



For Immediate Release

Dhanlaxmi Bank Q4FY11 Net Profit Increases by Around 100%

- **Total business grows by 78.4% to Rs. 21,595 crore**
- **Recommends dividend of 5%**

Mumbai, April 23, 2011: Dhanlaxmi Bank, one of the fastest growing mid-size private sector banks in India, today announced that its net profit for the fourth quarter ended March 31, 2011 increased by around 100% to Rs. 11.2 crore, from Rs. 5.6 crore for the corresponding period previous year. Strong growth in net interest income and overall growth in business led to improved margins and profitability.

The bank's total business grew by a robust 78.4% to Rs. 21,595 crore from Rs. 12,105 crore for the quarter ended March 31, 2010. 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 81.1% and 76.5% respectively.

Speaking on the performance, **Mr. Bipin Kabra, Chief Financial Officer, Dhanlaxmi Bank** said: "Our focused approach to improve productivity across all business verticals has resulted in significant increase in profits. It marks the beginning of a sustainable turnaround in our financial performance. With strong fundamentals and robust business portfolio we are confident to deliver long term growth for our customers and shareholders."

The bank's total income increased from Rs. 182.4 crore in Q4FY10 to Rs.342.2 crore, recording a growth of 87.6%. Non-interest income rose from Rs. 31.9 crore to Rs. 46.1 crore in Q4FY11, an increase of 44.3% as a result of the focused thrust on fee based business. A strong growth in the levels of advances together with upward reprising of the lending book, contributed to the rise in Net Interest Income. Net Interest Margin (NIM) has improved to 3.0% for the quarter ended March 31, 2011, compared to 2.7% corresponding quarter of last year.

Concerted efforts were made in recovering non-performing assets during the period resulting in gross NPA ratio declining from 1.54 % as on March 31, 2010 to 0.74 % as on March 31, 2011. NPAs worth Rs. 10.41 crore were recovered during the year.

The bank's total Capital Adequacy Ratio (CAR) as at March 31, 2011 (computed as per Basel II guidelines) remained strong at 11.8%, as against the regulatory minimum of 9%. Tier-I CAR was 9.4% against 8.80% as on March 31, 2010.

Net profit for the year rose by 11.8 % to Rs 26.1 crore, compared to Rs 23.3 crore in the previous year.

The bank's total asset book increased by 76.4% to Rs. 14,268 crore as on March 31, 2011 from Rs. 8,087 crore as on March 31, 2010.

The Board also recommended a dividend of 5% for the year ended March 31, 2011. This would be subject to approval from the Reserve Bank of India (RBI). The bank had paid a dividend of 5% for the year ended March 31, 2010.

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, 459 ATMs covering 136 centers across 14 states.

As on March 31, 2011, the bank had 4,260 employees. Total deposits were at Rs. 12,530 crore with advances at Rs. 9,065 crore. Total asset base for the bank was at Rs. 14,268 crore, as on March 31, 2011.

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

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