

SD/ F24/193/2020-21

January 20, 2021

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

Dear Sir,

Sub: Outcome of the Board Meeting held on January 20, 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 nine months ended December 31, 2020 (both standalone and consolidated) along with Limited Review Report issued by the Joint Central Statutory Auditors of the Bank, which were reviewed and recommended by Audit Committee of the Board and duly approved by the Board of Directors at their respective meetings held today.

The Board Meeting commenced at 11.00 am and concluded at 12.55 pm

Kindly take the same on record.

Thanking you,
Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev
Company Secretary

Varma & Varma

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

Borkar & Muzumdar

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

Limited Review Report on unaudited standalone financial results of The Federal Bank Limited for the quarter and nine months ended 31st December, 2020, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

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

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of The Federal Bank Limited ('the Bank') for the quarter and nine months ended 31st December, 2020 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations, as at 31st December, 2020, including Leverage Ratio and Liquidity Coverage Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. The Statement is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors. The Statement 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 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable accounting standards, the RBI Guidelines, the SEBI circular and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
6. We draw attention to Note No.10 of the accompanying Statement of Unaudited Standalone Financial results, regarding the impact of COVID-19 pandemic, and adjustments made in the accounts for the quarter and nine months ended 31st December, 2020 on account of the same. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on various aspects, including actions taken to mitigate its impact and other regulatory measures.

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

7. The review of unaudited quarterly and nine month financial results for the quarter and nine months ended 31st December 2019 and audit of financial results for the year ended 31st March 2020 included in the Statement were carried out and reported by predecessor auditors who have expressed unmodified conclusion vide review reports dated 20th January, 2020 for the period ended 31st December, 2019 and unmodified opinion vide audit report dated 28th May, 2020, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

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

For Varma & Varma
Chartered Accountants
FRN:004532S

For Borkar & Muzumdar
Chartered Accountants
FRN:101569W

R Rajasekharan
Partner
M. No. 22703
UDIN: 21022703AAAAAB8424

Devang Vaghani
Partner
M. No. 109386
UDIN: 21109386AAAAAW8601

Kochi-19
20th January 2021

Mumbai-55
20th January 2021

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, 2020						
(₹ in Lakhs)						
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	345,952	348,790	333,036	1,039,157	981,391	1,321,075
(a) Interest/discount on advances/bills	271,321	271,749	270,278	813,668	794,652	1,067,087
(b) Income on investments	57,361	59,252	53,611	177,225	161,878	218,407
(c) Interest on balances with Reserve Bank of India and other inter bank funds	11,469	11,661	3,527	30,197	9,310	13,996
(d) Others	5,801	6,128	5,620	18,067	15,551	21,585
2. Other income	48,184	50,933	40,786	147,954	122,030	193,141
3. TOTAL INCOME (1+2)	394,136	399,723	373,822	1,187,111	1,103,421	1,514,216
4. Interest expended	202,248	210,805	217,543	627,824	638,102	856,185
5. Operating expenses (i)+(ii)	95,598	88,265	81,897	269,106	240,781	337,561
(i) Employees cost	52,564	48,746	41,476	150,895	125,330	177,236
(ii) Other operating expenses	43,034	39,519	40,421	118,211	115,451	160,325
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	297,846	299,070	299,440	896,930	878,883	1,193,746
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	96,290	100,653	74,382	290,181	224,538	320,470
8. Provisions (other than tax) and contingencies	42,062	59,206	16,086	140,730	60,467	117,217
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	54,228	41,447	58,296	149,451	164,071	203,253
11. Tax expense	13,818	10,685	14,232	38,202	39,916	48,975
12. Net Profit from Ordinary Activities after tax (10-11)	40,410	30,762	44,064	111,249	124,155	154,278
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	40,410	30,762	44,064	111,249	124,155	154,278
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,917	39,893	39,846	39,917	39,846	39,853
16. Reserves excluding Revaluation Reserve						1,411,407
17. Analytical Ratios						
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%) Under Basel III	14.31	14.64	13.64	14.31	13.64	14.35
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.03*	1.54*	2.21*	5.58*	6.25*	7.76
(b) Diluted EPS (before and after extra ordinary items)	2.02*	1.54*	2.20*	5.56*	6.21*	7.70
(iv) NPA Ratios						
a) Gross NPA	347,018	355,219	361,869	347,018	361,869	353,083
b) Net NPA	75,724	121,814	194,101	75,724	194,101	160,717
c) % of Gross NPA	2.71	2.84	2.99	2.71	2.99	2.84
d) % of Net NPA	0.60	0.99	1.63	0.60	1.63	1.31
(v) Return on Assets (%)	0.21*	0.16*	0.26*	0.60*	0.77*	0.94

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	61,868	60,754	42,497	216,404	158,272	226,846
Corporate/Wholesale Banking	104,742	131,976	122,589	352,612	368,790	489,365
Retail Banking	227,526	206,993	208,736	618,095	576,359	798,005
Other Banking operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
Total Revenue	394,136	399,723	373,822	1,187,111	1,103,421	1,514,216
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	394,136	399,723	373,822	1,187,111	1,103,421	1,514,216
Segment Results (net of provisions):						
Treasury	12,234	4,154	1,197	59,016	26,495	41,518
Corporate/Wholesale Banking	(1,994)	15,063	6,386	4,920	35,966	17,058
Retail Banking	43,986	22,230	50,953	85,515	101,850	145,113
Other Banking operations	-	-	-	-	-	-
Unallocated	2	-	(240)	-	(240)	(436)
Profit before tax	54,228	41,447	58,296	149,451	164,071	203,253
Segment Assets						
Treasury	4,510,555	4,378,891	3,298,796	4,510,555	3,298,796	3,787,323
Corporate/Wholesale Banking	6,674,295	6,809,139	6,902,969	6,674,295	6,902,969	7,056,243
Retail Banking	7,428,474	6,937,457	6,322,326	7,428,474	6,322,326	6,480,887
Other Banking operations	-	-	-	-	-	-
Unallocated	1,071,333	777,184	754,989	1,071,333	754,989	739,352
Total	19,684,657	18,902,671	17,279,080	19,684,657	17,279,080	18,063,805
Segment Liabilities						
Treasury	1,342,363	1,305,303	1,136,410	1,342,363	1,136,410	1,627,269
Corporate/Wholesale Banking	1,494,931	1,405,908	1,040,060	1,494,931	1,040,060	1,258,540
Retail Banking	15,084,901	14,461,623	13,494,733	15,084,901	13,494,733	13,458,149
Other Banking operations	-	-	-	-	-	-
Unallocated	197,972	206,312	186,739	197,972	186,739	268,086
Total	18,120,167	17,379,146	15,857,942	18,120,167	15,857,942	16,612,044
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	3,168,192	3,073,588	2,162,386	3,168,192	2,162,386	2,160,054
Corporate/Wholesale Banking	5,179,364	5,403,231	5,862,909	5,179,364	5,862,909	5,797,703
Retail Banking	(7,656,427)	(7,524,166)	(7,172,407)	(7,656,427)	(7,172,407)	(6,977,262)
Other Banking operations	-	-	-	-	-	-
Unallocated	873,361	570,872	568,250	873,361	568,250	471,266
Total	1,564,490	1,523,525	1,421,138	1,564,490	1,421,138	1,451,761

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

Notes:

- The above Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 20, 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 interim financial results as those followed in the annual financial statements for the year ended March 31, 2020.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended June 30, 2020, has revised the basis of preparation of segment information on a direct identification basis with the aid of Internal Transfer pricing mechanism for more appropriate presentation of the segment results. Accordingly, figures for the previous periods have been regrouped / reclassified to conform to current period's classification.

The change in segment information has no impact on the overall Revenue, Results, and Capital employed of the bank for the quarter and nine months ended December 31, 2020 or the previous periods/year.

- 4 The working results have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 5 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recoveries from advances written off etc.
- 6 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 7 The Business operations of the Bank are largely concentrated in India and for the purpose of Segment reporting, the bank is considered to operate only in domestic segment, though the bank has its operations in International Finance Service Centre (IFSC) Banking Unit in Gujarat International Finance Tec-city (GIFT). The business conducted from the same is considered as part of Indian operations.
- 8 During the quarter and nine months ended December 31, 2020, the Bank has allotted 1,180,276 and 3,190,661 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 9 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- 10 On account of uncertainties arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

As per the 'COVID-19 Regulatory Packages' announced by the RBI ('the RBI guidelines'), with regard to providing relief to borrowers' on account of COVID-19 pandemic, whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and August 31, 2020, including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.

The Bank held a provision of ₹ 58,791.00 Lakhs as on September 30, 2020 against the likely impact of COVID-19, including the RBI mandated provision. During the current quarter, the bank has utilized ₹ 5,122.00 Lakhs from the above provision for creation of RBI mandated provision for advances restructured under "Resolution framework for COVID-19 related stress". Hence, the aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, stands at ₹ 53,669.00 Lakhs as on December 31, 2020 and is grouped under 'Other liabilities and provisions' in the Balance sheet of the Bank.

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

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

Kochi
January 20, 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
Anand Nagar, Om Co-op
Hsg Society, Anand Nagar Lane
Off Nehru Road, Santacruz(East)
Mumbai - 400 055

Limited Review Report on consolidated unaudited financial results of The Federal Bank Limited for the quarter and nine months ended 31st December 2020, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

1. We have reviewed the accompanying Statement of Unaudited 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/loss after tax of its Associates for the quarter and nine months ended 31st December 2020 (the 'Statement'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to consolidated Pillar 3 disclosure, as at 31st December 2020, including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. The Statement is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors. The Statement 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 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. 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
5. This Statement includes the results of the following entities:
 - a. Fedbank Financial Services Limited (Subsidiary)
 - b. Federal Operations and Services Limited (Subsidiary)
 - c. IDBI Federal Life Insurance Company Limited (Associate)
 - d. Equirus Capital Private Limited (Associate)
6. Based on our review conducted and procedures performed as stated in Paragraphs 3 and 4 above and based on the consideration of the review reports of other auditors referred to in Paragraphs 7 and 8 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 31st December 2020, including Leverage Ratio and Liquidity Coverage Ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us, or that it contains any material misstatement.

7. The statement of consolidated unaudited financial results includes the interim financial statements / financial information/ financial results of the two subsidiaries whose unaudited financial results reflects total revenues of Rs. Rs.18,787.82 Lakhs and Rs. Rs.51,728.57 Lakhs and total net profit after tax of Rs. Rs.1,557.70 Lakhs and Rs. Rs.3,799.38 Lakhs for the quarter and nine months ended 31st December 2020 respectively as considered in the consolidated unaudited financial results. These interim financial statements/financial information/ financial results have been reviewed by one of the Joint auditors of the Bank, whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on their reports and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

8. The statement of consolidated unaudited financial results includes the Group's share of net loss after tax of Rs. 15.43 Lakhs and Rs. 64.98 Lakhs for the quarter and nine months ended 31st December, 2020 respectively as considered in the consolidated unaudited financial results in respect of one associate whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by another auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said associate, is based solely on the report of the other auditor and the procedures performed by us as stated in Paragraphs 3 and 4 above.

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

9. The statement of consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 256.31 lakhs and Rs. 636.26 lakhs for the quarter and nine months ended 31st December 2020 respectively as considered in the consolidated unaudited financial results in respect of one associate, based on their interim financial results which have not been reviewed/audited. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group.

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

10. We draw attention to Note No.11 of the accompanying Statement, regarding the impact of COVID-19 pandemic and adjustments made in the accounts for the quarter and nine months ended 31st December, 2020 on account of the same. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on various aspects, including actions taken to mitigate its impact and other regulatory measures.

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

11. The review of unaudited quarterly and nine month financial results for the quarter and nine months ended 31st December 2019 and audit of financial results for the year ended 31st March 2020 included in the Statement were carried out and reported by predecessor auditors who have expressed unmodified conclusion vide review reports dated 20th January, 2020 for the period ended 31st December, 2019 and unmodified opinion vide audit report dated 28th May, 2020, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.

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

For Varma & Varma
Chartered Accountants
FRN:004532S

For Borkar & Muzumdar
Chartered Accountants
FRN:101569W

R Rajasekharan
Partner
M. No. 22703
UDIN: 21022703AAAAAC1906

Devang Vaghani
Partner
M. No. 109386
UDIN: 21109386AAAAAX7593

Kochi-19
20th January 2021

Mumbai-55
20th January 2021

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, 2020
(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	360,423	362,188	341,395	1,079,822	1,004,591	1,359,039
(a) Interest/discount on advances/bills	286,093	285,376	278,601	854,243	817,740	1,104,518
(b) Income on investments	56,781	59,284	53,647	176,719	161,990	218,550
(c) Interest on balances with Reserve Bank of India and other inter bank funds	11,469	11,661	3,527	30,197	9,310	13,996
(d) Others	6,080	5,867	5,620	18,663	15,551	21,975
2. Other income	48,454	50,944	42,076	147,729	120,342	188,181
3. TOTAL INCOME (1+2)	408,877	413,132	383,471	1,227,551	1,124,933	1,547,220
4. Interest expended	207,579	215,941	220,564	643,175	645,694	867,831
5. Operating expenses (i)+(ii)	101,078	92,710	86,872	283,383	252,254	354,670
(i) Employees cost	56,210	52,136	44,365	161,002	132,227	187,598
(ii) Other operating expenses	44,868	40,574	42,507	122,381	120,027	167,072
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	308,657	308,651	307,436	926,558	897,948	1,222,501
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	100,220	104,481	76,035	300,993	226,985	324,719
8. Provisions (other than tax) and contingencies	43,934	62,543	16,254	147,412	60,928	118,722
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	56,286	41,938	59,781	153,581	166,057	205,997
11. Tax expense	14,319	10,368	14,609	38,886	41,075	50,720
12. Net Profit from Ordinary Activities after tax (10-11)	41,967	31,570	45,172	114,695	124,982	155,277
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	41,967	31,570	45,172	114,695	124,982	155,277
15. Minority interest	394	199	280	957	591	1,028
16. Share in Profit of Associates	241	174	270	571	725	3,771
17. Consolidated Net Profit of the group (14-15+16)	41,814	31,545	45,162	114,309	125,116	158,020
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,917	39,893	39,846	39,917	39,846	39,853
19. Reserves excluding Revaluation Reserve						1,441,882
20. Analytical Ratios						
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%) Under Basel III	14.63	15.19	13.88	14.63	13.88	14.63
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.10*	1.58*	2.27*	5.73*	6.29*	7.94
(b) Diluted EPS (before and after extra ordinary items)	2.09*	1.58*	2.26*	5.72*	6.26*	7.88
(iv) NPA Ratios						
a) Gross NPA	350,521	359,172	365,657	350,521	365,657	358,015
b) Net NPA	78,449	124,985	197,379	78,449	197,379	164,953
c) % of Gross NPA	2.67	2.80	2.97	2.67	2.97	2.82
d) % of Net NPA	0.61	0.99	1.63	0.61	1.63	1.32
(v) Return on Assets (%)	0.21*	0.17*	0.26*	0.60*	0.75*	0.92

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended 31.03.2020 Audited
	31.12.2020 Unaudited	30.09.2020 Unaudited	31.12.2019 Unaudited	31.12.2020 Unaudited	31.12.2019 Unaudited	
Segment Revenue:						
Treasury	61,412	60,827	42,497	216,021	156,189	223,796
Corporate/Wholesale Banking	103,742	130,786	122,589	349,470	368,790	486,614
Retail Banking	243,723	221,519	218,385	662,060	599,954	836,810
Other Banking operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
Total Revenue	408,877	413,132	383,471	1,227,551	1,124,933	1,547,220
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	408,877	413,132	383,471	1,227,551	1,124,933	1,547,220
Segment Results (net of provisions):						
Treasury	12,395	4,234	1,197	58,904	24,380	38,436
Corporate/Wholesale Banking	(2,197)	15,493	6,387	5,258	35,967	18,421
Retail Banking	46,086	22,211	52,437	89,419	105,950	149,576
Other Banking operations	-	-	-	-	-	-
Unallocated	2	-	(240)	-	(240)	(436)
Profit before tax	56,286	41,938	59,781	153,581	166,057	205,997
Segment Assets						
Treasury	4,480,398	4,332,971	3,300,778	4,480,398	3,300,778	3,765,464
Corporate/Wholesale Banking	6,608,639	6,742,587	6,902,969	6,608,639	6,902,969	6,997,531
Retail Banking	7,864,126	7,330,321	6,529,866	7,864,126	6,529,866	6,832,986
Other Banking operations	-	-	-	-	-	-
Unallocated	1,070,904	777,293	754,989	1,070,904	754,989	739,352
Total	20,024,067	19,183,172	17,488,602	20,024,067	17,488,602	18,335,333
Segment Liabilities						
Treasury	1,361,413	1,298,917	1,136,410	1,361,413	1,136,410	1,626,174
Corporate/Wholesale Banking	1,502,304	1,417,520	1,040,060	1,502,304	1,040,060	1,291,143
Retail Banking	15,344,065	14,686,523	13,660,971	15,344,065	13,660,971	13,649,598
Other Banking operations	-	-	-	-	-	-
Unallocated	197,146	205,895	186,739	197,146	186,739	268,086
Total	18,404,928	17,608,855	16,024,180	18,404,928	16,024,180	16,835,001
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	3,118,985	3,034,054	2,164,368	3,118,985	2,164,368	2,139,290
Corporate/Wholesale Banking	5,106,335	5,325,067	5,862,909	5,106,335	5,862,909	5,706,388
Retail Banking	(7,479,939)	(7,356,202)	(7,131,105)	(7,479,939)	(7,131,105)	(6,816,612)
Other Banking operations	-	-	-	-	-	-
Unallocated	873,758	571,398	568,250	873,758	568,250	471,266
Total	1,619,139	1,574,317	1,464,422	1,619,139	1,464,422	1,500,332

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

Notes:

- The above Consolidated Unaudited Financial Results for the nine months ended December 31, 2020 were reviewed by the Audit Committee and subsequently taken on record and approved by the Board of Directors at its meeting held on January 20, 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. IDBI Federal Life Insurance Company Limited & Equirus Capital Private Limited.
- There has been no material change in the accounting policies adopted during the quarter and nine months ended December 31, 2020 as compared to those followed for the year ended March 31, 2020.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended June 30, 2020, has revised the basis of preparation of segment information on a direct identification basis with the aid of Internal Transfer pricing mechanism for more appropriate presentation of the segment results. Accordingly, figures for the previous periods have been regrouped / reclassified to conform to current period's classification.

The change in segment information has no impact on the overall Revenue, Results, and Capital employed of the bank for the quarter and nine months ended December 31, 2020 or the previous periods/year.

- 5 The working results have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 6 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recoveries from advances written off etc.
- 7 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 8 The Business operations of the Bank are largely concentrated in India and for the purpose of Segment reporting, the bank is considered to operate only in domestic segment, though the bank has its operations in International Finance Service Centre (IFSC) Banking Unit in Gujarat International Finance Tec-city (GIFT). The business conducted from the same is considered as a part of Indian operations.
- 9 During the quarter and nine months ended December 31, 2020, the Bank has allotted 1,180,276 and 3,190,661 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 10 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- 11 On account of uncertainties arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

As per the 'COVID-19 Regulatory Packages' announced by the RBI ('the RBI guidelines'), with regard to providing relief to borrowers' on account of COVID-19 pandemic, whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and August 31, 2020, including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.

The Bank held a provision of ₹ 58,791.00 Lakhs as on September 30, 2020 against the likely impact of COVID-19, including the RBI mandated provision. During the current quarter, the bank has utilized ₹ 5,122.00 Lakhs from the above provision for creation of RBI mandated provision for advances restructured under "Resolution framework for COVID-19 related stress". Hence, the aggregate provision against the likely impact of COVID-19, including the RBI mandated provision, stands at ₹ 53,669.00 Lakhs as on December 31, 2020 and is grouped under 'Other liabilities and provisions' in the Balance sheet of the Bank.

The Honourable Supreme Court in a writ petition by Gajendra Sharma Vs Union of India & Anr vide its interim order dated September 3, 2020 has directed Banks that the accounts which were not declared Non performing asset (NPA) till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, the Bank has not declared any account as NPA, which was not declared as NPA till August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, and provisioning pertaining to advances. The Bank holds sufficient provisions in respect of these advances and as a prudent measure, the Bank has not recognized the unrealized interest on these accounts as income.
- 12 The figures for the quarter and nine months ended December 31, 2019 and year ended March 31, 2020 were reviewed / audited by previous statutory auditors.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi
January 20, 2021

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)