Bank of Baroda (New Zealand) Ltd.

Disclosure Statement for the year ended 31 March 2025

Contents

1. Definitions

In this Disclosure Statement, unless the context otherwise requires:

Act means the Reserve Bank of New Zealand Act 1989;

Bank means Bank of Baroda (New Zealand) Limited;

Banking Group means the Bank and its subsidiaries;

Board means the board of directors of the Bank;

BOB means Bank of Baroda;

Director means a director of the Bank;

INR means Indian Rupees;

Parent Guarantee has the meaning given in section 3.1; and

USD means United States Dollars.

Unless otherwise defined in this disclosure statement, terms defined in the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) have the same meaning in this document.

2. General information

2.1 Name and address for service of registered bank

Bank of Baroda (New Zealand) Limited (the "Bank") was incorporated on 27 May 2008 originally as Baroda (New Zealand) Limited and changed its name to Bank of Baroda (New Zealand) Limited on the 1 September 2009.

This Disclosure Statement is issued by the Bank for the year ended 31 March 2025 in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

Words and phrases defined by the Order have the same meanings when used in this Disclosure Statement.

The Bank is not in the business of insurance.

The full name of the Bank is Bank of Baroda (New Zealand) Limited and its address for service is:

Bank of Baroda (New Zealand) Limited
114 Dominion Road
PB No. 56580, Post Code 1446
Auckland
New Zealand

The Bank's website address is: *www.barodanzltd.co.nz*

2.2 Details of ultimate parent bank and ultimate holding company

(a) Ultimate parent bank

The Bank's ultimate parent bank is Bank of Baroda, an Indian incorporated bank (**BOB**). BOB is subject to regulatory oversight by the Reserve Bank of India and the Government of India. BOB is not a New Zealand registered bank and is not subject to regulatory oversight by the Reserve Bank of New Zealand.

The address for service of BOB is:

Bank of Baroda
Baroda Corporate Centre
C-26, G-Block
Bandra Kurla Complex
Mumbai – 400 051
India

(b) Ultimate holding company

BOB is the ultimate holding company of the Bank.

The ultimate parent bank and ultimate holding company's address for service is provided under 3.1(a) and 2.2(a).

Shareholding in BOB

As at 31 March 2025, the Government of India held 63.97% of the total shares in BOB. The remaining 36.03% of the shares in BOB are held by public shareholding (governed by the laws of India). BOB shares are listed on both the National Stock Exchange (India) and on the Bombay Stock Exchange (India). Further details concerning the shareholding in BOB are on its website: *www.bankofbaroda.com.*

Annual Report of BOB

A copy of the latest BOB Annual Report is on the BOB website: www.bankofbaroda.com and can be requested from the bank.

(c) A summary of any regulations, legislation or other restrictions of a legally enforceable nature that may materially inhibit the legal ability of BOB to provide material financial support to the Bank

BOB (see section 3 below for further information on the guarantee arrangements) guarantee the obligations of the Bank.

There are no legislative, regulatory or other restrictions of a legally enforceable nature in India (BOB's country of incorporation) that may materially inhibit the legal ability of BOB to provide material financial support to the Bank.

2.3 Interest in 5% or more of voting securities of the Bank

The Bank is a wholly owned subsidiary of BOB.

2.4 Registered bank

The Bank was incorporated on 27 May 2008 under the Companies Act 1993 as Baroda (New Zealand) Limited and changed its name to Bank of Baroda (New Zealand) Limited on 1 September 2009 upon registration as a bank at this date. The Bank commenced trading on 21 June 2010.

2.5 Priority of financial liabilities in the event of liquidation

In the unlikely event that the Bank was put into liquidation or ceases to trade, claims of secured creditors and those creditors set out in the Seventh Schedule of the Companies Act 1993 (if applicable) would rank ahead of the claims of unsecured creditors. Deposits from customers are unsecured and rank equally with other unsecured liabilities of the Bank.

3. Guarantee

3.1 Guarantee arrangements

As at the date of this disclosure statement, the obligations of the Bank are guaranteed by Bank of Baroda (BOB).

A copy of the guarantee of the Bank's indebtedness given by BOB is attached as Appendix 1 (Guarantee).

(a) Details of the guarantor

The guarantor is BOB. BOB is the Bank's ultimate parent and ultimate holding company. BOB is not a member of the Banking Group.

The address for service of the guarantor is:

Bank of Baroda
Baroda Corporate Centre
C-26, G-Block
Bandra Kurla Complex
Mumbai – 400 051
India

As at 31 March 2025, the publicly disclosed capital of BOB was INR 1,593,759 million (USD18,645.91 million) representing (Basel III) 17.60% of risk weighted exposure.

BOB has the following credit rating applicable to its long-term senior unsecured obligations (payable in INR):

Rating Agency	Current Rating	Qualifications	Rating Change in the Last 2 Years
Moody's Investor Services Limited	**Baa3**	Outlook stable	yes as per comments below
Fitch Ratings	**BBB-**	Outlook stable	yes as per comments below
Fitch Ratings	**BB- (xgs)**		yes as per comments below

On 20 January 2023, Moody's has upgraded the Long Term local and foreign currency bank deposit ratings to Baa3 from Ba1. The BCA was also upgraded to ba3 from b1.

On 8 December 2023, Moody's has affirmed the Baa3 ratings.

On 20 June 2024, Moody's has affirmed the Baa3 ratings with outlook stable.

On 4 December 2024, Moody's has affirmed the Baa3 ratings with outlook stable.

On 28 April 2023, Fitch released a new rating on ex-government support or xgs ratings whereby it has accorded Long Term IDR (xgs) rating of BB-(xgs).

On 16 April 2024, Fitch affirmed the Long Term Issuer Default ratings (IDRs) at BBB- with outlook stable and the xgs ratings as BB-(xgs).

On 6 June 2024, Fitch affirmed the rating of BOB at BBB- with outlook stable.

On 28 March 2025, Fitch affirmed the Long Term Issuer Default ratings (IDRs) of BOB at BBB- with outlook stable and the xgs ratings as BB-(xgs).

Details of the applicable rating scale can be found at section 8.2 of this disclosure statement.

(b) Details of guaranteed obligations

BOB guarantees due payment of all indebtedness of the Bank to the Bank's depositors and other creditors.

(i) There are no limits on the amount of the obligations guaranteed.

(ii) There are no material conditions applicable to the guarantee, other than non-performance by the Bank.

(iii) There are no material legislative or regulatory restrictions in India (BOB's country of incorporation) that would have the effect of subordinating the claims of the Bank's creditors under the Parent Guarantee to other claims on BOB in a winding up of BOB.

(iv) The Parent Guarantee does not have an expiry date.

4. Directors

4.1 Communications

The address to which any document or communication may be sent to any Director is:

Bank of Baroda (New Zealand) Limited
114 Dominion Road
PB No. 56580, Post Code 1446
Auckland
New Zealand

The document or communication should be marked to the attention of the relevant Director.

4.2 Responsible person

The responsible persons authorised to sign this Disclosure Statement on behalf of the Directors in accordance with section 82 of the Act are Nurani Subramanian Venkatachalam and Sandeep Kumar Khetan.

4.3 Directors' details

Nurani Subramanian Venkatachalam
Chairman and Independent Director
CA (Chartered Accountant)
AMP, Harvard Business School
Resident of New Zealand

Interested transactions
Nil
Primary Occupation
Group CFO, Tu Atea Limited (Part-time)

Other Directorships
Myma Digital Limited (Book Me Bob)
Myma Healthcare Limited
Myma International Limited
Vishwamithra Limited
Global Organisation for Divinity New Zealand Limited
Book Me Bob Inc, Delware, USA

Sandeep Kumar Khetan
Managing Director (Executive), Non Independent Director
B.Sc, CAIIB, PGDBA
Resident of New Zealand

Interested transactions
Nil

Primary Occupation
Managing Director, Bank of Baroda (New Zealand) Limited

Other Directorships
Nil

Nishant Ranjan
Non Executive, Non Independent Director
BA (Hons) (Statistics), CAIIB
Resident of India

Interested transactions
Nil

Primary Occupation
Chief General Manager, International division, Corporate Centre, Bank of Baroda, India

Other Directorships
Bank of Baroda (Uganda) Limited
Bank of Baroda (Guyana) Inc

Amulya Kumar
Non Executive, Non Independent Director
BSc (Hons), CAIIB
Resident of Singapore

Interested transactions
Nil

Primary Occupation
Chief Executive Officer, Bank of Baroda, Singapore

Other Directorships
Nil

Paul Cameron Blair
Independent Director
BMS (Hons), Finance, Graduate Diploma & Fellow, INFINZ
Resident of New Zealand

Interested transactions
Nil

Primary Occupation
Financial consultant

Other Directorships
170 Carlisle Road Limited
100b Victoria Road Limited
Magic Garden Early Education Limited

Govardhan Mallela
Independent Director
MCom, MBA, CA, CPA
Resident of New Zealand

Interested transactions
Nil

Primary Occupation
Chartered Accountant

Other Directorships
Rajeswari Investments Limited
Maruthi Holdings Limited
Siva Rajeswari Trustees Limited
Maruthiram Investments Limited
Bay Accounting & Financial Services Limited

Tax Nz Limited
Bank Of Baroda (New Zealand) Limited
Tas Nz Limited
Krupa Limited
Maruthi Investment Holdings Limited
Sangeetha Bharathi Music Magic Limited
Taxation & Accounting Services Nz Limited
Siva Rajeswari Investments Limited

Changes in the Directorate:

The following were the changes in the composition of the Board of Directors of the Bank (the “Board”) since 31 March 2024.

Mr. Vijay Kumar Goel resigned from the Board on 27 September 2024 as Chairperson and independent director of the Board. Mr. Nurani Subramanian Venkatachalam, Independent director was appointed as Chairperson of the Board on 27 September 2024

Mr. Govardhan Mallela and Mr. Paul Cameron Blair were inducted as independent and Non-Executive directors in the Board on 27 September 2024.

Mrs. Kamini Kirthi Reddy resigned from the Board as independent director on 9 October 2024.

Mr. Nishant Ranjan was inducted as Non-independent and Non-Executive director on 25 October 2024.

Mr. Sandeep Kumar Khetan was appointed as Managing Director on 30 May 2025 and Mr. Nitin Pandey resigned from the Board as Managing Director on 30 May 2025.

Conflict of interest:

The Board has a procedure to ensure that conflicts of interest between the Director’s duty to the Bank and their personal, professional or business interests are avoided or dealt with.
Each Director must make full disclosure to the Board of any direct or indirect interest in a matter relating to the interest of the Bank as soon as practicable where the matter will be discussed in the Board meeting, in which the Board’s practice is to manage any conflict of interest on a case-by-case basis, depending on the circumstances.

Interested transactions:

There have been no transactions entered into by any Director, or any immediate relative or close business associate of any Director, with the Bank, or any member of the Banking group:

(a) on terms other than on those which would, in the ordinary course of business of the bank or any member of the banking group, be given to any other person of like circumstances or means; or

(b) which would otherwise be reasonably likely to influence materially the exercise of that Director’s duties.

4.4 Audit Committee

The Bank has an Audit Committee.

The members of the Audit Committee as at the date of this Disclosure Statement are:

(a) Govardhan Mallela (Chairperson), Independent Director.

(b) Nurani Subramanian Venkatachalam (Member), Independent Director.

(c) Amulya Kumar (Member), Non-Executive Director.

The Audit Committee is responsible for the oversight of financial reporting disclosures and other regulatory and statistical compliance.

5. Auditor

The name and address of the auditor whose independent auditor's report is referred to in this disclosure statement is:

Deloitte Limited
Deloitte Centre
1 Queen Street
Auckland 1140
New Zealand

6. Conditions of registration

Effective 1 April 2024, the Reserve Bank of New Zealand issued to implement changes related to Connected Exposures and risk weights for residential mortgage loans underwritten by Kāinga Ora. These conditions apply on and after 1 April 2024.

Effective 1 July 2024, the Reserve Bank of New Zealand issued changes regarding implementation of minimum total capital ratios, activate Debt-to-income (DTI) restrictions and implement changes to Loan – to – value Ratio (LVR) restrictions, remove condition relating to disclosure reporting and incorporate a revised version of BPR 131.

The registration of Bank of Baroda (New Zealand) Limited ("the bank") as a registered bank is subject to the following conditions:

1. That—

(a) the Total capital ratio of the banking group is not less than 9%;

(b) the Tier 1 capital ratio of the banking group is not less than 7%;

(c) the Common Equity Tier 1 capital ratio of the banking group is not less than 4.5%;

(d) the Total capital of the banking group is not less than $30 million.

For the purposes of this condition of registration, —

"Total capital ratio", "Tier 1 capital ratio", and "Common Equity Tier 1 capital ratio" have the same meaning as in Subpart B2 of BPR100: Capital Adequacy;

"Total capital" has the same meaning as in BPR110: Capital Definitions.

1A. That—

(a) the bank has an internal capital adequacy assessment process ("ICAAP") that accords with the requirements set out in Part D of BPR100: Capital Adequacy;

(b) under its ICAAP the bank identifies and measures its "other material risks" defined in Part D of BPR100: Capital Adequacy; and

(c) the bank determines an internal capital allocation for each identified and measured "other material risk."

1B. That, if the Prudential Capital Buffer (PCB) ratio of the banking group is 2.5% or less, the bank must—

(a) according to the following table, limit the aggregate distributions of the bank's earnings, other than discretionary payments payable to holders of Additional Tier 1 capital instruments, to the percentage limit on distributions that corresponds to the banking group's PCB ratio; and

Banking group's PCB ratio	Percentage limit on distributions of the bank's earnings	Capital Buffer Response Framework stage
0% – 0.5%	0%	Stage 3
>0.5 – 1%	30%	Stage 2
>1 – 2%	60%	Stage 1
>2 – 2.5%	100%	None

(b) comply with the Capital Buffer Response Framework requirements as set out in Part D of BPR120: Capital Adequacy Process Requirements.

For the purposes of this condition of registration, —

"prudential capital buffer ratio", "distributions", and "earnings" have the same meaning as in Subpart B2 of BPR100: Capital Adequacy;

an Additional Tier 1 capital instrument is an instrument that meets the requirements of B2.2(2)(a), (c) or (d) of BPR110: Capital Definitions.

1BA. That the bank must not make any distribution on a transitional AT1 capital instrument on or after the date on which on any conversion or write-off provision in the terms and conditions of the instrument is triggered due to either a loss absorption trigger event or a non-viability trigger event.

For the purposes of this condition of registration, "transitional AT1 capital instrument" has the meaning given in section A2.3 of BPR110: Capital Definitions and "loss absorption trigger event" and "non-viability trigger event" have the meanings given in sub-section C2.2(3) of BPR120: Capital Adequacy Requirements.

1C. That:

(a) the bank must not include the amount of an Additional Tier 1 capital instrument or Tier 2 capital instrument issued on or after 1 July 2021 in the calculation of its capital ratios unless it has completed the notification requirements in Part B of BPR120: Capital Adequacy Process Requirements in respect of the instrument; and

(b) the bank meets the requirements of Part C of BPR120: Capital Adequacy Process Requirements in respect of regulatory capital instruments.

For the purposes of this condition of registration, —

an Additional Tier 1 capital instrument is an instrument that meets the requirements of subsection B2.2(2)(a) or (c) of BPR110: Capital Definitions;

a Tier 2 capital instrument is an instrument that meets the requirements of subsection B3.2(2)(a) or (c) of BPR110: Capital Definitions.

2. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities.

   In this condition of registration, the meaning of “material” is based on generally accepted accounting practice.

3. That the banking group’s insurance business is not greater than 1% of its total consolidated assets.

   For the purposes of this condition of registration, the banking group’s insurance business is the sum of the following amounts for entities in the banking group:

   (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and

   (b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity’s insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

   In determining the total amount of the banking group’s insurance business—

   (a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and

   (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

   For the purposes of this condition of registration, —

   “insurance business” means the undertaking or assumption of liability as an insurer under a contract of insurance:

   “insurer” and “contract of insurance” have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

4. The bank must comply with all the requirements set out in the following document: BS8 Connected Exposures 1 October 2023.

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.

6. That the bank complies with the following corporate governance requirements:

   (a) the board of the bank must have at least five directors;

   (b) the majority of the board members must be non-executive directors;

   (c) at least half of the board members must be independent directors;

   (d) an alternate director, —

   (i) for a non-executive director must be non-executive; and

   (ii) for an independent director must be independent;

   (e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;

   (f) the chairperson of the board of the bank must be independent; and

(g) the bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).

For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank unless:

(a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and

(b) the Reserve Bank has advised that it has no objection to that appointment.

8. That a person must not be appointed as chairperson of the board of the bank unless:

(a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and

(b) the Reserve Bank has advised that it has no objection to that appointment.

9. That the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:

(a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;

(b) the committee must have at least three members;

(c) every member of the committee must be a non-executive director of the bank;

(d) the majority of the members of the committee must be independent; and

(e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.

10. That a substantial proportion of the bank's business is conducted in and from New Zealand.

11. That the banking group complies with the following quantitative requirements for liquidity-risk management:

(a) the one-week mismatch ratio of the banking group is not less than zero per cent at the end of each business day;

(b) the one-month mismatch ratio of the banking group is not less than zero per cent at the end of each business day; and

(c) the one-year core funding ratio of the banking group is not less than 75 per cent at the end of each business day.

For the purposes of this condition of registration, the ratios identified must be calculated in accordance with the Reserve Bank of New Zealand documents entitled "Liquidity Policy" (BS13) dated July 2022 and "Liquidity Policy Annex: Liquid Assets" (BS13A) dated July 2022.

12. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:

(a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;

(b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;

(c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and

(d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.

13. That no more than 10% of total assets may be beneficially owned by a SPV. For the purposes of this condition, —

“total assets” means all assets of the banking group plus any assets held by any SPV that are not included in the banking group’s assets:

“SPV” means a person—

(a) to whom any member of the banking group has sold, assigned, or otherwise transferred any asset;

(b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and

(c) who carries on no other business except for that necessary or incidental to guarantee the obligations of any member of the banking group under a covered bond:

“covered bond” means a debt security issued by any member of the banking group, for which repayment to holders is guaranteed by a SPV, and investors retain an unsecured claim on the issuer.

14. That—

(a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:

(i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and

(ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011; and

(b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:

(i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination;

(ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011; and

(iii) the Reserve Bank has given the bank a notice of non-objection to the significant acquisition or business combination.

For the purposes of this condition of registration, “qualifying acquisition or business combination”, “notification threshold” and “non-objection threshold” have the same meaning as in the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011.

15. That, for a loan-to-valuation measurement period ending on or after 31 December 2024, the total of the bank's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a loan-to-valuation ratio of more than 70%, must not exceed 5% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

16. That, for a loan-to-valuation measurement period ending on or after 31 December 2024, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80%, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

17. That, for a debt-to-income measurement period, the total of the bank's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a debt-to-income ratio of more than 7, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the debt-to-income measurement period.

18. That, for a debt-to-income measurement period, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a debt-to-income ratio of more than 6, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the debt-to-income measurement period.

19. That the bank must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank's agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.

In these conditions of registration, —

"banking group" means Bank of Baroda (New Zealand) Limited (as reporting entity) and all other entities included in the group as defined in section 6(1) of the Financial Markets Conduct Act 2013 for the purposes of Part 7 of that Act.

"generally accepted accounting practice" has the same meaning as in section 8 of the Financial Reporting Act 2013.

In these conditions of registration, the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents that are referred to in the capital adequacy conditions 1 to 1C, or are referred to in turn by those documents or by Banking Supervision Handbook (BS) documents, are—

BPR document	Version date
BPR100: Capital adequacy	1 July 2024
BPR110: Capital definitions	1 October 2023
BPR120: Capital adequacy process requirements	1 October 2023
BPR130: Credit risk RWAs overview	1 July 2024
BPR131: Standardised credit risk RWAs	1 July 2024
BPR132: Credit risk mitigation	1 July 2024
BPR133: IRB credit risk RWAs	1 July 2024
BPR134: IRB minimum system requirements	1 July 2024
BPR140: Market risk exposure	1 July 2024
BPR150: Standardised operational risk	1 July 2024
BPR151: AMA operational risk	1 July 2024
BPR160: Insurance, securitisation, and loantransfers	1 July 2024
BPR001: Glossary	1 October 2023

In conditions of registration 15 and 16, —

“loan-to-valuation ratio”, “non property-investment residential mortgage loan”, “property-investment residential mortgage loan”, “qualifying new mortgage lending amount in respect of property-investment residential mortgage loans”, and “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High-LVR Residential Mortgage Lending” (BS19) dated October 2021:

“loan-to-valuation measurement period” means a rolling period of six calendar months ending on the last day of the sixth calendar month.

In conditions of registration 17 and 18, —

"debt-to-income ratio”, “debt-to-income measurement period”, “non property- investment residential mortgage loan”, “property-investment residential mortgage loan”, “qualifying new mortgage lending amount in respect of property-investment residential mortgage loans”, and “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High Debt-To-Income Residential Mortgage lending” (BS20) dated 3 April 2023:

“debt-to-income measurement period” means—

(a) the initial period of six calendar months from the date of this conditions of registration (1 July 2024) ending on 31 December 2024; and

(b) thereafter, a rolling period of six calendar months ending on the last day of the sixth calendar month, the first of which ends on 31 January 2025 and covers the months of August, September, October, November and December 2024 and January 2025.

In condition of registration 19, —

“residential mortgage loan” has the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High Debt-To-Income Residential Mortgage lending” (BS20) dated 3 April 2023.

7. Pending proceedings or arbitration

As at the date of this Disclosure Statement is signed, there are no pending proceedings or arbitration concerning the Bank, whether in New Zealand or elsewhere, that may have a material adverse effect on the Bank.

8. Credit rating

8.1 Rating information

The credit rating of the Bank is as follows:

Rating Agency	Type of Rating	Current Rating	Qualifications	Rating Change in the Last 2 Years
Fitch IBCA, Inc.	Long-term Issuer Default Rating	BBB-	Outlook stable	Yes, as per comments below
Fitch IBCA, Inc	Long-term Issuer Default Rating	BB-(xgs)		Yes, as per comments below

On 28 April 2023, Fitch released a new rating on ex-government support or xgs ratings whereby it has accorded Long Term IDR (xgs) rating of BB-(xgs) to the Bank

On 16 April 2024, Fitch affirmed the Long Term Issuer Default ratings (IDRs) at BBB- with outlook stable and the xgs ratings as BB-(xgs).

On 28 March 2025, Fitch affirmed the Long Term Issuer Default ratings (IDRs) at BBB- with outlook stable and the xgs ratings as BB-(xgs).

8.2 Applicable ratings scales

Long Term Debt Ratings	Moody's	S&P	FITCH
Highest quality/Extremely strong capacity to pay interest and principal	Aaa	AAA	AAA
High quality/Very strong	Aa	AA	AA
Upper medium grade/Strong	A	A	A
Medium grade (lowest investment grade)/Adequate	Baa	BBB	BBB
Predominately speculative/Less near term vulnerability to default	Ba	BB	BB
Speculative, low grade/Greater vulnerability	B	B	B
Poor to default/identifiable vulnerability	Caa	CCC	CCC
Highest speculations	Ca	CC	CC
Lowest quality, no interest	C	C	C
Payment in default, in arrears – questionable value		D	D

Moody's applies numeric modifiers 1, 2 and 3 to show relative standing within the major rating categories with 1 indicating the higher end of that category and 3 indicating the lower end.

Fitch and S&P apply plus (+) or minus (-) signs to ratings to show relative standing within the major rating categories.

Fitch has recently revised the Bank Ex-Government support Ratings to Banks in Asia-pacific regions whereby ex-government support xgs is added as suffix to the corresponding ratings.

9. Historical summary of financial statements

For the year ended 31 March NZ $000's	2025	2024	2023	2022	2021
Statement of comprehensive income					
Interest income	8,111	9,430	6,554	5,033	4,864
Interest expense	(2,893)	(3,405)	(1,639)	(1,059)	(1,523)
Net interest income	**5,218**	**6,025**	**4,915**	**3,974**	**3,341**
Other income	432	603	816	1,106	1,132
Total operating income	**5,650**	**6,628**	**5,731**	**5,080**	**4,473**
Expected credit loss allowances	115	(5)	(55)	2	41
Other expenses	(3,364)	(3,455)	(2,933)	(3,022)	(3,000)
Net profit before taxation	**2,401**	**3,168**	**2,743**	**2,060**	**1,514**
Taxation (expense)/benefit	(746)	(871)	(770)	(600)	(406)
Net profit after taxation	**1,655**	**2,297**	**1,973**	**1,460**	**1,108**
Minority interests	-	-	-	-	-
Dividends paid	-	1,000	1,000	500	-

As at 31 March NZ $000's	2025	2024	2023	2022	2021
Balance sheet					
Total assets	117,608	128,687	138,373	145,954	148,221
Total individually impaired assets	-	-	-	-	-
Total liabilities	62,743	75,477	86,460	95,014	98,241
Total shareholder equity	54,865	53,210	51,913	50,940	49,980

For the year ended 31 March NZ $000's	2025	2024	2023	2022	2021
Summary of Cash Flow Statement					
Operating activities	4,003	8,008	(3,225)	(302)	(5,657)
Investing activities	(1)	(33)	(2)	(10)	(36)
Financing activities	(361)	(1,293)	(1,295)	(777)	(250)

The amounts disclosed in this historical summary of financial statements have been taken from the audited financial statements of the Bank, which were prepared in accordance with New Zealand equivalents to IFRS Accounting Standards.

10. Banking Group

At the date of this disclosure statement, the Bank does not have any subsidiaries and is the only member of the Banking Group.

11. Other material matters

RBNZ, following their supervisory risk assessment process, informed the Bank in April 2025, that while the Bank's prudential metrics remain above minimum regulatory requirements, they have identified areas of improvement in Strategy risk, Governance risk and Financial risk management. The Banks management team together with the Board of Directors, is working to meet the regulator's requirements.

There are no other matters relating to the business or affairs of the Bank, other than those contained in this Disclosure Statement that, if disclosed, would materially affect the decision of a person to subscribe for debt securities of which the Bank is the issuer.

12. Directors' statements

Each Director of the Bank, after due inquiry, believes as at the date of signing that this disclosure statement:

(a) contains all the information that is required by the Order; and

(b) is not false or misleading.

Each Director of the Bank, after due enquiry, believes that for the year ended 31 March 2025:

(a) the Bank had complied in all material respects with its conditions of registration that applied during the period, as imposed by the Reserve Bank of New Zealand under section 74 of the Reserve Bank Act 1989;

(b) credit exposures to connected persons were not contrary to interests of the Banking Group; and

(c) the Bank had systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

For and on behalf of all of the Directors of the Bank (by Directors' Resolution), this Disclosure Statement is dated at Auckland, New Zealand this 25 day of June 2025 and signed by Nurani Subramanian Venkatachalam and Sandeep Kumar Khetan as responsible persons.

Nurani Subramanian Venkatachalam
Chairman

Sandeep Kumar Khetan
Managing Director

13. Independent auditor’s report

The independent auditor’s report on this disclosure statement is attached with the financial statements of the Bank in Appendix 2 to this disclosure statement. The information required by Schedule 1 of the Order is included in the independent auditor’s report.

14. Financial statements

The financial statements for the Bank for the year ended 31 March 2025 are attached at Appendix 2, and form part of, this disclosure statement. The information required by Schedules 2, 4, 7, 9, 13, 14, 15, and 17 of the Order is set out in those financial statements.

Appendix 1: Guarantee

बैंक ऑफ़ बड़ौदा Bank of Baroda

100 YEARS banking with passion

Deed of Guarantee

relating to

all indebtedness of Bank of Baroda (New Zealand) Limited to the Creditors

Bank of Baroda

Guarantor

Date 14.08.2008

अंतरराष्ट्रीय प्रभाग International Division

अंतरराष्ट्रीय प्रभाग : बड़ौदा कार्पोरेट सेन्टर, सी-26, जी-ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, मुंबई 400 051. भारत
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ईमेल / E-mail : gm.international.bcc@bankofbaroda.com वेब / Web : www.bankofbaroda.com

Appendix 1: Guarantee

100 YEARS banking with passion

बैंक ऑफ़ बड़ौदा Bank of Baroda

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अंतरराष्ट्रीय प्रभाग : बड़ौदा कार्पोरेट सेन्टर, सी-26, जी-ब्लॉक, बान्द्रा-कुर्ला कॉम्पलेक्स, मुंबई 400 051, भारत
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Appendix 1: Guarantee

बैंक ऑफ़ बड़ौदा Bank of Baroda

100 YEARS banking with passion

This Deed of Guarantee is made on 13th August, 2008

by Bank of Baroda (Guarantor)

Introduction

At the request of the Bank, the Guarantor has agreed to guarantee all of the indebtedness of the Bank to the Creditors on the terms of this Deed.

It is agreed

1. Interpretation

1.1 **Definitions**

In this Deed:

Bank means Baroda (New Zealand) Limited (to be renamed Bank of Baroda (New Zealand) Limited);

Creditor means a person to whom the Bank owes indebtedness, including, for the avoidance of doubt, any depositor of the Bank; and

Guaranteed Indebtedness means all indebtedness of the Bank to the Creditors.

1.2 **Construction of certain references**

In this Deed:

an **agreement** includes a contract, deed, licence, undertaking and other document or legally enforceable arrangement in writing (present and future) and includes that document as amended, assigned, novated or substituted from time to time;

a **business day** means a day (other than a Saturday or Sunday) on which registered banks are open for general banking business in Wellington and, where payment is required in foreign currency, banks are open for business in the required place of payment;

a **consent** includes an approval, authorisation, exemption, filing, licence, order, permit, recording and registration;

costs incurred by a person include all commissions, charges, losses, expenses (including legal fees on a solicitor and own client basis) and taxes incurred by that person;

a **guarantee** means a suretyship, the economic effect of which is to assume responsibility for the indebtedness or obligations of another person;

indebtedness includes any obligation (whether present or future, secured or unsecured, joint or several, as principal, surety or otherwise) relating to the payment of money;

the **liquidation** of a person includes the dissolution, administration, winding-up and bankruptcy of that person and any analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, carries on business or has property;

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a person includes an individual, body corporate, an association of persons (whether corporate or not), a trust, a state, an agency of a state and any other entity (in each case, established for lawful purposes and whether or not having separate legal personality);

property includes the whole and any part of the relevant person's business, assets, undertaking, revenues and rights (in each case, present and future), and reference to any property includes any legal or equitable interest in it;

writing includes an authenticated SWIFT message, facsimile transmission, an email communication and any means of reproducing words in a tangible and permanently visible form;

a reference to a party, clause, schedule or annexure is a reference to a party to, clause of, schedule to or annexure to, this Deed;

the word including when introducing an example does not limit the meaning of the words to which the example relates;

an agreement, representation or undertaking given by the Guarantor in favour of two or more persons is for the benefit of them jointly and each of them severally; to the extent of cumulative indebtedness only;

a gender includes each other gender;

the singular includes the plural and vice versa;

where a word or phrase is defined, its other grammatical forms have a corresponding meaning; and

any legislation includes a modification and re-enactment of, legislation enacted in substitution for, and a regulation, order-in-council and other instrument from time to time
2. issued or made under, that legislation.

2.1 Headings and the table of contents are to be ignored in construing this Deed.

Guarantee and indemnity

Guarantee

2.2 The Guarantor unconditionally and irrevocably guarantees to the Creditors due payment by the Bank of the Guaranteed Indebtedness.

Payment

The Guarantor undertakes to the Creditors that if, for any reason, the Bank does not pay to the Creditors when due (whether by acceleration or otherwise) any Guaranteed Indebtedness, it will pay the relevant amount to each relevant Creditor immediately on
2.3 receiving a written demand from the Creditor accompanied by proof of the relevant Guaranteed Indebtedness.

Unenforceability of obligations

As a separate and continuing undertaking, the Guarantor unconditionally and irrevocably undertakes to the Creditors that, should any Guaranteed Indebtedness not be recoverable from the Bank due to:

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100 YEARS banking with passion बैंक ऑफ़ बड़ौदा Bank of Baroda

(a) a defect in or lack of powers of the Bank or the Guarantor or the irregular exercise of those powers; or

(b) a defect in or lack of authority by a person purporting to act on behalf of the Bank or the Guarantor; or

(c) a legal or other limitation (whether under the Limitation Act 1950 or otherwise), disability or incapacity of the Bank or the Guarantor; or

(d) a liquidation, amalgamation, change in status, constitution or control, reconstruction or reorganisation of the Bank or the Guarantor (or the commencement of steps to effect the same),

it will, as a sole and independent obligation, pay to the Creditors on demand the amount that the Creditors would otherwise have been able to recover (on a full indemnity basis). In this clause, the expression "Guaranteed Indebtedness" includes any indebtedness that would have been included in that expression but for anything referred to in this clause.

3. Nature of guarantee obligations

3.1 Liability as sole principal debtor

As between the Guarantor and the Creditors (but without affecting the obligations of the Bank) the Guarantor is liable under this Deed in relation to the Guaranteed Indebtedness as if it were the sole and principal debtor. However, the Bank will be discharged from its obligations in respect of any Guaranteed Indebtedness to the extent of any payment made by the Guarantor in relation to that Guaranteed Indebtedness.

3.2 No discharge

The Guarantor is not discharged, nor are its obligations affected, by:

(a) any time, indulgence, waiver or consent at any time given to the Bank; or

(b) an amendment (however fundamental) to, or replacement of, any agreement; or

(c) the liquidation, amalgamation, change in status, constitution or control, reconstruction or reorganisation of the Bank (or the commencement of steps to effect any of these).

4. Payments

4.1 Mode of payments

Each payment to a Creditor under this Deed is to be made on the due date in immediately available freely transferable funds in the manner that the Creditor, by notice to the Guarantor, specifies from time to time.

Payments to be free and clear

Each payment by the Guarantor to a Creditor under this Deed is to be made:

(a) free of any restriction or condition; and

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(b) free and clear of and without any deduction or withholding for or on account of tax or on another account, whether by way of set-off, counterclaim or otherwise (except to the extent required by law).

4.3 Reinstatement

If a payment made by the Guarantor to a Creditor pursuant to this Deed is avoided by law:

(a) that payment will be deemed not to have discharged or affected the relevant obligation of the Guarantor; and

(b) that Creditor and the Guarantor will be deemed to be restored to the position in which each would have been if that payment had not been made.

5. Assignment

Neither the Guarantor nor a Creditor may assign or transfer any of its rights or obligations under this Deed.

6. Notices

6.1 Addresses and references

Each notice or other communication under this Deed is to be made in writing and sent by SWIFT messaging, personal delivery or post to the addressee at the address, and marked for the attention of the person or office holder (if any), from time to time designated for the purpose by the addressee to the other party. The SWIFT code, address and relevant person or office holder of the Guarantor, and the address and relevant person or office holder of the Bank, is set out in the Schedule.

6.2 Deemed delivery

No communication will be effective until received in legible form.

7. Remedies and waivers

7.1 Exercise of rights and waivers

Time is of the essence in respect of all dates and times for compliance by the Guarantor with the Guarantor's obligations under this Deed. However, failure to exercise, and delay in exercising, a right of a Creditor under this Deed will not operate as a waiver of that right, subject to laws of limitation, nor will a single or partial exercise of a right preclude another or further exercise of that right or the exercise of another right. No waiver by a Creditor of that Creditor's rights under this Deed is effective unless it is in writing signed by that Creditor.

7.2 Remedies cumulative

The rights of the Creditors under this Deed are cumulative and not exclusive of any rights provided by law.

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International Division

बैंक ऑफ़ बड़ौदा Bank of Baroda

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8. Miscellaneous

8.1 Partial invalidity

The illegality, invalidity or unenforceability of a provision of this Deed under any law will not affect the legality, validity or enforceability of that provision under another law or the legality, validity or enforceability of another person.

8.2 Enforcement by Creditors

For the purposes of the Contracts (Privity) Act 1982, the Guarantor acknowledges and accepts that its obligations under this Deed shall be enforceable by the Creditors.

9. Governing law and jurisdiction

9.1 Governing law

This Deed is governed by and is to be construed in accordance with New Zealand law.

9.2 In New Zealand

Each of the parties irrevocably and unconditionally agrees that the Courts of New Zealand shall have jurisdiction to hear and determine each suit, action or proceeding (proceedings), and to settle disputes, that may arise out of or in connection with this Deed and for these purposes irrevocably submits to the jurisdiction of those courts.

9.3 Service in New Zealand

The Guarantor agrees that the process by which any suit, action or proceeding in New Zealand is begun may be served on it by being delivered to the Bank without prejudice to any other lawful means of service. The address and relevant person or office holder of the Bank is set out in the Schedule.

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100 YEARS banking with passion   बैंक ऑफ़ बड़ौदा   Bank of Baroda

Execution

Executed as a deed

This Deed of Gaurantee in favour of the Creditors of Bank of Baroda (New Zealand) Limited is executed on this the 14th day of August 2008 by **Bank of Baroda**, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Mandvi, Baroda, India and its Corporate Office at Baroda Corporate Centre, C-26, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai, India, by its attorney in the presence of:

Witness Signature

BHAGAT SINGH BISHT
Print Name

Asstt. General Manager
(International Operations)
Occupation

Baroda Corporate Centre
C-26, G- Block
Bandra Kurla Complex
Mumbai – 400 051
INDIA

Address

Attorney

RAJENDRA KUMAR GARG
Print Name

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अंतरराष्ट्रीय प्रभाग, बड़ौदा कार्पोरेट सेन्टर, सी-26, जी-ब्लॉक, बान्द्रा-कुर्ला कॉम्पलेक्स, मुंबई 400 051. भारत
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Appendix 1: Guarantee

बैंक ऑफ़ बड़ौदा Bank of Baroda

100 YEARS banking with passion

The Schedule

Party Details

Guarantor Details

Name	Bank of Baroda
Address for Notices	Plot No. C-26, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051, India.
Attention	General Manager (International Operations)
Telephone Number	+91-22-66985464/5426
Email	gm.international.bcc@bankofbaroda.com
SWIFT Code	BARBINBBXXX

Bank Details

Name	Bank of Baroda (New Zealand) Limited
Address for Notices	The Bank's registered office
Attention	Managing Director

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अंतरराष्ट्रीय प्रभाग, बड़ौदा कॉर्पोरेट सेन्टर, सी-26, जी-ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, मुंबई 400 051. भारत
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Deloitte.
for
Identification

Appendix 2: Financial statements

Bank of Baroda (New Zealand) Limited

Company Number 2135104

Financial Statements for the year ended 31 March 2025

Contents

For the year ended 31 March 2025

Deloitte. for Identification

Bank of Baroda (New Zealand) Limited
Statements of profit or loss and other comprehensive income
For the year ended 31 March 2025

Deloitte.
for
Identification

	Note	2025 $'000	2024 $'000
Interest income	2	8,111	9,430
Interest expense	2	(2,893)	(3,405)
Net interest income		5,218	6,025
Other income	3	432	603
Total operating income		5,650	6,628
Operating expense	4	(3,364)	(3,455)
Expected credit loss allowances	5	115	(5)
Profit before taxation expense		2,401	3,168
Taxation expense	6	(746)	(871)
Profit after taxation expense for the year		1,655	2,297
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,655	2,297

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Deloitte.
for
Identification

Bank of Baroda (New Zealand) Limited
Statements of financial position
As at 31 March 2025

	Note	2025 $'000	2024 $'000
Assets			
Cash and cash equivalents	8	24,892	21,251
Balance due from related parties	14	1,065	1,147
Due from other financial institutions	9	3,971	4,178
Loans and advances	10	86,817	101,094
Property, plant and equipment	12	57	77
Right-of-use assets	11	282	320
Deferred taxation	7	189	224
Current taxation receivable		6	-
Other assets	13	329	396
Total assets		117,608	128,687
Liabilities			
Balance due to related parties	14	741	838
Deposits and other borrowings	15	60,800	72,903
Current taxation payable		-	442
Lease liabilities	11	267	378
Other liabilities	16	935	916
Total liabilities		62,743	75,477
Net assets		54,865	53,210
Equity			
Share capital	17	40,000	40,000
Retained profits		14,865	13,210
Total equity		54,865	53,210
Total interest earning and discount bearing assets		115,154	126,007
Total interest and discount bearing liabilities		58,478	70,227
Financial assets, pledged as collateral for liabilities or contingent liabilities		-	-

The financial statements were approved by the Board of Directors and authorised for issue on 25 June 2025.

Chairman

Managing Director

Bank of Baroda (New Zealand) Limited
Statements of changes in equity
For the year ended 31 March 2025

Deloitte.
for
Identification

	Share capital $'000	Retained profits $'000	Total equity $'000
Balance at 1 April 2024	40,000	13,210	53,210
Profit after taxation expense for the year	-	1,655	1,655
Transactions with Owners of the company in their capacity as Owners:			
Dividends paid	-	-	-
Balance at 31 March 2025	40,000	14,865	54,865

	Share capital $'000	Retained profits $'000	Total equity $'000
Balance at 1 April 2023	40,000	11,913	51,913
Profit after taxation expense for the year	-	2,297	2,297
Transactions with Owners in their capacity as Owners:			
Dividends paid	-	(1,000)	(1,000)
Balance at 31 March 2024	40,000	13,210	53,210

The above statements of changes in equity should be read in conjunction with the accompanying notes

Bank of Baroda (New Zealand) Limited
Statements of cash flows
For the year ended 31 March 2025

Deloitte.
for
Identification

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Interest received		8,163	9,500
Other income	3	432	603
Operating expenses paid		(3,111)	(3,128)
Interest paid		(2,927)	(3,459)
Income tax paid		(1,156)	(781)
Net cash flows from operating activities before changes in operating assets and liabilities		1,401	2,735
Decrease in loans and advances		14,391	15,954
Decrease in balances due from other financial institutions		207	922
Decrease in deposits and other borrowings		(12,104)	(9,686)
Decrease in balance due to related parties		(97)	(1,008)
Decrease/(increase) in other assets		16	(14)
Increase in other liabilities and provisions		108	43
Decrease/(increase) in balances due from related parties		81	(938)
Net cash flow from operating activities		4,003	8,008
Cash flows from investing activities			
Payments for property, plant and equipment	12	(1)	(33)
Net cash flow used in operating activities		(1)	(33)
Cash flows from financing activities			
Dividends paid		-	(1,000)
Repayment of lease liabilities		(361)	(293)
Net cash flow used in financing activities		(361)	(1,293)
Net increase in cash and cash equivalents		3,641	6,682
Cash and cash equivalents at the beginning of the financial year		21,251	14,569
Cash and cash equivalents at the end of the financial year	8	24,892	21,251
Made up of:			
Cash on hand		70	63
Call and overnight advances to financial institutions		24,822	21,188
		24,892	21,251

Bank of Baroda (New Zealand) Limited
Reconciliation of net profit after taxation to net cash flows from operating activities
For the year ended 31 March 2025

Deloitte.
for
Identification

Reconciliation of net profit after taxation to net cash flow from operating activities

	2025 $'000	2024 $'000
Profit after income tax for the period	1,655	2,297
Non cash movements:		
Adjustments for:		
Depreciation and amortisation	308	304
(Decrease)/increase in provision for impairment losses	(115)	5
Decrease in deferred tax assets	34	21
	227	330
Net movement in operating assets and liabilities:		
Decrease in loans and advances	14,391	15,954
Decrease/(increase) in balances due from related parties	81	(938)
Decrease in balances due from other financial institutions	207	922
Decrease/(increase) in other assets	16	(14)
Decrease in deposits and other borrowings	(12,104)	(9,686)
Decrease in interest receivable	51	70
Decrease in interest payable	(34)	(54)
Decrease in balances due to related parties	(97)	(1,008)
(Decrease)/increase in provision for income tax	(443)	69
Increase in other liabilities and provisions	53	66
Net cash flow from operating activities	**4,003**	**8,008**

1. Statement of material accounting policies

General information

The reporting entity is Bank of Baroda (New Zealand) Limited ("the Bank" or "the Company"). The Bank is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 ("FMCA 2013"), registered under the Companies Act 1993 and is incorporated in New Zealand. These financial statements have been drawn up in accordance with the requirements of the Companies Act 1993, the Financial Markets Conduct Act 2013, Financial Reporting Act 2013 and the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended). They were approved for issue by the Directors on 25 June 2025. The address of its registered office is 114 Dominion Road, Auckland 1446, New Zealand. The Bank provides its products and services to retail and business customers. The Bank is a fully owned subsidiary of Bank of Baroda ("BOB"), an Indian incorporated bank.

The Bank's financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to IFRS Accounting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. These financial statements also comply with IFRS Accounting Standards.

These financial statements were authorised for issue by the Board on 25 June 2025.

New and amended NZ IFRS that are effective for the current year

In the current year, the Bank has applied the following amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024:

- *Classification of liabilities as current or non-current (Amendments to NZ IAS 1)*
  This amendment to NZ IAS 1 clarifies certain requirements for determining whether a liability should be classified as current or non-current at the end of the reporting period.
- *Presentation of financial statements - Non-current liabilities with covenants (Amendments to NZ IAS 1)*
  This NZ IAS 1 amendment requires new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting date.
- *Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)*
  The amendments to FRS-44 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services.

The adoption of these has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NZ IFRS issued but not yet effective

Future changes
- *NZ IFRS18 - Presentation and Disclosure in Financial Statements*
  Replaces NZ IAS 1 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in NZ IFRS-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of the five categories - operating, investing, financing, income taxes, and discontinued operations. It also provides enhance requirements for the aggregation and disaggregation of information. This change is effective for annual reporting periods beginning on or after 1 January 2027. The Bank has not undertaken an assessment as to the impact of these changes at this stage.
- *Amendments to NZ IFRS 9: Financial Instruments and NZ IFRS 7: Financial Instruments: Disclosures*
  This will provide clarifications on accounting for the settlement of liabilities through electronic payment systems, and on the application of the classification requirements for financial assets, including financial assets with environmental, social and corporate governance and similar features. In addition, it also introduces new disclosures for investments in equity instruments designated at fair value through other comprehensive income, and financial instruments with contingent features. This change is effective for annual reporting periods beginning on or after 1 January 2026. The Bank has not undertaken an assessment as to the impact of these changes at this stage.

No other standards, amendments or interpretations that have been issued but are not yet effective are expected to materially impact the financial statements.

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1. Statement of material accounting policies (continued)

Basis of preparation

Historical cost convention and functional and presentation currency
The financial statements have been prepared under the historical cost convention. The functional and presentation currency is the New Zealand Dollar (NZD) and the figures have been rounded to the nearest thousand, unless otherwise stated.

Going concern
The financial statements have been prepared under the assumption that the Group operates as a going concern.

In September 2021, the Bank's parent company, Bank of Baroda, India, as a part of rationalisation of global presence, had expressed an intention to divest or close the operations of Bank of Baroda (New Zealand) Limited.

Whilst the process was initiated, no decisions confirming any divestment or closure were made. However, the parent bank on 23 June 2025 decided to withdraw the divestment process and continue the operations of Bank of Baroda (New Zealand).

During the period of this process, the parent had agreed to provide necessary financial support for the operations of the Bank. As expressed in their letter of support, the parent had indicated its willingness to provide support. The parent bank has net assets of NZD 23.66 billion as at 31 March 2025 which shows their ability to provide support. Consequently, the directors of the Bank consider that the use of the going concern basis of accounting remains appropriate in the preparation of these financial statements and the values assigned to assets and liabilities in the Disclosure Statement represent the best estimate.

Critical accounting judgements, estimates and assumptions

In preparing these financial statements, the Bank has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, revenue and expenses as well as other information reported in the notes.

The judgements made in the process of applying the Bank's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are identified below.

Allowance for expected credit losses
The measurement of expected credit losses (ECL) requires significant judgement, particularly in determining what constitutes a significant increase in credit risk (SICR), selecting appropriate model inputs, and applying forward-looking information.

The Bank’s ECL model incorporates the following key assumptions:

- *Macroeconomic assumptions*
  The base case scenario for the year ended 31 March 2025 assumes modest GDP growth, a stable unemployment rate of approximately 5%, and inflation gradually declining towards the Reserve Bank of New Zealand’s target band over the forecast period. The Bank also applied alternative economic scenarios, including downside and upside cases, with management assigning a higher weighting to the base case and lower probabilities to alternative scenarios.
- *Model parameters*
  Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) assumptions were reviewed and updated in March 2025 to reflect changes in macroeconomic conditions and publicly available market data, given the Bank’s limited internal historical default experience.
- *Management overlays*
  Additional adjustments were applied to capture potential risks not fully reflected in the model, particularly in relation to residential mortgages and commercial lending exposures, in light of ongoing inflationary and interest rate pressures.

During the year, three loan accounts of a customer previously classified as Stage 3 were reclassified to Stage 1, reflecting improved credit quality. Conversely, four loan accounts of another entity in the same borrower group moved from Stage 2 to Stage 3. As at 31 March 2025, total exposure and provision for this customer group were $3,119,882 and $41,822, respectively (2024: $1,997,534 and $22,728). The three stages applied by the Bank to measure ECL are defined as part of the material accounting policies on page 38 under expected credit losses.

Given the inherent uncertainty in the assumptions and the reliance on forward-looking information, actual credit losses may differ from the ECL estimates.

1. Statement of material accounting policies (continued)

Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Changes in accounting policies

There were no changes in accounting policies adopted in the preparation of these financial statements since those applied in the 31 March 2024 financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Bank and that the revenue can be reliably measured. The principal sources of revenue are interest income, fees and commissions.

Interest income and expense
Financial instruments are classified in the manner described in the financial assets and liabilities sections below.

For financial instruments measured at amortised cost, interest income and expense is recognised on a time-proportion basis using the effective interest method.

Banking and lending fees
Fees and direct costs relating to loan origination, financing or restructuring and to loan commitments are deferred and amortised to income over the life of the loan. Lending fees not directly related to the origination of a loan are recognised over the period of service.

Commissions revenue
When commissions or similar fees are related to specific non-lending transactions or events, they are recognised in the profit or loss when the service is provided to the customer. When they are charged for service provided over a period, they are taken to other income on an accrual basis as the service is provided.

Net foreign exchange gains
Net foreign exchange gains represent the net amount of foreign exchange gains and losses recognised during the period.

Financial assets

Classification of financial assets
The Bank's financial assets include cash and cash equivalents, balances due from related parties, loans and advances, and other financial assets. The Bank classifies its financial assets as subsequently measured at amortised cost, based on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is classified as measured at amortised cost only if both the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Recognition and measurement
Regular purchases and sales of financial assets were recognised on the trade-date - the date on which the Bank commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Bank has transferred substantially all risks and rewards of ownership.

1. Statement of material accounting policies (continued)

Financial liabilities

Financial liabilities are recognised when an obligation arises and derecognised when it is discharged, cancelled or expired. Financial liabilities are initially recognised at fair value less transaction costs, except where they are designated at fair value, in which case transaction costs are expensed as incurred.

The Bank's financial liabilities include balances due to related parties, deposit and other borrowings, and other liabilities. Deposits from customers cover all forms of funding, and include transactional and savings accounts, term deposits and credit balances on cards. Other liabilities include the accrual of interest coupons and fees payable.

The Bank classified its financial liabilities as subsequently measured at amortised cost, as it has no held for trading or derivative financial liabilities.

Derivative financial instruments and hedge accounting

In both the current and preceding period, the Bank has not entered into any derivative financial instruments and does not apply hedge accounting to any transactions.

Expected credit losses

The Bank applies a three stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost. Such assets may move through the following three stages based on their change in credit quality since their initial recognition:

Stage 1: 12-months ECL (Stage 1)
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL - not credit impaired (Stage 2)
For credit exposures where there has been a significant increase in credit risk since initial recognition, but that are not credit impaired, a lifetime ECL is recognised. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Stage 3: Lifetime ECL - credit impaired (Stage 3)
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Assessment of significant increases in credit risk
At each reporting date, the Bank assesses whether there has been significant increase in credit risk since initial recognition by comparing the risk of default occurring over the expected life between that of the date of initial recognition to that of the reporting date.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purposes of collective evaluation, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, internal credit risk rating, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Regardless of other changes since the origination of the financial asset, it will be considered to have had a significant increase in credit risk where it is more than 30 days past due.

Subsequent improvement in credit quality
If, in a subsequent reporting period, the credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for credit losses reverts from lifetime ECL to 12-months ECL.

Measurement of expected credit losses
The estimated amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Bank and all the cash flows that the Bank expects to receive. The amount of the loss is recognised using a provision for credit loss allowance.

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1. Statement of material accounting policies (continued)

The Bank does not have any historical loss experience and thus adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgement and default data from the industry available in public domain to estimate the amount of an expected credit loss. The Bank assesses a range of macroeconomic factors which include, but are not limited to, unemployment, interest rates, gross domestic product, inflation and property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions, including any forecasts of future economic conditions are reviewed regularly.

Collective assessment of credit loss allowances
For collectively assessed provisions, expected credit losses are estimated based on probability of default, and the anticipated exposure at default.

The probability of default ("PD")
This estimates the likelihood of default occurring (either over the lifetime of the financial instrument, or within 12 months from reporting period).

Exposure at default ("EAD")
An estimate of the exposure at a default date, taking into account expected changes in the exposure after reporting date - for instance due to available borrowing facilities.

Loss given default ("LGD")
This is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Banks would expect to receive, including cash flows expected from collateral and other credit enhancements.

For credit-impaired financial assets that are assessed on an individual basis, a discounted cash flow calculation will be performed and consider multiple cash flow scenarios.

Allowance is also made for the expected credit losses arising from undrawn loan commitments available to borrowers, which is recognised within other liabilities.

Default
In defining default for the purposes of determining the risk of a default occurring, the Bank applies a default definition consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and considers qualitative indicators when appropriate. The Bank applies a presumption that default does not occur later than when a financial asset is 90 days past due, or where it operates outside of agreed facility limits for a period of more than 90 days.

Write-off of financial assets
Financial assets (and the related impairment allowances) will be written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. No loans have been written off during the current reporting period.

Purchased or originated credit impaired assets
The Bank has no purchased or originated credit impaired assets during the current reporting period.

1. Statement of material accounting policies (continued)

Asset quality disclosures

Restructured assets
A restructured asset is any credit exposure for which:

- the original terms have been changed to grant the counterparty a concession that would not otherwise have been available, due to the counterparty's difficulties in complying with the original terms;
- the revised terms of the facility are not comparable with the terms of new facilities with comparable risks; and
- the yield on the asset following restructuring is equal to or greater than, the Bank's average cost of funds, or that a loss is not otherwise expected to be incurred.

Assets acquired through the enforcement of security are those real estate and other assets acquired in full or partial satisfaction of a debt.

Past due assets
A financial asset is disclosed as a past due asset where a counterparty has failed to make a payment when contractually due, and which is not an impaired asset.

Assets under administration
An asset under administration is any credit exposure which is not an impaired asset or a past due asset, but which is to a counterparty:

- who is in receivership, liquidation, bankruptcy, statutory management or any form of administration in New Zealand; or
- who is in any other equivalent form of voluntary or involuntary administration in an overseas jurisdiction.

Taxation

Income tax on the net profit for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted as at balance date after taking advantage of all allowable deductions under current taxation legislation and any adjustment to tax payable in respect of previous financial years.

A deferred tax balance is recognised in respect of all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date.

A deferred taxation asset is recognised only to the extent that it is probable (i.e. more likely than not) that a future taxable profit will be available against which the asset can be utilised.

Provisions

A provision is recognised in the balance sheet when: the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities and credit commitments

The Bank is involved in a range of transactions that give rise to contingent and/or future liabilities. The Bank discloses a contingent liability when it has possible obligation arising from past events that will be confirmed by the occurrence or non- occurrence of one or more uncertain future events not wholly within the Bank's control. A contingent liability is disclosed when a present obligation is not recognised because it is not probable that an outflow of resources will be required to settle an obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The Bank issues commitments to extend credit, letters of credit, guarantees and other credit facilities. These financial instruments attract fees in line with market prices for similar arrangements. They are not sold or traded. The items generally do not involve cash payments other than in the event of default. The fee pricing is set as part of the broader customer credit process and reflects the probability of default. They are disclosed as contingent liabilities at their face value. The fair values of guarantees are not considered to be material.

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1. Statement of material accounting policies (continued)

Leases

Lease liabilities include the net present value of the following lease payments over the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate to the extent that the variable amount is known;

Variable lease payments that are not based on an index or rate are excluded from lease liabilities, and recognised when they become due. There are no residual value guarantees, purchase options or termination penalties relevant to the company's lease obligations.

Extension options, exercisable by the Bank, are included in a number of property leases. Where it is considered reasonably certain these will be exercised they are included within the lease term, which is the case for all such options in the current reporting period. Management considers all facts and circumstances that create an economic incentive to exercise an extension option. The assessment will be reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Bank.

The lease payments, over the lease term, are discounted using an estimate of the Bank's incremental borrowing rate for an equivalent asset.

Right-of-use assets arising from lease arrangements are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any restoration costs (such as make good provisions);

When lease payments are made these reduce the related lease liability; a finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the balance date are dealt with in the subsequent events note.

Cash and cash equivalents

Cash and cash equivalents comprise cash, cash at bank, cash in transit and call deposits due from/to other banks, all of which are used in the day-to-day cash management of the Bank.

Goods and Services Tax (GST)

The financial statements have been prepared so that all components are stated exclusive of GST except where the GST is not recoverable from the IRD. In these circumstances the GST component is recognised as part of the underlying item. Trade and other receivables and payables are stated GST inclusive. The net amount of GST recoverable from or payable to the IRD is Included within these categories. Cash flows in the statement of cash flows include GST.

Bank of Baroda (New Zealand) Limited
Notes to the financial statements
For the year ended 31 March 2025

2. Interest

	2025 $'000	2024 $'000
Interest income		
Bank deposits/placements	1,287	1,214
Loans and advances to customers	6,824	8,216
Total interest income	**8,111**	**9,430**
Interest expense		
Deposits by customers	2,874	3,182
Lease finance charges	19	37
Borrowings from related parties	-	186
Total interest expense	**2,893**	**3,405**

3. Other income

	2025 $'000	2024 $'000
Banking and lending fee income	108	181
Commissions revenue	66	65
Net foreign exchange gains	256	355
Other revenue	2	2
Total other income	**432**	**603**

4. Operating expense

	2025 $'000	2024 $'000
Audit and review of Disclosure Statement:		
- Audit of Disclosure Statement	231	200
- Audit of prior period Disclosure Statement - additional fee	-	31
- Half year review of Disclosure Statement	58	70
- Other services	-	27
Directors' fees	73	73
Depreciation:		
- Computer hardware	2	7
- Office equipment	1	1
- Furniture, fittings, and leasehold improvements	18	24
- Right-of-use-assets	287	272
Employee benefits:		
- Salary & others	1,575	1,471
- Kiwisaver	20	17
Rental and lease costs not included in lease liabilities	50	46
Other operating expenses	1,049	1,216
Total operating expenses	**3,364**	**3,455**

The Audit of Disclosure Statement for 31 March 2024 was conducted by KPMG. The Half year Review of Disclosure Statement for 30 September 2024 and Audit of Disclosure Statement for 31 March 2025 are conducted by Deloitte Limited. Deloitte Limited provided other services in relation to compilation of the Disclosure Statement prior to them being appointed as Statutory Auditor.

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5. Expected credit loss allowances

For the year ended 31 March 2025	Retail mortgage lending $'000	Corporate and institutional $'000	Other exposures excluding sovereigns and central bank $'000	Total $'000
Collective allowance				
Balance at the beginning of the year	234	287	4	525
(Credit)/charge to profit or loss	(37)	(75)	(3)	(115)
Total provision for expected credit losses at 31 March 2025	**197**	**212**	**1**	**410**
Recognised in:				
Loans and advances - collective provision	194	198	-	392
Other liabilities - undrawn commitments	3	14	1	18
Total provision for expected credit losses at 31 March 2025	**197**	**212**	**1**	**410**

For the year ended 31 March 2025	Collective provision 12-months ECL $'000	Collective provision lifetime ECL - significant increase in credit risk $'000	Specific provision lifetime ECL - credit impaired $'000	Total $'000
Movement in provision for expected credit losses				
Residential mortgage lending				
Balance at beginning of year	150	84	-	234
(Credit)/charge to profit or loss	(21)	(16)	-	(37)
Balance at end of period - Residential mortgage lending	**129**	**68**	**-**	**197**
Corporate exposures				
Balance at beginning of year	248	39	-	287
Credit to profit or loss	(36)	(39)	-	(75)
Balance at end of period - Corporate exposures	**212**	**-**	**-**	**212**
Other exposures				
Balance at beginning of year	4	-	-	4
Charge to profit or loss	(3)	-	-	(3)
Balance at end of period - Other exposures	**1**	**-**	**-**	**1**
Provision for expected credit loss allowances - Total				
Balance at beginning of year	402	123	-	525
Credit to profit or loss	(60)	(55)	-	(115)
Total provision for expected credit losses at 31 March 2025	**342**	**68**	**-**	**410**

No expected credit losses are recognised where the collateral is cash. $3.91m of such exposures exist at balance date (2024: $3.43m).

Impact of changes in gross carrying amount on ECL

The ECL amount as at 31 March 2024 was $0.52m which is reduced to $0.41m as at 31 March 2025. The key reason for this reduction in the ECL is a decline in the loan exposure from $101.60m as at 31 March 2024 to $87.21m as at 31 March 2025 coupled with improved Stage Two accounts situation both in terms of number and outstanding balance (recognising lifetime credit losses). As at 31 March 2024, seven customers with nine loan accounts were classified as Stage Two accounts. Whereas, as at 31 March 2025, only one loan account is classified as Stage Two. As at 31 March 2024, three accounts of one customer were classified as Stage Three. All the three accounts were upgraded during the year and are classified as Stage One as at 31 March 2025. For this year ended 31 March 2025, four loan accounts of two borrowing entities (belonging to the same borrower group) are classified as Stage Three.

5. Expected credit loss allowances (continued)

For the year ended 31 March 2024	Retail mortgage lending $'000	Corporate and institutional $'000	Other exposures excluding sovereigns and central bank $'000	Total $'000
Collective allowance				
Balance at the beginning of the year	153	364	3	520
Charge/(credit) to profit or loss	81	(77)	1	5
Total provision for expected credit losses at 31 March 2024	**234**	**287**	**4**	**525**
Recognised in:				
Loans and advances - collective provision	230	273	4	507
Other liabilities - undrawn commitments	4	14	-	18
Total provision for expected credit losses at 31 March 2024	**234**	**287**	**4**	**525**

For the year ended 31 March 2024	Collective provision 12-months ECL $'000	Collective provision lifetime ECL - significant increase in credit risk $'000	Specific provision lifetime ECL - credit impaired $'000	Total $'000
Movement in provision for expected credit losses				
Residential mortgage lending				
Balance at beginning of year	121	32	-	153
Charge to profit or loss	29	52	-	81
Balance at end of period - Residential mortgage lending	**150**	**84**	**-**	**234**
Corporate exposures				
Balance at beginning of year	336	28	-	364
(Credit)/charge to profit or loss	(88)	11	-	(77)
Balance at end of period - Corporate exposures	**248**	**39**	**-**	**287**
Other exposures				
Balance at beginning of year	3	-	-	3
Charge to profit or loss	1	-	-	1
Balance at end of period - Other exposures	**4**	**-**	**-**	**4**
Provision for expected credit loss allowances - Total				
Balance at beginning of year	460	60	-	520
(Credit)/charge to profit or loss	(58)	63	-	5
Total provision for expected credit losses at 31 March 2024	**402**	**123**	**-**	**525**

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6. Taxation expense

	2025 $'000	2024 $'000
Net profit before taxation	2,401	3,168
Tax calculated at a tax rate of 28%	(672)	(887)
Re-estimation of prior period current tax liability	(70)	20
Non-deductible expenses	(4)	(4)
Taxation expense as per the statement of comprehensive income	**(746)**	**(871)**
Represented by:		
Current tax - current year	(641)	(870)
Current tax - prior year	(70)	20
Deferred tax	(35)	(21)
Taxation expense as per the statement of comprehensive income	**(746)**	**(871)**

	2025 $'000	2024 $'000
Imputation credits available for use in subsequent periods	**3,148**	**2,011**

7. Deferred taxation

Deferred taxes arising from temporary differences are summarised as follows:

	2025 $'000	2024 $'000
Deferred tax balances		
Balance at the beginning of the year	224	245
Credit to statement of comprehensive income	(35)	(21)
Balance at end of the year	**189**	**224**

	Balance 1 April 2024 $'000	Recognised in profit/loss $'000	Balance 31 March 2025 $'000
Year ended 31 March 2025			
Property, plant and equipment	24	(2)	22
Provisions and accruals	183	(12)	171
Right-of-use assets and lease liabilities	17	(21)	(4)
Balance	**224**	**(35)**	**189**

	Balance 1 April 2023 $'000	Recognised in profit/loss $'000	Balance 31 March 2024 $'000
Year ended 31 March 2024			
Property, plant and equipment	24	-	24
Provisions and accruals	197	(14)	183
Right-of-use assets and lease liabilities	24	(7)	17
Balance	**245**	**(21)**	**224**

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7. Deferred taxation (continued)

Deferred tax accounts for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their values for taxation purposes.

8. Cash and cash equivalents

	2025 $'000	2024 $'000
Cash on hand	70	63
Call and overnight balances to financial institutions	24,822	21,188
Total cash and cash equivalents	**24,892**	**21,251**
Current	24,892	21,251
Non-current	-	-

9. Due from other financial institutions

	2025 $'000	2024 $'000
Term deposits	3,963	4,173
On demand deposits	8	5
Total due from other financial institutions	**3,971**	**4,178**
Current	3,971	4,178
Non-current	-	-

The term deposits are held with three financial institutions which have the following credit rating from Standard and Poor's:

- Bank of New Zealand (AA-)
- Westpac Banking Corporation (AA-)
- Standard Chartered Bank (A+)

10. Loans and advances

	2025 $'000	2024 $'000
Residential mortgage loans	61,944	72,067
Corporate exposures	22,435	26,855
Other exposures	2,830	2,679
Allowances for expected credit losses	(392)	(507)
Total net loans and advances	**86,817**	**101,094**
Current	11,052	10,898
Non-current	75,765	90,196

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11. Leases

Right-of-use assets

The following amounts are included in the balance sheet in relation to the property which is a right-of-use asset held under lease arrangements:

	2025 $'000	2024 $'000
Cost		
Opening balance	1,604	1,604
Remeasurements	249	-
Total cost	1,853	1,604
Accumulated depreciation		
Opening balance	1,284	1,012
Depreciation (note 4)	287	272
Total accumulated depreciation	1,571	1,284
Opening net carrying amount	320	592
Closing net carrying amount	**282**	**320**
Liabilities for leases		
The following amounts are included as lease liabilities:		
Current	249	258
Non-current	18	120
	267	**378**

Nature and extent of lease activities
The Bank leases properties for operational purposes as its branches. These leases contain a variety of lease terms which typically include rent review (fixed, market and/or CPI) and extension options. Further variable costs due under the lease agreements expensed in the current period amounted to $50,000 (2024: $46,000).

In addition, there are lease costs recognised on a straight-line basis in relation to short-term leases of residential properties, provided as accommodation to certain Bank staff members. Costs amounting to $182,685 (2024: $161,480) were expensed during the period. These have been disclosed as employee benefits, within note 4.

Total cash outflows related to leases during the period under review amounted to $554,226 (2024: $527,506).

The Bank is not exposed to significant liquidity risk as a result of the lease liabilities, which are payable monthly and managed in accordance with the Bank's overall liquidity management.

Maturity profile for lease liabilities
The following undiscounted amounts are due under the Bank's lease arrangements during the assumed lease term:

Lease payments included within lease liabilities	Up to 3 months $'000	3 to 12 months $'000	Between 1 & 5 years $'000	More than 5 years $'000	Total $'000
At 31 March 2025	76	180	18	-	274
At 31 March 2024	82	192	125	-	399

Lease commitments where no liability is recognised
In the current period no lease liability has been recognised in relation to short-term leases of less than 12 months duration. Payments were due under such leases as follows:

Short term leases	2025 $'000	2024 $'000
Not later than one year	53	72

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12. Property, plant and equipment

	Computer hardware $'000	Office equipment $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Year ended 31 March 2025				
Cost				
Opening balance	192	96	779	1,067
Additions	1	-	-	1
Total cost	193	96	779	1,068
Accumulated depreciation				
Opening balance	187	92	711	990
Depreciation expense	2	1	18	21
Total accumulated depreciation	189	93	729	1,011
Net carrying amount at 31 March 2025	4	3	50	57

	Computer hardware $'000	Office equipment $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Year ended 31 March 2024				
Cost				
Opening balance	186	96	752	1,034
Additions	6	-	27	33
Total cost	192	96	779	1,067
Accumulated depreciation				
Opening balance	180	91	687	958
Depreciation expense	7	1	24	32
Total accumulated depreciation	187	92	711	990
Net carrying amount at 31 March 2024	5	4	68	77

13. Other assets

	2025 $'000	2024 $'000
Interest receivable	207	258
Other receivables	122	138
Total other assets	329	396
Current	329	396
Non-current	-	-

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14. Related party disclosures

Parent company
The Bank is wholly owned by the Bank of Baroda, a bank incorporated in India. No related party debts have been written off or forgiven during the year.

Key management personnel
Key management personnel (KMP) are defined as being the directors and senior management of the Bank.

	2025 $'000	2024 $'000
Salaries and other short term-benefits	1,248	1,196
Deposits from KMP bearing interest of 2% to 2.25% (2024: 2.25%)	206	163
Interest paid to KMP during the period	3	5
Loans to KMP at interest rates of 3.40% to 7.19% (2024: 3.75 to 7.19%)	618	602
Interest earned from loans to KMP	40	37

Guarantee from Parent
The Banks's ultimate parent company is Bank of Baroda, an Indian incorporated bank (BOB). BOB is subject to regulatory oversight by the Reserve Bank of India and the Government of India. BOB is not a New Zealand registered bank and is not subject to regulatory oversight by the Reserve Bank of New Zealand.

The obligations of the Bank are guaranteed by BOB. There are no legislative, regulatory or restrictions of a legally enforceable nature in India (BOB's country of Incorporation) that may materially inhibit the legal ability of BOB to provide material financial support to the Bank. As at 31 March 2025, all the obligations of the Bank are guaranteed by BOB.

Related party balances and transactions
Related parties include branches of Bank of Baroda, its subsidiaries and other related parties.

The Bank has current account balances owing to its parent company, Bank of Baroda of NZ$739,595 (2024: NZ$832,140), Bank of Baroda (Sydney) of NZ$nil (2024: NZ$3,956) and Bank of Baroda (Fiji) of NZ$1,167 (2024: NZ$1,487) that are non-interest bearing.

The Bank holds foreign currency Nostro current accounts deposits of NZ$1,065,526 (2024: NZ$1,146,399) with other members of BOB group and other related parties, these accounts are non-interest bearing.

	2025 $'000	2024 $'000
USA New York Branch (USD)	1,002	1,079
India Mumbai main office (INR)	17	32
U.K London office (GBP)	19	17
Fiji Suva branch (FJD)	4	2
Australia Sydney branch (AUD)	23	17
	1,065	**1,147**

Transactions with related parties	2025 $'000	2024 $'000
Interest income		
Bank of Baroda branches	-	-
Other related parties	-	-

Bank of Baroda (New Zealand) Limited
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14. Related party disclosures (continued)

Transactions with related parties	**2025 $'000**	**2024 $'000**
Interest expense		
Bank of Baroda	-	186
Bank of Baroda (Sydney)	1	54

Interest was paid to Bank of Baroda (Sydney) in respect of their short-term deposits with face values of NZ$365,636 during 2025 and NZ$50,340,000 during 2024. The term deposit balances as at 31 March 2025 and 31 March 2024 were NZ$nil.

Interest was paid to Bank of Baroda (India) on a borrowing facility of NZ$5 million, which was fully drawn and repaid during 2024. The borrowing balances as at 31 March 2025 and 31 March 2024 were NZ$nil.

Support & service fee/management fee		
Bank of Baroda	141	200
Due to Related parties:		
Bank of Baroda branches (deposits)	741	838
Current	741	838
Non-current	-	-
Due from related parties:		
Bank of Baroda branches	1,065	1,147
Current	1,065	1,147
Non-current	-	-

During the course of the year ended 31 March 2025, the Bank entered into foreign currency transactions to buy and sell INR, USD, GBP, EUR, AUD and FJD with its parent company, Bank of Baroda, and the resulting balances from these transactions are included in the balance due to related parties of the face of the statement of financial position.

15. Deposits and other borrowings

	2025 $'000	**2024 $'000**
Retail deposits	60,800	72,903
New Zealand	60,800	72,903
Overseas	-	-
Current	57,094	70,142
Non-current	3,706	2,761

16. Other liabilities

	2025 $'000	**2024 $'000**
Employee entitlements	172	139
Other payables and accruals	745	759
Credit loss allowance on undrawn lending commitments (note 5)	18	18
Total other liabilities	**935**	**916**
Current	935	916
Non-current	-	-

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17. Equity

	2025 $'000	2024 $'000
Share capital	40,000	40,000
Retained earnings	14,865	13,210
	54,865	53,210

40,000,000 shares (2024: 40,000,000) have been issued with equal voting rights and share equally in dividends and any profits on winding up. Shares have a par value of one NZD each. There have been no issues or other changes in share capital in the current or previous year.

A dividend of $1,000,000 (2.50 cents per share, imputed at 28%) was paid during the year ended 31 March 2024.

18. Asset quality

As at 31 March 2025	**Residential mortgage loans $'000**	**Corporate exposures $'000**	**Other exposure excluding sovereigns and central banks $'000**	**Total $'000**
Loans and advances				
No significant increase in credit risk				
Not past due	54,278	19,463	2,830	76,571
Less than 30 days past due Loans where payments are in arrears	3,055	2,972	-	6,027
Loans where payments are in arrears or otherwise impaired				
30-59 days past due and not credit impaired	1,491	-	-	1,491
60-89 days and not credit impaired	-	-	-	-
More than 90 days in arrears or otherwise and not credit impaired	3,120	-	-	3,120
Gross loans and advances	**61,944**	**22,435**	**2,830**	**87,209**
Less allowances for expected credit losses (note 5)	(194)	(198)	-	(392)
Net loans and advances	**61,750**	**22,237**	**2,830**	**86,817**
Other assets neither past due nor impaired	-	-	30,257	30,257
Total net financial assets	**61,750**	**22,237**	**33,087**	**117,074**

Movements in gross balances - by credit loss allowance stage	**Stage 1 $'000**	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 April 2024	92,202	7,401	1,998	101,601
Loans repaid in their entirety	(25,179)	(610)	-	(25,789)
New loans originated	13,232	-	-	13,232
Net further lending/(repayment)	(1,782)	127	-	(1,655)
Transfers between loss allowance stages	4,127	(5,429)	1,122	(180)
Balance at 31 March 2025	**82,600**	**1,489**	**3,120**	**87,209**

At 31 March 2025 there were $3,120,000 of loans in Stage 3 (2024: $1,998,000). These loans are fully secured by mortgages.

The Bank does not have any modified or restructured assets, and financial, real estate or other assets acquired through security enforcement or any other assets under administration as at 31 March 2025 (2024: nil). There has been no foregone interest income on restructured, individually impaired, or greater than 90 days past due assets during the year ended 31 March 2025 (2024: nil). There were no undrawn balances on lending commitments to counterparties impaired assets classified as individually credit at 31 March 2025 (2024: nil).

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18. Asset quality (continued)

As at 31 March 2024	Residential mortgage loans $'000	Corporate exposures $'000	Other exposure excluding sovereigns and central banks $'000	Total $'000
Loans and advances				
No significant increase in credit risk				
Not past due	58,405	24,964	2,196	85,565
Less than 30 days past due Loans where payments are in arrears	6,989	-	-	6,989
Loans where payments are in arrears or otherwise impaired				
30-59 days past due and not credit impaired	2,671	1,891	483	5,045
60-89 days and not credit impaired	2,004	-	-	2,004
More than 90 days in arrears or otherwise and not credit impaired	1,998	-	-	1,998
Gross loans and advances	**72,067**	**26,855**	**2,679**	**101,601**
Less allowances for expected credit losses (note 5)	(230)	(273)	(4)	(507)
Net loans and advances	**71,837**	**26,582**	**2,675**	**101,094**
Other assets neither past due nor impaired	-	-	26,972	26,972
Total net financial assets	**71,837**	**26,582**	**29,647**	**128,066**

Movements in gross balances - by credit loss allowance stage	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at 1 April 2023	112,136	3,337	2,082	117,555
Adjustment for previous year movement	(22)	-	22	-
Loans repaid in their entirety	(23,913)	(659)	(54)	(24,626)
New loans originated	5,709	483	-	6,192
Net further lending/(repayment)	2,532	-	(52)	2,480
Transfers between loss allowance stages	(4,240)	4,240	-	-
Balance at 31 March 2024	**92,202**	**7,401**	**1,998**	**101,601**

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19. Concentration of credit risk

The following table breaks down the Bank's main credit exposure at their carrying amounts plus off balance sheet exposures, as categorised by the industry sectors of its counterparties:

	2025 $'000	2024 $'000
New Zealand		
Finance	28,852	25,423
Households	58,156	72,878
Construction	12,711	15,758
Property services	14,051	10,969
Health and community services	40	40
Personal and other services	7,258	6,571
Retail and wholesale trade	1,207	1,208
Food and other manufacturing	-	-
Other financial assets	329	396
Overseas		
Finance, investment and insurance	1,074	1,152
Total financial assets	**123,678**	**134,395**
Less: expected credit losses	(392)	(507)
Total net financial assets	**123,286**	**133,888**

Analysis of financial assets by geographical sector (based on the location of the counterparty within New Zealand, or if the counterparty is overseas, the domicile of the counterparty) at balance date is as follows:

	2025 $'000	2024 $'000
New Zealand		
Upper North Island	115,891	125,191
Lower North Island	6,711	8,052
Less: expected credit losses	(392)	(507)
Overseas		
USA New York branch (USD)	1,002	1,079
India Mumbai Main Office (INR)	18	32
U.K. London branch (GBP)	20	17
Standard Chartered Bank (EUR)	9	5
Fiji Suva branch (FJD)	4	2
Australia Sydney branch (AUD)	23	17
Total net financial assets	**123,286**	**133,888**

19. Concentration of credit risk (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements at balance date is as follows:

	2025 $'000	2024 $'000
Loans and advances (including undrawn commitments available to customers)	93,421	107,423
Balances with related parties	1,065	1,147
Due from other financial institutions	3,971	4,178
Cash and cash equivalents	24,892	21,251
Other financial assets	329	396
Total gross financial assets	123,678	134,395
Less expected credit losses	(392)	(507)
Total net financial assets	**123,286**	**133,888**

20. Concentration of funding

Concentrations of funding arise where the Bank is funded by industries of a similar nature or in particular geographies.

An analysis of financial liabilities by industry sector is as follows:

	2025 $'000	2024 $'000
New Zealand		
Financing investment and insurance	5,070	6,657
Retail and wholesale trade	1,912	1,939
Other	935	916
Households	52,883	63,391
Overseas		
Finance, investment and insurance	741	838
Total financial liabilities	**61,541**	**73,741**

An analysis of financial liabilities by geographical sector, based on the branch of the customer for New Zealand deposits, and whether the customer is domiciled in New Zealand, at balance date is as follows:

	2025 $'000	2024 $'000
New Zealand		
- Upper North Island	46,582	56,468
- Lower North Island	14,218	16,435
Overseas	741	838
Total financial liabilities	**61,541**	**73,741**

21. Capital commitments

As at 31 March 2025, there are no material outstanding commitments (2024: nil).

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22. Contingent liabilities

As at 31 March 2025 the bank has the following contingent liabilities:

	2025 $'000	2024 $'000
Performance/financial guarantees issued on behalf of customers	271	271
Undrawn commitments available to customers	6,212	5,822
Total contingent liabilities	**6,483**	**6,093**

23. Events after the reporting period

There were no material events subsequent to the reporting date that require recognition or additional disclosures to the financial statements.

24. Interest rate repricing

The tables below summarise the Bank's exposure to Interest rate risk. It includes the financial instruments at carrying amounts, financial guarantees and undrawn amounts, categorised by the earlier of the contractual re-pricing or maturity date. In addition, lease liabilities which are discount bearing liabilities are disclosed, with the repricing period representing the end of the assessed lease term.

As at 31 March 2025	Not interest bearing $'000	Up to 3 months $'000	Over 3 months & up to 6 months $'000	Over 6 months & up to 1 year $'000	Over 1 & up to 2 years $'000	Over 2 & up to 5 years $'000	Over 5 Years $'000	Total $'000
Financial assets								
Cash and cash equivalents	520	24,372	-	-	-	-	-	24,892
Due from other financial institutions	8	3,000	-	963	-	-	-	3,971
Loans and advances	-	35,769	12,504	36,605	1,939	-	-	86,817
Balances with related parties	1,065	-	-	-	-	-	-	1,065
Other financial assets	329	-	-	-	-	-	-	329
Total financial assets	**1,922**	**63,141**	**12,504**	**37,568**	**1,939**	**-**	**-**	**117,074**
Financial and discount bearing liabilities								
Deposits and other borrowings	2,589	29,664	13,402	11,439	3,072	634	-	60,800
Due to related parties	741	-	-	-	-	-	-	741
Other financial liabilities	935	-	-	-	-	-	-	935
Lease liabilities	-	-	-	147	120	-	-	267
Total financial liabilities	**4,265**	**29,664**	**13,402**	**11,586**	**3,192**	**634**	**-**	**62,743**
On-balance sheet gap	(2,343)	33,477	(898)	25,982	(1,253)	(634)		54,331
Financial guarantee	271	-	-	-	-	-	-	271
Undrawn commitments	-	3,875	82	2,255	-	-	-	6,212
Net effective interest rate gap	**(2,072)**	**37,352**	**(816)**	**28,237**	**(1,253)**	**(634)**	**-**	**60,814**

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24. Interest rate repricing (continued)

As at 31 March 2024	Not interest bearing $'000	Up to 3 months $'000	Over 3 months & up to 6 months $'000	Over 6 months & up to 1 year $'000	Over 1 & up to 2 years $'000	Over 2 & up to 5 years $'000	Over 5 Years $'000	Total $'000
Financial assets								
Cash and cash equivalents	511	20,740	-	-	-	-	-	21,251
Due from other financial institutions	5	4,173	-	-	-	-	-	4,178
Loans and advances	-	50,870	17,548	32,378	298	-	-	101,094
Balances with related parties	1,147	-	-	-	-	-	-	1,147
Other financial assets	396	-	-	-	-	-	-	396
Total financial assets	**2,059**	**75,783**	**17,548**	**32,378**	**298**	**-**	**-**	**128,066**
Financial and discount bearing liabilities								
Deposits and other borrowings	3,055	38,641	13,416	15,031	2,052	709	-	72,903
Due to related parties	838	-	-	-	-	-	-	838
Other financial liabilities	916	-	-	-	-	-	-	916
Lease liabilities	-	-	-	163	-	215	-	378
Total financial liabilities	**4,809**	**38,641**	**13,416**	**15,194**	**2,052**	**924**	**-**	**75,035**
On-balance sheet gap	(2,750)	37,142	4,132	17,184	(1,754)	(924)		53,031
Financial guarantee	271	-	-	-	-	-	-	271
Undrawn commitments	-	1,790	405	3,476	152	-	-	5,822
Net effective interest rate gap	**(2,479)**	**38,932**	**4,537**	**20,660**	**(1,602)**	**(924)**	**-**	**59,124**

25. Financial instruments by category

	2025 $'000	2024 $'000
Financial assets at amortised cost		
Cash and cash equivalents	24,892	21,251
Balance due from related parties	1,065	1,147
Due from other financial institutions	3,971	4,178
Loans and advances	86,817	101,094
Other financial assets	329	396
Total financial assets	**117,074**	**128,066**
Financial liabilities at amortised cost		
Balance due to related parties	741	838
Deposits and other borrowings	60,800	72,903
Other financial liabilities	935	916
Lease liabilities	267	378
Total financial liabilities	**62,743**	**75,035**

26. Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The board sets limits on the level of exposure by currency and in aggregate for overnight positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange rate risk as at year end. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency. This note is denominated in New Zealand Dollars.

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26. Foreign exchange risk (continued)

As at 31 March 2025	FJD $'000	GBP $'000	EUR $'000	INR $'000	USD $'000	AUD $'000	Total $'000
Financial assets							
Cash and cash equivalents	-	-	-	-	440	-	440
Due from other financial institutions	-	-	8	-	963	-	971
Loans and advances	-	-	-	-	-	-	-
Balances with related parties	4	19	-	17	1,002	23	1,065
Other financial assets	-	-	-	-	-	-	-
Total financial assets	**4**	**19**	**8**	**17**	**2,405**	**23**	**2,476**
Financial and discount bearing liabilities							
Deposits and other borrowings	-	-	-	-	2,377	-	2,377
Due to related parties	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**	**2,377**	**-**	**2,377**
Net on statement of financial position	**4**	**19**	**8**	**17**	**28**	**23**	**99**

As at 31 March 2024	FJD $'000	GBP $'000	EUR $'000	INR $'000	USD $'000	AUD $'000	Total $'000
Financial assets							
Cash and cash equivalents	-	-	-	-	497	-	497
Due from other financial institutions	-	-	5	-	4,173	-	4,178
Loans and advances	-	-	-	-	-	-	-
Balances with related parties	2	17	-	32	1,079	17	1,147
Other financial assets	-	-	-	-	-	-	-
Total financial assets	**2**	**17**	**5**	**32**	**5,749**	**17**	**5,822**
Financial and discount bearing liabilities							
Deposits and other borrowings	-	-	-	-	5,080	-	5,080
Due to related parties	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**	**5,080**	**-**	**5,080**
Net on statement of financial position	**2**	**17**	**5**	**32**	**669**	**17**	**742**

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27. Liquidity risk

The tables below summarises the undiscounted cash flows payable or receivable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The bank does not manage its liquidity risk on this basis. There have been no material changes to Liquidity Risk Policy since 31 March 2024.

As at 31 March 2025	On demand $'000	Up to 3 months $'000	Over 3 months & up to 12 months $'000	Over 1 year & up to 5 years $'000	Over 5 years $'000	Total $'000
Financial assets						
Cash and cash equivalents	24,892	-	-	-	-	24,892
Due from other financial institutions	8	3,000	963	-	-	3,971
Loans and advances	2,972	3,070	10,146	30,022	122,484	168,694
Balances with related parties	1,065	-	-	-	-	1,065
Other financial assets	-	329	-	-	-	329
Total financial assets	**28,937**	**6,399**	**11,109**	**30,022**	**122,484**	**198,951**
Financial liabilities						
Deposits and other borrowings	20,564	11,925	25,621	4,062	-	62,172
Due to related parties	741	-	-	-	-	741
Other financial liabilities	-	935	-	-	-	935
Total financial liabilities	**21,305**	**12,860**	**25,621**	**4,062**	**-**	**63,848**
Net non-derivative cash flows	**7,632**	**(6,461)**	**(14,512)**	**25,960**	**122,484**	**135,103**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows						
Financial guarantees provided to customers	271	-	-	-	-	271
Undrawn commitments to lend	6,212	-	-	-	-	6,212
Total	**6,483**	**-**	**-**	**-**	**-**	**6,483**
Net cash flow	**1,149**	**(6,461)**	**(14,512)**	**25,960**	**122,484**	**128,620**

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27. Liquidity risk (continued)

As at 31 March 2024	On demand $'000	Up to 3 months $'000	Over 3 months & up to 12 months $'000	Over 1 year & up to 5 years $'000	Over 5 years $'000	Total $'000
Financial assets						
Cash and cash equivalents	21,251	-	-	-	-	21,251
Due from other financial institutions	5	4,227	-	-	-	4,232
Loans and advances	2,975	1,796	12,672	36,770	150,221	204,434
Balances with related parties	1,147	-	-	-	-	1,147
Other financial assets	-	396	-	-	-	396
Total financial assets	**25,378**	**6,419**	**12,672**	**36,770**	**150,221**	**231,460**
Financial liabilities						
Deposits and other borrowings	23,045	17,437	29,485	3,058	-	73,025
Due to related parties	838	-	-	-	-	838
Other financial liabilities	-	916	-	-	-	916
Total financial liabilities	**23,883**	**18,353**	**29,485**	**3,058**	**-**	**74,779**
Net non-derivative cash flows	**1,495**	**(11,934)**	**(16,813)**	**33,712**	**150,221**	**156,681**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows						
Financial guarantees provided to customers	271	-	-	-	-	271
Undrawn commitments to lend	5,822	-	-	-	-	5,822
Total	**6,093**	**-**	**-**	**-**	**-**	**6,093**
Net cash flow	**(4,598)**	**(11,934)**	**(16,813)**	**33,712**	**150,221**	**150,588**

The bank holds the following liquid assets for the purpose of managing liquidity risk:

	2025 $'000	2024 $'000
Cash and cash equivalents	24,892	21,251
Deposits with financial institutions	3,971	4,178
Deposit/cash held with related parties	1,065	1,147
Total liquid assets	**29,928**	**26,576**

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28. Sensitivity analysis

The table below summarise the post-tax sensitivity of financial assets and liabilities to changes in interest rate and currency risks. The carrying value of the assets and liabilities were used as the basis for the analysis and financial modelling was used to determine the impact on those values of changes in each risk scenario. The sensitivity analysis is performed based on the reporting of interest risk and foreign exchange rates.

Interest rate risk

As at 31 March 2025	Carrying amounts $'000	-1% profit $'000	+1% profit $'000	-1% equity $'000	+1% equity $'000
Financial assets					
Cash and cash equivalents	24,892	(234)	234	(234)	234
Due from other financial institutions	3,971	(25)	25	(25)	25
Loans and advances	86,817	(504)	504	(504)	504
Financial liabilities					
Deposits and other borrowings	60,800	(388)	388	(388)	388

As at 31 March 2024	Carrying amounts $'000	-1% profit $'000	+1% profit $'000	-1% equity $'000	+1% equity $'000
Financial assets					
Cash and cash equivalents	21,251	(199)	199	(199)	199
Due from other financial institutions	4,178	(35)	35	(35)	35
Loans and advances	101,094	(664)	664	(664)	664
Financial liabilities					
Deposits and other borrowings	72,903	(476)	476	(476)	476

Currency risk

As at 31 March 2025	Carrying amounts $'000	-1% profit $'000	+1% profit $'000	-1% equity $'000	+1% equity $'000
Financial assets					
Cash and cash equivalents	24,892	(45)	45	(45)	45
Balances due from related parties	1,065	(107)	107	(107)	107
Due from other financial institutions	3,971	(97)	97	(97)	97
Financial liabilities					
Deposits and other borrowings	60,800	(238)	238	(238)	238

As at 31 March 2024	Carrying amounts $'000	-1% profit $'000	+1% profit $'000	-1% equity $'000	+1% equity $'000
Financial assets					
Cash and cash equivalents	21,251	(50)	50	(50)	50
Balances with related parties	1,147	(115)	115	(115)	115
Loans and advances	4,178	(418)	418	(418)	418
Financial liabilities					
Deposits and other borrowings	72,903	(508)	508	(508)	508

29. Fair value of financial instruments

	Level of fair value estimate	2025 Carrying amounts $'000	2025 Estimated fair value $'000
Financial assets			
Cash and cash equivalents	Level 1	24,892	24,892
Balances with related parties	Level 2	1,065	1,065
Due from other financial institutions	Level 2	3,971	4,041
Loans and advances	Level 3	86,817	88,437
Other financial assets	Level 2	329	329
Total financial assets		**117,074**	**118,764**
Financial liabilities			
Due to related parties	Level 2	741	741
Deposits and other borrowings	Level 3	60,800	60,060
Other financial liabilities	Level 2	935	935
Total financial liabilities		**62,476**	**61,736**

	Level of fair value estimate	2024 Carrying amounts $'000	2024 Estimated fair value $'000
Financial assets			
Cash and cash equivalents	Level 1	21,251	21,251
Balances with related parties	Level 2	1,147	1,147
Due from other financial institutions	Level 2	4,178	4,232
Loans and advances	Level 3	101,094	101,300
Other financial assets	Level 2	396	396
Total financial assets		**128,066**	**128,326**
Financial liabilities			
Due to related parties	Level 2	838	838
Deposits and other borrowings	Level 3	72,903	71,470
Other financial liabilities	Level 2	916	916
Total financial liabilities		**74,657**	**73,224**

Fair value measurements
The fair value of financial instruments is determined on a hierarchical basis that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value estimation
For financial instruments not presented in the Bank's balance sheet at their fair value, fair value is estimated as follows:

Cash and cash equivalents
For cash assets, the carrying amount is equivalent to the fair value as assets are short term in nature.

Balances with related parties
For balances with related parties, the carrying amount is a reasonable estimate of fair value.

Due from other financial institutions
For due from other financial institutions, fair values have been estimated using a discounted cash flow based on market interest rates.

29. Fair value of financial instruments (continued)

Loans and advances
For variable rate loans and advances, the carrying amount is a reasonable estimate of fair value. For fixed rate loans and advances, fair values have been estimated using a discounted cash flow based on market interest rates and rates of estimated credit losses.

Other financial assets
For other financial assets, the carrying amount is approximately equal to the fair value.

Due to related parties
For balances due to related parties, fair values have been estimated using a discounted cash flow model with reference to market interest rates.

Deposits by customers
For fixed term deposits by customers, fair values have been estimated using a discounted cash flow model with reference to market interest rates. For other deposits by customers, such as call and variable rate deposits, the carrying amount is a reasonable estimate of fair value.

Other financial liabilities
For other financial liabilities, the carrying amount is equivalent to the fair value.

30. Credit exposure concentrations

Credit exposures to individual counterparties

Credit exposure concentrations are disclosed on the basis of actual exposures and gross of set-offs. Peak end-of-day aggregate credit exposures have been calculated using the Bank's Tier One Capital at the end of the quarter.

The number of individual counterparties, excluding connected persons, where the period end and peak end-of-day aggregate actual credit exposures, net of individual credit Impairment allowances, equalled Bank's or exceeded 10% of the common equity tier one capital was:

	As at 31 March 2025	Peak end of the day between the previous disclosure statement and 31 March 2025	As at 31 March 2024	Peak end of the day between the previous disclosure statement and 31 March 2024
Number of counterparties without a credit rating:				
Representing 10-15% of common equity tier one capital	3	3	3	5
Representing 15-20% of common equity tier one capital	-	-	-	-
Representing 20-25% of common equity tier one capital	-	1	-	-
Representing 25-30% of common equity tier one capital	-	-	1	1
Representing 30-35% of common equity tier one capital	1	1	-	-
Representing 35-40% of common equity tier one capital	-	-	1	1

Credit exposures to individual counterparties (not being members of a group of closely related counterparties) and to groups of closely related counterparties exclude exposures to connected persons, bank of any country to the central government or central with a long-term credit rating of A- or A3 or above, or its equivalent, or to any supranational sovereign agency with a long-term or quasi- credit rating of A- of A3 or above, or its equivalent. These calculations relate only exposures held in the financial records of the Bank to and were calculated net of individually assessed provisions.

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30. Credit exposure concentrations (continued)

Credit exposures to bank counterparties

The number of bank counterparties, excluding connected persons, where the period end and peak end-of-day aggregate actual credit exposures, net of individual credit impairment allowances, equalled or exceeded 10% of the Bank's common equity tier one capital was:

	As at 31 March 2025	Peak end of the day between the previous disclosure statement and 31 March 2025	As at 31 March 2024	Peak end of the day between the previous disclosure statement and 31 March 2024
Number of bank counterparties with an AA- Standard & Poor's credit rating:				
Representing more than or equal to 35% and less than 40% of common equity tier one capital	-	-	-	-
Representing more than or equal to 45% and less than 50% of common equity tier one capital	1	-	1	-
Representing more than or equal to 50% and less than 55% of common equity tier one capital	-	-	-	-
Representing more than or equal to 55% and less than 60% of common equity tier one capital	-	-	-	-
Representing more than or equal to 60% and less than 65% of common equity tier one capital	-	1	-	1

Credit exposures to connected persons

The Reserve Bank of New Zealand defines connected persons to be other members of the BOB Group and Directors of the Bank. Credit exposures to connected persons are based on actual credit exposures rather than internal limits. The information on credit exposure to connected persons has been derived in accordance with the Reserve Bank of New Zealand's Connected Exposures Policy (BS8). Peak end-of-day aggregate credit exposures to connected persons expressed as a percentage of Tier One Capital of the Banking Group has been derived by determining the maximum end-of-day aggregate amount of credit exposure over the relevant twelve month period and then dividing that amount by the Bank's Tier One Capital as at the end of the period. The rating-contingent limit, which is applicable to the Bank as at balance date, is 15%. There have been no changes to the limit during the period. Within the rating-contingent limit there is a sub-limit of 15%, which applies to non-bank connected persons. The aggregate credit exposures below have been calculated on a gross basis, net of individual credit loss allowances and exclude advances to connected persons of a capital nature. There are no individual impairment credit allowances against credit exposures to connected persons, nor are there any contingent exposures arising from risk lay-off arrangements to connected persons as at 31 March 2025.

	As at 31 March 2025 $'000	Peak end of the day between the previous disclosure statement and 31 March 2025 $'000	As at 31 March 2024 $'000	Peak end of the day between the previous disclosure statement and 31 March 2024 $'000
Credit exposures to connected persons (banks)	1,065	1,145	1,147	1,350
As a percentage of Tier One Capital of the Bank	1.95%	2.09%	2.16%	2.55%
Credit exposures to non-bank connected persons	622	635	602	618
As a percentage of Tier One Capital of the Bank	1.14%	1.16%	1.14%	1.17%

31. Securitisation, funds, management, other fiduciary activities and the marketing and distribution of insurance

As at balance date, the Bank is not involved in:

- The establishment, marketing, or sponsorship of trust, custodial, funds management and other fiduciary activities;
- The origination of securitised assets; or
- The marketing or servicing of securitisation schemes; or
- The marketing and distribution of insurance products or conducting business.

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32. Risk management policies

Credit risk

Credit risk is the risk of loss arising as a result of the diminution in credit quality of the borrower or counterparty and the risk that the borrower or counterparty will default on contractual repayments under an advance.

Credit risk management

The Bank is responsible for implementing and operating within established risk management frameworks and policies and has adapted the Bank's credit risk policy to the Bank's customer and product set.

The Bank has a Credit Committee that specifically oversees and co-ordinates the Bank's credit risk management functions. The Credit Committee has primary responsibility for identifying, measuring and monitoring the Bank's exposure to credit risk. The Credit Committee reports to the Board on credit risk on a quarterly basis.

The Bank has its own credit and lending policy which has been set by the Credit Committee and approved by the Board. Bank officers seek Credit Committee approval before deviating from any lending guideline or policy. Credit approval authorities have been delegated by the Board to lending officers, senior executives of the Bank and the Credit Committee, compliance with these policies is monitored by the Credit Committee and reported to the Board.

The Credit Risk Management Committee of the Bank reviews the aspects related to ECL measurement on a quarterly basis. Senior Management of the Bank reviews the ECL Calculation on a monthly basis.

In issuing credit approval, the Credit Committee takes into account the borrower's credit rating, the type of lending (including margins on advances and the pricing of loans), the security offered, the Bank's single and group exposures (with reference to the Bank's credit exposure ceilings) and the Bank's exposure to capital markets.

The Bank has two key systems for controlling credit risk: credit rating models and credit exposure ceilings.

Credit rating models

The Bank assesses risk at the time of appraisal of the loan using its rating model for various types of borrowers. A business portfolio is assessed on a risk rated basis and a consumer portfolio on a scoring basis.

Gross loan exposures by internal rating

Internal rating as at 31 March 2025	Gross loan advances $'000	Undrawn facility available to borrower $'000	Performance guarantees $'000
AAA	455	97	-
AA	41,508	715	-
A	15,425	143	-
BBB	22,309	1,818	-
BB	124	126	-
B	324	-	-
Not scored*	7,064	3,313	271
Total exposures	**87,209**	**6,212**	**271**

* the unrated loan of $7,064k comprises of:
- loan against bank's own deposit for $3,916k;
- non-performing loan of $3,120k; and
- staff car loan of $28k.

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32. Risk management policies (continued)

Internal rating as at 31 March 2024	Gross loan advances $'000	Undrawn facility available to borrower $'000	Performance guarantees $'000
AAA	6,836	594	-
AA	46,333	945	-
A	22,813	890	-
BBB	21,359	585	-
BB	-	-	-
B	498	-	-
Not scored	3,762	2,808	271
Total exposures	**101,601**	**5,822**	**271**

Internal ratings measure the borrower's credit worthiness across various parameters such as their performance, financial strength, collateral coverage, value of the account, industry performance and market scenario. In the above, AAA ratings represent the strongest rating.

Loans and advances not scored primarily include those which are secured by bank deposits held either by Bank of Baroda (New Zealand) Limited or its parent entity, Bank of Baroda (India).

Credit exposure ceilings
As a means of avoiding concentration of credit risk, the Bank sets ceilings in relation to single/group borrowers, unsecured borrowers and with respect to each industry sector.

Credit risk mitigation and collateral
The nature of collateral held for each type of financial asset differs. Cash and cash equivalents are considered zero risk assets and do not have collateral. Amounts due from other financial institutions and related parties are also relatively low risk exposures and are not collateralised.

The Bank uses a variety of techniques to reduce the credit risk arising from its loans and advances. Enforceable legal documentation has established the Bank's direct, irrevocable and unconditional recourse to any collateral, security or other credit enhancements provided.

Housing and other loans for consumer purposes may be secured, partially secured or unsecured depending on the product. Security is typically taken by a fixed and/or floating charge over property, business assets, or other assets. Other forms of credit protection may also be sought or taken out if warranted, such as guarantees from sovereign entities or authorised deposit-taking institutions and overseas banks.

The estimated realisable value of collateral held in support of loans is based on a combination of:

- Formal valuations currently held for such collateral; and
- Management's assessment of the estimated realisable value of all collateral held.

This also takes into account relevant knowledge available to management at the time. Updated valuations are obtained when appropriate. Refer to note 33 for further information.

There is no significant changes in the quality of collateral or credit enhancements held as a result of changes in economic environment in the current period.

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32. Risk management policies (continued)

Creditworthy customers may also enter into formal agreements with the Bank, permitting both the Bank and the customer to set-off gross credit and debit balances in their nominated accounts. Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements are below:

As at 31 March 2025	Gross amounts of recognised financial assets (a) $'000	Gross amounts of recognised financial liabilities set off in the statement of financial position (b) $'000	Net amounts of financial assets presented in the position (c) = (a) - (b) $'000	Related deposits not set off in the statement of financial position (d) $'000	Net amount (e) = (c) - (d) $'000
Loans and advances	86,817	-	86,817	3,916	82,901

As at 31 March 2025	Gross amounts of recognised financial liabilities (a) $'000	Gross amounts of recognised financial assets set off in the statement of financial position (b) $'000	Net amounts of financial liabilities presented in the position (c) = (a) - (b) $'000	Related deposits not set off in the statement of financial position (d) $'000	Net amount (e) = (c) - (d) $'000
Deposits	60,800	-	60,800	3,916	56,884

As at 31 March 2024	Gross amounts of recognised financial assets (a) $'000	Gross amounts of recognised financial liabilities set off in the statement of financial position (b) $'000	Net amounts of financial assets presented in the position (c) = (a) - (b) $'000	Related deposits not set off in the statement of financial position (d) $'000	Net amount (e) = (c) - (d) $'000
Loans and advances	101,094	-	101,094	3,439	97,655

As at 31 March 2024	Gross amounts of recognised financial liabilities (a) $'000	Gross amounts of recognised financial assets set off in the statement of financial position (b) $'000	Net amounts of financial liabilities presented in the position (c) = (a) - (b) $'000	Related deposits not set off in the statement of financial position (d) $'000	Net amount (e) = (c) - (d) $'000
Deposits	72,903	-	72,903	3,439	69,464

Market risk

Market risk is the risk that exposure to price movements in financial instruments, arising as a result of changes in market variables, will result in a loss suffered by the Bank. The Bank has an Asset and Liability Committee that is responsible for, among other things, identifying, measuring and monitoring the Bank's exposure to market risk. The Asset and Liability Committee meets on a monthly basis and receives guidance and technical support from staff in the BOB head office. The relevant process for each category of market risk is as follows:

Interest rate risk
The Bank undertakes interest rate sensitivity gap analysis on a quarterly basis as a means of monitoring interest rate risk. Short term interest rate risk is calculated using the Earnings at Risk tool. The Bank ensures that the tolerance limits in respect of gaps for contractual repricing maturity time buckets are not breached.

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32. Risk management policies (continued)

Foreign exchange risk
The Bank undertakes analysis to ensure there are no material open foreign exchange positions through ensuring foreign exchange deposits are matched by corresponding foreign exchange balances held with financial institutions

Equity risk
The Bank does not have any equity risk exposure.

Liquidity risk

Liquidity risk occurs when an institution is unable to fulfil its commitment in the time when the commitment falls due. The Asset and Liability Committee is responsible for identifying, measuring and monitoring liquidity risk affecting the Bank, and compliance with the RBNZ's liquidity requirements.

To ensure that adequate liquidity is maintained consistently, the Bank ensures that, in the time buckets of 1 day, 2 to 7 days, 8 to 14 days and 15 to 30 days, the cumulative negative liquidity gap should not exceed 5, 10, 15 and 20 percent of cash flows in the respective periods. The Bank reviews the liquidity position on a daily basis to ensure that the negative liquidity gap does not exceed the tolerance limit in the first four time buckets. In addition, the Bank prepares monthly maturity gap reports and liquidity assessment reports to facilitate an appropriately liquid combination of assets and liabilities.

Liquidity risk is measured by flow approach on a monthly basis through Structural Liquidity Gap reports. Dynamic Gap reports, which, measure liquidity risk on a dynamic basis, are also prepared monthly.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Bank's senior management is responsible for implementing the operational risk management initiatives approved by the Board. The Bank's senior management may make recommendations to the Board on strategies that may improve the Bank's operational risk profile.

Capital adequacy

The Board and senior management undertake capital planning, in accordance with the Bank's internal capital adequacy assessment policy. As part of the capital planning process, the Board reviews:

- The current regulatory capital requirements of the Bank;
- The targeted and sustainable capital in terms of business strategy and risk appetite; and
- Future capital planning (with a three year outlook).

The capital plan is revised on an annual basis or more regularly, if necessary, to meet the Bank's obligations under Basel III. For further information see note 33.

Reviews of Bank's risk management systems

Bank's risk management policy was reviewed on 28 March 2025 and is valid for two years from that date. No external reviews of this policy have been conducted.

Internal audit function

The Bank utilises services of a chartered accounting firm to carry out internal audit functions as a control measure to enable senior management of the Bank to monitor and review the Bank on an ongoing basis. The Bank is subject to the following internal audit measures:

- A monthly compliance review is undertaken by senior management of the Bank. The purpose of this review is to check and confirm constant and concurrent compliance with all systems and procedures by the Bank; and
- Internal audit carried out by a firm of chartered accountants appointed by Board from time to time.

Audit committee of the Board

The Bank, in accordance with the fundamentals of corporate governance and in pursuance of the directives of the Reserve Bank of New Zealand, has an Audit Committee of the Board comprising of three directors. A non-executive independent director who is a chartered accountant is the chairman of the committee.

During the year, the Audit Committee of the Board met 4 times.

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32. Risk management policies (continued)

The main functions of the Audit Committee of the Board are to assess and review the financial reporting system of the Bank to ensure that the financial statements are correct, sufficient and credible. It reviews and recommends with Bank management the half-year/annual financial statements before their submission to the board of directors.

The Audit Committee of the Board provides directions and oversees the operations of total audit functions of the bank, including the organisation, operation and quality control of internal audit and inspection within the Bank and follow up on the statutory/external audit of the Bank.

The Audit Committee of the Board also reviews the adequacy of internal control systems and discussions with the internal auditors/inspectors on any significant finding and follow up action. Further, it reviews the financing and risk management policies of the Bank.

33. Capital adequacy

The Bank issued 40,000,000 fully paid up ordinary shares (tier one capital) at NZ 1.00 per share on 22 May 2008 (25,000,000 shares) and 20 April 2009 (15,000,000 shares).

BOB is the sole shareholder. Each share confers on the holder the right to:

- one vote on a poll at a meeting of the shareholders on any resolution to:
  - appoint or remove a director or auditor; or
  - alter the Bank's constitution; or
  - approve a major transaction; or
  - approve an amalgamation under section 221 of the Companies Act 1993; or
  - put the Bank into liquidation;
- a proportionate share in dividends authorised by the Board; and
- a proportionate share in the distribution of the surplus assets of the Bank.

Other classes of capital instrument

The Bank does not have any other classes of capital instruments in its capital structure.

Regulatory capital adequacy ratios are calculated by expressing capital as a percentage of risk weighted exposures. As a condition of registration, the Bank must comply with the following minimum capital requirements set by the RBNZ:

- Total regulatory capital must not be less than 9% of risk weighted exposures.
- Tier One Capital must not be less than 7% of risk weighted exposures
- The Common Equity Tier One Capital must not be less than 4.5% of risk weighted exposures.
- Capital must not be less than NZ$30 million.

The capital adequacy tables set out below summarise the composition of regulatory capital and capital adequacy ratios for the period ended 31 March 2025. The Bank was registered on 1 September 2009 and from the date of registration to 31 March 2025; the Bank has complied with both regulatory and internal capital adequacy requirements.

The Bank has considered other material risks not included below and whether to allocate any capital to cover these risks and concluded that these risks are not significant and have therefore not allocated any capital to cover them.

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33. Capital adequacy (continued)

	As at 31 March 2025 $'000	As at 31 March 2024 $'000
Tier One Capital		
Common equity Tier One Capital		
Issued and fully paid up share capital	40,000	40,000
Retained earnings	14,865	13,210
Deferred tax assets	(189)	(224)
Total common equity Tier One Capital	54,676	52,986
Additional Tier One Capital		-
Nil	-	-
Total Tier One Capital	-	-
Tier Two Capital		-
Nil	-	-
Total Tier Two Capital	-	-
Total Capital	**54,676**	**52,986**

	Total exposure after credit risk mitigation $'000	Risk weight %	Risk weighted exposure $'000	Minimum pillar 1 capital requirement $'000
31 March 2025				
Calculation of on-balance-sheet exposures				
Cash and gold bullion	70	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisation	-	0%	-	-
Public sector entities	-	100%	-	-
Banks (Due from other financial institutions)				
- up to 3 months	27,830	20%	5,566	501
- more than 3 months	963	50%	482	43
Banks (Due from related parties)	1,065	50%	533	48
Corporate	21,123	100%	21,123	1,901
Residential mortgages less than 90 days past due				
- Non property investment-LVR up to 80%	14,989	35%	5,246	472
- Non property investment-LVR more than 80% but less than 90%	541	50%	271	24
- Property investment-LVR up to 80%	43,142	40%	17,257	1,553
- Property investment-LVR more than 80% but less than 90%	-	70%	-	-
- Past due residential mortgages - 90 days and over	3,078	100%	3,078	277
Sub-total: residential mortgages	**61,750**		**25,852**	**2,326**
Other past due assets	-	100%	-	-
Equity holdings (not deducted from capital) that are included in the NZX 50 or overseas equivalent index	-	300%	-	-
All other equity holdings (not deducted from capital)	-	400%	-	-
Non risk weighted assets	3,916	0%	-	-
Other assets	695	100%	695	63
Total on-balance-sheet exposures	**117,412**		**54,251**	**4,882**

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33. Capital adequacy (continued)

	Total exposure $'000	Credit conversion factor %	Credit equivalent amount $'000	Average risk weight %	Risk weighted exposure $'000	Minimum pillar 1 capital requirement $'000
31 March 2025						
Calculation of off-balance-sheet exposures						
Direct credit substitute	-	100%	-	0%	-	-
Asset sale with recourse	-	100%	-	0%	-	-
Forward asset purchase	-	100%	-	0%	-	-
Commitment with certain drawdown	-	100%	-	0%	-	-
Note issuance facility	-	50%	-	0%	-	-
Performance-related contingency	271	50%	136	100%	136	12
Revolving underwriting facility	-	50%	-	0%	-	-
Trade-related contingency	-	20%	-	0%	-	-
Placements of forward deposits	-	100%	-	0%	-	-
Other commitments where original maturity is more than one year	6,212	50%	3,106	31%	963	87
Other commitments where original maturity is less than or equal to one year	-	20%	-	0%	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	0%	-	0%	-	-
Total off-balance-sheet exposures	**6,483**		**3,242**		**1,099**	**99**

	Total exposure $'000	Credit equivalent amount $'000	Average risk weight %	Risk weighted exposure $'000	Minimum pillar 1 capital requirement $'000
31 March 2025					
Counterparty credit risk					
(a) Foreign exchange contracts	-	-	-	-	-
(b) Interest rate contracts	-	-	-	-	-
(c) Other	-	-	-	-	-
Total counterparty risk	-	-		-	-

Residential mortgages by loan-to-valuation ratio

	Does not exceed 80% $'000	Exceeds 80% and not 90% $'000	Exceeds 90% $'000	Total $'000
31 March 2025				
Loan-to-valuation ratio				
On-balance-sheet exposures	61,207	543	-	61,750
Off-balance-sheet exposures	1,624	-	-	1,624
Total loan-to-valuation ratio	**62,831**	**543**	**-**	**63,374**

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33. Capital adequacy (continued)

	As at 31 March 2025 $'000
Reconciliation of residential mortgage-related amounts	
Residential mortgage loans (as disclosed in note 10)	61,944
Less: Expected credit losses (as disclosed in note 5)	(194)
Undrawn commitments related to residential mortgages	1,627
Less: Expected credit losses (as disclosed in note 5)	(3)
Residential mortgages by loan-to-valuation ratio	**63,374**

	Total exposure after credit risk mitigation $'000	Risk weight %	Risk weighted exposure $'000	Minimum pillar 1 capital requirement $'000
31 March 2024				
Calculation of on-balance-sheet exposures				
Cash and gold bullion	62	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisation	-	0%	-	-
Public sector entities	-	20%	-	-
Banks (Due from other financial institutions)				
- up to 3 months	25,366	20%	5,073	406
Banks (Due from related parties)	1,147	50%	574	46
Corporate	25,499	100%	25,499	2,040
Residential mortgages less than 90 days past due				
- Non property investment-LVR up to 80%	18,651	35%	6,528	522
- Non property investment-LVR more than 80% but less than 90%	565	50%	283	23
- Property investment-LVR up to 80%	50,647	40%	20,259	1,621
- Property investment-LVR more than 80% but less than 90%	-	70%	-	-
- Past due residential mortgages - 90 days and over	1,975	100%	1,975	158
Sub-total: residential mortgages	**71,838**		**29,045**	**2,324**
Other past due assets	-	100%	-	-
Equity holdings (not deducted from capital) that are included in the NZX 50 or overseas equivalent index	-	100%	-	-
All other equity holdings (not deducted from capital)	-	100%	-	-
Non risk weighted assets	3,439	0%	-	-
Other assets	1,112	100%	1,112	89
Total on-balance-sheet exposures	**128,463**		**61,303**	**4,905**

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33. Capital adequacy (continued)

	Total exposure $'000	Credit conversion factor %	Credit equivalent amount $'000	Average risk weight %	Risk weighted exposure $'000	Minimum pillar 1 capital requirement $'000
31 March 2024						
Calculation of off -balance-sheet exposures						
Direct credit substitute	-	0%	-	0%	-	-
Asset sale with recourse	-	0%	-	0%	-	-
Forward asset purchase	-	0%	-	0%	-	-
Commitment with certain drawdown	-	0%	-	0%	-	-
Note issuance facility	-	0%	-	0%	-	-
Performance-related contingency	271	50%	136	100%	136	11
Revolving underwriting facility	-	0%	-	0%	-	-
Trade-related contingency	-	0%	-	0%	-	-
Placements of forward deposits	-	0%	-	0%	-	-
Other commitments where original maturity is more than one year	5,822	50%	2,911	34%	990	79
Other commitments where original maturity is less than or equal to one year	-	0%	-	0%	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	0%	-	0%	-	-
Total off-balance-sheet exposures	**6,093**		**3,047**		**1,126**	**90**

	Total exposure $'000	Credit equivalent amount $'000	Average risk weight %	Risk weighted exposure $'000	Minimum pillar 1 capital requirement $'000
31 March 2024					
Counterparty credit risk					
(a) Foreign exchange contracts	-	-	-	-	-
(b) Interest rate contracts	-	-	-	-	-
(c) Other	-	-	-	-	-
Total counterparty risk	-	-		-	-

Residential mortgages by loan-to-valuation ratio

	Does not exceed 80% $'000	Exceeds 80% and not 90% $'000	Exceeds 90% $'000	Total $'000
31 March 2024				
Loan-to-valuation ratio				
On-balance-sheet exposures	71,273	565	-	71,838
Off-balance-sheet exposures	1,612	-	-	1,612
Total loan-to-valuation ratio	**72,885**	**565**	**-**	**73,450**

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33. Capital adequacy (continued)

	As at 31 March 2024 $'000
Reconciliation of residential mortgage-related amounts	
Residential mortgage loans (as disclosed in note 10)	72,067
Less: Expected credit losses (as disclosed in note 5)	(230)
Undrawn commitments related to residential mortgages	1,617
Less: Expected credit losses (as disclosed in note 5)	(4)
Residential mortgages by loan-to-valuation ratio	**73,450**

Credit risk mitigation

	On balance sheet exposure $'000	Off balance sheet exposure $'000	Total value of on and off balance sheet exposures covered by eligible collateral (after haircutting) $'000
31 March 2025			
Exposure class			
Other	3,916	3,216	7,132

	On balance sheet exposure $'000	Off balance sheet exposure $'000	Total value of on and off balance sheet exposures covered by eligible collateral (after haircutting) $'000
31 March 2024			
Exposure class			
Other	3,439	2,790	6,229

The above are the gross and non-risk weighted amounts of exposures which are 100% mitigated by exposure class.

Operational risk capital requirement

	31 March 2025		31 March 2024	
	Implied risk weighted exposure $'000	Total operational risk capital requirement $'000	Implied risk weighted exposure $'000	Total operational risk capital requirement $'000
Operational risk	8,439	760	9,409	753

Market risk

Market risk exposures have been calculated in accordance with the methodology detailed in BPR 140 Market Risk, and schedule 9 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014. Peak exposures are calculated using the Bank's shareholders' equity at the end of the quarter.

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33. Capital adequacy (continued)

	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure $'000	Aggregate capital charge $'000	Implied risk weighted exposure $'000	Aggregate capital charge $'000
31 March 2025				
Interest rate risk	2,494	224	2,494	224
Foreign currency risk	101	9	742	59
Equity risk	-	-	-	-
Total capital requirements	**2,595**	**233**	**3,236**	**283**

	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure $'000	Aggregate capital charge $'000	Implied risk weighted exposure $'000	Aggregate capital charge $'000
31 March 2024				
Interest rate risk	1,885	151	3,152	252
Foreign currency risk	741	59	742	59
Equity risk	-	-	-	-
Total capital requirements	**2,626**	**210**	**3,894**	**311**

	Total exposure after credit risk mitigation $'000	Risk weighted exposure or implied risk weighted $'000	Total capital requirement $'000
31 March 2025			
Total credit risk + equity	123,898	55,350	4,981
Operational risk	-	8,439	760
Market risk	-	2,595	233
Total	**123,898**	**66,384**	**5,974**

	Total exposure after credit risk mitigation $'000	Risk weighted exposure or implied risk weighted $'000	Total capital requirement $'000
31 March 2024			
Total credit risk + equity	134,556	62,429	4,995
Operational risk	-	9,409	753
Market risk	-	2,626	210
Total	**134,556**	**74,464**	**5,958**

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33. Capital adequacy (continued)

Capital ratios

	Common Equity tier 1 capital ratio %	Tier 1 capital ratio %	Total capital ratio %
At 31 March 2025			
Ratio	82.37%	82.37%	82.37%
Minimum ratio requirement	4.50%	7.00%	9.00%
At 31 March 2024			
Ratio	71.16%	71.16%	71.16%
Minimum ratio requirement	4.50%	6.00%	8.00%

Buffer ratios

	Total capital ratio %
31 March 2025	
Prudential capital buffer ratio	73.37%
Buffer trigger ratio	2.50%
31 March 2024	
Prudential capital buffer ratio	63.16%
Buffer trigger ratio	2.50%

Capital adequacy of ultimate parent bank

The ultimate parent bank of Bank of Baroda (New Zealand) Limited is BOB.

BOB is required by the Reserve Bank of India to hold minimum capital at least equal to that specified under the Basel III. BOB is using the standardised method for calculation of Capital Adequacy. This Information is made available to users via the BOB website (www.bankofbaroda.com).

As per the latest available data at 31 March 2025, BOB's Tier One Capital was 15.27% of total risk-weighted assets and total capital was 17.60% of total risk-weighted assets (2024: Tier One Capital was 14.49% of total risk weighted assets and total capital was 16.68% of total risk-weighted assets). BOB's capital ratios during the year ended 31 March 2025 and 31 March 2024 exceeded the Reserve Bank of India's minimum capital adequacy requirements.

34. Regulatory liquidity ratios

The following were the average values of each of the following regulatory liquidity ratios of the stated periods, calculated based on the average of the close of each working day.

	Minimum conditions of registration applicable to 31 March 2025	Three months ended 31 March 2025	Three months ended 31 December 2024
One-week mismatch ratio	-	33.0	32.9
One-month mismatch ratio	-	35.4	32.7
Core funding ratio	75	131.7	126.8

35. Other material matters

There are no other matters relating to the business or affairs of the Bank, other than those contained in the financial statements that if disclosed, would materially affect the decision of a person to subscribe for debt securities of which the Bank is the issuer.

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Independent Auditor's Report

To the Shareholders of Bank of Baroda (New Zealand) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION (EXCLUDING SUPPLEMENTARY INFORMATION RELATING TO CAPITAL ADEQUACY AND REGULATORY LIQUIDITY REQUIREMENTS)

Opinion

We have audited the financial statements and supplementary information (excluding supplementary information relating to Capital Adquacy and Regulatory Liquidity Requirements) of Bank of Baroda (New Zealand) Limited (the 'Bank').

The financial statements comprise the statement of financial position as at 31 March 2025, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

The supplementary information (excluding the information related to Capital Adequacy and Regulatory Liquidity Requirements) comprises the information required to be disclosed under Schedules 4, 7, 13, 14, 15 and 17 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the 'Order').

In our opinion, the accompanying financial statements, on pages 30 to 75:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the financial position of the Bank as at 31 March 2025, and its financial position and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

In our opinion, the supplementary information (excluding the information relating to Capital Adequacy and Regulatory Liquidity Requirements) disclosed in accordance with Schedules 4, 7, 13, 14, 15 and 17 of the Order (the 'Supplementary Information'):

- has been prepared, in all material respects, in accordance with the guidelines issued pursuant to Section 78(3) of the Banking (Prudential Supervision) Act 1989 and any Conditions of Registration;
- is in accordance with the books and records of the Bank in all material respects; and
- fairly states in all material respects the matters to which it relates in accordance with those Schedules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

We are independent of the Bank in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Bank in the area of compliation of the Disclosure Statement. These services have not impaired our independence as auditor of the Bank. In addition to this, partners and employees of our firm deal with the Bank on normal terms within the ordinary course of trading activities of the business of the Bank. The firm has no other relationship with, or interest in, the Bank.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss Provision As outlined in Note 5, the provision for expected credit losses (ECL) has been estimated as $410k as at 31 March 2025. The Bank's provision for credit impairment is made up of a collective provision for 12 months expected credit loss and lifetime expected credit loss. The collective ECL is a probability-weighted estimate of the losses that are expected to occur from default events over a relevant timeframe. Using a number of inherently complex models, management applies significant judgement and estimation to incorporate both historical information and forward-looking information to determine the ECL. Due to foreseeable economic uncertainty, judgement and complexity remain elevated in terms of assessing the expected impact on cash flows, security values, and expected credit losses, as well as the underlying assumptions used to estimate the ECL model, there exists a high level of inherent risk. We considered this a key audit matter due to the significant judgements made by management, as well as the inherently high complexity in the models used to calculate ECL. Other principal considerations for having determined that the ECL is a key audit matter include the extent of effort applied to audit the balance.	We performed the following audit procedures, amongst others: • Evaluated the systems, processes and controls in place over the critical data elements used in the ECL models; • Assessed the Bank’s material accounting policies and ECL methodologies against the requirements of NZ IFRS 9; • Assessed the mechanical accuracy of the ECL model; • Evaluated the appropriateness of the criteria used to determine when a Significant Increase in Credit Risk (SICR) has taken place; • Engaged our credit risk specialists to perform an independent review of the model, including building an independent model; • Evaluated the macroeconomic forecasts used by management by benchmarking against other externally available forecasts; • Evaluated the probability weightings allocated to the multiple economic scenarios by benchmarking against industry trends and considered the appropriateness of selected weightings; • On a sample basis, tested exposures identified as objectively impaired, assessed the estimate made by management as to the valuation of recoverable cash flows by comparing the estimated values against external information; • On a sample basis, tested exposures not identified as objectively impaired, assessed the days past due and other financial information available to assess the staging assigned; and • Assessed the disclosures in the financial statements against the requirements of NZ IFRS.

Other information

The directors are responsible on behalf of the Bank for the other information. The other information comprises the information in the Disclosure Statement in accordance with Schedule 2 of the Order on pages 2 to 27 and pages 51 to 75 that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

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Directors' responsibilities for the financial statements (excluding supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements)

The directors are responsible on behalf of the Bank for the preparation and fair presentation of the financial statements in accordance with Clause 24 of the Order, NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are also responsible on behalf of the Bank for the preparation of supplementary information which fairly states the matters required to be disclosed under Schedules 2, 4, 7, 13, 14, 15 and 17 of the Order and which is prepared in accordance with any guidelines issued pursuant to Section 78(3) of the Banking (Prudential Supervision) Act 1989; any Conditions of Registration; and in accordance with the books and records of the Registered Bank.

In preparing the financial statements, the directors are responsible on behalf of the Bank for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements (excluding supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements)

Our objectives are to obtain reasonable assurance about whether the financial statements (excluding supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements) as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Bank's shareholders, as a body. Our audit has been undertaken so that we might state to the Bank's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Bindi Shah, Partner
for Deloitte Limited
Auckland, New Zealand
25 June 2025

INDEPENDENT ASSURANCE REPORT
TO THE SHAREHOLDER OF BANK OF BARODA (NEW ZEALAND) LIMITED

Limited assurance report in relation to the information required on Capital Adequacy and Regulatory Liquidity Requirements

Conclusion

We have undertaken a limited assurance engagement on Bank of Baroda (New Zealand) Limited's ('the Bank') compliance, in all material respects, with clause 21(c) of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the 'Order') which requires information prescribed in Schedule 9 of the Order relating to the Capital Adequacy and Regulatory Liquidity Requirements to be disclosed in its Disclosure Statement for the year ended 31 March 2025 ('Compliance Requirements').

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Bank's information relating to the Capital Adequacy and Regulatory Liquidity Requirements disclosed in note 33 of the Disclosure Statement in compliance with clause 21(c) of the Order, does not comply, in all material respects, with Schedule 9 of the Order for the year ended 31 March 2025.

Basis for Conclusion

We conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised): *Compliance Engagements* ('SAE 3100') issued by the New Zealand Auditing and Assurance Standards Board ('NZAuASB').

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

Directors' Responsibility

The Directors are responsible on behalf of the Bank for compliance with the Order, including clause 21(c) of the Order which requires information relating to the Capital Adequacy and Regulatory Liquidity requirements prescribed in Schedule 9 of the Order to be included in the Bank's Disclosure Statement. This responsibility includes the identification of risks that may threaten compliance requirements identified above being met and the design, implementation and maintenance of internal controls relevant to mitigating those risks and monitoring ongoing compliance.

Our Responsibilities

Our responsibility is to express a limited assurance conclusion on whether the Bank's information relating to the Capital Adequacy and Regulatory Liquidity Requirements, included in the Disclosure Statement in compliance with clause 21(c) of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

SAE 3100 requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Bank's information relating to the Capital Adequacy and Regulatory Liquidity Requirements, included in the Disclosure Statement in compliance with clause 21(c) of the Order, does not comply, in all material respects with Schedule 9 of the Order.

The procedures we performed primarily consisting of discussion and enquiries of management and others within the Bank, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our professional judgement, including identifying areas where the risk of material non-compliance with clause 21(c) of the Order in respect of the information relating to the Capital Adequacy and Regulatory Liquidity Requirements is likely to arise.

In undertaking our limited assurance engagement, we:

- Obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to the Capital Adequacy and Regulatory Liquidity Requirements;
- Obtained an understanding of the Bank's compliance framework and internal control environment to ensure the information relating to the Capital Adequacy and Regulatory Liquidity Requirements is in compliance with the Reserve Bank of New Zealand's ('RBNZ') prudential requirements for banks;

- Performed analytical and other procedures on the information relating to the Capital Adequacy and Regulatory Liquidity Requirements disclosed in accordance with Schedule 9 of the Order, and considered its consistency with the financial statements; and
- Agreed the information relating to the Capital Adequacy and Regulatory Liquidity Requirements disclosed in accordance with schedule 9 of the Order to information extracted from the Bank's models, accounting records or other supporting documentation, which included publicly available information as prescribed by clause 14 of Schedule 9 of the Order.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the Compliance Requirements.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the NZAuASB, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Other than in our capacity as the statutory auditor of the financial statements and as assurance practitioner, we have no relationship with or interests in the Bank.

Our firm applies Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any systems of internal control, it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements. A limited assurance engagement is not designed to detect all instances of non-compliance with Schedule 9 of the Order, as it generally comprises making enquiries, primarily of the Directors, and applying analytical and other review procedures.

A limited assurance engagement on the Bank's information relating to the Capital Adequacy and Regulatory Liquidity Requirements prescribed in Schedule 9 of the Order to be included in the Disclosure Statement in compliance with clause 21(c) of the Order does not provide assurance on whether compliance will continue in the future.

Use of Report

Our assurance report is made solely for the shareholder for the purpose of establishing that the Compliance Requirements have been met. Our work has been undertaken so that we might state to the shareholder those matters we have been engaged to state in this assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholder of the Bank for our work, for this assurance report, or for the conclusions we have formed.

Deloitte Limited

25 June 2025
Auckland, New Zealand