

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, 2016

(₹ in Lakhs)

| Particulars | Quarter ended | | | Year ended | | Consolidated figures for the year ended | |
|---|-------------------------------------|-----------------|-------------------------------------|-----------------|-----------------|---|-----------------|
| | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | Audited (Refer Note 12 below) | Unaudited | Audited (Refer Note 12 below) | Audited | Audited | Audited | Audited |
| 1. Interest earned (a)+(b)+(c)+(d) | 2,02,652 | 1,90,276 | 1,90,828 | 7,74,469 | 7,41,946 | 7,82,280 | 7,48,777 |
| (a) Interest/discount on advances/bills | 1,46,949 | 1,38,554 | 1,38,506 | 5,66,931 | 5,44,683 | 5,74,818 | 5,51,011 |
| (b) Income on Investments | 45,981 | 44,589 | 42,453 | 1,75,963 | 1,64,968 | 1,75,887 | 1,65,471 |
| (c) Interest on balances with Reserve Bank of India and other inter bank funds | 725 | 1,657 | 598 | 5,596 | 6,236 | 5,596 | 6,236 |
| (d) Others | 8,997 | 5,476 | 9,271 | 25,979 | 26,059 | 25,979 | 26,059 |
| 2. Other Income | 22,686 | 18,331 | 30,600 | 78,638 | 87,831 | 78,655 | 87,854 |
| 3. TOTAL INCOME (1+2) | 2,25,338 | 2,08,607 | 2,21,428 | 8,53,107 | 8,29,777 | 8,60,935 | 8,36,631 |
| 4. Interest expended | 1,34,058 | 1,29,756 | 1,28,505 | 5,24,045 | 5,03,905 | 5,25,935 | 5,05,633 |
| 5. Operating Expenses (i)+(ii) | 51,828 | 46,303 | 46,008 | 1,86,684 | 1,63,093 | 1,90,632 | 1,67,521 |
| (i) Employees Cost | 29,304 | 25,859 | 24,866 | 1,05,285 | 89,196 | 1,07,422 | 91,305 |
| (ii) Other operating expenses | 22,524 | 20,444 | 21,142 | 81,399 | 73,897 | 83,210 | 76,216 |
| 6. TOTAL EXPENDITURE (4+5) (excluding Provisions and Contingencies) | 1,85,886 | 1,76,059 | 1,74,513 | 7,10,729 | 6,66,998 | 7,16,567 | 6,73,154 |
| 7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies) | 39,452 | 32,548 | 46,915 | 1,42,378 | 1,62,779 | 1,44,368 | 1,63,477 |
| 8. Provisions (other than Tax) and Contingencies | 38,864 | 7,511 | 3,978 | 70,413 | 10,675 | 70,517 | 10,520 |
| 9. Exceptional Items | - | - | - | - | - | - | - |
| 10. Profit from Ordinary Activities before tax (7-8-9) | 588 | 25,037 | 42,937 | 71,965 | 1,52,104 | 73,851 | 1,52,957 |
| 11. Tax expense | (438) | 8,765 | 14,884 | 24,400 | 51,529 | 25,061 | 51,748 |
| 12. Net Profit from Ordinary Activities after tax (10-11) | 1,026 | 16,272 | 28,053 | 47,565 | 1,00,575 | 48,790 | 1,01,209 |
| 13. Extraordinary items (net of tax expense) | - | - | - | - | - | - | - |
| 14. Net Profit for the period (12-13) | 1,026 | 16,272 | 28,053 | 47,565 | 1,00,575 | 48,790 | 1,01,209 |
| 15. Share in Profit/(Loss) of Associate | - | - | - | - | - | (148) | 4,572 |
| 16. Consolidated Net Profit of the group (14+15) | | | | | | 48,642 | 1,05,781 |
| 17. Paid-up Equity Share Capital (Refer Note 10) (Face value ₹ 2/- per Equity Share) | 34,379 | 34,367 | 17,133 | 34,379 | 17,133 | 34,379 | 17,133 |
| 18. Reserves excluding Revaluation Reserve | - | - | - | 7,74,242 | 7,56,180 | 7,71,533 | 7,52,393 |
| 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 | 13.93 | 14.32 | 15.46 | 13.93 | 15.46 | - | - |
| (iii) Earnings per Share (EPS) (in ₹) (Refer Note 10) | | | | | | | |
| (a) Basic EPS (before and after Extra ordinary Items) | 0.06* | 0.95* | 1.64* | 2.77 | 5.87 | 2.83 | 6.17 |
| (b) Diluted EPS (before and after Extra ordinary Items) | 0.06* | 0.94* | 1.62* | 2.75 | 5.82 | 2.82 | 6.12 |
| (iv) NPA Ratios | | | | | | | |
| a) Gross NPA | 1,66,777 | 1,68,411 | 1,05,773 | 1,66,777 | 1,05,773 | | |
| b) Net NPA | 95,001 | 87,610 | 37,327 | 95,001 | 37,327 | | |
| c) % of Gross NPA | 2.84 | 3.15 | 2.04 | 2.84 | 2.04 | | |
| d) % of Net NPA | 1.64 | 1.66 | 0.73 | 1.64 | 0.73 | | |
| (v) Return on Assets (%) | 0.01* | 0.19* | 0.35* | 0.57 | 1.32 | | |

* Not Annualised

| Segment Information@ | | | | | | | | (₹ in Lakhs) |
|---|----------------------------------|-----------------|----------------------------------|-----------------|-----------------|---|-----------------|--------------|
| Particulars | Quarter ended | | | Year ended | | Consolidated figures for the year ended | | |
| | 31.03.2016 | 31.12.2015 | 31.03.2015 | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 | |
| | Audited (Refer Note 12 below) | Unaudited | Audited (Refer Note 12 below) | Audited | Audited | Audited | Audited | |
| Segment Revenue: | | | | | | | | |
| Treasury | 59,193 | 55,321 | 60,377 | 2,28,193 | 2,25,027 | 2,28,193 | 2,25,027 | |
| Corporate/Wholesale Banking | 67,702 | 56,861 | 59,886 | 2,36,094 | 2,34,993 | 2,36,094 | 2,34,993 | |
| Retail Banking | 92,787 | 95,416 | 96,621 | 3,80,964 | 3,57,797 | 3,88,792 | 3,64,651 | |
| Other Banking operations | 5,656 | 1,009 | 4,544 | 7,856 | 11,960 | 7,856 | 11,960 | |
| Unallocated | - | - | - | - | - | - | - | |
| Total Revenue | 2,25,338 | 2,08,607 | 2,21,428 | 8,53,107 | 8,29,777 | 8,60,935 | 8,36,631 | |
| Less: Inter Segment Revenue | - | - | - | - | - | - | - | |
| Income from Operations | 2,25,338 | 2,08,607 | 2,21,428 | 8,53,107 | 8,29,777 | 8,60,935 | 8,36,631 | |
| Segment Results (net of provisions): | | | | | | | | |
| Treasury | 3,172 | 2,721 | 9,623 | 15,851 | 34,218 | 15,851 | 34,218 | |
| Corporate/Wholesale Banking | (5,324) | 2,936 | 3,190 | 1,814 | 33,399 | 1,814 | 33,399 | |
| Retail Banking | (2,062) | 19,280 | 26,658 | 49,459 | 76,112 | 51,345 | 76,965 | |
| Other Banking operations | 5,532 | 914 | 4,167 | 7,385 | 10,372 | 7,385 | 10,372 | |
| Unallocated | (730) | (814) | (701) | (2,545) | (1,997) | (2,545) | (1,997) | |
| Profit before tax | 588 | 25,037 | 42,937 | 71,964 | 1,52,104 | 73,850 | 1,52,957 | |
| Capital employed: | | | | | | | | |
| Treasury | 2,50,922 | 3,40,276 | 2,57,003 | 2,50,922 | 2,57,003 | 2,50,922 | 2,57,003 | |
| Corporate/Wholesale Banking | 1,52,771 | 1,00,711 | 1,33,845 | 1,52,771 | 1,33,845 | 1,52,771 | 1,33,845 | |
| Retail Banking | 2,01,481 | 1,44,191 | 1,96,520 | 2,01,481 | 1,96,520 | 1,98,772 | 1,92,734 | |
| Other Banking operations | 2,656 | 7,070 | 2,432 | 2,656 | 2,432 | 2,656 | 2,432 | |
| Unallocated | 2,01,292 | 2,30,118 | 1,84,013 | 2,01,292 | 1,84,013 | 2,01,292 | 1,84,013 | |
| Total | 8,09,122 | 8,22,366 | 7,73,813 | 8,09,122 | 7,73,813 | 8,06,413 | 7,70,027 | |

@ 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:

1 Statement of Assets and Liabilities of the bank as on March 31, 2016 is given below:

| Particulars | Standalone | | Consolidated | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 31.03.2016 Audited | As at 31.03.2015 Audited | As at 31.03.2016 Audited | As at 31.03.2015 Audited |
| CAPITAL AND LIABILITIES | | | | |
| Capital | 34,379 | 17,133 | 34,379 | 17,133 |
| Reserves and Surplus | 7,74,743 | 7,56,680 | 7,72,033 | 7,52,894 |
| Deposits | 79,17,171 | 70,82,499 | 79,17,090 | 70,82,269 |
| Borrowings | 2,17,656 | 2,30,825 | 2,29,832 | 2,39,298 |
| Other Liabilities and Provisions | 1,99,054 | 1,97,911 | 2,02,105 | 1,99,235 |
| Total | 91,43,003 | 82,85,048 | 91,55,439 | 82,90,829 |
| ASSETS | | | | |
| Cash and Balances with Reserve Bank of India | 3,77,454 | 3,37,954 | 3,77,696 | 3,38,198 |
| Balance with Banks and Money at Call and Short Notice | 1,64,527 | 1,40,045 | 1,64,618 | 1,40,246 |
| Investments | 22,21,749 | 20,56,882 | 21,98,247 | 20,34,944 |
| Advances | 58,09,014 | 51,28,499 | 58,41,977 | 51,52,919 |
| Fixed Assets | 51,998 | 46,663 | 52,364 | 47,268 |
| Other Assets | 5,18,261 | 5,75,004 | 5,20,537 | 5,77,254 |
| Total | 91,43,003 | 82,85,048 | 91,55,439 | 82,90,829 |

- 2 The above Audited Financial Results for the quarter and year ended March 31, 2016 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on April 30, 2016. These Results have been subjected to "Audit" by the Statutory Central Auditors of the Bank and an unqualified report has been issued by them.
- 3 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.
- 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 on '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 by the Statutory Central Auditors of the Bank.
- 5 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.
- 6 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 year ended March 31, 2016.
- 7 As per the directions given by RBI, the Bank has completed the Review of certain loan accounts and their classifications within the time frame stipulated as on 31 March, 2016.
- 8 The Board of Directors have recommended a dividend of 35% i.e. ₹ 0.70/- per Equity Share on face value of ₹ 2/- each for the year 2015-16 (previous year 110% i.e ₹ 2.20 per Equity Share) subject to the approval of the members at the ensuing Annual General Meeting.
- 9 During the quarter and year ended March 31, 2016, the Bank allotted 5,96,500 and 43,46,441 Equity Shares respectively, pursuant to the exercise of stock options by certain employees.
- 10 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.
- 11 During the year ended March 31,2016, 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 ₹ 12,214.15 Lakhs (₹ 7,829.27 Lakhs upto the period ended December 31, 2015), is amortised over a period of two years. Accordingly, the bank has charged to the profit and loss account an amount of ₹ 2,168.29 Lakhs (₹ 1,291.31 Lakhs for the quarter ended December 31, 2015) for the Quarter and ₹ 3,541 Lakhs during the year ended March 31,2016 respectively and the balance of ₹ 8,673.15 Lakhs will be amortised over the next four quarters.
- 12 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.
- 13 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period classification.

Kochi
April 30, 2016

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)