

BALANCE SHEET - 31 DECEMBER 2008

	2008 Rs' m	2007 Rs' m	2006 Rs' m
ASSETS			
Cash and cash equivalents	43,236	43,980	34,647
Trading assets	89	74	15
Derivative financial instruments	440	69	110
Loans and advances to banks	457	81	550
Loans and advances to customers	60,452	43,911	33,262
Investment securities	9,325	13,807	7,062
Property, plant and equipment	728	258	207
Intangible assets	35	4	5
Goodwill	69	61	71
Retirement benefit assets	62	63	59
Investment in subsidiary company	153	153	103
Other assets	2,486	1,972	1,272
Total assets	117,532	104,433	77,363
LIABILITIES			
Deposits from banks	86	121	148
Deposits from customers	84,455	84,246	65,718
Derivative financial instruments	270	221	62
Debt securities issued	917	850	788
Other borrowed funds	22,465	11,191	4,724
Current income tax liabilities	301	216	172
Deferred income tax liabilities	2	74	40
Retirement benefit obligations	1	1	2
Provisions	141	107	64
Other liabilities	1,517	1,947	1,001
Total liabilities	110,155	98,974	72,719
Equity and reserves			
Assigned capital	243	227	246
Retained earnings	6,462	4,964	3,849
Reserves	672	268	549
Total equity and reserves	7,377	5,459	4,644
Total liabilities, equity and reserves	117,532	104,433	77,363

INCOME STATEMENT - YEAR ENDED 31 DECEMBER 2008

	2008 Rs' m	2007 Rs' m	2006 Rs' m
Interest income	6,986	6,574	4,797
Interest expense	(4,663)	(4,279)	(2,957)
Net interest income	2,323	2,295	1,840
Fee and commission income	608	570	396
Fee and commission expense	(71)	(50)	(41)
Net fee and commission income	537	520	355
Net trading income	840	697	428
Net income from other financial instruments carried at fair value	37	-	-
Other operating income	63	-	-
	940	697	428
Operating income	3,800	3,512	2,623
Net impairment on financial assets	247	138	86
Personnel expenses	922	599	423
Operating lease expense	49	33	24
Depreciation and amortisation	86	23	27
Other expenses	857	977	552
	2,161	1,770	1,112
Profit before income tax	1,639	1,742	1,511
Income tax expense	(123)	(219)	(171)
Profit for the year	1,516	1,523	1,340

STATEMENT OF CHANGES IN EQUITY – YEAR ENDED 31 DECEMBER 2008

	Assigned capital Rs' m	Reserves and surplus Rs' m	Capital reserve Rs' m	Statutory reserve Rs' m	General banking reserve Rs' m	Fair value reserve Rs' m	Translation reserve Rs' m	Retained earnings Rs' m	Total equity Rs' m
At 01 January 2006	237	2	56	100	150	(43)	53	2,980	3,535
Transfer of depreciation on surplus on revaluation of property, plant and equipment for the year	-	-	(1)	-	-	-	-	1	-
Fair value loss on revaluation of available for sale investment securities	-	-	-	-	-	(19)	-	-	(19)
Exchange differences for the year	9	-	-	-	9	-	103	-	121
Transfer from retained earnings to general banking reserve	-	-	-	-	(7)	-	-	7	-
Transfer to Head office	-	-	-	-	-	-	-	(333)	(333)
Transfer to statutory reserve	-	-	-	146	-	-	-	(146)	-
Profit for the year	-	-	-	-	-	-	-	1,340	1,340
At 31 December 2006	246	2	55	246	152	(62)	156	3,849	4,644
Transfer of depreciation on surplus on revaluation of property, plant and equipment for the year	-	-	(1)	-	-	-	-	1	-
Fair value gain on revaluation of available-for-sale-investment securities	-	-	-	-	-	84	-	-	84
Exchange differences for the year	(19)	-	-	-	(18)	-	(346)	-	(383)
Transfer from retained earnings to general banking reserve	-	-	-	-	*	-	-	*	-
Transfer to Head office	-	-	-	-	-	-	-	(409)	(409)
Profit for the year	-	-	-	-	-	-	-	1,523	1,523
At 31 December 2007	227	2	54	246	134	22	(190)	4,964	5,459
Transfer of depreciation on surplus on revaluation of property, plant and equipment for the year	-	-	(1)	-	-	-	-	1	-
Fair value loss on revaluation of available-for-sale-investment securities	-	-	-	-	-	(22)	-	-	(22)
Exchange differences for the year	16	-	-	-	15	-	393	-	424
Transfer from retained earnings to general banking reserve	-	-	-	-	19	-	-	(19)	-
Profit for the year	-	-	-	-	-	-	-	1,516	1,516
At 31 December 2008	243	2	53	246	168	*	203	6,462	7,377

RAVIN DAJEE
Managing Director

CYRIL WONG SUN THIONG
Finance Director

The above balance sheet, income statement, cash flow statement and statement of changes in equity have been extracted from the audited financial statements for the year ended 31 December 2008. Notes to these financial statements, which are an integral part of the audited financial statements, can be obtained upon request from the Bank. Amounts denoted by an (*) represent figures less than Rs 500,000.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BARCLAYS BANK PLC – MAURITIUS BRANCH

1. The accompanying summarised financial statements have been derived from the financial statements of Barclays Bank PLC – Mauritius Branch (the "Bank") for the year ended 31 December 2008. These summarised financial statements are the responsibility of the Bank's directors. Our responsibility is to express an opinion on whether these summarised financial statements are consistent, in all material aspects, with the financial statements from which they were derived.

The independent auditor's report on the complete set of financial statements reads as follows:

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BARCLAYS BANK PLC – MAURITIUS BRANCH
Report on the Financial Statements

1. We have audited the financial statements of Barclays Bank PLC - Mauritius Branch (the "Bank") on pages 55 to 142 which comprise the balance sheet at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

2. The Bank's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, the Banking Act 2004 and regulations and guidelines of the Bank of Mauritius. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

2. We have audited the financial statements of the Bank for the year ended 31 December 2008, from which these summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 30 March 2009, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the financial statements on pages 55 to 142 give a true and fair view of the financial position of the Bank at 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

7. The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

3. In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.

4. For a better understanding of the Bank's financial position and the results of its operations for the year and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements, from which the summarised financial statements were derived and our audit report thereon.

(a) we have no relationship with or interests in the Bank and its subsidiaries other than in our capacities as auditor and tax advisor;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Bank as far as appears from our examination of those records.

8. The Banking Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) in our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius; and
(b) the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

PricewaterhouseCoopers

Mohammad Issa Taujoo
Licensed auditor

30 March 2009