Bank of Baroda (New Zealand) Limited

Disclosure Statement

for the six months ended

30 September 2016

Contents

1. Definitions

In this Disclosure Statement, unless the context otherwise requires:

Act means the Reserve Bank of New Zealand Act 1989;

Bank means Bank of Baroda (New Zealand) Limited;

Banking Group means the Bank and its subsidiaries where subsidiary has the same meaning as in section 6(1) of the Financial Market Conduct Act 2013;

Board means the Board of Directors of the Bank;

BOB means Bank of Baroda;

Director means a director of the Bank;

INR means Indian Rupees;

Parent Guarantee has the meaning given in section 3.1; and

USD means United States Dollars.

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

2. General information

2.1 Registered Bank

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

This Disclosure Statement is issued by the Bank for the six months ended 30 September 2016 in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended).
Words and phrases defined by the Order have the same meanings when used in this Disclosure Statement.

The Bank is not in the business of insurance.

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

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

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

2.2 Details of ultimate parent bank and ultimate holding company

(a) **Ultimate parent bank**

The Bank's ultimate parent bank is Bank of Baroda, an Indian incorporated bank (**BOB**). There has been no change to the ultimate parent bank since 31 March 2016. There have been no changes to the name or address for service of the ultimate parent bank since 31 March 2016.

(b) **Ultimate holding company**

There has been no change to the ultimate holding company (Bank of Baroda) since 31 March 2016. There have been no changes to the name or address for service of the ultimate holding company since 31 March 2016.

The ultimate Parent Bank and Ultimate Holding Company's address for service is provided under 3.1(a).

2.3 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 below 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.

2.4 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 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 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 2016. A copy of the Disclosure Statement can be obtained from the Bank's website www.barodanzltd.co.nz.

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

(a) Details of the guarantor

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

The address for service of the guarantor is:

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

As at 31 March 2016, the publicly disclosed capital of BOB was INR 360,727.70 million (USD 5,444.53 million) representing (Basel II) 14.20% 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	Outlook	Qualifications	Rating Change in the Last 2 Years
Moody's Investor Services Limited	**Baa3**	Stable	Nil	Nil
Fitch IBCA, Inc.	**BBB-**	Stable	Nil	Nil

On 05-07-2016, Fitch Ratings has affirmed the ratings on BOB. The Long-Term Issuer Default Ratings (IDR) on Bank of Baroda (BOB) has been affirmed at 'BBB-'. The Outlook on the IDRs is Stable.

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

(b) Details of guaranteed obligations

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

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

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

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

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

4. Directors

4.1 Communications

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

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

4.2 Board of Directors

The following changes in the composition of the Board of Directors of the Bank (the "Board") have been effected since 31 March 2016:

- Dr. Rajen Prasad has resigned from the Board with effect from 11.07.2016 and Neelam Damodharan has resigned from the Board on 08.06.2016.
- Bhuwanchandra Balkrishna Joshi joined the Board on 08.06.2016 as Non-Executive Director,
- Vipan Mahajan joined the Board on 08.06.2016 as Non-Executive Director,
- Vailankanni Wenceslaus Melchoir Anthony was appointed Chairperson of the Board on 11.07.2016

At present the Board comprises the following Directors

- Vailankanni Wenceslaus Melchoir Anthony, Chairperson and Independent Director
- Prahlad Das Gupta, Managing Director
- Bhuwanchandra Balkrishna Joshi, Non- Executive Director
- Vipan Mahajan, Non- Executive Director,
- Ranjna Patel, Independent Director,
- Claudio Sandro Oberto, Independent Director

Vailankanni Wenceslaus Melchoir Anthony, Ranjna Patel, and Claude Sandro Oberto are independent Directors and resident of New Zealand.

Prahlad Das Gupta, Managing Director is resident of New Zealand

Bhuwanchandra Balkrishna Joshi and Vipan Mahajan, Non-Executive Directors are residents of India

The responsible persons authorised to sign the disclosure statement on behalf of the Board in accordance with section 82 of the Reserve Bank of New Zealand Act 1989 are Vailankanni Wenceslaus Melchoir Anthony and Prahlad Das Gupta

5. Auditor's

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

Deloitte Limited
Deloitte Centre
80, Queen Street
Auckland 1010
New Zealand

6. Conditions of registration

There have been no changes to the conditions of registration from the 1st of April 2014 to the 30th of September 2016.

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;

(e) the bank must not include the amount of an Additional Tier 1 capital instrument or Tier 2 capital instrument issued after 1 January 2013 in the calculation of its capital ratios unless it has received a notice of non-objection to the instrument from the Reserve Bank; and

(f) the bank meets the requirements of Part 3 of the Reserve Bank of New Zealand document "Application requirements for capital recognition or repayment and notification requirements in respect of capital" (BS16) dated November 2015 in respect of regulatory capital instruments.

For the purposes of this condition of registration, —

the Total capital ratio, the Tier 1 capital ratio, the Common Equity Tier 1 capital ratio and Total capital must be calculated in accordance with the Reserve Bank of New Zealand document: "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2015;

an Additional Tier 1 capital instrument is an instrument that meets the requirements of subsection 8(2)(a) or (c) of the Reserve Bank of New Zealand document "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2015.

a Tier 2 capital instrument is an instrument that meets the requirements of subsection 9(2)(a) or (c) of the Reserve Bank of New Zealand document "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2015.

1A. That—

(a) the bank has an internal capital adequacy assessment process ("ICAAP") that accords with the requirements set out in the document "Guidelines on a bank's internal capital adequacy assessment process ('ICAAP')" (BS12) dated December 2007;

(b) under its ICAAP the bank identifies and measures its "other material risks" defined as all material risks of the banking group that are not explicitly captured in the calculation of the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the Total capital ratio under the requirements set out in the document "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2015; and

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

1B. That, if the buffer 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 to the percentage limit to distributions that corresponds to the banking group's buffer ratio:

Banking group's buffer ratio	Percentage limit to distributions of the bank's earnings
0% – 0.625%	0%
>0.625 – 1.25%	20%
>1.25 – 1.875%	40%
>1.875 – 2.5%	60%

(b) prepare a capital plan to restore the banking group's buffer ratio to above 2.5% within any timeframe determined by the Reserve Bank for restoring the buffer ratio; and

(c) have the capital plan approved by the Reserve Bank.

For the purposes of this condition of registration,—

"buffer ratio", "distributions", and "earnings" have the same meaning as in Part 3 of the Reserve Bank of New Zealand document: "Capital Adequacy Framework (Standardised Approach)" (BS2A) dated November 2015.

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. That the aggregate credit exposures (of a non-capital nature and net of any allowances for impairment) of the banking group to all connected persons do not exceed the rating-contingent limit outlined in the following matrix:

Credit rating of the bank[1]	**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 (of a non-capital nature and net of any allowances for impairment) to non-bank connected persons shall not exceed 15% of the banking group's Tier 1 capital.

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 November 2015.

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;

[1]This table uses the rating scales of Standard & Poor's, Fitch Ratings and Moody's Investors Service. (Fitch Ratings' scale is identical to Standard & Poor's.)

an alternate director,—

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

(ii) for an independent director must be independent;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the purposes of this condition of registration, the ratios identified must be calculated in accordance with the Reserve Bank of New Zealand documents entitled "Liquidity Policy" (BS13) dated July 2014 and "Liquidity Policy Annex: Liquid Assets" (BS13A) dated December 2011.

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 Acquisition 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 "no-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, 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 60%, 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, 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 10% 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 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 2016:

"loan-to-valuation measurement period" means a period of six calendar months ending on the last day of the sixth calendar month, the first of which ends on the last day of March 2017.

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	Outlook	Qualifications	Rating Change in the Last 2 Years
Fitch IBCA, Inc.	Long-term foreign currency Issuer Default Rating	BBB-	Stable	Nil	Nil

On 05-07-2016, Fitch Ratings has affirmed the above ratings on Bank of Baroda (New Zealand) Limited.

8.2 Applicable ratings scales

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

Moody's applies numeric modifiers to each generic rating category from Aa to B, indicating that the counterparty is (1) in the higher end of its letter rating category, (2) in mid-range, (3) in 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.

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 Market Conduct Act 2013.

10. Directors' statements

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

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

b. is not false or misleading.

Each Director of the Bank, after due enquiry believes that for the six months ended 30 September 2016 :

a. the Bank has complied with all conditions of registration that applied during the period;

b. credit exposures to connected persons were not contrary to the interests of the Bank;

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

For and on behalf of all of the Directors of the Bank (authorised to issue by Directors' resolution via circular agenda dated 24.11.2016, this disclosure statement is dated at Auckland, New Zealand this 25.11.2016 and signed by Vailankanni Wenceslaus Melchoir Anthony and Prahlad Das Gupta as responsible persons.

Vailankanni Wenceslaus Melchoir Anthony
Chairman
Bank of Baroda (New Zealand) Limited

Prahlad Das Gupta
Managing Director
Bank of Baroda (New Zealand) Limited

11. Independent auditor's review report

The independent auditor's 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 auditor's review report.

12. Financial statements

The financial statements for the Bank for the six months ended 30 September 2016 are attached as Appendix and form part of this disclosure statement.

Bank of Baroda (New Zealand) Limited

Company Number 2135104

Financial Statements for the six months ended 30 September 2016

Contents: Interim Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Six months ended 30 September 2016	Unaudited Six months ended 30 September 2015	Audited Year ended 31 March 2016 (restated)
		$'000	$'000	$'000
Interest income	2	1,914	1,978	3,963
Interest expense	2	(563)	(532)	(1,132)
Net interest income		**1,351**	**1,446**	**2,831**
Other income	3	887	706	1,594
Total operating income		**2,238**	**2,152**	**4,425**
Operating expenses	4	(1,585)	(1,394)	(3,005)
Impairment losses on loans and advances	5	(7)	(49)	(65)
Net profit before taxation		**646**	**709**	**1,355**
Taxation (expense) / benefit	6	(250)	212	40
Net profit after taxation		**396**	**921**	**1,395**
Other comprehensive income		-	-	-
Total comprehensive income		**396**	**921**	**1,395**

The accompanying notes form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings	Total
	$'000	$'000	$'000
Balance at 1 April 2016	40,000	5,138	45,138
Total comprehensive income for the period	-	396	396
Balance at 30 September 2016 (Unaudited)	**40,000**	**5,534**	**45,534**
Balance at 1 April 2015	40,000	3,743	43,743
Total comprehensive income for the year	-	921	921
Balance as at 30 September 2015 (Unaudited)	**40,000**	**4,664**	**44,664**
Balance at 1 April 2015	40,000	3,743	43,743
Total comprehensive income for the period	-	1,395	1,395
Balance at 31 March 2016 (Audited)	**40,000**	**5,138**	**45,138**

The accompanying notes form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements

Deloitte For Identification

STATEMENT OF FINANCIAL POSITION

	Note	Unaudited as at 30 September 2016	Unaudited as at 30 September 2015 (restated)	Audited as at 31 March 2016
		$'000	$'000	$'000
Assets				
Cash and cash equivalents	8	13,778	7,548	8,355
Balances due from related parties	12	5,019	4,272	3,378
Due from other financial institutions	9	8,500	17,800	14,100
Loans and advances	10	65,281	59,523	64,195
Property, plant and equipment		422	535	471
Deferred tax asset	7	737	1,159	987
Other assets	11	253	303	196
Total assets		**93,990**	**91,140**	**91,682**
Liabilities				
Balances due to related parties	12	3,247	1,831	2,368
Deposits and other borrowings	14	44,616	44,439	43,863
Other liabilities	15	593	206	313
Total liabilities		**48,456**	**46,476**	**46,544**
Shareholders' equity				
Share capital		40,000	40,000	40,000
Retained Earnings		5,534	4,664	5,138
Total shareholders' equity		**45,534**	**44,664**	**45,138**
Total shareholders' equity and liabilities		**93,990**	**91,140**	**91,682**
Total interest earning and discount bearing assets		90,826	85,568	88,407
Total interest and discount bearing liabilities		43,201	40,004	42,752

For and on behalf of the Board

Vailankanni Wenceslaus Melchoir Anthony

Chairman

Prahlad Das Gupta

Managing Director

Authorised for issue on 25.11.2016

The accompanying notes form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements.

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For
Identification

CASH FLOW STATEMENT

	Unaudited Six months ended 30 September 2016	Unaudited Six months ended 30 September 2015 (restated)	Audited Year ended 31 March 2016
	$'000	$'000	$'000
Interest received	1,941	2,071	4,305
Fees and other income	887	706	1,594
Operating expenses paid	(1,372)	(1,387)	(2,734)
Interest paid	(558)	(526)	(1,349)
Taxes paid	-	-	-
Net cash flows from operating activities before changes in operating assets and liabilities	**898**	**864**	**1,816**
Net changes in operating assets and liabilities:			
(Increase) in loans and advances	(1,093)	(10,491)	(15,179)
Decrease/(increase) in balances due from other financial institutions	5,600	-	3,700
(Decrease)/increase in deposits and other borrowings	753	12,037	11,461
Increase/(decrease) in balances due to related parties	879	851*	1,388
(Increase)/decrease in other assets	(84)	-	55
Increase/(decrease) in other liabilities and provisions	111	-	(67)
Decrease/(increase) in balances due from related parties	(1,641)	(872)*	22
Net cash flows from operating activities	**5,423**	**2,389**	**3,196**
Cash flows from investing activities	-	-	-
Cash flows from financing activities	-	-	-
Net cash flows from financing activities	-	-	-
Increase in cash and cash equivalents	**5,423**	**2,389**	**3,196**
Add opening cash and cash equivalents	8,355	5,159	5,159
Closing cash and cash equivalents	**13,778**	**7,548**	**8,355**
Cash on hand	195	197	328
Call and overnight advances to financial institutions	13,583	7,351	8,027

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RECONCILIATION OF NET PROFIT AFTER TAXATION TO NET CASH-FLOWS FROM OPERATING ACTIVITIES

	Unaudited Six months ended 30 September 2016	Unaudited Six months ended 30 September 2015	Audited Year ended 31 March 2016
	$'000	$'000	$'000
Net profit after taxation	**396**	**921**	**1,395**
Non-cash movements			
Depreciation	49	63	127
Increase in collective allowance for impairment losses	3	44	65
Increase in individual allowance for impairment losses	4	5	-
Decrease / (increase) in deferred taxation	250	(212)	(40)
Increase in operating assets and liabilities	**306**	**(100)**	**152**
(Increase) in loans and advances	(1,093)	(10,491)	(15,179)
Decrease/(increase) in balances due from other financial institutions	5,600	-	3,700
Increase/(decrease) in deposits and other borrowings	753	12,037	11,461
Increase/(decrease) in interest payable	5	-	30
Increase/(decrease) in interest receivable	28	93	-
(Increase)/decrease in other assets	(84)	(50)	150
Increase/(decrease) in balances due to related parties	879	851	1,388
Increase/(decrease) in other liabilities and provisions	274	-	77
(Increase)/decrease in balances due from related parties	(1,641)	(872)	22
Net cash flows from operating activities	**5,423**	**2,389**	**3,196**

The accompanying notes form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements.

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1. STATEMENT OF ACCOUNTING POLICIES

Statutory base

These interim financial statements have been prepared in accordance with the registered Bank Disclosure Statement (New Zealand Incorporated Registered Banks) Order 2014 (as amended). The company is profit-oriented and is an FMC Reporting Entity under Financial Markets Conducts Act 2013.

These interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), as appropriate for profit-oriented entities, and the New Zealand equivalent to International Accounting Standard ("NZ IAS") 34 *Interim Financial Reporting* and International Accounting Standard IAS 34 and should be read in conjunction with the General Disclosure Statement for the year ended 31 March 2016.

These interim financial statements comply with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and comply with NZ IAS 34.

These interim financial statements were authorised for issue by the Board on 25.11.2016. The Board has the power to amend the financial statements after they are authorised for issue.

Basis of preparation

The interim financial statements have been prepared under the historical cost convention. The functional and presentation currency is New Zealand Dollar (NZD). The same accounting policies and methods of computation has been followed in preparing these interim financial statements as were used in preparing the financial statements for the year end 31 March 2016.

Changes in accounting policy

There has been no material changes in accounting policies since the last financial statements for year ended 31 March 2016.

Comparative figures (restatements)

There has been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 to comply with current year presentation. This error has been corrected by restating each of the affected financial statement line items. The change did not have an impact on total comprehensive income for the period, equity or the Company's operating, investing and financing cash flows.

There has been an elimination of $247,000 of 'Inter branch transactions' from 'Interest revenue' and 'Interest expense' in the Statement of Comprehensive Income for the period ended 31 March 2016 to comply with current year presentation. This error has been corrected by restating each of the affected financial statement line items. The change did not have an impact on total comprehensive income for the period, equity or the Company's operating, investing and financing cash flows.

Certain other comparative figures have also been re-stated for consistency with current period presentation, and the nature of the changes are described in each affected note.

2. INTEREST (Income and Expenses)

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016 (restated)
	$'000	$'000	$'000
Interest Income			
Loans and advances	1,667	1,549	3,200*
From other financial institutions	247	429	763*
Total interest income	**1,914**	**1,978**	**3,963**
Interest Expenses			
Deposits by customers	563	532	1,132*

* There has been an elimination of $247,000 of 'Inter branch transactions' from 'Interest revenue' and 'Interest expense' in the Statement of Comprehensive Income for the period ended 31 March 2016 to comply with current year presentation. This error has been corrected by restating each of the affected financial statement line items.

3. OTHER INCOME

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016
	$'000	$'000	$'000
Banking and lending fee income	106	89	113
Net commissions revenue	14	14	143
Net foreign exchange gains	757	594	1,338
Other revenue	10	9	-
Total other income	**887**	**706**	**1,594**

4. OPERATING EXPENSES

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016
	$'000	$'000	$'000
Auditor's fee	73	40	98
Accounting fees	35	-	-
Tax advisory services	-	-	43
Regulatory advisory services	-		16
Directors' fee	26	11	32
Depreciation			
- Computer hardware	3	-	11
- Furniture, fittings and lease hold	46	-	116
Employee benefits	843	695	1,380
Rent and lease costs	307	310	606
Other operating expenses	252	338	703
Total operating expenses	**1,585**	**1,394**	**3,005**

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5. IMPAIRMENT ALLOWANCE

As on 30 September 2016	Retail mortgage lending	Corporate and institutional	Other exposures excluding sovereigns and central banks	Total
	$'000	$'000	$'000	$'000
Individually impaired assets				
Balance at the beginning of the year	-	111	-	111
Charge to statement of comprehensive income	-	4	-	4
Reversal of previous amounts	-	-	-	-
Bad Debts Written off	-	(11)	-	(11)
Balance at the end of the period	**-**	**104**	**-**	**104**
Collective allowance for impairment losses				
Balance at the beginning of the year	192	10	64	266
Charge to statement of comprehensive income	(4)	2	5	3
Advances Written off	-	-	-	-
Total collective allowance for impairment losses	**188**	**12**	**69**	**269**
As on 30 September 2015				
Individually impaired assets				
Balance at the beginning of the year	-	103	8	111
Charge to statement of comprehensive income	-	-	10	10
Reversal of Previous Amounts	-	-	(5)	(5)
Bad Debts Written off	-	-	-	-
Balance at the end of the period	**-**	**103**	**13**	**116**
Collective allowance for impairment losses				
Balance at the beginning of the year	133	50	18	201
Charge to statement of comprehensive income	39	(34)	39	44
Advances Written off	-	-	-	-
Total collective allowance for impairment losses	**172**	**16**	**57**	**245**
As on 31 March 2016				
Individually impaired assets				
Balance at the beginning of the year	-	103	8	111
Charge to statement of comprehensive income	-	8	(8)	-
Bad Debts Written off	-	-	-	-
Balance at the end of the year	**-**	**111**	**-**	**111**
Collective allowance for impairment losses				
Balance at the beginning of the year	133	50	18	201
Charge to statement of comprehensive income	59	(40)	46	65
Advances Written off	-	-	-	-
Total collective allowance for impairment losses	**192**	**10**	**64**	**266**

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6. TAXATION

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016
	$'000	$'000	$'000
Net profit before taxation	**646**	**709**	**1,355**
Tax calculated at a tax rate of 28%	(181)	(199)	(379)
Prior period adjustment	-	(8)	-
Other permanent differences	(69)	-	-
Recognition of tax losses	-	212	40
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	207	379
Taxation (expense)/benefit as per the statement of comprehensive income	(250)	212	40
Represented by			
Current Tax	-	-	-
Deferred Tax	(250)	212	40
Taxation (expense)/benefit as per the statement of comprehensive income	**(250)**	**212**	**40**
The deferred tax (expense)/benefit in the statement of comprehensive income comprises the following Temporary differences:			
Recognised tax losses	(250)	212	40
Total temporary differences	**(250)**	**212**	**40**

The effective tax rate on the Bank's profit before tax has been calculated at 28%. Tax loss benefits not recognised in these financial statements amounted to nil as at 30 September 2016 (30 September 2015: nil, 31 March 2016: nil). The availability of these tax benefits is subject to the requirements of income tax legislation being met.

7. CURRENT AND DEFERRED TAXATION

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016
	$'000	$'000	$'000
Deferred tax			
Balance at the beginning of the year	987	947	947
(Charge) / Credit to statement of comprehensive income	(250)	212	40
Balance at end of the year	**737**	**1,159**	**987**

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8. CASH & CASH EQUIVALENTS

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
Cash on hand	195	197*	328
Call and overnight advances to financial institutions	13,583	7,351*	8,027
Total cash and cash equivalents	**13,778**	**7,548**	**8,355**
Current	13,778	7,548	8,355

* There has also been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 for consistency with the current year presentation.

9. DUE FROM OTHER FINANCIAL INSTITUTIONS

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
Term Deposits	8,500	17,800*	14,100
Total amount due from other financial institutions	**8,500**	**17,800**	**14,100**
Current	8,500	17,800*	14,100
Non-Current	-	-	-

* There has also been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 for consistency with the current year presentation.

10. LOANS AND ADVANCES

	As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	$'000	$'000	$'000
Residential Mortgage Loans	45,746	41,859	46,767
Corporate exposures	3,526	4,019	2,508
Other Exposures	16,382	14,006	15,297
Allowances for impairment losses	(373)	(361)	(377)
Total net loans and receivables	**65,281**	**59,523**	**64,195**
Current	11,810	9,143	9,091
Non-Current	53,471	50,380	55,104

11. OTHER ASSETS

	As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	$'000	$'000	$'000
Other receivables	95	33	10
Commissions receivable	-	-	-
Interest Receivable	158	270	186
Trade and other receivables	**253**	**303**	**196**
Current	253	303	196
Non-Current	-	-	-

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12. RELATED PARTY DISCLOSURE

As at 30 September 2016 the Bank holds foreign currency cash deposits of NZD 4,394,000(30 September 2015: $ 3,137,000, 31 March 2016: $2,907,000) with other branches of BOB group, these deposits are interest bearing. The Bank also holds the following foreign currency Nostro current accounts deposits of NZD 602,200 (30 September 2015: $227,000, 31 March 2016: $471,000) with other members of BOB group and other related parties, these accounts are non-interest bearing.

The Bank also has current account balances owing to its parent company, Bank of Baroda (India) of NZD 1,617,000 (30 September 2015: $ 318,000, 31 March 2016: $832,000) and Bank of Baroda (Fiji) of NZD 9,000 (30 September 2015: $2,000, 31 March 2016: $2,000) that are non-interest bearing.

Related parties include Branches of Bank of Baroda, its subsidiaries and other related parties.

Key Management Personnel include directors and senior management of the Bank.

	Six months ended 30 September 2016	Six months ended 30 September 2015 (Restated)	Year ended 31 March 2016
	$'000	$'000	$'000
Salary and other short term benefits	679	552*	1,120

* The 30 September 2015 salary and other short term benefits has been restated for consistency with the current year presentation to correct computation oversight.

Related Party transactions and balances:

	Six months ended 30 September 2016	Six months ended 30 September 2015	Year ended 31 March 2016
	$'000	$'000	$'000
Transaction with related parties:			
Interest Income			
Bank of Baroda Branches and its subsidiaries	41	-	60
Other related Parties	-	-	-
Interest Expense			
Bank of Baroda Branches and its subsidiaries	-	-	-
Other related Parties	25	-	-
Due to related parties			
Bank of Baroda Branches and its subsidiaries	1,626	320	834
Other related Parties	1,621	1,511	1,534
Total	**3,247**	**1,831**	**2,368**
Current	1,690	323	836
Non-Current	1,557	1,508	1,532
Total	**3,247**	**1,831**	**2,368**
Due from related parties			
Bank of Baroda Branches and its subsidiaries	4,996	4,272	3,378
Other related Parties	23	-	-
Total	**5,019**	**4,272**	**3,378**
Current	5,019	4,272	3,378
Non-current	-	-	-
Total	**5,019**	**4,272**	**3,378**

13. CONNECTED PARTY EXPOSURE

The Bank does not have any exposure to connected parties as on 30 September 2016. The position was nil for the period 30 September 2015 and as on 31 March 2016.

"Connected party" means any person, other than a government of a country which is a member of the Organisation for Economic Cooperation and Development, which is:

- (ii) an owner (which means any person who has a substantial interest in the registered bank), or
- (iii) an entity in which an owner has a substantial interest (other than the registered bank and entities in which the registered bank itself has a substantial interest), or
- (iv) a person which has a substantial interest in an owner, or
- (v) a director of the registered bank.

14. DEPOSITS AND OTHER BORROWINGS

	As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	$'000	$'000	$'000
Retail deposits	44,616	44,439	43,863
Wholesale deposits	-	-	-
Other	-	-	-
Total Deposits	**44,616**	**44,439**	**43,863**
New Zealand	44,616	44,439	43,863
Overseas	-	-	-
Current	41,008	32,764	34,238
Non-Current	3,608	11,675	9,625

15. OTHER LIABILITIES

	As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	$'000	$'000	$'000
Employee entitlements	136	-	-
Other payables and accruals	457	206	313
Total other liabilities	**593**	**206**	**313**
Current	593	206	313
Non-Current	-	-	-

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16. ASSET QUALITY

As at 30 September 2016	Residential mortgage loans	Corporate exposures	Other exposures excluding sovereigns and central banks	Total
	$'000	$'000	$'000	$'000
Loans and advances				
Neither past due nor impaired	45,741	3,422	16,381	**65,544**
Past due but not impaired	5	1		**6**
Impaired assets	-	104	-	**104**
Gross loans and advances	**45,746**	**3,527**	**16,381**	**65,654**
Less allowance for impairment	(188)	(116)	(69)	**(373)**
Net loans and advances	**45,558**	**3,411**	**16,312**	**65,281**
Other assets neither past due nor impaired	-	-	27,355	**27,355**
Total net financial assets	**45,558**	**3,411**	**43,667**	**92,636**
Past due but not impaired				
Gross amount of finance receivables that were past due but not impaired were as follows:				
Past due up to 30 days	5	1	-	**6**
Past due 30 – 60 days	-	-	-	**-**
Past due 60 – 90 days	-	-	-	**-**
Past due 90+ days	-	-	-	**-**
Total	**5**	**1**	**-**	**6**
Gross impaired assets				
Balance at beginning of the period	-	111	-	**111**
Net additions	-	4	-	**4**
Deletions	-	(11)	-	**(11)**
Amounts written off	-	-	-	**-**
Balance at end of the period	**-**	**104**	**-**	**104**
Individual Credit Impairment Allowance				
Balance at beginning of the period	-	111	-	**111**
Charged to the income statements	-	4	-	**4**
Amounts written off	-	(11)	-	**(11)**
Recoveries of amounts previously written off	-	-	-	**-**
Reversals of previous amounts	-	-	-	**-**
Total amounts per income statement	-	4	-	4
Balance at end of the period	**-**	**104**	**-**	**104**
Collective Credit Impairment Allowance				
Balance at beginning of the period	192	10	64	**266**
Charged to the income statements	(4)	2	5	**3**
Amounts written off	-	-	-	**-**
Total amounts per income statement	(4)	2	5	3
Balance at end of the period	**188**	**12**	**69**	**269**

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16. ASSET QUALITY (CONTINUED)

As at 31 March 2016	Residential mortgage loans	Corporate exposures	Other exposures excluding sovereigns and central banks	Total
	$'000	$'000	$'000	$'000
Neither past due nor impaired	46,752	2,397	15,279	**64,428**
Past due but not impaired	15	-	18	**33**
Impaired	-	111	-	**111**
Gross loans and advances	**46,767**	**2,508**	**15,297**	**64,572**
Less allowance for impairment	(192)	(121)	(64)	**(377)**
Net loans and advances	**46,575**	**2,387**	**15,233**	**64,195**
Other assets neither past due nor impaired	-	-	25,701	**25,701**
Total net financial assets	**46,575**	**2,387**	**40,934**	**89,896**
Past due but not impaired				
Gross amount of finance receivables that were past due but not impaired were as follows:				
Past due up to 30 days	15	-	18	**33**
Past due 30 – 60 days	-	-	-	**-**
Past due 60 – 90 days	-	-	-	**-**
Past due 90+ days	-	-	-	**-**
Total	**15**	**-**	**18**	**33**
Gross Impaired Assets				
Balance at beginning of the year	-	103	8	**111**
Net additions	-	8	-	**8**
Deletions	-	-	(8)	**(8)**
Amounts written off	-	-	-	**-**
Balance at end of the year	**-**	**111**	**-**	**111**
Individual Credit Impairment Allowance				
Balance at beginning of the year	-	103	8	**111**
Charged to the income statements	-	8	(8)	**-**
Amounts written off	-	-	-	**-**
Recoveries of amounts previously written off	-	-	-	**-**
Reversals of previous amounts	-	-	-	**-**
Total amounts per income statement	-	8	(8)	**-**
Balance at end of the year	**-**	**111**	**-**	**111**
Collective Credit Impairment Allowance				
Balance at beginning of the year	133	50	18	**201**
Charged to the income statements	59	(40)	46	**65**
Amounts written off	-	-	-	**-**
Total amounts per income statement	59	(40)	46	**65**
Balance at end of the year	**192**	**10**	**64**	**266**

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16. ASSET QUALITY (CONTINUED)

As at 30 September 2015	Residential mortgage loans	Corporate exposures	Other exposures excluding sovereigns and central banks	Total
	$'000	$'000	$'000	$'000
Neither past due nor impaired	41,859	3,916	13,978	**59,753**
Past due but not impaired	-	-	15	**15**
Impaired	-	103	13	**116**
Gross loans and advances	**41,859**	**4,019**	**14,006**	**59,884**
Less Allowance for impairment	(172)	(119)	(70)	**(361)**
Net loans and advances	**41,687**	**3,900**	**13,936**	**59,523**
Other assets neither past due nor impaired	-	-	29,726	**29,726**
Total net financial assets	**41,687**	**3,900**	**43,662**	**89,249**
Past due but not impaired				
Gross amount of finance receivables that were past due but not impaired were as follows:				
Past due up to 30 days	-	-	15	15
Past due 30 – 60 days	-	-	-	-
Past due 60 – 90 days	-	-	-	-
Past due 90+ days	-	-	-	-
Total	**-**	**-**	**15**	**15**
Gross Impaired assets				
Balance at beginning of the period	-	103	8	**111**
Net additions	-	-	8	**8**
Deletions	-	-	(3)	**(3)**
Amounts written off	-	-	-	**-**
Balance at end of the period	**-**	**103**	**13**	**116**
Individual Credit Impairment Allowance				
Balance at beginning of the period	-	103	8	**111**
Charged to the income statements	-	-	10	**10**
Amounts written off	-	-	(5)	**(5)**
Recoveries of amounts previously written off	-	-	-	**-**
Reversals of previous amounts	-	-	-	**-**
Total amounts per income statement	-	-	5	**5**
Balance at end of the period	**-**	**103**	**13**	**116**
Collective Credit Impairment Allowance				
Balance at beginning of the period	133	50	18	**201**
Charged to the income statements	39	(34)	39	**44**
Amounts written off	-	-	-	**-**
Total amounts per income statement	39	(34)	39	**44**
Balance at end of the period	**172**	**16**	**57**	**245**

There is no undrawn balance on lending commitments to counterparties for whom drawn balances are classified as individually impaired. There are no other amounts under administration.

The bank does not have any financial assets designated as at fair value through profit or loss on which there have been changes in fair value that are attributable to changes in credit risk of the financial asset.

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17. CONCENTRATION OF CREDIT RISK

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties. Industry analysis as at balance date is as follows:

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
New Zealand			
Government	-	-	-
Finance	22,083	25,151	22,127
Households	45,746	41,859	46,767
Transport and storage	-	-	-
Communications	-	-	-
Electricity, gas and water	-	-	-
Construction	1,253	1,973	1,323
Property services	2,091	2,310	2,384
Health and community services	966	989	983
Personal and other services	11,015	3,601	6,762
Retail and wholesale trade	4,303	9,097	6,025
Food & other manufacturing	280	55	328
Other financial assets	253	303*	196
Overseas			
Finance, Investment and insurance	5,019	4,272	3,378
Total financial assets	**93,009**	**89,610**	**90,273**
Allowance for impairment losses	(373)	(361)	(377)
Total net financial assets	**92,636**	**89,249**	**89,896**

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

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
New Zealand			
Upper North Island	76,547	68,653*	75,093
Lower North Island	11,443	16,685	11,802
South Island	-	-	-
Overseas	5,019	4,272	3,378
Total financial assets	**93,009**	**89,610**	**90,273**
Allowance for impairment losses	(373)	(361)	(377)
Total net financial assets	**92,636**	**89,249**	**89,896**

Maximum exposure to credit risk before collateral held or other credit enhancements

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
Loans and advances	65,654	59,884	64,572
Balances with related parties[1]	5,019	4,272	3,378
Due from other financial institutions	8,500	17,800**	14,100
Cash and cash equivalents	13,583	7,351**	8,027
Other financial assets	253	303*	196
Total gross financial assets	**93,009**	**89,610**	**90,273**
Allowance for impairment losses	(373)	(361)	(377)
Total net financial assets	**92,636**	**89,249**	**89,896**

[1]The Bank is wholly owned by the Bank of Baroda, a company incorporated in India. As part of the normal course of business, transactions are entered into between the Bank of Baroda (India), its subsidiaries and associated entities.

* Other financial assets of $313,000 have been included for consistency with the current year presentation. Related subtotals have also been amended as a result.
** There has also been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 for consistency with the current year presentation.

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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:

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
New Zealand			
Financing, investment & insurance	1,560	1,511	2,235
Retail and wholesale trade	551	844	-
Other	598	620	-
Households	43,528	42,975	41,628
Other financial liabilities	593	191*	313
Overseas			
Finance, Investment & Insurance	1,626	320	2,368
Total	**48,456**	**46,461**	**46,544**

An analysis of financial liabilities by geographical sector at balance date is as follows:

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
New Zealand			
Upper North Island	35,936	35,669*	34,665
Lower North Island	10,894	10,472	11,045
South Island	-	-	-
Overseas	1,626	320	834
Total financial liabilities	**48,456**	**46,461**	**46,544**

* Other financial liabilities of $191,000 have been included for consistency with the current year presentation. Related subtotals have also been amended as a result.

19. SEGMENTAL INFORMATION

The Bank operates as a single segment in the banking and finance industry in New Zealand.

20. LEASE COMMITMENTS

	As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	$'000	$'000	$'000
Operating lease commitments under non-cancellable operating leases:			
Not later than 1 year	385	447	376
1-2 years	243	305	259
2-5 years	406	600	514
5+ years	-	49	13
Total	**1,034**	**1,401**	**1,162**

21. CAPITAL COMMITMENTS

As at 30 September 2016 there are no material outstanding capital commitments (30 September 2015: Nil, 31 March 2016: Nil).

22. CONTINGENT LIABILITIES AND COMMITMENTS

The obligations of the Bank are guaranteed by BOB. There are no legislative, regulatory or other restrictions of a legally enforceable nature in India (BOB's country of incorporation) that may inhibit the legal ability of BOB to provide material financial support to the Bank. As at 30 September 2016, all the obligations of the Bank are guaranteed by BOB.

	As at 30 September 2016	As at 30 September 2015	As at 31 March 2016
	$'000	$'000	$'000
Performance/financial guarantees issued on behalf of customers	300	950	225
Total Contingent Liabilities	**300**	**950**	**225**
Undrawn Commitments	**5,882**	**6,299**	**4,572**

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23. SUBSEQUENT EVENTS AFTER BALANCE DATE

There were no subsequent events after balance date.

24. LIQUIDITY RISK

The Bank's policies for managing liquidity are set out in Disclosure Statement for the year ended 31 March 2016. The tables below summarises the cash flows payable or receivable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are contractual undiscounted cash flows and include principal and future cash flows, and therefore will not agree to the carrying values on the statement of Financial Position.

30 September 2016	On Demand	Up to 3 months	3 to 12 Months	Between 1 & 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalents	13,778	-	-	-	-	**13,778**
Due from other financial institutions	-	7,565	1,016	-	-	**8,581**
Loans and advances	206	1,275	3,788	30,560	74,518	**110,347**
Due from related parties	625	4,448	-	-	-	**5,073**
Other financial assets	253	-	-	-	-	**253**
Total financial assets	**14,862**	**13,288**	**4,804**	**30,560**	**74,518**	**138,032**
Financial liabilities						
Deposits and other borrowings	23,057	8,486	9,806	4,079	-	**45,428**
Due to related parties	1,690	-	-	1,711	-	**3,401**
Other financial liabilities	593	-	-	-	-	**593**
Total financial liabilities	**25,340**	**8,486**	**9,806**	**5,790**	**-**	**49,422**
Net non-derivative cash flows	**(10,478)**	**4,802**	**(5,002)**	**24,770**	**74,518**	**88,610**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial guarantees	(300)	-	-	-	-	(300)
Net cash flows	**(10,778)**	**4,802**	**(5,002)**	**24,770**	**74,518**	**88,310**

30 September 2015 (restated)	On Demand	Up to 3 months	3 to 12 Months	Between 1 & 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalents**	7,548	-	-	-	-	**7,548**
Due from other financial institutions**	-*	18,033*	-	-	-	**18,033**
Loans and advances*	112	1,911	11,361	16,589	65,892	**95,865**
Due from related parties	4,272*	-	-	-	-	**4,272**
Other financial assets	303	-	-	-	-	**303**
Total financial assets	**12,235**	**19,944**	**11,361**	**16,589**	**65,892**	**126,021**
Financial liabilities						
Deposits and other borrowings*	23,062	5,162	13,424	4,036	-	**45,684**
Due to related parties	323	-	-	1,711	-	**2,034**
Other financial liabilities	191	-	-	-	-	**191**
Total financial liabilities	**23,576**	**5,162**	**13,424**	**5,747**	**-**	**47,909**
Net non-derivative cash flows	**(11,341)**	**14,782**	**(2,063)**	**10,842**	**65,892**	**78,112**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows	(950)	-	-	-	-	(950)
Total	**(950)**	-	-	-	-	**(950)**
Net Cash flow	**(12,291)**	**14,782**	**(2,063)**	**10,842**	**65,892**	**77,162**

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24. LIQUIDITY RISK (Continued)

31 March 2016 (restated)	On Demand	Up to 3 months	3 to 12 Months	Between 1 & 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalents	8,355	-	-	-	-	**8,355**
Due from other financial institutions	-*	10,582*	3,650*	-	-	**14,232**
Loans and advances*	12	5,118	8,591	18,359	72,375	**104,455**
Due from related parties	3,378	-	-	-	-	**3,378**
Other financial assets	-	186	10	-	-	**196**
Total financial assets	**11,745**	**15,886**	**12,251**	**18,359**	**72,375**	**130,616**
Financial liabilities						
Deposits and other borrowings*	20,561	8,573	10,770	3,705	-	**43,609**
Due to related parties	836*	-	-	1,711*	-	**2,547**
Other financial liabilities	-	313	-	-	-	**313**
Total financial liabilities	**21,397**	**8,886**	**10,770**	**5,416**	-	**46,469**
Net non-derivative cash flows	**(9,652)**	**7,000**	**1,481**	**12,943**	**72,375**	**84,147**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows						
Financial Guarantee	(225)	-	-	-	-	**(225)**
Total	**(225)**	-	-	-	-	**(225)**
Net Cash Flow	(9,877)	7,000	1,481	12,943	72,375	83,922

The bank holds following liquid assets for the purpose of managing Liquidity Risk.

	As at 30 September 2016	As at 30 September 2015 (restated)	As at 31 March 2016
	$'000	$'000	$'000
Cash and cash equivalents	13,778	7,548**	8,355
Deposits with financial institutions	8,500	17,800**	14,100
Deposit/cash held with related parties	5,019	4,272	3,378
Total Liquid assets	**27,297**	**29,620**	**25,833**

* A number of disclosures at 30 September 2015 and 31 March 2016 have been restated for consistency with the current year presentation. Amounts previously reported were (in some cases) based on expected maturity, but have now been presented based on contractual maturity, and all related party receivables are now included. Related subtotals have also been amended as a result.

** There has also been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 for consistency with the current year presentation.

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25. INTEREST RATE REPRICING

The table below summarises the Bank's exposure to interest rate risk. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

30 September 2016	Total	Non-Interest Bearing	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 2 years	Over 2 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	**13,778**	1,487	12,291	-	-	-	-
Due from other financial institutions	**8,500**	-	7,500	1,000	-	-	-
Loans and advances	**65,281**	-	26,235	1,217	4,886	32,943	-
Balances with related parties	**5,019**	625	4,394	-	-	-	-
Other financial assets	**253**	253	-	-	-	-	-
Total financial assets	**92,831**	**2,365**	**50,420**	**2,217**	**4,886**	**32,943**	-
Financial liabilities							
Due to other financial institutions	-	-	-	-	-	-	-
Deposits and other borrowings	**44,616**	3,644	27,795	4,243	5,326	1,460	2,148
Due to related parties	**3,247**	1,653	-	37	-	1,557	-
Other financial liabilities	**593**	593	-	-	-	-	-
Total financial liabilities	**48,456**	**5,890**	**27,795**	**4,280**	**5,326**	**3,017**	**2,148**
On-balance sheet gap							
Net effective interest rate gap	**44,375**	(3,525)	22,625	(2,063)	(440)	29,926	(2,148)

30 September 2015 (restated)	Total	Non-Interest Bearing	Up to 3 months	Between 3 months & 6 months	Between 6 months & 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets								
Cash and cash equivalents**	**7,548**	197	7,351	-	-	-	-	-
Due from other financial** institutions	**17,800**	-	17,800*	-	-	-	-	-
Loans and advances*	**59,523**	-	36,823	4,452	712	17,536	-	-
Balances with related parties	**4,272**	1,134	3,138	-	-	-	-	-
Other financial assets	**303**	303	-		-	-	-	-
Total financial assets	**89,446**	**1,634**	**65,112**	**4,452**	**712**	**17,536**	-	-
Financial liabilities								
Due to other financial institutions	-	-	-	-	-	-	-	-
Deposits and other borrowings*	**44,439**	6,188	21,732	7,271	5,858	564	2,826	-
Due to related parties	**1,831**	323	-	-	-	-	1,508	-
Other financial liabilities	**191**	191	-	-	-	-	-	-
Total financial liabilities	**46,461**	**6,702**	**21,732**	**7,271**	**5,858**	**564**	**4,334**	-
On-balance sheet gap								
Net derivative notional principals	-	-	-	-	-	-	-	-
Net effective interest rate gap	**42,985**	(5,068)	43,380	(2,819)	(5,146)	16,972	(4,334)	-

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25. INTEREST RATE REPRICING (Continued)

31 March 2016 (restated)	Total	Non-Interest Bearing	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 2 years	Over 2 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents	**8,355**	1,527	6,828	-	-	-	-
Due from other financial institutions	**14,100**	-	10,500	2,600	1,000	-	-
Loans and advances	**64,195**	-*	37,584*	300*	2,298*	24,013	-
Balances with related parties	**3,378**	471	2,907	-	-	-	-
Other financial assets	**196**	196	-	-	-	-	-
Total financial assets	**90,224**	**2,194**	**57,819**	**2,900**	**3,298**	**24,013**	**-**
Financial liabilities							
Due to other financial institutions	**-**	-	-	-	-	-	-
Deposits and other borrowings	**43,863**	3,490*	26,686*	6,745*	3,782*	491	2,669
Due to related parties	**2,368**	837	-	-	-	-	1,531
Other financial liabilities	**313**	313	-	-	-	-	-
Total financial liabilities	**46,544**	**4,640**	**26,686**	**6,745**	**3,782**	**491**	**4,200**
On-balance sheet gap							
Net effective interest rate gap	**43,680**	(2,446)	31,133	(3,845)	(484)	23,522	(4,200)

* A number of disclosures as at 30 September 2015 and 31 March 2016 have been restated for consistency with the current year presentation. Amounts previously reported were (in some cases) based on expected maturity and or roll-over, but have now been presented based on contractual repricing dates. Related subtotals have also been amended as a result.
** There has also been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 for consistency with the current year presentation.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

	30 September 2016		30 September 2015 (restated)		31 March 2016	
	Carrying Amounts	Estimated Fair Value	Carrying Amounts	Estimated Fair Value	Carrying Amounts	Estimated Fair Value (restated)
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and Cash equivalents	13,778	13,778	7,548**	7,548**	8,355	8,355
Balances with related parties	5,019	5,019	4,272	4,272	3,378	3,378
Due from other financial institutions	8,500	8,500	17,800**	17,800**	14,100	14,100
Loans and advances	65,281	70,193	59,523	62,610*	64,195	67,149*
Other assets	253	253	303	303	196	196
Total financial assets	**92,831**	**97,743**	**89,446**	**92,533**	**90,224**	**93,178**
Financial liabilities						
Due to related parties	3,247	3,247	1,831	1,908	2,368	2,470*
Deposits and other borrowings	44,616	44,695	44,439	45,117*	43,863	44,466*
Other liabilities	593	593	191	191	313	313
Total financial liabilities	**48,456**	**48,535**	**46,461**	**47,216**	**46,544**	**47,249**

* A number of disclosures as at 30 September 2015 and 31 March 2016 have been restated for consistency with the current year presentation. Estimated fair value amounts are now calculated using observable market interest rates at balance date. Related subtotals have also been amended as a result.
** There has also been a reclassification of $7,351,000 to 'Cash and Cash Equivalents' from 'Due from Other Financial Institutions' in the Statement of Financial Position as at 30 September 2015 for consistency with the current year presentation.

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

Due from other financial institutions
For amounts due from other financial institutions, the carrying amount is equivalent to the fair value as assets are short term in nature.

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, prepayment rates and rates of estimated credit losses.

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

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26. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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 due to/from related parties which are short term in nature, the carrying amounts in the balance sheet are a reasonable estimate of fair value of these balances. For long term balances due to/from related parties, fair value have been estimated using a discounted cash flow model with reference to market interest rates.

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

Impaired and past due assets
For non-accrual and restructured impaired assets as well as past due loans, the fair values are estimated by discounting the estimated future cash flows using current market interest rates incorporating an appropriate risk factor or, where such loans are collateralised and have been written down to the current market value of the collateral, the estimated fair value is based on the written down carrying value.

27. CREDIT EXPOSURE CONCENTRATIONS

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 period.

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 shareholder's equity:

- as at 30 September 2016 is nil (31 March 2016: nil, 30 September 2015: nil), and
- In respect of peak end-of-day aggregate credit exposure for the six months ended 30 September 2016 is nil (31 March 2016: nil, 30 September 2015: nil).

There were no individual bank counterparties which the Bank has a peak end of day aggregate credit exposure that equals or exceeds 10% of the Bank's equity for the period ended 30 September 2016 (31 March 2016: nil, 30 September 2015: nil)

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 of any country with a long-term credit rating of A- or A3 or above, or its equivalent, or to any bank 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.

28. FIDUCIARY ACTIVITIES

As at balance date the Bank is not involved in:

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

29. 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 2016.

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30. CAPITAL ADEQUACY

Capital
The Bank has 40,000,000 fully paid up ordinary shares (common equity tier 1 capital) issued at NZ $1.00 per share. The shares are not subject to phase-out from eligibility as capital under the Reserve Bank of New Zealand's Basel III transitional arrangements.

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 instrument 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.
- Capital must not be less than NZ$30 million.
- The common equity tier one must not be less than 4.5% of the risk weighted exposure.

The capital adequacy tables set out below summarise the composition of regulatory capital and capital adequacy ratios for the half year ended 30 September 2016. The Bank was registered on 1 September 2009 and from the date of registration to 30 September 2016, 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.

Tier one capital **Common Equity Tier one capital**	**As at 30 September 2016**	**As at 30 September 2015**	**As at 31 March 2016**
	$'000	**$'000**	**$'000**
Issued and fully paid up share capital	40,000	40,000	40,000
Retained earnings	5,534	4,664	5,138
Deferred tax assets	(737)	(1,159)	(987)
Total common equity tier one capital	**44,797**	**43,505**	**44,151**
Additional Tier one capital	-	-	-
Total additional tier one capital	-	-	-
Total tier one capital	**44,797**	**43,505**	**44,151**
Tier two capital	-	-	-
Total tier two capital	-	-	-
Total capital	**44,797**	**43,505**	**44,151**

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30. CAPITAL ADEQUACY (Continued)

Credit risk

30 September 2016 Calculation of on-balance-sheet exposures	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
	$'000		$'000	$'000
Cash and gold bullion	195	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisation	-	0%	-	-
Public sector entities	-	20%	-	-
Banks	22,083	20%	4,417	353
Banks	5,019	50%	2,510	201
Corporate	3,411	100%	3,411	273
Residential mortgages not past due				
• Non Property Investment–LVR up to 80%	37,660	35%	13,181	1,055
• Non Property Investment–LVR >80% but <90%	1,804	50%	902	72
• Property Investment- LVR<80%	6,094	40%	2,438	195
• Past due residential mortgages	-	100%	-	-
Other past due assets	-	100%	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	100%	-	-
All other equity holdings (not deducted from capital)	-	100%	-	-
Non Risk Weighted Assets	6,333	0%	-	-
Other assets	10,232	100%	10,232	819
Total on balance sheet exposures after credit risk mitigation	**92,831**		**37,091**	**2,968**

30 September 2016 Calculation of off-balance sheet exposures	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum Pillar 1 capital require-ment
	$'000		$'000		$'000	$'000
Direct credit substitute	-	-	-	-	-	-
Asset sale with recourse	-	-	-	-	-	-
Forward asset purchase	-	-	-	-	-	-
Commitment with certain drawdown	-	-	-	-	-	-
Undrawn commitments on existing facilities	5,882	50%	2,941	36%	1,073	86
Note issuance facility	-	-	-	-	-	-
Revolving underwriting facility						
Performance-related contingency	300	50%	150	100%	150	12
Trade-related contingency	-	-	-	-	-	-
Placements of forward deposits	-	-	-	-	-	-
Other commitments where original maturity is more than one year	-	-	-	-	-	-
Other commitments where original maturity is less than or equal to one year	-	-	-	-	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	-	-	-	-	-
Market related contracts						
i Foreign exchange contracts	-	-	-	-	-	-
ii Interest rate contracts	-	-	-	-	-	-
iii Other – OTC, etc	-	-	-	-	-	-
Total off-balance sheet exposures	**6,182**		**3,091**		**1,223**	**98**

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30. CAPITAL ADEQUACY (Continued)

Residential mortgages by loan-to-valuation ratio

30 September 2016 Loan –to-value ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures	43,935	1,811	-	45,746

Reconciliation of residential mortgage-related amounts

	30 Sept 2016 $'000
Residential mortgage loans (as disclosed in Note 10)	45,746
Residential mortgages by loan-to-value ratio	45,746

Credit risk mitigation

30 September 2016 Exposure class	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives
	$'000	$'000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	161	-
Residential mortgage	-	-
Other	1,177	-
Total	**1,338**	**-**

Operational risk capital requirement

30 September 2016	Implied risk weighted exposure	Total operational risk capital requirement
	$'000	$'000
Operational risk	4,331	346

Market risk

Market risk exposures have been calculated in accordance with the methodology detailed in Part 10 of the RBNZ's BS2A Capital Adequacy framework, and schedule 9 of the Registered Bank Disclosure Statement (Full and half-year - New Zealand Incorporated Registered Banks) Order 2014 (as amended). Peak exposures are calculated using the Bank's shareholders' equity at the end of the period.

30 September 2016	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Aggregate capital charge	Implied risk weighted exposure	Aggregate capital charge
	$'000	$'000	$'000	$'000
Interest rate risk	3,815	305	3,815	305
Foreign currency risk	61	5	61	5
Equity risk	-	-	-	-
Total	**3,876**	**310**	**3,876**	**310**

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30. CAPITAL ADEQUACY (Continued)

Total capital requirements

30 September 2016	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Capital requirement
	$'000	$'000	$'000
Total credit risk + equity	99,013	38,314	3,066
Operational risk	-	4,331	346
Market risk	-	3,876	310
Total	**99,013**	**46,521**	**3,722**

Credit risk

30 September 2015 Calculation of on-balance-sheet exposures (restated)	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
	$'000		$'000	$'000
Cash and gold bullion	197	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisation	-	0%	-	-
Public sector entities	-	20%	-	-
Banks	25,151	20%	5,030	402
Banks	4,272	50%	2,136	171
Corporate	3,900	100%	3,900	312
Residential mortgages not past due –LVR up to 80%	32,557	35%	11,395	912
Residential mortgages not past due –LVR >80% but up to 90%	9,130	50%	4,565	365
Past due residential mortgages	-	100%	-	-
Other past due assets	-	100%	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	100%	-	-
All other equity holdings (not deducted from capital)	-	100%	-	-
Non Risk Weighted Assets	5,479	0%	-	-
Other assets	8,760*	100%	8,760*	701*
Total on balance sheet exposures after credit risk mitigation	**89,446**		**35,786**	**2,863**

30 September 2015 Calculation of off-balance sheet exposures	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum Pillar 1 capital require-ment
	$'000		$'000		$'000	$'000
Direct credit substitute	-	-	-	-	-	-
Asset sale with recourse	-	-	-	-	-	-
Forward asset purchase	-	-	-	-	-	-
Commitment with certain drawdown	-	-	-	-	-	-
Undrawn commitments on existing facilities	-	-	-	-	-	-
Note issuance facility	-	-	-	-	-	-
Revolving underwriting facility	-	-	-	-	-	-
Performance-related contingency	950	50%	475	100%	475	38
Trade-related contingency	-	20%	-	100%	-	-
Placements of forward deposits	-	-	-	-	-	-
Other commitments where original maturity is more than one year	6,299	50%	3,150	58%	1,827	146
Other commitments where original maturity is less than or equal to one year	-	-	-	-	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	-	-	-	-	-
Market related contracts						
(a) Foreign exchange contracts	-	1%	-	100%	-	-
(b) Interest rate contracts	-	-	-	-	-	-
(c) Other – OTC, etc	-	-	-	-	-	-
Total off-balance sheet exposures	**7,249**	**-**	**3,625**	**-**	**2,302**	**184**

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30. CAPITAL ADEQUACY (Continued)

Residential mortgages by loan-to-valuation ratio

30 September 2015 Loan-to-value ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures (Gross)	32,692	9,167	-	41,859

Reconciliation of residential mortgage-related amounts

	30 September 2015 $'000
Residential mortgage loans (as disclosed in Note 10)	41,859
Residential mortgages by loan-to-value ratio	41,859

Credit risk mitigation

30 September 2015 Exposure class	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives
	$'000	$'000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	400	-
Residential mortgage	-	-
Other	7,858	-
Total	**8,258**	**-**

Operational risk capital requirement

30 September 2015 (restated)	Implied risk weighted exposure	Total operational risk capital requirement
	$'000	$'000
Operational risk*	3,704	296

Market risk

Market risk exposures have been calculated in accordance with the methodology detailed in Part 10 of the RBNZ's BS2A Capital Adequacy framework, and schedule 5A of the Registered Bank Disclosure Statement (New Zealand Incorporated Registered Banks) Order 2014 (as amended). Peak exposures are calculated using the Bank's shareholders' equity at the end of the period.

30 September 2015 (restated)	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Aggregate capital charge	Implied risk weighted exposure	Aggregate capital charge
	$'000	$'000	$'000	$'000
Interest rate risk	1,801*	144	2,775	222
Foreign currency risk	144*	12	150	12
Equity risk	-	-	-	-
Total capital requirements	**1,945**	**156**	**2,925**	**234**

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30. CAPITAL ADEQUACY (Continued)

30 September 2015 (restated)	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Capital requirement
	$'000	$'000	$'000
Total credit risk + equity risk	96,695	38,088	3,047
Operational risk*	-	3,704	296
Market risk*	-	1,945	156
Total	**96,695**	**43,737**	**3,499**

Tier one capital	31 March 2016
	$'000
Common Equity Tier one capital	
Issued and fully paid up share capital	40,000
Retained earnings	5,138
Accumulated other comprehensive income and other disclosed reserves	-
Interest from issue of ordinary shares	-
Less:	
Regulatory adjustments	-
Deferred tax assets	(987)
Total common equity tier one capital	**44,151**
Additional Tier one capital	
High-quality capital	-
Instruments issued	-
Share premium from issue of instruments	-
Associated retained earnings	-
Less: Regulatory adjustments	-
Total additional tier one capital	-
Total tier one capital	**44,151**
Tier two capital	
Instruments issued by bank	
Share premium from issue of instruments	-
Revaluation reserves	-
Foreign currency translation reserves	-
Less: Regulatory adjustments	
Total tier two capital	-
Total capital	**44,151**

Credit risk

31 March 2016 Calculation of on-balance-sheet exposures (restated)	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar capital requirement
	$'000		$'000	$'000
Cash and gold bullion	328	0%	-	-
Sovereigns and central banks	-	0%	-	-
Multilateral development banks and other international organisation	-	0%	-	-
Public sector entities	-	20%	-	-
Banks	22,127	20%	4,425	354
Banks	3,378	50%	1,689	135
Corporate	2,387	100%	2,387	191
<u>Residential mortgages not past due</u>				
• Non Property Investment–LVR up to 80%	37,397	35%	13,089	1,047
• Non Property Investment–LVR >80% but <90%	7,990	50%	3,995	320
• Property Investment- LVR<80%	1,188	35%	415	33
• Past due residential mortgages	-	100%	-	-
Other past due assets	-	100%	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	100%	-	-
All other equity holdings (not deducted from capital)	-	100%	-	-
Non Risk Weighted Assets	5,793	0%	-	-
Other assets	9,636*	100%	9,636*	771*
Total on balance sheet exposures after credit risk mitigation	**90,224**		**35,636**	**2,851**

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30. CAPITAL ADEQUACY (Continued)

31 March 2016 Calculation of off-balance sheet exposures	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
	$'000		$'000		$'000	$'000
Direct credit substitute	-	-	-	-	-	-
Asset sale with recourse	-	-	-	-	-	-
Forward asset purchase	-	-	-	-	-	-
Commitment with certain drawdown	-	-	-	-	-	-
Note issuance facility	-	-	-	-	-	-
Revolving underwriting facility						
Performance-related contingency	225	50%	113	100%	113	9
Trade-related contingency	-	-	-	-	-	-
Placements of forward deposits	-	-	-	-	-	-
Other commitments where original maturity is more than one year	4,572	50%	2,286	46%	1,052	84
Other commitments where original maturity is less than or equal to one year		-	-	-	-	-
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	-	-	-	-	-
Market related contracts						
(a) Foreign exchange contracts	-	-	-	-	-	-
(b) Interest rate contracts	-	-	-	-	-	-
(c) Other – OTC, etc.	-	-	-	-	-	-
Total off-balance sheet exposures	**4,797**		**2,399**		**1,165**	**93**

Residential mortgages by loan-to-valuation ratio

31 March 2016 Loan–to-valuation ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
On-balance sheet exposures	38,585	7,990	-	46,575
Off-balance sheet exposures	-	-	-	-
Total loan-to value ratio	**38,585**	**7,990**	**-**	**46,575**

Reconciliation of residential mortgage-related amounts

	31 March 2016
Residential mortgage loans (as disclosed in Note 10)	46,575
Residential mortgages by loan-to-valuation ratio	46,575

Credit risk mitigation

31 March 2016 Exposure class	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting)	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives
	$'000	$'000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	31	-
Residential mortgage	-	-
Other	1,938	-
Total	**1,969**	**-**

Operational risk capital requirement

31 March 2016 (restated)	Implied risk weighted exposure	Total operational risk capital requirement
	$'000	$'000
Operational risk*	4,021	322

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30. CAPITAL ADEQUACY (Continued)

Market risk

Market risk exposures have been calculated in accordance with the methodology detailed in Part 10 of the RBNZ's BS2A Capital Adequacy framework, 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.

31 March 2016 (restated)	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure	Aggregate capital charge	Implied risk weighted exposure	Aggregate capital charge
	$'000	$'000	$'000	$'000
Interest rate risk*	3,069	246	4,395	351
Foreign currency risk	65	5	777	62
Equity risk	-	-	-	-
Total capital requirements	**3,134**	**251**	**5,172**	**413**

31 March 2016 (restated)	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Capital requirement
	$'000	$'000	$'000
Total credit risk + equity	95,041	36,801	2,944
Operational risk*	-	4,021	322
Market risk*	-	3,134	251
Total	**95,041**	**43,956**	**3,517**

Capital Ratios

30 September 2016	CET 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Ratio	96.29%	96.29%	96.29 %
Minimum ratio requirement	*4.50%*	6%	8%

Capital Ratios

30 September 2015 (restated)	CET 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Ratio*	99.47%	99.47%	99.47%
Minimum ratio requirement	*4.50%*	6%	8%

Capital Ratios

31 March 2016 (restated)	CET 1 capital ratio	Tier 1 capital ratio	Total capital ratio
Ratio*	100.44%	100.44%	100.44%
Minimum ratio requirement	*4.50%*	6%	8%

Buffer ratios

	30 September 2016	30 September 2015 (restated)	31 March 2016 (restated)
Buffer ratio	88.29%	91.47%*	92.44%*
Buffer ratio requirement	2.50%	2.50%	2.50%

The bank has reviewed other risks & does not believe that any individual risk has been material and require any capital allocation.

* A number of disclosures as at 30 September 2015 and 31 March 2016 have been restated for consistency with the current year presentation to correct computation oversights, which have not impacted the Bank's compliance with minimum capital adequacy requirements. Related subtotals have also been amended as a result.

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30. CAPITAL ADEQUACY (Continued)

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. This information is made available to users via the BOB website (www.bankofbaroda.com).

BOB is required by the Reserve Bank of India to hold minimum capital at least equal to that specified under the Basel II (standardised) approach. This information is made available to users via the BOB website (www.bankofbaroda.com).

As at 30 September 2016, BOB's Common Equity Tier One Capital was 10.09% of Total Risk-weighted Assets, Additional Tier One Capital is 0.50% of Total Risk-weighted Assets and Total Capital adequacy ratio is 12.94% of Total Risk-weighted Assets (31 March 2016: Common Equity Tier One Capital was 10.29% of Total Risk-weighted Assets, Tier One Capital 10.79% of Total Risk-weighted Assets and Total Capital ratio was 13.17%).

BOB's capital ratios during the period ended 30 September 2016, 31 March 2016 and 30 September 2015 exceeded the Reserve Bank of India's minimum capital adequacy requirements.

31. OTHER MATERIAL MATTERS

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

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INDEPENDENT REVIEW REPORT
TO THE SHAREHOLDERS OF THE BANK OF BARODA NEW ZEALAND LIMITED

We have reviewed pages 17 to 46 of the Disclosure Statement of Bank of Baroda (New Zealand) Limited ('the Bank'), which consists of the interim financial statements of the Bank and the supplementary information required to be disclosed under Schedules 5, 7, 9, 13, 16 and 18 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the 'Order').

The interim financial statements comprise the statement of financial position of the Bank, as at 30 September 2016, the statement of comprehensive income, statement of changes in equity and cash flow statement for the six months then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a 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 shareholders as a body, for our engagement, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors are responsible for the preparation and fair presentation of the interim financial statements, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible for the preparation and presentation of supplementary information which fairly states the matters required to be disclosed under Schedules 3, 5, 7, 9, 13, 16 and 18 of the Order.

Our Responsibilities

We are responsible for reviewing the interim financial statements (excluding the supplementary information) presented by the Directors in order to express a conclusion to you whether, on the basis of the procedures performed by us, anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared and do not present fairly the matters to which they relate, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

We are also responsible for reviewing the supplementary information presented by the Directors (excluding the supplementary information relating to credit and market risk exposures and capital adequacy) to express a conclusion to you whether, on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the supplementary information (excluding the supplementary information relating to credit and market risk exposures and capital adequacy) does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

We are also responsible for reviewing the supplementary information presented by the Directors relating credit and market risk exposures and capital adequacy in order to express a conclusion to you whether, on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the information is not in all material respects prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9.

We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). As the auditor of the company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

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A review in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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 those financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in Bank of Baroda (New Zealand) Limited, except that partners and employees of our firm may deal with Bank of Baroda (New Zealand) Limited on normal terms within the ordinary course of trading activities of the Bank.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- The interim financial statements on pages 17 to 46 (excluding the supplementary information) have not been prepared and do not present fairly, in all material respects, the financial position of the Bank as at 30 September 2016 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*;

- the supplementary information disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order does not fairly state the matters to which it relates in accordance with those Schedules; and

- the supplementary information disclosed on pages 38 to 46 relating to credit and market risk exposure and capital adequacy as required by Schedule 9 of the Order, is not in all material respects prepared in accordance with Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9 of the Order.

Other Matter

The Disclosure Statements of the Bank for the year ended 31 March 2016 and the six months ended 30 September 2015 were subject to audit and/or review as required, by another auditor who expressed unmodified opinions on those disclosure statements on 15 June 2016 and 20 November 2015 respectively.

Deloitte Limited

Chartered Accountants
Auckland, New Zealand
25 November 2016

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This review report relates to the unaudited Disclosure Statement of Bank of Baroda (New Zealand) Limited for the six months ended 30 September 2016 included on the Bank of Baroda (New Zealand) Limited's website. The Board of Directors is responsible for the maintenance and integrity of the Bank's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the Disclosure Statement since it was initially presented on the website. The review report refers only to the Disclosure Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this Disclosure Statement. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Disclosure Statement and related review report dated 25 November 2016 to confirm the information included in the unaudited Disclosure Statement presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.