

DEVELOPMENT CREDIT BANK LTD

Q2 FY 09 and H1 FY 09 Results

HIGHLIGHTS

Profit & Loss Account

- Operating Profit for H1 FY09 stood at Rs. 44.2 crores as against Rs. 40.3 crores for H1 FY08.
- Q2 FY 09 operating profit was Rs.19.1 crores as against Q1 FY 09 operating profit of Rs.32.1 crores.
- Reduction in profit for the quarter is mainly due to reduction in Non Interest Income from Rs.43.1 crores in Q2 FY 08 to Rs.28.7 crores in Q2 FY 09, a decrease of Rs.14.4 crores (33%).
- NII for Q1 FY 09 at Rs.57.9 crores was 25% higher than Rs.46.4 crores for corresponding period last year.

Balance Sheet

- On balance sheet side, Advances have grown from Rs.3,194 crores at Sep 07 to Rs. 4,261 crores at Sep 08, a growth of 33%.
- Over same period Retail Advances have grown from Rs.1,523 crores to Rs.1,886 crores. Composition of retail advances has improved with Unsecured Retail Asset book running down from Rs.713 crores (47% of total retail advances) to Rs.582 crores (31% of total retail advances).
- Ratio of Gross NPAs to Gross Advances reduced from 4.3% to 2.9%. Ratio of Net NPAs to Net Advances has increased from 1.2% to 1.3%
- Deposits of Rs.6,006 crores as at 30 Sep 08, represent a growth of 22% over Rs.4,917 crores as at end Sep 07.
- CASA has increased from Rs.1,347 crores as at end Sep 07 to Rs.1,647 crores as at end Sep 08, an increase of 22%. As a percentage of total deposits, the ratio is steady 27.4%.
- Capital Adequacy Ratio as at Sep 08 is 12.5%. Corresponding ratio as at 30 Sep 07 was 15.4%.

Business Initiatives in Q2 FY 09

- First new generation private bank to open a branch in Dharavi.
- Retail Collections Monitoring Module Launched.
- Customer Service Initiatives :-
 - Multi lingual Statements
 - Auto Cheque Book Issuance
 - SMS Alerts
- CASA Enabling Dividend/Interest Warrant Processing commenced
- Cash Management Services launched.
- Mastercard Acquisition on Merchant Terminals commenced.
- Various initiatives have been taken to reduce operational expenses, the impact of which will flow through in next two quarters.
- Mr. Bharat Sampat has joined the Bank as EVP & Chief Financial Officer. A Chartered Accountant, Company Secretary and Cost Accountant, with a post-graduate Degree in Law, Bharat has over 22 years of post-qualification work experience in senior positions with reputed organizations.

Summary Results & Prior Period Comparison

(Rs.in Crores)

	Q2 FY 09	Q2 FY 08	Growth	H1 FY 09	H1 FY 08	Growth
Net Interest Income	57.87	46.44	25%	106.57	74.08	44%
Non Interest Income	28.75	43.09	(33%)	67.67	76.05	(11%)
Total Income	86.62	89.53	(3%)	174.24	150.13	16%
Operating Expenses	67.50	57.47	17%	130.04	109.81	18%
Operating Profit	19.12	32.06	(40%)	44.20	40.32	10%
Provisions & Contingencies	18.12	17.57	3%	37.76	20.09	88%
Net Profit/(Loss)	1.00	14.49	(93%)	6.44	20.23	(68%)

Summarised Balance Sheet & Prior Period Comparison*(Rs in Crores)*

	Sept 30,2008	June 30,2008	March 31,2008	Dec 31,2007	Sept 30,2007	Growth % H1FY09 Over H1 FY08
Assets						
Advances	4,260.6	3,815.0	4,068.8	3,650.3	3,194.4	33%
Investments	1,975.1	2,004.1	2,134.6	1,866.1	1,728.1	14%
Other Assets	1,189.0	1,286.7	1,374.1	1,127.1	1,169.7	2%
Total Assets	7,424.7	7,105.8	7,577.5	6,643.5	6,092.2	22%
Liabilities						
Shareholders' Funds	638.4	637.6	634.4	645.7	628.9	2%
Deposits	6,006.4	5,640.4	6,074.9	5,303.8	4,916.6	22%
Borrowings	383.2	467.8	426.8	233.5	115.8	231%
Other Liabilities	396.7	360.0	441.4	460.5	430.9	(8%)
Total Liabilities	7,424.7	7,105.8	7,577.5	6,643.5	6,092.2	22%

Other Income*(Rs.in Crores)*

	Q2 FY09	Q2 FY08	Growth	H1 FY09	H1 FY08	Growth
Commission, Fees & Brokerage	17.3	21.6	(20%)	34.3	38.5	(11%)
Commission on Insurance	4.3	2.5	72%	8.0	4.0	100%
Commission from Mutual fund	0.4	1.5	(73%)	1.7	2.5	(32%)
Profit on sale of Investments/IPO	0.3	6.6	(95%)	1.2	11.1	(89%)
Profit on sale of property	0.5	0.6	(17%)	4.8	2.3	109%
Profit on Exchange Transactions	2.6	5.0	(48%)	10.1	9.0	12%
Miscellaneous Income	3.4	5.3	(36%)	7.6	8.6	(12%)
Total	28.8	43.1	(33%)	67.7	76.0	(11%)