



DEVELOPMENT CREDIT BANK LTD

H1 FY 08 Results

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.

Business Update

- Continued Focus on Priority Sector Advances (PSA) as at Sept 30, 2007 stood at Rs.1,192 crores constituting 43.2% of Net Bank Credit.
- Seven New Branches and three relocated branches operationalized including one at Dediapada opened exclusively for Micro Finance.
- 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, previously associated with ICICI Bank has joined the bank as Head-Agriculture Business, thus giving a fillip to the banks Agri business.
- Service Indicators and Quality Circles have been rolled out pan Bank.

Summary Results & Prior Period Comparison

(Rs in crores)

	Q2 FY 08	Q2 FY 07	Growth	H1 FY 08	H1 FY 07	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 & Contingencies	17.58	2.92	502%	20.09	7.30	175%
Net Profit/(Loss)	14.49	0.66	2084%	20.23	5.01	304%

Profitability Analysis

- Net Profit for H1 FY08 up 304%.
- Net Interest Income for H1 FY08 up 67%.

- Non Interest Income increased 75%YOY.
- Total Income increased 71%YOY.

Summarised Balance Sheet & Prior Period Comparison

(Rs crores)

	Sept 30,2007	June 30,2007	March 31,2007	Dec 31,2006	Sept 30,2006	Growth % H1FY08 Over H1 FY07
Assets						
Advances	3195.2	2887.2	2658.5	2152.4	1873.1	71%
Investments	1728.2	1722.2	1846.7	1346.1	1504.5	15%
Other Assets	1169.7	990.4	757.2	964.7	685.5	71%
Total Assets	6093.1	5599.8	5262.4	4463.2	4063.1	50%
Liabilities						
Shareholders' Funds	628.9	335.2	329.8	334.2	168.9	272%
Deposits	4916.6	4766.6	4415.2	3692.1	3514.4	40%
Borrowings	115.8	74.7	154.4	93.0	55.0	110%
Other Liabilities	431.8	423.3	363.0	343.9	324.8	39%
Total Liabilities	6093.1	5599.8	5262.4	4463.2	4063.1	50%

Major Trends

- 40 % Growth in Deposits YOY.
- 71 % Growth in Advances YOY.
- Balance Sheet Growth by 50 % YOY.
- Capital Adequacy Ratio at 15.41%- well above Regulatory Requirement.
- Average Growth in CASA by 30% over Sept 2006.

Capital Raising

- Rs.280 crores raised through Preferential Allotment @ Rs. 105/- per share in August, 2007.