

SEC/LODR/380/2025-26

January 16, 2026

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

Dear Madam/ Sir,

Sub: Press Release

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Press Release on the Unaudited Financial Results for the quarter ended December 31, 2025.

The same is also being made available 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

Date:16-01-2026

Federal Bank Delivers Record Q3 With All Time High NII, Operating Profit and Fee Income; Margins Rise and Asset Quality Strengthens Further

Mumbai: Federal Bank reported a **strong and well-rounded performance** for the quarter ended **31 December 2025 (Q3 FY26)**, marked by sustained margin expansion, improving profitability, disciplined cost management, and further strengthening of asset quality. The results reflect the Bank's continued focus on building a **stable, margin-led, and resilient franchise**.

Key Highlights – Q3 FY26

- Net profit stood at ₹1,041.21 crore, up 9% QoQ, supported by stronger core income and operating leverage.
- Net Interest Income (NII) grew to ₹2,652.73 crore, up 6.31% QoQ and 9.11% YoY.
- Net Interest Margin (NIM) expanded 12 bps QoQ to 3.18%, supported by liability mix improvement and asset repricing.
- NII, operating profit, and fee income each reached all-time highs, reflecting strong core earnings momentum.
- GNPA and NNPA declined to decadal lows, underscoring sustained improvement in asset quality and risk discipline.
- Funding costs declined further, with cost of deposits at 5.48% and overall cost of funds at 5.50%.
- Total business stood at ₹5,53,364.49 crore, registering 3.71% QoQ and 11.40% YoY growth.
- Advances rose to ₹2,55,568.67 crore, up 4.46% QoQ and 10.94% YoY, led by Commercial Banking and Corporate & Institutional Banking.
- Deposits increased to ₹2,97,795.82 crore, growing 3.07% QoQ and 11.80% YoY.
- CASA ratio improved to 32.07%, up 106 bps QoQ and 191 bps YoY; CASA balances grew 18.86% YoY.
- Fee income stood at ₹896.47 crore, growing 18.57% YoY, strengthening the quality of earnings.
- Cost-to-income ratio improved to 53.92%, reflecting continued operating leverage.
- Asset quality strengthened further, with Gross NPA at 1.72% and Net NPA at 0.42%.
- Provision Coverage Ratio (excluding TWO) improved to 75.14%.
- ROA improved to 1.15% and ROE to 11.68%.
- Earnings per share (EPS) for the quarter stood at ₹16.79, up 8.89% QoQ.

MD & CEO's Comment

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

"Our Q3 performance reflects the continued strengthening of the Bank's underlying fundamentals. The improvement in margins, reduction in funding costs, and sustained stability in asset quality are the direct outcome of the balance-sheet discipline and execution focus we have maintained over the past few quarters.

We are seeing increasing benefits from a stronger liability franchise and a calibrated shift in our asset mix toward segments that deliver superior risk-adjusted returns. At the same time, cost discipline and prudent risk management remain central to how we operate.

While competitive intensity remains high, our emphasis is on consistency and quality of earnings rather than headline growth. We believe this approach positions the Bank well to deliver sustainable performance across market cycles."

Working Results at a glance

(Rs.in Cr)

Particulars	As on 31 Dec 2025	Change (in %/ bps)		
		QoQ	YoY	
Total Business	5,53,364.49	3.71%	11.40%	↑
Net profit	1,041.21	9.00%	8.98%	↑
Net Interest Income	2,652.73	6.31%	9.11%	↑
Net Interest Margin (%)	3.18%	12	7	↑
Operating Profit	1,729.33	5.18%	10.19%	↑
Gross NPA	1.72%	-11	-23	↓
Net NPA	0.42%	-6	-7	↓
Fee Income	896.47	1.23%	18.57%	↑

Footprint

During the quarter, the Bank added **six branches**, in line with its calibrated and market-focused expansion strategy.

Stake raised in Ageas federal Life Insurance Company:

Federal Bank increased its stake in Ageas Federal Life Insurance Company from 26% to 30% through the acquisition of 3.2 crore shares at ₹30.45 per share. The transaction, completed in November 2025, received all requisite approvals from the RBI and IRDAI, further strengthening the Bank's strategic partnership in the life insurance business.



Brand Refresh – The Fortuna Wave

Federal Bank unveiled *The Fortuna Wave*, a refreshed brand identity that reflects its evolution into a more contemporary and future-ready institution. Rooted in authenticity, prosperity, and togetherness, the new identity reaffirms the Bank's values while sharpening its connect with a digitally driven customer base.

Strategic Investment by Blackstone

Federal Bank welcomed a strategic minority investment from Blackstone, marking a significant milestone in the Bank's growth journey. The investment has received approvals from the Board of Directors, shareholders, and the Competition Commission of India, underscoring strong confidence in the Bank's strategy and governance and strengthening its ability to pursue long-term, sustainable growth.

M V S Murthy

Chief Marketing Officer

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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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