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CIN: L65110TN1921PLC001908



Ref.No.TMB.SE.97/2025-26

27.10.2025

The Manager  
National Stock Exchange of India Ltd,  
Exchange Plaza, 5th Floor, Plot No. C/1,  
'G' Block, Bandra - Kurla Complex,  
Bandra (East), Mumbai - 400 051.

The Manager  
Bombay Stock Exchange limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Ref: Symbol: TMB / Scrip Code: 543596**

Dear Sir/Madam,

**Sub: Investor / Analyst presentation on the Unaudited Financial Results of the Bank for the quarter and half year ended September 30, 2025**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Investor / Analyst presentation on the Unaudited Financial Results of the Bank for the quarter and half year ended September 30, 2025.

The said presentation has been uploaded on the website of the Bank and can be accessed at <https://tmb.bank.in/pages/Financial-Results>

Kindly take the information on record.

Yours faithfully,

**For Tamilnad Mercantile Bank Limited**

**Swapnil Yelgaonkar**  
**Company Secretary & Compliance Officer**

Q2 FY 2026



**TMB** Tamilnad  
Mercantile  
Bank Ltd  
Be a step ahead in life

# Investor Presentation

Q2 FY 2026

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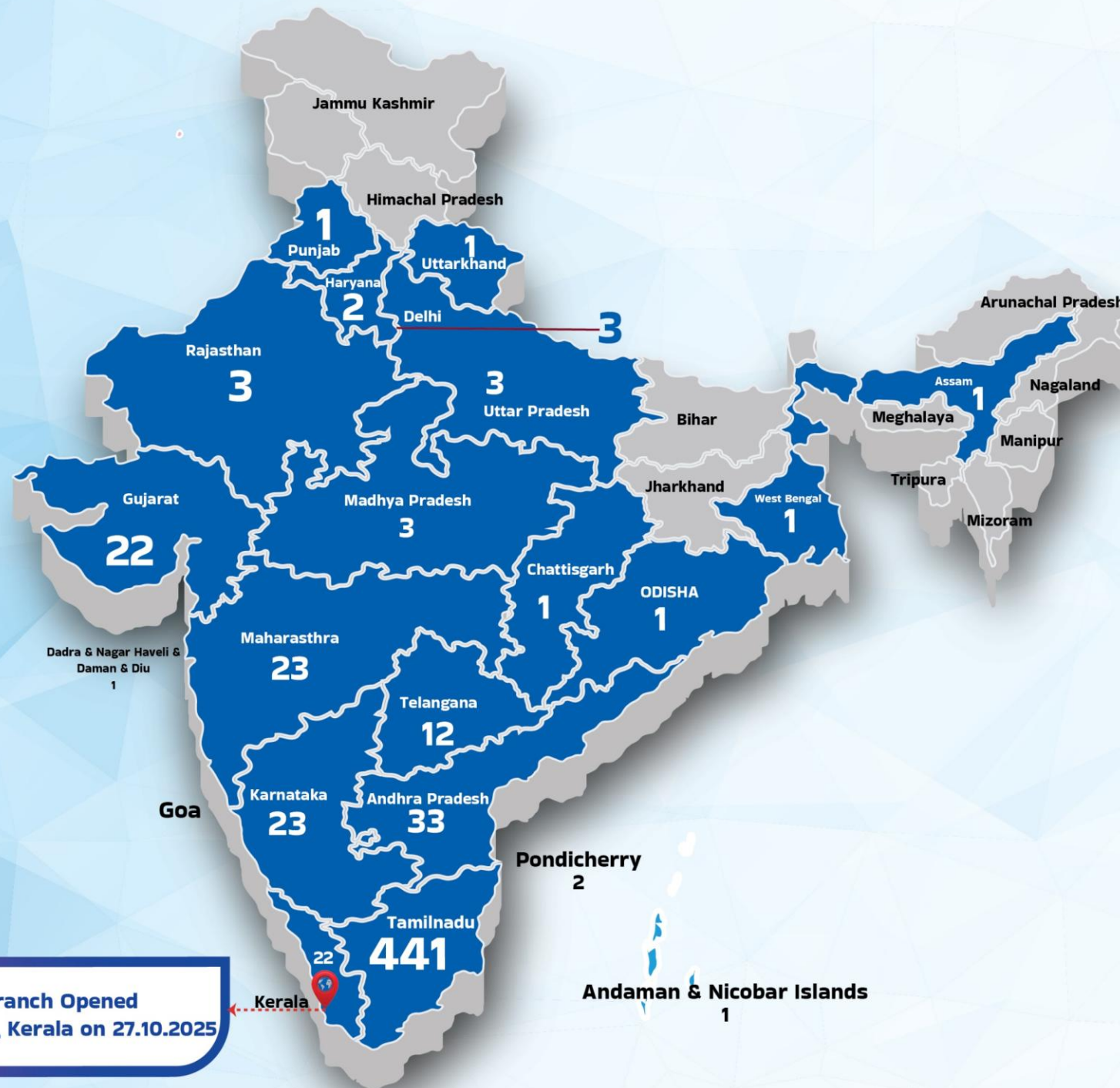
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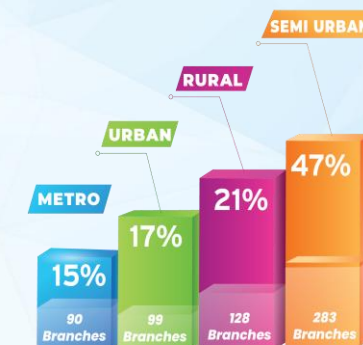
# Expanding Our Footprint to Accelerate Growth...Opened the 600<sup>th</sup> Branch



**Our 600th Branch Opened in Vizhinjam, Kerala on 27.10.2025**



As of 31.03.25  
As of 27.10.25  
■ Total Branches ■ TN Branches ■ Non-TN Branches



- ❖ 36 centers identified,
- ❖ Branch Heads posted,
- ❖ Branch opening in progress.



# Performance Highlights

Q2 FY 2026





**11.40%**



❖ Highest year on year growth since listing

❖ Growth is ~3.5% higher than 9 CAGR, ~2.% higher than previous year



**12.32%**



❖ Deposit growth momentum reinforcing



**9.30%**



❖ CASA trend reversed, share up by 58 Bps QoQ



**10.34%**



❖ Growth aligned to the market and momentum picking up



**1.01%**



❖ Growth riding on lowest GNPA in the last 10 years



# Performance Highlights

(₹ in Crores)

Particulars	Q2FY25	Q1FY26	Q2FY26	QoQ	YoY
Total Business	91,875	98,923	1,02,351	3.46%	11.40%
Deposits	49,342	53,803	55,421	3.01%	12.32%
CASA	13,873	14,411	15,163	5.22%	9.30%
Gross Advances	42,533	45,120	46,930	4.01%	10.34%
RAM	39,277	42,100	44,392	5.44%	13.02%
NIM (%)	4.25%	3.84%	3.83%	-1 Bps	-42 Bps
Operating Profit	465	412	452	9.75%	-2.74%
Net Profit	303	305	318	4.14%	4.73%
Credit Cost (%)	0.55%	0.06%	0.15%	9 Bps	-40 Bps
GNPA (%)	1.37%	1.22%	1.01%	-21 Bps	-36 Bps
NNPA (%)	0.46%	0.33%	0.26%	-7 Bps	-20 Bps
ROA (%)	1.94%	1.82%	1.85%	3 Bps	-9 Bps
ROE (%)	14.83%	13.30%	13.77%	47 Bps	-106 Bps
PCR (%) – without technical write-off	66.40%	73.04%	74.36%	132 Bps	796 Bps

❖ **LIFE's Highest Net Profit**

❖ **Adjusted for recovery\*  
from Written-off A/c's**

- NII up by 6.32% YoY
- Total Income up by 9.69% YoY
- Operating profit up by 19.83% YoY
- PCR with technical written off is 95.30 %

\*Refer page no.16



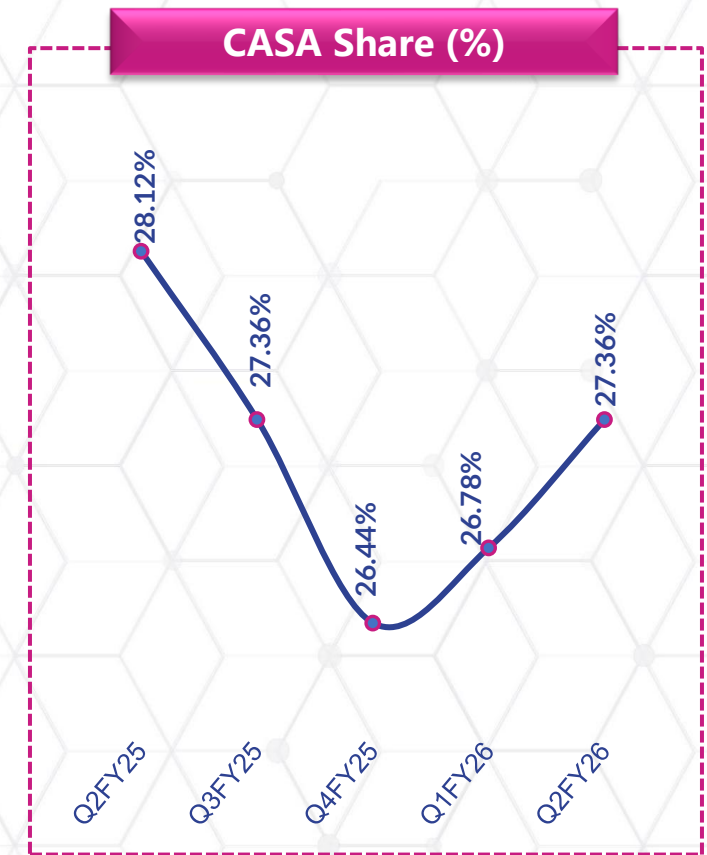
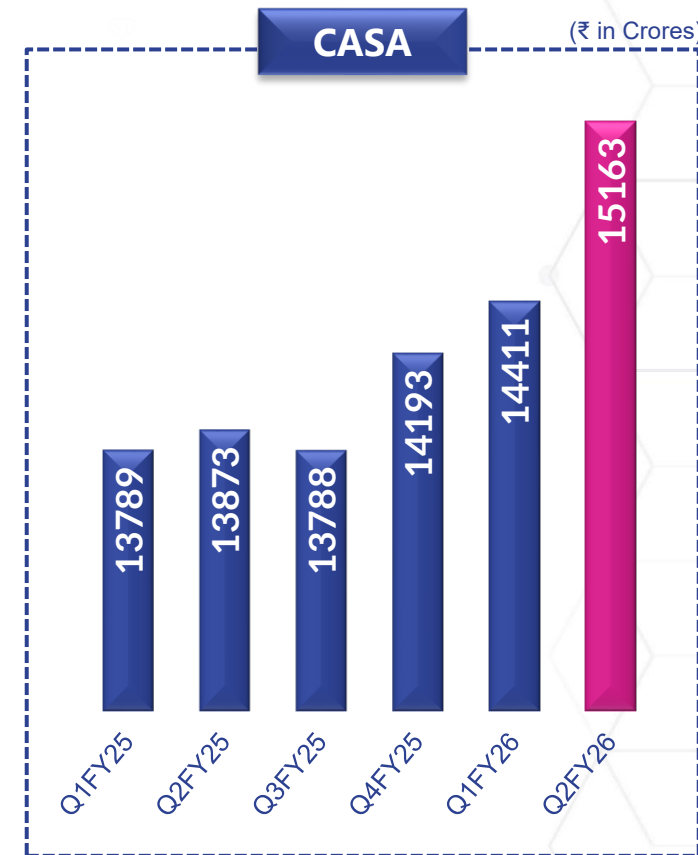
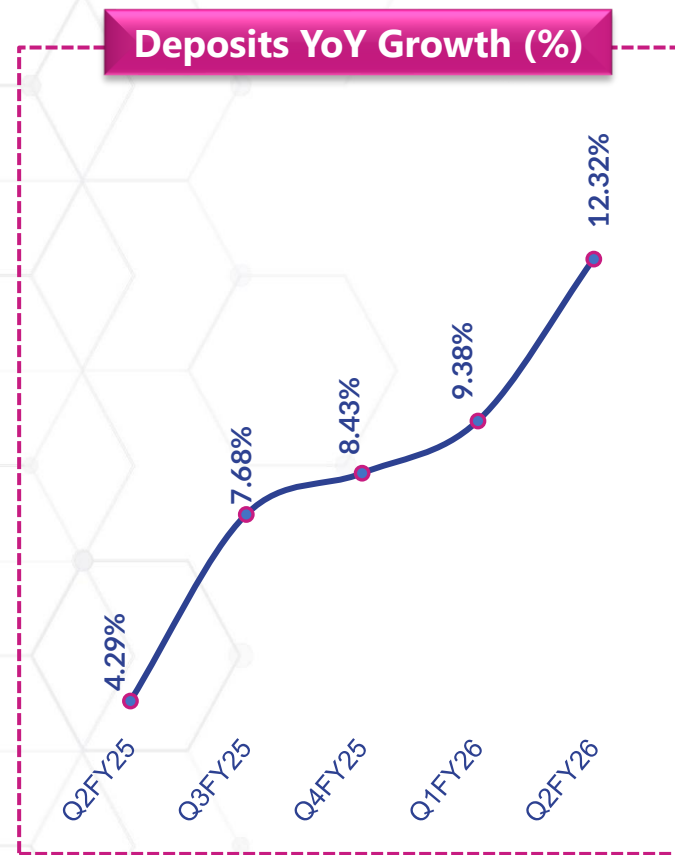
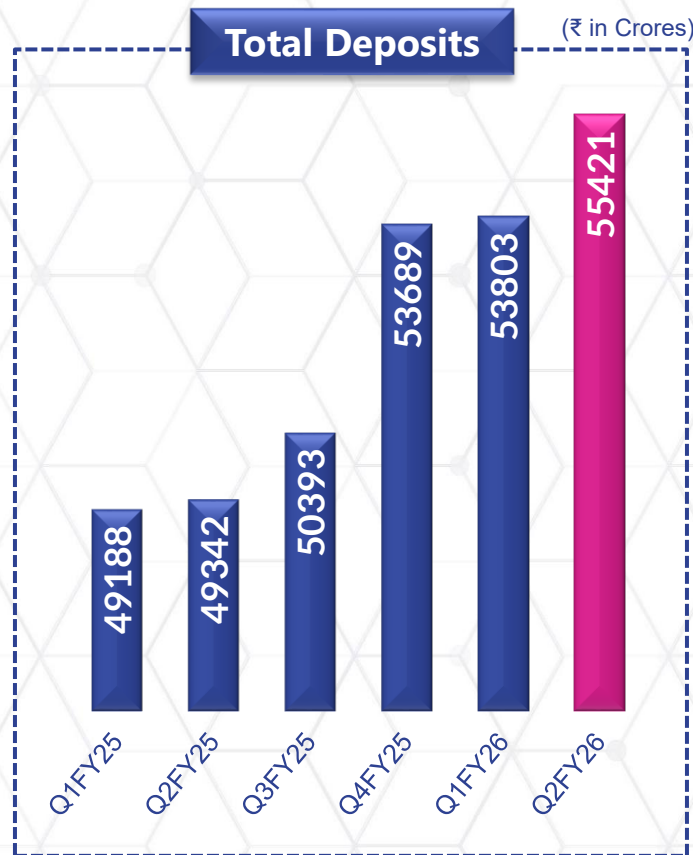
# Business Financial Performance

Q2 FY 2026



(₹ in Crores)

Business Parameters	Q2FY25	Q1FY26	Q2FY26	Q-o-Q Growth % (Q2FY26 Over Q1FY26)	Y-o-Y Growth % (Q2FY26 over Q2FY25)
Current Account	3,986	3,989	4,334	8.65%	8.74%
Savings Bank Account	9,887	10,422	10,829	3.90%	9.52%
CASA	13,873	14,411	15,163	5.22%	9.30%
Total Term Deposits	35,469	39,392	40,258	2.20%	13.50%
Total Deposits	49,342	53,803	55,421	3.01%	12.32%



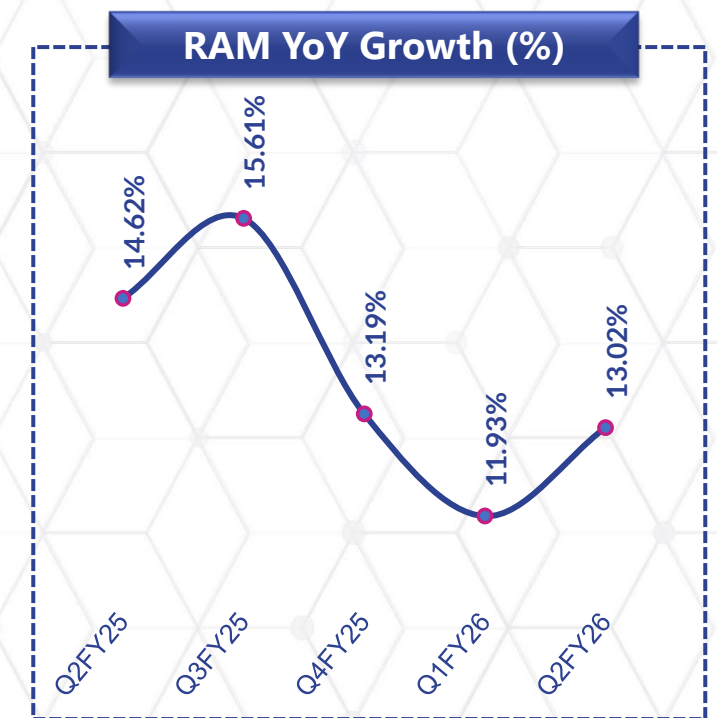
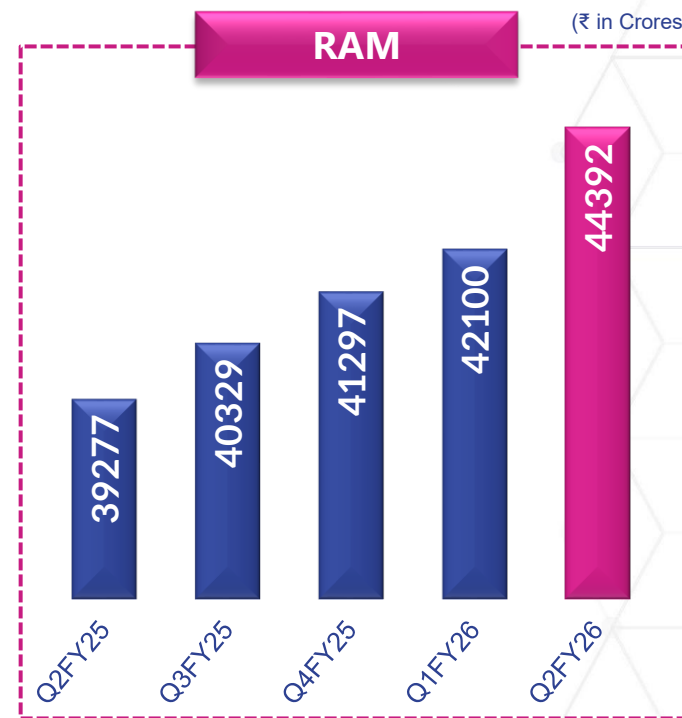
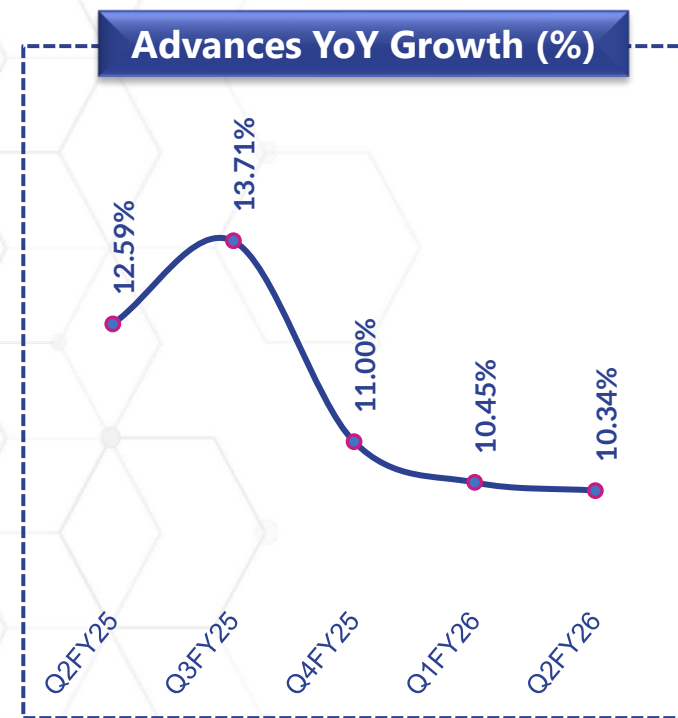
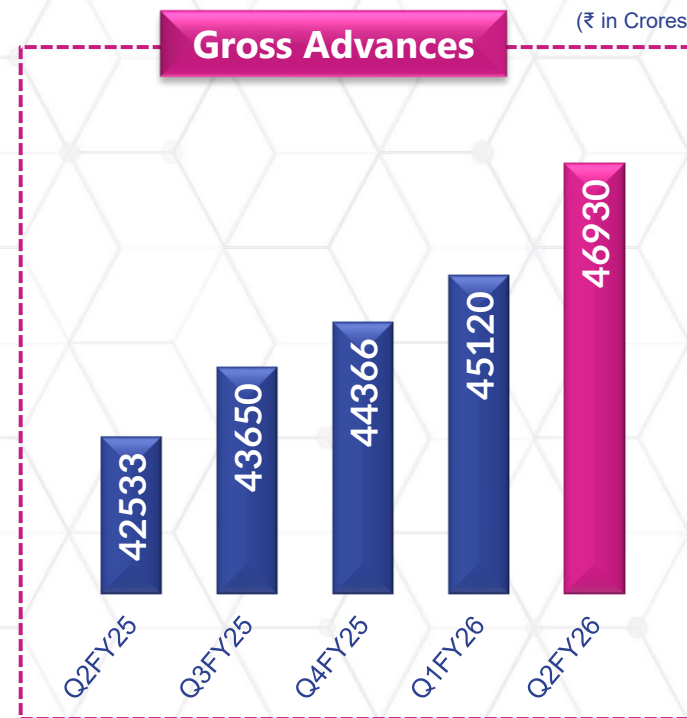
Transaction Business Group (TBG) implemented in Q4FY25 and Elite Service Group (ESG) in Q1FY26 taking roots..

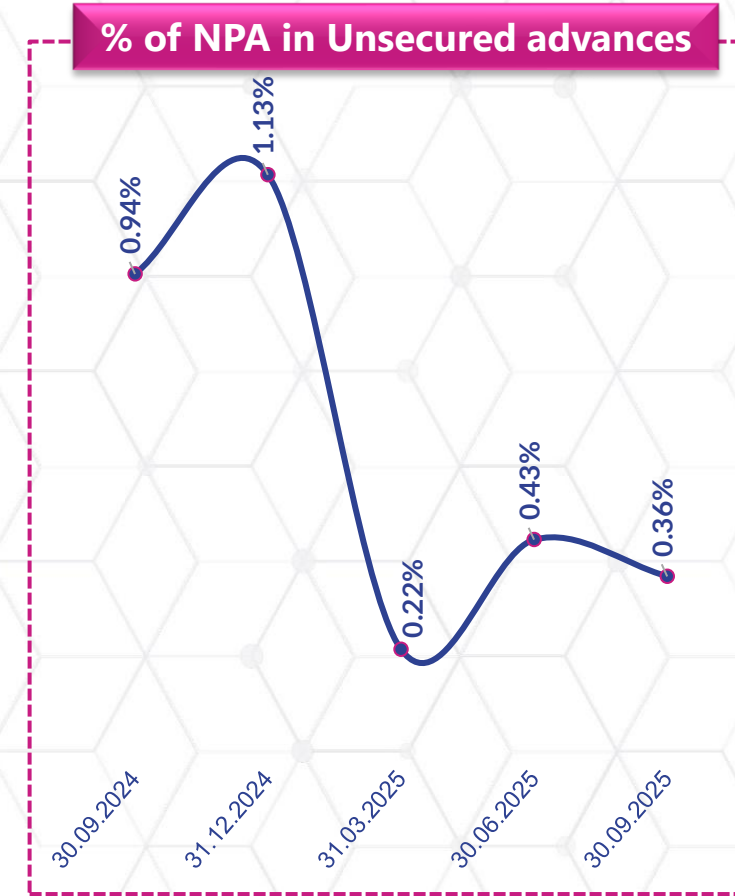
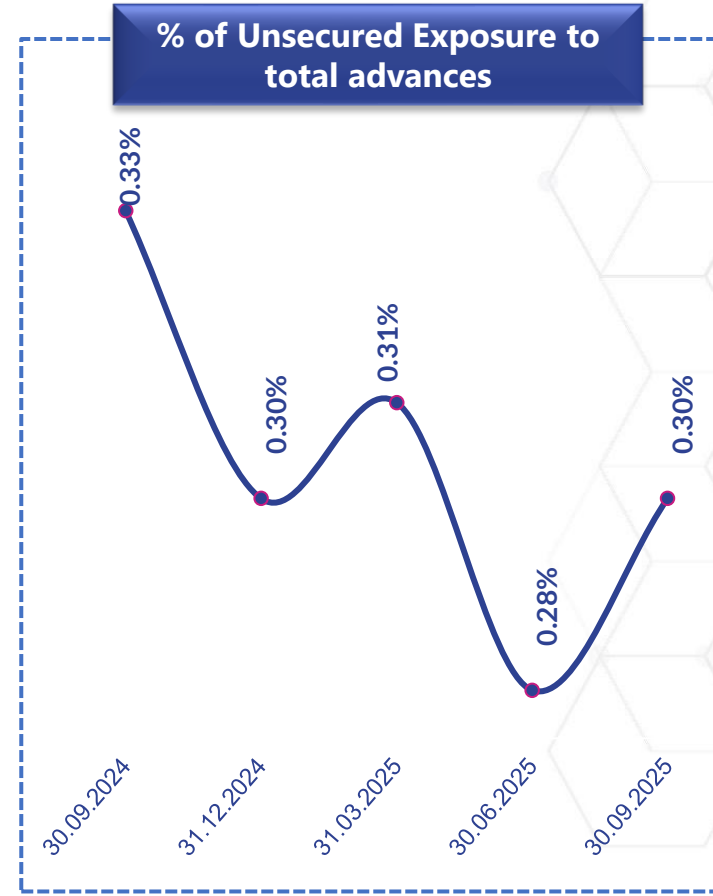
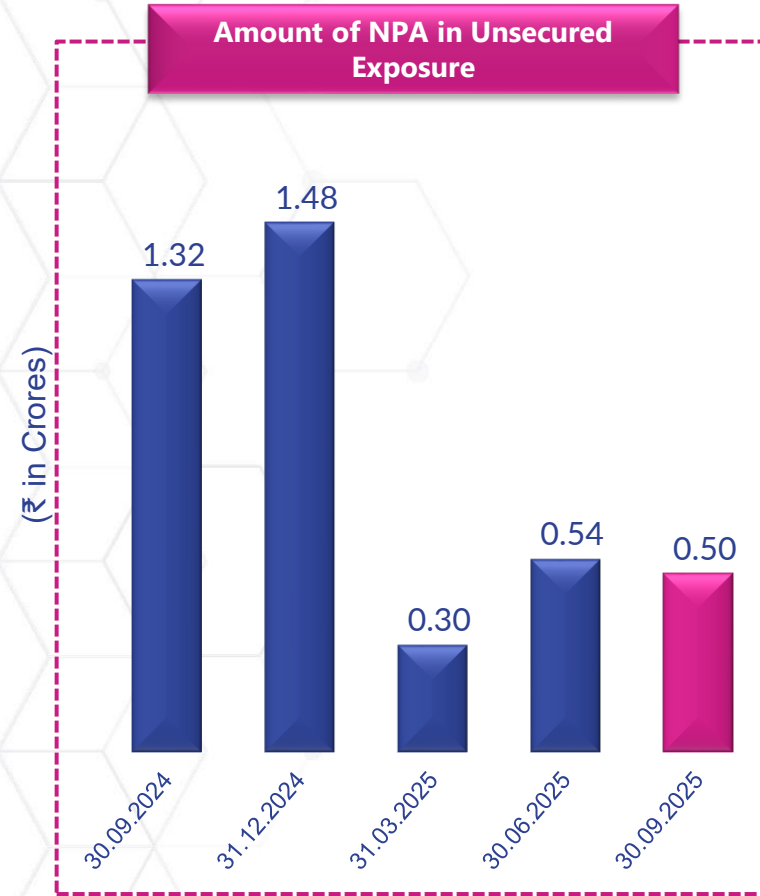
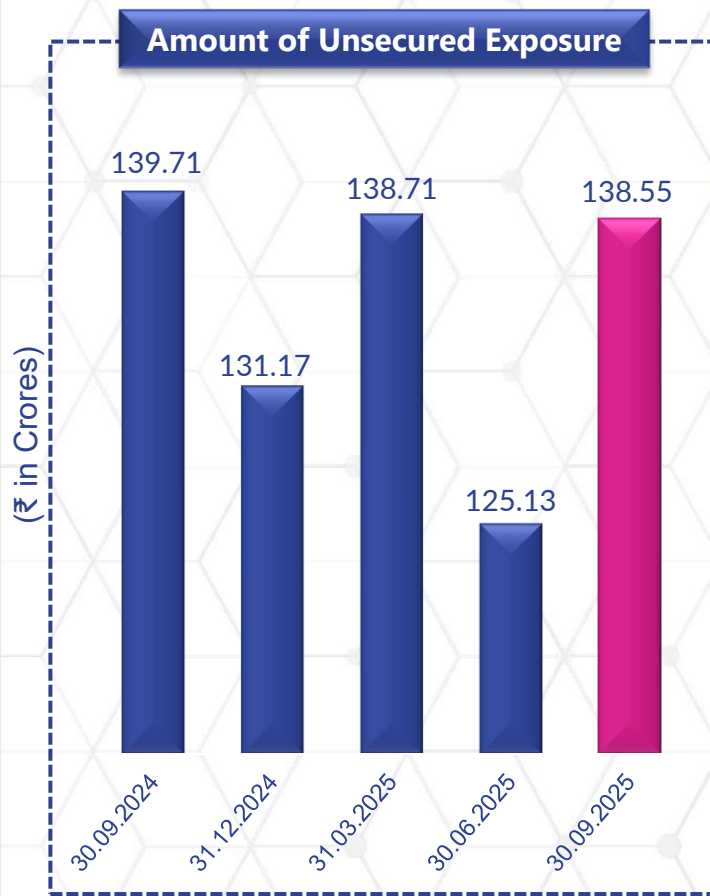
Customer experience platform (CRM) implemented in Q2FY26.



(₹ in Crores)

Business Parameters	Q2FY25	Q1FY26	Q2FY26	Q-o-Q Growth % (Q2FY26 Over Q1FY26)	Y-o-Y Growth % (Q2FY26 over Q2FY25)
Gross Advances	42,533	45,120	46,930	4.01%	10.34%
<i>Of which</i>					
Retail	8,477	10,661	11,878	11.41%	40.12%
Agriculture	17,030	17,987	18,546	3.11%	8.90%
MSME	13,770	13,452	13,968	3.84%	1.44%
Total of RAM	39,277	42,100	44,392	5.45%	13.02%
RAM % to Gross Advances	92.34%	93.31%	94.59%	128 Bps	225 Bps
Others	3,256	3,021	2,538	-15.98%	-22.05%
CD Ratio	86.20%	83.86%	84.68%	82 Bps	-152 Bps







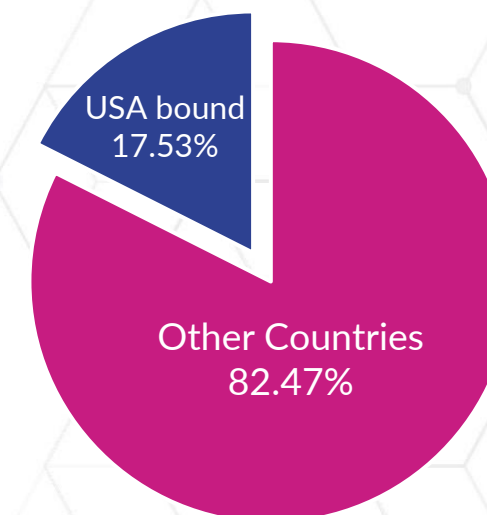
(₹ in Crores)

Sectors	Exposure As of 30.09.25	% to Advance
Textiles	2127.51	4.53%
Food Processing	1037.71	2.21%
Chemicals	375.64	0.80%
Basic Metal and Metal Products	348.14	0.74%
Infrastructure	318.32	0.68%
Rubber Plastic	283.43	0.60%
Paper & Products	279.26	0.59%
Engineering	265.85	0.57%
Wood & Products	238.88	0.51%
Mining & Quarry	141.12	0.30%
Glass ware	120.24	0.26%
Other Industries	529.69	1.13%

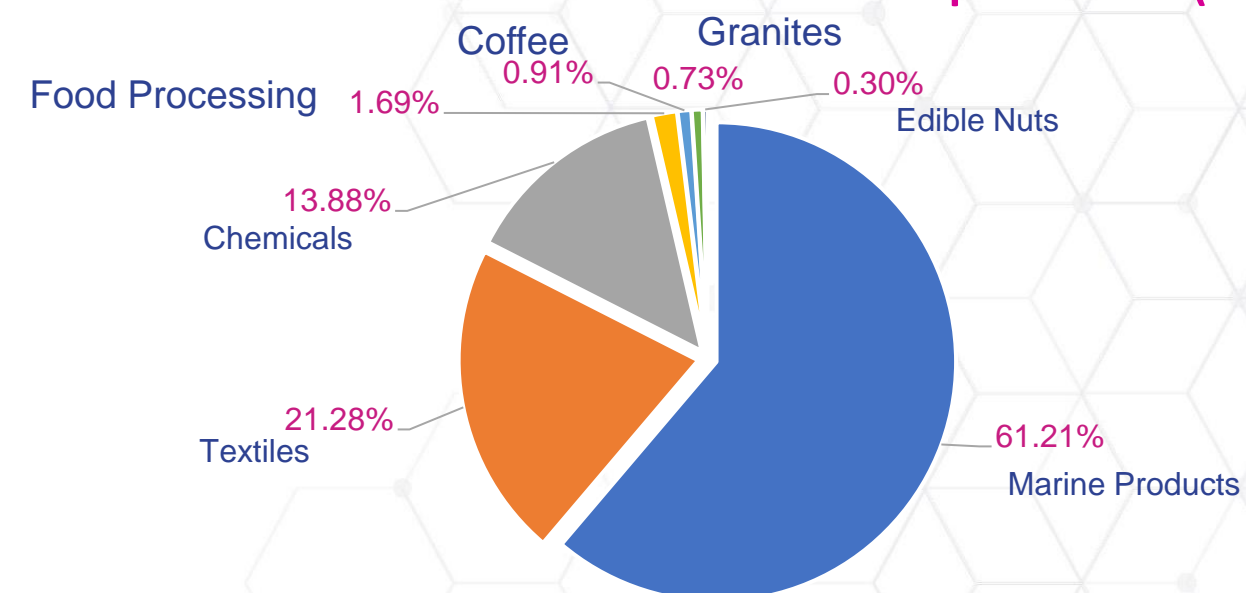
Export Credit to Bank Credit	<b>1.05%</b>
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## USA Tariff Impact

Export Credit vs Share of  
USA bound Export Credit



Sectoral contribution of USA bound Export Credit (%)



# P&L & Balance Sheet

Q2 FY 2026





(₹ in Crores)

Financial Parameters	3 Months			6 Months		
	Q2FY25	Q2FY26	Y-o-Y Growth (Q2FY26 over Q2FY25)	H1FY25	H1FY26	Y-o-Y Growth (H1FY26 Over H1FY25)
Interest Income	1337.41	1413.39	5.68%	2618.56	2799.63	6.91%
Non-Interest Income	227.47	208.07	-8.53%	461.19	439.30	-4.75%
Total Income	1564.88	1621.46	3.62%	3079.75	3238.93	5.17%
Interest Expenses	741.35	816.26	10.10%	1455.94	1622.95	11.47%
Operating Expenses	358.33	352.76	-1.55%	689.77	751.28	8.92%
Of which						
Employee Cost	191.04	175.84	-7.96%	370.39	398.67	7.64%
Other Operating Exp.	167.29	176.92	5.76%	319.38	352.61	10.40%
Total Expenditure	1099.68	1169.02	6.31%	2145.72	2374.23	10.65%
Net Interest Income	596.06	597.13	0.18%	1162.62	1176.68	1.21%
<b>Operating Profit</b>	<b>465.20</b>	<b>452.44</b>	<b>-2.74%</b>	<b>934.04</b>	<b>864.70</b>	<b>-7.42%</b>
Provision other than tax	64.93	20.02	-69.17%	150.37	28.36	-81.14%
Taxes	97.09	114.91	18.35%	193.20	213.94	10.73%
<b>Net Profit</b>	<b>303.18</b>	<b>317.51</b>	<b>4.73%</b>	<b>590.47</b>	<b>622.40</b>	<b>5.41%</b>

## Recovery in written off a/c's

(₹ in Crores)

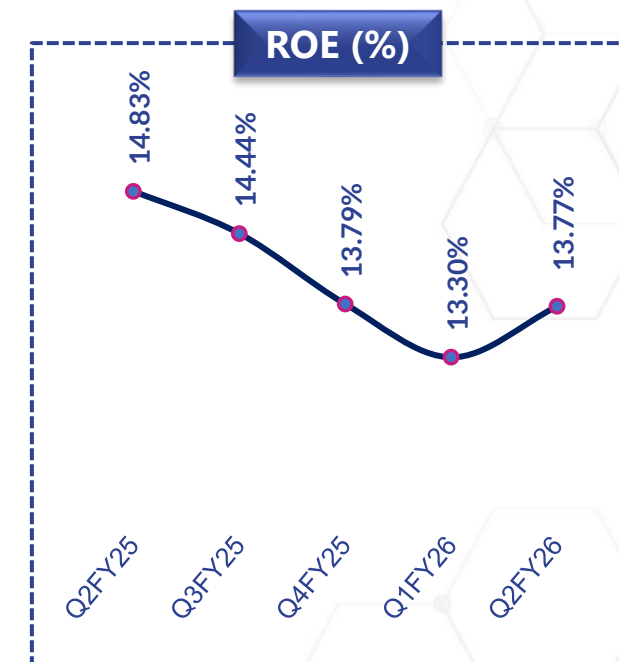
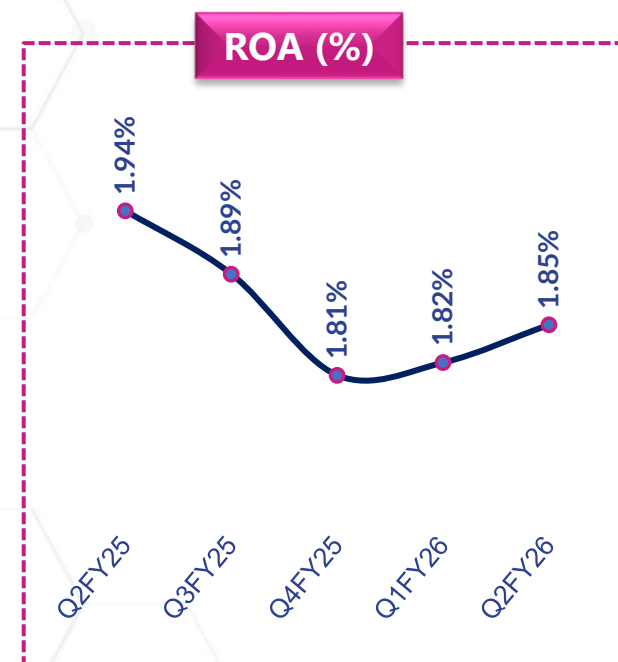
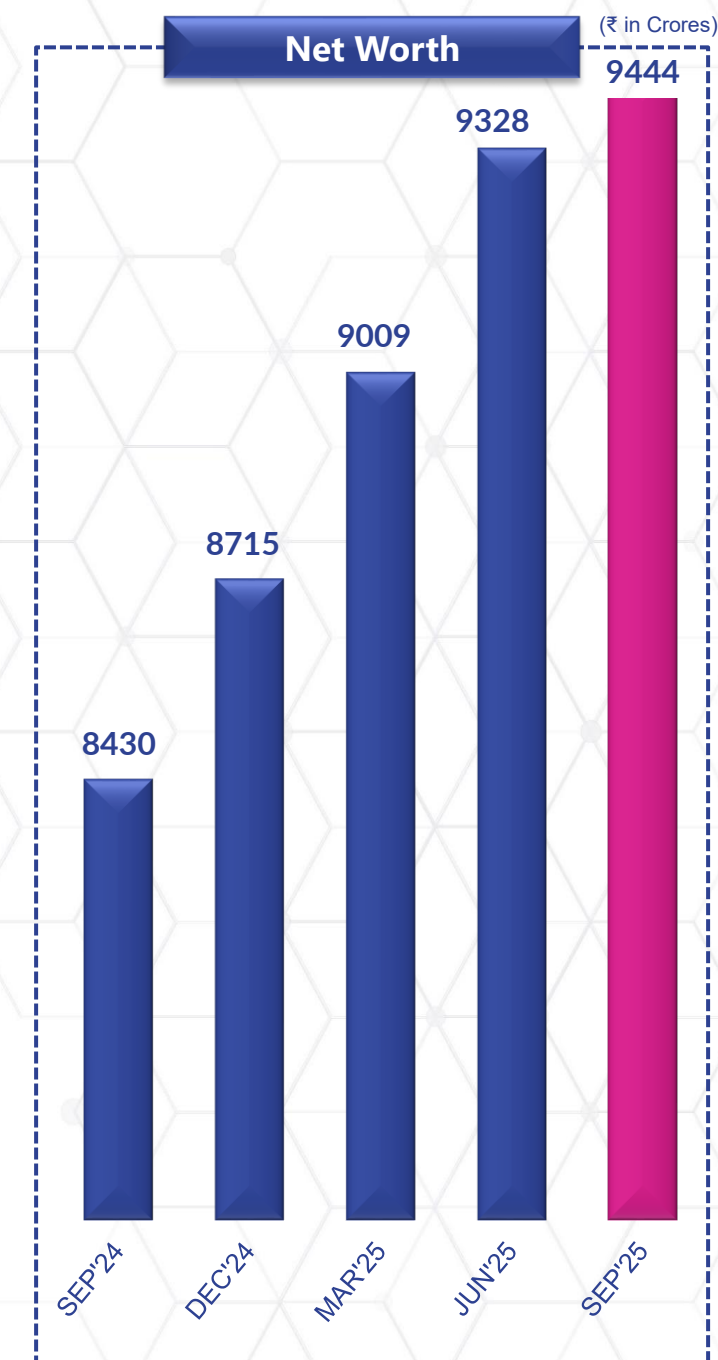
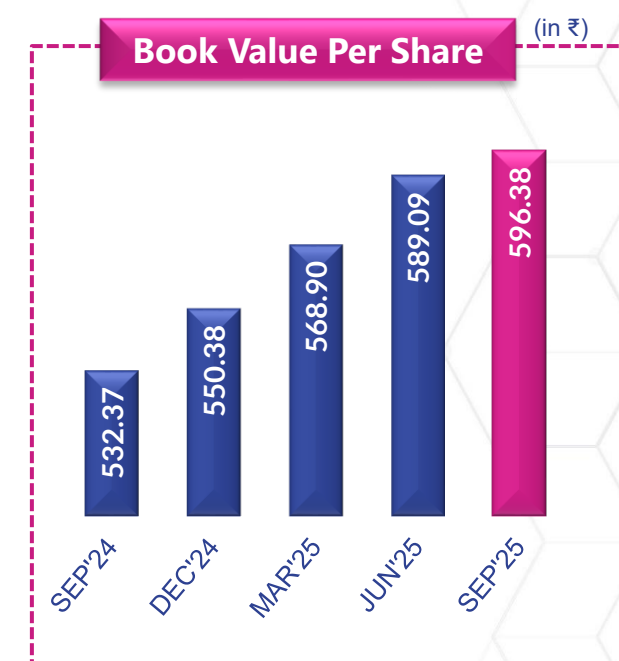
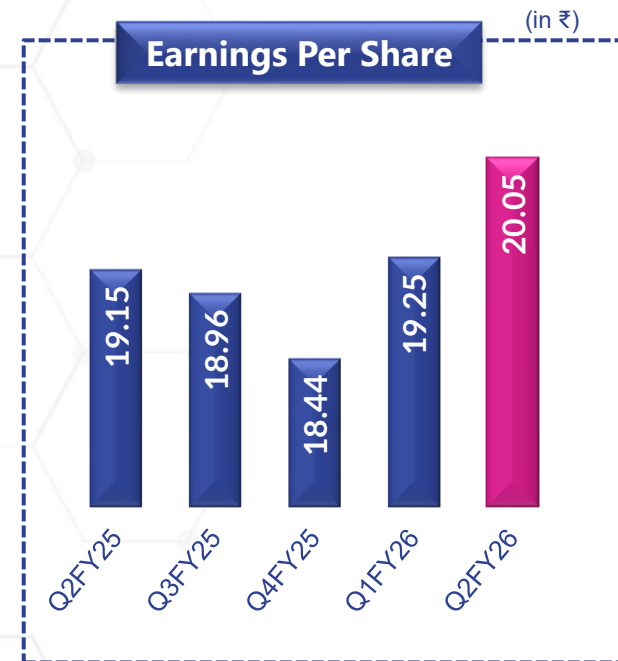
Financial performance impacted by one time recovery in written off accounts.

Parameter	Q2FY25	Q2FY26
Total Recovery	98.55	13.07
Other Income (Principal)	61.65	10.43
Interest Income (Interest)	36.90	2.64

## ❖ Adjusted for written off a/c's

- Interest income went up by 8.48% YoY
- NII income went up by 6.32% YoY
- Total Income went up by 9.69% YoY
- Operating Profit went up by 19.83% YoY





Liabilities					(₹ in Crores)
Particulars	As on 30.09.2024	As on 31.03.2025	As on 30.06.2025	As on 30.09.2025	
Capital	158.35	158.35	158.35	158.35	
Reserves and Surplus	8271.89	8850.34	9169.92	9285.35	
Deposits	49342.16	53688.96	53803.20	55420.76	
Borrowings	1899.77	500.00	535.38	1283.72	
Other Liabilities and Provisions	3670.83	3252.22	3811.07	2893.69	
<b>Total Liabilities</b>	<b>63343.00</b>	<b>66449.87</b>	<b>67477.92</b>	<b>69041.87</b>	

Assets					(₹ in Crores)
Particulars	As on 30.09.2024	As on 31.03.2025	As on 30.06.2025	As on 30.09.2025	
Cash and Balance with RBI	2764.48	2650.37	2819.49	2780.46	
Balance with Bank and Money at call and short notice	382.14	1757.87	1271.52	669.24	
Investments	14970.76	15100.80	15312.68	16540.08	
Advances	42156.14	43983.67	44732.56	46589.82	
Fixed Assets	257.10	284.48	274.73	274.08	
Other Assets	2812.38	2672.68	3066.94	2188.19	
<b>Total Assets</b>	<b>63343.00</b>	<b>66449.87</b>	<b>67477.92</b>	<b>69041.87</b>	



# Asset Quality

Q2 FY 2026

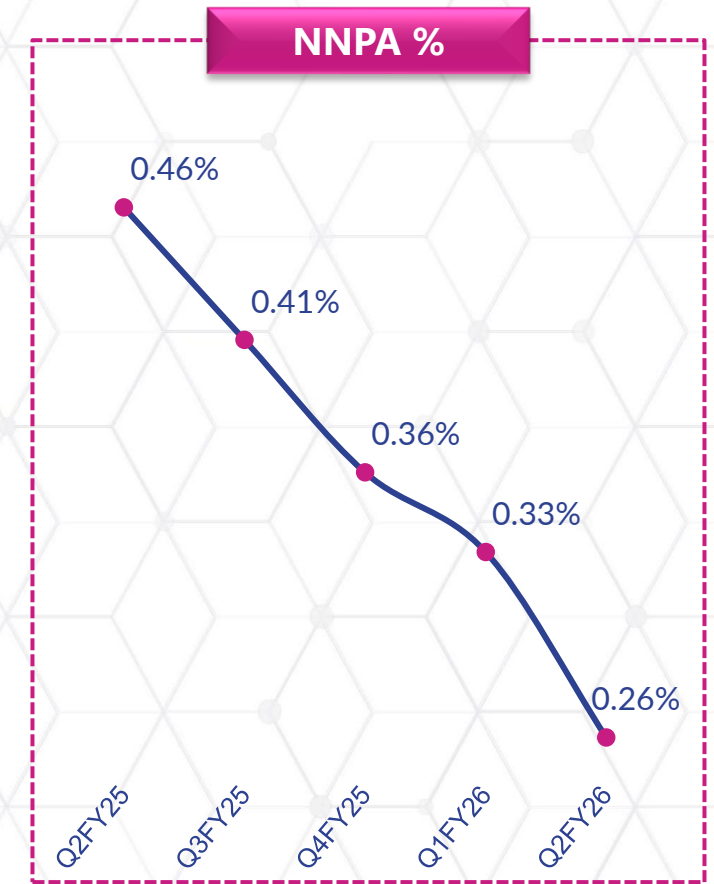
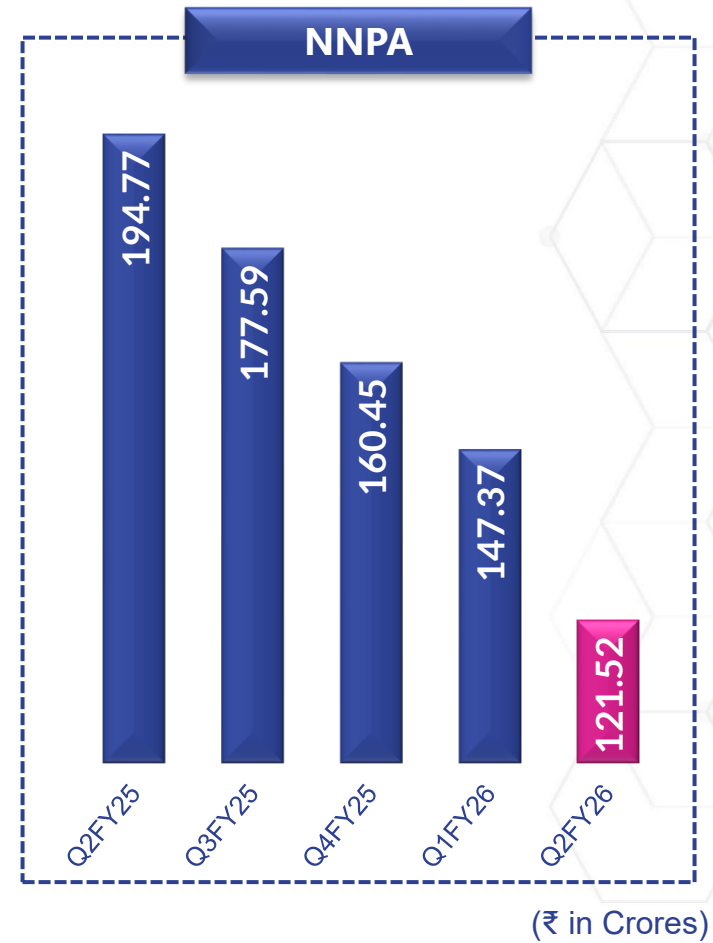
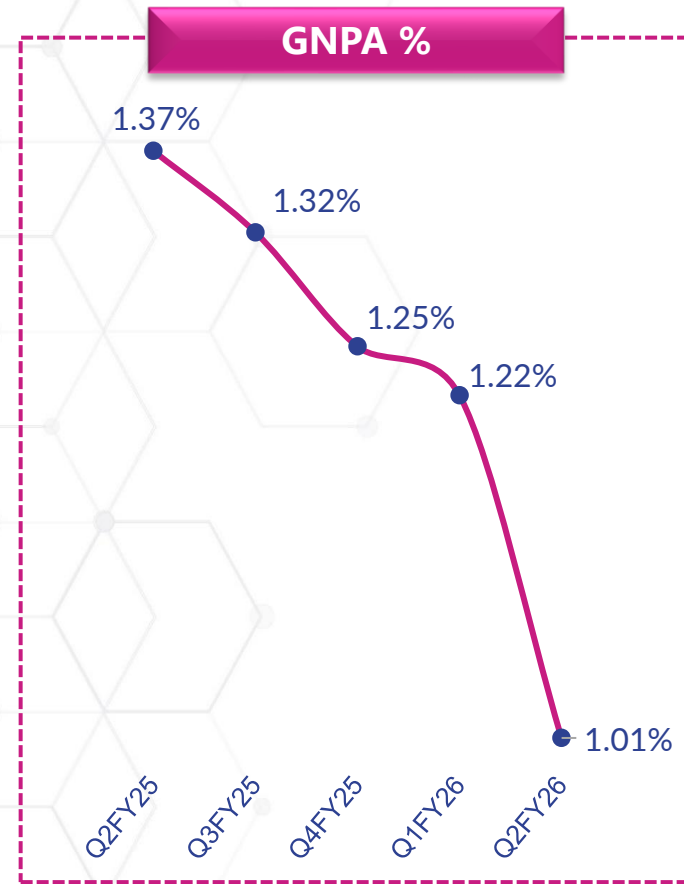
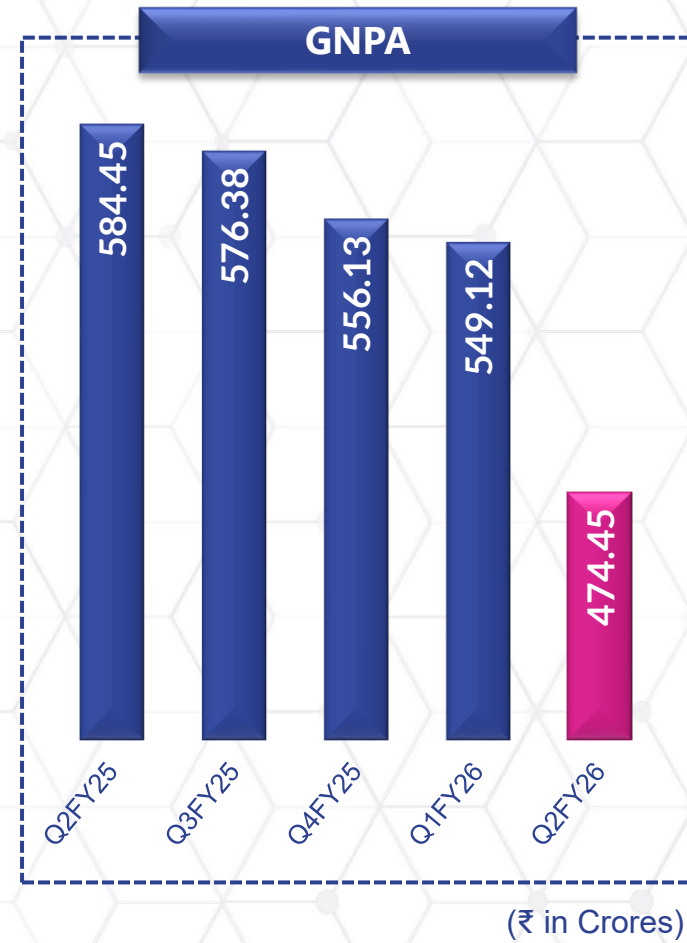


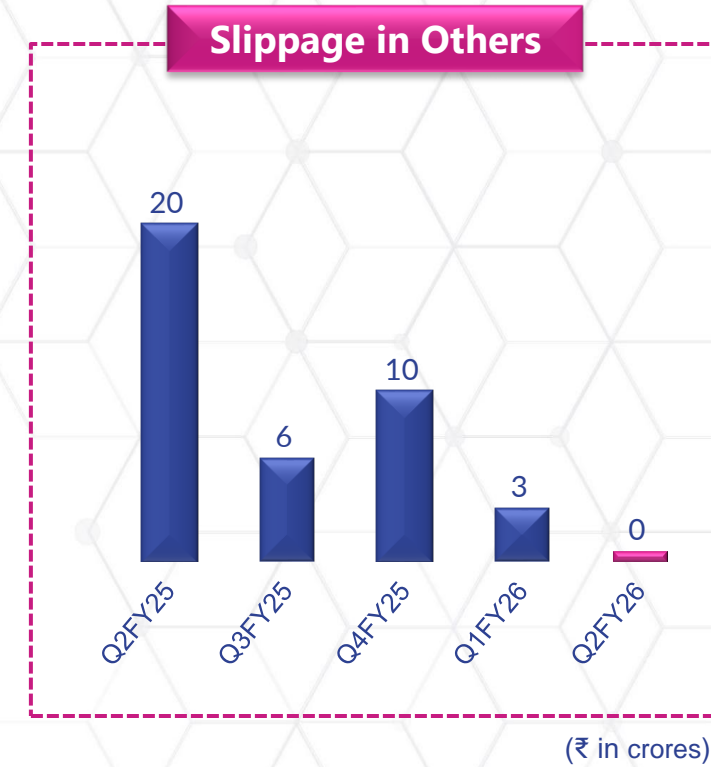
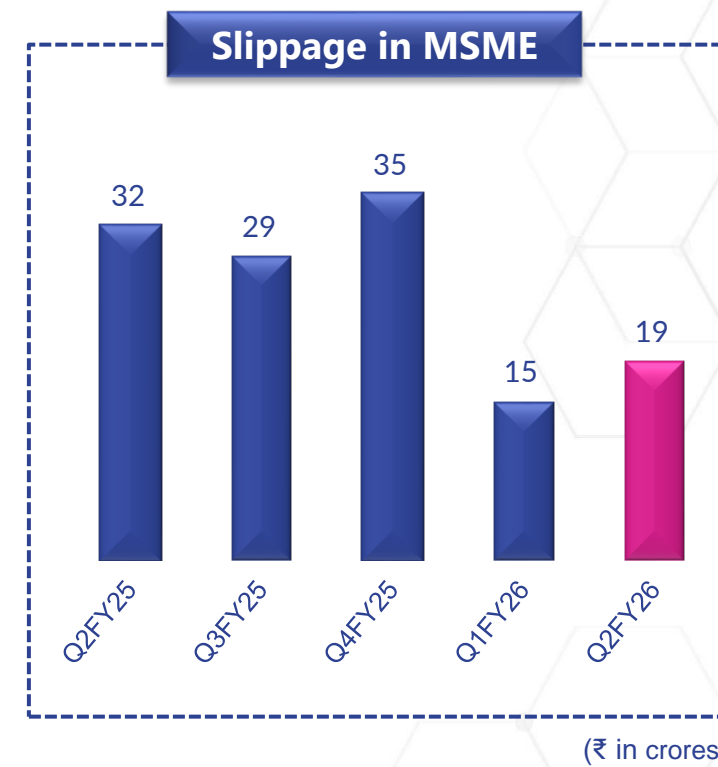
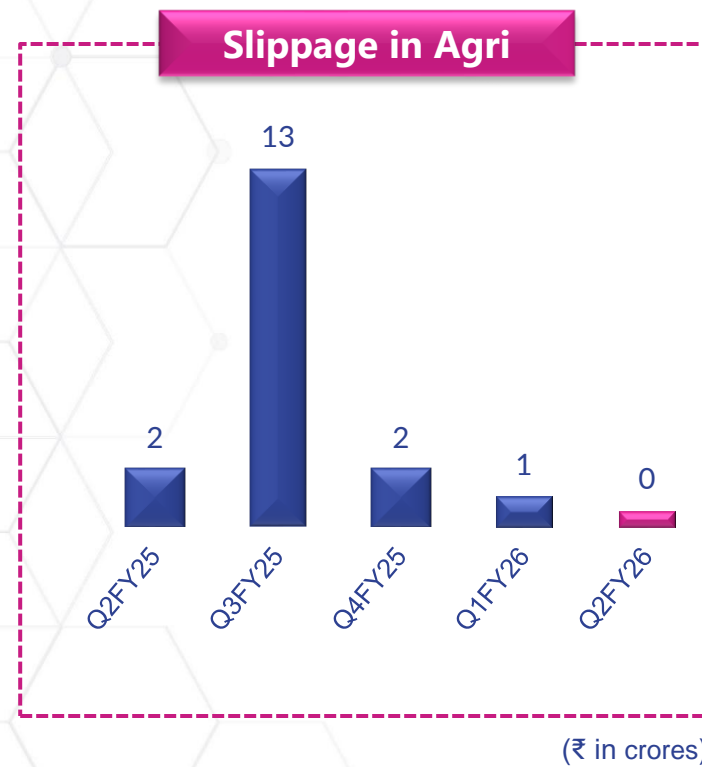
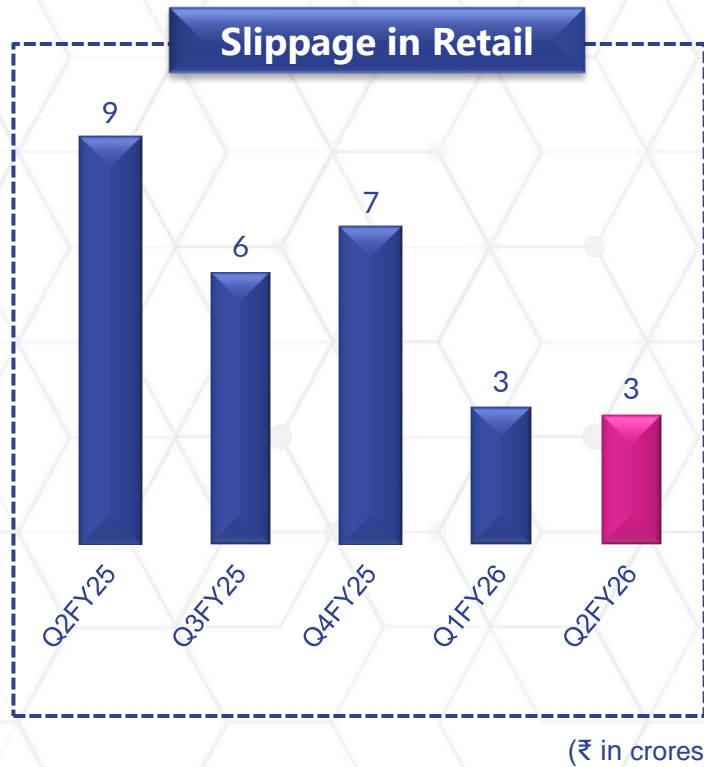
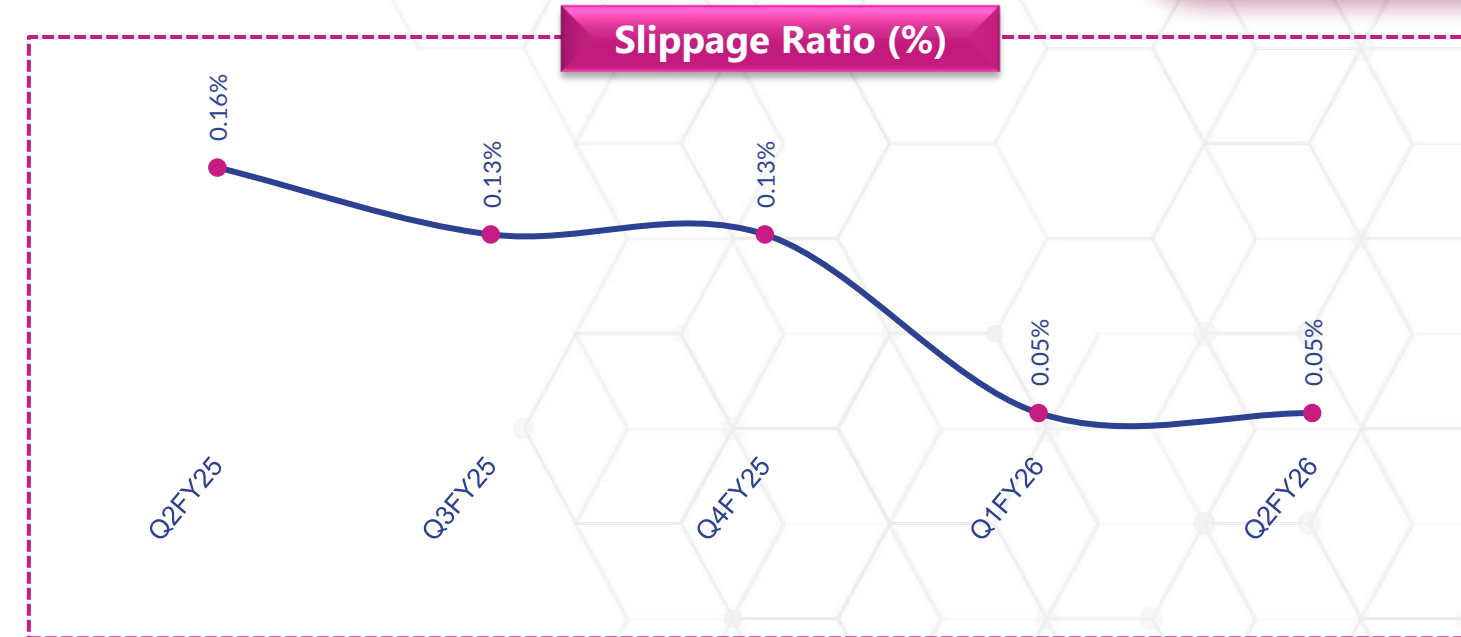
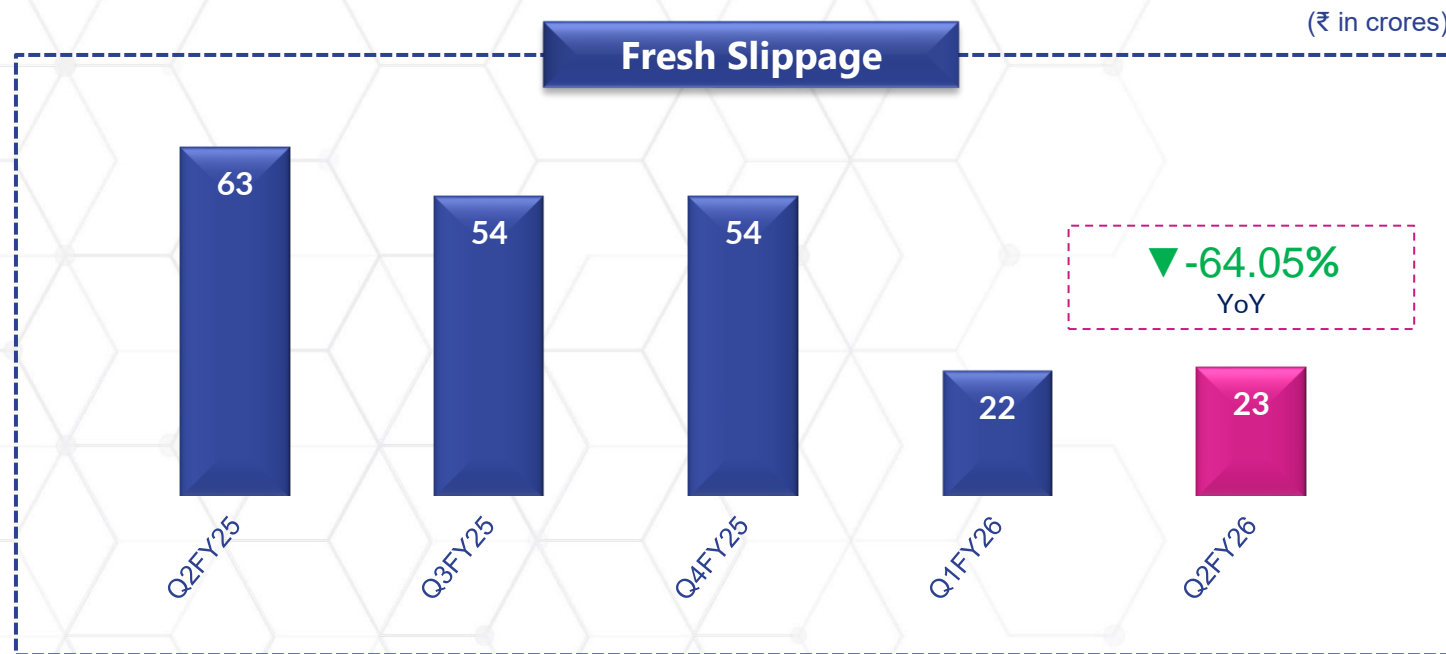


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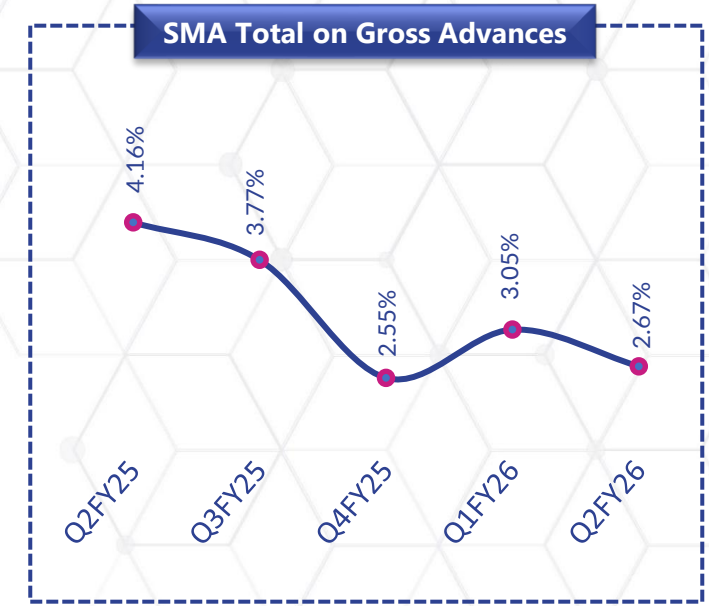
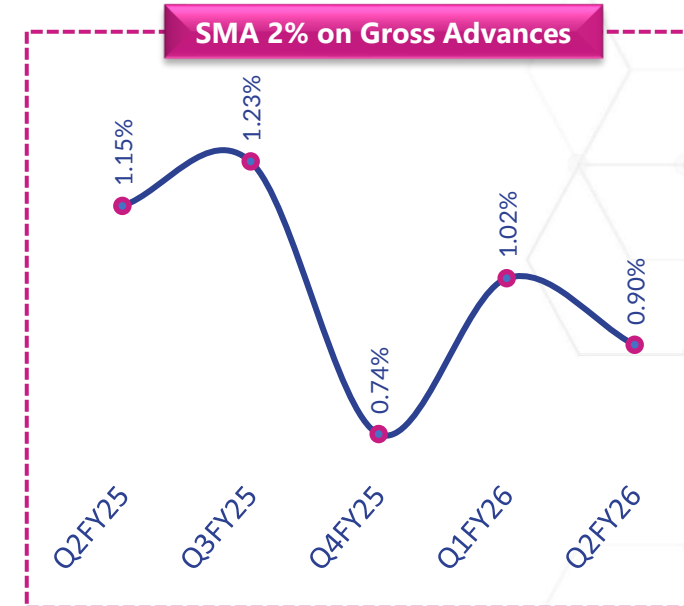
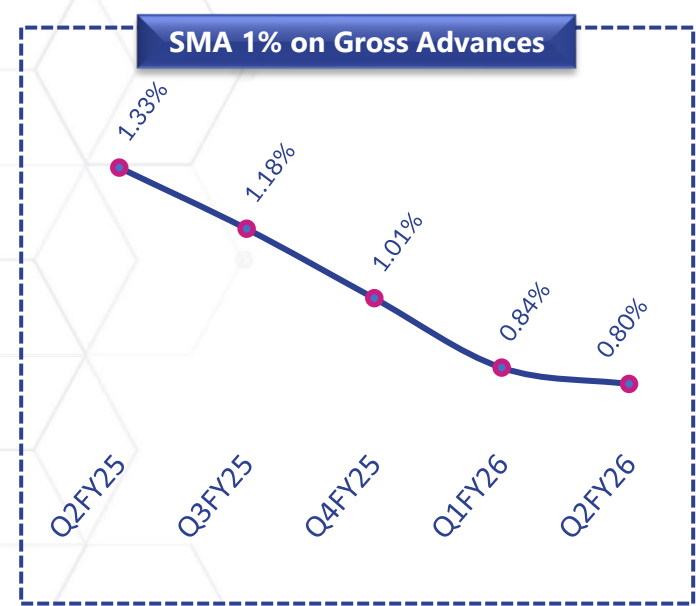
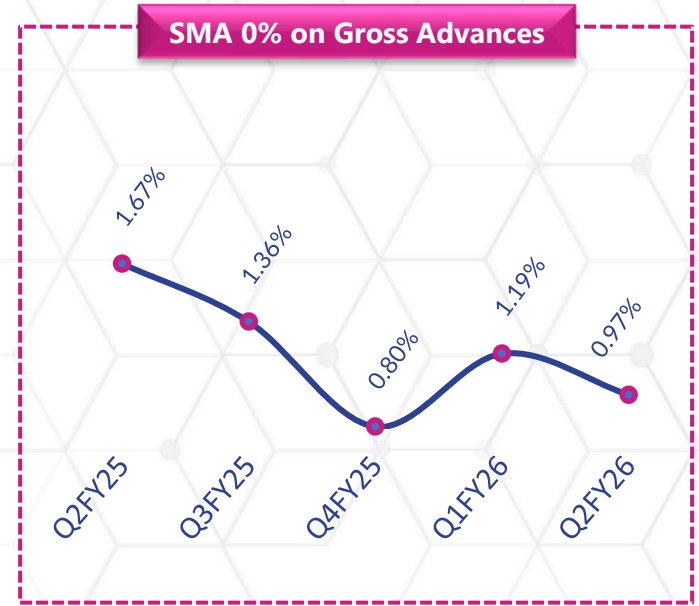
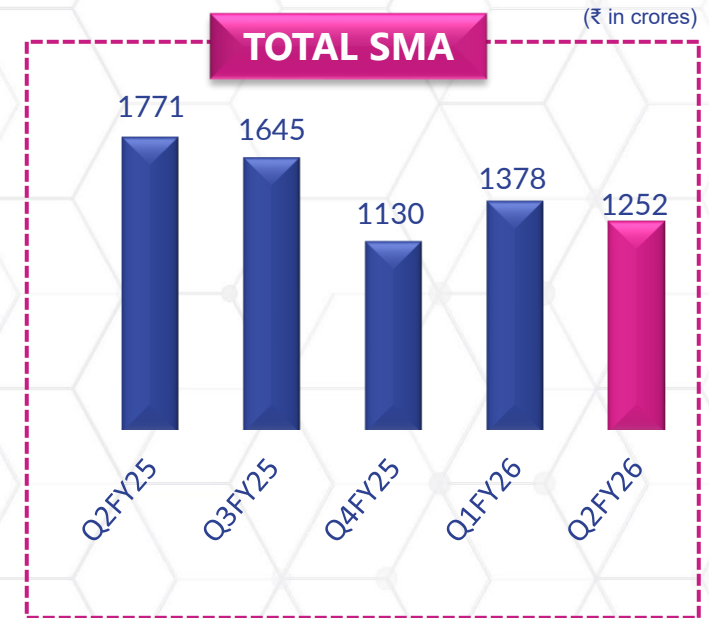
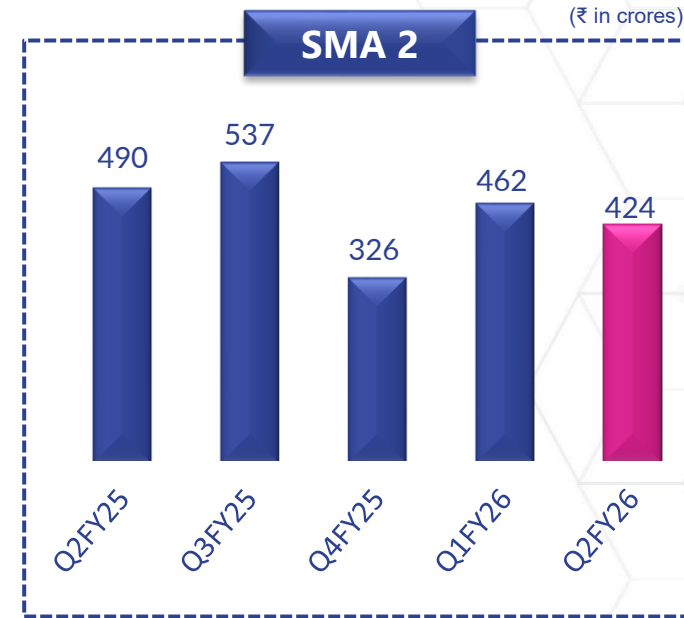
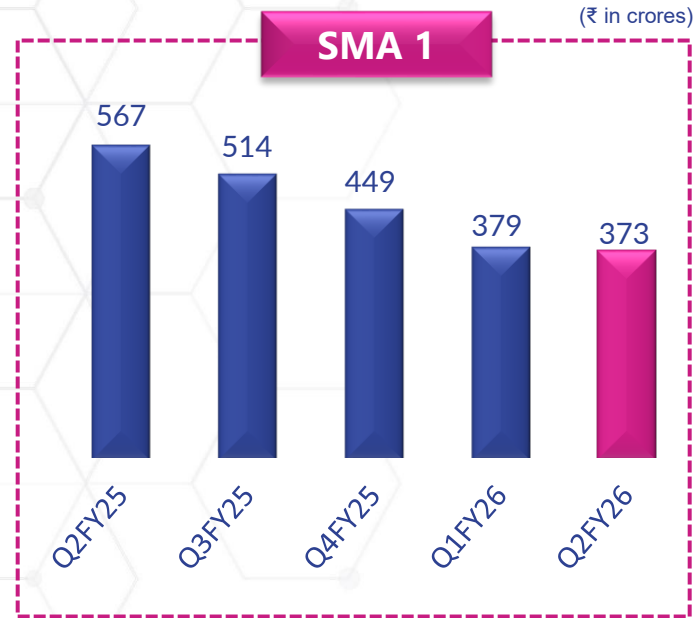
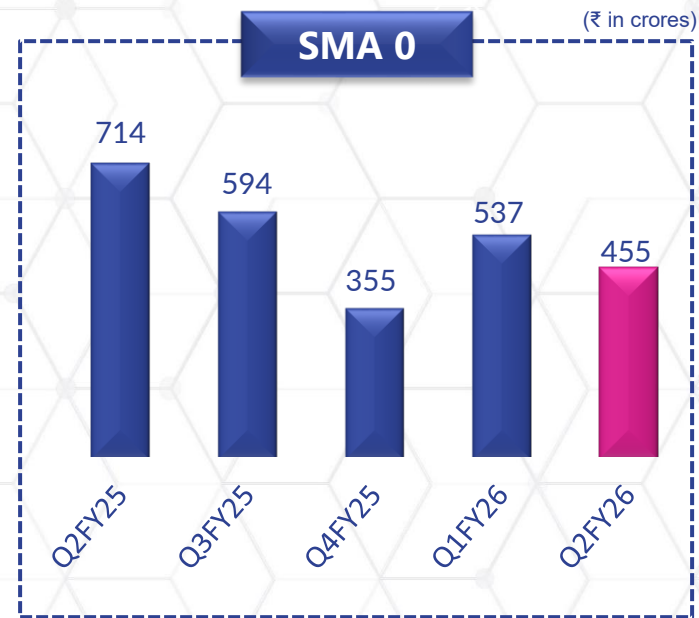
Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Opening Balance of Gross NPA	587.66	584.45	576.38	556.13	549.12
i)Cash Recovery	43.31	56.05	39.16	26.43	26.97
ii)Upgradation	21.43	5.87	9.95	2.62	4.34
iii)Write Off	1.50	0.00	25.59	0.00	66.02
Total Reduction* (i+ii+iii)	66.24	61.92	74.70	29.05	97.33
Fresh Addition*	63.03	53.85	54.45	22.04	22.66
<b>Closing Balance of Gross NPA</b>	<b>584.45</b>	<b>576.38</b>	<b>556.13</b>	<b>549.12</b>	<b>474.45</b>
GNPA %	1.37	1.32	1.25	1.22	1.01
NPA Provision	362.48	370.94	363.50	370.42	323.36
<b>Net NPA</b>	<b>194.77</b>	<b>177.59</b>	<b>160.45</b>	<b>147.37</b>	<b>121.52</b>
NNPA %	0.46	0.41	0.36	0.33	0.26
Provision Coverage Ratio % (with technical write-off)	92.56	93.21	93.86	94.32	95.30
Provision Coverage Ratio % (without technical write-off)	66.40	69.07	71.02	73.04	74.36

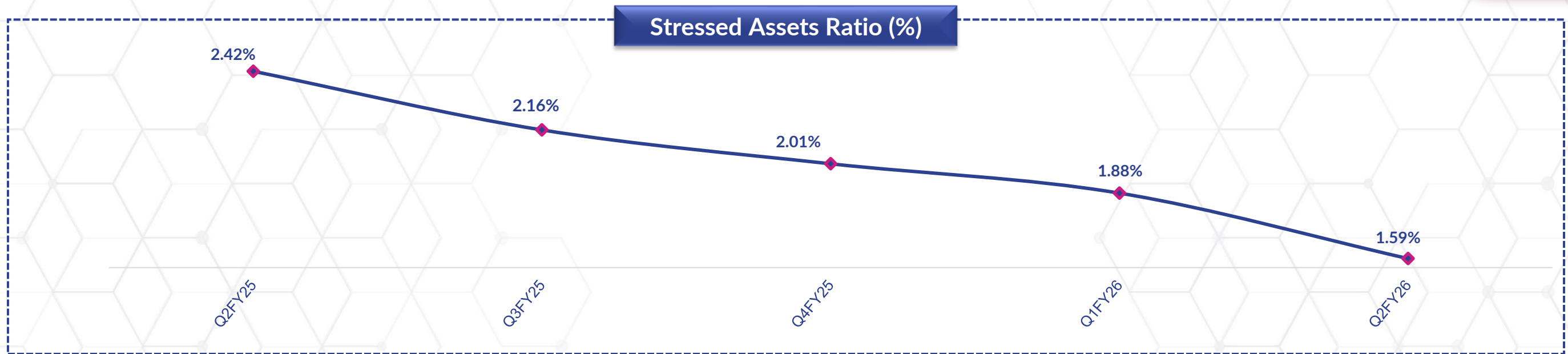
\*Accounts classified as NPA and upgraded or recovered during the same period are not considered











(₹ in crores)

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Standard Restructure advances	443.22	367.43	333.80	297.11	271.37
Gross NPA	584.45	576.38	556.13	549.12	474.45
Total Stressed Assets	1027.67	943.81	889.93	846.23	745.82
Gross Advances	42533.25	43649.59	44365.53	45120.39	46930.28
<b>Stressed Assets Ratio (%)</b>	<b>2.42</b>	<b>2.16</b>	<b>2.01</b>	<b>1.88</b>	<b>1.59%</b>

(₹ in Crores)

Parameter	Advances	GNPA	GNPA%	Provision	Collateral Coverage (NPA)
Retail	11,877.66	27.78	0.23%	10.17	124.37%
Agriculture	18,546.25	36.15	0.19%	18.28	102.43%
MSME	13,968.14	185.25	1.33%	97.06	129.15%
Others	2,538.23	225.27	8.88%	198.15	95.99%
<b>Total</b>	<b>46,930.28</b>	<b>474.45</b>	<b>1.01%</b>	<b>323.66</b>	<b>111.09%</b>

- ❖ 111.09% average collateral available for NPA.
- ❖ Portfolio expected loss to be low.
- ❖ Potential for write back of most provision possible.



## Our Impact analysis suggest additional provisions

### Current IRAC Norms



Standard assets	: ₹137 crore
Bad & doubtful assets	: ₹324 crore
Non-performing investment	: ₹56 crore
Total	: ₹517 crore

❖ Currently maintaining ₹250 crores of provision for Covid and other contingencies

❖ Sufficient to take care of additional ECL provisions

❖ No impact on P&L or Capital adequacy anticipated

### New ECL Norms



Stage 1 assets	: ₹308 crore
Stage 2 assets	: ₹52 crore
Stage 3 assets	: ₹367 crore
Total	: ₹727 crore

**₹210 Cr**

Additional Provisions

**73 Bps**

CRAR Impact

Basis points reduction if full impact  
taken together

**15 Bps**

With Transition

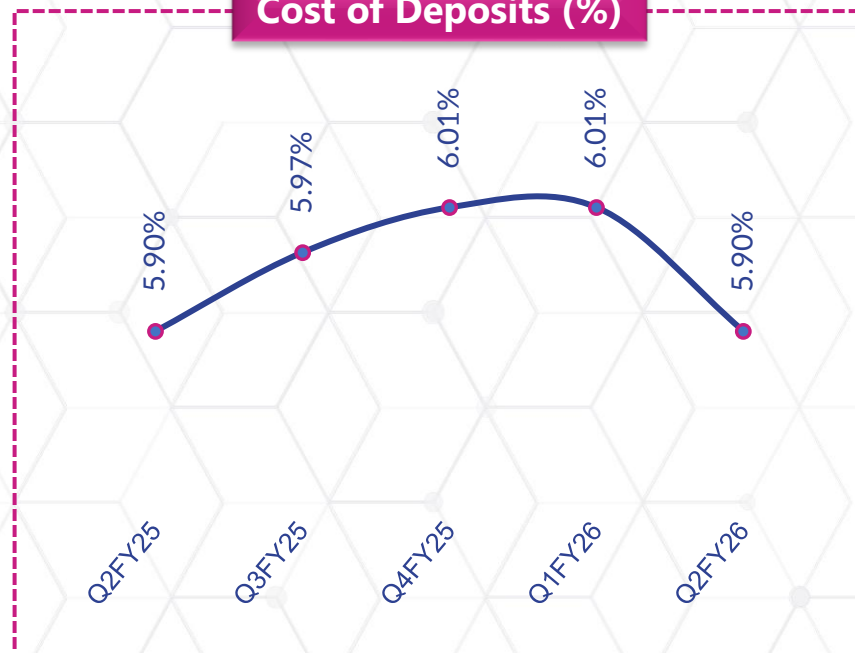
Basis points reduction with 5-year  
transition arrangement

# Key Ratios Parameters

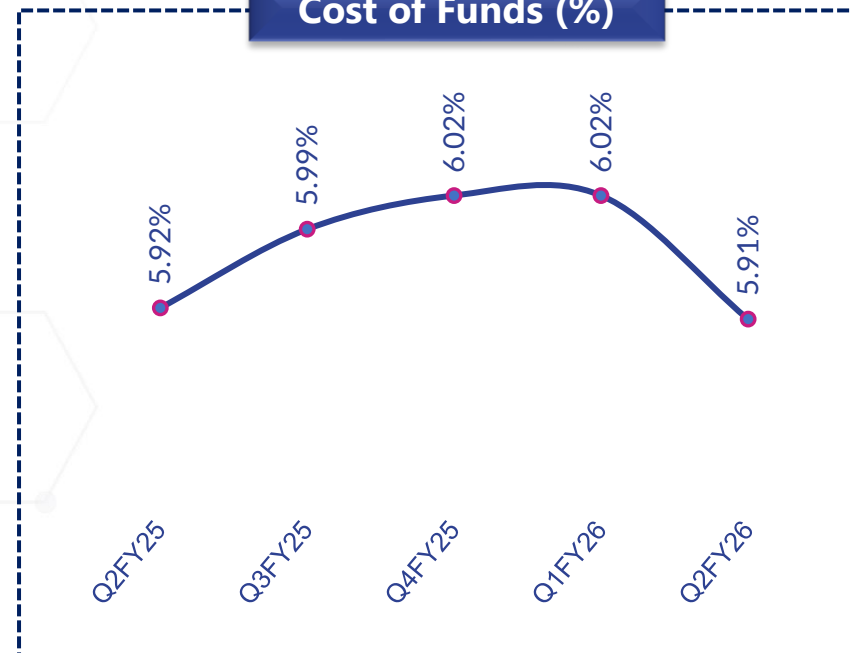
Q2 FY 2026



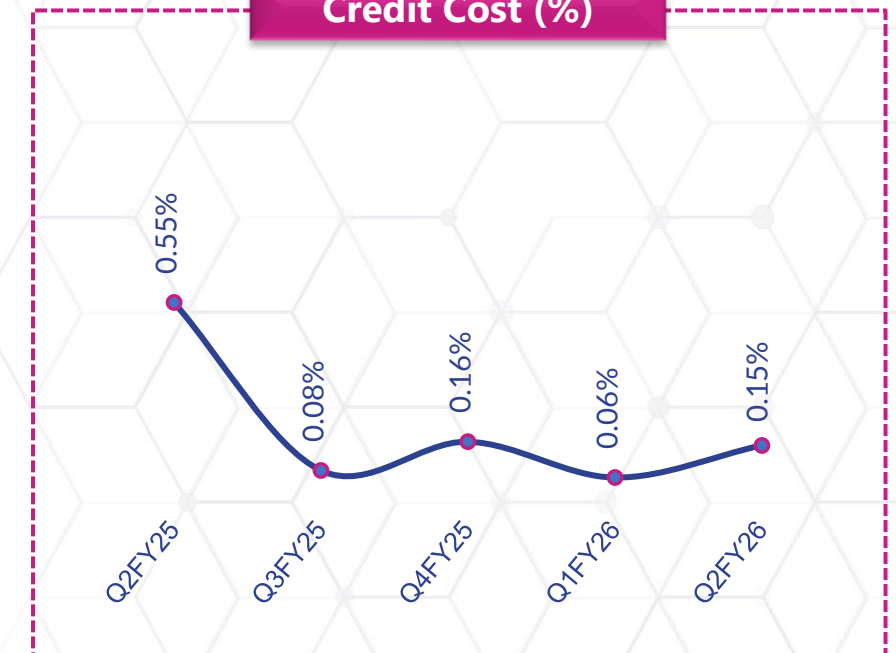
**Cost of Deposits (%)**



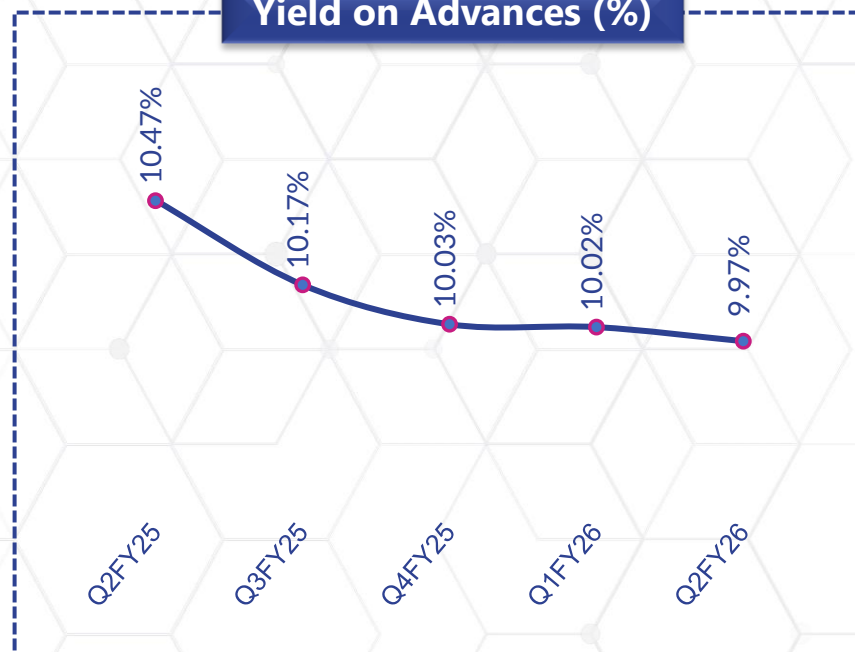
**Cost of Funds (%)**



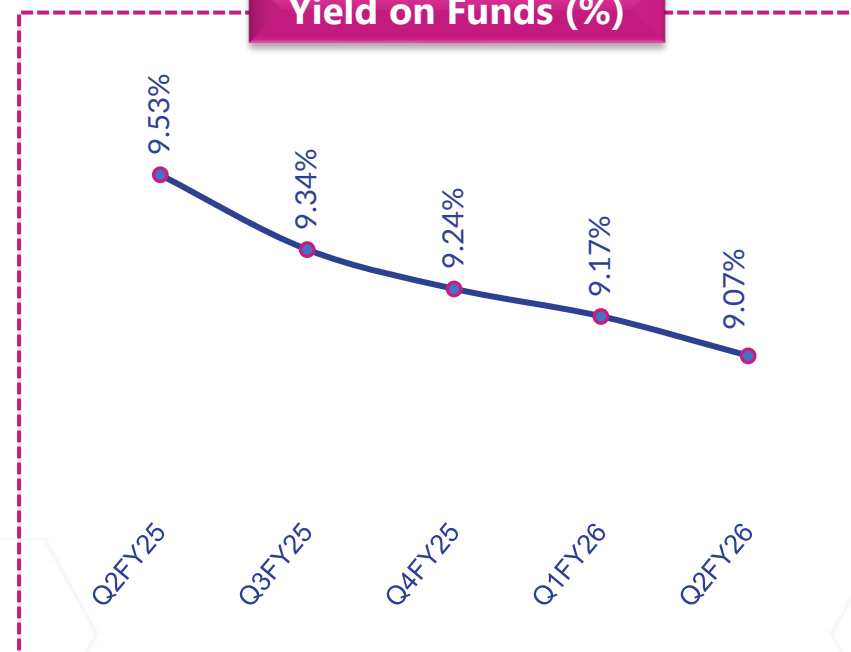
**Credit Cost (%)**



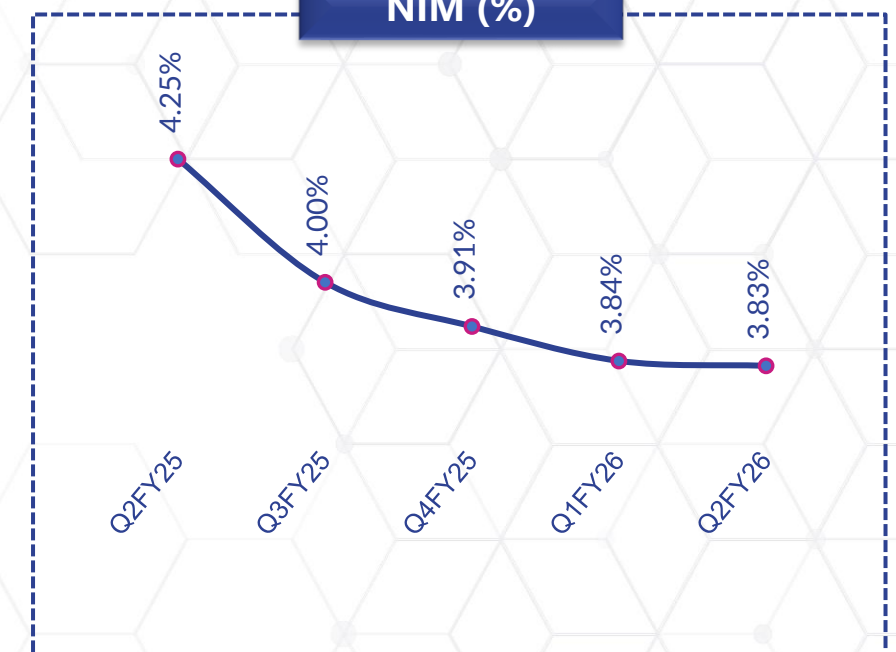
**Yield on Advances (%)**



**Yield on Funds (%)**

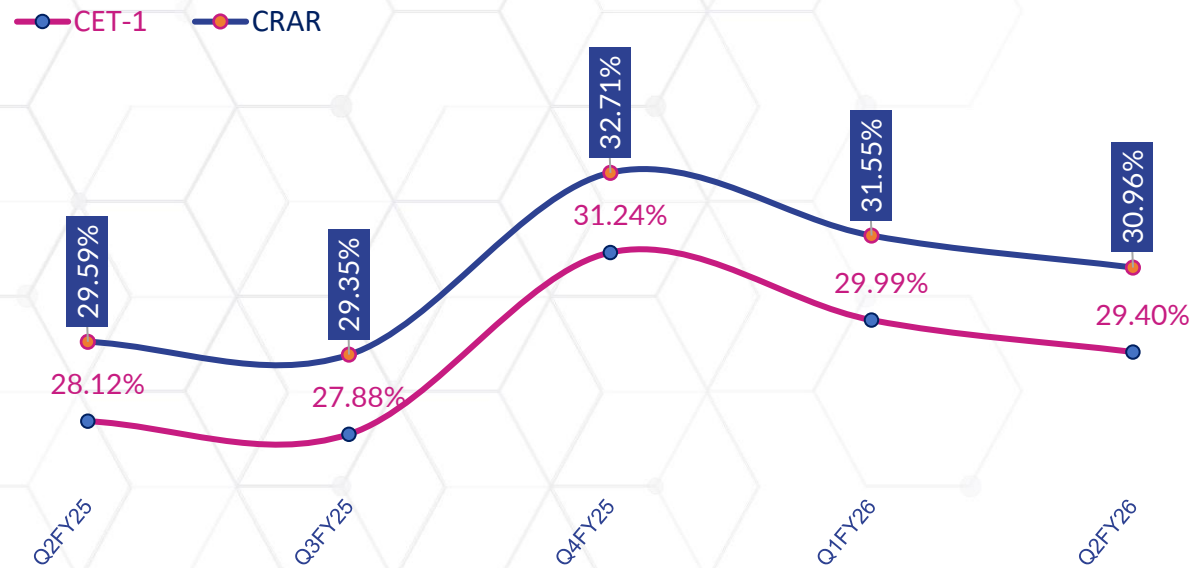


**NIM (%)**

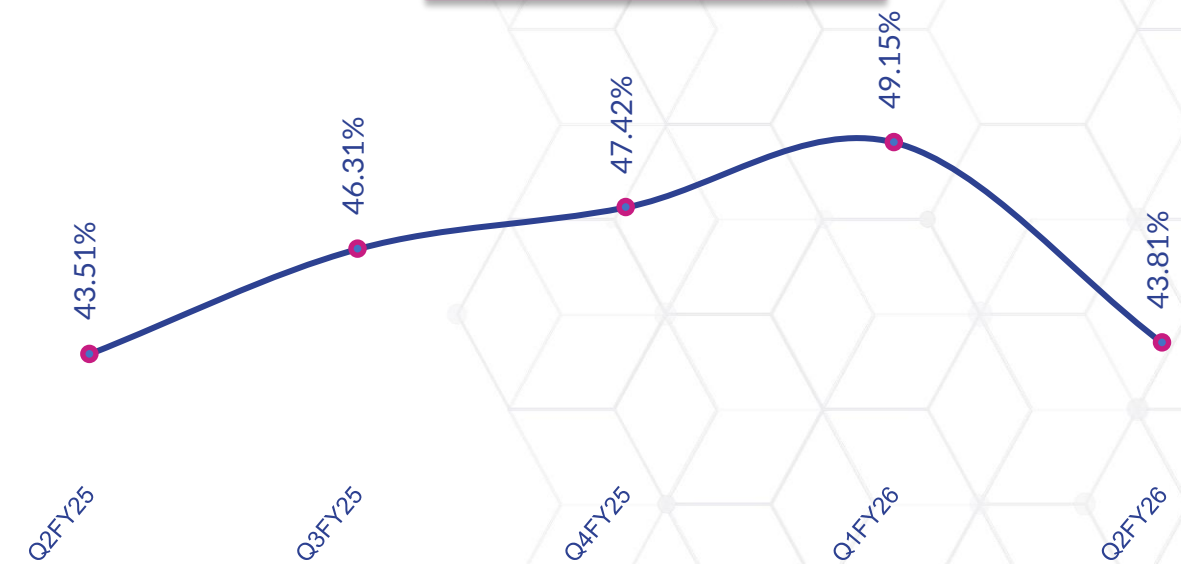




## Capital Adequacy (%)



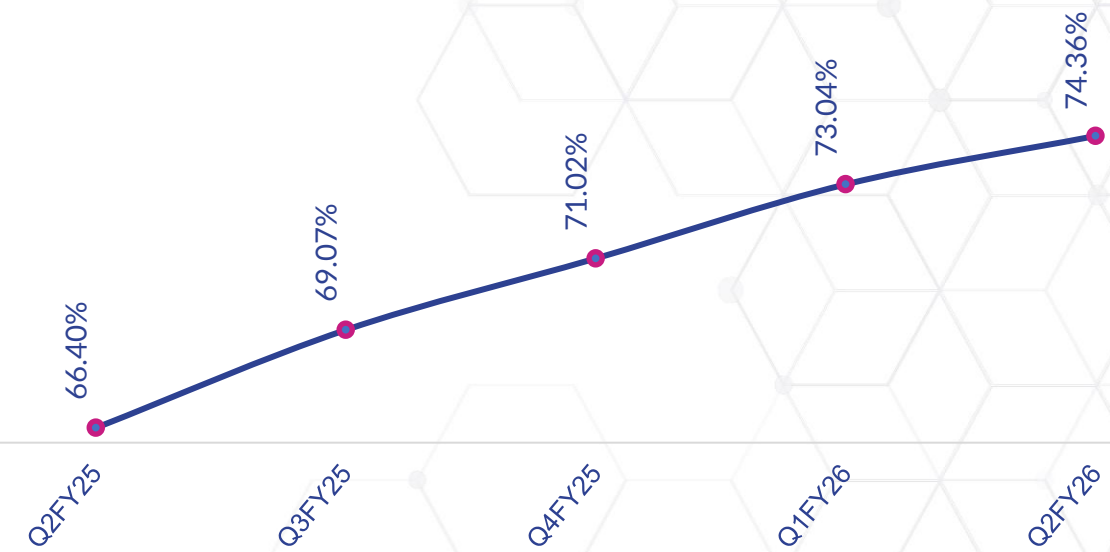
## Cost to Income Ratio (%)



## PCR% With technical write-off



## PCR% Without technical write-off

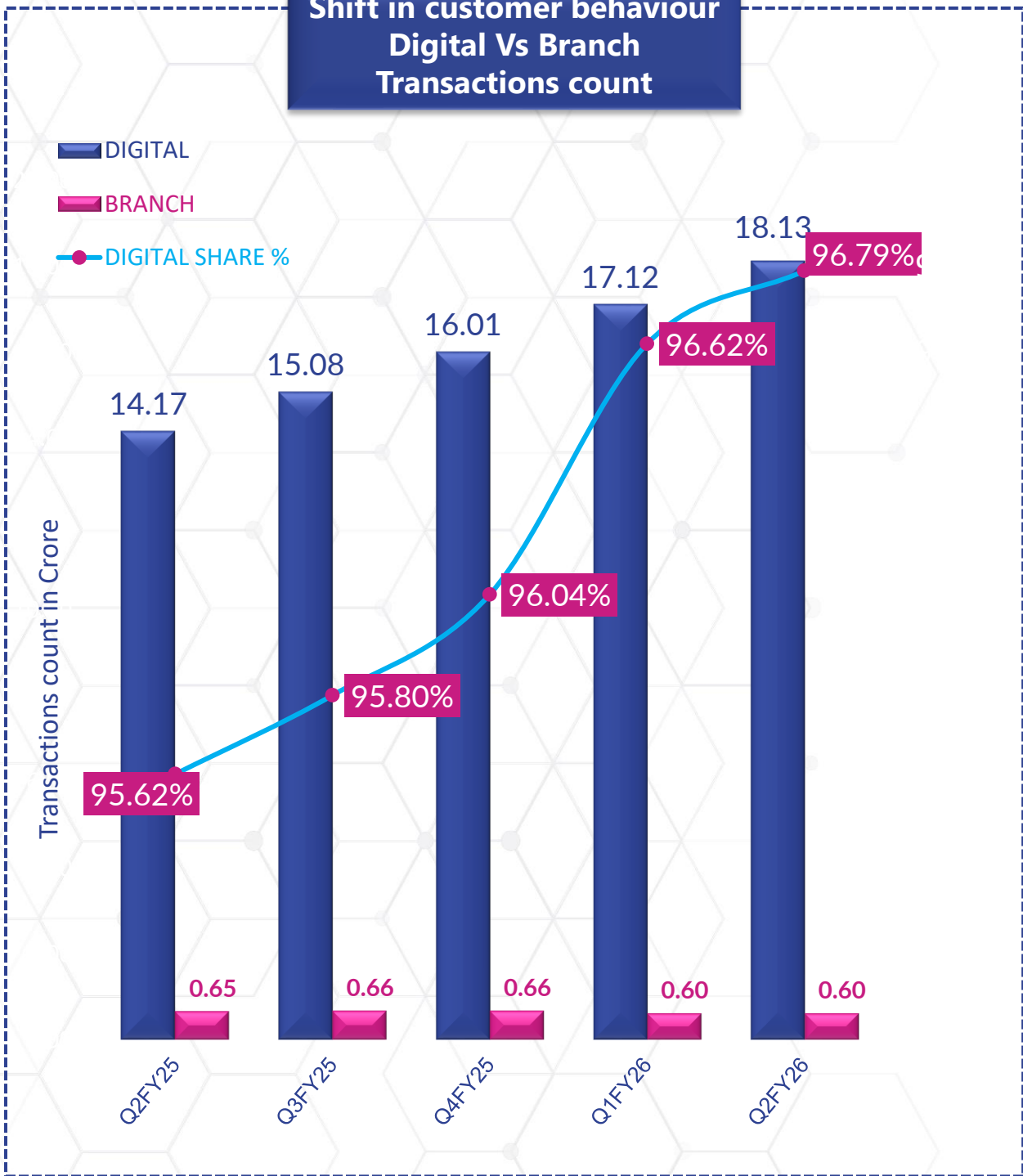


# Phygital Expansion

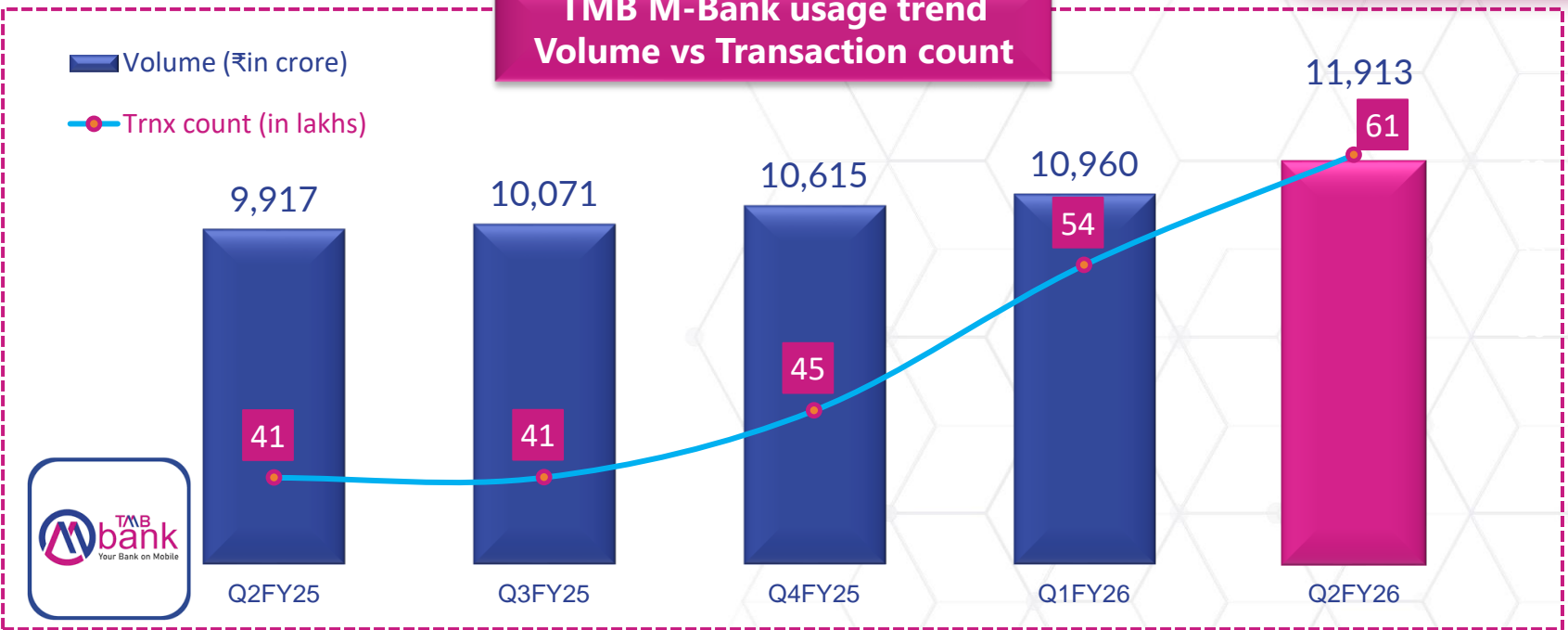
Q2 FY 2026



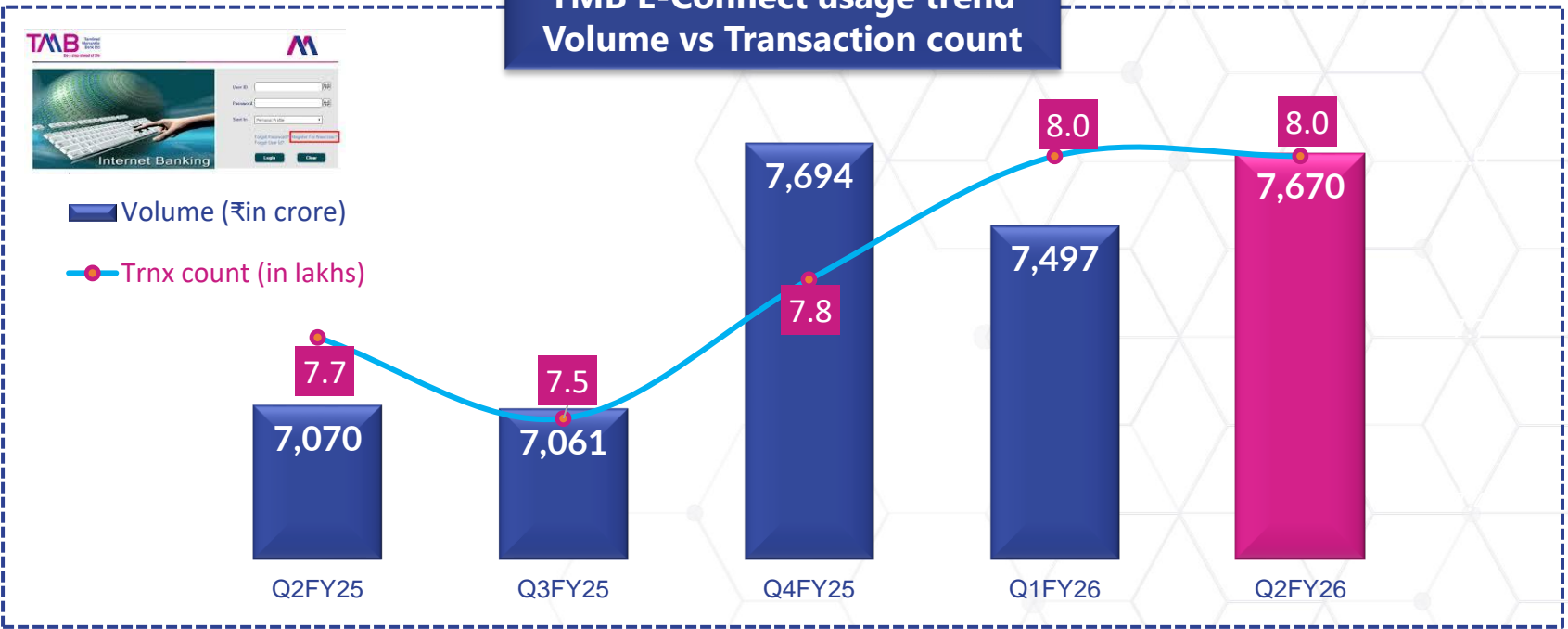
Shift in customer behaviour  
Digital Vs Branch  
Transactions count



TMB M-Bank usage trend  
Volume vs Transaction count



TMB E-Connect usage trend  
Volume vs Transaction count





IT Expenditure  
for 2024-25



**₹151.66 Crore**

Capex ₹55.17 Crore &  
Opex ₹96.49 Crore

IT Budget  
for 2025-26



Enhanced to  
**₹250.00 Crore**

Capex ₹125.00 Crore &  
Opex ₹125.00 Crore

Strategic IT Initiatives

Loan Management  
Systems

Implementing new  
LOS/LMS  
applications for co-  
lending



Digital Banking  
Transformation

Upgradation of  
Internet Banking  
Application to Digital  
Engagement Hub



Oracle Fusion  
Implementation

Implementation of  
Oracle Fusion (HCM,  
CX & VMS)



Workflow  
Automation

Office Automation –  
Internal Online  
Approval System



Mobile Banking  
Enhancements

Mobile Banking &  
UPI enhancements



Treasury  
Software Upgrade

Enhancing treasury  
software for better  
financial  
management



Customer  
Onboarding

Enhancement in  
Customer  
Onboarding & VKYC



Interactive  
Website

Creating a new  
interactive website  
for enhanced user  
experience



AI Call Centre

A new state-of-the-  
art  
Call Centre facility  
with AI calling facility



Fintech  
Partnerships

Collaboration with  
Wegofin Digital  
Solutions Pvt Ltd  
under the  
BAPA model



Automated  
Reconciliation

Implementing  
automated  
reconciliation for  
digital transactions





**Sports Empowerment**

Sponsorship of Para athlete to Participate International Athletic Event in Dubai



**Education Infrastructure**

Sponsorship for Construction of new classroom to Suthanthira Vidyasalai Middle School, Manakadu, Tiruchendur



**Advanced Skill Programme**



Partnership with IIT Madras Pravartak for BSFI Sector skill development

**Health Care Support**



Sponsorship of an Ambulance to Bellpins Indrani Chelladurai Mission Hospital, Tirunelveli

**Green Transportation**



Sponsorship of five battery-operated vehicles to Surandai Municipality, Tenkasi

# ***Investor Relations Contacts***

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(Rupesh.rege@adfactorspr.com)

## **Website**

Visit [www.tmb.bank.in](http://www.tmb.bank.in)  
for more  
information.

# **Thank You**