



# Bank of India (New Zealand) Limited

---

**Disclosure Statements**

*For three months ended 30 June 2011*

## Table of Contents

---

General Disclosures	3
The Directors' Statement	5
Condensed Financial Statements	
Condensed Statement of Comprehensive Income	6
Condensed Statement of Changes in Equity	6
Condensed Statement of Financial Position	7
Condensed Statement of Cash Flows	8
Notes to the condensed financial statement	9
Supplementary Disclosures	12

---

### 1. Reporting Directive

This Disclosure Statement has been prepared under the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2011.

### 2. Registered Bank

Name: Bank of India (New Zealand) Limited  
Address: C/- Buddle Findlay  
PricewaterhouseCoopers Tower  
188 Quay Street  
PO Box 1433  
Auckland 1140

Bank of India (New Zealand) Limited was incorporated on 9 October 2008. It became a registered bank on 31 March 2011. Prior to the year ended 31 March 2011 the Bank was dormant and received dormant exemptions from preparing financial statements.

For the purposes of the Registered Bank Disclosure Statement (new Zealand Incorporated Registered Banks) Order 2011, the Registered Bank is currently the only entity within the "Registered Bank's banking Group" in New Zealand and accordingly the term "Registered Bank" has the same meaning as "Registered Bank's banking group" throughout this disclosure statement.

### 3. Ultimate Parent Bank and Ultimate Holding Company

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

### 4. Guarantee Arrangements

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 400 051, India.

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

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:	Standard and Poor's
Current Credit Rating:	BBB- (stable outlook)

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

The deed of guarantee does not have an expiry date.

Bank of India (New Zealand) Limited does not have a guarantee under the New Zealand deposit guarantee scheme and it does not have any material cross guarantees as at 9 August 2011.

The most recent full year disclosure statement dated 31 March 2011 contains further information about the guarantee. The most recent full year disclosure statement and is available on the Bank of India (New Zealand) Limited website: <http://www.bankofindia.co.nz>

#### 5. Registered bank's board of directors

There have been no changes in the composition of the registered bank's board of directors since the most recent full year disclosure statement dated 31 March 2011.

#### 6. Conditions of Registration

There have been no changes to the conditions of registration since the disclosure statement dated 31 March 2011 and the registered bank has complied with all conditions of registration over the accounting period.

#### 7. 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 registered bank's banking group in New Zealand or elsewhere that may have a material adverse effect on the Registered Bank or its banking group.

#### 8. Credit Ratings

Bank of India (New Zealand) Limited has the following general credit rating applicable to its long term senior unsecured obligations payable in New Zealand in New Zealand Dollars.

Rating Agency:	Standard and Poor's
Current Credit Rating:	BBB- /Stable/A-3

#### 9. Other material matters

There are no other material matters relating to the business or affairs of the registered bank and its banking group that are not disclosed in this disclosure statement.

#### 10. Audit Report

The name and address of the registered bank's auditor is:

PricewaterhouseCoopers

188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand.

This disclosure statement is neither a half year nor an annual disclosure so is not subject to an audit or review by an external auditor.

### Directors' Statements

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 contains all information that is required by the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2011; and
- The disclosure statement is not false or misleading.

Furthermore, each Director believes, after due enquiry, that over the three months ended 30 June 2011:

- The Registered Bank has complied with all conditions of registration that applied during the period; and
- Credit Exposure to Connected Persons (if any) were not contrary to the interests of the Registered Bank's banking group; and
- The Registered Bank had systems in place to monitor and control adequately the material risks of the Registered Bank's banking group 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.

Signing for and on behalf of all members of the Board of Directors:



---

P. Nageshwar Rao  
Managing Director  
9 August 2011

**Condensed Statement of Comprehensive Income**

For the three months ended 30 June 2011

	(Unaudited) 3 months ended 30 June 2011 \$000	(Unaudited) 3 months ended 30 June 2010 \$000
Interest revenue	508	-
Interest expense	-	-
<b>Net interest income</b>	<b>508</b>	-
Gain/(losses) on financial instruments at fair value	-	-
Other income	-	-
<b>Total operating income</b>	<b>508</b>	-
Operating expenses	(168)	-
Impairment losses on loans and advances	-	-
<b>Profit before tax</b>	<b>340</b>	-
Taxation expense	(131)	-
<b>Net profit/(loss) and total comprehensive income/(loss) after tax</b>	<b>209</b>	-

**Condensed Statement of Changes in Equity**

For the three months ended 30 June 2011

(Unaudited)	Share Capital \$000	Retained Earnings \$000	Total \$000
<b>Balance as at 1 April 2010</b>	-	-	-
Total comprehensive income/(loss) for the period	-	-	-
Capital contribution from parent	-	-	-
<b>Balance as at 30 June 2010</b>	-	-	-
<b>Balance as at 1 April 2011</b>	<b>50,000</b>	<b>183</b>	<b>50,183</b>
Total comprehensive income/(loss) for the year	-	209	209
Capital contribution from parent	-	-	-
<b>Balance as at 30 June 2011</b>	<b>50,000</b>	<b>392</b>	<b>50,392</b>

The accompanying notes on page 9 to 11 form part of these condensed financial statement

**Condensed Statement of Financial Position**

*For the three months ended 30 June 2011*

	Note	(Unaudited) 30 June 2011 \$000	(Audited) 31 March 2011 \$000
<b>ASSETS</b>			
Cash and cash equivalents		-	-
Balance due from related parties	6	-	-
Due from other financial institutions		50,010	50,003
Financial assets at fair value through profit/loss		-	-
Available-for-sale assets		-	-
Loans and advances		-	-
Prepayment		75	4
GST refundable		30	10
Other financial assets		366	386
Property, plant and equipment		40	3
Intangible assets		-	-
Deferred tax assets		-	-
<b>Total assets</b>		<b>50,521</b>	<b>50,406</b>
<i>Total Interest Earning and Discount Bearing Assets</i>		<i>50,010</i>	<i>50,003</i>
<b>LIABILITIES</b>			
Due to other financial institutions		-	-
Balance due to related parties	6	-	58
Deposits and other borrowings		-	-
Current tax liabilities		95	79
Deferred tax liabilities		1	-
Other liabilities		33	86
<b>Total liabilities</b>		<b>129</b>	<b>223</b>
<b>Net Assets</b>		<b>50,392</b>	<b>50,183</b>
<b>EQUITY</b>			
Share Capital		50,000	50,000
Retained earnings/(loss)		392	183
<b>Total shareholders' equity</b>		<b>50,392</b>	<b>50,183</b>
<i>Total interest and Discount Bearing Liabilities</i>		<i>-</i>	<i>-</i>

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

*The accompanying notes on page 9 to 11 form part of these condensed financial statements*

**Condensed Statement of Cash Flows**

*For the three months ended 30 June 2011*

	Note	(Unaudited) 30 June 2011 \$000	(Unaudited) 30 June 2010 \$000
<b>Cash flows from operating activities</b>			
Interest received		555	-
GST refund received		3	-
Fees and other income		-	-
Operating expenses paid		(341)	-
Interest paid		-	-
Income Tax paid		(114)	-
<b>Net cash flow from operating activities</b>	7	<b>103</b>	-
<b>Cash flows from investing activities</b>			
Deposits with other financial institutions		(51,174)	-
Withdrawal from other financial instruments		51,167	-
Purchase of property and equipment		(38)	-
Purchase of intangible assets		-	-
<b>Net cash flow from investing activities</b>		<b>(45)</b>	-
<b>Cash flows from financing activities</b>			
Issue of shares		-	-
Proceeds from related parties		100	-
Dividend paid		(158)	-
<b>Net cash flow from financing activities</b>		<b>(58)</b>	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
<b>Cash and cash equivalents at the end of the period</b>		<b>-</b>	<b>-</b>

*The accompanying notes on page 9 to 11 form part of these condensed financial statements*



## Notes to the condensed financial statements

For the three months ended 30 June 2011

### 1. Basis of preparation

The reporting entity is Bank of India (New Zealand) Limited. These condensed financial statements have been drawn up in accordance with the requirements of the Registered Bank Disclosure Statement (New Zealand Incorporated Registered Banks) Order 2011. . These condensed financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These condensed financial statements also comply with IAS 34.

These condensed financial statements were authorised for issue by the directors on 9 August 2011.

### 2. Significant accounting policies

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments which are carried at fair value.

The same accounting policies and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Registered Bank's financial statements for year ended 31 March 2011.

### 3. Income tax expense

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 28% (3 months ended 30 June 2010: 30%)

### 4. Dividends

During the interim and prior periods, the Bank of India (New Zealand) Limited has not paid any dividends to its shareholder.

### 5. Segment information

The Registered Bank operates predominantly in the Financial Services industry within New Zealand.

### 6. Related party transactions

#### **Identity of related parties**

The Bank is wholly owned by the Bank of India, a Company incorporated in India. All related party transactions are conducted on normal commercial terms and conditions. No related party debts have been written off or forgiven during the year.

#### **Transactions with related entities**

During the period, Bank of India provided funding of \$100,000 to the Bank to fund its daily operation, this funding is interest-free and repayable on demand. As at 30 June 2011, the balance owing to the Bank of India by the bank is nil. (31 March 2011: \$58,000).

**Notes to the condensed financial statements***For the three months ended 30 June 2011***7. Reconciliation of profit after income tax to net cash flow from operating activities**

	(Unaudited) 3 months ended 30 June 2011 \$000	(Unaudited) 3 months ended 30 June 2010 \$000
<b>Profit/(loss) for the year</b>	<b>209</b>	-
<b>Non-cash items</b>		
(Gain)/loss on sale or disposal of property, plant and equipment	-	-
Loss/(gain) on revaluation of FVTPL financial assets	-	-
Impairment loss recognised on loans and advances	-	-
Depreciation and amortisation of non-current assets	1	-
Impairment of non-current assets recognised in profit or loss	-	-
Net foreign exchange (gain)/loss	-	-
Deferred tax	1	-
<b>Movements in working capital:</b>		
(Increase)/decrease in financial assets at FVTPL	-	-
(Increase)/decrease in AFS assets	-	-
(Increase)/decrease in loan and advances	-	-
(Increase)/decrease in other financial assets	20	-
Increase/(decrease) in balance due to other financial institution	(7)	-
Increase/(decrease) in balance due to related parties	(58)	-
(Increase)/decrease in prepayments	(71)	-
(Increase)/decrease in GST refundable	(20)	-
Increase/(decrease) in current tax liabilities	16	-
Increase/(decrease) in trade and other payables	(53)	-
Deduct/(add) items reclassified as investing or financing activities	65	-
<b>Net cash flows from operating activities</b>	<b>103</b>	-

**Notes to the condensed financial statements**

*For the three months ended 30 June 2011*

**8. Liquidity risk**

The registered bank's banking group holds the following financial assets for the purpose of managing liquidity risk:

	(Unaudited) 3 months ended 30 June 2011 \$000	(Unaudited) 3 months ended 30 June 2010 \$000
Cash and cash equivalents	-	
Due from other financial institutions (call and short term deposits)	50,010	-
<b>Total liquid assets</b>	<b>50,010</b>	-

**9. Unusual transactions**

There have been no unusual transactions materially affecting the financial accounts of the Registered Bank for the periods ended 30 June 2010 and 30 June 2011.

**10. Contingencies and commitments**

The bank has no contingent liabilities as at 30 June 2011.

**11. Commitments**

**Capital Commitments**

As at 30 June 2011, the registered bank has commitments for capital expenditure of \$428,000. (30 June 2010: \$nil).

**Operating lease commitments**

Operating leases relates to the registered bank's premises and motor vehicle.

	(Unaudited) as at 30 June 2011 \$000	(Unaudited) as at 30 June 2010 \$000
Not longer than one year	151	-
Longer than one year and not longer than five years	648	-
Longer than five years	129	-
	<b>928</b>	-

**12. Events after the end of the reporting period**

There were no significant subsequent events subsequent to 30 June 2011.

The following supplementary disclosures are made in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2011

### 1. Asset Quality

<i>As at 30 June 2011 (Unaudited)</i>	\$000
Total individually impaired assets (before allowance for credit impairment loss)	-
Total individual credit impairment allowance	-
Total collective credit impairment allowance	-
Total assets over 90 days past due but no impaired	-
Increase/(decrease) in individual credit impairment allowances charged to statement of comprehensive income	-
Increase/(decrease) in collective credit impairment allowances charged to statement of comprehensive income	-

The registered bank's banking group does not have any financial assets designated as fair value through profit or loss as at and for the three months ended 30 June 2011. 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 three months ended 30 June 2011.

### 2. Capital Adequacy

The following capital adequacy information is disclosed in relation to the Registered Bank's banking group 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 Capital Adequacy Framework (BS2A) dated November 2007.

#### Capital and capital ratios

<i>As at 30 June 2011 (Unaudited)</i>	\$000
Tier one capital (before deduction)	50,183
Total tier one capital (net of all deductions and adjustments)	50,183
Total tier two capital	209
Total of tier one and tier two capital	50,392
Deductions from total capital and other adjustments	-
<b>Capital</b>	<b>50,392</b>
Tier one capital ratio	502%
Total capital ratio	504%

#### Pillar one capital requirements

<i>As at 30 June 2011 (Unaudited)</i>	Pillar I Capital Requirement \$000
Residential mortgages (including past due)	-
Corporate	-
Claims on banks	800
Other	-
<b>Total on-balance sheet credit risk</b>	<b>800</b>

## 2. Capital Adequacy (continued)

<b>As at 30 June 2011 (Unaudited)</b>	<b>Pillar I Capital Requirement \$000</b>
Off-balance sheet credit exposure	-
Operational risk	-
Market risk	-
<b>Total other capital requirements</b>	-
<b>Total Pillar I capital requirement</b>	<b>800</b>

### Capital requirements for other material risks (Pillar II capital requirements)

The Bank has not begun trading as at 30 June 2011, therefore no other material risks have been identified.

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

<b>LVR range As at 30 June 2011 (unaudited)</b>	<b>0% - 80%</b>	<b>80%-90%</b>	<b>Over 90%</b>
Value of exposures	-	-	-

## 3. Concentration of credit exposures to individual 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, bank counterparties and the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent.

There were no individual bank and non-bank counterparties which the registered bank's banking group has an aggregate credit exposure that equals or exceeds 10% of the registered bank's banking group's equity as at 30 June 2011.

There were no individual bank and non-bank counterparties which the registered bank's banking group has a peak end-of-day aggregate credit exposure that equals or exceeds 10% of the registered bank's banking group's equity for the three months ended 30 June 2011.

## 4. Insurance Business and Non-Financial Activities

The Registered Bank does not conduct any insurance business or non-financial activities.

## 5. Risk management policies

There has been no material change in Bank of India (New Zealand) Limited's risk management policies since the date of the previous disclosure statement dated 31 March 2011.

Bank of India (New Zealand) Limited has not been exposed to any new categories of risk since the date of the previous disclosure statement dated 31 March 2011.