

## PRESS RELEASE

### CSB Bank Limited

#### Financial Results for the Quarter & Nine Months Ended December 31, 2021

The Board of Directors of CSB Bank took on record the financial results for the quarter (Q3 FY 2022) and nine months ended 31.12.2021, which were subject to limited review in their meeting dated 21.01.2022.

#### Highlights

- a) **Profit After Tax:** Bank recorded a net profit of Rs 148.25 Cr in Q 3 FY 22 as against Rs 53.05 Cr in Q 3 FY 21 and Rs 118.57 Cr for the previous quarter. Net profit increased by 180% Y-o-Y and 25% on Q-o-Q basis. For the 9 months ended 31.12.2021, the net profit improved to Rs 327.83 Cr from Rs 175.51Cr as on 31.12.20 or by 87%. Bank continued its accelerated provisioning policy during this quarter as well. The RoA for the quarter ended 31.12.2021 is 2.43%.
- b) **Operating Profit** of the bank is Rs 471.67 Cr for the 9 months ended 31.12.2021 with an increase of 8% from Rs 435.14 Crs as on 31.12.2020. Q3 FY22 operating profit is at Rs 147.55 Cr as against Rs 197.19 Cr for Q3 FY21 and Rs 149.38 cr for Q2 FY22, mainly due to decrease in treasury profit and PSLC commission payout.
- c) **Net Interest Income for (NII)** for the nine months ended 31.12.2021 stood at Rs 849.47 Cr posting an increase of 28% over the corresponding period last year. In Q3 FY 22, the NII stood at Rs 303.34 Cr as against Rs 251.19 Cr in Q3 FY 21 and Rs 278.38 Cr for the previous quarter. ie, up by 21% & 9% respectively. Increase in NII has been powered by spread and volume effects combined with impressive interest income recoveries on Gold loan NPAs.
- d) **Non-Interest Income** posted a de growth of 23.47% for the nine months period ending 31.12.2021 compared to the corresponding period previous FY mainly due to dip in treasury profits by 89%. Excluding Treasury Profits, non interest income has surged by 41% 9M to 9M.
- e) **Cost Income Ratio:** Cost income ratio for the nine months ended 31.12.2021 is at 54.33% as against 51.92% as on 31.12.2020(9M). Cost income ratio for Q3 FY 22 is at 58.49%, which was at 48.47% for Q3 FY 21 & 55.83% in Q2FY22. Increase in Cost Income Ratio has been contributed by increase in staff cost, increase in rent, depreciation and other expenses and decrease in treasury profits.
- f) **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 388.95 Crs, Rs 102 Crs is gold NPA with higher recoverability. Gross NPA and Net NPA ratios have improved to 2.62% and 1.36% as on 31.12.21 from 4.11% and 2.63% respectively as on 30.09.21. Gross NPA and Net NPA ratios excluding gold works out to 1.87% and 0.85% as on 31.12.21. PCR is now back to >80% territory.

Particulars	Q3 FY 22	Q2 FY 22	Q1 FY 22	FY 21
Gross NPA	388.95	586.83	686.39	393.49
Gross NPA excluding gold	276.93	299.31	333.08	347.23
Gross NPA %	2.62%	4.11%	4.88%	2.68%
Net NPA	199.75	370.06	443.75	168.81
Net NPA %	1.36%	2.63%	3.21%	1.17%
Provisioning Coverage Ratio	82.95%	73.48%	70.20%	84.89%

- g) **Capital Adequacy Ratio** is at 20.74%, which is well above the regulatory requirement. Leverage ratio is at 7.92% as on 31.12.2021
- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio is comfortable at 146.41%
- i) **Total Deposits** grew by 7.34 % YoY and **CASA** ratio stood at 34.57 % as on 31.12.2021 as against 30.38% as on 31.12.2020 and 32.58% as on 30.09.2021
- j) **Advances (Net)** grew by 11.42% YoY to Rs 14637 Cr as on 31.12.2021

#### Performance Highlights:

(Rs Crore)	Q3 FY22	Q3 FY21	Inc/Dec%	Q2 FY22	QoQ%	9 M FY 22	9 M FY 21	Inc/Dec%
Interest Income	527.65	482.62	9.33%	495.85	6.41%	1,518.75	1,375.18	10.44%
Interest Expense	224.31	231.44	-3.08%	217.47	3.15%	669.28	709.49	-5.67%
<b>Net Interest Income</b>	<b>303.34</b>	<b>251.19</b>	<b>20.76%</b>	<b>278.38</b>	<b>8.96%</b>	<b>849.47</b>	<b>665.69</b>	<b>27.61%</b>
Treasury Profits	1.48	81.92	-98.19%	-10.25	-114.49%	12.72	118.23	-89.24%
Other Income	50.68	49.52	2.35%	70.04	-27.64%	170.47	121.16	40.70%
<b>Total Non-Interest Income</b>	<b>52.16</b>	<b>131.44</b>	<b>-60.31%</b>	<b>59.79</b>	<b>-12.76%</b>	<b>183.19</b>	<b>239.38</b>	<b>-23.47%</b>
<b>Net Operating Income</b>	<b>355.50</b>	<b>382.63</b>	<b>-7.09%</b>	<b>338.17</b>	<b>5.12%</b>	<b>1,032.67</b>	<b>905.07</b>	<b>14.10%</b>
Staff Cost	122.09	127.80	-4.47%	119.16	2.46%	338.46	317.59	6.57%
Other Opex	85.86	57.64	48.96%	69.63	23.30%	222.54	152.34	46.08%
Total Opex	207.95	185.44	12.14%	188.79	10.15%	561.00	469.93	19.38%
<b>Operating Profit</b>	<b>147.55</b>	<b>197.19</b>	<b>-25.17%</b>	<b>149.38</b>	<b>-1.22%</b>	<b>471.67</b>	<b>435.14</b>	<b>8.39%</b>
Standard Asset Provision	1.70	89.23	-98.09%	6.42	-73.48%	4.08	152.77	-97.33%
Other Provisions	-52.27	37.06	-	-15.49	-	29.51	47.84	-38.32%
Provisions other than Tax	-50.56	126.30	-	-9.07	-	33.58	200.61	-83.26%
PBT	198.11	70.89	179.47%	158.45	25.03%	438.08	234.53	86.79%
Tax	49.86	17.84	179.47%	39.88	25.03%	110.26	59.03	86.79%
<b>PAT</b>	<b>148.25</b>	<b>53.05</b>	<b>179.47%</b>	<b>118.57</b>	<b>25.03%</b>	<b>327.83</b>	<b>175.51</b>	<b>86.79%</b>
Deposits	19,056.01	17,752.98	7.34%	19,055.49	0.00%	19,056.01	17,752.98	7.34%
Advances (Net)	14,637.00	13,137.32	11.42%	14,070.11	4.03%	14,637.00	13,137.32	11.42%
CASA	6,587.19	5,392.96	22.14%	6,207.98	6.11%	6,587.19	5,392.96	22.14%
Gold	5,826.00	5,644.00	3.22%	5,460.22	6.70%	5,826.00	5,644.00	3.22%
CASA%	34.57%	30.38%	4.19%	32.58%	1.99%	34.57%	30.38%	4.19%

**CEO Speak:**

Speaking about the performance **Mr. C VR Rajendran, Managing Director & CEO** said, “Q3 FY 22 was really a BIG quarter in terms of recovery. *Though we had some challenges related to portfolio stress at the FY beginning mainly in Gold due to the reversal of LTV regime as mandated by the regulators, our focused and systematic approach yielded the desired results. We could record a YoY growth of 11.42% in net advances and 22.14% in CASA. Gold loans also have started to move up posting a QoQ growth of about 7%. Coming to profitability, Q 3 continued to be a robust quarter registering a growth of 179% on a YoY quarterly basis and 87% for the 9-month period ended 31.12.21 vis a vis the corresponding period last year. This could be achieved despite continuing with the accelerated provisioning policy in the current quarter as well. Our capital and liquidity position continues to be resilient. The key indicators like NII, NIM, RoA, GNPA/NNPA, PCR etc. are strong. While gold portfolio continues to be our major focus area, we are setting the right platforms for buildup of the other retail businesses such as home loans, personal loans, credit cards etc., on our own or through partnerships. which will help us to scale up the retail business. On the SME/WSB portfolios, the activity level has increased. On the fee part also we are faring well. Though Omicron waves are creating some concerns on the progressive economic outlook that followed the covid second wave recovery, we are focusing on improving both topline and bottom-line parameters in the current quarter as well.*

**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 1.9 million, with particular focus on SME, Retail, and NRI customers. We deliver our products and services through multiple channels, including 559 branches (excluding three service branches and three asset recovery branches) and 410 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](http://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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