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**Disclosure Statement for the six months ended 30 September 2023**

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## 1. Definitions

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In this Disclosure Statement, unless the context otherwise requires:

**Act** means the Banking (Prudential Supervision) 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

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### 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 six months ended 30 September 2023 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](http://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. There has been no change to the ultimate parent bank since 31 March 2023. There have been no changes to the name or address for service of the ultimate parent bank since 31 March 2023.

#### (b) Ultimate holding company

There have been no changes to the ultimate holding company (BOB) since 31 March 2023. There have been no changes to the name or address for service of the ultimate holding company since 31 March 2023.

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

#### (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

The obligations of the Bank are guaranteed by BOB (see section 3 for further information on the guarantee arrangements).

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 provided in the Bank's Disclosure Statement for the year ended 31 March 2023. A copy of the Disclosure Statement can be obtained from the Bank's website [www.barodanzltd.co.nz](http://www.barodanzltd.co.nz).

There have been no material changes to the guarantee since the signing of that Disclosure Statement.

##### (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 30 September 2023, the publicly disclosed capital of BOB was INR 1,212,190 million (USD 14,596.78 million) representing (Basel III) 15.74% 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 6 October 2021, while Moody's affirmed the long term local and foreign currency deposit ratings to Na1 from Baa3 and Baseline Credit Assessment (BCA) to b1 from na3. In addition, Moody's has downgraded Long Term Counterparty Risk Assessment to Ba1.

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. Outlook on the long term ratings remains stable.

On 22 November 2021, Fitch affirmed the rating of BOB at BBB- with negative outlook.

On 15 June 2022, Fitch revised the outlook to stable while affirming the rating of BOB at BBB-.

On 4 October 2022, Fitch affirmed the rating of BOB at BBB- 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 31 August 2023, Fitch affirmed the rating of BOB at BBB- with outlook stable.

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

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### 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 Vijay Kumar Goel and Anupam Srivastava.

### 4.3 Board of Directors

At present the Board comprises the following Directors:

- Vijay Kumar Goel, Chairperson and Independent Director;
- Jakkaiah Lalam, Non-Executive Director;
- Anupam Srivastava, Managing Director;
- Raveesh Kumar, Non-Executive Director;
- Kamini Kirthi Reddy, Independent Director, and
- Nurani Subramaniam Venkatachalam, Independent Director.

Vijay Kumar Goel, Kamini Kirthi Reddy and Nurani Subramaniam Venkatachalam are independent Directors and residents of New Zealand.

Jakkaiah Lalam, Non-Executive Director is a resident of India.

Anupam Srivastava, Managing Director is a resident of New Zealand.

Raveesh Kumar, Non-Executive Director is a resident of United States of America.

#### Changes in the Directorate:

There were no changes in the composition of the Board of Directors of the Bank (the Board") since 31 March 2023.

#### 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.

## 5. Auditor

The name and address of the auditor whose independent review report is referred to in this Disclosure Statement is:

**KPMG**  
KPMG Centre  
18 Viaduct Harbour Ave  
PO Box 1584  
Auckland 1010  
New Zealand

## 6. Conditions of registration

Effective 1 July 2022, the Reserve Bank of New Zealand (RBNZ) issued changes related to the removal of Covid-19 dividend restrictions and typographical corrections within BS13A ( Liquid Assets Annex).

Effective 1 June 2023, the Reserve Bank of New Zealand issued changes related to LVR restrictions.

Effective 1 October 2023, the Reserve Bank of New Zealand issued changes to incorporate decisions relating to Mutual Capital Instruments, Risk weights Omnibus consultation and connected exposures. These conditions apply on and after 1 October 2023.

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 8%;
- (b) the Tier 1 capital ratio of the banking group is not less than 6%;
- (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. From 1 October 2023 the bank must comply with all the requirements set out in the following document: BS8 Connected Exposures 1 October 2023, except as noted below.
- (i) The requirements in para A.3(1) to A.3(12) do not take effect until 1 April 2024.
  - (ii) From 1 October 2023 to 31 March 2024 the bank must apply the definition of connected person set out in 4(e) to 4(g) of the BS8 Connected Exposures document dated 1 October 2021.

- 4A. That the aggregate credit exposures of the banking group to all connected persons must not exceed the rating-contingent limit outlined in the following matrix at the end of each working day at all times:

Credit rating of the bank <sup>1</sup>	Connected exposure limit (% of the banking group's Tier 1 capital)
AA/Aa2 and above	75
AA-/Aa3	70
A+/A1	60
A/A2	40
A-/A3	30
BBB+/Baa1 and below	15

Within the rating-contingent limit, credit exposures to non-bank connected persons must not exceed 15 percent of the banking group's tier 1 capital at the end of each working day at all times.

For the purposes of this condition of registration, compliance with the rating-contingent connected exposure limit is determined in accordance with the Reserve Bank of New Zealand document entitled "Connected Exposures Policy" (BS8) dated October 2023.

- 4B. That full year Disclosure Statements are prepared on the basis that clause 6(2)(b), Schedule 14 of the Order does not apply.

For the purposes of this condition of registration, "Order" means the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014, and "Disclosure Statement" means a Disclosure Statement to be prepared under the Order.

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

<sup>1</sup> The rating scales in this column are presented as Standard & Poor's / Moody's Investor Services scale. Fitch Ratings' scale is identical to Standard & Poor's.

- (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 30 November 2023, 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 65%, 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 30 November 2023, 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 15% 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 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 October 2021
BPR110: Capital definitions	1 October 2023
BPR120: Capital adequacy process requirements	1 October 2023
BPR130: Credit risk RWAs overview	1 October 2023
BPR131: Standardised credit risk RWAs	1 October 2023
BPR132: Credit risk mitigation	1 October 2023
BPR133: IRB credit risk RWAs	1 October 2023
BPR134: IRB minimum system requirements	1 July 2021
BPR140: Market risk exposure	1 October 2021
BPR150: Standardised operational risk	1 July 2021
BPR151: AMA operational risk	1 July 2021
BPR160: Insurance, securitisation, and loan transfers	1 July 2021
BPR001: Glossary	1 October 2023

In conditions of registration 15 to 17,—

"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", "qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans", and "residential mortgage loan" 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 period of six calendar months ending on the last day of the sixth calendar month.

## 7. Pending proceedings or arbitration

As at the date of this Disclosure Statement, 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 22 November 2021, Fitch affirmed the rating of the Bank at BBB- with negative outlook.

On 15 June 2022, Fitch revised the outlook to stable while affirming the rating of the Bank at BBB-.

On 4 October 2022, Fitch affirmed the rating of the Bank at BBB- 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) to the Bank.

On 31 August 2023, Fitch affirmed the rating of the Bank at BBB- with outlook stable.

### 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 from 'AA' to 'CCC' to indicate 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. Other material matters

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. The issuer has the same meaning as in section 11 of the Financial Markets Conduct Act 2013.

## 10. Directors' statements

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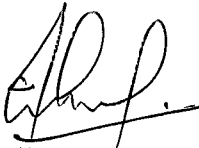
Each Director of the Bank, after due inquiry, believes as at the date of signing that this Disclosure Statement:

- a. contains all the information that is required by the Order; and
- b. is not false or misleading.

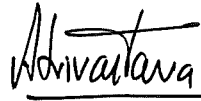
Each Director of the Bank, after due enquiry, believes that for the six months ended 30 September 2023:

- a. the Bank had complied with all conditions of registration 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 the Directors of the Bank (by Directors' Resolution), this Disclosure Statement is dated at Auckland, New Zealand this 28<sup>th</sup> day of November 2023 and signed by Vijay Kumar Goel and Anupam Srivastava as responsible persons.



Vijay Kumar Goel  
Chairman



Anupam Srivastava  
Managing Director

## 11. Independent review report

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The independent review report on this Disclosure Statement is attached with the Financial Statements for the Bank in the Appendix to this Disclosure Statement. The information required by Schedule 1 of the Order is included in the independent review report.

## 12. Financial Statements

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Financial Statements for the bank for the six months ended 30 September 2023 are attached as Appendix and form part of this Disclosure Statement.

## Appendix: Financial Statements

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Bank of Baroda (New Zealand) Limited

Company Number 2135104

Financial Statements for the six months ended 30 September 2023

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# Bank of Baroda (New Zealand) Limited

Statement of comprehensive income

Interim financial statements for the six months ended 30 September 2023

		Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
	Notes			
Interest income	2	4,654	2,827	6,554
Interest expense	2	(1,659)	(625)	(1,639)
<b>Net interest income</b>		<u>2,995</u>	<u>2,202</u>	<u>4,915</u>
Other income	3	316	508	816
<b>Total operating income</b>		<u>3,311</u>	<u>2,710</u>	<u>5,731</u>
Operating expenses	4	(1,616)	(1,494)	(2,933)
Impairment loss expense	5	(19)	(10)	(55)
<b>Profit before tax</b>		<u>1,676</u>	<u>1,206</u>	<u>2,743</u>
Taxation expense	6	(456)	(345)	(770)
<b>Profit after tax</b>		<u>1,220</u>	<u>861</u>	<u>1,973</u>
<b>Other comprehensive income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>1,220</u>	<u>861</u>	<u>1,973</u>

This statement should be read in conjunction with the notes to the interim financial statements on pages 21 to 44.



# Bank of Baroda (New Zealand) Limited

## Statement of changes in equity

Interim financial statements for the six months ended 30 September 2023

	Share capital \$000's	Retained earnings \$000's	Total equity \$000's
Balance at 1 April 2023	40,000	11,913	51,913
Total comprehensive income for the period	-	1,220	1,220
<i>Transactions with owners</i>			
Dividend paid	-	(1,000)	(1,000)
<b>Balance at 30 September 2023 (Unaudited)</b>	<b>40,000</b>	<b>12,133</b>	<b>52,133</b>
<b>Comparative period to 30 September 2022</b>			
Balance at 1 April 2022	40,000	10,940	50,940
Total comprehensive income for the period	-	861	861
<i>Transactions with owners</i>			
Dividend paid	-	(1,000)	(1,000)
<b>Balance at 30 September 2022 (Unaudited)</b>	<b>40,000</b>	<b>10,801</b>	<b>50,801</b>
<b>Comparative year to 31 March 2023</b>			
Balance at 1 April 2022	40,000	10,940	50,940
Total comprehensive income for the year	-	1,973	1,973
<i>Transactions with owners</i>			
Dividend paid	-	(1,000)	(1,000)
<b>Balance at 31 March 2023</b>	<b>40,000</b>	<b>11,913</b>	<b>51,913</b>

This statement should be read in conjunction with the notes to the interim financial statements on pages 21 to 44.

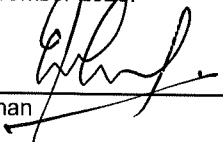
# Bank of Baroda (New Zealand) Limited

Statement of financial position

Interim financial statements for the six months ended 30 September 2023

		Unaudited As at 30 Sep 2023	Unaudited As at 30 Sep 2022	Audited As at 31 Mar 2023
	Notes	\$000's	\$000's	\$000's
<b>ASSETS</b>				
Cash and cash equivalents	8	18,950	13,019	14,569
Balance due from related parties	13	189	483	209
Due from other financial institutions	9	5,699	13,400	5,100
Loans and advances	10	118,208	115,727	117,130
Property, plant and equipment		94	84	76
Right of use assets	11	456	900	592
Deferred tax asset	7	254	265	245
Other assets	12	497	490	452
<b>TOTAL ASSETS</b>		<b>144,347</b>	<b>144,368</b>	<b>138,373</b>
<b>LIABILITIES</b>				
Balance due to related parties	13	5,719	1,189	1,846
Deposits and other borrowings	14	84,683	90,157	82,589
Lease liabilities	11	526	1,020	671
Current taxation payable		279	183	373
Other liabilities	15	1,007	1,018	981
<b>TOTAL LIABILITIES</b>		<b>92,214</b>	<b>93,567</b>	<b>86,460</b>
<b>EQUITY</b>				
Share capital		40,000	40,000	40,000
Retained earnings		12,133	10,801	11,913
<b>TOTAL EQUITY</b>		<b>52,133</b>	<b>50,801</b>	<b>51,913</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>144,347</b>	<b>144,368</b>	<b>138,373</b>
<b>Total interest earning and discount bearing assets</b>		<b>142,366</b>	<b>141,511</b>	<b>135,529</b>
<b>Total interest and discount bearing liabilities</b>		<b>86,792</b>	<b>86,050</b>	<b>81,321</b>
<b>Financial assets, pledged as collateral for liabilities or contingent liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>

The financial statements were approved by the Board of Directors and authorised for issue on 28 November 2023.

  
Chairman

  
Managing Director

This statement should be read in conjunction with the notes to the interim financial statements on pages 21 to 44.

# Bank of Baroda (New Zealand) Limited

## Statement of cash flows

Interim financial statements for the six months ended 30 September 2023

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
<b>Cash Flows from Operating Activities</b>			
<u>Cash was provided from:</u>			
Interest received	4,638	2,782	6,424
Fees and other income	316	508	816
	<u>4,954</u>	<u>3,290</u>	<u>7,240</u>
<u>Cash was applied to:</u>			
Operating expenses paid	(1,470)	(1,107)	(2,533)
Interest paid	(1,690)	(576)	(1,598)
Income tax paid	(559)	(410)	(625)
	<u>(3,719)</u>	<u>(2,093)</u>	<u>(4,756)</u>
<b>Net Cash Flows from Operating Activities Before Changes in Operating Assets and Liabilities</b>	<b><u>1,235</u></b>	<b><u>1,197</u></b>	<b><u>2,484</u></b>
<b>Net Changes in Operating Assets and Liabilities:</b>			
(Increase)/Decrease in loans and advances	(1,169)	7,761	6,310
Increase in balances due from other financial institutions	(599)	(13,400)	(5,100)
Increase/(Decrease) in deposits and other borrowings	2,094	(2,107)	(9,675)
Increase in balance due to related parties	3,873	508	1,165
(Increase)/Decrease in other assets	(29)	(70)	53
Increase/(Decrease) in other liabilities and provisions	133	(5)	101
Decrease in balances due from related parties	20	1,163	1,437
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b><u>5,558</u></b>	<b><u>(4,953)</u></b>	<b><u>(3,225)</u></b>
<b>Cash Flows (used in) / from Investing Activities</b>			
<u>Cash was applied to:</u>			
Purchase of property, plant and equipment	(32)	-	(2)
<b>Net Cash Flow used in Investing Activities</b>	<b><u>(32)</u></b>	<b><u>-</u></b>	<b><u>(2)</u></b>
<b>Cash Flows used in Financing Activities</b>			
<u>Cash was applied to:</u>			
Lease payments made	(145)	(119)	(295)
Payment of dividend	(1,000)	(1,000)	(1,000)
<b>Net Cash Flow used in Financing Activities</b>	<b><u>(1,145)</u></b>	<b><u>(1,119)</u></b>	<b><u>(1,295)</u></b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b><u>4,381</u></b>	<b><u>(6,072)</u></b>	<b><u>(4,522)</u></b>
Cash at the beginning of the period	14,569	19,091	19,091
<b>Cash at the end of the period</b>	<b><u>18,950</u></b>	<b><u>13,019</u></b>	<b><u>14,569</u></b>
<u>Made up of:</u>			
Cash on hand	118	229	160
Call and overnight advances to financial institutions	18,832	12,790	14,409
<b>Cash at the end of the period</b>	<b><u>18,950</u></b>	<b><u>13,019</u></b>	<b><u>14,569</u></b>

This statement should be read in conjunction with the notes to the interim financial statements on pages 21 to 44.

# Bank of Baroda (New Zealand) Limited

Reconciliation of net profit after taxation to net cash flow from operating activities  
Interim financial statements for the six months ended 30 September 2023

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
<b>Net profit after taxation</b>	<b>1,220</b>	<b>861</b>	<b>1,973</b>
<b>Non cash movements:</b>			
Depreciation	150	133	301
Gain on change from reduction of lease term	-	-	(22)
Increase in provision for impairment losses	19	10	55
(Increase)/Decrease in deferred taxation assets	(9)	(8)	12
	<b>160</b>	<b>135</b>	<b>346</b>
<b>Net movement in operating assets and liabilities:</b>			
(Increase)/Decrease in loans and advances	(1,169)	7,761	6,310
Increase in balances due from other financial institutions	(599)	(13,400)	(5,100)
Increase/(Decrease) in deposits and other borrowings	2,094	(2,107)	(9,675)
(Decrease)/Increase in interest payable	(31)	49	41
Increase in interest receivable	(16)	(45)	(130)
Increase in balances due to related parties	3,873	508	1,165
(Increase)/Decrease in other assets	(29)	(70)	53
Increase in other liabilities and provisions	129	249	222
Decrease in balances due from related parties	20	1,163	1,437
(Decrease)/Increase in current tax liability	(94)	(57)	133
<b>Net cash flows from / (used in) operating activities</b>	<b>5,558</b>	<b>(4,953)</b>	<b>(3,225)</b>

This statement should be read in conjunction with the notes to the interim financial statements on pages 21 to 44.

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 1 Statement of accounting policies

Bank of Baroda (New Zealand) Limited (the Bank) is the reporting entity and these interim financial statements have been prepared in accordance with Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the order).

The Bank's interim financial statements for the six months ended 30 September 2023 have been prepared and presented in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") as appropriate for the interim financial statements of Tier 1 for-profit entities. They comply with New Zealand equivalent to International Accounting Standards 34: Interim Financial Reporting (NZ IAS 34), and International Accounting Standard 34: Interim Financial Reporting (IAS 34).

These interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Disclosure Statement for the year ended 31 March 2023.

These interim financial statements were authorised for issue by the Board on 28 November 2023.

### Basis of preparation

The interim 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. The same accounting policies and methods of computation have been followed in preparing these interim financial statements as were used in preparing the financial statements for the year ended 31 March 2023.

The interim financial statements have been prepared on a going concern basis in accordance with historical cost concepts. In September 2021, the Bank's parent company, Bank of Baroda, India, as a part of rationalisation of overseas presence has expressed an intention to divest or close the operations of Bank of Baroda (New Zealand) Limited. Whilst the process has been initiated, it is in its early stages and no decisions confirming any divestment or closure have been made.

These events or conditions indicate that there is a material uncertainty that may cast significant doubt on the Bank's long-term continuance. As a result of the material uncertainty the Bank may realise its assets and discharge its liabilities at amounts different from those recorded in the financial statements.

During the period of this process, the parent has agreed to provide necessary support for the operations of the Bank. As expressed in their letter of support, the parent has the willingness to provide support. The parent has net assets of NZD \$17,361 million as at 30 September 2023 which indicates their ability to provide support. The parent's support will continue from now on until the completion of the divestment or closure process. Consequently management considers that the use of the going concern basis of accounting remains appropriate in the preparation of these interim financial statements and the values assigned to assets and liabilities in the Disclosure Statement represent the best estimate of what they will be settled for.

### Critical accounting estimates and judgements

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 unchanged from 31 March 2023. The key judgement relates to the recognition of expected credit losses ("ECL") as detailed in Note 5 to these financial statements.

In determining ECL, management is required to exercise judgement in defining what is considered to be a significant increase in credit risk and default events. While arriving at ECL, management judgement has been applied based on reasonable and supportable information of forward-looking economic factors commensurate with the nature of Bank's portfolio of loans.

The methodology for ECL calculations remained unchanged from that applied in the Financial Statements for the year ended 31 March 2023. For the year ended 31 March 2023, credit exposures deriving predominant income from travel, tourism, hospitality and transport were classified under Stage Two. However, considering the opening up of cross border travel across the world, such exposures have now moved to Stage One, other factors remain unchanged.

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 1 Statement of accounting policies (continued)

As at 30 September 2023 the Bank had allowed assistance in five loans by way of conversion of loan to interest only for a temporary period for disruptions in their projects and businesses. Such support, by itself, would not automatically result in a significant increase in credit risk warranting movement to Stage Two. Considering the assistance and other factors affecting their credit risk, three out of the five loans have been considered to be in Stage Two. Note 5 provides details of the impact of this on the provision for expected credit losses at 30 September 2023.

In determining the provision for expected credit losses as at 30 September 2023, due to the lack of historical default experience, publicly available information was considered while applying default estimates which were reviewed and factored for negative outlook on macro-economic factors.

The probability of default, loss given default, and exposure at default assumptions which support the expected credit loss estimate are reviewed regularly in light of differences between loss estimates and actual loss experience.

## 2 Interest

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
<b>Interest income</b>			
Bank deposits/placements	483	218	589
Loans and advances to customers	4,171	2,609	5,965
<b>Total interest income</b>	<b>4,654</b>	<b>2,827</b>	<b>6,554</b>
<b>Interest expense</b>			
Deposits by customers	1,523	589	1,556
Lease finance costs	21	36	83
Borrowings from Related Parties	115	-	-
<b>Total interest expense</b>	<b>1,659</b>	<b>625</b>	<b>1,639</b>

## 3 Other income

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
Banking and lending fee income	96	115	209
Commissions revenue	34	13	30
Net foreign exchange gains	185	380	575
Other revenue	1	-	2
<b>Total other income</b>	<b>316</b>	<b>508</b>	<b>816</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 4 Operating expenses

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
Audit and review of Disclosure Statement:			
• Audit of Disclosure Statement	90	-	116
• Audit of prior year Disclosure Statement - additional fee	31	-	8
• Half year review of Disclosure Statement	70	42	42
Directors' fees	37	33	76
Depreciation:			
• Computer hardware	3	3	6
• Office equipment	-	-	1
• Furniture, fittings, and leasehold improvements	11	8	15
• Right of use assets	136	122	279
Employee benefits:			
• Salary & others	842	753	1,417
• Kiwisaver	8	7	11
Loss on disposal of assets	-	-	-
Rental and lease costs not included in lease liabilities	23	23	46
Other operating expenses	365	503	916
<b>Total operating expenses</b>	<b>1,616</b>	<b>1,494</b>	<b>2,933</b>

## 5 Credit loss allowances

Unaudited - Six months ended 30 September 2023

	Retail mortgage lending \$000's	Corporate and institutional \$000's	Other exposures excluding \$000's	Total \$000's
<b>For period ended 30 September 2023</b>				
<b>Collective allowance</b>				
Balance at the beginning of the period	153	364	3	520
Charge/(Credit) to profit or loss	89	(70)	-	19
<b>Total collective allowance for credit losses at 30 September 2023</b>	<b>242</b>	<b>294</b>	<b>3</b>	<b>539</b>
<b>Recognised in:</b>				
Loans and advances - collective provision	235	279	2	516
Other liabilities - undrawn commitments (Note 15)	7	15	1	23
<b>Total collective allowance for credit losses at 30 September 2023</b>	<b>242</b>	<b>294</b>	<b>3</b>	<b>539</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 5 Credit loss allowances (continued)

For period ended 30 September 2023

Movement in provision for credit loss allowance	Collective provision 12-months ECL	Collective provision lifetime ECL - significant increase in credit risk	Specific provision lifetime ECL - credit impaired	Total
<b>Residential mortgage lending</b>				
Balance at beginning of period	121	32	-	153
Charge/(Credit) to profit or loss	62	27	-	89
<b>Balance at end of period - Residential mortgage lending</b>	<b>183</b>	<b>59</b>	<b>-</b>	<b>242</b>
<b>Corporate exposures</b>				
Balance at beginning of period	336	28	-	364
(Credit)/Charge to profit or loss	(42)	(28)	-	(70)
<b>Balance at end of period - Corporate exposures</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>294</b>
<b>Other exposures</b>				
Balance at beginning of period	3	-	-	3
Charge/(Credit) to profit or loss	-	-	-	-
<b>Balance at end of period - Other exposures</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Provision for credit loss allowances - Total</b>				
Balance at beginning of period	460	60	-	520
Charge/(Credit) to profit or loss	20	(1)	-	19
<b>Total provision for credit loss allowances balance at end of period</b>	<b>480</b>	<b>59</b>	<b>-</b>	<b>539</b>

Unaudited - Six month ended 30 September 2022

	Retail mortgage lending \$000's	Corporate and institutional \$000's	Other exposures \$000's	Total \$000's
<b>For period ended 30 September 2022</b>				
<b>Collective allowance</b>				
Balance at the beginning of the period	165	297	3	465
(Credit)/Charge to profit or loss	(17)	27	-	10
<b>Total collective allowance for credit losses at 30 September 2022</b>	<b>148</b>	<b>324</b>	<b>3</b>	<b>475</b>
<b>Recognised in:</b>				
Loans and advances - collective provision	139	238	-	377
Other liabilities - undrawn commitments (Note 15)	9	86	3	98
<b>Total collective allowance for credit losses at 30 September 2022</b>	<b>148</b>	<b>324</b>	<b>3</b>	<b>475</b>



# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 5 Credit loss allowances (continued)

For period ended 30 September 2022

Movement in provision for credit loss allowance	Collective provision 12-months ECL	Collective provision lifetime ECL - significant increase in credit risk	Specific provision lifetime ECL - credit impaired	Total
<b>Residential mortgage lending</b>				
Balance at beginning of period	147	18	-	165
(Credit)/Charge to profit or loss	(17)	-	-	(17)
<b>Balance at end of period - Residential mortgage lending</b>	<b>130</b>	<b>18</b>	<b>-</b>	<b>148</b>
<b>Corporate exposures</b>				
Balance at beginning of period	268	29	-	297
Charge/(Credit) to profit or loss	24	3	-	27
<b>Balance at end of period - Corporate exposures</b>	<b>292</b>	<b>32</b>	<b>-</b>	<b>324</b>
<b>Other exposures</b>				
Balance at beginning of period	3	-	-	3
Charge/(Credit) to profit or loss	-	-	-	-
<b>Balance at end of period - Other exposures</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Provision for credit loss allowances - Total</b>				
Balance at beginning of period	418	47	-	465
Charge/(Credit) to profit or loss	7	3	-	10
<b>Total provision for credit loss allowances balance at end of period</b>	<b>425</b>	<b>50</b>	<b>-</b>	<b>475</b>

Audited - Year ended 31 March 2023

	Retail mortgage lending \$000's	Corporate and institutional \$000's	Other exposures excluding \$000's	Total \$000's
<b>For year ended 31 March 2023</b>				
<b>Collective allowance</b>				
Balance at the beginning of the period	165	297	3	465
(Credit)/Charge to profit or loss	(12)	67	-	55
<b>Total collective allowance for credit losses at 31 March 2023</b>	<b>153</b>	<b>364</b>	<b>3</b>	<b>520</b>
<i>Recognised in:</i>				
Loans and advances - collective provision	147	278	-	425
Other liabilities - undrawn commitments (Note 15)	6	86	3	95
<b>Total collective allowance for credit losses at 31 March 2023</b>	<b>153</b>	<b>364</b>	<b>3</b>	<b>520</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 5 Credit loss allowances (continued)

For year ended 31 March 2023

Movement in provision for credit loss allowance	Collective provision 12-months ECL	Collective provision lifetime ECL - significant increase in credit risk	Specific provision lifetime ECL - credit impaired	Total
<b>Residential mortgage lending</b>				
Balance at beginning of period	147	18	-	165
(Credit)/Charge to profit or loss	(26)	14	-	(12)
<b>Balance at end of period - Residential mortgage lending</b>	<b>121</b>	<b>32</b>	<b>-</b>	<b>153</b>
<b>Corporate exposures</b>				
Balance at beginning of period	268	29	-	297
Charge/(Credit) to profit or loss	68	(1)	-	67
<b>Balance at end of period - Corporate exposures</b>	<b>336</b>	<b>28</b>	<b>-</b>	<b>364</b>
<b>Other exposures</b>				
Balance at beginning of period	3	-	-	3
Charge/(Credit) to profit or loss	-	-	-	-
<b>Balance at end of period - Other exposures</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Provision for credit loss allowances - Total</b>				
Balance at beginning of period	418	47	-	465
Charge/(Credit) to profit or loss	42	13	-	55
<b>Total provision for credit loss allowances balance at end of year</b>	<b>460</b>	<b>60</b>	<b>-</b>	<b>520</b>

No expected credit losses are recognised where the collateral is cash. \$6.56m of such exposures exist at the balance date.

### Impact of changes in gross carrying amount in ECL

The increase in ECL with respect to residential mortgage lending is mainly due to a review of assumptions. Reduction in ECL with respect to Corporate lending is mainly due to reduction in exposure with respect of that lending.

## 6 Taxation

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
<b>Net profit before taxation</b>	1,676	1,206	2,743
Tax calculated at a tax rate of 28%	(470)	(338)	(768)
Re-estimation of prior period current tax liability	16	-	4
Other permanent differences	(2)	(7)	(6)
<b>Taxation expense as per the statement of comprehensive income</b>	<b>(456)</b>	<b>(345)</b>	<b>(770)</b>
<b>Represented by:</b>			
Current tax - current year	(481)	(353)	(762)
Current tax - prior year	16	-	4
Deferred tax	9	8	(12)
<b>Taxation expense as per the statement of comprehensive income</b>	<b>(456)</b>	<b>(345)</b>	<b>(770)</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 7 Deferred taxation

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
<b>Deferred tax balances</b>			
Balance at the beginning of the period	245	257	257
Credit to statement of comprehensive income	9	8	(12)
<b>Balance at end of the period</b>	<b>254</b>	<b>265</b>	<b>245</b>

For the period ended 30 September 2023

	Opening balance \$000's	Recognised in the profit and loss \$000's	Closing balance \$000's
<b>Temporary differences arising from:</b>			
Property, plant and equipment	24	-	24
Provisions	197	12	209
Leases	24	(3)	21
<b>Total</b>	<b>245</b>	<b>9</b>	<b>254</b>

For the period ended 30 September 2022

	Opening balance \$000's	Recognised in the profit and loss \$000's	Closing balance \$000's
<b>Temporary differences arising from:</b>			
Property, plant and equipment	27	(1)	26
Provisions	197	8	205
Leases	33	1	34
<b>Total</b>	<b>257</b>	<b>8</b>	<b>265</b>

For the year ended 31 March 2023

	Opening balance \$000's	Recognised in the profit and loss \$000's	Closing balance \$000's
<b>Temporary differences arising from:</b>			
Property, plant and equipment	27	(3)	24
Provisions	197	-	197
Leases	33	(9)	24
<b>Total</b>	<b>257</b>	<b>(12)</b>	<b>245</b>

## 8 Cash and cash equivalents

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Cash on hand	118	229	160
Call and overnight advances to financial institutions	18,832	12,790	14,409
<b>Total cash and cash equivalents</b>	<b>18,950</b>	<b>13,019</b>	<b>14,569</b>
Current	18,950	13,019	14,569
Non-current	-	-	-

## 9 Due from other financial institutions

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Term deposits	5,699	13,400	5,100
<b>Total amount due from other financial institutions</b>	<b>5,699</b>	<b>13,400</b>	<b>5,100</b>
Current	5,699	13,400	5,100
Non-current	-	-	-

The term deposits are held with a financial institution with an AA- credit rating from Standard and Poor's.

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

10 Loans and advances	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Residential mortgage loans	85,311	90,092	87,722
Corporate exposures	29,299	24,262	27,686
Other exposures	4,114	1,750	2,147
Allowances for impairment losses	(516)	(377)	(425)
<b>Total net loans and advances</b>	<b>118,208</b>	<b>115,727</b>	<b>117,130</b>
Current	14,316	11,327	14,079
Non-current	103,892	104,400	103,051

## 11 Leases

### 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 \$23,000 (31 March 2023: \$46,000 and 30 September 2022: \$23,000).

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 \$84,000 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 \$267,000 (31 March 2023: \$523,000 and 30 September 2022: \$225,000).

### Right of use assets

The following amounts are included in the balance sheet in relation to right of use assets held under lease arrangements:

	Unaudited As at 30 Sep 2023	Unaudited As at 30 Sep 2022	Audited As at 31 Mar 2023
<b>Right of use assets</b>			
Properties - cost	1,604	1,908	1,755
Properties - accumulated depreciation	(1,148)	(1,008)	(1,012)
Addition remeasurement/(termination)	-	-	(151)
<b>Right of use assets</b>	<b>456</b>	<b>900</b>	<b>592</b>

	Unaudited Six months ended 30 Sep 2023	Unaudited Six months ended 30 Sep 2022	Audited Year ended 31 Mar 2023
<b>Right of use assets</b>			
Opening balance at 1 April	592	1,022	1,022
Adjustment to lease term	-	-	(151)
Depreciation charge for the period (Note 4)	(136)	(122)	(279)
<b>Closing balance</b>	<b>456</b>	<b>900</b>	<b>592</b>

There were no additions during the period to leased properties.

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 11 Leases (continued)

	Unaudited As at 30 Sep 2023	Unaudited As at 30 Sep 2022	Audited As at 31 Mar 2023
<b>Liabilities for leases</b>			
The following amounts are included as lease liabilities:			
Due within one year	303	250	293
Due after one year	223	770	378
	<b>526</b>	<b>1,020</b>	<b>671</b>

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:

	Up to 3 months	3 to 12 months	Between 1 & 5 years	More than 5 years	Total
<b>As at 30 September 2023</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Lease payments included within lease liabilities	82	330	152	-	564

### 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:

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
	<b>Short-term leases</b>	<b>Short-term leases</b>	<b>Short-term leases</b>
Not later than 1 year	46	74	27
<b>Total</b>	<b>46</b>	<b>74</b>	<b>27</b>

## 12 Other assets

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Other receivables	153	247	124
Interest receivable	344	243	328
<b>Total other assets</b>	<b>497</b>	<b>490</b>	<b>452</b>
Current	497	490	452
Non-current	-	-	-

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 13 Related party disclosures

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.

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
Salaries and other short-term benefits	637	578	1,016
<b>Total key management compensation</b>	<b>637</b>	<b>578</b>	<b>1,016</b>
Deposits from KMP bearing interest at 2.25% (31 March 2023: 1.50%; 30 September 2022: 0 to 0.6%)	280	202	188
Deposits from KMP - non-interest bearing	1	-	-
Interest paid to KMP during the period	1	-	1
Loans to KMP at interest rates of 3.75% to 6.50% (31 March 2023: 6.50%, 30 September 2022: 3.85%)	569	526	546
Interest earned from loans to KMP	18	10	23

### Guarantee from Parent

The Bank'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 30 September 2023, 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 holds foreign currency Nostro current accounts deposits of NZ\$188,685 (31 March 2023: NZ\$208,606, 30 September 2022: NZ\$482,808) with other members of BOB group and other related parties, these accounts are non-interest bearing.

The Bank has current account balances owing to its parent company, Bank of Baroda of NZ\$712,872 (31 March 2023: NZ\$393,472 and 30 September 2022: NZ\$1,095,260), Bank of Baroda (Sydney) of NZ\$4,066 (31 March 2023: NZ\$341,084 and 30 September 2022: \$486) and Bank of Baroda (Fiji) of NZ\$1,597 (31 March 2023: NZ\$8,107 and 30 September 2022: NZ\$8,167) that are non-interest bearing.

The Bank has no interest bearing Term Deposits (31 March 2023: \$1,103,322 and 30 September 2022: nil) owing to Bank of Baroda (Sydney).

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 13 Related party disclosures (continued)

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
USA New York branch (USD)	101	454	172
India Mumbai main office (INR)	65	-	5
U.K. London branch (GBP)	18	9	14
Belgium Brussels branch (EURO)	-	3	3
Fiji Suva branch (FJD)	2	1	1
Australia Sydney branch (AUD)	3	16	14
<b>Total Nostro balance</b>	<b>189</b>	<b>483</b>	<b>209</b>

	Unaudited Six months ended 30 Sep 2023 \$000's	Unaudited Six months ended 30 Sep 2022 \$000's	Audited Year ended 31 Mar 2023 \$000's
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### Transaction with related parties:

#### Interest expense

Bank of Baroda branches and its subsidiaries 115 - 3

#### Support & service fee/management fee

Bank of Baroda branches and its subsidiaries 109 57 160

#### Due to related parties:

Bank of Baroda branches and its subsidiaries (deposits) 719 1,189 1,846

Bank of Baroda branches and its subsidiaries (borrowings) 5,000 - -

**Total due to related parties** **5,719** **1,189** **1,846**

Current 5,719 1,189 1,846

Non-current - - -

**Total** **5,719** **1,189** **1,846**

#### Due from related parties:

Bank of Baroda branches 189 483 209

**Total due from related parties** **189** **483** **209**

Current 189 483 209

Non-current - - -

**Total** **189** **483** **209**

## 14 Deposits and other borrowings

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Retail deposits	84,683	90,157	82,589
<b>Total deposits</b>	<b>84,683</b>	<b>90,157</b>	<b>82,589</b>
New Zealand	84,683	90,157	82,589
Overseas	-	-	-
Current	81,854	84,754	80,902
Non-current	2,829	5,403	1,687

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 15 Other liabilities

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Employee entitlements	122	173	113
Other payables and accruals	862	747	773
Credit loss allowance on undrawn lending commitments (Note 5)	23	98	95
<b>Total other liabilities</b>	<b>1,007</b>	<b>1,018</b>	<b>981</b>
Current	1,007	1,018	981
Non-current	-	-	-

## 16 Asset quality

As at 30 September 2023	Residential mortgage loans \$000's	Corporate exposures \$000's	Other exposures excluding sovereigns and central banks \$000's	Total \$000's
Loans and advances				
<i>No significant increase in credit risk</i>				
Not past due	-	-	-	-
Less than 30 days past due	82,001	29,299	4,114	115,414
<i>Loans where payments are in arrears or otherwise impaired</i>				
30-59 days past due	1,338	-	-	1,338
60-89 days	1,972	-	-	1,972
<b>Gross loans and advances</b>	<b>85,311</b>	<b>29,299</b>	<b>4,114</b>	<b>118,724</b>
Less allowance for impairment (Note 5)	235	279	2	516
<b>Net loans and advances</b>	<b>85,076</b>	<b>29,020</b>	<b>4,112</b>	<b>118,208</b>
Other assets neither past due nor impaired	-	-	25,335	25,335
<b>Total net financial assets</b>	<b>85,076</b>	<b>29,020</b>	<b>29,447</b>	<b>143,543</b>
<b>Movements in gross balances - by credit loss allowance stage</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
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	(9,265)	(28)	(54)	(9,347)
New loans originated	3,102	-	-	3,102
Net further lending/(repayment)	7,492	-	(78)	7,414
Transfers between loss allowance stages	718	1,254	(1,972)	-
<b>Balance at end of period</b>	<b>114,161</b>	<b>4,563</b>	<b>-</b>	<b>118,724</b>

At 30 September 2023 there were no loans in Stage 3 (31 March 2023: \$2,082,000, 30 September 2022: nil).

The Bank does not have any restructured assets, and financial, real estate or other assets acquired through security enforcement or any other assets under administration as at 30 September 2023 (31 March 2023 and 30 September 2022 - nil). There were no undrawn balances on lending commitments to counterparties classified as individually credit impaired assets at 30 September 2023 (31 March 2023 and 30 September 2022 - nil).



# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 16 Asset quality (continued)

As at 31 March 2023	Residential mortgage loans \$000's	Corporate exposures \$000's	Other exposures excluding sovereigns and central banks \$000's	Total \$000's
Loans and advances				
<i>No significant increase in credit risk</i>				
Not past due	81,006	27,686	2,093	110,785
Less than 30 days past due	4,666	-	-	4,666
<i>Loans where payments are in arrears</i>				
More than 90 days past due or otherwise and not credit impaired	2,050	-	54	2,104
<b>Gross loans and advances</b>	<b>87,722</b>	<b>27,686</b>	<b>2,147</b>	<b>117,555</b>
Less allowance for impairment (Note 5)	147	278	-	425
<b>Net loans and advances</b>	<b>87,575</b>	<b>27,408</b>	<b>2,147</b>	<b>117,130</b>
Other assets neither past due nor impaired	-	-	20,330	20,330
<b>Total net financial assets</b>	<b>87,575</b>	<b>27,408</b>	<b>22,477</b>	<b>137,460</b>
<b>Movements in gross balances - by credit loss allowance stage</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance at 1 April 2022	120,426	3,438	-	123,864
Loans repaid in their entirety	(26,279)	(575)	-	(26,854)
New loans originated	20,279	723	-	21,002
Net further lending/(repayment)	(208)	(249)	-	(457)
Transfers between loss allowance stages	(2,082)	-	2,082	-
<b>Balance at end of period</b>	<b>112,136</b>	<b>3,337</b>	<b>2,082</b>	<b>117,555</b>

## 17 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:

	Unaudited As at 30 Sep 2023 \$000's	Audited As at 31 Mar 2023 \$000's
<b>New Zealand</b>		
Finance	24,644	19,669
Households	88,489	91,709
Construction	17,197	21,297
Property services	10,974	12,065
Health and community services	40	40
Personal and other services	6,780	5,960
Retail and wholesale trade	1,200	1,331
Food and other manufacturing	394	411
Other financial assets	497	452
<b>Overseas</b>		
Finance, investment and insurance	194	209
<b>Total financial assets and off-balance sheet exposures</b>	<b>150,409</b>	<b>153,143</b>
Allowance for impairment losses	(516)	(425)
<b>Total net financial assets and off-balance sheet exposures</b>	<b>149,893</b>	<b>152,718</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 17 Concentration of credit risk (continued)

Analysis of financial assets by geographical sector at balance date is as follows:

	Unaudited As at 30 Sep 2023 \$000's	Audited As at 31 Mar 2023 \$000's
<b>New Zealand</b>		
Upper North Island	138,968	139,239
Lower North Island	11,247	13,695
Allowance for impairment losses	(516)	(425)
<b>Overseas</b>		
USA New York branch (USD)	101	172
India Mumbai Main Office (INR)	65	5
U.K. London branch (GBP)	18	14
Standard Chartered Bank (EUR)	5	-
Belgium Brussels branch (EUR)	-	3
Fiji Suva branch (FJD)	2	1
Australia Sydney branch (AUD)	3	14
<b>Total net financial assets</b>	<b>149,893</b>	<b>152,718</b>

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

	Unaudited As at 30 Sep 2023 \$000's	Audited As at 31 Mar 2023 \$000's
Loans and advances (including undrawn commitments available to customers, refer to note 20)	125,074	132,813
Balances with related parties	189	209
Due from other financial institutions	5,699	5,100
Cash and cash equivalents	18,950	14,569
Other financial assets	497	452
<b>Total gross financial assets</b>	<b>150,409</b>	<b>153,143</b>
Allowance for impairment losses	(516)	(425)
<b>Total net financial assets</b>	<b>149,893</b>	<b>152,718</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 18 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 and geography at balance date is as follows:

	Unaudited As at 30 Sep 2023 \$000's
<b>New Zealand</b>	
Financing investment and insurance	9,475
Retail and wholesale trade	1,970
Other	1,007
Households	72,231
<b>Overseas</b>	
Finance, investment and insurance	5,719
<b>Total financial liabilities</b>	<b>90,402</b>

An analysis of financial liabilities by geographical sector, based on the branch of the customer, at balance date is as follows:

	Unaudited As at 30 Sep 2023 \$000's
<b>New Zealand</b>	
Upper North Island	67,146
Lower North Island	17,537
Overseas	5,719
<b>Total financial liabilities</b>	<b>90,402</b>

## 19 Capital commitments

As at 30 September 2023 there are no material outstanding capital commitments (31 March 2023 and 30 September 2022: nil).

## 20 Contingent liabilities

	Unaudited As at 30 Sep 2023 \$000's	Unaudited As at 30 Sep 2022 \$000's	Audited As at 31 Mar 2023 \$000's
Performance/financial guarantees issued on behalf of customers	271	271	271
<b>Total contingent liabilities</b>	<b>271</b>	<b>271</b>	<b>271</b>
<b>Undrawn commitments available to customers</b>	<b>6,350</b>	<b>18,218</b>	<b>15,257</b>

## 21 Subsequent events after balance sheet date

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

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 22 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 30 September 2023 - Unaudited	Total \$000's	Not interest bearing \$000's	Up to 3 months \$000's	Over 3 months & up to 6 months \$000's	Over 6 months & up to 1 year \$000's	Over 1 & up to 2 years \$000's	Over 2 & up to 5 years \$000's	Over 5 years \$000's
<b>Financial assets</b>								
Cash and cash equivalents	18,950	491	18,459	-	-	-	-	-
Due from other financial institutions	5,699	-	5,699	-	-	-	-	-
Loans and advances	118,208	-	61,250	19,769	37,189	-	-	-
Balances with related parties	189	189	-	-	-	-	-	-
Other financial assets	497	497	-	-	-	-	-	-
<b>Total financial assets</b>	<b>143,543</b>	<b>1,177</b>	<b>85,408</b>	<b>19,769</b>	<b>37,189</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest and discount bearing liabilities</b>								
Deposits and other borrowings	84,683	3,417	46,661	13,458	18,317	2,202	628	-
Due to related parties	5,719	719	5,000	-	-	-	-	-
Other financial liabilities	1,007	1,007	-	-	-	-	-	-
Lease liabilities	526	-	-	-	-	266	260	-
<b>Total interest and discount bearing liabilities</b>	<b>91,935</b>	<b>5,143</b>	<b>51,661</b>	<b>13,458</b>	<b>18,317</b>	<b>2,468</b>	<b>888</b>	<b>-</b>
<b>On-balance sheet gap</b>	<b>51,608</b>	<b>(3,966)</b>	<b>33,747</b>	<b>6,311</b>	<b>18,872</b>	<b>(2,468)</b>	<b>(888)</b>	<b>-</b>
Financial guarantee	271	271	-	-	-	-	-	-
Undrawn commitments	6,350	-	4,967	548	835	-	-	-
<b>Net effective interest rate gap</b>	<b>58,229</b>	<b>(3,695)</b>	<b>38,714</b>	<b>6,859</b>	<b>19,707</b>	<b>(2,468)</b>	<b>(888)</b>	<b>-</b>

## 23 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 2023.

As at 30 September 2023 - Unaudited	On Demand \$000's	Up to 3 months \$000's	3 to 12 months \$000's	Between 1 & 5 years \$000's	More than 5 years \$000's	Total \$000's
<b>Financial assets</b>						
Cash and cash equivalents	18,950	-	-	-	-	18,950
Due from other financial institutions	-	5,843	-	-	-	5,843
Loans and advances	33	4,952	16,948	37,567	168,562	228,062
Due from related parties	189	-	-	-	-	189
Other financial assets	-	497	-	-	-	497
<b>Total financial assets</b>	<b>19,172</b>	<b>11,292</b>	<b>16,948</b>	<b>37,567</b>	<b>168,562</b>	<b>253,541</b>
<b>Financial liabilities</b>						
Deposits and other borrowings	28,852	19,384	32,856	3,113	-	84,205
Due to related parties	719	5,169	-	-	-	5,888
Other financial liabilities	-	1,007	-	-	-	1,007
<b>Total financial liabilities</b>	<b>29,571</b>	<b>25,560</b>	<b>32,856</b>	<b>3,113</b>	<b>-</b>	<b>91,100</b>
<b>Net non-derivative cash flows</b>	<b>(10,399)</b>	<b>(14,268)</b>	<b>(15,908)</b>	<b>34,454</b>	<b>168,562</b>	<b>162,441</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 23 Liquidity risk (continued)

<b>Derivative cash flows</b>						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Off balance sheet cash flows</b>						
Financial guarantees provided to customers	(271)	-	-	-	-	(271)
Undrawn commitments to lend	(6,350)	-	-	-	-	(6,350)
<b>Total</b>	(6,621)	-	-	-	-	(6,621)
<b>Net cash flow</b>	(17,020)	(14,268)	(15,908)	34,454	168,562	155,820

Unaudited  
As at  
30 Sep 2023  
\$000's

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

Cash and cash equivalents	18,950
Deposits with financial institutions	5,699
Deposit/cash held with related parties	189
<b>Total liquid assets</b>	<b>24,838</b>

## 24 Fair values of financial instruments

	Level of fair value estimate	Unaudited As at 30 Sep 2023		Unaudited As at 30 Sep 2022		Audited As at 31 Mar 2023	
		Carrying amounts	Estimated fair value	Carrying amounts	Estimated fair value	Carrying amounts	Estimated fair value
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Financial assets</b>							
Cash and cash equivalents	Level 1	18,950	18,950	13,019	13,019	14,569	14,569
Balances with related parties	Level 2	189	189	483	483	209	209
Due from other financial institutions	Level 2	5,699	5,843	13,400	13,400	5,100	5,213
Loans and advances	Level 3	118,208	118,361	115,727	115,972	117,130	118,811
Other financial assets	Level 2	497	497	490	490	452	452
<b>Total financial assets</b>		<b>143,543</b>	<b>143,840</b>	<b>143,119</b>	<b>143,364</b>	<b>137,460</b>	<b>139,254</b>
<b>Financial liabilities</b>							
Due to related parties	Level 2	5,719	5,887	1,189	1,189	1,846	1,855
Deposits and other borrowings	Level 3	84,683	82,463	90,157	89,972	82,589	80,677
Other financial liabilities	Level 2	1,007	1,007	1,018	1,018	981	981
<b>Total financial liabilities</b>		<b>91,409</b>	<b>89,357</b>	<b>92,364</b>	<b>92,179</b>	<b>85,416</b>	<b>83,513</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 24 Fair values of financial instruments (continued)

### 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.

#### *Due to/from other financial institutions*

For due to/from other financial institutions, fair values have been estimated using a discounted cash flow model with reference to term deposit fixed interest rate.

#### *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 model with reference to 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.

#### *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.

#### *Due to/from related parties*

For balances with related parties, the carrying amount is a reasonable estimate of fair value. For balances due to related parties, fair values have been estimated using a discounted cash flow model with reference to market interest rates.

#### *Other financial liabilities*

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

## 25 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 or exceeded 10% of the Bank's common equity tier one capital was:

	As at 30 Sep 2023	Peak end of the day between 1 Apr 2023 and 30 Sep 2023
<b>Number of counterparties without a credit rating:</b>		
- Representing 10-15% of common equity tier one capital	4	5
- Representing 25-30% 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, to the central government or central bank of any country with a long-term credit rating of A- or A3 or above, or its equivalent, or to any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent. These calculations relate only to exposures held in the financial records of the Bank and were calculated net of individually assessed provisions.

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 25 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 30 Sep 2023	Peak end of the day between the previous 1 Apr 2023 and 30 Sep 2023
<b>Number of bank counterparties with an AA- Standard &amp; Poor's credit rating:</b>		
- Representing more than or equal to 45% and less than 50% of common equity tier one capital	1	-
- Representing more than or equal to 135% and less than 140% of common equity tier one capital	-	1

## 26 Securitisation, funds, management, other fiduciary activities and the marketing and distribution of insurance products

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.

## 27 Risk management policies

There have been no material changes to the risk management policies and no new categories of risk to which the bank has become exposed since 31 March 2023.

## 28 Capital adequacy

The Bank has 40,000,000 fully paid up ordinary shares (tier one capital) issued 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 8% of risk weighted exposures.
- Tier One Capital must not be less than 6% 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.

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 28 Capital adequacy (continued)

The capital adequacy tables set out below summarise the composition of regulatory capital and capital adequacy ratios for the period ended 30 September 2023. The Bank was registered on 1 September 2009 and from the date of registration to 30 September 2023; 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.

	Unaudited As at 30 Sep 2023 \$000's
<b>Tier One Capital</b>	
<b>Common equity Tier One Capital</b>	
Issued and fully paid up share capital	40,000
Retained earnings	12,133
Deferred tax assets	(254)
<b>Total common equity Tier One Capital</b>	<b>51,879</b>
<b>Additional Tier One Capital</b>	
Nil	-
<b>Total Tier One Capital</b>	<b>51,879</b>
<b>Tier Two Capital</b>	
Nil	-
<b>Total Tier Two Capital</b>	<b>-</b>
<b>Total Capital</b>	<b>51,879</b>

30 September 2023 - Unaudited Calculation of on-balance-sheet exposures	Total exposure after credit risk mitigation \$000's	Risk Weight	Risk weighted exposure \$000's	Minimum pillar 1 capital requirement \$000's
Cash and gold bullion	118	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisation	-	0%	-	-
Public sector entities	-	20%	-	-
Banks (Due from other financial institutions)	24,531	20%	4,906	392
Banks (Due from related parties)	189	50%	95	8
Corporate	27,996	100%	27,996	2,240
<b>Residential mortgages less than 90 days past due</b>				
Non property investment-LVR up to 80%	22,733	35%	7,957	637
Non property investment-LVR >80% but <90%	575	50%	288	23
Property investment-LVR <80%	61,768	40%	24,707	1,977
Property investment-LVR >80% but <90%	-	70%	-	-
Past due residential mortgages - 90 days and over	-	100%	-	-
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	5,023	0%	-	-
Other assets	1,158	100%	1,158	93
<b>Total on-balance-sheet exposures</b>	<b>144,091</b>		<b>67,107</b>	<b>5,370</b>



# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements  
For the six months ended 30 September 2023

## 28 Capital adequacy (continued)

As at 30 September 2023 - Unaudited  
Calculation of off-balance-sheet exposures

	Total exposure \$000's	Credit conversion factor %	Credit equivalent amount \$000's	Average risk weight %	Risk weighted exposure \$000's	Minimum pillar 1 capital requirement \$000's
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	11
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	6,350	50%	3,175	45%	1,429	114
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%	-	-
<b>Total off-balance-sheet exposures</b>	<b>6,621</b>		<b>3,311</b>		<b>1,565</b>	<b>125</b>

	Total exposure	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum pillar 1 capital requirement
<b>Counterparty credit risk</b>					
(a) Foreign exchange contracts	-	-	-	-	-
(b) Interest rate contracts	-	-	-	-	-
(c) Other	-	-	-	-	-
<b>Total counterparty risk</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

### Residential mortgages by loan-to-valuation ratio

As at 30 September 2023 - Unaudited (\$000's)	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
<b>Loan-to-valuation ratio</b>				
On-balance-sheet exposures	84,501	575	-	85,076
Off-balance-sheet exposures	3,170	-	-	3,170
<b>Total loan-to-value ratio</b>	<b>87,671</b>	<b>575</b>	<b>-</b>	<b>88,246</b>

	30 September 2023 \$000's
<b>Reconciliation of residential mortgage-related amounts</b>	
Residential mortgage loans (as disclosed in notes 10 and 16)	85,311
Less: Expected credit losses (as disclosed in notes 5 and 16)	(235)
Undrawn commitments related to residential mortgages	3,177
Less: Expected credit losses (as disclosed in note 5)	(7)
<b>Residential mortgages by loan-to-valuation ratio</b>	<b>88,246</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 28 Capital adequacy (continued)

### Credit risk mitigation

As at 30 September 2023 - Unaudited (\$000's)	On balance sheet exposure \$000's	Off balance sheet exposure \$000's	Total value of on and off balance sheet exposures covered by eligible collateral (after haircutting) \$000's
<b>Exposure class</b>			
Corporate	-	-	-
Other	5,023	1,541	6,564
<b>Total</b>	<b>5,023</b>	<b>1,541</b>	<b>6,564</b>

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

### Operational risk capital requirement

	Unaudited as at 30 Sep 2023	
	Implied risk weighted exposure \$000's	Total operational risk capital requirement \$000's
Operational risk	9,646	772

### 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.

	End-period capital charges		Peak end-of-day capital charges	
At 30 September 2023 - Unaudited	Implied risk \$000's	Aggregate capital \$000's	Implied risk \$000's	Aggregate capital \$000's
Interest rate risk	1,823	146	3,152	252
Foreign currency risk	524	42	594	47
Equity risk	-	-	-	-
<b>Total capital requirements</b>	<b>2,347</b>	<b>188</b>	<b>3,746</b>	<b>299</b>

	Total exposure after credit risk mitigation \$000's	Risk weighted exposure or implied risk weighted \$000's	Capital requirement \$000's
At 30 September 2023 - Unaudited			
Total credit risk + equity	150,712	68,672	5,495
Operational risk	-	9,646	772
Market risk	-	2,347	188
<b>Total</b>	<b>150,712</b>	<b>80,665</b>	<b>6,455</b>

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

## 28 Capital adequacy (continued)

### Capital ratios

	Common equity tier 1 capital ratio	Tier 1 capital ratio	Total capital ratio
<b>At 30 September 2023 - Unaudited</b>			
Ratio	64.31%	64.31%	64.31%
Minimum ratio requirement	4.5%	6.0%	8.0%
<b>At 30 September 2022 - Unaudited</b>			
Ratio	61.44%	61.44%	61.44%
Minimum ratio requirement	4.5%	6.0%	8.0%
<b>At 31 March 2023 - Audited</b>			
Ratio	61.18%	61.18%	61.18%
Minimum ratio requirement	4.5%	6.0%	8.0%

### Buffer ratios

<b>At 30 September 2023 - Unaudited</b>	
Prudential capital buffer ratio	56.31%
Buffer trigger ratio	2.5%
<b>At 30 September 2022 - Unaudited</b>	
Prudential capital buffer ratio	53.44%
Buffer trigger ratio	2.5%
<b>At 31 March 2023 - Audited</b>	
Prudential capital buffer ratio	53.18%
Buffer trigger ratio	2.5%

### 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](http://www.bankofbaroda.com)).

As per the latest available data at 30 September 2023, BOB's Tier One Capital was 13.67% of total risk-weighted assets and total capital was 15.74% of total risk-weighted assets (31 March 2023: Tier One Capital was 14.52% of total risk weighted assets and total capital was 16.73% of total risk-weighted assets). BOB's capital ratios during the year ended 31 March 2023 and 31 March 2022 exceeded the Reserve Bank of India's minimum capital adequacy requirements.

## 29 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 per conditions of registration applicable to 30 September 2023	Unaudited Three months ended 30 September 2023	Unaudited Three months ended 30 June 2023
One-week mismatch ratio	0	16.2	12.8
One-month mismatch ratio	0	16.9	13.2
Core funding ratio	75	106.8	106.3

# Bank of Baroda (New Zealand) Limited

Notes to the interim financial statements

For the six months ended 30 September 2023

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## 30 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.

# Independent Review Report

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

## Report on the half year disclosure statement

### Conclusion

Based on our review of the interim financial statements and supplementary information of Bank of Baroda (New Zealand) Limited (the “Registered Bank”) on pages 16 to 44, nothing has come to our attention that causes us to believe that the interim financial statements (excluding the supplementary information disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the “Order”)), have not been prepared, in all material respects, with NZ IAS 34 Interim Financial Reporting (“NZ IAS 34”).

In our opinion, nothing has come to our attention that causes us to believe that the supplementary information (excluding supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements) that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order and is included within the interim financial statements:

- i. does not present fairly, in all material respects, the matters to which it relates;
- ii. is not disclosed, in all material respects, in accordance with those schedules;
- iii. has not been prepared, in all material respects, in accordance with any condition of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

We have completed a review of the accompanying half year disclosure statement which comprises:

- the interim financial statements formed of:
  - the statement of financial position as at 30 September 2023;
  - the statements of comprehensive income, changes in equity and cash flows for the six-month period then ended; and
  - notes, including a summary of significant accounting policies and other explanatory information.
- the supplementary information prescribed in Schedules 5, 7, 13, 16 and 18 of the Order.



### Basis for conclusion

A review of the half year disclosure statement in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (“NZ SRE 2410 (Revised)”) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.



As the auditor of Bank of Baroda (New Zealand) Limited, NZ SRE 2410 (Revised) requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the Registered Bank in relation to statutory audit services. Subject to certain restrictions, partners and employees of our firm may also deal with the Registered Bank on normal terms within the ordinary course of trading activities of the business of the Registered Bank. These matters have not impaired our independence as reviewer of the Registered Bank. The firm has no other relationship with, or interest in, the Registered Bank.



## Material uncertainty related to going concern

We draw attention to Note 1 in the interim financial statements, which indicates that the Bank's parent company, Bank of Baroda, India, has expressed an intention to divest or close the operations of Bank of Baroda (New Zealand) Limited as part of rationalisation of global presence. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Bank's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



## Use of this independent review report

This independent review report is made solely to the shareholder as a body. Our review work has been undertaken so that we might state to the shareholder those matters we are required to state to them in the independent review 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 as a body for our review work, this independent review report, or any of the opinions we have formed.



## Responsibilities of the Directors for the half year disclosure statement

The Directors, on behalf of the bank, are responsible for:

- the preparation and fair presentation of the half year disclosure statement in accordance with NZ IAS 34 and Schedules 3, 5, 7, 13, 16 and 18 of the Order;
- implementing necessary internal control to enable the preparation of a half year disclosure statement that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the review of the half year disclosure statement

Our responsibility is to express a conclusion on the half year disclosure statement based on our review. We conducted our review in accordance with NZ SRE 2410 (Revised). NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:



- the interim financial statements do not present fairly in all material respects the Registered Bank's financial position as at 30 September 2023 and its financial performance and cash flows for the 6 month period ended on that date;
- the interim financial statements do not, in all material respects, comply with NZ IAS 34;
- the supplementary information does not, fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on the half year disclosure statement.

A handwritten signature in blue ink, appearing to be 'KML'.

KPMG  
Auckland

28 November 2023

# Independent Limited Assurance Report to the shareholder of Bank of Baroda (New Zealand) Limited

## Conclusion on the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements

Based on our limited assurance conclusion, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements, disclosed in notes 28 and 29 to the disclosure statement, is not, in all material respects disclosed in accordance with Schedule 9 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the 'Order').

We have reviewed the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements, as disclosed in notes 28 and 29 of the disclosure statement for the six-month period ended 30 September 2023. The supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements comprises the information that is required to be disclosed in accordance with Schedule 9 of the Order.

## Standards we followed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 (Revised) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In accordance with those standards:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements is free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.



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## How to interpret limited assurance and material misstatement and non-compliance

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and analytical procedures, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material misstatement and non-compliance with Schedule 9 of the Order is likely to arise.

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.

Misstatements, including omissions, within the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements and non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements.

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## Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A limited assurance engagement for the six-month period ended 30 September 2023 does not provide assurance on whether compliance with the with Schedule 9 of the Order will continue in the future.

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## Restriction of distribution and use

Our report is made solely for Bank of Baroda (New Zealand) Limited. Our assurance work has been undertaken so that we might state to Bank of Baroda (New Zealand) Limited those matters we are required to state to them in the assurance report and for no other purpose. We consent to the Reserve Bank of New Zealand ("RBNZ") receiving a copy of our report. No other third party is intended to receive our report.

Our report should not be regarded as suitable to be used or relied on by any third parties other than Bank of Baroda (New Zealand) Limited and the RBNZ ("Recipients") for any purpose or in any context. Any other party who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

Our report is released to the Recipients on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to any party other than Bank of Baroda (New Zealand) Limited for our work, for this independent limited assurance report, and/or for the conclusions we have reached.

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## Director's responsibility for the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements

The Directors are responsible for the preparation of supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements that is required to be disclosed in accordance with Schedule 9 of the Order, which the Directors have determined to meet the needs of the Recipients. This responsibility includes such internal control as the Directors determine is necessary to enable the preparation of the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements that is free from material misstatement and non-compliance whether due to fraud or error.

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### Our responsibility

Our responsibility is to express a conclusion to Bank of Baroda (New Zealand) Limited on whether anything has come to our attention that the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements has not, in all material respects, been prepared in accordance with Schedule 9 of the Order for the six-month period ended 30 September 2023.

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### Our independence and quality control

We have complied with the independence and other ethical requirements of 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, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to Bank of Baroda (New Zealand) Limited (the 'Bank'). Subject to certain restrictions, partners and employees of our firm may also deal with the Bank on normal terms within the ordinary course of trading activities of the business of the Bank. These matters have not impaired our independence as assurance providers of the Bank. The firm has no other relationship with, or interests in, the Bank.



KPMG  
Auckland

28 November 2023