

Secretarial Department

SD/ F 24/ /2017-18

26th July 2017

The Manager The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), <u>Mumbai – 400 051.</u>	The Manager Department of Corporate Services 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,

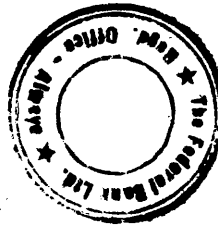
Sub: Outcome of the Board Meeting-SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 Financial Results of the Bank for the period ended 30th June, 2017, which was approved at the Bank's Board of Directors meeting held today.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For The Federal Bank Limited


Girish Kumar G
Company Secretary



Encl: As Above

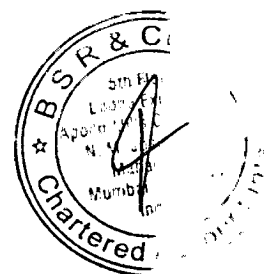
BSR & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai- 400 011

M.M. Nissim & Co.
Chartered Accountants
Barodawala Mansion, B-Wing,
3rd Floor, 81,
Dr. Annie Besant Road,
Worli, Mumbai- 400 018

Limited Review Report on Quarterly Standalone Financial Results of The Federal Bank Limited pursuant to the 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 ('the Statement') of The Federal Bank Limited ('the Bank') for the quarter ended 30 June 2017, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the disclosures relating to consolidated Pillar 3 as at 30 June 2017, 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 standalone quarterly financial results and have not been reviewed by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 reported in these financial results are the balancing figures between audited figures in respect of the financial year ended 31 March 2017 and the published year to date figures up to 31 December 2016, being the date of the end of the third quarter of the relevant financial year, which were subjected to limited review.
2. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in their meeting held on 26 July 2017. Our responsibility is to issue a report on the Statement based on our review. The financial results for the quarter ended 30 June 2016, included in the statement were reviewed earlier by Deloitte Haskins & Sells, Chartered Accountants, and by M P Chitale & Co., Chartered Accountants, the then joint statutory auditors of the Bank, whose reports have been furnished to us, and which have been relied upon for the purpose of the joint review of the Statement.
3. We conducted our review in accordance with the Standard on Review Engagement (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 the Bank's 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.
4. The Financial results incorporate the relevant returns of 136 Branches and Treasury Branch reviewed by either of us and un-reviewed returns in respect of 1,136 branches. These Branches cover 52.47% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 53.11% of non-performing advances of the bank.



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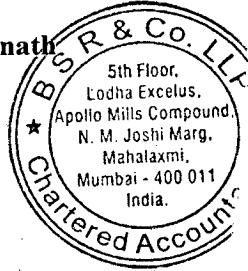
M.M. Nissim & Co.
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3rd Floor, 81,
Dr. Annie Besant Road,
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5. Based on our review conducted as mentioned in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022

V. Venkataraman

Venkataraman Vishwanath
Partner
Membership No: 113156
Mumbai
26 July 2017



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



Sanjay Khemani

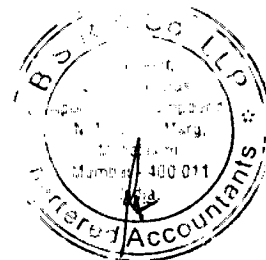
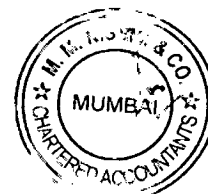
Sanjay Khemani
Partner
Membership No: 044577
Mumbai
26 July 2017

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2017	31.03.2017	30.06.2016	31.03.2017
	Unaudited	Audited (Refer Note 11 below)	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	2,32,409	2,31,595	2,01,377	8,67,739
(a) Interest/discount on advances/bills	1,78,775	1,73,644	1,52,422	6,54,568
(b) Income on investments	46,829	48,382	43,084	1,80,140
(c) Interest on balances with Reserve Bank of India and other inter bank funds	2,367	3,598	1,216	9,893
(d) Others	4,438	5,971	4,655	23,138
2. Other income	32,910	28,211	25,007	1,08,181
3. TOTAL INCOME (1+2)	2,65,319	2,59,806	2,26,384	9,75,920
4. Interest expended	1,52,342	1,47,356	1,32,110	5,62,475
5. Operating expenses (i)+(ii)	57,192	57,529	51,688	2,20,954
(i) Employees cost	29,845	26,303	28,941	1,16,375
(ii) Other operating expenses	27,347	31,226	22,747	1,04,579
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	2,09,534	2,04,885	1,83,798	7,83,429
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	55,785	54,921	42,586	1,92,491
8. Provisions (other than Tax) and contingencies	23,644	12,270	16,848	61,841
9. Exceptional items	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	32,141	42,651	25,738	1,30,650
11. Tax expense	11,126	16,992	9,007	47,571
12. Net Profit from Ordinary Activities after tax (10-11)	21,015	25,659	16,731	83,079
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit for the period (12-13)	21,015	25,659	16,731	83,079
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	38,846	34,481	34,387	34,481
16. Reserves excluding Revaluation Reserve				8,59,256
17. Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)				
Under Basel III	15.28	12.39	13.59	12.39
(iii) Earnings per Share (EPS) (in ₹)				
(a) Basic EPS (before and after extra ordinary items)	1.21*	1.49*	0.97*	4.83
(b) Diluted EPS (before and after extra ordinary items)	1.19*	1.46*	0.97*	4.76
(iv) NPA Ratios				
a) Gross NPA	1,86,794	1,72,705	1,74,731	1,72,705
b) Net NPA	1,06,126	94,120	99,450	94,120
c) % of Gross NPA	2.42	2.33	2.92	2.33
d) % of Net NPA	1.39	1.28	1.68	1.28
(v) Return on Assets (%)	0.19 *	0.24 *	0.19*	0.84

* Not Annualised

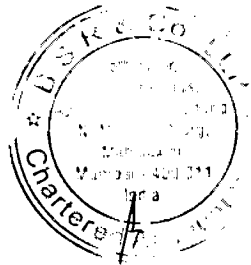


Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2017	31.03.2017	30.06.2016	31.03.2017
	Unaudited	Audited (Refer Note 11 below)	Unaudited	Audited
Segment Revenue:				
Treasury	68,184	63,666	59,567	2,49,634
Corporate/Wholesale Banking	88,796	84,065	71,890	3,00,671
Retail Banking	1,05,154	1,07,372	92,121	4,10,350
Other Banking operations	3,185	4,703	2,806	15,265
Unallocated	-	-	-	-
Total Revenue	2,65,319	2,59,806	2,26,384	9,75,920
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	2,65,319	2,59,806	2,26,384	9,75,920
Segment Results (net of provisions):				
Treasury	12,831	6,956	12,825	39,514
Corporate/Wholesale Banking	2,996	12,044	3,337	19,641
Retail Banking	16,654	23,211	9,020	68,799
Other Banking operations	152	1,256	944	5,603
Unallocated	(492)	(816)	(388)	(2,907)
Profit before tax	32,141	42,651	25,738	1,30,650
Segment Assets				
Treasury	36,90,671	39,00,028	31,84,459	39,00,028
Corporate/Wholesale Banking	38,12,239	31,38,461	24,75,534	31,38,461
Retail Banking	38,71,002	42,41,722	34,84,078	42,41,722
Other Banking operations	3,000	1,854	1,803	1,854
Unallocated	2,66,652	2,15,628	2,33,182	2,15,628
Total	1,16,43,564	1,14,97,693	93,79,056	1,14,97,693
Segment Liabilities				
Treasury	33,29,690	36,18,865	28,86,756	36,18,865
Corporate/Wholesale Banking	35,26,307	29,50,151	23,33,334	29,50,151
Retail Banking	35,86,057	39,92,625	32,89,955	39,92,625
Other Banking operations	-	-	-	-
Unallocated	38,729	41,814	42,996	41,814
Total	1,04,80,783	1,06,03,455	85,53,041	1,06,03,455
Capital employed:				
(Segment Assets - Segment Liabilities)				
Treasury	3,60,981	2,81,163	2,97,703	2,81,163
Corporate/Wholesale Banking	2,85,932	1,88,310	1,42,200	1,88,310
Retail Banking	2,84,945	2,49,097	1,94,123	2,49,097
Other Banking operations	3,000	1,854	1,803	1,854
Unallocated	2,27,923	1,73,814	1,90,186	1,73,814
Total	11,62,781	8,94,238	8,26,015	8,94,238

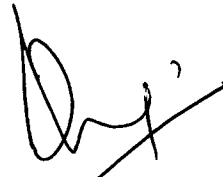
@ For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.



Notes:

- 1 The above Standalone Unaudited Financial Results for the quarter ended June 30, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 26, 2017. These Results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank and an unqualified review report has been issued.
- 2 The Bank has made provision for Non Performing Assets as stipulated under Reserve Bank of India (RBI) norms. Further, provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures and provision for restructured advances have been made as per RBI guidelines.
- 3 The Bank has followed the same significant accounting policies in the preparation of the interim financial statements as those followed in the annual financial statements for the year ended March 31, 2017.
- 4 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - amendments', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <http://www.federalbank.co.in/regulatory-disclosures>. These disclosures have not been subjected to review by the Statutory Central Auditors of the Bank.
- 5 The Business operations of the Bank are largely concentrated in India and for purpose of Segmental reporting, the bank considered to operate only in domestic segment, though the bank has its operations in International Finance Service Centre (IFSC) Banking Unit in Gujarat International Finance Tec-city (GIFT). The business conducted from the same is considered as a part of Indian operations.
- 6 Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange and derivative transactions, selling of third party products, profit on sale of investments (net), recoveries from advances written off.
- 7 During the quarter ended June 30, 2017, the Bank has issued 21,55,17,241 equity shares of ₹ 2 each for cash pursuant to a Qualified Institution Placement (QIP) as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations at ₹ 116.00 per share aggregating to ₹ 250,000 Lakhs (including share premium). This resulted in an increase of ₹ 4,310.35 Lakhs in Share Capital and ₹ 242,077.64 Lakhs (net of issue expenses) in Share premium account.
- 8 During the quarter ended June 30, 2017, the Bank allotted 27,25,967 equity shares of ₹ 2 each, pursuant to the exercise of stock options by certain employees.
- 9 Pursuant to RBI Circular FMRD.DIRD.10/14.03.002/2015-16 dated May 19, 2016, as amended, the bank has with effect from October 3, 2016 considered its repo/reverse repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) of RBI as Borrowings/Lendings, as the case may be. Hitherto, the repo/ reverse repo transactions were included under Investments. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above regrouping / reclassification has no impact on the profit of the bank for the quarter ended June 30, 2017 or the previous periods/year.
- 10 The figures for the quarter ended June 30, 2016 were reviewed by previous statutory auditors.
- 11 The figures of the quarter ended March 31, 2017 are the balancing figures between the audited figures in respect of the full Financial Year upto March 31, 2017 and the unaudited published year to date figures upto December 31, 2016 being the date of the end of the third quarter of the financial year, which were subjected to Limited Review.
- 12 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
July 26, 2017


SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

