



Press Release

Development Credit Bank Ltd., DCB announces First Quarter 2009-10 Audited Results

DCB reduced its losses by 61% as compared to the previous running quarter that demonstrates that the Bank is making steady progress in fixing its problems relating to unsecured personal loans. The first quarter 2009-10 losses were at Rs. 35.3 Cr. as compared to the previous quarter loss of Rs. 91.3 Cr. Capital position remained strong at 13.52 % as per Basel I and 13.22 % as per Basel II.

25 July 2009, Mumbai – The Board of Directors of Development Credit Bank Ltd. (BSE 532772; NSE DCB) took on record the audited results for the first quarter April – June 2009 at its meeting held in Mumbai on 25 July 2009.

Mr. Murali M Natrajan, MD & CEO of Development Credit Bank Ltd said, “As I have been saying for the past 3 months, we are making step by step progress in addressing the issues relating to unsecured personal loans portfolio. The monthly provisioning for NPAs relating to the unsecured personal loans has stabilized and is expected to reduce in the coming months.”

Nasser Munjee, Chairman, said “While continuing to improve on provisions relating to unsecured personal loans, we are starting to put more efforts in growing secured retail assets, micro and large SME and mid-corporate segments that will start to enhance the Bank’s interest income and fees in the coming months. To support the growth agenda the Board of Directors have approved issuing of Tier II capital upto Rs. 100 Cr. by end August 2009.”

DCB exited unsecured personal lending in August 2008 and took remedial actions to address the NPAs and provisions arising out of unsecured personal loans portfolio. The Bank also has been following a more stringent provisioning policy in comparison to the minimum provisioning guidelines of RBI.

The profile of the balance sheet continues to improve. Retail deposits now contribute 79% of total deposits (68% as on March 31, 2009). CASA ratio has improved to 34% (31% as on March 31, 2009). As expected the NIMs have dropped to 2.54% (versus 2.58% in the previous quarter) due to planned decline in the unsecured personal loans portfolio.

DCB Audited Results for the First Quarter 2009-10		
	Quarter ended March 31, 2009	Quarter ended June 30, 2009
	INR. in crores	INR. in crores
Interest Income	139.9	124.4
Interest Expense	99.7	89.0
Net Interest Income	40.2	35.4
Non Interest Income	24.9	22.7
Total Income	65.1	58.0
Operating Expenses	57.3	52.3
Operating Profit	7.8	5.7
Provisions	99.1	41.0
Net Profit After Tax	(91.3)	(35.3)
Key Balance Sheet items:		
Net Total Advances	3,274.0	3,104.8
Total Investments	1,621.7	1,928.7
Shareholders' Funds	595.7	563.3
Total Deposits	4,646.9	4,571.4
Net Total Assets	5,943.0	5,799.1
Gross NPA %	8.8	10.9
Net NPA %	3.9	5.0
Retail Deposits / Total Deposits %	67.9	78.8
CASA Ratio%	30.9	33.5
Net Personal Loans	329.6	266.2
Net Personal Loans / Net Retail Advances %	21.6	19.4
Net Personal Loans / Net Total Advances %	10.1	8.6

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

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