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

आन्ध्रा बैंक Andhra Bank
प्रधान कार्यालय HEAD OFFICE
''डॉ. पट्टाभि भवन'' "Dr. PATTABHI BHAVAN"
5-9-11, सैफाबाद 5-9-11, SAIFABAD
हैदराबाद - 500 004. HYDERABAD - 500 094.

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

Lr. No. 666/25/P.30/P.77/197

Dt: 10.08.2018

The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051.
Fax: 022-26598237/38
cmlist@nse.co.in;

SYMBOL: ANDHRABANK

Dear Sirs,

Sub: Submission of Unaudited (Reviewed) Financial Results of the Bank along with Limited Review Report on the Results for the Quarter ended June 30, 2018
Ref: Compliance to Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Unaudited (Reviewed) Financial Results of the Bank along with the segment Reporting and Limited Review Report for the Quarter ended June 30, 2018. The same has been approved by the Board of Directors of the Bank in its meeting held on Friday, August 10, 2018.

We request you to take the same on record and disseminate on your website.

The meeting of the Board of Directors commenced at 3.00 a.m./p.m. and concluded at 6.30 a.m./p.m.

Yours faithfully,
For Andhra Bank

(Raghuram Mallela)
Company Secretary

ANDHRA BANK M.B. Division H.O. Hyd.

ANDHRA BANK
:: HYDERABAD::

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

(₹ in Lacs)

Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		REVIEWED	AUDITED	REVIEWED	AUDITED
1	**Interest Earned (a) + (b) + (c) + (d)**	**452750**	**460587**	**440196**	**1797454**
	(a) Interest / Discount on Advances / Bills	329557	328162	324319	1306925
	(b) Income on investments	117505	120306	101696	448843
	(c) Interest on balances with Reserve Bank of India and Other inter bank funds	3458	1096	9670	13346
	(d) Others	2230	11023	4511	28340
2	**Other Income**	**56458**	**48675**	**75325**	**237206**
A	**Total Income (1+2)**	**509208**	**509262**	**515521**	**2034660**
3	**Interest Expended**	**306738**	**288542**	**296101**	**1163978**
4	**Operating Expenses (e)+(f)**	**81703**	**84097**	**82467**	**334579**
	(e) Employees cost	44002	44315	48365	185779
	(f) Other Operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	37701	39782	34102	148800
B	**Total Expenditure (Excluding Provisions & Contingencies) (3+4)**	**388441**	**372639**	**378568**	**1498557**
C	**Operating Profit (Profit before Provisions & Contingencies) (A-B)**	**120767**	**136623**	**136953**	**536103**
D	Provisions (other than tax) and Contingencies	170750	542933	130111	1082184
	Of which provisions for Non-performing Assets	138787	556276	120925	1010287
E	Exceptional Items	-	-	-	-
F	Net Profit / (Loss) from Ordinary activity before tax (C-D-E)	(49983)	(406310)	6842	(546081)
G	Provision for taxes	4000	(152728)	2800	(204828)
H	Extraordinary items (net of tax expense)	-	-	-	-
I	**Net Profit / (Loss) for the period (F-G-H)**	**(53983)**	**(253582)**	**4042**	**(341253)**
5	Paid-up equity share capital (Face value of each share ₹ 10/-)	119883	119883	68116	119883
6	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	878396	878396	983577	878396
7	Analytical Ratios				
	(i) Percentage of shares held by Government of India	77.99	77.99	61.26	77.99
	(ii) Capital Adequacy Ratio (%) - BASEL III	10.92	11.00	11.98	11.00
	a. CET 1 Ratio (%)	5.56	5.61	7.45	5.61
	b. Additional Tier 1 Ratio (%)	1.97	1.83	1.44	1.83
	(iii) Earnings per share in ₹ (not annualised)				
	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	(4.50)	(28.58)	0.59	(38.94)
	b) Basic and Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	(4.50)	(28.58)	0.59	(38.94)
	(iv) a. Amount of Gross Non Performing Assets	2678481	2812436	1942804	2812436
	b. Amount of Net Non Performing Assets	1156130	1263687	1112024	1263687
	c. % of Gross NPAs	16.69	17.09	13.33	17.09
	d. % of Net NPAs	7.96	8.48	8.09	8.48
	(v) Return on Assets (annualised) (%)	(0.86)	(4.18)	0.07	(1.46)

Sagar & Associates Chartered Accountants FRN-003510S

Agarwal & Saxena Chartered Accountants FRN-002405C

Ray & Co Chartered Accountants

Santosh Gupta & Co Chartered Accountants

SEGMENT REPORT:

Part A: Business Segments

Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		REVIEWED	AUDITED	REVIEWED	AUDITED
1	**Segment Revenue**				
	(a) Treasury	125959	126431	144042	520761
	(b) Corporate/Wholesale Banking	137087	124772	155419	571630
	(c) Retail Banking	185908	185039	164429	711682
	(d) Other Banking Operations	60254	73020	51631	230587
	Total	509208	509262	515521	2034660
	Less: Inter Segment Revenue	-	-	-	-
	Income from Operations	**509208**	**509262**	**515521**	**2034660**
2	**Segment Results**				
	(a) Treasury	29873	33944	38266	137213
	(b) Corporate/Wholesale Banking	32512	33590	41288	150616
	(c) Retail Banking	44091	49598	43682	187518
	(d) Other Banking Operations	14291	19491	13717	60756
	Total	**120767**	**136623**	**136953**	**536103**
	Less : Other Un-allocable Expenditure	170750	542933	130111	1082184
	Total Profit Before Tax	**(49983)**	**(406310)**	**6842**	**(546081)**
	Income tax and other taxes paid	4000	(152728)	2800	(204828)
	Net Profit	**(53983)**	**(253582)**	**4042**	**(341253)**
3	**Segment Assets**				
	(a) Treasury	7188019	7605732	6407962	7605732
	(b) Corporate/Wholesale Banking	7144542	7581540	7249419	7581540
	(c) Retail Banking	7119973	6995610	6160126	6995610
	(d) Other Banking Operations	1522641	1602327	1334175	1602327
	(e) Unallocated	434339	431928	369028	431928
	Total	**23409514**	**24217137**	**21520710**	**24217137**
4	**Segment Liabilities**				
	(a) Treasury	7108078	7501991	6202180	7501991
	(b) Corporate/Wholesale Banking	7026459	7434876	7036052	7434876
	(c) Retail Banking	6842166	6708570	5895372	6708570
	(d) Other Banking Operations	1396647	1480930	1235528	1480930
	(e) Unallocated	8318	8942	10726	8942
	Total	**22381668**	**23135309**	**20379858**	**23135309**
5	**Capital Employed**				
	(a) Treasury	79941	103741	205782	103741
	(b) Corporate/Wholesale Banking	118083	146664	213367	146664
	(c) Retail Banking	277807	287040	264754	287040
	(d) Other Banking Operations	125994	121397	98647	121397
	(e) Unallocated	426021	422986	358302	422986
	Total	**1027846**	**1081828**	**1140852**	**1081828**

Part B: Geographic Segments: There is only one segment i.e. Domestic Segment.

Notes:

1) The financial results for the quarter ended 30th June, 2018 have been reviewed by the Audit Committee of Board and approved by the Board of Directors in their meeting held on 10th August, 2018. 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, 2018.

3) The working results of the Bank for the quarter ended 30th June, 2018 have been arrived at after considering provisions for standard assets, non performing assets, depreciation on investment, unhedged foreign currency exposure made on the basis of extant guidelines issued by Reserve Bank of India. All other usual and necessary provisions including Gratuity, Pension, Leave encashment, other long term employee benefits and taxation have been made on an estimated basis and are subject to adjustments, if any, at the year end.

4) In accordance with the RBI guidelines, during the quarter ended 30th June, 2018, Bank has shifted the Central Government Securities with a book value of ₹ 1598.60 crore and State Government Securities with a book value of ₹ 5715.00 crore from HTM to AFS category. Further, Bank has shifted from AFS to HTM category, the Central Government Securities with a book value of ₹ 7321.06 crore after charging a shifting loss of ₹ 312.28 crore. Venture Capital Fund for an amount of ₹ 27.16 crore has been shifted from HTM to AFS category after providing for a depreciation of ₹ 0.41 crore.

5) Pursuant to Reserve Bank of India circular no. DBR.No.BP.BC.102/21.04.048/2017-18 dated 2nd April, 2018 and DBR.No.BP.BC.113/21.04.048/2017-18 dated 15th June, 2018 on 'Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks – Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR)', the Bank has exercised the option to spread the provision for Mark to Market (MTM) losses on Investments held in AFS and HFT category. Accordingly, depreciation provision on investments of ₹ 119.14 crore has been provided during the quarter ended 30th June, 2018. The balance amount of ₹ 249.17 crore will be provided in subsequent quarters.

6) RBI vide communication DBR.BP.9730/21.04.018/2017-18 dated 27th April, 2018 has given the option to Banks to spread the additional liability on account of the enhancement of Gratuity limits from ₹ 10 lac to ₹ 20 lac from 29th March, 2018 under Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended 31st March, 2018. Accordingly, Bank has charged ₹ 62.25 crore during the quarter and deferred ₹ 124.51 crore to the subsequent two quarters of the financial year.

7) In terms of RBI vide communication DBR.No.BP.8756/21.04.048/2017-08 dated 2nd April, 2018, Bank is required to provide 50% of secured portion of the outstanding plus 100% of the unsecured portion or provision required to be maintained as per extant asset classification norms, whichever is higher, in respect of exposure to specific accounts where the Banks were advised to initiate Corporate Insolvency Resolution Proceedings (CIRP) for the quarter ended 30th June, 2018. Accordingly, Bank has made an additional provision of ₹ 291.07 crore in respect of the said accounts covered under CIRP during the quarter ended 30th June, 2018 and total provision held in respect of such accounts was ₹ 512.24 crore as on 30.06.2018.

8) During the quarter, Bank has appropriated the recovery of ₹ 65.90 crore in a fully provided NPA account in accordance with the resolution plan approved vide order of National Company Law Tribunal (NCLT) pending issuance of final order from National Company Law Appellate Tribunal (NCALT) on the appeal filed. The said amount recovered has been accounted as NPA recovery during the quarter.

9) Government of India vide letter dated 12th July, 2018 conveyed the sanction for release of ₹ 2019 crore to the Bank being contribution of the Central Government towards the preferential allotment of equity shares of the Bank. The said amount of ₹ 2019 crore has been received by the Bank on 23rd July, 2018 and accordingly has not been considered for arriving at the relevant ratios for the quarter ended 30th June, 2018.

ANDHRA BANK Central Accounts Dept.

Sagar & Associates Chartered Accountants FRN-003510S

Agarwal & Saxena Chartered Accountants

Ray & Co Chartered Accountants

Santosh Gupta & Co. Chartered Accountants FRN-009712N

10) RBI vide Circular No. DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted Banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates. Accordingly, the Bank has retained advances of ₹ 1550.22 crore as standard asset as on June 30, 2018. In accordance with the provisions of the circular, the Bank has not recognized interest income of ₹ 17.16 crore for the quarter and has maintained a standard asset provision of ₹ 76.65 crore as on June 30, 2018 in respect of such MSME borrowers.

11) In terms of Reserve Bank of India circular no. DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with RBI circular DBR.No.BP.BC.80/21.06.201/ 2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are being made available on the Bank's website at the link https://www.andhrabank.in/english/regulatory.aspx. These quarterly Pillar 3 disclosures have not been subjected to limited review by the Statutory Central Auditors of the Bank.

12) The provision coverage ratio as on 30th June, 2018 is 64.27%.

13) Status of Investor Complaints : No Investor complaints were pending as on 31st March, 2018. Complaints received and disposed off during the quarter : Nil. Pending as on 30th June, 2018 : Nil.

14) Figures of the corresponding previous periods have been regrouped / restated wherever necessary

KUL BHUSHAN JAIN
EXECUTIVE DIRECTOR
MD & CEO (ADDL. CHARGE)

AJIT KUMAR RATH
EXECUTIVE DIRECTOR
MD & CEO (ADDL. CHARGE)

Place: Hyderabad
Date: 10.08.2018

Sagar & Associates Chartered Accountants FRN-003510S Hyderabad

Agarwal & Saxena Chartered Accountants Kanpur

Ray & Co Chartered Accountants Kolkata

Santosh Gupta & Co. Chartered Accountants FRN-009713N Mumbai

ANDHRA BANK
:: HYDERABAD::

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

(₹ in Lacs)

Sl.No.	PARTICULARS	QUARTER ENDED 30.06.2018 REVIEWED	YEAR ENDED 31.03.2018 AUDITED	QUARTER ENDED 30.06.2017 REVIEWED
1	Total income from operations (net)	509208	2034660	515521
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(49983)	(546081)	6842
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(49983)	(546081)	6842
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(53983)	(341253)	4042
5	Equity Share Capital	119883	119883	68116
6	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	878396	878396	983577
7	Earnings Per Share (of ₹10/- each) (for continuing and discontinued operations)			
	Basic :	(4.50)	(38.94)	0.59
	Diluted:	(4.50)	(38.94)	0.59

Note: The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly financial results are available on the websites of Stock Exchange www.nseindia.com, www.bseindia.com and on Bank's website www.andhrabank.in under Investor Relations.

KUL BHUSHAN JAIN
EXECUTIVE DIRECTOR
MD & CEO (ADDL. CHARGE)

AJIT KUMAR RATH
EXECUTIVE DIRECTOR
MD & CEO (ADDL. CHARGE)

Place: Hyderabad
Date: 10.08.2018

ANDHRA BANK केन्द्रीय कार्यालय Central Accounts Dept. हैद./H.O., Hyd.

Sagar & Associates Chartered Accountants FRN-003510S Hyderabad

Agarwal & Saxena Chartered Accountants FRN-002405C Kanpur

Ray & Co Chartered Accountants FRN-[illegible] Kolkata

Santosh Gupta & Co. Chartered Accountants FRN-009713N Mumbai

SAGAR & ASSOCIATES **Chartered Accountants** H.No. 6-3-244/5, Sarada Devi Street, Prem Nagar **Hyderabad – 500 004**	**AGARWAL & SAXENA** **Chartered Accountants** 510-511, City Centre, 63/2, The Mall, **Kanpur – 208 001**	**RAY & CO** **Chartered Accountants** Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8th Floor, **Kolkata – 700 017**	**SANTOSH GUPTA & CO** **Chartered Accountants** 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), **Mumbai – 400 063**

LIMITED REVIEW REPORT

To,
The Board of Directors,
Andhra Bank,
Hyderabad.

1. We have reviewed the accompanying statement of unaudited financial results of Andhra Bank ("the Bank") for the Quarter ended June 30, 2018. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results have not been reviewed by us. These statements of unaudited financial results are the responsibility of the Bank's Management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. 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 from material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. The financial results incorporate the relevant returns of 20 Branches reviewed by us, Investment & International Banking Division, Mumbai, 364 specific borrower accounts and un-reviewed returns in respect of 36 Zonal Offices and 2888 branches. In the conduct of our review, we have relied on the review reports in respect of non-performing assets received from the concurrent auditors of 578 branches. These review reports cover 50.25% of the advances portfolio of the Bank and 87.97% of non-performing assets of the Bank (excluding the advances of asset recovery branches and branches under Concurrent audit) as on 30th June, 2018. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the unreviewed branches / other offices of the Bank and generated through centralized database at the Bank's Head Office.

Sagar & Associates Chartered Accountants FRN-003510S

Agarwal & Saxena Chartered Accountants FRN-002405C

Ray & Co Chartered Accountants FRN-301112E

Santosh Gupta & Co Chartered Accountants FRN-009714N

SAGAR & ASSOCIATES Chartered Accountants H.No. 6-3-244/5, Sarada Devi Street, Prem Nagar Hyderabad – 500 004	AGARWAL & SAXENA Chartered Accountants 510-511, City Centre, 63/2, The Mall, Kanpur – 208 001	RAY & CO Chartered Accountants Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8th Floor, Kolkata – 700 017	SANTOSH GUPTA & CO Chartered Accountants 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), Mumbai – 400 063

4. Based on our review conducted as above, subject to limitations in scope as mentioned in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, together with the notes thereon, prepared in accordance with applicable accounting standards and other prevailing 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 read with RBI circular (RBI/2016-17/29 Ref.DBS.ARS.No.BC.2/08.91.001/2016-17 dated 28/07/2016 with respect to half yearly/ quarterly review of the accounts of Public Sector Banks) 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.

For Sagar & Associates
Chartered Accountants
(Firm Reg. No. 003510S)

Sagar & Associates Chartered Accountants FRN-003510S Hyderabad

(CA B. Srinivasa Rao)
Partner
M. No. 202352

For Agarwal & Saxena
Chartered Accountants
(Firm Reg. No. 002405C)

Agarwal & Saxena Chartered Accountants FRN-002405C Kanpur

(CA Anil K. Saxena)
Partner
M. No. 071600

For Ray & Co
Chartered Accountants
(Firm Reg. No. 313124E)

Ray & Co Chartered Accountants FRN-313124E Kolkata

(CA Sumit Sikdar)
Partner
M. No. 120622

For Santosh Gupta & Co
Chartered Accountants
(Firm Reg. No. 009713N)

Santosh Gupta & Co. Chartered Accountants FRN-009713N Mumbai

(CA Manoj Kumar)
Partner
M. No. 108603

Place : Hyderabad
Date : 10th August, 2018