

## Loans under moratorium to dip below 10% by August end, says IDFC First

**Private lender posted profit before tax of Rs 127.54 crore in the quarter ended June 2020 (Q1Fy21)**

**Abhijit Lele | Mumbai July 29, 2020** Last Updated at 10:55 IST

IDFC First Bank expects loans under moratorium to fall below 10 per cent of its books by August from 28 per cent now, said the private lender on Wednesday.

The bank liberally gave moratorium, which in the last quarter formed 45 per cent of the books, and it is now seeing strong improvement in collections, said V Vaidyanathan, Managing Director and chief executive officer.

IDFC eased its loan repayment terms after the Reserve Bank of India announced in a second moratorium till end of August. The first moratorium was between March and May.

IDFC, for the second phase, provided moratorium to about 28 per cent of its customers. As much as 23 per cent of the moratorium is in retail assets, including in rural portfolio, and 35 per cent is in the wholesale financing portfolio, it said in a filing with BSE.

Its stock was trading 2.15 per cent higher at Rs 28.45 per share on BSE after announcing Q1Fy21 results late night on Tuesday.

IDFC posted profit before tax (PBT) of Rs 127.54 crore in the quarter ended June 2020 (Q1Fy21), as against pre-tax loss of Rs 963.02 crore in quarter ended June 2019 (Q1Fy20). Its PBT was Rs 107.38 crore in fourth quarter ended March 2020 (Q4Fy20).

Its net profit for Q1Fy21 stood at Rs 93.54 crore as against loss of Rs 617.35 crore in Q1Fy20. It had booked net profit of Rs 71.54 crore in Q4Fy20.

Its Net Interest Income (NII) grew by 38 per cent to Rs 1,626 crore in Q1Fy21 from Rs 1,174 crore in Q1 FY20, bank said.

Fee and Other Income (without trading gains) decreased by 54 per cent to Rs 148 Crore in Q1 FY21 from Rs 321 crore in Q1-FY20 on lower loan originations and reduced banking activity on account of COVID-19 pandemic and related lockdown throughout the country, it added.

Total Funded Loan Assets stood shrunk year on year basis to at Rs 1,04,050 crore as on June 30, 2020, from Rs 1,12,558 crore as on June 30, 2019. They declined sequentially as well without outstanding book of Rs 1,07,004 crore as on March 2020.

The bank said it's focus to grow in the retail loans sector and shrink the wholesale loan book, including infrastructure loans, to reduce concentration risk on the portfolio.

Retail Loan Book increased by 26 per cent to Rs. 56,043 crore at end June 2020 from Rs 44,642 crore as on June 2019.

Asset quality showed improvement with Gross Non-performing assets declining to 1.99 per cent in June 2020 form 2.66 per cent a year ago. GNPA's were at 2.6 per cent in March 2020.

Net NPAs were down to 0.51 per cent in June 2020 from 1.35 per cent in June 2019. Net NPAs were at 0.94 per cent in March 2020. The Provision coverage ratio on NPA accounts improved to 74.93 per cent in June 2020 as compared to 49.76 per cent in June 2019 and 64.53 per cent in March 2020.

The capital Adequacy stood at 15.03 per cent with CET-1 Ratio at 14.58 per cent as of June 30, 2020 as compared to Capital Adequacy Ratio of 13.38 per cent and CET-1 Ratio of 13.30 per cent as of March 31, 2020. The Bank raised Rs 2,000 crore of fresh equity capital through preferential route during the quarter.