

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

MANAGEMENT DISCUSSION AND ANALYSIS – JUNE 30, 2014

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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 June 30, 2014 are given in the statement of profit or loss and other comprehensive income.

Net interest income for the quarter has been MUR 23.883 million (June 30, 2013: MUR 45.296 million) and a profit before taxation of MUR 41.961 million was realised ( June 30, 2013: MUR 42.398 million) for the quarter. Profits for the quarter ended June 30, 2014 was MUR 39.697 million (June 30, 2013: MUR 41.055 million).

#### Authorised Agents

The Bank is a foreign branch of Bank of Baroda incorporated in India. It is represented in Mauritius by Mr. Ravi Chaturvedi, its Vice President and the Chief Manager, Mr D. K Samantray.

#### Highlights of performance during the quarter ended June 30, 2014:

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

- \* Non-performing loans has decreased to the level of MUR 63.891 million.
- \* Operating expenses (non interest expense) has increased by 11% over the corresponding quarter June 2013.
- \* Total Bank Business i.e (Deposits + advances) reach a level of MUR 34.113 billion at the end of June 2014 quarter as against MUR 40.625 billion at the end of corresponding quarter ended June 2013.
- \* The Bank's deposits at end of the quarter were at the level of MUR 11.522 billion (June 30, 2013: MUR 12.591 billion).
- \* Customer Deposits at the end of quarter were at a level of MUR 8.122 billion (June 30, 2013 : MUR 14.230 billion)
- \* The Bank's advances during the quarter reached the level of MUR 12.653 billion (June 30, 2013: MUR 13.252 billion)
- \* The size of statement of financial position was at MUR 27.982 billion (June 30, 2013: MUR 32.668 billion).



**RAVI CHATURVEDI**  
VICE PRESIDENT  
(MAURITIUS OPERATIONS)



**D K SAMANTRAY**  
CHIEF MANAGER

Date: 31 July 2014

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

UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2014

**STATEMENT OF FINANCIAL POSITION**

	30-Jun-14 Rs'000	30-Jun-13 Rs'000	31-Mar-14 Rs'000
<b>ASSETS</b>			
<b>Cash resources</b>			
Cash and balance with central bank	915,139	767,613	1,521,798
Balances with bank/ bank abroad	12,718	3,758	2,503
	<u>927,857</u>	<u>771,371</u>	<u>1,524,301</u>
<b>Securities and Other Investments</b>			
- Held to Maturity	2,340,802	2,615,662	2,114,193
- Available for sale	883,057	439,934	239,926
Placements	11,025,483	15,396,679	19,477,558
	<u>14,249,342</u>	<u>18,452,275</u>	<u>21,831,677</u>
<b>Loans</b>			
Personal	153,243	138,799	166,996
Business	12,338,276	12,983,950	15,054,807
Government	161,593	129,266	70,488
	<u>12,653,112</u>	<u>13,252,015</u>	<u>15,292,291</u>
Less: Allowance for credit impairment losses	(135,648)	(129,353)	(162,211)
	<u>12,517,464</u>	<u>13,122,662</u>	<u>15,130,080</u>
<b>Others</b>			
Investment properties	23,304	23,304	23,304
Property, plant and equipment	115,224	116,852	113,423
Other assets	148,821	181,099	269,879
	<u>287,349</u>	<u>321,255</u>	<u>406,606</u>
<b>Total Assets</b>	<u>27,982,012</u>	<u>32,667,563</u>	<u>38,892,664</u>
<b>LIABILITIES AND CAPITAL RESOURCES</b>			
<b>Deposits</b>			
Personal	3,442,352	3,633,698	3,367,719
Business	4,680,059	10,595,928	8,706,582
Government	1,815,468	552,294	1,594,391
Banks	11,521,951	12,591,302	15,683,786
	<u>21,459,830</u>	<u>27,373,222</u>	<u>29,352,478</u>
<b>Borrowings</b>			
Borrowings from banks	5,108,580	3,887,500	8,132,012
	<u>124,138</u>	<u>282,608</u>	<u>219,645</u>
<b>Capital resources</b>			
Assigned capital	200,860	200,860	200,860
Reserves	474,264	405,654	413,390
Retained earnings	614,340	517,719	574,279
	<u>1,289,464</u>	<u>1,124,233</u>	<u>1,188,529</u>
<b>Total equity and liabilities</b>	<u>27,982,012</u>	<u>32,667,563</u>	<u>38,892,664</u>
<b>CONTINGENT LIABILITIES</b>			
	<u>186,409</u>	<u>1,294,494</u>	<u>277,555</u>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 30-Jun-14 Rs'000	Quarter to 30-Jun-13 Rs'000	Year to 31-Mar-14 Rs'000
Interest income	155,903	169,052	669,894
Interest expense	(132,020)	(123,756)	(487,735)
Net interest income	23,883	45,296	182,159
Allowance for credit impairment	27,353	4,981	(31,876)
Net interest income after provision for credit impairment	51,236	50,277	150,283
Other income	9,413	8,941	37,192
Net interest income and other income after provision for credit impairment	60,649	59,218	187,475
Non-interest expense	(18,688)	(16,820)	(82,470)
Profit before tax	41,961	42,398	105,005
Income tax expense	(2,264)	(1,343)	(8,846)
Net profit for the period	39,697	41,055	96,159
<b>Other comprehensive income:</b>			
<b><i>Items that are or may be reclassified to profit or loss</i></b>			
Net fair value gain/(loss) on investments securities	1,999	(440)	(374)
Currency translation differences	59,239	(36,617)	(27,491)
Other comprehensive income for the period/year	61,238	(37,057)	(27,865)
Total comprehensive income for the period/year	100,935	3,998	68,294

UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2014

## STATEMENTS OF CHANGES IN EQUITY

	Assigned Capital Rs'000	Statutory Reserve Rs'000	Fair value Reserve Rs'000	Revaluation Reserve Rs'000	Capital Reserve Rs'000	Translation Reserve Rs'000	Retained Earnings Rs'000	Total Equity Rs'000
At April 1, 2013	200,860	201,177	535	103,631	7,559	129,809	476,664	1,120,235
Total comprehensive income	-	-	(440)	-	-	(36,617)	41,055	3,998
<b>At June 30, 2013</b>	<b>200,860</b>	<b>201,177</b>	<b>95</b>	<b>103,631</b>	<b>7,559</b>	<b>93,192</b>	<b>517,719</b>	<b>1,124,233</b>
Revaluation and other reserves						405,654		
At April 1, 2013	200,860	201,177	535	103,631	7,559	129,809	476,664	1,120,235
Total comprehensive income	-	-	(374)	-	-	(27,491)	96,159	68,294
Release to retained earnings	-	-	-	(1,456)	-	-	1,456	-
<b>At March 31, 2014</b>	<b>200,860</b>	<b>201,177</b>	<b>161</b>	<b>102,175</b>	<b>7,559</b>	<b>102,318</b>	<b>574,279</b>	<b>1,188,529</b>
Revaluation and other reserves						413,390		
At April 1, 2014	200,860	201,177	161	102,175	7,559	102,318	574,279	1,188,529
Total comprehensive income	-	-	1,999	-	-	59,239	39,697	100,935
Release to retained earnings	-	-	-	(364)	-	-	364	-
<b>At June 30, 2014</b>	<b>200,860</b>	<b>201,177</b>	<b>2,160</b>	<b>101,811</b>	<b>7,559</b>	<b>161,557</b>	<b>614,340</b>	<b>1,289,464</b>
Revaluation and other reserves						474,264		

UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2014

STATEMENTS OF CASH FLOWS

	Quarter to 30-Jun-14 Rs'000	Quarter to 30-Jun-13 Rs'000	Year to 31-Mar-14 Rs'000
Net cash flows from/(used in) operation	40,159	(135,464)	7,637
Income tax paid	-	-	(14,649)
Net cash flow from/(used in) operating activities	40,159	(135,464)	(7,012)
Net cash flows generated from/(used in) investing activities	10,220,238	375,778	(5,045,317)
Net cash (used in)/generated from financing activities	(10,916,080)	(299,094)	5,815,497
<b>Net change in cash and cash equivalents</b>	<b>(655,683)</b>	<b>(58,780)</b>	<b>763,168</b>
<b>Cash and cash equivalents - opening</b>	<b>1,524,301</b>	<b>793,534</b>	<b>793,534</b>
Effect of foreign exchange rate changes	59,239	36,617	(32,401)
<b>Cash and cash equivalents - closing</b>	<b>927,857</b>	<b>771,371</b>	<b>1,524,301</b>

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

UNAUDITED INTERIM FINANCIAL STATEMENTS – JUNE 30, 2014

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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 2014 and comply with IAS 34.

### **2. RESULTS**

Net interest income for the quarter has been MUR 23.883 million (June 30, 2013: MUR 45.296 million) and a profit before taxation of MUR 41.961 million was realised (June 30, 2013: MUR 42.398 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: 31 July 2014

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