

BANK OF BARODA – (MAURITIUS BRANCHES INCLUDING OFFSHORE BANKING UNIT)

MANAGEMENT DISCUSSION AND ANALYSIS – DECEMBER 2011

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FINANCIAL REVIEW

Principal Activities

During the quarter, the Bank continued its main activities related to general banking business, lending and investing in financial instruments.

Operating Results

The operating results for the quarter ended December 31, 2011 are given in the Statements of comprehensive income.

Net interest income for the quarter has been MUR 55.970 million (December 2010: MUR 55.109 million) and a profit before taxation of MUR 45.620 million was realised (December 2010: MUR 49.786 million) for the quarter. Profits for the quarter ending December 2011 was MUR 41.866 million (December 2010: MUR 44.626 million).

Authorised Agents

The Bank is a foreign branch of Bank of Baroda incorporated in India. It is represented in Mauritius by Mr. S. K. Chawla, its Vice President and the Chief Manager, Mr S.S Sidhu.

Highlights of performance during the quarter ended December 31, 2011:

We highlight below the performance of the Bank during the quarter:

- \* Non-performing loans has decreased to the level of MUR 3.217 million.
- \* Operating expenses (non interest expense) has increased by 14% over the corresponding quarter December 2010.
- \* Total Bank Business i.e (Deposits + advances) reach a level of MUR 30.034 billion at the end of December 2011 as against MUR 25.578 billion at the end of December 2010.
- \* The Bank's deposits at the end of December 2011 were at the level of MUR 7.785 billion ( December 2010: MUR 4.873 billion).
- \* Total Deposits at the end of December 2011 were at a level of MUR 20.896 billion ( December 2010 : MUR 17.653 billion).
- \* The Bank's advances at the end of December 2011 reached the level of MUR 9.138 billion ( December 2010: MUR 7.924 billion).
- \* The size of Balance Sheet was at MUR 25.894 billion ( December 2010: MUR 20.991 billion).

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S.K. CHAWLA  
VICE PRESIDENT  
(MAURITIUS OPERATIONS)

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S.S. SIDHU  
CHIEF MANAGER

Date: 25 January 2012

**BANK OF BARODA – (MAURITIUS BRANCHES INCLUDING OFFSHORE BANKING UNIT)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS – 31 DECEMBER 2011**

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**1. INTERIM FINANCIAL STATEMENTS**

The Interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 31 March 2011 and comply with IAS 34.

**2. RESULTS**

Net interest income for the quarter has been MUR 55.970 million (December 2010: MUR 55.109 million) and a profit before taxation of MUR 45.620 million was realised (December 2010: MUR 49.786 million).

*This communiqué is issued pursuant to Listing Rule 11.3*

*The Board of Directors of the Bank of Baroda accepts full responsibility for the accuracy of the information contained in this communiqué.*

**By order of the Board**

Date: 25 January 2012

Copies of the abridged financial statements can be obtained free of charge upon request at the registered office of the Bank.

## BANK OF BARODA - (MAURITIUS BRANCHES INCLUDING OFFSHORE BANKING UNIT)

UNAUDITED INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

## STATEMENTS OF FINANCIAL POSITION

	31-Dec-11 Rs'000	31-Dec-10 Rs'000	31-Mar-11 Rs'000
<b>Assets</b>			
<b>Cash resources</b>			
Cash and balance with central bank	419,516	820,525	478,648
Balances with bank/ bank abroad	6,781	10,095	9,620
	<u>426,297</u>	<u>830,620</u>	<u>488,268</u>
<b>Securities and Other Investments</b>			
- Held to Maturity	2,698,345	2,235,702	2,744,877
- Available for sale	649,004	246,238	119,181
Placements	12,829,318	9,643,045	9,719,880
	<u>16,176,667</u>	<u>12,124,985</u>	<u>12,583,938</u>
<b>Loans</b>			
Personal	90,844	75,208	88,613
Business	9,001,978	7,839,675	8,219,413
Government	44,982	9,606	-
	<u>9,137,804</u>	<u>7,924,489</u>	<u>8,308,026</u>
Less: Allowance for credit impairment losses	(109,482)	(90,509)	(82,328)
	<u>9,028,322</u>	<u>7,833,980</u>	<u>8,225,698</u>
<b>Others</b>			
Investment properties	16,768	16,768	16,768
Property, plant and equipment	83,861	86,029	85,398
Other assets	162,264	98,622	142,632
	<u>262,893</u>	<u>201,419</u>	<u>244,798</u>
<b>Total Assets</b>	<u>25,894,179</u>	<u>20,991,004</u>	<u>21,542,702</u>
<b>LIABILITIES AND CAPITAL RESOURCES</b>			
<b>Deposits</b>			
Personal	3,406,314	3,291,203	3,128,006
Business	9,585,080	9,365,908	8,653,806
Government	119,890	123,375	175,193
Banks	7,784,644	4,872,665	5,701,711
	<u>20,895,928</u>	<u>17,653,151</u>	<u>17,658,716</u>
<b>Borrowings</b>			
Borrowings from banks	3,625,000	1,982,722	2,628,089
	<u>3,625,000</u>	<u>1,982,722</u>	<u>2,628,089</u>
<b>Other liabilities</b>	<u>361,084</u>	<u>343,649</u>	<u>293,497</u>
<b>Capital resources</b>			
Assigned capital	200,860	200,860	200,860
Reserves	285,193	266,293	343,666
Retained earnings	526,114	544,329	417,874
	<u>1,012,167</u>	<u>1,011,482</u>	<u>962,400</u>
<b>Total equity and liabilities</b>	<u>25,894,179</u>	<u>20,991,004</u>	<u>21,542,702</u>
<b>CONTINGENT LIABILITIES</b>	<u>713,877</u>	<u>707,444</u>	<u>700,812</u>

## BANK OF BARODA - (MAURITIUS BRANCHES INCLUDING OFFSHORE BANKING UNIT)

UNAUDITED INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

## STATEMENTS OF COMPREHENSIVE INCOME

	Quarter to 31-Dec-11	Quarter to 31-Dec-10	9 mths to 31-Dec-11	9 mths to 31-Dec-10	Year to 31-Mar-11
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	211,792	146,225	572,001	436,242	606,676
Interest expense	155,822	91,116	418,558	288,896	407,764
Net interest income	55,970	55,109	153,443	147,346	198,912
Allowance for credit impairment	3,457	5,342	28,371	14,109	23,639
Net interest income after provision for credit impairment	52,513	49,767	125,072	133,237	175,273
Other income	11,884	16,546	45,118	36,134	49,497
Net interest income and other income after provision for credit impairment	64,397	66,313	170,190	169,371	224,770
Non-interest expense	18,777	16,527	48,763	47,676	67,442
Profit before tax	45,620	49,786	121,427	121,695	157,328
Income tax expense	3,754	5,160	13,187	17,509	21,202
Net profit for the period	41,866	44,626	108,240	104,186	136,126
Other comprehensive income / (expense):					
Net fair value gain / (loss) on investments securities	369	-	369	(393)	(188)
Currency translation differences	(31,212)	(27,047)	(58,842)	(89,845)	(36,303)
General banking reserve	-	(884)	-	(884)	-
Other comprehensive income / (expense) for the period	(30,843)	(27,931)	(58,473)	(91,122)	(36,491)
Total comprehensive income for the period	11,023	16,695	49,767	13,064	99,635

BANK OF BARODA - (MAURITIUS BRANCHES INCLUDING OFFSHORE BANKING UNIT)

UNAUDITED INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

STATEMENTS OF CHANGES IN EQUITY

	Assigned Capital	Statutory Reserve	Fair value Reserve	General Banking Reserve	Revaluation Reserve	Capital Reserve	Translation Reserve	Retained Earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At April 1, 2010	200,860	167,752	246	884	75,928	7,559	105,046	440,143	998,418
Total comprehensive income	-	-	(393)	(884)	-	-	(89,845)	104,186	13,064
Release to retained earnings	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Remittance to head office	-	-	-	-	-	-	-	-	-
At December 31, 2010	<u>200,860</u>	<u>167,752</u>	<u>(147)</u>	<u>-</u>	<u>75,928</u>	<u>7,559</u>	<u>15,201</u>	<u>544,329</u>	<u>1,011,482</u>
Revaluation and other reserves							266,293		
At April 1, 2010	200,860	167,752	246	884	75,928	7,559	105,046	440,143	998,418
Total comprehensive income	-	-	(188)	-	-	-	(36,303)	136,126	99,635
Release to other income	-	-	-	(884)	-	-	-	-	(884)
Release to retained earnings	-	133	-	-	(886)	-	-	753	-
Transfer to statutory reserve	-	24,379	-	-	-	-	-	(24,379)	-
Remittance to Head Office	-	-	-	-	-	-	-	(134,769)	(134,769)
At March 31, 2011	<u>200,860</u>	<u>192,264</u>	<u>58</u>	<u>-</u>	<u>75,042</u>	<u>7,559</u>	<u>68,743</u>	<u>417,874</u>	<u>962,400</u>
Revaluation and other reserves							343,666		
At April 1, 2011	200,860	192,264	58	-	75,042	7,559	68,743	417,874	962,400
Total comprehensive income	-	-	369	-	-	-	(58,842)	108,240	49,767
Release to retained earnings	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Remittance to head office	-	-	-	-	-	-	-	-	-
At December 31, 2011	<u>200,860</u>	<u>192,264</u>	<u>427</u>	<u>-</u>	<u>75,042</u>	<u>7,559</u>	<u>9,901</u>	<u>526,114</u>	<u>1,012,167</u>
Revaluation and other reserves							285,193		

## BANK OF BARODA - (MAURITIUS BRANCHES INCLUDING OFFSHORE BANKING UNIT)

UNAUDITED INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2011

## STATEMENTS OF CASH FLOWS

	9 mths to 31-Dec-11 Rs'000	9 mths to 31-Dec-10 Rs'000	Year to 31-Mar-11 Rs'000
Net cash flows from operation	2,603,970	2,213,393	198,241
Income tax paid	(13,839)	(17,509)	(21,602)
Net cash flow from operating activities	2,590,131	2,195,884	176,639
Net cash flows used in investing activities	(3,591,192)	(826,558)	(3,221,103)
Net cash from / (used in) financing activities	996,911	(858,563)	3,121,652
Net change in cash and cash equivalents	(4,150)	510,763	77,188
Cash and cash equivalents - opening	488,268	410,979	410,979
Effect of foreign exchange rate changes	(57,821)	(91,122)	101
Cash and cash equivalents - closing	426,297	830,620	488,268