

PRESS RELEASE

Q2FY21 Results – CSB Bank -Surging Ahead

The Board of Directors of CSB Bank took on record the financial results for the quarter ended 30.09.2020 (Q2 FY 2021) which were subject to limited review in their meeting dated 19.10.2020

Highlights

- a) Bank's **half yearly Profit After Tax** is at a record high of Rs 122.5 Cr with an RoA (annualized) of 1.13% despite having made a healthy provision of Rs. 58.2 Cr for COVID during the half year. PAT is at Rs 68.9 Cr in Q2 of FY 21 as against Rs 24.6 Cr in Q2 FY 20 and Rs 53.6 Cr in Q1 FY 21 with an increase of 179.8% over Q2 FY 20 and 28.5% QoQ. RoE improves from 6.37% to 14.4% on a YoY basis.
- b) The **Operating Profit** of the bank is Rs 301.9 Cr for the half year ended 30.09.2020. Q2FY21 operating profit is at Rs 172.8 Cr as against Rs 63.4 Cr for Q2 FY20 (up by 172.6%) and Q1FY21 figure of Rs 129.1Cr (33.8%).
- c) **Net Interest Income (NII)** for H1FY21 stood at Rs 414.5 cr posting a YoY increase of 48.3%. In Q2 FY 21, the NII stood at Rs 229.2 Cr as against Rs 147.0 Cr in Q2 FY 20 with an absolute growth of Rs 82.20Cr or 56 % & 23.7% QoQ. The improvements in quarterly ratios that supported higher NIM in Q2 FY 21 vis a vis Q2 FY 20 are:
 - Yield on Advances – Up from 10.33% to 10.94% (10.74% -Q1 FY 21))
 - Cost of Deposits - Down from 5.91% to 5.18% (5.48% -Q1 FY 21)
 - NIM – Up from 3.69% to 4.50% (4.06% -Q1 FY 21)
 - Yield on investments – Up from 6.52% to 6.74%(6.64% -Q1 FY 21)
- d) **Non-Interest Income** for H1FY21 stood at Rs 171.9 Cr growing YoY at 103.6%. For Q2FY21 the figure is Rs 97.6 Cr as against Rs 54.2 Cr for the same period as compared to last year - an increase of 80% (Rs 74.3 Cr in Q1 FY 21) with the backing of increased treasury profits, processing fee and PSLC income.
- e) **Cost Income Ratio:** The ratio that was 71.54% for H1FY20 has come down to 48.52% for H1FY21. QoQ it came down from 50.26% to 47.13%.
- f) **Asset Quality & Provisioning**
 - Gross NPA decreased from Rs 401 Cr as on 30.06.2020 to Rs 387 Cr as on 30.09.2020. Gross NPA as percentage of advances is at 3.04% as on 30.09.20 where as it was 3.51% & 3.54% respectively on 30.06.20 & 31.03.2020
 - Net NPA decreased from 195 Cr as on 30.06.2020 to Rs 164 Cr as on 30.09.2020 – a decrease of 16%. Net NPA as percentage of advances decreased from 1.74% as on 30.06.2020 & 1.91% as on 31.03.2020 to 1.30% as on 30.09.2020
 - Provision Coverage improves to 84.24% as on 30.9.2020 from 81.7% as on 30.06.2020 and 80.0% as on 31.03.2020.

- g) **Capital Adequacy Ratio** improves from 18.93% as on 30.06.2020 to 19.69% as on 30.09.2020. Leverage ratio is at 7.52% as on 30.09.2020.
- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio at 234% which is well above the RBI requirement.
- i) **Total Deposits grew by 13% YoY and 7% QoQ.** CASA ratio stood at 29.4% as on September 30, 2020 as against 28.17% as on September 30, 2019.
- j) **Advances (Net)** grew YoY at 11% and QoQ at 12% Gold Loans grew at 47% YoY and 29% QoQ

Performance Highlights:

(Rs Crore)	Q2FY21	Q2FY20	Inc/Dec%	Q1FY21	QoQ% Growth	H1 FY 21	H1 FY 20	Inc/Dec%
Interest Income	470.0	376.9	24.7%	422.6	11.2%	892.6	732.3	21.9%
Interest Expense	240.7	229.9	4.7%	237.3	1.4%	478.1	452.8	5.6%
Net Interest Income	229.2	147.0	56.0%	185.3	23.7%	414.5	279.5	48.3%
Treasury Profits	32.4	10.0	223.5%	43.5	-25.6%	75.9	13.0	485.9%
Other Income	65.2	44.2	47.6%	30.8	111.7%	96.0	71.5	34.4%
Total Non-Interest Income	97.6	54.2	80.1%	74.3	31.4%	171.9	84.4	103.6%
Net Operating Income	326.8	201.2	62.5%	259.5	26.0%	586.4	363.9	61.1%
Staff Cost	103.8	91.6	13.3%	86	20.7%	189.8	168.1	12.9%
Other Opex	50.3	46.2	8.8%	44.4	13.2%	94.7	92.2	2.7%
Total Opex	154.0	137.8	11.8%	130.4	18.1%	284.5	260.4	9.3%
Operating Profit	172.8	63.4	172.6%	129.1	33.8%	301.9	103.6	191.4%
COVID 19 Provisions	15.6	-		42.6	-63.5%	58.2	-	
Other Provisions	65.2	24.6	164.9%	14.9	337.4%	80.1	34.6	131.4%
Provisions other than Tax	80.7	24.6	228.1%	57.5	40.4%	138.2	34.6	299.0%
PBT	92.1	38.8	137.4%	71.6	28.6%	163.7	69.0	137.3%
Tax	23.2	14.2	63.6%	18.0	28.8%	41.2	24.7	66.7%
PAT	68.9	24.6	179.8%	53.6	28.5%	122.5	44.3	176.8%
Deposits	17,468.4	15,509.8	12.6%	16337.9	6.9%	17,468.4	15,509.8	12.6%
Advances	12,537.7	11,297.8	11.0%	11228.7	11.7%	12,537.7	11,297.8	11.0%
CASA	5,134.1	4,371.9	17.4%	4775.6	7.5%	5,134.1	4,371.9	17.4%
Gold	4,949.0	3,367.0	47.0%	3848.9	28.6%	4,949.0	3,367.0	47.0%
CASA%	29.4%	28.2%		29.2%		29.4%	28.2%	

CEO Speak:

Speaking about the performance **Mr. C VR Rajendran, Managing Director & CEO** said, *“In this centenary year we are happy to announce a half yearly profit of over Rs 100 Cr. Now we are well entrenched on the growth track and have recorded a growth of over 10% in both deposit and advances. We could post improvement in all key metrics: NIM, Cost Income Ratio, RoA, RoE, Gross NPA, Net NPA, PCR, CRAR. We have now set our own benchmarks to be exceeded next quarter. While the asset growth so far has been contributed mostly by gold loan growth, we are committed to diversify the asset base and product suite. New Retail banking team headed by Mr. Praloy is working on the products and processes for these segments and also on the strategies on customer acquisition on a larger scale. These will be in place this quarter end and we will focus on quantum and quality growth in the coming days.”*

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 421 branches (excluding three service branches and three asset recovery branches) and 309 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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