

Press Release for Immediate Circulation**Development Credit Bank Ltd. (DCB), announces Second Quarter FY 2011 Results**

DCB declared Q2 FY 2011 Net Profit of Rs. 4.82 Cr. In comparison, Q2 FY 2010 was Net Loss of Rs. 16.93 Cr. and Q1 FY 2010-11 was Net Loss of Rs. 2.91 Cr.

The profit for Half Year ended September 30, 2010 was Rs. 1.91 Cr.

As compared to same period last year, Deposits grew by 22% and reached Rs. 5,495 Cr. while Advances grew by 30% and stood at Rs. 3,840 Cr.

Capital Adequacy was strong at 13.57% under Basel II

October 15, 2010, Mumbai: The Board of Directors of Development Credit Bank Ltd. (BSE: 532772; NSE: DCB) took on record the limited reviewed results for the second quarter (Q2 FY 2011) at its meeting in Mumbai on October 15, 2010.

Mr. Murali M. Natrajan, MD & CEO said, "We are achieving growth in the chosen areas, while reducing NPAs. We hope to improve further in the coming months."

Mr. Nasser Munjee, Chairman DCB stated, "The cautious and sensible step by step approach is yielding results. Our aim is to improve consistently every quarter and deliver consistent profitable growth."

DCB Highlights:

- (a) DCB reported Net Profit of Rs. 4.82 Cr. in Q2 FY 2011 as against Net Loss of Rs. 2.91 Cr. in Q1 FY 2011 and net loss of Rs. 16.93 Cr. in Q2 FY 2010
- (b) As on September 30, 2010, the Balance Sheet was at Rs. 6,938 Cr. as against Rs. 5,590 Cr. as on September 30, 2009 and Rs. 6,373 Cr. as on June 30, 2010
- (c) Retail Deposits (Retail CASA and Retail Term Deposits) continued to show good results. Retail Deposits were at 78.7% of Total Deposits as on September 30, 2010 as against 82.5% as on September 30, 2009 and 79.8% as on June 30, 2010
- (d) CASA book grew by 3% for this quarter as compared to previous quarter. CASA ratio as on September 30, 2010 stands at 34.6% as against 36.8% as on September 30, 2009 and 36.0% as on June 30, 2010
- (e) Net Advances grew to Rs. 3,840 Cr. as on September 30, 2010 from Rs. 2,962 Cr. as on September 30, 2009 and Rs. 3,479 Cr. as on June 30, 2010
- (f) Net Interest Margin for Q2 FY 2011 stands at 3.14% as against 2.50% for Q2 FY 2010 and 3.12% for Q1 FY 2011
- (g) Capital Adequacy Ratio (CAR) remained strong at 13.57% as on September 30, 2010 with Tier I at 11.26% and Tier II at 2.31% under Basel II
- (h) Provisions for Q2 FY 2011 substantially reduced and were at Rs. 16 Cr. as against Rs. 33 Cr. in Q2 FY 2010 and Rs. 25 Cr. in Q1 FY 2011

DCB Results for the Quarter ended September 30, 2010

Rs. Cr.	Q2 FY 2010-11	Q2 FY 2009-10	Q1 FY 2010-11
Interest Income	128	112	120
Interest Expense	82	80	77
Net Interest Income	46	32	43
Non Interest Income	27	34	30
Total Income	73	66	73
Operating Expenses	(52)	(50)	(51)
Operating Profit/(Loss)	21	16	22
Provisions	(16)	(33)	(25)
Net Profit After Tax	5	(17)	(3)

Key Balance Sheet Parameters

Rs. Cr.	September 30, 2010	September 30, 2009	June 30, 2010
Advances	3,840	2,962	3,479
Investments	2,097	1,909	2,006
Shareholders Equity	600	547	596
Deposits	5,495	4,503	5,115
Total Assets	6,938	5,590	6,373
Gross NPA Ratio	7.61%	11.24%	8.47%
Net NPA Ratio	1.86%	4.70%	2.53%
Coverage Ratio	79.64%	61.10%	75.19%
CASA Ratio	34.57%	36.80%	36.02%

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 segments are Retail, micro-SMEs, large SMEs, mid-Corporate, Microfinance Institutions (MFI), Agriculture, Commodities, Government, Public Sector, Indian Banks, Co-operative Banks and Non Banking Finance Companies (NBFC). 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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