



Bank of India (New Zealand) Limited

Registered Bank Disclosure Statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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General Disclosures
For the six months ended 30 September 2022

1. Reporting Directive:

This Disclosure Statement of the Bank as at and of the six months ended 30 September 2022 has been prepared under the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended).

2. Registered Bank:

Name : Bank of India (New Zealand) Limited
Address : 10 Manukau Road
Epsom
Auckland 1023

Bank of India (New Zealand) Limited (the "Bank") was incorporated on 9 October 2008. It became a registered bank on 31 March 2011.

For the purposes of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended), the Bank is currently the only entity within the Registered Bank's Banking Group in New Zealand and accordingly the term "Bank" has the same meaning as the Bank's Banking Group throughout this Disclosure Statement.

3. Ultimate Parent Bank and Ultimate Holding Company:

Name : Bank of India
Address: Star House C-5, G Block
Bandra Kurla Complex
Post Box No. 8135
Bandra (East)
Mumbai 400051(India)

The obligations of the Bank are guaranteed by its ultimate parent, Bank of India (refer to section 6 below for further details on the guarantee arrangement). There has been no change to the ultimate parent bank or ultimate holding company since 31 March 2022.

There are no known regulations, legislation or other restrictions of a legally enforceable nature which may materially inhibit the legal ability of Bank of India to provide material financial support to Bank of India (New Zealand) Limited.

4. Interests in 5% or more of voting securities of registered bank:

Bank of India (New Zealand) Limited is 100% owned by Bank of India. Therefore, Bank of India has the ability to directly appoint 100% of the board of directors of Bank of India (New Zealand) Limited.

5. Priority of creditors' claims:

As at 30 September 2022, all creditors of the Bank have equal priority of claims over the Bank's assets in the event that the Bank is liquidated or ceases to trade.

6. Guarantee Arrangements:

The obligations of Bank of India (New Zealand) Limited are guaranteed under a deed of guarantee dated 14 January 2011 given by its ultimate parent bank, Bank of India, in favour of the creditors of Bank of India (New Zealand) Limited ("the Guarantee").

Copies of the Guarantee are attached as Appendix 3.

The name and address for service of the Guarantor is:

Bank of India, Star House, C-5, G Block, Bandra Kurla Complex, Post Box No.8135, Bandra (East), Mumbai 400051, India.

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

Details of the capital adequacy for the Bank of India as at 30 September 2022 are as follows:

Capital	: INR 506,560,000,000
Capital/Risk Weighted Exposures (%)	: 15.51%

The Bank of India has the following credit rating with respect to its long term senior unsecured obligations payable in any country or currency including obligations payable in New Zealand in New Zealand dollars:

Rating Agency	: Fitch Ratings
Current Credit Rating	: BBB- /Stable/F3

On 4 October 2022, Fitch Ratings has reaffirmed the rating and outlook on the long-term counterparty credit ratings on the Bank of India at BBB-/Stable.

Descriptions of credit rating scales are contained in Appendix 1.



General Disclosures
For the six months ended 30 September 2022

Details of Guaranteed Obligations:

Bank of India unconditionally guarantees for the benefit of each creditor the due and punctual payment by Bank of India (New Zealand) Limited of each and every obligation (whether at stated maturity, upon acceleration or otherwise) now or hereafter owing or to become owing by Bank of India (New Zealand) Limited to the creditor during the term of the guarantee.

There are no limits on the amount of the obligations guaranteed under the Guarantee. There are no material conditions applicable to the Guarantee other than non-performance by the principal obligor.

There are no material legislative or regulatory restrictions in India which would have the effect of subordinating the claims under the Guarantee of any of the creditors of Bank of India (New Zealand) Limited on the assets of the guarantor, to other claims on the guarantor, in a winding up of that guarantor.

The deed of guarantee does not have an expiry date.

Material Cross Guarantees:

There are no material cross guarantees.

7. Directors:

There is one change in the composition of the Bank's board of directors since the most recent full year Disclosure Statement dated 31 March 2022.

Mr.Tapan Verma is appointed as Managing Director on 13 July 2022. Mr.Onkar Nath Thakur resigned on 13 July 2022.

At present, the Bank has the following directors:

- Rabin Sockalingam Rabindran, Chairman and Independent Director (appointed on 31 May 2013)
- Sameer Handa, Independent Director (appointed on 12 July 2013)
- Judith Ann Whiteman, Independent Director (appointed on 4 March 2014)
- Swarup Dasgupta, Director (appointed on 26 October 2020)
- Tapan Verma (appointed on 13 July 2022)

Communications to the directors should be addressed to:

10 Manukau Road, Epsom, Auckland 1023, New Zealand

Sameer Handa, Rabin Sockalingam Rabindran and Judith Ann Whiteman are independent directors who are not employees of the Bank of India (New Zealand) Limited or of any other entity able to control or significantly influence the Bank. The Chairman of the Board is therefore independent. Sameer Handa, Rabin Sockalingam Rabindran and Judith Ann Whiteman are residents in New Zealand.

Tapan Verma, Managing Director is resident in New Zealand. He is effectively the sole executive director of the bank and all other directors are non-executive directors.

General Disclosures
For the six months ended 30 September 2022

Qualifications and other directorship:

	Qualifications	Details of other directorships
Rabin Sockalingam Rabindran Primary Occupation: Commercial Barrister and International Legal Consultant	Barrister-at-Law (Middle Temple); M A (Business Law); Associate of Arbitrators' and Mediators' Institute of NZ Inc	Marsden Maritime Holdings Limited New Zealand Liaoning International Investment & Development Co.Ltd.; RSR Projects International Limited; RSR Legal Consultants Limited; Singapore Chapter of ASEAN New Zealand Business Council (Chairman); Board Member of Metropolis Avani Body Corporate Committee.
Sameer Handa, MNZM Primary Occupation Managing Director- Glowbal NZ Ltd	Bachelor of Engineering (B.E. Mechanical); Master of Business Administration (MBA)	Asahi Limited; Auckland Health Foundation-Trustee; Buildex NZ Limited; Doncaster Properties Limited; Ecolife Lighting Limited; Glowbal NZ Limited; Gray Investments Limited; Hobsonville Point Limited; Hotunui Investments Limited; Uniqway Limited; MyNZuni.Com Limited; Randwick Properties Limited; S V M Holdings Limited; Three 60 Construction Limited; Trustee, Trust for the Destruction of Synthetic Refrigerants, India NZ Business Council- Executive Member
Swarup Dasgupta Primary Occupation: Banker	Bachelor of Engineering (B.E. Electronics & Telecommunication); Master of Business Administration (Finance)	Bank of India, Executive Director; BOI Shareholding Limited – Director Star-Union Dai-Ichi Life Insurance Co. Ltd.- Additional Non Executive director Indo Zambia Bank Ltd.-Director
Judith Ann Whiteman Primary Occupation Independent consultant and Director	BA-Accounting; Institute of Chartered Accountants Australia and New Zealand; Chartered Member, Institute of Directors, NZ Fellow, Australian Institute of Company Directors	Judy Whiteman & Associates Limited; Housing Foundation No 1 Limited (Director); Housing Foundation Limited (Director); New Zealand Housing Foundation (Trustee).
Tapan Verma Primary Occupation: Banker	MA; MBA Certified Associate of the Indian Institute of Bankers (CAIIB)	Nil

The directors, their immediate relatives and close business associates have not entered into any transactions with the Bank, which either has been entered into on terms other than those under the ordinary course of business of the Bank, or which could otherwise be reasonably likely to influence materially the exercise of that director's duties.

The members of the combined **Audit and Risk Committees** are:

Sameer Handa , Independent Director	Chairperson
Rabin Sockalingam Rabindran, Independent Director	Member
Judith Ann Whiteman, Independent Director	Member

The responsible persons authorised to sign this Disclosure Statement on behalf of the Board in accordance with sec 82 of the Reserve Bank of New Zealand Act 1989 are Mr. Rabin Sockalingam Rabindran and Mr.Tapan Verma.

General Disclosures

For the six months ended 30 September 2022

Directors (continued...)

The Bank's code of conduct states: Members of core management are expected to devote their total attention to the business interests of the Bank. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Bank or otherwise is in conflict with or prejudicial to the Bank. If any member of the core management considers investing in securities issued by the Bank's customers, suppliers or competitors they should ensure that these investments do not compromise their responsibilities to the Bank. Many factors including the size and nature of the investment; their ability to influence the Bank's decisions; their access to confidential information of the Bank or any other entity, and the nature of the relationship between the Bank and the counterparty should be considered in determining whether a conflict exists.

Additionally, they should disclose to the Bank any interest which they have which may conflict with the business of the Bank. As a general rule, the members of the core management should avoid conducting the Bank's business with a relative or any other entity in which the relative is associated in any significant role. If such a related party transaction is unavoidable, they must fully disclose the nature of the transaction to the appropriate authority.

Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party. In the case of any other transaction or situation giving rise to conflicts of interests, the appropriate authority should, after due deliberations, decide on its impact.

8. Auditor

The name and address of the Bank's independent auditor is:

KPMG
18 Viaduct Harbour Avenue
P.O. Box 1584, Shortland Street
Auckland 1140, New Zealand

9. Conditions of Registration

The condition of registration is revised since last reporting date of 31 March 2022.

The revisions are in respect of following:

Effective 1 July 2022, changes to the Conditions of Registration in relation to the removal of dividend restrictions implemented in response to COVID-19 and correction of typographical error in the Liquidity Policy Annex: Liquid Assets (BS13A) and corresponding amendment to the Liquidity Policy (BS13).

10. Pending Proceedings or Arbitration

As of the date of this Disclosure Statement, there are no pending legal proceedings or arbitration concerning any member of the Bank in New Zealand or elsewhere that may have a material effect on the Bank.

11. Credit Ratings

Bank of India (New Zealand) Limited has the following general credit rating:

Rating Agency	:	Standard and Poor's
Current Credit Rating	:	BB+/Stable/B

On 1 July 2021, Standard & Poor's has maintained the outlook on the Bank of India (New Zealand) Limited, at BB+ /Stable/B, which reflects the outlook on its parent.

Descriptions of credit rating scales are contained in Appendix 1.

12. Other material matters

Impairment of Loans and advances

In recognising credit losses, the Bank considers a broader range of information, including past events, current conditions, and security held that affect the expected collectability of the future cash flows of financial assets.

The impact of Covid 19 on the wider economy and the Bank's borrowers has subsided considerably.

The macro-economic uncertainty due to geo-political environment, rising interest rates, inflation, supply chain disruption, unemployment etc, will adversely affect the economy.



General Disclosures
For the six months ended 30 September 2022

The concerns with particular reference to NZ and the Bank are:

- i) Shortage of labour which could have impact on the completion timing of various projects for which loans have been sanctioned/granted.
- ii) Supply chain disruption on account of the geo-political situation.
- iii) Rising interest costs which could impact the ability of some of the borrowers to meet their repayment schedules.
- iv) Reduction in demand for housing loans due to higher interest rates can impact the sale prices of the various projects upon completion.

Taking into consideration the above, the Bank remains of a view that there is market uncertainty which could adversely impact the wider economy and the Bank's borrowers. In estimating the expected credit loss provision, the Bank has taken into account the possible impact of the uncertainty, and has made adjustments to the ECL model to reflect the uncertainty. The adjustments were made specifically for those customers who have historically obtained loan deferrals by transitioning them to stage-2 or, where required, stage-3 exposures. Adjustments are made to borrowers who have taken project loan and have asked for extension for the completion of the project. (Refer to note 16 for further details on ECL calculation).

The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

There are no other material matters relating to the business or affairs of the Bank that are not disclosed in this Disclosure Statement.

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Directors' Statement
For the six months ended 30 September 2022

Each director of the Bank of India (New Zealand) Limited, believes, after due enquiry, that as at the date on which this Disclosure Statement is signed:


- The Disclosure Statement is not false or misleading; and
- The Disclosure Statement contains all information that is required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended).

Furthermore, each director believes, after due enquiry that over the period ended 30 September 2022:

- The Bank has complied in all material respects with each condition of registration that applied during the accounting period.
- Credit exposure to connected persons were not contrary to the interests of the Bank; and
- The Bank had systems in place to monitor and control adequately the material risks of the Bank 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.

Signed by Tapan Verma and Rabin Sockalingam Rabindran as directors and responsible persons on behalf of all the directors:

(The directors of the Bank were Sameer Handa, Rabin Sockalingam Rabindran, Judith Ann Whiteman, Swarup Dasgupta and Tapan Verma).



Tapan Verma
Managing Director
25 November 2022



Rabin Sockalingam Rabindran
Chairman and Independent Director

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Statement of Comprehensive Income (For the six months ended 30 September 2022):

(in NZ \$ '000)

	Note	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Interest income	2	3,230	5,648	2,713
Interest expense	2	(988)	(872)	(330)
Net interest income		2,242	4,776	2,383
Other income	3	187	339	154
Total operating income		2,429	5,115	2,537
Operating expenses	4	(1,323)	(2,287)	(1,060)
Impairment (losses)/reversal on loans and advances	16	17	77	65
Profit before income tax		1,123	2,905	1,542
Taxation expense	6	(315)	(839)	(432)
Net Profit after tax		808	2,066	1,110
Other Comprehensive income		-	-	-
Total comprehensive income		808	2,066	1,110

Statement of Changes in Equity (For the six months ended 30 September 2022):

(in NZ \$ '000)

	Share Capital	Retained Earnings	Total
Balance as at 1 April 2021	50,000	6,474	56,474
Total comprehensive income for the period	-	1,110	1,110
Balance as at 30 September 2021 (Unaudited)	50,000	7,584	57,584
Balance as at 1 April 2021	50,000	6,474	56,474
Total comprehensive income for the year	-	2,066	2,066
Balance as at 31 March 2022 (Audited)	50,000	8,540	58,540
Adjusted balance as at 1 April 2022	50,000	8,540	58,540
Total comprehensive income for the period	-	808	808
Balance as at 30 September 2022 (Unaudited)	50,000	9,348	59,348

The accompanying notes on pages 11 to 39 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 September 2022:

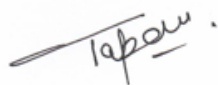
(in NZ \$'000)

	Note	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
ASSETS				
Cash	7	54	44	35
Due from other financial institutions	11	30,141	41,082	23,434
Balance due from related parties	12	249	1,265	1,199
Loans and advances	5,16	115,614	107,664	100,478
GST Refundable		26	26	20
Other assets	10	80	105	16
Current tax assets		7	-	-
Property and equipment	9	304	362	416
Right of use assets	27	1,087	155	281
Deferred tax assets	6	227	217	205
Total assets		147,789	150,920	126,084
LIABILITIES				
Balance due to related parties	12	64,687	78,477	52,426
Deposits and other borrowings	8	22,217	13,082	15,193
Other liabilities	10	390	591	384
Lease liabilities	27	1,147	171	301
Current tax liabilities		-	59	196
Total liabilities		88,441	92,380	68,500
NET ASSETS		59,348	58,540	57,584
EQUITY				
Share capital	13	50,000	50,000	50,000
Retained earnings		9,348	8,540	7,584
Total shareholder's equity		59,348	58,540	57,854
Total Interest Earning and Discount Bearing Assets		146,071	146,844	123,054
Total Interest and Discount Bearing Liabilities		85,025	89,094	65,015

No financial assets presented in the statement of financial position have been pledged as collateral for liabilities or contingent liabilities.

The board of directors of Bank of India (New Zealand) Limited authorised these interim financial statements for issue on 25 November 2022.

Signed for and on behalf of the board of directors



Tapan Verma
Managing Director
25 November 2022



Rabin Sockalingam Rabindran
Chairman and Independent director

The accompanying notes on pages 11 to 39 form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements.

Statement of Cash Flows (For the six months ended 30 September 2022):

(in NZ \$'000)

	Note	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Cash flows from operating activities				
Interest received		3,213	5,605	2,720
Fees and other income		187	339	155
Operating expenses paid		(1,319)	(1,769)	(860)
GST (paid)/refund received		-	6	12
Interest paid		(972)	(872)	(334)
Income tax paid		(391)	(786)	(230)
(Increase)/Decrease in advances to customers		(7,940)	(17,418)	(10,276)
Net proceeds (to)/from related parties		(12,774)	50,196	24,211
Increase/(Decrease) in deposits from customers		9,135	(2,528)	(417)
Net cash flow from operating activities	14	(10,861)	32,773	14,981
Cash flows from investing activities				
(Increase)/Decrease in balances with other financial institutions		(6138)	-	-
Purchase of property and equipment		-	(17)	(12)
Net cash flow from investing activities		(6,138)	(17)	(12)
Cash flows from financing activities				
Principal part of lease payments	27	(70)	(256)	(126)
Net cash flow used in financing activities		(70)	(256)	(126)
Net increase/(decrease) in cash and cash equivalents		(17,069)	32,500	14,843
Cash and cash equivalents at the beginning of the year		41,126	8,626	8,626
Cash and cash equivalents at the end of the year		24,057	41,126	23,469
Cash and cash equivalents are made up of:				
Cash	7	54	44	35
Cash equivalent due from other financial institutions at call	11	24,003	41,082	23,434
Total cash and cash equivalents		24,057	41,126	23,469

The accompanying notes on pages 11 to 39 form an integral part of these interim financial statements and should be read in conjunction with the interim financial statements.

Notes to financial statements

For the six months ended 30 September 2022

1. SUMMARY OF ACCOUNTING POLICIES:

1.1. Statement of Compliance:

Bank of India (New Zealand) Limited (the "Bank") is a profit-oriented entity incorporated under the Companies Act 1993 and domiciled in New Zealand. Its principal activity is the provision of banking services. Bank of India (New Zealand) Limited was incorporated on 9 October 2008. It became a registered bank on 31 March 2011 under the Reserve Bank of New Zealand Act 1989.

The Bank is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 (FMCA 2013). Its financial statements comply with the requirements of the Financial Market Conduct Act 2013 (FMCA 2013) and the requirements of Registered Bank Disclosure Statement (New Zealand Incorporated Registered Banks) Order 2014 (as amended).

These interim financial statements have been prepared and presented in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended).

These interim financial statements have also been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as appropriate for the interim financial statements for Tier 1 for profit-oriented entities, and in accordance with the New Zealand equivalent to International Accounting Standard 34 *Interim Financial Reporting* ("NZ IAS 34"), and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

These interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Disclosure Statement for the year ended 31 March 2022.

These interim financial statements comply with both NZ IAS 34 and IAS 34.

The interim financial statements were authorised for issue by the directors on 25 November 2022.

1.2. Basis of preparation:

The interim financial statements have been prepared on a going concern basis in accordance with historical cost concepts.

The functional and presentation currency is New Zealand Dollars (NZD). The amounts in the Disclosure Statement have been rounded to the nearest thousand dollars, except where otherwise stated.

The same accounting policies and methods of computation have been followed in preparing these interim financial statements as were used in preparing the financial statements for the year ended 31 March 2022.

1.3. Comparatives:

When the presentation or classification of items is changed, comparative amounts are reclassified unless the reclassification is impracticable.

1.4. Accounting judgments and major sources of estimation uncertainty:

In the application of the Bank's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Bank takes into consideration historical data, the quality of the securities held as collateral and current market conditions in determining ECL. Even though the impact of Covid 19 has substantially receded, the Bank remains of a view that there remains market uncertainty due to geo-political and other macro economic factors which could adversely impact the wider economy and the Bank's borrowers. In estimating the expected credit loss provision, the Bank has taken into account the possible impact of the uncertainty, and has made adjustments to the ECL model to reflect the uncertainty. The adjustments were made specifically for those customers who have obtained loan deferrals by transitioning them to stage-2 or, where required, stage-3 exposures. (Refer to note 16 for further details on ECL calculation).

2. INTEREST:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Interest income			
Loans and advances	2,856	5,590	2,711
From other financial institutions	374	48	2
Others	-	10	-
Total interest income	3,230	5,648	2,713
Interest expenses			
Deposits by customers	124	76	41
Deposits by related parties	698	574	230
Borrowings from related parties	137	200	46
Interest on lease liability	29	22	13
Total interest expenses	988	872	330

Notes to financial statements
For the six months ended 30 September 2022

3. OTHER INCOME:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Banking and Lending fee income	73	100	43
Net commission revenue	5	14	2
Net foreign exchange gains	100	219	106
Other revenue	9	6	3
Total other income	187	339	154

4. OPERATING EXPENSES:

Operating expenses include

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Auditors remuneration	-	100	-
- Audit of Disclosure Statements	40	40	40
- Review of Disclosure Statements	6	-	-
- Overrun of audit fee for previous year	24	47	24
Directors' fees	-	-	-
Depreciation- owned assets			
Leasehold improvements	44	88	44
Computer equipment	8	13	5
Office equipment	4	9	5
Furniture	2	5	2
Total depreciation	58	115	56
Depreciation on Right of use assets	114	250	125
Employee benefit expenses	622	968	454
Other expenses	459	767	361
Total Operating Expenses	1,323	2,287	1,060

5. LOANS AND ADVANCES:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Residential mortgages loans			
Standard residential mortgage loan			
Non-property investment residential mortgage loan	19,674	22,391	20,498
Property investment residential mortgage loan	20,176	20,036	21,272
Reverse residential mortgage loan	-	-	-
Total	39,850	42,427	41,770
Corporate loans	76,105	65,621	59,124
Other loans	72	39	51
Interest receivable	209	216	184
Gross Loans and advances	116,236	108,303	101,129
Allowance for expected credit loss	(622)	(639)	(651)
Net loans and advances	115,614	107,664	100,478
Amounts due for settlement within 12 months	13,663	23,154	10,697
Amounts due for settlement after 12 months	101,951	84,510	89,781
Net loans and advances	115,614	107,664	100,478

Note: As at 30 September 2022, Other loans include an amount of 16,548 (gross) loaned to a director. (As at 31 March 2022, the bank did not have any outstanding loans to directors. As at 30 September 2021, the Bank did not have any outstanding loan to directors).

6. TAXATION:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Tax expense comprises:			
Current tax expense in respect of the current year	325	811	415
Deferred tax expense relating to the origination and reversal of temporary differences	(10)	5	17
Expense relating to origination of permanent difference	-	(3)	-
Under provision of tax in prior period	-	26	-
Total tax expense	315	839	432
The total charge for the period can be reconciled to the accounting profit as follows:			
Profit before income tax expense	1,123	2,905	1,542
Income tax expense calculated at 28% (2021: 28%)	315	813	432
Expense relating to the origination of permanent difference	-	-	-
Under provision of tax in prior period	-	26	-
Income tax expense recognised in profit or loss	315	839	432

Notes to financial statements
For the six months ended 30 September 2022

Deferred tax assets/ (liabilities) arise from the following:
Temporary Differences:

(in NZ \$'000)

For period ended 30 September 2022 (Unaudited)	Opening balance	Charged to profit or loss	Closing balance
Property and equipment	19	3	22
Impairment allowance	179	(5)	174
Other liabilities	19	12	31
	217	10	227
For period ended 31 March 2022 (Audited)	Opening balance	Charged to profit or loss	Closing balance
Property and equipment	15	4	19
Impairment allowance	201	(22)	179
Other liabilities	6	13	19
	222	(5)	217
For period ended 30 September 2021 (Unaudited)	Opening balance	Charged to profit or loss	Closing balance
Property and equipment	15	2	17
Impairment allowance	201	(19)	182
Other liabilities	6	-	6
	222	(17)	205

7. CASH:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Cash on hand	54	44	35
Total cash	54	44	35

8. DEPOSITS AND OTHER BORROWINGS:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Retail deposits	22,217	13,082	15,193
Wholesale deposits	-	-	-
Total deposits	22,217	13,082	15,193
Amounts due for settlement within 12 months	22,008	12,000	13,779
Amounts due for settlement after 12 months	209	1,082	1,414
Total deposits	22,217	13,082	15,193

9. PROPERTY AND EQUIPMENT:

(in NZ \$'000)

	Leasehold Improvements	Computer Equipment	Office Equipment	Furniture	Total
Costs					
Balance as at 1 April 2021 (Unaudited)	1,062	104	124	115	1,405
Additions	-	-	12	-	12
Balance as at 30 September 2021 (Unaudited)	1,062	104	136	115	1,417
Additions	-	4	1	-	5
Balance as at 31 March 2022 (Audited)	1,062	108	137	115	1,422
Additions	-	-	-	-	-
Balance as at 30 September 2022 (Unaudited)	1,062	108	137	115	1,422
Accumulated depreciation					
Balance as at 1 April 2021 (Unaudited)	748	64	63	70	945
Depreciation	44	5	5	2	56
Balance as at 30 September 2021 (Unaudited)	792	69	68	72	1,001
Depreciation	44	8	4	3	59
Balance as at 31 March 2022 (Audited)	836	77	72	75	1,060
Depreciation	44	8	4	2	58
Balance as at 30 September 2022 (Unaudited)	880	85	76	77	1,118
Carrying amount					
Balance as at 30 September 2021 (Unaudited)	270	35	68	43	416
Balance as at 31 March 2022 (Audited)	226	31	65	40	362
Balance as at 30 September 2022 (Unaudited)	182	23	61	38	304

Notes to financial statements
For the six months ended 30 September 2022

10. OTHER ASSETS:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Prepayments	39	88	16
Interest receivable	41	17	-
Total other assets	80	105	16
Amounts due for settlement within 12 months	80	105	16
Amounts due for settlement after 12 months	-	-	-
Total other assets	80	105	16

OTHER LIABILITIES:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Accruals	81	152	69
RWT on Interest on deposits	216	91	61
Interest payable	32	16	13
Others	61	332	241
Total other liabilities	390	591	384
Amounts due for settlement within 12 months	390	352	180
Amounts due for settlement after 12 months	-	239	204
Total other liabilities	390	591	384

11. DUE FROM OTHER FINANCIAL INSTITUTIONS:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Call deposits	24,003	41,082	23,434
Short term deposits	6,138	-	-
Total deposits	30,141	41,082	23,434

Amounts due from other financial institutions are due for settlement within 12 months of balance date.

12. RELATED PARTY DISCLOSURE:

The Bank is wholly owned by the Bank of India, a Company incorporated in India. Bank of India is also the Bank's ultimate parent. Related parties include other branches and subsidiaries of Bank of India and other parties under common control. No related party debts have been written off or forgiven during the period.

Key management personnel:

Key management personnel are defined as being the Directors and Senior Management of the Bank. The information relating to the key management personnel disclosed includes transactions with those individuals, their close family members and their controlled entities.

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Salary and other short-term benefits	216	299	154
Loan to directors	17	-	-

During the period, the Bank accepted the deposits/ (withdrawal) of \$ 16,525 from the key management personnel (31 March 2022: \$(19,000); 30 September 2021: \$ 30,200). At the end of 30 September 2022, total deposit from the key management personnel was \$ 25,274 (31 March 2022: \$ 13,000; 30 September 2021: \$ 26,800).

As at 30 September 2022, there was an amount of 16,548 due from a director. (31 March 2022: Nil and 30 September 2021: Nil).

Guarantee from parent:

The obligations of the Bank are guaranteed under a deed of guarantee dated 14 January 2011 given by its ultimate parent, Bank of India, in favour of the creditors of Bank of India (New Zealand) Limited.

There are no material legislative or regulatory restrictions in India which would have the effect of subordinating the claims under the Guarantee of any of the creditors of Bank of India (New Zealand) Limited on the assets of the guarantor, to other claims on the guarantor, in a winding up of that guarantor.

Notes to financial statements

For the six months ended 30 September 2022

Transactions/balances with related parties (continued...)

All related party balances are unsecured, interest bearing and have a fixed maturity, except for:

- Balance of deposits received from related parties amounted to \$ 407,000 which is non-interest bearing and payable on demand (31 March 2022: \$ 203,000; 30 September 2021: \$ 284,000).
- Balance of deposits made with related parties amounted to \$ 249,000, which is non-interest bearing and receivable on demand (31 March 2022: \$ 1,265,000; 30 September 2021: \$1,199,000).

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Transactions with related parties			
Interest income			
Bank of India (branches and subsidiaries)	-	-	-
Other related parties	-	-	-
Interest expense			
Bank of India (branches and subsidiaries)	137	200	46
Other related parties	698	574	230
Other expense-FCBS expense recharge			
Bank of India (Parent)	49	39	25
Net deposit/(withdrawals) with related parties	(1,016)	(333)	(448)
Net deposit/(withdrawals) by related parties	(13,790)	49,814	23,763
Balances with related parties			
Deposits with/Advances to			
Bank of India (branches and subsidiaries)	249	1,265	1,199
Other related parties	-	-	-
Total Deposits with related parties	249	1,265	1,199
Deposits from			
Bank of India (branches and subsidiaries)- Deposits	408	203	284
Bank of India (branches and subsidiaries)- Borrowings	8,219	23,199	15,046
Other related parties	56,060	55,075	37,096
Total Deposits from related parties	64,687	78,477	52,426
Deposits with/ advances to related parties			
Amounts due for settlement within 12 months	249	1,265	1,199
Amounts due for settlement after 12 months	-	-	-
Total Deposits with related parties	249	1,265	1,199
Deposits from related parties			
Amounts due for settlement within 12 months	18,256	30,160	34,660
Amounts due for settlement after 12 months	46,431	48,317	17,766
Total Deposits from related parties	64,687	78,477	52,426

13. SHARE CAPITAL:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
50,000,010 fully paid ordinary shares	50,000	50,000	50,000

The Bank issued 10 ordinary shares on 9 October 2008 and 50,000,000 ordinary shares on 7 February 2011. All ordinary shares have equal voting rights and share equally in dividends and any profits on winding up. Shares do not have a par value.

14. NET CASH FLOWS FROM OPERATING ACTIVITIES:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Profit for the period	808	2,066	1,110
Non-cash items:			
Impairment loss recognised on loans and advances	(17)	(77)	(65)
Depreciation and amortisation of non-current assets	172	365	181
Deferred tax assets	(10)	5	17
Movements in working capital:			
(Increase)/Decrease in loans and advances	(7,933)	(17,443)	(10,269)
Decrease/(Increase) in interest receivable	(24)	(17)	-
Increase/(decrease) in deposits from customers	9,135	(2,528)	(417)
Net Increase in balances due to related parties	(12,774)	50,196	24,211
Decrease in prepayments	49	-	72
(Increase)/Decrease in GST refundable	-	6	12
Increase/(Decrease) in current tax liability	(66)	48	185
(Decrease) in other liabilities	(201)	152	(56)
Net cash from/used in operating activities	(10,861)	32,773	14,981

Notes to financial statements

For the six months ended 30 September 2022

15. CAPITAL ADEQUACY:

The following capital adequacy information is disclosed in relation to the Bank and is derived in accordance with the conditions of registration relating to capital adequacy. For the purpose of the conditions of registration, capital requirements and ratios are calculated in accordance with the Reserve Bank of New Zealand Banking Prudential Requirements (BPR100) and is disclosed under the Basel III framework in accordance with Schedule 9 of the Order.

Capital and Capital ratios:

	(in NZ \$'000)
	(Unaudited) 30.09.2022
Tier 1 capital	
Common Equity Tier 1 ("CET1") Capital	
Issued and fully paid-up ordinary share capital	50,000
Retained earnings	9,348
Accumulated other comprehensive income and other disclosed reserves	-
	59,348
Less deductions from CET1 capital	
Deferred tax assets	(227)
Total Common Equity Tier 1 Capital	59,121
Additional Tier 1 ("AT1") capital	-
Tier 1 Capital	59,121
Tier 2 Capital	-
Total capital	59,121

Capital ratios and solo capital adequacy	(Unaudited) 30.09.2022	(Unaudited) year to 31.03.2022	(Unaudited) 30.09.2021
Common equity Tier 1 capital ratio	51%	51%	56%
Tier 1 capital ratio	51%	51%	56%
Total capital ratio	51%	51%	56%

Minimum ratio requirement	(Unaudited) 30.09.2022	(Unaudited) year to 31.03.2022	(Unaudited) 30.09.2021
Common equity Tier 1 capital ratio	4.5%	4.5%	4.5%
Tier 1 capital ratio	6%	6%	6%
Total capital ratio	8%	8%	8%

Prudential Capital Buffer Ratio	(Unaudited) 30.09.2022	(Unaudited) year to 31.03.2022	(Unaudited) 30.09.2021
Prudential Capital Buffer ratio	43%	43%	48%
Buffer trigger ratio	2.5%	2.5%	2.5%

The Bank has 50,000,010 fully paid ordinary shares (tier one capital) issued at \$1 per share. Bank of India is the sole shareholder. Each share confers on the holder the right to:

- One vote on a poll at a meeting of the Bank on any resolution.
- The right to equal share in dividends authorised by the board.
- The right to an equal share in the distribution of the surplus assets of the Bank.
- There is no capital instrument eligible for phase out.

Credit Risk:

The Bank's credit risk exposure is derived in accordance with the Reserve Bank document Bank Prudential Requirements (BPR130).

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 and advance.

As at 30 September 2022, the Bank deposited its funds with financial institutions with a credit rating from Standard & Poor's of AA- (31 March 2022: AA-; and 30 September 2021: AA-) or with related parties. The Bank has established an Audit and Risk Committee that specifically oversees and co-ordinates the Bank's credit risk management functions. The Audit and Risk Committee has primary responsibility for identifying, measuring and monitoring the Bank's exposure to credit risk. The Audit and Risk Committee reports to the Board on credit risk on a quarterly basis.

Notes to financial statements
For the six months ended 30 September 2022

Credit Risk (continued...)

(in NZ \$'000)

On Balance Sheet exposures as at 30 September 2022 (Unaudited)	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
Cash and gold bullion	54	0%	-	-
Banks	30,141	20%	6,028	482
	249	50%	124	10
	-	100%	-	-
Non-Property investment residential mortgage				
LVR upto 80%	11,414	35%	3,995	320
LVR >80% & upto 90%	8,757	50%	4,378	350
LVR exceeds 90%	-	75%	-	-
Property investment residential mortgage				
LVR upto 80%	19,490	40%	7,796	624
LVR >80% & upto 90%	-	70%	-	-
LVR exceeds 90%	-	90%	-	-
Corporate Loans	75,672	100%	75,672	6,054
Other Loans	72	100%	72	6
Interest receivable on loans	209	100%	209	16
Other assets	1,504	100%	1,504	120
Total on balance sheet exposure	147,562		99,778	7,982

(in NZ \$'000)

Off Balance Sheet exposures as at 30 September 2022 (Unaudited)	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
Other commitments where original maturity is less than one year	3,822	20%	764	48.46%	370	29
Other commitments where original maturity is more than one year	4,065	50%	2,033	42.97%	874	70
Total off balance sheet exposure	7,887		2,797		1,244	99

Credit risk mitigation:

The Bank assesses the integrity and ability of counterparties to meet their contractual financial obligations for repayment and if necessary, takes collateral security in the form of real property or a security interest in personal property.

No on or off-balance sheet exposures are covered by eligible collateral, guarantees or credit derivatives.

Total capital requirements:

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Total capital requirement
Total credit risk + equity risk	155,449	101,022	8,082
Operational risk	n/a	8,600	688
Market risk	n/a	7,429	594
Total	155,449	117,051	9,364

Market risk end of period capital charges:

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Implied risk weighted Exposure	Aggregate capital charge
Interest rate risk	7,394	591
Foreign currency risk	35	3
Equity risk	-	-
Total	7,429	594

Market risk peak end-of-day capital charges:

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Implied risk weighted Exposure	Aggregate capital charge
Interest rate risk	12,269	982
Foreign currency risk	72	6
Equity risk	-	-
Total	12,341	988

Notes to financial statements
For the six months ended 30 September 2022

Pillar 1 capital requirements:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Unaudited) 31.03.2022	(Unaudited) 30.09.2021
On-balance sheet credit risk:			
Residential mortgages (including past due, if any)	1,294	1,301	1,284
Corporate	6,054	5,200	4,697
Claims on banks	492	708	423
Other	143	89	94
Total on-balance sheet credit risk	7,982	7,298	6,498
Other capital requirements			
Off balance sheet credit exposures	99	331	261
Operational risk	688	637	655
Market risk	594	926	734
Total other capital requirements	1,381	1,894	1,650
Total Pillar 1 capital requirement	9,363	9,192	8,148

The above capital charges are derived in accordance with the Conditions of Registration relating to capital adequacy and the Reserve Bank document entitled "Banking Prudential Requirements".

Peak end-of-day capital charges are calculated on daily basis using the Bank's shareholders' equity at the end of the period.

Operational risk:

(in NZ \$'000)

For the six months ended 30 September 2022	Implied risk Weighted Exposure	Total operational risk capital requirement
Operational risk	8,600	688

Residential mortgage by loan-to-valuation ratio (LVR):

(in NZ \$'000)

LVR range (Unaudited)	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Value of exposures as at 30 September 2022				
On-balance sheet	30,904	8,757	-	39,661
Off-balance sheet	1,052	-	-	1,052
Total	31,956	8,757	-	40,713

Capital requirements for other material risks:

The other material risks that the Bank has identified are described below:

Reputation Risk:

The risk of potential damage to the Bank from a deterioration of reputation.

Transfer Risk:

The risk that funds in foreign currencies cannot be transferred out of a country. The risk relates to specific explicit government restrictions or simply depleted foreign exchange funds in the non-industrial countries of Africa, Asia, Latin America and Central and Eastern Europe.

Strategic / Business Risks:

Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes.

Tax Risk:

Risk arising from adverse changes in relevant taxation laws, failure to correctly identify implications of existing taxation laws or breaches of tax laws.

Legal Risk:

Risk arising from legal proceedings or failure to legally enforce a contractual arrangement relating to the Bank's activities.

The Bank has reviewed these other risks and do not believe any individual risk as being material and requiring a capital allocation (31 March 2022: Nil; 30 September 2021: Nil). The Bank will review this allocation methodology every reporting period in line with industry practice as this area evolves over time.

The Bank measures the primary risks and its overall minimum Capital Adequacy Ratio in accordance with the Reserve Bank document entitled "Banking Prudential Requirements" (BPR). The Bank's approach to assess capital adequacy recognises the importance of using quantitative techniques and qualitative assessment /management judgement in arriving at a final measure of risk. As part of its on-going capital planning and budgeting processes management also develops a range of scenarios as a basis for identifying plausible severe loss events and changes in market conditions and measures / quantifies the potential financial impacts (direct and indirect) on the Bank's capital adequacy for the foreseeable future (2-3 years).

Notes to financial statements

For the six months ended 30 September 2022

Legal Risk (continued...)

Senior management of the Bank is responsible for the capital planning and budgeting process and is required to perform ongoing calculation of Capital Adequacy Ratio and report this to the Board of Directors on a regular basis. The Board of Directors of the Bank is responsible to monitor the Capital Adequacy Ratio on a regular basis.

Capital ratios of the ultimate parent bank:

	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)	As at 30.09.2021 (Unaudited)
CET 1 capital ratio	12.97%	14.02%	13.43%
Tier one capital ratio	13.38%	14.44%	13.88%
Total capital ratio	15.51%	17.04%	17.05%

The ultimate parent bank is Bank of India, domiciled in India. Figures are taken from Bank of India's Financial Results for the period ended 30 September 2022; 31 March 2022 and 30 September 2021 from its website. The above ratios are derived in accordance with the Capital Adequacy Framework (Basel III) as per Reserve Bank of India (RBI) guidelines.

Bank of India is required by the RBI to hold minimum capital at least equal to that specified under the Basel III (standardised) approach. At balance dates (i.e., 30 September 2022; 31 March 2022 and 30 September 2021), Bank of India was in compliance with the requirements imposed.

Bank of India has published pillar three disclosure information on the implementation of the Basel III capital adequacy framework on its website and can be found at <http://www.bankofindia.co.in>

Regulatory liquidity ratios:

The table below shows the arithmetic 3-month average of the respective daily ratio values in accordance with RBNZ's Liquidity Policy (BS13/BS13A) ("BS13") and the Bank's Conditions of Registration relating to liquidity-risk management.

The one-week mismatch ratio is a measure of the Bank's one-week mismatch amount over its total funding, where the one-week mismatch amount represents the Bank's portfolio of primary liquid assets plus expected cash inflows minus expected cash outflows during a one-week period of stress. The bank is required to maintain this ratio above a minimum level of zero percent on a daily basis. The one-week mismatch ratio = $100 \times (\text{one-week mismatch dollar amount} / \text{total funding})$.

The one-month mismatch ratio is a measure of the Bank's one-month mismatch amount over its total funding, where the one-month mismatch amount represents the Bank's stock of primary and secondary liquid assets plus expected cash inflows minus expected cash outflows during a one-month period of stress. The bank must maintain this ratio above a minimum level of zero percent on a daily basis. The one-month mismatch ratio = $100 \times (\text{one-month mismatch dollar amount} / \text{total funding})$.

The one-year core funding ratio measures the extent to which loans and advances are funded by funding that is considered stable. The one-year core funding ratio = $100 \times (\text{one-year core funding dollar amount} / \text{BS13 total loans and advances})$ and must currently remain above 75 percent on a daily basis.

Average for the three months ended	30.09.2022 (%) - Unaudited	30.06.2022 (%) - Unaudited	30.09.2021 (%) - Unaudited
Quarterly average one-week mismatch ratio	17.16	34.32	29.09
Quarterly average one-month mismatch ratio	19.83	29.98	29.10
Quarterly average core funding ratio	120.17	111.71	84.86

Notes to financial statements
For the six months ended 30 September 2022

16.ASSET QUALITY:

The bank uses a “days past due” model for ECL calculation.

In determining credit risk, the Bank considers a borrower to be in default when:

- the borrower is past due by 30 days or more on any credit obligation to the Bank; and
- it is probable that the borrower will restructure or reschedule the asset due to the borrower’s inability to pay their credit obligations.

In assessing whether the borrower is in default, the Bank considers indicators that are:

- quantitative i.e. overdue status; and
- qualitative i.e. borrower’s restructuring history in conjunction with the prevailing macroeconomic environment.

Loss allowance for ECL includes consideration of:

- Probability of default (“PD”) which estimates the probability that a customer will default over the next 12 months; The probability of default is estimated by calculating the average quarterly historical default rates, discounted over the behavioural life of the portfolio.
- Exposure at time of default (EAD) which estimates the amount of outstanding principal, undrawn loan commitments and contingent exposures (such as guarantees issued by the Bank) at the time of default; and
- Loss given default (LGD) which estimates the expected loss in the event of default, it is the percentage of exposure which will be lost after all recovery efforts, including legal expenses and recovery expenses.

The above inputs have been applied in the calculation of loss allowances for ECL on loan exposures classified within the following stages.

Stage 1- 12 month ECL- “performing”: It includes financial Assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. Under stage 1, the bank includes all financial assets with days past due of less than 30 days (0-29 days).

Stage 2- Lifetime ECL- “underperforming”: It includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but are not impaired. Under stage 2, the bank includes all financial assets with days past due between 30-89 days.

Stage 3- Lifetime ECL- “non performing”: It includes financial assets that are impaired at the reporting date. Under stage 3, the bank includes all financial assets with days past due of 90 days and above. It also includes assets identified as substandard, doubtful, loss and restructured.

Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amounts of loans and advances.

The Bank has past due but not impaired assets of \$12,877,000 as at 30 September 2022. (31 March 2022: \$867,000; and 30 September 2021: \$ 16,450,000).

The Bank has NIL impaired assets as at 30 September 2022. (31 March 2022: Nil; and 30 September 2021: Nil).

Significant increase in credit risk:

While considering a transfer from stage-1 to stage-2, a significant increase in credit risk for financial assets are assessed by comparing the risk of default at reporting date to the corresponding risk of default at origination. In determining what constitutes a significant increase in credit risk, the Bank has considered reasonable and supportable quantitative and qualitative information.

All new loans approved in the current year which have not shown indicators of an increase in credit risk are classified under stage-1 unless the new loan is for a customer falling under a group which is classified under a different stage. All project loan customers who were earlier shown under stage 1 but whose terms have been extended for completion of the project are moved to stage 2.

In the current macroeconomic environment, the Bank assessed whether there was a significant increase in credit risk for individual borrowers and at a portfolio level. As such, the Bank used its NZ IFRS 9 model in place and the ECL has been adjusted for both residential mortgage loans and business loans categories based on the downgrade of the loans to the stage-2 category for borrowers who obtained loan deferrals. Further, the Bank also assessed exposures with a history of debt restructuring and principal deferrals for classification under the Stage-3 category.

Notes to financial statements

For the six months ended 30 September 2022

ECL measurement and forward looking information:

ECLs are probability weighted credit losses estimated by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. The Bank has developed and tested NZ IFRS9 compliant models for loan portfolios.

The majority of the customers who were granted deferment of payment due to impact of Covid19 for the year ended 31 March 2022, started repaying the instalments after the expiry of the moratorium. The impact of Covid 19 on wider economy has subsided considerably, however there remains market uncertainty resulting from shortage of labour, supply chain disruption, rising interest costs and reduction in demand for housing due to higher interest rates. Consequently, the Bank has continued to designate these loans as stage-2 exposures to account for any unforeseen adverse change in the macroeconomic environment.

The Bank has continued to designate the loans at the same stage as at 31 March 2022 except for loans which the Bank feels might be impacted by the macro-economic conditions like rising interest rates, unemployment, shortage of labour, supply chain disruption etc.

Allowances for credit impairment losses:

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Stage 1 12-month ECL	Stage 2 Lifetime ECL Not credit impaired	Stage 3 Lifetime ECL Credit Impaired	Specific provision Lifetime ECL Credit impaired	Total
Balance as on 1 April 2022					
Residential Mortgage Lending	102	122	-	-	224
Changes to the opening balance due to transfers between ECL states	-	-	-	-	-
Transferred to collective provisions -12-month ECL	-	-	-	-	-
Transferred to collective provision -lifetime ECL -not credit impaired	-	-	-	-	-
Transferred to collective provision -lifetime ECL-credit impaired	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	(40)	8	-	-	(32)
Balance as at 30 September 2022	62	130	-	-	192
Balance as on 1 April 2022					
Corporate Exposures	133	261	-	-	394
Changes to the opening balance due to transfers between ECL states	-	-	-	-	-
Transferred to collective provision-12-month ECL	-	-	-	-	-
Transferred to collective provision-lifetime ECL-not credit impaired	(22)	16	6	-	-
Transferred to collective provision-lifetime ECL-credit impaired	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	(21)	40	9	-	28
Balance as at 30 September 2022	90	317	15	-	422
Balance as on 1 April 2022					
Other retail exposures	-	-	-	-	-
Changes to the opening balance due to transfers between ECL states	-	-	-	-	-
Transferred to collective provision-12-month ECL	-	-	-	-	-
Transferred to collective provision-lifetime ECL-not credit impaired	-	-	-	-	-
Transferred to collective provision-lifetime ECL-credit impaired	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	-	-	-	-	-
Balance as at 30 September 2022	-	-	-	-	-
Balance as on 1 April 2022					
Loan commitments & guarantees	10	11	-	-	21
Changes to the opening balance due to transfers between ECL states	-	-	-	-	-
Transferred to collective provision-12 month ECL	-	-	-	-	-
Transferred to collective provision-lifetime ECL-not credit impaired	-	-	-	-	-
Transferred to collective provision-lifetime ECL-credit impaired	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	(6)	(7)	-	-	(13)
Balance as at 30 September 2022	4	4	-	-	8
Balance as on 1 April 2022	245	394	-	-	639
Movement between stages	(22)	16	6	-	-
Charge to statement of comprehensive income	(67)	41	9	-	(17)
Total provision for credit impairment balance at 30 September 2022	156	451	15	-	622

Notes to financial statements

For the six months ended 30 September 2022

Allowances for credit impairment losses (continued...)

The impact of Covid-19 pandemic has subsided considerably. However other geo-political and macro-economic factors like rising interest rates, shortage of employment, supply chain disruption etc. resulted in the Bank adopting an economic overlay for expected credited losses (ECL) to its portfolio as at 30 September 2022. The overlay was determined based on a range of techniques including bench marking and internal judgement.

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortised cost				
Increase/(Decrease) in ECL due to movement between stages	(22)	16	6	-
Increase/(Decrease) in ECL due to increased/(decreased) credit risk of existing credit exposures	(31)	(44)	9	(66)
Increase in ECL due to increase in loan book	32	139	-	171
Decrease in ECL due to closure of loans	(68)	(54)	-	(122)
Movement in ECL	(89)	57	15	(17)

(in NZ \$'000)

As at 31 March 2022 (Audited)	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortised cost				
Increase/(Decrease) in ECL due to movement between stages	-	-	-	-
Increase in ECL due to increased credit risk of existing credit exposures	2	(157)	(17)	(172)
Increase in ECL due to increase in loan book	93	159	-	252
Decrease in ECL due to closure of loans	(52)	(105)	-	(157)
Movement in ECL	43	(103)	(17)	(77)

(in NZ \$'000)

As at 30 September 2021 (Unaudited)	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortised cost				
Increase/(Decrease) in ECL due to movement between stages	(13)	(86)	99	-
Increase in ECL due to increased credit risk of existing credit exposures	(39)	(123)	55	(107)
Increase in ECL due to increase in loan book	38	90	3	131
Decrease in ECL due to closure of loans	(43)	(46)	-	(89)
Movement in ECL	57	(165)	157	(65)

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Loan Commitments & guarantees	Total
Total neither past due nor impaired	33,523	69,600	281	7,344	110,748
Past due but not impaired					
Less than 30 days past due	-	-	-	-	-
At least 30 days but less than 60 days past due	6,327	6,505	-	543	13,375
At least 60 days but less than 90 days past due	-	-	-	-	-
At least 90 days past due	-	-	-	-	-
Total past due but not impaired	6,327	6,505	-	543	13,375
Past due and credit impaired					
Less than 30 days past due	-	-	-	-	-
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 but not impaired	-	-	-	-	-
Total gross loans and advances including loan commitments and guarantees	39,850	76,105	281	7,887	124,123
Collectively assessed provisions					
Balance as at 1 April 2022	224	394	-	21	639
Charge to statement of comprehensive income	(32)	28	-	(13)	(17)
Other movements	-	-	-	-	-
Balance at 30 September 2022	192	422	-	8	622
Individually assessed provisions					
Balance at 1 April 2022	-	-	-	-	-
Charge to statement of comprehensive income	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 30 September 2022	-	-	-	-	-
Total allowance for impairment losses	192	422	-	8	622

Notes to financial statements
For the six months ended 30 September 2022

Allowance for credit impairment losses (continued...)

(in NZ \$'000)

	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Loan Commitments & guarantees	Total
As at 31 March 2022 (Audited)					
Total neither past due nor impaired	41,333	64,998	466	10,189	116,986
Past due but not impaired					
Less than 30 days past due	-	-	-	-	-
At least 30 days but less than 60 days past due	867	-	-	-	867
At least 60 days but less than 90 days past due	-	-	-	-	-
At least 90 days past due	-	-	-	-	-
Total past due but not impaired	867	-	-	-	867
Past due and credit impaired					
Less than 30 days past due	-	-	-	-	-
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 but not credit impaired	-	-	-	-	-
Total gross loans and advances including loan commitments and guarantees	42,200	64,998	466	10,189	117,853
Collectively assessed provisions					
Balance at 1 April 2021	234	438	-	44	716
Charge to statement of comprehensive income	(10)	(44)	-	(23)	(77)
Other movements	-	-	-	-	-
Balance at 31 March 2022	224	394	-	21	639
Individually assessed provisions					
Balance at 1 April 2021	-	-	-	-	-
Charge to statement of comprehensive income	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 March 2022	-	-	-	-	-
Total allowance for impairment losses	224	394	-	21	639

(in NZ \$'000)

	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Loan Commitments & guarantees	Total
As at 30 September 2021 (Unaudited)					
Total neither past due nor impaired	37,154	47,290	235	7,315	91,994
Past due but not impaired					
Less than 30 days past due	-	6,513	-	-	6,513
At least 30 days but less than 60 days past due	4,616	5,321	-	43	9,980
At least 60 days but less than 90 days past due	-	-	-	-	-
At least 90 days past due	-	-	-	-	-
Total past due but not impaired	4,616	11,834	-	43	16,493
Past due and credit impaired					
Less than 30 days past due	-	-	-	-	-
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 but not credit impaired	-	-	-	-	-
Total gross loans and advances including loan commitments and guarantees	41,770	59,124	235	7,358	108,487
Collectively assessed provisions					
Balance as at 1 April 2021	229	443	-	44	716
Charge to statement of comprehensive income	10	(48)	-	(27)	(65)
Other movements	-	-	-	-	-
Balance at 30 September 2021	239	395	-	17	651
Individually assessed provisions					
Balance at 1 April 2021	-	-	-	-	-
Charge to statement of comprehensive income	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 30 September 2021	-	-	-	-	-
Total allowance for impairment losses	239	395	-	17	651

Notes to financial statements
For the six months ended 30 September 2022

Credit impairment losses on loans and advances:

(in NZ \$'000)

	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Off balance sheet exposures	Total
Impact on Profit & Loss					
Collectively assessed provisions					
Balance as on 1 April 2022	(224)	(394)	-	(21)	(639)
Charge for the current period	32	(28)	-	13	17
Balance at 30 September 2022 (Unaudited)	(192)	(422)	-	(8)	(622)

(in NZ \$'000)

	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Off balance sheet exposures	Total
Impact on Profit & Loss					
Collectively assessed provisions					
Balance as on 1 April 2021	(229)	(443)	-	(44)	(716)
Charge for the current year	5	49	-	23	77
Balance at 31 March 2022 (Audited)	(224)	(394)	-	(21)	(639)

(in NZ \$'000)

	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Off balance sheet exposures	Total
Impact on Profit & Loss					
Collectively assessed provisions					
Balance as on 1 April 2021	(229)	(443)	-	(44)	(716)
Charge for the current year	(10)	48	-	27	65
Balance at 30 September 2021 (Unaudited)	(239)	(395)	-	(17)	(651)

The Bank does not have any financial assets designated as fair value through profit or loss as at and for the six months ended 30 September 2022 (31 March 2022: Nil; 30 September 2021: Nil).

As such, there were no changes in fair value attributable to changes in credit risks that have been charged to the statement of comprehensive income for the six months ended 30 September 2022 (31 March 2022: Nil; 30 September 2021: Nil).

There was no aggregate amount of undrawn balances on lending commitments to counterparties for whom drawn balances are classified as individually impaired as at and for the six months ended 30 September 2022 (31 March 2022: Nil; 30 September 2021: Nil).

There were no other assets under administration as at and for the six months ended 30 September 2022 (31 March 2022: Nil; 30 September 2021: Nil).

Notes to financial statements
For the six months ended 30 September 2022

Movement in gross loans and advances:

As at 30 September 2022 (Unaudited)	Stage 1	Stage 2	Stage 3	Total
Residential Mortgage Lending				
Balance as on 1 April 2022	27,911	14,516	-	42,427
Net draw down/(repayment)	(6,783)	4,206	-	(2,577)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2022	21,128	18,722	-	39,850
Corporate Exposures				
Balance as on 1 April 2022	34,053	31,569	-	65,622
Net draw down/(repayment)	1,391	9,090	2	10,483
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(5,909)	5,909	-	-
Transfer to stage 3	-	(779)	779	-
Balance as at 30 September 2022	29,535	45,789	781	76,105
Other exposures				
Balance as on 1 April 2022	6	33	-	39
Net draw down/(repayment)	33	-	-	33
Transfer to stage 1	33	(33)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2022	72	-	-	72
Total				
Balance as on 1 April 2022	61,970	46,118	-	108,088
Net draw down/(repayment)	(5,359)	13,296	2	7,939
Transfer to stage 1	33	(33)	-	-
Transfer to stage 2	(5,909)	5,909	-	-
Transfer to stage 3	-	(779)	779	-
Balance as at 30 September 2022	50,735	64,511	781	116,027
Commitments and financial guarantees				
Balance as on 1 April 2022	8,429	1,760	-	10,189
Net increases/(decrease) in facilities	(3,110)	808	-	(2,302)
Transfer to stage 1	(618)	618	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2022	4,701	3,186	-	7,887

17. FINANCIAL INSTRUMENTS:

Categories of financial instruments:

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets			
Cash	54	-	54
Balance due from related parties	249	-	249
Due from other financial institutions	30,141	-	30,141
Loans and advances	115,614	-	115,614
Interest receivable	41	-	41
Total financial assets	146,099	-	146,099
Non-financial assets	-	-	1,690
Total assets	-	-	147,789
Liabilities			
Balance due to related parties	-	64,687	64,687
Deposits and other borrowings	-	22,217	22,217
Lease liabilities	-	1,147	1,147
Interest payable	-	32	32
Total financial liabilities	-	88,083	88,083
Non-financial liabilities	-	-	358
Total liabilities	-	-	88,441

Notes to financial statements
For the six months ended 30 September 2022

FINANCIAL INSTRUMENTS- Categories of financial instruments (continued...)

(in NZ \$'000)

As at 31 March 2022 (Audited)	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets			
Cash	44	-	44
Balance due from related parties	1,265	-	1,265
Due from other financial institutions	41,082	-	41,082
Loans and advances	107,664	-	107,664
Interest receivable	17	-	17
Total financial assets	150,072	-	150,072
Non-financial assets	-	-	848
Total assets	-	-	150,920
Liabilities			
Balance due to related parties	-	78,477	78,477
Deposits and other borrowings	-	13,082	13,082
Lease liability	-	171	171
Interest payable	-	16	16
Total financial liabilities	-	91,746	91,746
Non-financial liabilities	-	-	634
Total liabilities	-	-	92,380

(in NZ \$'000)

As at 30 September 2021 (Unaudited)	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets			
Cash	35	-	35
Balance due from related parties	1,199	-	1,199
Due from other financial institutions	23,434	-	23,434
Loans and advances	100,478	-	100,478
Interest receivable	-	-	-
Total financial assets	125,146	-	125,146
Non-financial assets	-	-	938
Total assets	-	-	126,084
Liabilities			
Balance due to related parties	-	52,426	52,426
Deposits and other borrowings	-	15,193	15,193
Lease liabilities	-	301	301
Interest payable	-	13	13
Total financial liabilities	-	67,933	67,933
Non-financial liabilities	-	-	567
Total liabilities	-	-	68,500

Fair value of financial instruments:

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Carrying Amounts	Estimated Fair Value
Financial assets		
Cash	54	54
Balance due from related parties	249	249
Due from other financial institutions	30,141	30,156
Loans and advances	115,614	115,614
Interest receivable	41	41
Total financial assets	146,099	146,114
Financial liabilities		
Balance due to related parties	64,687	65,116
Deposits and other borrowings	22,217	22,343
Lease liabilities	1,147	1,147
Interest payable	32	32
Total financial liabilities	88,083	88,638

FINANCIAL INSTRUMENTS- Fair value of financial instruments (continued...)

(in NZ \$'000)

As at 31 March 2022 (Audited)	Carrying Amounts	Estimated Fair Value
Financial assets		
Cash	44	44
Balance due from related parties	1,265	1,265
Due from other financial institutions	41,082	41,082
Loans and advances	107,664	107,617
Interest receivable	17	17
Total financial assets	150,072	150,025
Financial liabilities		
Balance due to related parties	78,477	78,685
Deposits and other borrowings	13,082	13,088
Lease liability	171	171
Interest Payable	16	16
Total financial liabilities	91,746	91,960

(in NZ \$'000)

As at 30 September 2021 (Unaudited)	Carrying Amounts	Estimated Fair Value
Financial assets		
Cash	35	35
Balance due from related parties	1,199	1,199
Due from other financial institutions	23,434	23,434
Loans and advances	100,478	100,478
Interest receivable	-	-
Total financial assets	125,146	125,146
Financial liabilities		
Balance due to related parties	52,426	52,398
Deposits and other borrowings	15,193	15,215
Lease liabilities	301	301
Interest Payable	13	13
Total financial liabilities	67,933	67,927

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 rates, and 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.

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 institutions:

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.

Interest receivables:

For Interest receivables, 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 and related parties:

For fixed term deposits by customers and related parties, fair values have been estimated using a discounted cash 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.

Interest payable:

Interest payable is generally short-term and is expected to be settled within one year. Therefore, the carrying amount is equivalent to fair value.

18. RISK MANAGEMENT:

The credit policy has been set by the Board. Bank officers seek Board approval before deviating from any lending guideline or policy outside of delegations. Credit approval authorities have been delegated by the Board to senior executives of the Bank. Compliance with these policies is monitored by the Audit and Risk Committee and reported to the Board.

Credit rating models:

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

Credit exposure ceilings:

As a means of avoiding concentration of credit risk, the Bank sets ceilings in relation to single/group borrowers and unsecured borrowers.

Market risk:

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

Interest rate risk:

The Bank undertakes interest rate sensitivity gap analysis on a quarterly basis on a contractual basis as a means of monitoring interest rate risk. Short-term interest rate risk is calculated using the Net Interest Earnings at Risk tool.

Foreign exchange risk:

The Bank undertakes analysis on material open foreign exchange positions through ensuring foreign exchange deposits are matched by corresponding foreign exchange balances held with financial institutions as a means to monitor foreign exchange risk.

Equity risk:

The Bank does not have any equity risk.

Liquidity risk:

Liquidity risk occurs when an institution is unable to fulfil its commitment in the time when the commitment falls due. The Risk Management Committee is responsible for identifying, measuring and monitoring liquidity risk affecting the Bank.

The Bank monitors its one-week and one-month mismatch ratios and its core-funding ratio on a daily basis to ensure compliance with regulatory requirements.

Operational risk:

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

The Bank's senior management is responsible for implementing the operational risk management initiatives formulated by the Board. The Bank's senior management meets monthly to analyse changes or trends in respects of operational risk. The Bank's senior management may make recommendations to the Board on strategies that may improve the Bank's operational risk profile.

Capital adequacy:

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

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

The capital plan is revised on an annual basis or more regularly if necessary, to meet the Bank's obligations under Basel III. For further information, see Note 15.

Reviews of Bank's risk management systems:

There have been no reviews conducted in respect of the Bank's risk management systems to date.

Notes to financial statements

For the six months ended 30 September 2022

Internal audit function:

The Bank utilises an internal audit function as a control measure to enable senior management of the Bank to monitor and review the Bank on an ongoing basis. The internal audit function of the Bank is part of the Bank of India's policy to ensure that all Bank of India branches and subsidiaries have appropriate systems and procedures in place and comply with all applicable home and host country regulations. Specifically, the Bank is subject to a monthly compliance review that is undertaken by senior management of the Bank. The purpose of this review is to check constant and concurrent compliance with all systems and procedures by the Bank. The Bank of India's head office internal audit team last reviewed the Bank for as part of its overseas subsidiaries rotation of management audit during the financial year ended 31 March 2018.

Interest 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.

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Total	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	Non-interest bearing
Financial assets							
Cash	54	-	-	-	-	-	54
Balance due from related parties	249	-	-	-	-	-	249
Due from other financial institutions	30,141	24,148	572	5,000	-	-	421
Loans and advances	115,614	116,299	-	-	-	52	(737)
Interest receivable	41	-	-	-	-	-	41
Total financial assets	146,099	140,447	572	5,000	-	52	28
Financial Liabilities							
Balance due to related parties	64,687	-	3,892	13,948	19,120	27,091	636
Deposits and other borrowings	22,217	7,127	4,393	9,245	204	5	1,243
Lease liabilities	1,147	-	-	-	-	-	1,147
Interest payable	32	-	-	-	-	-	32
Total financial liabilities	88,083	7,127	8,285	23,193	19,324	27,096	3,058
Net financial assets/(liabilities)	58,016	133,320	(7,713)	(18,193)	(19,324)	(27,044)	(3,030)

(in NZ \$'000)

As at 31 March 2022 (Audited)	Total	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	Non-interest bearing
Financial assets							
Cash	44	-	-	-	-	-	44
Balance due from related parties	1,265	-	-	-	-	-	1,265
Due from other financial institutions	41,082	38,757	-	-	-	-	2,325
Loans and advances	107,664	108,066	-	-	-	21	(423)
Interest receivable	17	-	-	-	-	-	17
Total financial assets	150,072	146,823	-	-	-	21	3,228
Financial Liabilities							
Balance due to related parties	78,477	18,577	7,412	3,863	25,743	22,480	402
Deposits and other borrowings	13,082	8,438	635	865	1,023	58	2,063
Lease liabilities	171	-	-	-	-	-	171
Interest payable	16	-	-	-	-	-	16
Total financial liabilities	91,746	27,015	8,047	4,728	26,766	22,538	2,652
Net financial assets/(liabilities)	58,326	119,808	(8,047)	(4,728)	(26,766)	(22,517)	576

Interest repricing (Continued...)

(in NZ \$'000)

As at 30 September 2021 (Unaudited)	Total	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	Non - interest bearing
Financial assets							
Cash	35	-	-	-	-	-	35
Balance due from related parties	1,199	-	-	-	-	-	1,199
Due from other financial institutions	23,434	22,109	-	-	-	-	1,325
Loans and advances	100,478	100,945	-	-	-	-	(467)
Interest receivable	-	-	-	-	-	-	-
Total financial assets	125,146	123,054	-	-	-	-	2,092
Financial liabilities							
Balance due to related parties	52,426	2,316	6,079	25,935	12,787	4,980	329
Deposits and other borrowings	15,193	8,988	1,600	916	1,367	47	2,275
Lease liabilities	301	-	-	-	-	-	301
Interest payable	13	-	-	-	-	-	13
Total financial liabilities	67,933	11,304	7,679	26,851	14,154	5,027	2,918
Net financial assets/(liabilities)	57,213	111,750	(7,679)	(26,851)	(14,154)	(5,027)	(826)

Interest rate sensitivity:

The table below summarises the post-tax sensitivity of financial assets and liabilities to change in interest rate risk. The market value of the assets and liabilities were used as the basis for the analysis and financial modelling was used to determine the impact on those values of changes in each risk scenario.

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Carrying Amounts	-1.0% Profit or Loss	+1.0% Profit or Loss	-1.0% Equity	+1.0% Equity
Financial assets					
Cash	54	-	-	-	-
Balance due from related parties	249	-	-	-	-
Due from other financial institutions	30,141	(214)	214	(214)	214
Loans and advances	115,614	(830)	830	(830)	830
Interest receivable	41	-	-	-	-
Total financial assets	146,099	(1,044)	1,044	(1,044)	1,044
Financial liabilities					
Balance due to related parties	64,687	461	(461)	461	(461)
Deposits and other borrowings	22,217	108	(108)	108	(108)
Lease liabilities	1,147	-	-	-	-
Interest Payable	32	-	-	-	-
Total financial liabilities	88,083	569	(569)	569	(569)

(in NZ \$'000)

As at 31 March 2022 (Audited)	Carrying Amounts	-1.0% Profit or Loss	+1.0% Profit or Loss	-1.0% Equity	+1.0% Equity
Financial assets					
Cash	44	-	-	-	-
Balance due from related parties	1,265	-	-	-	-
Due from other financial institutions	41,082	(279)	279	(279)	279
Loans and advances	107,664	(775)	775	(775)	775
Interest receivable	17	-	-	-	-
Total financial assets	150,072	(1,054)	1,054	(1,054)	1,054
Financial liabilities					
Balance due to related parties	78,477	564	(564)	564	(564)
Deposits and other borrowings	13,082	40	(40)	40	(40)
Lease liabilities	171	-	-	-	-
Interest Payable	16	-	-	-	-
Total financial liabilities	91,746	604	(604)	604	(604)

Interest rate sensitivity (continued...)

As at 30 September 2021 (Unaudited)	Carrying Amounts	-0.50% Profit or Loss	+0.50% Profit or Loss	-0.50% Equity	+0.50% Equity
Financial assets					
Cash	35	-	-	-	-
Balance due from related parties	1,199	-	-	-	-
Due from other financial institutions	23,434	-	-	-	-
Loans and advances	100,478	(722)	722	(722)	722
Interest receivable	-	-	-	-	-
Total financial assets	125,146	(722)	722	(722)	722
Financial liabilities					
Balance due to related parties	52,426	375	(375)	375	(375)
Deposits and other borrowings	15,193	52	(52)	52	(52)
Lease liabilities	301	-	-	-	-
Interest Payable	13	-	-	-	-
Total financial liabilities	67,933	527	(427)	427	(427)

Foreign exchange risk:

The table below summarises the Bank's open foreign currency position.

(in equivalent NZ \$'000)

	30.09.2022 (Unaudited)		31.03.2022 (Audited)		30.09.2021 (Unaudited)	
	(USD)	(INR)	(USD)	(INR)	(USD)	(INR)
Financial assets						
Cash	2	-	1	-	3	-
Balance due from related parties	224	24	1,232	32	1,173	26
Due from other financial institution	1,138	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Total financial assets	1,364	24	1,233	32	1,176	26
Financial liabilities						
Deposits and other borrowings	1,377	-	1,209	-	1,149	-
Interest payable	-	-	-	-	-	-
Total financial liabilities	1,377	-	1,209	-	1,149	-
Net Open Position:	(13)	24	24	32	27	26

Foreign exchange sensitivity:

The table below summarises the post-tax sensitivity to changes in foreign exchange rates.

The table below summarises the post-tax sensitivity to changes in foreign exchange rates.

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Carrying Amounts	-10% Profit or Loss	+10% Profit or Loss	-10% Equity	+10% Equity
Financial assets					
Open Position	11	(1)	1	(1)	1

(in NZ \$'000)

As at 31 March 2022 (Audited)	Carrying Amounts	-10% Profit or Loss	+10% Profit or Loss	-10% Equity	+10% Equity
Financial assets					
Open Position	56	(4)	4	(4)	4

(in NZ \$'000)

As at 30 September 2021 (Unaudited)	Carrying Amounts	-10% Profit or Loss	+10% Profit or Loss	-10% Equity	+10% Equity
Financial assets					
Open Position	53	(4)	4	(4)	4

Notes to financial statements

For the six months ended 30 September 2022

Liquidity risk:

The table below summarises the cash flows receivable and payable by the Bank under non-derivative financial assets and liabilities by remaining contractual maturities as at 30 September 2022. The amounts disclosed are contractual undiscounted cash flows and is not disclosed based on expected cash flows. The liquid assets are for the purpose of managing liquidity.

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	On demand	Total
Assets						
Cash	-	-	-	-	54	54
Balance due from related parties	-	-	-	-	249	249
Due from other financial institutions	572	5,822	-	-	23,958	30,352
Loan and advances	3,992	22,664	46,578	91,928	3,417	168,579
Interest receivable	-	-	-	-	41	41
Total financial assets	4,564	28,486	46,578	91,928	27,719	199,275
Liabilities						
Balance due to related parties	-	18,306	49,787	-	416	68,509
Deposits and other borrowings	1,216	14,064	437	-	7,164	22,881
Lease liabilities	50	131	437	529	-	1,147
Other liabilities	-	-	-	-	32	32
Total financial liabilities	1,266	32,501	50,661	529	7,612	92,569
Net non-derivative cash flows	3,298	(4,015)	(4,083)	91,399	20,107	106,706
Off Balance sheet cash flows						
Loan commitments	-	-	-	-	7,534	7,534
Guarantee	-	-	-	-	353	353
Total	-	-	-	-	7,887	7,887
Net cash flows	3,298	(4,015)	(4,083)	91,399	12,220	98,819

(in NZ \$'000)

As at 31 March 2022 (Audited)	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	On demand	Total
Assets						
Cash	-	-	-	-	44	44
Balance due from related parties	-	-	-	-	1,265	1,265
Due from other financial institutions	-	-	-	-	41,082	41,082
Loan and advances	8,846	19,247	34,338	92,468	3,625	158,524
Interest receivable	-	-	-	-	17	17
Total financial assets	8,846	19,247	34,338	92,468	46,033	200,932
Liabilities						
Balance due to related parties	19,723	10,415	51,531	-	203	81,872
Deposits and other borrowings	3,053	1,486	1,116	-	7,491	13,146
Lease liability	54	83	34	-	-	171
Other liabilities	-	-	-	-	16	16
Total financial liabilities	22,830	11,984	52,681	-	7,710	95,205
Net non-derivative cash flows	(13,984)	7,263	(18,343)	92,468	38,323	105,727
Off Balance sheet cash flows						
Loan commitments	-	-	-	-	9,836	9,836
Guarantee	-	-	-	-	353	353
Total	-	-	-	-	10,189	10,189
Net cash flows	(13,984)	7,263	(18,343)	92,468	28,134	95,538

Notes to financial statements
For the six months ended 30 September 2022

Liquidity risk (continued...)

(in NZ\$ '000)

As at 30 September 2021 (Unaudited)	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 year	On demand	Total
Assets						
Cash	-	-	-	-	35	35
Balance due from related parties	-	-	-	-	1,199	1,199
Due from other financial institutions	23,334	-	-	-	100	23,434
Loan and advances	2,031	17,661	34,501	89,512	4,671	148,376
Interest receivable	-	-	-	-	-	-
Total financial assets	25,365	17,661	34,501	89,512	6,005	173,044
Liabilities						
Balance due to related parties	2,328	32,306	18,437	-	284	53,355
Deposits and other borrowings	3,352	2,533	1,464	-	7,924	15,273
Lease liabilities	65	147	89	-	-	301
Other liabilities	13	-	-	-	-	13
Total financial liabilities	5,758	34,986	19,990	-	8,208	68,942
Net non-derivative cash flows	19,607	(17,325)	14,511	89,512	(2,203)	104,102
Off Balance sheet cash flows						
Loan commitments	-	-	-	-	6,745	6,745
Guarantee	-	-	-	-	613	613
Total	-	-	-	-	7,358	7,358
Net cash flows	19,607	(17,325)	14,511	89,512	(9,561)	96,744

19. CONCENTRATION OF CREDIT RISK:

The following table breaks down the Bank's main credit exposure at their carrying amounts as categorised by the industry and geography area of the Bank's main counterparties. These concentrations are determined with respect to the industry in which the borrowers operate and their domicile.

(in NZ \$'000)

Analysis of on balance sheet credit exposure by industry	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Property & Business Services	40,257	35,070	36,073
Finance, Investment & Insurance	33,831	42,857	25,272
Construction	24,412	21,525	13,282
Retail & Wholesale Trade	5,477	5,894	6,368
Health & Community Services	2,656	2,753	2,868
Others	-	-	-
Households	20,383	23,344	22,237
Education	-	-	-
Rental/Hiring/Real Estate	19,610	19,207	19,662
Subtotal	146,626	150,650	125,762
Allowance for impairment losses	(622)	(639)	(651)
Total on-balance sheet credit exposures	146,004	150,011	125,111

(in NZ \$'000)

Analysis of on balance sheet exposure by geographical area	30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)
New Zealand	145,756	148,746	123,912
Asia	52	56	49
America	196	1,209	1,150
Total on-balance sheet credit exposures	146,004	150,011	125,111

(in NZ \$'000)

Off balance sheet credit exposures	30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)
Loan commitments	7,534	9,836	6,745
Performance/financial guarantees issued on behalf of customers	353	353	613
Total off-balance sheet credit exposures	7,887	10,189	7,358

Notes to financial statements

For the six months ended 30 September 2022

CONCENTRATION OF CREDIT RISK (continued...)

(in NZ \$'000)

Analysis of off-balance sheet credit exposure by industry	30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)
Property & Business Services	172	712	5,998
Construction	6,255	7,148	-
Health & Community Services	43	43	43
Retail & Wholesale Trade	-	-	-
Rental/Hiring/Real Estate	151	992	-
Education	-	-	-
Travel & Tourism	310	310	310
Households	956	984	1,007
Restaurants & Accommodation	-	-	-
Total off-balance sheet credit exposures	7,887	10,189	7,358

Maximum exposure to credit risk:

The Bank does not have any material exposures on which balances have been netted. As such, the carrying amount of loans and advances (gross of provisions) and commitments as set out in note 23 represent the Bank's maximum exposure to credit risk for on and Off-Balance Sheet financial instruments.

Coverage provided by Collateral Held on Loan:

The table below presents the maximum exposure to credit risk for balance sheet financial instruments before taking account of the financial effect of any collateral held.

The most common types of collateral include:

- Security over real estate
- Cash deposits
- Other security over business assets.

(in NZ \$'000)

	Maximum exposure (Unaudited) 30.09.2022			Maximum exposure (Audited) 31.03.2022			Maximum exposure (Unaudited) 30.09.2021		
	Maximum Exposure to Credit Risk	Financial effect of Collateral	Unsecured portion of Credit Exposure	Maximum Exposure to Credit Risk	Financial effect of Collateral	Unsecured portion of Credit Exposure	Maximum Exposure to Credit Risk	Financial effect of Collateral	Unsecured portion of Credit Exposure
Due from other financial institutions	30,141	-	30,141	41,082	-	41,082	23,434	-	23,434
Net Loans and advances to Customers	115,614	115,579	35	107,664	107,658	6	100,478	100,440	38
Balance with related parties	249	-	249	1,265	-	1,265	1,199	-	1,199
Total exposure to credit risk	146,004	115,579	30,425	150,011	107,658	42,353	125,111	100,440	24,671

20. CONCENTRATION OF FUNDING:

Concentration of funding arises 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 is as follows:

(in NZ \$'000)

Analysis of funding by industry sector:	30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)
Finance, Investment and Insurance	66,732	78,477	52,426
Households	18,801	11,650	13,224
Restaurants & accommodation	-	-	-
Property & business services	811	806	1,536
Others	560	626	433
Total funding	86,904	91,559	67,619

(in NZ \$'000)

Analysis of funding by geographical area:	30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)
New Zealand	78,278	68,157	52,289
Asia	8,626	23,402	15,330
Total funding	86,904	91,559	65,619

21. CONCENTRATION OF CREDIT EXPOSURE TO INDIVIDUAL COUNTERPARTIES: (BOTH BANK AND NON-BANK COUNTERPARTIES)

Credit exposure is calculated on the basis of actual exposure net of any amounts offset and any individual credit impairment allowances. The credit exposure information excludes credit exposures to connected persons and the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent.

There were two (2) individual bank counterparties to which the Bank had an aggregate credit exposure that equalled or exceeded 10% of the Bank's equity as at 30 September 2022 (31 March 2022: 1 and 30 September 2021: 1).

There were ten (10) non-bank counterparties, which the Bank had an aggregate credit exposure that equalled or exceeded 10% of the Bank's equity as at 30 September 2022 (31 March 2022: 10 and 30 September 2021: 8).

There were two (2) individual bank counterparties which the Bank has a peak end-of-day aggregate credit exposure that equalled or exceeded 10% of the Bank's equity for the period ended 30 September 2022 (31 March 2022: 3 and 30 September 2021: 2).

There were eleven (11) non-bank counterparties which the Bank has a peak end-of-day aggregate credit exposure that equalled or exceeded 10% of the Bank's equity for the period ended 30 September 2022 (31 March 2022: 10 and 30 September 2021: 9).

Percentage of shareholders' equity	30.09.2022 (Unaudited): Number of non-bank counterparties			
	"A" Rated	"B" Rated	Unrated	Total
As at 30.09.2022				
10% - 14.99%	-	-	5	5
15% - 19.99%	-	-	4	4
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
Total	-	-	10	10
Peak Exposure				
10% - 14.99%	-	-	5	5
15% - 19.99%	-	-	5	5
20% - 24.99%	-	-	-	-
25% - 29.99%	-	-	1	1
30% - 34.99%	-	-	-	-
Total	-	-	11	11

Percentage of shareholders' equity	31.03.2022 (Audited): Number of non-bank counterparties			
	"A" Rated	"B" Rated	Unrated	Total
As at 31.03.2022				
10% - 14.99%	-	-	6	6
15% - 19.99%	-	-	2	2
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	1	1
30% - 34.99%	-	-	-	-
Total	-	-	10	10
Peak Exposure				
10% - 14.99%	-	-	6	6
15% - 19.99%	-	-	2	2
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	1	1
30% - 34.99%	-	-	-	-
Total	-	-	10	10

CONCENTRATION OF CREDIT EXPOSURE TO INDIVIDUAL COUNTERPARTIES (continued...)

Percentage of shareholders' equity	30.09.2021 (Unaudited): Number of non-bank counterparties			
	"A" Rated	"B" Rated	Unrated	Total
As at 30.09.2021				
10% - 14.99%	-	-	4	4
15% - 19.99%	-	-	2	2
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	1	1
30% - 34.99%	-	-	-	-
Total	-	-	8	8
Peak Exposure				
10% - 14.99%	-	-	4	4
15% - 19.99%	-	-	3	3
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	1	1
30% - 34.99%	-	-	-	-
Total	-	-	9	9

Percentage of shareholders' equity	30.09.2022 (Unaudited): Number of bank counterparties			
	"A- or A3or above or equivalent	B Rated	Unrated	Total
As at 30.09.2022				
10% - 14.99%	-	-	-	-
15% - 19.99%	1	-	-	1
20% - 24.99%	-	-	-	-
25% - 29.99%	-	-	-	-
30% - 34.99%	1	-	-	1
35% - 39.99%	-	-	-	-
40% - 44.99%	-	-	-	-
45% - 49.99%	-	-	-	-
50% - 54.99%	-	-	-	-
55% - 59.99%	-	-	-	-
60% - 64.99%	-	-	-	-
Total	2	-	-	2
Peak Exposure				
10% - 14.99%	-	-	-	-
15% - 19.99%	-	-	-	-
20% - 24.99%	-	-	-	-
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
35% - 39.99%	-	-	-	-
40% - 44.99%	-	-	-	-
45% - 49.99%	1	-	-	1
50% - 54.99%	-	-	-	-
55% - 59.99%	-	-	-	-
60% - 64.99%	1	-	-	1
Total	2	-	-	2

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For the six months ended 30 September 2022

Percentage of shareholders' equity	31.03.2022 (Audited): Number of bank counterparties			
	"A- or A3or above or equivalent	B Rated	Unrated	Total
As at 31.03.2022				
10% - 14.99%	-	-	-	-
15% - 19.99%	-	-	-	-
20% - 24.99%	-	-	-	-
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
35% - 39.99%	-	-	-	-
40% - 44.99%	-	-	-	-
45% - 49.99%	-	-	-	-
50% - 54.99%	-	-	-	-
55% - 59.99%	-	-	-	-
60% - 64.99%	1	-	-	1
Total	1	-	-	1
Peak Exposure				
10% - 14.99%	-	-	-	-
15% - 19.99%	-	-	-	-
20% - 24.99%	1	-	-	1
25% - 29.99%	-	-	-	-
30% - 34.99%	1	-	-	1
35% - 39.99%	-	-	-	-
40% - 44.99%	-	-	-	-
45% - 49.99%	-	-	-	-
50% - 54.99%	-	-	-	-
55% - 59.99%	-	-	-	-
60% - 64.99%	1	-	-	1
Total	3	-	-	3

Percentage of shareholders' equity	30.09.2021 (Unaudited): Number of bank counterparties			
	"A- or A3or above or equivalent	B Rated	Unrated	Total
As at 30.09.2021				
10%-14.99%	-	-	-	-
15%-19.99%	-	-	-	-
20%-24.99%	-	-	-	-
25%-29.99%	-	-	-	-
30%-34.99%	1	-	-	1
35%-39.99%	-	-	-	-
40%-44.99%	-	-	-	-
Total	1	-	-	1
Peak Exposure				
10% - 14.99%	-	-	-	-
15%-19.99%	-	-	-	-
20%-24.99%	1	-	-	1
25%-29.99%	-	-	-	-
30%- 34.99%	-	-	-	-
35%-39.99%	-	-	-	-
40%-44.99%	1	-	-	1
Total	2	-	-	2

22. CREDIT EXPOSURE TO CONNECTED PERSONS:

(in NZ \$'000)

As at	30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)
Credit exposure to connected persons	248	1,265	1,199
Credit exposure to non-bank connected persons	-	-	-
Peak end-of-day			
Credit exposure to connected persons	1,352	1,534	1,534
Credit exposure to non-bank connected persons	-	-	-

As at	30.09.2022 (Unaudited) % of Tier-1 Capital	31.03.2022 (Audited) % of Tier-1 Capital	30.09.2021 (Unaudited) % of Tier-1 Capital
Credit exposure to connected persons	0.42%	2.17%	2.09%
Credit exposure to non-bank connected persons	0.00%	0.00%	0.00%
Peak end-of-day			
Credit exposure to connected persons	2.29%	2.63%	2.67%
Credit exposure to non-bank connected persons	0.00%	0.00%	0.00%

This information has been derived in accordance with the Bank's condition of registration and Connected Exposure Policy (BS8) and is net of individual credit impairment allowances and excludes advances to connected persons of a capital nature.

Peak end-of-day aggregate exposure is derived by determining the maximum end-of-day aggregate amount of credit exposure over the accounting period and then divided by the Bank's tier one capital as at reporting date.

As at 30 September 2022, the rating-contingent limit applicable to the Bank was 15% of tier one capital. Over the period ended 30 September 2022, no changes have been made to the rating-contingent limit. Within the overall rating-contingent limit, there is a sublimit of 15% of tier one capital that applies to the aggregate credit exposure to non-bank connected persons (31 March 2022: 15%, and 30 September 2021: 15%).

Aggregate credit exposure to connected persons has been calculated on a gross basis.

Aggregate amount of contingent exposures of the Bank to connected persons arising from risk lay-off arrangements in respect of credit exposures to counterparties (excluding counterparties that are connected persons) as at 30 September 2022 is Nil (31 March 2022: Nil; and 30 September 2021: Nil).

Aggregate amount of the Bank's individual credit impairment allowances provided against credit exposures to connected persons as at 30 September 2022 is Nil (31 March 2022: Nil; and 30 September 2021: Nil).

23.COMMITMENTS:

Undrawn loan commitments:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Undrawn loan commitments	7,534	9,836	6,745
Total	7,534	9,836	6,745

Capital commitments:

As at 30 September 2022, the Bank does not have any commitments for capital expenditure (31 March 2022: Nil; and 30 September 2020: Nil).

24.INSURANCE BUSINESS AND NON-FINANCIAL ACTIVITIES:

The Bank does not conduct any insurance business, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products.

25.SEGMENT INFORMATION:

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

26.CONTINGENT LIABILITIES:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Performance/financial guarantees issued on behalf of customers	353	353	613
Total contingent liabilities	353	353	613

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For the six months ended 30 September 2022

27. RIGHT OF USE ASSET AND LEASE LIABILITY:

(in NZ \$'000)

	Real Estate	Total
Right-of-use assets		
Balance as at 1 April 2022	155	155
Additions	1,046	1,046
Adjustments due to lease review	-	-
Disposals	-	-
Depreciation	(114)	(114)
Balance as at 30 September 2022 (Unaudited)	1,087	1,087
Balance as at 1 April 2021	401	401
Additions	-	-
Adjustments due to lease review	4	4
Disposals	-	-
Depreciation	(250)	(250)
Balance as at 31 March 2022 (audited)	155	155
Balance as at 1 April 2021	401	401
Additions	-	-
Adjustments due to lease review	5	5
Disposals	-	-
Depreciation	(125)	(125)
Balance as at 30 September 2020	281	281
Lease liabilities		
Balance as at 1 April 2022	171	171
Additions	1,046	1,046
Adjustments due to lease review	-	-
Lease payments	(99)	(99)
Interest expense on lease liabilities	29	29
Balance as at 30 September 2022	1,147	1,147
Balance as at 1 April 2020	423	423
Additions	-	-
Adjustments due to lease review	4	4
Lease payments	(278)	(278)
Interest expense on lease liabilities	22	22
Balance as at 31 March 2022	171	171
Balance as at 1 April 2021	423	423
Additions	-	-
Adjustments due to lease review	4	4
Lease payments	(139)	(139)
Interest expense on lease liabilities	13	13
Balance as at 30 September 2020	301	301

Cash outflows for leases:

(in NZ \$'000)

	(Unaudited) 30.09.2022	(Audited) year to 31.03.2022	(Unaudited) 30.09.2021
Lease liabilities-principal payments	70	256	126
Interest expenses-lease liabilities	29	22	13
Total lease payments	99	278	139

The Bank's lease portfolio consists of two real estate leases at:

- 10 Manukau Road, Epsom, Auckland: The non-cancellable period of the lease is for one year from June 2022 and has an option to extend the lease for a further year, through to May 2023. As at the reporting date, the Bank is reasonably certain to exercise the renewal option.
- 31 East Tamaki Road, Papatoetoe, Auckland: The non-cancellable period of the lease is for ten years from July 2013, ending in July 2023.

28. EVENTS AFTER REPORTING DATE:

No further matters or circumstances have arisen since the end of the reporting date and up until the date of approval of disclosure statement, which significantly affect the operations of the Bank.

CREDIT RATINGS SCALES:

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

Credit ratings between AA – CCC by Standard & Poor's and Fitch Ratings may be modified by the addition of a plus or minus sign (signalling higher and lower end of the scale respectively). Moody's Investor Services applies numeric modifies 1,2 and 3 to each generic rating classification with a 1 indicating a higher rating and a 3 indicating a lower rating within that generic rating category.

Conditions of registration for Bank of India (New Zealand) Limited

These conditions of registration apply on and after 1 July 2022.

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

1. That—

- (a) the Total capital ratio of the banking group is not less than 8%;
- (b) the Tier 1 capital ratio of the banking group is not less than 6%;
- (c) the Common Equity Tier 1 capital ratio of the banking group is not less than 4.5%;
- (d) the Total capital of the banking group is not less than \$30 million.

For the purposes of this condition of registration, —

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

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

1A. That—

- (a) the bank has an internal capital adequacy assessment process ("ICAAP") that accords with the requirements set out in Part D of BPR100: Capital Adequacy;
- (b) under its ICAAP the bank identifies and measures its "other material risks" defined in Part D of BPR100: Capital Adequacy; and
- (c) the bank determines an internal capital allocation for each identified and measured "other material risk".

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

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

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

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

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For the purposes of this condition of registration,—

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

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

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

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

- 1C. That:

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

For the purposes of this condition of registration,—

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

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

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

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

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

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

- (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance

business to sum is the total consolidated assets of the group headed by the entity; and

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

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

- (a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and
- (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration,—

"insurance business" means the undertaking or assumption of liability as an insurer under a contract of insurance;

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

4. 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 October 2021.

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.

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.)

6. That the bank complies with the following corporate governance requirements:
- (a) the board of the bank must have at least five directors;
 - (b) the majority of the board members must be non-executive directors;
 - (c) at least half of the board members must be independent directors;
 - (d) an alternate director,—
 - (i) for a non-executive director must be non-executive; and
 - (ii) for an independent director must be independent;
 - (e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;
 - (f) the chairperson of the board of the bank must be independent; and
 - (g) the bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).
- For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.
7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank unless:
- (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
8. That a person must not be appointed as chairperson of the board of the bank unless:
- (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
9. That the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:
- (a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;
 - (b) the committee must have at least three members;
 - (c) every member of the committee must be a non-executive director of the bank;
 - (d) the majority of the members of the committee must be independent; and
 - (e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

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

10. That a substantial proportion of the bank's business is conducted in and from New Zealand.
11. That the banking group complies with the following quantitative requirements for liquidity-risk management:
 - (a) the one-week mismatch ratio of the banking group is not less than zero per cent at the end of each business day;
 - (b) the one-month mismatch ratio of the banking group is not less than zero per cent at the end of each business day; and
 - (c) the one-year core funding ratio of the banking group is not less than 75 per cent at the end of each business day.

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

12. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:
 - (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;
 - (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;
 - (c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and
 - (d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.
13. That no more than 10% of total assets may be beneficially owned by a SPV.

For the purposes of this condition,—

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

"SPV" means a person—

- (a) to whom any member of the banking group has sold, assigned, or otherwise transferred any asset;
- (b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and

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

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

14. That—

- (a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:
- (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
- (b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:
- (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination;
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
 - (iii) the Reserve Bank has given the bank a notice of non-objection to the significant acquisition or business combination.

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

15. That, for a loan-to-valuation measurement period ending on or after 31 October 2021, 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 ending on or before 31 March 2022, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80%, must not exceed 20% of the total of the qualifying new mortgage lending

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amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.

17. That, for a loan-to-valuation measurement period ending on or after 30 April 2022, 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.
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 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 India (New Zealand) Limited (as reporting entity) and all other entities included in the group as defined in section 6(1) of the Financial Markets Conduct Act 2013 for the purposes of Part 7 of that Act.

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

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

BPR document	Version date
BPR100: Capital adequacy	1 October 2021
BPR110: Capital definitions	1 October 2021
BPR120: Capital adequacy process requirements	1 July 2021
BPR130: Credit risk RWAs overview	1 July 2021
BPR131: Standardised credit risk RWAs	1 October 2021
BPR132: Credit risk mitigation	1 October 2021
BPR133: IRB credit risk RWAs	1 October 2021
BPR134: IRB minimum system requirements	1 July 2021
BPR140: Market risk exposure	1 October 2021
BPR150: Standardised operational risk	1 July 2021
BPR151: AMA operational risk	1 July 2021
BPR160: Insurance, securitisation, and loan transfers	1 July 2021
BPR001: Glossary	1 July 2021

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In conditions of registration 15 to 18,—

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

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

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Dated 14th January, 2011

DEED OF GUARANTEE

By

BANK OF INDIA

In respect of the obligations of

BOI (NEW ZEALAND) LIMITED

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THIS DEED is made on 14th January 2011

BY

- (1) **BANK OF INDIA** a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, having its Head Office at Star House, C-5, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai, India (hereinafter referred to as the "Bank");

AND

- (2) **BOI (NEW ZEALAND) LIMITED** a Company incorporated in New Zealand having its registered office at Level 18, PricewaterhouseCoopers Tower, 188 Quay Street, Auckland, New Zealand (hereinafter referred to as "BoINZ")

IN FAVOUR OF

- (3) EACH CREDITOR OF BOINZ

WHEREAS :

- A) BOINZ is a wholly owned subsidiary of the Bank and set up for the purpose of doing the business of banking in New Zealand.
- B) The Bank enters into this Deed of Guarantee for the purpose of guaranteeing the obligations of subsidiary, BoINZ, to the extent provided for by the terms of this Deed.

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed and in the Recitals, unless the context otherwise requires:

"**Authorised Officer**" means, where a Creditor is a Person other than a natural person, the director or secretary of that Person or a person duly authorised by the Creditor under the resolution and seal of the Person;

"**Business Day**" means any day, other than a Saturday or Sunday or public holiday, on which banks are open for general business in Wellington and Auckland;

[Signatures]

Authorised Signatory
Bandra (E) Branch

The North Kanara G. S. B. Co-op.
Bank Ltd. Bandra Branch, Zopurda,
Sahya Sahawar, Kalamangar,
Mumbai-400 051.
D-5/STP/VCC R-104/0205/1300 to
1303

(Rupees One Hundred Only)

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INDIA
STAMP DUTY
MAHARASHTRA

"Creditor" means each and any Person to whom an Obligation is due and owed by BoINZ during the validity period of this Guarantee.

"Guarantee" means the guarantee by the Bank for the benefit of the Creditors pursuant and subject to the terms and conditions of this Deed;

"Obligation" means a legally enforceable, undisputed liability or obligation of BOINZ to a Creditor ranking at least pari passu with the claims of unsecured creditors of BoINZ. PROVIDED THAT "Obligation" shall not include:

- (a) any liability of BoINZ in respect of Special, exemplary or punitive damages; and/or
- (b) any liability for payment of taxes, rates, imposts, duties or similar government charges; and/or
- (c) any claim/liability/obligation which is subject to a bona fide dispute; and/or
- (d) any obligation in respect of which the Creditor has not submitted proper proof and other documents and security, to enable BOINZ to discharge the said obligations; and/or
- (e) any claim/obligation in respect of a contingent liability; and/or
- (f) any claim/liability which is barred by the law of limitation or such similar laws.

"Person" means any person, firm, trust, estate, corporation, association, co-operative, government or governmental agency.

- 1.2 Words importing the singular number or plural number shall include the plural number and singular number respectively. Words importing any gender shall include every gender.
- 1.3 References to laws, statutes or legislation are to the laws, statutes or legislation for the time being in force in New Zealand, unless the contrary appears from the context of this Deed.

2. GUARANTEE

- 2.1 The Bank hereby unconditionally guarantees for the benefit of each Creditor the due and punctual payment by BoINZ of each and every Obligation (whether at stated maturity or upon acceleration) now owing or to become owing by BoINZ to the Creditor during the term of the Guarantee to the intent that should BoINZ default in the due and punctual payment of any such Obligation, the Bank shall, upon written demand by the relevant Creditor under clause 3.2, forthwith pay or cause to be paid to the Creditor all amounts then due and unpaid with respect to such Obligation together with all costs and expenses incurred by the Creditor in enforcing the Guarantee.
- 2.2 The Guarantee is a continuing guarantee and shall not be considered as satisfied by any intermediate payment and shall remain in force until the termination or expiry of the Guarantee.
- 2.3 Subject to the terms of this Deed, neither the liability of Bank, nor any of the rights of any Creditor, under the Guarantee shall be affected or discharged by anything which, but for this clause, might operate to affect or discharge the liability of, or otherwise provide a defence to, the Guarantor (whether or not known to, or done or omitted to be done by, the Guarantor).
- 2.4 Notwithstanding clause 2.2, a Creditor may at any time by an instrument in writing, release the Bank from its liability under the Guarantee in relation to that Creditor.



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- 2.5 The Bank shall be liable only for payment of an Obligation in the manner, to the extent and up to the amount that BoINZ would be liable or permitted to make payment in satisfaction of such Obligation under applicable laws and regulations and in determining and making such payment the Bank shall be entitled to deduct the amounts (if any) which the Bank is entitled in law or in equity to set-off or counterclaim against the Creditor to whom that Obligation is owed and the amounts (if any) which BoINZ could have set-off or counterclaimed in law or in equity against the Creditor to whom such Obligation is owed if BoINZ were making payment to that Creditor in lieu of the Bank. Nothing contained in this Deed shall reduce the liability of the Bank with respect to any Obligation of BoINZ which is reduced or discharged by reason of the insolvency, administration, liquidation, receivership or reorganisation of BoINZ.

3. DEMAND AND PAYMENT

- 3.1 A Creditor shall be entitled to make a demand under this Deed if and only if:

- (a) the Creditor has served written demand (a "Primary Demand") on BoINZ with proper proof for the payment of an Obligation which remains unpaid beyond its due date;
- (b) the Creditor has complied with the requirements of BoINZ including with regard to documentation and security and the Primary Demand remains unsatisfied in whole or in part for a period of 5 Business Days after submission of necessary Primary Demand;

- 3.2 A demand by a Creditor under this Deed (a "Creditors Demand") shall be served on the Bank and shall be accompanied by a statutory declaration made by the Creditor or by an Authorised Officer of the Creditor stating:

- (a) the residency and place of business of the Creditor;
- (b) that BoINZ has failed to meet an Obligation;
- (c) that a Primary Demand in respect of that Obligation has been given to BoINZ (accompanied by a verified copy of that Primary Demand) and that such Primary Demand has remained unsatisfied for a period of 5 Business Days as stated in 3.1(b);
- (d) brief particulars of the nature of that Obligation (accompanied by a verified copy of any document giving rise to that Obligation);
- (e) that the Obligation ranks at least pari passu with the claims of unsecured creditors of BoINZ generally;
- (f) the outstanding amount and currency of that Obligation; and
- (g) that there is no bona fide dispute relating to that Obligation.

- 3.3 Service of the Creditors Demand and all accompanying documents under clause 3.2 on the Bank shall constitute a written demand by the Creditor under clause 2.1.



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4. PAYMENTS

- 4.1 All payments by the Bank under this Deed shall be made in the currency or currencies in which the relevant Obligation is denominated.
- 4.2 Payments hereunder shall be made free and clear of any deduction or withholdings. In the event that the Bank is prohibited by law from making payments hereunder free of deductions or withholdings, then the Bank shall pay such additional amount to the relevant Creditor as may be necessary in order that the actual amount received after all applicable deductions and withholdings shall equal the amount that would have been received if such deductions or withholdings were not required.

5. REPRESENTATIONS

- 5.1 The Bank represents and warrants that:
- (a) it is a registered bank duly organised and validly existing under the laws of India;
 - (b) it has the corporate power to enter into this Deed and to perform the obligations imposed upon it under this Deed in accordance with its terms; and
 - (c) this Deed constitutes a valid, binding and enforceable obligation upon it.

6. TERMINATION OF GUARANTEE

- 6.1 Notwithstanding anything to the contrary in this Deed, the Guarantee shall terminate automatically on the first to occur of the following events:
- (a) in respect of all Obligations if:
 - (i) any substantial asset of BoINZ; or
 - (ii) any share in the issued capital of BoINZ,

is expropriated or nationalised by the Government of New Zealand or by any political subdivision thereof (the "Government") or any entity succeeding to the powers of any such Government or any agency of any such Government or any such successor entity or any authority which is owned or controlled by any such Government or any such successor entity except where such expropriation or nationalisation results from the default by BoINZ of any statute, regulation or other binding law; or
 - (b) a change in any law or regulation in any jurisdiction which renders the Guarantee illegal or inoperative in New Zealand or
 - (c) BoINZ ceasing to be a wholly owned subsidiary of the Bank.
- 6.2 Immediately after the Bank becomes aware of the termination of the Guarantee pursuant to clause 6.1, the Bank shall notify BoINZ thereof and give notice of such termination by an advertisement in a newspaper circulating generally throughout New Zealand.



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7.1 The Bank and BoINZ expressly agree that the Bank is and shall be entitled to all the rights and remedies of a guarantor under law including, without limiting the generality of the foregoing, all rights of subrogation which shall accrue to the Bank by virtue of any payment hereunder by the Bank to or for the benefit of any Creditor and, subject to the law, the Bank shall be entitled to claim the benefit of and participate in any security now or hereafter held by that Creditor from BoINZ either in whole or upon a pro-rata basis, as the case may be, where the Bank has paid all moneys to or for the benefit of that Creditor under this Deed. Notwithstanding the generality of the foregoing, the Bank shall not exercise or seek to enforce any claim against BoINZ (whether or not in liquidation) for reimbursement to the Bank of any moneys paid pursuant to this Deed by the Bank to a Creditor in respect of an Obligation until the default of BoINZ in respect of that Obligation has been fully remedied by BoINZ or the Bank.

8.1 After receipt of a written demand from a Creditor under clause 3.2 the Bank and that Creditor shall deal with one another as principal in relation to all matters under or in relation to this Deed, the Guarantee and BoINZ.

8.2 Without limiting the generality of clause 9, the Bank shall be and is entitled to serve any notice, demands or statements in connection with this Deed upon that Creditor (at its place of business specified in the Creditor's Demand) and the Bank shall be and is entitled to make any payment which it is liable to pay to the Creditor under this Deed directly to that Creditor and not through any other Person.

9.1 Any notice to the Creditors generally in respect of this Deed will be validly given if published in a newspaper circulating generally throughout New Zealand. Any such notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of first publication.

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- 9.2 Any notice, demand, statement or other document required to be served on or delivered to the Bank or BoINZ under or in relation to this Deed ("Notice") shall be in writing signed by the party giving the Notice or by an Authorised Officer of that party, shall be made, served or given (subject in the case of the Bank to clause 11.2) by being left at or sent by prepaid mail or by facsimile as follows:

to the Bank:
Bank of India

International Division

3rd Floor, East Wing

Star House

C-5, G Block

Bandra – Kurla Complex

Bandra (East)

Mumbai – 400 051

India

Attention: The General Manager, International Division

to BoINZ

BOI (New Zealand) Limited

Level 18, PricewaterhouseCoopers Tower

188 Quay Street, Auckland

New Zealand

Attention: Managing Director

or to such other address or facsimile number as shall have been notified (in accordance with this clause) to the other party hereto. No Notice shall be deemed to have been received by the Bank or BoINZ until actually received by the relevant party to whom it is addressed at its designated address.

10. AMENDMENT

- 10.1 The Bank may, from time to time and without any authority or assent of BoINZ or the Creditors, alter, modify, or add to this Deed if in the reasonable opinion of the Bank:

(a) the alteration, modification or addition is made to correct a manifest error or is of a formal or technical nature;

(b) the modification, alteration or addition is necessary to comply with the provisions of any statute, whether or not required by any statutory authority; or



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(c) the alteration, modification or addition is desirable for the purpose of more advantageously administering the rights and obligations established under this Deed,

and in any case such modification, alteration or addition is considered by the Bank, acting in good faith, not to be materially prejudicial to the Creditors as whole, so far as known to it.

11. GOVERNING LAW

11.1 This Deed shall be governed by and construed in accordance with the laws for the time being in force in New Zealand. The Bank and BoINZ each hereby submit, for the purposes of this Deed, to the non-exclusive jurisdiction of the Courts of New Zealand in respect of all legal actions arising under or in relation to this Deed.

11.2 The Bank hereby irrevocably appoints BoINZ (and BoINZ hereby accepts such appointment) to be the agent of the Bank to accept service of process on behalf of the Bank in respect of all matters in New Zealand arising under or in relation to this Deed and the Bank agrees that any such process shall be properly served upon the Bank if delivered to BoINZ at its address for the service of Notices set out in clause 9.2.

12. ASSIGNMENT

12.1 No party to this Deed may assign its rights or obligations hereunder without the consent in writing of the other party.

13. CERTIFICATE

13.1 BoINZ shall advise the Bank in writing within fourteen (14) days of a request in writing from the Bank (made no more frequently than quarterly or following receipt by it of a Creditor's Demand) to do so, of its best estimate of the aggregate principal amount of the Obligations for which it is indebted as at such date to either all of the Creditors generally or to those Creditors specified by the Bank in its request.

EXECUTED as a Deed



EXECUTED as a DEED for and on behalf
of BANK OF INDIA

(S.K. DATTA)
General Manager
International

(V. ARTHANARI)
Chief Manager
International Division

EXECUTED as a DEED for and on behalf
of BOI (NEW ZEALAND) LIMITED

(B.A. PRABHAKAR)
Director

Director P.N. RAO

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Independent Review Report

To the Shareholder of Bank of India (New Zealand) Limited

Report on the half year disclosure statement

Conclusion

Based on our review of the interim financial statements and supplementary information of the Bank of India (New Zealand) Limited (the "Registered Bank") on pages 8 to 39, nothing has come to our attention that causes us to believe that:

- i. the interim financial statements do not present fairly in all material respects the Registered Bank's financial position as at 30 September 2022 and its financial performance and cash flows for the 6 month period ended on that date;
- ii. the interim financial statements (excluding the supplementary information disclosed in accordance with 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")), have not been prepared, in all material respects, with NZ IAS 34 Interim Financial Reporting ("NZ IAS 34");
- iii. the supplementary information, does not fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order; and
- iv. the supplementary information relating to capital adequacy and regulatory liquidity requirements, has not been, in all material respects, disclosed in accordance with Schedule 9 of the Order.

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

- the interim financial statements formed of:
 - the statement of financial position as at 30 September 2022;
 - the statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
 - notes, including a summary of significant accounting policies and other explanatory information.
- the supplementary information prescribed in Schedules 5, 7, 9, 13, 16 and 18 of the Order.



Basis for conclusion

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

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

Our firm has also provided other services to the Registered Bank in relation to the review of the Registered Bank's interim special purpose financial statements, and the audits of the Registered Bank's year-end special purpose financial statements and the year-end statutory disclosure statement. Subject to certain restrictions, partners and employees of our firm may also deal with the Registered Bank on normal terms within the ordinary course of trading activities of the business of the Registered Bank. These matters have not impaired our independence as reviewer of the Registered Bank. The firm has no other relationship with, or interest in, the Registered Bank.



Use of this independent review report

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



Responsibilities of the Directors for the half year disclosure statement

The Directors, on behalf of the Registered Bank, are responsible for:

- the preparation and fair presentation of the half year disclosure statement in accordance with NZ IAS 34 and Schedules 3, 5, 7, 13, 16 and 18 of the Order;
- the preparation and fair presentation of the supplementary information in regards to capital adequacy and regulatory liquidity requirements in accordance with the Registered Bank's conditions of registration and Schedule 9 of the Order;
- implementing necessary internal control to enable the preparation of a half year disclosure statement that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



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

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

- the interim financial statements do not present fairly in all material respects the Registered Bank's financial position as at 30 September 2022 and its financial performance and cash flows for the 6 month period ended on that date;
- the interim financial statements do not, in all material respects, comply with NZ IAS 34;



- the supplementary information does not, fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order; and
- the supplementary information relating to capital adequacy and regulatory liquidity requirements is not disclosed, in all material respects, in accordance with Schedule 9 of the Order.

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

KPMG

KPMG
Auckland

25 November 2022