Secretarial Department
Head Office, 57- V.E. Road,
Thoothukudi – 628 002.
☏: 0461-2325136
e-mail : secretarial@tmbank.in
CIN: U65110TN1921PLC001908

Tamilnad Mercantile Bank Ltd
Be a step ahead in life

Ref.No.TMB.SE.13/2022-23

27.10.2022

The Manager,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street.
Mumbai – 400 001.
Scrip Code: 543596

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.
Symbol: TMB

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on October 27, 2022

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Unaudited Financial Results of the Bank for the quarter and half year ended September 30, 2022 along with Limited Review Report issued by the Joint Central Statutory 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.

The Board Meeting commenced at 11.00 am and concluded at 11.45 am.

Kindly take the same on record.

Yours faithfully,
For Tamilnad Mercantile Bank Limited

PRAKASH CHANDRA PANDA
Digitally signed by PRAKASH CHANDRA PANDA
Date: 2022.10.27 11:38:13 +05'30'

Tamilnad Mercantile Bank Ltd. TMB Secretarial Department

Prakash Chandra Panda
Company Secretary and Compliance Officer

Suri & Co.,
CHARTERED ACCOUNTANTS
Guna Complex, No.443 & 445
4th Floor, Main Building,
Anna Salai, Teynampet,
Chennai 600 018

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

Independent Auditors' Review Report on Unaudited Financial Results for the quarter and half year ended 30th September 2022 of the 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 half year ended 30th September, 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) ('the Regulations'), except for the disclosures relating to Pillar 3 disclosure as at 30th September 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 Statement and have not been reviewed by us.

2. Attention is drawn to the fact that the figures of the quarter ended 30th September 2021, 30th June 2022 and half year ending 30th September 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 ('RBI') from time to time ('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 ('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. FRN. 004283S Chennai 600 018 Chartered Accountants

ABARNA & ANANTHAN FRN No 000003S BANGALORE CHARTERED ACCOUNTANTS

Suri & Co.,
CHARTERED ACCOUNTANTS
Guna Complex, No.443 & 445
4th Floor, Main Building,
Anna Salai, Teynampet,
Chennai 600 018

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

5. Based on our review conducted as stated in Paragraph 4 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 Regulation 33 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 30th September 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

CA M Sivaram
Partner
M No 211916
UDIN:
22211916BAXWPA5972

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

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

CA S Ananthan
Partner
M No 026379
UDIN:
22026379BAXVSL2245

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

Date: October 27, 2022
Place: Chennai

TAMILNAD MERCANTILE BANK LIMITED

Be a step ahead in life

REGD.OFFICE: 57 V E Road, Tuticorin-628 002 (CIN:65110TN1921PLC001908)
www.tmb.in

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Lakhs)

	Quarter ended			Half Year ended		Year ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	99,669	100,215	95,030	199,884	188,797	383,386
(a) Interest/discount on advances/bills	76,642	77,362	73,508	154,004	146,375	295,279
(b) Income on investments	22,106	22,079	20,069	44,185	40,082	82,249
(c) Interest on balances with Reserve Bank of India and other inter bank funds	769	610	1,223	1,379	1,874	4,973
(d) Others	152	164	230	316	466	885
2. Other income	14,480	13,962	15,090	28,442	34,413	81,226
3. TOTAL INCOME (1+2)	**114,149**	**114,177**	**110,120**	**228,326**	**223,210**	**464,612**
4. Interest expended	48,814	47,813	51,095	96,627	101,322	201,863
5. Operating expenses (i)+(ii)	26,412	28,924	26,936	55,336	52,994	111,104
(i) Employees cost	14,837	15,110	14,472	29,947	28,327	61,579
(ii) Other operating expenses	11,575	13,814	12,464	25,389	24,667	49,525
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	**75,226**	**76,737**	**78,031**	**151,963**	**154,316**	**312,967**
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	**38,923**	**37,440**	**32,089**	**76,363**	**68,894**	**151,645**
8. Provisions (other than tax) and contingencies	3,388	5,522	3,875	8,910	13,260	39,184
9. Exceptional items	-	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	**35,535**	**31,918**	**28,214**	**67,453**	**55,634**	**112,461**
11. Tax expense	9,305	8,497	9,140	17,802	16,426	30,270
12. Net Profit from Ordinary Activities after tax (10-11)	**26,230**	**23,421**	**19,074**	**49,651**	**39,208**	**82,191**
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit for the period (12-13)	**26,230**	**23,421**	**19,074**	**49,651**	**39,208**	**82,191**
15. Paid-up Equity Share Capital (Face value 10/- per Equity Share)	15,835	14,251	14,251	15,835	14,251	14,251
16. Reserves excluding Revaluation Reserve (as per Balance Sheet of prvious accounting year)						519,319
17. Analytical Ratios and Other Disclosures:						
(i) Percentage of shares held by Government of India	-	-	-	-	-	-
(ii) Capital Adequacy ratio (%)						
Under Basel III	24.58	21.67	18.87	24.58	18.87	22.06
(a) Common Equity Tier (CET) 1 ratio	22.98	20.04	17.87	22.98	17.87	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) *	17.99	16.43	13.38	34.44	27.51	57.67
(b) Diluted EPS (before and after extraordinary items) *	17.99	16.43	13.38	34.44	27.51	57.67
(iv) NPA Ratios						
a) Gross NPA	59,334	57,215	104,526	59,334	104,526	57,092
b) Net NPA	29,597	31,092	56,495	29,597	56,495	31,758
c) % of Gross NPA	1.70	1.69	3.31	1.70	3.31	1.69
d) % of Net NPA	0.86	0.93	1.82	0.86	1.82	0.95
(v) Return on Assets (%)	2.04	1.83	1.58	1.93	1.63	1.66
(vi) Net Worth	646,120	542,741	490,587	646,120	490,587	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	34.10%	32.79%	29.14%	33.44%	30.87%	32.64%
(xiii) Net Profit Margin	22.98%	20.51%	17.32%	21.75%	17.57%	17.69%

* Not Annualised

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

Place : Chennai
Date : 27/10/2022

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 010003S BANGALORE

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

S.Krishnan
Managing Director & CEO

TAMILNAD MERCANTILE BANK LTD. H.O. Accounts DEPT.

TAMILNAD MERCANTILE BANK LIMITED
REGD.OFFICE: 57 V E Road, Tuticorin-628 002 CIN:65110TN1921PLC001908
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Statement of Assets and Liabilities of the Bank as at September 30, 2022 is given below:

(Rs in lakhs)

Particulars	As at 30.09.2022	As at 30.09.2021	As at 31.03.2022
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	15,835	14,251	14,251
Reserves and Surplus	630,285	476,336	519,319
Deposits	4,313,665	4,102,221	4,493,311
Borrowings	27,921	0	0
Other Liabilities and Provisions	364,765	294,226	258,967
Total	**5,352,471**	**4,887,034**	**5,285,848**
ASSETS			
Cash and Balances with Reserve Bank of India	258,736	203,254	211,311
Balance with Banks and Money at Call and Short Notice	42,765	174,394	173,889
Investments	1,303,579	1,167,626	1,303,546
Advances	3,457,661	3,111,759	3,349,154
Fixed Assets	21,176	15,051	21,084
Other Assets	268,554	214,950	226,864
Total	**5,352,471**	**4,887,034**	**5,285,848**

Place : Chennai
Date : 27/10/2022

S.Krishnan
Managing Director & CEO

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SURI & CO. Chartered Accountants FRN: 004283S Chennai 600 018

TAMILNAD MERCANTILE BANK LTD. H.O. Accounts DEPT.

TAMILNAD MERCANTILE BANK LIMITED

Be a step ahead in life

REGD.OFFICE: 57 V E Road, Tuticorin-628 002 (CIN:65110TN1921PLC001908)

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue:						
Treasury	21,806	22,625	23,387	44,431	47,967	100,975
Corporate/Wholesale Banking	13,207	14,697	15,108	27,904	32,265	62,273
Retail Banking	79,136	76,855	71,625	155,991	142,978	301,364
Other Banking operations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Total Revenue	**114,149**	**114,177**	**110,120**	**228,326**	**223,210**	**464,612**
Less: Inter Segment Revenue						
Income from Operations						
Segment Results (net of provisions):						
Treasury	5,668	7,399	8,159	13,067	18,125	35,426
Corporate/Wholesale Banking	4,317	3,935	3,522	8,252	6,907	13,192
Retail Banking	25,550	20,584	16,533	46,134	30,602	63,843
Other Banking operations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Profit before tax	**35,535**	**31,918**	**28,214**	**67,453**	**55,634**	**112,461**
Tax Expenses	9,305	8,497	9,140	17,802	16,426	30,270
Net Profit after Tax	**26,230**	**23,421**	**19,074**	**49,651**	**39,208**	**82,191**
Segment Assets:						
Treasury	1,366,313	1,426,122	1,379,345	1,366,313	1,379,345	1,513,431
Corporate/Wholesale Banking	855,374	816,789	817,182	855,374	817,182	814,315
Retail Banking	3,006,199	2,890,616	2,600,282	3,006,199	2,600,282	2,850,590
Other Banking operations	-	-	-	-	-	-
Unallocated	124,585	3,641	90,225	124,585	90,225	107,512
Total	**5,352,471**	**5,137,168**	**4,887,034**	**5,352,471**	**4,887,034**	**5,285,848**
Segment Liabilities:						
Treasury	1,538,083	1,377,791	1,190,019	1,538,083	1,190,019	1,437,907
Corporate/Wholesale Banking	457,985	509,760	569,426	457,985	569,426	545,718
Retail Banking	2,560,265	2,665,648	2,523,330	2,560,265	2,523,330	2,640,960
Other Banking operations	-	-	-	-	-	-
Unallocated	150,018	41,228	113,672	150,018	113,672	127,693
Total	**4,706,351**	**4,594,427**	**4,396,447**	**4,706,351**	**4,396,447**	**4,752,278**
Capital Employed:						
(Segment Assets - Segment Liabilities)						
Treasury	-171,770	48,331	189,326	-171,770	189,326	75,524
Corporate/Wholesale Banking	397,389	307,029	247,756	397,389	247,756	268,597
Retail Banking	445,934	224,969	76,952	445,934	76,952	209,630
Other Banking operations	-	-	-	-	-	-
Unallocated	-25,433	-37,587	-23,447	-25,433	-23,447	-20,181
Total	**646,120**	**542,741**	**490,587**	**646,120**	**490,587**	**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.

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

Place : Chennai
Date : 27/10/2022

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

TAMILNAD MERCANTILE BANK LTD. H.O. Accounts DEPT.

TAMILNAD MERCANTILE BANK LIMITED

CASH FLOW STATEMENT FOR THE HALF YEAR /YEAR ENDED

		Half year ended 30.09.2022	Half year ended 30.09.2021	For the year ended 31.03.2022
	Cash profit generated from operations I	₹ in lakhs	₹ in lakhs	₹ in lakhs
	Net profit for the year	49,651	39,208	82,191
	Add/Deduct	-		
	Loss/(Profit) on sale of assets	(25)	2	(2)
	Depreciation on Fixed assets	2,274	1,445	3,319
	Provisions & Contingencies (incl. Deferred tax adjustments)	26,713	29,685	69,454
	Total	78,613	70,340	154,962
	Cash flow from operating assets & liabilities II	-		
	Increase/Decrease in liabilities	-		
	Deposits	(179,647)	5,179	396,270
	Other liabilities & Provisions	79,086	67,371	(7,658)
	Increase/Decrease in assets	-		
	Advances	(108,507)	(4,799)	(242,194)
	Investments	(33)	2,694	(133,226)
	Other assets	(41,688)	(23,739)	(35,654)
	Total	(250,789)	46,706	(22,462)
A	Net cash flow from operating activities I + II	(172,176)	117,046	132,500
		-		
	Cash flow from investing activities	-		
	Sale/disposal of fixed assets	36	5	22
	Purchase of fixed assets	(2,378)	(2,785)	(10,704)
B	Net Cash flow from investing activities	(2,342)	(2,780)	(10,682)
		-		
	Cash flow from financing activities	-		
	Interim Dividend incl.tax	(14,251)	(7,126)	(7,126)
	Borrowings	27,921	-	-
	Issue of Shares incl.premium	77,149	-	-
C	Net Cash flow from financing activities	90,819	(7,126)	(7,126)
		-		
	Total cash flow during the year (A+B+C)	(83,699)	107,140	114,692
		-		
	Cash & Cash equivalents at the beginning of the period/year	-		
	Cash & bank balances with RBI	211,311	168,029	168,029
	Balances with banks & money at call & short notice	173,889	102,479	102,479
	Total	385,200	270,508	270,508
	Cash & Cash equivalents at the end of the period/year	-		
	Cash & bank balances with RBI	258,736	203,254	211,311
	Balances with banks & money at call & short notice	42,765	174,394	173,889
	Total	301,501	377,648	385,200
		-		
	Increase or decrease in cash flow	(83,699)	107,140	114,692

Place : Chennai
Date : 27/10/2022

S.Krishnan
Managing Director & CEO

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

TAMILNAD MERCANTILE BANK LTD. H.O. Accounts DEPT.

Notes forming part of Standalone (reviewed) Financial Results for the quarter and half year ended September 30, 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 October 27, 2022.

2. The Financial Results for the quarter ended 30 September 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 30 June 2022, 30 September 2021 and half year ended 30 September 2021 have neither been reviewed nor audited by our statutory 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 as this is the first quarter after the listing of the Equity Shares 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 half year ended September 30, 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 September 30, 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 September 30, 2022 is 88.58%

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

TAMILNAD MERCANTILE BANK LTD. H.O. Accounts DEPT.

8. Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) are given below:

(Rs in lakhs)

Type of the Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	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 September 30, 2022
Personal Loan	18986	43	-	915	18028
Corporate Persons*	14864	620	-	1177	13067
Of which MSMEs	228	59	-	58	111
Others	28078	296	-	2519	25263
Total	**61928**	**959**	**-**	**4611**	**56358**

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

9. 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. While there has been an improvement in the economic activity since the easing of the lockdown measures, the slowdown may lead to a rise in the number of customer defaults and resultant increase in the provisions there against. The Bank holds an adhoc provision of Rs.30000 Lakhs (over and above regulatory provisions) as on September 30, 2022, including Rs. 5000 Lakhs provided during the half year ending 30 September 2022, to meet any exigencies arising out of COVID – 19 pandemic.

10. 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

11. Details of loan transferred / acquired during the quarter ended September 30, 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 September 30, 2022.

    iii. The Bank has not acquired any Security Receipts (SR) issued by Asset Reconstruction transferred to ARCs.

12. 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

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

TAMILNAD MERCANTILE BANK LTD. H.O. Accounts DEPT.

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.

13. 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.

14. 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
Total	Nil	13352	6774

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

For & on behalf of the Board

S.Krishnan
Managing Director & CEO

Date: October 27, 2022
Place: Chennai

ABARNA & ANANTHAN CHARTERED ACCOUNTANTS FRN No 000003S BANGALORE

SURI & CO Chartered Accountants FRN: 004283S Chennai 600 018

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