and 11 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, the RBI Guidelines, 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 30<sup>th</sup> September 2021, 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.

## **Emphasis of Matter**

7. We draw attention to Note No.12 of the accompanying Statement of Unaudited Consolidated Financial results, regarding the impact of COVID-19 pandemic on the Bank's operations and financial position for the quarter/half year ended 30<sup>th</sup> September, 2021, which will depend on various uncertain aspects, including actions taken to mitigate the same and other regulatory measures.

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

8. We draw attention to Note No.14 of the Statements regarding amortisation of the additional liability by the Bank on account of revision in family pension amounting to ₹ 17,731.55 Lakhs. As stated therein, the Bank has charged an amount of ₹ 1,182.10 Lakhs to the Profit and Loss account for the quarter and half year ended September 30, 2021 and the balance unamortised expenditure amounting to ₹ 16,549.45 lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the profits for the quarter and half year ended September 30, 2021 would have been lower by ₹ 16,549.45 lakhs.

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

9. The statement of consolidated unaudited financial results includes the interim financial statements / financial information/ financial results of one subsidiary whose unaudited financial results reflects total assets of ₹ 1,752.69 Lakhs as at 30<sup>th</sup> September 2021 and total revenues of ₹ 1,086.56 Lakhs and ₹ 1,917.78 Lakhs and total net profit after tax of ₹ 136.36 Lakhs and ₹ 192.95 Lakhs for the quarter ended 30<sup>th</sup> September 2021 and for the period from 1<sup>st</sup> April 2021 to 30<sup>th</sup> September 2021 respectively, and cash flows (net) of ₹ 30.56 Lakhs for the period from 1<sup>st</sup> April 2021 to 30<sup>th</sup> September 2021. These interim financial statements/financial information/ financial results have been reviewed by one of the joint auditors, whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, is based solely on their reports and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

10. The statement of consolidated unaudited financial results includes the interim financial statements / financial information/ financial results of one subsidiary whose unaudited financial results reflects total assets of ₹ 5,73,303 Lakhs as at 30<sup>th</sup> September 2021 and total revenues of ₹ 21,784 Lakhs and ` 41,522 Lakhs and total net profit after tax of ₹ 2,634 Lakhs and ₹ 4,110 Lakhs for the quarter ended 30<sup>th</sup> September 2021 and for the period from 1<sup>st</sup> April 2021 to 30<sup>th</sup> September 2021 respectively, and cash flows (net) of ₹ ( 20,632 ) Lakhs for the period from 1<sup>st</sup> April 2021 to 30<sup>th</sup> September 2021. These interim financial statements/financial information/ financial results have been reviewed by other auditors, whose reports have been furnished to us by the Management.

The statement of consolidated unaudited financial results also includes the unaudited interim financial statements / financial information/ financial results of the said subsidiary for the quarter ended 30<sup>th</sup> June 2021, quarter/half year ended 30<sup>th</sup> September 2020 and audited financial results for the year ended 31<sup>st</sup> March 2021 which have been reviewed/audited by one of the joint auditors whose reports have been furnished to us by the Management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, is based solely on their reports and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

11. The statement of consolidated unaudited financial results includes the Group's share of net profit after tax of ₹ 240.14 Lakhs and ₹ 479.56 Lakhs for the quarter and half year ended 30<sup>th</sup> September 2021, respectively, in respect of one associate whose interim financial results have been reviewed by another auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said associate, is based solely on the report of the other auditor and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

12. The statement of consolidated unaudited financial results also includes the Group's share of net profit after tax of ₹ 217.87 Lakhs and ₹ 482.19 Lakhs for the quarter and half year ended 30<sup>th</sup> September 2021, respectively, in respect of one associate, based on their interim financial results which have not been reviewed. According to the information and explanations given to us by the

Management, these interim financial statements / financial information / financial results are not material to the Group.

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

For Varma & Varma  
Chartered Accountants  
FRN:004532S

For Borkar & Muzumdar  
Chartered Accountants  
FRN:101569W

Vijay Narayan Govind  
Partner  
M. No. 203094  
UDIN: 21203094AAAACW8019

Kaushal Muzumdar  
Partner  
M. No. 100938  
UDIN: 21100938AAAACH4444

Kochi-19  
22<sup>nd</sup> October 2021

Mumbai-55  
22<sup>nd</sup> October 2021

<b>THE FEDERAL BANK LIMITED</b>						
<b>REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101</b>						
<b>(CIN: L65191KL1931PLC000368)</b>						
<b>CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021</b>						
(₹ in Lakhs)						
Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	356,627	352,498	362,188	709,125	719,399	1,431,408
(a) Interest/discount on advances/bills	286,506	284,295	285,376	570,801	568,150	1,135,314
(b) Income on investments	57,532	58,463	59,284	115,995	119,938	233,829
(c) Interest on balances with Reserve Bank of India and other inter bank funds	6,662	3,662	11,661	10,324	18,728	36,816
(d) Others	5,927	6,078	5,867	12,005	12,583	25,449
2. Other income	44,719	52,442	44,947	97,161	93,572	186,564
<b>3. TOTAL INCOME (1+2)</b>	<b>401,346</b>	<b>404,940</b>	<b>407,135</b>	<b>806,286</b>	<b>812,971</b>	<b>1,617,972</b>
4. Interest expended	195,947	200,016	215,941	395,963	435,596	843,496
5. Operating expenses (i)+(ii)	113,287	98,955	92,710	212,242	182,305	389,867
(i) Employees cost	61,785	56,990	52,136	118,775	104,792	217,202
(ii) Other operating expenses	51,502	41,965	40,574	93,467	77,513	172,665
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>309,234</b>	<b>298,971</b>	<b>308,651</b>	<b>608,205</b>	<b>617,901</b>	<b>1,233,363</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>92,112</b>	<b>105,969</b>	<b>98,484</b>	<b>198,081</b>	<b>195,070</b>	<b>384,609</b>
8. Provisions (other than tax) and contingencies	26,453	57,263	56,546	83,716	97,775	163,753
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>65,659</b>	<b>48,706</b>	<b>41,938</b>	<b>114,365</b>	<b>97,295</b>	<b>220,856</b>
11. Tax expense	16,860	13,150	10,368	30,010	24,567	56,136
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>48,799</b>	<b>35,556</b>	<b>31,570</b>	<b>84,355</b>	<b>72,728</b>	<b>164,720</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>48,799</b>	<b>35,556</b>	<b>31,570</b>	<b>84,355</b>	<b>72,728</b>	<b>164,720</b>
15. Minority interest	685	384	199	1,069	563	1,524
16. Share in Profit of Associates	458	504	174	962	330	3,237
<b>17. Consolidated Net Profit of the group (14-15+16)</b>	<b>48,572</b>	<b>35,676</b>	<b>31,545</b>	<b>84,248</b>	<b>72,495</b>	<b>166,433</b>
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	42,030	39,926	39,893	42,030	39,893	39,923
19. Reserves excluding Revaluation Reserve						1,609,799
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	15.63	15.36	15.19	15.63	15.19	15.19
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.34*	1.79*	1.58*	4.14*	3.64*	8.34
(b) Diluted EPS (before and after extra ordinary items)	2.32*	1.77*	1.58*	4.11*	3.63*	8.31
(iv) NPA Ratios						
a) Gross NPA	455,819	479,318	359,172	455,819	359,172	464,639
b) Net NPA	159,578	171,242	124,985	159,578	124,985	160,471
c) % of Gross NPA	3.22	3.51	2.80	3.22	2.80	3.35
d) % of Net NPA	1.15	1.28	0.99	1.15	0.99	1.18
(v) Return on Assets (%)	0.23*	0.17*	0.17*	0.40*	0.39*	0.86

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue:</b>						
Treasury	54,420	75,037	60,623	129,457	154,686	274,511
Corporate/Wholesale Banking	100,380	102,583	125,557	202,963	240,573	443,371
Retail Banking	245,019	227,320	220,955	472,339	417,712	899,846
Other Banking operations	1,460	-	-	1,460	-	-
Unallocated	67	-	-	67	-	244
Total Revenue	<b>401,346</b>	<b>404,940</b>	<b>407,135</b>	<b>806,286</b>	<b>812,971</b>	<b>1,617,972</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>401,346</b>	<b>404,940</b>	<b>407,135</b>	<b>806,286</b>	<b>812,971</b>	<b>1,617,972</b>
<b>Segment Results (net of provisions):</b>						
Treasury	10,388	35,345	4,234	45,733	46,509	72,226
Corporate/Wholesale Banking	19,084	(2,737)	15,493	16,347	7,455	21,547
Retail Banking	34,662	16,098	22,211	50,760	43,333	126,839
Other Banking operations	1,458	-	-	1,458	-	-
Unallocated	67	-	-	67	(2)	244
<b>Profit before tax</b>	<b>65,659</b>	<b>48,706</b>	<b>41,938</b>	<b>114,365</b>	<b>97,295</b>	<b>220,856</b>
<b>Segment Assets</b>						
Treasury	4,628,017	4,566,638	4,332,971	4,628,017	4,332,971	4,479,657
Corporate/Wholesale Banking	7,250,870	7,010,074	6,742,587	7,250,870	6,742,587	7,083,959
Retail Banking	8,573,839	8,215,751	7,330,321	8,573,839	7,330,321	8,282,563
Other Banking operations	477	-	-	477	-	-
Unallocated	664,952	585,205	777,293	664,952	777,293	650,474
<b>Total</b>	<b>21,118,155</b>	<b>20,377,668</b>	<b>19,183,172</b>	<b>21,118,155</b>	<b>19,183,172</b>	<b>20,496,653</b>
<b>Segment Liabilities</b>						
Treasury	1,206,212	1,111,142	1,298,917	1,206,212	1,298,917	1,403,276
Corporate/Wholesale Banking	1,707,578	1,480,815	1,417,520	1,707,578	1,417,520	1,609,960
Retail Banking	16,129,690	15,873,983	14,686,523	16,129,690	14,686,523	15,611,703
Other Banking operations	218	-	-	218	-	-
Unallocated	234,453	198,806	205,895	234,453	205,895	199,818
<b>Total</b>	<b>19,278,151</b>	<b>18,664,746</b>	<b>17,608,855</b>	<b>19,278,151</b>	<b>17,608,855</b>	<b>18,824,757</b>
<b>Capital Employed:</b>						
(Segment Assets - Segment Liabilities)						
Treasury	3,421,805	3,455,496	3,034,054	3,421,805	3,034,054	3,076,381
Corporate/Wholesale Banking	5,543,292	5,529,259	5,325,067	5,543,292	5,325,067	5,473,999
Retail Banking	(7,555,851)	(7,658,232)	(7,356,202)	(7,555,851)	(7,356,202)	(7,329,140)
Other Banking operations	259	-	-	259	-	-
Unallocated	430,499	386,399	571,398	430,499	571,398	450,656
<b>Total</b>	<b>1,840,004</b>	<b>1,712,922</b>	<b>1,574,317</b>	<b>1,840,004</b>	<b>1,574,317</b>	<b>1,671,896</b>

④ 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, 2021 is given below:

Particulars	(₹ in Lakhs)		
	As at 30.09.2021	As at 30.09.2020	As at 31.03.2021
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	42,030	39,893	39,923
Reserves and Surplus	1,770,027	1,515,764	1,610,300
Minority Interest	27,947	18,660	21,673
Deposits	17,192,543	15,648,514	17,218,611
Borrowings	1,424,010	1,347,911	1,227,060
Other Liabilities and Provisions	661,598	612,430	379,086
<b>Total</b>	<b>21,118,155</b>	<b>19,183,172</b>	<b>20,496,653</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	850,556	613,172	765,451
Balance with Banks and Money at Call and Short Notice	1,389,386	1,363,110	1,216,123
Investments	3,645,870	3,579,343	3,673,167
Advances	13,858,319	12,590,255	13,551,441
Fixed Assets	58,312	48,378	51,749
Other Assets	1,315,712	988,914	1,238,722
<b>Total</b>	<b>21,118,155</b>	<b>19,183,172</b>	<b>20,496,653</b>

## Notes:

- The above Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2021 were reviewed by the Audit Committee and subsequently taken on record and approved by the Board of Directors at its meeting held on October 22, 2021. 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 half year ended September 30, 2021 as compared to those followed for the year ended March 31, 2021 except as stated in Note 14 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 etc.

- 6 Reclassification of figures for the current period pursuant to the Master Direction on Financial Statements – Presentation and disclosures issued by Reserve Bank of India on August 30, 2021, has been made with corresponding changes in the figures for the previous periods/year to make the same comparable. Had the presentation been made in accordance with the earlier RBI instructions, Other income, Total income, Operating profit and Provisions (Other than tax) and contingencies would have been as given below:

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Other Income	51,244	62,279	50,944	113,523	99,275	195,786
Total Income	407,871	414,777	413,132	822,648	818,674	1,627,194
Operating Profit	98,637	115,806	104,481	214,443	200,773	393,831
Provisions (other than tax) and contingencies	32,978	67,100	62,543	100,078	103,478	172,975

- 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, 2021, the Bank has allotted 383,346 and 514,336 equity shares of ₹ 2 each respectively, 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: <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.
- 11 During the quarter ended September 30, 2021, the Bank has 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 ₹ 89,476.98 Lakhs (Net of share issue expenses) in Share premium account.
- 12 On account of uncertainties prevailing due to COVID-19 pandemic across the world and in India, 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.
- 13 i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

Format - A					
(₹ in lakhs except number of accounts)					
Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	4,025	93,514.99	-	-	9,351.50
Corporate persons	7	14,249.46	-	90.65	1,424.95
Of which, MSMEs	-	-	-	-	-
Others	92	4,619.94	-	-	461.99
Total	4,124	112,384.39	-	90.65	11,238.44

Format - B					
(₹ in lakhs except number of accounts)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ended March 31, 2021 (A)*	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended September 30, 2021 #
Personal Loans	95,316.43	1,705.30	-	3,619.23	205,112.29
Corporate persons	14,249.46	-	-	1,019.81	14,137.66
Of which, MSMEs	-	-	-	-	-
Others	4,627.01	174.36	-	572.86	49,939.61
Total	114,192.90	1,879.66	-	5,211.90	269,189.56

\*includes restructuring implemented during the quarter ended June 30, 2021 under the Resolution Framework 1.0

#This also includes cases implemented as per RBI circular for i) Resolution Framework for COVID-19-related Stress dated August 6, 2020 & ii) Resolution Framework – 2.0 for Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021.

ii) 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 Business" are given below.

Description	(₹ in lakhs except number of accounts)		
	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	5,262	467	7,848
C) Exposure to accounts mentioned at (B) before implementation of the plan	109,980.44	15,410.31	29,579.75
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	13,217.78	1,838.21	3,811.65

iii) 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	118
Aggregate Exposure as on September 30, 2021	3,355.12

iv) During the quarter ended September 30, 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 ₹ 12,000.00 Lakhs additional provision against the accounts restructured under the resolution frameworks.

- 14 During the current quarter, the bank has 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 has 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, the Bank has charged an amount of ₹ 1,182.10 Lakhs to the Profit and Loss account for the quarter and half year ended September 30, 2021 and the balance unamortised expenditure amounting to Rs ₹ 16,549.45 Lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the profits for the quarter and half year ended September 30, 2021 would have been lower by ₹ 16,549.45 Lakhs.
- 15 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 half-year ended September 30, 2021 may not be comparable with the corresponding half year ended September 30, 2020.
- 16 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi  
October 22, 2021

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, 2021**  
**(₹ in Lakhs)**

	Half Year ended September 30, 2021	Half Year ended September 30, 2020
<b>Cash Flow from Operating Activities</b>		
Net Profit before taxes	114,258	97,062
<b>Adjustments for:</b>		
Depreciation on Group's Property	6,449	6,547
Provision / Depreciation on Investments	3,408	(525)
Amortisation of Premium on Held to Maturity Investments	8,434	6,761
Provision / Charge for Non Performing Assets	46,383	42,653
Provision for Standard Assets and Contingencies	50,288	61,350
(Profit)/ Loss on sale of fixed assets (net)	26	(25)
	<b>229,246</b>	<b>213,823</b>
<b>Adjustments for working capital changes:-</b>		
(Increase)/ Decrease in Investments [excluding Held to Maturity Investments]	(241,896)	120,822
(Increase)/ Decrease in Advances	(353,261)	(147,958)
(Increase)/ Decrease in Other Assets	(71,500)	(31,396)
Increase/ (Decrease) in Deposits	(26,067)	423,324
Increase/ (Decrease) in Other liabilities and provisions	232,223	194,703
	<b>(460,501)</b>	<b>559,495</b>
Direct taxes paid (net)	(35,500)	(30,115)
<b>Net Cash Flow from / (Used in) Operating Activities</b>	<b>(266,755)</b>	<b>743,203</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(13,117)	(4,522)
Proceeds from Sale of Fixed Assets	78	103
(Increase)/ Decrease in Held to Maturity Investments	257,353	(134,861)
<b>Net Cash generated / (Used in) Investing Activities</b>	<b>244,314</b>	<b>(139,280)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	2,107	40
Proceeds from Share Premium (Net of share issue Expenses)	89,723	712
Increase / (Decrease) in Minority Interest	6,273	563
Increase/(Decrease) in Borrowings (Excluding Subordinate Debt)	196,951	95,139
Dividend Paid	(13,974)	-
<b>Net Cash generated from financing Activities</b>	<b>281,080</b>	<b>96,454</b>
<b>Effect of exchange fluctuation on translation reserve</b>	(270)	174
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>258,369</b>	<b>700,551</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	1,981,573	1,275,731
<b>Cash and Cash Equivalents at the end of the period</b>	2,239,942	1,976,282

**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 22, 2021

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)