

PRESS RELEASE

CSB Bank : Impressive Top Line and Bottom Line Growth in FY 21

8th May, 2021: The Board of Directors of CSB Bank took on record the audited financial results for the fourth quarter (Q4 FY 21) and the year ended March 31, 2021(FY 21) in their meeting dated 08.05.2021

Highlights

- a) **Net Profit:** Bank recorded an all-time high net profit of Rs 218.40 Cr in FY 21 as against Rs 12.72 Cr in FY20, an increase of 1617%. Bank's Net Profit is at Rs 42.89 Cr in Q4 FY 21 as against a loss of Rs 59.7 Cr in Q4 FY 20.
- b) **Operating Profit:** In FY 21 the Operating Profit is Rs 613.21 Cr 119% higher than FY 20 Operating Profit of Rs 280.58 Cr. The Operating Profit for Q4 FY 21 is at Rs 128.96 Cr, 21% higher than Rs 106.99 Cr in Q4 FY 20.
- c) **Net Interest Income (NII)** for FY21 stood at Rs 941.39 Cr posting an increase of Rs 349.10 Cr over last FY or 59%. In Q4 FY21, the NII stood at Rs 275.70 Cr as against Rs 157.54 Cr in Q4 FY20 up by 75%. The improvements in the various ratios that supported higher NIM are:

Ratio	FY 21	FY 20	Change %	Q4 FY 21	Q4 FY 20	Change %
Yield on Advances	10.97%	10.56%	0.41%	11.28%	10.86%	0.42%
Cost of Deposits	5.07%	5.91%	-0.84%	4.76%	5.86%	-1.10%
NIM	4.81%	3.74%	1.07%	5.42%	3.73%	1.69%
Yield on Investments	6.81%	6.41%	0.40%	6.94%	6.28%	0.66%

- d) **Non-Interest Income:** In FY 21, Non-Interest Income booked is Rs 400.82 Cr against Rs 221.61 Cr for last FY delivering an increase of 81%. In Q4 FY 21, total non-Interest Income was Rs 112.32 Cr. against Rs 86.57 Cr for the same period last year – up by 30%. Non-Interest income was backed by improved treasury profits, processing fee, Banca commission, PSLC income etc.
- e) **Cost Income Ratio** for full year FY 21 is at 54.31% which is a substantial improvement over the previous FY level of 65.53% ie, 11.22%
- f) **Asset Quality & Provisioning**
 - Gross NPA decreased from Rs 409.43 Cr as on 31.03.2020 to Rs 393.49 Cr as on 31.03.2021 Gross NPA as percentage of advances has come down from 3.54% to 2.68% or by 86 bps.
 - Net NPA decreased from Rs 216.94 Cr as on 31.03.2020 to Rs 168.81 Cr as on 31.03.2021– a decrease of 22%. Net NPA as percentage of advances decreased from 1.91% as on 31.03.20 to 1.17% as on 31.03.2021
 - Provision Coverage improves to 84.89% as on 31.03.2021 from 80.02% as on 31.03.2020. Additionally, we are holding a standard asset provision of Rs 168.21 Cr as on 31.03.2021, which includes additional provision for the stressed assets including SMA
- g) **Capital Adequacy Ratio** continues to be above 20%- 21.37% as on 31.03.2021. Leverage ratio is at 8.11% as on 31.03.2021.

- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio at 210.39% which is well above the RBI requirement.
- i) **Total Deposits** grew by 21 % over last FY and **CASA** ratio stood at 32.19% as on 31.03.2021. CASA ratio improved by 3.02% with a portfolio growth of 34%
- j) **Advances (Net)** grew at 27% mainly contributed by Gold Loan growth of 61%
- k) **Total Business** has grown by Rs 6421 crore or by 24% yoy. *Thus in the centenary year the bank has grown a fourth of the total business it grew in past 99 years.*

Performance Highlights:

(Rs Crore)	Q 4 FY 21	Q4 FY 20	Inc/Dec%	Q3 FY 21	FY 21	FY20
Interest Income	497.12	388.92	27.82%	482.62	1,872.29	1,509.89
Interest Expense	221.42	231.38	-4.30%	231.43	930.91	917.60
Net Interest Income	275.70	157.54	75.00%	251.19	941.38	592.29
Treasury Profits	1.51	13.28	-88.60%	47.70	125.12	30.20
Other Income	110.81	73.29	51.20%	68.91	275.70	191.41
Total Non-Interest Income	112.32	86.57	29.75%	116.61	400.82	221.61
Net Operating Income	388.02	244.11	58.95%	367.80	1,342.20	813.90
Staff Cost	178.64	78.95	126.27%	127.80	496.23	331.27
Other Opex	80.43	58.17	38.25%	57.64	232.76	202.05
Total Opex	259.07	137.12	88.93%	185.44	728.99	533.32
Operating Profit	128.95	106.99	20.54%	182.35	613.21	280.58
Standard Asset Provision	-37.08	4.21		89.23	115.69	5.28
Other Provisions	108.02	80.11	34.84%	22.24	204.97	141.30
Provisions other than Tax	70.94	84.32	-15.87%	111.47	320.66	146.58
PBT	58.01	22.67	155.96%	70.88	292.55	134.00
Tax	15.12	82.35	-81.63%	17.84	74.15	121.28
PAT	42.89	-59.68		53.04	218.40	12.72
Deposits	19,140.04	15,790.68	21.21%	17,753.00	19,140.04	15,790.68
Advances(Net)	14,438.12	11,366.35	27.03%	13,137.30	14,438.12	11,366.35
CASA	6,161.80	4,606.59	33.76%	5,393.00	6,161.80	4,606.59
Gold	6,131.00	3,799.00	61.38%	5,644.00	6,131.00	3,799.00
CASA%	32.19%	29.17%	3.02%	30.38%	32.19%	29.17%

CEO Speak:

Speaking about the performance **Mr. C VR Rajendran, Managing Director & CEO** said, “During FY 21, to be exact on 26th November, 2020 bank celebrated its 100 years of existence. Given the pandemic condition, we had to conduct the celebrations in a muted manner. I had urged our team to give a befitting tribute to the mother institution by registering overall improvement in terms of business, profitability, asset quality and other areas. I am extremely happy that CSB team came upto the expectation and delivered despite all the negativities and challenges posed by external environment. While the industry grew by approx. 12% in deposits and 6% in advances, we could outperform by recording 21% and 27% growth in deposits and advances respectively. In terms of overall business, bank has grown a fourth of the total business it grew in past 99 years. We could also open 101 branches in this 101st year of existence. In terms of

profitability, we could break all the past records by crossing the Rs 200 Cr mark. The key ratios viz NIM, Cost Income Ratio, RoA, RoE, Gross NPA, Net NPA, PCR & CRAR continued to be strong. Our liquidity position continues to be ultra-comfortable. We have made enough provisions for stressed assets by way of accelerated NPA provisioning and standard asset provisioning. Given the situation, I feel that we can fully focus on growth in FY 22 without any baggages of the past. Gold loans, two wheeler loans, Agri loans, MSME and SME will continue to be in the main focus. Revised structure and policies are in place for SME vertical and the focus will be on select segments, customer priorities and value proposition. Retail team will be working on improved product offerings and the related process framework with due focus on customer acquisition. While going digital will be the mantra, we also plan to add close to 200 branches to our network in FY 22 so that there is proper mix of brick and click banking. Though we may have to wait for a month or so to fully understand the impact of second wave of COVID 19, we are optimistic in our outlook to continue the good work in FY 22 as well.

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, AP & Telengana and Maharashtra. 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 514 branches (excluding three service branches and three asset recovery branches) and 320 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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08.05.2021