

PRESS RELEASE

Q3FY21 Results – CSB Bank

The Board of Directors of CSB Bank took on record the financial results for the quarter ended 31.12.2020 (Q3 FY 2021) which were subject to limited review in their meeting dated 19.01.2021

Highlights

- a) **Profit After Tax** for the nine months ended 31.12.2020 is at Rs 175.5. Cr with an RoA (annualized) of 1.07% despite having made healthy provisions in the post moratorium scenario. Q3 PAT is at Rs 53.1 Cr as against Rs 28.1 Cr in Q3 FY 20 and Rs 68.9 Cr in Q2 FY 21 with an increase of 89% over Q3 FY 20.
- b) The **Operating Profit** of the bank is Rs 484.3 Cr for nine months ended 31.12.2020 as against Rs 173.6 Cr for the same period last FY with a YOY growth of 179%. Q3 FY21 operating profit is at Rs 182.4 Cr as against Rs 70.0 Cr for Q3 FY20 (up by 160.5%) and Q2 FY21 figure of Rs 172.8Cr (5.5%).
- c) **Net Interest Income (NII)** for nine months ended FY21 stood at Rs 665.7 Cr posting a YoY increase of 53.1%. In Q3 FY21, the NII stood at Rs 251.2 Cr as against Rs 155.2 Cr in Q3 FY20 with an absolute growth of Rs 96 Cr or 61.8 % .On a QoQ basis NII is up by 9.6%. The improvements in quarterly ratios that supported higher NIM in Q3 FY21 vis a vis Q3 FY 20 are:
- Yield on Advances – Up from 10.72% to 10.98% (10.94% -Q2 FY 21))
 - Cost of Deposits - Down from 5.91% to 4.91% (5.18% -Q2 FY 21)
 - NIM – Up from 3.92% to 5.17% (4.50% -Q2 FY 21)
 - Yield on investments – Up from 6.33% to 7.00%(6.74% -Q2 FY 21)
- d) **Non-Interest Income** for nine months ended FY21 stood at Rs 288.5 Cr growing YoY at 113.6%. For Q3 FY21 the figure is Rs 116.6 Cr as against Rs 50.6 Cr for the same period as compared to last year - an increase of 130.3% (Rs 97.6 Cr in Q2 FY21) with the backing of increased treasury profits, processing fee and PSLC income.
- e) **Cost Income Ratio:** The ratio that was 69.53% for nine months ended FY20 has come down to 49.25% for nine months ended FY21.
- f) **Asset Quality & Provisioning**
- Gross NPA decreased from Rs 387 Cr as on 30.09.2020 to Rs 235 Cr as on 31.12.2020. Gross NPA as percentage of advances is at 1.77% as on 31.12.2020 where as it was 3.04% & 3.54% respectively on 30.09.2020 & 31.03.2020
 - Net NPA decreased from 164 Cr as on 30.09.2020 to Rs 89.5 Cr as on 31.12.2020 – a decrease of 45%. Net NPA as percentage of advances decreased from 1.30% as on 30.09.2020 & 1.91% as on 31.03.2020 to 0.68% as on 31.12.2020
 - Provision Coverage improves to 91.0% as on 31.12.2020 from 84.2% as on 30.09.2020 and 80.0% as on 31.03.2020. Additionally we are holding a provision of Rs 154 Cr for the stressed assets including SMA, blocked accounts etc

- g) **Capital Adequacy Ratio** improves from 19.69% as on 30.09.2020 to 21.02% as on 31.12.2020. Leverage ratio is at 7.7% as on 31.12.2020.
- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio at 200% which is well above the RBI requirement.
- i) **Total Deposits** grew by 16% YoY and **CASA** ratio stood at 30.4% as on December 31, 2020 as against 28.6% as on December 31, 2019.
- j) **Advances (Net)** grew YoY at 22% mainly contributed by Gold Loan growth of 61%

Performance Highlights:

(Rs Crore)	Q3FY21	Q3FY20	Inc/Dec%	Q2FY21	QoQ% Growth	9M FY 21	9M FY 20	Inc/Dec%
Interest Income	482.6	388.7	24.2%	470.0	2.7%	1375.2	1121.0	22.7%
Interest Expense	231.4	233.4	-0.9%	240.7	-3.9%	709.5	686.2	3.4%
Net Interest Income	251.2	155.2	61.8%	229.2	9.6%	665.7	434.7	53.1%
Treasury Profits	47.7	4.0	1106.1%	32.4	47.4%	123.6	16.9	630.7%
Other Income	68.9	46.7	47.6%	65.2	5.6%	164.9	118.1	39.6%
Total Non-Interest Income	116.6	50.6	130.3%	97.6	19.5%	288.5	135.0	113.6%
Net Operating Income	367.8	205.8	78.7%	326.8	12.5%	954.2	569.8	67.5%
Staff Cost	127.8	84.2	51.8%	103.8	23.2%	317.6	252.3	25.9%
Other Opex	57.6	51.7	11.6%	50.3	14.6%	152.3	143.9	5.9%
Total Opex	185.4	135.8	36.5%	154.0	20.4%	469.9	396.2	18.6%
Operating Profit	182.4	70.0	160.5%	172.8	5.5%	484.3	173.6	179.0%
Standard Asst Provision	89.2	-1.0	-	20.5	335.1%	152.8	1.1	13790.9%
Other Provisions	22.3	28.6	-22.0%	60.2	-63.0%	96.9	61.2	58.3%
Provisions other than Tax	111.5	27.6	304.0%	80.7	38.2%	249.7	62.3	300.8%
PBT	70.9	42.4	67.2%	92.1	-23.0%	234.5	111.3	110.7%
Tax	17.8	14.3	24.5%	23.2	-23.3%	59.0	38.9	51.7%
PAT	53.1	28.1	89.0%	68.9	-22.9%	175.5	72.4	142.4%
Deposits	17753.0	15241.1	16.5%	17468.4	1.6%	17753.0	15241.1	16.5%
Advances	13137.3	10808.1	21.6%	12537.6	4.8%	13137.3	10808.1	21.6%
CASA	5393.0	4353.0	23.9%	5134.0	5.0%	5393.0	4353.0	23.9%
Gold	5644.0	3513.0	60.7%	4949.0	14.0%	5644.0	3513.0	60.7%
CASA%	30.4%	28.6%		29.4%		30.4%	28.6%	

CEO Speak:

Speaking about the performance **Mr. C VR Rajendran, Managing Director & CEO** said, “The recent revival of the economic activity is having a positive impact on the banking industry as a whole and I am happy that we are no exception to this. We could post a net profit of Rs 175 Crs for the 9 months ended 31.12.2020. In the context of the withdrawal of the moratorium benefits by the regulator, we decided to be prudent by holding provisions in excess of the regulatory provisions on the stressed assets. Apart from the core NII growth, improved trading income /provision reversals at treasury backed by the favourable yield movements, net income by way of PSLC sale etc supported us on the income side. *The key ratios viz NIM, Cost Income Ratio, RoA, RoE, Gross NPA, Net NPA, PCR & CRAR continued to be strong. On the topline front, our deposits and advances could register a YOY growth of 16% and 22% respectively. The new retail vertical with complete product suite and revamped policies will be established shortly. The new SME leadership is also working on volume growth by way of improved sourcing strategy, leveraging of the branch network and customized product delivery. We look forward to building a sustainable business model by focusing more on these two segments apart from the gold loan portfolio. We will also have a focus on building retail deposit base during the current quarter. While building volumes it will be our endeavor to have the right risk return matrix without compromising on the compliance standards.*”

About CSB Bank Limited:

We are one of the oldest private sector banks in India & completed a century of existence this 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 1.6 million, with particular focus on SME, retail, and NRI customers. We deliver our products and services through multiple channels, including 454 branches (excluding three service branches and three asset recovery branches) and 319 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.

Kindly direct your enquiries to:

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