LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/141/2019-2020 August 06, 2019

The General Manager Department of Corporate Services **National Stock Exchange of India** Exchange Plaza, C-1-Block G Bandra Kurla Complex, Bandra-E Mumbai - 400 051 Company Symbol: LAKSHVILAS	**The General Manager** Department of Corporate Services **BSE Limited** Listing Department Phiroze Jeejeeboy Tower Dalal Street, Fort Mumbai - 400 001 Scrip Code: 534690

Dear Sir,

Sub: Press Release

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In compliance of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the press release pertaining to our bank's Un-Audited Financial Results for the Quarter Ended 30.06.2019 is enclosed for your information and records.

Thanking you,

Yours faithfully,
For The Lakshmi Vilas Bank Limited

N Ramanathan
Company Secretary

Encl : A/a

LAKSHMI VILAS BANK

Corporate Office, "LVB HOUSE", No.4 Sardar Patel Road, Guindy, Chennai 600 032

(Regd. Office: Salem Road, Kathaparai, Karur - 639 006)

6th August 2019

PRESS RELEASE

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 th JUNE 2019

Major Performance Highlights

- ✓ Total Business stood at ₹. 49,536 crore (₹ 58,600 crore Y-O-Y).
- ✓ CASA portfolio has grown by ₹. 895 crore from ₹. 6964 crore to ₹. 7859 crore. Y-O-Y, CASA stood at 27.12 % as on 30.06.2019 as against 21.45 % as on 30.06.2018.
- ✓ Retail Term Deposit has grown by ₹. 3,074 crore at 19.58% Y-O-Y.
- ✓ NII for the first quarter (Q1-20) this year stood at ₹ 123 crore (₹ 130 crore during the First quarter (Q1-19) last year and ₹ 140 crore during the Q4 quarter of last year)
- ✓ NIM stood at 1.65 % Vs 1.73 % sequential Q-O-Q and 1.48 % (Y-O-Y)

Lakshmi Vilas Bank (LVB), a south-based private sector Bank, has declared its results for the Quarter **ended 30.06.2019.**

Performance Highlights:

- ⊕ Total Business of the bank was ₹ 49,536 crore as of 30/06/2019, as against Rs.58,600 crore as on 31st June 2018.
- ⊕ CASA grew from ₹ 6,964 crore as on 30.06.2018 to ₹ 7,859 crore as on 30.06.2019, registering Y-o-Y growth of 13%.
- ⊕ CASA as a percentage to total deposits stood higher at 27.12% as against 21.45% as on 30.06.2018.
- ⊕ Gross Advances stood at ₹ 20,556 crore as against ₹ 26,127 crore as on 30/06/2018, Y-O-Y decline of 21.32 % , mainly due to hiving-off some low yielding bulk advances.
- ⊕ Total Deposits declined from ₹ 32,473 crore as on 30/06/2018 to ₹ 28,980 crore as on 30/06/2019, a decline of 10.76 %, mainly due to the reduction in the bulk deposits.
- ⊕ Retail Term Deposits increased by ₹. 3,074 crore at 19.58% Y-O-Y

THE LAKSHMI VILAS BANK LTD Accounts Department Corp. Office, Chennai

- Net Interest Margin (NIM) of the bank stood at 1.65% for the quarter Q1 FY20 as against 1.73% for Q4 FY 19 and improved as against the NIM of 1.48 % of the Q1 of the previous year.
- Operating loss of the bank stood at ₹ 25.55 crore for the quarter ended 30/06/2019 as against Operating loss of ₹21.19 crore for the quarter ended 31/03/2019 and Operating profit of ₹ 6.76 crore for the quarter ended 30/06/2018.
- Cost to Income ratio for the Q1 FY20 stood to 114.45% as against 110.72 % in Q4 FY19 (sequentially). The Cost to Income Ratio for the Q1 of FY 2019 stood at 96.46 % . (Y-o-Y)
- Loss of the Bank before tax provision was ₹ 237.25 crore for the quarter ended 30/06/2019 as against loss of ₹ 499.96 crore for the quarter ended 31/03/2019 and the Net loss of the Bank was ₹ 154.77 crore for the QE ended 30/6/2018.(Y-o-Y).

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at 6.46% as at 30/06/2019 as against 7.72% as at 31/03/2019 and 9.45 % as at 30/6/2018.

During the year 2019-20, the Bank has raised Capital aggregating to ₹ 188.16 crore by way of preferential issue on private placement basis, under the non –promoter category to M/s. India Bulls Housing Finance Limited.

NPA

The Gross NPA stood 17.30% as on 30/06/2019 as against 15.30% as on 31/03/2019 sequantially , It has gone up from 10.73% as on 30/6/2018. Net NPA stood at 8.30%, as against 5.96% as on 30/06/2018. and sequentially against 7.49% as on 31/3/2019. The provision coverage ratio vastly improved to 63.08% (55.80 % as on 30/06/2018 and 62.08% as on 31/03/2019).

New Initiatives

a. Bank has upgraded the existing core banking solutions to the new version Flexcube 11.7.
b. Bank is also implementing fraud and risk module to improve the operational risk mechanism and online real-time transaction tracking monitoring as part of KYC and AML.
c. Bank has implemented Financial Services Funds Transfer Pricing & Performance Analyzer, Profitability Management through Oracle Financial Services Analytical Applications (OFSAA) and also in the process of implementing various other modules viz., ALM, LRM, FCCM etc.
d. Bank has set up "Trade Finance Centre" (TFC) in Chennai, a centralised Back office to process the entire Trade Finance related transactions of the Bank including the SWIFT operation.

e. Bank has centralized the credit operations and monitoring function through its "Commercial Banking Branches" located in 7 centers . This is under the Control of "CBO" in Head Office, which enables to detect and report frauds quickly - To take steps to recover the losses in a time bound manner- To improve the Documentation Quality – Timely tracking and follow up of SMA accounts.

f. As a measure of better monitoring and control, Bank is considering the Centralisation of all payments from Central office.

g. As a measure of reationalisation and in order to reduce administrative cost, Bank has merged some of the Regional Offices. Number of Regional offices is reduced to 7 as against 11 earlier. The Bank has moved to Cluster approach to improve branch efficiencies, business and profits.

h. The Bank is in the process of operationalizing Opex model for all its ATMs to improve ATM functions including state of the art technology.

Other Developments:

(i) Bank's Board has approved the merger of Indiabulls Housing Finance Ltd (IHFL) and its wholly owned subsidiary, Indiabulls Commercial Credit Ltd., (ICCL) into and with LVB under sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as amended, and other rules and regulations framed thereunder. The Scheme is subject to the receipt of approval from the Reserve Bank of India, Other Regulatory approvals and all other applicable compliances. Approval from Competition Commission of India (CCI) already received.

(ii) During the year 2019-20, the Bank has raised Capital and issued 1,68,00,000 Equity Shares of face value of Rs.10 each, at a price of Rs.112 per share (including a premium of Rs.102 per share) aggregating to Rs.188.16 crore, on a preferential basis to M/s.Indiabulls Housing Finance Limited. The Bank has made the aforesaid allotment on 4th July 2019

(iii) Recently, there were news paper reports regarding the exposure to Coffee Day Group of Bangalore. In this connection, as an additional information, Bank desire to clarify as under: The Bank has no exposure on Cafe Coffee Day (CCD) or its subsidiaries. However, the Bank has funded the coffee growers and suppliers of coffee beans to M/s.Cofee Day Global Limited(CDGL), in the normal course of business against the receivables from CDGL. In addition Bank has funded Kumergode Estate Ltd. and Ms Malavika Hegde and these two loans are backed by collaterals of fixed deposits, land and fixed assets.

All the above facilities are further backed by the personal guarantee of Late Mr.V.G.Siddhartha. The total outstandings under the above facilities remained standard assets in the books of the Bank as on 30.06.2019.The Bank is pursuing for recoveries while assessing the impact of probable losses, if any.

Network

As on 30/06/2019, Bank has 569 branches, 5 Extension Counters, 1047 ATMs in 18 states and 1 union territory, the Bank offers various bouquets of products and services. The Bank is committed to build a sustainable business over the long term and upholding high standards of customer service - Life Smiles Where LVB Serves. Tamil Nadu continues to be the dominant contributor of business for the Bank.

The branch and business concentration is as follows:

State	TN & Pud	Kar	AP & Tel	MH &Guj	NCR
Business conc.	49.60%	11.16%	12.74%	13.89%	3.38%
Branch conc.	52.81%	10.53%	21.23%	6.49%	1.58%

The Board of Directors of The Lakshmi Vilas Bank Limited approved the financial results for the Quarter ended 30/06/2019 at their meeting held in Bengaluru on 6th August 2019.

(P. Mukherjee)
Managing Director & CEO

THE LAKSHMI VILAS BANK LTD. Accounts Department Corp. Office, Chennai