



## Press Release

### **Development Credit Bank Ltd., DCB announces FY '09 Audited Results**

**Strong capital position enables DCB to withstand net loss of Rs. 88.1 Cr. Although, Operating Profit was Rs. 75.3 Cr., owing to high provisioning of Rs. 163.4 Cr., caused by poor economic conditions, DCB posted a net loss for FY 2008-09 as against last year net profit of Rs. 38.3 Cr. Capital Adequacy strong at 13.44% (Tier I - 11.62% & Tier II - 1.82%) and Net Worth at Rs. 595.7 Cr.**

19th June 2009, Mumbai – The Board of Directors of Development Credit Bank Ltd (BSE 532772; NSE DCB) took on record the audited results for the quarter and the year ended March 2009 at its meeting held in Mumbai on 19th June 2009.

Due to the slowdown in the economy, retail advances - notably unsecured personal loans witnessed a sharp increase in NPAs from the second half of 2008 that resulted in increase in provisioning. The Bank, in respect of unsecured personal loans has adopted a more stringent and prudent provision norm than that required by RBI. Unsecured personal loans that are overdue for more than 6 months are provided for at 100%. Also, as a matter of prudence, the Bank has made a large provision for a retail chain exposure in its corporate book.

**Mr. Murali M Natrajan, MD & CEO** of Development Credit Bank Ltd said, “We have been able to withstand the unprecedented challenges. Our capital and liquidity positions are strong. Recognizing the slow down, we were one of the banks to act early and exited unsecured personal loans in mid 2008 while intensifying remedial actions. Economy wide slowdown has impacted customers’ ability to repay. This in turn has resulted in increase in NPAs across the industry.”

**Mr. Naseer Munjee, Chairman**, said: “In the face of extra ordinary turmoil that seized the world in mid 2008, the Bank has reshaped its balance sheet. It has shifted the focus of the Bank to growing retail deposits in place of price sensitive bulk deposits. The Bank also de-risked its asset portfolio in both retail and corporate. This, while it has led to a contraction of the balance sheet, has strengthened its composition.”

Commented Mr. Natrajan, “Due to these actions our balance sheet profile is in a better condition than what it was at the beginning of 2008-09 for e.g. CASA ratio this year has improved to 30.9% from 24.2% last year. NIM was maintained at 2.8%”

### **DCB Audited Results for the year ended 31 March, 2009**

(Rs. in Crores)

	<b>FY 2008-09</b>	<b>FY 2007-08</b>
Interest Income	645.20	562.30
Interest Expense	447.95	388.37
<b>Net Interest Income</b>	<b>197.25</b>	<b>173.93</b>
Non Interest Income	120.12	173.66
<b>Total Income</b>	<b>317.37</b>	<b>347.59</b>
Operating Expenses	242.04	237.98

<b>Operating Profit/(Loss)</b>	<b>75.33</b>	<b>109.61</b>
Provisions	163.43	71.28
<b>Net Profit After Tax</b>	<b>(88.10)</b>	<b>38.33</b>

(Rs. in Crores)

<b>Key Balance Sheet Parameters</b>	<b>31 Mar 2009</b>	<b>31 Mar 2008</b>
Advances	3,274.02	4,068.80
Investments	1,621.73	2,134.56
Shareholders' Funds	595.72	634.34
Deposits	4,646.89	6,074.85
Total Assets	5,943.02	7,582.45
Gross NPA	8.78%	1.49%
Net NPA	3.88%	0.66%

### **About DCB**

A new generation private sector bank, Development Credit Bank (DCB) is the preferred banking services provider across 80 branches across 10 states and two union territories. The Bank has recently launched several value added initiatives and intends to become one of the country's preferred and profitable private sector banks, providing a comprehensive suite of "best in class" products for customers in Retail, SME and Corporate Banking market segments in chosen geographies.

DCB has deep roots in India since its inception in 1930. Its promoter the Aga Khan Fund for Economic Development (AKFED) holds over 26% stake. AKFED is an international development agency dedicated to promoting entrepreneurship and building economically sound enterprises in the developing world. It had co-promoted HDFC in India in the late seventies. AKFED operates as a network of affiliates comprising 90 separate project companies. Employing over 30,000 people, it reported annual revenues in excess of US\$1.5 billion. The Fund is active in 16 countries in the developing world.

For more details please visit [www.dcbi.com](http://www.dcbi.com) & <http://www.akdn.org/akfed>

### **Kindly direct your enquiries to:**

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