



Bank of Tokyo-Mitsubishi UFJ

**REGISTERED BANK
DISCLOSURE STATEMENTS**

30 JUNE 2013

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

TABLE OF CONTENTS

Disclosure Statement	Page
1. Corporate Information	1
2. Recognition and Priority of Claims of Creditors or Classes in the Event of Insolvency	1
3. Excess of Assets Over Deposit Liabilities	1
4. Guarantee Arrangement	1
5. Directorate	1
6. Auditors	2
7. Conditions of Registration	2
8. Credit Rating	3
9. Other Material Matters	3
10. Financial Statements of the Registered Bank and the Overseas Banking Group	3
11. Directors' and General Manager Auckland Branch's Statement	4

Condensed Interim Financial Statements

Condensed Statement of Comprehensive Income	5
Condensed Statement of Changes in Equity	6
Condensed Statement of Financial Position	7
Condensed Statement of Cash Flows	8

Notes to Condensed Interim Financial Statements

1. Statement of Significant Accounting Principles	10
2. Profit Before Income Tax Expense	11
3. Property, Plant and Equipment	12
4. Loans and Advances	12
5. Deposits	12
6. Total Liabilities of the Branch Net of Amounts Due to Related Parties	12
7. Provision	13
8. Commitments and Contingent Liabilities	13
9. Related Party Disclosures	14
10. Liquidity Risk Management	15
11. Profitability and Size	16
12. Asset Quality	16
13. Exposures to Market Risk	17
14. Capital Adequacy	18

TABLE OF CONTENTS

Notes to Condensed Interim Financial Statements (continued)	Page
15. Credit Exposures to Individual Counterparties	19
16. Insurance Business	19
17. Non-Consolidated Activities	19
18. Securitization, Funds Management, and Other Fiduciary Activities	19
19. Risk Management Policies	19
20. Financial Support	20
21. Subsequent Events	20

Disclosure Statement

For the Three Months Ended 30 June 2013

This Disclosure Statement contains information as required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 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 30 June 2013:

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

Disclosure Statement For the Three Months Ended 30 June 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 who on behalf of 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 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

There has been no change to the conditions of registration since the last Disclosure Statement as at 31 March 2013.

Disclosure Statement For the Three Months Ended 30 June 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	Aa2	24 August 2011
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.mufig.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.mufig.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 Three Months Ended 30 June 2013

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 2013;
- the Disclosure Statement is not false or misleading ;

and over the three months accounting period ended 30 June 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): 26 August 2013

Mr. Michael Ryff
General Manager
Auckland Branch

Dated (Auckland): 26 August 2013

Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

Condensed Statement of Comprehensive Income

	Note	Three Months ended 30 June 2013 Unaudited NZD	Three Months ended 30 June 2012 Unaudited NZD
Interest income	2	23,414,183	20,757,269
Interest expense	2	(21,080,275)	(17,251,592)
Net interest income		<u>2,333,908</u>	<u>3,505,677</u>
Fees and commission income	2	4,455,353	3,983,227
Other income	2	36,092	46,696
Total other income		<u>4,491,445</u>	<u>4,029,923</u>
Occupancy expenses	2	(46,454)	(44,048)
Personnel expenses	2	(465,528)	(478,981)
Auditors' remuneration	2	(45,947)	(65,221)
Administration and other expenses	2	(217,304)	(235,496)
Profit before provision for credit impairment and income tax		<u>6,050,120</u>	<u>6,711,854</u>
Provision for credit impairment	2	(39,200,000)	-
Profit before income tax expense		<u>(33,149,880)</u>	<u>6,711,854</u>
Income tax expense		<u>9,329,262</u>	<u>(1,592,735)</u>
Profit from continuing operations		<u>(23,820,618)</u>	<u>5,119,119</u>
Other comprehensive income, net of tax			
Available-for-sale securities			
- Loss arising during the year		(934,193)	(106,778)
- Less: Reclassification adjustments for loss included in profit or loss		<u>11,668</u>	-
		(922,525)	(106,778)
Income tax expense on available-for-sale securities		<u>258,307</u>	<u>29,898</u>
		<u>(664,218)</u>	<u>(76,880)</u>
Total comprehensive income, net of tax		<u>(24,484,836)</u>	<u>5,042,239</u>

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

Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

Condensed Statement of Changes in Equity

**Unaudited
NZD**

	Head Office Capital	Retained Earnings	Available-for- sale Revaluation Reserve	Total
Balance at 1 April 2012	83,000,000	12,223,474	-	95,223,474
Profit from continuing operations	-	5,119,119	-	5,119,119
Other comprehensive income, net of tax	-	-	(76,880)	(76,880)
Profit and total comprehensive income net of tax	-	5,119,119	(76,880)	5,042,239
Balance at 30 June 2012	83,000,000	17,342,593	(76,880)	100,265,713
Balance at 1 April 2013	83,000,000	31,559,518	123,457	114,682,975
Profit from continuing operations	-	(23,820,618)	-	(23,812,217)
Other comprehensive income, net of tax	-	-	(664,218)	(672,619)
Profit and total comprehensive income, net of tax	-	(23,820,618)	(664,218)	(24,484,836)
Balance at 30 June 2013	83,000,000	7,738,900	(540,761)	90,198,139

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

Condensed Interim Financial Statements As at 30 June 2013

Condensed Statement of Financial Position

	Note	As at 30 June 2013 Unaudited NZD	As at 30 June 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Assets				
Cash and short term liquid assets		94,677,956	31,930,914	66,103,389
Amounts due from related parties	9	6,212,181	24,845,024	30,677,150
Amounts due from other financial institutions		89,876,609	73,836,847	88,915,542
Available-for-sale securities		126,743,907	51,498,772	131,170,185
Corporate loans originated by the Bank	4	2,683,111,462	2,564,919,405	2,508,295,887
Acceptances of customers		40,907	-	101,446
Other assets		1,008,044	185,165	863,058
Current tax asset		-	-	38,742
Deferred tax asset		11,072,785	81,418	96,046
Property, plant and equipment	3	1,025,363	888,919	1,110,412
Derivative instruments		12,263,366	53,720,439	11,534,007
Total Assets		<u>3,026,032,580</u>	<u>2,801,906,903</u>	<u>2,838,905,864</u>
Liabilities				
Amounts due to related parties	9	2,881,931,393	2,568,680,901	2,669,359,764
Deposits	5	38,275,249	75,630,405	40,172,414
Acceptances		40,907	-	101,446
Provisions	7	2,722,484	3,086,845	3,307,221
Current tax liability		850,429	757,082	-
Derivative instruments		12,013,979	53,485,957	11,282,044
Total Liabilities		<u>2,935,834,441</u>	<u>2,701,641,190</u>	<u>2,724,222,889</u>
Equity				
Head Office capital	9	83,000,000	83,000,000	83,000,000
Retained earnings		7,738,900	17,265,713	31,559,518
Available-for-sale revaluation reserve		(540,761)	-	123,457
Total Equity		<u>90,198,139</u>	<u>100,265,713</u>	<u>114,682,975</u>
Total Liabilities and Equity		<u>3,026,032,580</u>	<u>2,801,906,903</u>	<u>2,838,905,864</u>
Total Interest Earning and Discount Bearing Assets				
		3,033,609,934	2,711,839,765	2,794,485,003
Total Interest and Discount Bearing Liabilities				
		2,914,188,119	2,633,393,510	2,702,857,881

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

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

Condensed Statement of Cash Flows

	Three Months ended 30 June 2013 Unaudited NZD	Three Months ended 30 June 2012 Unaudited NZD
Cash Flows from Operating Activities		
Interest income received	24,983,781	18,168,050
Commission fees & trading income	4,491,445	4,029,923
Interest paid	(21,808,082)	(17,882,075)
Payment to suppliers, employees and others	(1,678,073)	(848,868)
Net cash flows from operating activities before changes in operating assets and liabilities	5,989,071	3,467,030
Net (increase) / decrease in operating assets:		
Net (increase) in corporate loans originated by the Bank	(214,169,448)	(188,400,008)
Net (increase) in amounts due from other financial institutions	(961,067)	(24,405)
Net decrease / (increase) in available-for-sale securities	3,010,553	(51,498,772)
Net decrease / (increase) in amounts due from related parties	24,464,969	(1,469,670)
Net (increase) / decrease in other assets	(1,314,898)	7,155,512
	(188,969,891)	(234,237,343)
Net increase / (decrease) in operating liabilities:		
Net (decrease) / increase in deposits	(1,886,580)	16,613,009
Net increase in amounts due to related parties	213,288,851	212,969,530
Net increase / (decrease) in other liabilities	653,116	(7,225,321)
	212,055,387	222,357,218
Net cash flows from operating activities before income tax	29,074,567	(8,413,095)
Net tax paid	(500,000)	(529,899)
Net cash flows from operating activities	28,574,567	(8,942,994)
Cash Flows from Investing Activities		
Payment for property, plant and equipment	-	(207,181)
Net cash flows from investing activities	-	(207,181)
Cash Flows from Financing Activities		
Remittance to the Overseas Bank	-	-
Capital injection	-	-
Net cash flows from financing activities	-	-
Net Increase in Cash and Cash Equivalents		
Net increase / (decrease) in cash and cash equivalents	28,574,567	(9,150,175)
Cash and cash equivalents at beginning of year	66,103,389	41,081,089
Cash and cash equivalents at end of the period	94,677,956	31,930,914
Reconciliation of Closing Cash and Cash Equivalents		
Cash and short term liquid assets	94,677,956	31,930,914
Closing cash and cash equivalents	94,677,956	31,930,914

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

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

Condensed Statement of Cash Flows (continued)

	Three Months ended 30 June 2013 Unaudited NZD	Three Months ended 30 June 2012 Unaudited NZD
Reconciliation of profit from continuing operations to net cash used in operating activities		
Profit from continuing operations	(23,820,618)	5,119,119
(Increase) in corporate loans	(214,169,448)	(188,400,008)
(Increase) in due from other financial institutions	(961,067)	(24,405)
Decrease / (increase) in available-for-sale securities	3,010,553	(51,498,772)
Decrease / (increase) in due from related parties	24,464,969	(1,469,670)
Decrease / (increase) in interest receivable	1,569,597	(2,589,219)
(Increase) / decrease in other assets	(144,985)	456,989
(Decrease) / increase in deposits	(1,886,580)	16,613,009
Increase in due to related parties	213,288,851	212,969,530
(Decrease) in interest payable	(727,807)	(630,483)
(Decrease) in other payable (cash)	(319,108)	(717,770)
Increase in loan loss provision	39,200,000	-
Movement in tax provision	(9,829,261)	1,062,836
Non-Cash items:		
Depreciation of property, plant and equipment	85,049	94,976
Other	(1,185,578)	70,874
Net cash flows from operating activities	28,574,567	(8,942,994)

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

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

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 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

There have been no material changes in accounting policies since the last annual financial statements for year ended 31 March 2013.

d) Comparative figures

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

For the statement of financial positions as at 30 June 2012, the Branch has reclassified NZD 10,346,173 of Interest receivable into Corporate loans originated by the Bank, NZD 20,275 of Interest Payable into Deposits and NZD 6,619,365 of Interest payable into Amount due to related parties. This has no impact on net assets, total comprehensive income and cash flows from operating activities.

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

2. Profit Before Income Tax Expense

	Three Months ended 30 June 2013 Unaudited NZD	Three Months ended 30 June 2012 Unaudited NZD
Operating revenue		
a) Interest income		
Corporate loans and other accounts	23,404,594	20,757,269
Related parties	9,589	-
	23,414,183	20,757,269
(b) Other operating income		
Fees and commissions income	4,455,353	3,983,227
Net gain on interest rate derivatives	32,286	32,302
Net gain on currency derivatives	-	240
Net gain / (loss) on foreign currency	3,768	(1,307)
Other income	38	15,461
	4,491,445	4,029,923
	27,905,628	24,787,192
Total interest income derived from financial assets:		
At amortised cost	22,663,739	20,757,269
Available-for-sale securities	750,444	-
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		
	4,402,507	3,962,195
Net (loss) on financial assets/liabilities held for trading	(2,576)	(16,013)
Net realised gain on held for trading	38,630	47,248
Other fee income	52,846	21,032
Other income	38	15,461
	27,905,628	24,787,192
Expenses		
(a) Interest expense		
Deposits and other accounts	259,262	498,603
Related parties	20,821,013	16,752,989
	21,080,275	17,251,592
Total interest expense was derived from financial liabilities:		
At amortised cost	21,080,275	17,251,592
Designated at fair value through profit and loss	-	-
	21,080,275	17,251,592
(b) Other operating expenses		
Rental & operating lease costs	46,454	44,048
Depreciation		
Furniture, fixtures and fittings	20,880	62,921
Office equipment	62,677	29,544
Motor vehicles	1,492	2,511
Auditors' remuneration		
Audit fees	45,947	53,066
Other non-audit services	-	12,155
Salaries	467,692	420,477
Staff related cost	(2,164)	58,504
General administration and other operating expenses	132,255	140,520
Provision for credit impairment	39,200,000	-
	39,975,233	823,746
Profit before income tax expense	(33,149,880)	6,711,854

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

3. Property, Plant and Equipment

During the three months ended 30 June 2013 the Branch acquired property, plant and equipment with a cost of NZD Nil (three months ended 30 June 2012: NZD 207,181; twelve months ended 31 March 2013: NZD 733,714).

During the three months ended 30 June 2013 the Branch disposed property, plant and equipment with the carrying amount of NZD Nil (three months ended 30 June 2012: Nil; twelve months ended 31 March 2013: NZD 1,902).

There was no impairment loss for property, plant and equipment recognized during the three months ended 30 June 2013 (three months ended 30 June 2012: Nil; twelve months ended 31 March 2013: Nil).

4. Loans and Advances

	As at 30 June 2013 Unaudited NZD	As at 30 June 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Corporate loans originated by the bank	2,722,311,462	2,564,919,405	2,508,295,887
Less: individual impairment allowance	39,200,000	-	-
	2,683,111,462	2,564,919,405	2,508,295,887

5. Deposits

	As at 30 June 2013 Unaudited NZD	As at 30 June 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Retail deposit bearing interest	2,379,496	850,914	606,270
Retail deposit not bearing interest	6,018,523	4,278,155	6,674,297
Certificate deposit	14,732,876	30,515,313	10,973,747
Call deposit	11,639,548	16,444,693	16,652,086
Term deposit	3,504,806	23,541,330	5,266,014
	38,275,249	75,630,405	40,172,414

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

	As at 30 June 2013 Unaudited NZD	As at 30 June 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Total Liabilities	2,935,834,441	2,701,641,190	2,724,222,889
Less: total amounts due to related parties	(2,889,956,329)	(2,619,696,283)	(2,672,713,166)
Total liabilities net of amounts due to related parties	45,878,112	81,944,907	51,509,723

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

7. Provision

Provisions are recognized in the Branch when there is a legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

	As at 30 June 2013 Unaudited NZD	As at 30 June 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Employee entitlement	99,912	107,937	119,572
Others	2,622,572	2,978,908	3,187,649
	2,722,484	3,086,845	3,307,221

8. Commitments and Contingent Liabilities

	As at 30 June 2013 Unaudited NZD	As at 30 June 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	174,618	174,618	174,618
Due within 2 - 5 years	43,533	221,806	87,187
Due over 5 years	-	-	-
	392,769	571,042	436,423
b) Other commitments			
Undrawn facility commitments	1,010,885,805	966,362,178	1,105,729,287
c) Contingent liabilities			
Guarantees given	1,573,839	1,573,839	1,573,839
Performance related contingencies	35,024,737	21,369,752	34,704,965
Trade related contingencies	-	-	6,028
	36,598,576	22,943,591	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; and
- 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 Three Months Ended 30 June 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.

	Three Months ended 30 June 2013 Unaudited NZD	Three Months ended 30 June 2012 Unaudited NZD	Twelve Months ended 31 March 2013 Audited NZD
A) Balances			
Assets			
Amounts due from related parties	6,212,181	24,845,024	30,677,150
Derivative instruments	4,126,580	5,066,967	8,007,173
	10,338,761	29,911,991	38,684,323
Liabilities			
Amounts due to related parties	2,881,931,393	2,568,680,901	2,669,359,764
Derivative instruments	8,024,936	48,439,752	3,353,402
	2,889,956,329	2,617,120,653	2,672,713,166
Equity			
Head Office capital	83,000,000	83,000,000	83,000,000
Off Balance Sheet			
Guarantees given	135,000	135,000	135,000
Performance related contingencies	30,692,782	21,784,073	30,692,782
	30,827,782	21,919,073	30,827,782
B) Transactions			
Interest income	9,589	-	8,562
Interest expense	20,821,031	16,752,989	70,684,062
Net gain / (loss) from derivative instruments	750,237	4,944,430	(1,433,835)
Fees and commissions income	9,599	-	1,066

Transactions between the Auckland Branch, Head Office and other Overseas Branches are at normal commercial rates. 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 Three Months Ended 30 June 2013

10. 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:

	As at 30 June 2013 Unaudited NZD
Cash and short term liquid assets	94,677,956
Amounts due from related parties	6,212,181
Amounts due from other financial institutions	89,876,609
Available-for-sale securities	126,743,907
	<u>317,510,653</u>

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

11. Profitability and Size

The Overseas Banking Group

a) Profitability

	Twelve Months ended 31 March 2013 JPY(000's)
Net Profit After Tax	673,514,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.39 %

b) Size

	Twelve Months ended 31 March 2013 JPY(000's)
Total Assets	181,625,667,000
% Change in total assets over the previous 12 months	5.80 %

12. Asset Quality

(i) The Overseas Banking Group

	As at 31 March 2013 JPY(000's)
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	1,676,113,000
Total individually impaired assets expressed as a percentage of total assets	0.92 %
Total individual credit impairment allowance	299,751,000
Total individual credit impairment allowance expressed as percentage of total individually impaired assets	17.88 %
Total collective credit impairment allowance	620,782,000

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

	As at 30 June 2013 Unaudited NZD
Total individually impaired assets (before allowances for credit impairment loss)	79,920,066
Total individual credit impairment allowance	39,200,000

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

12. Asset Quality (continued)

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any collective credit impairment allowance, and any at least 90 days past due but not impaired assets as at 30 June 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 30 June 2013 Unaudited NZD
Balance at the beginning of the period	-
Charge to impairment of loans in profit and loss	39,200,000
Balance at the end of the period	39,200,000

Profit or loss charge

	Three Months ended 30 June 2013 Unaudited NZD
Specific provisions for impairment against advances	39,200,000
Total provisions for impairment against advances	39,200,000

13. 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.

	Three Months ended 30 June 2013 Unaudited NZD (000's)
(1) Aggregate Interest Rate Exposure	
(a) Notional capital charge	673
(b) Implied risk weighted exposure	8,413

(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.

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

14. Capital Adequacy

The table below presents the consolidated risk-based capital ratios at 31 March 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
30 June 2013** **As at
30 June 2012**

Capital ratios:

Common Equity Tier 1 Capital	11.63 %	-
Tier 1 capital	13.19 %	12.34 %
Total capital	17.29 %	16.02 %

Overseas Bank

**As at
30 June 2013** **As at
30 June 2012**

Capital ratios:

Common Equity Tier 1 Capital	11.71 %	-
Tier 1 capital	13.90 %	13.19 %
Total capital	18.21 %	17.18 %

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.

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

15. 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 three months ended 30 June 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 30 June 2013 during this accounting period.

The credit exposure to individual counterparties were calculated on the basis on actual end of day aggregate amount of credit exposures by using investment grade credit rating over the period. There are no specific provisions.

16. Insurance Business

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

17. 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.

18. 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.

19. 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.

Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2013

20. 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.

21. 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 three months ended 30 June 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.