



Turnaround gains Momentum

DCB announces Unaudited (Limited Reviewed) Results for 3rd Quarter and Nine Months ended December 2007

Q3 FY08 Net Profit Rs. 25.71 crores – Up 828% YoY

Mumbai, Jan 31, 2008: The Board of Directors of Development Credit Bank Ltd (BSE: 532772; NSE: DCB) approved the unaudited (Limited Reviewed) results for the quarter (Q3 FY08) and Nine Months (9M FY08) ended December 2007 at its meeting held in Goa on January 30, 2008. The Net Profit for the quarter stood at Rs. 25.71 crores, up 828% over Q3 FY07. The Net profit for nine months period stood at Rs. 45.93 crores, up 490% over the corresponding period last year. Net Interest Income and Total income grew by 35% and 33% respectively over the same period last year.

Unaudited (Limited Reviewed) Results for Q3 FY 08

	Q3 FY08	Q3 FY07	Growth	9M FY08	9M FY07	Growth
Net Interest Income	42.56	31.56	35%	125.27	81.10	54%
Non Interest Income	35.32	27.19	30%	102.72	65.60	57%
Total Income	77.88	58.75	33%	228.00	146.71	55%
Operating Expenses	59.22	45.10	31%	169.02	120.75	40%
Operating Profit	18.66	13.65	37 %	58.97	25.95	127 %
Provisions & Taxes	(7.05)	10.88	(165%)	13.04	18.17	(28%)
Net Profit	25.71	2.77	828%	45.93	7.78	490%

Following on from a good turnaround year in FY07, the trend improved during 9M FY08. Overall, Q3 FY08 was an impressive quarter with the Bank improving its performance in all spheres. For the 9M FY08, Net Interest Income registered a growth of 54% over corresponding period last year, to reach Rs. 125.27 crores, Non Interest income increased by 57% to reach Rs. 102.73 crores. Total income went up by 55% compared to 9M FY07. The Net Profit amounted to Rs. 25.71 crores for Q3 FY08 and Rs. 45.93 crores for 9M FY08.

Commenting on the results **Mr. Gautam Vir, Managing Director & CEO, Development Credit Bank Ltd.** said, "We are delighted with the highly encouraging results for the quarter ended December 31, 2007 reflecting the strong growth of 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	Dec 31,2007	Dec 31,2006	Growth %
Advances	3650.31	2152.36	70%
Investments	1866.14	1344.37	39%
Shareholders' Funds	645.74	334.17	93%
Deposits	5303.80	3692.13	44%
Total Assets	6643.54	4463.16	49%

Performance Highlights:

- Net profit for 9M FY08 at Rs. 45.93 crores, up 490% on YoY and for Q3 FY 08 at Rs. 25.71 crores, up 828% on QoQ.
- Net Interest Margin (NIM) improved to 2.90% as compared to 2.54% as at Dec. 2006.
- Assets Growth at 49% YoY.
- Advances at Rs. 3650 crores with a Growth of 70% over 9M FY 07.
- Retail advances stood at Rs. 1799 crores, showing 79% growth over 9M FY 07.
- Deposits at Rs. 5304 crores, with a Growth of 44% over 9M FY 07.
- Gross NPAs reduced to Rs. 153 crores from Rs. 304 crores as at Dec 2006.
- Net NPAs reduced to 0.97 % from 2.8 % in Dec 2006.
- Net NPAs (With Standard Assets Provision) reduced to 0.3% as against 2.3% as at Dec 2006.
- Capital Adequacy Ratio up at 13.7 % from 13.5 % in Dec 2006.
- Book Value per Share up at Rs. 34.2 from Rs. 20.4 at Dec 2006.
- Fully Adjusted Book Value per Share up at Rs. 32.2 from Rs. 16.3 at Dec 2006.

Key Business Updates

- Priority Sector Advances - PSA targets achieved as at December 31, 2007.
- Micro Finance initiative - DCB Sahayog launched on a pilot basis with a dedicated Branch at Dediapada, Gujarat.
- Corporate Internet banking planned to be launched.



- **New Product for SME Sector on the anvil.**
- **DCB is the Second largest distributor of Birla Sun Life Insurance in terms of collection of Life Insurance Premium.**
- **DCB's Stock permitted to be traded in Futures & Options Segment of NSE.**
- **Senior management positions filled during the quarter**
 - **Mr. Mohammed Arif Ansari from Al Mulla International Exchange for Kuwait joined as Head-Cash Management;**
 - **Mr. Karthikeyan R. from IndusInd Bank Ltd. joined as Head-Exchange Business; and**
 - **Mr. V.K. Khanna from Rolta India Ltd. joined as Finance Controller & Head-Investor Relations.**

About DCB

DCB is a private sector Bank having access to over 18,000 ATMs and 80 state-of-the-art branches including extension counters spread over ten 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.

For more details on this release, contact:

V K Khanna

Finance Controller & Head-Investor Relations

vipank@dcb.com

Contact: 91-22-2438 7006 (D), Cell: 98694 66604

Sonia Kulkarni

Adfactors PR

Contact: 91-22-22814202 / 3565 Cell: 98201 84099