

**THE FEDERAL BANK LIMITED**  
**REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101**  
**(CIN: L65191KL1931PLC000368)**  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended		Consolidated figures for the year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Audited (Refer Note 13 below)	Unaudited	Audited (Refer Note 13 below)	Audited	Audited	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	2,54,797	2,50,120	2,31,595	9,75,286	8,67,739	9,91,490	8,78,327
(a) Interest/discount on advances/bills	1,95,106	1,94,097	1,73,644	7,53,878	6,54,568	7,70,098	6,65,610
(b) Income on investments	51,695	48,220	48,382	1,91,744	1,80,140	1,91,727	1,79,686
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,840	2,788	3,598	9,581	9,893	9,582	9,893
(d) Others	6,156	5,015	5,971	20,083	23,138	20,083	23,138
2. Other income	31,417	22,863	28,211	1,15,912	1,08,181	1,16,022	1,08,377
<b>3. TOTAL INCOME (1+2)</b>	<b>2,86,214</b>	<b>2,72,983</b>	<b>2,59,806</b>	<b>10,91,198</b>	<b>9,75,920</b>	<b>11,07,512</b>	<b>9,86,704</b>
4. Interest expended	1,61,475	1,55,120	1,47,356	6,17,005	5,62,475	6,22,642	5,65,258
5. Operating expenses (i)+(ii)	65,882	61,723	57,529	2,45,090	2,20,954	2,50,474	2,25,250
(i) Employees cost	33,081	30,047	26,303	1,24,247	1,16,375	1,27,682	1,18,934
(ii) Other operating expenses	32,801	31,676	31,226	1,20,843	1,04,579	1,22,792	1,06,316
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>2,27,357</b>	<b>2,16,843</b>	<b>2,04,885</b>	<b>8,62,095</b>	<b>7,83,429</b>	<b>8,73,116</b>	<b>7,90,508</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>58,857</b>	<b>56,140</b>	<b>54,921</b>	<b>2,29,103</b>	<b>1,92,491</b>	<b>2,34,396</b>	<b>1,96,196</b>
8. Provisions (other than tax) and contingencies	37,153	16,243	12,270	94,717	61,841	95,076	61,999
9. Exceptional items	-	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>21,704</b>	<b>39,897</b>	<b>42,651</b>	<b>1,34,386</b>	<b>1,30,650</b>	<b>1,39,320</b>	<b>1,34,197</b>
11. Tax expense	7,205	13,896	16,992	46,501	47,571	48,355	48,866
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>14,499</b>	<b>26,001</b>	<b>25,659</b>	<b>87,885</b>	<b>83,079</b>	<b>90,965</b>	<b>85,331</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>14,499</b>	<b>26,001</b>	<b>25,659</b>	<b>87,885</b>	<b>83,079</b>	<b>90,965</b>	<b>85,331</b>
15. Share in Profit/(Loss) of Associate						2,579	1,355
<b>16. Consolidated Net Profit of the group (14+15)</b>						<b>93,544</b>	<b>86,686</b>
17. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,443	39,327	34,481	39,443	34,481	39,443	34,481
18. Reserves excluding Revaluation Reserve				11,81,080	8,59,256	11,87,480	8,60,155
19. Analytical Ratios							
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%) Under Basel III	14.70	14.41	12.39	14.70	12.39	-	-
(iii) Earnings per Share (EPS) (in ₹)							
(a) Basic EPS (before and after extra ordinary items)	0.74*	1.33*	1.49*	4.62	4.83	4.92	5.04
(b) Diluted EPS (before and after extra ordinary items)	0.73*	1.31*	1.46*	4.56	4.76	4.86	4.96
(iv) NPA Ratios							
a) Gross NPA	2,79,562	2,16,119	1,72,705	2,79,562	1,72,705		
b) Net NPA	1,55,196	1,15,668	94,120	1,55,196	94,120		
c) % of Gross NPA	3.00	2.52	2.33	3.00	2.33		
d) % of Net NPA	1.69	1.36	1.28	1.69	1.28		
(v) Return on Assets (%)	0.11 *	0.22 *	0.24 *	0.75	0.84		

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Year ended		Consolidated figures for the year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Audited (Refer Note 13 below)	Unaudited	Audited (Refer Note 13 below)	Audited	Audited	Audited	Audited
<b>Segment Revenue:</b>							
Treasury	60,888	56,206	59,239	2,39,556	2,31,601	2,39,556	2,31,601
Corporate/Wholesale Banking	1,03,194	90,703	85,519	3,78,695	3,07,150	3,78,695	3,07,150
Retail Banking	1,16,178	1,21,639	1,09,005	4,54,386	4,17,952	4,70,700	4,28,736
Other Banking operations	5,954	4,435	6,043	18,561	19,217	18,561	19,217
Unallocated	-	-	-	-	-	-	-
Total Revenue	<b>2,86,214</b>	<b>2,72,983</b>	<b>2,59,806</b>	<b>10,91,198</b>	<b>9,75,920</b>	<b>11,07,512</b>	<b>9,86,704</b>
Less: Inter Segment Revenue	-	-	-	-	-	-	-
<b>Income from Operations</b>	<b>2,86,214</b>	<b>2,72,983</b>	<b>2,59,806</b>	<b>10,91,198</b>	<b>9,75,920</b>	<b>11,07,512</b>	<b>9,86,704</b>
<b>Segment Results (net of provisions):</b>							
Treasury	(3,063)	5,071	6,840	25,650	38,816	25,650	38,816
Corporate/Wholesale Banking	(18,875)	495	9,552	(13,797)	8,250	(13,797)	8,250
Retail Banking	41,735	34,744	24,479	1,20,093	76,938	1,25,027	80,485
Other Banking operations	2,822	492	2,596	5,251	9,553	5,251	9,553
Unallocated	(915)	(905)	(816)	(2,811)	(2,907)	(2,811)	(2,907)
<b>Profit before tax</b>	<b>21,704</b>	<b>39,897</b>	<b>42,651</b>	<b>1,34,386</b>	<b>1,30,650</b>	<b>1,39,320</b>	<b>1,34,197</b>
<b>Segment Assets</b>							
Treasury	35,10,841	32,41,455	31,65,601	35,10,841	31,65,601	35,10,273	31,62,453
Corporate/Wholesale Banking	50,72,766	45,97,454	32,82,581	50,72,766	32,82,581	50,72,766	32,82,581
Retail Banking	45,39,627	43,09,837	44,36,505	45,39,627	44,36,505	46,30,167	44,90,534
Other Banking operations	533	757	1,854	533	1,854	533	1,854
Unallocated	7,07,628	6,72,567	6,11,152	7,07,628	6,11,152	7,07,628	6,11,152
<b>Total</b>	<b>1,38,31,395</b>	<b>1,28,22,070</b>	<b>1,14,97,693</b>	<b>1,38,31,395</b>	<b>1,14,97,693</b>	<b>1,39,21,367</b>	<b>1,15,48,574</b>
<b>Segment Liabilities</b>							
Treasury	33,48,514	30,22,847	30,50,206	33,48,514	30,50,206	33,48,514	30,50,206
Corporate/Wholesale Banking	48,49,217	44,10,665	31,84,798	48,49,217	31,84,798	48,49,217	31,84,798
Retail Banking	43,41,585	41,31,632	42,94,476	43,41,585	42,94,476	44,25,157	43,44,458
Other Banking operations	1	1	-	1	-	1	-
Unallocated	71,055	52,815	73,975	71,055	73,975	71,055	73,975
<b>Total</b>	<b>1,26,10,372</b>	<b>1,16,17,960</b>	<b>1,06,03,455</b>	<b>1,26,10,372</b>	<b>1,06,03,455</b>	<b>1,26,93,944</b>	<b>1,06,53,437</b>
<b>Capital employed:</b>							
(Segment Assets - Segment Liabilities)							
Treasury	1,62,327	2,18,608	1,15,395	1,62,327	1,15,395	1,61,759	1,12,247
Corporate/Wholesale Banking	2,23,549	1,86,789	97,783	2,23,549	97,783	2,23,549	97,783
Retail Banking	1,98,042	1,78,205	1,42,029	1,98,042	1,42,029	2,05,010	1,46,076
Other Banking operations	532	756	1,854	532	1,854	532	1,854
Unallocated	6,36,573	6,19,752	5,37,177	6,36,573	5,37,177	6,36,573	5,37,177
<b>Total</b>	<b>12,21,023</b>	<b>12,04,110</b>	<b>8,94,238</b>	<b>12,21,023</b>	<b>8,94,238</b>	<b>12,27,423</b>	<b>8,95,137</b>

@ For the above segment reporting, the reportable segments are identified into 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 March 31, 2018 is given below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
	Audited	Audited	Audited	Audited
<b>CAPITAL AND LIABILITIES</b>				
Capital	39,443	34,481	39,443	34,481
Reserves and Surplus	11,81,580	8,59,757	11,87,980	8,60,656
Deposits	1,11,99,249	97,66,456	1,11,97,010	97,66,208
Borrowings	11,53,350	5,89,732	12,32,884	6,34,549
Other Liabilities and Provisions	2,57,773	2,47,267	2,64,050	2,52,680
<b>Total</b>	<b>1,38,31,395</b>	<b>1,14,97,693</b>	<b>1,39,21,367</b>	<b>1,15,48,574</b>
<b>ASSETS</b>				
Cash and Balances with Reserve Bank of India	5,13,276	4,57,657	5,13,678	4,57,827
Balance with Banks and Money at Call and Short Notice	4,07,065	2,87,560	4,05,843	2,87,637
Investments	30,78,107	28,19,609	30,59,468	27,91,226
Advances	91,95,747	73,33,627	93,01,089	74,08,623
Fixed Assets	45,737	48,947	46,135	49,235
Other Assets	5,91,463	5,50,293	5,95,154	5,54,026
<b>Total</b>	<b>1,38,31,395</b>	<b>1,14,97,693</b>	<b>1,39,21,367</b>	<b>1,15,48,574</b>

**Notes:**

- The above Financial Results for the quarter and year ended March 31, 2018 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 09, 2018. The Results for the year ended March 31, 2018 have been subjected to "Audit" by the Statutory Central Auditors of the Bank and an unqualified report has been issued by them.
- The Bank has made provision for Non Performing Assets as stipulated under Reserve Bank of India (RBI) norms. Further, provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures and provision for restructured advances have been made as per RBI guidelines.
- The bank has consistently applied its significant accounting policies in the preparation of the quarterly financial results and its annual financial statements during the years ended March 31, 2018 and March 31, 2017.
- 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.
- The Business operations of the Bank are largely concentrated in India and for the purpose of Segmental 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.
- 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.
- During the quarter ended June 30, 2017, the Bank had issued 21,55,17,241 equity shares of ₹ 2 each for cash pursuant to a Qualified Institution Placement (QIP) as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations at ₹ 116.00 per share aggregating to ₹ 250,000 Lakhs (including share premium). This resulted in an increase of ₹ 4,310.35 Lakhs in Share Capital and ₹ 242,077.64 Lakhs (net of issue expenses) in Share premium account.
- During the quarter and year ended March 31, 2018, the Bank has allotted 57,83,464 and 3,25,77,034 equity shares of ₹ 2 each respectively, pursuant to the exercise of stock options by employees.
- RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognised the entire mark to market loss on investments in the respective quarters and has not availed the said option.
- Ministry of Labour and Employment, Government of India on March 29, 2018 has enhanced the gratuity ceiling to an employee under Payment of Gratuity Act, 1972 to ₹ 20 Lakhs from earlier limit of ₹ 10 lakhs. This change has resulted to an incremental gratuity liability amounting to ₹ 7,143.90 lakhs. As per the RBI circular DBR.BP.9730/21.04.018/2017-18 dated April 27, 2018 the bank has an option to spread the impact of change in gratuity ceiling over four quarters beginning with the quarter ended March 31, 2018. The bank has availed the option to spread the incremental gratuity expenditure over four quarters beginning with the quarter ended March 31, 2018. Accordingly, during the quarter and year ended March 31, 2018 the bank has charged to the profit and loss account an amount of ₹ 1,785.97 Lakhs and the unamortised gratuity expenditure as on March 31, 2018 is ₹ 5,357.93 Lakhs.
- The Board of Directors have recommended a dividend of 50% i.e. ₹ 1.00/- per Equity Share on face value of ₹ 2/- each for the year 2017-18 (Previous Year 45% i.e. ₹ 0.90/- per Equity Share) subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank has not appropriated proposed dividend (including tax) aggregating to ₹ 23,774.86 Lakhs from the statement of Profit and loss account for the year ended March 31, 2018. However the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31, 2018.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended September 30, 2017, has revised the basis of preparation of segment information related to the allocation of RIDF deposits from Treasury segment to Corporate/Wholesale Banking and Retail Banking segments and allocation of provision related to advances on a direct identification basis for more appropriate presentation of the segment results. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The impact of above regrouping / reclassification on segment results for the quarter and year ended March 31, 2017, is summarized in the table below:

(Decrease) / Increase	(₹ in Lakhs)		
	Standalone		Consolidated
	Quarter ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017
Treasury	(116)	(698)	(698)
Corporate/Wholesale Banking	(2,492)	(11,391)	(11,391)
Retail Banking	1,268	8,139	8,139
Other Banking operations	1,340	3,950	3,950
Unallocated	-	-	-

The above regrouping / reclassification has no impact on the overall profit of the bank for the quarter and year ended March 31, 2018 or the previous periods/year.

- The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year.
- Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai  
May 09, 2018

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)