



DCB announces H1FY 08 Unaudited (Limited Reviewed) Results

Net Profit of Rs.20.23 crores for H1FY 08 (Up by 2084% QoQ)

Mumbai, Oct 31, 2007: The Board of Directors of Development Credit Bank Ltd (BSE: 532772; NSE: DCB) approved the unaudited (Limited Reviewed) results for the quarter (Q2 FY 08) and Half year (H1 FY 08) ended September 2007 at its meeting held in Mumbai on October 31, 2007. The Net Profit for the quarter was up at Rs.14.49 crores as against the Net Profit of Rs.0.66 crores for H1FY 07. The Net Profit for H1 FY08 at Rs.20.23 crores reflected an increase of 304% over H1 FY07. With Net Interest Income and Total Income growing by more than 100% over Q2 FY 07, Net Profit in Q2 FY 08 increased substantially over Q2 FY 07.

Unaudited (Limited Reviewed) Results for Q2 FY 08

(Rs. in crores)

	Q2 FY08	Q2 FY07	Growth	H1 FY08	H1 FY07	Growth
Net Interest Income	50.73	26.82	89%	82.73	49.54	67%
Non Interest Income	38.80	17.88	117%	67.40	38.42	75%
Total Income	89.53	44.70	100%	150.13	87.96	71%
Operating Expenses	57.46	41.12	39%	109.81	75.65	45%
Provisions	17.58	2.92	502%	20.09	7.30	175%
Net Profit	14.49	0.66	2084%	20.23	5.01	304%

Following on from a good turnaround year in FY 07, the trend improved during H1 FY 08. Overall, Q2 was a promising quarter with the Bank improving its performance in all spheres. While Net Interest Income registered a comfortable growth of 89% over Q2 FY07 to reach Rs.50.73 crores, Non Interest income increased by 117% to reach Rs.38.80 crores. Total income went up by 100% compared to Q2 FY07. The Net Profit amounted to Rs.14.49 crores for Q2 FY08 and Rs.20.23 crores for H1 FY 08.

Commenting on the results **Mr. Gautam Vir, Managing Director & CEO, Development Credit Bank Ltd.** said, " We are delighted that we are on track in turning around the Bank and adding value to our customers and stakeholders. DCB is moving towards providing quality service to its target market in the SME / consumer / trading / small business segment and the geographies in which it is present.

(Rs in crores)

Key Balance Sheet Parameters	Sept 30,2007	Sept 30,2006	Growth %
Advances	3195.19	1873.08	71
Investments	1728.16	1504.58	15
Shareholders' Funds	628.89	168.89	272
Deposits	4916.57	3514.42	40
Total Assets	6093.02	4063.19	50

Performance Highlights:

- Net Profit for H1 FY08 at Rs.20.23 crores, up 304% on YOY and for Q2 FY 08 at 14.49 crores, up 2084% on QOQ.
- Assets Growth at 50% YOY.
- Advances at Rs.3195.19 crores, with a Growth of 71% over H1 FY 07.
- Retail advances stood at Rs.1508.78 crores, showing 79% growth over H1 FY 07.
- Deposits at Rs.4916.57 crores, with a Growth of 40% over H1 FY 07.
- Gross NPAs reduced to Rs.143 crores (4.26%) from Rs.313 crores (14.85%) as at Sept 2006.
- Net NPAs reduced to Rs. 36.78 crores (1.15%) from Rs. 77.52 crores (4.14%) in Sept 2006.
- Net NPAs (with Standard Assets Provision) reduced to 0.4% as against 3.7% as at Sept 2006.
- Capital Adequacy Ratio up at 15.41 % from 9.26 % in Sept 2006.



- Book Value per Share up at Rs.33.46 from Rs.18.77 at Sept 2006.
- Adjusted Book Value per Share up at Rs.31.35 from Rs.8.35 at Sept 2006.

Key Business Updates

- Continued focus on Priority Sector Advances –PSA as at Sept 30, 2007 stood at Rs.1192 crores constituting 43.2% of Net Bank Credit.
- Seven New Branches and three relocated branches operationalized.
- Launched Online Bill Payment facility, offering customers extreme convenience in paying utility bills.
- Strategic Alliance with HDFC Ltd for marketing their Home Loan products.
- Present range of Micro Finance products is being extended to a few more locations.
- Retail Assets Software (FinnOne) migration successfully completed.
- Mr. Narendaranath Mishra earlier associated with ICICI Bank has joined the bank as Head-Agriculture Business, thus giving a fillip to the Agri business.
- Rs.280 crores raised through Preferential Allotment @ Rs. 105/- per share in August, 2007.

About DCB

DCB is a private sector bank having access to over 18,000 ATMs and 79 state-of-the-art branches including extension counters spread over nine 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 specific market segments in chosen geographies. DCB has initiated a liability and select asset product led strategy, through a mix of owned and outsourced products and multi-channel capabilities.



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