



Bank of India (New Zealand) Limited

Registered Bank Disclosure Statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

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General Disclosures

For the six months ended 30 September 2023

1. Reporting Directive:

This Disclosure Statement of the Bank as at and of the six months ended 30 September 2023 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 2023.

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 2023, 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 2023 are as follows:

Capital	: INR 593,100,000,000
Capital/Risk Weighted Exposures (%)	: 15.63%

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 31 August 2023, 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 2023

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 are two changes in the composition of the Bank's board of directors since the most recent full year Disclosure Statement dated 31 March 2023.

Mr..Dhananjay Raghavendra Basrur was appointed as an independent director on 23 July 2023

Ms.Sarah Margaret Muray was appointed as an independent director on 17 August 2023

Ms.Judith Ann Whiteman resigned as director on 14 July 2023

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)
- Dhananjay Raghavendra Basrur, independent director (appointed 23 July 2023)
- Sarah Margaret Murray, independent director (appointed 17 August 2023)
- Tapan Verma, Managing Director (appointed on 13 July 2022)
- Swarup Dasgupta, Director (appointed on 26 October 2020)

Communications to the directors should be addressed to:

10 Manukau Road, Epsom, Auckland 1023, New Zealand

Sameer Handa, Rabin Sockalingam Rabindran, Dhananjay Raghavendra Basrur and Sarah Margaret Murray 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, Dhananjay Raghavendra Basrur and Sarah Margaret Murray 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 2023

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	RSR Legal Consultants Limited;
Sameer Handa, MNZM Primary Occupation Managing Director- Glowbal NZ Ltd	Bachelor of Engineering (B.E. Mechanical); Master of Business Administration (MBA)	Asahi Limited; Buildex NZ Limited; Doncaster Properties Limited; Ecolife Lighting Limited; Export Depot Limited Glowbal NZ Limited; Gray Investments Limited; Hobsonville Point Limited; Hotunui Investments Limited; Mynzuni.Com Limited Randwick Properties Limited; S V M Holdings Limited; Three 60 Construction Limited; Uniqway Limited. Auckland Health Foundation-Trustee; India NZ Business Council- Executive member; Trust for the destruction of synthetic refrigerants-Trustee; NZ Asian Leaders Incorporated Society-Co-Chair
Dhananjay Rahavendra Basrur Primary Occupation: Corporate finance and strategy advisor.	B.SC (Hons), MBA (Finance), FCMA/CGMA (UK), FCPA (Aus.), MI Institute of Directors	Basrur Consulting Limited CGB Consulting Limited Lakshmi Investments Limited
Sarah Margaret Murray Primary Occupation: Consultant and Chartered Accountant	Bachelor of Arts Bachelor of Commerce Chartered accountant of Australia and New Zealand. MI Institute of Directors	Ponoko Limited
Swarup Dasgupta Primary Occupation: Banker	Bachelor of Engineering (B.E. Electronics & Telecommunication); Master of Business Administration (Finance) Member-Institute of Directors, New Zealand	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
Tapan Verma Primary Occupation: Banker	MA; MBA Certified Associate of the Indian Institute of Bankers (CAIIB) Member-Institute of Directors, New Zealand	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
Dhananjay Raghavendra Basrur, Independent Director	Member

General Disclosures

For the six months ended 30 September 2023

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 Varma.

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 Conditions of Registration is revised since last reporting date of 31 March 2023

Effective 1 June 2023, the Loan to Value restrictions were changed:

From:

10% limit for loans with LVR above 80% for owner occupiers, and 5% limit for loans with LVR above 60% for investors

To:

15% limit for loans with LVR above 80% for owner occupiers, and 5% limit for loans with LVR above 65% for investors.

Effective 1 October 2023, the proposed changes to the Conditions of registration are in respect of:

Mutual Capital Instruments
Risk Weights Omnibus
Connected Exposures

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 applicable to its long term senior unsecured obligations payable in New Zealand in New Zealand dollars.

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

On 1 July 2022, Standard & Poor's has maintained the outlook on the long-term counterparty credit ratings on the Bank of India (New Zealand) Limited, at BB+ /Stable/B.

On 24 February 2023, Fitch Ratings has assigned the Bank Long-Term Foreign-and Local Currency Issue Default Ratings (IDRs) of BBB-/Stable.

On 31 August 2023, 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 2023

12. Other material matters

Impairment of Loans and advances

Bank of India (NZ) Limited, is required to estimate Expected Credit Loss (ECL) in accordance with NZ IFRS 9 *Financial Instruments*. Under this accounting standard, the allowance for Expected Credit Loss (ECL) would be recognised on certain financial assets from the date of origination depending on the credit quality of the asset. As per the accounting requirement, the following are the assets which shall carry a loss allowance under NZ IFRS 9. The instruments covered under NZ IFRS 9 impairment model for the Bank are:

- 1) Loans & advances measured at amortized cost
- 2) Loan commitments including undrawn commitments issued that are not measured at FVTPL The instruments out of scope of ECL computation are listed below:

- 1) Loan commitments and other financial instruments issued that are measured at FVTPL

The general approach to impairment determines a probability-weighted ECL amount. The key risk parameters required for the calculation of probability-weighted ECL. These include:

- a) Point in Time (PiT) Probability of Default
- b) Loss Given Default
- c) Exposure at Default
- d) Exposure Lifetime
- e) Economic Scenarios and Probability Weights Assigned to the Scenarios
- f) 12-Month and Lifetime Expected Credit Loss

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

Directors' Statement

For the six months ended 30 September 2023

1. 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 2023:

- 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 Varma 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, Dhananjay Raghavendra Basrur, Sarah Margaret Murray, Swarup Dasgupta and Tapan Varma).



Tapan Varma
Managing Director
28 November 2023



Rabin Sockalingam Rabindran
Chairman and Independent Director

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Statement of Comprehensive Income (For the six months ended 30 September 2023):

(in NZ \$ '000)

	Note	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Interest income	2	5,402	7,792	3,230
Interest expense	2	(1,720)	(2,257)	(988)
Net interest income		3,682	5,535	2,242
Other income	3	211	358	187
Total operating income		3,893	5,893	2,429
Operating expenses	4	(1,354)	(2,505)	(1,323)
Impairment (losses)/reversal on loans and advances	16	73	(106)	17
Profit before income tax		2,612	3,282	1,123
Taxation expense	6	(731)	(884)	(315)
Net Profit after tax		1,881	2,398	808
Other Comprehensive income		-	-	-
Total comprehensive income		1,881	2,398	808

Statement of Changes in Equity (For the six months ended 30 September 2023):

(in NZ \$ '000)

	Share Capital	Retained Earnings	Total
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 2021 (Unaudited)	50,000	9,348	59,348
Balance as at 1 April 2022	50,000	8,540	58,540
Total comprehensive income for the year	-	2,398	2,398
Balance as at 31 March 2023 (Audited)	50,000	10,938	60,938
Balance as at 1 April 2023	50,000	10,938	60,938
Total comprehensive income for the period	-	1,881	1,881
Balance as at 30 September 2023 (Unaudited)	50,000	12,819	62,819

The accompanying notes on pages 11 to 40 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 2023:

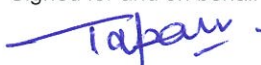
(in NZ \$'000)

	Note	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	((Unaudited) 30.09.2022
ASSETS				
Cash	7	33	60	54
Due from other financial institutions	11	18,560	19,993	30,141
Balance due from related parties	12	6,956	195	249
Loans and advances	5,16	140,809	130,871	115,614
GST Refundable		23	27	26
Other assets	10	126	264	80
Current tax assets		-	-	7
Property and equipment	9	222	267	304
Right of use assets	27	1,712	979	1,087
Deferred tax assets	6	250	264	227
Total assets		168,691	152,920	147,789
LIABILITIES				
Balance due to related parties	12	79,161	71,335	64,687
Deposits and other borrowings	8	23,959	18,870	22,217
Other liabilities	10	669	455	390
Lease liabilities	27	1,791	1,046	1,147
Current tax liabilities		292	276	-
Total liabilities		105,872	91,982	88,441
NET ASSETS		62,819	60,938	59,348
EQUITY				
Share capital	13	50,000	50,000	50,000
Retained earnings		12,819	10,938	9,348
Total shareholder's equity		62,819	60,938	59,348
Total Interest Earning and Discount Bearing Assets		159,758	151,237	146,071
Total Interest and Discount Bearing Liabilities		101,251	86,547	85,025

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 28 November 2023.

Signed for and on behalf of the board of directors


Tapan Verma
Managing Director
28 November 2023



Rabin Sockalingam Rabindran
Chairman and Independent director

The accompanying notes on pages 11 to 40 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 2023):

(in NZ \$'000)

	Note	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Cash flows from operating activities				
Interest received		5,484	7,472	3,213
Fees and other income		239	358	187
Operating expenses paid		(1,060)	(1,894)	(1,319)
GST refund received		4	(1)	-
Interest paid		(1,590)	(2,235)	(972)
Income tax paid		(701)	(714)	(391)
(Increase) in advances to customers		(9,880)	(23,568)	(7,940)
Net proceeds (to)/from related parties		1,064	(6,072)	(12,774)
Increase in deposits from customers		5,089	5,788	9,135
Net cash flow from operating activities	14	(1,351)	(20,866)	(10,861)
Cash flows from investing activities				
(Increase)/Decrease in balances with other financial institutions		4,650	(5,820)	(6,138)
Purchase of property and equipment		(16)	37	-
Write down of property & equipment		-	(73)	-
Net cash flow from investing activities		4,634	(5,856)	(6,138)
Cash flows from financing activities				
Principal part of lease payments	27	(93)	(171)	(70)
Net cash flow used in financing activities		(93)	(171)	(70)
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year		3,190	(26,893)	(17,069)
Cash and cash equivalents at the end of the year		14,233	41,126	41,126
Cash and cash equivalents at the end of the year		17,423	14,233	24,057
Cash and cash equivalents are made up of:				
Cash	7	33	60	54
Cash equivalent due from other financial institutions at call	11	17,390	14,173	24,003
Total cash and cash equivalents		17,423	14,233	24,057

The accompanying notes on pages 11 to 40 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 2023

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 2023.

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 28 November 2023.

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 2023.

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.

2. INTEREST:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Interest income			
Loans and advances	4,909	7,006	2,856
From other financial institutions	492	786	374
Others	1	-	-
Total interest income	5,402	7,792	3,230
Interest expenses			
Deposits by customers	361	312	124
Deposits by related parties	1,041	1,617	698
Borrowings from related parties	271	261	137
Interest on lease liability	47	67	29
Total interest expenses	1,720	2,257	988

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

3. OTHER INCOME:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Banking and Lending fee income	110	128	73
Net commission revenue	6	11	5
Net foreign exchange gains	91	218	100
Other revenue	4	1	9
Total other income	211	358	187

4. OPERATING EXPENSES:

Operating expenses include

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Auditors remuneration			
- Audit of Disclosure Statements	-	100	-
- Review of Disclosure Statements	70	40	40
- Overrun of audit fee for previous year	5	6	6
Directors' fees	32	47	24
Depreciation- owned assets			
Leasehold improvements	44	88	44
Computer equipment	8	16	8
Office equipment	7	12	4
Furniture	2	4	2
Total depreciation	61	120	58
Depreciation on Right of use assets	105	222	114
Employee benefit expenses	683	1,105	622
Other expenses	398	865	459
Total Operating Expenses	1,354	2,505	1,323

5. LOANS AND ADVANCES:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Residential mortgages loans			
Standard residential mortgage loan			
Non-property investment residential mortgage loan	19,762	19,784	19,674
Property investment residential mortgage loan	18,711	18,599	20,176
Reverse residential mortgage loan	-	-	-
Total	38,473	38,383	39,850
Corporate loans	102,565	92,775	76,105
Other loans	140	82	72
Interest receivable	389	376	209
Gross Loans and advances	141,481	131,616	116,236
Allowance for expected credit loss	(672)	(745)	(622)
Amortisation of loan processing charges	(443)	(415)	-
Net loans and advances	140,809	130,871	115,614
Amounts due for settlement within 12 months	32,367	21,893	13,663
Amounts due for settlement after 12 months	108,442	108,978	101,951
Net loans and advances	140,809	130,871	115,614

Note: As at 30 September 2023, Other loans include an amount of NZD 67,081 (gross) loaned to a director and senior management (As at 31 March 2023: NZD 28,429. As at 30 September 2022: NZD 34,070).

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

6. TAXATION:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Tax expense comprises:			
Current tax expense in respect of the current year	717	969	325
Deferred tax expense relating to the origination and reversal of temporary differences	14	(48)	(10)
Expense relating to origination of permanent difference	-	(2)	-
Under provision of tax in prior period	-	(35)	-
Total tax expense	731	884	315
The total charge for the period can be reconciled to the accounting profit as follows:			
Profit before income tax expense	2,612	3,281	1,123
Income tax expense calculated at 28% (2022: 28%)	731	919	315
Expense relating to the origination of permanent difference	-	-	-
Under/(Excess) provision of tax in prior period	-	(35)	-
Income tax expense recognised in profit or loss	731	884	315

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

Temporary Differences:

(in NZ \$'000)

For period ended 30 September 2023 (Unaudited)	Opening balance	Charged to profit or loss	Closing balance
Property and equipment	27	2	29
Impairment allowance	208	(20)	188
Other liabilities	29	4	33
	264	(14)	250
For period ended 31 March 2023 (Audited)	Opening balance	Charged to profit or loss	Closing balance
Property and equipment	19	8	27
Impairment allowance	179	29	208
Other liabilities	19	10	29
	217	47	264
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

7. CASH:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Cash on hand	33	60	54
Total cash	33	60	54

8. DEPOSITS AND OTHER BORROWINGS:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Retail deposits	23,959	18,870	22,217
Wholesale deposits	-	-	-
Total deposits	23,959	18,870	22,217
Amounts due for settlement within 12 months	12,291	18,785	22,008
Amounts due for settlement after 12 months	11,668	85	209
Total deposits	23,959	18,870	22,217

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

9. PROPERTY AND EQUIPMENT:

(in NZ \$'000)

	Leasehold Improvements	Computer Equipment	Office Equipment	Furniture	Total
Costs					
Balance as at 1 April 2022 (Unaudited)	1,062	108	137	115	1,422
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 30 September 2022 (Unaudited)	1,062	108	137	115	1,422
Additions	-	-	36	1	37
Disposals	-	(55)	(30)	-	(85)
Balance as at 31 March 2023 (Audited)	1,062	53	143	116	1,374
Additions	-	-	5	11	16
Balance as at 30 September 2023 (Unaudited)	1,062	53	148	127	1,390
Accumulated depreciation					
Balance as at 1 April 2022 (Unaudited)	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
Depreciation	44	8	8	2	62
Disposals	-	(55)	(18)	-	(73)
Balance as at 31 March 2023 (Audited)	924	38	66	79	1,107
Depreciation	45	7	7	2	61
Balance as at 30 September 2023 (Unaudited)	969	45	73	81	1,168
Carrying amount					
Balance as at 30 September 2022 (Unaudited)	182	23	61	38	304
Balance as at 31 March 2023 (Audited)	138	15	77	37	267
Balance as at 30 September 2023 (Unaudited)	93	8	75	46	222

10. OTHER ASSETS:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Prepayments	44	87	39
Interest receivable	82	177	41
Total other assets	126	264	80
Amounts due for settlement within 12 months	126	264	80
Amounts due for settlement after 12 months	-	-	-
Total other assets	126	264	80

OTHER LIABILITIES:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Accruals	115	104	81
RWT on Interest on deposits	333	267	216
Interest payable	168	38	32
Others	53	46	61
Total other liabilities	669	455	390
Amounts due for settlement within 12 months	669	455	390
Amounts due for settlement after 12 months	-	-	-
Total other liabilities	669	455	390

11. DUE FROM OTHER FINANCIAL INSTITUTIONS:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Call deposits	17,390	14,173	24,003
Short term deposits	1,170	5,820	6,138
Total deposits	18,560	19,993	30,141

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.

Notes to financial statements

For the six months ended 30 September 2023

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) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Salary and other short-term benefits	232	379	216
Loan to directors and Senior management	67	28	34

During the period, the Bank accepted the deposits/ (withdrawal) of NZD (6,000) from the key management personnel (31 March 2023: NZD(1,000); 30 September 2022: NZD16,525). At the end of 30 September 2023, total deposit from the key management personnel was NZD 23,000 (31 March 2023: NZD29,000; 30 September 2022: NZD 25,274).

As at 30 September 2023, there was an amount of NZD 67,081 due from director and senior management. (31 March 2023: NZD 28,429 and 30 September 2022: NZD 34,070).

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.

Transactions/balances with related parties:

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

- Balance of deposits received from related parties amounted to NZD 345,000 which is non-interest bearing and payable on demand (31 March 2023: NZD 350,000; 30 September 2022: NZD 407,000).
- Balance of deposits made with related parties amounted to NZD 6,956,000 which is non-interest bearing and receivable on demand (31 March 2023: NZD 195,000; 30 September 2022: NZD 249,000).

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Transactions with related parties			
Interest income			
Bank of India (branches and subsidiaries)	-	-	-
Other related parties	-	-	-
Interest expense			
Bank of India (branches and subsidiaries)	271	261	137
Other related parties	1,041	1,617	698
Other expense-FCBS expense recharge			
Bank of India (Parent)	24	66	49
Net deposit/(withdrawals) with related parties	6,761	(1,070)	(1,016)
Net deposit/(withdrawals) by related parties	7,826	(7,142)	(13,790)
Balances with related parties			
Deposits with/Advances to			
Bank of India (branches and subsidiaries)	6,956	195	249
Other related parties	-	-	-
Total Deposits with related parties	6,956	195	249
Deposits from			
Bank of India (branches and subsidiaries)- Deposits	345	350	408
Bank of India (branches and subsidiaries)- Borrowings	16,019	8,342	8,219
Other related parties	62,797	62,643	56,060
Total Deposits from related parties	79,161	71,335	64,687
Deposits with/ advances to related parties			
Amounts due for settlement within 12 months	6,956	195	249
Amounts due for settlement after 12 months	-	-	-
Total Deposits with related parties	6,956	195	249
Deposits from related parties			
Amounts due for settlement within 12 months	30,752	31,482	18,256
Amounts due for settlement after 12 months	48,409	39,853	46,431
Total Deposits from related parties	79,161	71,335	64,687

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

13. SHARE CAPITAL:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
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) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Profit for the period	1,881	2,398	808
Non-cash items:			
Impairment loss recognised on loans and advances	(45)	521	(17)
Depreciation and amortisation of non-current assets	166	342	172
Loss on disposal of assets	-	11	-
Deferred tax assets	14	(47)	(10)
Movements in working capital:			
(Increase)/Decrease in loans and advances	(9,893)	(23,728)	(7,933)
Decrease/(Increase) in interest receivable	95	(160)	(24)
Increase/((decrease) in deposits from customers	5,089	5,788	9,135
Net Increase in balances due to related parties	1,064	(6,072)	(12,774)
Decrease in prepayments	43	1	49
(Increase)/Decrease in GST refundable	4	(1)	-
Increase/(Decrease) in current tax liability	16	217	(66)
(Decrease)/increase in other liabilities	215	(136)	(201)
Net cash from/used in operating activities	(1,351)	(20,866)	(10,861)

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) 30.09.2023
Tier 1 capital	
Common Equity Tier 1 ("CET1") Capital	
Issued and fully paid-up ordinary share capital	50,000
Retained earnings	12,819
Accumulated other comprehensive income and other disclosed reserves	-
	62,819
Less deductions from CET1 capital	
Deferred tax assets	(250)
Total Common Equity Tier 1 Capital	62,569
Additional Tier 1 ("AT1") capital	-
Tier 1 Capital	62,569
Tier 2 Capital	-
Total capital	62,569

Capital ratios and solo capital adequacy	(Unaudited) 30.09.2023	(Unaudited) year to 31.03.2023	(Unaudited) 30.09.2022
Common equity Tier 1 capital ratio	42%	45%	51%
Tier 1 capital ratio	42%	45%	51%
Total capital ratio	42%	45%	51%

Minimum ratio requirement	(Unaudited) 30.09.2023	(Unaudited) year to 31.03.2023	(Unaudited) 30.09.2022
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) 30.09.2023	(Unaudited) year to 31.03.2023	(Unaudited) 30.09.2022
Prudential Capital Buffer ratio	34%	37%	43%
Buffer trigger ratio	2.5%	2.5%	2.5%

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

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 2023, the Bank deposited its funds with financial institutions with a credit rating from Standard & Poor's of AA- (31 March 2023: 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.

(in NZ \$'000)

On Balance Sheet exposures as at 30 September 2023 (Unaudited)	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure	Minimum Pillar 1 capital requirement
Cash and gold bullion	33	0%	-	-
Banks	24,346	20%	4,869	389
	1,170	50%	585	47
	-	100%	-	-
Non-Property investment residential mortgage				
LVR upto 80%	16,431	35%	5,751	460
LVR >80% & upto 90%	3,225	50%	1,612	129
LVR exceeds 90%	-	75%	-	-
Property investment residential mortgage				
LVR upto 80%	18,404	40%	7,362	589
LVR >80% & upto 90%	-	70%	-	-
LVR exceeds 90%	-	90%	-	-
Corporate Loans	102,220	100%	102,220	8,178
Other Loans	140	100%	140	11
Interest receivable on loans	389	100%	389	31
Other assets	2,083	100%	2,083	167
Total on balance sheet exposure	168,441		125,011	10,001

(in NZ \$'000)

Off Balance Sheet exposures as at 30 September 2023 (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	3,641	20%	728	27.74%	202	16
Other commitments where original maturity is more than one year	9,482	50%	4,741	64.39%	3,052	244
Total off balance sheet exposure	13,123		5,469		3,254	260

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.

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

Total capital requirements:

(in NZ \$'000)

As at 30 September 2023 (Unaudited)	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Total capital requirement
Total credit risk + equity risk	181,564	128,265	10,261
Operational risk	n/a	10,890	871
Market risk	n/a	10,082	807
Total	155,449	149,237	11,939

Market risk end of period capital charges:

(in NZ \$'000)

As at 30 September 2023 (Unaudited)	Implied risk weighted Exposure	Aggregate capital charge
Interest rate risk	9,993	800
Foreign currency risk	89	7
Equity risk	-	-
Total	10,082	807

Market risk peak end-of-day capital charges:

(in NZ \$'000)

As at 30 September 2023 (Unaudited)	Implied risk weighted Exposure	Aggregate capital charge
Interest rate risk	10,191	815
Foreign currency risk	89	7
Equity risk	-	-
Total	10,280	822

Pillar 1 capital requirements:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Unaudited) 31.03.2023	(Unaudited) 30.09.2022
On-balance sheet credit risk:			
Residential mortgages (including past due, if any)	1,178	1,182	1,294
Corporate	8,178	7,379	6,054
Claims on banks	437	463	492
Other	208	159	143
Total on-balance sheet credit risk	10,001	9,183	7,983
Other capital requirements			
Off balance sheet credit exposures	260	216	99
Operational risk	871	780	688
Market risk	807	619	594
Total other capital requirements	1,938	1,615	1,381
Total Pillar 1 capital requirement	11,939	10,798	9,364

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 2023	Implied risk Weighted Exposure	Total operational risk capital requirement
Operational risk	10,890	871

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 2023				
On-balance sheet	34,835	3,225	-	38,060
Off-balance sheet	1,642	-	-	1,642
Total	36,477	3,225	-	39,702

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.

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

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 2023: 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).

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 30.09.2023 (Unaudited)	As at 31.03.2023 (Audited)	As at 30.09.2022 (Unaudited)
CET 1 capital ratio	12.60%	13.60%	12.97%
Tier one capital ratio	13.35%	14.41%	13.38%
Total capital ratio	15.63%	16.28%	15.51%

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 2023; 31 March 2023 and 30 September 2022 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 2023; 31 March 2023 and 30 September 2022), 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.

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

Average for the three months ended	30.09.2023 (%) Unaudited	30.06.2023 (%) Unaudited	30.09.2022 (%) Unaudited
Quarterly average one-week mismatch ratio	17.63	13.50	17.16
Quarterly average one-month mismatch ratio	13.37	13.25	19.83
Quarterly average core funding ratio	93.71	87.88	120.17

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 \$20,201,321 as at 30 September 2023. (31 March 2023: \$7,032,000; and 30 September 2022: \$ 12,877,000).

The Bank has NIL impaired assets as at 30 September 2023. (31 March 2023: 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.

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For the six months ended 30 September 2023

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.

Allowances for credit impairment losses:

(in NZ \$'000)

As at 30 September 2023 (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
Residential Mortgage Lending					
Balance as on 1 April 2023	91	116	-	-	207
Transfer to Stage 1	61	(61)	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	(113)	233	-	-	120
Balance as at 30 September 2023	39	288	-	-	327
Corporate exposures					
Balance as on 1 April 2023	192	333	7	-	532
Transfer to Stage 1	276	(276)	-	-	-
Transfer to Stage 2	-	7	(7)	-	-
Transfer to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	(193)	(11)	-	-	(204)
Balance as at 30 September 2023	275	53	-	-	328
Other retail exposures					
Balance as on 1 April 2023	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	1	-	-	-	1
Balance as at 30 September 2023	1	-	-	-	1
Loan commitments & guarantees					
Balance as on 1 April 2023	2	4	-	-	6
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income excluding transfers between stages	13	(3)	-	-	10
Balance as at 30 September 2023	15	1	-	-	16
Balance as on 1 April 2023	285	453	7	-	745
Charge to statement of comprehensive income	45	(111)	(7)	-	(73)
Total provision for credit impairment balance at 30 September 2023	330	342	-	-	672

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

Allowances for credit impairment losses (continued...)

(in NZ \$'000)

As at 30 September 2023 (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	17	(80)	-	(63)
Increase/(Decrease) in ECL due to increased/(decreased) credit risk of existing credit exposures	-	-	-	-
Increase in ECL due to increase in loan book	28	-	-	28
Decrease in ECL due to closure of loans	-	(38)	-	(38)
Movement in ECL	45	(118)	-	(73)

(in NZ \$'000)

As at 31 March 2023 (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	-	(1)	1	-
Increase in ECL due to increased credit risk of existing credit exposures	66	(108)	-	(42)
Increase in ECL due to increase in loan book	126	171	-	297
Decrease in ECL due to closure of loans	(89)	(60)	-	(149)
Movement in ECL	103	2	1	106

(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 in ECL due to increased 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 30 September 2023 (Unaudited)	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Loan Commitments & guarantees	Total
Total neither past due nor impaired	29,130	92,063	140	11,811	133,144
Past due but not impaired					
Less than 30 days past due	-	-	-	-	-
At least 30 days but less than 60 days past due	-	720	-	-	720
At least 60 days but less than 90 days past due	9,343	10,138	-	1,312	20,793
At least 90 days past due	-	-	-	-	-
Total past due but not impaired	9,343	10,858	-	1,312	21,513
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 and credit impaired	-	-	-	-	-
Total gross loans and advances including loan commitments and guarantees	38,473	102,921	140	13,123	154,657
Collectively assessed provisions					
Balance as at 1 April 2023	207	532	-	6	745
Charge to statement of comprehensive income	120	(204)	1	10	(73)
Other movements	-	-	-	-	-
Balance at 30 September 2023	327	328	1	16	672
Individually assessed provisions					
Balance at 1 April 2023	-	-	-	-	-
Charge to statement of comprehensive income	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 30 September 2023	-	-	-	-	-
Total allowance for impairment losses	327	328	1	16	672

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

Allowance for credit impairment losses (continued...)

(in NZ \$'000)

As at 31 March 2023 (Audited)	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Loan Commitments & guarantees	Total
Total neither past due nor impaired	37,028	87,514	81	15,382	140,005
Past due but not impaired					
Less than 30 days past due	-	-	-	-	-
At least 30 days but less than 60 days past due	1,447	5,585	-	-	7,032
At least 60 days but less than 90 days past due	-	-	-	-	-
At least 90 days past due	-	-	-	-	-
Total past due but not impaired	1,447	5,585	-	-	7,032
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 and credit impaired	-	-	-	-	-
Total gross loans and advances including loan commitments and guarantees	38,475	93,099	81	15,382	147,037
Collectively assessed provisions					
Balance at 1 April 2022	224	394	-	21	639
Charge to statement of comprehensive income	(17)	138	-	(15)	106
Other movements	-	-	-	-	-
Balance at 31 March 2023	207	532	-	6	745
Individually assessed provisions					
Balance at 1 April 2022	-	-	-	-	-
Charge to statement of comprehensive income	-	-	-	-	-
Other movements	-	-	-	-	-
Balance at 31 March 2023	-	-	-	-	-
Total allowance for impairment losses	207	532	-	6	745

(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 and credit 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 2023

Credit impairment losses on loans and advances:

(in NZ \$'000)

Impact on Profit & Loss	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Off balance sheet exposures	Total
Collectively assessed provisions					
Balance as on 1 April 2023	(207)	(532)	-	(6)	(745)
Charge for the current period	(120)	204	(1)	(10)	73
Balance at 30 September 2023 (Unaudited)	(327)	(328)	(1)	(16)	(672)

(in NZ \$'000)

Impact on Profit & Loss	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Off balance sheet exposures	Total
Collectively assessed provisions					
Balance as on 1 April 2022	(224)	(394)	-	(21)	(639)
Charge for the current year	17	(138)	-	15	(106)
Balance at 31 March 2023 (Audited)	(207)	(532)	-	(6)	(745)

(in NZ \$'000)

Impact on Profit & Loss	Residential mortgage loans	On balance sheet corporate exposures	Other on balance sheet exposures	Off balance sheet exposures	Total
Collectively assessed provisions					
Balance as on 1 April 2022	(224)	(394)	-	(21)	(639)
Charge for the current year	32	(28)	-	13	17
Balance at 30 September 2021 (Unaudited)	(192)	(422)	-	(8)	(622)

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 2023 (31 March 2023: Nil; 30 September 2022: 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 2023 (31 March 2023: Nil; 30 September 2022: 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 2023 (31 March 2023: Nil; 30 September 2022: Nil).

There were no other assets under administration as at and for the six months ended 30 September 2023 (31 March 2023: Nil; 30 September 2022: Nil).

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

Movement in gross loans and advances:

(in NZ \$'000)

As at 30 September 2023 (Audited)	Stage 1	Stage 2	Stage 3	Total
Residential Mortgage Lending				
Balance as on 1 April 2023	18,617	19,858	-	38,475
Net draw down/(repayment)	(65)	63	-	(2)
Transfer to stage 1	10,578	(10,578)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Balance as 30 September 2023	29,130	9,343	-	38,473
Corporate Exposures				
Balance as on 1 April 2023	34,067	58,270	762	93,099
Net draw down/(repayment)	9,523	300	-	9,823
Transfer to stage	48,473	(48,473)	-	-
Transfer to stage 2	-	762	(762)	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2023	92,063	10,859	-	102,922
Other exposures				
Balance as on 1 April 2023	81	-	-	81
Net draw down/(repayment)	59	-	-	59
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2023	140	-	-	140
Total				
Balance as on 1 April 2023	52,765	78,128	762	131,655
Net draw down/(repayment)	9,517	363	-	9,880
Transfer to stage 1	59,051	(59,051)	-	-
Transfer to stage 2	-	762	(762)	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2023	121,333	20,202	-	141,535
Commitments and financial guarantees				
Balance at beginning of period	12,244	3,138	-	15,382
Net increases/(decrease) in facilities	(570)	(1,129)	-	(1,699)
Transfer to stage 1	589	(589)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Balance as at 30 September 2023	12,263	1,420	-	13,683

17. FINANCIAL INSTRUMENTS:
Categories of financial instruments:

(in NZ \$'000)

As at 30 September 2023 (Unaudited)	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets			
Cash	33	-	33
Balance due from related parties	6,956	-	6,956
Due from other financial institutions	18,560	-	18,560
Loans and advances	140,809	-	140,809
Interest receivable	82	-	82
Total financial assets	166,440	-	166,440
Non-financial assets	-	-	2,251
Total assets	-	-	168,691
Liabilities			
Balance due to related parties	-	79,161	79,161
Deposits and other borrowings	-	23,959	23,959
Lease liabilities	-	1,791	1,791
Interest payable	-	168	168
Total financial liabilities	-	105,079	105,079
Non-financial liabilities	-	-	793
Total liabilities	-	-	105,872

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

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

(in NZ \$'000)

As at 31 March 2023 (Audited)	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets			
Cash	60	-	60
Balance due from related parties	195	-	195
Due from other financial institutions	19,993	-	19,993
Loans and advances	130,871	-	130,871
Interest receivable	177	-	177
Total financial assets	151,296	-	151,296
Non-financial assets	-	-	1,624
Total assets	-	-	152,920
Liabilities			
Balance due to related parties	-	71,335	71,335
Deposits and other borrowings	-	18,870	18,870
Lease liability	-	1,046	1,046
Interest payable	-	38	38
Total financial liabilities	-	91,289	91,289
Non-financial liabilities	-	-	693
Total liabilities	-	-	91,982

(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

Fair value of financial instruments:

(in NZ \$'000)

As at 30 September 2023 (Unaudited)	Carrying Amounts	Estimated Fair Value
Financial assets		
Cash	33	33
Balance due from related parties	6,956	6,956
Due from other financial institutions	18,560	18,596
Loans and advances	140,809	140,100
Interest receivable	82	82
Total financial assets	166,440	165,767
Financial liabilities		
Balance due to related parties	79,161	78,471
Deposits and other borrowings	23,959	23,997
Lease liabilities	1,791	1,791
Interest payable	168	168
Total financial liabilities	105,079	104,427

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

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

(in NZ \$'000)

As at 31 March 2023 (Audited)	Carrying Amounts	Estimated Fair Value
Financial assets		
Cash	60	60
Balance due from related parties	195	195
Due from other financial institutions	19,993	20,437
Loans and advances	130,871	130,871
Interest receivable	177	177
Total financial assets	151,296	151,740
Financial liabilities		
Balance due to related parties	71,335	69,933
Deposits and other borrowings	18,870	18,924
Lease liability	1,046	1,046
Interest Payable	38	38
Total financial liabilities	91,289	89,941

(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

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.

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

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

Level 1 Quoted market price

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

Level 2 Valuation technique using observable inputs

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

Level 3 Valuation technique with significant unobservable inputs

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

(in NZ \$'000)

As at 30 September 2023 (Unaudited)	Level 1	Level 2	Level 3	Total
Cash	33	-	-	33
Financial assets at amortised cost				
Due from other financial institutions	-	18,560	-	18,560
Due from related parties	-	6,956	-	6,956
Loans and advances	-	-	140,100	140,100
Interest receivable	-	-	82	82
Other financial liabilities				
Balance due to related parties	-	78,471	-	78,471
Deposits and other borrowings	-	23,997	-	23,997
Lease liabilities	-	1,791	-	1,791
Interest payable	-	168	-	168

(in NZ \$'000)

As at 31 March 2023 (Audited)	Level 1	Level 2	Level 3	Total
Cash	60	-	-	60
Financial assets at amortised cost				
Due from other financial institutions	-	20,437	-	20,437
Due from related parties	-	195	-	195
Loans and advances	-	-	130,871	130,871
Interest receivable	-	-	177	177
Other financial liabilities				
Balance due to related parties	-	69,933	-	69,933
Deposits and other borrowings	-	18,924	-	18,924
Lease liability	-	1,046	-	1,046
Interest payable	-	38	-	38

(in NZ \$'000)

As at 30 September 2022 (Unaudited)	Level 1	Level 2	Level 3	Total
Cash	54	-	-	54
Financial assets at amortised cost				
Due from other financial institutions	-	30,141	-	30,141
Due from related parties	-	249	-	249
Loans and advances	-	-	115,614	115,614
Interest receivable	-	-	41	41
Other financial liabilities				
Balance due to related parties	-	65,116	-	65,116
Deposits and other borrowings	-	22,343	-	22,343
Lease liabilities	-	1,147	-	1,147
Interest payable	-	32	-	32

Transfers between levels of fair value hierarchy are determined at the end of the reporting period. There have been no transfers between Level 1 and Level 2 during the period. There have also been no transfers into/out of Level 3 during the period ended 30 September 2023(31 March 2023: Nil; and 30 September 2022: Nil).

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 2023

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 as part of its overseas subsidiaries rotation of management audit in April 2023.

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 2023 (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	33	-	-	-	-	-	33
Balance due from related parties	6,956	-	-	-	-	-	6,956
Due from other financial institutions	18,560	17,053	1,170	-	-	-	337
Loans and advances	140,809	141,464	-	-	28	43	(726)
Interest receivable	82	-	-	-	-	-	82
Total financial assets	166,440	158,517	1,170	-	28	43	6,682
Financial Liabilities							
Balance due to related parties	79,161	9,052	13,449	7,885	44,840	3,100	835
Deposits and other borrowings	23,959	5,801	3,523	1,933	10,429	1,239	1,034
Lease liabilities	1,791	-	-	-	-	-	1,791
Interest payable	168	-	-	-	-	-	168
Total financial liabilities	105,079	14,853	16,972	9,818	55,269	4,339	3,828
Net financial assets/(liabilities)	61,361	143,664	(15,802)	(9,818)	(55,241)	(4,296)	2,854

(in NZ \$'000)

As at 31 March 2023 (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	60	-	-	-	-	-	60
Balance due from related parties	195	-	-	-	-	-	195
Due from other financial institutions	19,993	13,810	5,241	531	-	-	411
Loans and advances	130,871	131,609	-	2	16	28	(784)
Interest receivable	177	-	-	-	-	-	177
Total financial assets	151,296	145,419	5,241	533	16	28	59
Financial Liabilities							
Balance due to related parties	71,335	2,708	13,557	14,867	31,967	7,544	692
Deposits and other borrowings	18,870	10,301	2,274	3,244	80	5	2,966
Lease liabilities	1,046	-	-	-	-	-	1,046
Interest payable	38	-	-	-	-	-	38
Total financial liabilities	91,289	13,009	15,831	18,111	32,047	7,549	4,742
Net financial assets/(liabilities)	60,007	132,410	(10,590)	(17,578)	(32,031)	(7,521)	(4,683)

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

Interest repricing (Continued...)

(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)

Interest rate sensitivity:

The table below summarise 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 2023 (Unaudited)	Carrying Amounts	-1.0% Profit or Loss	+1.0% Profit or Loss	-1.0% Equity	+1.0% Equity
Financial assets					
Cash	33	-	-	-	-
Balance due from related parties	6,956	-	-	-	-
Due from other financial institutions	18,560	(123)	123	(123)	123
Loans and advances	140,809	(977)	977	(977)	977
Interest receivable	82	-	-	-	-
Total financial assets	166,440	(1,100)	1,100	(1,100)	1,100
Financial liabilities					
Balance due to related parties	79,161	567	(567)	567	(567)
Deposits and other borrowings	23,959	91	(91)	91	(91)
Lease liabilities	1,791	-	-	-	-
Interest Payable	168	-	-	-	-
Total financial liabilities	105,079	658	(658)	658	(658)

(in NZ \$'000)

As at 31 March 2023 (Audited)	Carrying Amounts	-1.0% Profit or Loss	+1.0% Profit or Loss	-1.0% Equity	+1.0% Equity
Financial assets					
Cash	60	-	-	-	-
Balance due from related parties	195	-	-	-	-
Due from other financial institutions	19,993	(96)	96	(96)	96
Loans and advances	130,871	(943)	943	(943)	943
Interest receivable	177	-	-	-	-
Total financial assets	151,296	(1,039)	1,039	(1,039)	1,039
Financial liabilities					
Balance due to related parties	71,335	511	(511)	511	(511)
Deposits and other borrowings	18,870	78	(78)	78	(78)
Lease liabilities	1,046	-	-	-	-
Interest Payable	38	-	-	-	-
Total financial liabilities	91,289	589	(589)	589	(589)

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

Interest rate sensitivity (continued...)

As at 30 September 2022 (Unaudited)	Carrying Amounts	-0.50% Profit or Loss	+0.50% Profit or Loss	-0.50% Equity	+0.50% 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)	1044	(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)

Foreign exchange risk:

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

(in equivalent NZ \$'000)

	30.09.2023 (Unaudited)		31.03.2023 (Audited)		30.09.2022 (Unaudited)	
	(USD)	(INR)	(USD)	(INR)	(USD)	(INR)
Financial assets						
Cash	3	-	2	-	2	-
Balance due from related parties	6,933	23	125	70	224	24
Due from other financial institution	1,170	-	-	-	1,138	-
Interest receivable	22	-	-	-	-	-
Total financial assets	8,128	23	127	70	1,364	24
Financial liabilities						
Deposits and other borrowings	8,095	-	1,349	-	1,377	-
Interest payable	146	-	-	-	-	-
Total financial liabilities	8,241	-	1,349	-	1,377	-
Net Open Position:	(113)	23	(1,222)	70	(13)	24

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 2023 (Unaudited)	Carrying Amounts	-10% Profit or Loss	+10% Profit or Loss	-10% Equity	+10% Equity
Financial assets					
Open Position	(90)	6	(6)	6	(6)

(in NZ \$'000)

As at 31 March 2023 (Audited)	Carrying Amounts	-10% Profit or Loss	+10% Profit or Loss	-10% Equity	+10% Equity
Financial assets					
Open Position	(1,152)	83	(83)	83	(83)

(in NZ \$'000)

As at 30 September 2020 (Unaudited)	Carrying Amounts	-10% Profit or Loss	+10% Profit or Loss	-10% Equity	+10% Equity
Financial assets					
Open Position	11	(1)	1	(1)	1

Notes to financial statements

For the six months ended 30 September 2023

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 2023. 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 2023 (Unaudited)	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	On demand	Total
Assets						
Cash	-	-	-	-	33	33
Balance due from related parties	-	-	-	-	6,956	6,956
Due from other financial institutions	454	752	-	-	17,390	18,596
Loan and advances	11,460	25,735	62,475	104,795	7,693	212,158
Interest receivable	82	-	-	-	-	82
Total financial assets	11,996	26,487	62,475	104,795	32,072	237,825
Liabilities						
Balance due to related parties	9,211	22,002	52,589	-	345	84,147
Deposits and other borrowings	1,454	5,620	12,981	-	5,364	25,419
Lease liabilities	39	120	760	872	-	1,791
Other liabilities	-	-	-	-	168	168
Total financial liabilities	10,704	27,742	66,330	872	5,877	111,525
Net non-derivative cash flows	1,292	(1,255)	(3,855)	103,923	26,195	126,300
Off Balance sheet cash flows						
Loan commitments	-	-	-	-	12,813	12,813
Guarantees and Letters of credit	-	-	-	-	870	870
Total	-	-	-	-	13,683	13,683
Net cash flows	1,292	(1,255)	(3,855)	103,923	12,512	112,617

(in NZ \$'000)

As at 31 March 2023 (Audited)	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	On demand	Total
Assets						
Cash	-	-	-	-	60	60
Balance due from related parties	-	-	-	-	195	195
Due from other financial institutions	475	6,042	-	-	13,748	20,265
Loan and advances	7,892	23,073	62,665	108,671	3,419	205,720
Interest receivable	177	-	-	-	-	177
Total financial assets	8,544	29,115	62,665	108,671	17,422	226,417
Liabilities						
Balance due to related parties	2,720	29,137	43,078	-	350	75,285
Deposits and other borrowings	5,208	5,696	88	-	8,094	19,086
Lease liability	52	76	453	465	-	1,046
Other liabilities	-	-	-	-	38	38
Total financial liabilities	7,980	34,909	43,619	465	8,482	95,455
Net non-derivative cash flows	564	(5,794)	19,046	108,206	8,940	130,962
Off Balance sheet cash flows						
Loan commitments	-	-	-	-	11,042	11,042
Guarantees and Letters of credit	-	-	-	-	4,340	4,340
Total	-	-	-	-	15,382	15,382
Net cash flows	564	(5,794)	19,046	108,206	(6,442)	115,580

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For the six months ended 30 September 2023

Liquidity risk (continued...)

(in NZ '\$000)

As at 30 September 2022(Unaudited)	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 year	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

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) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Construction	37,334	35,745	24,412
Finance, Investment & Insurance	28,566	23,486	33,831
Health and Community Services	2,559	2,558	2,656
Households	19,900	19,914	20,383
Property and Business Services	44,909	45,118	40,257
Rental, Hiring and Real Estate	18,733	18,645	19,610
Retail and wholesale trade	14,996	6,338	5,477
Subtotal	166,997	151,804	146,626
Allowance for impairment losses	(672)	(745)	(622)
Total on-balance sheet credit exposures	166,325	151,059	146,004

(in NZ '\$000)

Analysis of on balance sheet exposure by geographical area	30.09.2023 (Unaudited)	31.03.2023 (Audited)	30.09.2022 (Unaudited)
New Zealand	159,369	150,863	145,756
Asia	23	70	52
America	6,933	126	196
Total on-balance sheet credit exposures	166,325	151,059	146,004

(in NZ '\$000)

Off balance sheet credit exposures	30.09.2023 (Unaudited)	31.03.2023 (Audited)	30.09.2022 (Unaudited)
Loan commitments	12,813	11,042	7,534
Performance/financial guarantees issued on behalf of customers	870	4,340	353
Total off-balance sheet credit exposures	13,683	15,382	7,887

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

CONCENTRATION OF CREDIT RISK (continued...)

(in NZ \$'000)

Analysis of off-balance sheet credit exposure by industry	30.09.2023 (Unaudited)	31.03.2023 (Audited)	30.09.2022 (Unaudited)
Construction	9,772	9,224	6,255
Health and Community Services	3	40	43
Households	999	956	956
Property and Business Services	1,901	4,027	172
Rental, Hiring and Real Estate	698	825	151
Travel and Tourism	310	310	310
Total off-balance sheet credit exposures	13,683	15,382	7,887

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) 30.09.2023			Maximum exposure (Audited) 31.03.2023			Maximum exposure (Unaudited) 30.09.2022		
	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	18,560	-	18,560	19,993	-	19,993	30,141	-	30,141
Net Loans and advances to Customers	140,809	140,678	131	130,871	130,824	47	115,614	115,579	35
Balance with related parties	6,956	-	6,956	195	-	195	249	-	249
Total exposure to credit risk	166,325	140,678	25,647	151,059	130,824	20,235	146,004	115,579	30,425

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:	30.09.2023 (Unaudited)	31.03.2023 (Audited)	30.09.2022 (Unaudited)
Finance, Investment and Insurance	85,190	71,335	66,732
Households	16,400	15,549	18,801
Property & business services	1,122	817	811
Others	408	2,504	560
Total funding	103,120	90,205	86,904

(in NZ \$'000)

Analysis of funding by geographical area:	30.09.2023 (Unaudited)	31.03.2023 (Audited)	30.09.2022 (Unaudited)
New Zealand	93,486	81,513	78,278
Asia	9,634	8,692	8,626
Total funding	103,120	90,205	86,904

Notes to financial statements

For the six months ended 30 September 2023

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 was one (1) 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 2023 (31 March 2023: 2 and 30 September 2022:2).

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 2023 (31 March 2023: 11 and 30 September 2022: 10).

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 2023 (31 March 2023: 2 and 30 September 2022: 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 2023 (31 March 2023: 11 and 30 September 2022:11).

Percentage of shareholders' equity	30.09.2023 (Unaudited): Number of non-bank counterparties			
	"A" Rated	"B" Rated	Unrated	Total
As at 30.09.2023				
10% - 14.99%	-	-	2	2
15% - 19.99%	-	-	7	7
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
Total	-	-	10	10
Peak Exposure				
10% - 14.99%	-	-	3	3
15% - 19.99%	-	-	7	7
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
Total	-	-	11	11

Percentage of shareholders' equity	31.03.2023 (Audited): Number of non-bank counterparties			
	"A" Rated	"B" Rated	Unrated	Total
As at 31.03.2023				
10% - 14.99%	-	-	5	5
15% - 19.99%	-	-	5	5
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
Total	-	-	11	11
Peak Exposure				
10% - 14.99%	-	-	5	5
15% - 19.99%	-	-	5	5
20% - 24.99%	-	-	1	1
25% - 29.99%	-	-	-	-
30% - 34.99%	-	-	-	-
Total	-	-	11	11

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

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

	30.09.2023 (Audited)			
	Number of bank counterparties			
	"A- or A3 or above or equivalent	B Rated	Unrated	Total
As at 30 September 2023				
10% - 14.99%	-	-	-	-
15% - 19.99%	-	-	-	-
20% - 24.99%	-	-	-	-
25%- 29.99%	1	-	-	1
30%- 34.99%	-	-	-	-
Total	1	-	-	1
Peak Exposure				
10% - 14.99%	1	-	-	1
15% - 19.99%	-	-	-	-
20% - 24.99%	-	-	-	-
25%- 29.99%	1	-	-	1
30%- 34.99%	-	-	-	-
Total	2	-	-	2

Percentage of shareholders' equity	31.03.2023 (Audited)			
	Number of bank counterparties			
	"A- or A3 or above or equivalent	B Rated	Unrated	Total
As at 31 March 2023				
10% - 14.99%	1	-	-	1
15% - 19.99%	1	-	-	1
20% - 24.99%	-	-	-	-
25%- 29.99%	-	-	-	-
30%- 34.99%	-	-	-	-
Total	2	-	-	2
Peak Exposure				
10% - 14.99%	-	-	-	-
15% - 19.99%	-	-	-	-
20% - 24.99%	1	-	-	1
25%- 29.99%	-	-	-	-
30%- 34.99%	1	-	-	1
Total	2	-	-	2

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For the six months ended 30 September 2023

Percentage of shareholders' equity	30.09.2022 (Audited)			
	Number of bank counterparties			
	"A- or A3 or above or equivalent	B Rated	Unrated	Total
As at 30 September 2022				
10% -14.99%	-	-	-	-
15% -19.99%	1	-	-	1
20% -24.99%	-	-	-	-
25%- 29.99%	-	-	-	-
30%- 34.99%	1	-	-	1
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%	1	-	-	1
45%- 49.99%	-	-	-	-
50%- 54.99%	-	-	-	-
55%- 59.99%	-	-	-	-
60%- 64.99%	1	-	-	1
Total	2	-	-	2

22. CREDIT EXPOSURE TO CONNECTED PERSONS:

(in NZ \$'000)

As at	30.09.2023 (Unaudited)	31.03.2023 (Audited)	30.09.2021 (Unaudited)
Credit exposure to connected persons	6,956	195	249
Credit exposure to non-bank connected persons	-	-	-
Peak end-of-day			
Credit exposure to connected persons	7,045	1,352	1,352
Credit exposure to non-bank connected persons	-	-	-

As at	30.09.2023 (Unaudited) % of Tier-1 Capital	31.03.2023 (Audited) % of Tier-1 Capital	30.09.2021 (Unaudited) % of Tier-1 Capital
Credit exposure to connected persons	11.12%	0.32%	0.42%
Credit exposure to non-bank connected persons	0.00%	0.00%	0.00%
Peak end-of-day			
Credit exposure to connected persons	11.26%	2.23%	2.29%
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 2023, the rating-contingent limit applicable to the Bank was 15% of tier one capital. Over the period ended 30 September 2023, 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 2023: 15%, and 30 September 2022: 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 2023 is Nil (31 March 2023: Nil; and 30 September 2022: Nil).

Aggregate amount of the Bank's individual credit impairment allowances provided against credit exposures to connected persons as at 30 September 2023 is Nil (31 March 2023: Nil; and 30 September 2022: Nil).

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23.COMMITMENTS:

Undrawn loan commitments:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Undrawn loan commitments	12,813	11,042	7,534
Total	12,813	11,042	7,534

Capital commitments:

As at 30 September 2023, the Bank does not have any commitments for capital expenditure (31 March 2023: 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) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2021
Performance/financial guarantees and Letters of credit issued on behalf of customers	870	4,340	353
Total contingent liabilities	870	4,340	353

27.RIGHT OF USE ASSET AND LEASE LIABILITY:

(in NZ \$'000)

	Real Estate	Total
Right-of-use assets		
Balance as at 1 April 2023	979	979
Additions	-	-
Adjustments due to lease review	838	838
Disposals	-	-
Depreciation	(105)	(105)
Balance as at 30 September 2023 (Unaudited)	1,712	1,712
Balance as at 1 April 2022	155	155
Additions	1,046	1,046
Adjustments due to lease review	-	-
Disposals	-	-
Depreciation	(222)	(222)
Balance as at 31 March 2023 (Audited)	979	979
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 2020 (Unaudited)	1,087	1,087
Lease liabilities		
Balance as at 1 April 2023	1,046	1,046
Additions	-	-
Adjustments due to lease review	838	838
Lease payments	(140)	(140)
Interest expense on lease liabilities	47	47
Balance as at 30 September 2023 (Unaudited)	1,791	1,791
Balance as at 1 April 2022	171	171
Additions	1,046	1,046
Adjustments due to lease review	-	-
Lease payments	(238)	(238)
Interest expense on lease liabilities	67	67
Balance as at 31 March 2023 (Audited)	1,046	1,046
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 (Unaudited)	1,147	1,147



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For the six months ended 30 September 2023

Cash outflows for leases:

(in NZ \$'000)

	(Unaudited) 30.09.2023	(Audited) year to 31.03.2023	(Unaudited) 30.09.2022
Lease liabilities-principal payments	93	171	70
Interest expenses-lease liabilities	47	67	29
Total lease payments	140	238	99

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

- i) 10 Manukau Road, Epsom, Auckland: The non-cancellable period of the lease is for three years from June 2022 and has an option to renew the lease for two(2) terms of three (3) years on 1 June 2025 and 1 June 2028. The final Expiry date of the lease is 31 May 2031.
- ii) 31 East Tamaki Road, Papatoetoe, Auckland: The non-cancellable period of the lease is for five (5) years from from 15 July 2023 and has an option to renew the lease for a further period of 5 years on 15 July 2028.

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 modifiers 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 October 2023.

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.

For the purposes of this condition of registration,—

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

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

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

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

- 1C. That:

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

For the purposes of this condition of registration,—

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

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

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

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

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

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

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

predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and

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

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

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

For the purposes of this condition of registration,—

“insurance business” means the undertaking or assumption of liability as an insurer under a contract of insurance:

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

4. From 1 October 2023 the bank must comply with all the requirements set out in the following document: BS8 Connected Exposures 1 October 2023, except as noted below.
- (i) The requirements in para A.3(1) to A.3(12) do not take effect until 1 April 2024.
- (ii) From 1 October 2023 to 31 March 2024 the bank must apply the definition of connected person set out in 4(e) to 4(g) of the BS8 Connected Exposures document dated 1 October 2021.
- 4A. That the aggregate credit exposures of the banking group to all connected persons must not exceed the rating-contingent limit outlined in the following matrix at the end of each working day at all times:

Credit rating of the bank ¹	Connected exposure limit (% of the Banking Group's Tier 1 capital)
AA/Aa2 and above	75

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.)

AA-/Aa3	70
A+/A1	60
A/A2	40
A-/A3	30
BBB+/Baa1 and below	15

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

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

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

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

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.
6. That the bank complies with the following corporate governance requirements:
- (a) the board of the bank must have at least five directors;
 - (b) the majority of the board members must be non-executive directors;
 - (c) at least half of the board members must be independent directors;
 - (d) an alternate director,—
 - (i) for a non-executive director must be non-executive; and
 - (ii) for an independent director must be independent;
 - (e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;
 - (f) the chairperson of the board of the bank must be independent; and

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

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

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank unless:
- (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
8. That a person must not be appointed as chairperson of the board of the bank unless:
- (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
9. That the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:
- (a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;
 - (b) the committee must have at least three members;
 - (c) every member of the committee must be a non-executive director of the bank;
 - (d) the majority of the members of the committee must be independent; and
 - (e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

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

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

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

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

12. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:

- (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;
- (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;
- (c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and
- (d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.

13. That no more than 10% of total assets may be beneficially owned by a SPV.

For the purposes of this condition,—

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

"SPV" means a person—

- (a) to whom any member of the banking group has sold, assigned, or otherwise transferred any asset;
- (b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and
- (c) who carries on no other business except for that necessary or incidental to guarantee the obligations of any member of the banking group under a covered bond:

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

14. That—

- (a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:

- (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
- (b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:
- (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination;
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
 - (iii) the Reserve Bank has given the bank a notice of non-objection to the significant acquisition or business combination.

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

15. That, for a loan-to-valuation measurement period ending on or after 30 November 2023, the total of the bank's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a loan-to-valuation ratio of more than 65%, must not exceed 5% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the loan-to-valuation measurement period.
16. That, for a loan-to-valuation measurement period ending on or after 30 November 2023, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80%, must not exceed 15% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.
17. That the bank must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank's agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.

In these conditions of registration,—

“banking group” means Bank of 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 2023
BPR120: Capital adequacy process requirements	1 October 2023
BPR130: Credit risk RWAs overview	1 October 2023
BPR131: Standardised credit risk RWAs	1 October 2023
BPR132: Credit risk mitigation	1 October 2023
BPR133: IRB credit risk RWAs	1 October 2023
BPR134: IRB minimum system requirements	1 July 2021
BPR140: Market risk exposure	1 October 2021
BPR150: Standardised operational risk	1 July 2021
BPR151: AMA operational risk	1 July 2021
BPR160: Insurance, securitisation, and loan transfers	1 July 2021
BPR001: Glossary	1 October 2023

In conditions of registration 15 to 17,—

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

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

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:

"Authorized Officer" means, where a Creditor is a Person other than a natural person 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;

[Handwritten signatures of authorized officers]

Authorised Signatory
Bandra (E) Branch

The North Kanara C.S.B. Co-op.
Bank Ltd., Bandra Branch, Zaporza,
Santiba Sahawar Kalanagar,
Mumbai-400 051.
D-5/ST/IV/C.R. 104/2007/1300 to
1303

(Rupees One Hundred Only)

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"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. SUBROGATION

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. DEALINGS BETWEEN THE BANK AND THE CREDITORS

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. NOTICES

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 - Kuria 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 Bank of India (New Zealand) Limited (the "Registered Bank") on pages 8 to 40, nothing has come to our attention that causes us to believe that the interim financial statements (excluding the supplementary information disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order")), have not been prepared, in all material respects, with NZ IAS 34 Interim Financial Reporting ("NZ IAS 34");

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

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

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

- the interim financial statements formed of:
 - the statement of financial position as at 30 September 2023;
 - the statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
 - notes, including material accounting policy information and other explanatory information.
- the supplementary information prescribed in Schedules 5, 7, 13, 16 and 18 of the Order.



Basis for conclusion

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

As the auditor of Bank of India (New Zealand) Limited, NZ SRE 2410 (Revised) requires that we comply with the ethical requirements relevant to the audit of the annual financial statements. Our firm has also provided other services to the Registered Bank in relation to 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;
 - 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.
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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 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

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

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

KPMG

KPMG
Auckland

29 November 2023



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

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

Based on our limited assurance conclusion, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements, disclosed in note 15 to the disclosure statement, is not, in all material respects disclosed in accordance with Schedule 9 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the 'Order').

We have reviewed the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements, as disclosed in note 15 of the disclosure statement for the 6 month period ended 30 September 2023. The supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements comprises the information that is required to be disclosed in accordance with Schedule 9 of the Order.

Standards we followed

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

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

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

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



The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

Inherent Limitations

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

A limited assurance engagement for the 6 month period ended 30 September 2023 does not provide assurance on whether compliance with the with Schedule 9 of the Order will continue in the future.

Restriction of distribution and use

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

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

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

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

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

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

Our responsibility

Our responsibility is to express a conclusion to Bank of India (New Zealand) Limited on whether anything has come to our attention that the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements has not, in all material respects, been prepared in accordance with Schedule 9 of the Order for the 6 month period ended 30 September 2023.



Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to the Bank in relation to the review of the 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 Bank of India (New Zealand) Limited on normal terms within the ordinary course of trading activities of the business of Bank of India (New Zealand) Limited. These matters have not impaired our independence as assurance providers of the Bank of India (New Zealand) Limited for this engagement. The firm has no other relationship with, or interest in, the Bank of India (New Zealand) Limited.

KPMG

KPMG
Auckland

29 November 2023