

ANNUAL GENERAL MEETING

CHAIRMAN SPEECH

Good morning, dear Shareholders.

I am deeply honoured and excited to be present before you as the Chairman of Federal Bank on this momentous occasion – the 92nd Annual General Meeting. Let me begin by expressing my heartfelt appreciation for the invaluable guidance provided by our former Chairman, Mr. C Balagopal. His sagacity has laid the groundwork for our incredible journey, a journey I had the privilege to witness during my tenure as a Board member over the past five years.

As we assemble here to reflect on accomplishments and advancements of the past fiscal year, I am reminded of the indomitable spirit that characterizes the bank, enabling us to surmount significant challenges and emerge stronger.

In fact, I find myself exceptionally delighted to take in the role as Chairman at this juncture. There could have been no better time in history than this to lead Federal Bank.

Our country, India, is currently experiencing an awe-inspiring growth narrative. It is projected that India will surpass Japan and Germany to claim the position of the world's third-largest economy by 2027. In the same vein, India's stock market is anticipated to become the third largest globally by the end of this decade. This exceptional growth potential and the opportunities that will arise out of this scenario, presents the Bank with a unique opportunity to pursue our aspiration of Building the 'Most Admired Bank'. Specially our recent achievements, the successful Qualified Institutional Placement (QIP) and the issuance of Preferential shares amounting to Rs 4000 Cr, has helped fortify our capital base which is the raw materials required for growth. This empowers us to seize the opportunities that lie ahead, giving us the leverage to lead, innovate, and shape the future landscape of banking.

Before we delve deeper into the bank's performance, which will be elaborated by our MD later, I wish to highlight some significant insights delivered by Shri. Shaktikanta Das, Governor of the Reserve Bank of India. He emphasized the importance of governance practices for banking institutions. The guidance for the Board is drive a culture where the expectation goes beyond baseline compliance/regulatory requirements and aim for higher, best-in-industry standards. And this is what we strive for constantly at Federal Bank

Customer service, ethical employee behaviour, data privacy, and cyber security are indeed the cornerstones that underpin our success. These pillars gain even greater significance amidst innovation, change, and disruptions.

Over the years, the bank has nurtured and reinforced a robust internal control system. This system is finely tuned to our risk appetite and mirrors our operations' size, scale, and intricacies. The Audit and Inspection Policy, endorsed by our Board of Directors, delineates the scope and authority of the internal audit function.

We have fortified our data privacy and cyber security measures to safeguard our customers' entrusted information. Our commitment to cutting-edge technology is matched by our dedication to ensuring the security of our customers' data. We have reinforced our audit mechanisms to ensure independent oversight. Our supervisory functions stand as the final bastion, ensuring transparency and compliance across our operations. Through well-defined policies and training programs, we instill in our employees a sense of responsibility towards upholding the highest ethical standards.

I envision Federal Bank not just as a financial institution, but as a catalyst for transformation in the banking sector. Our commitment to innovation, excellence, and ethics has propelled us to embrace the digital era with open arms, and we are here to stay.

Our 'Digital at the Fore, Human at the Core' philosophy embodies our commitment to harness the power of technology while never losing sight of the human touch that sets us apart. Our recent campaign, 'Rista Aap Se Hai, Sirf App Se Nahi,' exemplifies this blend beautifully, making banking more accessible, personal, and convenient. We seek to humanize banking in a digital landscape. We have embraced technologies like Artificial Intelligence, Machine Learning, and Robotic Process Automation to create personalized experiences for our customers, driven by insights gained from robust analytical capabilities.

Through strategic partnerships **with diverse FinTech companies, we have extended our reach to underserved segments, democratizing financial services across the country**, extending our impact to underserved areas. This aligns perfectly with our expansion plans, which focus on establishing 80-100 new branches annually over the next three years, with an emphasis on regions like Gujarat, Maharashtra, Tamil Nadu, and Karnataka. These plans are grounded in the success of our recent branches, which have reached break-even status sooner than anticipated.

The fiscal year 2022-23 has been one of monumental achievements for Federal Bank. We have set new records in terms of deposits, advances, total business, total income, net interest income, operating profit, and net profit. This exceptional performance has been driven by our customer-centric approach, strategic use of digital capabilities, robust financial management, and prudent risk management practices. Our commitment to innovation and forward-thinking strategies has been recognized through awards such as being named among 'Top 50 India's Best Workplaces - Building a Culture of Innovation by All' by 'Great Place to Work.' Additionally, our efforts towards digital advancement were acknowledged with the 'Best Digital Banking Product – Private Sector Bank' award for 'Federal Insta Loans' at the Lentra Digital Lending Transformation Global Summit 2022.

As we step into the future, we are excited by the possibilities that lie ahead. Our journey to success isn't merely built on numbers and profits. It rests on trust, integrity, and our unwavering commitment to stakeholders. Our value framework, built upon Commitment to Excellence, Agility, Relationship Orientation, Ethics, and Sustainability, will ensure that we uphold the highest standards of conduct and nurture strong relationships with all stakeholders.

We would be hosting our 100th AGM in 2031; just 8 years away. With all our growth engines working in full throttle, we are sure that by that time we will indeed be the 'Most Admired Bank', not only on business size or geographical footprint or magnitude of operation, but also on quality of service and impact on the customers and society in general. We would be a leading player in green finance riding on deep commitment to sustainability goals and sharp focus on technology led innovative banking.

Prominently, we acknowledge the need to continually reflect on the role and expectations of our governance architecture to ensure that Federal Bank remains a beacon of excellence during times of rapid change and uncertainty.

I extend my deepest gratitude to our valued stakeholders for their unwavering support during these challenging times. Your trust and partnership have been crucial in our journey. I am confident that our dedicated team's efforts will lead us to even greater heights as we continue on our path to becoming the Most Admired Bank.

Thank you for your time and continued support.