

Lr. No. 666/25/P.30/623

Dt: 27.03.2015

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

SYMBOL: ANDHRABANK

Dear Sirs,

Sub: Revision in Rating assigned by M/s.Credit Analysis &
Research Limited to the Subordinated Debt
Bonds (VI, VII and VIII Issues) and Upper Tier-II
Bonds (Series-C) issued by the Bank
Ref: Clause 36 of the Listing Agreement

In terms of Clause 36 of the Listing Agreement, we inform that
M/s.Credit Analysis & Research Limited (M/s.CARE Ratings) during their review of
ratings of the Subordinated Debt Bonds (VI, VII and VIII Issues – Series F, G and
H) and Upper Tier-II Bonds (Series-C) raised by the Bank, vide Rating Letter dated
24.03.2015, have **upgraded** the ratings as under:

Subordinated Debt Bonds (VI, VII and VIII Issues – Series F, G and H)

.. from 'CARE AA (Double A)' to 'CARE AA+ (Double A Plus)'
which indicates high degree of safety
regarding timely servicing of financial obligations
and the instruments with this rating carry very low
credit risk.

Upper Tier-II Bonds(Series-C)

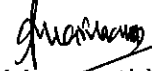
.. from 'CARE AA- (Double A Minus)' to 'CARE AA (Double A)'
which indicates high degree of safety regarding
timely servicing of financial obligations and the
instruments carry very low credit risk.

(The modifiers 'plus' or 'minus' used with the rating symbols reflect the comparative
standing within the category)

This is for your information, please.

Encl: as above

Yours faithfully,


(Y. Amarnath)

कंपनी सचिव Company Secretary



CARE/HRO/RL/2014-15/1485

The General Manager,
Merchant Banking Division,
Andhra Bank,
"Dr. Pattabhi Bhavan",
5-9-11, Saifabad,
Hyderabad – 500 004

March 24, 2015

Confidential

Dear Sir,

Credit rating for outstanding Lower Tier II Bonds, Upper Tier II Bonds and Long Term Bonds

On a review of recent developments including operational and financial performance of Andhra Bank for FY14 and FY15 (up to March 23, 2015), our Rating Committee has reviewed the following rating:

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Lower Tier II Bonds – Series F	700	CARE AA+ (Double A Plus)	Revised from CARE AA (Double A)
Lower Tier II Bonds – Series G	600	CARE AA+ (Double A Plus)	Revised from CARE AA (Double A)
Lower Tier II Bonds – Series H	500	CARE AA+ (Double A Plus)	Revised from CARE AA (Double A)
Upper Tier II Bonds – Series C	500	CARE AA (Double A)	Revised from CARE AA- (Double A Minus)
Long Term Bonds	1,000	CARE AA+ (Double A Plus)	Reaffirmed

2. The rationale for the rating will be communicated to you separately.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

3. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
4. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
5. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
6. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



[Gowri Nayak]
Deputy Manager
Gowri.nayak@careratings.com



[Vidhyasagar L]
Assistant General Manager
Vidhya.sagar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CREDIT ANALYSIS & RESEARCH LTD.