

UMAMAHESWARA RAO & CO.
Chartered Accountants
Hyderabad

R.SUBRAMANIAN AND COMPANY
Chartered Accountants
Chennai

PATRO & CO.
Chartered Accountants
Bhubaneswar

C.R.SAGDEO & CO.
Chartered Accountants
Nagpur

NAG & ASSOCIATES
Chartered Accountants
Kolkata

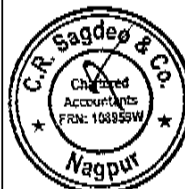
Limited Review Report

The Board of Directors
Andhra Bank

We have reviewed the accompanying statement of unaudited financial results of Andhra Bank for the quarter ended 30th June, 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited 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.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditors 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. Our review is limited primarily to inquiries of Bank's 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.

The unaudited financial results incorporate the relevant returns of 20 branches reviewed by us, returns of 355 branches, 7 Extension Counters and 5 Service Centers reviewed by concurrent auditors and un-reviewed returns in respect of 32 Zonal Offices, 1769 Branches, 2 Extension Counters and 14 Service Centers. These reviewed returns cover 77.20% of the advances and 74.03% of Non-performing Assets of the bank. In conduct of our review, we have relied on the review returns received from concurrent auditors. Apart from these, we have also relied upon various un-reviewed returns received from other branches of the bank.



Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, 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 clause 41 of the Listing Agreement 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For Umamaheswara Rao & Co.
Chartered Accountants
FRN-004453S

Krishna S.



(CA Krishna Sai G H)
Partner (M. No.233399)

For Patro & Co.
Chartered Accountants
FRN-310100E

Rajendra Patro



(CA Rajendra Patro)
Partner (M. No.019423)

For Nag & Associates
Chartered Accountants
FRN-312063E

Praday Kumar Pal



(CA Praday Kumar Pal)
Partner (M. No. 050395)

Place: Hyderabad

Dated: 02-08-2014

For R.Subramanian and Company
Chartered Accountants
FRN-004137S

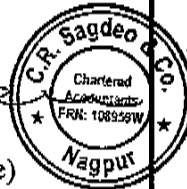
R. Subramanian



(CA R Prakash)
Partner (M. No.205869)

For C.R.Sagdeo & Co.
Chartered Accountants
FRN-108959W

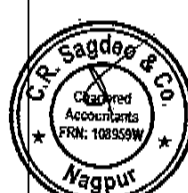
Suman Bose



(CA Suman Bose)
Partner (M. No. 045239)

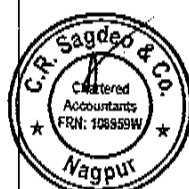
FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

Sl. No.	PARTICULARS	₹ in Lacs			
		QUARTER ENDED		YEAR ENDED	
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		REVIEWED	AUDITED	REVIEWED	AUDITED
1	Interest Earned (a) + (b) + (c) + (d)				
	(a) Interest / Discount on Advances/Bills	381037	372127	338648	1429732
	(b) Income on investments	289892	277090	272179	1111376
	(c) Interest on inter bank funds	89707	84027	65390	300816
	(d) Others	1244	952	1079	7482
		194	10058	-	10058
2	Other Income	39469	33662	46768	133284
3	Total Income (1+2)	420506	405789	385416	1563016
4	Interest Expended	300684	277148	251256	1055998
5	Operating Expenses (i)+(ii)				
	(i) Employees cost	57195	43676	59542	230994
	(ii) Other Operating expenses	33948	18173	38515	138285
		23247	25503	21027	92709
6	Total Expenditure (4+5) (Excluding Provisions & Contingencies)	357879	320824	310798	1286992
7	Operating Profit (3-6) (Before Provisions & Contingencies)	62627	84965	74618	276024
8	Provisions (other than tax) and Contingencies	41427	71142	38490	202651
	Out of which provision towards non performing assets	35894	66665	27614	147717
9	Exceptional Items				
10	Profit (+) / Loss (-) from ordinary activities before tax (7-3-9)	21200	13823	36128	73373
11	Tax expense	10500	5014	13000	29815
12	Net Profit (+) / Loss (-) from ordinary activities after tax (10-11)	10700	8808	23128	43558
13	Extraordinary items (net of tax expense)				
14	Net Profit (+) / Loss (-) for the period (12-13)	10700	8808	23128	43558
15	Paid-up equity share capital (Face value of each share ₹ 10/-)	58961	58961	55958	58961
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	814784	814784	788160	814784
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	60.14	60.14	58.00	60.14
	(ii) Capital Adequacy Ratio - BASEL-II (%)	10.52	11.18	11.46	11.18
	Capital Adequacy Ratio - BASEL-III (%)	10.26	10.78	11.23	10.78
	(iii) Earnings per share in ₹ (* not annualised)				
	Basic and Diluted EPS before/after Extraordinary items (net of tax expense)	*1.81	*1.49	*4.13	7.67
	(iv) NPA Ratios				
	a. Gross Non Performing Assets	682724	585760	474841	585760
	b. Net Non Performing Assets	432154	334247	321169	334247
	c. % of Gross NPAs	5.98	5.29	4.73	5.29
	d. % of Net NPAs	3.89	3.11	3.27	3.11
	(v) Return on Assets (Annualised) (%)	0.25	0.22	0.63	0.29
18	Public Shareholding				
	Number of Shares (in Lacs)	2350	2350	2350	2350
	Percentage of Shareholding	39.86	39.86	42.00	39.86
19	Promoters and Promoter Group Shareholding				
	(a) Pledged / Encumbered				
	Number of Shares				
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)			NIL	
	Percentage of Shares (as a % of the total share capital of the Bank)				
	(b) Non-encumbered				
	Number of Shares	354614903	354614903	324580364	354614903
	Percentage of Shares (as a % of the total shareholding of promoter)	100	100	100	100
	Percentage of Shares (as a % of the total share capital of the Bank)	60.14	60.14	58.00	60.14



NOTES ON FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014

1. The reviewed financial results for the quarter ended 30th June, 2014 have been compiled with as per clause 41 of the listing agreement with Stock Exchanges and have been prepared based on the same set of accounting policies and practices followed for the year ended 31st March, 2014.
2. The provision for Standard and Non-Performing Assets, depreciation on investments has been made on the basis of prudential norms issued by Reserve Bank of India from time to time.
3. Provisions for taxation, employee benefits and other expenses wherever applicable have been made proportionately on estimated basis, subject to adjustment at the year end. Deferred tax liability/asset is being reckoned on annual basis.
4. Pursuant to the circular no. DBOD.BP.BC.116/21.06.200/2013-14 dated 3rd June, 2014 issued by the Reserve Bank of India in respect of provisioning requirement for exposure to entities with unhedged foreign currency exposure, the bank has arrived at additional provisioning requirement of ₹ 20.00 crore out of which an amount of ₹ 5.00 crore is provided for the quarter proportionately.
5. A provision for an amount of ₹ 17.96 crore for the quarter has been made on estimated basis towards additional liability on wage revision, pending negotiations and settlement.
6. In accordance with the provisions of Reserve Bank of India circular no. DBOD.BP.BC.80/21.04.018/2010-11 dated 9th of February, 2011:
 - a) An amount of ₹ 8.25 crore has been charged to Profit and Loss Account during the quarter on proportionate basis towards additional liability of ₹ 165 crore (being amortised over 5 years beginning from FY 2010-11) on account of enhancement of gratuity limit under the Payment of Gratuity Act. 1972. The balance of ₹ 24.75 crore is being carried forward to be charged to Profit and Loss Account in the reviewing quarters of this financial year.
 - b) An amount of ₹ 23.42 crore has been charged to Profit and Loss Account during the quarter on proportionate basis towards additional liability of ₹ 468.31 crore (being amortised over 5 years beginning from FY 2010-11) on account of re-opening of pension option for existing employees who had not opted for pension earlier. The balance of ₹ 70.25 crore is being carried forward to be charged to Profit and Loss Account in the reviewing quarters of this financial year.
7. In accordance with Reserve Bank of India circular no. DBOD.No.BP.BC.2/21.06/201/2013-14 dated 1st July, 2013, Banks are required to make half yearly Pillar 3 disclosures under Base III capital requirements with effect from 30th September, 2013. The disclosures are being made available on the Bank's website at the link <http://andhrabank.in/english/regulatory.aspx>. The disclosures have not been subjected to limited review by the Statutory Auditors of the Bank.
8. Reconciliation of outstanding entries as at 30th June, 2014 in inter office transactions, transactions with other banks / institutions, sundry accounts are in progress and in the opinion of the management, the impact of such reconciliation will not be material.

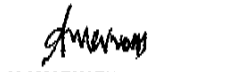


- 9. Provision Coverage Ratio as at 30th June, 2014 is 48.19%.
- 10. Previous period figures have been regrouped / reclassified wherever necessary.


S.K.KALRA
 EXECUTIVE DIRECTOR


C.V.R. RAJENDRA
 CHAIRMAN & MANAGING DIRECTOR


K.RAGHURAMAN
 DIRECTOR

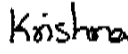


Y. AMARNATH
 DEPUTY GENERAL MANAGER


S.V.VENKATASIRRAMANIAN
 GENERAL MANAGER


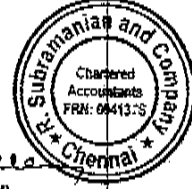
FOR UMAMAHESWARA RAO & CO
 CHARTERED ACCOUNTANTS
 FRN:0044535

FOR R SUBRAMANIAN AND COMPANY
 CHARTERED ACCOUNTANTS
 FRN:004137S



FOR PATRO & CO
 CHARTERED ACCOUNTANTS
 FRN:310100E

(CA KRISHNA SAI G H)
 PARTNER (M.NO. 233399)

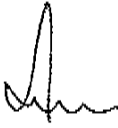
(CA R.PRAKASH)
 PARTNER (M.NO. 205869)

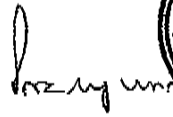

(CA RAJENDRA PATRO)
 PARTNER (M. NO.019423)

FOR C R SAGDEO & CO
 CHARTERED ACCOUNTANTS
 FRN:108959W

FOR NAG & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN:312063E




(CA SUMAN BOSE)
 PARTNER (M. NO. 045239)

(CA PRADAY KUMAR PAL)
 PARTNER (M.NO.050395)

Place: Hyderabad
 Date: 02-08-2014