

## **LIMITED REVIEW REPORT**

To

**The Board of Directors,  
Corporation Bank**

Mangaluru.

1. We have reviewed the accompanying statement of unaudited financial results of Corporation Bank for the quarter ended 30.06.2015 except for disclosures regarding 'Public Shareholding', 'Promoter' and 'Promoter Group Shareholding' which are as disclosed by the management and have not been reviewed by us. This statement is the responsibility of the bank's management and has been approved by its Board of Directors. Our responsibility is to issue a report on these unaudited 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 of material misstatement. A review of interim financial information consists of making enquiries, 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. In the conduct of our review, in addition to 20 branches reviewed by us, we have relied on the review reports in respect of non-performing assets, received from independent auditors of 10 branches specifically appointed for this purpose. These review reports together cover 53.24% of the advances portfolio (excluding outstanding of asset recovery branches and food credit advance) of the bank and 63.68% of NPA to total NPA of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the other un-reviewed branches of the bank.



4. Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with the applicable accounting standards and other recognized accounting policies and practices, 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 mis-statement 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 B.K. Ramadhyani & Co. LLP  
Chartered Accountants  
FRN-002878S/S200021

*C.R. Deepak*  
[CA C.R. Deepak]

M.No.215398  
Partner

for Nripendra & Co.  
Chartered Accountants  
FRN-000379C

*Rahul Gupta*  
[CA Rahul Gupta]

M.No.077811  
Partner

for GMJ & Co.  
Chartered Accountants  
FRN-103429W

*Atul Jain*  
[CA Atul Jain]

M. No.037097  
Partner

for Manohar Chowdhry & Associates  
Chartered Accountants  
FRN-001997S

*Murali Mohan Bhat*  
[CA Murali Mohan Bhat]

M.No. 203592  
Partner

for M. Anandam & Co.  
Chartered Accountants  
FRN-000125S

*R. Sivaraman*  
[CA R.Sivaraman]

M.No. 023952  
Partner

Place: Mangaluru  
Date: August 7, 2015



[₹ in lakhs]

Sl. No.	Particulars	Quarter Ended			Year ended
		30.06.2015 (Reviewed)	31.03.2015 (Audited)	30.06.2014 (Reviewed)	31.03.2015 (Audited)
1	Interest earned (a)+(b)+(c)+(d)	493276.53	488164.14	485342.04	1955644.48
	(a) Interest / Discount on Advances / Bills	375847.92	372262.56	364120.03	1480533.63
	(b) Income on Investments	102242.82	100242.71	106631.60	416582.59
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	323.12	573.40	465.54	1511.32
	(d) Others	14862.67	15085.47	14124.87	57016.94
2	Other Income	40183.46	50363.98	36160.38	148246.22
3	TOTAL INCOME (1+2)	533459.99	538528.12	521502.42	2103890.70
4	Interest Expended	385204.53	376765.04	390918.23	1548610.42
5	Operating Expenses (i) + (ii)	67405.22	65226.44	60829.04	252535.71
	(i) Employees cost	32482.74	30745.65	28965.42	118222.22
	(ii) Other Operating Expenses	34922.48	34480.79	31863.62	134313.49
	(All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)				
6	TOTAL EXPENDITURE (4+5) Excluding Provisions and contingencies)	452609.75	441991.48	451747.27	1801146.13
7	Operating Profit before Provisions and Contingencies (3-6)	80850.24	96536.64	69755.15	302744.57
8	Provisions (other than tax ) and Contingencies	62139.52	92649.16	45890.28	255198.92
9	Exceptional items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from ordinary Activities before tax (7-8-9)	18710.72	3887.48	23864.87	47545.65
11	Tax Expense	-1715.52	-619.52	718.00	-10879.92
12	Net Profit (+)/Loss (-) from ordinary Activities after tax (10-11)	20426.24	4506.99	23146.87	58425.57
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	20426.24	4506.99	23146.87	58425.57
15	Paid-up equity share capital (Face value of the Share is Rs. 2)*	16754.19	16754.19	16754.19	16754.19
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	1031693.59	1031693.59	991756.37	1031693.59
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	63.33%	63.33%	63.33%	63.33%
	(ii) Capital Adequacy Ratio				
	Basel II				
	Tier I	11.91%	11.80%	11.84%	11.80%
	Tier II	8.41%	8.28%	8.08%	8.28%
	Tier III	3.50%	3.52%	3.76%	3.52%
	Basel III				
	Tier I	11.28%	11.09%	11.21%	11.09%
	Tier II	8.18%	8.05%	7.86%	8.05%
	Tier III	3.10%	3.04%	3.35%	3.04%
	(iii) Earning Per Share (EPS) (in Rs.)*				
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (Not annualised)	2.44	0.54	2.76	6.97
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	2.44	0.54	2.76	6.97
	(iv) NPA Ratios				
	(a) Gross NPA	776543.76	710667.88	546994.01	710667.88
	(b) Net NPA	498390.09	446497.94	369424.41	446497.94
	(c) % of Gross NPA	5.43%	4.81%	3.96%	4.81%
	(d) % of Net NPA	3.55%	3.08%	2.71%	3.08%
	(v) Return on Assets (annualised)	0.38%	0.08%	0.44%	0.28%
18	Public Shareholding				
	Number of Shares (in lakhs)	3071.83	3071.83	3071.83	3071.83
	Percentage of Share Holding	36.67%	36.67%	36.67%	36.67%
19	Promoters and Promoter Group Shareholding				
	(a) Pledged/ Encumbered				
	Number of Shares	0.00	0.00	0.00	0.00
	Percentage of Shares ( as a % of the total shareholding of promoter and promoter group)	0.00	0.00	0.00	0.00
	Percentage of Shares (as a % of the total share capital of the Company)	0.00	0.00	0.00	0.00
	(b) Non-encumbered				
	Number of Shares (in lakhs)	5305.26	5305.26	5305.26	5305.26
	Percentage of Shares ( as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	Percentage of Shares (as a % of the total share capital of the Company)	63.33%	63.33%	63.33%	63.33%

\* w.e.f. 23rd January 2015, the face value of equity share of the Bank was split from face value of Rs.10/- to the face value of Rs.2/- each.



**SEGMENT REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30<sup>th</sup> June 2015**

**Part - A- Business Segments**

(Rs in Lakh)

Particulars	Quarter Ended			Year ended 31-03-2015 (Audited)
	3-Months ended 30-06-2015 (Reviewed)	3-Months ended 31-03-2015 (Audited)	3-Months ended 30-06-2014 (Reviewed)	
<b>Segment Revenue</b>				
i) Treasury Operations	110134.99	110588.50	116157.27	442272.23
ii) Wholesale Banking	265719.72	270256.59	269931.20	1070274.38
iii) Retail Banking	136035.49	137288.82	117369.12	515906.72
iv) Other Banking Operations	21569.79	20394.21	18044.83	75437.37
<b>Total</b>	<b>533459.99</b>	<b>538528.12</b>	<b>521502.42</b>	<b>2103890.70</b>
<b>Segment Results</b>				
Profit (+) Loss (-) before tax and after interest from each segment				
i) Treasury Operations	6317.32	22698.07	33113.37	76851.17
ii) Wholesale Banking	21465.01	-14004.72	10299.00	8828.04
iii) Retail Banking	16650.76	28986.84	13653.25	82818.77
iv) Other Banking Operations	-25722.37	-33792.72	-33200.75	-120952.34
<b>Total</b>	<b>18710.72</b>	<b>3887.47</b>	<b>23864.87</b>	<b>47545.64</b>
<b>Unallocated Expenses</b>	0.00	0.00	0.00	0.00
<b>Operating Profit</b>	<b>18710.72</b>	<b>3887.47</b>	<b>23864.87</b>	<b>47545.64</b>
<b>Income Tax</b>	-1715.52	-619.52	718.00	-10879.92
<b>Extraordinary Profit/Loss</b>	0.00	0.00	0.00	0.00
<b>Net Profit</b>	<b>20426.24</b>	<b>4506.99</b>	<b>23146.87</b>	<b>58425.56</b>
<b>Other Information</b>				
<b>Segment Assets</b>				
i) Treasury Operations	5364897.66	5484918.51	5533203.41	5484918.51
ii) Wholesale Banking	9267398.96	9792181.10	9455075.05	9792181.10
iii) Retail Banking	4824371.17	4727391.37	4239568.18	4727391.37
iv) Other Banking Operations	2154080.89	2305343.40	2307692.35	2305343.40
iv) Unallocated Assets	295979.65	289467.41	251512.32	289467.41
<b>Total Assets</b>	<b>21906728.33</b>	<b>22599301.79</b>	<b>21787051.31</b>	<b>22599301.79</b>
<b>Segment Liabilities</b>				
i) Treasury Operations	5076299.40	5199028.58	5229359.56	5199028.58
ii) Wholesale Banking	9013530.65	9555524.96	9143535.73	9555524.96
iii) Retail Banking	4633391.23	4541808.78	4076898.42	4541808.78
iv) Other Banking Operations	2040197.52	2184320.38	2179858.43	2184320.38
v) Unallocated Liabilities	74435.51	70171.31	125741.74	70171.31
vi) Capital and Reserves	1068874.02	1048447.78	1031657.43	1048447.78
<b>Total Liabilities</b>	<b>21906728.33</b>	<b>22599301.79</b>	<b>21787051.31</b>	<b>22599301.79</b>

**Part- B - Geographic Segment**

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



## **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 7<sup>th</sup> August 2015. The same have been subjected to a limited review by the Statutory Central Auditors of the Bank.
2. There has been no change in the accounting policies and practices followed during the quarter ended 30<sup>th</sup> June 2015 as compared to those followed in the preceding financial year ended 31<sup>st</sup> March 2015.
3. The financial results for the quarter ended 30<sup>th</sup> June 2015, have been arrived at after considering Provision for Non-Performing Assets, Standard Assets, Restructured Assets, Depreciation on the basis of Prudential norms and specific guidelines issued by RBI and provisions for exposures to entities with unhedged foreign currency exposures. Provision for taxes, depreciation on assets, employee benefits and other provisions for contingencies have been considered on estimated basis.
4. In case of Restructured Standard Advances - classification of advances, income recognition and provisioning thereon have been done, based on substantial compliance of major conditions contained in restructuring undertaken under JLF/CDR /RBI guidelines.
5. During the quarter ended 30<sup>th</sup> June,2015, the Bank, following the RBI Circular No. DBR.No.BP.BC.27/21.04.048/2015-16 dated 2<sup>nd</sup> July 2015, has changed the basis of calculation of provision for diminution in fair value from base rate / PLR as on the date of restructuring plus appropriate term / credit risk premium to the actual interest rate charged before restructuring for the purpose of discounting future cash flows. Consequent to this change, there is a net write back of provision pertaining to the period upto 31.03.2015 amounting to Rs.400.94 Crore during this quarter.
6. In accordance with RBI guidelines, the bank has transferred securities with book value of Rs.1655.33 crore during 1<sup>st</sup> quarter of FY 2015-16 (corresponding quarter for the previous year Rs.3014.84 crore) from AFS to HTM category and recognised the resultant mark to market loss of Rs.15.41 crore upon such transfer (corresponding quarter for the previous year Rs.130.36 crore). Further the Bank has transferred securities from HTM to AFS amounting to Rs.490.43 Crores during 1<sup>st</sup> quarter of FY 2015-16 (corresponding quarter for the previous year Rs.17.91 Crore),
7. Provisioning coverage ratio of the Bank as at 30<sup>th</sup> June 2015 is 57.17% as against 55.34% as at 31<sup>st</sup> March 2015.






8. In accordance with RBI circular No. DBOD.NO.BP.BC.2/21.06.201 /2013-14 dated 01.07.2013, Banks are required to make Pillar III disclosures under Basel III Capital regulations. Accordingly, Pillar III disclosures under BASEL III Capital regulations are being made available on Bank's Website "[www.corpbank.com](http://www.corpbank.com)". The disclosures have not been subjected to review by the Statutory Central Auditors.

9. Status of Investor Complaints is as follows:

	No. of complaints
a. Pending as on 31 <sup>st</sup> March 2015	Nil
b. Received during the Quarter	81
c. Disposed off during the Quarter	81
d. Pending as on 30 <sup>th</sup> June 2015	Nil

10. Figures for the corresponding period have been regrouped /reclassified, wherever necessary.

  
[B. K. Srivastav]  
Executive Director

  
[S.R. Bansal] 7/8  
Chairman & Managing Director


**In terms of report of even date**

for B.K. Ramadhyani & Co. LLP  
Chartered Accountants  
FRN-002878S/S200021

  
[CA C.R. Deepak]

M.No.215398  
Partner

for Nripendra & Co.  
Chartered Accountants  
FRN-000379C

  
[CA Rahul Gupta]

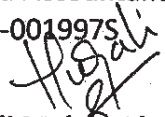
M.No.077811  
Partner

for GMJ & Co.  
Chartered Accountants  
FRN-103429W

  
[CA Atul Jain]

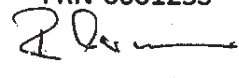
M. No.037097  
Partner

for Manohar Chowdhry & Associates  
Chartered Accountants  
FRN-001997S

  
[CA Murali Mohan Bhat]

M.No. 203592  
Partner

for M. Anandam & Co.  
Chartered Accountants  
FRN-000125S

  
[CA R. Sivaraman]

M.No. 023952  
Partner

Place: Mangaluru  
Date: August 7, 2015

