

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 NINE MONTHS ENDED DECEMBER 31, 2010

| | (₹ in lakhs | | | | | |
|--|-----------------|------------|---------------------|------------|--------------|--|
| Particulars | For the quarter | | For the nine months | | For the year | |
| | enc | | enc | | ended | |
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 | 31.03.2010 | |
| | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) | |
| 1. Interest Earned $(a)+(b)+(c)+(d)$ | 24987 | 13984 | 61025 | 38413 | 53457 | |
| (a) Interest/discount on advances/bills | 18819 | 10802 | 45715 | 30405 | 41940 | |
| (b) Income on investments | 6037 | 3081 | 14847 | 7357 | 10785 | |
| (c) Interest on balances with Reserve Bank of | 131 | 60 | 463 | 450 | 531 | |
| India and other inter-bank funds | | 41 | | 201 | 201 | |
| (d) Others | 3335 | 41 1662 | 10069 | 5906 | 9099 | |
| 2. Other Income | 5555 | 1002 | 10009 | 5900 | 9099 | |
| 3. Total Income (1+2) | 28322 | 15646 | 71094 | 44319 | 62556 | |
| 4. Interest Expended | 17629 | 10067 | 43555 | 28742 | 39402 | |
| 5. Operating Expenses (i) + (ii) | 8928 | 5297 | 23653 | 12877 | 19286 | |
| (i) Employees cost | 5411 | 3017 | 14327 | 7440 | 10908 | |
| | 3517 | 2280 | 9326 | 5437 | 8378 | |
| (ii) Other operating expenses | 26557 | 15364 | 67208 | 41619 | 58688 | |
| 6. Total Expenditure (4+5) excluding provisions and contingencies | 20337 | 15504 | 07200 | 41019 | 30000 | |
| • | 1765 | 282 | 3886 | 2700 | 3868 | |
| 7. Operating Profit before provisions and | 1703 | 202 | 5000 | 2700 | 5000 | |
| contingencies (3-6)8. Provisions (other than tax) and Contingencies | 791 | 275 | 1821 | 698 | 1094 | |
| 9. Exceptional Items | /91 | 273 | 1621 | 098 | 1094 | |
| 10. Profit (+)/Loss (-) from Ordinary Activities | 974 | 7 | 2065 | 2002 | 2774 | |
| before tax (7-8-9) | 7/4 | , | 2005 | 2002 | 2774 | |
| 11. Tax Expense | 248 | (125) | 574 | 231 | 444 | |
| | | () | | | | |
| 12. Net Profit (+)/Loss (-) from Ordinary | 726 | 132 | 1491 | 1771 | 2330 | |
| Activities after Tax (10-11) | | | | | | |
| 13. Extraordinary items (net of tax expense) | - | - | | - | - | |
| 14. Net Profit(+)/Loss(-) for the period (12- | 726 | 132 | 1491 | 1771 | 2330 | |
| 13) | | | | | | |
| 15. Paid-up equity share capital (Face value | 8514 | 6412 | 8514 | 6412 | 6412 | |
| ₹10) | | | | | | |
| 16. Reserves – Excluding Revaluation Reserves | - | - | - | - | 35904 | |
| (as per Balance Sheet of previous accounting year) | | | | | | |
| 17. Analytical Ratios | | | | | | |
| (i) Percentage of share holding of | Nil | Nil | Nil | Nil | Nil | |
| Government of India | | | | | | |
| (ii) Capital Adequacy Ratio – Basel I | 11.76% | 13.36% | 11.76% | 13.36% | 12.47% | |
| Basel II | 13.39% | 14.29% | 13.39% | 14.29% | 12.99% | |
| (iii) Earnings per Share (EPS) (in Rupees) | | | • | | | |
| a) EPS for the quarter / year (before | | | | | | |
| and after Extraordinary items) | | | | | | |
| - Basic | *0.85 | *0.21 | *1.95 | *2.76 | 3.64 | |
| - Diluted | *0.84 | *0.21 | *1.93 | *2.76 | 3.64 | |
| | | | | | | |

| (iv) NPA Ratios | | | | | |
|--|------------|------------|------------|------------|------------|
| a) Gross NPA | 8202 | 7787 | 8202 | 7787 | 7750 |
| b) Net NPA | 4042 | 3913 | 4042 | 3913 | 4194 |
| c) % of Gross NPA | 1.05% | 1.76% | 1.05% | 1.76% | 1.54% |
| d) % of Net NPA | 0.52% | 0.89% | 0.52% | 0.89% | 0.84% |
| e) Return on Assets (average) – Annualised | 0.24% | 0.07% | 0.19% | 0.37% | 0.35% |
| 18. Public Shareholding | | | | | |
| - Number of shares | 85135100 | 64115600 | 85135100 | 64115600 | 64115600 |
| - Percentage of shareholding | 100% | 100% | 100% | 100% | 100% |
| 19. Promoters and promoter group shareholding | Not | Not | Not | Not | Not |
| a) Pledged/Encumbered | Applicable | Applicable | Applicable | Applicable | Applicable |
| Number of shares | | | | 11 | |
| Percentage of shares (as a % of the total | | | | | |
| shareholding of promoter and promoter | | | | | |
| group) | | | | | |
| Percentage of shares (as a % of the total share) | | | | | |
| capital of the company) | | | | | |
| b) Non-encumbered | | | | | |
| Number of Shares | | | | | |
| Percentage of shares (as a % of the total | | | | | |
| shareholding of promoter and promoter | | | | | |
| group) | | | | | |
| Percentage of shares (as a % of the total | | | | | |
| share capital of the company) | | | | | |
| | | | | | |

* Not annualised

Segmental Results

| Part A: Business segments | | | | | (₹ in lakhs) |
|--|-----------------|------------|---------------------|------------|--------------|
| | For the quarter | | For the nine months | | For the year |
| Particulars | ended | | ended | | ended |
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 | 31.03.2010 |
| | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) |
| 1. Segment Revenue | | | | | |
| (a) Treasury | 6301 | 3346 | 15779 | 9944 | 13481 |
| (b) Retail Banking | 12619 | 4939 | 26504 | 13675 | 14066 |
| (c) Corporate/Wholesale Banking | 9399 | 7409 | 28765 | 20395 | 34737 |
| (d) Other Banking Operations | - | (48) | - | 305 | - |
| (e) Unallocated | 3 | - | 46 | - | 272 |
| Total | 28322 | 15646 | 71094 | 44319 | 62556 |
| | | | | | |
| Less: Inter Segment Revenue | - | - | - | - | - |
| Income from Operations | 28322 | 15646 | 71094 | 44319 | 62556 |
| 2. Segment Results (Profit (+)/Loss (-) before | 2 | | | | |
| tax and after interest from each segment) | | | | - | |
| (a) Treasury | 121 | 718 | 1154 | 1481 | 1682 |
| (b) Retail Banking | 1052 | 50 | 2256 | 758 | 1625 |
| (c) Corporate/Wholesale Banking | 636 | 144 | 1953 | 1197 | 2714 |
| (d) Other Banking Operations | - | (48) | - | 305 | - |
| (e) Unallocated | - | - | - | - | - |
| Total | 1809 | 864 | 5363 | 3741 | 6021 |
| Less : (i) Interest | - | - | - | - | - |
| (ii) Other Un-allocable expenditure | | | | | |
| net off | 835 | 857 | 3298 | 1739 | 3247 |
| (iii) Un-allocable income | - | - | - | - | - |
| Profit Before Tax | 974 | 7 | 2065 | 2002 | 2774 |
| 3. Capital Employed | | | | | |
| (a) Treasury | 26795 | 5697 | 26795 | 5697 | 14418 |
| (b) Retail Banking | 24575 | 13858 | 24575 | 13858 | 6181 |
| (c) Corporate/Wholesale Banking | 27173 | 20598 | 27173 | 20598 | 15909 |
| (d) Other Banking Operations | - | - | - | - | - |
| (e) Unallocated | 5049 | 4065 | 5049 | 4065 | 7500 |
| Total | 83592 | 44218 | 83592 | 44218 | 44008 |

"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 Reserve Bank of India."

Part B Geographical Segments

Since the Bank is having domestic operations only, no reporting is necessary under this segment.

<u>Notes</u>

- 1. The above unaudited financial results reviewed by the audit committee have been approved by the Board of Directors at their meeting held on 21st January, 2011 and have been subjected to limited review by the Statutory Auditors of the Bank.
- 2. The working results for the quarter ended 31st December, 2010 have been arrived at after making provision for Income Tax and other usual and necessary provisions on an estimated and proportionate basis. Provisions for Non Performing Assets, Standard Assets, Restructured Advances, Non Performing Investments and Depreciation on Investments are made in accordance with the guidelines issued by Reserve Bank of India.
- 3. In terms of Agricultural Debt Waiver and Debt Relief Scheme, 2008, framed by the Government of India, the Bank has received ₹ 313 lakhs from Reserve Bank of India. on account of loans to small and marginal farmers, out of the amount eligible for debt waiver of ₹ 435 lakhs. The balance amount of ₹ 122 lakhs has been shown as receivables and classified under the head "Advances".
- 4. Details of Investor Complaints for the quarter ended 31st December, 2010: Beginning Nil, Received 2, Disposed off 2, Closing Nil.
- 5. Pursuant to the resolution passed in the meeting of Board of Directors of even date, the Bank will be increasing the authorized capital from 10 crore equity shares of ₹ 10/- each to 20 crore equity shares of ₹ 10/- each and issue not exceeding 5.50 crore equity shares of ₹ 10/- each either by Preferential Issue of shares or by Private Placement or by Qualified Institutional Placement or securities convertible into equity shares or Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) or the issue of Foreign Currency Convertible Bonds or ordinary shares (through depository receipt mechanism), subject to prior approval of Reserve Bank of India, necessary approvals from regulators from time to time and that of shareholders.
- 6. The figures for the previous period/year have been regrouped or rearranged wherever necessary to conform to current period's classification.

By order of the Board

Sd/-

Mumbai January 21, 2011 AMITABH CHATURVEDI (MANAGING DIRECTOR & C.E.O.)