

## PRESS RELEASE

### **CSB Bank- First Quarter Results (Q1 FY 22)**

The Board of Directors of CSB Bank took on record the financial results for the quarter ended 30.06.2021 (Q1 FY 2022) which were subject to limited review in their meeting dated 22.07.2021

### Highlights

- a) **Profit After Tax** was at Rs 61 Cr in Q 1 FY 22 as against Rs 53.56 Cr in Q 1 FY 21 and Rs 42.89 Cr for the sequential quarter. Net profit increased by 14% YoY and 42% on QoQ basis. This is after providing 25% for stressed assets other than gold even with a one day default.
- b) **Operating Profit** of the bank is Rs 179.78 Cr where as it was Rs 129.09 Cr for the same period last FY with a Y-o-Y -growth of 39%. The same is also up by 39% on Q-o-Q basis (Rs 128.96 Cr in Q4 FY 21).
- c) **Net Interest Income (NII)** earned for the first quarter is Rs 267.75 Cr with a Y-o-Y increase of 45% (Rs 185.26 Cr for Q1 FY 21)
- d) **Non-Interest Income** of Rs 76.28 Cr as against Rs 74.28 Cr for the same period last year ie, up by 3% . Non-interest income excluding treasury profit has grown by 84%.
- e) **Cost Income Ratio:** As compared to Q1 FY 21(50.26%) and Q4 FY 21(66.77%), the ratio has improved to 47.74% for the first quarter of FY 22. This could be attained despite lower treasury profits compared to Q 1FY 21
- f) **Asset Quality & Provisioning**

Due to the Covid second wave spread and the resultant restrictions, there was a slowdown in the economic activity and the portfolio stress aggravated. The lockdowns and intermittent holidays impacted both fresh pledges and releases. While we were able to manage the NPA in loans other than gold, we had some challenges in the gold loan portfolio. As on 30.06.2021, restructured advances as a percentage of total advances is only 0.48 %.

Particulars	Q1 FY 22	Q1 FY 21	Q4 FY 21
Gross NPA	686.39	401.03	393.00
Gross NPA %	4.88%	3.51%	2.68%
Net NPA	443.75	195.24	169.00
Net NPA %	3.21%	1.74%	1.17%
Provisioning Coverage Ratio	70.20%	81.73%	84.89%

Increase in GNPA level when compared to Q4 of FY 21 is mainly because of increase in Gold NPAs and we are optimistic of recovering the same without much losses/haircuts.

- g) **Capital Adequacy Ratio** improved from 21.37% as on 31.03.21 to 21.63% as on 30.06.2021. CRAR as on 30.06.20 was 18.93%. Leverage ratio is at 8.37% as on 30.06.2021.
- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio is at 171 % which is well above the RBI requirement.
- i) **Total Deposits** grew by 14 % YoY and **CASA** ratio stood at 33.09% as on 30.06.2021 as against 29.23% as on 30.06.2020 and 32.19% as on 31.03.2021

j) **Advances (Net)** grew by 2588.55 Crs to 13817.17 Cr YoY registering a growth of 23%

### Performance Highlights:

(Rs Crore)	Q 1 FY 22	Q1 FY 21	YoY Inc/Dec%	Q4 FY 21	QoQ Inc/Dec%
Interest Income	495.25	422.60	17%	497.12	0%
Interest Expense	227.50	237.34	-4%	221.42	3%
<b>Net Interest Income</b>	267.75	185.26	45%	275.70	-3%
Treasury Profits	19.55	43.49	-55%	1.51	1195%
Other Income	56.73	30.79	84%	110.81	-49%
<b>Total Non-Interest Income</b>	76.28	74.28	3%	112.32	-32%
<b>Net Operating Income</b>	344.04	259.53	33%	388.02	-11%
Staff Cost	97.21	86.03	13%	178.64	-46%
Other Opex	67.05	44.41	51%	80.43	-17%
Total Opex	164.26	130.44	26%	259.07	-37%
<b>Operating Profit</b>	179.78	129.09	39%	128.96	39%
Standard Asset Provision	-4.05	43.08	-109%	-37.08	-89%
Other Provisions	102.31	14.45	608%	108.02	-5%
Provisions other than Tax	98.26	57.53	71%	70.94	39%
PBT	81.52	71.57	14%	58.02	41%
Tax	20.52	18.01	14%	15.12	36%
<b>PAT</b>	61.00	53.56	14%	42.89	42%
Deposits	18,652.80	16,337.95	14%	19,140.04	-3%
Advances(Net)	13,817.17	11,228.62	23%	14,438.12	-4%
CASA	6,171.71	4,775.63	29%	6,161.80	0%
Gold	5,627.14	3,845.00	46%	6,131.00	-8%
CASA%	33.09%	29.23%	4%	32.19%	1%

### CEO Speak:

Speaking about the performance **Mr. C VR Rajendran, Managing Director & CEO** said, “COVID second wave coupled with the LTV management of gold loans did pose some challenges in the first quarter of FY 22. Lockdowns, alternate holidays, slowing down of the economic activity, controlled movements due to strict social distancing norms, lack of transport etc restricted the customer access to branches which in turn impacted both the fresh pledges and releases. Thankfully, the worse seems to be over now and recoveries are happening in full swing. The portfolio LTV that was at 83% has been brought down to 75%. We hardly have any MTM loss on the portfolio as on date. Despite all the adversities we had a decent start in the first quarter in terms of profitability. Bank has continued to make accelerated provisions for stressed and NPA Accounts. The key ratios like NIM, CRAR, LCR, RoA etc continues to be strong. We are confident of managing the NPAs as the challenges are mainly from the gold segment where recovery is only a matter of time. Stable gold market trends and the centralization of recovery processes at our end will mitigate this adverse situation to a large extent. The aggressive vaccination push and controlled localised lockdowns have helped in managing the second wave to a great extent and we are optimistic to catch up the business opportunities on a larger scale from this quarter.

*Gold loans will continue to be a major focus for the bank. Once the demand comes back, the segments like Two-wheeler, MSME, SME etc, which were struggling to shape up in the first quarter, will have good demand and we look forward to capturing the same in the best possible manner.*

**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 1.7 million, with particular focus on SME, Retail, and NRI customers. We deliver our products and services through multiple channels, including 517 branches (excluding three service branches and three asset recovery branches) and 335 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](http://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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