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.30/248 Dt: 04.08.2017

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: Performance Highlights for the Quarter ended June 30, 2017 – Press Release dated August 04, 2017

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Press Release on the Unaudited Financial Results of the Bank for the Quarter ended June 30, 2017.The said presentation is hosted on the website of the Bank www.andhrabank.in

Yours Faithfully,

(Y. Amarnath)
Company Secretary

Encl: as above

ANDHRA BANK M.B. Division

आन्ध्रा बैंक
Andhra Bank
देशवासियों का बैंक Where India Banks

PRESS RELEASE 04.08.2017
JUNE'17 QUARTER

PERFORMANCE HIGHLIGHTS

Business Performance – Growth in Key Parameters (June'16 – June'17)

- **Business** grew by 5.89**%** - from **Rs. 3,15,496 Cr** to **Rs. 3,34,073 Cr.**
- **Total Deposits** grew by 5.61**%** - from **Rs. 1,78,268 Cr** to **Rs.1,88,272 Cr.**
- **CASA** Deposits grew by 24.48**%** - from **Rs. 47,089 Cr** to **Rs.58,615 Cr.**
- **Advances** grew by 6.25**%** - from **Rs. 1,37,228 Cr.** to **Rs. 1,45,801 Cr.**
- **Retail Credit** grew by 18.93**%** - from **Rs. 24,660 Cr.** to **Rs. 29,327 Cr.**
- **Agricultural Credit** grew by **11.82%-** from **Rs. 24,967 Cr** to **Rs. 27,919 Cr.**
- **MSME Advances** grew by 23.20**% -** from **Rs. 23,244 Cr** to **Rs.28,637 Cr**.
- **Priority Sector** Advances grew by 10.14**%** - from **Rs. 55,101 Cr**. to **Rs. 60,690 Cr.**
- **CASA Ratio** stood at 31.13**%** (June'17) as compared to **26.41 %** (June'16)
- **Net NPA ratio** is 8.09**%** (June'17) as compared to **6.21%** (June'16)
- **Gross NPA ratio** is 13.33**%** (June'17) as compared to **10.30%** (June'16)

PROGRESS AT A GLANCE (Rs. in Crore)

Parameter	Mar'17	Jun'16	June'17	Abs. Gr	y-o-y %
Current Deposits	8602	8448	9497	1049	12.42%
Savings Bank Deposits	48655	38641	49117	10476	27.11%
CASA Deposits (excl bank deposits)	57257	47089	58615	11526	24.48%
Term Deposits	138124	131115	129593	-1522	-1.16%
Aggregate Deposits	**195381**	**178204**	**188207**	10003	5.61%
Total Deposits	**195441**	**178268**	**188272**	10004	5.61%
Gross Advances	**144232**	**137228**	**145801**	8573	6.25%
Priority Sector	61690	55101	60690	5589	10.14%
Agriculture	27573	24967	27919	2952	11.82%
MSME	27260	23244	28637	5393	23.20%
Retail Credit incl. DL & CCD	27541	24660	29327	4667	18.93%
Mid & Large Corp. & Others	61858	64357	59918	-4439	-6.90%
Total Business	**339673**	**315496**	**334073**	18577	5.89%
CASA % (incl. CD/ bank dep.)	29.33%	26.41%	31.13%		
CD Ratio	73.80%	77.00%	77.44%		

Income & Profitability – FY 2016-17 (June'17)

- **Total Income grew by 6.18% on y-o-y basis - from Rs. 4855 Cr. to Rs. 5155 Cr.**
- **Interest Income grew from Rs. 4372 Cr. to Rs. 4402 Cr.**
- **Non Interest Income grew by 55.6% on y-o-y basis - from Rs. 484 Cr. to Rs. 753 Cr.**
- **Operating Profit grew by 36.9% on y-o-y basis -from Rs. 1000 Cr. to Rs. 1370 Cr.**
- **Net Profit stood at Rs. 40 Cr (June'17) as compared to Rs. 31 Cr (Jun'16)**

PROFITABILITY (Rs. in Crore)					
Sl.	**Parameter**	**Quarter Ended**			**Full Year**
		Jun'16	**Jun'17**	**Var. (%)**	**FY'17**
1	Interest Income	4372	4402	0.69%	18027
2	Non-Interest Income	484	753	55.63%	2308
3	Total Income	4855	5155	6.18%	20336
4	Interest Expenses	3103	2961	-4.58%	12496
5	Operating Expenses	753	825	9.56%	3452
6	Total Expenses	3856	3786	-1.82%	15948
7	**Operating Profit**	**1000**	**1370**	36.95%	**4388**
8	Provisions & Contingencies	969	1329	37.16%	4214
9	**Net Profit**	**31**	**40**	30.07%	**174**
10	**Net Interest Income**	**1269**	**1441**	13.55%	**5532**

IMPORTANT RATIOS			
	Quarter Ended		**Full Year**
Parameter	**Jun'16**	**Jun'17**	**FY'17**
Net Interest Margin (NIM) (%)	2.90%	3.12%	3.07%
Return on Assets (%)	0.06%	0.07%	0.08%
Cost of Deposits (%)	6.75%	5.81%	6.43%
Cost of Funds (%)	6.02%	5.26%	5.81%
Yield on Advances (%)	9.95%	9.07%	9.77%
Yield on Investments (%)	7.91%	7.63%	7.77%
Yield on Funds (%)	8.48%	7.82%	8.38%
Cost to Income Ratio (%)	42.95%	37.58%	44.03%
Provision Coverage Ratio (%)	51.87%	51.73%	51.03%
CRAR (Basel III) (%)	11.94%	11.98%	12.38%
EPS (annualized) (Rs)	1.83	2.37	2.56
Book Value (Rs)	151.44	154.55	153.84

ASSET QUALITY		
Parameter	**Amt. Rs. in Cr**	**%**
Gross NPA	19428.04	**13.33%**
Net NPA	11120.24	**8.09%**
Restructured Standard Advances as % to GBC	7033.02	4.82%

Asset Quality:

- The Gross NPA of the Bank stood at Rs. 19428 Cr. (GNPA ratio 13.33%) for June'17 as compared to Rs. 14137 Cr. (GNPA ratio 10.30%) for June'16
- The Net NPA of the Bank stood at Rs. 11120 Cr. (NNPA ratio 8.09%) for June'17 as compared to Rs. 8147 Cr. (NNPA 6.21%) for June'16
- The Provision Coverage Ratio of the Bank stood at 51.73% (June'17) as compared to 51.87% (June'16)

Network:

- The bank has **2908** number of branches (Rural: 745, SU: 770, Urban: 664 and Metro: 729) and 3929 number of ATMs/BNAs/CRs.
- The total number of delivery channels of the Bank is **6875**.

Priority Sector Advances :

- **Priority Sector advances** Total Priority sector advances net of PSLC (Priority Sector Lending Certificates) is Rs.60690 Cr which constitute about 44.10% of Adjusted Net Bank Credit (ANBC) as against the norm of 40%. Bank has made net sale of Rs.2375 Cr PSLC General / SF-MF through e-kuber portal of RBI and earned a premium / commission of Rs.47.41 Cr.

- **Agricultural advances (Agri-Priority)** of the bank stood at Rs.26495 Cr. (Jun'17) registering a growth rate of 8.75% (Y-O-Y). Agri. Priority advances (after net sale of PSLC SF/MF of Rs.1000 Cr) are at Rs.25495 Cr which constitutes 18.53% of as against the norm of 18%.

- **Total Agricultural advances (incl. non-priority)** of the bank stood at Rs.27919 Cr as on 30.06.17 against Rs.24967 Cr as on 30.06.2016 and recorded 11.82% growth.

- **Advances to Weaker sections** (after net sale of Rs.2000 Cr under PSLC SF/MF) stood at Rs.15414 Crore which constitutes 11.20% of ANBC as against norm of 10%.

- **Credit flow to Women beneficiaries** is Rs.18786 Crore, comprising of 13.65% of ANBC, as against the RBI norm of 5%.

- **Loans to Small & Marginal Farmers** as on 30.06.2017 (after net sale of Rs.2000 Cr. under PSLC SF/MF) was **Rs.12712 Cr** i.e., 9.24**% of** ANBC as against the statutory norm of 8%.

- **Direct lending to Non-corporate** under Agriculture is R**s.18759 Cr** i.e., 13.63**%** as against the norm of 11.70%.

MSME Credit:

MSME portfolio registered a growth of 23 % YOY basis from Rs. 23243 Cr to Rs. 28637 Cr

- During the quarter, 39769 MUDRA loans are sanctioned with aggregate total limit of Rs.824.28 Cr. and an amount of Rs.698.65 Cr. is disbursed.
- Under Stand Up India Scheme, during Q1 FY 2017-18, 506 applications were sanctioned with a limit of Rs. 85.61 Cr. The cumulative performance is 2587 sanctions with a limit of Rs.438.54 Cr.

Retail Credit:

Retail Credit portfolio registered a growth of 19% YoY from Rs. 24660 Cr to Rs. 29327 Cr.

- Housing loans portfolio registered a growth of 26% YoY from Rs. 12313 Cr to Rs. 15459 Cr.
- Vehicle loan portfolio registered a growth of 30% YoY from Rs. 1108 Cr to Rs. 1438 Cr.
- Property Loans (Loan against property) Portfolio has increased from Rs.1292 Cr (Jun'16) to Rs.3234 Cr (Jun'17)

Bank has waived processing charges on Housing Loans and Vehicle Loans during the quarter to have an edge in the market competition.

IT Initiatives & Achievements: During Q1 FY 2017-18, the bank has undertaken the following IT initiative to enhance customer experience

1. **AB-TEJ - Mobile Banking Application:** Bank has launched new mobile app AB-TEJ on 29.05.2017 as a replacement to existing mobile banking app AB-mPay. This app is empowered with more security features and all the basic features required by retail customers and it is also planned shortly to cover most of the features available in our Internet Banking in this app.

2. **IMPS through SpeedPay App is enabled for BSNL retailers:** IMPS services are extended to Speed Pay App users through new IMPS gateway from 18th April 2017. Using this service Speed Pay app users can transfer their money from their wallet/prepaid card to Bank accounts.

3. **EVC (Electronic Verification Code)- Through Bank Account Number:** The bank has successfully integrated to pre-validate the bank account through Andhra Bank while e-filing the IT return through http://www.incometaxindiaefiling.gov.in. The facility of EVC through Bank Account number is extended to all Andhra Bank customers whose Mobile number & PAN number are seeded to customer id.

4. **Development of user interfaces/ web applications:** The bank has developed interfaces to facilitate the implementation of following government schemes at our Branches to ease the access and payment to the beneficiaries.
   - APMIP - AP Micro Irrigation Project, Web Integration and Collection: Disbursal of differential subsidies and payment of non-subsidy amount.
   - UPAVP - UP Awas Vikas Parishad, Web Integration and Collection: Generation of challan and collection of registration/ installation fees.

Financial Inclusion :

PMJDY- Progress: Bank has opened 24.17 Lakh accounts as compared to 24.23 Lakhs in March 2017. The outstanding balance in these accounts is Rs 316.14 Crores with average balance of Rs. 1,308/- per account.
Financial Literacy Camps: As per the directions of DFS, MoF, Bank organized digital financial literacy camps in 606 rural branches across the country with the financial assistance provided by NABARD.

3rd Party Products:

- **Sale of Life Insurance Policies:** Total Business premium (incl. Retail and group) of Rs.99.33 Cr was mobilized up to 30.06.2017 The Bank has earned commission of Rs.8.06 Crore
- **Sale of Non-Life Insurance Policies:** The premium of Rs.72.60 Crore was mobilized up to 30.06.2017. Bank has earned a commission of Rs.10.76 Crore.
- **Fee Based Income:** Bank has earned fee based income of Rs.61.94 Crore

Awards and Rewards:

- Our bank has been presented " **Award of Excellence for RSETIs**" (First Prize) by Ministry of Rural Development, Govt. of India for FY 2014-15 & FY 2015-16 under category 'C' during National RSETI DIWAS held in New Delhi on 07.06.2017.

- The Bank Received "**Enterprise Financing Index Award 2017**" from Industries and Commerce Department, Govt. of Andhra Pradesh, on the occasion of International MSME Day.

- Bank received **Best Performing Bank among the PSBs** for enrolling maximum number of APY for the financial year 2016-17 consequently for the second year.

- Bank stood **first among all Banks in two campaigns announced by PFRDA** during the June 2017 quarter and the campaigns are:
    - **APY – Brand Ambassador**
    - **APY – Honor the Best**

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