

Press Release

Development Credit Bank, DCB announces Q3 results

29th January 2009, Development Credit Bank (BSE: 532772; NSE: DCB) took on record and announced its limited review results for the third Quarter 2008-09, and for the nine months ended December 2008, following the approval of its Board of Directors at a meeting held here in Mumbai.

DCB reported Operating Profit for 9 months FY '09 at Rs. 67.5 crores as against Rs. 59 crores for the same period in FY '08.

Operating Profit reported for Q3 FY '09 was at Rs. 23 crores as against Q3 FY '08 figure of Rs 18.7 crores. The Bank's Operating Profit for Q3 FY '09 showed an increase as compared with Q3, as a result of increased NIM as well as tight control over operating costs.

Speaking on the results, Chairman DCB, Mr. Nasser Munjee stated, "The Bank has posted an increase in Operating Profit while Net Profit has come under pressure on account of an increase in retail asset provisioning. We had focused greater attention on CASA, which has increased to 28.2% as on December 2008, up from 25.2%. Capital Adequacy (CAR) was a robust 14.1% up from 13.7%. The Board took into account the challenging environment and is sanguine about using the Bank's niche branch network to grow Retail Banking, SME and Corporate Banking Businesses."

Mr. Munjee also stated that the Bank's growing loyal customer and shareholder base has been the mainstay for the business. Customer service and customer experience continues to drive our People.

RESULTS

Summary Results & Prior Period Comparison

(Figures in Rs. crores)

	Q3 FY 09	Q3 FY 08	Growth	9M FY 09	9M FY 08	Growth
Net Interest Income	51.06	39.50	29%	157.03	113.24	39%
Non Interest Income	27.54	38.19	(28%)	95.22	114.23	(17%)
Total Income	78.60	77.69	1.2%	252.25	227.47	11%
Operating Expenses	55.64	59.03	(5.7%)	184.74	168.48	10%
Operating Profit	22.96	18.66	23%	67.51	58.99	14%
Provisions & Contingencies	26.18	(7.05)		64.29	13.04	393%
Net Profit/(Loss)	(3.22)	25.71		3.22	45.95	(93%)

Net Profit for 9 months FY '09 at Rs. 3.22 crores as against Rs. 45.95 crores for the corresponding period last year came under pressure. Q3 FY '09 witnessed a loss of Rs. 3.22 crores as against Rs. 25.71 crores Net Profit for FY '08. The Bank made a substantial increase in retail asset provisioning at Rs. 64.29 crores 9 months FY '09, from Rs. 13.04 crores for the same period in FY '08. In Q3, retail asset provisioning at Rs. 26.18 crores as against Rs. (7.05) crores in FY '08 impacted the Net Profit.

The Bank's Advances at Rs. 3492 crores as at December 2008, witnessed a marginal drop of 4% over the previous year, in tune with consolidation of the asset book.

The composition of retail advances has shown improvement with unsecured retail asset book showing a decrease to Rs. 519 crores from Rs. 788 crores in the previous period.

- **CASA or Current Accounts and Savings Accounts has risen to 28.2% up from 25.2% in December '07.**
- **Capital Adequacy Ratio or CAR stood at a robust 14.1% in December '08, up from 13.7% in the corresponding period last year.**

NEW SERVICES

DCB has launched a single customer care number across the country that is accessible from landlines as well as cell phones, enabling the customer to transact via phone banking with ease and in comfort.

Relocation of Thane and Andheri West, branches to well located prominent locations, which has eased access for customers, enhanced brand visibility, and also helped in reaching out to a large new customer base in the footfall of the new branches.

ABOUT DCB

DCB is a private sector bank with 80 state-of-the-art branches spread over nine states and two union territories. The Bank provides its customers free access to over 30,000 ATMs across India. 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 specific market segments in chosen geographies. DCB has initiated a liability and select asset product led strategy, through a mix of owned and outsourced products and multi-channel capabilities.

For further information kindly contact:

Sonia Kulkarni, Adfactors PR
Cellphone: +91 98201 84099

Omprakash Jha, Adfactors PR
Cellphone: +91 9324809673

Gaurav Mehta, Marketing & PR
Development Credit Bank Limited
Cellphone: +91 9870432101
Landline: +91 22 66187000
Email: gauravm@dcbl.com