



CSB Bank

Investor Presentation

Q2 FY 21

Company Overview

Business Overview

Earnings

Digital Penetration

Strategy

Key Information

Improved Profitability

*Q2 PAT at an all time high of Rs 68.9 crore with RoA (annualized) of 1.22%. H1 PAT soars to Rs 122.5 Cr

* PBT grows by 138% YoY and 29% QoQ

*Operating Profit crosses Rs 300 Cr and is higher than the full year figure for FY 20. Up by 34% on a QoQ basis

Cost and Revenue

* NII grows by 56% YoY and 24% QoQ

* NIM improves to 4.50%

* Non-Interest Income increases by 104% YoY & 31% QoQ supported by improved treasury gains & PSLC commission

Growth Momentum

*Advance grew by 11% YoY and 10.3% YTD

*Deposits grew by 13% YoY and 10.6% YTD

*CASA growth of 17.4% YoY and 11.5% YTD

* Digital Penetration increases to 71%

Well Capitalised & Strong Liquidity Position

* Capital Adequacy Ratio improves to 19.69% as against 18.93% as on 30.06.2020.

* Tier I ratio of 18.44%

*LCR of 234%

Asset Quality

* GNPA came down to 3.04% as against 3.51% on 30.06.20 & 3.54% on 31.03.2020

* Net NPA decreased from 1.74% as on 30.06.2020 & 1.91% as on 31.03.2020 to 1.30 % as on 30.09.2020

*PCR increases to 84.24% from 81.7% in Q1

*Bank continues to provide accelerated provisions in Q2 FY 21

- Will be a century young by November 2020
- 421 Branches & 309 ATMs
- 8 Zonal Offices
- 1.6Mn happy customers
- Presence in 16 states & 4 UTs
- Total business of Over Rs 30000 Cr
- 5 bancassurance tie ups with industry leaders.

Prudential Provisioning Policy

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

	RBI Norms	Accounting Treatment
Other Provisions	Provisions for Fraud	P&L charge can be amortised over 4 quarters
	Provisions for COVID 19 Relief accounts	Charged to P&L in the first quarter itself
	Provisions for Security Receipts	Depreciation can be netted with appreciation of individual scrips in the same category

Prudential Provisions	Amount (in Cr)
NPA Provision	93
COVID related Std asset provision	47
Others (Fraud,SR etc)	14
Total	154
After Tax Impact	115

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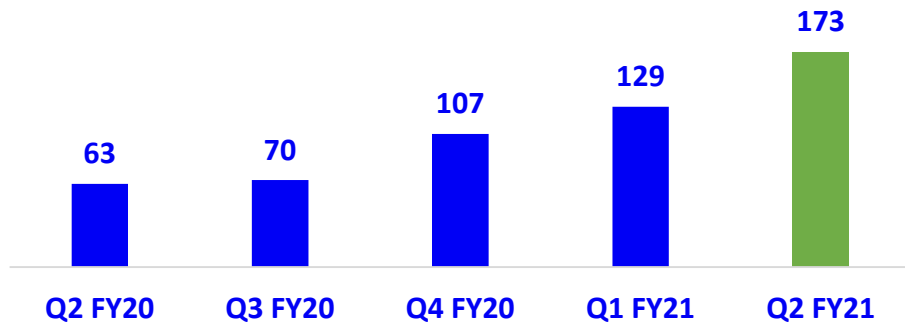
Earnings

Digital Penetration

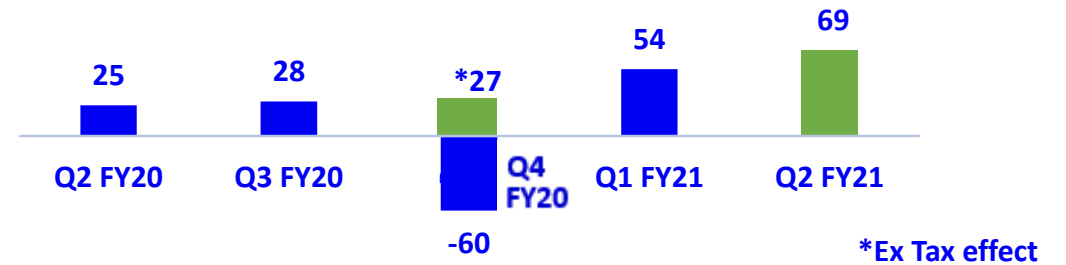
Strategy

Amt in Cr

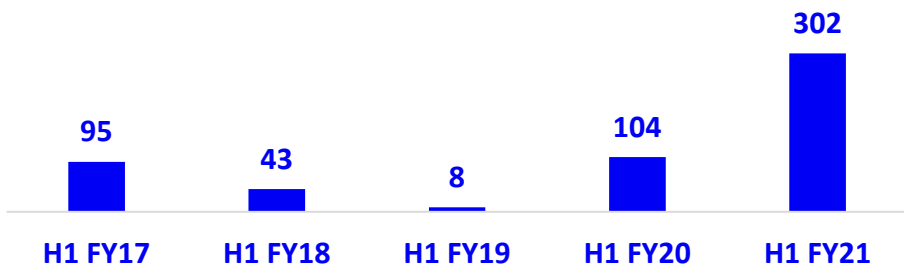
Operating Profit QoQ



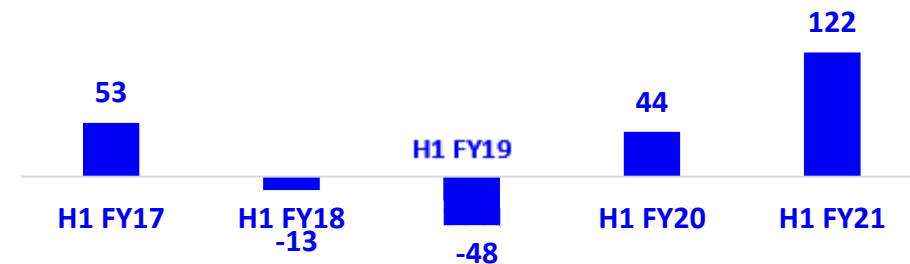
Net Profit QoQ



Operating Profit YoY



Net Profit YoY



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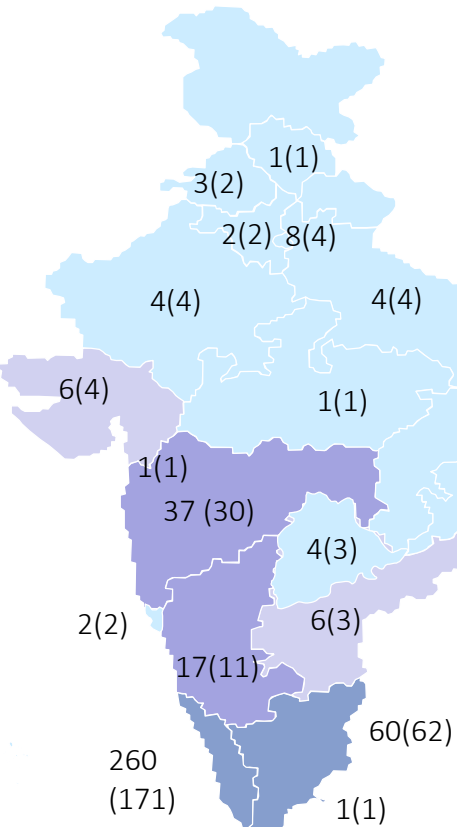
Digital Penetration

Strategy

Branch Distribution

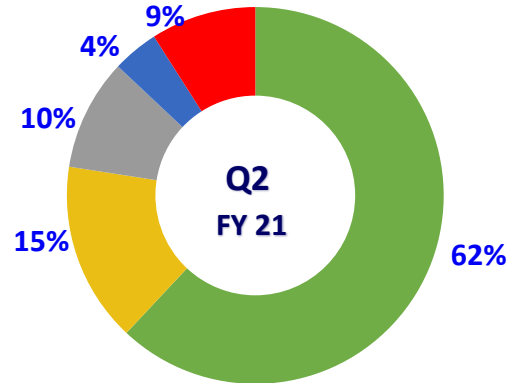
State	% distribution
KERALA	62%
TAMIL NADU	14%
MAHARASHTRA	9%
KARNATAKA	4%
OTHERS	11%

Population	No of Branches
Metropolitan	71
Urban	86
Semi-urban	227
Rural	37
Grand Total	421

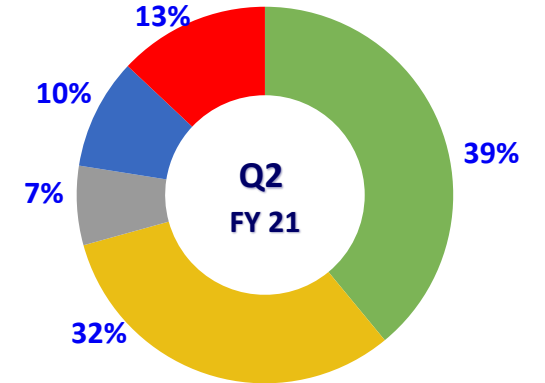


Legend: Branches (ATM)

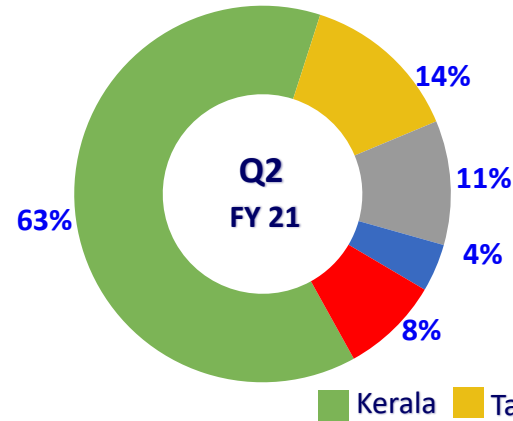
CASA



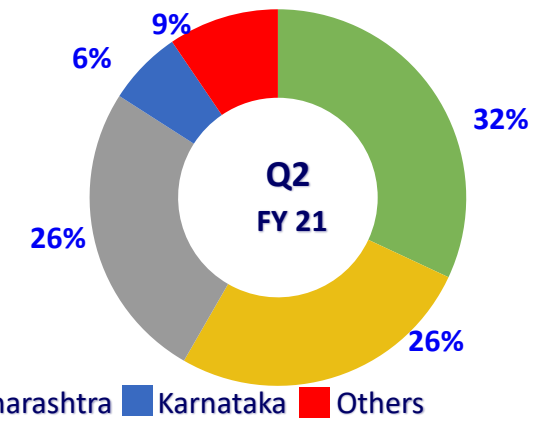
Gold Loans



Total Deposits



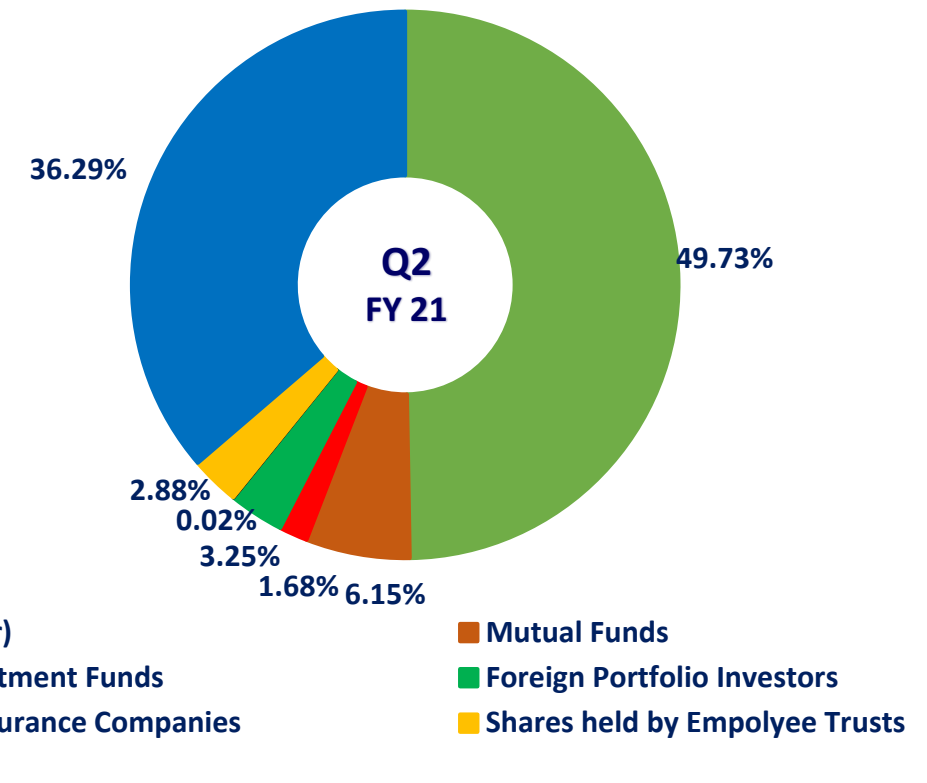
Total Advances



Share Holding Pattern

Category	No of Shareholders	No of Shares Held(in Mio)	% of Holding
FIHM(Promoter)	1	86.26	49.73
Mutual Funds	4	10.66	6.15
Alternate Investment Funds	1	2.92	1.68
Foreign Portfolio Investors	10	5.63	3.25
FIs/ Banks /Insurance Companies	2	0.04	0.02
Shares held by Empolyee Trusts	1	5.00	2.88
Others	47271	62.95	36.29
TOTAL	47290	173.46	100.00

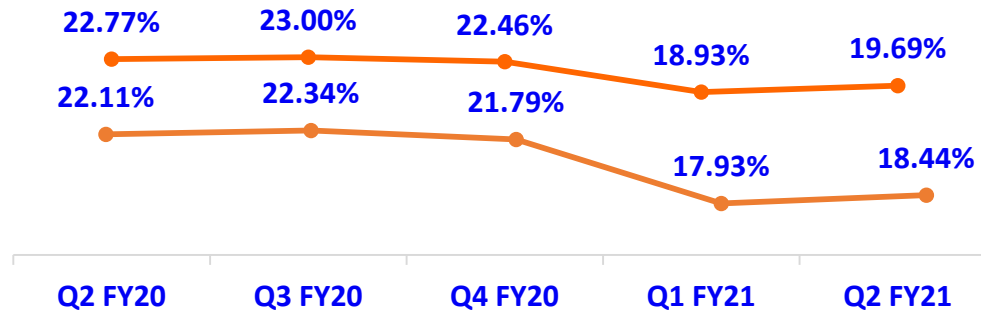
% of Share Holding



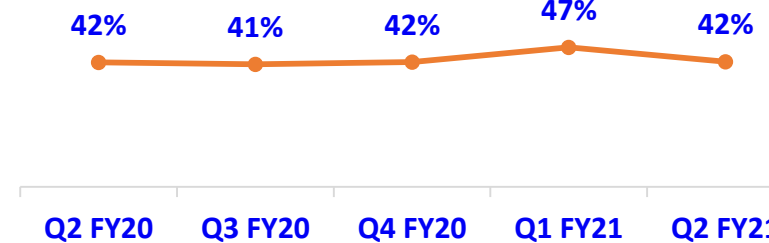
Solid CRAR & Adequate Liquidity – Our Strength

Amt in Cr

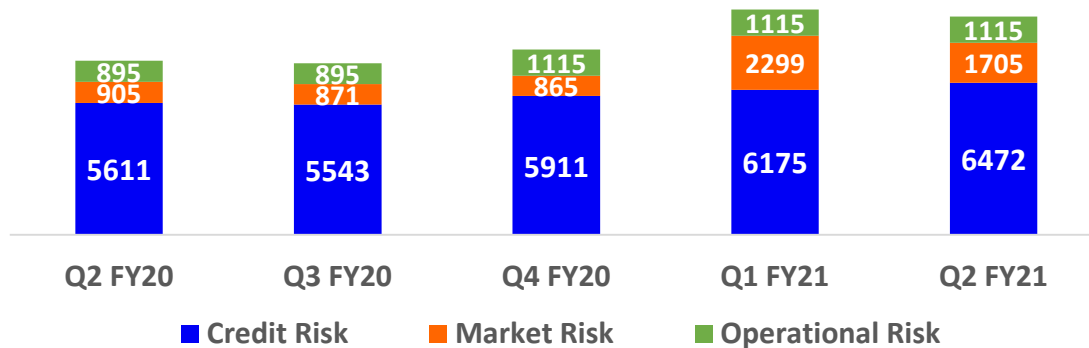
Capital Adequacy Ratio



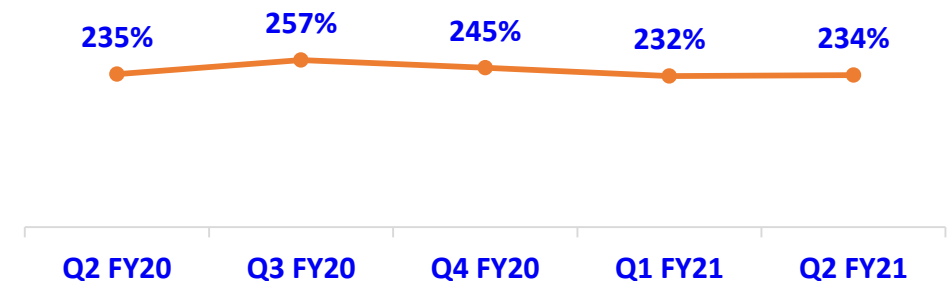
RWA to Total Assets



Risk Weighted Assets



Liquidity Coverage Ratio



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Business Overview

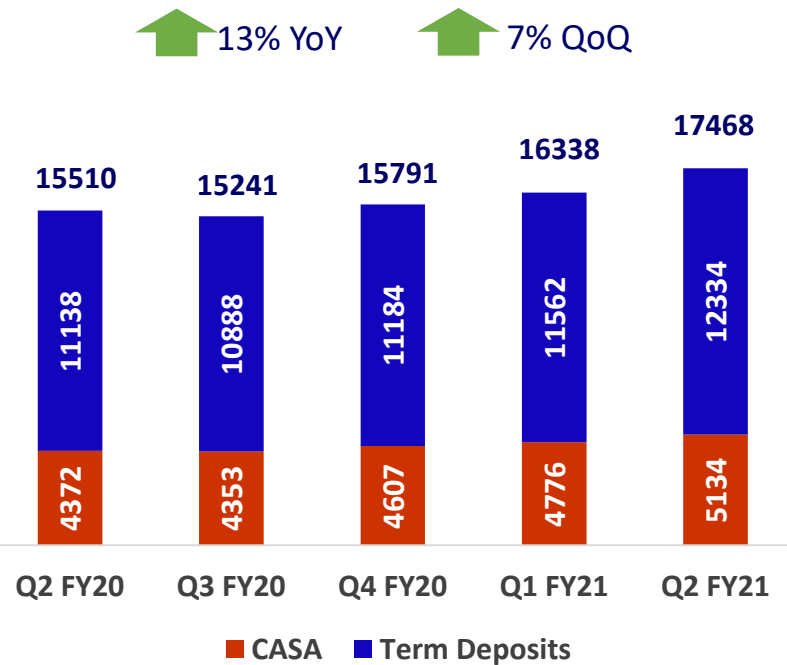
Earnings

Digital Penetration

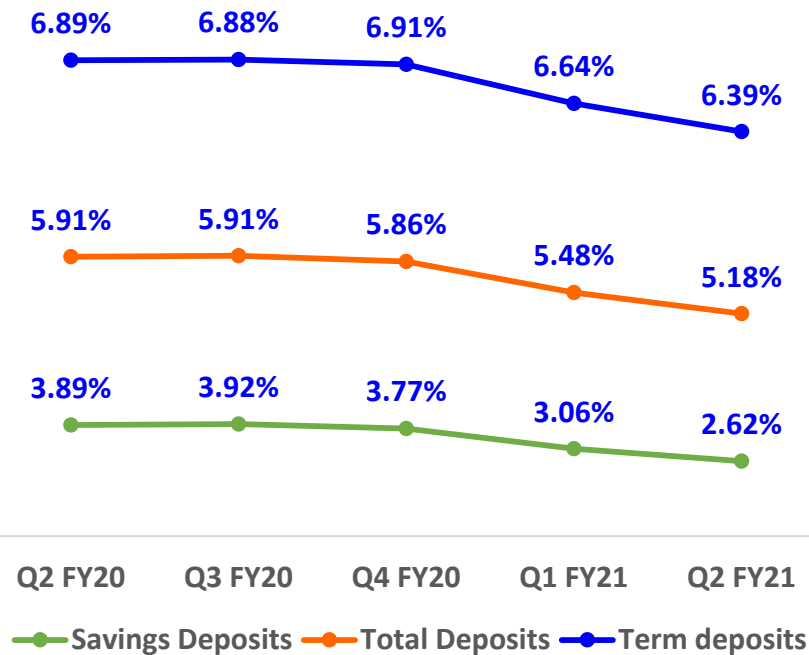
Strategy

Total Deposits

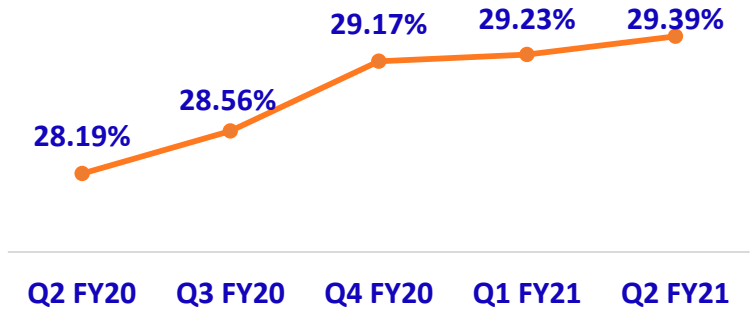
(Amt in Cr)



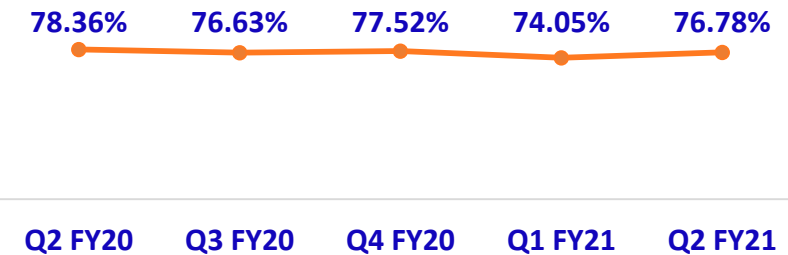
Cost of Deposits



CASA Ratio



Gross CD Ratio



Company Overview

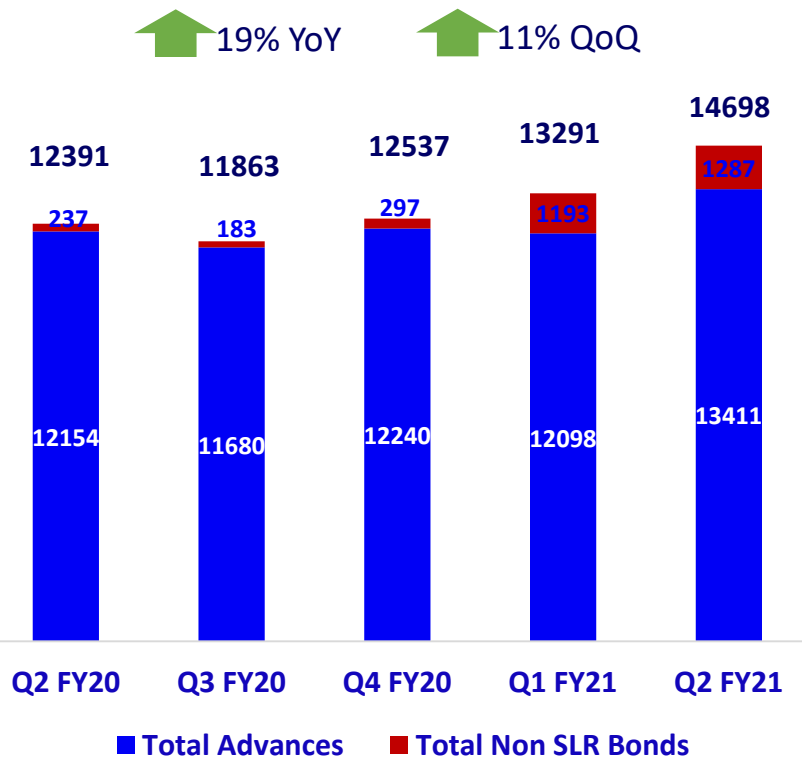
Business Overview

Earnings

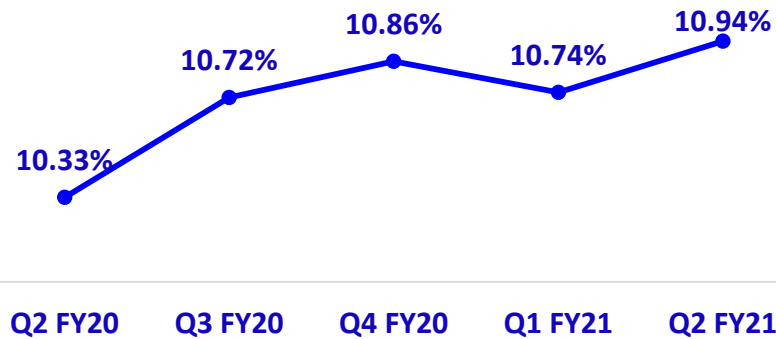
Digital Penetration

Strategy

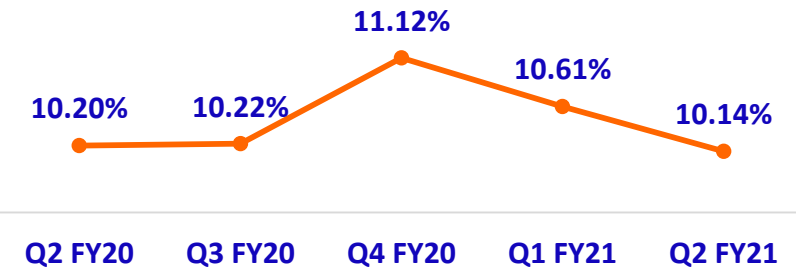
Total Gross Advances + Non SLR Bonds (Amt in Cr)



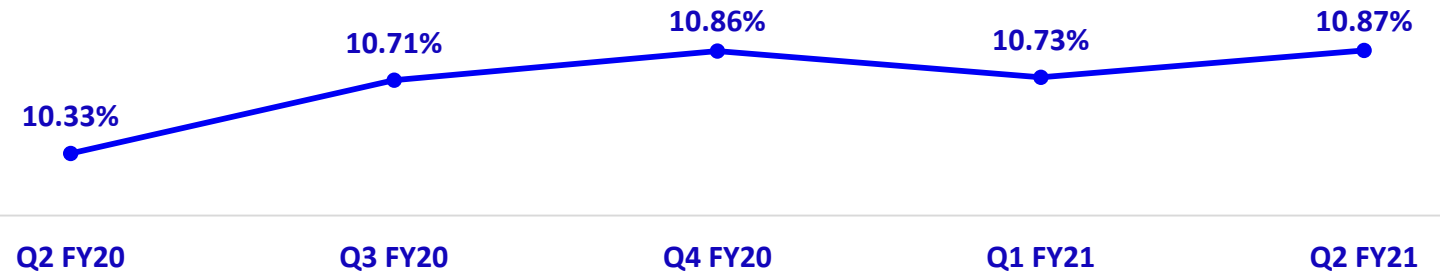
Yield on Advances



Yield on Non SLR Bonds



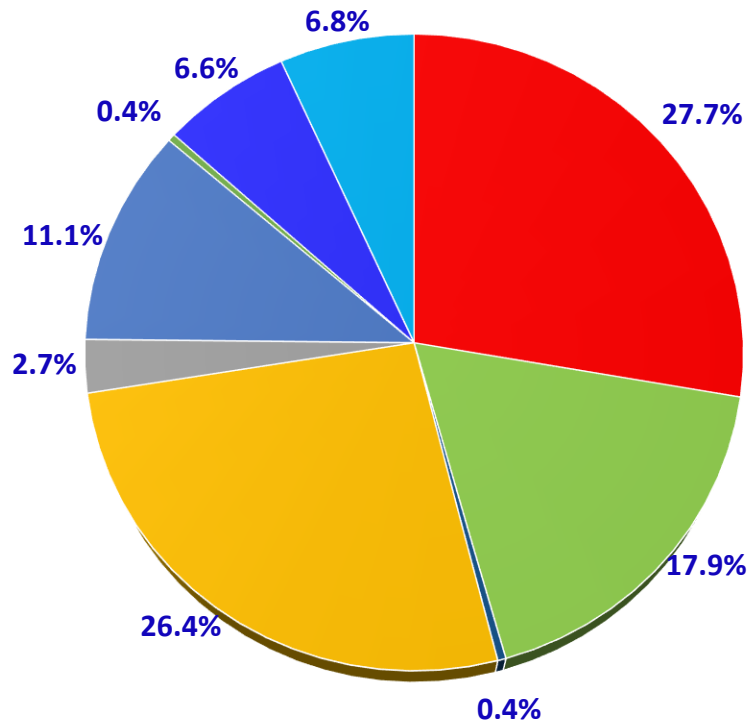
Combined Yield



Advance Mix

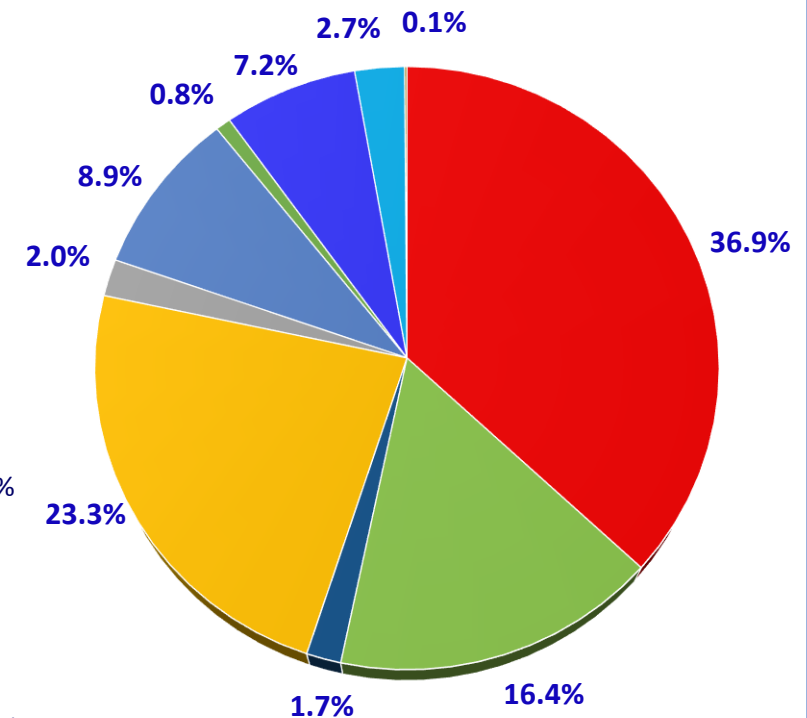
(Amt in Cr)

Q2 FY 20



3367	Gold Loans	4949	↑ 47.0%
2181	SME Loans	2198	↑ 0.7%
326	MSME General Loans	266	↓ 18.4%
0	MSME New Loans	17	↑
3214	Corporate Loans	3126	↓ 2.7%
1344	Retail Loans	1197	↓ 10.9%
46	Two Wheeler Loans	109	↑ 136.1%
797	Assignment Loans	959	↑ 20.3%
831	LCBD & TReDS	356	↓ 57.2%
48	Agri & MFI Loans	234	↑ 390.6%

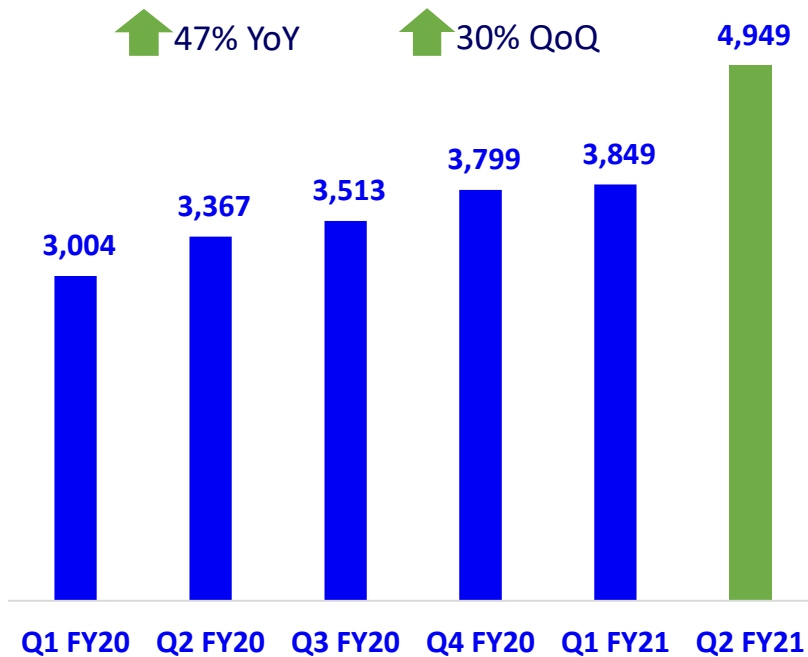
Q2 FY 21



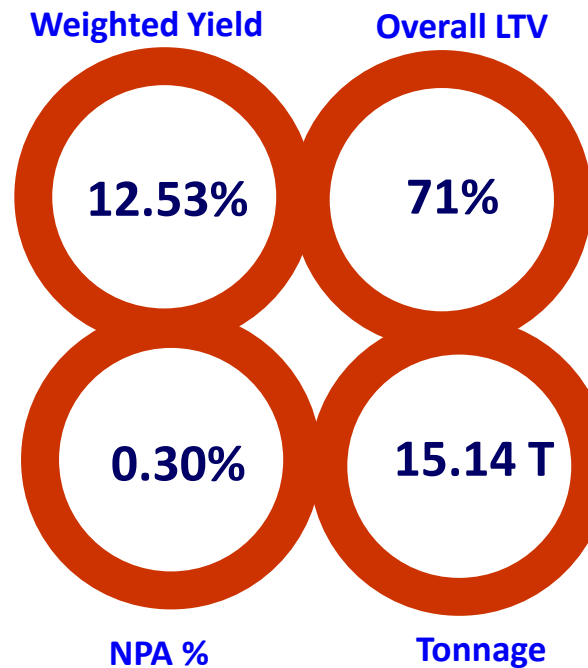
Gold Loan – Our DNA

(Amt in Cr)

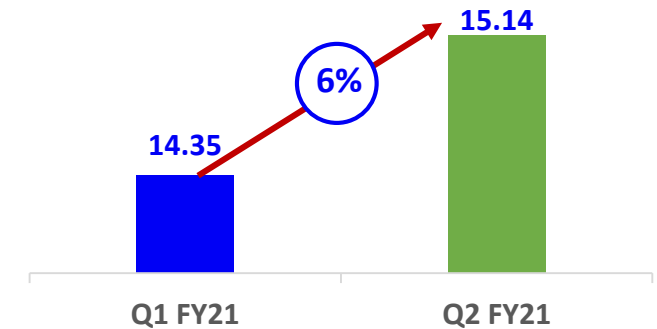
Portfolio Movements



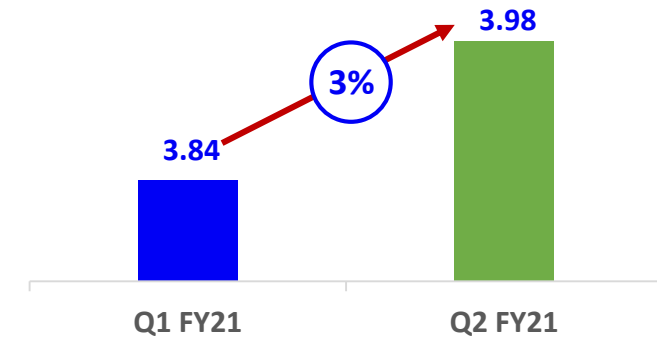
Portfolio Quality



Tonnage



No of Accounts (in Lakhs)



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Gold Loan – Our DNA

Gold Acquisition Channels

Branch
Team

Sales
Team

Digital Team

Indirect
Team

Strategic
Alliances

DST Team

Strategic Alliances (BCs)

Commenced



Sign up Stage



Pipeline



Digital Business Aggregators

Commenced

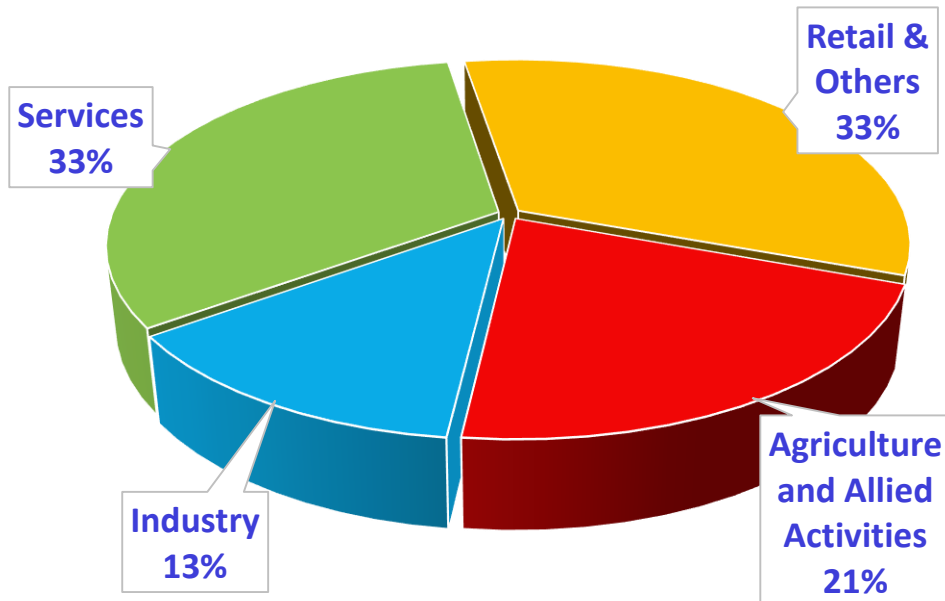


Pipeline



Sector Wise Exposure

Sector Wise Exposure



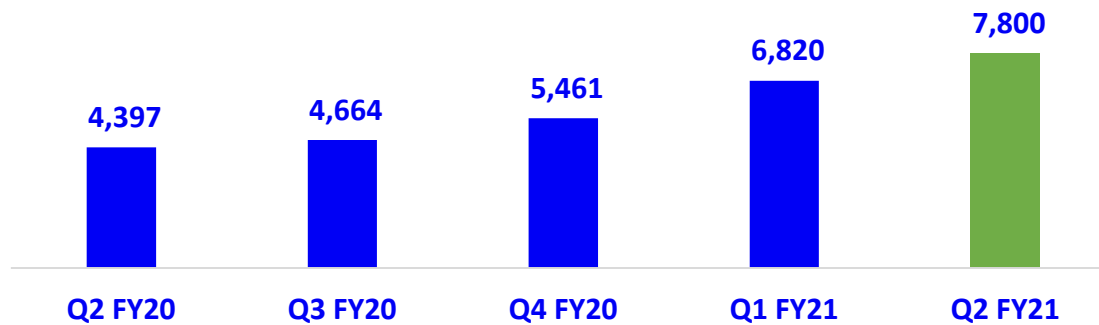
Industries	% to total advances
Textiles	3.48%
Infrastructure	3.10%
Food Processing	1.92%
Construction	1.21%
All Engineering	0.68%
Chemicals and Chemical Products (Dyes, Paints, etc.)	0.39%
Paper and Paper Products	0.32%
Basic Metal and Metal Products	0.32%
Beverages (excluding Tea & Coffee) and Tobacco	0.24%
Wood and Wood Products	0.17%
Rubber, Plastic and their Products	0.16%
Gems and Jewellery	0.08%
Mining and Quarrying	0.07%
Others	1.06%

Services	% to total advances
NBFCs	11.47%
Wholesale & Retail Trade	5.04%
Tourism, Hotel and Restaurants	2.61%
Commercial Real Estate	2.48%
Transport Operators	0.60%
Professional Services	0.43%
Computer Software	0.39%
Other Services	9.35%

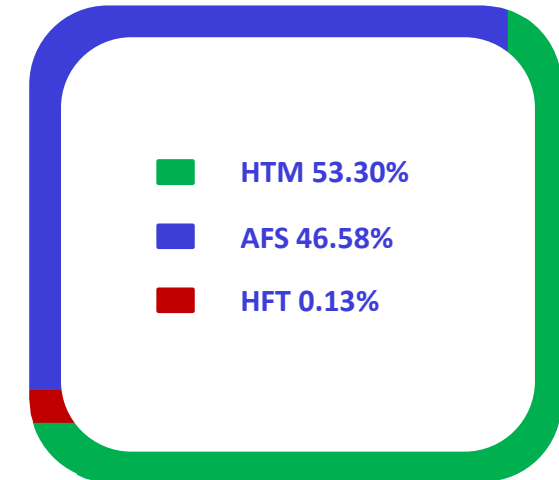
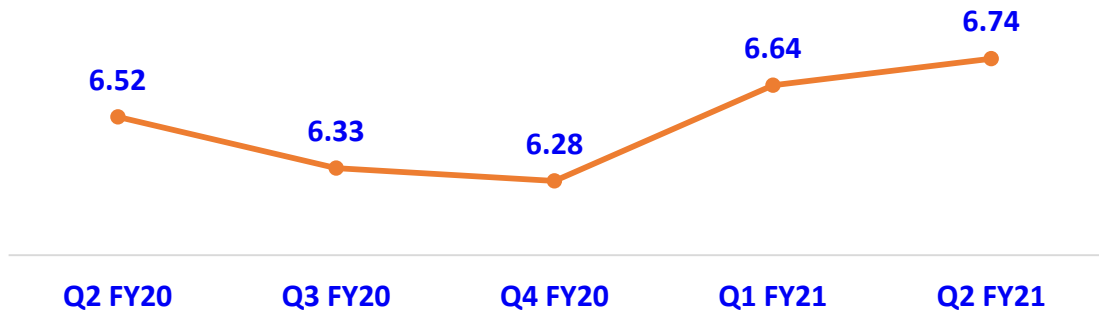
Investments

(Amt in Cr)

Total Investments (Excl RIDF)



Yield on Investments



M Duration

HFT	AFS	HTM	Total
7.33%	4.09%	5.43%	4.86%

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Profit & Loss Account - Q2 FY 21

Amt in Cr

	Q2FY20	Q1FY21	Q2FY21	YoY	QoQ
Interest Income	376.9	422.6	470.0	24.7%	11.2%
Interest Expense	229.8	237.3	240.7	4.7%	1.4%
Net Interest Income	147.1	185.3	229.2	55.9%	23.7%
Treasury Profit	10.0	43.5	32.4	223.5%	-25.5%
Commission Income	7.6	5.6	10.7	39.7%	90.2%
Processing Fees	7.7	6.5	15.7	103.7%	141.1%
Bad debts recovered	15.1	9.7	14.7	-2.6%	51.5%
Other Income	13.8	9.0	24.2	75.5%	169.0%
Total Non Interest Income	54.2	74.3	97.6	80.1%	31.4%
Total Net Operating Income	201.3	259.5	326.8	62.4%	25.9%
Staff Cost	91.6	86.0	103.8	13.3%	20.6%
Other Opex	46.2	44.4	50.3	8.8%	13.2%
Total Opex	137.8	130.4	154.0	11.8%	18.1%
Operating Profit/Loss	63.5	129.1	172.8	172.3%	33.9%

	Q2FY20	Q1FY21	Q2FY21	YoY	QoQ
Operating Profit	63.5	129.1	172.8	172.3%	33.9%
Provision for NPA	19.9	13.8	20.8	4.1%	51.0%
Provision for Dep on Inv	1.7	0.5	39.1	2253.2%	8176.7%
Provision for std advances	2.7	43.1	20.5	656.5%	-52.5%
Other Provisions	0.3	0.2	0.4	53.6%	83.0%
Total Provisions	24.6	57.5	80.7	228.6%	40.3%
Profit Before Tax	38.9	71.6	92.1	136.7%	28.7%
Tax	14.2	18.0	23.2	63.6%	28.8%
Profit/Loss (-) After Tax	24.7	53.6	68.9	178.6%	28.6%

- ❖ Net Interest Income grows by 56% YoY & 24% QoQ
- ❖ Non-Interest Income increases by 80% YoY - improved treasury gains & PSLC commission
- ❖ Operating profit up by 172%
- ❖ PBT grows by 137 % YoY & 29% QoQ
- ❖ PAT grows by 176% YoY & 27% QoQ

Profit & Loss Account - H1 FY 21

Amt in Cr

	H1 FY 20	H1 FY 21	YoY	YoY%
Interest Income	732.3	892.6	160.3	21.9%
Interest Expense	452.8	478.1	25.3	5.6%
Net Interest Income	279.5	414.5	135	48.3%
Treasury Profit	13	75.9	62.9	485.4%
Commission Income	13.7	16.3	2.6	19.0%
Processing Fees	10.9	22.2	11.3	104.0%
Bad Debts recovered	22.6	24.4	1.8	8.0%
Other Income	24.3	33.2	8.9	36.7%
Total Non Interest Income	84.4	171.9	87.5	103.7%
Total Net Operating Income	363.9	586.4	222.4	61.1%
Staff Cost	168.1	189.8	21.6	12.8%
Other Opex	92.2	94.7	2.5	2.7%
Total Opex	260.4	284.5	24.1	9.3%
Operating Profit	103.6	301.9	198.3	191.5%

	H1 FY 20	H1 FY 21	YoY	YoY%
Operating Profit	103.6	301.9	198.3	191.5%
Provision for NPA	29.8	34.5	4.7	15.8%
Provision for Dep on Inv	2.4	39.6	37.2	1549.5%
Provision for std advances	2.0	63.5	61.5	3008.3%
Other Provisions	0.4	0.6	0.2	55.1%
Total Provisions	34.6	138.2	103.6	299.1%
Profit/Loss(-) Before Tax	68.9	163.6	94.7	137.4%
Tax	24.7	41.2	16.5	66.9%
Profit/Loss (-) After Tax	44.3	122.5	78.2	176.6%

- ❖ Net Interest Income grows by 48%
- ❖ Non-Interest Income increases by 103% -improved treasury gains & PSLC commission
- ❖ Operating profit up by 192%
- ❖ PBT grows by 138 %
- ❖ PAT grows by 175%

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Balance Sheet – Q2 FY 21

Amt in Cr

30.09.2019

30.09.2020

YoY (%)

30.06.2020

QoQ (%)

Liabilities

Capital	172.3	173.5	0.7%	173.5	0.0%
Reserves & Surplus	1,795.9	1,909.0	6.3%	1,840.7	3.7%
Deposits	15,509.8	17,468.4	12.6%	16,337.9	6.9%
Of Which CASA	4,371.9	5,134.1	17.4%	4,775.6	7.5%
Borrowings	-	2,181.8	-	1,628.0	34.0%
Other Liabilities & Provisions	277.4	382.3	37.8%	536.3	-28.7%
Total	17,755.5	22,115.0	24.6%	20,516.5	7.8%

Assets

Cash & Balance with RBI	706.2	636.2	-9.9%	555.6	14.5%
Balance with Banks & Money at call & Short Notice	109.9	86.5	-21.4%	754.1	-88.5%
Investments	4,314.1	7,659.4	77.5%	6,718.7	14.0%
Advances	11,297.8	12,537.6	11.0%	11,228.6	11.7%
Fixed Assets	215.6	229.3	6.3%	226.9	1.1%
Other Assets	1,111.8	966.0	-13.1%	1,032.6	-6.5%
Total	17,755.5	22,115.0	24.6%	20,516.5	7.8%

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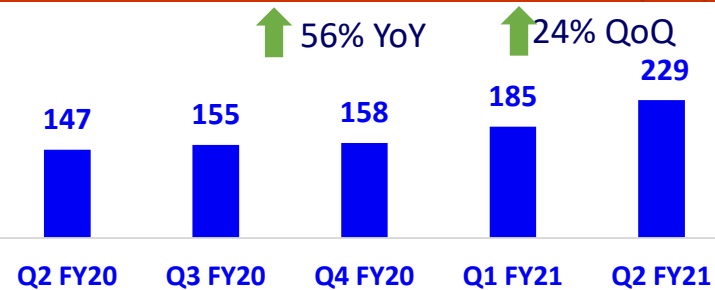
Asset Quality

Amt in Cr

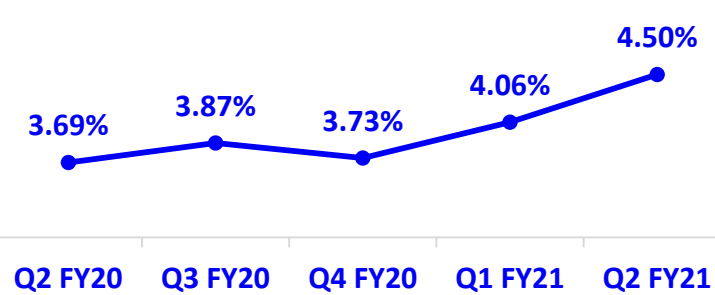
Gross NPA: Movement	QoQ movement				
	Q2 FY20 (3 months)	Q3FY20 (3 months)	Q4 FY20 (3 months)	Q1 FY21 (3 months)	Q2 FY21 (3 months)
Opening Balance of Gross NPA	513.4	326.2	352.6	409.4	401.0
Additions	60.7	52.7	83.2	5.5	3.7
Sub-total (A)	574.1	378.9	435.8	414.9	404.7
Less:-					
(i) Upgradations	10.5	9.0	7.1	6.3	1.6
(ii) Recoveries (excluding recoveries made from upgraded accounts)	25.6	16.2	17.3	7.2	15.0
(iii) Technical/ Prudential Write-offs	205.6	0.0	0.0	0.0	0.0
(iv) Write-offs other than those under (iii) above	6.2	1.1	1.9	0.4	0.7
Sub-total (B)	247.9	26.3	26.4	13.9	17.3
Closing balance of Gross NPA (A – B)	326.2	352.6	409.4	401.0	387.4

Profitability Ratios

Net Interest Income (in Cr)

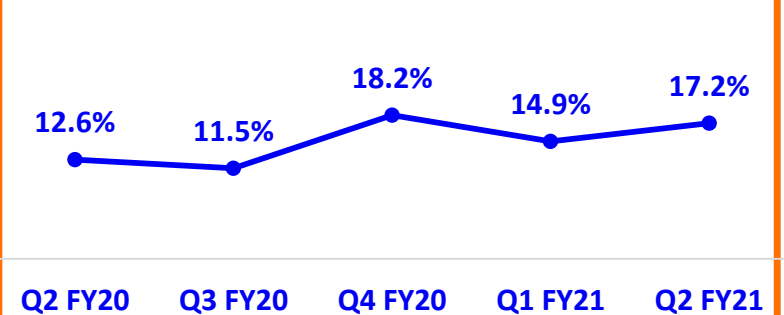


NIM (Annualised)

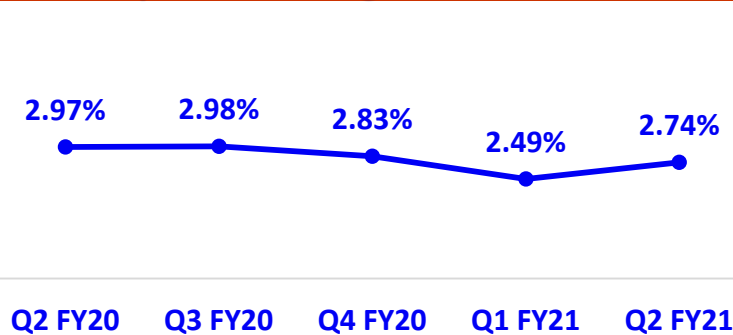


*NIM = NII/Avg interest earning assets

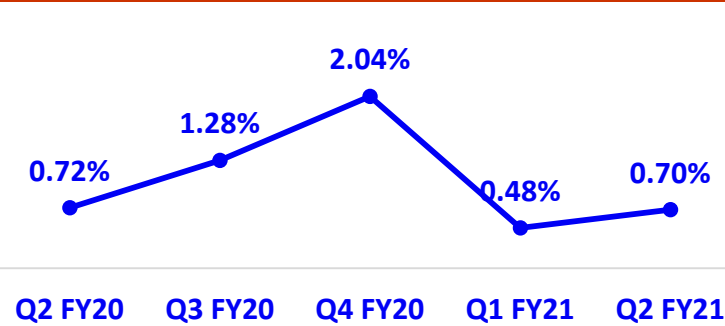
Non interest Income to Total Income



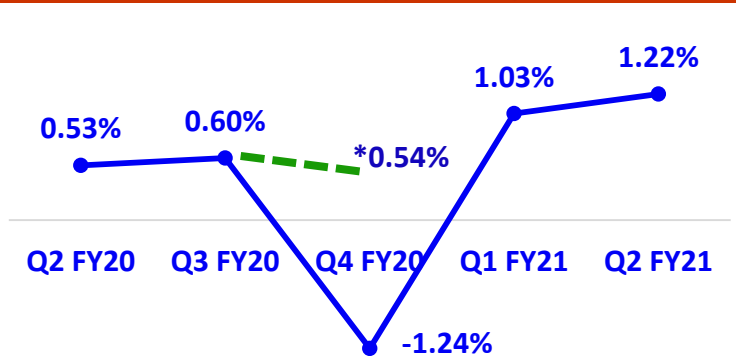
Opex to Average assets (Annualised)



Credit Cost (Annualised)



RoA (Annualised)



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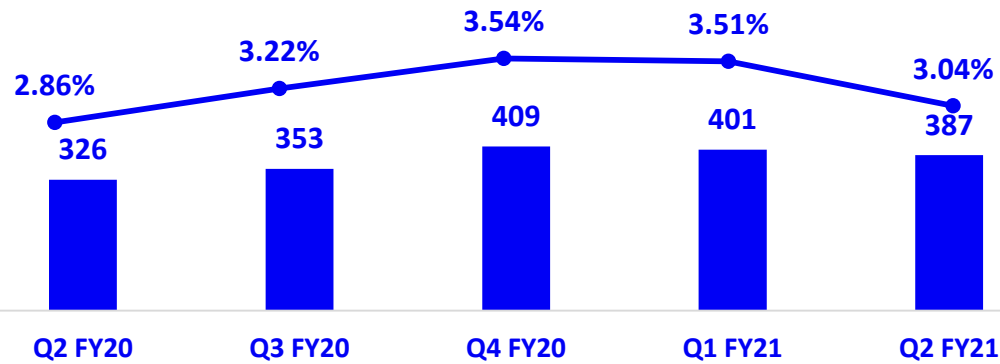
Strategy

Asset Quality Ratios

Amt in Cr

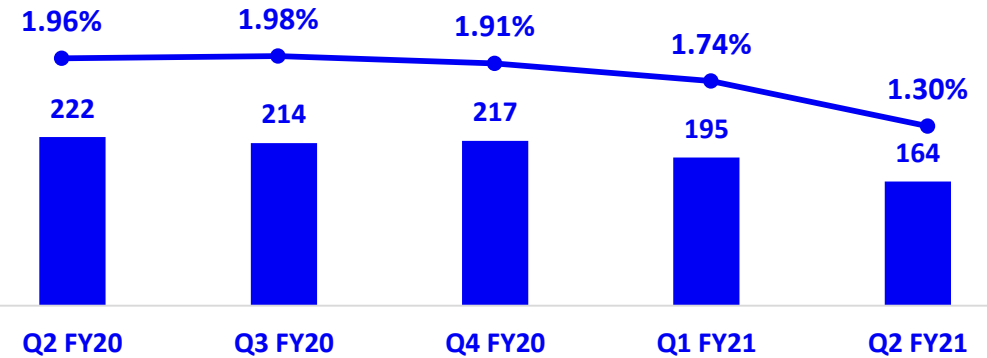
■ Gross NPA

— Gross NPA %

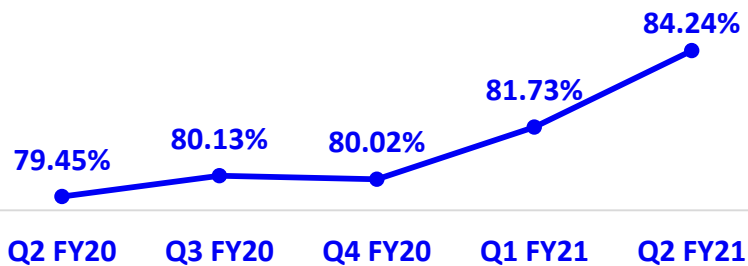


■ Net NPA

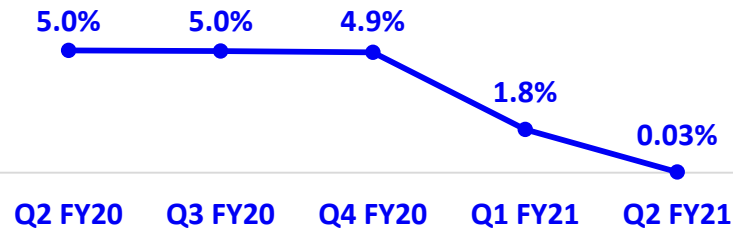
— Net NPA %



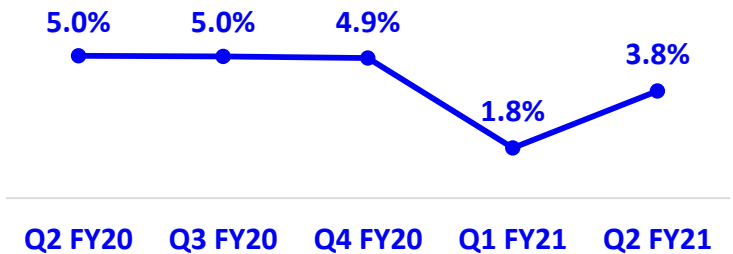
Provision Coverage Ratio



Slippage Ratio



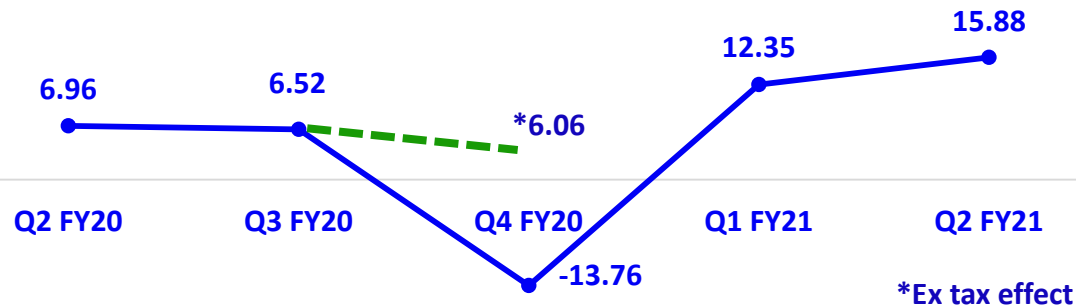
Recovery Rate



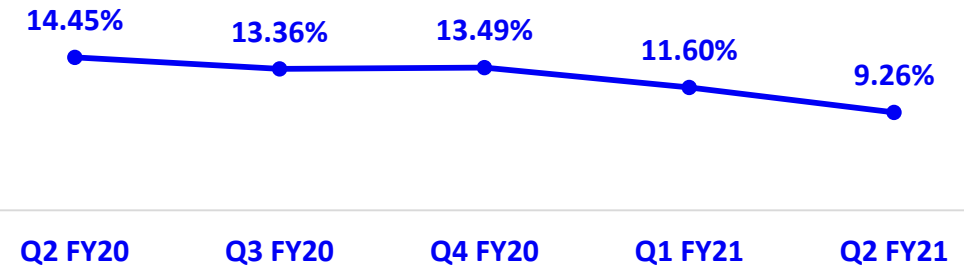
Share Holders Return & Risk Ratios

EPS (Annualised)

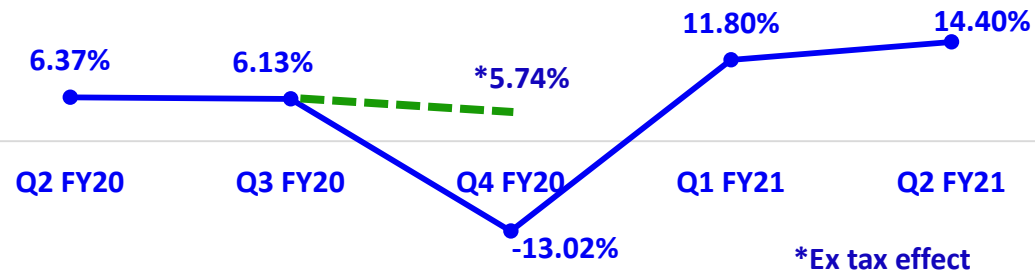
(in Rs)



Net NPA to Networth

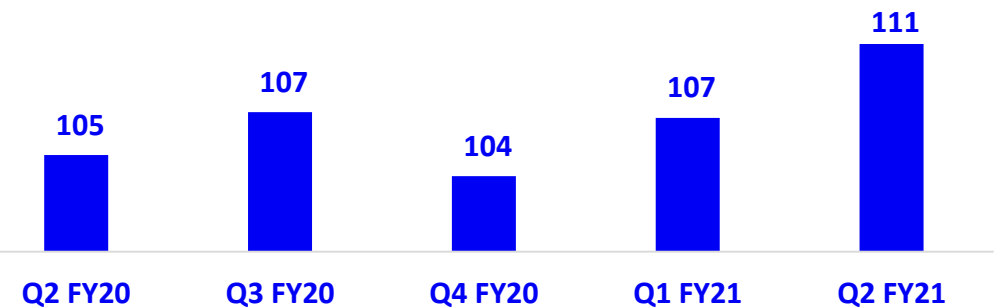


RoE (Annualised)



Book Value per Share

(in Rs)



Company
Overview

Business
Overview

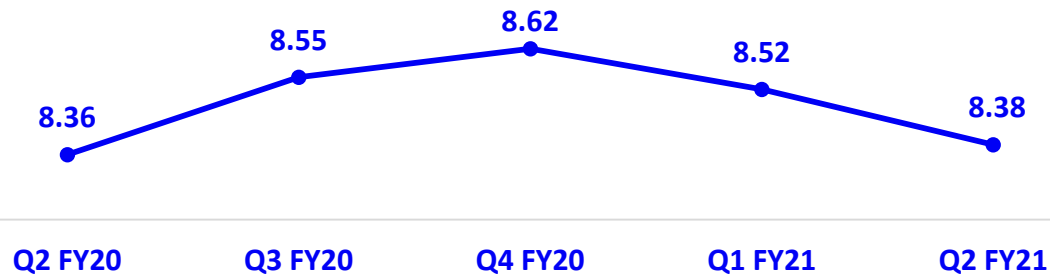
Earnings

Digital
Penetration

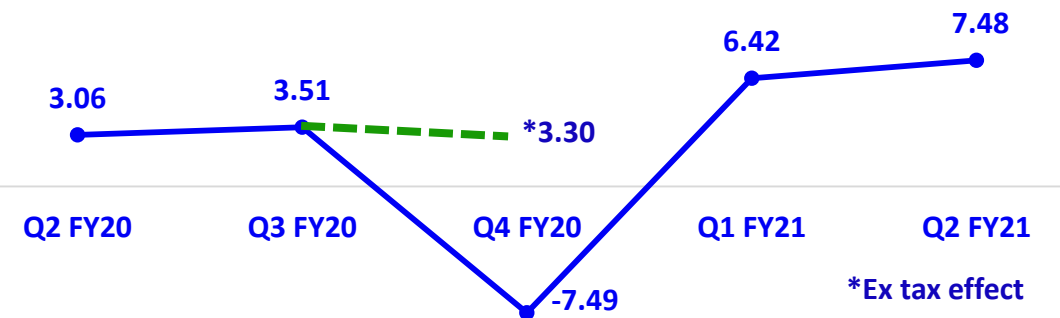
Strategy

Efficiency Ratios

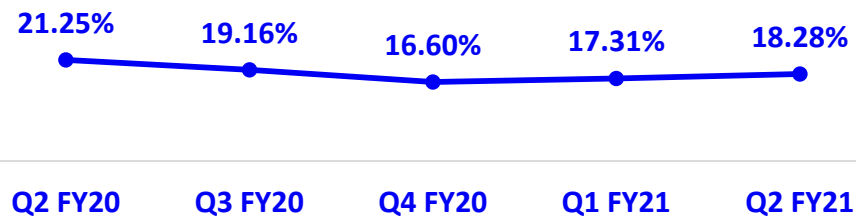
Business per Employee (Annualised) (In Cr)



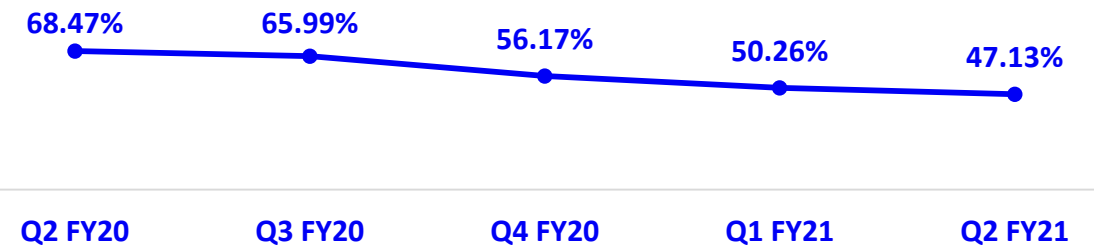
Profit per Employee (in Lakhs)



Staff Cost to Total Income

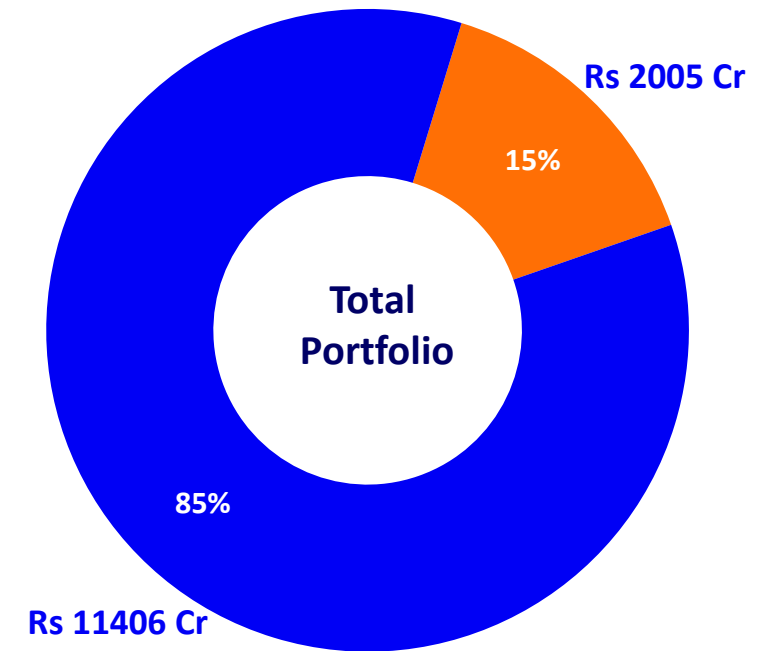
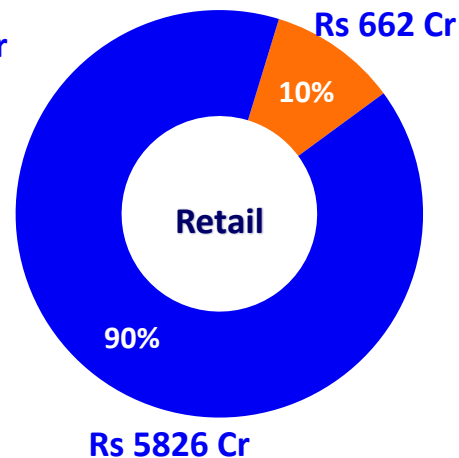
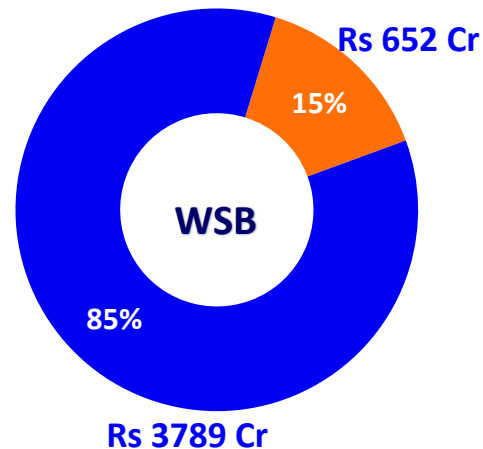
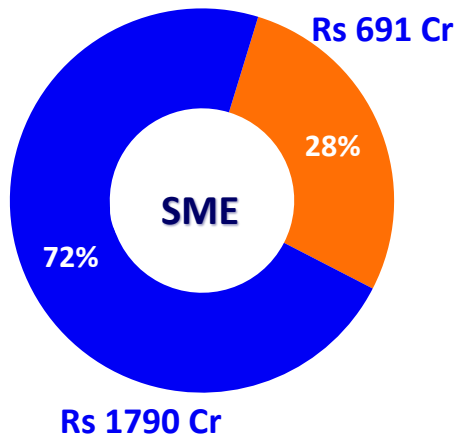


Cost to Income Ratio



COVID 19 - Status

Moratorium details as on 30.09.2020



■ Moratorium Availed ■ Not Availed

- Moratorium availed as a percentage of Gross advances – 15%
- Moratorium availed as a percentage of Gross advances (Exl Gold)– 24%
- Moratorium availed as a percentage of Retail Loans (Exl Gold)– 43%

WSB includes Corporate loans, Assignment loans & LCBD

Company
Overview

Business
Overview

Earnings

Digital
Penetration

Strategy

Digital Touch Points



1,778 Installations



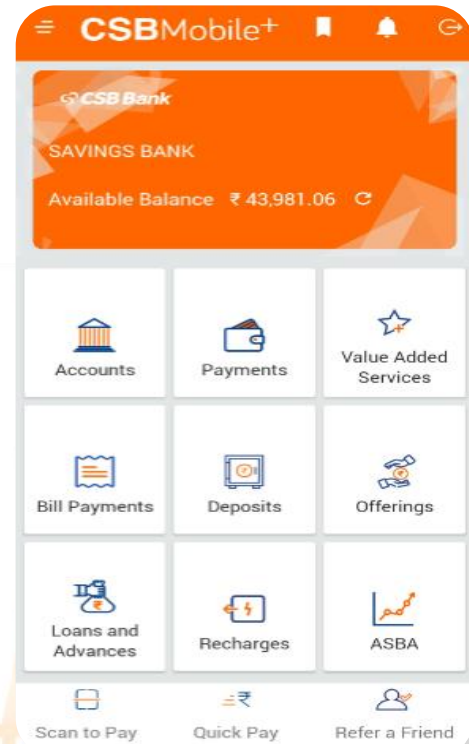
5.59 lacs + Debit Cards



2.7 lacs+ Net
Banking users



309 ATM
Network



2.33 lacs+ Mobile
Banking Users



1,564+ QR
Installations



59,097+ ePassbook
Downloads



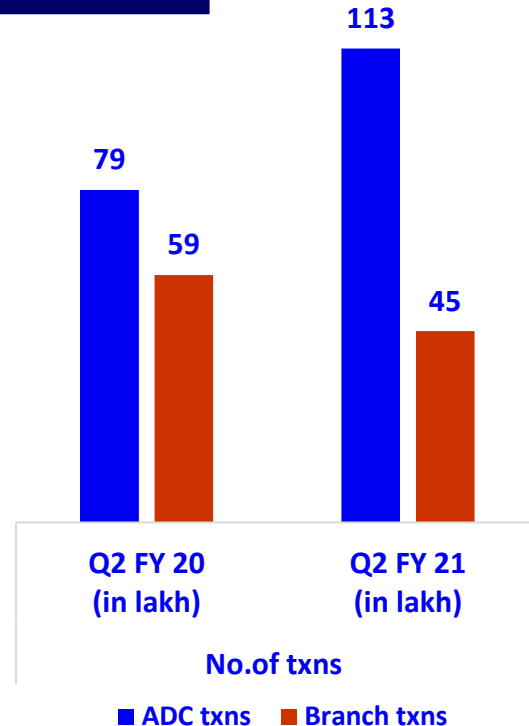
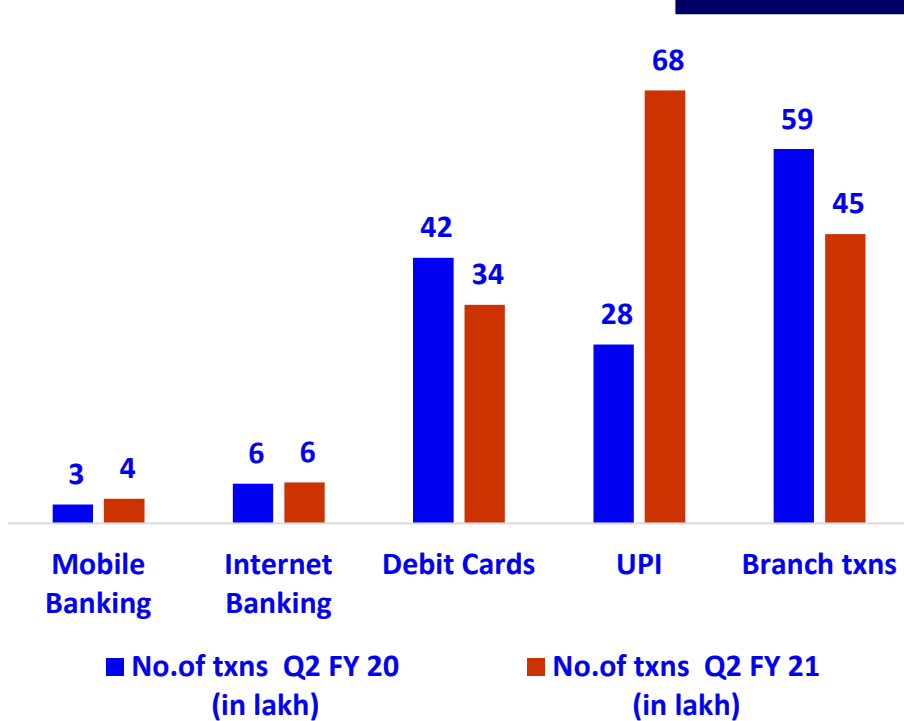
78,310+Prepaid
Cards



1.22 lac+ UPI
Downloads

Channel Transactions

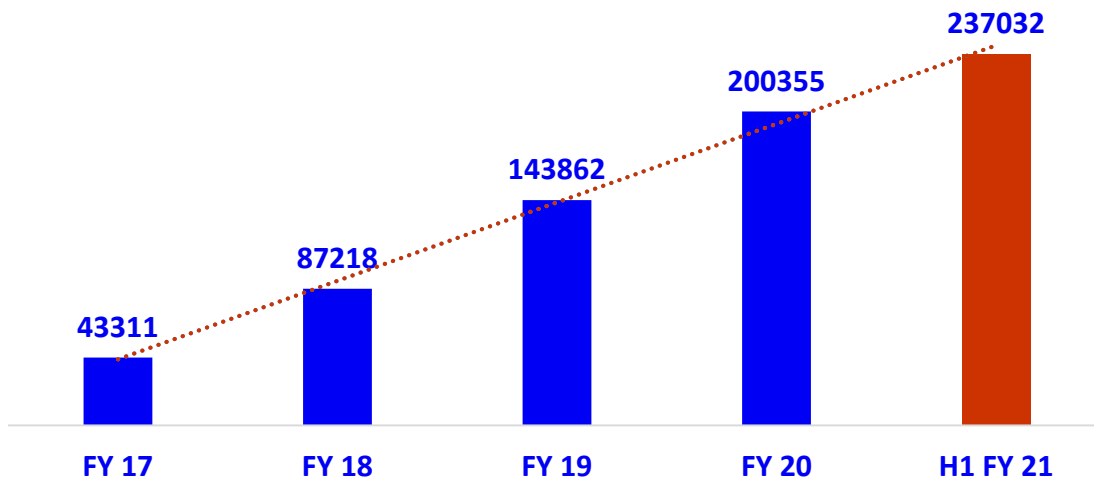
Digital vs Branch



	No. of txns	
	H1 FY 20 (In lakh)	H1 FY 21 (In lakh)
Mobile Banking	3	4
Internet Banking	6	6
Debit Cards	42	34
UPI	28	68
Branch txns	59	45
Total Channel Transactions	79	113
% of channel txns	57.33%	71.25%

CSB Mobile+ App - Way to Go Digital

Mobile Banking 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



CSB E-Tax Filing



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

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.

Continue to grow existing asset business

- ❖ Dedicated SME/MSME team to drive further penetration
- ❖ Separate vertical for agriculture based business
- ❖ Sharp focus on Retail businesses like gold loans, two wheeler loans, LAP and personal loans

Accelerate transformation as New Age Private Bank

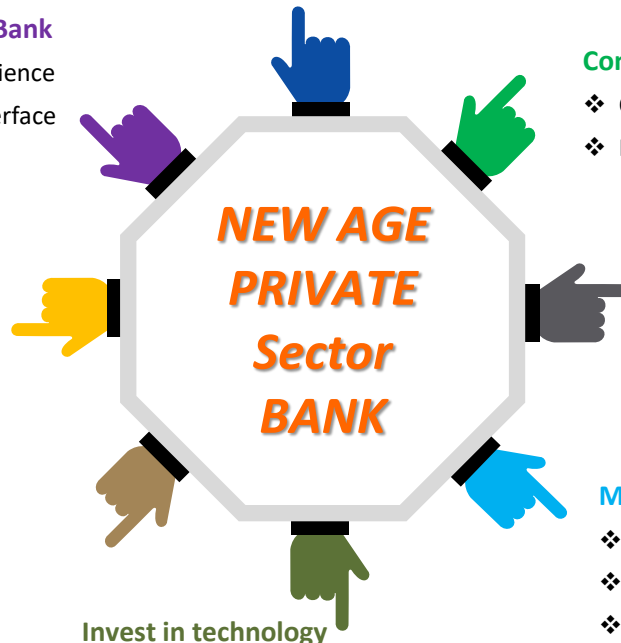
- ❖ Technology initiatives to enhance customer experience
- ❖ Expand products suite, services and customer interface
- ❖ Introduction of Score Cards as part of PMS
- ❖ Performance based Incentives

Focus on NPA recovery and improve asset quality

- ❖ Separate team for retail, SME, and corporate recovery
- ❖ Dedicated asset recovery branches for monitoring NPA of INR 1 Mn and above

Strengthening risk management

- ❖ Introduction of advanced risk management tools
- ❖ Enhance existing credit risk management systems



Continue to leverage strong deposits franchise

- ❖ Continue to increase CASA to support advances growth-Acquire, Retain and Grow
- ❖ Increased focus on NRI clients

Expand distribution infrastructure

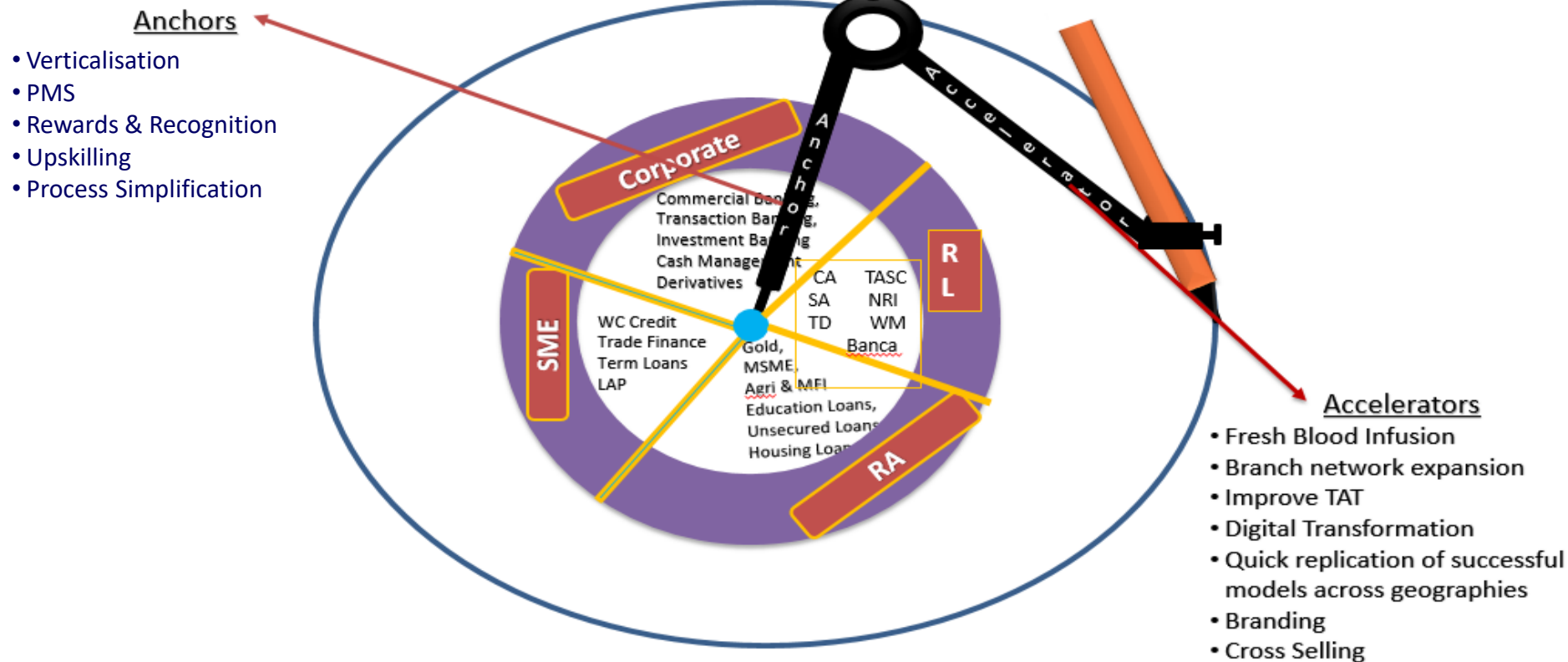
- ❖ Increase presence beyond home state
- ❖ Plan to open 100 plus branches in FY 21

Maximizing non-interest income

- ❖ Focus on distributing third-party investment products
- ❖ Foray into sale of forex, derivatives, and trade products
- ❖ Trading of PSL certificates

Invest in technology

- ❖ EWS
- ❖ LMS
- ❖ CRM



Thank You...

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