

## IDFC FIRST Bank Q3 Profit After Tax at Rs 153 crore, excluding exceptional items due to merger accounting

- *Q3 Profit Before Tax at Rs. 95 crore*
- *Net Interest Margin for the quarter post-merger at 3.27%*
- *Total Balance Sheet size of IDFC FIRST Bank, as of December 31, 2018 at Rs 1,56,916 crore*
- *Gross Funded Assets in the retail segment were 34.62% of Total Funded assets*
- *Goodwill and other intangibles of Rs. 2599 crore have been recognized; the Bank has accelerated the amortization of Goodwill and other Intangibles and has disclosed it as an Exceptional Item in the Profit and Loss account*
- *Net worth of the Bank increased to Rs. 18,376 core as of December 31, 2018*

**Mumbai, February 5, 2019:** The Board of Directors of IDFC FIRST Bank in its first meeting of the combined entity held today to consider the financial results, approved the combined unaudited financial results for the quarter ended December 31, 2018, as summarized below.

### **PROFIT & LOSS ACCOUNT FOR THE QUARTER ENDED DECEMBER 31, 2018**

The Bank reported a Net Interest Income (interest earned less interest expended) of Rs. 1,145 crore and Total Income (Net Interest Income plus other revenues) of Rs. 1,449 crore.

The Net Interest Margin (Net Interest Income as % of Interest Earning Assets) was 3.27% in Q3 FY 19 (post merger) as compared to sequential quarter 1.7% in Q2 FY 19 (pre- merger). The expansion of the Net Interest Margin was primarily due to the addition of the retail book through its merger with Capital First Limited.

Operating expenses for the quarter ended December 31, 2018, were Rs. 1,142 crore which include Rs. 370 crore of employee-related expenses. The cost-to-income ratio for the quarter was at 78.75%.

**The Profit before Tax and Exceptional Items of the Bank for the quarter ended on 31 December 2018, was Rs. 95 crore.**

The Bank has accounted for the merger in accordance with the AS-14 accounting for amalgamation. All assets and liabilities of Capital First Limited and its subsidiaries have been recorded at fair value based on an independent valuation report.

**Goodwill and other intangibles of Rs. 2599 crore have been recognized. In view of the restrictions to declare dividend under section 15 of the Banking Regulation Act, the Bank has accelerated the amortization of Goodwill and other Intangibles which has been disclosed as an Exceptional Item in the Profit and Loss account.**

Considering the effect of exceptional items and applicable tax, net loss of the Bank for the quarter ended on 31 December 2018, was at Rs. 1,538 crore. The Book Value per share stood at Rs. 38.43 as of December 31, 2018 (considering the total number of shares after the issuance of new shares to the Capital First shareholders).

## BALANCE SHEET AS OF DECEMBER 31, 2018

The total Balance Sheet size of the Bank, as of December 31, 2018, was Rs 1,56,916 crore.

The Gross Funded Assets stood at Rs. 1,04,660 crore, out of which Gross Funded Assets in the Retail segment were at Rs. 36,252 crore, contributing 34.62% to the total Funded Assets. The Gross Funded Assets in the Wholesale segment stood at Rs. 56,809 crore, out of which, funded assets in Infrastructure segment was at Rs. 22,710 crore which gradually came down every quarter for the last four quarters.

Total deposits of the Bank as of December 31, 2018, were Rs. 61,914 crore, out of which CASA Deposits were at Rs. 6,421 Cr, contributing 10.37% to the total deposits and 4.92% to the total borrowing & deposits book. The Time Deposits of the Bank were at Rs. 33,182 crore, out of which Retail Time Deposits stood at Rs. 7,605 crore as of December 31, 2018.

The Bank maintained a statutory investment book of Rs. 21,456 crore and Rs. 22,018 crore of other investment book as of December 31, 2018.

## ASSET QUALITY

The Gross NPA of the Bank was at 1.97% and the Net NPA was at 0.95% as of December 31, 2018. The Provision Coverage Ratio stood at 72.9% as of December 31<sup>st</sup>, 2018.

The Net-worth of the Bank was at Rs. 18,376 crore as of December 31, 2018, and the book value per share was at Rs. 38.43 as of December 31, 2018.

## CAPITAL ADEQUACY

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 16.51%, and Tier I CAR was at 16.14% as on December 31, 2018.

## NETWORK

As of December 31, 2018, the Bank's distribution network comprised 206 bank branches and 140 ATMs. The Bank also has 102 asset branches, 354 rural financing branches and 100 business correspondence centers. Through this network, the Bank is servicing its customers across 530 districts in 30 States and Union Territories.

**Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, said, "The third quarter of fiscal 2019 has been a landmark quarter for the Bank as it started on a new journey as combined entity. The Bank is focused on accelerating the build out of its retail liability franchise, growing the retail assets book and deepening its relationships in the wholesale banking business. As the Bank expands its footprint across the country and widens its suite of solutions, we hope to significantly enrich the banking experience for our customers."**

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## **About IDFC FIRST Bank**

IDFC First Bank provides a range of financial solutions to individuals, small businesses and corporates. The Bank offers savings and current accounts, NRI accounts, salary accounts, demat accounts, fixed and recurring deposits, home and personal loans, small business loans, forex products, payment solutions and wealth management services. IDFC First Bank has a nationwide presence and operates in the Retail Banking, Wholesale Banking and other banking segments. Customers can choose where and how they want to bank: 206 bank liability branches, 102 asset branches, 140 ATMs and 454 rural business correspondent centres across the country, net banking, mobile banking and 24/7 toll free Banker-on-Call service.

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