

PRESS RELEASE

CSB Bank Q1FY21 Results – Well on Track

The Board of Directors of CSB Bank took on record the financial results for the quarter ended 30.06.2020 (Q1 FY 2021) which were subject to limited review in their meeting dated 19.08.2020

Highlights

- a) Bank's **Profit After Tax** at historical high level of Rs 53.6 crore with RoA (annualized) crossing 1%. Bank has made healthy COVID provisions on a proactive basis and the impact by way of the said provision on the Profit Before Tax is Rs 42.6 Cr
- b) The **Operating Profit** of the bank increases from Rs 40.1 Cr as on 30.06.2019 to Rs 129.1 Cr as on 30.06.2020 – a YoY increase of 221.85%. It also registered an increase of 20.66% over Q4 FY 20 due to improved NII and treasury profits
- c) In Q1 FY 21, the Bank earned **Net Interest Income (NII)** of Rs 185.3 Cr as against Rs 132.5 Cr with an absolute growth of Rs 52.80 Cr or 40% y-o-y & 18% q-o-q.
 - Yield on Advances improved to 10.74% from 10.22%: 52 bps y-o-y(10.86% in Q4 FY 20)
 - Cost of Deposits came down from 5.91% to 5.48% y-o-y(5.86% in Q4 FY 20)
 - Net Interest Margin (NIM) improves to 4.06% from 3.45% y-o-y(3.73% in Q4 FY 20)
- d) Non-Interest Income of Rs 74.3 Cr. as against Rs 30.2 Cr for the same period as compared to last year - an increase of 146% YoY on the back of improved treasury gains
- e) Non Staff Opex was contained by 3.5% YoY and 23.6% QoQ
- f) There was notable improvement in the **Cost Income Ratio**: The ratio that was 75.34% in Q1 FY 20 & 56.17% in Q4 FY 20 came down to 50.26% in Q1 FY 21.
- g) **Asset Quality**
 - Gross NPA decreased from Rs 409 Cr as on 31.03.2020 to Rs 401 Cr as on 30.06.2020. GNPA was Rs 513 as on 30.06.2019. Gross NPA as percentage of advances at 3.51% as on 30.06.20 where as it was 4.71% & 3.54% respectively on 30.06.19 & 31.03.2020.
 - Net NPA decreased from 217 Cr as on 31.03.2020 to Rs 195 Cr as on 30.06.2020 – a decrease of 10%. Net NPA as percentage of advances decreased from 2.04% as on 30.06.2019 & 1.91% as on 31.03.2020 to 1.74% as on 30.06.2020
 - Provision Coverage improves to 81.7% as on 30.6.2020 from 79.9% as on 30.06.2019 and 80.0% as on 31.03.2020.

- h) **Capital Adequacy Ratio** improves from 16.88% as on 30.06.2019 to 18.93% as on 30.06.2020. The reduction in CRAR from March level of 22.46% is on account of the increased Non SLR & AFS portfolios. Leverage Ratio improves from 6.62% as on 30.06.2019 to 8.17% as on 30.06.2020.
- i) **Comfortable Liquidity Position.** Liquidity Coverage Ratio at 232% comfortably above the RBI requirement of 80%. Deposits grew by Rs. 706 Cr in April-Aug 2020 with a healthy growth rate of 4.50%.
- j) **CASA mix** improved to 29.23% as on 30.06.2020 from 28.11% as on 30.06.2019.
- k) **Advances (Net)** grew YoY at **5.88%**.

Performance Highlights:

(Rs Crore)	Q1FY20	Q4FY20	Q1FY21	QoQ	YoY	QoQ% Growth	YoY% Growth
Interest Income	355.4	388.9	422.6	33.7	67.2	8.66%	18.90%
Interest Expense	223.0	231.4	237.3	6.0	14.4	2.58%	6.45%
Net Interest Income	132.5	157.5	185.3	27.7	52.8	17.59%	39.86%
Treasury Profits	2.9	13.3	43.5	30.2	40.5	227.44%	1374.90%
Other Income	27.3	73.3	30.8	-42.5	3.5	-57.99%	12.90%
Total Non-Interest Income	30.2	86.6	74.3	-12.3	44.1	-14.20%	145.79%
Net Operating Income	162.7	244.1	259.5	15.4	96.9	6.32%	59.54%
Staff Cost	76.5	79.0	86.0	7.1	9.5	8.96%	12.38%
Other Opex	46.0	58.2	44.4	-13.8	-1.6	-23.65%	-3.49%
Total Opex	122.6	137.1	130.4	-6.7	7.9	-4.87%	6.42%
Operating Profit	40.1	107.0	129.1	22.1	89.0	20.66%	221.85%
COVID 19 related Provisions	0.0	1.6	42.6	41.0	42.6	2512.88%	
Other Provisions	10.1	82.7	14.9	-67.8	4.9	-81.94%	48.29%
Total Provisions other than Tax	10.1	84.3	57.5	-26.8	47.5	-31.78%	471.12%
PBT	30.0	22.7	71.6	48.9	41.5	215.73%	138.26%
Tax	10.5	82.4	18.0	-64.3	7.5	-78.14%	71.53%
PAT	19.5	-59.7	53.6	113.2	34.0		174.10%
Deposits	15196.8	15790.7	16337.9	547.3	1141.1	3.47%	7.51%
Advances	10605.2	11366.4	11228.7	-137.6	623.5	-1.21%	5.88%
CASA	4271.9	4606.6	4775.6	169.0	503.7	3.67%	11.79%
Gold	3003.7	3799.0	3848.9	49.9	845.1	1.31%	28.14%
CASA%	28.1%	29.17%	29.23%	0.06%	1.12%		

CEO Speak:

Speaking about the performance **Mr.C VR Rajendran, Managing Director & CEO** said *“The results of the first quarter of FY 21 underlines the fact that the bank is now well entrenched in earnings growth path despite testing times. Rs 54 crore Net Profit is the highest quarterly profit declared by our bank. This is after making healthy COVID 19 related provisions for Standard Assets on a proactive basis. We have used to the maximum advantage the TLTRO window of RBI and the results are evident in the improved NIM, which has crossed 4%. Going forward, the key focus this fiscal will be to grow the gold loan book taking advantage of the relaxations in LTV by RBI while remaining ever vigilant of gold price volatility. New Retail banking team headed by Mr Praloy will be in place by this quarter end and we expect green shoots on non-gold retail from the third quarter.”*

About CSB Bank Limited:

We are one of the oldest private sector banks in India marching to the centenary year. 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 as a full service new age private sector bank. We have a strong base in Kerala along with significant presence in Tamil Nadu, Karnataka, and Maharashtra. We offer a wide range of products and services to our overall customer base of 1.5 million, with particular focus on SME, retail, and NRI customers. We deliver our products and services through multiple channels, including 413 branches (excluding three service branches and three asset recovery branches) and 306 ATMs 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.

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