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Chartered Accountants
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Mukund M. Chitale & Co.
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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 2022 and year to date results for the period from 01 April 2022 to 31 December 2022 (the 'Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the disclosures relating to Pillar 3 as at 31 December 2022, including leverage Ratio, liquidity coverage ratio and net stable funding 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. 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. 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 Standards on Auditing 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.
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.

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022



Ritesh Goyal
Partner
Membership No: 115007
ICAI UDIN: 23115007BGXPOQ3466

Mumbai
30 January 2023

For **Mukund M. Chitale & Co.**
Chartered Accountants
ICAI Firm Registration Number: 106655W



Abhay V. Kamat
Partner
Membership No: 039585
ICAI UDIN: 23039585BGXBIS1242

Mumbai
30 January 2023





CSB Bank Limited

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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, 2022

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022 Unaudited	30.09.2022 Unaudited	31.12.2021 Unaudited	31.12.2022 Unaudited	31.12.2021 Unaudited	31.03.2022 Audited
1. Interest Earned (a) + (b) + (c) + (d)	59,205	55,518	52,765	1,68,316	1,51,875	2,03,832
(a) Interest / Discount on advances / bills	49,452	45,025	41,806	1,35,946	1,18,504	1,59,728
(b) Income on investments	9,445	9,656	9,249	30,445	28,169	38,092
(c) Interest on balances with RBI and other inter bank funds	82	285	1,472	916	4,155	4,652
(d) Others	226	552	238	1,009	1,047	1,360
2. Other Income	8,990	4,494	5,216	18,969	18,319	24,679
3. Total Income (1+2)	68,195	60,012	57,981	1,87,285	1,70,194	2,28,511
4. Interest Expended	24,231	23,021	22,431	69,776	66,928	88,501
5. Operating Expenses (i) + (ii) + (iii)	24,620	21,255	20,795	66,957	56,099	78,638
(i) Employees cost	15,167	12,900	12,209	40,289	33,846	48,187
(ii) Rent, taxes and lighting	2,352	2,327	2,060	6,931	5,639	8,019
(iii) Other operating expenses	7,101	6,028	6,526	19,737	16,614	22,432
6. Total Expenditure (4+5) (excluding provisions and contingencies)	48,851	44,276	43,226	1,36,733	1,23,027	1,67,139
7. Operating Profit before Provisions and Contingencies (3-6)	19,344	15,736	14,755	50,552	47,167	61,372
8. Provisions (other than tax) and Contingencies	(1,496)	(373)	(5,056)	(1,701)	3,358	(51)
Of which provisions for non-performing assets / write off	479	682	(2,668)	2,754	7,141	6,890
9. Exceptional Items	-	-	-	-	-	-
10. Profit from Ordinary Activities before Tax (7-8-9)	20,840	16,109	19,811	52,253	43,809	61,423
11. Tax Expense	5,245	4,054	4,986	13,151	11,026	15,574
12. Net Profit from Ordinary Activities after Tax (10-11)	15,595	12,055	14,825	39,102	32,783	45,849
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	15,595	12,055	14,825	39,102	32,783	45,849
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						2,32,464
17. Analytical Ratios						
(i) Capital Adequacy Ratio (Basel-III)	25.78%	25.14%	20.74%	25.78%	20.74%	25.90%
(ii) Earnings per Share (EPS)*						
Basic EPS - before and after extraordinary items (in ₹)	8.99	6.95	8.55	22.54	18.90	26.43
Diluted EPS - before and after extraordinary items (in ₹)	8.99	6.95	8.55	22.54	18.90	26.43
(iii) NPA Ratios						
a) Gross NPA	27,129	29,104	38,895	27,129	38,895	28,951
Net NPA	7,766	9,886	19,974	7,766	19,974	10,699
b) % of Gross NPA	1.45%	1.65%	2.62%	1.45%	2.62%	1.81%
% of Net NPA	0.42%	0.57%	1.36%	0.42%	1.36%	0.68%
(iv) Return on Assets - Annualised	2.37%	1.87%	2.40%	2.00%	1.83%	1.90%

* Quarterly / Nine months numbers are not Annualised



SEGMENT INFORMATION

(₹ in lakh)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	10,239	9,473	11,159	31,681	36,619	48,162
Corporate/Wholesale Banking	16,416	12,912	12,873	43,597	39,210	50,937
Retail Banking	40,091	36,036	32,873	1,07,872	91,634	1,25,219
Other Banking Operations	1,449	1,591	1,076	4,135	2,731	4,193
Unallocated	-	-	-	-	-	-
Total Revenue	68,195	60,012	57,981	1,87,285	1,70,194	2,28,511
Less: Inter segment revenue	-	-	-	-	-	-
Income from operations	68,195	60,012	57,981	1,87,285	1,70,194	2,28,511
Segment Results (Net of provisions):						
Treasury	2,471	1,709	1,170	6,048	9,001	13,688
Corporate/Wholesale Banking	3,113	1,394	1,148	7,151	4,266	5,420
Retail Banking	14,635	12,389	16,967	37,449	29,496	40,539
Other Banking Operations	639	676	455	1,779	1,247	1,838
Unallocated	(18)	(59)	71	(174)	(201)	(62)
Profit Before Tax	20,840	16,109	19,811	52,253	43,809	61,423
Segment Assets:						
Treasury	6,02,765	6,32,230	7,15,615	6,02,765	7,15,615	7,72,298
Corporate/Wholesale Banking	6,32,754	5,98,318	6,10,714	6,32,754	6,10,714	5,88,497
Retail Banking	14,13,451	13,37,746	10,38,992	14,13,451	10,38,992	11,69,086
Other Banking Operations	1,184	1,166	918	1,184	918	1,047
Unallocated	5,305	4,897	4,791	5,305	4,791	4,699
Total	26,55,459	25,74,358	23,71,030	26,55,459	23,71,030	25,35,627
Segment Liabilities:						
Treasury	44,649	1,42,485	1,38,367	44,649	1,38,367	1,76,151
Corporate/Wholesale Banking	5,90,126	4,65,924	3,23,920	5,90,126	3,23,920	3,62,633
Retail Banking	17,15,875	16,76,814	16,57,258	17,15,875	16,57,258	17,31,601
Other Banking Operations	-	-	-	-	-	-
Unallocated	173	259	114	173	114	103
Total	23,50,823	22,85,482	21,19,659	23,50,823	21,19,659	22,70,488
Capital employed:						
(Segment Assets-Segment Liabilities)						
Treasury	5,58,117	4,89,745	5,77,248	5,58,117	5,77,248	5,96,147
Corporate/Wholesale Banking	42,628	1,32,394	2,37,685	42,628	2,37,685	2,25,864
Retail Banking	(3,02,424)	(3,39,067)	(5,69,158)	(3,02,424)	(5,69,158)	(5,62,515)
Other Banking Operations	1,184	1,166	918	1,184	918	1,046
Unallocated	5,131	4,637	4,678	5,131	4,678	4,597
Total	3,04,636	2,88,876	2,51,371	3,04,636	2,51,371	2,65,139

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.

3. Pursuant to Board approved policy on preparation of segment information, the Bank, with effect from quarter ended March 31, 2022, has regrouped some of the advances to Corporate from Retail in line with Basel III Capital regulations for more appropriate presentation of the segment results. Figures for the previous years have been regrouped / reclassified to conform to current period's classification.



4. The change in segment information has no impact on the overall Revenue, Results, and capital employed of the Bank for the current quarter / nine months ended December 31, 2022 or the previous periods / year. However, had the Bank continued the same method of preparation of segment information as was adopted in previous periods, the segment revenue, segment results, segment assets, segment liabilities and capital employed would have been decreased/ (increased) by:

Segment Revenue:	Quarter ended			Nine months ended		Year ended
Decreased/ (Increased)	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Treasury	-	-	-	-	-	-
Corporate/Wholesale Banking	-	-	(231)	-	(3,511)	-
Retail Banking	-	-	(231)	-	(3,511)	-
Other Banking Operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-

Segment Results (Net of provisions):	Quarter ended			Nine months ended		Year ended
Decreased/ (Increased)	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Treasury	-	-	-	-	-	-
Corporate/Wholesale Banking	-	-	(6,181)	-	(12,202)	-
Retail Banking	-	-	6,181	-	12,202	-
Other Banking Operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-

Segment Assets:	Quarter ended			Nine months ended		Year ended
Decreased/ (Increased)	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Treasury	-	-	-	-	-	-
Corporate/Wholesale Banking	-	-	(46,651)	-	(46,651)	-
Retail Banking	-	-	46,651	-	46,651	-
Other Banking Operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-

Segment Liabilities:	Quarter ended			Nine months ended		Year ended
Decreased/ (Increased)	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Treasury	-	-	-	-	-	-
Corporate/Wholesale Banking	-	-	(11,977)	-	(11,977)	-
Retail Banking	-	-	11,977	-	11,977	-
Other Banking Operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-

Capital employed:	Quarter ended			Nine months ended		Year ended
Decreased/ (Increased)	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(Segment Assets-Segment Liabilities)						
Treasury	-	-	-	-	-	-
Corporate/Wholesale Banking	-	-	(34,674)	-	(34,674)	-
Retail Banking	-	-	34,674	-	34,674	-
Other Banking Operations	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-



Notes:

- 1 The above unaudited financial results for the quarter and nine months ended December 31, 2022 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 30, 2023. These results have been subjected to limited review by the Joint 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.
- 2 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) from time to time.
- 3 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, 2022. Any circular / direction issued by RBI is implemented prospectively when it becomes applicable.
- 4 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.
- 5 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.
- 6 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.
- 7 During the quarter and nine months ended December 31, 2022, the Bank has not issued equity shares under the Employee Stock Option Scheme.
- 8 The Covid-19 pandemic impacted economic activity during the last two fiscal years. Currently, while the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn Covid-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the Bank. The Bank holds 'Contingency Provision for any Credit Loss Contingencies' of ₹10,592.00 Lakhs as at December 31, 2022.
- 9 Details of loans transferred / acquired during the Quarter ended December 31, 2022 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)	23,678
Weighted average residual maturity (in months)	13.83
Weighted average holding period by originator (in months)	3.06
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
 - (iv) During the quarter ended December 31, 2022, the Bank has not transferred any stressed loans to Asset Reconstruction Companies (ARC).
- 10 In accordance with the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions 2021, amended on December 05, 2022, during the quarter ended December 31, 2022, Bank has provided an amount of Rs.1,177.38 Lakhs towards additional depreciation on Security Receipts. The same is netted off in 'Other Income' (Item No.2 of the Financial Results). The net book value of Security Receipts held by the Bank as on December 31, 2022 is Nil.
- 11 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 audit or limited review by the Joint Statutory Auditors of the Bank.
- 12 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.

For and on behalf of the Board


 Pralay Mondal
 Managing Director & CEO
 DIN: 00117994

Place: Mumbai
 Date: January 30, 2023

