

**THE FEDERAL BANK LIMITED**  
**REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101**  
**(CIN: L65191KL1931PLC000368)**

**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018**

(` in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	276,492	266,738	237,960	543,230	470,369	975,286
(a) Interest/discount on advances/bills	221,051	207,944	185,900	428,995	364,675	753,878
(b) Income on investments	48,834	50,715	45,000	99,549	91,829	191,744
(c) Interest on balances with Reserve Bank of India and other inter bank funds	2,089	2,523	2,586	4,612	4,953	9,581
(d) Others	4,518	5,556	4,474	10,074	8,912	20,083
2. Other income	32,289	27,086	28,722	59,375	61,632	115,912
<b>3. TOTAL INCOME (1+2)</b>	<b>308,781</b>	<b>293,824</b>	<b>266,682</b>	<b>602,605</b>	<b>532,001</b>	<b>1,091,198</b>
4. Interest expended	174,245	168,732	148,069	342,977	300,411	617,005
5. Operating expenses (i)+(ii)	64,776	64,800	60,292	129,576	117,484	245,090
(i) Employees cost	30,893	34,502	31,274	65,395	61,119	124,247
(ii) Other operating expenses	33,883	30,298	29,018	64,181	56,365	120,843
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>239,021</b>	<b>233,532</b>	<b>208,361</b>	<b>472,553</b>	<b>417,895</b>	<b>862,095</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>69,760</b>	<b>60,292</b>	<b>58,321</b>	<b>130,052</b>	<b>114,106</b>	<b>229,103</b>
8. Provisions (other than tax) and contingencies	28,882	19,915	17,677	48,797	41,321	94,717
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>40,878</b>	<b>40,377</b>	<b>40,644</b>	<b>81,255</b>	<b>72,785</b>	<b>134,386</b>
11. Tax expense	14,274	14,106	14,274	28,380	25,400	46,501
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>26,604</b>	<b>26,271</b>	<b>26,370</b>	<b>52,875</b>	<b>47,385</b>	<b>87,885</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>26,604</b>	<b>26,271</b>	<b>26,370</b>	<b>52,875</b>	<b>47,385</b>	<b>87,885</b>
15. Paid-up Equity Share Capital (Face value ` 2/- per Equity Share)	39,612	39,552	39,091	39,612	39,091	39,443
16. Reserves excluding Revaluation Reserve						1,181,080
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	13.29	14.50	14.63	13.29	14.63	14.70
(iii) Earnings per Share (EPS) (in `)						
(a) Basic EPS (before and after extra ordinary items)	1.34*	1.33*	1.35*	2.67*	2.58*	4.62
(b) Diluted EPS (before and after extra ordinary items)	1.33*	1.32*	1.33*	2.65*	2.53*	4.56
(iv) NPA Ratios						
a) Gross NPA	318,453	286,882	194,897	318,453	194,897	279,562
b) Net NPA	179,629	162,022	106,638	179,629	106,638	155,196
c) % of Gross NPA	3.11	3.00	2.39	3.11	2.39	3.00
d) % of Net NPA	1.78	1.72	1.32	1.78	1.32	1.69
(v) Return on Assets (%)	0.19*	0.20*	0.24 *	0.39*	0.43 *	0.75

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue:</b>						
Treasury	61,715	62,296	58,686	124,011	122,462	239,556
Corporate/Wholesale Banking	118,582	112,799	94,157	231,381	184,798	378,695
Retail Banking	123,312	114,264	109,591	237,576	216,569	454,386
Other Banking operations	5,172	4,465	4,248	9,637	8,172	18,561
Unallocated	-	-	-	-	-	-
Total Revenue	<b>308,781</b>	<b>293,824</b>	<b>266,682</b>	<b>602,605</b>	<b>532,001</b>	<b>1,091,198</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>308,781</b>	<b>293,824</b>	<b>266,682</b>	<b>602,605</b>	<b>532,001</b>	<b>1,091,198</b>
<b>Segment Results (net of provisions):</b>						
Treasury	3,468	9,796	10,902	13,264	23,642	25,650
Corporate/Wholesale Banking	4,999	1,914	6,405	6,913	4,583	(13,797)
Retail Banking	33,062	28,323	22,789	61,385	43,614	120,093
Other Banking operations	216	750	1,047	966	1,937	5,251
Unallocated	(867)	(406)	(499)	(1,273)	(991)	(2,811)
<b>Profit before tax</b>	<b>40,878</b>	<b>40,377</b>	<b>40,644</b>	<b>81,255</b>	<b>72,785</b>	<b>134,386</b>
<b>Segment Assets</b>						
Treasury	3,118,628	3,145,414	3,050,768	3,118,628	3,050,768	3,510,841
Corporate/Wholesale Banking	5,856,115	5,249,962	4,580,074	5,856,115	4,580,074	5,072,766
Retail Banking	4,680,773	4,593,053	3,879,775	4,680,773	3,879,775	4,539,627
Other Banking operations	1,965	1,184	1,806	1,965	1,806	533
Unallocated	783,415	678,484	663,369	783,415	663,369	707,628
<b>Total</b>	<b>14,440,896</b>	<b>13,668,097</b>	<b>12,175,792</b>	<b>14,440,896</b>	<b>12,175,792</b>	<b>13,831,395</b>
<b>Segment Liabilities</b>						
Treasury	3,005,316	2,981,393	2,860,293	3,005,316	2,860,293	3,348,514
Corporate/Wholesale Banking	5,626,533	5,005,327	4,379,950	5,626,533	4,379,950	4,849,217
Retail Banking	4,499,891	4,380,781	3,708,703	4,499,891	3,708,703	4,341,585
Other Banking operations	-	4	-	-	-	1
Unallocated	55,023	50,716	53,523	55,023	53,523	71,055
<b>Total</b>	<b>13,186,763</b>	<b>12,418,221</b>	<b>11,002,469</b>	<b>13,186,763</b>	<b>11,002,469</b>	<b>12,610,372</b>
<b>Capital employed:</b>						
(Segment Assets - Segment Liabilities)						
Treasury	113,312	164,021	190,475	113,312	190,475	162,327
Corporate/Wholesale Banking	229,582	244,635	200,124	229,582	200,124	223,549
Retail Banking	180,882	212,272	171,072	180,882	171,072	198,042
Other Banking operations	1,965	1,180	1,806	1,965	1,806	532
Unallocated	728,392	627,768	609,846	728,392	609,846	636,573
<b>Total</b>	<b>1,254,133</b>	<b>1,249,876</b>	<b>1,173,323</b>	<b>1,254,133</b>	<b>1,173,323</b>	<b>1,221,023</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 September 30, 2018 is given below:

(₹ in Lakhs)

Particulars	As at	As at	As at
	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	39,612	39,091	39,443
Reserves and Surplus	1,214,521	1,134,232	1,181,580
Deposits	11,818,242	9,721,075	11,199,249
Borrowings	887,349	873,320	1,153,350
Other Liabilities and Provisions	481,172	408,074	257,773
<b>Total</b>	<b>14,440,896</b>	<b>12,175,792</b>	<b>13,831,395</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	571,829	472,637	513,276
Balance with Banks and Money at Call and Short Notice	242,941	404,869	407,065
Investments	2,821,385	2,631,750	3,078,107
Advances	10,094,088	8,064,588	9,195,747
Fixed Assets	45,705	47,203	45,737
Other Assets	664,948	554,745	591,463
<b>Total</b>	<b>14,440,896</b>	<b>12,175,792</b>	<b>13,831,395</b>

**Notes:**

- 1 The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2018 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 16, 2018. These Results have been subjected to "Limited review" by the Statutory Central Auditors of the Bank and an unqualified review report has been issued.
- 2 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.
- 3 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, 2018.
- 4 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.
- 5 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.
- 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 During the quarter and half year ended September 30, 2018, the Bank has allotted 2,977,913 and 8,458,468 equity shares of ` 2 each, pursuant to the exercise of stock options by employees.
- 8 On marking to market its investments as at June 30, 2018 in Government Securities held under Available for Sale and Held for Trading category, the Bank has incurred net depreciation of ` 5,893.97 Lakhs. As permitted vide RBI Circular DBR.No.BP.BC.113 /21.04.048/2017-18 dated June 15, 2018, the Bank has exercised the option of spreading the provision for such Marked to Market (MTM) losses equally over four quarters commencing from the quarter ended June 30, 2018. Accordingly, during the quarter and half year ended September 30, 2018, ` 1,473.49 Lakhs and ` 2,946.98 Lakhs has been charged to the profit and loss account respectively towards such MTM losses and the balance unamortised MTM Loss of ₹ 2,946.99 Lakhs has been carried forward, which shall be amortised in remaining quarters.
- 9 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 had availed the option to spread the incremental gratuity expenditure over four quarters beginning with the quarter ended March 31, 2018. Accordingly, during the quarter ended March 31, 2018 the Bank has charged to the profit and loss account an amount of ` 1,785.97 Lakhs and there was an unamortised gratuity expenditure of ₹ 5,357.93 Lakhs. Based on the correspondence with the Reserve Bank of India (RBI) during the quarter ended June 30, 2018, the Bank has charged to the profit and loss account the entire unamortised gratuity expenditure of ₹ 5,357.93 Lakhs.
- 10 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai  
October 16, 2018

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)