

B&S/42/2020

June 15, 2020

BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400001.  
**Scrip code: 542867**

National Stock Exchange of India Ltd.,  
Exchange plaza, 5<sup>th</sup> floor,  
Bandra-kurla Complex,  
Bandra (E), Mumbai 400051.  
**Symbol: CSBBANK**

Dear Sir/Madam,

**Outcome of Board Meeting - Submission of Audited Financial Results and Audit Report thereon, for the quarter and financial year ended March 31, 2020.**

Pursuant to Regulations 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of our letter no. B&S/35/2020 dated June 09, 2020, we wish to inform you that further to the review by the Audit Committee, the Board of Directors of the Bank at their meeting held on Monday, June 15, 2020, has considered and approved the Audited Financial Results of the Bank for the quarter and financial year ended March 31, 2020 along with the Audit Report thereon issued by the Statutory Auditors of the Bank, M/S R.G.N Price & Co., Chartered Accountants.

A copy of aforesaid Audited Financial Results and Audit Report thereon issued by the Statutory Auditors of the Bank, a copy of press release and investor presentation on financial and business performance of the Bank for the quarter and financial year ended March 31, 2020 are enclosed herewith.

The meeting of the Board of Directors commenced at 12.00 noon and concluded at 02.30 p.m.

The intimation shall also be made available on the Bank's website at [www.csb.co.in](http://www.csb.co.in)

Kindly take the same on record.

Thanking You,

Yours faithfully,

**Sijo Varghese**  
**Company Secretary**

Encl: As above.

**R.G.N.PRICE & CO**  
CHARTERED ACCOUNTANTS

Phone : 2312960, 2316538  
E-Mail : priceco@rgnprice.com

G 234, Panampally Nagar,  
Cochin - 682 036.

Date : 15<sup>th</sup> June 2020

**Auditor's Report on the Annual Financial Results of CSB Bank Limited (Formerly The Catholic Syrian Bank Limited) pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Independent Auditor's Report**

To the Board of Directors of CSB Bank Limited (Formerly the Catholic Syrian Bank Limited)

**Report on the audit of the Annual Financial Results**

**Opinion**

We have audited the accompanying annual financial results of CSB Bank Limited ( Formerly The Catholic Syrian Bank Limited )("the Bank") for the year ended 31<sup>st</sup> March 2020, attached herewith, (the "Financial Results"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at 31 March 2020, including leverage ratio and liquidity coverage 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 the Financial Results and have not been audited by us. Attention is drawn to the fact that the figures for the last quarter ended 31<sup>st</sup> March 2020 and the corresponding quarter ended in the previous year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

- i. Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31 March 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations, explained in the earlier paragraph. as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and
- ii. give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines, and other accounting principles generally accepted in India, of the net profit and other financial information for the year ended 31<sup>st</sup> March 2020.



## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

We draw attention to Note 9 to the Financial Results, on the Bank having recognized provision on certain loans that were though overdue but standard as at 29<sup>th</sup> February 2020, for which moratorium benefit has been granted, based on the days past due status as on that date in accordance with the Reserve Bank of India COVID-19 Regulatory Package and also the extent to which the COVID19 pandemic will have an impact on the Bank’s financial performance which is dependent on future developments, which are highly uncertain.

Our opinion on the financial results is not modified in respect of the above matters.

## **Responsibilities of Management and those Charged with Governance for the Annual Financial Results**

These Financial Results have been prepared on the basis of the annual financial statements; audited statement for the half year ended 30<sup>th</sup> September and reviewed quarterly financial results for the first and the third quarter. The Bank’s Management and the Board of Directors are responsible for the preparation of these Financial Results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines, and directions issued by the Reserve Bank of India (RBI) from time to time (“RBI Guidelines”) and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Management and the Board of Directors are responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank’s financial reporting process.



## Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ✦ Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ✦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ✦ Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- ✦ Evaluate the overall presentation, structure, and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.






## Other Matters

The Financial Results incorporate the relevant returns of 21 branches / departments and Treasury Branch audited by us and audited returns in respect of 431 branches / departments audited by other branch auditors. The Branches audited by us cover 40.37 % of the advances portfolio of the Bank.

For R.G.N.Price & Co.  
Chartered Accountants  
FR No. 002785 S

  
G. Surendranath Rao

Partner

M No. 022693

UDIN: 20022693AAAAEE4621





**CSB Bank Limited**  
(Formerly known as The Catholic Syrian Bank Limited)  
Regd. Office: 'CSB Bhavan', Post Box No. 502, St. Mary's College Road,  
Thrissur – 680020, Kerala, India.  
Tel: +91 487-2333020 | Fax: +91 487-2338764 |  
Website: www.csb.co.in | Email: board@csb.co.in  
Corporate Identity Number: U65191KL1920PLC000175

**CSB Bank**

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED MARCH 31, 2020**

(₹ in lakh)

Particulars	Quarter ended			Year ended	
	31/Mar/20	31/Dec/19	31/Mar/19	31/Mar/20	31/Mar/19
	Audited	Unaudited	Audited	Audited	Audited
	Refer Note 12 Below		Refer Note 12 Below		
1. Interest earned (a) + (b) + (c)	3,88,92	3,88,67	3,54,00	15,09,89	13,47,52
(a) Interest/discount on advances/bills	2,96,28	3,02,71	2,56,09	11,62,11	9,68,62
(b) Income on investments	79,12	77,34	90,91	3,09,87	3,47,37
(c) Interest on balances with RBI, Other interbank funds and RIDF	13,53	8,62	7,00	37,91	31,53
2. Other Income	86,57	50,62	45,87	2,21,61	1,35,92
3. Total Income (1+2)	4,75,49	4,39,29	3,99,87	17,31,50	14,83,43
4. Interest Expended	2,31,38	2,33,44	2,33,50	9,17,60	9,07,56
5. Operating Expenses (i) +(ii)+(iii)	1,37,12	1,35,83	2,04,48	5,33,32	5,62,51
(i) Employees Cost	78,95	84,18	150,23	3,31,27	3,84,43
(ii) Rent, taxes and lighting	14,60	14,77	12,90	57,17	50,59
(iii) Other operating expenses	43,57	36,89	41,35	1,44,88	127,50
6. Total Expenditure (4+5) (excluding provisions and contingencies)	3,68,50	3,69,28	4,37,98	14,50,92	14,70,07
7. Operating Profit (Loss) before provisions and Contingencies (3-6)	106,99	70,01	-38,12	2,80,58	13,36
8. Provisions (other than Tax) and contingencies	84,32	27,61	190,55	146,58	313,45
Of which provisions for Non-performing Assets/write off	56,03	35,29	166,67	121,16	261,72
9. Exceptional Items	-	-	-	-	0
10. Profit/ (Loss) from ordinary activities before tax (7-8-9)	22,67	42,40	-2,28,67	1,34,00	-300,10
11. Less: Tax Expense	82,35	14,26	-78,02	1,21,27	-102,68
12. Net Profit/ (Loss) from ordinary activities after tax (10-11)	-59,68	28,14	-1,50,64	12,72	-197,42
13. Extraordinary items (net of Tax expense)	-	-	-	-	0
14. Net Profit / (Loss) for the period (12-13)	-59,68	28,14	-1,50,64	12,72	-197,42
15. Paid-up equity share capital (Face Value of the share-Rs 10 per share) (i) +(ii)	1,73,51	1,73,51	85,97	1,73,51	85,97
(i) Rs. 10 Paid -Up equity share capital	1,73,51	1,73,51	81,01	1,73,51	81,01
(ii) Rs. 2.5 Paid -Up equity share capital	-	-	4,96	-	4,96
16. Share warrant	-	-	6,51,34	-	6,51,34
17. Reserves excluding Revaluation Reserves (as per balance sheet)	16,30,94	16,90,09	5,36,55	16,30,94	5,36,55
18. Analytical Ratios					
(i) Capital Adequacy Ratio (Basel-III)	22.46%	23.00%	16.70%	22.46%	16.70%
(a) CET 1 Ratio	21.79%	22.34%	16.03%	21.79%	16.03%
(b) Additional Tier 1 Ratio	-	-	-	-	-
(ii) Earnings per Share (EPS) ₹ *	(3.44)	1.63	(0.18)	0.88	(23.73)
19. NPA Ratios					
a) Gross NPA	4,09,43	3,52,63	5,30,62	4,09,43	5,30,62
Net NPA	2,16,94	2,13,74	2,40,68	2,16,94	2,40,68
b) % of Gross NPA	3.54%	3.22%	4.87%	3.54%	4.87%
% of Net NPA	1.91%	1.98%	2.27%	1.91%	2.27%
c) Return on Assets -Annualised	-1.24%	0.60%	-3.38%	0.07%	-1.13%

\* Not Annualised

**Statement of Assets & Liabilities of the Bank as on March 31, 2020**

	As at 31.03.2020	As at 31.03.2019
	Audited	Audited
<b>CAPITAL AND LIABILITIES</b>		
Capital	17,351	8,597
Share Warrant	-	65,134
Reserves and Surplus	178,716	69,438
Deposits	1,579,068	1,512,387
Borrowings	79,400	-
Other Liabilities and Provisions	31,889	35,559
<b>TOTAL</b>	<b>1,886,424</b>	<b>1,691,116</b>
<b>ASSETS</b>		
Cash and balances with Reserve Bank of India	54,779	72,541
Balances with banks and money at call and short notice	39,155	24,823
Investments	535,984	402,761
Advances	1,136,635	1,061,524
Fixed Assets	22,827	21,773
Other Assets	97,044	107,695
<b>TOTAL</b>	<b>1,886,424</b>	<b>1,691,116</b>



**SEGMENT INFORMATION**

(₹ in lakh)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited
<b>Segment Revenue:</b>					
Treasury	10,232	9,038	10,308	36,738	37,104
Corporate/Wholesale Banking	11,522	11,086	11,183	43,883	34,636
Retail Banking	25,140	23,334	17,890	90,520	74,855
Other Banking Operations	655	471	606	2,009	1,748
Unallocated	-	-	-	-	-
<b>Total Revenue</b>	<b>47,549</b>	<b>43,929</b>	<b>39,987</b>	<b>1,73,150</b>	<b>1,48,343</b>
Less: Inter segment revenue	-	-	-	-	-
<b>Income from operations</b>	<b>47,549</b>	<b>43,929</b>	<b>39,987</b>	<b>1,73,150</b>	<b>1,48,343</b>
<b>Segment Results (Net of provisions):</b>					
Treasury	1,581	1,373	1,986	5,108	475
Corporate/Wholesale Banking	-3,449	2,151	1,412	1,843	-1,146
Retail Banking	12,287	3,317	-7,107	20,415	1,966
Other Banking Operations	280	161	-103	692	40
Unallocated (Provision other than tax)	-8,432	-2,762	-19,055	-14,658	-31,345
<b>Profit Before Tax</b>	<b>2,267</b>	<b>4,240</b>	<b>-22,867</b>	<b>13,400</b>	<b>-30,010</b>
<b>Segment Assets:</b>					
Treasury	5,79,627	4,99,672	4,31,683	5,79,627	4,31,683
Corporate/Wholesale Banking	4,70,159	4,82,379	4,31,701	4,70,159	4,31,701
Retail Banking	8,01,770	7,50,979	7,84,688	8,01,770	7,84,688
Other Banking Operations	562	522	658	562	658
Unallocated	34,306	44,651	42,386	34,306	42,386
<b>Total</b>	<b>18,86,424</b>	<b>17,78,203</b>	<b>16,91,116</b>	<b>18,86,424</b>	<b>16,91,116</b>
<b>Segment Liabilities:</b>					
Treasury	79,754	10,014	9	79,754	9
Corporate/Wholesale Banking	1,67,885	1,44,191	1,37,567	1,67,885	1,37,567
Retail Banking	14,18,788	14,00,934	13,81,582	14,18,788	13,81,582
Other Banking Operations	1,143	1,157	1,553	1,143	1,553
Unallocated	22,787	19,872	16,515	22,787	16,515
<b>Total</b>	<b>16,90,357</b>	<b>15,76,168</b>	<b>15,37,226</b>	<b>16,90,357</b>	<b>15,37,226</b>
<b>Capital employed:</b>					
(Segment Assets-Segment Liabilities)					
Treasury	4,99,874	4,89,658	4,31,673	4,99,874	4,31,673
Corporate/Wholesale Banking	3,02,274	3,38,188	2,94,134	3,02,274	2,94,134
Retail Banking	-6,17,019	-6,49,955	-5,96,894	-6,17,019	-5,96,894
Other Banking Operations	-582	-635	-895	-581	-895
Unallocated	11,519	24,779	25,872	11,519	25,872
<b>Total</b>	<b>1,96,066</b>	<b>2,02,035</b>	<b>1,53,890</b>	<b>1,96,067</b>	<b>1,53,890</b>

# 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

# # Method of allocating operating Expenses and Balance with RBI among segments has changed. All previous year figures given above are recasted to incorporate this change.





Notes:

- 1 The above results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on June 15, 2020. The financial results for the quarter ended and year ended March 31, 2020 have been subjected to an audit by the statutory auditors of the Bank and the report thereon is unmodified.
- 2 The information related to the total comprehensive income and other comprehensive income has not been furnished as IND AS is not yet made applicable to the Bank.
- 3 The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the guidelines issued by the Reserve Bank of India (RBI).
- 4 The Bank has consistently applied its significant accounting policies in the preparation of its quarterly financial results and its annual financial statements during the years ended March 31, 2020 and March 31, 2019.
- 5 The working results for the 12 months ended March 31, 2020 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 During the year, the Bank raised capital of Rs. 409,67,68,065 through Initial Public Offering (IPO) through issue of 2,10,09,067 equity shares of Rs.10 each at a price of Rs.195 per share comprising a fresh issue of 12,30,769 equity shares aggregating to Rs. 23,99,99,955 and an offer for sale of 1,97,78,298 equity shares aggregating to Rs. 3,85,67,68,110. The equity shares of the Bank were listed on BSE Limited and National Stock Exchange of India Ltd. from December 4, 2019.
- 7 Pursuant to Regulation 32 (1) there is no deviation/ variation in the utilization of proceeds of fresh issue of shares as mentioned in the objects stated in the Prospectus dated November 27, 2019, in respect of the Initial Public Offering of the Bank which includes offer for sale of shares, completed in November 2019.
- 8 The Bank has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) ordinance, 2019. Accordingly, the Bank has recognised provision for Income Tax for quarter and year ended March 31, 2020 and re-measured its Deferred tax asset, based on the rate prescribed in the aforesaid section and recognized the effect of change by revising the annual effective income tax rate. An amount of ₹7.92 Crore paid as Minimum Alternate Tax for the years FY 2013-14 has been charged to the Profit and Loss Account in accordance with the aforesaid section. Had the bank followed the earlier rate of tax, profit after tax for FY 20 and the fourth quarter would have been higher by ₹74.25 Crores.
- 9 The COVID-19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian Financial markets and a significant decrease in the global and local economic activities. COVID-19 outbreak was declared as a global pandemic on March 11, 2020 by World Health Organisation. The Government of India had announced a series of lock-down measures on March 24, 2020 which had been extended from time to time up to May 31, 2020. The recent directions from the Government indicating calibrated and gradual withdrawal of lockdown and partial resumption of economic activities, though major economic centres still continue to be under lockdown. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments which are highly uncertain/ including among other things, any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate its impact whether government mandated or elected by the Bank. The Bank's capital and liquidity position is strong.  
  
In accordance with the 'COVID-19 Regulatory Package' announced by the RBI on March 27, 2020 and April 17, 2020 and the related RBI guidelines with regard to providing relief to borrowers' on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and May 31, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring. Further on May 23, 2020, RBI has permitted the Banks to extend such benefits to eligible borrowers for another three months, from June 1, 2020 to August 31, 2020. In accordance with the RBI guidelines, the Bank is required to make provision @ 10% of outstanding advances over two quarters beginning with quarter ending March 31, 2020 in respect of such borrowers whose accounts, though classified as standard as on March 31, 2020, would have become non-performing but for these benefits/relaxations extended as per RBI guidelines. The Bank, as a prudent measure, has made the entire 10% provision amounting to ₹1.63 Crore in the quarter ended 31.3.2020. The said provision of ₹1.63 Crore in respect of COVID-19 impact is grouped under other liabilities and provisions in the Balance sheet of the Bank, as per RBI Guidelines.
- 10 In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015 and RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 'Prudential Guidelines on Capital Adequacy and Liquidity Standards -Amendments', Banks are required to make Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under 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 audit or review by the Statutory Central Auditors of the Bank.
- 11 The Bank has reappointed Mr. C.V.R. Rajendran Managing Director & CEO of the Bank for a period of three years w.e.f. December 9, 2019.
- 12 The figures of the last quarter for the current year and for the previous year are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter. The figures up to the end of the third quarter were only reviewed and not subjected to audit.
- 13 Previous period / year figures have been regrouped / reclassified, where necessary to conform to current period / year classification.

Place: Thrissur  
Date: 15.06.2020



For and on behalf of the Board

C VR Rajendran  
Managing Director & CEO  
DIN: 00460061

**A. CASH FLOW FROM OPERATING ACTIVITIES**

NET PROFIT BEFORE TAX	1, 34, 00	-3, 00, 10
Adjustments for:		
Depreciation on Fixed Assets	16, 32	12, 17
Amortisation of Intangible Assets	7, 20	4, 36
Provisions and Contingencies	1, 46, 58	3, 12, 26
Interest Paid on Tier II Bonds	0	5, 07
Others	65	67
<b>Operating Profit before Working Capital Changes</b>	<b>3, 04, 75</b>	<b>, 34, 43</b>
<b>Adjustments for:</b>		
Investments	-13, 52, 62	51, 09
Advances	-8, 72, 25	-15, 20, 49
Other Assets	19, 21	25, 39
Deposits	6, 66, 81	4, 33, 22
Borrowings	7, 94, 00	0
Other Liabilities	-41, 60	90, 86
<b>Cash generated from Operating Activities</b>	<b>-4, 81, 70</b>	<b>-8, 85, 50</b>
Direct Taxes Paid (Net of refunds)	-25, 15	-7, 74
<b>Net Cash flow from Operating Activities (A)</b>	<b>-5, 06, 85</b>	<b>-8, 93, 24</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets and Intangible Assets	-44, 03	-22, 65
Sale of Fixed Assets	34	51
<b>Net Cash Used in Investing Activities (B)</b>	<b>-43, 69</b>	<b>-22, 14</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from issue of Equity Share Capital	87, 54	4, 96
Proceeds from Share Premium	10, 79, 73	64, 45
Proceeds from Equity Share Warrants	-6, 51, 02	6, 51, 34
Redemption of Tier II Bonds	0	-41, 80
Interest Paid on Tier II Bonds	0	-5, 07
<b>Net Cash (used)/generated from Financing Activities (C)</b>	<b>5, 16, 25</b>	<b>6, 73, 88</b>

**D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+)**

Cash and Cash Equivalents at the Beginning of the Year	9, 73, 63	12, 15, 13
Cash and Cash Equivalents at the End of the Year	9, 39, 34	9, 73, 63
<b>NET INCREASE AS DISCLOSED ABOVE</b>	<b>-34, 29</b>	<b>-2, 41, 50</b>

**Notes to Cash Flow Statement**

1. The Cash Flow Statement has been prepared under the Indirect Method and figures has been regrouped wherever necessary
2. Cash and Cash equivalents includes Cash in Hand, Balance with RBI & Other Banks and Money at Call and Short Notice



## **PRESS RELEASE**

### **Cozy in COVID times**

The Board of Directors of CSB Bank took on record the audited financial results for the year ended 31.03.2020 in their meeting dated 15.06.2020.

#### **Highlights**

- a) CSB Bank breaks the streak of continuous losses, posted profits. After many lull years of losses, bank has been able to post profits and poised to grow from now.
- b) In FY 2020, **Profit before Tax** increases to Rs 134 Cr from a Loss before tax of Rs 300 Cr in FY 2019. Despite having taken a one-time hit of Rs. 87 crore on its profit and loss account for switching over to lower tax rates, Bank has posted **Net profit** of Rs 13 Cr in FY 2020 from the loss of Rs 197 Cr of FY 2019. Due to the re-measurement of DTA and reversal of MAT credit, there is a one-time impact on P&L amounting to Rs 87 Cr. But for this, the net profit would have been **Rs 100 Cr for FY 2020**. The intended benefit of this measure will accrue to the Bank in the following quarters by way of lower tax rates.
- c) To **strengthen its Balance sheet**, Bank is also holding excess provisions as detailed below:
  - NPA provision at rates above RBI prescribed rates: Rs 93 Cr
  - Not utilizing the option to amortise provision for fraud: Rs 22 Cr
  - Not considering appreciation for arriving at Net Depreciation of Securities Receipts book: Rs 9 Cr
  - Not utilizing the option to amortize provision on Loans where asset quality benefits were availed as per RBI's Covid relief: Rs 1 Cr
- d) **Operating Profit** for FY 2020 stood at an all-time record level of Rs 281 Cr. In FY 2019 this was meagre at Rs 13 Cr – a YoY increase of 2000%.
- e) In FY 2020, the Bank earned **Net Interest Income (NII)** of Rs 592 Cr as against Rs 440 Cr with an absolute growth of Rs 152 Cr or 35%.
  - Yield on Advances improved to 10.6% from 9.9%: *70 bps*
  - Cost of Deposits is stable at 5.9%
  - Net Interest Margin (NIM) improves to 3.2% from 2.5% : *70 bps*
- f) In FY 2020, **Non-Interest Income** witnessed robust growth and stood at Rs 222 Cr as against Rs 136 Cr for the same period as last year delivering an increase of 63%. In Q4 2020 the Non-Interest Income was Rs 87 Cr against Rs 46 Cr for the same period last year.
- g) **Opex** Containment. Opex reduced from Rs 563 Cr in FY 2019 to Rs 533 Cr in FY 2020



- h) The **Cost Income Ratio** improved vastly: For full year FY 2020 stood at 66% and for Q4 2020 was 56%. In comparison, Cost Income Ratio substantially improved over the previous year same period (98% for FY 2019 and 123% for Q4 2019).
- i) Stellar improvement in **Asset Quality**
- Gross NPA decreased from 531 Cr as on 31.03.2019 to Rs 409 Cr as on 31.03.2020 – a decrease of 23%. Gross NPA as percentage of advances decreased from 4.9% to 3.5%
  - Net NPA decreased from 241 Cr as on 31.03.2019 to Rs 217 Cr as on 31.03.2020 – a decrease of 10%. Net NPA as percentage of advances decreased from 2.3% to 1.9%
  - Provision Coverage improves to 80% from 78%
- j) **Capital Adequacy Ratio** improves from 16.7% as on 31.03.2019 to 22.5% as on 31.03.2020. Leverage Ratio improves from 6.6% as on 31.03.2019 to 8.9% as on 31.03.2020.
- k) **Comfortable Liquidity Position.** Liquidity Coverage Ratio at 245% comfortably above the RBI requirement of 100%. Post March, Deposits grew by Rs.430 Cr underlying the stability of franchise even in Covid times.
- l) **CASA mix** improved to 29.2% as on 31.03.2020 from 27.8% as on 31.03.2019.
- m) In **Advance Growth**,
- Gold loans posted an impressive YoY growth of Rs 841Cr or 28.4%
  - LCBD portfolio (low yielding) reduced by Rs 367 Cr or 46%
  - The fledgling vertical Agri& MFI contributed to a growth of ~Rs160 Cr
  - Continued the cautious lending strategy in FY 20 and could register an overall y-o-y growth of 7% in advances.

## Summarised P&L

Rs Cr	FY 19	FY 20	Inc/Dec %	Q4FY 19	Q4FY 20	Inc/Dec %
Interest Income	1,347.52	1,509.89	12%	354.00	388.92	10%
Interest Expense	907.56	917.60	1%	233.50	231.38	-1%
Net Interest Income	439.95	592.29	35%	120.50	157.54	31%
Non-Interest Income	135.92	221.61	63%	45.87	86.57	89%
Net Operating Income	575.87	813.90	41%	166.37	244.11	47%
Operating Expenses	562.51	533.32	-5%	204.48	137.12	-33%
Operating Profit	13.36	280.58	2000%	-38.12	106.99	
Provisions	313.45	146.58	-53%	190.55	84.32	-56%
Profit/Loss Before Tax	-300.10	134.00		-228.67	22.67	
Tax	-102.68	121.27		-78.02	82.35	
Profit/Loss After Tax	-197.42	12.72		-150.64	-59.69	

## Key Balance Sheet Parameters

Rs Cr	31.03.2019	30.06.2019	30.09.2019	31.12.2019	31.03.2020
Total Assets	16,911	17,185	17,755	17,782	18,864
Deposits	15,124	15,197	15,510	15,241	15,791
Net Advances	10,615	10,605	11,298	10,808	1,1366
Investments	4,028	4,226	4,314	4,664	5,360
Share Capital+Reserves	1,432	1,451	1,968	2,020	1,961
Gross NPA Ratio	4.87%	4.71%	2.86%	3.22%	3.54%
Net NPA Ratio	2.27%	2.04%	1.96%	1.98%	1.91%
Provision Coverage Ratio	78.16%	79.88%	79.45%	80.31%	80.02%
CASA Ratio	27.84%	28.11%	28.19%	28.56%	29.17%
Credit Deposit Ratio(gross)	75.89%	75.45%	78.37%	76.63%	77.51%

## Future Plans:

Bank plans to open **103 branches** in this financial year. These branches will be opened at areas with gold loan, Agri & MFI, MSME and CASA potential in line with the strategic priorities of the bank and around 75% will be breaking even in the first year from opening itself.

## CEO Speak:

Speaking about the performance **Mr.C VR Rajendran, Managing Director & CEO** said *"FY 2020 has been a landmark year in the history of the bank as we got listed and have come back to profitability after many years of continuous losses. The profit could be much higher had the bank not opted for the new tax regime. While we had time upto Sep 2020 to decide on the new tax regime, we have, after due analysis found migrating to the new tax rates beneficial in the long run and accordingly preferred to take a hit in FY 2020 itself. FY 2021 is the centenary year for the bank. Several positives can be seen in our working results of FY 2020 and we are on a firm pedestal for future growth. Our main aim would be to carefully build a stable asset base in the current environment of heightened VUCA (Volatility, Uncertainty, Complexity, Ambiguity), while diversifying our funding base, cutting costs and improving upon margins and fee income."*

## About CSB Bank Limited:

We are one of the oldest private sector banks in India marching to the centenary 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, and Maharashtra. We offer a wide range of products and services to our overall customer base of 1.5 million as on March 31, 2020, with particular focus on SME, retail, and NRI customers. We deliver our products and services through multiple channels, including 411 branches (excluding three service branches and three asset recovery branches) and 300 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](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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Email : msreelatha@csb.co.in

Thrissur  
15.06.2020



# **CSB Bank**

## **Investor Presentation**

### **Q4 FY 20**

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Key Information

#### Improved Profitability

\* Operating profit improves from Rs 13 Cr in FY 19 to Rs 281 Crs in FY 20(2000%). Q4 improvement of 53%

\* In FY 20, Profit before Tax increases to Rs 134 Cr from a Loss before tax of Rs 300 Cr in FY19

\* Net profit increased to Rs 12.72 Cr in FY 20 from the loss of Rs 197Cr of FY 19.

#### Tax Impact- One off

\* Bank opted for the lower tax regime in Q4FY20

\* Due to the re-measurement of DTA and reversal of MAT credit, there is a one time impact on P&L amounting to Rs 87 Cr. But for this, the net profit would have been Rs 100 Crs

#### Cost and Revenue

\* NII increased by Rs 152 Crs in FY 20(35%)

\* Total Opex down by Rs 29Cr (5% ) (12M Period)

\* Non Interest Income increased by 63% (12M period) and 71% in Q4 FY 20

\* Total provisions down by Rs 167Cr (53%) (12M Period)

#### Comfortable Provision Coverage

\*Provision Coverage Ratio improved to 80% from 78% last FY

\*Bank continues to provide accelerated provisions in FY 20

#### Well Capitalised & Strong Liquidity Position

\* CRAR improved to 22.46% from 16.7% (FY19)

\* High Tier I ratio of 21.79%

\*LCR of 245%

#### Asset Quality

\* GNPA & NNPA at 3.54% & 1.91% as on 31.03.2020

\* As on 31.03.2020, Asset Classification benefit extended accounts(stand still accounts )amounts to Rs 16 Crs only and Special Covid Provision of Rs 1.63 Cr @ 10% has been provided in full(in line with RBI circular)

- Will be a century young by November 2020
- 411 Branches & 300 ATMs
- 8 Zonal Offices
- 1.5Mn happy customers
- Presence in 16 states & 4 UTs
- Total business of ~Rs 28,000Cr
- 5 bancassurance tie ups with industry leaders.

## Adjustments to ensure Comparability



Reported  
PAT

DTA  
Reversal &  
MAT Credit  
Reversal  
Impact

Adjusted  
PAT

### Extra Provisions Held (Over and Above RBI Guidelines)

NPA provisions

• Rs 93 Cr  
(PY Rs 92 Cr)

Others (Provision  
for Fraud, SR  
provision & Covid  
accounts provision)

• Rs 32 Cr  
(PY Rs 27 Cr)

## Prudential Provisioning Policy

### a) NPA Provisions

Asset Classification		RBI Norms	Our Norms
Sub Standard Assets	Secured	15%	25%
	Unsecured	25%	50%
Doubtful Assets (Up to one year)	Secured	25%	40%
	Unsecured	100%	100%
Doubtful Assets (One to three years)	Secured (1st Year)	40%	60%
	Secured (2 <sup>nd</sup> Year)	40%	100%
	Unsecured	100%	100%
Doubtful Assets (More than three years)	Secured/Unsecured	100%	100%
Loss Assets	Secured/Unsecured	100%	100%

### b) Other Provisions

	RBI Norms	Our Norms
<b>Provisions for Fraud</b>	P&L charge can be amortised over 4 quarters	Charged to P&L in the first quarter itself
<b>Provisions for COVID 19 Relief accounts</b>	<ul style="list-style-type: none"> <li>• 5% in Q4 FY20</li> <li>• 5% in Q1 FY21</li> </ul>	10% in Q4 FY20
<b>Provisions for Security Receipts</b>	Depreciation can be netted with appreciation of individual scrips in the same category	Appreciation of individual scrips not netted

## Company Overview

## Business Overview

## Earnings

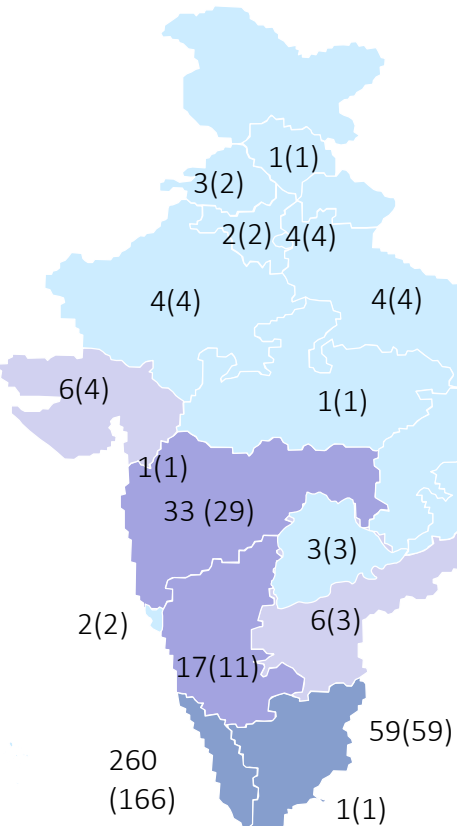
## Digital Penetration

## Strategy

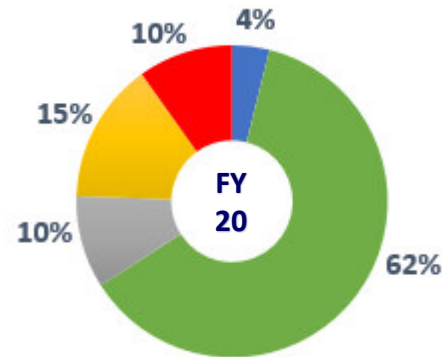
### Branch Distribution

State	% distribution
KERALA	63%
TAMIL NADU	14%
MAHARASHTRA	8%
KARNATAKA	4%
OTHERS	10%

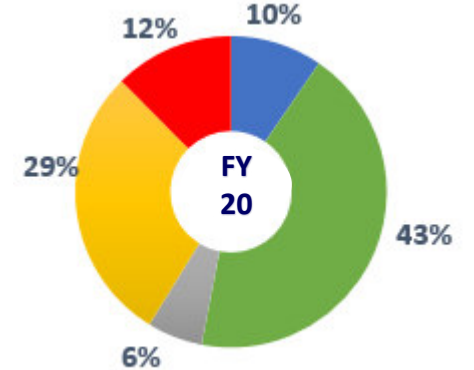
Population	No of Branches
Metropolitan	65
Urban	87
Semi-urban	223
Rural	36
<b>Grand Total</b>	<b>411</b>



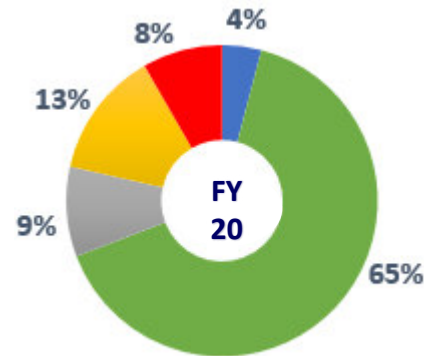
### CASA



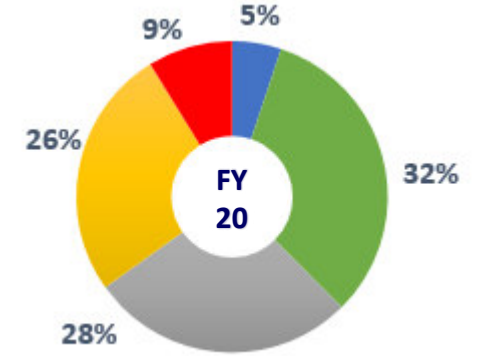
### Gold Loans



### Total Deposits



### Total Advances

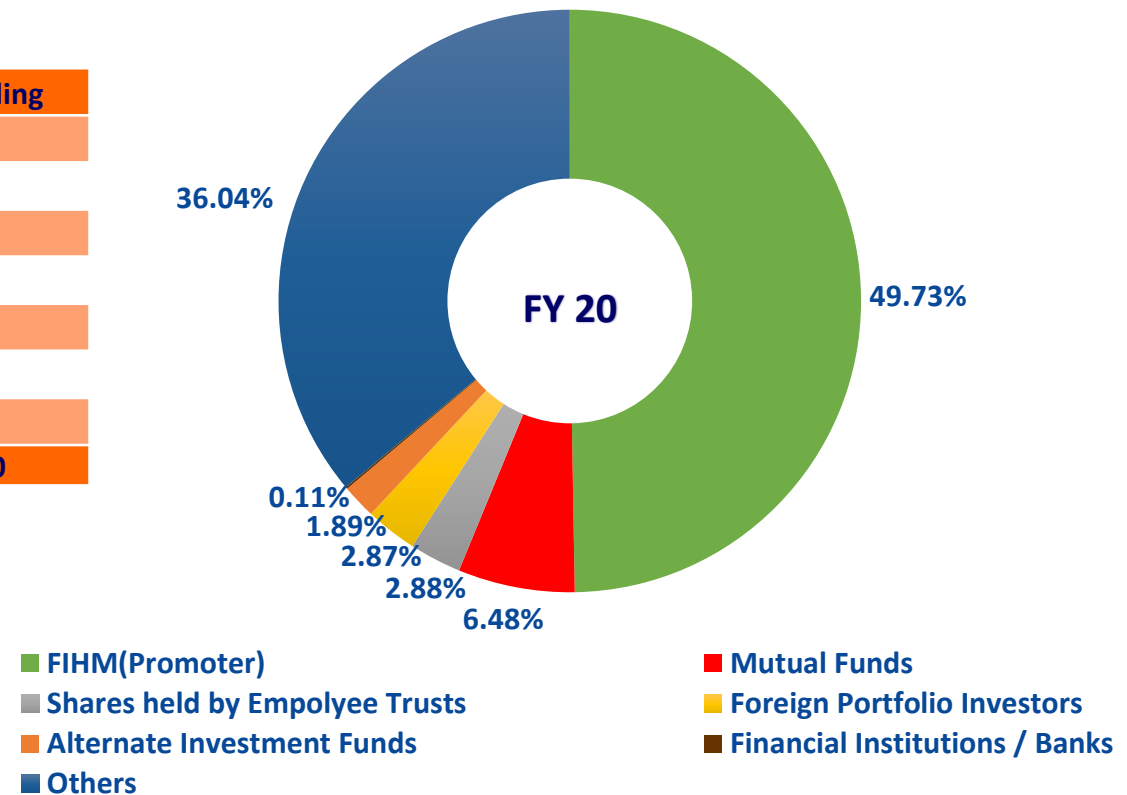


■ Kerala ■ Tamilnadu ■ Maharashtra ■ Karnataka ■ Others

## Share Holding Pattern

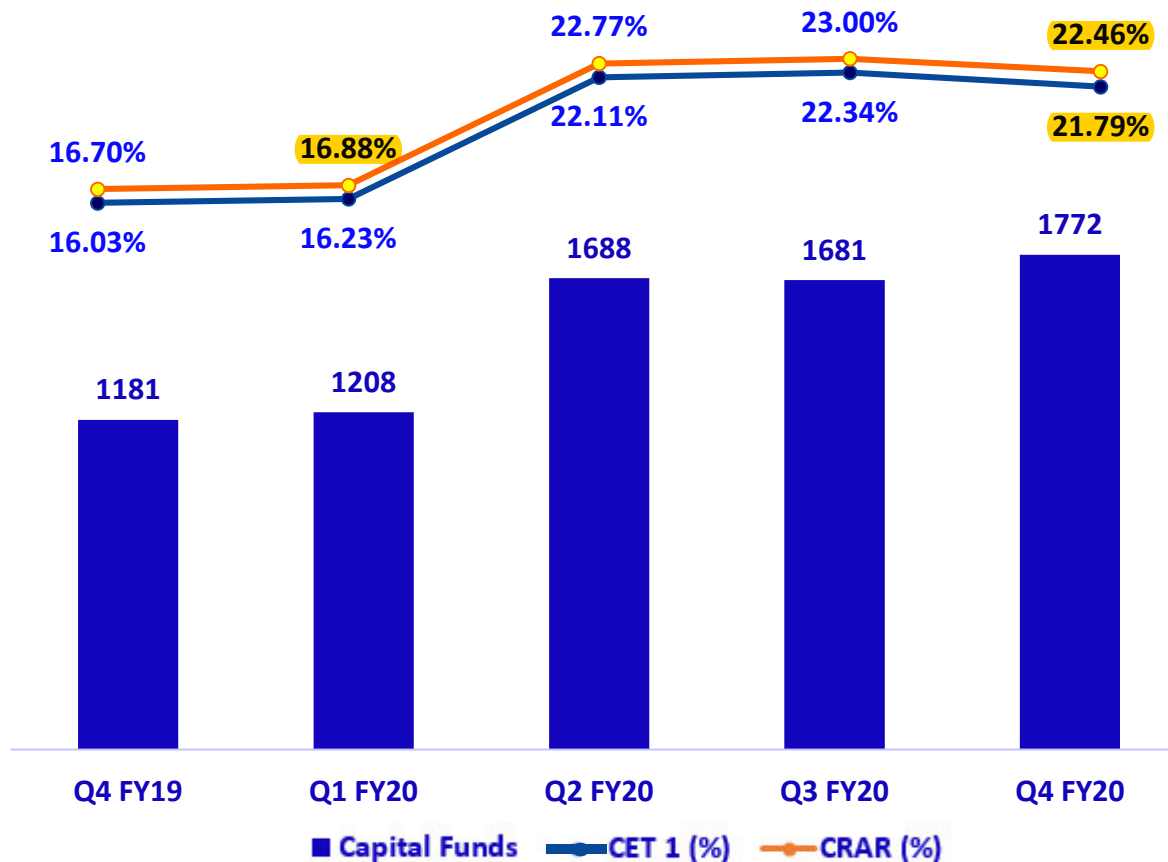
Category	No of shareholders	No of Shares held(in Mio)	% of holding
FIHM(Promoter)	1	86.26	49.73
Mutual Funds	7	11.24	6.48
Alternate Investment Funds	1	3.27	1.89
Foreign Portfolio Investors	12	4.98	2.87
Financial Institutions / Banks	2	0.19	0.11
Shares held by Employee Trusts	1	5.00	2.88
Others	51990	62.52	36.04
<b>TOTAL</b>	<b>52014</b>	<b>173.46</b>	<b>100.00</b>

% of Share Holding



## Solid CRAR – Our Strength

Amt in Cr



	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20
Risk Weighted Assets					
Credit Risk	5498	5504	5611	5543	5911
Market Risk	674	753	905	871	865
Operational Risk	895	895	895	895	1115
Total RWA	7068	7152	7411	7309	7891

- ❖ Capital Adequacy Ratio of our bank is one of the highest in the industry.
- ❖ Highest Tier 1 capital ratios in the country which is 100% common equity.
- ❖ Our Zero Tier 1 and Tier 2 debt capital provides us with enough elbow room to enhance the capital base without dilutions thereby giving scope for magnifying Return on Equity



Other core Strengths

- ❖ **Deposit Rating** - CRISIL, the premier credit rating agency in the country, has assigned its top notch rating of A1+ to the Certificate of Deposits (Rs 2000 crore) and Short term Deposits (Rs 2000 crore) Programme of the bank.
- ❖ **Sticky Deposit Base** - Bank is having a sticky retail term deposit base with consistently high renewal rates. Even during COVID time(in 2M of FY21), our deposits grew by~ Rs 430Cr.
- ❖ **Comfortable Provision Coverage** - Bank has an accelerated provision policy which ensures that the bank maintains a high provision coverage ratio through the cycle.
- ❖ **Gold is our DNA** - 31% of our total advances is Gold Loan portfolio. In FY20 Gold loan grew at robust 28% YoY.

## Company Overview

## Business Overview

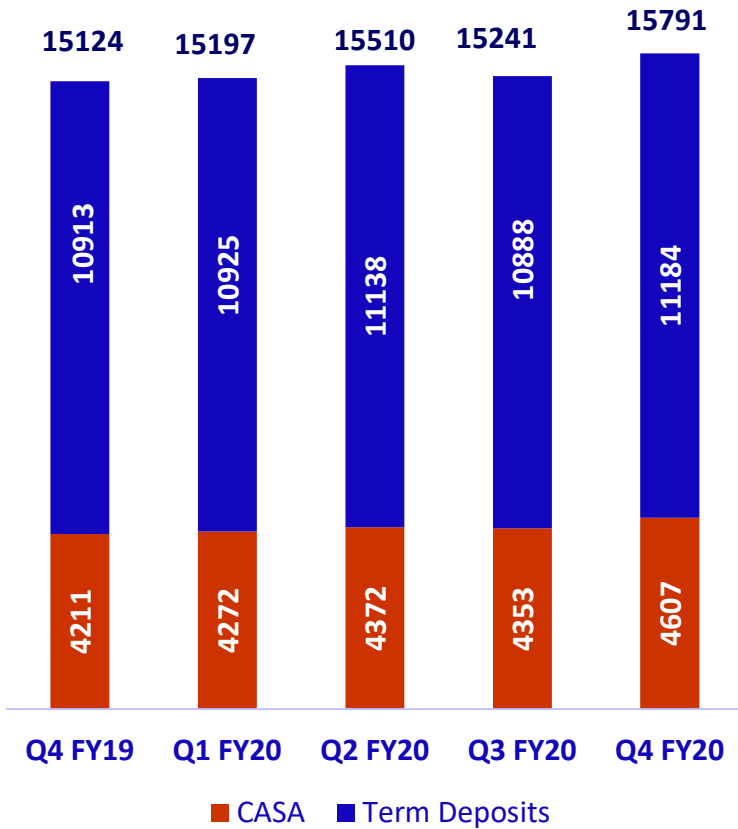
## Earnings

## Digital Penetration

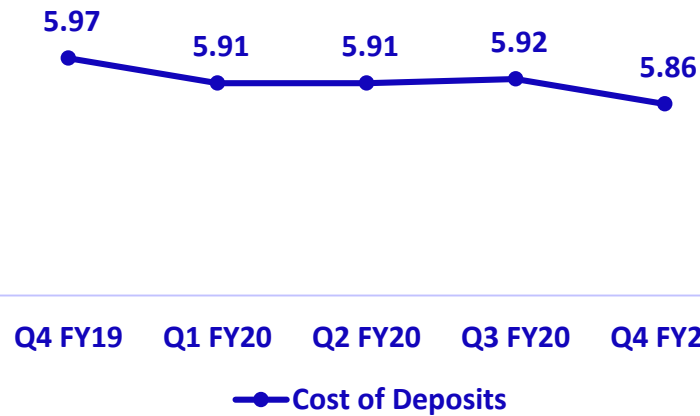
## Strategy

### Total Deposits

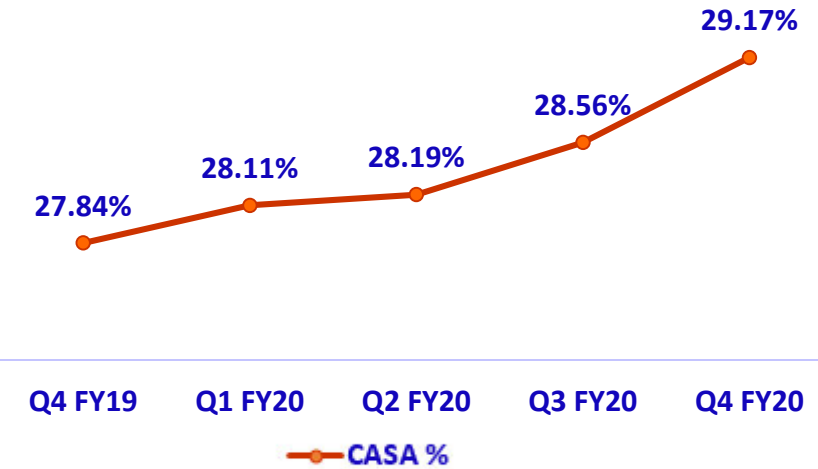
(Amt in Cr)



### Cost of Deposits



### CASA Ratio



## Company Overview

## Business Overview

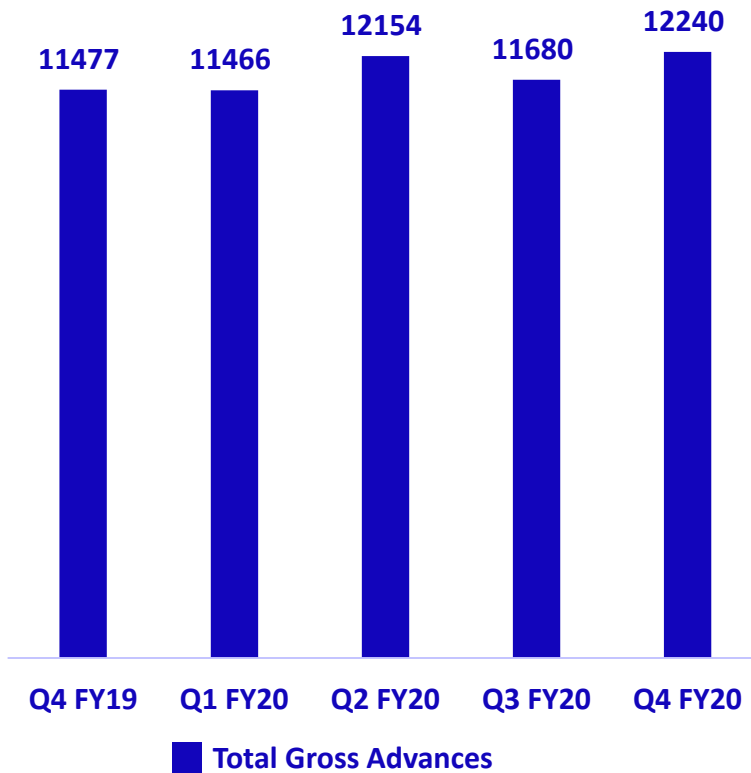
## Earnings

## Digital Penetration

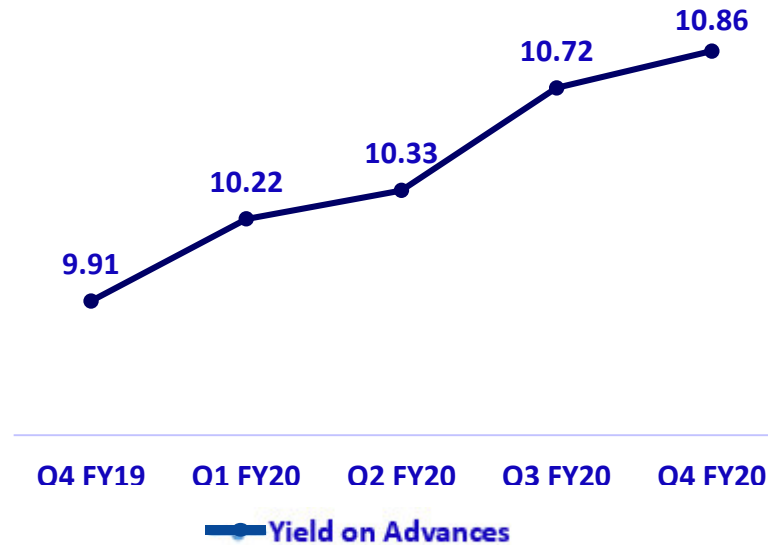
## Strategy

### Total Gross Advances

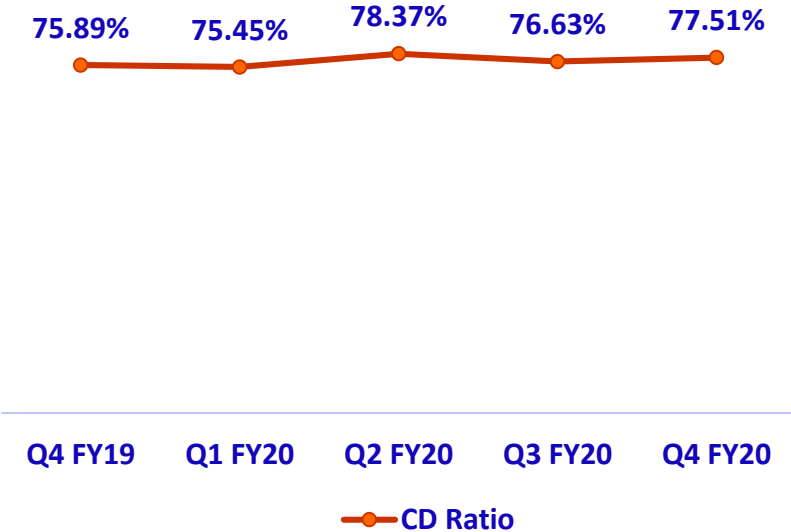
(Amt in Cr)



### Yield on Advances



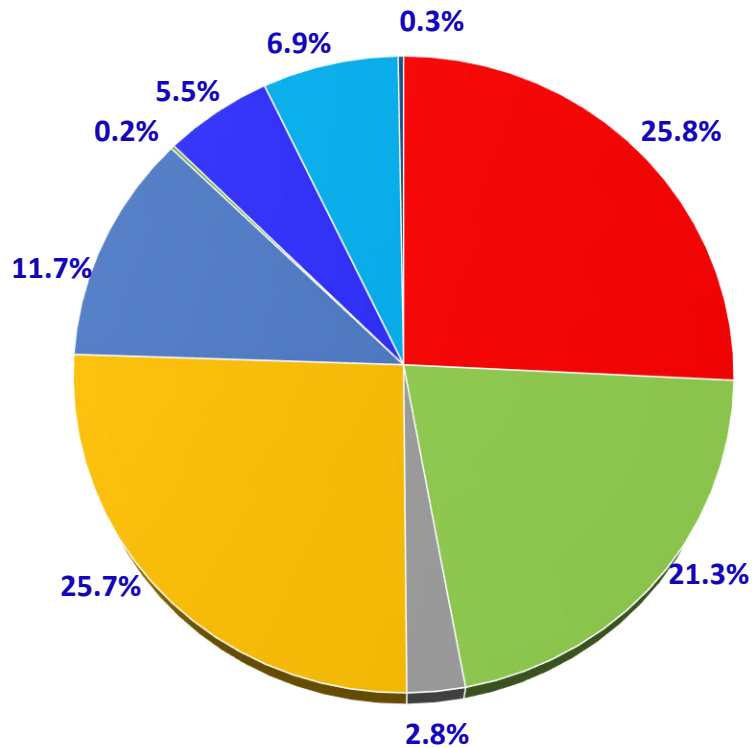
### CD Ratio



## Advance Mix

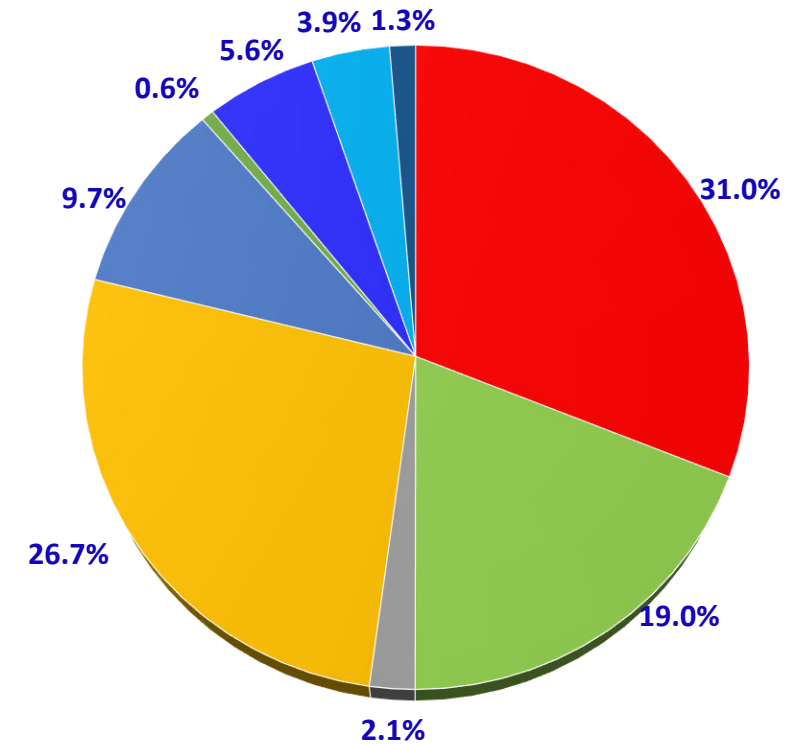
(Amt in Cr)

FY 19



2958	Gold Loans	3799
2447	SME Loans	2324
316	MSME Loans	260
3735	Corporate Loans	3748
1341	Retail Loans	1193
21	Two Wheeler Loans	78
627	Assignment Loans	680
789	LCBD & TReDS	477
31	Agri & MFI Loans	158

FY 20



## Company Overview

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### Profit & Loss Account - Q4 FY 20

Amt in Cr

	Q4FY19	Q3FY20	Q4FY20	YoY	QoQ
Interest Income	354.0	388.7	388.9	34.9	0.3
Interest Expense	233.4	233.4	231.4	-2.0	-2.1
Net Interest Income	<b>120.6</b>	<b>155.2</b>	<b>157.5</b>	36.9	2.3
Treasury Profit	8.1	4.0	13.3	5.2	9.3
Commission Income	8.5	7.7	10.7	2.2	3.0
Processing Fees	10.4	7.8	13.6	3.2	5.8
Bad debts recovered	6.1	17.9	19.6	13.5	1.7
Other Income	12.7	13.2	29.4	16.7	16.2
Total Non Interest Income	45.9	50.6	86.6	40.7	36.0
Total Net Operating Income	166.4	205.9	244.1	77.7	38.3
Staff Cost	150.2	84.2	79.0	-71.3	-5.2
Other Opex	54.3	51.7	58.2	3.9	6.5
Total Opex	204.5	135.8	137.1	-67.4	1.3
<b>Operating Profit/Loss</b>	<b>-38.0</b>	<b>70.0</b>	<b>107.0</b>	<b>145.0</b>	<b>37.0</b>

	Q4FY19	Q3FY20	Q4FY20	YoY	QoQ
<b>Operating Profit</b>	<b>-38.0</b>	<b>70.0</b>	<b>107.0</b>	<b>145.0</b>	<b>37.0</b>
Provision for NPA	166.7	35.3	56.0	-110.7	20.7
Provision for Dep on Inv	11.1	-6.1	24.0	12.9	30.1
Other Provisions	12.8	-1.6	4.2	-8.5	5.9
Total Provisions	190.6	27.6	84.2	-106.3	56.6
<b>Profit Before Tax</b>	<b>-228.7</b>	<b>42.4</b>	<b>22.8</b>	<b>251.4</b>	<b>-19.7</b>
Tax	-78.0	14.3	82.4	160.4	68.1
<b>Profit/Loss (-) After Tax</b>	<b>-150.6</b>	<b>28.1</b>	<b>-59.6</b>	<b>91.0</b>	<b>-87.8</b>

- ❖ Provision for NPA was higher due to full provision for a corporate account which turned NPA during the quarter (Rs 29 crore)
- ❖ Provision for Depreciation on Investment was higher in Q4FY20 due to provision for SR Rs 30 Crore
- ❖ Bank opted for the lower tax regime in Q4FY20 & the total effect (DTA and MAT credit reversals) on Q4 earnings is Rs 77 crore.
- ❖ In Q4, an amount of Rs 1.63 Cr is provided towards general provision against accounts retained as standard as per RBI moratorium circular

## Profit &amp; Loss Account - FY 20

Amt in Cr

	FY 19	FY 20	YoY	YoY%
Interest Income	1347.5	1509.9	162.4	12.0%
Interest Expense	907.6	917.6	10.0	1.0%
<b>Net Interest Income</b>	<b>440.0</b>	<b>592.3</b>	<b>152.3</b>	<b>35.0%</b>
Treasury Profit	8.0	30.2	22.2	277.0%
Commission Income	27.2	32.1	4.9	18.0%
Processing Fees	20.5	32.3	11.8	58.0%
Bad Debts recovered	30.8	60.2	29.4	95.5%
Other Income	49.4	66.8	17.5	35.3%
Total Non Interest Income	135.9	221.6	85.7	63.0%
Total Net Operating Income	575.9	813.9	238.0	41.0%
Staff Cost	384.4	331.3	-53.2	-14.0%
Other Opex	178.1	202.1	24.0	13.0%
Total Opex	562.5	533.3	-29.2	-5.0%
<b>Operating Profit</b>	<b>13.4</b>	<b>280.6</b>	<b>267.2</b>	<b>2000.0%</b>

	FY 19	FY 20	YoY	YoY%
<b>Operating Profit</b>	<b>13.4</b>	<b>280.6</b>	<b>267.2</b>	<b>2000.0%</b>
Provision for NPA	261.7	121.1	-140.6	-54.0%
Provision for Dep on Inv	35.3	20.4	-14.9	-42.0%
Other Provisions	16.5	5.0	-11.5	-70.0%
Total Provisions	313.5	146.5	-167.0	-53.0%
<b>Profit/Loss(-) Before Tax</b>	<b>-300.1</b>	<b>134.1</b>	<b>434.2</b>	
Tax	-102.7	121.3	224.0	-218.0%
<b>Profit/Loss (-) After Tax</b>	<b>-197.4</b>	<b>12.7</b>	<b>210.2</b>	

❖ Bank had opted for the lower tax regime in Q4FY20 the total effect (DTA reversal and MAT credit reversal) on earnings is Rs 87 crore.

❖ Provision on COVID relief accounts at 10% was provided in full- Rs 1.63 Cr

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### Balance Sheet - FY 20

Amt in Cr

31.03.2019

31.03.2020

YoY (%)

31.12.2020

QoQ (%)

#### Liabilities

Capital	86.0	173.5	101.8%	173.5	0.0%
Share Warrant	651.3	-	-100.0%	-	0.0%
Reserves & Surplus	694.4	1,787.2	157.4%	1,846.8	-3.2%
Deposits	15,123.9	15,790.7	4.4%	15,241.1	3.6%
Of Which CASA	4,210.6	4,606.6	9.4%	4,353.2	5.8%
Borrowings	-	794.0	0.0%	100.0	694.1%
Other Liabilities & Provisions	355.6	318.9	-10.3%	420.6	-24.2%
<b>Total</b>	<b>16,911.2</b>	<b>18,864.3</b>	<b>11.5%</b>	<b>17,782.0</b>	<b>6.1%</b>

#### Assets

Cash & Balance with RBI	725.4	547.8	-24.5%	693.9	-21.1%
Balance with Banks & Money at call & Short Notice	248.2	391.6	57.7%	259.3	51.0%
Investments	4,027.6	5,359.8	33.1%	4,663.8	14.9%
Advances	10,615.2	11,366.4	7.1%	10,808.1	5.2%
Fixed Assets	218.0	228.3	5.0%	221.0	3.0%
Other Assets	1,077.0	970.4	-10.0%	1,136.0	-15.0%
<b>Total</b>	<b>16,911.2</b>	<b>18,864.3</b>	<b>12.0%</b>	<b>17,782.0</b>	<b>6.0%</b>



## Asset Quality

Amt in Cr

## Gross NPA: Movement

	QoQ movement				YoY movement	
	Q1 FY20 (3 months)	Q2 FY20 (3 months)	Q3FY20 (3 months)	Q4 FY20 (3 months)	FY19 (12 months)	FY20 (12 months)
Opening Balance of Gross NPA	530.6	513.4	326.2	352.6	764.1	530.6
Additions	32.0	60.7	52.7	83.2	197.6	181.8
Sub-total (A)	562.6	574.1	378.9	435.8	961.6	712.3
Less:-						
(i) Upgradations	6.8	10.5	9.0	7.1	33.2	19.5
(ii) Recoveries (excluding recoveries made from upgraded accounts)	39.2	25.6	16.2	17.3	97.8	85.2
(iii) Technical/ Prudential Write-offs	0.0	205.6	0.0	0.0	279.8	183.9
(iv) Write-offs other than those under (iii) above	3.2	6.2	1.1	1.9	20.25	14.3
Sub-total (B)	49.2	247.9	26.3	26.4	431.0	303.0
Closing balance of Gross NPA (A – B)	513.4	326.2	352.6	409.4	530.6	409.4



## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Key Ratios

Amt in Cr

78.16% 79.88% 79.45% 80.31% 80.02%

Q4 FY19 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY20

### Provision Coverage Ratio

0.45% 0.53% 0.60% \*0.54%  
Q4 FY19 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY20  
-3.38% -1.24%

\*Ex tax effect

### Return on Assets

122.91% 75.34% 68.47% 65.99% 56.17%  
Q4 FY19 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY20

### Cost to Income Ratio

2.71% 3.02% 3.14% 3.33% 3.26%  
120 132 147 155 158  
Q4 FY19 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY20

■ Net interest income — Net Interest Margin

2.27% 2.04% 1.96% 1.98% 1.91%  
241 217 222 214 217  
Q4 FY19 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY20

■ Net NPA — Net NPA %

4.87% 4.71% 2.86% 3.22% 3.54%  
531 513 326 353 409  
Q4 FY19 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY20

■ Gross NPA — Gross NPA %

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## Digital Touch Points



1,500 + Installations



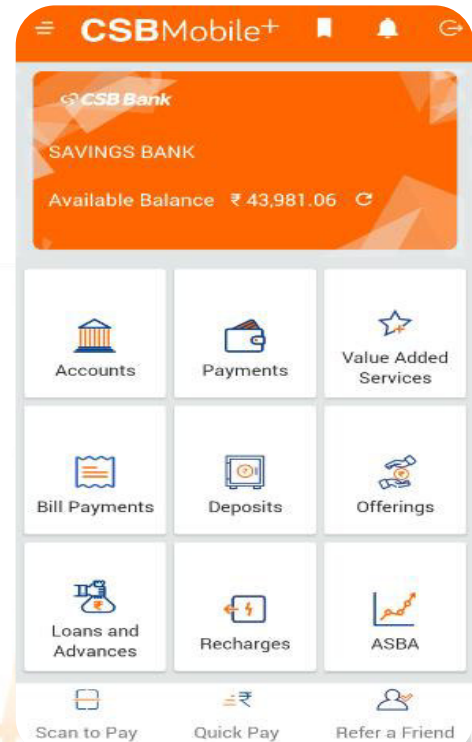
6 lacs+ Debit Cards



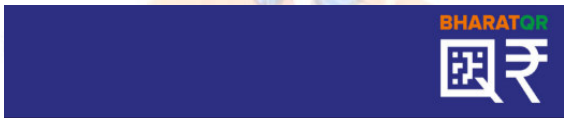
2 lacs+ Net Banking  
users



300 ATM  
Network



2 lacs+ Mobile  
Banking Users



1,000+ QR  
Installations



50,000+ ePassbook  
Downloads



78,000+ Prepaid  
Cards



1 lac+ UPI  
Downloads

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## Digital Milestones in FY 20

Mobile Banking activation  
jumped  
to 34%

MEITY ranks our Bank 18 out of 53 Banks.  
Bank surpassed the target  
of 1 Cr Digital txn

Digital Transactions increased  
by 26.3 %

ATM  
Uptime now 95%

Debit cards Activation  
increased by 24%

No cash in wallet? just pay.

Swipe to Pay  
With CSB Debit Cards

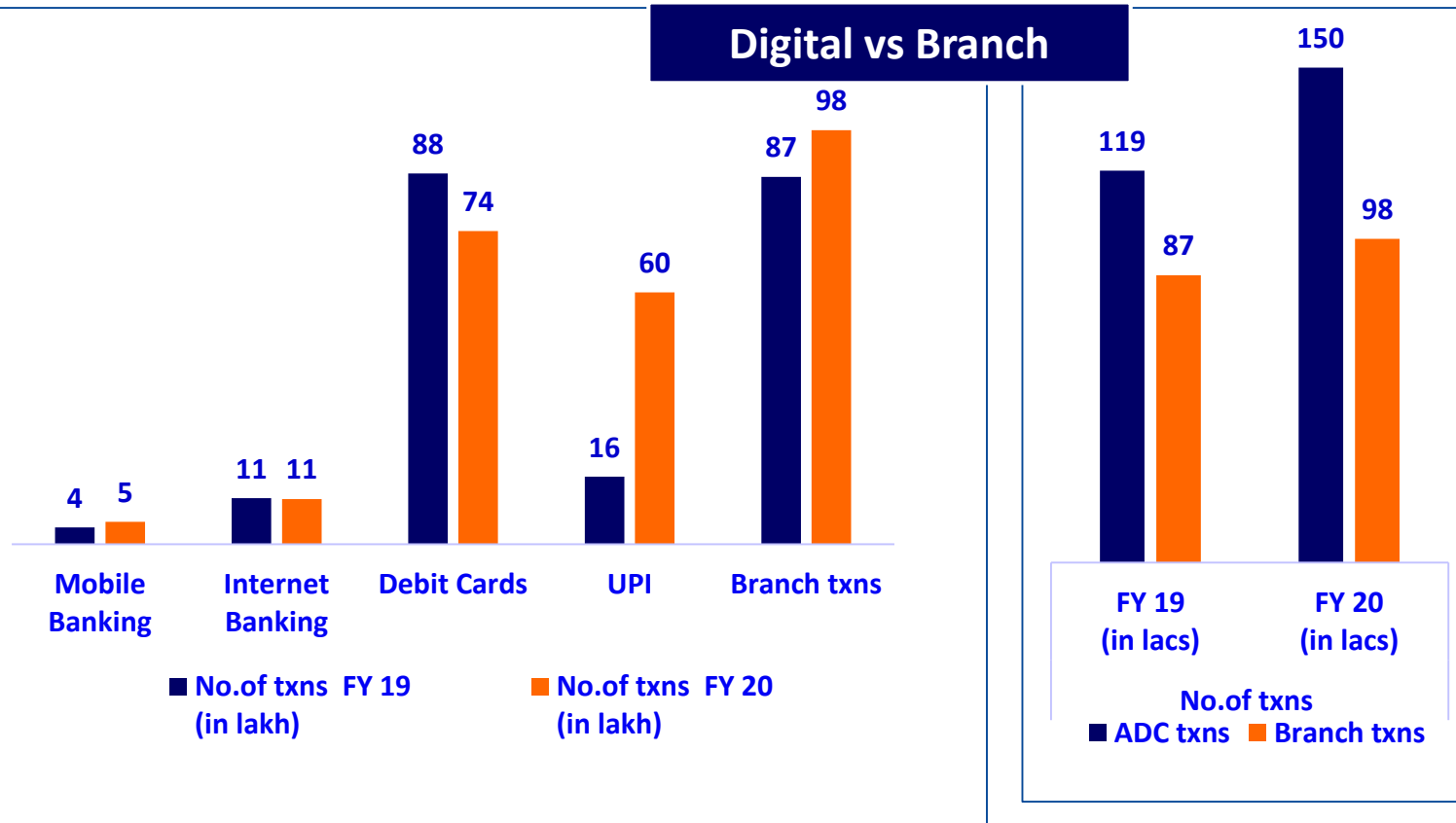
Click to Pay  
With CSB Net Banking

Tap to Pay  
With CSB Mobile Banking

Scan to Pay  
With CSB PAY (UPI App)

## Channel transactions

### Digital vs Branch

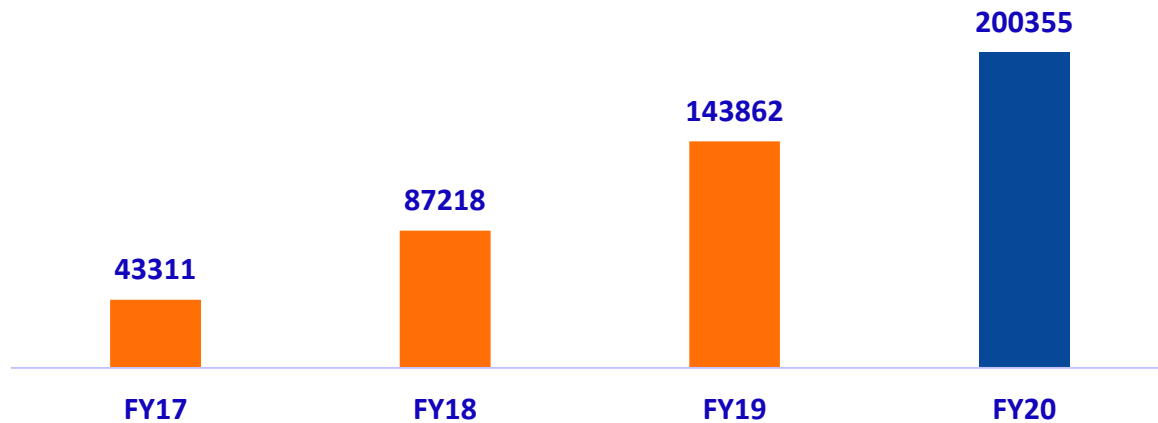


	No. of txns	
	FY 19 (In lakh)	FY 20 (In lakh)
Mobile Banking	4	5
Internet Banking	11	11
Debit Cards	88	74
UPI	16	60
Branch txns	87	98
Total Channel Transactions	119	150
% of channel txns	57.76%	60.48%



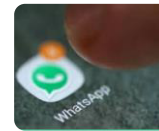
## CSB Mobile+ App - Way to Go Digital

Mobile Banking Y-O-Y signups



- *Full fledged application ranging from fund Transfers ,Recharges, Scan & Pay payments to UPI*
- *'Refer & Win' attractive cashbacks*
- *Best UI & UX Design*

## Upcoming Digital Projects



WhatsApp Banking



Chatbot in Mobile App



BBPS in Net/Mobile Banking



Up gradation of CSB Mobile+ with Collect payments



Loyalty Rewards program for customers



Tap & Pay Cards (Contactless)



FASTag /National Electronic Toll Collections



CSB E-Tax Filing

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### Verticalisation of Business Units

- ✓ For liabilities, Bank has plans to set up NRI vertical to sharpen focus on NRE deposits.
  - ✓ Agri & MFI vertical launched last year has a closing book of Rs 159 crore as on 31.03.2020 .
  - ✓ MSME vertical which was operationalized recently has started penetrating the targeted segments along with active cross selling
  - ✓ Two wheeler vertical, which is currently concentrated in Kerala (book size of Rs 74 crore as on 31.03.2020 in Kerala and other states Rs 4 crore) will be increasing its presence to other geographies.
- Apart from these fledglings, gold loans will continue to be the prime driver of the loan book with the branch expansion initiative oriented to gold loan potential areas and steady increase in feet on street sales force for gold loans.

### Branch Expansion Plans

- ✓ Bank plans to open 103 branches in this financial year.
- ✓ Branch Opening will be primarily in Southern/Western India
- ✓ These branches will be opened at areas with gold loan, Agri & MFI, MSME and CASA potential in line with the strategic priorities of the bank

## COVID 19 - Update

### Branch Operations:

- Customers were provided uninterrupted banking services during this period. All our branches were generally kept open and functional
- Business Continuity for critical functions such as CBS, Treasury, CTS & RTGS was ensured
- Digital channels were pushed duly highlighting the safety aspects

### Business Initiatives:

- HNI customers were contacted (calling activity) with a view to deepen the relationship & for sourcing leads
- Branches also focussed on dormant account activation during this period
- In Gold Loans, actively promoted door step gold loans and Akshaya Gold Credit Line scheme
- Actively participated in TLTRO operations by RBI
- Introduced COVID Demand Loans to support the customers

### Improvement in Technology:

- Bank continued to improve on technology and introduced digital account opening and Gold Loan LOS across all the branches

### Cost saving Measures:

- Renegotiated with landlords for possible rent reduction.
- With a view to improve the fee income, aggressively marketed lockers and insurance policies especially COVID insurance.

### Others:

- As per the RBI guidelines, bank has extended moratorium across the board to all the eligible borrowers
- Groundwork for branch expansion like identification of premises, rent negotiation, technical feasibility study etc have progressed
- E learning modules were prepared and are ready for launch
- Recruitment drives were conducted through video conferencing mode.

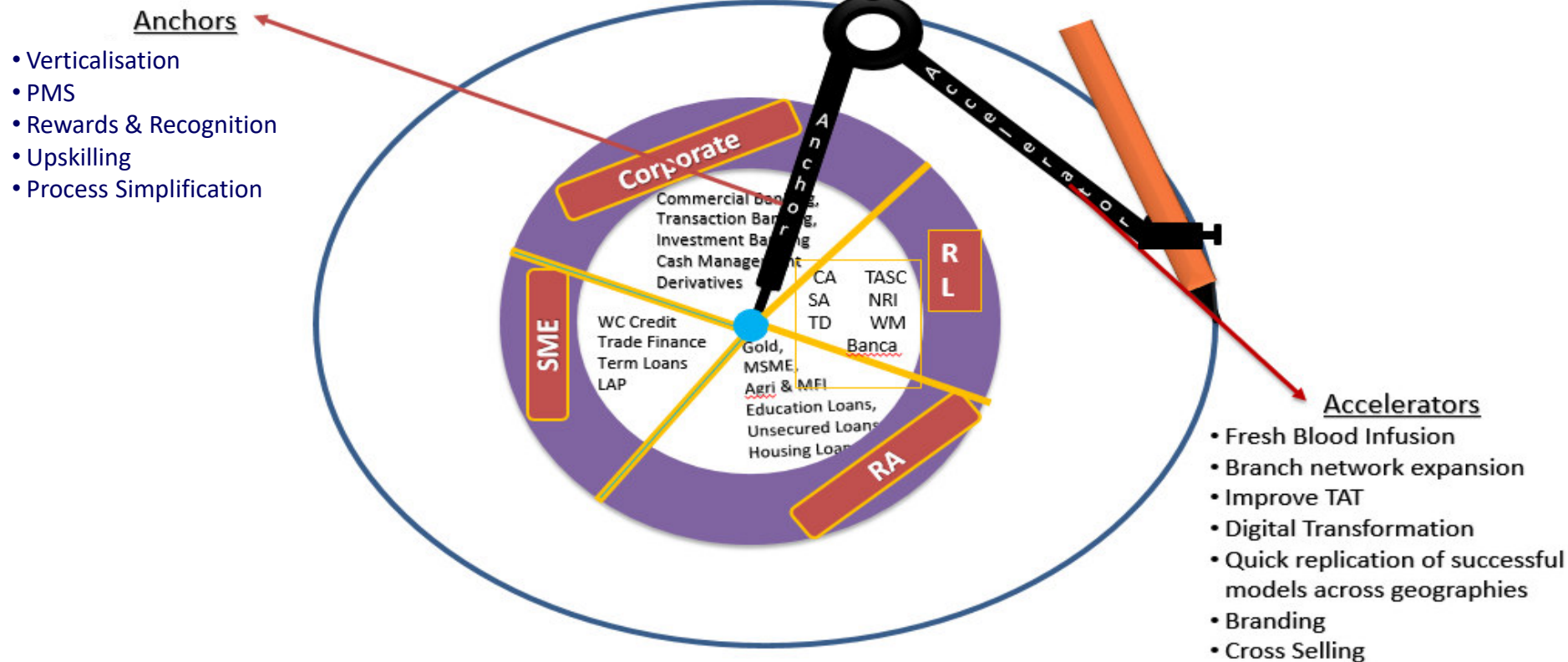
**We aim to**

- 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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