

## IDFC FIRST Bank FY25 PAT at Rs. 1,525 crore, Core Operating Profit up by 17% YoY

Mumbai, April 26, 2025:

### Financial results

IDFC FIRST Bank today published the audited financial results for the quarter and year ended March 31, 2025.

#### A. Deposits & Borrowings

- **Customer Deposits** increased **25.2%** YOY from **Rs. 1,93,753 crore** as of March 31, 2024 to **Rs. 2,42,543 crore** as of March 31, 2025.
- **Retail Deposits** grew by **26.4%** YOY from **Rs. 1,51,343 crore** as of March 31, 2024 to **Rs. 1,91,268 crore** as of March 31, 2025.
- **CASA Deposits** grew by **24.8%** YOY from **Rs. 94,768 crore** as of March 31, 2024 to **Rs. 1,18,237 crore** as of March 31, 2025.
- **CASA Ratio** stood at **46.9%** as of March 31, 2025 (**47.2%** as of March 31, 2024)
- **Retail Deposits** constitute **79%** of total customer deposits as of March 31, 2025.

#### B. Other Businesses

- **Credit card** issued by the Bank crosses **3.5 million** mark during last quarter.
- **Wealth Management** AUM (including deposit balances) grew **27%** YoY to touch **Rs. 42,665 crore**.
- **FASTag**: Bank remains the largest issuer bank with **17.8 million** live FASTags.

#### C. Loans and Advances

- **Loans and Advances\*** increased by **20.4%** YOY from **Rs. 2,00,965 crore** as of March 31, 2024 to **Rs. 2,41,926 crore** as of March 31, 2025.
- **Retail, Rural and MSME** book grew by **18.6%** YoY from **Rs. 1,66,604 crore** as of March 31, 2024 to **Rs. 1,97,568 crore** as of March 31, 2025.
- Microfinance portfolio **reduced** by **28.3%** YoY and its proportion to overall loan book reduced from **6.6%** in Mar-2024 to **4.0%** in Mar-2025.
- The Bank's legacy infrastructure book reduced by **17%** YoY to **Rs. 2,348 crore** as of March 31, 2025, constituting **less than 1%** of the total funded assets of the Bank.

*\* Loans and advances includes credit substitutes*

#### D. Assets Quality

Considering the increase in delinquency of the micro finance business across the industry, the bank is tracking the microfinance business closely. The asset quality indicators, including gross NPA, net NPA, SMA, and Provisions of the book excluding MFI is stable

##### 1. **NPA Details:**

- **Gross NPA** of the Bank improved by **7 bps** QoQ from **1.94%** as of December 31, 2024 to **1.87%** as of March 31, 2025.
- **Net NPA** of the Bank marginally increased by **1 bps** QoQ from **0.52%** as of December 31, 2024 to **0.53%** as of March 31, 2025.

- Excluding Microfinance portfolio, **Gross NPA** of Retail, Rural and MSME Book improved from **1.46%** as of December 31, 2024 to **1.40%** as of March 31, 2025 and **Net NPA** of Retail, Rural and MSME Book was at **0.56%** as of March 31, 2025 (which is the same as of December 31, 2024)
- PCR** of the bank was healthy at **72.3%** as of March 31, 2025.

## 2. Slippage:

- The gross slippage for Q4 FY25 was **Rs. 2,175 crore** as compared to **Rs. 2,192 crores** in Q3 FY25, reduced by **Rs. 17 crores**.
- The gross slippages for microfinance business for Q4-FY25 was at **Rs. 572 crore**, compared to **Rs. 437 crore** in Q3-FY25.
- Without the microfinance business, the gross slippages for the rest of the loan book improved by **Rs. 152 crore** on QoQ basis, from **Rs. 1,755 crore** in Q3-FY25 to **Rs. 1,603 crore** in Q4-FY25.

## 3. SMA Positions:

- SMA-1+2** in Retail, Rural and MSME Finance portfolio excluding the Microfinance book increased marginally by 5 bps on QoQ basis from **0.82%** as of December 31, 2024 to **0.87%** as of March 31, 2025.
- SMA-1+2** in the Microfinance portfolio increased to **5.10%** as of March 31, 2025 from **4.56%** as of December 31, 2024, due to declining loan book.
- On absolute value basis, the **SMA-1+2** pool in Microfinance portfolio **reduced** by **2.7%** and **SMA-0** pool **reduced** by **44.9%** on QoQ basis.

## 4. Provisions:

- Provisions for FY25 stood at **Rs. 5,515 crore (2.46%** of the loan book), driven by the higher slippages in the micro-Finance book.
- Excluding microfinance and one toll account**, credit cost for the overall loan book of the Bank was **1.76%** in FY25. Sequentially, it has improved by 9 bps from **1.82%** in Q3-FY25 to **1.73%** in Q4-FY25.
- The Bank has not utilized any micro-finance provision buffers of Rs. 315 crore during the quarter on a prudent basis.**
- The incremental disbursements in Microfinance are insured by **CGFMU**. The **insurance coverage** of the overall Microfinance portfolio was **66%** as of March 31, 2025.

## E. Profitability

- Net Interest Income (NII)** grew **9.8%** YOY from **Rs. 4,469 crore** in Q4 FY24 to **Rs. 4,907 crore** in Q4 FY25. For **FY25**, the growth of NII was **17.3%** on YoY basis.
- Net Interest Margin (NIM)** on AUM of the Bank **reduced** by **9 bps QoQ**, from **6.04%** in Q3-FY25 to **5.95%** in Q4-FY25, largely due to decline in the micro-finance business. For the full year FY25, NIM was **6.09%**.
- Fee and Other Income** grew by **5.7%** YoY from **Rs. 1,610 crore** in Q4 FY24 to **Rs. 1,702 crore** in Q4 FY25. For **FY25**, the growth of Fee and Other Income was **15.2%** on YoY basis.
- Core Operating income** grew **8.7%** from **Rs. 6,079 crore** in Q4 FY24 to **Rs. 6,609 crore** in Q4 FY25. For **FY25**, the growth of Operating Income was **16.7%** on YoY basis.
- Operating Expense** grew by **12.2%** YOY from **Rs. 4,447 crore** in Q4 FY24 to **Rs. 4,991 crore** in Q4 FY25. For **FY25**, the growth of Operating Expenses was at **16.5%** on YoY basis.
- Core Operating Profit** (excluding trading gain) de-grew from **Rs. 1,632 crore** in Q4 FY24 to **Rs. 1,618 crore** in Q4 FY25. In FY25 it grew **17.2%** from **Rs. 6,030 crore** in FY24 to **Rs. 7,069 crore**.
- Excluding microfinance business, the core operating profit grew by **19.9%** YoY in Q4 FY25 and by **30.6%** YoY in FY25.

- Including trading gains, **operating profit** increased by **8.9% YoY** in Q4 FY25 and grew by **18.9%** in FY25.
- **Net Profit** for Q4-FY25 was **Rs. 304 Crore** as compared to **Rs.724 crore** in Q4 FY24. For the full year **FY25**, the Net profit decreased by **48.4%** on YoY basis to **Rs. 1,525 crore**, largely impacted due by the issues in the microfinance industry.

#### **F. Capital Position**

- The Board has approved the fresh equity capital raise of ~ Rs. 7,500 crore through issuance of Compulsorily Convertible Preference Shares (CCPS) to Currant Sea Investments B.V., an affiliate company of Warburg Pincus LLC and Platinum Invictus B 2025 RSC Limited, a wholly owned subsidiary of private equity division of Abu Dhabi Investment Authority (ADIA), subject to Shareholders' and Regulatory approvals.
- The Board has approved a dividend of **Rs. 0.25 per share** (subject to shareholders' approval).
- Post conversion and proposed dividend, the CRAR would be **18.20%** and Tier-I will be **15.89%**, if calculated on March 31, 2025 numbers.

#### **Comments from Managing Director & CEO**

**Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank** , said, *"Our customer deposits grew well at 25% YoY and the CASA ratio continues to remain strong at 46.9%, reflecting the strength of our deposit franchise. Our funded asset book grew by 20.4%. Importantly, the Bank's asset quality remains resilient, with GNPA and NNPA at 1.87% and 0.53% respectively.*

*Further, an affiliate entity of Warburg Pincus LLC and a wholly owned subsidiary of private equity division of Abu Dhabi Investment Authority (ADIA), have committed to invest ~Rs. 7,500 Cr in the Bank (subject to necessary regulatory and shareholders' approvals), which will further strengthen our Capital Adequacy Ratio and support our next phase of growth.*

*We continue to be committed to grow responsibly, serve high-quality products and services, lead with innovation and build customer centric propositions."*

## About the Bank

IDFC FIRST Bank is a fast growing, new age Private Sector Bank created in India with a vision of building a world-class Bank in India, focused on Ethical, Digital, and Social Good Banking. The Bank has 35.5 million live customers, a customer deposit base of Rs. 2,42,543 crores and loans and advances of Rs. 2,41,926 crores, spread over 60,000 cities, towns, and villages across India. It has 1,002 branches but is built as a digital first Bank in scale, scope, and approach.

Its customer deposits are growing at 25% YoY and Loans & Advances growing by 20% YoY (March 31, 2025) based on friendly user digital interface, ethical approach, customer friendly products, strong brand, and high corporate governance. Its technology stack is built on advanced technology using cloud native experience layer, microservices led architecture, and powered by advanced data platform, analytics, and Artificial Intelligence.

Its mobile App is rated 4.9 on Google Playstore and 4.8 on Appstore with 27 million downloads and 1.47 m reviews. The App is rated #1 in India and #4 App in the world by **The Forrester Digital Experience Review™**: Global Mobile Banking Apps, Q4 2024 for prioritising Customers' financial well-being, comprehensive suite of financial management features, and personalized financial insights, providing educational resources and expert guidance through its Financial Wellness Corner and IDFC First Academy.

## The 7 Core Principles of IDFC FIRST Bank

1. **Vision:** Building a world-class Bank in India, focused on Ethical, Digital, and Social Good Banking.
2. **Universal Bank:** IDFC FIRST Bank is a Universal Bank, offering a comprehensive range of services, including Retail, MSME, Rural, Startups, Corporate Banking, Cash Management, Wealth Management, Deposits, Government Banking, Working Capital, Trade Finance, and Treasury solutions.
3. **Ethical Banking:** The Bank adheres to a "Near and Dear" test, ensuring its products are so customer-friendly that employees can confidently recommend them to loved ones. The Bank is committed to doing right by customers even when no one is watching and believes that income earned unethically is not worth earning.

So, the Bank has simplified descriptions, calculations, and legal jargon to avoid confusing customers and offers "ZERO FEE Banking" on all savings account services, including SMS alerts, IMPS, RTGS, NEFT, cash deposits, non-home branch access, ATM withdrawals, cheque books, Demand Drafts, Pay Orders, duplicate statements, and other commonly charged services. It is the first and only bank in India to do so.

4. **Customer Friendly Banking:** IDFC FIRST Bank credits interest monthly on savings accounts. For credit cards, it offers lifetime-free cards with no minimum spend conditions, non-expiring reward points, zero interest on ATM cash withdrawals, and dynamic low APR. Any applicable fees are transparent and clearly explained.
5. **Digital Banking:** The Bank's modern technology stack delivers high-quality services across mobile, branch, internet banking, call centres, and relationship managers.
6. **Social Good Banking:** The Bank is financially inclusive with high asset quality. It has financed over 38 million customers, including 16 million lifestyle improvement loans, 15 million loans to 4.3 million women entrepreneurs, 6.5 million vehicle loans, 1 million sanitation loans, 1 million livelihood loans, 300,000 SME loans, and 100,000 home loans.
7. **ESG:** The Bank holds high ESG scores, reflecting its commitment to financial inclusion and social responsibility.