

## Report Review -

Since the initiation of coverage on Fedbank Financial Services Ltd. (FEDFINA) on January 6, 2025, at a recommended entry price of ₹103 with a price target of ₹158 (implying 55.3% upside), the stock has delivered strong performance and has **successfully achieved a significant portion of the anticipated upside**, validating the strength of our original investment thesis and reaffirming the company's structural growth trajectory. The rally has been supported by sustained expansion in its loan book, improving operational efficiency, and strong momentum across its core lending verticals, particularly mortgage and gold loans, which together constitute over 85% of total AUM and provide both stability and yield strength.

the company's fundamentally strong outlook and long-term growth visibility supported by rising credit demand in tier-2 and tier-3 markets, expanding gold loan penetration, and improving branch productivity, the sharp stock price appreciation has resulted in a more balanced near-term risk-reward profile. The current valuation now factors in a meaningful portion of the expected earnings growth and AUM expansion, thereby limiting the margin of safety for incremental upside in the short term.

Accordingly, from a prudent portfolio allocation and capital preservation perspective, we recommend **full profit booking at current levels** to lock in gains. This strategy allows investors to crystallize returns generated from the successful execution of our investment thesis, while mitigating downside risks associated with valuation normalization, funding cost volatility, and broader market fluctuations, even as FEDFINA continues to remain fundamentally well-positioned within India's expanding secured lending ecosystem.

13 Feb 2026

Profit Booking

## Company Data

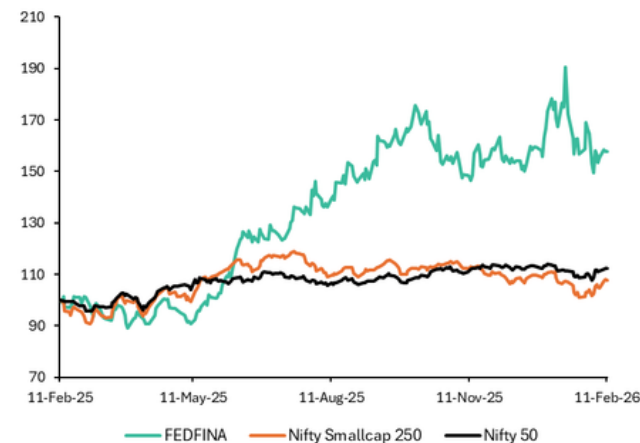
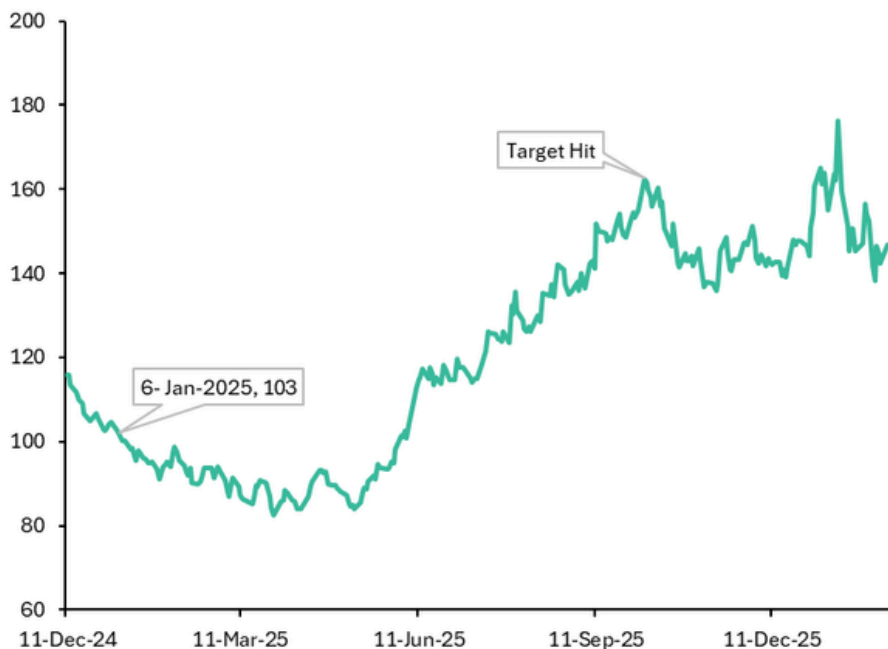
Ticker / CMP	FEDFINA / Rs. 146
Earlier Price Target   Upside %	Rs. 158   55%
Record Price   Date	Rs. 103   6 Jan, 2025
Market Cap	Rs. 5488 Cr
Outstanding shares	3.19 Cr
Free Float	39.2
52w High/Low	178 / 80

## Shareholding Pattern %

	Jun-25	Sep-25	Dec-25
Promotor	0.00	0.00	0.00
Mutual Funds	35.05	37.52	37.78
DII	12.65	12.19	12.82
FII	26.60	25.54	24.69
Retail	25.70	24.74	24.71

## Key Financial Data

(Rs. Crore)	FY23	FY24	FY25	FY26E
Revenue	1179	1577	2037	2356
Operating Profit	267	319	310	416
Operating Margin%	22.61	20.24	15.21	17.67
Net Profit	179	245	225	314
Net Profit Margin%	15.18	15.51	11.04	13.33
EPS	5.59	6.62	6.04	8.44
Total Assets	9071	11,138	13,362	16,620
ROE%	14.26	13.53	8.30	11.46



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