

PRESS RELEASE

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Financial Results of the Bank for the year 2019-20

Tamilnad Mercantile Bank Limited (TMB) one of the premier Old Private Sector Scheduled Commercial Banks, having Head Quarters in Thoothukudi has a long cherished history of 98+ years of successful banking with strong fundamentals and a record of continuous profit making in the industry.

TMB having pan India presence with 509 branches and 12 Regional Offices across 16 states and 4 Union Territories is serving more than 4.50 million delighted customers. The bank is having 1156 ATMs, 31 e-lobbies and 165 Nos. of Cash Recycler Machines.

The Board of Directors of the Bank adopted the audited results of the Bank for the financial year ended 31.03.2020 in their meeting held at Thoothukudi on 24.06.2020. In the presence of Shri.S.Annamalai, Director and other Board of Directors of the Bank, Shri K.V. Rama Moorthy, Managing Director and CEO of the bank has declared the financial results of the Bank for the year 2019-20. Chief Financial Officer, Vice President and General Managers of the Bank were also present at the event.

Bank's Results at a glance

(₹ in Crores)

Parameters	2018-19	2019-20	Growth (%)
Total Deposits (₹)	35,136.23	36,825.03	4.81
Total Advances (₹)	27,018.44	28,236.18	4.51
Total Business (₹)	62,154.67	65,061.21	4.68
CASA (₹)	8,653.82	9,518.08	9.99
Operating Profit (₹)	884.24	995.05	12.53
Net Profit (₹)	258.58	407.69	57.66
Gross NPA (₹)	1,168.11	1,020.98	-12.60
Gross NPA (%)	4.32	3.62	-0.70
Net NPA (₹)	636.54	497.47	-21.85
Net NPA (%)	2.40	1.80	-0.60
Capital Adequacy Ratio - Basel III (%)	16.17	16.74	0.57
Capital Adequacy Ratio – Basel II (%)	16.20	16.76	0.56
Provision Coverage Ratio (%)	73.61	80.75	7.14

Credit to Priority & MSME Sector:

- The Bank has been giving continued thrust on advances to Priority Sectors like Agriculture, MSME, Education, Housing etc. constituting 68.49% of its Adjusted Net Bank Credit (ANBC), above the regulatory requirement of 40%.
- The Advances to Priority sector has increased to ₹18,711.73 Crores (PY ₹16,933.90 Crores) with a growth rate of 10.50%.
- The Bank's Advances to Agriculture sector stood at ₹6,993.90 Crores. The Advances to Agriculture Sector constitute 25.60% of total advances, above the regulatory requirement of 18%.
- Credit to MSME sector has increased to ₹10,706.08 Crores (PY ₹10,082.77 Crores) with a growth rate of 6.18%.

Y-O-Y Performance:

- The Bank's deposits has increased to ₹36,825.03 crores (PY ₹35,136.23 crores) with a growth rate of 4.81% whereas the average growth was 8.32%.
- The Bank's CASA position has increased to ₹9,518.08 crores with a growth rate of 9.99% and the average growth was 10.01%.
- The advance level of the Bank has increased to ₹28,236.18 crores with a growth rate of 4.51% and the average growth was 9.11%.
- Non-interest income stood at ₹526.45 crores (PY ₹414.31 crores)
- Operating expenses stood at ₹850.91 crores (PY ₹760.23 crores)
- The Operating Profit is at ₹995.05 Crores (PY ₹884.24 Crores)
- The Net Interest Income (NII) has increased to ₹1,319.51 Crores (PY ₹ 1,230.16 Crores)
- The Bank's Net worth increased to ₹3,980 crores (PY ₹3,618 crores) with absolute rise of ₹362 crores registering a growth rate of 10.01%
- Interest Income stood at ₹3,466.11 Crores with an increase from previous year figure of ₹3,224.46 Crores (Increase by ₹241.65 Crores @ 7.49%)
- The Interest Expenditure has increased from the level of ₹1,994.30 Crores to ₹2,146.60 Crores (increase by ₹152.30 Crores @ 7.64%).
- The Gross NPA as a percentage to total advances reduced to 3.62% (PY 4.32%) and Net NPA reduced to 1.80% (PY 2.40%).
- The Capital Adequacy Ratio (Basel III) of the bank increased to 16.74% (PY 16.17%)
- The Capital Adequacy Ratio (Basel II) of the bank increased to 16.76% (PY 16.20%)
- Provision Coverage Ratio of the Bank stands increased to 80.75% (PY 73.61%)

Book Value of Shares:

The Book Value per Share stood at ₹279.25 and the face value of the share is ₹10. Earnings per share is ₹28.61.

Network Expansion during 2019-20:

- 4 new ATMs were added this year and the total number of ATMs stood at 1,156.
- 4 e-lobbies were opened taking the tally to 31.
- 33 numbers of cash recycler machines were installed at ATMs, taking the tally to 165.

Major initiatives during 2019-20:

- TMB inaugurated Robotic operation at Currency Chest, Chennai for cash sorting, segregation and bundling.
- TMB inaugurated Jewel Loan Shoppe at 11 centres in addition to existing 11 centres taking the tally to 22.

IT related Initiatives made during 2019-20:

- Bank's website was revamped with attractive features
- Co-branded cards were launched initially with M/s.Velavan Hyper Market, Thoothukudi and Chennai and M/s.The Chennai Silks, Tirunelveli and Thoothukudi
- Implementation of Public Fund Management System (PFMS) to handle Government transactions.

Business Plan strategies for the Financial Year 2020-21:

- Thrust on consistent CASA growth.
- Credit growth with specific thrust on retail lending.
- Leveraging Technology and HR for business development for enhancing delivery efficiencies of all banking services.
- Bank has disbursed 10005 Nos. of fresh advances totally to the tune of Rs.927.63 Crores under Emergency Credit Line Guarantee Scheme (ECLGS) during COVID-19 pandemic issue.
- 67% of eligible accounts availed the moratorium announced under COVID-19 scheme.
- Provision totally to the tune of Rs.36.19 Crores have been made for the standard assets as against the RBI provision of Rs.7.01Crores (5%) under COVID-19 scheme.

New Initiatives for the Financial Year 2020-21:

- Setting up of 50 more e-Lobbies.
 - Finacle 10.x Migration
 - TMB Whatsapp Banking.
 - Bharath Bill Payment as Issuer
 - Introducing Mobile Banking (Capex Model)
 - Centralized Account Opening solution
 - Onboarding Customers using Video KYC
 - Customer Relationship Management Solution – CRM
 - Introducing Call Center operations
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