

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>

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