

Walker Chandiok & Co LLP
Chartered Accountants
16th Floor, Tower III, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

Mukund M. Chitale & Co.
Chartered Accountants
2nd Floor, Kapur House
Paranjape B Scheme Road No. 1
Vile Parle (East)
Mumbai - 400 057

Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of CSB Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of CSB Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **CSB Bank Limited** ('the Bank') for the quarter ended 30 September 2023 and the year to date results for the period **01 April 2023 to 30 September 2023**, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure as at 30 September 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's management and approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to banks ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under section 133 of the Act, the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure as at 30 September 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.



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5. The review of unaudited quarterly financial results for the quarter ended 30 June 2023, review of unaudited quarterly financial results for the quarter and half-year ended 30 September 2022 and audit of financial results for the year ended 31 March 2023 included in the Statement was carried out and reported by BSR & Co. LLP and Mukund M. Chitale & Co. who have expressed unmodified conclusion vide their review report dated 20 July 2023 and 21 October 2022 and an unmodified opinion vide their audit report dated 28 April 2023, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Accordingly, Walker Chandio & Co. LLP do not express any conclusion on the figures reported in the Statement for the quarter ended 30 June 2023 and for the quarter and half-year ended 30 September 2022, or any opinion on the figures reported in the Statement for the year ended 31 March 2023. Our conclusion is not modified in respect of this matter.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Sudhir N. Pillai
Partner
Membership No:105782

UDIN:23105782BGXTGR3335

Place: Mumbai
Date: 20 October 2023



For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No:106655W

Abhay V. Kamat
Partner
Membership No:039585

UDIN:23039585BGXBTA8390

Place: Mumbai
Date: 20 October 2023





CSB Bank Limited

Regd. Office: 'CSB Bhavan', Post Box No. 502, St. Mary's College Road,

Thrissur – 680020, Kerala, India.

Tel: +91 487-2333020 | Fax: +91 487-2338764 |

Website: www.csb.co.in | Email: board@csb.co.in

Corporate Identity Number: L65191KL1920PLC000175



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest Earned (a) + (b) + (c) + (d)	68,734	68,349	55,518	1,37,083	1,09,111	2,31,965
(a) Interest / Discount on advances / bills	58,469	57,113	45,025	1,15,582	86,494	1,88,813
(b) Income on investments	9,638	9,175	9,656	18,813	20,999	40,461
(c) Interest on balances with RBI and other inter bank funds	352	345	285	697	834	1,115
(d) Others	275	1,716	552	1,991	784	1,576
2. Other Income	14,845	12,155	4,494	27,000	9,979	31,601
3. Total Income (1+2)	83,579	80,504	60,012	1,64,083	1,19,090	2,63,566
4. Interest Expended	34,365	31,948	23,021	66,313	45,545	98,581
5. Operating Expenses (i) + (ii) + (iii)	31,751	30,413	21,255	62,164	42,337	94,245
(i) Employees cost	17,574	17,615	12,690	35,189	24,786	55,282
(ii) Rent, taxes and lighting	2,973	3,169	2,327	6,142	4,580	9,914
(iii) Other operating expenses	11,204	9,629	6,238	20,833	12,971	29,049
6. Total Expenditure (4+5) (excluding provisions and contingencies)	66,116	62,361	44,276	1,28,477	87,882	1,92,826
7. Operating Profit before Provisions and Contingencies (3-6)	17,463	18,143	15,736	35,606	31,208	70,740
8. Provisions (other than tax) and Contingencies	(333)	473	(373)	141	(205)	(2,621)
Of which provisions for non-performing assets / write off	1,058	1,396	682	2,454	2,275	3,066
9. Exceptional Items	-	-	-	-	-	-
10. Profit from Ordinary Activities before Tax (7-8-9)	17,796	17,670	16,109	35,465	31,413	73,361
11. Tax Expense	4,479	4,447	4,054	8,926	7,906	18,625
12. Net Profit from Ordinary Activities after Tax (10-11)	13,317	13,223	12,055	26,539	23,507	54,736
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	13,317	13,223	12,055	26,539	23,507	54,736
15. Paid-up Equity Share Capital (Face value - ₹ 10 per equity share)	17,354	17,354	17,354	17,354	17,354	17,354
16. Reserves excluding Revaluation Reserves						2,87,807
17. Analytical Ratios						
(i) Capital Adequacy Ratio (Basel-III)	23.96%	25.99%	25.14%	23.96%	25.14%	27.10%
(ii) Earnings per Share (EPS)*						
Basic EPS - before and after extraordinary items (in ₹)	7.68	7.62	6.95	15.30	13.55	31.55
Diluted EPS - before and after extraordinary items (in ₹)	7.68	7.62	6.95	15.30	13.55	31.55
(iii) NPA Ratios						
a) Gross NPA	28,476	27,066	29,104	28,476	29,104	26,256
Net NPA	7,249	6,777	9,886	7,249	9,886	7,182
b) % of Gross NPA	1.27%	1.27%	1.65%	1.27%	1.65%	1.26%
% of Net NPA	0.33%	0.32%	0.57%	0.33%	0.57%	0.35%
(iv) Return on Assets - Annualised	1.73%	1.79%	1.87%	1.76%	1.81%	2.06%

* Quarterly / Half Yearly numbers are not Annualised



SEGMENT INFORMATION						
Particulars	(₹ in Lakhs)					
	Quarter ended			Half Year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	10,462	12,093	9,473	22,555	21,441	42,950
Corporate/Wholesale Banking	19,353	18,733	12,912	38,086	27,181	62,277
Retail Banking	50,765	48,083	36,036	98,848	67,782	1,52,270
Other Banking Operations	2,999	1,595	1,591	4,594	2,686	6,069
Unallocated	-	-	-	-	-	-
Total Revenue	83,579	80,504	60,012	1,64,083	1,19,090	2,63,566
Less: Inter segment revenue	-	-	-	-	-	-
Income from operations	83,579	80,504	60,012	1,64,083	1,19,090	2,63,566
Segment Results (Net of provisions):						
Treasury	828	3,736	1,709	4,564	3,578	8,297
Corporate/Wholesale Banking	4,380	2,625	1,394	7,005	4,038	11,009
Retail Banking	11,518	10,714	12,389	22,231	22,814	51,642
Other Banking Operations	1,076	596	676	1,672	1,140	2,602
Unallocated	(6)	(1)	(59)	(7)	(157)	(189)
Profit Before Tax	17,796	17,670	16,109	35,465	31,413	73,361
Segment Assets:						
Treasury	6,84,498	5,92,696	6,32,230	6,84,498	6,32,230	6,48,253
Corporate/Wholesale Banking	7,45,026	7,23,748	5,98,318	7,45,026	5,98,318	7,26,897
Retail Banking	17,05,005	16,13,101	13,37,746	17,05,005	13,37,746	15,34,342
Other Banking Operations	1,776	1,160	1,166	1,776	1,166	1,323
Unallocated	5,975	5,718	4,898	5,975	4,898	5,413
Total	31,42,280	29,36,423	25,74,358	31,42,280	25,74,358	29,16,228
Segment Liabilities:						
Treasury	1,61,925	34,887	1,42,485	1,61,925	1,42,485	10,104
Corporate/Wholesale Banking	7,54,796	7,61,907	4,65,924	7,54,796	4,65,924	7,18,187
Retail Banking	18,77,954	18,05,809	16,76,814	18,77,954	16,76,814	18,67,555
Other Banking Operations	-	-	-	-	-	-
Unallocated	323	66	259	323	259	19
Total	27,94,998	26,02,669	22,85,482	27,94,998	22,85,482	25,95,865
Capital employed:						
(Segment Assets-Segment Liabilities)						
Treasury	5,22,573	5,57,808	4,89,745	5,22,573	4,89,745	6,38,149
Corporate/Wholesale Banking	(9,770)	(38,159)	1,32,394	(9,770)	1,32,394	8,710
Retail Banking	(1,72,949)	(1,92,707)	(3,39,067)	(1,72,949)	(3,39,067)	(3,33,213)
Other Banking Operations	1,776	1,160	1,166	1,776	1,166	1,323
Unallocated	5,652	5,652	4,638	5,652	4,638	5,394
Total	3,47,282	3,33,754	2,88,876	3,47,282	2,88,876	3,20,363

1. For the above segment reporting, the reportable segments are identified as Treasury, Corporate/ Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI Guidelines.

The business operations of the Bank are substantially concentrated in India and for the purpose of Segment Reporting as per Accounting Standard-17, the Bank is considered to operate only in domestic segment.

2. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting', 'Digital Banking' has to be identified as a sub-segment under Retail Banking. Since the Bank has not established DBU, Digital Banking has not been disclosed as a sub-segment under Retail Banking.



Notes:

1 Statement of Assets and Liabilities of the Bank as on September 30, 2023 is given below:

(₹ in Lakhs)

Particulars	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023
	Unaudited	Unaudited	Audited
Capital and Liabilities			
Capital	17,354	17,354	17,354
Reserves and Surplus	3,29,928	2,71,522	3,03,009
Deposits	25,43,838	20,98,661	24,50,581
Borrowings	1,80,704	1,35,180	78,297
Other Liabilities and Provisions	70,456	51,641	66,987
Total	31,42,280	25,74,358	29,16,228
Assets			
Cash and Balances with Reserve Bank of India	1,53,165	1,47,958	1,46,991
Balances with Banks and money at call & short notice	6,356	15,102	36,680
Investments	6,69,199	5,73,439	5,84,870
Advances	22,25,599	17,46,833	20,65,065
Fixed Assets	32,887	28,906	31,936
Other Assets	55,074	62,120	50,686
Total	31,42,280	25,74,358	29,16,228

2 Statement of Cash Flow for the half year ended September 30, 2023 is given below;

(₹ in Lakhs)

Particulars	Half Year ended 30.09.2023	Half Year ended 30.09.2022
	Unaudited	Unaudited
A. Cash flows from operating activities		
Profit before income tax	35,465	31,413
Adjustments for:		
Depreciation on Fixed Assets	2,554	2,015
Provision for Depreciation in Value of Investments	249	1,263
Provision towards Non Performing Advances	2,454	2,275
Provision for Standard Assets	590	624
Employee Stock Option Expenses	379	229
Loss on Sale of Fixed Assets	3	5
Amortisation of Premium paid on HTM Investments	77	247
Other Provisions and Contingencies	7	157
	41,778	38,228
Adjustments for:		
(-) Increase / Decrease In Investments (excluding Held to Maturity Investments)	(73,624)	1,49,844
Increase in Advances	(1,62,978)	(1,67,617)
(-) Decrease / Increase In Other Assets	(3,117)	1,774
Increase in Deposits	93,257	79,832
Increase / (-)Decrease in Other Liabilities & Provisions	2,862	(103)
	(1,01,822)	1,01,958
Direct taxes paid (net of refunds)	(10,196)	(4,965)
Net cash flow (-) used in / from operating activities	(1,12,018)	96,993
Cash flows from investing activities:		
Purchase of fixed assets	(3,523)	(2,144)
Proceeds from sale of fixed assets	16	5
Increase in Held to Maturity Investments	(11,032)	(23,631)
Net cash flow used in investing activities	(14,539)	(25,770)
Cash flows from financing activities		
Proceeds from issue of Equity Share Capital	-	-
Proceeds / (-) Repayment of Borrowings	1,02,407	(65,539)
Net cash flow from / (-) used in financing activities	1,02,407	(65,539)
(-) Decrease / Increase in cash and cash equivalents	(24,150)	5,684
Cash and Cash Equivalents at the Beginning of the Year	1,83,671	1,57,376
Cash and Cash Equivalents at the End of the Half Year	1,59,521	1,63,060



- 3 The above unaudited financial results for the quarter and half year ended September 30, 2023 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors of the Bank in their respective meeting held on October 20, 2023. These results have been subjected to Limited Review by the Joint Statutory Auditors of the Bank, viz Mukund M. Chitale & Co., Chartered Accountants and Walker Chandio & Co LLP., Chartered Accountants and an unmodified review report has been issued. The previous period's figures were reviewed/audited by Mukund M. Chitale & Co., Chartered Accountants and B S R & Co. LLP, Chartered Accountants.
- 4 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI"), from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including relevant circulars issued by the SEBI from time to time.
- 5 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2023. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/ directions.
- 6 The working results have been arrived at after considering the provision for standard assets including requirements for exposures to entities with unhedged foreign currency exposures, non performing assets, depreciation on investments, income tax and other usual and necessary provisions.
- 7 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange transactions, selling of third-party products, profit on sale of investments (net), etc.
- 8 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 9 During the quarter ended September 30, 2023, the Bank has not issued equity shares under the Employee Stock Option Scheme.
- 10 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below;

(₹ in Lakhs)

Type of Borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan-Position as at the end of the previous half year (A)	(B) Of (A), aggregate debt that slipped into NPA during the half year	(C) Of (A), amount paid by the borrower during the half year	(D) Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of this half year.
Personal Loans	547.86	81.89	142.98	111.56
Corporate Persons of which MSMEs				
Others				
Total	547.86	81.89	142.98	111.56

- 11 Details of loans transferred / acquired during the quarter ended September 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The Bank has not transferred any Non Performing Assets (NPA), Special Mention Accounts (SMA) and Loans not in default during the quarter

(ii) Details of loans not in default acquired through assignment during the quarter are given below:

Aggregate amount of loans acquired (₹ in Lakhs)	49,399
Weighted average residual maturity (in months)	16.19
Weighted average holding period by originator (in months)	3.84
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	100%

The loans acquired are not rated as these are to non-corporate borrowers.

(iii) The Bank has not acquired any stressed loans (NPA and SMA) during the quarter

(iv) During the quarter ended September 30, 2023, the Bank has not transferred any stressed loans to Asset Reconstruction Companies (ARC).

- 12 In accordance with RBI guidelines, Banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and net stable funding ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the link: <https://www.csb.co.in/basel-2basel-3-disclosures>. These disclosures have not been subjected to review by the Joint Statutory Auditors of the Bank.
- 13 The figures for the second quarter in each of the financial years are the balancing figures between reviewed figures in respect of the half year end and the reviewed published year to date figures up to the end of the first quarter of the respective financial years.
- 14 Previous period's figures have been regrouped / reclassified, where necessary to conform to current period's classification and also the amounts / ratios for the previous period have been regrouped / reclassified pursuant to the requirements of Master Direction on Financial Statements - Presentation and Disclosures issued by Reserve Bank of India dated August 30, 2021, as amended and wherever considered necessary.

Place: Thrissur
Date: October 20, 2023



For and on behalf of the Board


P. Palay Mothil
Managing Director & CEO
DIN: 60117994