

THE FEDERAL BANK LIMITED
REGD.OFFICE: ALUVA

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31 DECEMBER 2010

(` in Crore)

| | | Quarter ended | | Nine months ended | | Year ended |
|-----------|-------------------------------------------------------------------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| | | 31 December | | 31 December | | 31 March |
| | | 2010 | 2009 | 2010 | 2009 | 2010 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Interest earned [(a)+(b)+(c)+(d)] | 1,021.88 | 944.64 | 2,952.01 | 2,720.09 | 3,673.23 |
| | (a) Interest/discount on advances/bills | 794.76 | 742.10 | 2,311.68 | 2,106.24 | 2,849.73 |
| | (b) Income on Investments | 221.40 | 198.37 | 629.27 | 588.72 | 783.41 |
| | (c) Interest on balances with RBI and other inter bank funds | 4.38 | 3.81 | 7.95 | 24.00 | 29.85 |
| | (d) Others | 1.34 | 0.36 | 3.11 | 1.13 | 10.24 |
| 2 | Other Income | 121.69 | 116.48 | 375.62 | 400.32 | 530.91 |
| 3 | TOTAL INCOME (1+2) | 1,143.57 | 1,061.12 | 3,327.63 | 3,120.41 | 4,204.14 |
| 4 | Interest Expended | 574.63 | 563.53 | 1,653.07 | 1,718.95 | 2,262.40 |
| 5 | Operating Expenses (i)+(ii) | 212.23 | 166.05 | 597.53 | 488.40 | 676.89 |
| | (i) Employee Costs | 119.84 | 87.43 | 345.38 | 269.59 | 366.05 |
| | (ii) Other operating expenses | 92.39 | 78.62 | 252.15 | 218.81 | 310.84 |
| 6 | TOTAL EXPENDITURE (4)+(5) (excluding Provisions and Contingencies) | 786.86 | 729.58 | 2,250.60 | 2,207.35 | 2,939.29 |
| 7 | OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies) | 356.71 | 331.54 | 1,077.03 | 913.06 | 1,264.85 |
| 8 | Provisions (other than Tax) and Contingencies | 142.38 | 105.31 | 446.02 | 307.40 | 405.30 |
| 9 | Exceptional Items | - | - | - | - | - |
| 10 | Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9) | 214.33 | 226.23 | 631.01 | 605.66 | 859.55 |
| 11 | Tax expense | 71.23 | 115.98 | 215.65 | 257.96 | 395.00 |
| 12 | Net Profit (+)/Loss(-) from Ordinary Activities after tax (10-11) | 143.10 | 110.25 | 415.36 | 347.70 | 464.55 |
| 13 | Extraordinary items (net of tax expense) | - | - | - | - | - |
| 14 | Net Profit (+)/Loss(-) for the period (12-13) | 143.10 | 110.25 | 415.36 | 347.70 | 464.55 |
| 15 | Paid-up equity share capital (Face value Rs.10/-) | 171.03 | 171.03 | 171.03 | 171.03 | 171.03 |
| 16 | Reserves excluding revaluation reserve | - | - | - | - | 4,513.55 |
| 17 | Analytical Ratios | | | | | |
| | (i) Percentage of shares held by Government of India | Nil | Nil | Nil | Nil | Nil |
| | (ii) Capital Adequacy Ratio (%) | | | | | |
| | (a) Under Basel I | 16.13 | 17.76 | 16.13 | 17.76 | 17.27 |
| | (b) Under Basel II | 16.42 | 18.50 | 16.42 | 18.50 | 18.36 |
| | (iii) Earning per share (EPS) | | | | | |
| | (a) Basic and diluted EPS before Extraordinary items | 8.37* | 6.45* | 24.29* | 20.33* | 27.16 |
| | (b) Basic and diluted EPS after Extraordinary items | 8.37* | 6.45* | 24.29* | 20.33* | 27.16 |
| | (iv) NPA Ratios | | | | | |
| | a) Gross NPA | 1152.88 | 790.72 | 1152.88 | 790.72 | 820.97 |
| | b) Net NPA | 227.08 | 146.85 | 227.08 | 146.85 | 128.79 |
| | c) % of Gross NPA | 3.95 | 2.97 | 3.95 | 2.97 | 2.97 |
| | d) % of Net NPA | 0.81 | 0.56 | 0.81 | 0.56 | 0.48 |
| | (v) Return on Assets (%) | 0.32* | 0.27* | 0.97* | 0.88* | 1.15 |
| 18 | Public Shareholding: | | | | | |
| | Number of Shares | 1675 98 Lakh | 1660 52 Lakh | 1675 98 Lakh | 1660 52 Lakh | 1672 11 Lakh |
| | Percentage of shareholding | 98.04 | 97.14 | 98.04 | 97.14 | 97.82 |
| 19 | Promoters and Promoter group shareholding | Nil | Nil | Nil | Nil | Nil |

* Not annualised

| | Quarter ended | | Nine months ended | | Year ended |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| | 31-Dec-10 (Unaudited) | 31-Dec-09 (Unaudited) | 31-Dec-10 (Unaudited) | 31-Dec-09 (Unaudited) | 31-Mar-10 (Audited) |
| Segment Revenue: | | | | | |
| Treasury Operations | 231.38 | 219.76 | 675.80 | 710.82 | 908.70 |
| Corporate/Wholesale Banking | 367.65 | 251.67 | 1,047.34 | 814.55 | 1,285.02 |
| Retail Banking | 534.14 | 585.61 | 1,585.22 | 1,575.94 | 1,975.06 |
| Other Banking Operations | 10.40 | 4.08 | 19.27 | 19.10 | 35.36 |
| Total Revenue | 1,143.57 | 1,061.12 | 3,327.63 | 3,120.41 | 4,204.14 |
| Segment Results (net of provisions): | | | | | |
| Treasury Operations | 10.77 | 20.24 | 47.51 | 143.63 | 151.47 |
| Corporate/Wholesale Banking | 62.85 | 59.38 | 163.37 | 137.15 | 229.86 |
| Retail Banking | 131.48 | 143.24 | 404.61 | 309.13 | 449.91 |
| Other Banking Operations | 9.23 | 3.37 | 15.52 | 15.75 | 28.31 |
| Total Profit before tax | 214.33 | 226.23 | 631.01 | 605.66 | 859.55 |
| Capital employed: | | | | | |
| Treasury operations | 1,580.78 | 1,496.25 | 1,580.78 | 1,496.25 | 1,503.85 |
| Corporate/Wholesale Banking | 1,544.21 | 1,385.41 | 1,544.21 | 1,385.41 | 1,381.06 |
| Retail Banking | 1,978.00 | 1,789.76 | 1,978.00 | 1,789.76 | 1,802.44 |
| Other Banking Operations | 2.80 | 2.14 | 2.80 | 2.14 | 3.09 |
| Total | 5,105.79 | 4,673.56 | 5,105.79 | 4,673.56 | 4,690.44 |

@ 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 revised RBI guidelines. The Bank has only the Domestic geographic segment.

Notes

- As a prudent policy, the Bank holds provisions for NPAs and standard assets over and above the minimum required under the RBI norms. Further, provision for restructured advances has been made as per RBI guidelines.
- Provisions for gratuity, pension (other than second option for pension), leave encashment, bonus, income tax including deferred tax and other usual and necessary items have been made on estimated basis. The net liability arising out of second option for pension is estimated at ` 158.79 crore. This liability is proposed to be amortised over a period of 5 years subject to the approval of the regulator. Pending such approval, proportionate liability for the current quarter amounting to ` 8.50 crore (` 24.50 crore for the nine months ended 31.12.2010) has been provided, and the balance liability of ` 134.29 crore is carried over.
- Number of Investor complaints/correspondence received and disposed off during the quarter ended 31 December 2010:
 - Pending at the beginning of the quarter: NIL
 - Received during the quarter : 43
 - Disposed off during the quarter : 43
 - Pending at the end of the quarter : NIL
- Figures for the previous periods have been recast/regrouped wherever necessary.
- The above financial results, subjected to limited review by statutory central auditors, have been taken on record by the Audit Committee and approved by the Board of Directors at its meeting held on 28.01.2011.