



“RBI’s intent matched with strong measures, expect moderate overall growth.” - Mr. Gautam Vir MD & CEO Development Credit Bank

Mumbai, 29th July 2008: Mr. Gautam Vir, MD & CEO DCB commented today on the first quarter review of the RBI Monetary Policy for the year 2008-09.

The message is clear that tackling inflation is the number one priority. A 50 basis points increase in the Repo Rate, now at 9% and CRR at 9% from 30th August, will have a huge impact and also signals a higher interest rate regime.

The markets are already running short of liquidity and this CRR hike is expected to constrain liquidity in the markets substantially. These hikes are a clear signal to the market both to constrain growth of credit as well as to hike lending rates, on the back of rising deposit rates.

Going forward, while the current measures will subdue demand and contribute to taming inflationary pressures, we have to be alert to contradictory global pressures. Also with an all out focus on taming inflation, another rate increase towards the end of August is expected.

About Development Credit Bank Limited:

Development Credit Bank (DCB) is a private sector bank having access to over 18,000 ATMs and 80 branches and extension counters spread across nine States and two Union Territories. The Bank has launched several value added initiatives and is on its way becoming one of the country’s preferred and profitable financial institutions, providing a comprehensive suite of “best in class” products for specific market segments in chosen geographies.

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