

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, 2019

(₹ in Lakhs)

Particulars	Standalone				Consolidated		
	Quarter ended			Year ended		Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Audited (Refer Note 12 below)	Unaudited	Audited (Refer Note 12 below)	Audited	Audited	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	3,03,232	2,95,441	2,54,797	11,41,903	9,75,286	11,63,544	9,91,490
(a) Interest/discount on advances/bills	2,41,305	2,38,662	1,95,106	9,08,962	7,53,878	9,30,412	7,70,098
(b) Income on investments	53,638	50,558	51,695	2,03,745	1,91,744	2,03,936	1,91,727
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,178	1,557	1,840	7,347	9,581	7,347	9,582
(d) Others	7,111	4,664	6,156	21,849	20,083	21,849	20,083
2. Other income	41,172	34,555	31,417	1,35,102	1,15,912	1,33,522	1,16,022
3. TOTAL INCOME (1+2)	3,44,404	3,29,996	2,86,214	12,77,005	10,91,198	12,97,066	11,07,512
4. Interest expended	1,93,579	1,87,712	1,61,475	7,24,268	6,17,005	7,31,633	6,22,642
5. Operating expenses (i)+(ii)	75,350	71,501	65,882	2,76,427	2,45,090	2,83,658	2,50,474
(i) Employees cost	37,015	35,366	33,081	1,37,776	1,24,247	1,42,566	1,27,682
(ii) Other operating expenses	38,335	36,135	32,801	1,38,651	1,20,843	1,41,092	1,22,792
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	2,68,929	2,59,213	2,27,357	10,00,695	8,62,095	10,15,291	8,73,116
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	75,475	70,783	58,857	2,76,310	2,29,103	2,81,775	2,34,396
8. Provisions (other than tax) and contingencies	17,776	19,012	37,153	85,585	94,717	85,765	95,076
9. Exceptional items	-	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	57,699	51,771	21,704	1,90,725	1,34,386	1,96,010	1,39,320
11. Tax expense	19,548	18,408	7,205	66,336	46,501	67,758	48,355
12. Net Profit from Ordinary Activities after tax (10-11)	38,151	33,363	14,499	1,24,389	87,885	1,28,252	90,965
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
14. Net Profit for the period (12-13)	38,151	33,363	14,499	1,24,389	87,885	1,28,252	90,965
15. Minority interest	-	-	-	-	-	180	-
16. Share in Profit of Associates	-	-	-	-	-	3,556	2,579
17. Consolidated Net Profit of the group (14-15+16)						1,31,628	93,544
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,701	39,678	39,443	39,701	39,443	39,701	39,443
19. Reserves excluding Revaluation Reserve	-	-	-	12,87,102	11,81,080	13,09,624	11,87,480
20. 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	14.14	12.97	14.70	14.14	14.70	-	-
(iii) Earnings per Share (EPS) (in ₹)							
(a) Basic EPS (before and after extra ordinary items)	1.92*	1.68*	0.74*	6.28	4.62	6.65	4.92
(b) Diluted EPS (before and after extra ordinary items)	1.91*	1.67*	0.73*	6.24	4.56	6.60	4.86
(iv) NPA Ratios							
a) Gross NPA	3,26,068	3,36,123	2,79,562	3,26,068	2,79,562		
b) Net NPA	1,62,620	1,81,729	1,55,196	1,62,620	1,55,196		
c) % of Gross NPA	2.92	3.14	3.00	2.92	3.00		
d) % of Net NPA	1.48	1.72	1.69	1.48	1.69		
(v) Return on Assets (%)	0.25*	0.23*	0.11 *	0.88	0.75		

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Standalone					Consolidated	
	Quarter ended		Year ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Audited (Refer Note 12 below)	Unaudited	Audited (Refer Note 12 below)	Audited	Audited	Audited	Audited
Segment Revenue:							
Treasury	66,515	64,236	60,888	2,54,761	2,39,556	2,54,761	2,39,556
Corporate/Wholesale Banking	1,45,079	1,30,916	1,03,194	5,07,376	3,78,695	5,07,376	3,78,695
Retail Banking	1,21,852	1,28,913	1,16,178	4,88,342	4,54,386	5,08,403	4,70,700
Other Banking operations	10,958	5,931	5,954	26,526	18,561	26,526	18,561
Unallocated	-	-	-	-	-	-	-
Total Revenue	3,44,404	3,29,996	2,86,214	12,77,005	10,91,198	12,97,066	11,07,512
Less: Inter Segment Revenue	-	-	-	-	-	-	-
Income from Operations	3,44,404	3,29,996	2,86,214	12,77,005	10,91,198	12,97,066	11,07,512
Segment Results (net of provisions):							
Treasury	10,950	16,870	(3,063)	41,085	25,650	41,469	25,650
Corporate/Wholesale Banking	14,328	4,728	(18,875)	25,969	(13,797)	25,969	(13,797)
Retail Banking	28,188	30,613	41,735	1,20,186	1,20,093	1,25,087	1,25,027
Other Banking operations	5,280	444	2,822	6,690	5,251	6,690	5,251
Unallocated	(1,047)	(884)	(915)	(3,205)	(2,811)	(3,205)	(2,811)
Profit before tax	57,699	51,771	21,704	1,90,725	1,34,386	1,96,010	1,39,320
Segment Assets							
Treasury	35,75,297	30,72,544	35,10,841	35,75,297	35,10,841	35,78,232	35,10,273
Corporate/Wholesale Banking	58,16,960	56,43,373	50,72,766	58,16,960	50,72,766	58,16,960	50,72,766
Retail Banking	56,68,073	53,95,943	45,39,627	56,68,073	45,39,627	57,86,386	46,30,167
Other Banking operations	1,138	2,057	533	1,138	533	1,138	533
Unallocated	8,72,531	8,64,000	7,07,628	8,72,531	7,07,628	8,72,531	7,07,628
Total	1,59,33,999	1,49,77,917	1,38,31,395	1,59,33,999	1,38,31,395	1,60,55,247	1,39,21,367
Segment Liabilities							
Treasury	34,76,144	29,23,393	33,48,514	34,76,144	33,48,514	34,76,144	33,48,514
Corporate/Wholesale Banking	56,00,730	54,71,439	48,49,217	56,00,730	48,49,217	56,00,730	48,49,217
Retail Banking	54,61,130	52,34,444	43,41,585	54,61,130	43,41,585	55,51,810	44,25,157
Other Banking operations	4	2	1	4	1	4	1
Unallocated	68,687	59,914	71,055	68,687	71,055	68,687	71,055
Total	1,46,06,695	1,36,89,192	1,26,10,372	1,46,06,695	1,26,10,372	1,46,97,375	1,26,93,944
Capital employed: (Segment Assets - Segment Liabilities)							
Treasury	99,153	1,49,151	1,62,327	99,153	1,62,327	1,02,088	1,61,759
Corporate/Wholesale Banking	2,16,230	1,71,934	2,23,549	2,16,230	2,23,549	2,16,230	2,23,549
Retail Banking	2,06,943	1,61,499	1,98,042	2,06,943	1,98,042	2,34,576	2,05,010
Other Banking operations	1,134	2,055	532	1,134	532	1,134	532
Unallocated	8,03,844	8,04,086	6,36,573	8,03,844	6,36,573	8,03,844	6,36,573
Total	13,27,304	12,88,725	12,21,023	13,27,304	12,21,023	13,57,872	12,27,423

@ 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, 2019 is given below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
	Audited	Audited	Audited	Audited
CAPITAL AND LIABILITIES				
Capital	39,701	39,443	39,701	39,443
Reserves and Surplus	12,87,603	11,81,580	13,10,125	11,87,980
Minority Interest	-	-	8,046	-
Deposits	1,34,95,434	1,11,99,249	1,34,87,893	1,11,97,010
Borrowings	7,78,132	11,53,350	8,70,629	12,32,884
Other Liabilities and Provisions	3,33,129	2,57,773	3,38,853	2,64,050
Total	1,59,33,999	1,38,31,395	1,60,55,247	1,39,21,367
ASSETS				
Cash and Balances with Reserve Bank of India	6,41,917	5,13,276	6,42,267	5,13,678
Balance with Banks and Money at Call and Short Notice	3,64,763	4,07,065	3,63,080	4,05,843
Investments	31,82,447	30,78,107	31,67,570	30,59,468
Advances	1,10,22,295	91,95,747	1,11,53,592	93,01,089
Fixed assets	47,204	45,737	47,993	46,135
Other assets	6,75,373	5,91,463	6,80,745	5,95,154
Total	1,59,33,999	1,38,31,395	1,60,55,247	1,39,21,367

Notes:

- 1 The above Financial Results for the quarter and year ended March 31, 2019 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 04, 2019. The Results for the year ended March 31, 2019 have been subjected to "Audit" by the Statutory Central Auditors of the Bank and an unqualified report has been issued by them.
- 2 The Consolidated Financial Results include the audited financial results of the subsidiaries Fedbank Financial Services Limited, Federal Operations and Services Limited and the associates IDBI Federal Life Insurance Company Limited, Equirus Capital Private Limited.
- 3 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.
- 4 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, 2019 and March 31, 2018.
- 5 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.
- 6 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.
- 7 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.
- 8 During the quarter and year ended March 31, 2019, the Bank has allotted 1,144,908 and 12,905,764 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 9 Disclosure in respect of ILFS and ILFS entities with the position as on March 31, 2019 is as follows:

(₹ in Lakhs)			
Amount Outstanding (1)	Of (1), total amount of exposures which are NPA as per IRAC norms and not classified as NPA (2)	Provisions required to be made as per IRAC norms (3)	Provision actually held (4)
24,620.17	3,237.15	485.57	2,103.19*

* This comprises of provision @ 15% provision on exposure, which is NPA as per IRAC norms and not classified as NPA and provision @ 7.5% on exposure, which is standard as per IRAC norms. In respect of balance exposure, the Bank is receiving due payment from Tolls and Annuities from the operating assets through an escrow account. Both these provisions have been considered as provision for standard assets.

- 10 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 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.
- 11 The Board of Directors have recommended a dividend of 70% i.e. ₹ 1.40/- per Equity Share on face value of ₹ 2/- each for the year 2018-19 (Previous Year 50% i.e ₹ 1.00/- per Equity Share) subject to the approval of the members at the ensuing Annual General Meeting. In terms of 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 ₹ 33,503.13 Lakhs from the Profit and loss account for the year ended March 31, 2019. 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, 2019.
- 12 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.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
May 4, 2019

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)