

PRESS RELEASE

CSB Bank Limited

Financial Results for the Quarter & Nine Months Ended December 31, 2022

The Board of Directors of CSB Bank took on record the financial results for the quarter (Q3 FY 2023) and nine months ended 31.12.2022, which were subject to limited review in their meeting dated 30.01.2023.

Highlights

- a) **Profit After-tax:** Bank recorded a net profit of Rs 391 Crs during the nine months ended 31.12.2022 vis a vis a profit of Rs 328 Crs for the same period last year. Net profit improved by 19% on a Y-o-Y basis. Bank continues with the policy to maintain accelerated provisioning during this quarter as well. The entire outstanding Security Receipts balance as on 31.12.2022 has been fully provided for. The annualized RoA improved from 1.83% to 2.00% YoY for the nine months ended 31.12.2022.
- b) **Strong Operating Performance:** Q3 FY 2023 operating profit of bank is Rs 193 Crs as against Rs 148 Crs during Q3 FY 2022 – the YoY growth being 31%. The operating profit for the nine months ended 31.12.2022 stood at Rs 506 Crs as against Rs 472 Crs for the corresponding previous period- up by 7%.
- c) **Net Interest Income (NII)** for 9 months ended 31.12.2022 stood at Rs 985 Crs posting an increase of 16% YoY. In Q3 FY 23, the NII stood at Rs 350 Crs as against Rs 303 Crs in Q3 FY 22 with an increase of 15%.
- d) **Non-Interest Income ex treasury** for Q3 FY 2023 posted a growth of 65% over Q3 FY 2022 mainly due to increase in processing fees and other fee income. Other income for the nine months ended 31.12.2022 stood at Rs 195 Crs (PSLC income:- Rs 4 Crs) as against Rs 170 Crs (PSLC income: Rs 33 Crs) for nine months ended 31.12.2021.
- e) **Cost Income Ratio** for Q3 FY 23 stood at 56.00% as against 57.46% for Q2 FY 23. Cost income ratio for the nine months ended 31.12.2022 was at 56.98% as against 54.33% as on 31.12.2021(9M). The impact was majorly created by HR expansion (1516 Nos), Lower PSLC income (impact-Rs 30 Crs) and Treasury Profits (impact-Rs 18 Crs including SR w/o).
- f) **Healthy Asset Quality & Provisioning**

Gross NPA and Net NPA ratios have improved to 1.45% and 0.42% as on 31.12.22 over the previous quarters. PCR continues to be above 90%

Particulars	Q3 FY 23	Q2 FY 23	Q1 FY 23	FY 22
Gross NPA	271.29	291.04	293.01	289.51
Gross NPA %	1.45%	1.65%	1.79%	1.81%
Net NPA	77.66	98.86	96.75	106.99
Net NPA %	0.42%	0.57%	0.60%	0.68%
Provisioning Coverage Ratio	91.93%	90.10%	90.51%	89.65%

- g) **Robust Capital Structure** - Capital Adequacy Ratio is at 25.78 %, which is well above the regulatory requirement. Leverage ratio is at 8.97% as on 31.12.2022.

- h) **Comfortable Liquidity Position** - Liquidity Coverage Ratio is comfortable at 124%
- i) **Total Deposits** grew by 19 % YoY. The CASA book grew from Rs 6587 Crs to Rs 7126 Crs YoY (Up by 8%). The CASA ratio stood at 31.44% as on 31.12.2022.
- j) **Advances (Net)** grew by 26% YoY to Rs 18457 Crs as on 31.12.2022 with gold loan portfolio powering the growth at 51% YoY.

Performance Highlights:

(Rs Crore)	Q3 FY 23	Q3 FY 22	Inc/Dec%	Q2FY23	QoQ % Growth	9M FY 23	9M FY 22	Inc/Dec%
Interest Income	592.05	527.65	12%	555.18	7%	1,683.16	1,518.75	11%
Interest Expense	242.31	224.31	8%	230.21	5%	697.76	669.28	4%
Net Interest Income	349.74	303.34	15%	324.97	8%	985.40	849.47	16%
Treasury Profits	6.19	1.48	318%	-21.37	129%	-5.26	12.72	141%
Other Income	83.71	50.68	65%	66.31	26%	194.95	170.47	14%
Total Non-Interest Income	89.90	52.16	72%	44.94	100%	189.69	183.19	4%
Net Operating Income	439.64	355.50	24%	369.91	19%	1,175.09	1,032.67	14%
Staff Cost	151.67	122.09	24%	129.00	18%	402.89	338.46	19%
Other Opex	94.53	85.86	10%	83.54	13%	266.68	222.54	20%
Total Opex	246.20	207.95	18%	212.55	16%	669.57	561.00	19%
Operating Profit	193.44	147.55	31%	157.36	23%	505.52	471.67	7%
Provision for NPA	-15.48	-51.55	-	-8.69	-	-25.34	27.49	-
Other Provisions	0.52	0.99	-48%	4.95	-89%	8.33	6.09	37%
Provisions other than Tax	-14.96	-50.56	-	-3.73	-	-17.01	33.58	-
PBT	208.40	198.11	5%	161.09	29%	522.53	438.08	19%
Tax	52.45	49.86	5%	40.54	29%	131.51	110.26	19%
PAT	155.95	148.25	5%	120.55	29%	391.02	327.83	19%
Deposits	22,664.02	19,056.01	19%	20,986.61	8%	22,664.02	19,056.01	19%
Advances(Net)	18,456.70	14,637.00	26%	17,468.33	6%	18,456.70	14,637.00	26%
CASA	7,125.74	6,587.19	8%	7,192.81	-1%	7,125.74	6,587.19	8%
Gold	8,780.30	5,825.50	51%	8,035.50	9%	8,780.30	5,825.50	51%
CASA%	31.44%	34.57%	-3%	34.27%	-3%	31.44%	34.57%	-3%

CEO Speak:

Speaking about the performance **Mr. Pralay Mondal, Managing Director & CEO** said, “Though global economy is marred with uncertainties, Indian financial system is resilient, robust and stable. Bank credit is growing in double digits for 9 months now. It gives us great pleasure to announce that we could outperform the industry trends in terms of both deposits and advances growth and record strong bottom line numbers. Our bank has achieved another milestone, with the business numbers crossing Rs 40000 Crs, Rs 42006 Crs to be exact contributed by the loan book growth of 26% YoY coupled with the 19% deposit growth. In terms of profitability, despite the lower treasury profits/PSLC income, SR write offs etc, the Q3FY 23 operating profit recorded a growth of 31% supported by growth in NII and other income. The key indicators like NIM, CRAR, RoA, NPA ratios etc continue to be strong.

In the coming quarter while leveraging our core competencies in the gold loan business, we will put in more focus to grow the retail segment, both the retail liabilities and assets (other than gold) - with various new/revamped products and process improvements happening and proposed. We believe that with the new credit card launch in partnership with One Card, we will be able to further penetrate into the retail segment. We are perfecting the retail structure with the right manpower, policy roll outs, technology, collection framework, partnership tie ups etc. While all these will take some time to mature, we are already into business for segments like Personal Loans, Education Loans, Auto Loans, Commercial Vehicle etc SME & Corporate focus will continue with due caution. Boosting the fee income is in the top priority list. A new transaction banking vertical has been set up towards focusing on the trade and forex income. Bank has launched two new trade forex current account variants as well. With all these falling in place, we look forward to improve upon our performance in both the topline as well as bottom line parameters in the coming quarter/s.

About CSB Bank Limited:

We are one of the oldest private sector banks in India with an existence of over 100 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 648 branches (excluding three service branches and three asset recovery branches) and 516 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

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.

Kindly direct your enquiries to:

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