

Development Credit Bank Limited

FY 2006-07

AUDITED ANNUAL RESULTS
INVESTOR PRESENTATION



- **Built on over 75 years of Trust, Tradition & Togetherness**
- **Started in 1930s and converted to ‘Development Co-operative Bank’ in 1981**
- **Converted into a private sector bank in 1995 leveraging upon the banking license granted to Aga Khan Fund for Economic Development (AKFED)**
- **AKFED currently is the largest shareholder in the bank with a 29.6% stake**
- **The recently launched initial public offering enjoyed a phenomenal success, being oversubscribed 35 times**
- **Current shareholder base of 90,000**

VISION

- **To be the gold standard in customer service in Indian banking**

THE MISSION

- **To be the preferred financial services provider amongst the Bank's peers with a passion for excellence in service**

Repositioning DCB

- **“Feel the difference”**

One-Stop Shop to Meet Diverse Customer Needs

Consumer Banking Group

- Savings Account
- Current Account
- Deposit Account
- Privilege Banking

- Personal Loan
- Easy Business
- Loan against Gold
- Working Capital Loan
- Commercial Vehicle Loan
- Construction Equipment Loan
- Home Equity
- Demat Account
- Mutual Funds
- Bancassurance

- Phone & Mobile Banking
- Internet Banking
- International Debit Card
- ATM Services
- Lockers
- Utility Bill Payment
- VISA Money Transfer
- Electric Fund Transfer
- Auto Sweep Facility
- Any Branch Banking

Corporate & Business Banking Group

- Working Capital Finance
- Corporate Loans
- Term Loans
- Bill Finance
- Export / Import Finance
- Corporate Current Accounts

- Corporate Deposit Accounts
- Cash Management
- Agriculture Loans
- Commodity Exchange related Facilities
- Supply Chain Financing
- Foreign Exchange
- DCB Trade Current Account

- Auto and Automotive Product Programme
- Letter of Credit Product Programme
- Industry-specific Financial Solution
- Third Party Distribution of Mutual Funds & Insurance

Treasury

- Forex Spot and Forward
- Contracts

- Derivative Products

- Arranging Forex Funds for Import Finance

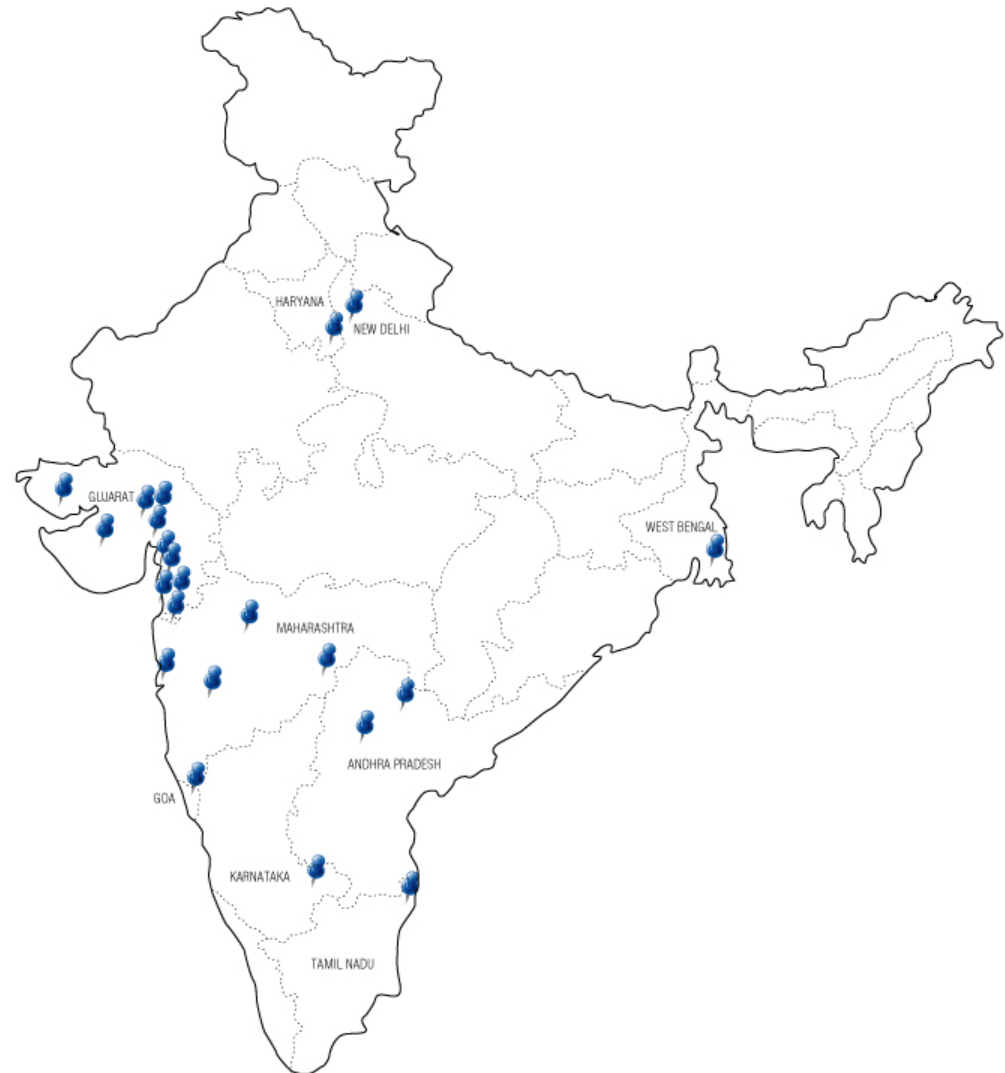
Branch Network

- 67 Branches
- 5 Extension Counters
- 34 Satellite Offices

- 102 ATMs
- 18,000 ATMs network
- Customer base of ~650,000

Spread Across

- Maharashtra
- Gujarat
- Andhra Pradesh
- Karnataka
- New Delhi
- Goa
- Tamil Nadu
- Haryana
- West Bengal
- Daman & Diu
- Dadra & Nagar Haveli



RBI permission obtained for opening of 8 new branches

Business Strategy

People and Culture

Service Quality

Regional and Cluster Orientation

Consumer Banking Business

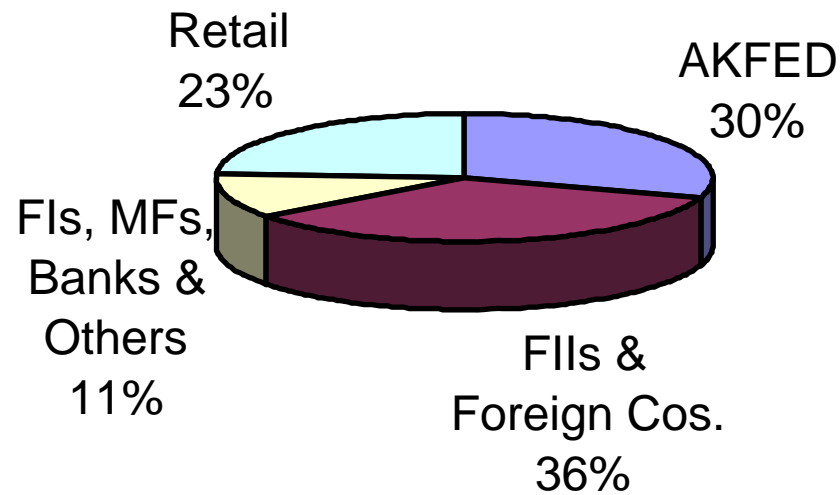
Commercial Banking Business

Use of Technology

Brand

- **RBI permission obtained for opening 8 new branches**
- **Launched TRIO- a unique triple combination of Fixed Deposit and Savings Deposit with Personal Accident Insurance benefit**
- **Empanelled with MCX as a Clearing Bank**
- **Call Center opened at Malad, Mumbai**
- **Prime Lending Rate increased by 75 bps (effective April 1, 2007)**
- **ESOPs granted to eligible staff - 86% of staff have now been granted stake in the Bank**
- **Upgradation to Finacle Version 7.0.11 completed smoothly**

Shareholding Pattern



Performance Highlights

Summary	FY 2007	FY 2006	% Growth	Q4-FY 2007	Q4 -FY 2006	Q on Q Growth %
Net Profit/(Loss)¹	7.4	(85.3)	-	(0.4)	(48.7)	-
Net Interest Income	119.5	75.2	59%	38.5	19.9	93%
Non Interest Income	92.5	55.2	67%	26.9	14.5	85%
Operating Expenses	171.8	150.1	14%	50.6	48.2	5%
Operating Profit	40.2	(19.7)	-	14.8	(13.8)	-
Provisions	32.9	65.6	-50%	15.2	34.8	-56%
Deposits	4,415.2	3,124.0	41%	-	-	-
Advances	2,658.5	1,867.3	42%	-	-	-
CAR	11.34%	9.66%	-	-	-	-
Net Interest Margin	2.69%	1.78%	-	-	-	-
Cost of Funds	5.96%	5.47%	-	-	-	-

¹The Net Profit for FY 2007 is after providing for Standard Assets at the enhanced rates as per regulatory requirement, resulting in additional provision of Rs.10.6 crores

Performance Highlights | Quarterly Performance

(Rs. Cr)

Summary	FY 2007	Q4- FY2007	Q3- FY2007	Q2 – FY2007	Q1- FY2007	Q4- FY2006
Net Interest Income	119.55	38.45	31.56	26.82	22.72	19.84
Non interest Income	92.49	26.88	27.19	17.87	20.55	14.51
Total Income	212.04	65.33	58.75	44.69	43.27	34.35
Operating Expenses	171.79	50.56	45.27	41.27	34.69	48.17
Operating Profit	40.25	14.77	13.48	3.42	8.58	(13.82)
Provisions	32.89	15.18	10.71	2.75	4.24	34.83
Net Profit¹	7.37	(0.41)	2.77	0.67	4.34	(48.65)

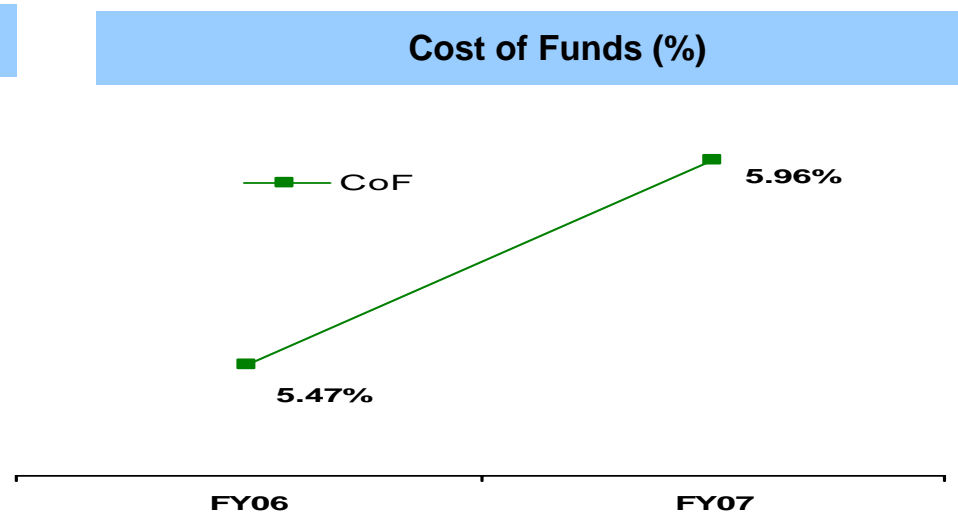
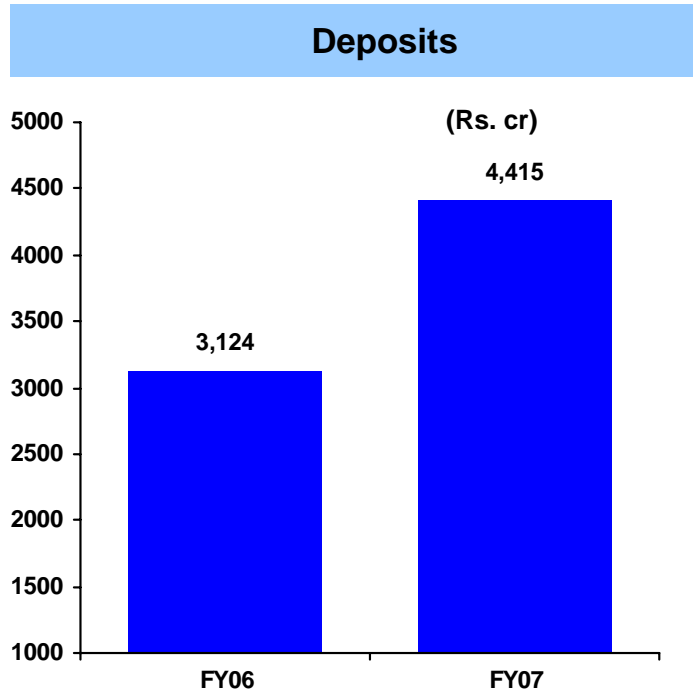
¹The Net Profit for FY 2007 is after providing for Standard Assets at the enhanced rates as per regulatory requirement, resulting in additional provision of Rs.**10.6 crores**

Performance Highlights | Quarterly Performance

(Rs. Cr)

	March 31, 2007	Dec 31, 2006	Sept 30, 2006	June 30, 2006	March 31, 2006	Growth in FY07 over FY 06
Assets						
Advances	2658.5	2152.4	1873.1	1927.4	1867.3	42%
Investments	1846.6	1346.1	1504.6	1597.7	1306.9	41%
Other Assets	757.2	964.7	685.5	626.9	567.5	33%
Total Assets	5262.4	4463.2	4063.2	4152.0	3741.7	41%
Liabilities						
Shareholders' Funds	329.8	334.2	168.9	168.3	164.2	98%
Deposits	4415.2	3692.1	3514.4	3587.1	3124.0	41%
Borrowings	154.4	93.0	55.1	65.6	129.8	19%
Other Liabilities	362.9	343.9	324.8	331.0	323.7	12%
Total Liabilities	5262.4	4463.2	4063.2	4152.0	3741.7	41%

Performance Highlights | Deposits & Cost of Funds

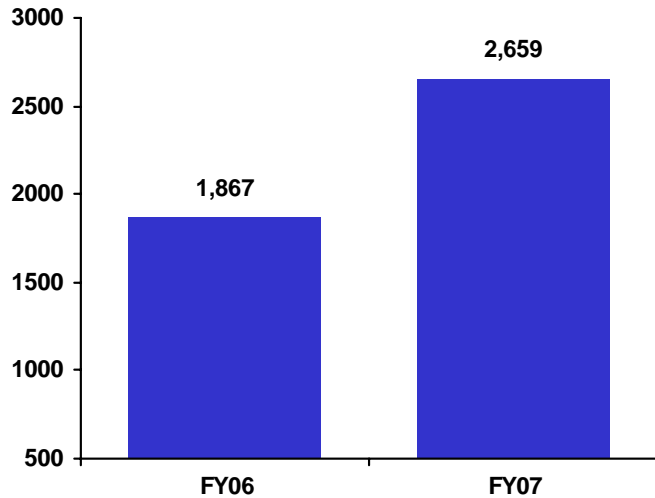


- **41% growth in Deposits**
- **Average CASA as a % of Total Deposits has grown from 26% as on 31st March, 2006 to 29% as on 31st March, 2007**
- **Quality growth rather than mere numbers**

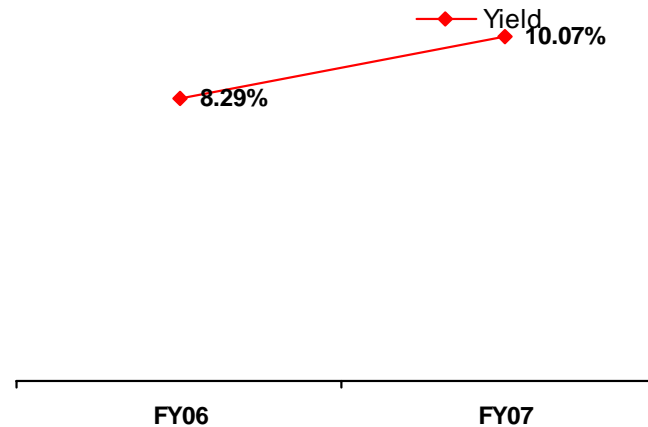
Performance Highlights | Advances

Advances

(Rs. cr)



Yield (%)

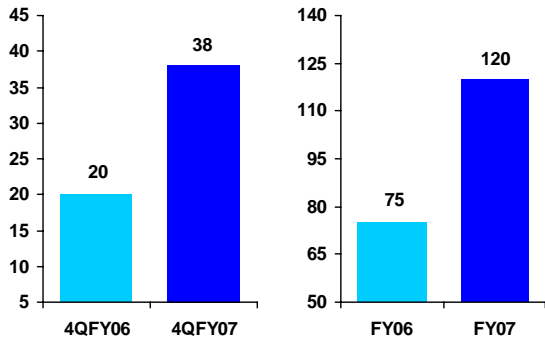


- **42% growth in Advances**
- **Retail Advances grew (Y-o-Y) by 54%**
- **Corporate Advances grew (Y-o-Y) by 50%**
- **Yield on Total Advance grew by 1.78 bps**

Performance Highlights | Net Interest Margin

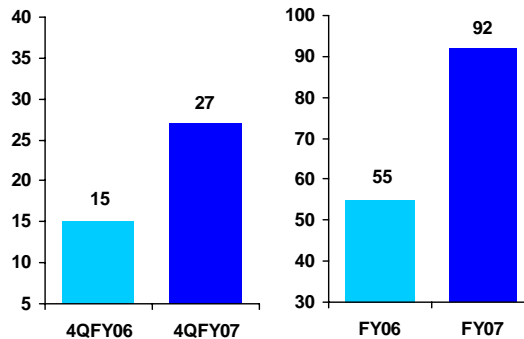
Interest Income

(Rs. Cr)

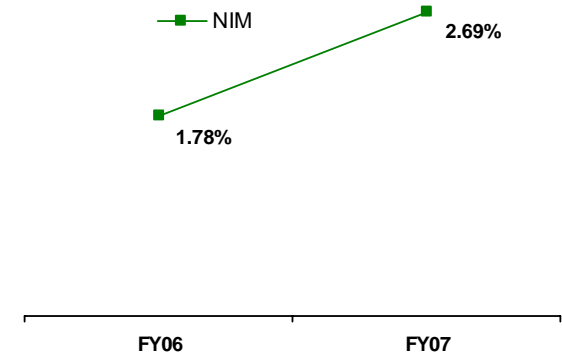


Non Interest Income

(Rs. Cr)



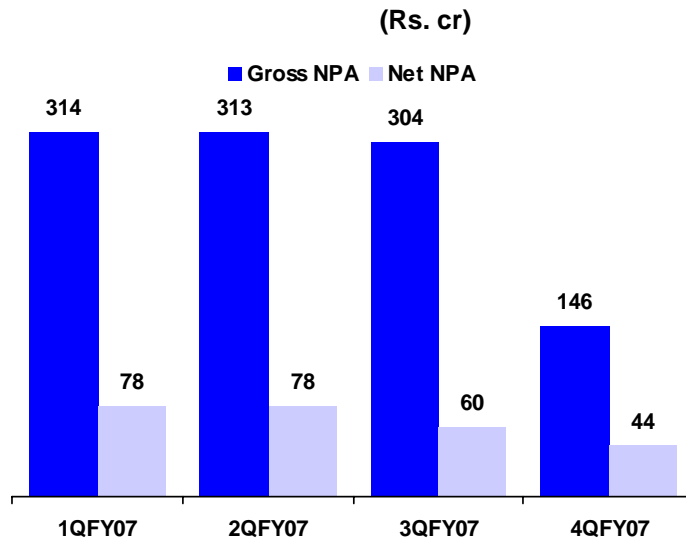
Net Interest Margin



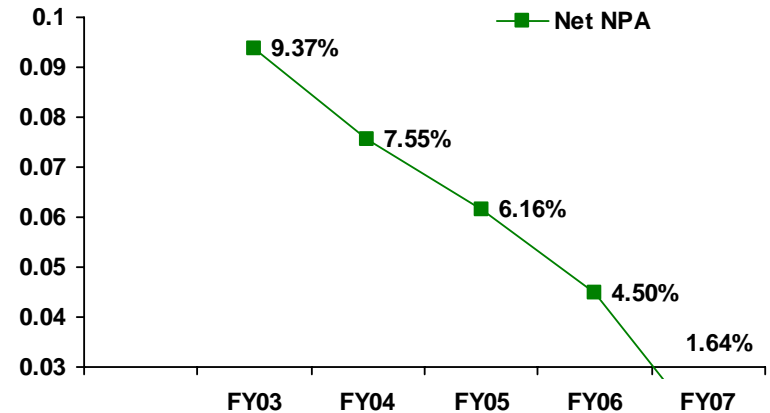
- Net Interest Income grew (Y-o-Y) by 59%
- Non Interest Income grew (Y-o-Y) by 67%
- NIM moved up by 91bps

Performance Highlights | Improving Asset Quality

Gross NPA & Net NPA

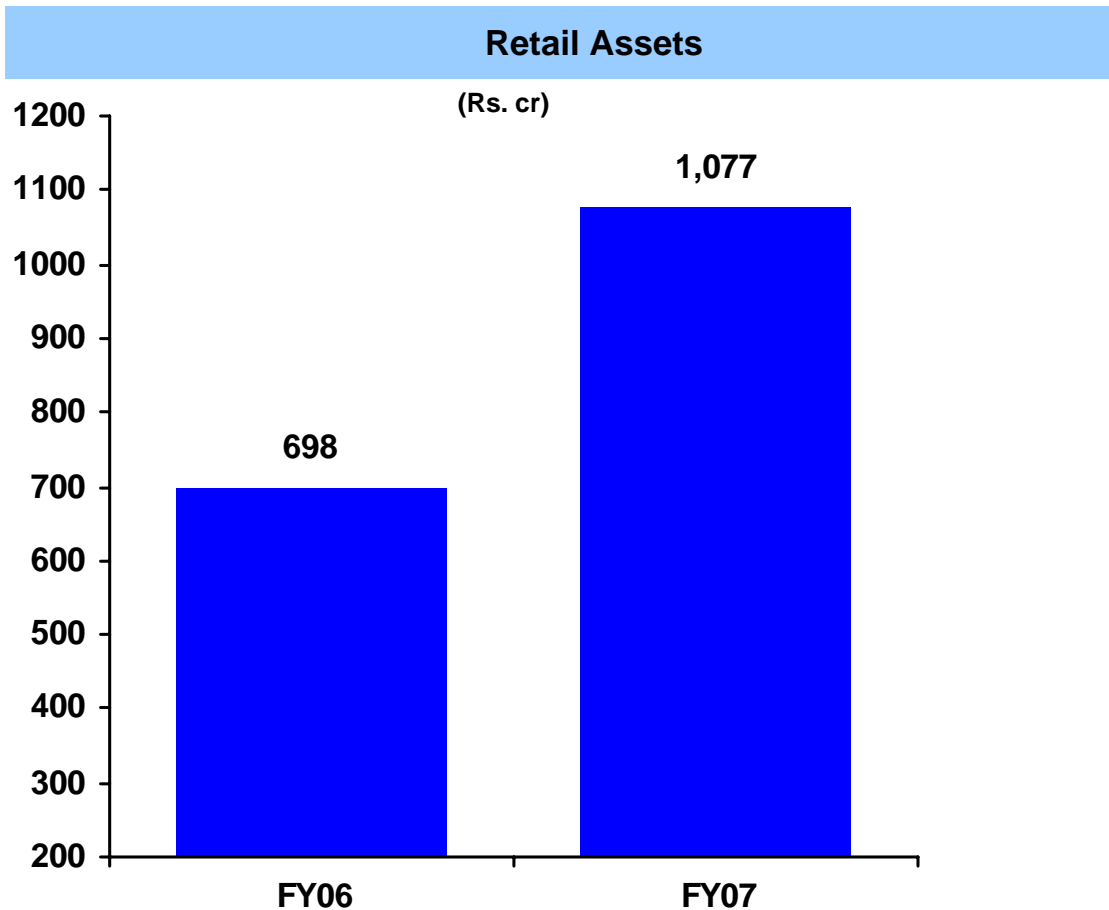


Net NPA %



- **Net NPA% reduced from 4.50% in FY06 to 1.64% in FY07**
- **With Standard Assets Provision, Net NPA% reduced from 4.13% in FY06 to 0.86% in FY07**
- **With Standard Assets Provision, Provision Coverage has increased from 72.78 % to 80.39 %**

Performance Highlights | Retail Assets



- Retail Assets constitutes 38% of the total advances as on March 31, 2007, as against 33% in 31, 2006
- Retail Assets grow 54% Y-o-Y

- **Dedicated staff strength in FY 07 : 1810 (including 480 sales trainees) as compared to FY 06 : 1279 (including 224 sales trainees)**
- **Re-profiling of staff continues – ERS completed during the year**
- **Average age of Employees has been reduced from 39 years as at March 2006 to 35 years as at March 2007**
- **Employee turnover has been reduced from 37% in FY 06 to 22% in FY 07**
- **Employee engagement level within the bank is comparable with the best in Indian industry, as is borne out by Hewitt’s Best Employer Survey 2007**
- **A robust Performance Management System has been put in place**
- **Quality Circles launched across all branches**

Safe Harbour

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