

# Our performance reflects our **Care & concern**

## Unaudited (Reviewed) Financial Results for the Half Year Ended 30th September, 2006

**Net Interest Margin**  
↑ 3.81%

**Return on Net Worth**  
17.37%

**Net NPA at 0.10%**

**CASA Deposits ↑ 40% of total Deposits**

**Yield on Funds**  
↑ 7.96%

**NPA Provision Coverage**  
93.49%

(Rs. in Crores)

Sl. No.	Particulars	Quarter Ended 30.09.2006 (Reviewed)	Quarter Ended 30.09.2005 (Reviewed)	Half Year Ended 30.09.2006 (Reviewed)	Half Year Ended 30.09.2005 (Reviewed)	Year Ended 31.03.2006 (Audited)
1	<b>Interest Earned (a+b+c+d)</b>	<b>772.09</b>	<b>635.31</b>	<b>1532.00</b>	<b>1252.54</b>	<b>2674.37</b>
	(a) Interest/Discount on Advances/Bills	542.49	429.49	1056.15	836.98	1763.38
	(b) Income on Investments	205.40	187.07	417.09	377.75	790.60
	(c) Interest on Balances with Reserve Bank of India and others Inter Bank Funds	24.20	17.82	58.76	36.88	115.09
	(d) Others	0.00	0.93	0.00	0.93	5.30
2	<b>Other income</b>	<b>128.66</b>	<b>117.92</b>	<b>230.50</b>	<b>195.12</b>	<b>458.07</b>
A	<b>TOTAL INCOME (1+2)</b>	<b>900.75</b>	<b>753.23</b>	<b>1762.50</b>	<b>1447.66</b>	<b>3132.44</b>
3	Interest Expended	441.21	346.75	865.89	689.65	1505.39
4	<b>Operating expenses (e+f)</b>	<b>236.45</b>	<b>205.97</b>	<b>467.02</b>	<b>397.40</b>	<b>857.94</b>
	(e) Payments to and provisions for employees	145.92	124.65	283.40	228.88	492.89
	(f) Other Operating Expenses	90.53	81.32	183.62	168.52	365.05
B	<b>TOTAL EXPENDITURE (3+4)</b>	<b>677.66</b>	<b>552.72</b>	<b>1332.91</b>	<b>1087.05</b>	<b>2363.33</b>
	(Excluding Provisions and Contingencies)					
C	<b>Operating profits (A-B)</b>	<b>223.09</b>	<b>200.51</b>	<b>429.59</b>	<b>360.61</b>	<b>769.11</b>
	(Profit before Provisions and Contingencies)					
D	<b>Provisions and Contingencies (Net)</b>	<b>9.15</b>	<b>14.62</b>	<b>55.74</b>	<b>59.56</b>	<b>211.68</b>
	Of which provisions for Non Performing Assets	-9.20	0.00	8.04	0.00	40.00
E	Provision for Taxes	67.50	53.00	111.00	83.00	71.93
F	<b>Net Profit (C-D-E)</b>	<b>146.44</b>	<b>132.89</b>	<b>262.85</b>	<b>218.05</b>	<b>485.50</b>
5	Paid-up Equity Share Capital	485.00	400.00	485.00	400.00	485.00
6	Reserves (Excluding Revaluation Reserves) (as per Balance Sheet of previous accounting year)	2408.94	1437.01	2408.94	1437.01	2408.94
7	<b>Analytical Ratios</b>					
	(i) Percentage of shares held by Government of India	51.55	62.50	51.55	62.50	51.55
	(ii) Capital Adequacy Ratio %	13.70	11.94	13.70	11.94	14.00
	(iii) Earning per share in Rs. (*Not Annualised)	*3.02	*3.32	*5.42	*5.45	11.78
	(iv) a. Amount of Gross Non Performing Assets	416.12	435.13	416.12	435.13	436.91
	b. Amount of Net Non Performing Assets	22.59	48.15	22.59	48.15	52.46
	c. % of Gross NPAs	1.76	2.27	1.76	2.27	1.94
	d. % of Net NPAs	0.10	0.26	0.10	0.26	0.24
	(v) Return on Assets (Annualised)	1.52	1.51	1.36	1.24	1.38
8	Aggregate of Non Promoter Shareholding					
	Number of Shares (in Lakhs)	2350	1500	2350	1500	2350
	Percentage of Shareholding	48.45	37.50	48.45	37.50	48.45

### SEPTEMBER 2006 SEGMENT REPORT

#### Part A : Business Segments

(Rs. in Crores)

Business Segments	Treasury		Other Banking Operations		Total	
	Half Year Ended 30.09.2006	Half Year Ended 30.09.2005	Half Year Ended 30.09.2006	Half Year Ended 30.09.2005	Half Year Ended 30.09.2006	Half Year Ended 30.09.2005
Revenue	538.59	519.43	1223.91	928.23	1762.50	1447.66
Results	90.26	89.76	339.33	270.85	429.59	360.61
Unallocated Expenses		XXXXXXXXXXXXXX			55.74	59.56
Profit before Tax		XXXXXXXXXXXXXX			373.85	301.05
Taxes		XXXXXXXXXXXXXX			111.00	83.00
Net Profit					262.85	218.05
Segment Assets	13649.56	15121.74	24763.46	19812.89	38413.02	34934.63
Unallocated Assets		XXXXXXXXXXXXXX			119.39	153.17
Total Assets					38532.41	35087.80
Segment Liabilities	13594.88	15087.55	21780.74	17945.19	35375.62	33032.74
Unallocated Liabilities					3156.79	2055.06
Total Liabilities					38532.41	35087.80

**Notes:** 1. The above financial results, subjected to "Limited Review by Statutory Central Auditors, have been approved and taken on record by the Board of Directors of the Bank at the meeting held on 26.10.2006. 2. (a) The working results for the half year ended 30th Sept, 2006 have been arrived at after considering provision for Non Performing Assets and Standard Assets, as well as depreciation/amortisation on investments as per prudential norms issued by RBI. Gratuity, Pension Fund, Encashment of Leave, Taxes, other usual and necessary provisions have been made on an estimated basis. (b) The Institute of Chartered Accountants of India has issued a revised Accounting Standard (AS-15) on employee benefits effective 01.04.2006. Pending Reserve Bank of India guidelines, an additional provision of Rs.12.50 crore has also been made in this respect on an estimated basis for the half year ended Sept.2006. 3. Pursuant to the change in higher provisioning requirement in specified sectors of standard assets from 0.40% to 1.00% for the year ending March 2007, as notified by the Reserve Bank of India, the Bank has made a provision at 0.70% as per RBI guidelines. 4. Additional provision of Rs.104.65 crore is held as on 30th Sept, 2006 in respect of Gross NPAs over and above the minimum prudential provision required under RBI norms. 5. Previous years' figures have been regrouped wherever found necessary. 6. Status of Investor Complaints: No investor complaints were pending as on 30th June, 2006. Complaints received and, disposed off during the quarter: 27. Pending as on 30th Sept, 2006: Nil.

#### Part B : Geographic Segments

There is only one segment-Domestic Segment

Place : Hyderabad  
Date : 26.10.2006

Kalyan Mukherjee  
Executive Director

Dr. K. Ramakrishnan  
Chairman & Managing Director

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(A Government of India undertaking)

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Actual Size: 16 X 25 sq. cm