AUDITORS' REPORT

To

The President of India

1 We have audited the attached Balance Sheet of CORPORATION BANK as at 31st March 2012 and the Profit and Loss Account annexed thereto for the year ended on that date, in which are incorporated the returns of 20 branches audited by us, 1031 branches audited by other Auditors, 449 un-audited branches and 50 un-audited administrative offices, the returns of which are certified by the Branch Managers. The branches audited by us and the branches audited by other Auditors have been selected by the Bank in accordance with the guidelines issued by the Reserve Bank of India. The un-audited branches account for 0.99% of advances, 3.37% of deposits, 0.68% of interest income and 2.53% of interest expense. We have also audited the cash flow statement as stated in Notes forming part of accounts for the year ended on that date. These financial statements are the responsibility of the Bank's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

3 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.

4 Subject to the limitations of the audit, indicated in paragraph 1 above, and the limitations of disclosures contained in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980;

We report that:

a. In our opinion and to the best of our information, and according to the explanations given to us, and as shown by the Books of the bank:

(i) the Balance sheet, read together with the Significant Accounting Policies and Notes forming an integral part of the Accounts, is a full and fair Balance Sheet containing the necessary particulars and is properly drawn up so as to exhibit a true and fair view, of the state of affairs of the Bank as at 31st March, 2012;

(ii) the Profit and Loss Account read together with the Significant Accounting Policies and Notes forming an integral part of the Accounts, shows a true balance of profit for the year covered by the accounts;

VINOD KUMAR & ASSOCIATES * CHARTERED ACCOUNTANTS * NEW DELHI
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SURESH CHANDRA & ASSOCIATES * CHARTERED ACCOUNTANTS * NEW DELHI

(iii) the cash flow statement gives a true and fair view of the cash flows for the year covered by the Statement and are in conformity with accounting principles generally accepted in India;

(iv) Without qualifying our opinion, we draw attention to Note No.21.7 forming integral part of the accounts (Schedule 18) to the financial statements, which describes deferment of pension liability of the bank to the extent of Rs.331.51 crores pursuant to the exemption granted by the Reserve Bank of India to the public sector banks from of application of the provisions of Accounting Standards (AS)15, Employee Benefits vide its circular no.DBOD.BP.BC/80/21.04.018/ 2010-11 on Re-Opening of Pension Option to Employees of Public Sector Banks and Enhancement in Gratuity Limits-Prudential Regulatory Treatment";

b. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;

c. The transactions of the Bank which have come to our notice have been within the powers of the Bank;

d. The returns received from the offices and branches of the bank have been found adequate for the purposes of our audit.

As per our Report of even date

for Vinod Kumar & Associates
Chartered Accountants
FRN-002304N

[Vinod Jain]
M.No.081263
PARTNER

for O.P. Totla & Co.
Chartered Accountants
FRN-000734C

[S. R. Totla]
M.No.071774
PARTNER

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

[Garima Bansal]
M.No.093031
PARTNER

for K.Varghese & Co.
Chartered Accountants
FRN-004525S

[Sam Varghese]
M.No. 216979
PARTNER

for V.Narayanan & Co.
Chartered Accountants
FRN-002398S

[S. Ananthan]
M.No.026379
PARTNER

for Suresh Chandra &
Associates
Chartered Accountants
FRN-001359N

[Madhur Gupta]
M.No.090205
PARTNER

Place: Mumbai
Date: May 4, 2012

CORPORATION BANK HEAD OFFICE MANGALORE

[Rs. in crore]

SUMMARISED BALANCE SHEET		
	Audited	
CAPITAL AND LIABILITIES	As at 31st March	
	2012	2011
Capital	148.13	148.13
Reserves and Surplus	8127.80	6989.68
Deposits	136142.20	116747.50
Borrowings	14248.10	15965.38
Other liabilities and Provisions	4894.19	3657.90
Total	**163560.42**	**143508.59**
ASSETS		
Cash and Balances with Reserve Bank	9288.23	8142.32
Balances with Banks and Money at Call and Short notice	2409.76	2250.19
Investments	47474.63	43452.74
Advances	100469.02	86850.40
Fixed Assets	355.98	328.97
Other Assets	3562.80	2483.97
Total	**163560.42**	**143508.59**

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SURESH CHANDRA & ASSOCIATES * CHARTERED ACCOUNTANTS * NEW DELHI

Corporation Bank

HEAD OFFICE, MANGALADEVI TEMPLE ROAD, MANGALORE

AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31st MARCH 2012

(₹ in lakhs)

Sl. No.	Particulars	Quarter ended 31.03.2012 (Audited)	Quarter ended 31.12.2011 (Unaudited)	Quarter ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited) Consolidated	Year ended 31.03.2011 (Audited) Consolidated
1	Interest earned (a)+(b)+(c)+(d)	358587.74	336284.38	255536.09	1301778.42	913524.82	1301778.42	913503.80
	(a) Interest / Discount on Advances / Bills	269126.99	245736.27	188225.77	956321.91	647520.90	956321.91	647499.88
	(b) Income on Investments	80496.94	81631.17	59091.04	307033.17	232767.41	307033.16	232767.41
	(c)Interest on balances with Reserve Bank of India and other inter bank funds	1067.03	1162.59	435.18	3552.61	1488.66	3552.62	1488.67
	(d) Others	7896.78	7754.35	7784.10	34870.73	31747.85	34870.73	31747.84
2	Other Income	42330.24	41346.61	47385.62	149261.94	125587.71	150677.11	126554.37
3	TOTAL INCOME (1+2)	400917.98	377630.99	302921.71	1451040.36	1039112.53	1452455.53	1040058.17
4	Interest Expended	275194.70	250103.56	179360.62	987088.53	619550.53	987057.47	619485.72
5	Operating Expenses (i) + (ii)	44297.53	47753.51	50559.62	178355.00	164170.99	178392.60	164201.34
	(i) Employees cost	21606.59	24731.50	29957.13	91322.51	89493.62	91344.09	89510.20
	(ii) Other Operating Expenses	22690.94	23022.01	20602.49	87032.49	74677.37	87048.51	74691.14
	(All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)							
6	TOTAL EXPENDITURE (4+5) Excluding Provisions and contingencies)	319492.23	297857.07	229920.24	1165443.53	783721.52	1165450.07	783687.06
7	Operating Profit before Provisions and Contingencies (3-6)	81425.75	79773.92	73001.47	285596.83	255391.01	287005.46	256371.11
8	Provisions (other than tax) and Contingencies	33771.50	27330.15	25293.39	95045.54	62027.24	95045.54	62027.27
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from ordinary Activities before tax (7-8-9)	47654.25	52443.77	47708.08	190551.29	193363.77	191959.92	194343.84
11	Tax Expense	12528.00	12222.02	13175.00	39947.04	52036.98	40121.21	52331.87
12	Net Profit (+)/Loss (-) from ordinary Activities after tax (10-11)	35126.25	40221.75	34533.08	150604.25	141326.79	151838.71	142011.97
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00		0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	35126.25	40221.75	34533.08	150604.25	141326.79	151838.71	142011.97
15	Paid-up equity share capital (Face value of the Share is Rs. 10)	14812.93	14813.06	14813.06	14812.93	14813.06	14812.93	14813.06
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	812779.63	698967.83	698967.83	812779.63	698967.83	819700.22	705337.67
17	Analytical Ratios							
	(i) Percentage of shares held by Government of India	58.52%	58.52%	58.52%	58.52%	58.52%	58.52%	58.52%
	(ii) Capital Adequacy Ratio							
	Basel I	11.94%	12.34%	12.90%	11.94%	12.90%	12.06%	13.04%
	Tier I	7.65%	7.57%	7.95%	7.65%	7.95%	7.74%	8.04%
	Tier II	4.29%	4.77%	4.95%	4.29%	4.95%	4.32%	5.00%
	Basel II	13.00%	12.84%	14.11%	13.00%	14.11%	13.12%	14.26%
	Tier I	8.33%	7.87%	8.69%	8.33%	8.69%	8.42%	8.80%
	Tier II	4.67%	4.97%	5.42%	4.67%	5.42%	4.70%	5.46%
	(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)	23.71	27.15	24.05	101.67	98.50	102.50	98.98
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	23.71	27.15	24.05	101.67	98.50	102.50	98.98
	(iv) NPA Ratios							
	(a) Gross NPA	127420.95	124917.42	79023.44	127420.95	79023.44	127420.95	79023.44
	(b) Net NPA	86938.53	88528.63	39774.35	86938.53	39774.35	86938.53	39774.35
	(c) % of Gross NPA	1.26%	1.35%	0.91%	1.26%	0.91%	1.26%	0.91%
	(d) % of Net NPA	0.87%	0.96%	0.46%	0.87%	0.46%	0.87%	0.46%
	(v) Return on Assets	0.92%	1.12%	1.12%	1.06%	1.21%	1.06%	1.11%
18	Public Shareholding							
	Number of Shares (in lakhs)	614.40	614.40	614.40	614.40	614.40	614.40	614.40
	Percentage of Share Holding	41.48%	41.48%	41.48%	41.48%	41.48%	41.48%	41.48%
19	Promoters and Promoter Group Shareholding							
	(a) Pledged/ Encumbered							
	Number of Shares	0.00	0.00	0.00	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	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	0.00	0.00	0.00
	(b) Non-encumbered							
	Number of Shares (in lakhs)	866.93	866.93	866.93	866.93	866.93	866.93	866.93
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%
	Percentage of Shares (as a % of the total share capital of the Company)	58.52%	58.52%	58.52%	58.52%	58.52%	58.52%	58.52%

VINOD KUMAR & ASSOCIATES * NEW DELHI * CHARTERED ACCOUNTANTS *

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CORPORATION BANK
CORPORATE OFFICE, MANGALADEVI TEMPLE ROAD, MANGALORE

NOTES FORMING PART OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2012

1. The financial results have been prepared following the same accounting policies and practices as those followed in the annual financial statements for the year ended 31st March 2011.

2. The working results for the year ended 31st March 2012 have been arrived at after considering provision for Non-Performing and Standard Assets, Provision for taxes, Depreciation on Investments and other necessary provisions as per Reserve Bank of India guidelines.

3. In terms of RBI circular no:DBOD.BP.BC.80/21.04.018/2010-11 dated 9th February 2011, after reckoning the available pension fund balance of Rs.338.67 crore, the net incremental liability of Rs.552.53 crore is being amortised over a period of five years starting from 2010-11. Accordingly a sum of Rs.110.51 crore (representing one-fifth of Rs. 552.53 crore) has been charged to the Profit and Loss Account for the year ended 31st March 2012. The net liability relating to serving employees being carried forward in terms of the requirements of the aforesaid circular amounts to Rs. 331.51 crores.

4. Segment Report has been prepared based on the consolidated financial information of the Bank. As the Bank does not have earnings emanating outside India, it is considered to operate in only the domestic segment.

(Rs. Crore)

Sl. No	Particulars	Quarter ended			Year ended			
		31.03.12	31.12.11	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
		Audited	Un-Audited	Audited	Audited			
		Standalone			Standalone		Consolidated	
a)	**Segment Revenue**							
	i) Treasury Operations	689.45	1005.00	715.94	3666.96	2957.05	3666.96	2957.05
	ii) Wholesale Banking	2181.22	1825.13	1455.48	7433.86	4831.96	7433.86	4831.96
	iii) Retail Banking	808.50	857.33	745.57	3068.70	2477.44	3068.70	2477.44
	iv) Other Banking Operations	269.25	117.04	128.79	340.88	193.17	355.35	203.50
	Total	**3948.42**	**3804.50**	**3045.78**	**14510.40**	**10459.62**	**14524.87**	**10469.95**
b)	**Segment Results**							
	Profit (+) Loss (-) before tax and after interest from each segment							
	i) Treasury Operations	55.95	98.19	78.77	260.45	496.87	260.45	496.87
	ii) Wholesale Banking	334.81	218.45	141.40	1077.37	834.93	1077.37	834.93
	iii) Retail Banking	208.51	185.10	147.01	741.48	652.40	741.48	652.40
	iv) Other Banking Operations	(22.78)	85.17	59.18	53.13	21.57	65.47	28.42
	Total	**576.49**	586.91	**426.36**	**2132.43**	**2005.77**	**2144.77**	**2012.62**

VINOD KUMAR & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS · O.P. TOTLA & CO. INDORE CHARTERED ACCOUNTANTS · RAJENDRA K. GOEL & CO. NEW DELHI CHARTERED ACCOUNTANTS · K. VARGHESE & CO. KOCHI CHARTERED ACCOUNTANTS · V. NARAYANAN & CO. CHENNAI CHARTERED ACCOUNTANTS · SURESH CHANDRA & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

c)	**Unallocated Expenses**	99.95	62.47	(-)50.72	226.92	72.13	226.92	72.13
d)	**Operating Profit**	476.54	524.44	477.08	1905.51	1933.64	1917.85	1940.49
e)	**Income Tax**	125.28	122.22	131.75	399.47	520.37	399.47	520.37
f)	**Extraordinary Profit/Loss**	**0.00**	0.00	**0.00**	0.00	0.00	0.00	0.00
g)	**Net Profit**	**351.26**	402.22	**345.33**	**1506.04**	**1413.27**	**1518.38**	**1420.12**
h)	**Other Information**		-	-	-	-		
i)	**Segment Assets**							
	i) Treasury Operations	42264.68	43179.00	44164.84	42264.68	44164.84	42264.68	44164.84
	ii) Wholesale Banking	77124.99	70192.45	68913.61	77124.99	68913.61	77124.99	68913.61
	iii) Retail Banking	23898.49	22227.11	17960.50	23898.49	17960.50	23898.49	17960.50
	ii) Other Banking Operations	18402.90	14937.45	10395.22	18402.90	10395.22	18542.85	10527.80
	iv) Unallocated Assets	1869.36	1989.23	2074.42	1869.36	2074.42	1869.36	2074.42
	Total Assets	**163560.42**	**152525.24**	**143508.59**	**163560.42**	**143508.59**	**163700.37**	**143641.17**
j)	**Segment Liabilities**							
	i) Treasury Operations	39134.03	44868.80	44754.86	39134.02	44754.86	39134.03	44754.86
	ii) Wholesale Banking	72327.60	73660.25	70624.54	72327.60	70624.54	72327.60	70624.54
	iii) Retail Banking	23592.03	24425.81	19662.80	23592.03	19662.80	23592.03	19662.80
	ii) Other Banking Operations	17017.83	101.64	65.54	17017.83	65.54	17157.77	198.12
	v) Unallocated Liabilities	3213.01	1176.15	1263.04	3213.01	1263.04	3213.01	1263.04
	vi) Capital and Reserves	8275.92	8292.59	7137.81	8275.93	7137.81	8275.93	7137.81
	Total Liabilities	**163560.42**	**152525.24**	**143508.59**	**163560.42**	**143508.59**	**163700.37**	**143641.17**

5. Status of Investor Complaints is as follows:

	No. of complaints
a. Pending as on 31st December 2011	NIL
b. Received during the Quarter	58
c. Disposed off during the Quarter	58
d. Pending as on 31st March 2012	Nil

6. Provisioning Coverage Ratio as at 31st March 2012 works out to 89.06% with respect to Gross NPA as at September 30, 2010 and 65.30% with respect to Gross NPA as at 31st March 2012. Provisioning Coverage Ratio of the Bank as on 31.03.2011 is 74.70%.

7. Corresponding period /year figures have been regrouped /reclassified, wherever necessary.

8. The Bank has recommended a dividend of 205% i.e Rs.20.50 per share of the face value of Rs.10/- each.

9. The above results have been approved by the Board of Directors at its meeting held on 04th May 2012. The same have been subjected to audit by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of the listing agreement with Stock Exchanges.

[Amar Lal Daultani]	[Ashwani Kumar]	[Ajai Kumar]
Executive Director	Executive Director	Chairman & Managing Director

Place: Mumbai
Date: 04.05.2012

In terms of our report of even date

for Vinod Kumar & Associates Chartered Accountants FRN-002304N	for O.P. Totla & Co. Chartered Accountants FRN-000734C	for Rajendra K. Goel & Co. Chartered Accountants FRN-001457N
[Vinod Jain] M.No.081263 PARTNER	[S.R.Totla] M.No.071774 PARTNER	[Garima Bansal] M.No.093031 PARTNER
for K. Varghese & Co. Chartered Accountants FRN-004525S	for V. Narayanan & Co. Chartered Accountants FRN-002398S	for Suresh Chandra & Associates Chartered Accountants FRN-001359N
[Sam Varghese] M.No.216979 PARTNER	[S.Ananthan] M.No.026379 PARTNER	[Madhur Gupta] M.No.090205 PARTNER

Place: Mumbai
Date: May 04, 2012