

**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, 2017**

( ` in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	2,37,960	2,32,409	2,06,625	4,70,369	4,08,002	8,67,739
(a) Interest/discount on advances/bills	1,85,900	1,78,775	1,56,880	3,64,675	3,09,302	6,54,568
(b) Income on investments	45,000	46,829	43,552	91,829	86,636	1,80,140
(c) Interest on balances with Reserve Bank of India and other inter bank funds	2,586	2,367	1,585	4,953	2,801	9,893
(d) Others	4,474	4,438	4,608	8,912	9,263	23,138
2. Other income	28,722	32,910	27,207	61,632	52,214	1,08,181
<b>3. TOTAL INCOME (1+2)</b>	<b>2,66,682</b>	<b>2,65,319</b>	<b>2,33,832</b>	<b>5,32,001</b>	<b>4,60,216</b>	<b>9,75,920</b>
4. Interest expended	1,48,069	1,52,342	1,34,006	3,00,411	2,66,116	5,62,475
5. Operating expenses (i) + (ii)	60,292	57,192	52,333	1,17,484	1,04,021	2,20,954
(i) Employees cost	31,274	29,845	29,159	61,119	58,100	1,16,375
(ii) Other operating expenses	29,018	27,347	23,174	56,365	45,921	1,04,579
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>2,08,361</b>	<b>2,09,534</b>	<b>1,86,339</b>	<b>4,17,895</b>	<b>3,70,137</b>	<b>7,83,429</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>58,321</b>	<b>55,785</b>	<b>47,493</b>	<b>1,14,106</b>	<b>90,079</b>	<b>1,92,491</b>
8. Provisions (other than tax) and contingencies	17,677	23,644	16,840	41,321	33,688	61,841
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>40,644</b>	<b>32,141</b>	<b>30,653</b>	<b>72,785</b>	<b>56,391</b>	<b>1,30,650</b>
11. Tax expense	14,274	11,126	10,529	25,400	19,536	47,571
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>26,370</b>	<b>21,015</b>	<b>20,124</b>	<b>47,385</b>	<b>36,855</b>	<b>83,079</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>26,370</b>	<b>21,015</b>	<b>20,124</b>	<b>47,385</b>	<b>36,855</b>	<b>83,079</b>
15. Paid-up Equity Share Capital (Face value ` 2/- per Equity Share)	39,091	38,846	34,410	39,091	34,410	34,481
16. Reserves excluding Revaluation Reserve						8,59,256
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	14.63	15.28	12.85	14.63	12.85	12.39
(iii) Earnings per Share (EPS) (in `)						
(a) Basic EPS (before and after extra ordinary items)	1.35*	1.21*	1.17*	2.58*	2.14*	4.83
(b) Diluted EPS (before and after extra ordinary items)	1.33*	1.19*	1.15*	2.53*	2.12*	4.76
(iv) NPA Ratios						
a) Gross NPA	1,94,897	1,86,794	1,81,972	1,94,897	1,81,972	1,72,705
b) Net NPA	1,06,638	1,06,126	1,03,974	1,06,638	1,03,974	94,120
c) % of Gross NPA	2.39	2.42	2.78	2.39	2.78	2.33
d) % of Net NPA	1.32	1.39	1.61	1.32	1.61	1.28
(v) Return on Assets (%)	0.24 *	0.19 *	0.22 *	0.43 *	0.41 *	0.84

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue:</b>						
Treasury	58,686	63,776	56,757	1,22,462	1,11,851	2,31,601
Corporate/Wholesale Banking	94,157	90,641	71,193	1,84,798	1,44,816	3,07,150
Retail Banking	1,09,591	1,06,978	1,02,530	2,16,569	1,96,736	4,17,952
Other Banking operations	4,248	3,924	3,352	8,172	6,813	19,217
Unallocated	-	-	-	-	-	-
<b>Total Revenue</b>	<b>2,66,682</b>	<b>2,65,319</b>	<b>2,33,832</b>	<b>5,32,001</b>	<b>4,60,216</b>	<b>9,75,920</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>2,66,682</b>	<b>2,65,319</b>	<b>2,33,832</b>	<b>5,32,001</b>	<b>4,60,216</b>	<b>9,75,920</b>
<b>Segment Results (net of provisions):</b>						
Treasury	10,902	12,740	10,798	23,642	23,191	38,816
Corporate/Wholesale Banking	6,405	(1,822)	(1,825)	4,583	(1,570)	8,250
Retail Banking	22,789	20,825	20,377	43,614	32,255	76,938
Other Banking operations	1,047	890	2,165	1,937	3,765	9,553
Unallocated	(499)	(492)	(862)	(991)	(1,250)	(2,907)
<b>Profit before tax</b>	<b>40,644</b>	<b>32,141</b>	<b>30,653</b>	<b>72,785</b>	<b>56,391</b>	<b>1,30,650</b>
<b>Segment Assets</b>						
Treasury	30,50,768	29,71,047	26,17,490	30,50,768	26,17,490	31,65,601
Corporate/Wholesale Banking	45,80,074	39,79,638	30,42,892	45,80,074	30,42,892	32,82,581
Retail Banking	38,79,775	40,40,982	38,10,103	38,79,775	38,10,103	44,36,505
Other Banking operations	1,806	3,000	539	1,806	539	1,854
Unallocated	6,63,369	6,48,897	5,76,566	6,63,369	5,76,566	6,11,152
<b>Total</b>	<b>1,21,75,792</b>	<b>1,16,43,564</b>	<b>1,00,47,590</b>	<b>1,21,75,792</b>	<b>1,00,47,590</b>	<b>1,14,97,693</b>
<b>Segment Liabilities</b>						
Treasury	28,60,293	27,78,773	24,58,572	28,60,293	24,58,572	30,50,206
Corporate/Wholesale Banking	43,79,950	37,92,853	29,78,799	43,79,950	29,78,799	31,84,798
Retail Banking	37,08,703	38,48,458	37,22,584	37,08,703	37,22,584	42,94,476
Other Banking operations	-	-	-	-	-	-
Unallocated	53,523	60,699	41,055	53,523	41,055	73,975
<b>Total</b>	<b>1,10,02,469</b>	<b>1,04,80,783</b>	<b>92,01,010</b>	<b>1,10,02,469</b>	<b>92,01,010</b>	<b>1,06,03,455</b>
<b>Capital employed:</b>						
(Segment Assets - Segment Liabilities)						
Treasury	1,90,475	1,92,274	1,58,918	1,90,475	1,58,918	1,15,395
Corporate/Wholesale Banking	2,00,124	1,86,785	64,093	2,00,124	64,093	97,783
Retail Banking	1,71,072	1,92,524	87,519	1,71,072	87,519	1,42,029
Other Banking operations	1,806	3,000	539	1,806	539	1,854
Unallocated	6,09,846	5,88,198	5,35,511	6,09,846	5,35,511	5,37,177
<b>Total</b>	<b>11,73,323</b>	<b>11,62,781</b>	<b>8,46,580</b>	<b>11,73,323</b>	<b>8,46,580</b>	<b>8,94,238</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, 2017 is given below:

(₹ in Lakhs)

Particulars	As at	As at	As at
	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	39,091	34,410	34,481
Reserves and Surplus	11,34,232	8,12,170	8,59,757
Deposits	97,21,075	86,29,910	97,66,456
Borrowings	8,73,320	2,65,536	5,89,732
Other Liabilities and Provisions	4,08,074	3,05,564	2,47,267
<b>Total</b>	<b>1,21,75,792</b>	<b>1,00,47,590</b>	<b>1,14,97,693</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	4,72,637	3,98,575	4,57,657
Balance with Banks and Money at Call and Short Notice	4,04,869	2,30,116	2,87,560
Investments	26,31,750	23,85,220	28,19,609
Advances	80,64,588	64,68,694	73,33,627
Fixed Assets	47,203	51,034	48,947
Other Assets	5,54,745	5,13,951	5,50,293
<b>Total</b>	<b>1,21,75,792</b>	<b>1,00,47,590</b>	<b>1,14,97,693</b>

**Notes:**

- 1 The above Standalone Unaudited Financial Results ("Results") for the quarter and half year ended September 30, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 16, 2017. 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 Results as those followed in the annual financial statements for the year ended March 31, 2017.
- 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 review by the Statutory Central Auditors of the Bank.
- 5 The Business operations of the Bank are largely concentrated in India and for purpose of Segmental reporting, the bank 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.
- 7 During the quarter ended June 30, 2017, the Bank has 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.
- 8 During the quarter and half year ended September 30, 2017, the Bank allotted 1,22,81,993 and 1,50,07,960 equity shares of ₹ 2 each respectively, pursuant to the exercise of stock options by certain employees.
- 9 Pursuant to RBI Circular FMRD.DIRD.10/14.03.002/2015-16 dated May 19, 2016, as amended, the bank has with effect from October 3, 2016 considered its repo/reverse repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) of RBI as Borrowings/Lendings, as the case may be. Hitherto, the repo/ reverse repo transactions were included under Investments. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above regrouping / reclassification has no impact on the profit of the bank for the quarter and half year ended September 30, 2017 or the previous periods/year.
- 10 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 half year ended September 30, 2017, is summarized in the table below:

(Decrease) / Increase	Quarter ended			Half year ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	(₹ in Lakhs)					
Treasury	(205)	(91)	(156)	(296)	(588)	(698)
Corporate/Wholesale Banking	(1,206)	(4,818)	(3,837)	(6,024)	(6,919)	(11,391)
Retail Banking	481	4,171	2,844	4,652	5,702	8,139
Other Banking operations	930	738	1,149	1,668	1,805	3,950
Unallocated	-	-	-	-	-	-

The above regrouping / reclassification has no impact on the overall profit of the bank for the quarter and half year ended September 30, 2017 or the previous periods/year.

- 11 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai  
October 16, 2017

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)