

DCB BANK

Press Release for Immediate Circulation

DCB Bank announces Second Quarter FY 2015 Results

November 01, 2014, Mumbai: The Board of Directors of DCB Bank Ltd. (formerly - Development Credit Bank Ltd.) (BSE: 532772; NSE: DCB) at its meeting in Mumbai on November 01, 2014, took on record the limited reviewed financial results of the second quarter (Q2 FY 2015).

DCB Bank Limited (Formerly Development Credit Bank Ltd.) declared Q2 FY 2015 Net Profit of Rs. 41 Cr. against a Net Profit of Rs. 33 Cr in Q2 FY2014, increase of 24%. The Q2 FY 2015 Profit Before Tax was Rs. 46 Cr as against Profit Before tax of Rs. 33 Cr in Q2 FY2014, increase of 39%.

During the quarter, the Bank's interest income included interest on income tax refund of Rs. 5 Cr. and a corresponding Tax Expense of Rs. 1 Cr.

Since September 2013 the Bank has increased its branch network from 103 to 142 and the number of employees has gone up from 2,401 to 3,184. As per our estimates, the investments in branch network and number of employees increase is approximately Rs. 11 Cr. for the half year ended September 30, 2014. These investments are expected to break even in about 18 to 24 months.

As on September 30, 2014, the Balance Sheet was at Rs. 13,415 Cr. as against Rs.11,125 Cr. as on September 30, 2013, a growth rate of 21%.

As on September 30, 2014, the Bank's Deposits stood at Rs.10,900 Cr. and Net Advances reached Rs.8,793 Cr. In comparison to September 30, 2013, Deposits have grown by 24% and Net Advances by 32%.

Retail Deposits were at 83% of Total Deposits as on September 30, 2014.

CASA ratio as on September 30, 2014 was at 25.5% as against 26.9% as on September 30, 2013.

The Gross NPA stood at 1.90% and Net NPA was at 1.07%. There has been a slight increase in both Gross and Net NPA primarily on account of slippage of one account each in Corporate Banking and Agriculture and Inclusive Banking.

Net Interest Margin for Q2 FY 2015 stands at 3.72% as against 3.68% for Q2 FY 2014.

As informed earlier, the Bank has raised Tier I Capital of approximately Rs. 250 Cr. through an offer of equity shares under Qualified Institutional Placement (QIP) which was completed on October 10, 2014.

Without considering the above, the Bank's Capital Adequacy Ratio was at 13.04%, with Tier I core capital at 12.16% under Basel III as on September 30, 2014.

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Speaking on the occasion, **Mr. Murali M. Natrajan**, Managing Director & CEO said, "Cost increases are mainly on account of increase in branch network and number of employees. While underlying Cost / Income ratio is improving, investments in expansion is putting pressure on overall Cost / Income ratio. NPAs are in control however, we have to be watchful. So far, business growth has been steady".

DCB Bank Results for the quarter and half-year ended September 30, 2014

Rs. Cr.	Q2 FY 2014-15	Q2 FY 2013-14	H1 FY 2014-15	H1 FY 2013-14	Inc/ Dec%	Q1 FY 2014-15	FY 2013-14
Interest Income	335	269	687	529	30%	352	1,128
Interest Expense	(217)	(178)	(430)	(355)	(21%)	(213)	(760)
Net Interest Income	118	91	257	174	47%	139	368
Non Interest Income	37	27	71	72	(1%)	34	139
Total Income	155	118	328	246	33%	173	507
Operating Expenses	(95)	(78)	(187)	(155)	(20%)	(92)	(319)
Operating Profit/(Loss)	60	40	141	91	54%	81	188
Provisions other than Tax	(14)	(7)	(37)	(15)	(136%)	(23)	(37)
Net Profit Before Tax	46	33	104	76	38%	58	151
Tax	(5)	0	(18)	0	-	(13)	0
Net Profit After Tax	41	33	86	76	13%	45	151

Key Balance Sheet Parameters

Rs. Cr.	September 30, 2014	September 30, 2013	June 30, 2014	March 31, 2014
Total Assets	13,415	11,125	12,884	12,923
Deposits	10,900	8,788	10,552	10,325
Net Advances	8,793	6,677	8,291	8,140
Investments	3,340	3,314	3,540	3,634
Shareholders' Equity	1,235	1,079	1,199	1,154
Gross NPA Ratio	1.90%	3.43%	1.78%	1.69%
Net NPA Ratio	1.07%	0.86%	0.97%	0.91%
Coverage Ratio	76.79%	83.96%	79.07%	80.54%
CASA Ratio	25.46%	26.92%	25.38%	25.00%
Credit Deposit Ratio	80.67%	75.97%	78.58%	78.84%

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About DCB Bank

DCB Bank Limited (Formerly Development Credit Bank Ltd.) is a modern emerging new generation private sector bank with 142 branches across 17 states and 2 union territories. It is a scheduled commercial bank regulated by the Reserve Bank of India. It is professionally managed and governed. DCB Bank has contemporary technology and infrastructure including state of the art internet banking for personal as well as business banking customers.

The Bank's business segments are Retail, micro-SMEs, SMEs, mid-Corporate, Microfinance Institutions (MFI), Agriculture, Commodities, Government, Public Sector, Indian Banks, Co-operative Banks and Non-Banking Finance Companies (NBFC). DCB Bank has approximately 500,000 customers.

The Bank has deep roots in India since its inception in 1930s. Its promoter and promoter group the Aga Khan Fund for Economic Development (AKFED) and Platinum Jubilee Investments Ltd. holds over 18% stake. AKFED is an international development enterprise. It is dedicated to promoting entrepreneurship and building economically sound companies.

AKFED operates as a network of affiliates with more than 90 separate project companies over 30,000 people. The fund is active in 16 countries in the developing world. AKFED had co-promoted HDFC in India in the late 70s.

For more details please visit www.dcbbank.com & <http://www.akdn.org/akfed>

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