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Limited review report on the unaudited quarterly financial results of CSB Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
CSB Bank Limited

- 1 We have reviewed the accompanying Statement of Unaudited financial results of CSB Bank Limited (the 'Bank') for the quarter ended 30 June 2023 (the 'Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (the 'SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 30 June 2023, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in Note 11 to the Statement and have not been reviewed by us. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
- 2 We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



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B S R & Co. LLP

Mukund M. Chitale & Co.

Limited review report on the unaudited quarterly financial results of CSB Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

- 4 Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Ritesh Goyal

Partner

Membership No: 115007

ICAI UDIN: 23115007BGXPPM7412

Mumbai

20 July 2023

For Mukund M. Chitale & Co.

Chartered Accountants

ICAI Firm Registration Number: 106655W



Abhay V. Kamat

Partner

Membership No: 039585

ICAI UDIN: 23039585BGXBNZ3096



Mumbai

20 July 2023



CSB Bank Limited

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Corporate Identity Number: L65191KL1920PLC000175



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(₹ in Lakhs)

Particulars	Quarter ended		Year ended	
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited (Refer note 13)	Unaudited	Audited
1. Interest Earned (a) + (b) + (c) + (d)	68,349	63,649	53,593	2,31,965
(a) Interest / Discount on advances / bills	57,113	52,867	41,469	1,88,813
(b) Income on investments	9,175	10,016	11,343	40,461
(c) Interest on balances with RBI and other inter bank funds	345	199	549	1,115
(d) Others	1,716	567	232	1,576
2. Other Income	12,155	12,632	5,485	31,601
3. Total Income (1+2)	80,504	76,281	59,078	2,63,566
4. Interest Expended	31,948	28,805	22,524	98,581
5. Operating Expenses (i) + (ii) + (iii)	30,413	27,288	21,082	94,245
(i) Employees cost	18,199	15,562	12,221	55,851
(ii) Rent, taxes and lighting	3,169	2,982	2,253	9,914
(iii) Other operating expenses	9,045	8,744	6,608	28,480
6. Total Expenditure (4+5) (excluding provisions and contingencies)	62,361	56,093	43,606	1,92,826
7. Operating Profit before Provisions and Contingencies (3-6)	18,143	20,188	15,472	70,740
8. Provisions (other than tax) and Contingencies	473	(920)	168	(2,621)
Of which provisions for non-performing assets / write off	1,396	312	1,593	3,066
9. Exceptional Items	-	-	-	-
10. Profit from Ordinary Activities before Tax (7-8-9)	17,670	21,108	15,304	73,361
11. Tax Expense	4,447	5,474	3,852	18,625
12. Net Profit from Ordinary Activities after Tax (10-11)	13,223	15,634	11,452	54,736
13. Extraordinary Items (net of tax expense)	-	-	-	-
14. Net Profit for the period (12-13)	13,223	15,634	11,452	54,736
15. Paid-up Equity Share Capital (Face value - ₹ 10 per equity share)	17,354	17,354	17,354	17,354
16. Reserves excluding Revaluation Reserves				2,87,807
17. Analytical Ratios				
(i) Capital Adequacy Ratio (Basel-III)	25.99%	27.10%	25.46%	27.10%
(ii) Earnings per Share (EPS)*				
Basic EPS - before and after extraordinary items (in ₹)	7.62	9.01	6.60	31.55
Diluted EPS - before and after extraordinary items (in ₹)	7.62	9.01	6.60	31.55
(iii) NPA Ratios				
a) Gross NPA	27,066	26,256	29,301	26,256
Net NPA	6,777	7,182	9,675	7,182
b) % of Gross NPA	1.27%	1.26%	1.79%	1.26%
% of Net NPA	0.32%	0.35%	0.60%	0.35%
(iv) Return on Assets - Annualised	1.79%	2.23%	1.75%	2.06%

* Quarterly numbers are not Annualised



SEGMENT INFORMATION				
Particulars	Quarter ended			Year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited (Refer note 13)	Unaudited	Audited
Segment Revenue:				
Treasury	12,093	11,269	11,968	42,950
Corporate/Wholesale Banking	18,733	18,680	14,269	62,277
Retail Banking	48,083	44,398	31,746	1,52,270
Other Banking Operations	1,595	1,934	1,095	6,069
Unallocated	-	-	-	-
Total Revenue	80,504	76,281	59,078	2,63,566
Less: Inter segment revenue	-	-	-	-
Income from operations	80,504	76,281	59,078	2,63,566
Segment Results (Net of provisions):				
Treasury	3,736	2,249	1,869	8,297
Corporate/Wholesale Banking	2,625	3,858	2,644	11,009
Retail Banking	10,714	14,193	10,425	51,642
Other Banking Operations	596	823	464	2,602
Unallocated	(1)	(15)	(98)	(189)
Profit Before Tax	17,670	21,108	15,304	73,361
Segment Assets:				
Treasury	5,92,696	6,48,253	7,35,763	6,48,253
Corporate/Wholesale Banking	7,23,748	7,26,897	5,65,538	7,26,897
Retail Banking	16,13,101	15,34,342	12,42,275	15,34,342
Other Banking Operations	1,160	1,323	1,008	1,323
Unallocated	5,718	5,413	4,898	5,413
Total	29,36,423	29,16,228	25,49,482	29,16,228
Segment Liabilities:				
Treasury	34,887	10,104	2,29,491	10,104
Corporate/Wholesale Banking	7,61,907	7,18,187	3,62,681	7,18,187
Retail Banking	18,05,809	18,67,555	16,80,447	18,67,555
Other Banking Operations	-	-	-	-
Unallocated	66	19	185	19
Total	26,02,669	25,95,865	22,72,804	25,95,865
Capital employed:				
(Segment Assets - Segment Liabilities)				
Treasury	5,57,808	6,38,149	5,06,272	6,38,149
Corporate/Wholesale Banking	(38,159)	8,710	2,02,857	8,710
Retail Banking	(1,92,707)	(3,33,213)	(4,38,172)	(3,33,213)
Other Banking Operations	1,160	1,323	1,008	1,323
Unallocated	5,652	5,394	4,713	5,394
Total	3,33,754	3,20,363	2,76,678	3,20,363

1. For the above segment reporting, the reportable segments are identified as Treasury, Corporate/ Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI Guidelines.

The business operations of the Bank are substantially concentrated in India and for the purpose of Segment Reporting as per Accounting Standard-17, the Bank is considered to operate only in domestic segment.

2. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting', 'Digital Banking' has to be identified as a sub-segment under Retail Banking. Since the Bank has not established DBU, Digital Banking has not been disclosed as a sub-segment under Retail Banking.



Notes:

- 1 The above unaudited financial results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors of the Bank in their respective meetings held on July 20, 2023. These results have been subjected to review by the Joint Statutory Auditors of the Bank, viz. B S R & Co. LLP, Chartered Accountants and Mukund M. Chitale & Co., Chartered Accountants and an unqualified review report has been issued. The information presented above is extracted from the reviewed financial statements.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI"), from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including relevant circulars issued by the SEBI from time to time.
- 3 The information related to the comprehensive income and other comprehensive income has not been furnished as IND AS in not yet made applicable to the Bank.
- 4 The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2023. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/ directions.
- 5 The working results have been arrived at after considering the provision for standard assets including requirements for exposures to entities with unhedged foreign currency exposures, non performing assets, depreciation on investments, income tax and other usual and necessary provisions.
- 6 Other income includes fees earned from providing services to customers, commission from non-fund-based banking activities, earnings from foreign exchange transactions, selling of third-party products, profit on sale of investments (net), etc.
- 7 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
- 8 During the quarter ended June 30, 2023, the Bank has not issued equity shares under the Employee Stock Option Scheme.
- 9 The Bank continues to hold "Contingency Provision for any Credit Loss Contingencies" of ₹ 10,592.00 Lakhs as at June 30, 2023, under the head "Other Liabilities and Provisions".
- 10 Details of loans transferred / acquired during the Quarter ended June 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
 - (i) The Bank has not transferred any Non Performing Assets(NPA), Special Mention Accounts (SMA) and Loans not in default during the Quarter

(ii) Details of loans not in default acquired through assignment during the Quarter are given below:

Aggregate amount of loans acquired (₹ in Lakhs)	30,406
Weighted average residual maturity (in months)	18.88
Weighted average holding period by originator (in months)	3.36
Retention of beneficial economic interest by the originator	10%
Tangible security coverage	100%

The loans acquired are not rated as these are to non-corporate borrowers.

(iii) The Bank has not acquired any stressed loans during the Quarter

(iv) During the quarter ended June 30, 2023, the Bank has not transferred any stressed loans to Asset Reconstruction Companies (ARC).

- 11 In accordance with RBI guidelines, Banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the link: <https://www.csb.co.in/basel-2basel-3-disclosures>. These disclosures have not been subjected to review by the Joint Statutory Auditors of the Bank.
- 12 The Government has formulated four Labour Codes, namely, the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 which are yet to be implemented. The four Labour Codes envisage strengthening the protection available to workers, including unorganized workers in terms of statutory minimum wage, social security and healthcare of workers. As these Labour Codes have not been effective, the impact of these Labour Codes has not been factored in the financial results for the quarter ended June 30, 2023 and for the quarter / year ended March 31, 2023.
- 13 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the financial year 2022-23 and the published year to date figures upto December 31, 2022. The figures up to December 31, 2022 were only reviewed and not subjected to audit.

For and on behalf of the Board



Pralay Mondal
Managing Director & CEO
DIN: 00117994

Place: Mumbai
Date: July 20, 2023



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