

SD/ 24 / /2016

Secretarial Department  
25.10.2016

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Floor 25, Dalal Street,  
MUMBAI – 400 001.

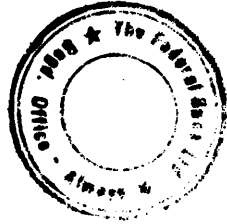
Dear Sir,

As required under the Listing Agreement entered into by us with your Stock Exchange and as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding the Un-audited Financial Results of the Bank for the period ended 30<sup>th</sup> September, 2016, which was approved at the Bank's Board of Directors meeting held today.

Kindly acknowledge

Thanking you,

  
Company Secretary



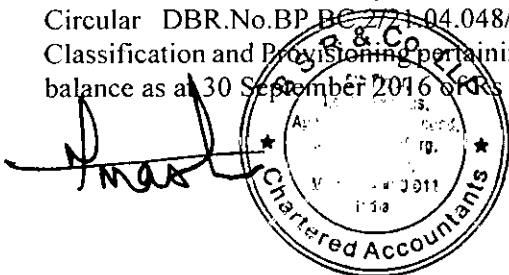
**B S R & Co. LLP**  
*Chartered Accountants*  
5<sup>th</sup> Floor Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai – 400 011

**M.M. Nissim & Co.**  
*Chartered Accountants*  
Barodawala Mansion, B-Wing,  
3<sup>rd</sup> Floor, 81,  
Dr. Annie Besant Road,  
Worli, Mumbai- 400 018

**Limited Review Report on Quarterly Standalone Financial Results of The Federal Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of  
The Federal Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results ('the Statement') of The Federal Bank Limited ('the Bank') for the quarter and half year ended 30 September 2016, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the disclosures relating to 'consolidated Pillar 3 disclosure as at 30 September 2016, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations' as have been disclosed on the Bank's website and in respect of which a link has been provided in the standalone quarterly financial results and have not been reviewed by us.
2. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in their meeting held on 25 October 2016. Our responsibility is to issue a report on the Statement based on our review. The financial results for all periods prior to the quarter ended 30 September 2016, included in the statement were reviewed or audited earlier by Deloitte Haskins & Sells, Chartered Accountants, and by M P Chitale & Co., Chartered Accountants, the then joint statutory auditors of the Bank, whose reports have been furnished to the current joint auditors M.M. Nissim & Co., Chartered Accountants, and B S R & Co. LLP, and which have been relied upon for the purpose of the joint review of the Statement.
3. 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 Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The financial results incorporate the relevant returns of 120 branches and Treasury Branch reviewed by either of us and un-reviewed returns in respect of 1162 branches. These branches cover 58.95% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank and 61.52% of non-performing advances of the bank.
5. Without qualifying our conclusion, we draw attention to Note No. 6 regarding deferment of shortfall arising from the sale of certain non-performing assets during the year ended 31 March 2016 in terms of RBI Master Circular DBR.No.BP/BC/771/04.048/2015-16 - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, dated July 1, 2015, as amended and the unamortized balance as at 30 September 2016 of Rs 4,336.58 lakhs.



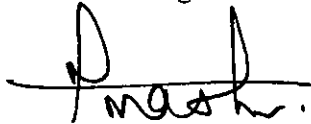
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Barodawala Mansion, B-Wing,  
3<sup>rd</sup> Floor, 81,  
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6. Based on our review conducted as mentioned in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

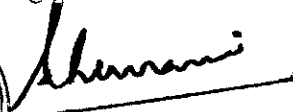

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W / W-100022



**Akeel Master**  
*Partner*  
Membership No: 046168  
Mumbai  
25 October 2016



For **M.M. Nissim & Co.**  
*Chartered Accountants*  
Firm's Registration No: 107122W

**Sanjay Khemani**  
*Partner*  
Membership No: 044577  
Mumbai  
25 October 2016

**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
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	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	26,164	23,704	17,993	49,858	37,338	78,292
<b>3. TOTAL INCOME (1+2)</b>	<b>2,32,779</b>	<b>2,25,081</b>	<b>2,08,453</b>	<b>4,57,860</b>	<b>4,19,162</b>	<b>8,53,107</b>
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
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding Provisions and Contingencies)	<b>1,85,286</b>	<b>1,82,495</b>	<b>1,74,796</b>	<b>3,67,781</b>	<b>3,48,784</b>	<b>7,10,729</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before Provisions and Contingencies)	<b>47,493</b>	<b>42,586</b>	<b>33,657</b>	<b>90,079</b>	<b>70,378</b>	<b>1,42,378</b>
8. Provisions (other than Tax) and Contingencies	16,840	16,848	8,728	33,688	24,038	70,413
9. Exceptional Items	-	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax (7-8-9)</b>	<b>30,653</b>	<b>25,738</b>	<b>24,929</b>	<b>56,391</b>	<b>46,340</b>	<b>71,965</b>
11. Tax expense	10,529	9,007	8,801	19,536	16,073	24,400
<b>12. Net Profit from Ordinary Activities after tax (10-11)</b>	<b>20,124</b>	<b>16,731</b>	<b>16,128</b>	<b>36,855</b>	<b>30,267</b>	<b>47,565</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>20,124</b>	<b>16,731</b>	<b>16,128</b>	<b>36,855</b>	<b>30,267</b>	<b>47,565</b>
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 31.03.2016 Audited
	30.09.2016 Unaudited	30.06.2016 Unaudited	30.09.2015 Unaudited	30.09.2016 Unaudited	30.09.2015 Unaudited	
<b>Segment Revenue:</b>						
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	-	-	-	-	-	-
<b>Income from Operations</b>	2,32,779	2,25,081	2,08,453	4,57,860	4,19,162	8,53,107
<b>Segment Results (net of provisions):</b>						
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	-	(388)	(501)	(1,250)	(1,000)	(2,545)
<b>Profit before tax</b>	30,653	25,738	24,929	56,391	46,340	71,965
<b>Capital employed:</b>						
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
<b>Total</b>	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 30.09.2016	As at 30.09.2015	As at 31.03.2016
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
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
<b>Total</b>	1,00,47,590	86,26,491	91,43,003
<b>ASSETS</b>			
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
<b>Total</b>	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)

