



# **CSB Bank**

## **Investor Presentation**

### **Q1 FY 21**

## Company Overview

## Business Overview

## Earnings

## Digital Penetration

## Strategy

### Key Information

#### Improved Profitability

\*PAT at historical high level of Rs 53.6 crore with RoA (annualized) crossing 1%

\* PBT grows by 138% YoY and 216% QoQ even after making extra Covid related provisions totaling Rs 42.6 Crore (included in provision for standard assets)

\*Operating Profit up by 21% QoQ and 222% YoY due to improved NII and treasury profits

#### Cost and Revenue

\* NII grows by 40% YoY and 18% QoQ

\* NIM Crosses 4 % mark

\* Non Staff opex down by 3.5% YoY and 23.6% QoQ

\* Non-Interest Income increases by 146% YoY on the back of improved treasury gains

#### Comfortable Provision Coverage

\* PCR increases to 81.7% from 80.0% in Q4

\*Bank continues to provide accelerated provisions in FY 21

#### Well Capitalised & Strong Liquidity Position

\* Capital Adequacy Ratio improves from 16.88% as on 30.06.2019 to 18.93% as on 30.06.2020.

\* Tier I ratio of 17.93%

\*LCR of 232%

#### Asset Quality

\* GNPA at 3.51% as on 30.06.20 as against 4.71% & 3.54% on 30.06.19 & 31.03.2020 respectively

\* Net NPA decreased from 2.04% as on 30.06.2019 & 1.91% as on 31.03.2020 to 1.74% as on 30.06.2020

- Will be a century young by November 2020
- 413 Branches & 306 ATMs
- 8 Zonal Offices
- 1.5Mn happy customers
- Presence in 16 states & 4 UTs
- Total business of ~Rs 28,500Cr
- 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 <sup>nd</sup> 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	<ul style="list-style-type: none"> <li>5% in Q4 FY20</li> <li>5% in Q1 FY21</li> </ul>
		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	89
COVID related Std asset provision	31
Others (Fraud,SR etc)	24
Total	144
After Tax Impact	108

## Company Overview

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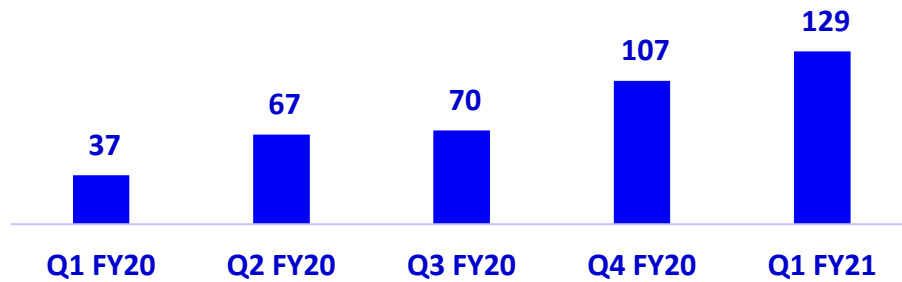
## Earnings

## Digital Penetration

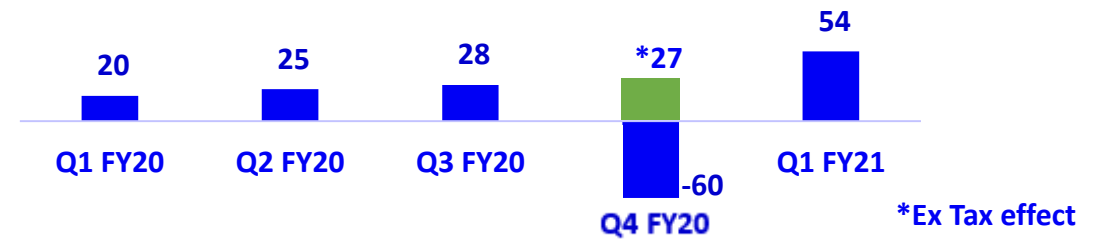
## Strategy

Amt in Cr

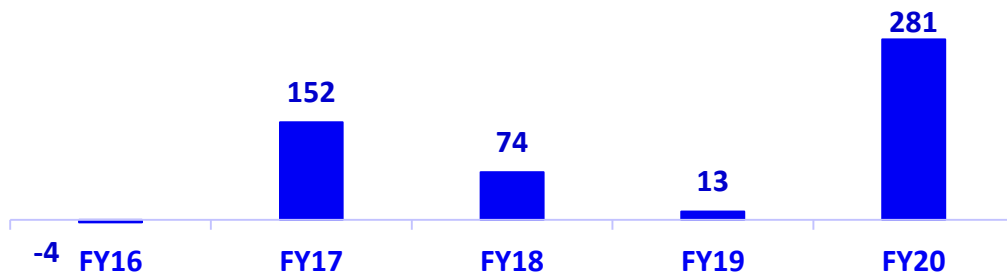
### Operating Profit QoQ



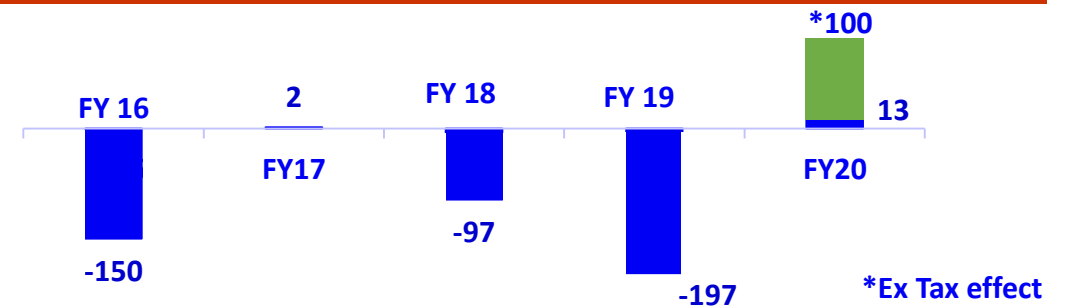
### Net Profit QoQ



### Operating Profit YoY



### Net Profit YoY



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## Earnings

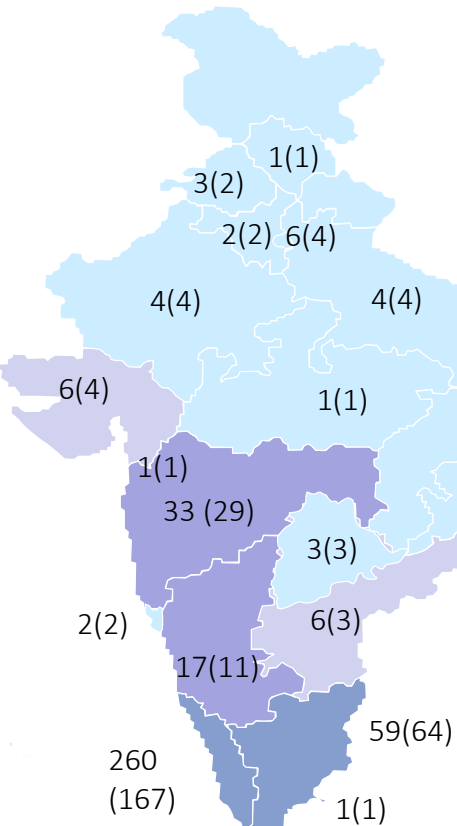
## Digital Penetration

## Strategy

### Branch Distribution

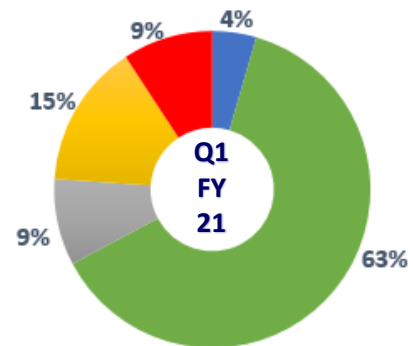
State	% distribution
KERALA	63%
TAMIL NADU	14%
MAHARASHTRA	8%
KARNATAKA	4%
OTHERS	11%

Population	No of Branches
Metropolitan	67
Urban	87
Semi-urban	223
Rural	36
<b>Grand Total</b>	<b>413</b>

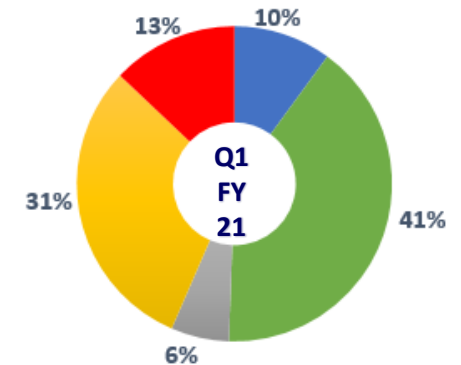


Legend: Branches (ATM)

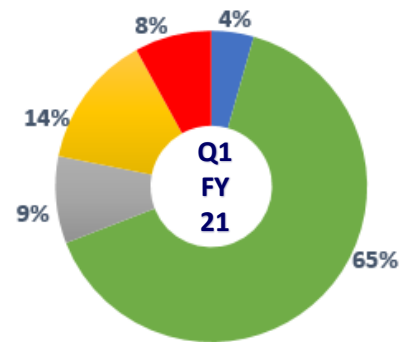
### CASA



### Gold Loans

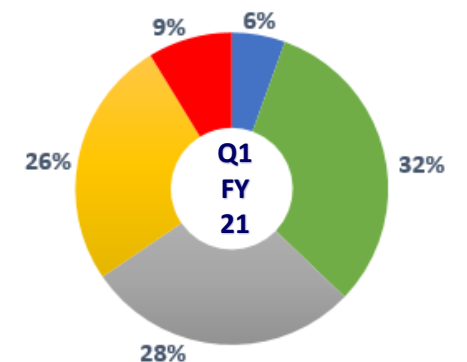


### Total Deposits



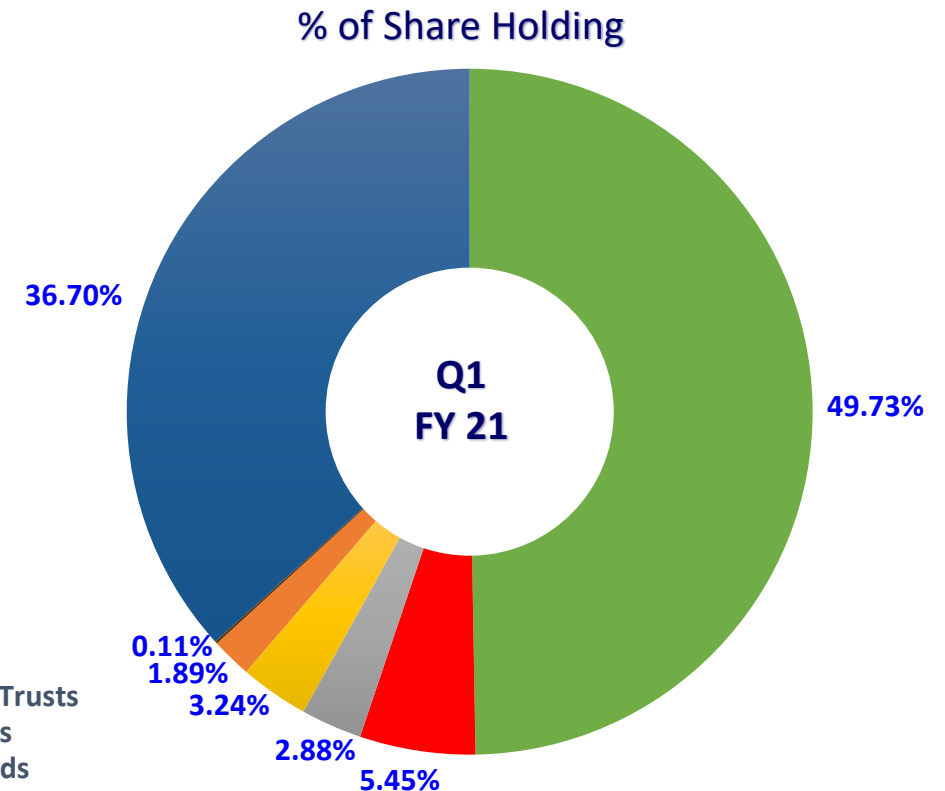
Kerala Tamilnadu Maharashtra Karnataka Others

### Total Advances



## Share Holding Pattern

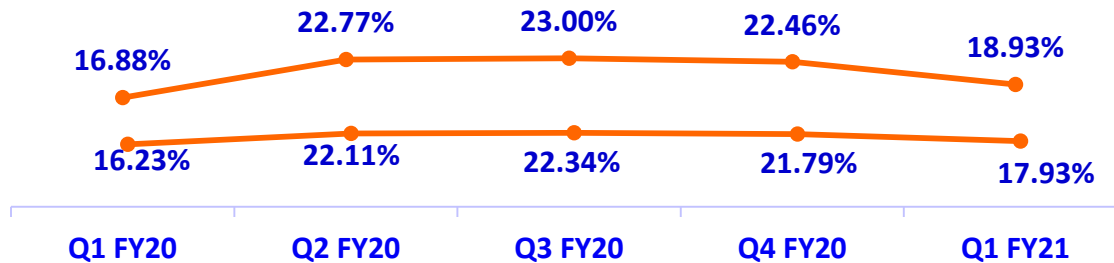
Category	No of Shareholders	No of Shares Held(in Mio)	% of Holding
FIHM(Promoter)	1	86.26	49.73
Mutual Funds	4	9.45	5.45
Alternate Investment Funds	1	3.27	1.89
Foreign Portfolio Investors	7	5.61	3.24
Financial Institutions / Banks	2	0.19	0.11
Shares held by Employee Trusts	1	5.00	2.88
Others	51039	63.68	36.70
<b>TOTAL</b>	<b>51055</b>	<b>173.46</b>	<b>100.00</b>



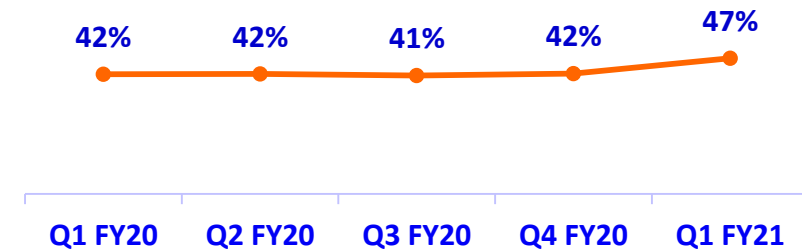
## Solid CRAR & Adequate Liquidity – Our Strength

Amt in Cr

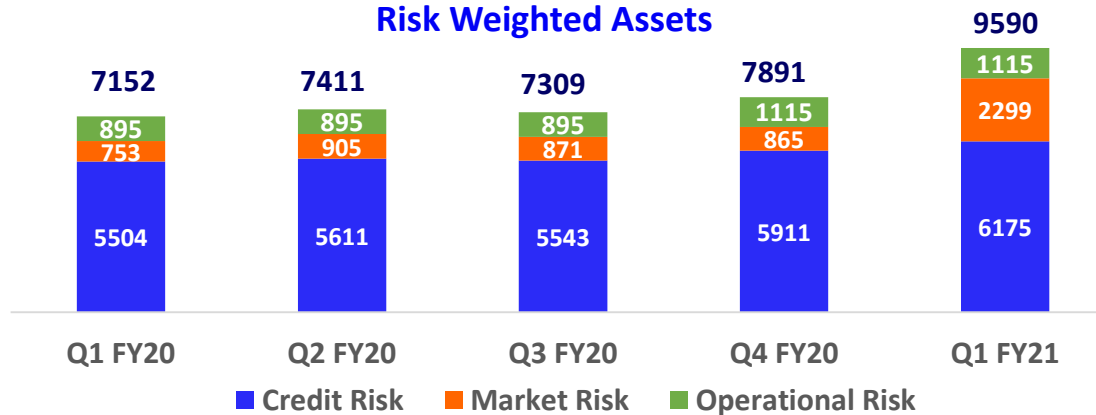
### Capital Adequacy Ratio



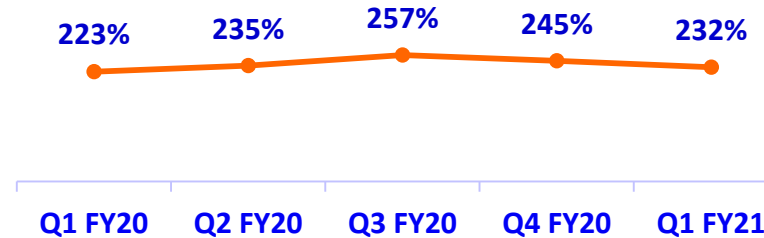
### RWA to Total Assets



### Risk Weighted Assets



### Liquidity Coverage Ratio



## Company Overview

## Business Overview

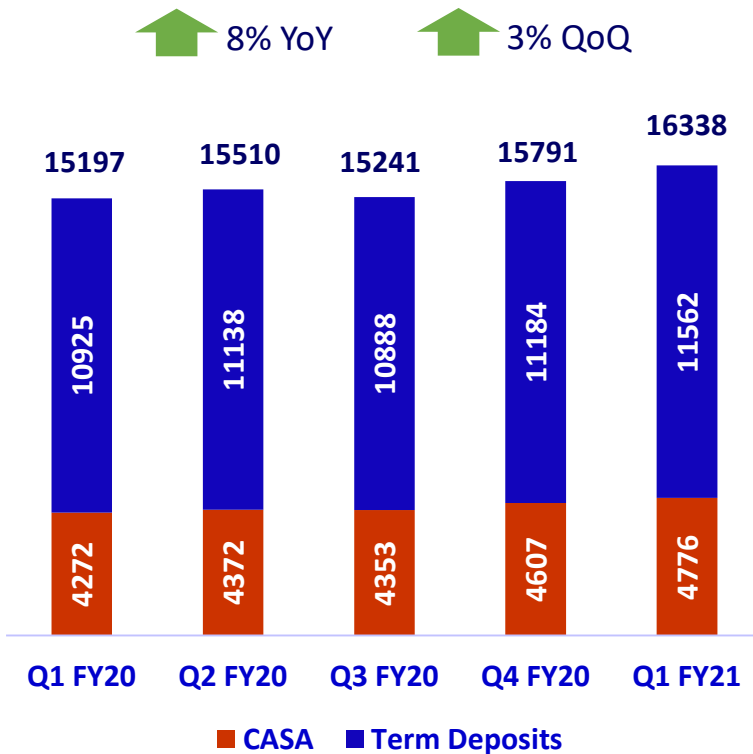
## Earnings

## Digital Penetration

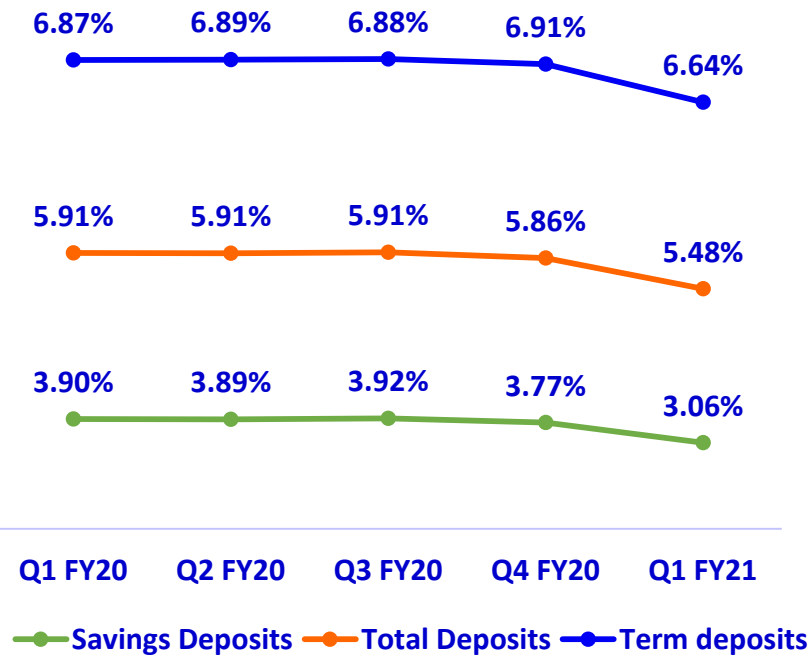
## Strategy

### Total Deposits

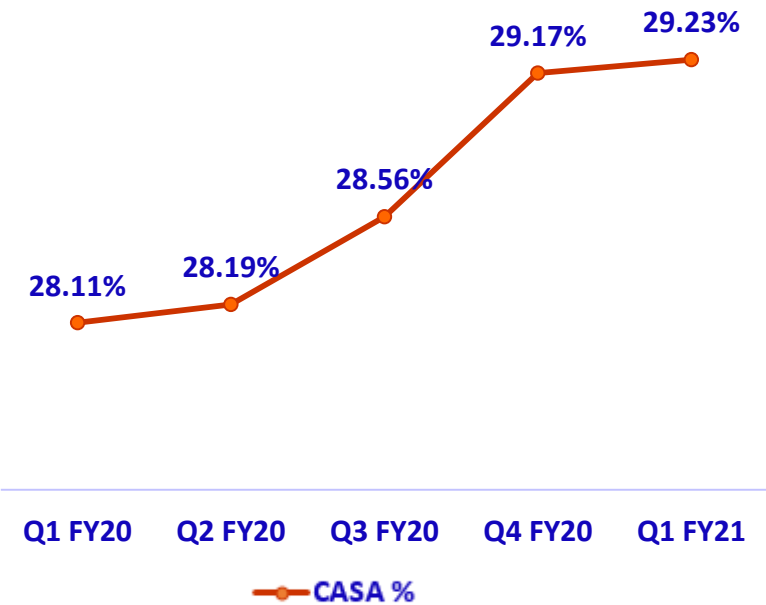
(Amt in Cr)



### Cost of Deposits



### CASA Ratio





## Company Overview

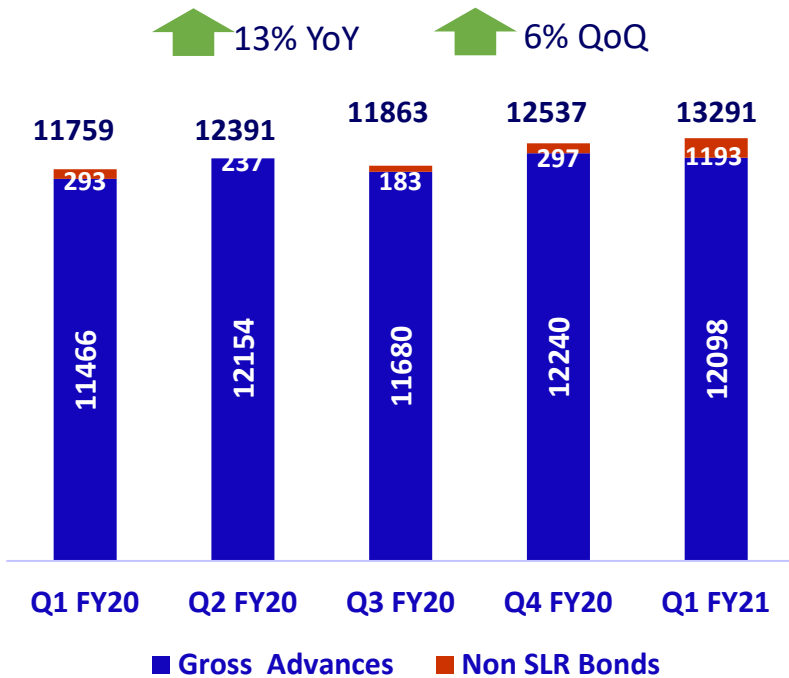
## Business Overview

## Earnings

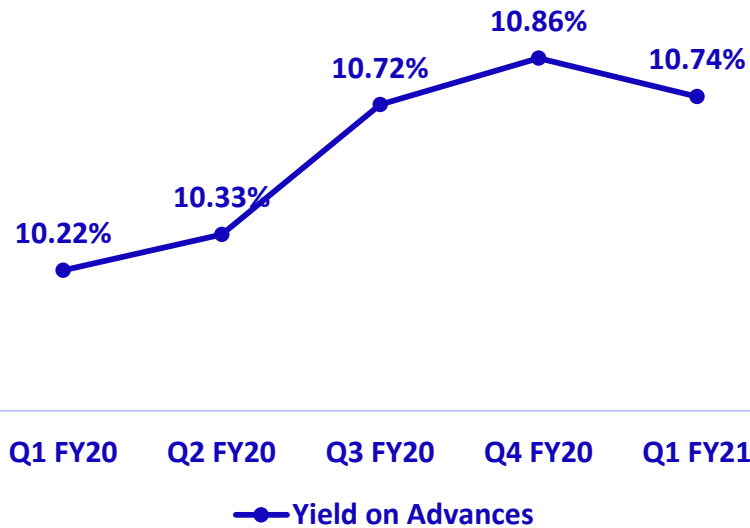
## Digital Penetration

## Strategy

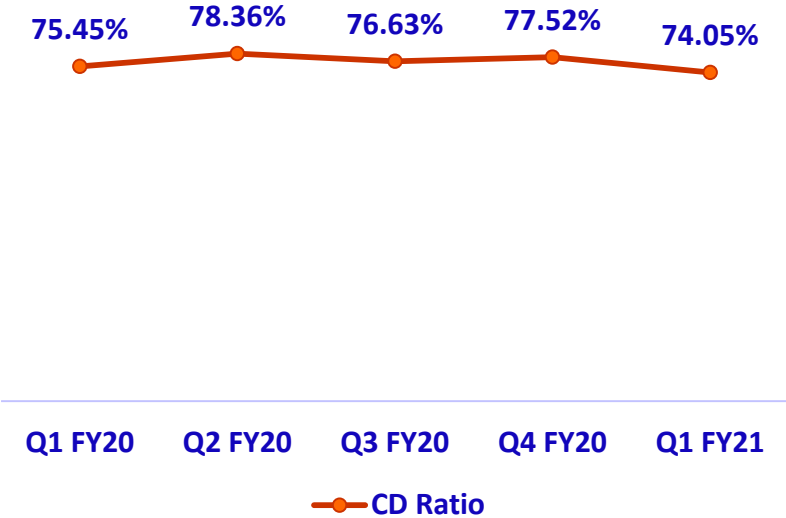
### Total Gross Advances + Non SLR Bonds (Amt in Cr)



### Yield on Advances



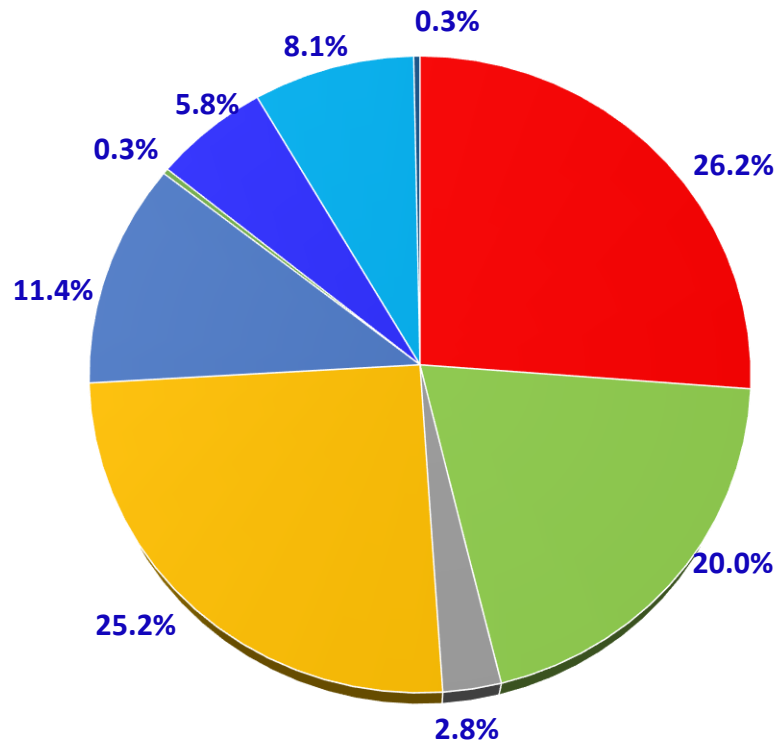
### CD Ratio



## Advance Mix

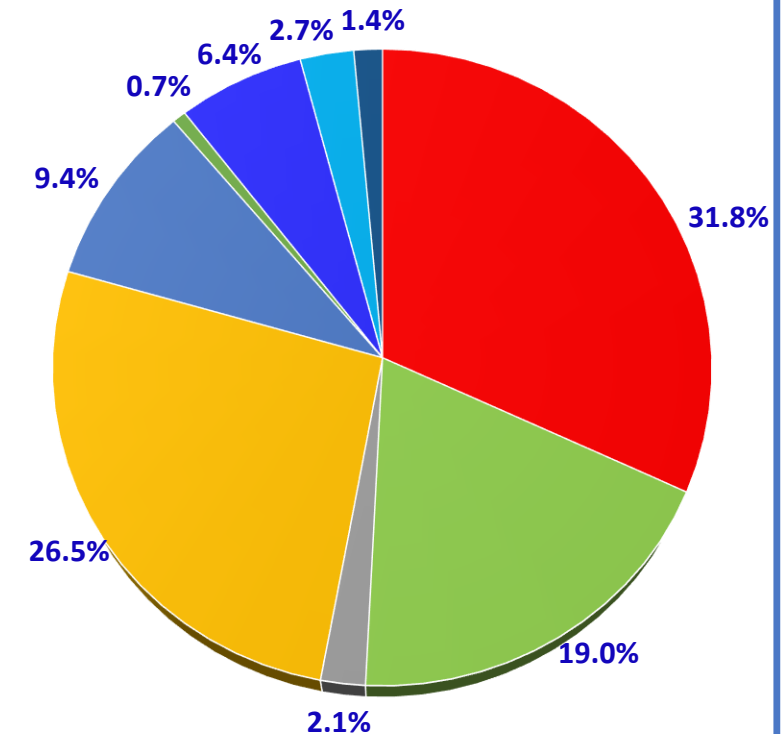
(Amt in Cr)

Q1 FY 20



3004	Gold Loans	3849	↑ 28.1%
2290	SME Loans	2296	↑ 0.3%
317	MSME Loans	257	↓ 19.0%
2884	Corporate Loans	3204	↑ 11.1%
1306	Retail Loans	1132	↓ 13.3%
32	Two Wheeler Loans	83	↑ 159.4%
663	Assignment Loans	775	↑ 16.9%
933	LCBD & TReDS	328	↓ 64.8%
36	Agri & MFI Loans	175	↑ 381.9%

Q1 FY 21



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### YoY -Profit & Loss Account

Amt in Cr

	Q1FY20	Q1FY21	YoY	% of Growth
Interest Income	355.4	422.6	67.2	18.9%
Interest Expense	223.0	237.3	14.4	6.4%
<b>Net Interest Income</b>	<b>132.5</b>	<b>185.3</b>	<b>52.8</b>	<b>40.0%</b>
Treasury Profit	2.9	43.5	40.5	1400.0%
Commission Income	6.1	5.6	-0.5	-8.2%
Processing Fees	3.2	6.5	3.3	103.1%
Bad debts recovered	7.5	9.7	2.2	29.3%
Other Income	10.5	9.0	-1.5	-14.3%
<b>Total Non Interest Income</b>	<b>30.2</b>	<b>74.3</b>	<b>44.1</b>	<b>146.0%</b>
<b>Total Net Operating Income</b>	<b>162.7</b>	<b>259.5</b>	<b>96.9</b>	<b>59.5%</b>
Staff Cost	76.5	86.0	9.5	12.4%
Other Opex	46.0	44.4	-1.6	-3.5%
<b>Total Opex</b>	<b>122.6</b>	<b>130.4</b>	<b>7.9</b>	<b>6.4%</b>
<b>Operating Profit/Loss</b>	<b>40.1</b>	<b>129.1</b>	<b>89.0</b>	<b>221.9%</b>

	Q1FY20	Q1FY21	YoY	% of Growth
<b>Operating Profit</b>	<b>40.1</b>	<b>129.1</b>	<b>89.0</b>	<b>221.9%</b>
Provision for NPA	9.9	13.8	3.9	39.4%
Provision for Dep on Inv	0.7	0.5	-0.2	-28.6%
Provision for Std Assets	-0.7	43.1	43.7	-6257.1%
Other Provisions	0.1	0.2	0.1	100.0%
<b>Total Provisions</b>	<b>10.1</b>	<b>57.5</b>	<b>47.4</b>	<b>469.3%</b>
<b>Profit Before Tax</b>	<b>30.0</b>	<b>71.6</b>	<b>41.5</b>	<b>138.7%</b>
Tax	10.5	18.0	7.5	71.4%
<b>Profit/Loss (-) After Tax</b>	<b>19.5</b>	<b>53.6</b>	<b>34.0</b>	<b>174.9%</b>

- ❖ Net Interest Income grows by 40% YoY
- ❖ Non-Interest Income increases by 146% YoY on the back of improved treasury gains
- ❖ Other opex contained by 3.5%
- ❖ Operating profit up by 222%
- ❖ PBT grows by 138 % even after making extra Covid related provisions totaling Rs 42.6 Crore (included in provision for standard assets)

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### QoQ -Profit & Loss Account

Amt in Cr

	Q4FY20	Q1FY21	QoQ	% Growth
Interest Income	388.9	422.6	33.7	8.7%
Interest Expense	231.4	237.3	6.0	2.6%
Net Interest Income	<b>157.5</b>	<b>185.3</b>	<b>27.7</b>	<b>17.6%</b>
Treasury Profit	13.3	43.5	30.2	227.4%
Commission Income	10.7	5.6	-5.1	-47.5%
Processing Fees	13.6	6.5	-7.1	-52.2%
Bad debts recovered	19.6	9.7	-9.9	-50.6%
Other Income	29.4	9.0	-20.4	-69.4%
Total Non Interest Income	<b>86.6</b>	<b>74.3</b>	<b>-12.3</b>	<b>-14.2%</b>
Total Net Operating Income	244.1	259.5	15.4	6.3%
Staff Cost	79.0	86.0	7.1	9.0%
Other Opex	58.2	44.4	-13.8	-23.6%
Total Opex	137.1	130.4	-6.7	-4.9%
<b>Operating Profit/Loss</b>	<b>107</b>	<b>129.1</b>	<b>22.1</b>	<b>20.7%</b>

	Q4FY20	Q1FY21	QoQ	% Growth
<b>Operating Profit</b>	<b>107.0</b>	<b>129.1</b>	<b>22.1</b>	<b>20.7%</b>
Provision for NPA	56.0	13.8	-42.3	-75.4%
Provision for Dep on Inv	24.0	0.5	-23.6	-97.9%
Provision for Std Assets	4.2	43.1	38.9	926.2%
Other Provisions	-	0.2	0.2	-
Total Provisions	84.3	57.5	-26.8	-31.8%
<b>Profit Before Tax</b>	<b>22.7</b>	<b>71.5</b>	<b>48.9</b>	<b>215.4%</b>
Tax	82.4	18.0	-64.3	-78.2%
<b>Profit/Loss (-) After Tax</b>	<b>-59.7</b>	<b>53.6</b>	<b>113.2</b>	<b>-</b>

- ❖ Net Interest Income grows by 18%
- ❖ Other opex contained by 24%
- ❖ Operating profit up by 21%
- ❖ PBT grows by 215 % even after making extra Covid related provisions totaling Rs 42.6 Crore (included in provision for standard assets)
- ❖ Highest quarterly PAT of Rs 53.6Cr

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### Balance Sheet – Q1 FY 21

Amt in Cr

	30.06.2019	30.06.2020	YoY (%)	31.03.2020	QoQ (%)
<b>Liabilities</b>					
Capital	86.0	173.5	101.7%	173.5	0.0%
Share Warrant	651.3		-100.0%	-	-
Reserves & Surplus	713.9	1,840.7	157.8%	1,787.20	3.0%
Deposits	15,196.8	16,337.9	7.5%	15,790.70	3.5%
Of Which CASA	4,271.9	4,775.6	11.8%	4,606.60	3.7%
Borrowings	0.0	1,628.0	-	794	105.0%
Other Liabilities & Provisions	536.7	536.3	-0.1%	318.9	68.2%
<b>Total</b>	<b>17,184.7</b>	<b>20,516.5</b>	<b>19.4%</b>	<b>18,864.3</b>	<b>8.8%</b>
<b>Assets</b>					
Cash & Balance with RBI	702.2	555.6	-20.9%	547.8	1.4%
Balance with Banks & Money at call & Short Notice	281.5	754.1	167.9%	391.6	92.6%
Investments	4,225.7	6,718.7	59.0%	5,359.8	25.4%
Advances	10,605.2	11,228.7	5.9%	11,366.4	-1.2%
Fixed Assets	216.2	226.9	4.9%	228.3	-0.6%
Other Assets	1,153.8	1,032.6	-10.5%	970.4	6.4%
<b>Total</b>	<b>17,184.7</b>	<b>20,516.5</b>	<b>19.4%</b>	<b>18,864.3</b>	<b>8.8%</b>

## Asset Quality

Amt in Cr

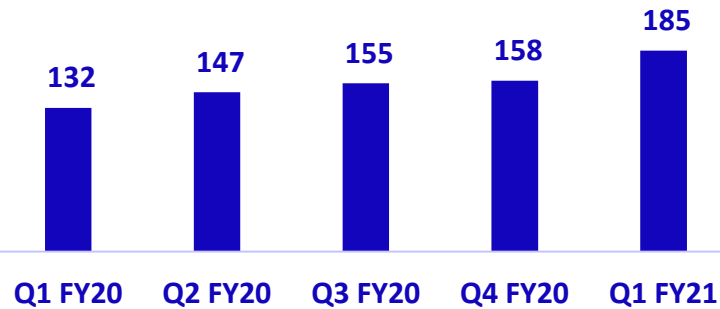
Gross NPA: Movement	QoQ movement				
	Q1 FY20 (3 months)	Q2 FY20 (3 months)	Q3FY20 (3 months)	Q4 FY20 (3 months)	Q1 FY21 (3 months)
Opening Balance of Gross NPA	530.6	513.4	326.2	352.6	409.4
Additions	32.0	60.7	52.7	83.2	5.5
<b>Sub-total (A)</b>	<b>562.6</b>	<b>574.1</b>	<b>378.9</b>	<b>435.8</b>	<b>414.9</b>
Less:-					
(i) Upgradations	6.8	10.5	9.0	7.1	6.3
(ii) Recoveries (excluding recoveries made from upgraded accounts)	39.2	25.6	16.2	17.3	7.2
(iii) Technical/ Prudential Write-offs	0.0	205.6	0.0	0.0	0.0
(iv) Write-offs other than those under (iii) above	3.2	6.2	1.1	1.9	0.4
<b>Sub-total (B)</b>	<b>49.2</b>	<b>247.9</b>	<b>26.3</b>	<b>26.4</b>	<b>13.9</b>
<b>Closing balance of Gross NPA (A – B)</b>	<b>513.4</b>	<b>326.2</b>	<b>352.6</b>	<b>409.4</b>	<b>401.0</b>

## Profitability Ratios

Amt in Cr

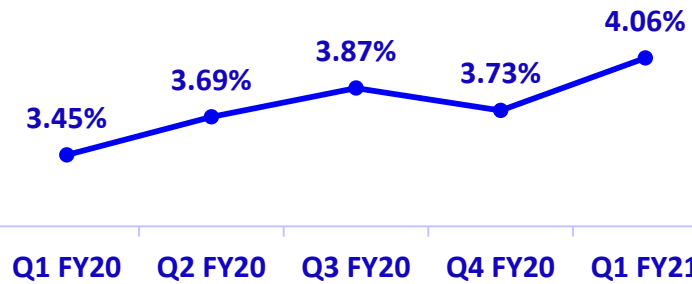
### Net Interest Income

↑ 40% YoY    ↑ 17% QoQ



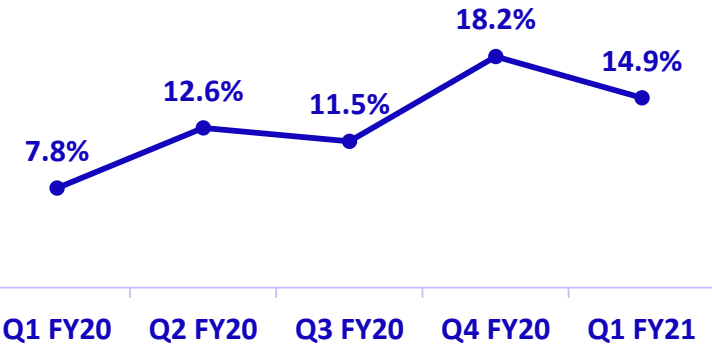
### NIM

(Annualised)



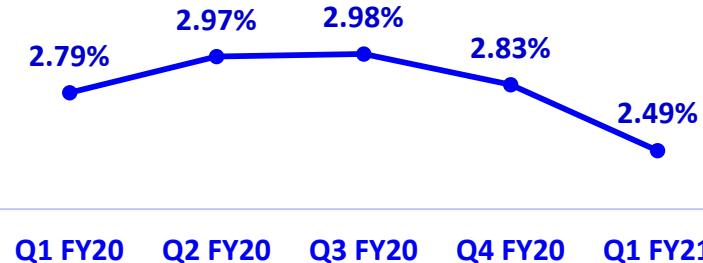
\*NIM = NII/Avg interest earning assets

### Non interest Income to Total Income



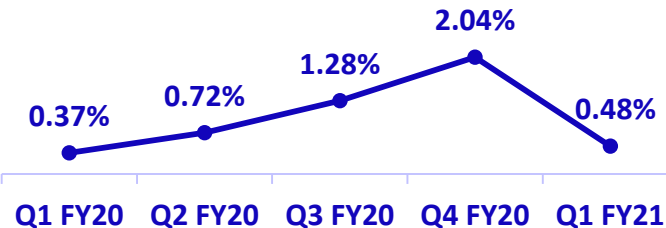
### Opex to Average assets

(Annualised)



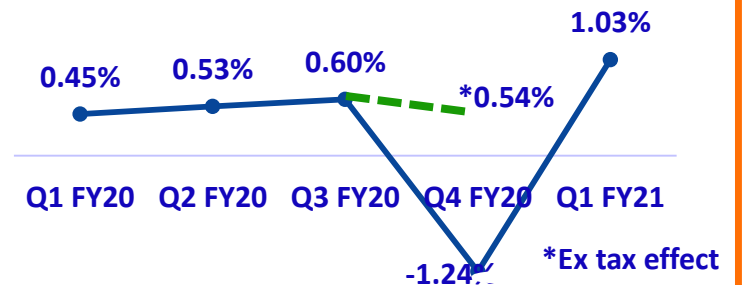
### Credit Cost

(Annualised)



### RoA

(Annualised)

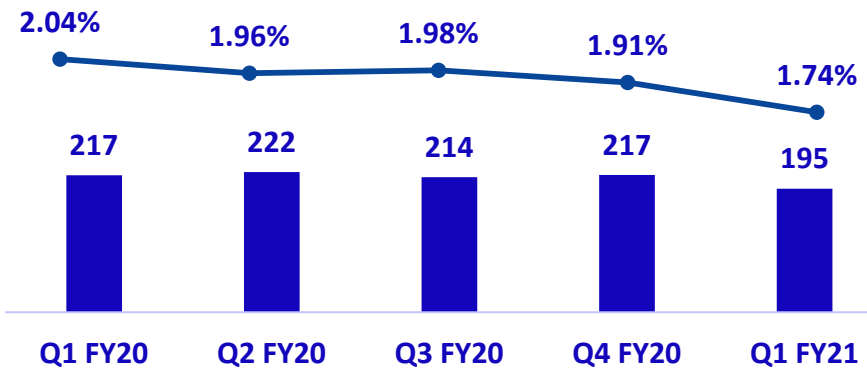


## Asset Quality Ratios

Amt in Cr

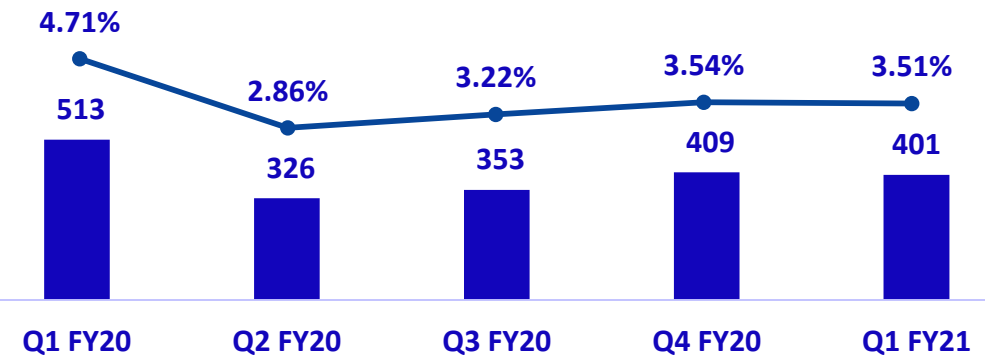
■ Net NPA

— Net NPA %

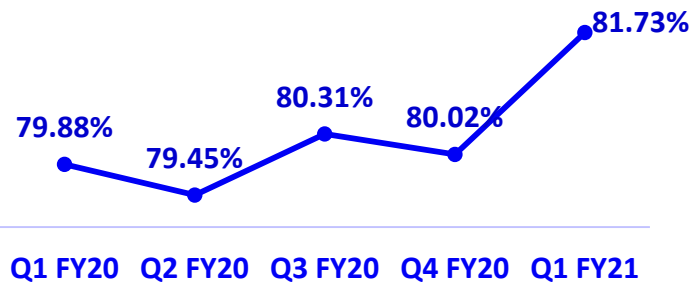


■ Gross NPA

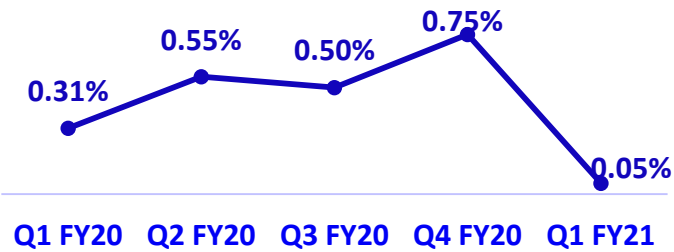
— Gross NPA %



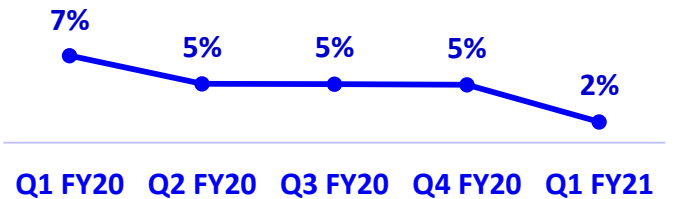
## Provision Coverage Ratio



## Slippage Ratio



## Recovery Rate





## Company Overview

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## Earnings

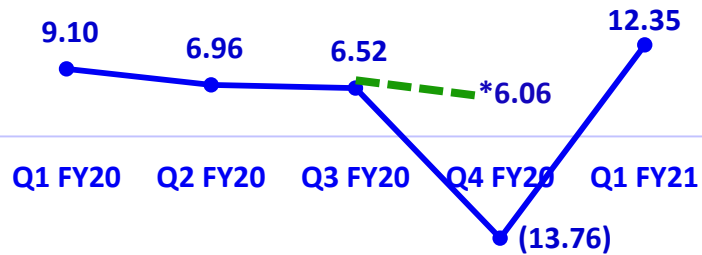
## Digital Penetration

## Strategy

### Share Holders Return & Risk Ratios

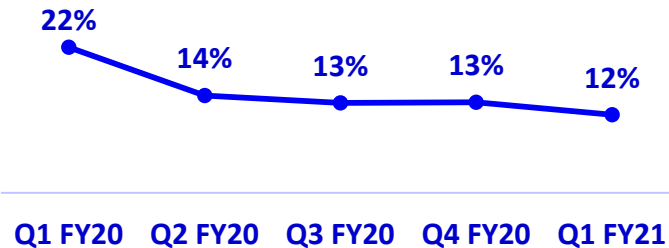
Amt in Cr

#### EPS (Annualised)

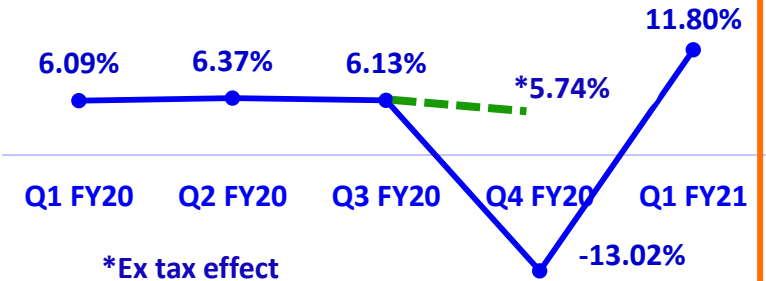


\*Ex tax effect

#### Net NPA to Net worth



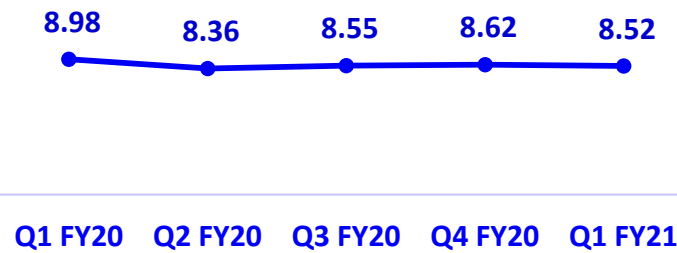
#### RoE (Annualised)



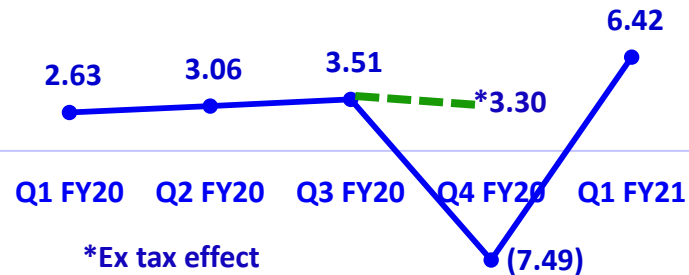
\*Ex tax effect

### Efficiency Ratios

#### Business Per Employee (Cr)

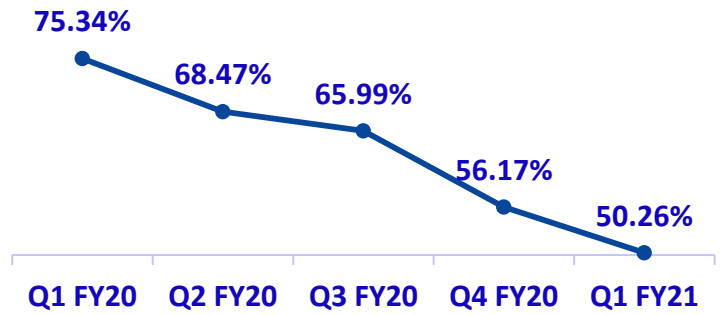


#### Profit Per Employee (Lakhs) (Annualised)



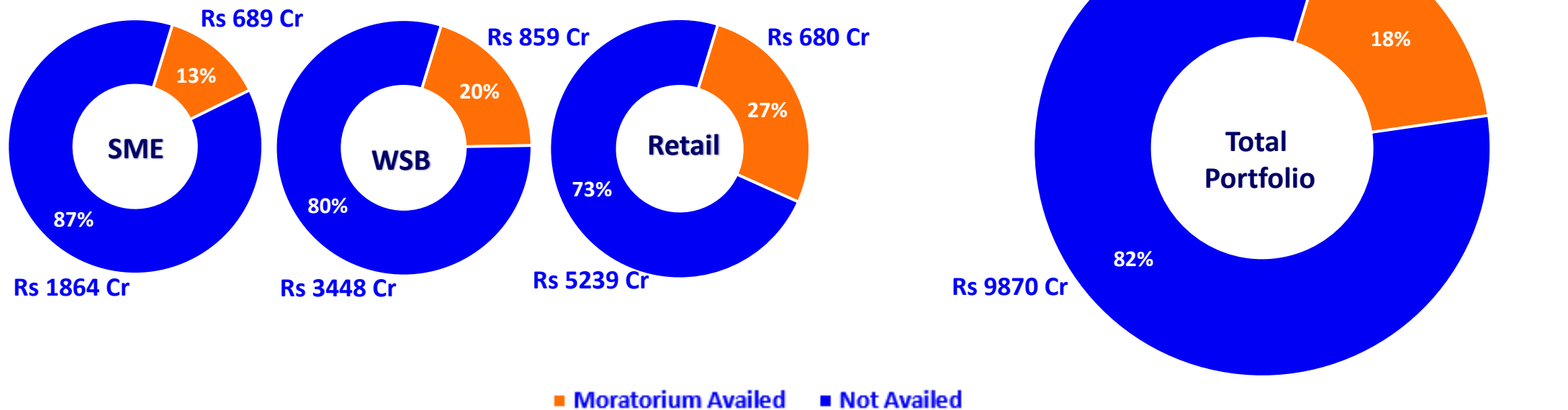
\*Ex tax effect

#### Cost to Income Ratio



COVID 19 - Status

Moratorium details as on 30.06.2020



WSB includes Corporate loans, Assignmnet loans & LCBD

Company  
Overview

Business  
Overview

Earnings

Digital  
Penetration

Strategy

## Digital Touch Points



1,891 Installations



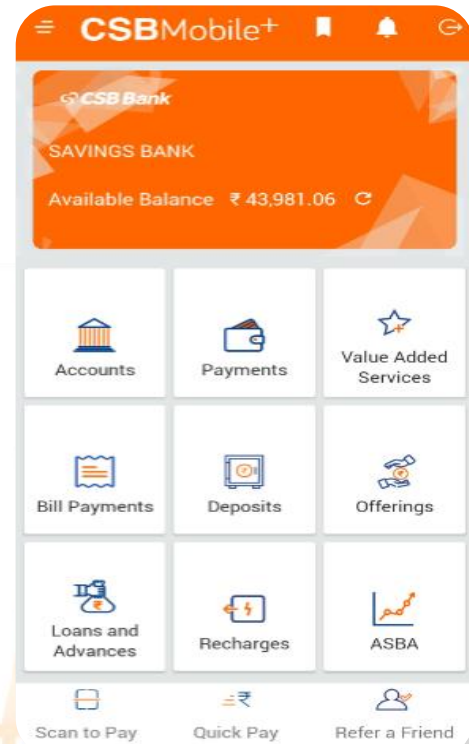
6.20 lacs + Debit Cards



2.5 lacs+ Net  
Banking users



306 ATM  
Network



2.20 lacs+ Mobile  
Banking Users



1,409+ QR  
Installations



58,228+ ePassbook  
Downloads

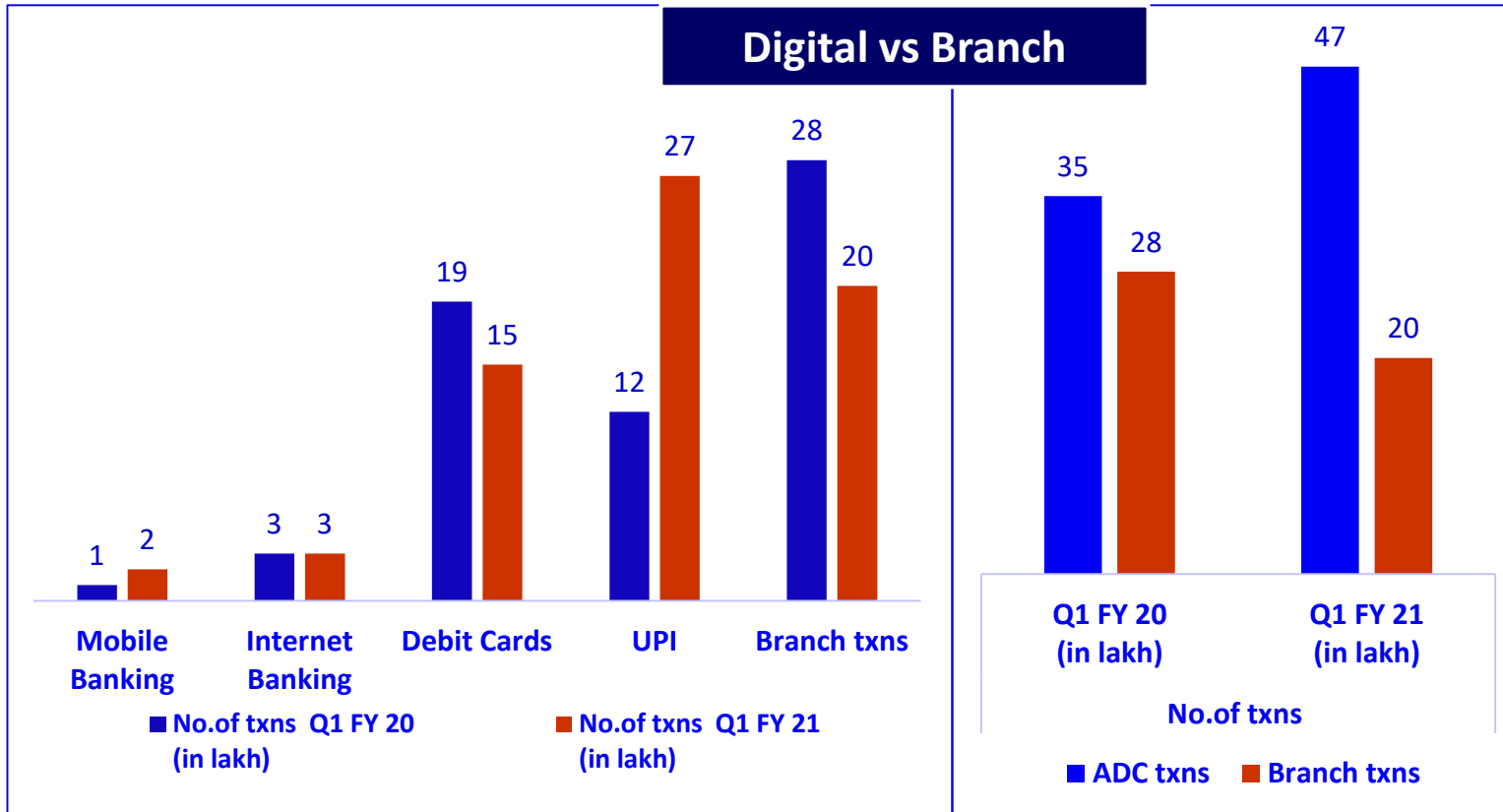


78,288+ Prepaid  
Cards



1.20 lac+ UPI  
Downloads

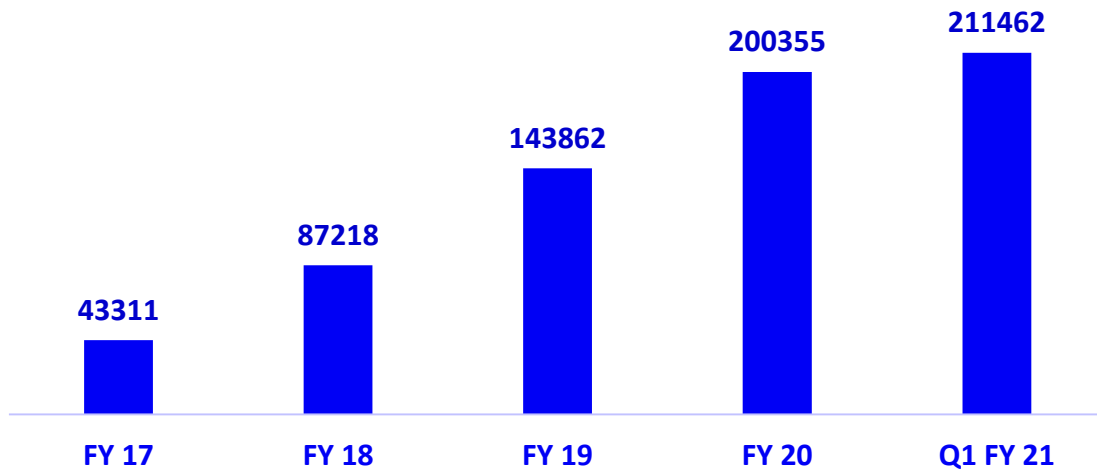
## Channel transactions



	No. of txns	
	Q1 FY 20 (In lakh)	Q 1 FY 21 (In lakh)
Mobile Banking	1	2
Internet Banking	3	3
Debit Cards	19	15
UPI	12	27
Branch txns	28	20
Total Channel Transactions	35	47
% of channel txns	55.55%	71.05%

## 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)



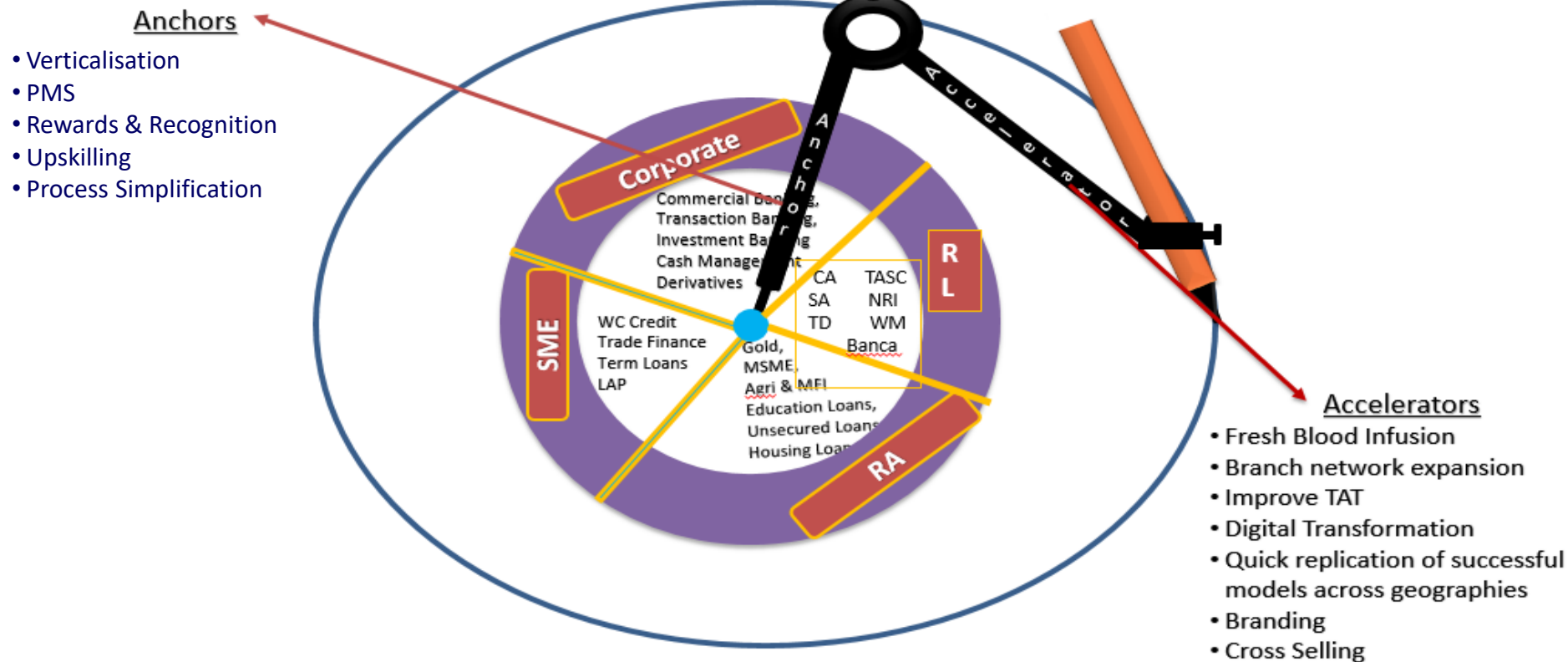
FASTag /National Electronic Toll Collections

### **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.





*Thank You...*



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