LAKSHMI VILAS BANK

Secretarial Department CIN: L65110TN1926PLC001377

Ref/Sec/205 & 266/135/2016-2017 October 17, 2016

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	**The General Manager** Department of Corporate Services **BSE Limited** Listing Department Phiroze Jeejeeboy Tower Dalal Street, Fort Mumbai - 400 001

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 30.09.2016** is enclosed for your information and records.

Thanking you,

Yours faithfully,

N Ramanathan
Company Secretary

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

Encl : A/a

P. Mukherjee | Managing Director & CEO

October 17, 2016

PRESS RELEASE

Headlines

H1 Net Profit of the bank up by 47.53% to ₹125.53 Crs.

NII registered a growth of 19.21% to ₹364.23 Crs.

Other Income of the bank grown by 54.96% during H1 of FY16-17.

Business: CASA portfolio of the bank has grown by 15.05% from ₹4014.78 Crs to ₹4619.09 Crs, Y-o-Y. Total Deposits rose from ₹23445.32 Crs to ₹26680.14 Crs registering Y-o-Y growth of 13.80%. Credit portfolio expanded from ₹17573.80 Crs to ₹20253.32 Crs with a Y-o-Y growth of 15.25%. The Total Business Mix improved from ₹41019.12 Crs to ₹46933.46 Crs, increased by 14.42% year on year basis.

Profitability: Net profit increased by 47.53%, to ₹125.53 Crs as on 30th Sep 2016 from ₹85.09 Crs as of 30th Sep 2015. Operating Profit up by 41.44% as of 30th Sep 2016 compared to the same period of last year. Total interest income for the first half year ended Sep'16 grew by 10.88%, to ₹1384.06 Crs against ₹1248.25 Crs in the corresponding period of previous financial year. Total Income of the Bank for H1 of FY16-17 at ₹1605.17 Crs is up from ₹1390.94 Crs for H1 of the previous year with a growth of 15.40% (Y-o-Y). Other income of the bank grew by 54.96%, during H1 of FY 16-17 to ₹221.11 Crs from ₹142.69 Crs of the corresponding period of previous year. The NII of the bank recorded a growth of ₹58.69 Crs (19.21%) from ₹305.54 Crs to ₹364.23 Crs, YoY.

Quality of Assets: The Gross & Net NPA of the bank stood at 2.70% & 1.87% as on 30th Sep 2016, respectively.

Performance for the quarter ended 30th Sep 2016 Vs quarter ended 30th Sep 2015

- Net profit increased by 44.66% from ₹44.83 Crs to ₹64.85 Crs.
- Operating Profit of the bank up by 69.61% from ₹93.40 Crs to ₹158.42 Crs
- Total income grew by 18.97% from ₹697.88 Crs to ₹830.30 Crs.
- Other Income of the bank grew by 107% from ₹63.72 Crs to ₹131.90 Crs.
- Total Deposits increased by 13.80% from ₹23445.32 Crs to ₹26680.14 Crs.
- Advances increased by 15.25% from ₹17573.80 Crs to ₹20253.32 Crs.
- Net NPA of the bank stood at 1.87% as against 1.01% as of Previous year.
- Return on Average Assets stood at 0.86% for Q2 of FY16-17, whereas it was at 0.71% during Q2 of FY15-16.
- Return on Equity of the bank stood at 15.39% for the quarter ended 30th Sep 2016 as against 11.66% during the same period of previous year.
- CASA ratio improved to 17.31% as on 30/09/2016 from 17.12% as on 30/09/2015.

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Lakshmi Vilas Bank Ltd. MD's Secretariat Corporate Office CHENNAI - 600 032

The Lakshmi Vilas Bank Ltd.
Corporate Office :
LVB House, No.4/1, (Old No.33), Sardar Patel Road, Guindy, Chennai - 600 032, Tamil Nadu. India
Phone : +91-44-2220 5316 Email : MDsec@lvbank.in Website : www.lvbank.com

The Bank has a national presence serving over 2.91 million satisfied customer accounts through its 460 branches (including 1 satellite branch), spread across 16 States and 1 Union Territory. The bank has a network of 926 ATMs. The Bank continues to invest behind its network for improved reach and customer service.

The limited, reviewed unaudited financial results for the first Half Year of the current fiscal were taken on record by the Board in its meeting held on 17.10.2016 at Chennai.

Few Disclosures made on accounts:

RBI vide its circular no.DBR.No.BP.BC.94/ 21.04.048/2014-15 dated 21.05.2015 permitted banks to provide for the net shortfall on account of sale of assets to Reconstruction Company over a period of two years. Consequently, ₹20.72 Crore has been charged to the Profit & Loss account for the quarter ended 30th September 2016. The unamortised amount on this account as on 30th September 2016 is ₹52.60 crore.

As permitted by RBI vide its circular RBI/2014-15/535/DBR.No.BP.BC.83/21.04.048/2014-15 dated 01.04.2015, the outstanding balance in fraud accounts relating to advances amounting to ₹8.04 crore, is being provided over a period of four quarters. Consequently, ₹2.01 crore has been charged to profit & Loss account for the quarter ended 30th September 2016. The balance amount to be provided as on 30th September 2016 is ₹6.03 crore.

Pending finality to the show-cause notice issued by the Reserve Bank of India for certain violations including delay in reporting of certain fraudulent Bill transactions, the Bank based on the reply given to RBI explaining that there is no delay has made the provision in terms of their Master Direction on Frauds-No.DBS.CO.CFMC.BC.NO.1/23.04.001/2016-17 dated July 1, 2016, of spreading over a period of 4 quarters. Accordingly, the bank has provided ₹18.78 crore and the unamortised amount of provision being carried forward as at 30th September 2016 is ₹56.35 crore. In the event of an adverse outcome to the show-cause notice, the net of tax impact on the net profit would be ₹36.85 crore.

(P.Mukherjee)
Managing Director & CEO

