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The Manager,
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'G' Block, Bandra - Kurla Complex,
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The Manager,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Ref: Symbol: TMB / Scrip Code: 543596

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call – Q3 Results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the transcript of the earnings conference call hosted by the Bank on the Unaudited Financial Results of the Bank for the Quarter Ended December 31, 2025, has been made available on the Bank's website at the following link:

[Transcript of the Earnings Conference Call – Q3 Results](#)

We are also enclosing the transcript of the earnings call with this intimation.

Kindly take the information on record.

Yours faithfully,

For Tamilnad Mercantile Bank Limited

Swapnil Yelgaonkar
Company Secretary & Compliance Officer



Tamilnad Mercantile Bank Limited

Q3 - FY 2025-26 Earnings Conference Call – Transcript

February 04, 2026

Management:

Mr. Salee S Nair, Managing Director & CEO

Mr. Vincent M D, Executive Director

Mr. Sanjoy Kumar Goel, Chief Financial Officer

Moderator: Ladies and gentlemen, good day and welcome to Q3 and 9 Months FY '26 Conference Call hosted by Tamilnad Mercantile Bank Limited.

This conference call may contain certain forward-looking statements based on the beliefs, opinions and expectations as on date of this call. These statements are not the guarantees of future performance and involve certain risks and uncertainties that are difficult to predict.

Today on the call, we have with us the following management representatives: Mr. Salee S Nair - Managing Director; Mr. Vincent Menachery Devassy - Executive Director; Mr. Sanjoy Kumar Goel - Chief Financial Officer.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*', then '0' on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Salee S Nair - Managing Director of Tamilnad Mercantile Bank. Thank you and over to you, Mr. Nair.

Salee S Nair: Yes. Thank you very much and I think before I start the presentation, I must take you back to the Analyst Call that we had in Quarter 2, after the results of Quarter 2 was announced, where we stated the numbers for Quarter 2 and we also gave a guidance for what we are likely to achieve in Quarter 3 and for the year as well.

If I take you back to that numbers, CASA Quarter 2 grew at 9.30, Deposits grew at 12.32 and the overall business grew at 11.40 and the guidance that we gave at that time was that for Quarter 3, we will be up 1% in terms of total business growth, it will be higher by 1% which is (+12.40%) and we also said that Quarter 4, it will be up 1% even higher, which is 1% to 12.40% makes it 13.40% and that is what we had given as guidance for the year.

Now, if I look at, we also did give some guidance on the net interest margin where we said we should be looking at something like 3.85% and the ROA at 1.75% to 1.80%. So, keeping these numbers or the guidance that we have given after Quarter 2 results, let us come back to Quarter 3 that we have published today. So, obviously, I think the numbers and when we look at Quarter 2 and the guidance that we have given for Quarter 3, the numbers are much better. Clearly, the growth momentum that we have initiated in the Bank is accelerating. As I said last time itself, FY '26 for us is the year of laying the foundation for the take-off, a transformational year and I think that is precisely what the year has been so far in the last 9 months and that results are now beginning to show. I think we did see some signals of it in Quarter 2, Quarter 1 to some extent and certainly sort of strengthening in Quarter 2 and Quarter 3 is further evidence that the motions that we have put in, the transformation actions that we have placed on and the journey that we have moving on is bearing fruit for us.

To take you through the numbers, the total business, the guidance was 1% up which is 12.40% plus, but the actual delivery Quarter 3 is 14.28%. So, we have beaten our own guidance. I think the transformation journey is yielding results faster than we originally anticipated. The Deposits are at 12.53% up, 56,707. CASA, again, last quarter we did say that we will be touching 12% and 12% plus. We have delivered a 14.94% CASA year-on-year growth. Advances, 16.30%. The guidance we gave was 14%-15% and the delivery is 16.30%. RAM at 18.29%. So, if you look at the business growth that we had promised, we will deliver in Quarter 3, we have beaten in every aspect. So, that is something that I want to place on record for the analysts initially. Now, this is also getting translated into numbers that this Bank has not seen earlier in terms of profitability. If you look at the net interest income, 13.28% year-on-year, operating profit at 14.84%, and net profit 13.74% and that is quarterly, the highest ever this Bank has recorded, Rs. 341.50 crores, 13.74%. Obviously, that sort of a record profit is also translating into a good ROA. ROA is at 1.97%. If you recall, FY '25 ROA that we delivered was 1.81% for the year FY '25, 1.81%. For the quarter, this is up 1.97%. Similarly, for return on equity, FY '25, the delivery, what we did deliver, our performance was 13.79%. That is also up to 14.22%. So, on the profitability also, we have delivered higher than our own expectations. And I am sure these numbers are going to get continued and get accelerated further or get strengthened further.

Now, these numbers are not, and I think these numbers are also coming on, the growth momentum is coming on a very well-disciplined foray into business. If you look at some of the numbers that we have showcased in the presentation, Slide No. 2, I am sure all of you have the slides. CASA share has improved, 27.95% CASA share has come, that is 59 basis year-on-year, and that is 155 basis from the valley. I will tell you, I will take you through that a little later. So, 27.95% CASA share, so that is a turnaround story in the CASA and this has been a cause of worry for us and a lot of initiatives that we have taken on the ground. I did explain some of it in the last quarterly results and even before, Transaction Business Group has been initiated with Relationship Managers on the ground, moving into markets, getting those current accounts, savings accounts, government accounts, the entire gamut of task accounts. The SB account also is getting strengthened. So, CASA is a good story that we would like to place on record and net interest margin year-on-year is up, it is 4.04%. Now, this is for the quarter and if you recall, I have said in the guidance that we will be 3.85% for the YTD for the year 9 months, we are at 3.90%, and this, I am sure when the year closes, this will be strengthened further.

Last, up to January 31, 2026, 10 months, we have opened 36 new branches. This has also provided the momentum for us, the growth momentum opening another 14 plus branches in the remaining 2 months, February, March, and 50 plus is something that you will see when the year closes. And all this, we have not taken on unsecured exposure. The growth momentum is riding on secured exposure and secured exposure is just about 11 basis of the total growth advances. If you recall, I have also stated that we would be in the 45% - 46% range in the cost-to-income ratio for the quarter and the delivery and actually we are at 44.40% which is lower than the guidance, and 1.91% lower on a year-on-year basis.

On the credit costs of course, I think the recovery has been good, so the provisions that were cost-border slippages have been absorbed by the recovery, and the ultimate credit cost is a negative 10 basis so it is 18 basis down Y-o-Y. GNPA 91 basis, 0.91%, down 41 basis year-on-year, and net NPA is, somebody did call it instantly low, so that is what it is, 0.20%, I think, where again and again demonstrating that this Bank's history of stress management is something that we are very proud of and we are continuing to demonstrate that on the ground with the stress numbers that are market-beating.

Even on the SMA side I am including the SMA-0 here, so when I look at the SMA - 0, 1 and 2 together, all SMA together is 2.24%, so effectively, portfolio at risk one day is at 3.15% that is 2.24% of SMA and 0.91% of GNPA together. Portfolio at risk for this Bank one day, past due one day is 3.15%. I don't know how many banks in the country have that kind of a number. PCR, again this is on-book PCR, is at 78.35%. If you recall, RBI has been nudging the banks to move to a 70% on-book target, many of the banks have not touched it, and we are at 78.35%. It is up a full 9.28% year-on-year and PCR with technical write-off is at a whopping 96.08%. So, that shows the kind that the growth that is being brought into the Bank that is being achieved when you look at the kind of advances growth, 16.30% is riding on a very strong stress management network that we have, and appraisals are not being compromised for the growth, to generate the kind of growth that we have seen.

So, moving on the Deposits in the Deposits portfolio, like I just mentioned, CASA up 49.4%, our initiatives are bearing fruits, total deposit at 12.53%, and I have showcased in Slide No. 9, if you turn to your presentation, the way the CASA share has moved. I think it has a worry for the industry itself, and we lost 3% in FY '25 and we hit a rock bottom of 26.44% CASA share and anticipating that in last year itself, we have put in place a lot of initiatives, we send those initiatives in the current year, and initiatives are bearing fruits. If you look at it, quarter after quarter, we have been able to ramp up the CASA share, and CASA share today stands at 27.95%, a full 1.55% higher than what we had on the 31st March, 2025.

On the Advances portfolio again, I think we have delivered a robust performance, and this robust performance as I said earlier is on the strength of good stress management, also wherever NNPA I just mentioned is 20 basis, and then GNPA is 91 basis points, well, both of them well under 1%. So, the Advances quarter-on-quarter has gone up. Again, the story here is while Y-o-Y, it has gone up 16.30% if you look at it carefully, the growth in the quarter, so that means that the climb is fairly steep. It is 8.17%, and the story here is the MSME, if you look at the MSME, while it shows a Y-o-Y 8.43%, the initiative that we have put in place, the de-growth that was happening in the MSME area, which I did mention last analyst call itself, that we have arrested it. The 1st Quarter, we had a negative growth. Second quarter, we did show a positive growth, and now we are seeing the initiatives bearing fruits and the MSME for the quarter is at 6.74%. That is one story that you need to watch out for, how the MSME will behave and this is something that we will see that the number continue to strengthen. So, that unsecured exposure I just mentioned is just a bare 11%.

Coming on to the P&L performance itself Rs.341.50 crores is the highest profit we have earned, 13.74% and if you look at the 9 months also, the performance in the net profit is creditable. The number doesn't reflect it because of the advances in the collection, the one-time recovery that we had last year. If you sanitize for that, if you remove that, the impact of that you will notice that the net profit is up by 18.05%. Again, we have delivered strong shareholder value, Rs.9,774 crores and an EPS of Rs.21.57. I am happy to say that the market has begun to understand the kind of robust performance that we are delivering and has been rewarding us with a higher market cap. In the last, in fact, 3-4 months itself, we have seen a 40% growth in the share value. So, I think that is again, I am happy to say that we have validated that by delivering an earnings per share of 21.57%, and the book value currently stands at Rs.617.22. Like I said, ROA is at 1.97. I think that might be hard for many to believe, but that is what this Bank has delivered for Quarter 3 of FY '26. ROE, I just mentioned earlier, is at 14.22. And asset quality is also, I think it is in the slides. I think we have delivered some of the best in the market, in the industry. Slippage under control, 5 basis, SMA trending down. Like I just mentioned, it is at 2.24%. It was at 2.55% as on 31st of March. We have brought it down further, so it continues to go down. The stresses have continued to decline. The restructure is at 1.40% and continuing to decline.

We have also seen the new regulations. I did mention about it in the last quarter on the expected credit loss. I did mention that the impact will be Rs. 212 crores. The impact is now up to Rs. 264 crores because the standard assets are climbing. There is a robust advance growth that is seen, and that is having an impact on the standard asset provision. It is now up to Rs. 264. This is something that we will keep watching. Even at Rs. 264 as I mentioned earlier, though RBI has given forbearance to space it out over 5 years from 1st of April 2027, we would be in a position to take it immediately because we already have a Rs. 250 crores contingency provision, which I did mention last, which should more or less handle the impact.

So, on the other regulations that the RBI has brought in, the liquidity coverage, there is an additional runoff for the digital banking, the mobile banking, etc., we have calculated that as well. The impact is going to be, the entire gamut of the new regulations on the LCR, the impact is just negative 2%. So, the LCR continues to be at a robust 131% for us. So, we have no liquidity concerns from that angle and NIM, I said, is 4.04% that is riding on a cost of deposit, which has come down 7 basis points to 5.83. If you recall, it was 5.90 last quarter. It was down to 5.83, whereas on the Advances side, I think we are holding on. Again, while the repo cut is in place, I think our gold loan portfolio has helped us weather that, support a yield on advances at the level that was seen in last quarter as well. So, the NIM is at 4.04%. Cost to income ratio, another, I just mentioned earlier 44.4%.

And on the digital transaction, I think if you look at the presentation and I am sure you will scrutinize it further, 96.96% of our transactions are now handled digitally. Just about 3.04% is only handled through the branches, it is now just about 60 lakh transactions across the branches for the quarter. So, that is slowly coming down. Digital transactions are moving up. The productivity of employees are that way on a rise. So, the modernization of the Bank is underway. Significant IT investments have been made and we had allocated Rs. 250 crores. I think about half of it has already been done. And substantial, of course, orders have already been paid for

the transaction. It is being paid in parts. I think we will see a significant improvement in the IT field. Quite a few have been completed. The Oracle Fusion components, the HCM, the customer experience package, the vendor management system has already been implemented in the previous quarter. The office automation has also been completed. We have already onboarded a few FinTechs, digital transformation, as I speak. The digital engagement hub, the completely revamped digital internet banking is on the cards, and certainly this week and maybe hopefully next week, I think we will be opening up. It is undergoing UAT. It is undergoing UAT with the staff members of the Bank, the new revised, a completely revamped internet banking, and we shall be opening it up to the public possibly next week. I think it will happen by the 14th or prior to the 14th of February. So, that is going to be a completely transformational digital banking. So, that is there.

Mobile banking is getting upgraded. Your LMS, LOS package Phase-1 has been completed, has been rolled out, and it is now beginning to show, I think, some of the MSME numbers that we have seen, 6.74% for the quarter is riding on this, and I think Phase-2, Phase-3, etc., it is on the job. I think we are on the job. I think the benefit of that should accrue to us in FY '27. So, CX to call center connectivity is on, and there is a host of other items. I am not getting into the details. The host of other IT initiatives are on and some of them have been completed in a modular fashion and beginning to give us results, and by the 1st Quarter of next year, we hope to complete most of these initiatives with the full result, impact of that, the productivity gains of that being available in the next year.

And obviously, we have also taken as part of our growth strategy HR, and we are in the process of either, part of it have come in, and we are in the process of getting an additional 1043 new hires, looking at strategic leadership for new branches outside the Tamil Nadu. Much of this will happen to strengthen our HR base, outside Tamil Nadu and part of it to ramp up our CASA growth. So, that is significant HR hiring we are trying to do to manage the growth that is being anticipated. Like I said, 36 branches we have opened so far. We are expanding. We have done 13 branches outside the state of Tamil Nadu and the foray outside the Tamil Nadu as well will continue going forward.

I think I will stop here. Of course, we have been very active on the CSR front as well, and also got certain awards. I will stop here, and I will open up myself to questions. I have with me Mr. Vincent - the Executive Director; the CFO Mr. Sanjoy Kumar Goyal, and apart from the three business heads, I think the Country Head Branch Banking, Mr. P. R. Ashok Kumar, the Credit Head, Mr. Ananda Ganesan R and the Chief Quality Control Officer and in charge of Stress Management, Mr. Vijayan. Yes, now we are open up for questions.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Sucrit Patil from Eyesight Fintrade. Please go ahead.

Sucrit Patil:

Good evening to the team. I have two questions. First of all, thank you for the overview. Looking ahead, as the Bank looks to grow beyond its traditional stronghold while maintaining its conservative DNA, how does management decide where to push growth versus where to stay

cautious? What early trends in customer behavior or portfolio quality usually guide these decisions before they show up in the headline numbers? That is my first question. I will ask my second question after this. Thank you.

Salee S Nair: Are you asking in terms of the branch expansion or are you asking in terms of the business expansion?

Sucrit Patil: I am asking in terms of growth versus risk.

Salee S Nair: Growth versus risk. Let me also tell you that one of the reasons why we have been able to deliver such exemplary numbers on the stress side, is that we have a sizable gold loan portfolio, which we now continuously are growing. If you look at the numbers, the personal gold loan portfolio has grown 60% plus. So, that is one area that we will continue. We are very careful about the commodity risk involved. The LTV is something that we monitor on a daily basis. We have put in place systems that gives us a sensitivity on the LTV on a daily basis. This is being monitored by our team in the head office. So, this portfolio is something that will grow. We are quite conscious of the commodity risk involved. We will grow this portfolio.

Apart from this, like I was mentioning earlier, this Bank's forte has been the MSME and that is something that we are getting right back into. We have spent some time in getting the systems in place. We have put in place the credit management centers, which now have been completely operationalized in Thoothukudi. This has also been rolled out in hybrid fashion across the other 11 regions. The CMCs and the systems that we have put in place, the credit channels that we have put in place, the Relationship Managers that we have put in place gives us the confidence that MSME is one area where we will be able to push growth in a substantial way. I think the results are also being seen from that angle. MSME is going to be there.

Gold loan will continue. That is our bread and butter. So, that helps us with some of the repo cuts, as I told you earlier and apart from that, we will also be looking at the housing loan and the car loans. That is where retail is essentially going to be the focus and, in some measure, in small measure, we are also trying to get back into the corporate book. If you notice that, we have grown that book, some growth has happened in the corporate book. So, 6%-10% is what we want to retain there. We do not want to completely exit from the corporate book. While our bread and butter is going to be the RAM, which has given us a growth of 18.29% year-on-year, we are getting also in some measure back into the corporate book, which has shown as others in the presentation, RAM and others. So, that is where the result depends on essentially the mid-corporate, acceptable mid-corporate. We do look for some collateral, so all expulsions will be taken with some amount of recourse.

Sucrit Patil: Thank you. My second question to Mr. Goel is along a similar line, from a financial management point of view beyond the reported NIMs and cost ratios, again what internal indicators do you track mostly and very closely to judge whether liquidity, cost of funds, or operating efficiency is moving in the correct direction as you have planned? And what is your point of view on this for the next few quarters?

- Salee S Nair:** That is a very complicated question.
- Sanjoy Kumar Goel:** Basically, we have a very robust ALCO management system in the Bank and we meet regularly and liquidity management is being monitored on a very periodic basis and interest rate risk is also monitored there.
- Salee S Nair:** Let me amplify that and tell you that liquidity is something that we are, I just mentioned that our liquidity LCR is 131%, so that we are quite comfortable on that, but that is something that is on a 30-day basis. Let me tell you that at the head office here, I directly monitor the liquidity practically on 2-hourly basis. I look at my inflow of deposit and look at both inflow and outflow and the settlement account with RBI on a 2-hourly basis, I track to see that the liquidity is under control. We have a very robust treasury department in place. We have excess SLRs, we have excess non-SLRs, giving us the wherewithal to manage liquidity. I don't think liquidity is that much of a problem.
- Your second one is on the NIMs and let me also tell you that this is a Bank, it is very strong on the MIS, even on the NIMs, on the Deposit, the cost of deposit and the yield on advances also is monitored on a daily basis. It is not just the YTD or QTD that we monitor, we also look at the cost of deposit for the day. The cost of the deposit contracted for the day is monitored. Similarly, the advances that we have contracted for the disbursement that has happened for the day is monitored. So, the NIM is something that we look at it on a daily basis and that I don't know, many of the banks may not be able to do this, but being the size that we have and the fact that we have a very strong MIS in place, we monitor it on a daily basis. I think this is something that I look at it, because this is what delivers the profits for us. What was the third one you were talking about? Sorry, what was the third one? You talked of the NIM, you talked of the liquidity?
- Sucrit Patil:** Liquidity, cost of funds moving ahead and what do you see in the next few quarters?
- Salee S Nair:** No, I think like I said, going forward, it all depends on which way the repo cut is going to happen. But personally, when we look at it, the kind of management of cost of deposit and the yield on advance that we have put in place, we are quite confident that in the current year, we have delivered 3.90% for the 9 months, while we have delivered 4.04% for the quarter. We have delivered 3.9% for the current year and this is going to move certainly and we are looking at 3.90% to 3.95% for the current year. And going forward, I think it should be in the 3.80% to 3.95% range, depending on which way the Governor of Reserve Bank of India takes the repo rate.
- Moderator:** Thank you very much. Sucrit, I request you to come back for a further question, please. Thank you. Next question is from the line of Harshit Dewani from MK Ventures. Please go ahead.
- Harshit Dewani:** Hello.
- Salee S Nair:** Yes, I can hear you.

Harshit Dewani: Yes, congratulations on the results, sir. Fantastic numbers. I had a couple of questions. What I understand is we have some shareholder case going on. Just wanted to understand what would be the impact on the Bank and can you help me map out the best case and the worst case outcome for the Bank?

Salee S Nair: What is happening on the shareholder is their business, right. It doesn't impact the functioning of the Bank at all. But having said that, the only impact that is likely to happen on is that as part of the shareholder case, that it is in the court, the ED is investigating some of the purchase of shares where the funds are coming from a PMLA angle, etc., that is happening. But on the Bank, the ED has put a show cause notice for Rs. 1,037 crores. So, that is the only impact that is going to happen on the Bank, Rs. 1,037 crores of show cause notice that they have sent us and why they have sent this notice to us because there was a rights issue. This is under the FEMA. There was a bonus issue, not a rights issue. It was a bonus issue and this show cause notice has been sent to the Bank in connection with the FEMA. There was a bonus issue. That we did and the ED's show cause notice is in connection with that. And of course, even though the amount looks so high, we have taken legal opinion and obviously, there is no money involved here. And if you look at the FEMA regulations, the maximum that the Bank can impact when the case gets resolved is Rs. 2 lakhs. I think we have taken legal opinions from one of the best corporate legal firms in the country to make an assessment of the impact of that show cause notice and that is going to be Rs. 2 lakhs. The reason is that it was a bonus issue and there was no money transfer involved. The net worth allotted to one share was split into 500 shares. So, there was no money. So, the impact from a Bank's point of view is Rs. 2 lakhs.

Harshit Dewani: The best case would be nil and the worst case scenario would be 2 lakhs penalty on the Bank. Understood.

Salee S Nair: And it is fully provided. I think it is Rs. 2 lakhs, but it is fully provided.

Harshit Dewani: Sir, my second question was in terms of growth, in terms of branches and regions. So, what is the growth strategy for growth outside Tamil Nadu and any focus states that we are looking at?

Salee S Nair: Yes, I think, like I mentioned earlier, we have opened 36 branches so far. In the current year, it is not in the 3 quarters, in the 10 months and after 31st of Jan 26, we opened 36 branches. 13 of these branches have been opened outside Tamil Nadu. So, 13-23, I think that is the ratio that we are at. If you look at that from a larger perspective, I think about 26% of the branches were outside and that is something that we want to drive up, I think over a period for the next 5 years to at least 35% plus. I think the opening of the branches will reflect that strategy. So, 13 branches opened outside. The states that we are looking at are states closer to Tamil Nadu, the states of Kerala, the states of Karnataka, Maharashtra, Gujarat and the Tier 2 Telugu states. I think that is where our focus would be. Going forward, like I said, the focus is also to shift the TN, non-TN ratio, slowly move it in favor of the non-TN, over a 5-year period, we will look at 35% plus of branches coming out of states outside the Tamil Nadu and I did mention the focus states for you.

- Harshit Dewani:** Sure, sir. Last question, sir. As you mentioned, the gold in our portfolio is more than 50% of the portfolio right now. So, can you help me with the ROA for the gold segment and the non-gold segment?
- Salee S Nair:** No, I didn't say that. I don't know from where you got this 50%.
- Harshit Dewani:** I would have misheard it. What is the percentage of portfolio gold right now?
- Salee S Nair:** It is about 45% is gold at the moment. And that is also because the other segments have not been growing. Now that the other segments have been growing, hopefully the mix will, we will try to certainly retain it well below 50%. That is there going forward. See, we would certainly grow the gold loan portfolio because that gives us the stability from an interest income perspective and the continuous, how do I put it? Stability in the growth, while the extra growth is now going to come from the MSME space. Sorry, I interrupted your question. You tell me what, you can continue.
- Harshit Dewani:** Yes, the question was so what is the gold segment ROA and the non-gold segment ROA, the retail MSME?
- Salee S Nair:** Gold segment ROA and the retail, do we have that separate number. Combined number is 1.97 and I must say that significant would be contributed by the gold. I can give you the number. I can get that number. We can share it with him later. I will share it with you.
- Moderator:** Thank you. Harshit, I will request you to come back for a follow-up question. Next question is from the line of Digant Haria from GreenEdgeWealth. Please go ahead.
- Digant Haria:** Yes, thanks for the opportunity. Sir, congratulations on great numbers and all-time high profits, all-time high share price. I think we have a long way to go.
- Salee S Nair:** Let me tell you the best is yet to come.
- Digant Haria:** Yes, sir. Thank you. And what I appreciate is in every quarter you have guided us well and never over guided and delivered more than you promised. So, kudos on that. Sir, just two questions from my side. First is, gold loan prices are up. Even the gold loan growth is very strong. So, would you like to revise your guidance? You said we may do 13%-14% kind of advances growth in FY '26. So, would you want to guess any number for FY '26 and FY '27? What are we aspiring?
- Salee S Nair:** Yes. I think you hit it. I think you also mentioned that we are under, what do you call? Under-promise and over-deliver, right? I think we want to stay in that territory, continue to stay in that territory.
- Digant Haria:** Sir, give us your under-promise number?

- Salee S Nair:** Let me tell you for FY '26 Advances, what we promised in the last guidance was 14%-15%, if you recall. But clearly, when we close the year, we are going to be 16% plus. And how much of plus is something that we will discuss when we meet again in the month of May, when the results are there. 16% plus, it is going to be plus.
- Digant Haria:** Great, sir. Sir, now my only one data question is, if you can give the gold loan number between retail and agri-gold loans, I think it was Rs. 3,000 and Rs. 15,000 crores last quarter.
- Sanjoy Kumar Goel:** Rs. 16,599 crores is agri, Rs. 6,711.49 crores is the retail.
- Salee S Nair:** Rs. 6,700 crores is the personal gold loans and Rs. 16,000 crores plus is the agri component.
- Digant Haria:** Sir, in retail, what products are we doing? Very good growth we saw. So, apart from gold loan, is this car loans, home loans also doing well?
- Salee S Nair:** Car loan, home loans is another focus area, but it has not been up to the mark so far. So, we are revamping our strategy there. We are focusing on builder tie-up. We are focusing on tie-ups with the car dealers. I think this is the story that is yet to unfold, but you will see some good numbers coming in here also. Like I said, the MSME, our initial focus was the MSME. Now that it is turning around, we are now shifting. While we continue to push the MSME space, we will now shift focus to other areas as well, particularly the home loan segment and the car loan segment. You want to add?
- Vincent M D:** Yes. So, on vehicle loan, the target which we had internally set, up to January we have already met, which means that there is a growth in vehicle loan segment. Housing loan, initial few months, we could not grow, and we have also not focused much because of the obvious reasons, because the kind of rate of interest, we didn't want that to impact our NIM. But now, we are focusing because this gives us an avenue to have a long-term relation with the customers. So, home loan is picking up now in the next quarter, the ongoing quarter and the quarters to come. We will find good traction on home loan also.
- Digant Haria:** Thank you. All the best. I will come for the next concall. Thank you so much.
- Salee S Nair:** Thank you.
- Moderator:** Thank you. Next question is from the line of Aravind Ravichandran from Sundaram Alternate Assets. Please go ahead.
- Aravind Ravichandran:** Hi, team. Thank you so much for the opportunity and congratulations on the very good set of numbers. Can you explain me how the growth would look like in retail segment excluding gold loans? That is my first question. And in MSME, is there any unsecured MSME in the sense purely unsecured business loan given for working capital? What would be the mix there? How is the growth shaping up there between term loans and other working capital and other products?

- Salee S Nair:** The housing loans, the first question you mentioned, we are still, the growth is only picking up and we will only cross the year in single digits, right. We don't.
- Aravind Ravichandran:** Sorry, sir. I was asking like excluding gold loan, like how the growth is shaping up?
- Salee S Nair:** That is what I am saying. Excluding the gold loan in retail segment, right. And when I am talking about retail segment, I am removing the Agri and the MSME out of it. The retail segment where the gold loan has been the driver, the retail segment minus the gold loan continues to be in the single digits. But that, like I said, that is going to be the focus area to see for us currently and you will see some good numbers coming there. And on the MSME, what you asked, we don't as a Bank lend without on unsecured basis. If you look at our unsecured number, it is just 11 basis, 0.11% of our overall advances. So, we don't as a rule lend on an unsecured basis to MSME.
- Aravind Ravichandran:** So, just to get clarification, when you say secured MSME, are we talking about LAP itself or are we talking about other forms of collateral also?
- Salee S Nair:** I am talking about, LAP is not a significant portion. I am talking about all kinds of MSMEs. LAP is just Rs. 500 crores.
- Aravind Ravichandran:** LAP is just Rs. 500 crores. Then rest of it, when we say secured, what kind of collateral we would be having?
- Salee S Nair:** Largely balance sheet financing, but to strengthen our recourse mechanism, we as a rule take collateral as well.
- Aravind Ravichandran:** Okay, understood.
- Salee S Nair:** And of course, collateral is there, but to the MSME itself, it is not unsecured. It is against the primary security that the MSMEs offer for the kind of advances that we give, so no unsecured.
- Moderator:** Thank you. Aravind, I request to come back for a follow-up question. Next question is from the line of Darshan Deora from Invest Group. Please go ahead.
- Darshan Deora:** Yes. Firstly, congratulations, Mr. Nair and the entire management team. Really, you all have hitting it out of the park. Results are excellent. So, congratulations to all of you.
- Salee S Nair:** Thank you.
- Darshan Deora:** So, I want to ask you regarding the Agri Gold business. It doesn't seem that the Agri book has grown much this quarter in Q3. Is that correct?
- Salee S Nair:** Yes. See, there has been a lot of regulatory action on the Agri space. Though there has been some forbearance in terms of voluntary pledge for Agri, we have been, we want to be on the right side of regulations. So, we have been very careful in expanding our Agri portfolio.

Darshan Deora: By when can we expect the growth to come back in the Agri portfolio?

Salee S Nair: It is already beginning to show. If you look at the quarter, I don't have, do we have the quarter number?

Sanjoy Kumar Goel: I don't know, sir.

Salee S Nair: It is already beginning to come back, let me tell you. And I am sure that will get reflected in the yearly numbers when we publish it.

Darshan Deora: Great. And the second question I had was on the MSME business. What would be our average yield or blended yield on the MSME business?

Salee S Nair: MSME business, you have the average yield? I will get you that number.

Darshan Deora: Any idea approximately? Would it be higher than the gold loan?

Salee S Nair: No, I think if I give you an approximation, it is going to be a very guesstimate. But I think it should be in the 9.5 to 9.75 range.

Darshan Deora: So, then, currently?

Sanjoy Kumar Goel: The current yield is 10.63%. Quarter it was 10.75%. Last to last, because 1st Quarter it was 11%. So, this year average is somewhere around 10.8%.

Darshan Deora: This is for the MSME business.

Salee S Nair: That is why I said, I am told that it is 10% plus.

Darshan Deora: That is a healthy yield. That is all I wanted to see because the gold business obviously is helping us in terms of the yield. But even the MSME business as you are growing it that should also support our overall yield and then our overall NIMs, so I appreciate that.

Salee S Nair: In fact, if you look at it, the net interest margin has improved and that is also riding on the yield and advances moving up from 9.97% to 9.99%.

Darshan Deora: Yes. No, I noticed that. I think we have done a good job with retail gold. Hopefully, Agri Gold picks up also. And again, congratulations on a great set of numbers and look forward to this continued performance in FY '27 also.

Salee S Nair: Yes, thank you. And I am sure the FY '27 hopefully will be better than what we will be delivering in FY '26.

Darshan Deora: Wish you the best.

- Salee S Nair:** Thank you.
- Moderator:** Thank you. Next question is from the line of Parth Gutka from 360 One Capital. Please go ahead.
- Parth Gutka:** Yes. Hi, sir. Thanks a lot for the opportunity. Sir, my first question is, what is the LTV on the gold loan book? And also, what is the LTV at the time of sourcing?
- Salee S Nair:** Average overall portfolio LTV is 54%.
- Parth Gutka:** And at the time of sourcing?
- Salee S Nair:** At the time of sourcing, 73%. And it is, we have our own internal caps, our internal commodity risk caps. When you have, whatever the market moves are actually not factored in while we give our own program rates for gold loans.
- Parth Gutka:** And just to follow up on that, isn't there any regulatory cap from RBI on a particular portfolio exceeding, say, for example, our gold loan portfolio is more than 40% of the overall loan book. So, isn't there any regulatory cap from RBI?
- Salee S Nair:** I don't think there is. I don't.
- Sanjoy Kumar Goel:** We need to keep a cap internally, basically.
- Salee S Nair:** I think what the regulation says is that internally we need to have a board approved cap.
- Parth Gutka:** Fair enough.
- Salee S Nair:** And my board approved cap kept for ourselves is 50%.
- Parth Gutka:** And second question is, what was the recovery from return of account in the interest income line item in this quarter, last quarter and same time last year?
- Salee S Nair:** I think it is practically last 9 months, last year, we have had some good recovery. But this year, it is Rs. 1.82 crores.
- Parth Gutka:** Rs. 1.82 crores?
- Salee S Nair:** Yes. You are talking about return of recovery from return of account that has been predicted to interest account, right?
- Parth Gutka:** Yes, sir.
- Salee S Nair:** Rs. 1.82 crores.
- Parth Gutka:** This number is for the 9 months, right? Or for Q3?

- Salee S Nair:** For the entire 9 months, it is Rs. 8.60 crores.
- Parth Gutka:** That was helpful, sir. And my last question, sir.
- Salee S Nair:** Let me also, since I have mentioned the Rs. 8.60 crores for the 9 months in the current year, let me also tell you the recovery in the 9 months of last year, which was Rs. 58.18 crores.
- Parth Gutka:** Fair enough. That was helpful, sir. And my last question is, what percentage of deposits are yet to be repriced?
- Salee S Nair:** One second, just hold on. Now, I think you have it to be repriced.
- Salee S Nair:** We will come back to you on this. I think we have the data here. Like I said, I don't want to give you guesstimates. Let me give you the accurate data. We will come back to you on this.
- Parth Gutka:** Sure.
- Moderator:** Thank you. Parth, I will request you to come back for a follow-up question. Thank you. Next question is from the line of Rohan Nelson, Individual Investor. Please go ahead.
- Rohan Nelson:** Pleasure to meet you all. So, I just have two questions. Could you give some sort of rough metric or indicator to understand the business performance trend in the state besides southern regions of India? And also, could you let us know whether there is a plan to establish our presence in the GIFT city?
- Salee S Nair:** On the GIFT city front, at the moment, no. But though we have been, at the moment, I would say we do not have a plan, a concrete plan as such. Some thinking is on, but we don't have a concrete plan. But on the other question, the first question that you did mention, on the branches outside, we have about 26% of the branches outside Tamil Nadu, and I think it is about 23%, right. It is about 22%-23% of business comes from outside the state of Tamil Nadu, and 26% of the branches.
- Rohan Nelson:** Sir, last quarter, how much is it? Just to see the difference?
- Salee S Nair:** You are talking about the incremental growth?
- Rohan Nelson:** Yes.
- Salee S Nair:** Of the branches outside?
- Rohan Nelson:** Yes.
- Salee S Nair:** I think I will have to get you that number. I don't think we have that granular, right? We will get you that.

- Rohan Nelson:** All right. Thank you.
- Moderator:** Thank you. Next question is from the line of Sonal from Prescient Capital. Please go ahead.
- Sonal Minhas:** Hi, this is Sonal Minhas from Prescient Capital. My first question is with regard to the steady state NPA levels that you would see in your retail, agriculture and MSME segment. Obviously, the numbers are fairly low right now as we speak. From a 2-3 year out perspective and from a credit cost perspective, what are the numbers these books would mature to basically?
- Salee S Nair:** Yes. Like I said, when we are expanding the MSME portfolio, we have ambitious plans to expand that, like the quarter itself, you have seen 6.74% growth. So, at some point, we can't beat away the NPAs. And going forward, while we are looking at NPA number, even in FY '25, that is significantly below 1%. But years thereafter, we might see some kind of an NPA crop up. But our own estimate that we would be able to contain it below 1.25% even going forward. And the credit cost, when I look at my own for going next year, when we look at the credit cost itself, I think the credit cost is likely to be less than 15 basis for FY '27. But going forward, this is going to move up, but it should be under 40 basis anyway. That is our own estimate that we have seen.
- Sonal Minhas:** Got it, sir. Sir, my second question was with regard to co-lending, how much of the incremental book are we sourcing through co-lending or it is still very early days for co-lending?
- Salee S Nair:** Co-lending is one area that we are trying to get into. So, far, let me tell you, we are not on to the co-lending space. We are just getting the platform in place. We are getting a co-lending platform, a pool purchase management platform in place. Once the platform is in place, only then, though we have a tie-up already, we have already started up on the tie-up with NBFCs, we have already done one tie-up. The real show will happen only after the platform is in place. We don't want to do something that we will not be able to manage. So, we are focused on getting the platform. I think the platform should be there this quarter. And you will see some co-lending space expansion happening in the next year.
- Sonal Minhas:** Got it, sir. Sir, can I sneak in a small question? Can I ask another question?
- Salee S Nair:** Yes, please.
- Sonal Minhas:** Sir, like you have a fairly deep relationship based banking mechanism as far as your MSME business is concerned and with your existing geographical presence in Tamil Nadu and the region around is concerned. When you do go to regions outside, how is that particular kind of the culture, the strategy kind of replicated in your areas? How are you grooming your managers in other regions to follow that because that something which is built over more than a decade, actually. So, it is difficult to replicate that in MSME, do we have done that very well?
- Salee S Nair:** To replicate what we are doing in Tamil Nadu, outside the state of Tamil Nadu, I think that is what your question is, right?
- Sonal Minhas:** Yes, sir.

Salee S Nair: Yes. If you look at the kind of, in fact, so part of it, we have put it in the presentation itself, the kind of HR initiatives we are engaged in. We are trying to hire local people and particularly experienced Branch Managers. In fact, we are trying to get 20 high performing branch heads to open 20 new branches outside Tamil Nadu next year. We have already started the process of hiring them this year. Apart from that, we are also hiring probationary officers. In fact, we have already a tie-up with Manipal BFSA Academy to train them. And as we speak, 85 of them are undergoing training. And as we speak, we have already opened up for another 115 officers to be hired. So, these are aimed at next year. So, 85 would be with us from April onwards and 115 should be available after June. So, these are locals, Probationers being hired in the respective states so that we get the correct connect with the local business, the market connects in those localities. So, I think that is the strategy that we are trying to put forward. We are also looking at the existing MSME base there and using them as a reference to expand our business there. Some of the pockets we have a very strong presence going back decades and some of them we want to leverage. And some of these guys have left us because of legacy reasons. We are trying to get them back as we modernize. And I think that also should contribute to the growth going forward. So, I don't know whether I have answered you in the way you wanted it.

Sonal Minhas: Yes sir, you have. Thank you, sir.

Moderator: Thank you. Next question is from the line of Harsh Shah from Merisis Advisors. Please go ahead.

Harsh Shah: Hello. Thank you for taking up my question. Can you hear me?

Salee S Nair: Yes, go ahead.

Harsh Shah: So, sir, out of our current book of gross advances around Rs. 50,000 crores, out of that MSME is around Rs. 15,000 crores, right? So, balance, so around Rs. 35,000 crores, most of it would be gold loan, right?

Salee S Nair: About 20-23 would be gold loan, right? 23 is gold loan.

Harsh Shah: 23 is gold loan. So, sir, what is your outlook that, say, in next 1-2 years down the line, if gold price is correct, what would be outlook on that book? What do you aim to achieve in that book, say, from 23,000 in FY '27-'28? What do you aspire to achieve from that book?

Salee S Nair: Like I said, gold alone has been a steady source of interest income for us. So, that is something that we will continue focusing on. In response to the regulatory guidelines, we have already put in place a cap of 50% for gold loan. We were mindful of that cap. And within that cap, we will continue to grow that gold loan going forward into the years as well. So, what we are also trying to do is simultaneously we are looking at the other business opportunities. I did mention about the MSME, the focus on the MSME already beginning to yield results. We are getting into the housing loan. We are getting into the other retail segments, etc. And that is also something that will begin to contribute to the growth. Because going forward, the MSME, when the price is correct, we are conscious that the MSME, the growth that we are experiencing in the current

year is not going to last for the gold prices and the demand for the gold loan is not going to last into the next few years. And that is where our focus on the other income, other business stream should help us weather it and we are confident that we will be able to maintain the kind of number that we set, the 16% plus I mentioned earlier for the current year and certainly 16%-17% clearly. Even if the gold loan price is correct, we should be able to maintain that. And advance growth of 16% - 17% next year as well.

- Harsh Shah:** So, thank you so much and all the best and congratulations on the great numbers.
- Salee S Nair:** Thank you.
- Moderator:** Thank you. Next question is from the line of Rakesh Sharma, Individual Investor. Please go ahead.
- Rakesh Sharma:** Yes, thank you for the opportunity, sir. And congratulations for good set of numbers. Sir, any kind of disruption due to the Tamil Nadu elections? And can we maintain such good kind of asset quality in the next year also?
- Salee S Nair:** We hope to do that. In fact, we hope to retain the asset quality under 1% very clearly into next year as well. And on the growth, I see no challenge even with the elections. I see no challenge to the momentum that we have sort of generated continuing in next year as well.
- Rakesh Sharma:** Thank you, sir. And best of luck for the future.
- Salee S Nair:** Thank you.
- Moderator:** Thank you. Next question is from the line of Vinith Jain from Siddhi Capital. Please go ahead.
- Vinith Jain:** Yes, hi. Thank you. So, congratulations on getting the growth in the MSME book after multiple quarters. Sir, in the last concall, you had mentioned that by December, the Bank will be fully ready to use the centralized case process for MSME. And yet, you have come up with a very good growth of about 7%. So, I understand the coming quarter should be a much higher growth from here, maybe in higher teens, or maybe 20%. Is that correct to assume?
- Salee S Nair:** For MSME?
- Vinith Jain:** Yes, sir.
- Salee S Nair:** Not in this quarter, this Quarter 4. But let us see what comes in FY '27. Let me also tell you that on the MSME space, on the 27th of November, we rolled out the LMS, loan management system, the first phase of it. And now it is fully functional and 5th of Jan, we rolled it out to the other regions. This was rolled out on a pilot basis in one of the regions here. And now it has been rolled out to the others. So, yes, there will be certainly an uptake in the MSME space, given these initiatives, particularly the MSME rollout and the hybrid. And the CMC is now beginning to deliver in the other regions as well. But to answer your question on whether it will be in the

high teens, I think we will wait for FY '27 for that to happen. But certainly, it is going to be much better than the MSME growth that we delivered this year. And next year, you will see a significant uptake in the MSME growth. This year, I think we should end up with about 12%. I think 12%, I think we should end up the MSME growth. Remember that in the first 2 quarters, in fact, in the 1st Quarter, we were hit by a negative growth in the MSME as we are putting in place the systems, as we are reorganizing, as we are training our credit channel, the relationship managers on the ways to move into the market. So, we did have a bit of a disruption in the 1st Quarter. Second quarter, I think we came out of it. So, this 12% that we are looking for in the current year is based on that. So, when you look at, I think you do get an answer from what I said from that for next year, right.

Vinith Jain: Yes, 12% for the entire year. So, that is a pretty good number. It is going to be good.

Salee S Nair: Yes, we have lost the 1st Quarter.

Vinith Jain: Yes. So, again, coming back to your retail exposure, increasing drastically, maybe because of gold loans or otherwise, but having or touching more and more retail customers, there should be an opportunity to cross sell other products and increasing your non-interest fee-based income. What is the outlook? What are you doing there? And what is your plans on growing your credit card book, the unsecured book? Can you give me some outline?

Salee S Nair: We have about 65 lakh liability customers and another 12 lakh plus of advance customers. That is a huge number, a huge population for us to cross sell for a stop sell. What we have also done is already implemented is a customer experience package, which is now made available across our branches to give a complete understanding of the kind of products that a customer can possibly be sold. So, to that, one of the initiatives that, of course, into next year is we are also looking at a CDP platform. And by the way, we have also inaugurated an AI-based call center looking at an upsell. And so this is going to be one major area. How do we use our customer base to generate value going forward? Like I said, the customer experience package has already been put in place. The call center has been completely revamped. And you will see some numbers. This huge database that we have, the huge customer base we have is something that we are going to leverage for productive purposes, for generating profits as we go forward. You will see those numbers reflect that in the coming years. We have just started it. That is why I am not going to put some numbers to it. We have just started it. We are fully conscious of it. We have begun to leverage it. And we can see the numbers when we look at the CX, the leads being generated for specific products, for Bancassurance, etc., we can see that it is beginning to take effect across the branches. And I think that is something that will be accelerated in the coming year.

Moderator: Thank you. Vinith, I will request you to come back for a follow-up question. Next question is from the line of Shakti Dinesh, Individual Investor. Please go ahead.

- Shakti Dinesh:** Yes. Hello. Good evening. Sir, I have a question regarding the credit management sector. So, just want to understand where do we stand on the implementation, like in terms of how much loans, retail and MSME loans are processed through that?
- Salee S Nair:** Sorry, what was it? So, you are saying the credit management sector and how much of it?
- Salee S Nair:** Yes. Let me tell you. So, our advanced portfolio, about 45% is the jewel loan, right. The jewel loans will be managed by the branches. We have 614 currently. It will be managed because it is location-specific. And other than the jewel loan, other than your loan against deposits, which, again, the branches will handle, the rest of the advanced portfolio will be handled by the CMC. That is how the CMC has been set up, which means the CMCs will be handling the MSME portfolio entirely. The CMC will be handling the home loan portfolio and the retail segment as well. Other than the jewel loan also will be handled at the CMCs. We are bringing in standards of appraisal. We are bringing in high-quality, so that mindful of, as we expand, we are also looking at how do we control the stress elements going forward. So, the CMCs would be handled by members of the officer community who will be repeatedly skilled. I think they are undergoing a series of skilling exercises. Credit channelists who are skilled enough would be managing it from a centralized location. So, this is our strategy to look at how we manage the stress going forward. So, CMCs would be handling all other than the jewel loan portfolio.
- Shakti Dinesh:** So, it will be implemented fully by FY '27?
- Salee S Nair:** Yes. Fully by FY '27.
- Shakti Dinesh:** Sir, then final question. Sir, now that I understand that the process for the loan approval flow will go through the CMC. So, just wanted to check, like, so the loan sourcing and the origination will be done at the branch level, at the RM level, and then the appraisal will be done at the CMC. So, basically, we are building, like, a standard pipeline for it to process the cases faster. Is that what we are aiming to do?
- Salee S Nair:** The branch job is to gather the resources, the deposits, the focus, we are reorienting the branches to generate the resources for the lending machine. Apart from the jewel loans I did mention, of course, the branch also would be generating the leads if there is, for an advanced customer, if a customer comes to the branch, the lead will be generated and that would be passed on to the relationship managers. We are also building an army of Relationship Managers attached to the branches, moving around in the market and the CMC, who would be sourcing or converting these leads into deals. And like I said, the appraisals would be done at the CMC, with the delivery of the disbursement happening at the branches. So, we are standardizing the entire process. That is all I am trying to say. We have just put in place the LMS, so the Phase-1 has been implemented, so the entire process will be online, with the ability of the Relationship Manager to start a proposal from the premises of the borrower itself.
- Shakti Dinesh:** Got it. Thank you. That is all from my side.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Salee S Nair - Managing Director of Tamilnad Mercantile Bank, for closing comments.

Salee S Nair: Yes, thank you. I think, like I said, this has been a good quarter for us, but as I said repeatedly in between, that the best is yet to come. And I am sure our quarter this year, we will close with numbers higher than what we have delivered for the quarter. We expect the CASA growth to be in excess of 15%. Advances growth, will be in the range of 16%-17%, and the total business, we are expecting at least 15% plus. I did mention that we will deliver 1% higher than what we did in Quarter 3, and that will be our endeavor. Certainly, it will be 15% plus. So, I think we are increasingly becoming confident of the kind of numbers that we can deliver, the kind of businesses that are happening. It is all riding on the kind of initiatives that we have taken, both at the HR level, both at the systemic level, both at the process level, and also a significant infusion of technology into the processes. We are automating the process, practically transforming the Bank into a robust machine for both the liability side and the asset side going forward. Like I said, the FY '26 is going to be a year for us in that transformational journey. We are laying the foundation, and you have to watch us for what we deliver in FY '27. To put it, the Quarter 4 results, hopefully, would be better than Quarter 3. I think that is something that we are very confident about.

Yes, I think that is from our side. Thank you for attending the investor meet, and I am sure, in fact, I should thank the investor community. The market has finally woken up to the existence of Tamilnad Mercantile Bank and has been rewarding us. As I said, in between that, I think in the last 3-4 months itself, we have seen a 40% plus growth, and that is, I assume it is just correcting the anomaly that had kept into the system. As we move forward, the robustness of the growth will hit the market, and I am sure the market will continue to reward us further. Looking at the peer-level banks, the kind of price earning that they have, we have done the kind of price earning they have been given, I am sure our performance as we go by in the next few quarters will help us earn those kind of price earning levels. Thank you very much for attending this concall. Thank you.

Moderator: Thank you very much. On behalf of Tamilnad Mercantile Bank Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.