

Secretarial Department

SD/ F 24/ /2019- 20

16<sup>th</sup> October 2019

The Manager  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai – 400 051.

The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Floor 25, Dalal Street,  
MUMBAI – 400 001.

Re.: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Sir,

**Sub: Outcome of the Board Meeting-SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As required under the Listing Agreement entered into by us with your Stock Exchange and as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding the Un-Audited Standalone and Consolidated Financial Results of the Bank for the quarter and half year ended 30<sup>th</sup> September 2019 along with the Limited Review Report of the Central Statutory Auditors, which was approved at the Bank's Board of Directors meeting held today.

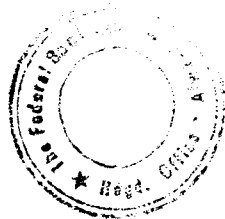
Kindly take the same on record.

Meeting concluded at : 1.05 pm.

Thanking you,

Yours faithfully,  
**For The Federal Bank Limited**

  
Girish Kumar G  
Company Secretary



Encl: As Above

**B S R & Co. LLP**

*Chartered Accountants*

5<sup>th</sup> Floor, Lodha Excelus

Apollo Mills Compound

N.M. Joshi Marg, Mahalaxmi

Mumbai - 400 011

India

Telephone +91 (22) 4345 5300

Fax +91 (22) 4345 5399

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

*Chartered Accountants*

Barodawala Mansion, B-Wing,

3<sup>rd</sup> Floor, 81,

Dr. Annie Besant Road,

Worli, Mumbai-400 018

Tel.: +91 22 2496 9900

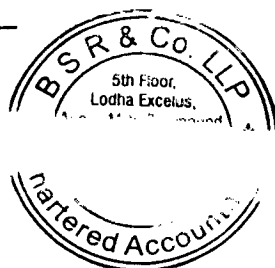
Email: [mail@mmnissim.com](mailto:mail@mmnissim.com)

**Limited review report on unaudited quarterly standalone financial results and standalone year to date financial results of The Federal Bank Limited pursuant to Regulation 33 of the SEBI (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 30 September 2019 and year to date results for the period from 1 April 2019 to 30 September 2019 ('the Statement'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure as at 30 September 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 figures for the cash flow statement for the corresponding period from 1 April 2018 to 30 September 2018, as reported in these financial results 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 cash flow statement has become mandatory only from 1 April 2019.
2. This statement, which is the responsibility of the Bank's Management and approved by the 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 issue a report on the Statement based on our review.
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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank 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.

*[Handwritten Signature]*



**B S R & Co. LLP**

*Chartered Accountants*

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Apollo Mills Compound  
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**M.M. Nissim & Co.**

*Chartered Accountants*

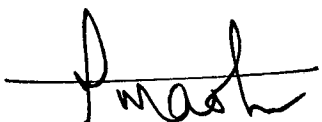
Barodawala Mansion, B-Wing,  
3<sup>rd</sup> Floor, 81,  
Dr. Annie Besant Road,  
Worli, Mumbai-400 018  
Tel.: +91 22 2496 9900  
Email: [mail@mmnissim.com](mailto:mail@mmnissim.com)

4. The Standalone Financial Results incorporate the relevant returns of 117 Branches and Treasury Branch reviewed by either of us and un-reviewed returns in respect of 1,134 branches. These Branches cover 50.06% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 55.56% of non-performing advances of the Bank.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 disclosure as at 30 September 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 or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank 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:19046768AAABMY3113

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

*Chartered Accountants*

Firm's Registration No: 107122W



**Sanjay Khemani**

*Partner*

Membership No: 044577

ICAI UDIN:19044577AAAABB4135

Mumbai

16 October 2019



Mumbai

16 October 2019

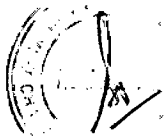
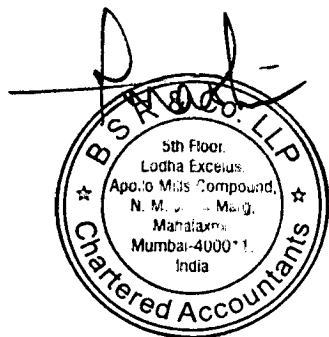


**THE FEDERAL BANK LIMITED**  
**REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101**  
**(CIN: L65191KL1931PLC000368)**

**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
<b>3. TOTAL INCOME (1+2)</b>	<b>367,517</b>	<b>362,082</b>	<b>308,781</b>	<b>729,599</b>	<b>602,605</b>	<b>1,277,005</b>
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
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>295,637</b>	<b>283,806</b>	<b>239,021</b>	<b>579,443</b>	<b>472,553</b>	<b>1,000,695</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>71,880</b>	<b>78,276</b>	<b>69,760</b>	<b>150,156</b>	<b>130,052</b>	<b>276,310</b>
8. Provisions (other than tax) and contingencies	25,177	19,204	28,882	44,381	48,797	85,585
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>46,703</b>	<b>59,072</b>	<b>40,878</b>	<b>105,775</b>	<b>81,255</b>	<b>190,725</b>
11. Tax expense	5,033	20,651	14,274	25,684	28,380	66,336
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>41,670</b>	<b>38,421</b>	<b>26,604</b>	<b>80,091</b>	<b>52,875</b>	<b>124,389</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>41,670</b>	<b>38,421</b>	<b>26,604</b>	<b>80,091</b>	<b>52,875</b>	<b>124,389</b>
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@

Particulars	Quarter ended			Half year ended		(₹ in Lakhs)
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31.03.2019
<b>Segment Revenue:</b>						<b>Audited</b>
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	<b>367,517</b>	<b>362,082</b>	<b>308,781</b>	<b>729,599</b>	<b>602,605</b>	<b>1,277,005</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>367,517</b>	<b>362,082</b>	<b>308,781</b>	<b>729,599</b>	<b>602,605</b>	<b>1,277,005</b>
<b>Segment Results (net of provisions):</b>						
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)
<b>Profit before tax</b>	<b>46,703</b>	<b>59,072</b>	<b>40,878</b>	<b>105,775</b>	<b>81,255</b>	<b>190,725</b>
<b>Segment Assets</b>						
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
<b>Total</b>	<b>16,642,449</b>	<b>16,033,811</b>	<b>14,440,896</b>	<b>16,642,449</b>	<b>14,440,896</b>	<b>15,933,999</b>
<b>Segment Liabilities</b>						
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
<b>Total</b>	<b>15,267,018</b>	<b>14,667,648</b>	<b>13,186,763</b>	<b>15,267,018</b>	<b>13,186,763</b>	<b>14,606,695</b>
<b>Capital employed:</b>						
(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
<b>Total</b>	<b>1,375,431</b>	<b>1,366,163</b>	<b>1,254,133</b>	<b>1,375,431</b>	<b>1,254,133</b>	<b>1,327,304</b>

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

Statement of Assets and Liabilities of the Bank as on September 30, 2019 is given below:

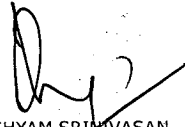
Particulars	(₹ in Lakhs)		
	As at	As at	As at
	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	39,762	39,612	39,701
Reserves and Surplus	1,335,669	1,214,521	1,287,603
Deposits	13,954,652	11,818,242	13,495,434
Borrowings	776,384	887,349	778,132
Other Liabilities and Provisions	535,982	481,172	333,129
<b>Total</b>	<b>16,642,449</b>	<b>14,440,896</b>	<b>15,933,999</b>
<b>ASSETS</b>			
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
<b>Total</b>	<b>16,642,449</b>	<b>14,440,896</b>	<b>15,933,999</b>

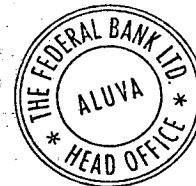


**Notes:**

- 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**

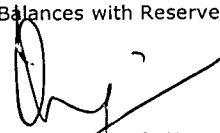
(₹ in Lakhs)

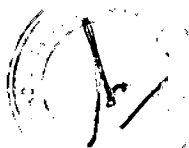
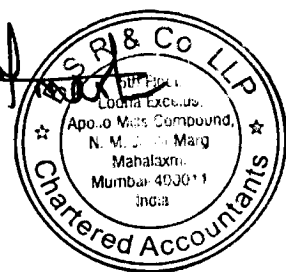
	Half year ended September 30, 2019	Half year ended September 30, 2018
<b>Cash Flow from Operating Activities</b>		
Net Profit before taxes	105,775	81,255
<b>Adjustments for:</b>		
Depreciation on Bank's Property	5,835	6,203
Depreciation on Investments	2,603	12,737
Amortisation of Premium on Held to Maturity 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
	<b>159,062</b>	<b>139,177</b>
<b>Adjustments for working capital changes:-</b>		
(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
	<b>(33,811)</b>	<b>153,226</b>
Direct taxes paid	(40,454)	(32,551)
<b>Net Cash Flow from / (Used in) Operating Activities</b>	<b>84,797</b>	<b>259,852</b>
<b>Cash Flow from Investing Activities</b>		
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)
<b>Net Cash generated / (Used in) Investing Activities</b>	<b>82,997</b>	<b>(79,657)</b>
<b>Cash Flow from Financing Activities</b>		
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)
<b>Net Cash generated from Financing Activities</b>	<b>(33,887)</b>	<b>(286,246)</b>
<b>Effect of exchange fluctuation on translation reserve</b>	174	480
<b>Net Increase in Cash and Cash Equivalents</b>	<b>134,081</b>	<b>(105,571)</b>
<b>Cash and Cash Equivalents at the beginning of period</b>	1,006,680	920,341
<b>Cash and Cash Equivalents at the end of period</b>	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)



**B S R & Co. LLP**

*Chartered Accountants*

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

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**Limited review report on unaudited quarterly consolidated financial results and consolidated year to date financial results of The Federal Bank Limited pursuant to Regulation 33 of the SEBI (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") and its subsidiaries (the Bank 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 30 September 2019 and year to date results for the period from 1 April 2019 to 30 September 2019 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure as at 30 September 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 30 September 2018, the corresponding period from 1 April 2018 to 30 September 2018 and the cash flow statement for the corresponding period from 1 April 2018 to 30 September 2018, as reported in these financial results 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 and cashflow statement has become mandatory only from 1 April 2019.
2. This Statement, which is the responsibility of the Bank's management and approved by the Bank'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 issue a report on the Statement based on our review.





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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 Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

- a. Fedbank Financial Services Limited ('the Subsidiary')
- b. Federal Operations and Services Limited ('the Subsidiary')
- c. IDBI Federal Life Insurance Company Limited ('the Associate')
- d. 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 reports of the other auditors referred to in paragraph 6 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 Listing Regulations, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to Pillar 3 disclosure as at 30 September 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 unaudited interim financial results reflect total assets of Rs. 284,849 lakhs as at 30 September 2019 and total revenues of Rs. 10,661 lakhs and Rs. 19,590 lakhs, total net profit after tax of Rs. 771 lakhs and Rs. 1,835 lakhs for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019, respectively, and cash flows (net) of Rs 3,181 lakhs for the period from 1 April 2019 to 30 September 2019, 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 is based solely on the report 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 matter.

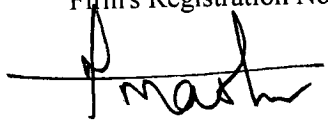
7. The Statement also includes the Group's share of net profit after tax of Rs. 224 lakhs and Rs. 454 lakhs for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019, respectively, as considered in the unaudited consolidated financial results, in respect of two associates, based on their interim financial results which have neither been reviewed by their auditors nor by us. According to the information and explanations given to us by the Management, the interim financial results are not material to the Group.

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

For **BSR & Co. LLP**

*Chartered Accountants*

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



**Akeel Master**

*Partner*

Membership No: 046768

ICAI UDIN:19046768AAABM2756

Mumbai

16 October 2019



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

*Chartered Accountants*

Firm's Registration No: 107122W



**Sanjay Khemani**

*Partner*

Membership No: 044577

ICAI UDIN:19044577AAAABC5588

Mumbai

16 October 2019

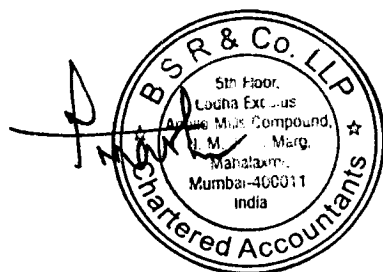


**THE FEDERAL BANK LIMITED**  
**REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101**  
**(CIN: L65191KL1931PLC000368)**

**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
<b>3. TOTAL INCOME (1+2)</b>	<b>374,844</b>	<b>366,618</b>	<b>313,597</b>	<b>741,462</b>	<b>612,011</b>	<b>1,297,066</b>
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
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>301,727</b>	<b>288,784</b>	<b>242,436</b>	<b>590,511</b>	<b>479,258</b>	<b>1,015,291</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>73,117</b>	<b>77,834</b>	<b>71,161</b>	<b>150,951</b>	<b>132,753</b>	<b>281,775</b>
8. Provisions (other than tax) and contingencies	25,343	19,332	28,560	44,675	48,554	85,765
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>47,774</b>	<b>58,502</b>	<b>42,601</b>	<b>106,276</b>	<b>84,199</b>	<b>196,010</b>
11. Tax expense	5,334	21,131	14,670	26,465	29,143	67,758
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>42,440</b>	<b>37,371</b>	<b>27,931</b>	<b>79,811</b>	<b>55,056</b>	<b>128,252</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>42,440</b>	<b>37,371</b>	<b>27,931</b>	<b>79,811</b>	<b>55,056</b>	<b>128,252</b>
15. Minority interest	129	182	-	311	-	180
16. Share in Profit of Associates	223	231	130	454	300	3,556
<b>17. Consolidated Net Profit of the group (14-15+16)</b>	<b>42,534</b>	<b>37,420</b>	<b>28,061</b>	<b>79,954</b>	<b>55,356</b>	<b>131,628</b>
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)

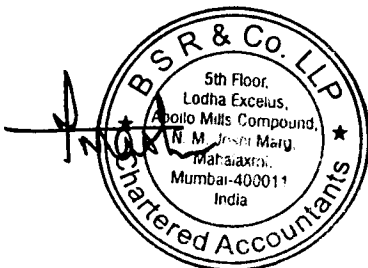
Particulars	Quarter ended			Half year ended		Year ended
	30.09.2019 Unaudited	30.06.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.09.2018 Unaudited	31.03.2019 Audited
<b>Segment Revenue:</b>						
Treasury	68,830	70,881	61,715	139,711	124,011	254,761
Corporate/Wholesale Banking	138,806	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	<b>374,844</b>	<b>366,618</b>	<b>313,597</b>	<b>741,462</b>	<b>612,011</b>	<b>1,297,066</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>374,844</b>	<b>366,618</b>	<b>313,597</b>	<b>741,462</b>	<b>612,011</b>	<b>1,297,066</b>
<b>Segment Results (net of provisions):</b>						
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)
<b>Profit before tax</b>	<b>47,774</b>	<b>58,502</b>	<b>42,601</b>	<b>106,276</b>	<b>84,199</b>	<b>196,010</b>
<b>Segment Assets</b>						
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
<b>Total</b>	<b>16,810,455</b>	<b>16,157,090</b>	<b>14,541,670</b>	<b>16,810,455</b>	<b>14,541,670</b>	<b>16,055,247</b>
<b>Segment Liabilities</b>						
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
<b>Total</b>	<b>15,393,183</b>	<b>14,761,179</b>	<b>13,278,498</b>	<b>15,393,183</b>	<b>13,278,498</b>	<b>14,697,375</b>
<b>Capital employed:</b>						
(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
<b>Total</b>	<b>1,417,272</b>	<b>1,395,911</b>	<b>1,263,172</b>	<b>1,417,272</b>	<b>1,263,172</b>	<b>1,357,872</b>

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

Statement of Assets and Liabilities of the Group as on September 30, 2019 is given below:

(₹ in Lakhs)


Particulars	As at	As at	As at
	30.09.2019 Unaudited	30.09.2018 Unaudited	31.03.2019 Audited
<b>CAPITAL AND LIABILITIES</b>			
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
<b>Total</b>	<b>16,810,455</b>	<b>14,541,670</b>	<b>16,055,247</b>
<b>ASSETS</b>			
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
<b>Total</b>	<b>16,810,455</b>	<b>14,541,670</b>	<b>16,055,247</b>

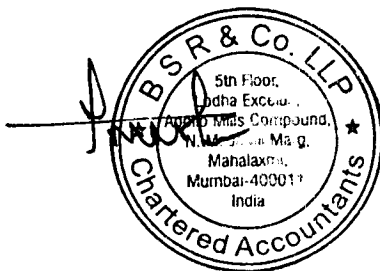


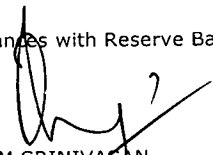
**Notes:**

- 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)



<b>THE FEDERAL BANK LIMITED</b> <b>REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101</b> <b>(CIN: L65191KL1931PLC000368)</b> <b>CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019</b> <b>(₹ in Lakhs)</b>		
	Half year ended September 30, 2019	Half year ended September 30, 2018
<b>Cash Flow from Operating Activities</b>		
Net Profit before taxes	106,420	84,499
<b>Adjustments for:</b>	-	-
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
	<b>159,748</b>	<b>141,943</b>
<b>Adjustments for working capital changes:-</b>		
(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
	<b>(60,533)</b>	<b>145,250</b>
Direct taxes paid	(41,587)	(33,601)
<b>Net Cash Flow from / (Used in) Operating Activities</b>	<b>57,628</b>	<b>253,592</b>
<b>Cash Flow from Investing Activities</b>		
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)
<b>Net Cash generated / (Used in) Investing Activities</b>	<b>82,023</b>	<b>(79,698)</b>
<b>Cash Flow from Financing Activities</b>		
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)
<b>Net Cash generated from financing Activities</b>	<b>2,466</b>	<b>(278,426)</b>
<b>Effect of exchange fluctuation on translation reserve</b>	174	480
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>142,291</b>	<b>(104,052)</b>
<b>Cash and Cash Equivalents at the beginning of year</b>	1,005,347	919,521
<b>Cash and Cash Equivalents at the end of year</b>	1,147,638	815,469
<b>Note:</b>		
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	 <b>SHYAM SRINIVASAN</b> <b>MANAGING DIRECTOR &amp; CEO</b> <b>(DIN: 02274773)</b>	

