

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

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE 2014

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	Unaudited	Audited (Refer note 7)	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	177,150	183,871	165,326	694,608
(a) Interest/discount on advances/bills	129,987	123,794	124,206	501,108
(b) Income on Investments	45,819	48,080	39,705	177,683
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,251	1,746	1,324	5,236
(d) Others	93	10,251	91	10,581
2. Other Income	15,654	17,841	21,579	69,385
3. TOTAL INCOME (1+2)	192,804	201,712	186,905	763,993
4. Interest expended	120,728	121,363	114,365	471,747
5. Operating Expenses (i)+(ii)	36,923	38,345	33,486	144,207
(i) Employees Cost	20,443	20,090	18,351	77,154
(ii) Other operating expenses	16,480	18,255	15,135	67,053
6. TOTAL EXPENDITURE (4)+(5) (excluding Provisions and Contingencies)	157,651	159,708	147,851	615,954
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	35,153	42,004	39,054	148,039
8. Provisions (other than Tax) and Contingencies	2,208	5,503	23,510	26,840
9. Exceptional Items	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	32,945	36,501	15,544	121,199
11. Tax expense	10,922	8,772	4,978	37,310
12. Net Profit from Ordinary Activities after tax (10-11)	22,023	27,729	10,566	83,889
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit for the period (12-13)	22,023	27,729	10,566	83,889
15. Paid-up Equity Share Capital (Face value ₹ 2/- each)	17,107	17,106	17,106	17,106
16. Reserves excluding Revaluation Reserve	-	-	-	677,452
17. Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%) Under Basel III	15.16	15.14	14.27	15.14
(iii) Earnings per Share (EPS) (in ₹)				
(a) Basic and diluted EPS before Extra ordinary Items	2.57*	3.24*	1.24*	9.81
(b) Basic and diluted EPS after Extra ordinary Items	2.57*	3.24*	1.24*	9.81
(iv) NPA Ratios				
a) Gross NPA	101,643	108,741	148,325	108,741
b) Net NPA	30,389	32,156	37,362	32,156
c) % of Gross NPA	2.22	2.46	3.51	2.46
d) % of Net NPA	0.68	0.74	0.91	0.74
(v) Return on Assets (%)	0.30*	0.38*	0.15*	1.20
18. Public Shareholding:				
Number of Shares (in Lakhs)	8,365.62	8,342.86	8,383.90	8,342.86
Percentage of shareholding #	97.80	97.54	98.02	97.54
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 issued.

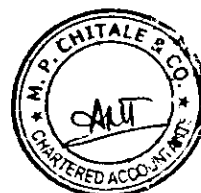


Segment Information@				
Particulars	Quarter ended			(₹ in Lakhs)
	30.06.2014	31.03.2014	30.06.2013	Year ended 31.03.2014
	Unaudited	Audited (Refer note 7)	Unaudited	Audited
Segment Revenue:				
Treasury	53,430	55,930	53,376	211,792
Corporate/Wholesale Banking	55,626	47,735	57,985	223,340
Retail Banking	82,931	86,627	74,580	314,658
Other Banking operations	817	11,420	964	14,203
Unallocated	-	-	-	-
Total Revenue	192,804	201,712	186,905	763,993
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	192,804	201,712	186,905	763,993
Segment Results (net of provisions):				
Treasury	7,881	2,003	10,721	14,990
Corporate/Wholesale Banking	12,503	4,087	(4,957)	29,162
Retail Banking	12,445	20,033	9,151	66,346
Other Banking operations	415	10,807	860	12,180
Unallocated	(299)	(429)	(231)	(1,479)
Profit before tax	32,945	36,501	15,544	121,199
Capital employed:				
Treasury	274,704	262,520	279,913	262,520
Corporate/Wholesale Banking	97,932	108,720	106,775	108,720
Retail Banking	132,320	152,266	124,392	152,266
Other Banking operations	1,430	1,539	1,860	1,539
Unallocated	210,729	170,014	134,093	170,014
Total	717,115	695,059	647,033	695,059

@ 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 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 their meeting on 16th July 2014.
- 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 standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures and provision for restructured advances has been made as per RBI guidelines.
- 3 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 ₹ 842 Lakhs, being the proportionate liability in respect thereof, for the quarter ended 30.06.2014 have been charged to Profit and Loss Account and the balance amount of ₹ 2526 lakhs is carried forward to be amortised during the ensuing quarters of the year as permitted by the Reserve Bank of India vide letter No. DBOD.BP.BC.15896/21.04.018/2010-11 dated 08th April, 2011.
- 4 RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated July 01, 2013 on Basel III Capital Regulations contains guidelines on certain Pillar 3 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.



5 Number of Investor complaints received and disposed off during the quarter ended 30th June 2014:

- | | |
|--|-------|
| a) Pending at the beginning of the quarter | : NIL |
| b) Received during the quarter | : 11 |
| c) Disposed off during the quarter | : 11 |
| d) Pending at the end of the quarter | : NIL |

6 During the quarter ended 30th June 2014, the Bank had allotted 37920 Shares pursuant to the exercise of stock options by certain employees.

7 The figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of financial year 2013-14 and the published year to date figures upto December 31, 2013.

8 Previous period/ year figures have been regrouped / reclassified, where necessary to conform to current period classification.

KOCHI
16th July 2014


SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO



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Haskins & Sells**

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**INDEPENDENT AUDITORS' REVIEW 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, 2014 ("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 misstatement. A review is limited primarily to inquiries of the Bank 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.
3. In the conduct of our review, 56 branches have been reviewed by one of us and we have relied on the review reports in respect of returns including non-performing assets received from the branch auditors of 34 branches, specifically appointed for this purpose by the bank. These review reports cover 54 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.
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 Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, 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.



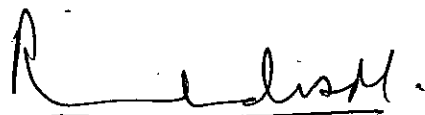
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5. Attention is drawn to Note No.3 of the Statement regarding proportionate charge of pension liability of the bank amounting to ₹ 842 Lakhs for the quarter ended 30th June, 2014 and the balance unamortised liability of ₹ 2526 Lakhs as at 30th June, 2014, 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.

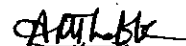
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in the Statement, from the details furnished by the Registrars. The "Pillar 3 disclosures under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Statement have not been subjected to our review.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)



M. Ramachandran
Partner
(Membership No.16399)

For **M P CHITALE & CO.**
Chartered Accountants
(Firm's Registration No. 101851W)



Anagha N. Thatte
Partner
(Membership No.105525)

KOCHI, 16 July, 2014.