

Secretarial Department

SD/ F 24/ /2017-18

15<sup>th</sup> January 2018

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

Dear Sir,

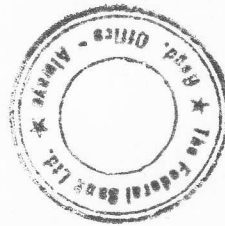
**Sub: Outcome of the Board Meeting-SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 31<sup>st</sup> December, 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*  
5<sup>th</sup> Floor, Lodha Excelus  
Apollo Mills Compound  
N.M. Joshi Marg, Mahalaxmi  
Mumbai- 400 011

**M.M. Nissim & Co.**  
*Chartered Accountants*  
Barodawala Mansion, B-Wing,  
3<sup>rd</sup> 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 and nine months ended 31 December 2017. This statement has been prepared by the Bank pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 December 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.
2. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in its meeting held on 15 January 2018. Our responsibility is to issue a report on the Statement based on our review.
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 108 Branches and Treasury Branch reviewed by either of us and un-reviewed returns in respect of 1,144 branches. The Branches reviewed by either of us covers 50.97 % of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 50.48 % of non-performing advances of the Bank.



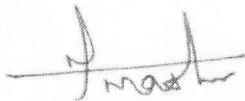
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### Limited Review Report (continued)

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 Securities and Exchange Board of India (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.

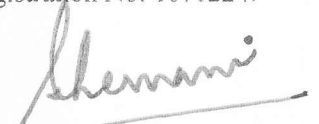
For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W / W-100022



**Akeel Master**  
*Partner*  
Membership No: 046768  
Mumbai  
15 January 2018



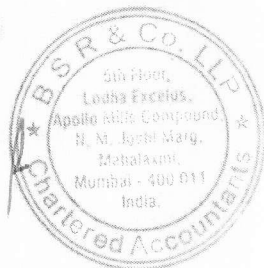
For **M.M. Nissim & Co.**  
*Chartered Accountants*  
Firm's Registration No: 107122W



**Sanjay Khemani**  
*Partner*  
Membership No: 044577  
Kochi  
15 January 2018

<b>THE FEDERAL BANK LIMITED</b> <b>REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101</b> <b>(CIN: L65191KL1931PLC000368)</b> <b>STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017</b> <b>(₹ in Lakhs)</b>						
Particulars	Quarter ended			Nine Months Ended		Year ended
	31.12.2017 Unaudited	30.09.2017 Unaudited	31.12.2016 Unaudited	31.12.2017 Unaudited	31.12.2016 Unaudited	31.03.2017 Audited
1. Interest earned (a)+(b)+(c)+(d)	250,120	237,960	228,142	720,489	636,144	867,739
(a) Interest/discount on advances/bills	194,097	185,900	171,622	558,772	480,924	654,568
(b) Income on investments	48,220	45,000	45,122	140,049	131,758	180,140
(c) Interest on balances with Reserve Bank of India and other inter bank funds	2,788	2,586	3,494	7,741	6,295	9,893
(d) Others	5,015	4,474	7,904	13,927	17,167	23,138
2. Other income	22,863	28,722	27,541	84,495	79,755	108,181
<b>3. TOTAL INCOME (1+2)</b>	<b>272,983</b>	<b>266,682</b>	<b>255,683</b>	<b>804,984</b>	<b>715,899</b>	<b>975,920</b>
4. Interest expended	155,120	148,069	149,003	455,530	415,119	562,475
5. Operating expenses (i)+(ii)	61,723	60,292	59,190	179,208	163,211	220,954
(i) Employees cost	30,047	31,274	31,972	91,166	90,072	116,375
(ii) Other operating expenses	31,676	29,018	27,218	88,042	73,139	104,579
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>216,843</b>	<b>208,361</b>	<b>208,193</b>	<b>634,738</b>	<b>578,330</b>	<b>783,429</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>56,140</b>	<b>58,321</b>	<b>47,490</b>	<b>170,246</b>	<b>137,569</b>	<b>192,491</b>
8. Provisions (other than tax) and contingencies	16,243	17,677	15,882	57,564	49,570	61,841
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>39,897</b>	<b>40,644</b>	<b>31,608</b>	<b>112,682</b>	<b>87,999</b>	<b>130,650</b>
11. Tax expense	13,896	14,274	11,043	39,296	30,579	47,571
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>26,001</b>	<b>26,370</b>	<b>20,565</b>	<b>73,386</b>	<b>57,420</b>	<b>83,079</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>26,001</b>	<b>26,370</b>	<b>20,565</b>	<b>73,386</b>	<b>57,420</b>	<b>83,079</b>
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	39,327	39,091	34,443	39,327	34,443	34,481
16. Reserves excluding Revaluation Reserve	-	-	-	-	-	859,256
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	14.41	14.63	12.28	14.41	12.28	12.39
(iii) Earnings per Share (EPS) (in ₹)						
(a) Basic EPS (before and after extra ordinary items)	1.33*	1.35*	1.20*	3.90*	3.34*	4.83
(b) Diluted EPS (before and after extra ordinary items)	1.31*	1.33*	1.18*	3.85*	3.29*	4.76
(iv) NPA Ratios						
a) Gross NPA	216,119	194,897	195,155	216,119	195,155	172,705
b) Net NPA	115,668	106,638	110,237	115,668	110,237	94,120
c) % of Gross NPA	2.52	2.39	2.77	2.52	2.77	2.33
d) % of Net NPA	1.36	1.32	1.58	1.36	1.58	1.28
(v) Return on Assets (%)	0.22 *	0.24 *	0.20 *	0.65 *	0.60 *	0.84

\* Not Annualised

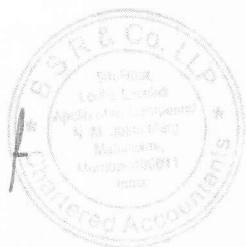


## Segment Information@

(' in Lakhs)

Particulars	Quarter ended			Nine Months Ended		Year ended
	31.12.2017 Unaudited	30.09.2017 Unaudited	31.12.2016 Unaudited	31.12.2017 Unaudited	31.12.2016 Unaudited	31.03.2017 Audited
<b>Segment Revenue:</b>						
Treasury	56,206	58,686	60,511	178,668	172,362	231,601
Corporate/Wholesale Banking	90,703	94,157	76,815	275,501	221,630	307,150
Retail Banking	121,639	109,591	112,211	338,208	308,948	417,952
Other Banking operations	4,435	4,248	6,146	12,607	12,958	19,217
Unallocated	-	-	-	-	-	-
Total Revenue	272,983	266,682	255,683	804,984	715,899	975,920
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>272,983</b>	<b>266,682</b>	<b>255,683</b>	<b>804,984</b>	<b>715,899</b>	<b>975,920</b>
<b>Segment Results (net of provisions):</b>						
Treasury	5,071	10,902	8,785	28,713	31,976	38,816
Corporate/Wholesale Banking	495	6,405	268	5,078	(1,303)	8,250
Retail Banking	34,744	22,789	20,204	78,358	52,459	76,938
Other Banking operations	492	1,047	3,192	2,429	6,956	9,553
Unallocated	(905)	(499)	(841)	(1,896)	(2,091)	(2,907)
<b>Profit before tax</b>	<b>39,897</b>	<b>40,644</b>	<b>31,608</b>	<b>112,682</b>	<b>87,999</b>	<b>130,650</b>
<b>Segment Assets</b>						
Treasury	3,241,455	3,050,768	3,112,415	3,241,455	3,112,415	3,165,601
Corporate/Wholesale Banking	4,597,454	4,580,074	3,568,159	4,597,454	3,568,159	3,282,581
Retail Banking	4,309,837	3,879,775	3,824,803	4,309,837	3,824,803	4,436,505
Other Banking operations	757	1,806	4,398	757	4,398	1,854
Unallocated	672,567	663,369	639,963	672,567	639,963	611,152
<b>Total</b>	<b>12,822,070</b>	<b>12,175,792</b>	<b>11,149,738</b>	<b>12,822,070</b>	<b>11,149,738</b>	<b>11,497,693</b>
<b>Segment Liabilities</b>						
Treasury	3,022,847	2,860,293	2,969,844	3,022,847	2,969,844	3,050,206
Corporate/Wholesale Banking	4,410,665	4,379,950	3,506,679	4,410,665	3,506,679	3,184,798
Retail Banking	4,131,632	3,708,703	3,752,425	4,131,632	3,752,425	4,294,476
Other Banking operations	1	-	-	1	-	-
Unallocated	52,815	53,523	52,945	52,815	52,945	73,975
<b>Total</b>	<b>11,617,960</b>	<b>11,002,469</b>	<b>10,281,893</b>	<b>11,617,960</b>	<b>10,281,893</b>	<b>10,603,455</b>
<b>Capital employed:</b> (Segment Assets - Segment Liabilities)						
Treasury	218,608	190,475	142,571	218,608	142,571	115,395
Corporate/Wholesale Banking	186,789	200,124	61,480	186,789	61,480	97,783
Retail Banking	178,205	171,072	72,378	178,205	72,378	142,029
Other Banking operations	756	1,806	4,398	756	4,398	1,854
Unallocated	619,752	609,846	587,018	619,752	587,018	537,177
<b>Total</b>	<b>1,204,110</b>	<b>1,173,323</b>	<b>867,845</b>	<b>1,204,110</b>	<b>867,845</b>	<b>894,238</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.



**Notes:**

- The above Standalone Unaudited Financial Results ("Results") for the quarter and nine months ended December 31, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 15, 2018. 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 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.
- The Bank has followed the same significant accounting policies in the preparation of the Results as those followed in the annual financial statements for the year ended March 31, 2017.
- 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.
- 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.
- 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.
- During the quarter ended June 30, 2017, the Bank had 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.
- During the quarter and nine months ended December 31, 2017, the Bank allotted 1,17,85,610 and 2,67,93,570 equity shares of ₹ 2 each respectively, pursuant to the exercise of stock options by employees.
- Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended September 30, 2017, has revised the basis of preparation of segment information related to the allocation of RIDF deposits from Treasury segment to Corporate/Wholesale Banking and Retail Banking segments and allocation of provision related to advances on a direct identification basis for more appropriate presentation of the segment results. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The impact of above regrouping / reclassification on segment results for the quarter and nine months ended December 31, 2017, is summarized in the table below:

(Decrease) / Increase	Quarter ended		Nine months ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.03.2017
Treasury	(179)	(205)	6	(474)	(582)
Corporate/Wholesale Banking	(420)	(1,206)	(1,981)	(6,444)	(8,900)
Retail Banking	(517)	481	1,169	4,135	6,871
Other Banking operations	1,116	930	806	2,783	2,611
Unallocated	-	-	-	-	-

The above regrouping / reclassification has no impact on the overall profit of the bank for the quarter and nine months ended December 31, 2017 or the previous periods/year.

- Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Kochi  
January 15, 2018



*Shyam Srinivasan*  
SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO  
(DIN: 02274773)