DCB BANK

Investor Presentation – Q2 FY 2013

October 2012

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Financial numbers are rounded off to nearest whole number

DCB BANK

DCB Bank – at a glance	• Development Credit Bank Ltd (DCB Bank) http://www.dcbbank.com is a modern emerging new generation private sector bank. Present since 1930s, DCB is the only co-operative bank in India to have been converted into a private sector commercial bank in 1995 • Distribution network of 87 branches across 28 cities and 331 ATMs (as on September 30, 2012)
Comprehensive product range & scalable infrastructure	• Business model focused on achieving a balance between Micro SME, SME, Retail Mortgages, Commercial Vehicle, Gold Loans, mid-Corporate and Agri / Inclusive Banking • Comprehensive range of banking products across all businesses • Modern systems and infrastructure to support growth- Finacle, FinnOne, CMS, Internet and Mobile banking
Traditional loyal customer base	• Traditional sticky customer base helped by presence of branch network in key areas of Maharashtra, Gujarat and AP • Provides DCB Bank access to low cost deposits
Focus on building low cost franchise	• Continued focus on building a low cost Deposits and strong capital position • CASA of 30.44% and CRAR of 13.97% under Basel II (as on September 30, 2012)
Steady improvement in credit ratings	• Rating agencies have **re-affirmed** the rating guidelines (as on September 30, 2012) • Crisil rating (Long term): BBB + / Positive, Crisil rating (Short term): A1 and Brickwork Ratings: BWR A- (Stable)
Robust promoter background	• DCB's promoter, Aga Khan Fund for Economic Development (AKFED) http://www.akdn.org/akfed is present in 16 countries employing over 30,000 people • Promoter group holds 19.20% stake in DCB (as on September 30, 2012)
Pedigreed board and experienced management team	• Nasser Munjee, Chairman: Ex- Executive Director – HDFC, instrumental in setting up IDFC & sits on the boards of many large Indian companies • Murali M. Natrajan, MD & CEO: worked in Standard Chartered Bank (Global Head – SME Banking), Citibank, American Express; strong Retail Banking & SME experience in India & abroad

For detailed 'Overview', please refer to pages 29 - 31

DCB BANK

Financial Performance

DCB BANK

INR mn	Q2 FY 2013	Q2 FY 2012	Inc / (Dec)	FY 2012	FY 2011	Inc / (Dec)
Net Profit	221	133	66.0%	551	214	157.0%
Total Income	945	822	14.9%	3,281	3,012	8.9%
Operating Profit	265	208	27.0%	838	861	(2.6%)
Provisions	(44)	(75)	42.0%	(287)	(646)	55.57%
Cost to Income Ratio	71.95%	74.62%	-	(74.45%)	(71.43%)	-

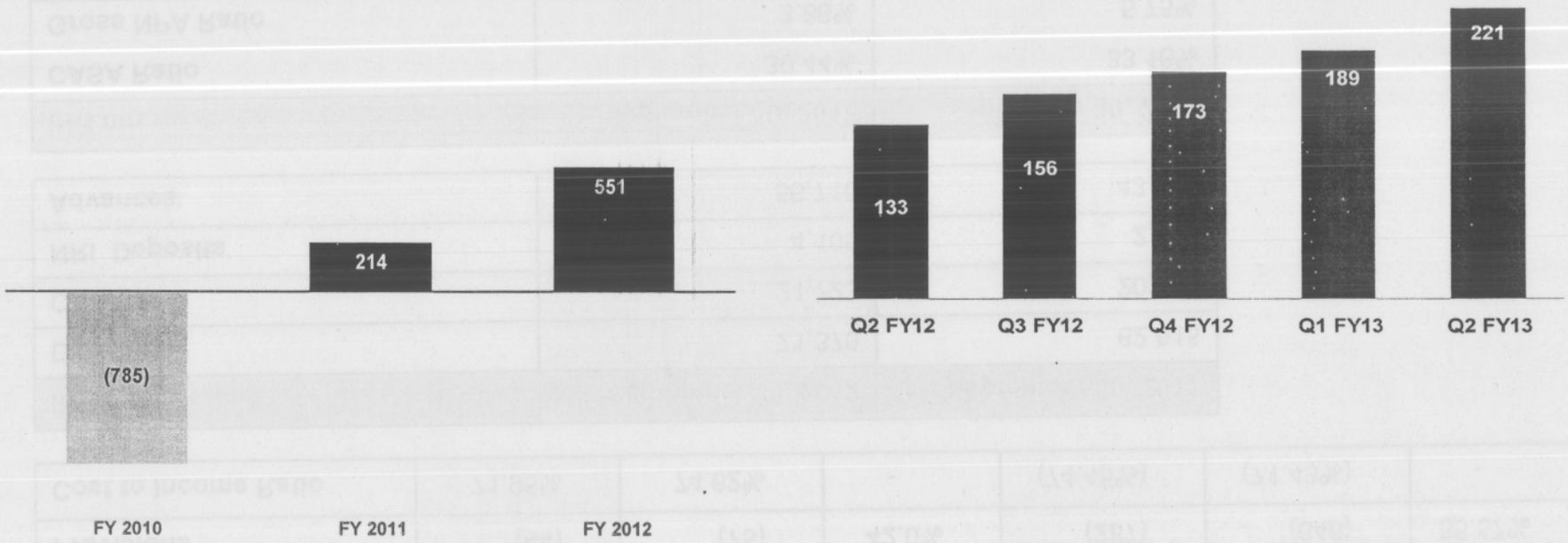
INR mn	September 30, 2012	September 30, 2011
Deposits	71,370	62,615
CASA	21,723	20,765
NRI Deposits	4,105	2,033
Advances	56,710	43,147

INR mn	September 30, 2012	September 30, 2011
CASA Ratio	30.44%	33.16%
Gross NPA Ratio	3.86%	5.75%
Net NPA Ratio	0.68%	0.97%
Provision Coverage Ratio	89.25%	87.89%
Credit/Deposit Ratio	79.46%	68.91%
ROA	0.96%	0.68%
ROE	9.97%	8.41%

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Net Profit / Loss *

INR mn

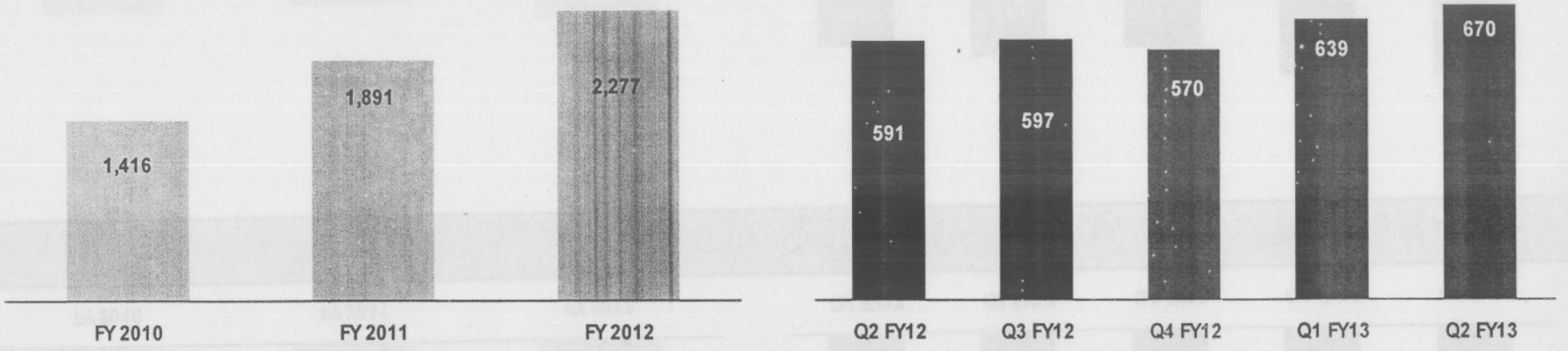


* Net Profit / (loss) represents post tax numbers

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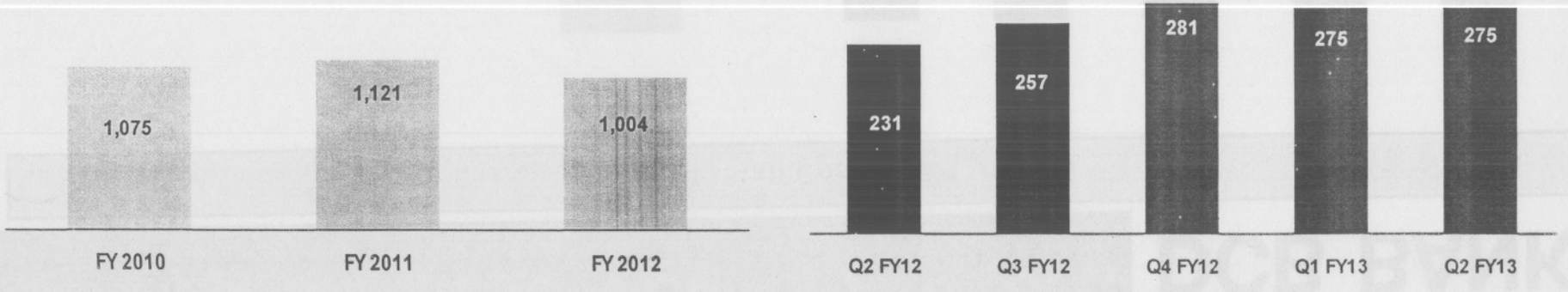
Net Interest Income

INR mn



Other Income

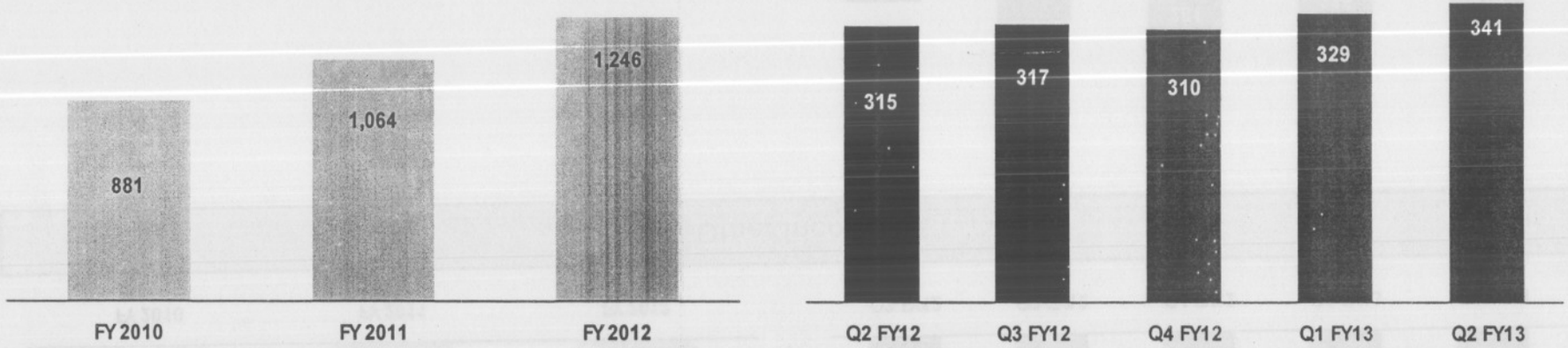
INR mn



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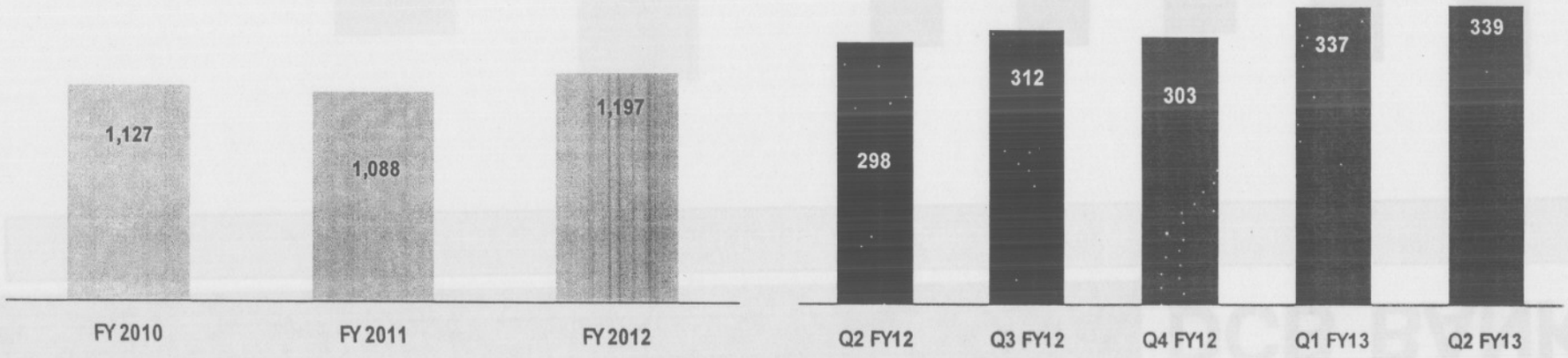
Staff Cost

INR mn



Other Cost

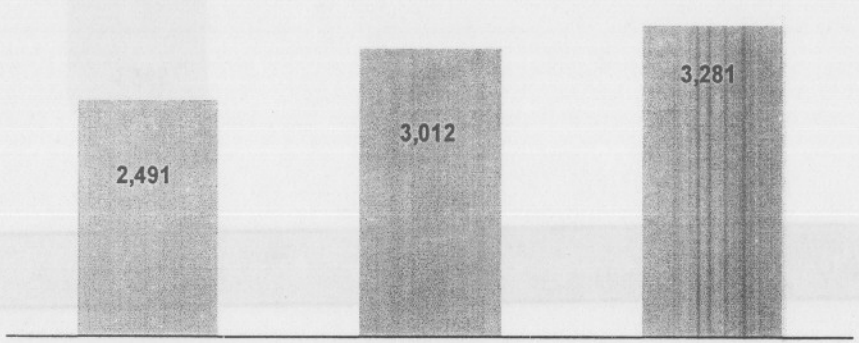
INR mn

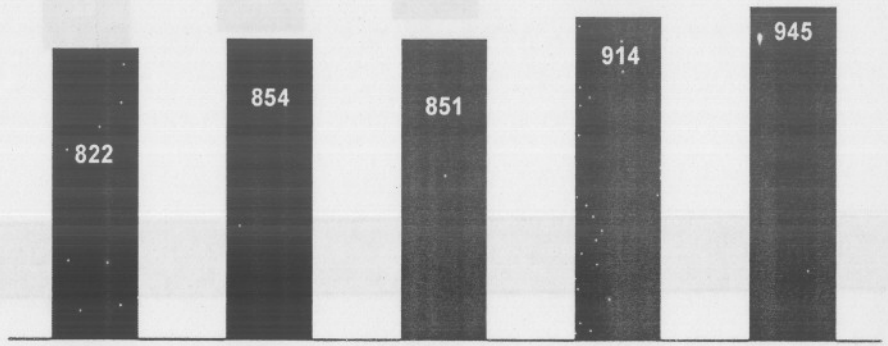


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Operating Income

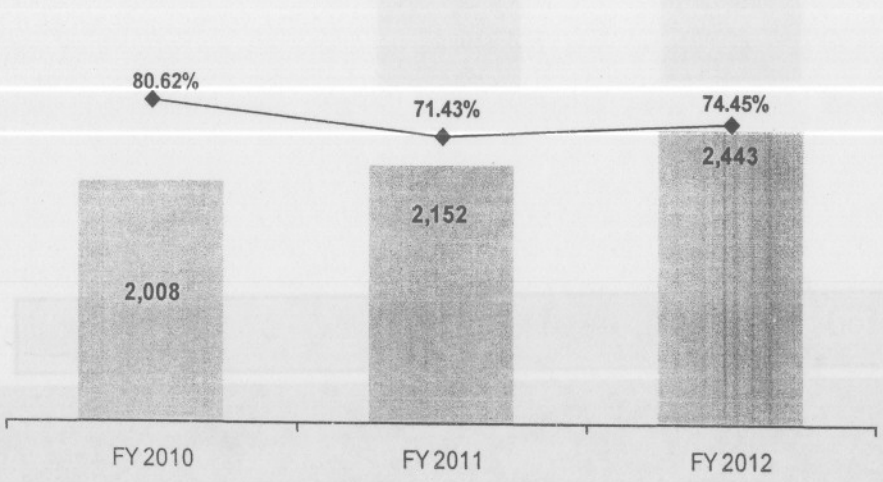
INR mn

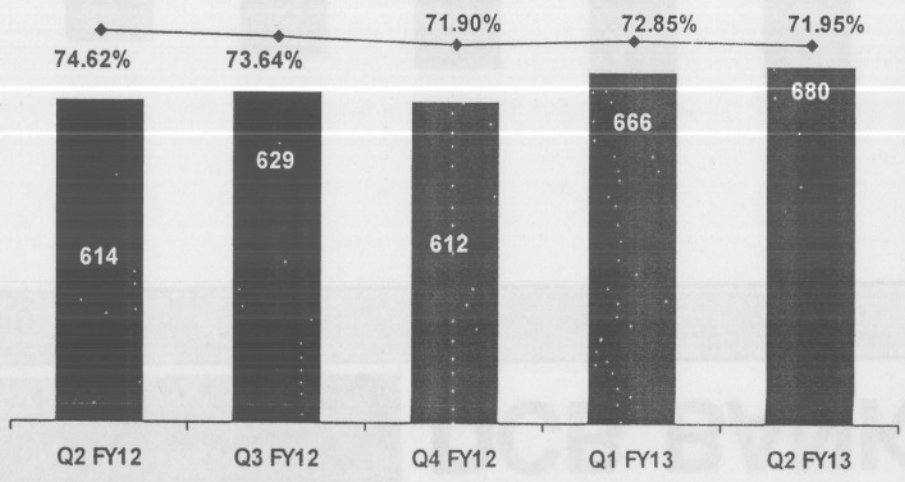




Operating Cost

INR mn

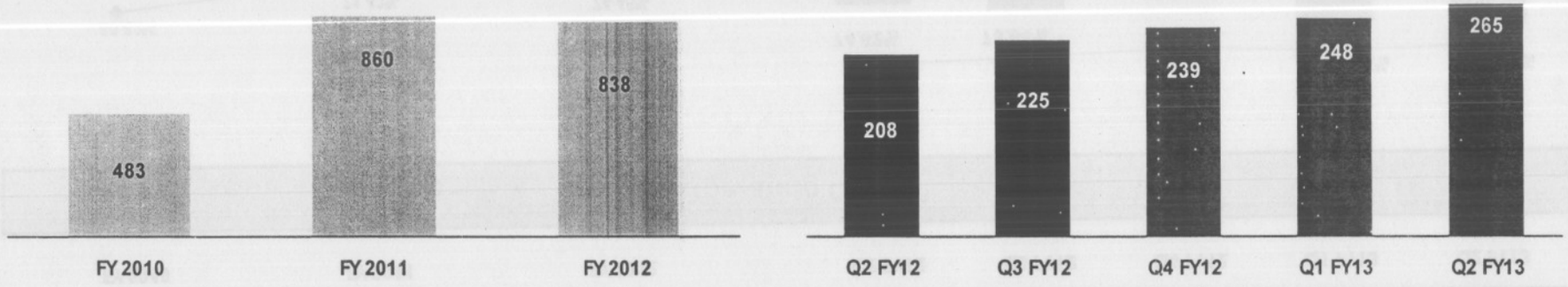




DCB BANK

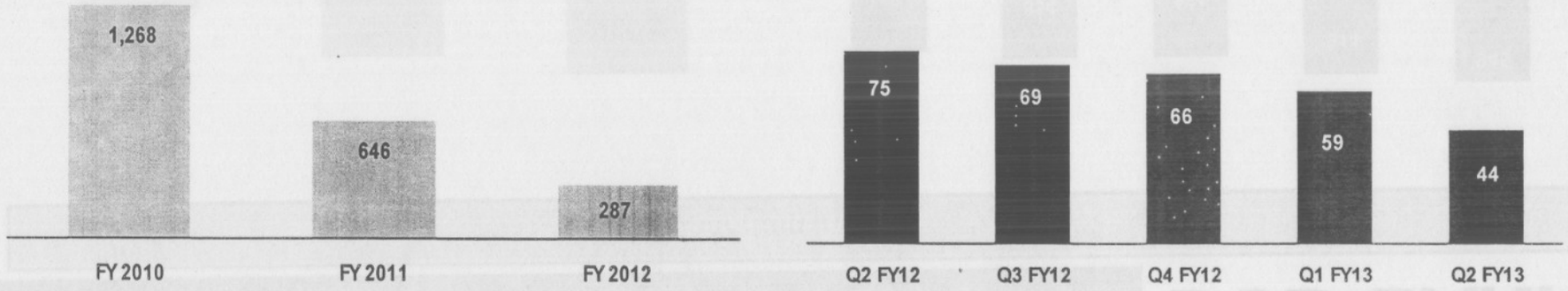
Operating Profit

INR mn



Provisions

INR mn



* Provisions include provisions for NPAs, standard assets, income tax, fringe benefit tax, other assets, restructured advances etc
Provisions also includes depreciation on investments and sacrifice of one time settlement

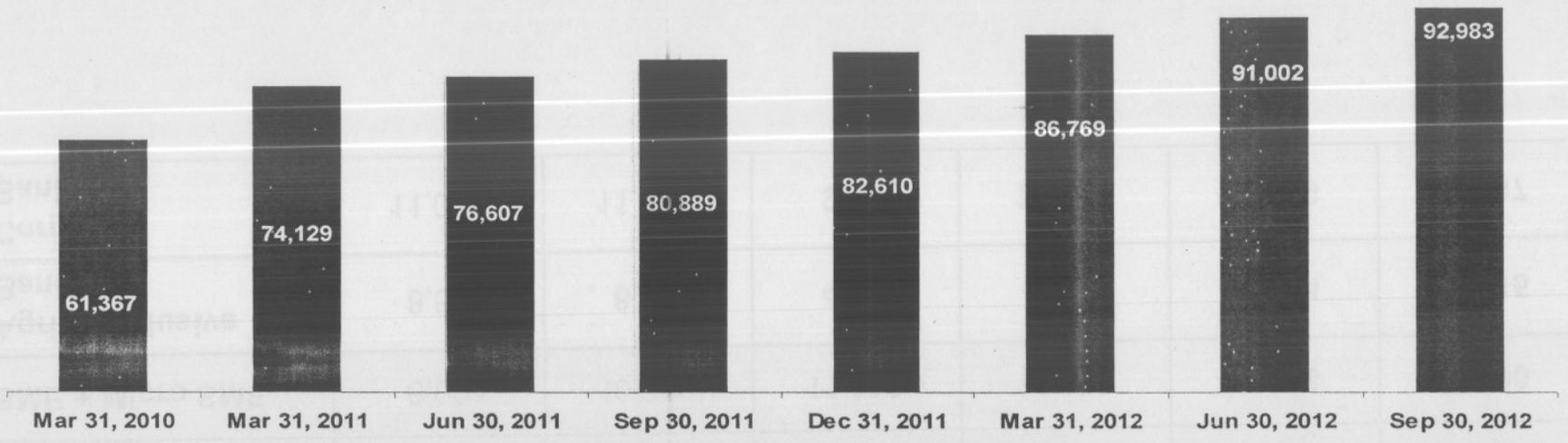
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INR mn	Mar 31, 2010	Mar 31, 2011	Sep 30, 2011	Mar 31, 2012	June 30, 2012	Sep 30, 2012
CASA	16,927	19,755	**20,765**	20,347	20,662	**21,723**
Retail Term Deposits	23,056	27,085	**30,729**	34,320	36,721	**38,888**
Mortgages (sourced & acquired)	4,118	10,811	**15,242**	15,510	17,889	**19,494**
SME + Micro SME	6,004	10,219	**11,619**	14,038	13,943	**14,930**
Agri & Inclusive Banking	8,583	8,502	**4,011**	8,014	7,244	**6,115**
Corporate Banking	11,095	11,153	**9,497**	11,941	12,599	**13,097**

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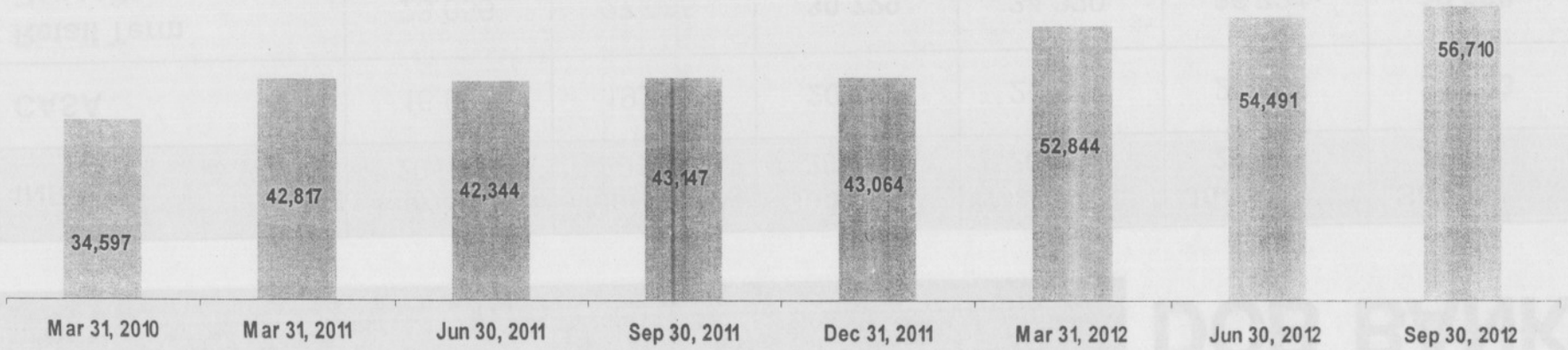
Total Assets

INR mn



Net Advances*

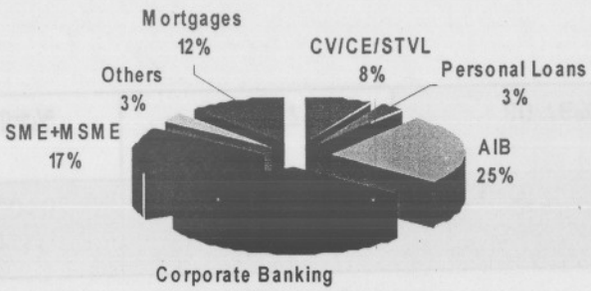
INR mn



* Net Advances – Gross advances less (net of) provisions

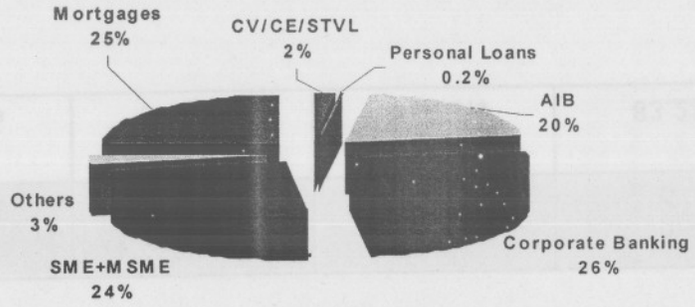
Portfolio* as on Mar 31, 2010

Retail Banking - 26%



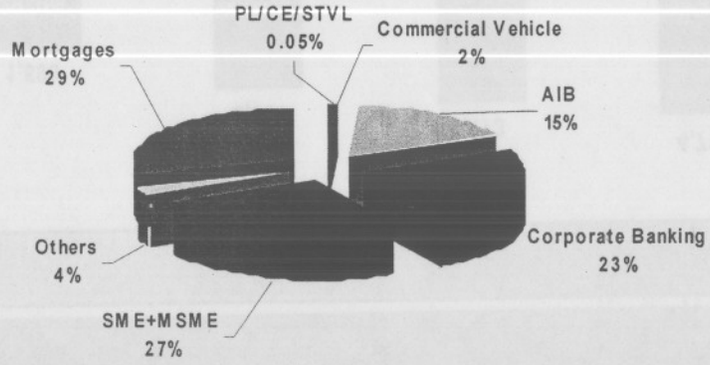
Portfolio* as on Mar 31, 2011

Retail Banking - 30%



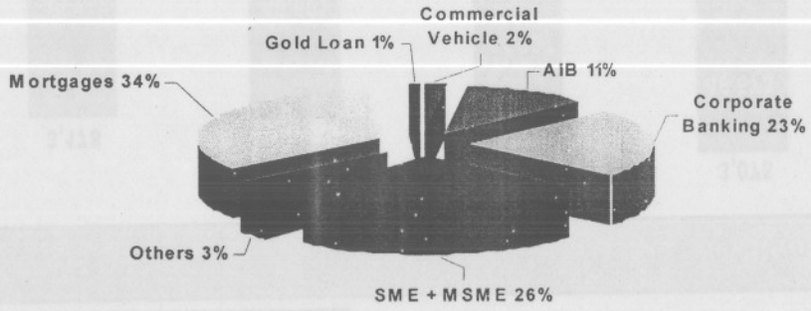
Portfolio* as on Mar 31, 2012

Retail Banking - 35%



Portfolio* as on Sep 30, 2012

Retail Banking - 40%

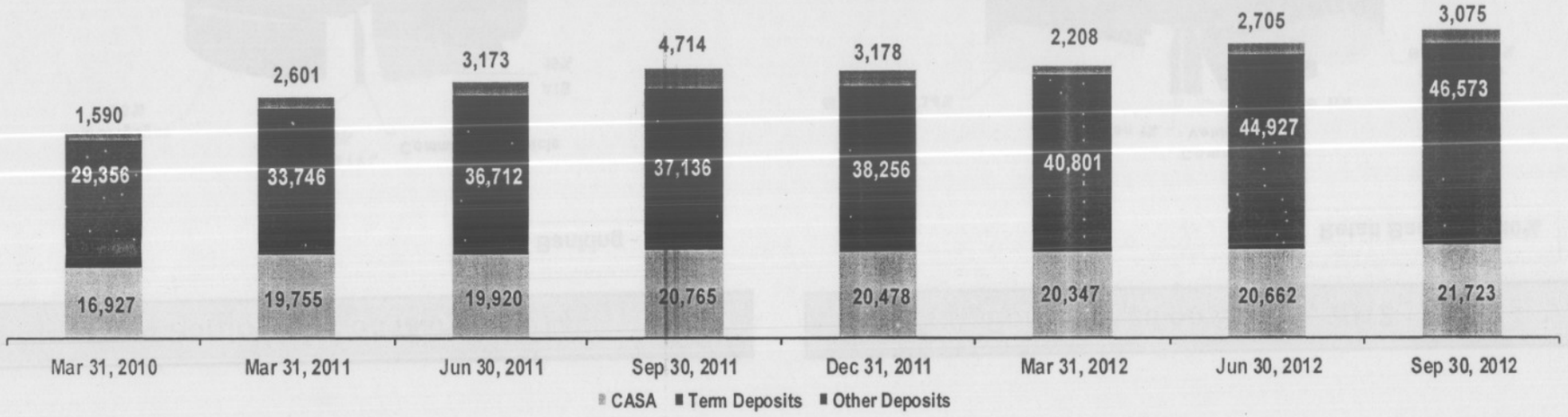


* AIB – Agri & Inclusive Banking, MSME – Micro SME, PL / CE / STVL –Personal Loan, Construction Equipment and Small Ticket Vehicle Loan

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Deposits

INR mn



Retails Deposits Vs Total Deposits

Mar 31, 2010	Mar 31, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012
81.54%	81.17%	80.76%	82.91%	84.42%	82.72%	83.22%

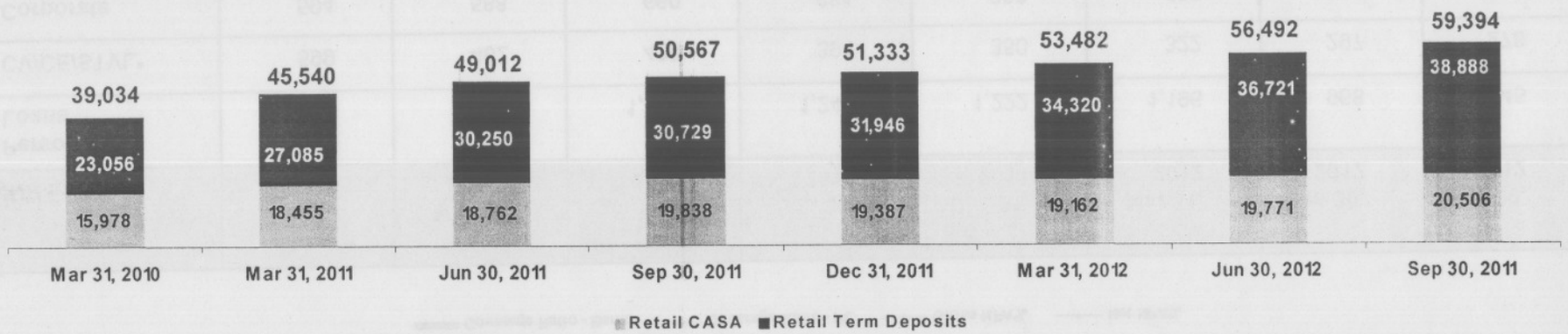
CASA

Mar 31, 2010	Mar 31, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012
35.36%	35.21%	33.16%	33.08%	32.12%	30.25%	30.44%

Access to low cost stable funding source to support Advances growth without undue reliance on volatile wholesale funding

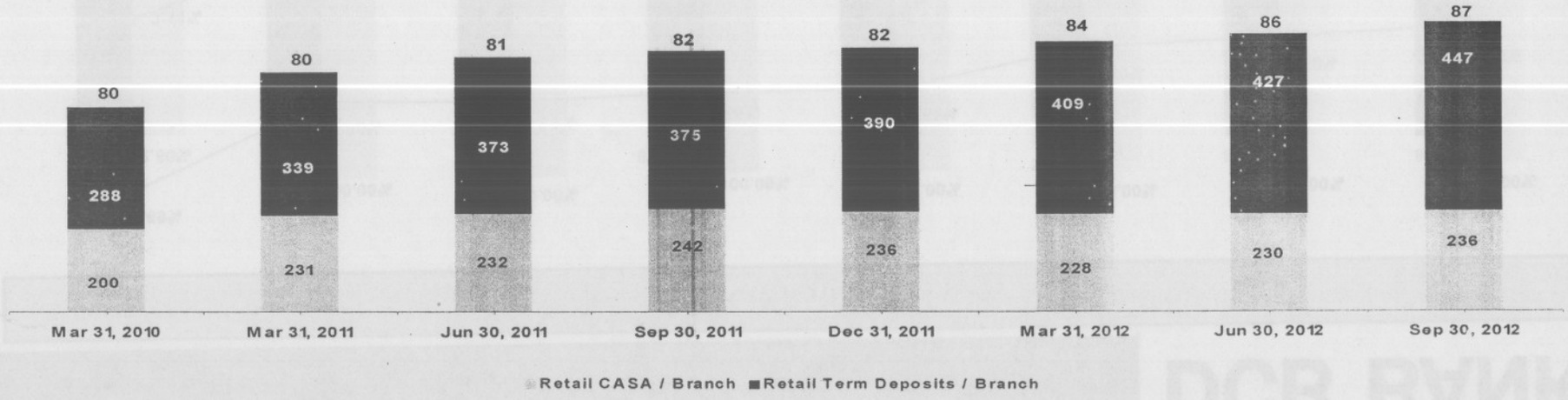
Retail CASA & Retail Term Deposits

INR mn



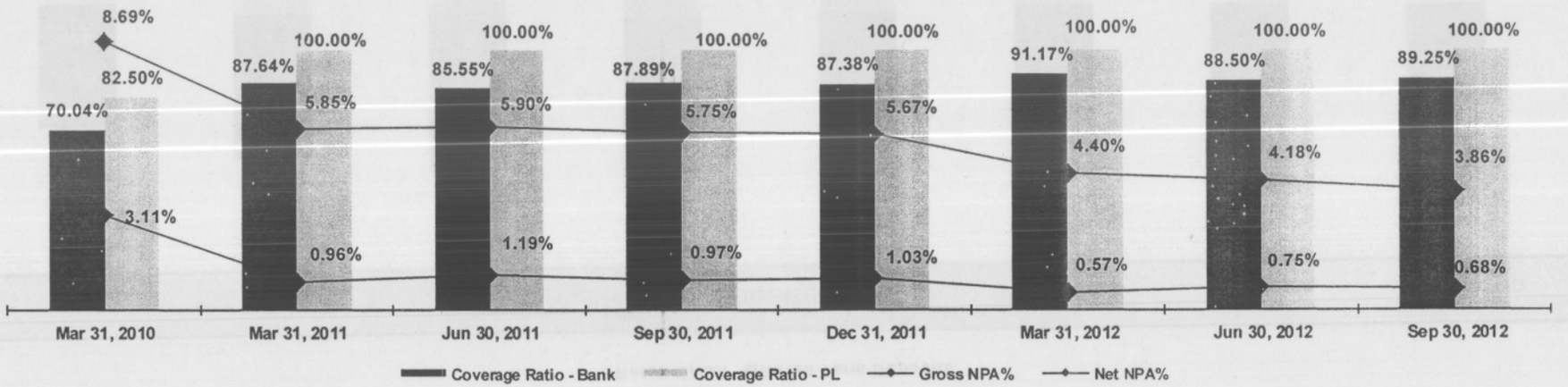
Retail Deposits / Branch

INR mn



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Key Ratios

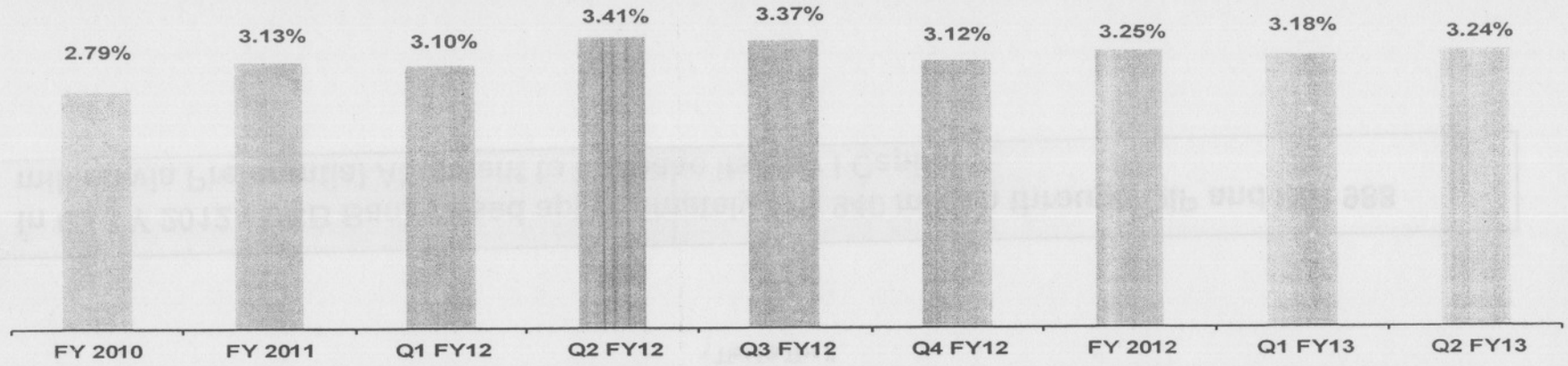


INR mn	Mar 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012
Personal Loans	1,694	1,293	1,267	1,245	1,222	1,196	968	945
CV/CE/STVL*	599	452	426	394	350	322	297	278
Corporate	594	588	660	681	686	627	624	499
Others	305	303	270	285	306	273	473	538
Gross NPA	**3,192**	**2,636**	**2,623**	**2,605**	**2,564**	**2,418**	**2,362**	**2,260**
Net NPA**	**1,076**	**412**	**504**	**421**	**443**	**302**	**409**	**384**

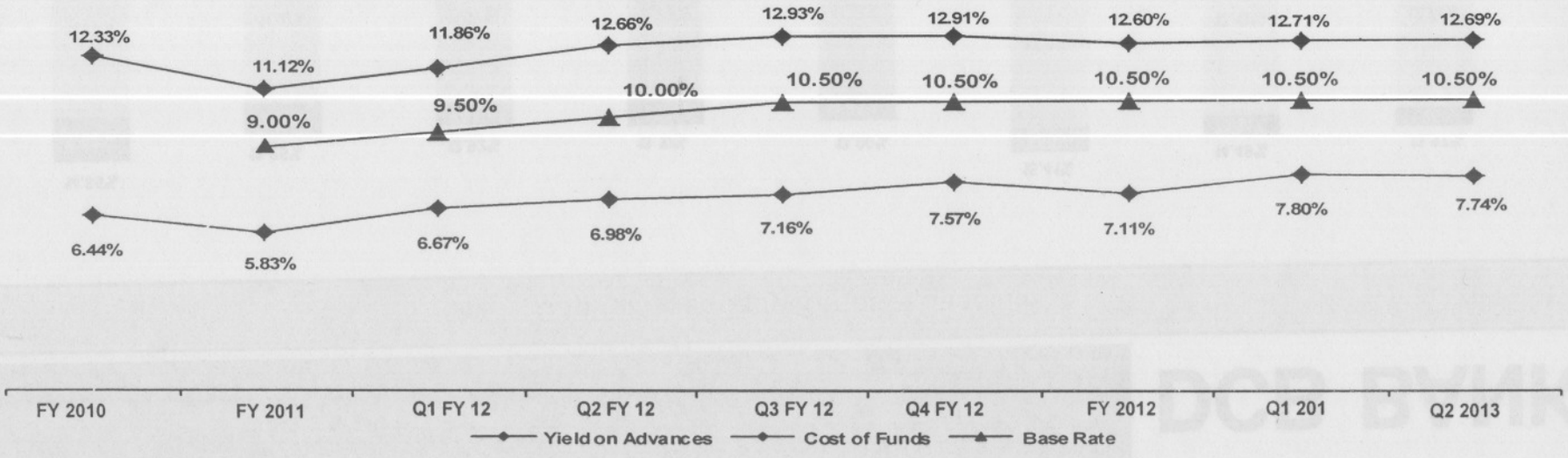
* CV / CE / STVL represents Commercial Vehicle, Construction Equipment and Small Ticket Vehicle Loan

** Net NPA = Gross NPA – (Balance in Interest Suspense account + DICGC/ECGC claims received and held pending adjustment + Part payment received and kept in suspense account + total provisions held)

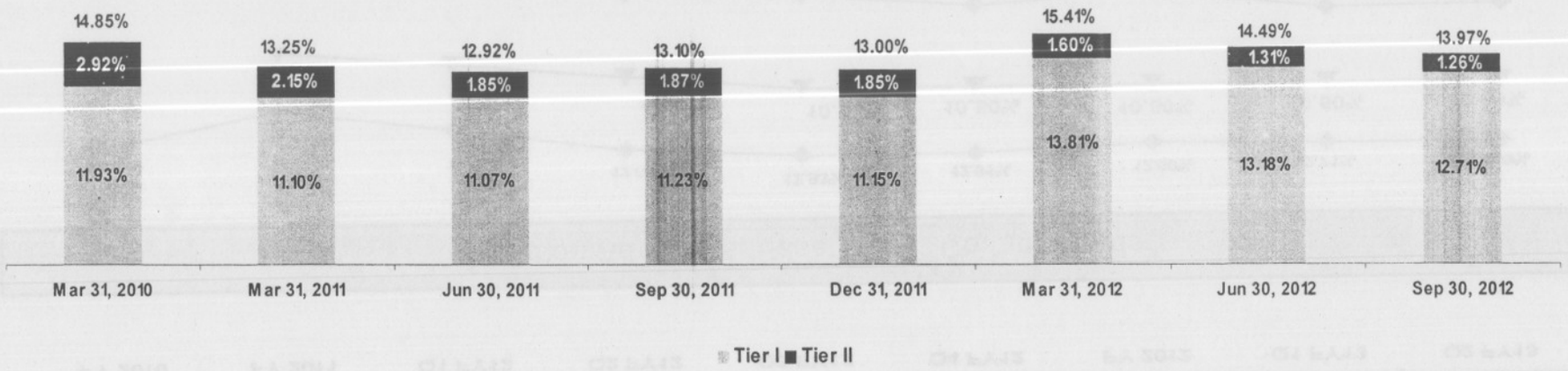
Net Interest Margin



Yield on Advances, Base Rate & Cost of Funds



Capital Adequacy Ratios – Basel II



In Q4 FY 2012 - DCB Bank raised approximately INR 940 million through QIP and INR 988 million via Preferential Allotment to increase its Tier I Capital

INR mn	FY 2010	FY 2011	Q2FY12	Q4FY12	FY 2012	Q1FY13	Q2FY13
Commission, exchange and brokerage	682	683	178	230	786	206	217
Sale of investments	178	253	25	26	118	38	22
Sale of land, buildings and other assets	(3)	11	(1)	(13)	(28)	(2)	(1)
Exchange transactions	68	90	9	21	69	18	6
Bad Debt Recovered	14	6	1	7	10	10	19
Miscellaneous income	136	78	19	10	49	5	13
Total	**1,075**	**1,121**	**231**	**281**	**1,004**	**275**	**275**

INR mn	Mar 31, 2010	Mar 31, 2011	Mar 31, 2012	Sep 30, 2012
SLR	15,789	17,512	20, 219	21,637
Non-SLR	4,390	5,439	4,959	4,675
Total Investments *	**20,179**	**22,951**	**25,178**	**26,312**
HTM	16,890	18,847	20,845	22,048
AFS	3,263	3,029	3,541	2,997
HFT	26	1,075	792	1,267
Total Investments *	**20,179**	**22,951**	**25,178**	**26,312**

* Represents Net investments (HTM – Held To Maturity, AFS – Available For Sale, Held For Trading)

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INR mn	Mar 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012
Shareholder's Equity	5,990	6,187	6,273	6,405	6,561	8,585	8,772	8,990
Deposits	47,873	56,102	59,805	62,615	61,912	63,356	68,294	71,370
Borrowings [1]	5,035	8,607	7,238	8,464	10,455	11,235	10,101	8,801
Other Liabilities & Provisions [1]	2,447	3,205	3,263	3,376	3,652	3,565	3,807	3,792
Cash, Inter-bank, etc	3,324	4,871	6,407	5,995	7,643	4,566	5,804	5,334
Investments	20,179	22,951	24,274	27,656	27,246	25,178	26,367	26,312
Advances	34,597	42,817	42,344	43,147	43,064	52,844	54,491	56,710
Fixed Assets	1,358	1,275	1,238	1,651	1,809	1,846	1,844	2,376
Other Assets	1,909	2,215	2,344	2,440	2,847	2,335	2,496	2,250
Credit Deposit Ratio	72.27%	76.32%	70.80%	68.91%	69.56%	83.41%	79.79%	79.46%

INR mn	Mar 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012
CASA	16,927	19,755	19,920	20,765	20,478	20,347	20,662	21,723
Other Deposits	30,946	36,347	39,885	41,850	41,434	43,009	47,632	49,647
Total Deposits	47,873	56,102	59,805	62,615	61,912	63,356	68,294	71,370
CASA Ratio	35.36%	35.21%	33.31%	33.16%	33.08%	32.12%	30.25%	30.44%

1 : Subordinated debt included in borrowings since March 31, 2010 as per RBI guidelines, same included in other liabilities and provisions in earlier periods

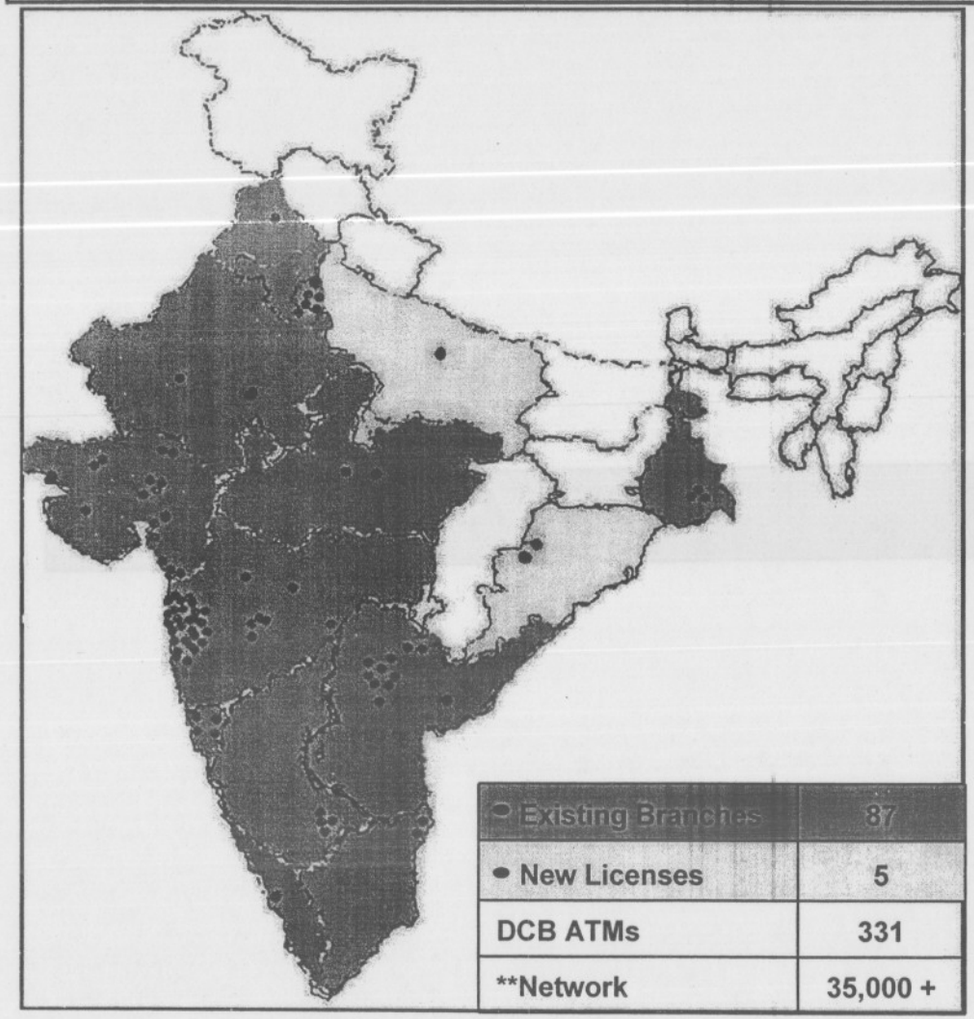
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INR mn	FY 2010	FY 2011	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	FY 2012	Q1 FY13	Q2 FY13
Net Interest Income	1,416	1,891	519	591	597	570	2,277	639	670
Other Income	1,075	1,121	234	231	257	281	1,004	275	275
Operating Income	2,491	3,012	753	822	854	851	3,281	914	945
Operating Expenses	(2,008)	(2,152)	(588)	(614)	(629)	(612)	(2,443)	(666)	(680)
Operating Profit	483	860	165	208	225	239	838	248	265
Total Provisions	(1,268)	(646)	(77)	(75)	(69)	(66)	(287)	(59)	(44)
PAT	(785)	214	88	133	156	173	551	189	221
Cost Income Ratio	80.62%	71.43%	78.07%	74.62%	73.64%	71.90%	74.45%	72.85%	71.95%

Business Strategy

DCB BANK

Branch Network



* Branch locations as shown on the map are approximate may not represent the exact location
** Tie up with Euronet enables DCB Bank customers to access VISA ATMs across the world

ANDHRA PRADESH: (10)
- Hyderabad (8)
- Warangal (2)

GOA: (4)
- Mapusa (1)
- Margao (1)
- Panaji (1)
- Vasco -Da-Gama (1)

GUJARAT: (16)
- Ahmedabad (3)
- Ankleshwar (1)
- Bhuj (1)
- Daman (1)
- Dediapada (1)
- Gandhinagar (1)
- Mandvi (1)
- Netrang (1)
- Rajkot (1)
- Sidhpur (1)
- Silvassa (1)
- Surat (1)
- Vadodra (1)
- Vapi (1)

HARYANA: (1)
- Gurgaon (1)

KARNATAKA: (4)
- Bengaluru (4)

Kerala: (1)
- Kochi (1)

MADHYA PRADESH: (2)
- Itarsi (1)
- Pipariya (1)

MAHARASHTRA: (35)
- Aurangabad (1)
- Mumbai & Its Suburbs (28)
- Nanded (1)
- Nashik (1)
- Pune (4)

NEW DELHI: (6)
- Chandni Chowk (1)
- Connaught Place (1)
- Greater Kailash II (1)
- Kapashera Road (1)
- Kondli (1)
- Preet Vihar (1)

ORISSA: (1)
- Bargarh (1)

PUNJAB: (1)
- Ludhiana (1)

RAJASTHAN: (1)
- Jodhpur (1)

TAMIL NADU: (2)
- Chennai (2)

WEST BENGAL: (3)
- Kolkata (3)

DCB BANK

Retail Banking

Deposit Products:
- Current and Savings
- Term Deposits
- NRI Deposits
- Corporate Salary
- POS Terminals
- Lockers

Cards:
- ATM Card
- Debit Card
- Travel Card****
- Secured Card
- Credit Card*
- Co-branded Prepaid Card**

Payments:
- Remittances
- Bill / Utility Payments
- RTGS / NEFT
- On-line Share Trading/Demat
- Tax Payments
- Visa Money Transfer

Loans:
- Auto Loans*
- Commercial Vehicle*
- Construction Equipment*
- Gold Loans
- Home Loans
- Loan Against Property
- Loan Against Shares
- Tractor Loans

Wealth Management:
- Investment Advice
- Mutual Funds
- Life Insurance and General Insurance

Services:
- 24/7 Phone Banking
- Any Branch Banking

Privilege Banking

Internet Banking

Mobile Banking

SME, Corporate Banking, NBFCs, Co-operative Banks

- Current Account
- Trade Current Account
- Working Capital
- Term Loans
- Supply Chain
- Portfolio Buyout
- Import /Export

- Bills Collection
- Foreign Exchange
- Letters of Credit
- Guarantees

- Cash Management***
- RTGS /NEFT
- Internet Banking

Treasury, NBFCs, Co-operative Banks

- Statutory Reserves Management
- Liquidity Management
- Trading in Government Securities
- Foreign Exchange
- Corporate Bonds
- CDs
- Equity Investment

DCB offers a comprehensive range of products and services

*Offered to existing customers only. **DCB Bank launched its prepaid card with ITZ Cash, which is sourced from select ITZ outlet. *** DCB Bank has tie up with HDFC Bank and Axis Bank to provide customers with cash management facilities at over 500 locations across india. **** Launched on trial basis

DCB BANK

- Grow Micro SME, SME, Retail Mortgages, Commercial Vehicle, Gold Loans, mid - Corporate and Agri & Inclusive Banking with a "customer centric approach". Concentrate on secured lending & diversified portfolio

- Retail – branch centric

- Low cost deposits (CASA / Term)
- Secured lending (Home loans, Loan against property, Gold Loans, Loan Against Term Deposit)
  - Micro SME
  - Traditional customer base
  - Third party fee income

- Treasury – Liquidity management, opportunity for gains within acceptable risks

- Relentless focus on Costs / Income Ratio and Service

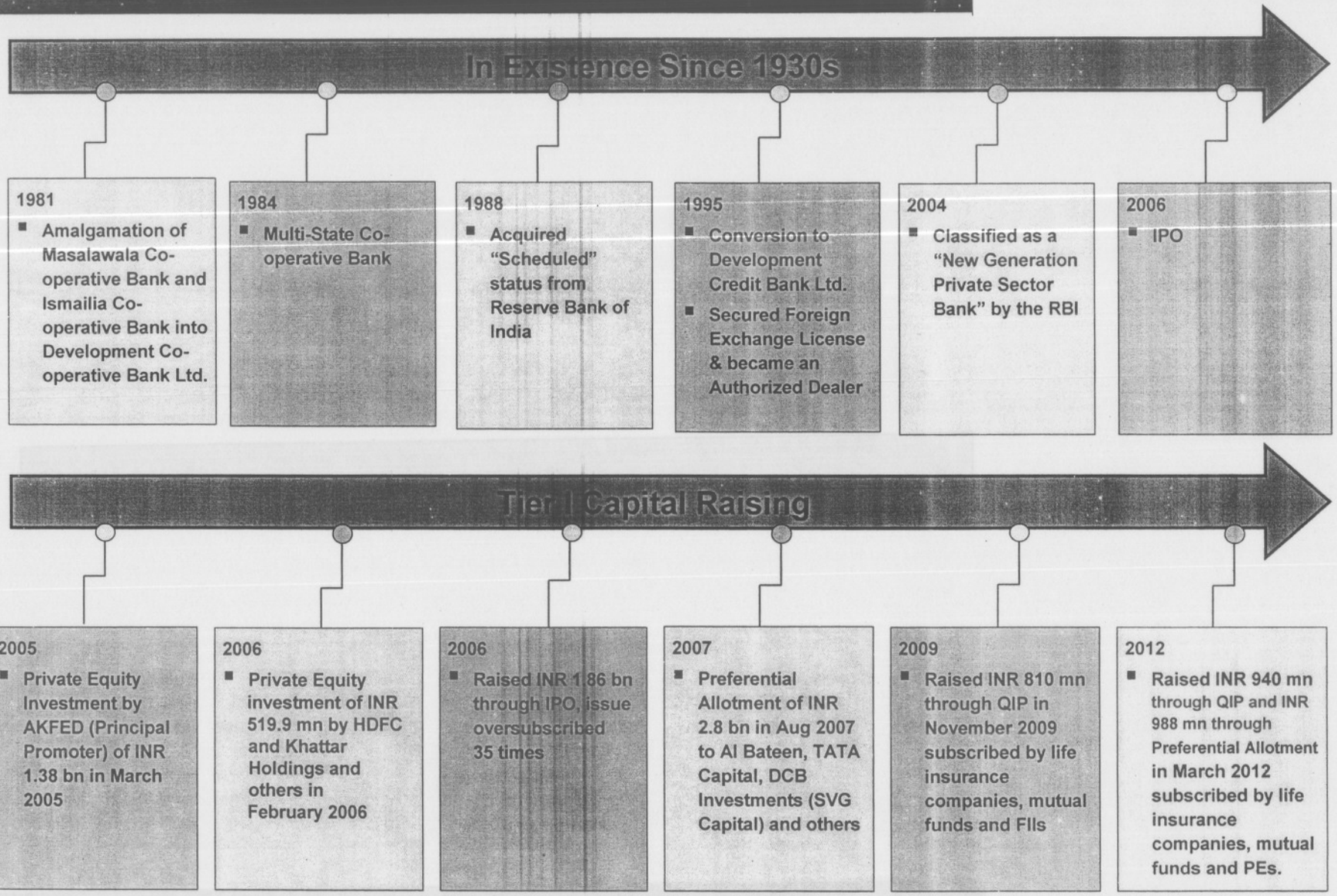
- Stringent mechanism for managing Credit and Operational risks

- Continuously improve people quality and delivery

DCB BANK

Overview

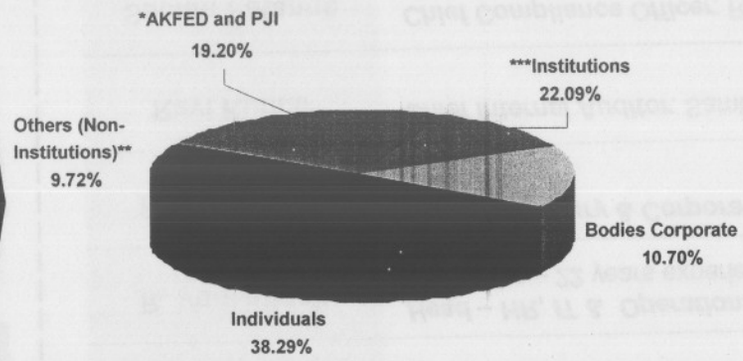
DCB BANK


In Existence Since 1930s
1981
Amalgamation of Masalawala Co-operative Bank and Ismailia Co-operative Bank into Development Co-operative Bank Ltd.
1984
Multi-State Co-operative Bank
1988
Acquired "Scheduled" status from Reserve Bank of India
1995
Conversion to Development Credit Bank Ltd.
Secured Foreign Exchange License & became an Authorized Dealer
2004
Classified as a "New Generation Private Sector Bank" by the RBI
2006
IPO
Tier I Capital Raising
2005
Private Equity Investment by AKFED (Principal Promoter) of INR 1.38 bn in March 2005
2006
Private Equity investment of INR 519.9 mn by HDFC and Khattar Holdings and others in February 2006
2006
Raised INR 1.86 bn through IPO, issue oversubscribed 35 times
2007
Preferential Allotment of INR 2.8 bn in Aug 2007 to Al Bateen, TATA Capital, DCB Investments (SVG Capital) and others
2009
Raised INR 810 mn through QIP in November 2009 subscribed by life insurance companies, mutual funds and FIIs
2012
Raised INR 940 mn through QIP and INR 988 mn through Preferential Allotment in March 2012 subscribed by life insurance companies, mutual funds and PEs.

Shareholding Pattern (September 30, 2012)

DCB BANK

Shareholding Pattern



*AKFED – Aga Khan Fund for Economic Development and PJI – Platinum Jubilee Investment Ltd.

**Includes Clearing Members (1.56%), Non Resident Indians (2.50%), Foreign Corporate Bodies (5.62%), Directors and their relatives (0.04%)

***Institutions includes 7.64% held by FII

Key non-promoter shareholders

- The South India Bank Ltd : **3.82%**
- Tano Mauritius India FVCI II : **3.42%**
- Al Bateen Investment Co LLC: **3. 07%**
- Tata Capital Financial Services Ltd: **2.74%**
- TVS Shriram Growth Fund India : **2.61%**
- WCP Holdings III : **2.55%**
- Sundaram Mutual Fund A/c Sundaram Select Midcap : **2.01%**
- HDFC Ltd: **1.68%**
- Bajaj Allianz Life Insurance Company Ltd.: **1.53%**
- Satpal Khattar & Shareen Khattar: **1.35%**
- ICICI Prudential Life Insurance Company Ltd.:**1.29%**
- Sundaram Mutual Fund A/c Sundaram Equity Multipier Fund : **1.17%**

Aga Khan Fund for Economic Development

- DCB Bank is promoted by the Aga Khan Fund for Economic Development (AKFED) http://www.akdn.org/akfed
- AKFED is an international development enterprise. It is dedicated to promoting entrepreneurship and building economically sound companies
- AKFED operates as a network of affiliates with more than 90 separate project companies employing over 30,000 people. The Fund is active in 16 countries in the developing world

DCB BANK

Murali M Natrajan
Managing Director & CEO

Standard Chartered Bank, Citibank, American Express – *29 years experience.

Abhijit Bose	***Head – Retail Assets & Strategic Alliances***: Standard Chartered Bank, Citibank, Edelco Housing Industries and GIC Housing – *20 years experience.
Bharat Sampat	***Chief Financial Officer***: ABN Amro Bank, Standard Chartered Bank, ANZ Banking Group, Hoechst India - *28 years experience.
J K Vishwanath	***Chief Credit Officer:*** Fullerton India, Citigroup and Eicher Group – 19 years experience.
Manoj Joshi	***Head – SME & MSME Banking***: ICICI Bank, Epcos Ferrites and Uniworth Group – 17 years experience.
Narendranath Mishra	***Head – AIB Banking***: ICICI Bank and Rallis India – 13 years experience.
Praveen Kutty	***Head – Retail & SME Banking:*** Citibank - *21 years experience.
R. Venkattesh	***Head – HR, IT & Operations***: Standard Chartered Bank, ANZ Grindlays Bank, Hindustan Petroleum – 22 years experience.
Rajesh Verma	***Head – Treasury & Corporate Banking:*** State Bank of India - *33 years experience.
Ravi Kumar	***Chief Internal Auditor***: Samba Financial Group, Ernst & Young - *15 years experience.
Sachin Patange	***Chief Compliance Officer***: Reserve Bank of India – 22 years experience.
Sridhar Seshadri	***Financial Controller***: ICICI Bank, Syndicate Bank and State Bank of India – 30 years experience.
Gaurav Mehta	***Head – Marketing, Corportae Communications & Public Relations***: HSBC India, Convergys, GE Capital and Taj Group of Hotels – 17 years experience.
Hemant Barve	***Company Secretary***: Ritchie Steuart Investments and Union Bank of India – 38 years experience.

* Worked in India & Abroad
Only key profiles represented

DCB BANK

	Jul 31, 2009	Sep 30, 2011	Sep 30, 2012
CRISIL			
- Long Term	BBB/**Stable**	BBB **+/Stable**	BBB **+/Positive**
- Short Term	P1	A1	A1
FITCH	BBB/**Negative**	BBB/**Stable**	BBB/**Stable**
Brickworks	BWR A-/**Stable**	BWR A-/**Stable**	BWR A-/**Stable**

Thank you