

Pick of the week

Federal Bank (FB)

Recommendation:	Buy
Target Price:	₹225
Current Price:	₹198.00
Time Period:	12 Months
Date:	29th July 2024



- The bank has announced a new CEO who has the ability to build on the current team's work.
- Loans and deposit growth in Q1FY25 was solid at 20% yoy.
- It reported 18% yoy earnings growth on the back of 15% operating profit growth.
- Revenue growth was impressive at ~20% yoy led by ~20% Net Interest Income growth.
- The bank reported strong growth in noninterest income at 25% yoy.
- Gross NPL and net NPL ratios were unchanged qoq at 2.1% and 0.6%, respectively.
- We Maintain BUY with revised FV of Rs225 (Rs190 earlier).

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 24th July, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

Disclaimer: <https://bit.ly/research-v2>

<https://www.kotaksecurities.com/ksweb/research/kotak-research-reports/top-weekly-picks>