FEDERAL BANK
YOUR PERFECT BANKING PARTNER

SD/ 24 / /2014

Secretarial Department
29 April, 2014

The National Stock Exchange Of India Ltd
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Fax No.022-26598237/38

Dear Sir,

As required under the Listing Agreement entered into by us with your Stock Exchange, we enclose the Audited financial results of the Bank for the period ended 31 March, 2014, which was approved at the Bank's Board of Directors meeting held today.

Kindly acknowledge.

Thanking you,

Yours faithfully,

COMPANY SECRETARY

THE FEDERAL BANK LTD. SECRETARIAL DEPT.

The Federal Bank Ltd. Registered Office: Secretarial Department, Federal Towers, P O Box No.103, Aluva, Kerala, India 683 101
E-mail: girishkumar@federalbank.co.in| Phone : 0484-2622645

THE FEDERAL BANK LIMITED

AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31st MARCH 2014

(₹ in Lakhs)

Particulars	Quarter ended			Year ended		Consolidated figures for the year ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Audited (Refer note 15 below)	Unaudited	Audited	Audited	Audited	Audited	Audited
Interest earned (a)+(b)+(c)+(d)	183,871	173,967	158,346	694,608	616,757	700,570	624,632
(a) Interest/discount on advances/bills	123,794	126,622	116,842	501,108	463,566	507,070	471,442
(b) Income on Investments	48,080	46,120	39,703	177,683	146,460	177,683	146,460
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,746	1,054	1,539	5,236	5,636	5,236	5,635
(d) Others	10,251	171	262	10,581	1,095	10,581	1,095
Other Income	17,841	15,625	19,685	69,385	66,444	68,518	66,464
TOTAL INCOME (1+2)	**201,712**	**189,592**	**178,031**	**763,993**	**683,201**	**769,088**	**691,096**
Interest expended	121,363	119,410	110,370	471,747	419,291	472,776	420,894
Operating Expenses (i)+(ii)	38,345	37,092	31,214	144,207	118,454	149,350	122,859
(i) Employees Cost	20,090	20,170	15,615	77,154	63,146	79,543	65,271
(ii) Other operating expenses	18,255	16,922	15,599	67,053	55,308	69,807	57,588
TOTAL EXPENDITURE (4)+(5) (excluding Provisions and Contingencies)	**159,708**	**156,502**	**141,584**	**615,954**	**537,745**	**622,126**	**543,753**
OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	**42,004**	**33,090**	**36,447**	**148,039**	**145,456**	**146,962**	**147,343**
Provisions (other than Tax) and Contingencies	5,503	(1,771)	9,318	26,840	26,080	24,677	26,042
Exceptional Items	-	-	-	-	-	-	-
Profit from Ordinary Activities before tax (7-8-9)	36,501	34,861	27,129	121,199	119,376	122,285	121,301
Tax expense	8,772	11,848	4,935	37,310	35,559	37,310	36,035
Net Profit from Ordinary Activities after tax (10-11)	**27,729**	**23,013**	**22,194**	**83,889**	**83,817**	**84,975**	**85,266**
Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
Net Profit for the period (12-13)	**27,729**	**23,013**	**22,194**	**83,889**	**83,817**	**84,975**	**85,266**
Paid-up Equity Share Capital (Face value ₹ 2/- each) (Refer Note 4 below)	17,106	17,106	17,106	17,106	17,106	17,106	17,106
Reserves excluding Revaluation Reserve	-	-	-	677,452	618,839	668,464	608,765
Analytical Ratios							
(i) Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy ratio (%)							
(a) Under Basel II	NA	NA	14.73	NA	14.73	-	-
(b) Under Basel III (Refer Note 7 below)	15.14	14.80	NA	15.14	NA	-	-
(iii) Earnings per Share (EPS) (in ₹) (Refer Note 4 below)							
(a) Basic and diluted EPS before Extra ordinary Items	3.24*	2.69*	2.59*	9.81	9.80	9.93	9.97
(b) Basic and diluted EPS after Extra ordinary Items	3.24*	2.69*	2.59*	9.81	9.80	9.93	9.97
(iv) NPA Ratios							
a) Gross NPA	108,741	120,089	155,401	108,741	155,401		
b) Net NPA	32,156	35,626	43,194	32,156	43,194		
c) % of Gross NPA	2.46	2.83	3.44	2.46	3.44		
d) % of Net NPA	0.74	0.86	0.98	0.74	0.98		
(v) Return on Assets (%)	0.38*	0.33*	0.33*	1.20	1.35		
Public Shareholding:							
Number of Shares (in Lakhs) (Refer Note 4 below)	8,342.86	8,342.86	8,384.40	8,342.86	8,384.40		
Percentage of shareholding #	97.54	97.54	98.03	97.54	98.03		
Promoters and Promoter group share holding							
(a) Pledged/Encumbered							
- Number of Shares	NIL	NIL	NIL	NIL	NIL		
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL		
- Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL		
(b) Non-encumbered							
- Number of Shares	NIL	NIL	NIL	NIL	NIL		
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL		
- Percentage of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL		

* Not annualised
# excludes shares held by custodian against which Global Depository Receipts issued.

Segment Information @

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited	Unaudited	Audited	Audited	Audited
Segment Revenue:					
Treasury	55,930	53,380	49,628	211,792	181,360
Corporate/Wholesale Banking	47,735	58,489	50,624	223,340	216,973
Retail Banking	86,627	76,751	76,963	314,658	280,788
Other Banking operations	11,420	972	816	14,203	4,080
Unallocated	-	-	-	-	-
Total Revenue	**201,712**	**189,592**	**178,031**	**763,993**	**683,201**
Less: Inter Segment Revenue	-	-	-	-	-
Income from Operations	**201,712**	**189,592**	**178,031**	**763,993**	**683,201**
Segment Results (net of provisions):					
Treasury	2,003	537	7,205	14,990	29,047
Corporate/Wholesale Banking	4,087	17,123	738	29,162	26,114
Retail Banking	20,033	17,071	18,439	66,346	62,566
Other Banking operations	10,807	493	1,152	12,180	3,315
Unallocated	(429)	(363)	(405)	(1,479)	(1,666)
Profit before tax	**36,501**	**34,861**	**27,129**	**121,199**	**119,376**
Capital employed:					
Treasury	300,672	380,153	246,148	300,672	246,148
Corporate/Wholesale Banking	137,721	97,265	163,289	137,721	163,289
Retail Banking	193,869	123,993	168,548	193,869	168,548
Other Banking operations	1,539	1,492	6,928	1,539	6,928
Unallocated	61,258	84,339	51,553	61,258	51,553
Total	**695,059**	**687,241**	**636,466**	**695,059**	**636,466**

@ 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 Statement of Assets and Liabilities of the bank as on 31st March, 2014 is given below:

(₹ in Lakhs)

Particulars	As at 31.03.2014 Audited	As at 31.03.2013 Audited
CAPITAL AND LIABILITIES		
Capital	17,106	17,106
Reserves and Surplus	677,953	619,360
Deposits	5,973,128	5,761,486
Borrowings	568,796	518,699
Other Liabilities and Provisions	222,432	186,643
Total	**7,459,415**	**7,103,294**
ASSETS		
Cash and Balances with Reserve Bank of India	310,429	274,250
Balance with Banks and Money at Call and Short Notice	142,509	97,749
Investments	2,411,785	2,115,459
Advances	4,343,610	4,409,670
Fixed Assets	42,496	39,987
Other Assets	208,586	166,179
Total	**7,459,415**	**7,103,294**

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2 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 29th April, 2014.

3 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.

4 Pursuant to the approval of the Shareholders at the 82nd Annual General Meeting held on 20th July 2013, the face value of each equity share of ₹ 10/- was sub-divided into 5 (Five) Equity Shares of ₹ 2/- each with effect from 19th October 2013. Accordingly, the number of shares and the Earnings Per Share of the previous periods have been restated to make the same comparable.

5 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, with effect from 01.04.2013, 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, is increase in the profit by ₹324.26 lakhs for the quarter ended 31st March 2014 and decrease in profit by ₹664.04 lakhs for the year ended 31st March, 2014. Had this policy been adopted in the previous year, the effect would have been increase in profit by ₹8.99 lakhs for the quarter ended 31st March 2013 and decrease in profit by ₹148.68 lakhs for the year ended 31st March, 2013.

6 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 ₹ 3368 Lakhs, being the proportionate liability in respect thereof, for the year ended 31.03.2014 (₹ 842 Lakhs for the quarter ended 31.03.2014) have been charged to Profit and Loss Account and the balance amount of ₹ 3368 lakhs 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.

7 In terms of RBI circular DBOD.No.BP.BC.88/21.06.201/2012-13 dated 28.03.2013, banks have been advised to disclose capital ratios computed under Basel III Capital Regulations from the quarter ended 30th June 2013. Accordingly, corresponding details for previous period/year are not applicable.

8 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 auditors of the bank.

9 In terms of RBI circular DBOD.BP.BC.No.41/21.04.141/2013-14 dated August 23, 2013 on "Investment portfolio of banks-Classification, Valuation and Provisioning", the Bank has opted to amortise the depreciation on the Available for Sale (AFS) and Held For Trading (HFT) portfolios on each of the valuation dates in the current financial year in equal installments during the financial year 2013-14. The Bank had amortised such depreciation during the quarters ended September and December 2013. During the quarter and year ended 31st March 2014, depreciation in respect of AFS and HFT portfolio has been recognised in full.

10 The Bank had hitherto not been creating Deferred Tax Liability (DTL) on the Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961 in accordance with the requirements of the Accounting Standard (AS) 22, Accounting for Taxes on Income. However, during the year, the Bank, pursuant to RBI's Circular No. DBOD. No.BP.BC.77/21.04.018/2013-14 dated 20th December 2013, has created DTL of Rs. 5396 Lakhs on such Special Reserve for the period upto March 31, 2013, not fully charged to the Profit and Loss account and has adjusted the same directly from the Reserves. Had this amount been charged to the Profit & Loss Account in accordance with the generally accepted accounting principles in India, the amount of Profit for the year would have been lower by such amount.

Further, as required by the aforesaid RBI Circular, the Bank has created a DTL of Rs.1,299 Lakhs in respect of the amounts transferred to Special Reserve from the year ended March 31, 2014 and the same is charged to the Profit and Loss Account for the year.

Had the Bank continued with its policy of not creating a DTL on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961, the Reserves and the Profit of the Bank as at/ for the year ended 31st March, 2014 would have been higher by Rs. 5396 Lakhs and Rs.1,299 Lakhs, respectively.

11 Number of Investor complaints received and disposed off during

a) Pending at the beginning of the quarter	: NIL
b) Received during the quarter	: 33
c) Disposed off during the quarter	: 33
d) Pending at the end of the quarter	: NIL

12 The Board of Directors have recommended a dividend of 100% i.e. ₹ 2/- per share on face value of ₹ 2/- each for the year 2013-14 (previous year 90% i.e ₹ 1.80 per share) subject to the approval of the members in the ensuing Annual General Meeting.

13 During the year ended 31st March 2014, the Bank had allotted 16125 Shares pursuant to the exercise of stock options by certain employees.

14 Consolidated financial results include the results of the fully owned subsidiary, Fedbank Financial Services Ltd and share of associate, IDBI Federal Life Insurance Company Ltd.

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15 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.

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

Kochi
29th April 2014

THE FEDERAL BANK LTD. * ALUVA * HEAD OFFICE *

SHYAM SRINIVASAN
MANAGING DIRECTOR & CEO