

**Secretarial Section**

Head Office, 57- V.E. Road,  
Thoothukudi – 628 002.

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CIN: L65110TN1921PLC001908



Ref.No.TMB.SE.08/2026-27

27.04.2026

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

The Manager  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

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

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on April 27, 2026 - Audited Financial Results for the Quarter and Financial Year Ended March 31, 2026 and Final Dividend**

Pursuant to Regulation 30, 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we would like to inform you that the Board of Directors of Tamilnad Mercantile Bank Limited ("Bank") at its meeting held today, viz. **April 27, 2026**, inter alia, transacted the following businesses:

**a) Approval of Audited Financial Results**

Pursuant to Regulation 33 and other applicable provisions of the SEBI Listing Regulations, as amended from time to time, we enclose herewith the Audited Standalone Financial Results of the Bank for the Quarter and Financial Year Ended March 31, 2026 along with the Auditors' Report issued by the Joint Statutory Central Auditors of the Bank, which were reviewed and recommended by the Audit Committee of the Board and duly approved by the Board of Directors at their respective meetings held today.

Further, in terms of Regulation 33(3)(d) of the SEBI Listing Regulations, the Auditors have given an unmodified opinion on the Audited Standalone Financial Results for the Financial Year Ended March 31, 2026 and a declaration to that effect is attached herewith.

**b) Recommendation of Final Dividend**

The Board of Directors of the Bank have recommended the payment of Final Dividend of ₹12.50/- per equity share of the face value ₹10/- each (125%) for the Financial Year 2025-26, subject to the approval of the Shareholders at the ensuing Annual General Meeting ("AGM") of the Bank.

The AGM date and the Record date for the purpose of the payment of Final Dividend will be announced in due course.

The Board Meeting commenced at 11:00 A.M. and concluded at 01:20 P.M.

Kindly take the information on record.

Yours faithfully,

**For Tamilnad Mercantile Bank Limited**

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

Particulars	Quarter ended			Year ended	
	31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Interest earned (a)+(b)+(c)+(d)</b>	<b>155,038</b>	<b>146,941</b>	<b>134,168</b>	<b>581,942</b>	<b>529,126</b>
(a) Interest/discount on advances/bills	128,415	119,700	108,697	471,471	424,618
(b) Income on investments	25,453	26,182	24,709	104,917	101,742
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,152	1,039	732	5,463	2,593
(d) Others	18	20	30	91	173
2. Other income	24,176	19,601	20,038	87,707	85,049
<b>3. TOTAL INCOME (1+2)</b>	<b>179,214</b>	<b>166,542</b>	<b>154,206</b>	<b>669,649</b>	<b>614,175</b>
4. Interest expended	84,593	82,327	77,377	329,215	299,034
5. Operating expenses (i)+(ii)	42,390	37,392	36,429	154,911	140,567
(i) Employees cost	22,068	17,514	17,779	79,449	72,634
(ii) Other operating expenses	20,322	19,878	18,650	75,462	67,933
<b>6. TOTAL EXPENDITURE (4+5)</b> (excluding provisions and contingencies)	<b>126,983</b>	<b>119,719</b>	<b>113,806</b>	<b>484,126</b>	<b>439,601</b>
<b>7. OPERATING PROFIT (3-6)</b> (Profit before provisions and contingencies)	<b>52,231</b>	<b>46,823</b>	<b>40,400</b>	<b>185,523</b>	<b>174,574</b>
8. Provisions (other than tax) and contingencies	1,879	149	1,722	4,863	17,085
9. Exceptional items	-	-	-	-	-
<b>10. Profit from Ordinary Activities before tax(7-8-9)</b>	<b>50,352</b>	<b>46,674</b>	<b>38,678</b>	<b>180,660</b>	<b>157,489</b>
11. Tax expense	12,987	12,524	9,488	46,905	39,228
<b>12. Net Profit from Ordinary Activities after tax(10-11)</b>	<b>37,365</b>	<b>34,150</b>	<b>29,190</b>	<b>133,755</b>	<b>118,261</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-
<b>14. Net Profit for the period (12-13)</b>	<b>37,365</b>	<b>34,150</b>	<b>29,190</b>	<b>133,755</b>	<b>118,261</b>
15. Paid-up Equity Share Capital (Face value 10/- per Equity Share)	15,835	15,835	15,835	15,835	15,835
16. Reserves excluding Revaluation Reserve	995,181			995,181	885,034



17. Analytical Ratios and Other Disclosures:					
(i) Percentage of shares held by Government of India	-	-	-	-	-
(ii) Capital Adequacy ratio (%)					
Under Basel III	33.73	30.08	32.71	33.73	32.71
(a) Common Equity Tier (CET) 1 ratio	32.27	28.53	31.24	32.27	31.24
(b) Additional Tier 1 ratio	-	-	-	-	-
(iii) Earnings per Share (EPS)					
(a) Basic EPS (before and after extraordinary items) *	23.60	21.57	18.44	84.47	74.68
(b) Diluted EPS (before and after extraordinary items) *	23.60	21.57	18.44	84.47	74.68
(iv) NPA Ratios					
a) Gross NPA	38,821	46,283	55,613	38,821	55,613
b) Net NPA	9,741	10,008	16,045	9,741	16,045
c) % of Gross NPA	0.73	0.91	1.25	0.73	1.25
d) % of Net NPA	0.18	0.20	0.36	0.18	0.36
(v) Return on Assets (%)	2.05	1.97	1.81	1.93	1.88
(vi) Net Worth	1,011,016	977,383	900,869	1,011,016	900,869
(vii) Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil
(viii) Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil
(ix) Debenture Redemption Reserve	Nil	Nil	Nil	Nil	Nil
(x) Debt - Equity Ratio **	0.02	Nil	Nil	0.02	Nil
(xi) Total Debts to Total Assets	0.01	Nil	Nil	0.01	Nil
(xii) Operating Margin	29.14%	28.11%	26.20%	27.70%	28.42%
(xiii) Net Profit Margin	20.85%	20.51%	18.93%	19.97%	19.26%

\* Not Annualised except for year end

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



Salee S Nair  
Managing Director & CEO  
DIN : 09231101

Place: Thoothukudi  
Date: April 27, 2026



REGD.OFFICE: 57 V E Road, Thoothukudi-628 002 (CIN:L65110TN1921PLC001908 )

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2026

Statement of Assets and Liabilities of the Bank as at March 31,2026 is given below:

(Rs in lakhs)

Particulars	As at	As at
	31.03.2026	31.03.2025
	Audited	Audited
<b>CAPITAL AND LIABILITIES</b>		
Capital	15,835	15,835
Reserves and Surplus	995,181	885,034
Deposits	6,171,235	5,368,896
Borrowings	70,000	50,000
Other Liabilities and Provisions	277,709	325,222
<b>Total</b>	<b>7,529,960</b>	<b>6,644,987</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	252,061	265,038
Balance with Banks and Money at Call and Short Notice	169,433	175,787
Investments	1,569,268	1,510,080
Advances	5,312,266	4,398,367
Fixed Assets	31,056	28,448
Other Assets	195,876	267,267
<b>Total</b>	<b>7,529,960</b>	<b>6,644,987</b>



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SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED MARCH 31, 2026

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
	Audited	Unaudited	Audited	Audited	Audited
<b>Segment Revenue:</b>					
Treasury	28,435	30,394	29,136	128,075	125,621
Corporate/Wholesale Banking	15,799	14,467	13,422	58,176	57,978
Retail Banking	134,980	121,681	111,648	483,398	430,576
Other Banking operations	-	-	-	-	-
Unallocated	-	-	-	-	-
<b>Total Revenue</b>	<b>179,214</b>	<b>166,542</b>	<b>154,206</b>	<b>669,649</b>	<b>614,175</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Income from Operations</b>	<b>179,214</b>	<b>166,542</b>	<b>154,206</b>	<b>669,649</b>	<b>614,175</b>
<b>Segment Results (net of provisions):</b>					
Treasury	5,222	7,824	3,074	30,022	25,654
Corporate/Wholesale Banking	4,741	4,135	3,849	16,182	15,645
Retail Banking	40,389	34,715	31,755	134,456	116,190
Other Banking operations	-	-	-	-	-
Unallocated	-	-	-	-	-
<b>Profit before tax</b>	<b>50,352</b>	<b>46,674</b>	<b>38,678</b>	<b>180,660</b>	<b>157,489</b>
Tax Expenses	12,987	12,524	9,488	46,905	39,228
<b>Net Profit after Tax</b>	<b>37,365</b>	<b>34,150</b>	<b>29,190</b>	<b>133,755</b>	<b>118,261</b>
<b>Segment Assets:</b>					
Treasury	1,711,984	1,511,157	1,654,010	1,711,984	1,654,010
Corporate/Wholesale Banking	762,010	729,487	675,905	762,010	675,905
Retail Banking	4,940,731	4,725,247	4,132,504	4,940,731	4,132,504
Other Banking operations	-	-	-	-	-
Unallocated	115,235	102,897	182,568	115,235	182,568
<b>Total</b>	<b>7,529,960</b>	<b>7,068,788</b>	<b>6,644,987</b>	<b>7,529,960</b>	<b>6,644,987</b>
<b>Segment Liabilities:</b>					
Treasury	1,860,388	1,769,302	1,714,477	1,860,388	1,714,477
Corporate/Wholesale Banking	484,237	453,191	452,455	484,237	452,455
Retail Banking	4,023,636	3,726,095	3,360,201	4,023,636	3,360,201
Other Banking operations	-	-	-	-	-
Unallocated	150,683	142,817	216,985	150,683	216,985
<b>Total</b>	<b>6,518,944</b>	<b>6,091,405</b>	<b>5,744,118</b>	<b>6,518,944</b>	<b>5,744,118</b>



<b>Capital Employed:</b>					
(Segment Assets - Segment Liabilities)					
Treasury	(148,404)	(258,145)	(60,467)	(148,404)	(60,467)
Corporate/Wholesale Banking	277,773	276,296	223,450	277,773	223,450
Retail Banking	917,095	999,152	772,303	917,095	772,303
Other Banking operations	-	-	-	-	-
Unallocated	(35,448)	(39,920)	(34,417)	(35,448)	(34,417)
<b>Total</b>	<b>1,011,016</b>	<b>977,383</b>	<b>900,869</b>	<b>1,011,016</b>	<b>900,869</b>

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.

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.

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, nothing has been reported under this segment.

Previous period figures have been regrouped/reclassified wherever necessary to make them comparable.



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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

( ₹ In Lakhs)		
Particulars	Year ended 31.03.2026	Year ended 31.03.2025
<b>Cash Flow from Operating Activities</b>		
Net Profit after Taxes	133,755	118,261
<b>Adjustments for :</b>		
(Profit)/Loss on sale of assets	(41)	(53)
Depreciation on Fixed assets	9,258	8,623
Provisions & Contingencies (Incl. Tax adjustments)	51,768	56,313
<b>Total - I</b>	<b>194,740</b>	<b>183,144</b>
<b>Adjustments for working capital changes :</b>		
<b>Increase / (Decrease) in Liabilities</b>		
Deposits	802,339	417,389
Other liabilities & Provisions	(105,471)	(12,595)
<b>(Increase) / Decrease in Assets</b>		
Advances	(913,899)	(424,992)
Investments	(59,188)	22,504
Other assets	115,991	41,633
<b>Total - II</b>	<b>(160,228)</b>	<b>43,939</b>
Direct taxes paid - III	44,600	37,200
<b>Net Cash Flow from / ( Used in ) Operating Activities [ I + II - III]</b>	<b>(10,088)</b>	<b>189,883</b>
<b>Cash Flow from Investing Activities</b>		
Sale/disposal of fixed assets	1,011	606
Purchase of fixed assets	(12,835)	(10,527)
<b>Net Cash Flow from / ( Used in ) Investing Activities</b>	<b>(11,824)</b>	<b>(9,921)</b>
<b>Cash Flow from Financing Activities</b>		
Interim / Final Dividend	(17,419)	(15,835)
Borrowings	20,000	(80,115)
Issue of Shares incl.premium	-	-
<b>Net Cash Flow from / ( Used in ) Financing Activities</b>	<b>2,581</b>	<b>(95,950)</b>
<b>Net Increase / ( Decrease ) in Cash and Cash Equivalents</b>	<b>(19,331)</b>	<b>84,012</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>440,824</b>	<b>356,812</b>
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>421,493</b>	<b>440,824</b>



Salee S Nair  
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DIN : 09231101

Place: Thoothukudi  
Date: April 27, 2026



**Notes forming part of Audited Financial Results for the quarter and year ended**  
**March 31, 2026**

1. The above Financial Results have been reviewed and recommended by the Audit Committee of the Board and approved by the Board of Directors in their meeting held on April 27, 2026. The Financial Results for the year ended March 31, 2026 has been subjected to Audit by the Joint Statutory Central Auditors of the Bank and they have issued an unmodified opinion.
2. The Financial Results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified 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 ("the RBI") from time to time and other accounting principles generally accepted in India, and are in compliance with the presentation and disclosure requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") as amended including relevant circulars issued by the SEBI from time to time to the extant applicable. The Bank has applied its significant accounting policies in the preparation of these financial results consistent with those followed in the annual financial statements for the year ended March 31, 2025 except as mentioned in para 12. Any circular / direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required otherwise under those circulars / directions.
3. The Financial Results for the quarter and year ended March 31, 2026 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 with deferred tax adjustments considered at the year end, and other usual and necessary provisions on the basis of prudential norms, estimates and specific guidelines issued by RBI.
4. 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 RBI/DOR/2025-26/167 DOR.ACC.REC.No.86/21.04.018/2025-26 dated November 28,2025 and holds a provision of ₹ 160 Lakhs as on March 31, 2026 (Previous Year – ₹206 Lakhs).
5. The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates. As per extant RBI guidelines, banks are required to make Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio (LCR) 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.bank.in/pages/basel-disclosures>. These disclosures have not been subjected to audit/review by the Joint Statutory Central Auditors of the Bank.



6. The Provision Coverage Ratio (PCR) as on March 31, 2026 is 74.89 %. (Previous Year – 71.02%) without technical write-off and 96.14 % (Previous Year – 93.86%) with technical write-off.
7. The Bank continues to hold a provision of ₹ 25000 Lakhs on advances as on March 31, 2026, which was created to meet any exigencies arising out of COVID-19 pandemic.
8. During the twelve months ended March 31, 2026 the Bank has reported 3 number of non-credit fraud cases amounting to ₹21.54 lakhs. After considering the recovery of ₹14.34 lakhs the bank has made 100% provision for the remaining amount.
9. In accordance with RBI Circular No RBI/DOR/2025-26/167 DOR.ACC.REC.No.86/21.04.018/2025-26 dated November 28,2025 on resolution of stressed assets - Revised framework, no additional provision is considered necessary as per the Bank's evaluation.
10. The ratios and other information which are to be disclosed as per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been disclosed to the extent considered applicable.
11. In line with the policy of the bank, duly approved by the share holders, the bank during the year granted 7879 equity shares under the scheme Tamilnad Mercantile Bank Ltd Employee Stock Option Plan, 2024 (TMB ESOP Plan 2024) which shall vest over the next three years. The ESOP expenses of ₹8.67 lakhs has been recognised in the statement of profit & loss for the year based on fair value option estimated using Black-Scholes Merton formula.
12. The Board has formulated a policy for variable pay, based on the Performance linked scorecard methodology for achievement of targets of the respective employee and the same is provided on accrual basis as against the past practice of accounting the incentive in the year of payment. As a result of the above, operating profit for the current financial year is lower by ₹ 4980 Lakhs with corresponding increase in other liabilities.
13. The management has taken into consideration the New Labour Codes notified by Government of India on November 21, 2025. Based on the assessment, the Bank is of the opinion that the incremental impact is not material for the year ended March 31,2026 and accordingly no provision is considered for the year.

The Bank will continue to monitor the finalization of Central and State Rules and clarifications issued by the Government on the New Labour Codes and would provide for appropriate accounting effects on the basis of such developments, as needed.



14. Amount under other Income includes Commission, exchange, brokerage, locker rent, processing fees, Profit/loss on sale of investments(net), Profit/loss on revaluation of investments(net), Profit/loss on sale of fixed assets (net), Profit/loss on exchange transactions(net), Income from sale of Priority Sector Lending Certificate (PSLC) etc.

15. Details of loans not in default/ stressed loans transferred / acquired to/from entities during the year ended March 31, 2026 as per RBI circular RBI/DOR/2025-26/167 DOR.ACC.REC.No.86/21.04.018/2025-26 dated November 28,2025:

- i. The Bank has not transferred any stressed loan (Non performing asset or Special Mention Account) or any loan not in default.

Bank has received ₹100000 Lakhs under Inter Bank Participation Certificate (IBPC)

- ii. The Bank has not acquired any stressed loan or any loan not in default through assignment.
- iii. The bank has not acquired any Security Receipts (SR) issued by Asset Reconstruction Company.

16. Disclosure on Co-lending arrangements (CLA) as per RBI Co-lending arrangements direction 2025 - ₹ Nil

17. During the year ended 31<sup>st</sup> March 2026, the Bank has done the following PSLC transactions:

(₹ in Lakhs)

Particulars	2025-26		2024-25	
	Purchase	Sale	Purchase	Sale
PSLC- Agriculture	Nil	906000	Nil	280000
PSLC- Small & Marginal Farmer	Nil	290000	Nil	961500
PSLC- Micro Enterprises	Nil	0.00	Nil	22500
PSLC- General	Nil	0.00	Nil	0.00
Grand Total	Nil	1196000	Nil	1264000



18. Disclosure of Project Finance:

Sl. No	Item Description	Number of accounts	Total outstanding (in ₹ Laksh)
1	Projects under implementation accounts at the beginning of the quarter.	99	26653
2	Projects under implementation accounts sanctioned during the quarter.	59	7405
3	Projects under implementation accounts where DCCO has been achieved during the quarter	18	4181
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	140	29877
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not presanctioned or renewed continuously	-	-



8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

19. Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circulars dated August 16, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at March 31, 2026 are given below:

(₹ in Lakhs)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 30.09.2025 (A)	Of (A) aggregate debt that slipped into NPA during the current half-year ending 31.03.2026	Of (A) amount written off during the half-year ending 31.03.2026	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of the previous half-year ending 31.03.2026
Personal Loans	10676	5	0	1063	9608
Corporate persons*	218	0	0	214	4
Of which MSMEs	39	0	0	36	3
Others	7346	0	0	801	6545
Total	18240	5	0	2078	16157

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.



20. Status of Investor Complaints received during the quarter ended March 31, 2026:

Complaints un-resolved at the beginning of the quarter	Received	Resolved	Unresolved at the end of the quarter
0	15	15	0

21. Pending disposal of the appeal before the Appellate Tribunal, the Bank has fully provided and pre-deposited the penalty of ₹1699 Lakhs on December 16, 2022, relating to alleged irregularity under FEMA in respect of transfer of shares, during the years 2007, 2011 & 2012 levied by Directorate of Enforcement. The Bank has also fully provided the penalty of ₹ 225 Lakhs levied by Directorate of Enforcement for alleged FEMA Violation against 11 persons who were Directors / Company Secretary of the Bank at the time of transfer of above shares and pre-deposited 20% thereof amounting to ₹45 Lakhs. Further, the bank has also provided a sum of ₹2 Lakhs on the basis of legal opinion towards leviable penalty in respect of show-cause notice from Directorate of Enforcement, for the issue of Bonus Shares to the above-said transferees.

22. The Board of Directors have recommended a final dividend of ₹12.50 per equity share (125%) for the year ended March 31, 2026 (Previous Year – Rs. 11 per share (110%)) subject to the approval of the Shareholders at the ensuing Annual General Meeting. Effect of proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratio.

23. The figures for the quarter ended March 31, 2026, and March 31, 2025, are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the end of the third quarter of the respective financial years.

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

For & on behalf of the Board  
of Directors



Salee S Nair  
Managing Director & CEO  
DIN:09231101

Place: Thoothukudi  
Date: April 27, 2026



**Sundaram & Srinivasan**  
**Chartered Accountants**  
23, C P Ramaswamy Road,  
Alwarpet,  
Chennai – 600 018

**Chandran & Raman,**  
**Chartered Accountants**  
No.2, Dr. Radhakrishnan Road  
2<sup>nd</sup> Street, Mylapore,  
Chennai – 600 004

**Independent Auditors' Report on Quarterly and Year to Date Financial Results of Tamilnad Mercantile Bank Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended)**

To,  
The Board of Directors,  
Tamilnad Mercantile Bank Limited,  
Thoothukudi,  
Tamil Nadu, India

**Report on Audit of Financial Results**

**Opinion**

1. We have audited the accompanying Statement of quarterly and year to date Financial Results of Tamilnad Mercantile Bank Limited (the "Bank") for the quarter and the year ended March 31, 2026 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirement of the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at March 31, 2026 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 aforesaid Statement and have not been audited by us.

The Statement includes Head Office, Treasury and International Banking Division, and top 24 branches audited by us and the remaining 598 branches audited by the respective Statutory Branch Auditors appointed by the Bank for this purpose.

2. In our opinion and to the best of our information and according to explanation given to us, the aforesaid Statement:
  - a) is presented in accordance with the requirements of the Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31, 2026 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 Statement and have not been audited by us; and
  - b) gives a true and fair view in conformity with the recognition and measurements principles laid down in the applicable Accounting Standards as per Section 133 of the Companies Act 2013 (the "Act") read with Companies (Accounting Standards) Rules 2021 to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines, directions issued by the Reserve Bank of India ("RBI") from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India, of the net profit and other financial information of the Bank for the quarter and year ended March 31, 2026, the Statement of Assets and Liabilities as at March 31, 2026 and the Statement of Cash Flows for the year ended on that date.



### **Basis of Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013, as amended. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Statement section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Statement, and we have fulfilled our ethical responsibilities in accordance with the requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management and the Board of Directors for the Statement**

4. The Statement has been prepared from the related audited Annual Financial Statements and approved by the Board of Directors. The Bank's management and the Board of Directors are responsible for preparation and presentation of these Statement that gives a true and fair view of the financial position, financial performance and cash flows of the Bank and other financial information in accordance with the accounting principles generally accepted in India including the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, the relevant provisions of the Banking Regulation Act, 1949 and RBI guidelines from time to time and in compliance with the Regulation 33 of Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the management and the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement whether due to fraud or error and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.



8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
9. Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.
10. We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



### Emphasis of Matter

12. We draw attention to Note No. 21 - Pending disposal of the appeal before the Appellate Tribunal, the Bank has fully provided and pre-deposited the penalty of ₹1699 Lakhs on December 16, 2022, relating to alleged irregularity under FEMA in respect of transfer of shares, during the years 2007, 2011 & 2012 levied by Directorate of Enforcement. The Bank has also fully provided the penalty of ₹ 225 Lakhs levied by Directorate of Enforcement for alleged FEMA Violation against 11 persons who were Directors / Company Secretary of the Bank at the time of transfer of above shares and pre-deposited 20% thereof amounting to ₹45 Lakhs. Further, the bank has also provided a sum of ₹2 Lakhs on the basis of legal opinion towards leviable penalty in respect of show-cause notice from Directorate of Enforcement, for the issue of Bonus Shares to the above-said transferees.


Our opinion is not modified in respect of the above matter.

### Other Matters

13. The Statement incorporates the relevant financial information of 598 branches audited by Statutory Branch Auditors appointed by the Bank for this purpose. These branches cover 84.87% of Advances, 77.54% of Deposits and 42.16% of Non-Performing assets as at March 31, 2026, and 66.07% of revenue for the year ended March 31, 2026.

14. We report that the figures for the quarter ended March 31, 2026 represent the balancing figure between the audited figures in respect of the financial year ended March 31, 2026 and the published unaudited year-to-date figures up to December 31, 2025 being the date of the end of the third quarter of the current financial year, which were subjected to limited review by us, as required under Listing Regulations.

For Sundaram & Srinivasan,  
Chartered Accountants  
FRN: 004207S



T S Dinesh Kumar  
Partner  
M. No.: 229153

UDIN: 26229153BNRXFR4820

Place: Thoothukudi  
Date: April 27, 2026

For Chandran & Raman,  
Chartered Accountants  
FRN: 000571S



S Pattabiraman  
Partner  
M. No.: 014309

UDIN: 26014309EYVPSN1770

Place: Thoothukudi  
Date: April 27, 2026

