

## Press Release

### **Brickwork Ratings (BWR) assigns “BWR A” for the proposed long-term Bond Issue of ₹ 250 crore and reaffirms rating for the other outstanding Issue of Lakshmi Vilas Bank rated by BWR**

<b>Instruments</b>	<b>Assigned/ Reaffirmed</b>
Long term Bonds (₹ 250 cr)	BWR A (Stable) Assigned
Lower Tier II (Subordinated) Bonds (₹ 100 cr)	BWR A (Stable) (Reaffirmed)

The rating “BWR A” stands for an instrument that is considered to have ADEQUATE degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Lakshmi Vilas Bank Ltd. was incorporated on 3 November 1926 and is headquartered in Karur, Tamil Nadu. The bank provides a wide array of services and products for retail and commercial banking. It also distributes mutual fund products and insurance products. It has a distribution tie up with LIC and Bajaj Allianz General Insurance.

The bank attained a total business of ₹ 21,514 cr as on 30<sup>th</sup> September 2011 (as compared to ₹ 15,716 cr during H1FY11) registering an increase of 36%. Deposits have grown from ₹ 9,350 cr in H1FY11 to ₹ 12,813 cr during H1FY12 registering a growth of 37% and advances have grown from ₹ 6,366 cr in H1FY11 to ₹ 8,701 cr during H1FY12 a growth of 36%. However the asset quality fell as Gross NPA increased from 1.93% in FY11 to 2.24% in H1FY12. Net NPA also increased from 0.90% in FY11 to 1.09% in H1FY12. The provision coverage ratio stood at 73.86% in H1FY12 compared to 77.17% in FY11.

As on September 30, 2011, the bank has reported a total capital adequacy ratio of 11.59% as against 13.19% in FY11.

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