

## **PRESS RELEASE**

### **CSB Bank Limited**

## **Financial Results for the Quarter & Half Year Ended September 30, 2021**

The Board of Directors of CSB Bank took on record the financial results for the quarter (Q2 FY 2022) and half year ended 30.09.2021 (H1 FY 2022) which were subject to limited review in their meeting dated 25.10.2021

### **Highlights**

- a) **Profit After Tax:** Bank recorded a net profit of Rs 118.57 Cr in Q 2 FY 22 as against Rs 68.90 Cr in Q 2 FY 21 and Rs 61.00 Cr for the sequential quarter. Net profit increased by 72% Y-o-Y and 94% on Q-o-Q basis. On a half yearly basis, the net profit improved to Rs 179.57 Cr as on 30.09.21 from Rs 122.46 as on 30.09.20 or by 47%. Bank continued its accelerated provisioning policy during this quarter as well. The RoA as on 30.09.2021 on a half yearly basis is 1.53%
- b) **Operating Profit** of the bank is Rs 324.12 Cr for the half year ended 30.09.2021 with an increase of 36% over H1 FY 21. Q2FY22 operating profit is at Rs 149.38 Cr as against Rs 119.02 Cr for Q2 FY21. Operating profit for Q2FY22 but for the regulatory changes is Rs 181.2 Cr as against Rs 179.8 Cr for Q1FY22
- c) **Net Interest Income for (NII)** for H1FY22 stood at Rs 546.14 Cr posting an increase of 32% over H1 FY 21. In Q2 FY 22, the NII stood at Rs 278.38 Cr as against Rs 229.25 Cr in Q2 FY 21 or by 21 %.
- d) **Non-Interest Income** posted a growth of 21.39% half yearly and 36.44% on a quarterly basis Y-o-Y.
- e) **Cost Income Ratio:** Though the staff count has gone up over 1250 from last September, the cost income ratio as on 30.09.2021 on a half yearly basis could be maintained at 52.14% as against 54.45% as on 30.09.2020. Cost income ratio for Q2 FY 22 is at 55.83%, which was at 56.41% for Q2 FY 21 & 48.45% in Q1FY22.
- f) **Asset Quality & Provisioning**

With the opening up of the economy, positive trends are visible in the asset quality front. Out of the gross NPA of Rs 586.83 Crs, Rs 287.52 Crs is gold NPA where the recoverability is almost assured. Our gross NPA excluding gold as on 30.09.21 is lower than the position as on 30.06.21 and 31.03.21. Gross NPA and Net NPA ratios have improved to 4.11% and 2.63% as on 30.09.21 from 4.88% and 3.21% respectively as on 30.06.21. Gross NPA and Net NPA ratios excluding gold works out to 2.09% and 1.14% as on 30.09.2021

Particulars	Q2 FY 22	Q1 FY 22	FY 21
Gross NPA	586.83	686.39	393.49
Gross NPA excluding gold	299.31	333.08	347.23
Gross NPA %	4.11%	4.88%	2.68%
Net NPA	370.06	443.75	168.81
Net NPA %	2.63%	3.21%	1.17%
Provisioning Coverage Ratio	73.48%	70.20%	84.89%

- g) **Capital Adequacy Ratio** is at 20.12%, which is well above the regulatory requirement. Leverage ratio is at 8.03% as on 30.09.2021.

- h) **Comfortable Liquidity Position.** Liquidity Coverage Ratio is comfortable at 169.93 %
- i) **Total Deposits** grew by 9.12% YoY and **CASA** ratio stood at 32.60 % as on 30.09.2021 as against 29.39% as on 30.09.2020 and 32.19% as on 31.03.2021
- j) **Advances (Net)** grew by 12.22% to Rs 14070.11 Cr as on 30.09.2021

#### Performance Highlights:

(Rs Crore)	Q2FY22	Q2FY21	Inc/Dec%	Q1FY22	QoQ% Growth	6M FY 22	6M FY 21	Inc/Dec%
Interest Income	495.85	469.96	5.51%	495.25	0.12%	991.10	892.55	11.04%
Interest Expense	217.47	240.71	-9.65%	227.50	-4.41%	444.97	478.05	-6.92%
<b>Net Interest Income</b>	<b>278.38</b>	<b>229.25</b>	<b>21.43%</b>	<b>267.75</b>	<b>3.97%</b>	<b>546.14</b>	<b>414.50</b>	<b>31.76%</b>
Treasury Profits	-10.25	-6.71	-	21.48	-	11.24	36.30	-69.04%
Other Income	70.04	50.54	38.58%	49.76	40.76%	119.80	71.64	67.23%
<b>Total Non-Interest Income</b>	<b>59.79</b>	<b>43.82</b>	<b>36.44%</b>	<b>71.24</b>	<b>-16.07%</b>	<b>131.03</b>	<b>107.94</b>	<b>21.39%</b>
<b>Net Operating Income</b>	<b>338.17</b>	<b>273.07</b>	<b>23.84%</b>	<b>338.99</b>	<b>-0.24%</b>	<b>677.17</b>	<b>522.45</b>	<b>29.61%</b>
Staff Cost	119.16	103.77	14.83%	97.21	22.58%	216.38	189.79	14.01%
Other Opex	69.63	50.28	38.48%	67.04	3.86%	136.68	94.70	44.33%
Total Opex	188.79	154.05	22.55%	164.26	14.93%	353.05	284.49	24.10%
<b>Operating Profit</b>	<b>149.38</b>	<b>119.02</b>	<b>25.51%</b>	<b>174.74</b>	<b>-14.51%</b>	<b>324.12</b>	<b>237.96</b>	<b>36.21%</b>
Standard Asset Provision	6.42	20.46	-68.62%	-4.05	-258.52%	2.37	63.54	-96.27%
Other Provisions	-15.49	6.49	-338.67%	97.26	-115.93%	81.77	10.77	659.24%
Provisions other than Tax	-9.07	26.94	-133.67%	93.22	-109.73%	84.15	74.31	13.24%
PBT	158.45	92.08	72.08%	81.52	94.37%	239.97	163.65	46.64%
Tax	39.88	23.18	72.04%	20.52	94.35%	60.40	41.19	46.64%
<b>PAT</b>	<b>118.57</b>	<b>68.90</b>	<b>72.09%</b>	<b>61.00</b>	<b>94.38%</b>	<b>179.57</b>	<b>122.46</b>	<b>46.64%</b>
Deposits	19,055.49	17,468.44	9.09%	18,652.80	2.16%	19,055.49	17,468.44	9.09%
Advances(Net)	14,070.11	12,537.61	12.22%	13,817.17	1.83%	14,070.11	12,537.61	12.22%
CASA	6,207.98	5,134.06	20.92%	6,171.71	0.59%	6,207.98	5,134.06	20.92%
Gold	5,460.22	4,949.00	10.33%	5,627.00	-2.96%	5,460.22	4,949.00	10.33%
CASA%	32.58%	29.39%	10.85%	33.09%	-1.54%	32.58%	29.39%	10.85%

#### CEO Speak:

Speaking about the performance **Mr. C VR Rajendran, Managing Director & CEO** said, “An optimistic outlook has started prevailing in the economy. The well-coordinated efforts of all the required machineries and substantial pick up in vaccination drive have helped to normalize the Covid impact and to open up the economy. The uptick in demand is expected to be strengthened by the upcoming festive seasons, resilient agri sector, increased government capex and exports. For CSB, in terms of profitability, Q2 is a much better quarter than

*Q1 FY 22 and we registered an increase of about 94% sequentially. Lot of good work has gone in managing the portfolio stress both in gold and non- gold portfolios and SMA/NPA levels were kept under control. Though treasury could not contribute much on the other income front, the gap was more or less covered by way of increased PSLC /Bancassurance/Fee incomes. As the impact of COVID is not fully ascertained, Bank decided to continue with the accelerated provisioning policy for stressed and NPA Accounts. The key ratios like NIM, CRAR, LCR, RoA etc continues to be strong. We have experienced the returning of demand in MSME, SME and WSB segments during the last part of the quarter. Visible growth is also happening in Gold loan portfolio. In terms of growth, we look forward for better traction and results in the third quarter. With the product and process improvements both implemented/proposed, we intend to capture a better share of the retail segment and grow both the retail liabilities and assets. So we look forward to improve our performance in both the topline and bottom line parameters in the coming quarters as well.*

#### **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 542 branches (excluding three service branches and three asset recovery branches) and 368 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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