

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

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2013

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2013	31.03.2013	30.06.2012	31.03.2013
	(Unaudited)	(Audited Refer note 6)	(Unaudited)	(Audited)
1 Interest earned (a)+(b)+(c)+(d)	165326	158346	153671	616757
(a) Interest/discount on advances/bills	124206	116842	116333	463566
(b) Income on Investments	39705	39703	35516	146460
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1324	1539	1671	5636
(d) Others	91	262	151	1095
2 Other Income	21579	19685	12433	66444
3 TOTAL INCOME (1+2)	186905	178031	166104	683201
4 Interest expended	114365	110370	104507	419291
5 Operating Expenses (i)+(ii)	32486	30714	26946	117954
(i) Employees Cost	17351	15115	15238	62646
(ii) Other operating expenses	15135	15599	11708	55308
6 TOTAL EXPENDITURE (4)+(5) (excluding Provisions and Contingencies)	146851	141084	131453	537245
7 OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	40054	36947	34651	145956
8 Provisions (other than Tax) and Contingencies	24510	9818	6278	26580
9 Exceptional Items	-	-	-	-
10 Profit from Ordinary Activities before tax (7-8-9)	15544	27129	28373	119376
11 Tax expense	4978	4935	9338	35559
12 Net Profit from Ordinary Activities after tax (10-11)	10566	22194	19035	83817
13 Extraordinary items (net of tax expense)	-	-	-	-
14 Net Profit for the period (12-13)	10566	22194	19035	83817
15 Paid-up Equity Share Capital (Face value ₹ 10/- each)	17106	17106	17105	17106
16 Reserves excluding Revaluation Reserve	-	-	-	618839
17 Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)				
(a) Under Basel II	15.00	14.73	15.45	14.73
(b) Under Basel III (Refer note 7)	14.27	-	-	-
(iii) Earnings per Share (EPS) (in ₹)				
(a) Basic and diluted EPS before Extra ordinary Items	6.18*	12.97*	11.13*	49.00
(b) Basic and diluted EPS after Extra ordinary items	6.18*	12.97*	11.13*	49.00
(iv) NPA Ratios				
a) Gross NPA	148325	155401	140886	155401
b) Net NPA	37362	43194	23616	43194
c) % of Gross NPA	3.51	3.44	3.60	3.44
d) % of Net NPA	0.91	0.98	0.62	0.98
(v) Return on Asset (%)	0.15*	0.33*	0.32*	1.35
18 Public Shareholding:				
Number of Shares (in Lakhs)	1676.78	1676.88	1669.86	1676.88
Percentage of shareholding #	98.02	98.03	97.63	98.03
19 Promoters and Promoter group share holding				
(a) Pledged/Encumbered				
- Number of Shares	NIL	NIL	NIL	NIL
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL
- Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL
(b) Non-encumbered				
- Number of Shares	NIL	NIL	NIL	NIL
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL
- Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL

* Not annualised

excludes shares held by custodian against which Global Depository Receipts have been issued.



*** Segment Information**

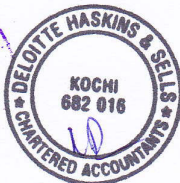
(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2013	31.03.2013	30.06.2012	31.03.2013
	(Unaudited)	(Audited Refer note 6)	(Unaudited)	(Audited)
Segment Revenue:				
Treasury	53376	49628	42332	181360
Corporate/Wholesale Banking	57985	50624	63499	216973
Retail Banking	74580	76963	59348	280788
Other Banking operations	964	816	925	4080
Unallocated	-	-	-	-
Total Revenue	186905	178031	166104	683201
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	186905	178031	166104	683201
Segment Results (net of provisions):				
Treasury	10682	7130	6272	28761
Corporate/Wholesale Banking	(5051)	583	6545	25470
Retail Banking	9053	18264	14961	61830
Other Banking operations	860	1152	595	3315
Unallocated	-	-	-	-
Profit before tax	15544	27129	28373	119376
Capital employed:				
Treasury	297596	246148	246989	246148
Corporate/Wholesale Banking	121384	163289	138508	163289
Retail Banking	141874	168548	129635	168548
Other Banking operations	1860	6928	6551	6928
Unallocated	84319	51553	67985	51553
Total	647033	636466	589668	636466

* 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 operates only in India.

Notes:

- 1 The above financial results, subjected to Limited Review by statutory central auditors, have been taken on record by the Audit Committee and approved at meeting of the Board of Directors held on 19th July 2013.
- 2 As a prudent policy, the Bank holds provisions for Non Performing Assets over and above the minimum required under the Reserve Bank of India (RBI) norms. Further, provision for restructured advances has been made as per RBI guidelines.
- 3 The bank has changed its policy on valuation of swap contracts against the overseas borrowings, by amortising the cost over the period of swap tenure, as against the earlier practice of writing back/writing off the mark-to-market gain or loss at the end of each reporting period. This change in policy does not have any financial impact over the full period of swap.
However, the impact of change in the policy on valuation and amortization as described above on a quarterly basis, is increase in the profit by ₹365.39 lakhs for Quarter ended 30 June, 2013. Had this policy been adopted in the previous year, the effect would have been increase in profit by ₹ 283.85 lakhs for the quarter ended 30 June 2012 and decrease in profit by ₹148.68 lakhs for the quarter and year ended 31 March, 2013.



4 The Pension 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 accordingly an amount of ₹8.42 Crore, being the proportionate liability in respect thereof, for the quarter ended 30.06.2013 have been charged to Profit and Loss Account and the balance amount of ₹ 58.94 Crore yet to be written off is carried forward to be amortised in future periods as permitted by the Reserve Bank of India vide letter no. DBOD.BP.BC.15896/21.04.018/2010-11 dated 08.04.2011.

5 Number of Investor complaints received and disposed off during the quarter ended 30th June 2013:


a) Pending at the beginning of the quarter	:	2
b) Received during the quarter	:	32
c) Disposed off during the quarter	:	34
d) Pending at the end of the quarter	:	Nil

6 The figures for the quarter ended March 31, 2013 are the balancing figures between audited figures in respect of financial year 2012-13 and the published year to date figures upto December 31, 2012.

7 In accordance with the RBI guidelines, banks are required to disclose capital adequacy ratio computed under Basel III capital regulations from the quarter ended June 30, 2013. Hence, disclosure has been made for the current quarter only.

8 Figures for the previous periods/year have been recast/regrouped wherever necessary.

Kochi
19th July 2013


SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO



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**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
THE FEDERAL BANK LIMITED**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **THE FEDERAL BANK LIMITED** ("the Bank") for the quarter ended 30th June, 2013 ("the Statement") being submitted by the Bank pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in paragraph 6 below. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditors 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 Statement is free of material misstatements. A review is limited primarily to inquiries of the 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 33 branches and we have relied on the review reports in respect of returns including non-performing assets received from the branch auditors of 50 branches, specifically appointed for this purpose by the bank. These review reports cover 55 percent 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 the branches of the bank.



: 2 :

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, 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.
5. Attention is drawn to Note No. 4 of the Statement regarding proportionate charge of pension liability of the bank amounting to ₹8.42 Crore for the quarter ended 30th June, 2013 and the balance unamortised liability of ₹58.94 Crore as at 30th June, 2013, pursuant to the exemption granted by the Reserve Bank of India and made applicable to the Bank vide letter no. DBOD No.BP.BC.15896 / 21.04.018 / 2010-11 dated April 8, 2011, from the application of the provisions of the Accounting Standard (AS) 15, Employee Benefits.

Our conclusion is not qualified in respect of this matter.


6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints as disclosed in the Statement, from the details furnished by the Registrars.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.008072S)



M. Ramachandran
Partner
(Membership No.16399)

For **M P Chitale & Co.**
Chartered Accountants
(Registration No. 101851W)



Ulhas Chitale
Partner
(Membership No. 32292)

KOCHI, 19 July, 2013.