



# **CSB Bank**

## **Investor Presentation**

### **Q2 FY 22**

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Key Information

#### Improved Profitability

\*Q2 PAT at an all time high of Rs 119 Cr with RoA of 2.02%. H1 PAT at Rs 180 Crs. Up by 95%QoQ and 72%YoY

•Operating Profit up by 26% YoY

\*NIM of 5.22%

#### Cost and Revenue

\*Posted strong NII growth of 21% YoY

\*Non interest income up by 36% YoY –supported mainly by PSLC income, Commission etc

\*Total Opex up by 23% due to increased staff count, new branch opening , DA provisioning etc

#### Growth Momentum

\*Advance grew by 12% YoY

\*Deposits grew by 9% YoY

\*CASA growth of 21% & CASA Ratio of 33%

\* Digital Penetration increases to 86%

#### Well Capitalised & Strong Liquidity Position

\*Strong Capital comfort with a CRAR of 20.12% as on 30.09.21

\* Tier I ratio of 18.76%

\*Strong liquidity & LCR of 170%

\*Comfortable leverage ratio 8.03%

#### Asset Quality

\* Gross NPA percentage reduced from 4.88% to 4.11%. QoQ

\* Net NPA decreased from 3.21% as on 30.06.21 to 2.63% as on 30.09.21

\*PCR of 73% as on 30.09.21 as against 70% as on 30.06.21

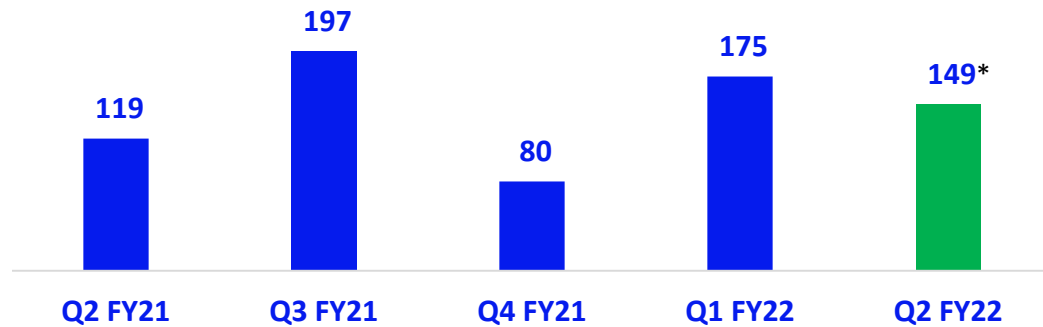
\* Continues with the Accelerated Provisioning Policy

- More than 100 years of legacy
- 542 Branches & 368 ATMs
- 9 Zonal Offices
- 1.8Mn happy customers
- Presence in 16 states & 4 UTs
- Total business of Over Rs 34000 Cr
- 7 bancassurance tie ups with industry leaders.

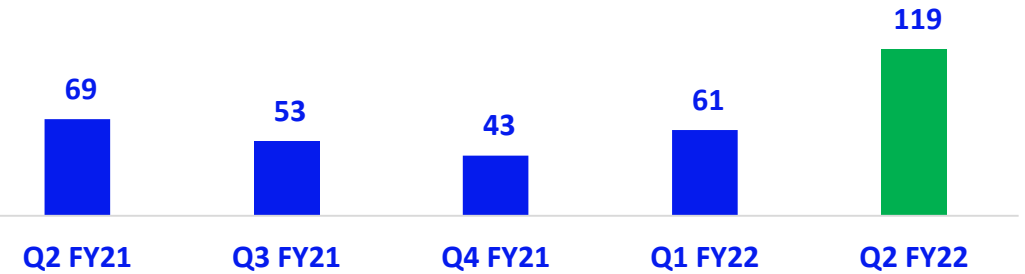
## Profitability Ratios

Amt in Cr

### Operating Profit QoQ

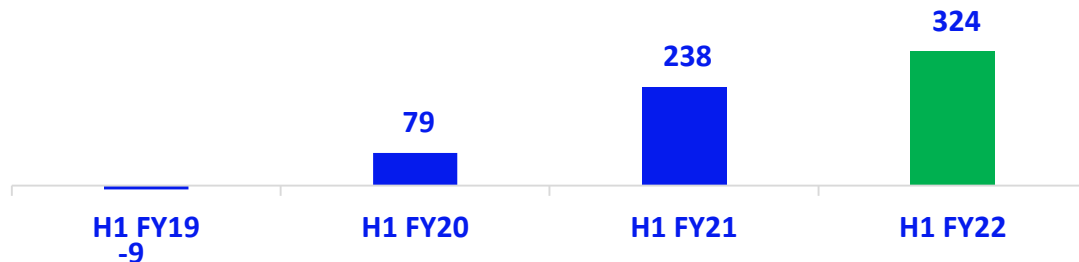


### Net Profit QoQ

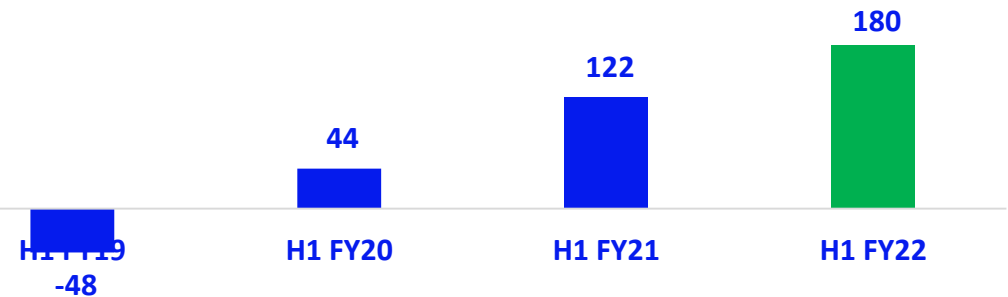


\*But for the regulatory changes operating profit would have been Rs 181.2 Cr for Q2 FY22 as against Rs 179.8 Cr as on Q1 FY 22

### 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 <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%

		RBI Norms	Accounting Treatment
Other Provisions	Provisions for Standard Assets	• 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	208
Additional Std asset provision	104
SR Provision	6
Total	318
Tax	80
<b>After Tax Impact</b>	<b>238</b>

## Company Overview

## Business Overview

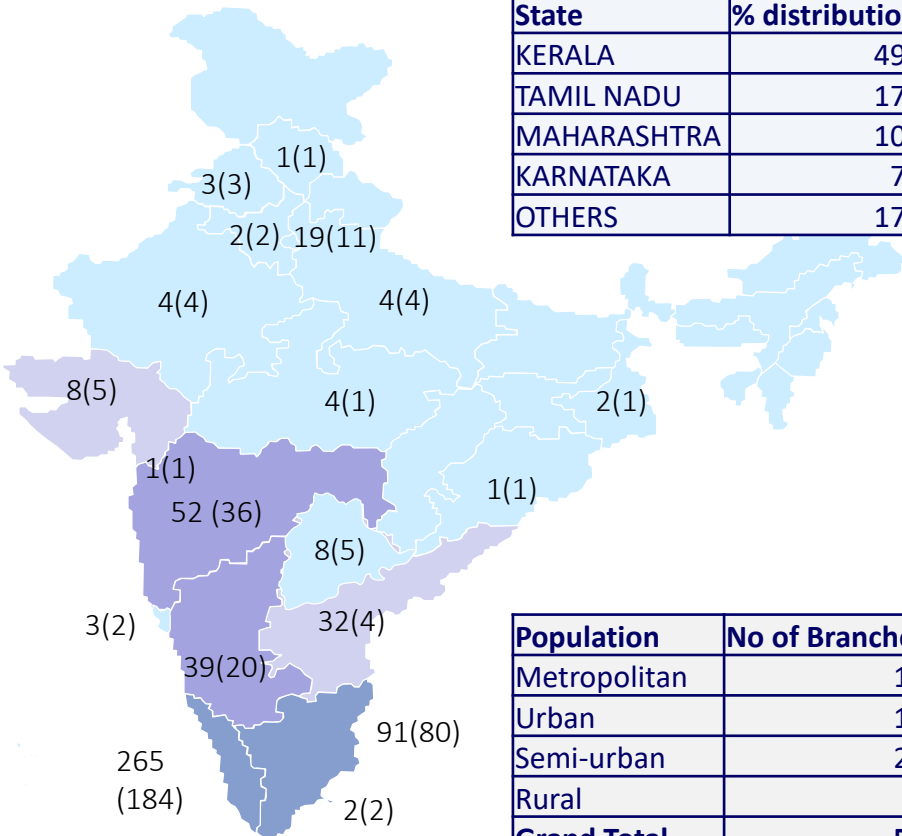
## Earnings

## Digital Penetration

## Strategy

### Branch Distribution

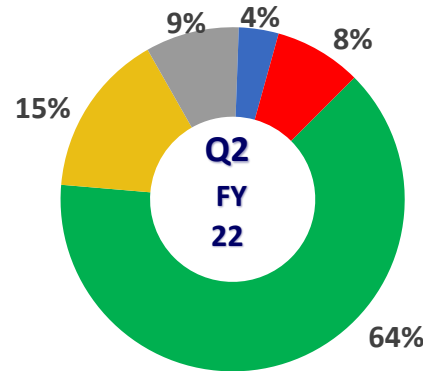
State	% distribution
KERALA	49%
TAMIL NADU	17%
MAHARASHTRA	10%
KARNATAKA	7%
OTHERS	17%



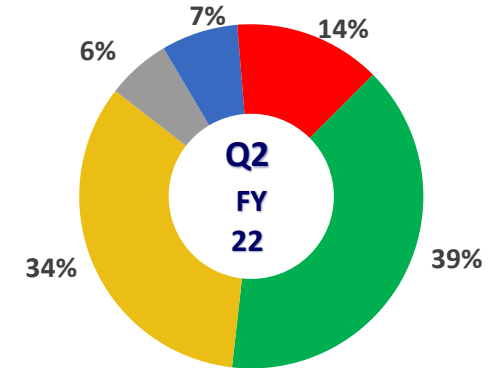
Population	No of Branches
Metropolitan	113
Urban	113
Semi-urban	270
Rural	46
<b>Grand Total</b>	<b>542</b>

Legend: Branches (ATM)

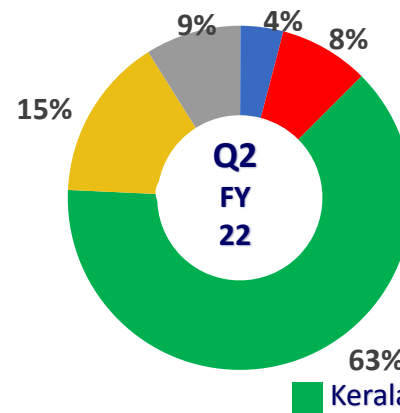
### CASA



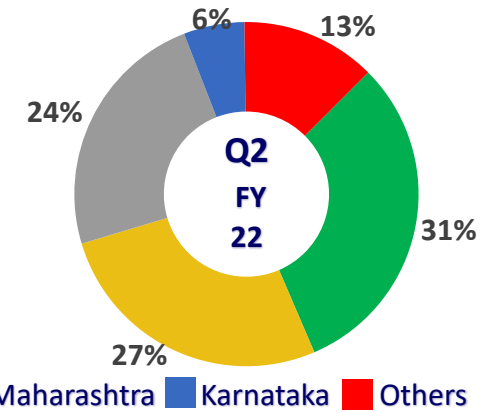
### Gold Loans



### Total Deposits



### Total Advances



## Company Overview

## Business Overview

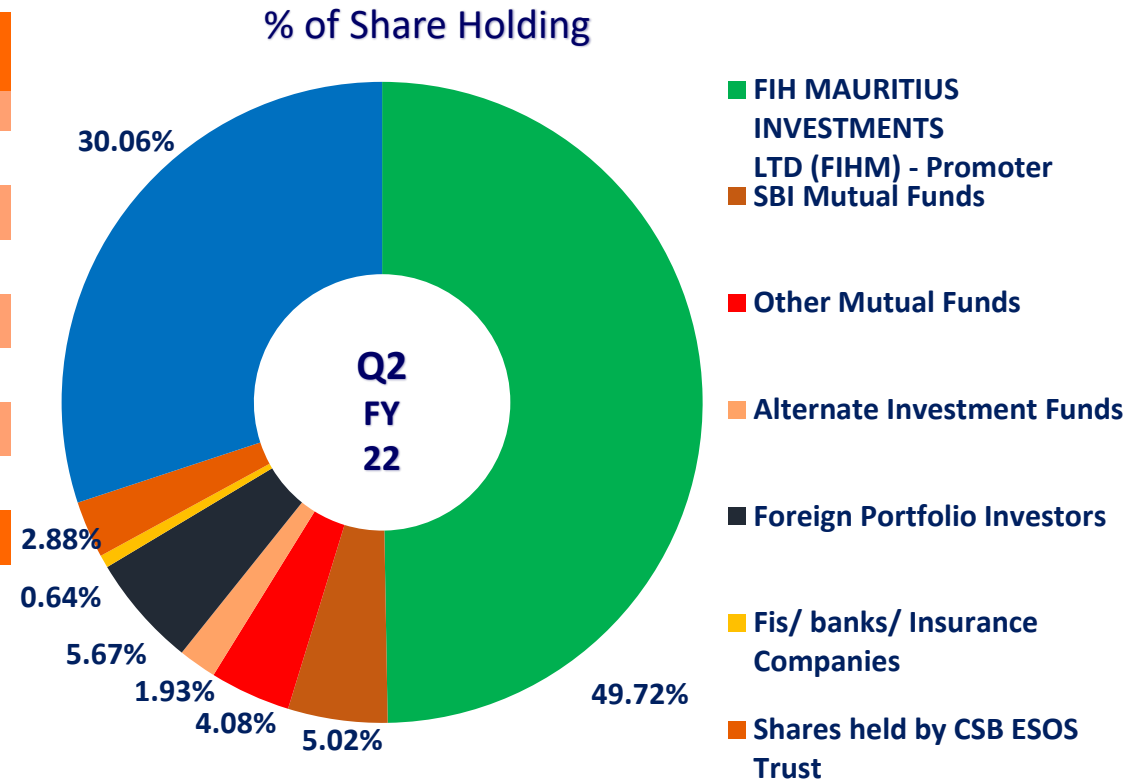
## Earnings

## Digital Penetration

## Strategy

### Share Holding Pattern

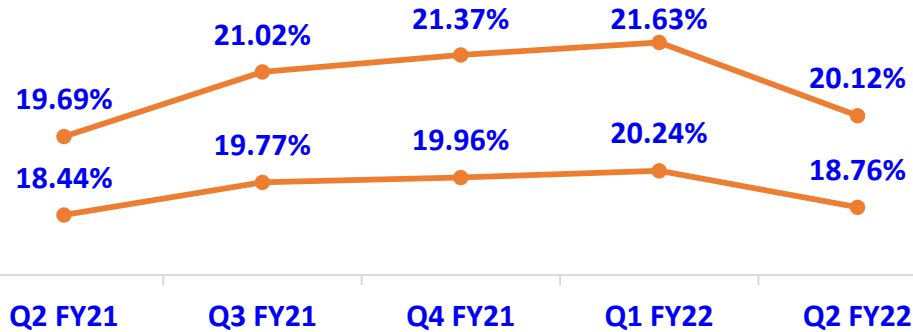
Category	No of Shareholders	No of Shares Held(in Mio)	% of Holding
FIHM - promoter & Promoter Group	1	86.26	49.72%
SBI Mutual Funds	1	8.71	5.02%
Other Mutual Funds	9	7.07	4.08%
Alternate Investment Funds	4	3.34	1.93%
Foreign Portfolio Investors	35	9.83	5.67%
Fis/ banks/ Insurance Companies	2	1.12	0.64%
Shares held by CSB ESOS Trust	1	5.00	2.88%
Others	49638	52.15	30.06%
<b>Total</b>	<b>47133</b>	<b>173.49</b>	<b>100.00%</b>



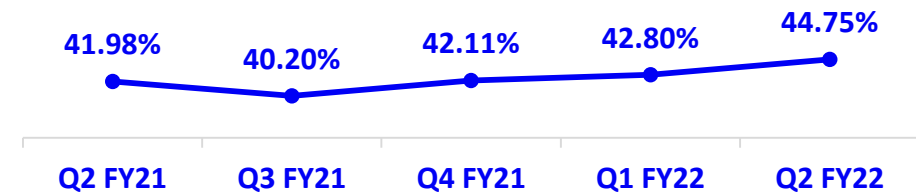
## Solid CRAR & Adequate Liquidity – Our Strength

Amt in Cr

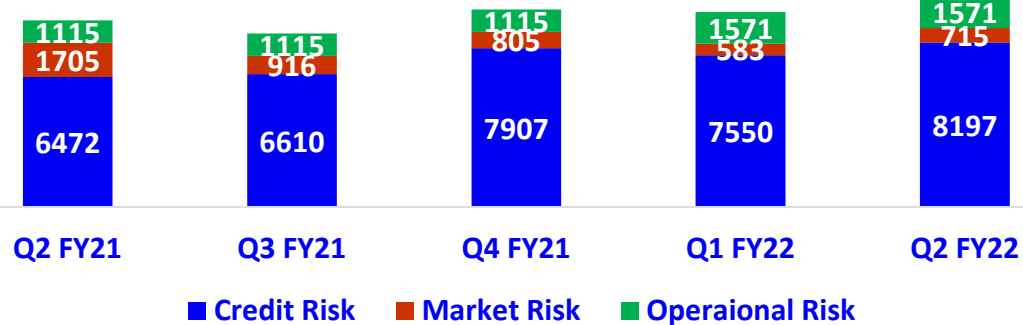
### Capital Adequacy Ratio



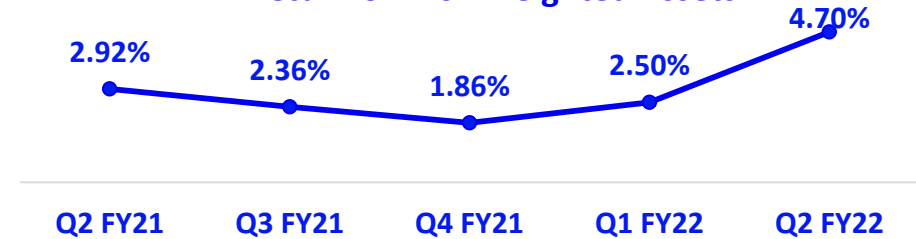
### RWA to Total Assets



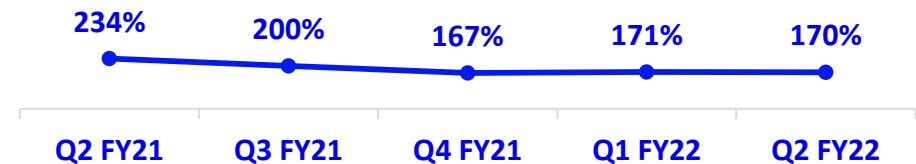
### Risk Weighted Assets



### Return on Risk Weighted Assets



### Liquidity Coverage Ratio



## Company Overview

## Business Overview

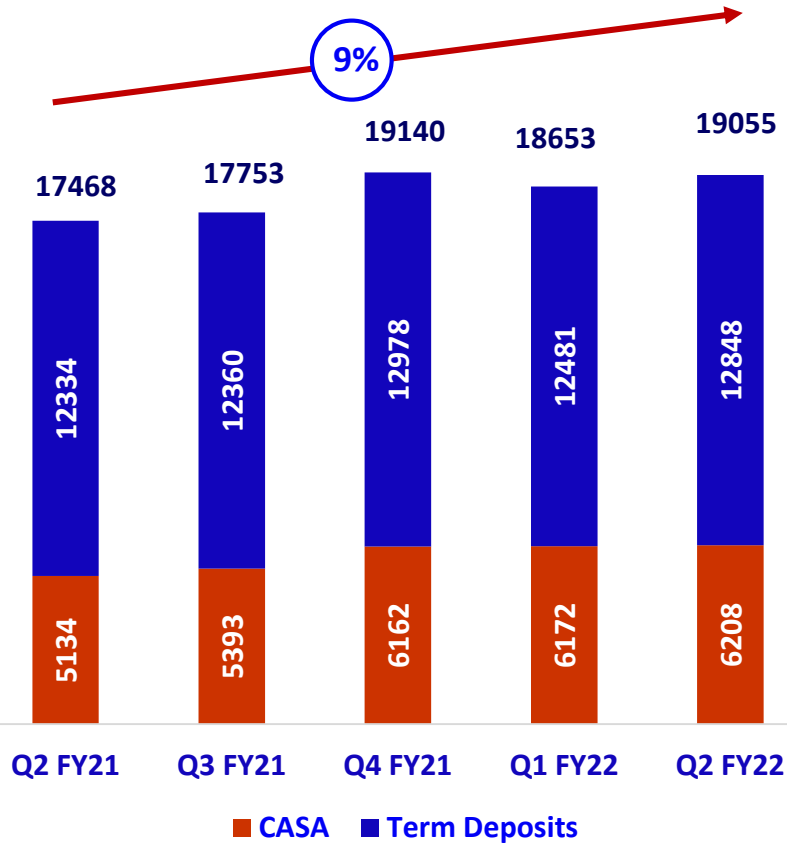
## Earnings

## Digital Penetration

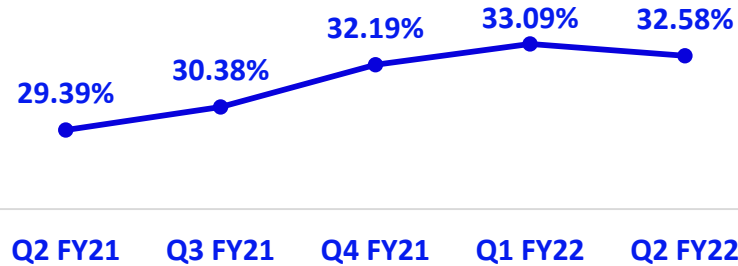
## Strategy

### Total Deposits

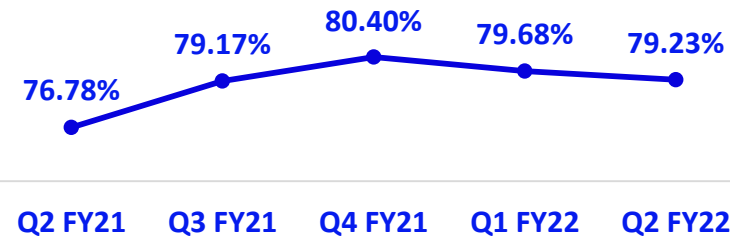
(Amt in Cr)



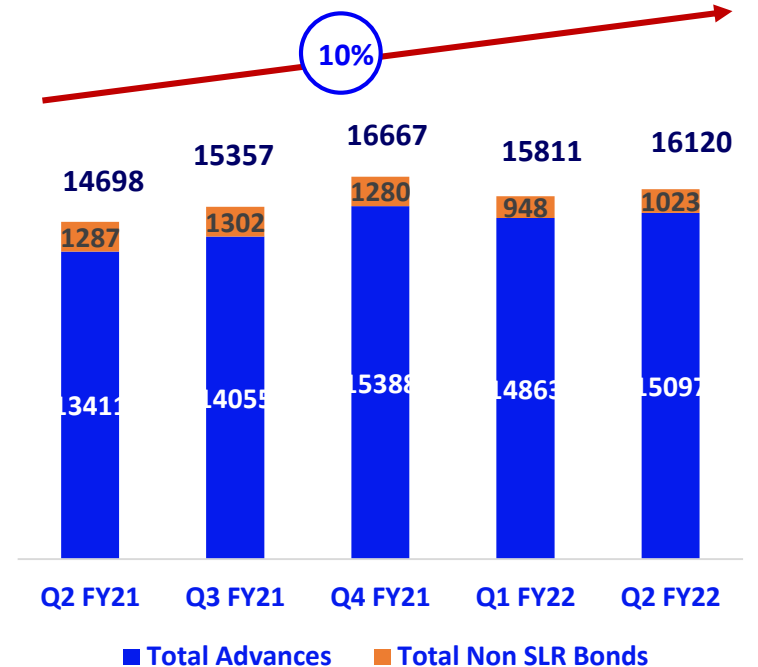
### CASA Ratio



### Gross CD Ratio



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





## Company Overview

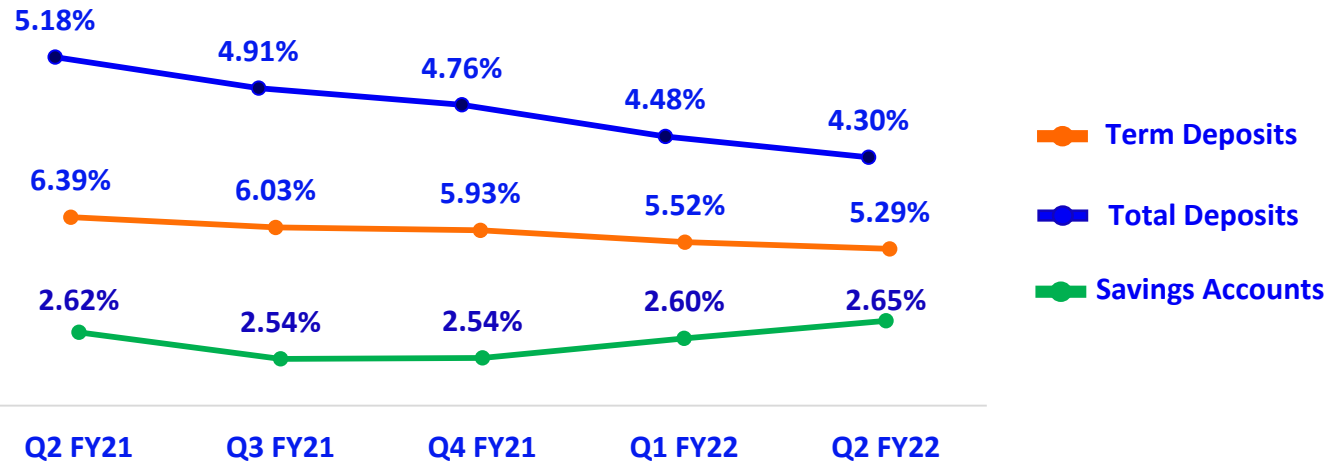
## Business Overview

## Earnings

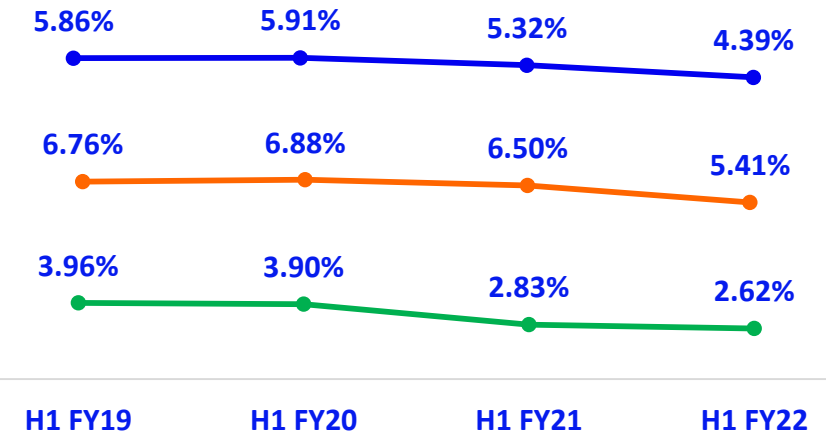
## Digital Penetration

## Strategy

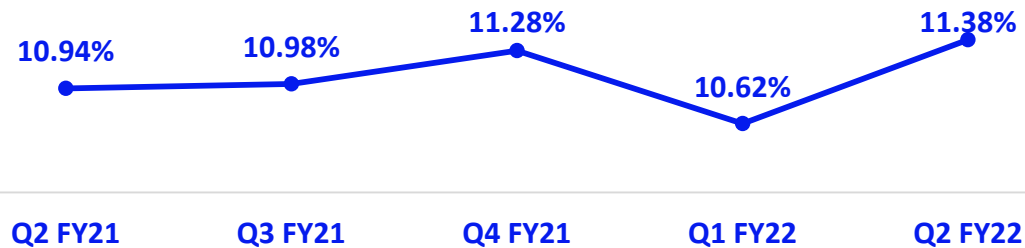
### Cost of Deposits (QoQ)



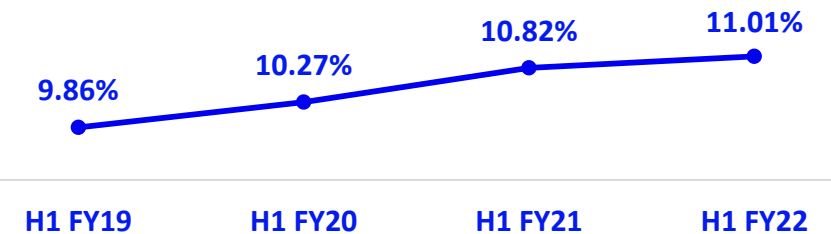
### Cost of Deposits (YoY)



### Yield on Advances (QoQ)



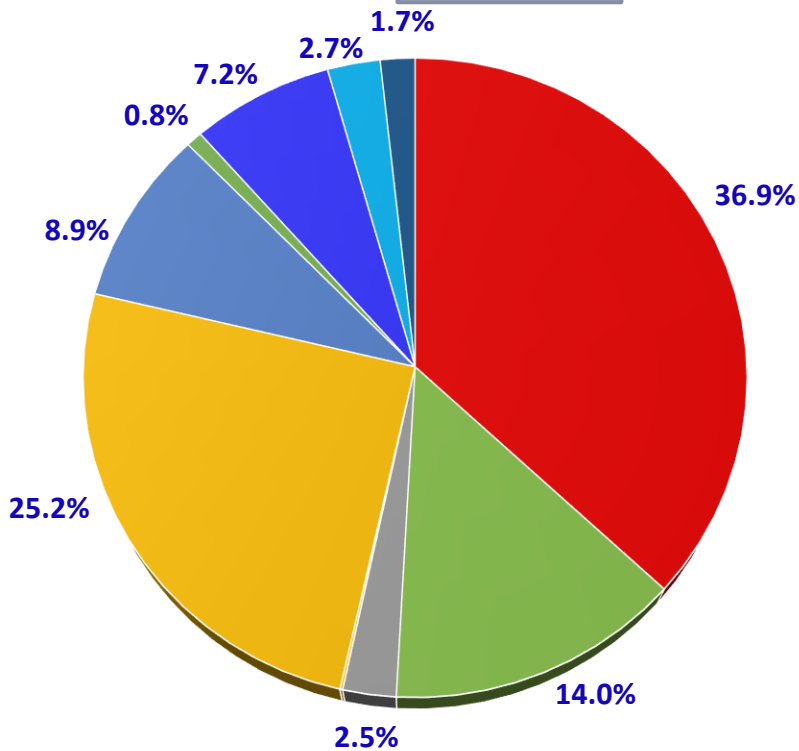
### Yield on Advances (YoY)



## Advance Mix

(Amt in Cr)

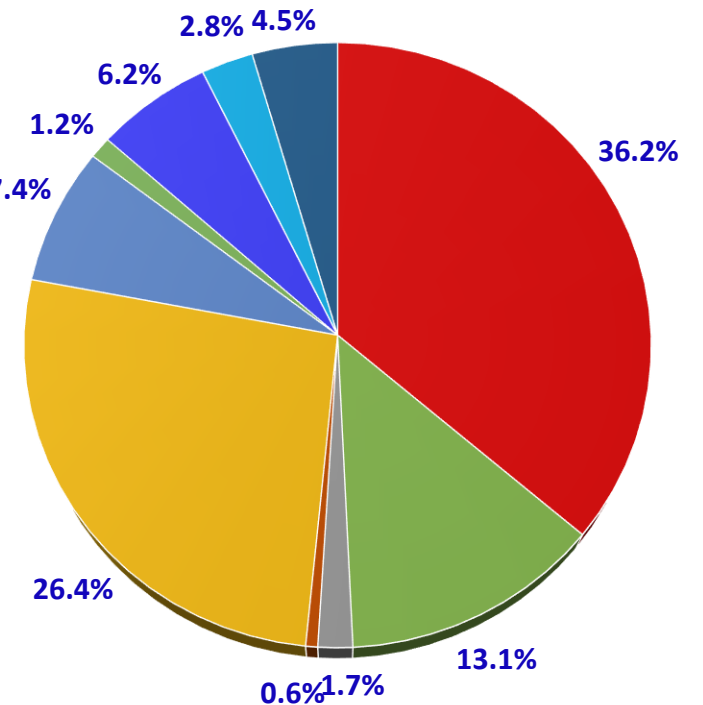
Q2 FY 21



Retail Loans includes 31% LAP, 22% HL, 6% EL, 3% VL & 38% others

4949	Gold Loans	5460	↑ 10.3%
1874	SME Loans	1975	↑ 5.4%
337	MSME General Loans	261	↓ 22.6%
17	MSME New Loans	90	↑ 429.4%
3378	Corporate Loans	3983	↑ 17.9%
1198	Retail Loans	1112	↓ 7.2%
109	Two Wheeler Loans	177	↑ 62.4%
959	Assignment Loans	934	↓ 2.6%
356	LCBD & TReDS	419	↑ 17.7%
234	Agri & MFI Loans	686	↑ 193.2%

Q2 FY 22



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

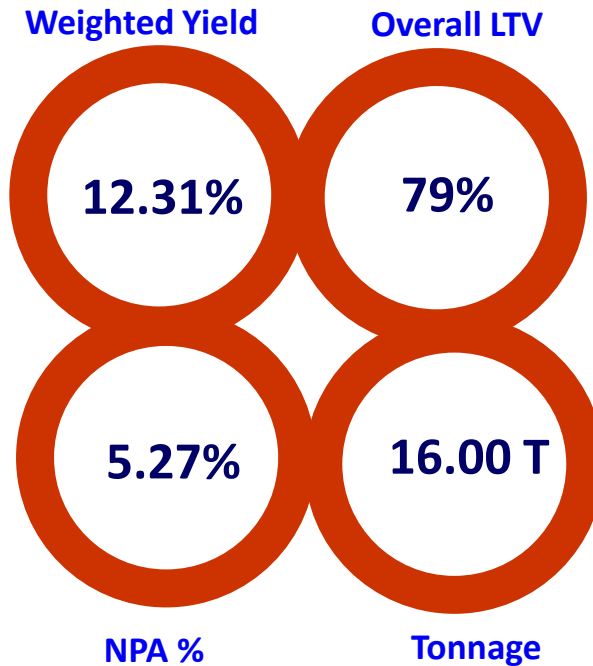
## Gold Loan – Our DNA

(Amt in Cr)

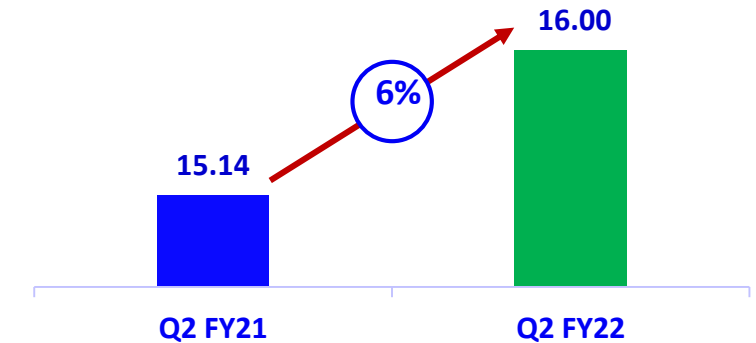
### Portfolio Movements



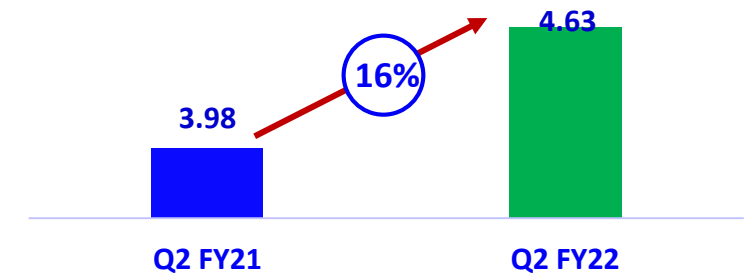
### Portfolio Quality



### Tonnage

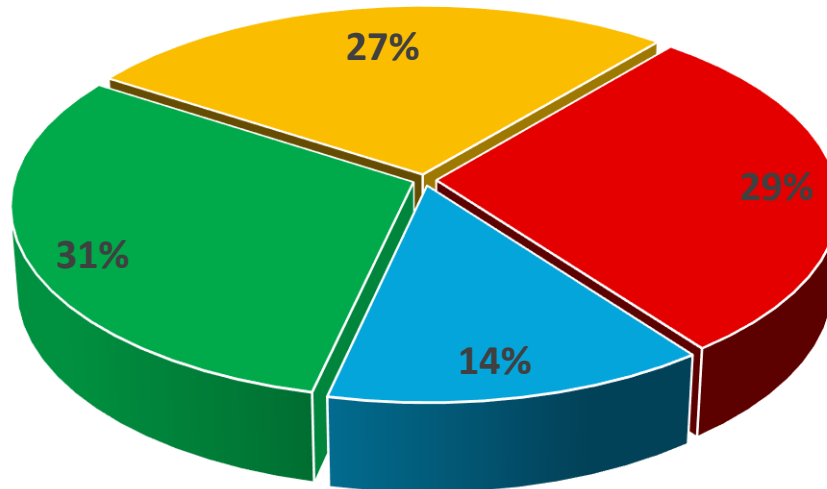


### No of Accounts (in Lakhs)



## Sector Wise Exposure

Sector Wise Exposure



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

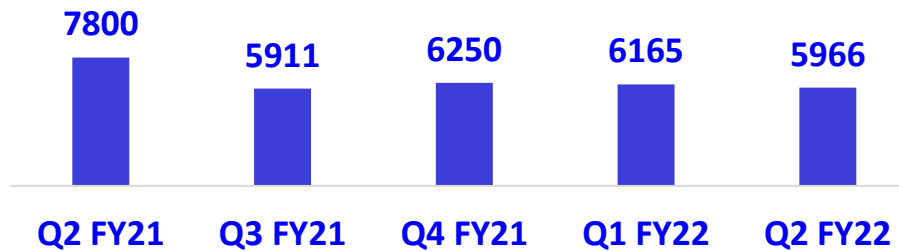
Industries	% to Gross advances
Textiles	5.33%
Construction	4.34%
Food Processing	4.09%
Infrastructure	3.43%
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	0.98%
All Engineering	0.82%
Chemicals and Chemical Products (Dyes, Paints, etc	0.76%
Vehicles, Vehicle Parts and Transport Equipments	0.68%
Basic Metal and Metal Products	0.30%
Paper and Paper Products	0.25%
Gems and Jewellery	0.24%
Wood and Wood Products	0.20%
Rubber, Plastic and their Products	0.20%
Beverages (excluding Tea & Coffee) ,Tobacco	0.15%
Cement and Cement Products	0.07%
Mining and Quarrying	0.07%
Leather and Leather products	0.06%
Glass & Glassware	0.01%
Other Industries, pl	0.69%

Services	% to Gross advances
NBFCs	10.06%
Wholesale & Retail Trade	4.98%
Tourism, Hotel and Restaurants	2.80%
Commercial Real Estate	2.31%
Computer Software	0.49%
Transport Operators	0.38%
Professional Services	0.13%
Other Services	9.30%

## Investments

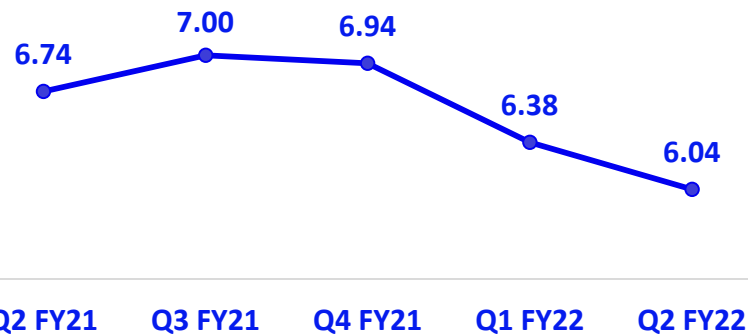
(Amt in Cr)

### Total Investments (Excl RIDF)

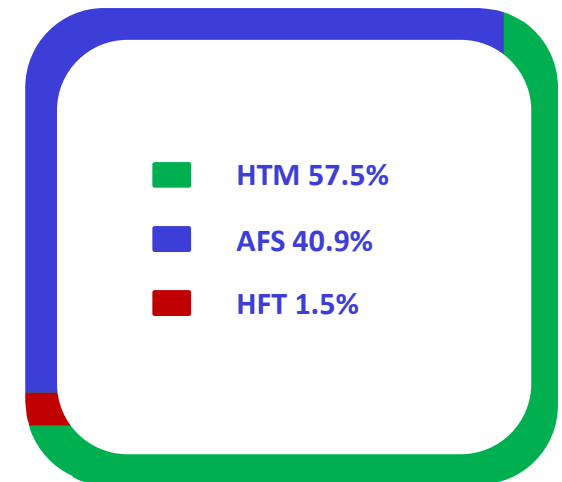
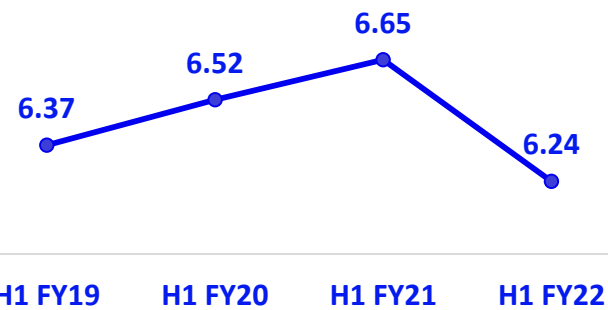


### Yield on Investments

QoQ



YoY

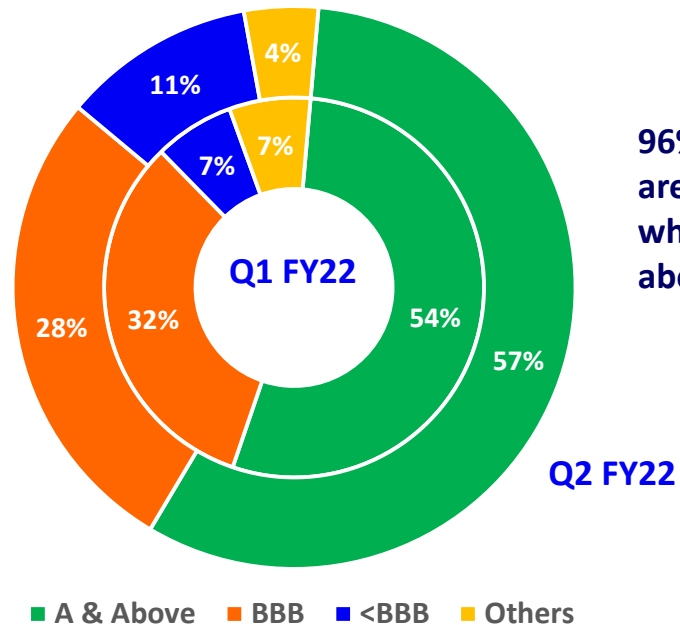


### M Duration

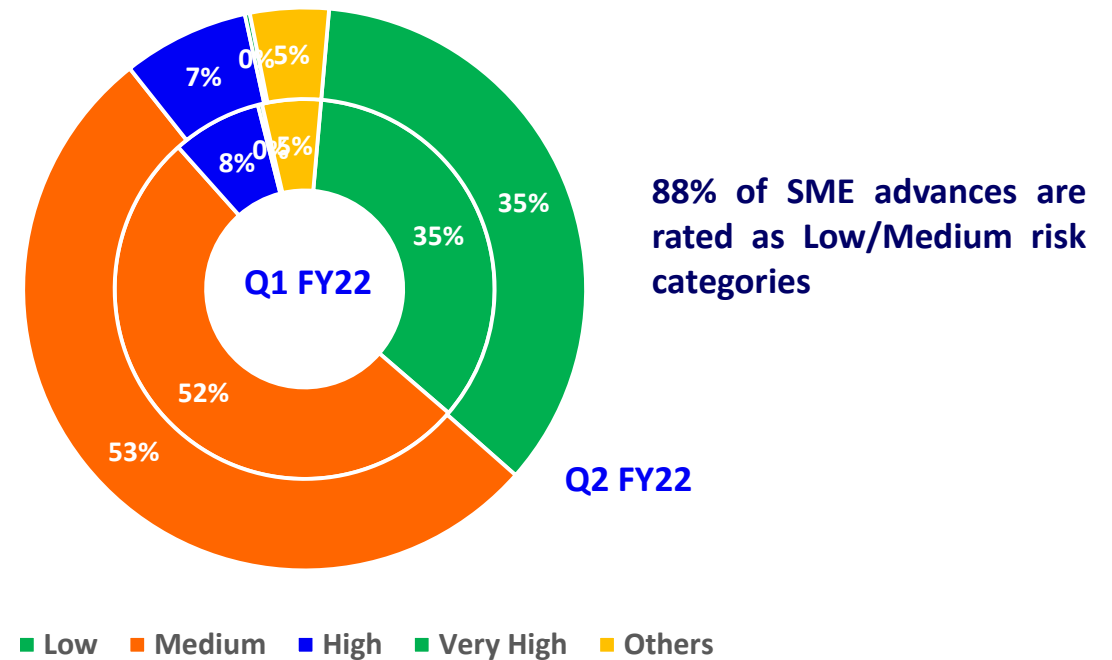
HFT	AFS	HTM	Total
7.61%	1.35%	5.59%	4.06%

## Rating wise Exposure

External Rating of Corporate Accounts (>Rs 25Cr)



Internal Rating of SME accounts



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### Profit & Loss Account - Q2 FY 22

Amt in Cr

	Q1FY22	Q2FY22	QoQ	Q2FY21	YoY		Q1FY22	Q2FY22	QoQ	Q2FY21	YoY
Interest Income	495.3	495.9	0%	470.0	6%	Operating Profit	174.7	149.4	-15%	119.0	26%
Interest Expense	227.5	217.5	-4%	240.7	-10%	Provision for NPA	97.3	-18.2	-	6.1	-
<b>Net Interest Income</b>	<b>267.8</b>	<b>278.4</b>	<b>4%</b>	<b>229.2</b>	<b>21%</b>	Other Provisions	-4.0	9.0	-	20.9	-
Treasury Profit	21.5	-10.2	-	-6.7	-	Total Provisions	93.2	-9.2	-110%	26.9	-
Exchange Profit	3.1	1.6	-48%	1.4	14%	<b>Profit Before Tax</b>	81.5	158.5	94%	92.1	72%
Processing Fees	9.1	16.8	85%	15.7	7%	Tax	20.5	39.9	95%	23.2	72%
Commission Income	11.0	15.9	45%	12.2	30%	<b>Profit/Loss (-) After Tax</b>	<b>61.0</b>	<b>118.6</b>	<b>94%</b>	<b>68.9</b>	<b>72%</b>
PSLC Premium	12.5	20.9	67%	9.0	132%	❖ Net Interest Income grows 4% QoQ & 21% YoY					
Other Income	14.0	14.8	6%	12.2	21%	❖ Non-Interest Income increases by 37% YoY - improved PSLC commission					
<b>Total Non Interest Income</b>	<b>71.2</b>	<b>59.8</b>	<b>-16%</b>	<b>43.8</b>	<b>37%</b>	❖ Non interest income down by 16% QoQ mainly due to SR provision amounting to Rs 18 Cr & netting of the same from treasury profit as per revised regulatory format change					
Total Net Operating Income	339.0	338.2	0%	273.1	24%	❖ Operating profit up by 26% YoY & down by 15% QoQ- QoQ degrowth is mainly due to increased staff cost due to increase in staff count & addl DA Provision and lower treasury gains and SR provisions					
Staff Cost	97.2	119.2	23%	103.8	15%	❖ But for the regulatory changes operating profit would have been Rs 181.2 Cr for Q2 FY22 as against Rs 179.8 Cr as on Q1 FY 22					
Other Opex	67.0	69.6	4%	50.3	38%	❖ PBT grows by 72% YoY & 94% QoQ mainly due to reduced NPA provisions					
Total Opex	164.3	188.8	15%	154.0	23%	❖ Q2 PAT is at a record level of Rs 119 Cr					
<b>Operating Profit</b>	<b>174.7</b>	<b>149.4</b>	<b>-15%</b>	<b>119.0</b>	<b>26%</b>						

*Note- To comply with the Master Direction dated August, 30,2021 issued by RBI on Financial Statements, necessary adjustments have been made while drawing the results as on 30.09.2021. Also we have restated/regrouped prior period figures to enable comparison of quarterly numbers on a like to like basis in certain parts of the presentation*

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### Profit & Loss Account - H1 FY 22

Amt in Cr

	H1 FY 21	H1 FY 22	YoY	YoY%
Interest Income	892.6	991.1	98.5	11%
Interest Expense	478.1	445.0	-33.1	-7%
<b>Net Interest Income</b>	<b>414.5</b>	<b>546.1</b>	<b>131.6</b>	<b>32%</b>
Treasury Profit	36.3	11.2	-25.1	-69%
Exchange Profit	2.6	4.7	2.1	81%
Processing Fees	22.2	25.9	3.7	17%
Commission Income	19.0	27.0	8.0	42%
PSLC Premium	9.0	33.4	24.4	271%
Other Income	18.8	28.8	10.0	53%
<b>Total Non Interest Income</b>	<b>107.9</b>	<b>131.0</b>	<b>23.1</b>	<b>21%</b>
<b>Total Net Operating Income</b>	<b>522.4</b>	<b>677.2</b>	<b>154.8</b>	<b>30%</b>
Staff Cost	189.8	216.4	26.6	14%
Other Opex	94.7	136.7	42.0	44%
Total Opex	284.5	353.1	68.6	24%
<b>Operating Profit</b>	<b>238.00</b>	<b>324.1</b>	<b>86.1</b>	<b>36%</b>

	H1 FY 21	H1 FY 22	YoY	YoY%
<b>Operating Profit</b>	<b>238.0</b>	<b>324.1</b>	<b>86.1</b>	<b>36%</b>
Provision for NPA	10.2	79.0	68.8	675%
Other Provisions	64.1	5.0	-59.1	-92%
Total Provisions	74.3	84.1	9.8	13%
<b>Profit Before Tax</b>	<b>163.6</b>	<b>240.1</b>	<b>76.5</b>	<b>47%</b>
Tax	41.2	60.4	19.2	47%
<b>Profit/Loss (-) After Tax</b>	<b>122.5</b>	<b>179.6</b>	<b>57.1</b>	<b>47%</b>

- ❖ Net Interest Income grows by 32%
- ❖ Non-Interest Income increases by 21%- Supported by PSLC/ commission income
- ❖ Staff cost up by 14% due to increase in staff count and DA provisions
- ❖ Operating profit up by 36% - even after continuing with the accelerated provisioning policy
- ❖ PBT grows by 47 % even after continuing the accelerated provisioning policy
- ❖ PAT grows by 47%



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### Balance Sheet – H1 FY 22

Amt in Cr

30.09.2020

30.09.2021

YoY (%)

30.06.2021

QoQ (%)

#### Liabilities

Capital	173.5	173.5	0%	173.5	0%
Reserves & Surplus	1909.6	2189.9	15%	2069.5	6%
<b>Deposits</b>	<b>17468.4</b>	<b>19055.5</b>	<b>9%</b>	<b>18652.8</b>	<b>2%</b>
Of Which CASA	5134.1	6208.0	21%	6171.7	1%
Borrowings	2181.8	1476.0	-32%	1313.5	12%
Other Liabilities & Provisions	382.3	529.6	39%	462.4	15%
<b>Total</b>	<b>22115.7</b>	<b>23424.6</b>	<b>6%</b>	<b>22671.7</b>	<b>3%</b>

#### Assets

Cash & Balance with RBI	636.2	883.0	39%	860.2	3%
Balance with Banks Money at call & Short Notice	86.5	1542.3	1683%	681.1	126%
Investments	7659.4	5836.4	-24%	6054.7	-4%
Advances	12537.6	14070.1	12%	13817.2	2%
Fixed Assets	260.8	278.2	7%	271.3	3%
Other Assets	935.1	814.6	-13%	987.1	-17%
<b>Total</b>	<b>22115.7</b>	<b>23424.6</b>	<b>6%</b>	<b>22671.7</b>	<b>3%</b>

## Asset Quality

Amt in Cr

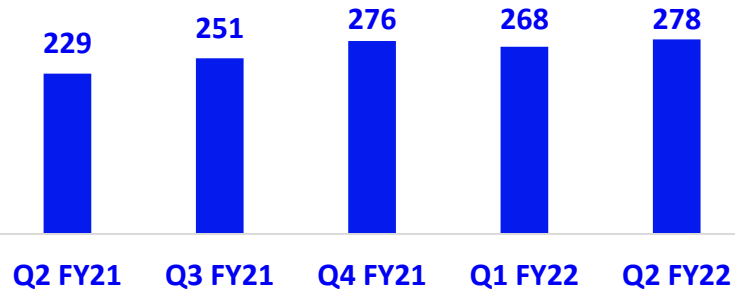
Gross NPA: Movement	QoQ movement				
	Q2 FY21 (3 months)	Q3 FY21 (3 months)	Q4 FY21 (3 months)	Q1 FY22 (3 months)	Q2 FY22 (3 months)
Opening Balance of Gross NPA	401	387	235	393	686
Additions	4	-	188	435	205*
<b>Sub-total (A)</b>	<b>405</b>	<b>388</b>	<b>423</b>	<b>829</b>	<b>892</b>
Less:-					
(i) Upgradations	2	3	2	20	96
(ii) Recoveries (excluding recoveries made from upgraded accounts)	15	15	26	36	190
(iii) Technical/ Prudential Write-offs	-	134	0	86	19
(iv) Write-offs other than those under (iii) above	1	1	2	-	1
<b>Sub-total (B)</b>	<b>17</b>	<b>153</b>	<b>29</b>	<b>142</b>	<b>305</b>
<b>Closing balance of Gross NPA (A – B)</b>	<b>387</b>	<b>235</b>	<b>393</b>	<b>686</b>	<b>587</b>

\*Of which gold 170 Cr

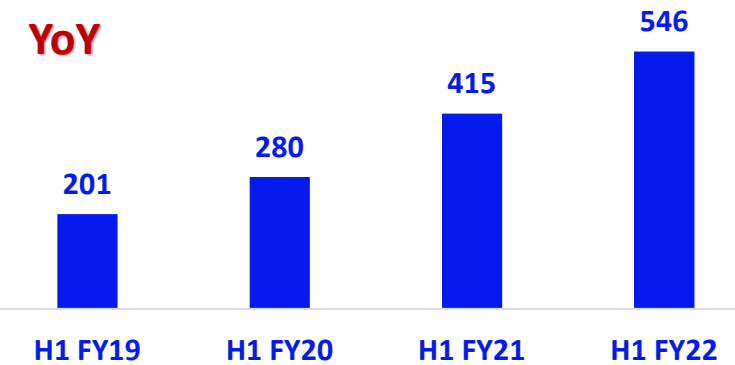
## Profitability Ratios

### Net Interest Income (in Cr)

QoQ

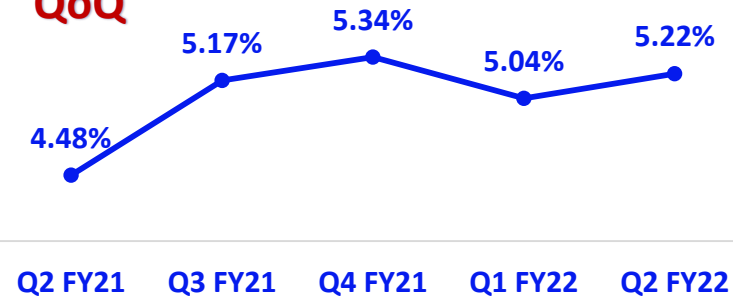


YoY

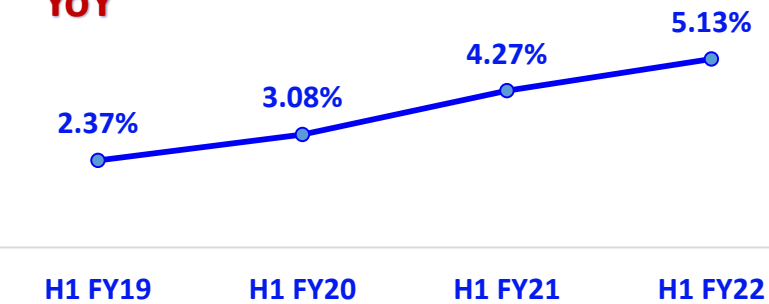


### NIM

QoQ



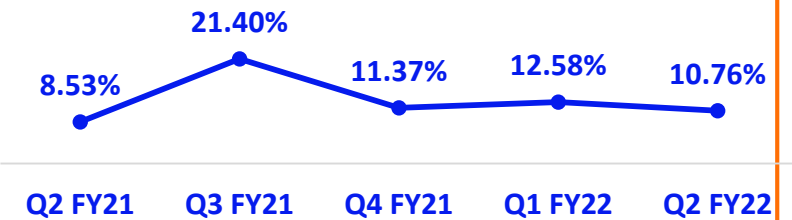
YoY



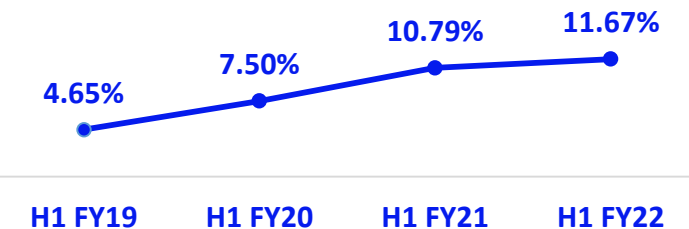
\*NIM = NII/Avg interest earning assets

### Non interest Income to Total Income

QoQ



YoY



Company  
Overview

Business  
Overview

Earnings

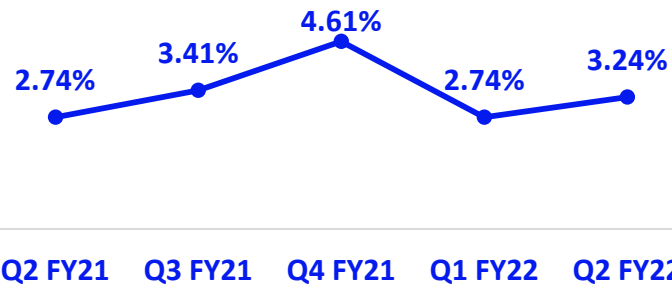
Digital  
Penetration

Strategy

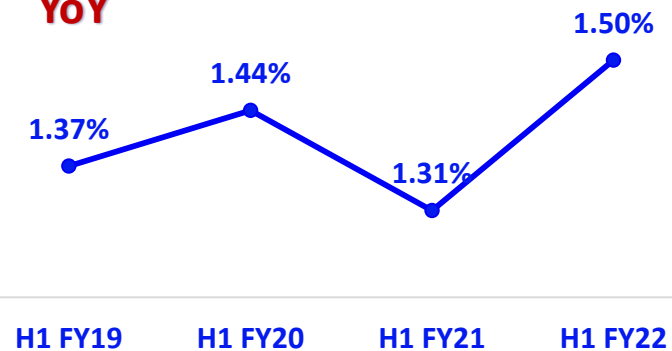
## Profitability Ratios

### Opex to Average assets

QoQ

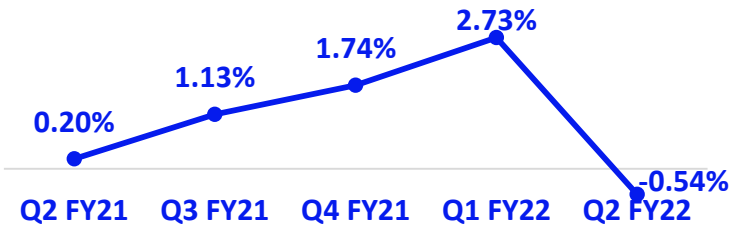


YoY

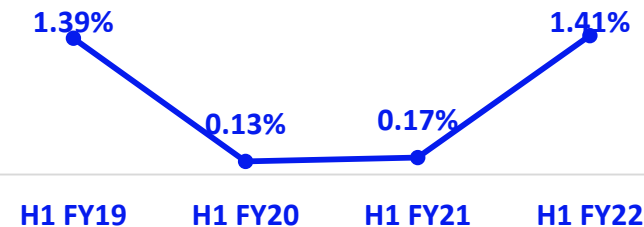


### Credit Cost

QoQ

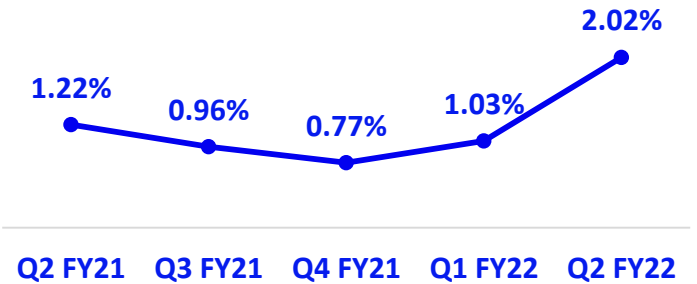


YoY

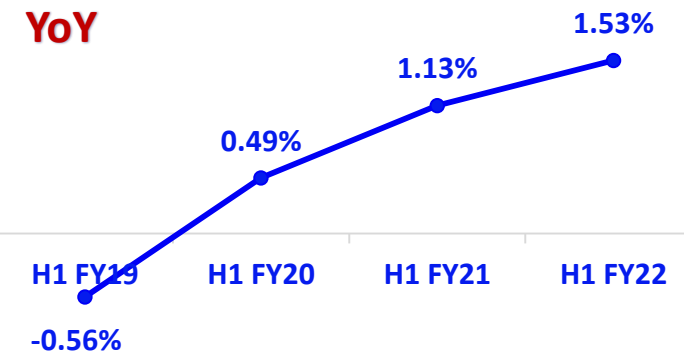


### RoA

QoQ



YoY



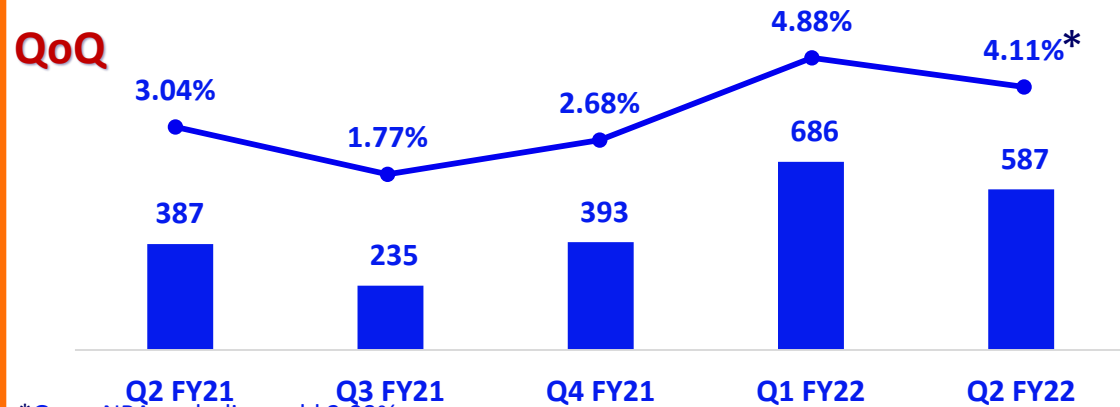
## Asset Quality Ratios

Amt in Cr

■ Gross NPA

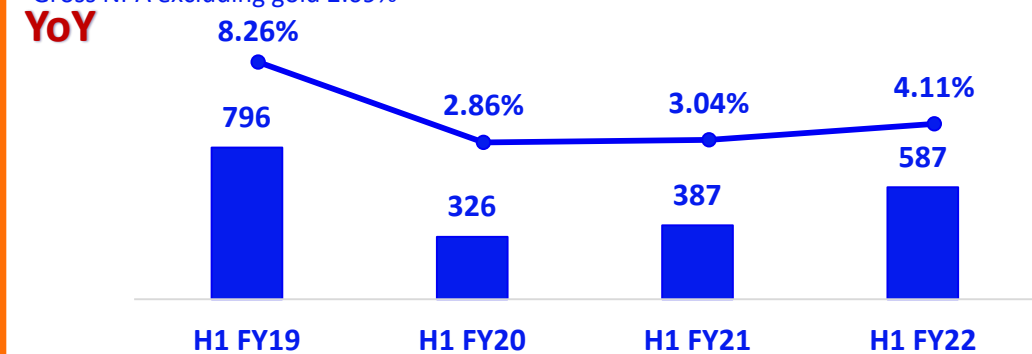
— Gross NPA %

QoQ



\*Gross NPA excluding gold 2.09%

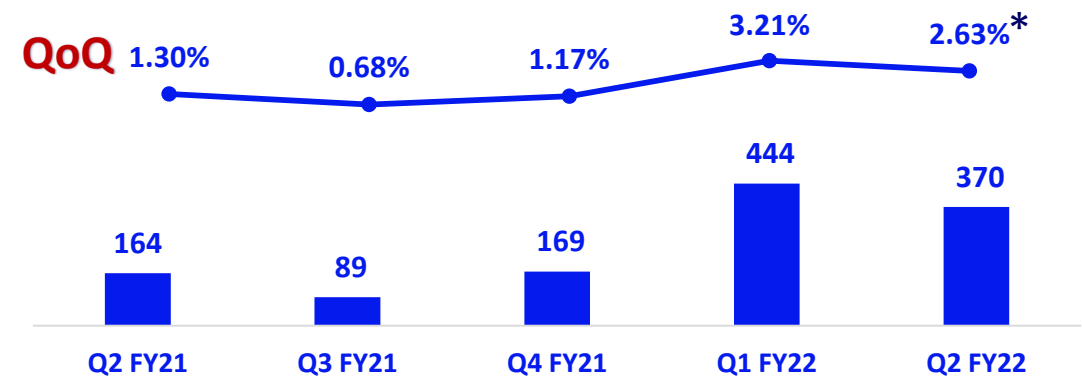
YoY



■ Net NPA

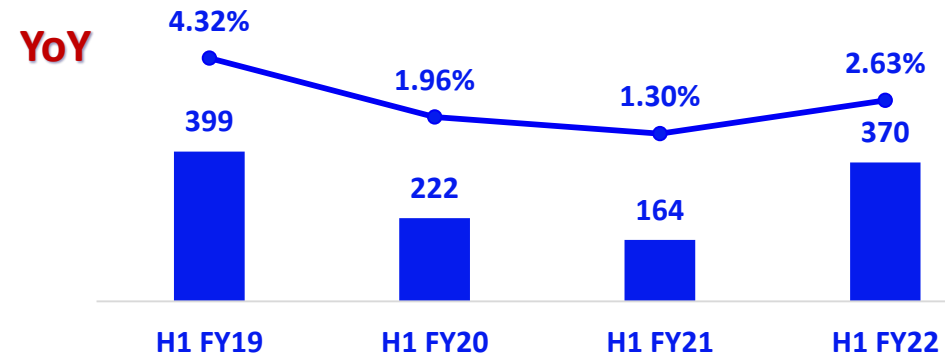
— Net NPA %

QoQ



\* Net NPA excluding gold 1.14%

YoY

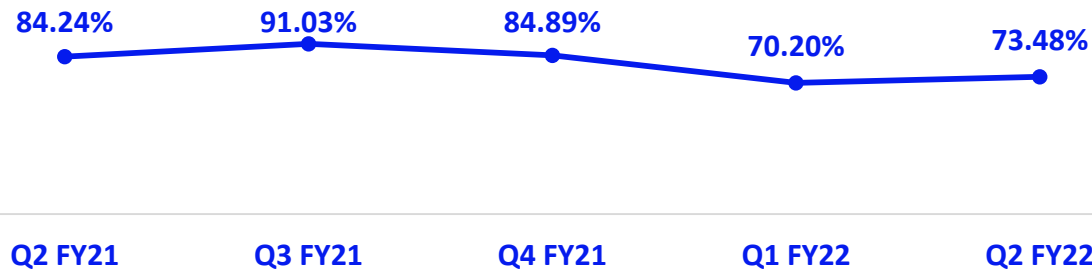


## Asset Quality Ratios

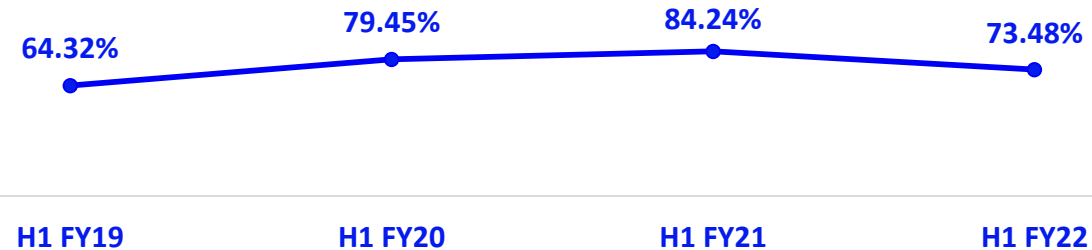
Amt in Cr

### Provision Coverage Ratio

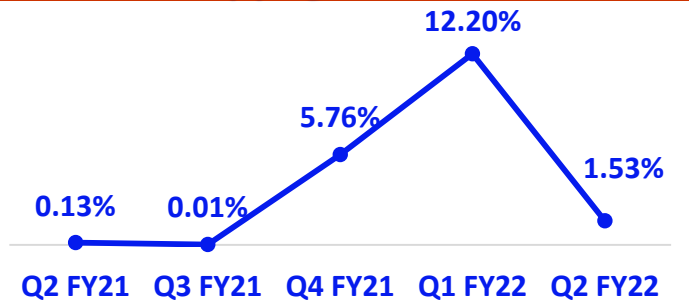
QoQ



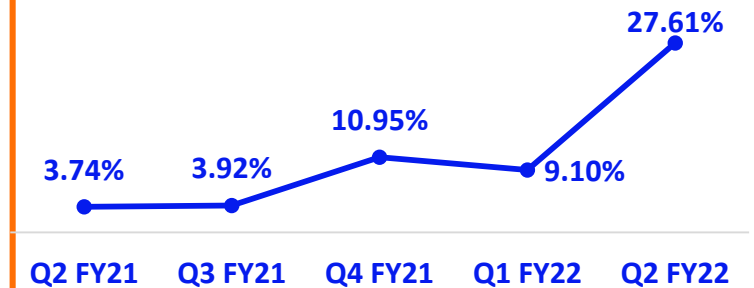
YoY



### Slippage Ratio



### Recovery Rate

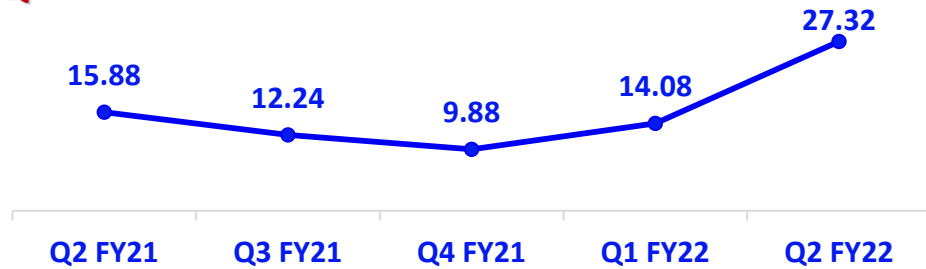


Share Holders Return & Risk Ratios

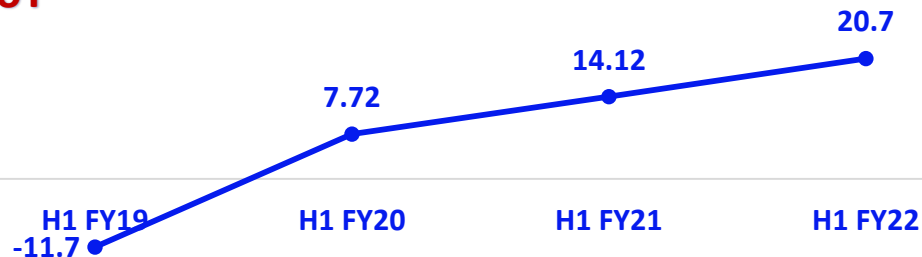
EPS

(in Rs)

QoQ

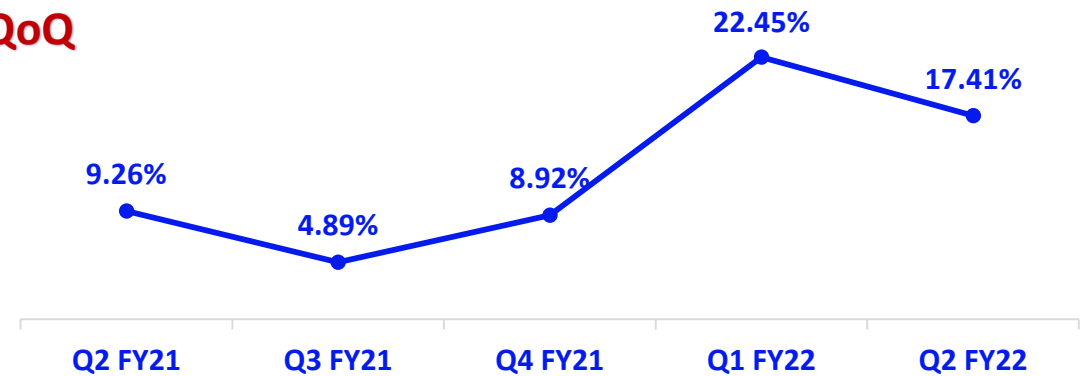


YoY

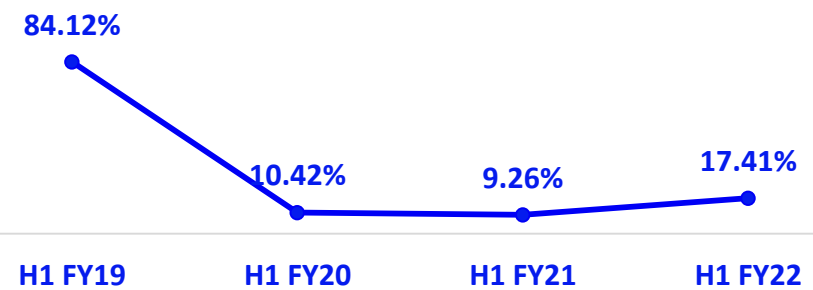


Net NPA to Networth

QoQ



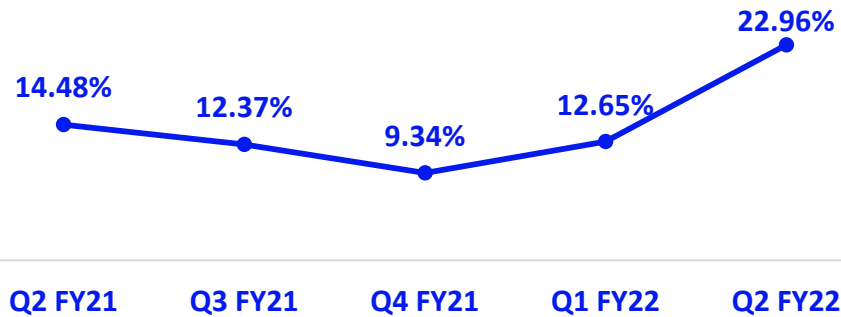
YoY



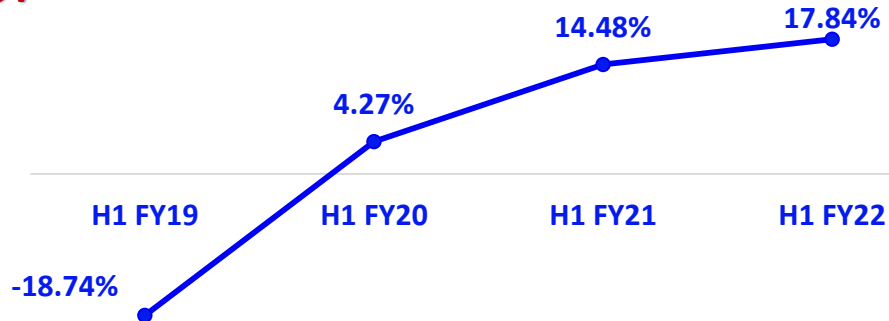
## Share Holders Return & Risk Ratios

### RoE

QoQ



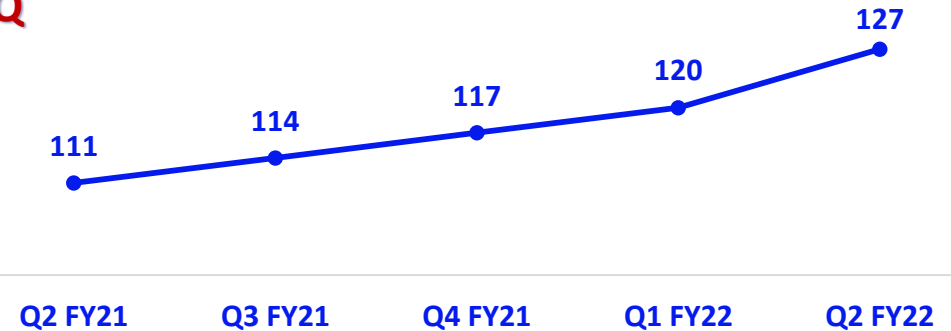
YoY



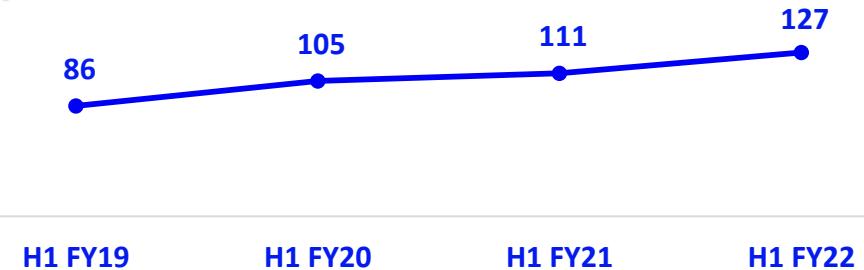
### Book Value per Share

(in Rs)

QoQ



YoY





Company  
Overview

Business  
Overview

Earnings

Digital  
Penetration

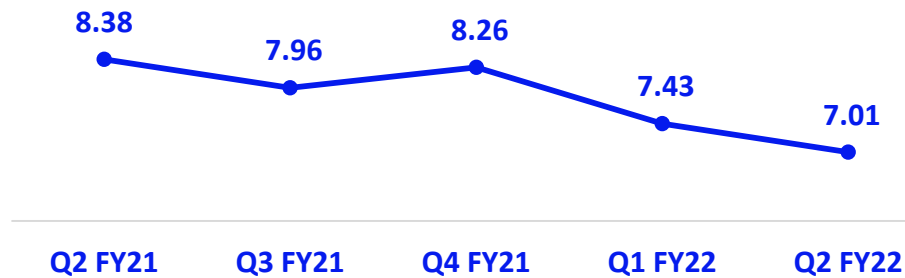
Strategy

## Efficiency Ratios

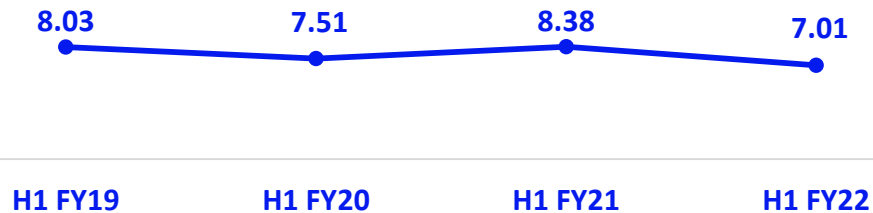
### Business per Employee

(In Cr)

QoQ



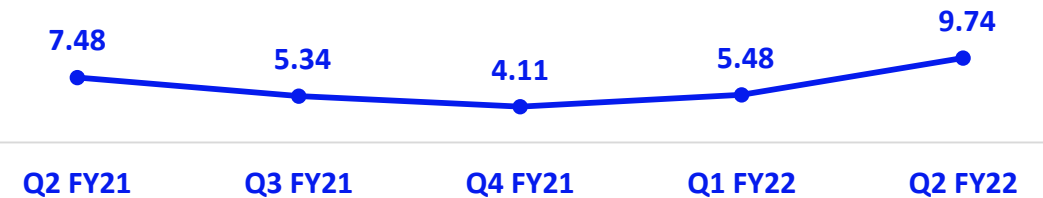
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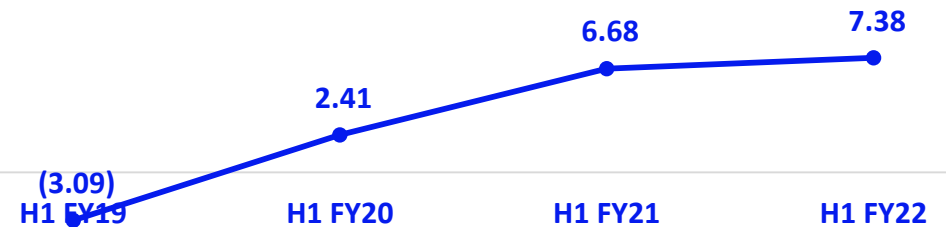
### Profit per Employee

(in Lakhs)

QoQ



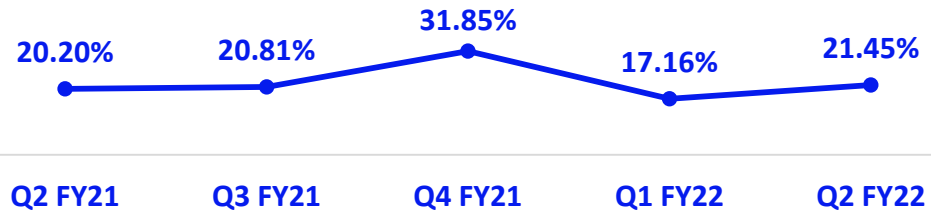
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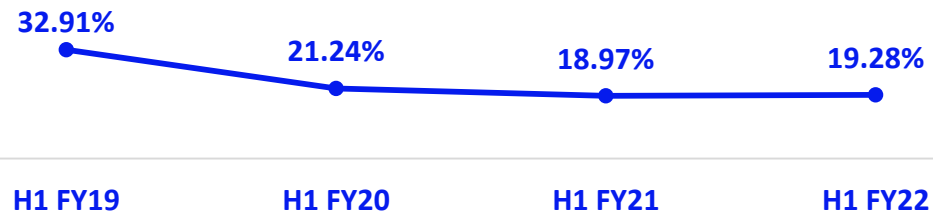
## Efficiency Ratios

### Staff Cost to Total Income

QoQ

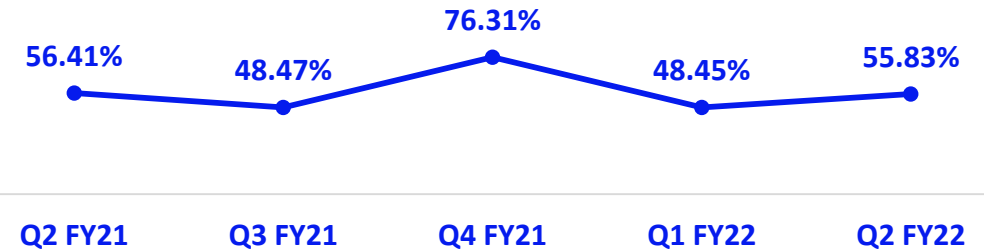


YoY

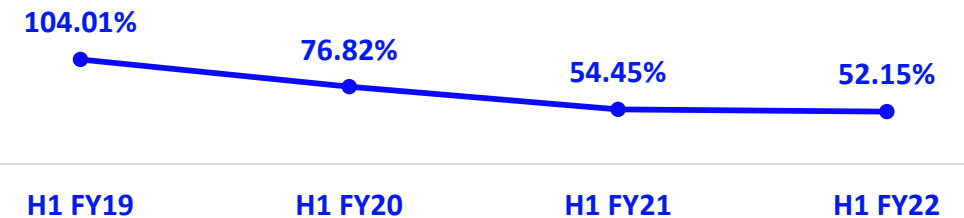


### Cost to Income Ratio

QoQ



YoY



Company  
Overview

Business  
Overview

Earnings

Digital  
Penetration

Strategy

## Digital Touch Points



1,644 Installations



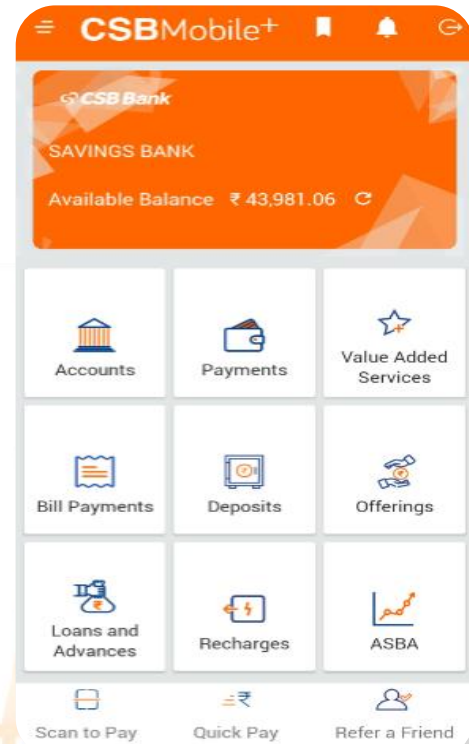
5.88 lacs + Debit Cards



3.54 lacs+ Net  
Banking users



368 ATM  
Network



3.24 lacs+ Mobile  
Banking Users



3,042+ QR  
Installations



76,738+ ePassbook  
Downloads



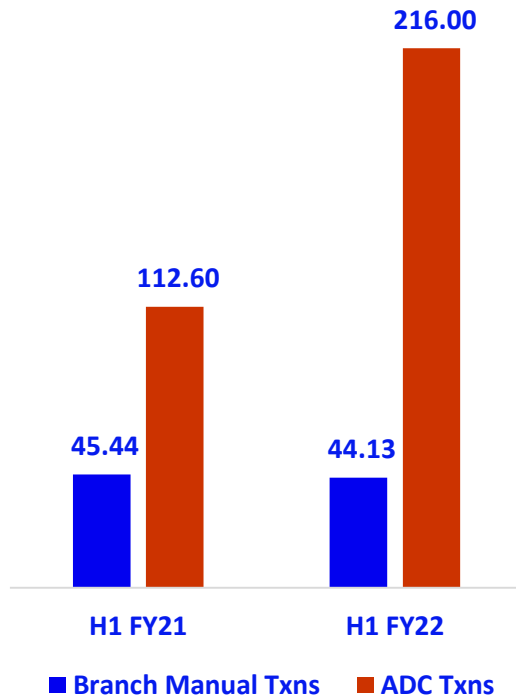
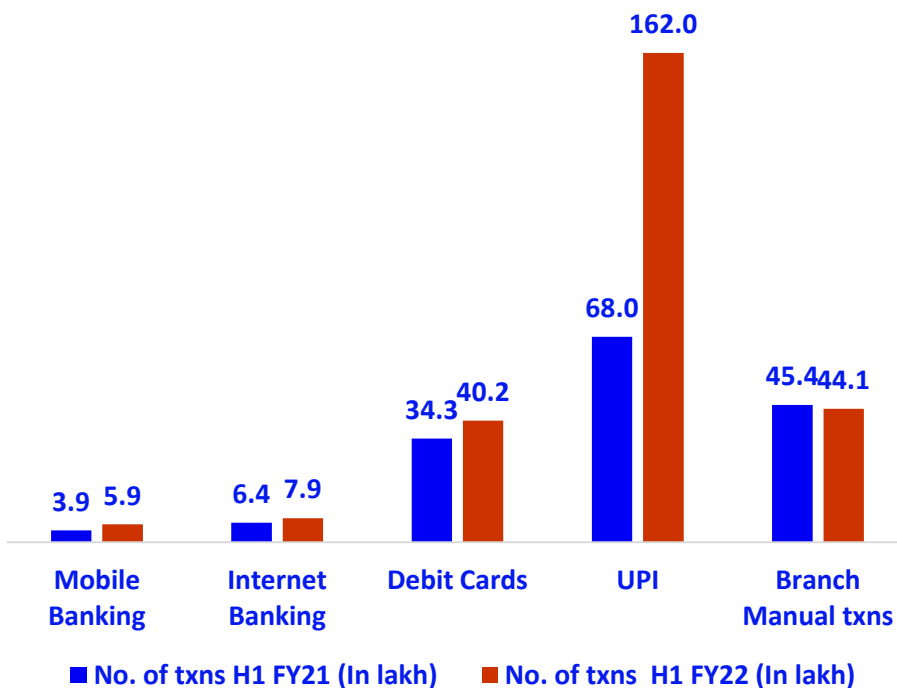
78,660+Prepaid  
Cards



1.23 lac+ UPI  
Downloads

## Channel Transactions

### Digital vs Branch



	No. of txns	
	H1 FY21 (In lakh)	H1 FY22 (In lakh)
Mobile Banking	3.86	5.89
Internet Banking	6.42	7.91
Debit Cards	34.34	40.19
UPI	67.97	162.03
Branch txns	45.44	44.13
Total Channel Transactions	112.60	216.00
% of channel txns	76%	86%

*Thank You...*

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