

PRESS RELEASE

CSB Bank Limited

Financial Results for the Quarter & Half Year Ended September 30, 2022

The Board of Directors of CSB Bank took on record the financial results for the quarter (Q2 FY 2023) and half year ended 30.09.2022 (H1 FY 2023) which were subject to limited review in their meeting dated 21.10.2022

Highlights

- a) **Profit After-tax:** Bank could cross the double century mark by recording a net profit of Rs235.07 Cr in H2 FY 23 vis a vis a profit of Rs 179.57 Crs for the same period last year. Despite the prevailing macroeconomic environment, which is volatile and challenging, Net profit improved by 5% on a sequential basis also from Rs 114.52 Cr to Rs 120.54 Cr. Bank continued its accelerated provisioning policy during this quarter as well. RoA improved from 1.53% in H1FY22 to 1.81% in H1FY23 while QoQ the sequential improvement is from 1.75% to 1.87%.
- b) **Operating Profit** of the bank is at Rs 157.35 Cr for the quarter ended 30.09.2022 vis a vis Rs 149.38 Crs as on 30.09.2021 and Rs 154.72 Crs as on 30.06.2022. The operating profit for the half year ended 30.09.2022 is Rs 312.07 Crs vis a vis Rs 324.12 Crs impacted by Treasury Losses and draining of PSLC income
- c) **Net Interest Income (NII)** for H1FY23 stood at Rs 635.66 Cr posting an increase of 16% over H1 FY 22. In Q2 FY 23, the NII stood at Rs 324.97 Cr as against Rs 278.38 Cr in Q2 FY 22 or by 17 %.
- d) **Non-Interest Income ex treasury** posted a growth of 48% sequentially backed by improved Banca commission, processing fee, other commission income etc. Other income for the half year ended 30.09.2022 is Rs 111.23 Crs (PSLC income-: Nil) as against Rs 119.80 Crs (which includes PSLC income of Rs 33.40 Crs) as on 30.09.2021.
- e) **Cost Income Ratio:** as on 30.09.2022 is 57.57% as against 52.14% as on 30.09.2021. Sequentially, Cost income ratio improved from 57.67% to 57.46% on QoQ basis
- f) **Asset Quality & Provisioning**

Both GNPA and NNPA ratios have improved on QoQ basis. PCR continues to be above 90%

Particulars	Q2 FY 23	Q1 FY 23	FY 22
Gross NPA	291.04	293.01	289.51
Gross NPA %	1.65%	1.79%	1.81%
Net NPA	98.86	96.75	106.99
Net NPA %	0.57%	0.60%	0.68%
Provisioning Coverage Ratio	90.14%	90.51%	89.65%

- g) **Capital Adequacy Ratio** is at 25.14 %, which is well above the regulatory requirement. Leverage ratio is at 9.21% as on 30.09.2022.
- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio is comfortable at 125.76%

i) **Total Deposits** grew by 10.13% YoY and **CASA** ratio stood at 34.27% as on 30.09.2022as against 32.58% as on30.09.2021

j) **Advances (Net)** grew by 24.15% YoY to Rs 17468.33 Cr as on 30.09.2022

Performance Highlights:

(Rs Crore)	Q2 FY23	Q2 FY22	Inc/ Dec%	Q1 FY23	QoQ % Growth	6M FY 23	6M FY 22	Inc/ Dec%
Interest Income	555.18	495.85	12%	535.93	4%	1,091.11	991.10	10%
Interest Expense	230.21	217.47	6%	225.24	2%	455.45	444.97	2%
Net Interest Income	324.97	278.38	17%	310.69	5%	635.66	546.14	16%
Treasury Profits	-21.37	-10.25		9.93		-11.45	11.24	
Other Income	66.31	70.04	-5%	44.92	48%	111.23	119.80	-7%
Total Non-Interest Income	44.94	59.79	-25%	54.85	-18%	99.79	131.03	-24%
Net Operating Income	369.91	338.17	9%	365.54	1%	735.45	677.17	9%
Staff Cost	129.00	119.16	8%	122.21	6%	251.22	216.38	16%
Other Opex	83.54	69.63	20%	88.61	-6%	172.15	136.68	26%
Total Opex	212.55	188.79	13%	210.82	1%	423.37	353.05	20%
Operating Profit	157.36	149.38	5%	154.72	2%	312.08	324.12	-4%
Standard Asst Provision	4.36	6.42	-32%	1.88	132%	6.24	2.37	163%
Other Provisions	-8.10	-15.49		-0.20		-8.30	81.77	
Provisions other than Tax	-3.73	-9.07		1.68		-2.05	84.15	
PBT	161.09	158.45	2%	153.04	5%	314.13	239.97	31%
Tax	40.54	39.88	2%	38.52	5%	79.06	60.40	31%
PAT	120.55	118.57	2%	114.52	5%	235.07	179.57	31%
Deposits	20,986.61	19,055.49	10%	20,266.77	4%	20,986.61	19,055.49	10%
Advances(Net)	17,468.33	14,070.11	24%	16,142.14	8%	17,468.33	14,070.11	24%
CASA	7,192.81	6,207.98	16%	7,121.88	1%	7,192.81	6,207.98	16%
Gold	8,035.50	5,460.22	47%	7,107.00	13%	8,035.50	5,460.22	47%
CASA%	34.27%	32.58%	2%	35.14%	-1%	34.27%	32.58%	2%

CEO Speak:

Speaking about the performance **Mr. Pralay Mondal, Managing Director & CEO** said, “The current macro-economic scenario is quite volatile and challenging. In the midst of all the prevalent adversities, we kept our focus firm and could do well in the second quarter of FY 23. This quarter witnessed a repo hike of 100 bps from 4.90% to 5.90%. The prudent treasury strategies helped us with minimal shocks. While our deposit growth was in line with the industry trend, we could outgrow in the advance portfolio. Despite having a negative impact of about Rs 33 Crs due to the lack of opportunities in the PSLC market, the boosting up of other income streams helped us to contain the reduction to a decent extent. In terms of profitability, bank could cross the Rs 200 Cr mark in H2 FY 23 while keeping the provision buffers intact. The key ratios like NIM, CRAR, LCR, RoA etc continue to be strong. In the coming quarters our focus will be more on liabilities given the CD ratio crossing 80% in H1. NR business, Remittance etc will have tremendous opportunities in H2. Set up of new retail verticals such as HCF, CE/CV etc is also planned for H2. Our SME& Corporate teams have definite growth plans for the upcoming half year. Our endeavor would be to improve continuously quarter on quarter in terms of both topline and bottom-line parameters”.

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 2.1 million, with particular focus on SME, Retail, and NRI customers. We deliver our products and services through multiple channels, including 608 branches (excluding three service branches and three asset recovery branches) and 507 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

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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Mumbai
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