

## IDFC FIRST Bank Q4 loss at Rs. 218 crore; Strong y-o-y growth in CASA, Retail Assets, Branch Network

- Bank reports loss of Rs. 218 crore for the quarter ended March 31, 2019
- Total Balance Sheet size of IDFC FIRST Bank, as on March 31, 2019, was Rs 1,67,185 crore
- Total Loan book at Rs. 1,10,400 crore
- Retail Loans increase to 37% of Total Loans (post-merger) from 10% as on March 31, 2018 (pre merger)
- Net worth of the Bank increases to Rs. 18,159 crore as of March 31, 2019 (post merger) as compared to Rs. 15,257 crore as on March 31, 2018 (pre merger)

**Mumbai, May 10, 2019:** The Board of Directors of IDFC FIRST Bank founded by the merger of IDFC Bank and Capital First recently, in its meeting held today to consider the financial results, approved the combined unaudited financial results for the quarter and year ended March 31, 2019, as summarized below.

### PROFIT & LOSS ACCOUNT FOR THE QUARTER AND THE YEAR ENDED MARCH 31, 2019

The Bank reported a Net Loss of Rs. 218 crore for the quarter ended March 31, 2019, as compared to a Profit After Tax of Rs. 42 crore in the corresponding quarter last year. For the full financial year 2019, the Net Loss was Rs. 1,944 crore, which included accelerated goodwill amortization on merger of Rs. 2,599 crore and tax credits of Rs. 1,351 crore. But for these exceptional items of goodwill amortization and one-time tax credits, the earnings before tax would have been a loss of Rs. 696 crore.

The key reason for the loss is provisions of Rs. 419.46 crore made on three exposures of Rs. 2,794 crore that are performing satisfactorily on its books, however, as a prudent measure, they have been identified as watch-list accounts as two of these accounts pertain to financial services firms that have been downgraded by rating companies recently. The Bank does not have any exposure to ILFS or Jet Airways.

The Net Interest Income (interest earned less interest expended) was at Rs. 1,113 crore for the reported quarter and Rs. 3,199 crore for the year ended March 31, 2019.

Total Income (Net Interest Income plus other revenues) was at Rs. 1,429 crore for the reported quarter and Rs. 4,138 crore for the year ended March 31, 2019.

The Net Interest Margin (Net Interest Income as % of Interest Earning Assets) for the quarter was 3.03% as compared to the NIM of 1.58% for the quarter ended March 31, 2018 (pre merger), and as sequentially compared to 2.89% for the quarter ended December 31, 2018.

**Mr. V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, said,** “The Bank has already begun the transformation and growth journey and is focused on accelerating the build out of its retail liability franchise, growing the retail assets book, diversifying the balance sheet and improving margins. I have no doubt in my mind that we are set to scale new heights every year from here on across all key parameters.”

## **BALANCE SHEET AS OF MARCH 31, 2019**

The total Balance Sheet size of the Bank, as of March 31, 2019, was Rs 1,67,185 crore.

Gross Funded Assets stood at Rs. 1,10,400 crore. The Retail segment accounted for Rs. 40,812 crore, contributing 36.97% to the Total Funded Assets as compared to a Retail loan book of Rs. 7,038 crore as of March 31, 2018.

The Gross Funded Assets in the Wholesale segment stood at Rs. 53,649 crore as on March 31, 2019. Of this, funded assets in the infrastructure segment were at Rs. 21,459 crore, which has come down from Rs. 26,832 crore as of March 31, 2018.

Total Deposits grew by 46% to Rs. 70,479 crore as on March 31, 2019, from Rs. 48,198 crore as on March 31, 2018.

CASA Deposits as on March 31, 2019, were at Rs. 9,114 crore as compared to Rs. 5,710 crore as on March 31, 2018, representing a growth of 60%. CASA contributed 12.93% to Total Deposits and 6.49% to the Total borrowing & deposits book as on March 31, 2019.

Time Deposits of the Bank were at Rs. 32,611 crore as on March 31, 2019, up 43% as compared to Rs. 22,826 crore as on March 31, 2018.

Of the total Time Deposits in the year under review, Retail Time Deposits accounted for 27% at Rs. 8,769 crore, growing 15% quarter-on-quarter. Wholesale Time Deposits have decreased by 7% quarter-on-quarter at 23,842 crore as of March 31, 2019.

Retail CASA + Retail Term Deposits, which together constitute core retail deposits, has grown 132% to Rs. 13,214 crore as on March 31, 2019, from Rs. 5,693 crore as on March 31, 2018.

Retail CASA + Retail Term Deposits as percentage of the overall liability book has grown to 9.41% as of March 31, 2019, from 5.40% as on March 31, 2018.

The Net worth of the Bank was at Rs. 18,159 crore as of March 31, 2019, and the book value per share was at Rs. 37.98 as of March 31, 2019.

## **ASSET QUALITY**

The Gross and Net NPA of the Bank as of March 31, 2019, was at 2.43% and 1.27% as compared to 3.31% and 1.69% as of March 31, 2018, and as compared to 1.97% and 0.95% as of December 31, 2018. The Provision Coverage Ratio on the NPL and Stresses Assets stood at 55.9% as of March 31, 2019.

Of the Net NPA of Rs. 311 crore, Rs. 136 crore is because of alignment of NBFC NPA norms to Bank NPA norms. Erstwhile Capital First as an NBFC was guided by NBFC NPA norms and Net NPA increase of Rs. 151 crore is because of increase in certain wholesale Assets.

## **CAPITAL ADEQUACY**

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 15.47%, and Tier I CAR was at 15.27% as on March 31, 2019.

## **NETWORK**

As of March 31, 2019, the Bank's distribution network comprised 242 bank branches and 141 ATMs, as compared to 150 branches and 85 ATMs in the previous year. The Bank also has 102 asset branches, 354 rural financing branches and 100 business correspondence centers.

## **EMPLOYEE STRENGTH**

The number of core employees of the bank stood at 12,256 as of March 31, 2019.

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## **About IDFC FIRST Bank**

IDFC FIRST Bank was founded by the merger of IDFC Bank and Capital First in December 2018. The 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, two wheeler loans, consumer durable 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: 242 bank liability branches, 102 asset branches, 141 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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