

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	101,212	99,669	95,940	301,096	284,737	383,386
(a) Interest/discount on advances/bills	77,824	76,642	73,375	231,828	219,750	295,279
(b) Income on investments	22,734	22,106	20,284	66,919	60,366	82,249
(c) Interest on balances with Reserve Bank of India and other inter bank funds	525	769	2,071	1,904	3,945	4,973
(d) Others	129	152	210	445	676	885
2. Other income	16,076	14,480	25,396	44,518	59,809	81,226
3. TOTAL INCOME (1+2)	117,288	114,149	121,336	345,614	344,546	464,612
4. Interest expended	47,785	48,814	50,664	144,412	151,986	201,863
5. Operating expenses (i)+(ii)	29,023	26,412	30,560	84,359	83,554	111,104
(i) Employees cost	15,228	14,837	16,632	45,175	44,959	61,579
(ii) Other operating expenses	13,795	11,575	13,928	39,184	38,595	49,525
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	76,808	75,226	81,224	228,771	235,540	312,967
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	40,480	38,923	40,112	116,843	109,006	151,645
8. Provisions (other than tax) and contingencies	3,292	3,388	11,279	12,202	24,539	39,184
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	37,188	35,535	28,833	104,641	84,467	112,461
11. Tax expense	9,218	9,305	8,545	27,020	24,971	30,270
12. Net Profit from Ordinary Activities after tax (10-11)	27,970	26,230	20,288	77,621	59,496	82,191
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	27,970	26,230	20,288	77,621	59,496	82,191
15. Paid-up Equity Share Capital (Face value 10/- per Equity Share)	15,835	15,835	14,251	15,835	14,251	14,251
16. Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)						519,319
17. Analytical Ratios and Other Disclosures:						
(i) Percentage of shares held by Government of India	-	-	-	-	-	-
(ii) Capital Adequacy ratio (%)						
Under Base I III	24.44	24.58	18.73	24.44	18.73	22.06
(a) Common Equity Tier (CET) 1 ratio	22.85	22.98	17.74	22.85	17.74	20.44
(b) Additional Tier 1 ratio	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Earnings per Share (EPS) (in %)						
(a) Basic EPS (before and after extraordinary items) *	17.66	17.99	14.24	52.13	41.75	57.67
(b) Diluted EPS (before and after extraordinary items) *	17.66	17.99	14.24	52.13	41.75	57.67

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(iv) NPA Ratios						
a) Gross NPA	59,108	59,334	98,556	59,108	98,556	57,092
b) Net NPA	25,910	29,597	45,236	25,910	45,236	31,758
c) % of Gross NPA	1.70	1.70	3.08	1.70	3.08	1.69
d) % of Net NPA	0.75	0.86	1.44	0.75	1.44	0.95
(v) Return on Assets (%)	2.16	2.04	1.66	2.00	1.62	1.66
(vi) Net Worth	674,090	646,120	510,876	674,090	510,876	533,570
(vii) Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil	Nil
(viii) Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
(ix) Debenture Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
(x) Debt - Equity Ratio **	Nil	Nil	Nil	Nil	Nil	Nil
(xi) Total Debts to Total Assets	Nil	Nil	Nil	Nil	Nil	Nil
(xii) Operating Margin	34.51%	34.10%	33.06%	33.81%	31.64%	32.64%
(xiii) Net Profit Margin	23.85%	22.98%	16.72%	22.46%	17.27%	17.69%

* Not Annualised

** Debt represents the borrowings with residual maturity of more than one year

Place: Chennai

Date: 23/01/2023

S. Krishnan
S. Krishnan

Managing Director & CEO



SEGMENT REPORTING FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

Particulars	Quarter ended			9 Months ended		(₹ in Lakhs)
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	23,251	21,806	29,845	67,682	77,812	100,975
Corporate/Wholesale Banking	12,617	13,207	12,277	40,521	44,542	62,273
Retail Banking	81,420	79,136	79,214	237,411	222,192	301,364
Other Banking operations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Total Revenue	117,288	114,149	121,336	345,614	344,546	464,612
Less: Inter Segment Revenue						
Income from Operations						
Segment Results (net of provisions):						
Treasury	5,536	5,668	12,589	18,603	30,714	35,426
Corporate/Wholesale Banking	4,292	4,317	2,069	12,544	8,976	13,192
Retail Banking	27,360	25,550	14,175	73,494	44,777	63,843
Other Banking operations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Profit before tax	37,188	35,535	28,833	104,641	84,467	112,461
Tax Expenses	9,218	9,305	8,545	27,020	24,971	30,270
Net Profit after Tax	27,970	26,230	20,288	77,621	59,496	82,191
Segment Assets:						
Treasury	1,394,276	1,366,313	1,459,811	1,394,276	1,459,811	1,513,431
Corporate/Wholesale Banking	796,109	855,374	750,191	796,109	750,191	814,315
Retail Banking	3,072,006	3,006,199	2,729,077	3,072,006	2,729,077	2,850,590
Other Banking operations	-	-	-	-	-	-
Unallocated	135,098	124,585	100,748	135,098	100,748	107,512
Total	5,397,489	5,352,471	5,039,827	5,397,489	5,039,827	5,285,848
Segment Liabilities:						
Treasury	1,433,617	1,538,083	1,261,130	1,433,617	1,261,130	1,437,907
Corporate/Wholesale Banking	456,432	457,985	525,288	456,432	525,288	545,718
Retail Banking	2,674,221	2,560,265	2,620,318	2,674,221	2,620,318	2,640,960
Other Banking operations	-	-	-	-	-	-
Unallocated	159,128	150,018	122,216	159,128	122,216	127,693
Total	4,723,398	4,706,351	4,528,952	4,723,398	4,528,952	4,752,278
Capital Employed:						
(Segment Assets - Segment Liabilities)						
Treasury	-39,341	-171,770	198,681	-39,341	198,681	75,524
Corporate/Wholesale Banking	339,677	397,389	224,903	339,677	224,903	268,597
Retail Banking	397,785	445,934	108,759	397,785	108,759	209,630
Other Banking operations	-	-	-	-	-	-
Unallocated	-24,030	-25,433	-21,468	-24,030	-21,468	-20,181
Total	674,091	646,120	510,875	674,091	510,875	533,570

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.

As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting', 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, as the proposed DBU of the Bank has not yet commenced operations and having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), reporting of Digital Banking segment will be implemented by the Bank based on the decision of the DBU Working Group.

The business operations of the Bank are substantially concentrated in India and for the purpose of Segment Reporting as per Accounting Standard-17, the bank is considered to operate only in domestic segment.



S. Krishnan
Managing Director & CEO



Statement of Assets and Liabilities of the Bank as at December 31, 2022 is given below:
(₹ in Lakhs)

Particulars	As at 31.12.2022	As at 31.12.2021	As at 31.03.2022
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	15,835	14,251	14,251
Reserves and Surplus	658,255	496,624	519,319
Deposits	4,344,086	4,203,540	4,493,311
Borrowings	0	0	0
Other Liabilities and Provisions	379,313	325,412	258,967
Total	5,397,489	5,039,827	5,285,848
ASSETS			
Cash and Balances with Reserve Bank of India	302,885	215,398	211,311
Balance with Banks and Money at Call and Short Notice	35,181	192,316	173,889
Investments	1,346,615	1,238,226	1,303,546
Advances	3,446,749	3,146,153	3,349,154
Fixed Assets	21,658	17,823	21,084
Other Assets	244,401	229,911	226,864
Total	5,397,489	5,039,827	5,285,848

S. Krishnan

Place: Chennai
Date: 23/01/2023

S. Krishnan
Managing Director & CEO



Notes forming part of Standalone (reviewed) Financial Results for the quarter and nine months ended December 31, 2022

1. The above Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their meeting held on January 23, 2023.
2. The Financial Results for the quarter ended December 31, 2022 has been subjected to "Limited Review" by the Statutory Central Auditors of the Bank and are in compliance with Listing Agreement of the Stock Exchanges. The figures for the quarter ended December 31, 2021 and nine months ended December 31 2021 have neither been reviewed nor audited by Statutory Central Auditors under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and is based on management certified financial information of the Bank.
3. The Bank has raised Equity Share Capital of Rs. 80784 Lakhs through Initial Public Offer (IPO) on 12th September 2022. The Bank has issued and allotted 158.4 Lakhs equity shares of Rs. 10 each at a premium of Rs. 500 per share. The share premium net of issue expenses, amounting to Rs.75565 Lakhs has been credited to Share Premium Account.
4. The Financial Results for the quarter and nine months ended December 31, 2022 have been arrived at after considering provision for non-performing assets, standard assets, restructured accounts, depreciation / provision on investments, provision for exposure to entities with unhedged foreign currencies, depreciation on fixed assets, taxes and other usual and necessary provisions on the basis of prudential norms, estimates and specific guidelines issued by RBI and on the basis of the accounting policies as those followed in the preceding financial year ended March 31, 2022.
5. Based on the available financial statements and the declarations from borrowers, the Bank has estimated the liability towards unhedged foreign currency exposure to their constituents in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and holds a provision of Rs.319 Lakhs as on December 31, 2022.
6. As per extant RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <https://www.tmb.in/basel-disclosures.aspx> These disclosures have not been subjected to review by the Statutory Central Auditors of the Bank.
7. The Provision Coverage Ratio (PCR) as on December 31, 2022 is 89.83%
8. The outbreak of COVID-19 pandemic continues to spread across the globe and India resulting in significant volatility in the global and Indian economy. The extent to which the COVID-19 pandemic will impact the Bank's result will depend on future development which are highly uncertain including among other things any new information concerning the severity of the new strains of the COVID-19 pandemic and action to contain its spread or mitigate impact including further stimulus and regulatory packages, if any. There has been an improvement in the economic activity since the easing of the lockdown measures. The Bank holds an adhoc provision of Rs.30000 Lakhs (over and above regulatory provisions) as on December 31, 2022 to meet any exigencies arising out of COVID – 19 pandemic.
9. Impact of RBI Circular No RBI/2018-19/2013 DBR No BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework is NIL
10. Details of loan transferred / acquired during the quarter ended December 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
 - i. The Bank has not transferred any stressed loan (Non-performing asset and Special Mention Account) and any loan not in default.



- ii. The Bank has neither acquired any stressed loan nor any loan not in default through assignment during the quarter ended December 31, 2022.
- iii. The Bank has not acquired any Security Receipts (SR) issued by Asset Reconstruction transferred to ARCs.
11. As per RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting', 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, as the proposed DBU of the Bank has not yet commenced operations and having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), reporting of Digital Banking segment will be implemented by the Bank based on the decision of the DBU Working Group.

12. As per RBI Master Direction No RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 (updated as on 11.10.2022) on financial statements -presentation and disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if any additional Gross NPAs identified or additional provisioning for NPAs assessed by RBI as part of its supervisory process exceeds threshold limits as defined in the above circulars.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to RBI's annual supervisory process for FY 2021-22.

13. Details of Priority Sector Lending Certificate (PSLC) purchase, sold and the income earned (grouped under "Other income") are as under:

Quarter Ended	Units Purchased	Units Sold	Income Earned (Rs in lakhs)
30.06.2022	Nil	12952	6648
30.09.2022	Nil	400	126
31.12.2022	Nil	600	132
Total	Nil	13952	6906

14. Status of Investor Complaints received during the quarter ended December 31, 2022

Complaints un-resolved at the beginning of the quarter	Received	Resolved	Unresolved at the end of the quarter
0	70	70	0

15. The figures for the quarter ended 31st December, 2022 are the balancing figures between reviewed figures in respect of Nine months ended 31st December, 2022 and the published year to date figures up to 30th September, 2022.

16. Figures of the previous period have been regrouped / reclassified / rearranged, wherever necessary to conform to the current period's classification.



For & on behalf of the Board

S. Krishnan
S. Krishnan
Managing Director & CEO

Date: January 23, 2023

Place: Chennai



Suri & Co.,
CHARTERED ACCOUNTANTS
443 & 445, Guna Complex,
Main building, 4th Floor,
Anna Salai, Teynampet
Chennai 600 018

Abarna & Ananthan,
CHARTERED ACCOUNTANTS
521, 3rd Main Road, 2nd Phase, 6th Block,
Bhanashankari 3rd Stage,
Bengaluru 560 085

Independent Auditors' Review Report on Unaudited Financial Results for the quarter and nine months ended 31st December 2022 of Tamilnad Mercantile Bank Limited, pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,

The Board of Directors,
Tamilnad Mercantile Bank Limited,
Thoothukudi, Tamilnadu.

1. We have reviewed the accompanying Statement of Unaudited Financial Results of The Tamilnad Mercantile Bank Limited (hereinafter 'the Bank') for the quarter and nine months ended 31st December, 2022 (hereinafter 'the Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) (hereinafter 'the Regulations'), except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations, as at 31st December 2022, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. Attention is drawn to the fact that the figures of the quarter ended 31st December 2021 and nine months ended 31st December 2021 have been approved by the Board of Directors, but have not been subjected to audit or review under 'the Regulations'
3. The Statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS-25'), prescribed under section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (hereinafter the 'RBI') from time to time (hereinafter the 'RBI Guidelines') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India (hereinafter 'the ICAI'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Suri & Co.,
CHARTERED ACCOUNTANTS
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Abarna & Ananthan,
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521, 3rd Main Road, 2nd Phase, 6th Block,
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Bengaluru 560 085

5. Based on our review conducted as stated in Paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement including notes thereon prepared in accordance with the applicable Accounting Standards, the RBI Guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosures as at 31st December 2022 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding 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 Note No. 6 of the Statement and have not been reviewed by us.

For M/s. Suri & Co
Chartered Accountants
FRN-004283S

For M/s Abarna & Ananthan
Chartered Accountants
FRN- 000003S



CA M Sivaram
Partner
M No 211916
UDIN: 23211916BGWKBK&108



CA S Ananthan
Partner
M No 026379
UDIN: 23026379BG xDAD 2249

Date: January 23, 2023
Place: Chennai

