

DHANLAXMI BANK LIMITED
(formerly The Dhanalakshmi Bank Limited)
Registered & Corporate Office: P. B No.9, Dhanalakshmi Building
Naickanal, Thrissur - 680 001

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2011

(Rs. in Lakhs)

| Particulars | For the Quarter ended | | For the Year ended |
|---|-----------------------|---------------|--------------------|
| | June 30, 2011 | June 30, 2010 | March 31, 2011 |
| | (Reviewed) | (Reviewed) | (Audited) |
| 1. Interest earned (a)+(b)+(c)+(d) | 31555 | 16798 | 90642 |
| (a) Interest/discount on advances/bills | 25147 | 12687 | 69910 |
| (b) Income on investments | 6310 | 3956 | 20173 |
| (c) Interest on balances with Reserve Bank of India and other inter-bank funds | 74 | 155 | 559 |
| (d) Others | 24 | - | - |
| 2. Other income | 5495 | 3054 | 14677 |
| 3.Total Income (1 + 2) | 37050 | 19852 | 105319 |
| 4. Interest expended | 25178 | 11954 | 64129 |
| 5. Operating expenses (a) +(b) | 10402 | 6983 | 34447 |
| (a) Employees cost | 6071 | 4011 | 20146 |
| (b) Other operating expenses | 4331 | 2972 | 14301 |
| 6. Total Expenditure (4+5) (excluding provisions and contingencies) | 35580 | 18937 | 98576 |
| 7. Operating Profit before provisions and contingencies (3-6) | 1470 | 915 | 6743 |
| 8. Provisions (other than tax) and Contingencies | 961 | 203 | 2771 |
| 9. Exceptional items | - | - | - |
| 10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9) | 509 | 712 | 3972 |
| 11. Tax expense | 169 | 109 | 1366 |
| 12.Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11) | 340 | 603 | 2606 |
| 13. Extraordinary items (net of tax expense) | - | - | - |
| 14.Net Profit (+)/Loss (-) for the period (12-13) | 340 | 603 | 2606 |
| 15.Paid-up equity share capital (Face value Rs.10) | 8514 | 6412 | 8514 |
| 16.Reserves – excluding Revaluation Reserves | 74568 | 35904 | 74278 |
| 17.Analytical Ratios | | | |
| (a) Percentage of share holding of Government of India | Nil | Nil | Nil |
| (b) Capital Adequacy Ratio | | | |
| - Basel- I | 10.18% | 10.36% | 10.81% |
| - Basel- II | 11.40% | 11.01% | 11.80% |
| (c) Earnings Per Share (EPS) (in Rupees) EPS for the quarter/year (before and after extraordinary items) | | | |
| - Basic | *0.40 | *0.94 | 3.31 |
| - Diluted | *0.40 | *0.93 | 3.29 |
| (d) NPA Ratios | | | |
| - Gross NPA | 6146 | 7566 | 6709 |
| - Net NPA | 2184 | 4036 | 2747 |
| - % of Gross NPA | 0.63% | 1.41% | 0.74% |
| - % of Net NPA | 0.23% | 0.76% | 0.30% |
| (e) Return on Assets (average) – (Annualised) | 0.09% | 0.28% | 0.23% |

| | | | |
|--|----------------|----------------|----------------|
| 18. Public Shareholding | | | |
| - Number of shares | 85136319 | 64115600 | 85135749 |
| - Percentage of shareholding | 100.00% | 100.00% | 100.00% |
| 19. Promoters and promoter group shareholding | | | |
| (a) Pledged/Encumbered | | | |
| - Number of shares | | | |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Not Applicable | Not Applicable | Not Applicable |
| - Percentage of shares (as a % of the total share capital) | | | |
| (b) Non-encumbered | | | |
| - Number of Shares | | | |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Not Applicable | Not Applicable | Not Applicable |
| - Percentage of shares (as a % of the total share capital) | | | |

**Not annualised*

Notes:

1. The above financial results have been approved by the Board of Directors at its meeting held on July 25, 2011. The same have been subjected to limited review by the Central Statutory Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India (RBI) and as per the requirements of the Listing Agreement with the Stock Exchanges.
2. The working results for the quarter ended June 30, 2011 have been arrived at after making provision for income tax and other usual and necessary provisions. Provisions for Non-Performing Assets, Standard Assets, Restructured Advances, Non-Performing Investments and Depreciation on Investments are made as per the guidelines issued by the RBI.
3. An amount of Rs.127.35 Lakhs, being the proportionate amount of unamortized transitional liability consequent on the reopening of the pension option and enhancement of the gratuity limit following the amendments to the Payment of Gratuity Act, 1972 has been written-off during the quarter. The balance unamortized amount carried forward is Rs.1915.86 Lakhs. In addition, a sum of Rs.38.09 Lakhs has been charged to the Profit and Loss Account towards transitional liability as per the Accounting Standard (AS) 15 "Employee Benefits", notified by the Companies (Accounting Standards) Rules, 2006 and the balance unrecognized is Rs.114.70 Lakhs for the period up to March 31, 2012.
4. The consolidated preliminary claim of Agriculture Debt Relief Scheme, 2008 of Rs.15.09 Lakhs was submitted to the RBI on January 27, 2010 and claim amount of Rs.15.09 Lakhs was received from the RBI during the year 2010-11. The Government of India had extended the period of payment of 75% overdue amount portion by 'other farmer' under the Debt Relief Scheme, 2008 up to June 30, 2010. Accordingly, additional claim amount of Rs.2.20 Lakhs pertaining to the extended period is due from the Government under the said Scheme.
5. Pursuant to the approval of the Board of Directors in October 2010, the Bank made a strategic investment into a securities trading company in February 2011, subject to regulatory approvals. The Bank has been recently designated as a 'Dominant Promoter' by National Stock Exchange in relation to the said strategic investment made by it. The Bank has therefore once again filed an application on July 20, 2011, to the RBI, requesting the latter to allow categorization of such investment as 'Held Till Maturity' (HTM). Pending such approval from RBI, diminution in the value of the investment, which is not permanent in nature, is not required to be provided for in the books of account.
6. Details of investor complaints for the quarter ended June 30, 2011: Beginning - Nil; Received - Nil; Disposed off - Nil; Closing - Nil.
7. The figures for the previous period/year have been regrouped wherever necessary to conform to the current period's classification.

Segmental Results

Part A: Business Segments

(Rs. in Lakhs)

| Particulars | For the Quarter ended | | For the Year ended |
|---|-----------------------|---------------|--------------------|
| | June 30, 2011 | June 30, 2010 | March 31, 2011 |
| | (Reviewed) | (Reviewed) | (Audited) |
| 1. Segment Revenue | | | |
| (a) Treasury | 7299 | 4473 | 22265 |
| (b) Retail Banking | 17203 | 4005 | 44301 |
| (c) Corporate/Wholesale Banking | 12346 | 11361 | 38700 |
| (d) Other Banking Operations | - | - | - |
| (e) Unallocated | 202 | 13 | 53 |
| Total | 37050 | 19852 | 105319 |
| Less: Inter Segment Revenue | - | - | - |
| Income from Operations | 37050 | 19852 | 105319 |
| 2. Segment Results (Profit (+)/Loss (-) before tax and after interest from each segment) | | | |
| (a) Treasury | 168 | 663 | 1534 |
| (b) Retail Banking | 865 | 344 | 3573 |
| (c) Corporate/Wholesale Banking | 516 | 619 | 2582 |
| (d) Other Banking Operations | - | - | - |
| (e) Unallocated | - | - | - |
| Total | 1549 | 1626 | 7689 |
| Less : (a) Interest | - | - | - |
| (b) Other Un-allocable expenditure net-off | 1040 | 914 | 3717 |
| (c) Un-allocable income | - | - | - |
| Profit Before Tax | 509 | 712 | 3972 |
| 3. Capital Employed | | | |
| (a) Treasury | 16789 | 20381 | 22944 |
| (b) Retail Banking | 35627 | 4236 | 29312 |
| (c) Corporate/Wholesale Banking | 25799 | 12426 | 25994 |
| (d) Other Banking Operations | - | - | - |
| (e) Unallocated | 6512 | 7564 | 6214 |
| Total | 84727 | 44607 | 84464 |

"Business Segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organization structure, the internal business reporting system and the guidelines prescribed by the Reserve Bank of India."

Part B: Geographical segments

The Bank is having domestic operations only, hence, no reporting is necessary under this segment.

By order of the Board

Sd/-

Amitabh Chaturvedi

(Managing Director & CEO)

Mumbai,

July 25, 2011