



102ND ANNUAL GENERAL MEETING

ADDRESS BY CHAIRPERSON,
SMT.BHAMA KRISHNAMURTHY

Tuesday | August 8, 2023

Address by Chairperson Smt. Bhama Krishnamurthy, at the 102nd Annual General Meeting of the shareholders of CSB Bank Ltd. at 11.00 a.m. on Tuesday, August 9, 2023, through video conferencing

Dear Shareholders,

Very Good Morning to all of you.

As we gather virtually once again, it is with immense pleasure and a sense of great pride and privilege that I am welcoming all of you to the 102nd Annual General Meeting of our Bank and addressing you, for the first time, as the Chairperson of this esteemed institution, which has weathered all the storms over a century of its existence and reported remarkable performance in the fiscal 23. We very much appreciate your generous support that has led us to achieve this momentous milestone, and on behalf of the Board of Directors of CSB Bank, I thank you for taking out time from your hectic schedules to join us for the Meeting. I am also delighted to extend a special welcome to those of you who have become shareholders of the Bank since the last Annual General Meeting held on September 27, 2022.

Our journey towards transformation began in FY 2017, and successfully turned the tides in FY 2020. Today, we proudly stand as a benchmark performer among banks in similar categories and beyond. This was an exceptional performance, supported by all-around progress on operational and financial fronts, despite facing consequential challenges posed by inflation and slowing down in economy across faced. Our Bank has proven its resilience in the face of uncertainty, and our continued focus on sustainable growth and progress is a testament of our commitment to our stakeholders.

The global economic landscape has been challenging in the aftermath of the COVID-19 pandemic and geopolitical tensions and has become a pressing concern for economies worldwide. This has resulted in a slowdown in economic growth and increased inflationary pressures, which has created a perfect storm of headwinds that threaten to unsettle economies worldwide. Central banks worldwide responded by tightening monetary policies to curb inflation, leading to a slowdown in major economies. However, thanks to the astute policies of the Government of India and the prudent responses of the Reserve Bank of India (RBI), India has emerged as a bright spot in this adverse time. In tune with central banks across the globe, the RBI had raised policy rates multiple times to contain inflation and protect the currency amidst global uncertainties. As a result, India's inflation rate has stabilised from its peak, and the RBI, apart from putting a pause on rate hikes, has been regularly taking cautious steps to contain the inflationary pressures further while confidently predicting a GDP growth rate of 6.5% for fiscal year 2024. Along with measures like the Production Linked Incentive (PLI) programme, the sustained emphasis of the

government on infrastructure, micro, small, and medium-sized enterprises (MSMEs) and manufacturing sectors has led to continued robust development in all major sectors. The Indian banking system remains sound and healthy, with strong capital and liquidity positions, improved asset quality, better provisioning coverage along with improved profitability. In this period, the banking sector has witnessed robust credit growth, and has reached the highest level since FY 12.

Speaking of our performance, I am delighted to highlight the outstanding achievements of the Bank in FY 23. The Net Interest income registered an impressive growth of 16% to Rs. 1,334 Crore as against Rs. 1,153 Crore, while Profit After Tax grew by 19.38% to Rs. 547 Crore, resulting in improved Earnings per Share of Rs. 31.55 from Rs. 26.43 in the previous financial year. Return on Assets has improved by 15 bps and stood at an impressive 2.06% as on March 31, 2023. Although there was a slight decline in Return on Equity, which stood at 20.35% from 21.28% in the previous year, we are wholeheartedly dedicated to reinforcing our profitability and achieving sustainable growth. Despite the challenges posed by the environment of increasing interest rate, we have achieved an all-time high Net Interest Margin of 5.48% as compared to a growth of 5.27% in the corresponding previous period. Our commitment to contain asset quality has yielded remarkable results, with both Gross Non-Performing Asset (GNPA) and Net Non-Performing Asset ratios improving to 1.26% and 0.35%, respectively, as of March 31, 2023 from 1.81% and 0.68%, respectively, in the corresponding previous period.

Your Bank successfully withstands the sustain phase and is currently transitioning from the sustain phase to the build phase, where our Bank is laser-focused on product diversification, customer acquisition, and expanding branch distribution network. We are focused on expanding our footprints, particularly in the northern and western parts of the country, by opening more branches and attracting customers through the introduction of innovative verticals, services, and products.

Our investment in digitalization has been transformative, with a surge in digital banking users testifying to our successful digital strategies. As we look to the future, we will continue exploring partnership opportunities with banks and Fintech companies to further grow our fee income, enhance the customer experience, and strengthen our market position. With more focus on technology, profitability, asset quality, and human strategy, your Bank can position itself for sustained growth and success in the coming years.

Our Bank continues to be committed to effective corporate governance practices for the benefit of all our stakeholders, which is laid on the principles of fairness, transparency and accountability. We are committed to continuously embrace best practices in corporate governance at all levels.

Our commitment to environmental sustainability and social responsibility remains unwavering. The integration of ESG principles into our operations reflects our dedication to the betterment of society. Through our CSR initiatives in education, healthcare, and gender equality, we strive to empower vulnerable communities, fostering inclusivity at the local and national levels.

I am confident that our Bank is well positioned for success in the years to come under the dynamic leadership of Mr. Pralay Mondal. I have complete faith in the current leadership's ability to scale up operations and position itself as a mid-sized Bank with a Pan-India presence, catering to a comprehensive range of services for customers in line with our strategy - SBS 2030.

Before concluding, I extend my heartfelt gratitude to our valued customers, dedicated associates, trusted partners, and well-wishers. Your unwavering support and loyalty have been the driving force behind our success. I also want to acknowledge the invaluable guidance and support of regulatory bodies, the Central Government, and State Governments throughout our journey.

Last but not least, every member of our staff deserves special recognition. Their perseverance, hard work, and commitment have propelled us forward and unlocked a period of immense pride and fulfilment for our Bank.

In conclusion, let us carry the spirit of determination and excellence forward as we embark on a journey of sustained growth and scale, driven by innovation and customer-centricity. Together, we will continue to create a bright and prosperous future for our Bank and the communities we serve.

Thank you all for being an integral part of this incredible journey of growth.

Place: Mumbai
Date: August 8, 2023

(Bhama Krishnamurthy)
Chairperson