



For Immediate Release

Dhanlaxmi Bank Q2FY12 net profit up 168%

- **Total business grows by 45% to Rs. 23,945 crore**

Mumbai, October 20, 2011: Dhanlaxmi Bank, one of the fastest growing mid-size private sector banks in India, today announced that its net profit for the second quarter ended September 30, 2011 increased by 168% to Rs.4.35 crore from Rs.1.62 crore in the corresponding period last year. The improved performance was driven by growth in non-interest income, fee based income and overall growth in business.

The bank's total business increased from Rs. 16,554 crore as on September 30, 2010 to Rs. 23,945 crore as on September 30, 2011 recording a growth of 45%. Total deposits were up 45% to Rs. 13,815 crore while net advances rose by 44% to Rs.10,130 crore from Rs. 7,057 crore during the same period.

Speaking on the performance, **Mr. Bipin Kabra, Chief Financial Officer, Dhanlaxmi Bank** said: "We continue to register robust growth in business vis-à-vis industry. The overall performance reflects our increased focus on generating productivity and profitability across all business verticals. Going forward, we aim to consistently drive profitability and increase shareholder value."

The bank's total asset book increased by 44% to Rs. 16,452 crore as on September 30, 2011 from Rs. 11,413 crore as on September 30, 2010.

The bank's total income increased from Rs. 229.2 crore in Q2FY11 to Rs. 410.5 crore in Q2FY12, recording a growth of 79%. Non-interest income rose from Rs. 36.8 crore to Rs. 44.4 crore in Q2FY12, an increase of 21% as a result of the focused thrust on fee based business. The bank's Net Interest Margin (NIM) improved from 2.0% in Q1FY11 to 2.2% in Q2FY12 following the repricing exercise undertaken by the bank.

Concerted efforts were made in recovering non-performing assets during the period resulting in gross NPA ratio declining from 1.26% as on September 30, 2010 to 0.55% as on September 30, 2011. The absolute amount of net NPAs also reduced from Rs.50.4 crore as on September 30, 2010 to Rs.17.5 crore as on September 30, 2011. Provision Coverage ratio stood at 70.43% as on September 30, 2011.

The bank's total Capital Adequacy Ratio (CAR) as at September 30, 2011 (computed as per Basel II guidelines) remained strong at 10.70%, as against the regulatory minimum of 9%. Tier-I CAR was 8.73% against 7.85% as on September 30, 2010.

The bank's gold retailing business gained traction with more than 100kgs of gold coins/bars being sold during the quarter. The bank aims to become one of the leading players in the bullion business in the next couple of years.

During the period, the bank also launched Forex Card for international travelers. This initiative is part of the bank's strategy to increase its fee based income.

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 425 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.3,936 crore as on September 30, 2008 to Rs. 13,815 crore as on September 30, 2011, advances rose from Rs. 2,490 crore as on September 30, 2008 to Rs. 10,130 crore as on September 30, 2011. The bank's total business stood at Rs. 23,945 crore, as on September 30, 2011 with total asset base at Rs. 16,452 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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