

**PRESS RELEASE****LVB Net in H1 is Rs. 11.21 Crores.**

Lakshmi Vilas Bank (LVB), a technology driven old generation pvt sector bank has recorded 29% jump in net profits in Q2 of 2008-09 as compared to the corresponding quarter of 2007-08.

The unaudited Financial results for the second quarter of the current fiscal, which was taken on record by the BOARD in its meeting held today (30.10.2008).

The Total Business of the Bank has improved to Rs. 10372 Crores as against Rs.9550 Crores in March 2008 and Rs. 8476 Crores in September 2007, registering a growth of 23% on YOY basis. The Total Deposits have increased to Rs. 6005 Crores from Rs. 5619 Crores in March 2008 and Rs. 5009 Crores in September 2007, with a growth rate of 20% on YOY basis. Gross Advances stood at Rs. 4367 Crores recording a growth of 26% over corresponding period of 2007-08.

The Interest income has grown to Rs. 290 Crores, while the total income stood at Rs. 327 Crores as at 30.09.2008, as against Rs. 238 Crores and Rs. 270 Crores respectively, relating to corresponding period of 2007-08. The other income for Six months period ended 30.09.2008 stood at Rs. 37.24 Crores recording a 38% growth on YOY basis.

The Net Profit stood at Rs. 11.21 Crores as against Rs. 20.46 Crores for the corresponding period of 2007-08. This is principally due to depreciation on investments and higher capital expenditure on Information Technology.

The Gross and Net NPA have come down to 3.3% and 1.52% respectively as compared to 4.46% and 2.20% of 30.09.2007 and 3.51% and 1.55% of 31.03.2008. The CRAR is at 12.16%.

Consequent to the attainment of 100% CBS status, the bank has recently launched the Internet banking services enriching the customer service standard of the Bank. Additional services like SMS alert, Mobile Banking are being introduced shortly. The Bank has rolled out strategies to enlarge the customer base and CASA portfolio of the Bank. It has also plans to add few more Para banking activities like online trading services, broking services etc., to enhance the fee based income of the bank. The bank has targeted to install 125 ATMs in all vital locations besides its cash tree tie-up for over 4500 ATMs around the country.

(V. S. Reddy)
Managing Director