

## **DCB Bank Q3 net dips on higher tax outgo**

Our Bureau

Mumbai, January 12:

Higher tax expense proved to be a drag on DCB Bank's profitability in the third quarter ended December 31, 2015.

The private sector bank's net profit declined to Rs. 41.20 crore in the third quarter, from Rs. 42.50 crore in the year-ago period.

Murali M Natrajan, MD & CEO, said the bank paid tax at the full rate of 34.5 per cent in the reporting quarter. In the corresponding year-ago period, the tax rate was lower as the bank was absorbing accumulated losses.

In the reporting period, net interest income (the difference between interest earned and interest paid) was up 32 per cent at Rs. 161 crore ( Rs. 122 crore). However, other income was tepid at Rs. 47.20 crore ( Rs. 47.99 crore). Natrajan said the bank logged 24 per cent year-on-year credit growth at Rs. 11,736 crore as on December-end 2015 ( Rs. 9,491 crore as on December-end 2014). Almost the entire credit growth was in the retail and small and medium enterprise (SME) segments.

As on December-end 2015, deposits grew 19 per cent to Rs. 14,084 crore ( Rs. 11,850 crore), while net interest margin improved to 3.96 per cent from 3.70 per cent in December 2014.

Gross non-performing assets (NPAs) to gross advances ratio nudged up to 1.98 per cent from 1.87 per cent. Similarly, net NPAs to net advances edged up to 1.12 per cent from 1 per cent.

DCB shares ended lower at Rs. 75.10 apiece, down 1.18 per cent over the previous close on the BSE.

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