



Bank of Baroda
Mauritius Operations

Interim unaudited condensed financial information

BANK OF BARODA – MAURITIUS OPERATIONS

Interim unaudited condensed financial information for the quarter ended
June 30, 2023
BANK OF BARODA | MAURITIUS OPERATIONS

BANK OF BARODA – MAURITIUS OPERATIONS
INTERIM UNAUDITED CONDENSED FINANCIAL INFORMATION FOR THE QUARTER ENDED
JUNE 30, 2023

COMMENTS ON RESULTS

The Bank achieved a higher net profit of MUR 276.07 million for the quarter ended June 30, 2023 ("Q1 2023") compared to MUR 77.62 million for the quarter ended June 30, 2022 ("Q1 2022"). This improved performance is mainly attributable to higher net interest income and higher non-interest income for the current quarter compared to the same period last year on account of the recoveries made on a previously written off significant exposure.

Net interest income grew by MUR 11.78 million and stood at MUR 72.83 million for Q1 2023 compared to MUR 48.01 million for Q1 2022. Interest income from loans and advances recorded an increase of MUR 103.29 million while interest income from investment securities went up by MUR 5.28 million. Interest expense moved up to attain MUR 129.04 million compared to MUR 16.58 million for Q1 2022.

Non-interest income also increased during the quarter under review and stood at MUR 260.53 million for Q1 2023, higher by MUR 278.32 million compared to Q1 2022. The main contributor to this is the recoveries made on account of the written off account. The Bank recorded a higher operating income of MUR 333.36 million for Q1 2023, against MUR 43.26 million for Q1 2022.

On the non-interest expense side, an overall increase of MUR 9.07 million was noted for Q1 2023, notably accounted for by an increase of MUR 3.61 million in other expenses. Impairment charge stood at MUR 14.50 million for Q1 2023 compared to a reversal of MUR 70.96 million for Q1 2022.

The Bank continues to be well capitalised backed by its robust performance with its capital adequacy ratio standing at 51.82%, of which 49.19% in the form of Tier 1. Additionally, the Bank has maintained a healthy level of liquidity positions, with a total loan to deposits ratio of 79.63%. The Liquidity Coverage Ratio was at 216.57% at June 30, 2023 which is well above the regulatory norms.

OUTLOOK

According to the IMF's current global economic outlook, the global economy is gradually recovering. But the situation remains fragile given geopolitical tensions and unexpected inflation pressure. In Mauritius, the momentum of the recent economic recovery has continued and strengthened driven by targeted public and private sector policies and initiatives.

The Bank will continue to pursue its growth agenda, aided by the continued strengthening of its talent pool and customer driven initiatives with the view of consolidating our presence in the local market and diversifying our sales streams.



BANK OF BARODA - MAURITIUS Operations

UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2023

STATEMENT OF FINANCIAL POSITION

	As at 30 June 2023	As at 30 June 2022	As at 31 March 2023
	Unaudited	Unaudited	Audited
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	749,031	1,184,320	2,427,416
Placements with banks	1,386,900	1,343,193	1,256,715
Loans and advances to banks and customers	10,269,998	11,775,078	12,991,064
Investment securities	3,320,929	4,085,008	1,758,069
Investment property	12,302	18,500	12,302
Property and equipment	173,892	162,715	173,418
Right-of-use assets	21,656	24,718	21,656
Deferred tax assets	55,837	41,192	55,837
Other assets	598,616	672,888	689,329
Total assets	16,589,161	19,307,612	19,385,806
LIABILITIES			
Deposits from banks and customers	13,060,681	16,020,724	13,930,298
Other borrowed funds	965,450	1,221,328	3,133,186
Current tax liabilities	4,093	4,802	4,093
Lease liabilities	23,750	27,779	23,750
Other liabilities	59,902	99,272	95,260
Retirement benefit obligations	24,192	23,565	24,192
Total liabilities	14,138,068	17,397,470	17,210,779
EQUITY			
Assigned capital	400,571	400,571	400,571
Retained earnings	1,368,831	815,169	1,092,765
Other reserves	681,691	694,402	681,691
Total equity	2,451,093	1,910,142	2,175,027
Total equity and liabilities	16,589,161	19,307,612	19,385,806

VIBHU GUPTA
Chief Manager
(Global Business Branch)

Dr SUNIL PATIL
Chief Financial Officer
(Mauritius Operations)

DIWAKAR P SINGH
Vice President
(Mauritius Operations)

BANK OF BARODA - MAURITIUS Operations
UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2023
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter to 30 June 2023 Unaudited MUR'000	Quarter to 30 June 2022 Unaudited MUR'000	Year ended 31 March 2023 Audited MUR'000
Interest income calculated using effective interest method	201,865	77,623	568,780
Interest expense	(129,036)	(16,578)	(218,862)
Net interest income	72,829	61,045	349,918
Other income	260,529	(17,784)	119,224
Operating income	333,358	43,261	469,142
Net impairment losses on financial assets	(14,496)	(70,956)	(97,509)
Net operating income/(losses)	318,862	(27,695)	371,633
Total operating expenses	(42,796)	(33,722)	(168,657)
Profit/(Loss) before tax	276,066	(61,417)	202,976
Income tax expense	-	(3,000)	(1,907)
Profit/(Loss) for the period/year	276,066	(64,417)	201,069
Other comprehensive income:			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurement of retirement benefit obligations	-	-	(646)
Deferred tax on remeasurement of retirement benefit obligations	-	-	45
Other comprehensive income for the period/year, net of tax	-	-	(601)
Total comprehensive income for the period/year, net of tax	276,066	(64,417)	200,468



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UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2023
STATEMENT OF CHANGES IN EQUITY

	Assigned capital Rs'000	Statutory reserve Rs'000	Revaluation reserve Rs'000	General banking reserve Rs'000	Retained earnings Rs'000	Total equity Rs'000
At April 1, 2023	400,571	400,571	121,309	159,811	1,092,765	2,175,027
Profit for the year	-	-	-	-	276,066	276,066
Total comprehensive income for the period	-	-	-	-	276,066	276,066
At June 30, 2023	400,571	400,571	121,309	159,811	1,368,831	2,451,093
At April 1, 2022	400,571	400,571	121,309	172,522	879,586	1,974,559
Loss for the year	-	-	-	-	(64,417)	(64,417)
Total comprehensive income for the period	-	-	-	-	(64,417)	(64,417)
At June 30, 2022	400,571	400,571	121,309	172,522	815,169	1,910,142
At April 1, 2022	400,571	400,571	121,309	172,522	879,586	1,974,559
Profit for the year	-	-	-	-	201,069	201,069
Other comprehensive income for the year	-	-	-	-	(601)	(601)
Total comprehensive income for the year	-	-	-	-	200,468	200,468
Transfer to General banking reserve	-	-	-	(12,711)	12,711	-
At March 31, 2023	400,571	400,571	121,309	159,811	1,092,765	2,175,027



BANK OF BARODA - MAURITIUS OPERATIONS

**UNAUDITED INTERIM FINANCIAL STATEMENTS - JUNE 30, 2023
CONDENSED INTERIM STATEMENT OF CASH FLOWS**

	Quarter to 30 June 2023 Unaudited MUR'000	Quarter to 30 June 2022 Unaudited MUR'000	Year ended 31 March 2023 Audited MUR'000
Net cash flows from operations	(1,812,217)	776,484	(3,564,101)
Payment of gratuity	-	-	(6,384)
Income tax paid	-	-	(13,073)
Net cash flows generated from operating activities	(1,812,217)	776,484	(3,583,558)
Net cash flows /used in from investing activities	2,128,033	100,080	2,407,659
Net cash flows/ used in from financing activities	173,668	(486,741)	(7,696)
Net change in cash and cash equivalents	489,484	389,823	(1,183,595)
Cash and cash equivalents - opening	(705,770)	477,382	477,382
Effects of foreign exchange rates	-	-	443
Cash and cash equivalents - closing	(216,286)	867,205	(705,770)
<u>Net cash and cash equivalents comprise:</u>			
Cash and cash equivalents	749,031	1,184,320	2,427,416
Other borrowed funds	(965,315)	(317,115)	(3,133,186)
Net cash and cash equivalents	(216,284)	867,205	(705,770)

BANK OF BARODA – MAURITIUS OPERATIONS
INTERIM UNAUDITED CONDENSED FINANCIAL INFORMATION FOR THE QUARTER ENDED
JUNE 30, 2023

1. GENERAL INFORMATION

Bank of Baroda - Mauritius Operations (the "Bank") was incorporated in Mauritius in 1962 under section 276 of the Mauritius Companies Act 2001 and operates as a foreign branch of Bank of Baroda, India. The registered office and the principal place of business of the Bank is Sir William Newton Street, Port Louis, Republic of Mauritius. The Bank is licenced under the Banking Act 2004 and is regulated by the Bank of Mauritius. The principal activity of the Bank is the provision of banking and financial services to both retail and corporate clients in and out of Mauritius.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim condensed financial information for the quarter ended June 30, 2023 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB").

This interim condensed financial information is unaudited and is prepared pursuant to the *Guideline on Public Disclosure of Information* issued by the Bank of Mauritius in July 2008 (revised in November 2009).

This interim condensed financial information should be read in conjunction with the audited financial statements for the year ended March 31, 2023, which have been prepared in accordance with International Financial Reporting Standards.

The interim condensed financial information for the quarter ended June 30, 2023 are presented in Mauritian Rupee ("Rs") which is the Bank's functional and presentation currency.

The principal accounting policies applied in the preparation of this interim condensed financial information are the same as those applied in the preparation of the audited financial statements for the year ended March 31, 2023 except for the adoption of new and revised standards and interpretations effective as from April 01, 2023.

When necessary, comparative figures have been reclassified to conform to changes in presentation.

3. JUDGEMENTS AND ESTIMATES

The preparation of interim condensed financial information requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgements made by the management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended March 31, 2023.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Bank in determining the fair values of the financial instruments since the last annual financial report for the year ended March 31, 2023.

The interim condensed financial information does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Bank's annual audited financial statements as at March 31, 2023.

4.1 Financial risk factors

The Bank's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

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4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

4.1 Financial risk factors (continued)

There have been no changes in the risk management policies or procedures of the Bank since March 31, 2023.

4.2 Fair Value Hierarchy

The Bank's policy is to recognise transfers in and transfers out of fair value hierarchy at the end of the reporting period. There were no transfers between the levels of the fair value hierarchy during the period. The Bank also did not measure any financial assets or financial liabilities at fair value on a non-recurring basis.

There have been no changes in the valuation techniques during the quarter ended June 30, 2023.

The fair value of the financial assets and financial liabilities measured at amortised cost approximate their carrying amount.

4.3 Liquidity risk

Compared to the financial year ended March 31, 2023, there was no material change in the contractual undiscounted cash flows for financial liabilities.

5. INTERIM CONDENSED FINANCIAL INFORMATION

The Management of the Bank accepts full responsibility for the information contained in this unaudited interim condensed financial information.

This interim condensed financial information has been authorised for issue by the Management on July 13, 2023.