

Walker Chandiok & Co LLP
Chartered Accountants
16th Floor, Tower III
One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013
Maharashtra, India

Mukund M. Chitale & Co.
Chartered Accountants
2nd Floor, Kapur House
Paranjape Scheme
B Road Number 1, Vile Parle (E)
Mumbai – 400 057
Maharashtra, India

Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of CSB Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of CSB Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **CSB Bank Limited** ('the Bank') for the quarter ended **31 December 2023** and the year to date results for the period 01 April 2023 to 31 December 2023, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure as at 31 December 2023, including leverage ratio and liquidity coverage 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.
2. The Statement, which is the responsibility of the Bank's management and approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to banks ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 the Standards on Auditing specified under section 143(10) of the Act, 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under section 133 of the Act, the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, 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 RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure as at 31 December 2023, including leverage ratio and liquidity coverage 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.



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5. The review of unaudited quarterly financial results for the quarter and nine months ended 31 December 2022 and audit of financial results for the year ended 31 March 2023 included in the Statement was carried out and reported by BSR & Co. LLP and Mukund M. Chitale & Co. who have expressed an unmodified conclusion vide their review report dated 30 January 2023 and an unmodified opinion vide their audit report dated 28 April 2023, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Accordingly, Walker Chandiok & Co. LLP do not express any conclusion on the figures reported in the Statement for the quarter and nine months ended 31 December 2022, or any opinion on the figures reported in the Statement for the year ended 31 March 2023. Our conclusion is not modified in respect of this matter.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm Registration No:001076N/N500013

Sudhir N. Pillai
Partner
Membership No. 105782

UDIN:24105782BKFIXV1949

Place: Mumbai
Date: 29 January 2024



For Mukund M. Chitale & Co.

Chartered Accountants
Firm Registration No: 106655W

Abhay V. Kamat
Partner
Membership No. 039585

UDIN:24039585BKZCIO2551

Place: Mumbai
Date: 29 January 2024





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, 2023

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	76,183	68,734	59,205	2,13,267	1,68,316	2,31,965
(a) Interest / Discount on advances / bills	64,414	58,469	49,452	1,79,996	1,35,946	1,88,813
(b) Income on investments	11,260	9,638	9,445	30,073	30,445	40,461
(c) Interest on balances with RBI and other inter bank funds	329	352	82	1,026	916	1,115
(d) Others	180	275	226	2,172	1,009	1,576
2. Other income	12,534	14,254	8,990	38,777	18,969	31,568
3. Total Income (1+2)	88,717	82,988	68,195	2,52,044	1,87,285	2,63,533
4. Interest expended	37,916	34,365	24,231	1,04,229	69,776	98,581
5. Operating expenses (i) + (ii) + (iii)	31,214	31,160	24,620	92,622	66,957	94,212
(i) Employees cost	17,281	17,574	15,162	52,470	39,948	55,282
(ii) Rent, taxes and lighting	3,268	2,973	2,352	9,411	6,931	9,914
(iii) Other operating expenses	10,665	10,613	7,106	30,741	20,078	29,016
6. Total Expenditure (4+5) (excluding provisions and contingencies)	69,130	65,525	48,851	1,96,851	1,36,733	1,92,793
7. Operating Profit before Provisions and Contingencies (3-6)	19,587	17,463	19,344	55,193	50,552	70,740
8. Provisions (other than tax) and Contingencies	(454)	(333)	(1,496)	(313)	(1,701)	(2,621)
Of which provisions for non-performing assets / write off	428	1,058	479	2,882	2,754	3,066
9. Exceptional Items	-	-	-	-	-	-
10. Profit from Ordinary Activities before Tax (7-8-9)	20,041	17,796	20,840	55,506	52,253	73,361
11. Tax Expense	5,044	4,479	5,245	13,970	13,151	18,625
12. Net Profit from Ordinary Activities after Tax (10-11)	14,997	13,317	15,595	41,536	39,102	54,736
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	14,997	13,317	15,595	41,536	39,102	54,736
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						2,87,807
17. Analytical Ratios						
(i) Capital Adequacy Ratio (Basel-III)	22.99%	23.96%	25.78%	22.99%	25.78%	27.10%
(ii) Earnings per Share (EPS)*						
Basic EPS - before and after extraordinary items (in ₹)	8.64	7.68	8.99	23.94	22.54	31.55
Diluted EPS - before and after extraordinary items(in ₹)	8.64	7.68	8.99	23.94	22.54	31.55
(iii) NPA Ratios						
a) Gross NPA	27,873	28,476	27,129	27,873	27,129	26,256
Net NPA	7,023	7,249	7,766	7,023	7,766	7,182
b) % of Gross NPA	1.22%	1.27%	1.45%	1.22%	1.45%	1.26%
% of Net NPA	0.31%	0.33%	0.42%	0.31%	0.42%	0.35%
(iv) Return on Assets - Annualised	1.84%	1.73%	2.37%	1.78%	2.00%	2.06%

* Quarterly / Nine month numbers are not Annualised



SEGMENT INFORMATION						
(₹ in Lakhs)						
Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	12,724	10,462	10,239	35,279	31,681	42,950
Corporate/Wholesale Banking	20,836	19,175	16,416	58,694	43,597	62,267
Retail Banking	52,471	50,351	40,091	1,50,792	1,07,872	1,52,248
Other Banking Operations	2,686	3,000	1,449	7,279	4,135	6,068
Unallocated	-	-	-	-	-	-
Total Revenue	88,717	82,988	68,195	2,52,044	1,87,285	2,63,533
Less: Inter segment revenue	-	-	-	-	-	-
Income from operations	88,717	82,988	68,195	2,52,044	1,87,285	2,63,533
Segment Results (Net of provisions):						
Treasury	387	827	2,471	4,950	6,048	8,297
Corporate/Wholesale Banking	4,088	4,379	3,113	11,093	7,151	11,010
Retail Banking	14,586	11,509	14,635	36,803	37,449	51,640
Other Banking Operations	1,032	1,088	639	2,718	1,779	2,603
Unallocated	(52)	(7)	(18)	(58)	(174)	(189)
Profit Before Tax	20,041	17,796	20,840	55,506	52,253	73,361
Segment Assets:						
Treasury	7,33,483	6,84,498	6,02,765	7,33,483	6,02,765	6,48,253
Corporate/Wholesale Banking	7,71,957	7,45,026	6,32,754	7,71,957	6,32,754	7,26,897
Retail Banking	17,89,959	17,05,005	14,13,451	17,89,959	14,13,451	15,34,342
Other Banking Operations	1,893	1,776	1,184	1,893	1,184	1,323
Unallocated	6,103	5,975	5,305	6,103	5,305	5,413
Total	33,03,395	31,42,280	26,55,459	33,03,395	26,55,459	29,16,228
Segment Liabilities:						
Treasury	1,64,112	1,61,925	44,649	1,64,112	44,649	10,104
Corporate/Wholesale Banking	9,01,405	7,54,796	5,90,126	9,01,405	5,90,126	7,18,187
Retail Banking	18,75,394	18,77,954	17,15,875	18,75,394	17,15,875	18,67,555
Other Banking Operations	-	-	-	-	-	-
Unallocated	19	323	173	19	173	19
Total	29,40,930	27,94,998	23,50,823	29,40,930	23,50,823	25,95,865
Capital employed:						
(Segment Assets-Segment Liabilities)						
Treasury	5,69,371	5,22,573	5,58,117	5,69,371	5,58,117	6,38,149
Corporate/Wholesale Banking	(1,29,448)	(9,770)	42,628	(1,29,448)	42,628	8,710
Retail Banking	(85,435)	(1,72,949)	(3,02,424)	(85,435)	(3,02,424)	(3,33,213)
Other Banking Operations	1,893	1,776	1,184	1,893	1,184	1,323
Unallocated	6,084	5,652	5,131	6,084	5,131	5,394
Total	3,62,465	3,47,282	3,04,636	3,62,465	3,04,636	3,20,363

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.



Notes:

- 1 The above unaudited financial results for the quarter and nine months ended December 31, 2023 have been reviewed by the Audit Committee of the Board and thereafter approved by the Board of Directors of the Bank in their respective meeting held on January 29, 2024. These results have been subjected to 'Limited Review' by the Joint Statutory Auditors of the Bank, viz M/s Mukund M. Chitale & Co., Chartered Accountants and M/s Walker Chandio & Co LLP., Chartered Accountants and an unmodified review report has been issued. The figures for the quarter / nine months ended December 31, 2022 and for the year ended March 31, 2023 were reviewed/audited by M/s Mukund M. Chitale & Co., Chartered Accountants and M/s B S R & Co. LLP, Chartered Accountants.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards 25 – Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI'), from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including relevant circulars issued by the SEBI 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, 2023. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/ directions.
- 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, 2023, the Bank has not issued any equity shares to the CSB ESOS Trust under the Employees Stock Option Scheme. During the quarter and nine months ended December 31, 2023, MD & CEO has exercised 42,750 options vested under Employee Stock Option Scheme, 2019.
- 8 Details of loans transferred / acquired during the quarter ended December 31, 2023 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)	24,350
Weighted average residual maturity (in months)	13.10
Weighted average holding period by originator (in months)	3.00
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 (NPA or SMA) during the quarter
 - (iv) During the quarter ended December 31, 2023, the Bank has not transferred any stressed loans to Asset Reconstruction Companies (ARC).
- 9 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 review by the Joint Statutory Auditors of the Bank.
- 10 The figures for the third quarter in each of the financial years are the balancing figures between reviewed figures in respect of the nine months end and the reviewed published year to date figures up to the end of the first half of the respective financial years.
- 11 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: Thrissur

Date: January 29, 2024

