



CSB Bank

Investor Presentation

Q3 FY 22

Company Overview

Business Overview

Earnings

Digital Penetration

Strategy

Key Information

Improved Profitability

*PAT of Rs 148 Cr -up by 25% QoQ & 180% YoY

*Operating Profit for Q3 FY22 is Rs 148Cr & 9M FY22 is 468Cr

*RoA Q3 FY22 – 2.43% (up by 41bps QoQ)

*RoE Q3 FY22 – 27.02% (up by 408bps QoQ)

Cost and Revenue

* NII growth of 8% QoQ & 20% YoY

* NIM at all time high in Q3 FY22 – 5.46% (up by 24 bps)

*Non interest income is Rs 52 Cr for Q3 FY22 & Rs 183 Cr for 9M FY22

*Commission income increased 38% QoQ & 68% YoY

Growth Momentum

*Advances grew by 11% YoY

*Deposits grew by 7% YoY

*CASA book grew by 22% YoY & CASA Ratio increases to 35%

* Healthy CD Ratio – 82% as on 31-12-2021

* Digital Penetration increases to 87%

Well Capitalised & Strong Liquidity Position

*Strong capital comfort with a CRAR of 20.72% as on 31.12.2021

*Tier I ratio of 19.36%

*Book value per share up by Rs 22 YoY (Rs 114 to Rs 136)

*Strong liquidity - LCR of 146% & NSFR at 156%

Asset Quality

*GNPA ratio of 2.62% (down by 149bps)

*Net NPA ratio of 1.36% (down by 127bps)

*PCR of 83% (up by 947bps)

*Credit cost 9M FY22 : 0.26% & Q3 FY22 : -1.44%

- A century young Organisation
- 559 Branches & 410 ATMs/CRMs
- 10 Zonal Offices
- 1.9Mn+ happy customers
- Presence in 16 states & 4 UTs
- Total business of Over Rs 34600 Cr
- 7 bancassurance tie ups with industry leaders.

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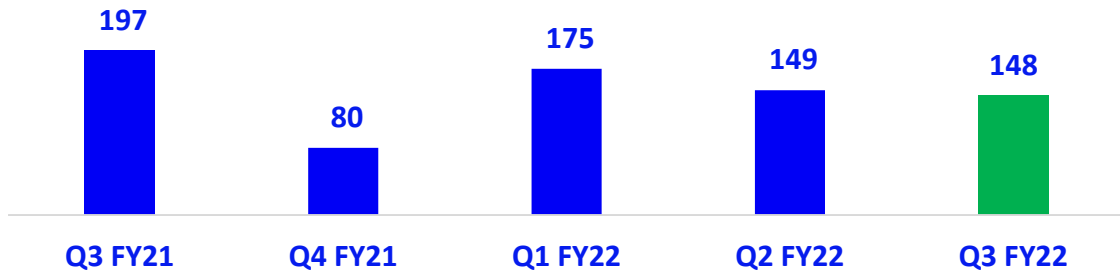
Digital Penetration

Strategy

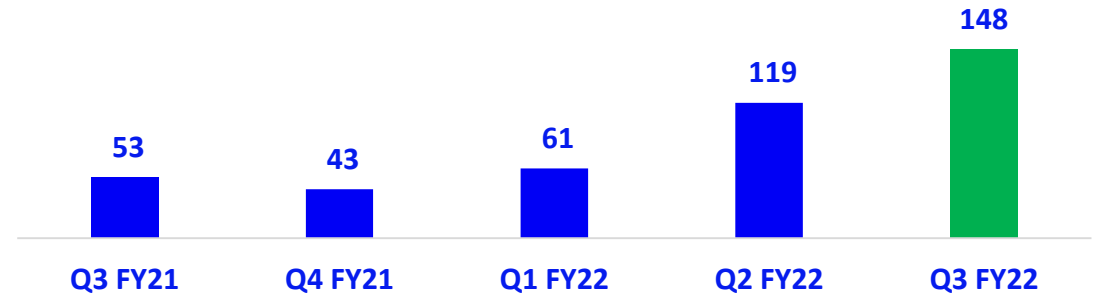
Profitability Ratios

Amt in Cr

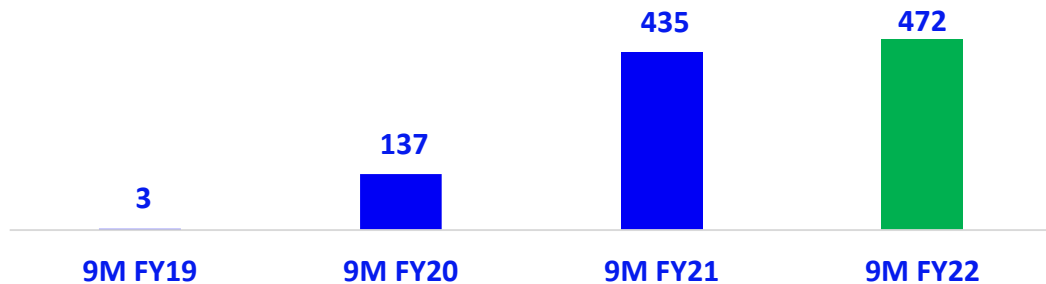
Operating Profit QoQ



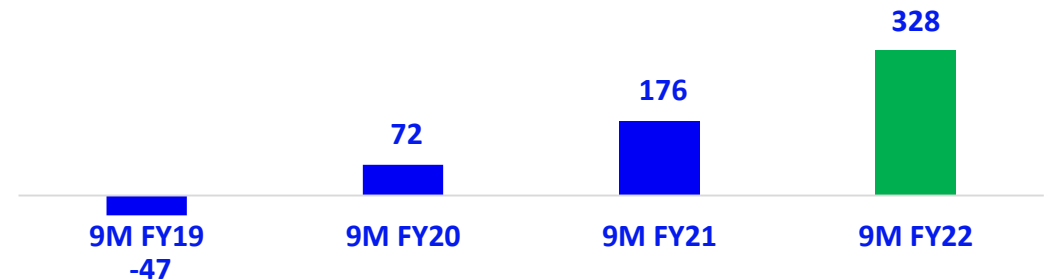
Net Profit QoQ



Operating Profit YoY



Net Profit YoY



Prudential Provisioning Policy

Asset Classification		RBI Norms	Our Norms	
NPA Provision	Sub Standard Assets	Secured	15%	25%
		Unsecured	25%	50%
	Doubtful Assets (Up to one year)	Secured	25%	50%
		Unsecured	100%	100%
	Doubtful Assets (One to three years)	Secured (1st Year)	40%	100%
		Secured (2 nd Year)	40%	100%
		Unsecured	100%	100%
	Doubtful Assets (More than three years)	Secured/Unsecured	100%	100%
	Loss Assets	Secured/Unsecured	100%	100%

		RBI Norms	Accounting Treatment
Other Provisions	Provisions for Standard Asset	• 0.25% to 1% based on the nature of advance	• Provided as per RBI Norms • Additional provisioning buffer created in view of the COVID scenario
	Provisions for Security Receipts	Depreciation can be netted with appreciation of individual scrips in the same category	Appreciation of individual scrips not netted

Prudential Provisions	Amount (in Cr)
NPA Provision	131
Additional Std asset provision	104
SR Provision	4
Total	239
Tax	60
After Tax Impact	179

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Business Overview

Earnings

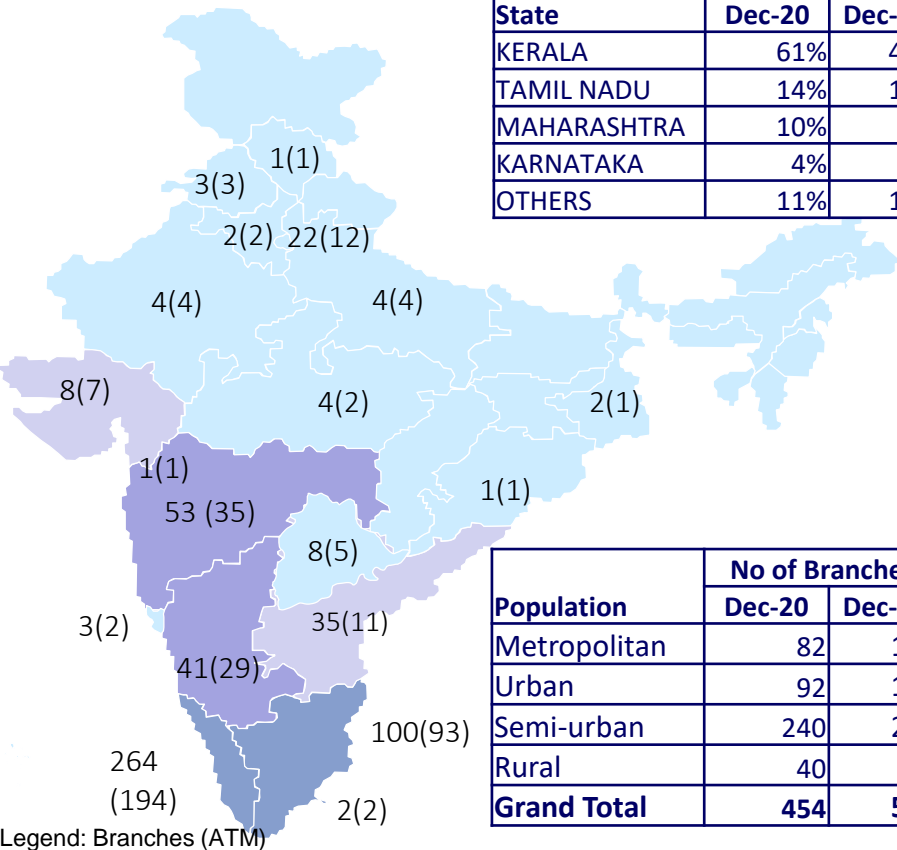
Digital Penetration

Strategy

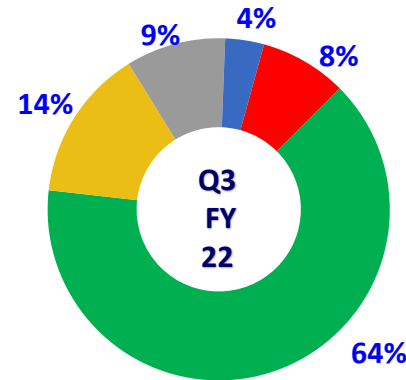
Branch Distribution

State	% distribution	
	Dec-20	Dec-21
KERALA	61%	47%
TAMIL NADU	14%	18%
MAHARASHTRA	10%	9%
KARNATAKA	4%	7%
OTHERS	11%	19%

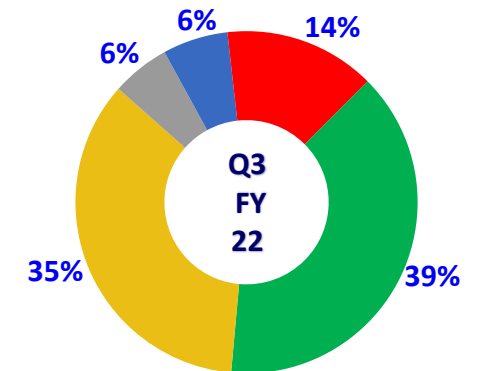
Population	No of Branches	
	Dec-20	Dec-21
Metropolitan	82	117
Urban	92	116
Semi-urban	240	281
Rural	40	45
Grand Total	454	559



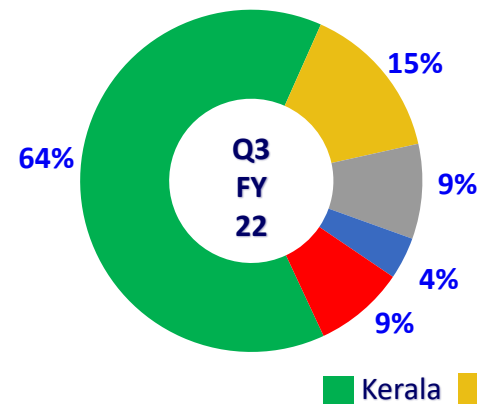
CASA



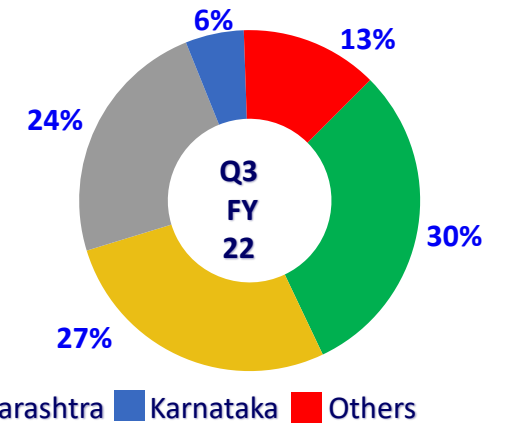
Gold Loans



Total Deposits

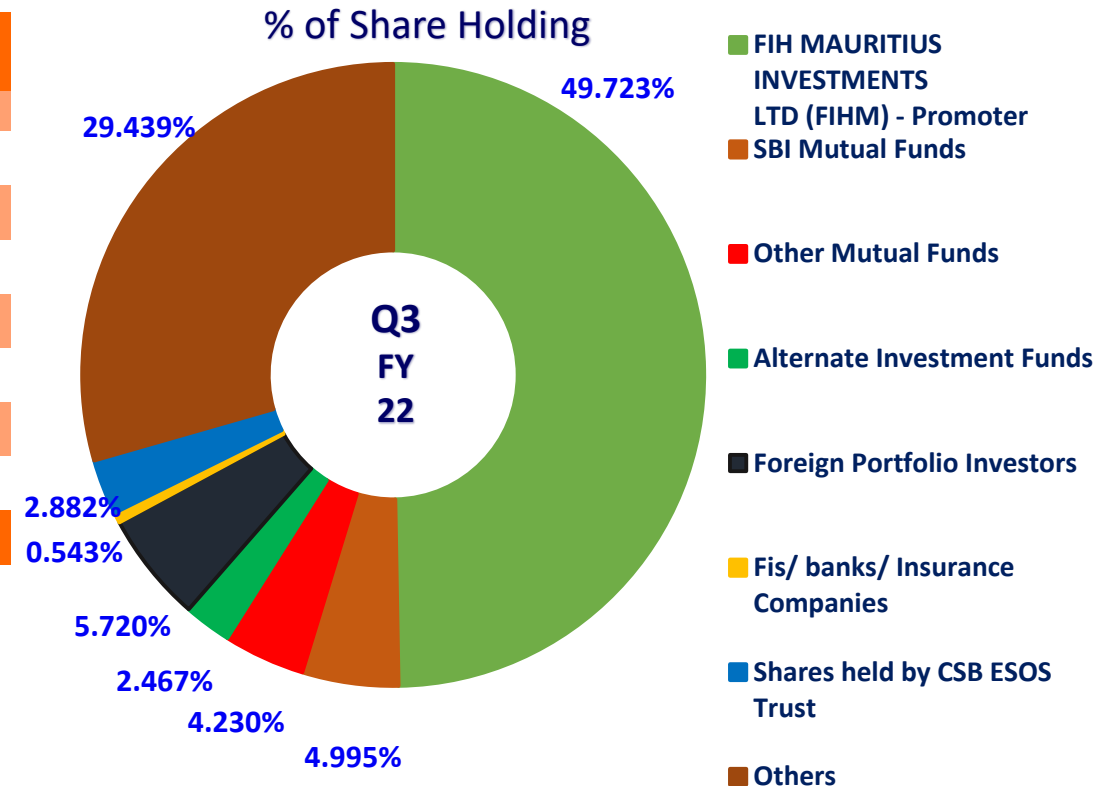


Total Advances



Share Holding Pattern

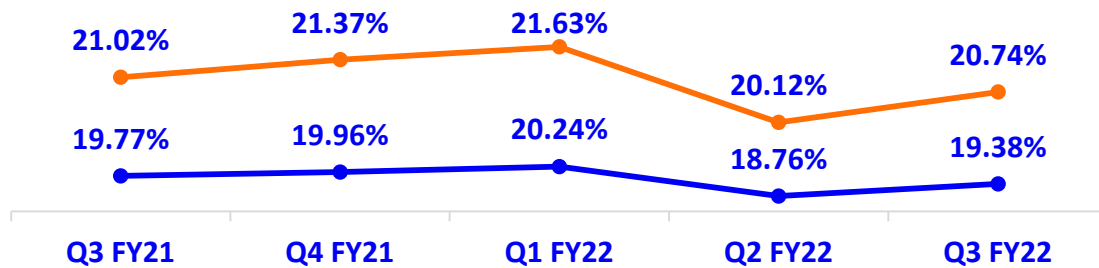
Category	No of Shareholders	No of Shares Held(in Mio)	% of Holding
FIHM - promoter & Promoter Group	1	86.26	49.723%
SBI Mutual Funds	1	8.67	4.995%
Other Mutual Funds	9	7.34	4.230%
Alternate Investment Funds	5	4.28	2.467%
Foreign Portfolio Investors	37	9.92	5.720%
Fis/ banks/ Insurance Companies	2	0.94	0.543%
Shares held by CSB ESOS Trust	1	5	2.882%
Others	50016	51.07	29.439%
Total	50072	173.49	100.000%



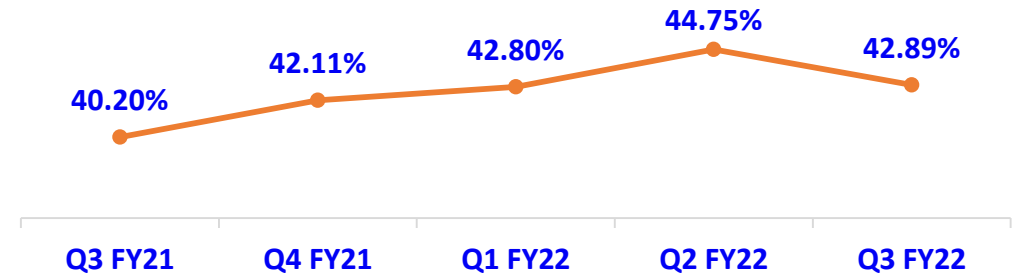
Solid CRAR & Adequate Liquidity – Our Strength

Amt in Cr

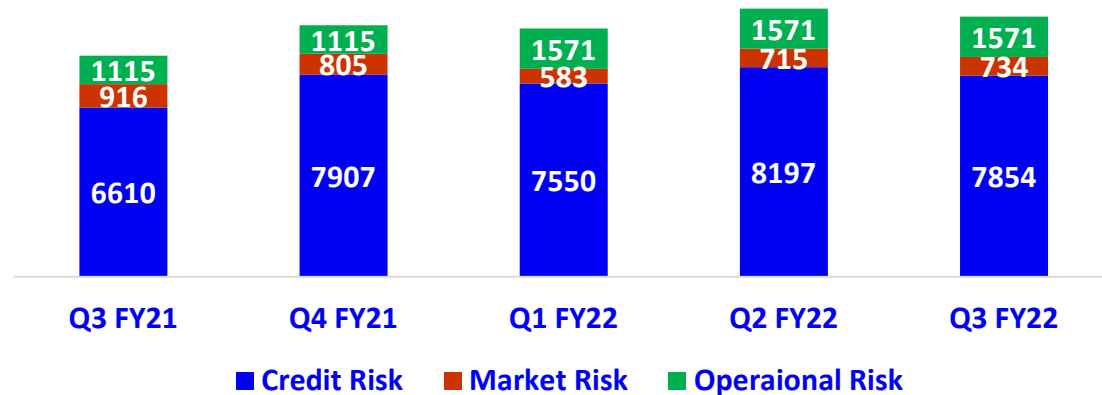
Capital Adequacy Ratio



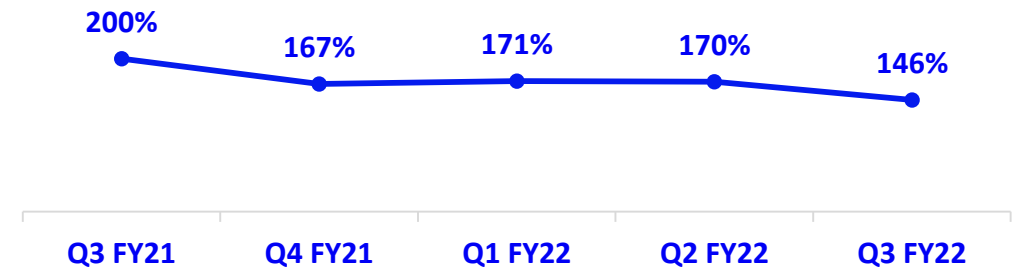
RWA to Total Assets



Risk Weighted Assets



Liquidity Coverage Ratio



Company Overview

Business Overview

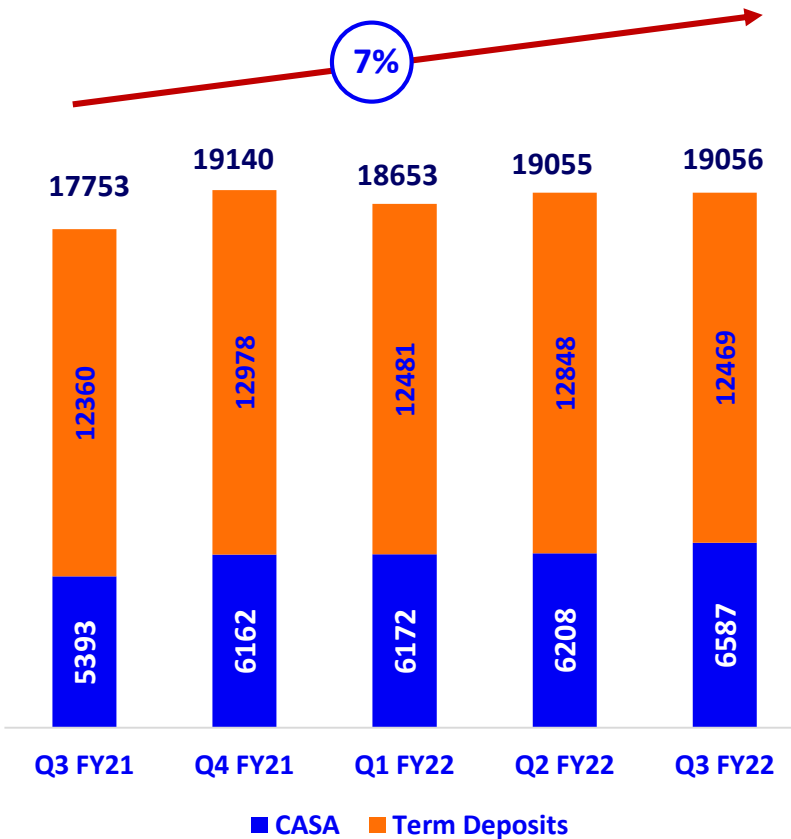
Earnings

Digital Penetration

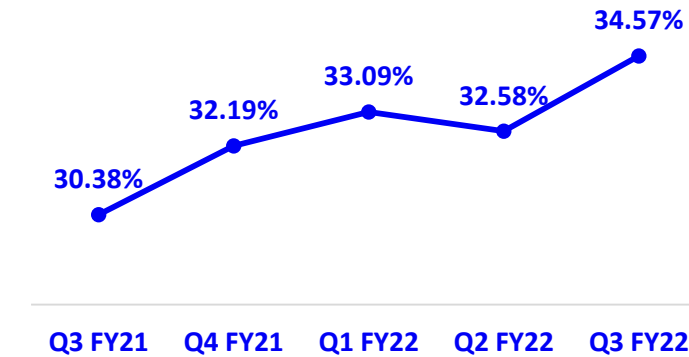
Strategy

Total Deposits

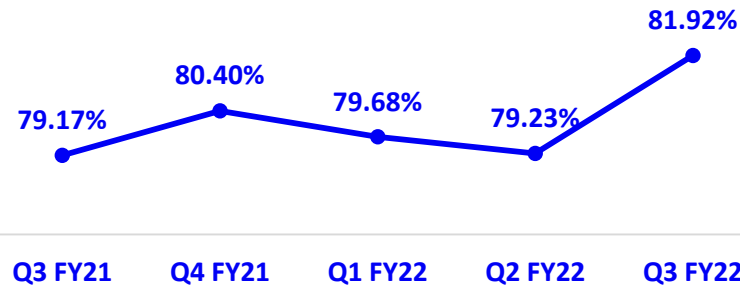
(Amt in Cr)



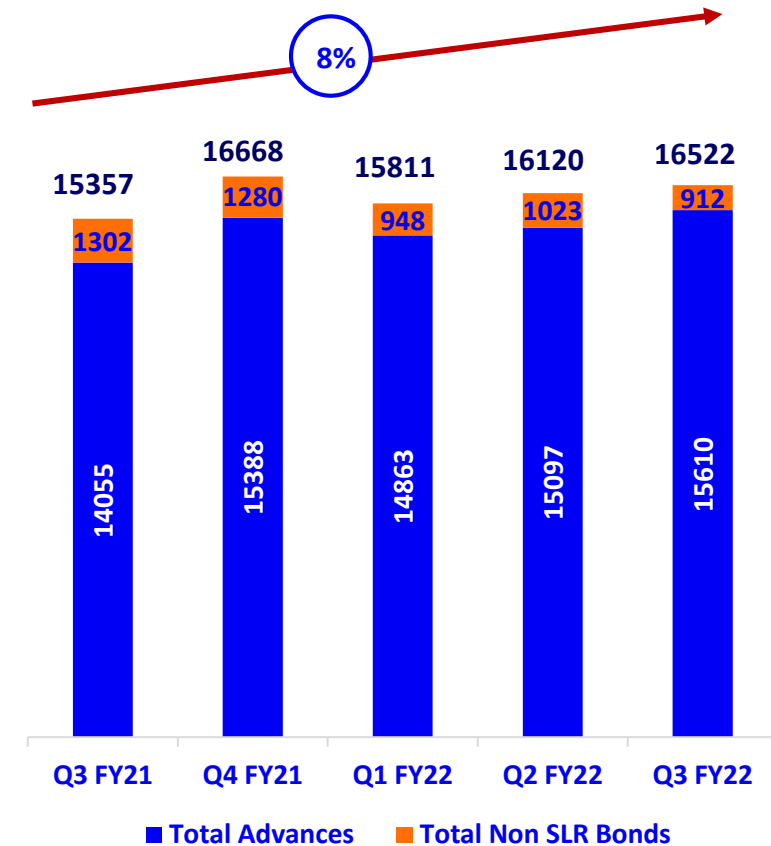
CASA Ratio



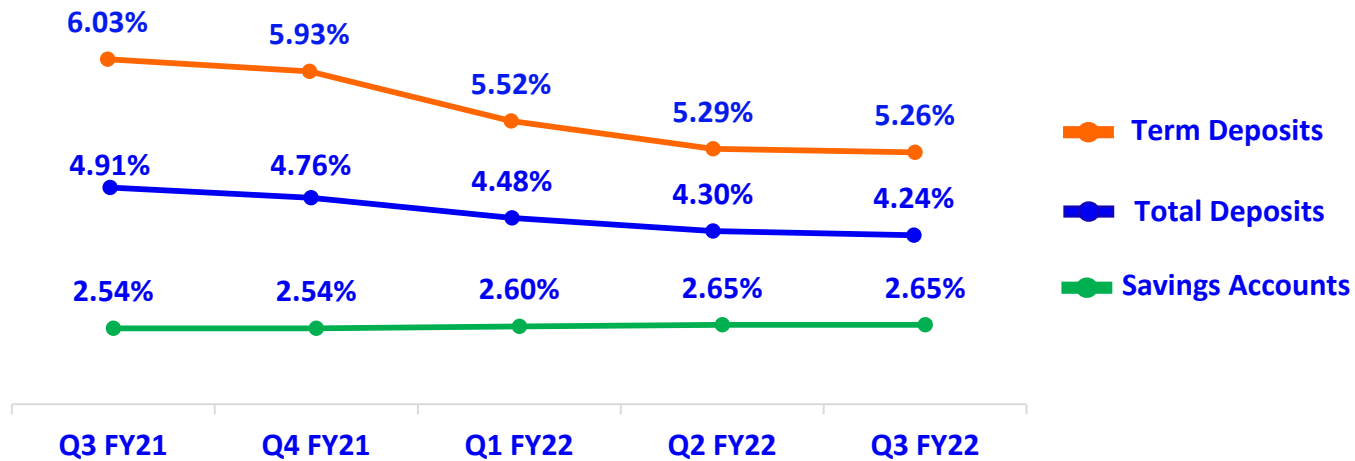
Gross CD Ratio



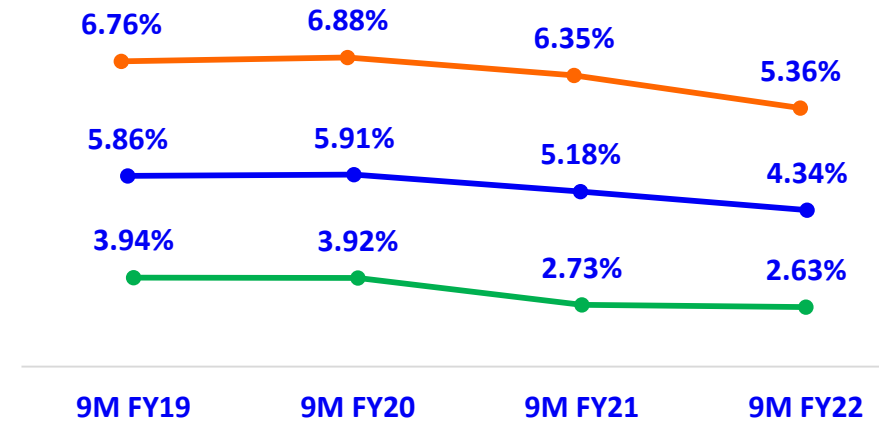
Total Gross Advances + Non SLR Bonds (Amt in Cr)



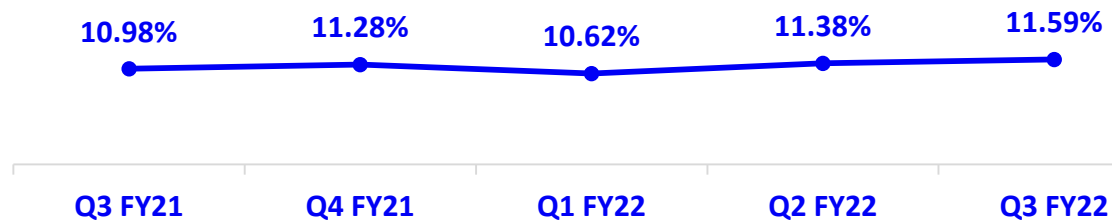
Cost of Deposits (QoQ)



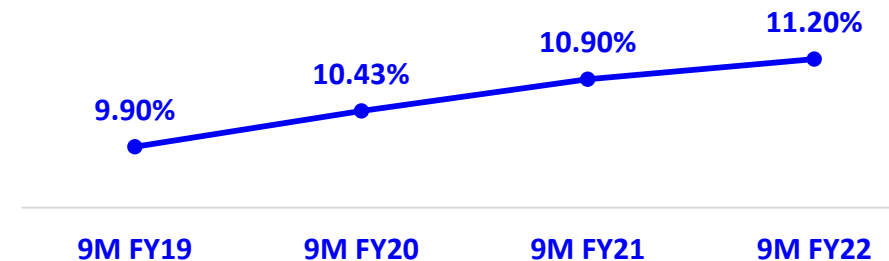
Cost of Deposits (YoY)



Yield on Advances (QoQ)



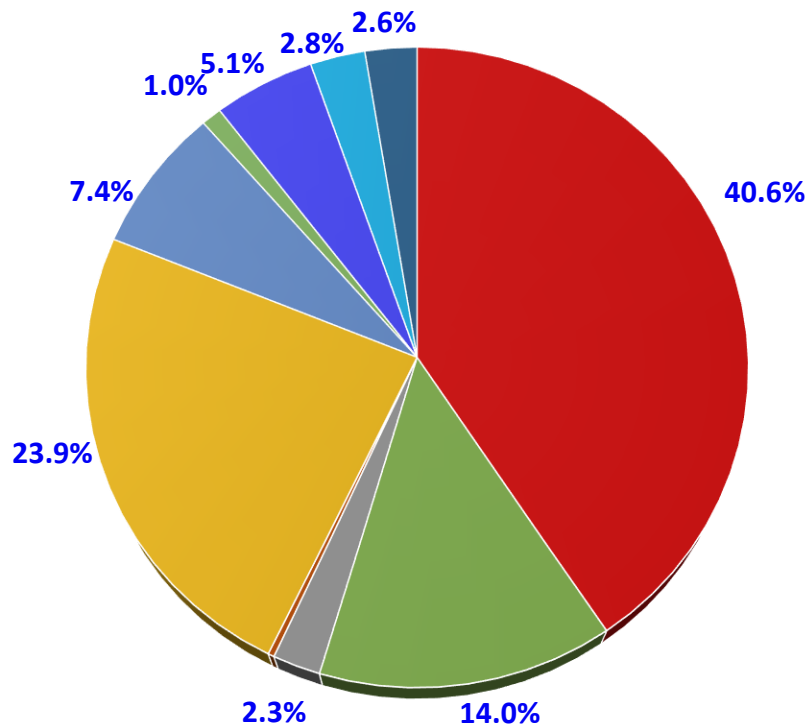
Yield on Advances (YoY)



Advance Mix

(Amt in Cr)

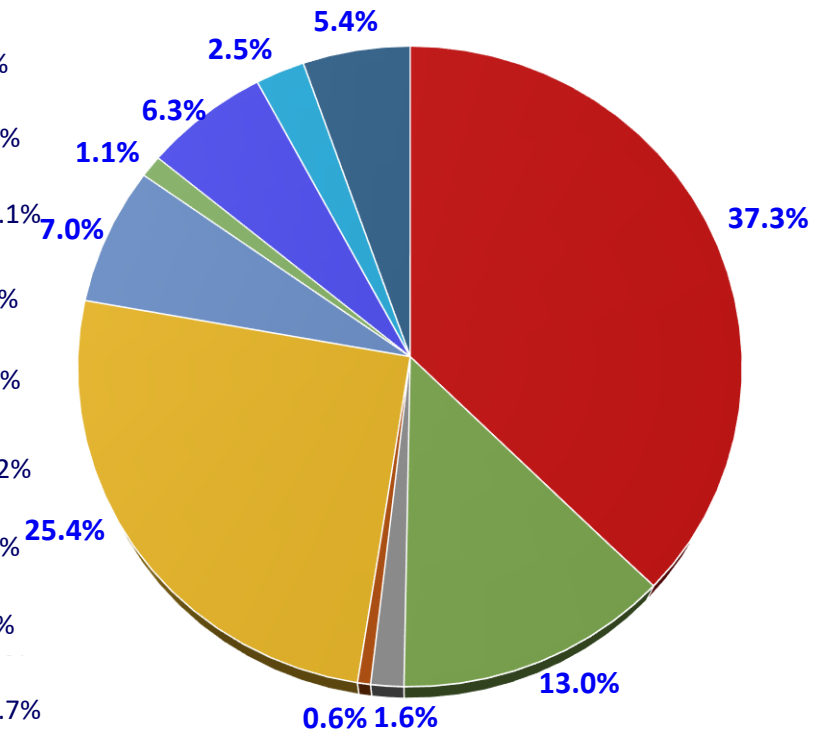
Q3 FY 21



Retail Loans includes 35% LAP, 25% HL, 6% EL, 4% VL & 30% others

5644	Gold Loans	5826	↑ 3.4%
1940	SME Loans	2024	↑ 4.3%
316	MSME General Loans	242	↓ 23.4%
41	MSME New Loans	96	↑ 134.1%
3315	Corporate Loans	3959	↑ 19.4%
1202	Retail Loans	1086	↓ 10.4%
142	Two Wheeler Loans	175	↑ 23.2%
708	Assignment Loans	976	↑ 37.9%
384	LCBD & TReDS	385	↑ 0.3%
363	Agri & MFI Loans	841	↑ 131.7%

Q3 FY 22



Retail Loans includes 41% LAP, 20% HL, 6% EL, 3% VL & 30% others

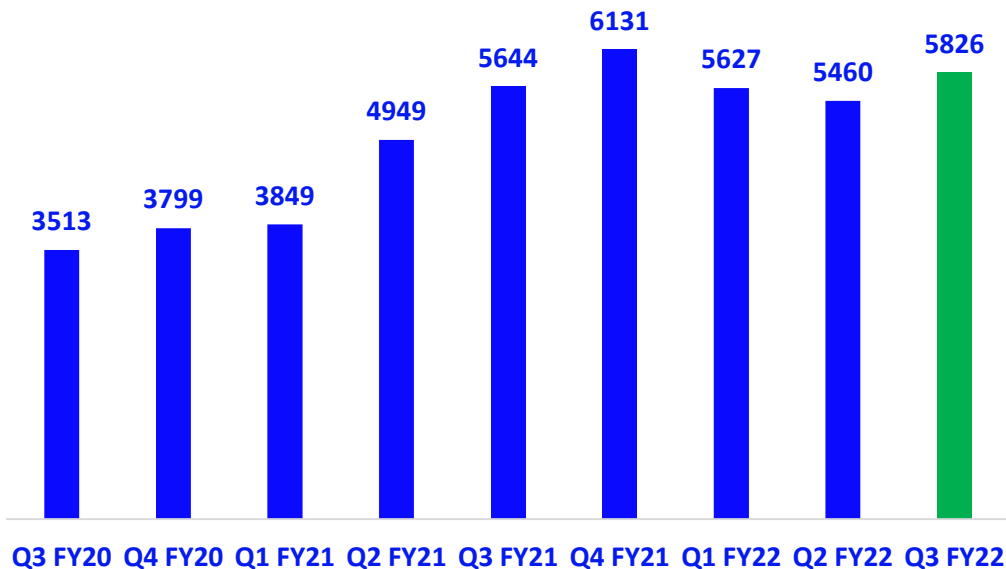
Gold Loan – Our DNA

(Amt in Cr)

Portfolio Movements

↑ 3% YoY

↑ 7% QoQ



Portfolio Quality

9M Yield

12.77%

2.05%

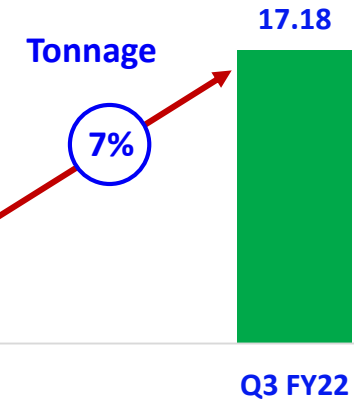
NPA %

Overall LTV

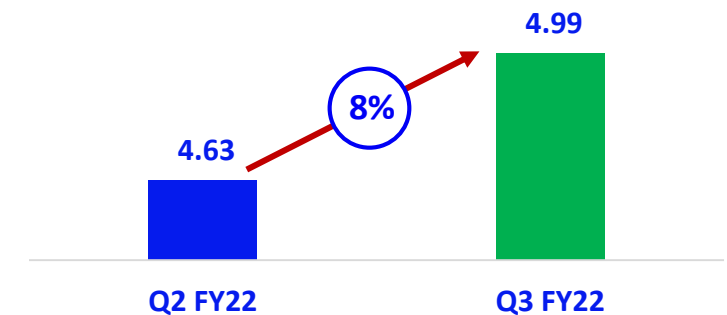
75%

17.18 T

Tonnage



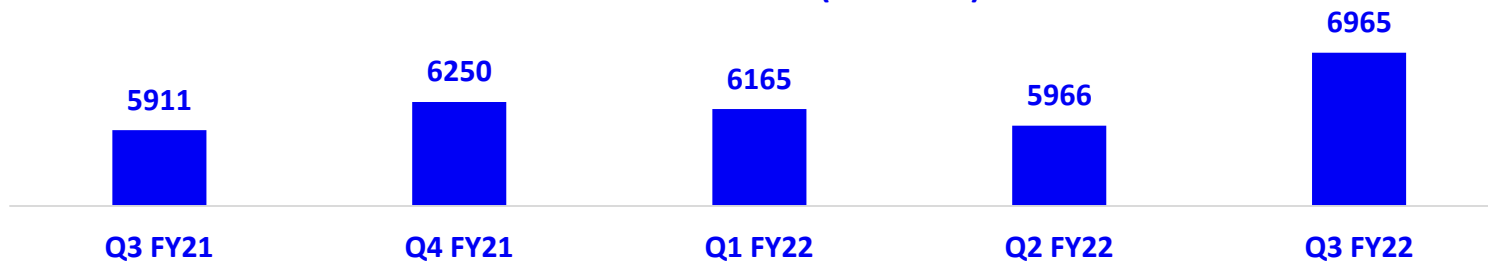
No of Accounts (in Lakhs)



Investments

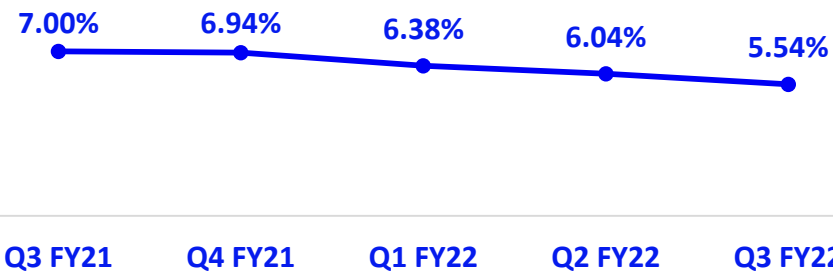
(Amt in Cr)

Total Investments (Excl RIDF)

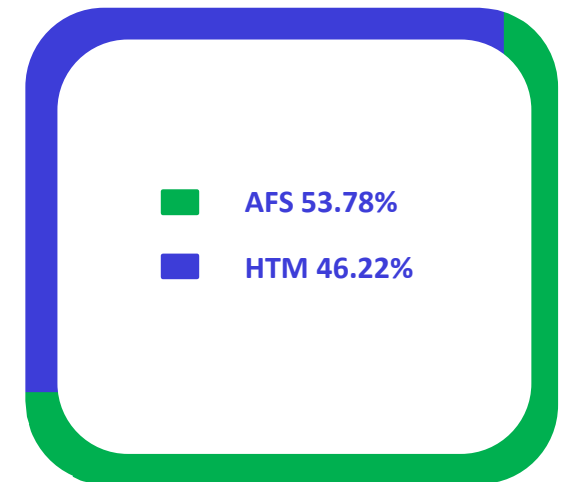
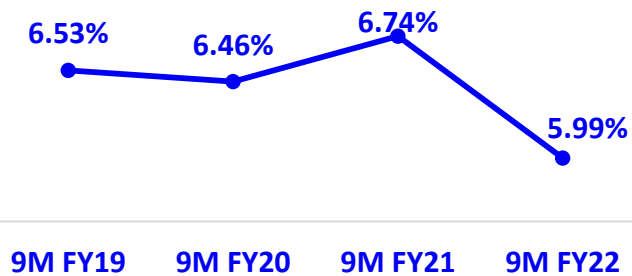


Yield on Investments

QoQ



YoY

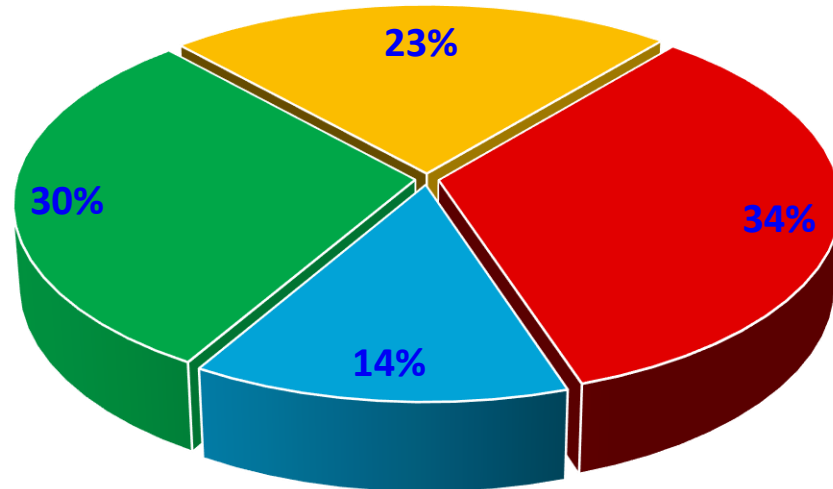


M Duration

HFT	AFS	HTM	Total
0.00%	0.44%	5.92%	3.13%

Sector Wise Exposure

Sector Wise Exposure



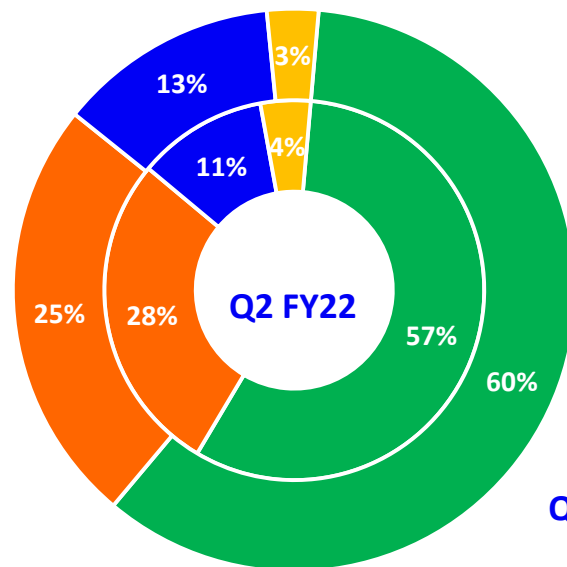
- Agriculture and Allied Activities
- Industry
- Services
- Retail & Others

Industries	% to Gross advances
Textiles	5.69%
Construction	4.64%
Food Processing	4.16%
Infrastructure	3.69%
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.93%
Chemicals and Chemical Products	0.83%
All Engineering	0.78%
Vehicles, Vehicle Parts and Transport Equipments	0.65%
Paper and Paper Products	0.23%
Gems and Jewellery	0.23%
Basic Metal and Metal Products	0.19%
Rubber, Plastic and their Products	0.18%
Wood and Wood Products	0.17%
Beverages (excluding Tea & Coffee) and Tobacco	0.14%
Cement and Cement Products	0.06%
Mining and Quarrying	0.06%
Leather and Leather products	0.06%
Glass & Glassware	0.01%
Other Industries, pl. specify	0.66%

Services	% to Gross advances
NBFCs	9.95%
Wholesale & Retail Trade	4.73%
Tourism, Hotel and Restaurants	2.71%
Commercial Real Estate	2.34%
Computer Software	0.49%
Transport Operators	0.33%
Professional Services	0.14%
Other Services	8.87%

Rating wise Exposure

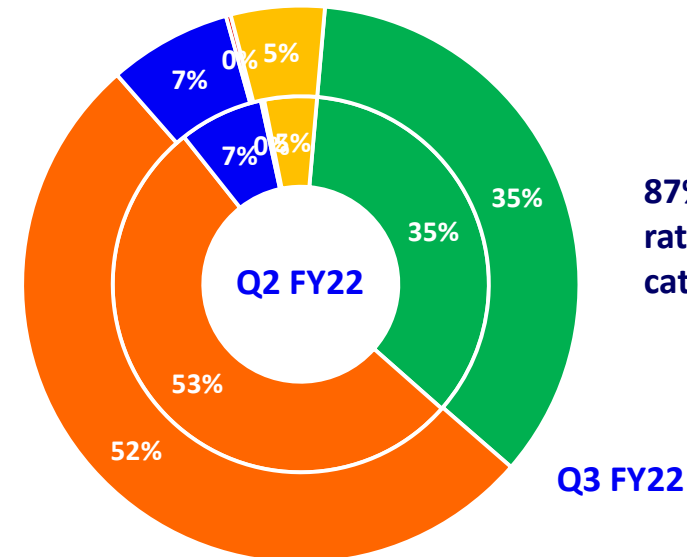
External Rating of Corporate Accounts (>Rs 25Cr)



97% of Corporate advances are externally rated of which 60% are having A & above rating.

■ A & Above ■ BBB ■ <BBB ■ Others

Internal Rating of SME accounts



87% of SME advances are rated as Low/Medium risk categories

■ Low ■ Medium ■ High ■ Very High ■ Others

Company Overview

Business Overview

Earnings

Digital Penetration

Strategy

Profit & Loss Account - Q3 FY 22

Amt in Cr

	Q2FY22	Q3FY22	QoQ	Q3FY21	YoY
Interest Income	495.9	527.6	6%	482.6	9%
Interest Expense	217.5	224.3	3%	231.4	-3%
Net Interest Income	278.4	303.3	9%	251.2	21%
Treasury Profit	-10.2	1.5	-	81.9	-
Exchange Profit	1.6	2.0	25%	1.7	18%
Processing Fees	16.8	11.3	-33%	14.1	-20%
Commission Income	15.9	22.0	38%	13.1	68%
PSLC Income	20.9	-	-	7.3	-
Other Income	14.8	15.4	4%	13.3	16%
Total Non Interest Income	59.8	52.2	-13%	131.4	-60%
Total Net Operating Income	338.2	355.5	5%	382.6	-7%
Staff Cost	119.2	122.1	2%	127.8	-4%
Other Opex	69.6	85.9	23%	57.6	49%
Total Opex	188.8	207.9	10%	185.4	12%
Operating Profit	149.4	147.6	-1%	197.2	-25%

	Q2FY22	Q3FY22	QoQ	Q3FY21	YoY
Operating Profit	149.4	147.6	-1%	197.2	-25%
Provision for NPA	-18.2	-51.6	-	36.9	-
Other Provisions	9.0	1.0	-89%	89.4	-99%
Total Provisions	-9.2	-50.6	-	126.3	-
Profit Before Tax	158.5	198.2	25%	70.9	180%
Tax	39.9	49.9	25%	17.8	180%
Profit/Loss (-) After Tax	118.6	148.3	25%	53.0	180%

- ❖ Net Interest Income grows 9% QoQ & 21% YoY
- ❖ Commission income up by 38% QoQ & 68% YoY – backed by increase in Baccasurance income & LC/BG commission
- ❖ PSLC premium had a total negative impact of Rs 33 crore on the operating profit with other income down by Rs 21 crore and other opex up by Rs 12 crore. Despite this operating profit could be maintained at Q2 level, thanks to core income growth.
- ❖ PBT grows by 180% YoY & 25% QoQ mainly due to reduced NPA provisions
- ❖ Q3 PAT is at a record level of Rs 148 Cr

Company Overview

Business Overview

Earnings

Digital Penetration

Strategy

Profit & Loss Account - 9M FY 22

Amt in Cr

	9M FY 21	9M FY 22	YoY	YoY%
Interest Income	1,375.2	1,518.8	143.6	10%
Interest Expense	709.5	669.3	-40.2	-6%
Net Interest Income	665.7	849.5	183.8	28%
Treasury Profit	118.2	12.7	-105.5	-89%
Exchange Profit	4.3	6.7	2.4	56%
Processing Fees	36.3	37.2	0.9	2%
Commission Income	32.1	49.0	16.9	53%
PSLC Income	16.3	33.4	17.1	105%
Other Income	32.2	44.2	12.0	37%
Total Non Interest Income	239.4	183.2	-56.2	-23%
Total Net Operating Income	905.1	1,032.7	127.6	14%
Staff Cost	317.6	338.5	20.9	7%
Other Opex	152.3	222.5	70.2	46%
Total Opex	469.9	561.0	91.1	19%
Operating Profit	435.1	471.7	36.6	8%

	9M FY 21	9M FY 22	YoY	YoY%
Operating Profit	435.1	471.7	36.6	8%
Provision for NPA	47.0	27.5	-19.5	-41%
Other Provisions	153.6	6.1	-147.5	-96%
Total Provisions	200.6	33.6	-167.0	-83%
Profit Before Tax	234.5	438.1	203.6	87%
Tax	59.0	110.2	51.2	87%
Profit/Loss (-) After Tax	175.5	327.9	152.4	87%

- ❖ Net Interest Income grows 28% YoY
- ❖ Commission income up by 53% YoY – backed by increase in Baccasurance income & LC/BG commission
- ❖ There is a 23% reduction in total non interest income YoY, mainly due the reduction in treasury profit
- ❖ 9M to 9M operating profits have increased from Rs 435 crore to Rs 472 crore or by 8% despite treasury profits down by Rs 105 crore due to robust growth in core income.
- ❖ PBT grows by 87% YoY mainly due to reduced NPA provisions
- ❖ 9M FY22 PAT is at a record level of Rs 328 Cr

Company Overview

Business Overview

Earnings

Digital Penetration

Strategy

Balance Sheet – 9M FY 22

Amt in Cr

	31.12.2020	31.12.2021	YoY (%)	30.09.2021	QoQ (%)
Liabilities					
Capital	173.5	173.5	0.0%	173.5	0.0%
Reserves & Surplus	1,963.1	2,340.2	19.2%	2189.9	6.9%
Deposits	17,753.0	19,056.0	7.3%	19055.5	0.0%
Of Which CASA	5,393.0	6,587.2	22.1%	6208	6.1%
Borrowings	951.0	1,692.1	77.9%	1476	14.6%
Other Liabilities & Provisions	656.6	448.5	-31.7%	529.6	-15.3%
Total	21,497.1	23,710.2	10.30%	23424.6	1.22%
Assets					
Cash & Balance with RBI	652.9	822.7	26.0%	883	-6.8%
Balance with Banks Money at call & Short Notice	670.9	291.0	-56.6%	1542.3	-81.1%
Investments	5,804.7	6,842.8	17.9%	5836.4	17.2%
Advances	13,137.3	14,637.0	11.4%	14070.1	4.0%
Fixed Assets	232.5	281.1	20.9%	278.2	1.0%
Other Assets	998.8	835.6	-16.3%	814.6	2.6%
Total	21,497.1	23,710.2	10.29%	23424.6	1.22%

Asset Quality

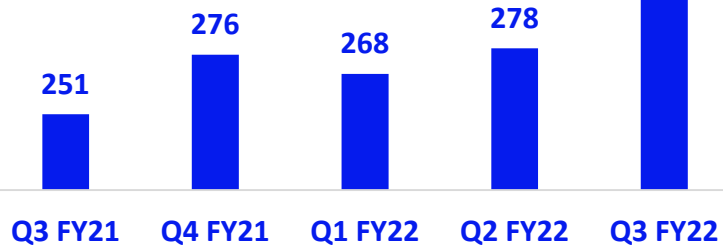
Amt in Cr

Gross NPA: Movement	QoQ movement				
	Q3 FY21 (3 months)	Q4 FY21 (3 months)	Q1 FY22 (3 months)	Q2 FY22 (3 months)	Q3 FY22 (3 months)
Opening Balance of Gross NPA	387	235	393	686	587
Additions	-	188	435	205	81
Sub-total (A)	388	423	829	892	668
Less:-					
(i) Upgradations	3	2	20	96	72
(ii) Recoveries (excluding recoveries made from upgraded accounts)	15	26	36	190	206
(iii) Technical/ Prudential Write-offs	134	0	86	19	-
(iv) Write-offs other than those under (iii) above	1	2	-	1	1
Sub-total (B)	153	29	142	305	279
Closing balance of Gross NPA (A – B)	235	393	686	587	389

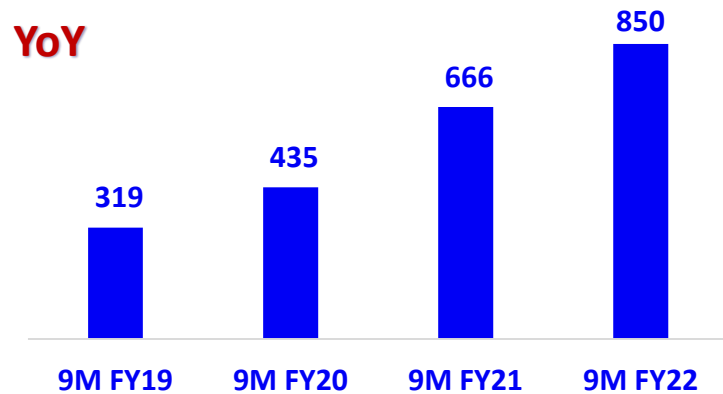
Profitability Ratios

Net Interest Income (in Cr)

QoQ

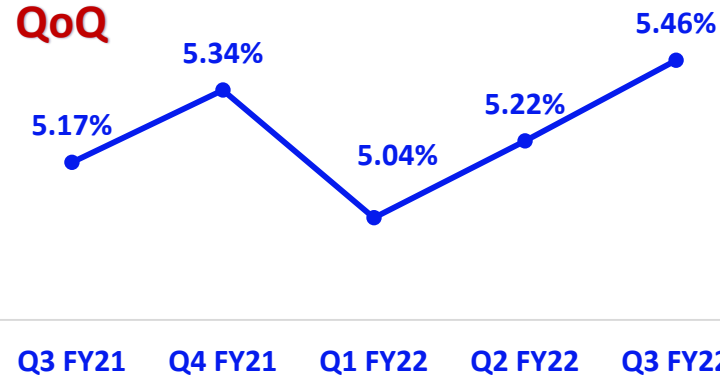


YoY

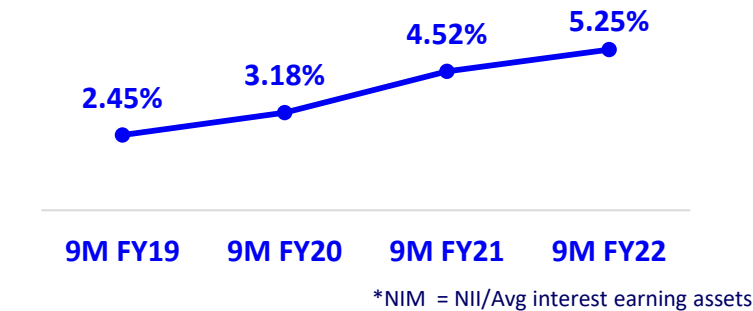


NIM

QoQ



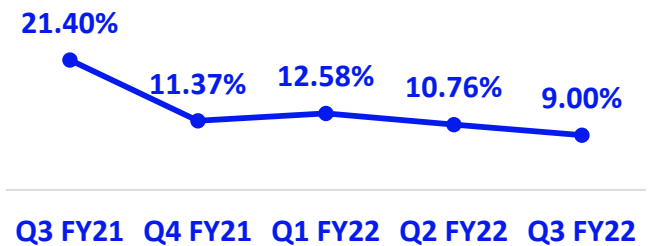
YoY



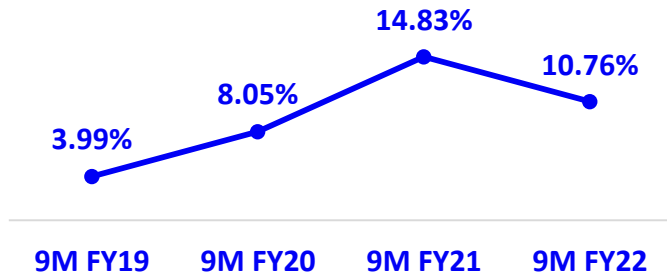
*NIM = NII/Avg interest earning assets

Non interest Income to Total Income

QoQ



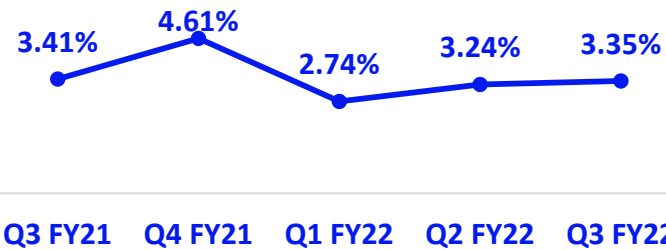
YoY



Profitability Ratios

Opex to Average assets

QoQ

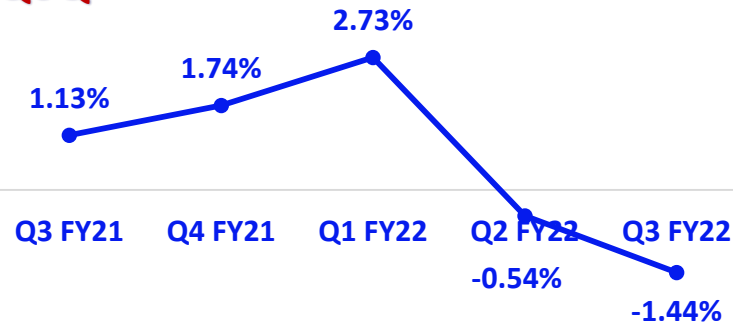


YoY

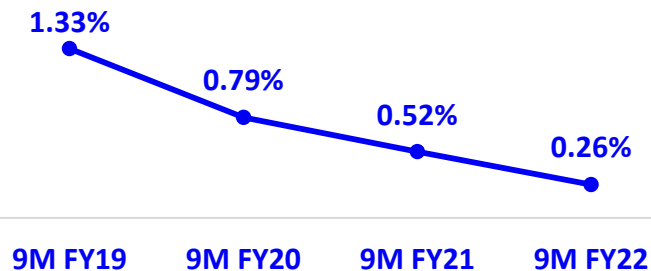


Credit Cost

QoQ

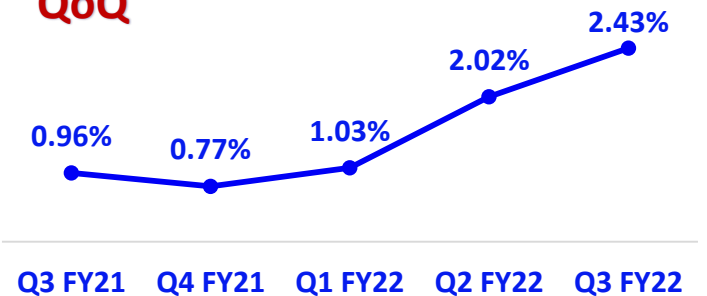


YoY

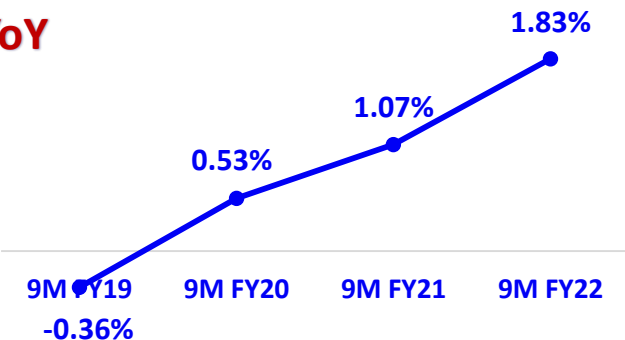


RoA

QoQ



YoY



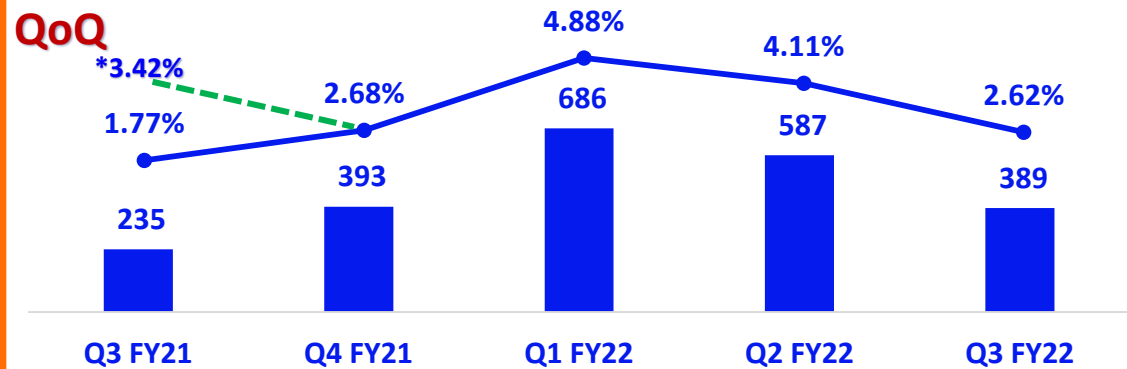
Asset Quality Ratios

Amt in Cr

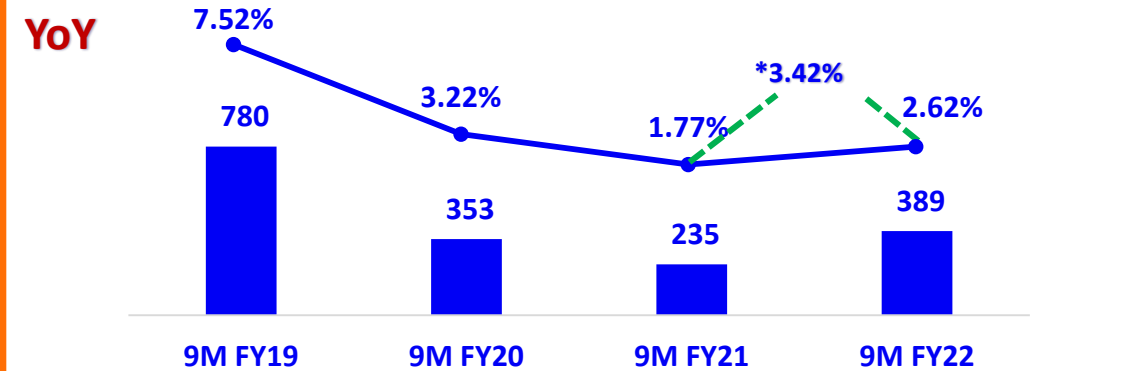
Gross NPA

Gross NPA %

QoQ



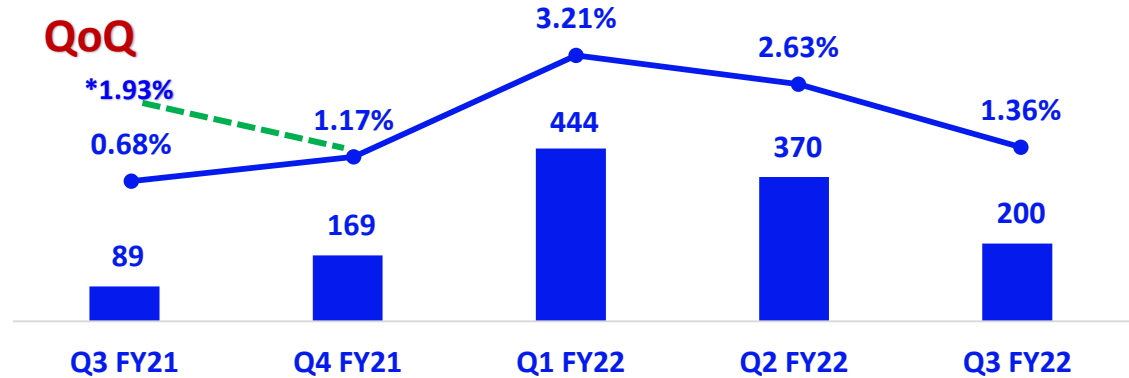
YoY



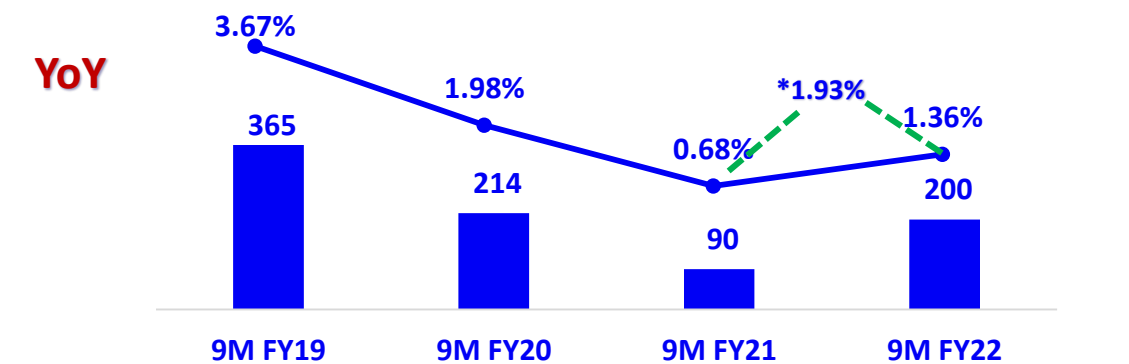
Net NPA

Net NPA %

QoQ



YoY



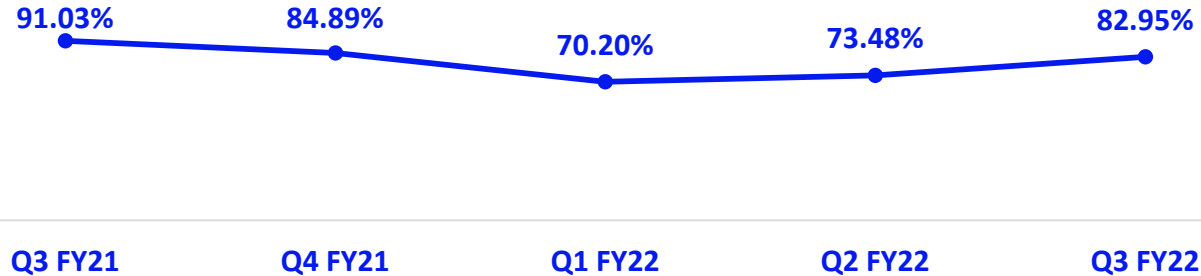
*Proforma NPA Impact

Asset Quality Ratios

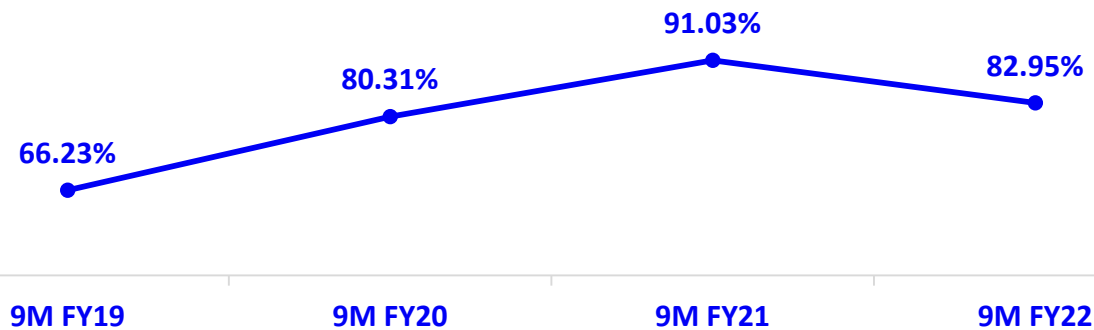
Amt in Cr

Provision Coverage Ratio

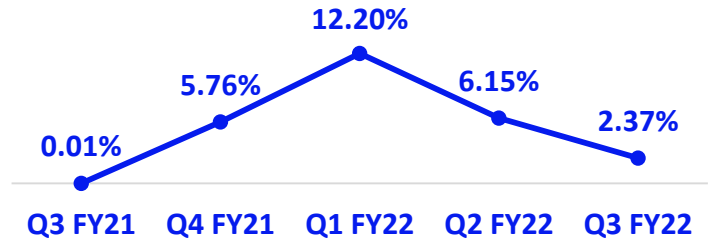
QoQ



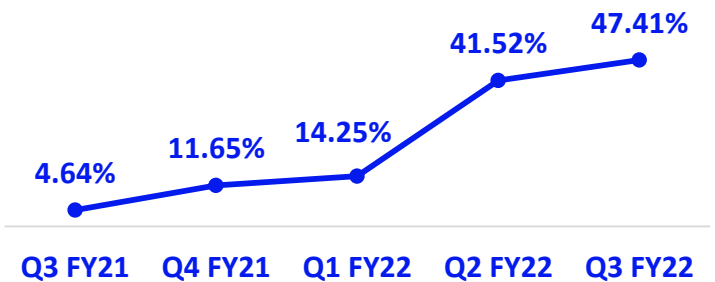
YoY



Slippage Ratio



Recovery Rate

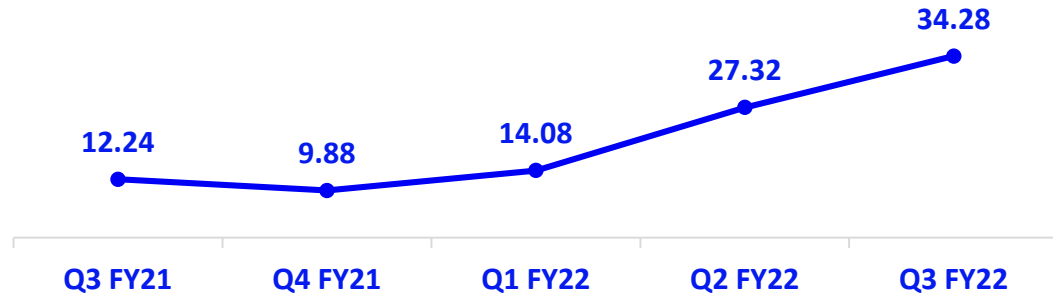


Share Holders Return & Risk Ratios

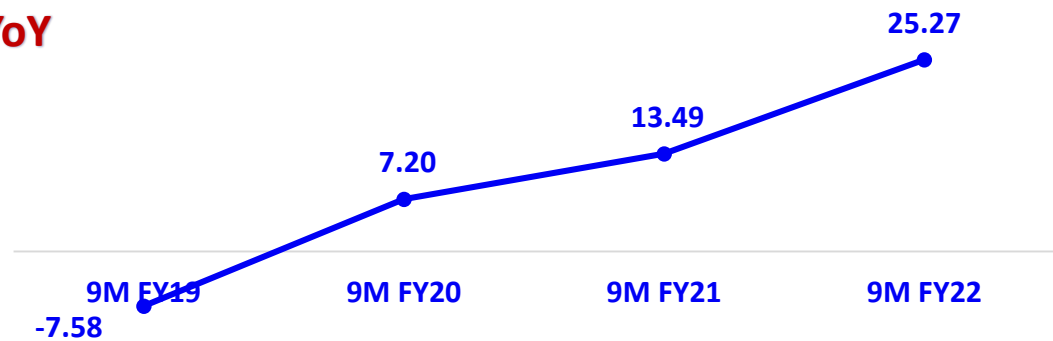
EPS

(in Rs)

QoQ

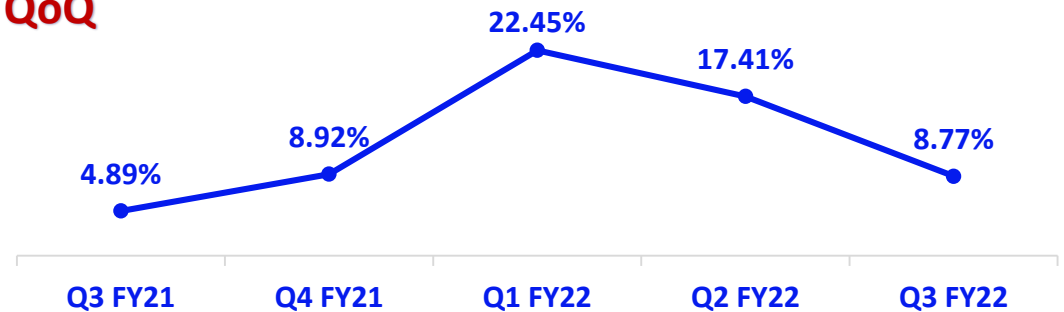


YoY

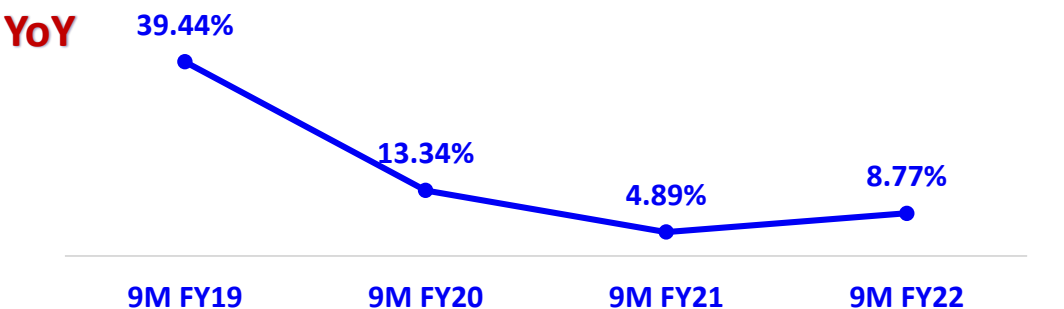


Net NPA to Networth

QoQ



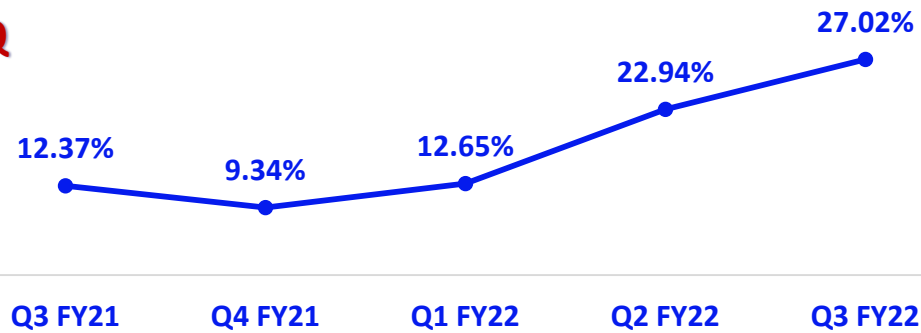
YoY



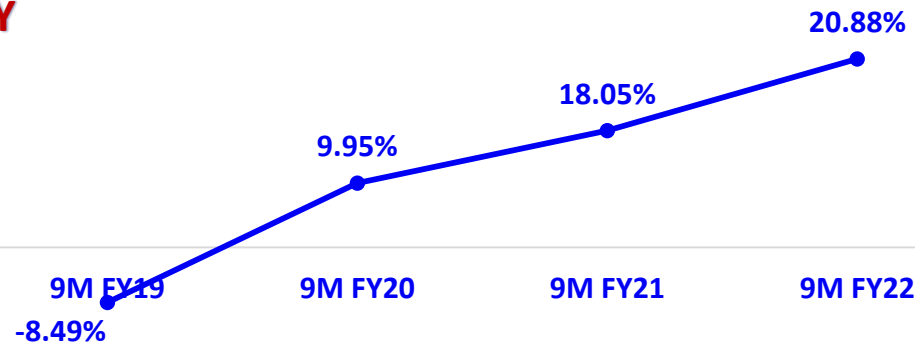
Share Holders Return & Risk Ratios

RoE

QoQ



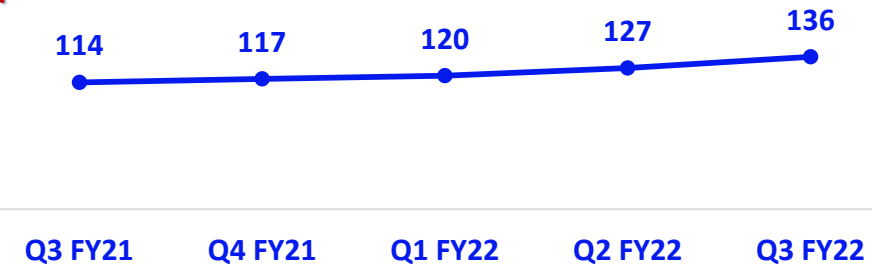
YoY



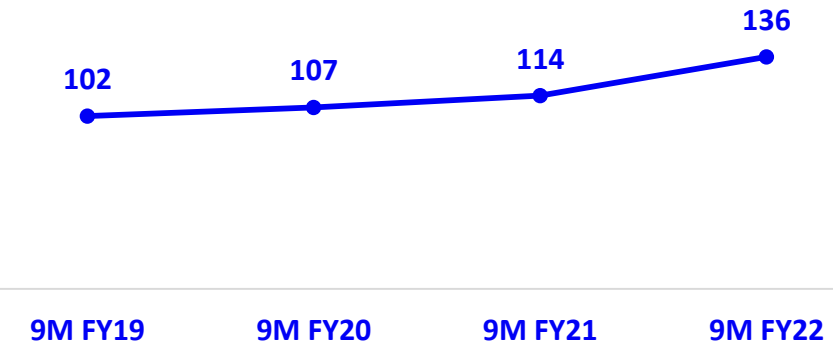
Book Value per Share

(in Rs)

QoQ



YoY



Company
Overview

Business
Overview

Earnings

Digital
Penetration

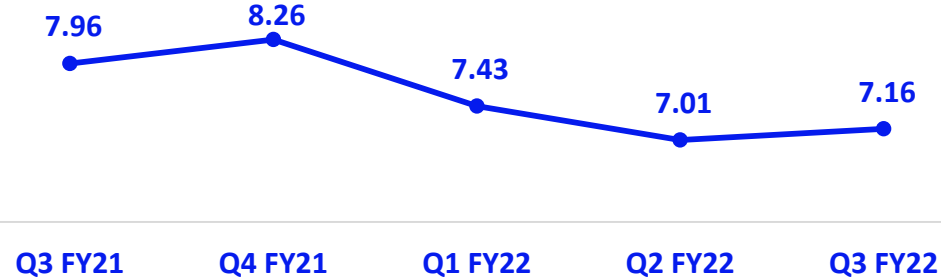
Strategy

Efficiency Ratios

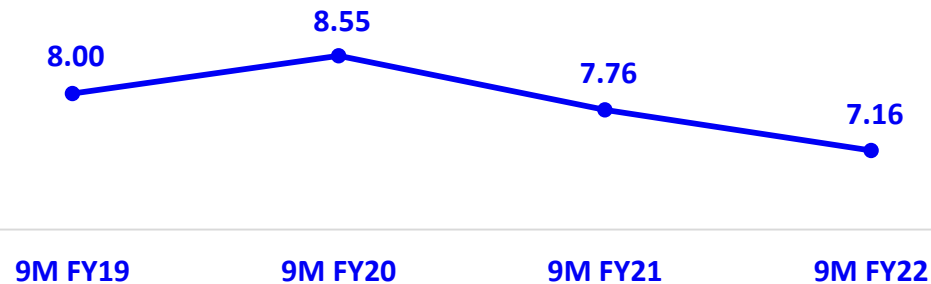
Business per Employee

(In Cr)

QoQ



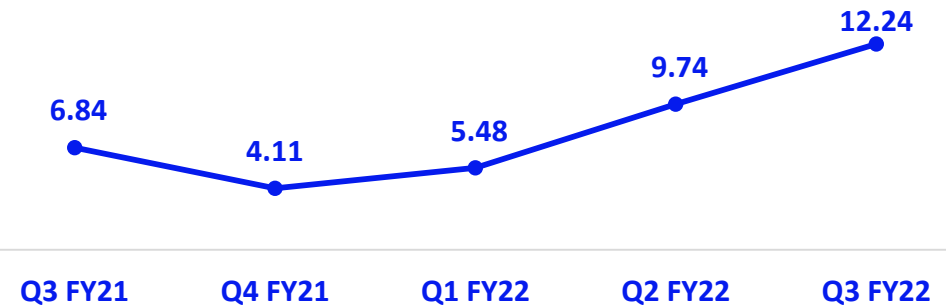
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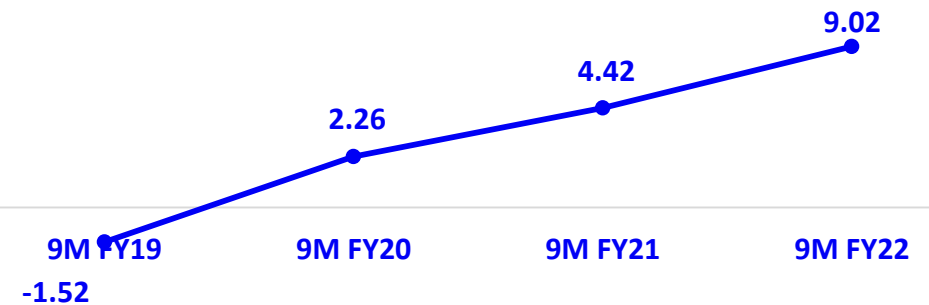
Profit per Employee

(in Lakhs)

QoQ



YoY



Company
Overview

Business
Overview

Earnings

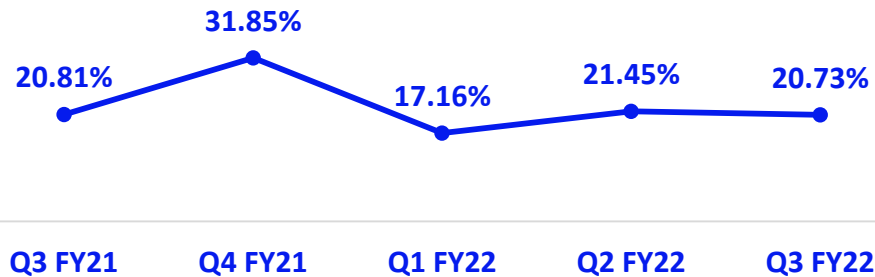
Digital
Penetration

Strategy

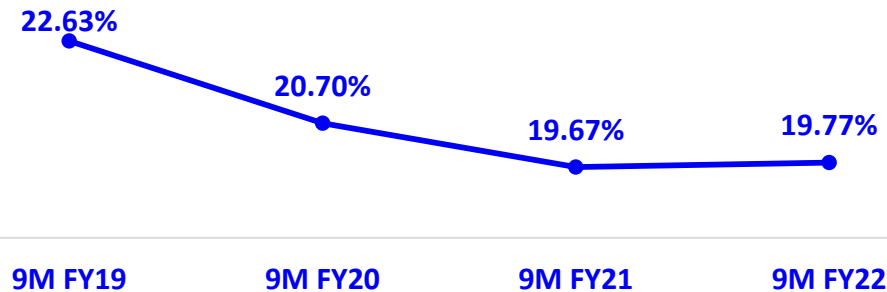
Efficiency Ratios

Staff Cost to Total Income

QoQ

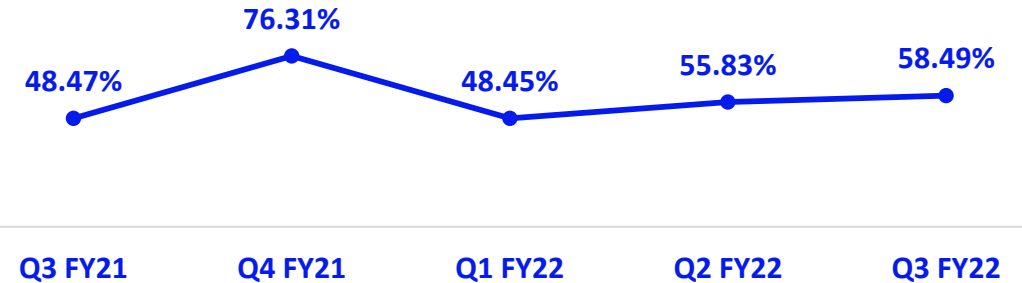


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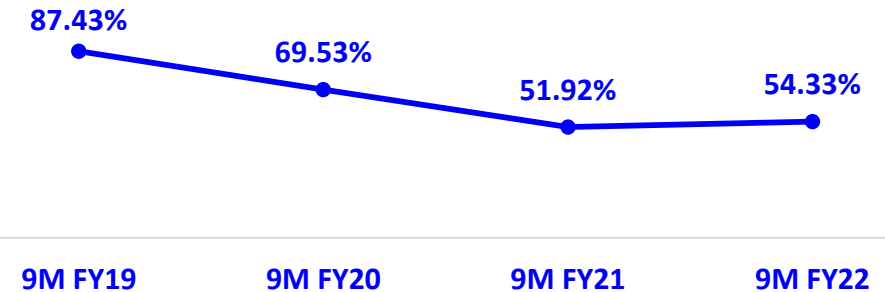


Cost to Income Ratio

QoQ



YoY



Company
Overview

Business
Overview

Earnings

Digital
Penetration

Strategy

Digital Touch Points



1,581 Installations



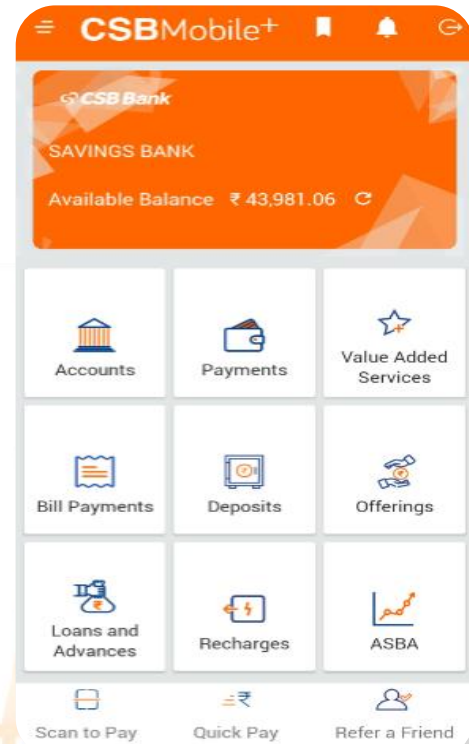
5.93 lacs + Debit Cards



4.09 lacs+ Net
Banking users



410 ATM
Network



3.77 lacs+ Mobile
Banking Users



3,463+ QR
Installations



77,719+ ePassbook
Downloads



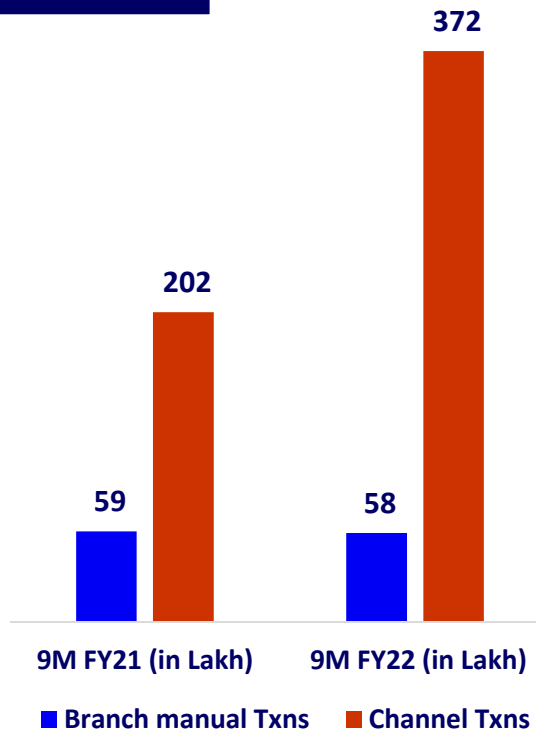
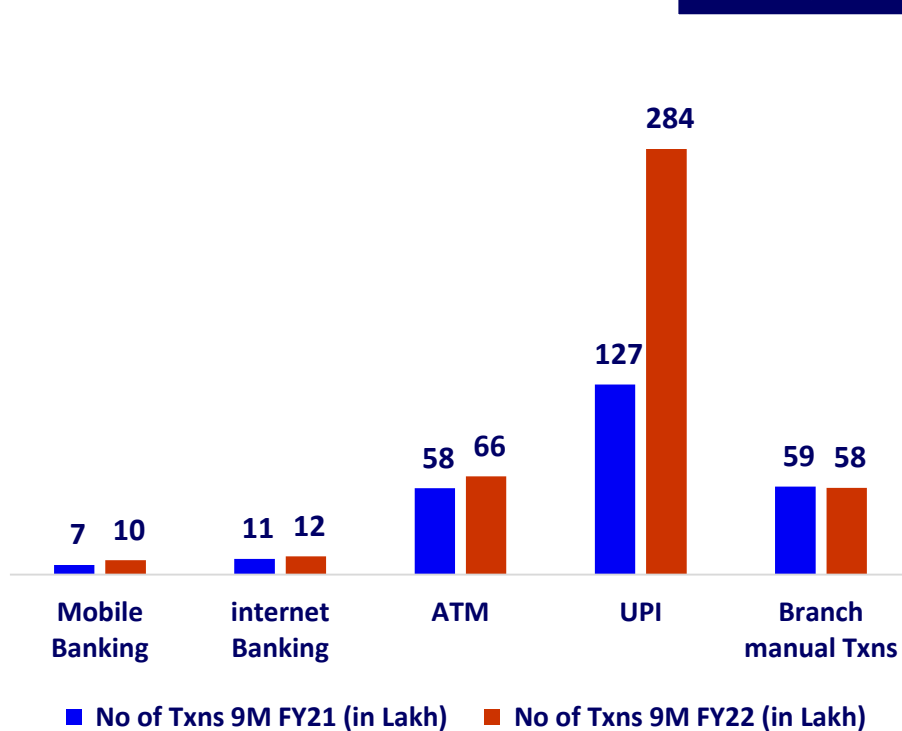
78,660+Prepaid
Cards



1.28 lac+ UPI
Downloads

Channel Transactions

Digital vs Branch



	No. of txns	
	9M FY21 (In lakh)	9M FY22 (In lakh)
Mobile Banking	6.52	9.63
Internet Banking	10.57	12.24
Debit Cards	57.66	65.52
UPI	126.93	284.16
Branch txns	58.87	57.87
Total Channel Transactions	201.7	371.56
% of channel txns	77%	87%

We aim to

- deliver long term value for the shareholders,
- grow with the aspirations of our customers,
- provide employees with a meritocratic work environment,
- meet the regulatory expectations.

Through

- expanding our footprints across India especially South and Western India,
- extending into new clientele base in retail and MSME
- reorganising into business verticals with clearly defined roles and responsibilities,
- incentivising performance,
- maintaining a granular asset portfolio with reduced focus on corporate credit,
- competing on non price value propositions,
- maintaining robust capital , funding and liquidity base,
- strong balance sheet with strong controls.

Thank You...

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