

## **Dhanlaxmi Bank's Total Business Growth Accelerated by 38%**

**Mumbai:** Dhanlaxmi Bank has posted an impressive growth in Total deposits from Rs. 4,614.73 crores as on December 31, 2008 to Rs. 6,002.10 crores as on December 31, 2009 recording a growth of 30.1%. Net advances continued to rise at a faster pace up 49.4% from Rs. 2,938.83 crores to Rs. 4,390.64 crores during the same period. The Bank's business growth rates compare favourably with that of the banking industry during this period. The total business (Advances + Deposits) grew by 37.6% to Rs. 10,392.74 crores as on December 31, 2009 from Rs. 7,553.55 crores as on December 31, 2008.

Dhanlaxmi Bank's total income increased from Rs. 331.91 crores for nine months ended December 31, 2008 to Rs. 443.19 crores for the same period this year recording a growth of 33.5%. Non-interest income increased from Rs.38.41 crores to Rs.59.06 crores during the period, an increase of 53.8% as a result of the focused thrust on fee based business.

The Bank is in an expansion mode and has seen an exponential growth in human resources. The employee strength of the Bank rose from 1,365 as on December 31, 2008 to 2,795 as on December 31, 2009. As a part of this growth phase, the bank is committed to invest and grow the infrastructure for its branch network and back-end operations. The Bank added 45 branches and 101 ATMs to its network during the quarter raising the number of customer touch points from 280 to 426.

The Net Interest Margin rose to 2.5% for three months ended December 31, 2009 from 1.9% for three months ended September 30, 2009. The upward trend in margin is driven by higher growth in low cost deposits from the new branches and the renewed thrust on the SME sector.

The Bank's net profit for nine months ended December 31, 2009 stood at Rs. 17.71 crores as against Rs. 35.20 crores for the same period last fiscal. Said Bipin Kabra, CFO, "in line with our Bank's vision, we are committed to creating long term value for our shareholders. We are focused on investing in critical systems, people, processes and infrastructure. Our objective is to create a robust and competitive platform for sustainable growth in the years to come."

The Bank's commitment to the process of financial inclusion was reflected in the increase in micro credit outstandings from Rs. 130.55 crores as on December 31, 2008 to Rs. 276.69 crores as on December 31, 2009 recording a growth of 111.9%.

The bank has been actively participating in microfinance securitization. Recently the bank also invested in India's first ever multi-originator securitisation of micro-loans.

Concerted efforts were made in recovering non performing assets during the period resulting in gross NPA ratio declining from 2.27% as on December 31, 2008 to 1.76% as on December 31, 2009.

The Bank's Capital Adequacy Ratio was comfortable at 13.33% (14.29% as per Basel II norms) as on December 31, 2009.

The Bank continued its efforts at extensive deployment of technology to enhance the quality of Customer Service and is progressively centralizing the back office functions of branches as part of a revised model to scale up operational efficiency across the organization.

**About the Bank:** 'The Dhanalakshmi Bank Ltd' (Bank) was incorporated in 1927, at Thrissur and became a Scheduled Commercial Bank in the year 1977: The bank provides a suite of banking products and services to serve both resident Indians and non-resident Indians. It services its customers, across the nation, through its wide network of branches and ATMs. The Bank plans to add 66 branches and 380 ATM's, spread across the country by end of the current financial year.

As of March 2009, the Bank had a total net worth of over INR 400 crores, total deposits worth INR 4,969 crore and advances worth INR 3,245 crore. It had booked a profit of INR 57.45 crore in the last financial year.

On the socio-economic front, the Bank is a leading player in dispensation of Micro Credit among Kerala-based Banks, both public and private. As at the end of March 2009, it had an outstanding of INR 124.40 Crore under micro credit.