

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, 2019

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	325,425	322,930	276,492	648,355	543,230	1,141,903
(a) Interest/discount on advances/bills	263,766	260,608	221,051	524,374	428,995	908,962
(b) Income on investments	52,744	55,523	48,834	108,267	99,549	203,745
(c) Interest on balances with Reserve Bank of India and other inter bank funds	3,811	1,972	2,089	5,783	4,612	7,347
(d) Others	5,104	4,827	4,518	9,931	10,074	21,849
2. Other income	42,092	39,152	32,289	81,244	59,375	135,102
3. TOTAL INCOME (1+2)	367,517	362,082	308,781	729,599	602,605	1,277,005
4. Interest expended	213,047	207,513	174,245	420,560	342,977	724,268
5. Operating expenses (i)+(ii)	82,590	76,293	64,776	158,883	129,576	276,427
(i) Employees cost	44,070	39,784	30,893	83,854	65,395	137,776
(ii) Other operating expenses	38,520	36,509	33,883	75,029	64,181	138,651
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	295,637	283,806	239,021	579,443	472,553	1,000,695
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	71,880	78,276	69,760	150,156	130,052	276,310
8. Provisions (other than tax) and contingencies	25,177	19,204	28,882	44,381	48,797	85,585
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	46,703	59,072	40,878	105,775	81,255	190,725
11. Tax expense	5,033	20,651	14,274	25,684	28,380	66,336
12. Net Profit from Ordinary Activities after tax (10-11)	41,670	38,421	26,604	80,091	52,875	124,389
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	41,670	38,421	26,604	80,091	52,875	124,389
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,762	39,720	39,612	39,762	39,612	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	13.98	14.10	13.29	13.98	13.29	14.14
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.10*	1.94*	1.34*	4.03*	2.67*	6.28
(b) Diluted EPS (before and after extra ordinary items)	2.08*	1.92*	1.33*	4.00*	2.65*	6.24
(iv) NPA Ratios						
a) Gross NPA	361,211	339,469	318,453	361,211	318,453	326,068
b) Net NPA	184,364	167,282	179,629	184,364	179,629	162,620
c) % of Gross NPA	3.07	2.99	3.11	3.07	3.11	2.92
d) % of Net NPA	1.59	1.49	1.78	1.59	1.78	1.48
(v) Return on Assets (%)	0.26*	0.24*	0.19*	0.51*	0.39*	0.88

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended 31.03.2019 Audited
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
Segment Revenue:						
Treasury	68,830	72,964	61,715	141,794	124,011	254,761
Corporate/Wholesale Banking	138,806	148,081	118,582	286,887	231,381	507,376
Retail Banking	152,491	135,331	123,312	287,822	237,576	488,342
Other Banking operations	7,390	5,706	5,172	13,096	9,637	26,526
Unallocated	-	-	-	-	-	-
Total Revenue	367,517	362,082	308,781	729,599	602,605	1,277,005
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	367,517	362,082	308,781	729,599	602,605	1,277,005
Segment Results (net of provisions):						
Treasury	12,259	15,452	3,468	27,711	13,264	41,085
Corporate/Wholesale Banking	(4,633)	18,774	4,999	14,141	6,913	25,969
Retail Banking	39,012	26,319	33,062	65,331	61,385	120,186
Other Banking operations	2,157	(927)	216	1,230	966	6,690
Unallocated	(2,092)	(546)	(867)	(2,638)	(1,273)	(3,205)
Profit before tax	46,703	59,072	40,878	105,775	81,255	190,725
Segment Assets						
Treasury	3,409,896	3,494,567	3,118,628	3,409,896	3,118,628	3,575,297
Corporate/Wholesale Banking	5,908,518	5,761,147	5,856,115	5,908,518	5,856,115	5,816,960
Retail Banking	6,219,085	5,911,252	4,680,773	6,219,085	4,680,773	5,668,073
Other Banking operations	1,927	934	1,965	1,927	1,965	1,138
Unallocated	1,103,023	865,911	783,415	1,103,023	783,415	872,531
Total	16,642,449	16,033,811	14,440,896	16,642,449	14,440,896	15,933,999
Segment Liabilities						
Treasury	3,285,495	3,346,484	3,005,316	3,285,495	3,005,316	3,476,144
Corporate/Wholesale Banking	5,797,969	5,554,101	5,626,533	5,797,969	5,626,533	5,600,730
Retail Banking	6,107,417	5,702,225	4,499,891	6,107,417	4,499,891	5,461,130
Other Banking operations	-	5	-	-	-	4
Unallocated	76,137	64,833	55,023	76,137	55,023	68,687
Total	15,267,018	14,667,648	13,186,763	15,267,018	13,186,763	14,606,695
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	124,401	148,083	113,312	124,401	113,312	99,153
Corporate/Wholesale Banking	110,549	207,046	229,582	110,549	229,582	216,230
Retail Banking	111,668	209,027	180,882	111,668	180,882	206,943
Other Banking operations	1,927	929	1,965	1,927	1,965	1,134
Unallocated	1,026,886	801,078	728,392	1,026,886	728,392	803,844
Total	1,375,431	1,366,163	1,254,133	1,375,431	1,254,133	1,327,304

@ 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, 2019 is given below:

(₹ in Lakhs)

Particulars	As at 30.09.2019	As at 30.09.2018	As at 31.03.2019
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	39,762	39,612	39,701
Reserves and Surplus	1,335,669	1,214,521	1,287,603
Deposits	13,954,652	11,818,242	13,495,434
Borrowings	776,384	887,349	778,132
Other Liabilities and Provisions	535,982	481,172	333,129
Total	16,642,449	14,440,896	15,933,999
ASSETS			
Cash and Balances with Reserve Bank of India	773,319	571,829	641,917
Balance with Banks and Money at Call and Short Notice	367,442	242,941	364,763
Investments	3,109,436	2,821,385	3,182,447
Advances	11,589,321	10,094,088	11,022,295
Fixed assets	47,248	45,705	47,204
Other assets	755,683	664,948	675,373
Total	16,642,449	14,440,896	15,933,999

Notes:

- 1 The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 16, 2019. 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 cash flow statement for the half year ended September 30, 2018 has been approved by the Bank's Board of Directors, but has not been subjected to review since the requirement of submission of Cash flow statement has become mandatory only from April 01, 2019.
- 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 Tecity (GIFT). The business conducted from the same is considered as part of Indian operations.
- 8 During the quarter and half year ended September 30, 2019, the Bank has allotted 2,136,193 and 3,068,052 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 9 During the quarter ended June 30, 2019, the bank had raised ₹ 30,000.00 Lakhs Tier II capital by way of issuance of Basel III compliant Tier II Bonds.
- 10 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 the half year ended September 30, 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 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
October 16, 2019

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in Lakhs)

	Half year ended September 30, 2019	Half year ended September 30, 2018
Cash Flow from Operating Activities		
Net Profit before taxes	105,775	81,255
Adjustments for:		
Depreciation on Bank's Property	5,835	6,203
Depreciation on Investments	2,603	12,737
Amortisation of Premium on Held to Maturity Investments	3,116	2,913
Provision for Non Performing Investments	188	759
Provision / Charge for Non Performing Assets	35,177	31,824
Provision for Standard Assets	6,178	3,450
(Profit)/Loss on sale of fixed assets (net)	(45)	9
Provision for Other Contingencies	235	27
	159,062	139,177
Adjustments for working capital changes:-		
(Increase)/ Decrease in Investments [excluding Held to Maturity Investments]	(21,727)	313,790
(Increase)/ Decrease in Advances	(602,202)	(930,165)
(Increase)/ Decrease in Other Assets	(65,540)	(69,315)
Increase/ (Decrease) in Deposits	459,218	618,993
Increase/ (Decrease) in Other liabilities and provisions	196,440	219,923
	(33,811)	153,226
Direct taxes paid	(40,454)	(32,551)
Net Cash Flow from / (Used in) Operating Activities	84,797	259,852
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(6,010)	(6,241)
Proceeds from Sale of Fixed Assets	176	61
Investment in Subsidiary	(500)	-
(Increase)/ Decrease in Held to Maturity Investments	89,331	(73,477)
Net Cash generated / (Used in) Investing Activities	82,997	(79,657)
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	61	169
Proceeds from Share Premium	1,342	3,457
Proceeds from Issue of Subordinate Debt	30,000	-
Increase/(Decrease) in Borrowings (Excluding Subordinate Debt)	(31,749)	(266,001)
Dividend Paid (Including Tax on Dividend)	(33,541)	(23,871)
Net Cash generated from Financing Activities	(33,887)	(286,246)
Effect of exchange fluctuation on translation reserve	174	480
Net Increase in Cash and Cash Equivalents	134,081	(105,571)
Cash and Cash Equivalents at the beginning of period	1,006,680	920,341
Cash and Cash Equivalents at the end of period	1,140,761	814,770

Note:

Cash and Cash Equivalents comprise of Cash in hand (including foreign currency notes), Balances with Reserve Bank of India, Balances with banks and money at call and short notice.

Mumbai
October 16, 2019

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

THE FEDERAL BANK LIMITED

REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101

(CIN: L65191KL1931PLC000368)

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	333,675	329,521	281,301	663,196	552,607	1,163,544
(a) Interest/discount on advances/bills	272,087	267,052	225,776	539,139	438,265	930,412
(b) Income on investments	52,674	55,669	48,917	108,343	99,656	203,936
(c) Interest on balances with Reserve Bank of India and other inter bank funds	3,810	1,973	2,090	5,783	4,612	7,347
(d) Others	5,104	4,827	4,518	9,931	10,074	21,849
2. Other income	41,169	37,097	32,296	78,266	59,404	133,522
3. TOTAL INCOME (1+2)	374,844	366,618	313,597	741,462	612,011	1,297,066
4. Interest expended	215,422	209,707	176,117	425,129	346,636	731,633
5. Operating expenses (i)+(ii)	86,305	79,077	66,319	165,382	132,622	283,658
(i) Employees cost	46,321	41,541	31,970	87,862	67,454	142,566
(ii) Other operating expenses	39,984	37,536	34,349	77,520	65,168	141,092
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	301,727	288,784	242,436	590,511	479,258	1,015,291
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	73,117	77,834	71,161	150,951	132,753	281,775
8. Provisions (other than tax) and contingencies	25,343	19,332	28,560	44,675	48,554	85,765
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	47,774	58,502	42,601	106,276	84,199	196,010
11. Tax expense	5,334	21,131	14,670	26,465	29,143	67,758
12. Net Profit from Ordinary Activities after tax (10-11)	42,440	37,371	27,931	79,811	55,056	128,252
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	42,440	37,371	27,931	79,811	55,056	128,252
15. Minority interest	129	182	-	311	-	180
16. Share in Profit of Associates	223	231	130	454	300	3,556
17. Consolidated Net Profit of the group (14-15+16)	42,534	37,420	28,061	79,954	55,356	131,628
18. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,762	39,720	39,612	39,762	39,612	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	14.32	14.41	13.43	14.32	13.43	14.43
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	2.14*	1.88*	1.42*	4.03*	2.80*	6.65
(b) Diluted EPS (before and after extra ordinary items)	2.13*	1.87*	1.41*	3.99*	2.78*	6.60
(iv) NPA Ratios						
a) Gross NPA	365,317	343,375	320,299	365,317	320,299	330,178
b) Net NPA	187,941	170,726	181,217	187,941	181,217	166,218
c) % of Gross NPA	3.06	2.98	3.10	3.06	3.10	2.92
d) % of Net NPA	1.60	1.50	1.78	1.60	1.78	1.49
(v) Return on Assets (%)	0.26*	0.23*	0.20*	0.49*	0.39*	0.88

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended 31.03.2019
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	68,830	70,881	61,715	139,711	124,011	254,761
Corporate/Wholesale Banking	138,806	148,081	118,582	286,887	231,381	507,376
Retail Banking	159,818	141,950	128,128	301,768	246,982	508,403
Other Banking operations	7,390	5,706	5,172	13,096	9,637	26,526
Unallocated	-	-	-	-	-	-
Total Revenue	374,844	366,618	313,597	741,462	612,011	1,297,066
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	374,844	366,618	313,597	741,462	612,011	1,297,066
Segment Results (net of provisions):						
Treasury	12,258	13,338	3,874	25,596	13,670	41,469
Corporate/Wholesale Banking	(4,633)	18,774	4,999	14,141	6,913	25,969
Retail Banking	40,043	27,845	34,379	67,888	63,923	125,087
Other Banking operations	2,198	(909)	216	1,289	966	6,690
Unallocated	(2,092)	(546)	(867)	(2,638)	(1,273)	(3,205)
Profit before tax	47,774	58,502	42,601	106,276	84,199	196,010
Segment Assets						
Treasury	3,411,608	3,496,055	3,118,765	3,411,608	3,118,765	3,578,232
Corporate/Wholesale Banking	5,908,518	5,761,147	5,856,115	5,908,518	5,856,115	5,816,960
Retail Banking	6,386,249	6,033,252	4,781,410	6,386,249	4,781,410	5,786,386
Other Banking operations	1,057	725	1,965	1,057	1,965	1,138
Unallocated	1,103,023	865,911	783,415	1,103,023	783,415	872,531
Total	16,810,455	16,157,090	14,541,670	16,810,455	14,541,670	16,055,247
Segment Liabilities						
Treasury	3,285,495	3,346,484	3,005,316	3,285,495	3,005,316	3,476,144
Corporate/Wholesale Banking	5,797,969	5,554,101	5,626,532	5,797,969	5,626,532	5,600,730
Retail Banking	6,233,582	5,795,756	4,591,627	6,233,582	4,591,627	5,551,810
Other Banking operations	-	5	-	-	-	4
Unallocated	76,137	64,833	55,023	76,137	55,023	68,687
Total	15,393,183	14,761,179	13,278,498	15,393,183	13,278,498	14,697,375
Capital employed:						
(Segment Assets - Segment Liabilities)						
Treasury	126,113	149,571	113,449	126,113	113,449	102,088
Corporate/Wholesale Banking	110,549	207,046	229,583	110,549	229,583	216,230
Retail Banking	152,667	237,496	189,783	152,667	189,783	234,576
Other Banking operations	1,057	720	1,965	1,057	1,965	1,134
Unallocated	1,026,886	801,078	728,392	1,026,886	728,392	803,844
Total	1,417,272	1,395,911	1,263,172	1,417,272	1,263,172	1,357,872

@ 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 Group as on September 30, 2019 is given below:

(₹ in Lakhs)

Particulars	As at 30.09.2019	As at 30.09.2018	As at 31.03.2019
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	39,762	39,612	39,701
Reserves and Surplus	1,362,141	1,223,560	1,310,125
Minority Interest	15,369	-	8,046
Deposits	13,952,139	11,818,241	13,487,893
Borrowings	893,823	974,545	870,629
Other Liabilities and Provisions	547,221	485,712	338,853
Total	16,810,455	14,541,670	16,055,247
ASSETS			
Cash and Balances with Reserve Bank of India	774,158	572,084	642,267
Balance with Banks and Money at Call and Short Notice	373,480	243,385	363,080
Investments	3,096,818	2,804,023	3,167,570
Advances	11,754,542	10,206,755	11,153,592
Fixed assets	48,809	46,079	47,993
Other assets	762,648	669,344	680,745
Total	16,810,455	14,541,670	16,055,247

Notes:

- 1 The above Consolidated Financial Results for the quarter and half year ended September 30, 2019 were reviewed by the Audit Committee and subsequently taken on record and approved by the Board of Directors at its meeting held on October 16, 2019. 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 half year ended September 30, 2018 and the cash flow statement for the half year ended September 30, 2018 have been approved by the Bank's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results and cash flow statement 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 half year ended September 30, 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 half year ended September 30, 2019, the Bank has allotted 2,136,193 and 3,068,052 equity shares of ₹ 2 each, pursuant to the exercise of stock options by employees.
- 10 During the quarter ended June 30, 2019, the bank had raised ₹ 30,000.00 Lakhs Tier II capital by way of issuance of Basel III compliant Tier II Bonds.
- 11 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 the half year ended September 30, 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.
- 12 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.
- 13 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
October 16, 2019

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019
(₹ in Lakhs)

	Half year ended September 30, 2019	Half year ended September 30, 2018
Cash Flow from Operating Activities		
Net Profit before taxes	106,420	84,499
Adjustments for:	-	-
Depreciation on Group's Property	6,039	6,268
Depreciation on Investments	2,634	12,331
Amortisation of Premium on Held to Maturity Investments	3,116	2,913
Provision for Non Performing Investments	188	759
Provision / Charge for Non Performing Assets	35,194	31,910
Provision for Standard Assets	6,423	3,527
(Profit)/ Loss on sale of fixed assets (net)	(47)	9
(Income) / Loss From Associate	(454)	(300)
Provision for Other Contingencies	235	27
	159,748	141,943
Adjustments for working capital changes:-		
(Increase)/ Decrease in Investments [excluding Held to Maturity Investments]	(23,563)	313,218
(Increase)/ Decrease in Advances	(636,145)	(937,577)
(Increase)/ Decrease in Other Assets	(66,781)	(69,731)
Increase/ (Decrease) in Deposits	464,246	621,231
Increase/ (Decrease) in Other liabilities and provisions	201,710	218,109
	(60,533)	145,250
Direct taxes paid	(41,587)	(33,601)
Net Cash Flow from / (Used in) Operating Activities	57,628	253,592
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(6,987)	(6,282)
Proceeds from Sale of Fixed Assets	179	61
Investment in Subsidiary	(500)	-
(Increase)/ Decrease in Held to Maturity Investments	89,331	(73,477)
Net Cash generated / (Used in) Investing Activities	82,023	(79,698)
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	61	169
Proceeds from Share Premium	6,497	3,457
Increase / (Decrease) in Minority Interest	6,255	-
Proceeds from Issue of Subordinate Debt	30,000	-
Increase/(Decrease) in Borrowings (Excluding Subordinate Debt)	(6,806)	(258,181)
Dividend Paid (Including Tax on Dividend)	(33,541)	(23,871)
Net Cash generated from financing Activities	2,466	(278,426)
Effect of exchange fluctuation on translation reserve	174	480
Increase/(Decrease) in Cash and Cash Equivalents	142,291	(104,052)
Cash and Cash Equivalents at the beginning of year	1,005,347	919,521
Cash and Cash Equivalents at the end of year	1,147,638	815,469

Note:

Cash and Cash Equivalents comprise of Cash in hand (including foreign currency notes), Balances with Reserve Bank of India, Balances with banks and money at call and short notice

Mumbai
October 16, 2019

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)