

THE FEDERAL BANK LIMITED REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101 (CIN: L65191KL1931PLC000368) STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015 (₹ in Lakhs)						
Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	190,276	190,226	187,010	571,817	551,118	741,946
(a) Interest/discount on advances/bills	138,554	140,005	139,896	419,982	406,177	544,683
(b) Income on Investments	44,589	42,356	40,168	129,982	122,514	164,968
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,657	1,905	2,060	4,871	5,638	6,236
(d) Others	5,476	5,960	4,886	16,982	16,789	26,059
2. Other Income	18,331	18,227	21,991	55,952	57,231	87,831
3. TOTAL INCOME (1+2)	208,607	208,453	209,001	627,769	608,349	829,777
4. Interest expended	129,756	129,392	128,294	389,987	375,400	503,905
5. Operating Expenses (i)+(ii)	46,303	45,404	40,972	134,856	117,085	163,093
(i) Employees Cost	25,859	24,893	23,507	75,981	64,330	89,196
(ii) Other operating expenses	20,444	20,511	17,465	58,875	52,755	73,897
6. TOTAL EXPENDITURE (4+5) (excluding Provisions and Contingencies)	176,059	174,796	169,266	524,843	492,485	666,998
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	32,548	33,657	39,735	102,926	115,864	162,779
8. Provisions (other than Tax) and Contingencies	7,511	8,728	(82)	31,549	6,697	10,675
9. Exceptional Items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	25,037	24,929	39,817	71,377	109,167	152,104
11. Tax expense	8,765	8,801	13,348	24,838	36,645	51,529
12. Net Profit from Ordinary Activities after tax (10-11)	16,272	16,128	26,469	46,539	72,522	100,575
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	16,272	16,128	26,469	46,539	72,522	100,575
15. Paid-up Equity Share Capital (Refer Note 9) (Face value ₹ 2/- per Equity Share)	34,367	34,349	17,122	34,367	17,122	17,133
16. Reserves excluding Revaluation Reserve						756,180
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	14.32	14.71	14.51	14.32	14.51	15.46
(iii) Earnings per Share (EPS) (in ₹) (Refer Note 9)						
(a) Basic EPS (before and after Extra ordinary Items)	0.95*	0.94*	1.54*	2.71*	4.23*	5.87
(b) Diluted EPS (before and after Extra ordinary Items)	0.94*	0.92*	1.52*	2.68*	4.15*	5.82
(iv) NPA Ratios						
a) Gross NPA	168,411	149,873	106,663	168,411	106,663	105,773
b) Net NPA	87,610	67,484	33,294	87,610	33,294	37,327
c) % of Gross NPA	3.15	2.90	2.19	3.15	2.19	2.04
d) % of Net NPA	1.66	1.33	0.69	1.66	0.69	0.73
(v) Return on Assets (%)	0.19*	0.20*	0.35*	0.56*	0.97*	1.32

* Not Annualised

Segment Information@							(₹ in Lakhs)
Particulars	Quarter ended			Nine Months ended		Year ended	
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
Segment Revenue:							
Treasury	55,321	55,951	56,502	169,001	164,650	225,027	
Corporate/Wholesale Banking	56,861	58,469	59,071	168,392	175,106	234,993	
Retail Banking	95,416	93,125	91,890	288,176	261,177	357,797	
Other Banking operations	1,009	908	1,538	2,200	7,416	11,960	
Unallocated	-	-	-	-	-	-	
Total Revenue	208,607	208,453	209,001	627,769	608,349	829,777	
Less: Inter Segment Revenue	-	-	-	-	-	-	
Income from Operations	208,607	208,453	209,001	627,769	608,349	829,777	
Segment Results (net of provisions):							
Treasury	2,721	8,159	12,119	12,679	24,595	34,218	
Corporate/Wholesale Banking	2,936	2,763	4,943	7,138	30,209	33,399	
Retail Banking	19,280	13,802	22,218	51,521	49,454	76,112	
Other Banking operations	914	706	1,040	1,854	6,205	10,372	
Unallocated	(814)	(501)	(503)	(1,815)	(1,296)	(1,997)	
Profit before tax	25,037	24,929	39,817	71,377	109,167	152,104	
Capital employed:							
Treasury	340,276	283,038	325,530	340,276	325,530	257,003	
Corporate/Wholesale Banking	100,711	117,539	104,472	100,711	104,472	133,845	
Retail Banking	144,191	186,828	158,487	144,191	158,487	196,520	
Other Banking operations	7,070	4,701	1,344	7,070	1,344	2,432	
Unallocated	230,118	213,637	178,157	230,118	178,157	184,013	
Total	822,366	805,743	767,990	822,366	767,990	773,813	

@ 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 mainly operates in India.

Notes:

- The above Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2015 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on January 12, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank and an unqualified report has been issued by them.
- 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, 2015.
- As a prudent policy, the Bank holds provision for Non Performing Assets over and above the minimum required under the 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.
- RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 contains guidelines on certain 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.
- 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 / loss on sale of investments (net), recoveries from accounts written off.
- Pursuant to RBI Circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank has, effective from September 30, 2015 included its deposits placed with NABARD, SIDBI, and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Hitherto these were included under 'Investments' and Interest income thereon was included under 'Interest Earned - Income on Investments'. Arising out of regrouping in line with the above mentioned RBI guidelines, interest income on deposits placed with NABARD, SIDBI and NHB is included under 'Interest Earned - Others'. Figures for the previous periods / year have been regrouped / reclassified to conform to current period classification. The above change in classification has no impact on the profit of the Bank for the quarter and nine months ended December 31, 2015.
- Number of Investor complaints received and disposed off during the quarter ended December 31, 2015:
 - Pending at the beginning of the quarter : NIL
 - Received during the quarter : 21
 - Disposed off during the quarter : 20
 - Pending at the end of the quarter : 1

- 8 During the quarter and nine months ended December 31, 2015, the Bank allotted 9,11,950 and 37,49,941 Equity Shares respectively, pursuant to the exercise of stock options by certain employees.
- 9 The shareholders of the Bank had approved the issue of Bonus Shares at the Annual General Meeting held on June 29, 2015, in the Ratio of 1:1 for Shares held as on the record date of July 9, 2015. Pursuant to which 85,79,45,206 fully paid up Equity Shares had been allotted by the bank as bonus shares and One Global Depository share (GDS) had been issued as bonus for every GDS held to the existing holders as on the record date. Consequently, as per the extant ESOS 2010 Scheme bonus options had been provided to the existing ESOS option holders and the exercise price had been adjusted accordingly. The earnings per share have been adjusted for previous periods / year in accordance with Accounting Standard 20, Earnings per share.
- 10 During the nine months ended December 31,2015, the Bank had assigned certain Non performing financial assets to Asset Reconstruction Companies. In terms of RBI Master Circular DBR.No.BP.BC.2/21.04.048/2015-16 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015, the shortfall arrived at by deducting sale consideration from the Net Book value of the financial assets, amounting to ₹ 7829.27 Lakhs (₹ 569.78 Lakhs upto the period ended September 30, 2015) , is amortised over a period of two years. Accordingly, the bank has charged to the profit and loss account an amount of ₹ 1291.31 Lakhs (₹ 81.40 Lakhs for the quarter ended September 30, 2015) and ₹ 1372.71 Lakhs during the quarter and nine months ended December 31,2015 respectively and the balance of ₹ 6456.56 Lakhs will be amortised over the next five quarters.
- 11 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period classification.

Kochi
12th January, 2016

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)