

SEC/LODR/134/2026-27

July 17, 2026

The Manager The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	The Manager Department of Corporate Services BSE Limited, Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, Mumbai – 400 001
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Re: Scrip Symbol: FEDERALBNK/ Scrip Code: 500469

Dear Madam/ Sir,

Sub: Press Release on Unaudited Financial Results for the quarter ended June 30, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Press Release on the Unaudited Financial Results for the quarter ended June 30, 2026.

The same is also being made available on the Bank's website at <https://www.federal.bank.in/financial-result>

Kindly take the same on record.

Thanking you,

Yours faithfully,

For The Federal Bank Limited

Samir P Rajdev
Company Secretary

PRESS RELEASE

Federal Bank Q1 Profit Jumps 36.57% to ₹1,177 Cr; Net NPA at Decadal Low

Total business nears ₹6 lakh crore | NIM expands 39 bps to 3.33% | Provision coverage strengthened to 87.37% | NII up 26.06% | Fee income up 21.71% | Fresh slippages down 37.79% | CASA up 18.30%

Federal Bank today reported net profit of **₹1,176.93 crore** (*Record quarterly profit, on an underlying basis*) for the quarter ended 30 June 2026 (Q1 FY27), **up 36.57%** over the corresponding quarter of the previous year. The quarter was defined by the strength of the Bank's core franchise, with net interest income growing 26.06% and fee income 21.71%, even as treasury income remained subdued through a volatile market period.

Note on comparisons: All sequential comparisons in this release are stated on a BAU basis, excluding the one-off windfall gain recorded in Q4 FY26, consistent with the BAU disclosure in the Bank's investor presentation. Year-on-year comparisons are like-for-like and unaffected.

Key Highlights - Q1 FY27

- **Profitability:** Net profit at ₹1,176.93 crore, up 36.57% YoY. Earnings per share rose 36.06% to ₹19.15.
- **Core Earnings Engine:** Net Interest Income grew 26.06% to ₹2,945.89 crore - well ahead of advances growth of 14.94%.
- **Margin Expansion:** NIM expanded 39 bps YoY to 3.33%, as Cost of Funds fell 60 bps against a 44 bps compression in asset yield. Cost of Deposits declined 57 bps YoY to 5.21%.
- **Asset Quality at Historic Best:** Net NPA at 0.18%, a decadal low for the Bank, with the absolute figure down 56.29% YoY to ₹506.04 crore. Gross NPA improved to 1.52%. Fresh slippages fell 37.79% YoY to ₹409.48 crore.
- **Fortified Coverage:** Provision Coverage Ratio (excluding TWO) strengthened to 87.37%, up 1,296 bps YoY and credit cost declined 24 bps to 0.41%. Coverage including technical write-offs stands at 94.23%.
- **Balance Sheet Scale:** Total business reached ₹5,97,615.83 crore, up 13.05% YoY, approaching the ₹6 lakh crore mark. Total deposits stood at ₹ 3,20,117.66 crore (+11.37% YoY) and gross advances at ₹2,81,239.54 crore (+14.94% YoY).
- **CASA Franchise:** CASA balances at ₹1,03,163.15 crore, up 18.26% YoY - growing significantly faster than the overall deposit book. CASA ratio improved 188 bps YoY to 32.23%.
- **NR Franchise:** NR deposits (NRE and ONR) reached ₹1,05,123.41 crore, up 14.24% YoY, building on the ₹1 lakh crore milestone crossed last quarter.
- **Chosen Segments Delivering:** Granular businesses continued to see strong momentum, with Commercial Banking growing 22.96% YoY, CV/CE 21.07%, Gold Loans 33%, LAP 21% and Credit Cards 36%. Growth remained broad-based across higher-yielding retail segments, while Corporate & Institutional Banking also delivered healthy growth of 16.12% YoY. Corporate & Institutional Banking book surpassed ₹1 lakh crore, marking a key scale milestone.
- **Operating Efficiency:** Cost-to-Income ratio improved 239 bps YoY to 52.50%, achieved while absorbing the annual wage revision.
- **Return Metrics:** RoA improved 22 bps YoY to 1.22% and RoE expanded 171 bps YoY to 12.01%. Book value per share grew 17.02% YoY to ₹161.87.

- **Network:** 10 branches were added during the quarter, taking the network to 1,650 outlets.

MD & CEO's Comment

Commenting on the performance, **Mr. KVS Manian, Managing Director & CEO**, said:

"This quarter demonstrates something important about the franchise we have been building. Our profit grew nearly 37% in a period when treasury had a challenging period, which tells you that the earnings are coming from the core business, not from market gains. Net interest income growing 26% against advances growth of 15% represents the expansion in our NIMs, which has been a core focus for the bank."

"Our net NPA at 0.18% is the lowest in the Bank's recent history, and simultaneously and provision coverage ratio stands at 87%. We are building a resilient balance sheet through a combination of lower credit cost and a strong buffer out of our current earnings."

"Our chosen advance segments are delivering as intended, and the NR and CASA franchises continue to deepen. We enter the rest of the year with our capital position strong, our asset quality at its decadal best,, and good momentum in our core business."

Asset Quality and Resilience

Asset quality reached the strongest position in the Bank's recent history. Beyond the headline ratios, the leading indicators point in the same direction: fresh slippages declined 37.79% YoY, and the slippage ratio improved to 0.61% from 1.11% a year ago. The restructured book has reduced to ₹1,541.30 crore, or 0.55% of gross advances. The Bank's balanced risk approach and the deliberate pivot toward secured, granular segments continue to provide meaningful buffer against external uncertainty.

Liability Franchise

The Bank's funding profile continued to improve, with CASA growing 18.26% YoY against total deposit growth of 11.37% - a mix shift that directly supported the 57 bps reduction in Cost of Deposits. The NR franchise, a structural strength of the Bank, grew ahead of the overall deposit book.

M V S Murthy

Chief Marketing Officer

E-mail: mvmurthy@federal.bank.in

A presentation for investors is being placed separately on our Bank's website:
<https://www.federal.bank.in/financial-result>

For further information, please contact:

Mr. Venkatraman Venkateswaran

Executive Director

E-mail: venkatraman@federal.bank.in