

**THE FEDERAL BANK LIMITED**

REGD.OFFICE: ALUVA

**UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 31 DECEMBER 2011**

(₹ in Crores)

	Quarter ended			Nine Months ended		Year ended
	Dec-11	Sep-11	Dec-10	Dec-11	Dec-10	Mar-11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Interest earned(a)+(b)+(c)+(d)	1,466.83	1,367.83	1,021.88	4,079.37	2,952.01	4,052.03
(a) Interest/discount on advances/bills	1,084.23	1,050.05	794.76	3,111.30	2,311.68	3,168.80
(b) Income on Investments	367.44	310.24	221.40	937.47	629.27	868.03
(c) Interest on balances with RBI and other inter bank funds	10.18	5.69	4.38	22.04	7.95	10.60
(d) Others	4.98	1.85	1.34	8.56	3.11	4.60
2 Other Income	137.93	116.96	121.69	371.79	375.62	516.81
3 <b>TOTAL INCOME (1+2)</b>	<b>1,604.76</b>	<b>1,484.79</b>	<b>1,143.57</b>	<b>4,451.16</b>	<b>3,327.63</b>	<b>4,568.84</b>
4 Interest expended	938.80	893.42	574.63	2,617.18	1,653.07	2,305.45
5 Operating Expenses (i)+(ii)	247.24	230.10	212.23	699.94	597.53	836.14
(i) Employee Cost	138.45	128.25	119.84	397.65	345.38	480.41
(ii) Other operating expenses	108.79	101.85	92.39	302.29	252.15	355.73
6 <b>TOTAL EXPENDITURE (4)+(5)</b> (excluding Provisions and Contingencies)	<b>1,186.04</b>	<b>1,123.52</b>	<b>786.86</b>	<b>3,317.12</b>	<b>2,250.60</b>	<b>3,141.59</b>
7 <b>OPERATING PROFIT (3-6)</b> (Profit before Provisions and Contingencies)	<b>418.72</b>	<b>361.27</b>	<b>356.71</b>	<b>1,134.04</b>	<b>1,077.03</b>	<b>1,427.25</b>
8 Provisions (other than Tax) and Contingencies	115.25	72.19	142.38	321.46	446.02	525.44
9 Exceptional Items	-	-	-	-	-	-
10 Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	303.47	289.08	214.33	812.58	631.01	901.81
11 Tax expense	101.60	97.92	71.23	273.39	215.65	314.73
12 <b>Net Profit (+)/Loss(-) from Ordinary Activities after tax (10-11)</b>	<b>201.87</b>	<b>191.16</b>	<b>143.10</b>	<b>539.19</b>	<b>415.36</b>	<b>587.08</b>
13 Extraordinary items (net of tax expense)	-	-	-	-	-	-
14 <b>Net Profit (+)/Loss(-) for the period (12-13)</b>	<b>201.87</b>	<b>191.16</b>	<b>143.10</b>	<b>539.19</b>	<b>415.36</b>	<b>587.08</b>
15 Paid-up equity share capital (Face value Rs.10/-)	171.05	171.05	171.03	171.05	171.03	171.05
16 Reserves excluding revaluation reserve	-	-	-	-	-	4,931.98
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)						
(a) Under Basel I	13.71	13.48	16.13	13.71	16.13	15.39
(b) Under Basel II	15.91	15.05	16.42	15.91	16.42	16.79
(iii) Earnings per Share (EPS)						
(a) Basic and diluted EPS before Extra ordinary items	11.80*	11.18*	8.37*	31.52*	24.29*	34.32
(b) Basic and diluted EPS after Extra ordinary items	11.80*	11.18*	8.37*	31.52*	24.29*	34.32
(iv) NPA Ratios						
a) Gross NPA	1,363.44	1,250.26	1,152.88	1,363.44	1,152.88	1,148.33
b) Net NPA	243.64	195.72	227.08	243.64	227.08	190.69
c) % of Gross NPA	3.97	3.61	3.95	3.97	3.95	3.49
d) % of Net NPA	0.74	0.58	0.81	0.74	0.81	0.60
(v) Return on Asset (%)	0.35*	0.36*	0.32*	1.00*	0.97*	1.34
18 <b>Public Shareholding:</b>						
Number of Shares	1671.94Lakh	1677.58Lakh	1675.98Lakh	1671.94Lakh	1675.98Lakh	1676.75Lakh
Percentage of shareholding	97.75	98.08	98.04	97.75	98.04	98.08
19 <b>Promoters and Promoter group share holding</b>						
(a) Pledged/Encumbered						
Number of Shares	NIL	NIL	NIL	NIL	NIL	NIL
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
(b) Non-encumbered						
Number of Shares	NIL	NIL	NIL	NIL	NIL	NIL
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL

Information @

(₹ in Crores)

	Quarter ended			Nine Months ended		Year ended
	31-Dec-11 (Unaudited)	30-Sep-11 (Unaudited)	31-Dec-10 (Unaudited)	31-Dec-11 (Unaudited)	31-Dec-10 (Unaudited)	31-Mar-11 (Audited)
Segment Revenue:						
Treasury operations	426.14	353.53	231.38	1,077.29	675.80	932.00
Corporate/Wholesale Banking	507.08	478.84	367.65	1,461.12	1,047.34	1,461.07
Retail Banking	664.06	645.00	534.14	1,890.99	1,585.22	2,157.73
Other Banking operations	7.48	7.42	10.40	21.76	19.27	18.04
Unallocated	-	-	-	-	-	-
Total Revenue	1,604.76	1,484.79	1,143.57	4,451.16	3,327.63	4,568.84
Less: Inter Segment Revenue	-	-	-	-	-	-
Income from Operations	1,604.76	1,484.79	1,143.57	4,451.16	3,327.63	4,568.84
Segment Results (net of provisions):						
Treasury operations	69.38	-1.38	10.77	64.13	47.51	83.86
Corporate/Wholesale Banking	30.88	48.37	62.85	131.85	163.37	222.82
Retail Banking	198.00	236.94	131.48	601.41	404.61	585.51
Other Banking operations	5.21	5.15	9.23	15.19	15.52	9.62
Unallocated	-	-	-	-	-	-
Total Profit before tax	303.47	289.08	214.33	812.58	631.01	901.81
Capital employed:						
Treasury operations	2,705.11	2,581.73	1,580.78	2,705.11	1,580.78	1,887.85
Corporate/Wholesale Banking	1,068.61	1,114.58	1,544.21	1,068.61	1,544.21	1,277.83
Retail Banking	1,090.08	1,083.20	1,978.00	1,090.08	1,978.00	1,247.22
Other Banking operations	269.08	58.76	2.80	269.08	2.80	447.91
Unallocated	514.98	607.71	-	514.98	-	247.85
Total	5,647.86	5,445.98	5,105.79	5,647.86	5,105.79	5,108.66

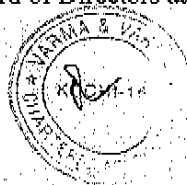
@ For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the revised RBI guidelines. The Bank has only the Domestic geographic segment.

## 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 by employees), leave encashment, bonus, income tax including deferred tax and other usual and necessary items have also been made. In accordance with the RBI letter no. DBOD.BP.BC.15896/21.01.018/2010-11 dated 08.04.2011, the net liability arising on exercise of second option by employees (other than separated/retired employees) is being amortized equally over a period of 5 years commencing from the year ended on 31.03.2011, and Rs.25.28 crores, being the proportionate liability in respect thereof, for the nine month ended 31.12.2011 (Rs.8.43 crores for the quarter ended 31.12.2011) have been charged to Profit and Loss Account and the balance amount of Rs.109.44 Crores yet to be written off is carried forward to be amortised in future periods as permitted by the said approval of RBI.
- Number of Investor complaints/correspondence received and disposed off during the quarter ended 31 December 2011:
  - Pending at the beginning of the quarter: NIL
  - Received during the quarter : 58
  - Disposed off during the quarter : 58
  - 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 23.01.2012.

Kochi

23 January 2012



SHYAM SRINIVASAN  
MANAGING DIRECTOR & CEO

**Varma & Varma**  
Chartered Accountants  
Kochi

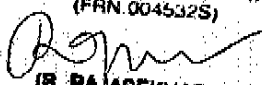
**Price Patt & Co**  
Chartered Accountants  
Chennai


### LIMITED REVIEW REPORT

**The Board of Directors**  
**The Federal Bank Limited**  
Aluva

1. We have reviewed the accompanying statement of unaudited financial results of THE FEDERAL BANK LIMITED, Aluva for the period ended 31<sup>st</sup> December 2011 except for disclosure regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the bank's management and has been approved by the Board of Directors in its meeting held on 23<sup>rd</sup> January 2012. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In the conduct of our review, we have reviewed 16 branches and we have relied on the review reports, in respect of the returns including non-performing assets received from the branch auditors of 52 branches specifically appointed for this purpose by the bank. These review reports cover 58.48 % of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from other branches of the bank.
4. Without qualifying our opinion, we draw attention to Note No 2, which describes deferment of pension liability of the bank to the extent of Rs.109.44 crore pursuant to the approval granted by the Reserve Bank of India to the bank vide letter no. DBOD.No.BP.BC.15896/21.04.018/2010-11 dated 08.04.2011, for availing the exemption from application of the provisions of Accounting Standard (AS) 15 - Employee Benefits, as provided therein.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that, the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Place: Kochi  
Date: 23.1.2012

**For VARMA AND VARMA**  
(FRN.0045325)  
  
(R. RAJASEKHARAN)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 22703

**For Price Patt & Co.,**  
Chartered Accountants  
FRN: 027835  
  
S. BALASUBRAMANIAN  
Partner