

# ***INVESTOR PRESENTATION***

**Q3-FY23 / DECEMBER 2022**

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

100 Years+

648 Branches and  
516 ATM/CRMs

Happy  
Customers

Presence in 16  
States and 4 UTs

Business

7 Bancassurance Tie ups  
with Industry Leaders

A Century Young  
Organization

Branches/ATMs

2.1 Million+ Happy  
Customers

Network

Total Business  
Crossed Rs 42,000 Cr

Banca  
Tie-Ups

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Profitability

**PAT**

**Rs. 156 Cr**

↑ 29% QoQ ↑ 5% YoY

**NII**

**Rs. 350 Cr**

↑ 8% QoQ ↑ 15% YoY

**RoA**

**2.37%**

↑ 49 bps QoQ ↓ 5 bps YoY

**NIM**

**5.80%**

↑ 20 bps QoQ ↑ 39 bps YoY

**EPS**

**Rs 35.96**

↑ Rs8.16 QoQ ↑ Rs1.78 YoY

### Growth

**Deposits**

**Rs.22664 Cr**

↑ 8% QoQ ↑ 19% YoY

**Advances**

**Rs. 19342 Cr**

↑ 5% QoQ ↑ 24% YoY

**Business**

**Rs. 42006 Cr**

↑ 7% QoQ ↑ 21% YoY

**Gold**

**Rs 8780 Cr**

↑ 9% QoQ ↑ 51% YoY

**CD Ratio<sup>(Gross)</sup>**

**85.34%**

↓ 220 bps QoQ ↑ 342 bps YoY

### Capital/Liquidity

**CRAR**

**25.78%**

↑ 64 bps QoQ ↑ 504 bps YoY

**Tier I**

**24.27%**

↑ 64 bps QoQ ↑ 489 bps YoY

**BVPS**

**Rs 167 Rs**

↑ Rs 9 QoQ ↑ Rs 31 YoY

**LCR**

**124%**

Comfortable Liquidity

**NSFR**

**156%**

Stable NSFR

### Asset Quality

**GNPA**

**Rs. 271 Cr**

↓ Rs20 Cr QoQ ↓ Rs118 Cr YoY

**GNPA %**

**1.45%**

↓ 20 bps QoQ ↓ 117 bps YoY

**NNPA**

**78 Cr**

↓ Rs21 Cr QoQ ↓ Rs122 Cr YoY

**NNPA %**

**0.42%**

↓ 15 bps QoQ ↓ 94 bps YoY

**PCR**

**91.93%**

↑ 183 bps QoQ ↑ 898 bps YoY

QoQ- Q2 FY23 Vs Q3 FY23  
YoY- Q3 FY22 Vs Q3 FY23

CSB Bank Investor Presentation Q3 FY23

 **CSB Bank**

## Company Overview

## Business Overview

## Earnings

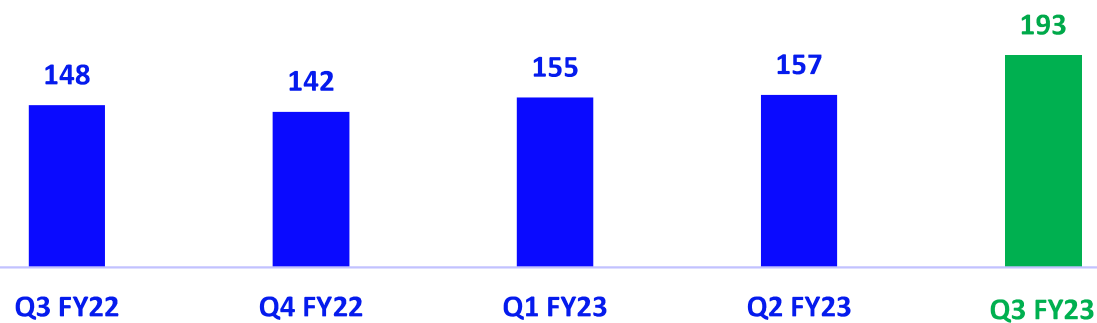
## Digital Penetration

## Strategy

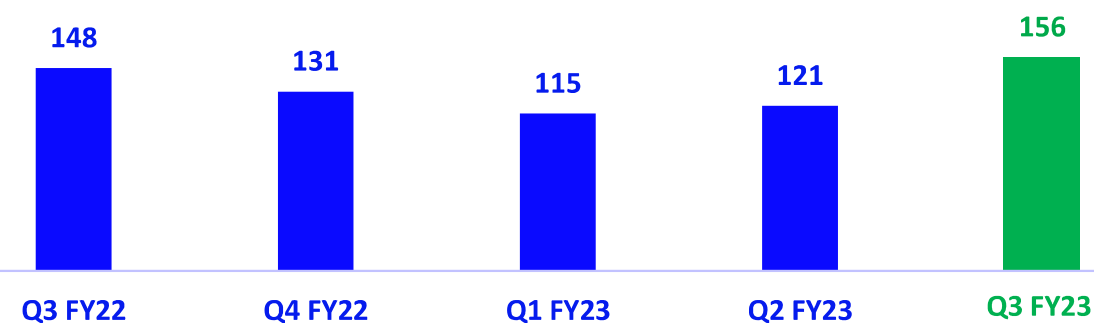
### Profitability Ratios

Amt in Cr

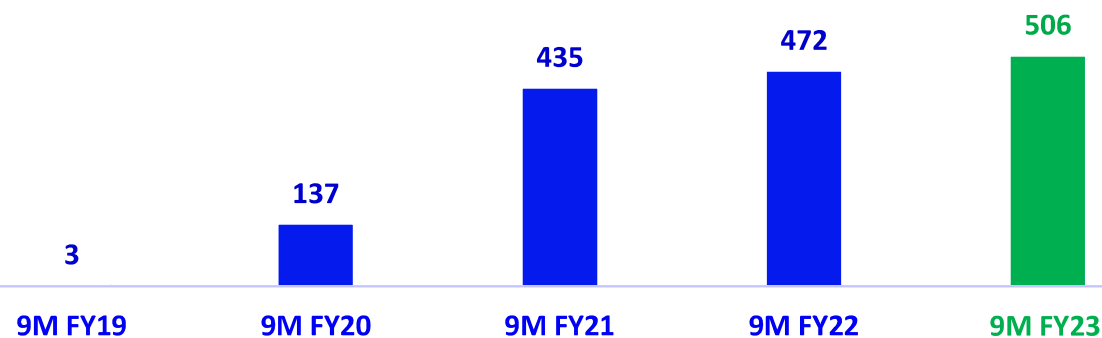
#### Operating Profit QoQ



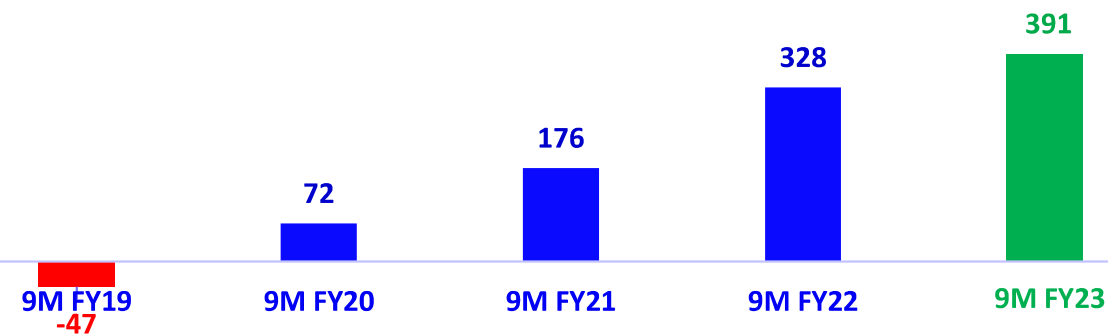
#### Net Profit QoQ



#### Operating Profit YoY



#### Net Profit YoY





## Prudential Provisioning Policy

### NPA Provision

Asset Classification		RBI Norms	Our Norms
	Sub Standard Assets	Secured	15%
		Unsecured	25%
	Doubtful Assets (Up to one year)	Secured	25%
		Unsecured	100%
	Doubtful Assets (One to three years)	Secured	40%
		Unsecured	100%
	Doubtful Assets (More than three years)	Secured/Unsecured	100%
		Unsecured	100%

Prudential Provisions	Amount (in Cr)
NPA Provision	90
Contingency provision	106
Total	196
Tax	49
After Tax Impact	147

Contingency provision is **1.36x** times Net NPA

# Company Overview

# Business Overview

# Earnings

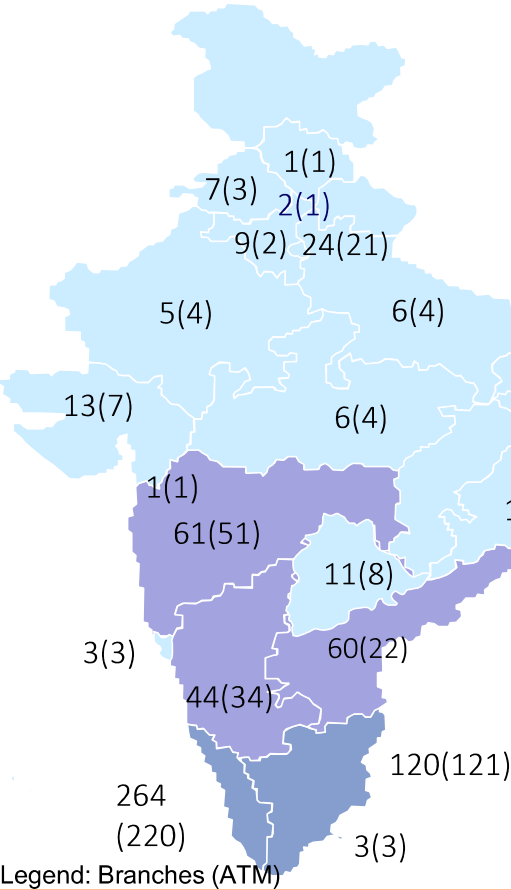
# Digital Penetration

# Strategy

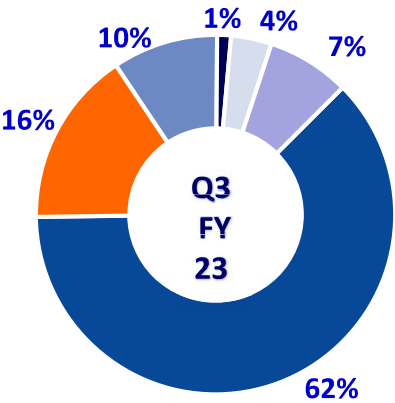
## Branch Distribution

State	% distribution	
	Dec-21	Dec-22
KERALA	47%	41%
TAMIL NADU	18%	19%
MAHARASHTRA	9%	9%
ANDHRA	6%	9%
KARNATAKA	7%	7%
OTHERS	13%	15%

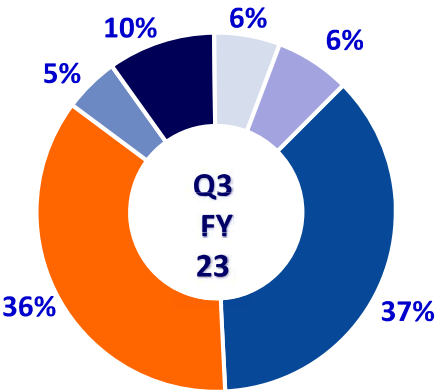
Population	No of Branches	
	Dec-21	Dec-22
Metropolitan	116	133
Urban	114	134
Semi-urban	286	329
Rural	43	47
Grand Total	559	643



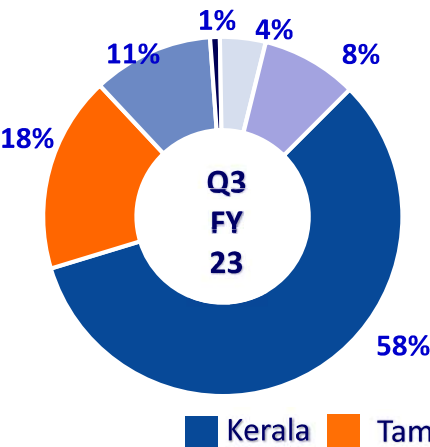
## CASA



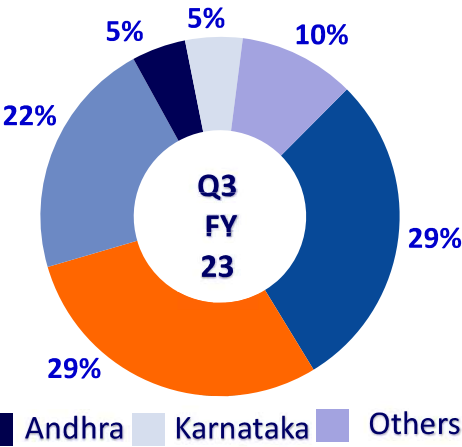
## Gold Loans



## Total Deposits



## Total Advances



Branch and ATM count as on 31<sup>st</sup> Dec 2021 and 31<sup>st</sup> Dec 2022



## Company Overview

## Business Overview

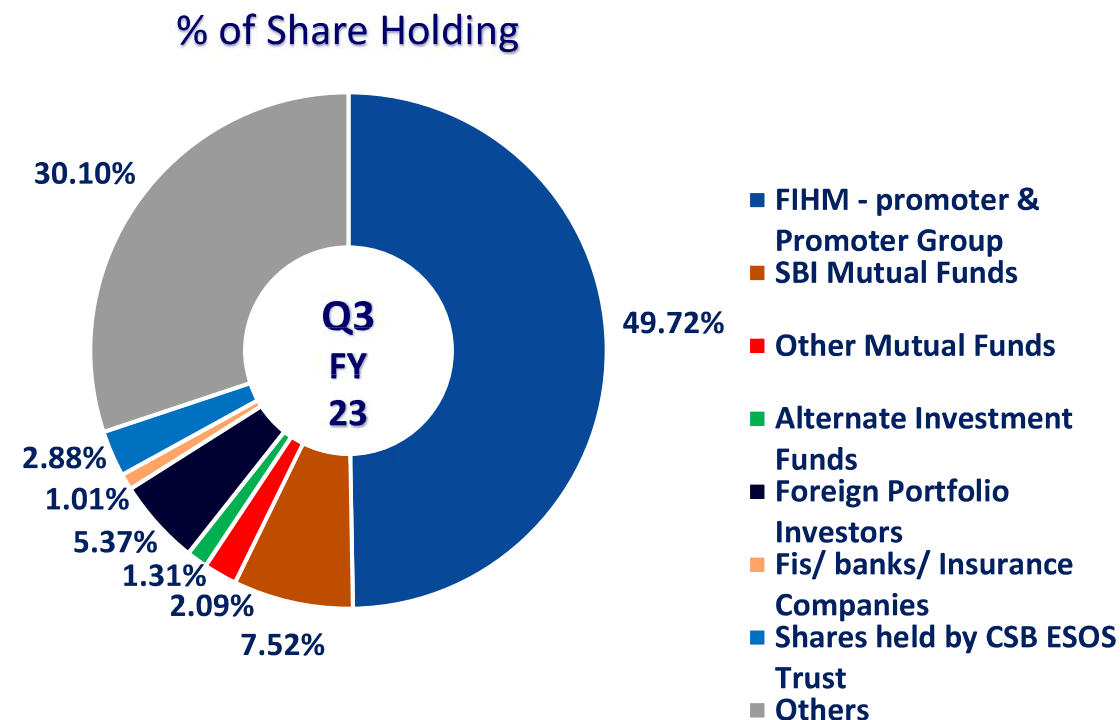
## Earnings

## Digital Penetration

## Strategy

### Share Holding Pattern

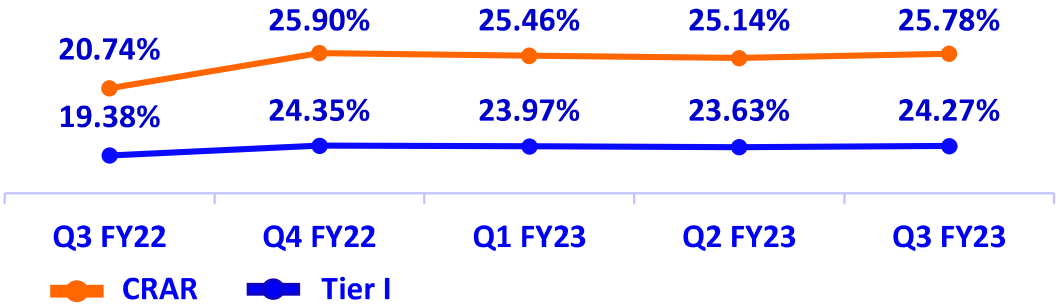
Category	No of Shareholders	No of Shares Held(in Mio)	% of Holding
FIHM - promoter & Promoter Group	1	86.26	49.72%
SBI Mutual Fund	1	13.04	7.52%
Other Mutual Funds	8	3.62	2.09%
Alternate Investment Funds	7	2.28	1.31%
Foreign Portfolio Investors	47	9.32	5.37%
Fis/ banks/ Insurance Companies	1	1.75	1.01%
Shares held by CSB ESOS Trust	1	5.00	2.88%
Others	56735	52.21	30.10%
<b>Total</b>	<b>56801</b>	<b>173.48</b>	<b>100.00%</b>



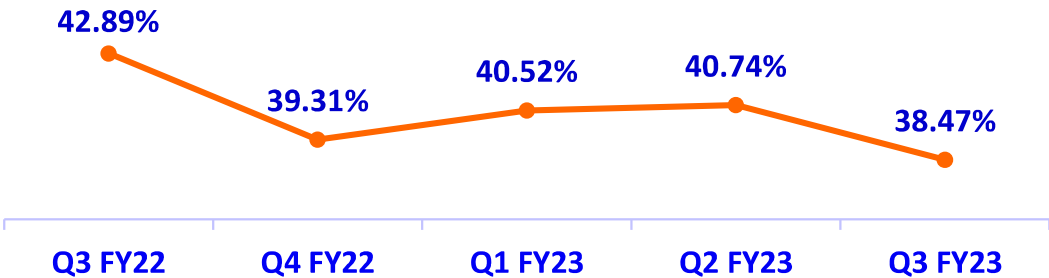
Solid CRAR & Adequate Liquidity – Our Strength

Amt in Cr

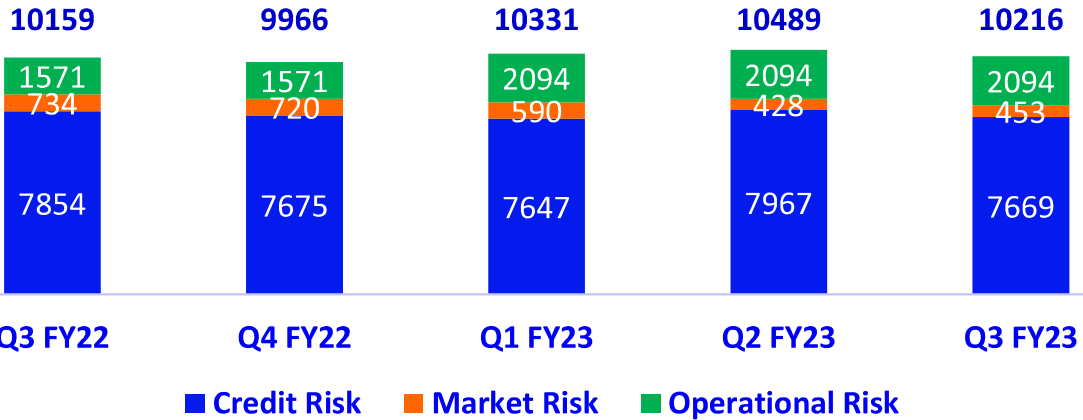
Capital Adequacy Ratio



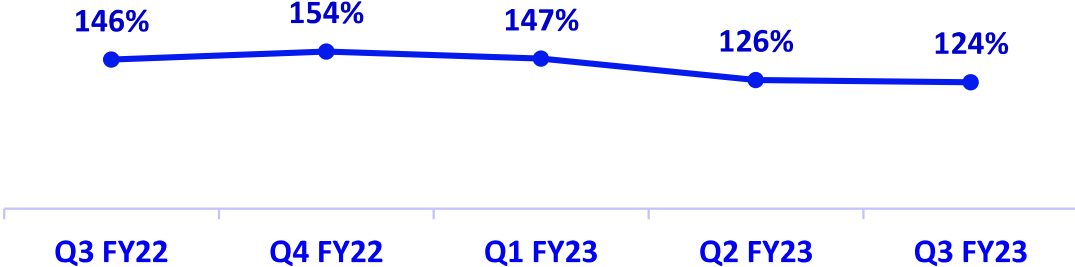
RWA to Total Assets



Risk Weighted Assets



Liquidity Coverage Ratio



Company  
Overview

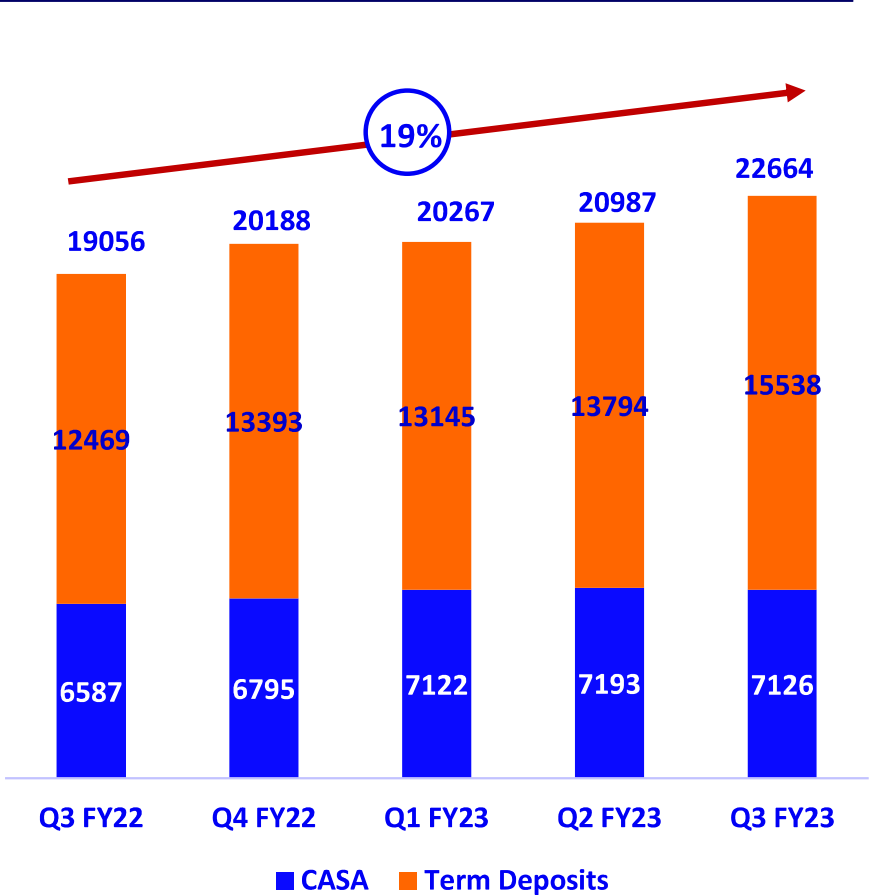
Business  
Overview

Earnings

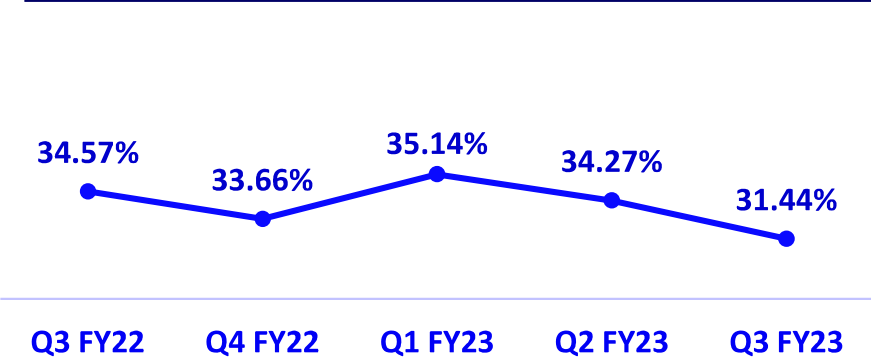
Digital  
Penetration

Strategy

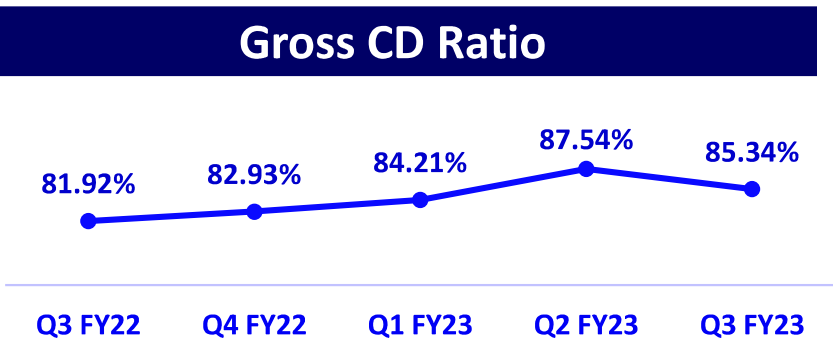
Total Deposits (Amt in Cr)



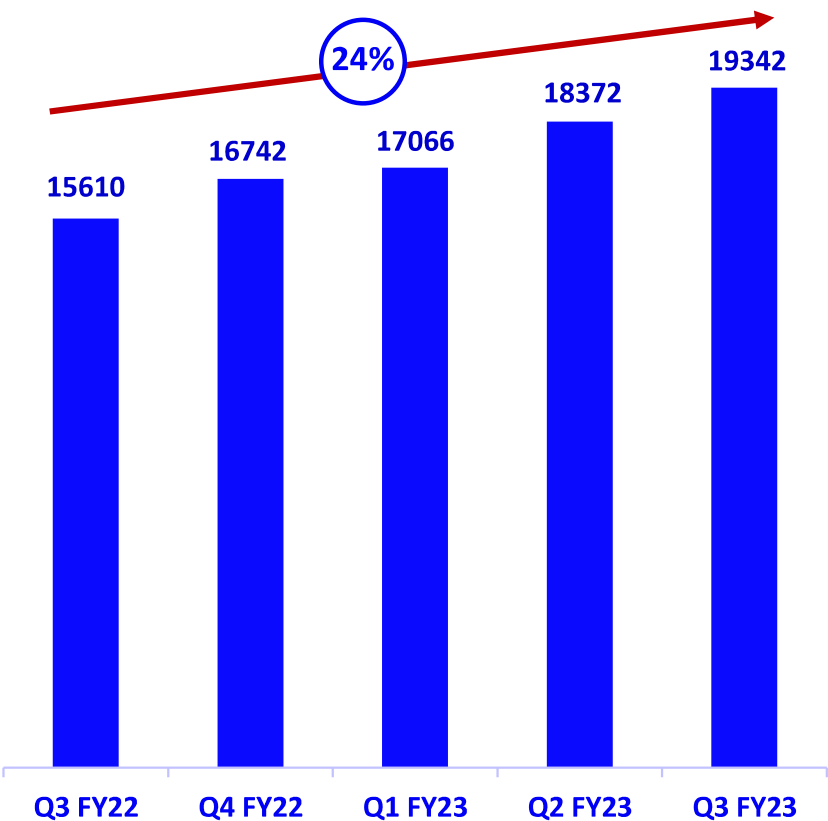
CASA Ratio



Gross CD Ratio



Total Gross Advances (Amt in Cr)



## Company Overview

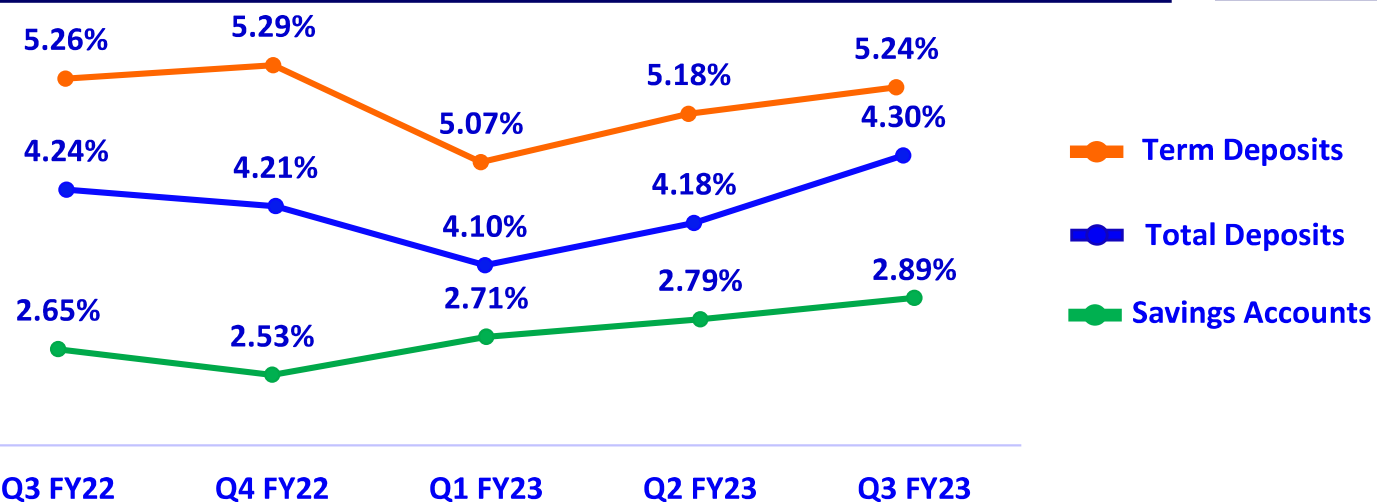
## Business Overview

## Earnings

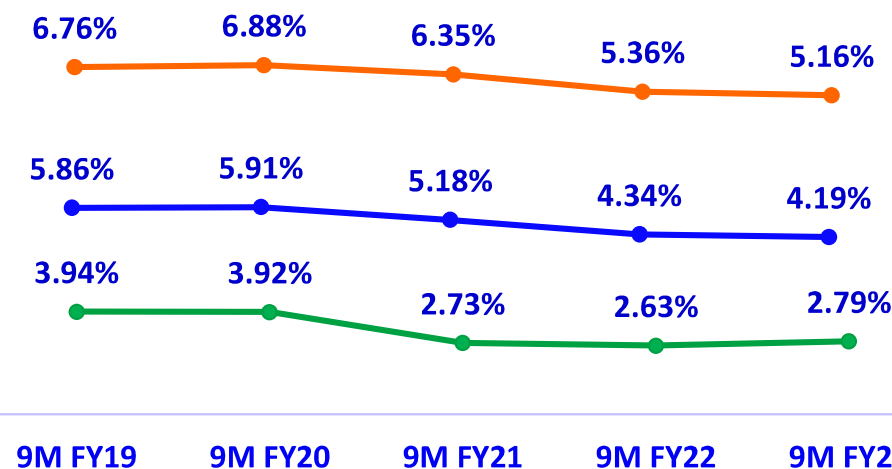
## Digital Penetration

## Strategy

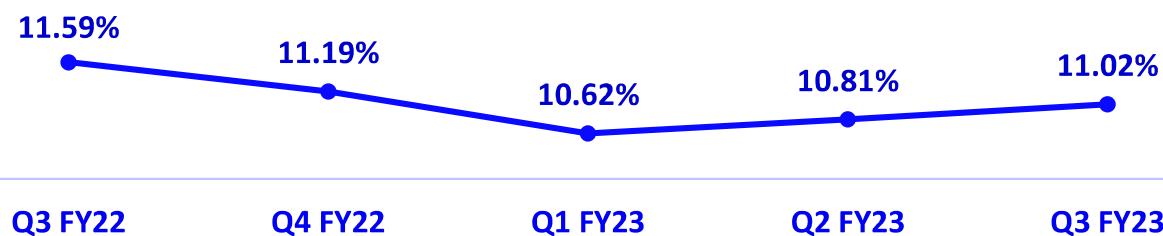
### Cost of Deposits (QoQ)



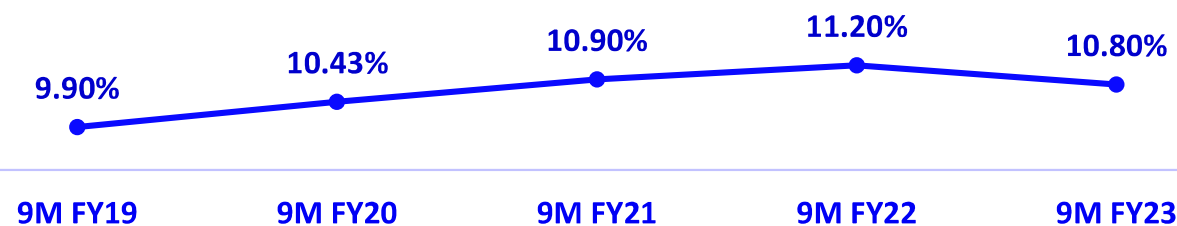
### Cost of Deposits (YoY)



### Yield on Advances (QoQ)



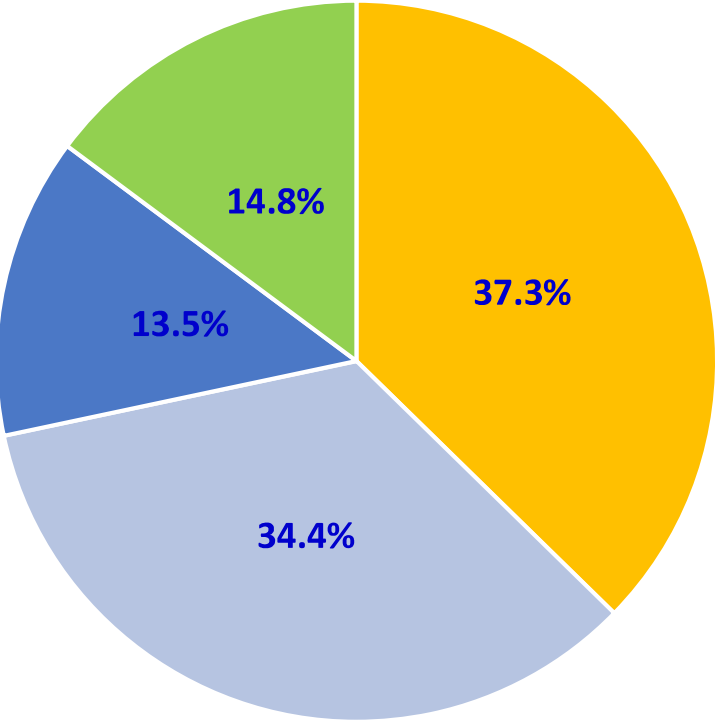
### Yield on Advances (YoY)



Advance Mix

(Amt in Cr)

Q3 FY 22



5826

Gold Loans

8780

↑ 50.7%

5364

Corporate Loans

5758

↑ 7.3%

2108

Retail Loans

2519

↑ 19.5%

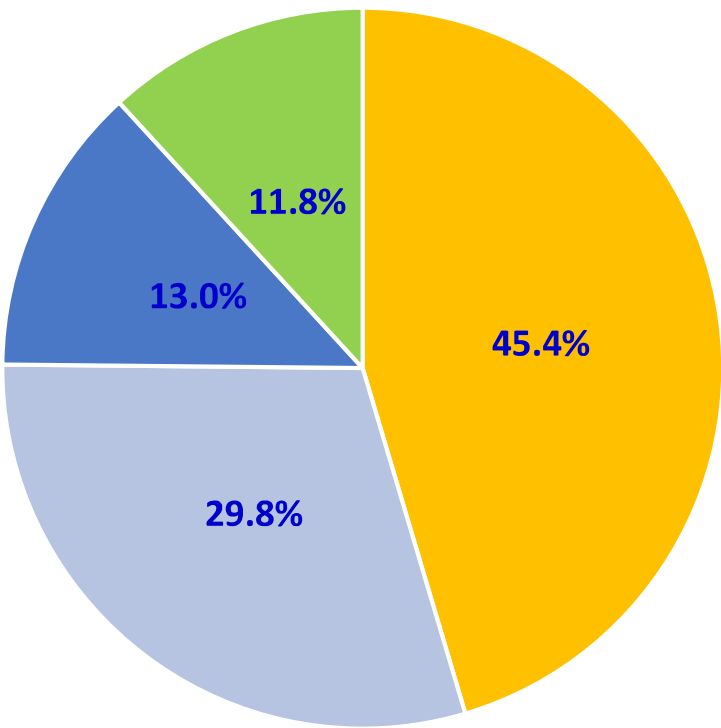
2313

SME Loans

2285

↓ 1.2%

Q3 FY 23



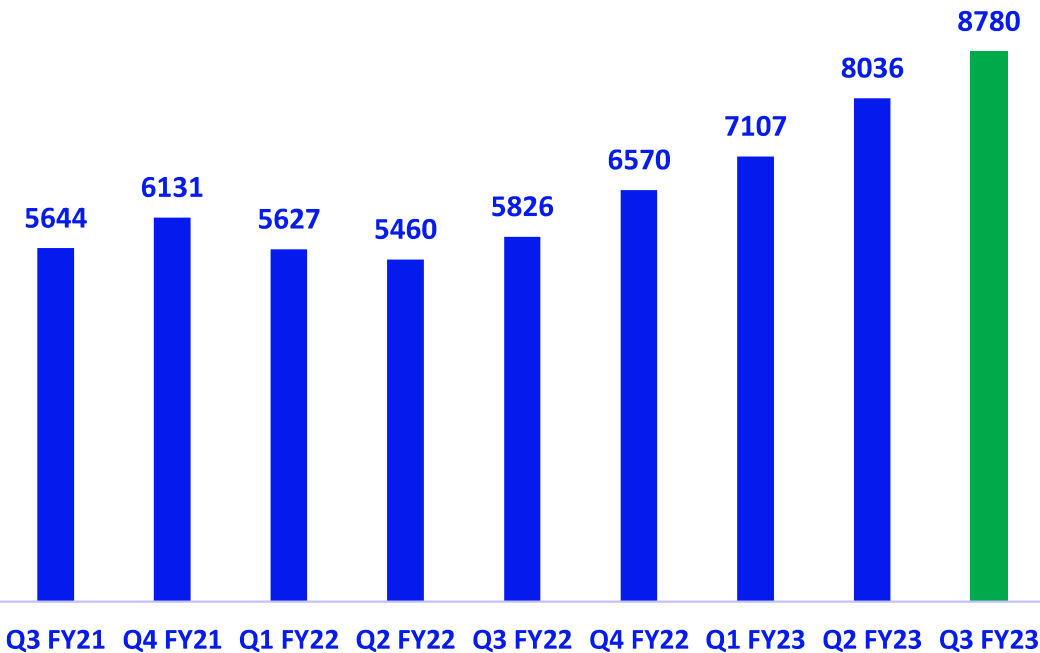


Gold Loan – Our DNA

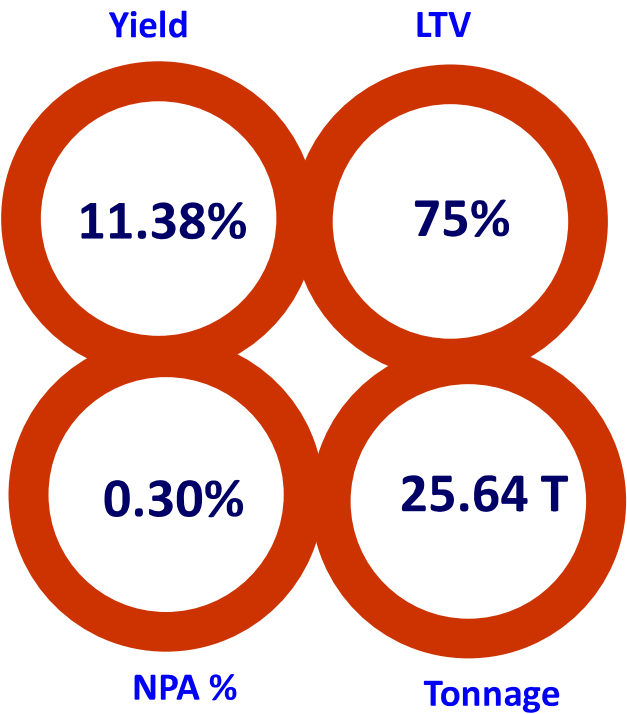
(Amt in Cr)

Portfolio Movements

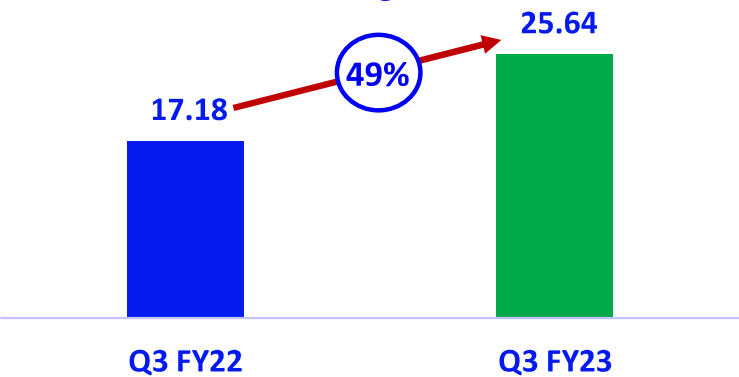
↑ 51% YoY    ↑ 9% QoQ



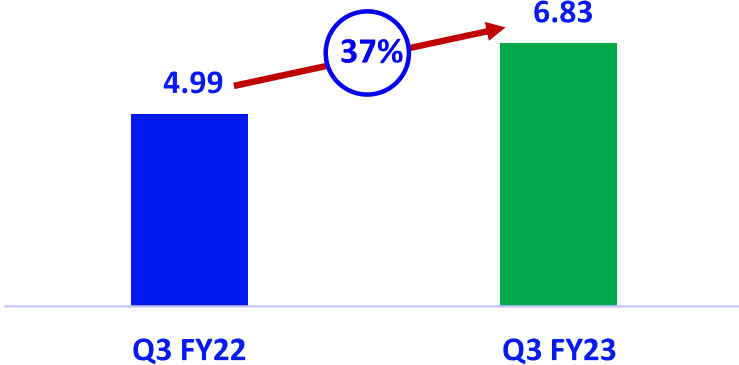
Portfolio Quality



Tonnage

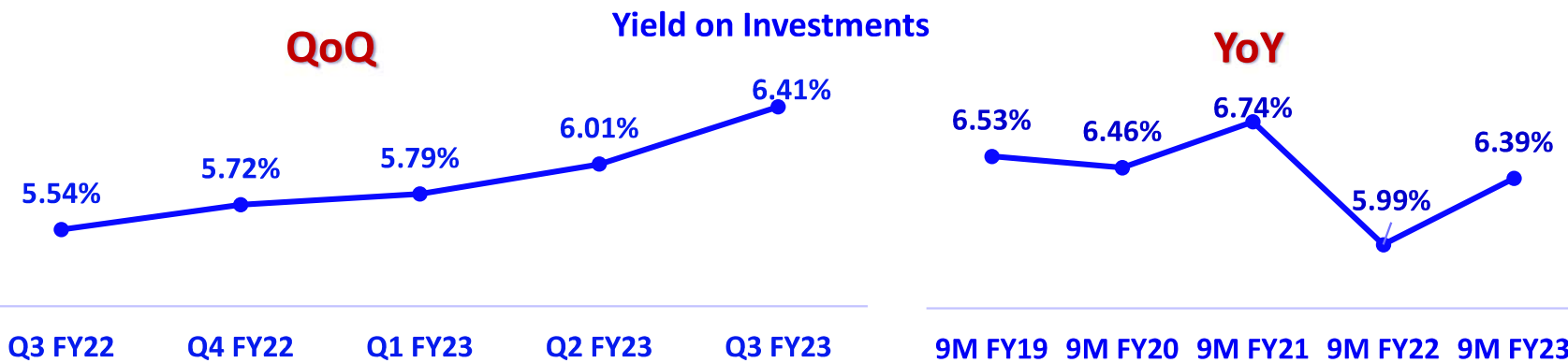
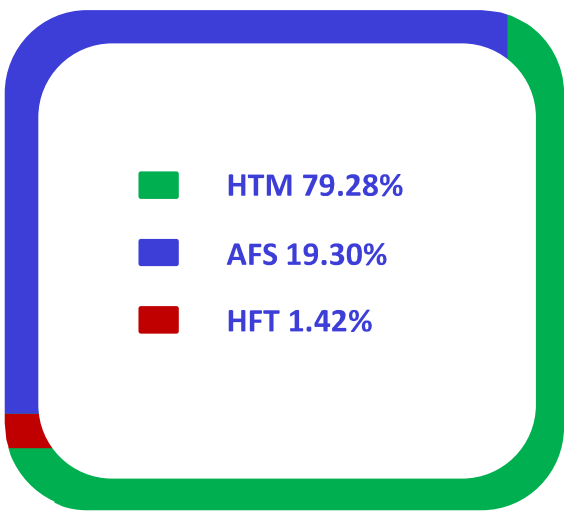
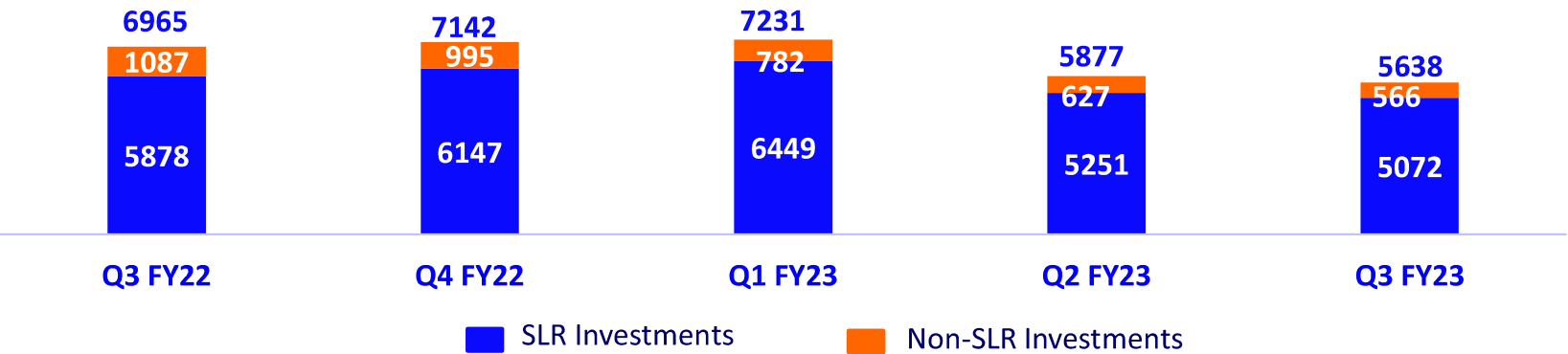


No of Accounts (in Lakhs)



Investments

(Amt in Cr)

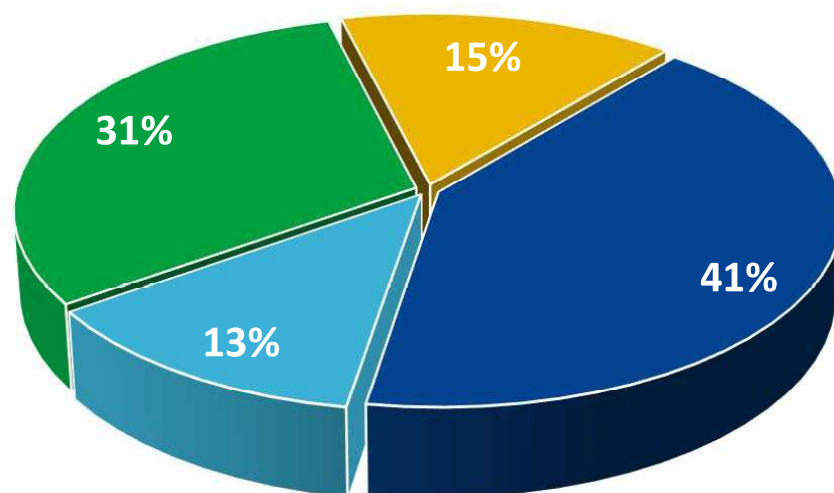


M Duration

HFT	AFS	HTM	Total
7.56	2.29	5.67	5.12

## Sector Wise Exposure

Sector Wise Exposure



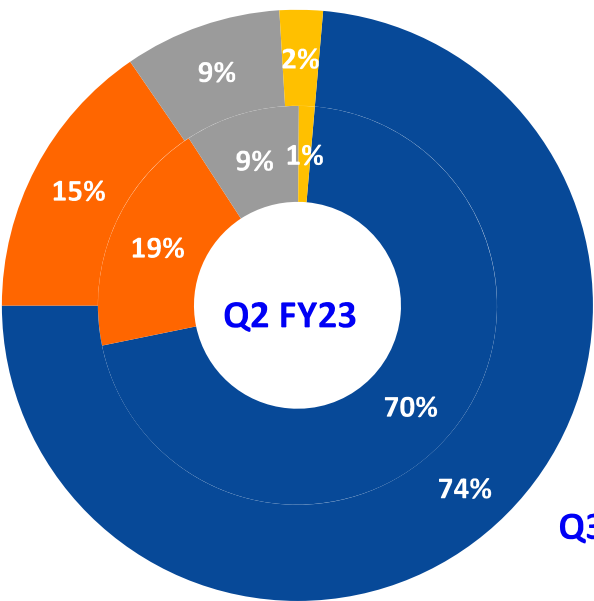
- Agriculture and Allied Activities
- Industry
- Services
- Retail & Others

Industries	% to Gross advances
Textiles	4.44%
Construction	3.39%
Infrastructure	3.17%
Food Processing	2.66%
Chemicals and Chemical Products (Dyes, Paints, etc)	0.98%
All Engineering	0.58%
Vehicles, Vehicle Parts and Transport Equipments	0.46%
Paper and Paper Products	0.18%
Gems and Jewellery	0.16%
Rubber, Plastic and their Products	0.12%
Basic Metal and Metal Products	0.51%
Wood and Wood Products	0.12%
Beverages (excluding Tea & Coffee) and Tobacco	0.25%
Cement and Cement Products	0.04%
Leather and Leather products	0.26%
Mining and Quarrying	0.04%
Other Industries	0.16%

Services	% to Gross advances
NBFCs	7.70%
HFC	5.10%
Wholesale & Retail Trade	2.86%
Tourism, Hotel and Restaurants	1.89%
Real Estate Activities	1.37%
Transport Operators	0.63%
MFIs	0.51%
Computer and Related Activities	0.35%
Other Services	9.76%

Rating wise Exposure

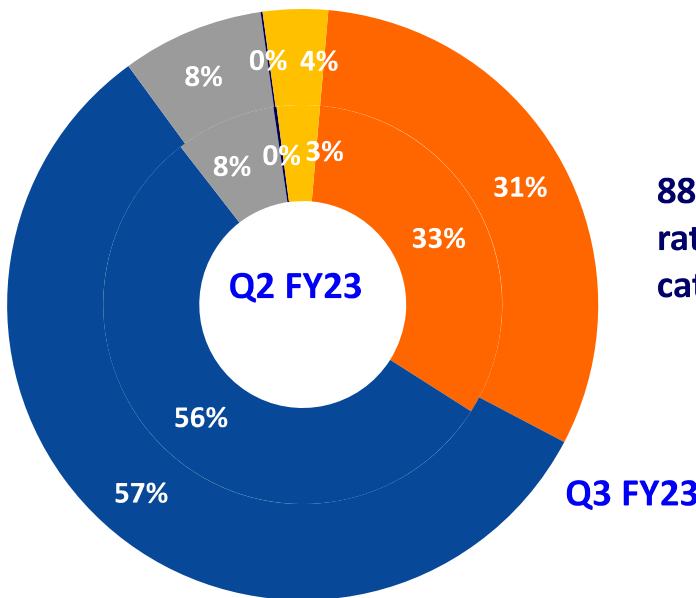
External Rating of Corporate Accounts



98% of Corporate advances are externally rated of which 74% are having A & above rating.

■ A & Above ■ BBB ■ <BBB ■ Others

Internal Rating of SME accounts



88% of SME advances are rated as Low/Medium risk categories

■ Low ■ Medium ■ High ■ Very High ■ Others

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Profit & Loss Account - Q3 FY 23

Amt in Cr

	Q2 FY23	Q3 FY23	QoQ	Q3 FY22	YoY
Interest Income	555.2	592.0	7%	527.6	12%
Interest Expense	230.2	242.3	5%	224.3	8%
<b>Net Interest Income</b>	<b>325.0</b>	<b>349.7</b>	<b>8%</b>	<b>303.3</b>	<b>15%</b>
Treasury Profit	-21.4	6.2	129%	1.5	317%
Exchange Profit	1.8	2.4	33%	2.0	22%
Processing Fees	22.0	27.9	27%	11.3	148%
Commission Income	25.4	22.7	-10%	22.0	3%
PSLC Income	-	3.6	-	-	-
Other Income	17.2	27.1	58%	15.5	75%
<b>Total Non Interest Income</b>	<b>44.9</b>	<b>89.9</b>	<b>100%</b>	<b>52.2</b>	<b>72%</b>
<b>Total Net Operating Income</b>	<b>369.9</b>	<b>439.6</b>	<b>19%</b>	<b>355.5</b>	<b>24%</b>
Staff Cost	129.0	151.7	18%	122.1	24%
Other Opex	83.5	94.5	13%	85.9	10%
Total Opex	212.5	246.2	16%	207.9	18%
<b>Operating Profit</b>	<b>157.4</b>	<b>193.4</b>	<b>23%</b>	<b>147.6</b>	<b>31%</b>

	Q2 FY23	Q3 FY23	QoQ	Q3 FY22	YoY
<b>Operating Profit</b>	<b>157.4</b>	<b>193.4</b>	<b>23%</b>	<b>147.6</b>	<b>31%</b>
Provision for NPA	-8.7	-15.5	78%	-51.6	-70%
Other Provisions	5.0	0.5	-90%	1.0	-48%
Total Provisions	-3.7	-15.0	301%	-50.6	-70%
<b>Profit Before Tax</b>	<b>161.1</b>	<b>208.4</b>	<b>29%</b>	<b>198.1</b>	<b>5%</b>
Tax	40.5	52.4	29%	49.9	5%
<b>Profit/Loss (-) After Tax</b>	<b>120.5</b>	<b>155.9</b>	<b>29%</b>	<b>148.3</b>	<b>5%</b>

- Highest Quarterly Operating Profit of Rs 193.40 Cr- up by 31% YoY & 23% QoQ
- Q3 PAT of Rs 156 Crs up by 29% QoQ
- NII up by 8% QoQ & 15% YoY
- Strong profitability despite lower treasury/PSLC income and SR write offs. SRs have been fully provided for
- Processing Fee has gone up by 148% YoY & 27% QoQ
- Increased staff count and new branch openings resulted in increase in Opex

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Profit & Loss Account - 9M FY 23

Amt in Cr

	9M FY22	9M FY23	YoY	YoY%
Interest Income	1,518.8	1,683.2	164.4	11%
Interest Expense	669.3	697.8	28.5	4%
<b>Net Interest Income</b>	<b>849.5</b>	<b>985.4</b>	<b>135.9</b>	<b>16%</b>
Treasury Profit	12.7	-5.3	-18.0	-141%
Exchange Profit	6.7	7.0	0.3	5%
Processing Fees	37.2	57.5	20.3	55%
Commission Income	49.0	66.0	17.0	35%
PSLC Income	33.4	3.6	-29.8	-89%
Other Income	44.2	60.8	16.6	37%
<b>Total Non Interest Income</b>	<b>183.2</b>	<b>189.7</b>	<b>6.5</b>	<b>4%</b>
<b>Total Net Operating Income</b>	<b>1,032.7</b>	<b>1,175.1</b>	<b>142.4</b>	<b>14%</b>
Staff Cost	338.5	402.9	64.4	19%
Other Opex	222.5	266.7	44.2	20%
Total Opex	561.0	669.6	108.6	19%
<b>Operating Profit</b>	<b>471.7</b>	<b>505.5</b>	<b>33.8</b>	<b>7%</b>

	9M FY22	9M FY23	YoY	YoY%
<b>Operating Profit</b>	<b>471.7</b>	<b>505.5</b>	<b>33.8</b>	<b>7%</b>
Provision for NPA	27.5	-25.3	-52.8	-192%
Other Provisions	6.1	8.3	2.2	37%
Total Provisions	33.6	-17.0	-50.6	-151%
<b>Profit Before Tax</b>	<b>438.1</b>	<b>522.5</b>	<b>84.4</b>	<b>19%</b>
Tax	110.3	131.5	21.2	19%
<b>Profit/Loss (-) After Tax</b>	<b>327.8</b>	<b>391.0</b>	<b>63.2</b>	<b>19%</b>

- Operating profit crossed the Rs 500 Cr mark
- NII up by 16% YoY
- Despite lower treasury profits(-18 Crs) and PSLC income(-30 Crs), non interest income improved by 4%
- Ex treasury, Non interest income improved by 14%
- Increase in opex on account of increased hiring and opening of new branches
- Improved recoveries helped in provision reversals
- Net Profit up by 19% YoY

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Balance Sheet – Q3 FY 23

Amt in Cr

31-12-2021

31-12-2022

YoY (%)

30-09-2022

QoQ (%)

#### Liabilities

Capital	173.5	173.5	0.0%	173.5	0.0%
Reserves & Surplus	2,340.2	2,872.8	22.8%	2,715.2	5.8%
<b>Deposits</b>	<b>19,056.0</b>	<b>22,664.0</b>	<b>18.9%</b>	<b>20,986.6</b>	<b>8.0%</b>
Of Which CASA	6,587.2	7,125.7	8.2%	7,192.8	-0.9%
Borrowings	1,692.1	312.5	-81.5%	1,351.8	-76.9%
Other Liabilities & Provisions	448.5	531.7	18.6%	516.4	3.0%
<b>Total</b>	<b>23,710.3</b>	<b>26,554.6</b>	<b>12.00%</b>	<b>25,743.6</b>	<b>3.15%</b>

Cash & Balance with RBI	976.7	1,412.3	44.6%	1,479.6	-4.5%
Balance with Banks Money at call & Short Notice	137.0	132.9	-3.0%	151.0	-12.0%
Investments	6,842.8	5,491.8	-19.7%	5,734.4	-4.2%
Advances	14,637.0	18,456.7	26.1%	17,468.3	5.7%
Fixed Assets	281.1	300.3	6.8%	289.1	3.9%
Other Assets	835.7	760.6	-9.0%	621.2	22.4%
<b>Total</b>	<b>23,710.3</b>	<b>26,554.6</b>	<b>12.00%</b>	<b>25,743.6</b>	<b>3.15%</b>



## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Asset Quality

Amt in Cr

#### Gross NPA: Movement

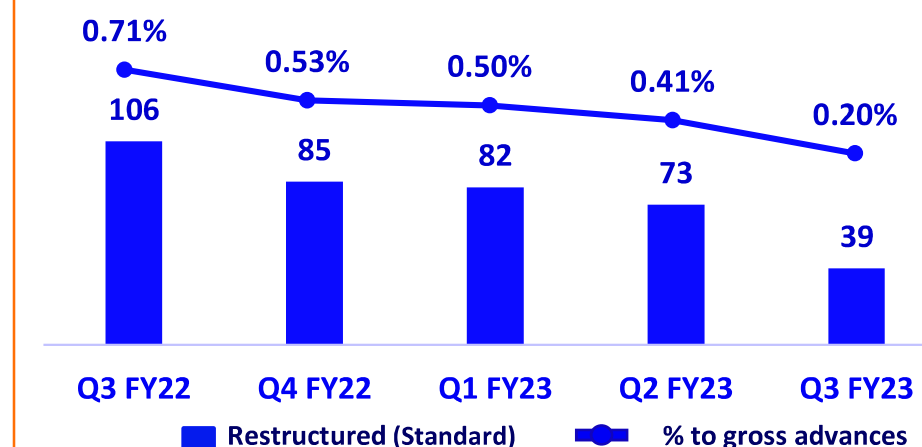
QoQ movement  
Q3 FY22 (3 months) Q4 FY22 (3 months) Q1 FY23 (3 months) Q2 FY23 (3 months) Q3 FY23 (3 months)

Opening Balance of Gross NPA	587	389	290	293	291
Additions	81	38	37	42	26
<b>Sub-total (A)</b>	<b>668</b>	<b>427</b>	<b>327</b>	<b>335</b>	<b>317</b>
Less:-					
(i) Upgradations	72	36	15	13	10
(ii) Recoveries	206	98	17	20	32
(iii) Technical/ Prudential Write-offs	-	-	-	-	-
(iv) Write-offs	1	3	2	11	4
<b>Sub-total (B)</b>	<b>279</b>	<b>137</b>	<b>34</b>	<b>44</b>	<b>46</b>
<b>Closing balance of Gross NPA (A – B)</b>	<b>389</b>	<b>290</b>	<b>293</b>	<b>291</b>	<b>271</b>

#### Security Receipts

	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Book Value	171	161	155	152	143
Net Book Value	50	33	33	13	0

#### Restructured (Standard)



As per RBI guidelines, an additional provision of 12 Crs for SRs has been created. Consequently, Net Book Value of SR portfolio as on 31<sup>st</sup> December 2022, is **Nil** for us.

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

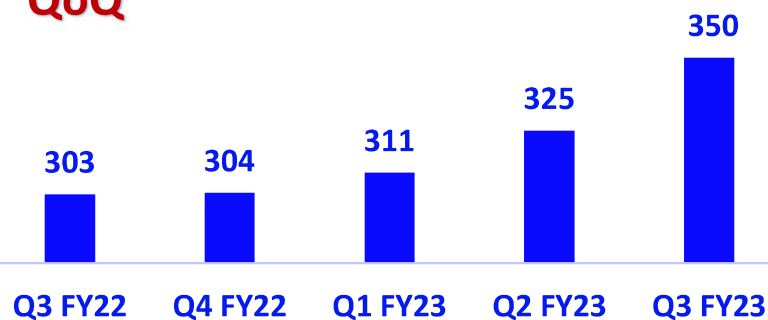
## Strategy

### Profitability Ratios

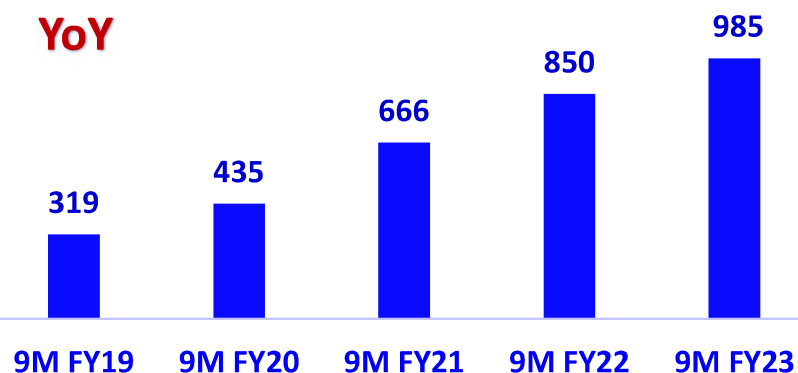
#### Net Interest Income

(in Cr)

QoQ

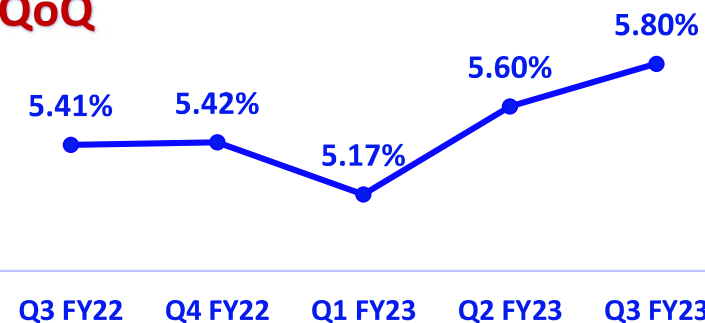


YoY

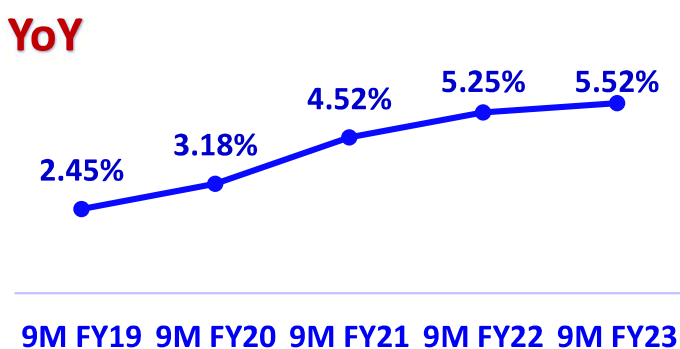


#### NIM

QoQ

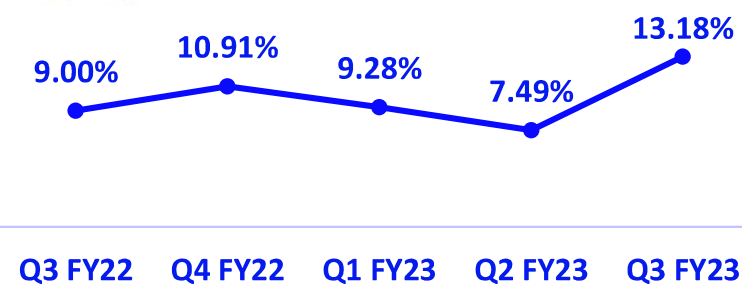


YoY

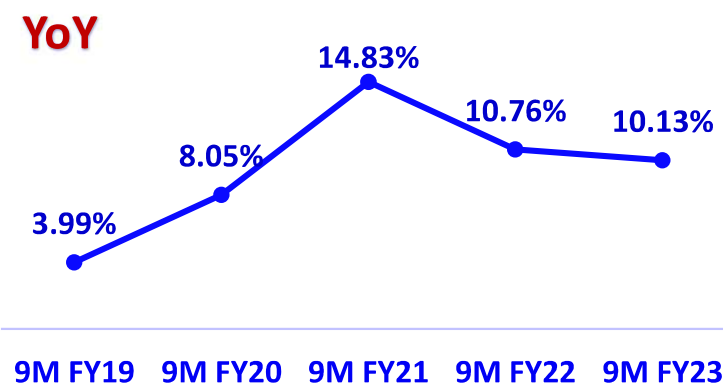


#### Non interest Income to Total Income

QoQ

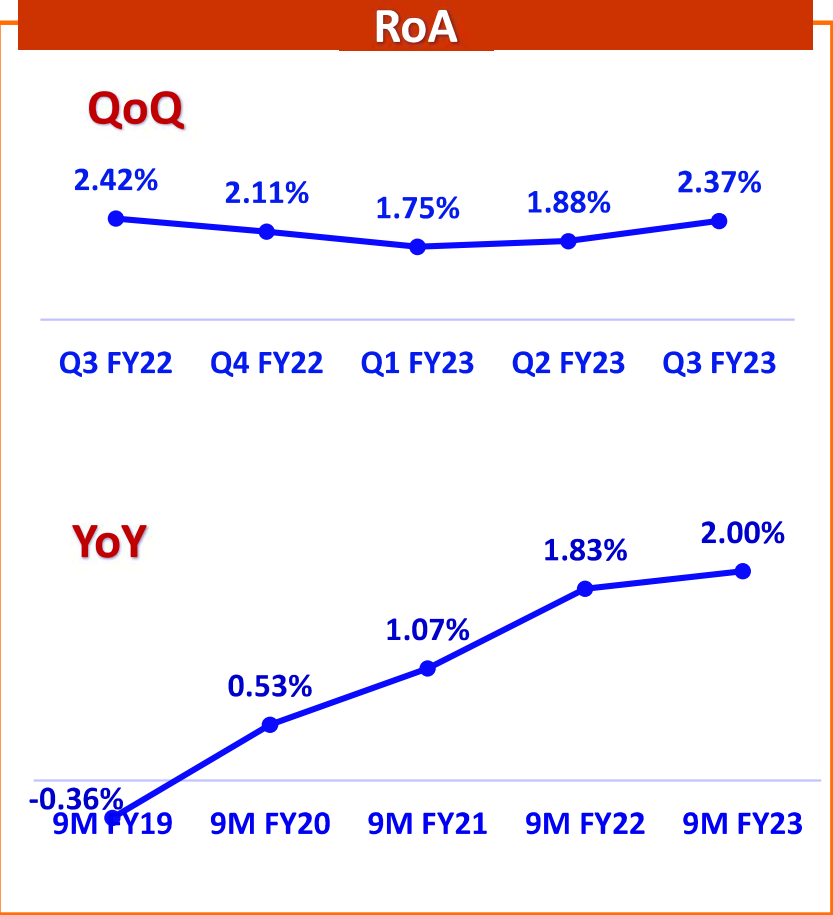
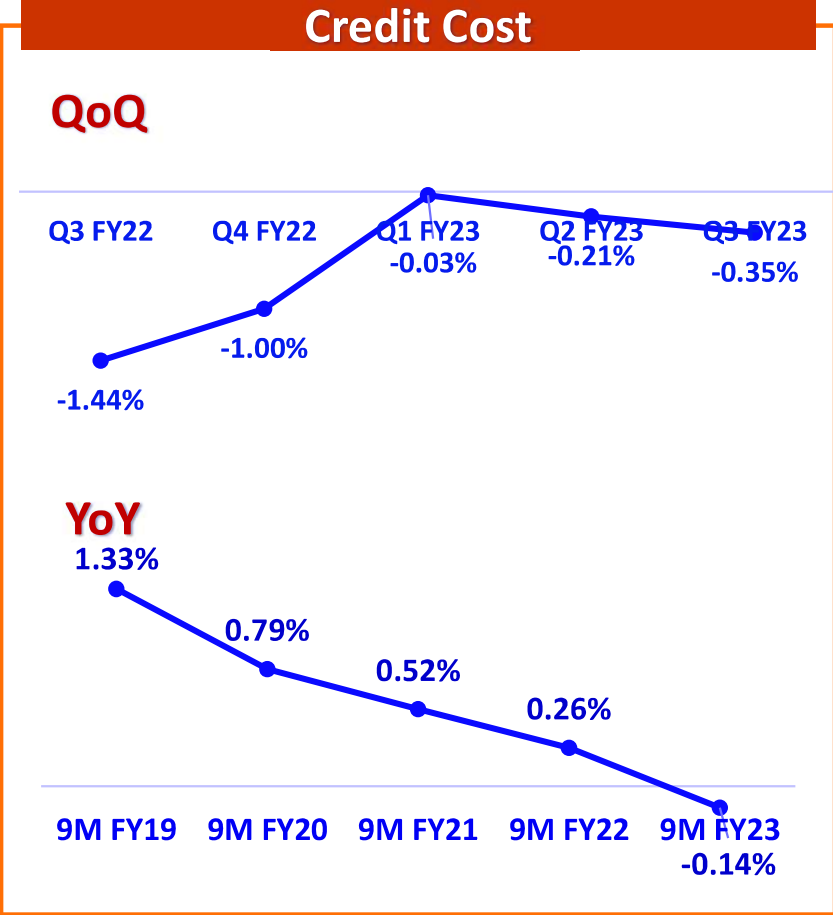
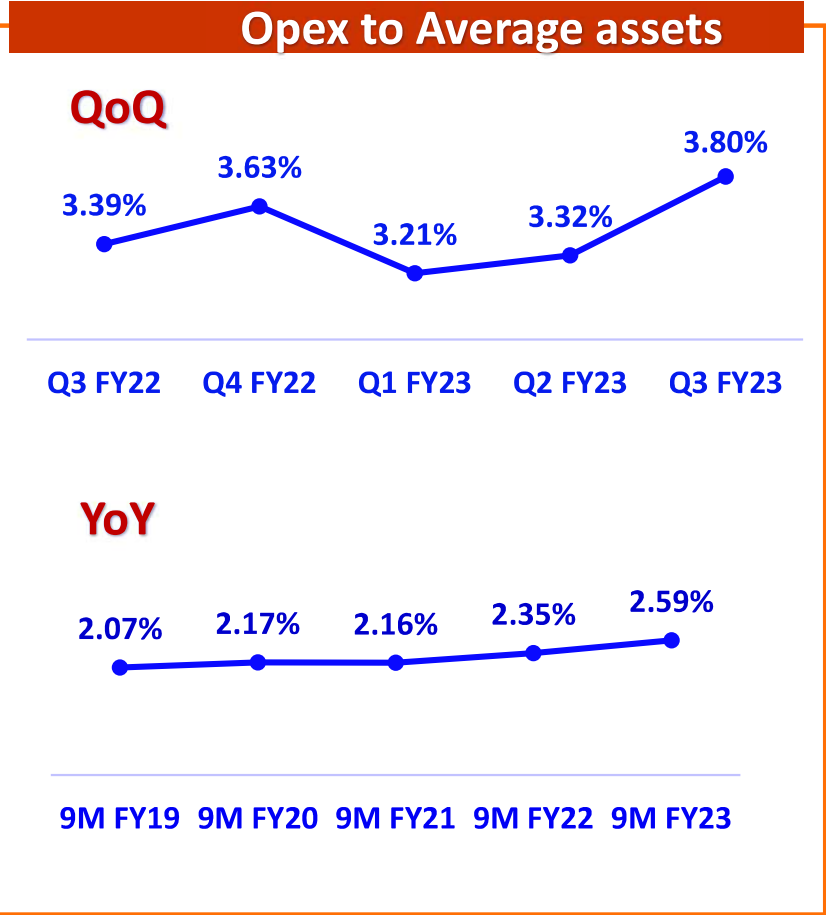


YoY



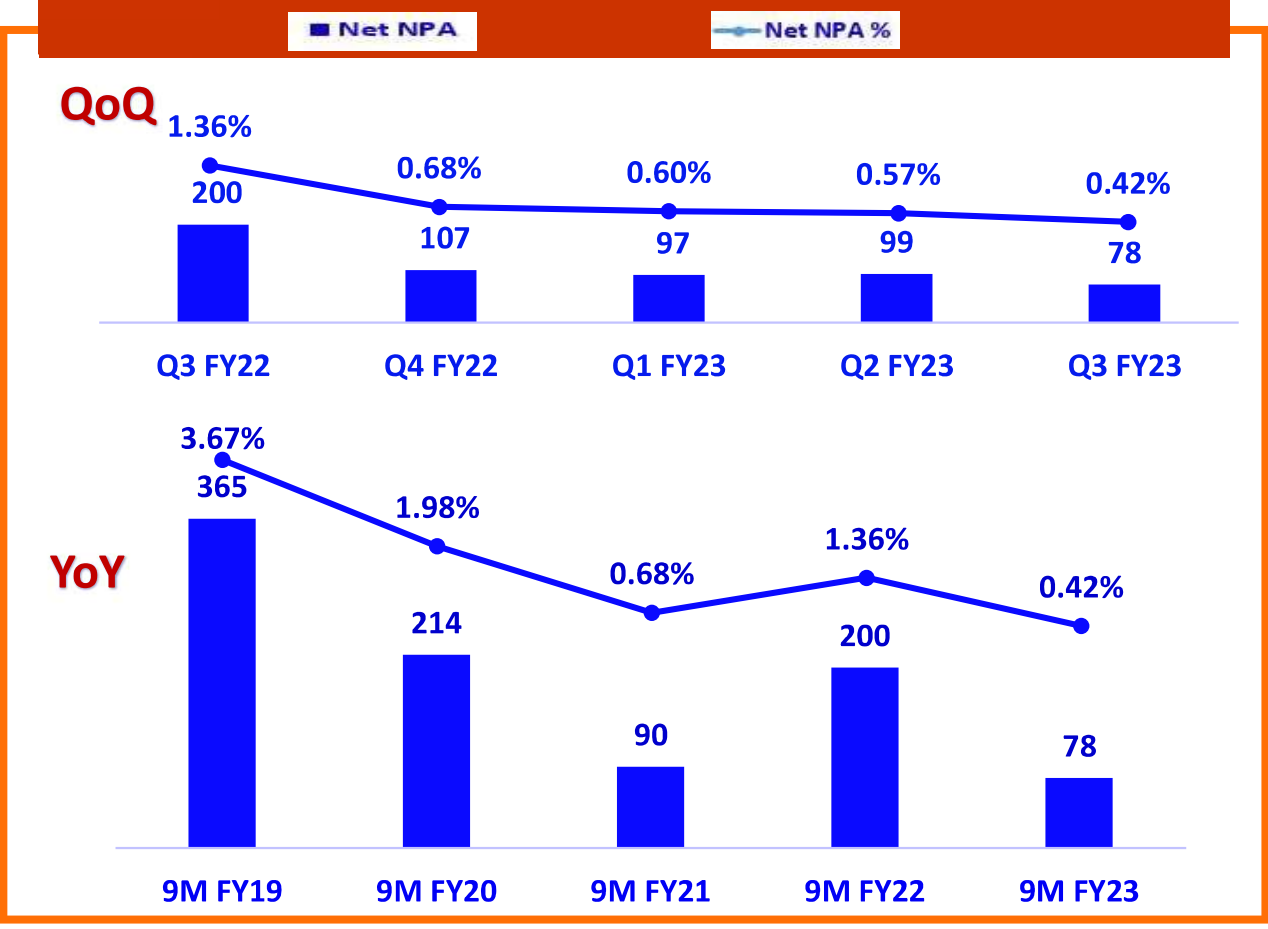
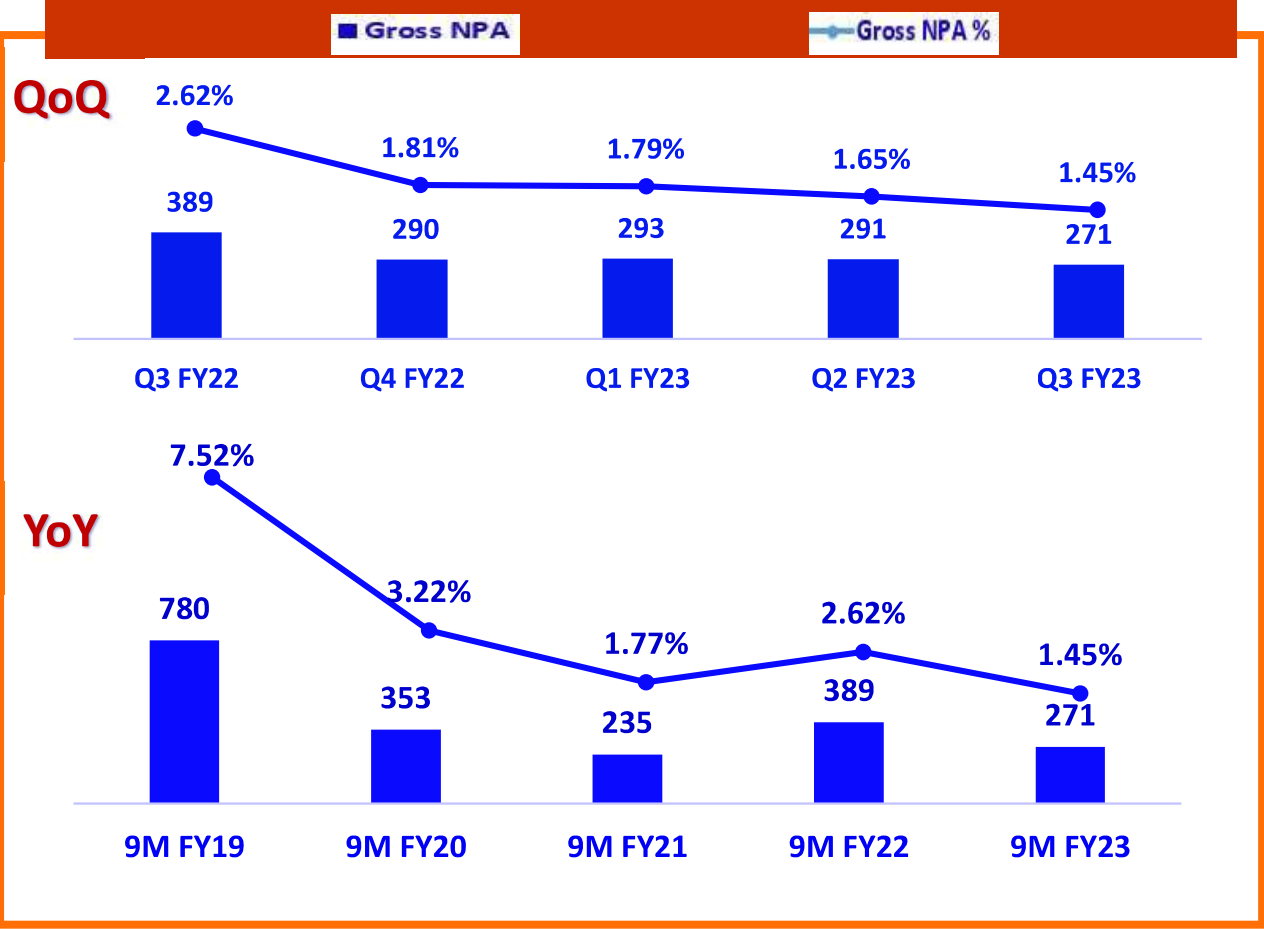
\*NIM = NII/Avg interest earning assets

Profitability Ratios



Asset Quality Ratios

Amt in Cr

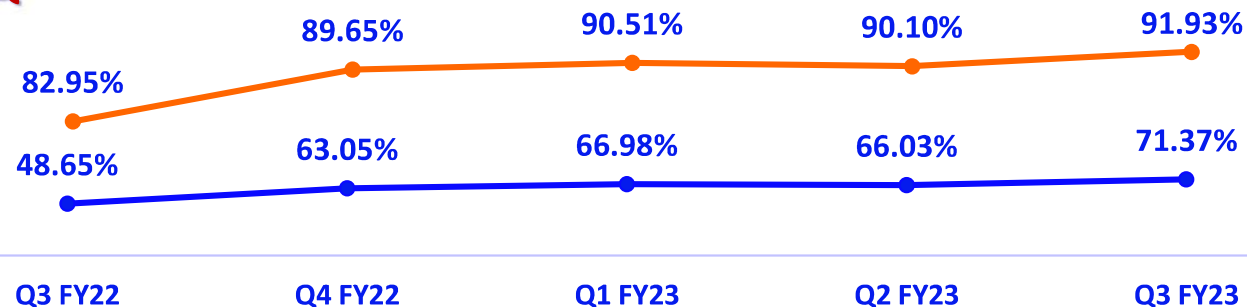


## Asset Quality Ratios

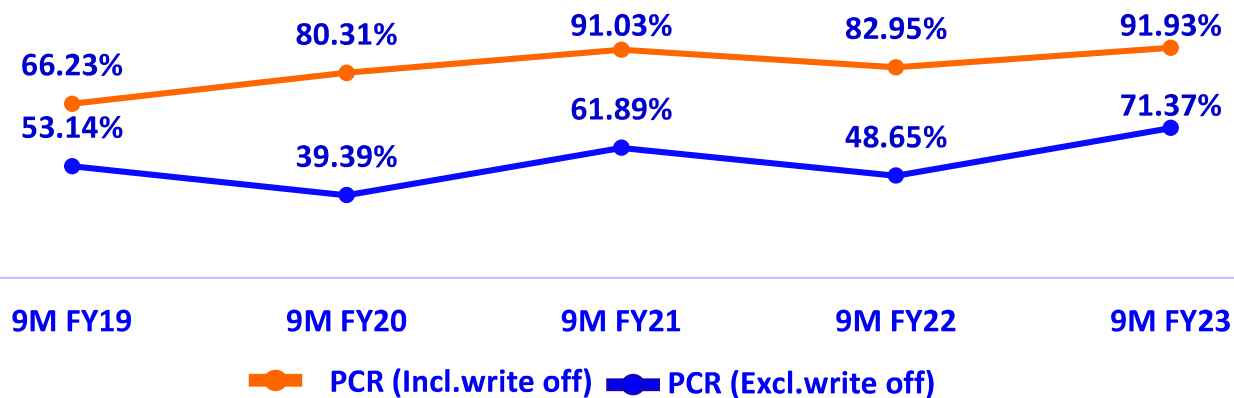
Amt in Cr

### Provision Coverage Ratio

QoQ

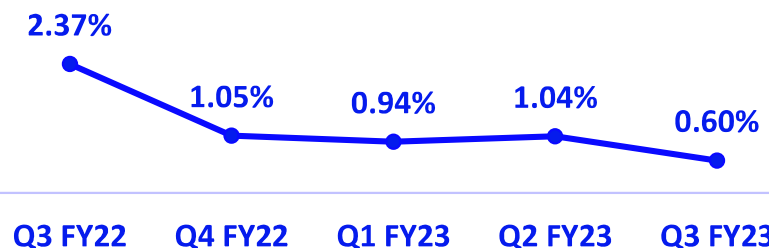


YoY



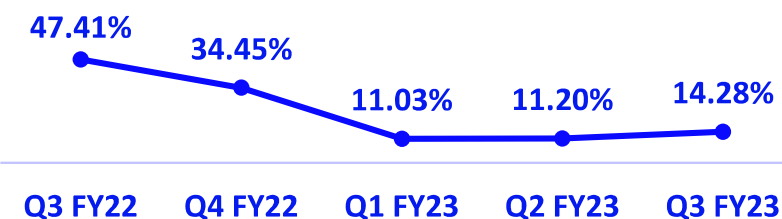
### Slippage Ratio

QoQ



### Recovery Rate

QoQ

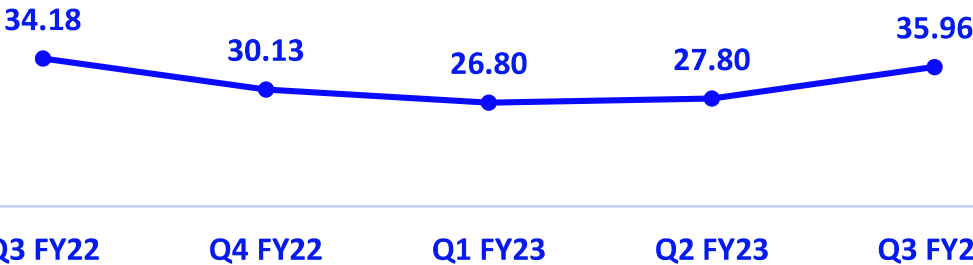


Share Holders Return & Risk Ratios

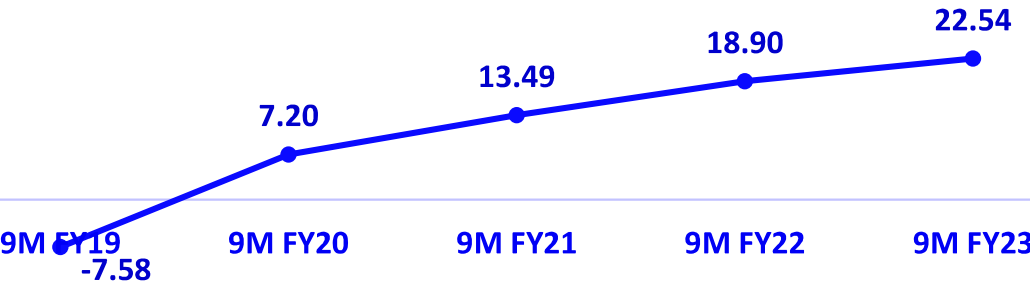
EPS

(in Rs)

QoQ

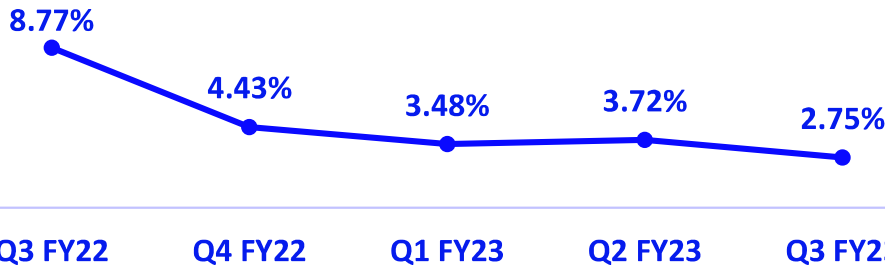


YoY

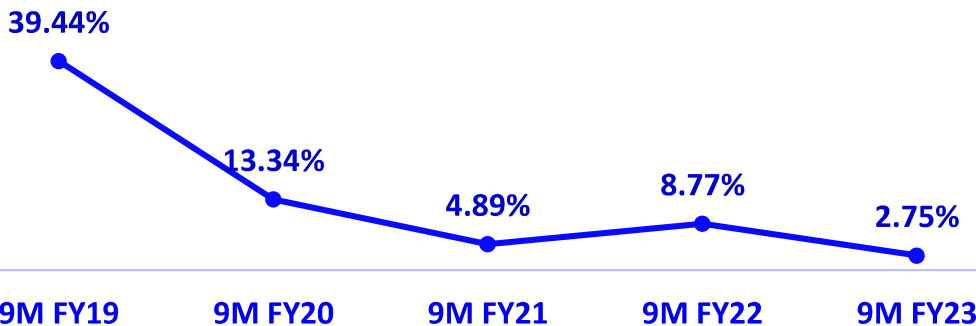


Net NPA to Networth

QoQ



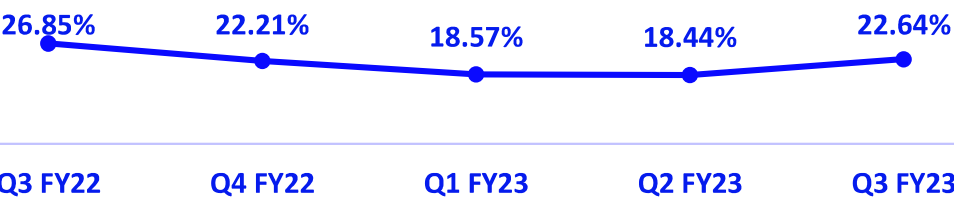
YoY



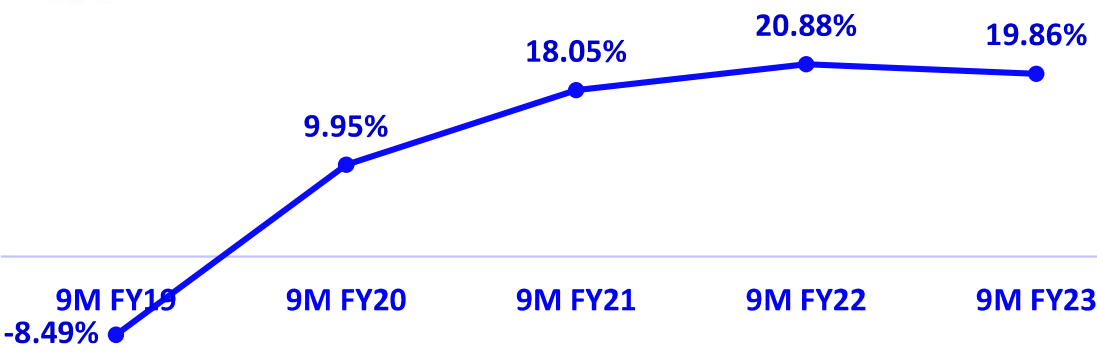
Share Holders Return & Risk Ratios

RoE

QoQ



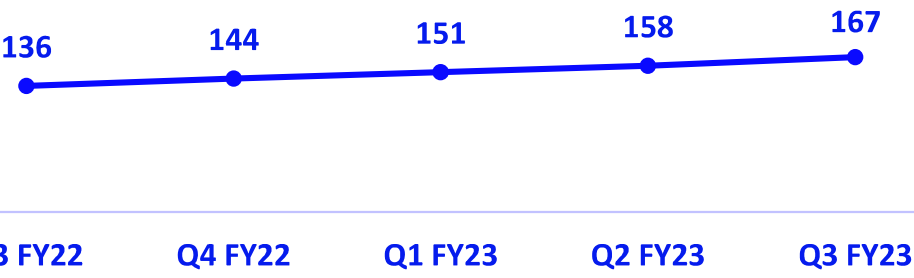
YoY



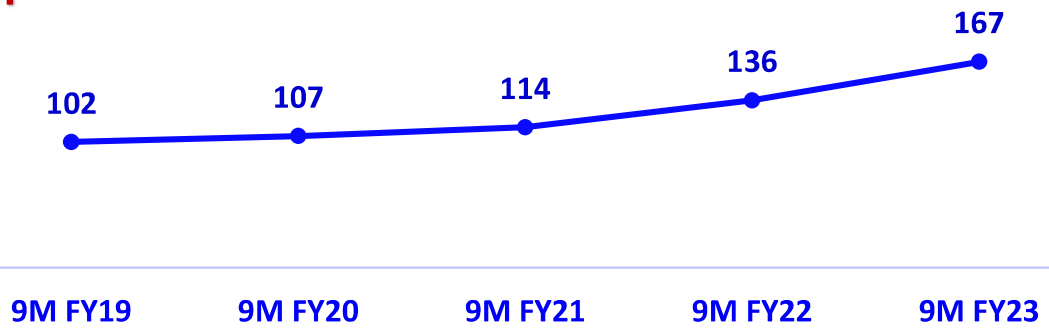
Book Value per Share

(in Rs)

QoQ



YoY





Company  
Overview

Business  
Overview

Earnings

Digital  
Penetration

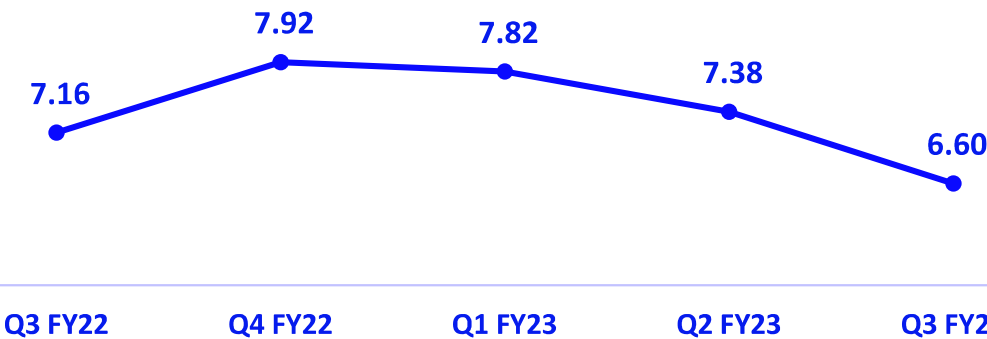
Strategy

Efficiency Ratios

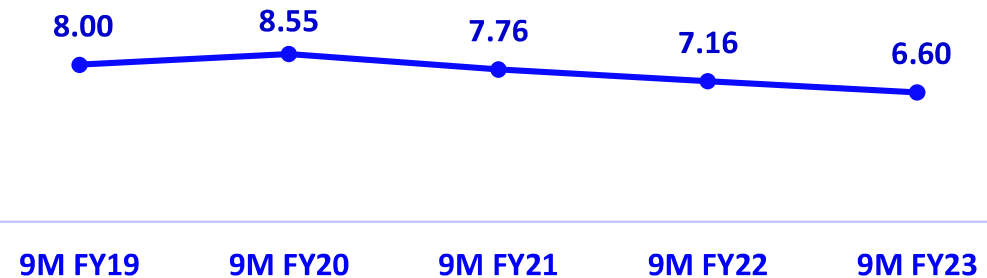
Business per Employee

(In Cr)

QoQ



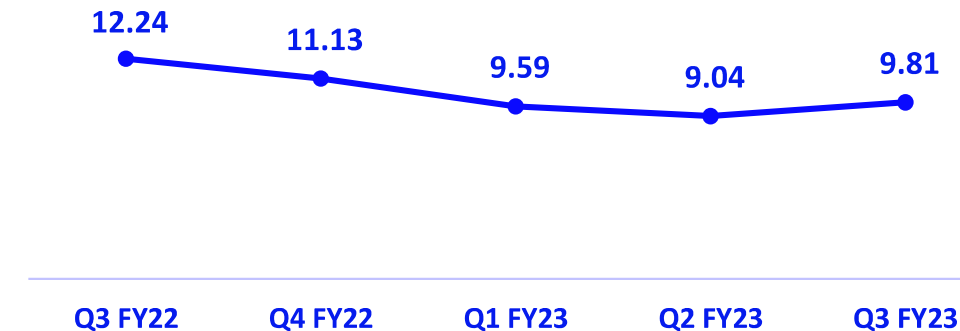
YoY



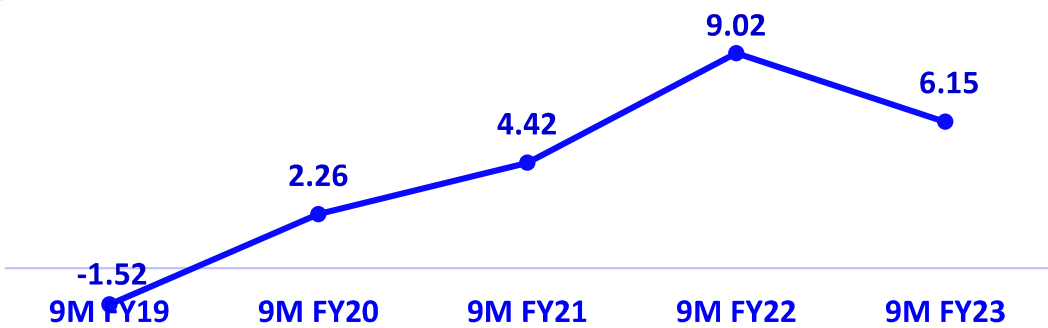
Profit per Employee

(in Lakhs)

QoQ

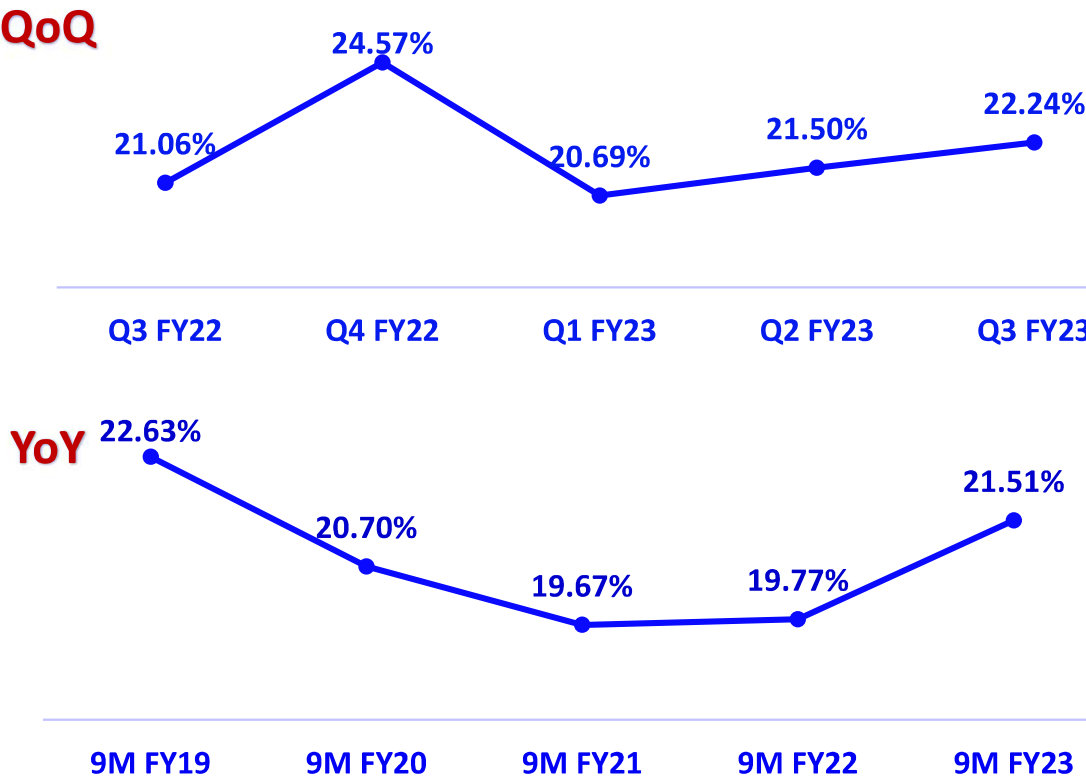


YoY

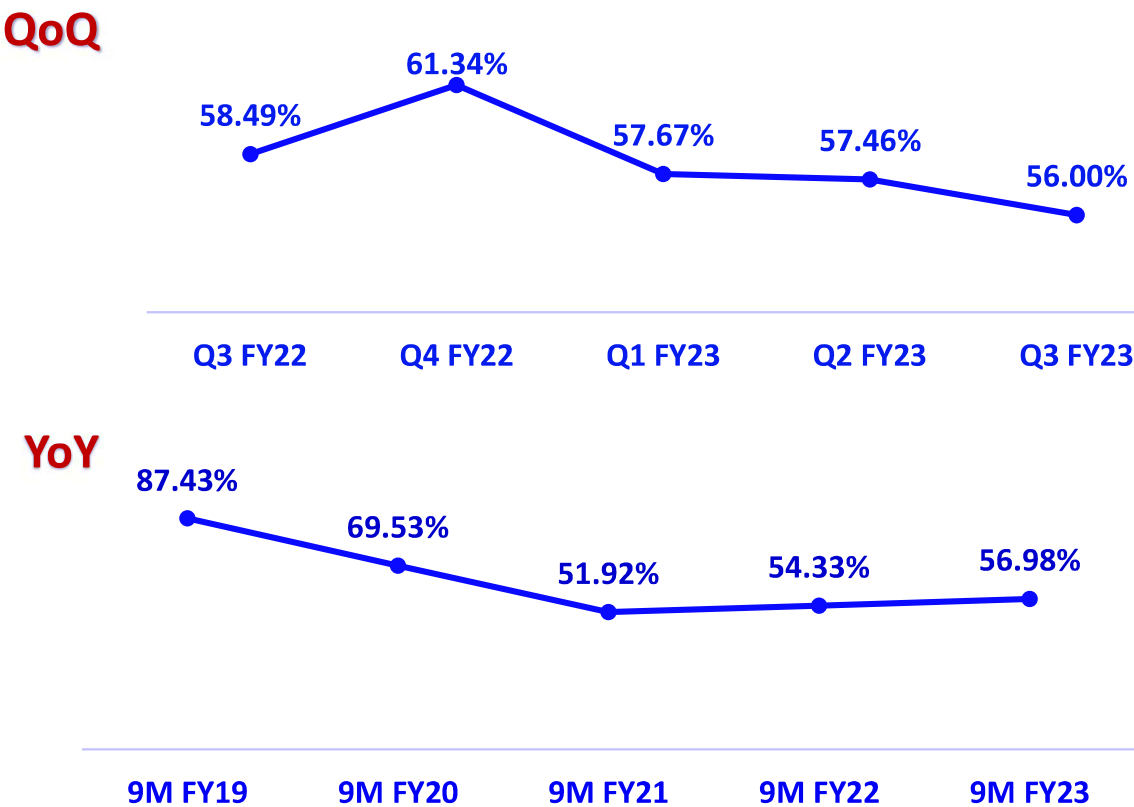


Efficiency Ratios

Staff Cost to Total Income



Cost to Income Ratio



Company  
Overview

Business  
Overview

Earnings

Digital  
Penetration

Strategy

## Digital Touch Points



1,414 Installations



6.94 lacs + Debit Cards



4.37 lacs+ Net  
Banking users



516 ATM  
Network



5,665+ QR  
Installations



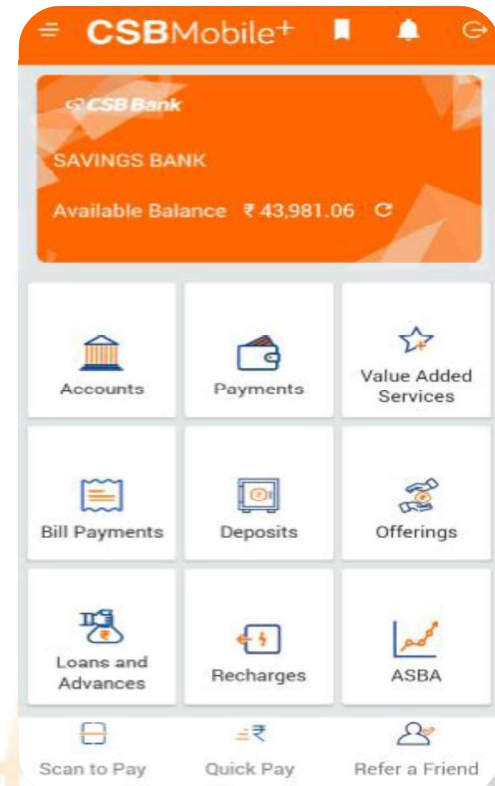
90,457+ ePassbook  
Downloads



78,660+Prepaid  
Cards



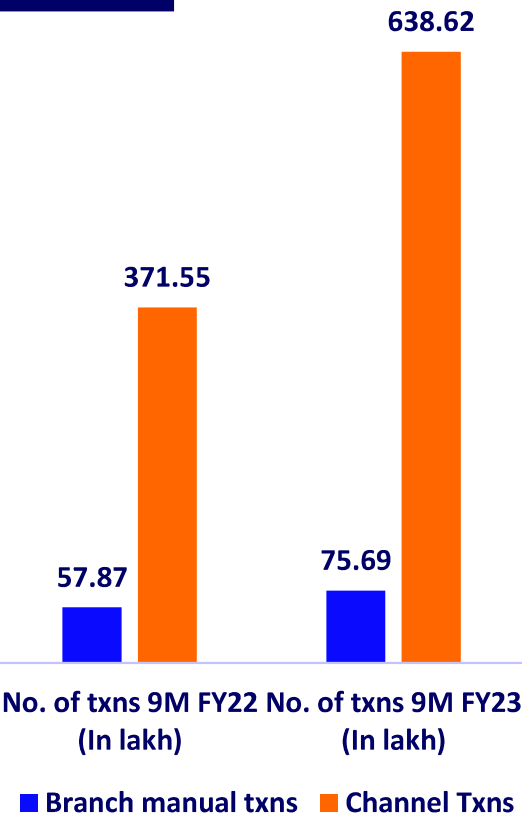
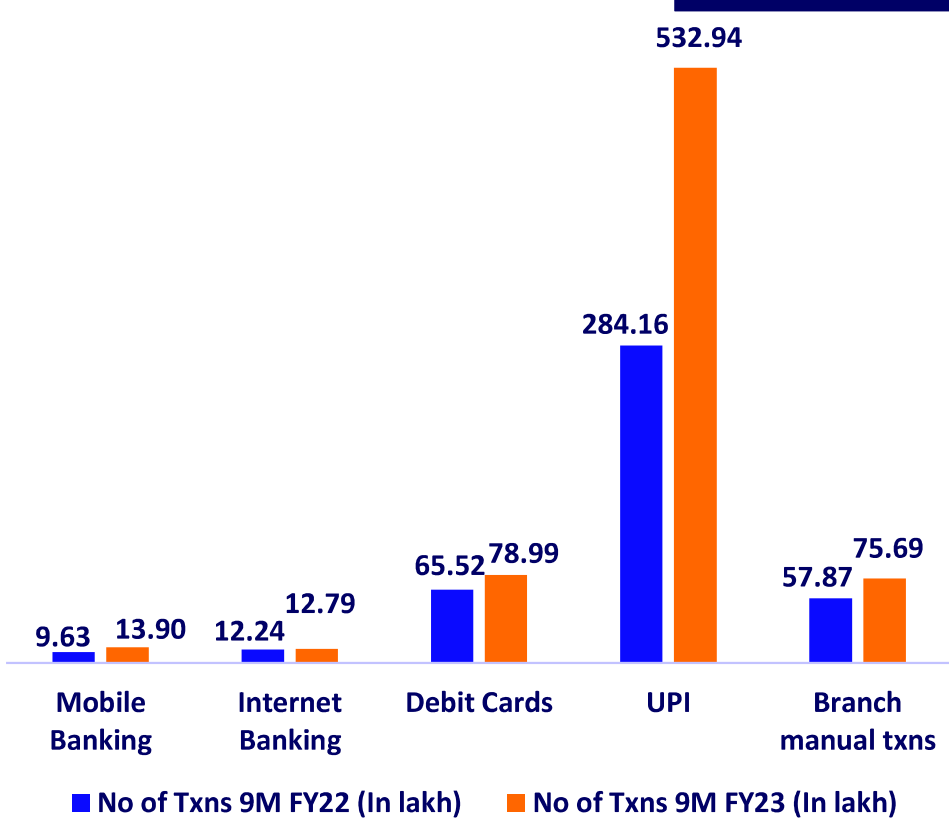
1.36 lac+ UPI  
Downloads



4.22 lacs+ Mobile  
Banking Users

Channel Transactions

Digital vs Branch



	No. of txns	
	9M FY22 (In lakh)	9M FY23 (In lakh)
Mobile Banking	9.63	13.90
Internet Banking	12.24	12.79
Debit Cards	65.52	78.99
UPI	284.16	532.94
Branch txns	57.87	75.69
Total Channel Transactions	371.55	638.62
% of channel txns	86.52%	89.40%



**Company  
Overview**

**Business  
Overview**

**Earnings**

**Digital  
Penetration**

**Strategy**

**SBS 2030**

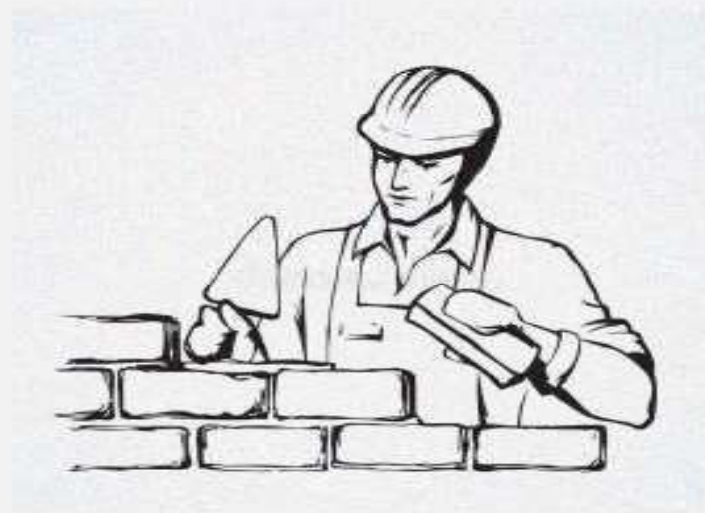
**SUSTAIN**

**PROFITABLE FRANCHISE**



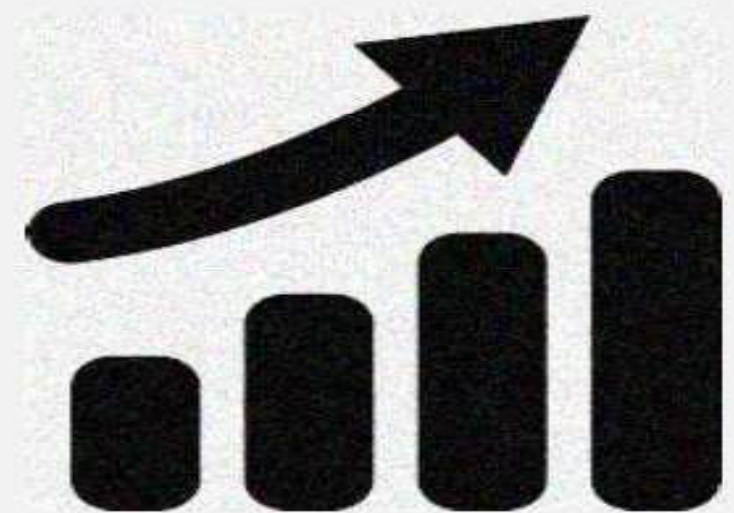
**BUILD**

**PLATFORMS FOR FUTURE**



**SCALE**

**EXECUTE WITH GUARDRAILS**



Company  
Overview

Business  
Overview

Earnings

Digital  
Penetration

Strategy

Build phase is on..

Few Roll outs..





***THANK YOU!***



# Disclaimer

*This presentation has been prepared by CSB Bank Limited (the “Bank”) solely for information purposes, without regard to any specific objectives, financial situations or informational needs of any particular person. All information contained has been prepared solely by the Bank.*

*No information contained herein has been independently verified by anyone else. This presentation may not be copied, distributed, redistributed or disseminated, directly or indirectly, in any manner.*

*This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person in any jurisdiction, including India and the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any person placing reliance on the information contained in this presentation or any other communication by the Bank does so at his or her own risk and the Bank shall not be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained herein.*

*No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Further, past performance is not necessarily indicative of future results.*

*This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank’s business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.*

*Except as otherwise noted, all of the information contained herein is indicative and is based on management information, current plans and estimates in the form as it has been disclosed in this presentation. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.*

*This presentation is not intended to be an offer document or a prospectus under the Companies Act, 2013 and Rules made thereafter , as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or any other applicable law.*

*Figures for the previous period / year have been regrouped wherever necessary to conform to the current period’s / year’s presentation. Total in some columns / rows may not agree due to rounding off.*

*Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.*