ఆంధ్రాబ్యాంక్
(భారత ప్రభుత్వ సంస్థ)
आन्ध्रा बैंक
(भारत सरकार का उपक्रम)
Andhra Bank
(A Govt. of India Undertaking)

आन्ध्रा बैंक
प्रधान कार्यालय
"डॉ. पट्टाभि भवन"
5-9-11, सैफाबाद
हैदराबाद - 500 004

Andhra Bank
Head Office
"Dr. Pattabhi Bhavan"
5-9-11, Saifabad,
Hyderabad - 500 004.

विभाग DEPT: Board Secretariat
Merchant Banking Division
Telefax 040-23230883;Tel.No.040-23252371/2388
E-mail: mbd@andhrabank.co.in

Lr. No. 666/25/P.30/646

Dt: 12.02.2016

The National Stock Exchange
Of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051.
Fax: 022-26598237/38

SYMBOL: ANDHRABANK

Dear Sirs,

Sub: Review Report by the Statutory Auditors of the Bank – Review of Unaudited Financial Results of the Bank for the Quarter ended December 31, 2015
Ref: Our letter no. 666/25/P.30/644 dated 12.02.2016

Further to our letter no. 666/25/P.30/644 dated 12.02.2016 enclosing the Unaudited Financial Results of the Bank alongwith the Segment Reporting for the Quarter ended December 31, 2015, we enclose herewith the Review Report by the Statutory Auditors of the Bank on the Bank's Unaudited Financial Results for the Quarter ended December 31, 2015.

Yours Faithfully,

(Y. Amarnath)
Company Secretary

Encl: as above

आन्ध्रा बैंक ANDHRA BANK M.B. Division प्र.का.हैद./H.O.Hyd.

PREM GUPTA & CO.
Chartered Accountants
New Delhi

BASHA & NARASIMHAN
Chartered Accountants
Visakhapatnam

V. KRISHNAN & CO.
Chartered Accountants
Chennai

SAGAR & ASSOCIATES
Chartered Accountants
Hyderabad

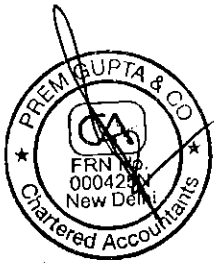
LIMITED REVIEW REPORT

The Board of Directors,
Andhra Bank.,

We have reviewed the accompanying statement of unaudited financial results of Andhra Bank for the quarter & nine months ended December 31, 2015. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In the conduct of our review, we have reviewed 20 Branches and Investment & International Banking Division, Mumbai and Certain specific 45 borrower accounts and un-reviewed returns in respect of 36 Zonal Offices and 2285 branches, and relied on the review reports in respect of non-performing assets received from the concurrent auditors of 443 branches, inspection teams of the bank of NIL branches and NIL number of branches reviewed by other auditors specifically appointed for this purpose. These review reports cover 50.92% of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.









Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of Income recognition, asset classification, provisioning and other related matters.

Statutory Central Auditors

For Prem Gupta & Co Chartered Accountants FR No: 000425N (CA Prem Behari Gupta) Partner M.No. 080245	For Basha & Narasimhan Chartered Accountants FR No: 006031S (CA K. Narasimha Sah) Partner M.No. 201777
For V. Krishnan & Co. Chartered Accountants FR No: 001541S (CA P. Geetha) Partner M.No. 202607	For Sagar & Associates Chartered Accountants FR No. 003510S (CA V. Vidyasagar Babu) Partner M.No. 027357

Station : Hyderabad
Date : 12th February 2016

ANDHRA BANK
:: HYDERABAD::

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2015

(₹ in Lacs)

Sl.No.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		REVIEWED					AUDITED
1	**Interest Earned (a) + (b) + (c) + (d)**	**442226**	**434585**	**415034**	**1298315**	**1210685**	**1636861**
	(a) Interest / Discount on Advances/Bills	344319	338840	328193	1007446	938880	1274182
	(b) Income on investments	95937	91903	84264	282633	262953	345555
	(c) Interest on balances with Reserve Bank of India and Other inter bank funds	884	2574	1317	4636	3567	5157
	(d) Others	1086	1268	1260	3600	5285	11967
2	**Other Income**	**37914**	**39831**	**39027**	**109164**	**106244**	**149984**
3	**Total Income (1+2)**	**480140**	**474416**	**454061**	**1407479**	**1316929**	**1786845**
4	**Interest Expended**	**306082**	**304384**	**289123**	**916229**	**894002**	**1183057**
5	**Operating Expenses (i)+(ii)**	**71056**	**76920**	**72615**	**212587**	**193379**	**273944**
	(i) Employees cost	42000	48309	46280	127924	117552	169796
	(ii) Other Operating expenses	29056	28611	26335	84663	75827	104148
6	**Total Expenditure (4+5) (Excluding Provisions & Contingencies)**	**377138**	**381304**	**361738**	**1128816**	**1087381**	**1457001**
7	**Operating Profit (Before Provisions & Contingencies) (3-6)**	**103002**	**93112**	**92323**	**278663**	**229548**	**329844**
8	Provisions (other than tax) and Contingencies	90556	52486	54152	193339	144728	208024
	Out of which provision towards non performing assets	81516	62389	48039	195712	123901	173298
9	Exceptional Items	-	-	-	-	-	-
10	Profit (+) / Loss (-) from ordinary activities before tax (7-8-9)	12446	40626	38171	85324	84820	121820
11	Tax expense	9000	15500	18000	36500	39500	57976
12	Net Profit (+) / Loss (-) from ordinary activities after tax (10-11)	3446	25126	20171	48824	45320	63844
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	**Net Profit (+) / Loss (-) for the period (12-13)**	**3446**	**25126**	**20171**	**48824**	**45320**	**63844**
15	Paid-up equity share capital (Face value of each share ₹ 10/-)	65231	65231	58961	65231	58961	60285
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	874837	874837	814784	874837	814784	874837
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	63.97	63.97	60.14	63.97	60.14	61.02
	(ii)Capital Adequacy Ratio - BASEL-II (%)	10.83	10.90	10.61	10.83	10.61	10.88
	Capital Adequacy Ratio - BASEL-III (%)	10.92	11.02	10.51	10.92	10.51	10.63
	(iii)Earnings per share in ₹						
	a) Basic and Diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualised)	0.53	4.16	3.42	7.88	7.69	10.82
	b) Basic and Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	0.53	4.16	3.42	7.88	7.69	10.82
	(iv) NPA Ratios						
	a. Gross Non Performing Assets	952092	747024	711813	952092	711813	687654
	b. Net Non Performing Assets	510281	375002	426422	510281	426422	368863
	c. % of Gross NPAs	7.00	5.71	5.99	7.00	5.99	5.31
	d. % of Net NPAs	3.89	2.95	3.70	3.89	3.70	2.93
	(v) Return on Assets (Annualised) (%)	0.07	0.54	0.49	0.35	0.36	0.38

PREM GUPTA & CO Chartered Accountants FRN No. 000425N New Delhi

V. Krishnan & Co Chartered Accountants FRN-001541S Chennai

Basha & Narasimhan Chartered Accountants FRN-006031S Visakhapatnam

Sagar & Associates Chartered Accountants FRN-003310S Hyderabad

NOTES FORMING PART OF THE REVIEWED / UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER 2015

1. The financial results for the quarter / period ended 31st December, 2015 have been reviewed by the Audit Committee of Board and approved by the Board of Directors in their meeting held on 12th February, 2016. The same have been subjected to a limited review by the Statutory Central Auditors of the Bank.

2. The financial results have been prepared following the same accounting policies and generally accepted practices as those followed in the annual financial statements for the year ended 31st March, 2015.

3. The working results for the quarter ended 31st December, 2015 have been arrived at after considering provisions for Non-Performing Advances, Non-Performing Investments, Standard Advances, Restructured Advances, Provision for exposure to entities with unhedged Foreign Currency Exposure and Depreciation on Investments and on Fixed Assets. Provision for Pension has been made on the basis of actuarial valuation. All other usual and necessary provisions including Gratuity, Leave and other long term employee benefits, taxation have been made on an estimated basis and are subject to adjustments, if any, at the year end. Deferred tax liability/asset is being reckoned on Annual basis.

4. In accordance with Reserve Bank of India Circular DBR.BP.BC.No.31/21.04.018/2015-16 dated 16th July, 2015, the Bank has classified deposits placed with NABARD/SIDBI/NHB for meeting shortfall in Priority Sector Lending under 'Other Assets', as against their earlier classification as Investments. The related income on such deposits has also been classified as 'Interest Earned – Others' instead of Income on Investments. Figures for the previous periods have also been regrouped so as to make comparable with current period's classification. The above change in classification has no impact on the profits of the respective periods.

5. During the current quarter, Bank has raised ₹ 500 crore by issuing Basel-III compliant, Tier-II Bonds in the nature of debentures on private placement basis.

6. Reserve Bank of India (RBI) has recently advised the Bank to review certain loan accounts, their classification and provisioning over the two quarters ending December 31, 2015 and March 31, 2016. The Bank has undertaken this exercise over the time frame stipulated by the Reserve Bank of India.

7. In terms of Reserve Bank of India circular no. DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July, 2013; Banks are required to make quarterly Pillar 3 disclosures under Basel III capital requirements with effect from 30th September, 2013. The disclosures are being made available on the Bank's website at the link http://andhrabank.in/english/regulatory.aspx. These quarterly Pillar3 disclosures have not been subjected to limited review by the Statutory Central Auditors of the Bank.

8. Details of Investors' complaints for the quarter ended 31st December, 2015:

Beginning: 3	Received: 1	Disposed off: 4	Lying unresolved: Nil

PREM GUPTA & CO FRN No. 000425N New Delhi Chartered Accountants

V. Krishnan & Co Chartered Accountants FRN-001541S Chennai

Basha & Narasimhan Chartered Accountants FRN-006031S Visakhapatnam

Sagar & Associates Chartered Accountants FRN: 003510S Hyderabad

9. Provision Coverage Ratio as on 31st December, 2015 is 57.88%.

10. Figures of the corresponding previous periods have been regrouped / restated wherever necessary.

AJIT KUMAR RATH
EXECUTIVE DIRECTOR

S.K.KALRA
EXECUTIVE DIRECTOR

SURESH N PATEL
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

A.KRISHNAKUMAR
DIRECTOR

R.JAYASINHA
ASSISTANT GENERAL MANAGER

Y.AMARNATH
GENERAL MANAGER & CHIEF FINANCIAL OFFICER

FOR PREM GUPTA & CO.
CHARTERED ACCOUNTANTS
FRN:000425N

(CA PREM BEHARI GUPTA)
PARTNER (M.NO. 080245)

FOR BASHA & NARASIMHAN
CHARTERED ACCOUNTANTS
FRN:006031S

(CA K. NARASIMHA SAH)
PARTNER (M.NO. 201777)

FOR V.KRISHNAN & CO.
CHARTERED ACCOUNTANTS
FRN:001541S

(CA P. GEETHA)
PARTNER (M.NO. 202607)

FOR SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN:003510S

(CA V. VIDYASAGAR BABU)
PARTNER (M.NO. 027357)

Place: Hyderabad
Date: 12-02-2016