

SEC/LODR/262/2026-27

October 16, 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 and half year ended September 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 and half year ended September 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
PRAVINCHANDRA
RAJDEV
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Digitally signed by SAMIR
PRAVINCHANDRA RAJDEV
Date: 2026.10.16 13:31:16
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Samir P Rajdev

Company Secretary

Press Release

Federal Bank Q2 Profit Rises 45.10% to Record ₹1,386 Cr; Gross and Net NPA at Decadal Lows

Total business crosses ₹6 lakh crore | Gross advances cross ₹3 lakh crore | NII up 26% | CASA up 23% | Fee income at all-time high, up 32% | RoA at 1.32%

Federal Bank today reported net profit of **₹1,386.09 crore** for the quarter ended 30 September 2026 (Q2 FY27), **up 45.10%** over the corresponding quarter of the previous year. This is the highest quarterly profit in the Bank's history. The core franchise drove the earnings growth: net interest income grew 26.38%, fee income grew 31.86%, and gross and net NPA both reached decadal lows.

Key Highlights – Q2 FY27

- **Profitability:** Net profit was ₹1,386.09 crore, the highest ever, up 45.10% YoY and 17.77% QoQ. Earnings per share rose 44.34% to ₹22.26. Operating profit grew 35.35% to ₹2,225.37 crore.
- **Core Earnings Engine:** Net Interest Income grew 26.38% to ₹3,153.40 crore, ahead of advances growth of 21.66%.
- **Margin Expansion:** NIM expanded 26 bps YoY to 3.32%. Cost of Funds fell 40 bps YoY. Cost of Deposits declined 39 bps YoY to 5.18%.
- **Record Other Income:** Other income reached its highest-ever level of ₹1,490.44 crore, up 37.73% YoY. Fee income grew 31.86% to ₹1,167.71 crore. Fee income to average earning assets is at an all-time high of 1.11%.
- **Asset Quality at Decadal Best:**
 - Gross NPA improved to 1.32% and Net NPA to 0.17%, both decadal lows. These are improvements of 51 bps and 31 bps YoY respectively.
- **Fortified Coverage:** The Provision Coverage Ratio (excluding TWO) strengthened to 86.78%, up 1,333 bps YoY. Coverage including technical write-offs stands at 94.49%. Credit cost declined 19 bps YoY to 0.31%.
- **Balance Sheet Scale:** Total business franchise now stands at over ₹6.4 lakh crore up 20.12% YoY. Total deposits stood at ₹3,42,693.56 crore, up 18.61% YoY. Gross advances crossed ₹3 lakh crore to reach ₹3,01,687.80 crore, up 21.66% YoY.
- **CASA Franchise:** CASA balances reached ₹1,09,803.15 crore, up 22.56% YoY and growing faster than the overall deposit book. The CASA ratio improved 103 bps YoY to 32.04%. Average CASA crossed ₹1 lakh crore.
- **NR Franchise:** NR deposits (NRE and ONR) reached ₹1,19,055.98 crore, up 26.63% YoY. FCNR(B) deposits rose 239.14% YoY to ₹23,547.72 crore.
- **Chosen Segments Delivering:** Granular, higher-yielding businesses continued to lead growth.
 - Gold Loans grew 37.13% YoY.
 - LAP grew 32.21% YoY.
 - Credit Cards grew 28.27% YoY.
 - Commercial Banking grew 25.46% YoY.
 - CV/CE grew 21.74% YoY.
 - Corporate & Institutional Banking grew 17.19% YoY to ₹1,04,666.02 crore.
 - Business Banking returned to growth at 12.39% YoY.

- **Operating Efficiency:** The Cost-to-Income ratio improved 196 bps YoY to 52.08%.
- **Return Metrics:** RoA improved 23 bps YoY to 1.32%. RoE expanded 256 bps YoY to 13.57%. Book value per share grew 17.48% YoY to ₹166.32.
- **Capital:** CRAR stands at 16.84% and Tier I at 15.76%, up 113 bps and 139 bps YoY respectively.
- **Network:** 12 branches were added during the quarter, taking the network to 1,662 banking outlets.

MD & CEO's Comment

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

"This quarter marks several milestones for the Bank: our highest-ever profit, our total business franchise now stands at over ₹6.4 lakh crore and advances crossing ₹3 lakh crore. More importantly, the growth is coming from the core. Net interest income grew 26% and fee income 32%, and fee income relative to our earning assets is at an all-time high."

"Gross and net NPA are at their lowest levels in a decade, slippages are down 27% and provision coverage stands at 87%. We are growing faster while keeping the quality of the book intact."

"Our chosen segments are delivering as intended, and the CASA and NR franchises continue to deepen. As the rate environment turns, we enter the second half of the year with a strong capital position, a granular balance sheet and good momentum in our core business."

Asset Quality and Resilience

Asset quality improved further. Gross and net NPA are at decadal lows, and the leading indicators point in the same direction. Fresh slippages declined 27.48% YoY, and the slippage ratio improved to 0.59% from 0.94% a year ago. The restructured book has reduced to ₹1,389.55 crore, or 0.46% of gross advances. The Bank's balanced approach to risk and its continued shift towards secured, granular segments provide a meaningful buffer against external uncertainty.

M V S Murthy
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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:
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