

Secretarial Department

SD/ F 24/ /2018-19

09th May 2018

| | |
|---|---|
| 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> |
|---|---|

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

Dear Sir,

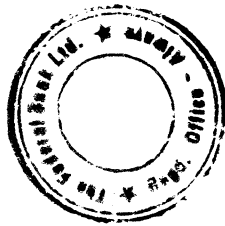
Sub: Outcome of the Board Meeting-SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 Audited Financial Results of the Bank for the period ended 31st March, 2018, which was approved at the Bank's Board of Directors meeting held today. The Board of the Bank have also recommended the payment of final dividend @ Rs 1/- per equity share i.e. 50 % on the equity shares of the Bank and the same will be payable after shareholders approval in the Annual General Meeting of the Bank.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For The Federal Bank Limited


Girish Kumar G
Company Secretary



Encl: As Above



Secretarial Department

SD/ F 24/ /2018-19

09th May 2018

| | |
|---|---|
| <p>The Manager The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.</p> | <p>The Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, MUMBAI – 400 001</p> |
|---|---|

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

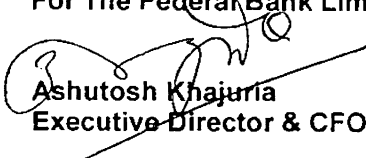
Dear Sir,

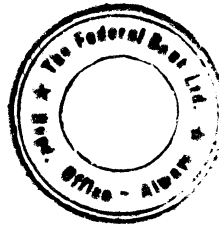
Sub: Declaration pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that the Auditors Report on Audited Financial Results(standalone and consolidated) for the year ended March 31,2018 approved at the Board Meeting held today ie May 09,2018 is with unmodified opinion.

We request you to kindly take this in your record.

Thanking you,
Yours faithfully,
For The Federal Bank Limited


Ashutosh Khajuria
Executive Director & CFO



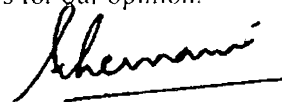
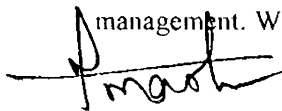
B S R & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

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

Independent Auditors' Report on the Standalone Financial Results of The Federal Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of The Federal Bank Limited

1. We have audited the accompanying annual standalone financial results of The Federal Bank Limited ('the Bank') for the year ended 31 March 2018 (the 'Financial Results'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). The disclosures relating to "Pillar 3 under Basel III Capital Regulations" and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the financial results and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter have only been reviewed and not subjected to audit.
2. These financial results have been prepared on the basis of the annual standalone financial statements and reviewed quarterly financial results up to the end of the third quarter which are the responsibility of the Bank's Management and approved by the Board of Directors in their meeting held on 09 May 2018. Our responsibility is to express an opinion on these Financial Results based on our audit of the annual standalone financial statements, which have been prepared in accordance with the recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder, provisions of Section 29 of the Banking Regulation Act, 1949, circulars, guidelines and directions issued by RBI from time to time and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.



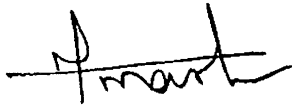
BSR & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

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

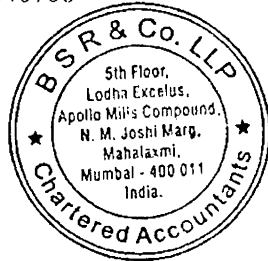
Independent Auditors' Report (continued)
The Federal Bank Limited

4. In our opinion and to the best of our information and according to the explanations given to us, these financial results:
- have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - give a true and fair view of the net profit and other financial information for the year ended 31 March 2018.
5. Without modifying our opinion, we draw attention to Note No. 10 regarding deferment of additional provision requirement on account of the enhancement in gratuity limits as per the amendment dated 29 March 2018 in Payment of Gratuity Act, 1972 in terms of RBI approval vide letter no. DBR.BP.9730/21.04.018/2017-18 dated 27 April 2018, and the unamortized balance as at 31 March 2018 of Rs 5,358 lakhs.
6. The standalone financial results incorporate the relevant returns of 40 Branches and Treasury Branch audited by either of us and audited returns in respect of 1,234 branches audited by other branch auditors. The Branches audited by us cover 43.56% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 36.45% of non-performing advances of the Bank.

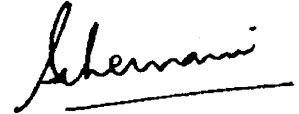
For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022



Akeel Master
Partner
Membership No: 046768
Mumbai
09 May 2018



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



Sanjay Khemani
Partner
Membership No: 044577
Mumbai
09 May 2018



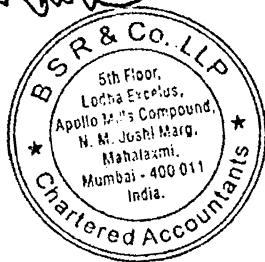
BSR & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

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

**Independent Auditors' Report on the Consolidated Financial Results of
The Federal Bank Limited pursuant to Regulation 33 of the Securities and
Exchange Board of India (Listing Obligations and Disclosure Requirements)
Regulations, 2015**

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

1. We have audited the accompanying annual consolidated financial results of The Federal Bank Limited ('the Bank'), its subsidiary and associate for the year ended 31 March 2018 (the Bank, its subsidiary and its associate together referred to as 'the Group'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). The disclosures relating to "Pillar 3 under Basel III Capital Regulations", and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results have not been audited by us.
2. These financial results have been prepared on the basis of the annual consolidated financial statements which are the responsibility of the Bank's Management and approved by the Board of Directors in their meeting held on 09 May 2018. Our responsibility is to express an opinion on these Financial Results based on our audit of the annual consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder, provisions of Section 29 of the Banking Regulation Act, 1949, circulars, guidelines and directions issued by RBI from time to time and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.



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

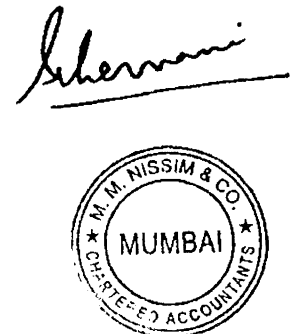
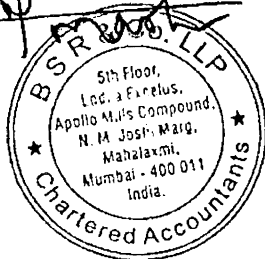
M.M. Nissim & Co.
Chartered Accountants
Barodawala Mansion, B-Wing
3rd Floor, 81
Dr. Annie Besant Road
Worli, Mumbai - 400 018

Independent Auditors' Report (Continued) The Federal Bank Limited

4. (a) The consolidated financial results incorporate the relevant returns of 40 Branches and Treasury Branch audited by either of us and audited returns in respect of 1,234 branches audited by other branch auditors. The Branches audited by us cover 43.56% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 36.45% of non-performing advances of the Bank.
- (b) We did not audit the financial statements of the subsidiary included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 147,968 lakhs as at 31 March 2018 as well as the total revenue of Rs. 19,766 lakhs for the year ended 31 March 2018. The consolidated financial results also include the Group's share of net profit of Rs. 2,579 lakhs for the year ended 31 March 2018, in respect of an associate. These annual financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the annual consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, is based solely on the report of the other auditors.
- (c) The auditors of IDBI-Federal Life Insurance Company Limited ('the associate') have reported, 'The actuarial valuation of the liabilities for life policies in force and for discontinued policies where liability exists is the responsibility of the Company's Appointed Actuary ('the appointed Actuary')'. The actuarial valuation of these liabilities as at March 31, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumption for such valuation are in accordance with guidelines and norms issued by the Insurance Regulatory and Development Authority of India and the Actuarial Society of India in concurrence with the Authority. We have relied upon on the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company'.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

5. Without modifying our opinion, we draw attention to Note No. 10 regarding deferment of additional provision requirement on account of the enhancement in gratuity limits as per the amendment dated 29 March 2018 in Payment of Gratuity Act, 1972 in terms of RBI approval vide letter no. DBR.BP.9730/21.04.018/2017-18 dated 27 April 2018, and the unamortized balance as at 31 March 2018 of Rs 5,358 lakhs.



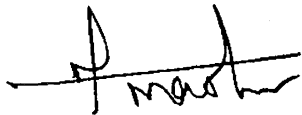
BSR & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

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

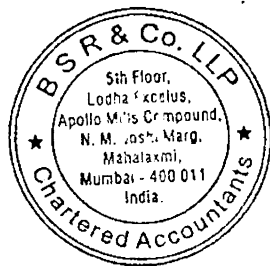
Independent Auditors' Report (Continued) **The Federal Bank Limited**

6. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on other information of the subsidiary and associate as aforesaid, these consolidated annual financial results:
- i) include the annual financial results of Fedbank Financial Services Limited ('the subsidiary') and proportionate share of IDBI-Federal Life Insurance Company Limited ('the associate').
 - ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - iii) give a true and fair view of the consolidated net profit and other financial information of the Group for the year ended 31 March 2018 in accordance with the framework as explained in paragraph 2 above.

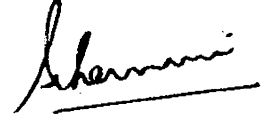
For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W / W-100022



Akeel Master
Partner
Membership No: 046768
Mumbai
09 May 2018



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



Sanjay Khemani
Partner
Membership No: 044577
Mumbai
09 May 2018



THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

| Particulars | Quarter ended | | | Year ended | | Consolidated figures for the year ended | |
|--|----------------------------------|----------------|----------------------------------|------------------|----------------|---|----------------|
| | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | Audited (Refer Note 13 below) | Unaudited | Audited (Refer Note 13 below) | Audited | Audited | Audited | Audited |
| 1. Interest earned (a)+(b)+(c)+(d) | 254,797 | 250,120 | 231,595 | 975,286 | 867,739 | 991,490 | 878,327 |
| (a) Interest/discout on advances/bills | 195,106 | 194,097 | 173,644 | 753,878 | 654,568 | 770,098 | 665,610 |
| (b) Income on investments | 51,695 | 48,220 | 48,382 | 191,744 | 180,140 | 191,727 | 179,686 |
| (c) Interest on balances with Reserve Bank of India and other inter bank funds | 1,840 | 2,788 | 3,598 | 9,581 | 9,893 | 9,582 | 9,893 |
| (d) Others | 6,156 | 5,015 | 5,971 | 20,083 | 23,138 | 20,083 | 23,138 |
| 2. Other income | 31,417 | 22,863 | 28,211 | 115,912 | 108,181 | 116,022 | 108,377 |
| 3. TOTAL INCOME (1+2) | 286,214 | 272,983 | 259,806 | 1,091,198 | 975,920 | 1,107,512 | 986,704 |
| 4. Interest expended | 161,475 | 155,120 | 147,356 | 617,005 | 562,475 | 622,642 | 565,258 |
| 5. Operating expenses (i)+(ii) | 65,882 | 61,723 | 57,529 | 245,090 | 220,954 | 250,474 | 225,250 |
| (i) Employees cost | 33,081 | 30,047 | 26,303 | 124,247 | 116,375 | 127,682 | 118,934 |
| (ii) Other operating expenses | 32,801 | 31,676 | 31,226 | 120,843 | 104,579 | 122,792 | 106,316 |
| 6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies) | 227,357 | 216,843 | 204,885 | 862,095 | 783,429 | 873,116 | 790,508 |
| 7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies) | 58,857 | 56,140 | 54,921 | 229,103 | 192,491 | 234,396 | 196,196 |
| 8. Provisions (other than tax) and contingencies | 37,153 | 16,243 | 12,270 | 94,717 | 61,841 | 95,076 | 61,999 |
| 9. Exceptional items | - | - | - | - | - | - | - |
| 10. Profit from Ordinary Activities before tax (7-8-9) | 21,704 | 39,897 | 42,651 | 134,386 | 130,650 | 139,320 | 134,197 |
| 11. Tax expense | 7,205 | 13,896 | 16,992 | 46,501 | 47,571 | 48,355 | 48,866 |
| 12. Net Profit from Ordinary Activities after tax (10-11) | 14,499 | 26,001 | 25,659 | 87,885 | 83,079 | 90,965 | 85,331 |
| 13. Extraordinary items (net of tax expense) | - | - | - | - | - | - | - |
| 14. Net Profit for the period (12-13) | 14,499 | 26,001 | 25,659 | 87,885 | 83,079 | 90,965 | 85,331 |
| 15. Share in Profit/(Loss) of Associate | - | - | - | - | - | 2,579 | 1,355 |
| 16. Consolidated Net Profit of the group (14+15) | | | | | | 93,544 | 86,686 |
| 17. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share) | 39,443 | 39,327 | 34,481 | 39,443 | 34,481 | 39,443 | 34,481 |
| 18. Reserves excluding Revaluation Reserve | - | - | - | 1,181,080 | 859,256 | 1,187,480 | 860,155 |
| 19. Analytical Ratios | | | | | | | |
| (i) Percentage of shares held by Government of India | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| (ii) Capital Adequacy ratio (%) Under Basel III | 14.70 | 14.41 | 12.39 | 14.70 | 12.39 | - | - |
| (iii) Earnings per Share (EPS) (in ₹) | | | | | | | |
| (a) Basic EPS (before and after extra ordinary items) | 0.74* | 1.33* | 1.49* | 4.62 | 4.83 | 4.92 | 5.04 |
| (b) Diluted EPS (before and after extra ordinary items) | 0.73* | 1.31* | 1.46* | 4.56 | 4.76 | 4.86 | 4.96 |
| (iv) NPA Ratios | | | | | | | |
| a) Gross NPA | 279,562 | 216,119 | 172,705 | 279,562 | 172,705 | | |
| b) Net NPA | 155,196 | 115,668 | 94,120 | 155,196 | 94,120 | | |
| c) % of Gross NPA | 3.00 | 2.52 | 2.33 | 3.00 | 2.33 | | |
| d) % of Net NPA | 1.69 | 1.36 | 1.28 | 1.69 | 1.28 | | |
| (v) Return on Assets (%) | 0.11 * | 0.22 * | 0.24 * | 0.75 | 0.84 | | |

* Not Annualised



Segment Information@

(₹ in Lakhs)

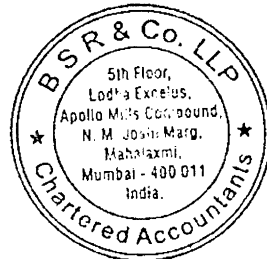
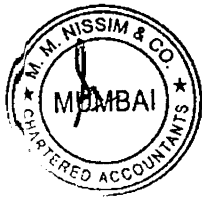
| Particulars | Quarter ended | | | Year ended | | Consolidated figures for the year ended | |
|--|----------------------------------|------------|----------------------------------|------------|------------|---|------------|
| | 31.03.2018 | 31.12.2017 | 31.03.2017 | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | Audited (Refer Note 13 below) | Unaudited | Audited (Refer Note 13 below) | Audited | Audited | Audited | Audited |
| Segment Revenue: | | | | | | | |
| Treasury | 60,888 | 56,206 | 59,239 | 239,556 | 231,601 | 239,556 | 231,601 |
| Corporate/Wholesale Banking | 103,194 | 90,703 | 85,519 | 378,695 | 307,150 | 378,695 | 307,150 |
| Retail Banking | 116,178 | 121,639 | 109,005 | 454,386 | 417,952 | 470,700 | 428,736 |
| Other Banking operations | 5,954 | 4,435 | 6,043 | 18,561 | 19,217 | 18,561 | 19,217 |
| Unallocated | - | - | - | - | - | - | - |
| Total Revenue | 286,214 | 272,983 | 259,806 | 1,091,198 | 975,920 | 1,107,512 | 986,704 |
| Less: Inter Segment Revenue | - | - | - | - | - | - | - |
| Income from Operations | 286,214 | 272,983 | 259,806 | 1,091,198 | 975,920 | 1,107,512 | 986,704 |
| Segment Results (net of provisions): | | | | | | | |
| Treasury | (3,063) | 5,071 | 6,840 | 25,650 | 38,816 | 25,650 | 38,816 |
| Corporate/Wholesale Banking | (18,875) | 495 | 9,552 | (13,797) | 8,250 | (13,797) | 8,250 |
| Retail Banking | 41,735 | 34,744 | 24,479 | 120,093 | 76,938 | 125,027 | 80,485 |
| Other Banking operations | 2,822 | 492 | 2,596 | 5,251 | 9,553 | 5,251 | 9,553 |
| Unallocated | (915) | (905) | (816) | (2,811) | (2,907) | (2,811) | (2,907) |
| Profit before tax | 21,704 | 39,897 | 42,651 | 134,386 | 130,650 | 139,320 | 134,197 |
| Segment Assets | | | | | | | |
| Treasury | 3,510,841 | 3,241,455 | 3,165,601 | 3,510,841 | 3,165,601 | 3,510,273 | 3,162,453 |
| Corporate/Wholesale Banking | 5,072,766 | 4,597,454 | 3,282,581 | 5,072,766 | 3,282,581 | 5,072,766 | 3,282,581 |
| Retail Banking | 4,539,627 | 4,309,837 | 4,436,505 | 4,539,627 | 4,436,505 | 4,630,167 | 4,490,534 |
| Other Banking operations | 533 | 757 | 1,854 | 533 | 1,854 | 533 | 1,854 |
| Unallocated | 707,628 | 672,567 | 611,152 | 707,628 | 611,152 | 707,628 | 611,152 |
| Total | 13,831,395 | 12,822,070 | 11,497,693 | 13,831,395 | 11,497,693 | 13,921,367 | 11,548,574 |
| Segment Liabilities | | | | | | | |
| Treasury | 3,348,514 | 3,022,847 | 3,050,206 | 3,348,514 | 3,050,206 | 3,348,514 | 3,050,206 |
| Corporate/Wholesale Banking | 4,849,217 | 4,410,665 | 3,184,798 | 4,849,217 | 3,184,798 | 4,849,217 | 3,184,798 |
| Retail Banking | 4,341,585 | 4,131,632 | 4,294,476 | 4,341,585 | 4,294,476 | 4,425,157 | 4,344,458 |
| Other Banking operations | -1 | 1 | - | 1 | - | 1 | - |
| Unallocated | 71,055 | 52,815 | 73,975 | 71,055 | 73,975 | 71,055 | 73,975 |
| Total | 12,610,372 | 11,617,960 | 10,603,455 | 12,610,372 | 10,603,455 | 12,693,944 | 10,653,437 |
| Capital employed: (Segment Assets - Segment Liabilities) | | | | | | | |
| Treasury | 162,327 | 218,608 | 115,395 | 162,327 | 115,395 | 161,759 | 112,247 |
| Corporate/Wholesale Banking | 223,549 | 186,789 | 97,783 | 223,549 | 97,783 | 223,549 | 97,783 |
| Retail Banking | 198,042 | 178,205 | 142,029 | 198,042 | 142,029 | 205,010 | 146,076 |
| Other Banking operations | 532 | 756 | 1,854 | 532 | 1,854 | 532 | 1,854 |
| Unallocated | 636,573 | 619,752 | 537,177 | 636,573 | 537,177 | 636,573 | 537,177 |
| Total | 1,221,023 | 1,204,110 | 894,238 | 1,221,023 | 894,238 | 1,227,423 | 895,137 |

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 March 31, 2018 is given below:

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2018 | As at 31.03.2017 | As at 31.03.2018 | As at 31.03.2017 |
| | Audited | Audited | Audited | Audited |
| CAPITAL AND LIABILITIES | | | | |
| Capital | 39,443 | 34,481 | 39,443 | 34,481 |
| Reserves and Surplus | 1,181,580 | 859,757 | 1,187,980 | 860,656 |
| Deposits | 11,199,249 | 9,766,456 | 11,197,010 | 9,766,208 |
| Borrowings | 1,153,350 | 589,732 | 1,232,884 | 634,549 |
| Other Liabilities and Provisions | 257,773 | 247,267 | 264,050 | 252,680 |
| Total | 13,831,395 | 11,497,693 | 13,921,367 | 11,548,574 |
| ASSETS | | | | |
| Cash and Balances with Reserve Bank of India | 513,276 | 457,657 | 513,678 | 457,827 |
| Balance with Banks and Money at Call and Short Notice | 407,065 | 287,560 | 405,843 | 287,637 |
| Investments | 3,078,107 | 2,819,609 | 3,059,468 | 2,791,226 |
| Advances | 9,195,747 | 7,333,627 | 9,301,089 | 7,408,623 |
| Fixed Assets | 45,737 | 48,947 | 46,135 | 49,235 |
| Other Assets | 591,463 | 550,293 | 595,154 | 554,026 |
| Total | 13,831,395 | 11,497,693 | 13,921,367 | 11,548,574 |



Notes:

- 1 The above Financial Results for the quarter and year ended March 31, 2018 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 09, 2018. The Results for the year ended March 31, 2018 have been subjected to "Audit" by the Statutory Central Auditors of the Bank and an unqualified report has been issued by them.
- 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 consistently applied its significant accounting policies in the preparation of the quarterly financial results and its annual financial statements during the years ended March 31, 2018 and 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 audit or review by the Statutory Central Auditors of the Bank.
- 5 The Business operations of the Bank are largely concentrated in India and for the purpose of Segmental 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.
- 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 etc.
- 7 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.
- 8 During the quarter and year ended March 31, 2018, the Bank has allotted 57,83,464 and 3,25,77,034 equity shares of ₹ 2 each respectively, pursuant to the exercise of stock options by employees.
- 9 RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognised the entire mark to market loss on investments in the respective quarters and has not availed the said option.
- 10 Ministry of Labour and Employment, Government of India on March 29, 2018 has enhanced the gratuity ceiling to an employee under Payment of Gratuity Act, 1972 to ₹ 20 Lakhs from earlier limit of ₹ 10 lakhs. This change has resulted to an incremental gratuity liability amounting to ₹ 7,143.90 lakhs. As per the RBI circular DBR.BP.9730/21.04.018/2017-18 dated April 27, 2018 the bank has an option to spread the impact of change in gratuity ceiling over four quarters beginning with the quarter ended March 31, 2018. The bank has availed the option to spread the incremental gratuity expenditure over four quarters beginning with the quarter ended March 31, 2018. Accordingly, during the quarter and year ended March 31, 2018 the bank has charged to the profit and loss account an amount of ₹ 1,785.97 Lakhs and the unamortised gratuity expenditure as on March 31, 2018 is ₹ 5,357.93 Lakhs.
- 11 The Board of Directors have recommended a dividend of 50% i.e. ₹ 1.00/- per Equity Share on face value of ₹ 2/- each for the year 2017-18 (Previous Year 45% i.e. ₹ 0.90/- per Equity Share) subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 "Contingencies and Events occurring after the Balance sheet date" as notified by the Ministry of Corporate affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank has not appropriated proposed dividend (including tax) aggregating to ₹ 23,774.86 Lakhs from the statement of Profit and loss account for the year ended March 31, 2018. However the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31, 2018.
- 12 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 year ended March 31, 2017, is summarized in the table below:

| (Decrease) / Increase | ₹ in Lakhs | | |
|-----------------------------|---------------|------------|--------------|
| | Standalone | | Consolidated |
| | Quarter ended | Year ended | Year ended |
| | 31.03.2017 | 31.03.2017 | 31.03.2017 |
| Treasury | (116) | (698) | (698) |
| Corporate/Wholesale Banking | (2,492) | (11,391) | (11,391) |
| Retail Banking | 1,268 | 8,139 | 8,139 |
| Other Banking operations | 1,340 | 3,950 | 3,950 |
| Unallocated | - | - | - |

The above regrouping / reclassification has no impact on the overall profit of the bank for the quarter and year ended March 31, 2018 or the previous periods/year.

- 13 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year.
- 14 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
May 09, 2018



SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)

