



ఆంధ్రబ్యాంక్

(భారత ప్రభుత్వ సంస్థ)

आन्धा बैंक

(भारत सरकार का उपक्रम)

**Andhra Bank**

(A Govt. of India Undertaking)

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

Lr. No. 666/25/P77/115

Bombay Stock Exchange Limited  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400001

The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East)  
Mumbai - 400051

Dt: 02.08.2019

**Scrip Code: 532418**

**Symbol: ANDHRA BANK**

Sir / Madam

Sub: Reviewed Financial Results (Standalone and Consolidated) of the Bank for the first quarter ended on 30.06.2019

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Reviewed Financial Results (Standalone and Consolidated) of the Bank for the first quarter ended on 30.06.2019 together with the Limited Review Report of Statutory Auditors of the Bank.

The said financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 02.08.2019.

The Board Meeting commenced at 02.30 PM and concluded at 06:30 PM

This is for your information.

Yours Faithfully,



(Raghuram Mallela)  
Company Secretary and Compliance Officer



ANDHRA BANK  
:: HYDERABAD::

UNAUDITED (REVIEWED) STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2019

Sl. No.	PARTICULARS	(₹ in Lacs)			
		QUARTER ENDED		YEAR ENDED	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
1	<b>Interest Earned (a) + (b) + (c) + (d)</b>	<b>496213</b>	<b>485292</b>	<b>452750</b>	<b>1893222</b>
	(a) Interest / Discount on Advances / Bills	380503	366161	329557	1417255
	(b) Income on Investments	111740	111323	117505	455812
	(c) Interest on balances with Reserve Bank of India and Other inter bank funds	2357	2401	3458	8824
	(d) Others	1613	5407	2230	11331
2	<b>Other Income</b>	<b>47490</b>	<b>46061</b>	<b>56458</b>	<b>204504</b>
A	<b>Total Income (1+2)</b>	<b>543703</b>	<b>531353</b>	<b>509208</b>	<b>2097726</b>
3	<b>Interest Expended</b>	<b>331154</b>	<b>303147</b>	<b>306738</b>	<b>1222399</b>
4	<b>Operating Expenses (e)+(f)</b>	<b>94973</b>	<b>99382</b>	<b>81703</b>	<b>373015</b>
	(e) Employees cost	59255	61322	44002	224150
	(f) Other Operating expenses	35718	38060	37701	148865
B	<b>Total Expenditure (Excluding Provisions &amp; Contingencies) (3+4)</b>	<b>426127</b>	<b>402529</b>	<b>388441</b>	<b>1595414</b>
C	<b>Operating Profit (Profit before Provisions &amp; Contingencies) (A-B)</b>	<b>117576</b>	<b>128824</b>	<b>120767</b>	<b>502312</b>
D	Provisions (other than tax) and Contingencies	104104	251185	170750	743425
	Of which provisions for Non-Performing Assets	92296	234106	138787	667425
E	Exceptional Items	-	-	-	-
F	Net Profit / (Loss) from Ordinary activity before tax (C-D-E)	13472	(122361)	(49983)	(241113)
G	Provision for Taxes	8316	1000	4000	37500
H	Net Profit / (Loss) from Ordinary activity (F-G)	5156	(123361)	(53983)	(278613)
I	Extraordinary items (net of tax expense)	-	-	-	-
J	<b>Net Profit / (Loss) for the period (H-I)</b>	<b>5156</b>	<b>(123361)</b>	<b>(53983)</b>	<b>(278613)</b>
5	Paid-up equity share capital (Face value of each share ₹ 10/-)	298449	288449	119883	288449
6	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	932087	932087	878396	932087
7	Analytical Ratios:				
	(i) Percentage of shares held by Government of India	87.81	90.85	77.99	90.85
	(ii) Capital Adequacy Ratio (%)	13.72	13.68	10.92	13.68
	a. CET 1 Ratio (%)	8.76	8.42	5.56	8.42
	b. Additional Tier 1 Ratio (%)	1.99	1.96	1.97	1.96
	(iii) Earnings per share in ₹ (not annualised)				
	a. Basic	0.17	(6.89)	(4.50)	(19.01)
	b. Diluted	0.17	(6.89)	(4.50)	(19.01)
	(iv) a. Amount of Gross Non Performing Assets	2963599	2897397	2678481	2897397
	b. Amount of Net Non Performing Assets	905625	909140	1156130	909140
	c. % of Gross NPAs	16.44	16.21	16.69	16.21
	d. % of Net NPAs	5.67	5.73	7.96	5.73
	(v) Return on Assets (annualised) (%)	0.08	(1.92)	(0.86)	(1.09)



**NOTES FORMING PART OF THE STANDALONE UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2019**

1. The above standalone financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Bank at the meeting held on 02nd August, 2019 subjected to a limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of listing agreement with stock exchange.
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 31<sup>st</sup> March, 2019.
3. The working results of the Bank for the quarter ended 30<sup>th</sup> June, 2019 have been arrived at after considering provisions for Standard Assets, Non Performing Assets, Depreciation on Investments, MSME borrowers, 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 terms of Reserve Bank of India circular no. DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> July, 2015 on 'Basel III Capital Regulations' read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments' Banks are required 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.
5. In accordance with the RBI guidelines, during the quarter ended 30<sup>th</sup> June, 2019, Bank has shifted the Central Government Securities with a book value of ₹ 2707.63 crore and State Government Securities with a book value of ₹ 2003.98 crore from HTM to AFS category. Further, Bank has shifted from AFS to HTM category, the Central Government Securities with a book value of ₹ 41.15 crore after charging a shifting loss of ₹ 1.07 crore and State Government Securities with a book value of ₹ 6848.40 crore after charging a shifting loss of ₹ 157.84 crore. Venture Capital Fund for an amount of ₹ 34.56 crore has been shifted from HTM to AFS category after providing for a depreciation of ₹ 1.48 crore.
6. During the quarter, the Bank allotted 10 crore equity shares of ₹ 10 each at a premium of ₹ 15.68 per share (including the discount of ₹ 6.42 per share) to Employees of the Bank under Employees Stock Purchase Scheme (ESPS) to the tune of ₹ 256.80 crore on 24<sup>th</sup> April, 2019, which resulted in increase in equity capital of the Bank by ₹ 100.00 crore to ₹ 2,984.49 crore

and share premium by ₹ 156.80 crore to ₹ 8,709.79 crore. As a result, percentage of shares held by Government of India decreased to 87.81% from 90.85%. In compliance with 'Guidance Note on Accounting for Employee Share-based Payments' issued by The Institute of Chartered Accountants of India, Bank has charged an amount of ₹ 64.20 crore to Profit and Loss account under 'Employees Cost' representing the difference i.e. discount between market value and issue price of the said shares allotted to the employees.

7. RBI vide Circular No. DBR.No.BP.BC.108/21.04.048/2017-18 dated 06<sup>th</sup> June, 2018 permitted Banks to continue the exposure to MSME borrowers to be classified as Standard Assets. Accordingly, Bank has retained MSME loans amounting to ₹ 306.40 crore as Standard Asset as on 30<sup>th</sup> June, 2019 and not recognized interest income of ₹ 4.05 crore for the quarter ended 30<sup>th</sup> June, 2019 and has maintained a Standard Asset provision of ₹ 15.12 crore for these accounts as at 30<sup>th</sup> June, 2019
8. In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01<sup>st</sup> January, 2019 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" the details of MSME accounts restructured by the Bank during the quarter ended 30<sup>th</sup> June, 2019 are as under:

No. of Accounts Restructured	Amount (₹ in Crore)
698	166.42

9. Pursuant to proposed bipartite agreement on wage revision (due from November 2017), a sum of ₹ 30.00 crore has been provided during the quarter ended 30<sup>th</sup> June, 2019 (₹ 217.05 crore up to 30<sup>th</sup> June, 2019), on ad hoc basis.
10. The Provision Coverage Ratio as on 30<sup>th</sup> June, 2019 is 74.45%.
11. Details of Investors' complaints for the quarter ended 30<sup>th</sup> June, 2019:

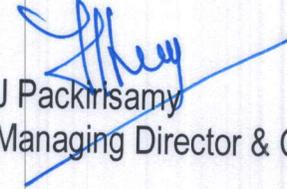
Beginning: Nil	Received: Nil	Disposed off: Nil	Lying unresolved: Nil
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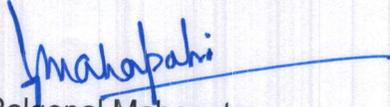
12. Figures of the corresponding previous periods have been regrouped / restated wherever necessary.



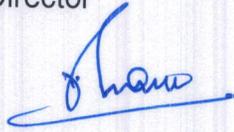
Kul Bhushan Jain  
Executive Director



J Packirisamy  
Managing Director & CEO



Balgopal Mahapatra  
Director

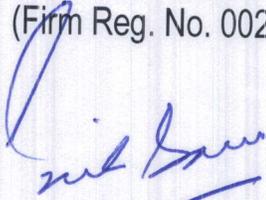


B. Satyanarayana Rao  
Deputy General Manager



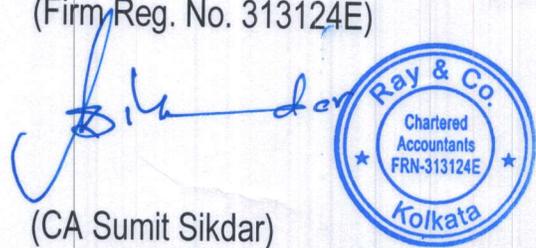
M.B. Rajendra Prasad  
General Manager & CFO

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



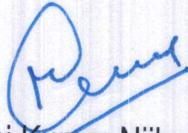
(CA Anil K. Saxena)  
Partner (M.No. 071600)  
UIDN: 19071600AAAAAC5176

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



(CA Sumit Sikdar)  
Partner (M.No. 120622)  
UIDN: 19120622AAAAAI7014

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



(CA Manoj Kumar Nijhawan)  
Partner (M.No. 512659)  
UIDN: 19512659AAAABO9702

For G S Madhava Rao & Co.  
Chartered Accountants  
(Firm Reg. No. 001907S)



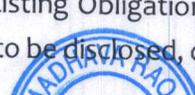
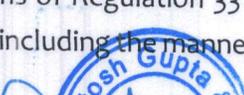
(CA S Madhusudana Sarma)  
Partner (M.No. 028604)  
UIDN: 19028604AAAABL1810

<b>AGARWAL &amp; SAXENA</b> <b>Chartered Accountants</b> 510-511, Fifth Floor, City Centre, 63/2, The Mall, <b>Kanpur – 208 001</b>	<b>RAY &amp; CO</b> <b>Chartered Accountants</b> Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 <sup>th</sup> Floor, <b>Kolkata – 700 017</b>	<b>SANTOSH GUPTA &amp; CO</b> <b>Chartered Accountants</b> 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), <b>Mumbai – 400 063</b>	<b>G.S. MADHAVA RAO &amp; Co.</b> <b>Chartered Accountants</b> F5 & 7, Hyderabad Business Centre, Hyderguda, <b>Hyderabad – 500 029</b>
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**Independent Auditor's Review Report on Standalone unaudited Quarterly results of the Bank Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
 The Board of Directors  
 Andhra Bank  
 Hyderabad

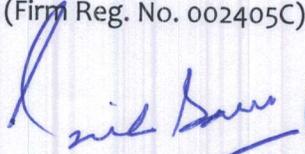
1. We have reviewed the accompanying statement of unaudited financial results of Andhra Bank for the Quarter ended 30<sup>th</sup> June 2019. The disclosures relating to Pillar 3 disclosure as at 30<sup>th</sup> June 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as will be disclosed on the Bank's website and in respect of which a link has been provided in the Statement have not been reviewed by us. 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 statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 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.
3. These unaudited financial results incorporate relevant returns of 20 branches and Investments & International Banking Division, Mumbai reviewed by us. In the conduct of our review, we have relied on the certificates in respect of non-performing assets received from external concurrent auditors of 634 branches. These review reports (Memorandum of Changes for the branch and Certificates in respect of Non-Performing Assets) cover 78.95% of the advances portfolio of the Bank and 94.24% of non-performing assets of the Bank as on 30<sup>th</sup> June 2019. Apart from these review reports, in the conduct of our review, we have also taken note of un reviewed returns received from 2229 branches of the bank.
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 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



<b>AGARWAL &amp; SAXENA</b> <b>Chartered Accountants</b> 510-511, Fifth Floor, City Centre, 63/2, The Mall, <b>Kanpur – 208 001</b>	<b>RAY &amp; CO</b> <b>Chartered Accountants</b> Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 <sup>th</sup> Floor, <b>Kolkata – 700 017</b>	<b>SANTOSH GUPTA &amp; CO</b> <b>Chartered Accountants</b> 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), <b>Mumbai – 400 063</b>	<b>G.S. MADHAVA RAO &amp; Co.</b> <b>Chartered Accountants</b> F5 & 7, Hyderabad Business Centre, Hyderguda, <b>Hyderabad – 500 029</b>
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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.

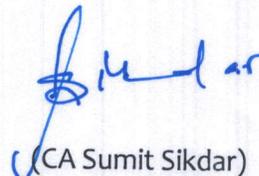
For Agarwal & Saxena  
Chartered Accountants  
(Firm Reg. No. 002405C)





(CA Anil K. Saxena)  
Partner (M.No. 071600)  
UIDN: 19071600AAAAAC5176

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





(CA Sumit Sikdar)  
Partner (M.No. 120622)  
UIDN: 19120622AAAAAI7014

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





(CA Manoj Kumar Nijhawan)  
Partner (M.No. 512659)  
UIDN: 19512659AAAABO9702

For G S Madhava Rao & Co.  
Chartered Accountants  
(Firm Reg. No. 001907S)





(CA S Madhusudana Sarma)  
Partner (M.No. 028604)  
UIDN: 19028604AAAABL1810

Place: Hyderabad  
Date: 02-08-2019



UNAUDITED (REVIEWED) CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2019

Sl. No.	PARTICULARS	(₹ in Lacs)			
		QUARTER ENDED		YEAR ENDED	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
1	<b>Interest Earned (a) + (b) + (c) + (d)</b>	<b>503414</b>	<b>492263</b>	<b>459105</b>	<b>1920288</b>
	(a) Interest / Discount on Advances / Bills	380551	366199	329587	1417384
	(b) Income on investments	118762	118118	123727	482275
	(c) Interest on balances with Reserve Bank of India and Other inter bank funds				
	(d) Others	2487	2529	3561	9287
2	<b>Other Income</b>	<b>1614</b>	<b>5417</b>	<b>2230</b>	<b>11342</b>
A	<b>Total Income (1+2)</b>	<b>68946</b>	<b>89043</b>	<b>72451</b>	<b>308810</b>
3	<b>Interest Expended</b>	<b>572360</b>	<b>581306</b>	<b>531556</b>	<b>2229098</b>
4	<b>Operating Expenses (e)+(f)</b>	<b>331168</b>	<b>303160</b>	<b>306751</b>	<b>1222428</b>
	(e) Employees cost	123448	146508	104323	500578
	(f) Other Operating expenses	60865	63254	45310	230146
B	<b>Total Expenditure (Excluding Provisions &amp; Contingencies) (3+4)</b>	<b>62583</b>	<b>83254</b>	<b>59013</b>	<b>270432</b>
C	<b>Operating Profit (Profit before Provisions &amp; Contingencies) (A-B)</b>	<b>454616</b>	<b>449668</b>	<b>411074</b>	<b>1723006</b>
D	Provisions (other than tax) and Contingencies	117744	131638	120482	506092
	Of which provisions for Non-performing Assets	106015	251618	170752	745220
E	Exceptional Items	92296	234106	138787	667425
F	Net Profit / (Loss) from Ordinary activity before tax (C-D-E)	-	-	-	-
G	Provision for taxes	11729	(119980)	(50270)	(239128)
H	Net Profit / (Loss) from Ordinary activity (F-G)	8338	980	4032	37581
I	Extraordinary items (net of tax expense)	3391	(120960)	(54302)	(276709)
J	<b>Net Profit / (Loss) for the period (H-I)</b>	<b>3391</b>	<b>(120960)</b>	<b>(54302)</b>	<b>(276709)</b>
K	Share of earnings from Associate	558	351	622	2509
L	<b>Consolidated Net Profit / (Loss) for the year attributed to the Group (J+K)</b>	<b>3949</b>	<b>(120609)</b>	<b>(53680)</b>	<b>(274200)</b>
5	Paid-up equity share capital (Face value of each share ₹ 10/-)	298449	288449	119883	288449
6	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	948747	948747	890200	948747
7	<b>Analytical Ratios:</b>				
	(i) Percentage of shares held by Government of India	87.81	90.85	77.99	90.85
	(ii) Capital Adequacy Ratio (%)				
	a. CET 1 Ratio (%)	13.87	13.82	11.04	13.82
	b. Additional Tier 1 Ratio (%)	8.91	8.55	5.68	8.55
	(iii) Earnings per share in ₹ (not annualised)	1.99	1.97	1.97	1.97
	a. Basic	0.13	(6.74)	(4.48)	(18.71)
	b. Diluted	0.13	(6.74)	(4.48)	(18.71)
	(iv) a. Amount of Gross Non Performing Assets	2963599	2897397	2678481	2897397
	b. Amount of Net Non Performing Assets	905625	909140	1156130	909140
	c. % of Gross NPAs	16.44	16.21	16.69	16.21
	d. % of Net NPAs	5.67	5.73	7.96	5.73
	(v) Return on Assets (annualised) (%)	0.06	(1.94)	(0.89)	(1.10)



8. In accordance with the RBI guidelines, during the quarter ended 30<sup>th</sup> June, 2019, Bank has shifted the Central Government Securities with a book value of ₹ 2707.63 crore and State Government Securities with a book value of ₹ 2003.98 crore from HTM to AFS category. Further, Bank has shifted from AFS to HTM category, the Central Government Securities with a book value of ₹ 41.15 crore after charging a shifting loss of ₹ 1.07 crore and State Government Securities with a book value of ₹ 6848.40 crore after charging a shifting loss of ₹ 157.84 crore. Venture Capital Fund for an amount of ₹ 34.56 crore has been shifted from HTM to AFS category after providing for a depreciation of ₹ 1.48 crore.
9. During the quarter, the Bank allotted 10 crore equity shares of ₹ 10 each at a premium of ₹ 15.68 per share (including the discount of ₹ 6.42 per share) to Employees of the Bank under Employees Stock Purchase Scheme (ESPS) to the tune of ₹ 256.80 crore on 24<sup>th</sup> April, 2019, which resulted in increase in equity capital of the Bank by ₹ 100.00 crore to ₹ 2,984.49 crore and share premium by ₹ 156.80 crore to ₹ 8,709.79 crore. As a result, percentage of shares held by Government of India decreased to 87.81% from 90.85%. In compliance with 'Guidance Note on Accounting for Employee Share-based Payments' issued by The Institute of Chartered Accountants of India, Bank has charged an amount of ₹ 64.20 crore to Profit and Loss account under 'Employees Cost' representing the difference i.e. discount, between market value and issue price of the said shares allotted to the employees.
10. RBI vide Circular No. DBR.No.BP.BC.108/21.04.048/2017-18 dated 06<sup>th</sup> June, 2018 permitted Banks to continue the exposure to MSME borrowers to be classified as Standard Assets. Accordingly, Bank has retained MSME loans amounting to ₹ 306.40 crore as Standard Asset as on 30<sup>th</sup> June, 2019 and not recognized interest income of ₹ 4.05 crore for the quarter ended 30<sup>th</sup> June, 2019 and has maintained a Standard Asset provision of ₹ 15.12 crore for these accounts as at 30<sup>th</sup> June, 2019
11. In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01<sup>st</sup> January, 2019 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" the details of MSME accounts restructured by the Bank during the quarter ended 30<sup>th</sup> June, 2019 are as under:

No. of Accounts Restructured	Amount (₹ in Crore)
698	166.42

12. Pursuant to proposed bipartite agreement on wage revision (due from November 2017), a sum of ₹ 30.00 crore has been provided during the quarter ended 30<sup>th</sup> June, 2019 (₹ 217.05 crore up to 30<sup>th</sup> June, 2019), on ad hoc basis.
13. The Provision Coverage Ratio as on 30<sup>th</sup> June, 2019 is 74.45%.
14. Details of Investors' complaints for the quarter ended 30<sup>th</sup> June, 2019:

Beginning: Nil	Received: Nil	Disposed off: Nil	Lying unresolved: Nil
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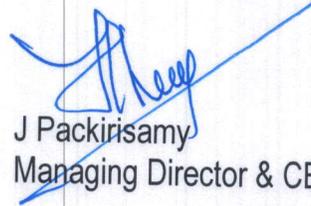
15. The financial statements of subsidiary, associate and joint venture are adjusted, wherever necessary, to conform to the accounting policies of the Bank.



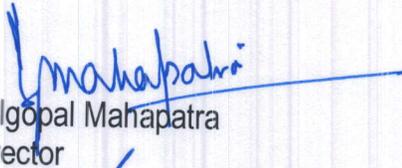
16. Corresponding period's figures have been regrouped/re-classified wherever considered necessary.



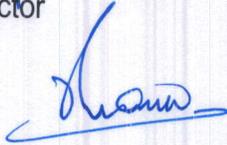
Kul Bhushan Jain  
Executive Director



J Packirisamy  
Managing Director & CEO



Balgopal Mahapatra  
Director

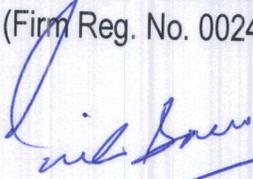


B. Satyanarayana Rao  
Deputy General Manager



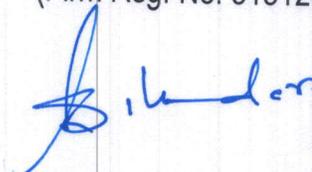
M.B. Rajendra Prasad  
General Manager & CFO

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



(CA Anil K. Saxena)  
Partner (M.No. 071600)  
UIDN: 19071600AAAAAD4626

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



(CA Sumit Sikdar)  
Partner (M.No. 120622)  
UIDN: 19120622AAAAAJ2566

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



(CA Manoj Kumar Nijhawan)  
Partner (M.No. 512659)  
UIDN: 191512659AAAABN4719

For G S Madhava Rao & Co.  
Chartered Accountants  
(Firm Reg. No. 001907S)



(CA S Madhusudana Sarma)  
Partner (M.No. 028604)  
UIDN: 19028604AAAABK4906

Place: Hyderabad  
Date: 02-08-2019

<b>AGARWAL &amp; SAXENA</b> <b>Chartered Accountants</b> 510-511, Fifth Floor, City Centre, 63/2, The Mall, <b>Kanpur – 208 001</b>	<b>RAY &amp; CO</b> <b>Chartered Accountants</b> Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 <sup>th</sup> Floor, <b>Kolkata – 700 017</b>	<b>SANTOSH GUPTA &amp; CO</b> <b>Chartered Accountants</b> 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), <b>Mumbai – 400 063</b>	<b>G.S. MADHAVA RAO &amp; Co.</b> <b>Chartered Accountants</b> F5 & 7, Hyderabad Business Centre, Hyderguda, <b>Hyderabad – 500 029</b>
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**Independent Auditor’s Review Report on Consolidated Unaudited Quarterly results of the Bank Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
Andhra Bank  
Hyderabad

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Andhra Bank (“the Parent”/ “the Bank”) and its subsidiary (the Parent and its subsidiary together referred to as “the Group”), its jointly controlled entities and its share of the aggregate net profit after tax of its associate for the quarter ended 30<sup>th</sup> June 2019 (“the Statement”), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30<sup>th</sup> June 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as will be disclosed on the Bank’s website and in respect of which a link has been provided in the Statement and have not been reviewed by us. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30<sup>th</sup> June 2018, as reported in these financial results have been approved by the Parent’s Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 “Interim Financial Reporting” (“AS 25”), issued by Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (“RBI Guidelines”) and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. 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.



<b>AGARWAL &amp; SAXENA</b> Chartered Accountants 510-511, Fifth Floor, City Centre, 63/2, The Mall, Kanpur – 208 001	<b>RAY &amp; CO</b> Chartered Accountants Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 <sup>th</sup> Floor, Kolkata – 700 017	<b>SANTOSH GUPTA &amp; CO</b> Chartered Accountants 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), Mumbai – 400 063	<b>G.S. MADHAVA RAO &amp; Co.</b> Chartered Accountants F5 & 7, Hyderabad Business Centre, Hyderguda, Hyderabad – 500 029
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We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
Andhra Bank Financial Services Limited	Subsidiary
Chaitanya Godavari Grameena Bank	Associate
India First Life Insurance Company Limited	Joint Venture
ASREC (India) Limited	Joint Venture
India International Bank (Malaysia) BHD	Joint Venture

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the certificates in respect of non-performing assets received from external concurrent auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30<sup>th</sup> June 2019, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as will be disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.
6. We did not review the interim financial results of 2863 branches included in the standalone unaudited financial results of the bank included in the Group, whose results reflect Total Advances of Rs. 1,09,596.59 crores as at 30<sup>th</sup> June 2019 and Total Revenues of Rs. 5,437.03 crores for the quarter ended 30<sup>th</sup> June 2019, as considered in the respective standalone unaudited financial results of the entities included in the Group. The interim financial results of 634 branches have however been reviewed by the external concurrent auditors of entities whose reports (Memorandum of Changes for the branches and Certificates in respect of Non Performing Assets) have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the reports (Memorandum of Changes for the branch and Certificates in respect of Non-Performing Assets) of the Concurrent Auditors and the procedures performed by us as stated in paragraph 3 above. The 634 branches reviewed by the external Concurrent Auditors reflect Total Advances of Rs. 71,654.13 crores as at 30<sup>th</sup> June 2019.



<b>AGARWAL &amp; SAXENA</b> <b>Chartered Accountants</b> 510-511, Fifth Floor, City Centre, 63/2, The Mall, <b>Kanpur – 208 001</b>	<b>RAY &amp; CO</b> <b>Chartered Accountants</b> Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 <sup>th</sup> Floor, <b>Kolkata – 700 017</b>	<b>SANTOSH GUPTA &amp; CO</b> <b>Chartered Accountants</b> 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), <b>Mumbai – 400 063</b>	<b>G.S. MADHAVA RAO &amp; Co.</b> <b>Chartered Accountants</b> F5 & 7, Hyderabad Business Centre, Hyderguda, <b>Hyderabad – 500 029</b>
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We did not review the interim financial results of 1 jointly controlled entity included in the consolidated unaudited financial results, whose interim financial results, reflect total assets of Rs. 4,384.14 crores as at 30<sup>th</sup> June 2019, total revenues of Rs. 283.77 crores and total net loss of Rs. 18.22 crores for the quarter ended 30<sup>th</sup> June 2019, as considered in the consolidated unaudited financial results. These interim financial results of 1 Jointly controlled entity has been audited by other auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters

- The consolidated unaudited financial results includes the interim financial results which have not been reviewed of 2229 branches I of the bank included in the standalone unaudited financial results of the bank included in the Group, whose results reflect total Advances of Rs. 37,942.46 crores as at 30<sup>th</sup> June 2019, as considered in the respective standalone unaudited financial results of the entities included in the Group.

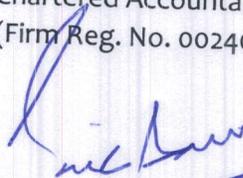
The consolidated unaudited financial results includes the interim financial results of 1 subsidiary and 2 jointly controlled entities which have not been reviewed by their auditors, whose interim financial results reflect Total Assets of Rs.80.56 crores as at 30<sup>th</sup> June 2019, total Revenue of Rs. 2.79 crores and total net profit after tax of Rs.0.56 crores for the quarter ended 30<sup>th</sup> June 2019 , as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of total net profit after tax of Rs. 5.59 crores for the quarter ended 30<sup>th</sup> June 2019 as considered in the consolidated unaudited financial results, in respect of 1 associate, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.



<b>AGARWAL &amp; SAXENA</b> <b>Chartered Accountants</b> 510-511, Fifth Floor, City Centre, 63/2, The Mall, <b>Kanpur – 208 001</b>	<b>RAY &amp; CO</b> <b>Chartered Accountants</b> Shakespeare Court, 21A, Shakespeare Sarani, Flat 8C, 8 <sup>th</sup> Floor, <b>Kolkata – 700 017</b>	<b>SANTOSH GUPTA &amp; CO</b> <b>Chartered Accountants</b> 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), <b>Mumbai – 400 063</b>	<b>G.S. MADHAVA RAO &amp; Co.</b> <b>Chartered Accountants</b> F5 & 7, Hyderabad Business Centre, Hyderguda, <b>Hyderabad – 500 029</b>
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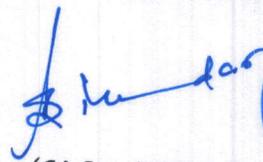
Our conclusion on the Statement is not modified in respect of the above matter.

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




(CA Anil K. Saxena)  
Partner (M.No. 071600)  
UIDN: 19071600AAAAAD4626

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



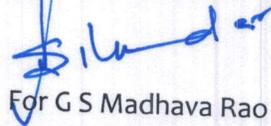

(CA Sumit Sikdar)  
Partner (M.No. 120622)  
UIDN: 19120622AAAAAJ2566

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




(CA Manoj Kumar Nijhawan)  
Partner (M.No. 512659)  
UIDN: 19512659AAAABN4719

For G S Madhava Rao & Co.  
Chartered Accountants  
(Firm Reg. No. 001907S)




(CA S Madhusudana Sarma)  
Partner (M.No. 028604)  
UIDN: 19028604AAAABK4906

Place: Hyderabad  
Date: 02-08-2019