

**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, 2017**  
**(₹ in Lakhs)**

| Particulars  | Quarter ended   |                 |                 | Nine Months Ended |                 | Year ended      |
|--|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|  | 31.12.2017      | 30.09.2017      | 31.12.2016      | 31.12.2017        | 31.12.2016      | 31.03.2017      |
|  | Unaudited       | Unaudited       | Unaudited       | Unaudited         | Unaudited       | Audited         |
| 1. Interest earned (a)+(b)+(c)+(d)   | 2,50,120        | 2,37,960        | 2,28,142        | 7,20,489          | 6,36,144        | 8,67,739        |
| (a) Interest/discount on advances/bills  | 1,94,097        | 1,85,900        | 1,71,622        | 5,58,772          | 4,80,924        | 6,54,568        |
| (b) Income on investments  | 48,220          | 45,000          | 45,122          | 1,40,049          | 1,31,758        | 1,80,140        |
| (c) Interest on balances with Reserve Bank of India and other inter bank funds   | 2,788           | 2,586           | 3,494           | 7,741             | 6,295           | 9,893           |
| (d) Others   | 5,015           | 4,474           | 7,904           | 13,927            | 17,167          | 23,138          |
| 2. Other income  | 22,863          | 28,722          | 27,541          | 84,495            | 79,755          | 1,08,181        |
| <b>3. TOTAL INCOME (1+2)</b>   | <b>2,72,983</b> | <b>2,66,682</b> | <b>2,55,683</b> | <b>8,04,984</b>   | <b>7,15,899</b> | <b>9,75,920</b> |
| 4. Interest expended   | 1,55,120        | 1,48,069        | 1,49,003        | 4,55,530          | 4,15,119        | 5,62,475        |
| 5. Operating expenses (i)+(ii)   | 61,723          | 60,292          | 59,190          | 1,79,208          | 1,63,211        | 2,20,954        |
| (i) Employees cost   | 30,047          | 31,274          | 31,972          | 91,166            | 90,072          | 1,16,375        |
| (ii) Other operating expenses  | 31,676          | 29,018          | 27,218          | 88,042            | 73,139          | 1,04,579        |
| <b>6. TOTAL EXPENDITURE (4+5)</b><br>(excluding provisions and contingencies)    | <b>2,16,843</b> | <b>2,08,361</b> | <b>2,08,193</b> | <b>6,34,738</b>   | <b>5,78,330</b> | <b>7,83,429</b> |
| <b>7. OPERATING PROFIT (3-6)</b><br>(Profit before provisions and contingencies) | <b>56,140</b>   | <b>58,321</b>   | <b>47,490</b>   | <b>1,70,246</b>   | <b>1,37,569</b> | <b>1,92,491</b> |
| 8. Provisions (other than tax) and contingencies                                 | 16,243          | 17,677          | 15,882          | 57,564            | 49,570          | 61,841          |
| 9. Exceptional items   | -               | -               | -               | -                 | -               | -               |
| <b>10. Profit from Ordinary Activities before tax (7-8-9)</b>                    | <b>39,897</b>   | <b>40,644</b>   | <b>31,608</b>   | <b>1,12,682</b>   | <b>87,999</b>   | <b>1,30,650</b> |
| 11. Tax expense  | 13,896          | 14,274          | 11,043          | 39,296            | 30,579          | 47,571          |
| <b>12. Net Profit from Ordinary Activities after tax (10-11)</b>                 | <b>26,001</b>   | <b>26,370</b>   | <b>20,565</b>   | <b>73,386</b>     | <b>57,420</b>   | <b>83,079</b>   |
| 13. Extraordinary items (net of tax expense)                                     | -               | -               | -               | -                 | -               | -               |
| <b>14. Net Profit for the period (12-13)</b>                                     | <b>26,001</b>   | <b>26,370</b>   | <b>20,565</b>   | <b>73,386</b>     | <b>57,420</b>   | <b>83,079</b>   |
| 15. Paid-up Equity Share Capital<br>(Face value ₹ 2/- per Equity Share)          | 39,327          | 39,091          | 34,443          | 39,327            | 34,443          | 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  | 14.41           | 14.63           | 12.28           | 14.41             | 12.28           | 12.39           |
| (iii) Earnings per Share (EPS) (in ₹)  |                 |                 |                 |                   |                 |                 |
| (a) Basic EPS (before and after extra ordinary items)                            | 1.33*           | 1.35*           | 1.20*           | 3.90*             | 3.34*           | 4.83            |
| (b) Diluted EPS (before and after extra ordinary items)                          | 1.31*           | 1.33*           | 1.18*           | 3.85*             | 3.29*           | 4.76            |
| (iv) NPA Ratios  |                 |                 |                 |                   |                 |                 |
| a) Gross NPA   | 2,16,119        | 1,94,897        | 1,95,155        | 2,16,119          | 1,95,155        | 1,72,705        |
| b) Net NPA   | 1,15,668        | 1,06,638        | 1,10,237        | 1,15,668          | 1,10,237        | 94,120          |
| c) % of Gross NPA  | 2.52            | 2.39            | 2.77            | 2.52              | 2.77            | 2.33            |
| d) % of Net NPA  | 1.36            | 1.32            | 1.58            | 1.36              | 1.58            | 1.28            |
| (v) Return on Assets (%)   | 0.22 *          | 0.24 *          | 0.20 *          | 0.65 *            | 0.60*           | 0.84            |

\* Not Annualised

## Segment Information@

(₹ in Lakhs)

| Particulars                                 | Quarter ended     |                   |                   | Nine Months Ended |                   | Year ended        |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 31.12.2017        | 30.09.2017        | 31.12.2016        | 31.12.2017        | 31.12.2016        | 31.03.2017        |
|   | Unaudited         | Unaudited         | Unaudited         | Unaudited         | Unaudited         | Audited           |
| <b>Segment Revenue:</b>                     |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 56,206            | 58,686            | 60,511            | 1,78,668          | 1,72,362          | 2,31,601          |
| Corporate/Wholesale Banking                 | 90,703            | 94,157            | 76,815            | 2,75,501          | 2,21,630          | 3,07,150          |
| Retail Banking                              | 1,21,639          | 1,09,591          | 1,12,211          | 3,38,208          | 3,08,948          | 4,17,952          |
| Other Banking operations                    | 4,435             | 4,248             | 6,146             | 12,607            | 12,959            | 19,217            |
| Unallocated                                 | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Revenue</b>                        | <b>2,72,983</b>   | <b>2,66,682</b>   | <b>2,55,683</b>   | <b>8,04,984</b>   | <b>7,15,899</b>   | <b>9,75,920</b>   |
| Less: Inter Segment Revenue                 | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Income from Operations</b>               | <b>2,72,983</b>   | <b>2,66,682</b>   | <b>2,55,683</b>   | <b>8,04,984</b>   | <b>7,15,899</b>   | <b>9,75,920</b>   |
| <b>Segment Results (net of provisions):</b> |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 5,071             | 10,902            | 8,785             | 28,713            | 31,976            | 38,816            |
| Corporate/Wholesale Banking                 | 495               | 6,405             | 268               | 5,078             | (1,303)           | 8,250             |
| Retail Banking                              | 34,744            | 22,789            | 20,204            | 78,358            | 52,459            | 76,938            |
| Other Banking operations                    | 492               | 1,047             | 3,192             | 2,429             | 6,958             | 9,553             |
| Unallocated                                 | (905)             | (499)             | (841)             | (1,896)           | (2,091)           | (2,907)           |
| <b>Profit before tax</b>                    | <b>39,897</b>     | <b>40,644</b>     | <b>31,608</b>     | <b>1,12,682</b>   | <b>87,999</b>     | <b>1,30,650</b>   |
| <b>Segment Assets</b>                       |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 32,41,455         | 30,50,768         | 31,12,415         | 32,41,455         | 31,12,415         | 31,65,601         |
| Corporate/Wholesale Banking                 | 45,97,454         | 45,80,074         | 35,68,159         | 45,97,454         | 35,68,159         | 32,82,581         |
| Retail Banking                              | 43,09,837         | 38,79,775         | 38,24,803         | 43,09,837         | 38,24,803         | 44,36,505         |
| Other Banking operations                    | 757               | 1,806             | 4,398             | 757               | 4,398             | 1,854             |
| Unallocated                                 | 6,72,567          | 6,63,369          | 6,39,963          | 6,72,567          | 6,39,963          | 6,11,152          |
| <b>Total</b>                                | <b>128,22,070</b> | <b>121,75,792</b> | <b>111,49,738</b> | <b>128,22,070</b> | <b>111,49,738</b> | <b>114,97,693</b> |
| <b>Segment Liabilities</b>                  |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 30,22,847         | 28,60,293         | 29,69,844         | 30,22,847         | 29,69,844         | 30,50,206         |
| Corporate/Wholesale Banking                 | 44,10,665         | 43,79,950         | 35,06,679         | 44,10,665         | 35,06,679         | 31,84,798         |
| Retail Banking                              | 41,31,632         | 37,08,703         | 37,52,425         | 41,31,632         | 37,52,425         | 42,94,476         |
| Other Banking operations                    | 1                 | -                 | -                 | 1                 | -                 | -                 |
| Unallocated                                 | 52,815            | 53,523            | 52,945            | 52,815            | 52,945            | 73,975            |
| <b>Total</b>                                | <b>116,17,960</b> | <b>110,02,469</b> | <b>102,81,893</b> | <b>116,17,960</b> | <b>102,81,893</b> | <b>106,03,455</b> |
| <b>Capital employed:</b>                    |                   |                   |                   |                   |                   |                   |
| (Segment Assets - Segment Liabilities)      |                   |                   |                   |                   |                   |                   |
| Treasury                                    | 2,18,608          | 1,90,475          | 1,42,571          | 2,18,608          | 1,42,571          | 1,15,395          |
| Corporate/Wholesale Banking                 | 1,86,789          | 2,00,124          | 61,480            | 1,86,789          | 61,480            | 97,783            |
| Retail Banking                              | 1,78,205          | 1,71,072          | 72,378            | 1,78,205          | 72,378            | 1,42,029          |
| Other Banking operations                    | 756               | 1,806             | 4,398             | 756               | 4,398             | 1,854             |
| Unallocated                                 | 6,19,752          | 6,09,846          | 5,87,018          | 6,19,752          | 5,87,018          | 5,37,177          |
| <b>Total</b>                                | <b>12,04,110</b>  | <b>11,73,323</b>  | <b>8,67,845</b>   | <b>12,04,110</b>  | <b>8,67,845</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.

**Notes:**

- 1 The above Standalone Unaudited Financial Results ("Results") for the quarter and nine months ended December 31, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 15, 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 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 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.
- 8 During the quarter and nine months ended December 31, 2017, the Bank allotted 1,17,85,610 and 2,67,93,570 equity shares of ₹ 2 each respectively, pursuant to the exercise of stock options by employees.
- 9 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 nine months ended December 31, 2017, is summarized in the table below:

| (Decrease) / Increase       | Quarter ended |            |            | Nine months ended |            | Year ended |
|-----------------------------|---------------|------------|------------|-------------------|------------|------------|
|                             | 31.12.2017    | 30.09.2017 | 31.12.2016 | 31.12.2017        | 31.12.2016 | 31.03.2017 |
| Treasury                    | (179)         | (205)      | 6          | (474)             | (582)      | (698)      |
| Corporate/Wholesale Banking | (420)         | (1,206)    | (1,981)    | (6,444)           | (8,900)    | (11,391)   |
| Retail Banking              | (517)         | 481        | 1,169      | 4,135             | 6,871      | 8,139      |
| Other Banking operations    | 1,116         | 930        | 806        | 2,783             | 2,611      | 3,950      |
| Unallocated                 | -             | -          | -          | -                 | -          | -          |

The above regrouping / reclassification has no impact on the overall profit of the bank for the quarter and nine months ended December 31, 2017 or the previous periods/year.

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

Kochi  
January 15, 2018

SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)