

प्रधान कार्यालय :

डा.पे.सं. 88,

मंगलादेवी मंदिर मार्ग,

पांडेश्वर,

मंगलूरु - 575 001.

कर्नाटक राज्य



कार्पोरेशन बैंक Corporation Bank

Head Office :

P.B. No. 88,

Mangaladevi Temple Road,

Pandeshwar,

MANGALURU - 575 001.

Karnataka State

सार्वजनिक क्षेत्र का अग्रणी बैंक A Premier Public Sector Bank
निवेशक सेवा विभाग INVESTOR SERVICES DEPARTMENT

संदर्भ Ref.: नि.से.वि.ISD/68/2017-18

दिनांक Date: 20th May 2017

To, BSE Ltd, Corporate Relationship Department 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort MUMBAI - 400 001 http://listing.bseindia.com -Listing Centre Ref.: Code No.532179	To, The Manager Listing Department, National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No.C/1, G Block Bandra Kurla Complex, Bandra (E) MUMBAI - 400 051 https://www.connect2nse.com/LISTING/-NEAPS Symbol: CORPBANK
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प्रिय महोदय Dear Sir,

Audited Financial Results of the Bank for the Quarter / Year ended 31st March 2017.

This has reference to our earlier letter ISD/60/2016-17 dated 11th May 2017 on the captioned subject. Pursuant to Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Audited Financial Results of the Bank along with the report of the Auditors for the quarter / year ended on 31st March 2017. The results have been approved by the Board of Directors of the Bank at their meeting held today (i.e. 20th May 2017) and Board of the Bank has not recommended Dividend for the FY 2016-17. The Board Meeting ended at 02:45 p.m.

The results would be published within 48 hours in newspapers in terms of Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further details on Financial Results are available in the web link <http://www.corpbank.com/node/62170>

Kindly acknowledge the receipt of the same.

Yours faithfully,

(एम. बी. गणेश / M. B. Ganesh)

महाप्रबंधक & सीएफओ

General Manager & CFO

संलग्न Encl.: Audited Financial Results as on 31.03.2017.



CORPORATION BANK
HEAD OFFICE, MANGALADEVI TEMPLE ROAD, MANGALURU - 575 001
AUDITED FINANCIAL RESULTS FOR THE QUARTER/ YEAR ENDED 31st MARCH, 2017

[Rs. in lakhs]

Sl. No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		31.03.2017 (Audited)	31.12.2016 (Reviewed)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
				Standalone			Consolidated	
		4,83,804.42	4,95,375.35	4,73,446.04	19,47,147.18	19,41,123.69	19,47,151.96	19,41,126.28
1	Interest Earned (a)+(b)+(c)+(d)	3,17,431.98	3,27,939.93	3,45,767.20	13,27,719.31	14,48,305.49	13,27,720.96	14,48,305.49
	(a) Interest / Discount on Advances / Bills	1,31,838.03	1,39,918.87	1,07,813.52	5,16,780.87	4,20,859.86	5,16,784.00	4,20,862.34
	(b) Income on Investments				3,397.15	2,207.63	3,397.15	2,207.63
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	896.81	761.33	1,045.14				
	(d) Others	33,637.60	26,755.22	18,820.18	99,249.85	69,750.71	99,249.85	69,750.82
2	Other income	89,244.33	88,580.54	48,416.38	3,09,030.87	1,73,515.97	3,09,771.14	1,74,295.31
3	TOTAL INCOME (1+2)	5,73,048.75	5,83,955.89	5,21,862.42	22,56,178.05	21,14,639.66	22,56,923.10	21,15,421.59
4	Interest Expended	3,90,386.86	3,72,400.41	3,74,389.26	15,02,046.19	15,17,177.80	15,01,996.39	15,17,146.22
5	Operating Expenses (i) + (ii)	77,206.41	79,435.94	74,981.40	3,10,178.97	2,87,960.13	3,10,295.43	2,88,087.67
	(i) Employees cost	34,488.62	38,366.63	35,308.54	1,44,436.68	1,37,318.31	1,44,499.76	1,37,375.33
	(ii) Other Operating Expenses	42,717.79	41,069.31	39,672.86	1,65,742.29	1,50,641.82	1,65,795.67	1,50,712.34
6	TOTAL EXPENDITURE (4+5) excluding provisions and contingencies	4,67,593.27	4,51,836.35	4,49,370.66	18,12,225.16	18,05,137.93	18,12,291.82	18,05,233.89
7	Operating Profit before Provisions and Contingencies (3-6)	1,05,455.48	1,32,119.54	72,491.76	4,43,952.89	3,09,501.73	4,44,631.28	3,10,187.70
8	Provisions (other than tax) and Contingencies Of which Provisions for Non Performing Assets	94,801.01	93,369.67	1,96,020.94	3,60,315.91	5,02,632.96	3,60,315.91	5,02,632.96
		85,297.09	99,162.89	1,96,660.00	3,50,866.20	5,26,650.60	3,50,866.20	5,26,650.60
9	Exceptional Items	-	-	-	-	-	-	-
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	10,654.47	38,749.87	(1,23,529.18)	83,636.98	(1,93,131.23)	84,315.37	(1,92,445.26)
11	Tax Expense	(5,343.57)	22,847.54	(72,432.26)	27,516.38	(1,42,483.20)	27,734.54	(1,42,244.88)
12	Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)	15,998.04	15,902.33	(51,096.92)	56,120.60	(50,648.03)	56,580.83	(50,200.38)
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
14	Net Profit (+)/Loss (-) for the period (12-13)	15,998.04	15,902.33	(51,096.92)	56,120.60	(50,648.03)	56,580.83	(50,200.38)
15	Paid-up equity share capital (Face Value Rs.2 each)	22,941.13	22,941.13	20,449.71	22,941.13	20,449.71	22,941.13	20,449.71
16	Reserves excluding Revaluation Reserves				11,81,925.53	10,48,164.31	11,85,721.07	10,51,534.79
17	Analytical Ratios							
	(i) Percentage of shares held by Government of India	70.76%	70.76%	67.20%	70.76%	67.20%	70.76%	67.20%
	(ii) Capital Adequacy Ratio - Basel III	11.32%	11.30%	10.56%	11.32%	10.56%		
	(a) Common Equity Tier 1 Ratio	7.99%	7.95%	7.27%	7.99%	7.27%		
	(b) Additional Tier 1 Ratio	0.91%	0.65%	0.66%	0.91%	0.66%		
	(iii) Earning Per Share (EPS) (in Rs.) (Not annualised)							
	a) Basic and diluted EPS before Extraordinary items (net of tax expense)	1.39	1.39	(5.00)	5.17	(5.48)	5.21	(5.44)
	b) Basic and diluted EPS after Extraordinary items	1.39	1.39	(5.00)	5.17	(5.48)	5.21	(5.44)
	(iv) NPA Ratios							
	(a) Amount of Gross NPA	17,04,522.22	15,82,799.67	14,54,424.70	17,04,522.22	14,54,424.70		
	(b) Amount of Net NPA	11,69,217.81	10,31,493.89	9,16,013.91	11,69,217.81	9,16,013.91		
	(c) Percentage of Gross NPA	11.70%	11.26%	9.98%	11.70%	9.98%		
	(d) Percentage of Net NPA	8.33%	7.64%	6.53%	8.33%	6.53%		
	(v) Return on Assets (annualised)	0.25%	0.26%	-0.90%	0.23%	-0.23%		



SUMMARISED BALANCE SHEET
[Rs. in lakhs]

CAPITAL AND LIABILITIES	Standalone		Consolidated	
	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
Capital	22,941.13	20,449.71	22,941.13	20,449.71
Reserves and Surplus	12,48,253.39	11,16,138.49	12,52,048.95	11,19,508.97
Minority Interest				
Deposits	2,20,55,961.92	2,05,17,084.36	2,20,55,054.51	2,05,14,033.78
Borrowings	6,46,817.36	13,11,219.44	6,46,817.35	13,11,219.44
Other liabilities and Provisions	8,15,131.67	5,21,469.56	8,15,118.41	5,21,466.83
Total	2,47,89,105.47	2,34,86,361.56	2,47,91,980.35	2,34,86,678.73
ASSETS				
Cash/Gold and Balances with Reserve Bank of India	17,49,663.49	10,08,721.40	17,49,663.54	10,08,721.50
Balances with Banks and Money at Call and Short notice	7,55,332.14	5,09,398.42	7,55,371.18	5,09,398.42
Investments	64,07,297.64	63,28,063.45	64,09,613.98	63,27,745.51
Advances	1,40,35,679.37	1,40,32,224.06	1,40,35,679.38	1,40,32,224.06
Fixed Assets	1,29,001.39	1,27,713.35	1,29,014.77	1,27,741.61
Other Assets	17,12,131.44	14,80,240.88	17,12,637.50	14,80,847.63
Total	2,47,89,105.47	2,34,86,361.56	2,47,91,980.35	2,34,86,678.73



SEGMENT REPORTING FOR THE QUARTER / YEAR ENDED 31st MARCH, 2017

Part A: Business Segment

(Rs. In Lakhs)

	Particulars	Quarter ended			Year Ended		Year Ended	
		31.03.2017 (Audited)	31.12.2016 (Reviewed)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
		Standalone				Consolidated		
1	Segment Revenue							
	i) Treasury Operations	198,248.40	198,999.15	118,968.54	709,301.31	459,009.16	709,301.31	459,009.16
	ii) Wholesale Banking	245,475.02	202,715.13	203,105.85	859,259.13	921,517.00	859,259.13	921,517.00
	iii) Retail Banking	101,203.08	150,398.78	170,946.48	573,156.88	635,017.39	573,156.88	635,017.39
	iv) Other Banking Operations	12,617.15	10,705.57	11,657.56	47,702.83	43,565.65	48,447.88	44,347.58
	(v) Un allocated	15,505.09	21,137.26	17,183.99	66,757.89	55,530.46	66,757.89	55,530.46
	Income from Operations	573,048.75	583,955.89	521,862.42	2,256,178.05	2,114,639.66	2,256,923.10	2,115,421.59
2	Segment Results							
	Profit (+) Loss (-) before tax and after interest from each segment							
	i) Treasury Operations	142,649.95	24,957.55	(33,034.32)	227,666.02	(61,624.21)	227,666.02	(61,624.21)
	ii) Wholesale Banking	(16,283.09)	6,408.95	(38,381.58)	(47,951.93)	(107,065.15)	(47,951.93)	(107,065.15)
	iii) Retail Banking	(57,092.97)	38,042.71	37,223.03	37,397.73	99,003.22	37,397.73	99,003.22
	iv) Other Banking Operations	12,614.12	10,695.43	11,640.47	47,680.13	43,534.36	48,358.52	44,220.33
	Total	81,888.01	80,104.64	(22,552.40)	264,791.95	(26,151.78)	265,470.34	(25,465.81)
	Less: Unallocated Expenses (net off unallocable income)	71,233.53	41,354.77	100,976.77	181,154.96	166,979.45	181,154.96	166,979.45
	Total Profit / (Loss) before Tax	10,654.47	38,749.87	(123,529.17)	83,636.98	(193,131.23)	84,315.38	(192,445.26)
	Income Tax	(5,343.57)	22,847.54	(72,432.26)	27,516.38	(142,483.20)	27,734.54	(142,244.88)
	Extraordinary Items	-	-	-	-	-	-	-
	Net Profit	15,998.04	15,902.33	(51,096.92)	56,120.60	(50,648.03)	56,580.83	(50,200.38)
3	Segment Assets							
	i) Treasury Operations	6,544,852.07	7,994,473.95	6,448,616.44	6,544,852.07	6,448,616.43	6,544,852.07	6,448,616.44
	ii) Wholesale Banking	8,054,072.65	7,877,558.56	8,583,846.34	8,054,072.65	8,583,846.34	8,054,072.65	8,583,846.34
	iii) Retail Banking	6,793,581.87	6,477,916.17	6,343,188.46	6,793,581.87	6,343,188.47	6,793,581.87	6,343,188.46
	iv) Other Banking Operations	313.44	372.72	410.34	313.44	410.34	3,188.31	727.51
	iv) Unallocated Assets	3,396,285.43	2,912,140.77	2,110,299.98	3,396,285.43	2,110,299.98	3,396,285.43	2,110,299.99
	Total	24,789,105.47	25,262,462.17	23,486,361.57	24,789,105.47	23,486,361.56	24,791,980.34	23,486,678.74
4	Segment Liabilities							
	i) Treasury Operations	6,072,362.01	7,479,409.96	6,028,850.78	6,072,362.01	6,028,850.77	6,072,362.01	6,028,850.78
	ii) Wholesale Banking	7,661,708.75	7,593,386.04	8,254,359.72	7,661,708.75	8,254,359.72	7,660,784.33	8,254,359.72
	iii) Retail Banking	6,334,169.20	6,127,486.49	5,996,215.94	6,334,169.20	5,996,215.95	6,334,169.20	5,996,215.94
	iv) Other Banking Operations	288.27	348.28	383.06	288.27	383.05	292.00	700.23
	v) Unallocated Liabilities	3,449,382.73	2,806,375.28	2,069,963.87	3,449,382.73	2,069,963.87	3,449,382.73	2,066,593.39
	Total	23,517,910.95	24,007,006.05	22,349,773.37	23,517,910.95	22,349,773.36	23,516,990.26	22,346,720.06
5	Capital Employed (Segment assets - Segment liabilities)							
	i) Treasury Operations	472,490.06	515,063.99	419,765.66	472,490.06	419,765.66	472,490.06	419,765.66
	ii) Wholesale Banking	392,363.90	284,172.52	329,486.62	392,363.90	329,486.62	393,288.32	329,486.62
	iii) Retail Banking	459,412.67	350,429.68	346,972.52	459,412.67	346,972.52	459,412.67	346,972.52
	iv) Other Banking Operations	25.17	24.44	27.28	25.17	27.29	2,896.31	27.28
	iv) Unallocated Assets	(53,097.29)	105,765.49	40,336.12	(53,097.29)	40,336.11	(53,097.29)	43,706.60
	Total	1,271,194.52	1,255,456.12	1,136,588.20	1,271,194.52	1,136,588.20	1,274,990.08	1,139,958.68

Part- B - Geographic Segment

The Geographic segment consists of only domestic segment as the Bank does not have any foreign branch.

Additional Information:

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Subsidiary Operations have been grouped under other banking operations.
3. Figures of the previous period / year have been regrouped / reclassified based on current quarter/period's presentation.



NOTES:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 20th May, 2017. The same has been subjected to audit by the Statutory Central Auditors of the Bank.
2. There has been no change in the accounting policies and practices followed during the quarter/year ended 31st March, 2017 as compared to those followed in the preceding financial year ended 31st March, 2016.
3. The above financial results for the quarter/year ended 31st March 2017 have been arrived at after considering Provision for Non-Performing Assets, Standard Assets, Restructured Assets, Depreciation on Investments on the basis of Prudential norms and specific guidelines issued by Reserve Bank of India ("RBI") and other usual and necessary provisions for exposures to entities with unhedged foreign currency exposures, Provision for taxes, depreciation on assets, employee benefits and other provisions for contingencies made on estimated basis.
4. During the quarter, the Bank has made full provision required with respect to all 15 divergent accounts as per RBS Report for the FY 2015-16. However, out of the above, the Bank has retained the asset classification as "Standard" with respect to six accounts amounting to Rs.1249 crore pending response to the representation of the Bank to RBI for re-consideration of classification. The Auditors have drawn attention under Emphasis of Matter in the Auditor's Report of even date.
5. In compliance with RBI directives, the accounts mentioned under Annexure 3 of Asset Quality Review (AQR), the required provision held in these accounts as per RBI directives has been reviewed as on March 31, 2017 and an amount of Rs.115.33 Crore has been reversed in respect of standard accounts.
6. The Bank is carrying a provision of Rs.9,188.40 Lakhs as at 31st March, 2017 (Rs.9,316.30 Lakhs as at 31st December 2016) being 15% of outstanding food credit availed by the State Government of Punjab as per the RBI letter No. DRB. No. BP.13018/ 21.04.048/2015 – 16 dated 12th April, 2016.
7. Based on the RBI circulars DBR. No. BP. BC.83/21.04.048/2014 – 15 and DBR. No. BP. BC. 92/21.04.048/2015 – 16 dated 18th April, 2016 the Bank has reversed an amount of Rs.29,185.72 Lakhs for the year ended 31st March, 2017 from Provisions in respect of borrowal fraud accounts made as at 31st March, 2016 to 'Other Reserves', consequent to provision being made during the year as per IRAC norms.
8. Provisioning coverage ratio (PCR) of the Bank is 55.17% as at 31st March, 2017.
9. In accordance with RBI circular No. DBOD.NO.BP.BC.2/21.06.201/2015-16 dated 1st July, 2015, on Basel III Capital Regulations read together with RBI Circular No. DBR.No.BP.BC.80/21.06.201/2014 – 15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments, the Bank is required to make Pillar III disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. These disclosures as of 31st March, 2017 are available on the Bank's website www.corpbank.com.
10. During the period ended 31st March, 2017, the Bank has issued and allotted 12,45,70,868 equity shares of Rs.2/- each at a premium of Rs.38.78 to Government of India on preferential basis on 28th September, 2016 for a total consideration of Rs.50,800.00 Lakhs. Accordingly, Earnings Per Share ("EPS") has been calculated on weighted average number of equity shares as specified in Accounting Standard 20 – 'Earnings Per Share' issued by the Institute of Chartered Accountants of India.



11. Tax provision for the year ended 31st March , 2017 includes reversal of deferred tax asset (net) amounting to Rs.31,495.20 Lakhs, provision of Rs.1312.40 lakhs for earlier years and Minimum Alternate Tax (MAT) credit amounting to Rs.5,291.22 Lakhs. MAT liability of Rs.17,980.36 lakhs has been considered along with MAT credit entitlement as part of tax expenses for the period ended 31st March, 2017.
12. Figures for the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter to the respective financial year.
13. Figures for the corresponding period have been regrouped /reclassified, wherever necessary to conform to current period's classification.



[Gopal Murli Bhagat]
Executive Director



[Jai Kumar Garg]
Managing Director & CEO

Place: Mangaluru

Date: 20th May, 2017



INDEPENDENT AUDITORS' REPORT

To,
The Members of Corporation Bank,
Mangaluru

Report on the Standalone Financial Statements:

1. We have audited the accompanying Standalone Financial Statements of Corporation Bank ('the Bank') as at March 31, 2017, which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss Account and the Cash Flow Statement (hereinafter referred to as "Standalone Financial Statements") for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these Standalone Financial Statements are the returns of 20 branches audited by us and 1,542 branches audited by statutory branch auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 1,020 branches which have not been subjected to audit. These unaudited branches account for 5.23 percent of advances, 7.65 percent of deposits, 3.40 percent of interest income and 5.47 percent of interest expenses.

Management's Responsibility for the Standalone Financial Statements:

2. Management is responsible for the preparation of these Standalone Financial Statements in accordance with the Banking Regulation Act 1949, Reserve Bank of India guidelines from time to time and accounting standards generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the Standalone Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Standalone Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the



reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Standalone Financial Statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

6. In our opinion, as shown by books of bank and to the best of our information and according to the explanations given to us:
- (a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at March 31, 2017 in conformity with accounting principles generally accepted in India;
 - (b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - (c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to Note No. 4.3 of Schedule 18 A to the Standalone Financial Statements, wherein the provision is made for all accounts in RBI – Risk Based Supervision (RBS) Report for the FY 2015-16, but retaining the asset classification in respect of six accounts amounting to Rs.1249.00 Crores as “Standard”, pending response to representation for re-consideration of classification by RBI. Our opinion is not modified in respect of this matter.






Report on Other Legal and Regulatory Requirements:

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Form ‘A’ and ‘B’ respectively of the Third Schedule to the Banking Regulation Act, 1949;
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.



9. We further report that:

- a) the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
- b) the reports on the accounts of the branch/offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- c) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards.

For M.Anandam & Co. Chartered Accountants FRN: 000125S  [CA B.V.Suresh Kumar] Partner Membership No.212187	For Datta Singla & Co. Chartered Accountants FRN: 006185N  [CA Sandeep Datta] Partner Membership No.092413	For A.K Sabat & Co. Chartered Accountants FRN: 321012E  [CA Arun Kumar Sabat] Partner Membership No.030310
For Pramod & Associates Chartered Accountants FRN: 001557C  [CA Ravindra Raniwala] Partner Membership No.073191	For Ponraj & Co. Chartered Accountants FRN: 002672S  [CA K.Paramanandham] Partner Membership No.020635	

Place: Mangaluru

Date: May 20, 2017



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of Corporation Bank,

Report on the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Corporation Bank ('the Bank') and its Subsidiary, Corpbank Securities Limited, (collectively referred to as "the Group"), as at 31st March 2017, the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement of the Group for the year ended on that date.

Management's Responsibility for the Consolidated Financial Statements

2. The consolidated financial statements are the responsibility of the Bank's Management and have been prepared by the management on the basis of separate financial statements and other financial information of the subsidiary. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
3. These consolidated financial statements have been prepared by the Bank in accordance with the requirements of AS 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India and the guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Opinion




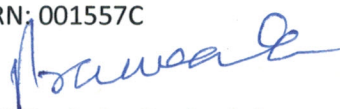

7. Based on our audit, consideration of the report of other auditor on separate financial statements of the subsidiary and to the best of our information and accordingly to the explanations given to us read with paragraphs 1 to 6 above, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
- In the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March 2017;
 - In the case of the consolidated profit & loss account, the consolidated profit of the Group for the year ended on that date, and
 - In the case of consolidated cash flow statement gives a true and fair view of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 9 of Schedule 18 to the Consolidated Financial Statements, wherein the Bank has made the provision for all divergent accounts in RBS Report for the FY 2015-16, but retained the asset classification of six accounts amounting to Rs.1249.00 Crores as "Standard" pending representation of the Bank for re-consideration of classification by RBI. Our opinion is not modified in respect of this matter.

Other Matters

8. We have not audited the financial statements of the Subsidiary, Corpbank Securities Limited, whose financial statements reflect total assets of Rs. 112.99 Crores as at March 31, 2017 and total revenues of Rs.8.03 Crores for the year ended on that date. These financial statements have been audited by another auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the said subsidiary, is based solely on the report of the other auditor.

For M.Anandam & Co. Chartered Accountants FRN: 000125S  [CA B.V.Suresh Kumar] Partner Membership No.212187	For Datta Singla & Co. Chartered Accountants FRN: 006185N  [CA Sandeep Datta] Partner Membership No.092413	For A.K Sabat & Co. Chartered Accountants FRN: 321012E  [CA Arun Kumar Sabat] Partner Membership No.030310
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Place: Mangaluru

Date : May 20, 2017

