

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

Lr. No. 666/25/P.77/298

Dt: 03.11.2018

BSE Limited 25th Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Fax No. 022-22723121 Scrip Code: 532418	The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai - 400 051 Fax: 022-26598237/38 SYMBOL: ANDHRABANK
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Dear Sirs,

Sub: Submission of Unaudited (Reviewed) Financial Results of the Bank along with Limited Review Report on the Results for the Quarter ended September 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 September 30, 2018. The same has been approved by the Board of Directors of the Bank in its meeting held on Saturday, November 03, 2018.

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

The meeting of the Board of Directors commenced at 4:00 a.m./p.m. and concluded at 6:45 a.m./p.m.

Yours faithfully,
For Andhra Bank

(Raghuram Mallela)
Company Secretary

Encl: as above





ANDHRA BANK
:: HYDERABAD ::

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2018

Sl. No.	PARTICULARS	(₹ in Lacs)					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		REVIEWED			AUDITED		
1	Interest Earned (a) + (b) + (c) + (d)	475515	452750	441745	928265	881941	1797454
	(a) Interest / Discount on Advances / Bills	356632	329557	324430	686189	648749	1306925
	(b) Income on investments	115696	117505	107659	233201	209355	448843
	(c) Interest on balances with Reserve Bank of India and Other inter bank funds	1206	3458	1318	4664	10988	13346
	(d) Others	1981	2230	8338	4211	12849	28340
2	Other Income	49417	56458	58789	105875	134114	237206
A	Total Income (1+2)	524932	509208	500534	1034140	1016055	2034660
3	Interest Expended	302676	306738	291630	609414	587731	1163978
4	Operating Expenses (e)+(f)	92493	81703	79409	174196	161876	334579
	(e) Employees cost	55976	44002	44133	99978	92498	185779
	(f) Other Operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	36517	37701	35276	74218	69378	148800
B	Total Expenditure (Excluding Provisions & Contingencies) (3+4)	395169	388441	371039	783610	749607	1498557
C	Operating Profit (Profit before Provisions & Contingencies) (A-B)	129763	120767	129495	250530	266448	536103
D	Provisions (other than tax) and Contingencies	156173	170750	166806	326923	296917	1082184
	Of which provisions for Non-performing Assets	115515	138787	158588	254302	279512	1010287
E	Exceptional Items	-	-	-	-	-	-
F	Net Profit / (Loss) from Ordinary activity before tax (C-D-E)	(26410)	(49983)	(37311)	(76393)	(30469)	(546081)
G	Provision for taxes	17000	4000	1200	21000	4000	(204828)
H	Extraordinary items (net of tax expense)	-	-	-	-	-	-
I	Net Profit / (Loss) for the period (F-G-H)	(43410)	(53983)	(38511)	(97393)	(34469)	(341253)
5	Paid-up equity share capital (Face value of each share ₹ 10/-)	119883	119883	87280	119883	87280	119883
6	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	878396	878396	983577	878396	983577	878396
7	Analytical Ratios						
	(i) Percentage of shares held by Government of India	77.99	77.99	69.77	77.99	69.77	77.99
	(ii) Capital Adequacy Ratio (%) - BASEL III	12.17	10.92	11.43	12.17	11.43	11.00
	a. CET 1 Ratio (%)	6.80	5.56	7.09	6.80	7.09	5.61
	b. Additional Tier 1 Ratio (%)	1.97	1.97	1.41	1.97	1.41	1.83
	(iii) Earnings per share in ₹ (not annualised)						
	a) EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year						
	Basic:	(3.62)	(4.50)	(4.81)	(8.12)	(4.65)	(38.94)
	Diluted:	(2.70)	(4.50)	(4.81)	(6.93)	(4.65)	(38.94)
	b) EPS after Extraordinary items for the period, for the year to date and for the previous year						
	Basic:	(3.62)	(4.50)	(4.81)	(8.12)	(4.65)	(38.94)
	Diluted:	(2.70)	(4.50)	(4.81)	(6.93)	(4.65)	(38.94)
	(iv) a. Amount of Gross Non Performing Assets	2762301	2678481	1983858	2762301	1983858	2812436
	b. Amount of Net Non Performing Assets	1142762	1156130	1057360	1142762	1057360	1263687
	c. % of Gross NPAs	16.36	16.69	13.27	16.36	13.27	17.09
	d. % of Net NPAs	7.49	7.96	7.55	7.49	7.55	8.48
	(v) Return on Assets (annualised) (%)	(0.68)	(0.86)	(0.67)	(0.77)	(0.30)	(1.46)



STATEMENT OF ASSETS & LIABILITIES

(₹ in Lacs)

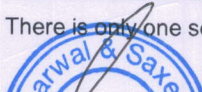
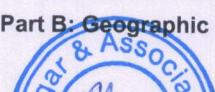
Particulars	As on		
	30.09.2018	30.09.2017	31.03.2018
	REVIEWED		AUDITED
Capital and Liabilities			
Capital	119883	87280	119883
Reserves and Surplus	854634	1124808	961945
Share application money, pending allotment	201900	-	-
Deposits	20669677	19457768	20807048
Borrowings	1825305	1120576	1826905
Other Liabilities and Provisions	451479	508235	501356
Total	24122878	22298667	24217137
Assets			
Cash and Balances with Reserve Bank Of India	985676	922504	991105
Balances with Banks and Money at Call and Short Notice	188923	74554	603326
Investments	6482051	6427912	6477030
Advances (net)	15264975	14012544	14906413
Fixed Assets	144948	150813	147329
Other Assets	1056305	710340	1091934
Total	24122878	22298667	24217137

SEGMENT REPORT:

Part A: Business Segments

Sl. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		REVIEWED					AUDITED
1	Segment Revenue						
	(a) Treasury	117406	125959	120144	243365	264186	520761
	(b) Corporate/Wholesale Banking	138450	137087	154986	275537	310405	571630
	(c) Retail Banking	207038	185908	170475	392946	334904	711682
	(d) Other Banking Operations	62038	60254	54929	122292	106560	230587
	Total	524932	509208	500534	1034140	1016055	2034660
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Income from Operations	524932	509208	500534	1034140	1016055	2034660
2	Segment Results						
	(a) Treasury	29084	29873	31014	58957	69280	137213
	(b) Corporate/Wholesale Banking	34239	32512	40112	66751	81400	150616
	(c) Retail Banking	51104	44091	44143	95195	87825	187518
	(d) Other Banking Operations	15336	14291	14226	29627	27943	60756
	Total	129763	120767	129495	250530	266448	536103
	Less : Other Un-allocable Expenditure	156173	170750	166806	326923	296917	1082184
	Total Profit Before Tax	(26410)	(49983)	(37311)	(76393)	(30469)	(546081)
	Income tax and other taxes paid	17000	4000	1200	21000	4000	(204828)
	Net Profit	(43410)	(53983)	(38511)	(97393)	(34469)	(341253)
3	Segment Assets						
	(a) Treasury	7166481	7188019	6959799	7166481	6959799	7605732
	(b) Corporate/Wholesale Banking	7666874	7144542	7284700	7666874	7284700	7581540
	(c) Retail Banking	7403429	7119973	6444755	7403429	6444755	6995610
	(d) Other Banking Operations	1452609	1522641	1306035	1452609	1306035	1602327
	(e) Unallocated	433486	434339	303378	433486	303378	431928
	Total	24122879	23409514	22298667	24122879	22298667	24217137
4	Segment Liabilities						
	(a) Treasury	7107587	7108078	6745001	7107587	6745001	7501991
	(b) Corporate/Wholesale Banking	7580200	7026459	7015578	7580200	7015578	7434876
	(c) Retail Banking	7121920	6842166	6127852	7121920	6127852	6708570
	(d) Other Banking Operations	1326914	1396647	1191233	1326914	1191233	1480930
	(e) Unallocated	11741	8318	6915	11741	6915	8942
	Total	23148362	22381668	21086579	23148362	21086579	23135309
5	Capital Employed						
	(a) Treasury	58894	79941	214798	58894	214798	103741
	(b) Corporate/Wholesale Banking	86674	118083	269122	86674	269122	146664
	(c) Retail Banking	281509	277807	316903	281509	316903	287040
	(d) Other Banking Operations	125695	125994	114802	125695	114802	121397
	(e) Unallocated	421745	426021	296463	421745	296463	422986
	Total	974517	1027846	1212088	974517	1212088	1081828

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




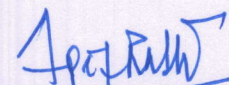
Notes:

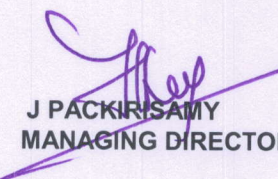
- 1) The financial results for the quarter/ half year ended 30th September, 2018 have been reviewed by the Audit Committee of Board and approved by the Board of Directors in their meeting held on 03rd November, 2018. The same have been subjected to a limited review by the Statutory Central Auditors of 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/ half year ended 30th September, 2018 have been arrived at after considering provisions for standard assets, non performing assets, depreciation on investment, 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 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' 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) 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 of ₹ 159.95 crores on investments has been provided during the quarter ended 30th September, 2018. The balance amount of ₹ 130.03 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 ₹ 62.26 crore to the subsequent quarter of the financial year.
- 7) Pursuant to Reserve Bank of India circular no. DBR.BP.BC.No.50/21.06.201/2016-17 dated 02nd February, 2017 on 'Basel III Capital Regulations - Additional Tier 1 Capital' read with Reserve Bank of India circular no. DBR.No.BP.BC.71/21.06.201/2015-16 dated 14th January, 2016 on 'Master Circular - Basel III Capital Regulations – Clarification', Bank has exercised the option to drawn an amount of ₹ 99.18 crore from Statutory Reserve towards coupon paid on Additional Tier-I Perpetual Basel III Compliant bonds during the current quarter.
- 8) Bank has received a sum of ₹ 2019 crore from Government of India on 23rd July, 2018 as contribution towards preferential allotment of equity shares. Issue/allotment of Shares against the same is still in process as on 30th September, 2018. The same has been kept as 'Share Application Money' as on 30th September, 2018, pending allotment. In terms of communication from Reserve Bank of India vide DBR.CO.BP.No.2625/21.01.002/2018-19 dated 01st October, 2018 the amount has been treated as part of Common Equity Tier-I (CET-I) Capital as on 30th September, 2018. Further, Shares for the same have been allotted on 11th October, 2018.
- 9) RBI vide circular No. DBR.No.BP.BC.108/21.04.048/2017-18 dated 06th June, 2018 permitted Banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between 01st September, 2017 and 31st December, 2018 are paid not later than 180 days from their respective original due dates. Accordingly, the Bank has retained advances of ₹ 1537.54 crore as standard asset as on 30th September, 2018. In accordance with the provisions of the circular, the Bank has not recognized interest income of ₹ 6.53 crore for the quarter (₹ 23.69 crore up to 30th September, 2018) and has maintained a standard asset provision of ₹ 75.69 crore as on 30th September, 2018 in respect of such MSME borrowers.
- 10) Reserve Bank of India circular no. DBR.No.BP.BC.83/21.04.048/2014-15 dated 01st April, 2015 and DBR.No.BP.BC.92/21.04.048/2015-16 dated 18th April, 2016 granted an option to spread the provision in respect of frauds over four quarters. The Bank however, has fully provided for the amount classified as fraud during the quarter.



- 11) The provision coverage ratio as on 30th September, 2018 is 65.47%.
- 12) Status of Investor Complaints : No Investor complaints were pending as on 30th June, 2018. Complaints received and disposed off during the quarter : 1. Pending as on 30th September, 2018 : Nil.
- 13) Figures of the corresponding previous periods have been regrouped / restated wherever necessary


KUL BHUSHAN JAIN
EXECUTIVE DIRECTOR


AJIT KUMAR RATH
EXECUTIVE DIRECTOR


J PACKIRISAMY
MANAGING DIRECTOR & CEO

Place: Hyderabad
Date: 03.11.2018



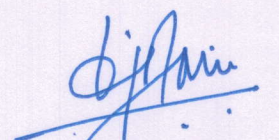


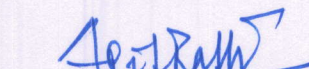
ANDHRA BANK
:: HYDERABAD::


UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2018

Sl.No.	PARTICULARS	(₹ in Lacs)		
		QUARTER ENDED 30.09.2018	HALF YEAR ENDED 30.09.2018	QUARTER ENDED 30.09.2017
1	Total income from operations (net)	524932	1034140	500534
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(26410)	(76393)	(37311)
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(26410)	(76393)	(37311)
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(43410)	(97393)	(38511)
5	Equity Share Capital	119883	119883	87280
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 :	(3.62)	(8.12)	(4.81)
	Diluted:	(2.70)	(6.93)	(4.81)

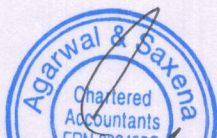
Note: The above is an extract of the detailed format of quarterly / half yearly financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the quarterly / half yearly financial results are available 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


AJIT KUMAR RATH
EXECUTIVE DIRECTOR


J PACKIRISAMY
MANAGING DIRECTOR & CEO

Place: Hyderabad
Date: 03.11.2018



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, 8 th Floor, Kolkata – 700 017	SANTOSH GUPTA & CO Chartered Accountants 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), Mumbai – 400 063
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LIMITED REVIEW REPORT

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

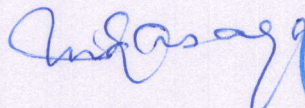
1. We have reviewed the accompanying statement of unaudited financial results of Andhra Bank ("the Bank") for the Quarter and Half Year ended September 30, 2018. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed 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, 467 specific borrower accounts and un-reviewed returns in respect of 36 Zonal Offices and 2880 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 594 branches. These review reports cover 51.83% of the advances portfolio of the Bank and 86.59% of non-performing assets of the Bank (excluding the advances of asset recovery branches and other branches under Concurrent audit) as on 30th September, 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 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, 8 th Floor, Kolkata – 700 017	SANTOSH GUPTA & CO Chartered Accountants 417, Atlanta Estate, G M Link Road, Vitt Bhatti, Goregaon (East), Mumbai – 400 063
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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.

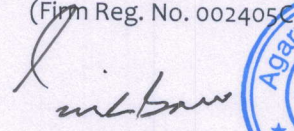
For Sagar & Associates
Chartered Accountants
(Firm Reg. No. 003510S)



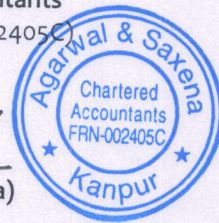
(CA V. Vidyasagar Babu)
Partner
M. No. 027357



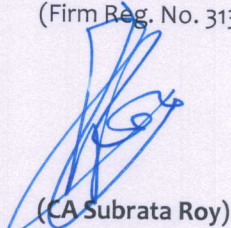
For Agarwal & Saxena
Chartered Accountants
(Firm Reg. No. 002405C)



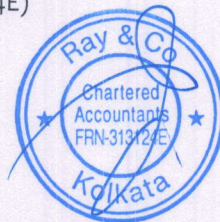
(CA Anil K. Saxena)
Partner
M. No. 071600



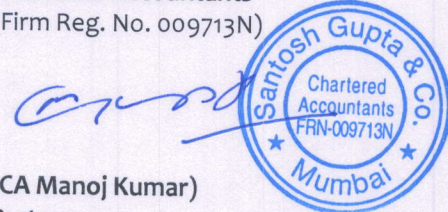
For Ray & Co
Chartered Accountants
(Firm Reg. No. 313124E)



(CA Subrata Roy)
Partner
M. No. 051205



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



(CA Manoj Kumar)
Partner
M. No. 108603



Place : Hyderabad
Date : 03rd November, 2018