LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/169/2018-2019 October 24, 2018

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

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 30.09.2018 is enclosed for your information and records.

Thanking you,

Yours faithfully,

THE LAKSHMI VILAS BANK LTD. Secretarial Department Corp. Office, Chennai-32

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)

24th October, 2018

PRESS RELEASE

FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2018

Major Performance Highlights

- ✓ Business increased by ₹ 2,775crore (5.30%) from ₹.52,387 crore to ₹.55,162 crore Y-O-Y.
- ✓ CASA portfolio has grown by ₹ 772 crore from ₹.6,118 crore to ₹.6,890 crore. CASA stood at 22.18% as on 30.09.2018 as against 20.97% as on 30.09.2017.
- ✓ NII increased by ₹.21 crore Q-O-Q and stood at ₹.151 crore for the quarter ended 30.09.2018 Vs ₹.130 crore for the quarter ended 30.06.2018.
- ✓ NIM stood at 1.74% Vs 1.48% Q-O-Q.
- ✓ Operating Profit improved Q-O-Q to ₹ 27.57 crore as compared to ₹.6.76 crore for the quarter ended 30.06.2018.
- ✓ Capital Adequacy Ratio (Basel III) improved to 9.67% Vs 9.45% Q-o-Q.

Lakshmi Vilas Bank (LVB), a south-based private sector Bank, has declared its Second Quarter results for the current financial year today.

Performance Highlights:

- Total Business of the bank reached ₹ **55,162 crore** as of 30/09/2018, showing an increase of 5.30%, Y-o-Y.
- Gross Advances increased from ₹ 23,216 crore to ₹ **24,092 crore** registering Y-O-Y growth of 3.77%.
- Total Deposits rose from ₹ 29,171 crore as on 30/09/2017 to ₹ **31,071 crore** as on 30/09/2018, registering Y-o-Y growth of 6.51%.
- CASA grew from ₹6,118 crore to ₹ **6,890 crore**, registering Y-o-Y growth of 12.62%.
- CASA as a percentage to total deposits stood higher at **22.18%** from 20.97% a year ago.
- The Bank has managed to reduce its bulk deposits by ₹1,800 crore resulting in reduction in interest paid on deposits by ₹ 22 crore as compared to Q1 FY 19 (sequentially). This has resulted in Net Interest Income (NII) improving to ₹150.95 crore in Q2 FY 19 as compared to Rs.130.20 crore in Q1 FY 19 (sequentially).

THE LAKSHMI VILAS BANK Account Department Corp. Office, Chennai

- Net Interest Margin (NIM) of the bank stood at 1.74% for the quarter Q2 FY19 as against 1.48% for Q1 FY 19 as of 30/09/2017.
- Operating profit of the bank stood at Rs 27.57 crore for the quarter ended 30/09/2018 as against Rs 6.76 crore for the quarter ended 30/06/2018 and Rs 179.38 crore for the quarter ended 30/09/2017
- Cost to Income ratio reduced to 87.59% as against 96.46% in Q1 FY 19 (sequentially).
- Net Loss for the Bank was ₹132.31 crore for the quarter ended 30/09/2018 as against net loss of ₹123.87 crore for the quarter ended 30/06/2018.
- Bank continues to diversify its business and for the quarter end 30/09/2018, the corporate book is at 39% against 52% as at the beginning of the year. The MSME book now contributes 35%.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at 9.67% as at 30/09/2018 as against 9.45% as at 30/06/2018.

NPA

The Gross NPA stood 12.31% as on 30/09/2018, up from 5.50% as on 30/09/17. Sequentially, it has gone up from 10.73% as on 30/06/2018. Net NPA stood at 6.88%, up from 4.33% in the corresponding period of the previous year, and sequentially up from the 5.96% as on 30/06/2018. The provision coverage ratio is at 55.39 % (46.27% as on 30/09/2017 and 55.80% as on 30/06/2018). Fresh slippages in this quarter ended 30/09/2018 has been ₹237.49 crore as against ₹ 395.10 crore in the quarter ended 30/06/2018. Residual stress in book estimated to be around Rs 400 crore only

New Inititatives

a. Bank is in the process of upgrading the existing core banking solutions
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. As a step towards centralisation and to mitigate the risk on usage of swift codes, our Bank has centralised the out bound swift code operations of all B-Category branches at commercial banking branches.
d. Bank has operationalized Commercial Bank branches to strengthen disbursement, monitoring and follow up of credit exposure of ₹50 lakh and above.
e. Complete revamp and re-launch of LVB rewardz loyalty program for spends on LVB debit cards with very attractive retail tie-ups
f. Launched Gift cards and pre-paid cards
g. Bank has tied up with HDFC Ergo General Insurance company Ltd to offer non-life insurance products to our customers
h. 60 New Government banking relationships opened in Q2. Total Outstanding stands at around 461 with around ~Rs 100 Crores of business

THE LAKSHMI VILAS BANK LTD. Accounts Department

i. Bank has reduced the exposure in Infra / NBFC / Real Estate sectors by 1800 crores, which is a step reduction of almost 35% of FY18E book in these sectors. Further, the total sectoral exposure of Infra / NBFC / Real Estate stands at 4.9% / 8.5% / 17.7% on gross basis as on date. LAP (loan against property) book of Bank stood at Rs 1122 Crores which is well performing in nature

Network

As on 30/09/2018, Bank has 568 branches, 5 Extension Counters, 1040 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.	51.5%	12.0%	12.5%	17.5%	6.6%
Branch conc.	55%	11%	21%	7%	6%

The Board of Directors of The Lakshmi Vilas Bank Limited approved the financial results for the quarter ended 30/09/2018 at their meeting held in Chennai on 24th October, 2018.

(P. Mukherjee)
Managing Director & CEO

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