

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/352/2018-19

दिनांक Date: 13th नवंबर November 2018

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
--	--

महोदय Sir,

**Unaudited (Reviewed) Financial Results of the Bank for the Second Quarter / Half Year Ended on
30th September 2018.**

This has reference to our earlier letter ISD/333/2018-19 dated 2nd November 2018 on the captioned subject. Pursuant to Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Unaudited (Reviewed) Financial Results of the Bank for the second quarter / half year ended on 30th September 2018. The results have been approved by the Board of Directors of the Bank at their meeting held today (i.e. 13th November 2018). The Board Meeting ended at 16:30 hours.

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/135180>

Kindly acknowledge the receipt of the same.

भवदीय Yours faithfully,

(एस.के. दाश S.K. Dash)

उप महाप्रबंधक (कंपनी सचिव)

Deputy General Manager (Company Secretary)

संलग्न Encl.: Unaudited (Reviewed) Financial Results as on 30.09.2018.



CORPORATION BANK
HEAD OFFICE: MANGALADEVI TEMPLE ROAD, MANGALURU - 575 001
REVIEWED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30TH SEPTEMBER, 2018

[Rs. in Lakhs]

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2018 (Reviewed)	30.06.2018 (Reviewed)	30.09.2017 (Reviewed)	30.09.2018 (Reviewed)	30.09.2017 (Reviewed)	31.03.2018 (Audited)
1	Interest Earned (a+b+c+d)	3,97,056.52	4,19,059.29	4,62,648.53	8,16,115.81	9,04,738.09	17,62,833.27
	(a) Interest / Discount on Advances / Bills	2,84,144.83	2,91,602.84	3,06,221.37	5,75,747.67	5,86,189.61	11,47,120.84
	(b) Income on Investments	1,01,823.75	1,07,848.06	1,32,645.20	2,09,671.81	2,58,970.65	5,16,438.96
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	719.86	53.05	2,569.70	772.91	3,554.31	8,170.14
	(d) Others	10,368.08	19,555.34	21,212.26	29,923.42	56,023.52	91,103.33
2	Other Income	24,623.16	78,733.08	71,810.60	1,03,356.24	1,41,020.65	2,31,308.08
3	TOTAL INCOME (1+2)	4,21,679.68	4,97,792.37	5,34,459.13	9,19,472.05	10,45,758.74	19,94,141.35
4	Interest Expended	2,51,295.74	2,62,637.65	3,38,744.11	5,13,933.39	6,77,335.30	12,79,010.86
5	Operating Expenses (i) + (ii)	80,478.34	82,100.57	79,450.88	1,62,578.91	1,60,529.56	3,20,088.86
	(i) Employees cost	41,489.57	41,516.92	38,479.62	83,006.49	75,930.77	1,59,282.24
	(ii) Other Operating Expenses	38,988.77	40,583.65	40,971.26	79,572.42	84,598.79	1,60,806.62
6	TOTAL EXPENDITURE (4+5) excluding provisions and contingencies	3,31,774.08	3,44,738.22	4,18,194.99	6,76,512.30	8,37,864.86	15,99,099.72
7	Operating Profit before Provisions and Contingencies (3-6)	89,905.60	1,53,054.15	1,16,264.14	2,42,959.75	2,07,893.88	3,95,041.63
8	Provisions (other than tax) and Contingencies	80,832.40	1,61,193.51	2,66,881.35	2,42,025.91	3,82,466.55	10,63,127.45
	Of which Provisions for Non Performing Assets	72,856.23	1,50,842.61	2,53,595.34	2,23,698.83	4,04,613.05	10,98,213.51
9	Exceptional items	-	-	-	-	-	-
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	9,073.20	(8,139.36)	(1,50,617.21)	933.84	(1,74,572.67)	(6,68,085.82)
11	Tax Expense	(1,228.18)	(16,635.80)	(47,097.13)	(17,863.98)	(77,067.14)	(2,62,691.50)
12	Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)	10,301.38	8,496.44	(1,03,520.08)	18,797.82	(97,505.53)	(4,05,394.32)
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit (+)/Loss (-) for the period (12-13)	10,301.38	8,496.44	(1,03,520.08)	18,797.82	(97,505.53)	(4,05,394.32)
15	Paid-up equity share capital (Face Value Rs.2 each)	33,310.97	33,310.97	22,941.13	33,310.97	22,941.13	33,310.97
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	-	-	-	-	-	9,86,592.68
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	79.87%	79.87%	70.76%	79.87%	70.76%	79.87%
	(ii) Capital Adequacy Ratio - Basel III	11.04%	8.46%	10.23%	11.04%	10.23%	9.23%
	(a) Common Equity Tier 1 Ratio	8.65%	6.07%	7.00%	8.65%	7.00%	5.68%
	(b) Additional Tier 1 Ratio	0.25%	0.25%	0.94%	0.25%	0.94%	1.59%
	(iii) Earning Per Share (EPS) (in Rs.) (Not annualised)						
	a) Basic and diluted EPS before Extraordinary items (net of tax expense)	0.62	0.51	(9.02)	1.13	(8.50)	(35.30)
	b) Basic and diluted EPS after Extraordinary items	0.62	0.51	(9.02)	1.13	(8.50)	(35.30)
	(iv) NPA Ratios						
	(a) Amount of Gross NPA	21,71,416.21	21,75,321.64	20,68,487.61	21,71,416.21	20,68,487.61	22,21,343.86
	(b) Amount of Net NPA	13,53,401.13	13,33,327.18	13,08,259.17	13,53,401.13	13,08,259.17	14,07,701.58
	(c) Percentage of Gross NPA	17.46%	17.44%	15.28%	17.46%	15.28%	17.35%
	(d) Percentage of Net NPA	11.65%	11.46%	10.24%	11.65%	10.24%	11.74%
	(v) Return on Assets (annualised)	0.21%	0.17%	-1.70%	0.19%	-0.80%	-1.67%





CORPORATION BANK

HEAD OFFICE : MANGALADEVI TEMPLE ROAD, MANGALURU - 575001

SEGMENT REPORTING FOR THE QUARTER ENDED 30th SEPTEMBER, 2018

Part A: Business Segment

[Rs. in Lakh]

	Particulars	Quarter ended			Half Year ended		Year Ended
		30.09.2018 (Reviewed)	30.06.2018 (Reviewed)	30.09.2017 (Reviewed)	30.09.2018 (Reviewed)	30.09.2017 (Reviewed)	31.03.2018 (Audited)
1	Segment Revenue						
i)	Treasury Operations	98,302.43	1,11,429.25	1,79,688.56	2,09,731.68	3,56,877.57	6,42,973.21
ii)	Wholesale Banking	1,53,067.94	2,12,822.18	1,76,275.24	3,65,890.12	3,39,317.34	7,17,408.27
iii)	Retail Banking	1,51,658.31	1,46,931.66	1,57,886.57	2,98,589.97	3,02,099.89	5,38,559.87
iv)	Other Banking Operations	9,808.68	9,281.56	13,065.40	19,090.24	24,094.48	45,161.96
v)	Unallocated	8,842.32	17,327.72	7,543.32	26,170.04	23,369.44	50,038.04
	Income from Operations	4,21,679.68	4,97,792.37	5,34,459.09	9,19,472.05	10,45,758.72	19,94,141.35
2	Segment Result						
	Profit (+)/ Loss (-) before tax and after interest from each segment						
i)	Treasury Operations	(3,601.07)	1,688.11	26,124.97	(1,912.96)	54,649.07	46,445.04
ii)	Wholesale Banking	12,777.43	(31,002.36)	(1,96,852.76)	(18,224.93)	(2,42,638.16)	(6,81,920.94)
iii)	Retail Banking	27,153.70	30,274.24	41,303.15	57,427.94	56,858.15	41,924.58
iv)	Other Banking Operations	9,804.17	9,272.70	13,056.11	19,076.87	24,081.75	45,125.84
	Total	46,134.25	10,232.69	(1,16,368.53)	56,366.94	(1,07,049.19)	(5,48,425.48)
	Less: Unallocated Expenses (net off unallocable income)	37,061.04	18,372.05	34,248.71	55,433.09	67,523.51	1,19,660.34
	Total Profit / (Loss) before Tax	9,073.21	(8,139.36)	(1,50,617.24)	933.85	(1,74,572.70)	(6,68,085.82)
	Less / (Add) : Tax Expenses	(1,228.18)	(16,635.80)	(47,097.13)	(17,863.98)	(77,067.14)	(2,62,691.50)
	Extra-ordinary Items	-	-	-	-	-	-
	Net Profit / (Loss)	10,301.38	8,496.44	(1,03,520.11)	18,797.82	(97,505.56)	(4,05,394.32)
3	Segment Assets						
i)	Treasury Operations	55,20,275.61	56,57,992.82	80,08,079.90	55,20,275.61	80,08,079.90	72,19,600.76
ii)	Wholesale Banking	63,30,611.58	64,58,339.56	67,07,037.37	63,30,611.58	67,07,037.37	66,93,056.14
iii)	Retail Banking	60,74,218.64	60,13,168.32	68,69,184.57	60,74,218.64	68,69,184.57	60,87,173.52
iv)	Other Banking Operations	403.31	520.07	368.78	403.31	368.78	506.87
v)	Unallocated Assets	22,19,623.15	18,40,547.23	23,95,067.83	22,19,623.15	23,95,067.83	21,88,788.26
	Total	2,01,45,132.29	1,99,70,568.00	2,39,79,738.45	2,01,45,132.29	2,39,79,738.45	2,21,89,125.55
4	Segment Liabilities						
i)	Treasury Operations	49,81,560.06	52,22,715.17	71,50,267.44	49,81,560.06	71,50,267.44	65,71,983.24
ii)	Wholesale Banking	58,02,064.49	60,83,126.28	60,59,595.73	58,02,064.49	60,59,595.73	62,14,749.33
iii)	Retail Banking	58,61,340.24	57,66,146.32	72,82,860.52	58,61,340.24	72,82,860.52	61,24,415.32
iv)	Other Banking Operations	362.73	480.14	323.79	362.73	323.79	460.21
v)	Unallocated Liabilities	21,13,924.33	18,05,018.44	23,13,001.99	21,13,924.33	23,13,001.99	21,92,932.25
	Total	1,87,59,251.85	1,88,77,486.35	2,28,06,049.47	1,87,59,251.85	2,28,06,049.47	2,11,04,540.35
5	Capital Employed (Segment assets - Segment liabilities)						
i)	Treasury Operations	5,38,715.55	4,35,277.65	8,57,812.46	5,38,715.55	8,57,812.46	6,47,617.52
ii)	Wholesale Banking	5,28,547.09	3,75,213.28	6,47,441.64	5,28,547.09	6,47,441.64	4,78,306.81
iii)	Retail Banking	2,12,878.39	2,47,022.00	(4,13,675.95)	2,12,878.39	(4,13,675.95)	(37,241.80)
iv)	Other Banking Operations	40.58	39.93	44.99	40.58	44.99	46.66
v)	Unallocated Assets	1,05,698.82	35,528.79	82,065.84	1,05,698.82	82,065.84	(4,143.99)
	Total	13,85,880.44	10,93,081.65	11,73,688.98	13,85,880.44	11,73,688.98	10,84,585.20

Part B : Geographic Segment

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

Notes on Segment Reporting:

- As per guidelines of RBI on compliance with Accounting Standards, the Bank has adopted "Treasury Operations", Wholesale, Retail and "Other Banking Operations" as Primary segments under "Domestic Segment" for the purpose of compliance with AS-17 on "Segment Reporting" issued by ICAI.
- Segment Liabilities are distributed in the ratio of their respective Segment Assets.
- Figures of the previous period / year have been regrouped / reclassified based on current quarter / period's presentation.





CORPORATION BANK
SUMMARISED BALANCE SHEET

[Rs. in Lakhs]

CAPITAL AND LIABILITIES:	As on 30.09.2018 (Reviewed)	As on 30.09.2017 (Reviewed)	As on 31.03.2018 (Audited)
Capital	33,310.97	22,941.13	33,310.97
Reserves and Surplus	10,97,069.46	11,50,747.84	10,51,274.23
Share Application Money Pending Allotment	2,55,500.00	-	-
Deposits	1,75,03,346.56	2,01,48,817.07	1,83,31,594.98
Borrowings	8,28,680.72	19,79,678.81	22,17,108.36
Other Liabilities and Provisions	4,27,224.58	6,77,553.59	5,55,837.01
Total	2,01,45,132.29	2,39,79,738.44	2,21,89,125.55
ASSETS:			
Cash/Gold and Balances with Reserve Bank of India	12,55,134.97	10,37,596.65	11,14,015.36
Balances with Banks and Money at Call and Short notice	37,308.81	4,99,600.33	17,747.66
Investments	53,84,276.36	78,58,586.26	70,34,975.60
Advances	1,16,19,663.41	1,27,81,181.74	1,19,86,883.71
Fixed Assets	1,45,167.30	1,24,670.27	1,22,921.10
Other Assets	17,03,581.44	16,78,103.19	19,12,582.12
Total	2,01,45,132.29	2,39,79,738.44	2,21,89,125.55



NOTES:

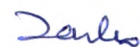
1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their meeting held on 13th November, 2018. The same have been subjected to limited review by the Statutory Central Auditors of the Bank and are in compliance to the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
2. There has been no change in the accounting policies and practices followed during the quarter/half year ended 30th September, 2018 as compared to those followed in the preceding financial year ended 31st March, 2018.
3. The financial results for the quarter/half year ended 30th September, 2018 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"). The 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 have been made on estimated basis.
4. In accordance with RBI guidelines, the Bank had shifted the securities from Held To Maturity ("HTM") to Available For Sale ("AFS") category amounting to Rs.12390.91 crore and from AFS to HTM category amounting to Rs.8692.94 crore during the half year ended September 30, 2018 and the resultant depreciation of Rs.238.52 crore on shifting of securities from AFS to HTM category has been accounted.
5. The Bank is carrying a provision of Rs.29.27 crore as at 30th September, 2018 being 5% of outstanding food credit availed by the State Government of Punjab as per the RBI letter No. DBR (BP) No/ 3992/ 21.04.048/2016 – 17 dated 3rd Oct., 2016.
6. 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, 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 30th September, 2018 are available on the Bank's website www.corpbank.com. These disclosures are not subjected to limited review by the Statutory Central Auditors of the Bank.
7. During the period under review, the Bank has revalued its Land and Building (other than leasehold land) as on 30th September 2018. The incremental amount of Rs.269.97 crore has been credited to Revaluation Reserve by adopting the average of the Estimated Market Value of such assets, as certified by the Registered Approved Valuers.
8. During the quarter, the Bank has received capital infusion to the tune of Rs.2555 crore from Government of India which has been shown under share application money, pending allotment. The said share application money has been treated as part of capital for the quarter ended 30th September, 2018 as permitted by RBI vide letter ref. DBR.CO.BP.No.2949/21.01.002/2018-19 dated 10th October, 2018. The shares have been allotted to Government of India on 11th October, 2018.
9. In terms of RBI communication DBR No. BP.8756/21.04.048/2017-18 dated 2nd April, 2018 Bank is maintaining higher of, provision as per IRAC norms or @ 50% of the secured portion and 100% of the unsecured portion, in respect of NCLT (List 1 & List 2) accounts. Bank is holding total provision of Rs.6,395 crore against outstanding amount of Rs.9,051 crore (i.e. 70.66%) on these accounts as on September 30, 2018.



10. RBI vide its circulars DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 and DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 has permitted the banks to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarters ended 31st December, 2017, 31st March, 2018 and 30th June, 2018 equally over up to four quarters commencing from the quarter in which the loss is incurred. Accordingly, during the quarter/ half year ended 30th September, 2018 the Bank has charged depreciation of Rs.60.01 Crore & Rs.120.02 crore respectively on investments which is related to the above three quarters and the balance MTM loss of Rs 109.49 crore has been carried forward to the subsequent quarters of the current financial year.
11. RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated 6th June, 2018 permitted banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between 1st 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 Rs.522.21 crore as standard assets as on 30th September, 2018. Further, the Bank has not recognised interest income of Rs.16.73 crore and is maintaining a standard asset provision of Rs.26.11 crore as on 30th September, 2018 in respect of such borrowers.
12. Reserve Bank of India vide their letter no. DBR. BP. 9730/21/21.04.2018/2017-18 dated 27th April, 2018 has given the option to the Banks to spread the additional liability on account of the enhancement in gratuity limits from Rs.10 lac to Rs.20 lac from 29th March, 2018 under the Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended 31st March, 2018. The Bank has exercised the option and accordingly during the quarter/half year ended 30th September, 2018 the bank charged Rs.19.50 crore and Rs.38.99 crore respectively and the balance amount of Rs.19.49 crore will be amortized in next quarter.
13. During the half year ended 30th September, 2018, the Bank has exercised the regulatory call option and redeemed Additional Tier 1 Bonds amounting to Rs.1800.00 crore (Series 1 - 3) on 06th April, 2018.
14. Provision coverage ratio of the Bank as at 30th September, 2018 is 65.47%.
15. The Bank has recognised Deferred Tax Assets (DTA) amounting to Rs.203.04 crore during the half year ended 30th September, 2018 which includes DTA on provision for standard assets amounting to Rs.122.93 crore, which was hitherto not considered for DTA.
16. Figures for the corresponding previous 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: 13th November, 2018



LIMITED REVIEW REPORT






To
Board of Directors
Corporation Bank
Mangaluru.

- 1 We have reviewed the accompanying statements of unaudited financial results ("the statement") of Corporation Bank ("the Bank") for the quarter/half year ended 30th September, 2018. The disclosures relating to "Pillar 3 under Basel III Capital Regulations" as has been disclosed on the bank's website and in respect of which a link has been provided in the above statements, have not been reviewed by us. These financial statements are the responsibility of the bank's management and have been approved by 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 of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In the conduct of our review we have reviewed the returns of 20 branches and a Treasury branch and we have relied on review reports of 30 branches reviewed by other auditors specially appointed for this purpose and un-reviewed returns of 2390 branches. These review reports cover 51.32% of the advances portfolio (excluding outstanding of assets recovery branches and food credit advances) of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.
4. Based on our review conducted as above, subject to limitation in scope as mentioned in para 3 above and read with the notes to Unaudited Financial Results, 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 the applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 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.



5. Without qualifying our conclusion, we draw attention to:

- a. Note No. 10 regarding RBI dispensation permitting banks to spread provision for Mark to Market (MTM) losses on investments held in AFS and HFT category for the quarter ending 31st December 2017, 31st March 2018 and 30th June 2018 and accordingly during the quarter/half year ended 30th Sept 2018 charged depreciation of Rs. 60.01 crore and Rs. 120.02 crore respectively on investments for the said three quarters and balance MTM loss of Rs. 109.49 crore carried forward.
- b. Note No. 12 regarding RBI dispensation permitting banks to spread the additional liability on account of enhancement of gratuity limit and accordingly during the quarter/half year ended 30th September 2018 the bank charged Rs. 19.50crore and Rs.38.99 crore respectively and Rs.19.49 crore deferred to subsequent quarter.
- c. Note No.15 regarding recognizing deferred tax asset (DTA) on provision for standard asset amounting to Rs122.93 crore.

<p>For Datta Singla & Co. Chartered Accountants FRN: 006185N</p>  <p>[CA Sandeep Datta] Partner Membership No.:092413</p>	<p>For A.K Sabat & Co. Chartered Accountants FRN: 321012E</p>  <p>[CA D. Vijaya Kumar] Partner Membership No.: 051961</p>	<p>For Pramod & Associates Chartered Accountants FRN: 001557C</p>  <p>[CA Ravindra Raniwala] Partner Membership No.:073191</p>
<p>For Chandran & Raman Chartered Accountants FRN: 000571S</p>  <p>[CA P R Suresh] Partner Membership No.:027488</p>	<p>For S. Ramanand Aiyar & Co Chartered Accountants FRN: 000990N</p>  <p>[CA Binod C Maharana] Partner Membership No.:056373</p>	

Place : Mangaluru

Date : 13th November, 2018

