

Lakshmi Vilas Bank looking at acquisition opportunities

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Mumbai, April 30: Lakshmi Vilas Bank will rely on its nine-decades experience in weathering business cycles and its handling of nine bank acquisitions to position itself as an acquirer in the banking space. Further, the private sector lender plans to double its business every three years, according to a top official.

NS Venkatesh, Executive Director of the South-based old generation private sector bank, underscored that his bank, during its 91-year journey so far, has acquired nine banks (between 1961 and 1965).

“We have the experience of actually handling nine mergers and acquisitions on our own. So, we would rather be acquiring some bank than opening ourselves to an acquisition,” he said.

While Lakshmi Vilas Bank (LVB) has embarked on a transformation path based on organic growth, Venkatesh emphasised that the bank’s management has not taken its eyes away from the market (for possible acquisition opportunities).

“We are scanning the environment. We are quiet confident that if there is something (acquisition opportunity) which comes our way and meets our criteria of synergy and enhancement in our shareholders’ value then we will not shy away from taking over some bank,” he said.

Referring to the transformation underway at LVB, Venkatesh explained that his bank is trying to grow in the right direction with more thrust on loans to RAM (retail, agriculture and micro, small and medium enterprises) and commercial banking segments.

“We are moving away from large corporates, which is not our cup of tea.... We are a smaller bank. So, it is better to concentrate on smaller advances, where we have local knowledge and local understanding of the businesses. So, we believe that is where we have the DNA. And we are trying to leverage on that DNA,” he emphasised.

Currently, 50.8 per cent and 49.2 per cent of the bank’s loan portfolio comprise loans to large corporate, and RAM and commercial banking segments, respectively. This bank plans to change the loan mix between large corporate, and RAM and commercial banking to 25: 75.