



INVESTOR PRESENTATION

MARCH -2018



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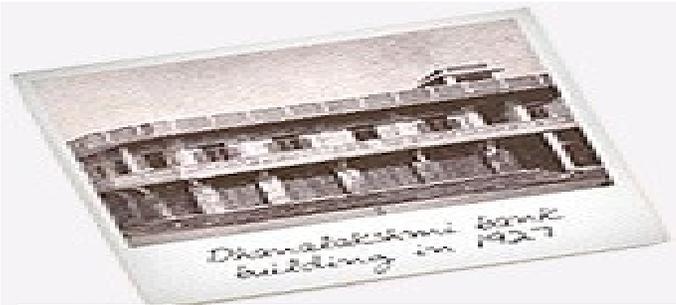
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Dhanlaxmi Bank- Profile



- Incorporated in 1927 at Thrissur, Kerala by a group of ambitious and enterprising entrepreneurs.
- Over the 90 years that followed, earned the trust and goodwill of clients.
- Our strength is the number of customers, scale of business, breadth of our product offerings, banking experience we offer and the trust that people invest in us.
- 645 touch points including 258 branches, 346 ATMs and 28 BCs across 15 States and 1 Union Territory; our focus has always been on customizing services and personalizing relations.



Key Milestones

2018: Raised Rs.1500.00 million Basel III compliant Tier-II Bond
2017: Raised Rs. 1200.00 million Equity capital through Preferential Allotment issue
2016: Raised Rs. 841.9 million of Equity capital through Preferential Allotment issue.
2014: Raised Rs. 2296 million of Equity through Preferential Allotment issue.
2013: Raised Rs. 1839.83 million of Equity through Qualified Institutional Placement and Preferential Allotment issue.
2012 : Awarded the Asian Banker Technology Implementation award - International award for Best branch automation
2011: Awarded the "Best Mid-sized Bank in Growth Category" by Business Today- KPMG survey. Awarded the Information Week EDGE Award 2011 for IT transformation
2010: Launched new "Dhanlaxmi Bank" brand. Total business* of Rs. 1,00,000 Million. Raised Rs.3,800 Millions by way of Qualified Institutional Placement . Opened 250 th branch.
2009: Recorded net profit of Rs.574.5 Million. Opened 200 th branch with first branch in East region in Kolkata
2008: Total business of Rs. 75,000 Million. Second Rights Issue . All branches under core banking
2003: Introduced Core Banking
2002: Raised Rs. 270 million in a Rights Issue
2000: Installed first ATM
1996: Raised Rs. 240 million in IPO and listed Equity Shares on the National Stock Exchange, Bombay Stock Exchange and the Cochin Stock Exchange
1989: First branch outside Southern region was opened in Mumbai.
1986: Total business of Rs. 1000 Million.
1980: 100-strong branch network
1977: Designated as scheduled commercial bank by the Reserve Bank of India (RBI). Opened first branch outside Kerala
1975: Set up the first branch outside the home state of Kerala, at Chennai Mount Road
1927 : Incorporated in Thrissur, Kerala

Vision & Mission

Vision

Banking on Relationships forever

Mission

To Become a Strong and Innovative Bank with Integrity and Social Responsibility to Maximize Customer Satisfaction as well as that of the Employees, Shareholders and the Society.

Name**Experience & Other Directorships**

**Sajeev Krishnan
Chairman
(Part-time)**

Mr. Sajeev Krishnan appointed as Part-time Chairman and took charge on 23.05.2018 He has been with the State Bank group since 1977. He has handled large credits and projects and internal audit at State Bank of India (SBI) at the Republic of Maldives from 1998 to 1999. He was Vice President (NRI) at SBI Toronto, Canada from 2000 to 2003 and also stand-by dealer in forex transactions. He also headed the rupee treasury department of the bank which included trading, bidding for new issues, maintenance of SLR and CRR and also taking care of the liquidity needs of the bank.



**G. Sreeram
MD & CEO**

Took charge as MD&CEO on 6th April, 2015. Prior to this, he was the Chief General Manager, Mumbai Circle of Canara Bank, having 35 years of banking experience in Canara Bank. He was also a Director of Canara Robecco Asset Management Company Limited, Canara Bank Securities Limited and Senior Vice President of Canbank Venture Capital Fund Limited. He was also DGM at London Branch of Canara Bank for 2 years handling credit, investments and forex. An engineering graduate, he is also a Certified Associate of the Indian Institute of Bankers and a postgraduate in Personnel Management & IR



**Chella K Srinivasan
Independent
Director**

Mr. Chella K Srinivasan is a Practicing Chartered Accountant for more than 34 years. He has professional expertise in accounting, auditing and corporate taxation and has varied experience in audits of manufacturing companies, hotels, Insurance companies, NBFCs and Banks (Statutory Audits of Bank of India and RBI). On behalf of his firm, he has carried out inspection of NBFC registration as directed by the RBI and also NSE members on behalf of SEBI. Mr.Srinivasan is the past National President of the Indo-American Chamber of Commerce (IACC) and was also a member of the Vision Committee of the Institute of Chartered Accountants of India.

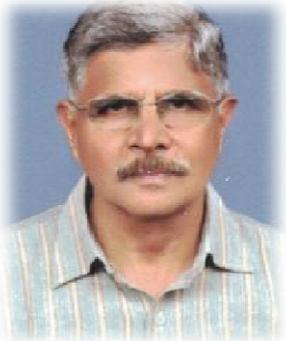
Profile of Board of Directors

	Name	Experience & Other Directorships
	<p>Dr. Lakshmy Devi K.R Independent Director</p>	<p>Dr. Lakshmy Devi K.R. was Head of Department of Economics of University of Calicut. She completed her Ph.D in Economics from Calicut University in 1986. Her post doctoral experience includes Ford Foundation Post Doctoral Fellowship at University of Maryland, Washington DC, U.S.A and Senior Fellowship of the Social Sciences Research Council, New York, U.S.A.</p>
	<p>Mr. P. S Sreekumar Independent Director</p>	<p>Mr. P. S Sreekumar was Supervisory Officer in the Co-operation department with Government of Kerala. He is a government nominee on the Board of Mannam Sugar Mills Co-operative Limited. He has worked as Special Secretary in the Public Works Department, Government of Kerala and Secretary of Institute of Management in Government. He holds bachelor's degrees in Commerce and law, master's degree in Public Administration and Post-graduate Diploma in Journalism.</p>
	<p>Mr.C.K.Gopinathan Director</p>	<p>Mr.C.K.Gopinathan is promoter Director of C.K.G.Supermarket. He was also Director in the Catholic Syrian Bank Limited for 8 years. Mr.C.K.Gopinathan is a major share holder of our Bank. He has more than 25 years of experience in banking and finance sectors</p>

Profile of Board of Directors

Name		Experience & Other Directorships
	Mr. Arun Rao M.G Director	Mr. Arun Rao M.G is a Practicing Company Secretary with more than 5 years of experience in Company Secretarial Practice and Corporate Laws. He is an Associate Member of the Institute of Company Secretaries of India. He also holds a bachelor's degree in Law and master's degrees in commerce and business laws. He has experience in handling secretarial matters of various companies.
	Mr. S T Kannan RBI Additional Director	Mr .S. T. Kannan has been appointed as Additional Director on the Board by Reserve Bank of India. He is a serving General Manager in the Reserve Bank of India, and in charge of Reserve Bank India, Regional Office, Goa.

Profile of Board of Directors

	Name	Experience & Other Directorships
	Mr. E. Madhavan RBI Additional Director	Mr. E Madhavan has been appointed as Additional Director by Reserve Bank of India for a period of 2 years w.e.f May 11, 2017 to May 10, 2019 or till further orders of RBI.
	Ms. N Sara Rajendra Kumar RBI Additional Director	Ms. N.Sara Rajendra Kumar has been appointed as Additional Director by Reserve Bank of India for a period of 2 years w.e.f May 11, 2017 to May 10, 2019 or till further orders of RBI. She is a serving General Manager in the Reserve Bank of India, Regional Office, Hyderabad.

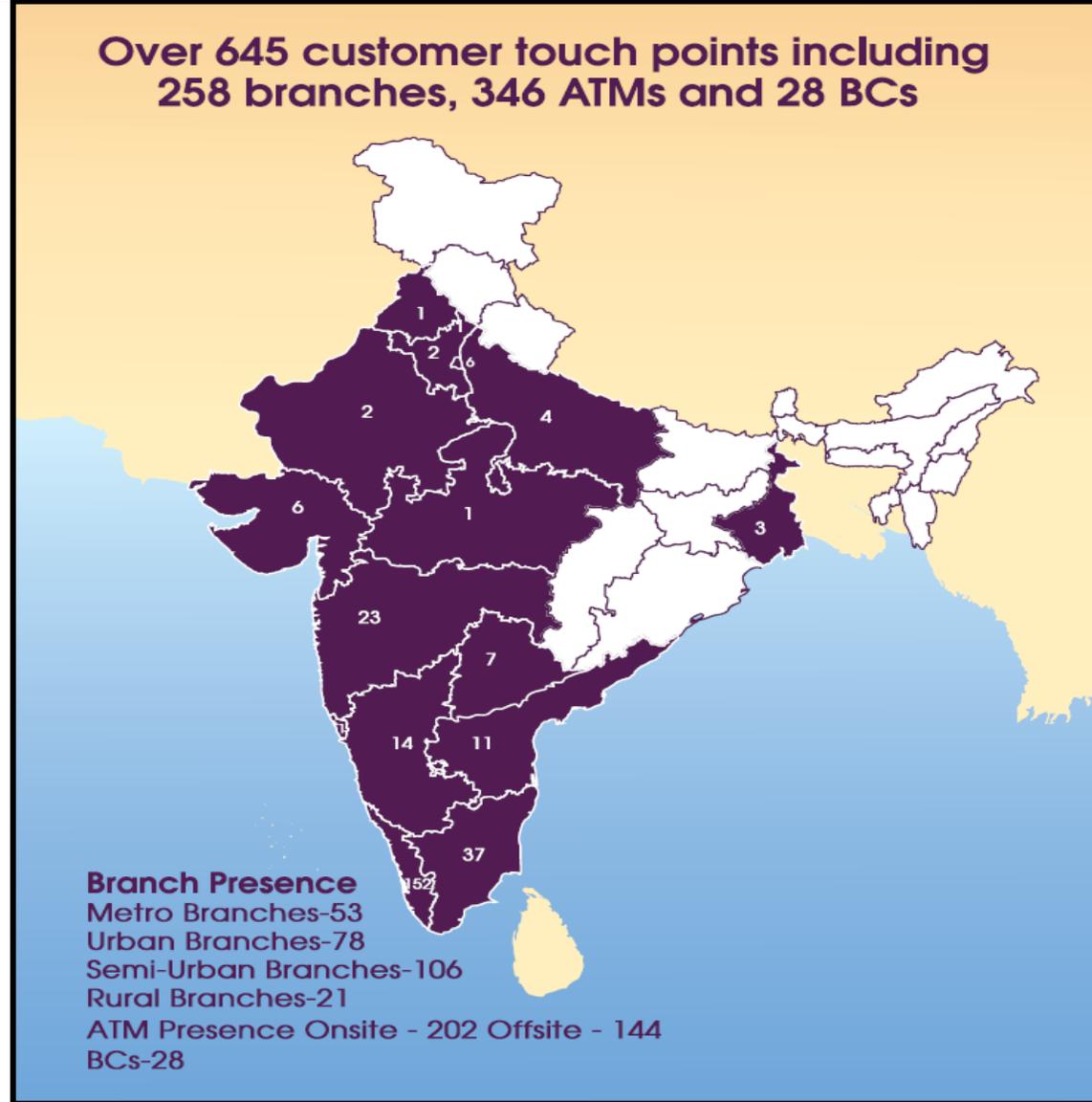
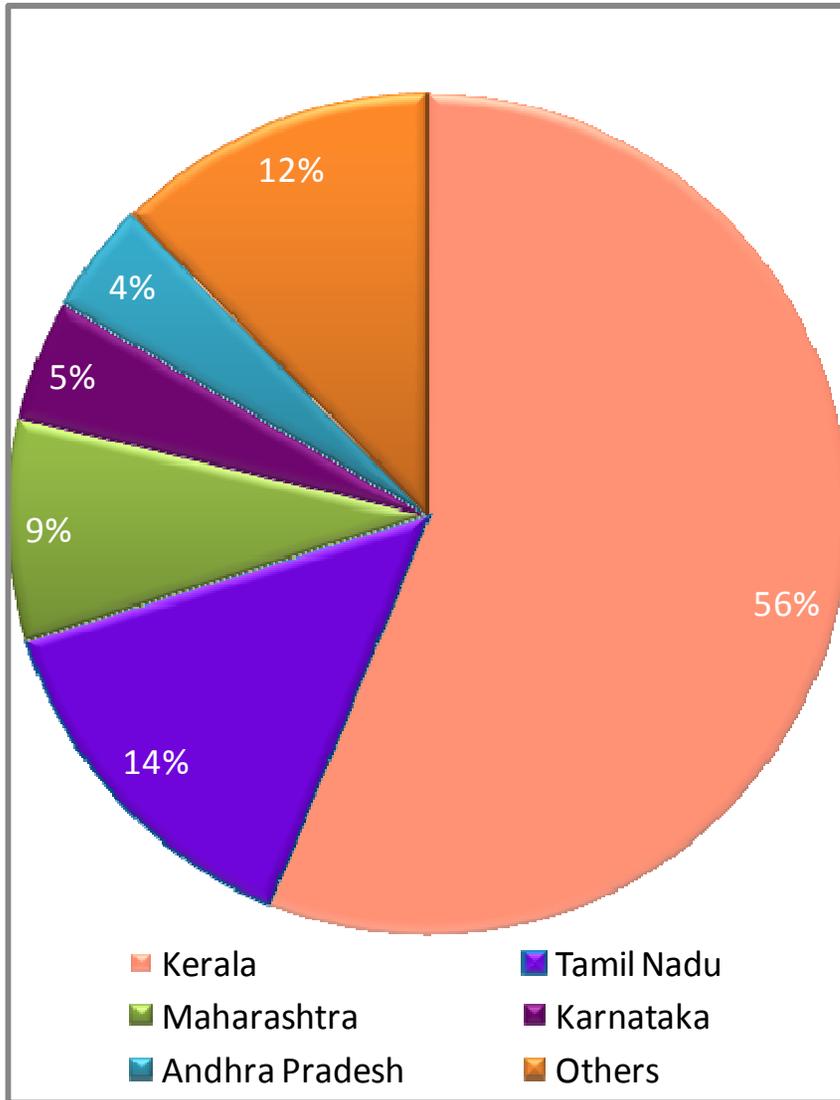
Profile of Key Management Personnel

Name	Experience
Mr. P. Manikandan Chief General Manager	<ul style="list-style-type: none"> ▪ Experience of 36 years in banking sector ▪ Experience of 10 years in Planning, Operations, Credit, HRD, Inspection, Vigilance, Third Party Products, Premises and Cash Management System areas of the Bank. ▪ He holds M Com, LLB and PGDCA. He is also a Certified Associate of the Indian Institute of Bankers.
Mr. L. Chandran Chief Compliance Officer	<ul style="list-style-type: none"> ▪ Experience of 26 years in banking/financial sector. Worked in Branch, Zonal Office, Credit Department (SME & Corporate underwriting). He also headed Integrated Risk Management Department of the Bank. Had a key role in formulation of Credit Policy, Credit Appraisal Formats and Credit Rating Models of the Bank. ▪ Worked in Government sector, Public Sector Financial Institution for about 7 years and Bank for 19 years in different capacities in various geographical areas. ▪ A post graduate in Science, he holds an MBA (Finance) and B.Ed. Degree. He is also a Certified Associate of the Indian Institute of Bankers.
Mr. Bhasi K V Chief Financial Officer	<ul style="list-style-type: none"> ▪ Experience of 28 years in diverse areas of Banking, Finance & Accounts, Fund Management, Statutory Compliance, IT / Service tax returns and appeals, etc. ▪ He was previously working with Sunrise Group as General Manager, Finance and with South Indian Bank as AGM and headed Treasury, Risk Management functions during his tenure. ▪ He is an Associate member of Institute of Chartered Accountants of India (ACA) and a Certified Associate of the Indian Institute of Bankers (CAIIB).

Profile of Senior Management

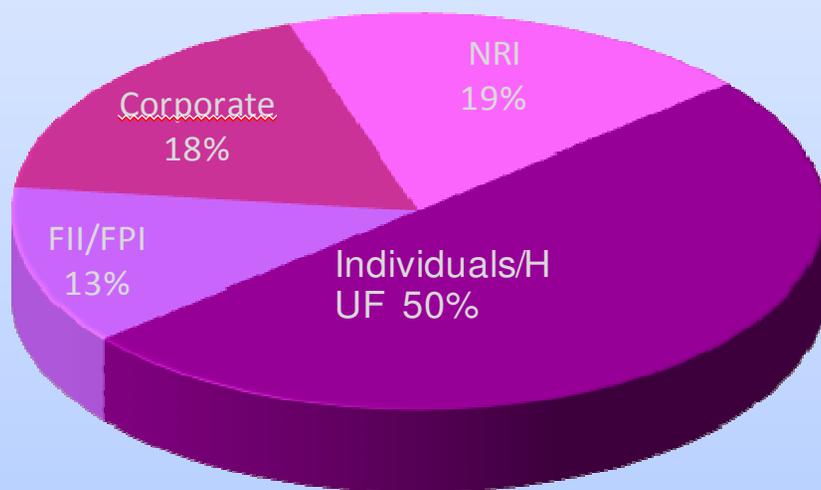
Name	Experience
<p>Mr. Muraleedharan M Chief Recovery Officer</p>	<ul style="list-style-type: none"> • 38 years of Banking Experience. • In charge of various Regional Offices of the Bank in various locations ,in the capacity of Regional Head and Zonal Head. • Well experienced in Credit and Recovery functions of the Bank. <p>Commerce graduate and Certified Associate of Indian Institute of Bankers.</p>
<p>Mr. J.Renganathan Chief Recovery Officer</p>	<ul style="list-style-type: none"> •Started the Banking carrier with SBI (for 26 years). Presently has 35 years of experience in the Banking field. •Worked in various capacities, • Headed a Region (West) and was Heading the Recovery function of the Bank for the past 3 and Half years •A post graduate in Labour studies and a Certified Associate of the Indian Institute of Bankers (CAIIB).
<p>Mr. Santosh Kumar Barik Company Secretary</p>	<ul style="list-style-type: none"> ▪ He is an Associate Member (ACS) of the Institute of Company Secretaries of India (ICSI) and was previously working as Asst. Company Secretary at Manappuram Finance Ltd. ▪ He is also having rich experience in handling Secretarial Audit, IPO diligence, Appointing Merchant Bankers, Compliance, Liaisoning with Regulators, Conducting board meeting & Annual Report Preparations, etc. ▪ He is a CS with a post graduation in Commerce.

Overview of Distribution Network



Shareholding pattern

Shareholding 1% & above (As on March 31, 2018)



Share Holder	% Stake
B RAVINDRAN PILLAI	9.9995
GOPINATHAN C K	7.4898
YUSUFFALI MUSALIAM VEETTIL ABDUL KADER .	4.9997
KAPILKUMAR WADHAWAN	4.9996
NICHE FINANCIAL SERVICES PVT LTD	4.9741
CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD	3.5622
ELARA INDIA OPPORTUNITIES FUND LIMITED	2.6340
SHITAL RAGHU KATARIA	2.6306
P RAJA MOHAN RAO	2.4377
MARSHAL GLOBAL CAPITAL FUND LTD	2.1738
ANTARA INDIA EVERGREEN FUND LTD	2.1540
LAVINA ASHISH GOENKA	1.7093
MOHANACHANDRAN NAIR B	1.5991
B GOVINDAN	1.5198
AGNUS VENTURES LLP	1.3833
HAREENDRAN C K	1.3833
INDIA MAX INVESTMENT FUND LIMITED	1.0845
RAPTAKOS BRETT AND CO. LTD	1.0362



Comprehensive range of Products

Deposits	Corporate Products	Retail Products	Other Services	Technology Related products
Current Account	Cash Credit	Agriculture / Kissan Vahana Loan/ Kissan Card	Insurance Business	Retail & Corporate Internet Banking
Savings Account	Overdraft	Home Loan / Loan against property	Mutual Fund Distribution	Missed Call Services
Term Deposit	Term Loans	Gold Loan/ Loan against Sovereign Gold Bonds	Depository Services	Mobile Banking
Corporate Salary	Corporate Loans	Vehicle Loan	Locker Services	IMPS
NRE Account	Project Finance	Live Stock Loan	Forex Services	e-IT Return Filing
NRO Account	Bill Advance and Packing Credit Advance	Personal Loans/ Educational Loan	Bankers to Issue /ASBA	Remittances – Real Time Gross Settlement (RTGS) / National Electronics Funds Transfer (NEFT)/MTS
Foreign Currency Non Repatriable Fixed Deposit	Foreign Currency Loans	Loan against LIC policy/ Deposit/ Overdraft against Shares	Cash Management Services/ Aadhaar Based Payments	Online trading
3 in 1 account (Saving Account, Demat Account & Trading Account)	Invoice / Dealer Financing	Micro Credit Loan/ Self Help Group Loans	Import Export related	Point of Sale
Business Correspondents	Lease Rental Discounting	Medical Equipment Loan	Sovereign Gold Bonds	Pay Smart
	Office Equipment Loan	International Debit cards / Credit Cards / Gift Cards/Forex Cards	PAN Card Services	Bill Payment

Bank at a Glance

No : Branches	258
No : ATMs	346
Deposit (Rs. in Crore)	10920
Advances(Gross) (Rs. in Crore)	6387
Total Business (Rs. in Crore)	17307
Total Assets (Rs. in Crore)	12286

* As on 31.03.2018

Performance Overview

- *Operating Profit improved by 49.81% from Rs.96.37 crore to Rs.146.18 crore*
- *Total expenses declined by 12.15% from Rs.1103.71crore to 969.60crore*
- *Interest expenditure declined by 11.87% from 757.46 crore to Rs.667.52 crore*
- *Net interest income grew by 4.28 % from Rs.331.60 crore to Rs.345.80crore*
- *Operating expenses declined by 12.76% from Rs.346.25 crore to Rs.302.08 crore*
- *Cost of deposits declined from 6.48% to 5.84%.*
- *Cost of funds declined from 6.61% to 5.98%.*
- *Cost to income ratio declined from 78.75% to 67.39%.*
- *Net Interest Margin improved from 2.76% to 2.90%.*
- *CRAR improved from 10.26% to 13.87%*

Performance Highlights

PARTICULARS	FY16(YTD)	FY17(YTD)	FY18(YTD)
	(Rs in Crore)	(Rs in Crore)	(Rs in Crore)
Net Profit	(209.45)	12.38	(24.87)
Advances	7218	6596	6387
Deposits	11354	11294	10920
GNPA%	6.36	4.78	7.35
NNPA%	2.78	2.58	3.19
NIM %	2.47	2.76	2.90
ROA %	(1.61)	0.10	(0.20)
ROE %	(41.23)	1.89	(3.32)
Cost/Income Ratio %	99.14	78.75	67.39
CASA to Total Deposits	25%	29%	31%

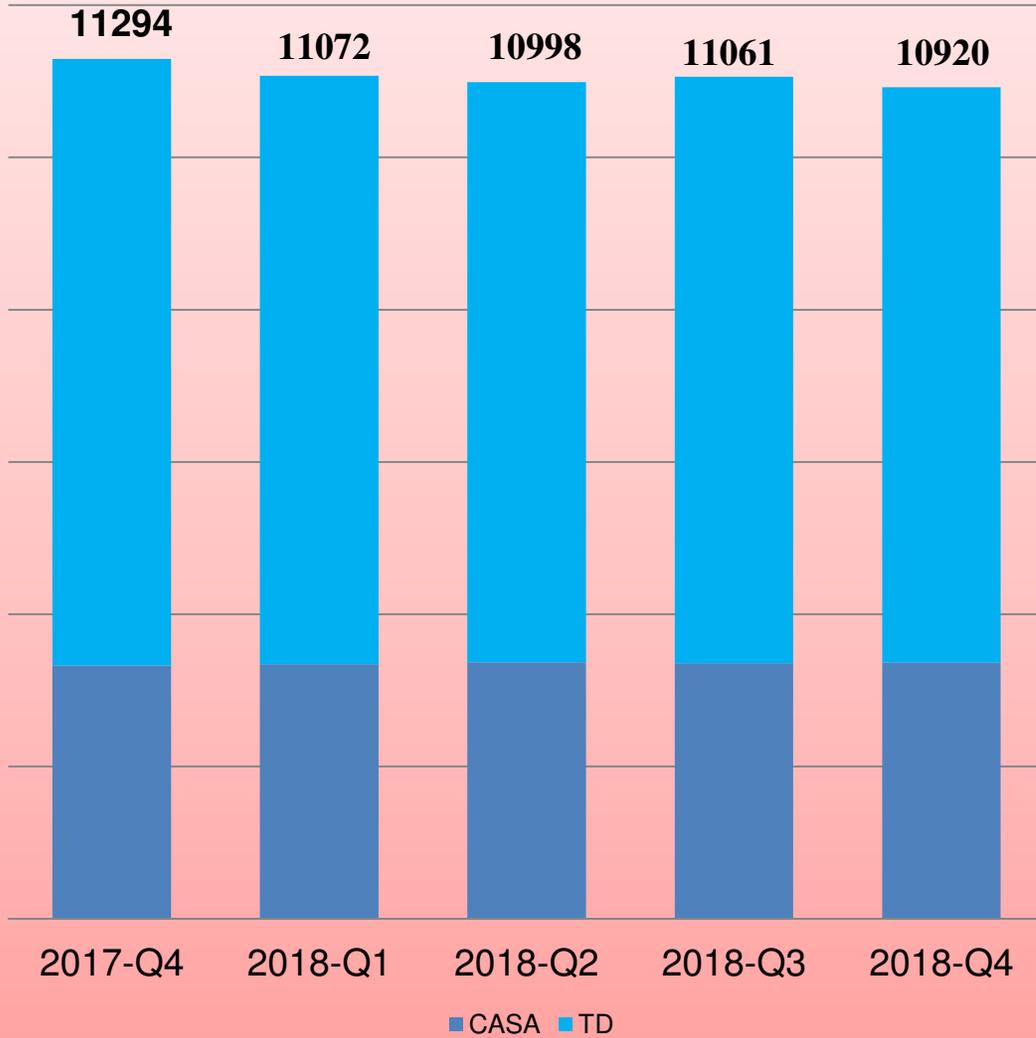
Performance Highlights

PARTICULARS	31.03.16 (Audited)	31.03.17 (Audited)	31.03.18 (Audited)
Market Capitalization (in crore)	349	623	541
Book Value Per Share	29	31	29
CRAR Basel III %	7.51	10.26	13.87

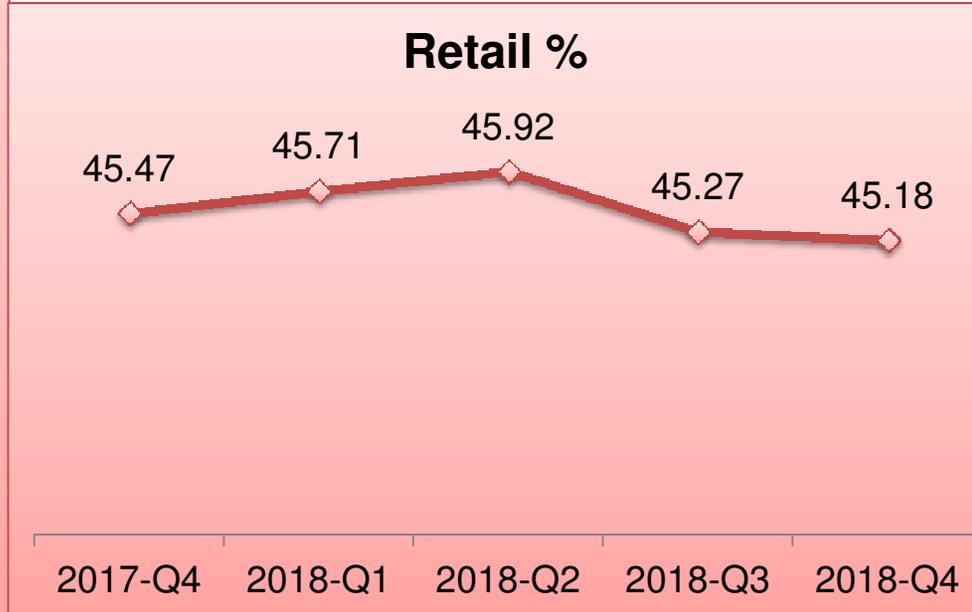
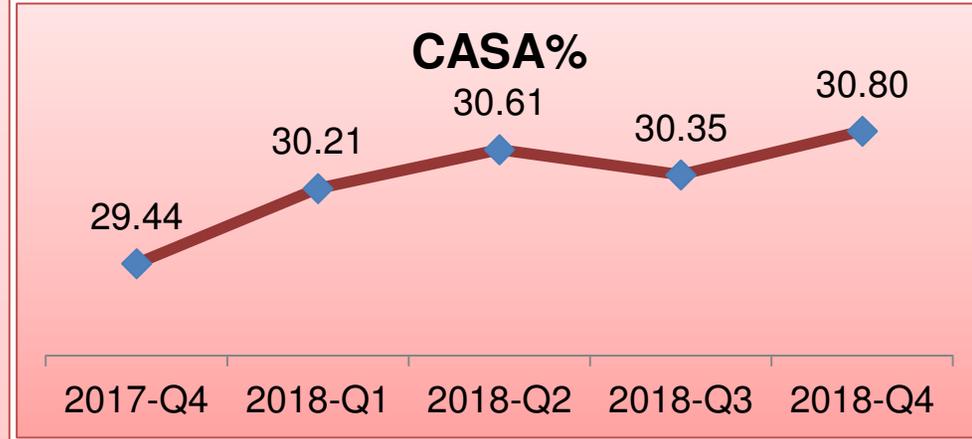
Performance Highlights

(Rs. in Cr)

DEPOSITS



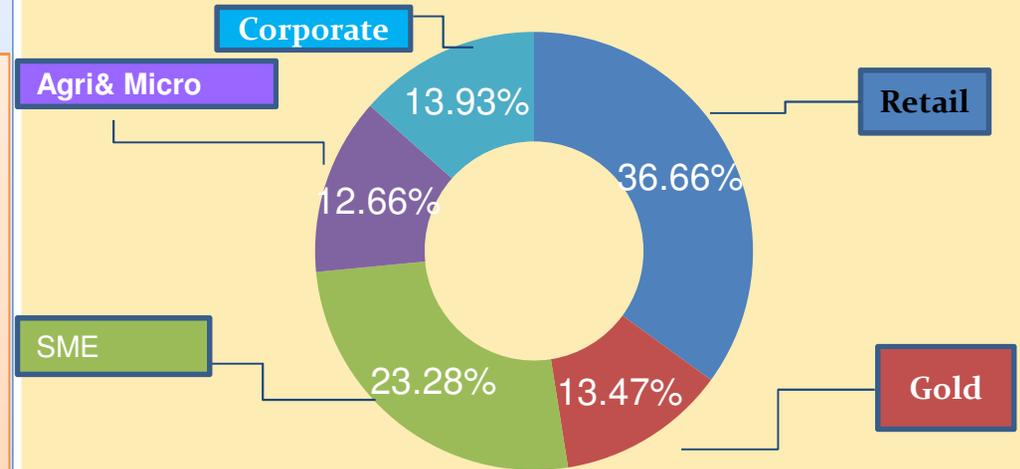
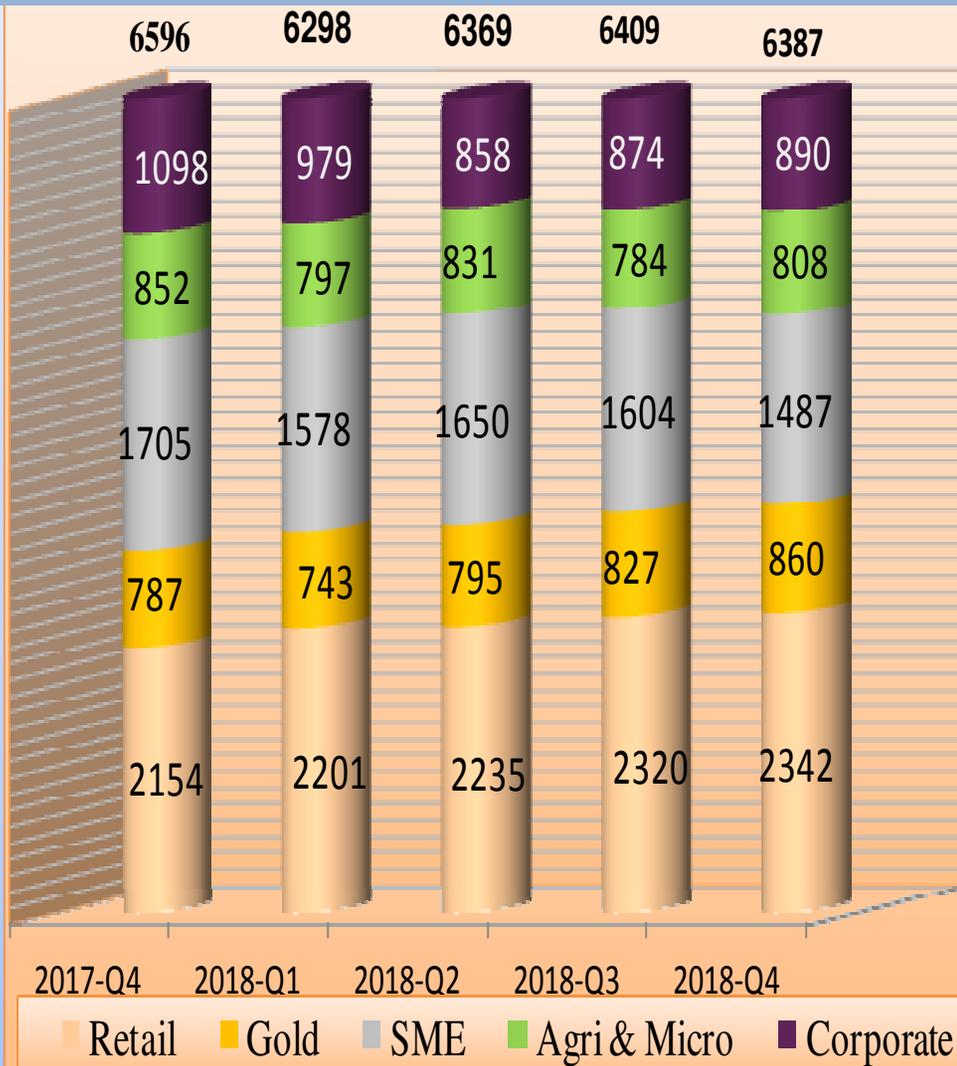
Trend in movement of CASA %



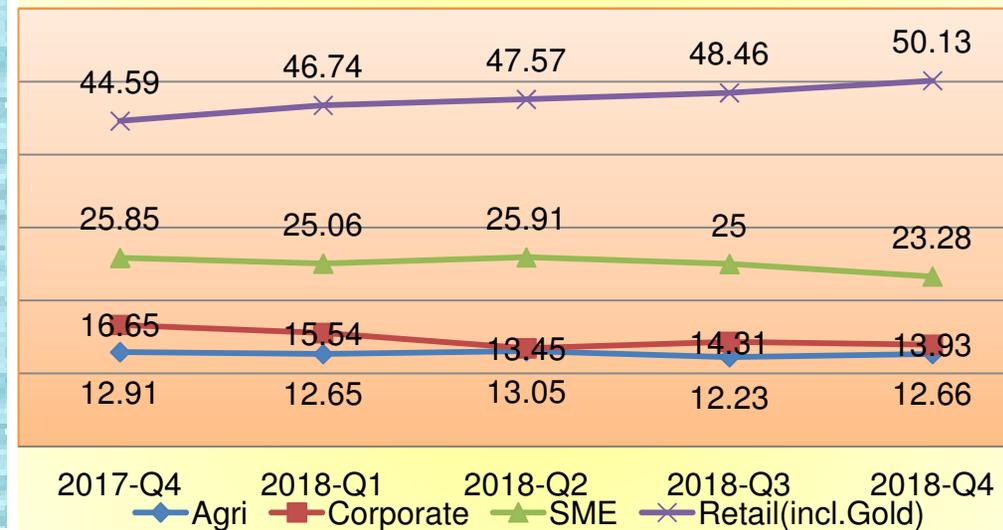
Advance Portfolio

Rs.in Cr.

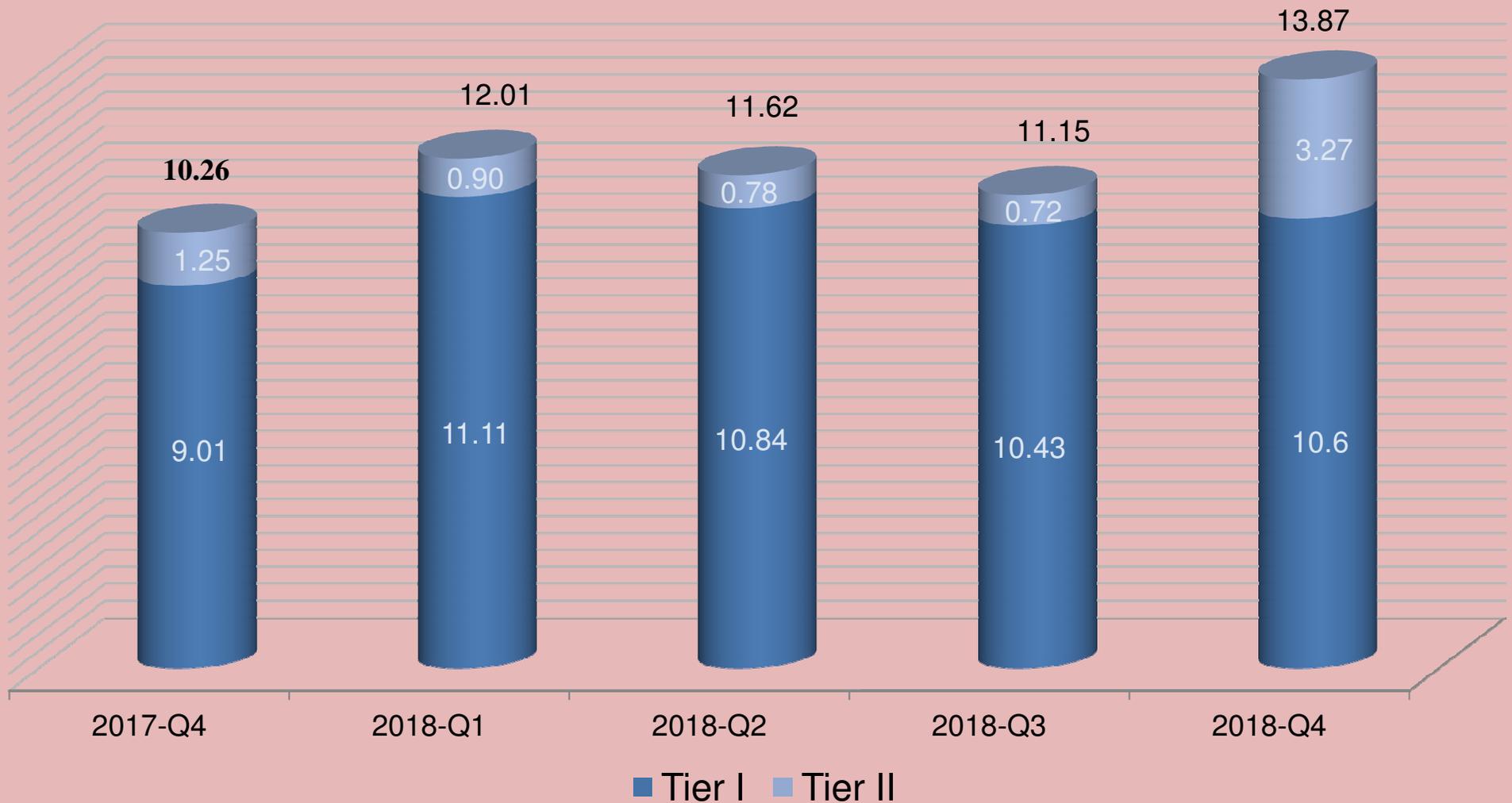
Gross Advance



Segmentwise Movement



Performance Highlights-CRARAR



Capital Infusion in FY 2017-2018 –Rs. 2700Mn

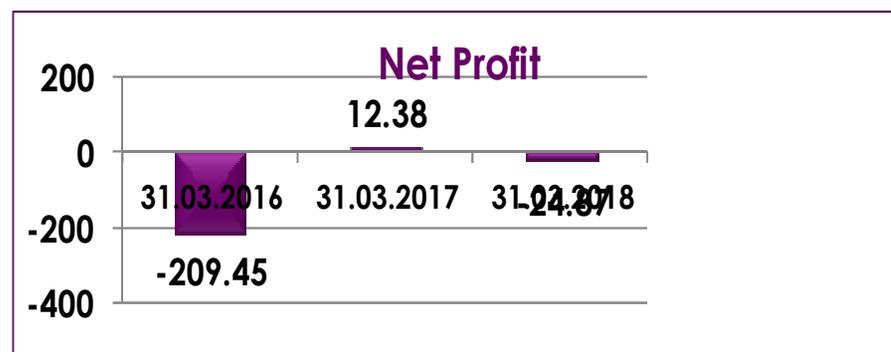
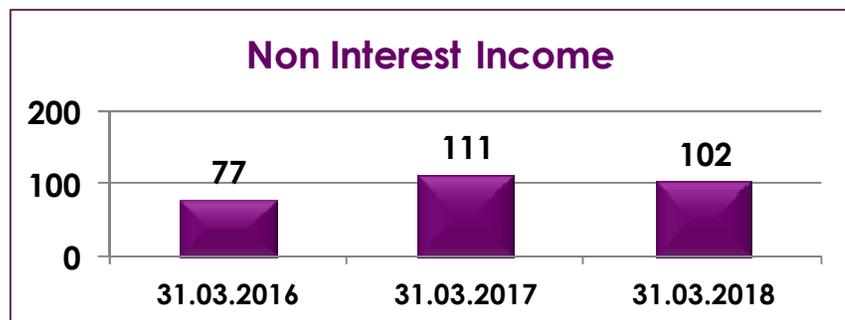
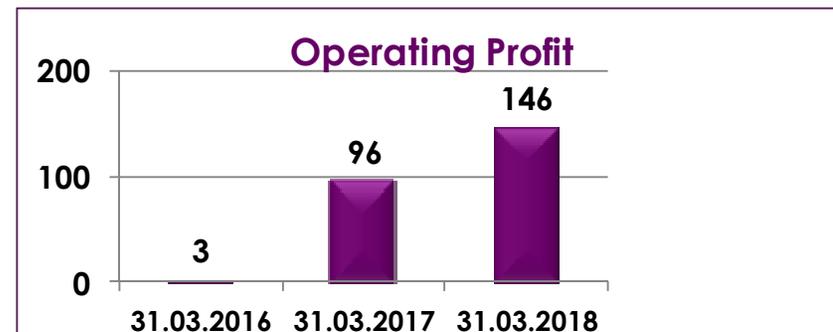
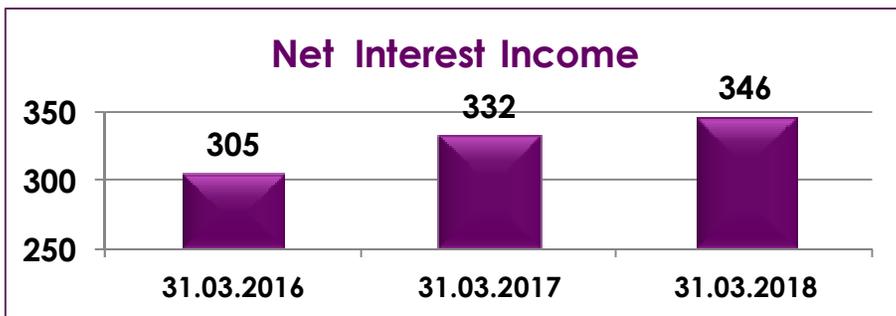


Business Result

Particulars	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)
Interest Income	1204.27	1089.06	1013.31
Non Interest Income	76.72	111.02	102.47
Total Income	1280.99	1200.08	1115.78
Interest Expenses	899.59	757.46	667.52
Operating Expenses	378.12	346.25	302.08
Total Expenses	1277.71	1103.71	969.60
Operating Profit	3.28	96.37	146.18
Provisions and Contingencies	209.95	81.69	171.05
Exceptional Item	(2.78)	(2.30)	0.00
Net Profit	(209.45)	12.38	(24.87)



Business Result



Business Results - Non Interest Income

Particulars	For the Year Ended		
	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)
Commission, Exchange and Brokerage	5.94	5.43	5.08
Profit/(Loss) on sale of Investments (Net)	4.94	34.56	10.84
Profit on sale of land, building and other Assets (Net)	0.05	0.06	(0.16)
Profit on exchange transactions (Net)	6.60	4.66	5.28
Income from Insurance	3.52	1.94	6.58
Miscellaneous Income	55.67	64.37	74.85
Total	76.72	111.02	102.47
Total Income	1280.99	1200.08	1115.78
% of Other Income to Total income	5.99	9.25	9.18

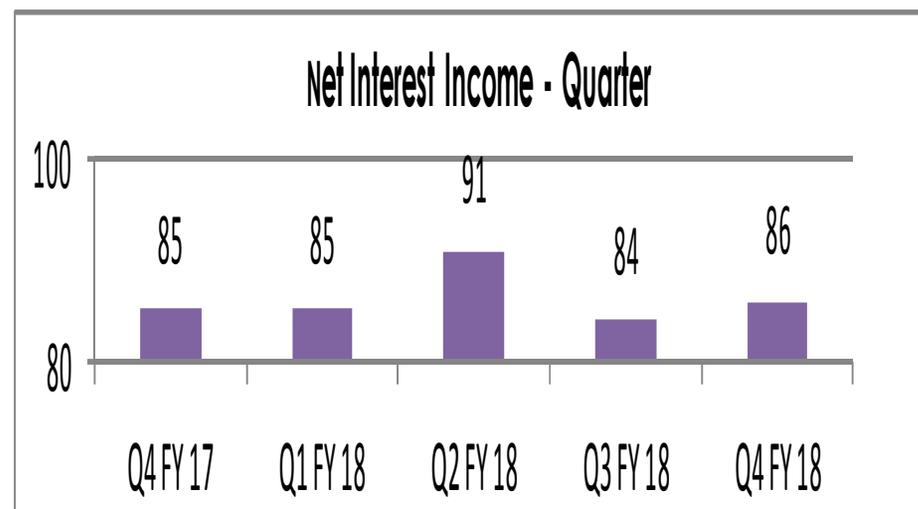


Income and Margins

Income and Margins

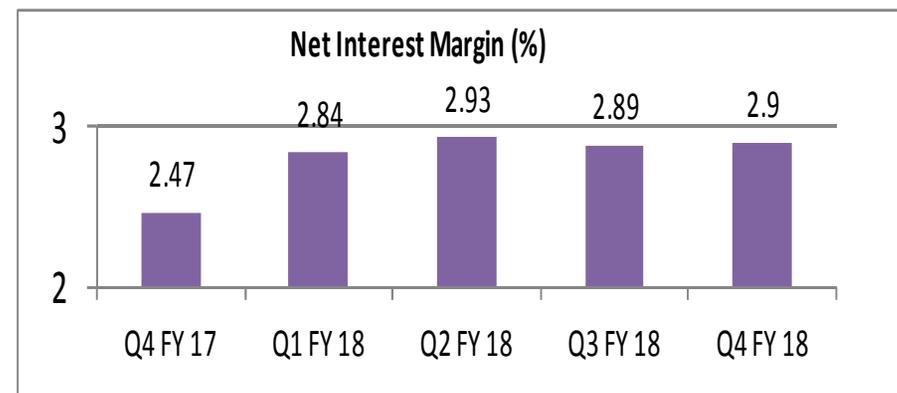
Net Interest Income -Quarter

Q4 FY17	85
Q1 FY18	85
Q2 FY18	91
Q3 FY18	84
Q4 FY18	86

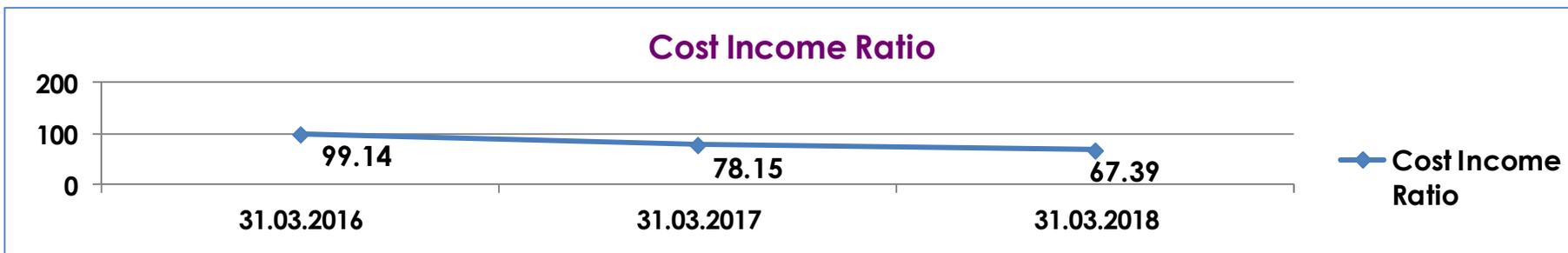
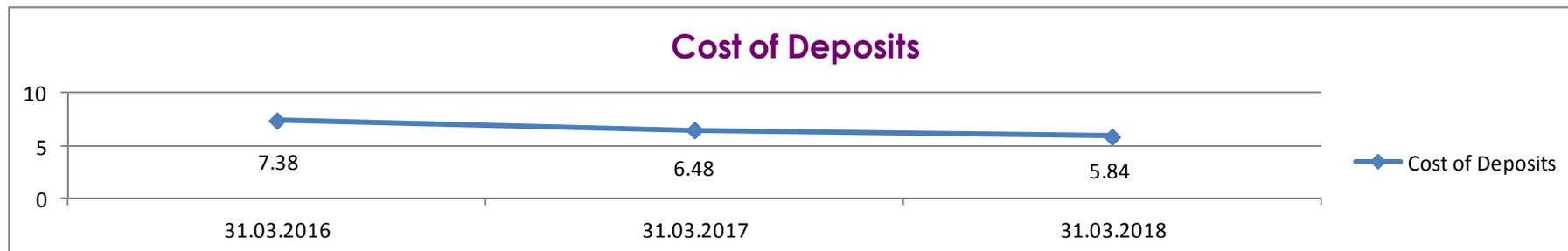
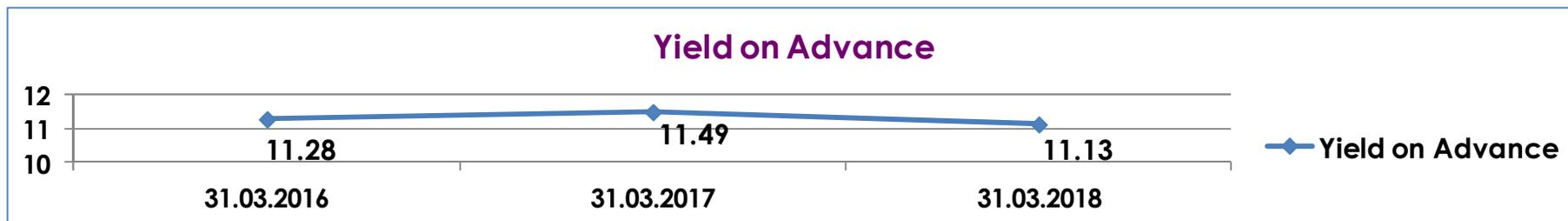


Net Interest Margin (%)

Q4 FY17	2.76
Q1 FY18	2.84
Q2 FY18	2.93
Q3 FY18	2.89
Q4 FY18	2.90

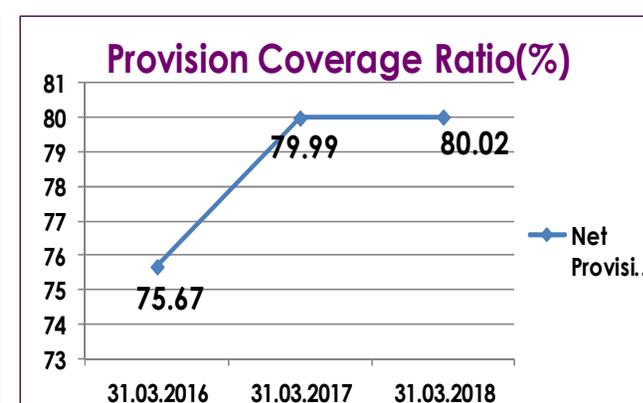
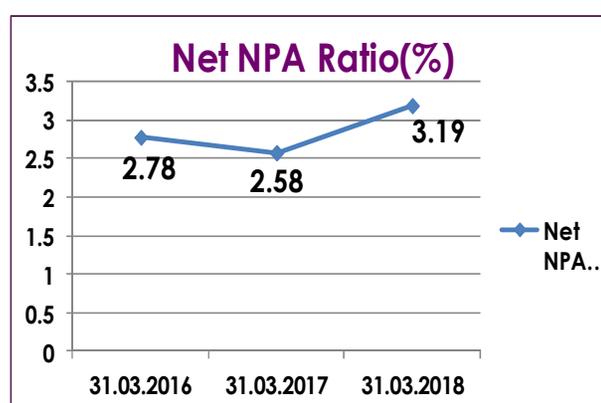
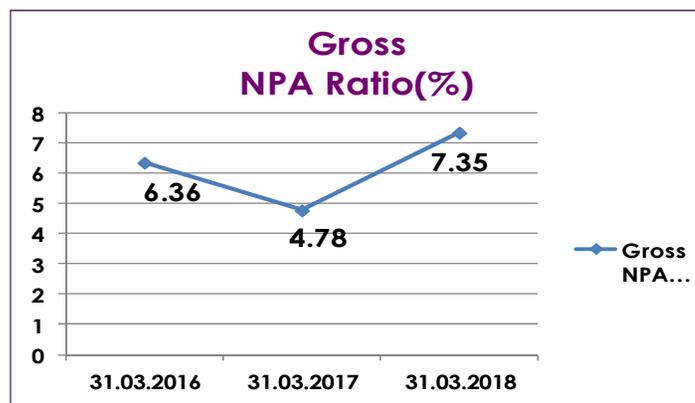


Income and Margins



Asset Quality

Particulars	31.03.16 (Audited)	31.03.17 (Audited)	31.03.18 (Audited)
Gross NPA ratio (%)	6.36	4.78	7.35
Net NPA ratio (%)	2.78	2.58	3.19
Provision Coverage ratio(%)	75.67	79.99	80.02



Summary of Financials – Balance Sheet

Particulars	As at March 2016 (Audited)	As at March 2017 (Audited)	As at March 2018 (Audited)
CAPITAL AND LIABILITIES			
Capital	177	210	253
Reserves and Surplus	330	445	496
Deposits	11354	11294	10920
Borrowings	252	145	392
Other Liabilities and Provisions	349	239	225
TOTAL	12462	12333	12286
ASSETS			
Cash and Balances with Reserve Bank of India	579	575	603
Balances with Banks and Money at call and short notice	254	233	269
Investments	3792	4194	4365
Advances	6953	6446	6110
Fixed Assets	179	214	203
Other Assets	705	671	736
TOTAL	12462	12333	12286
<i>Out of Which RIDF/RHF/MSME Deposits</i>	332	357	383
Contingent Liabilities	698	792	773
Bills for collection	249	258	345

Way Forward

Profitability Approach	Liability Strategy	<ul style="list-style-type: none"> • Systematic Growth in Deposits • Increasing CASA • Increasing Retail / Low cost Deposits
	Asset Strategy	<ul style="list-style-type: none"> • Quality Advance Portfolio • Increasing Retail Advances • Lending based on Collaterals • Better Pricing
	Cost Rationalization	<ul style="list-style-type: none"> • Relocating high Cost Premises & low hit ATMs • Renegotiating with vendors for cost reduction • Other Cost Rationalization
	Focus on Non Interest Income	<ul style="list-style-type: none"> • Continued focus on Cross Selling • Focus on Insurance and Mutual Fund Products • Increased focus on Non Fund based facilities • Uniform Processing fee structure • Focus on recovery efforts by recourse to enabling provisions in law including IBC,RR,OTS etc
	Other Initiatives	<ul style="list-style-type: none"> • Leveraging of Technology Products • Transformation Projects • Effective use of data mining tools • Improved Visibility Measures

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established 1927

