DCB BANK

Ref. No.CO:CS:HVB:2011-12:203

February 27, 2012

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Dear Sirs,

Ref: Update on Our Capital Raising Plans – QIP Issue and Preferential Issue (NSE symbol: DCB)

The Bank has been planning to raise capital through a qualified institutions placement issue (the "QIP Issue") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations"), a preferential allotment of Equity Shares under Chapter VII of the ICDR Regulations or a combination thereof.

On 23rd February 2012, the Board of Directors of the Bank had approved raising an amount of up to Rs.100 crores by way of preferential allotment to the following investors:

1. Wolfensohn Capital Partners, L.P. or their wholly-owned subsidiary;
2. Tano Mauritius India FVCI II; and
3. TVS Shriram Growth Fund I.

This preferential allotment will be undertaken in accordance with the provisions of Chapter VII of the ICDR Regulations and is subject to approval of the shareholders, the RBI and other regulatory approvals, if any. An Extraordinary General Meeting of the shareholders of the Bank has been scheduled on Thursday, 22nd March 2012, for approving this preferential allotment.

Separately, on 21st February 2012, the Board of Directors had approved the opening of the QIP Issue on 27th February 2012. However, in light of current market conditions, the QIP Committee of the Board has decided to defer the opening of the QIP Issue until market conditions are better suited.

As at 31st December 2011, the Bank had capital adequacy ratio of 13.00% (of which Tier I is 11.15%). This does not consider the impact of the proposed preferential allotment or QIP Issue, as well as the year-to-date profit after tax for the nine months ended on that date.

This information is given pursuant to Clause 36 of the Listing Agreement.

Thanking you,

Yours faithfully,

For Development Credit Bank Limited

H. V. Barve
Company Secretary & Compliance Officer