



Press Release for Immediate Circulation

Development Credit Bank Ltd. (DCB), announces First Quarter FY 2011 Results

DCB declared Q1 FY 2011 loss of Rs. 2.9 Cr., a vast improvement in comparison to Q1 FY 2010 loss of Rs. 35.3 Cr. and Q4 FY 2010 loss of Rs. 8.2 Cr. Deposits grew to Rs. 5,115 Cr. from Rs. 4,787 Cr. and Advances moved up to Rs. 3,479 Cr. from Rs. 3,460 Cr. Capital Adequacy stood at 13.8%.

July 17 2010, Mumbai: The Board of Directors of Development Credit Bank Ltd. (BSE: 532772; NSE: DCB) took on record the limited reviewed results for the first quarter (Q1 FY 2011) at its meeting in Mumbai on July 17, 2010.

Mr. Murali M Natrajan, MD & CEO said, "We are continuing to improve the Balance Sheet and P&L dynamics. We are satisfied with the progress we are making and if the current trend continues then we expect to return to profitability by the third quarter of 2010-11. Our Capital position continues to be strong at 13.8%"

Mr. Nasser Munjee, Chairman DCB stated, "We have come a long way in the last 12 months. Our cautious and steady approach is yielding results as expected. We are growing the chosen business lines as per our new strategy and at the same time we are continuing to strengthen the Balance Sheet".

DCB Highlights:

- (a) DCB reported a net loss of Rs. 2.9 Cr. in Q1 FY 2011 as against net loss of Rs. 35.3 Cr. in Q1 FY 2010 and net loss of Rs. 8.2 Cr. in Q4 FY 2010.
- (b) Balance Sheet continues to improve. As on June 30, 2010, the Balance Sheet was at Rs. 6,373 Cr. as against Rs. 5,798 Cr. as at June 30, 2009 and Rs. 6,137 Cr. as at March 31, 2010
- (c) Retail Deposits (Retail CASA and Retail Term Deposits) continued to show good results. Retail Deposits were at 80.4% of Total Deposits as on June 30, 2010 as against 78.7% as on June 30, 2009 and 81.5% as on March 31, 2010
- (d) CASA book grew by 8.8% for this quarter as compared to previous quarter. CASA ratio as on June 30, 2010 stands at 36.0% as against 33.5% as on June 30, 2009 and 35.3% as on March 31, 2010
- (e) Net Advances grew to Rs. 3,479 Cr. as on June 30, 2010 from Rs. 3,103 Cr. as on June 30, 2009 and Rs. 3,460 Cr. as on March 31, 2010
- (f) Net Interest Margin for the Q1 FY 2011 stands at 3.12% as against 2.76% for Q1 FY 2010 and 3.27% for Q4 FY 2010
- (g) Capital Adequacy Ratio (CAR) remained strong at 13.8% as on June 30, 2010 with Tier I at 11.4% and Tier II at 2.4% under Basel II. Under Basel I CAR was 14.7% as on June 30, 2010
- (h) Provisions for Q1 FY 2011 substantially reduced and stood at Rs. 25 Cr. as against Rs. 41 Cr. in Q1 FY 2010 and Rs. 27 Cr. in Q4 FY 2010
- (i) DCB planned exit of unsecured Personal Loans, Commercial Vehicles and Construction Equipment was replaced by secured Advances in MSME, SME, Retail Mortgages, mid-Corporate and Agri, Microfinance and Rural Banking
- (j) DCB continues to innovate and offer unique products, for example "DCB Elite" bespoke account numbers for Current Accounts and Saving Accounts



DCB Results for the Quarter ended June 30, 2010

(Rs. in Cr.)

	Q1 FY 2010-11	Q1 FY 2009-10	Q4 FY 2009-10
Interest Income	120	124	114
Interest Expense	(77)	(89)	(72)
Net Interest Income	43	35	42
Non Interest Income	30	23	25
Total Income	73	58	67
Operating Expenses	(51)	(52)	(48)
Operating Profit/(Loss)	22	6	19
Provisions	(25)	(41)	(27)
Net Profit After Tax	(3)	(35)	(8)

Key Balance Sheet Parameters

(Rs. in Cr.)

	June 30, 2010	June 30, 2009	March 31, 2010
Advances	3,479	3,103	3,460
Investments	2,006	1,929	2,018
Shareholders' Equity	596	563	599
Deposits	5,115	4,571	4,787
Total Assets	6,373	5,798	6,137
Gross NPA Ratio	8.47%	10.50%	8.69%
Net NPA Ratio	2.53%	4.94%	3.11%
Coverage Ratio	75.19%	55.73%	70.04%
CASA Ratio	35.97%	33.46%	35.32%

About DCB

DCB is a modern emerging new generation private sector bank with 80 branches across 10 states and 2 union territories. It is a scheduled commercial bank regulated by the Reserve Bank of India. It is professionally managed and governed. DCB has contemporary technology and infrastructure including state of the art internet banking for personal as well as business banking customers

DCB's business segment are Retail, micro-SMEs, large SMEs, mid-Corporate, Microfinance Institutions (MFI), Agriculture, Commodities, Government, Public Sector, Indian Banks, co-operative Banks and Non Banking Finance Companies (NBFC). DCB has approximately 600,000 customers

DCB has deep roots in India since its inception in 1930's. Its promoter and promoter group the Aga Khan Fund for Economic Development (AKFED) & Platinum Jubilee Investments Ltd. holds over 23% stake. AKFED is an international development enterprise. It is dedicated to promoting entrepreneurship and building economically sound companies. It has around 150 companies and employs over 30,000 people with a turnover of approximately US\$ 2 Bn. AKFED had co-promoted HDFC in India in the late 70's.

For more details please visit www.dcb.com & <http://www.akdn.org/akfed>



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