

DEVELOPMENT CREDIT BANK LTD
Q3 FY 08 Results

HIGHLIGHTS

- **Net Profit for Q3 FY08 at Rs.25.71 crores, up 828% on YOY.**
- **Net Profit for 9 Months FY 08 at Rs.45.93 crores, up 490% YOY.**
- **Net Interest Margin (NIM) improved to 2.90% as compared to 2.54% as at Dec. 2006.**
- **Assets Growth at 49 %.**
- **Advances at Rs.3650 crores, with a Growth of 70% over Q3 FY 07.**
- **Retail advances stood at Rs.1799 crores showing 79% growth over Q3 FY 07.**
- **Deposits at Rs.5304 crores with a Growth of 44% over Q3 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 0.2% 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.**

Business Update

- **Priority Sector Advances – PSA targets achieved as at Dec 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.**

Summary Results & Prior Period Comparison

(Rs in crores)

	Q3 FY 08	Q3 FY 07	Growth	9M FY 08	9M FY 07	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%

Profitability Analysis - 9M FY08

- Net Profit UP 490% YoY.
- Net Interest Income UP 54% YoY.
- Non Interest Income UP 57% YoY.
- Total Income UP 55% YoY.

Summarised Balance Sheet & Prior Period Comparison

Rupees in crores

	Dec. 31, 2007	Sep. 30, 2007	Jun. 30, 2007	Mar. 31, 2007	Dec. 31, 2006	Growth % 9M FY08 Over 9M FY07
Assets						
Advances	3650.3	3195.2	2887.2	2658.5	2152.4	70%
Investments	1866.1	1728.2	1722.2	1846.7	1346.1	39%
Other Assets	1127.1	1169.7	990.4	757.2	964.7	17%
Total Assets	6643.5	6093.1	5599.8	5262.4	4463.2	49%
Liabilities						
Shareholders' Funds	645.7	628.9	335.2	329.8	334.2	93%
Deposits	5303.8	4916.6	4766.6	4415.2	3692.1	44%
Borrowings	233.5	115.8	74.7	154.4	93.0	151%
Other Liabilities	460.5	431.8	423.3	363.0	343.9	34%
Total Liabilities	6643.5	6093.1	5599.8	5262.4	4463.2	49%

Major Trends – 9M FY08

- 44 % YoY Growth in Deposits.
- 70 % YoY Growth in Advances.
- Balance Sheet Growth by 49 % YoY.
- Capital Adequacy Ratio at 13.7%- well above Regulatory Requirement.