



# **Investor Presentation Q2FY14 Financials**

# Disclaimer

This presentation has been prepared by Dhanlaxmi Bank (the “Bank”) solely for your information and for your use and may not be taken away, reproduced, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization or firm) or published in whole or in part, for any purpose. By attending this presentation, you are agreeing to be bound by the foregoing restrictions and to maintain absolute confidentiality regarding the information disclosed in these materials.

The information contained in this presentation does not constitute or form any part of any offer, invitation or recommendation to purchase or subscribe for any securities in any jurisdiction, and neither the issue of the information nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment on the part of any person to proceed with any transaction. This presentation is not and should not be construed as a prospectus (as defined under Companies Act, 1956) or offer document under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, as amended, or advertisement for a private placement or public offering of any security or investment.

The information contained in these materials has not been independently verified. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials. Such information and opinions are in all events, not current after the date of the presentation. The recipients of this presentation and the information contained herein are not to construe the document as tax, investment or legal advice.

Any forward-looking statements in this presentation are subject to risks and uncertainties that could cause actual results or financial conditions or performance or industry results to differ materially from those that may be inferred to being expressed in, or implied by, such statements. Such forward-looking statements are not indicative or guarantees of future performance. Any forward-looking statements, projections and industry data made by third parties included in this presentation are not adopted by the Bank, and the Bank is not responsible for such third party statements and projections. This presentation may not be all inclusive and may not contain all of the information that you may consider material. The information presented or contained in these materials is subject to change without notice. Neither the Bank nor any of its affiliates, advisers or representatives accepts liability whatsoever for any loss howsoever arising from any information presented or contained in these materials. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.

This presentation is for general information purposes only, without regard to any specific objectives, financial situation or informational needs of any particular person. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes.

**THIS PRESENTATION DOES NOT CONSTITUTE OR FORM ANY PART OF ANY OFFER, INVITATION OR RECOMMENDATION TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES IN THE UNITED STATES OR ELSEWHERE.**

# Overview

Key Milestones Achieved

Profile of Board of Directors

Overview of Distribution Network

Shareholding pattern

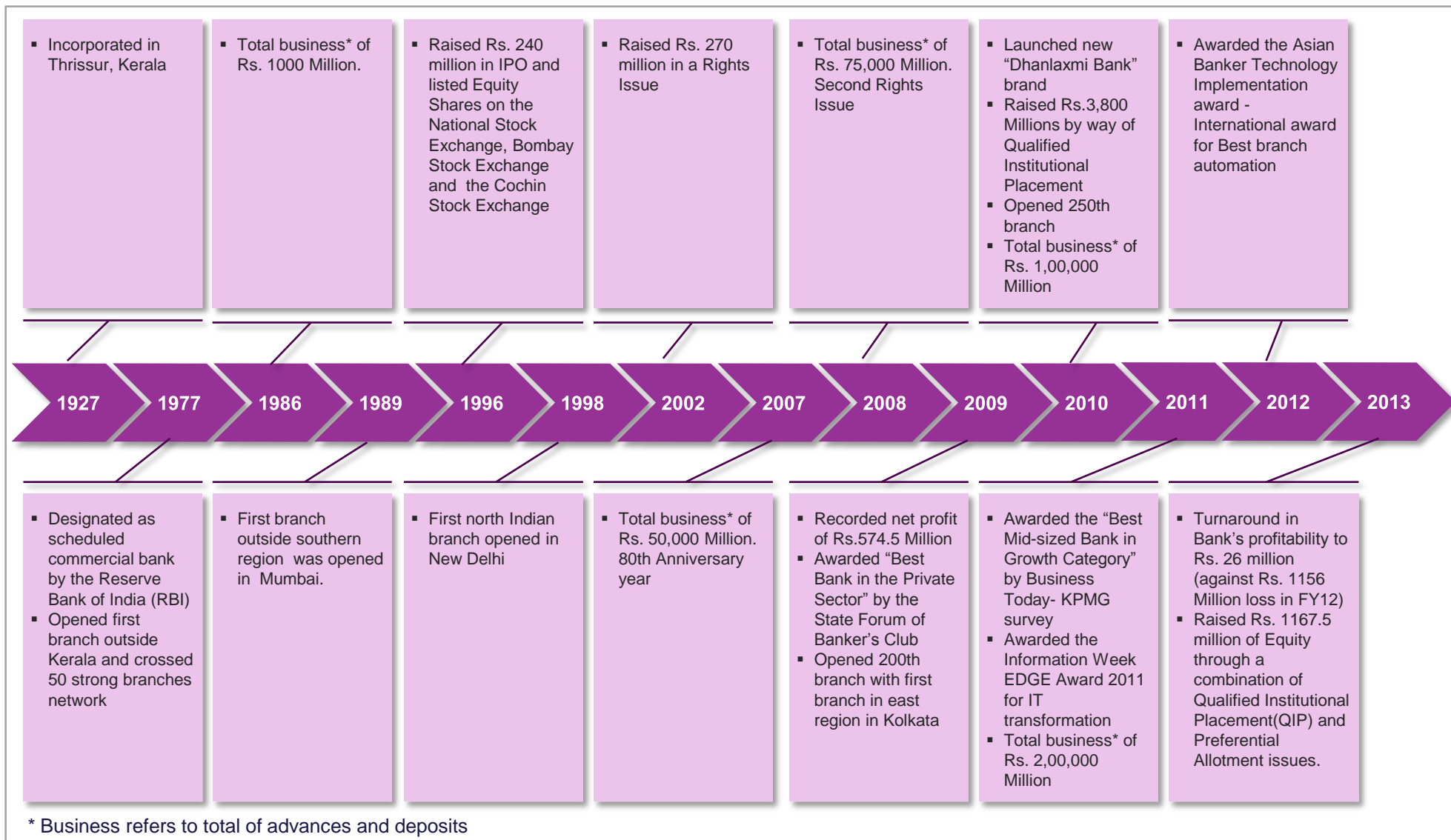
Summary of Operational Performance

Summary of Financials






Profile of Key Management Personnel

Way Forward

# Key Milestones Achieved






# Profile of Board of Directors

Name	Designation	Experience & Other Directorships
	Mr. T.Y. Prabhu	Part-time Chairman Headed Oriental Bank of Commerce as Chairman & Managing Director and was previously Executive Director of Union Bank of India. Was appointed by RBI as a member of the Advisory Group on Foreign Exchange Management Act , regulations relating to services like remittance. Also held the position of General Manager – International Operations in Canara Bank.
	Mr. K. Srikanth Reddy	Independent Director A member of the Indian Civil Services, he worked in many government departments including the Ministries of Planning and Program Implementation, Food and Processing Industries, Defence, Communications, Welfare and Tourism and Civil Aviation.
	Mr. P.G Jayakumar	MD & CEO Took charge as MD&CEO on 6th February, 2012 prior to which he was serving as Executive Director since 2011 . He has 36 years of experience in the Bank. Joining in 1977, he worked with the regional and zonal offices before joining the corporate office as General Manager in 2006.
	Mr. K. Vijayaraghavan	Independent Director He has served on the boards of various banks such as The Catholic Syrian Bank, The South Indian Bank, The Nedungadi Bank, State Bank of Travancore, State Bank of Patiala, Himachal Pradesh Financial Corp. and Syndicate Bank, as RBI nominee. He retired from RBI in 2003 as Chief General Manager.
	Mr. P. Mohanan	Independent Director He has 35 years of Banking experience and retired as General Manager of Canara Bank. While at Canara Bank, he was part of the core team for the Canara Bank's IPO and also contributed in the formulation of Bank's corporate governance policy.

Cont'd

# Profile of Board of Directors

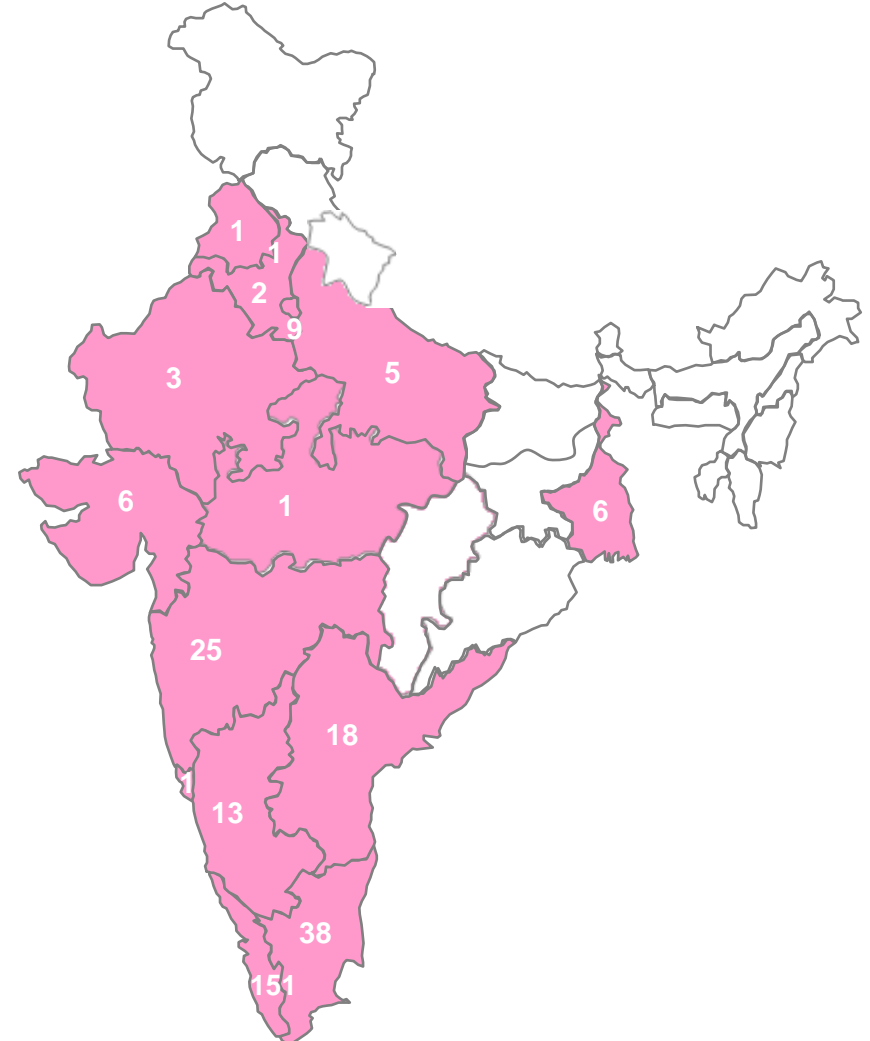
Name	Designation	Experience & Other Directorships	
	<p>Mr. K. Jayakumar</p>	<p>Independent Director</p>	<p>Mr. K. Jayakumar, IAS (Retd.) has served as Secretary to Government in sectors like Agriculture &amp; Tourism and retired as Chief Secretary to the Government of Kerala. He was also a Director of NABARD and Chief Commissioner for Travancore Devaswom Board. He had also served as Agriculture Production Commissioner for over 5 years. Presently he is the Vice Chancellor of the Malayalam University, Kerala.</p>
	<p>Mr. Chella K Srinivasan</p>	<p>Independent Director</p>	<p>Mr. Chella K Srinivasan is the National Executive Vice President of the INDO-American Chamber of Commerce- IACC. He is a practising Chartered Accountant for more than 29 years and has professional expertise in Accounting, Auditing and Corporate Taxation with rich experience in audit of Textile, Paper, Sugar, Steel manufacturing unit, Hotels and Insurance companies in the public sector. He was earlier a member of the Vision Committee of the Institute of Chartered Accountants of India.</p>
	<p>Mr. Raja Selvaraj (w.e.f. 1<sup>st</sup> November 2013)</p>	<p>Additional Director</p>	<p>Mr. Raja Selvaraj, General Manager (RPCD – Chennai), is an Additional Director on the Board as RBI nominee.</p>

# Broad based Distribution Network

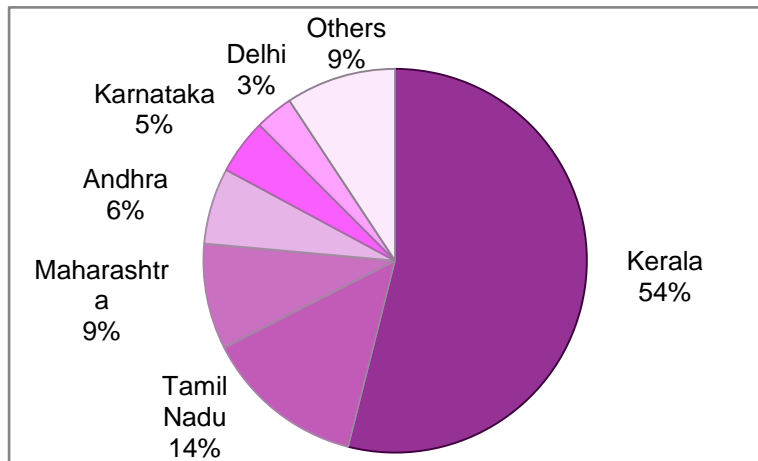
## Branches Profile (As on September 30, 2013)

- As of September 30, 2013 Bank has 676 customer outlets which includes 280 branches, 396 ATMs.
- As of September 30, 2013 Bank is present in 15 states/UTs with 280 branches :
  - ⇒ Metro Branches – 62
  - ⇒ Urban Branches – 89
  - ⇒ Semi-Urban Branches – 101
  - ⇒ Rural Branches – 28
- As of September 30, 2013 Bank has 173 on-site and 223 off-site ATMs.

## Branches Network – State-wise Branches (As on Sept. 30, 2013)

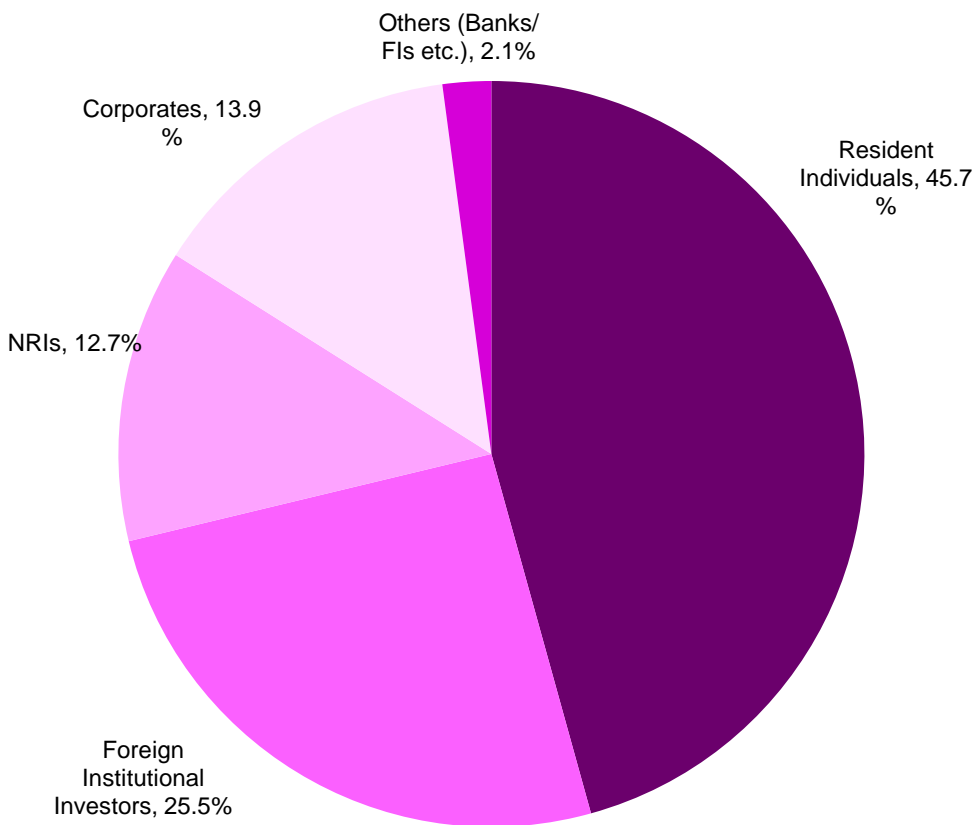


## Branches Profile (As on September 30, 2013)



# Shareholding pattern

As on September 30, 2013



Investment limits for FIIs / NRIs at 49% and 24% respectively

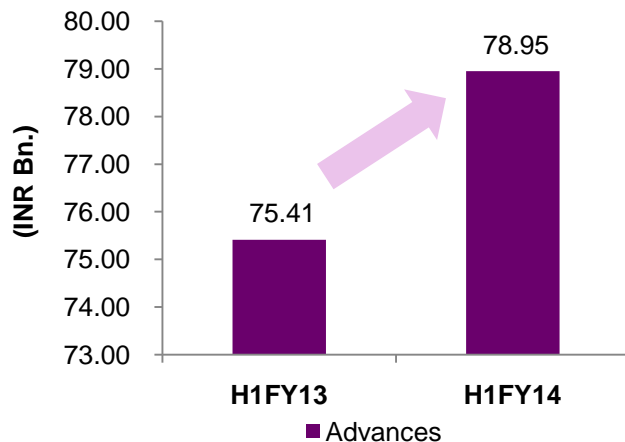
Institutional Investors with shareholding greater than 1% (As on September 30, 2013)

Shareholder	% Stake
JUPITER SOUTH ASIA INVESTMENT COMPANY LTD.	4.24
COLLEGE RETIREMENT EQUITIES FUND	3.84
WELLINGTON MANAGEMENT COMPANY, LLP	3.42
CREDIT SUISSE (SINGAPORE) LIMITED	2.96
LOTUS GLOBAL INVESTMENTS LTD	2.77
INDIA MAX INVESTMENT FUND LIMITED	2.76
ELARA INDIA OPPORTUNITIES FUND LIMITED	2.48
HYPNOS FUND LIMITED	2.39
HDFC STANDARD LIFE INSURANCE COMPANY LTD.	2.03
BHARTI AXA LIFE INSURANCE COMPANY LTD	1.92
INFOMERICS VALUATION AND RATING PVT. LTD.	1.28
ING VYSYA LIFE INSURANCE COMPANY LTD.	1.01

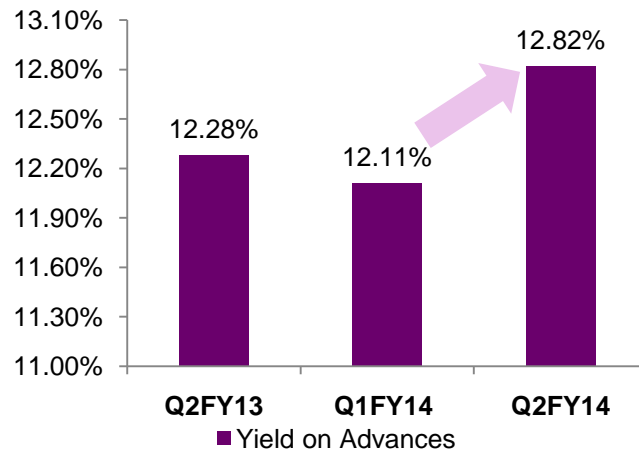


# Business delivery parameters

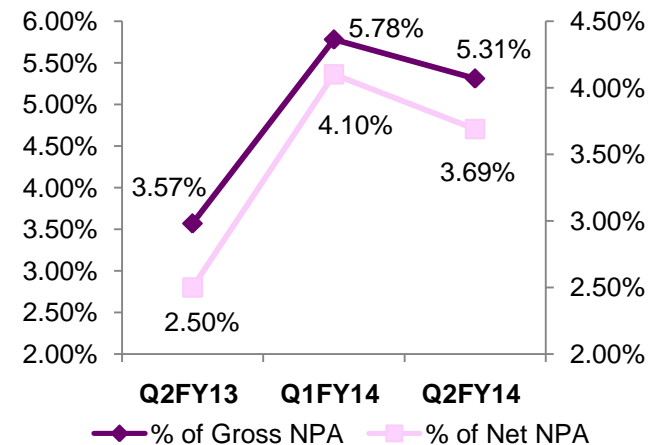
## Advances Momentum



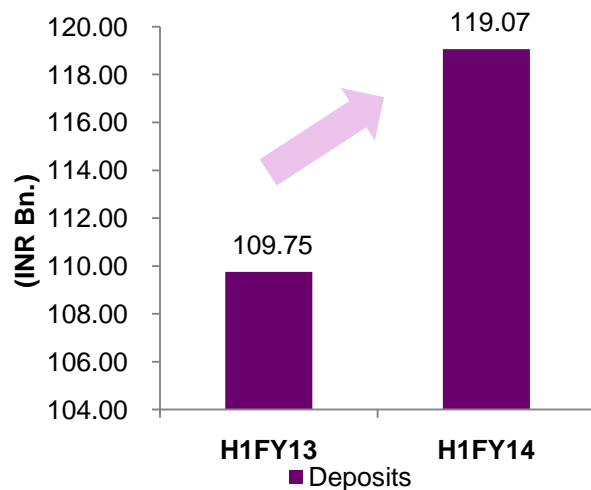
## Increasing Yields



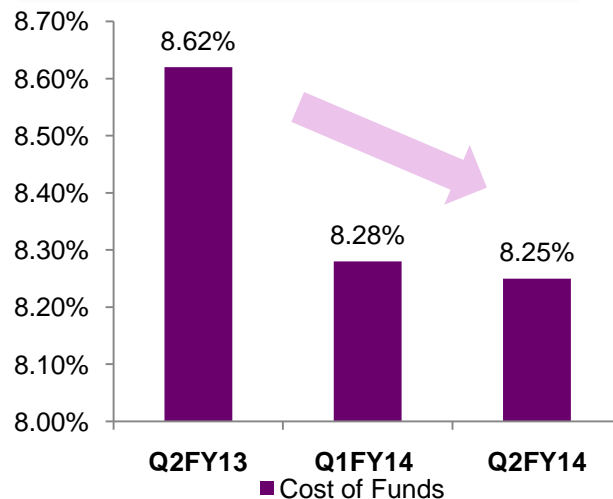
## Asset quality



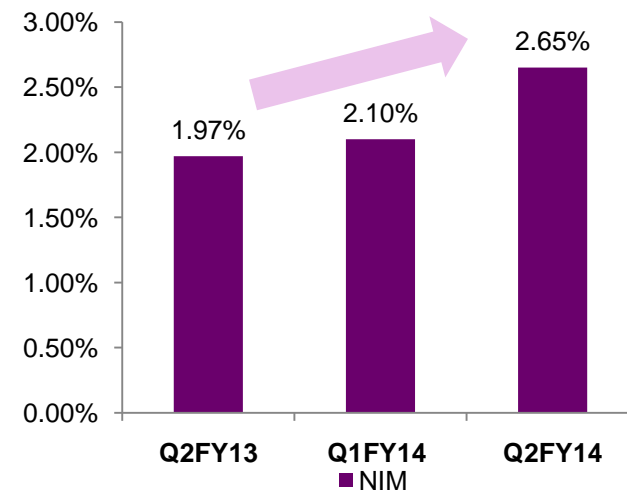
## Growing Deposits



## Reducing Cost

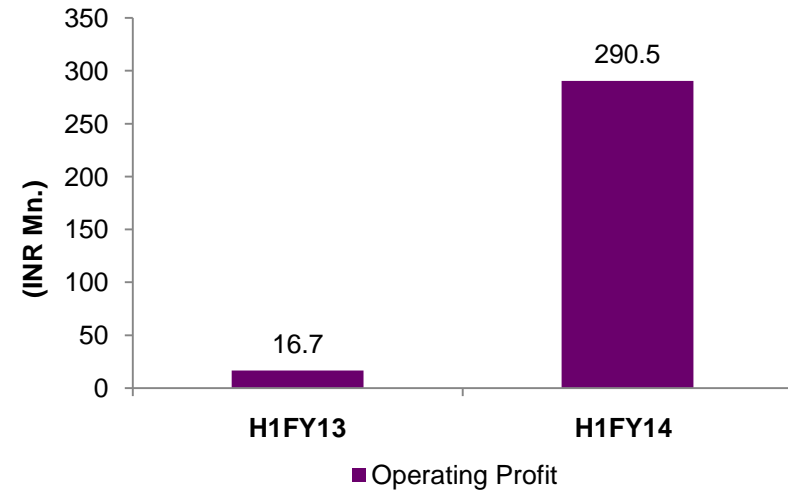
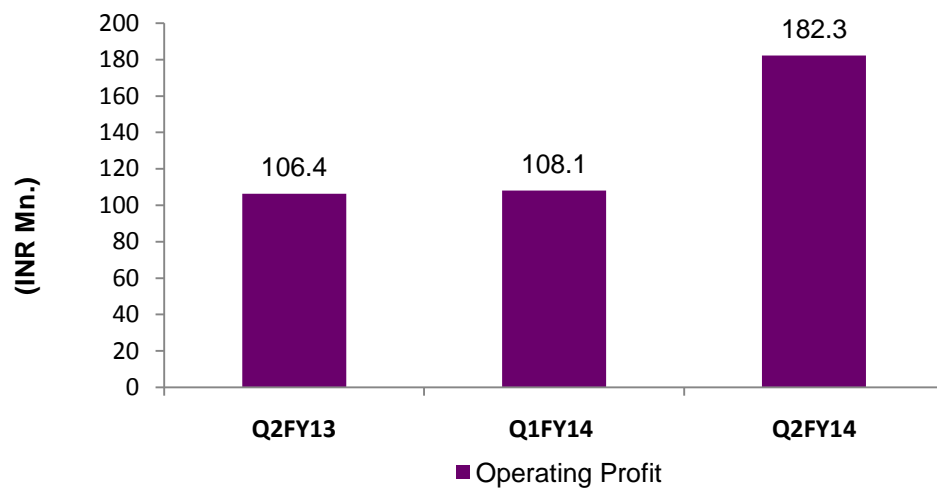


## Improving Net Interest Margin

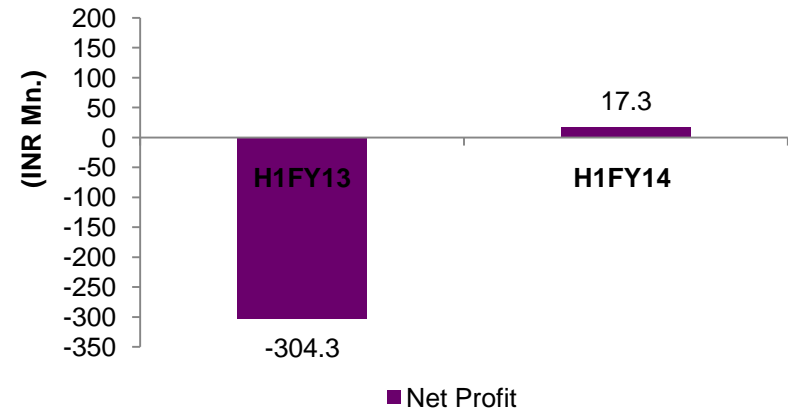
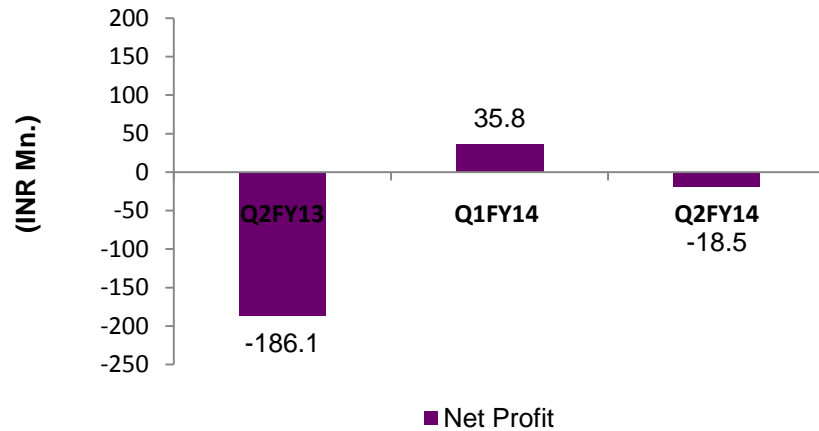


# Operational Efficiency & Profitability

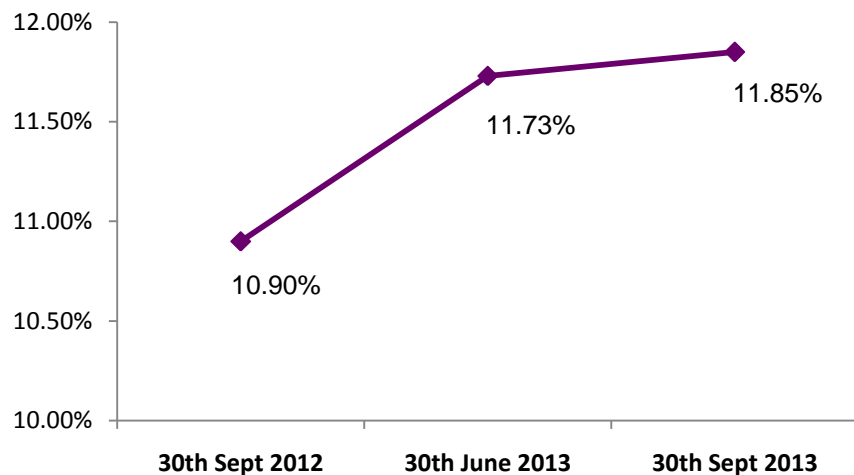
## Operating Profit



## Profit After Tax



# Capital Adequacy



— Capital Adequacy Ratio (Basel II)

- The Bank raised Rs. 1,167.5 Mn. of Equity in Q4FY13 and Q1FY14 through a combination of Qualified Institutional Placement and Preferential Allotment.
- This has further enhanced the Bank's CAR to 11.85% as 30<sup>th</sup> Sept. 2013 (10.46% as per Basel III) from 11.06% as on 31<sup>st</sup> March 2013.

Parameters	30 <sup>th</sup> Sept. 2012	30 <sup>th</sup> June 2013	30 <sup>th</sup> Sept. 2013
Basel II CRAR %	10.90	11.73	11.85
Tier I (%)	7.80	9.23	9.33
+			
Tier II (%)	3.10	2.50	2.52

# Summary of Financials – Profit & Loss Account

(Figures in INR Mn.)

Particulars	H1FY14	H1FY13	Q2FY14	Q2FY13	FY13
Interest Income	6,505	6,577	3,368	3,139	13,080
Interest Expenses	5,046	5,249	2,544	2,561	10,316
<b>NET INTEREST INCOME</b>	<b>1,459</b>	<b>1,328</b>	<b>824</b>	<b>578</b>	<b>2,764</b>
Other Income	393	432	145	220	1,143
Operating Expenses	1,562	1,743	789	692	3,393
- Staff Cost	885	1,015	432	448	1,868
- Other Expenses	677	728	356	243	1,525
<b>OPERATING PROFIT</b>	<b>290</b>	<b>17</b>	<b>182</b>	<b>106</b>	<b>514</b>
Provisions	273	321	201	293	488
<b>PROFIT AFTER TAX</b>	<b>17</b>	<b>(304)</b>	<b>-18</b>	<b>(186)</b>	<b>26</b>

# Summary of Financials – Balance Sheet

(Figures in INR Mn.)

Particulars	H1FY14	H1FY13	FY13
Capital	1,061	851	851
Reserves	7,315	6,127	6809
Deposits	1,19,066	1,09,754	1,12,021
Borrowings	7,775	8,241	15,921
Other Liabilities	2,187	4,679	2,593
<b>TOTAL ASSETS</b>	<b>1,37,404</b>	<b>1,29,652</b>	<b>1,38,195</b>
Cash/ Bank Balance	9,315	8,338	7,621
Investments	43,607	38,311	46,845
Advances	78,952	75,412	77,770
Fixed Assets	1,368	1,442	1,358
Other Assets	4,162	6,149	4,601
<b>TOTAL LIABILITIES</b>	<b>1,37,404</b>	<b>1,29,652</b>	<b>1,38,195</b>

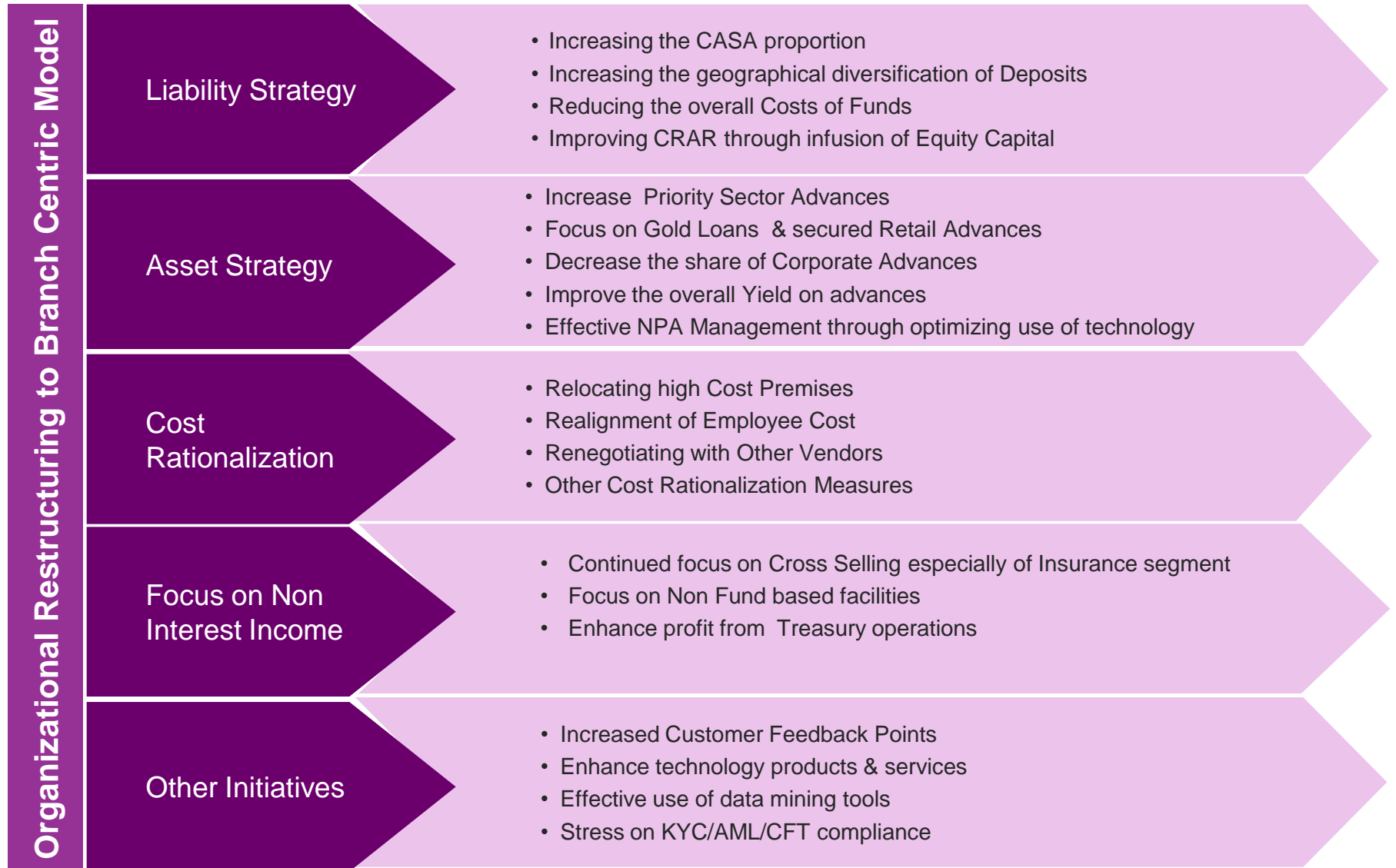
# Summary of Key Ratios

Particulars	H1FY14	H1FY13	FY13
CASA Ratio	21.08%	21.93%	22.46%
Term Deposits	78.92%	78.07%	78.00%
Capital Adequacy Ratio (Basel II)	11.85%	10.90%	11.06%
Gross NPA	5.31%	3.57%	4.82%
Net NPA	3.69%	2.50%	3.36%
Cost to Income Ratio %	84.32%	99.05%	86.85%
OPEX as a % of Total Income	22.65%	24.90%	23.86%
ROA	0.03%	(0.45%)	0.02%
ROE	0.41%	(8.70%)	0.36%

# Profile of Key Management Personnel

Name	Designation	Experience
Mr. P.S. Ravikumar	Chief Compliance & Credit Officer	<ul style="list-style-type: none"> <li>Experience of 35 years with Dhanlaxmi Bank in various departments</li> <li>Currently he is the Chief Compliance &amp; Credit Officer of the Bank.</li> <li>Also headed functions of Inspection &amp; Vigilance, Operations, HRD and in Branch Banking function of the Bank as Zonal Head.</li> </ul>
Mr. Ravindran K. Warriar	Secretary to the Board & Company Secretary	<ul style="list-style-type: none"> <li>Qualified CS with experience of 19 years in banking sector</li> <li>Involved in the management of the IPO, right issues and QIP. Held position of head of Planning</li> <li>Involved in setting up the insurance business and depository of the Bank</li> </ul>
Mr. P. Manikandan	Head - Business Development & Planning and Head HRD	<ul style="list-style-type: none"> <li>Experience of 33 years in banking sector</li> <li>Experience of 8 years in Planning, Operations, HRD, Inspection, Vigilance, Third Party Products, Premises and Cash Management System departments of the Bank</li> </ul>
Mr. Krishnan K.S.	Chief Financial Officer	<ul style="list-style-type: none"> <li>Qualified Chartered Accountant (ACA) and Company Secretary (ACS) with more than 35 years of experience in Banking Sector</li> <li>Experience in various functions such as Head of Domestic and Foreign Treasury, Chief Financial Officer, Chief Risk officer, Chief Compliance officer and Secretary to the Board.</li> </ul>
Mr. Srinivasaraghavan	Head - Treasury	<ul style="list-style-type: none"> <li>Qualified Cost Accountant with an experience of 29 years in banking and financial sector</li> <li>Knowledge in treasury &amp; banking and worked in front, back and mid office of domestic and forex treasuries.</li> <li>Experience in Balance Sheet Management, Risk Management, Interest Rate Forecasting, Corporate Planning and General Banking.</li> </ul>
Mr. Chandran L	Head – Integrated Risk Management Dept.	<ul style="list-style-type: none"> <li>Experience of 23 years in banking/financial sector. Worked in Branch, Zonal Office, Credit Department (SME &amp; Corporate underwriting) and as Executive Assistant to MD &amp; CEO. Had a key role in formulation of Credit Policy, Credit Appraisal Formats and Credit Rating Models of the Bank.</li> <li>Worked in Government sector &amp; Public Sector Financial Institution for 7 years and Bank for 16 years in different capacities in various geographical areas.</li> </ul>
Mr. Raghu Mohan N	Head - Accounts	<ul style="list-style-type: none"> <li>Qualified CA with an experience of 17 years in the Banking Sector</li> <li>Experience in the field of credit, credit risk management, treasury and branch management</li> </ul>
Mr. P. Chandrasekara Reddy (w.e.f. Nov. 2013)	Head - Inspection & Vigilance	<ul style="list-style-type: none"> <li>Qualified MBA with an experience of 34 years in the Banking Sector with exposure to Branch Banking, Credit administration, Industrial Rehabilitation, Recovery etc.</li> <li>Earlier acted as Zonal Head – South taking care of Business Development, Credit administration, Recovery and HR activities.</li> </ul>

# Way Forward





**Thank You**