



For Immediate Release

Dhanlaxmi Bank Q1FY12 Total Business Increases by 73%

Mumbai, July 25, 2011: Dhanlaxmi Bank, one of the fastest growing mid-size private sector banks in India, today announced that its total business increased by 73% to Rs.22579 crore for the first quarter ended June 30, 2011 from Rs.13,077 crore for the corresponding period, previous year.

The bank's total deposits increased from Rs. 7,747 crore as on June 30, 2010 to Rs. 12,904 crore as on June 30, 2011 recording a growth of 67%. Net advances rose by 82% to Rs. 9,675 crore, from Rs. 5,329 during the same period.

During the quarter, the bank raised Rs. 245 crore from the international markets in the form of bilateral loans and money market borrowings. The funds will be used to create an advance portfolio and support its expansion plans.

Speaking on the performance, **Mr. Bipin Kabra, Chief Financial Officer, Dhanlaxmi Bank** said: "Our business growth continues to surpass industry numbers due to steady progress made across all business verticals. With increased focus on SME business and fee based income we expect to further leverage the opportunities to expand the business and increase shareholder value."

The bank's loan book witnessed a sharp growth largely due to greater thrust on the retail segment and diversification across regions. The bank's total asset book increased by 67% to Rs.15,036 crore as on June 30, 2011 from Rs. 9,027 crore as on June 30, 2010.

The bank's total income increased from Rs.199 crore in Q1FY11 to Rs.371 crore, recording a growth of 86%. Non-interest income rose from Rs. 31 crore to Rs. 55 crore in Q1FY12, an increase of 77% as a result of the focused thrust on fee based business. Due to the high cost of deposits, Net Interest Margin (NIM) was at 2.0% compared to 2.6% in the corresponding quarter, previous year. Net profit was at Rs. 3.4 crore compared to Rs. 6.0 crore.

Concerted efforts were made in recovering non-performing assets during the period resulting in gross NPA ratio declining from 1.4% as on June 30, 2010 to 0.63 % as on June 30, 2011. NPAs worth Rs. 12.0 crore were recovered during the quarter.

The bank's total Capital Adequacy Ratio (CAR) as at June 30, 2011 (computed as per Basel II guidelines) remained strong at 11.4%, as against the regulatory minimum of 9%. Tier-I CAR was 9.3% against 7.9% as on June 30, 2010.

About Dhanlaxmi Bank:

Dhanlaxmi Bank is an 84-year old bank, being incorporated in 1927 at Thrissur, Kerala. In the last three years, it has transformed into a well diversified bank with a pan-India presence from being an SME focused South India based bank. With a network of 275 branches and 460 ATMs covering 160 centers across 14 states, the bank services a broad customer base of 1.6 million. The bank provides a suite of banking products and services to its customers across Retail Banking, Wholesale Banking, Microfinance and Agricultural Lending and Small and Medium Enterprises Group.

During the last three years, Dhanlaxmi Bank's total deposits increased from Rs 3,829 crore as on June 30, 2008 to Rs. 12,904 crore as on June 30, 2011, advances rose from Rs. 2,207 crore as on June 30, 2008 to Rs. 9,675 crore as on June 30, 2011. The bank had a total business of Rs. 22,579 crore, as on June 30, 2011 with total asset base at Rs. 15,036 crore.

The shares of the bank are listed on the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and the Cochin Stock Exchange.

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

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