



For Immediate Release

Dhanlaxmi Bank Total Business Rises 53% in Q1 FY2011

Mumbai, August 13, 2010: Dhanlaxmi Bank, one of the fastest growing mid-size private sector banks in India, today announced that its total business (advances + deposits) grew 53% to ₹ 13,077 crore for the first quarter ended June 30, 2010 from ₹ 8,559 crore for the corresponding period, previous year. The bank's business growth rates compare favourably with that of the banking industry during this period.

Dhanlaxmi Bank has posted an impressive growth in total deposits from ₹ 5,071 crore as on June 30, 2009 to ₹ 7,747 crore as on June 30, 2010 recording a growth of 53%. Net advances rose at a similar pace, up 53% from ₹ 3,489 crore to ₹ 5,329 crore during the same period.

The Bank's total income increased from ₹ 136 crore for three months ended June 30, 2009 to ₹ 199 crore for the same period this year, recording a growth of 46%. Non-interest income more than doubled from ₹ 15 crore to ₹ 31 crore during the period, registering an increase of 103%.

Net profit for the quarter amounted to ₹ 6 crore, compared to ₹ 10 crore for the quarter ended June 2009, reflecting the bank's on-going investment in people, products, processes, technology and infrastructure.

Commenting on the performance, **Mr. Bipin Kabra, Chief Financial Officer, Dhanlaxmi Bank** said: "The results reflect the Bank's renewed growth impetus, as well as the investments being undertaken to build the foundation for a sustainable, future growth. The launch of our complete suite of retail assets products along with our recently concluded QIP, strongly positions the Bank to increase volumes across all businesses and improve bottom line."

Interestingly, the bank's asset book has nearly doubled in the past 18 months from ₹ 5,256 crore to ₹ 9,027 crore.

The Net Interest Margin rose to 2.6% for three months ended June 30, 2010 from 2.4% for the quarter ended June 30, 2009. Asset quality looked encouraging with the gross NPA ratio declining from 1.9% as on June 30, 2009 to 1.4% as on June 30, 2010 (1.5% as on March 31, 2010).

The Bank's Capital Adequacy Ratio was at 10.36% (11.01% as per Basel II norms) as on June 30, 2010.

The employee strength rose from 4,080 as at March 2010 to 4,490 as at the end of Q1 FY2011.

During the quarter, the Bank commenced a relationship with Fidelity Fund Management for its mutual fund distribution business. The Bank also entered into a Memorandum of Understanding (MOU) with the Government of Karnataka, to fund future industrial projects in the state. The MOU will help the Bank in further expanding its corporate banking business in Karnataka.

About Dhanlaxmi Bank:

'The Dhanalakshmi Bank Limited' was incorporated in 1927, at Thrissur as a limited company and became a scheduled commercial bank in the year 1977. The Bank has a pan-India presence through a network of 271 branches, 400 ATMs covering 136 centers across 14 states. As at March 31, 2010, the Bank had 4,080 employees serving over 1.4 million customers.

As of March 31, 2010, the Bank had total deposits of ₹ 7,098 crore and advances of ₹ 5,006 crore.

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

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