Bank of Baroda (New Zealand) Limited

Disclosure Statement

For the Three Months Ended

30 June 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 three months ended 30 June 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.

(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 7.2 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. Conditions of registration

The conditions apply on and after 1 November 2015 are as follows:

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 one 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%; and

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

   (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.

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 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 percent 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;

   (d) an alternate director,—

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

      (ii) for an independent director must be independent;

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

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

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

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

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

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

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

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

[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.)

(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 Acquisitions Policy” (BS15) dated December 2011; and

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

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

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

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

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

15. That for a loan-to-valuation measurement period, the total of the bank’s qualifying new mortgage lending amount in respect of APIL with a loan-to-valuation ratio of more than 70% must not exceed 5% of the total of the qualifying new mortgage lending amount in respect of APIL 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 ANPIL 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 APIL arising in the loan-to-valuation measurement period.

17. That for a loan-to-valuation measurement period, the total of the bank's qualifying new mortgage lending amount in respect of non-Auckland loans with a loan-to-valuation ratio of more than 80%, must not exceed 15% of the total of the qualifying new mortgage lending amount in respect of non-Auckland loans arising in the loan-to-valuation measurement period.

18. 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 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 18, ---

"ANPIL", "APIL", "loan-to-valuation ratio", "non-Auckland loan", "qualifying new mortgage lending amount" in respect of [...]" 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 November 2015:

"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 April 2016.

6. 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.

7. Credit rating

7.1 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.

7.2 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.

8. 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.

9. 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 three months ended 30 June 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 has 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 22nd August 2016), this disclosure statement is dated at Auckland, New Zealand this 25th August 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

10. **Financial statements**

The financial statements for the Bank for the three months ended 30 June 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 three months ended
30 June 2016

Contents: Interim Financial Statements

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME For the three months ended 30 June 2016	**Notes**	**Unaudited Three months ended 30 June 2016 $'000**	**Unaudited Three months ended 30 June 2015 $'000**	**Audited Year ended 31 March 2016 $'000**
Interest income	2	957	959	4,210
Interest expense		(282)	(236)	(1,379)
Net interest income		675	723	2,831
Other income	3	459	367	1,594
Total operating income		**1,134**	**1,090**	**4,425**
Operating expenses	4	(718)	(668)	(3,005)
Impairment losses on loans and advances		(2)	(15)	(65)
Net profit/(loss)before taxation		414	407	1,355
Taxation (expense)/benefit		-	-	40
Net profit/(loss)after taxation		414	**407**	**1,395**
Other comprehensive income		-	-	-
Total comprehensive income		**414**	**407**	**1,395**

The accompanying notes on pages 25 to 47 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 For the three months ended 30 June 2016	**Share Capital**	**Retained Earnings**	**Total**
	$'000	**$'000**	**$'000**
Balance at 1 April 2016	**40,000**	**5,138**	**45,138**
Net profit/(loss) after taxation and total comprehensive income	**-**	**414**	**414**
Balance at 30 June 2016 (Unaudited)	**40,000**	**5,552**	**45,552**
Balance at 1 April 2015	**40,000**	**3,743**	**43,743**
Net profit/(loss) after taxation and total comprehensive income	-	**1,395**	**1,395**
Balance as at 31 March 2016 (Audited)	**40,000**	**5,138**	**45,138**
Balance at 1 April 2015	**40,000**	**3,743**	**43,743**
Net profit/(loss) after taxation and total comprehensive income	-	**407**	**407**
Balance at 30 June 2015 (Unaudited)	**40,000**	**4,150**	**44,150**

The accompanying notes on pages 25 to 47 form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements

STATEMENT OF FINANCIAL POSITION As at 30 June 2016	Notes	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 March 2016 $'000
Assets				
Cash and cash equivalents		9,871	5,259	8,355
Balances due from related parties	5	5,217	3,229	3,378
Due from other financial institutions	6	10,100	17,500	14,100
Loans and advances	7	65,084	53,623	64,195
Property, plant and equipment		447	566	471
Current taxation		-	-	-
Deferred tax asset	8	987	947	987
Other assets		192	280	196
Total assets		**91,898**	**81,404**	**91,682**
Liabilities				
Balances due to related parties	5	2,421	319	2,368
Deposits and other borrowings	9	43,634	36,763	43,863
Current taxation		-	-	-
Other liabilities		291	172	313
Total liabilities		**46,346**	**37,254**	**46,544**
Shareholders' equity				
Share capital		40,000	40,000	40,000
Reserves		5,552	4,150	5,138
Total shareholders' equity		**45,552**	**44,150**	**45,138**
Total shareholders' equity and liabilities		**91,898**	**81,404**	**91,682**

Total interest earning and discount bearing assets		88,609	79,844	88,407
Total interest and discount bearing liabilities		42,558	33,972	42,752
Financial Assets, pledged as collateral for liabilities or contingent liabilities		-	-	-

The accompanying notes on pages 25 to 47 form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements.

For and on behalf of the Board

Vailankanni Wenceslaus Melchoir Anthony
Chairman

Prahlad Das Gupta
Managing Director

Dated: 25th August 2016

CASH FLOW STATEMENT For the three months ended 30 June 2016	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Cash flows from operating activities			
Interest received	966	1,032	4,305
Fees and other income	459	367	1,594
Operating expenses paid	(700)	(644)	(2,734)
Interest paid	(295)	(240)	(1,349)
Taxes paid	-	-	-
Net cash flows from operating activities before changes in operating assets and liabilities	**430**	**515**	**1,816**
Net changes in operating assets and liabilities:			
Increase in loans and advances	(891)	(4,585)	(15,179)
Decrease/(increase) in balances due from other financial institutions	4,000	300	3,700
(Decrease)/ Increase in deposits and other	(229)	3,700	11,461
borrowings	-	-	-
Increase in balances due to other financial	-	-	-
institutions	-	-	-
Increase in other liabilities	-	-	-
Increase in interest receivable	53	-	1,388
Increase/(decrease) in balances due to related parties	(5)	(1)	55
(Decrease) /Increase in other assets	(3)	-	(67)
Increase /(decrease) in other liabilities and provisions	(1,839)	171	22
Decrease/(increase) in balances due from related parties			
Net cash flows from operating activities	**1,516**	**(415)**	**3,196**
Cash flows from investing activities			
Purchase of property, plant and equipment	-	-	-
Purchase of intangible software assets	-	-	-
Purchase of customer relationships	-	-	-
Net cash flows from investing activities	-	-	-
Cash flows from financing activities			
Issue of shares	-	-	-
Capital injection from shareholders	-	-	-
Proceeds from term subordinated debt	-	-	-
Proceeds from related parties	-	-	-
Increase in debt securities issued	-	-	-
Dividends paid	-	-	-
Net cash flows from financing activities	**-**	**-**	**-**
Increase in cash and cash equivalents	1,516	100	3,196
Add opening cash and cash equivalents	8,355	5,159	5,159
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Closing cash and cash equivalents	**9,871**	**5,259**	**8,355**

The accompanying notes on pages 25 to 47 form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements

CASH FLOW STATEMENT For the three months ended 30 June 2016	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Reconciliation of net profit after taxation to net cash-flows from operating activities			
Net profit/(loss) after taxation	**414**	**407**	**1,395**
Non cash movements:			
Unrealised fair value adjustments	-	-	-
Depreciation	24	32	127
Amortisation of intangibles	-	-	-
Increase in collective allowance for	2	15	65
impairment losses	-	-	-
Increase in individual allowance for	-	-	-
impairment losses	-	-	-
(Increase)/decrease in deferred expenditure	-	-	-
Unsecured lending losses	-	-	-
Unrealised foreign exchange loss/(gain)	-	-	-
(Increase)/decrease in deferred taxation	-	-	(40)
Net movement in operating assets and liabilities	**26**	**47**	**152**
Increase in loans and advances	(891)	(4,585)	(15,179)
Decrease/(increase) in balances due from other	4,000	300	3,700
financial institutions	(229)	3,700	11,461
(Decrease) /Increase in deposits and other borrowings	(13)	-	30
(Decrease)/Increase in Interest Payable	-	-	-
Increase in balances due to other financial institutions	9	61	-
Increase in other liabilities	53	-	1,388
Increase in interest receivable			
Increase/(decrease) in balances due to	(5)	(1)	150
related parties	(9)	-	77
(Decrease)/Increase in other assets			
Increase /(decrease) in other liabilities and provisions	(1,839)	171	22
Decrease/(increase) in balances due from related parties			
Net cash flows from operating activities	**1,516**	**354**	**3,196**

The accompanying notes on pages 25 to 47 form an integral part of these interim financial statements.

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).

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*, 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 NZIAS34.

These interim financial statements were authorised for issue by the Board on 22nd August 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 statement for the year end 31 March 2016.

2. INTEREST INCOME

	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Interest Income			
Bank Deposits/Placements	132	229	1,010
Loans & Advances to Customers	825	730	3,200
Total Interest income	**957**	**959**	**4,210**

3. OTHER INCOME

	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Other Income			
Banking and lending fee income	60	10	113
Net commissions revenue	6	29	143
Net foreign exchange gains	387	297	1,338
Other revenue	6	31	-
Total other income	**459**	**367**	**1,594**

4. OPERATING EXPENSES

	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Operating Expenses			
Wages & staff expenses	356	329	1,380
Rent & Lighting	155	155	606
Directors' fees	14	-	32
Audit Expenses	43	43	98
Other expenses	150	141	889
Total operating expenses	**718**	**668**	**3,005**

5. RELATED PARTY DISCLOSURE

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, their relatives and entities controlled by them are also related parties. The information relating to key management personnel disclosed includes transactions with these entities.

	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Salary and other short term benefits	280	237	1,120

Related Party transactions and balances:

	Unaudited Three months ended 30 June 2016 $'000	Unaudited Three months ended 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
***Transaction with related parties*:**			
Interest Income			
Bank of Baroda Branches and its subsidiaries	4	46	60
Other related Parties	-	-	-
Interest Expense			
Bank of Baroda Branches and its subsidiaries	-	-	-
Other related Parties	-	-	-
Due to related parties			
Bank of Baroda Branches and its subsidiaries	556	319	834
Other related Parties	1,865	-	1,534
	2,421	**319**	**2,368**
Deposits with related parties			
Bank of Baroda Branches and its subsidiaries	5,217	3,229	3,378
Other related Parties	-	-	-
	5,217	**3,229**	**3,378**

6. DUE FROM OTHER FINANCIAL INSTITUTIONS

	Unaudited As at 30 June 2016 $'000	Unaudited As at 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Balances due from Financial Institutions			
Balances in Current Accounts	-	-	-
Balances of Short Term Deposit	10,100	17,500	14,100
Due from other financial institutions	**10,100**	**17,500**	**14,100**

7. LOANS AND ADVANCES

	Unaudited As at 30 June 2016 $'000	Unaudited As at 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Residential mortgage loans	46,784	38,669	46,767
Corporate exposures	2,746	501	2,508
Other loans including personal loans	15,933	14,780	15,297
Allowance for impairment losses	(379)	(327)	(377)
Total net loans and receivables	65,084	53,623	64,195
Allowance for impairment losses reconciliation			
Balance at beginning of the period	377	312	312
Charged to the income statement	2	15	65
Balance at end of the period	**379**	**327**	**377**

8. DEFERRED TAX ASSET

	Unaudited As at 30 June 2016 $'000	Unaudited As at 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Current income tax (payable)/ receivable			
Balance at beginning of the year	-	-	-
Prior period adjustment	-	-	-
Tax on profits/(losses) taken to reserves	-	-	-
Transfer from deferred tax	-	-	-
Tax return adjustments	-	-	-
Related party purchase of tax losses	-	-	-
Tax refunded	-	-	-
Balance at end of the period	**-**	**-**	**-**
Deferred tax			
Balance at beginning of the year	987	947	947
Prior period adjustment	-	-	-
Temporary differences for the year	-	-	-
Tax on losses taken directly to reserves	-	-	-
Tax effect of change in tax rate	-	-	-
Credit to current tax	-	-	40
Balance at end of the period	**987**	**947**	**987**
Deferred income tax assets			
Cash flow hedges	-	-	-
Other provisions and accruals	-	-	-
Other temporary differences	-	-	-
Allowance for loan impairment	-	-	-
Total assets	**987**	**947**	**987**
Deferred income tax liabilities			
Accelerated tax depreciation	-	-	-
Net commissions receivable	-	-	-
Intangible assets	-	-	-
Total liabilities	**-**	**-**	**-**
Net deferred taxation	**987**	947	987

9. DEPOSITS & BORROWINGS

	Unaudited As at 30 June 2016 $'000	Unaudited As at 30 June 2015 $'000	Audited Year ended 31 March 2016 $'000
Deposits			
Demand Deposit			
- from others	2,732	2,861	3,369
Savings Bank Deposits	17,800	15,652	18,217
Term Deposits			
<12 months	19,569	15,498	19,118
≥12 months	3,533	2,752	3,159
Total Deposits	**43,634**	**36,763**	**43,863**

10. ASSET QUALITY

As at 30 June 2016 Unaudited	**Residential mortgage loans**	**Corporate exposures**	**Other exposures excluding sovereigns and central banks**	**TOTAL $'000**
Neither past due nor impaired	46,783	2,745	15,821	65,349
Past due but not impaired	1	1	1	3
Impaired	-	103	8	111
Gross loans and advances	**46,784**	**2,849**	**15,830**	**65,463**
Less Allowance for impairment	(192)	(114)	(73)	(379)
Net loans and advances	**46,592**	**2,735**	**15,757**	**65,084**
Past due assets not impaired				
Gross amount of finance receivables that were past due but not impaired were as follows:				
Business				
Past due up to 30 days	1	1	1	3
Past due 30 – 60 days	-	-	-	-
Past due 60 – 90 days	-	-	-	-
Past due 90+ days	-	-	-	-
Total	**1**	**1**	**1**	**3**
Individually impaired assets				
Balance at beginning of the year	-	103	8	111
Net additions	-	-	-	-
Deletions	-	-	-	-
Amounts written off	-	-	-	-
Balance at end of the period	**-**	**103**	**8**	**111**
Aggregate individual credit impairment allowances	**-**	**103**	**8**	**111**
Individual credit impairment allowances				
Balance at beginning of the year	-	103	8	111
Charged to the income statements	-	-	-	-
Amounts written off	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-
Reversals of previous amounts	-	-	-	-
Total amounts per income statement	**-**	**-**	**-**	**-**
Balance at end of the period	**-**	**103**	**8**	**111**
Collective credit impairment allowance				
Balance at beginning of the year	192	10	64	266
Charged to the income statement	-	1	1	2
Amounts written off	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-
Reversals of previous amounts	-	-	-	-
Total amounts per income statement		**1**	**1**	**2**
Balance at end of period	**192**	**11**	**65**	**268**
Total Individual and collective Impairment allowance	**192**	**114**	**73**	**379**

The Bank does not have any restructured assets, any financial, real estate or other assets acquired through security enforcement or any other assets under administration.
There has been no interest revenue foregone on restructured, individually impaired or greater than 90 days past due assets during the -3- month period up to 30 June 2016.

As at 30 June 2015 Unaudited	Residential mortgage loans	Corporate exposures	Other exposures excluding sovereigns and central banks	TOTAL $'000
Neither past due nor impaired	38,669	344	14,826	53,839
Past due but not impaired	-	-	-	-
Impaired	-	103	8	111
Gross loans and advances	**38,669**	**447**	**14,834**	**53,950**
Less Allowance for impairment	-	(103)	(8)	(111)
Net loans and advances	**38,669**	**344**	**14,826**	**53,839**
Past due assets not impaired				
Business				
Past due up to 30 days	20	-	15	35
Past due 30 – 60 days	-	-	9	9
Past due 60 – 90 days	-	-	-	-
Past due 90+ days	-	-	-	-
Total	**20**	**-**	**24**	**44**
Individually impaired assets				
Balance at beginning of the year	-	-	-	-
Net additions	-	103	8	111
Deletions	-	-	-	-
Amounts written off	-	-	-	-
Balance at end of the period	**-**	**103**	**8**	**111**
Individual credit impairment allowances				
Balance at beginning of the year	-	103	8	111
Charged to the statement of comprehensive	-	-	-	-
income	-	-	-	-
Amounts written off	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-
Reversals of previous amounts				
Total amounts per statement of comprehensive income	**-**	**103**	**8**	**111**
Balance at end of the period	**-**	**103**	**8**	**111**
Collective credit impairment allowance				
Balance at beginning of the year	133	50	18	201
Charged to statement of comprehensive	10	4	1	15
income	-	-	-	-
Amounts written off	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-
Reversals of previous amounts	-			
Total amounts per statement of comprehensive income	**143**	**54**	**19**	**216**
Balance at end of the period	**143**	**54**	**19**	**216**
Total Individual and collective Impairment allowance	**143**	**157**	**27**	**327**

The Bank does not have any restructured assets, any financial, real estate or other assets acquired through security enforcement or any other assets under administration. There has been no interest revenue foregone on restructured, individually impaired or greater than 90 days past due assets during the period to 30 June 2015.

As at 31 March 2016 Audited	**Other exposures excluding sovereigns and central banks**	**Residential mortgage loans**	**Corporate exposures**	**TOTAL $'000**
Neither past due nor impaired				
Strong	5,817	46,752	-	52,569
Good/Satisfactory	9,462	-	2,397	11,859
Weak	-	-	-	-
Total neither past due nor impaired	**15,279**	**46,752**	**2,397**	**64,428**
Past due assets not impaired				
Less than 30 days past due	18	15	-	33
At least 30 days but less than 60 days past due	-	-	-	-
	-	-	-	-
At least 60 days but less than 90 days past due	-	-	-	-
At least 90 days past due				
Total past due assets not impaired	**18**	**15**	**-**	**33**
Individually impaired assets				
Balance at beginning of the year	8	-	103	111
Additions	-	-	8	8
Amounts written off	-	-	-	-
Deletions	(8)	-	-	(8)
Amounts written off				
Total individually impaired assets	**-**	**-**	**111**	**111**
Total gross loans and advances	**15,297**	**46,767**	**2,508**	**64,572**
Individually assessed provisions				
Balance at beginning of the year	8	-	103	111
Charged/(credit) to the statement of comprehensive income:	(8)	-	8	-
New provisions	-	-		-
Amounts recovered	-	-	-	
Reversals of previously recognised impairment losses	-	-	-	-
Amounts written off	-	-	-	
Balance at end of the year	**-**	**-**	**111**	**111**
Collectively assessed provisions				
Balance at beginning of the year	18	133	50	201
Charged (credit) to the statement of comprehensive income	46	59	(40)	65
Balance at end of the year	**64**	**192**	**10**	**266**
Total provisions for impairment losses	**64**	**192**	**121**	**377**
Total net loans and advances	**15,233**	**46,575**	**2,387**	**64,195**

The Bank does not have any restructured assets, any financial, real estate or other assets acquired through security enforcement or any other assets under administration as at 31 March 2016.
There has been no interest revenue foregone on restructured, individually impaired or greater than 90 days past due assets during the year ended 31 March 2016.

11. 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:

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 Mar 2016 $'000
New Zealand			
Government	-	-	-
Finance	19,971	23,289	22,127
Households	46,784	38,669	46,767
Transport and storage	-	-	-
Communications	-	-	-
Electricity, gas and water	-	-	-
Construction	1,355	4	1,323
Property services	3,242	2,414	2,384
Agriculture	-	-	-
Education	-	-	-
Health and community services	955	4,389	983
Personal and other services	5,927	3,155	6,762
Retail and wholesale trade	7,145	4,920	6,025
Food & other manufacturing	55	399	328
Other financial assets	192	994	196
Overseas			
Finance, Investment and insurance	5,217	2,932	3,378
Total financial assets	**90,843**	**81,165**	**90,273**
Allowance for impairment losses	(379)	(327)	(377)
Total net financial assets	**90,464**	**80,838**	**89,896**

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

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 Mar 2016 $'000
New Zealand			
Upper North Island	73,727	65,802	74,716
Lower North Island	11,899	11,815	11,802
South Island	-	-	-
Overseas	5,217	3,221	3,378
Total financial assets	**90,843**	**80,838**	**89,896**
Allowance for impairment losses	(379)		
Total net financial assets	**90,464**	**80,838**	**89,896**

Total Financial Assets of 30th June 2015 and 31st March 2016 are net of impairment allowance

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

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 Mar 2016 $'000
Loans and advances	65,463	53,950	64,572
Balances with related parties	5,217	3,229	3,378
Due from other financial institutions	10,100	17,500	14,100
Derivative financial instruments	-	-	-
Financial assets held for trading	-	-	-
Available-for-sale assets	-	-	-
Cash and cash equivalents	9,871	5,259	8,027
Other financial assets	192	1,227	196
Total gross financial assets	**90,843**	**81,165**	**90,273**
Allowance for impairment losses	(379)	(327)	(377)
Total net financial assets	**90,464**	**80,838**	**89,896**

12. CONCENTRATION OF FUNDING

Concentrations of funding arise where the Bank is funded by industries of a similar nature or in particular geographies. An analysis of financial liabilities by industry sector and geography at balance date is as follows:

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 March 2016 $'000
New Zealand			
Financing investment and insurance	1,548	-	-
Retail and wholesale trade	544	-	2,235
Others	674	3,114	-
Other financial liabilities	317	3,282	313
Households	42,707	30,539	41,628
Overseas			
Finance, Investment & Insurance	556	319	2,368
Total financial liabilities	**46,346**	**37,254**	**46,544**

13. SEGMENTAL INFORMATION

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

14. LEASE COMMITMENTS

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 March 016 $'000
Operating lease commitments under non-cancellable operating leases:			
Not later than 1 year	380	392	376
1-2 years	236	327	259
2-5 years	467	629	514
5+ years	-	60	13
Total	**1,083**	**1,408**	**1,162**

15. CAPITAL COMMITMENTS

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

16. CONTINGENT LIABILITIES

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Audited 31 March 2016 $'000
Contingent Liabilities			
Performance/financial guarantees issued on behalf of customers	725	950	225
Documentary Credit (L.C)	-	-	-
Total Contingent Liabilities	**725**	**950**	**225**
Undrawn Commitments	**6,508**	**6,675**	**4,572**

17. SUBSEQUENT EVENTS AFTER BALANCE DATE

There were no subsequent events after balance date.

18. LIQUIDITY RISK

The Bank's policies for managing liquidity are set out in General Disclosure Statement for the year ended 30 June 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 is not disclosed based on expected cash flows.

30 June 2016 Unaudited	On Demand $'000	Up to 3 months $'000	3 to 12 Months $'000	Between 1 & 5 years $'000	More than 5 years $'000	Total $'000
Financial assets						
Cash and cash equivalents	9,871	-	-	-	-	9,871
Due from other financial institutions	-	7,600	2,500	-	-	10,100
Financial assets at fair value through profit or loss		-	-	-	-	-
Available-for-sale assets	-	-	-	-	-	-
Loans and advances	11,528	1,185	6,452	36,975	73,360	129,500
Due from related parties	742	-	4,475	-	-	5,217
Other financial assets	192	-	-	-	-	192
Total financial assets	**22,333**	**8,785**	**13,427**	**36,975**	**73,360**	**154,880**
Financial liabilities						
Due to other financial institutions	-	-	-	-	-	-
Deposits and other borrowings	4,472	7,058	12,858	17,948	6,234	48,570
Financial liabilities held at fair value through profit or loss	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-
Term subordinated debt	-	-	-	-	-	-
Due to related parties	876	-	-	1,545	-	2,421
Other financial liabilities	291	-	-	-	-	291
Total financial liabilities	**5,639**	**7,058**	**12,858**	**19,493**	**6,234**	**51,282**
Net non derivative cash flows	**16,694**	**1,727**	**569**	**17,482**	**67,126**	**103,598**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-
Off balance sheet cash flows						
Financial guarantees	**(725)**	-	-	-	-	(725)
Total	**(725)**	-	-	-	-	**(725)**
Net cash flows	**15,969**	**1,727**	**569**	**17,482**	**67,126**	**102,873**

18. LIQUIDITY RISK (continued)

30 June 2015 Unaudited	On Demand $'000	Up to 3 months $'000	3 to 12 Months $'000	Between 1 & 5 years $'000	More than 5 years $'000	Total $'000
Financial assets						
Cash and cash equivalents	5,259	-	-	-	-	5,259
Due from other financial institutions	-	8,731	4,164	-	-	12,895
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Available-for-sale assets	-	-	-	-	-	-
Loans and advances	-	6,510	32,132	26,354	58,330	123,326
Due from related parties	802	2,434	-	-	-	3,236
Other financial assets	-	67	-	-	-	67
Total financial assets	**6,061**	**17,742**	**36,296**	**26,354**	**58,330**	**144,783**
Financial liabilities						
Due to other financial institutions	-	-	-	-	-	-
Deposits and other borrowings	1,782	16,879	6,038	1,423	-	26,122
Financial liabilities held at fair value through profit or loss	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-
Term subordinated debt	-	-	-	-	-	-
Due to related parties	435	-	-	-	-	435
Other financial liabilities	-	209	-	-	-	209
Total financial liabilities	**2,217**	**17,088**	**6,038**	**1,423**	**-**	**26,766**
Net non derivative cash flows	**3,844**	**654**	**30,258**	**24,931**	**58,330**	**118,017**
Derivative cash flows						
Interest rate derivatives	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Off balance sheet cash flows						
Performance/financial guarantees	-	-	950	-	-	950
Documentary credit (L.C)	-	-	-	-	-	-
Undrawn commitments	-	6,675	-	-	-	6,675
Total	**-**	**6,675**	**950**	**-**	**-**	**7,625**
Net cash flows	**3,844**	**7,329**	**31,208**	**24,931**	**58,330**	**125,642**

31 March 2016 Audited	On Demand $'000	Up to 3 months $'000	3 to 12 Months $'000	Between 1 & 5 years $'000	More than 5 years $'000	Total $'000
Financial assets						
Cash and cash equivalents	8,355	-	-	-	-	8,355
Due from other financial institutions	-	10,526	3,640	-	-	14,166
Loans and advances	-	5,376	10,234	18,059	75,335	109,004
Due from related parties	3,378	-		-	-	3,378
Other financial assets	-	186	10	-	-	196
Total financial assets	**11,733**	**16,088**	**13,884**	**18,059**	**75,335**	**135,099**
Financial liabilities						
Due to other financial institutions		-	-	-	-	-
Deposits and other borrowings	5,630	18,115	10,718	10,147	-	44,610
Due to related parties	837	-	-	1,698	-	2,535
Other financial liabilities		313	-	-	-	313
Total financial liabilities	**6,467**	**18,428**	**10,718**	**11,845**	**-**	**47,458**
Net non derivative cash flows	**5,266**	**(2,340)**	**3,166**	**6,214**	**75,335**	**87,641**
Derivative cash flows						
Interest rate derivatives						
Foreign exchange derivatives						
Total						
Off balance sheet cash flows						
Financial guarantees	225	-	-	-	-	225
Total	**225**	**-**	**-**	**-**	**-**	**225**
Net cash flows	**5,041**	**(2,340)**	**3,166**	**6,214**	**75,335**	**87,416**

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

	30 June 2016 $'000	30 June 2015 $'000	31 March 2016 $'000
Cash and bank balances	9,871	5,259	8,355
Short term deposits	10,100	17,500	14,100
Deposit/cash held with related parties	5,217	3,229	3,378
Total Liquid assets	**25,188**	**25,988**	**25,833**

19. INTEREST RATE SENSITIVITY

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 June 2016 Unaudited	Total $'000	Interest insensitive $'000	Up to 3 months $'000	Between 3 months & 6 months $'000	Between 6 months & 1 year $'000	Between 1 & 2 years $'000	Between 2 & 5 years $'000	Over 5 years $'000
Financial assets								
Cash and cash equivalents	9,871	921	8,950	-	-	-	-	-
Due from other financial institutions	10,100	-	7,600	2,500	-	-	-	-
Loans and advances	65,084	-	2,575	4,197	32,812	25,500	-	-
Balances with related parties	5,217	742	-	4,475	-	-	-	-
Other financial assets	192	192	-	-	-	-	-	-
Total financial assets	**90,464**	**1,855**	**19,125**	**11,172**	**32,812**	**25,500**	**-**	**-**
Financial liabilities								
Due to other financial institutions	-	-	-	-	-	-	-	-
Deposits and other borrowings	43,634	3,179	7,275	26,168	3,510	1,656	1,846	-
Due to related parties	2,421	318	559	-	-	1,544	-	-
Other financial liabilities	291	291	-	-	-	-	-	-
Total financial liabilities	**46,346**	**3,788**	**7,834**	**26,168**	**3,510**	**3,200**	**1,846**	**-**
On-balance sheet gap								
Net derivative notional principals	-	-	-	-	-	-	-	-
Net effective interest rate gap	44,118	(1,933)	11,291	(14,996)	29,302	22,300	(1,846)	-

30 June 2015 Unaudited	Total $'000	Interest insensitiv e $'000	Up to 3 months $'000	Betwee n 3 months & 6 months $'000	Between 6 months & 1 year $'000	Betwee n 1 & 2 years $'000	Between 2 & 5 years $'000	Over 5 years $'000
Financial assets								
Cash and cash equivalents	5,259	5,259	-	-	-	-	-	-
Due from other financial institutions	17,500	-	14,500	3,000	-	-	-	-
Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Available-for-sale assets	-	-	-	-	-	-	-	-
Loans and advances	53,638	-	41,554	617	9,931	1,536	-	-
Balances with related parties	3,229	297	2,932	-	-	-	-	-
Other financial assets	354	354	-	-	-	-	-	-
Total financial assets	**79,980**	**5,910**	**58,986**	**3,617**	**9,931**	**1,536**	**-**	**-**
Financial liabilities								
Due to other financial institutions	-	-	-	-	-	-	-	-
Deposits and other borrowings	36,763	2,541	22,932	4,257	3,981	763	2,289	-
Financial liabilities held at fair value through profit or loss	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-
Term subordinated debt	-	-	-	-	-	-	-	-
Due to related parties	319	319	-	-	-	-	-	-
Other financial liabilities	261	261	-	-	-	-	-	-
Total financial liabilities	**37,343**	**3,121**	**22,932**	**4,257**	**3,981**	**763**	**2,289**	**-**
On-balance sheet gap								
Net derivative notional principals	-	-	-	-	-	-	-	-
Net effective interest rate gap	42,637	2,789	36,054	(640)	5,950	773	(2,289)	-

19. INTEREST RATE SENSITIVITY (continued)

31 March 2016 Audited	Total $'000	Interest insensitive $'000	Up to 3 months $'000	Over 3 months and up to 6 months $'000	Over 6 months and up to 1 year $'000	Over 1 year and up to 2 years $'000	Over 2 years $'000	Over 5 years $'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	(377)	3,987	1,923	34,549	24,113	-	-
Balances with related parties	3,378	471	2,907	-	-	-	-	-
Other financial assets	196	196	-	-	-	-	-	-
Total financial assets	**90,224**	**1,817**	**24,222**	**4,523**	**35,549**	**24,113**	**-**	**-**
Financial liabilities								
Due to other financial institutions	-	-	-	-	-	-	-	-
Deposits and other borrowings	43,863	2,642	8,591	6,743	22,727	491	2,669	-
Due to related parties	2,368	837	-	-	-	-	1,531	-
Other financial liabilities	313	313	-	-	-	-	-	-
Total financial liabilities	**46,544**	**3,792**	**8,591**	**6,743**	**22,727**	**491**	**4,200**	**-**
On-balance sheet gap								
Net effective interest rate gap	43,680	(1,975)	15,631	(2,220)	12,822	23,622	(4,200)	-

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

30 June Unaudited	2016 Carrying Amounts $'000	2016 Estimated Fair Value $'000	2015 Carrying Amounts $'000	2015 Estimated Fair Value $'000
Financial assets				
Cash and cash equivalents	9,871	9,871	5,259	5,259
Balances with related parties	5,217	5,217	3,229	3,229
Due from other financial institutions	10,100	10,100	17,500	17,500
Loans and advances	65,084	65,460	53,623	61,462
Other assets	192	192	280	280
Total financial assets	**90,464**	**90,840**	**79,891**	**87,730**
Financial liabilities				
Due to related parties	2,421	2,563	319	319
Deposits and other borrowings	43,634	43,684	36,763	37,196
Other liabilities	291	291	172	172
Total financial liabilities	**46,346**	**46,538**	**37,254**	**37,687**

Fair value estimation

Quoted market prices, when available, are used as the measure of fair values for financial instruments. However, for some of the Bank's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using present value or other market accepted valuation techniques. These techniques involve uncertainties and are affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rate, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

The fair value estimates were determined by application of the methods and assumptions described below.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Cash

For cash assets, the carrying amount is equivalent to the fair value as they are highly liquid. For short term liquid assets, estimated fair values are based on quoted market prices.

Balance due from other financial instituitions

These are call and short term deposits with other financial institutions which are relatively liquid and therefore carrying amount is equivalent to fair value.

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 financial assets

Included in this category are interest receivables and other short term receivables. For these balances the carrying value is considered to approximate the fair values, as they are short term in nature or are receivable on demand.

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 has 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.

Flow model with reference to market interest rates. For other deposits by customers and related parties, the carrying amount is a reasonable estimate of fair value.

Other financial liabilities

Other financial liabilities are generally short-term and are expected to be settled within one year. Therefore, the carrying amount is equivalent to fair value.

The following table provides an analysis of financial instruments not measured at fair value. The financial instruments are grouped into Level 1 to 3 based on the degree to which the fair value is observable.

Level 1 Quoted market price

Level 1 input are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Valuation technique using observable inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Valuation technique with significant unobservable inputs

Financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

30 June 2016 Unaudited	Level 1	Level 2	Level 3	Total
Financial assets				
Balances with related parties	-	5,217	-	5,217
Due from other financial institutions		10,100	-	10,100
Loans and advances	-	-	65,460	65,460
Financial liabilities				
Due to related parties	-	2,563	-	2,563
Deposits and other borrowings	-	43,684	-	43,684

30 June 2015 Unaudited	Level 1	Level 2	Level 3	Total
Financial assets				
Balances with related parties	-	3,229	-	3,229
Due from other financial institutions	-	17,500	-	17,500
Loans and advances	-	-	61,462	61,462
Financial liabilities				
Due to related parties	-	319	-	319
Deposits and other borrowings	-	37,196	-	37,196

31 March 2016 Audited	Level 1	Level 2	Level 3	Total
Financial assets				
Balances with related parties	-	3,378	-	3,378
Due from other financial institutions	-	14,100	-	14,100
Loans and advances	-	-	64,636	64,636
Financial liabilities				
Due to related parties	-	2,418	-	2,418
Deposits and other borrowings	-	45,781	-	45,781

FINANCIAL INSTRUMENTS

Transfers between levels of fair value hierarchy are determined at the end of the reporting period. There have been no transfers between Level 1 and Level 2 during the year. There have also been no transfers into / out of Level 3 during the period ended 30th June 2016,30th June 2015, and 31st March 2016.

Credit risk

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

21. 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 quarter.

The number of individual counterparties, excluding connected persons, where the period end and peak end-of-day aggregate actual credit exposures, net of individual credit impairment allowances (which were nil), equalled or exceeded 10% of the Bank's shareholder's equity:

- as at 30 June 2016 was nil, and
- in respect of peak end-of-day aggregate credit exposure for the three months ended 30 June 2016 was 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.

22. 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
- Conducting marketing or distribution of insurance products.

23. 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 31st March 2016

24. CAPITAL ADEQUACY

Capital

The Bank has 40,000,000 fully paid up ordinary shares (tier one capital) issued at NZ $1.00 per share.

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 capital adequacy tables set out below summarise the composition of regulatory capital and capital adequacy ratios for the period ended 30 June 2016. The Bank was registered on 1 September 2009 and from the date of registration to 30 June 2016; the Bank has complied with both regulatory and internal capital adequacy requirements.

The Bank has considered other material risks not included 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.

24. CAPITAL ADEQUACY (Continued)

Tier one capital	Unaudited As at 30 June 2016 $'000	Unaudited As at 30 June 2015 $'000	Audited As at 31 March 2016 $'000
Common Equity Tier one capital			
Issued and fully paid up share capital	40,000	40,000	40,000
Perpetual fully paid up non-cumulative preference shares	-	-	-
Revenue and similar reserves[1]	5,138	4,150	5,138
Current period's retained profits	414	-	-
Tier one minority interests	-	-	-
Less: deductions from tier one capital	(987)	(947)	(987)
Plus: other adjustments to tier one capital	-	-	
Total common equity tier one capital	**44,565**	**43,203**	**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	**44,565**	**43,203**	**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	**44,565**	**43,203**	**44,151**

1 Revenue and similar reserves consists of prior period retained profits.

24. CAPITAL ADEQUACY (Continued)

Credit risk

Unaudited 30 June 2016 Calculation of on-balance-sheet exposures	Total exposure after credit risk mitigation $'000	Risk weight	Risk weighted exposure $'000	Minimum Pilla 1 capital requirement $'000
Cash and gold bullion	199	0%	-	-
Banks	19,772	20%	3,954	316
Banks	5,217	50%	2,609	209
Corporate	2,632	100%	2,632	211
Residential mortgages not past due				
• Non Property Investment–LVR up to 80%	32,625	35%	11,419	913
• Non Property Investment–LVR >80% but <90%	7,095	50%	3,547	284
• Property Investment- LVR<80%	4,868	35%	1,704	136
• Property Investment-LVR>80% but <90%	1,997	40%	799	64
• Past due residential mortgages	-	100%	-	-
Non Risk Weighted Assets	6,653	0%	-	-
Other assets	9,406	100%	9,406	753
Total on balance sheet exposures after credit risk mitigation	**90,464**		**36,070**	**2,886**

Unaudited 30 June 2016 Calculation of off-balance sheet exposures	Total exposure $'000	Credit conversion factor	Credit equivalent amount $'000	Average risk weight	Risk weighted exposure $'000	Minimum Pillar 1 capital require-ment $'000
Undrawn commitments on existing facilities	6,508	50%	3,254	51%	1,648	132
Performance-related contingency	725	50%	363	100%	363	29
Total off-balance sheet exposures	**7,233**	**-**	**3,617**	**-**	**2,011**	**161**

Unaudited 30 June 2015 Calculation of on-balance-sheet exposures	Total exposure after credit risk mitigation $'000	Risk weight	Risk weighted exposure $'000	Minimum Pillar 1 capital requirement $'000
Cash and gold bullion	205	0%	-	-
Banks	22,553	20%	4,511	361
Banks	3,229	50%	1,615	129
Corporate	447	100%	447	36
Residential mortgages not past due –LVR up to 80%	29,016	35%	10,156	812
Residential mortgages not past due –LVR >80% but up to 90%	9,653	50%	4,827	386
Past due residential mortgages	-	100%	-	-
Other assets	9,291	100%	9,291	743
Total on balance sheet exposures after credit risk mitigation	**74,394**		**30,847**	**2,467**

Unaudited 30 June 2015 Calculation of off-balance sheet exposures	Total exposure $'000	Credit conversion factor	Credit equivalent amount $'000	Average risk weight	Risk weighted exposure $'000	Minimum Pillar 1 capital require-ment $'000
Undrawn commitments on existing facilities	6,675	20%	1,335	100%	1,335	107
Performance-related contingency	950	50%	475	100%	475	38
(c) Other – OTC, etc	-	-	-	-	-	-
Total off-balance sheet exposures	**7,625**	**-**	**1,810**	**-**	**1,810**	**145**

24. CAPITAL ADEQUACY (Continued)

Audited 31 March 2016 Calculation of on-balance-sheet exposures	Total exposure after credit risk mitigation $'000	Risk weight	Risk weighted exposure $'000	Minimum Pillar 1 capital requirement $'000
Cash and gold bullion	328	0%	-	-
Banks	22,127	20%	4,425	354
Banks	3,378	50%	1,689	135
Corporate	2,387	100%	2,387	191
Residential mortgages not past due				
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
Property Investment-LVR>80% but <90%	-	40%	-	-
Past due residential mortgages	-	100%	-	-
Non Risk Weighted Assets	5,793	0%	-	-
Other assets	11,095	100%	11,095	888
Total on balance sheet exposures after credit risk mitigation	**91,683**		**37,095**	**2,968**

Audited 31 March 2016 Calculation of off-balance sheet exposures	Total exposure $'000	Credit conversion factor	Credit equivalent amount $'000	Average risk weight	Risk weighted exposure $'000	Minimum Pillar 1 capital require-ment $'000
Performance-related contingency	225	50%	113	100%	113	9
Other commitments where original maturity is more than one year	4,572	50%	2,286	46%	1,052	84
Total off-balance sheet exposures	**4,797**		**2,399**		**1,165**	**93**

Residential mortgages by loan-to-valuation ratio

Unaudited 30 June 2016 Loan –to-value ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures	39,689	7,095	-	46,784

Unaudited 30 June 2015 Loan -to-value ratio	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
On-balance sheet exposures	29,016	9,653	-	38,669
Off-balance sheet exposures		950	-	950
Total loan-to-value ratio	**29,016**	**10,603**	**-**	**39,619**

Audited 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

	Unaudited 30 June 2016 $'000	Unaudited 30 June 2015 $'000	Unaudited 31 March 2016 $'000
Residential mortgage loans	46,784	38,669	46,575
Residential mortgages by loan-to-value ratio	46,784	38,669	46,575

24. CAPITAL ADEQUACY (Continued)

Credit risk mitigation

Unaudited 30 June 2016 Exposure class	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting) $'000	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives $'000
Corporate	260	-
Other	2,042	-
Total	**2,302**	**-**

Unaudited 30 June 2015 Exposure class	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting) $'000	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives $'000
Corporate	3,241	325
Other	3,425	-
Total	**6,666**	**325**

Audited 31 March 2016 Exposure class	Total value of on-and-off-balance sheet exposures covered by eligible collateral (after haircutting) $'000	Total value of on-and-off-balance sheet exposures covered by guarantees or credit derivatives $'000
Corporate	31	-
Other	1,938	-
Total	1,969	-

Operational risk capital requirement

Unaudited 30 June 2016	Implied risk weighted exposure $'000	Total operational risk capital requirement $'000
Operational risk	5,150	412

Unaudited 30 June 2015	Implied risk weighted exposure $'000	Total operational risk capital requirement $'000
Operational risk	3,850	308

Audited 31 March 2016	Implied risk weighted exposure $'000	Total operational risk capital requirement $'000
Operational risk	4,190	335

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 (amended). Peak exposures are calculated using the Bank's shareholders' equity at the end of the quarter.

Unaudited 30 June 2016	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure $'000	Aggregate capital charge $'000	Implied risk weighted exposure $'000	Aggregate capital charge $'000
Interest rate risk	10,625	850	10,625	850
Foreign currency risk	57	5	57	5
Equity risk	-	-	-	-
Total	**10,682**	**855**	**10,682**	**855**

24. CAPITAL ADEQUACY (Continued)

Unaudited 30 June 2015	End-period capital charges		Peak end-of-day capital charges	
	Implied risk weighted exposure $'000	Aggregate capital charge $'000	Implied risk weighted exposure $'000	Aggregate capital charge $'000
Interest rate risk	2,025	162	2,025	162
Foreign currency risk	220	18	345	28
Equity risk	-	-	-	-
Total capital requirements	**2,640**	**211**	**2,657**	**212**

	End-period capital charges		Peak end-of-day capital charges	
Audited 31 March 2016	**Implied risk weighted exposure $'000**	**Aggregate capital charge $'000**	**Implied risk weighted exposure $'000**	**Aggregate capital charge $'000**
Interest rate risk	4,395	351	4,395	351
Foreign currency risk	8	-	777	62
Equity risk	-	-	-	-
Total capital requirements	**4,403**	**351**	5,172	413

Total capital requirements

Unaudited 30 June 2016	Total exposure after credit risk mitigation $'000	Risk weighted exposure or implied risk weighted exposure $'000	Capital requirement $'000
Total credit risk + equity	97,697	38,081	3,047
Operational risk	-	5,150	412
Market risk	-	10,682	855
Total	**97,697**	**53,913**	**4,314**

Unaudited 30 June 2015	Total exposure after credit risk mitigation $'000	Risk weighted exposure or implied risk weighted exposure $'000	Capital requirement $'000
Total credit risk + equity	82,019	32,657	2,613
Operational risk	n/a	3,850	308
Market risk	n/a	2,640	211
Total	**82,019**	**39,147**	**3,132**

Audited 31 March 2016	Total exposure after credit risk mitigation $'000	Risk weighted exposure or implied risk weighted exposure $'000	Capital requirement $'000
Total credit risk + equity	96,480	38,260	3,061
Operational risk	**n/a**	4,190	335
Market risk	**n/a**	4,403	352
Total	**96,480**	**46,853**	**3,748**

Capital ratios

	RBNZ Minimum Ratio Requireme	Unaudited 30 June 2016	Unaudited 30 June 2015	Audited 31 Mar 2016
Common Equity Tier 1 Capital ratio	4.5%	82.66%	110.40%	94.20%
Tier one capital ratio	6.0%	82.66%	110.40%	94.20%
Total capital ratio	8.0%	82.66%	**110.40%**	**94.20%**

24. CAPITAL ADEQUACY (Continued)

Buffer ratios

	Unaudited 30 June 2016	Unaudited 30 June 2015	Audited 31 Mar 2016
Buffer ratio	74.66%	102.40%	86.20%
Buffer ratio requirement	2.50%	2.50%	2.50%

Capital adequacy of Ultimate Parent Bank

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).

As per the latest available data as at 30 June 2016, BOB's Common Equity Tier One Capital was 10.70% of Total Risk-weighted Assets, Tier One Capital was 11.22% of Total Risk-weighted Assets and Total Capital ratio was 13.54% (31 March 2016: Common Equity Tier One Capital was 10.78% of Total Risk-weighted Assets, a Tier One Capital was 11.29% of Total Risk-weighted Assets and Total Capital ratio was 13.63%).

BOB's capital ratios during the year ended 31 March 2016 and 30 June 2016 exceeded both of the Reserve Bank of India's minimum capital adequacy requirements.

25. 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.