

PRESS RELEASE

Financial Performance of the bank for the year 2012-13

Tamilnad Mercantile Bank Ltd [TMB] is a premier old Private Sector Scheduled Commercial Bank having Head Quarters in Thoothukudi. The Bank has a long cherished history of more than 91 years of successful banking with continuous profit record and strong financial fundamentals.

At present, the bank is having 326 branches, 495 Automated Teller Machines, 9 Regional Offices and geographical presence in 12 states and 4 Union Territories. TMB serves its more than 3 million delighted customers. All the branches are fully computerized and inter connected through Core Banking Software “FINACLE” of INFOSYS and offering Anywhere Banking/Internet Banking/Mobile Banking/RTGS/NEFT/WUMT facilities.

The Bank has won various awards, which are given below:

- 1) 2nd Best Bank among old private sector banks
by Financial Express – Ernest & Young Best Bank Survey 2012.
- 2) 3rd Best Bank in Small Banks Category
by Business World in its survey on INDIA’S BEST BANKS-2012
- 3) 3rd Best Bank among Private Sector Banks in the Country for 2011-12
by State Forum of Bankers Clubs –Kerala-Excellence Awards-2012.

Financial Performance of the bank for the year 2012-13

The Board of Directors of Tamilnad Mercantile Bank Ltd took on record the audited results for the year ended 31.03.2013 at the meeting held at Thoothukudi on 24th June, 2013. **Shri.K.B.Nagendra Murthy, Managing Director & CEO** of the bank, in a press meet, has made the following announcements:

The scorecard

(` in Crore)

Particulars	2011-12 (12 Months)	2012-13 (12 Months)	Growth (%)	2011-12 Q4 (3 Months)	2012-13 Q4 (3 Months)	Growth (%)
Net Profit	313.46	440.28	40.46%	120.09	145.05	20.78%
Operating Profit	532.87	689.68	29.43%	198.72	205.85	3.59%
Net Interest Income	650.38	859.53	32.16%	182.11	220.18	20.90%
Other Income	231.54	248.68	7.40%	82.72	91.40	10.49%
CAR – Basel II (%)	14.69	15.01%	-			
Gross NPA (%)	1.28	1.31%	-			
Net NPA (%)	0.45	0.66%	-			
Net Interest Margin (%)	4.09	4.33%	-			

The bank has achieved tremendous progress with sustained growth during the fiscal year 2012-13. A determined business strategy and relentless efforts of the management team along with TMBians have resulted in significant growth of business as well as adding several new products and services to cater to the needs of the customers.

The total business of the bank at the end of March 2013 is ` 36480 crore with a growth rate of 18.10%.

The Bank's deposit portfolio recorded a growth rate of 18.20% during the year to touch ` 20224 crore which is much higher than the industry level growth of 13.5%. The advances crossed ` 16256 crore and registered a growth rate of 17.98% as against the industry level growth rate of 13.8%.

The productivity measured by Business per employee improved from ` 10.82 crore to ` 11.50 Crore and Business per branch grew from ` 110.84 crores to ` 114.46 crores. The profit per employee has increased from ` 10.98 lac to ` 13.88 lac.

Credit to Priority Sector

The Bank has been giving continued thrust to productive sectors like Agriculture, SME, Education, Housing etc.,

Advances to Priority sector have increased from ` 5941.96 crore to ` 7441.95 crore which is 53.55% of the total advances as against the mandated minimum requirement of 40%.

Advances to Agriculture have increased from ` 2298.42 crore to ` 2902.08 crore which constituted 20.88% of the bank's adjusted net bank credit (ANBC) which is also more than the regulatory requirement of 18%.

Thrust has also been given to increase Educational Loan portfolio and as a result the amount of advances given for education have increased to ` 134.75 crore (an increase of 10.99% from 31.03.2012 [` 121.41 Crore]).

Profitability

Q on Q Performance

The Bank has achieved a tremendous growth of 20.78% in Net Profit during the last quarter. The profit after tax has increased from ` 120.09 crore to ` 145.05 crore. The Net Interest Income has increased from ` 182.11 crore to ` 220.18 crore during Q4. Other income has grown by 10.49% from ` 82.72 crore to ` 91.40 crore.

Y-O-Y Performance

Buoyed by strong the core earnings growth, The total income recorded a growth of 28.62% to reach ` 2719 crore as compared to ` 2114 crore during the preceding financial year.

The Bank's interest income recorded a growth of 31.24% to reach ` 2470.37 crore as compared to ` 1882.40 crore during the preceding financial year.

The non-interest income has grown to ` 248.68 crore from ` 231.54 crore due to various initiatives taken by the bank in cross selling of third party products namely Demat services, LIC, UIIC, WUMT, etc.

The Capital to Risk (weighted) Assets Ratio (CRAR) as per Basel II stood at 15.01%, which is above the minimum required level of 9% as stipulated by RBI.

The operating profit of the Bank rose to reach ` 689.68 crore registering a growth rate of 29.43% for the year ended 31st March 2013.

The net profit of the Bank rose to ` 440.28 crore registering a growth rate of 40.46% for the year ended 31st March 2013.

The Earnings Per Share (EPS) has improved from ` 11020/- to ` 15478/-.

The Return on assets has improved to 2.01% from 1.77% during the yesteryear.

Asset Quality

The Gross NPA has slightly increased from ` 177 crore to ` 214 crore, and the percentage has increased from 1.28% to 1.31%. The Net NPA is at **0.66%**. We are focusing on speedy recovery of stressed assets portfolio, healthy asset quality, stringent mechanism for credit review and monitoring to keep NPA level under control.

Network Expansion:

During the last financial year, we have opened 40 new branches (Tamilnadu-29, Maharashtra-5, Andhra-4, Kerala -1 and Madhyapradesh-1) and increased our branch network to 320 numbers. Out of which, we have opened 12 number of branches at unbanked Rural centres in Tamilnadu.

We have opened our branch at Port Blair, Andaman & Nichobar Island on 29.4.2013 by going beyond shores of mainland India. We are the first old Private Sector bank to open a branch at Port Blair.

During the last financial year, we have added 158 new ATMs.

Dividend and Book Value:

Board of Directors have recommended all time high dividend of Rs.1600 per share (16000%) to the share holders. Book Value per Share is at ` 71086/- as against ` 58444 last year.

Major initiatives taken during the year 2012-2013

- ✓ TNEB bill payment through Online/ through branches
- ✓ TMB UNI Family Health Care Policy
- ✓ Ecommerce facility enabled to VISA Debit Card
- ✓ Walk in payment of Chennai Corporation Property Tax
- ✓ Tie-up with Sundaram Mutual Fund
- ✓ Issue of Foreign Currency Travel Card
- ✓ Estamping business commenced at Chennai, Kancheepuram and Tiruvallur districts –tie-up with SHCIL
- ✓ Became Point of Presence service provider for New Pension System of PFRDA (Pension Fund Regulatory and Development Authority)
- ✓ TMB Money Transfer scheme (Facility to send money to anyone anywhere in India where TMB has a branch, even though the beneficiary who does not have any bank account, can en-cash money in our branch)
- ✓ Money 2 Anywhere facility (facility to remit money online by TMB customers from 9 countries instantly)

Business Plan for the FY 2013-14

- Ø To increase the **branch network to 380** by adding 60 new branches and increase the **ATM network to 600** by adding 130 new A.T.Ms centres.

We plan to open 22 branches (36.67% of the proposed branches) at unbanked Rural centres as against RBI norms of 25%. Further, our bank is actively participating in Financial Inclusion Programmes (FIP). We plan to

cover 5% of the branches allotted by SLBC under FIP through brick and mortar model.

- Ø We will continue to focus on incremental growth of CASA during this financial year also.

New initiatives planned for the year 2013-14

- Ø BSNL Telephone Bill payment through branches
- Ø New Savings Bank Deposit scheme exclusively for Women – SB with freebies and Loan privilege
- Ø Additional Value added services through ATM
- Ø Prepaid Gift Card
- Ø Extending e-Stamping business to Karnataka / Maharashtra State branches