

**B S R & Co. LLP**  
Chartered Accountants  
14th Floor, Central Wing B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East),  
Mumbai – 400 063

**Mukund M. Chitale & Co.**  
Chartered Accountants  
2<sup>nd</sup> Floor, Kapur house,  
Paranjape B scheme Road No.1,  
Vileparle (East)  
Mumbai – 400 057

**Limited review report on the unaudited quarterly financial results and year to date financial results of CSB Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of  
CSB Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of CSB Bank Limited (the 'Bank') for the quarter ended 31 December 2021 and year to date results for the period from 1 April 2021 to 31 December 2021 (the 'Statement'), except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Net Stable Funding Ratio", and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by the Reserve Bank of India ('RBI') 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. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

5.





**Limited review report on the unaudited quarterly financial results and year to date financial results of CSB Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**CSB Bank Limited**

4. As more fully described in Note 8 to the financial results, the extent to which the COVID-19 pandemic will have impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our review report is not modified in respect of this matter.

**Other matters**

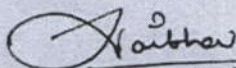
5. The review of unaudited financial results for the quarter and nine months ended 31 December 2020 and audit of annual financial results for the year ended 31 March 2021 were conducted by solely by B S R & Co. LLP, the then statutory auditors of the Bank, who have expressed an unmodified conclusion/ opinion, as the case may be, on those financial results. Accordingly, we, Mukund M. Chitale & Co., do not express any conclusion/ opinion, as the case may be, on the figures reported in the unaudited financial results for the quarter and nine months ended 31 December 2020 and year ended 31 March 2021.

Our review report is not modified in respect of these matters.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022



**Vaibhav Shah**

*Partner*

Membership No:117377

ICAI UDIN:22117377AAAAAS1391

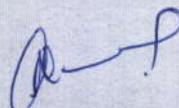
Mumbai

21 January 2022

**For Mukund M. Chitale & Co.**

*Chartered Accountants*

ICAI Firm Registration Number: 106655W



**Abhay V. Kamat**

*Partner*

Membership No:039585

ICAI UDIN: 22039585AAAAAZ9528

Mumbai

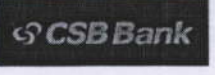
21 January 2022







**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 NINE MONTHS ENDED DECEMBER 31, 2021**

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	52,765	49,585	48,262	1,51,875	1,37,517	1,87,230
(a) Interest/discount on advances/bills	41,806	39,027	35,982	1,18,504	99,319	1,37,595
(b) Income on investments	9,249	8,684	11,203	28,169	35,456	45,930
(c) Interest on balances with RBI, Other interbank funds	265	440	127	1,727	223	506
(d) Others	1,445	1,434	950	3,475	2,519	3,199
2 Other Income	5,216	5,979	13,144	18,319	23,938	30,316
<b>3.Total Income (1+2)</b>	<b>57,981</b>	<b>55,564</b>	<b>61,406</b>	<b>1,70,194</b>	<b>1,61,455</b>	<b>2,17,546</b>
4. Interest Expended	22,431	21,747	23,144	68,928	70,949	93,091
5. Operating Expenses (i) + (ii) + (iii)	20,795	18,879	18,544	56,099	46,992	72,899
(i) Employees Cost	12,209	11,916	12,780	33,846	31,759	49,623
(ii) Rent, taxes and lighting	2,060	1,785	1,578	5,639	4,429	6,082
(iii) Other operating expenses	6,526	5,178	4,186	16,614	10,804	17,194
<b>6.Total Expenditure (4+5)</b> (excluding provisions and contingencies)	<b>43,226</b>	<b>40,626</b>	<b>41,688</b>	<b>1,23,027</b>	<b>1,17,941</b>	<b>1,65,990</b>
<b>7. Operating Profit before provisions and Contingencies (3-6)</b>	<b>14,755</b>	<b>14,938</b>	<b>19,718</b>	<b>47,167</b>	<b>43,514</b>	<b>51,556</b>
8. Provisions (other than Tax) and contingencies	(5,056)	(907)	12,629	3,358	20,080	22,301
Of which provisions for Non-performing Assets/write off	(2,668)	(615)	5,621	7,141	9,075	18,135
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit from ordinary activities before tax (7-8-9)</b>	<b>19,811</b>	<b>15,845</b>	<b>7,089</b>	<b>43,809</b>	<b>23,454</b>	<b>29,255</b>
11. Tax Expense	4,986	3,988	1,764	11,026	5,903	7,415
<b>12. Net Profit from ordinary activities after tax (10-11)</b>	<b>14,825</b>	<b>11,857</b>	<b>5,305</b>	<b>32,783</b>	<b>17,551</b>	<b>21,840</b>
13. Extraordinary items (net of Tax expense)	-	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>14,825</b>	<b>11,857</b>	<b>5,305</b>	<b>32,783</b>	<b>17,551</b>	<b>21,840</b>
15. Paid-up equity share capital (Face Value - ₹ 10 per share)	17,354	17,354	17,351	17,354	17,351	17,354
16. Reserves excluding Revaluation Reserves						1,85,222
17. Analytical Ratios						
(i) Capital Adequacy Ratio (Basel-III)	20.74%	20.12%	21.02%	20.74%	21.02%	21.37%
(ii) Earnings per Share (EPS)*						
Basic EPS - before and after extraordinary items (₹)	8.55	6.83	3.06	18.90	10.12	12.59
Diluted EPS - before and after extraordinary items (₹)	8.55	6.83	3.06	18.90	10.12	12.59
(iii) NPA Ratios						
a) Gross NPA	38,895	58,683	23,489	38,895	23,489	39,349
Net NPA	19,974	37,006	8,952	19,974	8,952	16,881
b) % of Gross NPA	2.62%	4.11%	1.77%	2.62%	1.77%	2.68%
% of Net NPA	1.36%	2.63%	0.68%	1.36%	0.68%	1.17%
(iv) Return on Assets -Annualised	2.40%	2.02%	0.96%	1.83%	1.07%	0.99%

\* Not Annualised

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SEGMENT INFORMATION						
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue:</b>						
Treasury	11,159	11,311	20,514	36,619	50,238	60,276
Corporate/Wholesale Banking	12,642	10,915	9,949	35,699	31,010	43,638
Retail Banking	33,104	32,293	30,235	95,145	78,450	1,10,859
Other Banking Operations	1,076	1,045	708	2,731	1,757	2,773
Unallocated	-	-	-	-	-	-
Total Revenue	57,981	55,564	61,406	1,70,194	1,61,455	2,17,546
Less: Inter segment revenue	-	-	-	-	-	-
Income from operations	57,981	55,564	61,406	1,70,194	1,61,455	2,17,546
<b>Segment Results (Net of provisions):</b>						
Treasury	1,170	3,254	10,163	9,001	17,159	18,500
Corporate/Wholesale Banking	(5,033)	(5,170)	(2,276)	(7,936)	(5,646)	(16,244)
Retail Banking	23,147	17,556	(1,144)	41,698	11,180	25,781
Other Banking Operations	455	478	367	1,247	844	1,297
Unallocated	72	(273)	(21)	(201)	(83)	(49)
Profit Before Tax	19,811	15,845	7,089	43,809	23,454	29,255
<b>Segment Assets:</b>						
Treasury	7,15,615	7,28,069	6,64,116	7,15,615	6,64,116	7,22,432
Corporate/Wholesale Banking	5,64,063	5,12,988	4,33,320	5,64,063	4,33,320	4,94,315
Retail Banking	10,85,643	10,95,627	10,40,373	10,85,643	10,40,373	11,06,497
Other Banking Operations	918	939	723	918	723	817
Unallocated	4,791	4,835	11,178	4,791	11,178	9,674
Total	23,71,030	23,42,458	21,49,710	23,71,030	21,49,710	23,33,735
<b>Segment Liabilities:</b>						
Treasury	1,38,367	1,53,016	1,17,470	1,38,367	1,17,470	2,06,551
Corporate/Wholesale Banking	3,26,377	3,42,127	2,62,457	3,26,377	2,62,457	3,07,395
Retail Banking	16,54,801	16,10,870	15,55,572	16,54,801	15,55,572	16,01,652
Other Banking Operations	-	-	-	-	-	-
Unallocated	114	98	555	114	555	115
Total	21,19,659	21,06,111	19,36,054	21,19,659	19,36,054	21,15,713
<b>Capital employed:</b>						
(Segment Assets - Segment Liabilities)						
Treasury	5,77,248	5,75,053	5,46,645	5,77,248	5,46,645	5,15,881
Corporate/Wholesale Banking	2,37,685	1,70,861	1,70,862	2,37,685	1,70,862	1,86,919
Retail Banking	(5,69,158)	(5,15,243)	(5,15,198)	(5,69,158)	(5,15,198)	(4,95,153)
Other Banking Operations	918	939	723	918	723	817
Unallocated	4,678	4,737	10,624	4,678	10,624	9,558
Total	2,51,371	2,36,347	2,13,656	2,51,371	2,13,656	2,18,022

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.

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**Notes:**

- The above unaudited financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors of the Bank in their respective meeting held on January 21, 2022. These results have been subjected to Limited Review by the Statutory Auditors of the Bank, viz. B S R & Co. LLP, Chartered Accountants and Mukund M. Chitale & Co., Chartered Accountants and an unqualified review report has been issued. The financial results for the quarter and nine months ended December 31, 2020 and for the year ended March 31, 2021 were reviewed/audited by B S R & Co. LLP, Chartered Accountants.
- The above Unaudited Financial Results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the guidelines issued by the Reserve Bank of India (RBI).
- The Bank has followed the same accounting policies in the preparation of these financial results as followed in the annual financial statements for the year ended March 31, 2021 except policy on NPA recovery and policy related to accounting of the share-linked instruments, issued under the employee stock option scheme of the Bank. Previously, recovery in NPA was first appropriated towards interest and balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under One Time Settlement where recovery was appropriated based on the court decree/terms of agreement. From May 01, 2021, bank amended the policy on NPA recovery to appropriate recovery on all NPA first towards principal and balance if any towards interest. Impact of the above change in the financial results for the quarter and nine months ended December 31, 2021 is not material.

Reserve Bank of India, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from the Intrinsic Value Method to the Fair Value Method for all share-linked instruments granted after March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. The Bank granted 6,18,286 stock options since April 1, 2021 under its Employee Stock Option Scheme, 2019 and as a result, provision for 'Employees cost' (included in item no.5 (i) in the Financial Results) for the period ended December 31, 2021 is higher by ₹7.53 Lakhs and for the quarter ended December 31, 2021 is higher by ₹6.70 Lakhs (Quarter ended September 30, 2021 ₹0.83 Lakhs) with a consequent reduction in profit before tax by the said amount.

- 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.
- 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.
- 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.
- During the quarter and nine months ended December 31, 2021, the Bank has not issued equity shares under the Employee Stock Option Scheme.
- The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided. The world is now experiencing another outbreak on account of new coronavirus variant and as a precautionary measure India has started to re-impose localised/regional restrictions. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments which are highly uncertain/ including among other things, any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate its impact whether government mandated or elected by the Bank. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

The Bank, as a prudent measure, maintains a provision against the likely impact of Covid-19. This provision is in excess of the RBI mandated provision. The Bank, as a conservative measure, has continued to maintain the provision against the likely impact of COVID-19.

As the world is now experiencing another outbreak because of new coronavirus variant, the Bank as a conservative measure, has decided to retain provision amounting to ₹10,592.00 Lakhs against the likely impact of COVID-19, as on December 31, 2021. This is grouped under Other Liabilities and Provisions in the Balance Sheet of the Bank

- Disclosure with related to clause 28 of RBI circular dated May 05, 2021 where the number of borrower accounts where modifications were sanctioned and implemented in terms of clause 22 of the aforesaid circular

Type of borrower	No of Accounts	Aggregate Exposure
Personal loans	9	138.07
Corporate person	-	-
Of which MSME	-	-
Others	-	-
<b>Total</b>	<b>9</b>	<b>138.07</b>

There were 9 borrower accounts having an aggregate exposure of ₹ 138.07 Lakhs to the bank, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework dated May 05, 2021

- Details of resolution plan implemented under the Resolution Framework-2.0 for COVID-19 related Stress of Individuals and Small Business dated May 05, 2021 are given below:

Description		Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
Number of request received for invoking resolution process under Part A	A	1363	129	15
Number of accounts where resolution plan has been implemented under this window	B	1353	128	9
Exposure to accounts mentioned at (B) before implementation of the plan	C	1,443.70	319.61	1,388.27
Of (C), aggregate amount of debt that was converted into other securities	D	-	-	-
Additional funding sanctioned, if any, including between invocation of the plan and implementation	E	-	-	-
Increase in provisions on account of the implementation of the resolution plan	F	176.87	31.43	146.76

*[Signature]*





11 Details of loans transferred / acquired during the Quarter ended December 31, 2021 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)	19,801
Weighted average residual maturity (in months)	16.71
Weighted average holding period by originator (in months)	6.46
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 during the Quarter

12 During the Quarter ended September 30, 2021, NPAs for which provision had already been made amounting to ₹1939.61 Lakhs has been technically written off. There are no technical written off during the Quarter ended December 31, 2021.

13 Pursuant to approval of the Board, the Bank has revised its NPA Provisioning estimate by increasing the rates of provision applied for NPAs with effect from quarter ended December 31, 2020, considering the uncertainties about the recoverability within a reasonable time frame. Had the bank not accelerated the provisioning, provisions for NPA (included in item no 8 in the Financial Results) would have been lower by ₹3,670.11 Lakhs for the quarter and nine months ended December 31, 2020 and ₹4,062.62 Lakhs for the year ended March 31, 2021. Bank has also revised, pursuant to Board approval, its estimate on useful life of other fixed assets and had the bank not revised its estimate on useful life of other fixed assets, other operating expenses for the year ended March 31, 2021 (included in item no.5 (iii) in the Financial Results) would have been lower by ₹1,204.43 Lakhs. If the above revision of accounting estimates were not adopted in previous periods, profit after tax would have been higher by ₹2,746.42 Lakhs for the quarter and nine months ended December 31, 2020 and by ₹3,941.44 Lakhs for the year ended March 31, 2021.

14 During the year ended March 31, 2021, the actuary appointed by the Bank has changed the mortality assumptions for valuation of Employee Benefits based on IALM(2012-14)ULT table as against LIC1 1994-1996 table used hitherto. This has resulted in an additional charge of ₹3,814.86 Lakhs for the year ended March 31, 2021 and is included in item No.5(i) - Employee Cost.

15 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015-Prudential Guidelines on Capital Adequacy and Liquidity Standards -Amendments, Banks are required to make Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under 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 audit or review by the Statutory Auditors of the Bank.

16 In accordance with RBI Circular RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 on Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021. Banks are required to make disclosures on Net Stable Funding Ratio (NSFR). 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 audit or review by the Statutory Auditors of the Bank.

17 The Honourable Supreme Court of India (Hon'ble SC), vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on March 23, 2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms. In view of this, the results for the quarter and nine months ended December 31, 2021 may not be comparable with the corresponding quarter and nine months ended December 31, 2020.

18 The figures for the second / third quarters in each of the financial years are the balancing figures between reviewed figures in respect of the half year / nine months end and the published year to date reviewed figures upto the end of the first / second quarter of the respective financial year.

19 The amounts/ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on Financial Statements - Presentation and disclosure issued by RBI dated August 30, 2021 and wherever considered necessary. Accordingly, recoveries from written off accounts included as part of 'Other Income' have been classified as a credit to 'Provisions and Contingencies' and 'Provision for Depreciation on Investments' hitherto classified as part of 'Provisions and Contingencies' have been reclassified as part of 'Other Income' and there is no change in the Net Profit for the period.

Place: Thrissur  
Date: 21.01.2022

For and on behalf of the Board

C VR Rajendran  
Managing Director & CEO  
DIN: 00460061

*[Signature]*

