

Development Credit Bank Ltd., DCB announces Third Quarter Q3 FY 2009 - 2010 results

- DCB reported Net Loss of Rs. 18.1 Cr. a marginal increase from the previous quarter Net Loss of Rs. 16.9 Cr. DCB successfully raised Rs. 81 Cr. Tier I Capital through a QIP to strengthen its Balance Sheet and enable Asset growth. Capital Adequacy was strong at 16.9% (Tier I - 13.6% and Tier II - 3.3%). Capital Adequacy as per Basel II norms was 14.9%.
- Net Advances grew to Rs. 3,139.2 Cr. as of December 31, 2009 from Rs. 2,963.1 Cr. as on September 30, 2009
- Since March 31, 2009, CASA has grown by 18.8%. CASA ratio stood at 38.1 % for the quarter ended December 31, 2009

January 15 2010, Mumbai - The Board of Directors of Development Credit Bank Ltd (BSE 532772; NSE DCB) took on record the limited review results for the third quarter FY'10 October - December 2009 at its meeting in Mumbai on January 15, 2010.

DCB reported a net loss of Rs. 18.1 Cr. in Q3 FY'10 as against Rs.16.9 Cr. in Q2 FY'10.

Net Advances grew to Rs. 3,139.2 Cr. as on December 31, 2009 from Rs. 2,963.1 Cr. as on September 30, 2009.

Net Interest Margin (NIM) improved to 2.61% for Q3 FY'10 as compared to 2.50% Q2 FY'10.

DCB's focus of attention on Retail Deposits (Retail CASA & Retail Term Deposits) continued to show good results.

The Bank has continuously reduced its exposure to Unsecured Personal Loans portfolio which stood at Rs. 150.9 Cr at December 31. 2009 as against Rs. 519.4 Cr for September 30, 2008.

Provisions declined by 21%, down at Rs. 25.9 Cr. in Q3 FY'10 from Rs. 32.5 Cr. in the Q2 FY'10.

DCB raised Rs. 81 Cr. Tier I capital that has helped to strengthen balance sheet and facilitate growth. Tier I Capital Adequacy Ratio (CAR) is strong at 13.6%. Tier II CAR stands at 3.3%.

Free Mutual Fund investment services from DCB. DCB Wealth Management Services offering makes it amongst the first, if not the first bank in the country to offer Wealth Management to DCB account customers without a minimum net worth criteria. This

competitive offering is part of the Bank's strategy of making inroads into the Wealth Management and investment advisory segment.

DCB Home Loans at 7.95% p.a. for the first year introduced in Mumbai and now in Thane and Pune markets. Strong growth in secured retail assets seen in Q3 FY '10.

Mr Nasser Munjee, Chairman DCB stated " The incremental NPAs have slowed down considerably and asset momentum is picking up in our chosen areas. We are confidently and cautiously moving forward"

Mr. Murali M Natrajan, MD & CEO said, "We have systematically reduced our exposure to Unsecured Personal Loans. Robust recovery and collection efforts are helping to reduce NPAs and Provisions. Our efforts to grow CASA are yielding good results. We are beginning to achieve asset growth as per our strategy of growing secured portfolio in micro SME, SME, mid Corporate, Home Loans and Priority Sector. We expect to turn the corner in the next financial year"

DCB results for the quarter ended December 2009

(Rs. in Crores)

	Q3 FY 2009-10	Q2 FY 2009-10
Interest Income	109.1	111.7
Interest Expense	(76.5)	(80.2)
Net Interest Income	32.6	31.5
Non Interest Income	25.7	34.1
Total Income	58.3	65.6
Operating Expenses	(50.5)	(50.0)
Operating Profit/(Loss)	7.8	15.6
Provisions	(25.9)	(32.5)
Net Profit After Tax	(18.1)	(16.9)

(Rs. in Crores)

Key Balance Sheet Parameters	Q3 FY 2009-10	Q2 FY 2009-10
Advances	3,139.2	2,963.1
Investments	1,701.1	1,908.7
Shareholders' Funds	537.6	474.9
Deposits	4,482.4	4,502.5
Total Assets	5,702.1	5,590.7
Gross NPA	11.05%	11.24%
Net NPA	4.35%	4.67%
Coverage Ratio	63.42%	61.28%

About DCB

A new generation private sector bank, Development Credit Bank (DCB) is the preferred banking services provider across 80 branches across 10 states and two union territories. The Bank has recently launched several value added initiatives and intends to become one of the country's preferred and profitable private sector banks, providing a

comprehensive suite of “best in class” products for customers in Retail, SME and Corporate Banking market segments in chosen geographies.

DCB has deep roots in India since its inception in 1930's. Its promoter the Aga Khan Fund for Economic Development (AKFED) holds over 23% stake. AKFED is an international development agency dedicated to promoting entrepreneurship and building economically sound enterprises in the developing world. It had co-promoted HDFC in India in the late seventies. AKFED operates as a network of affiliates comprising 90 separate project companies. Employing over 30,000 people, it reported annual revenues in excess of US\$1.5 billion. The Fund is active in 16 countries in the developing world.

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

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