

DhanlaxmiBank
established 1927



For Immediate Release

Dhanlaxmi Bank to acquire 15% stake in Destimoney Securities

- **Registers a growth of 237% in incremental advances for Q2 FY2011**

Mumbai, October 28, 2010: Dhanlaxmi Bank, one of the fastest growing mid-size private sector banks in India, announced today that it will acquire 15 per cent stake in Destimoney Securities Pvt. Ltd. (DSPL). The strategic investment will reinforce the Bank's commitment to be an integrated financial solutions company.

Destimoney Securities is a 100 per cent subsidiary of Destimoney Enterprises Pvt. Ltd., a full-service financial services provider and an advisory firm which is owned and controlled by New Silk Route (NSR), a private equity firm.

New Silk Route is a leading Asia-focused growth capital firm founded in 2006 with \$1.4 billion under management, focused on the Indian subcontinent, as well as other rapidly growing economies in Asia and the Middle East.

Commenting on the initiative, **Mr. Bipin Kabra, Chief Financial Officer, Dhanlaxmi Bank** said: "The investment in Destimoney Securities is of strategic importance to Dhanlaxmi Bank and is part of our plans to augment growth, broaden our product portfolio and provide investment-savvy customers cost-effective financial solutions."

Destimoney Securities, a member of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) has a network of 14 branches and more than 100 franchisees covering 50 cities spread across the country with a client base of around 27,000.

"Dhanlaxmi Bank retail customers can benefit from Destimoney Securities' online capital market services. The synergy with Destimoney is expected to increase our overall CASA deposits," **Mr. Kabra** said.

The agreement is subject to regulatory and other approvals.

The Board also approved and adopted its unaudited financial results for the second quarter ended September 30, 2010.



The Bank's balance sheet size has nearly doubled in the past 15 months from ₹ 5,792 crore to ₹ 11,413 crore. On an incremental basis, advances grew by ₹ 1,728 crore in the quarter ended September 30, 2010 as compared to ₹ 513 crore, for the same period last year, yielding an increase of 236.6%. Similarly, deposits rose by ₹ 1,750 crore as against ₹ 559 crore, registering a rise of 213.1%

Dhanlaxmi Bank has posted an impressive growth in total deposits from ₹ 5,629 crore as on September 30, 2009 to ₹ 9,497 crore as on September 30, 2010 recording a growth of 68.7%. Net advances continued to rise at a faster pace, up 76.3% from ₹ 4,002 crore to ₹ 7,057 crore during the same period. The bank's business growth rates compare favourably with that of the banking industry during this period. The total business grew by 71.9% to ₹ 16,554 crore as on September 30, 2010 from ₹ 9,631 crore as on September 30, 2009.

"The results reflect the investments undertaken by the Bank to build the foundation for a sustainable, future growth," **Mr. Kabra** added.

Dhanlaxmi Bank's total income increased from ₹ 151.1 crore for quarter ended September 30, 2009 to ₹ 229.2 crore for the same period this year recording a growth of 51.7%. Non-interest income increased from ₹ 27.4 crore to ₹ 36.8 crore during the period, an increase of 34.3% as a result of the focused thrust on fee based business. Net profit for the quarter amounted to ₹ 1.6 crore, compared to ₹ 6.3 crore in the previous year, reflecting the bank's on-going investment in people, products, processes, technology and infrastructure.

The wholesale banking share in the total advance mix has reduced from 58% as on June 30, 2010 to 40% as on September 30, 2010 on the other hand the share of retail asset portfolio has nearly doubled from 18% to 35% for the same period, whereas the share of SME has remained stable at 20%.

The Net Interest Margin continues to grow, rising to 2.4% for three months ended September 30, 2010 from 1.9% from quarter ended September 30, 2009. Asset quality looked encouraging with the gross NPA ratio declining from 1.73% as on September 30, 2009 to 1.26% as on September 30, 2010 (1.41% as on June 30, 2010).

The Bank's Capital Adequacy Ratio was at 13.1% (14.6% as per Basel II norms) as on September 30, 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 273 branches, 448 ATMs covering 136 centers across 14 states.



As at September 30, 2010, the Bank had 4,508 employees serving over 1.4 million customers. Total deposits was at ₹ 9,497 crore with advances at ₹ 7,057 crore. Total asset base for the Bank was at ₹ 114 billion, as on September 30, 2010.

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

For media queries please contact:

Ravindra Kanchan

Associate Vice-President, Corporate Communications

Dhanlaxmi Bank

Mobile: +91 - 96198 58132

Email: ravindra.kanchan@dhanbank.co.in


RAVINDRAN K. WARRIER
Company Secretary
Dhanlaxmi Bank Limited
Regd. Office, Naickanal
THRISSUR - 680 001