



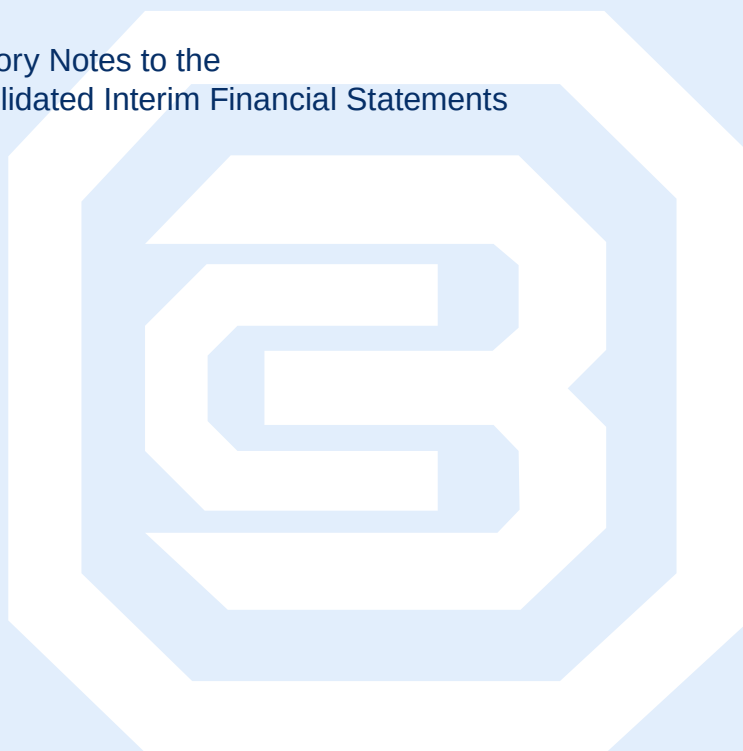
BANCORP

INTERIM REPORT 2015

Bancorp Wealth Management New Zealand Limited
Condensed Consolidated Interim Financial Report
For the period ended 31 December 2015

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COMPANY DIRECTORY

Company Number:	2199093
Nature of Business:	Private banking, investment and fund management
Issued Capital:	9,999,599 ordinary shares (fully paid)
Directors:	Craig Bernard Brownie Nigel David Parker Spratt Peter Murray Kirk
Registered Office:	Level 11, 191 Queen Street, Auckland, 1140, New Zealand
Address for Service:	Level 11, 191 Queen Street, Auckland, 1140, New Zealand
Auditors:	Staples Rodway Level 9, 45 Queen Street Auckland, 1010, New Zealand
Banker:	Westpac Banking Corporation Level 6, 16 Takutai Square Auckland, 1010, New Zealand
Solicitors:	Buddle Findlay, Auckland PwC Tower, 188 Quay Street Auckland, 1010, New Zealand
Listing:	ISIN: NZBWME0001S2 / WKN: A1KCZL Ticker symbol: BW6
Website:	www.bancorp.co.nz

DIRECTORS' HALF YEAR REPORT

OVERVIEW

The beginning of 2016 started off as expected. With no Airbus revenue and a continued turn around issue with Boston Marks, the NPAT at the half year is expectedly down on last year (\$1.9 million). However, the second half of the year is looking much better with the changes made to Boston Marks flowing through to our bottom line. We expect 2016 year end to be similar to 2015 which was NPAT attributable to shareholders of \$618k.

Our projection for 2017 (i.e. 1 July 2016 – 30 June 2017) is a much higher earnings and NPAT of around \$4million – \$5million for the full year.

Total assets for 2016 half year have grown due to new investor funds and growth in our securitisation program. We expect this growth in assets to continue to the year end and to see the profit flowing from the securitisation program in the 2017 year which will be the first full year of operation.

MANAGING DIRECTOR / CHAIRMAN'S REPORT

The NZ dollar is relatively strong against its trading currencies and New Zealand continues to hold its Official Cash Rate at 2.50% for now. Volatility against the USD does have an impact on NZD earnings because our aviation and aircraft activities are typically conducted in USD.

INSURANCE



Whilst the global aircraft insurance market remains weak, there are signs that it has reached a levelling out where insurers may no longer be able to sustain losses just to obtain premium income. As most of our insurance broking income is based off the premium paid we hope this will help slow any continued decrease in our revenue. Unfortunately we cannot control this end of the market but continue to make changes to our own operating activities to maintain operating margins and turn profitability around.

AIRCRAFT



We have officially launched our domestic aircraft financing business in joint venture with Oceania Aviation. It is early stages yet but we have written new financings and purchased aircraft which are all under full lease arrangements. We would like to see this business continue to grow particularly in the 2017 year.

Our aircraft trading and off share financing is mixed with the purchase of 4 helicopters held for sale at good margins which will contribute to year end profit.

PRIVATE BANKING



Private banking continues to grow its funds under investment. The total volumes are behind year to date budget but management are confident of reaching their targets by year end.

DIRECTORS' HALF YEAR REPORT

FINANCIAL RESULTS

The financial half year to 31 December 2015 has seen Bancorp achieve a net loss after tax of (NZ\$1.9 million). The financial summary for the year compared with 2014 is set out below:

Consolidated	HY 2015 NZ\$	HY 2014 NZ\$
Total Assets	87,967,294	64,830,006
Operating Income	9,052,949	8,628,104
NPAT / (NLAT)	-1,907,456	1,766,394
Total Shareholder equity	20,933,605	25,946,555

FINANCIAL STATEMENTS

The Directors are pleased to present the financial statements for the half year ending 31 December 2015.

For and on behalf of the Board of Directors, dated 4 March 2015



Craig B. Brownie
Chairman



Nigel D.P. Spratt
Director

INVESTOR RELATIONS REPORT

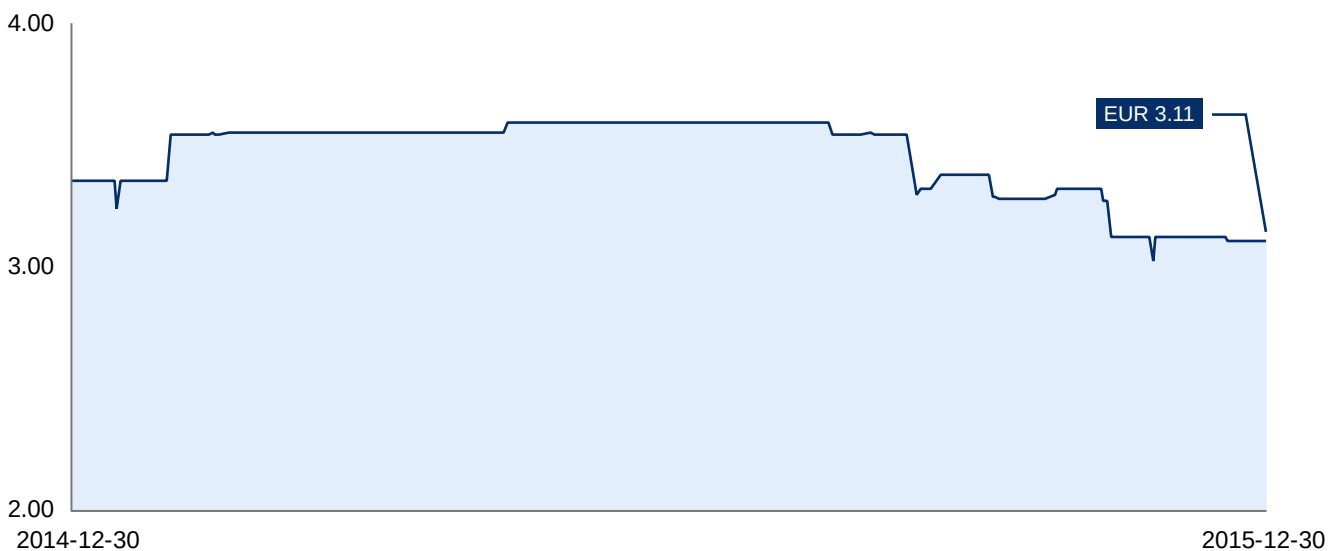
GENERAL DEVELOPMENT OF THE CAPITAL MARKETS

Buoyed by the European Central Bank's expansionary monetary policy, in particular the purchase of a volume of sovereign bonds amounting to EUR 1.1 trillion and, since March 2016, EUR 80 billion per month, i.e. a total volume of EUR 1.74 trillion, from the beginning of April to mid-April 2015 a rally was observed on the capital markets, driving the DAX to a new all-time high of 12,374 points (30 December 2014: 9,805 points) – up by approx. 26%. Nevertheless, in the course of the year 2015 the DAX declined substantially owing to a vague mix of global cyclical fears, the oil price decline and closely related political uncertainties, amongst other factors (30 December 2015: 10,743 points). In addition to the increase in sovereign bonds in March 2016, the ECB's key policy rate was lowered to 0% – reactions on the capital markets are anticipated in the coming months.

BANCORP STOCK

Since 16 April 2014, the shares of Bancorp Wealth Management New Zealand have been listed in the Entry Standard segment of the Frankfurt Stock Exchange. A total of 9,999,599 registered shares were admitted for trading purposes. The trading volumes have since only developed weakly and are still low at this point. In line with this trend, the price of Bancorp shares also remained relatively stable and moved in a sideways direction in line with the Entry All Share Index until November 2015. Bancorp stock failed to outperform in direct comparison with the Entry All Share Index and decoupled from the positive fundamental sentiment on the capital markets as of September 2015. In May 2015, Bancorp shares – at 3.59 euros (30 December 2014: 3.350 euros) – reached its annual high and closed the year at 3.11 euros on 30 December 2015. At the time of preparation of the present half-year report in mid-March 2016, the share price stood at 2.95 euros. This corresponds to a market capitalisation of approx. 29.5 million euros.

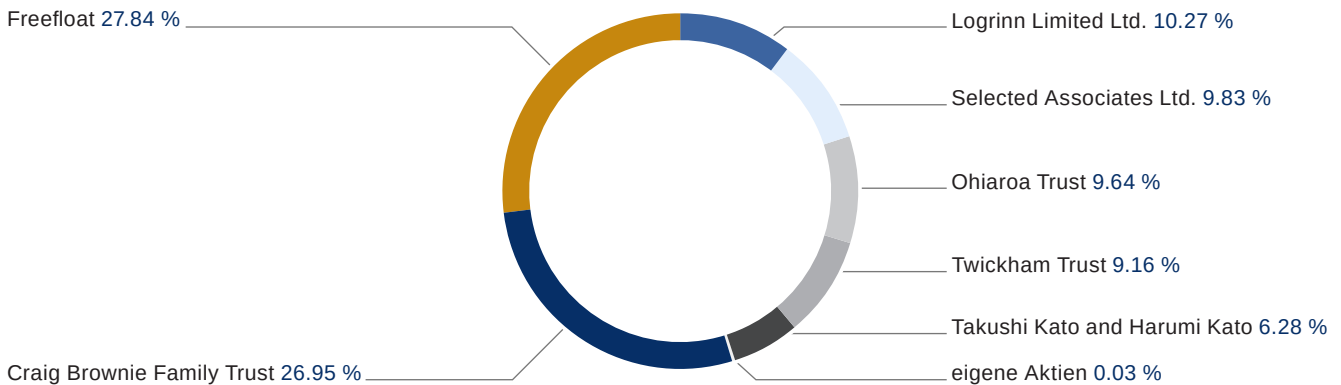
SHARE PRICE PERFORMANCE IN 2015



INVESTOR RELATIONS REPORT

SHAREHOLDER STRUCTURE

With a stake of approx. 27 per cent of the Craig Brownie Family Trust, the shareholder structure of Bancorp Wealth Management New Zealand is strongly characterised by private ownership. The company's treasury stock amounts to 0.03 per cent. Some 45 per cent of the shares are being held by financial and strategic investors with a long-term orientation. The free float thus amounts to approx. 28%.



DIVIDEND

For the first half of the financial year 2015/16, Bancorp Wealth Management New Zealand paid out a total dividend amounting to 5.0 NZ\$ cents to its shareholders, at the same level as the previous year. The dividend was paid out in March 2016. Bancorp AG has paid a dividend to its shareholders each year since its initial listing and would like to continue to allow its shareholders to participate in the company's success in future.

CAPITAL MARKET ACTIVITIES

Amongst other purposes, the dividend distribution as a criterion for Bancorp stock is to be used in future to boost the capital market presence of the New Zealand group of companies and to attract greater attention to its profile amongst investors and prospects alike. A possible capital increase in 2016 will also contribute towards this development.

Prospective investors will receive extensive information on the company and its stock on its website at www.bancorp.co.nz. All information of relevance to the capital markets is available to investors and prospects in the Investor Relations segment. In addition, there is a (German and English language) Investor Relations department.

STOCK INFORMATION

ISIN	NZBWME0001S2	Capital stock	19,888,777.00 NZ\$
Ticker symbol	BW6	Number of shares	9,999,599
Stock exchange	German Stock Exchange, Frankfurt	Market capitalization	31.1 million euros (30/12/2015)
Market segment	Open Market (Entry Standard)	Specialist and Designated Sponsor	Renell Wertpapierhandelsbank AG
Share price (30/12/2015)	EUR 3.11	Listing Partner	GFEI Aktiengesellschaft

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 DECEMBER 2015

	(Unaudited) 31 December 2015	(Unaudited) 31 December 2014	(Audited) 30 June 2015
CONTINUING OPERATIONS			
Revenue			
Finance income	1,157,447	1,545,559	2,811,424
Fee income	108,969	6,402	31,658
Brokerage income	7,374,265	7,076,143	13,926,860
Lease income	412,269	–	–
Other income	892,027	5,202,200	6,707,561
Total revenue	9,944,976	13,830,304	23,477,503
Expenses			
Finance expenses	(1,306,809)	(1,131,026)	(2,319,554)
Fee expenses	(437,878)	(248,423)	(1,038,170)
Lease costs	(188,232)	–	–
Administrative expenses	(9,407,022)	(10,487,048)	(19,351,366)
Other expenses	–	–	(37,541)
Total expenses	(11,339,941)	(11,866,497)	(22,746,631)
Operating profit before share of profit in associates	(1,394,965)	1,963,807	730,872
Share of profit in associates	–	226,067	199,492
Net profit/(loss) after share of profit in associates and before income taxation expense	(1,394,965)	2,189,874	930,364
Taxation (expense)/benefit	(513,432)	(275,185)	(154,989)
Net profit/(loss) after taxation expense for the year from continuing operations	(1,908,397)	1,914,689	775,375
DISCONTINUED OPERATIONS			
Profit/(Loss) for the year from discontinued operations (attributable to owners of the parent)	940	(148,296)	(157,112)
Profit for the year	(1,907,456)	1,766,393	618,263
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Movement in foreign currency translation reserve	(36,557)	421,686	185,392
Total other comprehensive income for the year	(36,557)	421,686	185,392
Total comprehensive income for the period	(\$1,944,013)	\$2,188,080	\$803,655
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the year:			
Basic and diluted earnings per share			
From continuing operations	(\$0.20)	\$0.23	\$0.08
From discontinued operations	\$0.00	(\$0.01)	(\$0.02)
From profit for the year	(\$0.20)	\$0.22	\$0.06

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 DECEMBER 2015

	Share Capital	Retained Earnings	Other Reserves	Total	Non-controlling Interest	Total Equity
MOVEMENT TO 31 DECEMBER 2014						
Balance at 1 July 2014	19,996,972	(4,416,739)	(583,805)	14,996,428	6,029,911	21,026,339
Comprehensive income						
Net profit/(loss) for the year	–	2,210,284	–	2,210,284	(443,890)	1,766,394
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	421,686	421,686	–	421,686
Total comprehensive income	–	2,210,284	421,686	2,631,970	(443,890)	2,188,080
Transactions with owners						
Movement in non-controlling interest	–	–	–	–	3,460,602	3,460,602
Dividend paid - shareholders	–	(499,980)	–	(499,980)	–	(499,980)
Dividend paid - non-controlling interest	–	–	–	–	(228,486)	(228,486)
Total transactions with owners	–	(499,980)	–	(499,980)	3,232,116	2,732,136
Balance at 31 December 2014	\$19,996,972	(\$2,706,435)	(\$162,119)	\$17,128,418	\$8,818,137	\$25,946,555
MOVEMENT TO 30 JUNE 2015						
Balance at 1 July 2014	19,996,972	(4,416,739)	(583,805)	14,996,428	6,029,911	21,026,339
Comprehensive income						
Net profit/(loss) for the year	–	2,932,689	–	2,932,689	(2,314,425)	618,264
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	185,392	185,392	–	185,392
Total comprehensive income	–	2,932,689	185,392	3,118,081	(2,314,425)	803,656
Transactions with owners						
Issue of share capital - non-controlling interest	–	–	–	–	3,992,298	3,992,298
Share repurchase	(1,481,162)	–	–	(1,481,162)	–	(1,481,162)
Movement in non-controlling interest	–	(3,858,888)	–	(3,858,888)	1,837,622	(2,021,266)
Dividend paid - shareholders	–	(747,806)	–	(747,806)	–	(747,806)
Dividend paid - non-controlling interest	–	–	–	–	(124,000)	(124,000)
Total transactions with owners	(1,481,162)	(4,606,694)	–	(6,087,856)	5,705,920	(381,936)
Balance at 30 June 2015	\$18,515,810	(\$6,090,745)	(\$398,413)	\$12,026,653	\$9,421,406	\$21,448,059
MOVEMENT TO 31 DECEMBER 2015						
Balance at 1 July 2015	18,515,810	(6,090,745)	(398,413)	\$12,026,653	\$9,421,405.97	\$21,448,059
Comprehensive income						
Net profit/(loss) for the year	–	(1,348,696)	–	(1,348,696)	(558,760)	(1,907,456)
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	(36,557)	(36,557)	–	(36,557)
Total comprehensive income	–	(1,348,696)	(36,557)	(1,385,253)	(558,760)	(1,944,013)
Transactions with owners						
Issue of share capital - shareholders	–	–	–	–	–	–
Issue of share capital - non-controlling interest	–	–	–	–	1,473,803	1,473,803
Movement in non-controlling interest	–	–	–	–	199,776	199,776
Dividend paid - shareholders	–	(244,019)	–	(244,019)	–	(244,019)
Total transactions with owners	–	(244,019)	–	(244,019)	1,673,578	1,429,559
Balance at 31 December 2015	\$18,515,810	(\$7,683,460)	(\$434,970)	\$10,397,380	\$10,536,224	\$20,933,605

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	(Unaudited) 31 December 2015	(Unaudited) 31 December 2014	(Audited) 30 June 2015
SHAREHOLDERS EQUITY			
Share capital	18,515,810	19,996,972	18,515,810
Retained earnings	(7,683,460)	(2,706,435)	(6,090,744)
Other reserves	(434,970)	(162,119)	(398,413)
Non-controlling interest	10,536,224	8,818,137	9,421,406
Total shareholders equity	\$20,933,605	\$25,946,555	\$21,448,059
ASSETS			
Cash and cash equivalents	7,956,863	16,893,881	13,984,962
Trade, other receivables and prepayments	9,945,749	13,392,495	9,053,120
Other financial assets	30,765	–	32,836
Finance receivables	47,721,088	12,656,122	34,988,677
Related party receivables	863,560	11,536	637,603
Plant and equipment	2,995,421	256,067	140,019
Intangible assets and goodwill	16,776,120	19,586,393	16,777,033
Investments in associates and joint controlled entities	1,677,727	2,033,513	1,894,217
Total assets	\$87,967,294	\$64,830,006	\$77,508,467
LIABILITIES			
Trade, other payables and accruals	6,172,719	3,110,102	6,589,660
Related party payables	1,037,152	1,753,100	1,809,108
Investor deposits	26,886,861	23,713,794	27,018,096
Taxation payable	1,476,273	368,439	812,071
Deferred taxation liability	(164,891)	138,776	101,035
Borrowings	31,625,574	9,799,239	19,730,438
Total liabilities	67,033,688	38,883,450	56,060,408
Total net assets	\$20,933,605	\$25,946,555	\$21,448,059

For and on behalf of the Board of Directors, dated 4 March 2016



Craig Bernard Brownie
Chairman



Nigel David Parker Spratt
Director

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 DECEMBER 2015

	(Unaudited) 31 December 2015	(Unaudited) 31 December 2014	(Audited) 30 June 2015
CASHFLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Cash receipts from customers	4,577,460	17,963,980	15,178,456
Interest received	1,157,447	1,545,559	2,811,425
Other cash receipts	3,249,164	4,398,675	3,769,848
<i>Cash was applied to:</i>			
Cash payments to suppliers and employees	(10,290,821)	(11,608,416)	(17,779,333)
Interest paid	(1,306,809)	(1,188,327)	(2,376,855)
Other cash payments	(115,155)	(768,483)	(1,030,831)
Net cashflows from operating activities	(2,728,715)	10,342,989	572,710
CASHFLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Disposal of other financial assets	2,071	33,826	990
Disposal of Auckland Airbus Business	–	3,774,125	18,274,125
Proceeds from movement in non-controlling interests	199,775	–	–
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment	(2,996,808)	(113,344)	(53,083)
Net movement in finance receivables	(12,716,684)	1,485,170	(18,114,465)
Acquisition of non-controlling interests	–	–	(2,021,267)
Purchase of intangible assets	–	(485,579)	(3,450)
Net cash flows from investing activities	(15,511,645)	4,694,198	(1,917,150)
CASHFLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Net movement in borrowings	11,895,136	–	4,838,779
Proceeds from the issue of share capital - shareholders	1,473,803	–	–
Proceeds from the issue of share capital - non controlling interest	–	3,460,602	3,992,298
Net movement in investor deposits	(131,235)	215,133	3,519,435
<i>Cash was applied to:</i>			
Payment of dividend - controlling interest	(244,019)	(499,978)	(747,806)
Payment of dividend - non controlling interest	–	(228,486)	(124,000)
Share repurchase - treasury stock	–	–	(1,481,162)
Net proceeds to related parties borrowings	(781,423)	(950,781)	(150,213)
Net movement in borrowings	–	(5,621,864)	–
Net cashflows from financing activities	12,212,262	(3,625,375)	9,847,331
Net cash flows	(6,028,098)	11,411,812	8,502,892
Cash and cash equivalents at the beginning of the period	13,984,962	5,482,070	5,482,070
Cash and cash equivalents at the end of the period	\$7,956,863	\$16,893,881	\$13,984,962

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015

1 REPORTING ENTITY

Bancorp Wealth Management New Zealand Limited (,the Company') is incorporated and domiciled in New Zealand, and registered under the Companies Act 1993.

Bancorp Wealth Management New Zealand Limited is a reporting entity for the purposes of the Financial Reporting Act 2013.

The financial statements of Bancorp Wealth Management New Zealand Limited (,the Company') and Subsidiaries (collectively referred to as ,the Group') have been prepared in accordance with the Financial Reporting Act 2013 and the Companies Act 1993.

The Company and Group are profit-oriented entities.

The principal activity of the Group is that of private banking, investment and fund management.

The financial statements were authorised for issue by the directors on 4 March 2016.

2 BASIS OF PREPARATION OF THE FINANCIAL REPORT

Accounting policies and methods of computation

The same accounting policies and methods of computation have been followed in the preparation of these condensed consolidated interim financial statements as compared to the most recent annual financial statements of the Group for the period ended 30 June 2015.

Statement of compliance

The consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 and NZ IAS 34 'Interim financial reporting' as appropriate for profit-oriented entities.

The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated group financial statements as at and for the period ended 30 June 2015.

Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect that application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments made by managements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated group financial statements as at and for the period ended 30 June 2015.

3 SEASONALITY/CYCLICALITY OF OPERATIONS

The Group's results are not affected to any significant extent by seasonality or cyclicity factors.

4 UNUSUAL ITEMS

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2015

5 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors, as they make all key strategic resource allocation decisions (such as those concerning acquisition, divestment and significant capital expenditure).

The Group is organised into three reportable operating segments.

■ Corporate

The operations of this segment include provision of administration function services and the issuing of funding to other operating segments.

■ Private banking

The operations of this segment include the provision of private banking, trustee services and funds management services to external investors. This segment also invests funds in the asset management operating segment for the purposes of generating returns.

■ Asset management

The operations of this segment include investing funds in finance receivables, equity securities, investment properties and business operations for the purposes of generating returns.

Each Group operating segment is operated as a discrete business unit and transactions between segments. The eliminations arise from transactions between the Group segments and are predominantly interest income and expense, commission/brokerage income and expense and administration and operating expense charges.

Segment analysis

31 December 2015	Corporate	Private banking	Asset management	Eliminations	Total
External revenue	64,100	1,031,557	8,849,319	–	9,944,976
Inter-segment revenue	–	268,223	450,665	(718,888)	–
Total	\$64,100	\$1,299,780	\$9,299,984	(\$718,888)	\$9,944,976
Net segment profit/(loss) before taxation	(56,258)	290,574	(1,628,341)	–	(1,394,025)
Taxation (expense)/benefit	–	(164,536)	(348,896)	–	(513,432)
Net profit/(loss) after taxation	(\$56,258)	\$126,038	(\$1,977,237)	–	(\$1,907,456)
Interest income	64,100	930,049	711,186	(547,888)	1,157,447
Interest expense	–	(472,791)	(1,381,907)	547,888	(1,306,809)
Depreciation	–	(1,227)	(140,179)	–	(141,406)
Amortisation	–	(913)	–	–	(913)
Other material non-cash items:					
- Bad debts expense-finance receivables	–	–	(368,078)	–	(368,078)
- Bad debts expense-trade receivables	–	–	–	–	–
- Impairment provision-finance receivables	–	–	15,727	–	15,727
Assets					
Total segment assets	16,991,492	14,520,321	91,093,423	(34,637,943)	87,967,293
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	–	3,495	2,998,871	–	–
- Intangible assets	–	–	–	–	–
Liabilities					
Total segment liabilities	13,836	19,283,555	47,736,197	100	67,033,688

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2015

5 OPERATING SEGMENTS – CONTINUED

30 June 2015	Corporate	Private banking	Asset management	Eliminations	Total
External revenue	78,415	1,514,249	22,764,566	–	24,357,230
Inter-segment revenue	10,482,000	229,448	11,686,356	(22,397,804)	–
Total	\$10,560,415	\$1,743,697	\$34,450,922	(\$22,397,804)	\$24,357,230
Net segment profit/(loss) before taxation	10,328,394	145,177	11,577,661	(21,115,999)	935,233
Taxation (expense)/benefit	–	–	–316,968	–	–316,968
Net profit/(loss) after taxation	\$10,328,394	\$145,177	\$11,260,693	(\$21,115,999)	\$618,265
Interest income	78,415	1,505,399	2,399,415	(1,171,804)	2,811,425
Interest expense	–	(809,422)	(2,739,237)	1,171,804	(2,376,855)
Depreciation	–	(2,163)	(97,455)	–	(99,618)
Amortisation	–	(998)	(565,790)	–	(566,788)
Other material non-cash items:					
- Bad debts expense-finance receivables	–	–	278,858	–	278,858
- Bad debts expense-trade receivables	–	–	–	–	–
- Impairment provision-finance receivables	–	11,625	–	–	11,625
Assets					
Total segment assets	19,336,735	17,346,078	74,008,497	(33,182,843)	77,508,467
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	–	–	53,082	–	53,082
- Intangible assets	–	–	–	–	–
Liabilities					
Total segment liabilities	(11,500)	(20,049,487)	(35,999,321)	(100)	(56,060,408)
31 December 2014	Corporate	Private banking	Asset management	Eliminations	Total
External revenue	6,796	620,895	13,928,919	–	14,556,610
Inter-segment revenue	5,482,000	118,597	5,394,315	(10,994,912)	–
Total	\$5,488,796	\$739,492	\$19,323,234	(\$10,994,912)	\$14,556,610
Net segment profit/(loss) before taxation	5,359,204	(663,461)	8,089,835	(10,743,999)	2,041,579
Taxation (expense)/benefit	–	–	(275,185)	–	(275,185)
Net profit/(loss) after taxation	\$5,359,204	(\$663,461)	\$7,814,650	(\$10,743,999)	\$1,766,394
Interest income	6,796	720,094	941,982	(123,313)	1,545,559
Interest expense	–	(388,701)	(922,939)	123,313	(1,188,327)
Depreciation	–	(994)	(42,837)	–	(43,831)
Amortisation	–	(334)	–	–	(334)
Other material non-cash items:					
- Bad debts expense-finance receivables	–	(563,563)	(545,073)	–	(1,108,636)
- Bad debts expense-trade receivables	–	–	–	–	–
- Impairment provision-finance receivables	–	–	–	–	–
Assets					
Total segment assets	17,641,436	14,791,790	62,692,969	(30,296,190)	64,830,005
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	–	–	2,746	–	2,746
- Intangible assets	–	–	–	–	–
Liabilities					
Total segment liabilities	(6,011)	(16,033,146)	(22,844,191)	(100)	(38,883,448)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2015

 6 RECONCILIATION OF NET LOSS AFTER TAXATION TO NET CASH FLOWS PROVIDED
 BY OPERATING ACTIVITIES

	(Unaudited) 31 December 2015	(Unaudited) 31 December 2014	(Audited) 30 June 2015
Profit / (loss) after tax	(1,907,456)	1,766,394	618,264
Add/(less) non-cash items:			
Depreciation	141,406	43,831	99,618
Amortisation	913	334	566,788
Bad debts	–	–	278,858
Net movement in finance receivables impairment provision	(15,727)	1,108,636	(415,072)
Share of profit from jointly controlled entity	–	–	(199,492)
Movement in foreign currency translation reserve	(36,557)	421,686	185,392
Gain on disposal of Airbus Express operation	–	(3,774,125)	(3,774,125)
Add / (less) movements in working capital items:			
Decrease / (increase) in trade receivables and other receivables	(892,629)	12,477,976	1,028,773
(Decrease)/ increase in taxation	398,276	(493,298)	(87,408)
(Decrease) / increase in trade and other payables and accruals	(416,941)	(1,208,445)	2,271,114
Net cashflows from operating activities	(\$2,728,715)	\$10,342,989	\$572,710

7 RELATED PARTY BALANCES, TRANSACTIONS AND DISCLOSURES

Details of related party balances and transactions:

- (i) Bancorp Corporate Finance Limited is a related party by virtue of common directorship. Balances are unsecured, non-interest bearing and repayable on demand. Transactions during the year related to corporate finance charges for work performed.
- (ii) Bancorp New Zealand Limited is a related party by virtue of common directorship. Balances are unsecured, non-interest bearing and repayable on demand. Transactions during the year related to on-charges of office costs.
- (iii) Bancorp Treasury Services Limited is a related party by virtue of common directorship. Balances are unsecured, non-interest bearing and repayable on demand. Transactions during the year related to treasury services charges for work performed.
- (iv) Craig Brownie is a director of the Company. Balances are unsecured, non interest bearing and repayable on demand. Craig is also an employee of the Company. Craig was paid a \$150,000 salary and \$30,000 of directors fees in the six months ended 31 December 2015.
- (v) Nigel Spratt is a director of the company and was paid \$75,099 in directors fees for the six months ended 31 December 2015.
- (vi) As at 30 June 2015 and 30 June 2014, 25% ownership in Aviation Capital Limited is held by Trusts controlled by Craig Brownie and Nigel Spratt, the Directors of the Company. Related party non-controlling interests are made up as follows: 20% ownership held by a Trust controlled by Craig Brownie and 5% ownership held by a Trust controlled by Nigel Spratt. The consideration paid by these Trusts for their share of ownership was \$20 and \$5, respectively. There are no other terms and conditions attached to these transactions and balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015

7 RELATED PARTY BALANCES, TRANSACTIONS AND DISCLOSURES – CONTINUED

- (vii) As at 30 June 2015 and 30 June 2014, 25% ownership in BMG Management Limited is held by Trusts controlled by Craig Brownie and Nigel Spratt, the Directors of the Company. Related party non-controlling interests are made up as follows: 20% ownership held by a Trust controlled by Craig Brownie and 5% ownership held by a Trust controlled by Nigel Spratt. The consideration paid by these Trusts for their share of ownership was \$20 and \$5, respectively. There are no other terms and conditions attached to these transactions and balances.
- (viii) As at 30 June 2015 25% ownership of Castlerock First Capital Limited is held by Trusts controlled by Craig Brownie and Nigel Spratt, the Directors of the Company. Related party non-controlling interests are made up as follows: 20% ownership held by a Trust controlled by Craig Brownie and 5% ownership held by a Trust controlled by Nigel Spratt. The consideration paid by these Trusts for their share of ownership was \$24,620 and \$6,155, respectively. There are no other terms and conditions attached to these transactions and balances.
- (ix) PM Equities Limited is a shareholder of a company within the Group. Balances are unsecured and repayable on demand. Interest is charged at a rate of 4% per annum.
- (x) Insurance Premium Finance Limited is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xi) Atawhai Trust is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xii) Patrick McLaughlan is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand. Insurance Premium Finance Limited and PM Equities Limited are companies ultimately owned and controlled by Patrick McLaughlan. The short term loan from Insurance Premium Finance Limited has a 14.15% per annum interest rate and is repayable on demand. This facility is unsecured.
- (xiii) Bill Beard is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xiv) Fraser and Sonia MacAndrew is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xv) BUT EHL Pty Limited is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xvi) David Harrison is a director of a company within the Group and was paid \$18,000 in directors fees for the six months ended 31 December 2015.
- (xvii) Brian McDonald is a director of a company within the Group and was paid \$9,750 in directors fees for the six months ended 31 December 2015.
- (xviii) Neil Kain was paid \$9,750 in directors fees for the six months ended 31 December 2015.
- (xix) The vendor loan from Howard Murray is non-interest bearing, repayable on demand and unsecured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015

7 RELATED PARTY BALANCES, TRANSACTIONS AND DISCLOSURES – CONTINUED

- (xx) Reinaldo Irrigaro is a shareholder of a company with the Group. The loan to Reinaldo Irrigaro will accrue interest at 3% per annum on the advances. Any advances advanced to Reinaldo Irrigaro together with all the accrued interest shall be repayable on 30 September 2018.
- (xxi) Ian Duff is a director of a company within the Group and was paid \$100,000 in consulting fees for the six months ended 31 December 2015.
- (xxii) Peter Kirk is a director of the company and was paid \$6,000 in directors fees for the six months ended 31 December 2015.

8 DISCONTINUED OPERATIONS

The Airbus Express Business Operations was sold on 20 June 2014. Below is an analysis of the result of this discontinued operation.

	(Unaudited) 31 December 2015	(Unaudited) 31 December 2014	(Audited) 30 June 2015
Revenue	–	726,305	879,727
Expenses	940	(874,601)	(874,859)
Profit/(Loss) before tax of discontinued operations	940	(148,296)	4,868
Income Tax	–	–	(161,979)
Profit/(Loss) for the period after tax of discontinued operations	940	(148,296)	166,847

9 CONTINGENT ASSETS AND LIABILITIES

There are no material contingent liabilities at reporting date (June 2014: Nil).

10 DIVIDENDS

BWMNZL paid a final dividend for the year ended June 2015 of \$250,000. The dividend was declared on 28 August 2015 and paid on 4 September 2015.

Financial calendar

30 June 2016 Financial year end
December 2016 Annual Report available

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