



**Bank of Tokyo-Mitsubishi UFJ**

**REGISTERED BANK  
DISCLOSURE STATEMENT**

**31 DECEMBER 2013**

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.  
AUCKLAND BRANCH**

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# Disclosure Statement

## For the Nine Months Ended 31 December 2013

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This Disclosure Statement contains information as required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No. 2) 2013 ('the Order').

### 1. Corporate Information

On 1 January 2006, The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited merged to form a single entity named The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the 'Overseas Bank' and the 'Registered Bank').

The 'Overseas Banking Group' includes all entities consolidated for the purposes of public reporting in Japan including The Bank of Tokyo-Mitsubishi UFJ, Ltd., its subsidiaries, and associated companies.

The Disclosure Statement and Condensed Interim Financial Statements are for the Auckland Branch (the 'Branch') of The Bank of Tokyo-Mitsubishi UFJ, Ltd. It is the only member in the 'Banking Group' in New Zealand.

The Ultimate Holding Company of The Bank of Tokyo-Mitsubishi UFJ, Ltd. is Mitsubishi UFJ Financial Group, Inc. incorporated in Japan.

Since the balance date of the last full year disclosure statement, there has been no change in the Ultimate Holding Company and no material changes in regulations, legislation, or other restrictions of a legally enforceable nature that may materially inhibit the Ultimate Holding Company from providing material financial support to the Banking Group.

### 2. Recognition and Priority of Claims of Creditors or Classes in the Event of Insolvency

There have been no material changes in any material legislative or regulatory restrictions in Japan for recognition and priority of claims of creditors or class in the event of liquidation since the balance date of the last full year Disclosure Statement.

### 3. Excess of Assets Over Deposit Liabilities

There have been no material changes in any statute that requires the Banking Group to hold in New Zealand an excess of assets over deposit liabilities since the balance date of the last full year Disclosure Statement.

There have been no material changes in any regulatory or legislative requirements in Japan that require the Overseas Banking Group to maintain sufficient assets to cover an ongoing obligation to pay deposit liabilities in Japan since the balance date of the last full year Disclosure Statement.

### 4. Guarantee Arrangement

The obligations of the Banking Group are not guaranteed under any guarantee including government guarantee as at the date of signing this Disclosure Statement.

### 5. Directorate

5.1 Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of 31 December 2013:

Name	Occupation	Residence
Katsunori Nagayasu	Chairman	Japan
Takamune Okihara	Deputy Chairman	Japan
Nobuyuki Hirano	President	Japan



# Disclosure Statement

## For the Nine Months Ended 31 December 2013

Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd., (continued)

Takashi Morimura	Deputy President	Japan
Takashi Nagaoka	Deputy President	Japan
Kiyoshi Sono	Deputy President	Japan
Takeshi Ogasawara	Deputy President	Japan
Hitoshi Suzuki	Deputy President	Japan
Hidekazu Fukumoto	Senior Managing Director	Japan
Takashi Morisaki	Senior Managing Director	Japan
Tadachiyo Osada	Managing Director	Japan
Saburo Araki	Managing Director	Japan
Satoshi Murabayashi	Managing Director	Japan
Takehiko Shimamoto	Managing Director	Japan
Taihei Yuki	Director	Japan
Kunio Ishihara	Director	Japan
Teruo Ozaki	Director	Japan

The following changes in Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. since the last full year disclosure statement were:

Kanetsugo Mike resigned as Managing Director on 15 May 2013.

Satoshi Murabayashi appointed as Managing Director on 26 June 2013.

- 5.2 Responsible Person on behalf of the Directors and New Zealand Chief Executive Officer have signed the Disclosure Statement:

Name	Occupation	Residence
Saburo Yao	Regional Head for Australia & New Zealand, General Manager, Sydney Branch (Responsible Person on behalf of the Directors)	Australia
Michael Ryff	General Manager, Auckland Branch (New Zealand Chief Executive Officer)	New Zealand

## 6. Auditors

Name and address of Auditor whose report is referred to in this Disclosure Statement:

Deloitte  
Deloitte Centre  
80 Queen Street  
Auckland 1010  
New Zealand

## 7. Conditions of Registration

Changes have been made to the Conditions of Registration and applied on and after 1 October 2013. The changes are to add new conditions restricting high loan-to-valuation residential mortgage lending from 1 October 2013.

## Disclosure Statement For the Nine Months Ended 31 December 2013

### 8. Credit Rating

The Registered Bank has the following long term credit ratings which are applicable to the Banking Group in New Zealand.

	Current Rating	Previous Rating (if changed in the previous two years)	Date of Change
Standard & Poor's	A+	-	-
Moody's	Aa3	-	-
Fitch's	A	A-	4 March 2013

Rating scales are:

Credit Ratings	S&P's	Moody's	Fitch's
Highest quality/Extremely strong capacity to pay interest and principal	AAA	Aaa	AAA
High quality/Very strong capacity to pay interest and principal	AA	Aa	AA
Upper medium grade/Strong capacity to pay interest and principal	A	A	A
Medium grade (lowest investment grade)/Adequate to pay interest and principal	BBB	Baa	BBB
Predominantly speculative/Less near term vulnerability to default	BB	Ba	BB
Speculative, low grade/Great vulnerability	B	B	B
Poor to default/identifiable vulnerability	CCC	Caa	CCC
Highest speculations	CC	Ca	CC
Lowest quality, no interest	C	C	C
Defaulted on obligations	D	-	D

Standard & Poor's and Fitch's – Ratings are modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's – A numeric modifier is applied to each generic rating category from Aa to B, indicating that the counterparty is (1) in the higher end of its letter-rating category, (2) in mid-range, (3) in lower end.

### 9. Other Material Matters

There are no matters relating to the Registered Bank and its Banking Group which are not contained elsewhere in the Disclosure Statement which if disclosed would materially adversely affect the decision of a person to subscribe for debt securities of which the Registered Bank or any member of its Banking Group is an issuer.

### 10. Financial Statements of the Registered Bank and the Overseas Banking Group

The most recent publicly available Disclosure Statement for the Banking Group can be accessed via the Branch's website: [www.nz.bk.mufg.jp](http://www.nz.bk.mufg.jp). Copies of the most recent publicly available Disclosure Statement for the Banking Group will be provided at no charge to any person who requests a copy by the end of second working day after the day on which the request is made.

The most recent publicly available Financial Statements of the Registered Bank and the Overseas Banking Group may be accessed via the Bank's global website: [www.mufg.jp](http://www.mufg.jp). In addition, Financial Statements are also prepared and filed with the United States Securities and Exchange Commission, Washington, D.C.

## Disclosure Statement For the Nine Months Ended 31 December 2013

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### 11. Directors' and General Manager Auckland Branch's Statement

After due enquiry, each Director and the General Manager Auckland Branch believe that:

as at the date on which the Disclosure Statement is signed;

- the Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statement (Overseas Incorporated Registered Banks) Order (No. 2) 2013;
- the Disclosure Statement is not false or misleading ;

and over the nine months accounting period ended 31 December 2013;

- The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch had systems in place to monitor and control adequately the material risks of the Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and that those systems were being properly applied; and
- The Bank of Tokyo-Mitsubishi UFJ, Ltd. has complied with all Conditions of Registration that applied during the period.

Signed for and on behalf of the Board of Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. by their agent duly appointed in writing, and by the General Manager, Auckland Branch.

Mr. Saburo Yao  
Regional Head for Australia & New Zealand,  
General Manager, Sydney Branch  
(and Authorised Attorney on behalf of  
the Directors)

Dated (Sydney): 21 February 2014

Mr. Michael Ryff  
General Manager  
Auckland Branch

Dated (Auckland): 21 February 2014

## Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### Condensed Statement of Comprehensive Income

	Note	Nine Months ended 31 December 2013 Unaudited NZD	Nine Months ended 31 December 2012 Unaudited NZD
Interest income	2	75,373,885	63,535,190
Interest expense	2	(66,922,434)	(54,034,158)
Net interest income		<u>8,451,451</u>	<u>9,501,032</u>
Fees and commission income	2	12,665,326	11,684,510
Other income	2	89,194	115,942
Total other income		<u>12,754,520</u>	<u>11,800,452</u>
Occupancy expenses	2	(140,237)	(142,207)
Personnel expenses	2	(1,942,818)	(1,818,966)
Auditors' remuneration	2	(110,834)	(116,923)
Administration and other expenses	2	(658,144)	(792,437)
Profit before provision for credit impairment and income tax		<u>18,353,938</u>	<u>18,430,951</u>
Provision for credit impairment	2	(41,600,000)	-
(Loss) / profit before income tax expense		<u>(23,246,062)</u>	<u>18,430,951</u>
Income tax benefit / (expense)		<u>7,603,697</u>	<u>(3,910,746)</u>
(Loss) / profit from continuing operations		<u>(15,642,365)</u>	<u>14,520,205</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Available-for-sale securities			
- Loss arising during the year		(1,259,295)	(47,955)
- Less: Reclassification adjustments for loss included in profit or loss		11,668	-
		<u>(1,247,627)</u>	<u>(47,955)</u>
Income tax expense on available-for-sale securities		<u>349,336</u>	<u>13,427</u>
Other comprehensive income, net of tax		<u>(898,291)</u>	<u>(34,528)</u>
Total comprehensive income, net of tax		<u>(16,540,656)</u>	<u>14,485,677</u>

The condensed interim statement of comprehensive income is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.



## Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### Condensed Statement of Changes in Equity

Unaudited  
NZD

	Head Office Capital	Retained Earnings	Available-for- sale Revaluation Reserve	Total
<b>Balance at 1 April 2012</b>	83,000,000	12,223,474	-	95,223,474
Profit from continuing operations	-	14,520,205	-	14,520,205
Other comprehensive income, net of tax	-	-	(34,528)	(34,528)
Total comprehensive income, net of tax	-	14,520,205	(34,528)	14,485,677
<b>Balance at 31 December 2012</b>	83,000,000	26,743,679	(34,528)	109,709,151
<b>Balance at 1 April 2013</b>	83,000,000	31,559,518	123,457	114,682,975
(Loss) from continuing operations	-	(15,642,365)	-	(15,642,365)
Other comprehensive income, net of tax	-	-	(898,291)	(898,291)
Total comprehensive income, net of tax	-	(15,642,365)	(898,291)	(16,540,656)
<b>Balance at 31 December 2013</b>	83,000,000	15,917,153	(774,834)	98,142,319

The condensed interim statement of changes in equity is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

## Condensed Interim Financial Statements As at 31 December 2013

### Condensed Statement of Financial Position

	Note	As at 31 December 2013 Unaudited NZD	As at 31 December 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
<b>Assets</b>				
Cash and short term liquid assets		175,615,690	173,644,486	66,103,389
Amounts due from related parties	9	9,049,242	7,000,095	30,677,150
Amounts due from other financial institutions		89,889,962	73,923,772	88,915,542
Available-for-sale securities		176,985,895	93,209,812	131,170,185
Corporate loans originated by the Bank	4	3,038,169,438	2,505,616,512	2,508,295,887
Acceptances of customers		115,801	77,438	101,446
Other assets		2,090,367	898,339	863,058
Current tax asset		2,892,603	-	38,742
Deferred tax asset		7,195,218	101,438	96,046
Property, plant and equipment	3	892,315	784,710	1,110,412
Derivative instruments		11,306,011	11,502,109	11,534,007
<b>Total Assets</b>		<u>3,514,202,542</u>	<u>2,866,758,711</u>	<u>2,838,905,864</u>
<b>Liabilities</b>				
Amounts due to related parties	9	3,342,875,943	2,694,242,539	2,669,359,764
Deposits	5	59,315,597	47,175,239	40,172,414
Acceptances		115,801	77,438	101,446
Other liabilities	7	2,671,480	3,183,484	3,307,221
Current tax liability		-	1,081,585	-
Derivative instruments		11,081,402	11,289,275	11,282,044
<b>Total Liabilities</b>		<u>3,416,060,223</u>	<u>2,757,049,560</u>	<u>2,724,222,889</u>
<b>Equity</b>				
Head Office capital	9	83,000,000	83,000,000	83,000,000
Retained earnings		15,917,153	26,743,679	31,559,518
Available-for-sale revaluation reserve		(774,834)	(34,528)	123,457
<b>Total Equity</b>		<u>98,142,319</u>	<u>109,709,151</u>	<u>114,682,975</u>
<b>Total Liabilities and Equity</b>		<u>3,514,202,542</u>	<u>2,866,758,711</u>	<u>2,838,905,864</u>
<b>Total Interest Earning and Discount Bearing Assets</b>				
		3,480,660,985	2,846,394,582	2,794,485,003
<b>Total Interest and Discount Bearing Liabilities</b>				
		3,388,394,109	2,735,971,237	2,702,857,881

The condensed interim statement of financial position is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### Condensed Statement of Cash Flows

	Nine Months ended 31 December 2013 Unaudited NZD	Nine Months ended 31 December 2012 Unaudited NZD
<b>Cash Flows from Operating Activities</b>		
Interest income received	74,644,943	61,670,440
Commission fees & trading income	12,754,520	11,800,452
Interest paid	(66,398,586)	(54,596,392)
Payment to suppliers, employees and others	(3,570,006)	(2,575,631)
<b>Net cash flows from operating activities before changes in operating assets and liabilities</b>	<b>17,430,871</b>	<b>16,298,869</b>
<b>Net (increase) / decrease in operating assets:</b>		
Net (increase) in corporate loans originated by the Bank	(569,558,023)	(130,952,979)
Net (increase) in amounts due from other financial institutions	(974,420)	(111,330)
Net (increase) in available-for-sale securities	(47,002,296)	(92,078,417)
Net decrease in amounts due from related parties	21,627,908	16,375,259
Net (increase) / decrease in other assets	(4,937,857)	53,302,205
	(600,844,688)	(153,465,262)
<b>Net increase / (decrease) in operating liabilities:</b>		
Net increase / (decrease) in deposits	19,148,306	(11,841,976)
Net increase in amounts due to related parties	672,987,208	338,462,738
Net increase / (decrease) in other liabilities	2,832,572	(54,058,221)
	694,968,086	272,562,541
<b>Net cash flows from operating activities before income tax</b>	<b>111,554,269</b>	<b>135,396,148</b>
Net tax paid	(2,000,000)	(2,530,000)
<b>Net cash flows from operating activities</b>	<b>109,554,269</b>	<b>132,866,148</b>
<b>Cash Flows from Investing Activities</b>		
Payment for property, plant and equipment	(41,968)	(302,751)
<b>Net cash flows from investing activities</b>	<b>(41,968)</b>	<b>(302,751)</b>
<b>Cash Flows from Financing Activities</b>		
Remittance to the Overseas Bank	-	-
Capital injection	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents</b>		
Net increase in cash and cash equivalents	109,512,301	132,563,397
Cash and cash equivalents at beginning of year	66,103,389	41,081,089
<b>Cash and cash equivalents at end of the period</b>	<b>175,615,690</b>	<b>173,644,486</b>
<b>Reconciliation of Closing Cash and Cash Equivalents</b>		
Cash and short term liquid assets	175,615,690	173,644,486
<b>Closing cash and cash equivalents</b>	<b>175,615,690</b>	<b>173,644,486</b>

The condensed interim statement of cash flows is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

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### Condensed Statement of Cash Flows (continued)

	<b>Nine Months ended 31 December 2013 Unaudited NZD</b>	<b>Nine Months ended 31 December 2012 Unaudited NZD</b>
Reconciliation of (loss) / profit from continuing operations to net cash flows from operating activities		
(Loss) / profit from continuing operations	(15,642,365)	14,520,205
(Increase) in corporate loans	(571,473,551)	(131,686,334)
(Increase) in due from other financial institutions	(974,420)	(111,330)
(Increase) in available-for-sale securities	(45,815,710)	(93,209,812)
Decrease in due from related parties	21,627,908	16,375,259
(Increase) in other assets	(1,227,311)	(333,623)
Increase / (decrease) in deposits	19,143,183	(11,838,219)
Increase in due to related parties	673,516,179	337,896,747
(Decrease) in other payable (cash)	(380,737)	(440,442)
Increase in provision for credit impairment	41,600,000	-
Movement in tax provision	(9,603,697)	1,380,746
Non-cash items:		
Depreciation of property, plant and equipment	260,064	294,755
Other	(1,475,274)	18,196
Net cash flows from operating activities	109,554,269	132,866,148

The condensed interim statement of cash flows is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

# Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

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## 1. Statement of Significant Accounting Principles

### a) Statement of Compliance

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch (“The Branch”) operates in Auckland, New Zealand and the Registered Bank is incorporated in Japan. The Branch is profit-oriented. The condensed interim financial statements of the Branch incorporated in this Disclosure Statement have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (‘NZ GAAP’) and comply with the requirements of NZ IAS 34 Interim Financial Reporting and Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No. 2) 2013. These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting. The Branch does not qualify for any differential reporting exemptions and the financial statements should be read in conjunction with the financial statements for the year ended 31 March 2013.

The condensed interim financial statements were authorized for issue by the directors on the date of signing this Disclosure Statement.

### b) Basis of preparation

The condensed interim financial statements are presented in New Zealand dollars.

The condensed interim financial statements have been prepared on the historical cost basis, except for the revaluation of certain non-current assets and financial instruments.

Cost is based on the fair-value of the consideration given in exchange for assets.

### c) Changes in accounting policy

Whilst there have been no material changes in accounting policies since the last financial statement for year ended 31 March 2013, the Branch has adopted IFRS 13 ‘Fair value measurement’ which is effective from 1 January 2013. Additional fair value disclosures have been included on adoption but have not had a material impact on the condensed interim financial statements.

### d) Comparative figures

Certain comparative figures have been re-stated to comply with the current year presentation.

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 2. Profit Before Income Tax Expense

	Nine Months ended 31 December 2013 Unaudited NZD	Nine Months ended 31 December 2012 Unaudited NZD
<b>Operating revenue</b>		
<b>a) Interest income</b>		
Corporate loans and other accounts	75,364,296	63,526,628
Related parties	9,589	8,562
	75,373,885	63,535,190
<b>(b) Other operating income</b>		
Fees and commissions income	12,665,326	11,684,510
Net gain on interest rate derivatives	84,095	99,486
Net gain on currency derivatives	-	355
Net gain / (loss) on foreign currency	1,232	1,311
Other income	3,867	14,790
	12,754,520	11,800,452
	88,128,405	75,335,642
Total interest income derived from financial assets:		
At amortised cost	72,995,744	62,611,042
Available-for-sale securities	2,378,141	924,148
Designated at fair value through profit or loss	-	-
Total fee income derived from financial assets that are not at fair value through profit and loss		
Net (loss) on financial assets/liabilities held for trading	(27,354)	(37,661)
Net realised gain on held for trading	112,681	138,813
Other fee income	515,057	61,423
Other income	3,867	14,790
	88,128,405	75,335,642
<b>Expenses</b>		
<b>(a) Interest expense</b>		
Deposits and other accounts	986,682	2,262,284
Related parties	65,935,752	51,771,874
	66,922,434	54,034,158
Total interest expense was derived from financial liabilities:		
At amortised cost	66,922,434	54,034,158
Designated at fair value through profit and loss	-	-
	66,922,434	54,034,158
<b>(b) Other operating expenses</b>		
Rental & operating lease costs	140,237	142,207
Depreciation		
Furniture, fixtures and fittings	62,640	158,853
Office equipment	188,250	128,368
Motor vehicles	9,175	7,534
Auditors' remuneration		
Audit fees	110,834	116,923
Other non-audit services	-	-
Salaries	1,865,297	1,612,560
Staff related cost	77,521	206,406
General administration and other operating expenses	398,079	497,682
Provision for credit impairment	41,600,000	-
	44,452,033	2,870,533
(Loss) / profit before income tax expense	(23,246,062)	18,430,951

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 3. Property, Plant and Equipment

During the nine months ended 31 December 2013 the Branch acquired property, plant and equipment with a cost of NZD 44,421 (nine months ended 31 December 2012: NZD 303,225; twelve months ended 31 March 2013: NZD 733,714).

During the nine months ended 31 December 2013 the Branch disposed property, plant and equipment with the carrying amount of NZD 2,452 (nine months ended 31 December 2012: NZD 474; twelve months ended 31 March 2013: NZD 1,902).

There was no impairment loss for property, plant and equipment recognized during the nine months ended 31 December 2013 (nine months ended 31 December 2012: Nil; twelve months ended 31 March 2013: Nil).

### 4. Loans and Advances

	As at 31 December 2013 Unaudited NZD	As at 31 December 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Corporate loans originated by the bank	3,063,465,090	2,505,616,512	2,508,295,887
Less: individual impairment allowance	(25,295,652)	-	-
	3,038,169,438	2,505,616,512	2,508,295,887

### 5. Deposits

	As at 31 December 2013 Unaudited NZD	As at 31 December 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Retail deposit bearing interest	189,498	6,728,286	606,270
Retail deposit not bearing interest	13,797,431	5,446,541	6,674,297
Certificate deposit	9,901,389	20,906,123	10,973,747
Call deposit	32,520,955	10,783,084	16,652,086
Term deposit	2,906,324	3,311,205	5,266,014
	59,315,597	47,175,239	40,172,414

### 6. Total Liabilities of the Branch Net of Amounts Due to Related Parties

	As at 31 December 2013 Unaudited NZD	As at 31 December 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Total Liabilities	3,416,060,223	2,757,049,560	2,724,222,889
Less: total amounts due to related parties	(3,346,416,513)	(2,698,296,382)	(2,672,713,166)
Total liabilities net of amounts due to related parties	69,643,710	58,753,178	51,509,723

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 7. Other Liabilities

	As at 31 December 2013 Unaudited NZD	As at 31 December 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Provision	119,197	132,644	119,572
Unearned income	2,126,334	2,863,842	2,816,012
Others	425,949	186,998	371,637
	2,671,480	3,183,484	3,307,221

### 8. Commitments and Contingent Liabilities

	As at 31 December 2013 Unaudited NZD	As at 31 December 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
a) Future lease rental commitments			
Operating lease (primarily premises)			
Due within 1 year	174,618	174,618	174,618
Due within 1 - 2 years	130,842	174,618	174,618
Due within 2 - 5 years	-	130,842	87,187
Due over 5 years	-	-	-
	305,460	480,078	436,423
b) Other commitments			
Undrawn facility commitments	585,981,322	1,148,815,012	1,105,729,287
c) Contingent liabilities			
Guarantees given	1,435,000	1,573,839	1,573,839
Performance related contingencies	4,692,782	600,000	34,704,965
Trade related contingencies	-	57,060	6,028
	6,127,782	2,230,899	36,284,832

The Branch provides guarantees in its normal course of business on behalf of its customers and there are three principal types of guarantee:

- Guarantee given – a financial guarantee that is an agreement by which the Branch agrees to pay an amount of money on demand on behalf of a customer to a third party during the life of the guarantee.
- Performance related contingencies – a guarantee given by the Branch that undertakes to pay a sum of money to a third party where the customer fails to carry out certain terms and conditions of a contract.



## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 8. Commitments and Contingent Liabilities (continued)

- Trade related contingencies – contingent liabilities arising from trade-related obligations secured against an underlying shipment of goods to make a payment to a third party if a counterparty fails to perform a contractual non-monetary obligation.

The credit risk involved in issuing guarantees is essentially the same as that involved in extending loan facilities to customers. Apart from the normal documentation for a facility of this type, the customer must also provide the Branch with a written indemnity, undertaking that, in the event the Branch is called upon to pay, the Branch will be fully reimbursed by the customer.

The Branch has no financial assets that have been pledged as collateral for liabilities or contingent liabilities.

### 9. Related Party Disclosures

The Auckland Branch is a branch of an overseas company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., which is incorporated in Japan and is the ultimate parent bank.

Related party transactions are unsecured and entered into in the normal course of business. During the period there have been dealings between Auckland branch, other overseas branches and Head Office. Amounts due from related parties are only related to settlement account which is due on demand. Amount due to related parties is mainly term deposits which are due in according to agreed date. No related party debts have been written off or forgiven during the reporting period.

	Nine Months ended 31 December 2013 Unaudited NZD	Nine Months ended 31 December 2012 Unaudited NZD	Twelve Months ended 31 March 2013 Audited NZD
<b>A) Balances</b>			
<b>Assets</b>			
Amounts due from related parties	9,049,242	7,000,095	30,677,150
Derivative instruments	7,682,831	7,243,907	8,007,173
	16,732,073	14,244,002	38,684,323
<b>Liabilities</b>			
Amounts due to related parties	3,342,875,943	2,694,242,539	2,669,359,764
Derivative instruments	3,540,570	4,053,843	3,353,402
	3,346,416,513	2,698,296,382	2,672,713,166
<b>Equity</b>			
Head Office capital	83,000,000	83,000,000	83,000,000
<b>Off Balance Sheet</b>			
Guarantees given	135,000	135,000	135,000
Performance related contingencies	692,782	600,000	30,692,782
	827,782	735,000	30,827,782
<b>B) Transactions</b>			
Interest income	9,589	8,562	8,562
Interest expense	65,935,752	51,771,874	70,684,062
Net gain / (loss) from derivative instruments	1,415,000	(1,406,094)	(1,433,835)
Fees and commissions income	9,796	232	1,066

Other transactions like sundry administrative charges are not material to the results and are therefore not disclosed separately.

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 10. Fair Value of Financial Instruments

Quoted market prices, where available, are used to estimate the fair value of financial instruments. However, quoted market prices are not available for a substantial portion of financial instruments and fair value for such financial instruments is estimated using discounted cash flow models by using prices from observable current market transactions or other valuation techniques. The summary table shows the carrying amounts and estimated fair values of financial instruments as at the reporting date. The valuation techniques and input used to estimate the fair value of the financial instruments are:

- a. For those assets or liabilities that are short term in nature, the related carrying value is equivalent to their fair value.
- b. For floating rate loans and deposits, the carrying amount in the statement of financial position is considered a reasonable estimate of their fair value after making allowances for impairment. For fixed rate loans and deposits, fair value is estimated using discounted cash flow models based on current market rates.
- c. The fair values of derivative instruments are calculated using discounted cash flow model. Swap transactions are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rate. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- d. The fair values of available-for-sales securities are derived from quoted price in the active market.

31 December 2013 Unaudited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
<b>Assets</b>							
Cash and cash equivalents	a	-	-	175,615,690	-	175,615,690	175,615,690
Amounts due from related parties	a	-	-	9,049,242	-	9,049,242	9,049,242
Amounts due from other financial institutions	a	-	-	89,889,962	-	89,889,962	89,889,962
Available-for-sale securities	d	-	176,985,895	-	-	176,985,895	176,985,895
Corporate loans originated by the Bank	b	-	-	3,038,169,438	-	3,038,169,438	3,043,939,241
Other assets	c, a	11,306,011	-	2,183,685	-	13,489,696	13,489,696
<b>Total financial assets</b>		<b>11,306,011</b>	<b>176,985,895</b>	<b>3,314,908,017</b>	<b>-</b>	<b>3,503,199,923</b>	<b>3,508,969,726</b>
<b>Liabilities</b>							
Amounts due to related parties	b	-	-	-	3,342,875,943	3,342,875,943	3,354,802,721
Deposits	b	-	-	-	59,315,597	59,315,597	59,315,597
Other liabilities	c, a	11,081,402	-	-	115,801	11,197,203	11,197,203
<b>Total financial liabilities</b>		<b>11,081,402</b>	<b>-</b>	<b>-</b>	<b>3,402,307,341</b>	<b>3,413,388,743</b>	<b>3,425,315,521</b>

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 10. Fair Value of Financial Instruments (continued)

31 March 2013 Audited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
<b>Assets</b>							
Cash and cash equivalents	a	-	-	66,103,389	-	66,103,389	66,103,389
Amounts due from related parties	a	-	-	30,677,150	-	30,677,150	30,677,150
Amounts due from other financial institutions	a	-	-	88,915,542	-	88,915,542	88,915,542
Available-for-sale securities	d	-	131,170,185	-	-	131,170,185	131,170,185
Corporate loans originated by the Bank	b	-	-	2,508,295,887	-	2,508,295,887	2,515,169,156
Other assets	c, a	11,534,007	-	942,321	-	12,476,328	12,476,328
<b>Total financial assets</b>		<b>11,534,007</b>	<b>131,170,185</b>	<b>2,694,934,289</b>	<b>-</b>	<b>2,837,638,481</b>	<b>2,844,511,750</b>
<b>Liabilities</b>							
Amounts due to related parties	b	-	-	-	2,669,359,764	2,669,359,764	2,678,781,436
Deposits	b	-	-	-	40,172,414	40,172,414	40,172,414
Other liabilities	c, a	11,282,044	-	-	101,446	11,383,490	11,383,490
<b>Total financial liabilities</b>		<b>11,282,044</b>	<b>-</b>	<b>-</b>	<b>2,709,633,624</b>	<b>2,720,915,668</b>	<b>2,730,337,340</b>

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability for substantially the entire term of the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31 December 2013		31 March 2013	
	Level 1	Level 2	Level 1	Level 2
<b>Derivative financial assets</b>				
Interest rate swaps	-	4,334,822	-	1,216,216
Currency Options	-	591,941	-	-
FX forwards	-	6,379,248	-	10,317,791
<b>Total derivative financial assets</b>	<b>-</b>	<b>11,306,011</b>	<b>-</b>	<b>11,534,007</b>
<b>Derivative financial liabilities</b>				
Interest rate swaps	-	4,110,213	-	964,253
Currency Options	-	591,941	-	-
FX forwards	-	6,379,248	-	10,317,791
<b>Total derivative financial liabilities</b>	<b>-</b>	<b>11,081,402</b>	<b>-</b>	<b>11,282,044</b>
Available-for-sale securities	176,985,895	-	131,170,185	-

There were no financial assets and liabilities which carried at fair value categorised under Level 3 in this year.

The branch's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There was also no transfer between level 1, level 2 and level 3 of the fair value hierarchy.

# Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

## 11. Liquidity Risk Management

Liquidity risk is the risk that the Branch will not have sufficient funds to meet its financial obligations. The Branch has policies to ensure that sufficient funds are available to meet its obligations as and when they fall due, and to maintain a prudent level of liquidity buffer to meet unexpected demands for funds under adverse market situations. To achieve this objective, the Branch adopts a set of liquidity management strategies which limits the liquidity risk to acceptable levels. The compliance of such internal limits are being independently monitored and regularly reported to the Regional Head for Australia and New Zealand. A contingency plan has been developed in the event of a major liquidity problem. The operations of the Branch are subject to these policies.

The Branch measures its liquidity requirements by undertaking scenario analysis under the following two scenarios:

Going-concern – which refers to the normal behaviour of cashflows in the ordinary course of business and would form the day-to-day focus of a bank’s liquidity management.

Bank-specific (“name”) crisis – which covers the behaviour of cash flows where there is some actual or perceived problem with the Branch.

The Branch is committed to raising its liabilities from a wide range of institutional and corporate lenders. This reduces dependence upon certain lenders and the possibility that a large portion of the deposit base will be withdrawn with little notice. As part of its liquidity management policies, the Branch maintains a portfolio of readily liquid assets and has established committed funding arrangements from other institutions. Liquidity is managed by the Treasury Department of the Sydney Branch under the supervision of the Oceania Region Asset and Liability Management Committee. Reports on liquidity are reviewed by the Regional Head for Australia and New Zealand, sent to the Parent Bank weekly and presented to the Oceania Region Asset and Liability Management Committee monthly.

The Branch holds the following liquid assets in order to manage its liquidity risk:

	<b>As at 31 December 2013 Unaudited NZD</b>
Cash and short term liquid assets	175,615,690
Amounts due from related parties	9,049,242
Amounts due from other financial institutions	89,889,962
Available-for-sale securities	176,985,895
	<u>451,540,789</u>

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 12. Profitability and Size

The Overseas Banking Group

#### a) Profitability

	<b>Six Months ended 30 September 2013 JPY(000's)</b>
Net Profit After Tax	339,525,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.19 %

#### b) Size

	<b>Six Months ended 30 September 2013 JPY(000's)</b>
Total Assets	192,147,651,000
% Change in total assets over the previous 12 months	13.33 %

### 13. Asset Quality

#### (i) The Overseas Banking Group

	<b>As at 30 September 2013 JPY(000's)</b>
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	1,535,924,000
Total individually impaired assets expressed as a percentage of total assets	0.80 %
Total individual credit impairment allowance	267,955,000
Total individual credit impairment allowance expressed as percentage of total individually impaired assets	17.45 %
Total collective credit impairment allowance	561,978,000

#### (ii) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch.

The provision for impairment is made as a result of downgrading the Registered Bank's internal credit rating of customers due to the customer's financial position. The provision represents the Branch's best estimate of the difference between the carrying amount of the loan and the recoverable amount based on expected future cash flows.

	<b>As at 31 December 2013 Unaudited NZD</b>
Individual impaired assets:	
Balance at the beginning of the period	-
Addition during the period	63,623,731
Balance at the end of the period	63,623,731

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

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### 13. Asset Quality (continued)

	As at 31 December 2013 Unaudited NZD
Total individual credit impairment allowance	25,295,652

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any collective credit impairment allowance, and any past due but not impaired assets as at 31 December 2013. The total collective credit impairment allowance of the Overseas Banking Group covers the assets of the Branch.

#### Individual provision for loan impairment

	As at 31 December 2013 Unaudited NZD
Balance at the beginning of the period	-
Charge to impairment of loans in profit and loss	41,600,000
Amounts written off	(16,304,348)
Balance at the end of the period	25,295,652

Due to loan restructure arrangement of the customer, part of the loan value at \$16,304,348 was converted to Redeemable Preference Share (RPS) and the converted value has been treated as fully impaired. The remaining loan is treated as non-performing without interest accrual. The provision for loan impairment has been made for the remaining loan.

#### Profit or loss charge

	Nine Months ended 31 December 2013 Unaudited NZD
Specific provisions for impairment against advances	41,600,000
Total provisions for impairment against advances	41,600,000

There is no undrawn balance on lending commitments to counterparties for whom drawn balances are classified as individually impaired. There are no other amounts under administration.

# Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

## 14. Exposures to Market Risk

Aggregate market risk exposures of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch have been derived in accordance with Schedule 9 of the Reserve Bank Order.

**Nine Months ended  
31 December 2013  
Unaudited  
NZD (000's)**

(1) Aggregate Interest Rate Exposure

(a)	Notional capital charge*	1,478
(b)	Implied risk weighted exposure	18,475

(2) Aggregate Foreign Currency Exposure

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any foreign currency exposures.

(3) Aggregate Equity Exposure

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any equity exposures.

\* The Notional Capital Charge is calculated in accordance with Capital Adequacy Framework (Standardized Approach) BS2A.

## 15. Capital Adequacy

The table below presents the consolidated risk-based capital ratios at 31 December 2013 the most recent period for which information is publicly available for the Overseas Banking Group and the Overseas Bank. The underlying figures are calculated in accordance with Japanese banking regulations based upon information derived from the consolidated financial statements prepared in accordance with Japanese GAAP, as required by the Financial Services Agency in Japan. It is expected to maintain a minimum ratio up to full implementation of Basel III at 31/3/2019 based on Basel III Internal rating-based approach as follows:

	2013	2014	2015	2016	2017	2018	2019
Minimum Common Equity Tier 1 ratio	3.5%	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Capital Conservation Buffer				0.625%	1.25%	1.875%	2.5%
Total	3.5%	4.0%	4.5%	5.125%	5.75%	6.375%	7.0%
Minimum Tier 1 ratio	4.5%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Total (with Capital Conservation Buffer)	4.5%	5.5%	6.0%	6.625%	7.25%	7.875%	8.5%
Minimum Capital ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Total (with Capital Conservation Buffer)	8.0%	8.0%	8.0%	8.625%	9.25%	9.875%	10.5%

Both the Overseas Banking Group and the Overseas Bank met those requirements at the reporting date.

### Overseas Banking Group

**As at  
31 December 2013**      **As at  
31 December 2012**

**Capital ratios:**

Common Equity Tier 1 Capital	10.84 %	-
Tier 1 capital	11.96 %	11.67%
Total capital	15.66 %	15.16%

## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

### 15. Capital Adequacy (continued)

Overseas Bank	As at 31 December 2013	As at 31 December 2012
<b>Capital ratios:</b>		
Common Equity Tier 1 Capital	11.25 %	-
Tier 1 capital	13.28 %	12.37%
Total capital	17.36 %	16.11%

The most recent publicly available information in related to capital adequacy framework implemented by the overseas bank and overseas banking group are disclosed under the ultimate holding company's report which can be accessed via the Bank's global website: [www.mufg.jp](http://www.mufg.jp).

### 16. Credit Exposures to Individual Counterparties

Based on actual credit exposures, no credit exposure to any individual counterparty (excluding any booking outside New Zealand) of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch equaled or exceeded 10% of the Overseas Banking Group's equity at nine months ended 31 December 2013.

There is no peak end-of-day aggregate credit exposure to any individual counterparty (excluding any booking outside New Zealand) of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch equaled or exceeded 10% of the Overseas Banking Group's equity as at 31 December 2013 during this accounting period.

The credit exposure to individual counterparties was calculated on the basis on actual end of day aggregate amount of credit exposures by using investment grade credit rating over the period.

### 17. Insurance Business

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch *does not* conduct any insurance business in or outside New Zealand.

### 18. Non-Consolidated Activities

The Bank of Tokyo-Mitsubishi UFJ, Ltd. *does not* conduct in New Zealand outside The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch any insurance business or non-financial activities.

### 19. Securitization, Funds Management, and Other Fiduciary Activities

(a) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in any establishment, marketing, or sponsorship of trust, custodial, funds management or other fiduciary activities.

(b) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in any origination of securitized assets or in the marketing or servicing of securitization schemes.

(c) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in the marketing and distribution of insurance products.



## Notes to the Condensed Interim Financial Statements For the Nine Months Ended 31 December 2013

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### 20. Risk Management Policies

The risk management policies and procedures of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch conform with those of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the “Overseas Banking Group”).

The Branch's application of risk management systems is subject to review by the Overseas Banking Group Audit Office on a periodical basis.

There have been no material changes to the above policies since publication of the previous Disclosure Statement.

### 21. Financial Support

The Auckland Branch is part of The Bank of Tokyo-Mitsubishi UFJ, Ltd. The assets of the Branch are legally available for the satisfaction of debts of the entire company, not solely those appearing in the accompanying statement of financial position, and its debts may result in claims against assets not appearing thereon.

### 22. Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the nine months ended 31 December 2013, that has significantly affected, or may significantly affect, the operations of the branch, the results of the operations, or the state of affairs of the branch in future financial years.