

PRESS RELEASE

CSB Bank Limited

Financial Results for the Quarter and Year ended 31.03.2022

The Board of Directors of CSB Bank took on record the audited financial results for the fourth quarter (Q4 FY 2022) and for the year ended 31.03.2022 (FY 22) in their meeting dated 06.05.2022.

Highlights

- **Net Profit:** Net Profit has more than doubled from Rs 218.40 Crs in FY 21 to Rs 458.49 Crs in FY 22. Q4 FY 22 net profit is at Rs 130.67 Crs as against Rs 42.89 Crs in Q4 FY 21- growth of 205%. Bank continued its conservative provisioning policy during this quarter as well. The RoA for the year ended 31.03.2022 is 1.90%, up from 0.99% for the previous year.
- **Operating Profit** for FY 22 is Rs 613.72 Cr, posting a healthy growth of 19% from Rs 515.52 Cr for FY 21. Q4 FY 22 operating profit (Rs 142.05 Cr) is up by 77% over Q4 FY 21(Rs 80.38 Cr).
- **Net Interest Income for (NII)** for FY 22 stood at Rs 1153.30 Cr posting an increase of Rs 211.91 Crs or by 22.51% YoY. In Q4 FY 22, the NII stood at Rs 303.83 Cr as against Rs 275.70 Cr in Q4 FY 21 or a growth of 10.20%. Increase in NII has been powered by spread and volume effects. Yield on advances improved by 24 basis points YoY to 11.21% even as the average advances grew by 14%. Cost of deposits reduced by 76 basis points to 4.31% while average CASA surged by 22%. NIM improved by 46 bps from 4.81% in FY 21 to 5.27% in FY 22.
- **Non-Interest Income** for FY 22 posted a de-growth of 18.58% compared to the previous FY mainly due to dip in treasury profits by 90%. Excluding Treasury Profits, Other income registered a growth of 17% y-o-y powered by growth in commission income.
- **Credit Costs:**Net off bad debts recovered amounting to Rs 79 Crs , we have a write back of NPA provision to the tune of Rs 9.81 Crs as on 31.03.2022 as against a P&L hit of Rs 106.83 Crs for FY 21.
- **Cost Income Ratio:** For the full FY is at 56.17% with an improvement of 241 bps over last FY figure of 58.58%. The improvement has come despite increase in non-staff opex by 31% due to the new branch openings, increase in cost of business correspondent tie ups and technology costs. Bank opened 100 branches in FY 22.
- **Asset Quality & Provisioning:** This was a prominent quarter in terms of NPA recovery where we could contain both gold as well as non-gold NPAs. Out of the gross NPA of Rs 289.51 Crs, Rs 28.81 Crs is gold NPA.
 - Gross NPA decreased by Rs 104 Crs ie, from Rs 393.49 Crs as on 31.03.21 to Rs 289.51 Crs as on 31.03.22. The GNPA percentage that was at 2.68% as on 31.03.21 improved by 87 bps to 1.81% as on 31.03.22. NPA in gold loans decreased from Rs 45.39 Cr to Rs 28.81 Cr YoY.
 - Net NPA percentage decreased from 1.17% as on 31.03.21 to 0.68% or by 49 bps. In absolute terms, NNPA reduced by Rs 62 Crs to Rs 106.99 Crs as on 31.03.2022.
 - Provision Coverage Ratio improves to 89.65% as on 31.03.2022 where as it was 84.89% last year.
 - We are holding a standard asset provision of Rs 106 Crs as on 31.03.22 over and above RBI requirements and if we consider this also, PCR is close to 100%.
- **Capital Adequacy Ratio** is at 25.90%, which is well above the regulatory requirement. Leverage ratio is at 9.12% as on 31.03.2022.

- **Book Value, EPS and RoE** Book Value per share increased from Rs 117 to Rs 144 or by 23% with Earnings per Share of Rs 26.43 in FY 22(Rs 12.59 in FY 21). RoE increased from 12.5% to 21.3%.
- **Comfortable Liquidity Position** with Liquidity Coverage Ratio at 154% and Net Stable Funding Ratio at 153%.
- **Total Deposits** grew by 5.50% YoY and CASA ratio stood at 33.66 % as on 31.03.22 as against 32.19% as on 31.03.2021.
- **Advances (Net)** grew by 10 % YoY to Rs 15815 Cr as on 31.03.22

Performance Highlights:

| (Rs Crore) | Q4 FY22 | Q4 FY21 | Inc/Dec% | Q3 FY22 | FY 22 | FY 21 | Inc/Dec% |
|-----------------------------|---------------|---------------|----------------|---------------|-----------------|-----------------|----------------|
| Interest Income | 519.56 | 497.12 | 4.51% | 527.65 | 2,038.31 | 1,872.29 | 8.87% |
| Interest Expense | 215.73 | 221.42 | -2.57% | 224.31 | 885.01 | 930.91 | -4.93% |
| NII | 303.83 | 275.70 | 10.20% | 303.34 | 1,153.30 | 941.39 | 22.51% |
| Treasury Profits | -1.22 | -16.27 | - | 1.48 | 11.50 | 101.96 | -88.72% |
| Other Income | 64.83 | 80.02 | -18.98% | 50.68 | 235.30 | 201.17 | 16.97% |
| Non-Interest Income | 63.61 | 63.75 | -0.22% | 52.16 | 246.80 | 303.13 | -18.58% |
| Net Operating Income | 367.43 | 339.45 | 8.24% | 355.50 | 1,400.10 | 1,244.52 | 12.50% |
| Staff Cost | 143.41 | 178.64 | -19.72% | 122.09 | 481.87 | 496.23 | -2.89% |
| Other Opex | 81.97 | 80.43 | 1.92% | 85.86 | 304.51 | 232.76 | 30.82% |
| Total Opex | 225.38 | 259.07 | -13.00% | 207.95 | 786.38 | 729.00 | 7.87% |
| Operating Profit | 142.05 | 80.38 | 76.72% | 147.55 | 613.72 | 515.52 | 19.05% |
| Standard Asset Provision | 4.51 | -37.08 | - | 1.70 | 8.59 | 115.69 | -92.58% |
| Other Provisions | -38.61 | 59.44 | - | -52.27 | -9.10 | 107.28 | - |
| Provisions other than Tax | -34.10 | 22.36 | - | -50.56 | -0.51 | 222.97 | -100.23% |
| PBT | 176.15 | 58.02 | 203.61% | 198.11 | 614.23 | 292.55 | 109.96% |
| Tax | 45.48 | 15.12 | 200.72% | 49.86 | 155.74 | 74.15 | 110.03% |
| Net Profit | 130.67 | 42.89 | 204.63% | 148.25 | 458.49 | 218.40 | 109.93% |
| Deposits | 20,188.30 | 19,140.04 | 5.48% | 19,056.01 | 20,188.30 | 19,140.04 | 5.48% |
| Advances Net | 15,814.68 | 14,438.12 | 9.53% | 14,637.00 | 15,814.68 | 14,438.12 | 9.53% |
| CASA | 6,795.17 | 6,161.80 | 10.28% | 6,587.19 | 6,795.17 | 6,161.80 | 10.28% |
| Gold | 6,570.00 | 6,131.00 | 7.16% | 5,826.00 | 6,570.00 | 6,131.00 | 7.16% |
| CASA% | 33.66% | 32.19% | 4.55% | 34.57% | 33.66% | 32.19% | 1.47% |

Management Speak: Speaking about the performance of the Bank, **Mr. Pralay Mondal, Managing Director & CEO (Interim)** said, *It gives me immense pleasure in announcing that we have posted a record net profit of Rs 458 Crs in FY 22 despite many challenges. The asset quality concerns which crept up due to the reversal of gold portfolio LTV regime & the Covid related economic slowdown could be managed well and the year ended with negative credit costs. The key asset quality ratios viz GNPA, NNPA and PCR have improved over last year. Bank is continuing with the accelerated provisioning policy. Though the Covid situation has altered for the better, considering the uncertainties, we have not reversed the covid specific provisions. The better management of costs and yields helped in sustaining an improved NIM & RoA. Though our treasury profits were lower compared to last year due to the adverse market conditions, other income streams like bancassurance, fees etc could bridge the gap to a great extent on Non-Interest Income front.*



Now coming to topline, in net advances we could register a growth of 10% YoY with gold loan growing at 7% and non-gold loan portfolio at 11%. The liabilities were raised duly weighing the requirement and cost considerations with average CASA surging at 22% YoY. The negativity in terms of growth in the Gold Loan Portfolio could be arrested in Q4, and we are back on track with gold loans surging at 13% QoQ. In retail, we have already launched the new PL (Personal Loan) product and few others are in pipeline for launch in a phased manner. Volume build up in non-gold retail will take some more time as we are building the necessary guardrails. Gold loans, SME and wholesale credit will be the key growth drivers for FY 23 while we will be sprucing up our digital banking capabilities and expanding our reach to new geographies. We are committed to scale up our business in a consistent and sustainable way, ensuring long term earnings visibility.

About CSB Bank Limited:

We are one of the oldest private sector banks in India with an existence of over 101 years. While our Bank has a long operating history as a traditional bank, we are currently focusing on implementing strategic changes in business model to function efficiently like a full service new age private sector bank. We have a strong base in Kerala along with significant presence in Tamil Nadu, Maharashtra, Karnataka and Andhra Pradesh. We offer a wide range of products and services to our overall customer base of 2.1 million, with particular focus on SME, Retail, and NRI customers. We deliver our products and services through multiple channels, including 603 branches (excluding three service branches and three asset recovery branches) and 465 ATMs/CRMs spread across the country and various alternate channels such as micro ATMs, debit cards, internet banking, mobile banking, point of sale services, and UPI.

CSB Bank is listed on both NSE and BSE. For further details, please visit www.csb.co.in

For press queries, please contact Ms Sreelatha M, DGM – Strategy & Planning at 0487-6619203 or email : msreelatha@csb.co.in

Mumbai, 06.05.2022

Safe Harbour:

Some of the statements in this document that are not historical facts; are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.