

IDFC FIRST Bank PAT increases by 21% YOY to Rs. 2,957 crore for FY 24 (PAT increased 28% YoY excluding trading gains)

Mumbai, April 27, 2024:

Financial results at a glance

The Board of Directors of IDFC FIRST Bank, in its meeting held today, approved the audited financial results for the quarter and the year ended March 31, 2024.

Yearly Profitability

- **Net Profit** grew **21%** YOY from **Rs. 2,437 crore** in FY23 to **Rs. 2,957 crore** in FY24. Excluding trading gains from both the years, the growth in PAT was at **28%** YOY.
- **Core Pre-Provisioning Operating Profit** (PPOP excluding trading gains) grew by **31%** YOY from **Rs. 4,607 crore** in FY23 to **Rs. 6,030 crore** for FY24.
- **Net Interest Income (NII)** grew **30%** YOY from **Rs. 12,635 crore** in FY23 to **Rs. 16,451 crore** in FY24.
- **Net Interest Margin** increased from **6.05%** in FY23 to **6.36%** in FY24, based on AUM.
- **Fee and Other Income** grew by **40%** YOY from **Rs. 4,142 crore** in FY23 to **Rs. 5,795 crore** in FY24.
- **Retail fees** constitute **93%** of the overall fees for FY24.
- **Core Operating income** grew **33%** from **Rs. 16,777 crore** in FY23 to **Rs. 22,245 crore** in FY24.
- **Operating Expense** grew by **33%** YOY from **Rs. 12,170 crore** in FY23 to **Rs. 16,216 crore** in FY24.
- **Provisions** increased **43%** YOY from **Rs. 1,665 crore** in FY23 to **Rs. 2,382 crore** in FY24.
- The **credit cost** as % of average funded assets for FY24 was **1.32%**.
- **RoA** stood at **1.10%** for FY24; **RoE** stood at **10.30%** for FY24.

Quarterly Profitability

- **Net Profit** for Q4 FY24 stood at **Rs. 724 crore** as compared **Rs. 803 crore** in Q4 FY23. The PAT for Q4 FY 23 was Rs. 701 crore excluding one-time items already called out in Q4 FY23.
- **Net Interest Income (NII)** grew **24%** from **Rs. 3,597 crore** in Q4 FY23 to **Rs. 4,469 crore** in Q4 FY24.
- **Fee and Other Income** grew **36%** from **Rs. 1,181 crore** in Q4 FY23 to **Rs. 1,610 crore** in Q4 FY24.
- **Operating Expenses** grew 29% from **Rs. 3,436 crore** in Q4 FY23 to **Rs. 4,447 crore** in Q4 FY24.
- **Core PPOP** (Pre-Provisioning Operating Profit excluding trading gain) for the quarter grew by **22%** from **Rs. 1,342 crore** in Q4 FY23 to **Rs. 1,632 crore** in Q4 FY24.
- **Provisions** increased **50%** from **Rs. 482 crore** in Q4 FY23 to **Rs. 722 crore** in Q4 FY24.

Deposits & Borrowings

- **Total Deposits** (including Certificate of Deposits) of the Bank increased by **38.7%** YOY from **Rs. 1,44,637 crore** as of March 31, 2023 to **Rs. 2,00,576 crore** as of March 31, 2024.
- **Customer Deposits** increased by **41.6%** YOY from **Rs. 1,36,812 crore** as of March 31, 2023 to **Rs. 1,93,753 crore** as of March 31, 2024.
- **CASA Deposits** grew by **31.7%** YOY from **Rs. 71,983 crore** as of March 31, 2023 to **Rs. 94,768 crore** as of March 31, 2024.
- **CASA Ratio** stood at **47.2%** as of March 31, 2024.
- **Retail Deposits** grew by **45.7%** YOY from **Rs. 1,03,870 crore** as of March 31, 2023 to **Rs. 1,51,343 crore** as of March 31, 2024.
- **Retail Deposits** as a % of total customer deposits increased from **75.9%** as of March 31 2023 to **78.1%** as of March 31, 2024.

- **Legacy High-Cost Borrowings** reduced from **Rs. 17,673 crore** as of March 31, 2023 to **Rs. 11,809 crore** as of March 31, 2024.
- The Bank opened **135 new branches** during FY24 to reach branch count of **944** by March 31, 2024.

Loans and Advances

- **Loans and Advances** (including credit substitutes) increased by **25.1% YOY** from **Rs. 1,60,599 crore** as of March 31, 2023 to **Rs. 2,00,965 crores** as of March 31, 2024.
- Infrastructure Project finance now constitutes only **1.4%** of total funded assets as of March 31, 2024.
- **Exposure to top 20** single borrowers improved from **7.0%** as of March 31, 2023, to **5.7%** as of March 31, 2024.
- The **incremental Credit to Deposit ratio** for FY24 was **76.2%**.
- **Total Credit to Deposit Ratio** improved from **107.0%** as of March 31, 2023 to **98.4%** as of March 31, 2024.

Assets Quality

- **Gross NPA** improved **63 bps** from **2.51%** as of March 31, 2023 to **1.88%** of March 31, 2024, improved by **16 bps** on **QOQ basis**.
- **Net NPA** improved **26 bps** from **0.86%** as of March 31, 2023 to **0.60%** of March 31, 2024, and improved by **8 bps** on **QOQ basis**.
- **GNPA of Retail, Rural and SME Finance** has improved by 27 bps from **1.65%** as of March 31, 2023 to **1.38%** as of March 31, 2024, and improved by **7 bps** on **QOQ basis**.
- **NNPA of Retail, Rural and SME Finance** has improved by 11 bps from **0.55%** as of March 31, 2023 to **0.44%** as of March 31, 2024, improved by **7 bps** on **QOQ basis**.
- **Excluding infrastructure financing**, which is in run down mode, the **GNPA** and **NNPA** of the Bank is **1.55%** and **0.42%** respectively as of March 31, 2024.
- **SMA-1 & 2** (31-90 DPD which is the pre-NPA stage) in Retail, Rural and SME Finance portfolio is low at **0.85%** as of March 31, 2024 (reduced from **0.87%** as of March 31, 2023).
- **Provision Coverage Ratio** (including technical write-off) has **increased** from **80.29%** as of March 31, 2023, to **86.58%** as of March 31, 2024.
- **Net Stressed Assets** (including Net NPA, Net Security Receipts and Net Restructured Assets) as % of total Assets improved from **0.84%** as of March 31, 2023 to **0.56%** as of March 31, 2024.

Capital Position

- **Capital Adequacy** of the Bank stood at **16.11%** with CET-1 Ratio at **13.36%** as on March 31, 2024.

Comments from Managing Director & CEO

Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, said,

“It is my delight to share that we have crossed a landmark of Rs. 4,00,000 crore mark of Total Deposits and advances including credit substitutes at the Bank. What is more important for us is that the asset quality continues to be maintained at all-time best of GNPA and NNPA of 1.88% and 0.60% respectively, the lowest NPA in our history. All legacy infrastructure loans are fully factored into the above. Excluding infrastructure loans, the GNPA and NNPA is only 1.55% and 0.42% respectively. All asset quality parameters are stable.”

Our deposit raising franchise is our biggest strength. Our CASA ratio continues to be among the best in the industry at around 47%. Our Incremental Credit to Deposit ratio for FY 24 was low at 76%. The CD ratio has come down to 98.4%, i.e. below 100% for the first time and we expect to further reduce this into FY 25.

The PAT grew 21% YoY to Rs. 2957 cr in FY 24. More important, the core PPOP (excluding trading gain) grew by 31% YOY for the year to cross Rs. 6,000 crores for the first time in our history. Such scale and strong profitability give us the strength to participate in the wonderful opportunities in Indian financial services. We look forward to the future with confidence and optimism.”

About IDFC FIRST Bank

IDFC FIRST Bank is a new age Universal Bank in India built on the foundations of **Ethical Banking, Digital Banking, and Social Good Banking**. We are building a world class bank in India.

As part of the Bank’s **ethical banking** approach, it applies a "Near and Dear" Test to its products, so that the employees of the Bank serve only such products they'd want for their own loved ones. It believes income earned unethically is not worth earning.

Therefore, the Bank avoids complicated descriptions, calculations, and legalese that customers don't understand. It abolished all charges on Savings Accounts including for Debit Cards, IMPS, RTGS, NEFT, Cash Deposit, “Non-Home branch” access, Cash withdrawals at ATMs and at branches, 3rd party transaction charges at branches, SMS Alert, Cheque book, Demand Drafts, Pay-order, duplicate statement, and all such services that are usually charged in the market. It follows the principle that it won't touch its customers' bank account for one reason or other. It is the first and only bank in India till date to do so.

IDFC FIRST Bank is the first bank in India to offer monthly credit on savings accounts. The credit cards have no hidden charges. It offers Lifetime Free without minimum spend conditions, never-expiring rewards points, zero interest on cash withdrawal at ATMs, dynamic low APR and much more. Fees if any are transparent and described neatly in a manner a common person can understand. Every product offered by the bank is highly customer friendly, most often the best in the industry.

As part of **technology led banking**, the Bank has built a modern technology stack and has built an advanced mobile app with 250+ features such as Goal based investing, MF investment assistance, electric-speed payments, Account Aggregator, MF Aggregator, Personal Finance Manager, Auto categorisation of spends, single app for personal and business banking, UPI on Credit Cards, travel and shop, bill and recharges, deals and reward redemptions, which offer great convenience to the customers. For business customers the Bank offers on-the-go bulk payments, ability to pay income tax, GST, customs duty, and connected banking with ERP solutions.

As part of the **Social Banking theme**, the Bank’s business model is naturally geared to social banking. It has developed unique capabilities for financing bottom of pyramid customers with consistently high asset quality. The Bank has financed over 40 million customers including 0.3 million SMEs, 0.9 million livelihood (cattle loans), 16 million lifestyle improvement loans (for laptops, washing machine, etc.), 1 million sanitation loans (toilets, water fittings), 6.5 million mobility loans (2-wheelers and cars), and home financing (over 100,000

homes), and 15 million loans to 4.3 million women-entrepreneurs. It also offers other retail and rural loans such as Kisan Credit Cards, harvest financing, gold loans etc.

IDFC FIRST Bank is a **Universal Bank**, and offers end to end Corporate Banking, Trade Finance such as issuance of LCs & BGs, SBLC, Packing Credit, Pre-shipment and Post-shipment Finance, Treasury products including risk hedging solutions like Forwards, Swaps, Options, and other Forex Solutions, SME Banking, Wealth Management, NRI banking, Cash Management, Nostro & Vostro account operations, Escrow facilities, Correspondent Banking, Fastag, Toll-acquiring, Dealer Finance and Purchase/Sales Invoice discounting.

ESG Goals: The Bank is incorporating ESG in every aspect of working and has high ESG scores. The Bank believes that to get an opportunity to create a new age, ethical and world class Bank for India is a great privilege for its employees.

Cautionary Statement: *“Statements made in this release may contain certain forward-looking statements based on various assumptions on the Bank’s present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Bank’s businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Bank does not undertake any obligation to update these statements. The Bank has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.”*