

THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016
(` in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended 31.03.2016
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	2,06,625	2,01,377	1,90,460	4,08,002	3,81,824	7,74,815
(a) Interest/discount on advances/bills	1,56,880	1,52,422	1,40,005	3,09,302	2,81,428	5,66,931
(b) Income on Investments	43,552	43,084	42,590	86,636	85,676	1,76,309
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,585	1,216	1,905	2,801	3,214	5,596
(d) Others	4,608	4,655	5,960	9,263	11,506	25,979
2. Other Income	26,154	23,704	17,993	49,858	37,338	78,292
3. TOTAL INCOME (1+2)	2,32,779	2,25,081	2,08,453	4,57,860	4,19,162	8,53,107
4. Interest expended	1,34,006	1,32,110	1,29,392	2,66,116	2,60,231	5,24,045
5. Operating Expenses (i)+(ii)	51,280	50,385	45,404	1,01,665	88,553	1,86,684
(i) Employees Cost	29,159	28,941	24,893	58,100	50,122	1,05,285
(ii) Other operating expenses	22,121	21,444	20,511	43,565	38,431	81,399
6. TOTAL EXPENDITURE (4+5) (excluding Provisions and Contingencies)	1,85,286	1,82,495	1,74,796	3,67,781	3,48,784	7,10,729
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	47,493	42,586	33,657	90,079	70,378	1,42,378
8. Provisions (other than Tax) and Contingencies	16,840	16,848	8,728	33,688	24,038	70,413
9. Exceptional Items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	30,653	25,738	24,929	56,391	46,340	71,965
11. Tax expense	10,529	9,007	8,801	19,536	16,073	24,400
12. Net Profit from Ordinary Activities after tax (10-11)	20,124	16,731	16,128	36,855	30,267	47,565
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	20,124	16,731	16,128	36,855	30,267	47,565
15. Paid-up Equity Share Capital (Face value ` 2/- per Equity Share)	34,410	34,387	34,349	34,410	34,349	34,379
16. Reserves excluding Revaluation Reserve						7,74,242
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	12.85	13.59	14.71	12.85	14.71	13.93
(iii) Earnings per Share (EPS) (in `)						
(a) Basic EPS (before and after Extra ordinary Items)	1.17*	0.97*	0.94*	2.14*	1.77*	2.77
(b) Diluted EPS (before and after Extra ordinary Items)	1.15*	0.97*	0.92*	2.12*	1.74*	2.75
(iv) NPA Ratios						
a) Gross NPA	1,81,972	1,74,731	1,49,873	1,81,972	1,49,873	1,66,777
b) Net NPA	1,03,974	99,450	67,484	1,03,974	67,484	95,001
c) % of Gross NPA	2.78	2.92	2.90	2.78	2.90	2.84
d) % of Net NPA	1.61	1.68	1.33	1.61	1.33	1.64
(v) Return on Assets (%)	0.22*	0.19*	0.20*	0.41*	0.37*	0.57

* Not Annualised

Segment Information@

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	61,233	59,567	55,951	1,20,800	1,13,680	2,28,193
Corporate/Wholesale Banking	69,657	71,890	58,469	1,41,547	1,11,531	2,36,094
Retail Banking	1,00,740	92,121	93,125	1,92,861	1,92,760	3,80,964
Other Banking operations	1,149	1,503	908	2,652	1,191	7,856
Unallocated	-	-	-	-	-	-
Total Revenue	2,32,779	2,25,081	2,08,453	4,57,860	4,19,162	8,53,107
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	2,32,779	2,25,081	2,08,453	4,57,860	4,19,162	8,53,107
Segment Results (net of provisions):						
Treasury	10,954	12,825	8,159	23,779	9,958	15,852
Corporate/Wholesale Banking	2,012	3,337	2,763	5,349	4,202	1,814
Retail Banking	17,533	9,020	13,802	26,553	32,240	49,459
Other Banking operations	1,016	944	706	1,960	940	7,385
Unallocated	(862)	(388)	(501)	(1,250)	(1,000)	(2,545)
Profit before tax	30,653	25,738	24,929	56,391	46,340	71,965
Capital employed:						
Treasury	2,94,670	2,97,703	2,83,038	2,94,670	2,83,038	2,50,922
Corporate/Wholesale Banking	1,48,545	1,42,200	1,17,539	1,48,545	1,17,539	1,52,771
Retail Banking	1,80,008	1,94,123	1,86,828	1,80,008	1,86,828	2,01,481
Other Banking operations	539	1,803	4,701	539	4,701	2,656
Unallocated	2,22,818	1,90,186	2,13,637	2,22,818	2,13,637	2,01,292
Total	8,46,580	8,26,015	8,05,743	8,46,580	8,05,743	8,09,122

@ 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 September 30, 2016 is given below:

(₹ in Lakhs)

Particulars	As at	As at	As at
	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	34,410	34,349	34,379
Reserves and Surplus	8,12,170	7,71,394	7,74,743
Deposits	86,29,910	73,78,320	79,17,170
Borrowings	2,65,536	1,62,095	2,17,657
Other Liabilities and Provisions	3,05,564	2,80,333	1,99,054
Total	1,00,47,590	86,26,491	91,43,003
ASSETS			
Cash and Balances with Reserve Bank of India	3,98,575	3,69,100	3,77,454
Balance with Banks and Money at Call and Short Notice	2,00,116	2,74,010	1,64,527
Investments	24,15,220	23,19,935	22,21,749
Advances	64,68,694	50,86,667	58,09,014
Fixed Assets	51,034	50,282	51,998
Other Assets	5,13,951	5,26,497	5,18,261
Total	1,00,47,590	86,26,491	91,43,003

Notes:

- The above Standalone Unaudited Financial Results for the quarter ended September 30, 2016 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 25, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank and an unmodified 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 interim financial statements as those followed in the annual financial statements for the year ended March 31, 2016.
- 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.
- 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.

- 6 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 - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015, as amended, the shortfall arrived at by deducting sale consideration from the net book value of the financial assets, 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 and ` 4,336.58 Lakhs for the Quarter and Half year ended September 30,2016 respectively and the unamortised balance carried forward as on September 30,2016 is ` 4,336.58 Lakhs, to be amortised over the next two quarters.
- 7 During the quarter and half year ended September 30, 2016, the Bank allotted 11,06,075 and 15,34,765 Equity Shares respectively, pursuant to the exercise of stock options by certain employees.
- 8 The figures for the quarter ended June 30, 2016, quarter and half year ended September 30,2015 and year ended March 31,2016 were reviewed / audited by previous statutory auditors.
- 9 Previous period's / year's figures have been regrouped / reclassified, where necessary to conform to current period's classification.

Mumbai
October 25, 2016

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO
(DIN: 02274773)