

Secretarial Department

SD/ F 24/ 1473/2019-20

20th January 2020

Listing Department The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	Department of Corporate Services - Listing BSE Limited Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, <u>MUMBAI - 400 001</u>
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Re.: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Sir,


Sub: Outcome of Board Meeting and submission of Unaudited Standalone and Consolidated Financial Results and Limited Review Report for the third quarter and nine months period ended 31st December 2019 pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - reg.

This is to inform you that the Board of Directors of the Company at their meeting held on Monday, 20th January 2020 at Mumbai, has approved and adopted the Bank's unaudited standalone and consolidated financial results for the third quarter and nine months period ended 31st December 2019. The Limited Review Report submitted by the Statutory Auditors of the Company is also enclosed herewith.

Kindly take the same on your record.

Meeting concluded at: 1.50 pm.

Thanking you,

Yours faithfully,
For The Federal Bank Limited
Samir P Rajdev
Company Secretary

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus

Apollo Mills Compound

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M.M. Nissim & Co.

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Limited review report on the unaudited quarterly standalone financial results and standalone year to date financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
The Federal Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of The Federal Bank Limited (the 'Bank') for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 (the 'Statement'), except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations", and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Statement incorporate the relevant returns of 95 Branches and Treasury Branch reviewed by either of us and un-reviewed returns in respect of 1,160 branches. The Branches reviewed by us cover 50.53% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 51.16% of non-performing advances of the Bank.



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Limited review report on the unaudited quarterly standalone financial results and standalone year to date financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022



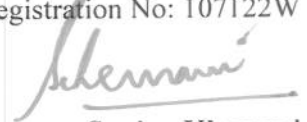
Akeel Master

Partner

Membership No: 046768

ICAI UDIN: 20046768AAAABZ6772

For **M.M. Nissim & Co.**
Chartered Accountants
Firm's Registration No: 107122W



Sanjay Khemani

Partner

Membership No: 044577

ICAI UDIN: 20044577AAAAAA4743

Mumbai
20 January 2020



Mumbai
20 January 2020



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, 2019
(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	333,036	325,425	295,441	981,391	838,671	1,141,903
(a) Interest/discount on advances/bills	270,278	263,766	238,662	794,652	667,657	908,962
(b) Income on investments	53,611	52,744	50,558	161,878	150,107	203,745
(c) Interest on balances with Reserve Bank of India and other inter bank funds	3,527	3,811	1,557	9,310	6,169	7,347
(d) Others	5,620	5,104	4,664	15,551	14,738	21,849
2. Other income	40,786	42,092	34,555	122,030	93,930	135,102
3. TOTAL INCOME (1+2)	373,822	367,517	329,996	1,103,421	932,601	1,277,005
4. Interest expended	217,543	213,047	187,712	638,102	530,689	724,268
5. Operating expenses (i)+(ii)	81,897	82,590	71,501	240,781	201,077	276,427
(i) Employees cost	41,476	44,070	35,366	125,330	100,761	137,776
(ii) Other operating expenses	40,421	38,520	36,135	115,451	100,316	138,651
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	299,440	295,637	259,213	878,883	731,766	1,000,695
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	74,382	71,880	70,783	224,538	200,835	276,310
8. Provisions (other than tax) and contingencies	16,086	25,177	19,012	60,467	67,809	85,585
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	58,296	46,703	51,771	164,071	133,026	190,725
11. Tax expense	14,232	5,033	18,408	39,916	46,788	66,336
12. Net Profit from Ordinary Activities after tax (10-11)	44,064	41,670	33,363	124,155	86,238	124,389
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	44,064	41,670	33,363	124,155	86,238	124,389
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,846	39,762	39,678	39,846	39,678	39,701
16. Reserves excluding Revaluation Reserve						1,287,102
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	13.64	13.98	12.97	13.64	12.97	14.14
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.21*	2.10*	1.68*	6.25*	4.36*	6.28
(b) Diluted EPS (before and after extra ordinary items)	2.20*	2.08*	1.67*	6.21*	4.33*	6.24
(iv) NPA Ratios						
a) Gross NPA	361,869	361,211	336,123	361,869	336,123	326,068
b) Net NPA	194,101	184,364	181,729	194,101	181,729	162,620
c) % of Gross NPA	2.99	3.07	3.14	2.99	3.14	2.92
d) % of Net NPA	1.63	1.59	1.72	1.63	1.72	1.48
(v) Return on Assets (%)	0.26*	0.26*	0.23*	0.77*	0.62*	0.88

* Not Annualised



Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2019 Unaudited	30.09.2019 Unaudited	31.12.2018 Unaudited	31.12.2019 Unaudited	31.12.2018 Unaudited	31.03.2019 Audited
Segment Revenue:						
Treasury	70,179	68,830	64,236	211,973	188,247	254,761
Corporate/Wholesale Banking	135,913	138,806	130,916	422,800	362,297	507,376
Retail Banking	160,131	152,491	128,913	447,953	366,489	488,342
Other Banking operations	7,599	7,390	5,931	20,695	15,568	26,526
Unallocated	-	-	-	-	-	-
Total Revenue	373,822	367,517	329,996	1,103,421	932,601	1,277,005
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	373,822	367,517	329,996	1,103,421	932,601	1,277,005
Segment Results (net of provisions):						
Treasury	15,456	12,259	16,870	43,167	30,134	41,085
Corporate/Wholesale Banking	(11,340)	(4,633)	4,728	2,801	11,641	25,969
Retail Banking	54,381	39,012	30,613	119,712	91,998	120,186
Other Banking operations	620	2,157	444	1,849	1,410	6,690
Unallocated	(821)	(2,092)	(884)	(3,458)	(2,157)	(3,205)
Profit before tax	58,296	46,703	51,771	164,071	133,026	190,725
Segment Assets						
Treasury	3,519,353	3,409,896	3,072,544	3,519,353	3,072,544	3,575,297
Corporate/Wholesale Banking	6,000,398	5,908,518	5,643,373	6,000,398	5,643,373	5,816,960
Retail Banking	6,535,673	6,219,085	5,395,943	6,535,673	5,395,943	5,668,073
Other Banking operations	2,049	1,927	2,057	2,049	2,057	1,138
Unallocated	1,221,607	1,103,023	864,000	1,221,607	864,000	872,531
Total	17,279,080	16,642,449	14,977,917	17,279,080	14,977,917	15,933,999
Segment Liabilities						
Treasury	3,406,295	3,285,495	2,923,393	3,406,295	2,923,393	3,476,144
Corporate/Wholesale Banking	5,922,863	5,797,969	5,471,439	5,922,863	5,471,439	5,600,730
Retail Banking	6,458,732	6,107,417	5,234,444	6,458,732	5,234,444	5,461,130
Other Banking operations	14	-	2	14	2	4
Unallocated	70,038	76,137	59,914	70,038	59,914	68,687
Total	15,857,942	15,267,018	13,689,192	15,857,942	13,689,192	14,606,695
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	113,058	124,401	149,151	113,058	149,151	99,153
Corporate/Wholesale Banking	77,535	110,549	171,934	77,535	171,934	216,230
Retail Banking	76,941	111,668	161,499	76,941	161,499	206,943
Other Banking operations	2,035	1,927	2,055	2,035	2,055	1,134
Unallocated	1,151,569	1,026,886	804,086	1,151,569	804,086	803,844
Total	1,421,138	1,375,431	1,288,725	1,421,138	1,288,725	1,327,304


@ For the above segment reporting, the reportable segments are identified as Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.



Notes:

- 1 The above Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2019 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 20, 2020. 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 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, 2019.
- 3 The working results have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 4 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.
- 5 During the quarter ended June 30, 2018, as per RBI Circular, the Bank had exercised the option of spreading the provision for Mark to Market (MTM) losses of ₹ 5,893.97 Lakhs equally over 4 quarters and accordingly unamortised MTM losses of ₹ 4,420.48 Lakhs were deferred to be amortised in remaining quarters of FY 2019, which was fully amortised in FY 2019.
- 6 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 7 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 part of Indian operations.
- 8 During the quarter and nine months ended December 31, 2019, the Bank has allotted 4,158,177 and 7,226,229 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 9 During the quarter ended September 30, 2019, the Bank had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank has recognised Provision for Income Tax for quarter and nine months ended December 31, 2019 and re-measured its Deferred tax liability basis the rate prescribed in the aforesaid section and recognized the effect of change by revising the annual effective income tax rate.
- 10 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.
- 11 During the quarter ended December 31, 2019, the Bank has invested ₹ 500.00 Lakhs in the Preference share capital of its subsidiary Federal Operations and Services Limited.
- 12 During the quarter ended December 31, 2019 the Bank has decided to use actuarial valuation for the estimation of debit card loyalty points liability on a quarterly basis as against the earlier practice of taking actuarial valuation only on an annual basis. This has resulted in a lower provision charge by ₹ 842.79 lakhs (net of taxes) in the current quarter.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
January 20, 2020


SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)



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Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
The Federal Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of The Federal Bank Limited (the 'Bank'/ the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit after tax of its associates for the quarter ended 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 2019 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 December 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31 December 2018 and the corresponding period from 1 April 2018 to 31 December 2018, as reported in the Statement have been approved by the Bank's Board of Directors, but have not been subjected to review by us since the requirement of submission of quarterly consolidated financial results has become mandatory only from 1 April 2019.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.



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Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

4. The Statement includes the results of the following entities:
- Fedbank Financial Services Limited ('the Subsidiary')
 - Federal Operations and Services Limited ('the Subsidiary')
 - IDBI Federal Life Insurance Company Limited ('the Associate')
 - Equirus Capital Private Limited ('the Associate')
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review report of the other auditor referred to in paragraph 6 below and based on our assessment of the Financial Results/ financial information certified by the Board of Directors as stated in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 December 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.



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6. We did not review the interim financial results of two subsidiaries included in the Statement, whose interim financial results reflect total revenues of Rs. 13,072.47 lakhs and Rs. 32,662.45 lakhs and total net profit after tax of Rs. 1,106.92 lakhs and Rs. 2,941.89 lakhs for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.


7. The Statement also includes the Group's share of net profit after tax of Rs. 270.04 lakhs and Rs. 724.48 lakhs for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the consolidated unaudited financial results, in respect of two associates, based on their interim financial results which have not been reviewed/ audited. According to the information and explanations given to us by the management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W / W-100022



Akeel Master

Partner

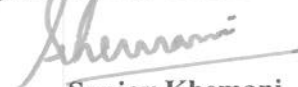
Membership No: 046768

ICAI UDIN: 20046768AAAACA3829

For **M.M. Nissim & Co.**

Chartered Accountants

Firm's Registration No: 107122W



Sanjay Khemani

Partner

Membership No: 044577

ICAI UDIN: 20044577AAAAB1120

Mumbai

20 January 2020



Mumbai

20 January 2020

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

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019
(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	341,395	333,675	300,272	1,004,591	852,879	1,163,544
(a) Interest/discount on advances/bills	278,601	272,087	243,441	817,740	681,706	930,412
(b) Income on investments	53,647	52,674	50,610	161,990	150,266	203,936
(c) Interest on balances with Reserve Bank of India and other inter bank funds	3,527	3,810	1,557	9,310	6,169	7,347
(d) Others	5,620	5,104	4,664	15,551	14,738	21,849
2. Other income	42,076	41,169	34,606	120,342	94,010	133,522
3. TOTAL INCOME (1+2)	383,471	374,844	334,878	1,124,933	946,889	1,297,066
4. Interest expended	220,564	215,422	189,627	645,694	536,263	731,633
5. Operating expenses (i)+(ii)	86,872	86,305	73,345	252,254	205,967	283,658
(i) Employees cost	44,365	46,321	36,602	132,227	104,056	142,566
(ii) Other operating expenses	42,507	39,984	36,743	120,027	101,911	141,092
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	307,436	301,727	262,972	897,948	742,230	1,015,291
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	76,035	73,117	71,906	226,985	204,659	281,775
8. Provisions (other than tax) and contingencies	16,254	25,343	19,180	60,928	67,734	85,765
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	59,781	47,774	52,726	166,057	136,925	196,010
11. Tax expense	14,609	5,334	18,637	41,075	47,780	67,758
12. Net Profit from Ordinary Activities after tax (10-11)	45,172	42,440	34,089	124,982	89,145	128,252
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	45,172	42,440	34,089	124,982	89,145	128,252
15. Minority interest	280	129	136	591	136	180
16. Share in Profit of Associates	270	223	27	725	327	3,556
17. Consolidated Net Profit of the group (14-15+16)	45,162	42,534	33,980	125,116	89,336	131,628
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,846	39,762	39,678	39,846	39,678	39,701
19. Reserves excluding Revaluation Reserve						1,309,624
20. Analytical Ratios						
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%) Under Basel III	13.88	14.32	13.26	13.88	13.26	14.43
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.27*	2.14*	1.71*	6.29*	4.51*	6.65
(b) Diluted EPS (before and after extra ordinary items)	2.26*	2.13*	1.70*	6.26*	4.49*	6.60
(iv) NPA Ratios						
a) Gross NPA	365,657	365,317	339,473	365,657	339,473	330,178
b) Net NPA	197,379	187,941	184,706	197,379	184,706	166,218
c) % of Gross NPA	2.97	3.06	3.14	2.97	3.14	2.92
d) % of Net NPA	1.63	1.60	1.73	1.63	1.73	1.49
(v) Return on Assets (%)	0.26*	0.26*	0.23*	0.75*	0.62*	0.88

* Not Annualised



Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	70,179	68,830	64,236	209,890	188,247	254,761
Corporate/Wholesale Banking	135,913	138,806	130,916	422,800	362,297	507,376
Retail Banking	169,780	159,818	133,795	471,548	380,777	508,403
Other Banking operations	7,599	7,390	5,931	20,695	15,568	26,526
Unallocated	-	-	-	-	-	-
Total Revenue	383,471	374,844	334,878	1,124,933	946,889	1,297,066
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	383,471	374,844	334,878	1,124,933	946,889	1,297,066
Segment Results (net of provisions):						
Treasury	15,456	12,258	16,848	41,052	30,518	41,469
Corporate/Wholesale Banking	(11,339)	(4,633)	4,728	2,801	11,641	25,969
Retail Banking	55,821	40,043	31,590	123,709	95,513	125,087
Other Banking operations	664	2,198	444	1,953	1,410	6,690
Unallocated	(821)	(2,092)	(884)	(3,458)	(2,157)	(3,205)
Profit before tax	59,781	47,774	52,726	166,057	136,925	196,010
Segment Assets						
Treasury	3,521,335	3,411,608	3,072,811	3,521,335	3,072,811	3,578,232
Corporate/Wholesale Banking	6,000,398	5,908,518	5,643,373	6,000,398	5,643,373	5,816,960
Retail Banking	6,743,853	6,386,249	5,507,136	6,743,853	5,507,136	5,786,386
Other Banking operations	1,409	1,057	2,057	1,409	2,057	1,138
Unallocated	1,221,607	1,103,023	864,000	1,221,607	864,000	872,531
Total	17,488,602	16,810,455	15,089,377	17,488,602	15,089,377	16,055,247
Segment Liabilities						
Treasury	3,406,295	3,285,495	2,923,393	3,406,295	2,923,393	3,476,144
Corporate/Wholesale Banking	5,922,863	5,797,969	5,471,439	5,922,863	5,471,439	5,600,730
Retail Banking	6,624,970	6,233,582	5,319,128	6,624,970	5,319,128	5,551,810
Other Banking operations	14	-	2	14	2	4
Unallocated	70,038	76,137	59,914	70,038	59,914	68,687
Total	16,024,180	15,393,183	13,773,876	16,024,180	13,773,876	14,697,375
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	115,040	126,113	149,418	115,040	149,418	102,088
Corporate/Wholesale Banking	77,535	110,549	171,934	77,535	171,934	216,230
Retail Banking	118,883	152,667	188,008	118,883	188,008	234,576
Other Banking operations	1,395	1,057	2,055	1,395	2,055	1,134
Unallocated	1,151,569	1,026,886	804,086	1,151,569	804,086	803,844
Total	1,464,422	1,417,272	1,315,501	1,464,422	1,315,501	1,357,872

@ For the above segment reporting, the reportable segments are identified as Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.



Notes:

- 1 The above Consolidated Financial Results for the quarter and nine months ended December 31, 2019 were reviewed by the Audit Committee and subsequently taken on record and approved by the Board of Directors at its meeting held on January 20, 2020. These Results have been subjected to "Limited review" by the Statutory Central Auditors of the Bank and an unqualified review report has been issued. The figures for the quarter and nine months ended December 31, 2018 has been approved by the Bank's Board of Directors, but has not been subjected to review since the requirement of submission of quarterly consolidated financial results has become mandatory only from April 01, 2019.
- 2 The Consolidated Financial Results of the Group comprise the financial results of The Federal Bank Limited and its subsidiaries viz. Fedbank Financial Services Limited & Federal Operations and Services Limited and its associates viz. IDBI Federal Life Insurance Company Limited & Equirus Capital Private Limited.
- 3 There has been no material change in the accounting policies adopted during the quarter and nine months ended December 31, 2019 as compared to those followed for the year ended March 31, 2019.
- 4 The working results have been arrived at after considering provision for standard assets, including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non-performing assets (NPAs), depreciation on investments, income-tax and other usual and necessary provisions.
- 5 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.
- 6 During the quarter ended June 30, 2018, as per RBI Circular, the Bank had exercised the option of spreading the provision for Mark to Market (MTM) losses of ₹ 5,893.97 Lakhs equally over 4 quarters and accordingly unamortised MTM losses of ₹ 4,420.48 Lakhs were deferred to be amortised in remaining quarters of FY 2019, which was fully amortised in FY 2019.
- 7 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 8 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.
- 9 During the quarter and nine months ended December 31, 2019, the Bank has allotted 4,158,177 and 7,226,229 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 10 During the quarter ended September 30, 2019, the Bank has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank has recognised Provision for Income Tax for quarter and nine months ended December 31, 2019 and re-measured its Deferred tax liability basis the rate prescribed in the aforesaid section and recognized the effect of change by revising the annual effective income tax rate.
- 11 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.
- 12 During the quarter ended December 31, 2019, the Bank has invested ₹ 500.00 Lakhs in the Preference share capital of its subsidiary Federal Operations and Services Limited.
- 13 During the quarter ended December 31, 2019 the Bank has decided to use actuarial valuation for the estimation of debit card loyalty points liability on a quarterly basis as against the earlier practice of taking actuarial valuation only on an annual basis. This has resulted in a lower provision charge by ₹ 842.79 lakhs (net of taxes) in the current quarter.
- 14 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
January 20, 2020


SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

