

**Deloitte
Haskins & Sells**

Chartered Accountants
Wilmont Park Business Centre
1st Floor, Warriam Road
Kochi - 682 016
INDIA

Tel: +91 484 2353694
Fax: +91 484 2380094

M P Chitale & Co.

Chartered Accountants
First Floor, Hamam House
Ambalal Doshi Marg, Fort
Mumbai - 400 001
INDIA

Tel: +91-22-22651186
Fax: +91-22-22655334

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **THE FEDERAL BANK LIMITED** ("the Bank") for the Quarter ended 30th June, 2015 ("the Statement"), being submitted by the Bank pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in paragraph 5 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 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 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, 112 branches have been reviewed by one of us, which covers 55 percent of the advances portfolio of the bank. 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 applicable Accounting Standards specified under 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 prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



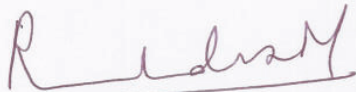
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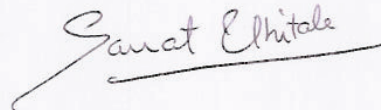
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount 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)



Sanat Chitale
Partner
(Membership No.143700)

MUMBAI, 18 July, 2015.

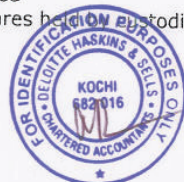
THE FEDERAL BANK LIMITED
REGD.OFFICE: P.B.NO. 103, FEDERAL TOWERS, ALUVA-683101
(CIN: L65191KL1931PLC000368)
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

(₹ in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
	Unaudited	Audited (Refer Note 7 below)	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	191,315	190,828	177,150	741,946
(a) Interest/discount on advances/bills	141,423	138,506	129,987	544,683
(b) Income on Investments	48,377	47,589	45,819	183,592
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,309	598	1,251	6,236
(d) Others	206	4,135	93	7,435
2. Other Income	19,394	30,600	15,654	87,831
3. TOTAL INCOME (1+2)	210,709	221,428	192,804	829,777
4. Interest expended	130,839	128,505	120,728	503,905
5. Operating Expenses (i)+(ii)	43,149	46,008	36,923	163,093
(i) Employees Cost	25,229	24,866	20,443	89,196
(ii) Other operating expenses	17,920	21,142	16,480	73,897
6. TOTAL EXPENDITURE (4+5) (excluding Provisions and Contingencies)	173,988	174,513	157,651	666,998
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	36,721	46,915	35,153	162,779
8. Provisions (other than Tax) and Contingencies	15,310	3,978	2,208	10,675
9. Exceptional Items	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	21,411	42,937	32,945	152,104
11. Tax expense	7,272	14,884	10,922	51,529
12. Net Profit from Ordinary Activities after tax (10-11)	14,139	28,053	22,023	100,575
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit for the period (12-13)	14,139	28,053	22,023	100,575
15. Paid-up Equity Share Capital (Face value ₹ 2/- per Equity Share)	17,159	17,133	17,107	17,133
16. Reserves excluding Revaluation Reserve				756,180
17. Analytical Ratios				
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)				
Under Basel III	15.07	15.46	15.16	15.46
(iii) Earnings per Share (EPS) (in ₹) (Refer Note 6)				
(a) Basic EPS (before and after Extra ordinary Items)	1.65*	3.27*	2.57*	11.75
(b) Diluted EPS (before and after Extra ordinary Items)	1.62*	3.22*	2.53*	11.56
(iv) NPA Ratios				
a) Gross NPA	130,458	105,773	101,643	105,773
b) Net NPA	48,447	37,327	30,389	37,327
c) % of Gross NPA	2.59	2.04	2.22	2.04
d) % of Net NPA	0.98	0.73	0.68	0.73
(v) Return on Assets (%)	0.17*	0.35*	0.30*	1.32
18. Public Shareholding:				
Number of Shares (in Lakhs)	8,418.54	8,399.88	8,365.62	8,399.88
Percentage of shareholding #	98.12	98.05	97.80	98.05
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 Depository Receipts.



Segment Information [Ⓐ]				
Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
	Unaudited	Audited (Refer Note 7 below)	Unaudited	Audited
(₹ in Lakhs)				
Segment Revenue:				
Treasury	57,729	60,377	53,430	225,027
Corporate/Wholesale Banking	53,062	59,886	55,626	234,993
Retail Banking	99,635	96,621	82,931	357,797
Other Banking operations	283	4,544	817	11,960
Unallocated	-	-	-	-
Total Revenue	210,709	221,428	192,804	829,777
Less: Inter Segment Revenue	-	-	-	-
Income from Operations	210,709	221,428	192,804	829,777
Segment Results (net of provisions):				
Treasury	1,799	9,623	7,881	34,218
Corporate/Wholesale Banking	1,439	3,190	12,503	33,399
Retail Banking	18,438	26,658	12,445	76,112
Other Banking operations	234	4,167	415	10,372
Unallocated	(499)	(701)	(299)	(1,997)
Profit before tax	21,411	42,937	32,945	152,104
Capital employed:				
Treasury	308,062	257,003	274,704	257,003
Corporate/Wholesale Banking	108,880	133,845	97,932	133,845
Retail Banking	172,157	196,520	132,320	196,520
Other Banking operations	4,449	2,432	1,430	2,432
Unallocated	195,436	184,013	210,729	184,013
Total	788,984	773,813	717,115	773,813

[Ⓐ] 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:

- The above financial results have been taken on record by the Audit Committee and approved by the Board of Directors at its meeting held on July 18, 2015.
- 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 have been made as per RBI guidelines.
- RBI Master circular DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 01, 2014, as amended, on Basel III Capital Regulations and in terms of RBI circular DBR.No.BP.BC.58/21.06.201/2014-15 dated January 8, 2015 on revised framework for leverage ratio contains guidelines on certain Pillar 3 disclosure requirements and 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.
- Number of Investor complaints received and disposed off during the quarter ended June 30, 2015:

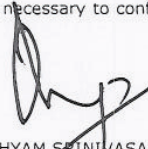
a) Pending at the beginning of the quarter	: NIL
b) Received during the quarter	: 10
c) Disposed off during the quarter	: 10
d) Pending at the end of the quarter	: NIL
- During the quarter ended June 30, 2015, the Bank had allotted 12,90,009 Equity Shares pursuant to the exercise of stock options by certain employees.
- The shareholders of the Bank have approved the issue of Bonus Shares at the Annual General Meeting held on June 29, 2015, in the Ratio of One bonus Equity share for every Equity Share held as on the record date of July 9, 2015. If this is considered the Basic and Diluted EPS for the quarter ended June 30, 2015 and Previous periods. will be as under.

Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
(a) Basic EPS (before and after Extra ordinary Items) (Rs.)	0.83*	1.64*	1.29*	5.87
(b) Diluted EPS (before and after Extra ordinary Items) (Rs.)	0.82*	1.62*	1.27*	5.82

* Not Annualised

- The figures of the quarter ended March 31, 2015 are the balancing figures between the audited figures in respect of the financial year 2014-15 and the published year to date figures upto December 31, 2014.
- Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period classification.




 SHYAM SRINIVASAN
 MANAGING DIRECTOR & CEO
 (DIN: 02274773)