



Press Release for Immediate Circulation

Development Credit Bank Ltd., (DCB) announces FY 2010 Audited Results

DCB reported full year Net Loss of Rs. 78 Cr. for FY 2010, is lower than the previous Financial Year Net Loss of Rs. 88 Cr.

Net Loss for Q4 FY 10 was Rs. 8 Cr. much lower than Q3 FY 10 Net Loss of Rs. 18 Cr.

April 16, 2010, Mumbai - The Board of Directors of Development Credit Bank Ltd. (BSE :532772; NSE:DCB) took on record the audited results for the fourth quarter (Q4 FY 10) and the year ended March 31, 2010 at its meeting in Mumbai on April 16, 2010.

Mr. Murali M Natrajan, MD & CEO said, "In 2009-10, we successfully dealt with many of the challenges faced by the Bank. DCB's Balance Sheet is in a better state than what the situation was at the end of financial year 2008-2009". We are satisfied with the business trajectory and key driver trends of the last two quarters. DCB is vigorously executing its strategy of exiting unsecured Personal Loans, growing secured Advances in the chosen business segments, improving Cost of Funds, controlling NPAs & Provisions and reducing absolute Costs. Balance Sheet is getting traction and we are confident of returning profits within a few months. The Bank's Capital position continues to be strong at 15.4%"

Mr Nasser Munjee, Chairman DCB stated, "In the last two quarters we have grown Advances at a cautious pace. Both Advances and Deposits composition in the Balance Sheet have been restructured. CASA has shown strong performance and we expect NPAs & Provisions to decline further".

DCB Highlights:

- (a) DCB planned exit of unsecured Personal Loans, Commercial Vehicles and Construction Equipment was replaced by secured Advances in MSME, SME, Retail Mortgages, mid-Corporate and Agri, Microfinance and Rural Banking
- (b) Balance Sheet has begun to grow in the last few months. Balance Sheet as on March 31, 2010 was Rs. 6,137 Cr. as against Rs. 5,943 Cr. as at March 31, 2009
- (c) Net Advances grew to Rs. 3,460 Cr. as on March 31, 2010 from Rs. 3,274 Cr. as on March 31, 2009
- (d) CASA book grew by 18% for FY 2009-10. CASA ratio as on March 31, 2010 stands at 35.3% as against 30.9% as on March 31, 2009
- (e) Retail Deposits (Retail CASA and Retail Term Deposits) continued to show good results. Retail Deposits were at 81.5% of Total Deposits as on March 31, 2010 as against 67.9% as on March 31, 2009
- (f) Net Interest Margin was at 2.79% for FY 2009-10 as against 2.86% for FY 2008-09
- (g) FY 2010 Net Loss of Rs. 78 Cr. is less than Net Loss of Rs. 88 Cr. for FY 2009
- (h) Q4 FY 10 Net Loss of Rs. 8 Cr. is much lower than Q3 FY 10 Net Loss of Rs. 18 Cr.
- (i) Capital Adequacy Ratio (CAR) remained strong at 15.4% as on March 31, 2010 with Tier I at 12.4% and Tier II at 3.0% under Basel I. Under Basel II CAR was 14.9% as on March 31, 2010
- (j) Provisions for FY 2010 substantially reduced and stood at Rs. 126 Cr. as against Rs. 163 Cr. in FY 2009
- (k) DCB continues to innovate and offer unique products, for example
 - DCB Wealth Management Services offering with Free Mutual Fund



Services

- Zero Balance Trade Current Account offering competitive charges and facilities
- Free Inward & Outward RTGS for Current Accounts & Savings Accounts
- Free Inward & Outward NEFT for Current Accounts & Savings Accounts

DCB Audited Results for the year ended March 31, 2010

(Rs. in Cr.)

	Q4 FY 10	Q4 FY 09	Q3 FY 10	FY 2009-10	FY 2008-09
Interest Income	114	140	109	459	645
Interest Expense	(72)	(100)	(76)	(317)	(448)
Net Interest Income	42	40	33	142	197
Non Interest Income	25	25	26	107	120
Total Income	67	65	59	249	317
Operating Expenses	(48)	(57)	(51)	(201)	(242)
Operating Profit/(Loss)	19	8	8	48	75
Provisions	(27)	(99)	(26)	(126)	(163)
Net Profit After Tax	(8)	(91)	(18)	(78)	(88)

Key Balance Sheet Parameters

(Rs. in Cr.)

	March 31, 2010	December 31, 2009	March 31, 2009
Advances	3,460	3,139	3,274
Investments	2,018	1,701	1,622
Shareholders' Equity	601	609	598
Deposits	4,787	4,482	4,647
Total Assets	6,137	5,702	5,943
Gross NPA Ratio	8.69%	11.05%	8.44%
Net NPA Ratio	3.11%	4.35%	3.88%
Coverage Ratio	70.04%	63.43%	56.21%
CASA Ratio	35.32%	38.10%	30.90%

About DCB

DCB is a modern emerging new generation private sector bank with 80 branches across 10 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 has contemporary technology and infrastructure including state of the art internet banking for personal as well as business banking customers

DCB's business segment are Retail, micro-SMEs, large SMEs, mid-corporate, Microfinance Institutions (MFIs), Agriculture, Commodities, Government, Public Sector, Indian Banks, co-operative Banks and Non Banking Finance Companies (NBFCs). DCB has approximately 600,000 customers

DCB has deep roots in India since its inception in 1930's. Its promoter and promoter group the Aga Khan Fund for Economic Development (AKFED) & Platinum Jubilee Investments



Ltd. holds over 23% stake. AKFED is an international development enterprise. It is dedicated to promoting entrepreneurship and building economically sound companies. It has around 150 companies and employs over 30,000 people with a turnover of approximately US\$ 2 Bn. AKFED had co-promoted HDFC in India in the late 70's.

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

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