



For Immediate Release

Dhanlaxmi Bank Q3FY11 Net Profit Increases by 447%

- **To raise equity capital of up to Rs. 1000 crore**
- **Total business grows 76% to Rs. 18,303 crore**
- **Gross NPA falls to 1.05% as on Dec 31, 2010 vs. 1.76% as on Dec 31, 2009**

Mumbai, January 21, 2011: Dhanlaxmi Bank, one of the fastest growing mid-size private sector banks in India, today announced that its net profit for the third quarter ended December 31, 2010 increased by 447% to Rs. 7.3 crore, from Rs. 1.3 crore for the corresponding period previous year. The improved performance was driven by growth in non-interest income and overall growth in business.

The bank plans to raise equity capital of up to Rs. 1000 crore by issue of equity shares not exceeding 5.5 crore equity shares of face value of Rs. 10/-. The equity issuance will be made to augment the Tier I capital base of the bank. The bank will use the capital to support its business growth and expansion plans while further strengthening its capital adequacy ratio.

Speaking on the performance, **Mr. Bipin Kabra, Chief Financial Officer, Dhanlaxmi Bank** said: “Our significant investments in infrastructure, technology, people and processes have paid off huge dividends. Overall, improvement in asset quality and renewed focus on existing and new business and fee based income has contributed to our growth. Given the robust business portfolio, we are confident to enhance revenue and profitability and re-affirm our strategic commitment.”

The bank’s total business grew by a robust 76.1% to Rs. 18,303 crore from Rs. 10,393 crore as on December 31, 2009. The bank’s loan book witnessed a sharp growth largely due to greater thrust on the retail segment and diversification across regions. Total advances and total deposits continued to rise during the quarter registering a year-on-year growth of 77% and 76% respectively.

The bank’s total income increased from Rs. 156 crore in Q3FY10 to Rs. 283 crore for the same period this year, recording a growth of 81%. Non-interest income rose from Rs. 17 crore to Rs. 33 crore in Q3FY11, an increase of 101% as a result of the focused thrust on fee based business.

Concerted efforts were made in recovering non-performing assets during the period resulting in gross NPA ratio declining from 1.76% as on December 31, 2009 to 1.05% as on December 31, 2010.

The bank's total Capital Adequacy Ratio (CAR) as at December 31, 2010 (computed as per Basel II guidelines) remained strong at 13.39%, as against the regulatory minimum of 9%. Tier-I CAR was 10.68% against 9.78% as on December 31, 2009.

About Dhanlaxmi Bank:

'Dhanlaxmi Bank Limited' was incorporated in 1927, at Thrissur and became a Scheduled Commercial Bank in the year 1977. The bank has a pan-India presence through a network of 275 branches, 454 ATMs covering 136 centers across 14 states.

As on December 31, 2010, the bank had 4,351 employees serving over 1.5 million customers. Total deposits were at Rs. 10,532 crore with advances at Rs. 7,771 crore. Total asset base for the bank was at Rs. 124 billion, as on December 31, 2010.

For additional information please log on to www.dhanbank.com

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