



INVESTOR PRESENTATION

SEPTEMBER -2018



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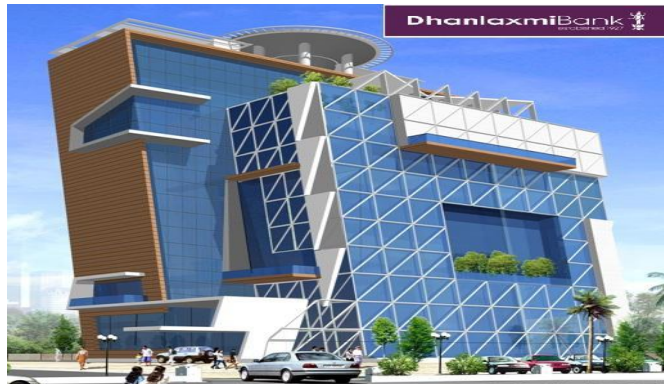
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Dhanlaxmi Bank- Profile



- Incorporated in 1927 at Thrissur, Kerala by a group of ambitious and enterprising entrepreneurs.
- Over the 91 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.
- 631 touch points including 252 branches, 346 ATMs and 20 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.



Profile of Board of Directors

| | Name | Experience & Other Directorships |
|---|--|--|
|  | <p>Sajeev Krishnan Chairman (Part-time)</p> | <p>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.</p> |
|  | <p>T. Latha MD & CEO</p> | <p>Ms T Latha assumed charge as Managing Director & Chief Executive Officer of the Bank on July 02, 2018. She has 35 years of banking experience with Punjab National Bank across a host of roles and responsibilities including Branch Management, Regional Management and National Level Credit Manaaement handling a portfolio of approximately INR 40,000 crore. She is a MBA holder in finance and post graduate in MA literature. She has also passed the Limited Insolvency Exam and CAIIB.</p> |
|  | <p>Chella K Srinivasan Independent Director</p> | <p>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.</p> |



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>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>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 |
|---|--|--|
|  | K.N Murali Independent Director | Mr. K.N Murali had worked in State Bank of Travancore, State Bank of Saurashtra and State Bank of Hyderabad in various positions across the country. He had handled credit, inspection and audit. As General Manager (Commercial Network) of State Bank of Travancore, Mr. K.N Murali was responsible for all large advances of the Bank. He was also a regular invitee to the Board and Board Committees to present the credit proposals. He has also undergone training program at Kellogg's Institute of Management, Chicago. |
|  | 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. |

Profile of Board of Directors

| Name | | Experience & Other Directorships |
|---|--|---|
|  | 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. |
|  | 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. |

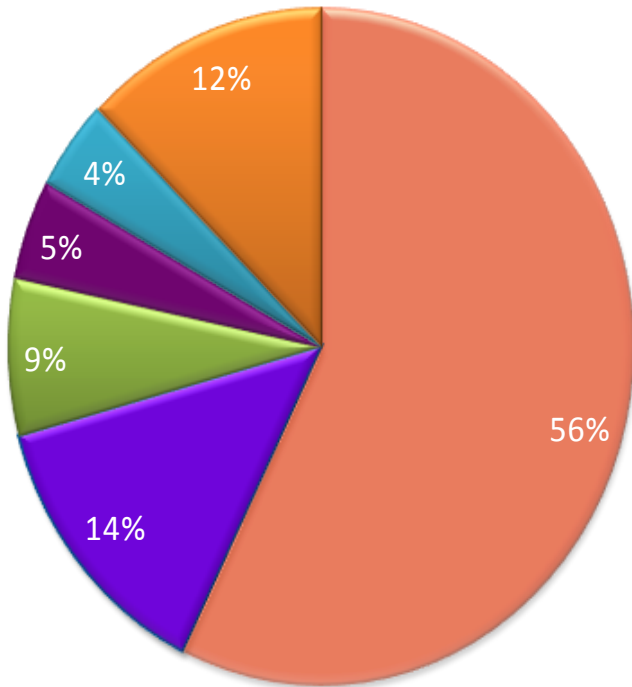
Profile of Key Management Personnel

| 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. Ramesh AJ Chief Financial Officer | <ul style="list-style-type: none">▪ Experience of 31 years in banking sector.▪ Worked in SBI/SBT in various areas like Finance & Accounts ,Large Value Credit intensive branches etc.▪ He holds a degree in chemistry and is also a Certified Associate of the Indian Institute of Bankers (CAIIB).▪ He is also a qualified Chartered Accountant. |
| Mr. Santosh Kumar Barik Company Secretary | <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. |

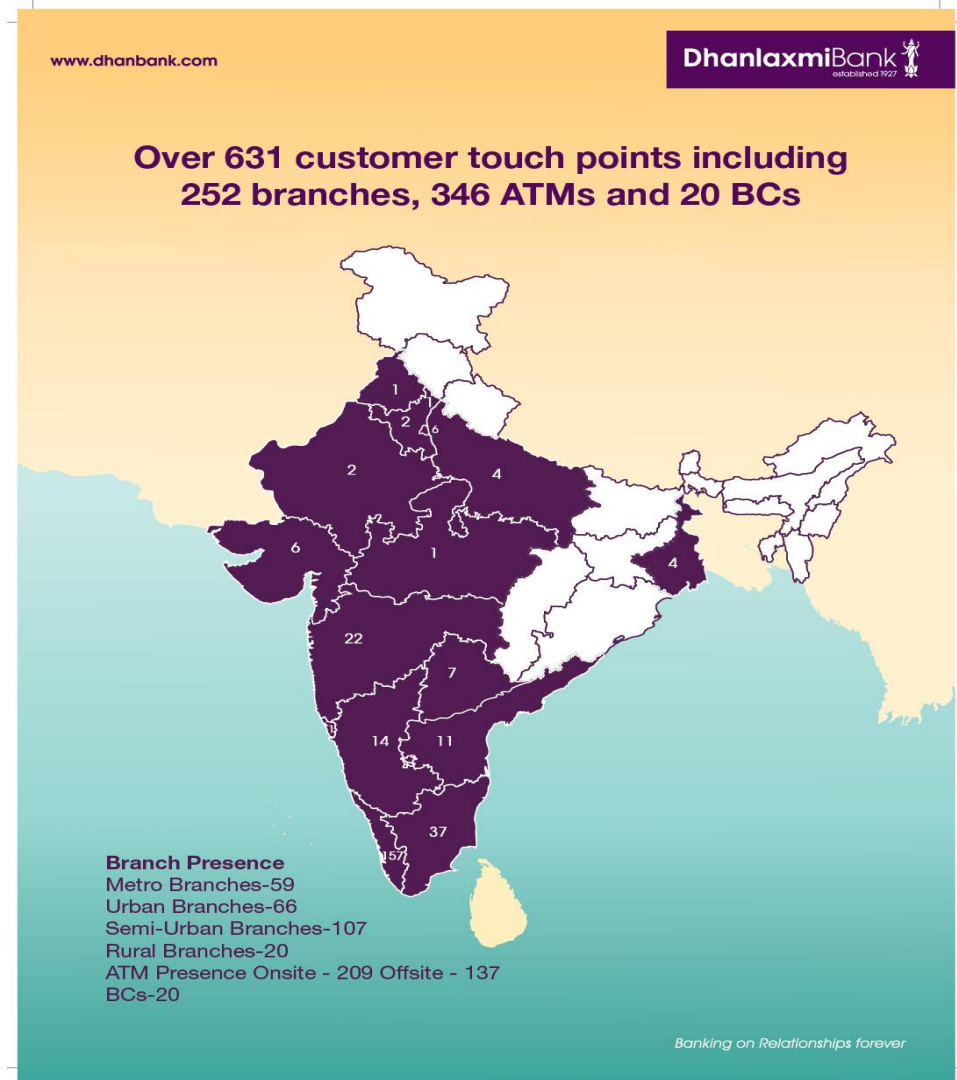
Profile of Senior Management

| Name | Experience |
|--|--|
| <p>Mr. Muraleedharan M Head Inspection</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 Credit 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. L. Chandran Chief Recovery Officer</p> | <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. |

Overview of Distribution Network

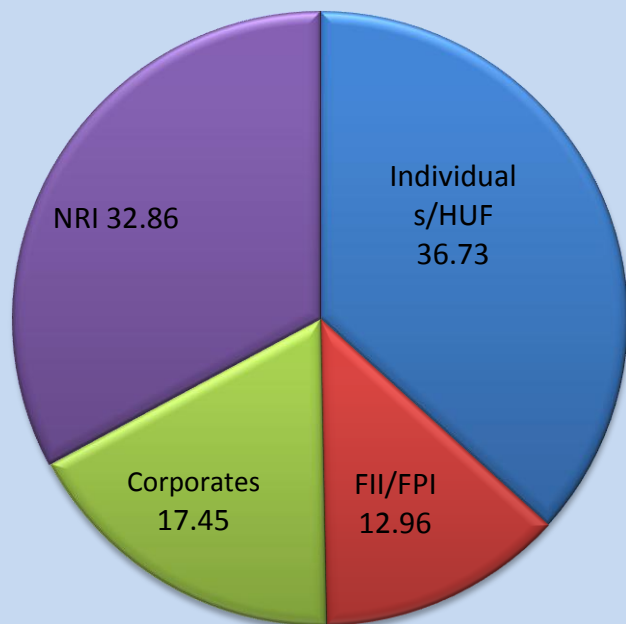


- Kerala
- Tamil Nadu
- Maharashtra
- Karnataka
- Andhra Pradesh
- Others



Shareholding pattern

Shareholding 1% & above (As on September 30, 2018)



| Share Holder | % Stake |
|--|---------|
| B RAVINDRAN PILLAI | 9.9995 |
| GOPINATHAN C K | 7.4897 |
| YUSUFFALI MUSALIAM VEETIL ABDUL KADER . | 4.9996 |
| KAPILKUMAR WADHAWAN | 4.9996 |
| NICHE FINANCIAL SERVICES PVT LTD | 4.9740 |
| CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LTD | 2.9897 |
| SHITAL RAGHU KATARIA & SHALIN KATARIA | 2.6306 |
| ELARA INDIA OPPORTUNITIES FUND LIMITED | 2.6260 |
| MARSHAL GLOBAL CAPITAL FUND LTD | 2.1738 |
| ANTARA INDIA EVERGREEN FUND LTD | 2.1540 |
| POTLURI RAJMOHAN RAO | 1.5991 |
| MOHANACHANDRAN NAIR B | 1.5991 |
| B GOVINDAN | 1.5197 |
| HAREENDRAN C K | 1.3833 |
| AGNUS VENTURES LLP | 1.3833 |
| LAVINA ASHISH GOENKA | 1.0967 |

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 | 252 |
| No : ATMs | 346 |
| Deposit (Rs. in Crore) | 10817 |
| Advances(Gross) (Rs. in Crore) | 6257 |
| Total Business (Rs. in Crore) | 17074 |
| Total Assets (Rs. in Crore) | 11972 |

* As on 30.09.2018

Performance Overview

- *Net Profit of Rs.12.15 crores for Q2 2018-19 as against Rs.6.06 crores for Q2 2017-18*
- *Operating expense has been reduced by 10.39% on Y-o-Y basis*
- *Total expenses has been reduced by 8.55% on Y-o-Y basis*
- *Employee cost also reduced by 11.29% on Y-o-Y basis*
- *Cost of funds has been reduced from 6.09% to 5.73% on Y-o-Y basis*
- *Income on investments improved by 10.92% on Y-o-Y basis.*
- *Yield on investments has been improved from 6.48% to 6.66% on Y-o-Y basis.*
- *Net NPA improved to 2.92% from 3.67% on Y-o-Y basis*
- *Provision Coverage Ratio improved from 74.69% to 82.50% on Y-o-Y basis*
- *CRAR improved from 11.62% to 14.16% on Y-o-Y basis*

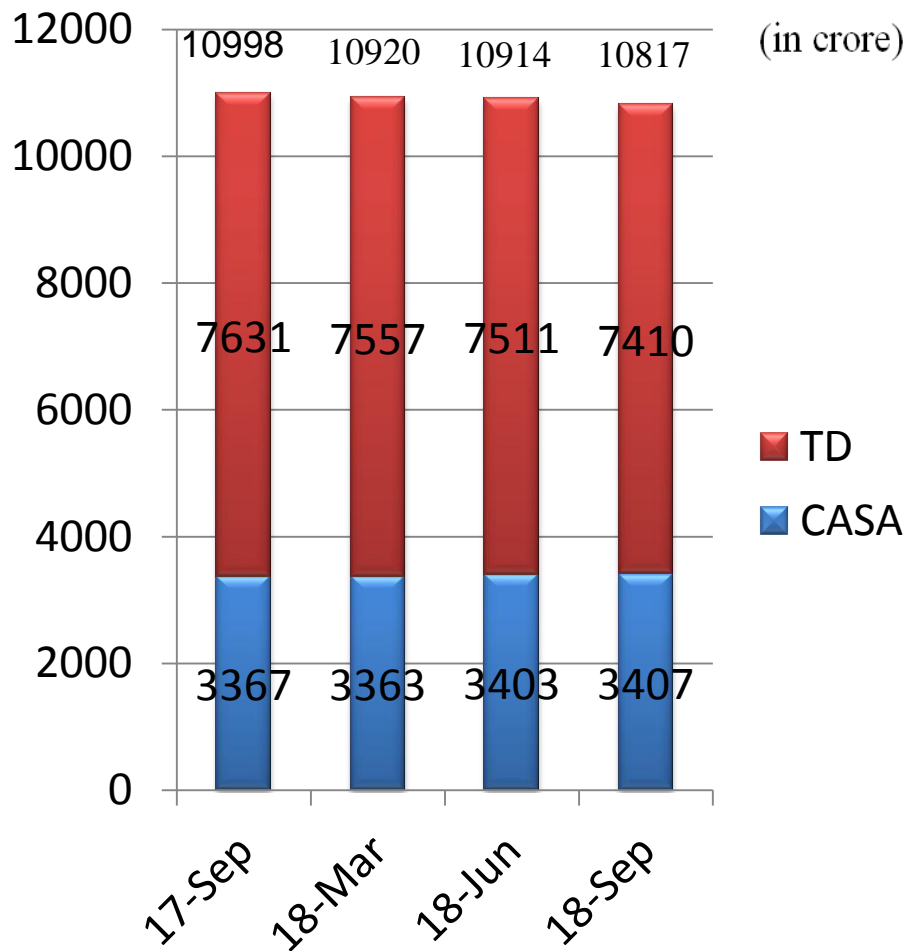
Performance Highlights

| Particulars | 30-09-2017 (Reviewed) | 31-03-2018 (Audited) | 30-09-2018 (Reviewed) |
|---|--------------------------|-------------------------|--------------------------|
| Gross Advances (in crore) | 6369 | 6387 | 6257 |
| Deposits (in crore) | 10998 | 10920 | 10817 |
| GNPA% | 6.11 | 7.35 | 7.81 |
| NNPA% | 3.67 | 3.19 | 2.92 |
| NIM % | 2.93 | 2.90 | 2.84 |
| ROA % | 0.23 | (0.20) | (0.55) |
| ROE % | 3.55 | (3.32) | (9.14) |
| Cost/Income Ratio % | 75.13 | 67.39 | 91.64 * |
| CASA to Total Deposits | 31% | 31% | 31% |
| Market Capitalization (in crore) | 934 | 541 | 282 |
| Book Value Per Share (Rs.) | 31 | 30 | 28 |
| CRAR % | 11.62 | 13.87 | 14.16 |
| * Would be 74.97% if the Loss on Sale of Investments is excluded. | | | |

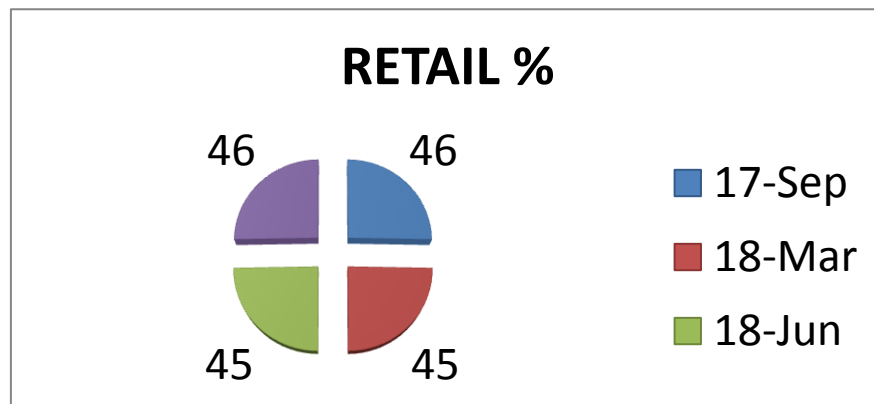
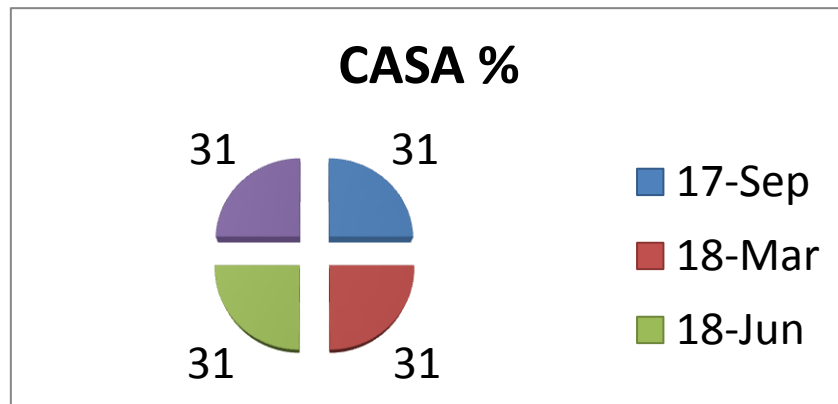
Performance Highlights

(Rs. in

DEPOSITS



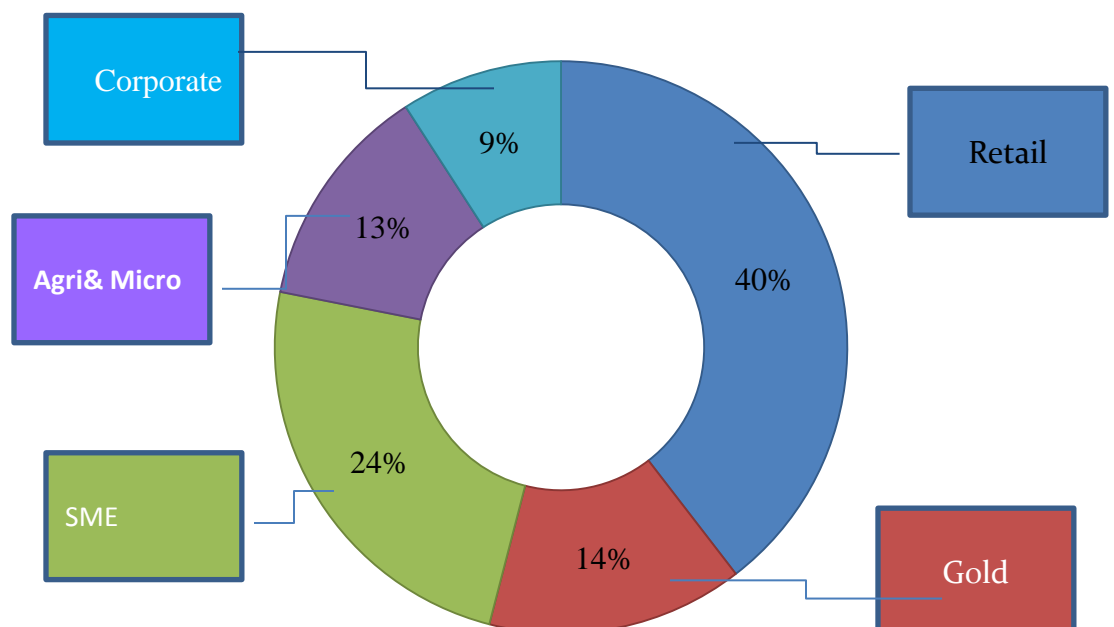
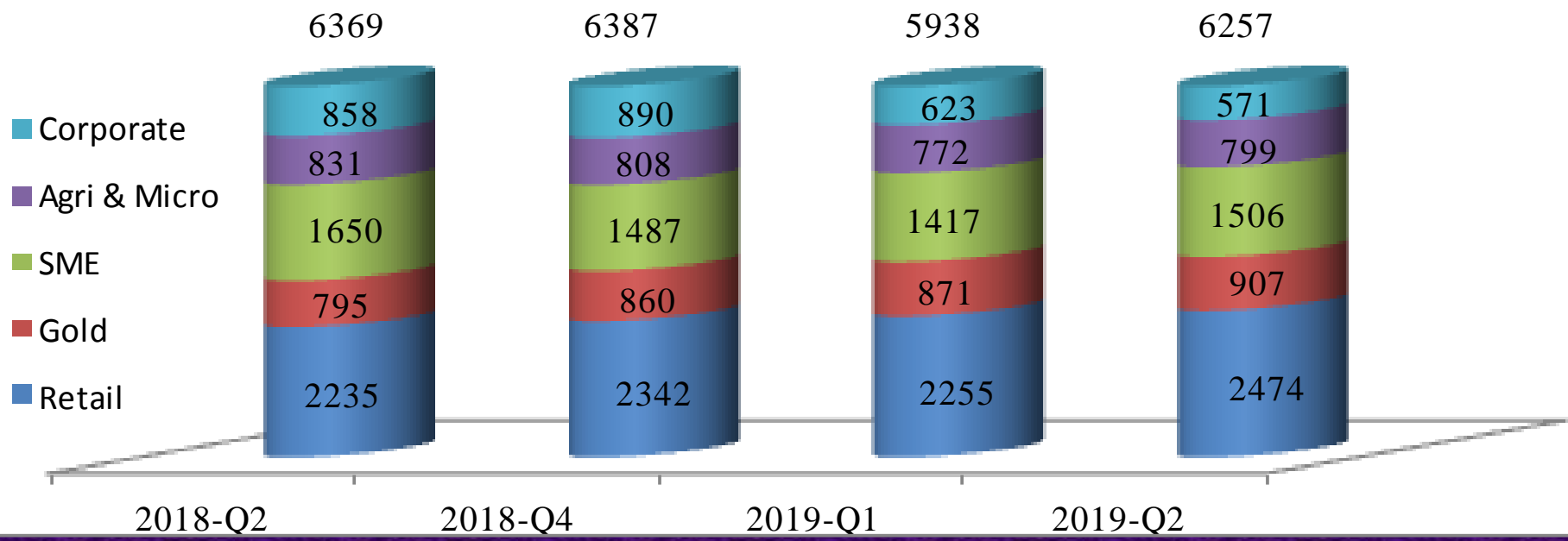
Trend in movement of CASA %



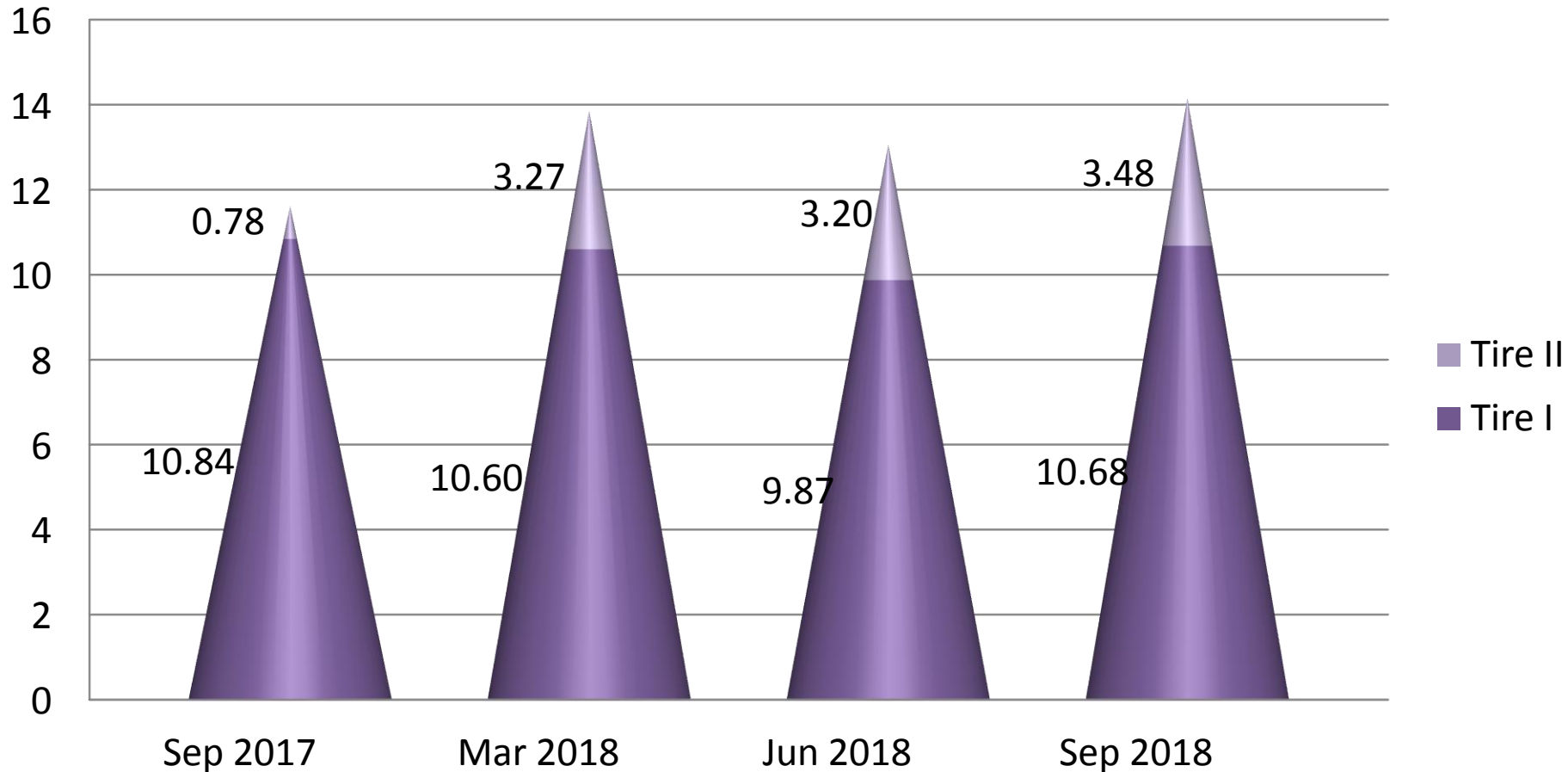
Advance Portfolio

Gross Advance

Rs.in Cr.



Performance Highlights-CRAR



Business Result

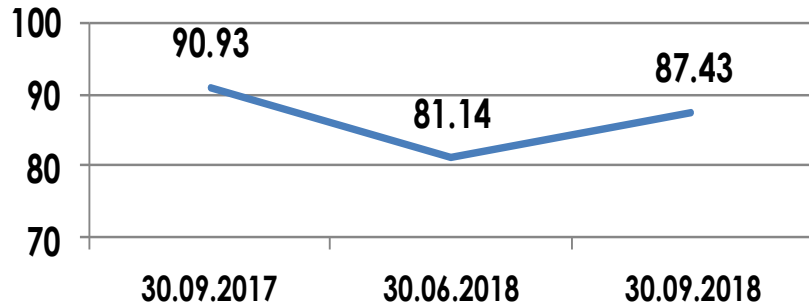
(` in Crore)

| Particulars | 30-09-2017 (Reviewed) | 31-03-2018 (Audited) | 30-09-2018 (Reviewed) |
|----------------------------|--------------------------|-------------------------|--------------------------|
| TOTAL INCOME | 569.55 | 1115.79 | 483.09 |
| TOTAL EXPENSE | 512.99 | 969.61 | 469.11 |
| NET INTEREST INCOME | 176.34 | 345.80 | 168.57 |
| OPERATING PROFIT | 56.56 | 146.18 | 13.98 |
| PROVISIONS & CONTINGENCIES | 42.53 | 171.05 | 46.82 |
| NET PROFIT | 14.03 | (24.87) | (32.84) |

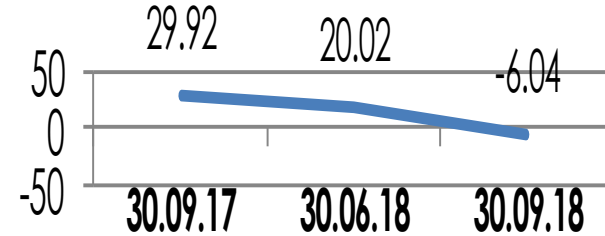
Business Result for the Quarter Ended

(` in Crore)

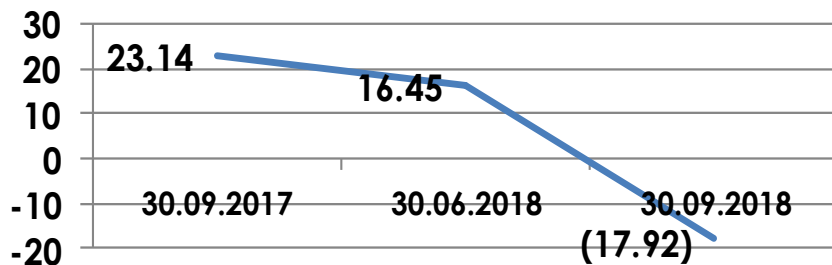
Net Interest Income



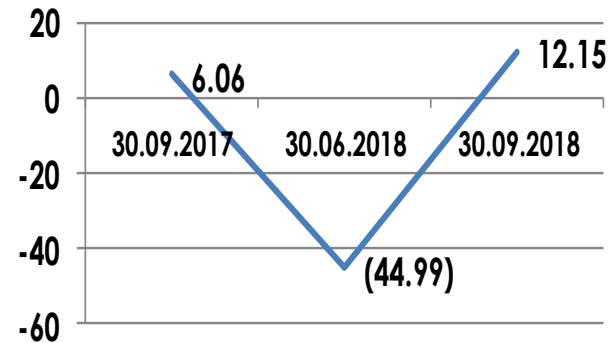
Operating Profit



Non Interest Income



Net Profit





Income and Margins

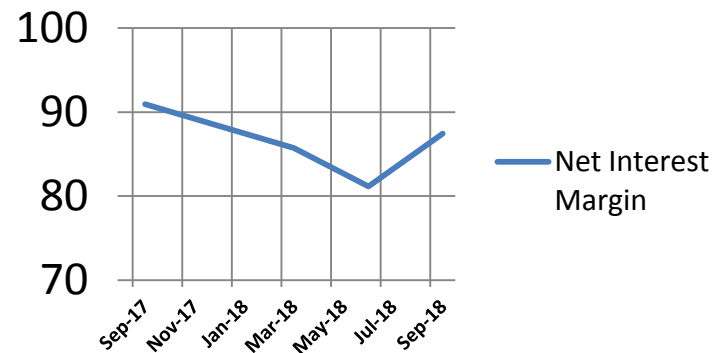
Income and Margins

(in crore)

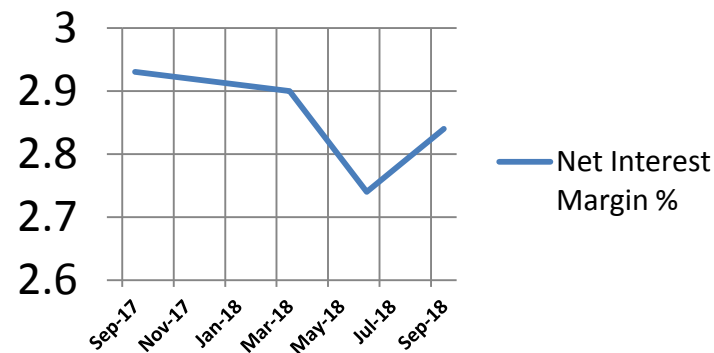
| Net Interest Income for the Quarter Ended | |
|---|-------|
| Sep 2017 | 90.93 |
| Mar 2018 | 85.72 |
| June 2018 | 81.14 |
| Sep 2018 | 87.43 |

| Net Interest Margin (%) | |
|-------------------------|------|
| Sep 2017 | 2.93 |
| Mar 2018 | 2.90 |
| June 2018 | 2.74 |
| Sep 2018 | 2.84 |

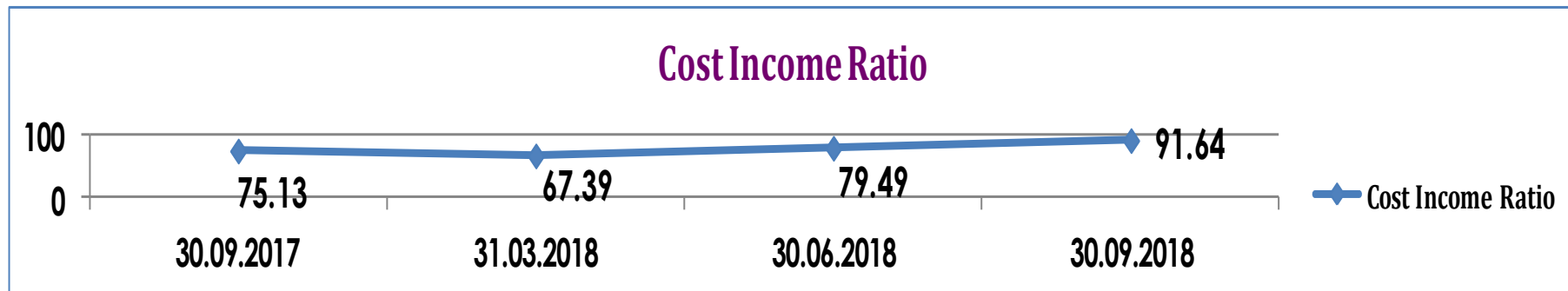
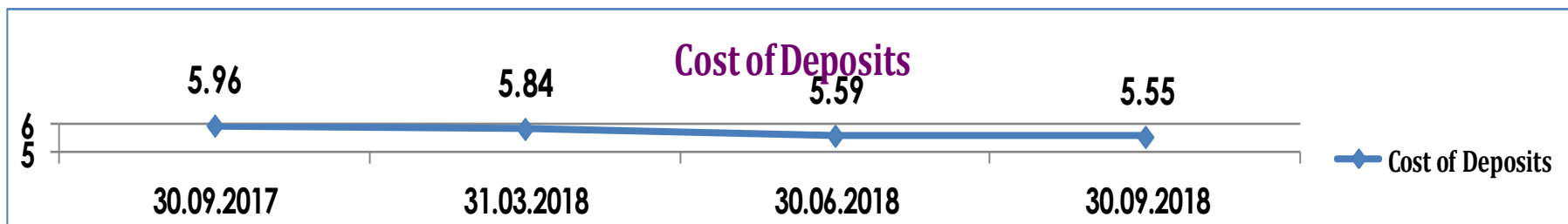
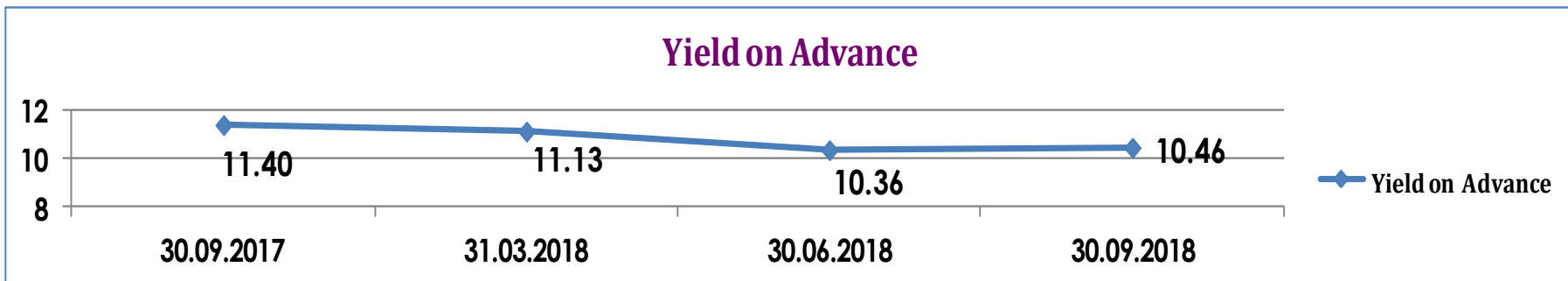
Net Interest Income



Net Interest Margin

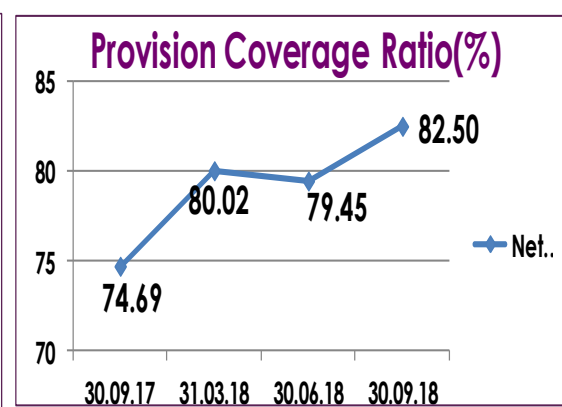
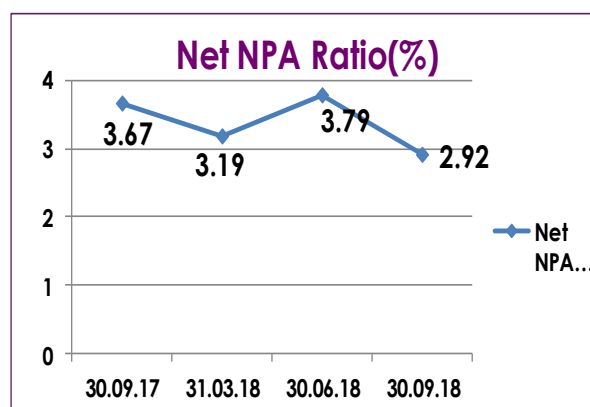
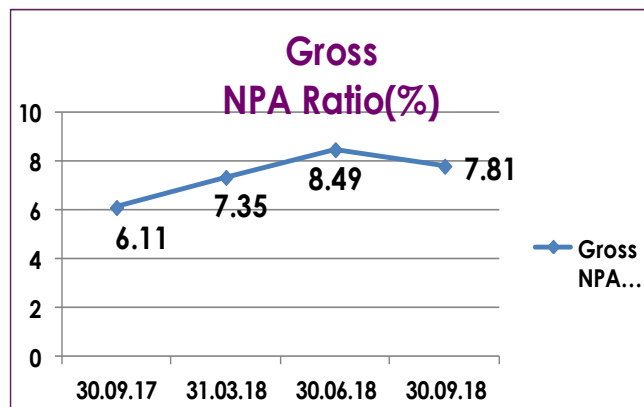


Income and Margins



Asset Quality

| Particulars | 30-09-2017 (Reviewed) | 31-03-2018 (Audited) | 30-06-2018 (Audited) | 30-09-2018 (Reviewed) |
|-----------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Gross NPA ratio (%) | 6.11 | 7.35 | 8.49 | 7.81 |
| Net NPA ratio (%) | 3.67 | 3.19 | 3.79 | 2.92 |
| Provision Coverage ratio(%) | 74.69 | 80.02 | 79.45 | 82.50 |



Summary of Financials – Balance Sheet

| Particulars | 30-09-2017 (Reviewed) | 31-03-2018 (Audited) | 30-09-2018 (Reviewed) |
|--|--------------------------|-------------------------|--------------------------|
| CAPITAL AND LIABILITIES | | | |
| Capital | 253 | 253 | 253 |
| Reserves and Surplus | 535 | 496 | 464 |
| Deposits | 10998 | 10920 | 10817 |
| Borrowings | 145 | 392 | 201 |
| Other Liabilities and Provisions | 254 | 225 | 237 |
| TOTAL | 12185 | 12286 | 11972 |
| | | | |
| ASSETS | | | |
| Cash and Balances with Reserve Bank of India | 560 | 603 | 608 |
| Balances with Banks and Money at call and short notice | 174 | 269 | 198 |
| Investments | 4354 | 4365 | 4321 |
| Advances | 6207 | 6110 | 5941 |
| Fixed Assets | 206 | 203 | 201 |
| Other Assets | 684 | 736 | 703 |
| TOTAL | 12185 | 12286 | 11972 |
| <i>Out of Which RIDF/RHF/MSME Deposits</i> | 355 | 383 | 354 |
| Contingent Liabilities | 797 | 773 | 902 |
| Bills for collection | 286 | 345 | 332 |

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 Measures |
| | Focus on Non Interest Income | <ul style="list-style-type: none"> • Focus on recovery efforts by recourse to enabling provisions in law including IBC,RR,OTS etc • Continued focus on Cross Selling • Focus on Insurance and Mutual Fund Products • Increased focus on Non Fund based facilities • Uniform Processing fee structure |
| | 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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