LAKSHMI VILAS BANK

Secretarial Department

Ref/Sec/205/ 123/2012-13 August 27, 2012

To
The Manager
Listing Department
M/s.National Stock Exchange of India Limited
"Exchange Plaza,"
Bandra-Kurla Complex,
Bandra (E)
Mumbai – 400 051.

Symbol	Series
LAKSHVILAS	EQ

Dear Sir,

With reference to the report published in a financial news paper Mumbai Edition on 27.08.2012 we are hereby giving the point wise reply to the report by our MD & CEO Shri. P R Somasundaram in the Annexure for the kind information of the Stock Exchange.

Thanking you,

Yours faithfully,

N.Ramanathan
Company Secretary

SECRETARIAL DEPARTMENT LVB A.O KARUR-6

Encl: As above.

The Lakshmi Vilas Bank Ltd., Regd. & Admn. Office, Salem Road, Kathaparai, Karur- 639006
Phone: 04324-220051-60 Fax: 223607 E-Mail: secretarial@lvbank.in

LAKSHMI VILAS BANK

MD's SECRETARIAT

Clarification on the news article published in a financial newspaper Mumbai edition on 27th Aug 2012

This has reference to a news item about the bank in a financial newspaper today. The bank wishes to clarify as follows:

1. The bank has always been and remains a highly compliant institution and there are no gaps causing concern. Its consistent performance and strong growth stand on sound operating platform and transparent business practices. The Bank has made significant strides in process improvement and in upgrading technology. Recently the bank has even embarked on phased centralization of operations, with a technology partner, which is a milestone in its growth journey.

2. The inspection report pertains to an earlier period 2010-11 and observations have been addressed in a systematic and time bound manner, the selective references, therefore, are out of context.

3. The process of approval of chairmanship is still on and no name has been declined.

4. There has been no increase in the promoter shareholdings against regulatory direction.

The Bank will continue to invest behind network and is well placed to leverage growth opportunities. It had reported a profit of Rs.101 Cr for the first time in its history in 2010-11, a growth of over 236% which further grew to Rs.107 Cr in 2011-12. Business has grown by 22% in Q1 FY13 and PAT higher, albeit marginally, in a challenging environment.

P R Somasundaram
MD & CEO,
Lakshmi Vilas Bank,
Regd & Admn Office, Salem Main Road
Kathaparai, Karur - 639 006
Tamil Nadu

SECRETARIAL DEPARTMENT LVB A.O KARUR-6