

DEVELOPMENT CREDIT BANK LTD

FY 07 Results

HIGHLIGHTS

- Operating Profit of Rs. **40.25** crores for FY 07, as against an Operating Loss of Rs.**19.67** crores in FY 06.
- Net Profit of Rs. **7.37** crores in FY 07 compared to a Net Loss of Rs.**85.26** crores in FY 06. The Net Profit for FY 07 is after providing for Standard Assets at the enhanced rates as per regulatory requirement, resulting in additional provision of Rs.**10.6** crores.
- Turnaround by the Bank - back to black after two years.
- Growth in Total Assets by **41** %.
- Advances at Rs.**2658.52** crores, up by Rs. **791** crores - with a growth of **42%** over March 06.
- Retail advances crossed Rs.1000 crore mark and stood at Rs.1016 crores as at March 31, 07-50% growth during FY 07.
- Deposits at Rs. 4415 crores with a Growth of **41%** over March 06.
- Gross NPAs reduced to Rs.146.16 crores from Rs.314.92 crores as at March 06.
- Net NPAs (with Standard Assets provision) reduced to 0.86% as against 4.13% as at March 06.
- Net NPAs (without Standard Assets provision) reduced to 1.64 % from 4.50% in March 06.
- Capital Adequacy Ratio up at 11.34 % from 9.66% in March 06.
- Book Value per Share up at Rs.20.41 from Rs.18.30 at March 06.

Business Update FY 07

- Priority Sector Advances target achieved –PSL as at March 31, 07 stood at Rs.1131 crores constituting 41.5% of Net Bank Credit.
- RBI permission obtained for opening 8 new branches.
- Launched TRIO- a unique triple combination of Fixed Deposit and Savings Accounts with Personal Accident Insurance benefit.
- Empanelled with MCX as a Clearing Bank.
- Call Center opened at Malad, Mumbai.
- Prime Lending Rate increased by 75 bps (effective April 1, 07).
- ESOPs granted to eligible staff - 86% of staff have now been granted stake in the Bank.
- Upgradation to Finacle Version 7.0.11 completed smoothly.

Summary Results & Prior Period Comparison

(Rs in crores)

	FY 07	FY 06	% Growth	Q4-FY 07	Q4 -FY 06	Q-o-Q - % Growth
Net Interest Income	119.55	75.19	59%	38.45	19.84	93%
Non-Interest Income	92.49	55.23	67%	26.88	14.51	85%
Total Income	212.04	130.42	63%	65.33	34.35	90%
Operating Expenses	171.79	150.09	14%	50.56	48.17	5%
Operating Profit	40.25	(19.67)	-	14.77	(13.82)	-
Provisions	32.88	65.60	-50%	15.18	34.83	-38%
Net Profit/(Loss)	7.37	(85.27)	-	(0.41)	(48.65)	-

Profitability Analysis

- Operating Profit for Q4 FY 07 up at Rs.14.77 crores as against Operating Loss at Rs. 13.82 crores for Q4 FY 06.
- Improved Net Interest Margin at 2.69 % in FY 07 compared to 1.82% at FY 06.
- Net Interest Income up 93% over Q4 FY 06.
- Non Interest Income increased 67% on YOY and 85% Q-o-Q.
- Total Income increased 63% on YOY and 90% on Q on Q basis.
- Cost to Income Ratio decreased from 119% in FY 06 to 83% FY 07.

Trends in Quarterly Performance

(Rs. in crores)

	FY 07	Q4-FY 07	Q3-FY 07	Q2 -FY 07	Q1-FY 07	Q4-FY 06
Net Interest Income	119.55	38.45	31.56	26.82	22.72	19.84
Non interest Income	92.49	26.88	27.19	17.87	20.55	14.51
Total Income	212.04	65.33	58.75	44.69	43.27	34.35
Operating Expenses	171.79	50.56	45.27	41.27	34.69	48.17
Operating Profit	40.25	14.77	13.48	3.42	8.58	(13.82)
Provisions	32.89	15.18	10.71	2.75	4.24	34.83
Net Profit	7.37	(0.41)	2.77	0.67	4.34	(48.65)

Summary Balance Sheet & Prior Period Comparison

(Rs. in Crores)

	March 31,2007	Dec 31,2006	Sept 30,2006	June 30,2006	March 31,2006	Growth in FY 07 over FY 06
Assets						
Advances	2658.52	2152.40	1873.10	1927.40	1867.32	42%
Investments	1846.63	1346.10	1504.60	1597.70	1306.92	41%
Other Assets	757.20	964.70	685.50	626.90	567.48	33%
Total Assets	5262.35	4463.20	4063.20	4152.00	3741.72	41%
Liabilities						
Shareholders' Funds	329.79	334.20	168.90	168.30	164.19	98%
Deposits	4415.20	3692.10	3514.40	3587.10	3124.00	41%
Borrowings	154.40	93.00	55.10	65.60	131.52	19%
Other Liabilities	362.96	343.90	324.80	331.00	322.01	12%
Total Liabilities	5262.35	4463.20	4063.20	4152.00	3741.72	41%

Major Trends

- 41 % growth in Deposits 42 % growth in Advances.
- Balance Sheet Growth by 41% over FY 06.
- Capital Adequacy Ratio at a comfortable 11.35 %-up from 9.68% in March 06
- Average Growth in CASA as a % of Deposits has grown to 29% in FY 07 over 26% in FY 06.

Further Capital Raising

In supersession of a Rs. 225 crores QIP, DCB plans to raise further capital up to Rs.275 crores through private placement and / or preferential issue and / or Rights Issue and / or ADR / GDR and / or any other financial instruments.