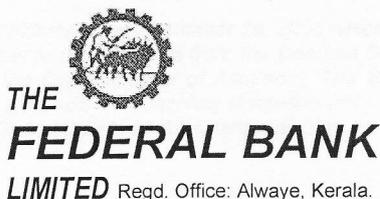


ADDENDUM TO SHELF INFORMATION MEMORANDUM

**THE FEDERAL BANK LIMITED**

(A company incorporated under the Companies Act, 1956 and a banking company within the meaning of the Banking Regulation Act, 1949)
Registered Office: Post Bag No. 103, Federal Towers, Aluva - 683 101, Kerala.
Tel No.: (0484) 2623620 to 2623629, 2626774, 2628317, 2621715, 2621520, 2622949.
Fax No.: (0484) 2622672, E-mail: fbl@federalbank.co.in
Website: www.federalbank.co.in

Private Placement of Unsecured Redeemable Non-Convertible Subordinated (Tier-II) Bonds in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating to Rs. 200 crores with an option to retain oversubscription of Rs. 250 crores

Minimum-Maximum Target

The Bank proposes to make issue of Unsecured Redeemable Non-Convertible Subordinated (Tier-II) Bonds in the nature of Promissory Notes aggregating to Rs. 200 crores with an option to retain oversubscription of Rs. 250 crores.

Instrument & Issue Details at a Glance

Issue Size	Rs. 200 crores with an option to retain oversubscription of Rs. 250 crores
Issue Objects	Augmenting the Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated (Tier-II) Bonds in the nature of Promissory Notes
Instrument Form	In Dematerialised Form
Credit Rating	'CARE AA' by CARE and 'A+(ind)' by FITCH
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Minimum Application	10 Bonds and in multiples of 1 Bond thereafter
Tenure	10-Years
Put & Call Option	None
Redemption/ Maturity	At par at the end of 10 Years from the Deemed Date of Allotment
Coupon Rate *	9.25% p.a.
Interest Payment	Semi-annual
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE)
Trustee	IDBI Trusteeship Services Limited (ITSL) has been appointed by the Bank to act as Trustees for the Bondholder(s)
Interest on Application Money *	At the coupon rate (i.e. @ 9.25% p.a.) from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment

* subject to deduction of tax at source, as applicable.

Issue Schedule

The Issue will open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated below or earlier or on such extended date as may be decided by the Bank at its sole and absolute discretion without giving any reasons or prior notice. In such a case, investors will be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

Issue Opens on	Tuesday	November 28, 2006
Issue Closes on	Friday	December 15, 2006
Deemed Date of Allotment	Saturday	December 16, 2006

Interest on the Bonds

The Bonds shall carry interest at the coupon rate (i.e. @ 9.25 per cent per annum) (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Bank) on the outstanding amount of the principal till redemption. Interest will be paid semi-annually on June 16 and December 16 each year throughout the tenure of the Bonds till final redemption. The first interest payment shall be made on June 16, 2007 and the last interest payment will be made at the time of final redemption of the Bonds. Interest on Bonds will cease on the date of final redemption in all events.

(In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above interest payment date may also be revised (pre-poned/ postponed) accordingly by the Bank at its sole & absolute discretion).

If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Aluva, Kerala, then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.

Deemed Date of Allotment

Interest on the Bonds shall accrue to the Bondholder(s) from December 16, 2006 which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Bank reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Bank at its sole and absolute discretion.

Payment of Interest

The interest will be payable semi-annually to the Bondholder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Bank on the Record Date. Payment of interest will be made by way of cheque(s)/ interest warrant(s)/ demand draft(s), which will be dispatched to the sole/ first applicant, 7 days before the due date(s) by registered post at the sole risk of the applicant.

Redemption

The face value of the Bonds will be redeemed at par, at the end of 10 Years from the Deemed Date of Allotment. In terms of RBI circular no. DBOD No. BP.BC.13/21.01.002/2006-07 dated July 01, 2006, these Bonds are free of restrictive clauses and are not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.

In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Aluva, Kerala, then the payment due shall be made on the next Business Day together with additional interest for the intervening period.



(Abraham Thariyan)
General Manager (Treasury)
The Federal Bank Limited



Dated : November 27, 2006.
Place: Aluva, Kerala.