



## Tamilnad Mercantile Bank

<u>Stock Data</u>	
Market Cap (in Cr.)	143
Outstanding shares	14,25,11,454
Face Value	Rs.10/-

<u>KEY PERSONNEL</u>	
<u>NAME</u>	<u>DESIGNATION</u>
K.V. Rama Moorthy	MD & CEO
S. Annamalai	Non Executive Part Time Chairman
S.R. Ashok	Additional Director
P.C.G. Asok Kumar	Director
B. Vijayadurai	Director
K. Nagarajan	Director

Tamilnad Mercantile Bank Limited (TMB) is a small private sector bank headquartered at Thoothukudi, Tamil Nadu, India. TMB was founded in 1921 as the Nadar Bank, but changed its name to Tamilnad Mercantile Bank in November 1962 to widen its appeal beyond the Nadar community.

It is one of the strongest scheduled commercial banks from South India and has one of the strongest financial positions. It is promoted by the Nadar community.

The bank has geographical presence in 16 states and 4 Union territories. As on 31<sup>st</sup> March 2018, the bank is serving its 4.3 million customer with its 509 branches, 1131 ATMs and 23 e-lobbies. They also have two way transaction tie ups with HDFC & IDBI.

CRISIL has reaffirmed its ratings on certificate of deposits of Tamilnad Mercantile Bank Ltd (TMB) at 'CRISIL A1+'.



**PLANIFY**

## Financial Highlights

<b><u>PARTICULARS (in Rs. Cr)</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Share Capital	143	143
Shareholder's Funds	3405	3225
Total Assets	37920	36984
Deposits	32428	32190
Loans & Advances	23768	21972
Borrowings	448	0
Book Value per share (in Rs.)	239	226
Earnings per share (in Rs.)	16	22.2



## Financial Ratios

<u>PARTICULARS</u>	<u>2018</u>	<u>2017</u>
NIM (%)	3.6	3.5
Capital Adequacy Ratio (%)	14.83	14.02
CASA Ratio (%)	25.32	23.23

- **Net interest margin (NIM)** is a measure of the difference between the **interest** income generated by banks or other financial institutions and the amount of **interest** paid out to their lenders
- **CASA ratio** of a bank is the ratio of deposits in current and saving accounts to total deposits.
- **Capital Adequacy Ratio** is also known as Capital to Risk Assets Ratio, is the ratio of a bank's capital to its risk. National regulators track a bank's CAR to ensure that it can absorb a reasonable amount of loss and complies with statutory Capital requirements. It is a measure of a bank's capital.



## Growth Drivers /Top Reasons to invest

- TMB is one of the strongest scheduled commercial banks from South India.
- CRISIL has reaffirmed its ratings on certificate of deposits of Tamilnad Mercantile Bank Ltd (TMB) at 'CRISIL A1+'.
- Healthy capitalization , TMB's overall capital adequacy ratio (CAR) has been above 12 percent for several years, currently at 14.8%.
- Dividend paying , paid Rs.3.2 both in 2017 and 2018.
- Total business of the bank grew by 4 % y-o-y basis to Rs.56196 crores, where deposits grew by 1 % and advances by 8% .
- Growing market presence ; during 2017-18, the bank grew with 4 new branches and 68 ATMs. The bank has geographical presence in 16 states and 4 Union territories. As on 31<sup>st</sup> March 2018, the bank is serving its 4.3 million customer with its 509 branches, 1131 ATMs and 23 e-lobbies.
- TMB was rated as the fastest growing Private Sector Bank continuously for the five years from 2010 to 2015. It was also rated as the Best Bank in the years 2013, 2014 and 2015, due to its robust growth.



## Peer Comparison

<u>March 2018 ,(In Rs.cr)</u>	<u>Yes Bank</u>	<u>South Indian Bank</u>
Total Revenue	25562	7030
Profit after tax	4233	335
ROA (%)	1.6	0.4
ROE (%)	17.7	6.9
NIM (%)	2.6	2.6
CASA (%)	36.4	23.8
BV per share (in Rs.)	112	27
EPS (in Rs.)	18	2

- **Return on equity (ROE)** is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets.
- **Return on assets (ROA)** is an indicator used to assess the profitability of a firm's assets, and it is most often used by banks and other financial institutions as a means to gauge financial performance. ROA is calculated by taking net income and dividing it by average total assets.
- **Net interest margin (NIM)** is a measure of the difference between the **interest** income generated by banks or other financial institutions and the amount of **interest** paid out to their lenders
- **CASA ratio** of a bank is the ratio of deposits in current and saving accounts to total deposits.



## Awards & Achievements



### Consistent Award Winning Performance by the Bank:

- TMB has won the ASSOCHAM India (The Associated Chamber of Commerce and Industry of India) Award 2016 for Social Banking and Agricultural Banking Excellence under Small Banks category. [more »](#)
- TMB has been conferred with "SFBCK Banking Excellence & Businessman of the year Award 2016" for 3<sup>rd</sup> Best Bank at National Level under Private Sector Banks for FY 2015 -16 by State forum of Bankers' Club, Kerala.
- TMB has been awarded as "The Winner under Credit Quality Category for FY 2014-15 instituted by FE India's Best Banks Awards".



PLANIFY

## Future prospects

The bank continues to perform well over the last several years and is expected to continue on the same growth line.

The bank targets,

- Total Business to cross ₹ 70,000 Crores.
- Total Deposits ₹ 40,000 Crores.
- Total Advances ₹ 30,000 Crores.
- CASA ₹ 10,500 Crores.
- Operating Profit of ₹ 1,200 Crores.

Investment in unlisted/PRE IPO shares have the potential of giving high returns, they are also accompanied but higher risk due to a variety of reasons. Investors need to exercise caution while investing in Unlisted/PRE IPO companies. Generally, they should have a minimum time horizon of 3 years and should not allocate more than 50% of their equity in Unlisted/PRE IPO Shares. All facts and figures taken from the shareholders report available in public domain

### **Planify Consultancy India Pvt Ltd.**

Plan your money, Plan your life

: [help@planify.in](mailto:help@planify.in)

: +91-70-6556-0002

: [www.planify.in](http://www.planify.in)

: 91 Spring Board, Plot 23 Sector 18 Maruti Industrial Development Area,  
District - Gurugram, Haryana 122015, India



PLANIFY